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Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Thursday, June 17, 1982*

The House met at 10 a.m.

Rev. Dr. Leopold W. Burnhard, Reformation Church, Washington, D.C., offered the following prayer:

Gracious and Almighty God, the Author of life and peace, You have entrusted to the elected Representatives of the American people the responsibility to govern this people justly and well and to maintain and establish peace in Your world. Grant us grace to remember that our power is of You and our ultimate accountability is to You. Enable us by Your mercy to rise above selfishness and fear, and to discharge our duties faithfully and joyfully. Help us to remember the countless millions of Your children in this and other nations who live in poverty and despair. Let our labors and our laws bring relief to them. Give us the ability to see the right and the courage to do it. For Your name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. CORCORAN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CORCORAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 338, nays 29, answered "present" 1, not voting 64, as follows:

[Roll No. 153]

YEAS—338

Addabbo	Davis	Hatcher	Michel	Rangel	Stanton
Akaka	de la Garza	Hawkins	Mikulski	Ratchford	Stark
Albosta	Deckard	Hefner	Miller (CA)	Regula	Staton
Alexander	Dellums	Hertel	Mineta	Reuss	Stokes
Anderson	DeNardis	Hightower	Minish	Rhodes	Studds
Andrews	Derrick	Hillis	Mitchell (NY)	Rinaldo	Stump
Annunzio	Derwinski	Hollenbeck	Moakley	Ritter	Swift
Anthony	Dicks	Holt	Molinari	Roberts (KS)	Synar
Archer	Dingell	Hopkins	Montgomery	Roberts (SD)	Tauke
Badham	Donnelly	Horton	Moore	Robinson	Tauzin
Bafalis	Dorgan	Howard	Moorhead	Rodino	Taylor
Bailey (PA)	Dougherty	Hoyer	Morrison	Roe	Thomas
Barnard	Downey	Hubbard	Mottl	Rogers	Traxler
Bedell	Dreier	Huckaby	Murtha	Rose	Trible
Beilenson	Duncan	Hughes	Myers	Rosenthal	Udall
Benedict	Dunn	Hunter	Napier	Rostenkowski	Vander Jagt
Benjamin	Dwyer	Hutto	Natcher	Roth	Vento
Bennett	Dymally	Hyde	Neal	Roukema	Volkmer
Bereuter	Early	Ireland	Nelligan	Roybal	Walgren
Bethune	Eckart	Jeffords	Nelson	Rudd	Wampler
Bevill	Edwards (AL)	Jeffries	Nichols	Russo	Watkins
Bingham	Edwards (CA)	Jones (OK)	Nowak	Sawyer	Waxman
Bliley	Emery	Jones (TN)	O'Brien	Schneider	Weaver
Boggs	English	Kastenmeier	Oakar	Schumer	Weber (MN)
Boland	Erdahl	Kazen	Oberstar	Seiberling	Weber (OH)
Boner	Evans (DE)	Kennelly	Obey	Sensenbrenner	Weiss
Bonior	Evans (GA)	Kildee	Oxley	Shamansky	White
Bonker	Fary	Kindness	Panetta	Shannon	Whitehurst
Bouquard	Fascell	Kramer	Parris	Sharp	Whitley
Bowen	Fazio	LaFalce	Pashayan	Shaw	Whittaker
Breaux	Fenwick	Lagomarsino	Patman	Shelby	Williams (MT)
Brinkley	Ferraro	Lantos	Patterson	Shumway	Williams (OH)
Brodhead	Findley	Latta	Paul	Shuster	Winn
Brooks	Fish	Leach	Pease	Siljander	Wirth
Brown (CA)	Flippo	Leath	Pepper	Skeen	Wolf
Brown (CO)	Florio	Lee	Perkins	Skelton	Wolpe
Broyhill	Foglietta	Lehman	Petri	Smith (AL)	Wortley
Burgener	Foley	Lent	Peyser	Smith (IA)	Wright
Burton, Phillip	Ford (TN)	Levitas	Pickle	Smith (NE)	Wyden
Byron	Fowler	Lewis	Porter	Smith (NJ)	Wylie
Campbell	Frank	Livingston	Price	Snowe	Yatron
Carman	Frenzel	Loeffler	Pritchard	Snyder	Young (AK)
Chappell	Frost	Long (LA)	Pursell	Solarz	Young (FL)
Chappie	Fuqua	Lowry (WA)	Quillen	Spence	Young (MO)
Cheney	Gaydos	Lujan	Rahall	St Germain	Zeferetti
Clausen	Gephardt	Lundine	Railsback	Stangeland	
Clinger	Gibbons	Lungren			
Coats	Gilman	Markey			
Coelho	Glickman	Marlenee			
Coleman	Gonzalez	Marriott			
Collins (IL)	Gore	Martin (IL)			
Conable	Gradison	Martin (NC)			
Conte	Gramm	Martin (NY)			
Conyers	Gray	Matsui			
Corcoran	Green	Mattox			
Coughlin	Gregg	Mavroules			
Courter	Grisham	Mazzoli			
Coyne, William	Guarini	McClory			
Craig	Gunderson	McCollum			
Crane, Daniel	Hagedorn	McCurdy			
Crane, Philip	Hall (OH)	McDade			
D'Amours	Hall, Ralph	McDonald			
Daniel, Dan	Hall, Sam	McEwen			
Daniel, R. W.	Hamilton	McGrath			
Dannemeyer	Hammerschmidt	McHugh			
Daschle	Hance	McKinney			
Daub	Hansen (ID)	Mica			

NAYS—29

Bailey (MO)	Goodling	Rousselot
Barnes	Hansen (UT)	Sabo
Butler	Harkin	Schroeder
Dickinson	Hartnett	Smith (OR)
Edgar	Hendon	Solomon
Emerson	Hiler	Stenholm
Evans (IA)	Johnston	Walker
Fields	LeBoutillier	Washington
Forsythe	Mitchell (MD)	Yates
Gejdenson	Roemer	

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—64

Applegate	Bolling	Collins (TX)
Aspin	Broomfield	Coyne, James
Atkinson	Brown (OH)	Crockett
AuCoin	Burton, John	Dixon
Beard	Carney	Dornan
Biaggi	Chisholm	Dowdy
Blanchard	Clay	Dyson

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Edwards (OK)	Jacobs	Mollohan
Erlenborn	Jenkins	Murphy
Ertel	Jones (NC)	Richmond
Evans (IN)	Kemp	Santini
Fiedler	Kogovsek	Savage
Fithian	Leland	Scheuer
Ford (MI)	Long (MD)	Schulze
Fountain	Lott	Simon
Garcia	Lowery (CA)	Smith (PA)
Gingrich	Luken	Stratton
Ginn	Madigan	Whitten
Goldwater	Marks	Wilson
Heckler	McCloskey	Zablocki
Heftel	Miller (OH)	
Holland	Moffett	

□ 1015

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on June 1, 1982, the President approved and signed bills of the House of the following titles:

H.R. 1231. An act for the relief of the Washington Post, the Washington Star, the Dispatch (Lexington, N.C.), the Brooklyn Times, Equity Advertising Agency, Inc., the Seattle Post-Intelligencer, and the News Tribune;

H.R. 1543. An act to confirm a conveyance of certain real property by the Central Pacific Railway Co. and Southern Pacific Co. to A. C. Taber and his wife, Mary Taber;

H.R. 1608. An act for the relief of Mrs. Frieda Simonson; and

H.R. 4769. An act to recognize the organization known as the American Council of Learned Societies.

ADMINISTRATION MUST STOP ALIBIING AND BRING INTEREST RATES DOWN

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, for the past 18 months the administration has been promising lower interest rates just any day now.

Mr. Stockman's budget last year was based on the expectation of 7.2 percent interest rates for 1982. Eighteen months later, the prime rate is stuck at 16.5 percent.

Last year, the President and Secretary Regan were promising that interest rates would come down just as soon as the inflation rate could be brought down. Their recession has brought the inflation rate down, but interest rates are still up, and the rate of business failures is the highest in 40 years, and still rising.

This year, they are promising that lower interest rates will result automatically if we will just let them have their way in the budget. Well, both Houses have done exactly that, and interest rates are not coming down.

The American people have been remarkably patient, but their patience is wearing thin.

It is time for the administration to stop alibiing as to their responsibilities for high interest rates, and to let the Federal Reserve Board know in no uncertain terms that they expect action of an affirmative nature, long overdue, to bring interest rates back down to a livable level, and keep them there.

DEMOCRATS BEAT REPUBLICANS—THE TIDE IS TURNING

(Mr. RUSSO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSSO. Mr. Speaker, following the comments of the gentleman from Texas, I want to point out to the House that the tide is turning. Last night was a prelude to what is going to happen in the November elections. The outmanned, the outgunned, the outspent Democratic baseball team vanquished the Republicans 7 to 5.

The game had all the excitement and thrills of a World Series contest. It had pinpoint pitching, stinging hits, spectacular fielding plays, miraculous putouts, and of course no game would be complete without the misguided missiles being fired from third base to first base.

But, when the dust settled and we looked across the field at the Republican bench, there was their leader, their coach, the gentleman from Massachusetts, a person not known for being a good loser, a person not known for his charismatic statements. He was stomping, he was stammering, gesturing as only SYL CONTE can gesture; shouting and screaming in his native Italian tongue. I will try to translate it, and I will clean it up just a little bit.

He said:

You know, I brought these youngsters along slowly. I wasn't demanding. I cajoled them, I coddled them, I pampered them, I went along with their crazy budget ideas. I even tucked them in at night, and what did I get in return? Misjudged ground balls, 12 stolen bases by the opposition, a half-dozen hits, a stinging defeat—and I will not forget it soon.

Mr. Speaker, it was truly a team effort. Every Democrat contributed to the victory, and the beneficiary was, of course, the Children's Hospital.

But, there were two standouts on the Democratic side, and they are our most valuable players. MIKE SYNAR, who finally learned the English language, and RON MOTTL, who really played one heck of a game as pitcher. MIKE was great at the plate, hitting everything that JOHN LEBOUTILLIER could throw at him, catching everything the Republicans could hit into centerfield. He was fantastic.

RON was equally outstanding, pitching like I have never seen him pitch before; hitting like I have never seen MOTTL hit, and making some of the most spectacular fielding plays in the history of this game. In the 8 years that I have played on the Democratic team, I have never seen anyone play quite the way RON MOTTL played last night.

The Democratic baseball team is going to sorely miss RON MOTTL; and, Mr. Speaker, so is the House of Representatives.

CONGRESSIONAL BASEBALL GAME

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, my own words would be inadequate to describe the action on the diamond last evening as my mighty elephants tasted the unaccustomed to bitterness of defeat at the hands of the Democratic team. Thus, I have borrowed the words of the great poet Coleridge, who so well protrayed the crushing weight of the Albatross we must wear around our necks until next year. I have dedicated this following poem to my great team, and have titled it "The Rime of the Ancient Manager."

I am an ancient manager
And stoppeth one of thee.
"By thy bended back and mournful face,
What canst thou say to me?"
I hold you with a tearful eye
And tell of my defeat
At the hands of the rebel donkeys
Whose victory was complete.

The sides are drawn, the game is on;
My men are braced to score,
And LeBoutillier, with his arm's fair sway
Tried to break their mighty corps.
Pitches, pitches, everywhere
But not a ball to hit.
Pitches, pitches, everywhere
Our team the dust did bit.

McCloskey was here, Fields was there,
The plays were all around.
They fielded and caught, and hit and ran,
Their feet fleet on the ground.
But Fauntroy fetched and Downey delivered
When then the field they took,
While Oxley's bat and Cohen's crack
Couldn't match that Mottl hook.

God save me—the ancient manager,
From the fouls that plague me so!
An Albatross was easier hit
Than an arrow from Mottl's bow!
Our failure last eve is not easy explained
Or our low home run score yield—
We weren't idle as a painted team
Upon a painted field.

We played our game as best they came
And relished every play—
The elephants shall rise again
And win another day!

Now I shall not belabor more
This doleful manager's rime,
So save the tears and condolences
Until they lose next time.

This manager hath now been stung
And is of sense forlorn.
A sadder, but a wiser man
He'll rise to face the morn.

□ 1030

A TRIBUTE TO RON MOTTL, LEGISLATOR AND BASEBALL PLAYER

(Mr. ECKART asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ECKART. Mr. Speaker, June was a tough month for my colleague from Cleveland, RON MOTTL. But although, RON, June started poorly for you, you left June as a big winner, and although indeed some Democrats may have been slightly happier earlier this month, there now are, after your performance on the mound last night, many more Republicans who will join them in their glee, knowing they will not have to face you as our pitcher next year.

You did it all last night. You hit, you fielded, you hustled, you pitched a superb game, although sometimes your fast ball looked more like a change up, the Democrats were better off for your play. You richly deserved being named the Democrat team's most valuable player. You now join a distinguished crew of retired Cleveland hurlers: Early Wynn, Bob Feller, Mike Garcia, Pedro Ramos, and Bob Lemon, as you retire from here with a winning record. We will remember you as having been a hard-fought competitor; the same way you conducted yourself in office.

Mr. Speaker, the Democrats on the baseball team and all of us in the Congress know that RON MOTTL leaves us as a winner.

Good luck, RON.

BUSINESS TAX REFORM ACT OF 1982 WOULD REPEAL WORST FEATURES OF ACRS

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, last year's tax bill had a number of serious problems. But for working Americans, none of those problems was more destructive than the accelerated cost recovery system, or ACRS.

This program had an enormous negative impact on the revenue picture in this country. It will drain $143 billion from the Treasury by 1986. This, as much as anything else, is at the root of the current deficit crisis.

The purpose of this vast tax cut was to stimulate investment. But the result of this great stimulus has been a projected decline in investment.

The Commerce Department reports that businesses are planning to spend 2.4 percent less for new plants and equipment in 1982 than they spent in 1981.

ACRS has had only one success. For big businesses, it has been an absolute bonanza.

This Congress will soon be working on a tax bill. Before we do anything else in taxes this year, we must make major changes in ACRS.

Yesterday I introduced the Business Tax Reform Act of 1982. This bill will repeal the worst features of the ACRS giveaway program.

As a system of incentives, ACRS has clearly failed. If Congress does nothing else this year, we must reform this costly and absolutely ineffective program.

THE CONTROVERSIAL "NO NET COST TOBACCO PROGRAM ACT OF 1982"

(Mr. SHAMANSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAMANSKY. Mr. Speaker, I deeply regret the necessity of my bringing to the attention of the House and, through the press, the American public, the imminent danger that the tobacco lobby is about to railroad H.R. 6590, which is facetiously named the "No Net Cost Tobacco Program Act of 1982," through this legislative body.

The method chosen is to consider this highly controversial bill on a suspension of the rules on Monday next, with a vote—without amendments—on Tuesday.

Such a procedure is appropriate only for noncontroversial bills, and I can assure you, Mr. Speaker, that the grossly misnamed "No Net Cost Tobacco Program Act of 1982" is highly controversial.

Last December, the leadership on both sides of the aisle did not insure due consideration to the black lung bill. It must not make a similar mistake with regard to the procedure prescribed for H.R. 6590.

HONORS FOR TOLEDO SYMPHONY ORCHESTRA

(Mr. WEBER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER of Ohio. Mr. Speaker, I am very proud to announce that today, as a part of National Orchestra Week, the Toledo Symphony Orchestra is being honored by the American Society of Composers and Publishers for its "overall adventuresome programing of contemporary music during 1981–82."

At the same time that the Toledo Symphony performed the familiar works of Beethoven and Mozart, it recognized the need for audiences to hear the exciting innovations of the new, young American composers such as John Corigliano, Edgar Varese, William Balcom, and Ohio's own Donald Erb.

My wife and I for many years occupied front-row seats at the concerts of the Toledo Symphony, now in its 38th season under the baton of Yuval Zaliouk. The 85 musicians who make up the Toledo Symphony perform a real service to the people of northwestern Ohio, playing before concert audiences totaling 165,000 people last year in five different concert series. Among these are thousands of schoolchildren who attend the three young people's concerts and who are also treated to visits by music ensembles from the orchestra at their schools.

In addition to its regular performance schedule, the Toledo Symphony fosters two youth orchestras, a chorale, and a concert band which plays "music under the stars" each Sunday evening during the summer at Toledo's Zoo Amphitheater.

The people of northwestern Ohio support the Toledo Symphony because of its importance to our city and region. In addition to Toledo, concerts have been given in Sandusky, Findlay, Defiance, Hillsdale, and Adrian.

In this day when our ears are bombarded by the noise of all kinds of shouting, screaming, stomping, and strumming, carelessly described as music, it is good to have a place to go for fine music, live in your own community. I salute the Toledo Symphony Orchestra for its service, its high level of performance, and the beautiful music that it provides to my community.

ISLANDS IN THE STORM: OUR NATIONAL PARKS

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I commend to my colleagues an outstanding five-part series entitled "Islands in the Storm: Our National Parks" appearing this week in the Christian Science Monitor. Written by Robert Cahn, an initial member of the Council on Environmental Quality, this series details the precarious position now held by many of our national park system units.

Pressured by the unrelenting waves of visitors and the irrepressible advance of human activity, our premier national parks—for example, Yellowstone and the Grand Canyon—are struggling in their efforts to remain outstanding examples of our Nation's original natural beauty.

Through the Cahn series, you will also learn of the almost insurmountable obstacles facing those who attempt to preserve the delicate artifacts at the ancient ruins at Chaco Canyon, N. Mex. Despite its breadth, the Monitor series can only skim the surface in its discussion of the innumerable forces threatening the integrity of our national parks, seashores,

monuments, battlefields, and historic parks.

Despite the critical nature of the problems outlined in the Monitor series and at recent House Public Lands and National Parks Subcommittee hearings on this issue, hope does exist for a reversal of these frightening trends. The resolution H.R. 5976, the "State of the Parks" bill introduced by this Member, provides what I believe is a realistic, yet effective, approach to solving the natural resource management problems confronting our parks today. You will soon receive another "Dear Colleague" letter which asks you to join the bipartisan group of Members which has already expressed its support for this measure. I earnestly solicit your cosponsorship and support of this bill.

A TRIBUTE TO THE LATE HON. ALEXANDER PIRNIE, FORMER MEMBER OF CONGRESS

(Mr. MITCHELL of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of New York. Mr. Speaker, it is with great personal sorrow that I report the death of my friend and our former colleague, Alexander Pirnie of Utica, N.Y. Congressman Pirnie passed away last Saturday after a heart attack. He was buried yesterday in a private, family-only ceremony.

As my predecessor in Congress, Al Pirnie served seven terms from 1958 to 1972. During his tenure, he rose to become a ranking minority member of the Armed Services Committee and served as chairman of the Interparliamentary Union.

Following his service in Congress, he became president and later chairman of the board of the Duofold Co. in Montauk, N.Y. He is survived by his wife, Mildred, and sons, Bruce and Douglas.

I have requested time for a special order on next Wednesday, June 23, for a memorial to our departed colleague. I urge all Members who knew and served with him to join me at that time in tribute to this fine gentleman and his distinguished career.

THE HUMAN TRAGEDY IN LEBANON

(Mr. FINDLEY asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, the unfolding human tragedy in Beirut goes almost unnoticed in this country. Where are the words of anguish and sorrow from Members of this body? Where are the voices of the administration, from the State Department, from the White House? Where are the clergy of this Nation?

Already more than 16,000 people have been killed in Beirut, and they have been brought to their death by arms supplied by the United States under very severe limitations. The use of these arms has been in violation of law, but we do not even complain about that. And loss of life is only part. Yesterday over 1,100 amputations were performed in just one hospital in Beirut.

What has happened to our sense of moral outrage in this Nation? Have we lost the capacity to express moral outrage? Is it because most of these people are not Christians or not Jewish; they are not of our faith? Is that the reason? Do we not regard them as children of God, as people worthy of our anguish?

Mr. Speaker, what is happening to our character in this country?

MAJORITY LEADER'S COMMENTS INTERESTING

(Mr. WALKER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, imagine the leader of the political party that gave this Nation 21½-percent interest rates coming to the well of this House to complain about what the Republican Party is doing to bring down those disastrous rates.

A 16½-percent interest rate is bad, but it is certainly better than the 21½-percent interest rate that he and his party gave this Nation.

We have had a lot of humor this morning, and it got its deserving laughs, but there were no laughs when the majority leader tried to blame the Republicans for high interest rates. There should have been. His policies and those of his party have caused the pain and suffering of the present, and to suggest differently is laughable.

Mr. Speaker, for the Democratic leadership to complain about the high interest rate situation in this country and place the blame on someone else has got to be humor. It certainly has no basis in fact.

□ 1045

DEDICATION OF EXPANSION OF YALE-NEW HAVEN HOSPITAL, NEW HAVEN, CONN.

(Mr. DeNARDIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DeNARDIS. Mr. Speaker, on Sunday, June 13, 1982, I participated in a ceremony dedicating a major expansion to the famous Yale-New Haven Hospital in New Haven, Conn.

From the oldest hospital still in existence—the Hotel Dieu in Paris, founded in the 600's—to the modern Yale-New Haven Hospital, we celebrate the hospitium, from the latin meaning "house for guests." What a proud and important development in world history.

As we dedicated this newest expansion of our great community hospital, we praised its marvelous design and acknowledged that it was masterfully constructed, yet we must go beyond bricks and mortar and understand what a hospital is.

A hospital never closes its doors; night and day the members of the hospital staff work as a well-drilled team to provide for the comfort and health of patients.

In the operating rooms, skilled surgeons perform lifesaving operations. In the nursery, newborn babies receive the tender care they need to launch them on healthy lives.

In the hospital corridors, well-trained and disciplined nurses move quickly and quietly from room to room bringing care and comfort to the patients.

In the laboratories, expert technicians prepare the medicines and make the tests needed in the battle against disease.

In the hospital kitchen, cooks and dietitians prepare the nourishing meals that help a patient's stay to be as pleasant as possible while helping him to a speedy recovery.

So to all who serve on the staff of Yale-New Haven Hospital, I express the deep and heartfelt appreciation of tens of thousands of people from south central Connecticut and all over the country for their dedication and service.

We dedicate this magnificent, new building, mindful of the knowledge that it is the staff working in new space and with new technology who make the hospital work for those in need.

ANNUAL REPORT OF ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. MINISH). Laid before the House the following message from the President; which was read and, together with the accompanying papers, without objection, referred to the Committee on Public Works and Transportation:

(For message, see proceedings of the Senate of today, Thursday, June 17, 1982.)

PROVIDING FOR CONSIDERATION OF H.R. 5897, REFUGEE ASSISTANCE AMENDMENTS OF 1982

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call

up House Resolution 499 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 499

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5879) to amend the Immigration and Nationality Act to extend for three years the authorization for appropriations for refugee assistance, to make certain improvements in the operation of the program, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may use.

Mr. Speaker, House Resolution 499 is a straight open rule providing for the consideration of H.R. 5879, the Refugee Assistance Amendments of 1982. The rule provides for 1 hour of general debate. It also provides for the consideration of the committee amendment in the nature of a substitute as an original bill for purposes of amendment. At the conclusion of consideration of the bill one motion to recommit with or without instructions would be in order.

Mr. Speaker, the primary purpose of this bill is to extend for 1 year, fiscal year 1983, the funding authority under the Refugee Act of 1980 for domestic refugee resettlement programs; $100 million is authorized for refugee social services, $14 million for health screening and initial treatment and such sums as may be necessary for domestic refugee resettlement assistance. The funds are used to reimburse the State and local governments for cash and medical costs incurred on behalf of refugees and to finance refugee resettlement programs in the various States.

Mr. Speaker, the administration had requested a 3-year extension of the authority under this act, but the Committee on the Judiciary decided that various issues relating to refugees need closer scrutiny. The committee has stated its intention to conduct oversight hearings during the coming year on the process of admitting refugees, the role of voluntary agencies in resettling refugees, the question of "who is a refugee" and the inequitable treatment and incarceration of Haitian, and Salvadoran refugees. It is particularly distressing to me, Mr. Speaker, that hundreds of refugees remain incarcerated in concentration-camp-type facilities.

Mr. Speaker, this bill deals with an urgent and serious problem facing our communities. After many months in this country, some 70 percent of the refugee population is receiving some sort of cash or other welfare assistance. I am acutely aware of the severe dislocations and disruptions in the local communities especially with regard to refugees in south Florida and southern California.

The bill requires closer coordination and consultation between the State and local welfare agencies, the volunteer organizations and the Federal Government on refugee resettlement decisions. When refugees arrive in this country, State and local health agencies are often forced to absorb the entire costs of treating medical problems. This bill authorizes reimbursement to States for 100 percent of the cash and medical assistance provided to any refugee during the individual's first 36 months in the United States.

Mr. Speaker, this is an essential humanitarian program but the impact on the States and local communities can be devastating and the Federal Government must be willing to meet its financial obligations to assist the States in caring for the refugees. The decision to admit refugees is a Federal decision and a Federal responsibility. This bill will significantly aid in relieving the burden on the States and the local communities and providing better assistance to refugees. I urge adoption of House Resolution 499 so that we may proceed to the consideration of this important legislation, H.R. 5879 the Refugee Assistance Amendment of 1982.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the gentleman from Florida (Mr. PEPPER) certainly is familiar with this act, serving in a district where he has literally thousands of refugees.

But I think all of the people of this country are concerned about the Carter administration's opening up the door for refugees to come into this country and creating a burden on the taxpayers of this country. But once they are here the Federal Government has a responsibility to be of help.

Mr. Speaker, there is controversy involved with certain provisions of this bill which will be brought up in the debate when the bill is considered on the floor.

I know there were dissenting opinions in the report. But, Mr. Speaker, I have no requests for time on the rule. I know of no controversy on the rule itself.

Mr. Speaker, I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and if the gentleman from Tennessee (Mr. QUILLEN) has no further requests for time, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 3, not voting 41, as follows:

[Roll No. 154]

YEAS—388

Addabbo	Burgener	Dougherty
Akaka	Burton, Phillip	Downey
Albosta	Butler	Dreier
Alexander	Byron	Duncan
Anderson	Campbell	Dunn
Andrews	Carman	Dwyer
Annunzio	Chappell	Dymally
Anthony	Chappie	Dyson
Applegate	Cheney	Early
Archer	Clausen	Eckart
Aspin	Clinger	Edgar
Atkinson	Coats	Edwards (AL)
Badham	Coelho	Edwards (CA)
Bafalis	Coleman	Emerson
Bailey (MO)	Collins (IL)	Emery
Bailey (PA)	Conable	English
Barnard	Conte	Erdahl
Barnes	Corcoran	Evans (DE)
Bedell	Coughlin	Evans (GA)
Beilenson	Coyne, William	Evans (IA)
Benedict	Craig	Fary
Benjamin	Crane, Daniel	Fascell
Bennett	Crane, Philip	Fazio
Bereuter	Crockett	Fenwick
Bethune	D'Amours	Ferraro
Bevill	Daniel, Dan	Fiedler
Bingham	Daniel, R. W.	Fields
Biliey	Dannemeyer	Findley
Boggs	Daschle	Fish
Boland	Daub	Fithian
Boner	Davis	Flippo
Bonior	de la Garza	Florio
Bonker	Deckard	Foglietta
Bouquard	Dellums	Foley
Bowen	DeNardis	Ford (MI)
Breaux	Derrick	Ford (TN)
Brinkley	Derwinski	Forsythe
Brodhead	Dicks	Fountain
Brooks	Dixon	Fowler
Brown (CA)	Donnelly	Frank
Brown (CO)	Dorgan	Frenzel
Broyhill	Dornan	Frost

Fuqua	Marlenee	Roukema
Garcia	Marriott	Rousselot
Gaydos	Martin (IL)	Roybal
Gejdenson	Martin (NC)	Rudd
Gephardt	Martin (NY)	Russo
Gibbons	Matsui	Sabo
Gilman	Mattox	Santini
Gingrich	Mazzoli	Sawyer
Glickman	McClory	Schneider
Gonzalez	McCloskey	Schroeder
Goodling	McCollum	Schumer
Gore	McCurdy	Seiberling
Gradison	McDade	Sensenbrenner
Gramm	McDonald	Shamansky
Gray	McEwen	Shannon
Green	McGrath	Sharp
Gregg	McHugh	Shaw
Grisham	McKinney	Shelby
Guarini	Mica	Shumway
Gunderson	Michel	Shuster
Hagedorn	Mikulski	Siljander
Hall, Ralph	Miller (CA)	Simon
Hall, Sam	Miller (OH)	Skeen
Hamilton	Mineta	Skelton
Hammerschmidt	Minish	Smith (AL)
Hance	Mitchell (MD)	Smith (IA)
Hansen (UT)	Mitchell (NY)	Smith (NE)
Harkin	Moakley	Smith (NJ)
Hartnett	Molinari	Smith (OR)
Hatcher	Mollohan	Snowe
Hawkins	Montgomery	Snyder
Heckler	Moore	Solarz
Hefner	Moorhead	Solomon
Heftel	Morrison	Spence
Hendon	Mottl	St Germain
Hertel	Murphy	Stangeland
Hightower	Murtha	Stanton
Hiler	Myers	Stark
Hillis	Napier	Staton
Hollenbeck	Natcher	Stenholm
Holt	Neal	Stokes
Hopkins	Nelligan	Studds
Horton	Nelson	Stump
Howard	Nichols	Swift
Hoyer	Nowak	Synar
Hubbard	O'Brien	Tauke
Huckaby	Oakar	Tauzin
Hughes	Oberstar	Taylor
Hunter	Obey	Thomas
Hutto	Ottinger	Traxler
Hyde	Oxley	Trible
Ireland	Panetta	Udall
Jacobs	Parris	Vander Jagt
Jeffords	Pashayan	Vento
Jeffries	Patman	Volkmer
Johnston	Patterson	Walgren
Jones (NC)	Paul	Walker
Jones (OK)	Pease	Wampler
Jones (TN)	Pepper	Washington
Kastenmeier	Perkins	Waxman
Kazen	Petri	Weaver
Kennelly	Peyser	Weber (MN)
Kildee	Pickle	Weber (OH)
Kindness	Porter	Weiss
Kramer	Price	White
LaFalce	Pritchard	Whitehurst
Lagomarsino	Pursell	Whitley
Lantos	Quillen	Whittaker
Latta	Rahall	Whitten
Leach	Railsback	Williams (MT)
Leath	Rangel	Williams (OH)
LeBoutillier	Ratchford	Wilson
Lee	Regula	Winn
Lehman	Reuss	Wirth
Leland	Rhodes	Wolf
Lent	Rinaldo	Wolpe
Levitas	Ritter	Wortley
Lewis	Roberts (KS)	Wright
Livingston	Roberts (SD)	Wyden
Loeffler	Robinson	Wylie
Long (LA)	Rodino	Yates
Long (MD)	Roe	Yatron
Lowery (CA)	Roemer	Young (AK)
Lowry (WA)	Rogers	Young (FL)
Lujan	Rose	Young (MO)
Lundine	Rosenthal	Zeferetti
Lungren	Rostenkowski	
Markey	Roth	

NAYS—3

Conyers	Dickinson	Dingell

NOT VOTING—41

AuCoin	Biaggi	Bolling
Beard	Blanchard	Broomfield
Brown (OH)	Evans (IN)	Marks
Burton, John	Ginn	Mavroules
Carney	Goldwater	Moffett
Chisholm	Hall (OH)	Richmond
Clay	Hansen (ID)	Savage
Collins (TX)	Holland	Scheuer
Courter	Jenkins	Schulze
Coyne, James	Kemp	Smith (PA)
Dowdy	Kogovsek	Stratton
Edwards (OK)	Lott	Watkins
Erlenborn	Luken	Zablocki
Ertel	Madigan	

□ 1100

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1115

PROVIDING FOR CONSIDERATION OF H.R. 4326, SMALL BUSINESS INNOVATION DEVELOPMENT ACT OF 1981

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 501 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 501

Resolved, that upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4326) to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Small Business, and thirty minutes each to be equally divided and controlled by the chairman and ranking minority member of each of the Committees on Armed Services, on Energy and Commerce, on Foreign Affairs, on Science and Technology, on Veterans' Affairs, and thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence, the bill shall be read for amendment under the five-minute rule. In lieu of the amendment in the nature of a substitute recommended by the Committee on Small Business now printed in the bill, it shall be in order to consider an amendment in the nature of a substitute consisting of the text of the bill (H.R. 6587) as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered as having been read for amendment, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 4326, it shall be in order to take from the Speaker's table the bill (S. 881), and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 4326 as passed by the House.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution makes in order the consideration of the Small Business Innovation Development Act (H.R. 4326). It is an open rule, providing a total of 4 hours of general debate.

The Committee on Small Business will have 1 hour and one-half hour each will be allocated to the other committees which have reported on the bill, the Committee on Armed Services, the Committee on Energy and Commerce, the Committee on Foreign Affairs, the Committee on Science and Technology, the Committee on Veterans' Affairs, and the Permanent Select Committee on Intelligence. All time is divided in the customary manner.

The rule provides for the consideration of an amendment in the nature of a substitute authorized by the Committee on Small Business, consisting of the text of the bill H.R. 6587, to be considered as original text in lieu of the substitute reported by the committee. It provides a purely technical waiver of points of order against the amendment for failure to comply with the provisions of clause 5 of rule XXI. The clause prohibits appropriations in any bill reported from authorizing committees. The substitute contains no appropriations, as such, but it generically allocates a portion of certain agency funds which may include funds the budget authority for which is provided by appropriations already made.

The rule contains provisions which the committee customarily authorizes when an amendment in the nature of a substitute is considered. They are technical and simply insure that the minority will have the same rights that would exist in the case of a clean bill. These provisions include the requirement that the substitute be considered as original text for purposes of amendment; that a separate vote may be demanded in the House on amendments; and that the motion to recommit may contain instructions.

The rule also contains a provision which authorizes the customary motions needed to take the bill to conference with the companion measure previously received from the other body (S. 881).

The various committees had requested an open rule although, admittedly, there was not a uniformity of opinion on whether a rule should be granted at all. This rule would place the major alternatives, proposed by the Committee on Small Business and the Committee on Science and Technology, before the House and allow each of the other committees to offer their amendments, which generally provide exemptions for agencies within their respective jurisdictions.

It is my understanding that the substitute meets the concerns voiced by the Committee on Veterans' Affairs and the Permanent Select Committee on Intelligence during their consideration of the original substitute. The concerns of each of the other committees can be addressed by amendment under the open rule.

The substitute amends the Small Business Act to direct the Small Business Administration (SBA) to: First, maintain an information program to provide small businesses an opportunity to participate in Federal small business innovation research (SBIR) programs; second, coordinate a schedule for release of agency SBIR solicitations and prepare a master release schedule; third, monitor SBIR programs within Federal agencies; and fourth, report annually to the congressional Small Business Committees on the SBIR programs. Agencies within the Intelligence Community would be excluded from the requirements of the bill. The substitute requires each Federal agency with a research and development budget in excess of $100 million in fiscal year 1982 or any subsequent fiscal year to spend a specified percentage of its budget in connection with an SBIR program. It requires each Federal agency with a research and development budget in excess of $20 million for fiscal year 1982 or any subsequent fiscal year to establish specific goals for funding research and development agreements with small businesses. The substitute directs each Federal agency with an SBIR program to report annually to the SBA on awards over $10,000.

The rule is not unusually complex, given the number of committees involved in the reporting of this measure, but it provides a fair and orderly procedure by which the House can handle this important legislation and I urge the adoption of the resolution.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

I just had a question about a provision of the rule which waives the provisions with regard to clause 5, rule XXI in this bill.

The gentleman is well aware that provision of the House rules says that you cannot have different committees other than appropriations appropriating.

I understand and I hope the gentleman would establish this for the record, that the waiver relates to a section in the bill that provides for the set-asides for the small businesses to take out of the particular budgets of the agencies involved.

Mr. MOAKELY. The gentleman is correct.

Mr. WALKER. And I also understand that this relates primarily to or relates wholly to appropriations now in the pipeline and does not appropriate any additional money in the bill; is that correct?

Mr. MOAKLEY. The gentleman is also correct.

Mr. WALKER. So that we are not in the position whereby waiving clause 5, rule XXI that we are allowing additional appropriations to take place in this legislation; is that correct?

Mr. MOAKLEY. The gentleman is correct.

The waiver is entirely technical. Section 4 of the substitute inserts a new section 9(f) of the Small Business Act which allocates certain percentages of agency budgets to SBIR programs. This is a generic provision, applicable to all Federal agencies. Undoubtedly, there are agencies whose funds remain available, from one fiscal year to another, until expended. To the extent that a portion of the funds used in some future year may derive their budget authority from a prior year appropriation, this section would constitute a reappropriation. But this is a technical matter, common to many bills making changes in Federal programs, and in no manner limits the control of the program under the budget process.

The amendment could be offered in another form that would cure the point of order. But it would make little difference in the program except to impose costly new bookkeeping procedures on agencies and on the appropriations committees to segregate funds based on years from which their budget authority derives.

Mr. WALKER. I thank the gentleman very much.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts has ably explained the provisions of the resolution. Mr. Speaker, there will be quite a controversy involving this bill when it is debated on the floor of the House. I originally was cosponsor of the measure, thinking that indeed it did help the small business community. Although based on what Dr. John Cooper, president of the Association of American Medical Colleges says in a letter to each Representative, I have changed my mind. I think it is so important that we continue the research and development through the channels now existing, that we should in the end when this bill is debated on the floor of the House, either amend it or defeat it in its entirety. Let me read part of the letter. Mr. Speaker, the text of Dr. Cooper's letter will be inserted with my remarks together with a list of 76 outstanding organizations which oppose this legislation, unless it is amended. Let me read a paragraph:

DEAR REPRESENTATIVE: H.R. 4326, the Small Business Innovation Development Act of 1982, mandates that 3 percent of the total appropriations for research and development activities of the major federal science agencies be set aside for the support of Small Business Innovation Research programs.

That is the original bill.

There has been a compromise:

This association, the national voice of this country's academic medical centers urges you to oppose this bill and the proposed "compromise" to be offered as a substitute by the Small Business Committee. The Association believes that fostering and exploiting the capability of small business to provide innovative products is a laudable goal. However, the mechanism proposed—set-asides derived from levies on the research and development appropriations of the major Federal science agencies is unwise public policy, an impediment to scientific progress and, in the area of major concern to the AAMC. . . .

Mr. Speaker, I will insert the letter in the RECORD.

Mr. Speaker, many good points are made by Dr. Cooper, who is president of the Association of American Medical Colleges. I would like the Members to heed and read the letter from Dr. Cooper which they will find on their desk and vote against the measure when it is debated on the floor of the House:

ASSOCIATION OF AMERICAN MEDICAL COLLEGES.

DEAR REPRESENTATIVE: H.R. 4326, the Small Business Innovation Development Act of 1982, mandates that 3 percent of the total appropriations for research and development (R. & D.) activities of the major Federal science agencies be set aside for the support of Small Business Innovation Research (SBIR) programs. This Association, the national voice of this country's academic medical centers, urges you to oppose this bill and the proposed "compromise" to be offered as a substitute by the Small Business Committee. The Association believes that fostering and exploiting the capability of small business to provide innovative products is a laudable goal; however, the mechanism proposed—set-asides derived from levies on the research and development appropriations of the major Federal science agencies is unwise public policy, an impediment to scientific progress and, in the area of major concern to the AAMC, deleterious to the future health and well-being of the

American people. The basis for the Association's opposition is as follows:

Set-asides create yet another type of entitlement.

The amount of the set-aside is completely arbitrary.

The set-aside would eventually divert most of a fixed percentage of funds, totalling about $1.4 billion per year (or $380 million under the supposed compromise), appropriated for R. & D. to a new function—tooling up for the manufacture of innovative products. Further, the purported "protection" for basic research in the Small Business Committee substitute is an illusion.

Set-asides to enable small businesses to tool up for marketing innovative products are not generally needed.

Small businesses in the area of health are thriving and profitable, as the Congressional Office of Technology Assessment (OTA) has testified.

Small high technology electronic businesses strenuously oppose set-asides in principle as well as in practice.

Venture capital availability increased remarkably after the 1978 reduction in the capital gains tax rate.

In the current economic climate, the set-aside would provide "free" money to firms perfectly capable of raising funds in financial markets and/or would serve as a device of last resort for "losers."

In unusual cases, where market imperfections justify government assistance, the appropriate mechanisms for intervention are tax incentives, loan guarantees, interest subsidies and even direct loans. Objection to use of these mechanisms because they divert credit to public sector activities, not to economic development, is patently invalid in this instance.

Set-asides for small business to conduct research, not product development, are neither necessary nor desirable.

Since the Public Health Service, including the National Institutes of Health (NIH), opened grant eligibility to for-profits, virtually all Federal agencies now accept unsolicited proposals from commercial firms.

Now that small businesses are free to compete toe to toe with university scientists for NIH grants, they can capture as much support as the quality of their proposals justifies under a single standard of merit for awarding Federal research funds. A set-aside would create a double standard, an untenable public policy.

A major barrier to the participation of business firms, small or large, in Federal R. & D. programs is patent rights. From fiscal years 1977-80, profit makers filed less than 0.25 percent of all applications received by the Life Sciences programs of the National Science Foundation (NSF), a phenomenon presumably due, at least in part, to patent disincentives, since no eligibility barrier existed. The patent impediment was eliminated for small business by the enactment of Public Law 96-517.

The charge that Federal science agencies discriminate against small business cannot be sustained.

Small Business actually receive a share of Federal R. & D. funds larger than their share of the national pool of scientific and technical manpower.

Applications from the for-profit sector to the Life Sciences Programs of the NSF over the period fiscal years 1977-81 experienced a success rate not significantly different from those from the academic sector.

The distribution of bioscience Ph.D.'s among various sectors of the R. & D. performer institutions suggests that far less than 2600 to 3500 small business firms possess any significant depth of health R. & D. expertise.

In conclusion, the Association's position on H.R. 4326 is one of strong opposition. Should the Congress choose, however, to move forward with this legislation, AAMC strongly urges that those Federal agencies involved in medical research—the National Institutes of Health (NIH), the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA), and the Veterans Administration (VA)—be exempted from the requirements of the bill. The amendment recommended by the Science and Technology Committee has merit in that it would give the relevant authorizing committees a role in any reprogramming of funds for SBIR programs. Nonetheless, the proposed SBIR programs are unnecessary and set-asides, no matter what the amount, are bad public policy.

Sincerely,

JOHN A. D. COOPER, M.D.,
President.

Members should be aware that the opposition to this bill is truly impressive. Just in one area of Federal research, biomedical and behavioral research, 76 prominent organizations directly involved in such research oppose this bill. These 76 organizations are united by their profound concern about the quality and vigor of biomedical and behavioral research and they believe it will be impaired if this bill is not rejected.

A list of these organizations follows:

American Academy of Dermatology.
American Academy of Neurology.
American Academy of Ophthalmology.
American Academy of Pediatrics.
American Association of Anatomists.
American Association of Chairmen of Departments of Psychiatry.
American Celiac Society.
American College of Gastroenterology.
American College of Physicians.
American Diabetes Association.
American Federation for Clinical Research.
American Gastroenterological Association.
American Heart Association.
American Institute of Biological Sciences.
American Liver Foundation.
American Neurological Society.
American Pediatrics Society.
American Physiological Society.
American Psychiatric Association.
American Society for Clinical Investigation.
American Society for Gastrointestinal Endoscopy.
American Society for Parenteral and Enteral Nutrition.
American Society for Pharmacology and Experimental Therapeutics.
American Society for Biological Chemists.
American Society of Hematology.
Associated Medical Schools of New York.
Association for Academic Surgery.
Association for Advanced Technology in the Biomedical Sciences.
Association of American Cancer Institutes.
Association of American Medical Colleges.
Association of American Universities.
Association of Chairmen of Departments of Physiology.
Association of Departments of Family Medicine.
Association of Medical School Departments of Biochemistry.
Association of Medical School Pediatrics Department Chairmen.
Association of Professors of Dermatology.
Association of Professors of Gynecology and Obstetrics.
Association of Professors of Medicine.
Association of Program Directors for Internal Medicine.
Association of Teachers of Preventive Medicine.
Association of University Anesthetists.
Association of University Professors of Neurology.
Center for Ulcer Research and Education Foundation.
Child Neurology Society.
Children's Liver Foundation.
Committee to Combat Huntington's Disease.
Cooley's Anemia Blood and Research Foundation for Children, Inc.
Cystic Fibrosis Foundation.
Dean Thiel Foundation.
Delegation for Basic Biomedical Research.
Dystophic Epidermolysis Bullosa Research Association of America.
Endocrine Society.
Federation of American Societies for Experimental Biology.
Gluten Intolerance Group.
Infectious Diseases Society.
International Association for Enterostomal Therapy.
Lupus Foundation of America, Inc.
National Association of State Universities and Land-Grant Colleges.
National Foundation for Ileitis and Colitis.
National Hemophilia Foundation.
National Psoriasis Foundation.
National Society for Medical Research.
North American Society for Pediatric Gastroenterology.
Pediatric Liver Research Foundation.
Public & Scientific Affairs Boards of the American Society for Microbiology.
Renal Physicians Association.
Society for Gastrointestinal Assistants.
Society for Investigative Dermatology.
Society for Neuroscience.
Society for Pediatrics Research.
Society for Surgery of the Alimentary Tract, Inc.
Society of Academic Anesthesia Chairmen, Inc.
Society of Surgical Chairman.
The Arthritis Foundation.
Tourette Foundation.
United Ostomy Association.

Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. MCDADE).

Mr. McDADE. Mr. Speaker, I appreciate very much the activities of the Rules Committee in granting this rule. I hope that the body will adopt the rule. I want to point out the administration and all small business organizational communities within the country are for it. I hope we can proceed expeditiously. I know we can get this bill behind us today.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL), the chairman of the Small Business Committee.

Mr. MITCHELL of Maryland. Mr. Speaker, I rise in support of the rule

and ask unanimous consent to revise and extend my remarks.

Mr. Speaker, lest there be any misunderstanding, I want to assure my colleagues that the text of the amendment proposed by the Small Business Committee May 18 and printed in the CONGRESSIONAL RECORD that date is exactly the same as the text of H.R. 6587, except for the correction of a GPO printing error.

This clean bill was introduced at the suggestion of the House Parliamentarian and at the request of the staff of the Committee on Rules. This clean bill was introduced solely to facilitate House consideration of the innovation bill by providing a text with page and line numbers.

Mr. Speaker, there should be no opposition to this rule, although I am sure there will be. It is a good rule and it is an open rule.

All that it does is permit the House, after full and free debate, to work its will as to legislation to establish a "Small Business Innovation Research Program."

It deserves your support and I urge its adoption.

Mr. Speaker, I want to quote an article from Nature magazine, one of the leading international publications on research:

ECONOMIC RESEARCH?—CAN CONGRESS REALIZE ITS ADAGE THAT INVESTMENT IN BASIC RESEARCH WILL AID ECONOMIC GROWTH?

The US Congress is now wrestling with a problem common to all the industrial democracies: how to get the most economic benefit out of the nation's investment in research and development. Because the US economy is so decentralized, Congress is attacking the problem with the only central mechanism under its control, the federal research budget worked out each year between the current Administration and Congress. Last December the US Congress, on a sweeping 90 to 0 vote, decided that one way to do this was to set aside one per cent of federal research and development funds (excluding those going to in-house research) for small independently-owned companies employing 500 people or less. These firms have traditionally brought forth many more innovations than the giant US corporations that gobble up most of the federal industry research and development budget and spend most of the private money spent on industrial research in the United States.

The "set-aside" is meant to do two things: first to establish a federal policy that enhances the role of small businesses in research and development, second to generate more research results that can be turned into commercial activity on the open market. The plan is modelled on a successful programme developed by the National Science Foundation that has enabled small firms to attract private capital, increase employment and, in a few cases, achieve great commercial success.

Other countries are also trying to address this problem. Great Britain has two smallish programmes, one that sets up "teaching companies", or long-term collaborations between universities and industry, and the CASE programme that works at the student level, placing individual students in companies in such a fashion that their industrial research earns them credit towards their degree. Although having some direct federal programmes in priority areas, West Germany relies primarily on tax incentives to stimulate industrial research and development. Small German firms tend to contract with larger ones for the basic research they need to do before a project reaches the commercial state. All are concerned with the same thing: how to transfer knowledge out of the basic research sector and into the increasingly competitive national and international marketplace.

However, representatives of US universities have objected strongly to the bill, arguing that while the objectives are worthy, the mechanism of "set-asides" will shrink the share of the federal research budget that goes to the universities. They would not care if Congress was in a spending mood and simply authorized more funds for small research and development firms. But everyone in Washington is tight-fisted these days. The Administration could not have supported the legislation, as it does now, if it proposed to add more money to the budget. The legislation proposes to take the money from the existing budget, and so spokesmen for the universities have been crying, "Why us?", although the Senate version, which the House will probably also pass, limits the "raid" on basic research funds to one per cent of the basic research funds of any agency. The objections from university spokesmen are loud and clear. However, there have been fewer objections from the contractors and applied researchers who now get the remainder of the federal research and development budget, some of whose funds will be used to make up the balance of the new programme.

University scientists have reason to be concerned about protecting their share of the federal research and development pie from encroachments. But the objections to this tiny set-aside—which is likely to be $300 million in all, of which a small part would come from basic research—have been strident even at a time when the workers at General Motors accepted voluntary wage and benefit cuts to help bail out that ailing enterprise. If the most entrenched workmen's unions in the United States can make concessions to remedy the US economic troubles, cannot the better paid, supposedly more high-minded scientists?

In objecting to the legislation, spokesmen for universities and for basic research have been anxious to preserve their own turf at the expense of everyone else's. Senator Warren Rudman, the prime mover behind the bill, is fond of quoting a prominent scientist at Massachusetts General Hospital stating he was not concerned about whether small businesses got more research and development, only about whether "one" of his investigators lost a grant because of it. What is missing here is any perspective from the scientists that they are part of any larger effort. Remember the old idea that the United States should invest in basic research for the sake of economic growth, productivity and the creation of jobs?

The new bills, therefore, put the US university science community squarely on the spot. Thirty-seven years ago, Vannevar Bush and his colleagues persuaded the US government to sponsor basic research in the universities, and required that it have special, protected status, its own programmes and agencies, because, as Bush wrote, "Basic research leads to new knowledge. It creates scientific capital. It creates the fund from which the practical applications of knowledge must be drawn".

Small firms are also part of the "fund" from which practical applications are drawn, both those which do basic research and those which do not. If the university spokesmen are truly concerned about national productivity, creating new inventions, and economic health—as they have said they were in selling their own budget requests to Congress in the past—they should support any measures that further that goal. At least they should offer constructive alternatives. But they do the image of science—and the US economy—no good by limiting their comment to paranoic fears that their particular sector will be hurt.

Mr. QUILLEN. Mr. Speaker, I would like to say the charge that Federal science agencies discriminate against small business cannot be sustained. Small business actually received a share of Federal R. & D. funds larger than their share of the national pool of scientific and technical manpower.

I would urge the Members to look closely at this because, on the face of it, it appears to be a good measure, but when you get into it in depth it lacks credibility and I would urge a "no" vote on the measure when it reaches the floor of the House.

□ 1130

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Speaker, the rule is simply a procedural question. It seems to me certainly we should have the opportunity to be heard on the floor, after the Small Business Committee reported it unanimously in a very bipartisan fashion after the Senate passed it unanimously and after the administration has endorsed it enthusiastically.

With specific reference to the remarks made by the gentleman from Tennessee to the effect that a disproportionate share of research and development is going to small business, let me say that the statistics used, in my judgment, are in gross error. During the course of the substantive debate we will come forth with data from the National Science Foundation explicitly refuting the figures used by the gentleman.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LUNGREN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 6, not voting 38, as follows:

[Roll No. 155]

YEAS—388

Addabbo	Dreier	Hutto
Akaka	Duncan	Hyde
Albosta	Dunn	Ireland
Alexander	Dwyer	Jacobs
Anderson	Dymally	Jeffords
Andrews	Dyson	Jeffries
Annunzio	Early	Johnston
Anthony	Eckart	Jones (NC)
Applegate	Edgar	Jones (OK)
Archer	Edwards (AL)	Jones (TN)
Aspin	Edwards (CA)	Kastenmeier
Atkinson	Emery	Kazen
Badham	English	Kennelly
Bafalis	Erdahl	Kildee
Bailey (MO)	Evans (DE)	Kindness
Bailey (PA)	Evans (GA)	Kramer
Barnard	Evans (IA)	LaFalce
Barnes	Fary	Lagomarsino
Bedell	Fascell	Lantos
Beilenson	Fazio	Latta
Benedict	Fenwick	Leach
Benjamin	Ferraro	Leath
Bennett	Fiedler	LeBoutillier
Bereuter	Fields	Lee
Bethune	Findley	Lehman
Bevill	Fish	Leland
Bingham	Fithian	Lent
Bliley	Flippo	Levitas
Boggs	Florio	Lewis
Boland	Foglietta	Livingston
Boner	Foley	Loeffler
Bonior	Ford (MI)	Long (LA)
Bonker	Ford (TN)	Long (MD)
Bouquard	Forsythe	Lott
Bowen	Fountain	Lowery (CA)
Brinkley	Fowler	Lowry (WA)
Brodhead	Frank	Lujan
Brooks	Frenzel	Lundine
Brown (CA)	Frost	Lungren
Brown (CO)	Fuqua	Madigan
Broyhill	Garcia	Markey
Burgener	Gaydos	Marlenee
Burton, John	Gejdenson	Marriott
Burton, Phillip	Gephardt	Martin (IL)
Butler	Gibbons	Martin (NC)
Byron	Gilman	Martin (NY)
Campbell	Gingrich	Matsui
Carman	Glickman	Mattox
Chappell	Gonzalez	Mavroules
Chappie	Gore	Mazzoli
Cheney	Gradison	McClory
Clausen	Gramm	McCollum
Clinger	Gray	McCurdy
Coats	Green	McDade
Coelho	Gregg	McDonald
Coleman	Grisham	McEwen
Collins (IL)	Guarini	McGrath
Conable	Gunderson	McHugh
Conte	Hagedorn	McKinney
Corcoran	Hall (OH)	Mica
Coughlin	Hall, Ralph	Michel
Courter	Hall, Sam	Mikulski
Coyne, William	Hamilton	Miller (CA)
Craig	Hammerschmidt	Miller (OH)
Crane, Daniel	Hance	Mineta
Crane, Philip	Hansen (UT)	Minish
Crockett	Harkin	Mitchell (MD)
D'Amours	Hartnett	Mitchell (NY)
Daniel, Dan	Hatcher	Moakley
Daniel, R. W.	Hawkins	Molinari
Dannemeyer	Heckler	Mollohan
Daschle	Hefner	Montgomery
Daub	Heftel	Moore
Davis	Hendon	Moorhead
de la Garza	Hertel	Morrison
Deckard	Hightower	Mottl
Dellums	Hiler	Murphy
DeNardis	Hillis	Murtha
Derrick	Hollenbeck	Myers
Derwinski	Holt	Napier
Dickinson	Hopkins	Natcher
Dicks	Horton	Neal
Dixon	Howard	Nelligan
Donnelly	Hoyer	Nelson
Dorgan	Hubbard	Nichols
Dornan	Huckaby	Nowak
Dougherty	Hughes	O'Brien
Downey	Hunter	Oakar
Oberstar	Rudd	Tauzin
Obey	Russo	Thomas
Ottinger	Sabo	Traxler
Oxley	Santini	Trible
Panetta	Sawyer	Udall
Parris	Schneider	Vander Jagt
Pashayan	Schroeder	Vento
Patman	Schumer	Volkmer
Patterson	Seiberling	Walgren
Paul	Sensenbrenner	Walker
Pease	Shamansky	Wampler
Pepper	Shannon	Washington
Perkins	Sharp	Watkins
Petri	Shaw	Waxman
Peyser	Shelby	Weaver
Pickle	Shumway	Weber (MN)
Porter	Shuster	Weber (OH)
Price	Siljander	Weiss
Pritchard	Skeen	White
Pursell	Skelton	Whitehurst
Rahall	Smith (AL)	Whitley
Railsback	Smith (IA)	Whittaker
Rangel	Smith (NE)	Whitten
Ratchford	Smith (NJ)	Williams (MT)
Regula	Smith (OR)	Williams (OH)
Reuss	Snowe	Wilson
Rhodes	Snyder	Winn
Rinaldo	Solarz	Wirth
Ritter	Solomon	Wolf
Roberts (KS)	Spence	Wolpe
Roberts (SD)	St Germain	Wortley
Robinson	Stangeland	Wright
Rodino	Stanton	Wyden
Roe	Stark	Wylie
Roemer	Staton	Yates
Rogers	Stenholm	Yatron
Rose	Stokes	Young (AK)
Rosenthal	Studds	Young (FL)
Rostenkowski	Stump	Young (MO)
Roth	Swift	Zeferetti
Roukema	Synar	
Rousselot	Tauke	

NAYS—6

Conyers	Emerson	Quillen
Dingell	McCloskey	Taylor

NOT VOTING—38

AuCoin	Dowdy	Luken
Beard	Edwards (OK)	Marks
Biaggi	Erlenborn	Moffett
Blanchard	Ertel	Richmond
Bolling	Evans (IN)	Roybal
Breaux	Ginn	Savage
Broomfield	Goldwater	Scheuer
Brown (OH)	Goodling	Schulze
Carney	Hansen (ID)	Simon
Chisholm	Holland	Smith (PA)
Clay	Jenkins	Stratton
Collins (TX)	Kemp	Zablocki
Coyne, James	Kogovsek	

□ 1145

Mr. RAILSBACK and Mr. COELHO changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the following resolution:

S. RES. 409

That it is the sense of the Senate that the plan submitted on March 26, 1982, by the Secretary of the Interior pursuant to the Indian Judgment Funds Act of October 19, 1973 (87 Stat. 466), for the distribution of judgment funds to the Gros Ventre Tribe of the Fort Belknap Reservation awarded by the Court of Claims in Docket 649-80L be disapproved.

SMALL BUSINESS INNOVATION DEVELOPMENT ACT OF 1981

Mr. LAFALCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4326) to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. LAFALCE).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CORCORAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 383, noes 5, not voting 44, as follows:

[Roll No. 156]

AYES—383

Addabbo	Coats	Fascell
Akaka	Coelho	Fazio
Albosta	Coleman	Fenwick
Alexander	Collins (IL)	Ferraro
Anderson	Conable	Fiedler
Andrews	Conte	Fields
Annunzio	Corcoran	Findley
Anthony	Coughlin	Fish
Applegate	Courter	Fithian
Archer	Coyne, William	Flippo
Aspin	Craig	Florio
Atkinson	Crane, Daniel	Foglietta
Badham	Crane, Philip	Foley
Bafalis	Crockett	Ford (MI)
Bailey (MO)	D'Amours	Ford (TN)
Bailey (PA)	Daniel, Dan	Forsythe
Barnard	Daniel, R. W.	Fountain
Barnes	Dannemeyer	Fowler
Bedell	Daschle	Frank
Beilenson	Daub	Frenzel
Benedict	Davis	Frost
Benjamin	de la Garza	Fuqua
Bennett	Deckard	Garcia
Bereuter	Dellums	Gaydos
Bethune	DeNardis	Gejdenson
Bevill	Derrick	Gephardt
Bingham	Derwinski	Gibbons
Bliley	Dicks	Gilman
Boggs	Dixon	Gingrich
Boner	Donnelly	Glickman
Bonior	Dorgan	Gonzalez
Bonker	Dornan	Goodling
Bouquard	Dougherty	Gore
Bowen	Downey	Gradison
Breaux	Dreier	Gramm
Brinkley	Duncan	Gray
Brodhead	Dunn	Green
Brooks	Dwyer	Grisham
Brown (CA)	Dymally	Guarini
Brown (CO)	Dyson	Gunderson
Broyhill	Early	Hagedorn
Burgener	Eckart	Hall, Ralph
Burton, John	Edgar	Hall, Sam
Burton, Phillip	Edwards (AL)	Hamilton
Butler	Edwards (CA)	Hammerschmidt
Byron	Emerson	Hance
Campbell	Emery	Hansen (UT)
Carman	English	Harkin
Chappell	Erdahl	Hartnett
Chappie	Evans (DE)	Hatcher
Cheney	Evans (GA)	Hawkins
Clausen	Evans (IA)	Heckler
Clinger	Fary	Hefner

Heftel	Miller (OH)	Schroeder
Hendon	Mineta	Schumer
Hertel	Minish	Seiberling
Hightower	Mitchell (MD)	Sensenbrenner
Hiler	Mitchell (NY)	Shamansky
Hillis	Moakley	Sharp
Hollenbeck	Molinari	Shaw
Holt	Mollohan	Shelby
Hopkins	Montgomery	Shumway
Horton	Moore	Shuster
Howard	Moorhead	Siljander
Hoyer	Morrison	Simon
Hubbard	Mottl	Skeen
Huckaby	Murphy	Smith (AL)
Hughes	Myers	Smith (IA)
Hutto	Napier	Smith (NE)
Hyde	Natcher	Smith (NJ)
Ireland	Neal	Smith (OR)
Jacobs	Nelligan	Snowe
Jeffords	Nelson	Snyder
Jeffries	Nichols	Solarz
Jones (NC)	Nowak	Solomon
Jones (OK)	O'Brien	Spence
Jones (TN)	Oakar	St Germain
Kastenmeier	Oberstar	Stangeland
Kazen	Obey	Stanton
Kennelly	Ottinger	Stark
Kildee	Oxley	Staton
Kindness	Panetta	Stenholm
Kramer	Parris	Stokes
LaFalce	Pashayan	Studds
Lagomarsino	Patman	Stump
Lantos	Patterson	Swift
Latta	Paul	Synar
Leach	Pease	Tauke
Leath	Pepper	Tauzin
LeBoutillier	Perkins	Taylor
Lee	Petri	Thomas
Lehman	Peyser	Traxler
Leland	Pickle	Trible
Lent	Porter	Vander Jagt
Levitas	Price	Vento
Lewis	Pritchard	Volkmer
Livingston	Pursell	Walgren
Loeffler	Quillen	Walker
Long (LA)	Rahall	Wampler
Long (MD)	Railsback	Washington
Lott	Rangel	Watkins
Lowery (CA)	Ratchford	Waxman
Lowry (WA)	Regula	Weaver
Lujan	Reuss	Weber (MN)
Lundine	Rhodes	Weber (OH)
Lungren	Rinaldo	Weiss
Madigan	Ritter	White
Markey	Roberts (KS)	Whitehurst
Marlenee	Roberts (SD)	Whitley
Marriott	Robinson	Whittaker
Martin (IL)	Rodino	Whitten
Martin (NC)	Roe	Williams (OH)
Martin (NY)	Roemer	Wilson
Matsui	Rogers	Winn
Mattox	Rose	Wirth
Mavroules	Rosenthal	Wolf
Mazzoli	Rostenkowski	Wolpe
McClory	Roth	Wortley
McCollum	Roukema	Wright
McCurdy	Rousselot	Wyden
McDade	Roybal	Wylie
McDonald	Rudd	Yates
McGrath	Russo	Yatron
McHugh	Sabo	Young (AK)
Mica	Santini	Young (FL)
Michel	Sawyer	Young (MO)
Mikulski	Scheuer	Zeferetti
Miller (CA)	Schneider	

NOES—5

Conyers	Johnston	Shannon
Dingell	McCloskey	

NOT VOTING—44

AuCoin	Edwards (OK)	Marks
Beard	Erlenborn	McEwen
Biaggi	Ertel	McKinney
Blanchard	Evans (IN)	Moffett
Boland	Ginn	Murtha
Bolling	Goldwater	Richmond
Broomfield	Gregg	Savage
Brown (OH)	Hall (OH)	Schulze
Carney	Hansen (ID)	Skelton
Chisholm	Holland	Smith (PA)
Clay	Hunter	Stratton
Collins (TX)	Jenkins	Udall
Coyne, James	Kemp	Williams (MT)
Dickinson	Kogovsek	Zablocki
Dowdy	Luken	

□ 1200

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4326, with Mr. BRODHEAD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

The gentleman from New York, Mr. LAFALCE, will be recognized for 30 minutes, and the gentleman from Pennsylvania, Mr. MCDADE, will be recognized for 30 minutes, and the following Members for 15 minutes each:

The gentleman from Georgia, Mr. MCDONALD;

The gentleman from Alabama, Mr. DICKINSON;

The gentleman from Michigan, Mr. DINGELL;

The gentleman from North Carolina, Mr. BROYHILL;

The gentleman from New York, Mr. BINGHAM;

The gentleman from California, Mr. LAGOMARSINO;

The gentleman from Florida, Mr. FUQUA;

The gentleman from Kansas, Mr. WINN;

The gentleman from Mississippi, Mr. MONTGOMERY;

The gentleman from Arkansas, Mr. HAMMERSCHMIDT;

The gentleman from Massachusetts, Mr. BOLAND; and

The gentleman from Virginia, Mr. ROBINSON.

The Chair will attempt to reach the committees engaging in general debate in the order listed, but will at the same time attempt to accommodate Members who cannot be present when called.

The Chair recognizes the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, today the House has before it landmark legislation that has the support of the current administration, the past administration, all Federal agencies, 90 Senators, 200 House Members, and the small-business and high-technology communities. This legislation is the Small Business Innovation Development Act.

This bill has such universal support because it is needed now. The United States faces its most serious economic crisis since the Great Depression. Unemployment stands at more than 10 million—the highest level in over 40 years. Our basic industries that sustained us for so long are collapsing and have lost their ability to compete and create new jobs. Productivity has fallen dramatically. Even the high-technology sector, the one bright spot in our economy, finds it difficult to keep ahead of the Japanese, our main challenger.

Most serious of all, we are losing our ability to innovate. Many scientific, technological, and economics experts warn that our ingenuity and our ability to capitalize upon scientific findings and create new technologies that lead to new products is faltering.

We cannot afford to lose our ability to innovate. If we lose that, we lose our ability to increase U.S. productivity; we lose our ability to maintain U.S. technological preeminence; we lose our ability to create many of the 20 million new jobs essential for a full employment recovery; we lose our ability to compete in world markets; and we lose our ability to prevent permanent damage to our economy and society.

We do not have time to waste. The Japanese realize that the only way to sustain their economic miracle is to move from being master imitators to being master innovators. Innovation is one of the few areas where we still are a world leader. The Japanese Government has embarked on a major program to stimulate scientific innovation. To accomplish that, it has set upon a policy of sharp increases in research and development spending. It is also consolidating physically some of its research in order to improve efficiency. Japanese companies, too, are increasing their R. & D. efforts, especially in such industries as electronics.

We must act, and act now, if we are to preserve our position as the world's leading innovator. The action we must take is before us today—the Small Business Innovation Development Act. This bill will tap the innovation and job creation abilities of the tens of thousands of small-science and high-technology firms in our nation.

Their record is impressive. The National Science Foundation has found that small-science and high-technology firms produce 24 times as many major innovations per R. & D. dollar as large firms, and four times as many as medium-sized firms. Gellman Associates reports that small firms are 2½ times more innovative per employee than large firms and bring innovations into the market sooner. Yet it finds that large firms are nearly three times as likely to receive assistance from public funds for their innovative efforts than small companies.

Other studies show that small business created many of the millions of new jobs that put a record number of people to work in the last decade. Moreover, new high-technology firms have an average annual employment growth rate of 30 percent.

Clearly, small-science and high-technology firms are the most cost-effective generators of innovation and the

most prolific creators of new jobs in our economy. These small companies are an essential element if we are to revitalize our economic and technological base. They are a resource that we have no choice but tap at this critical time.

This is easier said than done. For there are many obstacles which make it difficult to fully utilize this resource. One obstacle is capital. Many small-science and high-technology firms find it difficult to raise the funds not only to get started, but to develop their new ideas and then take them to the marketplace. Venture capital and tax breaks simply do not help these firms. Fledgling firms have neither the management team nor a demonstrated capability or feasibility that can be assessed. Nor do they have profits that can be written off on taxes. All they have is an innovative idea.

The second obstacle is government. Federal R. & D. agencies have long neglected and ignored small-science and high-technology firms. A study by the Office of Management and Budget's Office of Federal Procurement Policy concluded that only 3.5 percent of total Federal R. & D. funds go to small firms despite the fact that they are such cost-effective innovators. The National Science Foundation reports that although 85 percent of all U.S. companies conducting R. & D. are small firms, these firms receive only 2 percent of Federal R. & D. funds going to industry.

A recent study by the Research and Planning Institute of Cambridge, Mass., on the growth of innovative high-technology companies reported that small firms are unable to receive basic research support from agencies like the National Institutes of Health and the National Science Foundation. "In fact," the report said, "their ideas are not even given a fair hearing * * * While most people were in favor of Government support of basic research, there was resentment that in those cases where a profitmaking business could do the work better than another institution at no additional cost, it still was denied the opportunity to do so."

The third obstacle is largeness. Prof. Walter Adams, a distinguished economist and former president of Michigan State University, recently warned of the dangers of industrial giantism. His comments apply to universities too. Let me quote Professor Adams:

> Industrial giantism, whether or not accompanied by monopoly power in specific markets, is not benign and therefore cannot be ignored. At the very least, it breeds an arrogance of power which ultimately causes those who wield it to lose touch with reality—to their own detriment and the detriment of the society they are supposed to serve. It also tends to divert entrepreneurship from risk-taking, investment, research and development, productivity enhancement, and market expansion into efforts to manipulate the state for protectionist ends. It transforms the firm from an economic organism seeking to maximize profits by excelling in the marketplace into a quasi-political institution seeking the quiet life in "orderly markets" protected and guaranteed by the state.

The strength of America's scientific and economic system has been its openness. We need this openness even more today if we are to overcome our serious economic problems.

More important, we need a mechanism to insure that the Federal Government fosters that openness by fully utilizing the unique ability of small businesses to generate innovation.

The Small Business Innovation Development Act is that mechanism. It mandates that all Federal agencies with R. & D. budgets of more than $100 million a year establish Small Business Innovation Research programs to develop innovative products and ideas. These programs would be funded by earmarking a very small percentage of each agency's R. & D. budget that goes for extramural R. & D. That budget totaled $30.3 billion for fiscal 1982. The earmarking will start with a mere two-tenths of 1 percent in the first year, rising to 1¼ percent in the fourth year. The Defense Department will have a 5-year phasein that begins with one-tenth of 1 percent.

The program will have three phases. Under phase I, the most technically and economically feasible proposals would be awarded grants of up to $50,000 to perform feasibility studies. Those projects which demonstrate their technical and economic viability could then qualify for phase II awards of up to $500,000. Commercialization of the results would be left entirely to the private sector in phase III.

Unlike other Government R. & D. programs, this one will rely on ideas generated in the private sector rather than on specific projects requested by Government agencies. The grants will be awarded strictly on a competitive basis and will go only to ideas of scientific and technical merit. All of these requirements are spelled out in the act.

The legislation also would require Federal agencies with annual R. & D. budgets of more than $20 million to establish small business R. & D. goals. These goals would not be less than the percentage of the total R. & D. funds awarded to small businesses in the preceding year. The bill clearly states that SBIR programs could be counted toward meeting these goals.

WHAT THE SMALL BUSINESS INNOVATION DEVELOPMENT ACT WOULD DO

The bill contains congressional findings: That technical innovation contributes to job creation, increased productivity and economic growth, and that small business is a major source of innovation when compared to large business, universities, and Government-owned laboratories; that there is a disproportionately minor involvement of small business concerns in federally funded research and development; and that it is in the national interest to strengthen the role of small business in innovation and commercialization of innovations derived from Federal R. & D.

The bill's stated purpose is to increase the efficiency of federally funded R. & D. by providing a long-needed mechanism—the small business innovation research program—to enable agency personnel to tap the resources of small, innovative firms; to facilitate the conversion of federally funded research results into commercially viable products and services; and to increase the share of the Federal R. & D. budget awarded to small businesses.

1. CHARACTER OF THE SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The key element in the effort to stimulate the innovative potential of small-science and high-technology companies is the small business innovation research program that Federal agencies with large R. & D. budgets would be required to establish.

The agency SBIR programs are to be modeled on the highly successful small business innovation research program at the National Science Foundation. The general approach of the NSF program has already been adopted by the Department of Defense in its small business advanced technology program. The program also has been endorsed by Presidents Carter and Reagan. As a matter of fact, the Reagan administration reaffirmed its support in writing for the Small Business Innovation Development Act.

The application of the SBIR programs to Federal agencies is straightforward. Any agency whose total R. & D. budget exceeds $100 million annually would be required to establish a program to assist small business in obtaining a more equitable share of Federal R. & D. expenditures. The bill would use the same definition of "research" and "research and development" that is used in the Office of Management and Budget Circular A-11, section 44. This is the definition agencies currently use in reporting to OMB.

The bill would define Federal agency in a way that differs from that used for other Small Business Administration programs. The committee feels that a separate definition is necessary to insure that the broadest application of "agency" with title 5 of the United States Code would be used. In addition, the bill would provide that work under SBIR programs may be conducted through contracts, grants, or cooperative agreements.

A. PROGRAM PHASES

The bill defines the small business innovation research program and describes the program's three phases. For purposes of this bill, language describing the first phase of the SBIR program has been changed from requiring phase I proposals to be evaluated according to "technical and economic feasibility" to requiring that they be judged principally upon their "scientific and technical merit." Phase I is often too early to accurately evaluate economic feasibility in R. & D. efforts. Phase II, however, can introduce both technical and economic feasibility for Government needs. Further, the commercial potential of proposals is assessed effectively at the second phase through the follow-on funding commitment.

The most scientifically and technically feasible proposals would be awarded small grants ($30,000 to $50,000) in phase I to fund a feasibility research or R. & D. effort. Those projects judged most promising in the first phase could then qualify for a second phase of funding (which currently ranges from $100,000 to $500,000). Not only does the Federal Government obtain the free use of any invention developed, but it also obtains tax revenue resulting from commercialization of any such patented invention by the R. & D. recipient.

Commercialization of the results of the R. & D. would be left in most cases to the private sector under phase III. The definition of the third phase was changed to clarify the committee's intent that commitments for follow-on private funding to pursue commercial applications receive extra consideration in the evaluation process. The committee also wanted to clarify its intent that follow-on production contracts may be competitively procured, and added language to this effect.

B. EARMARKED FUNDING

The bill does not authorize or require that any new Federal money be authorized for these programs. Rather, 0.2 percent in the first fiscal year, 0.6 percent in the second fiscal year, 1 percent in the third fiscal year, and 1.25 percent in all subsequent fiscal years of every qualifying agency's R. & D. budget, other than defense, would be reallocated to fund the agency's SBIR program. For the Defense Department, the phase in period would last for 5 years, starting at 0.10 percent in the first year, followed by 0.30 percent in the second year, 0.50 percent in the third year, 1 percent in the fourth year, and reaching the 1.25 percent maximum in the fifth year. The following chart sets out Federal R. & D. expenditures estimated for fiscal 1982 and the funding for each agency's SBIR program:

1982 RESEARCH AND DEVELOPMENT BUDGETS

[Dollars in millions]

	Total	Inhouse	Extramural	1¼ percent SBIR (extramural)
Defense	$21,523	$5,586	$15,937	199.2
NASA	6,017	1,381	4,636	58.0
Energy	4,690	367	4,323	54.0
HHS	4,169	894	3,275	40.9
(NIH)	(3,571)	(650)	(2,921)	(36.5)
NSF	1,000	82	918	11.5
Agriculture	860	563	297	3.7
Transportation	404	134	270	3.4
Interior	398	272	126	1.6
EPA	303	113	190	2.4
Commerce	288	242		
Nuclear Regulatory Commission	225	19	206	2.6
Veterans' Administration	153	151		
AID	151	8	[1] 143	0
Total	40,181	9,812	30,321	377.3

[1] Excluded from program as AID falls below $100 million threshold due to compromise * * *.

Note.—Senate 881 affects 6 agencies (Defense, NASA, Energy, HHS, NSF and Agriculture) with an SBIR program level of approximately $293 million. House Small Business Committee proposed compromise would include these 6 and 4 more (Transportation, Interior, EPA and Nuclear Regulatory Commission) with an SBIR program level of approximately $377.3 million.

The committee believes that a statutory allocation is essential if Federal SBIR programs are to succeed. The committee feels that there is ample flexibility in each agency's R. & D. budget to target the required percentage of their funds to implement the SBIR programs. It is left to the agencies' discretion to decide which funds to use for this purpose. However, the committee expects agencies to exercise this discretion in a manner that will not result in significant disproportionate taxing of any componment of the R. & D. budget. For example, concern has been expressed that basic research may, in some instances, be required to bear a greater share of the burden of funding SBIR programs. It is the committee's intent that this not occur, and it has consequently included a provision which limits to only 1.25 percent the SBIR share that can come from basic research funds. I should add that OMB's analysis for fiscal year 1982 and 1983 reflects a 9-percent increase in basic research obligations.

In order to insure that allocation of funds to SBIR programs does not lead to reduction in current levels of small business R. & D. funding agreements with the agency, the bill specifies that funding agreements with small businesses resulting from competitive or single-source selections other than under an SBIR program shall not be counted as meeting any portion of the percentage requirements set forth in the bill for overall agency R. & D. funding awards to small business.

2. FUNCTION OF THE AGENCIES

The bill includes several provisions that give Federal agencies the flexibility needed to design and operate their SBIR programs within the context of a Government-wide format. The following are examples of how the committee expects that this flexibility will be applied:

Agencies are given full discretion to decide the R. & D. topics they want to include in their SBIR programs. In outlining those topics, the committee expects that emphasis will be on describing agency needs and any controlling parameters rather than any specific or design approach to the problem to encourage innovative and more effective solutions.

While each agency is allowed to set the release dates of its own SBIR program solicitations, the committee expects the agencies to coordinate the release of these solicitations with SBA and other agencies conducting SBIR programs so as to maximize small business opportunities to participate in these programs. The committee recommends that the major procuring agencies, such as the Departments of Defense, Energy, and Health and Human Services, and the National Aeronautics and Space Administration, conduct more than one solicitations annually due to the size of their budgets—such as quarterly for DOD and semiannually for the other three major agencies.

Agencies should also attempt to disseminate these solicitations as broadly as possible in order to promote maximum participation in the SBIR programs.

Although the bill requires each qualifiying agency to administer its own SBIR funding agreements or to delegate such administration to another agency, the committee expects that delegation will occur only where it would facilitate the cost-effective accomplishment of the goals of the bill.

Agencies are given the flexibility to establish their own payment schedules for SBIR funding agreements and to consider the cash flow needs of recipients in making the payments.

3. COORDINATION OF AGENCY SBIR PROGRAMS

A. ROLE OF SBA AS LEAD AGENCY

The bill provides for the establishment of uniform policy directives for the general conduct of SBIR programs within the Federal Government. The Small Business Administration is required to establish these directives within 120 days of the enactment of the bill, but only after consultation with the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Science and Technology Policy, and the Intergovernment Affairs Division of the Office of Management and Budget.

SBA's primary function is to insure that the needs of small science and technology-based firms are protected. The consultation process, overseen by SBA, is essential to insure that the directives are based upon a well-informed understanding of the requirements for improving the excellence of federally funded R. & D. and upon a sensitivity to ongoing efforts to insure uniformity throughout Federal con-

tracting, grants, and cooperative agreement procedures under the Office of Federal Procurement Policy Act, Public Law 95-507, and the Federal Grants and Cooperative Agreements Act (Public Law 95-244).

SBA's role in issuing the policy directives is essential to insure uniformity in the operation of the SBIR programs. Such uniformity is important to facilitate participation by small businesses in the program. The agency has been given this coordinating and supervisory function as it has had almost 30 years of small business Federal procurement experience, which means that SBA is sensitized to the needs of both the small business concern and the procuring agency.

B. ROLE OF OSTP

The primary responsibility of the Office of Science and Technology Policy is to insure that the quality of Federal R. & D. is protected. The committee does not intend that OSTP actually audit agencies conducting SBIR programs but rather that it review the reports on the SBIR programs submitted by the agencies.

C. AGENCY REPORTING

OSTP and SBA would report to Congress not less than annually to allow Congress to oversee the SBIR programs and have the opportunity to make improvements when necessary.

D. POLICY DIRECTIVES

The policy directives are designed to facilitate participation by small business in SBIR programs and to insure that only the highest quality R. & D. is conducted. Policy directives are to include, but are not limited to, the following:

A uniform solicitation format. The committee expects agencies to make every effort to adopt, in as timely a manner as possible, uniform program solicitations including standardized formats for submissions of phase I and phase II proposals.

Timely receipt and review of proposals. This is essential if the SBIR programs are to achieve the goals of the bill. The committee therefore recommends that no more than 6 months elapse between the deadline for the receipt of phase I proposals and the granting of SBIR awards, and no more than 6 months pass between the completion of phase I funding agreements and the funding of phase II proposals.

Outside peer review. The committee urges agencies to use outside peer review for both phase I and phase II proposals where appropriate. At the very least, agencies should adhere to their existing review standards, provided they do not fundamentally discriminate against small business applicants, in evaluating the type of R. & D. which will be funded under phase I. Where these review standards include outside peer review, utilize them for phase II as well.

Protection of proprietary information. Where existing agency procedures provide such protection, they should be applied in SBIR programs as well. Where current procedures do not provide adequate protection, at the very least the agencies should be required to hold confidential, clearly labeled proprietary information provided in proposals and reports for an extended period of time so that the proposer may seek patent protection where appropriate.

Selection of awardees under SBIR programs. The committee expects that the directives will harmonize with the requirements that SBIR proposals be reviewed and received in a timely manner and complement the efforts to establish a single, simplified procurement policy.

Protection of data generated by small business in the performance of funding agreements. For many years it has been the practice of the Federal Government in awarding R. & D. grants to nonprofit organizations to require periodic and final performance reports, or both. However, detailed technical data and information which is unnecessary to an understanding of the scientific findings disclosed in the performance reports has not been required. This practice is consistent with the theory of grants embodied in the Federal Grants and Cooperative Agreements Act (Public Law 95-244) in that the performance report is intended to explain the results of the research without burdening the grant recipients with the administrative requirements of maintaining and delivering technical information which is of little or no value to the Government. Further, to the extent that such technical data may gain some value in the commercial marketplace, the committee believes that its possession by the grant recipient would be more likely to result in its ultimate use than its possession by the Government. This is also consistent with the general view that grants are often awarded for the purpose of meeting a public need rather than for obtaining a service or product for Government use.

While past practices support only the submission of performance reports as a condition of a grant, in some circumstances a contract may require the negotiation and delivery of technical data generated in performance of the contract. Where such information is necessary for an agency to fulfill its mission through the purchase of services or a product through competitive procurement, the committee urges that this information be kept confidential by the agency and under no circumstances disclosed to competitors of the sudmitting company or use the information to produce future technical procurement specifications which would harm the small business which discovered and developed the innovative product, process, or idea. This practice is consistent with the theory of contracts embodied in the Patent Trademark Amendments of 1980 and the Federal Grant and Cooperative Agreement Act of 1977, Public Law 95-224, in that the acquisition of technical data and its future use is intended to directly benefit the Federal Government.

It is the committee's expectation that the requirement to submit technical data will be used very sparingly and that this approach will be reflected in the directives.

Transfer of title of property provided by an agency to a small business concern under the funding process where such transfer would be more cost effective than the recovery of the property by the agency. Under current procedures, the transfer of property provided by agencies for purposes of extramural research and development tends to be limited to funding agreements with nonprofit entities. The committee recognizes the basic validity of this approach and believes that, in most instances, profit-seeking organizations should bear the costs associated with the market-related activities. However, the reclamation of property provided to profitmakers has not always been cost effective for the Government. For this reason, the committee strongly believes where the Federal Government can purchase new equipment for the same amount or less than the cost of recovering equipment provided to small businesses under SBIR programs, that title should be transferred to small businesses.

Cost principles. In contrast with many large-profit and non-profit institutions which often achieve "economies of scale" by participating in several Federal programs at one time, small businesses tend to focus on a single contract with a correspondingly greater overhead. For this reason, cost principles established for SBIR programs should take into account the importance of providing full and adequate remuneration for R. & D. services provided to the Federal Government.

Exemptions from policy directives in circumstances where an agency's national security or intelligence functions clearly would be jeopardized. To assure that our national security interests are not compromised, the committee has explicitly exempted the Central Intelligency Agency, the National Security Council, and the Defense Intelligence Agency from compliance with the SBIR requirements. For all other agencies, the committee expects that the Administrator of the Small Business Administration will require clear and convincing evidence of such jeopardy before granting an exemption.

4. SMALL BUSINESS R. & D. GOALS

The bill requires all Federal agencies with R. & D. budgets exceeding $20 million a year beginning in fiscal 1982 to unilaterally establish goals for funding agreements for R. & D. with small business. These goals shall not be less than the percentage of the total R. & D. funds awarded by the agency to the small businesses in the preceding fiscal year.

The committee expects that this new requirement will lead to steady and significant increases in the percentage share of each agency's R. & D. budget received by small businesses. The committee recognizes that Public Law 95-507 requires Federal agencies to establish annual goals for total dollars going to small business. However, the committee is concerned that small businesses' share of agency R. & D. awards remains at a very low figure—4 percent—and that the more specific requirement in the bill targeted at R. & D. awards is essential. As with the other goals, the committee would expect the new goals would be set in a timely fashion, certainly no later than 120 days after the date of enactment.

High technology, innovative small businesses have been found not only to provide some of the greatest advances in the country's technology base but to be the most cost-effective innovators. We have seen over the past three decades that small, high-technology companies, free of the bureaucratic fetters and institutional inertia of larger enterprises, have been the generators of most pioneering innovations. Their involvement in the innovation process is greatest at the earliest and riskiest stage and in what initially appears to be small markets, but this is where major new breakthroughs are often made. Promoting the involvement of the small business sector in R. & D., and specifically in federally funded efforts, can provide significant benefits to Government R. & D. and the economy at virtually no additional cost. It is time to take that initiative.

Directing a larger share of Federal R. & D. to small firms also increases needed competition in Federal R. & D. The resulting private sector benefits may also increase such competition in the marketplace. Both should benefit the public and stimulate innovation.

These changes in Federal R. & D. policy would help achieve several important social and economic goals. The goals include increased productivity, job creation, new products for export, and the generation of significant additional tax revenues without an increase in price or in Federal spending. We believe the SBIR program will increase the Nation's return on investment from federally funded research and development, and this statement is based on fact, not wishful thinking.

The Small Business Committee has every reason to believe that the multi-agency SBIR program will be every bit as successful as the one being currently administered by the National Science Foundation. Using that program as a model, it is noteworthy that NSF awarded $5 million to small technology firms in its first SBIR solicitation. These firms have since generated more than eight times that amount—$41 million in follow-on private funding to pursue commercial applications from the Government research. The total number of jobs with firms that received follow-on private funding has increased by more than 300 percent, more inventions have been made, and new products have been introduced in the marketplace. All of these accomplishments have been achieved at almost no additional cost to the Government, since Federal funds were spent solely on NSF's research program objectives.

Multiply this effect by 75 times, as this bill would do, and we will see a major stimulant to new products, job creation, competition, and innovation.

SMALL BUSINESS COMMITTEE SUBSTITUTE AMENDMENT

The Small Business Committee reported a bill that it felt was strong and would result in a meaningful program. However, arguments have been raised against the original version. The committee has always been reasonable in listening to those who have concerns. It wants to fashion a bill that can attract the broadest support. In the interest of harmony, the committee unanimously adopted a substitute amendment on May 18 that addresses many of the concerns expressed and includes many of the suggestions for modifications that would strengthen the legislation. The substitute would:

First, reduce the percentage required in the program. The revised percentages would be: 0.20 percent in the first year; 0.60 percent in the second year; 1 percent in the third year; and 1.25 percent in the fourth and all subsequent years; except that an agency with an annual R. & D. budget in excess of $10 billion; namely, Defense would be phased in over 5 years: 0.10 percent in the first year; 0.30 percent in the second year; 0.50 percent in the third year; 1 percent in the fourth year; and 1.25 percent in the fifth and all subsequent years.

Second, exclude in-house R. & D. from the base against which the percentages are applied.

Third, prohibit any agency from including more than the stated percentages of basic R. & D. in the program.

Fourth, exclude intelligence agencies from the program—CIA, the National Security Agency, and the Defense Intelligence Agency.

Fifth, exclude AID international research centers and grants to foreign governments from the base against which the percentages are applied.

These changes being H.R. 4326 closer to the Senate version of the innovation bill, while keeping the bill much simpler and more direct than the Senate bill. This is an eminently reasonable compromise that we feel all can support in the interest of strengthening American research and development efforts.

We already know what the small business innovation research program will do. The National Science Foundation has had its own small business innovation research program for 6 years, which has had impressive results. The 21 firms that received $5 million in the first two phases of the NSF program today have attracted $41 million in follow-on private capital to develop their ideas. That translates into $8 of private investment for $1 of Government investment. The grants were for such important work as laser optics, genetics, agricultural, drilling, and robotics research. This is just the type of leverage that is needed to expand limited Government resources. This also demonstrates what small firms can contribute.

Everyone agrees that the SBIR concept works. The House Science and Technology Oversight and Science, Research, and Technology Subcommittees hailed the NSF program as "an outstanding example of how a Federal agency can encourage and promote innovation." They recommended, after exhaustive hearings in 1980, that "Federal agencies should examine NSF's SBIR program and implement similar types of programs which comport with their needs."

A report by the General Accounting Office last year found that small business innovation research programs meet all the criteria for innovation to occur.

The Department of Defense recognizes the importance of SBIR programs, and last year established its own SBIR program, which it calls the defense small business advanced technology program (DESAT). DOD said in its program solicitation:

> Recognizing that small business has an established record for innovation, the DOD is interested in increasing the participation of this important national resource in DOD research and development to meet national defense needs. . . . The DESAT program seeks to increase the incentive and opportunity for small firms to undertake high-risk research and development that has a high potential payoff if successful.

The Small Business Innovation Develpoment Act deliberately uses the NSF small business innovation research program as its model. The key attribute of this program—the attribute that has made it such a striking success—is that it has the same flexibility and openness that has allowed

small science firms to be so creative and productive.

Ordinarily, this bill would pass quietly. But that is not to be the case because of the opposition of the administrators of a few large universities and a lone trade association that is dominated by big companies. They have taken it upon themselves to wage a relentless campaign of misrepresentation and innuendo against the bill. They know that they cannot defeat the bill if the issue is stimulating innovation and tapping the most effective generators of innovation.

Let me take a few moments to review the arguments raised against the Small Business Innovation Development Act.

ARGUMENTS

1. BASIC RESEARCH

It is alleged that the Small Business Innovation Development Act is a raid on basic research and will undermine excellence in science.

The fact is that basic research is an amorphous term that has been much misused in the debate over the bill by those who want to protect the status quo.

The National Science Foundation said the following on basic research in its Science Indicators 1980 report:

> There is not always a clear distinction between "basic" and "applied" research. A particular research effort may be identified as "basic" or "applied" depending on whether the classification is made by the research sponsor, by the performing organization, or by the individual performing the work.

I want to emphasize that there is no inherent conflict between basic research and a small business innovation research program. In fact, all the testimony I have seen clearly demonstrates that they complement one another and that SBIR programs enhance public support for scientific research.

Listen to Dr. Arthur Obermayer, a prominent chemist who is a member of the Advisory Council of the National Science Foundation:

> In the long run this legislation will lead to significantly increased support for basic research at universities. This bill is designed to focus on the linkage between basic research and practical application. This linkage. . . we call innovation. . . . The public supports basic research at universities because it expects that it will ultimately benefit mankind, and it is the innovative entrepreneur who is best at converting the laboratory curiosity into a product or process that will benefit mankind. When the government invests in academic research without the corresponding support for technology transfer and small business innovation, it is doing a disservice to academia and society as a whole because it is not providing the mechanism for eventual public utilization.

Paul Grey and Derek Bok, the presidents of the Massachusetts Institute of Technology and Harvard University, respectively, stress the need to transfer the results of research from the laboratory to the marketplace. Paul Grey, said:

> Creative thought does not in itself insure the transfer of invention to the world in a useful way. Consequently, it is important that we continue to foster cooperative activities between universities and industry that will help assure the vitality of important research progress, the rapid and effective transfer of new technologies and the relevance of educational programs to important problems in society.

Derek Bok wrote in his annual report to Harvard's Board of Overseers last year:

> We must work harder at the process referred to somewhat clumsily as technology transfer. . . . Academic officials and scientists are certainly aware that massive federal appropriations for campus-based research are largely based on the conviction that this work will eventually lead to practical results. Hence, it is only prudent for universities to take serious interest in the process of translating scientific knowledge into commercial uses.

The Small Business Committee appreciates the concerns fo those who feel that Federal support for basic research may be affected by the Small Business Innovation Development Act. We do not feel that will be the case, but we support an amendment to the bill that would limit the amount of funds that could be taken from basic research programs to the overall percentage amount earmarked to support SBIR programs. This is known popularly as the Schmitt amendment.

2. LIFE SCIENCES

It is alleged that there is not a sufficient number of qualified small science and high technology firms to fully utilize funds for small business innovation research programs.

The fact is that there are many qualified small science and high technology firms. Listen to Richard DiCicco, president of Technology Catalysts, a company in the business of matching up large companies with small high technology research firms. This one company alone has developed a data base which shows 2,636 small high technology firms in the life sciences field. They are divided into the following categories: 144 in biomedical engineering; 162 in biochemistry; 168 in pure cancer research; 164 in cell biology; 173 in genetics; 206 in immunology; 211 in medical electronics and instruments; 180 in molecular biology; 157 in nutrition; 295 in pharmacology; 109 in recombinant DNA; 195 in toxicology; 55 in tumors; 198 in virology; and 291 in other categories. All of these are critical areas of research that will be at the cutting edge of technology and science in this decade.

In contrast, Mr. DiCicco found on the basis of inquiries to the Department of Health and Human Services that "the total mailing list for HHS bids by small business for basic research grants is less than 100 firms." When one small business can develop a high technology resource list over 2,600 firms and a massive Federal department can only find fewer than 100 firms, the need for a mandatory SBIR program becomes readily apparent, as well as demonstrating that there are thousands of firms eligible and qualified to participate in such a program.

3. NIH AND SMALL R. & D. FIRMS

It is alleged that NIH is doing everything possible to increase funding of R. & D. at small high-technology firms.

The facts are that on June 28, 1978, the NIH small business specialist stated in a memorandum to the Director of Contracts and Grants at NIH:

> New vigor can be added to the NIH research program by eliminating some of the barriers which have tended to be an inhibiting factor and by taking some new initiatives to stimulate this sector of the economy.

Among the barriers facing small firms highlighted were: Exclusion of small firms from NIH grants, the predominate NIH award instrument for research; a lack of policies and procedures to facilitate the submission and evaluation of unsolicited proposals; the denial of independent research and development work costs as an allowable cost for reimbursement under NIH contracts; the lack of any set-asides for small firms; and preclusion of small firms from receiving advanced payments under NIH letters of credit even though nonprofit institutions could receive such payments. In an August 2, 1978, memorandum to the Director of NIH, the contract specialist for the Contract and Evaluation Branch, Division of Contracts and Grants, Office of Administration, NIH, also noted these obstacles and stated:

> It is not enough to say that there is not a strong base of profit-making concerns engaged in biomedical research from which to draw. It is HEW/NIH policy which has actually erected barriers to the federal acquisition of research from profit-making concerns.

Although NIH recently opened up its competition for grants to for-profit firms, HHS Secretary Schweiker certified in connection with the new regulation: "This rule will not have a significant economic impact on a substantial number of small entities."

4. SMALL BUSINESS UNSUITED TO DO BASIC RESEARCH

It is alleged that the work funded by NIH is not of interest to for-profit firms or is not appropriate for commericalization because it is "basic" biomedical research.

The facts are that the percentage of scientific and technical articles concerning basic biomedical research written by scientists and engineers rose from 32 percent of the total articles in 1973 to 49 percent in 1979. These figures are taken from Science Indicators 1980, published by the National Sci-

ence Board. Basic research articles in biology by industrial scientists and engineers rose from 32 percent of the total articles in 1973 to 49 percent in 1979. In a May 6, 1982, editorial, Nature, the prestigious British scientific journal, wrote concerning this legislation:

> In objecting to the legislation, spokesmen for universities and for basic research have been anxious to preserve their own turf at the expense of everyone else's . . . What is missing here is any perspective from the scientists that they are part of any large effort . . . Small firms are also part of the "fund" from which practical applications are drawn, both those which do basic research and those which do not. If the university spokesmen are truly concerned about national productivity, creating new inventions, and economic health—as they have said they were in selling their own budget requests to Congress in the past—they should support any measures that further that goal. At least they should offer constructive alternatives. But they do the image of science—and the U.S. economy—no good by limiting their comments to paranoiac fears that their particular sector will be hurt.

To underscore this belief, the Small Business Administration estimates that there are between 15,000 and 20,000 small firms whose principal work is in the research and development field. There are estimated to be between 20,000 to 30,000 small firms which have R. & D. capability as part of their principal function, such as manufacturing. As of January 31, 1982, of the 62,000 small firms listed in the agency's procurement data base (PASS), 12,607 are either R. & D. firms or possess R. & D. capability.

5. PERCENT REQUIRED

It is alleged that the funds earmarked for SBIR programs are really much larger than the percentage included in the bill and will seriously squeeze agency R. & D. budgets. For example, the impact on the Defense Department of the set-aside will not be 1.25 percent, but more on the order of 26 percent.

The fact is that simply because a large percentage of funds is committed in advance to certain projects does not mean that these projects should be exempted before figuring the impact of the SBIR earmarking. NASA, in a report prepared for the Science and Technology Committee, performed the following mathematical wonders:

	Thousands
Fiscal year 1980 R. & D. and R. & P.M. appropriation	$5,084,054
Institutional costs	996,000
Total R. & D. awards to private sector	3,572,000
Less fiscal year 1980 funding of preexisting programs	2,789,000
Private sector awards for new requirements	783,000
Less fiscal year 1980 small business R. & D. and R. & P.M. awards	301,146
Unappropriated funds uncommitted to preexisting programs and current level of small business	481,854
Maximum SBIR set-aside required in H.R. 4326 (31.7 percent)	152,522

A number of issues must be raised. First, from a $5,084,000,000 budget, NASA has subtracted out funds for preexisting programs in fiscal year 1980 of $2,789,000 to bring the base to which the SBIR program will be applied down extremely low.

Second, NASA applies the maximum 1.25 percent set-aside to a remaining base of just over $480,000. The bill does not envision that this level will be reached until 1984 and probably not until 1985. There is no discussion of what level of 1984 or 1985 funds will be committed to preexisting programs.

Third, NASA does not discuss whether portions of these preexisting programs could be made available for the SBIR programs. Is it not possible that some of the R. & D. in these programs could be performed by small business?

Finally, if NASA is going to subtract out funding of preexisting programs in fiscal year 1980, and if we are to accept their contention that a like sum will be committed to preexisting programs upon enactment of this legislation, then fairness would require that the first year set-aside be applied to the remaining uncommitted balance.

Applying 0.2 percent, the percentage required in the committee amendment, to the total private sector awards of $3,572 billion results in making $7,144,000 available for the balance, or 1.25 percent of the "uncommitted" balance.

The fact that such a large percentage of funds is "previously committed" speaks to the need for this legislation. Since NASA subtracted out both funding for preexisting programs and small business R. & D. and R. & P.M. awards, it must be assumed that small business is not receiving access to $2.789 billion, or 54.9 percent of NASA's R. & D. budget.

This same convolution of the numbers was performed by NIH and DOD to indicate the much larger impact of the SBIR program on agency R. & D. budgets.

6. UNWISE POLICY

It is alleged that mandatory earmarking of funds for SBIR programs is unwise and bad policy.

The fact is that the highly acclaimed National Science Foundation small business innovation research program was initially supported with earmarked funds. The research funded under that program is of only the highest quality. In addition, no one can say that NSF suffered because of that; on the contrary, the Foundation has broadened its impact on American science and technology with its SBIR program.

We have no choice but adopt a mandatory funding approach to insure that SBIR programs are established and adequately funded. We have to do this because of the ingrained resistance of Federal agencies to this type of effort. According to testimony before the House Small Business Oversight Subcommittee, the Office of Management and Budget recommended in 1977 that Federal agencies sharply increase their use of small science and high-technology firms. The agencies ignored that recommendation.

Two years later, Federal agencies ignored President Carter's directive to establish small business innovation research programs.

Dr. Ernest Blase, formerly head of the Office of Advanced Technology Projects in the Department of Energy, described in a letter to the House Small Business Oversight Subcommittee how two Secretaries of the Department of Energy—Charles Duncan and James Edwards—refused to establish an agency SBIR program after telling Congress that the Department would.

Thus, we are left with no choice but to mandate the establishment of SBIR programs and funding mechanisms if we are to overcome entrenched bureaucratic intransigence and thereby effectively reverse the decline in innovation in the United States.

7. VENTURE CAPITAL

It is alleged that SBIR programs are not needed because there is adequate venture capital. Moreover, tax breaks can help fledgling R. & D. firms.

The fact is that venture capital is categorically not available for the type of research envisioned to be performed through SBIR programs. Venture capitalists require that development be advanced to the point of a prototype before they will ever consider investing in a small firm. To suggest otherwise is a red herring, for the facts will not support it. Let me state again that venture capitalists will not fund phase I and II types of research and development. This is borne out by the fact that NSF's phase II awards are made to develop prototypes and develop innovative ideas to the point where venture capitalists and other private sector investors will consider investing in them.

The SBIR program is designed to provide the necessary funding to bring small businesses to this point of development so they can then attract follow-on private venture capital funding.

It should be noted that since enactment of the Small Business and University Patent Reform Act of 1980, this is increasingly what Federal R. & D. funds are providing to universities. Universities develop a product or proc-

ess to a point where they can obtain a patent and they then may license the technology or process to commercial ventures. It is only at this stage of development of an idea in a small business that private venture capital can be attracted. Tax breaks do not help new R. & D. firms. Businesses at the startup point do not have profits that they can write off on taxes and cannot look forward to them for a while. Without a tax liability, tax deductions or credits are worthless. They instead need front-end seed money.

OVERSPENDING ON SMALL BUSINESS

It is alleged that the bill will force agencies to spend a certain percentage on top of what they currently devote to small business.

The fact is that H.R. 4326 would extend to all agencies a proven program that enhances the ability of small science and high technology firms to develop innovative ideas and products. The program will expand the small amount of Federal R. & D. funds already received by our Nation's small businesses. The amount will be $60 million in the first year of the program and will reach $380 million in the fourth year. These are all small amounts, even when compared with the $2 billion or 5 percent of the $40 billion Federal R. & D. budget that small business now receives. However, it should be reemphasized that the intent of the bill is not to establish another small business program but to set up an effective mechanism to reverse the decline in innovation.

9. SPECIAL INTEREST LEGISLATION

It is alleged that the Small Business Innovation Development Act is just another piece of special interest legislation and duplicates existing small business programs.

The fact is that the purpose of the bill is to stimulate the development of innovation in the United States. That is why it is titled the Small Business Innovation Development Act. It is also a fact that the sector of the economy that has the most impressive rate of innovation—a rate recognized by the National Science Foundation—is the small science and high technology sector. All we are doing in this bill is creating a new program that would target a small percentage of Federal R. & D. funds to stimulate innovation by the most productive and cost-effective generators of innovation. This bill does not duplicate existing programs that set aside R. & D. contracts for small business.

I do not want to get involved in an argument over the share of R. & D. work that small business currently receives from Federal agencies. The figures are dismal. The National Science Foundation reported that despite the fact that small R. & D. firms represent 85 percent of all firms carrying out R. & D., they receive only about 2 percent of the total Federal R. & D. funds allotted to industry. Overall, small firms receive only 4 percent of total Federal R. & D. funds and 6 percent of Federal R. & D. contracts of more than $10,000. It is a paltry amount however you cut it.

10. ADMINISTRATIVE COST

It is alleged that the small business innovation research program will cost at least $193 million to administer over 5 years.

The fact is that the SBIR program will cost nowhere near that amount to administer. I cannot understand how various numbers have been developed on the cost of running this program. All you really need do is look at the NSF experience in administering its SBIR program, since the NSF program is the model for the legislation.

The NSF SBIR program is funded at $5 million for fiscal year 1982. It has received 2,000 proposals and currently oversees 150 phase I and phase II awards. According to NSF, the program is administered by a staff of two program managers who are GS-15's, a secretary, and a student aide. Their salaries come to about $115,000 a year. If we add printing and telephone expenses that total annually $10,000 to the personnel costs, we would find that a $5 million program is being administered at a cost of $125,000 a year.

The program relies on NSF staff to handle each of the 24 topic areas in which the SBIR program is assisting research. This would follow along with the work they are already doing. The NSF tells me that the administrative costs of its SBIR program would be $125,000, regardless of whether the program were at a $5 or $10 million funding level.

If we were to apply this administrative cost percentage to an SBIR program at a 1¼-percent funding level that costs $380 million Government-wide, we could expect the administrative costs to be about $4.75 million annually when it reached full funding. That is a very efficient use of Government funds.

I fully expect that congressional committees will keep close tabs on the SBIR programs of various agencies that will be established when the bill is enacted.

11. AMERICAN ELECTRONICS ASSOCIATION

It is alleged that the American Electronics Association speaks for the Nation's small R. & D. firms in opposing the innovation bill.

The facts are just the opposite. What AEA does not say is that it is a house that is deeply divided over the Small Business Innovation Development Act. That trade association has taken it upon itself to speak for all of its members on this bill, when actually many of AEA's small R. & D. members strongly support the bill. In fact, AEA's small R. & D. members are up in arms over AEA's position and the association's refusal to poll them before taking a position against the bill.

We have received letters of protest from numerous small R. & D. firms that are AEA members saying that the association does not speak for them.

Let us set the record straight on AEA. The association does not speak for research and development firms. It really is a trade association representing electronics manufacturers. Of the approximately 1,800 member companies in AEA, only 140 have identified themselves under the single category "R. & D., Consulting, Management Services" in the AEA directory. Prior to 1978, AEA was named the Western Electronic Manufacturers Association.

A MAJORITY OF THE R. & D. COMPANIES IN AEA FAVOR PASSAGE OF THE SMALL BUSINESS INNOVATION DEVELOPMENT ACT

Ned Rasor of Rasor Associates, a small R. & D. firm in Sunnyvale, Calif., polled AEA's small R. & D. member firms to find out their position on the bill. He found that 59 percent of AEA's small R. & D. member firms favor passage of the legislation.

We must remember that AEA speaks for the largest electronics manufacturers which oppose small business set-asides because of the competitive threat from small business. They are instead content to push for more and more tax breaks for themselves. These tax breaks are nothing more than a set-aside for the multibillion-dollar giants of the electronics industry.

In contrast, the Electronics Association of California strongly supports the Small Business Innovation Development Act. EAC was set up 5 years ago because AEA was not meeting the needs of its small R. & D. members. Today, EAC has almost 500 members. Until now, it has never taken a position on legislation. But AEA's relentless campaign against the innovation bill has changed that. Before it acted, EAC polled its members on their position on the bill. Its poll found support running 2 to 1 in favor of the bill. The question thus is, who legitimately speaks for whether this measure is needed and can be effectively used by small business: AEA, which is dominated and controlled by Fortune 500 electronics firms, or the Electronics Association of California, which is comprised solely of smaller companies.

In addition, the Smaller Business Association of New England, which represents hundreds of New England high technology firms, strongly backs the Small Business Innovation Development Act.

It is fair to conclude that small science and high technology firms strongly favor the bill and that AEA's position should certainly be discounted.

12. SET-ASIDES

It is alleged that set-asides skew a procurement system that is competi-

tive. In addition, Government set-aside programs for small business are riddled with scandal.

The facts are as follows:

First, those who would compare the proposed SBIR program with the much abused 8(a) minority business program simply are showing their ignorance of the procurement process. First of all, 8(a) is not a set-aside; it more accurately could be called a "put-aside" of Government contracts for exclusive and noncompetitive award to minority businesses as subcontractors.

In contrast, the SBIR program is not a business development program, as is the 8(a) program. The design and purpose of SBIR arises from the conviction of proponents, supported by empirical data, that small businesses are the most innovative sector of our economy. These innovative businesses are proven performers who have been denied the ability to compete for Federal R. & D. funding in the past.

The design of the SBIR program positively precludes abuses similar to those which have occurred in the 8(a) program. The SBIR program is competitive; in other words, firms will respond to agency solicitations and awards will be based on the quality of the proposals submitted. Agencies are expected to carefully review proposals, as they would in such instance, and make awards based on quality and agency mission needs.

Second, currently, a significant share of Federal procurement funds are awarded through negotiation on a noncompetitive basis.

In the more specific area of research and development, awards also reflect this noncompetitive track record.

SEVENTY PERCENT OF R. & D. CONTRACTS ARE AWARDED NONCOMPETITIVELY

These facts should put to rest any belief that Government procurement is by its nature a competitive process. The Government does not buy like the private sector buys. Differences are insignificant, and successful marketing with the Government requires a substantial effort on the part of the proposers.

Third, committees of the Congress which considered this bill have made oblique references to the wasteful nature of set-aside programs generally and have further inferred that this will also be the result of the SBIR program.

It is noteworthy that not one committee has supported this conclusion with even a scintilla of data, very clearly because the data is not there. The committees have preyed on a general impression of set-asides as protectionist measures for special interests while disregarding the record of performance under set-asides and their purposes.

It again must be pointed out that comparisons with the 8(a) program are not legitimate and in fact are spurious.

Set-asides as designed by the Congress and implemented by procuring agencies are not business development programs, do not result in less quality in products or processes provided, and do not result in additional costs to the Government.

Set-asides are designed to counter the impediments which preclude small business from participating on an equal footing with other Government procurement performers. What exactly are these impediments?

First, there is a market impediment which is solely a result of business size. Small business resources are spent more productively because they cannot afford to carry significant overhead costs. This means that a small business cannot mount a Government marketing effort equal to that of its big business or university competitors. Of course, this fact makes it more difficult for small businesses to comply with necessary paperwork and regulation, a fact which the Congress recognized in passing the Regulatory Flexibility Act during the 96th Congress.

Second, small businesses have been excluded from participation in many agencies' R. & D. projects because of their "for-profit" standing. Only in December 1981 did HHS and specifically NIH open their grant procedures to for-profit entities.

Certain examples can prove conclusively that set-asides do not result in additional costs to the Government.

13. FAIR SHARE

It is alleged that small business already receives more than its fair share of Federal R. & D. contracts. To support that, opponents of the bill claim that small business employs 5.5 percent of the scientists and engineers and receives 6.8 percent of Federal contracts.

That argument is just another example of how the opponents have twisted and manipulated figures to make it appear that small business is receiving more than its fair share of Federal R. & D. funds when, in fact, it is not. It further illustrates a thorough lack of understanding of the Federal R. & D. procurement process.

The facts are that the 5.5-percent figure on small business employment of scientists and engineers cannot be compared to the 6.8-percent figure on small business's share of Federal R. & D. contracts. These figures cannot be compared because they are taken from different sources and are based on definitions of R. & D. that have widely differing bases. The 5.5-percent figure is taken from NSF. The 6.8-percent figure comes from the Federal Procurement Data Center, which uses a much broader definition of R. & D. in classifying contract actions, thus inflating small business's participation in Federal R. & D. contracting.

This is what the data really shows:

Federal funds for R. & D. in industry—including subcontracts—totaled $12.46 billion in 1979, of which $288 million went to firms with fewer than 1,000 employees. This means that smaller firms received only 2.3 percent of the private sector awards. At the same time, firms with fewer than 1,000 employees had 7 percent of industrial R. & D. scientists and engineers. Comparing small firms to the entire private sector, including universities and other nonprofit entities, yields a small firm's meager share of private sector Federal funds of only 1.5 percent. This figure is comparable to the 5.5-percent share of scientists and engineers quoted by the American Electronics Association. Thus, if employment is a satisfactory measure of small business capability, use of comparable data shows that small business is being utilized at a rate of less than one-third of its current capabilities.

What is most disturbing is the broad acceptance of the figures and citing and National Science Foundation as their source. The NSF has indicated that the 5.5/6.8 comparison is an inconsistent application of disparate data. NSF has also indicated that the comparisons cited earlier, that is small business performs only 1.5 percent of the R. & D. work, are an appropriate and consistent application of the figures included in their report.

Furthermore, employment of scientists and engineers may not be a satisfactory measure of small businesses' ability to perform Federal R. & D. In a report titled "Consistent Criteria Are Needed to Assess Small Business Innovation Initiatives," GAO concluded:

> This measure is biased toward labor-intensive R. & D. activity and it covers only employees formally or exclusively employed to conduct R. & D. activities. At best, this measure is only a partial indicator of potential to innovate.

14. FREE MARKET

It is alleged that the Small Business Innovation Development Act will upset the operation of the free market. The opponents say, "Allow the free market to work."

The fact is that the free market will not work unless this bill is enacted. The small business innovation research programs, with their seed money awards, lower the barriers to entry of small science and high technology firms into the marketplace. These barriers include lack of capital and lack of a competitive Federal R. & D. contracts and awards system. Without this bill, small firms with innovative ideas will not be able to develop those ideas to the point where private capital will become available for full

scale development and commercialization.

The opposition to the bill comes from the giants of industry and the giants of academia, who feel threatened by any program to encourage competition in research and development.

15. INADEQUATE OVERSIGHT

It is alleged that the Small Business Innovation Research programs will divert management attention from an agency's total research and development objectives.

The fact is that the small business innovation research program is designed to complement agency needs and research objectives. The small business advanced technology program at the Defense Department is the first SBIR program in a mission-oriented agency. Under that program, small firms are invited to submit R. & D. proposals on topics selected by the agency in accordance with its R. & D. objectives. Thus, the SBIR program fits right in with what the agency is doing and what the agency needs.

16. MARGINAL RESEARCH

It is alleged that potential remaining funds in small business innovation research programs will be committed to marginal research.

The fact is that the small business innovation research programs will be phased in starting with 0.2 percent in the first year and reaching 1.25 percent in the fourth year. The exclusion of in-house research from the funding base reduces the dollar size of the program by about 25 percent. Thus, on an agency-by-agency basis, you are talking about very small amounts of money.

The 4-year phasein allows the agencies to start off with the smaller phase I awards for feasibility studies. These awards are expected to be in the $20,000 to $50,000 range. As the program expands, so do the amounts of the awards, which are expected to range up from $500,000 for phase II development grants. Thus, the program will not be overloaded with money in the early stages.

The experiences of the NSF SBIR program and the Defense Department's small business advanced technology program show the respones that can be expected to agency SBIR programs. The NSF has had a surfeit of applicants and has selected 1 out of 8 applications. The DOD program received 1,103 proposals in response to its first solicitation last year. It made awards to only 100 firms.

As it is, the awards are small. Many of the recipients of NSF awards have applied their own funds to the SBIR grants because those grants are so low.

17. UNIVERSITIES

It is alleged that the bill discriminates against universities by not allowing them to participate in the SBIR program.

The fact is that the bill allows all individuals with innovative ideas to compete for SBIR awards. This includes scientists and engineers who work for universities, corporations, or nonprofit institutes.

Only Government laboratories, companies with over 500 employees, and nonprofit institutions are excluded from participation in the program, not their employees.

The purpose of the SBIR program—ultimate commercialization of innovations—is not compatible with the research conducted by universities. The SBIR program helps take innovations into the marketplace.

18. AGRICULTURE

It is alleged that the Department of Agriculture's R. & D. effort will be harmed by the SBIR program and that only 20 firms perform research for USDA.

The fact is that an SBIR program at USDA will have minimal impact on existing R. & D. programs under the substitute amendment. The Agriculture Department has an $860 million R. & D. budget for fiscal year 1982. Under the Small Business Committee substitute amendment that excludes in-house research, two-tenths of 1 percent will be earmarked for the SBIR program for its first year; six-tenths of 1 percent for the second year; 1 percent for the third year; and 1¼ percent for the fourth and all subsequent years. That means $500,000 in the first year; $1.8 million in the second year; $3 million in the third year; and $3.7 million in the fourth year. That is far less than the $23 million that has been alleged would be set aside from the USDA R. & D. budget.

The argument that since only 20 firms perform research for USDA, there is not a sufficient number of qualified firms to participate in an SBIR program. That is as dishonest as the argument of NIH that there are not enough qualified small R. & D. firms in the life sciences. The simple fact is that the agencies have not in the past sought out and do not now seek out qualified small R. & D. firms. If they did, they would find many.

COMMITTEE AMENDMENTS

The innovation bill was referred sequentially to six committees in addition to Small Business. They were the Energy and Commerce, Science and Technology, Veterans' Affairs, Foreign Affairs, Armed Services, and Select Intelligence Committees. These committees held hearings on the legislation and reported amendments.

The Small Business Committee has reviewed the proposed amendments and feels that many of the concerns embodied in them are resolved in the committee substitute. Let me review the amendments:

1. VETERANS' AFFAIRS

The Veterans' Affairs Committee proposes to exclude any in-house research and research done at Government-owned, Government-operated facilities. In-house research accounts for $9.8 billion or about 25 percent of the Federal R. & D. budget of $40.4 billion for fiscal year 1982.

We do not see any problems with including in-house research in the funding base for small business innovation research programs. But, as I have stated many times during the debate, the goal of the Small Business Committee is to see the adoption of the Small Business Innovation Development Act and to include the small business community in the effort to reverse the decline in innovation. Reducing the R. & D. funding base for SBIR programs would meet the concern expressed that SBIR programs would be too costly if a larger funding base were used. We have included the thrust of the amendment of the Veterans' Affairs Committee in our committee substitute. It in no way weakens the purpose of the legislation—to establish SBIR programs that are assured of steady and adequate funding.

2. INTELLIGENCE

The Select Committee on Intelligence proposes to exclude R. & D. by any agency within the intelligence community. That specifically includes the Central Intelligence Agency, the Defense Intelligence Agency, and the National Security Agency.

We never considered that R. & D. conducted by the intelligence community would be covered by the Small Business Innovation Development Act. While we feel small business is capable of making an important contribution to the many facets of intelligence R. & D., we have no problems with the intent of the Intelligence Committee's amendment and have included language to that effect in our committee substitute.

3. FOREIGN AFFAIRS

The Foreign Affairs Committee has not issued specific recommendations prior to the floor debate on H.R. 4326. Nevertheless, the Small Business Committee recognizes the unique aspects of R. & D. conducted by the Agency for International Development that falls within the requirements of the Small Business Innovation Development Act. We thus have included in our substitute an exclusion of AID international research centers and grants to foreign governments from the base against which the bill's funding percentages are applied. The effect is to remove AID from the SBIR program and coverage of the legislation.

The Small Business Committee believes that all of the major Federal R. & D. agencies must be included in the Small Business Innovation Development Act and that the small business innovation research programs must have mandatory funding to be effec-

tive. Thus, the committee strongly opposes the following amendments.

4. ENERGY AND COMMERCE

The Energy and Commerce Committee proposes to exclude any health-related R. & D. conducted by or through the Department of Health and Human Services.

We feel very strongly that this is bad public and science policy. If the Small Business Innovation Development Act is to stimulate the development of the innovation that the United States desperately needs today, it must include all aspects of science in this effort. There are over 2,000 and as many as 3,500 small, high technology, biomedical and life science research firms in the United States that have important contributions to make. They should be working with the National Institutes of Health. Most of them have not been utilized by NIH because of that agency's longstanding bias against working with these types of firms.

This bias has very harmful consequences. We are entering a new era where the life sciences are exploding as the electronics industry did in the 1960's and 1970's. As small firms were critical to that explosion, so they are critical to this new explosion. We must insure that their abilities will be tapped and that HHS and NIH establish and fund an SBIR program.

The Small Business Committee substitute recognizes the deeply felt concerns of the university and basic research communities that the United States basic research effort not be harmed by this bill. We feel this legislation will only increase support for basic research. We have made every effort to work with the universities to find means of assuring that basic research will not be hurt. Regrettably, the university spokesmen refused to engage in a serious effort with our committee and to propose concrete ways of resolving their concerns.

We have not ceased our efforts. We have included in our substitute a provision that caps that amount of money that can be used from the extramural budget for basic research at the percentages included in the Small Business Innovation Development Act to fund the SBIR programs.

We feel this should satisfy the concerns of the universities and the National Institutes of Health. The Senate version of the innovation bill includes the same provision. These changes make the Energy and Commerce Committee amendment unnecessary.

5. ARMED SERVICES

The Armed Services Committee proposes to exclude the Department of Defense and atomic energy defense programs conducted under the Department of Energy from participation in the Small Business Innovation Research program.

We find it very difficult to understand the rationale for the Armed Services Committee's amendment since the Department of Defense established an SBIR program on its own—the defense small business advanced technology program. That program mailed out 30,000 brochures for its first solicitation in April 1981, inviting proposals from small R. & D. firms in a wide variety of research areas. Over 1,000 proposals were submitted and 100 winners were selected. The Department of Defense clearly recognizes the contribution an SBIR program can make to national defense.

The Department has expressed concerns about the size of the SBIR program under the 3-percent earmarking included in the original version of the Small Business Innovation Development Act reported by the Small Business Committee. We appreciate the concerns of the Defense Department and the Armed Services Committee and have included modifications in the Small Business Committee substitute to deal with them. We have excluded in-house R. & D. from the SBIR funding base. We have reduced the amount of funding earmarking to 1¼ percent. Moreover, we provide for a 5-year phase-in of an SBIR program at the Defense Department. We have done all these things to facilitate the Department of Defense's participation in the SBIR program and in recognition of the Department's unique situation. These changes bring the Small Business Innovation Development Act much closer to the Senate version of the bill, which the Defense Department has testified in support of.

We feel very strongly that it would be bad public and science policy to exclude the defense programs from the small business innovation research program. The defense-oriented R. & D. budget accounts for half of the Federal R. & D. budget. Clearly, United States R. & D. has a large defense-oriented component. We have found many civilian spinoffs from that research. It would be unwise to remove the Government agency that influences the direction of so much American research and development from the one Government program that is directly aimed at stimulating innovation.

6. SCIENCE AND TECHNOLOGY

The Science and Technology Committee proposes a substitute for the Small Business Innovation Development Act reported by the Small Business Committee. We find the Science and Technology Committee's substitute unacceptable. Its purpose is to gut the Small Business Innovation Development Act and establish a meaningless small business innovation research program that would not be assured of adequate or long-term funding. It would strike at the heart of the innovation bill by eliminating the provision mandating earmarked funding for the programs. As we have said countless times during the debate on the bill, earmarked funding is the only way that the SBIR program will be assured, given the ingrained resistance of government agencies to establishing SBIR programs on their own and to utilizing small science and high technology firms in the Federal R. & D. effort. Let me point out once again that the highly acclaimed NSF SBIR program was established only after Congress mandated it and provided for earmarked funding.

Other provisions of the Science and Technology Committee substitute would seriously weaken the SBIR program. It proposes removing requirements that the regulatory burden on small business be minimized and that a simplified, standardized and timely annual report be submitted by agencies to the Small Business Administration and the Office of Science and Technology Policy. It proposes to remove the requirement for peer review from Phase II proposals. It proposes to remove the requirement that policy directives, procedures, and objectives for the program be issued within 120 days of the enactment of the Small Business Innovation Development Act. It proposes, in effect, an SBIR program in name but not in fact.

It also proposes to remove the requirement that small business R. & D. for agencies not be less than the actual R. & D. expenditures by the agencies with small business in the immediately preceding fiscal year. This is ludicrous. We are talking about goals which are important to encouraging agencies to do what they should, as a matter of efficient use of the taxpayer's money, be doing.

It also proposes removing the Small Business Administration as the lead agency to issue policy directives for the SBIR programs and the requirement that the Office of Science and Technology Policy report to the Committees on Small Business on the SBIR program. We feel that SBA has been given the general type of leadership role required by this legislation to oversee a decentralized program. We see no need to change that. We also welcome all committees to conduct vigorous oversight of the SBIR program. But we feel that the Small Business Committees have a major role to play in overseeing the operation of the program. We have been working on this legislation for three Congresses and are the leaders in the effort to get the Federal Government to effectively and fully use the abilities of small science and high technology companies.

We feel there is merit in the Science and Technology Committee's recommendation that basic research funding be given special consideration in the funding of SBIR programs and that

the earmarked funding percentages be reduced. We have included these changes in the Small Business Committee substitute and feel that they achieve a middle ground that all of us can support.

CONCLUSION

The week of May 10 was Small Business Week. Many of you used that time to tell your small businessmen how important they are to our Nation's well-being. Now we have the opportunity to vote our rhetoric by enacting the Small Business Innovation Development Act.

The national interest demands that a very small portion of Federal R. & D. funds be reallocated to the most productive generators of innovation. This will mean some slight pain for certain special interests. But the crisis we face today demands that we fully involve all components of our national science system in the effort to rebuild our economic and technological base and create the new jobs we desperately need. Nature, the prestigious scientific journal, has endorsed this bill for just these reasons.

The beauty of the Small Business Innovation Development Act is that it establishes a linkage between research done in the laboratory and practical application. This linkage is called innovation. Innovation is what made the U.S. economy and U.S. technology such a powerful engine for the past century and will power us into the next century

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Mr. McDADE. Mr. Chairman, I yield 5 minutes to my distinguished friend, the gentleman from Ohio (Mr. STANTON) who has worked for many, many years in building a platform upon which this bill can come to the floor. He has done yeoman work. I am delighted to yield 5 minutes to my friend, the gentleman from Ohio (Mr. STANTON).

Mr. STANTON of Ohio. Mr. Chairman, I would like to add a few words to those of my colleague from New York concerning this very important piece of legislation which is before us today. H.R. 4326, now amended as H.R. 6587, presents this Congress with a unique opportunity to take a stand on behalf of small business in this country.

We have just been through an agonizing effort to reduce the size of our Federal budget; we have had to cut spending in almost every program run by this Government. It is more urgent than ever before that we make the very most productive use of our Federal dollars.

Thus, Mr. Chairman, when we have an opportunity to channel some of the $40 billion in Federal funds which goes to research and development through various federally sponsored programs, if we can channel just 1.25 percent of this amount—only about $44 million the first year—into more productive use, we will have contributed toward getting the most bang for our Federal bucks.

Particularly in these times of great economic hardship, with high interest rates, high unemployment, inflation, limited access to equity capital, and a slowdown in our national economic growth, it is more important than ever before to insure that we spend these dollars in the most economically productive way we can. This bill provides us with an opportunity to increase productivity in research and development and to open up for competitive bidding among small businesses some of the research and development which has heretofore been the exclusive territory of large corporations and universities.

It has been proven over and over again that the cost per innovation in a small firm is far less than in a large one; that small firms produce up to 24 times more innovations per R. & D. dollar than large ones; that small business receives a minuscule amount of those funds; and that 80 percent of the research in industry is done by only 200 firms.

This legislation is not a set-aside program like the SBA 8(a) program. This legislation would ask each Federal agency with R. & D. budgets over $100 million to review its research and development needs, and to come up with those needs which can be reasonably addressed by small businesses, and then to open up those project proposals to competition from among the small business community. There is no attempt in this legislation to either reduce the amount of basic research conducted by the private sector—universities or corporations—nor is there any mandate which would increase beyond 1.25 percent the amount of R. & D. to be performed by small business. And there is no attempt here to set up one more bureaucratic program run by Uncle Sam. Each agency is responsible for running its own small business program within its already established R. & D. needs.

Mr. Chairman, during the past decade we have watched our country gradually slide backwards in terms of world leadership in the area of technological innovation and productivity. The annual rate of increase of productivity for the United States has declined tenfold over the past 10 years and now lags behind that of the rest of the world's major industrial nations.

We all know that small business makes up 99 percent of our economy, produces 86 percent of new jobs created, and over half of the gross national product. If we are going to address the economic problems of our Nation, we must start with small business, where the economic hardships hit first and hardest and where the productivity is highest. To solve our economic problems we need only to address the problems of small business, and here in this bill, we have an excellent opportunity to kill two birds with one stone—to increase our national technological and innovative know-how, and our international prestige, and to address our economic problems which begin with small business.

Mr. LAFALCE. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the full Committee on Small Business, the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I want to follow up on something that my colleague, the gentleman from Ohio (Mr. STANTON) just said. He indicated the needs and the hurt of small business right now are great and said that this bill would help small businesses. And indeed it will. But there is a much larger issue.

The larger issue relates to the fact that this country has slipped from first to dead last among industrialized nations in the rate of productivity increase. At one time we were No. 1 in productivity increase; we are now dead last.

The Committee on Small Business has been examining this issue since 1978, and over those years we have heard more and more expressions of concern that the leadership in some technologies had shifted to Japan and West Germany and would stay there permanently. I say it will unless we begin to give small businesses an opportunity to participate in research.

I also want to comment very briefly on the matter of the universities which are in opposition. The problem there is, as my colleague, the gentleman from Ohio, had indicated, that they simply have not read the bill.

We are talking about 1.25 percent of all R. & D. money over a 5-year period. How can two-fifths of 1 percent in R. & D. going to small business hurt any university? How indeed could 5-percent hurt? It will not. But we are so modest. It is only 1.25 percent over a 5-year period.

There are several factors that have impeded the involvement of small firms in Government-sponsored R. & D. First, unquestionably, there is a bias in Government agencies in favor of large firms and research labs. Second, the agencies are motivated by an antirisk attitude. They are afraid to get out there and dare to take a risk.

Well, if we do not take a risk, we are going to stay dead last in productivity. There is a general kind of inertia in the agencies. They have been doing the same things the same way over and over again, and they just do not want to change. And, finally, most of the agencies are just unfamiliar with

the capabilities of small business firms.

I must confess that I was unaware of the fact that it was a small business firm that created the first oral contraceptive. I did not know that. The famous CAT scanner that is sought after assiduously by almost every hospital of any size came out of the small business community.

Without Government relations and marketing staff, small firms are consistently overlooked and underutilized. The bill, as the subcommittee chairman, the gentleman from New York (Mr. LAFALCE) has said, simply establishes the mechanism whereby we can effectively tap these resources. By redirecting a small portion of the R. & D. budget, 1¼ percent phased in over the next 5 years, our Federal research dollar will be used in such a way as to maximize returns to the economy.

So really in this bill we are getting the best of two worlds. We are getting a chance to help the small businesses of this Nation, and we are getting a chance to help the Nation in its entirety by letting these small businesses take a lead role in beginning to raise us from being dead last in productivity and try to move us to first where we were for such a long period of time.

The concept of the bill is sound. The SBIR program has proven itself in terms of returns to the economy and by successfully stimulating innovation.

As has been indicated, the bill is supported by every small business organization, by the past Administrators and the current Administrator of the Small Business Administration, by the first Chief Counsel of Advocacy, and by the present Chief Counsel of Advocacy. As was pointed out, this was the only legislation specifically endorsed in the White House Conference in 1980.

I would urge my colleagues to ignore all of the misconceptions, all of the half truths, and all of the quarter truths that are being put out about this bill. I would urge my colleagues to listen very carefully to the arguments that are going to be raised that the budget has been cut and, therefore, R. & D. has been cut and the agencies might be in difficulty. I would say that when we hear those arguments, we should just bear in mind that we are talking about 1¼ percent over a 4- or 5-year period.

Mr. Chairman, we have made many compromises in this legislation. I urge the Members to support it fully and completely.

Mr. McDADE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise to support this bill.

Mr. Chairman, the House at long last today debates a bill that has been discussed, studied, reviewed, and argued about for 4 years. It was first introduced in 1979 by my colleague NEAL SMITH from Iowa. It is based on a highly successful model at the National Science Foundation that since 1977 has tested and proven the principle that small businesses are an innovative power that has remained untapped for far too long.

In 1979 the President directed that agencies develop their own SBIR program. In 1980 the White House Conference on Small Business made this one of their top 15 priorities, along with the Small Business and University Patent Act that this body already has passed. In 1981 the President went on record supporting the companion bill in the Senate, which passed 90 to 0. In 1982 the President committed to this concept in his State of Small Business Report.

Here we are today, debating this bill because no agency except DOD has moved an inch to begin an SBIR program. What we are doing here today is what should not be necessary. But asking, requesting, promoting—all has done no good.

We know we need a change. Look at what we have now. Of all Federal R. & D., 95 percent goes to big business and nonprofit organizations—foreign contracts and State/local equals 1.5 percent; small business equals 3.5 percent. What have we received for this highly centralized program where 60 percent of all contracts are sole source?

A Department of Commerce report cites 36 firms doing 60 percent of all U.S. industrial research, 20 universities receive 40 percent of all Federal funds to such institutions. Patent filings by U.S. firms have dropped by 13 percent in the last decade. Now 40 percent of all U.S. patents are from foreign firms. In 1980 alone 11 percent of all U.S. patents went to Japanese firms and individuals—Business Week. Productivity rates, an area where America was once the leader, have decreased tenfold in the last decade.

What this bill is all about is competition and free enterprise. This bill brings to an almost closed system an opportunity for small business to apply its innovative, creative entrepreneural force.

Why do we need this bill that the President and every small business group I know of clearly supports? We must open up the doors of competition. Until January of this year, no for-profit business could even apply for an NIH grant—none. But in 1979 my committee received a letter from the Director at NIH stating that the agency would change its regulations. But those regulatory changes came just this year, only after the Senate passed this bill and the House committee reported it out unanimously. The Secretary of Energy testified in 1980 that he would voluntarily start an SBIR program. None yet exists. Let us give small business a chance.

Small businessmen and individual inventors have a great record of innovation. A National Science Foundation study shows that during a 20-year period ending in 1973, almost half of all major U.S. innovations came from smaller firms.

Look back to xerography, Polaroid cameras, and the laser. These are only a few of the major technological breakthroughs that have come from small business.

These small businesses do more than just develop innovations—they make jobs. Small high-tech firms have an 88 percent greater employment rate than the average of all businesses—17-year study by DOC—and they pay taxes—34 percent more per dollar of sales than mature companies. And, they decrease product prices, not increase them—44 percent less price increases than the average firm.

The question is, How long must we sit before we recognize what is right in front of us? Our Nation needs to unleash the innovative, job creative, tax paying power of small business.

In 1975 the President created a blue ribbon panel to look at why our Nation's technological base was deteriorating. Their findings support what we are trying to do here today and were the basis for the NSF test. The report found "that small businesses face impediments in Federal R. & D. procurement not found in the private sector." The report, agreed to by every senior cabinet department official, directs that changes be made. But they have not occurred.

We must now do by statute what could have been done years ago. Why must this program be mandatory? Because 6 years of inaction make it clear that the bureaucracy will not change unless required to do so. It is too easy for them to just wait it out. We know from the NIH example that they will not change unless forced to do it.

We want to open the door, providing a way to bring innovative ideas into use. In testimony given by a small anticancer drug manufacturer who had five derivitives that proved positive in initial tests, we heard that this for-profit business did not qualify at NIH. So they formed a nonprofit subsidiary and got funding on two out of three proposals. Is this the way we must do business?

Just the other day a small business that testified before our committee announced that it has perfected the commercial production of interferon from gene-spliced yeast. Its seed money came not from NIH. It could not qualify.

Here is how our program will work. Each agency decides what its own research priorities are. Then, in phase I of the SBIR program, the agency decides on which research topics, among these priorities, small business can

submit proposals. These proposals are evaluated on the basis of scientific and technical merit and feasibility. They are eligible for up to $50,000 for feasibility research.

In phase II, awards up to $500,000 are available but merit and feasibility are the keys.

Our competition is based on merit and feasibility.

Will there be competition? Yes. Our two-line tests show that there were 8 qualifying projects for each 1 funded at NSF and 10 to 1 at DOD. That is competition.

This idea works. Since the Korean war, when DOD realized how important small business was to the defense effort, we have had a small business set-aside. Our most recent test (1982) shows that when the Air Force set-aside 181 contracts for high-tech spare parts, it saved 38.5 percent per contract average. Savings on some contracts ran as high as 99.5 percent. Test savings were 6.7 million taxpayer dollars—that is competition.

We want competition. We want opportunity. We want a chance for America's entrepreneurial spirit to be put to use. We do not want broken promises, broken commitments or last-minute patchwork solutions.

We are asking for a mandatory program that in its first year sets-aside for small business competition 20 percent of the amount of R. & D. funds we now give to foreign contractors.

This country needs the new ideas, new jobs, and new tax revenues that will result from this bill. My colleagues, it is time to act.

□ 1230

Mr. LAFALCE. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. NOWAK).

Mr. NOWAK. Mr. Chairman, I wish to speak in support of H.R. 4326, the Small Business Innovation Development Act of 1982. This bill was reported by the Small Business Committee in recognition of the contributions smaller firms have made to the economic prosperity of the Nation.

A study conducted by David Birch and the Massachusetts Institute of Technology indicates that 80 percent of all net new jobs were created by firms with 100 or fewer employees. Along with being the Nation's job creator, small business is in the vanguard of innovation and invention.

A National Science Foundation study for the period between 1953 and 1973 concludes that small firms are about 4 times as innovative as medium-sized firms and about 24 times as innovative as large firms, on a per-research-dollar basis.

We talk about helping small business, but we often do very little to help them substantively. Today, the Congress has a chance to pass legislation which will require Federal agencies with R. & D. budgets of greater than $100 million to set aside 1.25 percent of these budgets for small businesses, once the measure is fully phased in.

This R. & D. program will provide small high-technology and growth firms with much needed funds for new product development. The Small Business Innovation Development Act does not provide a substitute for venture capital money. In converse, venture capital money is not a substitute for the legislation before us today.

H.R. 4326 will insure that smaller firms receive important R. & D. funds at the earliest stages of new product development. Once new product development for a firm reaches a mature stage, venture capital firms will begin making private investments in that company. At that juncture, the venture capitalist will provide much needed funds for managerial expertise, product marketing, and plant expansion.

Recently, a Wall Street Journal article reported 11 isolated incidents of abuse with respect to the small business investment company program of the SBA. SBIC's are private venture capital firms, as licensed by the SBA. What disturbs me is that the article presents a distorted picture of the SBIC program. In contrast to these few abusive situations, the SBIC program has provided over $4 billion in financing to more than 48,000 small concerns. Some of these firms are nationally known, and have become big success stories. Examples of such firms are Federal Express, Memorex, and Teledyne.

A recent study by the international accounting firm of Deloitte Haskins & Sells indicates that the SBIC program resulted in the payment in 1979 of approximately $441.3 million to the Federal Government in taxes. This is in contrast to the mere $4 million cost to the Federal Government of the program in 1979. I would like to emphasize that this is a direct return to the Treasury of $110 for each $1 spent. There are not many other Federal programs which provide as much bang for the buck as the SBIC program does.

I believe that the Innovation Act will prove to be as cost-effective and efficient as the SBIC program. Both programs are important vehicles for moving the Nation to increased prosperity and economic growth. In closing, I urge the House to vote today in favor of H.R. 4326.

Mr. McDADE. Mr. Chairman, I yield 5 minutes to my distinguished colleague, the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, first of all I want to congratulate my good friend, the gentleman from New York (Mr. LAFALCE) for his leadership on this bill, and I also commend my good friend, the gentleman from Pennsylvania (Mr. MCDADE).

Mr. Chairman, I rise in strong support of H.R. 4326, the Small Business Innovation Research Act, but I rise with some trepidation. I fear that amidst the boisterous debate over this bill, the truly significant issues have gotten lost.

The first issue is industrial productivity. It is not a new issue. We have been living with it for the past decade and a half, and it is a problem we have not licked, not by any account. Our national productivity growth, so strong after World War II, slowed in late 1960's, turned negative in the late 1970's, and has now finally turned around slightly. We are now growing again, but still very, very slowly. And our competitors continue to grow faster than us. We must reverse that trend.

I hope one fact has gotten through the debate on this issue. Small businesses are up to 24 times—I repeat 24 times—more productive with research and development dollars than big businesses. The reason is that small businesses have to innovate to survive. If you are worried about our industrial productivity, and you think the Federal Government should use its research and development dollars as wisely as possible, then vote for this bill.

The second significant issue is whether Congress can learn from history. Increasing small business' share of Federal R. & D. is not a new idea. As far back as 1967, the Commerce Department produced a widely read report recommending an increased role for small business in Federal R. & D. Nothing came of it. Nine years later another study made similar recommendations. Again, nothing happened. In 1978, an OMB task force did it again, to no avail.

Then Congress entered the picture. The Senate and House Small Business Committees held joint hearings resulting in, you guessed it, another comprehensive domestic policy review on innovation. Finally, President Carter in 1979 directed all agencies to set up small business innovation research programs. So all agencies now have an SBIR program, right? Wrong. There are two, one in the National Science Foundation and one in the Department of Defense.

So here we are today, 15 years later, with a stack of studies to our credit. The time for studies is over. The time for directives is over. The time for begging is over. Panel after panel, now President after President—including President Reagan—Small Business Committees of two Congresses, a 90-0 vote in the Senate, and over 200 cosponsors here in the House have endorsed this legislation. History makes it unmistakably clear that unless Congress takes affirmative action on this

bill, the same thing will happen that has happened for the last 15 years—nothing.

Given the need for increasing productivity, given the potential that small business has to do the job, and it will create a lot of jobs at the same time, I guarantee you, we cannot afford to pass up the opportunity we have here today. Let us stop playing games and get this show on the road.

Mr. LAFALCE. Mr. Chairman, I yield 2½ minutes to the gentleman from Massachusetts (Mr. MAVROULES).

Mr. MAVROULES. Mr. Chairman, I would like to take this opportunity to associate myself with those Members who have long supported this legislative initiative.

It has been widely recognized that technological innovation creates new jobs, increases productivity, enhances the competitiveness of products in foreign markets, and stimulates economic growth. It also has served as a valuable countermeasure to inflation and this Nation's balance-of-payments deficit. There is legitimate cause for concern when innovation lags.

I believe that our Nation is missing a great opportunity by not involving small business to a greater extent in the area of innovation. Despite being the Nation's leading innovator and job generator, small businesses receive only a small percentage of the Federal research and development funds.

Incredibly, the latest figures indicate that this percentage is actually declining. By trying to minimize the risk inherent in research and development activity, Federal agencies have shown an amazing bias against giving contracts and grants to our Nation's major innovators—small business.

We are at a point in time in this Nation where we must look beyond our parochial interests, and toward individuals and institutions cooperating for the betterment of society. The advancement of our society and the health of our economy must come first. The world of ideas and the world of practice must join hands in the spirit of cooperation. My support for the Small Business Innovation and Research Act stems from the growing need for such cooperation.

I believe that we can strengthen our national economy by making better use of the ingenuity that resides in America's small business sector. Their superior efficiency and startling rate of innovation assures us that our national economic efforts will be getting more results for every dollar spent.

To encourage the individual entrepreneur and small business firm to engage in the kind of productive, innovative activity that our economy so desperately needs, we must change the policies that have virtually excluded them from federally funded research and development. I urge my colleagues, on both sides of the aisle, to support this needed legislation.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WEBER).

Mr. WEBER of Ohio. Mr. Chairman, I rise in strong support of H.R. 4326 because this bill addresses the cost effectiveness of public funding of research.

I would like to call attention to the Gellman Report, a study of 635 innovations developed and brought to market in the United States.

This study discovered that there is a rule of two and a half in the matter of small business innovation. First, small businesses per employee are two and a half times as innovative as large businesses. Second, large businesses are two and a half times more likely to receive public funding for innovation.

In addition, small firms bring innovations to market faster than large companies.

The Gellman Report reaches the following conclusions which I would like to quote.

First of all, "the finding that small firms produce significantly more innovations than large firms per employee, coupled with earlier findings that small firms are more efficient in their use of R. & D. dollars, indicates that public R. & D. funding of small technologically aware firms will be significantly more cost effective than the funding of larger firms." Second, "The cost effectiveness of public funding of small firm R. & D. is further enhanced because small firm innovations are brought to market sooner than those of large firms."

If my colleagues are concerned about cost effectiveness of taxpayers' dollars they will vote for the bill.

Mr. Chairman, we are aware that according to recent studies, 66 percent of all new jobs in the Nation are created by firms with fewer than 20 employees: 77 percent of all new jobs are created by firms with 50 or fewer employees.

Are we also aware of the following? That in addition, the National Science Foundation reports that small businesses are 4 to as much as 24 times more innovative than medium- or large-sized companies per dollar spent on research and development. Per employee, small business is two to three times as innovative as the larger companies.

These statistics are very important. There is considerable evidence, and we are all aware of it—especially in the industrial Northeast-Midwest—that our preeminent position as a world leader in technological innovation has changed to that of a follower. From 1970 to 1980, the number of patents filed with the U.S. Patent Office has dropped 13 percent. Yet the percent of U.S. Patents issued to residents of foreign countries has risen from 25 percent to over 40 percent in just one decade.

Our country's annual increase in productivity has declined tenfold in the past 10 years, and has been surpassed by several European countries and Japan. In 1980 alone, Japanese firms and individuals received close to 11 percent of all U.S. patents issued. I believe that this decline is the most critical long-range problem of this country. The answer lies not with penalizing those foreign countries, but rather to support domestic innovation.

The low rate of participation by small business in Federal R. & D. funds is clearly documented. Of Federal R. & D. funds awarded in contracts and grants in fiscal year 1981, small business received the following:

Only 1 percent of the grant funds;

Only 6 percent of the contract funds in contract actions of $10,000 and over; and

Only 5 percent of the total grant and contract funds awarded.

The other 95 percent goes to large firms, universities, Government laboratories, and other entities. Many of these firms are very large. Just 70 firms do 80 percent, 80 percent of this research. Roughly 60 percent of these funds are awarded non-competitively. Thus, for the most part, small business could not increase its share of these funds regardless of how hard it collectively worked or competed or proved itself. Adjusting upward the small business share of Federal R. & D. funds is another critical purpose of this legislation.

I wish to point out that H.R. 4326 is not, as some Members contend, a small business welfare bill. Rather, it is a reasoned effort to respond to the national problem of declining productivity by harnessing the creative, productive, and innovative capabilities of small R. & D. firms to national needs.

I urge my colleagues to support this bill because technological innovation creates jobs, increases productivity, stimulates competition, causes economic growth, combats inflation, and helps to reduce our balance of payments deficit.

Some people fail to recognize what an innovative and dynamic economic force small business can be.

Mr. LAFALCE. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee (Mr. GORE) who was so helpful in the drafting and framing of the substitute that is before us today.

Mr. GORE. Mr. Chairman, to my colleagues on the Small Business Committee, the gentleman from New York, the gentleman from Maryland, the gentleman from Iowa, the other gentleman from New York, the gentleman from Florida, and others who have played such an important role in bringing this bill to the floor: I want to pay my compliments and tell them

how much their efforts are appreciated by so many in this country.

I speak on this bill today in this Chamber not merely out of some feeling of obligation to small business people in my district, although certainly all of us feel that kind of obligation. I am here talking about this bill because I believe that this bill is truly in the best interests of this country.

Let me say, too, that I have five universities in my district and I have been contacted by the university community about this legislation. They are opposed to it. We all know that.

□ 1245

Many of our colleagues will say about this measure that "the small business community is pushing the bill but really the universities need the money, and we do not like the idea of a set-aside. Therefore, do not vote for it."

Well, oftentimes there are deeper reasons behind the short little story that you hear on the way in to vote. And in this case, I hope my colleagues will listen carefully to the arguments in favor of this bill. I believe in them very deeply.

A subcommittee that I chair over in the Science and Technology Committee had a series of hearings on the NSF program on which this legislation is based. I came to this issue as a skeptic, and I came away from those hearings as a believer.

Let me tell you why. We are in the middle of an accelerating scientific revolution that is unlike anything this world has ever seen before. We are going through a period of change comparable in magnitude to the Industrial Revolution that is going to occur not over 200 years but between now and the end of this century. How is the United States going to remain competitive in that kind of business environment? If we are to succeed, the advantages we have had in the past must serve as well again.

What are our advantages? Our No. 1 advantage, our "hole card," is the inovative genius of our people. But there is something unique about innovative genius in America. It does not always thrive well inside a suffocating, large bureaucracy or institution, whether it is a Government institution or a corporate institution.

Look at the history of the laser. The man who invented the laser was in A.T. & T., at Bell Laboratories. He went to his superiors, and he said, "I have got this great idea and I need a commitment of resources and a little time to work on it."

"Sorry," they said. "It does not fit with our corporate priorities. We do not see how it fits in."

So he said, "All right. I am going to do it on my own."

And he went off on his own. Luckily, in this case, he was able to attract the support and the time that he needed, and he brought forward this great new invention that has had such dramatic implications for our country.

Look also at this fellow in Tennessee who invented the brand new socket wrench. He was working for Sears and Roebuck. And he has been in the courts for years and years and years, trying to get a fair allocation of the resources created as a product of his own inventiveness, his own imagination. What kind of incentive does his experience give to others in large corporations?

We have got to make it possible for American inventors in the tradition of Bell and Edison and others who have worked on their own, with small groups and few resources in the beginning, and make it possible for them to let their imaginations and spirits soar, as can happen so frequently in this country, to make it possible for the United States to take advantage of this hole card. This legislation makes that possible.

The NSF program on which it is based has been an unparalleled success. All of the witnesses said that this is an idea that works, it is an idea that makes it possible for America to reach out to the small inventors, to reach out to the inventive genius that rests in some of the small firms, most of them centered around a single figure, or a single group that works well together.

We have got so much money being spent by the Federal Government on research and development, and if you look at the overwhelming amount that goes to these large institutions, it is incredible. And they just sort of crank it out and they keep on going. We get some money back on the investment, sure; but if you look at the payoff from the small firms, if you look at what we get in return for their efforts, you will support this bill.

Mr. WEBER of Minnesota. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. DREIER).

Mr. DREIER. Mr. Chairman, I rise in strong support of this legislation. Next to substantially reducing interest rates, which of course is a top priority of ours, I believe that passage of this bill is the most important thing that we can do for America's small businesses. This act will finally ensure that small businesses will receive their fair share of Federal research and development dollars. This act makes perfectly good sense when one recalls that the cost per innovation in a small firm is far less than in a larger firm. There is a proven relationship between the decline in U.S. productivity and the decrease in American innovation as compared to other nations. Small high-technology firms have one of the fastest rates of growth in net new employment.

Now, no one has said that this bill is the panacea for America's economic problems. I do not think that anyone would make that claim. But, simply, it is an attempt to harness America's most ingenious source of innovation, the small business sector.

I represent many colleges and universities, and I, too, am very concerned about them. By enacting this bill we will not be saying that universities, nonprofit labs and big businesses do not have a unique and valuable role to play with regard to research and innovation. We are saying that small businesses have a similarly unique role and valuable role, and they deserve the opportunity to fulfill that role.

I urge support of this bill.

Mr. LAFALCE. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. I thank my colleague for yielding, and I thank the chairmen of the subcommittee and the full committee for bringing this legislation forward.

The need for this legislation has been upon us for may years. H.R. 4326 did not come about just by chance. I have sat as a member of the Small Business Committee for many years now and chaired the oversight committee. And for many years we have tried and urged the various agencies to do more, to do more to break out small business contracts to help all parts of our economy.

We know that small business is at least 96 percent of our total economy. The biggest buyer is the Government, and in that Government the biggest buyer is the Department of Defense. We have urged them to break out, take large contracts, look at them, review them for division into smaller parts. There is much that can be done to help competition by helping to build small businesses. We have found where that has happened, the cost to the Government has gone down.

There is a question as far as DOD set-aside. I tell my colleagues, and my colleagues on the Armed Services Committee in particular, the Deputy Under Secretary of Defense for R. & D. stated:

> We wholeheartedly support this concept, as we believe it is the most far-reaching initiative to bring small innovative high-technology firms into the Federal Government's procurement process for R. & D. Our conviction of the soundness of the SBIR program is evidenced by the fact that we initiated the development of an almost identical program approximately a year ago.

As many of my colleagues are aware, at that time the Department felt it could not support our bill as it felt that the percentage of the R. & D. budget earmarked for the SBIR program was too high and the in-house R. & D. budget was not excluded from the SBIR base. It was supporting legislation which would be along the lines

of the Senate's bill, S. 881. I am pleased to say that the substitute amendment before you today is in accordance with the Department's position, and that this version has the wholehearted support of the President.

It is not difficult to understand why the Department of Defense would find the SBIR program embodied in this legislation attractive. The administration's budget calls for a large defense buildup. Many, however, have raised questions about the ability to the existing defense industry to support this buildup. The SBIR program is an excellent way for the Department to become part of the communication network which flows between small, innovative high-technology firms. Not only does the Department have the advantage of the work conducted under its SBIR program, it also has the advantage of finding out about new technologies and firms due to the large number of proposals submitted for the limited number of SBIR funding awards. In its first competition last year, DOD received over 10 proposals for each award it made. As one Air Force officer noted:

> The limited number of awards means that many of the losing proposals are also of very high quality. We find that we are learning about new technologies we never knew existed before.

The SBIR approach is no doubt also attractive to the Department because of the proven cost efficiency and innovativeness of small high-technology companies. A study for NSF found "Any given R. & D. project would cost 3 to 10 times as much to develop by a large firm as by a small one." Another NSF study found that small firms produce 24 times as many major innovations per R. & D. dollar as large firms and 4 times as many as medium-size firms. For a Department trying to eliminate inefficiency and waste in its R. & D. funding, those are important findings.

Small firms can conduct a wide variety of research and development for the Department of Defense. Under SBIR programs, the agency retains total control over the topics to be chosen, the proposals to be funded, and the administration of those projects. As the Department testified, the topics listed in its first SBIR solicitation were chosen by the Army, Air Force, Navy, and the Defense Advanced Research Project Agency in accordance with their assessment of where small firms could make major contributions to that Agency's mission. The list of topics is instructive of the potential contributions small firms can make. It included: Acoustics, aerodynamics, artificial intelligence and stochastic processes, chemical detection and decontamination, combustion processes, computer architecture and software development, computer graphics and control displays, disease prevention and treatment, biotechnology, electromagnetics, electronic communications, and noise suppression, fluid mechanics, human performance and productivity measurements, lasers and photo-optics, manufacturing processes, materials and coatings, navigation, nuclear burst and radiation detection, ocean physics and engineering, ocean science, solar and electrical power, and solid lubrication.

It is revealing to compare these topics with the areas highlighted as vital for national security in the latest 5-year outlook on science and technology which was submitted to Congress in January of this year. These topics were developed by an interagency task group on national security. They are microelectronics, electronic systems, materials technology, aeronautics, space defense and surveillance, nuclear test detection, and human resources. The correspondence between these topics and the Department of Defense's SBIR topics cannot be taken as accidental. In all parts of our economy, small firms have become the scientific and technological pathfinders, often developing totally new industries such as biotechnology, computer software, and artificial intellegence in the process.

As the 5-year outlook notes: "The strength and productivity of a nation's advanced technological capability have become major elements in any geopolitical calculation." Small high-technology firms are the primary source of major innovations in the United States. They are among the most cost efficient performers of R. & D. and have one of the fastest rates of productivity growth. This legislation will provide an important and vital stimulus to this key part of our defense industries. And since these firms also have one of the fastest U.S. rates of growth in net new jobs, and tax dollars, it will also provide an essential shot in the arm for our ailing economy.

Mr. McDADE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maine (Mrs. SNOWE).

Mrs. SNOWE. I thank the gentleman from Pennsylvania for yielding me this time.

Mr. Chairman, I rise in support of H.R. 4326, the Small Business Innovation Act. This bill will unquestionably aid the small business sector of our American economy. New production innovation is essential to the growth of the U.S. economy. It is a proven fact that small businesses produce these innovations at a rate 24 times greater per research dollar than larger firms. Currently, small businesses nationwide receive only an estimated 3.5 percent of all Federal research and development funds. Given the fact that small firms are much more productive when it comes to producing results in the field of research and development, does it not follow that we should channel more Federal money to that sector? I think we have a responsibility to the U.S. taxpayer to insure that his money is spent where it will produce the best results.

The Small Business Innovation Act targets, after a 4-year phasein, a maximum of 1.25 percent of the $43 billion of the Federal research and development budget to fund initial work on innovative concepts by small companies. If the Small Business Committee's substitute amendment is agreed to, the set-aside in 1982 dollars would amount to $377 million of the $43 billion budget for research and development. I might emphasize that we are not asking for increased outlays for this program, but for a rechanneling of a small segment of total funds to a highly productive, efficient component of the economy with a proven track record.

Also, I think it important to note that the method of awarding these research and development funds under the small business innovation program will be carried out on a truly competitive basis. Small businesses will be solicited to submit their research and development proposals to appropriate agencies. After analysis, those proposals which are deemed worthy will be partially funded so the companies involved will be able to further demonstrate the economic and technological feasibility of their concept. Review of proposals at this point will determine which are the most promising among the applicants, but final development and marketing of the projects will be left to the private sector.

This same highly competitive review process has been successfully used by the National Science Foundation where 400 awards were made from 3,800 proposals. That is true competition. Mr. Chairman, this bill will give the United States a proven, systematic approach to increase innovation and aid the small business sector while not requiring increased appropriations. It will be the catalyst for increasing our Nation's productivity via innovation. Mr. Chairman, I strongly endorse the passage of H.R. 4326, the Small Business Innovation Act.

Mr. LAFALCE. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. IRELAND).

Mr. IRELAND. Mr. Chairman, I rise to speak in support of H.R. 6587. Why are we here today? The answer is simply that small business is the Nation's innovator yet Federal policies pay only lipservice to that fact. First, some facts if you will indulge me. A National Science Foundation study, "Science Indicators," NSF, 1979, disclosed that, for every R. &. D. dollar, small companies produce 4 times more

innovations than medium-sized companies and 24 times more innovations than large companies.

A study by the Office of Management and Budget has shown that more than half of the major technological advances this century originated from individual inventors and small companies. Many of these inventions sparked major new U.S. industries and growth companies.

If we have tended to disregard American's inventive talents, other nations have not. One disturbing trend is that foreign interests have been buying control of several of our small high-technology companies. Moreover, Federal R. & D. expenditures relative to GNP have slipped gradually while the R. & D. ratios of such countries as Japan and West Germany have been rising. One reflection of this is that foreign companies and inventors have been claiming a rising proportion of U.S. patents. In 1964, only 22 percent of the patents issued by the U.S. Patent and Trademark Office went to foreign applicants. In 1979, that share reached 38 percent.

Innovation has always been a hallmark of America's strength. "Technology transfer" to other countries has been a bulwark of our international trade. Yet the Nation risks losing its leadership in innovation.

The most productive target for R. & D. dollars is unquestionably small businesses. Polaroid, Xerox, and countless other growth companies of the 1960's and 1970's were, after all, once small entities themselves. A more recent success story is small business' development of the microelectronic industry. I think that says enough about the need for the bill.

Now let us discuss who opposes the bill. It is no secret that large universities and other large institutions have fought this bill. They do not want to give up a share of their pie. We know that.

But let me talk about another group—That is, those in our Federal agencies who are reluctant to change their ways and direct their attention to small and medium-size businesses. Whether by design or inertia they have not responded to the many requests, supported by serious studies, to include the innovative small businesses of America in their research and development plans. With this legislation we will be able to exercise the necessary oversight to see that the public requests of the past 15 years are honored. I urge support of this important legislation.

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) has 9 minutes remaining, and the gentleman from Pennsylvania (Mr. MCDADE) has 11 minutes remaining.

Mr. LAFALCE. Mr. Chairman, I reserve the balance of my time.

Mr. MCDADE. Mr. Chairman, I yield 1½ minutes to my distinguished colleague, the gentleman from New Jersey (Mr. SMITH), who has done so much on this bill and on so many other matters in the committee.

Mr. SMITH of New Jersey. I thank the gentleman from Pennsylvania for yielding and for his kind comments.

Mr. Chairman, I rise in strong support of H.R. 4326, the Small Business Innovation Research Act. As a sponsor of this legislation, I believe this bill presents us with an opportunity to revitalize small business—the most innovative and productive sector of our economy.

Support for this legislation has been very strong—it was endorsed by the Small Business Committee by 40–0, and passed in the Senate by 90–0. I also want to remind my colleagues that H.R. 4326 would earmark a modest 1.25 percent of each Federal agency's R. & D. budget for small business. It would phase in this amount over a 4-year period, beginning with 0.2 percent the first year. Clearly, however, this modest amount of Government funding would be a strong and beneficial investment in small business research.

Mr. Chairman, between 1977 and October 1981, the National Science Foundation small business research program received over 2,000 research proposals and funded 286 of them. According to the Small Business Committee report on this program, the results have been very impressive. Twenty one phase II grantees in the 1977 solicitation received $23 million in private follow on funding. Major investments have included two small firms by a major chemical company and a small business investment company, and six smaller ones in six other firms. These 21 firms have since doubled their employment.

The National Science Foundation has reported a number of new firms started as a result of the program, and some 15 inventions reported. There are now a number of new products and processes under development, including an instrument to measure the fracture toughness of metal which is already on a worldwide market. This impressive list of accomplishments is a tribute to the great success of this program.

Mr. Chairman, there is a proven relationship between the drop in our Nation's productivity and the decrease in innovation we have experienced in our national economy. I firmly believe that the expansion of small business is the key to turn the burden of unemployment around, and get productivity on the move again. We should remind ourselves of the vital contributions which small business makes to our economy—86 percent of the new jobs created in our economy and over half of the private sector gross national product.

The opportunity to pass this legislation comes at a time when small business has been suffering in our economy. High interest rates, unemployment, inflation, and a slowdown in economic growth have hit the small businessman the first and hardest. Small businesses are failing at a rate of 25,000 per year. All of this adds on more and more numbers to the unemployment rolls, and further decreases tax revenues. Mr. Chairman, we need to act now in order to turn this situation around.

The Small Business Innovation Research Act is the answer to many of these problems. Without the additional bureaucratic redtape associated with other set-aside programs, at least 1.25 percent of research and development funds will be awarded on a highly competitive basis to small business. The legislation requires that an agency determine within its research and development needs the categories of projects to be opened up for bidding by small business. There is no reappropriation of funds from one program area to another without direct authorization and appropriation of those funds.

It is time, Mr. Chairman, that Congress took a strong stand in favor of small business in this country. We must make the most productive use of our limited Federal dollars. High technology is the hope of America in the future, and as we have seen from the past success of this program, the Small Business Innovation Research Act is the first step to help pull us through.

Mr. Chairman, I yield back the balance of my time.

Mr. MCDADE. Mr. Chairman, I reserve the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. ROEMER).

Mr. ROEMER. I thank the gentleman for yielding.

Mr. Chairman, I have heard a lot of conversation today about this bill. I think it is a good bill. I think it is the kind of bill that we need.

Some people have critcized the bill, saying it is a protectionism bill, that by the set-aside of this small amount of our research and development money, we are somehow protecting small business to the harm of free enterprise and a competitive America.

Nothing could be further from the truth. The evidence presented here today and in our committee shows clearly that both on the yardstick of innovation and on the yardstick of job creation, small business stands No. 1, far outstripping big business. This small set-aside is not for small business. It is for our country. The fact is that the bureaucrats and the agencies,

as currently constructed, like to deal eye to eye with component parts, other large agencies in private industry, that is, big business, bureaucrat to bureaucrat.

What we are trying to do here is let small business get a toe in the door. The fear of the opponents is not so-called protectionism. Their real fear is the ultimate competition for research dollars rising from this bill will mean a great deal for our country in terms of innovation. And job creation, and a loss of monopoly advantage for big business and big universities.

Mr. Chairman, I urge the support of the Members for this fine bill.

□ 1300

Mr. McDADE. Mr. Speaker, I reserve the balance of my time.

Mr. LAFALCE. Mr. Speaker, I reserve the balance of my time.

The CHAIRMAN. Both the gentleman from Pennsylvania (Mr. McDADE) and the gentleman from New York (Mr. LAFALCE) reserve their time to the end of the debate.

The gentleman from Georgia (Mr. McDONALD) is recognized for 15 minutes.

Mr. McDONALD. Mr. Chairman, I rise in support of the Committee on Armed Services amendments to the legislation cited as the Small Business Innovation Act of 1982. The amendments proposed by the Committee on Armed Services:

First, would exclude the Department of Defense (DOD) and the Central Intelligence Agency from the term "Federal agency" for the purposes of H.R. 6587; and second, would exclude the funds appropriated for atomic energy defense programs of the Department of Energy from the research and R. & D. budget of that department for the purposes of the small business innovation research program defined in H.R. 6587.

Mr. Chairman, the stated purpose of H.R. 6587 is to amend the Small Business Act to strengthen the role of the small, innovative firm in federally funded research and development; to utilize Federal research and development as a base for technological innovation to meet agency needs; and to contribute to the growth and strength of the Nation's economy. The Committee on Armed Services strongly agrees with this purpose.

However, the committee does not agree with the approach incorporated in this legislation. In fiscal year 1981 the Department of defense awarded 7.4 percent of its prime research and development contracts to small business. Almost all of those awards were for hard-core research and development. The vast majority of these contracts were awarded as a result of open fair competition. Thus, small innovative businesses have successfully competed in the marketplace when pitted against medium- and large-sized businesses.

The bill considered would allow only small businesses to bid on certain contracts; thus, H.R. 6587 would thwart the efforts currently undertaken to maximize competition.

In the hearings before the Research and Development Subcommittee, the witnesses were in agreement that this program is a beneficial program for small business, although some believe various changes should be made. The small business programs in the Department of Defense and the Department of Energy are very effective in stimulating small business participation in these agencies' activities. H.R. 6587 would disrupt these highly successful programs and require that they be completely restructured.

Furthermore, essentially all of the funding for the Department of Energy atomic energy defense program must be provided directly to the federally funded Government-owned contract-operated (GOCO) facilities that include seven fabricating facilities and three weapons laboratories. Research, development, design, and testing of nuclear weapons prototypes and the manufacture of nuclear weapons on the Department of Energy atomic energy defense program take place at the GOCO's. Small business is not equipped to handle the highly classified equipment and radioactive materials necessary in the design, development, and testing of nuclear weapons. However, due largely to the efforts of the Department of Energy, more than 500 highly qualified and certified small businesses are awarded subcontracts each year for specialized parts and equipment for use in the nuclear weapons and naval propulsion programs.

In addition to the receipt of prime contract awards, small businesses are receiving an increasing share of subcontract research and development awards. The Department of Defense recently surveyed 36 of its largest prime contractors. Of the dollars received by these prime contractors, small business received 6.6 percent of that money in subcontract awards.

Furthermore, both the Department of Defense and the Department of Energy have established small business programs. For example, the Department of Defense has instituted the defense small business advanced technology program, known as the DESAT program. The purpose of DESAT is to exploit the innovative capabilities of this Nation's small science- and technology-based companies in providing solutions to some of the difficult research and development problems confronting the Department of Defense. In support of this program, DOD recently mailed approximately 32,000 copies of the program opportunities brochure (holdup brochure). The small business R. & D. community responded with 1,103 proposals. To date 100 firms have been selected for contract awards as a result of this program.

The Committee on Armed Services is fully supportive of increasing the Nation's overall technology and enhancing the environment for small business; but the Department of Defense and the Department of Energy should be able to continue to expand their already successful small business programs as presently structured.

I would strongly urge, therefore, that you support the Committee on Armed Services amendments to allow these programs to continue as they currently exist.

Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. Mr. Chairman, I would like to speak against this bill. In the 15 years that I have been in the House I have rarely seen better intentions with a worse result.

Every report that the Government Accounting Office has ever given to us about the effectiveness of the expenditures of Federal moneys in set-aside programs has indicated grave concern over the use of the set-aside program to accomplish a good purpose.

Now last year, in 1982, so far as we know, about 5.5 percent of the Nation's engineers and scientists were engaged in companies that qualify as small businesses, yet 6.8 percent of the Federal research and development awards went to such small businesses around the country. In other words, they received more awards for research and development than the number, percentagewise, of scientists and engineers employed by those small businesses.

Second, this assistance to small business does not go to the small businesses that are in difficulty in this country, the mom and pop groceries, the small manufacturing plants. This assistance is set aside for a particular kind of small business, the high technology research and development companies.

I represent a district in California known as Siliconce Valley. For good reason, it is the headquarters of the American Electronic Association, the largest professional association of small high technology businesses in the country.

That association has come and testified against this bill and said in effect if small businesses want to succeed in this country, the last thing they want is government assistance. What hurts small business is the paperwork and compliance with government regulations, including those dealing with Federal Government contracts. Small businesses are successful, when they are, in par because they do not have to

maintain the overhead to comply with complex governmental regulations.

When Congress changed our tax law in 1978 to reduce capital gains ceilings from 48 to 28 percent, and this last July when we reduced it further to 20 percent, we did more for small high technology businesses than we could possibly do by a set-aside program. In the year 1977, for example, only $75 million was available for capital investment in high technology research companies.

By the changes we have made in the tax law this year about $1.8 billion will be invested in small high technology businesses. There is no segment of small business today that is more successful with private enterprise and private dollars, or less needing of government subsidy, than high technology businesses.

Take the high technology, for example, that developed the Apple computer or the Atari games or the semiconductor or the laser companies.

The CHAIRMAN. The time of the gentleman from California (Mr. McCLOSKEY) has expired.

Mr. McDONALD. Mr. Chairman, I yield 3 additional minutes to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. In not one of those businesses has mandated Federal research money been an essential, necessary or even a desired part of the development of those businesses. Small high-technology business today can attract capital because if you or I or any other investor had been privileged, for example, to get 100 shares of Atari stock, or 100 shares of Apple or 100 shares of a similar small company, we would be millionnaires today because a high-risk investment in high technology can pay off many times the investment dollar. If we wanted to give a subsidy to a small building contractor, if we wanted to give a subsidy to the small manufacturer, it would be understandable, but no proponents of this bill would deny that in this bill we are setting aside 1¼ percent, that would be $377 million this year, we are setting aside $377 million as a subsidy to small high-technology companies. At a time of diminishing research dollars we are assigning some of those dollars to one of the most flourishing parts of the small business economy. It does not make sense. Now one other thing. What does this bill do.

It sets up by its very nature a required small business innovative research program in every Federal agency that is assigning out money for Federal research and development over the $100 million level. The Congressional Budget Office indicates—and the administration concurs—that this program will cost $14 million to administer. Note that the bill says no more than 1.25 percent and no less. So that in effect, if we have a $40 billion research budget, each agency with a piece of that budget must say that 1¼ percent will be administered under this particular program. And note on page 7 of the bill, that that is in addition to whatever the 6.8 percent that small businesses may presently get by free competition or sole source awards. So, if small businesses last year got 6.8 percent, next year they must get additional awards until they get an additional 1.25 percent.

Note the difficulty that each agency that gets dollars awarded by Congress to do research must estimate what will ordinarily be received by small businesses and then set aside a specific sum of money in addition to that to go out and seek for awards to small businesses.

In my judgment, this perverts the entire research process. We are trying to spend research money for the Government's benefit, not for the benefit of small business. If small business successfully competes for some of that benefit to the Government, as it obviously has in the past, then there is no need for this bill.

In 1978, we amended the law to specifically say that each Government agency dealing with research must not discriminate against small business and must make the opportunity to compete available to small business. This bill now goes further and requires that 1¼ percent be granted to small businesses, regardless of the Government's needs or preferences.

The CHAIRMAN. The time of the gentleman from California (Mr. McCLOSKEY) has again expired.

Mr. McDONALD. Mr. Chairman, I yield 3 additional minutes to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. Mr. Chairman, let me go back to one other thing and take up the impact this has on the universities of this country.

All of us have gone through this painful budget process where we have had to cut back the moneys awarded to the universities for the maintaining of the scientific base in the university system of this country. We are having to cut back student loan guarantees and the administration has asked that we end completely the program for loans to graduate students. With inflation diminishing the amount of money available to the great science programs in universities of this country——

Mr. WEBER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Ohio.

Mr. WEBER of Ohio. I thank the gentleman for yielding.

Is it not true that small business produces 39 percent of the GNP of our country but receives only 3½ percent of the Federal R. & D.?

Mr. McCLOSKEY. I would not contest those figures at all. I would say that is probably correct and that the small businesses that are most successful in producing those jobs and that GNP are small businesses that are not dealing with the Federal regulations that will be applied under this program.

Mr. WEBER of Ohio. If the gentleman will yield further, how can it, therefore, be said that small business already is receiving its fair share of R. & D. under the present system where it is not receiving its fair share based on the GNP?

Mr. McCLOSKEY. But that is not the particular instance involved. What we were talking about is that the engineers, the scientific community in the business, big businesses as opposed to small, the figures we have from the National Science Foundation are that 5½ percent of the engineers and scientists who do high technology research are employed today by small business and last year they got more than 5.5 percent of the awards. They got 6.8 percent.

The Defense Department, which deals with the largest of all of these R. & D. programs, under current practices last year gave small businesses 7.4 percent of the R. & D. contracts awarded by the Federal Government. So clearly these small businesses are not receiving less than their fair share.

□ 1315

As I say, when we talk about small business, we run the gamut all across the country. Small businesses which employ engineers and scientists are not exactly impoverished; but that particular profession is getting more than their share of Government awards.

I would be glad to yield to anybody to continue this debate. I had wanted this debate when the committee had its time; but unfortunately, there was no one on the committee that opposed the bill.

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. LaFALCE. If the gentleman will yield on that point, the gentleman and I both share a desire for accuracy. I would, therefore, like to quote from a special report done by the National Science Foundation, document NSF 81-305, done in the year 1981. I do not know where the gentleman gets his figures, but I am quoting from a report——

Mr. McCLOSKEY. We got ours from the National Science Foundation. It was in the testimony before the gentleman's committee of Ed Zschau, the former chairman of the American Electronics Association. The gentleman recalls where I got the testimony.

Mr. LAFALCE. He was the chairman of that association. I am quoting now——

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McDONALD. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. McCLOSKEY. Mr. Chairman, if the gentleman will take no more than 30 seconds, so I could at least answer his question.

Mr. LAFALCE. Fine. Referring to NSF report 81-305, they have a chart indicating that the R. & D. scientists and engineers by company size, firms with 500 or less, have 6 percent; yet when it comes to the Federal R. & D. expenditures by company size, they are getting 2 percent, and it is right here in black and white.

Mr. McCLOSKEY. The figures that I used on the 6.8 percent came from a Government report.

Mr. LAFALCE. I have the Government report in my hand from which I am quoting this minute.

Mr. McCLOSKEY. Well, in this Government and in this administration, as prior administrations, you can get conflicting views from different agencies; but would not the gentleman concede that the only small business innovation research program conducted by NSF, when asked should this program be extended Government wide, the General Counsel of NSF said no, that there was no indication from NSF's procedures and experience that this could be extended profitably on a nationwide basis. Will the gentleman concede that from that General Counsel letter from NSF?

Mr. LAFALCE. I am unaware of that particular letter, but I am aware that the NSF does support this bill, the Reagan administration supports this bill, and the Carter administration supported this bill.

Mr. McCLOSKEY. The gentleman knows how the Reagan administration came to support this bill. It opposed it until the AWACS vote and then changed its position.

Mr. LAFALCE. Well, that is the gentleman's opinion. All I know is what the official position and the testimony of the administration and its representatives has been.

The CHAIRMAN. All time has expired.

PARLIAMENTARY INQUIRY

Mr. WEBER of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. WEBER of Ohio. Mr. Chairman, I have an inquiry. In the absence of the gentleman from Alabama (Mr. DICKINSON), will the Chair recognize me to control the time which would have been allocated to the gentleman from Alabama (Mr. DICKINSON)?

The CHAIRMAN. No; the time belongs to the Armed Services Committee minority.

The Chair will recognize the gentleman from Alabama (Mr. DICKINSON) if and when the gentleman is able to be here; but the Chair will recognize Members as indicated in the order in which they are on the list, the order which the Chair read.

The next speaker on the list is the gentleman from Michigan (Mr. DINGELL), the chairman of the Energy and Commerce Committee.

At this point, the gentleman is in the Chamber. The Chair recognizes the gentleman from Michigan (Mr. DINGELL) for 15 minutes on behalf of the Committee on Energy and Commerce.

Mr. DINGELL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, this is a bad bill. It should be defeated. It is rare that I take the well to denounce legislation coming from other committees, but I think in this instance it is deserved.

We must look at the bill and look at the framework against which it functions. We are concerned about our great national goals.

The Energy and Commerce Committee has for many years, more than the time that I have been here, been concerned about the great National Institutes of Health and the health research programs of this country. In the next 3 years, under the budget which was adopted by the House of Representatives just recently research for health will be cut by one-third. This proposal would level against those research programs additional cuts of 1 percent or better a year. That means that a shrinking salami will be continued to be sliced thinner and thinner.

Now, it might be observed that this proposal is not going to hurt research, but it is going to help small business. In point of fact, in health research, which is highly complicated work, done on a very carefully integrated basis. All of the national health organizations and research organizations are involved. This bill will reduce the amount of money by 1 percent per year which is going into our national coordinated program of health research supported by such organizations as the American Cancer Society, the American Lung Association, and all of the other great voluntary health and health research organizations.

This proposal, were it to originate from the Small Business Committee, setting out a research program which would be dedicated and oriented toward small business and which would be carried out as a separate program might have merit. It might be that the House could or should support that kind of program. This is nothing of the sort. The Small Business Committee does not have the power or the capacity or a situation in which we could expect that they could pass such a piece of legislation. So what that committee does now is to seek to attach a set-aside of existing research. This research, which is desperately important to the national health is now being curtailed by budget constrictions. The Small Business Committee seeks to make a set-aside against just those moneys.

Now, let us look at where in fact we are. Imposing a mandatory set-aside on health research programs was always a bad idea and is more so in the light of budget decisions made last week which will cut real dollars by the end of the next 3-year period by one-third.

The small business bill would remove $50 million alone from the National Institutes of Health budget over the next 3 years. That is the equivalent of ending 350 national institutes of national health grants.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DINGELL. I yield myself 2 additional minutes.

The bill would cut into the effectiveness of national health research programs. What it would do would be to cause people who are now doing research work at our colleges and universities to set up private profit or nonprofit businesses. These would be right across the street from the college or university where they do their work. The same work, perhaps less well done, perhaps less in quality or quantity, and I would suspect that would be the case, would be done. It would be done in many instances, if not most instances, by the same people; but it would cost more because the salaries and the payments and the emoluments under these circumstances would be vastly larger.

The National Institutes of Health have always awarded grants on the basis of merit. This system of grant selection would be on the basis of the fact that somebody was a small businessman. The system of grant selection has a magnificent record of chosing excellent research programs and projects and which have found cures and ways to reduce and eradicate the serious diseases that afflict Americans.

The set-aside would establish a loophole through which NIH would be forced to fund projects of lesser promise simply to meet an arbitrary set-aside provision.

So if you are interested in health, if you are interested in health research, then at all costs oppose this outrageous piece of legislation.

Researchers who would be attracted by the mandatory availability of funds under the set-aside and under less stringent criteria would certainly move to acquire use and control of these funds and would move across the

street, as I have said, to set up sham research corporations.

What this would do would be to establish a new race of beltway bandits.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. DINGELL. I yield myself 1 additional minute.

This would establish a new race of beltway bandits to procure advantages and benefits for themselves, without the careful scrutiny that goes on at NIH.

This legislation is opposed by almost everyone in the health field, from the American Medical Association, to all of the voluntary organizations and associations which research and which concern themselves with the problems of cancer, heart, lung, and the general health of the American people.

There is no excuse for this kind of an unjustified raid to reduce the quality of our health research and to diminish the availability of funds to serious research programs at the time most serious research programs are now undergoing the greatest cuts in history.

I would say that if the Small Business Committee wishes to set up a research program of their own, then let them do so, but let them not come down here with some kind of parasitic program which will drain moneys from useful, intelligent, and worthwhile research programs.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. SILJANDER).

Mr. SILJANDER. Mr. Chairman, small business has made a great contribution to America. Two out of three new jobs are created by small business. Eighty percent of all minority jobs in America are created by small business and over half of our GNP is created by small business.

Government tax policies of the past have deterred innovation of small business; yet between 1969 and 1976 smaller firms have created over 7.4 million new jobs, even though Government has done its best to squelch incentives.

A study by the Commerce Department indicates that young, high-technology companies have been growing at a rate of 40 percent annually, which I think is significant in terms of what we are trying to do here, that is, setting aside a miniscule portion of R. & D. moneys to help create incentive to small businesses.

It is time that we recognize that small business is, in fact, the backbone of our economy; the backbone of this country's economy.

As an innovator, it ranks at the top. As an employer, it ranks at the top, and as a supplier toward the capital growth of our Nation, small business again is right on top.

We have given incentive to individuals last year in our economic recovery program through tax cuts, IRA's, and all-saver's plans. We have given accelerated depreciation for larger businesses. I think it is time we matched that kind of philosophy and those types of incentives now for small business.

It is also time for this country to see the reality that other countries have given all the incentives needed to help their small business, which has put our small business at a disadvantage in terms of competition.

This program would help in a small way with the competitive nature of small business in America to the foreign countries abroad.

Last, I think we should look at the fact that large corporations are not the sole creators of new ideas, but rather new ideas by small businesses have created many of the larger corporations.

I rise in support of this bill and encourage my colleagues to do as such.

Mr. DINGELL. Mr. Chairman, I reserve my time for the moment.

Mr. MADIGAN. Mr. Chairman, I yield 7 minutes to the gentleman from Utah (Mr. MARRIOTT).

□ 1330

Mr. MARRIOTT. Mr. Chairman, I would like to rise in support of this legislation.

I want to simply say that I think the Small Business Committee has done a pretty good job. They have had hours and hours of testimony on this issue. We have listened to everybody from across this great country, and we have come to the conclusion that this, in fact, is a good bill.

I am interested in the argument of my good friend, the gentleman from Michigan (Mr. DINGELL), who tries to show that somehow small businesses are dishonest and that they hurt the research effort. The gentleman implies that of course the universities and Government agencies and big business would not be.

I think that opinion simply strikes in the face of reality. I think history points out small businesses have done more for new innovations in this country than either universities, Government agencies, or big business.

Small business has a very good record in terms of technology. Sixty percent, now, of all Federal R. & D. contracts and grants are sole-source. That means they are negotiated or granted outright with no competition.

Big businesses and big universities basically have a lock on funding. They have gobbled up about 95 percent of these awards. And that is not really my definition of competition. Major universities and large businesses have teams of lobbyists running around Washington.

One such university, I believe, has 23 lobbyists who wire contracts and grants before they even get to their peer review process.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. In a moment.

Before they even get to the peer review process. And many times this peer review group contains the university and big business people.

So, I wonder what chance small business really has in competing for these Government programs.

If you believe in competition, if you believe small business ought to have a share, then this 1.25 percent set-aside is a very small price to ask.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I would be happy to yield to my friend, the distinguished gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. I thank the gentleman for yielding to me.

First of all, I am not talking about defense research; I am talking about research in the area of health. There, contracts are given on the basis of peer review and they compete against hundreds of thousands of other applications. There is a special preference now in the rules at NIH to take care of small business applicants and to permit commercial, small business applicants to have fair access.

But there is nothing which would prefer big business. What we are talking about with regard to NIH is basically the question of health research conducted by colleges, universities, and nonprofit associations which have a long history of careful work in this area under the most intense and careful scrutiny.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I would be happy to yield to my distinguished friend.

Mr. McDADE. I thank the gentleman for yielding to me.

Mr. Chairman, I just want to point out that when my dear friend from Michigan was addressing the House, he used the figure of 3 percent as a set-aside. That is not, of course, what the figure actually is. The record ought to be clarified.

Mr. DINGELL. One percent for 3 years.

Mr. McDADE. 1.25 is the set-aside. My colleague, unfortunately, has misstated the case. I may say he has engaged in a bit if hyperbole, which is sometimes his way.

The gentleman's amendment wants to exclude all HHS research, health-related, not just NIH. The gentleman tries to obscure the issue and say we are somehow trying to destroy the cancer program at NIH.

The fact of the matter is that until January of this year, if you were a for-

profit organization, you could not even submit an application of NIH; they would not even accept it.

A witness before our committee testified, a small, for-profit, job-creating, tax-paying free enterprise business, that the business had developed a platinum-based derivative anti-cancer drug effectively marketed all over the world.

When that small business tried to qualify for a NIH grant, they were rejected because they were a for-profit organization. So, guess what they had to do? They had to go out and form a nonprofit corporation. Subsequent to that, because they are so good, NIH gave the nonprofit corporation two grants, but not for a for-profit.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I am delighted to yield to my friend, the gentleman from Michigan.

Mr. DINGELL. I thank my good friend for yielding to me.

That has changed; for-profit institutions are now eligible.

Mr. McDADE. In what year was it changed?

Mr. DINGELL. It has changed.

Mr. McDADE. What year? They did it in January of this year because they saw this bill coming; that is the only reason they changed.

Mr. MARRIOTT. Mr. Chairman, I would just simply conclude by saying that I have as much confidence in small business' ability in this area as I do universities, big business, and other Government agencies; and I am convinced that this 1.25-percent set-aside will do much more good and will, in fact, create more jobs and ultimately wind up with better innovations.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I would be happy to yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I think it should be pointed out the gentleman from Michigan pointed out the peer review system; people should be well aware that there are 2,000 peer reviewers in the NIH grants, 8 of them are business persons, and almost all of the balance are college-related people.

If that is the peers we want to review this thing, we had better be well aware of exactly what that peer review system is.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Subcommittee on Health and the Environment, the gentleman from California (Mr. WAXMAN) who is known for his concern for health.

Mr. WAXMAN. Mr. Chairman, I rise in support of the amendment to H.R. 4326 reported by the Committee on Energy and Commerce. This amendment would exempt biomedical research supported by the National Institutes of Health from the requirements of the bill.

The committee extensively considered the possible impact of H.R. 4326 on the Nation's health research programs. In our deliberations it quickly became evident that three factors were the most important:

First, existing NIH policies regarding the award of biomedical research grants;

Second, recent changes in NIH policies regarding grant award to small business; and

Third, evidence of a shortage of funds to support the development of new health care technologies.

The first purpose of the Commerce Committee amendment is to maintain the long-standing NIH policy of awarding Federal biomedical research grants strictly on the merit of the proposed research. This policy has served the Nation well by assuring the public that its money has always been invested in the very highest quality science. Our rapid progress in the understanding and treatment of conditions as diverse as leukemia, coronary artery disease, and diabetes testifies to the wisdom of this approach.

A set-aside of funds provided for one class of scientists would be the very antithesis of this traditional NIH policy. H.R. 4326 would divert over $50 million during just the next 3 years from promising investigator initiated projects. This $50 million—enough to support 350 highly rated research projects—would intensify the disruptions in the Nation's best research laboratories due to the President's fiscal year 1982 and 1983 budgets.

The second reason for the Commerce amendment is that a set-aside of NIH funds for small businesses is not necessary at this time. NIH has not ignored the need for greater attention to the small business community. Within the past year NIH has established three new policies with regard to small business firms:

First, scientists from for-profit firms are now eligible to receive NIH research grants for the first time;

Second, scientists from for-profit firms are now being appointed to NIH peer review committees; and

Third, for-profit firms are now allowed to retain the rights to patents developed with Federal funds.

These new policies will insure that scientists associated with small business firms will play a greater role in the NIH's future research program. This greater role, achieved through the traditional competitive process, will not compromise our Nation's tradition of scientific excellence.

To insure that these policies are actively pursued by NIH, yesterday the Energy and Commerce Committee reported H.R. 6457, the Health Research Extension Act of 1982. H.R. 6457 includes specific provisions requiring the NIH to publicize the new rules making for-profit entities eligible for NIH grants and to appoint individuals affiliated with small business firms to NIH peer review committees.

Finally, the major argument made in support of H.R. 4326 is that there is a need for additional funds to support the development of new technologies in the United States. It is suggested that increased applied technological research would improve the economy.

The committee has reviewed the evidence regarding this argument and believes that, no matter how it may apply in other sectors of the economy, it does not hold in the health care field. Most biomedical research supported by NIH does not result in a marketable product but in knowledge which is used to change medical practice or as the basis for further research.

The majority of health research supported by the Department of Health and Human Services is basic investigator initiated research. By definition, basic research is inherently different from applied or developmental research which small businesses have historically conducted. Basic research is rarely, if ever, initiated for its commercial potential.

In the two health care fields in which marketable products are produced, drugs and medical devices, industry surveys do not indicate a lack of financial support for research or of a lack of new products. Private sector support is so well established that the Federal Government, by and large, avoids supporting work in these two areas.

Evaluations of the role of technology in the health care field suggest that better managed, rather than more, technology is the critical need. Studies show that up to 75 percent of hospital cost increases is attributable to new technologies and procedures. With hospital costs now increasing at the rate of over 18 percent per year, medical technologies and procedures will add as much as $3 billion to the cost of Federal health programs in the fiscal year 1983 budget.

Mr. Chairman, my criticism of this legislation and support for the Commerce Committee amendment should not be construed as opposing small business or the well-intended purposes of this legislation. I am well aware of the integral role these institutions have played in the growth and productivity of this Nation.

Small business can contribute to our Nation's health research effort but it must do so constructively and in keeping with our traditional policy of scientific merit and competitive peer review. Administrative changes at NIH have already opened the grant process to applications from small business.

The proposed quota system of grants to small business contemplated by this legislation is simply not necessary.

Support for the amendment is a vote of confidence in the National Institutes of Health and a commitment of this Congress to maintaining the high standards of biomedical research in which we have lead the world.

Mr. Chairman, I urge that later, when we have the opportunity, we adopt the amendment coming out of the Committee on Energy and Commerce. I will personally vote against the bill even if this amendment is adopted for the reasons so eloquently articulated by my colleague, the gentleman from California (Mr. McCLOSKEY) in his comments earlier.

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. ROTH).

Mr. ROTH. Mr. Chairman, I am very much in favor of this legislation. I think it is going to be good for research, good for development, good for jobs, revenue enhancing, and most of all, it is going to increase some productivity in this country.

Mr. Chairman, it has been said, "Research is exploration of the unknow, the untried, the unheard of; resources to do this job should be carefully and deliberately allocated."

That is what we are doing here. In my view and that of nearly 200 cosponsors of the bill in the House and nearly unanimous support for the Senate version of this legislation, America's small businesses are "exploring the unknown, the untried, the unheard of." Therefore as a former member of the Small Business Committee, I am pleased to finally see this bill come before us today. This bill "allocates resources to do this job"—researching and developing.

This is a jobs bill. Small businesses create 69 percent of the new jobs in our country. We are talking about a level of funding insignificant in comparison to the Federal budget we have spent months past authorizing and months ahead appropriating. This is $40 million this year to go to small business to create jobs.

This is a revenue-enhancing bill, too. These R. & D. funds will be allocated to small businessmen and women who pay taxes. As we know all too well, small business survives by finding new products, making new products, and creating a market for new products: Seldom is this done as expeditiously and efficiently in the public sector or in academia.

This is a productivity bill. A quick look at the past 10 years domestic and foreign patent awards gives one a true picture of the decline in innovation and productivity. Small business can and will create the new "whatits" and "gidits" that will propel us into the 21st century.

Let us view this legislation in the proper perspective. What is good for America's economy today is what is good for small business. Let us get on with it. Let us pass the Small Business Innovation Development Act and see small business lead the way to more jobs for American workers, more Federal revenue to balance the budget, and greater innovation and productivity to renew America's image and reputation abroad. Let us pass this very timely and important legislation.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. WEBER).

Mr. WEBER of Ohio. Mr. Chairman, I probably will not need to take my full 3 minutes, but I just want to rise again to assert my strong support for this bill and to point out that this is not a budget cut. It is a set-aside, or a put-aside; it is an allocation of only 1 percent out of the budgets of the different agencies that are affected to make these agencies more cost effective in the utilization of their funds.

It is not a cut in the budget; it is simply a direction as to how these funds are to be spent in order to make them more cost effective.

The second point I want to make is that it is news to me that the National Institutes of Health is suddenly so cost effective as to be an example of the way in which Federal dollars should be spent. I have read reports in the newspapers that would say just the opposite.

We need this legislation. We need to vote for it. We need to defeat the weakening amendments that have been suggested here today, in order to make agencies such as the National Institutes of Health utilize their dollars in a more cost-effective way.

Mrs. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. WEBER of Ohio. I would be happy to yield to the gentlewoman from Maine.

Mrs. SNOWE. I think it is also important to point out the fact is that even at the maximum rate, 1¼ percent, at the end of 4 years, because we are talking about gradual increments in the next few years in which this money would be set aside for research and development. This bill would set aside $377 million out of a $43 billion research and development budget here in the Federal Government.

So that is all we are talking about, and I do not think that figure is a lot of money when you consider the overall research and development budget.

Mr. WEBER of Ohio. I thank the gentlewoman for pointing that out.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield for a question to the gentlewoman?

Mr. WEBER of Ohio. I would be happy to yield to the gentleman for that purpose.

Mr. McCLOSKEY. I thank the gentleman for yielding.

Mr. Chairman, this debate, I think, is crucial, and some of the people I respect most in the House favor this bill. But note what the Members are doing. They are setting up a $377 million program to make money for small business. It is that specific goal that this bill has in mind.

On page 5, they make it clear that they set up a three-phased program: First, the Government will seek out small businesses to determine the merit of ideas submitted to the program; second, to develop those proposed ideas to meet the Government need; and third, where appropriate, a third phase in which non-Federal capital pursues commercial applications of the research and development, which may follow on.

Now, if it is desired to set up this program separately, if we want to set up a program to give $377 million to stimulate small business, we could not do it. But we have done it in this bill by taking it out of the existing research programs.

Why?

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCLOSKEY. Mr. Chairman, I would ask for 2 additional minutes. I did not mean to ask the question and submit an argumentative statement.

The CHAIRMAN. The gentleman from Illinois (Mr. MADIGAN) controls the time.

Mr. MADIGAN. I do not believe the gentleman has that much time to yield at this point. I believe I have only 2½ minutes remaining.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. WEBER) has expired. The gentleman from Illinois (Mr. MADIGAN) has 2½ minutes remaining. The gentleman from Michigan (Mr. DINGELL) has 4 minutes remaining.

Mr. DINGELL. I will yield 1 minute to my good friend, the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. I thank the gentleman for yielding.

For that 1 minute, I wonder if I could ask the gentlewoman from Maine to come back: If this program has merit, why not a separate bill to set up a $377 million program to help small business? Why take it out of the existing programs for the benefit of the Government?

Mr. DINGELL. If the gentleman from California will yield, I would observe that the reason the Small Business Committee is doing this is that they have as much chance getting elected Pope as they do have of getting a program of this kind through without riding on the backs of other programs that are not only desperately important to the national interest, but that are being also badly cut.

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Mrs. SNOWE. I would be happy to respond.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield 30 seconds to my good friend, the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I would simply like to say that I think it would be a great mistake if we do not adopt the Dingell amendment. I know this is well intentioned, but it reminds me of something Archie the Cockroach once said. He said, "Did you ever notice that when a politician does get an idea, he gets it all wrong?"

This is all wrong as it relates to NIH. The programs are important, too important to begin the process by which the politicians take over the direction of money rather than having it spelled out straight through peer review, with no other considerations.

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think the gentleman from Michigan (Mr. DINGELL) in his opening remarks said this as well as it could possibly be said. Mr. MCDADE from Pennsylvania has talked about the particular circumstances where a company, in order to get money, had to go out and form a nonprofit corporation. I think just the reverse would happen if this legislation were enacted, and that is what Mr. DINGELL has said, that universities and other people now involved in doing this kind of work are going to form for-profit corporations.

I think what we should be looking at here is accomplishments rather than who is doing this or who may be doing it in the future.

A very noted cardiologist, very well-known to every Member of this House, has told me that 70 percent of what we know about medicine today we have learned in the last 30 years, and almost all of that knowledge has been generated as a result of research efforts funded by the Government of the United States. The question is, do we want to continue making that kind of progess, or do we want to reverse our direction altogether, and instead of looking at what is done, try to award money on the basis of who is going to do it? It does not seem to me that that makes any sense at all. If we have made all these advances in what we know about the practice of medicine today as a result of research efforts undertaken by the National Institutes of Health, why in the world do we want to change that and allocate a portion of that money to people who fundamentally are involved in applied research, when what we are talking about at the National Institutes of Health is basic research? I do not think that is the kind of change that is in the best interests of this country, the taxpayers or the people who will suffer from the various health problems in which the National Institutes of Health has correctly interested itself.

So, I would urge that at the appropriate time the committee support the amendment to remove the National Institutes of Health from the provisions of this bill.

The CHAIRMAN. All time allocated to the gentleman from Illinois has expired.

The gentleman from Michigan (Mr. DINGELL) has 2½ minutes remaining.

Mr. DINGELL. Mr. Chairman, I would like to reserve my time.

The CHAIRMAN. Under the precedents the gentleman will have to use his time at this point or yield it back.

Mr. DINGELL. Mr. Chairman, I will yield to my dear friend from California for 1 minute, and then I will use the balance.

Before I do so, may I inquire of our good friends on the Small Business Committee——

The CHAIRMAN. As the primary managers of the bill, that committee was able to reserve time and has reserved time under the precedents.

Mr. DINGELL. To continue my inquiry, am I not able to reserve time also?

The CHAIRMAN. The Small Business Committee is the primary manager of the bill, and for that reason the Chair has accorded them the privilege of reserving their time and has not agreed to accord that privilege to any of the other committees.

Mr. DINGELL. Is that in the rule, that forecloses the other committees?

The CHAIRMAN. Under the precedents they have the right of close debate.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to my good friend from California (Mr. MCCLOSKEY).

Mr. MCCLOSKEY. Mr. Chairman, I thank the gentleman for yielding. I would like to just make the point that I was trying to make when we ran out of time earlier; that is, this Nation has a tremendous stake in this research being conducted on the university campuses. Clearly, what the Small Business group wants to do with this amendment is take the money away from university research programs and give it to small business. I do not think that is basically right at a time when we are in confrontation with the Soviets on the development of scientists and engineers and when this administration has proposed to cut back entirely the graduate student programs.

Most of the research that has gone from the National Institutes of Health to college campuses has advanced the cause of medicine. Indeed, every research program except Defense has been cut back in recent years, and the cutback in constant dollars will amount to 10, 20, or 30 percent in all of them except Defense. This means that the great universities which are engaged in graduate programs and which provide our basic research base will be losing funds to profitmaking businesses. I submit that this is unwise.

Mr. DINGELL. Mr. Chairman, the Energy and Commerce Committee, concerned about the Nation's health and its research programs, has by overwhelming vote recommended that an amendment be adopted by this committee which would exclude the budgets of National Institutes of Health from this raid.

Mr. Chairman, this amendment which will be offered is supported by the American Medical Association; it is supported by the Association of American Medical Colleges; it is supported by the American Cancer Society, the American Heart Association, and the American Lung Association. It would preserve intact the great research program in health which now goes on, and which is surrounded by very careful peer review.

Now, complaint was made that there are no small businessmen on those peer review panels. That is entirely proper, because the peer review work is done by scientists who are engaged in the work. It is some of the most successful health legislation in the world, and it is some of the most successful health research that is conducted in the world. To raid that money at a time when it is being cut now by the budget being brought forward; to reduce its levels of expenditure by $50 million in the next 3 years, would be wrong in every sense.

The CHAIRMAN. The time of the gentleman has expired. All time alloted to the Committee on Energy and Commerce has expired.

At this point the Chair will recognize, on behalf of the minority of the Committee on Armed Services, the gentleman from Pennsylvania (Mr. NELLIGAN) for 15 minutes.

Mr. NELLIGAN. Mr. Chairman, I yield myself as much time as I may need.

Mr. Chairman, there has been an awful lot of discussion in this body in the past year or year and a half about small business and the importance of small business to this Nation. I do not think there is anybody in this body who would say that we should not help small business as much as we possibly can.

I think it is very interesting, if we take a look at the legislation which affects DOD, or amendments which affect DOD, once again we find ourselves saying that we want to help small business, but the Department of Defense should not help small business, and even money for nuclear affairs should not be used to aid small business.

I guess I say, "Here we go again." Once again we are casting the Department of Defense in the image of a sacred cow so that all other programs should help the small businessmen of this country, but not DOD, not the Department of Defense. As one who represents the Northeast, or a portion of the Northeast, I would really like to point out that 50.4 percent of the taxes of this country come from the Northeast and the Midwest part of the United States. Yet, approximately 33 percent of the defense budget goes back to the Northeast and Midwest parts of the United States. The people of these areas, these regions, are beginning to wonder when their huge investment in national defense—and they will understand the importance of this—when it is going to benefit them, when some of this defense money will come back to the Northeast and the Midwest, and when some of this defense money indeed will help the small businesses.

I think it was just yesterday, perhaps, it was said that the largest number of small businesses in the United States went under just a month ago. I maintain that the Department of Defense should not be excluded from the provisions of this proposed legislation. The Department of Defense should be doing all it can to help small business, and I believe that if this legislation passes, we will find ourselves in a position where the defense budget in the Department of Defense can come to the aid of small business.

There have been those who are concerned and say, "Well, a good portion of the defense budget now goes to help small business anyway, so why do we need this legislation?"

I would only point out that that is voluntary; that at any time the Department of Defense can change that, which is my understanding, and I think the Department of Defense should be made to help small business just as much as any other agency of the U.S. Government.

Mr. McDONALD. Mr. Chairman, will the gentleman yield?

Mr. NELLIGAN. I yield to the gentleman from Georgia.

Mr. McDONALD. Mr. Chairman, I appreciate the gentleman yielding for a question.

I ask the gentleman whether or not he is representing the minority position on the Armed Services Committee on this, because the Armed Services Committee is offering amendments to this, because at the present time the DOD in R. & D. has 7.4 percent going to small businesses, and yet the small business base is 5.5. In other words, we are beyond the small business base at this time. The question is, if we are already beyond the 5.5, why do we need a set-aside?

Mr. NELLIGAN. The only way I can answer that is that it is voluntary, and what I am concerned with is that if it is not made a part of this legislation, as I said before, the DOD can change this base any time they wish to do so. My concern is that, as I stated earlier, that I think that where, so far as it is humanly possible, that the Northeast and the Midwest part of these United States, which pays most of the taxes in this country, get its fair share of this defense budget. That is why I am standing here today making this plea.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. NELLIGAN. I yield.

Mr. McDADE. Mr. Chairman, the gentleman has answered the question eloquently when he stated that the DOD—and it is to their credit, and should be recognized by all—has created an SBIR. DOD is the only agency that has voluntarily done so. It has exceeded the levels this bill sets for the first year in a program that is responsive to the Presidential directive. Nobody else has, and they are doing it on a voluntary basis. This is why there should not be any disagreement between the Armed Services Committee and us, because, as my friend has pointed out, they have exceeded our floor.

Ours is a floor, not a ceiling. And DOD has exceeded that floor. They are over that, but it is a goal, as my friend has so eloquently said, that opens the doors on a voluntary basis, and all we can do is say there is a statutory floor inserted. The program is so successful that there are 10 fundable applications for every 1 funded. There were 10 denied for each awarded.

So what my friend says is so important for this House to realize; we are putting in a floor, not a ceiling. The competition is there, it is vibrant. There is no reason to believe that we are in any way interfering with the activities of the Defense Department. In fact, this opens up the door to some competition, but we do not leave it to the whim of somebody down the road to say, "Well, I am just not going to comply with the Presidential directive."

Mr. McDONALD. Mr. Chairman, if the gentleman will yield further, if the DOD now has 7.4 percent, am I therefore to assume that this legislation would not cause an eventual 1.25 set-aside as long as they maintain, say, 7.4? In other words, are we therefore exempted from the set-aside?

Mr. LAFALCE. Mr. Chairman, if I may answer the question, that would not be correct. The 1.25 which we would eventually achieve for DOD over a 5-year period rather than a 4-year period is separate and apart. It may be on top of or it may be a part of the figure that you use, assuming the accuracy of that figure. It does not have to be above and beyond that at all.

As long as I have the opportunity to answer that question, let me also point out this very salient fact, especially to the members of the Armed Services Committee: The Department of Defense has testified on behalf of this bill, believing that it would be wise to have this enacted into law for every agency in the Federal Government, including DOD.

Mr. McCLOSKY. Mr. Chairman, will the gentleman yield for a clarifying question?

Mr. NELLIGAN. I yield to the gentleman.

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Mr. McCLOSKEY. Mr. Chairman, the precise language of the bill reads as follows, and I wish our colleagues would read this bill before we vote on it. Let me quote from it at line 16, page 7:

> Funding agreements with small business concerns for research or research and development which result from competitive or single source selections other than under a small business innovation research program shall not be counted as meeting any portion of the percentage requirements of this subsection.

If I may ask this of the gentleman from the committee, that means, as I understand it, that if Defense did 7.4 percent this year, it would have to do 5 years from now an additional 1.25 percent in addition to the 7.4 percent?

Mr. LAFALCE. Not at all. No, not at all.

What we are saying is that you must have a separate SBIR program, but that 1.25 percent could easily be part of the 7.4 percent.

Mr. McCLOSKEY. That is my point, because under the amended bill, not the original bill, if the Defense Department wanted to dismantle its existing program, which is giving 7.4 percent to small business, the only requirement under law then would be the 1.25 percent?

Mr. LAFALCE. No, no. I say to the gentleman from California (Mr. McCLOSKEY) there are still separate goaling requirements as a part of 95-507. Those goalings requirements would not be negated in any way. However, the earmarking of 1.25 percent for this special type of program, which is not a set-aside program in the traditional sense in which the word is used, allows you to manage those specific contracts in which your request for specific proposals are let.

Mr. McCLOSKEY. But we have done that.

Mr. LAFALCE. No. We have not done that.

Mr. McCLOSKEY. There have been no hearings on this amended bill by any of the other committees. I am referring to H.R. 6057, which is in the committee's language.

Mr. LAFALCE. So am I.

Mr. McCLOSKEY. The language of that bill says, "1.25 percent in all subsequent years," and then you say that you shall not make any amount which exceeds that percentage nor any which is less, or in effect you have said that 5 years from now 1.25 percent, no more and no less, must be set aside and that must be worded to small businesses. Is that not correct?

Mr. LAFALCE. What we are saying is that that must be awarded under the SBIR program. It has nothing to do with the total amount that might be awarded to small business in separate programs other than the SBIR program.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. All right. I am responding to the gentleman from Pennsylvania.

The CHAIRMAN. The Chair will state that the time is controlled by the gentleman from Pennsylvania (Mr. NELLIGAN).

Mr. NELLIGAN. I yield to the gentleman from Pennsylvania (Mr. McDADE).

Mr. McDADE. Mr. Chairman, let me ask, is it not true that what we are talking about is a goal?

Mr. LAFALCE. Anything the gentleman from Pennsylvania says is true today.

Mr. McDADE. Let me tell you about the goal we would like to see agencies achieve. DOD is doing a good job of going toward its own goal under Presidential directive. That directive has been in effect under two administrations now, but our committee is now creating only a floor.

Mr. McDONALD. Mr. Chairman, will the gentleman yield?

Mr. NELLIGAN. I yield to the gentleman from Georgia.

Mr. McDONALD. Mr. Chairman, I appreciate the gentleman's yielding.

I would like to quote the testimony of Mr. Long from DOD. "We have looked into this matter of R. & D. contract awards."

I would like to quote Mr. DeLauer from DOD in testifying on the father of this bill, because this bill was not actually reviewed. We did not have an opportunity to review this before the R. & D. Subcommittee of the Armed Forces Committee.

Mr. DeLauer said:

I am not for forced set asides in any areas. Now, whether we need it in order to stimulate small business is someone else's point of view. I don't think we do. I think we need to set goals. I think we ought to emphasize it. I think we ought to assess how our people, the people we let contracts to, spend their money meeting those goals.

And then further on we had the testimony of Mr. Long, questioned by the gentleman from Alabama (Mr. DICKINSON). Mr. DICKINSON was discussing this, and he said:

Now, in talking to Dr. DeLauer about this he said he did not support H.R. 4326, but he would support S. 881. I have got a feeling we are dealing with semantics here. He would prefer this as the lesser of two evils but would prefer neither. If that were the case, is that your feeling?

Mr. LONG. Well, I think we as part of an administration must recognize, Mr. Dickinson, the position of the administration.

Mr. DICKINSON. I am not asking you the position of the administration. You prefer one over the other, but you would really prefer neither, is that correct?

Mr. LONG. That is Bill Long's personal view.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, let me say that I am sorry I was not here at the beginning of the debate, but speaking for the chairman of the Committee on Armed Services, who was also the chairman of the Research and Development Subcommittee, and myself, we are very concerned about what is attempted here and what on its face looks like a very good thing. And who could be against small business? Everybody is for small business.

What we are worried about, though, is the effect of what, under the idea of helping small business, would happen, what its ultimate effect would be.

Now, this is something that I have discussed with the members of the Small Business Committee, and there is a difference of opinion as to the effect of the law. The Department of Defense is awarding 7.4 percent of its business in research and development to small business. This bill would only require 1.25 percent. We have no problem with that, even though it comes out of a very small base, because once you take all the major weapons systems, the MX system, the B-1, and so forth, it gets down to a smaller and smaller amount to deal with. When the in-house R. & D. is removed a very small base remains.

The Department of Defense is already doing 7.4 percent of its research with small business.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. Yes; I am pleased to yield to my friend, the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding.

If the gentleman would allow me to read this, that is the reason I believe that the Department of Defense supports this bill so wholeheartedly.

We have Mr. William Long, the Deputy Under Secretary of Defense for R. & D., who testified before the Committee on Armed Services on March 10 concerning this very bill, and he said:

The Defense Department strongly supports the position the President has taken in lending his assistance to the passage of the bill, as the Defense Department owes much of its success in military research and development advances to the efforts of small high technology firms.

They are doing it. There is nothing in this bill that is going to cause them to do anything more than what they were doing until 5 years from now. So why do we need the bill? The reason we need the bill is that because over the years—and I had chaired this Subcommittee on Oversight for many years—DOD did absolutely nothing.

They are starting to move ahead, and now we say, "Oh, fine. We commend you for what you are doing. You do not have to do anything more than what you are doing. Just continue what you are doing."

We just want to make sure that they do not lag back.

Mr. DICKINSON. Mr. Chairman, I agree with that. But before my time expires, let me ask, is it the gentleman's understanding—and I will ask the gentleman from Pennsylania (Mr. McDADE) this question also in just a moment—is it the gentleman's understanding that if this bill requires 1.25 percent set-aside for small business and the Department of Defense is already doing over 7 percent, it would not be affected, and this is filling the need the bill would require? Is that the gentleman's understanding?

The CHAIRMAN. The time of the gentleman from Alabama (Mr. DICKINSON) has expired.

Mr. DICKINSON. Mr. Chairman, may I ask unanimous consent to proceed for 2 additional minutes?

The CHAIRMAN. The Chair will state that that request is not in order.

Mr. DICKINSON. May I ask, Mr. Chairman, who has the time?

The CHAIRMAN. The Chair will state that the gentleman from New York (Mr. BINGHAM) is recognized now for 15 minutes. Perhaps the gentleman from New York would yield time to the gentleman.

Mr. BINGHAM. Mr. Chairman, I yield 2 additional minutes to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, I thank my colleague, the gentleman from New York (Mr. BINGHAM).

If I may continue my colloquy with the distinguished gentleman from New York (Mr. ADDABBO), are we in accord now, that if DOD is doing more than this bill mandates, which is 1.25 percent, if DOD is doing it at the rate of 7 percent they are more than meeting our obligation and will not be affected by the bill?

Mr. ADDABBO. Mr. Chairman, if the gentleman will yield, we will not be affected because right now in set-aside we are doing 0.08. We do not reach 0.08 until the fifth year, so there is nothing DOD has to do under this bill.

Mr. DICKINSON. So it is the gentleman's understanding the Department of Defense would not be affected until

at least 5 years because they are already doing more than is required?

Mr. ADDABBO. The gentleman is absolutely correct.

Mr. DICKINSON. Mr. Chairman, I will ask my good friend and colleague, the gentleman from Pennsylvania (Mr. McDADE), is that his understanding?

Mr. BINGHAM. Mr. Chairman, I had yielded to the gentleman from Alabama, but I would now like to reclaim my time.

Mr. DICKINSON. Mr. Chairman, I understood the gentleman gave me 2 minutes, and within those 2 minutes I would like to develop this.

May I ask, is that the gentleman's understanding?

Mr. McDADE. Mr. Chairman, if the gentleman will yield, we already did this up in front of the Rules Committee.

Mr. DICKINSON. Is it correct that if DOD is presently awarding 7 percent to small business they will not be asked anything further because this only requires 1.25 percent?

Mr. McDADE. This is the floor, yes, as far as DOD is concerned, that is what I thought was understood.

Mr. DICKINSON. We did understand that, but the "legal beagles" got behind this and said, "Hey, this is not a set-aside. DOD is doing it already, but this is not a set-aside, so that does not count."

But I want to know if it is the gentleman's understanding that if DOD is in fact doing it, that is enough?

Mr. McDADE. The gentleman will recall when we were before the Rules Committee, I read in the record the position exactly as we stated it. I concur in that position today, and I commend the DOD for meeting its goal. All we are doing is putting in a floor which will require only a 1.25 percent set-aside over 5 years. This program does not impact upon the goal of which he speaks. The goal is not mandatory. Only the 1.25 percent is mandatory.

Mr. DICKINSON. Well, we have to watch these lawyers, you know.

Mr. McDADE. I am delighted to confirm that with my friend, the gentleman from Alabama, and we are glad to have his support of the bill.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, let me just read the bill because there are a few lawyers in this House and we are all supposedly lawmakers.

It says specifically, and I quote:

> Funding agreements with small business concerns for research or research and development which result from competitive or single source selections other than under a small business innovation research program shall not be counted as meeting any portion of the percentage requirements of this subsection.

So if you are doing 7.4 percent under the current law, you have got to add 1.25 percent to it.

Mr. BINGHAM. Mr. Chairman, I think I had better reclaim my time.

The CHAIRMAN. The 2 minutes that were yielded to the gentleman from Alabama (Mr. DICKINSON) have expired.

The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I appear on behalf of the chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI), who is in New York with the President.

The Foreign Affairs Committee has an interest in this legislation because of its jurisdiction over the authorization of funds for and policies of the Agency for International Development. Under the original bill, H.R. 4326, all of the R. & D. programs conducted by AID would have been subject to the provisions of the bill.

However, the revised bill, H.R. 6587, addresses certain problems caused by the inclusion of all R. & D. programs and I would just briefly refer to the problems.

A good proportion of AID's R. & D. business is carried out through international agricultural and health research institutions. We do not control the way those institutions do their work, and, therefore, it simply was inappropriate to seek to apply a set-aside of the kind contemplated by this legislation to such contracts.

By the same token, some of AID's R. & D. funds are spent through host country contracts. AID consults with the recipient country on the use of these funds, but they are again controlled by the recipient, in this case the government which has responsibility for selecting contractors.

So the Committee on Small Business has wisely decided that those two types of contracts which AID engages in should not be subject to the set-aside provisions of this legislation. All other R. & D. contracts which AID has that are contracts made with U.S. firms, U.S. enterprises, and U.S. institutions, whether profitmaking or otherwise, are covered by the legislation, and we have no objection to that.

So the Foreign Affairs Committee takes no position officially on the legislation. We welcome the change from the first version to the present version and thank the Committee on Small Business for that consideration.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

□ 1415

The CHAIRMAN pro tempore (Mr. FOGLIETTA). The Chair recognizes the gentleman from California (Mr. LAGOMARSINO), for 15 minutes.

Mr. LAGOMARSINO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I believe that the compromise struck on the Small Business Innovation Act is a considerable improvement over the original version. I am pleased to see that the percentages to be set aside for this program have been reduced. I am also glad to see that AID's overseas funding for International Research Centers, as well as grants for research by foreign governments, have been excluded from the bill. Since the purpose of the bill is to improve small business innovation in the United States, it follows, therefore, that funding for this goal should be derived from domestic programs. AID's overseas research and development programs fall outside this category. They are often under the administration of host goverments, and they often comprise only one component of larger projects. Many of the programs at the International Research Centers are so specialized as to make specific set-asides not realistic—I speak of institutions such as the Tropical Disease Research Institute or the Diarrheal Disease Research Center in Bangladesh.

Even while I agree that the AID overseas exclusion is a good provision of the act, I still have problems with the bill. I find it questionable to mandate that specific portions of any agency's research and development program should be earmarked for a special type or size of business. The significant issue is whether an agency is spending its R. & D. money with firms most qualified to undertake the program, not whether certain firms should receive contracts merely because of their small size. It does lock in agencies to spend a fixed percentage of their money with small firms without comment on quality. And it will not wash to say that the monitoring agencies will insure that each R. & D. program will pick only qualified firms. Some types of research are unique, and limit the range of firms that can realistically undertake projects. And when the end of the year comes, there will be enormous pressure to issue contracts or grants to small firms of marginal ability or utility in order to be in compliance with the law.

Overall, if a bill must be approved, then I am pleased that AID's funding for international research centers and grants to foreign governments are excluded from the bill's provisions.

Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. Mr. Chairman, what the ranking member, speaking for the Foreign Affairs Committee, has said represents what every committee which has looked at this bill

within its own jurisdiction has, in effect, said.

Defense has said "Exempt us." Science and technology would like to be exempted. The National Institutes of Health would like to be exempted.

This portrays what is basically wrong with this bill. The Small Business Committee, in order to try to advance small profitmaking businesses has, in effect, said let us take $377 million of the roughly $40 billion that is advanced for Federal research, and let us make sure that this 1.25 percent goes to small profitmaking businesses; we would like to transfer the research from whomever is getting it today to small business.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding. I think the gentleman should be careful to say that the Foreign Affairs Committee asked for exclusion of certain types of contracts entered into by AID and did not ask for the exclusion of contracts made by AID with U.S. firms and institutions.

Mr. McCLOSKEY. But the reason you do not have to do that, I might say to the gentleman from New York, is that by excluding those international programs, you fall below, this year, the $100 million floor that is applicable. Next year or 5 years from now or 10 years from now when you may be above that $100 million threshold then you will have to face that problem.

By excluding your international programs you in essence remove yourself from the bill altogether today. But not necessarily 5 years from now.

Mr. BINGHAM. If the gentleman will yield further, that was not basic to the thinking of the committee. As a matter of fact, AID does much better in meeting percentages in its contracts for goods and services with U.S. institutions today.

Mr. LAGOMARSINO. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. WEBER).

Mr. WEBER of Ohio. Mr. Chairman, I would like to speak to the question about whether there is venture capital to fund innovation by small firms as has been suggested by some of the speakers today.

The availability of venture capital for a completed prototype is not the issue here.

Federal funding for research is the issue that this bill addresses. Our goal in this legislation is to get the best, most cost-effective expenditure for research and development possible for the Federal Government.

Most venture capital today is available to companies that deploy and sell products. It is not generally available to firms which are involved in research. There are very few dollars that are available for funding the type of feasibility and development work that precedes the equity funding of high technology companies.

This bill fills the gap for small companies between funded research work and the commercial exploitation of a product by the venture capital community.

It is very clear that we need this legislation for that purpose, to fill that gap.

I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair now recognizes the gentleman from Florida (Mr. FUQUA) for 15 minutes.

Mr. FUQUA. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I want to commend my colleagues from the Small Business Committee, particularly the gentleman from Maryland (Mr. MITCHELL), the gentleman from New York, and my friend from Pennsylvania, and others who have worked so hard to bring this bill to the floor.

I think our motives are all the same, that we support the involvement of small business and what they can do about improving productivity and innovation in our country.

I think in working in behalf of small business that indeed our goals are the same and we are trying to achieve the same things. But the thing that concerns me about this bill is the mandatory set-aside which changes the decisionmaking process from this Congress to the bureaucrats in OMB. That is the basic issue.

It is not a question of whether we have 2 or 3 or 1 percent set-aside. It is a fact that this congress would have no choice in where the priorities should be or participate in the decisionmaking process under the mandatory set-aside.

My colleagues ought to think about that.

Mr. Chairman, I rise to speak about the bill, H.R. 4326, the Small Business Innovation Development Act. The bill contains the very worthwhile goal of broadening the opportunities for small business innovation, but also contains a major problem in giving the power to fund over to OMB instead of to our authorization and appropriations committees.

I want to commend the gentleman from Maryland, the distinguished chairman of the Small Business Committee, for his efforts to bring the Congress attention to the tremendous potential which lies in the Nation's small, high technology businesses. The Committee on Science and Technology has a long-time interest in innovation and productivity, and in particular, in small business innovation. In fact, this legislation is modeled on the successful national science program authorized by our committee. During the 96th and 97th Congresses, the committee has held numerous hearings on the subject of small, high technology firms and innovation. The committee has been particularly interested in finding ways to stimulate the innovative capabilities of the small, high technology firms, particularly as trends reflect declining rates in our Nation's innovation and productivity.

The committee has also been interested in encouraging small business involvement in Federal research and development. During the 96th Congress, our efforts contributed toward the enactment of a major change to Federal patent policy which allows small businesses to retain title to patents conceived under Federal research and development funds.

I want therefore to stress that I am working toward the same goals—to stimulate small business innovation and to encourage small business involvement in Federal R. & D.—as I believe the gentleman from Maryland is seeking to achieve.

The committee's interest in this bill, H.R. 4326, has been long term. I testified at the Small Business Committee's hearing on the bill last September, along with my colleague from Pennsylvania (Mr. WALGREN).

In addition, I requested sequential referral of the small business innovation research legislation which, as reported by the Small Business Committee, set aside 3 percent of the Federal research and development budget for the purpose of supporting a Federal-wide SBIR program. My request was based on several reasons. The influence of a mandated set-aside on the scope and direction of the Federal research and development budget and the bill's implications for the Federal agencies charged with carrying out the Nation's R. & D. responsibilities suggest this bill is a matter of national science policy. The committee also wanted the opportunity to review the set-aside's effect on agencies under the committee's jurisdiction, including NASA, the Department of Energy, the National Science Foundation, Environmental Protection Agency, and NOAA.

The committee had to act quickly on the sequential referral. In January, the committee held 3 days of hearings on the bill, which focused on the following issues: What information exists concerning the role of small companies and the level of their participation in Federal R. & D.; the necessity and feasibility of Federal-wide expansion of the small business innovation research program, whether a set-aside is the optimum mechanism for stimulating small business innovation and increasing small business participation in Federal R. & D., and what type of program, if any, would be most effective.

The committee's hearings resulted in a number of findings and recommendations, on which I will elaborate, and which form the basis of the committee's amendment that I plan to offer at a later time.

It is a commendable effort for the Small Business Committee to take a second look at what it originally reported, and the new substitute is an improvement over the last. However, the new substitute simply does not tackle the major drawback to the bill as currently written. The principle issue in this debate—let there be no doubt about it—is the mandatory set-aside. This debate is not over whether we should set aside 3, 2, or 1 percent of the Federal R. & D. budget. The issue is the set-aside.

The amendment I will offer on behalf of the Science and Technology Committee preserves the intent of the Small Business Committee substitute, yet provides an alternative to the mandatory set-aside for funding a Federal-wide small business innovation research program. It puts the Congress back in the driver's seat, instead of the OMB, and gives us the flexibility to increase the percentages, instead of simply giving away this power.

Let me describe the committee's amendment as reported: First, the bill provides that each Federal agency with an appropriation for R. & D. over $100 million is required to establish a small business innovation research program.

Each agency required to have a program will reserve for expenditure in connection with the SBIR program no less than 1 percent of its R. & D. appropriations. The 1 percent is phased in over a 3-year period. The bill places a 1-percent cap on the amount of an agency's basic research funds which can be used for the SBIR program.

Authorization to fund the SBIR programs will be provided to the extent required in acts authorizing appropriations for each agency.

Agencies with an appropriation for R. & D. in excess of $20 million shall establish goals for funding agreements for research and development to small business concerns.

Each agency authorized to establish a SBIR program is required to establish procedures which are provided in the act, to encourage and facilitate the general conduct of its SBIR program to provide maximum opportunity for small businesses to engage in specified agency research and development objectives.

The Small Business Administration shall coordinate with participating agencies a schedule for the release of SBIR solicitations and provide information to small business concerns about the agency SBIR programs. SBA is required to report to the Office of Science and Technology Policy (OSTP) on the program responsibilities assigned to it. SBA must also report to Congress annually, with appropriate recommendations.

The Comptroller General, not later than 5 years following the enactment of H.R. 4326, shall report to the Congress on the quality, quantity, and nature of research conducted under the amendments made by the act, and the effect the amendments made by the act have on the agencies' research and development programs.

The committee's amendment is based on sound evidence collected during hearings on this subject. The committee's recommendations are responsible; and the amendment would encourage small business innovation and participation in Federal research and development.

The primary mechanism for achieving these goals would be through the establishment of a Federal-wide small business innovation research program. The committee has been closely involved with the SBIR program currently in operation at the National Science Foundation. NSF—not the Congress—developed this program several years ago to stimulate high-quality proposals from small science and technology firms in NSF program areas. At the time, NSF was required to expend 10 percent of its applied research budget to small businesses. The first set-aside of 7½ percent of applied research funds was imposed in 1975. The program structure or other steps taken by NSF for the program's implementation were not specified by the Congress.

The NSF program operates in three phases, as follows: Phase I supports research proposals with awards up to $30,000 for 6 months or important scientific or engineering problems or opportunities of interest to NSF. Those projects found most promising after phase I receive phase II awards, which have averaged $200,000 for 1 to 2 years. This is the principal research project. Phase III involves commerical applications where possible from the NSF research supported in phase I and II. Phase III is funded entirely with private capital.

In addition to the SBIR program supporting advanced research in a wide range of program areas, the 21 phase II grantees in the 1977 solicitation have received $46 million in follow-on funding to date, directly or in part a result of the SBIR awards. These 21 firms also have more than doubled their employment. NSF funding in phases I and II of the 1977 solicitation totaled $5.3 million. There have been new firms started as a result of the program and some 15 inventions reported. A number of new products and processes are under development and one is now being marketed. An increasing number of industrial and venture capital firms are showing interest in the program as the SBIR topics have become more industrially oriented.

Proposers are encouraged to cooperate with university researchers such as through consulting arrangements, subcontracts and the use of special facilities on occasion. Most grantees have done so, particularly in utilizing university scientists and engineers as consultants.

NSF's $5 million program has shown great promise and the committee, through annual authorization of the NSF, has consistently lauded its successes. At the same time, however, the Science and Technology Committee in previous years recommended the elimination of the set-aside as both unnecessary and undesirable. The NSF-SBIR program operates currently without a set-aside.

The committee's amendment provides for the Federal-wide expansion of the SBIR program, but the committee does not believe that a mandatory set-aside is necessary to implement the program.

Assertions that agencies will not establish an SBIR program without the set-aside simply are not true. The Department of Defense 2 years ago established a similar program—on a voluntary basis—to the NSF SBIR program.

If the Congress adopts the mandatory set-aside, we will be expanding a $5 million program which is the current funding level for the NSF program, to a mandatory level of $400 to $500 million, without congressional oversight or scrutiny through the authorization process. Such special treatment is not warranted. In addition, a mandatory set-aside will allow the executive branch to reallocate funds otherwise authorized and appropriated by the Congress.

I have heard several Members say, "but 1 percent is such a minuscule amount." When the Congress thinks that half a billion dollars is minuscule, then I can see why this Congress is unable to get Federal spending under control. In fact, this week's Newsweek has an article entitled "The Battle Over Bailouts," which reports the combined cost of current congressional bailout proposals could undermine the budget agreed to just last week.

The set-aside in this legislation is unwise, and unnecessary. The committee's amendment, however, achieves the same end by requiring authorization for the small business innovation programs. To insure startup of the program, under the committee's amendment agencies will be required to reserve 1 percent of their R. & D. funds to fund the SBIR program. This amount will then be reviewed in the context of the individual agency's authorization.

Through this process, the authorizing committees of Congress can insure the most desirable and realistic level

of funding for agency SBIR programs and their consistency with the priorities determined by Congress through the normal budget process.

The committee's amendment will also allow agency programs to be structured in a manner which reflects the inherent differences in agency missions and responsibilities. The imposition of a uniform program structure within all Federal agencies does not encourage an innovative response from the agencies.

I am also concerned about the arbitrary determination of a fixed, percentage amount as a means to encourage small business participation in Federal R. & D. Some have argued that a set-aside for small business is justified on the basis that small firms have been demonstrably innovative, and yet receive a small share of Federal R. & D. funding. I have heard frequent references of the small business share of Federal R. & D. as 3½ to 4 percent—of a $40 billion Federal R. & D. budget in fiscal year 1982.

The committee has since learned that these figures are not reliable. In fact, during the committee's hearings, the GAO representative indicated that it is unclear whether 3.5- to 4-percent figure is correct. Data made available from the Federal procurement data system (FPDS) indicate that in fiscal year 1980, small businesses received 24 percent of all Federal R. & D. contracts over $10,000, comprising 6.8 percent of total Federal R. & D. contract expenditures. These figures do not include grant or subcontract data, or contracts under $10,000, although the Small Business Administration estimates that small businesses receive approximately 60 percent of Federal R. & D. contracts under $10,000.

One witness at the hearings, Dr. Edwin Zschau, suggested that the distribution of 6.8 percent of Federal R. & D. contract funds to small firms may be commensurate with their capabilities. Zschau cited NSF data which indicate that of the 643,000 R. & D. scientists and engineers—in full-time equivalents—in the United States, 5.5 percent are employed in small companies.

Agencies have also defended their records of small business participation. Adm. Stuart Evans, Director of Procurement, NASA, described the space effort as a cooperative effort with industry, especially small business, and academia. Some 7,000 small businesses worked to make the Space Shuttle and its recent flight a reality. In fiscal year 1981, small business participation in NASA's total procurements aggregated some $409 million or 9.6 percent of all prime contracts and some $475 million in subcontracts for a total of $884 million. This constitutes approximately 20 percent of total contract/subcontract awards to business firms. Of the 100 companies in fiscal year 1981 receiving the largest dollar value prime contracts, 24 were small business firms.

The commonly cited figure of 3.5 to 4 percent therefore appears to understate the amount of Federal R. & D. dollars going to the small business sector.

The committee's conclusion is that the state of small business participation in Federal R. & D. does not warrant at this time a set-aside of agency R. & D. funds. For the present time, the committee believes that small business participation in Federal R. & D. will be facilitated to a significant degree by the establishment of small business innovation research programs.

Another aspect of this legislation I know many Members are concerned about involves the impact of the set-aside on basic research and the universities. The committee concluded that basic research funding would be more vulnerable to the set-aside. Consequently, the committee's amendment provides for special precaution by way of a cap on the amount of basic research funds which can be used for agency SBIR programs. Because protection through this mechanism would be limited, the committee anticipates that additional protection would be provided through regular authorization review to insure SBIR programs are funded consistent with congressional intent.

The Congress should be aware that any benefits to be realized through Federal-wide expansion of the SBIR program would be short-lived if achieved at the expense of the Nation's basic research.

About 70 percent of the funds for basic research are provided by the Federal Government, which has assumed responsibility for supporting basic science as a means of producing the knowledge base for future technological and economic growth and assuring that fundamental research is conducted in areas related to its own path as to national needs. Through Federal support, the Nation can continue to maintain strong capabilities in critical areas such as national defense and health. Strong Federal involvement also occurs because the economic gains from pure science are frequently long term and do not necessarily benefit the sponsor of the research for many years, if ever. Consequently, because the industrial sector primarily stresses relatively short-term returns on its investments, it tends to place less emphasis on basic research and allocates most of its resources in more applied areas and in development. Universities cannot place large amounts of their own funds in basic research because of limited financial resources.

Typically, a large portion of Federal R. & D. funds is committed in advance for continuing large scale projects, for instance, the Space Shuttle. In fact, the major portion of Federal R. & D. is concentrated in the development process. A report of the distribution of Federal R. & D. obligations compiled by the National Science Foundation reflects the following concentration of Federal R. & D. dollars in basic, applied and development activities: Basic research—13.7 percent; applied research—19.7 percent; development—66.7 percent. Since there is a previous commitment for much of these development funds, the set-aside provision could cause a greater than anticipated share of funding to be taken from the basic research category in order to fulfill the set-aside requirement.

During the committee's hearings on the bill, the General Accounting Office representative also suggested that the issue of basic research could best be addressed through the traditional budget process.

The Science and Technology Committee's amendment will also insure that Federal funds will not crowd the flow of private capital to small, high technology firms. Recent changes in tax laws have had a tremendous impact on the availability of venture capital.

The Steiger amendment to the 1978 Tax Act which lowered the maximum capital gains tax rate from 49 percent to 28 percent has resulted in the current availability of about $5.8 billion for investment by private venture capital firms, SBIC's and corporate investment subsidiaries. The Economic Recovery Tax Act of 1981 also contains additional incentives to small, innovative firms, including a further reduction in the maximum capital gains tax rate to 20 percent. The result is startling. In 1977, $39 million in private capital was committed to venture capital firms; in 1981, private capital increased to $1.2 billion.

Numerous Members have been concerned about the willingness of the venture capital industry to invest seed capital at the early high-risk stage of startup ventures. However, the committee has received evidence that investments of venture capital were startups, whereas in 1981, 40 percent, or 400 venture investments, were in brandnew companies.

Future growth in private capital can be expected. Through regular authorization of agency SBIR programs, the Congress will be able to respond effectively to future capital fluctuations and trends, and their effect on a Federal-wide SBIR program.

The Science and Technology Committee's amendment also provides for agency peer review, as appropriate. The committee feels that decisions concerning the utilization of the peer review process for evaluation of agency SBIR programs be made by the agency required to have an SBIR

program. The committee found little rationale for requiring agencies to depart from traditional review methods and procedures which have evolved in agencies. Thus, whether to use peer review is best determined by the agency in structuring its SBIR program.

Finally, the Science and Technology Committee's amendment provides that agencies will each operate their SBIR programs. This is in contrast to the small business requirement for a central executive agency role, by SBA.

The Science Committee's hearings revealed widespread agreement that the SBA has neither the resources nor the experience to serve as the lead agency for the development and administration of policy vis-a-vis this program.

Under the committee's amendment, the Office of Science and Technology Policy will provide executive oversight. However, due to the explicit guidelines contained in the bill concerning the program structure, no other lead agency role is assigned. The committee has found that the NSF SBIR program and the DOD SBAT program, although similar, have operated effectively without the additional involvement of SBA or another agency. The committee believes that autonomy of agency programs is an important feature of the committee amendment, and one which will enhance the efficiency and effectiveness of agency SBIR programs. This should also result in reduced administrative costs.

Mr. Chairman, the Science and Technology amendment is good for the country and good for the entire research community—small business and universities alike. It represents a reasonable compromise approach to the issues which have surfaced in debate on this legislation.

To summarize, the committee's amendment will enable a promising small business program to be expanded Federal-wide, with the purpose of enhancing small business innovation and participation in Federal R. & D. Yet, the committee amendment will achieve the same goals as pursued by the Small Business Committee.

The committee amendment recognizes that a mandatory set-aside removes future congressional involvement and is not necessary to implement a Federal-wide SBIR program.

The committee amendment will involve Congress in the SBIR funding decisions. A mandatory set-aside would allow the executive branch to reallocate funds otherwise authorized and appropriated.

The NSF program is experimental, and is currently funded at $5 million. The expansion of the program to $400 million Federal wide should be done cautiously and with close congressional oversight—through authorization process. The committee's amendment provides for this.

Basic research funds are vulnerable to a set-aside. In addition to placing a cap on basic research, Congress, through the authorization process, can insure no detrimental impact occurs to the Nation's basic research effort. The committee's amendment provides for this.

The committee amendment will enable Congress to insure that Federal funds do not crowd out the flow of venture capital since capital gains tax reductions.

The Science and Technology Committee amendment is a sound, reasonable compromise to the dilemma which currently faces the House. Adoption of the amendment would result in a Small Business Innovation Development Act we can be proud of.

It was reported earlier by my friend from Pennsylvania, Mr. McDade, that some 60 percent of Federal contracting was let on a noncompetitive basis. In a recent, April 7 of this year, GAO report, I think the record should reflect that on page 10 of that report they said that it is 28 percent that was sole source.

The rest of it was competitive.

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from New York.

Mr. LaFALCE. Is the gentleman referring to the grants part as part of the percentage, or is he referring to contracts as opposed to research grants?

It is my understanding if you include the money, both contracts and grants, that the noncompetitive portion of the total Federal R. & D. dollar would be 70 percent and that the statistics you used excludes grants.

Mr. FUQUA. I am only reporting from the General Accounting Office report that was issued on April 7 of this year. It says it is talking about contract awards. Most grants are contracts that are entered into by agencies that would perform certain functions for the Government.

Mr. LaFALCE. That is what one would assume. But it is my understanding that the bureaucracy uses the words "contracts" and "grants" to distinguish the one from the other and that when you look at the total Federal R. & D. dollar, including both, that about 60 percent would be on a noncompetitive basis.

Mr. FUQUA. I will not dispute the gentleman's word. I am only referring to the report that I have, which is the best information I have.

But I would hope at the appropriate time that Members would seriously consider the amendment I intend to offer.

□ 1430

Mr. WINN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise in support of H.R. 4326, the Small Business Innovation Act. I want to congratulate the Small Business Committee for the extensive work they have done on this bill and their diligence in bringing the legislation to the floor. I look forward to the ensuing debate over the various approaches to the bill.

Mr. Chairman, I have been a strong supporter of the small business community throughout my time in the Congress. Prior to coming to Washington I was a small businessman, so I readily understand the hurdles a small business must overcome to be successful. When economic times are tough—as they are now—it is all the more difficult for a small business to make a go of it. Despite the many obstacles that a small business must face, many do survive and some flourish.

What is most important to note is the tremendous contribution that small business makes to our economy, particularly in the area of innovation. Let me cite some of the figures from the committee report:

Firms with less than 1,000 employees accounted for almost one-half of major U.S. innovations during the period 1953-73.

The ratio of innovations to R. & D. employment is four times greater in firms with less than 1,000 employees than in larger firms.

The total cost per R. & D. scientist or engineer is almost twice as great in firms over 1,000 employees than in smaller firms.

With all of the disadvantages that must be overcome, it is still apparent that the small business community has managed to be more innovative and competitive than your typical big business. Included among the list of important inventions by small business are the jet engine, the gyrocompass, automatic transmissions, penicillin, air-conditioning, insulin and many, many more.

Despite these impressive accomplishments, it is a fact that the Federal Government consistently seems to forget this outstanding small business capability when it comes to awarding the Federal research and development contracts. The concept behind H.R. 4326 will remedy that defect. It will insure that small businesses will get their fair share of Federal research and development dollars. At the same time H.R. 4326 will enable our Nation to tap a resource that for too long has been underutilized—the innovative genius of our small business.

Mr. Chairman, I strongly support this bill and urge my colleagues to give it their support.

Mr. FUQUA. Mr. Chairman, I yield 2 minutes to the distinguished gentle-

woman from Tennessee (Mrs. BOUQUARD), a member of the Committee on Science and Technology.

Mrs. BOUQUARD. Mr. Chairman, I rise in support of the science and technology substitute amendment to H.R. 4326. I feel that this substitute is an attractive compromise to the legislation before us. The substitute supports the basic goals of H.R. 4326: To stimulate small business innovation and facilitate small business involvement in federal R. & D. by authorizing agencies to establish SBIR programs. At the same time, this compromise avoids undue hardship on particular sectors of the R. & D. budget—such as the programs at the Government-owned, contractor-operated laboratories of the Department of Energy. The compromise avoids such hardship by allowing SBIR programs to be developed through annual authorization acts. To illustrate my point, I would like you to realize that 67 percent of DOE's research is performed at the national laboratories. The DOE has estimated that if a mandated set-aside program is initiated based on 1.25 percent of the fiscal year 1982 R. & D. budget, the GOCO's would provide $39 million of a $60 million SBIR program. I think this would put a tremendous burden on our national labs—a burden that I am sure none of us want to see placed on these valuable institutions which we in Congress have charged with carrying out some of our most critical R. & D. efforts.

I believe the only fair way to institute SBIR programs in our Federal agencies is through the authorization process. In this way only can we insure that the SBIR programs will be responsive to the agencies' missions and at the same time be capable of providing additional opportunities for small business. In this way, the small business community can continue to reward us with increased innovation and productivity in research and development.

Mr. WINN. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. WEBER).

Mr. WEBER of Minnesota. Mr. Chairman, since Congress, our Nation's business community, and the American people are currently trying to come to grips with the economic malaise that has gripped us for the past year or so, I think it would be highly appropriate for us to look down the road a bit and consider what kinds of tools the Federal Government has at its disposal for improving the stability, productivity, and profitability of our private sector. I believe the bill we have before us today could be one such tool.

If we look at where our Nation is expected to be going over the next 10 or 20 years in terms of maintaining a competitive and productive position in the world, I do not think there is much doubt that our long-term hopes lie in the development and growth of small, innovative, high-technology firms that can provide us with the technological breakthroughs necessary to maintain our world leadership. I have had firsthand experience with this in my own State of Minnesota, which has a reputation both nationally and internationally as a leader in technological innovation and development. I have worked with a number of these businessmen and women in my State and have been enormously impressed with the quality and scope of their achievements—and I have come to recognize that in an increasingly sophisticated world, small, high-technology firms are going to be the vital link between basic research and the commercialization of applied technologies.

On a broader level, the facts I have seen in support of this concept nationally are even more substantial:

Small businesses provide for over 80 percent of private sector jobs;

Small business activity accounts for about 43 percent of the GNP;

Small firms account for well over half of all new technical innovations in the United States;

In addition to being among the most cost-effective users of Federal R. & D. money, small R. & D. firms have among the fastest growth rates of employment, sales, exports, productivity, and net revenue in our economy, and it has been estimated that if each small business in this country were to hire just one new employee, there would be virtually no unemployment problem.

However, while small firms comprise 85 percent of the firms performing R. & D. work, they receive only a minute fraction on the dollar of Federal R. & D. expenditures—which to me is a gross misallocation of Federal resources—particularly since it has been well demonstrated that Federal R. & D. awards can have a tremendous multiplier effect in terms of private sector growth.

Several years ago the National Science Foundation examined major innovations developed over a two-decade period and found that small firms produced 24 times as many innovations as large firms per R. & D. dollar spent, and 4 times as many as those by medium-sized firms. However, there are still a number of institutional impediments to small firms which need to be redressed before they can adequately and equitably access Federal R. & D. financial support. I believe this bill will help in that redress.

As a member of both the Science and Technology and Small Business Committees, I have had an opportunity to weigh a great deal of evidence on both sides of the bill, and I believe I can offer it my unqualified support. The benefits of increased investments in high-technology research by small firms will not be limited solely to the small business community. The Nation as a whole needs this bill—particularly since it affords those of us in Congress a rare opportunity to address those specific and pressing innovation problems on which this Nation's long-term economic recovery will stand or fall. I would urge my colleague's adoption of the bill.

Mr. FUQUA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York (Mr. LUNDINE).

Mr. LUNDINE. Mr. Chairman, I rise in support of the Small Business Committee substitute and against weakening committee amendments to this important legislation. I do so because I am convinced that this small business agency set-aside is needed to bring about the kind of small business participation in our Federal research and development program that is needed to help America innovate and compete with our international trade competitors.

America is suffering from a serious innovation gap. Although we have maintained an excellence over the years in the conduct of basic research, and although we dominate our international competitors in Nobel Prize competitions, our competitors in Japan and Western Europe are the ones who have been commercializing American science.

One of the reasons America's innovative capability is sagging is because we have failed to encourage closer working relationship between the major innovators in the private sector, small businesses, and the major providers of research and development funds, the Federal Government. This legislation, by mandating that each major Federal R. & D. agency establish and fund a small business innovation research program, will help address this problem.

Without a set-aside, greater small business participation in Federal R. & D. will not occur. Federal agencies have demonstrated an inclination to fund research in universities and in established laboratories rather than to seek out small innovative businesses to accomplish a research goal. I suppose this is human nature. But the fact of the matter is that there is a desperate need, just as there is in the private sector, for Government R. & D. planners to have a deeper concern for the long-term economic strategy of this country and to be willing to take some additional risk.

At the same time, I think it is important to recognize that there is no lack of talent or capability in our small businesses to conduct good quality research. The National Science Foundation small business innovation research program, after which this bill is patterned, has been identified and praised as an important and successful

initiative. Under the NSF program, many small firms have been involved in basic research, so there should be no question about their capability in this regard. Even with respect to health-related research that is conducted by the Department of Health and Human Services, studies have verified that there are at least 2,000 firms in the United States involved in life sciences research. The point that must be emphasized here is that this program has the unique capability to link basic research to private capital, market needs, and commercial application.

During the science and technology hearings, the American Electronics Association argued that this program is not needed by high technology small businesses. When I heard this testimony, I must admit I wondered why an organization that represented small businesses on the cutting edge of technology would oppose this legislation? What I found upon further examination was that AEA is primarily an organization of manufacturing companies, and that only 140 of approximately 1,800 firms in that organization have identified themselves as research organizations. A majority of the 140 research organizations in AEA do favor passage of this set-aside legislation. The AEA decision to oppose this set-aside, as I understand it, was based on a policy of AEA to oppose all set-asides without the benefit of discussion of how the SBIR program in this legislation is different from traditional set-aside concepts.

I think it is significant that this set-aside is supported by the California Electronics Association, the National Federation of Independent Businesses, the Small Business Legislative Council, National Council for Industrial Innovation, the Small Business Association of New England, and the U.S. Chamber of Commerce. I also think it is significant that the Department of Commerce Domestic Policy Review on Industrial Innovation concluded that a Government-wide implementation of this program is needed to stimulate innovation, and that the White House Conference on Small Business, President Reagan, and the Senate also agree on the wisdom of this approach.

In summary, there is a crying need for this legislation to improve our innovative capability and to fuel our economic engine forward. Small R. & D. firms are the primary source of major innovations in the United States, they have the fastest rate of growth in employment, and make major contributions to our ability to export, improve productivity performance, and return revenue to the Federal Treasury. The quality of the research and development work the Federal Government will receive from this program will be as good, if not superior, in some cases to what otherwise would have been secured. The set-aside in this bill is reasonable—after a phasein of 4 years the maximum set-aside for an agency would be 1.25 percent of their research dollars.

Without this set-aside small businesses will continue to be at a disadvantage vis-a-vis universities and larger firms in competition for R. & D. dollars. Among the impediments that have been identified by the Office of Management and Budget's Office of Federal procurement policy affecting small business access to Federal R. & D. dollars include: Cumbersome administrative requirements, stability and efficiency of R. & D. funding, nature and timing of requests for proposal, treatment of proposals, and contact with agency personnel.

I urge you to vote today for progress toward a more open an innovative climate in which to conduct Federal R. & D. by supporting the Small Business Committee recommended set-aside provisions.

Mr. WINN. Mr. Chairman, I commend the gentleman from New York (Mr. LUNDINE) for his fine remarks.

Mr. Chairman, I yield 4 minutes to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I rise in support of H.R. 4326, as amended by H.R. 6587.

I congratulate my colleagues on the Small Business Committee for their work of several years, which has resulted in this legislation. I am heartened by the spirit of compromise evidenced in the amended version of the bill, and I urge all who in this Chamber favor the development of small business in the United States, in recognition of the contribution to the American economy which small business can make, not to compromise further. We have compromised enough.

What more appropriate stimulus to a sagging economy can be made than to aid small business, whose unchallenged record of technological innovation and job creation is one of the free enterprise marvels in this last quarter of the 20th century.

Small business leaders all over the country support this bill because they know what small firms can do for the national economy. The Small Business Association of New England (SBANE), one of the country's most active and outspoken small business associations, has urged me to support this measure. According to SBANE, "Few bills can have more of a multiplier effect on the economy than this one."

A study by the MIT Development Foundation of 16 highly successful firms found that young technology companies created 34,369 new jobs between 1969 and 1974. This was 34 percent more new jobs than those created by mature industry leaders. The study also found that younger innovative companies provided $2.3 billion of income tax revenues compared to $1.5 billion for mature companies.

Since small science and technology based companies have one of the fastest rates of growth in innovation, employment, sales, exports, and productivity in our economy, this program will stimulate the revitalization of America. By providing participating small business with an opportunity to establish a track record of successful R. & D. through the provision of very high risk seed money unavailable through the private sector, it will facilitate their ability to attract venture capital and spur the development of new technologies and their commercial applications.

Scientists and engineers, as well as other workers, will have enhanced career opportunities. Consumers will have the benefits of new, high quality and inexpensive products. Investors will have the benefit of lower risk investment opportunities among small and technology basic firms. Universities will have opportunities for spinoff entrepreneurial development of the results of their basic research and new sources for contributions toward their own research and education activities. Large business will have the benefits of licensing new technology, manufacturing and distributing new products, and receiving follow-on Government contracts.

Most people, including Members of Congress, are surprised to discover that small businesses comprise 97 percent of all U.S. firms, generate 38 percent of the gross national product (GNP), are responsible for 64 percent of wholesaling and 73 percent of retail sales, comprise 76 percent of construction—in dollar volume—and employ 58 percent of the American work force.

In a study of 5.6 million small firms for the Department of Commerce, it was reported that businesses with 20 or fewer employees created 66 percent of all net new jobs in the private sector between 1969 and 1976. And if you include firms of up to 500 employees, they account for 37 percent of all new jobs. In addition, 80 percent of new jobs were generated by businesses under 5 years old.

The figures dealing with innovation are even more impressive. The ratio of innovations to the R. & D. employment is fourfold larger in businesses with fewer than 1,000 employees than for larger firms. If you compare this group with firms employing over 10,000 people, the rate of innovation is 24 times higher for the smaller business. Also, the majority of all patents come from individuals and small enterprises, a reflection of the innovative capacity of small business.

I am going over some of these figures only because I want to contrast them to one other figure; namely, the percent of Federal R. & D. money that

is devoted to these most efficient innovators and job creators. That number is disgracefully low: 4 percent. There have been several Federal initiatives to increase this number, but the inbred prejudices in the Federal agencies that divert 96 percent of Federal R. & D. funds away from small firms has yet to be overcome.

One of the primary problems facing small businesses that want to deal with the Government is the Federal procurement system. It has become so tangled and complex with regulations and bureaucratic procedures that small business is choking in the bewildering morass of paperwork. The problem is further complicated by the general failure to implement laws intended to increase the small business share, Government competition with the private sector, and slow and late payments to small contractors costing industry hundreds of millions of dollars a year. It comes as no surprise, then, that the small business share of GNP has declined in all sectors in the last decade.

At the same time the small business share of GNP is declining, this country is experiencing a drop in our levels of innovation and productivity. When the most innovative and productive sector of private industry is in a state of decline, it follows that the economy's overall performance will commensurately suffer.

This is why this legislation is so important. It would insure that a minimum of 1 percent of Federal R. & D. dollars would be spent by that sector of the economy known for its high levels of performance and employment generation. The creative resources and risk-taking nature inherent in the entrepreneural spirit of small business is the driving force behind their success. Research and development dollars are important because this is precisely where the most productive innovations take place. The bill's intention of directing specific funding levels to science and technology based firms is, therefore, a proven and incredibly efficient means of bolstering employment levels and general economic productivity.

Some Members have raised the issue that small firms do not have the technical capacity to take on basic research, especially in the health sciences. One expert, in testimony before the Senate Small Business Committee, stated that his firm has identified 2,636 small high technology firms involved in the life sciences field. Their expertise could be broken down into the following fields: Biomedical engineering, biochemistry, cell biology, genetics, immunology, medical electronics and instruments, molecular biology, nutrition, pharmacology, toxicology, virology, pure cancer research, and other fields. The witness, Richard DiCicco, president of Technology Catalysts, a company in the business of matching up large companies with small high-technology research firms, stated that his firm has found small business to "have an equal technological capability with universities on basic research projects." I would suggest to my colleagues that small firms can accomplish research of equal value to that of universities in many fields of scientific endeavor.

Many of the arguments raised against the earlier versions of this bill have already been addressed. In the bill before us, the targeted funding level is not the 3 percent previously proposed but a much smaller 1.25 percent phased in over 4 years.

Members will also find protection for basic research and intelligence agencies, and an exclusion of AID money obligated for international research or grants to foreign countries.

As the ranking minority member of the Science, Research, and Technology Subcommittee of the full Committee on Science and Technology, I am convinced that this bill will establish a strengthening of the free enterprise sector of our economy, as well as our overall scientific capabilities.

The legislation puts in place in several Federal agencies a small business innovation research program which has already been proven successful in the National Science Foundation.

The NSF program has been copied by the Defense Department's small business advanced technology program. As a part of the program, all firms would be invited to submit R. & D. proposals to an agency on topics selected by the agency in accordance with its own R. & D. objectives. The most technically and economically feasible proposals would be awarded $30,000 to $50,000 to fund a feasibility study on the proposal.

Those projects which demonstrated their technical and economic viability could then qualify for a second tier of funding ranging from $100,000 to $500,000. This legislation specifies that no new Federal money be authorized for the program. Rather, a small percentage of each qualifying agency's budget would be devoted to this endeavor.

Commercialization of the results of the R. & D. would be left entirely to the private sector. Between proposals of equal merit, however, those which had attracted commitments of private capital to further develop the results of federally funded R. & D. would be given preference. The program is highly competitive with over 2,000 proposals received and 284 awards made to date. Proposals have been received from firms in 49 of the 50 States plus the District of Columbia and awards have been made to firms in 36 States and the District.

In addition to the SBIR program supporting advanced research in a wide range of program areas, the 21 phase II grantees in the 1977 solicitation have received $23 million in follow-on funding to date. These 21 firms also have more than doubled their employment. NSF funding in phases I and II of the 1977 solicitation totaled $5.3 million. There have been new firms started as a result of the program and some 15 inventions reported. A number of new products and processes are under development, and one has reached the market place. An increasing number of the industrial and venture capital firms are showing interest in the program as the SBIR topics have become more industrially relevant.

The procedures of this program enable the agency to avoid the danger associated with "putting all your R. & D. eggs in one basket." The two-tier approach enables agency personnel to explore a variety of alternative solutions to R. & D. problems before committing larger sums of money. In addition, by leaving commercialization decisions to the private sector, while encouraging early commitment of private capital, the funds expended through this program will return with "interest" to the Federal Government through increased individual and corporate income taxes.

In voting for the legislation without amendments, Mr. Chairman, I would say we are voting for the best interests of America in a highly competitive world economy in which we must develop our most advanced skills and encourage every innovative sector to participate to the fullest extent of their capacity.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. Mr. Chairman, everyone wants to support small business. Small business and the entrepreneurial spirit represents a big part of what made America great.

As much as we want to foster this important sector of the economy, today I want to ask my colleagues to join me in voting against the Small Business Innovation Development Act. The unfortunate truth is that this bill would create some serious long-term problems for this country.

The one I find most disturbing has to do with the effect the bill would have on basic research. We have been told more than once that basic research is the fuel which powers the engine of scientific development. And it is true.

By requiring that a fixed percentage of an agency's R. & D. budget be sent to small businesses, we further undermine our Nation's scientific future.

Let us be honest. Small business is just not interested in long-term, basic research questions. That is not its job.

This kind of essential research must be done at our universities, or at our Government research institutions.

Nondefense basic research has already declined by 36.6 percent since 1967. Even basic research in the defense area has fallen—by 6.7 percent.

This bill would lead to an even sharper, more dangerous decline in that important work. It would have the effect of siphoning funds from the kinds of long-range research projects that have traditionally made the greatest scientific breakthroughs. Breakthrough like the laser—which have wide application in both defense and nondefense areas.

Some people say that we should support this bill because of the success of NSF's small business innovation research program. But if we pass this act, by 1986 we will have spent 900 times the amount of that small-scale NSF program. The enormous difference in the size of the two programs means that comparing them is like comparing an acorn with an oak tree.

Even the NSF's General Counsel has told the OMB that, "The proposed permanent legislative extension of the NSF's SBIR program in its present experimental from across the Government without budget scrutiny seems very unwise."

Every person in this Chamber likes to have a good record of support for small business.

But let us go about it in a positive way—a way that does not harm our country's long-term ability to be on the forefront of basic research and technological innovation.

This act is, literally, risky business. We must oppose it.

Mr. FUQUA. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. WALGREN), a member of our committee.

Mr. WALGREN. Mr. Chairman, I rise in support of H.R. 4326.

As the chairman of one of the subcommittees on the Science and Technology Committee, I have had the opportunity to see firsthand, or as close as we see it in this body, the success of the small business innovation research program conducted under the auspices of the National Science Foundation. There is no question that that program has been a spectacular success, especially considering the miniscule Government dollars allocated to this effort. It proves beyond any doubt that it is in the small business of this country that we do realize fuller employment and the most efficient use of resources.

I do confess to having reservations about the set-aside provisions in this bill. Although I know they seem moderate, nonetheless it seems to me that any set-aside may disproportionately reduce basic research. I understand amendments will be proposed to try to assure an equal reduction of both applied and basic research. But we still should be concerned that pressure would remain that would result in the bureaucracy reclassifying research from "applied" to "basic" so that it might escape a set-aside and be able to be funded. I am afraid it is inherent in the concept of a set-aside that, because basic research has no direct constituency, basic research would be disproportionately affected.

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If such a set-aside were to disproportionately affect basic research, we may lose the benefit of valuable progress.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. WALGREN. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

The reason I asked the gentleman to yield is that I have an amendment to specifically accomplish that objective.

The amendment that I have at the desk would exclude, from the totals to be computed against the 1.25 percent, the money for basic research—basic research being that which has no commercial application—because small businesses, so far as I know, do not engage in research, or want to engage in such research, unless there is some commercial application. Commercial application of R. & D. is the specific purpose of the bill. Out of $44 billion in Federal R. & D., about $5.9 billion is used for basic research. That is 13 percent. If my amendment is adopted, it will exclude the basic research money from the total extramural research budget against which the 1.25 percent is taken.

Mr. WINN. Mr. Chairman, I yield 3 minutes to the gentleman from New Hampshire (Mr. GREGG).

Mr. GREGG. Mr. Chairman, I rise to make abundantly clear, as my colleague from Minnesota did, that I oppose the Science and Technology Committee substitute and support the Small Business Committee's proposed bill.

I think we ought to look specifically at the language of the substitute of the Science and Technology Committee, of which I am a member. It has some flaws, in my opinion, not the least of which is that it does not exclude in-house research. It also does not exclude intelligence agency activities. But more importantly than those two problems is the fact that the language is very vague. First, it says it is to reserve for expenditure the set-aside amounts. It does not say the amounts have to be expended. It says they are to be reserved for expenditure. So it is not even clear that the agencies would be required to spend these moneys, rather they could simply reserve them.

Second, it continues the entire program only to the extent authorizing committee authorizes appropriations for each such agency. In other words, it neutralizes and completely guts the language of the small business set-aside in that it requires that small business set-aside to be authorized every year, specifically authorized every year by the authorizing acts for the agencies.

This in effect means that every committee will make a decision as to whether or not it is going to comply with the small business set-aside. If all of the committees in the House were complying with the approach of funding small business activities in the research and development area we would not need the act to begin with. The whole reason that we need this act is because the agencies have basically created such a framework of regulatory activity that it has been impossible for small businesses to penetrate that regulatory activity, and, therefore, they have not been able to participate, and it would be very unlikely if they were given the option to opt out of this act, as would be given by the Science and Technology Committee language, that they would participate in the small business set-aside.

Thus, if we are going to give small businesses a chance to participate in the R. & D. dollars that the Government spends, we should do so by voting up the Small Business Committee's bill.

Mr. WINN. Mr. Chairman, I yield back the balance of my time.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. FAZIO).

Mr. FAZIO. Mr. Chairman, I stand in the well as one who has recanted. I was one who initially was caught up in the excitement of the concept of this bill, and having come to understand it more fully have joined in my colleague from California's (Mr. McCLOSKEY) dissent, but I think I find in the Fuqua amendment the solution that we all seek in this regard.

There is an interest obviously in getting more small business involvement in research and development, and I think the gentleman from Florida, whose committee is so deeply involved in this area, has found the proper compromise, and that is to say that we ought to let the authorizing and appropriating committees, who understand the importance of research and development and the various capabilities that exist in their fields, make the judgments that are required.

Mr. Chairman, I am not saying that it is necessarily bad to set up a program to increase the involvement of small businesses with the research and development functions of Federal agencies, I am saying that if the concept seeks to justify itself by making such great contributions to our re-

search effort, why should it not compete with all other research programs in the regular authorization and appropriations process. By wresting a set-aside from the other programs, after they have been ranked and after they have been appropriated for, this bill is simply a way to channel money to an interest group that not only does not want to compete at the agency level for funds but also seems to avoid competition at the congressional level for a reasonable allocation.

The amendments suggested by the Small Business Committee as embodied in its substitute were supposedly in response to concerns expressed about the original version of the bill as passed by the committee. However, many of the authorizing committee chairmen whose concerns were ostensibly satisfied are still opposed to the bill. Why? Because it persists in establishing this set-aside mechanism which tears money for the SBIR program away from other research programs after Congress has carefully apportioned funds among them.

It may make sense to harness the special skills of the small business community to help fulfill the highly individual missions of various Federal agencies. Let the authorizing committees do it; let this SBIR program compete.

The administration is reportedly in favor of this bill. Look at its statement of position, however, and you see that its support is so heavily circumscribed that it can hardly be called support so much as a plea that the bill be heavily amended further.

The problems that the Small Business Committee addresses in its substitute, generally by simply exempting certain agencies, will crop up all through the Government in those agencies which are unfortunate enough to remain under this bill's aegis. We just have not been able to identify them yet. If we were able to identify them, I am sure the Small Business Committee's only recourse would be to exempt them also, since this set-aside mechanism is such a clumsy device. Why not let the authorizing committees tailor the SBIR programs to the agencies' individual needs.

You all may be confused about statements to the effect that the problems raised have been taken care of by the Small Business Committee's amendments, and equally vociferous statements that they have not been. It is very confusing. Confusion is still another reason to let the authorizing committees decide what sort of contribution small businesses can make to the R. & D. efforts under their jurisdiction. We need not decide here.

There is no concern about this bill, whether real or not, which cannot be satisfied by simply accepting the Fuqua amendment to make the SBIR program subject to the annual authorization and appropriation process.

We can accept the other amendments, those offered by the Small Business Committee and those offered by the other authorizing committees and those offered by others concerned with the impacts on other agencies, and yet we have still done nothing but protected certain interests we may know and/or care about while abandoning other agencies we know little about to the problems we seek to avoid. The only generic, across-the-board amendment that makes sense is Mr. FUQUA's.

One of the generic amendments the Small Business Committee substitute would make is to exclude in-house agency research from the program. First, is it not peculiar how its only solution where problems are found is to exempt, to amputate. Second, the effect of excluding in-house research is simply to guarantee that the burden of this program will be borne by the university and national laboratory community. Some of us may feel relief that our favorite in-house research efforts are protected in the agencies under our jurisdictions, but none of us should take comfort in the impact on the non-Federal entities engaged in the national research effort. Federal research to universities has dropped since 1981: NSF down 6.5 percent; DOD up 14.2; NIH down 9.8; DOE down 22.6; NASA 10.8 down; EPA down 59.9; Agriculture down 6.5.

Total R. & D. performed by the Federal Government has increased up 6.5 percent since 1980; up in industry 7.8 percent; down in universities 3 percent; and down in Federal R. & D. centers 11 percent.

Further, the budget resolution just adopted by the House drops research funding below the Reagan administration's budget request so the rosy predictions for 1983 increases from which an additional ripoff would come are jeopardized.

So, if you are in doubt, leave it to the authorizing and appropriating committees and accept Fuqua as the proper compromise.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Florida.

Mr. FUQUA. The gentleman is making a very good point because otherwise Congress does not participate as the bill is reported out of the Small Business Committee. As worthy as it is, it turns the decisionmaking over to OMB, and Congress will have no control.

Mr. FAZIO. Exactly.

Mr. FUQUA. I think we should participate in that process.

Mr. FAZIO. The gentleman's point is my point. OMB has too much authority as it is. We in our authorizing and appropriating committees need to retain the judgments that are most important in this area.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY) for 15 minutes.

Mr. MONTGOMERY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, following the action of the Committee on Small Business to report H.R. 4326, the bill was sequentially referred to several committees, including the Committee on Veterans' Affairs. On March 16, our committee reported the bill with an amendment. The amendment proposed by the committee would exclude all in-house research from the provisions of the bill as reported by the Committee on Small Business.

The Veterans' Administration's R. & D. budget for the current fiscal year is approximately $128 million. Of that amount, approximately $121 million is committed to in-house research activities. These funds are used primarily to pay salaries and to purchase equipment and supplies.

Mr. Chairman, an integral part of the mission of the VA's department of medicine and surgery is to conduct research and development in order to meet the health care needs of our Nation's veterans. The research program is a critical component of the agency's goal for the delivery of quality health care. R. & D. projects are carried out at 129 of the 172 VA hospitals, where approximately 4,100 investigators are engaged in some 5,200 research projects. The vast majority of appropriated funds are expended to support in-house medical research with the primary goal being the development of new and better techniques and methods of treating the disabilities and diseases of veterans. In addition, the research program conducted by the Veterans' Administration attracts well-qualified physicians and other health professionals to the VA's medical program.

Mr. Chairman, I need not tell the members of this body the success story of the agency's research program. The quality of research conducted by the VA has long been recognized as among the best in the country. Two VA career scientists and senior investigators were awarded the 1977 Nobel Prize in the field of medicine.

Mr. Chairman, it will not now be necessary for me to offer the amendment reported by the Committee on Veterans' Affairs. The language now contained in the text of the bill, H.R. 6587, would, in essence, carry out the intent of our committee's proposed amendment. It would exclude in-house research and development from the base against which the percentages of set-asides are applied.

Mr. Chairman, I want to thank the very distinguished chairman of the

Committee on Small Business, the gentleman from Maryland (Mr. MITCHELL), the very able ranking minority member, the gentleman from Pennsylvania (Mr. MCDADE), and the distinguished gentleman from New York (Mr. LAFALCE), and other members of the committee, for working with us to resolve the problem our committee had with the original bill. I am grateful for the support we received from members of their staffs.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for 15 minutes.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I join the distinguished chairman of the Veterans' Affairs Committee, Mr. MONTGOMERY of Mississippi, in approving the language of H.R. 6587 as it relates to Veterans' Administration research.

The VA research program is a unique national asset that has been internationally recognized for its accomplishments in solving biomedical problems that formerly blocked the successful treatment of some of our most dreaded diseases. In addition to these research findings that have led directly to success in clinical practice, the reputation of VA research has attracted the best young clinicians emerging from our medical schools by providing them an environment in which they may contribute to medical knowledge.

Mr. Chairman, it is understandable that, with this brilliant record of success behind it, VA research has its champions, among whom I count myself. Accordingly, I supported the amendment proposed by the Committee on Veterans' Affairs to exclude all intramural research conducted by the VA from the provisions of earlier versions of this bill.

Through the good offices of the chairman of the Small Business Committee, Mr. MITCHELL of Maryland, the original language has been modified and I believe, with Chairman MONTGOMERY that the bill before us, as it concerns VA research, is satisfactory and the amendment is no longer necessary.

I appreciate the assistance of Mr. MITCHELL and his excellent staff in resolving the difficulties the Veterans' Affairs Committee had with the bill when it was first referred.

Mr. Chairman, I have no requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. WOLPE).

Mr. WOLPE. Mr. Chairman, I rise in support of the House Small Business Committee's substitute for the small business innovation bill, and respectfully oppose efforts to eliminate the mandatory set-aside provisions of this bill. The mandatory set-aside portion of this legislation is the heart and soul of the matter. For too many administrations we have seen direct instructions from each President and the Office of Management and Budget directing Federal agencies to increase the share of R. & D. dollars going to small business ignored. Federal R. & D. money going to small firms has declined. This trend must stop. Now is the time to mandate agencies included under this bill to comply with the recommendations of several administrations of both political parties.

After spending the last several weeks in negotiations aimed at cutting spending and trimming the Government's budget, how can we not support this excellent opportunity to aim Federal dollars at proven performers with a history of cost effectiveness? With numerous studies indicating that small business has demonstrated an unusual ability to innovate using taxpayers' dollars in the most efficient and effective manner, we cannot continue to ignore this resource.

The National Science Foundation did receive a congressional mandate to establish a small business innovation and research program and it has been a tremendous success. This provides us with an excellent example of how well this program can and does work, given the support of the Congress. We must now mandate other agencies to follow their lead.

I must admit that the original version of this legislation did go too far, and many of the criticisms voiced earlier were valid. But the Small Business Committee's substitute has gone a long way in resolving some of the concerns about the originally proposed 3 percent set-aside. I would say to the critics who remain that this program does not subvert the appropriations process. This program, as does every other Government program must still pass under the careful eye of my colleagues on the Appropriations Committee. Nor does this program take money away from anyone, nor spend more than has already been authorized. It is a sparse 1.25 percent of the R. & D. funds in the affected agencies and it is money that will only be spent in those areas where those agencies have an expressed interest in having work done. I must strongly reiterate that this money will be awarded on a competitive basis to proven innovators who pay taxes and create jobs. This set-aside program is not a giveaway, nor is it lavish in its approach.

Again, let me express my support for the Small Business Committee's substitute and my support for a small business innovation and research program mandated by the Congress.

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Mr. MONTGOMERY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the ranking minority member of the Permanent Select Committee on Intelligence, the distinguished gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, pending the arrival of the gentleman from Massachusetts, who is prepared to stipulate that we have an agreement to the effect that the amendment that he is going to later propose will be accepted by both sides, I wish to echo what the gentleman for Massachusetts has said about the application of this bill to the intelligence community. The partial exclusion contained in H.R. 6587 is simply not adequate to prevent important intelligence programs from falling within the full strictures of the bill. The framework of the Small Business Innovations Research approach simply does not fit the way intelligence research and development is contracted for. Equally important, it is also inimical to the protection of good security for such research and development programs.

Mr. Chairman, the amendment adopted by the Permanent Select Committee on Intelligence cures these problems. It excludes all the intelligence agencies from the application of the bill. It does so with precision. Only intelligence functions are exempted. Exempting only CIA, DIA, and NSA—as does H.R. 6587—fails to protect a number of key intelligence programs with significant amounts of research and development. Among them are "offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs" and "intelligence elements of the Army, Navy, Air Force, and Marine Corps." Security precludes my being much more specific about these offices or elements, but I can assure Members that it is as important to exclude them from coverage as it is to exclude the CIA, DIA, or NSA.

Mr. Chairman, the Intelligence Committee's consideration and adoption of its amendment to this bill was thoroughly bipartisan in nature. It represents our best judgment about an area we review thoroughly during the annual budget authorization process. To those who might be concerned that the exclusion recommended by the committee can be used to insulate nonintelligence or nonintelligence-related research and development activities from the reach of the bill, I believe the committee can offer full assurance that such an outcome could not occur

without the committee's detecting it. The oversight provided by the Permanent Select Committee on Intelligence is such that anyone contemplating such a ruse should expect it to be uncovered.

Mr. Chairman, I urge the House to adopt the amendment that will be offered by the gentleman form Massachusetts, Mr. BOLAND.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman form Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Permanent Select Committee on Intelligence considered H.R. 4326 upon sequential referral.

The committee asked for referral out of a concern that the small business innovation research program concept would cause security problems in its application to the U.S. intelligence community.

In the course of its consideration of the bill, the committee verified that this concern was well founded.

The committee found that the purpose of an SBIR program is to generate a statement of needs narrow enough to be useful to potential contractors yet also to meet security concerns.

Such a statement must be broad enough not to be classified.

A statement of needs must then be considered by the community of potential small businesses who might wish to bid.

The intelligence agency in question will then be forced to deal with any interested applicants on a classified basis before going further.

Development of such a relationship would require the clearing of appropriate employees, ensuring that the company in question had appropriate storage and other security procedures.

Then, a classified solicitation of more specificity could be provided to such applicants.

All of this takes time.

The problem is that the initial solicitation, being public, would necessarily by very broad.

A company might be encouraged to believe that it has something to offer in an area to the intelligence community.

After the time and expense of clearance and establishing necessary security standards, such an applicant may find that the detailed solicitation to which the company must actually respond is beyond its capabilities or, in any event, not at all what the applicant had contemplated.

In the meantime, such a company will have been exposed to potentially sensitive classified information.

In such an example, neither the intelligence community nor the small business benefits from the SBIR process.

The committee believes that such examples could well be typical of the application of the SBIR concept even within a context designed to protect security.

This brings me to the other principal conclusion the committee reached during its consideration of the bill.

Little intelligence research and development work can be described as discretionary, that is, little of it involves the early stages of technology development which the bill before us seeks to target with SBIR's.

The large majority of research and development funds in the intelligence community are, in effect, parts of large acquisition programs which utilize, in their earlier stages, significant amounts of research and development funds, but little new technology.

These funds are directed at the development of systems for which there are specific and very demanding requirements.

All such funds would be included within the base for determination of the percentage set-aside programs under the bill.

Yet, none of this work is logically eligible for set aside to small businesses other than through the normal process of subcontracting through prime contractors for such systems.

In light of the structure of such intelligence research and development activities, it becomes clear that the result of an inflexible set-aside program under this bill would be to hold hostage nearly the entire discretionary area of intelligence research and development to such SBIR's.

I should caution that, despite the inapplicability of the SBIR concept to intelligence research and development work, it should not be thought that small businesses do not participate in such work.

On the contrary, there are numerous contracts and subcontracts to small businesses involved in intelligence research and development work.

In fact, a number of small businesses play dominant roles in intelligence research and development work as a result of their ability to provide high quality component parts of systems.

Because the Intelligence Committee found the small business innovation research concept incompatible with good security as well as the structure of intelligence research and development work, the committee concluded that intelligence agencies ought to be excluded completely from the requirements of the bill.

The amendment adopted by the committee therefore excluded all the agencies constituting the intelligence community as that term is defined in the President's Executive order on intelligence.

They are:

The Central Intelligence Agency (CIA);

The National Security Agency (NSA);

The Defense Intelligence Agency (DIA);

The offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

The Bureau of Intelligence and Research of the Department of State;

The intelligence elements of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation (FBI), the Department of the Treasury, and the Department of Energy; and

The staff elements of the Director of Central Intelligence.

Mr. Chairman, H.R. 6587, the Small Business Committee substitute now before us, contains an exclusion from the bill's requirements for the Central Intelligence Agency, the Defense Intelligence Agency and the National Security Agency.

It may be that the Committee on Small Business thought that in excluding these agencies—all mentioned by name in the Intelligence Committee's report—it was effectively excluding all significant intelligence research and development functions from coverage.

Unfortunately, their attempt does not go far enough.

First, certain significant programs found in Department of Defense or service intelligence programs are not excluded from coverage.

Second, still other intelligence programs would be required to adopt goals for awarding research and development contracts to small businesses at levels at least equal to the level of such awards in the preceding fiscal year.

Since the committee believes the entire SBIR program concept will not work in the intelligence arena, it would be inappropriate, and probably unsatisfactory, to require even this level of compliance with the bill.

Accordingly, Mr. Chairman, at the appropriate time I will offer the amendment recommended by the permanent Select Committee on Intelligence.

Mr. Chairman, I yield to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I want to take the time to say that I am very glad we were able to work out this problem. Obviously, the Small Business Committee did not want to in any way damage the security of the Nation and I think we have arrived at a satisfactory agreement.

Mr. BOLAND. I thank the gentleman.

As the gentleman from Maryland, the gentleman from New York know, there is a clear indication that, of the

R. & D. within the intelligence community, there is a considerable amount that does go to small businesses that have a piece of subcontracts and some of the larger contracts.

Mr. Chairman, I have no requests for time, and I yield back the balance of my time.

Mr. ROBINSON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. To close general debate, the gentleman from Pennsylvania (Mr. McDADE) has 9 minutes remaining, and the gentleman from New York (Mr. LAFALCE) has 7 minutes remaining.

The Chair recognizes the gentleman from Pennsylvania (Mr. McDADE).

Mr. McDADE. Mr. Chairman, I yield back the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, I rise in strong support of the Small Business Innovation Act. I urge my colleagues to pass this legislation which has been reported unanimously from the Small Business Committee.

Very simply, this legislation is good for America. It will stimulate new, innovative research by the most creative and productive element in our society. It will help us get the maximum return on our Federal research investment. And it will help reverse the decline in our Nation's competitive edge in today's world market.

There are those who say that we should enact this legislation because it will help small business. I do not question that, but that is not why I support passage of H.R. 4326. I support this bill because its passage will be good for our Nation.

The concept behind this bill is not complicated. What is proposed is that, in Federal agencies with large budgets for research and development, at least a tiny portion of the R. & D. budget should go to small businesses. This provision is needed because small businesses have been effectively shut out of many research programs to which they otherwise could be making significant contributions.

In recent years, executive orders from the President and directives from the Office of Management and Budget have sought to channel more R. & D. money to small businesses. Despite these salutary efforts, the portion of Federal R. & D. dollars going to small business has actually declined.

The problem seems to be that the bureaucrats who administer these programs have developed very cozy relationships with big businesses and with elements of the academic community. This is understandable. After all, it is a lot easier to give a few big grants and contracts to the same people, year after year, instead of seeking out the many small new contractors who are out there and taking risks on their innovative ideas.

But when Congress established the small business innovation research program at the National Science Foundation, the results were dramatic. All sorts of exciting new ideas have come out of that pilot program.

The National Science Foundation has found that research dollars invested in small businesses are many times more productive than those spent at big businesses or at universities. This is especially true in regard to the innovation process.

NSF also found that when they established a special program designed to attract small businesses, there were all sorts of people out there with good ideas who had been looking for access to the Government. Recently, the ratio of applications to awards in the NSF's small business program has been roughly 15 to 1.

So, it is not as if the NSF has had to beat the bushes for small businesses that are qualified to do good research work. The fact is, there are thousands of firms in this country who would welcome the opportunity to participate in Government research work. And our Nation would benefit substantially if we opened up more Federal R. & D. programs to participation by qualified small businesses.

The General Accounting Office has examined the NSF program, and they say it is working wonderfully. Perhaps more importantly, the private sector has endorsed it, too. According to witnesses who testified before the Small Business Committee, for every dollar the NSF has invested in small business innovation research, an additional $8 has been put up by private investors.

In most cases, though, the private investors would not have become involved in these projects but for the stimulus provided by the NSF awards. Thus, the program can be looked at as a catalyst, providing seed money that is greatly leveraged by the private sector. This is where the new products will come from, which we need to compete on the world market, and this is where the new jobs will come from, which we need to restore our economy. We do not see anything like this happening with any other Government research program that I am aware of.

The experiment at the National Science Foundation has been a great success, and I believe it should be replicated at the other agencies. The Government will get more bang for the buck in its R. & D. programs and our economy will benefit greatly.

Mr. Chairman, it has been suggested by some that the SBIR concept is a good one, but that we should not establish mandatory program levels. I submit that there is little point to this exercise if we do not make this program mandatory. The bureaucrats will resist this idea tenaciously, unless it is set into law.

Even the President acknowledges the need for a mandatory program, established by statute. Passage of the Small Business Committee substitute for H.R. 4326 is supported by the administration. And, of course, the President also endorsed S. 881, the companion bill which passed the Senate by a vote of 90 to 0.

Mr. Chairman, I would like to address one final point. That is the issue of the National Institutes of Health.

We all are familiar with the concerns expressed so eloquently by various university-related medical research facilities. They seem to think that by requiring NIH to earmark 1.25 percent of its research budget for small business—actually only 0.2 percent in the first year—we will somehow be setting back our Nation's medical research activities. Quite the opposite is the case, I believe.

For years, the National Institutes of Health refused to even consider proposals submitted by small businesses. It did not matter how good the ideas were; NIH would not consider them. Even if the small businesses proposed doing research work at costs lower than those at other institutions, NIH still would not consider the proposals.

Finally, a few years ago, Congress got fed up and ordered NIH to consider research proposals submitted by small businesses and others who are outside the academic community. It was not until 6 months ago—as we began consideration of this legislation—that NIH finally issued regulations implementing the congressional requirement that they do business with the largest sector of our economic community.

However, small business applicants must now run the gauntlet of the NIH peer review system. This would not seem to be a problem on the face of it. But consider the fact that out of more than 2,000 members of peer review panels, you can count on your fingers the number of reviewers who are from the business community.

The most recent information I have is that only eight members of the peer review panels are businessmen.

This is hardly the basis for a jury of the small businessman's peers.

Quite frankly, I think the only way we are going to get the folks at NIH to come to terms with the notion that a small business could come up with a good research idea is to drag them there kicking and screaming. Once they actually enter into productive, rather than hostile, relationships with researchers in the small business community, I believe they will be impressed by the creativity and ingenuity to be found there.

But the record is clear. We cannot rely upon NIH, or many of the other

agencies that would be affected by this bill, to voluntarily comply with the spirit of this legislation. If we could, then there would have been no need to prepare the bill in the first place.

In conclusion, Mr. Chairman, I urge my colleagues to join me in supporting passage of this important legislation and to resist the several weakening amendments that may be offered. Enactment of this legislation, in the strongest form possible, is in the best interests of the Nation.

Mr. LAFALCE. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, I want to say that I do not think we have heard anything in this debate that we have not heard sometime during the last 4 or 5 years. We have been hearing, for 10 or 15 years, all kinds of excuses and we just hear them over and over again.

The fact of the matter is that the Federal Government can get more for its money with research and development from small business than they can from big business, and that does not mean we are not going to rely on big business and big universities for most of the research and development in the future, but just to make sure that we get more smaller businesses involved, we really need this bill.

The fact of the matter is that we are not going to take anything away from anyone. What we are going to do is give the Federal Government more for its money as a result of this bill.

The small business statistics on innovation are very impressive. Small high-technology firms consistently out perform others in research development. A major study of innovations between 1953 and 1973, by the National Science Foundation, found that small firms produced some 24 times as many major innovations as large firms and almost 4 times as many as medium-sized firms for each dollar of research and development expended.

Despite this impressive record, small business receives only an extremely small amount, about 4 percent, of Federal research and development expenditures and there are preliminary indications that this amount is decreasing.

For years, we have tried and tried to coax agencies to give small business the opportunity to bid on Federal proposals. Specifically, some of these agencies have agreed to establish small business innovation research programs and even the President has ordered Federal agencies to do so. Nonetheless the agencies have refused to cooperate and continue to ignore both the Congress and the President.

During the 4 years in which I served as chairman of the Small Business Committee, one of my chief concerns was the decline in productivity in the United States. This decline is particularly deplorable since we have a huge untapped resource available to reverse it; namely, the capability of the small business community. As a result, in desperation, I introduced legislation in 1979—H.R. 5607—to promote innovation by requiring agencies to award certain percentages to small business. Although the bill was unanimously reported by the Small Business Committee, it also contained tax and patent law changes and was never scheduled for floor consideration.

I also want to point out that in the 60 recommendations of the White House Conference on Small Business in 1980, this bill, and its Senate companion, were the only bills specifically cited and endorsed by the delegates.

This Congress I revised and introduced legislation very similar to the bill under consideration. I am convinced that this bill, including its mandatory provisions, is the only way to address this problem. The bill, and the amendment to be offered by Chairman MITCHELL, contain much lesser requirements for Federal agencies than my proposal but they still have been loudly criticized primarily due to the Federal bureaucracy not wanting to be bothered with smaller business.

The Mitchell amendment, which was unanimously agreed to by the Small Business Committee, only requires agencies to put 1¼ percent of their research and development budget into the program.

Unfortunately, in effect, it does not even require 1¼ percent as right off the top and before applying the percentage the agencies exclude in-house research which, in the aggregate for all Federal agencies, is about one-fourth of Federal R. & D. Thus, the amendment really require less than 1 percent.

It seems to me that anyone who objects to this measly amount borders on being selfish. Some of the biggest recipients of Federal R. & D. awards are opposing the bill and simply sheltering Federal procurement people who do not want to be bothered with small contractors in spite of an overwhelming showing again and again that performance by small business yields much greater returns to the Government than performance by big business.

In addition to the Small Business Committee work, there are numerous other studies: The Charpie report in 1967, a report from the Congressional Commission on Government in 1972, the Rainbow report in 1977, and an SBA advocacy report in 1979, and just last month an exhaustive study by Gellman Research Associates, Inc., all containing the same message—seek out and fund ideas from small business. It is clear, however, that Congress must require Federal agencies to actively seek small business input.

The bottom line is that we must mandate by statute that Federal agencies give small business an opportunity to compete for Federal research and development. If we do so, I expect that we will find the same results as the Government has experienced with the small business set-aside program under which Federal agencies reserve certain contracts for competitive bidding by small businesses. Through the years there have been example after example confirming that contract awards to small business under a competitive set-aside program do not increase the cost of procurement to the Federal Government; in fact, these examples demonstrate that normally such procurements substantially reduce the cost to the Federal Government.

For example, a test program to direct more Air Force spare parts contracts to small business has resulted in a taxpayers' savings of $6.7 million in the first 18 months and holds out the potential of saving tens of millions of additional taxpayers' dollars.

Examples of the magnitude of savings available include a preamplifier previously supplied to the Government by big business at a cost of $700 per item and yet subsequently supplied by a small business at a cost of $174 per item, a savings of 75 percent and a wing tab assembly previously supplied by big business at a cost of $11,000 per item and yet subsequently supplied by a small business at a cost of only $4,000 per item or a savings of 64 percent. Since the Defense Department catalogs almost 4 million spare parts, of which only some 300,000 are open to full competitive bidding, the possibility of savings through the utilization of small business is enormous.

I believe that the Government can obtain similar results through the SBIR program.

In conclusion, the small business community and the Nation need this bill. They do not need it, however, with exception or other amendments which would effectively make a sham of the program. I urge support for the Small Business Committee's position.

● Mr. MOTTL. Mr. Chairman, I want to associate myself with the comments of the gentleman from Mississippi and the chairman of the Committee on Veterans' Affairs, Mr. MONTGOMERY, regarding the Small Business Innovation Development Act, H.R. 6587.

The Committee on Veterans' Affairs held hearings on the previous bill, H.R. 4326, and reported it to the floor with an amendment that would exclude from the provisions of the bill all research and development activities conducted by Federal employees in or through Government-owned and Government-operated facilities. This amendment is essential to the medical and prosthetic research program of the Veterans' Administration, as virtu-

ally all of its research expenditures are for in-house medical research projects. The investigators for these projects are VA staffers who are primarily patient care providers. The vast majority of these projects are oriented toward improving the delivery of health care for veteran patients.

Contribution from VA's clinical research laboratories are legion. From them was born the specialty of nuclear medicine and the scientific knowledge base for radio immune assay and axial tomography. Controlled clinical trials within the VA made major contributions to the development of antitubercular and psychotropic drugs. Sensory aids for the blind and near blind, cardiac bypass surgery and cardiac pacemakers are but a few products of VA research efforts. Finally, the two Nobel prizes in medicine awarded to VA medical researchers speak eloquently for the program's overall success and excellence.

Mr. Speaker, we cannot ignore the inherent value that this in-house research has on the quality of health care provided to veteran patients and to the population of our Nation and the world.

The bill currently under consideration, H.R. 6587, excludes in-house research from its provisions, and, therefore, meets the purpose of the amendment reported by the Committee on Veterans' Affairs.

I wish to congratulate the Committee on Small Business and its distinguished chairman for the leadership shown in meeting this objective.●

● Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 4326 the Small Business Innovation Act as amended by the Small Business Committee which requires certain Federal agencies with research budgets greater than $100 million to set aside specific portions of their research and development—R. & D.—budget to establish small business innovation research programs with the amendment offered by the Committee on Energy and Commerce to exempt health-related research undertaken by the Health and Human Services Department.

The development of new products and processes which increase productivity is vital to a strong economy. The small business sector has contributed greatly to this country's innovative process, they account for almost half of all major innovations, produce about 24 times as many major innovation per R. & D. dollar as every large firm, and produce 4 times as many innovation per R. & D. employee as large companies.

But despite these impressive statistics, Federal agencies remain hostile to small businesses, the Federal Government, which funds over half of all R. & D. work in this country, devotes only a small portion of its $44 billion R. & D. budget to small business. It is estimated that small businesses receive only between 3.5 and 7 percent of Federal R. & D. spending while small high-technology firms account for 66 percent of net new jobs created in recent years.

The mandatory set-asides are necessary if small businesses are ever to receive a fair share of Federal R. & D. dollars. This is the only way to overcome the Federal bias against small firms.

While I strongly support the mandatory set-aside of Federal agencies R. & D. budget to increase small businesses participation in Federal Government research programs I also support the amendment offered by the Energy and Commerce Committee to exempt health-related research undertaken by the Health and Human Services Department from the provision requiring set-aside of R. & D. funds.

A mandatory set-aside would disrupt Health and Human Services' longstanding policy of awarding biomedical research grants strictly on the basis of merit.

They have a well established competitive peer review system which recognized only quality, originality, and relevance to the public health mission. The nature and size of an organization should not have an impact on this merit selection. There are not enough small firms doing high-quality biomedical research to absorb the amount of Health and Human Services R. & D. budget set-aside by the bill. Funds set-aside for small business innovation research program would either go toward lower quality research, or remain unspent.

I urge my colleague to support H.R. 4326 as amended by the Small Business Committee but exempting the Department of Health and Human Services of the mandatory set-aside.●

● Mr. GEJDENSON. Mr. Chairman, I rise in support of H.R. 4326, the Small Business Innovation Development Act. The Small Business Committee substitute which we are considering today is a bill which I believe will be of great benefit to the small business community.

I am a strong believer in the U.S. investment in basic and applied research for the sake of economic growth, increased productivity, and the creation of jobs. I feel strongly that a commitment to the inclusion of small business in Federal R. & D. will help us achieve those objectives.

We have, over the last decade, taken a number of steps designed to encourage Federal agencies to include small businesses in their R. & D. programs; with one or two notable exceptions—NSF and DOD—this encouragement has fallen on deaf ears. We must now insist on the inclusion of small business in these programs.

Small business is a large employer in my district, and I know many of the small business owners well and have worked with them over the years. Every time I visit one of these businesses, I come away greatly impressed with the scope and the quality of the work they are doing, and I am sure they are representative of small businesses across the country. I do not want to see them continue to be shut out of the R. & D. grant process when they can contribute so much.

I feel that this bill provides them with the opportunity they need and deserve to obtain access to Federal R. & D. funds. I intend to vote in favor of this bill as presented by the committee, and I strongly urge each of my colleagues to do the same.●

● Mr. WORTLEY. Mr. Chairman, it is with great reluctance that I rise in opposition to H.R. 6587, the Small Business Innovation Act. No one in this Chamber is more supportive of small business than I. However, I cannot support this bill.

The idea of mandatory set-asides, appealing at first glance, does not hold up under closer scrutiny. Small businesses already receive an equitable share of research and development money. Statistics show that small firms employ 5.5 percent of research scientists in the country but receive 6.8 percent of Federal research and development funds. Viewed in that light, it is difficult to see how small businesses could absorb the amount of money requested in the bill. All Members can recount endless examples of why throwing money at problems does not provide the necessary solutions. The Small Business Innovation Act can be added to that list.

During the Banking Committee's consideration of another bill, the Defense Industrial Base Revitalization Act, we spent quite a bit of time listening to witnesses representing both the small business and academic communities on what can and should be done to solve the problems of unemployment, progress in basic research and economic revitalization. The consensus was that a definite linkage is needed between universities and the business community. That linkage is definitely lacking at the present time and our industrial base has suffered as a result.

The Small Business Innovation Act would exacerbate the existing problems in that area. The Association of American Universities has told us that there are relatively few dollars at the margins available to experimental scientists. They indicated that most support funds are used to purchase and maintain core equipment and facilities and that money used to fund new projects pales in comparison. Therefore, the 1.25-percent mandatory spending set-aside for small business innovation will cut deeply into that critical marginal support.

There are other reasons as well why this bill should be defeated. I will not belabor the point. The best way to protect long-term research is to send this bill back to committee. I hope that a majority of my colleagues will agree with that conclusion and vote accordingly.●

● Mr. LEE. Mr. Chairman, at a time when the nation of Japan is heightening its advantage in the trade war by financing a major research and development effort, it is incumbent on this Government to take any feasible steps to meet that challenge by stimulating innovation and technological breakthroughs in this country. We can make a meaningful beginning by passing the legislation before us today, the Small Business Innovation Development Act of 1981.

Numerous studies have shown that small business has made more contributions to technological innovation than any other sector of the economy. For instance, firms with fewer than 1,000 employees accounted for almost one-half of major innovations in this country in the 1953-73 period; the ratio of innovations to research and development employment is 4 times greater in firms with fewer than 1,000 employees than in smaller firms; finally, in many reliable surveys, small business firms have been found to produce about 24 times as many major innovations per R. & D. dollar as large firms. I believe it follows that any steps we in the Congress can take to make more funds available to our small businesses for research and development purposes will result in repayment to this country's citizens many times over.

In addition to meeting the technological challenge of our trading adversaries, I sincerely believe the legislation we are considering today will have the effect of creating jobs in this country. It is a fact that small businesses are responsible for 90 percent of the private sector jobs in the United States. An infusion of Federal R. & D. dollars should effectively maintain that 90-percent level, and in fact, increase the number of jobs available for our working men and women. Goodness knows, we certainly need new jobs. In my view, in fact, it is axiomatic, that if we are to secure permanent, full-time jobs for our people in great number, we must make every effort to create an environment in which small businesses can multiply and prosper. We expect the country's small businesses to continue to provide 90 percent of private sector jobs, but we want to award them only 4 percent of Federal R. & D. dollars. That just does not make good sense.

For these reasons I enthusiastically support H.R. 4326 and urge my colleagues in the Congress to join me in taking this necessary step to shoring up our small business community, the private sector's leader in technological innovation and permanent, full-time employment.

● Mr. HAGEDORN. Mr. Chairman, I am pleased to rise in support of the Small Business Innovation Development Act, which I feel will do much to emphasize the integral part small business plays in this Nation's technological advancement.

The small businesses of this Nation have proved time and time again that they are more productive per research and development dollar invested than any other segment of the research community. We have only to look at the inventions that have changed this Nation's position in the world that were developed in a garage, a small home workshop, or in a small business environment.

I feel this bill will promote jobs, innovation and government efficiency. There is no doubt that jobs are at the top of our priority list. Over 80 percent of this Nation's employment comes from small firms with 100 or fewer employees.

For too long, the small contractors have been denied a chance to receive Federal contracts because of Federal procurement personnel attitudes. It is ever so easy for these procurement officers to overlook proposals from small businesses regardless of their merits, when they also receive a proposal from big contractors with whom they are familiar.

I hope my colleagues will vote for passage of this legislation so that small business can get its fair share of research and development funds. We, as a nation, will reap the rewards in many ways.●

Mr. LAFALCE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, an amendment in the nature of a substitute consisting of the text of H.R. 6587 is considered as an original bill for the purpose of amendment in lieu of the amendment in the nature of a substitute recommended by the Committee on Small Business now printed in the bill.

Under the rule, said substitute is considered as having been read.

The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute, consisting of the text of the bill, H.R. 6587, is as follows:

H.R. 6587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Small Business Innovation Development Act of 1982".

SEC. 2. (a) The Congress finds that—

(1) technological innovation creates jobs, increases productivity, competition, and economic growth, and is a valuable counterforce to inflation and the United States balance-of-payments deficit;

(2) while small business is the principal source of significant innovations in the Nation, the vast majority of federally funded research and development is conducted by large businesses, universities, and Government laboratories; and

(3) small businesses are among the most cost-effective performers of research and development and are particularly capable of developing research and development results into new products.

(b) Therefore, the purposes of this Act are—

(1) to stimulate technological innovation;

(2) to use small business to meet Federal research and development needs; and

(3) to increase private sector commercialization innovations derived from Federal research and development.

SEC. 3. Section 9(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(4) to develop and maintain a source file and an information program to assure each qualified and interested small business concern the opportunity to participate in Federal agency small business innovation research programs;

"(5) to coordinate with participating agencies a schedule for release of SBIR solicitations, and to prepare a master release schedule so as to maximize small businesses' opportunities to respond to solicitations;

"(6) to independently survey and monitor the operations of SBIR programs within participating Federal agencies; and

"(7) to report not less than annually to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives on the SBIR programs of the Federal agencies and the Administration's information and monitoring efforts related to the SBIR programs.".

SEC. 4. Section 9 of the Small Business Act is amended by adding at the end thereof the following new subsections:

"(e) For the purpose of this section—

"(1) the term 'extramural budget' means the sum of the total obligations minus amounts obligated for such activities by employees of the agency in or through Government-owned, Government-operated facilities, except that for the Agency for International Development it shall not include amounts obligated solely for general institutional support of international research centers or for grants to foreign countries.

"(2) the term 'Federal agency' means an executive agency as defined in section 105 of title 5, United States Code, or a military department as defined in section 102 of such title, except that it does not include the Central Intelligence Agency, the National Security Agency or the Defense Intelligence Agency.

"(3) the term 'funding agreement' means any contract, grant, or cooperative agreement entered into between any Federal agency and any small business for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government;

"(4) the term 'Small Business Innovation Research Program' or 'SBIR' means a program under which a portion of a Federal agency's research or research and development effort is reserved for award to small

business concerns through a uniform process having—

"(A) a first phase for determining, insofar as possible, the scientific and technical merit and feasibility of ideas submitted pursuant to SBIR program solicitations;

"(B) a second phase to further develop the proposed ideas to meet the particular program needs, the awarding of which shall take into consideration the scientific and technical merit and feasibility evidenced by the first phase and, where two or more proposals are evaluated as being of approximately equal scientific and technical merit and feasibility, special consideration shall be given to those proposals that have demonstrated third phase, non-Federal capital commitments; and

"(C) where appropriate, a third phase in which non-Federal capital pursues commercial applications of the research or research and development and which may also involve follow-on non-SBIR funded production contracts with a Federal agency for products or processes intended for use by the United States Government; and

"(5) the term 'research' or 'research and development' means any activity which is (A) a systematic, intensive study directed toward greater knowledge or understanding of the subject studied; (B) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or (C) a systematic application of knowledge toward the production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements.

"(f) Each Federal agency which has an extramural budget for research or research and development in excess of $100,000,000 for fiscal year 1982, or any fiscal year thereafter, shall expend not less than 0.2 per centum of its extramural budget in fiscal year 1983 or in such subsequent fiscal year as the agency has such budget, not less than 0.6 per centum of such budget in the second fiscal year thereafter, not less than 1 per centum of such budget in the third fiscal year thereafter, and not less than 1.25 per centum of such budget in all subsequent fiscal years with small business concerns specifically in connection with a small business innovation research program which meets the requirements of the Small Business Innovation Development Act of 1982 and regulations issued thereunder: *Provided*, That any Federal agency which has an extramural budget for research or research and development in excess of $10,000,000,000 for fiscal year 1982 shall expend not less than 0.1 per centum of its extramural budget in fiscal year 1983, not less than 0.3 per centum of such budget in the second fiscal year thereafter, not less than 0.5 per centum of such budget in the third fiscal year thereafter, not less than 1 per centum of such budget in the fourth fiscal year thereafter, and not less than 1.25 per centum of such budget in all subsequent fiscal years with small business concerns specifically in connection with a small business innovation research program which meets the requirements of the Small Business Innovation Development Act of 1982 and regulations issued thereunder: *Provided further*, That a Federal agency shall not make available for the purpose of meeting the requirements of this subsection an amount of its extramural budget for basic research or research and development which exceeds the percentage specified herein. Funding arrangements with small business concerns for research or research and development which result from competitive or single source selections other than under a small business innovation research program shall not be counted as meeting any portion of the percentage requirements of this subsection.

"(g) Each Federal agency required by subsection (f) to establish a small business innovation research program shall, in accordance with this Act and regulations issued hereunder—

"(1) unilaterally determine categories of projects to be in its SBIR program;

"(2) issue small business innovation research solicitations in accordance with a schedule determined cooperatively with the Small Business Administration;

"(3) unilaterally receive and evaluate proposals resulting from SBIR proposals;

"(4) unilaterally select awardees for its SBIR funding agreements;

"(5) administer its own SBIR funding agreements (or delegate such administration to another agency);

"(6) make payments to recipients of SBIR funding agreements on the basis of progress toward or completion of the funding agreement requirements; and

"(7) make an annual report on the SBIR program to the Small Business Administration and the Office of Science and Technology Policy.

"(h) In addition to the requirements of subsection (f), each Federal agency which has a budget for research or research and development in excess of $20,000,000 for any fiscal year beginning with fiscal year 1983 or subsequent fiscal year shall establish goals specifically for funding agreements for research or research and development to small business concerns, and no goal established under this subsection shall be less than the percentage of the agency's research or research and development budget expended under funding agreements with small business concerns in the immediately preceding fiscal year.

"(i) Each Federal agency required by this section to have an SBIR program or to establish goals shall report annually to the Small Business Administration the number of awards pursuant to grants, contracts, or cooperative agreements over $10,000 in amount and the dollar value of all such awards, identifying SBIR awards and comparing the number and amount of such awards with awards to other than small business concerns.

"(j) The Small Business Administration, after consultation with the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Science and Technology Policy, and the Intergovernmental Affairs Division of the Office of Management and Budget, shall, within one hundred and twenty days of the enactment of the Small Business Innovation Development Act of 1981, issue policy directives for the general conduct of the SBIR programs within the Federal Government, including providing for—

"(1) simplified, standardized, and timely SBIR solicitations;

"(2) a simplified, standardized funding process which provides for (A) the timely receipt and review of proposals; (B) outside peer review for at least phase two proposals, if appropriate; (C) protection of proprietary information provided in proposals; (D) selection of awardees; (E) retention of rights in data generated in the performance of the contract by the small business concern; (F) transfer of title to property provided by the agency to the small business concern if such a transfer would be more cost effective than recovery of the property by the agency; (G) cost sharing; and (H) cost principles and payment schedules;

"(3) exemptions from the regulations under paragraph (2) if national security or intelligence functions clearly would be jeopardized;

"(4) minimizing regulatory burden associated with participation in the SBIR program for the small business concern which will stimulate the cost-effective conduct of Federal research and development and the likelihood of commercialization of the results of research and development conducted under the SBIR program; and

"(5) simplified, standardized, and timely annual report on the SBIR program to the Small Business Administration and the Office of Science and Technology Policy.

"(k) The Director of the Office of Science and Technology Policy, in consultation with the Federal Coordinating Council for Science, Engineering and Research, shall, in addition to such other responsibilities imposed upon him by the Small Business Innovation Development Act of 1982—

"(1) independently survey and monitor all phases of the implementation and operation of SBIR programs within agencies required to establish an SBIR program, including compliance with the expenditures of funds according to the requirements of subsection (f) of this section; and

"(2) report not less than annually, and at such other times as the director may deem appropriate, to the Committees on Small Business of the Senate and the House of Representatives on all phases of the implementation and operation of SBIR programs within agencies required to establish an SBIR program, together with such recommendations as the Director may deem appropriate.".

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have now concluded debate on the innovation bill and are ready to proceed with amendments.

I am taking this time to explain to my colleagues the changes made by the House Small Business Committee in response to suggestions of other House committees. I personally believe that we should be considering a bill with even stronger provisions than that reported as that would have been better for the small business community and better for the country as a result of the increased innovation and productivity which would have resulted.

Six other House committees, however, examined the bill and made suggestions. We examined these suggestions and agreed to those changes we found acceptable.

First, some critics maintained that the percentage requirements were too high. Agencies would have been required to put 3 percent of their total R. & D. expenditures into the SBIR program but we reduced this to 1¼ percent. Even the President endorses the 1¼ percent level.

Second, other critics argued that the agencies could not implement the program as fast as we would have required. Agencies were to have started at one-half of 1 percent, but we reduced this to two-tenths of 1 percent except for the Defense Department which we reduced to one-tenth of 1 percent. We also reduced the rate of increase in subsequent years.

Third, other critics said it was not fair to apply the percentages against R. & D. moneys spent in-house. So we exempted in-house research and now the amount of the program is based solely on extramural expenditures.

Fourth, others admitted that intelligence R. & D. could be performed by small business but said that this type of activity was not compatible with the open competitive nature of soliciting proposals under the SBIR program. So we expressly excluded the Central Intelligence Agency, the National Security Agency, and the Defense Intelligence Agency.

Fifth, others questioned whether it was appropriate and advantageous to include AID grants for R. & D. conducted in foreign countries. We did not exclude the agency per se but we did exclude AID international research centers and grants to foreign governments from the base against which the percentages are applied.

Finally, others expressed a fear that agencies would comply with the law by putting a disproportionate amount of basic R. & D. into the program as compared to the amount of applied R. & D. So we expressly prohibited this.

I personally do not believe that these criticisms were valid. But I joined my colleagues on the committee and agreed to them and I fully support the bill. However, we cannot go any further than we have already gone in diluting the SBIR program.

As weakening or devastating amendments are offered today, I urge my colleagues to remember the changes we have made already and support the Small Business Committee in resisting them.

□ 1510

The CHAIRMAN. Under the rule, the bill is now open for amendment.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland: Amend the text of H.R. 6587 as follows: On page 2, line 14, strike "this" and insert "the";

On page 7, line 15, strike "percentage" and insert "percentages";

On page 9, line 18, strike "1981" and insert "1982".

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. MITCHELL) in support of the amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, I will not need the 5 minutes.

Mr. Chairman, this amendment is technical in nature. It corrects two GPO printing errors by changing the word "this" to "the" and by adding an "s" to word "percentage" so it becomes "percentages."

The amendment also corrects a typographical error. It updates an internal citation to the year of the act, which is the Small Business Innovation Development of "1982," not of "1981," as was wrongly printed by GPO.

That is all the amendment does. Unless there are questions, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 4, line 12, strike all after "except" through line 14 and insert in lieu thereof the following: "that it does not include any agency within the Intelligence Commuity (as the term is defined in section 3.4(f) of Executive Order 12333 or its successor orders).".

Mr. BOLAND. Mr. Chairman, this is the amendment previously described by my colleague and ranking minority member of the House Permanent Select Committee on Intelligence a moment ago. What it actually does is precisely what the amendment says, and it is brief. It is to the point.

Mr. Chairman, as I mentioned during general debate, the amendment I offer was adopted by the Permanent Select Committee on Intelligence.

I offer it because the Small Business substitute before us provides only a partial exclusion for the intelligence research and development function.

It neglects some very significant, technology-driven programs of high importance to the national intelligence effort.

Mr. Chairman, the committee, in its study of this bill, came to a number of significant conclusions.

They are:

The amount of intelligence research and development funds that would be affected by the bill is large.

The sums involved are classified and involve all the major intelligence agencies, including, but not limited to, Central Intelligence Agency, Defense Intelligence Agency, and National Security Agency.

There are a number of highly classified programs within the national foreign intelligence program whose very existence is not acknowledged, or as to which no public description can be made, least of all in terms of their specific research and development needs.

Unlike the basic or general research conducted by the National Science Foundation, most intelligence research and development is very result oriented, and aimed at rapid development of hardware to fulfill a specific, and often very narrow, function.

Security requirements for intelligence research and development contracts are stringent and such contracts most often are not the product of any public solicitation.

The many small businesses which do participate in intelligence research and development often do so as subcontractors and because they have become known to large contractors.

Frequently, their contribution is unique and essential, but of narrow application.

Sometimes they are not even aware their contribution is to an intelligence program.

Definitions applied by the bill—for "research" and "research and development," and for "small business," result, respectively, one, in a great range of activities being included in research and development for purposes of calculations about an agency's total research and development and the size of the set-aside, and two, in small numbers of firms qualifying for the set-asides.

The committee believes that security concerns it has identified are serious in nature. In the course of its inquiry, however, the committee also came to the conclusion that the bill's approach is simply incompatible with the structure of intelligence research and development activities.

To begin with, the set-aside programs established by the bill will be unconnected to small business contracts that are presently let by intelligence agencies.

The bill before us, as indicated by the report of the Committee on Small Business, "specifies that funding agreements with small businesses resulting from competitive or single source selections other than under an SBIR program shall not be counted as meeting any portion of the percentage requirements set forth in the bill for overall agency research and development funding awards to small business." (H. Rept. 97-349, pt. I, p. 21.)

This approach may work for many agencies which, like the National Science Foundation, are interested in a broad range of research activities and which fund research for the sake of such research, as opposed to any specific end goal.

It does not work, however, for the intelligence community.

Mr. Chairman, the bottom line of these findings is that many of the agencies who would be drawn within the requirements of the bill could not effectively participate in SBIR programs.

They could not submit public bids.

They could not discuss their needs in unclassified solicitations.

Therefore, many small businesses would be unable to determine whether their capabilities would match intelligence community needs.

They would have to be cleared in advance.

Such a process involves a dissemination of very sensitive material without any guarantee that the potential subcontracts in question could effectively participate in any intelligence research and development work.

Faced with the significance of these incompatibilities to intelligence research and development, the committee recommended—and continues to believe it important to provide—a full exclusion of the intelligence community from this bill.

That is the effect of the amendment which I have offered.

I urge its adoption.

Mr. Chairman, my understanding is that the subcommittee is willing to accept my amendment. The chairman of the Committee on Small Business is willing to accept it.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, we have had an opportunity to review the amendment and to consider it. We have no objection. In fact, we do accept the amendment.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Pennsylvania.

Mr. McDADE. I thank my distinguished colleague for yielding to me.

I commend the gentleman from Massachusetts and the gentleman from Virginia for helping us to draft a better bill.

We accept the amendment and urge its adoption.

Mr. BOLAND. I thank the gentleman.

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. I thank the gentleman for yielding.

Mr. Chairman, I rise in full support of the amendment offered by the chairman of the Intelligence Committee.

As I said earlier, the exclusion provided intelligence agencies by the bill does not embrace a number of highly classified programs within the national foreign intelligence program whose very existence is not acknowledged, or as to which no public description can be made, least of all in terms of their specific research and development needs. The bill should contain a full exclusion for the intelligence community. Otherwise it would operate to compromise the security of sensitive intelligence programs. More basically, the small business innovation research program approach will not work in the intelligence context.

Mr. Chairman, the Intelligence Committee amendment will cure these ills. It is broad enough to insulate intelligence research and development programs but narrow enough to insure that only intelligence programs are exempted.

I urge the adoption of the amendment.

● Mr. McCLORY. I rise in support of the amendment offered by the distinguished gentleman from Massachusetts (Mr. BOLAND), who so ably serves as the chairman of the Permanent Select Committee on Intelligence. I would also like to associate myself with the statement he has made on this matter as well as with that of the ranking minority member of the committee, the gentleman from Virginia (Mr. ROBINSON).

When the Committee on Small Business reconsidered the Small Business Innovations Research Act of 1982, it took careful note of the special circumstances of research and development in the intelligence sphere. It evidenced this by exempting from the legislation the Central Intelligence Agency, the Defense Intelligence Agency, and the National Security Agency. Unfortunately, it did not extend this exemption to those other lesser known components of the intelligence community whose contribution to our national security is equally as significant and, therefore, whose demands for secrecy in the area of research and development are just as great.

President Reagan's Executive order on intelligence activities, Executive Order No. 12333, sets out the agencies which comprise the intelligence community, all of which would be exempted by the gentleman's amendment. Beyond CIA, NSA, and DIA, the definition incorporates the intelligence components of the Department of Defense, the Department of State, the uniformed services, the FBI, the Department of the Treasury, the Department of Energy, and the staff elements of the Director of Central Intelligence. While the research and development projects of some of these organizations may be small, those of others are quite significant. For the reasons stated by the gentleman in support of his amendment, it is wholly inappropriate to bring the research and development programs of these agencies within the requirements of this legislation.

Mr. Chairman, I believe that the argument on behalf of the gentleman's amendment is quite persuasive and therefore urge its adoption.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BOLAND).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. M'DONALD

Mr. McDONALD. Mr. Chairman, I offer two amendments from the Committee on Armed Services, and I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. McDONALD: Page 4, line 11, strike out "or a" and all that follows through line 14 and insert in lieu thereof "except that it does not include the Department of Defense or the Central Intelligence Agency.".

Page 6, line 10, insert "(1)" after "(f)".

Page 7, after line 21, insert the following: "(2) Amounts appropriated for atomic energy defense programs of the Department of Energy shall for the purposes of paragraph (1) be excluded from the amount of the research or research and development budget of that Department.

Mr. McDONALD Mr. Chairman, over the past decade, the Department of Defense has increased its research and development prime contract awards to small business from 4.9 percent in 1972 to 7.4 percent in 1981.

Small businesses represent some 5.5 percent of the Department of Defense research and development industrial base, yet they receive 7.4 percent of the Department of Defense research and development contract awards. In other words, we are now making awards from the Department of Defense in excess of the industrial base by small business.

We are not only matching the 5.5 percent; we are going beyond the 5.5 percent to the level of 7.4 percent.

In the area of research and development, small research firms received $679 million in prime contract awards in 1981 compared with $584 million in 1980. This represents the highest amount of awards ever achieved by these firms.

Of the $88.2 billion awarded in prime contracts for R. & D. procurement by the Defense Department in 1981, $17.8 billion, or 20 percent of these awards, went to small businesses.

The Department of Defense at this time already has an aggressive, well-managed small business program that works. The point is, if it works, why in the world do we need to fix it with this bill?

The net effect of this bill would be to require that a portion of the Department of Defense small business efforts that are awarded by competitive bid would be, in the future, on a set aside basis.

This is why I feel, Mr. Chairman, that these amendments, these two amendments, are necessary because the Department of Defense at this

time is going beyond the intent of this bill.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. McDONALD. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding to me.

Mr. Chairman, in the committee, when we figured the formulas, based on what is already awarded, or set-aside for small business—which is excessive and larger than the norm established by small business—coupled with the formula provided in the bill, it would have been a tremendous amount of increase that would have contributed to inefficiencies in the defense production at a time when we need to really streamline and save money in the area of defense.

So I support the gentleman's amendments.

Mr. LAFALCE. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I will not take too much time because we have debated this concept considerably during the course of general debate.

Let me point out that the Department of Defense is supportive of the bill as amended by the Small Business Committee, and that means they are opposed to this amendment.

Let me further point out that the use of statistics by the gentleman, and the use of words, is grossly in error.

The 1.25 percent that we would establish after a 5-year period of time is not above and beyond the present 7.4 percent that is allegedly going to small business. It is to be earmarked for the SBIR program and can be a part of the 7.4-percent figure.

There is no question about that upon a close reading of the statute. That is the literal interpretation, and that certainly is also the intent of the committee as you read the language and as your hear from the authors of the bill itself.

The gentleman said that we would have 1.25 percent going toward a sole-source, set-aside program. That, too, is grossly in error.

As a matter of fact, this would be the most competitive of all the programs within the Department of Defense. There is nothing sole-source about this at all. There probably would be about 10 applicants for every single award that could be given. This has been the experience of the NSF; this has been the experience thus far of the Department of Defense in its own program modeled after the SBIR program.

I think that this amendment would—I do not want to say "gut" the bill—but it would tremendously harm the bill by taking out a huge percentage of the total Federal R. & D. dollar. Therefore, it ought to be opposed, as the Reagan administration opposes it and as the Department of Defense opposes it.

□ 1520

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and ladies and gentlemen of the Committee, I would like to put something in perspective here. The gentleman has just stated that the Department of Defense support this. I had a colloquy with Mr. Bill Long, who handles this for research and development under the Department of Defense, and I have the report from our committee. If I might, I would like to report part of what was said.

I said—this is myself speaking—I said, "Now, in talking to Dr. Lowe * * *" who is Assistant Secretary of Physical Research and Development—"* * * about this, he said that he did not support H.R. 4326, but would support the Senate version, S. 881. I have got a feeling that we are dealing with semantics here. He would prefer this as the lesser of two evils, but would prefer neither. If this is the case, what is your feeling?"

I asked that of Mr. Long, and Mr. Long said, "Well, I think that as a part of the administration you must recognize, Mr. DICKINSON, that the position is that of the administration."

I said, "I am not asking you the position of the administration. Do you prefer one or the other, but you really prefer neither, is that correct?"

Mr. Long said, "That is my personal view."

Going on, Mr. Long, "I would like to explain what I mean by 'goals.' Goals is the wrong word here. It is really the burden on our procurement system. We spent a lot of money in the Department of Defense, and we have a national security mission. Our procurement system is, by a variety of statutes and regulations, used for a variety of purposes unrelated to our mission, and I am not criticizing anyone. I am simply stating my perception of the facts. The more the system gets burdened, the less efficient it will be at least in what we might say as the narrow perspective of carrying out our procurement mission of what we now support in our support mission of national defense."

Let me say, Mr. Chairman, that nobody is against small business. We are all for small business. We are all for motherhood. We are all for patriotism and the American flag. That is obscuring the issue. The point is that the Department of Defense already grants 4.7 percent of its research and development to small business. This bill says that does not count, because you have not made it a set-aside, and there are only 5.5 percent of businesses that are presently getting 7.4 percent of the business out there. So, they have done pretty good.

What we are saying is that we would like not to have another burden, another layer of bureaucracy, put on the research and development part of our national defense procurement and the system. The Department of Defense says, as between the two, they want the lesser of the evils. What we are saying is, we are already doing more than this bill mandate by way of giving business to small business R. & D. We are already giving 7.5 percent, approximately. Why should we have to be required to add another 1 percent or 2 percent or any other percent on top of that. We are already doing more than they are asking. We do not want to be burdened within the R. & D. section of the Department of Defense when we are in good faith proceeding on this.

We have made a very vigorous effort. Ten years ago, small business only got 4.9 percent, which was $256 million. Today, they are getting 7.4 percent, which is $679 million. They are doing this voluntarily instead of an affirmative action program, but you say this is not enough, it does not count, we want to put something more on top of it, another regulation, not let it be competitive, let them go out and say, "Hey, we have got to find somebody out there and give them a contract. The law says give it to small business whether they can compete, give it to them."

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I would be happy to yield to the gentleman.

Mr. O'BRIEN. Mr. Chairman, with respect to the 7.4 percent, those are direct contracts, is that correct?

Mr. DICKINSON. Yes.

Mr. O'BRIEN. If, let us say, the Government has a contract with Chrysler to build a tank, and Chrysler makes a subcontract with, let us say, a Joliet firm, Champion Machinery, for some research and development, is that included?

Mr. DICKINSON. No, any sub under a prime, I do not know of any prime contractor——

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(By unanimous consent, Mr. DICKINSON was allowed to proceed for 1 additional minute.)

Mr. DICKINSON. Any big contract for a major system goes to a large business, but then they subcontract out to various layers of vendors underneath this. This does not count against this figure that they are putting in.

Mr. O'BRIEN. So that would be in addition?

Mr. DICKINSON. In addition thereto.

Mr. O'BRIEN. I thank the gentleman.

Mr. DICKINSON. So, I just think it is unreasonable, I think it is a fair amendment and should be supported. The Department of Defense is doing more than is required, and they are already doing almost four times what this bill would require.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

(At the request of Mr. HUNTER and by unanimous consent, Mr. DICKINSON was allowed to proceed for 2 additional minutes.)

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield.

Mr. HUNTER. What I am concerned about is that we already are subcontracting out on these large programs a lot of work to small business. I think what is going to happen realistically is that for the Department of Defense to comply with this proposal, it is going to tell the Rockwell's and the other major contractors, "We will not contract directly with small business," and they are going to be spending a lot of money with this excessive bureaucracy to monitor than would otherwise take place, instead of the major contractor, the prime, subbing out as they do now. It will be the Government directly subbing that business out. We will be paying for an extra layer of bureaucracy.

Mr. DICKINSON. When the gentleman says paying, according to our report, in 1983 the cost of administering it will be $11 million; $16 million in 1984; $25 million in 1985; and $27 million in 1986.

This is another layer of bureaucracy we are paying for that we do not need to pay for because the Department of Defense is already doing all that this requires.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

(At the request of Mr. WHITE and by unanimous consent, Mr. DICKINSON was allowed to proceed for 3 additional minutes.)

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I will be pleased to yield.

Mr. WHITE. Mr. Chairman, I want to call to the attention of the Committee an editorial in the Washington Post of today, June 17, in which it speaks about the Small Business Subsidies Act. It actually depressed competition. We have found in some of our hearings in the Armed Services Committee, where we have technical equipment to produce and R. & D. on weapons systems, that frequently that whenever there is a small business setaside that often a small business which has not been in competition will obtain the contract and then go back and hire a company that has the expertise, thereby increasing and escalating the cost to the taxpayer. This is one thing. While the Department of Defense is already going far beyond the level which has been prescribed for set-asides for small business, and would therefore by this bill increase even more, we would be increasing the tax to the American public.

Mr. DICKINSON. In line with what the gentleman is saying, to give a very graphic example, the last administration decided they wanted to go out with a proposal for a vehicle called a HUM-V, a high mobility, multipurpose vehicle. They were going to buy 1.5 billion dollars' worth of these, 50,000 vehicles. There is not a minority or small business in the entire United States that could do it, but they directed it by a small business set-aside for $1.5 billion.

Mr. McDADE. Mr. Chairman, if the gentleman will yield, he clearly pointed out that was the last administration.

Mr. DICKINSON. The last administration.

Mr. McDADE. And the contract was never awarded.

Mr. DICKINSON. We stopped it.

Mr. McDADE. I would like to tell the gentleman that I claim credit for stopping it.

Mr. DICKINSON. They tried to.

Mr. ROEMER. Mr. Chairman, I move to strike the requisite number of words.

□ 1530

I have heard some comments in the last few minutes about this particular amendment that are just not true. Fact No. 1—this bill as written does not require an additional commitment from the Department of Defense to small business. Read the language again—you do not have to take the 7.4 percent and add to that.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to the gentleman from Alabama.

Mr. DICKINSON. I thank the gentleman for yielding.

Let me read to the gentleman the language from the bill itself. "Funding agreements with small business concerns for research or research and development which result from competitive or single source selection other than under a small business innovation research program shall not be counted as meeting any portion of the percentage requirements of this subsection," which means if it is not a setaside, then it does not count, and that is the language of it and you cannot alter it.

Mr. ROEMER. I appreciate the gentleman's comment, but any review of the bill will show that two requirements lead to the following conclusion: Amounts included in the SBIR program as required by subsection (f) may be counted toward meeting the goaling requirements of subsection (h).

It states that in the bill. Let me reclaim my time to further continue.

Mr. DICKINSON. I hope the gentleman is right.

Mr. ROEMER. I reclaim my time.

In looking at this bill, this is not a bill of protectionism for small business. This is a bill that looks at our Federal Government, looks at the taxpayers' dollars, and except for the Department of Defense, which is exemplary, and the gentleman is correct—except for that and a few other agencies, small business is shutout, shutout in a variety of ways.

The fact is that small business, through its efforts in the last decade, has presented the American people more opportunities for innovation and job creation than any other part of our business community and all we are doing in this bill across the board in a fair manner is to provide small business a toehold, not for protectionism, but for true competition, the benefits of which accrue to the American people.

Now, as to the Department of Defense, nothing in this bill requires the Department of Defense to do more than it does today, but this bill will prevent the Department of Defense from sliding backward, from sliding backward to its commitment to work with small business.

Now maybe that will work a bureaucratic hardship in the Department. Frankly, I do not believe that. But take it on the reverse and I think you will find out it will send a clear message to the business community that even the smallest among them which comes up with the brightest and best ideas often will have a chance to do business on behalf of the American taxpayer.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

I wish to point out along with the gentleman, I oppose the amendment very vigorously because the committee has been working on this project for over 15 years trying to get DOD to move in this field, and only through legislation have we forced them to even move up a slight amount. We have heard amounts here before. Do we realize that out of a $20 billion R. & D. procurement, all we are asking for is 0.1, one-tenth of 1 percent, be set aside for this program. One-tenth of 1 percent. But what is the true bottom line? DOD does not want anybody to tell them how to spend their money. What they would like is a blank check and spend it the way they want it. This is the only way we can be sure

that they will help that 96 percent of our economy that is small business.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. ROEMER) has expired.

[By unanimous consent, Mr. ROEMER was allowed to proceed for 1 additional minute.]

Mr. ROEMER. Let me conclude. I thank the gentleman for his statement; he is right on target. In conclusion, let me say that this is not a protectionist bill. This is a bill that will facilitate competition. It does it by the force of this legislative body, and, except for the Department of Defense, it is the kind of message we need to send to all agencies.

Why should we exempt the Department of Defense if they are in fact doing more? We ought to applaud them, not exempt them. That is what this bill does.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Georgia (Mr. MCDONALD).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MCDONALD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 80, noes 295, not voting 57, as follows:

[Roll No. 157]

AYES—80

Andrews	Gramm	Nelson
Badham	Hall, Sam	Nichols
Barnard	Hansen (ID)	O'Brien
Bennett	Hansen (UT)	Price
Bliley	Hartnett	Quillen
Bouquard	Holt	Rhodes
Brinkley	Hopkins	Robinson
Byron	Hunter	Sensenbrenner
Cheney	Hutto	Shannon
Clinger	Johnston	Shelby
Corcoran	Jones (OK)	Shumway
Crane, Daniel	Kindness	Smith (AL)
Crane, Philip	Lantos	Smith (OR)
Daniel, Dan	Latta	Snyder
Daniel, R. W.	Madigan	Solarz
Dannemeyer	McCloskey	Solomon
Davis	McCurdy	Spence
Dickinson	McDonald	Stump
Dingell	Miller (OH)	Taylor
Dougherty	Mineta	Trible
Duncan	Mollohan	Wampler
Early	Montgomery	Watkins
English	Moore	Waxman
Fary	Murphy	White
Fazio	Murtha	Whitehurst
Fuqua	Myers	Young (FL)
Gibbons	Napier	

NOES—295

Addabbo	Benjamin	Butler
Akaka	Bereuter	Campbell
Albosta	Bethune	Carman
Alexander	Bevill	Chappell
Anderson	Bingham	Chappie
Annunzio	Boggs	Clausen
Anthony	Boland	Coats
Applegate	Boner	Coelho
Archer	Bonker	Coleman
Aspin	Bowen	Collins (IL)
Atkinson	Breaux	Conable
Bafalis	Brodhead	Conte
Bailey (PA)	Brooks	Conyers
Barnes	Brown (CA)	Coughlin
Bedell	Brown (CO)	Courter
Beilenson	Broyhill	Coyne, James
Benedict	Burton, Phillip	Coyne, William
Crockett	Hughes	Rangel
D'Amours	Hyde	Ratchford
Daschle	Ireland	Regula
Daub	Jacobs	Rinaldo
de la Garza	Jeffries	Ritter
Deckard	Jones (NC)	Roberts (KS)
Dellums	Jones (TN)	Roberts (SD)
DeNardis	Kastenmeier	Rodino
Derrick	Kazen	Roe
Derwinski	Kennelly	Roemer
Dicks	Kildee	Rogers
Dixon	Kogovsek	Rose
Donnelly	Kramer	Rostenkowski
Dorgan	LaFalce	Roth
Dornan	Lagomarsino	Rousselot
Downey	Leach	Roybal
Dreier	LeBoutillier	Russo
Dunn	Lee	Sabo
Dwyer	Lehman	Savage
Dymally	Leland	Sawyer
Dyson	Lent	Scheuer
Eckart	Levitas	Schneider
Edwards (AL)	Lewis	Schroeder
Edwards (CA)	Livingston	Schumer
Emerson	Loeffler	Seiberling
Emery	Long (LA)	Shamansky
Erdahl	Long (MD)	Sharp
Evans (DE)	Lott	Shaw
Evans (GA)	Lowery (CA)	Shuster
Evans (IA)	Lowry (WA)	Siljander
Fascell	Lujan	Simon
Fenwick	Lundine	Skeen
Ferraro	Lungren	Smith (IA)
Fiedler	Markey	Smith (NE)
Fields	Marlenee	Smith (NJ)
Findley	Marriott	Snowe
Fithian	Martin (IL)	St Germain
Flippo	Martin (NC)	Stangeland
Florio	Martin (NY)	Stanton
Foglietta	Matsui	Stark
Foley	Mattox	Staton
Ford (MI)	Mavroules	Stenholm
Ford (TN)	Mazzoli	Stokes
Forsythe	McClory	Studds
Fountain	McCollum	Swift
Frank	McDade	Synar
Frenzel	McEwen	Tauke
Frost	McGrath	Tauzin
Garcia	McHugh	Thomas
Gaydos	McKinney	Traxler
Gejdenson	Mica	Udall
Gephardt	Michel	Vander Jagt
Gilman	Mikulski	Vento
Gingrich	Miller (CA)	Volkmer
Glickman	Minish	Walgren
Gonzalez	Mitchell (MD)	Walker
Goodling	Moakley	Washington
Gore	Molinari	Weaver
Gradison	Moorhead	Weber (MN)
Gray	Morrison	Weber (OH)
Green	Natcher	Weiss
Gregg	Neal	Whitley
Guarini	Nowak	Whittaker
Gunderson	Oakar	Whitten
Hall (OH)	Oberstar	Williams (MT)
Hall, Ralph	Ottinger	Williams (OH)
Hamilton	Oxley	Wilson
Hammerschmidt	Parris	Winn
Hance	Pashayan	Wirth
Hawkins	Patman	Wolf
Heckler	Patterson	Wolpe
Hefner	Paul	Wortley
Heftel	Pease	Wright
Hendon	Pepper	Wyden
Hertel	Perkins	Wylie
Hightower	Petri	Yates
Hiler	Peyser	Yatron
Horton	Pickle	Young (AK)
Howard	Porter	Young (MO)
Hoyer	Pritchard	Zeferetti
Hubbard	Rahall	
Huckaby	Railsback	

NOT VOTING—57

AuCoin	Carney	Fish
Bailey (MO)	Chisholm	Fowler
Beard	Clay	Ginn
Biaggi	Collins (TX)	Goldwater
Blanchard	Craig	Grisham
Bolling	Dowdy	Hagedorn
Bonior	Edgar	Harkin
Broomfield	Edwards (OK)	Hatcher
Brown (OH)	Erlenborn	Hillis
Burgener	Ertel	Holland
Burton, John	Evans (IN)	Hollenbeck
Jeffords	Mottl	Roukema
Jenkins	Nelligan	Rudd
Kemp	Obey	Santini
Leath	Panetta	Schulze
Luken	Pursell	Skelton
Marks	Reuss	Smith (PA)
Mitchell (NY)	Richmond	Stratton
Moffett	Rosenthal	Zablocki

□ 1550

The Clerk announced the following pairs:

On this vote:

Mr. Stratton for, with Mr. AuCoin against.

Mr. Rudd for, with Mr. Skelton against.

Mr. Burgener for, with Mr. Richmond against.

Mr. Beard for, with Mr. Collins of Texas against.

Mr. Carney for, with Mr. Fish against.

Messrs. OXLEY, NEAL, ATKINSON, MCCOLLUM, HANSEN of Idaho, PATTERSON, GILMAN, WORTLEY, and KRAMER changed their votes from "aye" to "no."

Messrs. DUNCAN, SAM B. HALL, JR., DANNEMEYER, and HANSEN of Idaho changed their votes from "no" to "aye."

So the amendments were rejected.

The result of the vote was announced as above recorded.

Mr. LAFALCE. Mr. Chairman, I move to strike the last word.

Mr Chairman, I would like to announce that after consultation with the Speaker, it is my intention to move that the Committee rise at 5 o'clock, assuming there is no objection, with the understanding that any amendments we have not completed by 5 o'clock will be taken up this coming Tuesday.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I have a curiosity here. What will this do to amendments pending or amendments that are not yet considered? And when will the bill be brought back to the House?

Mr. LAFALCE. As I said, the Speaker has indicated we could come back on Tuesday with the other amendments. We would hope to dispose of as many amendments as we can between now and 5 o'clock. Hopefully, we will not have too many recorded votes, but we do not know, we cannot be certain about that.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the distinguished chairman of the full committee, the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I want to assure my distinguished colleague that all amendments that are now recognized and other amendments that Members might want to present will be protected when this bill comes back to the floor on Tuesday.

Mr. DINGELL. If the gentleman will yield further, I am trying to assure myself as to how these matters will be dealt with. Does the gentleman intend to rise in the midst of consideration of an amendment? Or what is the intention of the gentleman from New York to deal with the matter?

Mr. LAFALCE. If it looks as if we are about to finish an amendment at 5 o'clock and it might take another 5 minutes or so, I assume we would take that additional 5 minutes. That is something we would have to consult about with the sponsor of the amendment at the time. If it happens to be the gentleman or his committee, we would certainly consult with him or his committee.

Mr. DINGELL. I thank the gentleman.

□ 1600

AMENDMENT OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAXMAN: Page 6, insert before the period in line 9 a comma and the following: "but such term does not include research or research and development conducted with funds appropriated to carry out the Public Health Service Act, the Comprehensive Alcoholism and Alcohol Abuse Prevention, Treatment, and Rehabilitation Act of 1970, the Drug Abuse Prevention, Treatment and Rehabilitation Act, or titles V, XI, XVIII, and XIX of the Social Security Act, or any other health-related research or research and development conducted through the Department of Health and Human Services or any of its entities."

Mr. WAXMAN. Mr. Chairman, I bring this amendment as reported by the Commerce Committee to the consideration of my colleagues today because I believe that the excellent work done by the National Institutes of Health ought not to be jeopardized by a set-aside provided for small business.

I submit that this is an appropriate exception to the small business bill for two major reasons. First of all, the National Institutes of Health has changed its rules to try to include more small business participation in the grants that are awarded. They have provided that scientists from for-profit firms are now eligible to receive NIH research grants for the first time. Scientists from for-profit firms are now being appointed to NIH peer review committees and for-profit firms are now allowed to retain the rights to patents developed with Federal funds. I do not think that small business concerns ought to be met by changing the law as it relates to NIH.

There is a second major reason that I think NIH is different.

The primary argument for a small business set-aside is that it will bring new high-technology products into the market and improve the U.S. position vis-a-vis other nations. But those who support a small business set-aside do not understand the medical sector of the economy or the work done at the National Institutes of Health.

Most biomedical research does not lead to a marketable product but to improved medical practice. Biomedical research goes into the basic scientific work done both on the campus at NIH and at universities throughout the country. Small businesses are interested in applied research, they are interested in something that is going to lead to a profitable business. They want their research to go into a new product, either a drug or a medical device. For those areas, there is no scarcity of capital because the health care system is such where success in those areas is greatly rewarded. But we do not have a market system that rewards biomedical basic research. The basic medical research done on the campuses around the country is such that unless we fund NIH there will not be funds for basic research at all. So the universities are concerned and NIH is concerned. If we take a shrinking budget for NIH and then add a set-aside of funds that can only go for small business, in effect, we are taking money away from the basic biomedical research. In 3 years, this set-aside would amount to $50 million.

Now to give you a perspective of what that would mean. The work done on arthritis research alone is $50 million. Why should we take money away from this vital research for a small business set-aside?

Universities are concerned about the effect of the bill on medical science. They fear young members of the medical profession may leave academic research in favor of this new generation of for-profit firms. This bill may well further encouraged this development in response to the set-aside.

I submit first, that even if you support a small business set-aside of funds in other areas, in the health area it is very inappropriate. And second, that NIH is actively doing all it can to encourage small business participation.

For those two reasons, we ought to agree to exempt the shrinking budget for basic biomedical research from any kind of set-aside; any kind of quota that might be provided in other areas.

This is the recommendation of the Commerce Committee. It was overwhelmingly supported in the committee, and I know that we have the support of the gentleman from North Carolina (Mr. BROYHILL); the gentleman from Illinois (Mr. MADIGAN); the gentleman from Michigan (Mr. DINGELL), and myself, urging that this be the position of the House as well.

This amendment is appropriate even if you think the bill as a whole should pass.

The CHAIRMAN. The time of the gentleman from California (Mr. WAXMAN) has expired.

(At the request of Mr. MADIGAN and by unanimous consent, Mr. WAXMAN was allowed to proceed for 2 additional minutes.)

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding.

Is it not correct that in the testimony before the Commerce Committee that the National Institutes of Health said that they had already initiated a program by which they would be making grants to small business firms capable of doing the type of basic research that is involved in the NIH activity?

Mr. WAXMAN. That is correct. NIH has changed its internal rules so that for-profit small businesses will be able to participate fully and, in fact, have begun to place scientists on the NIH peer review committees which will decide which applicants are to receive grants.

Mr. MADIGAN. If the gentleman will yield further, our own Capitol physician, I understand, has said to many people that we have learned 70 percent of what we know about medical knowledge today within the last 30-year period of time, and that much of that knowledge has been acquired through research funded by the National Institutes of Health through the present mechanism that is established.

I wonder if the gentleman would care to comment as to whether or not he thinks that is an accurate reflection of what has been going on in the last 30 years?

Mr. WAXMAN. I think that the work of the National Institutes of Health, both at their campus here in Bethesda and through the universities and medical centers around the country, stands as one of the gems of our National Government. It is something that we are all very proud of. It has led to tremendous scientific progress and holds the promise of new breakthroughs to prevent and treat dreaded diseases. Unless that biomedical basic research is done by the NIH and universities, I do not believe that it will be picked up in the private sector by small businesses. We need Government support for medical research and we need awards for these programs to be based strictly on the merit of the proposed research.

Mr. LAFALCE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, about 4 years or so ago NIH was told to revise their rules, revise their regulations, in order to enable small businesses to have an opportunity to compete for NIH contracts and grants.

Four years ago they did not comply. Three years ago they did not comply. Two years ago they did not comply.

In October of 1981, the Small Business Committee reported out a bill that would have forced them to comply by law.

In December of 1981, the Senate unanimously passed a bill that would have forced them to comply by law, and after that they then said now we will revise our rules and enable small businesses to be able to compete legally.

□ 1610

Now, when the gentleman talks about more, we are not talking about more. We are talking about getting a little bit of a piece of that total pie. We are talking over a 4-year period of getting 1.25 percent, not taking it away from NIH, as has been argued, but simply saying to NIH that that which they give them, of that which they give them at the end of the 4-year period, 1.25 percent ought to be put in a special pot for which small business can compete.

Now, what are we really talking about here? What we are talking about is a fight, not over 1.25 percent. We are not even talking about a fight over innovation, which is what I would like to be talking about. We are talking about a fight against the establishment. We are talking about a fight against vested interests.

There is a virtual symbiotic relationship that exists between the NIH in particular and the university community. They feed off each other and we are saying feed all you want, but 1.25 percent, let us set that aside for innovative competition and research.

Now, we are not doing this for small business, I point out. We are doing this for the purpose of innovation, because we have so many studies which show the superior quality of small business research and development when it comes to innovation.

Now, NSF has said that they do a 24 times better job. Now, maybe the National Science Foundation is wrong. Maybe it is not 24 times better. Maybe it is 20 times better. Maybe they are really wrong. Maybe it is 10 times better. Maybe they are really, really wrong. It is not 24 times, it is 2 times better. I will take it, because it is better.

Why does the university community fear this program? Why are they opposed? They fear this program, not because they think 1.25 percent will be wasted away and diverted from its purpose. They fear it, not primarily because of greed, although that is a large part. They fear this program because they fear its success. They fear that this program will be so successful that the status quo will be upset, that the special symbiotic relationship that they have had all these years of their existence will be severed once and for all once this window, once this door is opened. That is what the bill would do, and that is what the amendment would prevent from happening.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would like to join with the gentleman in opposition to this amendment. I do not think there is any industry which is more in the vanguard of technological change in the future than the health industry. If you read recent issues of Discover and Science magazine, you will see that the big changes in artificial hearts and in cardiac equipment, in diabetes research and cancer, are being done by novel small firms, private firms all over America.

I venture to say they get very little of this NIH money. We are talking, if the gentleman will correct me if I am wrong, not about in-house NIH money. We are talking about the money they dispense outside. Is that correct?

Mr. LAFALCE. Absolutely.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. GLICKMAN and by unanimous consent, Mr. LAFALCE was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Mr. Chairman, if the gentleman will yield further, this argument reminds me, as the gentleman says, it is fear of the establishment. The health industry, particularly as it relates to medical schools, does not want the NIH to be giving money to anybody else because they will lose a piece of the pie.

It reminds me a little bit of the way the big drug companies fear the generics, because the generics might supply some new drugs at slightly lower cost.

So I would say that for the future of health technology, while we cannot promise the small companies will come up with miracle drugs or other kinds of things, I just think it is better for all America that we defeat this amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I would be glad to yield if I have the time.

Mr. MITCHELL of Maryland. Mr. Chairman, I want to associate myself with the remarks of the gentleman in the well and point up two sets of data to demonstrate the cavalier fashion in which NIH has treated small businesses, as opposed to the understanding fashion in which the National Science Foundation, has treated small businesses.

Under much prodding and pushing, it was agreed, NIH said, "Well, we will do some business with small businesses."

Well, what did they offer? They offered contracts to repair, restore, and rebind rare books.

They offered a contract to provide a generator and other equipment for the National Library of Medicine.

They offered a contract to catalog monographs in English and foreign languages.

They offered a contract to remove existing elevated access flooring. That is what they offered.

On the other hand, if you look at what was done at the National Science Foundation, these exciting projects were approved: Poroplastic for transdermal drug delivery.

Laser-based photoacoustic methods for measuring stable isotope ratios.

In-vitro detection of allergy using imunofluorescence.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(At the request of Mr. MITCHELL of Maryland, and by unanimous consent, Mr. LAFALCE was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield further, they offered a contract and it was carried out by small business to study the effects of processing technology on the reduction of cholesterol and other libids; new genetically engineered microbes.

One, is to repair and rebind old books; the other is giving small businesses an opportunity to do the basic kinds of meaningful research that may save hundreds and thousands of lives in this country. That is the choice that we have got that is offered to us in this amendment.

Just good, common, logical sense, says that this amendment must be defeated; otherwise the same cavalier exclusionary attitude will persist on the part of NIH, and I thank the gentleman for yielding to me.

Mr. DAUB. Mr. Chairman, I move to strike the requisite number of words; and I rise in opposition to the amendment.

Mr. Chairman, the Small Business Innovation Act has become the subject of some controversy which is unusual when one considers the broad support that the measure enjoyed when it was introduced.

The problem, I believe, is one that I have discussed in the past with respect to small business. That is, that because of its nature—millions of diverse individuals pursuing independent aims—it does not lend itself well to organized lobbying. Each Member of this body annually extolls the virtues of the small business community. How it creates almost all of the newly created jobs, that it is the most likely source of innovation and new products, and that it personifies those virtues and capabilities that we think of

as distinctly American. Then we proceed to ignore it.

Each one of us has a sizable small business community. It is a special interest so to speak, that we all possess. The people who send us here are for the most part dependent upon its vitality; its strength for the most part parallels the economic strength of the cities and towns from which we come. It does not seem likely then that this Congress would ignore issues of concern to small business nor fail to enact legislation that would give it a fair shake at the billions of dollars worth of business available by means of the Federal Government.

The problem is that small business does not lend itself to the circumstances of the Congress. The Congress reacts to well-organized lobbying efforts very well but when it comes to doing something for a majority of our citizens who are not well organized, who are pursuing independent paths, and are joined in a common bond only in that they represent the largest number of individuals we do not respond well. After all, they cannot generate large scale lobbying campaigns by picking up the telephone.

As a member of the Small Business Committee, I admit to some jealousy for those who serve on committees where their constituency is well-defined and whose interests they can promote easily through the legislative process. This has been very evident in the last few months where we have seen the other committees of this House protecting their turf in a most forceful fashion. This is unfortunate, I believe, because those interests are being promoted at the expense of the small business community which is doing nothing more than trying to get its foot in the door of an area that has by design been set off limits.

We are not asking for a great deal. In fact, by virtue of compromise, we are asking for a very little—it is in fact embarrassingly little. But it appears that that is even too much for some who fear that any dollar diverted is influence lost. Influence that has proven enormously profitable and will continue to be so regardless of the disposition of this legislation here today. I can only believe that what motivates those who oppose including the small business community in this area is a fear that once they are given an opportunity to demonstrate their effective use of the Federal dollar, that the Congress will be compelled to increase that diversion at the expense of the fat cats who have prospered in the past.

One point that needs to be made is that we are not really setting quotas so much as we are requiring that a portion of the exclusion that has existed in the past be ended. Small business has been excluded because the relationship between the Government and the recipients was an effective one that kept the new blood of small business out. No one would argue that we ought to divert moneys awarded to meritorious concerns to others simply because of their size and we are not doing that.

Instead, we are saying that the present situation does not allow or provide for the participation of the largest and most innovative segment of our society. We are suggesting that perhaps we ought to remedy that situation by requiring that the bureaucracy make the effort to reform their past practices in order to utilize this segment. I do not understand how anyone can argue with such a proposal.

The small business community of America will never be organized in such a fashion so as to provide even a fraction of the influence visited upon this House by associations and organizations that represent a relative few. It is the responsibility of this House to protect the interests of those who are not represented, who do not have easy access to the media in order to communicate their well-defined case that is the product of public relations experts. It is the responsibility of this House to recognize the simple truth that the small business community is the engine of this economy and this Nation.

The moneys that fund the operations of this Federal Government—not just for research but for defense and welfare and income security—is the result of the labor and creativity of small business. We ought then to look for ways to foster that labor and creativity not discourage it. We ought to demand that the bureaucracy end its monopoly creating behavior that has excluded small business from participating in an area where it is clearly capable of doing so.

In the past year and a half, I have heard from many in this House the evils that are attached to things "big." Well, we have an opportunity today to lend a hand to small business, a hand that is long overdue.

We have an opportunity to demonstrate that this Congress can look objectively at an issue without cowering in fear because of a few well-orchestrated telegrams. We have an opportunity to do the right thing not only for small business but for the taxpayers and the people in this country who want a government that has the wisdom and the strength to correct an iniquitous situation even if that iniquitous situation does not come equipped with a well-planned public relations campaign.

□ 1620

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the discussion so far tends to show the Small Business Committee members do not understand the amendment nor the processes that they seek to effect with their bill.

My good friend from New York says all they want is their share of the pie. My colleague who has just spoken, says that they want their share. There is nothing in the law now that bars small business from getting research grants at NIH.

What is really involved here is the health of the American people, the research into the prevention and cure of the many diseases.

I therefore urge my colleagues to support the amendment offered by the gentleman from California.

Mr. DAUB. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I will in just a moment.

Mr. DAUB. I thank the gentleman.

Mr. DINGELL. Let us take a look at what is involved here.

Every single health organization in the country supports the amendment. The American Cancer Society, the American Medical Association, the Association of American Medical Colleges, the American Heart Association, the American Lung Association, all support the amendment.

Now let us look a little further. What is really involved here? What is involved here is grants for medical research. These are allocated on the basis of peer review. It is done on the basis of qualifications, uniqueness, and the ability to carry forward our goals of curing the health problems of this Nation.

Now, let me read to you what the American Cancer Society says about the amendment and why it is we should adopt it:

NIH grants are awarded according to a well established competitive peer review system which recognizes only quality, originality, and relevance to the goals of the Institutes.

The scientists who receive these funds are for the most part in medical schools, universities, colleges, public and private research centers, and hospitals. Only after the experimental approaches are initiated by the researchers themselves, and are put through the stringent competitive reviews for originality, capability, quality and intensity of effort, are these projects approved for funding.

Then after all of these tests have been met, only about 36 percent of approved grant applications are actually funded because of the severe over-taxing of the NIH research and development budgets.

Now hear these words:

The removal of even a small portion of the clearly inadequate R. & D. budgets of the Institutes could cripple the work of many of our biomedical scientists who are already hurt by the fact the NCI budget, for instance, has not increased in terms of real dollars since 1975.

Now listen to this:

This program is going to divert $50 million from NIH and from its research priorities. NIH funds have been reduced, in real dollars, by 15 percent since 1980. They will be reduced another 30 percent at the end of the next 3 budget years. NIH awards have already declined by 20 percent, from 5,000 to 4,100.

Now, what is the $50 million amount that this proposal would take from the National Institutes of Health? First of all, it is more than all, more than all of the funds that are spent on arthritis research; it is 10 times the amount that is spent on interferon research; it is five times the amount that is spent on cataract research.

Under the proposal, funds for basic research will be further reduced. Small businesses do not generally do basic research because there is no commercial market for these kinds of findings.

Funds would be diverted to drug and device work where there is no shortage of capital.

Now, I do not speak about the rest of the bill, I do not talk about Defense, I do not talk about State, I do not talk about any of the other agencies, the Department of Agriculture. I talk about the health programs of the United States. It is fine to help small business.

I served for years on the Committee on Small Business and I was the chairman of a subcommittee before any of the members there, with perhaps one or two exceptions, was even on that committee.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. Now listen to this, again, to what this proposal would attack, and then understand why the distinguished gentleman from California has offered the amendment and I support the amendment: This is not a pork barrel proposal at NIH; it is basic research into the health of the American people. That is what is at stake in the amendment. If you want to treat small business as a pork barrel matter, as my good friend says, give them their share of the pie, give them their share of the pie of that which is legitimately pork. do not affect the health research for the American people. Listen to what the American Cancer Society has said, listen to what the Association of Medical Colleges says in endorsing this amendment.

Do not attack research that affects the health and well-being of the American people.

Mr. DAUB. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my friend, the gentleman from Nebraska (Mr. DAUB).

Mr. DAUB. I thank the gentleman for yielding for a comment and then a question.

First a comment that in some of the testimony we listened to when the bill was being heard, we had a number of good examples, I thought, among others, where small business had come up with good ideas in the medical field, including the biosynthetic insulin, the CAT scanner, the heart valve, the oral contraceptive, and soft contact lenses.

Can the gentleman tell me: Does this amendment exclude the 1.25 setaside on all research and development, or just the National Institutes of Health?

Mr. DINGELL. It only excludes the National Institutes of Health.

And now my good friend, the chairman of the committee, talks about the National Academy of Sciences. This does not, I tell him, affect the National Academy of Sciences. It would leave them subject.

Understand this: There is so little money, and that money is shrinking, that we cannot frivolously put it where some small business would like to have it put.

This money must be put with the best possible scientific research, that affords the best opportunity for payout in solving the major health crises and the major health problems that affect the United States.

□ 1630

We must understand that this is not the kind of research that we pass around like a pork barrel. We are not designing a tank or tinkering around with eyeglasses. We are dealing with the most basic kind of research, on cures for cancer, on methods to cure or eliminate arthritis or cataracts, blindness.

Mr. DAUB. Just a comment, that on the first page the committee print, my colleague, I am led to believe from a reading of it that in fact the amendment includes the broad brush of all research, not just NIH.

Mr. DINGELL. Our amendment deals with the National Institutes of Health.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my good friend from Texas.

Mr. BROOKS. Mr. Chairman, I just want to associate myself with the gentleman's remarks, and say that as a Congressman from a district which has in it the University of Texas medical branch, an outstanding research arm and branch of this country's efforts, I know that this amendment is designed to help them.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 3 additional minutes.)

Mr. BROOKS. I certainly support the amendment and think we ought to do this. I am 100 percent for it. I think the gentleman from Michigan and the gentleman from California are to be commended for bringing it to the committee.

Mr. DINGELL. I thank the gentleman.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, one may or may not favor the amendment—I oppose it—but we ought to at least understand what it does.

Mr. DINGELL. I understand full well what it does.

Mr. LAFALCE. Let me read the amendment portion, though, which would exclude any other health-related research or research and development conducted by or through the Department of Health and Human Services or any of its entities.

Now, if this is the amendment being offered, that is the amendment the gentleman has in his report, that is much larger, much broader in scope than simply NIH, and contradicts what the gentleman just said.

Mr. DINGELL. I am going to respond, but first I will yield to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I think that the proponents of this bill who are trying to fight this amendment are making a mountain out of a molehill. I want to point out that the research done by Health and Human Services is 95-percent NIH. There is some research being done in the Health Care Financing Administration as to how best to serve in the health delivery systems, but 95 percent of what we are talking about is NIH funding which goes to universities, colleges and medical centers around the country.

I was interested to note in this debate and in the report of the Small Business Committee that they talk about small business innovation that brought us the CAT scanner, insulin, streptomyocin, and penicillin. That is just not accurate. The man who developed the CAT scanner and won a Nobel Prize was a professor at Tufts University. They did their work on biomedical basic research studies there. This in not something that small business wants to compete with because it does not lead to a product that they can sell.

I think that we ought to be aware that the health area is unlike other research programs. Because of the distinction, this ought not to be treated the same.

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Mr. O'BRIEN. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak in support of the amendment.

Mr. Chairman, the comment was made by one of the earlier speakers about giving a share of the pie. I think what was really meant by that was to say, to allow small business the right to compete for the share in the pie, and particularly in the area that this amendment addresses. It should be known that the NIH, for example, and that is the area of my interest presently, earlier this year has gone out of its way to make sure that private enterprise in small business gets a chance at the game.

For example, for-profit firms are now eligible for grants. Scientists from for-profit firms will be placed on the peer review committees, and grantees may not retain the patent rights resulting from federally funded research. These people are trying to do it the way the planners of this legislation intended. I think of all areas that I have observed since I have been in this Congress, I think the National Institutes of Health is more concerned about the quality of research than it is the magnitude of the grantee. I think it is time we were a little bit discriminating here. I make my point in particular from the National Institutes of Health. I think they should be excluded from this amendment.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I appreciate the gentleman yielding to me, I was greatly disturbed by comments referring to legitimate small business as being a pork barrel operation. Technology Catalysts, Inc., has identified 9,613 small high technology firms. Of that number, 2,636 are engaged in biomedical fields.

A Bethesda research lab had identified 1,000 firms working in the very basic research of cloning. I think it does a disservice to the small business community to refer to that kind of basic operation as pork barrel. That is just wrong.

Mr. SMITH of Iowa. Mr. Chairman, I have been on the subcommittee that handles funding for NIH for 15 years. When I first went on that subcommittee, NIH received $300 million, Now, they get more than $3 billion. It is almost $4 billion. I have known all of the heads of NIH since Dr. Shannon, and I can tell the Members that they are in a dream land if they think every dollar that goes through NIH goes to make a contribution to basic research. It just is not so.

One of the heads of NIH told us one time that as much as half of the money that goes to universities goes for Federal aid to universities rather than as a contribution to basic research, and I am for it. I have been for these substantial increases because I think the universities need it, but no one should come down here and tell us that all the money the universities get goes for contributions to basic research. It is a pork barrel for the universities that I support, and it is about time we recognize that not only universities but some other people could do some good too.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. DINGELL. The gentleman and I have been friends for a long time.

Mr. SMITH of Iowa. Yes; and almost always the gentleman has been on the right side. Once in a while he gets on the wrong side, and he is on it today.

Mr. DINGELL. I might say the same thing with respect to the gentleman, but the gentleman is not telling us here that what he really wants to do is divert the money he is referring to?

Mr. SMITH of Iowa. I want them to get more for their money. Out of at least $50 million, that is what will happen. Out of this there will be a competition, and they will have a real true competition among people that did not have an attorney who knows someone on the peer review committee.

Mr. DINGELL. I have got a good attorney.

Mr. SMITH of Iowa. This bill simply opens the door to let a small business compete with other small businesses to get sponsored for $30,000 or $40,000 while they develop the idea.

Mr. DINGELL. Is the gentleman aware of the position of the peer review committees and what their function is?

Mr. SMITH of Iowa. Sure.

Mr. DINGELL. It is to assure the highest quality research.

Mr. SMITH of Iowa. Oh, yes.

Mr. DINGELL. These peer review committees——

Mr. SMITH of Iowa. Oh, yes.

Mr. DINGELL. We have to assure the highest quality of research and that the Government gets full value for the dollar. They are not pork barrel operations. They are not there to dispense moneys to their buddies, and they are not there to give money.

Mr. SMITH of Iowa. It is pretty hard to convince a professor sitting on this committee that another person is not more worthy than some fellow who is not a professor.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to my colleague.

Mr. BEDELL. Mr. Chairman, would the chairman of the committee listen? I hope everybody realizes that last year there were over 2,000 members on the peer review committees, and 8 of them—8 of the more than 2,000—came out of the for-profit, free enterprise system of our country. If the gentleman thinks that is good peer review——

Mr. DINGELL. The gentleman raised that point before. I want to tell him it is perhaps something that the gentleman here does not understand, and that is that the peer reveiw committees are not pork barrel operations.

Their function is to see to it that we get quality research, not that moneys are allocated to small business or big business. They go where they can get the best possible research. The idea is to get the best possible quality research in an area.

Mr. SMITH of Iowa. Let me reclaim my time. It reminds me of the process we seem to go through in developing appropriations for HHS with regard to nursing programs. At every step of the way there is a doctor sitting there on the review committee and somehow, by the time the money gets through all of the filters, the nurses get zero. The doctors' programs get it all.

They come to our committee and then we put some back in for the nurses.

If you have the right people on the right committees at the right places, of course you are going to get favorable treatment.

All we are talking about is $50 million. I am telling you that for this $50 million you will get at least twice, if not 10 times as much, in basic research if we pass this bill.

We are not talking about diverting money away from health research. We are talking about an agency getting more for the money and probably 10 times more. What we really ought to have is 5 or 10 percent set-aside for this very competitive program, under which an individual—in this case a small business—possibly one person, a scientist, who has a good idea, can get a little help, a little seed money.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. SMITH) has expired.

(By unanimous consent, Mr. SMITH of Iowa was allowed to proceed for 2 additional minutes.)

Mr. SMITH of Iowa. He needs a little help for a year or so while he develops his idea. They will come in and they will compete. If the agency believes this guy has a good idea, it will support him for a year while he develops this.

Then he comes back in. Another thing is the cost of the applications. Universities can spend, and they do spend thousands and thousands and thousands of dollars. They have a full-time man heading up the department to develop these applications.

How is a little guy to come in there and develop an application that he can submit to this sophisticated organization? Of course, he cannot. He needs a little help, if it is only to develop the application. He needs a little help.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. It is now a little later than 20 to 5. I would ask unanimous consent that all debate on this amendment be concluded no later than 5 o'clock, at which time perhaps we could have a recorded vote, if that is the desire of the sponsor.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. MADIGAN. Reserving the right to object, Mr. Chairman, may I assume under my reservation that the time between now and 5 o'clock would be evenly divided between the Members who are now on their feet?

The CHAIRMAN pro tempore. That was the Chair's understanding of the gentleman's request.

Mr. MADIGAN. Considering the number who are now on their feet, I would have to object.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. MADIGAN. I object.

The CHAIRMAN pro tempore. Objection is heard.

(By unanimous consent Mr. SMITH of Iowa was allowed to proceed for 1 additional minute.)

Mr. SMITH of Iowa. Mr. Chairman, I just want to summarize by saying that I would be the first one to oppose any kind of proposal that would reduce the effectiveness of our research, basic research in this country.

The reason universities have done all of the research is because they have been getting all of the money.

I think I really genuinely feel if you defeat this amendment resoundingly and go ahead and adopt this bill that we will get more for our money instead of less for our money and we will have more basic research results in the future.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to my friend from Pennsylvania.

Mr. McDADE. I want to commend my colleague for the statement he has made. It is important that all of us in the House know that he has served for 15 years on the Appropriations Committee handling funds for Labor-HEW. During that same period of time I have been privileged to serve with him as a member of this committee, and no one has worked harder for the National Institutes of Health, for the health of this country, than the gentleman from Iowa.

He is telling you like it is. He is telling you what we are trying to do here.

The CHAIRMAN pro tempore. The time of the gentleman from Iowa (Mr. SMITH) has again expired.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words.

I just want to ask the gentleman a couple of questions because he has focused the thing for us. We have $3 billion in research today, in today's dollars, is that not correct, for R. & D.?

Mr. SMITH of Iowa. Will the gentleman yield?

Mr. McDADE. I yield to the gentleman.

Mr. SMITH of Iowa. It is over $3 billion.

Mr. McDADE. About $4 billion in the account in NIH and it is important to remember that what this amendment does is to exclude all of those research funds from the small business community.

Mr. SMITH of Iowa. Intermural research.

Mr. McDADE. Intermural research. They cannot even compete; they are excluded.

I think it is also important for us to know under current regulations issued by the Department of Health, Education, and Welfare or HHS, about 65 percent of any grants to any of the universities can be diverted to overhead; is that not correct?

Mr. SMITH of Iowa. That is right. They have various ways of figuring overhead, including in some cases, in some instances, money that came from the Federal Government to support a project could be used as a part of the overhead.

Mr. McDADE. As my friend said, and if my colleagues want to recognize it, that 65 percent can go to pay the president, can go to pay the board of trustees, or they can use it to amortize buildings.

What for profit organization could afford 65 percent overhead? That is what we are paying at NIH.

I am for it, too. As the gentleman said, they have served us well. No one here is condemning NIH. All we want to do is to say to them that it is time they recognized the capacity that exists and it is time they recognize that we have people in the business community, small business people who can perform.

The only way we can do it, recapitulating, they just adopted regulations because the other body acted and this body acted for the first time to say that a for profit organization may be permitted to submit an application to bid. They would not even accept an application to bid; is that not correct?

Mr. SMITH of Iowa. That is right.

In addition to that, I understand the officials at the NIH, although they were reluctant to adopt any kind of a program at all, are now not opposing this bill. They are not supporting this amendment. They know they can live with this and, as a matter of fact, they will be better off with this bill than they will with this amendment.

Mr. McDADE. I yield back the balance of my time and hope we can vote in a hurry.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

I will not take the full 5 minutes but I do want to respond to some of the things that have been said here in the debate.

The amendment from the Committee on Energy and Commerce does not apply to all research. It applies to all health-related research.

We are not into what is going on in the Department of Defense or anywhere else with the amendment that is pending before the Committee of the Whole at this point.

The gentleman from New York said that the National Institutes of Health was told 4 years ago to open this up to small businesses. That was what he said when he was in the well of the House. Also that 4 years ago they did not do it, 3 years ago they did not do it, and then 2 years ago they did not do it, but finally this year they did it.

The question that is begged by that comment is: Told by whom? Were they told by the appropriate committees of the Congress? Were they told by the Congress itself?

No; the answer is no to both questions.

They were told by the Director of the Office of Management and Budget that that is what they should do.

Who is in charge? Who sets policy in this Government? Is it the Congress of the United States or the Director of the Office of Management and Budget?

I would hope that they would ignore instructions they got from the Director of OMB when the appropriate committees of Congress were telling them to do just the reverse of what the Director of OMB was telling them to do. They were responding and did correctly respond to that branch of Government that is charged with setting policy for this Government in which we live.

The gentleman has said it is only 1¼ percent. My colleagues heard the gentleman from Iowa (Mr. SMITH) say that he would really like to have 5 percent or maybe 10 percent.

I submit that every time we come back to this issue we will come back for more. I would just remind my colleagues that in 1919 when this Congress passed the Federal income tax the managers on both sides of the aisle said it would be 1 percent and it would never be more than 1 percent. That is what was said then. Now we are being told that this will only be 1¼ percent.

On the university campus in my district there are five Nobel Prize winners on the faculty, five people there who have won Nobel Prizes for basic research in health-related endeavors.

Do my colleagues think for a moment that they would be on that faculty at the salary paid to members of the faculty of the State university if these kinds of funds were not available to them to do the kinds of research that they are doing?

□ 1650

Do you think that the talent of those people would be available to the students at that university? I assure you it would not be.

If you want to pick away at that, just so that you can say, "I have done something for small business," then let me tell you that you are making a very serious mistake, a very serious mistake, and I would urge you to think very carefully about this before you reject the amendment.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to underline that point. If we divert in excess of $50 million over the next 3 years from support for the National Institutes of Health, we will end support for over 350 highly rated research projects and intensify the disruption in our Nation's finest research laboratories.

We have a very difficult problem now attracting young physicians after medical school to go into research, when those physicians know they can make so much more money practicing medicine. It takes dedicated professionals to go into research. They are looking for continued funding to allow them to continue to work in research. If we are going to take that funding away and give it to some small business to produce a product that NIH does not otherwise finance, we are going to be doing a tremendous amount of harm from which we may never recover.

I do want to use this time to point out that NIH contracts and subcontracts to small business firms now exceed $100 million. But this amount cannot even be counted in this set-aside because the set-aside is so narrowly drawn that, that existing funds do not apply at all. So it will be an additional sum of money taken from biomedical research. I think we will be doing harm to the research to protect people's health. This is a unique situation that ought to be considered separately from whether we think there ought otherwise to be funds set aside for small business.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from New York, even though he did not yield to me earlier today.

Mr. LAFALCE. Mr. Chairman, the gentleman was the individual who objected to my unanimous-consent request before, and since he has now had more than 5 minutes, I again renew my unanimous-consent request that all debate on this amendment and all amendments thereto conclude by 5 p.m.

Mr. MADIGAN. Mr. Chairman, I would just say to the gentleman, in response, that if he had yielded to me when I asked him to yield to me, I would not have objected to his request, and I will not object now.

Mr. LAFALCE. Mr. Chairman, may I comment on that, because that is a personal comment?

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) has requested unanimous consent that all debate on this amendment and all amendments thereto cease at 5 o'clock.

Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 30 seconds each.

The Chair recognizes the gentleman from California (Mr. LEWIS).

(By unanimous consent, Mr. PARRIS yielded his time to Mr. LEWIS.)

Mr. LEWIS. Mr. Chairman, it is bothersome to rise on the floor and oppose the likes of my colleagues, the gentleman from California and the gentleman from Michigan, who have great expertise in the field of health. But, frankly, I think it requires not a great amount of expertise to understand what is going on here.

The fact is that the symptoms are the same across the board. It is business as usual, specifically it is the good old boy's game. The fact is that agriculture does not want you to cut into any kind of piece of their business. They want to control the system as usual.

In the NIH area alone, $50 million is the dollar amount they are talking about out of a budget of $4 billion a year. Over a 3-year period, that is $12 billion.

The fact is that the pie is mighty, mighty big. Each person who is used to having access to the process wants to keep the business the same. As a practical fact of life, small business has contributed the most to innovative research in our history. They need to have some access to the pie.

Remember, gentlemen, pigs get nothing. Share just a bit of the pie.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. ROEMER).

(By unanimous consent, Mr. MITCHELL of Maryland and Mr. ECKART yielded their time to Mr. ROEMER.)

Mr. ROEMER. Mr. Chairman, we have heard a lot of arguments pro and con, as we do on each of these amendments. Often the agruments says,"We love this program, just do not touch our portion of it. We love what small business does for this country, just do not let them into our bailiwick."

I am a diabetic. I have been that way for a long time. I take at least a shot every day to stay alive. So I do not speak about the problem from long distance. I do not speak from a textbook or committee hearing when I tell you that research in that part of science which is critical to me is frequently done in the vanguard of high technology by small business. And what this bill does is not shut out but bring in those innovative ideas, those changes and chances for improvement in the medical science field that we need.

I urge the defeat of this amendment, so that one bill will remain strong.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MCCLOSKEY).

Mr. MCCLOSKEY. Mr. Chairman, let me just respond to that question on diabetes.

Let us assume that the SBIR program puts out a request for bids on diabetes research. $36.5 million out of NIH's budget next year will be subject to the SBIR program. Let us say $1 million of this will be for diabetic research. And let us say that the leading expert in this country is a Nobel Prize winner at Harvard or Stanford on that very point, and yet under this bill he cannot compete. So the man suffering from diabetes will not have available the leading expert in the country for that particular research program. The research will have to go to some small business, regardless of lesser merit, and regardless of the fact that the person most qualified to do the best research will not be allowed to even compete for the assignment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, it is plain that we must have some understanding of this amendment.

I support the amendment. So does the American Medical Association. The AMA, and I now quote:

> The American Medical Association takes this opportunity to express our concern regarding H.R. 4326, "The Small Business Innovation Development Act" and S. 881, "The Small Business Innovation Act."
>
> The AMA supports the intent of these bills to encourage the federal government to utilize the research resources and talents of this nation's small businesses. We believe that this should be pursued wherever appropriate. Our concern, however, is with the inappropriateness of mandating application of that concept to the National Institutes of Health. The NIH and its component Institutes have a research budget greater than $3 billion for the fiscal year 1982. There-

fore, in predetermining the allocation of a fixed percentage of the NIH budget, the impact of this legislation on NIH and its critical health research function, would be substantial.

The very nature of the Institute's mandate, basic biomedical research, requires research to be conducted in large part by Universities, major medical centers, medical schools and other research laboratories. According to the National Science Foundation, 89 percent of the NIH budget is related to primary basic research. We believe that it is inappropriate to place NIH under the same spending constraints as other agencies. Strict enforcement of rigid set-asides could lead to situations where such funds were not being used to the best advantage, or were being diverted from necessary basic biomedical research. We believe that the unique mission and function of the National Institutes of Health mandate that special provision be made in the legislation so that the Institutes are not locked into a specified funding formula. The American Medical Association supports an exemption for the National Institutes of Health from the provisions of H.R. 4326 and S. 881. We would be pleased to work with you and other interested parties in developing alternate language that would encourage NIH, where appropriate, to utilize the services of small business firms.

Sincerely,

JAMES H. SAMMONS, M.D.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. WEBER).

Mr. WEBER of Ohio. Mr. Chairman, there is no reduction in the budget of any health care agency. There is no cut. There is no diversion.

What this bill does is simply for the sake of cost-effectiveness allocates 1.25 percent of research and development to small business, saying to the NIH and the other agencies, "You can do it better if you use small business."

This Waxman amendment strips out all health-related R. & D. not just the NIH. Read the amendment. It strips it all out.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, the American people do not receive the best medical research by accident. Right now, at the NIH, everybody who is engaged in medical research is treated on an equal footing, and the taxpayers and the American people get and should get the best research that is possible.

Also, in reference to colleges and universities, where do we teach the people to be researchers? They are not trained in laboratories to become teachers and researchers. They are trained, and the training ground is in the colleges and universities.

I urge support for the amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I rise in opposition to the amendment.

I think we should put the issue into perspective. We are talking about $36 million out of a $12 billion appropriation for the next 3 years. At issue here is the level of competence of small firms involved in scientific and technological endeavors, not pork-barrel legislation for small business firms. What is the competence of small business in terms of providing answers to our serious medical problems?

In the Senate testimony before the Small Business Committee, Richard DiCicco of Technology Catalysts said:

Our firm's experience with small business has shown that they have an equal technological capability with universities on basic research projects.

If the private sector has found this to be true, I would urge my colleagues to consider the possibility as well, and vote against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, I would like to call the attention of the committee to the statement that was just made by my friend, the gentleman from California, that if there was $1 million next year for research on diabetes, it would be severely cut by this program.

This program cuts two-tenths of 1 percent next year, which would cut $2,000 to go to small business from that $1 million.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. WAXMAN).

The question was taken; and the chairman announced that the noes appear to have it.

RECORDED VOTE

Mr. WAXMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 193, answered "present" 1, not voting 74, as follows:

[Roll No. 158]

AYES—164

Albosta	Coyne, William	Gaydos
Anderson	Daniel, Dan	Gephardt
Andrews	Daniel, R. W.	Gilman
Annunzio	Davis	Gradison
Applegate	Dickinson	Gramm
Atkinson	Dingell	Hall, Ralph
Barnes	Dougherty	Hall, Sam
Beilenson	Dwyer	Hamilton
Benedict	Dyson	Hance
Bevill	Early	Hartnett
Bliley	Edwards (AL)	Heftel
Boggs	Edwards (CA)	Hendon
Bouquard	Emery	Hertel
Brodhead	Erdahl	Hollenbeck
Brooks	Evans (DE)	Holt
Broomfield	Evans (GA)	Hopkins
Brown (CO)	Evans (IA)	Horton
Broyhill	Fazio	Hoyer
Butler	Ferraro	Hutto
Byron	Findley	Hyde
Chappell	Fish	Jacobs
Cheney	Flippo	Kindness
Clinger	Foglietta	Lagomarsino
Coelho	Foley	Lantos
Coleman	Ford (MI)	Leach
Conable	Fountain	Lehman
Conyers	Frost	Lent
Corcoran	Fuqua	Levitas
Coughlin	Garcia	Livingston
Long (LA)	Oakar	Shannon
Long (MD)	Ottinger	Sharp
Lowry (WA)	Parris	Shumway
Madigan	Patterson	Simon
Martin (IL)	Pease	Smith (AL)
Martin (NC)	Pepper	Snyder
Matsui	Perkins	Spence
Mavroules	Pickle	St Germain
McClory	Porter	Swift
McCloskey	Price	Tauke
McEwen	Pritchard	Taylor
Michel	Quillen	Udall
Mikulski	Rahall	Volkmer
Miller (OH)	Rhodes	Walgren
Mineta	Rinaldo	Wampler
Minish	Rodino	Waxman
Moore	Rogers	Weaver
Moorhead	Rose	Whitehurst
Morrison	Rostenkowski	Whittaker
Mottl	Roybal	Wilson
Murphy	Sabo	Wright
Myers	Scheuer	Wyden
Neal	Schneider	Yates
Nelson	Schroeder	Yatron
Nichols	Schumer	Young (MO)
O'Brien	Sensenbrenner	

NOES—193

Akaka	Gray	Oxley
Alexander	Green	Pashayan
Anthony	Guarini	Patman
Archer	Gunderson	Paul
Aspin	Hagedorn	Petri
Bailey (PA)	Hall (OH)	Railsback
Bedell	Hammerschmidt	Ratchford
Benjamin	Hansen (ID)	Regula
Bennett	Hansen (UT)	Reuss
Bereuter	Hawkins	Ritter
Bethune	Heckler	Roberts (KS)
Bingham	Hefner	Roberts (SD)
Boland	Hightower	Robinson
Boner	Hiler	Roe
Bonior	Hillis	Roemer
Bonker	Howard	Roth
Bowen	Hubbard	Rousselot
Breaux	Hughes	Russo
Campbell	Ireland	Savage
Carman	Jeffries	Sawyer
Chappie	Johnston	Seiberling
Clausen	Jones (NC)	Shaw
Coats	Jones (OK)	Shuster
Collins (IL)	Jones (TN)	Siljander
Conte	Kastenmeier	Skeen
Courter	Kazen	Smith (IA)
Coyne, James	Kennelly	Smith (NE)
Crane, Daniel	Kildee	Smith (NJ)
Crane, Philip	Kogovsek	Snowe
Crockett	Kramer	Solarz
D'Amours	LaFalce	Solomon
Dannemeyer	Latta	Stangeland
Daschle	LeBoutillier	Stanton
Daub	Lee	Staton
Deckard	Leland	Stenholm
Dellums	Lewis	Stokes
Derrick	Loeffler	Studds
Derwinski	Lott	Stump
Dicks	Lowery (CA)	Synar
Donnelly	Lujan	Tauzin
Dorgan	Lundine	Thomas
Dornan	Lungren	Traxler
Downey	Markey	Trible
Dreier	Marriott	Vander Jagt
Duncan	Martin (NY)	Vento
Dunn	Mattox	Walker
Eckart	Mazzoli	Washington
Emerson	McCollum	Watkins
English	McCurdy	Weber (OH)
Fary	McDade	Weiss
Fascell	McDonald	White
Fenwick	McGrath	Whitley
Fiedler	McHugh	Whitten
Fields	McKinney	Williams (MT)
Fithian	Mica	Williams (OH)
Ford (TN)	Miller (CA)	Winn
Forsythe	Mitchell (MD)	Wirth
Fowler	Moakley	Wolf
Frank	Molinari	Wolpe
Gejdenson	Montgomery	Wortley
Gingrich	Napier	Young (AK)
Glickman	Natcher	Young (FL)
Gonzalez	Nelligan	Zablocki
Goodling	Nowak	
Gore	Oberstar	

ANSWERED "PRESENT"—1

Dymally

NOT VOTING—74

Addabbo	Edgar	Moffett
AuCoin	Edwards (OK)	Mollohan
Badham	Erlenborn	Murtha
Bafalis	Ertel	Obey
Bailey (MO)	Evans (IN)	Panetta
Barnard	Florio	Peyser
Beard	Frenzel	Pursell
Biaggi	Gibbons	Rangel
Blanchard	Ginn	Richmond
Bolling	Goldwater	Rosenthal
Brinkley	Gregg	Roukema
Brown (CA)	Grisham	Rudd
Brown (OH)	Harkin	Santini
Burgener	Hatcher	Schulze
Burton, John	Holland	Shamansky
Burton, Phillip	Huckaby	Shelby
Carney	Hunter	Skelton
Chisholm	Jeffords	Smith (OR)
Clay	Jenkins	Smith (PA)
Collins (TX)	Kemp	Stark
Craig	Leath	Stratton
de la Garza	Luken	Weber (MN)
DeNardis	Marks	Wylie
Dixon	Marlenee	Zeferetti
Dowdy	Mitchell (NY)	

□ 1710

The Clerk announced the following pairs:

On this vote:

Mr. AuCoin for, with Mr. Addabbo against.

Mr. Zeferetti for, with Mr. Skelton against.

Mr. Mollohan for, with Mr. Rangel against.

Mr. Biaggi for, with Mr. Dixon against.

Mrs. Roukema for, With Mr. Weber of Minnesota against

Mr. Carney for, with Mr. Schulze against.

Mr. Rudd for, with Mr. Collins of Texas against.

Mr. Beard for, with Mr. Frenzel against.

Mr. BAILEY of Pennsylvania, Mr. JONES of Oklahoma, Mrs. KENNELLY, and Mr. LELAND changed their votes from "aye" to "no."

Messrs. BUTLER and FINDLEY changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. LaFALCE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BRODHEAD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4346) to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT FRIDAY, JUNE 18, 1982, TO FILE A REPORT ON H.R. 6590, NO-NET-COST TOBACCO PROGRAM ACT OF 1982

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tomorrow night to file a report on the bill, H.R. 6590.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman tell us what this is all about?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, it is a normal request to ask permission to file by midnight tomorrow a bill ordered reported by the Agriculture Committee. The bill is H.R. 6590, which is the bill to implement a no-cost tobacco program.

Mr. ROUSSELOT. A no-cost tobacco program?

Mr. FOLEY. A no-cost tobacco program.

Mr. ROUSSELOT. Well, I certainly would not want to object to that.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

□ 1720

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I take this time to inquire of the distinguished majority leader the program for the balance of this week and next week, and I yield to the gentleman.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. WRIGHT. Mr. Speaker, we have completed the business scheduled for this week and I expect soon to ask unanimous consent that when we adjourn today, we adjourn until Monday.

We will come in at noon on Monday and have the Consent Calendar and such bills as may be ripe for consideration under suspension of the rules. There are two of them now that we have:

H.R. 6590: No-net-cost Tobacco Program Act of 1982; and

H.R. 6451: United States Code title 10 amendments for military construction and military family housing.

Also, we expect to bring up for general debate only the Refugee Assistance Amendments of 1982. Assuming that we can complete that general debate that day, we will put it off until the following day for a vote, as well as any votes on the suspensions.

Votes will be postponed until Tuesday.

Tuesday we will come in at noon and we will have recorded votes on the suspensions, try to complete the Refugee Assistance Amendments Act and the Small Business Innovation and Development Act.

Wednesday and Thursday we meet at 10 a.m.

Members should expect that the conference report on House Concurrent Resolution 352, the first budget resolution for fiscal year 1983, will be brought to the floor as soon as possible, Tuesday if possible, and if not Tuesday, then Wednesday or Thursday.

It is also conceivable, I suppose, that we might be put in the position of having to do something else on the urgent emergency supplemental appropriations bill—the urgent-urgent supplemental appropriations bill.

Then H.R. 6337, the National Energy Emergency Preparedness Act, subject to the granting of a rule.

At the close of business on Thursday, the House will adjourn for the Independence Day recess and district work period and will convene at noon on Monday, July 12, assuming that these matters have been completed in this House and the other body.

Conference reports may be brought up at any time, of course.

Mr. MICHEL. The gentleman made no reference to the debt ceiling legislation. Would the gentleman volunteer any information on the possibility of having that to contend with next week?

Mr. WRIGHT. I think it would depend entirely on passage by the House of the conference report on the budget resolution. Assuming that were to be passed, there would be no necessity for a resolution on the debt ceiling. But if that were rejected, then in all likelihood we might have to take action on the debt ceiling.

Mr. MICHEL. One other item that I heard might have been under consideration for next week was the extended unemployment benefits legislation.

Mr. WRIGHT. As I understand it, there is no rule yet established on that bill, and any further program would have to be announced later.

Mr. MICHEL. All right.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman from New York.

Mr. FISH. I thank the distinguished minority leader for yielding.

I would like to put a question to the distinguished majority leader, who

said that the refugee assistance amendments, the rule for which is adopted today, will come up for general debate only on Monday?

Mr. WRIGHT. That is correct.

Mr. FISH. Do I understand, therefore, that the 5-minute rule consideration would follow on Tuesday?

Mr. WRIGHT. That is exactly right. Amendments would be postponed until Tuesday.

Mr. FISH. Consideration of amendments would occur on Tuesday. Would that be the first order of business on Tuesday?

Mr. WRIGHT. It probably will be. However, we would precede that with the votes on the suspensions from the preceding day, and it is conceivable that we might have a conference report.

The SPEAKER. The majority leader is recalling the conference report.

Mr. WRIGHT. If the conference report were to come to us, we might opt for considering it before we went back into the consideration under the 5-minute rule of the Refugee Assistance Act.

Mr. FISH. I thank the gentleman.

Mr. MICHEL. I am glad to have the majority leader make that observation, that if we are fortunate enough to have an agreement on the conference report on the budget resolution that that would take precedence over the other legislation so that we could really dispose of that first.

Mr. WRIGHT. Ver{ definitely. It would take precedence over anything else.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I appreciate my colleague yielding to me.

Our majority leader has stated that if we passed on the conference report on the budget resolution that there will be no need to deal with an increase in the deficit ceiling. So what the gentleman is saying—does he recall what the contemplated amount of the deficit increase is that is being suggested in the conference report on the budget?

Mr. WRIGHT. If the gentleman will yield, it is, I am advised, an amount amply adequate to accommodate any foreseeable needs, not just for a period of 1 or 2 months, but through the entirety of the fiscal year.

Mr. ROUSSELOT. Up through 1983.

Mr. WRIGHT. Through fiscal year 1983.

Mr. ROUSSELOT. So that would be $195 billion add-on debt.

Mr. WRIGHT. It would be a substantial amount. I must say to the gentleman that I am not privy to the councils of the conference committee and I would best not speak with precision because I could be mistaken.

Mr. ROUSSELOT. Well, roughly $190 billion to $195 billion of add-on debt would be included in the budget resolution; is that correct?

Mr. WRIGHT. That seems correct to me, yes. President Reagan's——

Mr. ROUSSELOT. I do not think that is President Reagan's recommendation. We spend the money here, as the gentleman well knows.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

I would like to inquire of the majority leader what his plans are with respect to the bill we have just been considering, the Small Business Innovation Development Act?

Mr. WRIGHT. We probably will take that up and deal with it again on Tuesday, after dealing with the refugee assistance bill. We would expect to complete it on Tuesday.

Mr. OTTINGER. I thank the gentleman for yielding, and I thank the majority leader.

The SPEAKER. The Chair hopes the gentleman from Texas will make mention of the fact that there may be some night sessions next week. The leadership is intending, if things go right, to be out of here by Thursday night. If not, there is a great possibility the House would meet the following week, although our plans are for 2 weeks off at the Fourth of July.

The budget must be completed, the public debt limit must be out of the way, which is included in the budget at the present time. There are some things in the supplemental appropriation bill that, as of July 1, some of the departments may be without money.

There may also be a couple of authorizations which must be passed before we adjourn.

The gentleman from Texas.

Mr. WRIGHT. The Speaker took the words right out of my mouth.

The SPEAKER. I am sorry that I did that. I transgressed on your right as the majority leader.

Mr. WRIGHT. I am glad the Speaker did, because he said it so much better than I could have said it.

ADJOURNMENT TO MONDAY, JUNE 21, 1982

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. WALKER. Mr. Speaker, reserving the right to object, I do so only to ask the majority leader, I think the Speaker did make clear that there is the potential for the week that was designated as a recess week that we could be back if we do not complete the action.

Would that also pertain to next Friday, as well, that the Members would have to count on next Friday, as well?

Mr. WRIGHT. Indeed it would.

Mr. WALKER. And possibly the weekend as well?

Mr. WRIGHT. I do not want to anticipate that we are going to fail to do our business.

The SPEAKER. The Chair would point out that the Democrats are having a miniconvention in Philadelphia and it opens at 4 o'clock on Friday. It is the intention that this body—we have been assured by the Republican leadership that there will be every cooperation on their part that we would give to them if they were in the same circumstances—but the present plan is no session for next Friday. But there could very, very well be a session on the following week.

□ 1730

Mr. WALKER. Further reserving the right to object, so in other words, with the convention then we are assured that probably there would be no session on Friday even if we had not completed business, no session on the weekend, but a potential that we could come back early next week.

Mr. WRIGHT. The gentleman is correct, and Members should be advised that it would do well for the House to complete its schedule in order that we might enjoy fulfilling those many commitments which we have made with constituent groups back home.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MONETARY POLICY REFORM ACT OF 1982

(Mr. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PATTERSON. Mr. Speaker, our Nation has undergone dramatic changes throughout the past few decades. We have moved, out of necessity, from a position of isolated prosperity

and a superior strategic status to a position of international interdependence and economic cooperation. As those of us in Congress know, changes in public policy are a natural and necessary method of adaptation to these changing circumstances.

An example of changing policy to adapt to new realities is the recent effort in Congress to better control Federal spending through the enactment of the Congressional Budget Act and other current efforts to reform past fiscal policy. These efforts are a step in the right direction in confronting the economic malaise facing our country. However, Mr. Speaker, I believe that we need to take our economic reforms one step further and reexamine the role of our central bank, the Federal Reserve, in the development of economic policy. The skepticism of the marketplace, the confusion of leading economic indicators, and the continued degeneration of the domestic economy attest to the concern over mismatched monetary and fiscal policy.

To correct the imbalance between Federal monetary and fiscal policy that is inherent in a system where the central bank is accountable to no one, I am introducing today a bill to reform the Federal Reserve Act of 1936. My bill will provide greater coordination between our Nation's monetary and fiscal policy and will allow the Congress, the administration, and the American people to participate more fully in monetary policymaking.

Mr. Speaker, I do not advocate that the Congress or the administration should set monetary targets. Nor do I contend that the bill which I am introducing is a panacea for lowering interest rates.

But I do think that the time has come to initiate a thorough examination of one of this country's most powerful institutions. It seems to me that we should be concerned that a major component of our national economic policy is decided and implemented by a handful of unelected individuals. The Board of Governors of the Federal Reserve do not even have to account for their actions to the President! This, Mr. Speaker, is extraordinary. Presidents are elected and defeated on the performance of the economy during their term of office and must accept responsibility for the primary management of the Nation's economy.

To this end, the President should have greater input into all aspects of economic policy, including that of the Federal Reserve. The policies of the Federal Reserve contribute significantly to the economic health of our country and it is crucial that these policies be more responsive to the President and to the people. The time for shifting blame and pointing fingers is over.

My bill proposes changes in the Federal Reserve Act in four principal ways. First, it would give the President a greater voice in the adoption of monetary policy by reinstating the Secretary of the Treasury as a member of the Federal Reserve Board.

The Secretary was an original member of the Board but was removed in 1936 for reasons which are not entirely clear. As the principal spokesman for economic policy in the executive branch, it is fitting that the Secretary sit on the Fed's Board so that he may formally represent the administration during discussions on monetary policy.

To further enhance the President's role in monetary decisionmaking, H.R. 6639 would make the 4-year term of the Federal Reserve Chairman and the Vice Chairman coterminous with that of the President. This will enable the President to appoint a Chairman who shares his economic views immediately upon being sworn in or very soon afterward.

Under current law, the term of the Chairman overlaps for several years from the previous administration. For example, Mr. Volcker, a Carter appointee, will not have his term as Chairman expire until August of 1983, 2½ years after President Reagan took office. Likewise, President Reagan's appointee will continue to serve well into the next administration's term, regardless of the new administration's economic policy. Considering the unusual degree of independence of the Federal Reserve, it is easy to understand why the mix of monetary and fiscal policy has thus far been off key.

Greater coordination of monetary and fiscal policy is essential if we want to restore confidence in the economy and in our governing institutions.

The third way in which my bill would amend the Federal Reserve Act is to require the Fed to obtain its funding through a congressional appropriation. Currently, the Fed derives its operating expenses from the profits of its open market transactions. The Fed is the only executive or independent agency which is not subject to congressional oversight through the appropriations process. The need for enhanced congressional oversight is vital to making the Fed more responsive to public sentiment.

It is fitting that Congress has this opportunity to oversee the implementation of monetary policy.

The last change incorporated in my bill is a shortening of the terms of the Board's members from 14 to 7 years; 14 years is an extraordinary long time for any appointed official to hold an office. No other high ranking public official enjoys the luxury of a 14-year contract and the Federal Reserve should be no exception. In fact, most of the Board's appointees do not stay with the Fed through an entire 14-year term as is.

The insulation and isolation of the Board members is unwise given that their work directly affects millions of Americans who are dependent upon credit sensitive industries for their livelihood.

Mr. Speaker, I know that the Federal Reserve is almost a sacrosanct Government institution and that many members may be reluctant to trend the waters of reform in this area. However, I urge my colleagues to give my proposal its just do. The changes I have proposed in reforming the Fed are designed to encourage and enhance the adoption of sound monetary policy that is consistent with other Federal economic policies.

In a nation which is based on, and takes pride in its adherence to democratic principles, it is unwise and contradictory to have as small enclave of persons who are isolated from the general public deciding and implementing monetary policy. I strongly believe that the coordinated mix of monetary and fiscal policy that could be achieved through the proposals of my bill would better serve the American people. I urge my colleagues to join me in my efforts to improve the long term economic policymaking of our country.

The text of my bill follows:

H.R. 6639

A bill to amend the Federal Reserve Act to provide for increased responsiveness and accountability of the Federal Reserve System to the Congress and the citizens of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Reserve System Reform Act".

BOARD OF GOVERNORS SUBJECT TO APPROPRIATIONS

SEC. 2. (a) The last sentence of the first paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 289) is amended by striking out "surplus fund of the Federal Reserve bank" and inserting in lieu thereof "general fund of the Treasury".

(b)(1) The third paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 243) is amended to read as follows:

"There are authorized to be appropriated such sums as may be necessary for the salaries and operating and administrative expenses of the Board in carrying out the provisions of this Act. The Board may not expend any amount not appropriated pursuant to such authorization. The Board may enter into agreements with the Administrator of General Services with respect to the maintenance, operation, or protection of any building owned by the Board.".

(2) The amendment made by paragraph (1) shall not be construed to prohibit the Board of Governors of the Federal Reserve System from retaining amounts held by the Board on the date of the enactment of this Act and using such amounts for purposes of carrying out its responsibilities under the

Federal Reserve Act, except that such amounts may not be used for the payment of salaries and operating and administrative expenses of the Board.

(c) The fourth paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 244) is amended by striking out the fourth sentence.

(d) The amendments made by this section apply to fiscal years beginning on or after October 1, 1982.

TERMS OF MEMBERS AND EXECUTIVE OFFICERS OF BOARD OF GOVERNORS

SEC. 3. (a) The first paragraph of section 10 of the Federal Reserve act (12 U.S.C. 241) is amended by inserting after the first sentence thereof the following: "After the date of the enactment of the Federal Reserve System Reform Act, the Secretary of the Treasury shall serve as a member of the Board, ex officio, and the term of office of each member shall be seven years.".

(b) The third sentence of the second paragraph of section 10 of such Act (12 U.S.C.) is amended by striking out "for a term of four years" each place it appears therein and inserting in lieu thereof "until such time as the term of the President making such designation shall expire".

(c) The amendments made by this section shall apply to individuals appointed to be members of the Board of Governors of the Federal Reserve System or designated to serve as Chairman or Vice Chairman of the Board of Governors of the Federal Reserve System after the date of the enactment of this Act.

THE JOBS ACT OF 1982

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. O'BRIEN. Mr. Speaker, today my colleague from Michigan, Mr. GUY VANDER JAGT, and I are introducing the Jobs Act of 1982, which is designed to lower the high levels of unemployment in various States through a new permanent jobs creation tax credit which, for eligible employers, is intended to provide a sufficient incentive to create permanent jobs.

The basic characteristics of the credit are as follows:

For qualified employees, the credit would be 50 percent of wages up to $10,000 for the first year of hire. Wages also would be fully deductible as a business expense during the first year.

During the second year of hire the 50-percent credit would be allowed, but the amount of deductible wages would be reduced by the amount of the credit.

Qualified employers would be generally those located in congressional districts with very high levels of unemployment.

Two categories of qualified employees would exist. The first would include any person within a 12-month period who has either exhausted unemployment benefits or received more than 20 weeks of unemployment compensation and is currently unemployed. The second category would include any person over 18½ years of age and under 21½ years of age who is currently unemployeed.

The nationwide unemployment rate, which for the month of May hit a record high of 9.5 percent, is an extremely serious problem affecting all sectors of our economy. Of even more critical concern are those States, where unemployment levels exceed this national average, such as Illinois, Michigan, Ohio, and Pennsylvania.

Many people, including a majority of those interviewed in a recent nationwide poll, continue to believe that President Reagan's economic recovery program will succeed in putting people back to work if given sufficient time. Nevertheless, it has become apparent that an appropriate hiring incentive for prospective employers would be helpful in hastening a reduction of unemployment, especially in those areas of particularly high unemployment. Existing job credits in the Tax Code are inadequate because they are: First, targeted, or directed at a certain disadvantaged category of the unemployed, without taking into account the fact that unemployment is a problem which can affect all classes of people; second, not sufficiently lucrative to enable employers to offset the basic costs of creating new jobs; and third, not adequately targeted at areas of high unemployment. Various federally administered or sponsored job-training programs also have been ineffective in creating real jobs because all too often they have been the result of "make work" programs which produced no realistically productive activity.

At first glance, this tax credit may appear to be an all too hefty sum. But, it is important to keep in mind that we must first provide enough incentive to the employer. If our proposed tax credit works we will have people employed—that means an increase in revenue to the Treasury. It is estimated that each percentage point of decline in the unemployment rate results in a $25 billion decline in the Federal deficit. My colleague and I believe that our jobs bill will cut the unemployment rate by at least 1 percent.

I urge my colleagues to join us in our efforts in seeing that the Jobs Act of 1982 is considered and enacted quickly.

The following is a further description of the bill:

DESCRIPTION OF BILL

AMOUNT OF THE CREDIT

For the first year that a qualified employer employed a qualified employee, the credit would equal 50 percent of wages paid up to $10,000. In addition, all wages paid would be deductible. For the second year, the credit would be the same but the deductible portion of wages would be reduced by the amount of the credit. The first 3 months of employment for a qualified employee would not be considered for purposes of computing the starting point of the first year of employment in computing the credit.

QUALIFIED EMPLOYER

A qualified employer would be any employer located in a "high unemployment congressional district." A congressional district would qualify as a high unemployment congressional district in either of two ways. First, the district could be located in a high unemployment state. Such determinations would be made on January 1, April 1, July 1, and October 1 of each year and would apply for the following 3 month period. The determination would be applicable if for the 6 month period preceeding the month prior to the determination date, the average unemployment rate for the State has been at least 2 percentage points greater than the national average. For example, in the case of a July 1, 1982 determination, the relevant 6 month period would be December 1981 through May 1982. If the average unemployment rate in State X for this period were 10 percent while the national average for the period were 8 percent, State X would be considered a high unemployment State and all congressional districts in State X would be considered "high unemployment congressional districts" for the period July 1, 1982, through September 30, 1982, any employers located in such districts for the period would be qualified employers under the credit.

The second method of qualifying as a high unemployment congressional district would be for the Governor of the State in which the district is located to certify that counties comprising at least 50 percent of the population of the congressional district had high unemployment levels such that the average level of unemployment in the requisite counties for the 6 month period preceding the month prior to the determination date had been at least 1 percent in excess of the national average. In this manner, congressional districts with heavy concentrations of unemployed, located in States with relatively average levels of unemployment, could obtain the benefits of the credit.

Notwithstanding the above, no congressional district would qualify under the statewide method of determination if the average unemployment for the relevant 6 month period was 6 percent or less.

QUALIFIED EMPLOYEE

Two fairly wide groups of employees could qualify for the credit. First, any unemployed individual who had either exhausted unemployment benefits within a 12-month period prior to the date of hire or had received more than 20 weeks of unemployment compensation within the date of hire would qualify. This classification is designed to cover the group of people, no matter what age group, who are experiencing extended periods of unemployment.

The second group of qualified employees would include any unemployed individual who is over 18½ years of age and less than 21½ years of age. This classification is designed to qualify two groups of individuals in obtaining their first full time job in the private sector. The qualifying groups are either first, high school graduates or second, individuals who have been unable to finish high school but who nevertheless have recently been thrust into the job market.

A VERIFIABLE NUCLEAR ARMS REDUCTION AGREEMENT

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker today I am introducing a bill designed to provide adequate incentive to make possible the signing of a verifiable nuclear arms reduction agreement between the United States and the Soviet Union.

This measure joins two realities: First is the fact that one of the most serious challenges facing our generation is to bring about verifiable nuclear arms reduction agreement between the major powers. Second is the fact that Western aid and credits are very important to the Soviet Union and her satellite states.

The essence of this legislation is to establish as American policy that if aid and credits from the West are to be considered for the benefit of the Warsaw-bloc nations that at least a verifiable nuclear arms reduction agreement between the U.S.S.R. and our Government will have to have been completed.

The specter of nuclear conflict has generated justifiable concern that the very dangerous situation we now face needs defusing. We need to create additional incentives for the Soviets to participate in meaningful nuclear arms control. This bill does exactly that—it stems the flow of free-world aid and credit to the Warsaw Pact until a verifiable nuclear arms reduction agreement is obtained with the Soviet Union.

Verifiable nuclear arms reduction is clearly the most important challenge facing our generation. America has a responsibility to lead in the struggle for a lasting peace for the future of freedom. Indeed the existence of humanity is fundamentally involved.

The legislation specifically proposes no economic assistance may be provided by an U.S. Government agency with respect to any country which is a member of the Warsaw Pact until the Soviet Union has signed a verifiable nuclear arms reduction agreement; that private commercial interests in the United States should refrain from making loans or credit advances with respect to Warsaw Pact countries until the Soviet Union has signed such a nuclear arms limitation agreement; in the event such loans or advances are made with respect to Warsaw Pact countries and defaults insure, the U.S. Government will not assist in obtaining relief for those who made the loans or advances; and finally, that the President should seek agreements with our allies to halt the flow of financial credits, loan guarantees, and other forms of economic assistance to the Warsaw Pact countries until the Soviet Union has signed a nuclear arms limitation agreement.

The U.S. Government has gotten into the untenable situation of financing, in part, both sides of the arms race. U.S. Government aid, loans and guarantees through programs such as the Export-Import Bank and the Commodity Credit Corporation have taken the pressure off the Soviet economy to maintain living standards in Soviet satellite nations. In addition, private commercial firms and West European countries have provided large capital infusions to the East. This has had the result of releasing resources which have helped the massive Soviet military buildup to occur.

We should be using our economic superiority to gain strategic leverage over the Soviets on a whole range of foreign policy and military issues. Yet, as incredible as it may seem, the opposite is occurring. The West has been indirectly aiding the Soviet military through massive capital flows to the East. This absurd situation must not be allowed to continue. Nuclear arms must be controlled and Western capital infusions to our antagonists must be halted.

I am very pleased to announce cosponsorship of an almost startling cross section of ideology, philosophy, geography and personality which is the mix which makes up the strength of this House. Republican or Democrat—conservative or liberal—hawk or dove—gypsy moth, boll weevil or yellow jacket—we have all come together to say "verifiable nuclear arms control is critically important and it is about time that America begins to use its most important strength—our economic strength—to insist upon meaningful steps toward peace—to support freedom—to strengthen the prospect for democracy throughout the world—indeed perhaps to save mankind."

"THE UNCOUNTED ENEMY: A VIETNAM DECEPTION"—A MEDIA MISTAKE

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BAILEY) is recognized for 60 minutes.

GENERAL LEAVE

Mr. BAILEY of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material in the RECORD on the subject of the special order before the House.

The SPEAKER pro tempore (Mr. MURPHY). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BAILEY of Pennsylvania. Mr. Speaker, the purpose of the special order tonight is that there was a documentary, so to speak, produced in the recent past by CBS News entitled, "The Uncounted Enemy: A Vietnam Deception."

It was a CBS documentary, and the interviewer or main actor in the program was a fellow by the name of Mike Wallace, well known to us and to the American public. It dealt with supposedly or allegedly deliberate misconduct on the part of American officials, particularly Gen. William Westmoreland, during the Vietnam war years, and particularly the Tet offensive.

The program has evoked a huge amount of controversy. Based on innuendoes contained therein, some of the factual material, the way the documentary was put together, the way it was structured, and also because it raised some very serious questions perhaps in the libel and slander areas, I think should be brought before the American public. I am a consumer of the news. All of us are. When this kind of material comes before us, it bears scrutiny, and it has been criticized by other members of the news media who I think are doing their job.

Mr. Speaker, I now yield to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Speaker, I wish to thank the gentleman from Pennsylvania for taking this special order. Additionally, Mr. Speaker, I wish to express appreciation to my friend and colleague, Mr. BAILEY, for the contribution he made to the security of our country through his work on the Armed Services Committee and on the battlefield. He is a great American.

Mr. Speaker, the recent controversy over the CBS documentary, entitled "The Uncounted Enemy: A Vietnam Deception," raises some very interesting points which are considerably more than academic. The points strike at the heart of what may be one of the biggest problems in this country.

Many of us simply cannot fathom the full impact of the national media on the course of events in this country and around the world. Probably more misconceptions, which have led to flawed policy decisions, have come from the evening network TV news than any other source in America. The networks, restricted by a set timeframe less commercials, have at times—too many times—gone for the sensational or the telegenic, at the expense of the kind of background which an informed public badly needs.

While on balance the national media may do a good job, the fact remains that examples such as the treatment of General Westmoreland are all too frequent.

The craftiness of the army of behind-the-scenes personnel dwarfs the defenses of the single individual on whom the cameras may be poised.

Even when the code of honor is scrupulously obeyed, the TV eye can create impressions or distort truth in a way that may be difficult ever to erase.

While Government should not be dictating or censoring the content of programing, there should be some way in which the public airways not be used to distort the truth, tell lies, or defame reputations.

The printed media are no less vulnerable to such pursuits, but the Government's relationship to newspapers and magazines is vastly different than that of TV and radio. The latter derive their right to exist from the Government. They represent a stewardship of publicly assigned frequencies and channels, which in many cases have tremendous monetary value.

When such public trust is used in a damaging way, it should become a matter of public concern.

At this point—and given the subject matter in question—one might speculate the extent to which the outcome of the Vietnam war was dictated by TV coverage, both on the battlefield and in the demonstrations at home. However, the issue here is even more important than that.

The people's right to know and the media's first amendment protections, do not include the right to misrepresent and to vilify respected leaders such as General Westmoreland. To report the truth is one thing—but to distort, conjure, and manipulate it is quite another. While the subjects of such documentaries in the future may well exercise the option of not agreeing at all to interviews, this scarcely qualifies as a solution.

There is no wonder that a large majority of viewers question what they see and hear, for if this is an example of the method by which documentaries are given birth, the whole system suffers.

Admittedly, anything done on the Vietnam war, at this point in history, is probably going to lack complete objectivity. The scars and memories are too new—the passions too easily aroused. However, even with that stipulation, methods employed in the documentary in question can be seriously questioned. One has to consider that such material is, in fact, an editorial and in fairness it should be so labeled. It becomes even more of that character when material and facts are selectively presented—in and out of context—and millions of people are left with the impression that all is fact.

General Westmoreland has honorably, faithfully, and professionally served his country and his indignation over the manner in which the program was presented is justified. I was in Vietnam four times during that war and know firsthand of his dedication to purpose and to those who served with him. The night our Navy flyers knocked out the first enemy SAM's, he personally decorated these men. This was not told to me by CBS. I was there.

It is noteworthy that a publication such as TV Guide vindicates General Westmoreland's original contentions. One cannot help but wonder if the total purpose of such investigative reports by CBS does not still come from a longing to get back in the streets and to rehash the whole problem of the Vietnam era.

Mistakes obviously were made in the conduct of the war, but history will record that they were made by the politicians in Washington, not by our military leaders in the field. I know firsthand the feeling of frustration experienced by our military leaders and our field commanders. The recent history of Great Britain in the Falklands might have had an entirely different outcome had the television stations of that nation taken upon themselves the role of foreign and defense policymakers.

The lesson that might well emerge from the whole episode is that never again should we enter into another conflict that we do not commit ourselves to winning. If that lesson be learned than those who died, those who suffered in countless ways, and those whose reputations are still being scarred may not have sacrificed in vain.

□ 1740

Mr. BAILEY of Pennsylvania. I thank the gentleman very much and particularly for his very kind personal comments.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. BAILEY of Pennsylvania. I will yield to my colleagues in the order in which I received requests in my office and then yield to other Members.

I would be delighted to yield to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. I thank the gentleman for giving me this opportunity.

I will also be brief, but this is so important that I did want to try to make a few points here this afternoon.

I certainly commend the gentleman in the well. We are going to miss him for his leadership he has given us, especially in the Vietnam-era area. He is the most decorated Member of the House in combat from the Vietnam war and we certainly appreciate what the gentleman has done in bringing attention to this situation that has happened pertaining to the CBS special that really hit General Westmoreland awfully hard.

The gentleman from Virginia (Mr. DAN DANIEL) mentioned that he had been to Vietnam four times. I believe I went to Vietnam more than any other Member of Congress during the combat time, having gone there eight times during the war years and four times since the war was over.

As I said earlier, CBS certainly, I thought, was very unfair to General Westmoreland. There were many other areas if they wanted to do some type of special on Vietnam that they certainly could have picked which would have been a better subject, a subject that made more sense.

When I was over there watching General Westmoreland and company commanders and platoon leaders and sergeants, they were just trying to survive. They were trying to dig out the enemy. They were trying to destroy the enemy. And they were trying to save American lives and also the lives of our allies.

They were not that much interested in enemy counts. As I say, in war you try to survive and you try to attack the enemy.

So, quite frankly, I just did not see any coverup. They gave me the best information they had.

As I said, I was over there more than any other Member of the Congress during the combat time.

Let me point out several areas. One is the TV Guide which had a publication several weeks ago pertaining to the unfairness and how they slanted this special CBS report. The TV Guide was very supportive of being fair to General Westmoreland.

As I understand it, TV Guide said that in the interview they did with General Westmoreland some time ago, before they actually ran this special, CBS asked him one question and he gave an answer. They did not use that answer to the question they asked but they used another answer. It certainly can really make a person look totally out of place and make that individual look bad.

They took the witnesses that were more favorable to what CBS was trying to prove and did not use some of the witnesses who had some good information. I speak of Walter Rostow, a Johnson aide, who knew what the President knew about the troop infiltration figures, about the number of enemy troops. He was interviewed for 3 hours, the fellow that was the closest to President Johnson, but not 1 second of his taped interview was aired on the program.

Certainly that was not cricket, and it was not fair.

I will close now because I do not want to take all of the gentleman's time. But I was talking to Senator George Murphy recently. Incidentally, Senator Murphy reached the age of 80 several days ago. He was honored on the Hill. He is a former Member of the U.S. Senate from California. He, as you know, was one of the leading actors in Hollywood.

I was telling him about this documentary that was done. He said that CBS had done him the same way when he was a U.S. Senator and he was in California. He was at a function and he had one expression on his face of gladness of what was being talked about. But then CBS showed Senator Murphy in a frowning mood like he totally disagreed with what was being said.

I just think the networks have got to be more fair and they have to pick subjects that come up and not treat one of our great warriors, General Westmoreland, as they did.

He had a tough job. Everything goes wrong in combat. The gentleman knows that. All plans fall apart. You cannot go out and pick one area and then another area. You can always find something to gripe about or put together that makes a person look bad.

I thank the gentleman for giving me this opportunity.

Mr. BAILEY of Pennsylvania. I thank the gentleman very, very much.

I would ask the gentleman from California (Mr. McCLOSKEY) how much time the gentleman was planning on using.

Mr. McCLOSKEY. Will the gentleman yield?

Mr. BAILEY of Pennsylvania. I yield to the gentleman from California.

Mr. McCLOSKEY. I really came to listen and to try to respond.

Mr. BAILEY of Pennsylvania. I could get back to the gentleman later if he would so desire.

Mr. McCLOSKEY. I have taken an hour after the gentleman. I have brought the transcript of that CBS program hoping the gentleman would hit the specifics of any deception in that transcript itself.

Mr. BAILEY of Pennsylvania. I may. I do not know. We will refer to different parts of it.

There is a great deal of information in the media on it already and the gentleman is familiar with the TV Guide article. You have a litany of differences in front of you, I am sure.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. BAILEY of Pennsylvania. I yield to the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. I appreciate the gentleman's effort and commend him for taking this time so that we might be able to discuss this program.

I do not know why it is that some people, and especially some people in the media—certainly not all people who are in the media—seem to be concerned about doing whatever they can to bring disrepute and to bring this country into a bad light throughout the world. They seem to want to do whatever they can to tear down our leaders and to make disparaging remarks about them.

This, to me, is a good example of slanted reporting, propaganda, or whatever you want to call it. It is an example of a preconceived scenario being arrived at and then the old familiar story of the statements being taken out of context, friendly witnesses being led down the primrose path, no harsh questions of the friendly witnesses, slanted in every respect, obviously distorted.

I could go on and on.

I do not want to take up the gentleman's time because he has many things to say. I just want to commend the gentleman again and say that I support the gentleman in his cause for an investigation on this entire sordid affair.

Mr. BAILEY of Pennsylvania. I thank the gentleman very much.

I would ask the gentleman from California (Mr. McCLOSKEY) if he wants to take some time, or I can finish and try to save some time to answer the gentleman's questions.

Mr. McCLOSKEY. I will tell the gentleman just basically the interest I have.

When the Vietnam war started I was with the Marine Corps.

Mr. BAILEY of Pennsylvania. I am intimately familiar with the gentleman's position and the gentleman's views.

Mr. McCLOSKEY. Regardless of the views, on four occasions that I went to Vietnam, after being elected to this body, on each occasion I was furnished by MACV, either in Saigon or in the Four Courts area, or in the 44 Province areas information that was clearly false.

To give an example, here is the confidential popular force statistics of region 1 showing enemy killed 5,257; friendly killed, 861. That was in 1969. The kill ratio is about 8 to 1 and that is what Congressmen were told on visiting that area by our administration, by our generals, by the people running both the classification program and in the military.

Those statistics, added up for the 8 years of the Vietnam war, would have indicated that we had killed all of the Vietnamese, both Vietcong and irregulars and the NVA, that there was nobody left.

About 1969 the man involved in the CIA, Sam Adams, who was concerned with the reports because the CIA estimates had been overruled by DIA and the Defense Department, that is what he was complaining about, he came to my office in the late 1960's, as I said, and said he was afraid of being executed if his views were known.

□ 1750

He wanted to keep in my safe or leave in my safe, in the event anything happened to him, the true statistics of the Vietcong strength and particular the irregular strength and the details of the debate.

I left them there, I think, for about 4 years. I think it was the Watergate period, 1974-75, when finally the true statistics began coming out, and in this particular telegram Westmoreland and Abrams, I believe, had said, "We don't want the CIA's estimates being known because it will give comfort to our enemies, and if we are to continue public support for the war, we don't want these irregulars included in the fighting strength of the Vietcong."

And because of that personal involvement and because of this collection of statistics that I had accumulated that were obviously false, when I saw that the gentleman was going to take a special order to perhaps indicate that the coverup had not occurred, I wanted to be here to perhaps respond or at least ask questions point by point. I will not interrupt other than that.

Mr. BAILEY of Pennsylvania. Before I make my remarks, let me respond to just a couple of things that the gentleman has said, and maybe share a few of my experiences with the gentleman.

The issue of body count is, at best, a difficult one. I served with the 101st Airborne Division in Northern I Corps, against I guess the best troops they had, and it was an area of a great deal of combat there. In my experience, in all likelihood, I would have to say that the body counts probably were conservative, particularly if you made any judgment of the impact of supporting fires in particular. I am talking about fire missions by artillery, aerial rocket artillery, along with some of the bombing that was done. In other words, body counts called in, particularly by ground troops, I think, were rather conservative. I honestly do not know if those figures were either deliberately inflated or if they were in actuality accurate or not. I do know this much: To make some great issue of the body count thing, as if it is to blame for policy decisions at the time, is something that should be looked into. I do not know if it is a matter of historic preference. I use that word "preference" because perhaps some historians or some journalists or some politicians—and that is not, incidentally, directed to the gentleman personally—desire to have it go down in history a certain way because Vietnam still sticks in the American craw.

I do know this much: Intelligence gathering and the dissemination of intelligence information is, at best, an iffy game, a very difficult one. I do know this: I got in country in 1969, and within a week or two I was involved in the edge of the A-Shau Valley, a night defensive perimeter, where we were attacked. We did not lose anybody, we were very successful in repelling that attack, but those sappers were good. They were well

trained. The ones that we killed, it was obvious to us they were extremely adept at what they were doing, had a great deal of courage. I never hated a man I fought. I still do not. I disagree with them, though. I would fight them again. But they were good, they were good soldiers. And the intelligence we got on those units indicated that they were very well trained and had excellent backgrounds and they were good effective soldiers.

When I left—it was better than a year later—I was a company commander. I was a platoon leader at that time. I had a rifle company. I was on fire base arsenal. We were hit in a sapper attack there. They were amateurs. Some of them were kids. They were very easy to defeat. There was no comparison between the soldiers that I saw toward the end of the period of time that I was there and the soldiers that I encountered when I first got there. Indeed, some of the interviews we conducted, even the prisoners that we took, indicated that the amount of training time the sappers had been in a program in North Vietnam, most of the units received up to 2 years of training, how to crawl, how to cut wire, how to do so many of these things, turning claymores around, dealing with trip flares. But, you know, the sappers that hit that fire base, fire base arsenal, just southwest of the city of Hue, 3 of them—and there were 22 of them killed—3 of them had 2 months training. We took prisoners there too. There was just no comparison with those units; and they were out of the same parent unit.

I would say, in my experience, that the impact of American weapons, at least from a military point of view—and I would probably debate with the gentleman to the end of time the political side of the war and American policy reactions—I really thought that there was quite a change. We had whole platoons of enemy soldiers—it did not make many headlines here; that was not news—desert and come over. We had village forces—they used to call them rough puffs, and the gentleman probably knows what I am talking about, just a little provincial force—whose ability I think was greatly augmented. Before I go into these remarks here, because I am more interested in the substance of the CBS report than how it was done, really, than I am disputing some of the honest disagreements with these figures, I would just say that we cut aid to the south, if the gentleman will look at the record, after we disengaged. That was after the United States as a military force had left Vietnam. We cut aid. George McGovern was one of the leaders in that effort, incidentally. Originally we were at a level of about $1 or $1.2 billion; reduced to about $700 million. It was cut in a further amendment to $300 million. Meanwhile, aid to the North was increased by the other side, the Soviet Union, the Communist bloc countries, China, et cetera, to the vicinity of $1 billion-plus. Some said $1.5 billion. Again it is hard to eyeball these things.

South Vietnam stood at that time, although she was given credit in our press for being so well supplied, for I think better than 2 years. And I will tell you why I think that was: I really do believe that the military effectiveness of the North was very severely damaged, and I also believe that the South stood for the period of time that they did because one of the serious problems that the North had militarily was to retrain and to regroup and to regrow a few kids from 15 and 16 years of age to 17 and 18 years of age with a little bit of experience.

Combat is not an easy thing. Contrary to the popular notion, the youngest are not necessarily the coolest heads sometimes, and you need leaders and you need trained people to do the job.

So I think those things become part of a larger rationale sometimes. I really think. But I must say that, in my experience, there were changes. There was severe damage done to the North in terms of manpower, although they had a sufficient manpower base to supply the South with all of the soldiers they needed, given our containment policy there. They really had the population base to do that. But I do not doubt that those figures were pumped up by the people in the field. Not deliberately. Just to call back, you know, to kill one soldier in a blood spot there, and to call in two KIA's. You know, a squad leader, a platoon leader, a company commander is going to do that. And there is no doubt in my mind that if someone is flying a *Cobra* around up there somewhere, throws a few rockets down and comes back in and sees a rucksack laying down there, he calls in a KIA. But I tell you, those kinds of arguments are not going to settle the historic questions surrounding what this Nation and this Nation's leaders did in the Vietnam war.

Mr. McCLOSKEY. Just to say one thing, as a former rifle platoon leader in the Marine Corps, you know the respect we hold for the Airborne.

Mr. BAILEY of Pennsylvania. I know. I respect the gentleman. They are the best unit. You are right about that. I am glad to hear the gentleman admit that before the House.

Mr. McCLOSKEY. Well, I would admit it on the floor of the House because I saw them operate in an earlier war.

Mr. BAILEY of Pennsylvania. I thank the gentleman for being so kind.

Mr. McCLOSKEY. But, in any event, I suppose that the concern I have is not with the fighting man—the corporal, the sergeant, the lieutenant, the rifle company commander—but it stems from the policy followed in the Pentagon that if facts are adverse to the policy that the Commander in Chief would like the country to pursue, those facts will be suppressed. And we operate against the specific knowledge that the Secretary of the Air Force, for example, for 18 months was not told that his own Air Force was bombing in Cambodia, that the entire command structure was set up to conceal from the civilians in command of the military echelon the fact of what the military was doing.

The attack of CBS on General Westmoreland was not any attack on the conduct of the war, as I understand it, but the suppression of evidence.

□ 1800

Mr. BAILEY of Pennsylvania. Let me say this. I have no doubt in my mind that we could probably analyze the Vietnam war, the gathering of information, policy decisions, we are going to find a lot of people take the wrong things, maybe errors of judgment. I think we are going to find people who deliberately did mislead. There is no doubt in my mind that this probably did happen.

Democracy is to me—and I borrow a few of the things I am going to say—democracy is very much to me a political faith and the cornerstone of the faith is the first amendment and the people that traffic in the first amendment, particularly those that trade in the first amendment, have a great responsibility. I am not concerned with protecting anyone. I am an American citizen who fought in a war, the goals and purposes of which I still support. I am very proud of my service. I am very concerned not only with my pride but with the pride of other Americans that served there. I am also very concerned that my country and those things for which it stands moves on through history with the ability to make informed judgments. That cannot and will not be done if those people who have the responsibility and the power of the press do not meet some standard of responsibility.

Times change. The relationship between institutions changes and the relationship those institutions bear to the decisions that are made in the public arena change over time. We are in an age of great, great power, afforded those groups and those institutions, that trade or traffic or work in the first amendment area.

If the country is going to continue to be the greatest Nation on Earth—and I happen to just be one of those old-fashioned people who believes that it is, primarily because I really truly believe it does stand for those very good and basic things that humanity should

be all about—then I, as a citizen, as a voter, as a consumer of news, as a policymaker, I want the truth.

I am not interested in somebody's personal vendetta. I am not interested in somebody trotting out an editorial comment from 10 years ago and trying to substantiate it so that they can point a finger somewhere and say, "I was right." I just want the truth.

I think the issue in the CBS documentary—if the gentleman would be so kind to consider it—is not the responsibility that any news organization would have to ferret out and examine the truth but realizing truth is a word that in the context of a public policy decision sometimes engenders a multitude of opinions and needs to be presented in a fair and balanced way, that when that is not done damage is done to this country and I am offended as someone who has had to look at television for my information and pick up a newspaper to find it and I want some balance and I want some truth.

I will read you a quote by Dan Rather, and everyone knows Dan—I think—"The first amendment is not for the protection of journalists. It is for the protection of your right to know."

Well, Mr. Rather is correct, and if that is correct, then I think because I share the feelings of the gentleman from Mississippi (Mr. MONTGOMERY), the vast majority of journalists in the United States of America are very decent hard-working people and I have a great deal of respect for them and I have no personal ax to grind. But I think on a few of these CBS white papers, they have overdone some things. I think on the "Selling of the Pentagon," I think they did the editing thing the gentleman was talking about earlier. I think, in this report, I do not think they presented a balanced view so that the issue is not distorted or misunderstood. We are not talking about the rights and wrongs of American policymakers—at least I am not. I am talking about the responsibility of a news organization to give me some balanced information so that I can make an informed judgment.

This is not hot news. It is a documentary. I am seeking some balance. I am seeking some different sides. I am seeking a dispassionate and reasoned judgment of the issue, not some editor's personal opinion and not some reporter's misuse of privileged access to the American public. I do not know if that happened, but I think there are some abuses here perhaps that should be looked into, especially considering the fact that on the entire issue, Otis Pike was chairman of the subcommittee I believe at the time it was studied by this Congress before the public got in the open in 1975. What the gentleman said incidentally about the 3-hour interview with the Presidential advisers is 100 percent; he is on the record stating the fact that not a single word of his view was heard, which just happened to be in contrast to the CBS documentary, which incidentally is presented as a point of view. There is a thesis printed, then the premise is supported throughout the show. It is not some panoramic view of an issue.

I think there was here a deception. I honestly do. It is an interesting word, we all know its definition, the reasons for it, I think, can vary anywhere from being deliberate to overzealous, and I would like to think overzealousness because in this case that we simply have no folks that sit down with a point of view and for some reason why they popped up with this thing at this time I do not know—it is the only thing I can find on the public record. General Westmoreland has had a great deal of criticism about the media role during the Vietnam war years. I have voiced those criticisms. I do not think they are as a result of some kind of collusion or some type of design on American freedom. But I think it has been in the nature of the institution that developed some approaches or some practices which, during the war, became abusive.

I would say that the CBS report made two major points. One, an innuendo. The innuendo was that the Tet offensive—I suppose this goes to the point that Walter Cronkite would have us believe—was essentially a military defeat. In a point of speaking, you could say that, I suppose, if you look at the entire war as some type of military political picture, which in reality it was, and say as a policy matter, it was a policy failure and a military defeat. I suppose you could reach that conclusion.

But basically, you cannot if you examine the thing totally and strictly within military parameters, within military definition, the Tet certainly from a military point of view was a disastrous defeat for the other side. I do not think even they question it.

In fact, there is information to believe that they accept very much the reality that Tet was, from a strictly military point of view, rather a failure. From a propaganda point of view, it was a great success with which they had a great deal of unwitting help here in America.

But nonetheless it was.

But the CBS documentary makes a very serious charge. And that is that American leaders deliberately, and particularly Westmoreland, deliberately falsified figures, and you know for what purpose I cannot understand. You know we are all history buffs. I am sure we know about and the gentleman from California I am sure is familiar with General McClellan of the Civil War and some of his difficulties with President Lincoln. You know McClellan always needed another battalion or another brigade, he always needed more horses, more ammunition, needed to rest his troops. My experience at least as a small unit leader was that most military leaders have a tendency to scream for more and overestimate what they are up against. If this conspiracy was in actuality a conspiracy, as opposed to an honest difference of opinion, which I think it was, among advisers to Westmoreland at that time, at least it appears to be, because there is a difference of opinion over the information he was given.

□ 1810

They generally have a tendency to complain about not having enough to do the job and they are also very much concerned that history will bear them out to be wrong, a normal human reaction.

If General Westmoreland deliberately falsified these reports, he was a very stupid man; but perhaps we should criticize him for stupidity. Logic would dictate if those numbers were overinflated, all I suppose it would cause us to do would be to overcommit forces or make ourselves a little stronger in reaction to them.

So, really, if you follow that logic, I guess you just have to come down and say either the general and his advisers were just plain out flat dumb or wrong because they must have underestimated something, at least if Tet was a military defeat. Since it was not, I suppose that logic is not very appealing.

What they do allege in the CBS documentary is that General Westmoreland deliberately falsified information and deliberately misled his superiors.

Therefore, I would make this recommendation. I do not know—it is not our province, of course, to investigate a news agency—but I think we need to check back into this thing. I really think we need to look at the CBS documentary; incidentally, we did want information on the "Selling of the Pentagon."

By the way, are you aware of the fact that this House—in fact, Congressman FRANK HORTON, as a matter of fact, we had requested information, wrote an excellent article, a law review article, and CBS was asked to submit material that substantiated the claims they made in the "Selling of the Pentagon." They refused, and committees of this House actually considered using the subpena to get that information, because CBS was unwilling to supply it; just like they do not want their 6:30 news shows going to some archive in a university, I guess.

This thing, this issue has really got to be resolved and if it is not, I would recommernd one thing to General Westmoreland and I hope somehow, some way he gets this information, because I am going to try to see that it gets to him, or at least this special

order and some of the information here.

The Supreme Court of the United States, in its infinite wisdom, has simply emasculated the meaning of libel and slander law in the United States of America. It is not serving the interest of decent journalists at all well.

No one wants to kill the first amendment, an often used term and dictum, by the way, and not much has shown up as a matter of law anywhere; but something has got to be done to come up with a realistic approach to what this so-called marketplace of ideas that these agencies trade in and the people's right to know and discern it from the publisher interest and also provide some recognition of a person's interest in reputation with a modicum of respect for privacy. Those are the constitutional issues that swirl around in my mind concerning something like this. If there is a people's right to know, then I would ask the journalists—the galleries are not full now, talk about journalistic pay and maybe we will get a bunch of them out—but I would ask them to consider, just consider some type of standard that will gain them some credibility.

I will relate one more experience and then recognize the gentleman from California.

I recently had the great opportunity to particpate in a "60 Minutes" interview. You know, the most significant thing about my doing that is the criticism that I received from people, not just Members of Congress, incidentally, for even participating. Do you want to know what the comments were?

"You're an idiot for thinking they are going to present your views fairly. I don't know why you did that. You're a fool. They're just going to write it up or do it the way they think they would like to."

Those are the kinds of comments that I received. I do not know if that is public confidence in "60 Minutes" CBS reporting; but I have got to tell you how the interview went and I feel badly about this, because Morley Safer is a nice guy. He is a nice person. He is a likeable fellow, very courteous. I know he regretted coming into my office, because we had a long discussion and he likes to discuss; but I asked if I could have a tape of the interview.

No, I cannot have that.

"Why can't I have that?"

"Well, you might edit some of the things out."

Well, I said, "I'm not worried about my editing."

I said, "I will stipulate and I will buy the tapes from you. I will stipulate that I won't cut them anywhere at all and use them without your approval, but that if they are shown, they should be shown in context."

"No; we won't give you a copy of the interview."

So I had a little private camera there off to the side, one of those little things, you know, taking a picture of the interview.

Then you go through this phase. You get asked a whole series of questions and, gee, I was proud of myself. I thought I did very well. It was on the Vietnam Veterans Memorial.

Then the camera leaves and the camera goes over behind you to take what they call the reverse, but the questions are different. There is a fellow, sits over here with a tablet and he writes them down and then when Morley Safer asked me these questions, his face is different. He is sitting differently in the chair. The whole thing is different.

A little thing, maybe. I do not know. I think it is subtle, but I think it is out of context.

I asked, "Why don't you have two cameras to take this thing with views back and forth and do it right?"

Do you know what the answer was? "It's too expensive."

For CBS, it is too expensive. You want to look at some of the most profitable corporations in the United States of America? I suggest you do and you will find that CBS does pretty doggone well.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. BAILEY of Pennsylvania. Yes; I yield.

Mr. McCLOSKEY. Let me just say this, that I took the extra hour and any time I take from what the gentleman needs, I will certainly yield out of my hour, so the gentleman will get a full hour.

I do not think any of us in politics would object to what the gentleman has just said or would disagree with it. I just finished a 20-month Senate campaign. I can think of hours and hours of debate in which a television camera took maybe half an hour or 40 minutes or an hour, but picked perhaps 20 seconds out of the evening news, because that was all the time that a Senate campaign could command out of, say, the Falklands war or the Mideast war, or whatever was happening at the given time.

I can understand the gentleman's concern for balance, but I do not know how Government can establish how they create that balance without an even worse evil. We all puzzle over that problem.

Mr. BAILEY of Pennsylvania. Can I respond to that problem?

Mr. McCLOSKEY. Surely.

Mr. BAILEY of Pennsylvania. I think I can. First of all, the worst thing in the world—I am so concerned about first amendment issues, because I would fight to the death to prevent Government interference of freedom of the press. I believe in it and I think because of my very deep belief in it, it hurts when I see it abused. If this were hot news, I could understand it. If there were a need in this case to present the show in this manner, I could see it.

Too many things here that are just done in what appear to be an unfair way. There is just too much of a presentation of one point of view and it is presented in a context which does not raise questions, but presents allegations of fact. It is just not fair.

You know, Tom Shales from the Washington Post starts commenting on the TV Guide editorial. He does not spend any time talking about the substance of the CBS report. He spends all his time telling us how disreputable TV Guide is, apparently because their views are too conservative or something. I do not know, or because somebody is a friend of the President. I really do not know; but I know there is very little time spent on the issues.

I read an article in Newsweek and it jumps to the defense of CBS. I suppose that is advocacy journalism, whatever that has come to mean.

Again, there is not much time spent on the substance of the way the thing is done.

TV Guide is criticized, incidentally, because a couple of their reporters are not experienced investigative reporters. You know how it works, an entry level kid, "Apply here when you got experience," or something. They supposedly could not do the job.

There are apologies that are attributed to the general which I have researched out that really I think were taken out of context by CBS concerning an interview, information of what was going to be in an interview with him with Mike Wallace. He got the letter a day before the interview.

Allegations have been made that the witnesses that presented what really is a pro-CBS point of view were coached and were interviewed and practiced before they appeared.

Mr. McCLOSKEY. Mr. Speaker, if the gentleman will yield further, I am a lawyer. I was a trial lawyer. I participated in a lot of trials where you were trying to present a balanced view to a jury and I can tell you we always coached out witnesses to come out to the best example, and we assumed the other side did, too.

I assume what the gentleman is saying is that there is no other side here. I agree with the gentleman on that. How do you get fair treatment?

□ 1820

Mr. BAILEY of Pennsylvania. Here is what I think we ought to do, I really do. I think we ought to, in the first place, try to appeal to the country's journalists in the interest of our ability as legislators, even, to write decent law in this country. We know how dif-

ficult it is because they are more interested in social life in Washington than they are policy decisions, unfortunately. I think, in other words, you need some sort of self-control among the media.

There is quite a movement, incidentally, amongst the American media to do just that. There really is.

The area that really concerns me most, though, however, is the liability-slander area. I have been a student of the law in that area. And from the Sullivan case, the Hill case on down, the whole progeny, I really think that we need the court to begin to exercise some kind of restraint here. I can understand even complete freedom when you have that hot news problem and that bulletin problem, that kind of thing.

But the way some of these things are put together, the editing techniques, the fingers that are pointed at people's characters, character assassination work, and I am not talking about political points of view; I am talking about factual allegations. Individuals need some recourse or some protection.

The Hill case is a perfectly good example. A family, plain and simply a family, where some prisoners had broken out of jail, they had broken into this home. Now, they had not mistreated the family. There was a young girl. They had not molested her, or anything like that. They were then captured.

Well, a play was written about this incident, and naturally, the play dramatized it and blew it up and embellished it quite a bit.

But there was then a news presentation done, in this case in a magazine—a Time-Hill publication, or a Time publication; I am not sure whether it was Life or something; I do not know—but it showed the house and presented this thing as an actual happening. One of the allegations it made, or one of the things it presented, was that the young girl, the daughter, had been sexually abused.

I think of that family, I think of that girl going to school, and the family having to eventually sell their home and move. Pictures of the home appeared in this thing. But there was no recovery, no damages.

As a matter of fact, there is no protection for reputation in this country left. I think Members know that for a matter of fact. One would have to show a degree of intent that is so extreme that it is just not practical to try to bring a case. Of course, you look foolish because you are going to lose the case.

Now, if the first amendment is going to mean something, the people that present information to us are going to have to balance some rights in this society, and if the right to know is going to mean anything, we cannot write that into our libel and slander law, but the news media has got to write it somehow into their codes and they have to look at a CBS news, because in some way CBS, I really do think in many of these approaches they take that are abusive. I really do believe that they are.

They are not giving us accurate information. The trouble is that the story never gets out afterwards. One does not have sufficient power to present a different point of view in a different forum.

People have their characters smeared and they are never rehabilitated. They have to die or a family has to look to history to see a little bit of justice.

So I think some libel-slander standards that the court could rewrite would help. I would hope that General Westmoreland would take this thing—they allege malfeasance of office. I do not know if he could show any actual damages which would inhibit his case. I wish he would take the thing to court and try to at least get this thing before the public.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. BAILEY of Pennsylvania. I yield to the gentleman from California.

Mr. McCLOSKEY. What the gentleman is aiming toward I have no quarrel with at all. But I have spent time—as the gentleman knows, I was on FRANK HORTON'S committee. We wrote the Freedom of Information Act.

Mr. BAILEY of Pennsylvania. I know you had; that is why I brought it up.

Mr. McCLOSKEY. Then we had the Privacy Act amendments, trying to reach this balance. The first year that I was in the Congress, 15 years ago, I attended a seminar at the University of Chicago with leading journalists in the country trying to examine this very problem, and the best remedy that I heard expressed was that the journalism profession, if it were to be a profession, should adopt standards that the bar association has.

Mr. BAILEY of Pennsylvania. I agree.

Mr. McCLOSKEY. To punish its own members; to say instead of giving the 10 Golden Quill Awards every year, for the 10 best editorials, that the 10 people who wrote the most slanted stories, or the 10 headlines that most grossly overexaggerated or misrepresented the body of the article, or the newspaper that catered most to its leading advertisers in the slanting of its news stories. But all of the remedies that were recommended were that a profession establish its own professional standards and enforce them by publicity. No remedy that we could come up with attacked the question of how Government, through law, might change, say, the slander-libel laws or the condition that applies to a public servant.

Mr. BAILEY of Pennsylvania. Except the court—except the court. I strongly agree with what the gentleman just said. I would oppose and fight any Government interference. I cannot imagine that the country could be without a free press, unfettered, totally uncontrolled by the Government.

I think if there is going to be restraint—and we do have limited restraints now; in effect, you do, really—I think they have to lie in the courts. In the first amendment area, as the gentleman knows, the basis of it is court-written law; it is not statutory law. It is court-written law, and that is fine with me.

I suppose I would just like to see the court sit down and reevaluate some of these things. Maybe they are beginning to do that. Perhaps they have done so in the Burnett case, although I have not read it.

Mr. McCLOSKEY. Is the gentleman intrigued by the fact that the man who wrote most of this, Oliver Wendell Holmes, Jr., was wounded three times in the Civil War as a platoon leader, at Balls Bluff, at Fredericksburg, and Antietam? He was the man who later wrote the dissents that ultimately became the law and much of this first amendment which you are describing.

Mr. BAILEY of Pennsylvania. That is correct.

Mr. McCLOSKEY. It is an interesting thing that an infantry officer would be the leading exponent of what is this proper balance 100 years after.

Mr. BAILEY of Pennsylvania. I am an admirer of Oliver Wendell Holmes, but I will not give the gentleman a discourse on what Holmes was party to in terms of certiorari denied because there has been a great deal of law written that way also.

But may I very gently suggest that it was a different press at that time and it is a different press today; the broadcast media in particular has changed things. I just think that, when there is time, we ought to sit down and do a little bit of research. I am tired of flicking on a TV and being hit with some fast, hard-sell commerical approach to something that is meant to make my blood boil because it sells ratings. I would just like to see some quality, and I would like to have a sense of credibility.

I find myself distrustful of what comes across, so much so that it gnaws at me sometimes. I do not want to have to carry with me the need to check up everything I am told in a broadcast, interview, or some kind of a show. And that is beginning to happen.

Mr. McCLOSKEY. Should there be a court, for example, to which General Westmoreland could repair?

Mr. BAILEY of Pennsylvania. No.

Mr. McCLOSKEY. If that court found that it was a slanted presentation, that General Westmoreland be granted a half-hour of equal time to respond?

Mr. BAILEY of Pennsylvania. I do not know. As to the equal time, that is what I think really ought to be looked into. The broadcast media is a little bit different. If you grant equal time response, or if that becomes a remedy, maybe we should look at it because of the nature of the broadcast media, in particular, as a statutory remedy. I do not know. It would be a very interesting first amendment question. I would not like to see that. I would prefer to see the media do a little better job of policing itself.

I might add that I have a number of articles that show that that is beginning to happen in America. I think it is to the tremendous credit of the vast majority of our journalists and our media; they are responsible, they really want to be. There is sometimes a desire, I think, on the part of particularly the broadcast area, that when you make a prophesy, you have to back it up, and when you make an error, or whatever you do, you never acknowledge it because your credibility is going to be subject to recall, and you do not dare do that.

I think we have taken Walter Cronkite and I think we have made an absolute sacred cow out of the guy. I really do. I think we have overdone those things. I think he is just a little bit big for his britches. We all know what happens to us when we get too big for our britches. I think that is the same kind of thing that they should face in the court of public opinion, and I think that they are.

My suggestion would be that General Westmoreland look to this thing and sit down with some legal help and look at this in terms of an injury to reputation. I think he ought to look at it in the context of examining it to see whether what CBS alleged would amount to an abuse of some type, perhaps a criminal abuse of his office, or powers to which he would be subject. If not, some type of civil remedy which would enable him to get into court and discuss this issue.

□ 1830

Because, I am thoroughly convinced, after examining it, that although there were honest questions raised in the documentary, it was presented in a terribly abusive and unfair fashion. It misled me as a consumer of the news, and if the only way of getting a true story is General Westmoreland bringing it out in libel, I would hope that he would do so just so that CBS learns a lesson and thinks in terms of peoples' rights. I guess that is all I am recommending.

I would like to hear what the gentleman thinks, if this thing was done in an abusive fashion, and I ask a hypothetical question, what the gentleman would recommend.

Mr. McCLOSKEY. I do not know either. That is the reason I proposed the question. The Federal Communications Commission renews and generally renews licenses automatically every 3 years, and there is a tremendous amount of money in these licenses. We found some potential for abuse in a Florida station, but their criticism had been of the Government. If the Government has the power to grant the license, there is a certain concern about getting the Government upset.

Mr. BAILEY of Pennsylvania. That is my fear with the equal time side. I still think we are talking about reputation and rights, private rights that belong with the court. We see the pendulum swinging. People are beginning to respond to it. There is a lot of talk and distrust about what people are being fed as news. That quality can begin to change too.

Mr. McCLOSKEY. I am saying this as a lawyer, and I will be a lawyer next year at this time. If somebody came to me with this kind of question, I suppose I would in the last analysis appreciate a law, court-achieved if not statutorily, that said that if a person is unfairly criticized on television or radio by a clearly biased presentation of only those parts of his interview which cast discredit upon him, without reasonable opportunity in the same program to present those statements that were self-serving and helpful——

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania (Mr. BAILEY) has expired.

"THE UNCOUNTED ENEMY: A VIETNAM DECEPTION"—ANOTHER VIEW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McCLOSKEY) is recognized for 60 minutes.

Mr. McCLOSKEY. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. BAILEY of Pennsylvania. I say that the gentleman's views are really far stronger than my own, quite frankly. It is very difficult to discern those things. I do not know if we can write that law reasonably. We do not want to see any kind of censorship. We are not talking about a prior submission. I think the best recourse would be to court-made law in the libel and slander area, to get away from this damages thing, to come up with a reckless disregard standard which has some commonsense and reason to it.

I know that nothing is more valuable than my name; that means a great deal to me, and, I think, to most politicians probably because we live in that fish bowl, and when that name is sullied, it hurts. There is no way you can pay for that injury to reputation. Any self-respecting individual has an interest in reputation. I would like to see the courts get in there.

Mr. McCLOSKEY. What would the gentleman do, though, for poor Thomas Jefferson, who, 150 years after his death, was the target of a lady who came up from studying a bunch of documents and alleged that he had fathered illegitimate black children?

Mr. BAILEY of Pennsylvania. If the gentleman is talking about Fawn Brody's book, it is widely acknowledged to be historic garbage. She ought to get credit for writing historic garbage because she cannot discern between Tom Jefferson and his brother.

To go back to Tom Paine, he was tried in absentia in England for seditious writing, the "Rights of Man." We can see the abuses of government. I do not think there is anyway to solve that, but a living person does have a reputation. I do not know if we want to make it a survivor right, but a living person does have an interest in reputation.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I will be glad to yield.

Mr. SPENCE. Mr. Speaker, I do think we have got to the place where an overriding issue has come forward, and that is, aside from General Westmoreland, concerning a person in public life, a politician or anyone else, what is the recourse that an individual has in this kind of a situation? That is what we have got down to. If you have been abused in the media this way, what recourse do you have? There is no recourse. You can be destroyed; your name, your family can be destroyed. There is no recourse. That is what the overriding question is—not General Westmoreland or how many people were killed in Vietnam.

When someone unfairly takes advantage of someone else, abuses that person to the extent that they are abused, there is no recourse.

Mr. BAILEY of Pennsylvania. On that point, I understand that CBS is doing an internal study of this thing, because there has been so much criticism. I have become inadvertently a student of this thing. CBS did a thing called, "The Guns of Autumn." It was absolutely an affront to anybody who happens to believe that hunting is a decent sport in America. I will never forget; CBS was pressured, I guess by sponsors, I assume, to putting it on late at night, and it was really a kind of thing where they "sucked people in" on presenting points of view in a very one-sided way.

Walter Cronkite's response to the threat of a suit by the Michigan Sports Group was CBS's response that "mirrors don't lie."

If those folks have the absurd view that that is the kind of context and kind of environment in which broadcast work is done, that they can do no wrong, then they need to be checked. What the gentleman has said is very appropos, because in practical terms there is little or no recourse. I think we have to be careful in the criminal area. I think we have to be careful that we do not start going after those people and throw the baby out with the bath water.

Mr. McCLOSKEY. I will be glad to yield to a man who made his reputation and his living as a television broadcaster, the gentleman from California (Mr. DORNAN).

Mr. DORNAN of California. Mr. Speaker, I thank both gentlemen for taking this special order. This House can stay in session for months, with the possible exception of trying to hammer out a budget, and not discuss anything more important than this, because after all, one of our favorite Irish-English politicians was Edmund Burke, and he is the one I believe who coined the expression about our friends in the Fourth Estate, F-o-u-r-t-h E-s-t-a-t-e. He said they were more powerful than the other three estates. The first one is the spiritual, the clergy.

He says the Fourth Estate comes after the Lord's Temporal. That means the peers of the realm. I guess that would be industry and the White House in our context. Then, the House of Commons—in our case that is both the Houses. Then, that Fourth Estate. We had better listen to that because they are more powerful.

The problem is, they think they should be even more powerful and should not be criticized when criticism is good for all of us, particularly if it is constructive.

In that sense, let me say that I did not see the movie, the Wallace documentary, only because of a very vigorous campaign that my distinguished colleague and I were in together, but I did read with interest the article in TV Guide. I will go over to the brandnew Madison addition to our Library of Congress and see the video tape, because I have had something I hope this side of an obsession with the whole reportage that took place on the Vietnam epic and our country's history, as I know the distinguished gentleman from Pennsylvania has, and we share that interest with the distinguished gentleman from California.

I think that one of the most unfortunate statements made in American political life—and it was made with the best of intentions by a man who is so decent it is almost his middle name, Gerald "Decent" Ford—was when he said there will be no recriminations about the Vietnam war. Unfortunately, that was interpreted to be that there will be no analysis, no public discussion toward an understanding and no analysis, particularly about the role the media played in the course of the war.

I had an opportunity to go back on duty in 1968 with an F-100 squadron from the New Mexico National Guard, and I turned it down because I had just gotten a television show the very month of the Tet Offensive.

□ 1840

I made the statement on the air that the war would be won or lost on the television screens of America. I believe it was. I stand by that prediction and I believe that prediction was fulfilled.

I think that to criticize all analysis as recrimination is foolish. The media in this country has an obligation to analyze four aspects of the history of Indochina after the American departure on April 30 of 1975.

That is, first, the yellow rain poison gas that is being used in Laos and Cambodia now, the phenomena of the boat people, and the far more killing phenomena of the land people, particularly those officers and NCO's of the ARVN forces or allies who served 5-year sentences, were released in 1980, and at great loss of life made it across Cambodia, the Khmer area called Kampuchia and into Thailand where they languished uncomfortably in refugee camps because they got there too late, even though they were serving 5-year sentences in concentration camps for being closest to us.

The fourth thing I would like to compliment Mike Wallace on is the aspect of the classified Government papers that should be declassified forthwith on the 14 concentration camps that still exist in Vietnam today.

Whatever Mike Wallace's shortcomings were in the unfair documentary on General Westmoreland, he did a stunning interrogation interview of the Foreign Minister of Vietnam. I have also faced this man in Hanoi across a conference table trying to find out something about our missing Americans and the 420-plus boxes of remains that we know they have warehoused in the old plantation POW camp.

Mike Wallace, just this Sunday, 5 days ago, had Thach sitting before him and you would have thought he was interrogating a Mafia figure that he had dead to rights with evidence, which is his style sometimes on the show. He built up slowly and then went for the jugular and said, "You know, Mr. Thach, Mr. Foreign Minister, that this is a police state, that you have concentration camps here, that you are shipping women off to slave labor in the Soviet Union."

Thach slid down in his seat, just started going, "Yeah, yeah, yeah, yeah, yeah."

Mike Wallace got out of Thach the most stunning admission that I would like to be a part of this discussion.

He said, "If Americans want the prisoners in all of these 14 camps, take them."

Mike Wallace was stunned, as was I stunned, listening to it, and he said, "Wait a minute. You mean you are willing to turn over everyone in these reeducation camps, as you call them, over to the U.S. Government?" And Thach is a forceful and a forthright man sometimes. I think he could hold him to his word on national television this Sunday. Thach said, "Look, Mr. Wallace, if you have the papers, I will sign them right now. You can have them all."

In his concluding remarks Wallace said he went to our State Department and they said, "We have got quotas here, and we can only take 1,000 a month, and they know what the quota is."

Well, the Government has reports that priests, that women, that ARVN officers, are being tortured to death in those camps and have been over the last 5 years.

I believe this Nation, irrespective of the 500,000 Indochinese refugees that are legally in this country now, and keep in mind we have 500,000 illegal Salvadorans, that we have a moral obligation to empty out those 24 concentration camps and bring them temporarily to some respite in the free world and stop the torture for whatever many more years, if not decades, that those former allies of ours will have to rot in those camps.

I intend to pursue this with the State Department. There is much to be learned about the Vietnam experience and our coverage of it which weak would be an unsatisfactory word to describe the coverage during and after that war.

Mr. BAILEY of Pennsylvania. Will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Pennsylvania.

Mr. BAILEY of Pennsylvania. Although what Mike Wallace was able to deduce does not surprise me, and I would sadly have to say, and I mean very sadly inside me, have to acknowledge that it is much too little, way too late. There are a lot of good and decent people being sent to Siberia, being sent to the Soviet Union to help with their labor shortage, to get rid of the Vietnamese debt to the Soviet Union.

Unfortunately, and I am going to write to our Holy Father, to the Pope, and ask that he take more of an interest in this issue because he is, I think, such an unequaled moral leader in our world today, but still the issue is not

that I happen to think that Mike Wallace I am sure got some very accurate answers there and surprised a lot of people. I do not know if he will be invited back now.

Mr. DORNAN of California. He will not.

Mr. BAILEY of Pennsylvania. No, he probably will not. But the point is there is something more important than that, though, and that is when you put together a show that it be put together reasonably and put together with balance.

I do not take delight because he does a job on somebody I do not agree with or that I see somebody squirm that I do not like.

It is just this idea of give me the information in a reasonable format so that I can make an intelligent decision and an informed decision about what is going on in front of me.

I really think that is what is at the base of what you would have liked to have seen in Vietnam, a reasonable presentation, a balanced presentation, because this country is just not going to be able to succeed in foreign policy if that kind of reporting continues.

Mr. McCLOSKEY. I respect what the gentleman is saying. I suppose the press in the whole Vietnam picture began to consider itself in an adversary position with respect to anybody.

Mr. BAILEY of Pennsylvania. Third World forces.

Mr. McCLOSKEY. That was passing out information because of the distress that it increasingly had, and the PIO officers in Saigon, I forget what they used to call them, the 5 o'clock follies, there was a name for that building they had in Saigon where the PIO was based, and the press gradually conceived a wholesale distrust because only the good news was reported, the firefights that were won, the body counts of the enemy, the weapons captured, and that is why I brought this little book. I knew the gentleman saw this book that was passed out to every visiting Congressman that does the I Corps.

I was there in 1968.

Mr. BAILEY of Pennsylvania. I was never there as a Congressman.

Mr. McCLOSKEY. In 1970 and 1971 and I went again in 1975 on one of President Ford's requests that we report back on the order of battle.

But the press clearly has increasingly viewed over the past 15 years itself in an adversary position with anybody announcing statistics, particularly from the Government.

We are faced with that position, that the press, considering the Government the enemy as far as bringing the truth out, then having its innings, and those of us in Government who feel ourselves unfairly dealt with. In Westmoreland's case it was 10 years after the fact when he has long since retired and has no way to speak back.

I understand his position even better than our own because there is a pretty long record of Congressmen trying to conceal from the press the true facts of how we operate here and how our contributions came in, what our private lives were.

Three of my last four committee chairmen have been indicted on the Merchant Marine and Fisheries Committee. I can assure you that none of them were anxious to let the press know how the committee was run or where the bribes were coming from and all of the circumstances that were involved.

Against that background, to what test do we now hold the press?

Mr. BAILEY of Pennsylvania. I do not know. But I would add something interesting to what the gentleman said.

I think there would be a lot more straight conduct by Government officials that are abusive if in fact the press were more credible. I have to honestly say that in my opinion if there was not so much innuendo and not so much pointless and dishonest and groundless charging done that when a charge was made it would be a lot more meaningful because people are now so sick and tired of being inundated that they are starting I think in some cases to support people that perhaps should not be supported.

But I think two wrongs do not make a right. The issue of the press and the student demonstrations back here and the ratings, the commercialism, and what is news as opposed to what is. That is really a question. What is news?

□ 1850

Is it what makes you pick up a paper because that headline grabs your eye and the story piques your interest? Or is it accuracy and objectivity? Maybe as consumers we are at fault. If we are, they know it. I do not have a solution.

Mr. McCLOSKEY. Let me go back to the gentleman in the well and just raise one point. This transcript of the Westmoreland interview, at page 14, I will quote, because this was a direct quote from Mike Wallace. He said: "As you put it in the cable, you say the principal reason why the self-defense militia must go, quote, was 'press reaction.'"

That cable, dated August 20, 1967, spelled out General Westmoreland's predicament: "We have been projecting an image of success over the recent months. The self-defense militia must be removed," the cable explained, "or the newsmen will immediately seize on the point that the enemy force has increased." The cable went on to say that "no explanation could then prevent the press from drawing an erroneous and gloomy conclusion." He is absolutely right. There is no question about what he said.

Mr. BAILEY of Pennsylvania. But is there not an interesting point in there, though, and that is that here you have somebody who is at least thinking about making a decision based upon news interpretation, perhaps distortion, perhaps fear, perhaps from an idea to manipulate. I mean I do not know. We do not know. That is why this documentary ought to be looked into. But you know, the interesting point there is the issue of the news being such a factor, reporting being such a factor. I do not know if you want to burden the commander in the field with that, incidentally, but it is an interesting point.

Mr. McCLOSKEY. Let me give you the counterside of it.

Mr. BAILEY of Pennsylvania. No, I am presenting a side. I am just saying that I think there is a very interesting point to look at here. That is, in terms of our conduct here, are there too many phoneys running around out there? Because the media is easy to manipulate. I have had people say, "If you want to get a headline, say something in a catchy way. It is easy to get there." I do not know. I have never been mistreated. I cannot complain.

Mr. McCLOSKEY. Let me describe that course of events. When you were fighting in Vietnam I ran for Congress in 1967, was elected here in December 1967, sworn in about 6 weeks before Tet, immediately went over to Vietnam to see what was happening, just prior to Tet.

At that time the Congress and the American public was overwhelmingly supporting the Vietnam war. And clearly, from 1965, when the first marines were landed at DaNang to guard the rocket belt there around DaNang, from 1965 until 1971, when Congress finally repealed the Gulf of Tonkin resolution, there was that battle in this country for public opinion, "Should we support the Vietnam war, or should we not?" And from the military standpoint and from President Johnson's standpoint, who was President at the time that this occurred, it was essential to maintain public support for the war. And, correspondingly, public support for the war and Congress votes to fund the war could only be obtained if the rosy picture that we see now, the light at the end of the tunnel, could prevail, could continue.

As a matter of fact, if you look at Watergate—and, as a student of Watergate, the object of that Operation Sandwich, at one time I followed it fairly closely.

Mr. DORNAN of California. The 10th anniversary is today.

Mr. McCLOSKEY. The reason that President Nixon was impeached by this House was essentially his coverup.

Mr. BAILEY of Pennsylvania. That is the point.

Mr. McCLOSKEY. Not of the Watergate itself, but the coverup of the burglarization of Dr. Ellsberg's office. And the clear purpose of that burglary was to gain evidence from the medical records of Ellsberg that could be used to discredit Ellsberg's publication of the Pentagon papers, and thus discredit a witness who was saying, "Look, we might have won the war once, but we cannot win it today."

So a President of the United States has lost his office because of covering up an attempt to gain evidence to discredit the Vietnam war. It is incredible.

Mr. BAILEY of Pennsylvania. The gentleman is so absolutely on target.

In connection with what you have just said, you know, I really believe that some of the fundamental questions—you see, deep down inside me, I do not question the intent and purpose of fighting the Vietnam war. I think in terms of the aftermath, it is very easy to say that that kind of tyranny should be prevented. There are honest differences of opinion. I sort of like that phrase in the context of this special order about whether or not American blood or American money should have been spent in that endeavor.

I am somebody who views the world in the light of perhaps James Donne's quotation that ends up, you know: "And therefore never send to know for whom the bell tolls; It tolls for thee." The essence of that, of course, the theme of that, is brotherhood. But be that as it may, I am entitled to my colloquial beliefs.

But the point is that we have to examine. In order to examine accurately, it goes back to what the gentleman said earlier, both gentlemen from California said earlier here, and that is that in order to make an informed judgment you really have to know the roles that these institutions play. We have to have some decent history to study. And I guess what irks me so much about this documentary is that it really is so one-sided that it is distorting history. And there is no reason, 10 years after the fact, or so, to get this thing all twisted up, without giving us an unbiased objective view of this debate, which was debated here in this House, so that I can reevaluate some of these things, too. I need some infusion of new ideas, I am sure. They are not doing that.

Mr. McCLOSKEY. I wonder if, though, the remedy would not be a competing network painting the other side of it. Why not NBC or ABC competing with CBS?

Mr. BAILEY of Pennsylvania. Never. They do not have the courage to go after each other that way. That is one of the problems. I would like to see a white paper done on a white paper. I would love to see it.

Mr. McCLOSKEY. Let me add an experience, if I can, because of the gentleman adding his experience to the record, something that I found also to be true. The whole issue of this Westmoreland position was whether Westmoreland was in good faith in saying, "We will not include the CIDG, the civilian defense force element of the Vietcong." Clearly it existed. And the question was, on Westmoreland's part, "Well, we did not think a bunch of old men and little kids and women ought to be included as a fighting element in the enemy strength."

Mr. BAILEY of Pennsylvania. That order of battle argument, yes, I understand.

Mr. McCLOSKEY. I just wanted to state to the gentleman that the reason that I got so involved opposing the war after originally volunteering to fight in it in 1965 as a Reserve lieutenant colonel was that what we found in the order of battle between the North Vietnamese and the South Vietnamese was that the South Vietnamese had a greater number of people under arms. They had interior lines of communication and defense. We were giving them the money for about 13 times the artillery ammunition that the other side was using. And the issue really came down to that point the gentleman discussed, the will to fight on both sides. And I wanted to add for the record, in 1971 I visited the 5th Marine Command Post in a place the gentleman probably saw, the Nam-Hoa Valley, southwest of DaNang, and the 5th Regiment was then trying to defend that area within about 50 miles of DaNang, the rice paddies merging into that triple canopy jungle, and they were trying to defend it. Clearly, there were no organized Vietcong units that you would include in the order of battle. But there were a lot of women and old men and little children. During that year, the 5th Regiment, which had about 2,500 infantrymen in that Marine Rifle Regiment had suffered 1,277 casualties, not in fire fights, but in tripping punjie stakes or tripping boobytraps, in areas in which old men, little kids and old women essentially were the only force to create those particular casualties in that rifle regiment. And that fact would militate, I think, would weigh on the question whether or not those units and those people should be included in the enemy order of battle. They practically immobilized one of the great Marine historic regiments, the 5th Marines, essentially with people who probably, in Westmoreland's view, should not be included in the order of battle. If you were going to fairly discuss this question of whether Westmoreland was right or wrong in wanting to exclude those people, I, in fairness, would have wanted to include those statistics. It came as a real shock to me, because as a Congressman they said. "Sorry, we cannot get you down to the battalion CP or the rifle company CP, which you would like to visit, because the area is so dangerous." Well, who is there to make it dangerous? Vietcong units? No. Regulars? No. Irregulars? No. Just a lot of old women, children, people, but setting boobytraps every chance they got because they had been evacuated in the search-and-destroy mission, forbidden to go back into these areas.

So I really wanted to add that because I thought you might get down to the specifics of this debate. I do not know whether General Westmoreland was maligned in this article or not. I suspect that the half-hour show or the hour show, however long it was, made every effort to discredit him and did not give him a fair opportunity to present his side.

□ 1900

Mr. BAILEY of Pennsylvania. Yes, sir, that is my complaint.

Mr. McCLOSKEY. If the gentleman's point is that I cannot disagree.

Mr. BAILEY of Pennsylvania. That was the point.

Mr. DORNAN of California. If the gentleman would yield, today is the 10th anniversary of Watergate. There are 6 hours of radio and television programing in this major market for electronic media on Watergate.

There is almost a fascination with some people in the news media—this is their obsession to regurgitate this 10 years later.

I opened my morning watching John Ehrlichman on one of the morning news shows on CBS.

The 10-year anniversary of our signing the Paris peace accords, for which the Vietnamese side rejected that peace award, the Nobel Prize, and the $50,000 that went with it, Kissinger accepted and I understand he gave the $50,000 to some MIA groups, some missing-in-action groups of some kind. Since there is a 10-year anniversary of that day, January 27 coming up, of 1983, and since coincidentally all three of us are going to be free agents, I would like your permission to write to some of the networks to ask them during their 5, 6, or 10 hours of regurgitation next January, if they would include a combat officer, a newsman, television host, television producer, who went there eight times over an 11-year spread. I guested this distinguished Congressman on my show, and since we had a disagreement over Laos, I told him I was leaving the next day for Laos, and did and got my visa when I arrived, so he caused me to spend another week of my life in Laos, and I brought back a case of parasites that stayed with me for 6 months.

I think that this gentleman who was a new Congressman, with as good a

military record as anybody in the House, certainly I believe the highest decorated, except for "Tiger" Teague, who was here then—you were certainly in the top 1 percent. The three of us, I think, could bring some clarity to what I suspect will otherwise be nauseating debates on the networks on the 10th anniversary of our signing those peace accords, which turned out to be nothing but more war accords that the Vietnamese took advantage of, the Communist Vietnamese.

I would like to make two observations about what happened last night and today and then I will bow out of this discussion.

You have been watching, all of us have been watching for several weeks, since June 6, reports coming out of the Middle East, where American journalists say, "This is censored news reports on the Beirut, Lebanon, entire Sidon area of the Israeli movement into Lebanon, the invasion." Now they are doing that because the Israelis insist on censoring, looking at and suggesting what not go out over the airwaves, every piece of footage that comes out of this area, every piece of videotape.

Walter Cronkite did not so warn the Nation on December 25, when CBS ran enemy-supplied color footage of burned American B-52 crews, which tore at my heart and I know had a tremendous effect on perpetuating the lie put forward by a since defeated California Senator. It was carpet bombing, it was not, saturation bombing it was not, and it became called by the liberal media the Christmas bombing, and turned out we did not bomb on Christmas day, it was a 12-day span of 11 days of bombing minus Christmas.

Since that is not a Christian country but a Buddist country, and that is our holiday and not theirs, they love to attack on their holiday called Tet, what difference does it make what we did on Christmas day? It so happens it was not Christmas saturation carpet bombing. When Cronkite ran that film, undesignated as enemy propaganda film or censored material, it called to mind an amazing statement that he made some months before, that he no longer had any fight with the Communist forces in Vietnam, and therefore he would no longer address them with pejorative terms like Red forces, Communist forces, enemy forces, he would henceforth call them North Vietnamese forces.

A significant and stunning statement for the most trusted man in America to make.

The other point is last night a discussion by a British member of Parliament about their effort in the Falklands that I think is very germane to what we are discussing here—bias in the media, point of view, advocacy journalism, and what CBS did to Westmoreland.

The British MP said you know we had no film coming out of the Falkland Islands showing our boys bleeding or burned on the decks of the *Plymouth* or the *Argonne* or the *Coventry* or the first destroyer that went down, the H.M.S. *Sheffield* he said, we went in there as fast as we could and I think it was measured, because it took a week before they achieved each goal, and they ended up without a bloody firefight in the main and with tremendous numbers of troops surrendered.

If the British had allowed instant colored videotape of burning sailors jumping into the water, off the deck of that first ship that was hit with the Exocet missile, or the *Atlantic Convair* going down and capsizing and rolling belly up—if they had shown the enemy POW's who had been blown up while they are clearing mines, in other words if they had shown any of the bloodshed that we quickly showed on our television screens after the Tet offensive, when we lost in a fortnight dead, KIA, 1,111 Americans—an easy figure to memorize. If they had shown their death toll taking place, would the British people be in this exhilarated state that they are in now, described as euphoria, over their great victory in the Falklands, where if they had given the $2 billion they have lost—and I think that is probably a low figure, it is probably closer to three or four—if they had decided that by 1,800 kelpers and sheepherders, each man would get precisely $1,111,111. In pounds I guess that is about 700,000 pounds—and they could have all bought a castle and been set up for life with the tourist trade.

No, we have a decision to make and the British, our mother country, obviously opted to let no combat cameraman, except their own military forces, go into combat. I think it was stated somewhere in the midpoint of the Vietnam war, if the battle of Antietam had been covered by colored videotape cameras, the Union would have broken, the North would have pulled out of the war and the United States of America would be Balkanized today. We would have the Republic of California, Texas, about eight Southern States, they might have split up, and we look worse than Europe, we would look like the Balkans.

I am against the fairness doctrine. I want it rejected because nobody lives up to it. I believe in total freedom. I believe we should have left the newsmen in the back seat of the F-105, go over Hanoi, if one had been shot down and been in the camps, Tom Hayden, and Jane Fonda could never have said that American POW's were the best treated prisoners in history. They would have witnessed people being tortured, a newsman would have been on record. There was a curtain that was wrong. I am not going to resolve it here tonight. In the sense of openness let us have a debate on what the news media does do to turn dramatically the course of combat in the past and what it can do to the future. God forbid we ever have to fire a gun in anger at anybody again.

Mr. McCLOSKEY. I think the gentleman from California has commented on a different point than the gentleman in the well, and that is that 10 years after the fact there is a different standard that we might apply to the media or might expect the media to follow.

I yield to the gentleman from Pennsylvania (Mr. DOUGHERTY).

Mr. DOUGHERTY. I have been sitting here for an hour and a half listening to what I honestly believe is one of the most informative debates I have heard on the floor of the House, and I have been somewhat taken aback. I know generally the direction that both the gentlemen come from, the gentleman from Pennsylvania and the gentleman from California.

Did I hear the gentleman correctly that he said that he believed that in all likelihood General Westmoreland probably got the short end of the stick on the CBS show?

Mr. McCLOSKEY. I read the transcript and reread it, and knowing from all of the questions asked of General Westmoreland, all of the questions asked of the other individuals, it seems to me that what CBS did was link together in a relevant story, from their standpoint, that would tell the story as they wished it told, which is essentially that there was a conspiracy at the highest level of the U.S. Government to suppress the true strength figures, that the way in which it was laid out kept from the public view any statements made by anybody in maybe 8 hours of footage they may have, that would have given a contrary impression. Whether or not they unfairly treated General Westmoreland I cannot say, but quite clearly they took very brief answers from General Westmoreland that would sustain their point and peppered them through the show, and I would say just from the knowledge or experience with television programing, that if there were anything in the testimony of any of those witnesses to show the contrary, and several of them did try to show the contrary, at least subsequently have said they did, it was not included, and that I think gives sustenance to the gentleman in the well's point that this is a situation that Congress will look at, at least we ought to look at it carefully and decide to do nothing because we can do nothing. We have been very short on solutions today.

Mr. DOUGHERTY. I think that is a remarkable statement to make because, quite frankly, from my point of view it lays down a very real challenge

to the people at CBS, and also to the other networks, to address the concern of the gentleman from Pennsylvania, because, certainly, maybe I am wrong, but I would presume that both of the gentleman do not have the same point of view as to our involvement in Vietnam—certainly the distinguished gentleman from California made that very clear in the 1972 Presidential elections. Congressman BAILEY of Pennsylvania has made it very clear again where he comes from, and for two people with what I view as a divergent point of view on the American involvement in Vietnam, to come to the same conclusion, that perhaps CBS was less than fair in how they handled the situation, that in effect they had a conclusion that they built a case to reach, is a sad indictment for the concept of a responsible and free media in America.

□ 1910

I think it behooves CBS to answer to the American public and to the Members of this Congress and certainly to General Westmoreland as to how they could justify such behavior.

I thank the gentleman for yielding.

Mr. McCLOSKEY. The answer may be, and I think the gentleman in the well touched on it, that in the preparation of a documentary that is aired over the public airways, at the very least the network ought to make available to unbiased scrutiny all of the materials from which they drew the materials in question. That seems to me to not chill the media's right to present information and that in a libel suit, of course, would be subject to subpena.

Mr. BAILEY of Pennsylvania. That would be subject to subpena.

Mr. McCLOSKEY. I am not prepared to say and I did not think the gentleman in the well was prepared to say that perhaps the best remedy is not a good lawsuit in a case of this kind where the facts are brought out under subpena.

The question then goes to the next step, that when the media hits a governmental institution or an employee of the Government, should the Government then have the right to say that all of the facts that the media considered in putting on its half-hour or hour show be available to Government scrutiny.

Mr. BAILEY of Pennsylvania. No.

Mr. McCLOSKEY. Because as I understood the gentleman's interview with Mr. Safer, Mr. Safer would not even let the gentleman tape the other side of it.

Mr. BAILEY of Pennsylvania. No; they would not sell me—I offered to pay for their tape, in other words, give me a copy of their magnetic tape that they were taping during the interview. The answer was no.

The reason given was that maybe I would edit it or something.

I said, "Well, I will stipulate under penalty of damages, I will sign a confession of judgment, if you will, that I will forfeit a very severe penalty if I do, in fact, edit your tapes, because I would like to have that copy."

I was told by their producer no, I could not do that.

I then brought in from a different angle, of course, the small camera on my own.

I also had a tape recorder there. I told them I wanted to record that. I specifically told them that.

I told him, I said, "I am sorry, I'll keep that. I will be happy to delete that," but that was basically what it was.

I would not say it is a Government right. I would like to go back to the court solution. I wish there would be a lawsuit, because it would get the information out. I do not think Westmoreland would win, but he may get a chance to get some dictum written or get a public view of this thing.

Second, I think the right should exist in individuals but certainly not in an agency of Government, for example, no.

Mr. McCLOSKEY. There is an interesting parallel to this. I have heard the complaint made, and I have forgotten the major U.S. corporation that was involved, but some company in Illinois, one of the networks got on some practice that they were pursuing, insisted on photographing everything that the executives of the company were doing or saying, but would not make it available to the company thereafter.

This question of whether or not any reporter in talking to any individual should have his or her notes available of the conversation that were taken, they clearly are available in a lawsuit.

Mr. BAILEY of Pennsylvania. Well, no, I am not sure about that. We have this first amendment issue with reporters in criminal cases, with reporters' notebooks. The right of subpena, for example, for the grand jury to subpena the information, and I do not agree with the state of the law today on that. I think that reporter should be protected, I do; but I think that when we are talking about making a record, especially one that purports to be a factual representation or representation of views and scenes and voice, I just cannot see the harm in making it available.

I agree with the gentleman. What would CBS have to be afraid of letting someone come in and objectively looking at this stuff?

Now, if they are fighting for a principle, I can understand it; but that issue should arise only when it is necessary.

Mr. McCLOSKEY. Let me conclude this by saying that one thing that comes out of this dialog, that if we do hope that the Government can always refrain from entering in, would be very helpful in that process if the profession itself established its own standards that would perhaps make available to the person accused or castigated or challenged, that at least he have the full record of the basis on which he is attacked so that he can respond, because if I were General Westmoreland and had given 2 hours of interview and felt that one of my answers was misconstrued by being juxtaposed against a different question, at least I would like to have that transcript to present to my friends in the argument of my case.

Mr. BAILEY of Pennsylvania. I think he can get the transcript. Now, they will give you a transcript.

Mr. McCLOSKEY. Of the full discussion that was had?

Mr. BAILEY of Pennsylvania. Oh, yes. They will give you a transcript of the full discussion.

It is a funny thing, though, when you compare what is done with the camera, what a transcript does not tell you about tone, inflection, attitude, facial expression. There is a huge difference. There is a world of difference. They have no fear about giving the transcript. The transcript, however, does not tell the story. It really does not.

What I had asked them for was a copy of the footage, which again I had said, you know, I will take under penalty of forfeiture should I edit in any way. The answer was no.

But to get the interview, I forced them to let me record it with a small black and white home video thing that I borrowed.

Incidentally, what really sparked me on this thing, what got me angry was I criticized CBS for what I felt was a biased presentation on this thing months ago, right after it was done. I came down here on the floor and made a very brief statement. I did not think anything of it. I got back to my office and found, I think it was a—Sue Spencer is here name, an employee of CBS had called and asked my secretary in the office, "The CBS hierarchy would like to know what your problem is."

That burnt me to a point. I do not know what they meant and I am sure it was not a threat, because they picked the wrong character.

Mr. McCLOSKEY. I am sure a politician can be chilled by that.

Mr. BAILEY of Pennsylvania. They picked the wrong character, they picked the wrong person to fight in that regard.

But I mulled that over a long time. I have not to this day been able to understand why that lady would call and ask that question.

I get criticized every day. We get criticized as an institution. We are

politicians. We know what it is like to live in this realm and we believe that it is the right way to be.

Now, that really did upset me why they would do that.

Mr. McCLOSKEY. Well, let me just say to the gentleman, I went over this transcript with a fine-tooth comb. I do not want there to be any mistake in this. I could find nothing in the transcript that was either a flat misstatement or an improper characterization of the facts that occurred. What I said to the gentleman from Pennsylvania about it seems to me very possible that General Westmoreland was not fairly treated is merely from his subsequent comments and those of others that were engaged in this dialog saying that, look, we gave 20 minutes of testimony, but they took 30 seconds of it and only the 30 seconds of it that sustained their point.

I think that very possibly occurred, but I have gone over this transcript from my own recollection. I went back over all the notes I took in 1967, 1968, 1970, and 1971 when I went to Vietnam. I could find nothing in the program itself that met the test of say misrepresentation; but under a legal test, misrepresentation can include that which is left out if a fair picture is not presented.

Mr. DOUGHERTY. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. Is it possible that you do not have misrepresentation of fact, but maybe you have misrepresentation of intent.

I would be glad to defer to my colleague from Pennsylvania. Again, I did not see the show, so I really cannot speak to it; but the point would be, just listening to the dialog and the other witnesses, other Members making comments, that the factual data presented may not have in effect been in error.

The question is was the intent of General Westmoreland and what he did, was it presented in a factual manner or was it not.

Mr. BAILEY of Pennsylvania. I think, yes. I think what has to be taken into context here, and I think what the gentleman from California may perhaps be in error is that in looking at the transcript you do not have available all the materials and all the viewpoints that were offered in the material. Whether you agree or disagree with the substance is really irrelevant. I see a lot of things on television, for example, that I do not agree with and I see things that reinforce my point of view. That is not the issue.

The issue is that something be prepared honestly and openly and fairly and does not damage a reputation and that is exactly what this show did. There is no question they disregarded, for example, very, very impressive interviews with people that had reason to know, that simply flew in the face of the thesis that they presented.

□ 1920

I would like to conclude by asking the House, the Members of the House, to read an article, an article that I am going to try to get included in the RECORD entitled "TV Oracles," an excellent analysis of broadcast media personalities in America that was done by a British magazine. It is very enlightening and it was printed some time ago, long before this. I will try to get copies and send those to the gentleman. The article makes enlightening reading.

Mr. McCLOSKEY. Mr. Speaker, I hope the gentleman has seen this movie "Absence of Malice."

Mr. BAILEY of Pennsylvania. No. I have heard a great deal about it. I have even heard some reporters.

It is a shame that perhaps the public is so influenced by TV, because there are some fantastic, dedicated, unselfish journalists in this country that we probably owe decent government to more than they do to us well-intentioned souls whose well-intentioned subjective consideration often gets in the way of our considered judgment, which is why we need them. But I think we have to help the decent ones out there, and that is the majority of them. The public should not be sold on twisted reporting.

Mr. McCLOSKEY. Mr. Speaker, I thank the gentleman for bringing up a very interesting topic. I feel privileged to have engaged in this dialog.

● Mr. CAMPBELL. Mr. Speaker, in January, the CBS documentary, "The Uncounted Enemy: A Vietnam Deception" leveled very serious charges about the conduct of American officials during that conflict. Since the documentary's airing, many credible American journalists, publications, newspapers, and broadcasters have raised questions concerning the program.

I will leave it to my colleagues to discuss the questionable journalistic practices that occurred, but I feel there are some statements that must be answered. The most serious allegations were directed at Gen. William Westmoreland. His reputation, integrity, and official conduct were brought into question. As a long-time friend of the general's, I feel I should take this opportunity to present some facts about his outstanding career.

William C. Westmoreland was born in Spartanburg, S.C., the son of a textile plant manager. During his teen years, he served as president of his high school graduating class and in scouting achieved the highest rank, that of Eagle Scout. "Westy," as he came to be known, won an appointment to West Point, and there continued his distinguished career, winning the Pershing Award for Military Proficiency and Leadership. After graduation he served 5 years as a field artillery officer at Fort Sill, Okla., and Schofield Barracks, Hawaii. During World War II he commanded the 34th Field Artillery Battalion of the 9th Infantry Division in the European theater. He rose to chief of staff of the 9th Infantry Division in 1944 and commander of the 60th Infantry in Germany in 1945.

After the war Westmoreland commanded the 504th Parachute Infantry Regiment at Fort Bragg, N.C., and in 1947 be became chief of staff of the 82d Airborne Division. He served as an instructor at the Command and General Staff College and the Army War College from 1950 to 1952 and then became commander of the 187th Airborne Regiment Combat Team in Korea and Japan. In 1958 he assumed command of the 101st Airborne Division in Fort Campbell, Ky.

As commander of the Army's elite Screaming Eagle division, Westmoreland showed himself as an officer who would not ask his men to do anything he would not do himself. Holding to that principle on April 23, 1958, Westmoreland jumped with his men when unexpected gusts of wind blew five of his paratroopers to their death in a mass practice jump over Fort Campbell. Westmoreland was dragged 200 yards by the wind. During subsequent training exercises he jumped ahead of his men in order to test wind conditions.

He continued as commander of the 101st Division until President Eisenhower named him Superintendant of West Point. There he made alterations in the curriculum to help its graduates cope with the complex global problems of an atomic age, while still holding to the basic concepts of integrity, discipline and learning expounded by Colonel Thayer, the "Father of West Point." During his tenure at the Point the school expanded its facilities and increased its enrollment from 2,500 to 4,000.

With his high reputation for efficient leadership, Westmoreland went to Vietnam in 1964 with the rank of general to direct the U.S. military assistance program. As the conflict escalated, it became apparent that he was a natural choice to assume command of the combat forces. He served in this capacity from 1964 to 1968, returning to Washington to become Army Chief of Staff, a position he held until his retirement in 1972. He returned to South Carolina where he was drafted into an unsuccessful bid for Governor, though his loss did nothing to tarnish the love and respect the people of South Carolina have for him.

Westmoreland has received many honors during his years of public service, including honorary degrees from

the Citadel and Temple University, the Distinguished Service Medal, the Legion of Merit, the Bronze Star Medal, the Belgian Furragère, and the French Legion of Honor. When he graduated from West Point, the yearbook said of him, "A fine soldier and true friend is Westy, modest, generous, tolerant and possessing a grand sense of humor." It went on to mention his executive ability, high ideals, and good judgment—qualities that his colleagues continued to note and admire through the years.

Let us remember General Westmoreland for all the great things that he accomplished, for his dignity, honor, and integrity. Our Nation is only now beginning to come to terms with that terrible conflict in Southeast Asia; only now are wounds beginning to heal. Let us stop thinking of what might have been or what should have been and face what was. No amount of second guessing or hindsight by you or I or any television network is going to make any difference now.

For myself, I am proud to count William Westmoreland as my friend.●

● Mr. HARTNETT. Mr. Speaker, on January 23, 1982, CBS News aired a 90-minute documentary titled, "The Uncounted Enemy: A Vietnam Deception." This program made serious allegations which attacked the reputation of Gen. William Westmoreland, Commander of U.S. Forces in Vietnam.

I am greatly concerned over the method of journalistic reporting used by CBS in the program. It is my belief that the CBS report was a distorted and one-sided account of the actual occurrences. Furthermore, the program left a false impression with the American people of the conduct of American leadership and operations in Vietnam that could lead to a distinct disadvantage and lack of confidence in future U.S. military situations.

There certainly appears to be evidence which justifies an examination and investigation of the validity of the program.

I personally know General Westmoreland, and know him to be a man of unexcelled loyalty, patriotism, and dedicated to duty. General Westmoreland did his duty as he saw it, and I take exception to the fact that CBS would attempt to distort the tremendous military record which General Westmoreland has worked a lifetime to establish.●

● Mr. BROYHILL. Mr. Speaker, responsible, objective, and informative journalism is an awesome responsibility. Fortunately, the American public has available to it a wide diversity of information on which to base its opinions on issues of personal and national concern.

In my judgment, the January 23 airing of the CBS documentary titled "The Uncounted Enemy: A Vietnam Deception" was an example of unfair reporting. It is unfortunate that the network allowed such a program to be shown. It projected journalism at its worst—that is, the reporting of inaccurate, distorted, and unfair conclusions.

The Vietnam war was a difficult time for all Americans. We saw loved ones and friends going off to a war which was controversial and which cost this country thousands of lives.

At question, however, is not whether the war was necessary or who was responsible for its conclusion, but instead, what type of responsibility does the news media have to adequately inform the American public on issues of national concern.

Several factors in this so-called investigative reporting gave me concern. I found shocking that the producers apparently arrived at preconceived conclusions and made little attempt to provide information which would counter the so-called evidence. Preconceived conclusions are dangerous in any situation, but especially when matters of national security are involved. If an investigation is going to be fair and responsible, the journalist must be open to the thoughts and suggestions of others and keep an open mind when considering information which casts a doubt on the original thesis.

A recent TV Guide article states that "CBS screened for a sympathetic witness—in order to persuade him to redo his on-camera interview—the statements of other witnesses already on film. But CBS never offered the targets of its conspiracy charge any opportunity, before their interviews, to hear their accusers, or to have a second chance before the camera." If this allegation is correct, I feel that the network has seriously damaged its reporting credibility.

The public is dependent on the news media for decent and fair coverage of issues. The United States has always prided itself on the first amendment values and the right to free speech. I firmly believe in those ideals and feel that this program was a slap in the face to the integrity of today's journalists.

General Westmoreland served this country with pride, dignity, integrity, and dedication for 36 years. When interviewed by CBS, key portions of the General's explanations were deleted or otherwise left out. Is this any way to treat someone who has served this country so diligently?

This abuse of public trust was indeed unfortunate. I sincerely regret the breech of journalistic ethics by CBS and hope that the network will provide the General with the apology which he deserves.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GOODLING) is recognized for 5 minutes.

● Mr. GOODLING. Mr. Speaker, on June 16, 1982, I was called to the hospital for a family emergency, and, therefore, missed some important votes. Had I been here I would have voted against the conference report on H.R. 5922, making urgent supplemental appropriations for the fiscal year ending September 30, 1982. I would have voted for the International Trade Authorization bill, H.R. 6094, and for amendment to restore the cap on overtime pay. I believe that the $25,000 cap on overtime is more than sufficient and that any overtime beyond that would not allow for adequate job performance by the customs employees.●

SUPPORT FOR ISRAEL'S INVASION OF LEBANON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DOUGHERTY) is recognized for 10 minutes.

Mr. DOUGHERTY. Mr. Speaker, I would like to begin this 10-minute conversation by just acknowledging my great respect for my colleague, the gentleman from Pennsylvania (Mr. BAILEY) who unfortunately will not be with us after this year. Congressman BAILEY is an outstanding American. When I think about the good things that we did in Vietnam and the kind of people who served there, I think of DON BAILEY as being all the positive things that make this country great.

Mr. Speaker, I rise to express my dismay and shock at the comments made by some Members of this body and the other body relating to the Israeli move into Lebanon.

Mr. Speaker, these apologists for the PLO and diplomatic ineptness do not want to recognize the reality of the world in which we live. The Syrian occupation of Lebanon was an insult to those who believe in a free Lebanon. Syria never recognized the existence of Lebanon as a nation, never sent an Ambassador to Beirut.

The tolerance of the Syrian occupation of Lebanon by the United States was part of a charade in diplomacy.

Mr. Speaker, the removal of the Syrian forces from Lebanon can only be seen as a positive move to peace and stability in that nation.

Mr. Speaker, the PLO are rank terrorists, brutal, willing executioners of innocent people. Their presence in Lebanon was a presence by force. By what right can the PLO demand standing among people of good will? By what right can the PLO demand to negotiate with the United States?

They cannot, Mr. Speaker, and the Israelis have done themselves and the world a favor by removing them from

Lebanon and hopefully from the world.

Mr. Speaker, last July, I and three other Members of this body stood in an Israeli observation post at Metulla on the Lebanese border with Israel. As we stood there talking with Mayor Haddad, the PLO initiated an artillery barrage on a Christian village in South Lebanon.

When one has been there, when one has stood on the border as I have, and seen this tragedy firsthand, then and only then can one come to one conclusion: The Israelis would be out of their minds to tolerate the continued presence of the PLO and their supporters, the Syrians, in South Lebanon.

Mr. Speaker, a diplomatic policy based on the tacit recognition of a status in Lebanon that included an acceptance of Syrian occupation forces, a diplomatic policy based on the tacit recognition of a status for Lebanon that included a recognition that the United Nations forces in Lebanon were neither willing nor able to stop the PLO, a diplomatic policy based on the tacit recognition of a status for Lebanon that included the "turn our back" syndrome while the PLO launched attacks, terrorist attacks, on innocent people in Israel was a policy that invited the Israelis to do what they did, a policy lacking in realism or any hope of resolution of this issue.

We have provided the Israelis with military equipment to protect their security and their survival, Mr. Speaker. Their use of this equipment in Lebanon was justified and has my support. Perhaps now the diplomats will recognize that Israel will no longer tolerate being the whipping boy for an inept Western policy for the Middle East.

It is my hope and my belief that Israel's action will bring stability, self-government and peace to the people of Lebanon and, God willing peace to the people of Northern Israel who live on the border with Lebanon.

TRIBLE INTRODUCES BILL TO STRENGTHEN RESCISSION POWER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. TRIBLE) is recognized for 15 minutes.

● Mr. TRIBLE. Mr. Speaker, last week the House adopted a budget resolution calling for more than $80 billion in deficit reductions from the budget baseline. Passage of the resolution indicated bipartisan support for reducing the share of our Nation's savings and production absorbed by the Federal Government.

Yet, next week we will be asked to raise the total national debt authorization by $47 billion to a record $1.127 trillion. Obviously, we must find new says to control spending.

One significant source of pressure for accelerated outlays is the massive amount of budget authority which is carried over from year to year. Even without authorizing one additional dollar for fiscal 1983, total unspent budget authorization will be $831 billion. This is approximately $100 billion more than the total spending for 1983 contained in the House-passed budget resolution; $126 billion of this $831 billion in past authorization will be spent in outlays in fiscal 1983. This will add directly to the deficit and drive up interest rates. The remaining $704 billion will be available to fuel Federal spending in future budgets.

This existing authority, coupled with the new authority to be enacted this year, creates a mighty impetus to accelerate Federal spending. Each year we continue the authorization buildup. The process lacks both coherence and manageability.

There is a method available to us to control the outlay "uncontrollables"—rescission. While we do have a rescission procedure available, it is extraordinarily difficult to cancel or rescind authority already granted. As a result, outlays flow.

Section 1012(b) of the Impoundment and Control Act reads:

> Any amount of budget authority proposed to be rescinded or that is to be reserved as set forth in such special (rescission) message shall be made available for obligation unless, within the 45-day period, the Congress has completed action on a rescission bill rescinding all or part of the amount proposed to be rescinded or that is to be reserved.

This section explains why rescission occurs so infrequently. Both Houses of Congress must agree to rescind a grant of previously enacted budget authority. In other words, existing law permits a "one-House veto" of any proposed rescission. Even inaction by one House—or a single committee for that matter—is adequate to nullify a rescission request.

Quite obviously, this is no way to control Federal spending. In fact, the current practice has a built-in bias toward spending.

If we are serious about our effort to control Federal spending, we must act to make rescission more than a form of words." We must insure that there is a distinct possibility of canceling these yet unspent billions in budget authority.

To attain this end, I introduced legislation yesterday to amend the 1974 act. The amendment provides: "* * * budget authority proposed to be rescinded * * * shall be made available for obligation if, within a 45-day period, Congress passes a rescission resolution disapproving such proposed rescission * * *."

This language would make the proposed rescission effective unless it was specifically disapproved by both Houses of Congress. A one-House veto would no longer be possible. A resolution of disapproval which passed only one House would no longer block an authority reduction.

Nor would inaction. If Congress fails to act within the 45-day period, the rescission will take effect.

In short, both Houses of Congress must disapprove a rescission proposal in a timely fashion to permit spending authority to remain in effect.

This relatively simple change in procedure would have a profound impact on Federal spending. Much of what is now uncontrolled would, in a single stroke, become controllable. The President would have the power to recommend rescission and it would be the proponents of spending who would be required to find majorities in both Houses.

Programs and projects authorized in haste would be subject to full and open debate. And to survive a rescission proposal, they would have to be acceptable to majorities in both Houses of Congress.

My proposal would insure that needed and defensible programs would survive. They would be supported by either the President or a majority in Congress. Spending proposed for rescission which is unable to garner the necessary support would not survive. For this reason, there will be a significant reduction in Federal outlays.

I want to stress that this is a procedural and nonpartisan change. No specific program is singled out and the power would be available to Presidents of either party. It would allow us to curb Federal spending and to revive the kind of noninflationary growth our Nation so badly needs.

I urge my colleagues to join me in support of this measure.●

GOOD FAITH VERSUS HYPOCRISY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, a few days ago, last week in fact, I received an invitation from the congressional liaison chief of the White House inviting me to attend a rally at Andrews Air Force Base with as many of the staff as I could muster to meet the President.

Since this was the first type of invitation of that nature that I received from this administration, it intrigued me. I was almost tempted to give it serious consideration.

But in the same mail I received a letter in my district enclosing two letters with the letterhead marked "Ronald Reagan—Washington," and the envelope on the outside only having "Ronald Reagan" as a return indication.

The first letter, she said, had been delivered to the San Antonio area to her home a few months ago. The second one just about 10 days ago.

In both letters the President is personally asking for contributions in order to carry out the intention, as is stated very clearly in one of the letters, this way, where he says:

Despite our new Republican majority in the United States Senate, the House of Representatives is still controlled by a liberal Democratic majority.

Then he goes on and says further:

That is why I consider winning Republican control of the House in this next election to be our party's No. 1 priority.

Then he appended a P.S. He says:

Recently when I met for dinner with Republican Senators to celebrate our victory, I was asked what our party should do for an encore. I said that is easy, we go on to win a majority of the House, and I am counting on you personally for your support and your contribution to help us realize this goal.

Now, I could not reconcile that with a good faith invitation to go join a propaganda crowd in order to welcome a triumphant President, as the PR people from the White House were picturing it, on his return from the European conference to Andrews Air Force Base. Nor can I reconcile it with what I consider to be hypocritical statements that he has directed to the Speaker of this House, the leadership of this House, the Democratic membership of this House, the recent contention over the issue of the budget, taxes, and related matters.

□ 1930

He stated publicly that he had nothing but good faith intentions of working in a conciliatory way, in a nonpolitical, adversary way with respect to these issues. I say that I was further intrigued by the fact—and I have done some research and up to date have not found any precedent on the part of any sitting President doing this in this fashion in which it is—a Presidential letterhead with the name, Ronald Reagan, Washington. Now, everybody knows that Ronald Reagan is the President of the United States, and the lady who sent me this correspondence wanted to know of me what she should do, because not being politically sophisticated, she thought the President was making a pitch for some help in the conduct of the Government of this country.

So, I offer the text of this letter at this point in the RECORD:

My election to serve you and our country is the highest honor I will ever have in my life.

And, with God's blessing and your help, I will do everything in my power to help lead America away from the critical dangers that threaten our nation.

I will need your personal help and support if we are to change America's direction while there is still time.

Throughout my campaign, I pledged to submit legislation to cut taxes, reduce the size of the federal government and restore our national defenses to assure security for us and our children.

And our great Republican victory last November was an endorsement of these goals by the American people.

But we face one major obstacle. Despite our new Republican majority in the U.S. Senate, the House of Representatives is still controlled by a liberal Democratic majority.

Although I am sure the Democratic leaders share our concerns for America, their spending programs and high tax policies run counter to the goals you and I and our Party have set. Because the House is still controlled by the Democrats, I know it will not be easy to win approval of our programs.

That is why I consider winning Republican control of the House in the next election to be our Party's number one priority.

I believe the key to electing a Republican majority by 1982 is to implement the National Republican Congressional Committee's comprehensive GOP Victory Plan now.

Congressman Guy Vander Jagt, Chairman of the Congressional Committee, informs me that unless they raise a total of $8.7 million, their entire campaign program is jeopardized. This would be a disaster for our Party.

That is why I believe your support of the Committee is crucial to the success of everything I hope to achieve as your President.

I hope, at this crucial time, you will strongly consider sending a $15, $25, $50, or even $100 contribution to the Committee. I am asking you to make this sacrifice because your contribution is needed to finance the most ambitious Republican campaign program ever launched.

Unless the Committee can count on your most generous contribution, they will simply not have the funds they need to put these plans into action early.

This GOP Victory Plan carefully blends direct cash contributions, national TV advertising, issue research and up-to-date survey information into one overall campaign program for candidates.

It is designed to give our candidates the resources they need to fight the built-in advantages of incumbent Democratic Congressmen.

This same Plan, used in 1980, was the prime reason we cut the Democrats' majority from 276 to 243 seats by increasing Republican seats from 159 to 192. This was the single largest gain for our Party in 14 years, and has put us within reach of winning control of the House by 1982.

Many of our candidates never would have won their close Congressional races without the Committee's expert help. I am convinced we can duplicate our 1980 victories in 1982, if we start now.

To launch the next phase of the Plan, the Committee needs $75,000 for candidate recruitment; $100,000 for campaign schools for candidates, managers and volunteers; and $250,000 set aside in a special fund reserved for candidates to launch their campaigns early, as soon as they announce.

That means the Committee must raise a total amount of $425,000 in less than 30 days.

If the Committee fails to raise this amount, it could jeopardize the best chance we have had in 25 years to become the majority party in the U.S. House.

This year Americans voted overwhelmingly for a change in government: they want to restore our country's defenses; they want to put more people back to work; they want their taxes cut along with the size and power of the Federal government. And they want action now.

If you support my efforts to change America's direction, then I urge you to support the Committee by sending your generous contribution in the special envelope enclosed with my letter.

This may be the only chance you and I will have in our lifetime to put into action the principles and policies we have dreamed about to bring Americans more freedom, security and a better standard of living.

That is why I urge you to rush your maximum contribution to the Committee so they can fund immediately the programs that will bring a Republican majority to the U.S. House of Representatives.

Sincerely,

RONALD REAGAN.

P.S.—Recently, when I met for dinner with Republican Senators to celebrate our victory, I was asked what our party should do for an encore. I said, "That is easy. We go on to win a majority of the House." And I am counting on you personally for your support and your contribution to help us realize this goal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ERLENBORN of Illinois (at the request of Mr. MICHEL), for today through June 24, 1982, on account of serving as a delegate to the ILO meeting.

Mr. AUCOIN (at the request of Mr. WRIGHT), for today on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 60 minutes, June 21, June 22, and June 23.

(The following Members (at the request of Mr. DANNEMEYER) to revise and extend their remarks and include extraneous material:)

Mr. DANNEMEYER, for 30 minutes, today.

Mr. PHILIP M. CRANE, for 5 minutes, today.

Mr. GOODLING, for 5 minutes, today.

Mr. DOUGHERTY, for 10 minutes, today.

Mr. TRIBLE, for 15 minutes, today.

Mr. DOUGHERTY, for 60 minutes, June 22.

(The following Members (at the request of Mr. BAILEY of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DANNEMEYER) and to include extraneous matter:)

Mr. KRAMER.
Mr. MICHEL in two instances.
Mr. DENARDIS.
Mr. BEREUTER.
Mr. CAMPBELL.
Mr. LEBOUTILLIER in two instances.
Mr. JEFFORDS.
Mr. FRENZEL.
Mr. RITTER in two instances.
Mr. WOLF.
Mr. ROBERTS of South Dakota in three instances.
Mr. RUDD.
Mr. DERWINSKI in two instances.
Mrs. SNOWE.
Mr. MOORHEAD.
Mr. PHILIP M. CRANE.
Mr. ERDAHL.
Mr. PAUL.
Mr. HYDE.
Mr. PARRIS in two instances.
Mr. WORTLEY.
Mr. COATS.
Mr. LENT.
Mr. SILJANDER.
Mr. JOHNSTON in two instances.
Mr. EVANS of Iowa.
Mr. GILMAN.
Mr. NAPIER.
Mr. HARTNETT in two instances.

(The following Members (at the request of Mr. BAILEY of Pennsylvania) and to include extraneous matter:)

Mr. BAILEY of Pennsylvania.
Mr. GARCIA.
Mr. FARY.
Mr. JENKINS.
Mr. STOKES in four instances.
Mr. WALGREN.
Mr. OBERSTAR.
Mr. FAUNTROY.
Mr. GORE in two instances.
Mr. BOLAND.
Mr. RODINO.
Mr. OTTINGER.
Mr. FUQUA in five instances.
Mr. DYSON.
Mr. FRANK.
Mr. GUARINI.
Mr. MARKEY.
Mr. YATRON.
Mr. MAZZOLI.
Mr. VENTO.
Mr. MINETA.
Mr. BREAUX.
Mr. FITHIAN in two instances.
Mr. SHANNON.
Mr. MATTOX.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 32 minutes p.m.) under its previous order, the House adjourned until Monday, June 21, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of the rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4181. A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1982 for international disaster assistance (H. Doc. No. 97-198); to the Committee on Appropriations and ordered to be printed.

4182. A letter from the Comptroller General of the United States, transmitting his review of the proposed revision to a recision, three new deferrals, and two revisions to existing deferrals, contained in the message from the President dated April 26, 1982 (H. Doc. No. 97-171), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 97-199); to the Committee on Appropriations and ordered to be printed.

4183. A letter from the Secretary of Agriculture, transmitting a report on Farmers Home Administration housing programs, pursuant to section 353 of the Omnibus Reconciliation Act of 1981; to the Committee on Banking, Finance and Urban Affairs.

4184. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize the Secretary of State to reimburse State and local governments for providing extraordinary protection with respect to foreign consular posts located in the United States outside the metropolitan area of the District of Columbia; to the Committee on Foreign Affairs.

4185. A letter from the Acting Comptroller General of the United States, transmitting a report and recommendation on the claim of the Tehran American School, pursuant to the Meritorious Claims Act, as amended; to the Committee on the Judiciary.

4186. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend section 1622 of title 38, United States Code, to permit the Administrator to utilize the post-Vietnam-era veterans education account for the administration of the education assistance program authorized by section 2141 of title 10, United States Code; to the Committee on Veterans' Affairs.

4187. A communication from the President of the United States, transmitting notice of the designation of Alfred E. Eckes, Jr. as chairman of the U.S. International Trade Commission, pursuant to public law; to the Committee on Ways and Means.

4188. A letter from the Comptroller General of the United States, transmitting a report on the need to renegotiate the Jetport Pact in south Florida, (CED-82-54, June 15, 1982); jointly, to the Committees on Government Operations and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRINKLEY: Committee on Armed Services. H.R. 6451. A bill to amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction and military family housing (Rept. No. 97-612). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 3809 referred to the Committee on Armed Services for a period ending not later than July 16, 1982, for consideration of such provisions of the bill and amendment recommended by the Committee on Interior and Insular Affairs as fall within that committee's jurisdiction pursuant to clause 1(c)(11), rule X.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

Consideration of the bill H.R. 5447 by the Committee on Energy and Commerce extended for an additional period ending not later than June 21, 1982.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

Mr. CONYERS:

H.R. 6623. A bill to establish a Regional Development Bank System and a National Recovery and Investment Board for purposes of providing economic assistance to distressed areas, targeting investment for economic redevelopment, and establishing plans to respond to emergencies and to meet national needs; jointly, to the committee on Banking, Finance and Urban Affairs and Rules.

By Mr. BAILEY of Pennsylvania:

H.R. 6624. A bill to amend the Trade Act of 1974 to establish certain limitations with respect to the generalized system of preferences, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON:

H.R. 6625. A bill to amend title XIX of the Social Security Act to provide for medicaid coverage of acupuncturists' services; to the Committee on Energy and Commerce.

By Mr. CARMAN:

H.R. 6626. A bill to establish a National Export Policy Commission; jointly, to the Committees on Banking, Finance and Urban Affairs, Foreign Affairs, and Rules.

By Mr. PHILIP M. CRANE:

H.R. 6627. A bill to amend the Internal Revenue Code of 1954 to apply the civil fraud penalty only to that portion of an underpayment which is attributable to fraud; to the Committee on Ways and Means.

By Mr. DANNEMEYER:

H.R. 6628. A bill to require amendment of the Internal Revenue Code of 1954 to provide a simple income tax with low marginal rates and to require the Secretary of the Treasury to propose legislation to establish such an income tax; to the Committee on Ways and Means.

By Mr. EVANS of Iowa:

H.R. 6629. A bill to provide import relief in the form of domestic content requirements for foreign manufactured articles,

and for other purposes; jointly, to the Committees on Ways and Means, Energy and Commerce, and Rules.

By Mr. FRENZEL (for himself, Mr. MATSUI, and Mr. HOLLAND):

H.R. 6630. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of industrial development bonds; to the Committee on Ways and Means.

By Mr. GEJDENSON (for himself, Mr. ROSENTHAL, Mr. MOFFETT, Mr. HAMILTON, Mr. SHAMANSKY, Mr. LANTOS, Mr. FINDLEY, Mrs. FENWICK, Mrs. SNOWE, and Mr. GILMAN):

H.R. 6631. A bill to authorize humanitarian assistance for the people of Lebanon; to the Committee on Foreign Affairs.

By Mr. GORE:

H.R. 6632. A bill to provide for a special prosecutor for the investigation and prosecution of violations of any provision of the Emergency Petroleum Allocation Act of 1973 or any regulation promulgated under such act; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. GRADISON:

H.R. 6633. A bill to amend the Internal Revenue Code of 1954 with respect to the financing of the unemployment compensation system; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 6634. A bill to amend the Federal Aviation Act of 1958 to preserve and continue the uniform system of joint fares; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER:

H.R. 6635. A bill to create a comprehensive Federal system for determining the ownership of and amount of compensation to be paid for inventions made by employed persons; to the Committee on the Judiciary.

By Mr. LEWIS (for himself, Mr. LOTT, Mr. PRITCHARD, Mr. EDWARDS of Oklahoma, Mr. LIVINGSTON, Mr. GINGRICH, Mr. LEE, Mr. WILSON, Mr. PASHAYAN, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Ms. FIEDLER, Mr. BROWN of California, Mr. DREIER, Mr. LONG of Maryland, Mr. CLAUSEN, Mr. DIXON, Mrs. SNOWE, Mr. HYDE, Mr. FAZIO, Mr. DORNAN of California, Mr. LOWERY of California, Mr. ROUSSELOT, Mr. GRISHAM, Mr. LEACH of Iowa, Mrs. FENWICK, Mr. MURTHA, Mr. LEHMAN, Mr. FINDLEY, Mr. HAWKINS, Mr. LOWRY of Washington, Mr. RHODES, Mr. TRAXLER, Mr. HOYER, Mr. RATCHFORD, Mr. DICKS, Mr. ROEMER, Mr. MINETA, Mr. MONTGOMERY, Mr. YOUNG of Florida, Mr. PORTER, and Mr. KEMP):

H.R. 6636. A bill to prohibit U.S. economic assistance for Warsaw Pact countries until the Soviet Union and the United States have signed a nuclear arms limitation agreement which provides for significant and verifiable reductions in nuclear weapons; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

By Mr. MICA:

H.R. 6637. A bill to amend title II of the Social Security Act to eliminate benefit disparities by increasing primary insurance amounts, in cases where the benefits involved are computed under the present formula (enacted in 1977), to the extent necessary to assure that such benefits are no less than they would have been if computed under the pre-1977 formula; to the Committee on Ways and Means.

By Mr. O'BRIEN (for himself and Mr. VANDER JAGT):

H.R. 6638. A bill to create jobs and reduce unemployment in congressional districts with high unemployment; to the Committee on Ways and Means.

By Mr. PATTERSON:

H.R. 6639. A bill to amend the Federal Reserve Act to provide for increased responsiveness and accountability of the Federal Reserve System to the Congress and the citizens of the United States, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. YOUNG of Florida (by request):

H.R. 6640. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts received as retired or retainer pay by a member or former member of a uniformed service and annuities received under a retired serviceman's family protection plan or survivor benefit plan; to the Committee on Ways and Means.

By Mrs. BOUQUARD (for herself, Mr. FUQUA, Mr. ROE, Mr. FLIPPO, Mr. YOUNG of Missouri, Mr. WALGREN, Mr. GORE, Mr. WRIGHT, Mr. RHODES, Mr. FAZIO, Mr. STRATTON, Mr. FORSYTHE, Mr. MAVROULES, Mr. SENSENBRENNER, Mr. STARK, Mrs. FENWICK, Mr. PEASE, Mr. YOUNG of Alaska, Mr. SEIBERLING, Mr. SHUMWAY, Mr. KASTENMEIER, Mr. FASCELL, Mr. TRIBLE, Mr. WILSON, Mr. LEATH of Texas, Mr. RICHMOND, Mr. BAILEY of Pennsylvania, Mr. SIMON, Mr. HEFTEL, Mr. TRAXLER, and Mr. MINISH):

H.J. Res. 513. Joint resolution to express the sense of the Congress of the United States that the Nation reaffirm its commitment to the expeditious development of magnetic fusion energy; to the Committee on Science and Technology.

By Mr. PERKINS (for himself, Mr. OBERSTAR, Mr. HAWKINS, and Mr. WRIGHT):

H.J. Res. 514. Joint resolution making an urgent supplemental appropriation for the Department of Labor for the fiscal year ending September 30, 1982; to the Committee on Appropriations.

By Mr. HOWARD:

H. Con. Res. 364. Concurrent resolution regarding the restoration of Olympic records of the late James (Jim) Thorpe; to the Committee on Foreign Affairs.

By Mr. MICA:

H. Con. Res. 365. Concurrent resolution directing the Commissioner of Social Security and the Secretary of Health and Human Services to immediately conduct a study and report to Congress on steps which can be taken to correct the benefit disparity known as the notch problem, in order to insure equitable and fair treatment for those who have based their retirement plans on benefit levels which have existed for the past decade; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mrs. SNOWE introduced a bill (H.R. 6641) for the relief of Richard W. Ireland; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 808: Mr. PERKINS, Mr. BRODHEAD, and Mr. YATRON.

H.R. 2022: Mr. FRENZEL and Mr. DUNN.

H.R. 3752: Mr. MCGRATH.

H.R. 4484: Mr. JEFFRIES, Mr. FROST, Mr. WON PAT, Mr. MATTOX, Mr. HAGEDORN, Mr. DAN DANIEL, and Mr. HUTTO.

H.R. 5133: Mr. GONZALEZ.

H.R. 5192: Mr. DERRICK.

H.R. 5380: Mr. BONER of Tennessee and Mr. PASHAYAN.

H.R. 5717: Mr. STENHOLM and Mr. KOGOVSEK.

H.R. 5797: Mr. YATRON.

H.R. 5948: Mr. HOWARD, Mr. BAFALIS, Mr. FRANK, Mr. MORRISON, Mr. SMITH of New Jersey, Mr. RAHALL, Mr. GINGRICH, Mr. PATMAN, Mr. WOLPE, Mr. STANGELAND, Mr. DERRICK, Mr. ROBERTS of South Dakota, Mr. NELLIGAN, and Mr. BARNES.

H.R. 6173: Mr. CHAPPIE.

H.R. 6259: Mr. ROEMER, Mr. EDGAR, Mr. MINISH, Mr. DANNEMEYER, and Mr. LUNGREN.

H.R. 6304: Mr. SIMON, Mr. DWYER, Ms. OAKAR, Mr. MIKULSKI, and Mr. GORE.

H.R. 6348: Mr. COLLINS of Texas, Mr. SMITH of Oregon, Mr. ANTHONY, Mr. HATCHER, Mr. MCEWEN, Mr. GORE, Mrs. BOGGS, Mr. BONER of Tennessee, Mr. PATMAN, Mr. WILLIAMS of Montana, Mr. HAGEDORN, Mr. DAVIS, Mr. OBERSTAR, Mr. DUNN, Mr. BEREUTER, Mr. HANCE, and Mr. ROBINSON.

H.R. 6429: Mr. FORYSTHE, Mr. DAVIS, Mr. EDGAR, Mr. FAZIO, and Mr. UDALL.

H.R. 6430: Mr. BEREUTER, Mr. FAZIO, Mr. LEBOUTILLIER, Mr. FORSYTHE, Mr. BETHUNE, Mr. FISH, Mr. ROBERT W. DANIEL, JR., and Mr. FRENZEL.

H.R. 6460: Mr. MURPHY and Mr. BAFALIS.

H.R. 6499: Mr. SABO and Mr. STANGELAND.

H.R. 6542: Mr. PANETTA, Mr. PRITCHARD, Mr. LANTOS, Mr. BOLAND, Mr. LEHMAN, Mr. KASTENMEIER, Mr. WON PAT, Mr. BINGHAM, Mrs. SCHROEDER, Mr. ROYBAL, Mr. WEAVER, Mr. STARK, Mr. CORRADA, Mr. FOGLIETTA, Mr. DASCHLE, Mr. WEISS, Mr. ST GERMAIN, Mr. RODINO, Mr. JEFFORDS, Mr. MADIGAN, Mr. SABO, Mr. GEJDENSON, Mr. RICHMOND, Mr. MORRISON, Mr. PATTERSON, Mr. MOFFETT, Mr. ROSENTHAL, Mr. LONG of Maryland, and Mr. MARKEY.

H.R. 6573: Mr. SAM B. HALL, JR., Mr. MCCOLLUM, and Mr. MCCURDY.

H.J. Res. 102: Mr. DOWDY, Mr. DUNCAN, Mr. GORE, Mr. PORTER, Mr. BAFALIS, Mr. DINGELL, Mr. LONG of Louisiana, Mr. RITTER, Mr. MCDONALD, Mr. HUNTER, and Mr. YATRON.

H.J. Res. 172: Mr. CHAPPIE.

H.J. Res. 350: Mr. BROOMFIELD, Mr. EVANS of Delaware, Mr. SMITH of New Jersey, Mr. JONES of Tennessee, Mr. ANDREWS, Mr. SKEEN, Mr. FRENZEL, Mr. DAVIS, Mr. MCDADE, Mr. COLEMAN, Mr. THOMAS, and Mr. HILLIS.

H.J. Res. 417: Mr. GILMAN, Mr. RAILSBACK, Mr. ERTEL, Mr. TAUKE, Mr. GREEN, Mr. BRINKLEY, Mr. COLEMAN, Mr. WILLIAMS of Ohio, Mr. MCKINNEY, Mr. WALGREN, Mr. FASCELL, Mr. BOLAND, Mr. GORE, Mr. FOUNTAIN, Mr. HARTNETT, Mr. FUQUA, Mr. ATKINSON, and Mr. UDALL.

H.J. Res. 482: Mr. ANDERSON, Mr. BENNETT, Mr. BROOMFIELD, Mr. COATS, Mr. CORCORAN, Mr. DANIEL B. CRANE, Mr. DASCHLE, Mr. DAUB, Mr. DOWDY, Mr. DUNCAN, Mr. DYMALLY, Mr. FARY, Mrs. FENWICK, Ms. FIEDLER, Mr. FRENZEL, Mr. GEJDENSON, Mr. GORE, Mr. HANSEN of Utah, Mr. JENKINS, Mr. KAZEN, Mrs. KENNELLY, Mr. LEACH of Iowa, Mr. LOEFFLER, Mr. MCCOLLUM, Mr. MCGRATH, Mr. MARKEY, Mr. MARRIOTT, Mr. MARTIN of North Carolina, Mr. MATSUI, Mr. MICHEL, Ms. MIKULSKI, Mr. MILLER of Ohio, Mr.

MITCHELL of New York, Mr. MOAKLEY, Mr. MOORE, Ms. OAKAR, Mr. OXLEY, Mr. PASHAYAN, Mr. PATMAN, Mr. PRITCHARD, Mr. RODINO, Mr. ROGERS, Mr. SANTINI, Mrs. SCHNEIDER, Mr. SHAMANSKY, Mr. SMITH of New Jersey, Mr. SOLARZ, Mr. SUNIA, Mr. SYNAR, Mr. WHITTEN, and Mr. ZEFERETTI.

H.J. Res. 487: Mr. LAGOMARSINO, Mr. HORTON, Mr. PERKINS, Mr. DORNAN of California, Mr. WILLIAMS of Ohio, Mr. DASCHLE, Mr. RAILSBACK, Mr. OXLEY, Mr. QUILLEN, Mr. MONTGOMERY, Mr. FORD of Tennessee, Mr. BUTLER, Mr. FINDLEY, Mr. WHITTAKER, Mr. ROE, Mr. WOLF, Mr. JEFFRIES, Mr. CHENEY, Mr. LEATH of Texas, Mr. BEVILL, Mr. MCDONALD, Mr. SHUMWAY, Mr. DERWINSKI, Mr. WON PAT, Mr. ROBERTS of Kansas, Mr. BRINKLEY, Mr. NAPIER, Mr. DANNEMEYER, Mr. CORRADA, Mr. JACOBS, Mr. YATRON, Mr. YOUNG of Florida, Mr. CHAPPELL, Mr. GINGRICH, Mr. WINN, Mr. SUNIA, Mr. BENEDICT, Mr. SMITH of Alabama, Mr. JONES of North Carolina, Mr. GINN, Mr. DUNCAN, Mr. HOWARD, Mr. HYDE, Mr. REGULA, Mr. COATS, Mr. FRENZEL, Mr. BURGENER, Mr. DE LA GARZA, Mr. DAN DANIEL, Mr. GUNDERSON, Mr. LOWERY of California, Mr. VANDER JAGT, Mr. MOTTL, Mr. YOUNG of Alaska, Mr. HUBBARD, Mr. BARNARD, and Mr. EVANS of Georgia.

H.J. Res. 493: Mr. JONES of Tennessee, Mr. DORNAN of California, Mr. SMITH of New Jersey, Mrs. BOUQUARD, Mr. PERKINS. Mr. BENEDICT, Mr. QUILLEN, Mr. COATS, Mr. HENDON, Mr. TRIBLE, Mr. FIELDS, Mr. MOORHEAD, Mr. HYDE, Mr. SHUSTER, Mr. SHUMWAY, and Mr. MCDONALD.

H. Con. Res. 334: Mr. MOTTL, Mr. HUCKABY, Mr. SAM B. HALL, JR., and Mr. ROBERT W. DANIEL, JR.

H. Con. Res. 343: Mr. TAUKE, Mr. SIMON, Mr. WILLIAMS of Montana, and Mr. DOUGHERTY.

H. Res. 421: Mr. MOAKLEY and Mr. SHAMANSKY.

H. Res. 427: Mr. MCKINNEY and Mr. FISH.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4326

By Mr. MCCLOSKEY:

(Amendments to the amendment in the nature of a substitute (H.R. 6587 to H.R. 4326.)

(References to page and line numbers are to H.R. 6587.)

—Page 4, line 2, after "obligations" insert "minus obligations for basic research and".

—Page 5, line 25, after "activity" insert "(other than basic research)".

—Page 6, strike out line 9 and insert in lieu thereof the following: "ments; and

"(6) the term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective.".

—Page 5, line 23, strike out "and".

—Page 7, line 11, strike out "thereunder:" and all that follows through the end of the sentence on line 16 and insert in lieu thereof "thereunder.".

—Page 7, line 21, after "subsection." insert "Nothing in this section shall be construed to require any Federal agency to expend any amount for basic research with any small business concern.".

SENATE—*Thursday, June 17, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. The opening prayer will be delivered by Father M. Ronald Chrisner, chaplain of Queen Anne School, Upper Marlboro, Md.

Father Chrisner is the guest of Senator MATHIAS and friend of page John Crupi.

Father Chrisner.

PRAYER

Let us pray.

Almighty God, knowing that You have blessed us with this land and an even greater heritage, we humbly pray for the knowledge and patience to prove ourselves worthy of such a blessing. Often Lord, no matter what our secular or sacred loyalties may be, we find, in moments of trial and struggle, that we are all praying to the same God; for the same reasons; for the same results. At those times, O Lord, grant us the wisdom and courage to rise above personal prejudices and material security. Help us to avoid praying for success, and peace, on our terms only. Grant us the understanding to view compassion, not as a weakness from without, but rather as a tender strength from within. Instill in us that compassion which allows us to be firm in our responsibility to do all we can to establish a just and lasting peace among all nations. Let that peace begin today, in this Hall, in this body, in this heart. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, are there special orders for today?

The PRESIDENT pro tempore. The leader is correct.

Mr. BAKER. Will the Chair please state them for the Senate?

The PRESIDENT pro tempore. There are special orders for Senator CHILES of 15 minutes, Senator STENNIS of 15 minutes, Senator COHEN of 15 minutes, and Senator SPECTER of 15 minutes.

Mr. BAKER. I thank the Chair.

Mr. President, is there an order for the transaction of routine morning business?

The PRESIDENT pro tempore. There is no order.

ORDER FOR PERIOD FOR TRANSACTION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order and the execution of the special orders, there be a brief period for the transaction of routine morning business to extend not past 10:45 a.m. in which Senators may speak for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I understand for the convenience of Senators who are assigned special orders this morning there is a wish to reverse the orders for Senators CHILES and STENNIS.

I inquire of the Senator from Mississippi, the acting minority leader, if that is the case.

Mr. STENNIS. I am entirely willing to do that.

Mr. BAKER. I thank the Senator.

SEQUENCE OF SPECIAL ORDERS

Mr. President, I ask unanimous consent that the orders be changed to read Senators STENNIS, CHILES, COHEN, and SPECTER.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER RESERVING LEADERSHIP TIME

Mr. BAKER. Mr. President, I ask unanimous consent that all or any portion of the time provided for under the standing order to the two leaders not utilized by the distinguished acting minority leader or by the majority leader be reserved for their utilization later during the course of this day.

The PRESIDENT pro tempore. Without objection, it is so ordered.

VOTING RIGHTS ACT AMENDMENTS OF 1982

Mr. BAKER. Mr. President, after the expiration of the time just provided for the transaction of routine morning business the Senate will resume consideration of the motion to proceed to the consideration of S. 1992 under the provisions of rule XXII, cloture having been invoked.

It is the intention of the leadership, Mr. President, to try to complete debate on that measure today.

I think we have given adequate time, even a generous amount of time, to those on both sides of this issue to debate the merits of the motion, and it is time now to get to the matter at hand. I hope we can do that, and I urge Senators to consider it is time to get on with the matter at hand. It is my urgent desire that we get this matter up and before the Senate sometime during the course of this day.

I will reiterate what I have said before. I have nothing but the highest regard for Members on both sides of this issue. I support this bill, I support the concept, as I always have.

I recognize that the distinguished Senator from North Carolina and others have strong points of disagreement on the bill as reported and, perhaps, will offer amendments. The amendments I have seen are not frivolous amendments. They are serious and worthy of the consideration of the Senate and, therefore, the leadership will give them a reasonable opportunity to present them.

But at some point the Senate must work its will. So it is my hope that all Senators will take account of the fact that we have been now 3 full days on the motion to consider, 3 full days this week, and that we have been 2 full days after the invoking of cloture.

It is time then to get on with the business at hand. So I hope we can arrange to proceed early to the consideration of the motion itself to have the matter up during the course of this calendar day.

As I indicated on Monday, we will try very hard to reestablish the schedule of hours and activities of the Senate which had been, for a time, to conclude the daily activity of the Senate at some time or shortly after 6 p.m. except on Thursdays. We have abided by that this week. But Senators should now take account of the fact that today is Thursday, and they should expect to be in very late if it is necessary in order to get on this bill and, if necessary, to complete this bill. So you should be prepared to have your dinner here and to invite your wives and your friends, if that is your desire, because I expect we will be in session far beyond the dinner hour.

The Secretary of the Senate and the Sergeant at Arms should take account of the fact the leadership intends to

try very hard now to complete this measure.

Mr. President, we will be in session tomorrow, Friday. We will have votes on tomorrow unless the Voting Rights Act bill can be finished. It does not now appear that we will be able to finish it tonight, although I am willing, I would like to do that. But if we do not we will be on the bill tomorrow and have votes on it tomorrow.

Mr. President, with that array of observations, comments, innuendos, and, some may say, veiled threats, I have no more good news to impart to the Senate, and I will reserve the remainder of my time.

Mr. CHILES. Mr. President, if the leader will yield, he would not have any guess as to how long we would be in tomorrow?

Mr. BAKER. No; I would not. I will say to my friend from Florida that I hope we can finish at a reasonable hour tomorrow. But it is urgently necessary that we finish this bill and then just as urgently necessary that we consider the urgent supplemental appropriations bill conference report. So matters are piling up on us and Members should know, by the way—and I thank the Senator for bringing this point up—that I wish to dispel any rumor that may have grown that the leadership will not call up the urgent supplemental conference report. While it is true the administration does not support it, I deem it my duty to bring it up, and I am going to bring it up as soon as I can reach it. But that will be after we finish this Voting Rights Act, unless agreement can be reached otherwise. I thank the Senator for his comments.

Mr. President, will the Senator from Mississippi withhold for a moment? I understand the Senator from Maine has a requirement for additional time. I ask unanimous consent that I may yield the time allocated to me remaining under the standing order to the control of the distinguished Senator from Maine.

I further ask unanimous consent, Mr. President, since I see three of the special order recipients on the floor, that the order of the execution of the special orders may be determined according to their desires and wishes as announced from time to time.

Mr. STENNIS. Mr. President, will the Senator yield at that point? How much time is the Senator referring to in connection with the delay——

Mr. BAKER. It would not be a delay. It would be added to the time of special orders, I will say to my friend from Mississippi.

Mr. STENNIS. I have no objection, of course.

Mr. BAKER. Mr. President, was the request granted, may I inquire of the Chair.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

RECIPROCAL TRADE BILL

Mr. ROBERT C. BYRD. Mr. President, after months of negotiation between the Senate Finance Committee and the administration, the compromise trade legislation approved by the committee on June 16 is a nonstarter. As Senator LONG, the ranking Democratic member has observed, this bill is not likely to have any effect whatsoever on the unfair trade barriers the Japanese have erected to our exports because they know that "this gun isn't loaded." The bill does nothing more than add to the already totally discretionary authority of the President to deal with unfair trade practices.

It sends a completely inappropriate signal to the Japanese and the European countries whose subsidized exports compete unfairly in our markets while theirs are closed to our products. It tells them that they have nothing to fear from the United States and that they do not have to go any farther than they have already gone in making some minor concessions on existing barriers to our products.

I have introduced legislation that addresses this problem squarely, the Fair Trade Act of 1982, which mandates Presidential action against the unfair trade practices of other countries unless they cease these practices within a specified period of time. The Finance Committee's bill extends Presidential authority to negotiate with other countries but it suffers from the same weakness the existing Trade Act of 1974 does: It does not require anything and permits the President to determine what, if any, action is appropriate to enforce our rights under trade agreements and to respond to other countries' unfair trading practices. The record of strong executive branch initiative with existing authorities is disappointing, to say the least. This extension of nonmandatory authority, while it is replete with admirable references to solving our trade problems, requires absolutely nothing but an annual study of these problems.

My bill requires an annual study of unfair trade practices by the U.S. Trade Representative, recommendations for retaliatory action by the President, who must send the report and the recommendations to the Congress, and congressional action mandating specific measures against offending countries unless they cease their practices within 60 days of enactment of that congressional action.

The approach of my bill does not sidestep any of the issues. It requires positive action if negotiations with other countries fail. Unfortunately, the bill the Finance Committee approved today satisfies no one but the administration.

When this bill comes to the Senate floor, I may offer my own bill, S. 2603, as a substitute which will put some teeth into our trade legislation and give us some real weapons to use to end our disadvantages in trading with Japan and Western Europe.

Mr. ROBERT C BYRD. Mr. President, I yield 2 minutes to the Senator from Wisconsin (Mr. PROXMIRE).

COMPARISON OF UNITED STATES AND SOVIET STRATEGIC NUCLEAR FORCES

Mr. PROXMIRE. Mr. President, I continue providing information for the Senate from the report prepared by the staff of the Carnegie Panel on U.S. Security and the Future of Arms Control. Yesterday I provided the study's conclusions—in part—on a comparison of the weapons on both sides. This comparison is critical because the administration has argued that an effective freeze of nuclear weapons must await the achievement of parity or equality of weapons. This study addresses precisely that comparison. Yesterday I discussed the comparison of ICBM strength on both sides. Today, I bring a part of the study that deals with other strategic weapons, including submarines, bombers, and so forth. Later I will deal with the study's conclusion on the comparisons.

With respect to the other two legs of the Triad submarines and bombers, the Carnegie report finds:

> The Soviet force of strategic submarines is large, and improving all the time but generally is still not equal to its U.S. counterpart. Only a small portion of the force is deployed at any one time, perhaps 15 percent to 20 percent, as compared to more than 50 percent of the U.S. force. This lower rate of submarines in patrol may in part reflect Soviet problems with maintaining and servicing them at sea, particularly with respect to their nuclear reactors. Most important, Soviet submarines are considerably noisier than their U.S. counterparts and thus more vulnerable to detection and attack. The Soviets are modernizing their submarine force and will no doubt overcome many of these problems in the future; but even so, there is little evidence of progress in lowering the noise levels of the submarines. Soviet submarine-launched missiles (SLBMs), however, are of very high quality, and some are equal to U.S. SLBM's.
>
> The Soviet long-range bomber force currently consists of about 140 aircraft that are about 25 years old, very few, if any, of which are maintained on alert. Some analysts view the newer Backfire bomber as a strategic weapon system. But it seems clear that whatever long-range capabilities it might have are marginal, and that the Soviets designed Backfire principally for mis-

sions against targets in Europe and China and as a naval bomber.

The Soviets have emphasized strategic defensive systems to a greater extent than the United States. They maintain a large air defense system of interceptor jets and surface-to-air missiles although these defenses would have only very limited effectiveness today against U.S. bombers. They also maintain one small anti-ballistic missile system near Moscow as permitted by the ABM Treaty.

In contrast, the United States has a more diversified nuclear force posture than the Soviets. In part, this is due to an early American policy choice to maintain a balanced force, a "triad" of land and sea-based missiles plus bombers. The advantage of diversification is that it reduces the likelihood that a major portion of the U.S. force would become vulnerable to a Soviet attack, or be unable to complete its mission. The evolution of the triad also reflects the early involvement of all three military services in the development of U.S. strategic forces. The United States presently has about 350 strategic bombers in active service plus 220 that are in storage and cannot be used. Many of the active-service aircraft are 20 years old but they have been modernized repeatedly to ensure they are effective. At present, they are being equipped with cruise missiles, which will permit them to attack most targets in the USSR without confronting Soviet air defenses. American advantages in naval capabilities and technologies have led to development of a significant sea-based force of 41 submarines carrying 656 SLBM's. The United States is presently replacing its older Polaris strategic submarines with the larger, more capable Trident submarines, and replacing existing sea-based missiles with the longer-range Trident I. U.S. ICBM's number 1,054, most of which are the small (by Soviet standards) Minuteman. Minuteman ICBM's carry up to three small, but accurate warheads. The United States plans to deploy a new, large, mobile ICBM—the MX—beginning in 1986. The United States maintains an early warning, air defense radar network, but since the mid-1970's has deemphasized continental air defenses of interceptor jets and surface-to-air missiles. It does not maintain an operational anti-ballistic missile site as permitted under the ABM Treaty.

KEEPING FAITH

Mr. PROXMIRE. Mr. President, on Monday, May 31, the Boston Globe carried an article by Mr. Thomas O'Toole of the Washington Post. It contained speculation that several Byelorussian Nazi war criminals are buried in a New Jersey cemetery. If that is true, it fuels further speculation about how these Byelorussians reached the United States and whether they were given free passage into the country by our Government. According to O'Toole, John Loftus, a former Justice Department prosecutor, said that they were smuggled into the country to work in the cause of the U.S. against the Soviet Union in the cold war.

At the same time, the front page of the Globe contained a small article commemorating the spirit of Memorial Day. It was written in the midst of war by John L. Sullivan, a Navy lieutenant during World War II. Sullivan wrote about a major question: What is gained by the sacrifice of men's lives in war? The only answer these young men who fight our wars have is the hope that a "bright new world * * * shall rise out of the destruction of war." This, according to Sullivan, is the only answer which could satisfy the demands of the question. Sullivan adds that he hopes that "in the years to come * * * we shall be able to say, in truth, that we have kept faith with those who died. We can do no less, and we can do no more."

Mr. President, I think it ironic that our treatment of these Byelorussian alleged war criminals is, in effect, inconsistent with keeping faith with those who died in the hope that a "bright new world" would be achieved by their sacrifices. Those men died to destroy the tyrannical rule which the Nazis and Japanese had established across Europe and Asia, and to restore peace, freedom, and human rights. Since colonial times, Americans have inspired mankind with this Nation's dedication to these high ideals. Long have we led the way in promoting these sacred values. Yet, now we falter and continue our refusal to approve the international treaty against genocide.

Mr. President, I sincerely believe that our U.S. servicemen did not die in vain. I suggest, then, that we ratify the Genocide Convention to reaffirm before the world our belief in human rights, and to reassert our condemnation of the terrible crime of genocide. Let us renew our dedication to the "bright new world" for which so many gave their lives.

I thank the Democratic leader and I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I yield the remainder of my time to Mr. STENNIS in the event he should require it.

RECOGNITION OF SENATOR STENNIS

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the minority leader.

S. 2638—THE FAIR PLAY FOR SOCIAL SECURITY ACT OF 1982

Mr. STENNIS. Mr. President, I am introducing today proposed legislation which might be appropriately called the Fair Play for Social Security Act of 1982. I suggest that this is an appropriate title because the purpose of the bill is to require that the social security trust funds be reimbursed from the general funds of the Treasury the amount which the social security trust funds have been shortchanged since January 1, 1970, because such trust funds have been invested in Government securities which have provided a lesser rate of return than was available on other Government securities.

The legislation requires that the managing trustee—the Secretary of the Treasury—determine the amount of interest which could have been earned by each of the social security trust funds during the period from January 1, 1970 through December 31, 1982, if the trust funds had been invested in Government securities which would have secured the maximum interest yield consistent with the safety of the investment. It also provides that the managing trustee shall transfer from the general funds of the Treasury into each of the trust funds an amount by which the potential interest determined by him exceeds the actual interest amount earned by the trust funds. The transfers required are to be made in installments at such times as the managing trustee determines to be necessary to best insure the solvency of the trust funds.

Mr. President, there is no wrongdoing of any kind imputed to any official connected with these matters.

The history behind this legislation is that, despite the fact that securities having substantially higher yields were available, the trustees have invested the trust funds in so-called Treasury Department special issues. The yield on these special issue securities is set at the average yield on all outstanding Treasury certificates maturing 4 or more years after the special issue securities are issued. The special issue securities are nonmarketable and are sold only to the trust funds. They can be cashed in prior to maturity at par—face value—if needed to pay benefits.

In practice, this has resulted in earnings by social security trust funds below the yield paid on other Federal securities with comparable maturities. For example, on June 30, 1980, there was approximately $47 billion in the social security trust funds, consisting of $23.56 billion for old-age and survivors insurance, $7.68 billion for disability insurance, and $14.6 billion for hospital insurance. However, the combined average rate of earnings on the trust funds in calendar year 1980 was only 8.3 percent. At the same time, Government or Government-backed securities and certificates of deposit were earning approximately 13.5 percent. In July 1981, they were earning about 16 percent.

In fiscal year 1980, most of the special issues in which the trust funds were invested carried an interest rate of 7 percent. Only $6.3 billion of these special issues carried an interest rate in the range of 9 percent.

If the trust funds in 1980 had been invested in Government or Government-backed securities paying the

maximum yield, the trust funds would have earned about $2 billion more than they actually earned. The difference is equal to 60 percent of the $3.3 billion combined deficit that the trust funds suffered in 1980. Substantially the same situation existed for calendar year 1981.

In addition, according to a Department of the Treasury estimate, if during the 1960-80 period the special issues held by the trust funds on June 30 of each year that carried an interest rate lower than the interest rate for the new issues in June had been reinvested, or rolled over, in special issues carrying the newer and higher interest rate, the assets of the old-age and survivors insurance and disability insurance trust funds would have been increased by about $13.5 billion. This figure, it is to be noted, does not include the hospital insurance trust fund.

Now, Mr. President, that is real money. In keeping with what is the real basis of the social security fund, those moneys are now owned by the Government but are held in trust for the beneficiaries. If we do not acknowledge that and act accordingly and keep it on that basis and make prudent investments of every dollar that those funds have, we are not living up to the spirit and the letter of the laws governing social security trust funds.

The entire situation disturbed and shocked me. Although I make no charge of wrongdoing or malfeasance, it certainly appears that there was a custom or practice of investing social security trust funds in Government securities with a lesser yield than was otherwise available. This reduced the interest paid by the general fund and, in my opinion, thereby unjustly enriched the general fund at the expense of the social security trust funds and social security beneficiaries.

In other words, to pay this money out of the Federal Treasury is not to take away funds belonging to the Treasury. It is just a matter of transferring to the trust funds the money that the general fund has received the benefit of in years past. There will be no loss to the Treasury; there will be no raid on the Treasury. It will simply be holding the Treasury accountable for the amount the trust funds have been shortchanged in the past.

I emphasize, I do not think there was any illegal action, but we would be guilty of great neglect and a failure to live up to our responsibilities unless we right this wrong.

I have previously introduced S. 1768, which is now being considered by the Committee on Finance. This bill would make it mandatory that social security trust funds be invested in Government securities or obligations so as to secure the maximum possible interest yield commensurate with the safety of the investment. This bill, if enacted into law, would contribute to the financial strength and solvency of the social security system and would help to solve the financial problems which the social security system now confronts and will confront in the future.

If the bill which I am introducing today is enacted into law, a giant step will have been made in restoring the solvency of the social security trust funds. I cannot fix the exact amount involved at this time, but it is literally in the billions. At my request, the General Accounting Office is working on this problem for the purpose of determining the difference in the amount of interest earned by the trust funds and the amount of interest which could have been earned if the trust funds were invested in other Government securities. I expect a report on this soon. In addition, the bill which I am introducing today would require the managing trustee of the social security system to make such a determination.

Mr. President, I remember that, very soon after I came to the Senate, I received a very well-written letter from a constituent complaining about the way that the social security funds were invested. I made what I thought was a thorough investigation of the matter and wrote him with considerable pride that all the funds were being invested in Government securities and that there could not be a better way to invest it. I assured him that I would keep an eye on it and see that this practice was continued.

Well, I have thought about that from time to time. His letter impressed me very much. I was keeping an eye on the situation, to a degree, but I was not looking deep enough into the details, in the later years, anyway, of these investments.

This proposal would just right a wrong that has resulted in the trust funds being shortchanged. These trust funds belong to someone else, not to the Federal Government and not to the general fund of the U.S. Treasury. We are mere trustees of those funds. They belong to the people, the present and future beneficiaries of these social security funds. In other words, it is the money of the people who have borne the burden of paying social security payroll taxes.

Again, Mr. President, for emphasis, I point out again that these trust funds are dedicated for the payment of social security benefits. Those who hold and invest them act in a fiduciary relationship of the highest nature. As such, it is essential, in my judgment, that the funds be invested in Government securities that will earn the maximum return commensurate with the safety of the investment. This has not been done in the past, and I am of the opinion that this has unjustly enriched the general fund of the Treasury at the expense of the social security trust fund. I believe the bill which I am introducing will correct this situation by requiring that the social security trust fund be reimbursed for the difference in the interest actually earned and that which could have been earned if the trust funds had been invested in Government securities paying the highest rate of interest consistent with the safety of the investment.

In closing, Mr. President, I ask unanimous consent that a copy of the bill which I am introducing today be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(m) (1) The managing trustee shall determine—

"(A) the amount of interest which could have been earned by each of the Trust Funds during the period from January 1, 1970, through December 31, 1982, if investments under subsection (d) of the portions of the Trust Funds which were not required to meet current withdrawals had been made so as to secure the maximum interest yield, commensurate with the safety of the Trust Funds, and if such investments had been allowed to be made in any marketable interest-bearing obligations which are not obligations of the United States but which are guaranteed as to both principal and interest by the United States, and any marketable federally-sponsored agency interest-bearing obligations that are designated in the laws authority their issuance as lawful investments for fiduciary and trust funds under the control and authority of the United States or any officer of the United States; and

"(B) the amount of interest actually earned by each of the Trust Funds during the dame period.

"(2) The managing trustee shall transfer from the general fund in the Treasury, into each of the Trust Funds, an amount equal to the amount by which the potential interest amount determined under paragraph (1) (A) for such Trust Fund exceeds the actual interest amount determined under paragraph (1) (B) for such Trust Fund. Transfer under this paragraph shall be made in installments at such times as the managing trustee determines to be necessary to best insure the solvency of the Trust Funds.".

(b) Section 1817 of such Act is amended by adding at the end thereof the following new subsection:

"(k) (1) The managing trustee shall determine—

"(A) the amount of interest which could have been earned by the Trust Fund during the period from January 1, 1970, through December 31, 1982, if investments under subsection (c) of the portion of the Trust Fund which was not required to meet current withdrawals had been made so as to secure the maximum interest yield, commensurate with the safety of the Trust Fund, and if such investments had been allowed to be made in any marketable inter-

est-bearing obligations which are not obligations of the United States but which are guaranteed as to both principal and interest by the United States, and any marketable federally-sponsored agency interest-bearing obligations that are designated in the laws authorizing their issuance as lawful investments for fiduciary and trust funds under the control and authority of the United States or any officer of the United States; and

"(B) the amount of interest actually earned by the Trust Fund during the same period.

"(2) The managing trustee shall transfer from the general fund in the Treasury, into the Trust Fund, an amount equal to the amount by which the potential interest amount determined under paragraph (1)(A) for the Trust Fund exceeds the actual interest amount determined under paragraph (1)(B) for the Trust Fund. Transfer under this paragraph shall be made in installments at such times as the managing trustee determines to be necessary to best insure the solvency of the Trust Fund.".

(c) Section 1841 of such Act is amended by adding at the end thereof the following new subsection:

"(j)(1) The managing trustee shall determine—

"(A) the amount of interest which could have been earned by the Trust Fund during the period from January 1, 1970, through December 31, 1982, if investments under subsection (c) of the portion of the Trust Fund which was not required to meet current withdrawals had been made so as to secure the maximum interest yield, commensurate with the safety of the Trust Fund, and if such investments had been allowed to be made in any marketable interest-bearing obligations which are not obligations of the United States but which are guaranteed as to both principal and interest by the United States, and any marketable federally-sponsored agency interest-bearing obligations that are designated in the laws authorizing their issuance as lawful investments for fiduciary and trust funds under the control and authority of the United States or any officer of the United States; and

"(B) the amount of interest actually earned by the Trust Fund during the same period.

"(2) The managing trustee shall transfer from the general fund in the Treasury, into the Trust Fund, an amount equal to the amount by which the potential interest amount determined under paragraph (1)(A) for the Trust Fund exceeds the actual interest amount determined under paragraph (1)(B) for the Trust Fund. Transfer under this paragraph shall be made in installments at such times as the managing trustee determines to be necessary to best insure the solvency of the Trust Fund.".

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Under the previous order, the Senator from Florida (Mr. CHILES) is recognized for not to exceed 15 minutes.

CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, for nearly a month now, Senator NUNN and I have been coming to the floor of the Senate every day to speak out about crime, and about the need for the Senate to move promptly to pass a package of bills aimed at fighting crime. We come here to speak because we are concerned that the Senate will lose its opportunity to do something about the violence and the drug trafficking which plague this entire country. This session of Congress is scheduled to end in early October. Between now and then, we have many important issues to consider, but very little time left. If you look at the actual number of days that the Senate will be in session, you discover that as few as 51 days remain. I am concerned that, unless we move a crime-fighting bill through the Senate and present it to the House for its consideration, our chance to act will pass by. That would be tragic, Mr. President, because I believe that there are few issues as important to the American public as the issue of crime.

The Senate could act by moving on the two crime-fighting bills which are presently on the Senate Calendar. One of them, S. 2543, was introduced by Senator NUNN and myself on May 19. The other one, S. 2572, was introduced by Senator THURMOND and Senator BIDEN, the chairman and ranking minority member of the Senate Judiciary Committee, just before Memorial Day. Both Senator NUNN and I joined as sponsors of S. 2572. We in the Senate must act promptly to bring these bills off the calendar and before the Senate, if we are to do something about crime.

One of our top priorities should be to pass legislation which will assist our law enforcement officials in the fight against organized crime. We know that organized crime is closely linked to the traffic in illegal drugs, and we also know that organized crime relies on violence to get its way. Contract murders are the way that mobsters deal with anyone who stands in their path.

To many people, a hit man is someone we see on television, and is not a part of real life. Unfortunately, that simply is not the case, Mr. President. Hit men are real, and unless we put more emphasis on dealing with hit men and on the other aspects of organized crime, the mobs will continue their reign of lawlessness and terror. Last week, we saw that hit men are all too real, as the Broward County sheriff's office arrested Bernard Hunwick.

Hunwick had just moved into a $250,000 house in Plantation, Fla. He drove a Lincoln Continental and he had just bought his wife a dress shop in a fashionable part of Fort Lauderdale. How did Hunwick finance his extravagant lifestyle? Well, according to police officers, his only visible means of support was his job in his wife's dress shop. However, the police search of Hunwick's house, along with other information obtained by the police, gives us a better idea about what Hunwick does for a living.

Police found two "hit kits" in Hunwick's house. Each one contained an automatic pistol, a silencer, handcuffs, and brass knuckles. In addition, the police found six more guns, including a high-powered rifle, three bombs, including a hand grenade made from a beer can, and $12,000 in cash. This arsenal is not the kind of property one expects to find in the home of someone who works in a dress shop. It is the equipment for a hit man, and Hunwick runs a "murder for hire" organization.

Hunwick was arrested and charged with attempted murder, kidnaping, and armed robbery of a Mr. Alan Chafin. On May 19, Chafin was robbed, shot five times, and left for dead in west Broward County. Police investigators claim that Hunwick and one of his associates had been hired to kill Chafin. Chafin told police investigators that Hunwick was responsible for the murder of between 12 and 14 people in south Florida over the last several years. In addition, Chafin told police that Hunwick and his crew were responsible for more than 300 homicides nationwide. While it is still too early to know how accurate that figure is, the police in Broward County believe that 300 murders is not out of line. Hunwick and his gang may be one of the main "hit squads" in the country.

Police officials in Fort Lauderdale were able to give some clues as to how Hunwick organized his murder-for-hire squad. Basically, Hunwick and his gang appear to have operated as independent contractors. In some cases, he just charged his clients a flat fee of about $3,000 for a contract murder. In other cases, where someone owed money to a gangster, Hunwick would guarantee the gangster payment of half the debt. Then, Hunwick would collect whatever he could, and shoot the person who owed the money.

Mr. President. I commend the sheriff's department in Broward County for arresting Hunwick. They have once again shown their skill and determination in carrying out their duties. But it is not fair to expect local law enforcement agencies, by themselves, to track down dangerous professional killers like Hunwick. We must bring the full force of the Federal law enforcement establishment into the fight against these kinds of criminals.

Mr. President, title 1 of S. 2543 deals with violent crime. It specifically provides for Federal jurisdiction over any murder-for-hire case, and it would provide for better protection for confidential informants who come forward to help prosecute members of organized crime. In this instance, had S. 2543 been on the books, the FBI and other Federal law enforcement agencies

could have been fully involved in the search for Hunwick and his murder-for-hire gang.

We can get the FBI involved, we can help break up organized crime, but only if we in the Senate act promptly to bring up and pass the crime-fighting bills which are now on the Senate Calendar. We have a chance to do that, but time is running out. Unless we act now, we will effectively let the Bernard Hunwicks of this world continue to kill.

DRUG USE AND CRIMINAL ACTIVITY

TITLE II—BAIL REFORM

CRIME CONTROL ACT OF 1982

● Mr. NUNN. Mr. President, I have spoken in this Chamber many times about the major problem our Nation faces in illegal narcotics trafficking. I have spoken often about the economic impact this traffic has on our economy. I have pointed out repeatedly that in the hearings conducted by the Permanent Subcommittee on Investigations we have received testimony showing that the retail value of the drug business is estimated as high as $64 billion per year. This is more than twice on 1980 sales of IBM, the Nation's eighth largest corporation. But the drug traffic hazards more than our economy. It has created a tidal wave of crime which has inundated the streets of our cities and threatens to submerge our entire society.

A recent study conducted by a professor at the University of Delaware demonstrates the unbelievable amount of crime committed by heroin addicts alone. Over 97 percent of 356 heroin users studied used criminal activity as a source of support for their drug use and other needs. While most of the addicts studied had a second source of income, such as welfare, criminal activity was a source of income for almost all. And over 80 percent of their criminal activity was for the purpose of supporting their drug use.

It is obvious that the dismantling of the illegal narcotics industry must be part of our efforts against crime. It is equally obvious that there are many especially difficult hurdles in the investigation and prosecution of major narcotics traffickers. One such problem has been the inadequacy of cash bail in an industry routinely generating huge amounts of illegal cash profits.

Not atypical is the case of George Casey, regarded as one of the largest heroin dealers in Detroit, Mich. Casey was arrested in June 1979 on Federal charges stemming from his operation of a multimillion-dollar business importing and selling both heroin and cocaine in at least five States. On arrest, Federal agents confiscated from Casey one-third of a pound of heroin, four ounces of cocaine, and $90,000 in cash. Casey was at that time no newcomer to the criminal justice system: He had served two previous prison terms on narcotics convictions. He had been acquitted of a murder charge in 1970.

In September 1980, Casey entered a guilty plea to the latest Federal narcotics charges. He was facing 10 years in prison without parole and a $100,000 fine when he disappeared, despite a $500,000 bond. Among the ranks of major narcotics traffickers like Casey, even a $500,000 bond is a slight cost to pay for freedom.

The Casey saga, fortunately, has an encouraging end for law enforcement. Casey was apprehended in April 1982 in an isolated area of northwestern Alabama. He was well equipped when found: Police recovered a .45 caliber, semiautomatic shoulder weapon with a 30-round ammunition clip as well as a Colt revolver. Both had been taken in a recent Atlanta robbery.

As with George Casey, the only effective bail in cases of major narcotics traffickers is often no bail. Title II of the Crime Control Act of 1982, which Senator CHILES and I have introduced, recognizes that fact by providing for the denial of bail in certain narcotics cases, including where the defendant, like George Casey, has a record of previous narcotics felony convictions. For too long we have watched as drug smugglers not only reap huge illegal profits but blatantly use those profits to, among other things, secure their escape from American justice. By passage of S. 2543, Congress can and should act now to insure that such individuals will, in the future, be held accountable for their criminal deeds.●

RECOGNITION OF SENATOR COHEN

The PRESIDING OFFICER. Under the previous order, the Senator from Maine (Mr. COHEN) is recognized for not to exceed 15 minutes.

S. 2641—DENIAL OF TAX-EXEMPT STATUS TO THE NATIONAL BROILER COUNCIL

Mr. COHEN. Mr. President, for most of the past three decades, the Maine poultry industry has occupied a prominent role in my State's economy, contributing in excess of $200 million annually to Maine's economy. Unfortunately, in the past 2 years, we have witnessed the economic collapse of this industry, with four of Maine's five processing firms suspending operations.

In the last 2 years, over 5,000 Maine workers have lost their jobs as a result of the declining economic health of the poultry industry. The Farmers Home Administration has recently begun foreclosure proceedings against many farmer-producers, while other farmers, fighting off bankruptcy, are organizing into cooperatives and working toward reopening, on a limited scale, two of the closed facilities.

The Maine Department of Agriculture, in conjunction with the Maine Poultry Federation, the Maine Development Foundation and other groups, recently completed a comprehensive analysis of the Maine broiler industry and its future viability. Although the report indicates that Maine has structural disadvantages—transportation, lack of local feed grains, and high energy costs—the superb quality of the product and the efficiency of the Maine producer can offset many of these disadvantages, particularly in the New England market.

Hillcrest Foods, Inc., a family corporation located in Lewiston, Maine, formally closed its doors last spring, resulting in a loss of over 250 jobs. The city of Lewiston has planned a redevelopment of the Hillcrest plant with a $3.64 million investment package that will enable two companies to acquire the fixed assets of the bankrupt Hillcrest Foods, Inc. The city recently submitted an application to the Department of Housing and Urban Development (HUD) for $500,000 in Urban Development Action Grant (UDAG) funds to assist in the reopening of the Hillcrest poultry processing plant. In addition to the UDAG assistance, and other private and Federal investment, the city of Lewiston has committed $390,000 to the project through the conversion of the Hillcrest tax lien to debt financing assumed by the two companies.

The business and economic development opportunities to be realized through the Hillcrest redevelopment project are important to the city of Lewiston as well as to the surrounding areas. In addition to the property tax revenue generated, 124 new production jobs will be created by the second year of operation; jobs that were lost with the closing of Hillcrest. Approximately 40 area poultry farmers who are dependent on the poultry processing industry for their livelihood will be able to put their farms back into full productive use, and resume loan payments to the Farmers Home Administration.

HUD officials have been working closely with Lewiston city officials in an effort to make the redevelopment project feasible, and worthy of approval. Yet, the deadline is fast approaching and Lewiston's application may have to be held over to the next funding round.

Until last week, I had assumed that this application was undergoing the usual review that such applications receive. At that time, however, I was rudely acquainted that there was at least one facet of HUD's consideration of the Hillcrest application that was highly unusual. I learned that HUD

had received comments from several Members of the House and the Senate expressing their strong opposition to the proposal. These comments were totally unsolicited by HUD and were, I understand, based on the rationale that poultry processing firms should not benefit from Federal subsidies. I learned further that these congressional comments had been solicited by the National Broiler Council. I would like to take this opportunity to comment on both those people who wrote to HUD and on the members of the National Broiler Council who inspired this outrage.

As for my colleagues, I have never, in my 9 years in Congress, witnessed such an intervention of Senators and Representatives in the consideration of a grant in an executive agency to defeat a project wholly outside of the borders of their States of districts. This intervention is the rawest form of constituent interest support or should I say subversion. It makes the prosperity of one region contingent on the suffering of another. If such a course were followed by all Members of this body, Congress would be reduced to a group of jealous vigilantes as ready to cut down growth in another region as to promote it in their own.

I would also speak to these Members as individuals. Included among them are those who would style themselves economic purists.

Yet I have notice that many of these same Members are the first in line to belly up to the bar of Federal largesse to benefit their own States or districts. Such projects as major dams and waterways, the cheap power provided by the Tennessee Valley Authority, and the benefits of "regulated" natural gas are not seen as Federal subsidies in the selective vision of these legislators.

With respect to the members of the National Broiler Council who took it upon themselves to urge their representatives to this unfair and ill-advised intervention, I find it extraordinary that this group has seized on the impropriety of Federal subsidies as a sufficient rationale to oppose the Hillcrest application. I would like to point out a few facts about this industry. Far from being the bastion of private enterprise it would pretend to be, it benefits from a vast array of Federal subsidies and federally supported projects. I have already named the Tennessee Valley Authority, which provides cheap, electrical power and the lower prices for natural gas which have come through the imposition of Federal controls. Now that their economic philosophy is clear, I await the arrival of their letter urging the repeal of natural gas price controls and private ownership of the TVA. That may not arrive, Mr. President, and if it does not, it would be fair to characterize these people as hypocrites.

I contrast this favored treatment these businesses receive to the circumstances under which the poultry industry of Maine supports itself. In Maine, poultry processors struggle with high transportation costs, lack of readily accessible feed grain, and electricity provided through the burning of imported oil—the price of which oil, I point out, is not distorted by Federal controls. Maine poultry producers do not benefit from lower transportation costs made possible by the Interstate Commerce Commission as do their competitors to the south. Moreover, they support with their tax dollars the federally subsidized loans that many of their southern competitors enjoy and apparently find consistent with their notions of rugged individualism.

Mr. President, let us strip away the pretense here and go to the heart of the objections made by the National Broiler Council members. Their economic purism is founded on the grossest self-interest. They apparently see in the attempt of Hillcrest to revive its operation a reemergence of a competitor who has long made business more difficult for them, although better for the consumer.

I have witnessed, in the last 2 years, the increasing encroachment of major mid-Atlantic and southern processors into chicken markets that were traditionally occupied by Maine poultry producers. This intervention has both undermined the market and, in effect, resulted in "dumping" excess production. Hillcrest cannot begin to meet the demands of the marketplace once supplied by Maine but even its contribution is deemed too much. Hillcrest must be destroyed, strangled in the cradle, lest it diminish the profits of the great southern poultry industry one iota. Mr. President, it may take a tough man to make a tender chicken but it takes a mean-spirited group to stab a fellow member of the industry in the back while preaching the gospel of free enterprise.

I note that the National Broiler Council, which has mounted this unprecedented and unseemly attack, itself is the beneficiary of a Federal subsidy because it qualifies for tax-exempt status. It qualifies for tax-exempt status under 501(c)(6) of the Internal Revenue Code. I am confident that this was an oversight on their part as it is wholly inconsistent with their economic philosophy. I am sure that, once they realize it, they will petition the Internal Revenue Service to remove the stigma of Federal support. Today, I am taking action that will save them the trouble. I am introducing legislation that provides that the National Broiler Council shall not qualify for such treament any longer. It provides further, since the economic verities they rely on will undoubtedly last forever, that all successor organizations will be afforded relief from this form of Federal assistance.

Mr. President, 75 percent of Maine's poultry industry has disappeared. The decline of this industry has caused untold hardship for the people who are connected with it. This attempt by Hillcrest to return prosperity and jobs to Lewiston is important. The Lewiston UDAG application must be judged on its merits. It should not fail because jealous competitors are able to energize their Representatives to make their economic life easier.

Despite the intervention of these Members of Congress, I am confident that the HUD officials entrusted with reviewing this application will not be swayed by the regional self-interest and hypocrisy that has prompted the unsolicited comments of my colleagues.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2641

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for purposes of the Internal Revenue Code of 1954, the National Broiler Council located in the District of Columbia, and any successor organization, shall be treated as an organization which is not described in section 501(c) of such Code and shall not be exempt from taxation under subtitle A of such Code by reason of section 501(a) of such Code.

(b) The provisions of this Act shall apply to taxable years beginning after December 31, 1981.

Mr. COHEN. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Assistant Secretary called the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR SPECTER

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

REFERRAL OF ISSUE OF SOVEREIGNTY OVER FALKLAND ISLANDS TO INTERNATIONAL COURT OF JUSTICE

Mr. SPECTER. Mr. President, today I am submitting a sense-of-the-Senate resolution proposing a peaceful means for resolving the continuing dispute between Great Britain and Argentina over the sovereignty of the Falkland Islands. The resolution asks the Presi-

dent to seek agreement of these two friends of the United States to submit the issue to the International Court of Justice at The Hague.

Argentina and Great Britain each claim sovereignty over the islands. The former, Argentina, sought to assert its claim by force and was repulsed by force of arms by Great Britain. The fighting has now ended, perhaps only temporarily, but the underlying dispute remains. Unless the issue of sovereignty can be resolved, peace in the islands can again be shattered at any time. The two countries themselves cannot agree on sovereignty. As the mutual friend of both, the United States should advance a solution which preserves the peace and offers the disputants a face-saving way out of their dilemma.

According to press reports, there appears to be the danger of renewed warfare. Argentine President Galtieri was quoted yesterday as saying that there can be no lasting peace as long as Britain rules the islands, that Argentina would eventually fulfill "our aspirations over the Malvinas," and that "sooner or later" Argentina will retake the islands.

Reports of domestic political turmoil and violent demonstrations in Argentina corroborate the implication that President Galtieri may feel under pressure to initiate further military action as a means of retaining his own power.

Reports in the New York Times today carry the banner headline, "British Warn Enemy of Risk for Ill POW's if War Lasts; But Terms Still Split Junta."

The situation has evolved on the Falklands that there are 15,000 Argentina troops which need to be returned to safe conditions for adequate treatment and adequate medical care. The commander of the British forces is concerned that it is not possible to return those troops because the British forces have neither a guarantee of safe passage for British ships nor agreement from the Argentinians on disembarkation. The battle which has waged for the past several weeks now leaves continuing problems in terms of implementing a cease-fire in the light of Galtieri's problems on the home front.

Resolution 502 of the United Nations calls for a withdrawal of Argentine forces, an end to hostilities between Britain and Argentina, and negotiations between the two countries over sovereignty for the Falklands.

At the moment, Great Britain refuses to agree to negotiations over the issue of sovereignty, which is understandable in the context of the British victory, but the victory, may indeed, be hollow if fighting may break out again, encouraged and formented by internal strife in Argentina.

The suggestion for submitting the dispute to the International Court of Justice at The Hague is a face-saving device which may give the Galtieri government time, it may be a soothing factor for the internal Argentine factions; and it may be a way which is acceptable to Prime Minister Thatcher and to the Government of Great Britain.

On May 5, 1982, a resolution was introduced in the House of Representatives by Mr. BINGHAM, for himself and others. House Concurrent Resolution 328 addressed the problem of the Falkland Islands at that time and proposed that the issue of sovereignty be submitted to the International Court of Justice. That resolution contains the recitation, "Whereas, British Prime Minister Thatcher has stated that if Argentina would accept referral of the sovereignty issue to the International Court of Justice, Great Britain would give serious consideration to such a referral."

I am advised that there is some question as to whether Great Britain was at any time willing to have the issue of sovereignty referred to the International Court of Justice, but there is at least some basis for thinking that such a possibility might be considered by Great Britain.

Such consideration might be a lesser likelihood in the light of the extent of the military action and Great Britain's victory there. However, it is entirely possible that the new problems might again pose a likelihood that Great Britain would consider such a referral of sovereignty.

Today's New York Times, in a story by Leslie Gelb, relates that President Reagan is expected to press Britain to compromise with the Argentines and that there is renewed effort on the part of our administration to encourage Great Britain to seek some way to propose a compromise which may be face-saving for the Argentinian Government. This may be just the approach which could be successful.

It is not the task of the United States, nor of its elected representatives, to pass judgment on the validity of a longstanding and deeply felt dispute between these countries over the legitimacy of their respective claims of sovereignty over the islands in question. Sovereignty claims are legal issues—and the International Court of Justice, not the battlefield, is the place for their resolution. It is crucial to both Argentina and Britain that this dispute, that dates back to the 1820's, be settled once and for all.

It is equally important to the international community at large, and the regional community of American States—of which the United States is a member—that the argument between our friends, the British and the Argentines, not be allowed to continue its corrosive effect. To further this second objective—resolving disputes within the international community—it becomes particularly important that the United States take an active role in assisting the Buenos Aires and London Governments to negotiate a permanent peace and resolution of the dispute.

Recently, Sir Nicholas Henderson, British Ambassador to the United States, stated during an interview on television that the question remains: What now? Sir Nicholas pointed out that what has been resolved in the South Atlantic is the issue of whether military aggression in pursuit of national objectives can be tolerated. What has not been resolved is the issue of sovereignty.

The United States, I submit holds a special responsibility to move our friends along in their pursuit of lasting peace. Our friends and allies in this hemisphere have already been unsettled and confused by America's efforts to reconcile our divided loyalties when two of our friends take up arms to resolve a dispute. It is as important that the nation States of the Americas be reassured of Washington's continuing respect for their responsibilities to their own best interests as it is for the British-Argentine dispute itself to be resolved.

In this spirit, the resolution, and the proposal it puts forth, offer hope for a beginning to the discussions and the healing.

Recently, I had occasion to be in the Netherlands. On June 1, I visited the International Court of Justice. I have long been an admirer of the International Court, studied it as a political science major at the University of Pennsylvania many years ago, and have long believed that the International Court of Justice could be a very useful instrument for solving international disputes.

In the long run, it will be necessary that nations which have disputes submit them to the rule of law and to the International Court, very much as our own disputes have been submitted to the Supreme Court of the United States for ultimate resolution.

This is obviously a complex matter. It is difficult, when issues of national sovereignty are involved, to persuade nations to submit, on a voluntary basis, deep-seated and important national interests; and we are not ready, as a world community, to have compulsory referral of disputes to the International Court of Justice. The dispute of the Falklands, however, is uniquely susceptible to that kind of submission.

While at the International Court of Justice, at The Hague, in the Netherlands, I discussed the possible submission with officials of the International Court of Justice and found great receptivity there. Unlike the dockets of

American courts, the docket of the International Court of Justice is relatively clear, and the Court would be in a position to give such an issue a very prompt hearing and very prompt treatment.

At the same time, it would provide, through the normal processes of litigation and resolution, breathing room for the complex political matters in Argentina to be resolved, and for the pressing issue of the 15,000 troops and the other pressing matters to be resolved while the Court takes the normal time for resolution of this legal issue.

Mr. President, I ask unanimous consent to have the resolution printed for the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 414

Urging referral of the issue of sovereignty over the Falkland (Malvinas) Islands to the International Court of Justice.

Whereas Argentina claims to have sovereignty over the Falkland (Malvinas) Islands, as does Great Britain, which has governed them since 1833;

Whereas the Argentine effort to assert sovereignty over the islands by military force has been thwarted by the British through a military engagement costly and painful to both countries;

Whereas a permanent resolution of the British-Argentine sovereignty dispute is in the highest interest of the international community as a whole, the Western Hemisphere in general, and the United States in particular;

Whereas a peaceful settlement to the sovereignty dispute between Argentina and Great Britain has been a continuing objective of the United Nations Security Council and the Organization of American States;

Whereas the issue in contention, sovereignty, is fundamentally a legal one; and

Whereas Article 36 of the Charter of the United Nations provides that "legal disputes should as a general rule be referred by the parties to the International Court of Justice", the principal judicial organ of the United Nations: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should—

(1) seek immediate agreement by the Government of Argentina and the Government of Great Britain to submit the issue of sovereignty over the Falkland (Malvinas) Islands to the International Court of Justice; or

(2) if such agreement is not obtained, direct the Permanent Representative of the United States to the United Nations to urge the United Nations Security Council to request that the International Court of Justice render an advisory opinion on the issue of which of the two conflicting claims of sovereignty should prevail under international law.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. SPECTER. Mr. President, I believe it also appropriate to note that I wrote yesterday to Secretary of State Alexander Haig and to the Special Assistant to the President on National Security Affairs, William Clark, advising them of my intention to submit this resolution and asking for their response and their consideration of this idea.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. KASTEN). Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 10:45 a.m., during which Senators may speak for not more than 5 minutes each.

Mr. SPECTER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT BY SENATOR SYMMS ON VISIT TO PANAMA AND EL SALVADOR

Mr. SYMMS. Mr. President, during the period of June 1 to June 6, 1982, I had the pleasure of visiting Panama and El Salvador.

My visit to these two countries provided me with an invaluable opportunity to gain firsthand knowledge about the effectiveness of U.S. foreign policy and aid programs. Such evaluation took place in numerous and extensive meetings with host country Government leaders, private citizens and military officials as well as U.S. diplomats and military representatives. At the conclusion of my remarks I will submit a listing of the meetings I held. In addition, I will submit a statement by Ambassador Moss, the U.S. Ambassador to Panama. I ask unanimous consent that those materials be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, my travel and discussions in El Salvador and Panama have sharply reinforced my conviction that U.S. foreign policy must be balanced on a north-south axis. The long-term interest of the people of the United States rests with our friends and neighbors to the north and south. The people of the Americas share so many common goals, principal among them the commitment to personal freedom. The United States must understand the fact that we are looked to for leadership and accept the responsibility for that leadership. President Reagan's understanding and commitment to a strong leadership and partnership role in the Americas is welcome but is also being watched closely in Central America for positive results.

Mr. President, the elections in El Salvador, I think, were nothing short of a democratic revolution or a revolution at the ballot box. I had the opportunity on that trip to visit with many, many people from all different levels of the society—campesinos, street vendors, and so forth.

EL SALVADOR ELECTIONS: A DEMOCRATIC REVOLUTION

To a person, the many Salvadorans with whom I talked, expressed a deep pride in the success and significance of the national elections which were held March 28. Despite weeks of stories prior to the elections in U.S. and international media predicting success for leftist guerrilla efforts to disrupt the elections with violence, over 85 percent of all eligible Salvadorans voted. They voted for peace, to exercise their personal freedom and to reject the Marxist terrorists. The people of El Salvador were the winners in that election and they know it. Their pride shows and it is exciting to share in their enthusiasm for such dramatic social change in the face of such violence.

A street vendor in San Miguel epitomizes the overwhelming attitude of the Salvadoran people. I asked him to tell me about the elections. He immediately responded that "everyone voted and we are happy with the new Government." He also told me that he was a pollwatcher for one of the minority parties—I believe it was the Action Democratic Party—and that even though his candidates did not win he saw that the election was fair and that he and the people were happy with the results. This man's obvious pride over being a part of such a successful free election is eloquent testimony that the people of El Salvador are on the path to victory over the leftist guerrillas. That sense of pride is rampant in El Salvador but has gone unreported in the U.S. media.

Officials of the Government elected in March point out that the El Salvadoran revolution, of less than 2 years duration and based on the principle of free elections and representative government, has the broad support of the people and is succeeding. They contrast this to the Cuban Marxist revolution that is still without success after over 20 years of economic and political failures. They believe that El Salvador's adherence to democratic principles and reforms clearly warrant the continued support of the United States in view of our policy to expose Communist/Marxist expansion in the Western Hemisphere.

LAND REFORM

An area that has created a great deal of concern on behalf of many of my colleagues and many people in this land, of course, is what is going on with land reform. I think one of the biggest surprises that I had was to get

to El Salvador and visit the country and find out that things really were not as I had read in the media here in the United States. There is no question that the liberal media in the United States and a leftist international journalist have conned some people in our country and in the Congress into believing that land reform in El Salvador has been reversed. The media's knee-jerk interpretation of the elected Constituent Assembly's action is bitterly resented in El Salvador. Despite some severe agricultural production losses since land reform was initiated, I am convinced that the program is moving ahead, will be expanded and improved and has the broad support of the people. While I was in El Salvador, President Magana was touring the country making presentations of hundreds of land titles to peasant farmers. He told me that his Government was totally committed to land reform and he could not understand how the media and some in the Congress could so completely misinterpret the unity government's commitment to land reform. I found it interesting to note that President Magana's land title presentations were well reported in the El Salvador press but went virtually unmentioned in the U.S. media which had so vocally criticized the lack of action on land reform. We must help the Salvadorans bridge this calculated information gap and get their democratic land reform success story told.

The early attempts by the Duarte government were not without problems with respect to land reform. One of the early problems with the initial land reform program concerned the lack of compensation to landowners when their land was taken for redistribution to the tenant peasant farmers—a total disregard for private property rights. That type of land reform was doomed to failure from the beginning. There have been some modifications made and I am pleased to report a strong recognition by President Magana, and other top Government leaders across the political spectrum, that just compensation is an essential element in the success of land reform. These leaders assured me that the principle of private property rights, which is another important principle that has to be applied to having any kind of land reform, had to be maintained so that the people who receive the land have clear title to it so they could sell it if they wish or would have something that was of value that they owned so that in the event the government changes, that a new government would come to power, that they could not ignore their newly acquired property rights.

So I believe it is proper that the U.S. involvement in aiding this type of land reform is continued. I believe it is justifiable and it will significantly insure the long-term success of the El Salvadoran Government.

As long as property rights are respected—and I think as long as their goal, which they are now heading toward and they have made some modifications to the original land reform, but they are heading in the right direction to insure the future of their country and that thousands and thousands more Salvadorans get a stake in the future of their country—then they will be successful. Anything short of that, I think they will not be successful.

So, I am hopeful that this will continue and I am hopeful that our colleagues here in this body and in the other body will be very cautious in making condemnations of this Government without understanding what the facts are.

PEOPLE UNITED: NOT ANOTHER VIETNAM

Before the March elections in El Salvador, there was a strong drumbeat building in the U.S. media that was promoting the perception that El Salvador was becoming "another Vietnam" with all the predictable negative connotations. Having been in Vietnam, Cambodia, and Thailand just before the fall of Cambodia, I return from El Salvador totally convinced that linkage to Vietnam is without any validity.

First. The people have given their backing to their elected Government as evidenced by the successful March 28 elections which success is unprecedented in Latin America.

Second. The military has the backing of the population and is committed to defeating the guerrillas and is winning that battle.

Third. The country is small and the terrain is relatively flat. Unlike Vietnam, there are not vast overgrown jungles in which the terrorists can have permanent refuge.

Fourth. The people are anti-Marxist and abhor violence. They voted for peace and totally rejected the terrorist tactics.

I am amazed at how poorly equipped the El Salvador military forces are—it is almost like stepping back 20 years in time. I am told no other U.S. Congressional Member has so extensively inspected the Salvadoran forces and I am equally amazed at how effectively these troops have dominated the guerrilla war. Our military aid has been effectively utilized and it is important that our relatively small contribution be continued and that the Salvadoran Government be given adequate flexibility in utilizing that aid.

Historically, the military has played an important role in Latin American society. This is certainly the case in El Salvador. The people respect and support the military and look to it to bring peace from the terrorist activities of the guerrillas. As a result of my discussions and meetings with a wide range of military officials and Minister of Defense Garcia, I believe that the military establishment is firmly committed to the policies of the elected Government and is well organized and capable of helping to eradicate violence in the country and promote strong law enforcement. Prior to my visit, I had received an entirely opposite impression from reports carried by the U.S. media.

U.S. AID: A SMALL INVESTMENT

Freedom is about to claim victory over Marxist terrorism in El Salvador. The Salvadorans have claimed this at their ballot boxes. But the struggle has been costly in economic terms. The past terrorist activities have severely damaged the country's agricultural production. With the guerrillas now losing ground, it is vitally important to renew the productive sector of the economy. Continued U.S. assistance can contribute to El Salvador's victory in the economic war as well. A growing and successful El Salvador economy now as the result of a small U.S. contribution today will prevent greater future costs should the situation worsen and the United States, Mexico, and other Central American countries be faced with a massive refugee immigration problem. Today we have the choice. It should be an easy one.

PANAMA: STABILITY AND SUPPORT

My itinerary also provided a day and a half in Panama for briefings on the entire Caribbean situation in preparation for the El Salvador tour. As you will note from the attachments, I met with Panamanian Government officials, private businessmen, Panama Canal Commission officials and workers, and the Commander and staff of the U.S. Southern Command. I also made an extensive air tour of the Panama Canal and watershed and toured the Miraflores Locks.

I came away from Panama with a strong impression that the implementation process of the Panama Canal treaties is progressing quite satisfactorily and without major problems. My observation is that exceptionally talented and capable personnel have been selected to implement the treaties for both the United States and Panama and their professionalism is paying great dividends for both countries.

Panamanians appear genuinely pleased with their country's relationship with the United States and the massive social and economic problems experienced in other Central American countries are minimal in Panama.

Ambassador Ambler Moss, an outstanding representative of the United States, prepared an informative briefing paper on June 1. I will submit a copy of this paper at the conclusion of my remarks.

REAGAN'S FORESIGHT: THE CARIBBEAN BASIN INITIATIVE

Virtually every Latin American I visited with on this trip who knew anything of the President's Caribbean Basin Initiative, and most did, were enthusiastic in their support of it and complimentary of President Reagan for his indication of interest and concern for the people of the Caribbean Basin. Conversely, these people found it difficult to understand why the Congress has not acted favorably on the President's program.

President Reagan was right on target in proposing the CBI. He has demonstrated excellent foresight in recognizing the vital interests of the United States in this neighboring region of the Western World. Our Latin American friends are, obviously, anxious to build further economic partnerships with the United States. The Panamanians focus on the free trade provisions while El Salvador officials are initially more concerned with the vitally needed aid programs. The level of U.S. resource commitment is small compared to the potential benefits.

CBI has become even more important as a result of the Falkland/Malvinas crisis fallout. The overwhelming consensus is that the United States is the ultimate loser in Latin America over this conflict. The CBI is viewed as a major program which can assist in overcoming the backlash of the United States has suffered over the Secretary of State's public positioning of the United States in support of Great Britain. Latin American officials I visited with are watching for positive congressional action on CBI. In my view, adoption of CBI would send a strong message that the United States is willing to do our part to help our neighbors achieve the greatest opportunity for upward mobility and economic and political freedom.

I hope I have conveyed my enthusiasm for the people of El Salvador and Panama and all of Latin America. I have been reminded of our common bonds and their understanding and commitment to democratic principles and individual freedom despite their many adversaries. I want to work to help bring about the success of those programs which will assist our Latin neighbors.

I would be remiss if I did not compliment the splendid job being done by my hosts in El Salvador, Deputy Chief of Mission Kenneth Bleakley and Maj. John McKay, USMC.

EXHIBIT 1

ITINERARY AND MEETING LIST

June 1, Panama

Briefing by U.S. Ambassador Ambler Moss and U.S. Embassy staff country team.

Meeting with: Mr. Rene A. Diaz, President, Panamanian Banking Association.

Mr. Carolos Arosemena, Arosemena, Noriega & Castro.

Mr. Monty A. Motta, General Manager, Central Financiera.

Mr. Laurance Berger, Vice President, American Chamber of Commerce.

June 2, Panama

Briefing by Lt. Gen. Nutting, Commander, U.S. Southern Command and staff.

Helicopter tour of Panama Canal and on-site inspection of Miraflores Locks.

Meeting with Panama Canal Commission: The Honorable Fernando Manfredo, Jr., Acting Administrator of the Panama Canal Commission.

Mr. Walter D. Bjorseth, Acting Deputy Administrator (Chief Financial Officer).

Captain Richard Dickins, USN (Ret.), Acting Marine Director.

Mr. Joseph J. Wood, Director, Executive Administration.

Mr. Gary P. Dunsmoor, Acting Director, Executive Planning.

Meeting with: H. E. Lic. Raul Brostella, Minister of Commerce and Industries, Ministry of Commerce and Industries.

Lic. Marco Fernandez, Vice President Advisor and Director for Economic and Social Planning.

June 3, El Salvador

Meeting with: Vice President Molina, Vice President Gutierrez Castro, President Magana.

June 4, El Salvador

Meeting with: Policia Nacional Director, Colonel Carlos Reynaldo Lopez Nuila.

Constituent Assembly President D'Aubuisson, PDC Parliamentary Leader Ray Prendes.

General Garcia, Minister of Defense.

Guardia Nacional, Director, General Carlos Eugenio Vides Casanova.

Visit to: "Ramon Belloso" Battalion Commanding Officer, Lieutenant Colonel Miguel Antonion Mendez.

Meeting with private sector leaders: Mr. Richardo Hill, Inversiones Consolidadas, S.A., Nacional Automotriz, S.A.

Mr. Eduardo Menendez, President, El Salvador Industrial Association.

Mr. Carlos Gonzalez, Vice President, FENAPES.

Mr. Enrique Alfaro, President, Association of Milk Producers.

Mr. Eduardo Palomo, President, Association of Users of Maritime Transportation.

Mr. Abelardo Torres, Lawyer, Legal Advisor of El Salvador Industrial Association.

Mr. Antonio Quiros, Member of Board of Director, ASI.

Mr. Franklin Lopez y Lopez, Member of Board of Directors, ASI.

Mr. Conrado Lopez Andreu, President, El Salvador Chamber of Commerce.

Mr. Juan Vicente Maldonada, Executive Director, ANEP.

Mr. Jaime Arrieta, Member of Board of Directors, UDES.

Mr. Luis Andreu R., President, El Salvador Port Authority.

Mr. Roberto Orellana, Manager, CRED-O-MATIC, Finance Advisory.

June 5, El Salvador

Visit to: 2nd Battalion, Sixth Brigade, Commanding Officer: Lieutenant Colonel Ramon Antonio Morales Ruiz.

Principal Salvadoran Naval Base Commanding Officer: Lieutenant Commander Frenando Menjiva Campos.

Sixth Infantry Brigade Headquarters, San Francisco Gotera, Morazan Department Commanding Officer: Colonel Salvador Beltran Luna.

Third Infantry Brigade Headquarters, San Miguel, San Miguel Department Commanding Officer: Lieutenant Colonel Jaime Ernesto Flores Grijalva.

Military Detachment No. 2 Headquarters, Sensuntepeque, Cabanas Department Commanding Officer: Lieutenant Colonel Sigifredo Ochoa Peraz.

Meeting with: General Jose Guillermo Garcia, Minister of Defense.

General Carlos Eugenio Vides-Casanova Director General of National Guard.

Colonel Francisco Adolfo Castillo, Subsecretary of Defense.

PANAMA UPDATE: A BRIEFING PAPER FROM THE AMBASSADOR, JUNE 1, 1982

Panama is a friendly and tranquil country which is important to our national interests, particularly because of the Panama Canal and because it provides us military bases in a troubled region of the Western Hemisphere.

This paper addresses the various aspects of our country's economic and political relationships with Panama, its business and investment climate, and the new partnership created under the Panama Canal Treaties which entered into force on October 1, 1979. The Embassy's mailing address and phone number are included on the last page; please do not hesitate to contact me or any other officer directly.

RECENT HISTORY

During the past several years, the focal point of U.S.-Panamanian relations has been the completion and entry into force of the Panama Canal Treaties. These agreements were the product of 14 years of negotiations, carried out during the administrations of four Presidents, two Democrats and two Republicans. When the treaties were signed on September 7, 1977, all of the countries of Latin America and the major shipping nations of the free world such as Japan, Britain, France and Germany endorsed them. These nations are as concerned as is the United States about protecting their interests in using the canal in the future.

During the first months of 1978, the United States Senate debated ratification of the treaties. At that time, public opinion in the United States was very much divided. The Senate debate stretched on from January until mid-April, to the exclusion of all other Senate business during that time, making it the longest and most thorough Senate consideration of any treaties since the Treaty of Versailles after World War I.

Then, after a period of painstaking, detailed work by Panamanian and United States officials, both in the civilian services and in the military, both countries prepared for the treaties to take effect on October 1, 1979.

Fortunately, many of today's leaders of the Panamanian Government were heavily involved in the treaty process over the last few years. They were extremely knowledgeable, therefore, about the treaty arrangements and felt a personal stake in their success. President Aristides Royo, a young lawyer who became President of Panama in October, 1978, was a chief treaty negotiator for Panama and was personally active in all phases of planning for treaty implementation. Early in his presidency, he demonstrated sensitivity toward the needs and concerns of the United States citizens who lived and worked in the former Canal Zone by visiting the Zone extensively and talking with our Canal employees. There is certainly strong evidence of good will and determination on both sides to make the treaties work. Presi-

dent Reagan, as President-Elect, wrote to President Royo on December 4, 1980 and said he intended to continue to fully carry out the canal treaties.

The canal organization today is strong and efficient. The people who work in the canal enterprise are as dedicated to the success of their endeavor as they have been in the past. The Administrator of the Panama Canal Commission is a retired Lieutenant General, Dennis P. McAuliffe, who previously held the position of Commander-in-Chief, United States Southern Command here in Panama. The Deputy Administrator, for the first time in history, is a Panamanian citizen, Fernando Manfredo, a former cabinet minister and businessman. There is no one who doubts that the canal enterprise is in good hands. This is not to say that the two countries will not have disagreements of one sort or another during the lifetime of the treaties; to be sure, this is true of any partnership. Nevertheless, differences are resolved in a business-like manner, and both parties share common objectives and a common understanding of the underlying relationship and the way in which it ought to function.

We have now had a "track record" of two years by which to measure the effectiveness of the canal enterprise. One good yardstick is the number of oceangoing commercial transits made through the canal. In 1980, the canal performed 13,507 such transits, as compared to 12,935 in 1979. That averages out to about 50 more ships per month in 1980, as compared to 1979. In terms of Panama Canal net tons, the basis on which tolls are assessed, the 1980 tonnage figures were up by roughly nine percent over 1979. The figures have shown another increase in 1981. Tonnage was up again in 1981, setting a new fiscal year record of 170 million long tons.

The years immediately preceding signature of the canal treaties were marked by an uncertainty as to the future of the relationship between Panama and the United States. Such a climate was a strong contributing factor to the virtual halt to Panama's economic growth. Now, with the stability in the country which has been brought about by a clear definition of Panama's relationship with the United States, we expect to see a period of economic expansion. Such signs of growth have been apparent already, even though world economic conditions are difficult.

The presence in Panama of the United States Southern Command is an important factor in guaranteeing the security of the Panama Canal and in providing a visible U.S. presence in the region. Our forces enjoy excellent relations with their Panamanian counterparts. At a time when there is increasing violence in the surrounding area and an escalating Soviet and Cuban threat to Central America, they take an increasing significance.

PANAMA'S ECONOMY AND INVESTMENT CLIMATE

Panama's economic structure is essentially based upon private enterprise. Government policy has traditionally favored private investors, both domestic and foreign, and the economy has remained open and relatively free from restrictions. There are no controls on external capital flows; the repatriation of capital and profits is unrestricted. Panama's unit of currency, the balboa, is the same as the dollar. There are generous incentives to investors, and Panama has traditionally maintained a liberal import policy even during periods of balance-of-trade difficulties. Foreign banks have been welcomed to Panama through liberal banking legislation, and funds of around $40 billion are now being handled through Panama. The country is now a major banking center which includes some 115 banks from the United States, Japan, Western Europe and Latin America. International banks continue to open for business. The banking sector employs about 6,500 people in Panama, making it an employer of almost the same order as the canal enterprise.

Panama has embarked on a program to seek private foreign investment on a large scale. President Royo spoke to U.S. business leaders in New York October 1, 1981, at a luncheon sponsored by the Council of the Americas, where he emphasized his country's desire to attract more U.S. private investment. It is in our national interest to assist in that effort. We must never lose sight of the fact that Panama is the "habitat" of the canal. Its political climate will depend upon its economic performance. The needs are great. Twenty thousand young people enter the job market each year, nearly all of them literate and with high expectations.

In October 1979, more than 70 American companies formed the American Chamber of Commerce and Industry in Panama, the first time in history that such a chamber has existed. It has now expanded its membership to over 100. The American business community feels welcome here. When President Royo spoke at the inauguration of the Chamber, he told its members that he considered that it would be good for American business and also good for Panama. This country is also a good customer for our exports. Apart from petroleum, U.S. products have a market share in Panama of about 49 percent.

Last year, the value of U.S. exports to Panama amounted to about $832 million, 21 percent over the 1980 totals and up about 140 percent since 1977. Industrial machinery, transportation equipment, telecommunications equipment, paper and paperboard products, and medical and pharmaceutical products were important components of our export mix. U.S. imports from Panama in 1981 amounted to about $330 million. Shrimp, sugar and bananas accounted for the bulk of these imports.

Panamanians are justly proud of the social progress made in the last 10 years. Certainly the acheivements in this area promise a far more stable society than does the familiar pattern of great disparity between wealth and poverty and the absence of hope by the very poor which is the case in so many Latin American countries. The literacy rate is now very high, close to 86 percent. Greatly expanded housing and health programs and agrarian reform programs have eradicated many of the inequalities between the standards of living of rural and urban inhabitants. Panama is happily free from terrorism, kidnapping, "liberation fronts" and the like. It is one of the safest places in the world for foreign businessmen and their families.

This social progress has been achieved at heavy cost to the Panamanian Government's budget, however. Public sector debt is very high in Panama, although the country is very credit-worthy in the international financial market and its record for meeting international obligations is enviable. But this means that private sector expansion is crucial in dealing with unemployment and other major economic problems.

The Panama Canal Treaties not only have removed a principal psychological obstacle to business confidence, but they will have a direct effect upon the economy and will provide major benefits which the government is eager to exploit in cooperation with business. Under the treaty, more than 1,000 square kilometers have been transferred to Panamanian use, or about 64 percent of the former Canal Zone. There are houses and other valuable buildings and installations on this territory. The amount of exchange earnings Panama will receive from the canal will rise, not only because of an increase in the annual cash payments under the treaty (about $75 million as compared with $2.3 million before the treaty), but also because of the development of lands and facilities which have reverted to Panamanian use.

Among the first group of businesses to benefit by the expansion opportunities offered under the Panama Canal Treaty has been the Colon Free Zone, the oldest and largest free trade zone in the Western Hemisphere. With over $4 billion in trade, it is second only to Hong Kong among the free zones of the world. Since its founding in 1948, the Colon Free Zone has been limited to a 94-acre area in the city of Colon. Until the entry into force of the treaty, neither Colon nor its Free Zone, enveloped as they were by the territory of the Canal Zone, was able to grow. With the treaty-mandated reversion of much of the surrounding land to Panamanian use, vast new acreage has become available for the Free Zone's expansion, necessary to accommodate the more than 100 new firms which have expressed interest in joining the 350 companies already operating there. Many U.S. firms use the Free Zone as a warehouse and marketing center for the sale and distribution of their products throughout Latin America.

To stimulate the development of a light-industrial base, and to combat unemployment in Colon and in other high unemployment areas in the Republic, the Panamanian Government recently instituted a program to attract export-oriented, labor-oriented assembly operations to the Isthmus, through the offer of an attractive package of tax and other benefits named "Maquila", after the highly successful program initiated by Mexico on its border with the United States.

New business opportunities are being created constantly, such as the shrimp farms along extensive areas of the Pacific Coast. In Latin America, Panama now ranks second in farmed shrimp production. The completely new fishing port of Vacamonte, not far from Panama City, is now in operation. It affords a modern facility for Panama's shrimp fleets and facilities for Panamanian and foreign tuna fleets. The port will also stimulate a variety of new businesses in the area.

Though it imports all of its petroleum needs, and consumes some 19,000 barrels per day of such products, Panama is well underway with development of alternative energy sources, chief among them hydroelectric power, which will significantly lessen the country's vulnerability to OPEC price increases. As recently as 1976 Panama relied almost exclusively on thermal generation to supply electricity. The commissioning of two major hydroelectric projects in 1976 and 1979 made dramatic inroads on oil dependency, to the point where Panama's power generation is now 50 percent hydroelectric. Two additional projects, to be completed in 1983 and in 1990, will make Panama's electric power production 93 percent hydroelectric in 1990. Other projects to reduce petroleum dependency—biogas, bio-

mass and "gasohol" production—cannot match the hydroelectric projects in dramatic effect, and are still in various stages of study and discussion, but they demonstrate a willingness on the part of the government to employ the nation's traditional agricultural strengths in finding solutions to problems of new energy generation.

You may have noticed discussion in the press from time to time about the prospects for a new sea-level canal. The United States Government has an open mind about this project at present. Interest in such a canal was embodied in Article XII of the Panama Canal Treaty, which commits both governments to study its feasibility. Last year an impressive delegation from Japan, headed by Mr. Shigeo Nagano, President of the Japanese Chamber of Commerce and Industry, spent four days here studying prospects for such a new canal, and President Royo visited Japan subsequently. In April a Panamanian delegation headed by the Minister of Commerce and Industry went to Japan to follow up specific areas of trade and investment prospects. The delegation included the Presidents of the Panamanian Chamber of Commerce and other private sector representatives. Mr. Nagano returned to Panama at the end of the month with several representatives of the Japanese Government.

A by-product of the new relationship which has developed under the Panama Canal Treaties is the new spirit of cooperation which both countries feel in the international arena. You are aware, of course, that in December, 1979, Panama demonstrated its helpfulness to a grave world situation by inviting the former Shah of Iran to come here from the United States, after many other nations had refused our plea for help. When the USSR launched its brutal invasion of Afghanistan, Panama joined us in denouncing that aggression and participated in the boycott of the Moscow Olympics last year. President Royo has joined President Reagan and other free world leaders by denouncing publicly the Soviet-inspired repression in Poland.

We have a healthy relationship with Panama and find increasingly that Panama's vision of the role and the importance of the canal to the world is, in fact, the same as ours. The slogan on Panama's coat of arms is Pro Mundi Beneficio—For the Benefit of the World. During the struggle of Latin America for its independence in the last century, the great Liberator Simon Bolivar saw Panama as becoming the emporium of the world. Bolivar's dream could come true.

AMBLER H. MOSS JR., *Ambassador.*

CONCLUSION OF MORNING BUSINESS

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, is there an order for the Senate to resume consideration of the motion to proceed to the consideration of the Voting Rights Act Extension?

The PRESIDING OFFICER. That will be automatic at the close of morning business.

Mr. BAKER. Is there an order for morning business to end at no later than a particular time?

The PRESIDING OFFICER. The leader is correct.

Is there further morning business? If not, morning business is closed.

VOTING RIGHTS ACT AMENDMENTS OF 1982

The PRESIDING OFFICER. The Senate will now resume consideration of the pending business, which the clerk will report.

The assistant legislative clerk read as follows:

A motion to proceed to consider S. 1992, a bill to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

Mr. BAKER. Mr. President, as I indicated when we began this morning, it is my hope and desire that we can reach a vote on the motion to proceed today. We have been on it for some time now. We have abided by the commitment that I made at the beginning of this week that we would have as near normal hours as possible this week, which means to conclude the activities of the Senate at or shortly after 6 o'clock on Monday, Tuesday, and Wednesday, and to expect a late evening on Thursday. This is Thursday. I hope all Members are going to hold onto their hats, because we are going to be in late. We are going to be in as late as necessary in order to make progress on this measure.

The distinguished Senator from North Carolina has been diligent in the presentation of his point of view, as has the distinguished junior Senator from North Carolina. Indeed, as I have said from this place before, their contentions are legitimate. Their proposals, as I understand they may make proposals when we get to this bill, are worthy of consideration of the Senate and, indeed, may command substantial support in the Senate.

But we must get on with this bill. I hope that the time will occur sometime in the course of this afternoon that we could get on the bill itself and then could make good progress on amendments as they may be offered to the bill itself during the remainder of the afternoon and during the late evening and perhaps even the early morning tomorrow.

Having said that, I am prepared to yield the floor.

SENATE SCHEDULE

I would make two other remarks, Mr. President. The first is that when we finish this bill, it is my intention to go to the urgent supplemental appropriations conference report. I do not intend to ask the Senate to lay aside this bill in order to do that. However, that puts additional pressure on all of us to complete this measure so that we can reach the urgent supplemental conference report.

Mr. President, after that, I will advise Senators, including the Senator from North Carolina, that I also recognize the desirability, indeed the urgency, of trying to reach the constitutional amendment on the balanced budget.

The senior Senator from North Carolina has been most insistent on that matter. I understand as well his point of view there. Indeed, I support the amendment to the Constitution in respect to a balanced budget, as I have for many years.

After we finish the urgent supplemental appropriations bill, it is my intention to go to the balanced budget amendment. These are other matters that we will have to deal with, such as the conference report on the budget resolution. Senators should be on notice that there is a growing pressure now, a pressure of time, that we finish the Voting Rights Act. It is my intention to ask the Senate to remain on this act until we finish it. To do that, we are going to stay in late tonight, perhaps even late tomorrow, in order to get this matter attended to. But I hope that we can get on with the business at hand, which is the consideration of the motion to proceed under the provisions of rule XXII.

Following the disposition of this measure, it is my intention to ask the Senate to turn to the urgent supplemental conference report, if and as it is received, and I believe it will be shortly, and then to go to the balanced budget amendment. We will then, of course, have to deal with the conference report on the budget resolution, if we have a conference report on the budget resolution. I can report to my colleagues that I met with the distinguished chairman of the Senate Committee on the Budget this morning. While they do not now have an agreement, I am encouraged to think that they can work out their differences and have a conference report that we can consider before the Fourth of July recess, which commences on the second day of July.

Mr. President, we do not yet have the message from the House on the urgent supplemental conference report. I will ask whoever has possession of the floor to yield so that I can receive the message as soon as the messenger appears at the door with the message.

With those statements, Mr. President, I am prepared to yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I am heartened by the commitment by my distinguished friend from Tennessee that this Senate will take up the matter of a constitutional amendment to require a balanced Federal budget. This is an issue that he and I have discussed on countless occasions. As a matter of fact, I believe I am correct when I recall that either the first or second piece of legislation that I of-

fered as a freshman Senator in 1973 was legislation to require a balanced Federal budget.

I believe the distinguished majority leader will affirm that I have had no interest whatsoever in delaying consideration of the so-called Voting Rights Act extension. I have merely asked that there be some hint, some indication, that there would be somewhat less intractability with reference to making the proposed amendments to the permanent Voting Rights Act of 1965 fair and equitable. That is the only point I have made. I think the majority leader will acknowledge that I have made that clear over and over again during the past week. If there had been the slightest hint from the proponents that we could have that, we could have been on the bill days ago. Instead, what I heard from the Senator from Massachusetts was, "We shall overcome."

Well, I decided when I heard that, "Well, maybe we should discuss it awhile."

I recognize the arithmetic of the situation, but I am also mindful of the many Senators who have themselves told me that they knew nothing whatsoever about this legislation when they became cosponsors of it. Nevertheless, pressure being what it is, politics being what it is, some Senators have sadly commented that they were locked in.

But we have served the purpose this week of at least enlightening some Senators.

I do not know whether any amendments will be approved with respect to the bill. That remains to be seen. But at least we have tried. I again assure the majority leader that I want to cooperate in any possible way.

I cannot make the judgment for those few of us who have been discussing this measure. We will meet shortly and make a judgment on that as a group. I cannot speak for Senator EAST, Senator THURMOND, Senator HARRY F. BYRD, JR., Senator DENTON, or anyone else. But will assure the majority leader that I will continue to be cooperative, as I have tried to be all along.

Mr. BAKER. Mr. President, I thank the Senator from North Carolina. I may say that I hope very much in the interest of predictability and since some of our colleagues are necessarily absent in the Senate today attending the meeting of the United Nations in New York, it might be possible to arrive at a more informal agreement, perhaps, to vote on the motion to proceed. As far as I am concerned, I am willing to vitiate the yeas and nays on the motion to proceed and have a voice vote. But if there is to be a rollcall vote, I would suggest that perhaps it be about 4 o'clock this afternoon.

Let me also say that the Senator from North Carolina has been very cooperative in this matter. He has been consistent in giving to me his point of view and his proposed plans in advance. As I have said before many times, he is a pro, he is a real professional in this matter of legislative combat that goes on here on the floor. While he and I often agree and sometimes disagree, I have never had one moment when I have had anything less than the fullest cooperation from the Senator from North Carolina in terms of straightforward and candid exchanges of ideas and views.

I am encouraged to hear him say that we may be reaching that point where we can get on with the business at hand. I would like to get a vote on the motion to proceed, as I said, about 4 o'clock, and then I would like to get on with extensive consideration of the bill itself. I even presume to say we could even finish the bill tonight.

Mr. President, before I yield the floor, I now see a messenger at the door seeking entry who I believe may have a message from the House in respect to the urgent supplemental appropriations conference report. I yield for that purpose.

MESSAGES FROM THE HOUSE

At 10:58 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 13, 21, 23, 24, 29, 30, 31, 32, 33, 39, 46, 47, 48, 52, 54, 55, 56, 57, 59, 60, 61, 63, and 65 to the bill, and agrees thereto; it recedes from its disagreement to the amendments of the Senate numbered 2, 3, 12, 14, 16, 18, 19, 20, 22, 26, 27, 34, 37, 51, 62, and 64 to the bill, and agrees thereto, each with an amendment; and that it insists upon its disagreement to the amendment of the Senate numbered 40 to the bill.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1482. An act for the relief of Christina Boltz Sidders;

H.R. 2340. An act for the relief of Theodore Anthony Dominguez;

H.R. 3451. An act for the relief of Danuta Gwozdz;

H.R. 4662. An act for the relief of Eun Ok Han;

H.R. 6254. An act to amend title 3, United States Code, to clarify the function of the U.S. Secret Service Uniformed Division with respect to certain foreign diplomatic missions in the United States, and for other purposes; and

H.R. 6350. An act to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two twelve-hour regularly scheduled tours of duty over a weekend shall be considered to have worked a full basic workweek, and for other purposes.

Mr. BAKER. Mr. President, I yield the floor.

VOTING RIGHTS ACT AMENDMENTS OF 1982

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I sincerely thank the distinguished majority leader for his comments. I would say to him that no leader of any legislative body could have been more cooperative and fair than he has been to me in every instance since he has been the majority leader.

Mr. BAKER. I thank the Senator from North Carolina.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have now spent more than 1 full week of the Senate's time merely trying to place before the Senate the legislation to preserve the Voting Rights Act of 1965.

I have received communications from people in my State who cannot understand why the Senate of the United States is not taking up the most important Civil Rights Act, when there are almost four-fifths of the Members of the U.S. Senate sponsoring this bill, when it passed the House of Representatives by an overwhelming vote, and when the President ostensibly supports this bill wholeheartedly.

There is not one Member on this side of the aisle who is trying to hold this measure hostage. And the great majority of those on the other side of the aisle are ready to act, also. But the Senators from North Carolina keep repeating the same three or four points over and over again. Those arguments are the same well-worn claims that were rejected by the Congress in 1965, in 1970, and in 1975. These arguments have also been rejected time and again by the Supreme Court of the United States. I shall comment on them in a moment, but I think the most important point to recognize is that what we face here plain and simple is an effort by a small band of willful opponents of civil rights to hold the Voting Rights Act, and indeed the Nation, hostage to their parliamentry manipulation of technical Senate rules. Yet when we have indicated we would enforce the rules strictly against them, they have cried "foul." They have said that would be "sharp practices" and not showing proper senatorial courtesy and consideration.

Mr. President, I should like to see some consideration shown to the millions of Americans who are looking to us to protect their most fundamental right—the right to participate fully in our democratic process.

Yesterday, Mr. President, the Senator from South Carolina (Mr. HOLLINGS) gave a strong statement, from his perspective as a former Governor of a southern State and a Member of this body for many years, on the importance of retaining a strong Voting Rights Act. He answered the junior Senator from North Carolina point by point, on these shopworn slogans that we keep hearing. I commend that speech to my colleagues' attention.

While we sit here and listen to a broken record being played over and over and over, the clock is ticking and we are approaching a situation where just one or two opponents will be able to use the August 6 deadline as leverage to extract crippling changes in the act.

Now is the time to show that the American people that the leadership and the membership of the U.S. Senate takes the voting rights of every American very seriously.

Now is the time to show that we regard it as urgent as the other vital matters which we should be focusing on, instead of rehashing issues that were put behind us in 1965.

Now is the time to bring this matter to a head, to use every parliamentary power available to the Senate leadership and to dispose of the Voting Rights Act legislation.

We have a serious economic crisis in this country. We have several major questions of war and peace around the globe, from the South Atlantic to the Middle East. And we have the ongoing peril of an unchecked nuclear arms race hanging over our heads and over the heads of our children and our children's children. We should be able to devote our time and energy to these urgent issues, Mr. President, rather than be sitting here listening to interminable quorum calls. There have been 17 quorum calls since the time we enacted cloture. Indeed, we have spent more than 3 hours since cloture on quorum calls alone. The sounds of silence resound in this Chamber.

As I said last week, Mr. President, we may be briefly delayed by diehard efforts to cripple the act. But we shall not be deterred by threats of filibuster, and we shall not be derailed by warmed-over amendments already rejected by the House of Representatives and by the Senate Judiciary Committee.

The arguments that we have heard for the past week have all been answered in detail in the committee report. I do not believe they will fool any of my colleagues. In light of the debate last week, however, let me make a few observations in reponse to my colleagues from North Carolina.

DAY IN COURT

The senior Senator from North Carolina (Mr. HELMS) suggested that if the counties in his State now subject to preclearance remain under section 5, they will be denied their day in court and will have to seek the permission of a bureaucrat—namely, the Attorney General—to change their election laws. That is inaccurate.

I had expected to respond to these points being made by the Senator from North Carolina repeatedly during the period of the past 8 days during the time that we actually came to the substance of the bill, but I shall respond to them today.

I wish my colleague would go back and read the act. A covered jurisdiction can have its day in court under section 5. It may seek approval from the district court for a proposed change, and need not submit anything to the Attorney General at all. The Attorney General route was added as an alternative administrative procedure because it is faster and more efficient than litigation. If the jurisdiction chooses to go before an independent court, that is its option.

Yet jurisdictions must be satisfied with the Attorney General's opinion, since the overwhelming number of submissions, including those from North Carolina, are submitted to the Attorney General, rather than to the Federal court. Moreover, even should the Attorney General object, a jurisdiction has the further option of going to the court for a de novo review. If the court does not find the proposed change discriminatory, then it may be implemented, notwithstanding the prior objection by the Attorney General. In other words, a jurisdiction under preclearance can have two bites of the apple.

So I think we should set the record straight on that point.

CONTINUED NEED FOR PRECLEARANCE

Second, the senior Senator from North Carolina urged that those counties in his State be permitted to bail out, if they could show that they have not discriminated on the basis of race for the past 17 years. He was referring to the existing bailout procedure in section 4a of the current law. That is not correct.

A careful reading of section 4a reveals that those counties do not have to show an absence of racial discrimination in elections for the past 17 years in order to bail out.

In current law, all that the counties must show is that they have not used a literacy test or similar device for the past 17 years. By definition, they could show that this summer, literacy tests have been outlawed in those counties since the passage of the Voting Rights Act in 1965, 17 years ago.

That is quite different from a showing that there has been no discriminatory practices of election law changes. Literacy tests are but one type of discriminatory practice. They were used in the trigger for preclearance because, at the time, they were the most prevalent device used to deny full voting rights. As the testimony and the committee report explain in detail, once those literacy tests were suspended in covered jurisdictions, other types of schemes have been used discriminatorily to dilute the increased minority vote.

The important question, then, is not simply whether the jurisdiction has used a literacy test since the act was passed, but whether its record shows a continued need for preclearance because of other evidence of discrimination.

The Senator from North Carolina said that in not 1 of the 40 counties in North Carolina has there been an action reported by the Justice Department implying discrimination in voting rights—not one in 17 years.

This statement is misleading.

The whole purpose of section 5 was to eliminate the need of the Department to sue. Instead, the local jurisdiction is supposed to preclear voting changes. In short, the pertinent record is not lawsuits, but objections under the section 5 preclearance provision to what the counties have tried to do. It is untrue to claim there have been no Justice Department actions since 1965 with respect to discrimination in those counties. The Department has objected to no fewer than 62 proposed changes in election laws since 1965.

Interestingly, only 10 of those objectionable changes were made in the first 10 years of the act; and 52 of those objectionable changes were found to raise serious questions of discrimination by the Department in the last 5 years; that is, since the act was last extended in 1975.

The number of objection letters is fewer because, sometimes, a county submits a number of changes in one letter and the Attorney General objects to two or more of them in the same response letter.

Moreover, according to the southern regional council, more than 150 laws were not submitted which should have been. As to those, we cannot tell whether the Department would have found them discriminatory or not. So the number of questionable actions by these counties which they could not establish to be free from discrimination might well be considerably higher.

The Senator suggested that North Carolina is being kept under the act by ancient history.

The fact is that as recently as 2 months ago, the State of North Carolina was unable to convince Attorney

General Smith that its redistricting plans for the North Carolina Senate and House of Representatives were not discriminatory. That was an April 19 letter from the Department to North Carolina's attorney, Jerris Leonard. And that letter noted three objections filed last fall to other North Carolina laws.

Several times we were told last week that there was no urgency to pass this bill because the act does not expire this August. It is true that the act remains on the books as permanent legislation, but it is also true that the precious protection of section 5 will run out in those States and counties where, according to the testimony, it is needed most.

That is what the people across this land are alarmed about. We all understand what this means. It means the jurisdictions which came under the act in 1965 would automatically be able to end their coverage.

Mr. President, I will welcome the opportunity when we come to the bill itself or when there are various amendments proposed to get into greater——

Mr. EAST. Will the Senator yield?

Mr. KENNEDY [continuing]. Explanation of those particular provisions. Until we do, however, I will let those that continue to believe that we should not even proceed to consider this act have the floor.

Mr. DANFORTH addressed the Chair.

Mr. EAST. Will the Senator yield for a question?

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I am increasingly of the belief that the filibuster that is going on is a true travesty, and I wonder if, for example, the junior Senator from North Carolina could enlighten me as to the purpose of what is happening.

Mr. EAST. I would be delighted, I say to the Senator, and I appreciate him giving me this opportunity. I think the Senator will find that I have been a very faithful student of this topic on the Judiciary Committee, and I have been very attentive to my responsibilities here on the Senate floor in following the floor debate yesterday, and I intend to participate in the debate today.

I appreciate the Senator giving me the opportunity to elaborate on what our concerns are here.

Mr. DANFORTH. If I might interrupt, I was not interested at this point in a thorough analysis of the bill, because I do think that is something that has been given repeatedly during the last week. But without a repetitious rehash of precisely the same arguments that have been going on day after day, I would like to find out what is the purpose of conducting a filibuster of the motion to proceed.

I listened to the Senator's senior colleague just a minute ago, and as I understood it he said that he hoped that there would be some give or some flexibility or accommodation with respect to amendments. My surmise would be just the contrary; that in contrast to increased flexibility on the part of Members of the Senate who might otherwise be willing to at least address the question of amendments, quite the reverse is happening, and that if anything there is a backlash effect, a greater sense of intransigence on the part of those who are proponents of this bill as a result of the filibuster tactics.

I am not interested in a rehash of the substance of the Senator's argument but only if he would address himself to the question of the strategy of the filibuster.

Mr. EAST. Mr. President, I resent the Senator's use of the word "rehash." I have always greatly respected the Senator from Missouri for the quality of his arguments, and the insight that he brings to Senate debate, but I personally resent his characterizing my remarks as "rehash." If the Senator had been here yesterday and had heard my exchange, for example, with Senator HOLLINGS, I think he would have found it beneficial. I should like to think that on both sides of the aisle there was substantive and important argument. The debate did tread into new territory, new ground, helping us to elaborate our ideas, to explain them, to get our arguments out before the public.

Unfortunately, I find that the very distinguished Senator from Missouri reflects an attitude not uncommon among the proponents of this legislation. Many of them manifest a great deal of skittishness about having to discuss the actual substance of this legislation.

In answer to the Senator's question as to "my strategy," I can only reply that I come from one of the affected States. And I feel this bill will have a very negative impact on 40 counties in my State. Not only, however, do I have a responsibility to the people of my State—this bill will have an impact on 9 covered States, plus 13 others, for a total of 22. I have, therefore, a responsibility also to bring to the attention of the American people what I think is wrong about this bill.

I do not consider, then, that reasoned debate is out of keeping with the purpose of being a U.S. Senator, and it is in that spirit that I have joined in the debate.

Mr. DANFORTH. Mr. President——

Mr. EAST. I resent the implication that in some way or other I am frustrating the deliberative process of the Senate. My strategy is simply to present our arguments. I find that the one thing the proponents of this bill dread the most is a serious public substantive discussion of the impact this bill will have, particulary in the South, given the venue requirements, the burden of proof requirements, the bailout requirements.

These objections to the bill are specific and substantive. I have, however, heard nothing of substance or consequence in reply from the proponents of this bill. And with regard to whether we should apply an effects test as opposed to an intents test, in other words, whether we should get into using quotas in the election process to judge whether the process is free from discrimination—here, too, the outcome of our deliberation will have a profound impact on American politics all over this country for an indefinite period of time. I have not heard one person from the opposition——

Mr. DANFORTH. If I might reclaim the floor, Mr. President.

Mr. EAST. The Senator can reclaim it.

Mr. DANFORTH. I certainly do not deny the opponents of this bill, I cannot deny the opponents of this bill, every right to address the merits, and that has been done for the last number of days ad nauseam, repetitiously. We are not even on the bill yet. This is plainly a filibuster. This is not an effort to simply bring the merits to the attention of the Senate or to the American people. It is an effort instead to stage a verbal sit in on the floor of the Senate.

About 15 minutes ago the majority leader stated his hopes for the legislative agenda in the Senate. We have just received the conference report on the urgent appropriations bill. That is going to be the next business before us. Hopefully we can get on to that at some reasonable time. After that there is the question of the balanced budget constitutional amendment. Then maybe we will have the conference report on the budget itself, which is something that is clearly in the interests of this country.

What I hear when I go back to see my constituents, which I do with great frequency, is the question of whether or not the Government is functioning, whether or not the Government of this country can do the job which it is supposed to do. I think that there is increasing reason for that issue to be raised. Look at the difficulty of getting a budget resolution through the Senate and through the House, and we still do not have action on the conference report. The economy is in shambles; millions of people in this country are unemployed. They are looking for clear leadership, a strong hand on the tiller here in Washington, and we proceed for hour after hour, day after day, in a filibuster. Certainly, there is nothing that draws the attention of the American people or the Senate to

the substance or the merits of the issue if we are involved in quorum calls—as the Senator from Massachusetts pointed out, some 17 different quorum calls since we have been on this bill.

So I hope that for the good of the country, we could have a U.S. Senate which could get on with the job before it.

If the strategy is to soften up the Senate or to make it more tractable or more willing to accommodate itself to the views of the Senators from North Carolina, it is my judgment that that strategy would backfire.

I think the basic reaction of most people in the Senate is that, in addition to the Voting Rights Act, something else is involved before the Senate; and what else is involved is the question of whether this body can be held up by this kind of verbal sit in. Therefore, my guess would be that there would be a greater reluctance to enter into any kind of serious negotiation or accommodation with the opponents of this bill as a result of the filibuster strategy.

That, of course, is a matter for the Senators from North Carolina to decide for themselves. However, just expressing my judgment on the matter, I would guess that this strategy is going nowhere, that the sole effect of it is simply to stop the work of the Senate in its tracks, that it serves no national interest whatever, no interest to the Senate whatever; and I hope that at some time in the immediate future, we can bring this process to a close.

Mr. HELMS. Mr. President, will the Senator yield to me briefly?

Mr. HATCH. I am delighted to yield to my friend from North Carolina.

Mr. HELMS. Mr. President, I have the highest regard for my friend from Missouri, but I must point out to him that there is no budget resolution on which the Senate can act. There is nothing pending, that this Senator knows of, which would do one thing to help this economy. So any suggestion that action on the Federal budget has been delayed is a red herring, I say to the Senator, with all due respect.

Furthermore, I would ask him, Where was he and all of his protest when Senator WEICKER was filibustering for weeks against legislation which the Senator from Missouri also opposed? Not a mumbling word did my friend from Missouri say in opposition to that filibuster. He agreed with that filibuster.

So it is a matter, Mr. President, of whose ox is being gored. It is also a matter of opinion as to who is serving this country and its institutions and the concept of representation.

So let us be done with this pious pretense that just because a Senator happens to favor a bill, anybody who contests it, using legitimately the rule of the Senate, is ipso facto operating against the best interests of this country.

While I am at it, let me respond to just one of a myriad of inaccuracies stated a little while ago by the Senator from Massachusetts. Senator KENNEDY suggested at the outset of his speech that the Senator from North Carolina was protesting that unfair tactics were being used against me. I do not recall Senator KENNEDY's precise words, but the effect of it was that either Senator EAST or this Senator from North Carolina had felt that we were not being accorded our rights.

Let me set the record straight. I have said no such thing, and I do not think Senator EAST has taken any such position. I know the rules of the Senate; I abide by them, and I think I know how to protect my rights. The Senator from Massachusetts has been complaining, but not I.

So the question arises, not only what is the Senator from Massachusetts talking about, but also, whom is he talking about?

He is the Senator who stood up here the other day and proclaimed, "We shall overcome." He is the one who has been intractable. This Senator from North Carolina has been willing all along—and I have so made clear to the majority leader and others—that at any time, I am willing to go to the bill. But we have had nothing but sarcastic rejection of every effort to reach some sort of resolution of our concerns.

So it is not the Senator from North Carolina (Mr. EAST), it is not the Senator from Alabama (Mr. DENTON), it is not the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and it is not this Senator from North Carolina who have held up this matter. Let the burden be where it belongs, on the back of the Senator from Massachusetts, who has engaged in all sorts of obfuscation. Let no devious attempt now be made to place the blame on the backs of those of us who are merely standing up for our people—and, I might add, for the broad concept of representation in this country.

Mr. President, I say again that the misrepresentation about this legislation began with the very title of the legislation. It says, "Voting Rights Act Extension." Here is the report. This legislation is not an "extension" of the Voting Rights Act, because the Voting Rights Act of 1965 is permanent legislation, and surely the Senator from Massachusetts must know that.

What he and the Senator from Missouri are talking about are amendments which they favor—amendments which deserve to be crippled. They seek to amend the Voting Rights Act of 1965, yet they wrap themselves in the shrouds of pious pretense and proclaim, "You are holding up the work of the Senate." We are doing no such thing, and it is troublesome that they must know that their suggestions are inaccurate, yet they continue to make them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. EAST. Mr. President, would it be permissible for me to use a minute of my time to clarify something?

Mr. HATCH. That is agreeable, and then I would like my rights to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAST. Mr. President, I should like to clarify a point that the Senator from Missouri made, suggesting that we were involved in a filibuster. I remind him that we are not. Cloture has been imposed. We are simply availing ourselves of our limited time, trying to clarify what we think is a very important bill and what we think are the weaknesses in it. We have substantive difficulty with the bill not only because of the way it applies to the South but also because of the way that it will be applied nationwide. Indeed this legislation is so flawed that we really should not consider it without further reflection by the appropriate committee. There may be—I am sure there are—many of our distinguished colleagues who disagree with me, but I, for one, am simply inviting my colleagues to study this matter.

I remind anyone who is following this debate with some care that no one could be filibustering, because cloture has been imposed. In fact, we have agreed to an early vote on the cloture motion. As my distinguished colleague from North Carolina has indicated, we have always been willing to look at whatever accommodations might be made to make this bill more reasonable in its application both to the South and throughout the country as a whole. We have come to the floor in that spirit, and we wanted to try to find areas of compromise and to put a good bill together and get on. Unfortunately, we have not found any indication of a desire to compromise on the other side. We have not found anyone who desires to come up and engage in substantive debate.

Now and then, someone comes in here and roars a bit and then retreats. That is perfectly all right, and I understand it, but I do resent the implication that, some way or other, we are filibustering, which we are not; that, some way or other, we are not being reasonable about this proposal, because in fact we are.

Mr. HELMS. Mr. President, will my colleague yield for just one moment?

Mr. EAST. I yield.

Mr. HELMS. In my comments just now I mentioned——

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. HATCH. Mr. President, I am happy to yield to the Senator without losing my right to the floor.

Mr. HELMS. I thank the Senator.

Mr. President, in my comments I referred to the filibuster by Senator WEICKER with Senator STAFFORD, and Senator KENNEDY agreed. They did not protest that consumption of the Senate's time one syllable, I will say to my colleague from North Carolina, and I mentioned that the filibuster lasted for several weeks. I just checked and I discover that it lasted for 8 months.

I thank the Senator, my colleague.

Mr. EAST. Mr. President, I hasten again to clarify that we are not delaying. We are not filibustering. Right now I am consuming my own time under a time cap of 1 hour under postcloture conditions.

So to imply that some way or other I am doing something to obstruct simply is completely inaccurate.

We have been willing to compromise and have been looking for that opportunity. We have been trying to bring the important issues out before our colleagues and, we hope, before the country at large.

Eventually as I and the distinguished Senator from Missouri know, Congress will have its way on this matter, and that is as it should be.

But to suggest that in some way or other what we are doing is dilatory and out of order, grossly misrepresents us. I daresay all Members of the Senate will acknowledge that now and then an issue comes before this body that is so vitally important to their area or their region or that they think will have such impact on the country as a whole that they must in good conscience ask their colleagues to think carefully about proceeding.

That is the spirit in which we are doing this.

Again, no one is trying to delay or obstruct or to impede ultimately what will be the will of Congress.

So I have again been uncomfortable the last day or two with the implications of some of our able, distinguished, and eloquent opponents that there is something unseemly about what we are doing. That is the old rhetoric in this game, and both sides play it, and we are the apparent victim of it right now, but it is not so.

I wanted just to take that brief time to clarify what we are doing and why we are doing it.

The distinguished Senator from Missouri asked me what my strategy was. Apparently his schedule was too busy to remain to hear my answer. But that is what it is.

Mr. President, I yield back then to the distinguished Senator from Utah who has shown great forbearance and concern in all of this.

I yield the floor, Mr. President.

Mr. HATCH. Mr. President, I join with other Senators in hoping that we can expedite this matter, and not only agree to the motion to proceed but also that we proceed to the substantive debate on this bill.

We have already had a great deal of substantive debate up to now; I do not think anyone should fail to recognize that debate.

But I would like to proceed as quickly as we can to resolve this issue since I believe that an overwhelming number of Senators are prepared to vote for the Voting Rights Act, leaving the question of the constitutionality of certain provisions of that act up to the Supreme Court of the United States of America. I think that is what it comes down to at this point and to delay it any further I think is futile. I do respect and admire, however, the sincerity of all participants in this debate.

I do appreciate the strong feelings on the part of those who are opposed to this bill because of the section 5 bail-out provisions or the changes in section 2. I largely share these concerns. This is one of the few times in history where there is the incorporation in a statute of "protected classes" in a nation that has a constitution that requires equal protection for all in our society.

I still wish to proceed with as much dispatch and haste as we can because we have other matters which are important that must be brought up in the Senate at this time, including the supplemental appropriations bill, and the balanced budget amendment, Senate Joint Resolution 58.

Senator THURMOND, the principal sponsor of this amendment, has worked for 28 years to bring this amendment to the floor of the Senate, and I had the privilege to have worked side by side with him since I have been here, on this issue. For the first time in the history of this country, we will have the opportunity of considering a balanced budget amendment to the Constitution on the Senate floor.

I notice that the distinguished Senator from Virginia is here as well. Senator HARRY F. BYRD, JR., as well as his father, also a distinguished Virginia Senator have also been leaders in bringing the balanced budget approach this far. Ever since he has been here, he has spoken of fiscal restraint and has backed up his words with his actions.

There are very few people in the history of the Senate who will deserve more credit than Senator THURMOND or Senator HARRY F. BYRD, JR., for the work that they have done in this particular area.

In that regard, I am pleased to report to the Senate and to the public that today we added the 60th cosponsor to the balanced budget amendment. I am very grateful to the 60 Senators who have agreed to cosponsor this amendment.

I am also grateful that this has been a genuine bipartisan effort, led by Senators DECONCINI, HEFLIN, BOREN, MELCHER, and others on the Democratic side of the aisle. I wish to see this amendment brought to fruition. I wish to see it passed. I think we will pass it.

I believe that, for the first time in history, not only will we bring this amendment to the floor but we will be in excellent position to pass it on the floor of the Senate.

I believe if we pass it here the pressure will be on the House of Representatives to bring it to fruition over there as well; I believe we will be able to pass it in the House of Representatives as well.

Mr. President, back to the matter at hand. On Tuesday, the Senator from Massachusetts, my friend and colleague, stated in the RECORD that the proposed compromise in section 2 "speaks for itself." He then went on to say, making clear in the process that the amendment does anything but "speak for itself," that judges should confine themselves in their judicial interpretations to "listening to those who were the principal sponsors of the proposal."

Indeed, the distinguished Senator from Massachusetts directs the court to consider primarily the statements of himself, Senator MATHIAS, and Senator DOLE.

At the risk of improperly injecting the other 97 Members of this body in the legislative process, where is it written in the Scriptures that judicial interpretation is restricted to the statements of the formal sponsors of a proposal?

Let me also suggest that since the so-called Mathias-Kennedy-Dole proposal was a compromise that there must have been two sides involved. If there had not been a need for a compromise, then I can assure the courts that this would not have taken place in the Judiciary Committee. It is fine to listen to one side's interpretation of a compromise, but let us not forget that there were two sides involved.

Let me also suggest that there were 14 supporters of the compromise in committee and 17 supporters of the legislation containing this compromise. I can appreciate why the Senator from Massachusetts would prefer that the courts would pay his statements more heed than other statements. I can also appreciate why he would prefer that the court would restrict itself to heeding the interpretations of Senators who share his own interpretation. The fact, however, that I can appreciate the Senator's interest in doing this has nothing to do with the question of whether this is the appropriate process for judicial interpretation. I think it is not.

Let me reemphasize a few basic points of legislative history since my

distinguished colleague has demonstrated such a keen interest in guiding our judiciary to a proper interpretation of this statute. Further citations to these points are contained in my "Additional views" at pages 104 and 105 of the report. I would emphasize for the RECORD that they are not "minority views" as much as the Senator from Massachusetts might prefer that they were.

Point No. 1. The proposed compromise does represent a change in language from the House provision, a significant change in the view of many Senators. This change was necessitated by an effective deadlock in the Judiciary Committee on the House language. Although I do not personally view it this way, the new language was designed by its sponsor as a compromise and was clearly and unmistakeably supported by a number of members of the committee in the same vein. The compromise, most pointedly, is not merely a change in word formulas stating the same proposition. It was marketed as a substantive change in committee, and supported by a number of members of the committee as a substantive change.

Point No. 2. The change in language in section 2 clearly emerged as a result of concerns that the House language would promote the concept of proportional representation by race. This concern was a central theme of Senate debate despite a disclaimer in this regard in the House provision, and it was a central theme of Senate debate despite language in the House report precluding proportional representation as either a right or remedy under the amended section 2. Despite this language, the concern about proportional representation dominated the Senate debate, and necessitated the proposed Senate compromise. There is no other way to interpret the new language other than to recognize that it attempts to strengthen even these prohibitions.

Point No. 3. Indeed, that aspect of the proposed language that is the most clear is that relating to the prohibition upon proportional representation. This is, by far, the clearest part of a legislative provision that is generally confusing and contradictory. Whatever my own concerns about the success of the effort, there can be little doubt that it was the clear intent of a significant number of supporters of the new language to absolutely and unequivocally preclude proportional representation. Virtually everyone, on either side of this issue, alleged opposition to proportional representation.

Most pointedly, there is absolutely no indication that they chose to adopt the somewhat dubious definitions of proportional representation adopted by individual Members of this body.

Point No. 4. The author of the compromise stated expressly that proportional representation was not precluded as a remedy in such language because it was unnecessary and that it was a well established legal principle that remedies must be commensurate with the violation established.

This concept is reiterated in the committee report.

Point No. 5. The committee report is explicit in its rejection of the views of the Subcommittee on the Constitution with respect to the subcommittee's—and my own—interpretation of the operations of the results test. I sincerely hope that my own predictions about the results test are totally wrong.

Point No. 6. The committee report could not be more explicit in its adoption of the standard of the Supreme Court in White against Regester. It is this test that has repeatedly been offered in definition of the results standard by proponents of the test during subcommittee hearings and by congressional proponents of the standard. There are significant differences with respect to this standard as evidenced by the Supreme Court's decision in City of Mobile. Indeed, there is absolutely no indication that White is not currently the law of the land never having been over-ruled by the Court in City of Mobile or in any other decision. Instead of expressly adopting some generally undisputed legal standard, the committee has chosen to enshrine in the law the White case replete with its apparent inclarities and ambiguities. In other words, the committee has chosen to adopt language with a history—language that has already been suffused with some meaning by the Court—rather than venture with language that was capable of standing on its own and being interpreted de novo. To the extent that they have explicitly anchored this language to White—and that point is far clearer in the committee debates on this issue than even in the committee report—courts are obliged to recognize this and to appreciate that Congress—for better or worse—chose to incorporate the case law of White—all of its case law—in rendering meaning to the new statutory language. Given the committee's decision to define the new test in terms of White, the committee report ironically is reduced substantially in importance.

Point No. 7. Despite the results language, many proponents of the new test continue to speak in terms of equal access to the electoral process. As the author of the compromise remarked during consideration of the measure, "We are talking about access * * * ".

Point No. 8. Proponents of the results test, including the author of the compromise, have consistently emphasized—at least during Senate hearings, if not House hearings—that the results test represented something significantly different than the effects test currently applicable to section 5.

Point No. 9. In response to a question as far as whether a community with an at-large system could be found in violation of the new test if another community possessing identical characteristics, except for the at-large system, found not to be in violation, the author of the compromise indicated that, "It was not my intent that that happen;" The clear implication of that statement is that the existence of an at-large system will not by itself transform a lawful system of government into an unlawful system of government.

Point No. 10. While the House report clearly rejected the idea of responsiveness of public officials as a factor in determining the existence of discrimination under its test, the proposed amendment avoids highly subjective factors such as responsiveness of elected officials to the minority community, the committee report expressly recognizes its utility. The author of the proposed compromise stated during committee consideration that the fact of unresponsive elected officials was a fact to be considered by courts. Unlike the House test, it is clear that there is not the hostility to the consideration of subjective factors by the Senate.

Point No. 11. In response to a question concerning the impact of the proposed compromise amendment upon legislative districting, see subcommittee report at footnote 235, the author of the amendment expressly indicated his disagreement with the contention that neighborhoods characterized by large numbers of racial minorities were somehow exempt or immune from normal efforts to secure partisan or ideological advantage through so-called gerrymandering. The implication of this statement would seem to be that there is no obligation upon communities to maximize the influence of minorities, but simply to treat them fairly. That is an important implication.

Point No. 12. The amendment refers to its protections being extended to a "class of citizens protected by subsection (a)." So far as I know, there is no "class" of citizens that are singled out for protection under subsection (a) of the amendment. Section 2 of the Voting Rights Act, as a codification of the 15th amendment, has always provided guarantees in the area of voting to all individual citizens not "protected classes." Even to the extent that the amended section 2 intends to separate itself from the 15th amendment, it fails to provide for explicitly "protected groups". It is altogether unclear what this clause in the disclaimer is intended to mean, except that citizens of the United States have the right to participate in the electoral process and

elect candidates of their choice. This is doubtlessly true and doubtlessly a reasonable policy.

It is because I truly do not believe that the proposed language in section 2 tracks the intent of many of its proponents, despite their sincerity, and because I do not believe a results test in any form can track such intent, that I oppose the test.

In conclusion, Mr. President, I believe that these are important and relevant factors that will have to be evaluated by a court interpreting this provision, not simply the after-the-fact statements of the three Senators invoked by my colleague from Massachusetts.

There are 100 Senators involved in this process, not simply 3, I would remind my friend from Massachusetts. As majority floor manager, subcommittee chairman, and a supporter of the Voting Rights Act, I do believe that my own comments might be deserving of at least a bit of consideration, as well. I believe every Senator feels that way. Neither the Senator from Massachusetts nor any other Member of this body can appropriately create a totally selective legislative history.

Mr. HATCH. Mr. President, I yield the floor.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I will not speak at length but I think I should just make a few comments before suggesting the absence of a quorum.

Mr. President, this issue, in my view, is one of the most fundamental ones that the U.S. Senate will deal with. It concerns our civil rights, our most important civil right, the right to vote, the need to enforce the 15th amendment of our Constitution.

This is a process that was intensified in the early 1960's, in 1964, with the passage of the Civil Rights Act, a passage that I witnessed as a 19-year-old intern in that corner of the U.S. Senate. And on that day, I did not understand why 27 Senators voted against the Civil Rights Act of 1964, while I was comforted that 73 did.

In 1965, the Voting Rights Act was passed by a vote of 79 to 18. The other day a vote on cloture on the extension of the Voting Rights Act, having been extended in 1970 and 1975 as well, the vote on cloture was 86 to 8. So over that period of nearly 20 years, those who would oppose the enforcement of our Constitution and the civil rights for all Americans had decreased from 27 votes in the U.S. Senate in 1964 to 8 votes in 1982.

Mr. President, not only has the U.S. Senate moved in the direction of a greater enforcement of our civil rights, but so has the House of Representatives which supported this measure 20 to 1, and so has the President of the United States who supports this measure. And yet there are those in this body, eight Senators, who continue to debate and discuss the issue, as they have every right to, and who say they will be willing, under certain circumstances, to cease that debate in compromise.

Mr. President, it seems to me that if you compromise, you have to have a certain strength that allows you to compromise. That vote on cloture last week, in my view, eliminates any question of compromise. So we will preserve the rights of every Member of the U.S. Senate, as is critical to the functioning of this institution, to use every means that they can to talk, talk, talk—a verbal sit-in, as the Senator from Missouri called it. But that time will expire, whether it is this week or next week or 6 months from now. And when it does expire, the Senate will work its will and it will support this measure and this measure will become law and the President of the United States will sign it. Because, Mr. President, the country has gone too far to turn back, because it is the will of the people of this country that we enforce the civil rights of our citizens and in particular the 15th amendment of the Constitution.

When we do get to debating the merits of the bill, when we get to debating the bill as opposed to the motion to proceed the bill—which is again a tactical method chosen by the eight minority Members of this body who seek to prevent the Senate from working its will—when we get to that point, we will express in no uncertain terms our support for this bill. When we get beyond the motion to proceed, we will be able to debate in some greater depth the three or four points that the opposition has continued to make over and over, and I would say if this debate goes on further and further that we will almost be debating it by rote.

So, Mr. President, I will refrain from making a longer statement until we have reached the point where we are actually discussing the bill as opposed to the procedural rights of the minority, which we all agree have to be protected even if, in my view, as one Senator, and in the view of 86 other Senators, they do thwart the will of the Senate and the will of the Nation on this issue, and there is, frankly, no more critical issue in our Nation today.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DENTON). Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. BRADLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TESTIMONY OF GOV. ROBERT GRAHAM OF FLORIDA ABOUT STATES' INTEREST IN REMOVING THE AMBIGUITIES IN THE FOREIGN CORRUPT PRACTICES ACT TO PROMOTE U.S. EXPORTS

Mr. CHAFEE. Mr. President, in the course of conducting hearings on S. 708, the Business Practices and Records Simplification Act, my bill to amend the Foreign Corrupt Practices Act, Gov. Robert Graham of Florida, Chairman of the National Governor's Association International Trade and Foreign Relations Subcommittee testified about the interest of the States in removing impediments in U.S. law which hinder the growth of U.S. exports. In particular, Governor Graham spoke about the need to eliminate the ambiguities in the Foreign Corrupt Practices Act. Governor Graham's testimony is further evidence of the widespread support for amending the act and highlights the need for swift action in the House on S. 708.

Mr. President I ask unanimous consent that Governor Graham's testimony before the Senate Banking Committee hearing on S. 708 on July 23, 1981, be printed in the RECORD immediately following my statement.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF BOB GRAHAM, GOVERNOR OF FLORIDA

Mr. Chairman, I am pleased to appear before you this afternoon on behalf of the Nation's governors, in my role as Chairman of the National Governors' Association's International Trade and Foreign Relations Subcommittee on Administration and Congressional Initiatives. I am here today because the governors of the fifty states share your deep concern about expanding U.S. exports, and removing unnecessary governmental impediments to international trade.

Until recently, international trade has been of primary concern only to the federal government and to large, multi-national corporations. This is no longer the case. Many small and medium-size businesses have become aware of the great opportunities for them in foreign markets, and are now beginning to transact business in these new markets.

Along with the increased awareness of the business community, there has been a grow-

ing recognition among the governors, and their economic development offices, that overseas trade opportunities for companies in their states, can be of enormous benefit to their state's economy. The growth from expanding markets can create new and better paying jobs for our citizens, and a stronger and more stable base for state revenues.

To consign export trade exclusively to the domain of the large multinational corporations—which already have comprehensive export departments and established foreign offices—is to ignore what the expansion of the export sector means to continued economic growth in the states. There are thousands of small manufacturers within the fifty states producing tens of thousands of products competitively priced to attract ready markets in numerous foreign countries. Promoting the export growth of these companies improves productivity and increases our industrial base. The consequent economies of scale also help to produce needed capital for research and development activities. The U.S. Department of Commerce estimates that every $1 billion in new exports means 40 to 70 thousand new jobs.

The States' interest in encouraging exports is clear. To realize this goal the States have committed substantial resources to assist their small and medium-size businesses in moving into foreign markets.

Collectively, the fifty states budget approximately $26 million for trade promotion activities—nearly the same amount as the U.S. Department of Commerce.

State trade promotion expenditures have increased 400% over the past four years, compared to approximately 25% for the Department of Commerce.

More people are employed in the 65 state offices abroad than work overseas in the Foreign Commercial Service of the U.S. Department of Commerce.

The increased level of involvement in international trade has made the governors more concerned with what can be done to assist small, medium-size, and new exporters. Since several significant obstacles to these businesses require change at the Federal level, the governors established an international trade committee in November, 1978.

Twenty-four of the governors, evenly split between Democratic and Republican, sit on the committee and recommend trade policy which the full association must approve.

With the cooperation of nearly 400 companies, we conducted a study of disincentives to exports, to determine which national policies, programs and regulation had the most positive and most negative impact on our states' exports. The governors officially adopted our present policy statement and specific recommendations on international trade issues in March, 1980.

Since that time, the governors have been actively involved with both the Congress and the Administration in working for changes at the federal level.

We are now involved in a joint trade promotion effort with Commerce Secretary Malcolm Baldridge and have developed an excellent working relationship with Trade Ambassador Bill Brock.

In the area of Congressional initiatives the governors have for the past 2 years actively supported legislation to:

Clarify ambiguities in the Foreign Corrupt Practices Act;

Clarify ambiguities in the extraterritorial antitrust laws;

Provide necessary export services to smaller businesses through promotion of export trading companies;

Reduce the federal income tax on Americans working overseas;

Provide adequate lending authority for the export-import bank; and

Expand the authority for 90 day visa waivers for foreign businessmen and tourists.

Each of these issues is important to the governors, but I am here today to discuss specifically the effect that the uncertainty, vagueness and confusion of the 1977 Foreign Corrupt Practices Act has had on small- and medium-size businesses attempting to sell their products overseas.

The study the governors conducted, that I previously mentioned, documented 32 items regarded as trade disincentives. The Foreign Corrupt Practices Act was considered one of the most significant disincentives. The firms most adversely affected by the act were the types of companies we work with most in the states in export promotion activities—small- and medium-size companies with enough experience in exporting to be interested in expanding to new markets, but too small to have overseas subsidiaries, experienced Washington lawyers, or in-house expertise in the full range of export services they needed.

After review of this study, and extensive discussion, the full Governor's Association unanimously endorsed specific reforms of the Foreign Corrupt Practices Act.

The governors' findings and recommendations on needed changes in the Act include the following:

1. The line between "facilitating payments" which are proper and legal under the act, and illegal bribery, is unclear both in the way the law was written, and in the limited interpretational regulations that exist.

The committee reports that accompanied this Act in 1977 indicate that Congress did not intend to prohibit customary facilitating payments. But, as President Carter told the Congress in his message on export disincentives in September, 1980, there is concern over ambiguities in this provision because of the " . . . disparity between statements in the legislative history describing the exception, and the statutory language itself." Exporters should not have to rely on a court concluding that the act is ambiguous so that the relevant legislative history can then be admitted into evidence in possible criminal prosecutions.

2. The "reason to know" standard is unclear and subject to very broad interpretation, and gives an exporter insufficient guidance. An exporter cannot know to what length he must go to investigate, audit, personally supervise, or even refuse to employ an independent overseas agent in order to avoid an accusation that he should have known or suspected that the agent has made or will make payments to governmental officials which may be outside the interpretation of "facilitating payments" under the act. In my discussions in Florida with owners of small exporting businesses and attorneys who represent small exporting companies, there was great concern that under the "reason to know" standard, our exporters could possibly be accused of illegal conduct if they employed any agent in a country where such payments had ever taken place, on the grounds that this fact alone was "reason to know" that it could happen again.

When confronted with the ambiguity over what is an authorized payment, compounded by the additional ambiguity over what an exporter must do to insure that his overseas agent has never made such payments, the small businessman will often simply throw up his hands in total frustration.

It is not just the exporter himself who has to decide what to do to comply with this act. The effectiveness of our own state export promotion and information services depends on our ability to understand legal factors which may affect new exporters. This task is rendered unnecessarily difficult by the uncertainty surrounding this act.

3. The concurrent jurisdiction granted under the act to the Justice Department, the Internal Revenue Service, and the Securities and Exchange Commission has made it very difficult for the small exporter to obtain the necessary guidance to ensure compliance with the act, as it is interpreted by these various agencies.

4. Besides clarifying these ambiguities in the law, the governors recommend that Congress legislatively mandate a business review procedure to allow businessmen to obtain promptly and efficiently from the Department of Justice a statement of interpretation and application intentions in specifically proposed activities or areas. This statement would then be binding on the Justice Department, and all other federal agencies.

5. Application of the Foreign Corrupt Practices Act should distinguish among diverse market regions and products giving some recognition to local custom.

6. Provision should be made for the United States' Government to enter into agreements with foreign countries that specify that certain specific business practices within each country would not be subject to prosecution under this act.

I am happy to say that the bill before you, S. 708, effectively addresses these recommendations, and on behalf of the governors, I want to commend Senator Chafee and the bill's sponsors.

In concluding, I would like to address two specific areas in which this legislation has been unfairly characterized or criticized. First is the suggestion that U.S. exports have not been affected by the ambiguities in this act. I have personally discussed with owners of Florida businesses engaged in exporting, and attorneys representing such businesses, specific situations where concern over these ambiguities and the risks involved persuaded the exporter to forego a trade opportunity, or to discontinue selling his product in a particular country.

In fact, your subcommittees heard testimony this May from a major Florida exporting company, the Harris Corporation of Melbourne, Florida. The company stated unequivocably that confusion over the act has resulted in a significant reduction in that company's exports.

The fact that this act is consistently cited in surveys as one of the strongest disincentives to exporting is the best evidence that it is a source of confusion and uncertainty for exporters—particularly new exporters and small businesses.

As President Carter emphasized in his report to Congress, "It is the uncertainty and vagueness of the provisions and not the prohibition against bribery that is causing this impact."

The second point I wish to emphasize is that this is not a partisan issue and concern did not originate this year, or with the Administration of President Reagan.

The Governor's Association, a bi-partisan organization, began studying this issue in

1978, and endorsed revision of the act in early 1980.

President Carter concluded in his report to Congress on export disincentives that this act " . . . inhibits exporting because of uncertainty within the business community about the meaning and application of some of its key provisions." He ordered the Justice Department to issue guidelines under the Act, and called for recommendations from the Commerce and Justice Departments on what further actions were necessary to remove these ambiguities.

Reubin Askew, my predecessor as Governor of Florida and United States Trade Representative during the Carter Administration, stated in an address in June, 1980 on priorities in international trade that "We must clarify the Foreign Corrupt Practices Act to make it enforceable and to eliminate needless uncertainties and anxieties which inhibit trade and complicate trade and investment decision."

A General Accounting Office report in March of this year concluded that the business review procedure, as established by the Justice Department ". . . has not been effective in addressing the uncertainty caused by the Act's ambiguities."

It is clear that there is long standing bipartisan support for improvements to this Act.

This Act has created unintended and unnecessary obstacles to exporting U.S. products overseas. On behalf of the governors, I commend you for your work on this issue and urge to approve legislation to effectively resolve these ambiguities and give our exporters confidence in the law, so that they can comply with it and continue to do business in the world marketplace.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that I may be permitted to speak on another subject for about 5 minutes, but that the time consumed be charged against the Senator from Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

GOVERNMENT SPENDING OUT OF CONTROL

Mr. HARRY F. BYRD, JR. Mr. President, on June 10, two former Cabinet officers appeared before the Senate Finance Committee to give their views on the economic crisis facing our Nation. Both are now important leaders in the business community.

These men, who have seen Government from important positions within Government, were: Peter G. Peterson, chairman of the board, Lehman Bros., investment bankers, and former Republican Secretary of Commerce; W. Michael Blumenthal, chairman and chief executive officer, Burroughs Corp., and former Democratic Secretary of the Treasury.

These two individuals spoke for themselves but they also expressed the views of former Secretary of the Treasury Douglas Dillon, former Secretary of the Treasury Henry H. Fowler, and former Secretary of the Treasury William E. Simon.

Both Secretary Peterson and Secretary Blumenthal agreed that Federal spending is clearly out of control; both agreed that it must be brought under control; both agreed that our Nation is facing an economic crisis of major proportions.

The Senator from Virginia asked the reaction of the business community to the fact that under the Senate budget resolution the Government will spend, during the next 3 years and 5 months, $468 billion more than it takes in.

Mr. Peterson responded thusly:

I think the stock market gives you a reaction. I think interest rates give you a reaction, and I think bankruptcies give you a reaction. I think exchange rates give you a reaction. I think we have got enormous evidence, Senator, that the markets are reacting very adversely.

I ask unanimous consent to have printed in the RECORD my questions to former Secretary Peterson and former Secretary Blumenthal, along with their responses.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator BYRD. As I visualize it, both Secretary Blumenthal and Secretary Peterson feel that the budget and Government spending is totally out of control. Am I correct in that assessment?

Mr. BLUMENTHAL. You are certainly correct.

Mr. PETERSON. Correct.

Senator BYRD. And that you feel that the key to our problem really is to get spending under control.

Mr. PETERSON. Absolutely.

Senator BYRD. And that, of course, has not been done. I must say I was not aware of this until several weeks ago. But the increase in spending for this current fiscal year will be 13 percent, and that compares to the increase last year of 14 percent. So we have made very minute progress in getting spending under control.

Now, let me ask this. Under the Senate budget resolution during the next three years and five months the Government will spend $468 billion more than it takes in. My question is: Is the business community aware of this? And, if so, what is the reaction?

Mr. PETERSON. I think the stock market gives you a reaction. I think interest rates give you a reaction, and I think bankruptcies give you a reaction. I think exchange rates give you a reaction. I think we have got enormous evidence, Senator, that the markets are reacting very adversely.

Senator BYRD. The national debt will increase by 44 percent in three years and five months, namely, from 1,065,000,000 to 1,533,000,000, which is another way of saying that spending over and above revenues will go up by that amount, namely, 44 percent in three years and five months. Will that not lead to a rekindling of inflation?

Mr. BLUMENTHAL. Senator, I think it is clear that the budget is out of control, that spending has to be brought under control, and that whatever levels of spending are enacted are backed up by raising the revenue to pay for it. I recall that you used to be very critical when I appeared before you when I was in the Treasury when we were talking about budget deficits of between 30 and 60 billion dollars and a level of the debt substantially lower total level than it is at the present time. It is clear that the kind of numbers that we are talking about now, and that I have referred to and Secretary Peterson has illustrated, that really all of the indices of the market have turned, are telling us that that is an unsustainable situation. And that is why the long-term rates don't come down, because exactly, as you see, the expectation of continued inflation down the road is clearly prevalent. So unless you take these actions that we are suggesting, the expectation of more inflation and the fear of the implications of the budget being out of control—spending and revenues being out of control—will not enable us to get back on an even keel.

Mr. PETERSON. Senator Byrd, if I could take a quick crack at that. If you project the kind of deficits we are talking about in the mid eighties, those numbers turn out to be 5 to 5½ percent of the entire gross national product of the United States.

As you have detected by now, I am a nut on increasing investment in plant and equipment, research and development. Why don't we think of those deficits as negative savings because they have to be taken out of the savings pool. I am shocked to hear some of my colleagues say these kind of deficits are not all bad because the Japanese have these kind of deficits. The Japanese have a savings pool at the private sector that is four times ours. This number would soak up most of the net private savings in the entire country. And if you do it that way, sir, there is no way you are going to have it available for plant and equipment growth, and research and development growth.

Senator BYRD. My feeling is that our nation is facing an economic crisis of major proportions. Am I overstating the case?

Mr. BLUMENTHAL. Well, crisis is a word that scares a lot of people. But clearly, if action is not taken, we will be in a very, very deep crisis. And I think we are facing one. But I think the opportunity exists right now in this year, 1982, to make a beginning of it and looking over the next three years to avoid a real crisis from occurring. That is really what we are saying.

Senator BYRD. I have just two brief questions. We are in full agreement that spending is out of control and we need to tackle, first, spending. But let me ask this. Should the third year of the personal income tax reduction be deferred? And, if so, what would be the reaction in the business community?

Mr. BLUMENTHAL. I will try it and perhaps Mr. Peterson would like to respond also. We are not recommending that that be the first step or the preferred step that the Congress take. We are saying that $60 billion in additional revenue needs to be raised. We are suggesting a number of ways in which that can be done. Energy taxes are one example where a substantial amount can be raised. Certain kinds of excise taxes, all kinds of closing of tax loopholes or tax preferences,

elimination of various kinds. You are going to have to add up to see what you have.

If you find—and you may, you may—if you find that there is no way to get to at least the 60 billion without also dealing in some way with the third year tax cut, and you are prepared to act on the rest of this program, then we say that may be necessary. But only in that context.

Senator BYRD. So it is really—what you are really telling this committee and telling the American people, what we need to do is to tackle spending. That is the key to it, is to tackle spending and get spending under control. Then if we do that——

Mr. PETERSON. Senator Byrd, you may notice that our statement says here that as far as the tax side is concerned—maybe you can help me find it, Mike—that the stretching out or delaying of the tax cuts for 1983 has the unanimous consent of the undersigned only in the context, only in the context, of prior agreement on the kind and magnitude of spending cuts referred to in parts 1 and 2 of this program. To me, a reduction in spending growth is vastly to be preferred, because it releases the money to tax increases. So that must be where the priority is.

Mr. BLUMENTHAL. But I think we also have to point out that our own calculations indicate that you have got to deal with entitlements and the non-needs related programs first to get spending under control, and you have got to deal with Defense to at least get it down to 7 percent real increase.

We have also calculated that even if you do that you still need $60 billion in additional revenue. Now, if you can find a way to bring spending even further under control, reduce it further in order to obviate the need for that additional revenue, God bless you. But I guess we concluded that that is beyond the realm of the possible.

Senator BYRD. Well, I think that your emphasis on the need to get spending under control is really what needs to be dramatized to both the Congress and the public. Thank you.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I do not agree with the remarks of my distinguished colleague concerning the State of South Carolina which were given yesterday on the floor of the Senate. I rise today to provide my views of my State and its citizens.

Yesterday's statement by my distinguished colleague from South Carolina, regrettably, focused almost entirely on negative aspects of South Carolina today.

Mr. President, as we carry on this debate on the motion to proceed with the voting rights bill, and as we later debate the bill itself, it is important to strive for a balanced perspective and rational discourse. In this spirit, I intend to relate briefly the positive aspects of conditions in my State and to recall some of the progress which we have made in bringing citizens of all races into our political process.

I am proud to state that the rate of voter registration in my State is now considerably more than a majority of each race—white 57.2 percent and blacks 61.4 percent. These statistics compare favorably with registration rates throughout the country which average 60 percent. I am also pleased that, through the normal functioning of our political system, in 1980, 238 of our black citizens had been elected to office, and together with a sizable number who were appointed, were serving the State and its people with distinction.

During the course of recent extensive Senate hearings on the voting rights bill, no person denied this record of progress in my State. Even in 1965, South Carolina's record on voting rights was comparatively good, as stated by the then Attorney General, Mr. Katzenbach.

During the recent Senate hearings on this legislation, there was no evidence that anyone in my State is being denied the right to register or vote. I have repeatedly stated that if anyone gives me the name of a person who has been denied this right, I would immediately send that information to the Department of Justice for investigation. The implication that we in South Carolina are dealing with the issue of voting rights in any way other than a proper manner is simply inaccurate and without foundation. It ignores the efforts of thousands of our citizens to achieve a peaceful and harmonious society in which citizens of all races can participate in our democratic society. It is irresponsible to overlook these efforts and must be frustrating to our citizens who have worked so hard for good relations between the races.

Mr. President, one county in my State was singled out yesterday for special criticism, and I again fault this description because the statement completely failed to note the positive and decent character of its citizens. In particular, yesterday's criticism described a lawsuit entitled McCain against Lybrand which is based on claims arising under the Voting Rights Act. Some people have lifted various statements from that case to create an unfavorable impression of the citizens of Edgefield County. To understand the true situation in Edgefield County, we need to review the McCain against Lybrand case in its proper context.

First, this case represents an action brought by an unsuccessful candidate. If that candidate has been adversely affected by governmental decisions, made on the basis of race, he should be granted appropriate relief. I trust no one would claim otherwise.

Second, the judge in the case has admitted that he initially applied the wrong legal standard. He has since rescinded his own order. Just as the judge admittedly made an error of law, many people feel he made an error in arriving at the facts. Although we might all wish otherwise, it is simply an indisputable fact that trial judges sometimes make errors, such as using the wrong legal standard or in finding the facts. This is why we have a system of appeals courts. We realize that occasionally judges make errors, as happened in this case. This error is no indictment of the judge, and certainly this erroneous decision should not be the basis of unjustified criticism about the people of Edgefield County.

Third, even if the suit were to result in a finding of prohibited activity, that certainly is no indictment of all the people of Edgefield County any more than a school discrimination case in Boston or Detroit or Cleveland or Baltimore is a comment on all of the citizens who live in these cities.

In conclusion, I would like to restate my hope that the debate on this bill will be accurate throughout. Today I have attempted to supply much-needed balance with respect to statements made yesterday concerning my State. I hope that my colleagues in the Senate will take every opportunity to insure that a balanced picture is drawn with respect to conditions in their States or in any State of this country. We should insure that all circumstances are fully and fairly described so that we can make fair and proper decisions.

I yield the floor.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WALLOP. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

Mr. WALLOP. Madam President, I ask unanimous consent that I may proceed for 1 minute on a subject matter other than that which is before the Senate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

Mr. WALLOP. Madam President, I am required by paragraph 4 of Senate Rule 35 to place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a

foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under paragraph 4 that will permit Mr. Clifford A. Kiracofe, Jr., of the staff of Senator HELMS to participate in a program on United States-Latin American relations sponsored by the Fundacion Margarita Gutierrez de Paez Carrillo in Buenos Aires, Argentina, from May 30 to June 8, 1982.

The committee has determined that Mr. Kiracofe's participation in this program, at the expense of the Fundacion, is in the interests of the Senate and the United States.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYAKAWA. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL ORCHESTRA WEEK

Mr. HAYAKAWA. Madam President, on March 4, 1982, the Senate passed a resolution designating the week of June 13–19, 1982, as "National Orchestra Week." The House passed the same resolution on May 11 of this year. I am proud that Congress has seen fit to recognize the value of America's network of orchestras.

My own State of California is home to a great number of fine orchestras. I have included a list of these orchestras so that they may enjoy congressional recognition during this important week. The entertainment and pure enjoyment provided by America's orchestras should be savored by all of us. It is fitting, that in these times of austerity and financial sacrifice, Congress take time to acknowledge the contribution they make to our communities.

I join my colleagues in extending my appreciation for the contributions of our orchestras and look forward to continuing my support for this valuable resource.

Madam President, I ask unanimous consent that a list of the orchestras in California be printed in the CONGRESSIONAL RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CALIFORNIA ORCHESTRAS

American Youth Symphony, Los Angeles, Mehli Mehta, Music Director.

Baroque Consortium Chamber Orchestra, Carson, Frances Steiner, Music Director.

Beach Cities Symphony Orchestra, Redondo Beach, Herman Clebanoff, Music Director.

Berkeley Symphony Orchestra, Berkeley.

Berkeley Youth Orchestra, Berkeley, J. Karla Lemon, Conductor.

Brentwood-Westwood Symphony Orchestra, Santa Monica, Alvin Mills, Conductor.

Cabrillo Music Festival, Aptos, Dennis Russell Davies, Music Director.

California Chamber Symphony, Los Angeles, Henri Temianka, Conductor.

California State Polytechnic University Symphony, Pomona, Donald Ambronson, Conductor.

California Youth Symphony, Palo Alto, Lauren Jakey, Conductor.

California State University, Sacramento-University Orchestra, Sacramento, Ward G. Fenley, Conductor.

California Women's Symphony, Hillsborough, Lauren Jakey, Conductor.

Camerata Orchestra and Chorus of Los Angeles, Valencia, H. Vincent Mitzelfeit, Conductor.

Camellia Symphony Orchestra, Sacramento, Daniel Kingman, Music Director.

Carson Community Orchestra, Carson, Frances Steiner, Music Director.

Chapman Symphony Orchestra, Orange, John Koshak, Music Director.

Chico Symphony Orchestra, Chico, Walter Dahlin, Conductor.

Claremont Symphony Orchestra, Claremont, James Fahringer, Conductor.

CLC-Conejo Symphony Orchestra, Thousand Oaks, Elmer H. Ramsey, Music Director.

Contra Costa Chamber Orchestra, Walnut Creek, H. T. Payne, Conductor.

De Anza Chamber Orchestra, Cupertino, Nelson Tandoc, Conductor.

Diablo Valley Philharmonic, Pleasant Hill, Frederic Johnson, Conductor.

Diablo Youth Orchestra, Walnut Creek, Johathan Khuner, Conductor.

Diablo Symphony Orchestra, Concord, Joyce Johnson-Hamilton, Music Director.

El Camino Youth Symphony, Palo Alto, Arthur P. Barnes, Conductor.

Fresno Junior Philharmonic, Fresno, Gary Deeter, Conductor.

Fresno Philharmonic Orchestra, Fresno, Guy Taylor, Music Director.

Glendale Symphony Orchestra, Glendale, Carmen Dragon, Music Director.

Heartland Youth Philharmonic, El Cajon, Charles Macleod, Director.

Humboldt Symphony Orchestra, Arcata, Madeline F. Schatz, Conductor.

Imperial Vally Chamber Orchestra, El Centro, Joel Jacklich, Conductor.

Inglewood Philharmonic Symphony Orchestra, Inglewood, Leroy E. Hurte, Music Director.

Jewish Community Center Symphony Orchestra, San Diego, David Amos, Conductor.

Kern Philharmonic, Bakersfield, John Farrer, Music Director.

La Jolla Civic/University Symphony, La Jolla, Thomas Nee, Music Director.

La Jolla Chamber Orchestra, La Jolla, Peter Eros, Music Director.

Livermore-Amador Symphony, Livermore, Arthur Barnes, Music Director.

Long Beach Symphony Orchestra, Long Beach, Murry Sidlin, Music Director.

Los Angeles Chamber Orchestra, Pasadena, Gerard Schwarz, Music Director.

Los Angeles Doctors Symphony, Beverly Hills.

Los Angeles Mozart Orchestra, Los Angeles, David Keith, Conductor.

Oakland Symphony Orchestra, Oakland, Calvin Simmons, Music Director.

Oakland Symphony Youth Orchestra, Oakland, Robert Hughes, Conductor.

Orange County Youth Symphony, Orange, John Koshak, Music Director.

Pacific Symphony Orchestra, Anaheim, Keith Clark, Music Director.

Palisades Symphony Orchestra, Pacific Palisades, Joel Lish, Music Director.

Paradise Symphony Orchestra, Paradise, Thomas E. Wilson, Music Director.

Pasadena Chamber Orchestra, Pasadena, Robert Duerr, Music Director.

Pasadena Symphony Orchestra, Pasadena, Daniel Lewis, Music Director.

Peninsula Symphony, Palos Verdes Peninsula, Joseph Valenti, Music Director.

Peninsula Symphony Orchestra, Los Altos, Aaron Stein, Conductor.

Pomona College Symphony Orchestra, Claremont, Raphael Metzger, Conductor.

Prometheus Symphony, Jonathan Kuhner, Music Director.

Redlands University-Community Symphony, Redlands, James Jorgenson, Conductor.

Repertoire Chamber Orchestra, Los Angeles, Robert Turner, Conductor.

Riverside Symphony Orchestra, Riverside, Lawrence Christianson, Conductor.

Sacramento Symphony Orchestra, Sacramento, Carter Nice, Music Director.

Sacramento Youth Symphony, Sacramento, Michael Neumann, Conductor.

San Bernardino Symphony, San Bernardino, Alberto Bolet, Conductor.

San Bernardino Chamber Orchestra, San Bernardino, Richard Saylor, Conductor.

Saddleback Symphony Orchestra, Mission Viejo, Kay Andreas, Music Director.

San Diego Symphony, San Diego, David Atherton, Music Director.

San Diego Youth Symphony, San Diego, Louis Campiglia, Music Director.

San Francisco Conservatory of Music Orchestra, San Francisco, David Agler, Conductor.

San Francisco Chamber Players, San Francisco, Dusan Bobb, Conductor.

San Francisco Chamber Orchestra, Edgar Braun, Music Director.

San Francisco Concert Orchestra, San Francisco, Robert Sayre, Music Director.

San Francisco Symphony, San Francisco, Edo de Waart, Music Director.

San Francisco State University Symphonic Orchestra, San Francisco, Laszlo Varga, Conductor.

San Jose Symphony Orchestra, San Jose, George Cleve, Music Director.

San Luis Obispo County Youth Symphony, San Luis Obispo, Loal Davis, Conductor.

Santa Barbara Symphony, Santa Barbara, Frank Collura, Conductor.

Santa Cruz County Symphony, Aptos, Kenneth Klein, Music Director.

Santa Cruz County Youth Symphony, Soquel, Kenneth Klein, Music Director.

Santa Rosa Symphony Orchestra, Santa Rosa, Corrick Brown, Music Director.

Shasta Symphony, Redding, Olando Tognozzi, Conductor.

Sonoma County Junior Symphony, Santa Rosa, Eugene Shepherd, Conductor.

South Valley Symphony, Morgan Hill, Kathleen Ash Barraclough, Music Director.

Southeast Youth Symphony, Santa Ana, John Larry Granger, Music Director.

University of South California Symphony, Los Angeles, Daniel Lewis, Conductor.

Stanford University Orchestra, Stanford, Andor Toth, Conductor.

Stockton Symphony, Stockton, Kung-Soo Won, Music Director.

Symphony of the Verdugos, Glendale, Wesley Cease, Conductor.

University Symphony Orchestra, Stockton, George Buckbee, Conductor.

Valley Symphony, Van Nuys, Lawrence Christianson, Conductor.

Youth Musicians Foundation Debut Orchestra, Los Angeles, Neal Stulberg, Conductor.

Young People's Symphony Orchestra, Berkeley, Eric Hansen, Music Director.

AMNESTY IS NO SOLUTION FOR ILLEGAL ALIENS

Mr. HAYAKAWA. Madam President, I bring to the attention of the Senate an informative and revealing article which appeared in the June 19, 1982, edition of Human Events magazine.

The article is entitled, "Amnesty Is No Solution for Illegal Aliens." It discusses some of the long-term pitfalls of S. 2222, the Immigration Reform and Control Act of 1982, of which we should all be aware. Indeed, Madam President, this legislation is in trouble. Opposition is solidifying and I imagine by the time the bill gets to the floor, we shall see an "unholy alliance" with problems and amendments to bring to the attention of the Senate. I myself will have at least two amendments for consideration. This article sheds light on a number of problems with which the proponents will have a difficult time dealing.

Senate bill 2222 is a complicated piece of legislation. I must commend the authors of it, especially Senator SIMPSON for his Herculean task of bringing all these things together into one bill. Nevertheless, because it is such a large task, there are faults to be found with it and there will be organized protests against one part and another part and still another as time goes on.

I trust the majority leader will see fit to delay consideration of the bill until we and the citizens of this Nation have been given the opportunity to understand fully the implications of this legislation.

As an addendum to the article, I should point out that as amended in the Judiciary Committee, S. 2222 would allow illegal aliens to become legalized if they are in this country before January 1, 1982.

This means, in effect, that this law will reward the illegal behavior of those who cross the line without benefit of permit, passport, or anything else and just slip across the border despite our Border Patrol.

I understand why they do this. I understand profoundly the needs of labor, especially in the Western States, that cause this flow, but I do not believe that they should be rewarded for this illegal behavior by endowing them with the right to live here permanently and then after a few years to become citizens, despite the fact of their illegal entry. All this needs to be discussed in deeper detail than is done in the legislation.

Madam President, I ask unanimous consent that this particular article in Human Events by Palmer Stacy be printed in the RECORD.

I cannot agree in full with the point of view of the article, but the article does point to some of the dangers in this amnesty proposal. Actually, the article is somewhat more hostile to the whole matter of immigration than I myself would be. There are points, however, about the article that need to be brought to the attention of all of us in the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Human Events, June 19, 1982]

FLOODGATES WOULD BE OPENEND—"AMNESTY" IS NO SOLUTION FOR ILLEGAL ALIENS

(By Palmer Stacy)

How should the United States deal with the millions of illegal immigrants pouring across our borders? Congress is considering several proposals for slowing this influx, including penalties for businesses hiring illegal aliens and increases in funding for the Immigration and Naturalization Service (INS). One idea that would be rejected is amnesty for the millions of illegal aliens in our country.

Sen. Alan Simpson (R.-Wyo.) and Rep. Romano Mazzoli (D.-Ky.), chairmen respectively of the Senate and House Immigration Subcommittees, have authored a reform bill with a broad amnesty provision.

The Simpson-Mazzoli bill (S. 2222; H.R. 5872), which is the proposal likely to be reported out of the Senate and House Judiciary Committees, would give immediate permanent resident status to illegal aliens in the United States on or before Jan. 1, 1978, who apply for amnesty within one year of enactment of the law. These aliens could become citizens five years after this "adjustment of status." While they waited for citizenship and the right to vote, they could compete with Americans for any jobs and make use of food stamps, Medicaid, Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), public housing, affirmative action, bilingual education and dozens of other programs.

Aliens who entered illegally in 1978 and 1979 would form a second group of "legalized" aliens. After two years in a "temporary resident alien" status, if they could demonstrate "minimal understanding of ordinary English," they would get permanent resident status, with citizenship available five years later. During the two years as a "temporary resident alien" federal assistance would be limited to medical care and aid to the aged, blind and disabled. Cubans and Haitians who entered before Oct. 10, 1980, would also be in this second group. This mass amnesty proposal has been enthusiastically endorsed by the New York Times, the Washington Post, Elliot Richardson and other liberal votaries.

AMNESTY RATIONALES

Proponents of amnesty often justify such proposals on the grounds that it would be almost impossible to deport millions of illegal aliens. Mrs. Doris Meissner, deputy commissioner of the INS, testified on Oct. 29, 1981: "The United States has neither the resources, the capability, nor the desire to uproot and deport millions of illegal aliens, many of whom have become integral members of their communities."

This argument assumes that our leaders have tried to enforce the immigration laws. In fact, Congress has for years ignored repeated pleas for increased manpower from INS officials even though the flow of illegal aliens has grown almost geometrically. Annual apprehensions of illegal aliens (a rough indicator of the volume of illegal immigration) have risen from 212,057 in 1968 to 1,058,000 in 1978. There were 1,564 Border Patrol officers on duty in 1971. The number had only been increased to 2,093 by 1981.

INS officers have repeatedly said that the problems could be controlled if they were given adequate funding and personnel. Counting office workers, the INS (which includes the Border Patrol) has only 10,000 employes. By comparision, the Marine Corps has 188,469 uniformed personnel; the Department of Energy, in existence only five years, had over 19,000 employees as of October 1981.

The number of INS investigators on duty has been reduced form 1,250 in 1976 to 670 in 1982. They are hampered further by Justice Department policies such as the Nov. 26, 1979, directive issued by Benjamin Civiletti, Jimmy Carter's attorney general, which prevents INS investigators from looking for illegal aliens in residential areas. This directive is still in effect.

Advocates of amnesty contend that legalization is needed to prevent "mass deportations" of illegal aliens. Yet penalties for knowingly hiring illegal aliens which are contained in the Simpson-Mazzoli bill would apply only to newly hired workers, so illegal aliens already working would not suddenly lose their jobs. Gradually, as they lost existing jobs and found it difficult to get new ones because of employer sanctions, many would return home to their native lands.

INS efforts to capture illegal aliens would also gradually "squeeze" the illegals out of our society. Thus the choice is not necessarily between a disruptive mass roundup of millions of illegal aliens and amnesty. A gradual policy of increased enforcement is a third alternative.

Another rational for pardoning illegal aliens is that mass deportations would be "inhumane." This emotional charge has an obverse side. Is it humane to allow millions of American citizens to be put out of work by illegal aliens?

A recent study by Prof. Donald Huddle of the Economics Department of Rice University found that one-third of the construction workers in Houston were illegal aliens making good wages. The INS has expelled around a million illegal aliens annually in recent years, without any horrible effects. Is the "inhumanity" merely making a foreigner here in violation of our law give up the higher American standard of living? Supporters of legalization claim that illegal aliens have developed "equity" in American society by staying for several years. How foreigners acquire "equity" by prolonged violation of American immigration laws is not explained.

Sen. Simpson, echoing Hispanic civil rights activists, maintains that attempts to remove millions of illegal aliens "would undoubtedly violate the civil rights of many Hispanic Americans." Few specifics are ever provided to support this claim. Some Hispanic leaders contend that a law imposing penalties on businesses that knowingly hire illegal aliens might lead to employment discrimination against Hispanics. In fact, the employer sanctions portions of both the Administration and Simpson-Mazzoli bills re-

quire that all prospective employes, not just "foreign-looking" people, show identification to employers.

A related argument for amnesty maintains that it is terrible that millions of aliens are "living outside our laws subject to exploitation." A more logical solution to problems arising from millions of uninvited aliens living outside of the law is to send such foreigners home, not reward them with amnesty.

REWARDING LAWBREAKERS

In 1977, Jimmy Carter, fulfilling a 1976 campaign promise to Hispanics, proposed legislation to grant amnesty to illegal aliens. As then Sen. Richard S. Schweiker (R. Pa.) said at the time:

"[Amnesty] puts the government squarely behind the lawbreaker, and in effect, says, 'Congratulations, you have successfully violated our laws and avoided detection—here is your reward . . . .' We are fond of saying America is a nation of laws. By accepting the President's plan, we would be setting a nasty precedent of putting the government on the side of the lawbreaker by rewarding his illegal conduct and undermining the efficacy of our laws."

Amnesty would establish a dangerous precedent that can only encourage more illegal immigration. Future waves of illegal aliens will join their "legalized" friends and relatives. They will expect to receive the same treatment as the first wave, and the legalized aliens will clamor for a second amnesty for those friends and relatives.

The reasons given today to justify amnesty—impracticability and inhumanity of mass deportations—will be used again and again to justify future amnesty programs.

Discussion of amnesty in Congress in 1977 and again in 1981, has increased the flow of illegal aliens, according to Border Patrol officers. These late coming illegal aliens believe they can evade the legalization cutoff dates using forged rent receipts and affidavits purporting to show they were in the U.S. prior to the cutoff date. The already overworked and understaffed INS would be incapable of carefully screening millions of applicants for adjustment status.

Recognizing the magnitude of the administrative task of a mass amnesty program, the Simpson-Mazzoli bill provides that church-related voluntary agencies would assist the INS in processing applications for legalization for a small per capita fee. This proposal is very popular with Hispanic groups because they know these liberal voluntary agencies would not scrutinize amnesty applications carefully. Retired INS officers, free to give their opinions, say that giving the voluntary agencies a role in processing claims for legalization would mean that almost any alien who could illegally enter before the amnesty program ended would get a pardon, despite the 1978 and 1980 cutoff dates.

FORMULA FOR MASSIVE IMMIGRATION

The Simpson-Mazzoli amnesty proposal could add tens of millions of foreigners to our legal population over the next decade. Estimates of the current illegal alien population vary widely: Retired INS officers often use an estimate of 10 million.

If we assume conservatively that three million illegal aliens came forward and were granted permanent resident status as pre-1978 entrants and another two million were given temporary resident status as 1978–80 entrants, what would be the effects? After five years as permanent residents the three million could become citizens. As citizens, they have the right under existing law—which the Simpson-Mazzoli bill does not propose to change—to bring in immediate family members—their parents, spouses and children—with no wait and no quota limit.

INS officers familiar with the characteristics of illegal aliens, say that the average amnestied alien would bring in from two to four immediate family members. If only half of the hypothetical three million amnestied aliens elected to immediately acquire U.S. citizenship in 1989, and these 1.5 million legalized aliens brought in an average of only two relatives, that would mean three million more aliens legally entering in 1989. That would be roughly three times the number of legal admissions in any year in our history. Two years later the hypothetical two million "temporary residents" would begin acquiring citizenship and bringing in their immediate relatives, perhaps two million in 1991.

The proponents of amnesty have no answer to this demographic multiplier effect other than wishful speculation that the number of illegal aliens applying for amnesty and the number of relatives brought in might not be as large as the hypothetical examples used above. The Simpson-Mazzoli amnesty proposal is a leap into the dark—an open-ended entitlement benefiting an unknown number of aliens. Thus the amnesty contained in legislation intended to reimpose effective limits on immigration would have just the opposite effect.

AMNESTY AND THE IMMIGRANT COLONIES

The overwhelming majority of both legal and illegal immigrants in recent years are from Third World countries with cultures that encourage large families and extended family obligations. Dr. Ricardo Romo, a University of California at San Diego historian with close ties to the Hispanic community, describes Mexican immigrants:

"The family concept is much stronger in Mexico than it is in this country. Family doesn't just mean your next-of-kin, but your cousins as well. When part of a family immigrates to the United States—legally or illegally—the first thought is how to bring the rest across."

Legalization of illegal aliens would cause an immediate increase in illegal immigration. Because illegal aliens fear discovery and deportation, at the present time many do not bring their families with them. If given legal status, they will feel secure in bringing in relatives who frequently enter legally as tourists and visitors, then illegally overstay their visas.

It would not matter to the newly legalized alien that his relative might not find an "outside" job due to the proposed employer sanctions because, with the higher American standard of living, each legalized alien could support several non-working family members. Our generous welfare state provides food stamps and other benefits that can be shared within the extended families.

In addition, the vast influx of legal and illegal immigrants in recent years has created large immigrant colonies in our country which are increasingly self-contained units with numerous small businesses in which illegal aliens can work without fear of discovery by the INS. Equally significant, pressure from Hispanic watchdog organizations has led to a federal policy of hands-off of immigrant neighborhoods.

The Simpson-Mazzoli amnesty proposal would encourage illegal immigration in another way.

The bill provides that the number of immediate family members admitted each year will be subtracted from the following year's 325,000 visas for "numerically limited family reunification immigrants" which are other relatives of U.S. citizens, plus spouses and minor children of lawful permanent residents. There are already visa backlogs requiring such would-be immigrants to wait years to immigrate.

After legalized aliens become citizens and begin bringing in millions of immediate family members, there will be no visa available for other family reunification immigrants. Many frustrated visa seekers, facing a decade or longer wait, and seeing the reward their border-jumping compatriots had received, would give up on legal admission and enter illegally.

AMNESTY AND THE TAXPAYERS

While many illegal aliens are already receiving public assistance, most are currently afraid to apply due to fear of discovery by the INS. Mass legalization would impose a crushing burden on social welfare programs as millions of poor, uneducated aliens come out of the shadows and make full use of food stamps, medical care, free public education, unemployment compensation, AFDC payments and the hundreds of other programs our society provides.

Given the large families and low income of most Third World immigrants, most legalized aliens would qualify for at least some welfare programs. As amnestied men sent for their wives, children, parents and other relatives, demands on our educational, medical and welfare systems will increase dramatically. The National League of Cities, the United States Conference of Mayors and the National Association of Counties, alarmed by the financial burden that amnesty would create, have already called for massive federal aid to accompany legalization.

AMNESTY AND AMERICAN WORKERS

There are now 10 million unemployed Americans, most of whom are looking for work. Mass amnesty will allow those illegal aliens currently in lowpaying jobs to look for better jobs, increasing job competition with Americans. The multiplier effects of amnesty already described would bring millions of new aliens (legal and illegal) into our workforce in the next decade, creating a sudden oversupply of labor, depressing wages and worsening unemployment. The basic law of supply and demand allows no other result. It is ironic that worsening unemployment has led to public demand for stricter immigration control—demand that many politicians answer by proposing amnesty.

AMNESTY AND THE POLITICIANS

Somewhere in their search for a solution to the immigration problem, the politicians seem to have forgotten that their duty is to protect Americans, not foreigners. To some politicians, amnesty seems like the perfect solution to the illegal alien invasion: You can promise to get tough with future illegal aliens to satisfy the 91 per cent of the American people who want an "all-out effort" to stop illegal immigration; you can offer amnesty to please bleeding hearts, Hispanic leaders and the liberal media. The problem with this combination of future enforcement and present forgiveness is that it will utterly fail to slow immigration.

Amnesty sends the wrong signals to illegal aliens and would-be illegal immigrants: It is an admission that our leaders cannot bear to take strong and unpleasant action. We cannot stop illegal immigration by reward-

ing millions of illicit immigrants with amnesty.

PEACE CORPS

Mr. HAYAKAWA. Madam President, I should like to talk about the Peace Corps.

The principles of peace, freedom, and self determination have for the past 20 years been successfully spread throughout the world by some of America's most compassionate and dedicated citizens. Men and women from all walks of life choose to volunteer at least 2 years of their lives to the Peace Corps. Many of them live and work in far away lands, under primitive conditions and in strange surroundings where they teach, build, and promote lasting friendships both for themselves and the United States. Peace Corps volunteers have established some of the most solid and binding relationships which America now enjoys with nearly 90 Third World nations.

Health care, modern farming technology, clean water, and pollution control projects are just a few of the many programs which volunteers bring to underdeveloped countries. There is no doubting the value of these projects. However, the real goal of the Peace Corps volunteer is to be needed no longer. And when he or she is not needed any longer, he or she understands their mission is completed and then they go on to another underdeveloped area where their help is needed.

These volunteers have been sent to all four corners of the Earth to teach people to help themselves. To develop within an individual a sense of self-respect and esteem is to make a friend for life.

I remember a young American girl living in a hut in a tiny Liberian village, sharing the food, the dreadful heat, and other hardships. I recall seeing in Thailand dams, engineered and built with the help of Thai people, to control water and make irrigation of their farmlands more easily organized and able to be used when needed. Every time I have seen a Peace Corps project, I have been impressed by its usefulness as well as by its basic simplicity, so that when the Peace Corps people leave, the people they leave behind can carry on the same kind of work.

The United States provides billions of dollars in assistance to foreign countries each year. Few foreign aid programs have done as much as the Peace Corps in developing a sense of brotherhood between America and our allies. Nothing can replace a handful of dedicated workers who are committed to teaching needed skills and knowledge.

I wish to express my sincere appreciation to all Peace Corp volunteers for the fine work they have accomplished over the past two decades. In addition, today I am especially pleased to congratulate three Californians on their fine work as Peace Corp volunteers. Mr. Henry Melton of San Diego, Calif., was accepted as a volunteer to the Peace Corps in 1978 and was assigned to the Philippines. He holds a degree in forestry and wildlife conservation and has been instrumental in saving from extinction the Cebu Black Shama, a beautiful songbird native to the island of Cebu.

Miss Tami Smith of Antioch, Calif., was assigned to Benin, Africa for 2 years. Her work is to instruct the native women in nutrition for themselves and their babies. She is a graduate of the University of California at Davis.

Mr. Walter Max Binswanger of Palm Desert, Calif., was recently named Peace Corps country director for Jamaica. He will direct activities of 130 Peace Corp volunteers serving in agriculture, urban, rural, and community development and educational programs.

All America should be proud of these individuals and every Peace Corp volunteer. It is this dedication and commitment which has led to the tremendous success of the Peace Corps throughout the world.

It should be pointed out that from an economic point of view we get more for our money in foreign aid through the Peace Corps than perhaps any other program because the Peace Corps volunteers are paid little but what they throw into it is their youthful enthusiasm, their energies, their talents and their ideas, and that is what makes the concept work.

Madam President, I ask unanimous consent that newspaper articles dealing with the wonderful accomplishments of Californians in the Peace Corps be printed in the RECORD. One is from the Chula Vista, Calif., Star News, San Diego County, and the other is from the Palm Desert Post from Riverside County, another from the Antioch, Calif., Ledger.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chula Vista (Calif.) Star News, Mar. 18, 1982]

PEACE CORPS VOLUNTEER HELPS FIND 'EXTINCT' BIRD

(By Ellen B. Holzman)

In 1960 Henry Melton helped to bring the first Peace Corps volunteers to Colombia, South America. He knew then he wanted to participate as a volunteer in the program someday.

Eighteen years later he got his chance.

Melton, 58, left the South Bay to spend three years in the Philippines working with the Bureau of Forest Development.

His time in the Camotes or Sweet Potato Islands and on the island of Cebu left him 35 pounds lighter and the islands richer by one endangered bird and the beginnings of a nature center.

Melton's involvement with the Peace Corps began while he was working in Colombia at an agricultural college.

Hearing about then President-elect John Kennedy's campaign promise to export American technology to third world countries, Melton contacted the new administration requesting help for Colombia.

He placed 30 volunteers in rural areas.

During intervening years he traveled and taught in South America and the U.S. In 1969 he moved to the Dan Diego area.

After teaching science for the San Diego Zoo and later moving to Imperial Beach where he taught at Bayside Elementary, Melton decided it was time to take the plunge.

In 1978 he was accepted as a volunteer and assigned to the Philippines.

Initially Melton, who holds a degree in forestry and wildlife conservation, was asked to work at a fish farm at Lake Danoa Wildlife Sanctuary, on one of the Camotes Islands.

"They had a nice fish farm and tanks," Melton recalls, "but there was no money in the budget for fish food, so they asked me to find other things to do."

Melton turned to another area of expertise—teaching. "I've taught for 25 years from the elementary to the university level," he said.

Melton trained a young man as a wildlife technician and during the time they spent together he was, in turn, trained in the ways of the Philippine culture.

"They're very people oriented," he said. "Business, machines, and schedules don't mean anything next to people."

He also learned that unlike the Latin American culture, one should never directly approach someone in the Philippines to tell them they made a mistake.

More than once Melton, who had learned to pound on tables and shout angrily to get a point across in Colombia, had to un-learn that way of dealing with people.

Once, using his Latin American communications technique, the young man he was training nearly packed up to leave. "I could see a veil come across his face, shutting off his soul," Melton said.

During his time in the Camotes, Melton lost 35 pounds because "food was very scarce" and the staple of the island diet was corn grits. "Nobody could afford rice," he said.

So Melton said jokingly, "They made me move to Cebu near the market place."

Cebu, a central island near Leyte—birthplace of Imelda Marcos, is the center of the world shell industry, and was a stopping off place for the Spanish explorer Magellan, Melton said.

Melton traveled from the tiny Camotes island to Cebu by "banka boat" a motorized outrigger. The trip could take from two to six hours, Melton said, depending on whether it was a smooth or rough sea.

During his stay on Cebu, Melton's supervisor Joe Gapas, director of the Bureau of Forestry Development, was notified that the Cebu Black Shama, a 5½-inch blue-black songbird, was being placed on the list of extinct species.

Gapas believed however the bird was not extinct and asked Melton to help alert local people to the need to watch for it in rural areas.

The bird is found only in Cebu, Melton said, and although he worked hard to involve people in finding the bird, his efforts occasionally backfired.

One farmer, to prove he had seen the Black Shama, shot one and sent a picture to the bureau, Melton said.

While working to save the tiny bird, whose song is considered to be more beautiful than its more common cousins throughout Southeast Asia, Melton also helped to break ground for the Cebu Nature Center.

He spent many hours working with Perla Magsalay, a field technician he trained, putting together letters requesting funding for the center.

But it wasn't until after he left the Philippines that Melton's projects began to come to fruition.

Recently he received a letter confirming the Cebu Black Shama was officially back on the endangered species list and that funding for the nature center had come through.

Melton finds particular delight in the reinstatement of the songbird because it was officially sighted with binoculars he had given to Magsalay.

Since his return to the South Bay a few months ago, Melton has had little doubt about what he wants to do next. "I've already reapplied to join again," he said.

[From the Palm Desert Post, Mar. 11, 1982]

PD MAN NAMED AS PEACE CORPS CHIEF FOR CARIBBEAN NATION

PALM DESERT.—Walter Max Binswanger, 61, of Palm Desert, has been named the Peace Corps country director for Jamaica by Loret Miller Ruppe, director of the agency.

A former commercial and industrial developer, transportation manager and World War II pilot, Binswanger will direct the activities of the 130 Peace Corps Volunteers serving in agriculture; urban, rural and community development; and education programs in Jamaica. The programs are designed to help the host country develop its economic potential and improve the quality of life of its people.

"I am looking forward to joining the Peace Corps and helping to extend the people-to-people contact that has resulted in our friendly relations with the Caribbean island country," says Binswanger, a 1976 candidate for the Board of Supervisors of Orange County.

Semi-retired, Binswanger has served as director and consultant to Boatman Properties, Inc., a commercial and industrial real estate development firm, since 1979.

He founded Max Binswanger Trucking, Inc., in 1947, which grew to become an interstate carrier operating in five western states. He sold the company in 1974, and continued as president and director until 1979.

He also was involved in oil and gas exploration in Tennessee and Kentucky. Binswanger was the founder and president of a commuter airline (now Golden West Airlines which serves California).

Binswanger graduated from the United States Army Air Cadet Training School in Fort Sumner, N.M., in 1942 and was commissioned a second lieutenant in the Army Air Corps. He flew with the Eighth and Fifteenth Air Forces during World War II.

While with the Eighth, he was shot down in France, walked across the Pyrenees Mountains, and was captured and interned in Spain. He escaped to Gibraltar and returned to England. Thereafter, he transferred to Italy in the Fifteenth Air Force and flew several bombing missions. He was shot down again in Romania and captured by the Germans. He was taken a prisoner of war near the Ploesti Oil Fields where he remained until the end of the war.

Binswanger says he has a very high regard for the effort of the Peace Corps Volunteers in benefiting world peace. "Peace Corps Volunteers epitomize the American philosophy of volunteer service," he notes.

His wife, Evelyn, will be working closely with him, assisting wherever she can, says Binswanger.

They have eight children, ranging in ages from 21 to 36, and 12 grandchildren.

There are about 5,400 Peace Corps Volunteers serving in nearly 60 developing countries around the world.

Persons interested in information about the Peace Corps may call 800-424-8580, Ext. 93, toll free.

[From the Antioch (Calif.) Ledger, Feb. 17, 1982]

PEACE CORPS VOLUNTEER TEACHES NUTRITION TO AFRICAN WOMEN

Although few people in Antioch could locate the country Benin, it is home to Tami Smith, a 1978 graduate of Antioch High School. She is a Peace Corps volunteer in this new African country which was formerly called Dahomey.

After earning a bachelor's degree from the University of California at Davis with a major in nutrition, Smith acted on a long standing desire and entered the Peace Corps. She was assigned to Benin in January of 1981 for a period of two years. She visited her family this past Christmas and her father, Bob Smith, relays many stories of her experiences in Benin.

Smith travels by jeep from the coastal city of Cotonou (pop. 178,000) to the tiny village of Eke where she, the only outsider, lives in a concrete block "triplex." Her work is to instruct the native women in nutrition for themselves and their babies. Eight out of 10 babies do not survive to adulthood due mostly to the malnutrition which unables them to fight off disease.

Smith says there are many local food items available to provide a balanced diet but natives by tradition refuse to eat them. By building friendships she has had some success in introducing new foods. She is currently getting greater governmental support and feels optimistic. She is very excited about a recent acquisition of baby scales which will allow her to record infant growth.

She cooks her own meals using food purchased at the village market—mainly fish, rice and bananas. When she needs to travel around the jungle, she hops on the Peace Corps moped. Her other concession to a modern way of living is a generator which she cranks up weekly to provide electricity, the natives then drift up to her house to listen to her stereo.

As new Peace Corps volunteers enter the area, Smith trains them for the assignments. Being half way through a two-year contract, she is now a senior volunteer. For companionship and occasional meetings she joins other PCV's at the American Consulate in Cotonou.

Smith credits two Antioch High School teachers with giving direction to her life. Linda Terranova, an English teacher, gave her vibrancy and enthusiasm and Joe Olenchalk inspired her by his dedication to science.

Her brother, Steve, class of '67, is employed by the Contra Costa Times, her sister Robin, class of '71 is now Mrs. Stephen Rubio, a Berkeley housewife, and sister Katie is an Antioch High School junior.

VOTING RIGHTS ACT AMENDMENTS OF 1982

Mr. EAST. Madam President, I wish to speak on behalf of the motion to proceed which is currently before the Senate.

I shall not engage in extended discussion here. I simply wish to make some remarks which should be of interest to our colleagues with respect to the issue before the Senate, the Voting Rights Act.

I am confident, as things are progressing, that this Chamber, in due course, will come to grips with this issue and will resolve it in an orderly way, in a way that I hope will reflect well upon the body, whatever the final decision is.

I want to make clear that our primary concern as we have engaged in substantive discussion, has been to alert our fellow Senators and the American people to the importance of this legislation and to the significant effects it will have on our country and on the election process. That has been the spirit in which we have entered into discussion.

Of course, there is always the risk in this Chamber that when you support some measure and want to push it through quickly, you come to view any kind of delay as unwarranted and unnecessary.

However, as we all learn, from time to time we have to consider legislation that is vital to our State or to our region and which we think is quite important to the country as a whole.

I recall that some weeks ago, the distinguished Senator from Connecticut (Mr. WEICKER) had some matters on which I disagreed with him, as did many other Members of the Senate, but about which he felt very strongly. I admired his courage and forthrightness in addressing his concerns, and I think other Members of the Senate did as well. From time to time all of us find ourselves in situations similar to the one in which he found himself. Perhaps we wish we did not, but it seems to be inherent in human nature and the nature of this body.

However, I should like to assure my colleagues, as one Senator, that I fully anticipate that we can resolve this issue, too, by reasonable application of our rules and traditions and that then we will move on to other pressing business.

I did want to clarify that matter, and I appreciate the opportunity to do so.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, for the past several months the attention of the Nation's civil rights community, this Congress, and of the Nation itself has been focused upon the extension of the Voting Rights Act of 1965. I join in this concern, for as the Supreme Court noted almost a century ago,

"the political franchise of voting is . . . a fundamental political right, because preservative of all rights.[1]

My belief in the central nature of voting rights has led me to support and cosponsor S. 1992, the Voting Rights Act Amendments of 1982.

The Voting Rights Act has been hailed as "one of the most important and effective pieces of civil rights legislation ever passed by Congress."[2] Under this act, enormous strides have been made. Prior to the act's enactment, the percentage of black registered voters in the "covered jurisdictions averaged 29 percent; it is now well in excess of 50 percent.[3] In my own home State of Arizona, Hispanic voter participation has increased markedly, an increase due in large part to the enactment of the bilingual provisions of the act in 1975.[4]

Unfortunately, there is substantial evidence that racial discrimination still permeates many facets of the American electorial system. Many days were spent during the House hearings on H.R. 3112—the House version of S. 1992—outlining recent instances of intimidation, harassment, and intransigence in both the registration and balloting processes.[5] This Nation started battling racial discrimination in voting in 1870 with the enactment of the 15th amendment; the Voting Rights Act, extended and strengthened by S. 1992, is clearly the proper means to finish the job.

There is broad support for extension of the Voting Rights Act in both Houses of this Congress. Extension, however, is not the only issue that we must consider. S. 1992 would strengthen the act in several important respects. A strengthening is necessary because, as Governor Bruce Babbitt of Arizona remarked:

[M]ethods less violent than the police dog and the billy club can be used to deny the effective use of the ballot.[6]

In the years since the passage of the Voting Rights Act, many subtle and complex means have been developed to avoid inclusion of minority persons in the political process. With the recent Supreme Court decision of *Mobile* v. *Bolden*, 446 U.S. 55 (1980), which requires a finding of discriminatory intent to establish a violation of the 15th amendment, a new statutory tool became necessary to avoid the consequences of such subtle discriminatory mechanisms. S. 1992 would establish a "results" test in section 2 of the act, and thus provide the necessary tool.

Additionally, S. 1992 would provide the opportunity, starting in August of 1984, for covered jurisdictions as small as counties to bail out from coverage under section 5 of the act. While this bailout was originally supposed to become available in 1970, a series of succeeding extensions of the act have kept bailout out of reach for the vast majority of covered jurisdictions. S. 1992 would instead set up a stringent set of guidelines to assure that jurisdictions applying to bail out from section 5 coverage have complied with both the letter and spirit of the Voting Rights Act.

INTENT AGAINST RESULTS

In the course of the debate over a "results" versus an "intent" test for section 2 of the act, opponents of "results" have asserted that intent to discriminate is, and always has been, the standard of proof in civil rights law. This assertion involves a number of misunderstandings of the history of civil rights law.

First, while intentional discrimination has always been clearly prohibited by the 14th and 15th amendments to the Constitution, it has not always been understood to be the sole standard by which discrimination could be attacked under those provisions. Indeed, it was entirely consistent for Attorney General Katzenbach to state in 1965 that section 2 would reach any practice or procedure "if its purpose or effect was to deny or abridge the right to vote on account of race or color,"[7] and to agree with Senator Dirksen's assertion that section 2 was "a restatement, in effect, of the 15th amendment."[8] That same year, the Supreme Court had held that multimember district systems would be unconstitutional if it were shown that—

designedly or otherwise, a multi-member constituency scheme . . . would operate to minimize or cancel out the voting strength of racial . . . elements of the voting population. *Fortson* v. *Dorsey*, 379 U.S. 433 at 439 (1965). (Emphasis added.)

Intent has been expressly required by the Supreme Court as a necessary element of a 14th amendment equal protection case only since 1976.[9] It has been expressly required in 15th amendment cases only since the Mobile against Bolden decision in 1980.

Second, "effect" standards have been used, and are being used today, in civil rights law. Both title VII of the Civil Rights Act of 1964 and section 5 of the Voting Rights Act employ effects-based standards. It is true that the proposed "results" standards of S. 1992 would not be identical to these standards, however. S. 1992 employs language designed to assure that the mere numbers or minorities elected to office would not, by themselves, provide a basis for alleging a violation of section 2 nor provide a standard for remedies of adjudicated violations of section 2. In other words, the section 2 "results" test would be a more difficult test under which to establish a violation than either the section 5 or title VII "effects" tests.

A "results" test would be superior to the present "intent" test for a variety of reasons. First and most fundamentally, "results" language in section 2 of the act would reimpose the standard which most Federal courts used in vote dilution cases prior to the Bolden decision in 1980. This standard was arrived at through interpretation of a number of landmark Supreme Court decisions over the past two decades. Most important among these decisions are Fortson against Dorsey,[10] Burns against Richardson,[11] Whitcomb against Chavis,[12] and White against Regester.[13] These Supreme Court decisions did not create a standard of proof which required discriminatory intent; rather, they outlined objective factors which could be analyzed to determine whether or not minority voting strength had been unconstitutionally diluted by the existing electoral system.

As a result of these decisions, some 23 cases[14] were litigated in the lower Federal courts between 1972 and 1979. Perhaps the clearest expression of the standard of proof in these vote dilution cases may be found in the fifth circuit case of Zimmer against McKeithen.[15] Factors taken into account include lack of minority access to the candidate slating process, a tenuous policy underlying multimember or at-large districting systems, and the existence of past discrimination. After an inference of minority exclusion had been raised by such factors as these, support could be provided through proof of such electoral mechanisms as majority vote requirements and anti-single-shot voting provisions.

These 23 cases are extremely important in the evaluation of a "results" test which would incorporate their standards into statutory law. It is important to note, for instance, that in these 23 cases, the defendants prevailed 13 times.[16] Thus, a "results" test would not mean automatic victory for plaintiffs in vote dilution cases. Also, violations were not proven under these cases merely by evidence of a lack of racial proportional representation plus some additional scintilla of evidence, as some critics of S. 1992 suggest would be possible under the "results" test. Rather, consideration of the "totality of the circumstances" was required,[17] together with a finding "of an aggregate of these factors."[18] It has been pointed out, however, that not all the factors need be proven in

[1] Footnotes at end of statement.

every case.[19] A more complete listing of relevant factors for consideration was included in the House report on H.R. 3112.¡[20]

These cases are also important because none of them involved a requirement of proportional representation by race among elected officials as a remedy to adjudicated violations. Indeed, several of the cases expressly rejected such a requirement.[21]

In addition to reestablishing the White against Regester et. al. standard of proof in vote dilution cases, a "results" test would clarify the Voting Rights Act's role as remedial civil rights legislation.[22] Unfortunately, many opponents of S. 1992 argue that a "results" test would "punish" and "stigmatize" jurisdictions by imposing legal sanctions and labeling them as "discriminators." Nothing could be further from the truth. The Voting Rights Act is designed to protect voters, not to "punish discriminators." Rather than imposing "sanctions," the act employs remedies for denials of opportunity. A "results" test would be in keeping with the remedial purpose of the act; rather than evaluating the subjective intent of past or present policymakers, a "results" test would inquire into objective factors regarding the degree of electoral exclusion suffered by members of minority groups. Remedies would then be fashioned by the courts to alleviate any such exclusion.

A "results" test would thus be less socially and politically divisive than an "intent" test. No "accusation" and "conviction" would be required; no "discriminator" would be held up to public scorn. Instead, objective circumstances which disadvantage minority citizens could be identified and corrected.

It is very important to note that the S. 1992 "results" standard is clearly a constitutional exercise of congressional authority. It has been established for some time that Congress may, under the empowering clauses of the Civil War amendments, require more of State and local jurisdictions than the constitutional provisions themselves require.[23] Further, the Supreme Court noted as recently as 1980 that

> The prior decisions of this Court foreclose any argument that Congress may not, pursuant to Section 2 [of the 15th Amendment], outlaw voting practices that are discriminatory in effect.[24]

Perhaps the most serious objections raised about S. 1992's "results" standard involve the contentions that it would allow adjudication of violations of section 2 of the act on the basis of a lack of proportional representation by race plus some additional scintilla of evidence, and that racial proportional representation might be either permissible or required as a remedy to adjudicated violations of section 2. I have mentioned this subject several times earlier in this discussion, but I believe that the issue of proportional representation is important enough to merit separate discussion.

The original version of S. 1992 had a provision that stated that a lack of racial proportional representation was insufficient, "in and of itself," to establish a violation of section 2. Opponents of S. 1992 claimed that the "in and of itself" language merely implied that a lack of proportional representation plus virtually any other evidence of discriminatory effect would establish a violation. This interpretation was faulty, because the language of the original bill was a paraphrase of the following portion of the White against Regester opinion:

> It is not enough that the racial group allegedly discriminated against has not had legislative seats in proportion to its voting potential. 412 U.S. 755, 765-6.

Nevertheless, after the completion of the Constitution Subcommittee's consideration of S. 1992, many moderate Senators still had doubts that the language of S. 1992 would, in fact, reestablish the White standard. There was, however, a broad consensus that a return to the pre-Bolden, White line of cases was the desired end of S. 1992. It was this consensus that eventually led to a resolution of the conflict and broad support of S. 1992 in the Judiciary Committee and in the Senate generally.

Senator DOLE acted as the focal point of the effort to clarify the intent of the bill. He took those of us in support of the bill at our word, and suggested that if "results" meant the same thing as White, why not use language directly from White to express the standard of proof in section 2? Many days of intent, patient, and difficult work followed, while a version which would be acceptable to the civil rights community, the original sponsors, and to the moderate Senators with whom we worked was developed. A number of phrases were worked into statutory language and incorporated into a subsection (b) of section 2 of the act. This new subsection provided that:

> (b) A violation of subsection (a) is established if, based on the totality of circumstances, it is shown that the political processes leading to nomination or election in the state or political subdivision are not equally open to participation by members of a class of citizens protected by subsection (a) in that its members have less opportunity than other members of the electorate to participate in the political process and to elect representatives of their choice.[25]

Finally, to dispose once and for all of the spectre of proportional representation, the following clause was added:

> The extent to which members of a protected class have been elected to office in the State or political subdivision is one "circumstance" which may be considered, provided that nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.[26]

This language was adopted by the Judiciary Committee by a vote of 14 to 4. A number of additional Senators announced thereafter that they intended to support the bill as amended by the Judiciary Committee. Among those Senators, I am proud to say, is the senior Senator from my own home State, BARRY GOLDWATER. He is convinced, as are most of the Members of the Senate, that the combination of the clarified language of the statute, the holdings in the White line of Supreme Court and lower court cases, and the voluminous legislative history regarding the "results" test will lead the courts unerringly to the conclusion that S. 1992 was designed to reinstate the pre-Bolden vote dilution standard.

BAIL OUT

Mr. President, there is broad agreement that jurisdictions should be given the opportunity to bail out from the coverage of section 5 of the Voting Rights Act. Unfortunately, there is quite a bit of disagreement as to how to go about providing that opportunity. In addition to S. 1992's provisions, which would allow bailout starting in 1984, a "simple 10-year extension" has been proposed which would extend present provisions of the law for 10 years. The differences between these two proposals are complex, but I believe that careful analysis reveals that S. 1992's provisions are superior.

The central issue in discussions relating to the reasonableness of a bailout is incentive; a bailout procedure must create an incentive for jurisdictions to fully comply with the law. If the law makes bailout seem either distant or impossible, no incentive is created. Similarly, if the law makes bailout almost automatic, there is again little incentive to faithfully comply with the terms of the act.

Much of the Deep South has been covered by section 5 for 17 years, meaning that they have had to preclear all major and minor changes in voting laws with either the Justice Department of the U.S. District Court for the District of Columbia. Originally, jurisdictions covered in 1965 were to have the opportunity to bail out in 1970; that opportunity has been delayed, however, by extensions of the deadline in 1970 and 1975.

A 10-year extension would simply perpetuate this chain of extensions, making it a total of some 27 years before many jurisdictions even have the opportunity to bail out. Worse, it would likely create the expectation that, come August of 1992, yet another extension would be enacted. Finally, a 10-year extension would place the prospect of eventual bailout beyond the immediate consideration of State and local officials who are serving 1-,

2-, and 4-year terms of elected office. When one considers all of these factors, it becomes apparent that a 10-year extension would not create an incentive to comply with the law; rather, they all serve to make bailout seem like a distant, if not unattainable goal.

The basic reason for these past extensions was that the sole criterion for determining eligibility for bailout was—and is, under current law—nonuse of "tests or devices," as defined by the act, to deny or abridge the right to vote. Since the use of such tests and devices has been illegal in covered jurisdictions since 1965 and nationally since 1970, and the availability of bailout would mean almost automatic bailout for most jurisdictions. Instead of toughening the standards for bailout, past Congresses have chosen simply to extend the deadline for application for bailout. Last year, however, the House faced up to the task and fashioned a set of criteria by which to judge eligibility for bailout. It then extended the deadline for only 2 years, in order to give jurisdictions an opportunity to review and comply with the criteria. I believe that this approach is the most reasonable, and I support it fully.

An additional reason that S. 1992's provisions are superior to a 10-year extension is that, under current law, political subdivisions such as counties, parishes, and independent cities within covered States cannot bail out until their entire State has bailout. S. 1992 would allow political subdivisions to bail out by proving that they have met the criteria that their State may have failed to meet. For instance, when a State has objections filed against any of its election laws and processes under the criteria set out by S. 1992, that would disqualify the State from bailout for 10 years. However, under S. 1992, political subdivisions such as counties would be able to bail out independently from the State.

S. 1992 would preserve elements of the present law which would preclude a State from bailout until all of its political subdivisions had succeeded in bailing out. This seems fair, since under our Constitution, States are ultimately responsible for their political subdivisions. As Arizona State Senator Alfredo Gutierrez recently remarked:

> To suggest . . . that the state should be permitted to bailout when its subdivisions are not clean is to absolve the state of its exclusive responsibility and to nullify the relationship between the state and its political subdivisions.[27]

Again, these provisions go to the heart of the issue of incentive. If counties cannot bailout until the State can bailout, and the State cannot bailout for at least 10 years, the counties have no incentive to reform their practices. If the State can bailout before its subdivisions do so, the State has no incentive to pressure those subdivisions into compliance.

It appears to me that S. 1992's provisions relating to jurisdictional responsibilities would create better incentives to the jurisdictions involved than would the 10-year extension, which would simply extend the current law's deadline for application until the year 1992.

As mentioned previously, the only standard under current law for bailout is that the jurisdiction in question not have used a proscribed test or device for a prescribed period. This is clearly an inadequate standard; it does not even require that the jurisdiction comply with the other basic requirements of the Voting Rights Act or, for that matter, the 15th amendment. S. 1992 would require, in addition to the nonuse of prohibited tests and devices, that a jurisdiction for 10 years:

First. Submit all voting law changes for preclearance, as provided by the act.

Second. Have no judgments filed against it for violations of the right to vote in contravention of the act or the Constitution.

Third. Have no consent decrees, settlements, or agreements which result in the jurisdiction's abandonment of an allegedly discriminatory practice.

In addition to demonstrating its compliance with the law by meeting these and other standards, a jurisdiction would have to demonstrate its good faith by:

First. Eliminating voting procedures which inhibit or dilute equal access to the political process.

Second. Taking positive steps to eliminate harassment of persons exercising their legal and constitutional voting rights.

Third. Taking other positive steps, such as convenient registration opportunities for all voters, appointment of minority voting officials, and the like.

These standards, stringent though they may be, are clearly achievable. At least 25 percent of the covered jurisdictions, and possibly more, should be able to bail out as soon as bailout becomes available in 1984.[28] As these jurisdictions, which have complied with both the letter and spirit of the Voting Rights Act, are able to bail out, a strong incentive will be created for less responsive jurisdictions to comply in the same manner.

The Dole clarifying amendment, in addition to including language regarding section 2, also added a provision which would, in the absence of further congressional action, bring the section 5 preclearance requirement to an end in 25 years. Further, the provision calls upon the Congress to reevaluate the preclearance requirements in 15 years. This is the first time that a limit has been put on the existence of preclearance itself; previous "extensions" have merely moved back the date for application for bailout. The 25 year period is, I believe, long enough to discourage any lethargy on the part of State and local governments in complying with the law. Nevertheless, it does create an element of security and reasonableness which was previously missing from the act.

Some have suggested that S. 1992's provisions might lead to a situation wherein bailout suits could be prevented by the filing of suits which alleged, sincerely or not, that violations of the right to vote had occurred within the jurisdiction applying for bailout. If this were the case, it would represent a serious challenge to the validity of the bailout procedure; any individual or group with the money to file frivolous suits could prevent bailout indefinitely. This concern, however, is misplaced.

The language of S. 1992 merely states that no judgment may be entered during the pendency of an action, filed before the bailout suit, alleging denial or abridgement of the right to vote. In other words, the case could proceed; the entry of the judgment establishing the jurisdiction's bailout would merely be stayed until the previously filed suit had come to a conclusion. Presumably, any frivolous suits filed prior to the bailout suit would be thrown out of court promptly, and would not unduly delay entry of a bailout judgment.

ARIZONA

Naturally, Mr. President, as an elected representative, I am concerned with the manner in which the laws passed by this Congress affect my home. This is especially true with reference to the Voting Rights Act, since the entire State of Arizona has been covered under section 5 since 1975. In order to demonstrate my confidence in the reasonableness of the various changes that S. 1992 would make in the act, I would like to survey quickly the ways in which the amended act would affect my home State.

The largest city in the State of Arizona is Phoenix. Since its city council is elected on the basis of an at-large electoral system, it has been suggested that Phoenix would be susceptible to a section 2 suit under the S. 1992 "results" standard. Let us look at some of the factors suggested for "results" analysis by White against Regester, Zimmer against McKeithen and its lower court progeny, and the House report on H.R. 3112.

BASIC FACTS

The Phoenix City Council has six members, all elected at large. If six candidates do not all receive a majority of votes in the general election, a runoff election is held. The elections are nonpartisan. There is a slating commission, the charter commission, which is quite influential, although not determinative, in who is elected to

the council. Minority candidates have run and won without the charter's endorsement, and the charter has endorsed legitimate minority candidates.

Phoenix is a city of approximately 800,000 persons. Hispanics constitute about 14 percent of the population, and blacks make up about 5 percent of the population. The Hispanic population is concentrated in the south Phoenix area, as is the black population. The Hispanic population has, in recent years, been concentrating in the south Phoenix area, while blacks have been dispersing to other parts of the city.

The south Phoenix area includes quite a bit of low-income housing, together with some light industry and warehouses. There have been allegations of inadequate services to the area, such as transportation and road surfacing. Further, the use of an English-only ballot until the 1975 amendments to the Voting Rights Act contributed to a language barrier between Hispanics in the area and Anglos elsewhere.

POLICY BEHIND AT-LARGE ELECTION

The current at-large electoral system was adopted in the late forties in response to a strong reform campaign against ward politics and corruption. There is some evidence to indicate that corruption of city officials was a significant problem prior to the imposition of the present system.

NUMBER OF MINORITY CANDIDATES ELECTED

While proportional representation is not required by the "results" test, the ability of minority candidates to run and to win is one among the relevant factors to be considered under this standard.

In 1965, 1967, and 1969, Dr. Morrison Warren, a black, and Frank Benites, a Hispanic, were elected. In 1971, Calvin Goode, a black, and Armando DeLeon were elected. In both 1973 and 1975, Goode and Rosendo Gutierrez won. In 1977, Goode was reelected while Gutierrez came in second in the mayoral race. Two other Hispanic candidates came in eighth and nineth running for council seats. In 1979, Goode won and Gutierrez lost a runoff election against an Anglo. In 1981, Goode won runoff election against an Anglo.

Both Gutierrez and Goode proved successful as candidates when they were endorsed by the charter commission and when they were not endorsed.

EFFECTS OF PAST DISCRIMINATION

While allegations have been made of racial discrimination in eduction, city services, and the like, no de jure discrimination has been adjudicated. It may be reasonable, however, to attribute some of the economic depression of the south Phoenix area to past purposeful discrimination. Such discrimination has largely been eliminated in recent times, due mainly to the election of the previously mentioned minority candidates in Phoenix and to the election of minority candidates from Phoenix to the State legislature. These leaders have worked to eliminate, or at least substantially reduce, purposeful discrimination. Currently, for instance, of the approximately 30 legislators from Phoenix districts, there are 6 Hispanics and 2 blacks.

BLOC VOTING

An examination of voting patterns in city elections reveals that it is virtually impossible for the previous mentioned minority candidates to have been elected without a substantial number of Anglo votes. It is reasonable to assume that minority voters in Phoenix, because of the fact that they are, on the average, less affluent than white voters and because of the past effects of English-only registration and voting procedures, register and vote at a level lower than that of white voters. Assuming that this level is approximately two-thirds that of white voters, every minority candidate elected since 1965 would have had to received at least half of his or her votes from white voters. In the case of extremely successful candidates, such as Gutierrez and Goode in 1975, the proportion probably approached two-thirds. This shows decisively that there is not a monolithic bloc vote against minority candidates. Were such bloc voting to take place, the majority runoff provision would likely operate to exclude minorities. The fact that minority candidates are elected with the majority runoff provision is a strong indication that no extremely polarized bloc voting is taking place in Phoenix.

RACIAL CAMPAIGNING

Racial epithets and references are not a part of city politics in Phoenix, and have not been for the past few decades.

The following are some of the more specific election mechanisms evaluated by Zimmer and Regester.

LACK OF ACCESS TO SLATING

Morrison, Benites, Goode, DeLeon, and Gutierrez were all endorsed at one time or another by the charter commission. Furthermore, Guttierrez and Goode have proven successful in the absence of charter endorsement. Thus, charter endorsement is both accessible to minorities and nonessential to their success.

NUMBERED POSTS

Not used.

ANTI-SINGLE-SHOT VOTING REGULATION

Not used.

MAJORITY VOTE REQUIREMENT

While a modified majority vote requirement is in operation in the Phoenix city government, it has not prevented minority candidates from being elected.

In summary of the situation in Phoenix, minorities do have access to the political process. They have been successful both within and outside the charter commission's slating procedures. As minority candidates have been elected, city responsiveness to minority—for example, south Phoenix—problems has improved. Minority candidates have consistently garnered white votes in their bids for office.

The ultimate test under the "results" standard remains whether minorities have a fair opportunity to participate and to try to elect candidates of their choice. In those cases where plaintiffs have successfully invoked white, blacks did not just lose out in the electoral process; they had not yet really become part of the process. They had little realistic opportunity to assert their power through the process in combination with white voters. They were actively opposed by the white electorate and were condemned to remain impotent for the foreseeable future, in the absence of judicial relief. In these cases, it would have been no different if the black voters had all stayed home.

This is not the case in the city of Phoenix.

I am further heartened, in evaluating the effects of S. 1992 on Arizona, by the strong support of S. 1992 by officials and by private individuals from my State. Gov. Bruce Babbitt has stated—

I support enthusiastically the steps taken by the House to strengthen the Voting Rights Act.[29]

State Senators Alfredo Gutierrez and Jaime Gutierrez have both expressed to me their support of the bill; Senator Alfredo Gutierrez stated—

I am very pleased to. . . convey my support of S. 1992.[30]

Additionally, Betty Shoenhair, president of the League of Women Voters of Arizona, and Gordon Jensen, State Chair of Common Cause in Arizona, have indicated to me their strong support of S. 1992.

Equally persuasive is the support of two fine organizations with members in Arizona. These organizations are the National Conference of State Legislatures, of which the Arizona State Legislature is a member organization, and the U.S. Conference of Mayors. Not only are Mayor Margaret Hance of Phoenix and Mayor Lew Murphy both members of this organization, they are both members of its board of trustees. The executive director of the U.S. Conference of Mayors, John Gunther, noted that the conference urged "support [of] S. 1992 . . . In particular, we urge no change in section 2, which reinstates the 'results' test as the basis for determining whether a jurisdiction is discriminating against minorities." Similarly, David Nething, chairman of the State-Federal Assembly of the National Conference of State Legislatures, noted that "we can support the language included in

amended section 2 of S. 1992 . . . " If the "results" test would actually lead to a requirement of racial proportional representation, it is these groups that I would expect to speak out. Their support of S. 1992 strengthens my resolve that this bill is the proper and appropriate means to extend and strengthen the Voting Rights Act.

Mr. President, as this country moves through this present era of hard economic fortune, there is sometimes a tendency to feel that we can, or should, deemphasize civil rights as a governmental priority. There is a feeling that other tasks are more important, that we can return to the job of insuring equal opportunity sometime in the future when some of our other problems have subsided. This drift away from our national commitment to civil rights must be resisted at all costs.

There are a number of logical fallacies in these arguments to let our civil rights efforts subside. For instance, it seems that our economic and international crises never truly abate; our position of international leadership assures that we will always be in the center of controversy. Further, when our commitment to civil rights abates for a month, or a week, or even for a day, benefits of past progress are lost which take a great deal of time and effort to regain. There is a false economy in letting up in the fight for civil rights.

The most disturbing fallacy of all, however, is the idea that we can somehow "afford" as a nation to give up our commitment to civil rights. This amounts to saying that, in order to fight for America, we must give up an important part of what makes America worth fighting for, that we must surrender our national commitment to freedom and equality for all of our citizens. Such a statement is chilling. We must never allow such reasoning to guide our national policy. We can never "afford" to give up civil rights as the heart of American greatness.

I return now to where I started, Mr. President, to the idea that, at the heart of all civil rights is the right to vote. This right, more than any other, promotes the concept of equality. Every person has one vote, and one vote only. This right more than any other assures that other fundamental rights will not be arbitrarily stripped away by unresponsive lawmakers. I have today outlined the reasons why I believe that S. 1992 is essential to the preservation of the right to vote and to participate meaningfully in the political process. As a result of the Dole clarification language, the purposes of S. 1992 may now be recognized without reference to such issues as proportional representation and quotas. I hope that all my colleagues in the Senate will join me in enthusiastic support of S. 1992.

FOOTNOTES

[1] *Yick Wo* v. *Hopkins*, 118 U.S. 356 (1886).
[2] Statement of Archibald Cox before the Constitution Subcommittee, p. 1, Feb. 25, 1982.
[3] House report on H.R. 3112, p. 7.
[4] Southwest Voter Registration Project report.
[5] House report on H.R. 3112, pp. 13-20.
[6] Statement of Governor Bruce Babbitt to the Constitution Subcommittee, p. 3, Feb. 25, 1982.
[7] Hearings on S. 1564 before the Committee on the Judiciary, U.S. Senate, 89th Congress, 1st session, pp. 191-192 (1965).
[8] Id., at p. 171.
[9] *Washington* v. *Davis*, 426 U.S. 229 (1976).
[10] 379 U.S. 433 (1965).
[11] 384 U.S. 73 (1966).
[12] 379 U.S. 124 (1971).
[13] 412 U.S. 755 (1973).
[14] *Howard* v. *Adams County*, 453 F. 2d 455 (5th Cir. 1972); *Zimmer* v. *McKeithen*, 485 F. 2d 1297 (5th Cir. 1973); *Turner* v. *McKeithen*, 490 F. 2d 191 (5th Cir. 1973); *Moore* v. *LeFlore County Board of Election Commissioners*, 502 F. 2d 621 (5th Cir. 1974); *Robinson* v. *Commissioners Court of Anderson County*, 505 F. 2d 674 (5th Cir. 1974); *Bradas* v. *Rapides Parish Police Jury*, 508 F. 2d 1109 (5th Cir. 1975); *Gilbert* v. *Sterrett*, 509 F. 2d 1389 (5th Cir. 1975); *Wallace* v. *House*, 515 F. 2d 619 (5th Cir. 1975); *Perry* v. *City of Opelousas*, 515 F. 2d 639 (5th Cir. 1975); *Ferguson* v. *Winn Parish Police Jury*, 528 F. 2d 592 (5th Cir. 1976); *Nevett* v. *Sides*, 533 F. 2d 1361 (5th Cir. 1976); *McGill* v. *Gadsden County Commission*, 535 F. 2d 277 (5th Cir. 1976); *Panior* v. *Iberville Parish School Board*, 536 F. 2d 101 (5th Cir. 1976); *Paige* v. *Gray*, 538 F. 2d 1108 (5th Cir. 1976); *David* v. *Garrison*, 553 F. 2d 923 (5th Cir. 1977); *Hendrix* v. *Joseph*, 559 F. 2d 1265 (5th Cir. 1977); *Parnell* v. *Rapides Parish School Board*, 563 F. 2d 180 (5th Cir. 1977); *Kirksey* v. *Board of Supervisors of Hands County, Mississippi*, 554 F. 2d 139 (5th Cir. 1977); *U.S.* v. *Board of Supervisors of Forrest County*, 571 F. 2d 951 (5th Cir. 1978); *Kendrick* v. *Walder*, 527 F. 2d 44 (7th Cir. 1975); *Vollin* v. *Kimbel*, 519 F. 2d 790 (4th Cir. 1975); *Dove* v. *Moore*, 539 F. 2d 1152 (8th Cir. 1976); *Black Voters* v. *McDonough*, 565 F. 2d 1 (1st Cir. 1977).
[15] 485 F. 2d 1297 (5th Cir. 1973).
[16] See case under footnote 14 with asterisks.
[17] *White* v. *Regester*, 412 U.S. 769.
[18] *Zimmer* v. *McKeithen*, 485 F. 2d 1305.
[19] *Id.*
[20] House report on H.R. 3112, p. 30.
[21] *Turner* v. *McKeithen*, 490 F. 2d 191 (5th Cir. 1973); *Wallace* v. *House*, 515 F. 2d 619 (5th Cir. 1975); *David* v. *Garrison*, 553 F. 2d 923 (5th Cir. 1977).
[22] *South Carolina* v. *Katzenbach*, 383 U.S. 301 (1966); *Rome* v. *U.S.*, 100 S. Ct. 1548 (180).
[23] *South Carolina* v. *Katzenbach*, 383 U.S. 301 (1966); *Katzenbach* v. *Morgan*, 384 U.S. 641 (1966); *Oregon* v. *Mitchell*, 400 U.S. 112 (1970).
[24] *Rome* v. *U.S.*, 100 S. Ct. 1548 (1980).
[25] Dole-DeConcini-Grassley amendment to S. 1992, introduced May 4, 1982, p. 6.
[26] *Id.*, at p. 6-7.
[27] Statement of Arizona State Senator Alfredo Gutierrez to the Constitution Subcommittee, Feb. 25, 1982, p. 5.
[28] Joint Center for Political Studies, Inc. study.
[29] Statement by Governor Bruce Babbitt to Constitution Subcommittee, Feb. 25, 1982, p. 3.
[30] Statement of Arizona State Senator Alfredo Gutierrez to the Constitution Subcommittee, Feb. 25, 1982, p. 1.

The PRESIDING OFFICER. The Senator from California is recognized.

"ULYSSES" GOES HOME

Mr. HAYAKAWA. Mr. President, I wish to make a few remarks based upon a story from the Chicago Tribune of today, June 17. I make them as a former professor of English before I reformed and became a politician. The story is from Dublin, Ireland. The headline of the story is "Ulysses Is Home. Ireland Hails Joyce."

DUBLIN, IRELAND.—Ireland made its peace Wednesday with James Joyce, the emigre writer it once shunned, by marking the centennial year of his birth with celebrations that included an unprecedented daylong radio broadcast of "Ulysses."

Mr. President, "Ulysses," for those who are not familiar with the novel, is a huge, long novel of a day in the life of one fictional character by the name of Leopold Bloom in Dublin. It contained language which, at that time, was not permitted to be printed, so the first edition of James Joyce's "Ulysses" was published in Paris.

As an eager young graduate student in Montreal at the time, I remember we got hold of the Paris edition and read "Ulysses" as we had read also other books of James Joyce's, because we knew that he was one of the great writers of our century.

So they had a daylong broadcast of "Ulysses" on the Dublin station. This was the important thing.

The Dublin establishment once vilified Joyce, author of the scandalous novel that recounted the fictional events of June 16, 1904, a day in the life of tragicomic Dubliner Leopold Bloom.

But things are different now, 41 years after Joyce's death in Switzerland.

On Monday, President Patrick Hillery opened the 8th James Joyce Symposium for eminent scholars, critics and writers in Dublin's Mansion House, the lord mayor's residence.

On Wednesday, Hillery was unveiling a bust of the writer in St. Stephen's Green opposite the old university once attended by Joyce, who was born in Dublin in 1882.

A Leopold Bloom breakfast, kidneys in butter, was on the menu at several Dublin hotels.

Incidentally, when you read the novel, the little account of frying those kidneys in butter is one of the memorable scenes.

Radio Eireann, the state radio network, began a continuous 24-hour reading of "Ulysses" at 6:30 a.m., with extracts to be relayed to stations around the world.

Five Dublin theaters were presenting adaptations of Joyce works, including, the re-enactment of street scenes from "Ulysses" at the locations and times of day they occurred in the novel.

Hollywood's Burgess Meredith was in town directing actress Fionnula Flanagan in a one-woman show at the Gate Theater, "James Joyce's Women."

Prof. Hugh Kenner of Baltimore's Johns Hopkins University unveiled a plaque at a home chosen for Bloom's "birthplace." The plaque said:

"Here in Joyce's imagination was born in May, 1866, Leopold Bloom—citizen, husband, father, wanderer, reincarnation of Ulysses."

Experts invited by the government for the Joyce Symposium include America's Richard Ellmann, biographer of Joyce; British novelist Anthony Burgess, who wrote a radio musical on Joyce for the centenary; and Argentine writer Jorge Luis Borges.

Ellmann noted that Joyce once said he wrote the enigmatic "Finnegans Wake" to keep the critics arguing for 300 years.

This is the 100th anniversary, Mr. President, of the birth of James Joyce. So when your great novel is banned in your own country, just take comfort in

the thought that 100 years after your birth, they will celebrate the fact of your greatness as a writer by broadcasting your whole darned novel over national networks.

Mr. President, it gives me great pleasure to report this fact about James Joyce, who was, indeed, a very great writer.

SEX IS NOT A SPECTATOR SPORT

Mr. HAYAKAWA. Mr. President, I should like to go on and say something more about Wall Street and pornography. The cable TV and proliferation of sex films is a subject of much concern. The Wall Street Journal reported in a story the other day an incident under the headline "Wall Street May Be Ready for Porn." Let me pass onto my colleagues here my thoughts on the subject.

The current invasion of sex films into American homes via cable and pay television has revitalized the legitimate concern regarding pornography, privacy and the first amendment. Basic to all arguments on the media and sex are the specters of legislation, censorship, and the persistent yet futile attempts of the legal community to define pornography.

Essentially the problem stems from the fact that to judge a sexual performance obscene, one must see it and, for some of us, seeing the act creates the obscenity. Let me explain.

First, there is sexual behavior, and what that experience means to the participants. Second, there is the outside observer of that sexual behavior and what the encounter means to him. When a man and a woman make love, enjoying themselves and each other fully and unselfconsciously, a rich relationship is reaffirmed and made richer by their lovemaking. However beautiful or sacred that love relationship may be to that man and woman, it would have an entirely different significance to a Peeping Tom, secretly watching the proceedings from outside the window.

What I am saying is that obscenity and pornography can happen only when sexual events are seen from the outside, from a spectator's point of view. The sexual behavior is not itself obscene. Otherwise, none of us would be here. If, for example, unknown to a man and a woman, a movie were to be made of their lovemaking, and that movie were to be shown to them later, that lovemaking might take on an entirely different significance. What was performed lovingly and spontaneously might be viewed later by the actors themselves with giggling or shame or shock. They might even insist that the film be destroyed—which is entirely different from saying that they would stop making love.

Pornography is sexual behavior made public through symbolization—by representation in literature, by simulation or enactment in a nightclub or on stage, by arts such as painting, photography or the movies. The trouble with sexual intercourse as an object of artistic or literary representation is that its meaning is not apparent in the behavior. Therefore, serious writers have historically been reticent in their descriptions of sex. In Dante's Divine Comedy, Francesca tells of her tragic love for Paolo.

Paolo was tutor to the young girl Francesca and they were reading an ancient romance. As they read, their passions suddenly overcame them.

And what happened? Dante simply has Francesca say, "That day we read no further" and leaves all the rest of their tragic love story to your imagination. The reader cannot help feeling the power of that onrushing fatal passion that the two developed for each other at that moment.

To object to pornographic movies or art is not, as some would have us believe, a result of hangups about sex. One may be completely healthy and still object to many of the current representations of sexual acts in films. Men and women couple with each other for a wide variety of reasons. Sometimes the sexual encounter is the fulfillment of true love and respect for each other. Sometimes it is an expression of drunken irresponsibility. Sometimes one of the partners is using sex as an instrument of exploitation or aggression against the other. Sometimes sex is a commercial transaction with either party being the prostitute. Sometimes sex is the expression of neuroses. No matter. To the motion picture or videotape camera, as to the Peeping Tom, they are all "doing the same thing." To concentrate on the mechanics of sex is to ignore altogether its human significance.

Today, movies do not stop at exhibiting copulation. Every kind of aberrant sexual behavior and sadomasochistic perversion is being shown. Recently, the Wall Street Journal reported a $2.5 million stock offering by a company distributing to pay television and cable systems, such films as "There's No Sex Like Snow Sex," and "My Nights with Susan, Olga, Julie, Albert, Piet, and Sandra." Undoubtedly, our children, already steeped in a dubious media environment, will also be able to see reruns of "Deep Throat" and "The Devil in Miss Jones."

When it comes to a definition of pornography, former Supreme Court Justice Potter Stewart was right when he said, "I know it when I see it." And I say, "Let the American Civil Liberties Union fight for the right of these movies to be shown in my home. I will not."

Mr. President, I ask unanimous consent that the article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 28, 1982]

WALL STREET MAY BE READY FOR PORN, BUT ON THE TICKER, NOT IN THE CLUB

(By Gary Putka)

NEW YORK.—Is Wall Street ready to embrace the pornographic movie industry? Maybe, maybe. But the New York Stock Exchange Luncheon Club definitely is not ready.

Private Screenings Inc., a distributor of "R-rated and unrated" movies for pay television and cable networks, showed its wares yesterday to a meeting of securities analysts and others who are sizing up the company's impending initial offering of $2.5 million in securities.

The meeting's main event was a nine-minute promotional film made from the company's exclusive private library. Private Screenings repertoire includes such hits as "There's No Sex Like Snow Sex," "My Nights With Susan, Olga, Julie, Albert, Piet and Sandra" and "Six Swedes at a Pump."

The screening originally was to take place at the NYSE Luncheon Club. Alfred Shoenberg, who heads Shoenberg Hieber, the underwriter for the offering, is a member of the club, and he scheduled the affair. But directors of the club, getting wind of the meeting, decided that blue flicks and blue chips don't mix.

The meeting was moved to the premises of the New York Society of Security Analysts. And Mr. Shoenberg is getting bounced from the NYSE Luncheon Club. The directors, he says, have asked him to resign. He has refused to hand in his card, saying he was maligned and that the directors knew of the porno session well in advance. A vote hasn't been taken yet, but directors, he says, "have told me it's a fait accompli" (that he will be expelled).

Luncheon club members couldn't be reached for comment. A NYSE spokesman stressed that the club "is an independent institution not affiliated with the New York Stock Exchange." The club, however, is on the seventh floor of the exchange building.

Private Screenings officials were delighted with the turnout for their presentation—about 100 people. "It's free—the only way most of us will see porno films," said Evelyn Geller, a free-lance writer. An individual who identified himself as "Earl" said most guests weren't disclosing their names to the press "because their wives will find out they were here—and my name's not Earl, either."

One unit of Private Screenings, consisting of a common share and a warrant, will cost $6.25 in the offering. That is considerably more than the 28 cents that most insiders paid for each of their shares.

ENGLISH-LANGUAGE CONSTITUTIONAL AMENDMENT

Mr. HAYAKAWA. Finally, Mr. President, I should like to talk about the constitutional amendment which I have introduced to make English the official language of the United States.

Recently, the Census Bureau released figures to show that recent immigrants from Latin America are

learning English at about the same rate of speed as other immigrant groups. A Los Angeles Times editorial, "Reassurance, In Any Language," of May 26, 1982, comments on this finding as an argument against my proposed constitutional amendment to make English the official language of the United States. The editorial also says that there is no comparison between the French-English split in Canada and a possible Spanish-English split in the United States.

I would like to reply to the Los Angeles Times editorial and in the course of so doing make clear what I have in mind in the English language constitutional amendment.

I was born and brought up in Canada and am fully aware of the differences between the Canadian and American situations. In Canada, French and English have both been official national languages by law, under the British-North America Act of 1867, superseded just a week ago by a new constitution. When I was growing up in Canada, and long after I left, the fact that we had two official languages created no problems. Many of us who spoke English learned French and many did not, especially if they lived far from Quebec. Many French-speaking Canadians learned English, and many did not, especially if they lived in Quebec. And many French-speaking Canadians learned English and vice versa. As I say, many ignored each other, but we all got along well together and did not quarrel about it, just as do the Swiss, who have three official languages, German, French, and Italian, as well as an unofficial one, Romansch. So differences in language do not themselves create difficulties if they are willing to accept each other.

Trouble arises not from differences of languages as such, but from politicizing those differences. Highly politicized differences of language, culture, and religion resulted in huge riots in India which led to 1 million deaths between 1957 and 1968. Belgium has long been bedeviled by strife between speakers of French and Flemish. Sri Lanka at this very moment is involved in a struggle by speakers of Tamil, who want independence from the speakers of Sinhalese, which is the principal language of the country.

Geoffrey Goodsell, in a five-part series on "Hispanics—The Challenge Ahead" in the Christian Science Monitor, observed that

> The integration of the ever-growing Hispanic population to the American mainstream will pose a challenge to U.S. society far greater than the civil rights explosion of the 1960's—perhaps as great as any since the Civil War.

Writing in the New York Times, James Reston said,

> This immigration from the south has already reached the point that the Spanish-speaking people will soon be the most numerous minority in the United States and they are now beginning to demand not only equal rights, which is fair enough, but separate rights for the education of their children in the Spanish language. . . . The Latin immigration, and what happens in the vote about independence for the province of Quebec, in the end could be more important to the future of this hemisphere than Iran or Afghanistan.

The separatist sentiment in the Province of Quebec was triggered, I am sure, by the American Civil Rights movement, in which an aggrieved black minority dramatically protested the injustices of the past and present. Following the black example, other minorities with grievances, real and imagined, including politically ambitious French Canadians, got into the act. General de Gaulle, visiting Canada in 1967, played up to popular sentiment by proclaiming, before a large French Canadian audience, "Vive le Quebec libre!" (Long live free Quebec!).

In the decade since General de Gaulle's provocative remark and the cultural chauvinism it aroused, the tolerant bilingualism of Canada has disappeared in Quebec and, despite the British North America Act, Quebec passed laws recognizing only one official language, French. All advertising, street signs, public education even for English-speaking children, must be in French. English-speaking residents of Quebec, small businesses and large corporations have left the province for other provinces or the United States. Thanks to the Parti Quebecois, the province has suffered enormous economic losses as well as profound alienation from the rest of Canada, which is now a seriously divided country.

The serious national problems resulting from the influx of Hispanics into the United States, as foreseen in the above quotations from Messrs. Goodsell and Reston, will arise indeed if the United States departs from its one-language tradition and officially encourages the use, in public life, of other languages. Ethnic politics, especially ethnic passions heightened by language differences, is fatal to national unity. But under pressure from ambitious politicians, Mexican American and Anglo, one such divisive measure after another has been made into law.

There is the "bilingual" ballot, which says that an immigrant voter may have a ballot in his own language, despite the fact that the law requires the individual to be a citizen in order to vote and "to be able to read, write, and speak English in common usage" in order to become a citizen. The bilingual ballot simply negates our fundamental immigration law and says that an immigrant can exercise the rights of citizenship without having learned the language of the country.

Then there is "bilingual education," which made sense when its main purpose was to use the immigrant language to facilitate the learning of English, but rapidly developed into using the immigrant language almost exclusively, and in some instances exclusively, for classroom instruction in all subjects, so that students were given no opportunity or encouragement to learn English. Fortunately, this trend is being stopped by new regulations of the Department of Education. Who objects to the constitutional amendment to make English the official language of the United States? Let me say in all seriousness that the objections come principally from Mexican American politicians and Mexican American political organizations. They do not come from the rank and file of Mexican American or Cuban American or Puerto Rican citizens.

Indeed, my constituency mail has run heavily in favor of the English language amendment. Much of it comes from immigrants who had to learn English on the job or at night school.

One Mexican American tells me that his parents, also immigrants, would punish him for speaking Spanish at home, despite the fact that they, too, were beginning students of English.

Indeed, the strongest support for my amendment has been expressed to me in letters written in imperfect English, by immigrants who had to learn the language as adults. The most emphatic support I have had was from a Chinese gentleman whose English I could only partly understand. He was one of a delegation of four in San Francisco's Chinatown who came to tell me of support for my amendment. His English was almost incomprehensible, but there was no doubt about the warmth of his handshake.

Non-English-speaking hordes continue to come to this country, as they have throughout its history. Our most recent newcomers are Vietnamese, Cambodians, Hmong, Central Americans, Cubans, Haitians.

Where are they going to come from next? Our whole history, since the beginning of the Republic—since Plymouth Rock, for that matter—has been a matter of refugees from somewhere or other. This is going to continue. Where will the next catastrophe fall to send people fleeing to our shores?

My English language amendment is aimed not at the problems of today but at the problems of the coming decades and the coming centuries—and that is the way a constitutional amendment should be aimed.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ANDREWS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I realize that there is time remaining for debate under the provisions of rule XXII, but it is my hope that at this time we can go ahead with the vote on the motion to proceed.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered——

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I have had no objection to proceeding much earler this week. I think we have had a pretty good examination of the flaws in the legislation that is now before the Senate.

Among other things, we are going to have to decide who is running the Senate—whether it is the Senators or some pressure group from outside.

In any case, I commend Senator DENTON, Senator EAST, Senator HARRY F. BYRD, JR., and others for the work they have done. I also express my appreciation to the majority leader for being patient.

I have no objection to proceeding to a vote. I suggest that, unless the majority leader especially wants a rollcall vote, we can accelerate things a little with a voice vote.

Mr. BAKER. I thank the Senator more than I can express. I reiterate what I said before: Never, ever, have I had a discussion with the distinguished Senator from North Carolina when he was not entirely candid with me and when, to the extent that his position and his principles would permit, he has not been entirely cooperative with me. I am thankful for that.

Mr. President, I do think a rollcall vote would be required at this time.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Secretary of the Senate proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Missouri (Mr. EAGLETON) and the Senator from Nebraska (Mr. EXON) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) would vote "yea".

The PRESIDING OFFICER (Mr. ABDNOR). Is there any other Senator wishing to vote?

The result was announced: yeas 97, nays 0, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—97

Abdnor	Glenn	Mitchell
Andrews	Goldwater	Moynihan
Armstrong	Gorton	Murkowski
Baker	Grassley	Nickles
Baucus	Hart	Nunn
Bentsen	Hatch	Packwood
Biden	Hatfield	Pell
Boren	Hawkins	Percy
Boschwitz	Hayakawa	Pressler
Bradley	Heflin	Proxmire
Brady	Heinz	Pryor
Bumpers	Helms	Quayle
Byrd, Harry F., Jr.	Hollings	Randolph
	Huddleston	Riegle
Byrd, Robert C.	Humphrey	Roth
Cannon	Inouye	Rudman
Chafee	Jackson	Sarbanes
Chiles	Jepsen	Sasser
Cochran	Johnston	Schmitt
Cohen	Kassebaum	Simpson
Cranston	Kasten	Specter
D'Amato	Kennedy	Stafford
Danforth	Laxalt	Stennis
DeConcini	Leahy	Stevens
Denton	Levin	Symms
Dixon	Long	Thurmond
Dodd	Lugar	Tower
Dole	Mathias	Tsongas
Domenici	Matsunaga	Wallop
Durenberger	Mattingly	Warner
East	McClure	Weicker
Ford	Melcher	Zorinsky
Garn	Metzenbaum	

NOT VOTING—3

Burdick	Eagleton	Exon

So the motion was agreed to.

VOTING RIGHTS ACT AMENDMENTS OF 1982

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate now S. 1992.

The PRESIDING OFFICER. The clerk will state the bill by title.

The bill clerk read as follows:

A bill (S. 1992) to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Voting Rights Act Amendments of 1982".

SEC. 2. Subsection (a) of section 4 of the Voting Rights Act of 1965 is amended by striking out "seventeen years" each place it appears and inserting in lieu thereof "nineteen years."

(b) Effective on and after August 5, 1984, subsection (a) of section 4 of the Voting Rights Act of 1965 is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "or in any political subdivision of such State (as such subdivision existed on the date such determinations were made with respect to such State), though such determinations were not made with respect to such subdivision as a separate unit," before "or in any political subdivision with respect to which" each place it appears;

(3) by striking out "in an action for a declaratory judgment" the first place it appears and all that follows through "color through the use of such tests or devices have occurred anywhere in the territory of such plaintiff.", and inserting in lieu thereof "issues a declaratory judgment under this section.";

(4) by striking out "in an action for a declaratory judgment" the second place it appears and all that follows through "section 4(f)(2) through the use of tests or devices have occurred anywhere in the territory of such plaintiff.", and inserting in lieu thereof the following:

"issues a declaratory judgment under this section. A declaratory judgment under this section shall issue only if such court determines that during the ten years preceding the filing of the action, and during the pendency of such action—

"(A) no such test or device has been used within such State or political subdivision for the purpose or with the effect of denying or abridging the right to vote on account of race or color or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) in contravention of the guarantees of subsection (f)(2);

"(B) no final judgment of any court of the United States, other than the denial of declaratory judgment under this section, has determined that denials or abridgements of the right to vote on account of race or color have occurred anywhere in the territory of such State or political subdivision or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) that denials or abridgements of the right to vote in contravention of the guarantees of subsection (f)(2) have occurred anywhere in the territory of such State or subdivision and no consent decree, settlement, or agreement has been entered into resulting in any abandonment of a voting practice challenged on such grounds; and no declaratory judgment under this section shall be entered during the pendency of an action commenced before the filing of an action under this section and alleging such denials or abridgements of the right to vote;

"(C) no Federal examiners under this Act have been assigned to such State or political subdivision;

"(D) such State or political subdivision and all governmental units within its territory have complied with section 5 of this Act, including compliance with the requirement that no change covered by section 5 has been enforced without preclearance under section 5, and have repealed all changes covered by section 5 to which the Attorney General has successfully objected or as to which the United States District Court for the District of Columbia has denied a declaratory judgment;

"(E) the Attorney General has not interposed any objection (that has not been overturned by a final judgment of a court) and no declaratory judgment has been denied under section 5, with respect to any submission by or on behalf of the plaintiff or any governmental unit within its territory under

section 5, and no such submissions or declaratory judgment actions are pending; and

"(F) such State or political subdivision and all governmental units within its territory—

"(i) have eliminated voting procedures and methods of election which inhibit or dilute equal access to the electoral process;

"(ii) have engaged in constructive efforts to eliminate intimidation and harassment of persons exercising rights protected under this Act; and

"(iii) have engaged in other constructive efforts, such as expanded opportunity for convenient registration and voting for every person of voting age and the appointment of minority persons as election officials throughout the jurisdiction and at all stages of the election and registration process.

"(2) To assist the court in determining whether to issue a declaratory judgment under this subsection, the plaintiff shall present evidence of minority participation, including evidence of the levels of minority group registration and voting, changes in such levels over time, and disparities between minority-group and non-minority-group participation.

"(3) No declaratory judgment shall issue under this subsection with respect to such State or political subdivision if such plaintiff and governmental units within its territory have, during the period beginning ten years before the date the judgment is issued, engaged in violations of any provision of the Constitution or laws of the United States or any State or political subdivision with respect to discrimination in voting on account of race or color or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) in contravention of the guarantees of subsection (f)(2) unless the plaintiff establishes that any such violations were trivial, were promptly corrected, and were not repeated.

"(4) The State or political subdivision bringing such action shall publicize the intended commencement and any proposed settlement of such action in the media serving such State or political subdivision and in appropriate United States post offices. Any aggrieved party may intervene at any stage in such action.";

(5) in the second paragraph—

(A) by inserting "(5)" before "An action"; and

(B) by striking out "five" and all that follows through "section 4(f)(2).", and inserting in lieu thereof "ten years after judgment and shall reopen the action upon motion of the Attorney General or any aggrieved person alleging that conduct has occurred which, has that conduct occurred during the ten-year periods referred to in this subsection, would have precluded the issuance of a declaratory judgment under this subsection. The court, upon such reopening, shall vacate the declaratory judgment issued under this section if, after the issuance of such declaratory judgment, a final judgment against the State or subdivision with respect to which such declaratory judgment was issued, or against any governmental unit within that State or subdivision, determines that denials or abridgements of the right to vote on account of race or color have occurred anywhere in the territory of such State or political subdivision or (in the case of a State or subdivision which sought a declaratory judgment under the second sentence of this subsection) that denials or abridgements of the right to vote in contravention of the guarantees of subsection (f)(2) have occurred anywhere in the territory of such State or subdivision, or if, after the issuance of such declaratory judgment, a consent decree, settlement, or agreement has been entered into resulting in any abandonment of a voting practice challenged on such grounds."; and

(6) by striking out "If the Attorney General" the first place it appears and all that follows through the end of such subsection and inserting in lieu thereof the following:

"(6) If, after two years from the date of the filing of a declaratory judgment under this subsection, no date has been set for a hearing in such action, and that delay has not been the result of an avoidable delay on the part of counsel for any party, the chief judge of the United States District Court for the District of Columbia may request the Judicial Council for the Circuit of the District of Columbia to provide the necessary judicial resources to expedite any action filed under this section. If such resources are unavailable within the circuit, the chief judge shall file a certificate of necessity in accordance with section 292(d) of title 28 of the United States Code.

"(7) The Congress shall reconsider the provisions of this section at the end of the fifteen-year period following the effective date of the amendments made by this Act.

"(8) The provisions of this section shall expire at the end of the twenty-five-year period following the effective date of the amendments made by this Act.".

SEC. 3. Section 2 of the Voting Rights Act of 1965 is amended to read as follows:

"SEC. 2. (a) No voting qualification or prerequisite to voting or standard, practice, or procedure shall be imposed or applied by any State or political subdivision in a manner which results in a denial or abridgement of the right of any citizen of the United States to vote on account of race or color, or in contravention of the guarantees set forth in section 4(f)(2), as provided in subsection (b).

"(b) A violation of subsection (a) is established if, based on the totality of circumstances, it is shown that the political processes leading to nomination or election in the State or political subdivision are not equally open to participation by members of a class of citizens protected by subsection (a) in that its members have less opportunity than other members of the electorate to participate in the political process and to elect representatives of their choice. The extent to which members of a protected class have been elected to office in the State or political subdivision is one circumstance which may be considered: Provided, That nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.".

SEC. 4. Section 203(b) of the Voting Rights Act of 1965 is amended by striking out "August 6, 1985" and inserting in lieu thereof "August 6, 1992".

SEC. 5. Title II of the Voting Rights Act of 1965 is amended by adding at the end the following section:

"VOTING ASSISTANCE

"SEC. 208. Any voter who requires assistance to vote by reason of blindness, disability, or inability to read or write may be given assistance by a person of the voter's choice, other than the voter's employer or agent of that employer or officer or agent of the voter's union.".

SEC. 6. Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of the enactment of this Act.

Mr. BAKER. Mr President, could I have the attention of the Senate while I try to outline a schedule of activities? May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats.

Mr. BAKER. I thank the Chair.

If I could have the attention of my colleagues for a moment, I wish to express my appreciation to all Senators for being patient in the matter of reaching this point where this bill is before us.

It is my hope that we can proceed now to dispose of this issue as promptly as possible. I have no desire to unduly hurry any Senator who wishes to offer an amendment. However, I do urge that we get on with the business of offering amendments, if there are amendments, and I believe there are, and that we debate them at whatever length is required, but that we keep in mind we are scheduled to run late tonight and it is my hope that we can finish tonight.

If we do not finish tonight at some hour, it is my intention to ask the Senate to resume consideration of this bill on tomorrow. We already have an order for the Senate to convene at 9:15 in the morning. There is a real backlog of important measures that we have to deal with.

In addition to the Voting Rights Act extension, we have the budget conference report, which I believe will be presented before very long. I hope the conferees will succeed in reconciling their differences and report that conference report for our action very promptly.

We have the debt limit increase which must be dealt with, in my view, before the Fourth of July recess. We have a balanced budget constitutional amendment which I intend to call up and make the pending business before we go out and as promptly as possible after we dispose of this matter.

So, Mr. President, there are a number of matters that must be dealt with. Time is at a premium and I think we should get on, then, with the business of trying to dispose of this bill as promptly as possible.

Mr. President, it is my understanding that the distinguished subcommittee chairman, who is the manager of this bill at this point, will make a statement and then perhaps designate the Senator from Maryland to manage.

Mr. President, I also understand that the distinguished Senator from North Carolina has an amendment, perhaps several amendments, that he wishes to offer. He has been good enough to share with me the identification of those amendments. I believe

there are five or six or seven, depending on the outcome of one or the other of those amendments. I hope that he will seek recognition shortly after the Senator from Maryland makes whatever statement he wishes and perhaps technical amendments as necessary to be offered and that we could get to the substantive business of offering amendments and considering amendments on this bill.

Mr. President, we can finish this thing promptly. I hope we can finish it tonight. I urge Senators to consider the very heavy workload we have before us before we can recess for the Fourth of July.

Mr. McCLURE. Will the Senator yield for a comment?

Mr. BAKER. Yes.

Mr. McCLURE. I thank the Senator for yielding. The Senator knows I have some concern about some of the other legislation, but one that I have not heard identified on the floor of the Senate is the necessity of compromising with the other body on the issue with respect to the antitrust exemption on the International Energy Administration. They are going to attempt to conclude action on that legislation next week. We hope to be able to get conference on that. There may be a problem with respect to the conference, but it is the intention of the other body, I am informed, to complete action on the conference report.

Since that authority expires during the period of time that we would be in recess, it is important that we resolve it before we go on recess. I hope that that also is on the agenda for urgent consideration next week.

Mr. BAKER. Mr. President, I do add that to the list, I agree with the Senator that it is an important matter and one that I will confer with him on and we will arrange to consider before the recess.

Mr. McCLURE. I would say it becomes even more urgent as you look at the affairs in the Middle East and recognize that, in a conversation between the Vice President and the Secretary of Defense, the Foreign Minister of Saudi Arabia indicated the possibility that they might have to take further action if the problem is not resolved between Israel and Lebanon and we might very well, within the next 2 or 3 weeks, be faced with the necessity of some action through the International Energy Agency. That antitrust exemption could become a very critical matter for us before we return from the Fourth of July recess.

Mr. ROBERT C. BYRD. Will the distinguished majority leader yield?

Mr. BAKER. Yes; I yield to the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I support the distinguished majority leader in his intention to try to finish this bill this evening. That may very well carry us beyond the midnight hour. As far as I am concerned, I think we ought to stay and complete the action on this bill, if it is at all possible, this evening.

Does the distinguished majority leader share that view and, if so, what does he see insofar as the late hours of the evening are concerned?

Mr. BAKER. Mr. President, we do intend to stay late. I have told a number of Senators, including the Senators from North Carolina, that I was estimating about midnight. If we are making good progress and can accomplish more after that, I am willing to do that. But right now I would like to set about midnight as the target time for this day.

Mr. ROBERT C. BYRD. And if that is accomplished, Mr. President, I would like to ask the majority leader what the outlook may be for tomorrow. He may have already stated that, and if he has, I will not ask him to repeat it.

Mr. BAKER. Mr. President, I have not stated that, but I will be happy to do so now. If we do complete this bill tonight, or even if we finish this bill during the day tomorrow sometime, it would be my intention to ask the Chair to lay before the Senate a message from the House on the conference report on the urgent supplemental appropriations bill, which I believe is at the desk.

Mr. ROBERT C. BYRD. If the Senate finishes its work on this measure tonight, would the distinguished majority leader anticipate any votes on the urgent supplemental conference report tomorrow?

Mr. BAKER. If we finish tonight—Mr. President, I have been in this position so many times that I recognize the symptoms so terribly well. I am being bargained with, Mr. President, and I am willing. I will say to my friend, the minority leader, that if we finish this bill tonight and if we can lay down the urgent supplemental conference report tomorrow, I am willing to forego any votes on that measure until Monday.

Mr. ROBERT C. BYRD. Mr. President, I think I should take my seat while I am ahead.

Mr. BAKER. Mr. President, I yield the floor.

● Mr. BIDEN. Mr. President, I would like the record to reflect that I will be absent from the Senate during the remainder of the day in order that I may attend a memorial service to be held for my wife's grandfather, Harold Godfrey, in Hammonton, N.J. In the event that rollcall votes occur in my absence, I would ask that I be recorded as absent due to a death in the family.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I yield to the distinguished Senator from Maryland for the purpose of proposing technical amendments, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator from Maryland is recognized.

AMENDMENT NO. 1883

(Purpose: To provide that the amendments made in section 5 become effective January 1, 1984.)

UP AMENDMENT NO. 1023

(Purpose: To make technical corrections.)

UP AMENDMENT NO. 1024

(Purpose: To make technical corrections.)

Mr. MATHIAS. Mr. President, I send to the desk three technical amendments and ask for their immediate consideration.

The PRESIDING OFFICER. Does the Senator ask that the amendments be considered en bloc?

Mr. MATHIAS. Yes. Mr. President, I offer these amendments on behalf of a majority of the Judiciary Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes amendment numbered 1883, UP Amendment No. 1023, and UP Amendment No. 1024.

The amendments are as follows:

AMENDMENT NO. 1883

On page 17, line 17, strike "Title" and insert in lieu thereof "Effective January 1, 1984, title".

UP AMENDMENT NO. 1023

On page 16, line 12, strike out "this Act" and insert in lieu thereof "the Voting Rights Act Amendments of 1982".

On page 16, line 15, strike out "this Act" and insert in lieu thereof "the Voting Rights Act Amendments of 1982".

UP AMENDMENT NO. 1024

On page 16, line 12, beginning with "this" strike out through line 15 and insert in lieu thereof the following: "the Voting Rights Act Amendments of 1982.

"'(8) The provisions of this section shall expire at the end of the twenty-five-year period following the effective date of the amendments made by the Voting Rights Act Amendments of 1982.'".

The PRESIDING OFFICER. The question is on agreeing to the amendments offered en bloc by the Senator from Maryland.

The amendments, amendment No. 1883, UP amendment No. 1023, and UP amendment No. 1024, were agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MATHIAS. Mr. President, I thank the Senator from Utah.

The PRESIDING OFFICER. Will the Senator suspend for one moment?

The Senate will be in order so everyone may hear. If Senators wish to converse, please retire to the cloakroom. The Senate will be in order.

The Senator from Utah.

Mr. HATCH. Mr. President, I rise to make some very fundamental points about this legislation. They have been made before, and are likely to be made again, but they bear emphasis, in my view. I would like to discuss "proportional representation".

I know that there are those in this body who believe that more than enough has been said about this issue. After all, the Washington Post has said that the committee-adopted amendment puts this issue to rest, once and for all. This amendment, expressly precludes any right to proportional representation. How can opponents of the amendments of section 2 continue to complain about proportional representation? Why does it remain an issue? Is there bad faith on the part of section 2 opponents?

I think not, Mr. President. I would like to outline once more, as succinctly as I can, why proportional representation remains a likely outgrowth of the revolutionary changes in section 2.

Let me make two introductory points on this matter, and I will then proceed to outline the basic case as to why the so-called disclaimer of proportional representation is totally illusory as a protection against proportional representation.

My first introductory point is that the proposed compromise amendment is silent on the issue of proportional representation as a remedy as opposed to a right. Whatever the nature of the precise right involved, there is nothing to forestall courts from imposing proportional representation remedies where section 2 violations are identified.

Indeed my concern here is fueled by the express statements of some proponents of the section 2 amendment. One witness, appearing before the Subcommittee on the Constitution, was Mr. Rolando Rios, legal director of the Southwest voter registration education project. He made a pointed distinction between what he described as the two stages of the litigation process—the proving your case part and then the remedy part. He observed that, once the factors delineated in Zimmer and White have been established then the courts do require that you go to single-member districts but that is at the remedy stage.

In addition, the majority views in the committee report are similarly disquieting in their endorsement of a series of cases that, in my view, actually employed a remedy of proportional representation. On page 31 of these views, several cases are cited in general support of the proposition that an appropriate remedy under the amended section 2 is expected to fully and completely remedy the dilution of minority voting strength. In *North Carolina State Board of Education* v. *Swann*, 402 U.S. 43 (1971), a companion case to that in which forced school busing was established as an appropriate remedy for school segregation, the Supreme Court overturned a State law forbidding the assignment of students on account of race or for the purpose of creating a racial balance or ratio. In the case of the *Illinois Congressional Reapportionment*, File No. 81-c-3915, a congressional districting scheme was established in the State of Illinois last year that did clearly resemble a proportional representation remedy in its commitment to the preservation of homogenous minority districts at whatever political costs. In *Green* v. *New Kent County*, 391 U.S. 430 (1968), the Court embarked upon what many observers view as a retreat from the policy of abolishing dual or segregated school districts to a policy of requiring the establishment of school districts with the proper racial balance. Finally, in *Kirksey* v. *Hinds County Board of Supervisors*, 554 F.2d 139 (5th Cir. 1976), a single-member district plan was overturned in a Mississippi county until two seats out of five on a county commission were created for the county's 40 percent black population.

It is precisely these cases, among others, that give rise to the concern about proportional representation rather than allaying any such concern. I referred to a number of additional cases on Tuesday that have been decided under the "effects" test of section 5 that seem to me to have employed the concept of proportional representation.

The second introductory point that I would like to make with respect to the disclaimer is that there seem to be serious problems of definition as far as what precisely is "proportional representation." These differences are similar to those that exist between the definitions of "quotas" and "affirmative action." No one, I am told, wants racial "quotas." There is a world of difference, I am told, between "goals" and "targets" and "quotas." I confess that I do not see these differences in practice and I confess that much of my concern about the proposed disclaimer arises from the fact that proponents of the results test do not have the same thing in mind when they talk about "proportional representation" as I do.

Benjamin Hooks, executive director of the NAACP, testified before the Subcommittee on the Constitution, "I think there is a big difference between proportional representation and representation in proportion to minority population." I, for one, do not see this big difference. Drew Days, the former Assistant Attorney General for Civil Rights, also testified that a Justice Department requirement, during his administration, that required at least one district in a four-district community, with a 25-percent minority population, to be structured to elect a minority representative was not proportional representation. In addition, a number of witnesses, such as Mayor Henry Marsh of Richmond and Frank Parker of the voters rights project of the Lawyers Committee for Civil Rights, have denied that cases such as the Richmond case and the Petersburg case represented anything approximating proportional representation. I would call upon my colleagues to look at these decisions and make their own judgment, and to make their own judgment on what proportional representation actually means.

I would also note the remarks of Prof. Walter Berns, resident scholar at the American Enterprise Institute, who testified:

> Whatever Congress' intention in making this disclaimer, the courts are likely to treat it the way they treated a similar disclaimer in the Civil Rights Act of 1964. There Congress said specifically that nothing in Title VII of that Act should be interpreted to require employers "to grant preferential treatment" to any person or group because of race, color, sex, or national origin, not even to correct "an imbalance which may exist with respect to the total number of percentage of persons of any race etc. employed by any employer. Clear enough, one would think, but the Supreme Court paid it no heed. To read this as written, said Justice Brennan in the *Weber* case, would bring about an end completely at variance with the statute, by which he meant the purpose of the Court. Congress' disclaimer should be taken with a grain of salt.

More fundamentally, however, the purported "disclaimer" language in the amended section 2 is illusory for other reasons as a protection against proportional representation. It states:

> Nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.

It is illusory because the precise "right" involved in the new section 2 is not to proportional representation per se but to political processes that are "equally open to participation by members of a class of citizens protected by subsection (a)." The problem, in short, is that this right is one that can be intelligently defined only in terms that partake largely of proportional representation. This specific right—political processes "equally open to participation"—is one violated where there is a lack of proportional representation plus the existence of what have been referred to as "objective factors of discrimination". Such factors are described in greater detail in the subcommittee report, but the most significant of these factors is clearly the at-large electoral system. The at-large system is viewed by some in the civil rights community as an objective factor of discrimination because they

believe that it serves as a "barrier" to minority electoral participation.

Under the results test, the absence of proportional representation plus the existence of one or more "objective factors of discrimination," such as an at-large system of government, would constitute a section 2 violation. In a technical sense, it would not be the lack of proportional representation in and of itself that would consummate the violation but rather the lack of proportional representation in combination with the so-called objective "barrier" to minority participation. It would be largely irrelevant that there was no discriminatory motive behind the at-large system, for example, or that there were legitimate, non-discriminatory reasons for its establishment or maintenance.

Among just a few additional "objective factors of discrimination" or "barriers" to minority participation would be laws canceling registration for failure to vote, residency requirements, special ballot requirements for independent or third-party candidates, staggered terms of office, antisingle shot voting requirements, evidence of racial bloc voting, a history of English-only ballots, numbered electoral posts, majority vote requirements, and so forth. Each of these factors, when they exist within a governmental system lacking proportional representation may allegedly explain the lack of proportional representation. In my view, the results test leads inexorably to proportional representation because it is the absence of proportional representation that triggers the search for the "objective factors of discrimination in the first place. The theory of the results test, again, is that such factors allegedly explain why such an absence of proportional representation exists. Given the virtually unlimited array of such "objective factors," it is difficult to imagine any community—with or without proportional representation—that would not contain at least several such factors. In practice, the results test, with or without the requirement that "objective factors of discrimination" be identified, is effectively indistinguishable from a pure test of proportional representation.

This is especially true when one recognizes that the operative premises of many proponents of the results test is that proportional representation by race or ethnicity ought to be the natural state of electoral affairs and that deviations from this norm are necessarily attributable to some discriminatory policy or procedure. When such discrimination is not readily apparent, it is generally assumed that it has simply taken a more subtle form. Given the lack of proportional representation, this theory effectively requires that some otherwise race-neutral or ethnic-neutral policy or procedure be identified as the force responsible for its absence. In other words, to use a favorite term of results proponents, there is no "objective" way to determine whether or not a potential "objective factor of discrimination" is, in fact, responsible for discrimination other than to ascertain whether or not there is proportional representation. If there is not proportional representation, there is no principled basis, under the results test, for demonstrating that any given "objective factor of discrimination" was not responsible. To capture a flavor of the true breadth of how these "objective factors" may work, it is instructive to note the statement in the committee report:

> The courts have recognized that disproportionate educational, employment income level, and living conditions arising from past discrimination tend to depress minority political participation . . . Where these conditions are shown and where the level of black participation in politics is depressed, plaintiffs need not prove any further causal nexus between their disparate socio-economic status and the depressed level of political participation.

The root problem with the amended section 2 then is not with an inadequately strong disclaimer—although the present disclaimer is irrelevant and misleading; the root problem is with the results test itself. No disclaimer, however strong—and the immediate disclaimer is not very strong, in any event, because of its failure to address proportional representation as a remedy—can overcome the inexorable and inevitable thrust of a results test, indeed of any test for uncovering "discrimination" other than an intent test. If the concept of discrimination is going to be divorced entirely from the concept of wrongful motivation, then we are no longer referring to what has traditionally been viewed as discrimination; we are referring then simply to the notion of disparate impact. Disparate impact can ultimately be defined only in terms that are effectively indistinguishable from those of proportional representation. Disparate impact is not the equivalent of discrimination.

Mr. President, as a member of the Budget Committee, I am going to go to conference. Therefore, I am going to designate my esteemed colleague from Maryland as the manager of the bill in my absence. I now designate the Senator from Maryland as the manager of the bill in my absence.

Mr. MATHIAS. Mr. President, I first want to thank the distinguished Senator from Utah, the chairman of the Subcommittee on Constitutional Law of the Judiciary Committee, and to say that no one in the Senate has devoted more time or more attention to this legislation than the Senator from Utah.

Mr. President, today, the Senate begins consideration of the most important civil rights proposal on its legislative agenda for the 97th Congress. Today, we turn our attention to S. 1992, a bill to extend the Voting Rights Act of 1965.

In April 1981, when Congress began its consideration of the Voting Rights extension issue, the key question before us was whether or not this historic legislative achievement—the Voting Rights Act of 1965—should be extended. Much has happened in the intervening 14 months. Not only is there a broad agreement in Congress that an effective, prompt extension of the act is justified, but there is general consensus as well on the form the extension should take. In fact the bill now before us, S. 1992, is cosponsored by a bipartisan group of 77 Members of this body. This long list of cosponsors includes Members from all regions of our Nation and all points on the political spectrum. S. 1992 is truly a consensus bill.

Basically, S. 1992 would:

Continue the act's special provisions, including its preclearance requirement, for 25 years, while at the same time provide incentives for States and counties to bail out from the preclearance requirement. A covered jurisdiction could bail out if it could show that, for a period of 10 years, it had met certain conditions including full compliance with the act, no acts of voting discrimination and positive actions to protect minority voting rights.

Require Congress to reconsider the provisions of the new bailout criteria at the end of 15 years in order to insure that the criteria continue to work in a fair and effective manner. The special provisions of the act, however, would remain in effect for the specified 25-year period unless Congress amended the act as a result of its 15-year review.

Amend section 2 of the Voting Rights Act—the act's general prohibition against voting discrimination—to prohibit any voting practice or procedure which results in voting discrimination. This amendment is designed to make clear that proof of discriminatory intent is not required to establish a violation of section 2. It is intended to restore the legislative standard which governed voting discrimination claims prior to the litigation involved in *Mobile* v. *Bolden* (446 U.S. 55 (1980)). Specifically, this amendment adds a subsection to section 2 codifying the standard set forth in the leading pre-Bolden voting case, White against Regester (412 U.S. 755 (1973)).

Provide for a 7-year extension of the language minorities protections added when the Voting Rights Act was last extended in 1975.

Add a new section 208 to the Voting Rights Act providing that voters requiring voting assistance by reasons of blindness, disability, or illiteracy may be given such assistance by a person of

their own choosing except for their employer or employer's agent or official or agent of their union.

S. 1992 is the latest in a long line of legislative proposals aimed at guaranteeing the right to vote to all Americans. The struggle to achieve this fundamental goal has been long and difficult; it has occupied this Nation for well over a century.

In 1870, the 15th amendment was added to the Constitution. Section 1 set out this simple, unequivocal command:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

By providing a specific constitutional provision protecting the right to vote, the Reconstruction Congress established access to the ballot as a right just as fundamental and precious as those inscribed in the Bill of Rights by our Founding Fathers. Incorporating this principle into our organic law constituted a solemn promise that our society would not tolerate racial barriers placed in the way of Americans seeking access to the voting booth.

Unfortunately, despite the unambiguous language of section 1 of the 15th amendment, its promise has never been fully redeemed. In fact, it has often been repudiated and ignored. For nearly a century, that promise lay dormant, buried in large part by an avalanche of discriminatory devices such as literacy tests, poll taxes, grandfather clauses, and white-only primaries.

It was not until the late 1950's that things really began to change. Three times, first in 1957 and again in 1960 and 1964, Congress enacted legislation to enhance the Federal Government's ability to fight discriminatory voting practices on a case-by-case basis. But, despite these new laws, the evils continued. Why? The answer was quite simple. As the Supreme Court observed, taking this tedious, time-consuming, case-by-case approach meant that:

> Even when favorable decisions (were) * * * finally obtained, some of the States affected * * * merely switched to discriminatory devices not covered by the Federal decrees or * * * enacted difficult new tests designed to prolong the existing disparity between white and Negro registration. *South Carolina* v. *Katzenbach*, 383 U.S. 301 (1966).

Those bent on frustrating black access to the voting booth stayed one step ahead of the Federal courts. Obviously, something new was needed. That new approach was the Voting Rights Act of 1965. Basically, it substituted a streamlined, even-handed administrative procedure for the piecemeal litigation that had proven so ineffective.

The 1965 Voting Rights Act attacked the blight of voting discrimination in several ways.

One of the act's primary goals was to attack the use of devices which had been employed historically in many jurisdictions to prevent black participation in the electoral process. To this end, the 1965 act suspended the use of literacy tests and similar devices in any State or political subdivision where such a test or device was in effect on November 1, 1964 and where less than 50 percent of voting age persons were registered for or voted in the 1964 Presidential election.

Congress was also concerned that the suspended tests and devices not be replaced by other discriminatory practices. As a result, it included in the act an administrative preclearance procedure. Under this procedure these covered jurisdictions, which were required to suspend the use of literacy tests or devices, were also precluded from enacting any changes in voting election laws without first obtaining the approval of the Attorney General or the Federal court in the District of Columbia. The 1965 act also gave the Attorney General authority to send Federal examiners and Federal observers to covered jurisdictions.

The 1965 act provided tools to combat discriminatory voting practices nationwide as well. Section 2 of the act proscribed voting practices or procedures anywhere in the Nation which denied or abridged the right to vote on account of race or color. Moreover, Federal courts throughout the country—upon a finding of voting discrimination—were given the authority to impose any of the special procedures applicable to the covered jurisdictions—preclearance, Federal examiners and observers and suspension of literacy tests or similar devices.

Although the act's nationwide provisions were made permanent, its special provisions applicable to the covered jurisdictions were not. These jurisdictions were permitted to end their preclearance obligations if they could demonstrate that they had not used a test or device to discriminate for a designated number of years. As a result of the temporary nature of these special provisions, Congress has been called upon twice before to extend key sections of the act, first in 1970 and more recently in 1975.

Both in 1970 and 1975, Congress conducted a detailed review of the progress under the act. Each time it concluded that, although the literacy test ban had been complied with, nonetheless, the act's special provisions should be continued. And significantly, in 1975, Congress expanded the coverage of the act to protect language minority citizens from effective disfranchisement. This followed the review of an extensive record filled with examples of the barriers to registration and effective voting encountered by such citizens in the electoral process.

Specifically, Congress amended the definition of "test or device" to include the use of English-only elections in jurisdictions where a single language minority group comprised more than 5 percent of the voting age population.

Moreover, Congress required that language assistance be provided throughout the electoral process where members of a single language minority comprise more than 5 percent of the voting-age population and the illiteracy rate of such persons is higher than the national illiteracy rate.

In addition, Congress amended section 2 of the Voting Rights Act to cover discrimination based on membership in a language minority group. In adopting this amendment, Congress noted that this expanded section 2 was based not only on the 15th amendment, but the 14th as well.

Both the 1970 and 1975 extensions of the act followed extensive congressional hearings which revealed widespread violations of the preclearance requirement and ongoing discrimination in the covered jurisdictions. While Congress found evidence of general progress in minority voter registration, it also noted that these gains were often offset by an ingenious array of dilution schemes. For example, elective posts were made appointive, election boundaries were gerrymandered; majority runoffs were devised to prevent victories under a prior plurality system; at-large elections were substituted for election by a single-member district, or combined with other sophisticated devices to prevent effective votes by minorities.

Congress had anticipated this response in 1965. When it enacted the 1965 act, it included the preclearance requirement of section 5 to frustrate such efforts. In upholding the constitutionality of section 5, the Supreme Court noted in South Carolina against Katzenbach:

> Congress knew that some of the States covered by Section 4(b) of the Act had resorted to the extraordinary strategem of contriving new rules of various kinds for the sole purpose of perpetuating voting discrimination in the face of adverse Federal court decrees. Congress had reason to suppose that these States might try similar maneuvers in the future in order to evade the remedies for discrimination contained in the Act itself.

The 1969–70 and 1975 congressional hearings confirmed the wisdom of Congress in incorporating a preclearance requirement into the original act.

It was against this background that the 97th Congress began its consideration of proposals to extend the Voting Rights Act of 1965.

On April 7, 1981, I joined with Senators KENNEDY, METZENBAUM, WEICKER, BIDEN, CHAFEE, MOYNIHAN, and CRANSTON in introducing S. 895, the Voting

Rights Act Amendments of 1981. S. 895 was identical to H.R. 3112, which was offered on the same day by Representative PETER RODINO, chairman of the House Judiciary Committee. Basically, both S. 895 and H.R. 3112 would have extended until 1992 the special provisions of the act, including section 5, and the language minority protections added in 1975. In addition, the bill would have restored the pre-Bolden legal standard in voting cases.

Shortly after H.R. 3112 was introduced, the House Judiciary Subcommittee on Civil and Constitutional Rights began its review of the bill. The subcommittee, under the leadership of Chairman DON EDWARDS, conducted 18 days of hearings, including field hearings in Montgomery, Ala., and Austin, Tex. More than 100 witnesses testified before the subcommittee, including victims of voting discrimination, Member of Congress, State and local officials, representatives of civil rights groups, religious leaders, scholars, and two former heads of the Civil Rights Division of the Department of Justice, one Republican and one Democrat.

On July 21, 1981, the subcommittee unanimously approved H.R. 3112, without amendment. Subsequently, on July 31, the House Judiciary Committee, by a vote of 23 to 1, reported the bill to the full House with a single amendment in the nature of a substitute. The committee amendment revised the procedures under which a covered jurisdiction could obtain exemption from the act's special provisions and also included within the section 2 amendment a provision explicitly reaffirming that the proposal could not be interpreted to create a right of proportional representation.

On October 5, 1981, the House adopted the revised version of H.R. 3112 by a vote of 389 to 24. When H.R. 3112 was received by the Senate it was placed immediately on the Senate Calendar, and on December 16, 1981, more than 60 Members of this body joined in introducing S. 1992, which is identical to the House-passed version of H.R. 3112. S. 1992 was then referred to the Senate Judiciary Subcommittee on the Constitution which held 9 days of hearings on the bill and other proposals relating to the Voting Rights Act.

Following its hearings, the subcommittee adopted a revised version of S. 1992. The subcommittee bill would have retained the existing bailout procedures and extended both the act's special provisions and the bilingual election provisions until 1992. It would have made no change in section 2 of the act.

On May 4, the Senate Judiciary Committee by a vote of 14 to 4 agreed to an amendment in the nature of a substitute for the subcommittee bill. The substitute amendment reinstated most of the original text of S. 1992, but included three changes:

First. A 25-year time limit on the special provisions of the act;

Two. A further clarifying amendment to section 2; and

Three. A provision concerning the method by which voting assistance is provided to the blind, the disabled, and the illiterate.

The substitute amendment, with one change, was then agreed to by the full committee by a vote of 17 to 1.

The bill now before us, S. 1992, as amended, deserves the support of the entire Senate and the House of Representatives. It is the product of 27 days of congresssional hearings and lengthy negotiations in this body and the other. On this side, Senators DOLE, KENNEDY, METZENBAUM, GRASSLEY, DECONCINI, and others deserve great credit for helping to sculpt a bill that is fair and reasonable and promises to be an effective tool in our continuing effort to eliminate voting discrimination from our society.

Now I would like to turn to the revised version of S. 1992 to make several important points.

LEGISLATIVE HISTORY

First, there is overwhelming support in the legislative history for the bill reported favorably by the Senate Judiciary Committee.

At the time I introduced S. 895—the predecessor to S. 1992—I noted that while much had been accomplished under the Voting Rights Act since 1965, much more remained to be done; and that, unless the act were extended, much of the hard-won progress over the last 16 years would be jeopardized. The testimony compiled in the intervening months by the House and Senate Judiciary Committees has confirmed the need for the passage of an effective extension of the Voting Rights Act. Not only does the legislative history support an extension of section 5 and the bilingual election provisions, it also makes clear that the continued effectiveness of section 2 is threatened by the Supreme Court's plurality decision in City of Mobile against Bolden.

In its report, the Senate Judiciary Committee concluded that "the act's preclearance requirement must be continued," and further stated that "section 5 as well as the other special provisions remain necessary and appropriate legislation to insure the full enforcement of the rights guaranteed by the 14th and 15th amendments."

Both the House and Senate hearing records are replete with contemporary examples of voting discrimination. Some are reminiscent of the 1960's—intimidation or harassment of minority members seeking to vote or register. But others reflect more sophisticated dodges. A review of the changes that were objected to from 1975 to 1980 reveals that the types of changes most frequently rejected were the use of at-large elections, majority voter requirements, numbered posts and redistricting of boundary lines. While blatant impediments to voting are still used, the evidence reveals, as the report of the Senate Judiciary Committee states, that "since the adoption of the Voting Rights Act, covered jurisdictions have substantially moved from direct, overt impediments to the right to vote to more sophisticated devices that dilute minority voting strength."

The committee reached important conclusions with respect to the track record of the covered jurisdiction under section 5. First, over the years the number of changes objected to under section 5 has remained substantial. Moreover, the level of noncompliance with the preclearance requirement continues to be disappointingly high. Not only do covered jurisdictions fail to submit proposed changes for review, but Congress received extensive evidence regarding the implementation of changes that had previously been rejected by the Department of Justice. As the Senate Judiciary Committee report notes, "this record compels the conclusion that the preclearance remedy is still vital to protecting voting rights in the covered jurisdictions."

The importance of Congress amending section 2 of the act in response to the City of Mobile against Bolden also emerges clearly from the legislative history.

In pre-Bolden voting cases plaintiffs could prevail by showing that a challenged election law or procedure—in the context of the total circumstances of the local electoral process—had the result of denying racial or language minority voters an equal chance to participate effectively in the electoral process. Under this results test, it was not necessary to demonstrate that the challenged election law or procedure was designed or maintained for a discriminatory purpose. In Bolden, a plurality of the Supreme Court broke with precedent and substantially increased the burden on plaintiffs by requiring proof of discriminatory intent. As noted in the committee report, the Bolden intent test is unacceptable for a number of reasons.

First, the intent test asks the wrong question. Rather than focusing on the crucial question of whether or not minority voters now have a fair chance to participate in the electoral process, the intent test diverts the inquiry to an analysis of the subjective motives of public officials. Thus the intent test requires Federal judges to engage in protracted, burdensome inquiries into the motives of lawmakers, which often have little or no bearing on the ability of minority voters to participate in their electoral process. For example, on remand, following the Supreme

Court's decision in Bolden, the district court was required to make an inquiry into the motives of legislators to determine if the system was devised or maintained for a discriminatory purpose. In order to comply with Bolden, the district court was forced to recreate events shedding light on the motivation of politicians who held office during the several crucial periods under investigation between 1814 and the present.

Second, as Arthur Flemming, former Chairman of the U.S. Commission on Civil Rights, told the Subcommittee on the Constitution that inquiries under the intent test "can only be divisive, threatening to destroy any existing racial progress in a community."

Third, the intent test places an unacceptable burden on plaintiffs in voting discrimination cases. It creates the risk that electoral systems will be free from challenge even where there is overwhelming evidence of unequal access to the political process. This point is dramatically illustrated by the Edgefield County, S.C., case, McCain against Lybrand. On April 17, 1980, the district court ruled the county's at-large system of electing county council members was unconstitutional. In an exhaustive opinion, the district court faithfully applied the White against Regester results test and concluded that blacks simply did not have a fair chance to participate in the system: "Black participation in Edgefield County has been merely tokenism and even this has been on a very small scale."

Despite the overwhelming evidence of unequal access to the electoral system, the district court's determination could not withstand the impact of Bolden. Shortly after rendering its initial decision the district court vacated the judgment and stated:

A careful reading of Mobile and a reconsideration of the evidence in the present Edgefield County case convinced the Court that the plaintiffs have not proved that the voting plan for election of members of the County Council in Edgefield County was either conceived or is operated as a purposeful device to further racial discrimination nor was it intended to individually discriminate against blacks in violation of the Equal Protection Clause.

In addition, the legislative history provides strong support for an extension of the bilingual election provisions of the Voting Rights Act. As the vast majority of the congressional testimony revealed, language minorities continue to be victims of discriminatory voting and election practices and procedures; bilingual elections can be implemented efficiently and cost effectively, and these provisions encourage participation in our political process by many who otherwise would be unable to do so.

BAILOUT

The changes in S. 1992 regarding the procedures by which jurisdictions can "bail out" from coverage under the act's special provisions, including section 5, deserve enactment.

At the outset, it must be recognized that the new bailout procedures represent a major change from current law and thus are by no means identical to those in the original versions of H.R. 3112 and S. 895.

Specifically, S. 1992 contains a liberalized bailout provision. Under this new procedure, jurisdictions covered under the act's special provisions, including section 5, can bail out more easily than if present law were extended. S. 895 and H.R. 3112, as introduced, would have continued the existing and more stringent bailout procedures. Thus the revised bailout represents a major accommodation by the supporters of S. 895 and H.R. 3112, as introduced.

Under existing procedures, covered jurisdictions can bail out by demonstrating that they have not used a test or device to discriminate for a designated number of years. Thus a covered jurisdiction would be unable to bail out until the prescribed time period expired, irrespective of its record of compliance with the act. Under S. 1992, the bailout mechanism is geared to the jurisdiction's actual and recent record of conduct. Jurisdictions with a record of compliance with the act and a commitment to minority participation in their political processes would be eligible to bail out under S. 1992. The bailout criteria in S. 1992 are fair and achievable and as the Senate Judiciary Committee report notes:

[T]he net effect of the committee bailout is to make it possible for jurisdictions which have obeyed the law and accepted minority participation to remove themselves from section 5 coverage well ahead of the 1992 date proposed by the Constitution Subcommittee bailout.

Of course, under the committee bill, an aggrieved party, including a voter in the affected jurisdiction, may, as a matter of right, intervene at any point in the bailout suit, and the court shall permit him to do so.

A second change made by S. 1992 in the existing bailout procedures also deserves mention. Specifically, under current law, political subdivisions in covered States are precluded from gaining exemption unless the State as a whole is eligible to bail out. The committee bill would dramatically increase the number of jurisdictions capable of seeking bailout. For the first time individual counties in covered States would be able to bail out separately even though the State as a whole is not eligible to do so. Quite properly, however, the committee bill adopts the so-called linkage concept and denies bailout to a jurisdiction unless every governmental unit within it has satisfied the bailout criteria. Thus, a State could not bail out unless all of its subunits were eligible. As the Senate Judiciary Committee report notes:

It is appropriate to condition the right of a state to bail out on the compliance of all of its political subdivisions both because of the significant statutory and practical control which a state has over them and because the Fifteenth Amendment places responsibility on the states for protecting voting rights.

Finally, the new bailout procedure responds to the concern voiced during the Subcommittee on the Constitution hearings that since the bailout is no longer tied to a date certain, the bill would continue preclearance in perpetuity. In response to this concern, a 25-year cap was placed on the act's special provisions. While I am convinced that the bailout criteria are achievable, and thus do not raise the specter of a permanent section 5, I nonetheless believe the 25-year cap is a reasonable compromise.

PROPOSED AMENDMENT TO SECTION 2

The revised version of S. 1992 adopted by the Senate Judicary Committee contains certain changes in the proposed amendment to section 2 of the act. These changes were the heart of the compromise reached by the committee and were central to the overwhelming support the revised bill received. They are consistent with the basic thrust of S. 1992 as introduced and are helpful in clarifying the basic meaning of the proposed amendment. These revisions serve three primary purposes.

First, the committee bill clarifies the meaning of the proposed "results" tests. Specifically, it codifies the test for the discriminatory result set down by the Supreme Court in White against Regester. As Senator Dole, an architect of the compromise bill, has stated:

As expressed in the language of the subsection, the standard is whether the political processes are equally "open" in that members of a protected class have the same opportunity as others to participate in the political process and to elect candidates of their choice. In other words, the focus of the standard is on whether there is equal access to the political process, not on whether members of a particular minority group achieved proportional elections results.

Second, the committee bill finally puts to rest any lingering doubts about whether or not it would create a right to proportional representation. As the original sponsor of S. 895 and its "results" test language, I can say unequivocally that the "results" language was not intended to have such an effect. Nonetheless, the issue of proportional representation has been a major concern of some throughout the congressional hearings. Therefore, I believe it is helpful that the committee included the revised disclaimer in its amendment to section 2. This disclaimer squarely states that the proposed amendment creates no right to

proportional representation, and, thus ends any doubt about the potential impact of the proposed amendment.

Finally, the committee amendment makes clear that, under section 2, plaintiffs need not show discriminatory intent in order to prevail. As stated in the committee report:

> Plaintiffs must either show such intent, or, alternatively, must show that the challenged system or practice, in the context of all the circumstances in the jurisdiction in question, results in minorities being denied equal access to the political process.

CONSTITUTIONALITY

The constitutionality of the committee bill is beyond question. As the committee report clearly demonstrates, both the revised bailout procedures and the proposed amendment of section 2 are constitutional exercises of congressional power.

With respect to bailout it is essential to note that the Supreme Court has long recognized the constitutionality of the preclearance and bailout procedures contained in the Voting Rights Act. Twice in the last 16 years, in South Carolina against Katzenbach and United States against City of Rome, the Court has sustained these provisions. The Senate Judiciary Committee reached the inescapable conclusion that the proposed revisions of the existing bailout procedures are well within the constitutional limits established by the Court in these cases.

Equally clear is the congressional power to enact the proposed amendment to section 2. In a series of cases over the past 16 years, the Supreme Court has acknowledged that section 5 of the 14th amendment and section 2 of the 15th amendment provide Congress with broad power to enact appropriate legislation to protect the rights secured by those amendments. The proposed amendment to section 2 is a proper exercise of this congressional power, and is not, as some have claimed, a legislative effort to overrule a substantive Supreme Court interpretation of the Constitution.

CONCLUSION

Mr. President, ever since Congress broke the nearly century-old logjam over the enactment of civil rights laws in 1957, every major civil rights proposal has been enacted with strong bipartisan support. Republicans and Democrats have joined together in supporting bills to end various forms of discrimination that have plagued our society. The 97th Congress can continue this bipartisan tradition. We can enact S. 1992, the strong voting rights extension bill now before us and we should. More than three-quarters of the Senate is now cosponsoring S. 1992. I urge the remainder of my colleagues to join in this historic endeavor.

Mr. THURMOND. Mr. President, the debate on S. 1992, a bill to amend the Voting Rights Act, will focus on some of the most important public policy issues ever to be considered by this body.

I wish to begin my part in this debate by stating my commitment to the right of every citizen to register and cast a ballot. I support, have supported, and will continue to support, the right of every eligible voter in this country to have free, equal, and unhindered access to the ballot box, to cast his or her vote in all local, State, and national elections. This right to vote is the foundation of our democratic system of government and must be fully, fairly, and vigorously protected for all citizens.

Throughout my years of public service I have unyieldingly sought to protect the right to vote. Over 35 years ago as Governor, I personally led the fight in South Carolina to eliminate the poll tax as a prerequisite for voting, which I felt constituted a hindrance to some of our citizens in their attempt to exercise their right to vote. My fight to eliminate this barrier to the voting rights of the poor and less privileged preceded Federal efforts to eliminate poll taxes by 17 years.

My first successful campaign for the U.S. Senate depended on a write-in effort, and my whole campaign was an attempt to increase voter turnout and to educate voters on voting procedure, so that the wishes of the electorate could not be frustrated by political bosses or by technicalities.

On the national level, I have also advocated an expansion of the right to vote. Less than 4 years ago, I joined with Senators KENNEDY and MATHIAS, and with Delegate FAUNTROY, to gain congressional approval of the proposed constitutional amendment to give the District of Columbia voting representatives in Congress. Despite criticism of my position, I voted for this measure, because I felt that all people in this Nation should be treated equally and fairly, especially when voting is at issue.

Because I have always valued the right to vote and have acted on that principle, I want to dispel any notion that I might be sympathetic to an attempt to diminish in any way the fair access of citizens to the ballot box. I support full, fair, and equal protection of the right to vote, and I will strenuously oppose any effort to attack the guarantee of this fundamental right.

In the past, I have questioned certain provisions of the Voting Rights Act, but that position must not be interpreted as opposition to the right to vote itself. At the time the act was proposed and later modified, I felt that some of the mechanisms incorporated in the legislation were unconstitutional. I considered it my responsibility to point out those deficiencies to my colleagues in the Senate and to the American people.

Although the Supreme Court did not concur with my assessment, some of my views were supported by the late Justice Hugo Black, a man universally remembered for his commitment to individual rights under the Constitution.

While there should be a reasonable discussion of the best way to implement and protect the right to vote, there should be no mistake about my position. I believe the right to vote should be fully, fairly, and vigorously defended.

I also believe that as we attempt to protect voting rights, we must be sure our approach is reasonable and fair. I again consider it my responsibility to point out deficiencies to my colleagues in the Senate and to the American people.

At the commencement of these deliberations, I think that it is appropriate that this body should take stock of the direction of our chosen route. We should approach our debate with full knowledge as to where we have been and where we intend to go with the legislation before us. This can be accomplished by reasoned discussion, without haste or impulsiveness.

First, let it be clearly understood by all participants that the Voting Rights Act does not expire. Let it be clearly understood by all that "certain key provisions" of the act are not "due to expire." That is not the case nor the law, and all misinterpretations will not change this fact. For more than a year, I have heard and read that the act or portions thereof are going to expire on August 6 of this year. This is simply not so, and the record to this effect needs to be made emphatically clear: Neither the Voting Rights Act, as a whole, nor any part thereof, will expire or is due to expire by August 6, 1982, or any date thereafter with the exception of certain bilingual election requirements. What then is the importance of August 6, 1982?

This date represents the end of the 17-year period, last acted upon by Congress in 1975, in which six States, and counties in three others, could, absent further action, petition the District Court for the District of Columbia for release from section 5 preclearance. These jurisdictions—the States of Alabama, Georgia, Louisiana, Mississippi, South Carolina, and Virginia; and 39 counties in North Carolina, and 1 county each in Arizona and Hawaii—would be obligated to prove that, for the previous 17-year period, they had not used a "test or device" for discriminatory voting purposes.

Of course, a State or county would first have to decide to bring an action to seek a declaratory judgment. This is not a forgone conclusion. There actions are expensive, and proper preparation can be lengthy.

Once a jurisdiction chose to petition for release there is no guarantee that the State or county would succeed. I would remind my colleagues of the experience of the Commonwealth of Virginia, when, in 1974, an attempt was made to bail out. Although the district court found that a literacy test had not been used in Virginia for a discriminatory purpose, because the State could not prove that its dual school system "had no appreciable discriminatory effect on the ability of persons of voting age to meet a literacy requirement," it was forbidden to bail out.

Moreover, under the existing law, the jurisdictions covered by the 1970 amendments probably could not seek bailout until 1987. Those jurisdictions are: 8 counties in Arizona, 2 counties in California, 3 towns in Connecticut, 1 county in Idaho, 9 towns in Massachusetts, 10 towns in New Hampshire, 3 counties in New York, and 1 county in Wyoming. Furthermore, the jurisdictions covered by the 1975 amendments could file their petitions in 1985. These are: the States of Alaska, Arizona, and Texas, and two counties in California, one county in Colorado, five counties in Florida, two townships in Michigan, one county in North Carolina, and two counties in South Dakota.

Having established what the law presently is and what the experience has been, let us proceed without appeals to emotion and fear of drastic consequences that are not contemplated nor possible. Let us deliberately and carefully consider the substance of the bill now before us.

Throughout consideration of this legislation I have expressed concern over three important aspects of the bill. First, I have sought assurance that the proposed changes in section 2 of the act would not result in court-ordered establishment of systems of proportional representation by race. Second, I have sought the inclusion of a reasonable bailout provision so that jurisdictions subject to the preclearance requirements of section 5 would have a genuine incentive to rid themselves of any lingering discrimination. Third, I have sought a period of extension that is responsive to present conditions.

I have addressed these concerns by participating in hearings before the Subcommittee on the Constitution, by careful study of the proposed legislation, and by discussion with my colleagues in the Senate. I have also met with prominent leaders of various civil rights groups, and my staff has followed up on those meetings by participating in many hours of discussion with staff counterparts.

I voted to report the bill in its present form to the Senate, while expressly reserving my right to seek improvements on the floor. I sincerely hope that after this further consideration, I will be able to vote in favor of final passage in the Senate.

I propose now to elaborate on the three issues which have concerned me throughout consideration of this legislation.

With respect to the proportional representation issue, I do not believe that the provisions of section 2 reported to the Senate provide adequate protection against the establishment of electoral systems which will result in proportional representation. There is nothing in the present language of the bill which prevents that result. It is true that the language includes the statement that there is no "right" to proportional representation by race, but proportional representation could actually occur because of a court-ordered remedy, and this eventuality is plainly not addressed.

During the Judiciary Committee's executive session on this bill, Senator DOLE's answers to questions gave me some confidence that the current version of section 2 was intended to respond to charges concerning proportional representation. However, Senator DOLE has stated that there is nothing in section 2 which prevents a court from ordering a remedy which would result in proportional representation. Certainly, I cannot conclude that my concern about proportional representation has been adequately addressed when it is conceded that nothing in the current language would preclude such an eventuality.

In other words, it is clear that section 2 permits a race-conscious remedy which may be aimed at the outcome of elections. My goal in the field of civil rights has been establishment of a "color-blind" society, and I believe that it is a mistake to accept race-conscious remedies if we are to achieve that goal. As Prof. William Van Alstyne put it, the proposed change in section 2 will inevitably: "compel the worst tendencies toward race-based allegiances and divisions." This predicted result is in sharp conflict with the admonitions of the elder Justice Harlan who wrote in Plessy against Ferguson:

> There is no caste here. Our Constitution is colorblind, and neither knows nor tolerates classes among citizens * * *. The law regards man as man, and takes no account of his surroundings or his color when his civil rights are guarenteed by the supreme law of the land are involved.

My concern about the bailout provisions of the current bill have also not been answered. The House version of the bailout provision remain in S. 1992 without a single change. The bill extends the present act until 1984, and thereafter utilizes a 10-year period for assessing the proposed new bailout criteria. The bill sets out a series of elements, each of which is necessary in order to accomplish a successful release from the preclearance requirements. In order to understand the true nature of the bailout provision, each of these elements must be considered and discussed.

Element 1 provides as follows:

> No such test or device has been used within such State or political subdivision for the purpose or with the effect of denying or abridging the right to vote on account of race or color or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) in contravention of the guarantees of subsection (f)(2).

The use of "no test or device" has been the sole element for the duration of the act, and as was noted by Assistant Attorney General Reynolds in his testimony before the Subcommittee on the Constitution, a " * * * large number of jurisdictions would be able to meet that test at this stage." I have no objection to this requirement.

Element 2 provides:

> No final judgment of any court of the United States, other than the denial of declaratory judgment under this section has determined that denials or abridgements of the right to vote on account of race or color have occurred anywhere in the territory of such State or political subdivision or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) that denials or abridgements of the right to vote in contravention of the guarantees of subsection (f)(2) have occurred anywhere in the territory of such State or subdivision and no consent decree, settlement, or agreement has been entered into resulting in any abandonment of a voting practice challenged on such grounds; and no declaratory judgment under this section shall be entered during the pendency of an action commenced before the filing of an action under this section and alleging such denials or abridgements of the right to vote.

This section basically establishes three types of bars to bailout: judicial findings of discrimination concerning the right to vote; consent decrees entered into by which voting practices have been abandoned; and pending actions alleging denials of the right to vote.

A violation of the "final judgment" aspect would obviously constitute strong evidence that the jurisdiction has not abided by the principles upon which the act is founded and has not acted in good faith. According to Assistant Attorney General Reynolds, some 17 jurisdictions would be precluded from bailout solely as a result of this factor, although he does not view it as being "an onerous requirement."

With regard to the "consent decree" ban, I believe that to preclude bailout for a jurisdiction, solely because it has entered into a consent decree, settlement, or agreement resulting in any abandonment of a challenged voting practice without more is inconsistent with established practices and prudent legal principles. It is sound public

policy that litigation should be avoided where possible; yet, the inclusion of consent decrees as a bar to bailout can only engender prolonged litigation that will only detract from the long-term goals of the act. As Assistant Attorney General Reynolds stated,

* * * clearly the preference is to settle cases and to try to obtain consent decrees and that is a way to resolve these litigations if we can. [Element 2] seems to me to sound like it might be a disincentive to jurisdictions to enter that kind of arrangement.

(Mr. QUAYLE assumed the chair.)

Mr. THURMOND. The bar relating to pendency of actions alleging denials of the right to vote is also of concern to me. Clearly, litigious parties could preclude a jurisdiction from a bailout without any local control whatsoever. Moreover, this provision ignores the existing "probationary" period after bailout.

Element 3 provides:

No Federal examiners under this Act have been assigned to such State or political subdivision.

This element would preclude bailout if, during the previous 10-year period, either the Attorney General or a court, had ordered the appointment of Federal examiners. Inasmuch as the use of Federal examiners entails displacing the discretionary functions of local voter registration officials, it is by its very nature an extraordinary use of power beyond local control. There is no appeal nor review of the decision of the Attorney General. Moreover, I must agree with Assistant Attorney General Reynolds in his assessment that it is unclear what this requirement is designed to address.

I acknowledge that in the years immediately after the 1965 act the use of examiners for registration purposes was successful. However, since 1975, examiners certified by the Attorney General have been utilized to list voters in only two counties.

It should be noted that since August, 1975, the Attorney General, however, has certified 32 counties as "examiner counties," but this has been necessary in order simply to provide Federal observers, for observers may be directed only to counties in which there are examiners serving.

I believe that this element is totally beyond the control of the covered jurisdictions and could serve to frustrate any incentive to bail out. This especially true when, as noted, the assignment of examiners could be made only to further another administrative goal—the appointment of observers to monitor elections—which does not even imply voting irregularities.

Element 4 provides:

Such State or political subdivision and all governmental units within its territory have complied with section 5 of this Act, including compliance with the requirement that no change covered by section 5 has been enforced without preclearance under section 5, and have repealed all changes covered by section 5 to which the Attorney General has successfully objected or as to which the United States District Court for the District of Columbia has denied a declaratory judgment.

This requirement would bar bailout if any voting law, practices, or procedures were implemented in the 10-year period without preclearance. Needless to say, I recognize the necessity of covered jurisdictions complying with preclearance. Yet, it is conceivable that, inasmuch as the bailout of the greater jurisdiction is tied to the lesser, some minor change could well have been instituted without preclearance. Moving the office of the county registrar from one floor to another might be an example. Nevertheless, such an omission would preclude the county, as well as the State, from bailout. As an attorney with the voting section of the Justice Department has noted:

Complete compliance with the preclearance requirement is practically impossible in two respects.

First, no matter how many changes an official submits to the Attorney General, a student of section 5 can always find another change that has not been submitted. For example, a probate judge always submits changes in the location of polling places, but he neglects to submit the rearrangement of tables and booths at one polling place.

Second, no matter how well an election administrator plans in advance of an election, there will always be changes that must be implemented before they can be precleared. For example, a polling place burns down the night before the election.

I feel that such an action should not absolutely preclude bailout, and this requirement should not be so stringent as to foreclose bailout for inadvertence.

Element 5 provides:

The Attorney General has not interposed any objection (that has not been overturned by a final judgment of a court) and no declaratory judgment has been denied under section 5, with respect to any submission by or on behalf of the plaintiff or any governmental unit within its territory under section 5; and no such submissions or declaratory judgment actions are pending.

This element would bar bailout if there has been any objection to a submission for preclearance. In the practice of section 5 preclearance, it is common for the Attorney General to interpose an objection to a voting change simply because there is not enough information on hand for the affirmative decision to be made that the proposal "does not have the purpose and will not have the effect" of discrimination in voting. Accordingly, an objection by the Attorney General does not per se indicate bad faith on the part of the submitting jurisdiction. Moreover, it is not uncommon for an objection to be withdrawn. Assistant Attorney General Reynolds noted that of the 695 objections that had been interposed:

Some are far more important but this [section] does not differentiate.

I acknowledge that the "no objection" specification is founded upon a general basis of assuring compliance but note that the inability to examine the history of a covered jurisdiction's submissions might preclude bailout due to a trivial proposed change or one that was abandoned.

Element 6 provides:

Such State or political subdivision and all governmental units within its territory—

(i) have eliminated voting procedures and methods of election which inhibit or dilute equal access to the electoral process;

(ii) have engaged in constructive efforts to eliminate intimidation and harassment of persons exercising rights protected under this Act; and

(iii) have engaged in other constructive efforts, such as expanded opportunity for convenient registration and voting for every person of voting age and the appointment of minority persons as election officials throughout the jurisdiction and at all stages of the election and registration process.

The criteria of this section would require a jurisdiction seeking bailout to prove that it and all of its political subdivisions have eliminated methods which "dilute equal access" to the electoral process, have engaged in "constructive efforts" to end intimidation and harassment of persons "exercising rights protected" under the act, and have engaged in "other constuctive efforts" in registration and voting for every voting age person and in appointing minorities to election posts. It is totally unclear what a "constructive effort" would be in any of these regards although it is difficult for me to believe that this term is intended to be employed as anything other than a vehicle to promote "affirmative action" principles of civil rights to the voting process.

As Assistant Attorney General Reynolds noted, this element, "would introduce a whole new feature that had not been in the act at the time these jurisdictions were covered and require an additional element of proof other than simply requiring a 10-year period of compliance with the act." This section, indeed, raises new questions regarding bailout criteria not only as to the substantive requirements but also as to proof.

The Assistant Attorney General indicated his concern when he suggested that "what one means by inhibit or dilute * * * would be subject to a great deal of litigation." He further expressed his apprehension as to the constructive efforts requirements:

This is a requirement which does go well beyond existing law. It is also well to remember in terms of the bail-out that the House bill calls for counties to show not only that they can meet these requirements but also all political sub-units within the counties and therefore you are talking, for bail-out purposes, about mammoth litigation that will demonstrate that "constructive efforts" have been made by all of these political subdivisions within the county as well as the county and that they have done

whatever is necessary to insure there is no inhibition or dilution of minority vote.

I believe that the introduction of these new elements will not aid in overcoming past discrimination even if they can be understood. I do believe that they will generate considerable litigation of an uncertain outcome. A reasonable bailout is my goal; and when this element is weighed with that goal, I must resolve that such reasonableness is lost. I agree with Assistant Attorney General Reynolds' comment on the obvious results of such an enactment:

It goes beyond determining a violation of the Act or the Constitution and would require in each bail-out suit full-blown litigation as to whether or not the conduct of the methods of election had either a purpose or effect of . . . discouraging minority participation. That is a very complex kind of litigation to go through in a bail-out.

I believe that only a very few jurisdictions will achieve bailout if the current bill becomes law. In this respect, I note the observation of Assistant Attorney General Reynolds in response to a question about the likelihood of jurisdictions bailing out under the House measure:

Or assessment is that there are very few, if any, jurisdictions that would be able to bail-out of coverage for a considerable period of time.

I also believe that there are hundreds, perhaps thousands, of jurisdictions which merit immediate release for the preclearance requirement. If a jurisdiction has been free of discrimination for a period of 10 years and can prove that in court, I believe that bailout should be granted. If there are any communities which do discriminate, they could be excepted from the bailout order. In this way, deserving jurisdictions would no longer be held responsible for the discriminatory action of other communities. Any further requirement indicates a degree of distrust which is simply not justified by the current evidence. In my opinion, the current bill does not contain a reasonable bailout and, as a practical matter, does not contain any bailout at all.

My third concern relates to the fact that the current bill, in effect, extends the preclearance provisions of the act for 25 years. In 1965, when the original Voting Rights Act was adopted, the preclearance provisions were to extend for 5 years. Subsequent action by the Congress extended coverage for an additional 5 years and then 7 more years.

Now it is proposed to extend the preclearance requirement for a period five times as long as the period chosen in 1965. Yet, there is unanimous agreement that conditions in the covered jurisdictions are much different today and vastly improved. For example, Ms. Ruth Hinerfield, representing the League of Women Voters, testified that:

The extraordinary conditions that existed at the time of Katzenbach, of course, are not the conditions that exist today and I think that we are all grateful for that fact.

While such figures are not conclusive, it is interesting to note that registration rates for minority voters in such covered states as Alabama, Louisiana, Mississippi, and South Carolina exceed the national average minority registration rate.

Mr. President, I want to repeat that sentence. It is interesting to note that registration rates for minority voters in such covered States as Alabama, Louisiana, Mississippi, and South Carolina exceed the national average minority registration rate.

Minority registration, since the passage of the Voting Rights Act, has risen substantially in every covered State. In Mississippi, for example, it has risen from 6.7 percent in 1964 to 72.2 percent in 1980, significantly surpassing minority registration rates in such noncovered jurisdictions as New York, 46.5 percent; New Jersey, 48.9 percent; and Kansas, 40.3 percent.

Despite this dramatic difference in circumstances, the temporal measure in the current bill is five times that in the original act. Frankly, this situation flies in the face of reason and cannot be justified. Citizens in the covered jurisdictions must now contemplate 42 years of Federal intervention in State and local electoral practices and procedures, with the last 25-year period legislated on the basis of a record which can favorably be compared with conditions in many parts of the Nation not subject to preclearance.

Serious constitutional questions are raised by this situation. The constitutional foundation of the Voting Rights Act rested, in large part, upon its temporary and remedial nature. While recognizing that the act was an "uncommon exercise of congressional power," the Supreme Court in South Carolina against Katzenbach nevertheless concluded that:

Exceptional circumstances can justify legislative measures not otherwise appropriate.

While recognizing the intrusions upon traditional concepts of federalism by the Voting Rights Act, the Court upheld the preclearance procedure as a purely remedial measure premised upon the enforcement authority of Congress under section 2 of the 15th amendment.

It is difficult for me to understand how such circumscribed authority in Congress can justify a 25-year extension of this "uncommon exercise" of legislative power. If the justification for the Voting Rights Act is the existence of "exceptional" circumstances in the covered jurisdictions, primarily in the South, as stated by the court in Katzenbach, and reiterated more recently in City of Rome against United States, by what authority is Congress able to enact legislation requiring 25 more years of preclearance?

Proponents of the bill would argue that new bailout provisions mitigate the 25-year extension of the preclearance obligation, but this would be the case only if the bailout were reasonably designed to afford an opportunity for release from preclearance by those jurisdictions within which "exceptional" circumstances no longer existed. I believe strongly that such is not the case. As I have discussed, it is my view that the bailout is wholly unreasonable and affords merely an illusory opportunity to be released from coverage.

Thus, my three concerns remain unabated. In each case, the bill, in its current form, denies an important reality. We are assured that the problem of proportional representation has been eliminated; but it is admitted and generally understood that proportional representation may result from court orders remedying a section 2 violation. We are assured that the current bill includes a bailout provision when, in reality, only a very few jurisdictions will ever achieve bailout. We are asked to accept a 25-year extension when, in reality, the record barely justifies any extension at all.

The explanation for this situation is painful, but obvious. The emotional nature of these issues has severely limited reasoned analysis, and the deliberative process has been seriously marred by rhetoric. The understandable willingness of many of my colleagues to support a voting rights, act has been, for some, transformed into a willingness to support practically any voting rights act. Moreover, this unfortunate tendency has been encouraged by the activities of a single powerful interest group, which has seemed to exercise a veto over the provisions of the bill.

I propose that the Senate debate on the current bill become the occasion for a realistic examination of the problems we seek to remedy, with the objective of enacting legislation which is fairly responsive to those problems. Specifically, I propose that the Senate enact amendments which deal effectively with proportional representation, which establishes a reasonable bailout, and which extend the preclearance provisions, for an appropriate period of time, not 25 years.

I sincerely hope that my colleagues in the Senate will join me in seeking an adequate response to the concerns which I have addressed so that I can, in good conscience, vote for final passage of the bill.

Again, I wish to state that it is my sincere desire to support this bill. I hope, in all fairness to the States and counties subject to the preclearance requirement, that a reasonable bailout provision can be formulated and in-

cluded in this bill before the vote on final passage.

Mr. HOLLINGS. Mr. President, I regret that I take the floor this afternoon to clarify the RECORD and more particularly to respond to a reference made to me. No one likes a dispute with his colleague, and certainly it is not my intent to have a dispute with my senior colleague. I respect him. He has done an outstanding job as our President pro tempore. I have followed him, and you can see our votes on many occasions have been very similar votes.

A little bit earlier, Steve Kelly of the Charlotte Observer called and asked that I comment on the statement made by my senior colleague:

He is running for President. Otherwise, it would be an unheard of thing for a Senator to speak against his own State and his own people.

I happened to be in a Budget Committee meeting at the time.

I regret that statement very much and I asked, please, to see some of Senator THURMOND's comments on the floor. Now I have those comments. I will proceed as as I did on yesterday.

My appearance on yesterday was to give a feel, Mr. President, to this particular debate that had not been given which came to my attention when I had followed the comments of the distinguished Senator from North Carolina, Senator EAST. I noted his complete bewilderment at anyone voting for the extension of the Voting Rights Act, and his characterization of the burdens, his characterizations of the inequities, his characterization of the unfairness, the public unfairness, pertaining to the political entity. In fact, I took off on the characterization, he said, about the State being a prisoner. I tried to counsel in good faith. The Senator from North Carolina said we were "all honorable in this debate," and I still believe that.

He said that the State was the prisoner and I counseled with him and I said, "Really, Senator, the individual black has been historically that prisoner, from which he continues to struggle for escape."

I measured my comments, realizing, of course, that some nitpicking member of the press would immediately try to distort them. After being in public office for quite some time now, you can almost see what you are stating on the floor of the Senate, how it is going to be carried in this newspaper and how it is going to be carried in that newspaper. Maybe we have gotten a little too cynical or gunshy. I will quote from the RECORD on yesterday:

The reason I picked this is because I do not want the media to say that Senator Hollings ran down his State of South Carolina in order to engender the black vote, and all he is doing up here is just putting on a show for the black vote.

I was suspicious that this could have come from the media and not, of course, from my senior colleague.

I refer to my senior colleague's statement taken in conjunction with that particular inquiry. I quote from the statement of Senator STROM THURMOND, of South Carolina, on the Senate floor, reference S. 1992, the Voting Rights Act Extension, June 17. He starts:

Mr. President, I do not agree with the remarks of my distinguished colleague concerning the State of South Carolina which were given yesterday on the floor of the Senate. I rise today to provide my views of my State and its citizens.

Yesterday's statement by my distinguished colleague from South Carolina, regrettably, focused entirely on the negative aspects of our State and its citizens in the past and failed to present the positive aspects of South Carolina today.

Now, Mr. President, I can refer to a closing statement by the distinguished senior Senator from South Carolina where he says, "In conclusion, I would like to restate my hope that the debate on this bill will be accurate throughout."

In that context, I take the floor.

Did this Senator from South Carolina focus on the negative aspects of the citizens of the past and fail to present the positive aspects?

Quoting, if you please, Mr. President, from yesterday, I said there on page 13793, "We are not trying to expose ourselves on the floor of the U.S. Senate. But if this debate is going to continue," and then I went on continuing trying to bring candor to it and a balance, as the senior Senator also appeals for, and an experience, I might emphasize, which I still try to bring, that feel, to the distinguished Presiding Officer from Indiana and any who have not been here, particularly my colleague from North Carolina, who came to North Carolina after, if you please, we had argued many of these points and had made the progress.

I related the oath that I had been required to take in order to run, something that my children would not even believe today. I related what the Governor said back in the Brown against Baskin case, what he stated the intent was, and, being cautious, I related positively to the fact that we had made very definite progress. I am reading, "yes, the minorities are being elected to the councils in South Carolina. The chairman of the county council in my particular hometown has been a black; the city judge of my hometown is a black. We have a black police chief."

I went on continuing to describe with pride, and I stated there, "On the contrary, I have very much respect for my State for cleaning this up. I am citing the McCain case as an exception."

That is what I stated affirmatively yesterday, and I repeat:

I am citing the McCain case as an exception, if you please, not the general practice by any manner of means. As I have indicated in the debate, after this becomes law we will have many of our counties come out because they have complied with the law for the 10-year period.

I am talking to the majority of my counties having complied with this Voting Rights Act that is presently on the books and, under the new act to be extended, they would be eligible. I am told now that perhaps as many as two-thirds of the counties would be coming out from under the act. Because of what? Because of the progress made.

I spoke affirmatively about that: "We think this is not only just equal justice under the law"—then I went into the economic factors. I said:

But economically we are not going to advance except together. That is our feel in the society of South Carolina today, and that is why I do not hesitate coming on the floor and clarifying the Senator's particular misgivings about the so-called technicalities and what would be required, because, Senator—

I was addressing at that time the distinguished Senator from North Carolina—

they really, really are not pertinent at all.

So, for accuracy and correctness of the record, in the several instances throughout my presentation I spoke with pride, I continue to speak with pride. I was very, very careful not to go and try to be wound up in a catch-22 situation where, in order to give the feel of the progress made but why the extension was still needed, I would over prove my case and demean my State.

I am not talking, ever, in a demeaning fashion. When I appeared on yesterday and as I appear today, Mr. President, it is in pride of what we have done in equal justice under the law. That is why I say the Voting Rights Act is working. That is why I quoted the attorney general of South Carolina. That is why I quoted the RECORD. That is why I quoted the progress. And that is why I appear today to correct that RECORD.

I go to the effects paragraph of my distinguished senior colleague's statement. He had just stated and said, "Let me state it twice so there will be no misunderstanding." I quote from the statement he made:

I am proud to state that the rate of voter registration in my State is now considerably more than a majority of each race: white 57.2 percent, black 61.4 percent.

That is the same percentage I used on yesterday. But I had not gotten off the floor very long, having used the RECORD statement, one that appeared as submitted by the distinguished Senator from North Carolina, before I was corrected. The 57.2 percent white voter registration figure in South

Carolina and 61.4 percent black voter registration figure that was used to establish the rate of voter registration are wrong. I am mistaken and the distinguished senior Senator is mistaken. We are both wrong. These percentages are based on a sample survey.

If you look closely at the chart that was submitted and is in the RECORD by the Senator from North Carolina, it is not a census count. The figures are based on estimates and assumptions that are not accurate. The sample survey printed in the RECORD is "Chart B. Reported Registration of States, By Race" at page S6791, on June 15, 1982. It uses estimates in arriving at its numbers. First, the registration figure used is arrived at through sampling techniques, not actual registration figures.

Second, the sampling techniques have a built-in error rate because of the way the sampling is conducted and the projections are made.

Further, the population figures used for this information are inaccurate in that, Mr. President, they are estimates for 1980 rather than actual 1980 census figures. We all know that the 1980 census figure was not available until a year or so later.

But in South Carolina, Mr. President, we are fortunate to have accurate figures. We only refer to the voter registration figures for South Carolina kept by our own registration board in that State, the South Carolina Election Commission. The figures indicate the white voter registration percentage is 58.4 and black is 53.8, below the national average, and the percentage difference is in reverse. That is, the white voter registration was cited as in, I would say, lesser amount than the figures used yesterday and earlier today by my distinguished senior colleague. We were both mistaken, I acknowledge.

Actually, the white voter registration is higher, 58.4 percent, and for blacks, it is 53.6 percent.

I refer further now to the senior Senator's statement, not in its entirety. I would be glad to; there is no intent here, as I say, to be in dispute. Rather, the intent here is to clarify the RECORD.

The distinguished senior Senator said earlier today, quoting:

> During the recent Senate hearings on this legislation, there was no evidence that anyone in my State is being denied the right to register or vote.

I take marked exception to that and its accuracy. My distinguished senior colleague serves as chairman of the Senate Committee on the Judiciary. On February 11, 1982, before the Subcommittee on the Constitution of the Senate Judiciary Committee appeared a witness. "There was no evidence?" On the contrary, Thomas C. McCain, of Edgefield, S.C., appeared and he cited the McCain against Lybrand case. He said:

> I would like to give you two copies of Judge Chapman's orders which have the findings of fact, the order marked April 17, 1980.

That is the reason, Mr. President, if you please—if you please, Mr. President, that is why I went to the RECORD, because we do not want to try to overprove our case.

Senator THURMOND and I are both familiar with the Dillon County case. If not perhaps a case of minorities not being permitted to vote, on the contrary, people have gone to jail for putting more minorities on the books and voting them when they did not even exist.

In the last race in which I was reelected in 1980, we had friends involved in that particular case. We know that Federal examiners served in Darlington County and Marion County in 1978. I could have referred to the complaints when they made them, the NAACP and others, to me. I could refer to the U.S. attorney who from time to time, every time we have an election, is called with election complaints.

I did not want to go and have hearsay testimony. I said to myself I knew I would raise an issue in trying to bring the feel of what had occurred, the tremendous progress made, the participation and the added numbers of minorities, by the thousands and thousands, that had come into the electoral system of South Carolina under the Voting Rights Act. Knowing the act had passed in 1965, I knew, and I was asked by the Senator from South Carolina, you can tell—they say, "Oh, we do not need it now." Well, I knew if I quoted one of Senator THURMOND's best friends and one of my best friends, Judge Robert Chapman—we both just recommended him to the Senate, not for errors; on the contrary, for being an outstanding jurist and the former chairman of the Republican Party of our State. He has now been elevated by the U.S. Senate as a man of integrity and good service to the bench of the Fourth Circuit Court of Appeals. I know if I took his findings of fact, they would not be saying, and I said several times yesterday and quoted, that the order had been reversed "on account of the Mobile case."

There is no question that Judge Chapman's order in the McCain against Lybrand case, April 17, 1980, changed as a result the U.S. Supreme Court's opinion, announced on April 22, 1980, in the Mobile case. This opinion, we all know, Mr. President, changed the law from a "results test" to an "intent test." It did not, in any way, however, change the findings of fact. In fact, that is emphasized in Judge Chapman's order.

So, when the distinguished Senator, quoting again, said: "Second, the judge in this case has admitted that he initially applied the wrong legal standard," by way of emphasis, let me point out, Mr. President, it was not the wrong legal standard at the time Judge Chapman applied it. It was the right legal standard. Judge Chapman applied it correctly. The standard was changed by the U.S. Supreme Court 5 days later and they changed it to an "intent test" rather than a "results test," which we are all familiar with.

That did not change Judge Chapman's Findings of Fact.

I quote now from the senior Senator from South Carolina:

> Just as the judge admittedly made an error of law, many people feel he made an error in arriving at the facts.

I do not know about that. That is an honest difference of opinion between my senior colleague and myself, and we would have that honest difference of opinion.

I quote further:

> Although we might all wish otherwise, it is simply an indisputable fact that trial judges sometimes make errors such as using the wrong legal standard or in findings of facts.

Again, Mr. President, by way of emphasis to correct any kind of misimpression there, it was not the wrong standard, and certainly it is the Finding of Facts that remain unchanged that I rested my appeal to Senator EAST on yesterday to try to transmit to him the feeling that I had, having gone through this. I did not go into the changes in the different demands. I could have gone into many, many things.

As Governor of South Carolina, the distinguished U.S. Attorney General, Robert F. Kennedy, later a Member of this body, had me on the phone. He was sending FBI agents into Clarendon County, S.C. He said:

> Governor, they have burned the records down in Alabama, and we are now having to seize the records and go door to door and check people that voted.

I said:

> General, let me tell you here and now I am in charge of law and order in this State, and you have got access to any and every record. I will photostat those records for you, but there will be no seizure of them. Those records are under the jurisdiction of this particular State and this particular Governor, and we are not playing monkeyshines or games with the voting practices, and we are not burning any voting records.

So we paid in South Carolina to have Pete Strom, a good friend of the distinguished senior Senator and mine, photostat those records. He is still the chief of the South Carolina Law Enforcement Division today, and he would relate that particular experience to us.

I could go on and talk of all the particular things that happened where in-

dividuals in our backyard had a long, hard struggle to come along and be registered and vote and have a feeling of security, have a feeling against intimidation, have a full feeling as an American citizen on election day that they were not going to be hassled, were not going to be intimidated, were not going to be tricked with any kind of test of reading and interpreting a section of the Constitution or any of these other particular practices or requirements that we have had from time to time. I commented that we had come out of that.

Quoting now again form Senator THURMOND'S statement:

This is why we have a system of appeals courts. We realize that occasionally judges make errors, as happened in this case. This error is no indictment of the judge, and certainly this erroneous decision should not be the basis of unjustified criticism about the people of Edgefield County.

Once more, I request indulgence and patience of my colleagues. Judge Chapman did not make the error. He was manifestly correct both in law and in fact at the time of this particular order.

As a result of the change in the law, Judge Chapman had to change his order, but he never made a change in the Findings of Fact.

I ask unanimous consent, Mr. President, at this particular point to include in the RECORD the two Chapman orders which I have referred to.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[In the U.S. District Court for the District of South Carolina, Greenwood Division]

ORDER—CIVIL ACTION No. 74-281

Thomas C. McCain, Ernest Williams and William Spencer, Individually and on behalf of all those similarly situated, Plaintiffs, vs. Charles E. Lybrand, Gene Huiet, Henry M. Herlong, Roy A. Harling, and W. T. Timmerman, Individually and as members of the County Council of Edgefield County; Norman Dorn, John S. Edwards and Richard A. Beals, Individually and as members of the Board of Election Commissioners of Edgefield County, S.C.; and J. M. Pendarvis, Individually and as President of the Executive Committee of the Democratic Party of Edgefield County, Defendants.

This action challenges the method by which members of the Edgefield County Council are elected. Plaintiffs are certain black, adult citizens of Edgefield County and allege that the present method of election violates the one man—one vote principle of *Wesberry* v. *Sanders*, 376 U.S. 1 (1964), and that such system also dilutes the voting strength of the black citizens of Edgefield County in violation of the principles set forth in *Whitcomb* v. *Chavis*, 403 U.S 124 (1971), and *White* v. *Regester*, 412 U.S. 755 (1973).

The defendants are the five members of the Edgefield County Council, the three members of the Edgefield County Board of Election Commissioners and the president of the executive committee of the Edgefield County Democratic Party. Each defendant is sued individually and in his official capacity.

The complaint raises two issues. The first alleges that the present apportionment of the Edgefield County Council dilutes the relative strength of the voters living in Districts One and Three to such an extent as to violate the rights of plaintiffs, and other voters similarly situated, under the First and Fourteenth Amendments to the Constitution of the United States.

The second claim asserts the present apportionment of Edgefield County Council, including holding elections at-large, dilutes the relative strength of the class of black voters of Edgefield County in violation of their rights and the rights of other blacks similarly situated guaranteed by the First, Thirteenth, Fourteenth and Fifteenth Amendments to the Constitution of the United States.

The complaint prays for a declaratory judgment that the Edgefield County plan violates the plaintiffs' constitutional rights; for an injunction prohibiting the defendants from holding further elections under the plan; and for an Order requiring Edgefield County Council to reapportion itself in a constitutional manner.

Defendants deny that the Edgefield County Council is unconstitutionally composed or elected and asks that the complaint be dismissed.

On May 16, 1974, the Court [1] granted a motion for summary judgment by the plaintiffs holding that because of the unequal proportion of certain of the districts within the county that the one man-one vote principle had been violated. On appeal this matter was heard and decided with *Lytle v. Commissioners Election of Union County*, 509 F.2d 1049 (4th Cir. 1974). The Circuit Court found that the Edgefield County plan did not have such a variance or disparity in population among the districts as to require the deletion on constitutional grounds of the resident requirements imposed by the statute. Page 1054. Just prior to the trial of this cause this Court granted defendants' motion for summary judgment based upon the finding of the Appellate Court which states:

"We are of the opinion that the Edgefield County plan, as presently provided by statute, represents a proper balancing of interest and without such population variances among the districts as to require the deletion on constitutional grounds of the residence requirements imposed by the statute under attack. There is not the wide disparity in population among the districts as was the case in Union County. It is not obvious that a minority, either in numbers or in territorial or economical interest, can dominate the Board. The several districts are of sufficient size and numbers that a residence requirement does not appear to be an irrational method of achieving a form of county government, elected by all voters of the county but, through its residence requirement, assuming some attention to territorial interest. We conclude, therefore, that the District Court was in error in invalidating the statutory election procedure for the members of the Edgefield County Board." 509 F.2d at 1054.

The issue remaining is whether the apportionment of the Edgefield County Council, which includes at-large election of the council members and requires that each of the five members of council reside in a separate residency district, dilutes the voting strength of the black citizens of Edgefield County in violation of their constitutional right.

After extensive pretrial discovery this matter was tried before the Court on November 24 and 25, 1975. Thereafter extensive briefs and proposed findings of fact and conclusions of law were submitted by the parties. The matter was then delayed a long time because the Court was advised the South Carolina Legislature would adopt a new plan for Edgefield County. After considering the testimony and over 100 exhibits, as well as studying the applicable Law, the Court makes the following findings of fact and conclusions of law in accordance with Rule 52 of the Federal Rules of Civil Procedure.

FINDINGS OF FACT

1. That the plaintiffs are black citizens of Edgefield County, South Carolina. They are duly registered to vote in that county. Plaintiff McCain lives in District Two of Edgefield County, plaintiff Williams lives in District Three and plaintiff Spencer lives in District One.

2. That the defendants Charles E. Lybrand, Gene Huiet, Henry M. Herlong, Roy A. Harling, and W. T. Timmerman are or were at the time this action was commenced the duly elected and acting members of the County Council of Edgefield.

3. That Norman Dorn, John S. Edwards and Richard A. Beals are or were at the time this action was commenced the acting members of the Board of Election Commissioners of Edgefield County.

4. That J. M. Pendarvis is or was at the time this action was commenced the President of the Executive Committee of the Democratic Party of Edgefield County.

5. That prior to 1966 the county government of Edgefield County consisted of a Board of County Commissioners which was composed of a county supervisor, elected at large in the county, and two commissioners, who were appointed by the governor upon recommendation of the County Legislative Delegation. These two commissioners ran at large for the office and the winners were recommended by the County Delegation to the Governor for appointment. The supervisor had general jurisdiction in the county over roads, bridges, ferries and paupers and in matters relating to taxes, disbursement of public funds for county purposes and in other matters necessary for the internal improvement and local concerns of the county. This County Board of Commissioners did not have power to tax, incur bonded indebtedness, or appoint members of county boards, commissions and agencies or the right of eminent domain nor the right to prescribe procedures for budgeting and accounting. These aforementioned powers belong to the local legislative delegation which at that time consisted of one senator and one or more members of the House of Representatives, all of whom were residents of Edgefield County. These elected officials exercised their powers through the enactment of local bills in the General Assembly.

6. Prior to 1966, the state senator from Edgefield County and the members of the House of Representatives were elected at-large by the voters of Edgefield County. In that year *O'Shields v. McNair*, 254 F. Supp. 708 (D.C.S.C. 1966) required the reapportionment of the State Senate and it became obvious that Edgefield County with such a small population would probably lose its resident senator. Therefore, on June 1, 1966 Act No. 1,104 of 1966 was passed creating Edgefield County Council, which had three

[1] Hon. Sol Blatt, Jr.

members and was elected from the county at-large from each of three residency districts set forth in the Act. Section 4 of the Act vested in Council the power to recommend appointments with the approval of the Edgefield County members of the House of Representatives and the powers of Council were set forth and included the rights: to exercise the powers of eminent domain; to make apportionments and levy taxes, to incur indebtedness, to issue bonds, to order the levy and execution of ad valorem taxes; to prescribe methods for accounting for county offices and departments and supervise and regulate the various departments of the county.

7. By Act No. 521 of 1971 the number of members of county council was increased to five and the residency districts were also increased from three to five.[2]

8. Prior to 1966 county governments in South Carolina had been controlled by the members of the General Assembly and particularly the state senator. Since local acts, "known as Supply Bills" were required to be passed each year to levy taxes and appropriate monies for the operation of the counties, and since these bills required passage by both the House of Representatives and the State Senate, the state senator exercised great control (actually a veto) over the operation of his county. The purpose of Act 1104 and 1966 was to create a strong county government with proper representation from the urban and rural areas. By requiring the candidates for county council to run at-large rather than in single member districts, it was hoped that council members would be responsive to all voters in the county and reduce factionalism or sectionalism. By requiring the candidates to reside in a certain district, one area of the county could not dominate council membership. The at-large feature of the election process was in keeping with the prior election plan for county commissioners and almost all other county officers in South Carolina.

8. The increase in membership from three to five passed in 1971 was made as an effort to provide wide representation on council and to provide rural areas with a greater voice in country government.

9. There was no evidence that either Act 1104 creating county council or Act 521 expanding its membership were enacted for the purpose of diluting black voting strength. But this does not mean that they do not have the effect. The residence districts established by both 1104 and 521 are based upon voting precinct lines of long standing and which anti-date the creation of county council.

10. The South Carolina Attorney General submitted to the Attorney General of the United States the changes made under Act No. 521. After review pursuant to Section 5 of the Voting Rights Act of 1965 the Attorney General of the United States on November 24, 1971 informed South Carolina Attorney General that he interposed no objection to the implementation of Act No. 521.

11. At the time of the Attorney General's letter (November 24, 1971) South Carolina had a "full slate" voting law. (§23-357 S.C. Code 1962). This is no longer the law[3] of South Carolina and minorities, both of race and of party, can increase their effective voting strength by "single-shot" voting, rather than being required to vote for candidates equal in number to the offices to be filled.

12. As of the 1970 census Edgefield County's population was 8,104 black and 7,586 white. The total voting age populaton was 9,364, of which 4,167 or 44.5 percent were black and 5,195 or 55.5 percent were white. Although blacks make up 51.6 percent of the population, they comprise only 44.5 percent of the voting age population, obviously due to the age structure of the black and white polulations of the county.

13. As of July 31, 1975 there were 5,685 registered voters in Edgefield County, 2,254 being black and 3,429 white. Therefore, the black citizens comprise 51.6 percent of the total population 44.5 percent of the voting age popluation and 39.6 percent of the registered voters. For whites these figures are 48.3 percent, 55.5 percent and 60.3 percent respectively. These figures reflect that 54 percent of the black voting population of the county is currently registered to vote.

14. Of the five council districts[4] in Edgefield County two contain a majority of black registered voters. In District Two blacks make up 61.8 percent of the total registered voters and 52.3 percent in District Five. The black percentage in Districts One, Three and Four are 30.8 percent, 36 percent and 18 percent respectively.

District 1: Johnston I, Johnston II, Long Branch,

District 2: Trenton, Central, Bacon.

District 3: Edgefield I, Edgefield II.

District 4: Merriweather, Colliers, Cleveland, Kendall.

District 5: Red Hill, Rock Hill, Moss, Meeting Street, Pleasant Lane.

15 of the 46 counties in South Carolina, Edgefield ranks 37th in size with 482 square miles. According to the 1970 census Edgefield County is 41st in total population and 37th in population per square mile with 32.6 persons per square mile. The rural population is 10,390 or 66.2 percent and the urban population is 5,302. The rural population is 54.3 black and a majority of these persons are located in the northern and eastern parts of the county.

16. Black citizens of Edgefield County now register to vote on an equal basis with whites. As was true in many other areas of the south, it was quite difficult, and often impossible, to register to vote until approximately 30 years ago. At the time of the passage of the Voting Rights Act in 1965 less than 20 percent of the voting age blacks of Edgefield County were registered.

	White	Black
VAP	4,103	3,764
Registration	3,950	650
Percent	96.3	17.3

Source: U.S. Commission on Civil Rights, Political Participation 252-53 (1968).

17. The Democratic Party has always dominated government in Edgefield County. Until the past 15 years the primary of this party was the only meaningful election anywhere in the state. Blacks were excluded from participation in the Democratic primaries until *Elmore* v. *Rice*, 72 F.Supp. 516 (E.D.S.C. 1947) aff'd, 165 F.2d 387 (4th Cir. 1948). But even after this landmark decision blacks in Edgefield County found it very difficult to register and threats were made against some blacks who did register.

18. No black ever received a Democratic nomination or been elected to public office in a contested election in Edgefield.[5]

19. Blacks now participate in the affairs of the Democratic Party and this participation has grown in recent years. Blacks have participated within the organization of the Democratic Party and in the selection of its officials. They have also participated in organizing the precincts. At the 1974 County Convention for the Democratic Party approximately one-third of those in attendance were black. Of the 15 delegates elected by the County Convention to the State Convention of the Democratic Party, four were black. The Edgefield Democratic Party has a black vice-chairman and the alternate committeeman to the State Executive Committee is also a black.

20. Until 1970, no black had ever served as a precinct election official, and since that year the number of blacks appointed to serve has been negligible, although the percentage of registered voters who were black ranged from 33 percent in 1970 to 40 percent in 1974. The figures, arranged separately for primaries, general elections and a school board election, are as follows:

	White	Black	Black (percent)
Primaries:			
1970	68	4	5.5
1972	69	4	5.4
1974	55	9	10.8
All primaries	192	17	8.1
General elections:			
1970	87	7	7.4
1971	50	1	1.9
1972	86	13	13.2
1974	58	12	17.1
All general elections	281	33	15.4
School board election:			
1974	34	4	10.5
Total (all elections)	507	54	9.6

Elections conducted in 1970-1974 are as follows:

1970: School Board, Primary, General.

1971: Special General.

1972: Primary, General.

1974: School Board, Primary (including runoff), General.

By analyzing these elections, it was possible to get a clear picture of how elections take place in Edgefield County. The Court's overall finding is that blacks were virtually totally excluded up to 1970, and that since that time they have progressed to minimal tokenism.

21. The race of those appointed to serve as precinct election officials has traditionally been regarded as an important barometer of the degree of minority participation in the voting process. In Edgefield County, precinct workers are appointed not by precinct officials but by county officials—the County Democratic Executive Committee for primary workers, and the County Election Commission for general election workers. Evidence concerning the past few years' elections in Edgefield County showed exclusion of blacks (by officials exercising state

[2] These five members are elected for four-year terms at staggered two-year intervals.

[3] This change resulted from a black challenge in *Stevenson* v. *West*, C.A. 72-45 (D.S.C. unreported case 4/7/72). S.C. republicans had failed in their suit eight years earlier. *Boineau* v. *Thornton*, 235 F.Supp. 175 (D.S.C. 1964), aff'd 379 U.S. 15 (1964).

[4] The residence districts follow precinct lines, as follows:

[5] A black was appointed to a vacancy on the County School Board and has been unopposed in subsequent elections.

action) in a critical part of the election process.

22. Of the 17 precincts in Edgefield County, fully 8 have never had a black person serve at the polls, at any of the eight elections conducted since 1970, primary, general, or school board. These precincts are shown below, with the total number of white officials who have served during this period:

	White	Black
Bacon	27	0
Central	27	0
Cleveland	28	0
Colliers	30	0
Kendall	30	0
Long Branch	27	0
Moss	26	0
Red Hill	30	0

23. Even among precincts whose voters are predominately black, county officials and county Demoractic Party officials have refused to appoint any significant number of black precinct workers. The number of precinct workers, by race, for all elections since 1970 is shown below for the 5 precincts which are majority black:

	Black registration (percent)	White	Black	Black (percent)
Johnson I	51	38	5	11.6
Meeting Street	55	28	1	3.4
Pleasant Lane	68	24	2	7.6
Rock Hill	80	28	1	3.4
Trenton	66	35	[1] 10	22.2
Total		153	19	11.5

[1] Five of the 10 black workers appointed at Trenton (McCain's precinct) have come in the 2 elections since black voters captured control of the precinct during the 1974 precinct organization meeting. Even in both those elections, a majority of the workers appointed were white.

24. The evidence also showed that in each election certain officials are given greater responsibility [Edwards testimony] and work and are paid for more than one day. Records for the 1971 and 1974 elections showed 4 whites and no blacks in these positions. (During the 1972 election some precincts worked all workers for two days, but here again 22 whites worked more than the minimum number of days, compared to 0 blacks.)

25. Evidence was also presented concerning the race of the precinct Democratic Committee members. The number of such precinct officials, by race, for 1970 and 1974, is shown below:

	White	Black	Black (percent)
1970 (12 precincts reported)	34	1	2.8
1974 (17 precincts)	43	4	8.5
Total	77	5	6.1

26. The evidence established that voters in Edgefield County, when confronted with a race between black and white candidates, vote along racial lines. This behavior pattern is very clear as to white voters, many of whom will not vote for a black candidate. This fact is evident both from a visual examination of election results and from the statistical analysis of those results done by plaintiffs' expert witness, Dr. John Suich.

27. Four black candidates have run for office in Edgefield County, 1970-74, two for school board in 1970 (Lanham and Senior), one for County Council in 1974 (McCain), and one for South Carolina House of Representatives in 1974 (Brightharp). One of these candidates, Brightharp, also was in a runoff.

28. Examination of the election results shows an extraordinarily high correlation in every election between the votes received by a black candidate and the racial composition of the precinct. This is true for all precincts, but is especially clear in the precincts which are virtually all white. In these precincts, in each election, the votes cast for black candidates ranged from zero to just a handful:

1970 SCHOOL BOARD ELECTION

	Black registration (percent)	White	Black	White	Black
Colliers	8	66	2	68	0
Long Branch	10	30	5	30	5
Red Hill	1	92	0	92	0

1974 SCHOOL BOARD ELECTION

	Black registration (percent)	House		County council		House runoff	
		W	B	W	B	W	B
Cleveland	5	45	0	37	4	49	4
Colliers	4	81	2	78	6	87	4
Long Branch	12	45	3	43	7	51	5
Red Hill	1	66	0	53	9	67	5

29. The Edgefield County pattern of racial bloc voting was confirmed by plaintiffs' expert witness, Dr. John Suich, who testified that the statistical correlation between the race of the voter and the race of the candidate was extraordinarily high, in the range of 0.90 (on a scale of −1.00 to +1.00) for each election in which a black candidate has run. Dr. Suich testified that the correlation was not just statistically significant but overwhelming, and the Court agrees. The correlation between race and voting pattern went up, not down, from 1970 to 1974.

30. The testimony also showed that in both 1970 and 1974, each of the two black candidates received almost identical numbers of votes in each precinct. This was true for each precinct, but again was especially marked for those precincts which are virtually all white. In 1970, for example, the two black candidates lost to the two white candidates by identical votes in the precincts of Central (43-6), Cleveland (51-1), Kendall (66-18), Long Branch (30-5), and Red Hill (92-0). In six more precincts, the difference between the two blacks (and, correspondingly, between the two whites) was three votes or less. In 1974, the two black candidates lost in Central by identical votes of 35-14, and the votes in eight other precincts varied by eight votes or less.

31. The nearly identical votes cast for the two black candidates in 1974 were the more striking because of the evidence about the differences between them. T. C. McCain has long been known as an "activist" and has been engaged in many controversies with county officials. George Brightharp has not been engaged in controversial issues and has had a relatively close relationship with county officials and other white people. The evidence shows that these differences were wholly outweighed by the one common characteristic shared by McCain and Brightharp—their race.

32. The testimony of plaintiffs' witness Brightharp and defendants' witness H. Sam Crouch shows that blacks do not have equal access to the election process and the present system dilutes their strength. Brightharp testified that he had decided to run for office in the hope that voters would decide on the basis of issues or the merits of the candidates and in the hope that racial politics was a thing of the past. After analyzing the election and the returns, he concluded, sadly, that racial politics is ever present in Edgefield County, and that because of it, blacks are not able to participate fairly as Edgefield County voters.

Mr. Crouch, Secretary of the Edgefield County Democratic Party, testified that blacks do not participate as equals in the electoral process of Edgefield County, and that the present system is the legacy of a long history of racial segregation. He said that there has been some improvement but it must come slowly, and indicated that no greater speed would be possible voluntarily—that it would take a court order.

33. Juries: Blacks were historically excluded from jury service in Edgefield County. As late as 1968 and 1970, the grand jury had no blacks at all, while the trial jury venires in those years had few blacks. It was not until suit was brought in 1971 that the jury list was reconstituted to include blacks fairly. *Bright* v. *Thurmond*, CA No. 71-459 (D.S.C. 1971).

34. Chain Gang: The Edgefield County Council historically kept the county chain gang segregated by race, until a suit was brought in 1971. *Carracter* v. *Morgan*, CA No. 71-314 (D.S.C. Nov. 17, 1971); 491 F.2d 458 (4th Cir. 1973).

35. Blacks have been excluded from county employment by the County Council, even up to the present. No current black employee began service before 1971. Until the very eve of trial in this case, black employment was negligible. It was only when trial was about to begin that the County suddenly began hiring blacks in any numbers.

	White	Black
As of Sept. 1, 1975	33	4
From Sept. 1, 1975 to Nov. 12, 1975	8	11

In addition, blacks are heavily concentrated at the lower wage levels. Of the last minute hires, none of the 11 blacks earns more than $5,460, while none of the 6 white males earns less than that figure. (Two white females earn less than $5,460. For all county full-time employees, the salary levels are as follows:

	White		Black	
	Male	Female	Male	Female
Less than $5,460	0	7	1	4
$5,460	2	0	7	0
More than $5,460	22	6	2	0

36. Blacks have been excluded by the County Council in appointments to county boards and commission. The date of trial membership of boards and commissions appointed by the County Council is as follows:

	White	Black
Fire Study Committee	7	0
Human Relations Commission	10	9
Emergency Ambulance Service Board	3	0
Airport Commission	3	0
Planning Board	7	2
Tech District	1	0
Board of Tax Assessors	5	0

	White	Black
Tax Board of Appeals	3	0
Center for Mental Health Services	1	0
Health Professional Scholarship Board	5	0
Registration Board	3	2
Mini-Bottle Commission	6	1
Alcohol and Drug Abuse Commission	6	1
Hospital Board	7	0
Water and Sewer Authority Board	4	1
Migrant Health Program	9	0
Department of Social Services	3	2
Upper Savannah Regional Planning Board	3	1
Senior Citizens Council	9	6
Total	95	25
Total excluding Human Relations Commission and Senior Citizens Council	76	10

37. The Human Relations Committee was described by two witnesses, T. C. McCain and Willie Bright. McCain testified that he had been instrumental in persuading the County Council to create such a committee, and that the Council had set a condition that there be a white majority and white chairman. Bright a member of the Committee, confirmed McCain's account of the Committee's origin, and testified that after a few meetings, the chairman (white) resigned, and was replaced by another white. After one more meeting, the new chairman never called another, and the Committee had become defunct. When asked on cross-examination why the black members had not called a meeting themselves, Bright testified that the lifelong traditions of Edgefield County and the conditions under which the Committee had been set up did not allow for any such exception to white dominance.

38. The public schools of Edgefield County were historically segregated by race. School officials' first response to the ban on school segregation did not come until well after the 1954 *Brown* v. *Board* decision, and was a "freedom of choice" plan which resulted in fewer than 3% of the black students attending school with white students. It was not until September 1970 that any appreciable amount of desegregation took place, under a plan finally approved by the U.S. Department of HEW. After formal desegragation began to take place there was an effort by school trustees to maintain the racially discriminatory character of the schools. Under the school board's 1970 plan, Strom Thurmond High, the formerly white school, was designated the high school for all students. It kept "Confederate Rebel," and "Dixie" as the school nickname and school song, and kept the use of the Confederate Flag as the school symbol at athletic and other events. Black citizens complained that Strom Thrumond High was being maintained as an essentially segregated school, and that the school symbols were badges of slavery, white reacism and were degrading indicia of second-class citizenship for blacks. The school board promptly resolved that "the existing traditions now in force in all schools of the system will continue," and secured an ex parte injunction against blacks' gathering or demonstrating against the school policies. Blacks affected by the injunction were never able to obtain a hearing on their motion to dissolve the ex parte injunction, which led this Court to vacate it. *McCain* v. *Abel.* CA No. 70-1057 (D.S.C. 19).

39. Blacks in Edgefield County have a much lower socio-economic status that do whites. Blacks as a group have smaller incomes, less education and fewer employment opportunities.

CONCLUSIONS OF LAW

1. The Court has jurisdiction pursuant to 28 U.S.C. 1331(a), 1331 (3) and (4) and 2201. Also pursuant to Rule 23 of the Federal Rules of Civil Procedure the Court has the power to consider an act upon application for establishing a class action.

2. The Court finds that the necessary requirements of Rule 23 have been met for the maintenance of the class action since the class is so numerous that the joinder of all members is impractical, there are questions of law and fact common to the class, claims or defenses of the representative parties are typical of the claims or defenses of the class and the representative parties will fairly and adequately protect the interest of the class. The class is composed of all black citizens who are residents of Edgefield County, South Carolina.

3. This action is brought for declaratory and injunctive relief alleging deprivation under color of law, statute, ordinance, regulation, custom or usage of certain rights and privileges secured to the plantiffs by the Constitution and laws of the United States and such suits is authorized by 42 U.S.C. 1983. The plaintiffs claim constitutional deprivation of rights secured by the First, Thirteenth, Fourteenth and Fifteenth Amendments to the Constitution of the United States.

4. Since the plaintiffs have made a constitutional attack on the form of government now in use in Edgefield County, South Carolina and the method of electing the members of County Council and the residential requirements of these members, the plaintiffs have the burden of proof and must establish their claim by the greater weight or preponderance of the evidence in establishing that the political processes leading to the nomination and election of candidates to County Council are not equally open to participation by blacks and that members of the class have less opportunity than do white residents of the county to participate in the political process and to elect representative of their choice. *White* v. *Regester,* 402 U.S. 75 (1973). *White* also holds that it is not enought that plaintiff show that a racial group allegedly discriminated against has not had legislative seats in proportion to its voting potential. It must prove that the election process is not equally open to participation by the minority group. This has been proved in the present case.

5. The Supreme Court in *White* v. *Regester* identified several factors indicative of denial of access to political process. Among these are:

a. A history of official racial discrimination which touched the right of the minority to register and vote and participate in the democratic process;

b. An historical pattern of a disproportionately low number of the groups' members being elected to the legislative body.

c. A lack of responsiveness on the part of elected officials to the needs of a minority community;

d. A depressed socioeconomic status which makes participation in community processes difficult;

e. Election rules or party rules requiring majority vote as a prerequisite to nomination.

Other indicia were added by the Fifth Circuit in *Zimmer* v. *McKeithen,* 485 F.2d 1297 (5th Cir. 1973). These include:

a. Poll taxes

b. Literacy test

c. Property ownership requirements for running for office

d. Disproportionate education, employment, income levels and living conditions.;

e. Bloc voting—polarized voting by race;

f. Segregation principles adopted by political parties;

g. Requirement for majority vote to be elected;

h. Prohibition against single-shot voting;

i. Systematic exclusion from juries, and

j. Levy of taxes to maintain a dual school system.

While many of these restrictions have been removed i.e. single-shot voting now allowed, no poll tax, no literacy test, unified school system, jury selection open to all registered voters, there is still a long history of racial discrimination in all areas of life. There is bloc voting by the whites on a scale that this Court has never before observed and all advances made by the blacks have been under some type of court order.

Participation in the election process does not mean simply the elimination of legal, formal or official barriers to black participation. The standard is whether the election system as it operates in Edgefield County tends to make it more difficult for blacks to participate with full effectiveness in the election process and to have their votes fully effective and equal to those of whites. Black voters have no right to elect any particular candidate or number of candidates, but the law requires that black voters and black candidates have a fair chance of being successful in elections, and the record in this case definitely supports the proposition and finding that they do not have this chance in Edgefield County.

If black candidates lose in the normal give-and-take of the political arena then the courts may not interfere. And under no theory of the law can a court direct a white to vote for a black or a black to vote for a white. However, if there is proof, and there is ample proof in this case, that the black candidates tend to lose not on their merits but solely because of their race, then the courts can only find that the black voting strength has been diluted under the system and declare the same unconstitutional.

Black participation in Edgefield County has been merely tokenism, and even this has been on a very small scale. Black workers at the polling places are appointed by the white controlled democratic party and blacks have been poorly represented even in predominately black precincts as the above findings of fact reflect.

There can be no other explanation for the amazing votes reflected in Findings of Fact 28-30 except that whites absolutely refuse to vote for a black.

The County Council has not been responsive to the needs of black citizens, even though they make up a majority of the population of the county. The small number of blacks employed by the county, their pay scale, the small number of blacks appointed to various county committees and the nature, duties and responsibilities of these committees are stark proof of official neglect and unconcern on the part of the Edgefield County Council. There are 120 positions on various boards and commissions appointed by the present County Council. Of these 25 are held by blacks, with 9 of the positions being on the now non-existent human relations committee and 6 of the remaining 16 being on the senior citizens counsel. Of the 19 different boards and commissions black serve on only 9.

No black has been elected to County Council, the state legislature or any county-wide office. The black serving on the school board obviously serves as a token and at the pleasure of the white power structure.

Normally the majority vote requirement and run-off elections to insure a majority do not dilute black voting strength but in combination with all the other evidences of discrimination, bloc voting and disregard for needs of black citizens the majority vote requirement, run-off elections and even staggered terms of the members of council tend to dilute the voting strength of the blacks.

The present at-large voting plan is aggravated by the fact that there is only one party politics in Edgefield County, because there is no competition between parties and no need for the existing party to seek black support.

All these factors when coupled with the strong history and tradition of official segregation and discrimination draws the Court to the inevitable conclusion that the rights of the blacks to due process and equal protection of the laws in connection with their voting rights have been and continue to be constitutionally infringed and the present system must be changed.

It is, therefore, ordered that judgment be entered in favor of the plaintiffs and that the defendants are hereby enjoined from holding any further elections for Edgefield County Council until a new and constitutional method of electing members to County Council has been adopted pursuant to applicable state law.

It is further ordered that the Court shall maintain jurisdiction of this case during the interim and while the plan is being adopted in accordance with the provisions hereof.

[In the U.S. District Court for the District of South Carolina, Greenwood Division]

ORDER—CIVIL ACTION No. 74-281

Thomas C. McCain, et al., Plaintiff, vs. Charles E. Lybrand, et al., Defendant.

This matter is before the Court as a result of a motion filed by defendant pursuant to Rules 59(e) and 60(b) asking the Court to alter, amend, or vacate its Order and Judgment entered April 17, 1980, and April 22, 1980, respectively. This Court's Order of April 17 invalidated and declared unconstitutional the method by which members of the Edgefield County Council are elected and the judgment enjoined the defendants from holding any elections pursuant to the present plan.

The present motion to alter, amend or vacate is made upon the authority of a decision of the United States Supreme Court issued April 22, 1980, *City of Mobile, Alabama* v. *Bolden, et al.* U.S. , No. 77-1844, decided April 22, 1980. The Mobile case decided that an action by the State that is racially neutral on its face violates the Fifteenth Amendment only if motivated by discriminatory purpose. The Court went on to hold that to prove such discriminatory purpose it is not enough to show that a minority group has not elected representatives in proportion to its number, but must prove that the disputed plan was "conceived or operated as a purposeful device to further racial discrimination."

In this Court's Order of April 17, 1980 it relied heavily upon the standard set forth by the Fifth Circuit in *Zimmer* v. *McKeithen*, 485 F.2d 1297. In *Mobile* the Court referring to *Zimmer* stated:

"That case, coming before *Washington* v. *Davis*, 426 U.S. 229, was quite evidently decided upon the misunderstanding that it is not necessary to show a discriminatory purpose in order to prove a violation of the Equal Protection Clause—that proof of a discriminatory effect was sufficient."

The *Mobile* court pointed out that there had been a finding in the *Mobile* case that no Negro had ever been elected to City Commission because of the pervasiveness of racially polarized voting, and the trial court further found that city officials had not been as responsive to the interest of Negroes as to whites and concluded that the political processes in *Mobile* were not equally open to blacks, even though they registered and voted without an appearance. The Court further found that a proof of an "aggregate" of the *Zimmer* factors does not prove discriminatory intent or unconstitutional discriminatory purpose.

As to past discrimination the Court stated:

"But past discrimination cannot, in the manner of original sin, condemn governmental action that is not itself unlawful. The ultimate question remains whether a discriminatory intent has been proved in a given case."

As to the at-large electoral system and the majority vote requirement, the Court stated:

"But those features of that electoral system, such as the majority vote requirement, tend naturally to disadvantage any voting minority, as we noted in *White* v. *Regester, supra*. They are far from proof that the at-large electoral scheme represents purposeful discrimination against Negro voters."

A careful reading of *Mobile* and a reconsideration of the evidence in the present Edgefield County case convinced the Court that the plaintiffs have not proved that the voting plan for election of members of County Council in Edgefield County was either conceived or is operated as a purposeful device to further racial discrimination nor was it intended to individiously discriminate against blacks in violation of the Equal Protection Clause. Therefore, the Court's Order entered April 17, 1980 and the judgment entered thereon entered April 22, 1980 must be vacated. Since circumstances have changed since the evidence was originally taken in this case the parties may wish to submit additional evidence on the point that is now the crux of the case—whether the at-large system was conceived or operated as a purposeful device to further racial discrimination.

The Court will allow additional evidence to be submitted on this point and schedules the matter for a further hearing and the taking of any necessary testimony on Thursday, September 4, 1980 at 10:00 a.m. in the Federal Courthouse in Columbia, South Carolina.

Mr. HOLLINGS. Mr. President, I go further, again quoting from the distinguished senior Senator.

Third, even if the suit were to result in a finding of prohibited activity, that certainly is no indictment of all the people of Edgefield County any more than a school discrimination case in Boston or Detroit or Cleveland or Baltimore is a comment on all of the citizens who live in these cities.

Again, Mr. President, by way of emphasis, I said—and I quote—on yesterday:

I have very much respect for my State for cleaning this up. I am citing the *McCain* case as an exception, if you please, and not the general practice by any manner of means.

I was not indicting all the people of Edgefield County. Obviously, I have many, many friends there, and I am proud to have carried those counties politically in my most recent race in 1980 when I was reelected to the U.S. Senate. So I have a tremendous respect and regard for the people of Edgefield. I resist and I reject this characterization that I am indicting all of the people of Edgefield County.

In conclusion, not to be in dispute but only joining with my senior colleague, I point these things out because, as my senior colleague stated earlier today, and I quote:

I would like to restate my hope that the debate on this bill will be accurate throughout.

I have tried to fill a vacuum with respect to the debate on the extension of the Voting Rights Act. I do not know anyone else who has come forward and described what voting conditions were, what they have been over the several years, what they are today, and what we hope will continue under the Voting Rights Act extension. It is something that really in a way I get impatient with and I get a feeling of frustration as to why we are even debating it.

What happens if there is an excess and too many people register? Is there such a thing as too many people registering? Absolutely not. There can be no more than 100 percent. If we can get up to 100 percent from that 58 percent in white and the 53 percent in black, fine. I have always toyed with the Australian idea of taxing people, because they get 99-percent voter participation on a Sunday. I have been down there and observed it. I have been in an election in West Germany, in Bonn, on a Sunday and they reached 90 percent. I come back to the land of the free and the home of the brave and here we are with—I cannot remember the percentage, but President Reagan was elected by 27 percent of the eligible voters. We just do not have more than around 55-percent overall participation in the United States of America. I regret that.

I hope that we will get full participation and this limited participation will not continue. But more than anything else we have to understand that individuals who have lived through this experience have much to overcome.

Those are the kinds of feels that have to come into this debate. This is not an easy problem. We have made progress, and we are proud of it. We would not demean our States. We are proud of South Carolina, and know what the record is. We are not talking against our State for any sinister purpose. But I am trying to contribute this feel at this particular time to this debate, and I regret any other references.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I thank my distinguished colleague for explaining his remarks of yesterday.

I should like to ask him this question: As I understood, he said it is his understanding, that under the bailout, under the present act (S. 1992), two-thirds of the counties in South Carolina will be able to bail out.

Is that the statement the Senator made?

Mr. HOLLINGS. We said a majority, and that is what I used in the statement I made yesterday on the floor of the Senate.

Now I am told by those working in the field that it could be two-thirds of the counties that would get that clearance, because, as we both know, when we referred to this McCain case, it is a matter of record before the Judiciary Committee that it is the exception, not the rule.

Mr. THURMOND. I heartily disagree with that. Under the bailout provisions of the bill we are considering, I wonder if the Senator would agree to name the counties he thinks can bail out?

Mr. HOLLINGS. I will be glad to. I do not have them with me at this time. But if there is any question, if the Senator would allow me to obtain a list of those counties, I am sure I could obtain it.

Mr. THURMOND. I would appreciate it if the Senator would do that. I thank him very much.

(Later the following occurred:)

Mr. HOLLINGS. Mr. President, I have examined the testimony of Assistant Attorney General William B. Reynolds presented to the Senate committee on March 1, 1982, and at pages 129-144 he lists counties that would be affected by the different bailout criteria. He lists 19 counties that would not be eligible right off the bat. That would leave 27 that might be eligible, which is 60 percent. Now, this is not a complete count of counties with nonsubmissions, so there may well be other counties that are blocked by that criterion, but they are now shown on the Attorney General's list. Also, of course, the counties would have to show the constructive efforts, but I assume they would want to do that. Finally, even for counties that are not eligible right away in 1984, some of them will be eligible not long after that. So I think the bailout is workable.

Mr. THURMOND. Mr. President, no part of the country has made more progress in race relations than has the South.

I have some figures here which I should like to cite. These figures are for 1976; however, I believe the 1980 figures would be more favorable.

Registration rates for black voters: Georgia, 74.8 percent; Louisiana, 63 percent; and Mississippi, 60.7 percent; All those are above the national average, which was 58.5 percent. South Carolina, at 56.5 percent, is about at the national average. Alabama is almost the national average at 58.4 percent; and North Carolina was 54.8 percent.

Mr. President, I also point out that there is a larger percentage of black officeholders in the South than in any other part of the Nation. For example, in Louisiana there were 334 black elected officials in 1979. Since then, there have been more, I understand. In Mississippi there were 327, in Illinois, a northern State, 276, in Michigan, 272; in North Carolina, 240; and in Georgia, 237. California had 227. In other words, Mississippi had 334, compared with California, at 227. South Carolina, as I mentioned this morning, had 238 in 1980.

There is a larger percentage of registration in voting in the Southern States covered by this act than in most of the Northern States. There is a larger percentage of black office holders in the Southern States covered by this act, the present act, than will be found in most Northern States.

Mr. President, the only reason for enacting this law to begin with, the only reason my State is under this law now, is that fewer than 50 percent of the people were registered to vote or fewer than 50 percent of those registered to vote actually voted. It was not on account of discrimination. It was not because anybody had been deprived of the right to vote. It was simply the fact that enough citizens did not register to vote or those who registered did not actually vote.

We feel that we have been under this law for 17 years and that we should be allowed to come out from under its preclearance coverage. We feel that we should be able to go into court and prove to a judge that there is no discrimination. That is what we are asking—just a bailout if we are not discriminating.

If a State is discriminating, it should be under preclearance. If it is not discriminating, it should be allowed to come out from under coverage.

Furthermore, I feel that if there is just a little pocket of discrimination in one village or community, the whole State should not be held responsible. It seems to me that the ones who are not guilty should not be punished by being kept under coverage.

Mr. President, no one in my State has come to me and said he has been deprived of the right to vote. I have put out the word that if anybody says he has been deprived of the right to vote, I want him to come to me and let me know, and I will turn that name over to the Justice Department and have them investigate.

No one should be deprived of the right to vote. We want to see everybody vote, regardless of race, creed, color, sex, or whatnot. No one has come to me. I have made speeches all over the State and have reiterated that statement time and time again, and no one has said, "Senator Thurmond, I have been deprived of the right to vote."

In the case that has been referred to, the McCain case, the plaintiff was an unsuccessful candidate, and the case went to the court. I believe it is still pending. In that case, the judge decided the case and made an error in the findings and issued another decree, and in that decree he corrected it. But just as he made an error in findings of law, he could have made an error in findings of fact. Any judge can do that. It is no particular criticism of the judge, but that is what occurred.

We do not want discrimination to occur. We do not want the people in South Carolina to be discriminated against. We do not want the people of this Nation to be discriminated against. We want everybody to vote and have the right to vote.

I say that for the States that have been under this law for 17 years to be put under it again for 25 years more is unreasonable and unfair. We do not think it should be done.

However, I am even willing to go along with that, if we can go into court and show we are not discriminating.

And that is going a long way. In other words, if we can show to a court that there is no discrimination, why should we not come out? Is it not a good thing to give incentive to a State to come out by behaving itself? Is it not a good idea to give a country or a community incentive to come out by behaving itself and not discriminating?

It seems to me from any angle we look at it, there should be a reasonable and a fair bailout where one can prove to a court that there is no discrimination.

Mr. President, I yield the floor.

Mr. MATHIAS and Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. HOLLINGS. Mr. President, will the Senator yield me 1 minute, please?

Mr. MATHIAS. I yield.

Mr. HOLLINGS. I thank the manager of the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the South Carolina voter registration as submitted for the years 1968 to 1982, the actual counts by the South Carolina State Election Commission and the voting age population for South Carolina and actual count as submitted by the South Carolina

Budget and Control Board, Division of Research and Statistics.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

South Carolina Voters Registration [1]

Year	White voters	Black voters	Total voters
1968	652,096	200,778	853,014
1969	640,185	202,679	843,007
1970	665,397	220,303	888,894
1971	607,794	202,319	810,292
1972	772,603	260,749	1,033,688
1973	673,647	228,226	902,187
1974	736,302	261,110	997,808
1975	673,555	230,438	904,344
1976	827,810	284,926	1,113,361
1977	740,127	257,406	998,100
1978	804,742	291,486	1,097,001
1979	744,339	261,801	1,006,864
1980	914,363	319,826	1,235,521
1981	907,307	323,453	1,232,089
1982	861,595	321,008	1,183,135

[1] Source: South Carolina State Election Commission.

Voting age population for South Carolina, 1980 [1]

(18 years and over; whites and blacks)

White voters	1,566,361
Black voters	596,122
Total voters	2,179,854

[1] Source: South Carolina Budget and Control Board, Division on Research and Statistics.

PERCENTAGE REGISTRATION IN SOUTH CAROLINA, 1980

White registrants, 58.4.
Black registrants, 53.8.

Mr. HOLLINGS. Mr. President, my distinguished colleague says there is no reason to indict an entire State. I agree. I believe that the bill as reported by the Judiciary Committee does not indict an entire State. On the contrary, counties in several States are presently covered under the act, for example, as in Massachusetts not the entire State of Massachusetts, and as counties can qualify for preclearance they will come out from under the act.

So I agree with that statement, and we are not indicting an entire State.

The inference made by my distinguished colleague about an unsuccessful candidate I guess supposes that somehow Judge Chapman was upholding an unsuccessful candidate.

I am sure that is not the case, and I am sure that is not the intent of the senior Senator from South Carolina, because Judge Chapman made his findings of fact, and as to the statement made "any judge could make an error in finding of fact" there is no evidence this body or that has been submitted to me that Judge Chapman did make an error in finding the facts.

In fact, I read very clearly and even saw some of the statements of the witnesses. One witness when asked when they were going to change said, "* * * that it would take a court order." And there were different other statements there.

So inferentially let us be absolutely clear, Judge Chapman's finding of fact was made under the law of the land and remains as a finding of fact unchanged. His finding of law was made under the law of the land.

Thereafter, 5 days later, the law of the land was changed and he later changed his order when petitioned. But we hope at this particular point, with the extension of the Voting Rights Act as reported by the distinguished Senators from Maryland and Massachusetts and our Judiciary Committee, we will go back interestingly to the very law, and results, under which Judge Chapman made his finding.

So my plea for my colleagues to vote for this extension of the Voting Rights Act is to reinstate the law under which Judge Chapman made his finding.

I thank the distinguished colleague from Maryland.

Mr. THURMOND. Mr. President, will the Senator yield me half a minute?

Mr. MATHIAS. I am anxious to move on with each amendment, but I yield, of course, to the chairman of the committee.

Mr. THURMOND. Mr. President, I simply wish to state that, of course, I agree that Judge Chapman was not deciding the case because the plaintiff lost an election. I think Judge Chapman's intention was sincere. I wish the record to show that.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

AMENDMENT NO. 1875

(Purpose: To strike section 3)

Mr. EAST. Mr. President, I wish to offer printed amendment No. 1875. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. EAST) proposes printed amendment No. 1875.

Mr. EAST. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, beginning with line 16 strike out through "SEC. 4" in line 14 on page 17 and insert in lieu thereof "SEC. 3".

Redesignate succeeding sections accordingly.

Mr. EAST. Mr. President, this first amendment that I am offering, in offering the first, I hope—Mr. President, can we have order in the Chamber?

The PRESIDING OFFICER. The Senator from North Carolina is correct. The Senate will be in order. If Members wish to converse, please retire to the cloakrooms. The Senate will be in order.

The Senator from North Carolina.

Mr. EAST. Mr. President, in reflecting the spirit with which we have thought about this measure, and with which I have wanted to debate, and indeed which all of us who are concerned about this bill have wanted to display, I would characterize the first amendment I offer as the most significant, substantive one. It addresses an issue of nationwide concern. Specifically, Mr. President, it deals with section 2 of S. 1992, under which, Mr. President, we would no longer use an intent test of determine whether there has been wrongdoing within the meaning of the civil rights law but would use an effects or results test.

Mr. President, this is a very intriguing departure from the normal way we have protected the right to vote under the 15th amendment.

The 15th amendment, Mr. President, does guarantee the right of every American, regardless of race or color, to be able to register, to vote, to have that vote counted, and to be free from pressure or intimidation in so doing. I have no quarrel with that principle at all. I daresay no one in this Chamber would have the slightest quarrel with it.

My concern is that a wholly new approach to voting is being created under section 2. So it is simply not true that we are talking about a simple extension of the 1965 Voting Rights Act. We are now entering into an era in the United States during which, by act of Congress, we will guarantee election results based upon race.

I think people ought to reflect long and hard as to whether we are heading in a good direction. And if we are, Mr. President, then I would query, should we not also apply this principle to sex, or religion, or national origin? I query how far you can go with this principle. Instead of guaranteeing the right of every American to register and to vote and to have that vote counted, a right no American today in this country, I think, would question, should we now go down the perilous path of guaranteeing election results?

We call the new standard the results or effects test, as opposed to the intent test.

If all this is confusing to Senators or to anyone else trying to follow this somewhat complex problem, what you are really voting for, if you vote for the bill as it stands, without amendment, is to give the courts a genuine opportunity to impose, as a remedy, a quota system on elections in this country. Imposition of such a system would bring about a fundamental change in our electoral system and would constitute a fundamental departure from American tradition.

Mr. President, let me quote from the bill itself to illustrate what I am talking about. Here is what the act says:

A violation of subsection (a) is established if, based on the totality of circumstances, it

is shown that the political processes leading to nomination or election in the State or political subdivision are not equally open to participation by members of a class of citizens protected by subsection (a).

The PRESIDING OFFICER. Will the Senator from North Carolina please suspend?

The Senate is not in order. Will Senators please take their conversations to the cloakroom? The Senator should be heard.

Mr. EAST. The protected class, Mr. President, under section (a) is composed of citizens whose right to vote has been denied or abridged on account or race of color.

The first thing the law does is to create a protected class of voters based only upon race or color. The bill then describes what voting discrimination means:

In that its members have less opportunity than other members of than electorate to participate in the political process,

And this is the key sentence—

and to elect representatives of their choice; the extent to which members of a protected class have been elected to office in the State or political subdivision is one circumstance which may be considered; provided, that nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.

The disclaimer that is in here, Mr. President, deals with the very narrow problem of the right to totally equal proportional representation, but what it does not rule out is the imposition of quotas, something less than that, or the imposition of proportional representation as a remedy by the courts. By the clear import of the language, if you can show that the members of the protected class have not had members of their class elected, and if you can show any other scintilla of alleged discrimination, the court would clearly, under the language of this act, be in a position to impose some sort of quota in order to insure that a given election or election process is free from alleged discrimination based upon race or color.

What does my amendment purport to do? It purports, Mr. President, to clarify, categorically, that no court may impose a quota or proportional representation based upon race or color as a remedy in a case brought under this act.

I would assume, then, that every Senator would be willing to support this amendment, because I find many Senators who say,

Well, certainly, now, we agree with you, we would not want proportional representation and we would not want a quota system imposed.

I say the easy way to clarify what the statute means, Mr. President, is to specify in the law that a court cannot impose proportional representation as a remedy. Then we can rest assured the problem has been solved.

My concern has been, Mr. President, that the distinguished proponents of this bill have been unwilling to accept such clarification of their bill because what they want to do is to leave open to the courts the option of imposing a remedy based upon race or color—a quota.

When you talk about race relations in the United States, you enter into a sensitive area, and it ought to be. But we should be able to talk candidly about our problems in public. I think the many great, distinguished black voters in this country would show concern about altering the election process to establish a quota system for the benefit of a particular class.

For example, Mr. President, you could turn the coin around. Let us say, for example, that I am part of the minority white population in a district represented by one of the distinguished black Representatives in the House of Representatives. Let us say that this legislator represented a district that was 70 percent black and 30 percent white.

We might well contend if a white had never been elected in such a district, if, year after year, a black were elected, that would be evidence of discrimination. Such is not the case. Not at all. What would be evidence of discrimination and violation of my rights as a white person under the 15th amendment would be denial of my right to register, to vote, and to have my vote counted. But certainly, no one would argue that I, as a single citizen, could expect to come into the courts and say my particular racial grouping has been discriminated against if this only evidence I have to offer is that we have not been successful at the polls.

Think about that, Mr. President. This new approach is a large, quantum jump beyond the intent and the purpose of the 15th amendment. If the American people want to take such a jump, they ought to do so through a constitutional amendment and not through a simple act of the legislature.

Again, to try to put this whole matter into perspective, why would we not, Mr. President, want to insure proportional representation in the case of sex? I look at this distinguished body. One hundred Members—98 men and 2 women. Are these numbers evidence of discrimination against women? Perhaps. I do not know. The problem is that the 15th amendment gives everyone the right to register, to vote, and have that vote counted, but does not guarantee that a particular sex will succeed at the polls. Maybe elsewhere, but not at the polls.

I do not mean to make light of the problem. Proportional representation may be a good idea and perhaps we ought to think about introducing it into the electoral system of this country. Perhaps we should set out those categories that ought to be represented proportionally. There are political systems in Europe that require proportional representation.

We have generally avoided such an approach, Mr. President, in this country. Why? To see why, we must go back to the Founding Fathers, the whole Madisonian concept of democracy, under which you have to build broadbased constituencies and represent them. Under our system, successful politicians build consensus and must mold their support together. Our President is forced to bring his supporters together. We can only elect one and to win he has to build a broad consensus. Generally, we consider building concensus to be a good idea. The problem with proportional representation is that it will tend to fragment, tend to exacerbate differences between races or religions or sexes. It will not encourage harmony; it will not bring people together. Proportional representation poses an interesting problem, a fascinating one. And frankly, the concept deserves more substantive analysis than I have seen the proponents of this thing exhibit so far.

Is this a frivolous point I raise? Some Senators have said so. I do not think so. I think it is a very serious proposition. Some may wonder, "Senator, why do you want to make this amendment? Why are you going on this way? Why not just drop it and let us railroad it through and be done with it?" I tell you why, Mr. President—because in a month or 2 or 3 or 6, or 2 or 4 or 5 or 6 years down the road, all of this is going to come into the courts and it is going to come back to haunt the electoral process.

Then the American people, who probably are not following our debate—I do not blame them, they are busy—are going to say, how in the world did we get this tormented thing? That will be a good question. I hope we will hit the important issues face on: proportional representation, the need for constitutional amendment, protected classes, and more forward. But to act so suddenly, so indirectly, without substantive debate, reflection or consideration, I think is ill-advised for a Chamber that prides itself on being supposedly the greatest deliberative body in the world.

Mr. President, I point out that in Federalist No. 5, where we have the great principles of our Constitution set forth by the Founding Fathers, the theoretical meaning and basis for our system, Alexander Hamilton make it clear that we should not have protected groupings and classes. Like him I believe proportional representation would tend to promote factions and disharmony. The effect of establishing this new principle is going to be, as Prof. William Granouski at Duke University and the University of Califor-

nia, has indicated, a ratchet effect causing, over the long run, all alterations in election districts to be viewed in a way that tends to enhance the advantages of certain groups and classes, in this case, to win elections.

That is going to be the long-term effect of this law.

I would also point out, Mr. President, to the doubting Thomases that in the so-called affected States, of which North Carolina is one—there are 22 in all—this effects or results test is already being applied. It is being applied in North Carolina today. It has placed our election system in North Carolina in considerable turmoil throughout this year because the Attorney General's office has, through the Civil Rights Division, been requiring that electoral district lines be drawn by the State legislature to maximize the potential for black candidates to win.

I have no objection to black candidates winning. I think it is a fine idea. I simply point out that you begin to get into the troubled waters when you require State and local governments so to establish their legislative districts as to guarantee certain election outcomes—results or effects, as it is called—you make an enormous change in the election process.

Mr. President, I shall be happy at this point to hear a response from the distinguished proponents of this measure. Am I under a delusion? Again, I submit, not on a fair reading of the language or an examination of what has happened in the affected States.

We in the affected States have already seen what section 2 will do. The principles of law that once applied exclusively to us will now be extended nationwide. That is what is new about what we are doing. Perhaps the proponents of this legislation would like to respond to our concern. If I might, before I yield to the distinguished Senator from Maryland, make several points about my home State. I should like to talk to the Senator very briefly about two matters there.

First, I quote from the Charlotte Observer, quoting William Bradford Reynolds in turn, who is head of the Civil Rights Division in the Department of Justice. See what Mr. Reynolds, acting under section 5, which applies to the affected States, required in a letter to the State of North Carolina. Listen to this letter. And this is the effects or results test, as it applies now.

He said:

In a letter to state officials, Bradford Reynolds, head of the civil rights division, said attempts to create black majority districts in two cases did not go quite far enough to guarantee blacks could elect a candidate of their choice.

The submitted plans are a substantial improvement over the object-to plans," Reynolds said. "On the other hand, each plan continues to have a single objectionable feature.

And the article continues:

The department was reviewing the legislative plans under the Voting Rights Act, which gives it the power to review all election change in the 22 states covered entirely or in part by the act. Forty N.C. counties are covered.

The department looks for evidence of discrimination against minority voters, intended or not, and in three sets of decisions going back to last fall has found some in N.C. redistricting.

In the newest Senate plan, Reynolds said District 2 in northeastern North Carolina, with a black population of 51.7%, should have been drawn to have a black population of at least 55%.

And here is why. He said:

Our analysis shows that during the Senate Redistricting Committee's consideration of this district it was widely recognized that at least 55% black population was necessary if black voters were to have a reasonable chance of electing a candidate of their choice.

Now, that is about as clear as you can make it with the English language. Where is William Bradford Reynolds getting his authority? From section 5 of the 1965 Voting Rights Act. What are we about to do if we do not amend the bill before us? We are about to take that same standard and put it in section 2 and make it apply nationwide.

What is the practical effect? Again, to offer an invitation to the courts to impose quotas as a remedy. There is no question about it; this law is going to jeopardize at-large elections. It is going to jeopardize annexations. It is going to jeopardize anything that tends to "dilute minority voting strength." Again, like every Senator in this Chamber, I will happily support any reasonably adopted measure designed to guarantee the right of American citizens under the 15th amendment to register and to vote and to have that vote counted, but I cannot in good conscience say I can vote for a bill that has a provision guaranteeing that a "protected class" will be successful at the polls.

Therein lies the nub of the problem. I repeat, ad nauseum, this is not a fancy of my imagination. Many responsible scholars have pointed out that this law will guarantee certain election outcomes, and I note again the best exhibit A I had—I do not need speculation by prominent scholars; I can point to it—is the situation in the affected States, those 22 States. But I do come here as one of your colleagues to remind Senators that I represent one of these affected States; 40 counties in my State of 100 counties are subject to section 5. We have seen what will happen.

And when I go home and they say, "It doesn't seem to make sense to me," all I can say is, "I agree." And then when they ask, "You mean they are going to apply that standard nationwide under section 2?" I will have to say, "Yes, they are." And then the people will ask, "Do your colleagues understand that?" I will reply, "I am not quite sure they do." Should they then ask, "If they did understand that, would they vote for it?" I will answer, "No, they would not."

What would this amendment do? It would simply make clear that effects or results would not be the test but that an intent standard would apply. What would Senators be voting for? They would be voting to protect the right of every citizen in the United States, regardless of race or color, to register and vote and have that vote counted. There is not a single Member of this Senate quarreling with that principle, including myself, lest there by any misunderstanding.

I should like to think that this body is at its best when it deliberates and discusses, and tries to get answers to, hard questions. From the beginning I have been looking forward to this opportunity to hear what can be said in defense of this law, why it is a good idea, how we could justify it.

I should like to quote an editorial from my hometown paper. I note that this paper is a very strong Democratic paper, and, as I have previously said, this paper supported John Kennedy for President in 1960. I might even add that it did not endorse your humble servant when he ran for the Senate, as it is a very strong Democratic Party paper. The paper has this to say about the problem I noted with section 5 of the 1965 Voting Rights Act.

It says:

Federal intervention into local and state level elections was worthwhile. It was intended to make certain that voting laws applied to all persons and that all persons had an equal chance to vote. But the Justice Department is now going beyond that tenement in apparently calling for just the reverse; in this case, specific districts in which blacks are guaranteed a seat. This type of discrimination is just the reverse of the discrimination the 1965 Voting Rights Act was intended to erase.

I would agree. It is the long road we are about to launch down, applying such principles as a nationwide standard.

I point out to my colleagues that originally the subcommittee of the Judiciary Committee that considered this measure did support the intents test as opposed to an effects or results test. These are very distinguished Members of this body on that committee. However, the Judiciary Committee altered that approach. That is fine. The gentlemen did what they thought was the correct thing to do and brought the bill into keeping with the House language.

Of course, this cannot be done. We have representative democracy. We do not have plebiscite democracy in this country. But I would feel very com-

fortable myself, if we could ever have a national forum on this issue and get a vote. The American people would say categorically, overwhelmingly, black and white, "We want to guarantee every American the right to vote, register to vote, have that counted and we want to be free from intimidation and harassment in exercising our right, but, yes, we ought not to go beyond that and guarantee certain election results or effects."

We are taking a dramatic leap into the dark under the present language in this bill, and my amendment is designed to change that.

Mr. President, I would happily entertain any question or thought or comment from my opponents, so that we might perhaps edify our colleagues a bit further. If there are no defenders of section 2, I would be willing to ask for the yeas and nays and take a vote on the amendment.

Mr. MATHIAS. Mr. President, before the Senate is the amendment of the Senator from North Carolina, and I agree with him that it is an extremely important amendment. It is an amendment which goes to the very thrust of this legislation.

I oppose the amendment. I oppose it very vigorously because it is so central to the purpose of this bill.

Congress should amend section 2 as proposed in the act in response to the case decided by the Supreme Court, City of Mobil against Bolden. In that case I believe and I think the majority of the Members of Congress believe that the Supreme Court erred in interpreting the will of Congress.

I am not indicting the Justices of the Court. Perhaps we are the ones who are at fault for not having expressed the will of Congress in a way that could not possibly have been misinterpreted, and that is merely what we are doing here today.

We are merely restating the law as it was clearly understood and as it had been interpreted time and again in the days before the Supreme Court handed down the decision in City of Mobile against Bolden.

So I believe that that assertion will go a long way toward answering the concerns expressed by the Senator from North Carolina which motivated him to offer this amendment.

Before the Bolden case, plaintiffs could prevail by showing that a challenged election law procedure, in the context of the total circumstances of the local electoral process, has the result of denying racial or language minority voters an equal chance to participate effectively in the electoral process. Under this results test, it was not necessary to demonstrate that the challenged election law or procedure was designed or maintained for a discriminatory purpose or intent. In Bolden, a plurality of the Supreme Court broke with precedent and substantially increased the burden on plaintiffs by requiring proof of discriminatory intent. As noted in the committee report, the Bolden intent test is unacceptable for a number of reasons.

First, the intent test asks the wrong question. Rather than focusing on the crucial question of whether or not minority voters now have a fair chance to participate in the electoral process, the intent test diverts the inquiry to an analysis of the subjective motives of public officials. Thus the intent test requires Federal judges to engage in protracted, burdensome inquiries into the motives of lawmakers, which often have little or no bearing on the ability of minority voters to participate in their electoral process. For example, on remand, following the Supreme Court's decision in Bolden, the district court was required to make an inquiry into the motives of legislators to determine if the system was devised or maintained for a discriminatory purpose. In order to comply with Bolden, the district court was forced to recreate events shedding light on the motivation of politicians who held office during the several crucial periods under investigation between 1814 and the present.

Second, as Dr. Arthur Flemming, the distinguished former Chairman of the United States Commission on Civil Rights and the distinguished former Secretary of HEW, told the Subcommittee on the Constitution, "such inquiries under the intent test can only be divisive, threatening to destroy any existing racial progress in a community."

Third, the intent test places an unacceptable burden on plaintiffs in voting discrimination cases. It creates the risk that electoral systems will be free from challenge even where there is overwhelming evidence of unequal access to the political process. This point is dramatically illustrated by the Edgefield County, S.C. case, McCain against Lybrand. On April 17, 1980, the district court ruled the county's at-large system of electing county council members was unconstitutional. In an exhaustive opinion, the district court faithfully applied the White against Regester results test and concluded that blacks simply did not have a fair chance to participate in the system. The court said:

> Black participation in Edgefield County has been merely tokenism and even this has been on a very small scale.

Despite the overwhelming evidence of unequal access to the electoral system, the district court's determination could not withstand the impact of the Bolden decision.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. MATHIAS. Yes, I am happy to yield.

Mr. THURMOND. I remind the Senator I believe that was the statement of the judge who had reversed himself.

Mr. MATHIAS. As I say, that case could not withstand the impact of the decision of the court in the Bolden case.

For these reasons, Mr. President, I would oppose the amendment and hope we could very shortly have a vote up or down on it and proceed with the debate on the bill.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, my colleague and cosponsor, the Senator from Maryland, I think, has given a very complete response to the amendment that has been proposed by the Senator from North Carolina.

There is a certain irony in the proposal of the Senator from North Carolina because the most important provision of this legislation which has nationwide application and is effectively the strongest in terms of its nationwide application is section 2, and I am sure during the debate and discussion we have heard today there have been statements that this Voting Rights Act does not have nationwide application. Well, section 2 is nationwide in its application, and it is, as in the measure before us, a meaningful provision, and the amendment of the Senator from North Carolina would weaken, alter and change it in a very significant way.

I will take a few moments here, Mr. President, to read an editorial which appeared in the Raleigh News and Observer of North Carolina, on May 2, 1982. I find this editorial, which was written 6 or 8 weeks ago, reassuring because it is exactly responsive to the principal arguments that have been raised by the Senator from North Carolina. I will take just a moment to read it:

> In truth, there should be no controversy surrounding the Voting Rights Act. It is, after all, a law that embodies a fundamental tenet of American democracy. And it is an example of a federal law that has actually worked well.
>
> The Senate Judiciary Committee, of which East is a member, has before it legislation, identical to a bill passed by the House, that would extend the voting act for 10 years. The legislation contains a crucial new provision that a violation occurs when a state of local election system "results" in discrimination against blacks or Hispanics.
>
> This provision is needed as a result of the Supreme Court ruling. In a Mobile, Ala., case, the court ruled that challengers to an election system had to prove an "intent" to keep blacks and other minorities from winning office. If every Voting Rights Act case entailed delving into the "intent" of officials who adopted a particular locale's elections laws, it would be extremely difficult to enforce the law. The Leadership Conference on Civil Rights points out that it took more than 6,000 hours of lawyers' time and 4,000 hours of the time of witnesses and parale-

gals to make the case that Mobile officials intended to discriminate when they adopted an at-large city election system.

East opposes the provision that requires only proof that an election system in effect discriminates. Pointing to North Carolina's recent experience with legislative redistricting, the Senator argues that the law is moving toward guaranteeing blacks "proportional representation"

East erects a straw man. Prior to the Mobile ruling, no Voting Rights Act ruling required proportional representation as a remedy. The North Carolina House and Senate redistricting plans do not guarantee that blacks will be elected to the Legislature in the proportion of blacks in the state's population. In North Carolina and elsewhere, what the Voting Rights Act guards against is blacks being gerrymandered out of opportunities to be elected to public bodies.

Sen. Robert Dole, R, Kan., reportedly concerned that his party is squandering black political support, is said to be trying to find a compromise that would retain the house-passed "results" test while making clear that proportional representation is not required. Whatever the Senate's language, its version should be at least as strong as that of the House.

Republicans in the Senate and the White House who deny their support to extension of an effective Voting Rights Act spurn the legacy of the first Republican president, Abraham Lincoln.

Mr. President, the compromise referred to in the editorial is exactly the measure which is before the Senate at the present time.

I could take more time, Mr. President. I do not think it is needed. I think the best answers—I know the Senator from North Carolina has made the argument many times—are printed in the report beginning at the bottom of page 15, "amendments to section 2 of the Voting Rights Act," and which very closely track that editorial. That editorial was written 6 weeks ago, but, I think, it is absolutely responsive to the proposal of the amendment of the Senator from North Carolina, and I think we are prepared to vote.

Mr. EAST addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EAST. Mr. President, I would like to respond briefly to the comments made by the Senators from Maryland and Massachusetts. I have already communicated to the Senator from Maryland my desire, in offering my amendments, to state my case as quickly as I can and let others comment as they desire, as briefly or as fully as they wish.

I would like to respond, very quickly to what they might say, and then I am prepared to move to a vote.

Let me address, first of all, Senator KENNEDY's comment. I would hope he could offer more substantive discussion than simply quoting from editorials of the Raleigh News and Observer. If we are going to have a battle of editorials, I will quote from a newspaper with a little greater national prestige, the Wall Street Journal. This is what it has to say:

The new bill would further embroil the courts in local elections across the country and would give citizens less of a voice in deciding on the type of government that they want to run their local affairs.

It goes on to say:

The "compromise" further muddies the waters with legalistic jargon such as a "totality of circumstances rather than making effects the sole test. The point of the exercise is to write a bill that means all things to all parties. But since the bill gives contradictory instructions, it means nothing at all.

The practical effect of course, will be to dump the hot potato into the hands of the courts. Our guess is that the end result will be a huge impetus toward proportional representation for minorities. But our certainty is that the courts will take a long time figuring out what the legislation means, and that in the meantime a great many local elections will be suspended. New York City, which ran afoul of the old law because of redistricting designed to entrench incumbents black and white, still has not been able to hold its 1981 city council election.

Then it concludes—and I am just reading here from a general editorial—

The "compromise" on voting rights solves the political problems of Congress, but is going to cause no end of mischief in the land. What kind of compromise is it that gives us a voting rights act that will stop the voters from voting?

So I pit the Wall Street Journal against the Raleigh News and Observer, and if it is a battle of editorials, I will take the Wall Street Journal.

Let me return to the remarks made by the distinguished Senator from Maryland. He refers to the Bolden case, and he rather casually notes that the bill he is supporting overturns the Supreme Court decision. That is a rather unusual position for the distinguished Senator from Maryland to be in, as he is usually careful to caution us against taking simple legislation and overturning Supreme Court decisions.

What the Court said in Mobile against Bolden was——

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. EAST. I wish to finish my remarks.

Mr. KENNEDY. I thought the Senator wanted a debate.

Mr. EAST. I do wish to debate, Senator, but I wish to be able to complete my statement so that you can respond in toto to it. Completing my remarks will make for a more meaningful and substantive debate.

In the case of Mobile against Bolden, the Supreme Court held the 14th and 15th amendments require intent, and what they were saying was that these amendments, and particularly the 15th amendment is the pertinent one here, guarantee access to registration, to voting, and to having a vote counted. However, they were saying the amendment does not guarantee election results and effects, and that is what the distinguished Senators from Massachusetts and Maryland are arguing for.

I agree with the Supreme Court this time that if you want to amend the Constitution you do not do it through—you do not do it indirectly by—legislation running counter to the spirit and the letter of the 15th amendment as articulated by the U.S. Supreme Court. So I find it somewhat curious that that would be the position of the distinguished Senator from Maryland.

Finally, putting all that aside, forget the constitutional arguments, forget the battle of the editorials, I leave you with the premise to which my amendment is directed; namely, let us make it clear that the intent test should apply, the test, which is the current test, the test that came out of the subcommittee. It would then be clear that what we are protecting is the right to register and vote and have that vote counted, and it would make it clear that quotas and proportional representation or court-imposed election results are not what we want. To do otherwise, would be a bad policy judgment.

That is the spirit in which I offer this amendment. Results and effects should not be the test; we should not apply quotas and proportional representation. What we want is to have the vote of every American counted regardless of race. I have no quarrel with that principle. I do not think there is one Member of the U.S. Senate who would quarrel with it.

So, on that point, I rest my case. Mr. President, I am happy, unless others wish to speak on this matter, to move to a vote.

Mr. HELMS. Mr. President, have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr DOLE. Mr. President, I wish to speak just briefly on the amendment. I want to compliment all those who have spoken on this amendment. It seems to me that we can properly debate these amendments. But as one who offered, along with others, the compromise, I think it might be of some help if the Senator from Kansas at least indicates what he had in mind when offering the compromise.

I certainly can understand the differences of opinion, but I think the record should clearly reflect the intent of one of the authors of the compromise. And I will take a minute or two to do that.

I certainly appreciate the willingness of the junior Senator from North Carolina to let us proceed to vote and have other amendments, as we should, and have debate, as we should.

It seems to this Senator that we had an obligation to make it as clear as we could that plaintiffs may base a violation of section 2 on a showing of discriminatory "results," in which case proof of discriminatory intent or purpose would be neither required nor relevant. We should make that clear. And there was some discussion after the House-passed bill whether or not that had been made clear.

I was convinced, and I tried the best I could with other matters before us in other committees to take the cases home, read the cases, try to understand what the Justices had in mind, what the Supreme Court had in mind, what the city officials had in mind, whether it be in Alabama or Texas or wherever the case may have arisen. And I became convinced of the inappropriateness of an "intent standard" as the sole means of establishing a voting rights claim, as were the majority of my colleagues on the committee.

And as I understand, looking back at the committee action, it seemed to this Senator that because of the nature of the lineup on the committee with reference to the House-passed bill that perhaps someone could do a service to try to unite the committee with some language, some change in language, and not do violence to the House-passed bill which was later the Kennedy-Mathias, Mathias-Kennedy bill introduced in the Senate, and introduced with 60 or 70 cosponsors.

So this Senator worked with a number of Senators, including the principal sponsors of the bill, the Senator from Arizona, Senator DECONCINI, the Senator from Iowa, Senator GRASSLEY, the Senator from Wyoming, Senator SIMPSON, and, indirectly, the Senator from Alabama, Senator HEFLIN, and others trying to figure out if we could come up with some language that might satisfy the majority in the committee. Otherwise, there was some doubt that the bill would be reported out. And after a number of efforts, we found, at least in the beginning, some agreement, and after a number of days and number of hours of discussion we were able to reach an agreement.

Obviously, the agreement has been the compromise that has been referred to—no compromise by some, compromise by others.

As explained more fully in the committee report, the basic problem with the test is that its focus is misplaced. If a voting practice or structure operates today to exclude members of a minority group from a fair opportunity to participate in the political process, the motives behind the actions of the officials which took place decades before, I think, at most, is of very limited relevance. How are you going to prove intent? They may have moved. They might have died. They may no longer be active in the legislative process or where it may have originated in the city council.

Further, it places an inordinate burden of proof on plaintiffs, thus frustrating vigorous enforcement efforts. It also causes divisiveness because it inevitably involves charges that the decisions of officials were racially motivated. In short, from both a policy and legal standpoint, exclusive reliance on the test is misguided and would prevent eradication of the racial discrimination which, unfortunately, still exists in the American electoral process.

Another big question I have been faced with and that I did not fully understand and may not yet fully understand, but understand it much better, was what this Senator had read about proportional representation; that we were, in effect, setting up a scheme whereby we would have proportional representation, based on race in this case. Some even have gone so far as saying based on party affiliation, might have it in that regard, too, or in other areas, as the junior Senator from North Carolina pointed out during our committee discussions.

So while I was convinced that we could not have a true "intent standard," and should not have an intent standard and wanted to reject that portion, I was also convinced that if we were going to have bipartisan support, there had to be some codification of the "results" test that had to be accompanied by language which alleviated fears that the standard could be interpreted as granting a right of proportional representation.

This is a matter of great concern, I might add, to the distinguished chairman of the committee, Senator THURMOND, who raised that question with me dozens of times in private conversations, and in a period of discussions with Benjamin Hooks and other civil rights leaders in his office for a couple of hours many weeks ago.

Yet, during the hearings, a unanimous consensus—and I would commend the distinguished subcommittee chairman, Senator HATCH, for the hours and hours and hours spent in subcommittee hearings. And a consensus developed from witnesses on all sides, among both opponents and proponents of the results test, that the test for section 2 claims should not be whether members of a protected class have achieved proportional representation. And that became a matter of great importance.

It violates fundamental principles in this country if we are going to have proportional representation. It was generally agreed that the concept of identifiable groups having a right to be elected in proportion to their voting potential was repugnant to the democratic principles upon which our society is based. Now citizens of all races are intended to have an equal chance of electing candidates of their choice, but if they are fairly afforded that opportunity, and lose, the law should offer no redress. And I think that is a matter of some importance and some concern to everyone. And I must say that there was that general consensus from proponents and opponents alike, that this should not be the case.

So in an effort to accomplish these two key objectives—and I want to certainly thank Shelia Bair of my staff and other members on other Members' staffs, as well as members of the leadership conference. But to accomplish these two key objectives—maintaining the integrity of the results test while at the same time alleviating fears about proportional representation—was achieved by dividing section 2 into two new subsections.

New subsection (A) retained the results language of the House bill, thus making clear that Congress rejected the intent standard as the sole means of establishing a violation under section 2. It does not mean you cannot prove intent, but it is rejected as the sole means. But new subsection (B) delineated with more specificity the legal standards to be applied under the "results" test in order to address the proportional representation issue.

As explained in the committee report in more detail, the new subsection codifies the legal standard articulated in White against Regester, a standard which was first applied in the Supreme Court in Whitcome against Chavis, and which was subsequently applied in some 23 Federal courts of appeals decisions.

As expressed in the language of the subsection, the standard is whether or not the political processes are equally "open," whether there is access, whether they are open in that members of a protected class have the same opportunity as others to participate in the political process and to elect candidates of their choice.

In other words, the focus of the standard is on whether there is equal access to the political process, not on whether members of a particular minority group have achieved proportional election results.

I would again underscore as strongly as I can, in the event the legislative history is referred to in future court cases in future disputes about this matter, that I think it is clear, the Senator who offered a compromise believes it is clear, that in no way can this be construed to provide that remedy that would require proportional representation.

I hope that, despite some of the statements made in the past few days,

that there really is not much dispute about that. The language of the subsection exclusively rejects, as did White and its former cases, the notion that members of a protected class had a right to be elected in numbers equal to the proportion of the population.

The extent to which members of a protected class have been elected under the challenged practices structure is just one factor among the totality of circumstances to be considered and is not dispositive. Thus, by relying on the plain language of the substitute amendment as well as the precedent which the amendment is designed to make applicable, the results test should never be construed, and I reemphasize never be construed, by anyone to require proportional representation. Such a construction would be patently inconsistent with the expressed provision of subsection (b).

Further, the track record of cases decided under the white standard irrefutably demonstrates that a right to proportional representation was never deemed to exist under the standard, and, in fact, was consistently disavowed by the courts.

I wanted to take a brief opportunity as the principal mover of the amendment which, as I indicated, is cosponsored by a number of my colleagues on the committee, to try to make the record, as I will later on in the debate, about what I consider to be one of the key areas of controversy. If this Senator felt for a moment that somehow through my handiwork or my efforts that we were, in fact, setting up some precedent that would lead to proportional representation, I would withdraw the amendment immediately, if I felt that were the case.

I cannot stand here and suggest what some judge or some court may decide 10, 20, 30, 40, 50 years from now, but any judge or any court or any student or any writer or any future Senator looking at the record should understand clearly the intent of the Senator from Kansas, if for some reason it is not made clear.

I understand the Senator from South Carolina may wish to address some questions in that area, I would be pleased at this time to yield to the Senator from South Carolina so we might further clarify this particular area.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from South Carolina.

Mr. THURMOND. Mr. President, I thank the able Senator from Kansas. I want to express my approval of the statement he just made about proportional representation, and I thank him for making that very clear statement, that his amendment is not contemplated to bring proportional representation.

In order to further clarify the situation, I thought I would propound a few questions.

Do our democratic principles include the concept that certain groups have a right to be elected in proportion to their voting potential?

Mr. DOLE. No; I appreciate being able to stress this one more time. The Senator from Kansas indicated in his earlier statement that such a notion is repugnant to our democratic principles. That ought to be clear. It ought to be underscored, underlined.

That is not the intent and it is not within our democratic principles.

Mr. THURMOND. The next question: As citizens of all races are afforded an equal chance of electing candidates of their choice and those candidates lose, does this bill afford any redress?

Mr. DOLE. No; and it should not, if the process is open, if there is equal access, if there are no barriers, direct or indirect, thrown up to keep someone from voting or having their vote counted, or registering, whatever the process may include. Absolutely not.

Mr. THURMOND. The next question: Is the focus on the section 2 standard on equal access to the political process or is the focus on whether a particular minority group has achieved equal election results?

Mr. DOLE. The focus in section 2 is on equal access, as it should be. I thank the Senator for directing the question. I know of no one in this Chamber and I heard no one anywhere else indicate that it should be otherwise. It should be on access. Is the system open to people in Kansas, South Carolina, North Carolina, California, New York, wherever? Do they have access and opportunity to cast their vote? It is not a right to elect someone of their race but it is equal access and having their vote counted.

Mr. THURMOND. My next question: Does the language of section 2 reject the notion that members of the protected class have the right to be elected in numbers equal to their proportion of the population?

Mr. DOLE. The language in section 2 does clearly reject that notion. Again, we think the language is explicit. It is plain language. It should not be subject to some further interpretation or some different interpretation. The answer is an emphatic yes.

Mr. THURMOND. My next question is: Should section 2 be construed to require proportional representation?

Mr. DOLE. The answer there, as a followup on the other question, is absolutely not. I again believe that the record is clear, that the report is clear, that the hearings are clear. The general consensus of the proponents is clear, as I have indicated earlier.

Mr. THURMOND. My last question is: Do you believe that the new bailout is in fact achievable by jurisdictions subject to the preclearance requirements of section 5?

Mr. DOLE. In the opinion of this Senator, and I know there is some disagreement on the bailout section, section 5, which we intend to address later—and I know there will be amendments to that section—I believe the bailout is, in fact, achievable. I would hope that we might reserve further discussion of that until we get to amendments on section 5.

Mr. THURMOND. I thank the distinguished Senator for his answers.

Mr. KENNEDY. If the Senator will yield for a question, is the Senator familiar with the letter to the editor from William Reynolds, the Assistant Attorney General, on May 31, 1982, where he points out the Senate compromise removes entirely the highly offensive concepts of proportional representation based on race, a concept that had been in the House version? I did not know whether the Senator had seen that letter.

Mr. DOLE. I think it would be well to make that letter a part of the RECORD at this point. It was a very clear statement by Mr. Reynolds.

Mr. THURMOND. Mr. President, I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 31, 1982]

THE VOTING RIGHTS ACT AND MR. SMITH

In his front-page article ["Smith Called 'Embarrassment' But Unlikely to Lose His Job," May 21], Lou Cannon comments on the attorney general's earlier opposition to a proposed amendment for Section 2 of the Voting Rights Act, an amendment that passed the House last year but was recently modified, pursuant to a compromise agreement in the Senate.

Contrary to Mr. Cannon, the attorney general's criticism of the vague "results" test added to Section 2 of the House version of the voting rights bill was a viewpoint shared fully by the president and other administration officials.

What recently emerged in the Senate as a compromise bill cures the administration's most serious concerns about House bill Section 2. Far from "preserv[ing] all the essential features of the liberal version fo the bill Smith had opposed," as Mr. Cannon boldly but mistakenly declares, the senate compromise removes entirely the highly offensive concept of proportional representation based on race—a concept that had been included in the liberal [House] version." Of equal importance, the Senate's compromise shifts the essential focus of Section 2 away from an emphasis on election results (as in the "liberal [House] version") and back to a proper concern for individual rights: i.e., protecting for each citizen the opportunity of equal access to the electoral process, free from racial discrimination.

By securing these changes to Section 2 in the give-and-take of a negotiated compromise, the administration was able to alter significantly the bill that had been passed by the House. To be sure, it did not get the straight 10-year extension it would have

preferred, but neither did it capitulate and simply accept the "liberal version of the bill." As with every other major decision made by the president, the balance struck in this instance rested on principle, not political expediency. Mr. Cannon's suggestion to the contrary demonstrates another example of his regrettable lack of understanding of the subject matter with which he purports to deal.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. DOLE. I yield to the Senator from North Carolina.

Mr. EAST. I would like to comment on the points the distinguished Senator has made. First of all, his concern about having to prove intent. I know he knows, as the distinguished lawyer, which he is, that intent is the standard in Anglo-American law, so the notion of having to prove intent to show wrongdoing is hardly novel. It is the norm; it is the standard. What is the aberration, the mutation, is the idea of effects or results. This standard is what I find troublesome.

You say, "You know, plaintiffs' lawyers have trouble proving intent." First, I would point out that they have been able to meet the standard in civil rights cases. But naturally, plaintiffs' lawyers in any kind of cases, civil or criminal, will always say, "I wish we could change the law so I did not have to prove very much; then I could win."

We do not want to get into special interest legislation for attorneys. That will bring the wrath of the gods down on us. We have enough trouble without revising the law for plaintiffs' attorneys so they can get the result they want more often.

The purpose of intent in Anglo-American law is that, in order to be charged and found guilty of wrongdoing, you must have the mental state of mind to perform a particular act; you are not to be judged exclusively on the basis of the result or effect of your act. Tort law, for example, uses a negligence or reasonableness standard, in criminal law, the standard is intent. When I hear the statement made, "Good heavens to Betsy, it is hard to prove intent in the law," well, the law has always required it. It does today and should tomorrow. Before you depart from that standard, you ought to think long and hard about it.

Your second point, the most critical one at the moment, is on the question of proportional representation. Looking at your compromise, we find, "Provided that nothing in this section establishes a right to have members of the protected class elected in numbers equal to their proportion in the population."

Let us look at this passage carefully. First, it says there is no right to proportional representation but it does not preclude proportional representation as a remedy imposed by a court. That is my first point.

Second, the only thing it disclaims is the right of minorities to be elected in proportion to their population. But certainly, the bill could very easily promote not only proportional representation as a remedy, but something less than strict proportional representation—a quota.

This is a very cleverly worded provision here. It says there is no right to have members of a protected class elected in numbers equal to their proportion in the population: but, you see, earlier, it says that minorities do have the right to elect representatives of their choice; the only way you get that result is through a quota system of some kind. We are back to the affirmative action situation, in which quotas rule despite statutory disclaimers.

So, yes, it may just be that we would not have literal proportional representation; and oh, yes, the bill disclaims proportional representation as a right. But as the Attorney General of the United States said in the Washington Post on March 29, the disclaimer either completely repeals the results test or it is meaningless. And he is correct: It either repeals it or it is meaningless. You cannot have it both ways. You cannot say there is a protected class and that it has the right to elect representatives of its choice and then turn around in the next sentence and say, "Oh, for heaven's sakes, don't think for a moment we mean that anybody should be guaranteed the right to elect so many people to public office."

Either you mean it or you do not mean it, and the clever little line here is the disclaimer on the right of "proportional representation." But what will slip in under the line is quotas. I am back to my fundamental point on the section: If you vote for the law as it is with section 2, the courts, as a remedy, will give you quotas.

In order to solve that dilemma for the distinguished Senator from Kansas, my next amendment will specifically state that proportional representation or quotas cannot be imposed as remedies by the courts. That will let the Senate go on record as voting, yes, we are opposed to these devices as a remedy, and we can all rest assured, then, there will be no abuse here. That is the way to solve this problem.

Everybody is saying, why, no, we do not want to impose quotas; we do not want to impose proportional representation. I am saying with the current language, we run a risk that they will be imposed as a remedy by the courts. So we should all agree on what we are doing, let us settle next on an amendment that will make it clear that the court cannot impose remedies involving proportional representation and quotas. Then we can at least go back to our States and say, "No, that Voting Rights Act will not bring about that particular kind of result."

Given the way the bill is worded now and knowing the nature of the courts proportional representation and quotas are where we are headed. It is just that simple. I caution my colleagues about voting for the bill the way it is.

Mr. DOLE. Mr. President, I shall not take but another minute, but I should like to make a brief comment on the question of whether or not intent should be lightly dismissed by those of us who do not believe that should be the only test.

I think that, certainly, in criminal cases, and maybe in tort cases, I would not disagree with the distinguished Senator from North Carolina, but I am not certain it is analogous. In such cases, in addition to tort and criminal cases generally dealing with one act by one person at one recent point in time, in vote discrimination cases, we may be dealing with a series of acts by a group of legislators which may have occurred decades ago. Memories have faded, witnesses may be dead, records are long gone.

In addition, if you prove the intent of 10 of us in this body, does that mean it is the intent of a hundred of us in this body? Or if you prove the intent of 51 in this body, is that necessarily the intent 10 years from now, when some are gone and some have moved, or whatever?

It is my view and the view expressed by, I hope, everyone in this Chamber that if, in fact, the electoral system operates today to exclude blacks, Hispanics, handicapped or whatever, to give them a fair chance to participate, the matter of what motives were in officials' minds years ago is of very little relevance. As I indicated earlier, I think that was the conclusion this Senator came to and many others have come to earlier.

We shall discuss the need, whether or not there ought to be—if there is no right, should there be some language about a remedy? This Senator does not think that is necessary. I know there will be a specific amendment on that. But in the White against Regester cases and the iine of cases applying that doctrine, they were the subject of intense scrutiny during the hearings. No objections were voiced during the hearings about how remedies were fashioned in those cases and opponents of the results test have been unable to point to one case where proportional representation was ordered as a remedy under the results test.

Again, Mr. President, we shall have a more extensive debate on that, I assume, when the next amendment is offered. I just say again that the Senator from Kansas is trying to make a strong record. I hope those who are concerned about how the court might

act at a later time might be agreeing that we ought to make a strong record. Certainly, we are very pleased to respond to questions. But I want the court to understand that every Senator agrees there should not be a proportional representation.

Certainly, there are doubts and differences of opinion and this Senator may be wrong—he has been wrong before—but this is a matter of very intense interest and importance. I commend the Senator from North Carolina for his concern.

In my view, Mr. President, we have addressed it. We believe it means a great deal. I hope that we might defeat the amendment of the Senator from North Carolina.

Mr. EAST. Will the Senator yield?

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I should like to speak briefly on the issue of the intent. Unless we make some fundamental changes this evening on civil law as it applies to tort, I believe the distinguished Senator from Kansas has gone too far in agreeing with the distinguished Senator from North Carolina (Mr. EAST) in agreeing that intent is necessary in tort cases.

Mr. DOLE. I said in criminal cases, Mr. President.

Mr. SPECTER. It is necessary in criminal cases. The standard for intent is customary where the remedy sought is a punitive penal remedy, sending somebody to jail. In that situation, there is a requirement that intent be proved. But it is not the common standard in Anglo-Saxon jurisprudence.

I thought I understood the distinguished Senator from Kansas to agree with the distinguished Senator from North Carolina (Mr. EAST) in saying that intent was necessary in tort cases as well as criminal cases.

Mr. EAST. If the Senator would yield on one point——

Mr. SPECTER. Certainly.

Mr. EAST. I had said that intent was obviously a great staple of Anglo-American law. I know that in criminal cases, it certainly was the staple. We have, of course, the "reasonable man" standard in the negligence cases.

The Senator's point is valid and I do not quarrel with it. What I saying is that the notion that looking at effects or results, as opposed to intent on frame of mind that is the concept that is more foreign to Anglo-American law. But I agree with the distinction the Senator is making and I do not quarrel. I am sympathetic to it.

I still say my initial point is valid, that the intent concept involving wrongdoing is very well established. More importantly, in the Mobile case, involving the 15th amendment, they said intent is the standard under that amendment.

Mr. SPECTER. Mr. President, on the question as to the judicial Anglo-Saxon standard, I submit that case law is legion that there is not a requisite for the showing of intent in order to apply a civil liability. When we discuss the issue of tort law or negligence law, it is reason to know or should have known that something would be likely to cause injury, which is not an intent standard. There is a limited field of tort law where intent is relevant if you are seeking punitive damages, but that is analogous to the punishment for a crime. It is a very, very narrow branch of tort law, equivalent to willful and wanton negligence or intentional conduct. So that in seeking to apply an effects test, we are advancing the traditional burden of proof for a civil remedy, which is what is involved in this case.

I wanted to make that brief comment, lest tomorrow in hundreds of courtrooms across the United States plaintiffs in negligence cases were compelled to prove intent in very steep change of the law.

Mr. DOLE. Will the Senator yield at that point?

Mr. SPECTER. I am delighted to yield.

Mr. DOLE. I am just as eager as the Senator to be agreeable, and I would be happy to correct the RECORD. There are limited cases in tort law where intent would be a factor. If that is not clear, I will certainly clarify the RECORD. I would not want to disturb the Senator.

Mr. SPECTER. If the Senator from Kansas is willing to do that, I need not say any more.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I will only take 30 seconds.

As interesting as this dialog and discussion has been, Mr. President, I think that we are getting off the basic and fundamental issue and, yes, that is: Do we want to make sure that black citizens, Hispanic citizens, and other Americans are going to be given full and equal opportunity to participate in elections? That is the basic question. If we answer that in the affirmative, what possible difference does it make what was in the minds of city councilmen, State legislators or other government officials 50, 75, 100 years before that?

That is the issue which is before us. If Senators believe that what was in the minds of those people 50, 75 years ago does make a difference, even if minority voters today are being denied equal opportunity, then Senators should vote "aye" with Senator EAST.

If Senators say that they are interested in whether black citizens, brown citizens, and Hispanic citizens are to be given equal opportunity before the law as white Americans, then they should vote no.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Mr. MATHIAS. Mr. President, I hope we can proceed to a vote immediately. I think the Senator from Massachusetts has correctly stated the proposition before us and stated it as the Supreme Court of the United States saw it in the case of White against Regester. The Court there adopted the results test and correctly interpreted the legislative decision. The Bolden decision was a radical change as a result of statutory interpretation, and it imposed the requirement of proof of a discriminating purpose.

This bill simply restores the original legislative understanding as it had been found by the Supreme Court.

I think it is also interesting that nearly every case under the White against Regester decision explicitly rejected proportional representation.

Mr. HEFLIN. Mr. President, I rise to commend my esteemed colleague from Kansas, Senator ROBERT DOLE, for diligently applying his leadership in formulating a workable compromise amendment to the Voting Rights Act of 1965. All of us are familiar with the ongoing public debate that has surrounded this crucial issue. The debate has reflected the complexity of the problems facing this country as we seek to rid our Nation of the last vestiges of discrimination at the voting booth. The discussion has been marked by sharp differences and has brought forth passionate rhetoric and a determined effort by those with their respective views.

Oftentimes, in a great democracy, reasonable lawmakers, representing the views of their constituents, reach an impasse concerning the resolution of the momentous issues of the day. What enables them to resolve these differences and move forward is the leadership and skill of those of our colleagues who rise to the occasion and put forward a compromise that is a fair and equitable solution and is in the best interest of the Nation.

Senator DOLE's amendment to section 2 of the Voting Rights Act of 1965 is such a compromise. I would recommend to my colleagues in the Senate to take note of and remember Senator DOLE's effort and vigorous leadership in putting together a most-workable solution to our impasse on this legislation. The result is a classic example of a great system of government working as it should.

I do not believe there has ever been a question of whether the Voting Rights Act of 1965 should be extended. The deliberate disenfranchisement of the minority citizens in this country through a variety of methods

is a sad chapter in our history. In the 1960's we began the long effort to close out that chapter. Though there is work to be done—I am proud, in fact we all can be proud, of the progress we have made in eliminating discrimination in voting practices and in making the operation of our Government consistent with the principles on which this great democracy was founded.

Now we are at a crossroads. We must use what we have learned in the past two decades to move forward to complete the task. I believe the Dole compromise of section 2 of the act is by far the best way for us to proceed. In the House of Representatives, in the deliberations of the Senate's Subcommittee on the Constitution, and in the full Senate Committee on the Judiciary there have been many hours of testimony, discussion, and debate on what standard should be used to establish that a jurisdiction is in violation of the act. The controversy has revolved around the so-called intent versus results test. Simply put—the question has been, does a court look at a government's intent to deny minorities access to the political process in the original establishment of a government, no matter how long ago that may have been; or whether the actual form of government itself currently result in a denial of access to the political process.

The intent test is a yesterday test or rather a yesteryear test. It involves what occurred in many instances 25, 50, and 75 years ago. The intent test does not take into consideration the progress that has been made in race relations. It fails to take into account the elimination of poll taxes, literacy tests, property requirements, as well as other devices designed to prevent minorities from registering and voting. The intent test would not involve an evaluation of good faith efforts made to encourage all citizens to register and to participate in the political process. The intent test would not involve an evaluation of the sincerity of communities to get out the vote which many civic clubs and other organizations in communities have practiced now for the past two decades in many parts of the South. On the other hand, a mere statistical result approach would lose sight of the efforts made in recent years to encourage voter participation of all citizens regardless of race, color, and religion. A mere statistical results test would not take into account an apathetic approach toward exercising the right to vote in some communities. The Dole compromise allows for a consideration of a totality of circumstances, both pro and con, and in effect allows for an equitable decision based upon a multitude of factors that are involved in the present and past practices within a community. The Dole compromise has a now application but allows for consideration of yesterday factors as well as present day good faith efforts to remedy past mistakes if the yesterday factors touch on the new result.

Unlike the version of this act passed by our esteemed colleagues in the House which established a violation of the act by focusing only on the results of the operations of a particular form of government, Senator DOLE's amendment would take into consideration the totality of circumstances—both pro and con—surrounding a particular case before making a judgment as to whether that government had denied anyone the right to participate in the electoral process. This is a key and a vital distinction.

There has been a great deal of rhetoric by well-intentioned individuals on both sides raising very legitimate points of the appropriate test to be fashioned by the Congress of the United States for determining discriminatory practices in violation of the Voting Rights Act under section 2 of this legislation, in light of recent court decision.

On one hand, many individuals feel that a strict intent test ought to be applied as to the labeling an individual, municipality, county, or State as discriminatory the same way this strong standard is applied in our criminal justice jurisprudence. On the other hand, some proponents of a strict results test feel that a pure analytical analysis of facts and figures without the allowance of historical factors of good faith efforts and other mitigating circumstances, should not be included.

There are obviously pitfalls on either side of this dialog. Many who profess opposition to the results test think it would be more difficult to prove an intent rather than a results, when in reality in most of the covered States, including my own, Alabama, a clear pattern of legislative and governmental intent to disenfranchise black citizens can be established and traced back from the early days of Reconstruction to as recently as the 1960's. Constitutions were rewritten and amended, special sessions of legislatures were called and election laws were enacted for the specific purpose of disenfranchising minority voters. There can be little doubt that the intent existed.

To prove an intent test merely takes some digging by historians. Recent decisions have shown that this can be effectively done. Unfortunately it is there. If anything, the results standard establishes a more severe burden because of the nonquantitative subjective factors and the amount of objective factors that must be weighed by a court. But opponents of the results test have raised very legitimate concerns about the potential of proportional representation. In debate in the Senate Judiciary Committee and the public, I know of few individuals and no Member of this august body ever imposing proportional representation as a standard upon governmental structures of this country at any level. This concern was legitimately raised by the Reagan administration, by the Attorney General of the United States, and by members of the Senate Judiciary Committee. I believe the Dole compromise specifically and emphatically protects against appropriate fears of imposing proportional representation. The language is clearly and specifically spelled out:

> Provided that nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.

The Dole compromise gives the right to participate openly and fairly in the election process, but does not give a guarantee to election.

A vast majority of communities who had practiced racial discrimination as to the electoral process prior to 1960, have improved dramatically. The registration and electoral system of these communities have been remarkably changed in a relatively short period of 17 to 20 years.

To completely disregard and deemphasize these positive and worthwhile efforts discourages the incentive to improve systems. By using a standard that may go back to the 1870's to determine whether a form of government was discriminately created causes a complete disregard of recent good faith efforts.

The Dole compromise takes into consideration all circumstances both pro and con, such as:

First, whether the structure, standard, practice, or procedure was the product of a routine or traditional decision.

Second, whether there is a history of official discrimination in the State or political subdivision which touches the right of citizens protected by this act to register, vote, or otherwise participate in the democratic process.

Third, whether the structure, standard, practice, or procedure was supported by a neutral justification.

Fourth, whether there is a lack of responsiveness on the part of elected officials in the State or political subdivision to the needs of the members of the minority group.

Fifth, was the structure, standard, practice, or procedure irrational or motivated by a decision to curtail the political strength of the citizens protected by this act?

Sixth, whether the present structure, standard, practice, or procedure has had a significant adverse impact upon citizens protected by this act.

Seventh, have the citizens protected by this act been allowed to register and vote without hindrance?

Eighth, have the citizens protected by this act in recent years participated or failed to participate in the election process in such a manner as to contribute to the present situation, provided there has been no hinderance to register and vote?

An evaluation of a totality of circumstances, both pro and con, allows for a just, fair, and equitable determination under a "now" standard.

Senator DOLE has done our Nation a service with his compromise amendment. He has understood where we have come from in this effort and what needs to be done in the future if we are to bury discrimination at the polling places of this country once and for all.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), and the Senator from Nebraska (Mr. EXON) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of a death in the family.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), would vote "nay".

Mr. GOLDWATER. Regular order, Mr. President.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 16, nays 81, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—16

Armstrong	Hatch	Symms
Byrd, Harry F., Jr.	Hayakawa	Thurmond
Denton	Helms	Tower
East	Humphrey	Wallop
Garn	Laxalt	Warner
	McClure	

NAYS—81

Abdnor	Glenn	Mitchell
Andrews	Goldwater	Moynihan
Baker	Gorton	Murkowski
Baucus	Grassley	Nickles
Bentsen	Hart	Nunn
Boren	Hatfield	Packwood
Boschwitz	Hawkins	Pell
Bradley	Heflin	Percy
Brady	Heinz	Pressler
Bumpers	Hollings	Proxmire
Byrd, Robert C.	Huddleston	Pryor
Cannon	Inouye	Quayle
Chafee	Jackson	Randolph
Chiles	Jepsen	Riegle
Cochran	Johnston	Roth
Cohen	Kassebaum	Rudman
Cranston	Kasten	Sarbanes
D'Amato	Kennedy	Sasser
Danforth	Leahy	Schmitt
DeConcini	Levin	Simpson
Dixon	Long	Specter
Dodd	Lugar	Stafford
Dole	Mathias	Stennis
Domenici	Matsunaga	Stevens
Durenberger	Mattingly	Tsongas
Eagleton	Melcher	Weicker
Ford	Metzenbaum	Zorinsky

NOT VOTING—3

Biden	Burdick	Exon

So Mr. EAST's amendment (No. 1875) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Mr. President, do we have a 15-minute voting rule in this body or do we not?

The PRESIDING OFFICER. The Senator is correct. The rule is for a 15-minute vote.

Mr. GOLDWATER. I suggest this last one went about 18 or 19 minutes. I am getting a little tired of fooling around. Most of us can make it here in 15 minutes; everyone can make it.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. EAST. Thank you, Mr. President.

I wish to clarify for the sake of my colleagues, as I indicated earlier, as to these amendments. What I wish to do is offer them, state my case, let the opposition respond, and then move to a vote.

So if that helps Senators plan their evening, that is fine. I am not interested in taking any longer than is necessary to offer the amendment and to make my case for it. Let anyone respond who wishes to and we can move on to the vote.

So I am prepared, as soon as the Chair and the Parliamentarian are prepared, to offer my next amendment, unless someone else gets the floor before I do, and move to these amendments in a prompt, orderly way.

I know there are a few other amendments that Senators have. I am sure they will be offered in the same spirit and can be disposed of in the same fashion.

But that is the way I intend to proceed, Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina may proceed.

Mr. EAST. Mr. President, I offer printed amendment No. 1897.

Mr. HELMS. Mr. President, I hope the Senator will forebear. I cannot hear him and I am not 20 feet from him.

I ask the chair to maintain order so the Senator may be heard.

The PRESIDING OFFICER. If the Senator will suspend, the Senate is not in order. There has been a request by the Senator from North Carolina that the Senate come to order so the discussion can be heard by everyone.

Does the Senator from North Carolina (Mr. EAST) desire the floor?

Mr. EAST. Mr. President, I am prepared to offer printed amendment No. 1897.

AMENDMENT NO. 1897

(Purpose: To limit the jurisdiction of the courts to require proportional representation or quotas in the election of members of a protected class)

Mr. EAST. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. EAST) proposes a printed amendment numbered 1897.

Mr. EAST. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, beginning with the word "population" in line 13, strike out the remainder of the line and insert in lieu thereof the following: "population.

"'(c) No court of the United States may have jurisdiction to require, mandate, or otherwise provide for the election of members of a protected class under this Act in numbers equal to their proportion in the population or in numbers based on any ratio, quota, or other numerical requirement.'".

The PRESIDING OFFICER. The Senator may proceed.

Mr. EAST. Mr. President, thank you, and I am prepared to state as quickly as I can my case for this particular amendment if we could just make certain, Mr. President, that we had order in the Chamber so we can at least be heard.

The PRESIDING OFFICER. The Senator from North Carolina makes the point that the Senate is not in order. So I ask the Senator to suspend while we do bring order to the Chamber.

The Senator from North Carolina may proceed.

Mr. EAST. I thank the distinguished Senator from Iowa, the Presiding Officer.

Mr. President, this next amendment deals with a matter raised just a few minutes ago in the discussion between myself and the Senator from Kansas (Mr. DOLE).

The problem that is probably the most critical one of contention in this whole area is the new dimension that I am contending section 2 introduces. Senator MATHIAS, the distinguished Senator from Maryland, acknowledged it on his question of effects and intent. The Senate, and I respect its judgment, has gone on record saying it prefers the effects test. So be it.

The Senate has made its decision, and I obviously fully respect it.

One thing, though, that came out of that debate, and that discussion with all parties concerned, pro and con, was that the courts could not impose quotas or proportional representation based upon race or color in terms of a solution in a case involving this act.

That is, yes, of course, they could look at the whole question of access, the right of every American regardless of color or race to register and to vote and to have that vote counted.

I sense throughout the entire Chamber on both sides an agreement that there be neither quotas nor proportional representation—and these are two different concepts, now; proportional representation simply means representation according to percentage of the population. Say that you have a city council made up of 10 members and that 30 percent of the population of the city are members of a particular minority. Proportional representation would require a 30-percent representation on the council. Use of a quota would mean anything more than that or less than that.

The proposed law only says you do not have the right to representation equal to the literal percentage of population, but it does not eliminate the question of remedy, whether it is imposed as a quota or number which could be greater than proportional representation or less.

All this amendment would do, and I think this comports, as I understood the discussion and debate, with the sentiments of all Senators, is insure that courts would not be imposing proportional representation or quotas under this act. That would be contrary to the spirit and the letter of the law.

I look upon this in a way as a technical amendment then, a strengthening amendment, to shore up the point of view made by the distinguished Senator from Kansas (Mr. DOLE) who is the author of the so-called compromise. He said right here on the Senate floor a few moments ago that there was absolutely no question about it; he did not want to seek proportional representation or quotas or any reasonable facsimile thereof imposed by the courts.

Since we know courts have a way of doing mischievous things on occasion, and, that they sometimes take our intent as a legislative body, which often is not very clear, and maneuver it in a direction we do not want it to go, I feel it is essential that this bill say categorically, "No proportional representation, no quotas imposed as a remedy." Otherwise, you clearly run the risk of having quotas or proportional representation imposed. This provision—and again I repeat—states that members of the protected class do have the right to elect representatives of their choice. Having said that, you do leave open invitation to a court to impose either proportional representation or some reasonable facsimile thereof, quotas.

The single biggest point of this entire debate on S. 1992 is whether we want to preclude the possibility of quotas being imposed by courts on elections in this country? I have not heard one Senator get up and defend the concept of the remedy of quotas or proportional representation, so why not make that as clear as we can, categorically—cross the "t," dot the "i," put the period in. Then we can go home and rest assured of a job well done on this particular section.

So, Mr. President, that is the spirit in which I offer this next amendment, and I shall leave it to the good judgment of my colleagues and the legislative record they are preparing for the courts ultimately to examine.

I am concerned that in voting down this amendment, they are simply inviting the courts to impose quotas and proportional representation as remedies. Now you have an opportunity to say clearly "No." But by rejecting it, courts will look at the legislative record and say, "Yes, proportional representation comports with the vague language, and indeed the Senate rejected an amendment to the contrary, so clearly legislative intent is 'Yes, we shall use it as a remedy.'"

That is the road you are going to be sending the election process down in this country over the years and the decades ahead.

Unless again I be misunderstood, I will support, and have supported any reasonable legislation designed to insure that each and every American regardless of race or color has access to registration and voting and having that vote counted.

I want to reiterate that I have no quarrel with that principle. I support it. I am simply concerned about its introducing the whole concept of quotas and proportional representation through the legislative process, and inviting the courts to impose quotas as a remedy. That is the evil I am concerned about. I say it is an evil because it imposes a totally new concept on the American election process.

So I hope my colleagues will think long and hard on this one. This may be the single most important vote they cast on this particular bill.

So I respectfully ask for their careful consideration. Mr. President, I am prepared to yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I rise to oppose the amendment, and I refer the attention of the Senate to the language that appears on page 17 of the bill in subsection (b) of section 2 at line 11, where it is provided:

> That nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.

I believe this language accomplishes the purpose that is sought and has been eloquently described by the Senator from North Carolina. That language is discussed at some length in the committee report on pages 30 and 31. I am not going to read all of that argument because the Members of the Senate have undoubtedly read it prior to this debate and are already familiar with it. But the report does point out that when a Federal judge is called upon to determine the validity of a practice challenged under section 2 that he or she must act in accordance with the disclaimer which I have just read from the bill.

Now, there is further, I think, protection which should set the Senator from North Carolina's mind at ease that the basic principle of equity requires that the remedy provided by the court of equity, provided by the chancellor, must be commensurate with the right that has been violated. I think that is protection without the necessity of disturbing prior caselaw or prescribing mechanical rules for remedies, and I think we can rest—we can provide the Senator from North Carolina with the statement of a job well done with the language that is in the bill.

That is not my judgment alone. The distinguished chairman of the Judiciary Committee quoted at length the opinion of William Bradford Reynolds, the Assistant Attorney General in charge of the Civil Rights Division in the Department of Justice. Mr. Reynolds happens to have expressed his view on this particular subject. He is, I think, an excellent lawyer, and he reaches the conclusion, and a proper conclusion, in a letter to the editor of the Washington Post which appeared on the 31st of May of this year. He says, and I am quoting just in part:

> The Senate compromise removes entirely the highly offensive concept of proportional representation based on race, a concept that had been included in the liberal House version. Of equal importance, the Senate's compromise shifts the essential focus of section 2 away from an emphasis on election results, as in the House version, and back to a proper concern for individual rights.

That, I think, makes it clear that the Assistant Attorney General, who is an expert in these matters, agrees with the interpretation I have put on it.

Now, further, I think there is this caution that has to be expressed with regard to the amendment of the Senator, and that is that it is an irrational extension of a notion against proportional representation which says that no Federal court may require, mandate, or otherwise provide for the election of minority candidates in numbers equal to their proportion of the population. That is an unlimited proposal.

I would assume that if there were a plan presented by a municipality in which a proportional number of minority candidates might get elected, it just happened to come out that way, and the plan was unanimously supported by every voter in the municipality, that the court would be under this measure prohibited from approving or adopting that plan.

Therefore, I believe that not only has it been unnecessary, but that it could have mischievous results, although I am sure they are not intended by the author of the amendment.

Mr. HELMS. Will the Senator yield?

Mr. MATHIAS. Surely. I will yield the floor.

Mr. HELMS. No, I do not want the Senator to do that. I want him to repeat that reasoning that he just stated at the conclusion.

Mr. MATHIAS. What I am suggesting is that the language of the amendment says that:

> No court of the United States may have jurisdiction to require, mandate, or otherwise provide for the election of members of a protected class under this Act in numbers equal to their proportion in the population.

Mr. HELMS. Yes, but the Senator was talking about the judge being precluded from doing something.

Mr. MATHIAS. Yes, that is exactly right. If it turned out that under the plan the judge was reviewing or an election that the judge was reviewing that there were exactly proportional results—it is probably mathematically unlikely—but if it did happen, then, under this amendment, the judge could not certify that particular plan or that particular election result because it is expressly forbidden by the law.

Mr. HELMS. If the Senator will forgive me, that is the most strained interpretation of this amendment that could be conceived. I am astonished.

Mr. EAST. If I might state to the Senator, the amendment simply forbids the court from imposing not only the proportional representation but quotas. In short, it would preclude courts from decreeing results or effects based exclusively on race or color. That is the concept I find equally troublesome.

Again, as I said before, certainly the law would encourage proportional representation and under this section it merely says there is not a right to proportional representation. But, yet, given that something is to be accorded to a protected class, I would submit, what else is there to do except to impose some sort of percentage result? Of course, you say the result might not literally be proportional representation, but it could well be some sort of quota, some use of numbers.

Again, back to my point, as the Attorney General stated, the disclaimer means something; it repeals something; it repeals the results test or it is meaningless. All I am trying to do is to have us clarify that the court could not, as a remedy, impose proportional representation or quotas on election results. Eliminate that. That is all this amendment would do, in other words, clarify a point that I thought everyone had agreed was a good idea, including the distingushed Senator from Kansas, who is the principal author of this so-called compromise.

Mr. HELMS. Mr. President, I think we are stumbling into rhetorical confusion now. I heard the Senator from Maryland, but I want to understand what he is saying.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I rise in opposition to this amendment by the Senator from North Carolina and to make my statement as to what I believe the issue is and how we have addressed the issue of proportional representation in this legislation, both from my position as a member of the subcommittee and also as one Senator who worked with several other Senators, under Senator DOLE's leadership, to find a compromise in this area.

As far as the threat of a congressional mandate of proportional representation is concerned, I am convinced that sufficient guarantees against such an edict have been incorporated in the new section 2 of the act. I have been most adamant in my objections to any such proportional representation mandate. This has been a great concern of mine from the very beginning of these proceedings. I opposed adoption of the House-passed language because of these concerns.

The section 2 compromise proposal reads in part, "nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population." At several instances the committee report states that section 2 creates no right to proportional representation for any group. The committee report also states that any concerns that have been voiced about racial quotas are put to rest by the basic principle of equity that the remedy must be commensurate with the right that has been violated.

Therefore, as there is no right to proportional representation, it would appear that the courts are prohibited from imposing proportional representation as a remedy. The subcommittee minority reached this same conclusion; and I quote page 83 of the subcommittee report:

> The minority joins the majority in rejecting proportional representation as either an appropriate standard for complying with the Act or as a proper method of remedying adjudicated violations.

While I understand and sympathize with the concerns of those who would like to insure that proportional representation is not imposed as a remedy, I believe that sufficient safeguards against such an aberration are already included in the act. I am simply saying that as I read the act adequate safeguards are already included in the new section 2.

Mr. DOLE. Mr. President, throughout the hearings, the focus of debate was the standard of proof to be used under section 2 and what constituted a violation. Opponents of the results test argued that the touchstone under the results standard would be whether minorities had achieved proportional representation. These concerns were addressed by an amendment which expressly disavowed a right to proportional representation, and clarified that the legal standard to be applied was that of White against Regester. Under White, the issue to be decided is whether there is equal access to the political process, and the totality of circumstances is considered. The extent to which minorities have been elected is only one factor, among several, to consider.

Now we are hearing from a few that remedy language is needed, and it is not. White, and the line of cases applying White were the subject of intense scrutiny during the hearings. No objections were voiced during the hearings about how remedies were fashioned in those cases. Opponents of the results test have been unable to point to one case where proportional representation was ordered as a remedy under the results test.

Moreover, as the report points out, the basic principle of equity, that the remedy must be commensurate with the right provides all the assurance that is needed. The report also disavows the use of quotas. New, unconsidered language concerning remedy would serve no other purpose than to signal the courts that we are trying to limit their ability to fully redress the right which is recognized under the results test, that is, the right to equal access to the political process.

Some have nevertheless argued that such limiting language is necessary because of "aberrant" courts. But again, we are simply codifying a legal standard which was used by the courts for over a decade. No one has been able to point to an "aberrant" court which sought to impose proportional representation as a remedy under the results test. In addition, this perceived problem of "aberrant" courts would presumably apply whether the court is fashioning relief under the "results" standard or the "intent" standard.

As Assistant Attorney General Brad Reynolds, who was a leading critic of the House language, recently wrote, the committee amendments to section 2 "remove entirely" the concept of proportional representation. The com-

promise amendments have been an indisputable success in addressing the competing concerns which have been expressed about this issue and thus solidifying the overwhelming bipartisan support it has received. We should not tamper with it to address fears that are unfounded and unsubstantiated.

Mr. KENNEDY. Mr. President, this amendment by Senator EAST provides that no Federal court may require or provide for the election of minorities in proportion to their presence in the population. The amendment would intrude unnecessarily upon the traditional powers of the court to remedy voting rights violations and should be decisively rejected.

As the committee report makes absolutely clear, the remedy for any voting rights violation must be commensurate with the right that has been violated. For this reason, the courts in correcting section 2 violations should exercise their traditional equitable powers to implement relief that completely remedies the prior violations or dilution of minority voting strength. Based upon established and accepted concepts of equity and existing case law, the courts have a duty in section 2 cases fully to provide equal opportunity for minority citizens to participate in the electorate and to select candidates of their choice.

Given the existing body of cases clearly establishing these equitable remedial concepts, and given the fact that the amendment to section 2 deals solely with whether or not there has been a substantive violation of voting rights, it is wholly unnecessary to do more in addressing the remedy issue than to advert to the above general precepts. It is unnecessary, and beyond the scope of the proposed amendment to section 2, to prescribe any mechanistic or predetermined rules for formulating remedies in cases which necessarily depend upon widely varied proof and local circumstances. The fashioning of remedies must be left to the traditional, equitable powers of the local Federal courts having jurisdiction over particular controversies to determine on the facts of each case a remedy that recognizes minority voting strength, provides a fair opportunity for minorities to participate in the political process, and fully remedies the violation.

The proposed amendment would alter the law as it presently exists; and interfere with the duties of the Federal courts. The East proposal should be rejected.

The PRESIDING OFFICER. Is there further debate?

Mr. EAST addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EAST. Mr. President, I have concluded my comments. I am willing, as a sponsor of the amendment, to ask for the yeas and nays, obviously not trying to preclude anyone else from commenting. But I am ready to ask for the yeas and nays and proceed to a vote.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from North Carolina (Mr. EAST). The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE), is necessarily absent.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), and the Senator from Colorado (Mr. HART), are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN), is absent because of a death in the family.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 14, nays 81, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—14

Abdnor	East	Laxalt
Armstrong	Garn	Nickles
Byrd, Harry F., Jr.	Hatch	Symms
Denton	Hawkins	Thurmond
	Helms	Tower

NAYS—81

Andrews	Goldwater	Moynihan
Baker	Gorton	Murkowski
Baucus	Grassley	Nunn
Bentsen	Hatfield	Packwood
Boren	Hayakawa	Pell
Boschwitz	Heflin	Percy
Bradley	Heinz	Pressler
Brady	Hollings	Proxmire
Bumpers	Huddleston	Pryor
Byrd, Robert C.	Humphrey	Quayle
Cannon	Inouye	Randolph
Chafee	Jackson	Riegle
Chiles	Jepsen	Roth
Cochran	Johnston	Rudman
Cohen	Kassebaum	Sarbanes
Cranston	Kasten	Sasser
D'Amato	Kennedy	Schmitt
Danforth	Leahy	Simpson
DeConcini	Levin	Specter
Dixon	Long	Stafford
Dodd	Lugar	Stennis
Dole	Mathias	Stevens
Domenici	Matsunaga	Tsongas
Durenberger	Mattingly	Wallop
Eagleton	Melcher	Warner
Ford	Metzenbaum	Weicker
Glenn	Mitchell	Zorinsky

NOT VOTING—5

Biden	Exon	McClure
Burdick	Hart	

So Mr. EAST's amendment (No. 1897) was rejected.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. the majority leader.

Mr. BAKER. Mr. President, I understand that the distinguished senior Senator from North Carolina is prepared at this time to offer an amendment and will perhaps accept a time agreement for debate; is that correct?

Mr. HELMS. Twenty minutes.

Mr. BAKER. Mr. President, I am told that the Senator from North Carolina has an amendment on proportional representation and that he is willing to take a time agreement of 20 minutes to be equally divided.

Is the amendment printed or unprinted?

Mr. HELMS. It is not printed—provided I get an up-and-down vote and we do not start tabling, Mr. President.

Mr. BAKER. I have no intention of doing that, Mr. President, I think we are making good progress. I wonder if there is a copy of the amendment that we can see.

Mr. HELMS. Sure.

Mr. BAKER. Mr. President, I have read the amendment, and it appears to be a straightforward amendment dealing with the question of proportional representation. I think that the Senator from North Carolina is very generous in his offer of a time limitation.

I ask unanimous consent that there be a time limitation of 20 minutes to be equally divided on this unprinted amendment to be offered by the senior Senator from North Carolina (Mr. HELMS) on proportional representation, with control of the time for debate thereon in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, I further ask unanimous consent that no motion to table be in order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from North Carolina.

UP AMENDMENT NO. 1025

(Purpose: To allow the courts to order proportional representation as a remedy)

Mr. HELMS. Mr. President, I am observing with some fascination the record that is being built here. I can imagine that lawyers will have a field day and judges will look at the action just taken on the amendment by the distinguished Senator from North Carolina (Mr. EAST) and say, "Well, the Senate had a chance to proscribe quotas or proportional representation."

Frankly, with all respect to my colleagues who feel that they have nailed this thing down sufficiently tight, I

believe that they have in fact opened Pandora's box in terms of interpretations that could be given of what the Senate really meant.

Therefore, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Add at the end of the Committee substitute the following new Section:

"SEC. . Notwithstanding any other provision of law or of this Act, a court may order as a remedy to a violation of the Voting Rights Act of 1965, as amended, a system of government intended to insure quotas or proportional representation of classes of persons protected thereby.".

Mr. HELMS. Mr. President, obviously, I am going to vote against my own amendment, and I am going to urge other Senators to do likewise; because by adopting this amendment, we will be saying to the courts in the future: "We, the United States Senate, do not intend for you to use as a remedy quotas or proportional representation."

So I am giving the Senate a chance to go on record; and if the Senate does not go on record, then I say again that Pandora's box has been opened wide.

I want to make it clear for the record that it is the intent of Congress that the Federal courts shall not order quotas or proportional representation as a remedy for alleged Voting Rights Act violations.

Every proponent of this bill on this floor has repeatedly said that he does not intend it to require quotas or proportional representation. So the way to nail that down is to vote against the Helms amendment.

I know this is a somewhat unusual procedure, but I know of no other way to approach it. I am saying to the Senate: "Put up or shut up on this issue, because if we do not put up, then the Federal courts down the line will be free to interpret as they please."

Mr. President, as I say, I intend to vote against my own amendment, and I hope it will be resoundingly defeated. I hope the Senate will go on record against quotas or proportional representation.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HELMS. I yield.

Mr. DOLE. If we vote against your amendment, will you vote for the bill? [Laughter]

Mr. HELMS. I beg your pardon?

Mr. DOLE. If we help defeat your amendment, will you help us pass the bill?

Mr. HELMS. We will be halfway there. If we can do this and also something about bailout, as I have said from the beginning, then I would think about it.

The two things that have bothered me, and the question left open by the fuzzy language, as I read it, are with respect to quotas on proportional representation, and the bailout.

I will make a deal with the Senator, or all Senators, that if we will address the bailout and the issue of quotas and proportional representation, then you can go to final passage, so far as I am concerned. That is what I have been saying all week long.

I reserve the remainder of my time, Mr. President.

Mr. LEVIN. Mr. President, I will vote against the Helms amendment. But I believe there is some confusion about what this amendment does and does not do. The principal author of the amendment suggests that its defeat would establish the Senate's intention to oppose proportional representation via court order in all circumstances. But a closer examination of the language of the amendment indicates that it does not purport to allow a court to order boundaries in a specific district, for instance, to be based on proportional representation if necessary to remedy a constitutional violation.

Instead, the amendment would allow a court to order "a system of government intended to insure * * * proportional representation * * *" I can foresee no circumstances under which a court should order that our entire system of government should be so radically altered.

It is for this reason, among others, that I shall vote against this amendment. I would suggest that anyone seeking to understand the meaning of the Senate's action defeating this amendment will find it in the sweeping language of the amendment itself rather than in the interpretations given to that language.

● Mr. KENNEDY. Mr. President, the amendment allowing a court to adopt a remedy intended to insure quotas or proportional representation was defeated overwhelmingly because it was irrelevant to this bill, because judicial remedies are governed by a body of equitable jurisprudence, and this bill is not intended to affect or interfere with that body of equitable jurisprudence.

Under that body of law courts are directed to adopt remedies that are adequate to completely rectify violations, and, in the case of a districting plan, to require or adopt fairly drawn plans that adequately reflect the voting strength of minority voters.

That is a far cry from a remedy intended to insure quotas or proportional representation and that is why that amendment was rejected.●

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I am going to join the Senator from North Carolina in voting against this amendment.

Mr. HELMS. Thank you, sir,

Mr. MATHIAS. I believe that the Dole compromise has the disclaimer in it which fully covers this area, this language. It would be unnecessary. The matter has been fully debated in connection with the previous amendment of the junior Senator from North Carolina. I am happy to be joining the senior Senator from North Carolina in defeating the amendment.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as the Senator from Maryland and the Senator from Kansas have pointed out, the issue on proportional representation has been fully discussed and debated. It does not need any further elaboration.

I also hope the amendment will be defeated.

The PRESIDING OFFICER. Is there further debate?

Mr. HELMS. Mr. President, delightedly, I yield back the remainder of my time.

Mr. MATHIAS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from North Carolina. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK) and the Senator from Nebraska (Mr. EXON) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of death in the family.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) would vote "nay."

The PRESIDING OFFICER (Mr. HATCH). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 1, nays 94, as follows:

[Rollcall vote No. 177 Leg.]

YEAS—1

Specter

NAYS—94

Abdnor	Baucus	Bradley
Andrews	Bentsen	Brady
Armstrong	Boren	Bumpers
Baker	Boschwitz	Byrd,

Harry F., Jr.	Hawkins	Nickles
Byrd, Robert C.	Hayakawa	Nunn
Cannon	Heflin	Packwood
Chafee	Heinz	Pell
Chiles	Helms	Percy
Cochran	Hollings	Pressler
Cohen	Huddleston	Proxmire
Cranston	Humphrey	Pryor
D'Amato	Inouye	Quayle
Danforth	Jackson	Randolph
DeConcini	Jepsen	Riegle
Denton	Johnston	Roth
Dixon	Kassebaum	Rudman
Dodd	Kasten	Sarbanes
Dole	Kennedy	Sasser
Domenici	Laxalt	Schmitt
Durenberger	Leahy	Simpson
Eagleton	Levin	Stafford
East	Long	Stennis
Ford	Lugar	Symms
Garn	Mathias	Thurmond
Glenn	Matsunaga	Tower
Goldwater	Mattingly	Tsongas
Gorton	Melcher	Wallop
Grassley	Metzenbaum	Warner
Hart	Mitchell	Weicker
Hatch	Moynihan	Zorinsky
Hatfield	Murkowski	

NOT VOTING—5

Biden	Exon	Stevens
Burdick	McClure	

So Mr. HELMS' amendment (UP No. 1025) was rejected.

Mr. SPECTER. Mr. President, I wish to briefly expand upon my vote in favor of the amendment offered by the Senator from North Carolina (Mr. HELMS).

I was concerned about the purpose for which the amendment was offered. Since the bill states that it does not create a right to proportional representation, the defeat of the amendment might result in confusing the legislative history of this most important measure.

The amendment's reference to "a system of government intended" to insure proportional representation may be broad enough to encompass many appropriate remedial orders. I was concerned that by defeating this amendment, we might fuel the argument that any remedy which may result in proportional representation is unavailable to the courts.

I am opposed to limiting the traditional equitable and remedial powers of the courts. The bill does not tamper with the power of the Federal courts to order remedies commensurate with the violation. I was, therefore, most concerned that this amendment was apparently proffered in order to have it defeated in an attempt to create the false impression that this bill somehow curtails the courts' equitable powers.

I was also concerned about the stampede on this amendment, and the unusual twist that its sponsor announced his intention to vote against it. It was acted upon in a few minutes after about 9:15 p.m. when the Senate had been in session for some 12 hours.

There had been no hearings on the amendment. It had not been considered by the Judiciary Committee. It had not been circulated prior to its introduction. The first notice of its content came when the clerk read it. There were only a few minutes of debate.

During the course of the 15-minute rollcall vote, I discussed the issue with several Senators including the two principal advocates in favor of the bill, the Senator from Maryland (Mr. MATHIAS) and the Senator from Massachusetts (Mr. KENNEDY). Because of my continuing concern that rejection of this amendment might be used to preclude proportional representation in proper cases, I voted in the affirmative on the amendment.

The PRESIDING OFFICER (Mr. HATCH). The Senator from North Carolina.

AMENDMENT NO. 1865

(Purpose: To change the venue provisions under sections 4 and 5)

Mr. EAST. Mr. President, I would like to offer a printed amendment No. 1865.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. EAST) proposes a printed amendment numbered 1865.

Mr. EAST. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

At the end of the bill add the following:

SEC. 7. (a) Section 4(a) of the Voting Rights Act of 1965 is further amended by striking out "the United States District Court for the District of Columbia" each place it appears and inserting in lieu thereof "an appropriate United States district court".

(b) Section 5 of the Voting Rights Act of 1965 is amended by striking out in the first sentence of such section "the United States District Court for the District of Columbia" and inserting in lieu thereof "an appropriate United States district court".

(c) Section 14 of the Voting Rights Act of 1965 is amended—

(1) by striking out in subsection (b) "the District Court for the District of Columbia" and inserting in lieu thereof "an appropriate district court";

(2) by striking out in subsection (d) "the District Court for the District of Columbia" the first time it appears and inserting in lieu thereof "a district court";

(3) by striking out in subsection (d) "the District of Columbia" the second time it appears and inserting in lieu thereof "the district in which such action for declaratory judgment has been brought"; and

(4) by striking out in subsection (d) "the District Court for the District of Columbia" the second time it appears and inserting in lieu thereof "the district court".

(d) The amendments made by subsections (a), (b), and (c) of this section shall take effect on August 6, 1982.

Mr. EAST. Mr. President, this amendment turns our focus to the problems that the so-called affected States currently encounter under the 1965 act.

Mr. President, is the Senate in order? It is unclear to me whether it is or not.

The PRESIDING OFFICER. Will the Senate please be in order. Senators will clear the wells and the staff will quit chatting. The Senator from North Carolina.

Mr. EAST. Mr. President, we turn now to another amendment, which I am happy to dispose of as quickly as we can, and I will be concise. Then I have one other that I have to offer. This amendment, however, deals with a very important matter, venue. In particular, I am referring to the fact, Mr. President, that under this proposed law, S. 1992, the affected areas, the 9 States that originally came under the act and then the 13 others, for a total of 22, including my State of North Carolina with its 40 covered counties, Mr. President, are required to come to the Federal district court here in the District of Columbia in order to try these cases.

We feel that this requirement is burdensome and unfair and unwarranted.

You start under Anglo-American law, Mr. President, with the assumption that the place of trial will be the one where the alleged offense has supposedly taken place. The normal procedure is to ask for a change in the place of trial only if it would appear that a particular court or jurisdiction might be prejudiced in its attitude.

Mr. President, I do not wish to insist——

Mr. STENNIS. Mr. President, may we have order?

Mr. EAST. I do not wish to be difficult, but I would appreciate an opportunity for order in the Chamber while I state my case.

The PRESIDING OFFICER (Mr. HAYAKAWA). The Senate will be in order. The Senator from North Carolina will please proceed.

Mr. EAST. The normal assumption under Anglo-American law is that the place of trial will be the place where the offense allegedly has been perpetrated, unless one can show bias on the part of the court, in which event you ask for a change of venue.

Under the law we are voting upon now, or which we will be in due course, all the affected States are required to come to the District Court for the District of Columbia for trial. The simple presumption in the law is that southern district court judges of the federal system are prejudiced and would not hear these cases fairly.

That is a great slur on the southern judiciary, and, I might note, on judges approved by this very Chamber, many of them in very recent years.

In fact, the law does great violence to the very idea of venue because venue is to guarantee a neutral forum. The purpose of having cases brought here is to try to get a forum which is

biased on behalf of those who bring charges of discrimination. That is a very perverse manipulation of the venue concept.

This perverse concept is in the existing law, and we are going to perpetuate it.

Now, it is a curious thing that we hear a lot of discussion, and some of it even borders on eloquence, that we ought to be very careful of stripping courts of their jurisdiction. But that is precisely what this law does; it strips the lower Federal courts in the affected areas of jurisdiction to hear section 5 cases. Why? Again, on the irrebuttable presumption they are prejudiced and biased. I find it unacceptable, perverse, and contrary to the normal standards of Anglo-American law.

I think that any time if one or the other parties involved under this act can show that a lower Federal district court or its judge, is biased and prejudiced than they can ask for a change of venue. But do not mandate this kind of venue change, do not require the parties to come here.

So what this amendment would do, quite simply, Mr. President, instead of requiring that people in our area undergo the trouble and the cost of coming here and dragging witnesses here is permit them to try these cases in the appropriate court of the United States, which means the court in the area from whence they come.

It is interesting to note, Mr. President, the sixth amendment guarantees the right of the individual to be tried in the district in which the crime is alleged to have been committed. This ancient principle of Anglo-American law prevents the Government from manipulating jurisdictions against you, from using venue, to drag you all over, from making it difficult for you to bring yourself, your people, your witnesses into court, and from enhancing the potential that the Government will obtain a conviction.

Maybe this is the accepted norm today, I do not know. Perhaps so. Regrettably, I say, this approach does great violence to a venerable and important concept in Anglo-American law, the right to be tried in the district in which the offense has allegedly taken place unless compelling reason can be shown for holding trial elsewhere.

Again, I repeat, the people in our area have to bear the expense and the burden of coming here apparently on the hope that this jurisdiction will be prejudiced on behalf of those bringing the charges. I cannot live with this situation as a matter of conscience. That is why I offer this amendment. I will certainly respect the judgment of my colleagues, but the reason I ask them to vote upon this matter is not to trouble them, not to interfere with a pleasant evening, but just to let them express their opinion, their judgment, on whether they want this practice to continue.

So what would this amendment do? It would mean that under S. 1992, the place of trial would be in the Federal district court where the offense is alleged to have occurred. The litigants will not be required to commence action here in the Federal district court in Washington, D.C. That is my case, Mr. President, I ask for the yeas and nays and I am willing to proceed to a vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I will not take a great deal of time responding to the Senator from North Carolina, although I think the point that he raises is an important one and I think the response should have the attention of the Senate.

First of all, we ought to understand what the Senator from North Carolina is trying to do, and that is to change the venue for both the preclearance provisions of the legislation as well as the bailout provisions of the legislation. That is the thrust of the amendment of the Senator from North Carolina.

The reason that jurisdiction was vested in the District of Columbia was very simple and very important. First of all, it was to develop an expertise, knowledge, and understanding in an area of very considerable complexity. And I think over the period of 17 years that this legislation has been in effect, the courts in the District of Columbia have developed an expertise and a knowledge concerning the bailout and preclearance provisions of this law.

Second, it was to develop uniformity, so that the different regions of the country would be treated equitably and fairly, no matter what region of the country or what political subdivision or what county would come to the courts of law. And I think this has been done successfully.

The final point that I would make, Mr. President, is that this procedure has been followed in a number of other areas of law where the Congress has made a judgment, because of the complexity of legislation and the importance of uniformity, that the jurisdiction be vested in the District of Columbia Federal courts.

The right to vote is the most basic and fundamental right of Americans. At the time that the venue procedure in this bill was first adopted, I think it was wise. Over the period of the history of the Voting Rights Act, we have not seen abuses, and certainly no evidence of abuses was presented in the course of the hearings. Thus, I would hope that the amendment would be defeated.

Mr. EAST addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EAST. Mr. President, I would like to respond to the comments that the Senator from Massachusetts has made in defending his proposition. I will be brief.

He makes three basic points. One is the complexity argument, which I find specious. What is so complex about this law as opposed to any others that we deal with? Now it is true we have certain courts of special jurisdiction dealing with tax matters, customs, and so on. But these issues are not in that category. There is not anything more complex about this law than about Federal law generally. The complexity argument is a ruse, a facade.

What they are trying to do is to mandate venue in courts biased on behalf of those who allege discrimination. This area of the law is no more complex to trained lawyers than any other field of the law. Certainly no compelling case could be made that it is.

Second, he argues that the venue requirement promotes uniformity in the law. On that theory, why not abolish all other Federal courts and try everything here?

There is nothing wrong with a system, Mr. President, that includes a bit of regional diversity; ultimately inconsistencies can be resolved on the appellate court level—in the court of appeals and the Supreme Court of the United States. Again, with all due respect to the Senator, the uniformity argument I find chilling. On this theory as well, everything ought to be centrally directed from Washington which, by the way, seems to be the trend these days. And that is what the proponents of this venue requirement want, everything directed, controlled, and issued by edict from the Nation's Capital.

I do not have any fear that the judges in my region have the intelligence to figure the law out. It is not too complex for them. You underrate them if you think otherwise. And, second, the uniformity of the law can always be insured over the long run through the appellate process. Again, there is nothing unique in this situation, Mr. President, that would justify moving venue here.

Finally, for his third point, he says the Attorney General's people will be scurrying all over the country. Let me tell the Senator this. We have our people from the affected areas scurrying up to the Nation's Capital, coming up here hat in hand having to try their cases. With judges safely ensconced here, small communities in the affected areas must scrape together money and try to get up here to try their cases.

For what reason? On the mere assumption that their local Federal dis-

trict judges are biased and prejudiced. Nonsense, Mr. President.

I wish for once we could think about the American people having to scurry around rather than worrying about a few well-heeled lawyers from the Attorney General's Office in Washington having to go out around the country. If we are going to have bleeding hearts, I would bleed for the people coming from those areas rather than worrying about some Assistant Attorney General having to go down to Atlanta, Raleigh, Baton Rouge, or wherever it is.

If you are going to cry any tears here over this question, do not waste them on those good chaps because they will be able to meet their appointed rounds. They are well financed.

But I am more concerned about the small lawyer in a small county in North Carolina, a small school district, an election district, or whatever. In this case election districts. The county attorneys have to come up here and bring their retinue. It is expensive. Who pays it? You guessed it, the county government. That is who is doing the scurrying around.

I would submit with all due respect to the Senator that this venue requirement is a loaded one, an unfair one, and ought to be changed.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Very briefly, Mr. President, I think the Senator from North Carolina can take comfort from the 17-year history of this provision of the act.

As a matter of fact, 25 jurisdictions have successfully brought legal action to get bailed out from under the act. They have been successful in these cases. The courts have not only been not biased but they have agreed that the cases had been made for bailouts and they granted them.

In many cases, the court records were made by depositions. The people did not have to travel to Washington. The local counties did not have to put up the expenses. A great many arrangements are made to reduce the burden of litigation.

Bias has not been shown, and the record is really very good.

It is interesting that the question of uniformity is one on which the Senate recently voted.

I agree totally with the Senator from Massachusetts that on the uniformity question not only is he right but his observations are confirmed by the act of the Senate in creating the special court of patent appeals, where it was so unsatisfactory to the Nation to have a diversity of opinions in patent cases that we set up a single court for this purpose. That is a typical example of what happens.

CHANGE OF VENUE FOR SECTIONS 4 AND 5

S. 1992 requires that all section 4 and section 5 cases be litigated in the U.S. District Court for the District of Columbia. Senator EAST's amendment would change the venue of Voting Rights Act cases from the District of Columbia court to an appropriate U.S. district court which presumably means the Federal court in or nearest the jurisdiction seeking to bail out of section 5 or seeking preclearance for any voting changes.

Before I get into the substantive justification for defeating this amendment, I would like to remind my colleagues that the House of Representatives defeated a similar amendment by a 2-to-1 margin. Representative BUTLER offered an amendment which would change the venue of bailout suits from the District of Columbia District Court to the local Federal courts. That amendment was defeated October 5, 1981, by a vote of 132 yeas to 277 nays.

Senator EAST's amendment would shift bailout and all preclearance suits to Federal courts around the Nation.

I urge my colleagues to oppose this amendment because it would have disastrous consequences for the Voting Rights Act. It would severely erode the protections for minority voting rights and create a patchwork quilt of constitutional rights rather than a uniform standard of fair enforcement of 15th amendment constitutional guarantees.

In South Carolina against Katzenbach, the Supreme Court ruled that vesting jurisdiction in the District of Columbia courts for preclearance and for bailout was an appropriate exercise of congressional authority, pursuant to article III of the Constitution.

This requirement has been in the act for 17 years and has worked well. Thus, the burden is on those who seek to change it.

To date, 25 jurisdictions have successfully sued to bail out in the District of Columbia court. In these cases, court records were made by depositions in the local jurisdictions. People did not have to travel to Washington. The Justice Department sent investigators to the areas.

Congress vested exclusive jurisdiction in the District of Columbia court in bailout suits for several reasons.

The first was to insure that one court developed expertise over time. The District of Columbia courts have now heard about 25 preclearance cases and about 25 bailout cases, which together provide a significant base on which to draw for the application of this statute. The court's greater familiarity with the law will permit speedier resolution of bailout cases.

The second was to promote uniformity. Bailout suits will be brought by jurisdictions throughout the country. Several hundred will be eligible to apply in 1984. There will be much more confusion and intercircuit conflict over the application of this bill unless bailout suits are all handled by the District of Columbia court.

It is not unusual for the Congress to vest exclusive jurisdiction over a matter of this nature in the District of Columbia courts for just these two reasons.

These purposes are even more important with the more complex bailout criteria added by the new bill than they were under the more simple bailout mechanism.

In addition, if jurisdiction is not retained in the District of Columbia courts, the Justice Department will be called upon to send staff throughout the country to defend such suits. Since we are drastically expanding the availability of bailout by allowing individual counties to apply, hundreds of such suits will be filed.

Finally, the legislative history of the Voting Rights Act shows that this requirement was necessary because relief in voting rights cases in local courts was often extremely difficult to obtain. Though this problem has abated to a significant extent, the record shows that problems still exist. For example, the Mississippi reapportionment case of Connor against Johnson took 14 years and nine trips to the Supreme Court before effective relief was obtained.

BAILOUT SUITS

While some of my colleagues allege that keeping bailout suits in the District of Columbia court will be burdensome because complicated cases will be tried outside the jurisdiction seeking bailout, I disagree for the following reasons:

Most of the testimony of witnesses in bailout suits can be taken by deposition. Thus, witnesses do not have to travel long distances in order to be heard.

The need for uniformity in bailout standards is a greater priority to the citizens in covered jurisdictions than is the convenience of trial location. It would be unfortunate indeed if a black or Hispanic citizen could not move from one county to the next for fear that they would have their voting rights undermined depending on their location.

I urge Senators to vote in opposition to the amendment.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I have just arrived in the Chamber. I understand this is the venue amendment. Is there a time limitation?

The PRESIDING OFFICER. There is no time limitation.

Mr. STENNIS. Mr. President, I ask for the floor. I want to be heard briefly on this matter.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I am sure the statistics quoted by the Senators handling the bill are correct. I will not challenge whatever they have said in that field. I accept what they have said.

The basic fact is that in the great jurisdiction of English-American history, procedure, and the administration of justice, for us to pass a legislative ukase here I think is an assault on the judicial system. I have no doubts about that. I feel it, I feel it in my bones. I happen to be a former trial judge in State courts, but it is my concept of the Constitution and the system of courts that we have to always maintain the high and honorable backing of the courts here as Senators and as citizens.

I think really this is an atrocity. I am not complaining about any court where a case of this kind was transferred and how they handled it. I am talking about the principle of the thing. There is no probable basis for us to just pick up these kinds of cases and say to the litigant, "You just have to root, hog, or die and get the best you can in the way of a lawyer, records, books, and everything else and light out someplace halfway across the continent to try your lawsuit."

If there ever was any justification for it, any sound judicial basis for it, that day has passed.

I have statistics here in my brief written statement showing something about the records, the trials, the dispositions of many, many cases in Mississippi under our Federal judges, local men confirmed by this Senate.

They are turning out cases of all kinds in this field regularly and on the merits. Those that come to the Supreme Court of the United States are mostly confirmed.

I think there were really just some turbulent times we had when it was suggested that special venues be established. But that was many years ago.

The facts are different now. The adjustments have been made. I hope that we can now turn to the proper course where any sound judicial system rests on American jurisprudence and put these cases back where they belong.

I have not heard of any proof anywhere where there have been willful miscarriages of justice or derelection of duty by a judge or a court. There may be some scattered here and there.

I am expecting to vote for this bill. I am not trying to delay anything or kill off anything, or trying to injure a practice that is necessary. It is just bygone days with which we are trying to deal here on the question of venue on such a vital matter.

I do not see how we can teach our young people in the schools to respect the law, respect the judges, respect the courts and their decisions and opinions, and at the same time just pick it up lock, stock, and barrel and trudge these cases off some place else, when, I submit, the only basic reason for doing it is a mistrust or distrust or lack of confidence in the local court.

I hope there will be a reconsideration or readjustment of our thinking. This legislation is moving along, it is coming more in line with the times. That is why I emphasize these points so very much.

Did he have a real, original reconsideration of this matter in committee? I have not had a chance, I have not discussed it with the Senator, this matter of venue.

I am not here just to complain, Mr. President, but I think it is dead wrong, basically wrong.

Mr. MATHIAS. Let me assure the Senator from Mississippi, Mr. President, that the committee did look at this question. It was discussed in the committee. We, in fact, had votes on this question in the committee. We looked at it not in a regional way, but in a comprehensive way as it relates to other kinds of jurisdictions.

It is not only this question, of course, where venue is vested in the courts in the District of Columbia. Widely different kinds of subjects are brought to the district court here, in the District of Columbia. Noise control, for example, is a kind of technical subject. It is a subject in which uniformity of decisions is desirable. So we bring all noise control cases here.

That does not imply lack of confidence in local judges; it is just the kind of thing which seems appropriate to vest in a single jurisdiction. That is what the committee concluded after the votes, after the discussion, and after, as the Senator from Mississippi says, the reconsideration.

Mr. STENNIS. I thank the Senator.

Mr President, it does not take an expert or an unusually prepared man. A district judge in a Federal court—usually, all over the country, they are highly competent men.

Mr. MATHIAS. Mr. President, let me say if I may—I do not mean to interrupt the Senator from Mississippi.

Mr. STENNIS. This is all right, Mr. President.

Mr. MATHIAS. Mr. President, not only was this considered in the Committee on the Judiciary; it was debated at great length in the other body. The vote there was 277 to 132.

The majority is not always right, Mr. President, as we know, but that is an overwhelming majority, a 2-to-1 majority. Curiously enough, in the Judiciary Committee, it was 12 to 6; it was also a 2-to-1 majority.

Mr. STENNIS. Did they have any witnesses or any specific cases where there had been a miscarriage of justice or an alleged miscarriage of justice by a local court in any related case like this?

Mr. MATHIAS. This venue provision, of course, has been in the law since 1965.

Mr. STENNIS. I know, Mr. President.

Mr. MATHIAS. I am encouraged by the fact that it has worked out so well. Twenty-five bailout cases brought to the courts in the District of Columbia have been successful. The jurisdictions have been bailed out. The jurisdictions that sought the remedy got the remedy.

As Mark Twain said many years ago, "If it ain't broke, don't fix it."

Mr. STENNIS. I was not attacking the courts here. I do no say it made a single error or did one willful thing. I say the principle is wrong. It is an affront to the people of the South. That is what I think it is.

It was put in there originally, not purposely as an affront, but put in there for conditions. Now it seems to me that it is up to us to meet these new conditions and put the courts back on the pedestal where they belong, especially in view of the lack of any proof of any wrongdoing, any leaning one way or the other.

Mr. President, I thank the Senate for consideration of this matter and I hope we can put this venue back.

Mr. KENNEDY. Mr. President, the Senator from Maryland has correctly stated the figures. There have been 20 jurisdictions that have bailed out at little expense and virtually no trouble. None of these jurisdictions had been required to come to Washington for expensive bailout suits. They had all bailed out by consent decree without expensive trial. There have only been three that have actually been willing to come to Washington—three to four contested the bailout suits and failed to provide proof for the bailouts. These are the numbers.

These facts put the issue in a much more accurate context than some of the points that were raised earlier.

Mr. THURMOND. Mr. President, I support this amendment offered by the Senator from North Carolina dealing with venue for bailout and preclearance actions. It is a reasonable proposal that should be given serious consideration by the Senate.

Since 1965, there have been literally thousands of submissions for preclearance made to the Attorney General by covered jurisdictions, more than 5,000 in 1981 alone. Although the option for judicial preclearance, through the District Court for the District of Columbia has always been available, covered jurisdictions have rarely used this method, and through 1981, only 25 preclearance petitions have been brought. This, of course, is understandable since these actions take time, resources, and money, and

it is not surprising that most submissions are made to the Attorney General because of these limitations.

To allow such actions to be brought in a local district court could well serve both the petitioning jurisdiction, as well as the Government. It could also be useful and convenient for interested citizens' groups who do not have the resources to come to Washington to participate in the proceedings.

Notwithstanding claims to the contrary, I doubt that 25 cases over a 17-year period gives the District of Columbia Court an expertise any greater than any other district court. Moreover, I believe the utility of handling preclearance petitions in local courts far outweighs retaining a seldom-used procedure in the District of Columbia District Court.

It has been said that venue for bailout also should be retained in the District Court of the District of Columbia because of the expertise possessed by this court. It is interesting to note that since 1965, there have been 16 bailout suits brought under section 4 of the act; 9 of the 16 suits resulted in bailout, all with the consent of the Attorney General. No jurisdiction has bailed out as a result of full-fledged litigation. Do seven cases over a period of 17 years amount to expertise? I submit that they do not.

On the other hand, the experience of the courts within the fifth circuit in voting cases generally is probably unequaled. Of course, there have been no bailout cases, but the principles that have been applied have given these courts as much, if not more, experience than the District of Columbia District Court.

A recitation of the names of these types of cases is as familiar as any bailout case to those who have followed the development of voting rights law. For example, City of Mobile against Bolden was an Alabama case; Kirksey against City of Jackson, Mississippi; Lodge against Buxton, Georgia; and Zimmer against McKeithen, Louisiana, just to name a few. Moreover, the case upon which the compromise to section 2 was founded, White against Regester, arose in Texas. Of the nine wholly covered States, five of them fall within the old 5th circuit, now the 5th and the 11th circuits, and I think that a strong case can be made for the expertise of the judges who handle these cases.

I also believe that the district courts within the other circuits are equally able to deal with greater issues. Should this amendment be adopted, district judges within eight of our circuits—the 1st, 2d, 4th, 8th, 9th, 10th, and 11th—would be able to address these actions, and they should be given the opportunity. If a district judge can hear a section 2 case, why is that same judge not qualified to hear a bailout case?

Furthermore, Mr. President, I am certain that my colleagues do not believe that Federal judges in districts which have been covered by preclearance are any less fair than those in the District of Columbia. As I stated before, nearly all of the leading cases in this field of the law have come out of courts other than the District of Columbia District Court.

In this light, I remind my colleagues of the words of former Federal judge and former Attorney General of the United States, Griffin B. Bell, who stated:

It is a departure from the equal protection of the law and disparagement which stigmatizes judges in the regions covered by the Act to require that relief be sought only from judges in the District of Columbia.

Those are the words of the Attorney General of the United States, and his thinking is right in line with mine. It is right in line with the able Senator from North Carolina, who offered this amendment, right in line with the former judge and distinguished Senator from Mississippi (Mr. STENNIS), and we feel this is reasonable and that this amendment should be adopted. This amendment is fair. It will be fair to covered jurisdictions. It will be fair to the Federal Government and to intervenors. I urge its acceptance.

Mr. EAST addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EAST. Mr. President, if I might respond very briefly to the remarks made by Senators KENNEDY and MATHIAS. The two Senators as I understand them, are maintaining that the current system "has worked well" and hence asking "why change it?"

I think the distinguished Senator from Mississippi states the proposition more accurately. The actual question is this: What evidence is there that the system would not work as well if venue were in the southern district courts in the affected States? Does the committee have any evidence to offer that those judges and those jurisdictions would not carry out there responsibilities more than adequately?

Mr. KENNEDY. Is the Senator asking a specific question?

Mr. EAST. I shall be finished in a moment. I am stating a proposition. Let me complete my statement.

Mr. KENNEDY. I thought the Senator asked a question.

Mr. EAST. Well, the Senator jumped in too soon. I am about to let him respond but I want to state the case first.

I want to make it clear that the issue is not whether or not "it has worked well" when the system requires these affected States and jurisdictions to come scurrying up to Washington hat in hand to the courts and to scrape together their local funds, and so forth.

The more fundamental principle going back in Anglo-American law is the one the distinguished Senator from Mississippi puts his finger on. The principle is you try a case in the district wherein the alleged offense took place unless you can show reason to take the case elsewhere. What evidence is there from which one could reasonably conclude that lower district courts in the affected areas are prejudiced and biased and incompetent to hear these cases, and hence that we ought automatically to bring them here? That I think, Mr. President, more accurately states the proposition than the way it was described by the able Senators from Massachusetts and Maryland.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would refer the Senator from North Carolina to the CONGRESSIONAL RECORD of October 5, 1981, rather than getting into naming the States and the jurisdictions, although they are printed in here. I will just give the testimony before the subcommittee. In this case it was in the House.

One witness described a particular case of apportionment in one particular state that went on for 14 years and took nine trips to the Supreme Court before effective relief was obtained.

Mr. President, I would also mention that it was pointed out on June 21:

The Supreme Court this year noted in its review of the preclearance requirement that centralized review enhances the likelihood that recurring problems will be resolved in a consistent and expeditious way.

We are talking about the most basic and fundamental right of all, and that is the right to vote. We have diversity in this country, and that is part of our strength. But certainly there should be no diversity on the issue that because a person's skin is not white he or she is going to be denied the right to vote. These particular provisions, which would be undermined by the Senator's amendment, reach that issue. However, I refer the Senator, if he wants greater details, to that particular portion of the CONGRESSIONAL RECORD.

Mr. EAST. Mr. President, I gather what I am hearing the Senator from Massachusetts saying is that there is an inherent bias in lower Federal district judges in the affected States, which are primarily in the South, and henceforth that the law ought to conclude, without possibility of refutation, that, because of that bias, venue must be here in the District of Columbia. That is really the proposition before us.

I submit that there is no evidence anywhere that will support that proposition. Again, if for no other purpose but to defend the integrity and the

dignity of Federal district judges in the affected areas, I very firmly and resolutely resist that implication.

I do not feel there are facts or evidence to warrant such a conclusion, and I would be surprised to hear the Senator from Massachusetts say categorically and without equivocation that every U.S. Senator here could conclude automatically, without challenge, without opportunity of refutation, that there is such inherent bias. If there were bias in certain cases, I say to the Senator, as always, then under traditional venue requirements you could ask for change of venue. So even if what the Senator says is true in the few cases he quotes from the House hearings, he eventually falls back—and I respect his judgment—to this rather vague assertion "It works well." I think that is a rather shallow way of stating the proposition. We are back to the principle that in Anglo-American law the trial should take place in the jurisdiction where the alleged offense has occurred unless you can show compelling reasons for moving it elsewhere. This law does not follow that principle. Again, there is the irrebuttable presumption of bias on the part of southern Federal judges.

Ironically, all of these judges have been confirmed by this body. By voting against my amendment, Senators would be implying that people they approved as judges are prejudiced fellows, and that certain laws are too complex for them. And so, let us just bring all the action up here to the Nation's Capital where complex matters can be better handled. "Ho-hum," they will say to that proposition in my State. I suspect the States of many of the Senators here would say the same thing, "Ho-hum, 'tain't so." It is the old elitist idea, centralize government; nobody else can make any sense except people here in Washington. That is why the turnover is kind of heavy in this city, because the people out there in the hinterland that make up this great country do not agree with such elitist ideas. I doubt if they would buy this proposition. I bet I could get their vote on this point. Let us start with the traditional idea of venue, as the distinguished Senator from Mississippi said. I submit that is the case in the South, and there is no evidence contrary to it. That is the spirit in which I offer the amendment.

I yield the floor, Mr. President.

Mr. KENNEDY. Mr. President, I have been around here long enough to have been involved in many debates on the floor of the Senate with colleagues and good friends and to hear my position distorted and misrepresented, and then to hear that Senator differ from that position.

That is what the Senator from North Carolina has done in stating my remarks earlier this evening.

I have indicated why I believe this amendment should be defeated, but the Senator from North Carolina has misstated and misrepresented my remarks, as he knows so well, and then differed with them. Maybe that gets the votes in North Carolina, but I do not think it helps very much in illuminating the discussion in the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK) and the Senator from Nebraska (Mr. EXON) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of a death in the family.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), would vote "nay."

The PRESIDING OFFICER (Mr. HEINZ). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 31, nays 65, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—31

Abdnor	Hatch	Nickles
Armstrong	Hayakawa	Nunn
Baucus	Heflin	Randolph
Bentsen	Helms	Stennis
Byrd, Harry F., Jr.	Humphrey	Symms
	Johnston	Thurmond
Chiles	Laxalt	Tower
Cochran	Long	Wallop
Denton	Lugar	Warner
East	Mattingly	Zorinsky
Garn	McClure	

NAYS—65

Andrews	Glenn	Mitchell
Baker	Goldwater	Moynihan
Boren	Gorton	Murkowski
Boschwitz	Grassley	Packwood
Bradley	Hart	Pell
Brady	Hatfield	Percy
Bumpers	Hawkins	Proxmire
Byrd, Robert C.	Heinz	Pryor
Cannon	Hollings	Quayle
Chafee	Huddleston	Riegle
Cohen	Inouye	Roth
Cranston	Jackson	Rudman
D'Amato	Jepsen	Sarbanes
Danforth	Kassebaum	Sasser
DeConcini	Kasten	Schmitt
Dixon	Kennedy	Simpson
Dodd	Leahy	Specter
Dole	Levin	Stafford
Domenici	Mathias	Stevens
Durenberger	Matsunaga	Tsongas
Eagleton	Melcher	Weicker
Ford	Metzenbaum	

NOT VOTING—4

Biden	Exon	Pressler
Burdick		

So Mr. EAST's amendment (No. 1865) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1026

(Purpose: To provide for further clarification of the bilingual provisions of the Voting Rights Act of 1965)

Mr. STEVENS. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1026:

On page 16, between lines 15 and 16, insert the following:

(c) Section 4(f)(4) of the Voting Rights Act of 1965 is amended by inserting after "unwritten" in the proviso the following: "or in the case of Alaskan Natives and American Indians, if the predominate language is historically unwritten".

(d) Section 203(c) of such Act is amended by inserting after "Natives" in the proviso the following: "and American Indians".

(The names of Mr. ABDNOR, Mr. PRESSLER, Mr. MURKOWSKI, Mr. DECONCINI, and Mr. GOLDWATER were added as cosponsors of the amendment.)

Mr. STEVENS. Mr. President, this is the first of three amendments that I intend to submit that I believe are meaningful, but they do not make substantial revisions in this bill.

I do not intend to take a great deal of time. I would, however, say this to the Members of the Senate. I just returned from opening the first real Alaskan exhibit in the Smithsonian. It was the exhibit of Inua, the spirit world of the Bering Sea Eskimo, and I urge all Members of the Senate to attend that exhibition.

It is meaningful that this is the first amendment because it deals with the problem of Alaskan Natives and Indian people who do not have a language which has been historically a written language.

In recent years there have been attempts to record these languages of Indian and Alaskan Native people, but they are just that, they are recent attempts, and many people who speak the language and understand the language well do not comprehend the written form of the language.

This amendment concerns the technical corrections to the 1975 amendment to the Voting Rights Act. Under the bilingual provisions of section 203(c) of the act, no State or political subdivision is required to provide written election materials or assistance to a language minority where the language spoken by the minority is oral or unwritten or in the case of Alaskan Natives if their predominant language is historically unwritten.

In 1975 this language for Alaska was inadvertently left out of the bilingual provisions included in section 4(f)(4) of the Voting Rights Act.

My amendment conforms section 4 with section 203.

Additionally, at the request of Senator ABDNOR and I, believe, the Senators from Arizona and other Senators having Indian populations in their States, I have modified my amendment so it now includes those American Indians where their language has historically not been a written language, and I believe the amendment is self-explanatory and it is technical, but it is very meaningful to the people of my State.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. STEVENS. I yield to the Senator from Arizona.

Mr. GOLDWATER. I would just like to comment, Mr. President, that the Alaskan Eskimo language is the same as the language of the Navaho and Apache in my State, and there never has been a written language available.

Mr. ABDNOR. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. ABDNOR. I thank the Senator from Alaska for yielding.

I just want to say that I appreciate the inclusion of the American Indians. We have an identical situation in my State and others, and this will certainly clarify a problem we would have if this provision was not agreed to.

Mr. STEVENS. I thank the Senator.

Let me point out that in another provision of the act we do now provide for interpreters and for the right of Indian people who do not handle the English language well enough in written form to have the interpreters with them. So this bill in balance is even better than the previous bills with regard to the Indian people in our country.

This amendment is necessary to prevent the States from having to face expenses which are totally unwarranted.

I do yield to the other Senator from Arizona.

Mr. DECONCINI. I want to thank the Senator for yielding and for bringing this to the Senate's attention.

This is a matter of importance to the State of Arizona. As my senior colleague pointed out, we have such Native Americans who do not have a formal written language and, in fact, that has served our Nation very well, particularly in times of conflict with foreign governments and in time of war when, in fact, these particular languages have been used as a code and they cannot be broken except by someone of that same American native language. So I think it is a very proper amendment, and I thank the Senator from Alaska for his thoughtfulness in bringing it to our attention. I thank him wholeheartedly for supporting this amendment.

Mr. PRESSLER. Mr. President, will the Senator yield? I want to join in commending our colleague from Alaska for this amendment which is applicable in my State, as my colleague has pointed out, and I wish to join as a cosponsor and supporter. I think it is a very important part of this legislation.

Mr. STEVENS. I thank the Senator from South Dakota.

I do make the request that those Senators who wish to do so may be cosponsors.

I yield to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, I would like to join with my colleagues in not only expressing my strong support for the bill as a whole, S. 1992, but also for the initiative of the Senator from Alaska. It corresponds with initiatives that the distinguished Senator from Maryland and I worked out particularly in section 4 of the bill which, I think, improved it over the bill that was passed in the House, and the House now, I believe, concurs in the improvements which the Senator from Alaska just made reference to a few moments ago.

This bill insures that our most fundamental right under the Constitution—the right to vote—will be preserved. Although I endorse each of the provisions of the bill and intend to vote against any weakening amendments, I am particularly supportive of section 4 of the bill which extends the bilingual election provisions of the Voting Rights Act until 1992. I was happy to be able to work with the committee on this matter.

In 1975, the protections of the Voting Rights Act were extended to Hispanics, Indians, and other language minorities. For New Mexico, that meant that all 33 counties were required to provide bilingual assistance in registering and voting. However, implementing the bilingual provisions of the act has not proven to be costly or burdensome for New Mexico and my State has had bilingual elections of State officials since 1912. By encouraging all of its eligible residents to vote, New Mexico can boast that it has the greatest number of elected Hispanic officials and is the only State that has elected Hispanics to statewide office. Moreover, in 1980, 65 percent of all eligible Hispanics registered to vote. Only Florida and New Jersey had a higher precentage of Hispanics who were registered that year. I am extremely proud of these achievements.

Clearly, as the long history of success in New Mexico proves, bilingual provisions such as those required under the Voting Rights Act, can have a positive effect in encouraging Hispanic and other language minorities to vote. Nationwide, voter registration of language minorities has climbed dramatically in the covered jurisdictions since adoption of the bilingual requirements in the act. However, bilingual elections continue to be necessary. Even in my State which has a high percentage of registered Hispanics, only 68 percent of those registered bothered to vote in 1980. In comparison, 71 percent of all the registered voters in the State turned out on election day. The figures nationwide are just as discouraging. Of the entire Hispanic population eligible to vote, only 59 percent registered. Even fewer actually voted. Registration and voting practices of our Indian citizens are worse. If we are ever to insure that all of our citizens can participate in the electoral process, then, we must insist upon bilingual elections in jurisdictions having a substantial minority population. Extending the bilingual provisions of the Voting Rights Act will be a big step forward in reaching that goal.

Mr. STEVENS. Mr. President, I yield to my colleague from Alaska.

Mr. MURKOWSKI. I thank the senior Senator from Alaska.

I would join as a cosponsor on what I think is a very vital piece of legislation, and I commend the distinguished Senator for initiating this amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska still has the floor.

Mr. KENNEDY. I would just urge the Senate to accept the Senator's amendment. It is basically a conforming amendment. It retains the protections in the bill, as the Senator from Alaska has pointed out. This amendment just makes a great deal of sense, as our colleagues have all recognized, and I hope the Senate will accept it.

Mr. MATHIAS. Mr. President, the Senator from Alaska has made a good case for this amendment. The managers of the bill are prepared to accept it, and we urge the Senate to accept it.

Mr. STEVENS. Mr. President, I ask for the adoption of the amendment.

The PRESIDENG OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment (UP No. 1026) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1027

(Purpose: To affirm the right of the Attorney General to consent to a judgment under the bailout provision of the Voting Rights Act of 1965)

Mr. STEVENS. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1027:

On page 16, line 15, strike out the end quotation marks and the period the second time it appears and insert in lieu thereof the following:

"(9) Nothing in this section shall prohibit the Attorney General from consenting to an entry of judgment if based upon a showing of objective and compelling evidence, and upon investigation, he has no reason to believe that the state or political subdivision has not complied with the requirements of section 4(a)(1). Any aggrieved party may as of right intervene at any stage in such action.".

Mr. STEVENS. Mr. President, I know this is not entirely the way in which some people want me to offer this amendment, but let me point out to the Senate that my State——

Mr. STENNIS. Mr. President, may we have quiet? May we have quiet so that we can hear the Senator? This is an important matter.

Mr. STEVENS. I would say to my friend from Mississippi that I hope the conversation will continue and I will talk over it because I understand what they are doing over there.

In 1965 when the original act was passed, my State was captured under that act. The State of Alaska sued, and it was exempted from that act.

In 1970 when I was a new Senator, having come here in 1968 as an appointed Senator, the bill came up for extension. At that time new amendments were passed, we had a brief discussion on the floor, and I was told, Mr. President, that one was either for civil rights or one was against civil rights; one was either for voting rights or one was against it. So I said, "OK.," and I voted for the extension, and my State was captured again and we had to go back and sue to be exempted.

And we did. But, in 1975, when I stood here on the floor and I argued about Alaska, what happened was again I voted for the extension of the Voting Rights Extension Act and again my State was captured. We had to go back and sue again. As a matter of fact, I tell the Senate that two out of every three cases that have been presented to court have not considered Southern States, they have been Western and Northern States in terms of the bailout.

My State three times has been covered, two times has been exempted, and in 1975 it went back again under the Voting Rights Act. I went home and answered questions. They said, "What did you do down there?" And I said, "Listen, you are either for voting rights or you are not." They said, "All right, that is fine, Senator. But if you are doing your job, at least you should argue that our State should not have to sue every time the Senate extends the Voting Rights Act." We should not have to go back to court again and prove we do not discriminate because we were caught by technicalities every time the act is extended.

I want the Senate to know that this time I have said—and my friends over here are upset now because my young staff assistant, who is acting under my instructions, has said "no deals." We are going to argue this amendment and the next one and the Senate can accept it or turn it down. If the Senate turns it down, then I will go home and say I have tried my best. But some people do not understand what is fair.

My State is a State that has never been proven to discriminate against anybody. And, in terms of the powers of this act, there is a difference. The previous acts have allowed the Attorney General a role in consenting to the fact that some States were captured inadvertently. This act, for the first time, deletes the Attorney General's consent authority. I hope the Members of the Senate will notice that deletion. This time the Attorney General's power is deleted to enter into a consent decree.

I am a former U.S. Attorney. I spent 3 years representing the Government. I know the power of the Attorney General to enter into consent decrees. The implication by this act, as it stands in the committee substitute, is that the Attorney General could be interpreted by the court not to have the power to enter into consent decrees in connection with Voting Rights Extension Acts; namely, he would not be able to turn to my State and say, "Yes, you have been recaptured again. Yes, you ought to be out."

I say to the Senate that in terms of fairness, I have accepted the direction of the committee in this amendment. They say the Attorney General should not have this power again. I say, OK, we will not give the Attorney General that power, but I insisted to go into this bill a provision that says that the Congress of the United States does not take away from the Attorney General his inherent power to represent the Government of the United States in court and to consent to a decree if he cannot find that under the act that a jurisdiction should be under the act.

My original preparation of this amendment was that unless the Attorney General could find that the jurisdiction had violated the act. The jurisdiction could bail out. That was a positive test. The current offered language is a double negative. But that is the way the people that reviewed it wanted to see it. I think it is a little clumsy, and as a lawyer, frankly I am a little disturbed by that language. But, I am willing to accept it in trying to find a basis of agreement with my friends here who have supported this act, as I have since I came here. But I cannot see the situation where my State would be forced to go to trial and prove something that cannot be denied, that we have not discriminated.

One of the reasons we are included now was because up until 1972 we had a provision in our State constitution which required people to read and write English in order to qualify to vote. Most States did. But the State of Alaska repealed it by constitutional amendment in 1972.

But since 1975, the look-back provision which I will get to in the next amendment, the look-back provision, the bailout provision said that if you had such a provision you were included and you had to come in and prove you had not discriminated. You did not have to prove that you were inadvertently included, you had to prove the positive, that you had never discriminated in order to get out. So my State is still under the act today.

Now, this is a very meaningful section to me, to my State and to those States—and I say to the Senators from Arizona that your State is included, some of your counties; Oklahoma, some of your counties were included; California, some of your counties were included; Maine, Massachusetts and New York. And, they were inadvertent, in the sense of the concepts that we were dealing with at the time. I mean no inference to anyone here from the States that were included because of past actions, which the Congress felt warranted inclusion.

Now, this is the power of the Attorney General to look at a case and say, as I used to say as the U.S. Attorney in Alaska, "That case has no merit and I consent to the entrance of a decree."

The implication of this bill is that power would not exist today because Congress, having previously put a specific provision in the act, this time deleted it.

Mr. President, fair is fair. All I ask is that this sentence be added:

Nothing in this section shall prohibit the Attorney General from consenting to an entry of judgment if based upon a showing of objective and compelling evidence, and upon investigation, he has no reason to believe that the state or political subdivision has not complied with the requirements of section 4(a)(1).

And we further state:

Any aggrieved party may as of right intervene at any stage in such action.

Of course, if there were an intervenor, Mr. President, the consent of the Attorney General would be immaterial. There would still be a party to represent those who felt aggrieved by the action.

So, we think, we have protected the rights of those people who might be affected by a meaningful case. But, I believe, that this amendment preserves the rights of the Attorney General to say, as in the case of my State, "Enough is enough."

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. KENNEDY. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to call the roll.

The assistant legislative clerk resumed the call of the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I understand that there are negotiations underway that may produce accommodation on the amendment by the Senator from Alaska that may or may not work out. It appears it is worth the effort or the investment of time. In the meantime, in order to conserve the time of the Senate, I understand the Senator from North Carolina (Mr. EAST) may be prepared with an amendment on the bailout on which he is willing to take a time agreement of 20 minutes equally divided.

Mr. President, I see the Senator from North Carolina on the floor and I understand he is willing to offer his bailout amendment now.

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I ask unanimous consent that the Stevens amendment be temporarily laid aside and that the Senate proceed to consideration of the East amendment dealing with the bailout, on which there will be 20 minutes equally divided, to be controlled in the usual form and that, after the disposition of the East amendment, the Senate immediately return to the consideration of the pending Stevens amendment.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, Mr. President, and I shall not object. The leader has a right, of course, to seek to move the Senate along. I have three amendments that I have been discussing. This is the second amendment. My third amendment is, in fact, a bailout amendment. It deals with the bailout clause, at least. I hope that I shall be permitted to offer my third amendment after the second one.

Mr. BAKER. Mr. President, it had been my understanding that the Senator would offer his package of three amendments before we went on. That will still be my understanding. It would not be interfered with by the temporary cessation of debate on this measure.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

AMENDMENT NO. 1868

(Purpose: To provide a reasonable bailout provision under section 4(a))

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. EAST. Mr. President, I send to the desk a printed amendment numbered 1868 and ask that it be immediately considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. EAST) proposes an amendment numbered 1868.

Mr. EAST. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, beginning with line 18, strike out through line 15 on page 16 and insert in lieu thereof the following:

SEC. 2. (a) Section 4(a) of the Voting Rights Act of 1965 is amended—

(1) by striking out "seventeen" each place it appears and inserting in lieu thereof "twenty-seven"; and

(2) by striking out "ten" each time it appears and inserting in lieu thereof "seventeen".

(b) Section 4(a) of the Voting Rights Act of 1965 is further amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting after the second sentence of the first paragraph of such subsection the following new paragraph:

"(2) Notwithstanding any other provision of this subsection, a declaratory judgment shall issue before the expiration of the twenty-seven-year period referred to in the first sentence of paragraph (1) or the seventeen-year period referred to in the second sentence of paragraph (1), as the case may be, with respect to any State or political subdivision thereof, if the State or political subdivision shows that during the five years preceding the commencement of the action and during the pendency of such action the State or political subdivision, as the case may be, has not engaged in violations of any provision of the Constitution or laws of the United States with respect to discrimination in voting on account of race or color, or in contravention of the guarantees of subsection (f)(2), other than violations which were trivial, promptly corrected, and not repeated.";

(3) by inserting "(3)" before "An action" in such section;

(4) by inserting "(4)" before the first paragraph of section 4(a) that begins with "If the Attorney General"; and

(5) by inserting "(5)" before the second paragraph of section 4(a) that begins with "If the Attorney General".

Mr. EAST. Mr. President, if I am correct, we have a time agreement on this amendment.

The PRESIDING OFFICER. The Senator is correct. It is 20 minutes equally divided and controlled in the usual form.

Mr. EAST. Mr. President, the current bailout that is afforded under S. 1992, quite candidly, is a great illusion and, in effect, offers no reasonable opportunity for bailout at all. There is not any way that, in 10 minutes, one can go through the five pages of statutory language and show what a jurisdiction will have to go through under this bailout. When you go through this language and strip it down to the core, it becomes quickly apparent that there really is no bailout at all and that jurisdictions are permanently consigned to preclearance, which makes, I contend, Mr. President, for a very negative public policy.

A bailout ought to be specific, short, fair, and reasonable so that it would encourage States or political subdivisions to comply with the law and get out from under preclearance because they have a positive and progressive record. There is another way of putting it, Mr. President, in simple terms: If you consign someone to a cell with no reasonable standards for the possibility of good behavior and parole, you discourage him. The public policy is negative; it is not positive.

I point out to my colleagues that, this law—and there is not time to go into all five pages of it—is vague, imprecise, unfair. For example, a jurisdiction cannot get out from under section 5 if it has entered into any consent decree or settlement. The law always used to encourage settlement. Now it forbids it as a practical matter.

A jurisdiction cannot bail out if any person within the jurisdiction has filed an action alleging, however frivolously, that denials of the right to vote have occurred. So as a practical matter, you put a veto power in the hands of any person in that jurisdiction.

Or, for example, you cannot bail out if the Attorney General has made an objection. Certainly, the Attorney General or his staff can always find some pretext for making an objection. What you have really done, Mr. President, is say that either individuals—anyone—or the Attorney General, simply through any kind of frivolous objection, can keep a jurisdiction under section 5. So on it goes. That is the spirit of the new legislation and it is negative public policy.

Let us not call this provision bailout; let us call it permanent incarceration, because that is what it is. We are not quite in 1984, where language is totally inverted. We have 2 years yet to go, if I may draw upon Mr. Orwell, but we are rushing to meet our deadline.

What would my amendment do? Offer simple, clear, precise, reasonable standards for bailout; to wit, if, at the time of application, a jurisdiction had had no violations for a period of 5 years except violations that were trivial, promptly corrected, and not repeat-

ed, it could get out from under the onerous preclearance provisions. This measure would offer an incentive to States and entities, because it would give them a reasonable opportunity to come out from under preclearance. They would not have to keep coming, hat in hand to Washington, as they now do under the current venue provisions.

I point out, Mr. President, in a spirit of trying to be progressive and positive—that people talk about the party of Lincoln. Lincoln talked about healing, bringing people together, moving ahead. There is much more of his character in our amendment than in a provision for bailout that insures permanent confinement.

So, Mr. President, the hour is late. I have stated my case. I probably have not even used my full time. But that is the kind of so-called bailout that faces us.

One final point on the bailout standards. Under the new bailout a jurisdiction must make certain constructive efforts, but there is no definition of what those efforts should be, no delineation of them. One of the great tenets of Anglo-American law is that the law be clear and precise, that you know what is required of you. We expect clarity even in rules of sports. There is no clarity here, though. Absolute power and discretion, again, are to rest in Washington. It will rest in the Federal Government to decide arbitrarily whether grace shall be extended to its citizens.

This bill throws us upon the benevolence of the elite. They shall decide according to their pleasure, whims, or caprice who escapes. This so-called bailout violates norms of Anglo-American jurisprudence and the rule of law that goes back to Aristotle.

I do not mean to get too heady at this late hour, but we have no bailout here. We have permanent consignment. Let us admit it. Let us say what the language really means. What the law should do is to give covered areas a reasonable opportunity, a fair opportunity, a precise opportunity to come out from under section 5. I think reasonable, fairminded people ought, accordingly to be able to vote for my amendment. I hope they will.

Mr. President, that is my position as concisely as I can state it at this late hour and within 10 minutes. I am willing to yield and reserve the remainder of my time.

I will yield to the Senator from Maryland.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I am constrained to oppose this amendment because of the drastic alteration that it would work in Senate bill 1992. I do not think it is too much to say that the amendment would provide that you could get bailed out under almost any conditions except if you were an outright criminal, if you had violated the Constitution or the laws in some way. I do not think that that is what Congress intends. I do not think that is what the situation demands.

The fact is that in the bill there is already a substantial compromise. The Senator from North Carolina and I have a little private joke that the bailout provision has been relaxed—not liberalized, relaxed. That is true; it is a substantial relaxation of the existing law.

Unlike past extensions, jurisdictions will be able to bail out by demonstrating a clean record instead of having to wait for just the passage of time, an expiration date. In addition, for the first time in the 17 years this bill has been in force individual counties will be able to bail out independently. Under current law, of course, each county must wait until the State as a whole is able to bail out.

That is, in fact, a compromise, a relaxation. It might even be called a liberalization of bailout.

Mr. President, I yield 2 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, as the Senator from Maryland has indicated, there have been substantial revisions in the so-called bailout provisions of the current law. Under current law, the bailout mechanism, as a practical matter, keeps jurisdictions subject to preclearance until a fixed date. Under the new bailout criteria, beginning in 1984, jurisdictions will be able to bail out based on their record of performance.

The new bailout criteria does represent a compromise that was reached actually in the House, and we did add a 25-year cap on the preclearance requirement in committee. The major compromise on section 5 occurred in the House. Many wanted the protections of section 5 to simply be extended for another 10 years, with no jurisdiction being able to bail out until 1992.

I think the compromise bailout criteria is preferable to a simple extension.

It recognizes, as the Senator from Maryland has pointed out, that the passage of time has little to do with whether preclearance remains a needed safeguard in a jurisdiction. It will provide an incentive for jurisdictions which have not yet done so to establish a clean record and thus be able to bail out.

It is the understanding of this Senator that it is fair and it is achievable. We have been trying to get specific information with reference to North Carolina. The Senator from Kansas has some interest in North Carolina, some of the 39 counties that are involved in that area, and we hope to be able to make a part of the record how the compromise drafted by the House, with a 25-year cap added in the Senate, would affect many of those counties.

The new bailout criteria boils down to two requirements:

You must have a 10-year record of full compliance, and you must have taken certain positive steps by the time bailout suit is filed to increase the opportunity for minority participation in the political process.

It seems to me that that is a fair compromise.

Both the House and Senate Judiciary Committees concluded that the criteria was fair and achievable, and rejected all suggestions that it be weakened. Similarly, all efforts to weaken it on the House floor were defeated by substantial margins.

The bailout criteria must not be weakened.

The new criteria already represent a substantial relaxation of existing law. Again, unlike past extensions, jurisdictions will be able to bailout by demonstrating a clean record, instead of having to wait for a mere expiration date. In addition, for the first time individual counties will be able to bailout independently. Under current law, they must wait until the State as a whole is able to bailout.

There is virtual unanimity, in the Congress and the Nation, that the protections of section 5 should be continued. Yet, if the bailout is turned into a sieve, that will constitute a back-door repeal of section 5, as many jurisdictions, where preclearance is still needed, will be able to escape coverage.

The bailout criteria is achievable, necessary and workable.

The goal of the bailout is to reward jurisdictions with a good record and to provide incentives to others to eliminate practices denying or abridging opportunities for minorities to participate in the political process. The need for such incentives was amply demonstrated during House and Senate hearings.

As both the House and Senate Judiciary Committee's concluded, each requirement is the minimum necessary to measure a jurisdiction's record of nondiscrimination in voting.

According to a study conducted by the Joint Center for Political Studies, based on DOJ data, a reasonable projection is at least 25 percent of counties in the major covered States have met the objective criteria of the compromise bailout and thus should be eligible to bail out in 1984. This data was not contradicted during the hearings. Assertions that the bailout is unachievable are unsubstantiated. Of course, none of the counties would bail

out under a simple 10 year extension, until 1992.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, when this particular provision was fashioned, primarily by Congressman HYDE, the issue at the time was not extensively debated or discussed. But the Congress thought it essential that there be a substantial period of time in which the district that was covered be free from discriminatory practices in order to be eligible to bail out of coverage under the act. The 10 years was considered by both the full Judiciary Committee in the House and the Senate. The judgment made by both, and by the House overwhelmingly, was that the 10-year period was a reasonable period of time.

I hope that the Senate will accept the Judiciary Committee's judgment on this issue.

The second part of the East amendment relates to relieving political subdivisions of some positive actions. The quote I want to read into the RECORD now was made by the current Attorney General, William French Smith, when he testified before the Subcommittee on the Constitution on January 23. He pointed out:

> It is imperative that we not lose sight of the fact that while the Voting Rights Act was enacted in part as a prophylactic safeguard against racial discrimination in certain jurisdictions having a history of discrimination in voting, it had another and more critical purpose as well, which was forward looking and constructive in nature. That purpose was to encourage States and localities to bring blacks and other racial minorities into the mainstream of American political life. In revisiting the statute, the emphasis should be placed on this positive objective of the legislation, rather than dwelling on the chapter that led to the passage of the Act 17 years ago."

Our objections to this amendment have been listed in greater detail in the report where we talk about the elimination of discriminatory structures which would move toward impairing or diluting the right to vote, and the constructive efforts to eliminate intimidation and harassment and to provide a degree of reasonableness in permitting local efforts to be constructive and to be positive.

And so, Mr. President, I would hope that this amendment would be adopted. It seems to me, as my colleagues have pointed out, that this provision in and of itself is an important provision, and is carefully balanced. I think the time elements are important and essential. Also, I agree with Attorney General Smith that the positive objectives of the act which are indicated in the bailout provisions of this bill are important and should be retained.

Mr. MATHIAS. Mr. President, I yield 2 minutes to the Senator from Iowa.

The PRESIDING OFFICER (Mr. CHAFEE). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I believe that the bailout provisions included in section 4 of S. 1992 set reasonable and realistic standards that are consistent with the intentions of the framers of the original 1965 act. I believe that S. 1992 allows a fair opportunity to bailout for those jurisdictions who take responsible and genuine steps to eliminate any remaining vestiges of racial discrimination in voting. To some degree it is a much more lenient mechanism than that approved by the Subcommittee on the Constitution.

The Subcommittee on the Constitution adopted a simple 10-year extension of the special provisions of the act. This would have precluded bailout of all jurisdictions for a period of at least 10 years. Even those jurisdictions which have fully complied with the act and have in good faith taken steps to eliminate racial voting discrimination would have been barred from bringing a bail out suit. In retrospect, I can see how this action would have done little in the way of providing meaningful incentives for compliance with the act.

The amended section 4 would for the first time allow subdivisions such as counties the opportunity to bail out separately from the preclearance requirements. Beginning in 1984, any jurisdiction or subdivision may bail out by demonstrating that for the previous 10 years it has fully complied with the Voting Rights Act and the constitutional protection of the rights to vote. I believe that the incorporation of subdivision bailout and the 10-year reference period provide adequate incentives for jurisdictions to comply with the act.

I acknowledge the fact that the bailout criteria in S. 1992 differ significantly from that which would apply in August were Congress not to act on this issue. But Congress has decided to take action on this issue. I submit that the majority of the Members of this body agree that the record adequately demonstrates the need for an extension of the section 5 preclearance provisions. If the preclearance provisions are extended, then the next logical step is to determine whether jurisdictions should be allowed an opportunity to bail out; and if so, under what conditions.

I believe that a fair and reasonable bailout mechanism is a necessary element of any extension of the preclearance provisions. If the act is to be successful, there must be some incentive for the jurisdictions to comply. The enforcement of the act's protections is largely based on the jurisdiction's voluntary compliance with the special preclearance provisions.

Obviously, if the bailout criteria were so unreasonable as to make them unattainable, then the covered jurisdictions would have no incentive to comply with this act, and passage of this legislation would be as much a hoax as no extension at all.

While the bailout criteria established by S. 1992 are more stringent and comprehensive than current law, I do not believe that they are either unattainable or contrary to the spirit of the original act. The bailout mechanism in S. 1992 sets forth six distinct criteria which must be fulfilled before a jurisdiction may successfully bail out. Each of these criteria is explained in detail in the committee report. These criteria establish a relevant and regional standard which focuses on the actual conduct of each jurisdiction rather than on the mere passage of time.

I believe that after my colleagues have thoroughly examined this proposal, they will conclude, as I have, that this is a fair and achievable standard.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Mr. MATHIAS. Mr. President, we yield back the remainder of our time.

Mr. EAST. Mr. President, I should like to make a few additional remarks.

A parliamentary inquiry. How much time do I have remaining?

The PRESIDING OFFICER. Two minutes and 59 seconds.

Mr. EAST. The Chair means 3 minutes?

The PRESIDING OFFICER. Very close.

Mr. MATHIAS. It used to be 3 minutes. It is now a little less.

Mr. EAST. Mr. President, this is an interesting discussion. Let me try to put my final touch on it.

James J. Kilpatrick, a man for whom I have great regard, said:

> Let me put the matter as bluntly as I can: the Dole "compromise" is no compromise at all. It is folly. In 40 years of covering politics, I cannot recall a more lamentable legislative error.

His point is that the word "compromise" means nothing. I am saying that the word "bailout" in this context means nothing. It is a play on words.

All I can say to my colleagues is, beware of reformers coming with vague and general language about the good things they are going to do for you.

They say they are liberalizing the bailout provisions. By "liberal," they mean in "liberal" the 20th century sense of centralizing, of creating more regulation, and more control. They do not mean it in the 19th century sense of greater tolerance and generosity and greater decentralization. They mean liberal in the current, 20th century sense of the word, because these requirements are so stringent, and lie in the power of the Attorney General, in effect, to negate any kind of bailout.

So, again, I am submitting that, when you read these five pages of language, you discover that a jurisdiction cannot get out from under section 5 unless it is on the whim or caprice of the Attorney General.

When proponents of the bill talk about compromises and bailouts and liberalizing, I am reminded of George Orwell's "1984," where language means the exact opposite of what people thought it meant.

This bill offers no bailout. It offers permanent incarceration. It is not liberalizing. It is more stringent; it is more confining. I agree with James J. Kilpatrick: It is no compromise at all.

So I implore my distinguished colleagues, at this late hour, to acknowledge that what you are giving us is no bailout at all. I want to give covered jurisdictions a fighting chance. I think it makes for a more positive and progressive public policy to encourage States and localities to meet clear, precise, reasonable, and fair standards so they can get out from under preclearance. That is liberalism in the best sense of the 19th century, but it is not liberalism of the 20th century, which means centralization, control, elitism, dogmatism.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. DOLE. Mr. President, this amendment drastically alters S. 1992 and would provide that the only bar to bailout would essentially be violations of the Constitution or laws. The amendment, for the reasons so cogently set out in the committee report, are totally unacceptable.

S. 1992 contains a substantial revision of the so-called "bailout" provisions of the Voting Rights Act. Bailout relates to the procedures by which a covered jurisdiction can remove itself from the preclearance requirement to section 5 and the other special remedies under the act.

Under present law, the bailout mechanism would as a practical matter, keep the covered jurisdiction subject to section 5 until a fixed calendar date. The revised bailout mechanism is geared to the actual record of conduct in each jurisdiction. Those with a record of compliance with the law in recent years and a commitment to full opportunity for minority participation in the political process could bail out. Other jurisdictions would have to compile such a record in order to become eligible. Only those jurisdictions that insist on retaining discriminatory procedures or otherwise inhibit full minority participation would remain subject to preclearance. Indeed, the net effect of the committee bailout is to make it possible for jurisdictions which have obeyed the law and accepted minority participation to remove themselves from section 5 coverage well ahead of the 1992 date proposed by the Constitution Subcommittee bill.

Nevertheless, the committee was willing to meet concerns that section 5 might be perceived as a permanent responsibility by some persons in the covered jurisdictions. The substitute bill includes an additional 25-year "cap" on section 5, at which point preclearance would end unless Congress found that extension of preclearance was still necessary.

If no further action is taken by Congress before August 6, 1982, virtually all of the remaining jurisdictions which came under section 5 with the original passage of the Voting Rights Act in 1965 will be able to show that they have not used a test or device in a discriminatory manner for 17 years, that is, since August 6, 1965.

They will be able to do so for the simple reason that the act required such jurisdictions to suspend the use of any test or device on that date. Since such jurisdictions presumably have not used any test or device for 17 years, they could by definition, establish that they have not used a test or device in a discriminatory manner.

This would constitute virtual automatic termination of section 5 coverage as to those jurisdictions. There is broad consensus that such automatic termination would be wholly unwarranted because of the continuing problems of discrimination and widespread failure to comply with the Voting Rights Act in the covered jurisdictions.

Nevertheless, the committee agreed with the conclusion of the House of Representatives that revision of the bailout provision is appropriate in order to provide incentives to jurisdictions to attain compliance with the law and increasing participation by minority citizens in the political process of their community. Accordingly, the revised bailout criteria relate to the jurisdiction's recent record of behavior rather than to a mere calendar date.

This new bailout will provide additional incentives to the covered jurisdictions to comply with laws protecting the voting rights of minorities, and to improve existing election practices so that full opportunity for minority participation will finally be realized. It is calculated to permit an effective and orderly transition to the time when such exceptional remedies as preclearance are no longer necessary. This bailout was carefully crafted to preserve the essential protections of section 5. The provisions work as an integrated complementary whole; removing any element would seriously undermine the entire structure.

The committee considered and rejected suggestions that the bailout provision be weakened by further revisions. The new bailout already constitutes a very substantial liberalization of the avenues available to covered jurisdictions to end their preclearance obligation.

For example, individual counties in covered States for the first time will be able to bail out separately even though the State as a whole is not yet eligible to do so. The law will now recognize and reward their good conduct, rather than requiring them to await an expiration date which is fixed regardless of their actual record.

At the same time, the revised bailout does not, and should not, provide an escape hatch for jurisdictions which have continued to violate the law in recent years and deny minorities access to the political process.

Most of our colleagues in the Senate have heralded the broad consensus on extending section 5, as recognition of the one way to assure continued protection of minority voting rights. Yet if we turn the bailout into a sieve, it would make the extension of section 5 an exercise in futility and a cruel hoax on millions of black and brown Americans. We believe that the extension of preclearance could prove a hollow victory if an excessively easy bailout provision is enacted. That would constitute a back-door repeal of section 5, since many communities where preclearance is still needed would be able to escape coverage.

The new bailout provisions provide a balanced compromise between protecting minority voting rights and eradicating the continuing effects of past discrimination, on the one hand, and allowing jurisdictions with clear records to terminate section 5 coverage, on the other. They offer a firm but fair and achievable set of standards for determining when a jurisdiction's preclearance obligations should end.

Under current law, a jurisdiction that bails out no longer has to preclear its voting changes. Section 4(a), however, provides that the bailout court retains jurisdiction for 5 years. If the jurisdiction engages in the type of conduct that would have kept it from bailing out to begin with, the bailout judgment could be set aside and the jurisdiction brought back under section 5. This has happened once, with respect to three counties of New York, which bailed out in the early 1970's but were brought back in 2 years later.

The committee bill continues this "recapture" principle. Under section 4(a)(5), the bailout court retains jurisdiction for 10 years—the longer period is necessary because the new bailout formula contains additional criteria—during which a motion to reopen the case can be filed by the Attorney General or by an aggrieved citizen if it is alleged that the jurisdiction has engaged in conduct that would have prevented it from bailing out.

The recapture provisions are entirely equitable. Jurisdictions which obey the law, and which refrain from making changes that would have been objectionable, will remain beyond the reach of section 5. Only those who continue to violate the law will be effected by the recapture provisions of S. 1992. No person seriously concerned about equal voting rights could legitimately object to such a provision.

The Senator from North Carolina has argued that some of the covered counties in his State could even bailout under S. 1992, but has failed to provide substantiation for this assertion.

I have examined Assistant Attorney General William B. Reynolds' testimony presented to the Senate committee on March 1, 1982, and at pages 129-144 he lists counties that would be affected by the different bailout criteria. He lists only six counties that would not be eligible right off the bat. That would leave 34 that might be eligible, which is 85 percent.

There is not a complete count of counties with non-submissions, and we have heard testimony that there are large numbers of non-submissions from North Carolina; so undoubtedly the number of counties that can actually bail out in that State is smaller. But, at least, these figures show that most of the bailout criteria have very little effect on North Carolina. Also, of course, the counties would have to show the constructive efforts. I hope they would want to do that.

Finally, even for counties that are not eligible right away in 1984, some of them will be eligible not long after that. So I think the bailout is workable.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

All those in favor will say, "Aye."

All those opposed will say, "Nay."

The nays appear to have it. The nays have it. The amendment is not agreed to.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. I move to lay that motion on the table.

Mr. EAST. Mr. President, a parliamentary inquiry.

If I can still do it, I shall do it: I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. The vote on the amendment has already been announced. The yeas and nays had not been demanded on it. It is too late.

Mr. EAST. I should like to make an inquiry.

It is my understanding of the rules we are operating under this evening that we would have rollcall votes on all amendments; and somewhere along the line on this one, that understanding has been violated, in my judgment.

The PRESIDING OFFICER. Although the amendment was not adopted, the question is still open on the motion to lay on the table the motion to reconsider this vote.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

Mr. EAST. May I simply ask unanimous consent to have a rollcall vote on this amendment?

The PRESIDING OFFICER. The Senator may ask unanimous consent to vitiate the vote.

Mr. STEVENS. Mr. President, in the absence of the majority leader, I point out that that will lead to two votes. We are trying to move along. I ask unanimous consent that the vote be vitiated and that we allow the Senator from North Carolina to request the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Mr. MATHIAS. Mr. President, reserving the right to object, I have no objection. We have tried to be fair to everybody here. There was a general understanding that we would vote on these matters.

However, as a matter of information to other Senators who may have amendments to follow, there is no automatic rollcall vote on amendments.

Mr. STEVENS. That is correct.

Mr. MATHIAS. If a Senator wants a rollcall vote, he will have to ask for it. It was not asked for in this case. But if the Senator from North Carolina is anxious to have it, let us go ahead and have it.

Mr. STEVENS. The Senator is correct. We had a rollcall vote on my amendment.

The PRESIDING OFFICER. The unanimous request of the Senator from North Carolina is to vitiate the voice vote on the East amendment. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK) and the Senator from Nebraska (Mr. EXON), are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN), is absent because of death in the family.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), would vote "nay."

The PRESIDING OFFICER (Mrs. KASSEBAUM). Are there any other Senators desiring to vote?

The result was announced—yeas 19, nays 78, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—19

Byrd, Harry F., Jr.	Heflin	Stennis
Cochran	Helms	Symms
Denton	Humphrey	Thurmond
East	Laxalt	Tower
Garn	McClure	Wallop
Hatch	Nickles	Warner
	Nunn	

NAYS—78

Abdnor	Ford	Melcher
Andrews	Glenn	Metzenbaum
Armstrong	Goldwater	Mitchell
Baker	Gorton	Moynihan
Baucus	Grassley	Murkowski
Bentsen	Hart	Packwood
Boren	Hatfield	Pell
Boschwitz	Hawkins	Percy
Bradley	Hayakawa	Pressler
Brady	Heinz	Proxmire
Bumpers	Hollings	Pryor
Byrd, Robert C.	Huddleston	Quayle
Cannon	Inouye	Randolph
Chafee	Jackson	Riegle
Chiles	Jepsen	Roth
Cohen	Johnston	Rudman
Cranston	Kassebaum	Sarbanes
D'Amato	Kasten	Sasser
Danforth	Kennedy	Schmitt
DeConcini	Leahy	Simpson
Dixon	Levin	Specter
Dodd	Long	Stafford
Dole	Lugar	Stevens
Domenici	Mathias	Tsongas
Durenberger	Matsunaga	Weicker
Eagleton	Mattingly	Zorinsky

NOT VOTING—3

Biden	Burdick	Exon

So Mr. EAST's amendment (No. 1868) was rejected.

Mr. MATHIAS. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1027, AS MODIFIED

THE PRESIDING OFFICER. Under the previous order, the question now recurs on the Stevens amendment No. 1027.

Mr. STEVENS. Madam President, the yeas and nays have not yet been ordered on my amendment, have they?

THE PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Madam President, I send to the desk a modification of my amendment and ask that it be reported.

THE PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1027, as modified:

On page 16, line 15, strike out the end quotation marks and the period the second time it appears and insert in lieu thereof the following:

" '(9) Nothing in this section shall prohibit the Attorney General from consenting to

an entry of judgment if based upon a showing of objective and compelling evidence by the plaintiff and upon investigation, he is satisfied that the State or political subdivision has complied with the requirements of section 4(a)(1). Any aggrieved party may as of right intervene at any stage in such section.'.".

On page 14, line 9 after "may" add "as of right".

Mr. STEVENS. Madam President, I have modified this amendment in accordance with some suggestions which have been made here.

I might point out, without attempting to ruffle any feathers, it is very close to the original version of this amendment before the preclearance procedures started.

It now eliminates the double negative and is positive, and I am pleased to offer the modification on the basis that it is an improvement.

It does offer a reference in terms of the right to intervene to another section in order to remove any implication that by including that in this section it might be denied in another which, I think, is a valid comment. I have modified the amendment accordingly. I am hopeful it will be accepted, and if it is I am prepared to offer my third amendment.

Mr. MATHIAS. Madam President, the Senator for Alaska has been very accommodating. As he suggests, he has been working with the managers of the bill for several days attempting to find the magic formula which would make his proposal acceptable to all the many parties who have an interest in it.

I think we now have found that magic formula and the language he has proposed, as modified, is acceptable to the managers of the bill.

Mr. KENNEDY. Madam President, I hope the Senate will accept the amendment. I appreciate the opportunity to work with the Senator from Alaska on this. These are complicated issues because of court holdings in past court cases, and they are sometimes not easily resolved. But it does seem to me that this is a constructive and positive amendment, and I am prepared to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Alaska.

The amendment (UP No. 1027, as modified) was agreed to.

Mr. STEVENS. Madam President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. STEVENS. Madam President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1028

(Purpose: To provide for a modification of the bailout provision under the Voting Rights Act of 1965)

Mr. STEVENS. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1028:

On page 12, line 21, beginning with "have" strike out through "process" in line 23, and insert in lieu thereof the following: "have eliminated voting qualifications or prerequisites to voting, or standards, practices, or procedures, which result in denial or abridgment of the right of any citizen of the United States to vote on account of race or color or in contravention of the guarantees set forth in section 4(f)(2), as provided in section 2(b)".

Mr. STEVENS. Madam President, I would direct the attention of the Senate to the provisions of the committee report on page 72. And I want to read the comments concerning new subsection 4(a)(1)(F)(i).

Mr. STENNIS. Madam President, may we have quiet?

The PRESIDING OFFICER. Will the Senator suspend until the Senate is in order? Staff and Senators wishing to converse, please retire to the cloakroom.

Mr. STEVENS. Madam President, it is new subsection 4(a)(1)(F)(i) and it states:

A jurisdiction must demonstrate to the court that it has eliminated voting procedures or methods of election which "inhibit or dilute equal process."

And I emphasize this sentence:

In determining whether procedural methods "inhibit or dilute equal access," the standard to be applied is the "results" standards of the committee amendments to section 2.

Now, those provisions in section 2 are the provisions that we have taken word from the bill and now put into this new subsection in order that the court will be certain that the Congress is doing what it says it is doing in the Dole amendment. The Dole amendment is a look forward portion of this bill. We are dealing with a bailout, the retroactive, the look back as I call it, the bailout.

Now, the standard for the bailout under this bill, according to the committee report, is in fact to be the standard of section 2. But if you examine the language, it is in fact different language and a different standard.

I would call the attention of the Senate to the fact that the first cases that are going to come under this bill are in fact the cases that involve bailout. The court is going to look at subsection 4(a)(1)(F)(i) and say there is the language and it says "inhibit or dilute equal access." It is not going to pay any attention to this report. They rarely do. It is not going to pay much more attention to what we say here on the floor. They are going to read the bill in plain English language and find two standards; not one, two.

The look back standard is new language. It has never been in the Voting Rights Act before. The Dole language is new language. It has never been in the Voting Rights Act before. Both of them are subject to interpretation, but there is one sentence on page 72 of the committee report that says this is what we mean, we mean them to be the same standard, the same test.

Now, all I ask the Senate to do is to do just that which the committee said it was doing. For those of us who want to bail out, we have the same test as those jurisdictions must face if the Department of Justice says they are to be included for the future.

Again, people say, "What is the Senator from Alaska doing in this? What are you doing to us?"

I voted for the civil rights bills that have been on the floor in the 14 years I have been here. I argued once plaintively the first time Voting Rights Act amendments were around. The second time I tried to be heard a little bit more. This time I want to be heard and I want the Senate to understand what it is doing with respect to the Voting Rights Act.

Let me turn for instance to page 153, of the committee report. Now, this happens to be the report of the Subcommittee on the Constitution of the Voting Rights Act. It is not the committee's report, but it is included in the committee's report. And I want you to listen to some of the things that are going to cause jurisdictions to be included according to the U.S. Commission on Civil Rights.

Again I urge you to read it, page 152.

There appears to be a lack of proportional representation in one or both houses of the State legislatures in the following States with significant minority populations: Alabama, Alaska—

And it goes on.

Now what they are saying is that the people of Nome have not voted for an Eskimo for a State legislative office. You know that is a predominantly Eskimo population, but the man who represents them—God bless him, he was recently released from the hospital. He is a former military officer who served in Nome and has the respect of the community. He was elected to go to the legislature, so according to the standards of the act the minority population is not represented by a member of the minority.

Now, mind you, they are not saying that our procedures were wrong. They are saying because the results of that election were such that they were not represented by one of the minority, that my State might go on the list in the future.

Now let us go on. It says:

There appear to be additional "objective factors of discrimination." For example, according to the U.S. Commission on Civil Rights, every State listed has some definite history of discrimination.

For instance, they talk about the cancellation of registration for failure to vote. My State does that. Our population in Anchorage fluctuates as much as 20 percent every year. At least 10 percent go out and 10 percent new people come in. And, if you do not vote for a certain number of elections, we take you off the rolls. But did you know one can register by coming to vote? But they say that might put my State back in.

Now let us look at another example. It says that Alaska, among other States, has established a minimum residency requirement before elections. We say 30 days; 30 days you have to be in the State before you can vote. A State that had 33,000 people come in to build the Alaska pipeline, one only had to be there 30 days before one could vote. And we have our primaries in August and our general election obviously in November like the rest of the country.

Think of that. They say that is a demonstration of a desire to discriminate to say one must be in the State at least 30 days before one votes in the general election.

Now let us look at another example. They say Alaska is one of those States that have established staggered electoral terms for members of the State senate, which is an "objective factor of discrimination." In other words, ladies and gentlemen, every one of you is a prime example of the United States being a country which discriminates, per se. You are all staggered terms. My colleague and I are not elected in the same year, but we represent Alaska. We have staggered terms in the U.S. Senate, we have staggered terms in the senate of the State of Alaska.

Now, you ask me why do I want to be certain this time. I want to be certain because this is new language. When the civil rights people came in to see me, I said, "Of course I will support an extension of the Voting Rights Act." I thought we were talking about the same act, Madam President. But through the process we have gone through here, we have an entirely new act. And we have a U.S. Commission on Civil Rights that is telling us, in the voting rights area, that my State on four counts is about ready to be put back in. If you look at section 4(a)(1)(F)(i), the test is different from the test that has been applied to the Nation, the Dole test, in section Z, which looks forward.

Again, I ask you to be fair. Why should we be in on the basis of conditions that people presumed were discriminatory patterns in the past when we are setting new standards for the future? And the language in the bill in fact sets those standards for the future.

Madam President, I want to get a little specific here. And, I do not want to offend my staff member. Mark Barnes here is one of the brightest young attorneys to ever come out of my State, and he has worked long and hard on this bill.

No one speaks for me in this Senate until I approve something. Now, for days I have been trying to get this point across and I have been told, you know, check here or check there or check there.

It is staff members who have held things up. Now it is time we look at the number of staff we have around here if there are so many that get in the way. Now we are back to the original form of the amendment that I offered 2 weeks ago after debate among staff for 2 weeks. The real problem about this is that staff are trying to tell us what courts are liable to do. And do you know what? Few of them ever tried a case.

They put out a statement saying the reason they were going to object to this amendment was it changed the burden of proof. Now for lawyers who understand the burden of proof, the plaintiff has the burden of proof. And once you establish burden of proof, it is up to the defendant to overcome that. But they say that this amendment would change the burden of proof.

Now, again, one has to read in this business. And I hope that some of the staff can learn to do that one of these days.

If you look at page 12, the language I am dealing with is on line 19, which says:

Such State or political subdivision and all governmental units within its territory, (i), have eliminated voting procedures and methods of elections which inhibit or dilute equal access to the electoral process.

That is one of the criteria for bailout. It has nothing to do with the burden of proof. The burden of proof is still on the plaintiff. It does not shift. Once he rests his case, the burden is on the defendant to go forward with evidence to rebut the plaintiff. There is nothing in my amendment shifting the burden of proof. Anyone who wants to see this paper that was put out by someone, which comments upon my bailout provision, and was prepared by the leadership conference on civil rights, ought to read it. I have tried a lot of cases and I know what the burden of proof is. My amendment has nothing to do with the burden of proof. My amendment deals with one of the criteria for the plaintiff establishing his case. That plaintiff is either a State or a political subdivision. My State is going to go into court and try to prove that it complies with this new test. As it does, it is going to face all of these comments that were made by the Commission on Civil Rights as to what constitutes discrimination in its mind. It is going to be represented there as one of the intevenors that we just assured the right to intervene.

Madam President, this language is very simple. It says in clear legislative language that the bailout test criteria of this new subsection, 4(a)(1)(f)(1), is that which the Committee on the Judiciary said it intended; namely, the results standard of the committee amendment to section 2, the Dole amendment to section 2. It is very important that this bill language state that test in the new subsection in section 4, instead of relying on one sentence on one page of the report that you can look at in some 239 pages.

We expect the Justices of the Supreme Court to go to that one sentence and say:

No, no, they do not mean what they said in this language. They mean what they said in subsection 2; the standard of subsection 2 governs.

That is what whoever prepared the report for this committee say they meant.

All I am asking the Senate to do is to do just that. I want the Congress to tell the Court that what is fair for the future is a fair test for the past, and we have new language for the future. It belongs in the bailout section for the past.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I think the Senator from Alaska raises a very important point. The reason this bill will lead ultimately to proportional representation is not that there is any explicit right to proportional representation. The bill, in fact, ostensibly precludes such a right. It is, rather, that the lack of proportional representation triggers the search for the so-called objective factors of discrimination which do establish a violation. Any jurisdiction lacking proportional representation will always contain at least several of the so-called objective factors of discrimination. That is why proportional representation will be the inevitable result of a result test, whatever the supposed disclaimer in this bill.

In the committee report, we listed some of these objective factors; many will be found in virtually any jurisdiction of significant size, particularly those with significant numbers of minorities. Some of these would include: (1) Some history of discrimination; (2) at-large voting systems or multimember districts; (3) cancellation of registration for failure to vote; (4) residency requirements for voters; (5) special requirements for independent or

third party candidates; (6) off-year elections; (7) significant candidate cost requirements; (8) high economic costs associated with registration; (9) disparity in voter registration by race; (10) history of lack of proportional representation; (11) disparity in literacy rates by race; (12) evidence of racial bloc voting; (13) history of poll taxes; (14) disparity in distribution of services by race; (15) numbered electoral posts; (16) prohibitions on single-shot voting; (17) majority vote requirements; (18) whether or not political campaigns have been characterized by overt or subtle racial appeals; (19) the extent to which members of the minority group have been elected to public office in the jurisdiction; (20) a history of "dual" school systems; (21) staggered terms of office; and so forth.

The theory of the results test, again, is that such factors allegedly explain why such an absence of proportional representation exists. Given the virtually unlimited array of such "objective factors", it is difficult to imagine any community (with or without proportional representation) that would not contain at least several such factors.

This is especially true when one recognizes that the operative premises of many proponents of the results test is that proportional representation by race or ethnicity ought to be the natural state of electoral affairs and that deviations from this norm are necessarily attributable to some discriminatory policy or procedure. When such discrimination is not readily apparent, it is generally assumed that it has simply taken a more subtle form. Given the lack of proportional representation, this theory effectively requires that some otherwise race-neutral or ethnic-neutral policy or procedure be identified as the force responsible for its absence. In other words, to use a favorite term of results proponents, there is no "objective" way to determine whether or not a potential "objective factor of discrimination" is, in fact, responsible for discrimination other than to ascertain whether or not there is proportional representaton. If there is not proportional representation, there is no principled basis, under the results test, for demonstrating that any given "objective factor of discrimination" was not responsible.

I think the Senator from Alaska has brought into this debate one of the most important substantive aspects of the debate. I commend him for doing it. He is right; these are some things that our Nation is going to have to live with for years in the future.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. The Senator from Alaska said he wanted to be heard in this debate. I can assure the Senator from Alaska that he has been heard. Not only has he been heard but he has been heeded. It has been a pleasure to work with him. I think the bill is improved by the two Stevens amendments which have already been adopted to this bill. They are useful amendments and constructive amendments. I thank him for offering them.

As a foundation for this amendment, he refers to the language that appears on page 152 of the report, and he read out those States which are reported to have a lack of proportional representation in one or both houses of the State legislatures. He got as far as Alabama and Alaska. But he should have kept on reading just a little bit further because when you get down to the end you find both Maryland and Massachusetts.

I do not find it a cause for great alarm to be one of the States that is listed in that roster. I think that is not going to upset the body politic in Maryland. I will let the Senator from Massachusetts speak for that Commonwealth. But I do not find that that in itself is a problem.

Like the Senator from Alaska, I have tried a few cases in court in my time, and I agree with him fully that the burden of proof is not thrust upon the shoulders of the voter. I agree with him fully. The burden of proof rests upon the State or the county or the municipality which seeks to bail out. That is where the burden of proof rests.

But this amendment is troubling to me. How will it be interpreted? The uncertainties that it introduces into the law do not have to be there. We are dealing with language which has already gotten a clear interpretation as a result of the debate which occurred in the Judiciary Committee. The interlocking of the language in the statute with the language in the committee report was carefully crafted and conveys an understandable legal interpretation. I am not sure what unsettling factors are introduced by the Stevens language.

So while I understand his purpose in offering the language, and I appreciate his constructive effort in offering it, I feel it is not acceptable, that it will have a negative impact on the legislation. I think that at the proper time it should be tabled.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, Senator MATHIAS has pointed out this is a well-intentioned amendment, but I am concerned that it will raise serious problems in its interpretation. We have established in the compromise amendment the criteria under section 2 which plaintiffs have to meet, and they have the burden of proof. We have indicated that is the White against Regester test.

Then we have also suggested in bailing out that jurisdictions would not be able to bail out if the kinds of activities that either the States or their subdivisions were involved in would be the kind of activities which would be precluded by the White against Regester case. We have made that very clear in the report.

It is the belief of some of us, Madam President, that if you wrote section 5, that courts might misconstrue it to shift the exact statutory provision from section 2 into this part of the bailout under burden of proof from the jurisdictions to individuals—minorities in this case—in the various States to prove that there is a section 2 case, that is, that there remain barriers in the jurisdiction that could be challenged as a violation of section 2. That puts in place an additional burden which is at direct odds with the whole scheme of the bailout.

We feel, as the Senator from Maryland has pointed out, that the language in the compromise and in the report itself gives a careful, thoughtful, and legally consistent position and we believe that this amendment would unsettle that balance. For that reason, Madam President, I hope that the amendment will not be successful.

Mr. STEVENS. Madam President, in the legal reference publications available for the determination of what is the burden under the Federal Rules of Evidence in a declaratory judgment action, there appears this statement:

> Unless otherwise provided by statute or the Federal Rules of Evidence the party against whom a presumption is directed has the burden of going forward to meet or rebut the presumption; but the burden of proof in the sense of the risk of nonpersuasion does not shift to such party.

This is declaratory judgment action. My amendment does not even deal with the burden of proof and there is no reason for the statement that this would bring about any shifting of the burden of proof. It cannot happen under this kind of action, because the party against whom such a judgment is sought has the burden of coming forth with proof but not in the sense of a shifting of the burden of such a party. It is a different kind of action.

Even more, I ask the Members to look at this. On page 10 of the bill, we start with the requirements for bailout. Subparagraph (A) says that during the 10 years preceding the filing of the action, the State or political subdivision must, first, prove that—

> No such test or device has been used within such State or political subdivision for the purpose or with the effect of denying or abridging the right to vote on account of race or color or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) in contravention of the guarantees of subsection (f)(2);

That is the first test.

Subparagraph (B) says:

No final judgment of any court of the United States, other than the denial of declaratory judgment under this section, has determined that denials or abridgements of the right to vote on account of race or color have occurred anywhere in the territory of such State or political subdivision or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) that denials or abridgements of the right to vote in contravention of the guarantees of subsection (f)(2) have occurred anywhere in the territory of such State or subdivision and no consent decree, settlement, or agreement has been entered into resulting in any abandonment of a voting practice challenged on such grounds; and no declaratory judgment under this section shall be entered during the pendency of an action commenced before the filing of an action under this section and alleging such denials or abridgements of the right to vote;

You read there that a State has to prove that not only the State has not discriminated but no subdivision has discriminated in 10 years. That is a burden of proving that no one discriminated in any way.

Again, Mr. President, I remind my colleagues of the report of the Commission on Civil Rights, which say that if you have staggered terms, that is evidence of discrimination in their minds. I want my colleagues to look where we are going.

Subparagraph (C) says no Federal examiners under this act have been assigned. No Federal examiners have even been assigned. Just the assignment of examiners to a State is evidence of discrimination under this subsection on bailout.

Subparagraph (D) says:

Such State or political subdivision and all governmental units within its territory have complied with section 5 of this Act, including compliance with the requirement that no change covered by section 5 has been enforced without preclearance under section 5—

Do you know what that means to the State of Alaska, Madam President, with 78—or even more than that, now—native villages that are incorporated under my State's laws? No lawyers are available. They make up their voting ordinances. Do you know what it means? Someone may have to journey all the way down here to Washington to clear it.

Mind you, Madam President, we have to go forward with that burden, too, to bail out.

Subparagraph E says:

The Attorney General has not interposed any objection (that has not been overturned by a final judgment of a court) and no declaratory judgment has been denied under section 5, with respect to any submission by or on behalf of the plaintiff or any governmental unit within its territory under section 5, and no such submissions or declaratory judgment actions are pending; and

Mind you, all of those tests before we get to subparagraph F, which is the subparagraph I am trying to put the Dole language into. It says:

(F) such State or political subdivision and all governmental units within its territory——

(i) have eliminated voting procedures and methods of election which inhibit or dilute equal access to the electoral process;

My colleagues do not even look at it. It goes on:

(ii) have engaged in constructive efforts to eliminate intimidation and harassment of persons exercising rights protected under this Act; and

(iii) have engaged in other constructive efforts, such as expanded opportunity for convenient registration and voting for every person of voting age and the appointment of minority persons as election officials throughout the jurisdiction and at all stages of the election and registration process.

In order to get out from under the act, we have to prove all of that. All I am saying is that the standard of dealing with the voting procedures and methods of election should be the same as brother DOLE says on page 16 of the bill. Because, if you look, you will see that "Section 3" of S. 1992 amends section 2 of the Voting Rights Act of 1965 and is the language that I seek to put into section 4, of the Voting Rights Act of 1965:

SEC. 2. (a) No voting qualification or prerequisite to voting or standard, practice, or procedure shall be imposed or applied by any State or political subdivision in a manner which results in a denial or abridgement of the right of any citizen of the United States to vote on account of race or color, or in contravention of the guarantees set forth in section 4(f)(2), as provided in subsection (b).

Senator DOLE, in that section, referenced subsection b. All I am saying is that the standard that the report says is in fact the standard under this section, the standard from section 2, which is really a revision of section 2 of the Voting Rights Act, be the same standard to be applied in section 4 of the act under the new bailout criteria.

Let me say to my friend from Maryland, Madam President, he is right, Maryland is listed. As a matter of fact, let me tell you the other States listed. My colleagues, in case they have not read this, I think might be interested: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Nevada, Georgia, Kansas, Kentucky, Illinois, Indiana, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, and Virginia.

The U.S. Commission on Civil Rights says all of you are violating the law now. That is the problem; they are not under the law. They are not already under because of a technicality in the 1975 act. But, we must bail out—the State of Alaska must bail out.

Both Senators say they do not want any uncertainties under this act. I do not, either. I want to be sure that the test my State faces when it goes into bailout is the same test that your State may face if they try to write it in. That is all I ask. It is a very simple amendment and it is, in my opinion, a technical amendment, because again, I point out in closing, the report says, "In determining whether the procedural methods"—that is all we are talking about in this subsection, the procedural methods—"inhibit or dilute equal access to the standard to be applied as a result standard of the committee amendments of section 2."

Madam President, there will be an attempt to table the amendment. I urge Members to think about where we are going.

We are going into entirely uncharted waters with two new standards, different language, and yet the report says the court must interpret them to mean the same thing because of one sentence in a report that is over 200 pages long. We try to tell the court, "no, no," without regard to what we said. "Dilute, access," all of those new words are in this bill that have never been in the bill before. We are supposed to use the Dole language to interpret them because that is what we said in the report.

Let me say one last word, and that is this: If there is any action that is going to tell the court that the report does not mean what it says, it is if the Senate turns my amendment down. What we are saying now with this amendment is that the bill means what the report says it means. If the Senate says no, tables my amendment, what does the court say, Madam President? Does it say I was right, that the Dole language as it was written in section 3 of S. 1992, the amendment to section 2 of the original act, is the language they must read into this provision? Do either of the two Senators who oppose the amendment say what it means?

Again, read the bill, I say to Senators.

The trouble with this is that in the past we did not read the bill. I have read it. I challenge Senators to read it and see if they do put the test from section 2 into section 4 without the Dole language.

[The following proceedings occurred after midnight:]

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Do I understand we have a time agreement on this amendment? We have been on it for some time.

The PRESIDING OFFICER. There is no time agreement.

Mr. DOLE. I should like to say a word, but I do not want to light up the Senator from Alaska again.

I say that others have read the bill, and I also say to the Senator from Alaska that others have competent staff. I appreciate that your comment

did not apply to other Senators' staffs. I know your staff is highly competent and some of the rest of us have been able to achieve almost that same degree of competence in members that we employ. If there are too many staff, then that is a question not involved in the voting rights debate. But I say that if Senators read the amendment of the Senator from Alaska, it says, "as provided in section 2(b)." If you read section 2(b), we are talking about establishing a violation. It says:

(b) A violation of subsection (a) is established if, based on the totality of circumstances, it is shown that the political processes leading to nomination or election in the State or political subdivision are not equally open to participation by members of a class of citizens protected by subsection (a) in that its members have less opportunity than other members of the electorate to participate in the political process and to elect representatives of their choice. The extent to which members of a protected class have been elected to office in the State or political subdivision is one circumstance which may be considered.

But of course under section 5 we are not talking about establishing a violation, we are talking about, or should be talking about, a jurisdiction carrying the burden of showing that it has established a record of conduct and made such efforts that it should be able to exempt itself from the preclearance requirement.

Another problem is that if we could adopt this amendment, we might send a signal to the courts that "equal access" somehow means something less than "inhibit or dilute." If that is the case, then I think we ought to defeat it—"Inhibit and dilute" is a common phrase used under the White against Regester standards that we have alluded to earlier. And it signifies that the kinds of discrimination we are talking about extend beyond mere formal barriers to the process of registering and casting a ballot.

I say to the Senator from Alaska that we have all attempted to accommodate his amendments. Two out of three have been accepted. I hope that we can disagree on this amendment without, in effect, indicating that somehow it is a matter of Alaska or Kansas or Maryland or Massachusetts, or whether we may somehow be doing something in section 5 or not doing something in section 5 that we now do in section 2. I think the amendment ought to be rejected.

Senator STEVENS' amendment would reverse the burden of proof. His amendment would erroneously require a voter challenging bailout to prove a White against Regester case in the middle of a covered jurisdiction's bailout suit.

This is a threat to the integrity of a bailout suit. It is not the voter's burden to prove a section 2 case under the bailout. if that were so, then the entire provision is unnecessary because a voter can always bring a section 2 case if that voter can hire a lawyer to prove the complex and difficult issues involved in section 2. The proper burden of proving bailout is with the jurisdiction. The jurisdiction bears the burden of showing that its election methods either: First, do not inhibit or dilute equal access; or second, have been eliminated.

To not only shift the burden of proof to the voter, as this amendment does, but also to shift what has to be proven may be fatal. By changing the language from "inhibit or dilute" which is the language in the House passed bill, and the Senate Judiciary Committee bill, we would be sending a dangerous message to the courts. We will be saying that we do not mean to include discriminatory methods of election that dilute the voting strength of minority voters. We might be signaling that Justice Stewart was in fact right in the Mobile case when he said that the Voting Rights Act does not reach anything but the right to register and to vote. We will be telling minority voters that they can live in a jurisdiction for 100 years and never, never influence the election of any candidates. We will be telling those voters that unless they come forward in a bailout suit and prove that they cannot register or cannot physically cast a ballot, that the protections of section 5 will no longer be available to them. This is contrary to the intent of Congress in 1965, in 1970, in 1975, and in 1982. Such a message would also be contrary to and inconsistent with the testimony of Attorney General French Smith. General Smith testified that the bailout is to serve as an encouragement for prospective improvement by covered jurisdictions that should not be allowed to leave intact dilutive election methods.

What the jurisdiction must prove under the committee version of this section is quite straight forward. The jurisdiction must demonstrate that minority voters do have equal access, that their votes are not diluted, that they can and do participate fully in the political process. White against Regester is, as the report points out, the revelent standard but not as a statutory directive. Rather, White supplies the factors to which a court would look in making the required determinations. The jurisdiction must show that the totality of the circumstances add up to full participation by minority voters.

Mr. STEVENS. Madam President, I appreciate the comments of the Senator from Kansas, but I hope he would read his amendment. His amendment, again, if you look at page 16 of S. 1992, is the language that has been read. The inclusion of the reference to subsection (b) is because it is referred to in subsection (a) and it is referred to so that the results test would in fact be the new test provided in subsection (a).

Now, this is not a hypothetical question. Let me go back to the book in terms of the question of this act and what is happening.

If you look at page 154, it makes reference to Anchorage, Alaska. Let me tell Senators this is in error because Anchorage, Alaska, has two members on the city council from five districts and one member from a sixth rural district.

Mr. KENNEDY. The Senator is reading from the Hatch subcommittee report and not the legislation that is before the Members?

Mr. STEVENS. I am reading from the Hatch subcommittee report in reference to the U.S. Commission on Civil Rights' findings concerning these areas.

Mr. KENNEDY. The Civil Rights Commission has no application in terms of any of these provisions.

Mr. STEVENS. I understand that. It does not in the sense that it has a role in this act, but the Civil Rights Commission was studying the States and political subdivisions to see whether they were guilty of discrimination and whether they ought to be cited under the Voting Rights Act. That is why we are indebted to the subcommittee for printing the reference to what they said ought to happen in the future.

They looked at Anchorage, Alaska, and said it was:

The city of Anchorage has an assembly composed of 11 members, all of whom were elected at-large.

That is wrong.

There are no minority members in the assembly, but minorities comprise approximately 15 percent of the population of Anchorage.

This is what it says:

This lack of proportional representation, when combined with the at-large voting practice as well as evidence of segregation in the local schools—

According to the Commission on Civil Rights again:

might well result in extensive judicial restructuring of the Anchorage system.

If it results in restructuring the Anchorage system, it puts my State in a position where it cannot be allowed because we have to prove we did not do what they say we did.

The report, incidentally, was erroneous. They did not know how the city council was made up, but they were right about the percentage of minority population. They were right, at the time their report was written, there were no minority representatives on the Anchorage city Council.

Again—and I say this to my friend from Kansas—the Senator did a very excellent job. I am going to say it fast, but this time I am going to say it and stop because I want my friend from Kansas to understand. Last time we

got in because I did not talk like this. We bailed out once before. We were included again in 1975 because we failed to analyze the bill, and we were included by technicalities which the Congress would have eliminated at the time if we had had the time to do it. But Senators remember the urgency in this bill before. They just rushed it straight through. The amendment we adopted on Indian language, we adopted the first provision, but we were too busy to even consider the second provision at the time.

We have corrected that this time, but I urge Senators to take their time because this time they say that if the city of Anchorage is not represented by a portion of its 15 percent minority population, according to this report, we are discriminating and we will be forced to prove when we bail out that no political subdivision has discriminated.

I want to take Senators back to the bill. I urge them to go back to the bill because it said in subsection (a) that we have that burden to prove that no test or device has been used within a political subdivision for the purpose or with the effect of denying or abridging the right to vote.

The language used in the current clause (i) is different from the language put in the bill, which is good language, and that is what we want to use as the test for bailing out.

Why should the Dole language apply to the future and reference subsection (b) as to the results test which you have explained in subsection (b), why should it not apply to those who seek to bailout? I ask the Senator from Kansas, why should my State have to come forward and prove that Anchorage never discriminated in the sense of the test of the old language which you have eliminated?

That is the test the way it appeared before the committee amendments were adopted. You have rewritten section 2 of the original act, but the committee did nothing with section 4, which, for the bailout, contains the same test, according to the committee report, the results test.

(Mr. SIMPSON assumed the chair.)

Mr. HATCH. Mr. President, will the Senator yield on that point?

Mr. STEVENS. I yield.

Mr. HATCH. Mr. President, the important thing to remember is that the lack of proportional representation triggers the search for the omnipresent "objective factors of discrimination."

I would ask my colleagues to think about your jurisdictions and think about these "objective factors of discrimination" and consider whether or not they are "tainted" by these supposed barriers of discrimination.

I think the Senator from Alaska has done a great service here this evening. It has been an important discussion of the "objective factors of discrimination" that are triggered by the happenstance of a jurisdiction, any jurisdiction in the country, lacking proportional representation.

I call the attention of my colleagues to a new "objective factor of discrimination" which is described in footnote 114 of the report—in a mere footnote. This is another factor for Federal courts to consider in judging jurisdictions throughout the country. Remember that the lack of proportional representation triggers the search for these "objective factors of discrimination," which in turn consummate violations of the new section 2.

The footnote refers to the existence of "disproportionate educational, employment, income level, and living conditions arising from past discrimination."

That is a new "objective factor."

Tell me, colleagues, if you will, of any city of any size with a minority population in this country that would not be characterized by at least one, and probably many more than one, "objective factor of discrimination," pursuant to the so-called Dole "compromise" to section 2.

This is a problem of the first magnitude. As majority floor manager of this measure, let me make just a few concluding remarks.

Mr. President, the changes that will be wrought by the change in section 2 will not come overnight. They will not be felt fully this year or next year or the following year. Over a period of years, however, perhaps only over a period of decades, the proposed change in section 2 will have a profound impact on what this Nation stands for. We can launch all the platitudes that we care to about our concern for civil rights, but let us make no mistake about it, both the purpose and the clear effect of this statute will be to inject racial considerations into more and more electoral and political decisions that formerly had nothing to do with race. Increasingly, this Nation is going to be content with providing compact and secure political ghettoes for minorities, and conceding them their 10-percent representation, rather than attempting to move them toward the electoral mainstream in this country. Increasingly, the courts of this Nation are going to become even more deeply involved in State and local electoral and political affairs in the past.

The change today in section 2, Mr. President, will not be subtle. Because of this legislation, and because the results test may soon be established in other areas of the law, we are embarking today upon a major change in direction in civil rights. We are foresaking the great historical goals of equal protection and a color-blind society and establishing new goals in which racial balance and color-consciousness are primary. The Change may appear to some of us as a subtle one today, but I assure you that its impact will become clearer and clearer as the years pass. Rather than moving in the direction of a single society, we have begun to give legal and constitutional sanction to a restoration of separate-but-equal.

Mr. President, I will support this legislation because I believe in the goals and purposes of the Voting Rights Act. Because of these amendments, however, I do so only with the utmost and grave reservations. I sincerely hope for the sake of the country that I am wrong.

I believe that the Senator from Alaska is making a reasonable case, but let us not forget that this bill is not limited in its scope to any particular State or region of the country. This bill is going to apply to every State and every region; we had better realize that now.

Mr. STEVENS. Mr. President, if the Senator from Kansas raises the point he does, I should like to address some questions to the managers of the bill.

Do they mean, under this section I am seeking to amend, that the voting procedures and methods of election which inhibit or dilute equal access—and in connection with the interpretation of that—that they want to make legislative history that the assentians of the Commission of Civil Rights are in error? Do they say that it is not evidence of discrimination that we have a lack of proportional representation?

Is it no longer evidence of discrimination that we have cancellation of registration for failure to vote? Are they willing to say that staggered terms no longer can be considered evidence of discrimination?

Are they willing to say that in terms of the tests set forth by the Civil Rights Commission, that it is not intended by this section that voting procedures and methods of election which define equal access to the electoral process—that those items the Civil Rights Commission mentioned in those terms, and they used "dilute" and "access"—that this section is not meant to validate the report of the Commission on Civil Rights?

Does the committee really mean what it says on section 4(a)(1)(F)(i) that this is to be interpreted, notwithstanding this new language, to mean precisely what the Dole language says in the proposed section 2 of the Voting Rights Act? The Dole language in section 2 would not countenance these claims of the Commission on Civil Rights as to discrimination because they do not use the same standards for the results test.

Subsection (b) negates the results test in terms of proportional representation. It negates the test with respect to the factors the Commission on Civil

Rights used as evidence of discrimination.

I will tell the Senator from Kansas that I am not ready to vote yet. I want the Senate to understand that there is a record that must be made on this section if it is to be tabled. I can read. I have been around and have seen votes of 88 to 0 or 88 to 6. I was one of the 88. But, as I told the Senator's staff in the beginning, this is the amendment about which I was most serious and one that is meaningful to my State.

The report of the Commission on Civil Rights worries me, because in every category, Alaska is included. How can we bail out? You say we have the opportunity to bail out. How can we bail out with the language that is there, voting procedures and methods of election which inhibit or dilute equal access, if the Commission on Civil Rights says these four standards are the ones that should be used in interpreting the Voting Rights Act?

I respectfully address that to my two colleagues. I have great affection for them on a personal basis, but I disagree violently with their interpretation of my amendment in this instance. They refuse to accept the fact that the language in the bill incorporates the language the Commission on Civil Rights wants in establishing new standards for the procedural aspects of voting rights.

We are dealing only with procedural aspects, and we have established, through the Dole amendment, a new condition which, in my interpretation, would negate the point of view of the Commission on Civil Rights with regard to discrimination.

If the managers are prepared to say that in their opinion subsection (F)(i) does not contain any of the factors mentioned by the Commission on Civil Rights we have a different case, but until they do, I think I am right.

You have two standards, not one, and yet you say in the report you have but one.

Mr. KENNEDY. Mr. President, there have been a number of general comments here this evening which I imagine at this hour have raised unnecessarily questions in the minds of Senators, and so I ask the Senator from Alaska: Do the Indians and the Alaskan Natives, given equal opportunity to access to vote, participate in voting in the Alaskan elections as whites?

Mr. STEVENS. Yes. There have been no allegations to the contrary.

Mr. KENNEDY. Then the Senator from Alaska has nothing to fear under the White against Regester test.

The second point I make, as I have made probably 15 or 20 times before when the Senator from Utah has made these comments about the proportional representation, is that when the 1965 act was enacted and put into law we had in effect a results test. That was altered recently with an intent test and in this bill we have gone back to a result test.

For all those years that the result test was in effect there is not one single case, not one that you can find, that requires proportional representation. It is a red herring.

And yet we have heard it day in and day out, and we are hearing it at 12:20 a.m. It is being raised as one of the ogres in this particular legislation. Even under the old test, which is the one that is restated in the Dole amendment, there is not a single case, and yet we have been debating that day in and day out. It is a red herring.

And to insure that there would be no question about that the Dole amendment addresses that issue in considerable specificity and the report does as well.

Mr. President, we have gone around on this question about what the test is on section 2, what the test is on section 5, what requirements have to be proved to establish a violation of section 2, which is the White against Regester case, and we have also spelled out what criteria will have to be met under section V, under the bailout provisions.

But we do not believe that we should restate everything that is in the report in this lelislation, nor do we say that the Civil Rights Commission is anywhere included in this legislation. That is another red herring.

If the Civil Rights Commission finds that there is some discrimination and some time later that is proven to be the particular case in a court of law, so be it.

But to hold out that because the Civil Rights Commission finds X, Y, or Z that your particular jurisdiction is going to be included is not part of this legislation.

I think the Senator from Kansas, the Senator from Maryland, and myself have all spoken just with regard to the substance of this issue and the very considerable concern that we would have in terms of the changes in the burden of proof. Once a test is inscribed in terms of section 2, where the plaintiffs have the burden of proof, and you place the identical language in section 5, where the jurisdiction has the burden of proof, it is likely to be interpreted as shifting the burden of proof from the jurisdiction to the individual on bailout. That is of considerable concern and we do not take it lightly.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. STEVENS. Mr. President, I say to my good friend from Massachusetts I did not raise a red herring. I am trying to represent a State that is trying to get out. Respectfully I say to the Senator the question of whether you are included in the future is one thing; trying to get out now for the fourth time is a different problem. And if I am sensitive it is because I have two times had to explain to my people what happened in the past. I ask the Senator again, he says the Commission on Civil Rights proportional representation is a red herring. Are staggered terms a red herring? Is the fact that we have cancellation registered to vote for failure to vote a red herring? Is it a red herring because we require 30 days of registration before you can vote?

I ask my friend seriously why we have to prove these things are not discrimination in order to get out. I am not worried about the future. The Senator said, "Do not worry; if your Natives can vote, they can vote." I am asking the Senator if in his opinion these other tests apply. I am not afraid of the Regester case. I support the Regester case.

But the trouble is as to the three lines I am trying to change on page 12. It is just three lines that I am trying to replace, if you will, with another test that is on page 16. The Dole amendment is longer and more specific.

I am trying to be sure that the report meant what it said.

I ask the Senator again, are those other tests to be ignored? If the proportional representation is a red herring, let us forget that, what about the States with staggered terms in the Senate?

Am I going to have to prove we are going to have to change that in order to bail out?

What about my State's 30-day registration? Do I have to prove we are going to change that to bail out? What about the other test that is here as far as cancellations for failure to vote? Do we have to prove we have to change that in order to bail out?

The Commission on Civil Rights, whether you like it or not, is going to be involved in the case when we try to bail out. They are involved, as the Senator knows. That is their viewpoint that they are going to argue to the court.

The Senator from Massachusetts is the manager of one side of this bill. Tell the Senate and tell the court: Are those tests going to apply to my State when we try to bail out? If they are, then I ask Senators to be sure that the standard for the past is the same as the standard for the future.

I know the Senator is going to move to table the amendment, and I can count, but I say to him it is unfair. It is basically unfair what he is doing because he has the votes and he is doing the same thing to us he did to us in 1970 and 1975. He is saying "vote, vote, vote."

What I am saying is, a State that has never proven discrimination anyway, is included and wants to get out. We want to get out from under this, we want to stop clearing with the Department of Justice the changes in our voting procedures which deal with access to voting rights.

We have these concerns and the Senator says: "No, no, do not worry about that. Do not worry about that. You are all right."

If the Senator will say here that a court could not find under those three lines that any one of those things was discrimination then I am going to be awfully surprised and then the amendment should be tabled.

Mr. KENNEDY. Mr. President, first of all I have been on the floor for 10 days willing to consider and debate any of these items, and I am glad to this evening. I am glad to vote or I am glad to continue with the debate. But I have been here for 10 days.

Now, the fact is that these are not tests, what you mention the Civil Rights Commission finds are not tests. These are matters that can be considered by the court, and may or may not meet the requirement which has been established in the White against Regester case, which is the standard of this bill.

But I want to point out to the Senator from Alaska that there is not anything in his amendment that would deal with any one of those matters the Senator just asked me about, nothing that would change it one way.

Mr. STEVENS. I beg the Senator's pardon, I beg your pardon, it does because it does take——

The PRESIDING OFFICER. Please address the Chair in your remarks.

Mr. STEVENS. I thank the Senator.

Mr. President, subsection (b) which comes into my amendment by virtue of the same language that is in the Dole amendment does, in fact, bring in the new concepts dealing with the future with regard to the protected class of citizens and participation in the electoral process and the extent to which they have been elected.

With regard to whether or not they are equally open to participation, there is no question about the denial of the right to vote by virtue of failure to vote in past elections; no question about the denial of the vote because they have not been in the State for 30 days. Those points that the Civil Rights Commission has raised are points which are, in fact, going to be raised when we go to court to try to bail out. I say to the Senator that the Dole amendment prevents those tests from being considered in connection with the inclusion of States in the future, and that is what it was intended to do.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. MATHIAS. Mr. President, I think we all clearly discern a genuine worry that the Senator from Alaska has. But these are not matters that were ignored by the Judiciary Committee. The Judiciary Committee thought about them. The best evidence that I can give you of that is in the majority report of the committee. It provides that the bailout applicant would not need to prove a negative by establishing that each and every procedure or law relating to its election satisfied the White test. That not only comprehends all the cases that the Senator from Alaska has talked about, but, any more that your imagination can dream up. We thought about that, and we have provided for it. It does not complicate the bailout process.

The Senator from Alaska himself says that his amendment does not do more than the committee report would do, and I think that may be true. But there is concern that it might do more and might create misinterpretation of the meaning of the law.

It is clear out of the last hour of debate that there is not a consensus in the Senate on this subject. I see the Senator from Utah on his feet. Otherwise I am prepared to move to table the amendment.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I do not want to prolong this any further, but I do want to correct the record on a few points.

The Senator from Massachusetts said he did not know of any case in which proportional representation under section 2 had been imposed. The reason he does not know of such a case is because, in the words of the Supreme Court in Mobile:

> None of the court's 15th amendment decisions has ever questioned the necessity of showing purposeful discrimination in order to show a 15th amendment violation.

I question further whether the distinguished Senator from Massachusetts and the distinguished Senator from Maryland are correct in their assertion that White against Regester is a results case. It is not.

Proponents rely almost exclusively on White against Regester as a basis for the results test. In White, the Court upheld a challenge to an at-large voting system for the members of the Texas House of Representatives in several counties. White is a rather tenuous foundation for the far-reaching changes presently being proposed for a number of reasons.

First, it was not even a 15th amendment case, nor was it a section 2 case under the Voting Rights Act. It was, as I have pointed out earlier, a 14th amendment case. So it is strange that the proponents should rely upon it to suggest that the Mobile interpretation of the 15th amendment was mistaken.

Second, if that is not enough to discredit the arguments that have been made here on the authority of White with respect to the Mobile issue, it should be noted that nowhere in the White case did the Court even use the term "results." As a matter of fact, in the early part of the case, Mr. Justice White in delivering the opinion states:

> The multi-member district provided for Bexar and Dallas Counties were properly found to be invidiously discriminatory against cognizable racial or ethnic groups in those counties.

I ask the Senator what does "invidious" discrimination mean?

If there are any "red herrings" here it seems to me they have been raised by the distinguished Senator from Massachusetts about the intent test—that it is too difficult to prove intent, that the test requires a smoking gun, that it requires mind-reading, that it requires learning the motives of long dead legislators.

I recognize that the Senator has prevailed. But as far as "red herrings," I think he is the one who has raised them. The entire case against the intent amounts to little more than a "red herring."

Be that as it may, I think the Senator from Alaska has raised some interesting points and his amendment certainly deserves serious consideration here on the floor.

Mr. KENNEDY. Mr. President, I will take only 1 minute. I have the White against Regester case, and if the Senator from Utah can find intent in any place in this case I would like him to read it.

We have gone over this. That is why I will only take 15 more seconds of my time. We have gone through this time and time again. There is absolutely no reference to intent in White against Regester. What it does do, as any fair reading of it will show, is what the court is interested in, as to what the result will be, and that is what we accepted.

Mr. MATHIAS. Mr. President, there is some dispositon on the part of the Senate to vote up or down on this, so I will call for the question.

Mr. STEVENS. Mr. President, I ask unanimous consent that a factsheet prepared by the Leadership Conference on Civil Rights on June 16, 1982, concerning this amendment to be printed in the RECORD.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

FACTSHEET ON STEVENS' AMENDMENTS (AG CONSENT TO BAILOUT)

PREPARED BY THE LEADERSHIP CONFERENCE ON CIVIL RIGHTS, JUNE 16, 1982

There amendments are not technical or clarifying amendments. The amendment to give the Attorney General's the right to consent to a bailout lawsuit is superfluous, and undermines the concept of the bailout criteria.

There is absolutely no need for this provision. The Attorney General can consent to entry of judgment in any case in which he is a party; any litigant enjoys that prerogative without any particular statutory mandate.

Public policy and judicial economy encourage settlement of lawsuits without trial and the expenses of complex litigation. But, to amend the Voting Rights Act to provide specifically for consent implies that the Attorney General should consent to judgment, even where bailout is not warranted.

The courts may interpret this amendment to mean that Congress stated a preference for not contesting bailout suits despite evidence that the jurisdiction seeking bailout has not met its burden of proof. While such a preference may have been appropriate under existing law where the bailout determination was a simple matter of judging whether the jurisdiction was improperly covered in the first place, the change to a behavior oriented bailout involves many more issues that need to be investigated prior to entry of judgment. Very few jurisdictions, and no counties within covered jurisdictions, were eligible even to file for bailout under existing law, and therefore the Attorney General was in a position to evaluate eligibility and consent to judgment where appropriate.

This amendment may encourage "sweetheart lawsuits" where the jurisdiction and the Attorney General work out a deal to permit bailout simply because the Attorney General lacks the resources to contest the bailout. The amendment to grant a right of intervention to aggrieved parties does not correct this situation. That language adds little to the present bill which states that aggrieved parties may intervene at any stage. To suggest that the burden, moreover, is on the aggrieved voter to prevent collusion between the Attorney General and the jurisdiction is to misplace the burden of proof on the voter. This is contrary to everything the Voting Rights Act stands for. Moreover, this amendment undermines the protection of minority voting rights because with very limited resources, civil rights organizations, let alone individual voters, would not be able to protect minority rights in all of the hundreds of bailout suits which will be filed. Minority voters are entitled to have the Attorney General protect their rights fully.

This amendment would wipe out the crucial requirement that the burden of proof be on the jurisdiction seeking bailout to show it has met each of the bailout criteria. The amendment requires the Attorney General to decide on the basis of his knowledge or his own investigation whether the criteria all have been met. The jurisdiction would not have to show anything. Rather the AG would have to investigate as best he could and if he had not found evidence on non-eligibility, he would have to consent.

FACTSHEET ON STEVENS' AMENDMENTS (MODIFYING BAILOUT PROVISION)

PREPARED BY THE LEADERSHIP CONFERENCE ON CIVIL RIGHTS, JUNE 16, 1982

These amendments are not technical or clarifying amendments. One amendment is a substantive modification of the bailout criteria. Another amendment weakens the protections already afforded to minority voters.

Stevens' Amendment to modify the bailout criteria purports to incorporate the language of Section 2 directly into the bailout provision of section 4(F)(i). This is unacceptable because it would reverse the burden of proof that is intended to apply in bailout cases. It would erroneously require a voter challenging bailout to prove a Section 2 case in the middle of a jurisdiction's bailout suit.

The proper burden of proving bailout should be with the jurisdiction seeking to show that it has eliminated voting practices and methods of election which discriminate against minority voters. The fundamental basis for the new behavior oriented bailout is to create an incentive for covered jurisdictions to come out from section 5 coverage having dispensed with any historic discriminatory practices. The Stevens' amendment is unfair because it shifts the burden of proving whether or not pre-1965 laws are discriminatory from the jurisdiction seeking bailout to the voters who need Section 5 protection.

The standards under Section 2 and Section 5 should not be confused. Section 2 is a nationwide provision and applies to jurisdictions that do not have a background of discrimination. It requires the voter challenging a practice as discriminatory to bear the cost of bringing the litigation and proving a complex lawsuit. Section 5, on the other hand, shifts the burden of time and inertia to jurisdictions with a history of severe voting discrimination *(South Carolina* v. *Katzenbach).*

If the Senate believes that Section 5 should be extended, then it should not tinker with that Section by opening up the bailout to undeserving jurisdictions. Unless a jurisdiction can show that its election methods either (1) do not inhibit or dilute equal access, or (2) have been eliminated, it should not bailout.

By attempting to change the language from "inhibit or dilute" which is the language in the House passed bill and the Senate Judiciary Committee bill, the Stevens' Amendment will be sending a dangerous message to the courts that Justice Stewart was in fact right in the *Mobile* case when he said that the Voting Rights Act does not reach anything but the right to register and to vote.

The Senate Judiciary Committee Report explicitly states that under 4(F)(i), "the test would be the same as for a challenge brought under Section 2 . . . as amended" except for the burden of proof. To the extent that this is all the Stevens' amendment seems to accomplish, it is unnecessary. But, by inserting new language in the text, it raises the serious problems discussed above.

Mr. STEVENS. I do so for one reason: The points that were circulated by that conference have now been denied by the people here on the floor as being the reason to oppose this amendment.

The reason why they oppose the amendment, Mr. President, is they have a feeling that there should not be an amendment passed on the floor that changes this bill. Mind you, that is the feeling that is present here: Can the Senate dare change three lines on this bill in order to protect the States that want that bailout?

Mr. HATCH. I strongly disagree with the Senator's interpretation of White.

As the court in Mobile observed about the argument that White represented something other than an intent test for discrimination:

Similarly, I dissent from the gentleman from Massachusetts' interpretation of the White against Regester case.

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK) and the Senator from Nebraska (Mr. EXON) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 38, nays 59, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—38

Abdnor	Hatch	Nunn
Andrews	Hawkins	Pressler
Armstrong	Hayakawa	Quayle
Baker	Heflin	Rudman
Brady	Helms	Schmitt
Byrd, Harry F., Jr.	Humphrey	Specter
Cochran	Kasten	Stennis
D'Amato	Laxalt	Stevens
Denton	Lugar	Symms
East	Mattingly	Thurmond
Garn	McClure	Tower
Goldwater	Murkowski	Wallop
	Nickles	Warner

NAYS—59

Baucus	Ford	Melcher
Bentsen	Glenn	Metzenbaum
Boren	Gorton	Mitchell
Boschwitz	Grassley	Moynihan
Bradley	Hart	Packwood
Bumpers	Hatfield	Pell
Byrd, Robert C.	Heinz	Percy
Cannon	Hollings	Proxmire
Chafee	Huddleston	Pryor
Chiles	Inouye	Randolph
Cohen	Jackson	Riegle
Cranston	Jepsen	Roth
Danforth	Johnston	Sarbanes
DeConcini	Kassebaum	Sasser
Dixon	Kennedy	Simpson
Dodd	Leahy	Stafford
Dole	Levin	Tsongas
Domenici	Long	Weicker
Durenberger	Mathias	Zorinsky
Eagleton	Matsunaga	

NOT VOTING—3

Biden	Burdick	Exon

So Mr. STEVENS' amendment (UP No. 1028) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMAINING AMENDMENTS

Mr. BAKER. Mr. President, may I have the attention of the Senate so that I may find out where we are, what remains, and how long it will take? May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will please be in order.

Mr. BAKER. Mr. President, we are now at 5 minutes to 1 o'clock in the morning. I had hoped that we would be finished by this time. I would like to canvas Members to see what amendments remain and see whether or not we can get unanimous-consent agreements on time limitations.

The list I have is as follows: An amendment on bilingual balance, to be offered by the Senator from California (Mr. HAYAKAWA) on which I understand he is agreeable to a 30-minute time limitation to be equally divided; an amendment by the Senator from Mississippi (Mr. COCHRAN) to create nationwide application on the preclearance provision on which he would be agreeable to a 30-minute time limitation equally divided; an amendment by the Senator from Georgia (Mr. NUNN) dealing with time supply certain information, on which he would agree to a 20-minute time limitation equally divided; another Stevens amendment dealing with bailout on which there would be a time limitation of 20 minutes equally divided.

Mr. President, those are all the amendments I know of at this time.

I yield to the Senator from North Carolina.

Mr. HELMS. I have one requiring 10 minutes.

Mr. BAKER. Would the Senator tell me what the amendment is about?

Mr. HELMS. On bailout.

Mr. WARNER. Mr. President, I have one amendment concerning districting which would require not more than 15 minutes.

Mr. THURMOND. I have two amendments for 20 minutes each, unless the Stevens amendment passes. If that passes, I will not have an amendment.

Mr. BAKER. Mr. President, that is over 4 hours. As much as I hate to say so, I think it is unlikely that we can finish this bill tonight.

Mr. President, I am prepared to leave the bill at this point and come back at 9:15 in the morning. There is already an order entered for that time. I regret that, but under these circumstances, I think there is no other alternative.

Mr. NUNN. Will the leader yield? Is the majority leader planning on getting unanimous-consent agreements on time limits on these agreements?

Mr. BAKER. Let me put the request now.

I ask unanimous consent that on the amendment by Mr. HAYAKAWA dealing with bilingual balance there be a limitation of 30 minutes equally divided.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I do not believe I will object, but I would like to get a chance to see the amendments. I do not think the Senator from Kansas, the Senator from Maryland, or myself will take more than the minimum in responding to these amendments. I do not think it would take more than the times that have been requested. But I would like to get a chance to see those amendments. We have had one or two amendments that have come up this evening that deserved having somewhat more time. I think perhaps we can shorten the time on these amendments. But I would like to see them before I agree to a time limit.

Mr. BAKER. Perhaps we can take up another amendment and while that amendment is being debated we can examine these amendments and see if there will be objection to the unanimous-consent requests I am about to propound.

Mr. KENNEDY. The Senator from South Carolina said he might have two more. We do not know what those look like. I would like to have these amendments out. There is no one more interested in getting final passage or final action on this bill than I am, but I wish the leader would propound the request in the morning so we would have the chance to see these amendments.

Mr. BAKER. Rather than do that in the morning, what I would really like to do is choose one of the amendments that remain—the Stevens amendment, perhaps, on which there is 20 minutes to be equally divided. If we could get that agreement to go ahead with that, then we can examine these other amendments and see what will happen.

Mr. ROBERT C. BYRD. Will the distinguished majority leader lay down another amendment tonight?

Mr. BAKER. Yes, Mr. President. Let me propound that one request. We all know what the bailout amendment is and I understand copies have been submitted by the Senator from Alaska.

Mr. President, I ask unanimous consent that on an amendment by Senator STEVENS on the bailout, there be a 20-minute time limitation, to be equally divided and controlled in the usual form, and that the Senator from Alaska be recognized at this time for the purpose of calling up that amendment.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

UP AMENDMENT NO. 1029

Mr. STEVENS. Mr. President, the amendment is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1029.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

UP AMENDMENT No. 1029

On page 11, line 9 strike "anywhere in the territory of such" and insert in lieu thereof "in the".

On page 11, line 14 and 15 strike "anywhere in the territory of such" and insert in lieu thereof "in the".

On page 12 on lines 1 and 2 strike "and all governmental units within its territory have" and insert in lieu thereof "has".

On page 12 on lines 19 and 20 strike "and all governmental units within its territory".

On page 13 on lines 19 and 20 strike "and governmental units within its territory have" and insert in lieu thereof "has".

Mr. STEVENS. Mr. President, if we can have final action of this amendment tonight, I am delighted.

Mr. BAKER. Mr. President, the reason for doing this is to get one more amendment finished. It is a short amendment. During that time, I hope the managers of the bill will join me in examining these amendments we know of to see if we cannot get some agreement on those.

Mr. MATHIAS. Those who have amendments, if they will let us have copies of them so we can see what they are proposing, we can make the judgment.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. Yes, Mr. President.

Mr. ROBERT C. BYRD. Will it be possible, while the amendment of the Senator from Alaska is being considered, for us to reach some agreement on time?

Mr. BAKER. Mr. President, I should be most pleased to do that. What I would like to do is assemble these amendments and then try to establish a time not later than which we shall have consideration of them.

Mr. ROBERT C. BYRD. That is fine with me, Mr. President.

Mr. BAKER. We shall proceed now, as I understand it, with the Stevens amendment. During the time the debate on that amendment proceeds, I hope the Senators will disclose the subject matter of their amendments to the managers so we can see what is involved.

Mr. STEVENS. Mr. President, if the cloakrooms will send out a hotline, there may be some Members who left here thinking we are through tonight.

Mr. President, if my colleagues will indulge me in a very short explanation of this amendment: having failed in the other amendment, which would take the Dole language and apply it to

bailout, I now seek to sever the dependency——

The PRESIDING OFFICER. Will all Senators please clear the well so the Senator may be heard, and cease conversations?

The Senator from Alaska may proceed.

Mr. STEVENS. Mr. President, what this amendment does is eliminate the dependency between the State and all its political subdivisions. Under the bailout procedure in the bill, as I explained before, in order to bail out, my State has to prove that every political subdivision has had a record for 10 years which meets every test of discrimination. In other words, the State that has one-fifth the size of the whole United States—we have 179 villages, for instance; we have literally dozens of small political subdivisions of municipal status in our State—and we have to prove as a State that the record of every one of those, in 10 years, is unblemished. The State has that duty in order for the State to bail out.

What this amendment says is each unit bails out on its own. In our case, undertand that only the State has ever been included. It was included for the main reason that we had the constitutional amendment which included the requirement that you have to read and write English. Also because of the technical provisions of section 203 that dealt with the printing of ballots, we came under this provision as well. In order for my State to bail out now, despite the fact that it was included on a technicality, it will now have to prove that each and every subdivision is eligible for bailout and has a clear record and has no reason to be included, under the act even if it was never included, in order for the State to bail out.

What my amendment does is sever the relationship between the State and the political subdivisions. In our case, that means the State only has to prove that the State has an unblemished record, which we are prepared to do, because we were only included because of technicalities. We ought now to be able to bail out based on our record. Under this act, however we have the burden of proving not only our own bona fides, but the compliance of every subdivision for the purpose of bailing out.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I yield myself 2 minutes.

The managers of the bill are forced to oppose this amendment because it would disrupt what is known as the linkage concept. This concept denies bailout to a jurisdiction unless every governmental unit within that jurisdiction has satisfied the criteria. This is a subject that the distinguished Senator from South Carolina, the chairman of the Committee on the Judiciary (Mr. THURMOND), has discussed in the committee. We thought about it carefully. The Supreme Court has approved the concept included in the bill, for the reason that the States have significant statutory and practical control over the political subdivisions within them. The States can control it.

We do not have the reverse, Mr. President. Counties can get out, although the States are still covered, because counties cannot control a State. Cities cannot control the States in which they are located, but the States do have a significant degree of statutory control over their subdivisions.

For that reason, Mr. President, we have the linkage concept. I think it is justified. It has been approved. I hope the Senate will defeat this amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent that the amendment be modified according to the modification at the desk. The language was redundant all the way through and we did not include all the sections. I ask that it be modified.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment, as modified, is as follows:

UP AMENDMENT No. 1029

On page 11, line 9 strike "anywhere in the territory of such" and insert in lieu thereof "in the".

On page 11, line 14 and 15 strike "anywhere in the territory of such" and insert in lieu thereof "in the".

On page 12 on lines 1 and 2 strike "and all governmental units within its territory have" and insert in lieu thereof "has".

On page 12 on lines 19 and 20 strike "and all governmental units within its territory".

On page 13 on lines 19 and 20 strike "and governmental units within its territory have" and insert in lieu thereof "has".

On page 12, line 21 strike "have" and insert "has".

On page 13, line 1 strike "have" and insert "has".

On page 13, line 4 strike "have" and insert "has".

Mr. KENNEDY. Mr. President, I yield myself 2 minutes, if I could have the attention of the Members.

This same proposal was put forward in the House of Representatives. It was defeated 313 to 95. For those Members who want a detailed explanation, I refer them to that House discussion. It was, I think, a very informed and eloquent debate.

Basically, it came down to the point the Senator from Maryland has made. That is that the 14th and 15th amendments referred to the States. They have this general responsibility.

Under the various provisions of the legislation, the counties can bail out, under the legislation that is before us. What this does is say that States will not be able to bail out if they are not going to be able to have the counties or the local political subdivisions qualify. I hope this amendment will be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. HATCH. Mr. President, may I just suggest, this is a good amendment. I urge my colleagues to vote for it.

The PRESIDING OFFICER. Who yields time? The Senators from Alaska and Maryland control the time.

Mr. STEVENS. I yield time to anyone who wants it, Mr. President.

Mr. President, I yield to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I think this is a reasonable amendment. I hope my colleagues will vote for it.

I wish to raise a second point, however, to the distinguished Senator from Massachusetts, if I may.

I do not mean to cause many difficulties for the distinguished Senator from Massachusetts or the equally distinguished Senator from Maryland, but I inquire whether they have ever adopted the committee amendments to this bill. I am not sure that they have. Perhaps I have missed this somehow.

The PRESIDING OFFICER. May the Senator from Utah please have the attention of the Senator from Massachusetts?

Mr. HATCH. I just point out again for the purpose of clarification that the committee amendments may not have been adopted properly.

Mr. KENNEDY. They were.

Mr. HATCH. I am pleased if I am incorrect on this matter.

Mr. KENNEDY. Otherwise, I am sure the Senator would want to move them.

Mr. HATCH. I would be happy to accommodate my friend from Massachusetts.

Mr. BAKER. Mr. President, it may not be in order, but Senators should know I am going to make a unanimous-consent request after this vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STEVENS. Is there any time remaining?

The PRESIDING OFFICER. The question is on the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Missouri

(Mr. DANFORTH), the Senator from Alabama (Mr. DENTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nevada (Mr. LAXALT), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 58, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—32

Abdnor	Hayakawa	Nunn
Andrews	Heflin	Pell
Baker	Helms	Pressler
Brady	Humphrey	Rudman
Byrd, Harry F., Jr.	Johnston	Schmitt
Cochran	Kasten	Stennis
D'Amato	Long	Stevens
East	Mattingly	Symms
Garn	McClure	Thurmond
Hatch	Murkowski	Tower
	Nickles	Warner

NAYS—58

Baucus	Glenn	Metzenbaum
Bentsen	Gorton	Mitchell
Boren	Grassley	Packwood
Boschwitz	Hart	Percy
Bradley	Hatfield	Proxmire
Bumpers	Hawkins	Pryor
Byrd, Robert C.	Heinz	Quayle
Cannon	Hollings	Randolph
Chafee	Huddleston	Riegle
Chiles	Inouye	Roth
Cohen	Jackson	Sarbanes
Cranston	Jepsen	Sasser
DeConcini	Kassebaum	Simpson
Dixon	Kennedy	Specter
Dodd	Leahy	Stafford
Dole	Levin	Tsongas
Domenici	Lugar	Weicker
Durenberger	Mathias	Zorinsky
Eagleton	Matsunaga	
Ford	Melcher	

NOT VOTING—10

Armstrong	Denton	Moynihan
Biden	Exon	Wallop
Burdick	Goldwater	
Danforth	Laxalt	

So Mr. STEVENS' amendment (UP No. 1029) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I am going to offer another amendment, and I am not going to do it now, but I want the Senate to know and I hope Senators read the bill. It says that we must prove that all political subdivisions, all governmental units in our States never violated the law. It does not refer to units previously covered under the act.

We have a State one-fifth the size of the Union. How are we going to prove that no governmental unit of our State in 10 years did not violate this act? It is an impossible burden on a State that has no political subdivision or governmental unit that has ever been cited under the act, but it must bail out. In order to bail out it has to comply with two sections under which it must prove none of those other units ever violated the law for 10 years.

Somehow or other this bill is going to make sense this time, and I want to serve notice in the Senate, and so my good friend the majority leader will know, until we get some sense in it this time I may object to a unanimous-consent agreement for time to vote and a time certain.

I represent a State that has been under this act. Each time we have been yanked back in and had to fight to get out. This time we are going to have some certainty as to how we get out.

I am sorry that measure has to say that. If it referred to governmental units that have been included under the act, I would not object. But why does it include all governmental units, none of which have ever been cited under the act?

Mr. BAKER and Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, it is 1:32 a.m. in the morning, and I had hoped we would be able to finish this bill by now, as I said earlier, and perhaps we should have finished the bill earlier. Maybe I should have worked harder on trying to get limitations of time.

But the last Stevens amendment took us 1 hour and 37 minutes, which I had not thought would be required under those circumstances. But it did.

And I think the Senator from Alaska made his case and made it well, and I am sure he recalls that I voted for it and I voted for him on the second amendment.

But, Mr. President, finally things have to come to an end. Finally we have to get on with the business at hand.

I am going to propound a series of unanimous-consent requests, and I very much hope that no one will object because I think they are in the interests of the Senate and I believe they will materially expedite the consideration of this matter and do justice to all Members and their States.

ORDER REDUCING LEADERSHIP TIME TOMORROW

Mr. BAKER. Mr. President, first, I ask unanimous consent that the time for the two leaders tomorrow be abbreviated to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, I suggest the two leaders have no time.

Mr. BAKER. Mr. President, I amend my request so that the time under the standing order allocated to the two leaders be reduced to 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE ON FRIDAY

Mr. BAKER. Now, Mr. President, I ask unanimous consent that immediately after the expiration or the yielding back of time allocated to the two leaders under the standing order as amended the Senate resume consideration of the pending bill.

Mr. MOYNIHAN. Mr. President, I object.

May I make one simple statement?

Mr. President, reserving the right to object, I say to the leader that we thought the evening had been concluded in good faith when we left this Chamber and in good faith we came back, and we are not given the normal courtesies that we might expect under such circumstances, I regret that happened. I object.

Mr. ROBERT C. BYRD. Mr. President, if the majority leader will yield, he does not need unanimous consent.

Mr. BAKER. No; that would happen in any event.

Mr. President, I had hoped that by propounding these requests we could build a schedule of activities for tomorrow of which every Senator would be aware.

The request has already been granted in respect to the two leaders. I will leave it at that.

Mr. President, every part of this request is fragile, and I urge Senators to consider it before they object, that if we do not get some sort of framework like this, we are not going to finish this bill tomorrow; if we do not finish this bill tomorrow, we are going to try to finish it Saturday.

Mr. President, I ask unanimous consent that on tomorrow when the Senate resumes consideration of this bill, the Senator from California (Mr. HAYAKAWA) be recognized for the purpose of offering an amendment dealing with bilingual printing on ballots.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that on that amendment there be a limitation of 30 minutes to be equally divided and controlled according to the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that in addition to the Hayakawa amendment the following amendments be the only amendments in order tomorrow and prior to final passage: an amendment by the Senator from Mississippi (Mr. COCHRAN) dealing with nationwide applica-

tion of the preclearance provision; an amendment by the Senator from Georgia (Mr. NUNN) dealing with modification of the time for supplying certain information; an amendment by the Senator from Alaska (Mr. STEVENS) on what?

Mr. STEVENS. Mr. President, my amendment will deal with the question of previously covered governmental units and political subdivisions, but I say to my friend again I may object unless I understand I am going to have some time to be heard and that the Senators who are managing the bill are going to listen to the plea of one State that faces an overwhelming burden.

Mr. BAKER. Mr. President, I understand the Senator's concern and I can assure him I will help him in every way I can to see that his point of view is expressed. He has every opportunity to try to prevail, and I am sure the Senator from Alaska will note that I have not yet asked for any time limitation on any amendments except for the amendment of the Senator from California, the lead amendment which will be up when we begin tomorrow.

Mr. STEVENS. I leave it to the Senator's judgment as to the amount of time on this amendment.

Mr. BAKER. I thank the Senator.

Next is an amendment by the Senator from North Carolina (Mr. HELMS) dealing with the bailout in respect to certain counties in North Carolina; next two amendments by the Senator from South Carolina (Mr. THURMOND). Can the Senator from South Carolina identify those amendments in general?

Mr. THURMOND. Yes; they will be two bailout amendments. If the first one is adopted, the 10-year bailout, then I shall not offer the next one.

Mr. BAKER. Mr. President, next is an amendment to be offered by the Senator from Florida (Mrs. HAWKINS) dealing I think with the question of the situation in the South Atlantic in respect to the Falkland Islands.

Mr. DECONCINI. What?

Mr. BAKER. Will the Senator from Florida be willing to express any further explanation of what that amendment will be?

Mrs. HAWKINS. Mr. President, it is prepared as a resolution and it has become obvious this evening that in order to get the immediate attention needed that we will change it to an amendment in order to address the urgency of the situation of the captives, young Argentinians, who are on the Falkland Islands, who the British say they cannot feed, they cannot clothe, and they are becoming frostbitten, and as we sit here this evening comfortable in our seats. It is a sense of urgency there, and I prefer having a sense-of-the-Senate resolution but we were advised to make it an amendment.

Mr. BAKER. Mr. President, I wonder if the Senator from Florida will permit me to suggest that we consider further the question of whether or not a sense-of-the-Senate resolution could be arranged in some form other than as an amendment to this bill. It is clearly extraneous to this bill.

Mrs. HAWKINS. Yes; I prefer a resolution.

Mr. BAKER. Would the Senator permit me to drop that request then from this list of amendments that might be offered tomorrow?

Mrs. HAWKINS. If the majority leader can assure the junior Senator from Florida that we can get the resolution, that we can consider a resolution, yes.

Mr. BAKER. I must say that I cannot assure the Senator of that because that would require more authority than I can exercise in my own right and perhaps unanimous consent of the Senate, but I can assure the Senator that I am sympathetic and I will try very hard to get a sense-of-the-Senate resolution in position for the Senate to consider. I am sorry I cannot go further than that, but if I do, I am afraid I would mislead the Senator. I wonder if we could agree to just do it on some basis other than an amendment to the voting rights bill.

Mrs. HAWKINS. Yes; the majority leader has been most kind and considerate and certainly I appreciate the help.

Mr. BAKER. I thank the Senator very, very much.

Mr. President, there is an amendment by the Senator from Oklahoma (Mr. NICKLES) also dealing with bilingual printing on ballots, is that the case?

Then, finally, Mr. President, an amendment that I understand may be offered but will be, perhaps, withdrawn after a colloquy, offered by Senators DENTON and JEPSEN that will be withdrawn dealing with abortion and prayer in public schools.

Mr. MOYNIHAN. Mr. President, will the majority leader yield?

Mr. BAKER. Yes.

Mr. MOYNIHAN. I will have an amendment, 20 minutes equally divided.

Mr. BAKER. I add that to the list.

There will be no limitation, of course, on colloquies.

I have one request for a colloquy by the Senator from Virginia (Mr. WARNER), and I see the Senator from Alabama on his feet.

Mr. HEFLIN. I may have an amendment.

Mr. BAKER. All right. A Heflin amendment will be added to the list, as well.

Now, Mr. President, I ask unanimous consent that that list of amendments be the only amendments in order prior to the vote on final passage.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. BAKER. Yes.

Mr. GLENN. Is there any indication as to how many of those amendments will require rollcall votes?

Mr. BAKER. It is hard to figure, but I think four will require rollcall votes. It is, however, difficult to ascertain.

Mr. STEVENS. Mr. President, reserving the right to object, I want to be certain. We have no other amendments, and once these amendments are locked in, they cannot be modified without consent, and that gives us a problem in dealing with certain subjects. I have been burdening the Senate with them, I understand, and I would like to have some understanding that if we are limited as to amendments, we will have consent to modify these amendments as might be necessary in the course of debate before the yeas and nays have been ordered.

Mr. BAKER. Mr. President, might I inquire of the Chair if the yeas and nays are not ordered and the amendments are identified with the name of the sponsor and the general subject matter, would there be any prohibition on the modification at the instance of the sponsor?

The PRESIDING OFFICER. The majority leader is correct that there would be a prohibition against the modification of the amendments.

Mr. BAKER. By reason of the fact that it is provided that these are the only amendments to qualify and that constitutes action on the amendments, is that the position stated?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. Mr. President, I further amend my unanimous-consent request so that the identified amendments, notwithstanding that they are the only amendments in order, shall be treated for the purpose of modification as if no action had been taken on the amendments prior to the time of the granting of the yeas and nays if the same were requested.

Mr. STEVENS. I thank the majority leader. With that understanding, I shall not object to a time agreement on the bill.

The PRESIDING OFFICER. Is there objection to the request?

Mrs. HAWKINS. Mr. President, I would like to reserve the right to object, with the understanding that if we are not able to work out an agreement, I may offer that tomorrow as an amendment. I am reserving the right to object.

Mr. BAKER. Mr. President, let me reinstate the Hawkins amendment as an amendment, and let me tell the Senator from Florida I am going to try very hard to find—to get a sense-of-the-Senate resolution that can be considered by the Senate. But I urge that we not burden this bill, the Voting

Rights Act, with such an amendment. I will include it in the list, and I very much hope there will not be objection. We will try to do that.

Mr. President, to summarize the request that has been made, what we have done so far is to provide a list of amendments which will be the only amendments in order, to provide notwithstanding that they are specified amendments, that they can be modified prior to the yeas and nays, the ordering of the yeas and nays, and provide for a time limitation on the lead amendment, the Hayakawa amendment.

Mr. President, I put that portion of the request.

Mr. HATCH. Mr. President, will the majority leader yield for one question?

Mr. BAKER. In just one moment.

I yield.

Mr. HATCH. I do not think I would have an amendment, but I would like to reserve my right to propose an amendment that would relate to section 2 or section 5. I am not sure what form it will be in.

Mr. BAKER. Does the Senator ask me to include that in the list?

Mr. HATCH. Yes. Twenty minutes would be fine.

Mr. BAKER. I include that.

Mr. WEICKER. Mr. President, will the majority leader yield? These amendments are all subject to amendment?

Mr. BAKER. They are.

Mr. WEICKER. I also understand that no time agreement has been requested.

Mr. BAKER. Not so far.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield? Did I understand the majority leader to say that these would be the only amendments?

Mr. BAKER. The minority leader is correct and I am incorrect in my remarks to the Senator from Connecticut. They are the only amendments and, therefore, other amendments are not in order.

Mr. WEICKER. I am afraid under the circumstances that have been suggested as to possible amendments, that I would want to have the right to amend at least two of the amendments, at least two of them——

Mr. BAKER. They will be withdrawn.

Mr. WEICKER. In that case, I withdraw my request.

Mr. NICKLES. Mr. President, I wanted to inquire as to an amendment by Mr. DENTON.

Mr. BAKER. They are on the list as a Denton amendment.

Mr. NICKLES. Is there a Denton amendment that is a bailout amendment? He wanted to be protected. It is already an amendment.

Mr. BAKER. I do not think I know. But why do we not include two Denton amendments?

Mr. NICKLES. I thank the majority leader.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, will the distinguished majority leader state that any modification of an amendment, if there were a modification of the amendment under the conditions the majority stated earlier, that that amendment must be germane?

Mr. BAKER. Yes, it must deal with the same, germane matter. It must be germane to the same subject matter.

Mr. President, I assume that the modification could only be made by the author of the amendment as a matter of right; is that correct?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BAKER. Now, Mr. President, I understand there is one other Senator on the way to the floor, and while we await his arrival, I suggest the absence of a quorum.

Mr. BUMPERS. Mr. President, will the majority leader withhold his request?

Mr. BAKER. Yes.

Mr. BUMPERS. Does the majority leader think it feasible and possible at this time to ask for a unanimous consent on a time certain for final passage?

Mr. BAKER. Yes, Mr. President, I am perfectly happy to do that. I think I would like to get the limitation on the amendments, and then I would like to do the request on a time certain, so if the Senator from Arkansas will permit me to take it a step at a time, I intend to proceed to that step next.

There is one other Senator who has called and indicated he wishes to be here in time for consideration of this. He is on his way and it should not take but a minute.

AMENDMENT NO. 1879

(Purpose: To repeal certain provisions relating to bilingual election requirements)

Mr. HAYAKAWA. Mr. President, I call up an amendment which is now at the desk, a printed amendment dispensed with now.

The PRESIDING OFFICER. The clerk will first report the amendment.

The legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA) proposes an amendment numbered 1879.

Mr. HAYAKAWA. Mr. president, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 1879

At the end of the bill add the following:

SEC. 7. (a) Section 2 of the Voting Rights Act of 1965 is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(b)(1) Section 3(a) of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(2) Section 3(b) of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(3) Section 3(c) of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(c)(1) The second sentence of section 4(a) of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)" each time it appears in such sentence.

(2) The second paragraph of such section is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(3) The last paragraph of such section is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(4) Section 4(d) of such Act is amended by striking out ", or in contravention of the guarantee set forth in section 4(f)(2)".

(5) Section 4(f) of such Act is repealed.

(d) Section 5 of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(e) Section 6 of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(f) Section 13 of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(g)(1) Section 203 of the Voting Rights Act of 1965 is repealed.

(2) Sections 204 through 207 of such Act are redesignated as sections 203 through 207, respectively.

(3) Section 203 of such Act (as redesignated by subsection (b)) is amended by striking out "or 203,".

(4) Section 204 of such Act (as redesignated by subsection (b)) is amended by striking out ", 202, or 203" and inserting in lieu thereof "or 202".

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

The PRESIDING OFFICER. The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I wonder if this would be a good time and if Mr. WARNER would be agreeable, while we are waiting on a Senator to reach the Chamber, for a colloquy to take place that was scheduled for tomorrow.

Mr. WARNER. Mr. President, in response to the distinguished minority leader's request, the distinguished Senator from Kansas asked that the questions be put in writing. I have not as yet had that opportunity. Otherwise, it was a very commendable suggestion.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. STEVENS. Mr. President, I do not know if the Senator from Maryland would indulge me, but it might be a time that we might deal with the subject matter I want to deal with if he is willing to consider it, I say to my good friend.

The PRESIDING OFFICER. Will the Senator from Alaska suspend? All Senators will please cease all conversation and give their attention to the Senator from Alaska.

The Senator from Alaska.

Mr. STEVENS. Mr. President, I yield to the majority leader.

Mr. BAKER. Mr. President, I am afraid we are going to see the agreement go down the tube. Mr. President, I put the request that I——

The PRESIDING OFFICER. Are there objections?

Mr. PACKWOOD. I object.

Mr. BAKER. Mr. President, I move that the Senate now stand in recess——

Mr. ROBERT C. BYRD. Mr. President, before the Senator does that, I would hope that the Senator from Oregon would not object. There are Senators here who have waited for days when no action was taken on this bill. They have stayed diligently at their posts until almost 2 o'clock in the morning. They have other engagements tomorrow and the majority leader has tried hard to get consent on various amendments. He was going to propose a request that would allow us to complete action on the bill by, hopefully, 1 o'clock tomorrow. There are a good many Senators who are going to be discommoded if that does not take place. I would hope that the Senator from Oregon would not object to the request of the majority leader.

Mr. PACKWOOD. I do object, I say to the distinguished Senator from West Virginia, for this reason: I have sent seven letters to the majority leader asking that if at any time the subject of abortion is brought up for any kind of a unanimous-consent request that I be notified that they are going to be brought up. I was listening on the squawkbox and heard that an amendment was going to be offered and then withdrawn on the subject of abortion. I was never, never, never consulted, and I object.

Mr. BAKER. Mr. President, no order has been entered. The Senator is here and he has objected. I think that it is clear to all Senators who are in this room and understand that we waited for him to come to this floor so that he could enter that objection.

Mr. President, I move, in accordance with the order previously entered that the Senate stand in recess.

Mr. ROBERT C. BYRD. Mr. President, will the Senator indulge me for one further question? Has any amendment dealing with abortion been included in the majority leader's request?

Mr. BAKER. Mr. President, there was a Denton and Jepsen amendment dealing with prayer and abortion which would not be offered after a colloquy. They were identified for the sake of letting everyone know that that will be done. They will not be offered. There will be colloquies on the subjects. Frankly, what I intend to do is to say that at some later date, as I have said publicly before, we are going to schedule a debate on those issues, but it should not be on this bill.

Mr. ROBERT C. BYRD. Mr. President, would the Senator from Oregon reconsider his objection under those circumstances?

Mr. PACKWOOD. Excuse me, I did not hear what the minority leader said.

Mr. BAKER. I asked if the distinguished Senator from Oregon would reconsider his objection inasmuch as there would be no amendment called up for a vote.

Mr. PACKWOOD. No, I will not. I object.

Mr. BAKER. Mr. President, I think it is too late to try to proceed any further.

(The following proceedings occurred earlier in the day and are printed at this point by unanimous consent:)

PRESIDENT REAGAN'S FIRST APPEARANCE BEFORE THE UNITED NATIONS

Mr. WARNER. Mr. President, as a Representative of the United States to the Special Session of the United Nations General Assembly Devoted to Disarmament, I had the honor of traveling to New York with President Reagan this morning where he delivered his first speech to the United Nations.

Other members of the party included my colleagues, Senator SAM NUNN, Alternative Representative, Senator CHARLES H. PERCY, Congressional Adviser, and Senator CLAIBORNE PELL, Congressional Adviser.

We were joined by Congressman SAMUEL S. STRATTON, also a Representative to the Second Special Session on Disarmament, and Congressman CLEMENT J. ZABLOCKI, Congressional Adviser.

As a U.S. representative to this conference, it is my intent to keep my colleagues fully advised of its progress. So that all may have the opportunity to examine the President's remarks, I ask unanimous consent that his speech before the United Nations be inserted in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. WARNER. In his speech, President Reagan stressed initiatives which he put forward during the past 7 months to reduce the risk of war. They include:

Elimination of land-based intermediate range missiles;

A one-third reduction in strategic ballistic missile warheads;

A substantial reduction in NATO and Warsaw Pact ground and air forces; and

New safeguards to reduce the risk of accidental war.

In addition, he introduced two new bold initiatives this morning. The first is a proposal for an international conference on military expenditures to develop a common system for accounting and reporting resources allocated to each country's armed forces.

Second, he announced that he has directed the exploration of ways to increase the understanding and communication between the United States and the Soviet Union in times of peace and of crisis, and expanding of the "Hot Line" which is in existence between our two countries.

Though President Reagan's proposals are new, this commitment reflects the principles which the United States has always espoused. Since the conclusion of World War II, the United States has actively supported, participated, and most importantly, initiated action to reduce the risk of nuclear confrontation.

Over the years, however, the United States has been unjustly accused of not expressing interest or assuming responsibility in this task. It is truly unfortunate that such misinformed criticism must be heard when it is evident that literally thousands of loyal Americans have been earnestly involved and committed to nuclear arms control for nearly four decades.

The efforts of such Americans have not gone unnoticed. In fact, they have been documented in a publication titled "In Search of Peace: American Initiatives 1946-1982," which is being distributed to Representatives to the Second Session on Disarmament.

It is important for all Americans, especially as we enter into significant negotiations with the Soviet Union, to be aware of the history of our Nation's ever-present role in strategic arms talks. I am confident that my colleagues will be interested in becoming familiar with the contents of this document and, therefore, I ask unanimous consent that it be inserted in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 2.)

EXHIBIT 1

TEXT OF THE ADDRESS BY THE PRESIDENT TO THE SECOND UNITED NATIONS GENERAL ASSEMBLY'S SPECIAL SESSION ON DISARMAMENT

I speak today as both a citizen of the United States and of the world. I come with the heartfelt wishes of my people for peace, bearing honest proposals, and looking for genuine progress.

Dag Hammarskjold said 24 years ago this month, "We meet in a time of peace which is no peace." His words are as true today as they were then. More than 100 disputes have disturbed the peace among nations since World War II and today, the threat of nuclear disaster hangs over the lives of all our peoples. The Bible tells us there will be a time for peace, but so far this century, mankind has failed to find it.

The United Nations is dedicated to world peace and its charter clearly prohibits the international use of force. Yet the tide of

belligerence continues to rise. The Charter's influence has weakened even in the 4 years since the first special session on disarmament. We must not only condemn aggression, we must enforce the dictates of our Charter and resume the struggle for peace.

The record of history is clear, citizens of the United States resort to force reluctantly and only when they must. Our foreign policy, as President Eisenhower once said, "is not difficult to state. We are for peace, first, last and always, for very simple reasons." We know that only in a peaceful atmosphere, a peace with justice, one in which we can be confident, can America prosper as we have known prosperity in the past, he said.

To those who challenge the truth of those words let me point out that at the end of World War II, we were the only undamaged industrial power in the world. Our military supremacy was unquestioned. We had harnessed the atom and had the ability to unleash its destructive force anywhere in the world. In short, we could have achieved world domination, but that was contrary to the character of our people.

Instead, we wrote a new chapter in the history of mankind. We used our power and wealth to rebuild the war-ravaged economies of the world, both East and West, including those nations who had been our enemies. We took the initiative in creating such international institutions as this United Nations, where leaders of good will could come together to build bridges for peace and prosperity.

America has no territorial ambitions, we occupy no countries and we have built no walls to lock our people in. Our commitment to self-determination, freedom and peace is the very soul of America. That commitment is as strong today as it ever was.

The United States has fought four wars in my lifetime. In each we struggled to defend freedom and democracy. We were never the aggressors. America's strength, and yes, her military power, have been a force for peace, not conquest; for democracy, not despotism, for freedom, not tyranny.

Watching, as I have, succeeding generations of American youth bleed their lives onto far-flung battlefields to protect our ideals and secure the rule of law, I have known how important it is to deter conflict. But since coming to the Presidency, the enormity of the responsibility of this office has made my commitment even deeper. I believe that responsibility is shared by all of us here today.

On our recent trip to Europe, my wife Nancy told me of a bronze statue, 22 feet high, she saw on a cliff on the coast of France. The beach at the base of that cliff is called Saint Laurent, but countless American family Bibles note it as Omaha Beach. The pastoral quiet of that French countryside is in marked contrast to the bloody violence that took place there on a June day 38 years ago when the Allies stormed the Continent. At the end of just one day of battle, more than 10,500 Americans were wounded, missing or killed in what became known as the Normandy Landing.

The statue atop that cliff is called "The Spirit of American Youth Rising From the Waves." Its image of sacrifice is almost too powerful to describe.

The pain of war is still vivid in our national memory. It sends me to this special session of the United Nations eager to comply with the plea of Pope Paul VI when he spoke in this chamber nearly 17 years ago. "If you want to be brothers," His Holiness said, "let the arms fall from your hands."

We Americans yearn to let them go.

But we need more than mere words, more than empty promises, before we can proceed. We look around the world and see rampant conflict and aggression. There are many sources of this conflict—expansionist ambitions, local rivalries, the striving to obtain justice and security. We must all work to resolve such discords by peaceful means and to prevent them from escalation.

In the nuclear era, the major powers bear a special responsibility to ease these sources of conflict and to refrain from aggression. That is why we are so deeply concerned by Soviet conduct. Since World War II, the record of tyranny has included Soviet violation of the Yalta agreements leading to domination of Eastern Europe, symbolized by the Berlin wall—a grim, gray monument to repression I visited just a week ago. It includes the takeovers of Czechoslovakia, Hungary and Afghanistan; and the ruthless repression of the proud people of Poland. Soviet-sponsored guerrillas and terrorists are at work in Central and South America, in Africa, the Middle East, in the Caribbean and in Europe, violating human rights and unnerving the world with violence. Communist atrocities in Southeast Asia, Afghanistan and elsewhere continue to shock the free world as refugees escape to tell of their horror.

The decade of so-called detente witnessed the most massive Soviet buildup of military power in history. They increased their defense spending by 40 percent while American defense spending actually declined in the same real terms. Soviet aggression and support for violence around the world have eroded the confidence needed for arms negotiations.

While we exercised unilateral restraint they forged ahead and today possess nuclear and conventional forces far in excess of an adequate deterrent capability.

Soviet oppression is not limited to the counties they invade. At the very time the Soviet Union is trying to manipulate the peace movement in the West, it is stifling a budding peace movement at home. In Moscow, banners are scuttled, buttons are snatched and demonstrators are arrested when even a few people dare to speak out about their fears.

Eleanor Roosevelt, one of our first ambassadors to this body, reminded us that the high-sounding words of tyrants stand in bleak contradiction to their deeds. "Their promises", she said, "are in deep contrast to their performances."

My countrymen learned a bitter lesson in this century: the scourge of tyranny cannot be stopped with words alone. So we have embarked on an effort to renew our strength that had fallen dangerously low. We refuse to become weaker while our potential adversaries remain committed to their imperialist adventures.

My people have sent me here today to speak for them as citizens of the world, which they truly are, for we Americans are drawn from every nationality represented in this chamber today. We understand that men and women of every race and creed can and must work together for peace. We stand ready to take the next steps down the road of cooperation through verifiable arms reduction. Agreements on arms control and disarmament can be useful in reinforcing peace; but they are not magic. We should not confuse the signing of agreements with the solving of problems. Simply collecting agreements will not bring peace. Agreements genuinely reinforce peace only when they are kept. Otherwise we are building a paper castle that will be blown away by the winds of war. Let me repeat, we need deeds, not words, to convince us of Soviet sincerity, should they choose to join us on this path.

Since the end of World War II, the United States has been the leader in serious disarmament and arms control proposals.

In 1946, in what became known as the Baruch Plan, the United States submitted a proposal for control of nuclear weapons and nuclear energy by an international authority. The Soviets rejected this plan.

In 1955, President Eisenhower made his "Open Skies" proposal, under which the United States and the Soviet Union would have exchanged blueprints of military establishments and provided for aerial reconnaissance. The Soviets rejected this plan.

In 1963, the Limited Test Ban Treaty came into force. This treaty ended nuclear weapons testing in the atmosphere, outer space, or underwater by participating nations.

In 1970, the Treaty on the Non-Proliferation of Nuclear Weapons took effect. The United States played a major role in this key effort to prevent the spread of nuclear explosives and to provide for international safeguards on civil nuclear activities. My country remains deeply committed to those objectives today, and to strengthening the non-proliferation framework. This is essential to international security.

In the early 1970's, again at U.S. urging, agreements were reached between the U.S. and the U.S.S.R. providing for ceilings on some categories of weapons. They could have been more meaningful if Soviet actions had shown restraint and commitment to stability at lower levels of force.

The United Nations designated the 1970's as the First Disarmament Decade, but good intentions were not enough. In reality, that 10-year period included an unprecedented buildup in military weapons and the flaring of aggression and use of force in almost every region of the world. We are now in the Second Disarmament Decade. The task at hand is to assure civilized behavior among nations; to unite behind an agenda for peace.

Over the past seven months, the United States has put forward a broad-based comprehensive series of proposals to reduce the risk of war. We have proposed four major points as an agenda for peace:

elimination of land-based intermediate range missiles;

a one-third reduction in strategic ballistic missile warheads;

a substantial reduction in NATO and Warsaw Pact ground and air forces, and

New safeguards to reduce the risk of accidental war.

We urge the Soviet Union today to join with us in this quest. We must act not for ourselves alone, but for all mankind.

On November 18 of last year, I announced United States objectives in arms control agreements: They must be equitable and militarily significant, they must stabilize forces at lower levels and they must be verifiable.

The United States and its allies have made specific, reasonable and equitable proposals.

In February, our negotiating team in Geneva offered the Soviet Union a draft treaty on intermediate range nuclear forces. We offered to cancel deployment of our Pershing II ballistic missiles and ground-

launched cruise missiles, in exchange for Soviet elimination of their SS-20, SS-4 and SS-5 missiles. This proposal would eliminate with one stroke those systems about which both sides have expressed the greatest concern.

The United States is also looking forward to beginning negotiations on strategic arms reductions with the Soviet Union in less than two weeks. We will work hard to make these talks an opportunity for real progress in our quest for peace.

On May 9, I announced a phased approach to the reduction of strategic arms. In a first phase, the number of ballistic missile warheads on each side would be reduced to about 5,000. No more than half the remaining warheads would be on land-based missiles. All ballistic missiles would be reduced to an equal level at about one-half the current U.S. number.

In the second phase, we would reduce each side's overall destructive power to equal levels, including a mutual ceiling on ballistic missile throw-weight below the current U.S. level. We are also prepared to discuss other elements of the strategic balance.

Before I returned from Europe last week, I met in Bonn with the leaders of the North Atlantic Treaty Organization. We agreed to introduce a major new Western initiative for the Vienna negotiations on Mutual Balanced Force Reductions. Our approach calls for common collective ceilings for both NATO and the Warsaw Treaty Organization. After seven years, there would be a total of 700,000 ground forces and 900,000 ground and air force personnel combined. It also includes a package of associated measures to encourage cooperation and verify compliance.

We urge the Soviet Union and members of the Warsaw Pact to view our Western proposal as a means to reach agreement in Vienna after nine long years of inconclusive talks. We also urge them to implement the 1975 Helsinki agreement on security and cooperation in Europe.

Let me stress that for agreements to work, both sides must be able to verify compliance. The building of mutual confidence in compliance can only be achieved through greater openness. I encourage the Special Session on Disarmament to endorse the importance of these principles in arms control agreements.

I have instructed our representatives at the 40-nation Committee on Disarmament to renew emphasis on verification and compliance. Based on a U.S. proposal, a committee has been formed to examine these issues as they relate to restrictions on nuclear testing. We are also pressing the need for effective verification provisions in agreements banning chemical weapons.

The use of chemical and biological weapons has long been viewed with revulsion by civilized nations. No peacemaking institution can ignore the use of these dread weapons and still live up to its mission. The need for a truly effective and verifiable chemical weapons agreement has been highlighted by recent events. The Soviet Union and their allies are violating the Geneva Protocol of 1925, related rules of international law and the 1972 Biological Weapons Convention. There is conclusive evidence that the Soviet government has provided toxins for use in Laos and Kampuchea, and are themselves using chemical weapons against freedom fighters in Afghanistan.

We have repeatedly protested to the Soviet government, as well as the governments of Laos and Vietnam, their use of chemical and toxin weapons. We call upon them now to grant full and free access to their countries or to territories they control so that United Nations experts can conduct an effective, independent investigation to verify cessation of these horrors.

Evidence of non-compliance with existing arms control agreements underscores the need to approach negotiation of any new agreements with care.

The democracies of the West are open societies. Information on our defenses is available to our citizens, our elected officials and the world. We do not hesitate to inform potential adversaries of our military forces, and ask in return for the same information concerning theirs.

The amount and type of military spending by a country is important for the world to know, as a measure of its intentions, and the threat that country may pose to its neighbors. The Soviet Union and other closed societies go to extraordinary lengths to hide their true military spending not only from other nations, but from their own people. This practice contributes to distrust and fear about their intentions.

Today, the United States proposed an international conference on military expenditures to build on the work of this body in developing a common system for accounting and reporting. We urge the Soviet Union, in particular, to join this effort in good faith, to revise the universally discredited official figures it publishes, and to join with us in giving the world a true account of the resources we allocate to our armed forces.

Last Friday in Berlin, I said I would leave no stone unturned in the effort to reinforce peace and lessen the risk of war. It has been clear to me steps should be taken to improve mutual confidence and communication and lessen the likelihood of misinterpretation.

I have, therefore, directed the exploration of ways to increase understanding and communication between the United States and the Soviet Union in times of peace and of crisis. We will approach the Soviet Union with proposals for reciprocal exchanges in such areas as advance notification of major strategic exercises that otherwise might be misinterpreted; advance notification of ICBM launches within, as well as beyond, national boundaries; and an expanded exchange of strategic forces data.

While substantial information on U.S. activities and forces in these areas already is provided, I believe that jointly and regularly sharing information would represent a qualitative improvement in the strategic nuclear environment and would help reduce the chance of misunderstandings. I call upon the Soviet Union to join the United States in exploring these possibilities to build confidence and I ask for your support of our efforts.

One of the major items before this conference is the development of a comprehensive Program of Disarmament. We support the effort to chart a course of realistic and effective measures in the quest for peace.

I have come to this hall to call for international recommitment to the basic tenet of the United Nations Charter—that all members practice tolerance and live together in peace as good neighbors under the rule of law, forsaking armed force as a means of settling disputes between nations. America urges you to support the agenda for peace I have outlined today. We ask you to reinforce the bilateral and multilateral arms control negotiations between members of NATO and the Warsaw Pact and to rededicate yourselves to maintaining international peace and security, and removing threats to peace.

We, who have signed the U.N. Charter, have pledged to refrain from the threat or use of force against the territory or independence of any state. In these times when more and more lawless acts are going unpunished—as some members of this very body show a growing disregard for the U.N. Charter—the peace-loving nations of the world must condemn aggression and pledge again to act in a way that is worthy of the ideals we have endorsed. Let us finally make the Charter live.

In late spring, 37 years ago, representatives of 50 nations gathered on the other side of this continent, in the San Francisco Opera House. The League of Nations had crumbled and World War II still raged, but those men and nations were determined to find peace. The result was this Charter for peace that is the frame-work of the United Nations.

President Harry Truman spoke of the revival of an old faith—the everlasting moral force of justice prompting that United Nations Conference. Such a force remains strong in America and in other countries where speech is free and citizens have the right to gather and make their opinions know.

President Truman said, "If we should pay merely lip service to inspiring ideals, and later do violence to simple justice, we would draw down upon us the bitter wrath of generations yet unborn." Those words of Harry Truman have special meaning for us today as we live with the potential to destroy civilization.

"We must learn to live together in peace," he said. "We must build a new world—a far better world."

What a better world it would be if the guns were silent; if neighbor no longer encroached on neighbor and all peoples were free to reap the rewards of their toil and determine their own destiny and system of government—whatever their choice.

During my recent audience with His Holiness Pope John Paul II, I gave him the pledge of the American people to do everything possible for peace and arms reductions. The American people believe forging real and lasting peace to be their sacred trust.

Let us never forget that such a peace would be a terrible hoax if the world were no longer blessed with freedom and respect for human rights. The United Nations, Hammarskjold said, was born out of the cataclysms of war. It should justify the sacrifices of all those who have died for freedom and justice. "It is our duty to the past," Hammarskjold said, "and it is our duty to the future, so to serve both our nations and the world."

As both patriots of our nations and the hope of all the world, let those of us assembled here in the name of peace deepen our understandings, renew our commitment to the rule of law and take new and bolder steps to calm an uneasy world. Can any delegate here deny that in so doing he would be doing what the people—the rank and file citizenry of his country—want him to do?

Isn't it time for us to really represent the deepest most heartfelt yearnings of all our people? Let no nation abuse this common longing to be free of fear. We must not manipulate our people by playing upon their nightmares; we must serve mankind through genuine disarmament. With God's

help we can secure life and freedom for generations to come.

Exhibit 2

IN SEARCH OF PEACE—AMERICAN INITIATIVES, 1946-1982

(By William H. Lewis)

From the beginning of the nuclear age 37 years ago, the Government of the United States and the American people have sensed both the promise of nuclear energy and the menace of nuclear weapons. Many of our finest minds and spirits have addressed nuclear problems in every possible perspective—as problems of morality and technology; of war and peace; as centrifugal and centripetal forces in the social and political life of the international order; as factors of light and of possible doom in the human condition. And, since the time of the Baruch Plan proposals in 1946, the Government of the United States has been committed to an unrelenting search for international agreements that could make it possible for the world to enjoy the benefits of nuclear energy without risking nuclear war.

The record of the United States Government in this respect is quite extraordinary. Year after year, and against strong resistance, the United States has reiterated the need for international agreements on nuclear energy and nuclear weapons, and proposed such agreements on many aspects of the problem—on nuclear test bans and the proliferation of nuclear weapons; on "confidence-building" measures to reduce uncertainty and the risk of surprise attack; agreements to eliminate nuclear weapons from outer space or the Antarctic, and to establish nuclear weapons free zones; agreements to limit and reduce nuclear arms and other arms, too; in short, a whole family of proposals designed to bring nuclear energy and the nuclear weapon under the control of agreed rules for the benefit of mankind.

Sometimes enthusiasts for arms control have thought that arms control agreements could of themselves achieve peace. The bitter experience of the last decade has convinced American opinion that while arms control ageements can be useful elements of a strategy for peace, they are not substitutes for foreign and defense policy. World public order, like public order within a society, is the achievement of a long and sometimes painful struggle. A regime of law sketched out in treaties and charters does not come into being through a wave of the hand, but through stress, conflict and compromise.

The record makes one conclusion clear. The United States has been a devoted, persistent and determined innovator in the field of nuclear energy and nuclear arms control policy. It will continue on this principled course. It can do no less; the stakes are too high, the potential benefits too great.

(Eugene V. Rostow *is Director, U.S. Arms Control and Disarmament Agency.*)

MAJOR U.S. PEACE INITIATIVES

June 14, 1946. Bernard M. Baruch, U.S. representative to the U.N. Atomic Energy Commission, proposes creation of an international Authority to conduct all phases of atomic energy research and development, including direct control of potentially dangerous atomic activities. The Authority would be empowered to inspect for violations of the treaty provisions.

April 16, 1953. In a speech entitled "Chance for Peace," President Dwight Eisenhower proposes that nations set limits on the portion of total production of strategic materials devoted to the military. He further suggests that the savings be placed in a fund for worldwide assistance.

December 8, 1953. President Eisenhower presents his "Atoms for Peace" in a speech to the U.N. General Assembly, calling for creation of an international atomic energy agency that would receive allocations of nuclear materials from individual states and use them for peaceful purposes.

August 30, 1954. The U.S. Congress passes, and President Eisenhower signs, the Atomic Energy Act of 1954, authorizing the international exchange of information for peaceful uses of atomic energy.

July 21, 1955. President Eisenhower delivers his "Open Skies" proposal, designed to protect nations against threatening military buildups and surprise attacks. His detailed proposals include exchange of blueprints of military establishments and aerial reconnaissance as a first step toward comprehensive disarmament.

January 14, 1957. Henry Cabot Lodge, U.S. Ambassador to the U.N., sets forth comprehensive arms-control and force-limitation proposals. These include: restriction of nuclear production to peaceful uses with adequate inspection; staged reduction of nuclear stockpiles; eventual halt to nuclear tests; reduction in the armed forces of the United States, Soviet Union, Britain and France to specified levels with provisions for aerial and ground inspections; and establishment of an international armament agency.

October 31, 1958. The United States unilaterally suspends nuclear-weapons testing for a period of one year.

September 25, 1961. President John Kennedy offers a U.S. plan for general and complete disarmament to the U.N. calling for an immediate test ban, halt to production of nuclear weapons, ban on nuclear weapons in outer space, gradual elimination of nuclear stockpiles, and improvements in the functioning of U.N. peacekeeping forces.

April 18, 1962. The United States presents a comprehensive, three-stage disarmament proposal that envisages: one, a reduction and ceiling on nuclear and conventional forces, test ban and other measures; two, further 50 percent cut in delivery systems and other arms; and three, reduction of arms and forces to levels necessary for internal order, elimination of nuclear weapons and strengthening of U.N. peacekeeping forces.

August 17, 1965. The United States submits a draft nuclear non-proliferation treaty to the U.N. Seventeen Nation Disarmament Committee.

March 18, 1969. The American delegation to the Seventeen Nation Disarmament Committee initiates study of a ban on nuclear weapons on the ocean floor.

November 25, 1969. President Richard Nixon states that the United States unilaterally renounces the first use of lethal or incapacitating chemical weapons, and renounces all methods of biological warfare.

April 13, 1976. The United States proposes a ban on further production of chemical weapons and reductions in existing stockpiles.

March 1977. In Moscow, Secretary of State Cyrus Vance proposes deep cuts in the numbers of strategic nuclear arms, plus constraints on qualitative improvements for such weapons.

November 18, 1981. President Ronald Reagan proposes a "Zero Option" for intermediate nuclear arms in Europe under which the United States and NATO would cancel deployment of Pershing II and ground-launched cruise missiles if the Soviet Union dismantles its SS-20, SS-4 and SS-5 missiles.

May 9, 1982. President Reagan issues a call for Strategic Arms Reduction Talks (START), and proposes a one-third cut in strategic nuclear warheads for the Soviet Union and the United States. Under terms of the plan, both sides would have equal numbers of warheads and missile launchers, of which no more than half could be land-based. In a second phase, both nations would equalize the payloads, or "throw weight," of their missile forces.

POST-WORLD WAR II ARMS CONTROL AGREEMENTS

Antarctic Treaty (1959, multilateral). Provides that Antarctica shall be used for peaceful purposes only, prohibiting "any measures of a military nature."

Hot-Line Agreement (1963, bilateral). Establishes direct communications link between the United States and the Soviet Union to facilitate communications and reduce the risk of conflict.

Limited Nuclear Test Ban Treaty (1963, multilateral). Bans nuclear weapons tests in the atmosphere and in outer space, including the moon and other celestial bodies.

Peaceful Uses of Outer Space (1966, multilateral). Bans nuclear weaponry from space.

Nuclear Non-Proliferation Treaty (1968, multilateral). Signatories agree not to transfer nuclear weapons or other nuclear explosive devices to nations that do not possess such weapons. States without nuclear weapons agree not to embark on nuclear weapons programs.

Sea-Bed Treaty (1970, multilateral). Prohibits the emplacement of nuclear and other weapons of mass destruction on ocean floors or their subsoil.

Hot-Line Modernization Agreement (1971, bilateral). Upgrades original agreement by adding two satellite communications circuits.

Nuclear Accidents Agreement (1971, bilateral). Inaugurates a range of measures to "reduce the risk of accidental nuclear war" between the United States and the Soviet Union, including a pledge to improve safeguards, immediate notification in the event of accident, and advance notice of missile launches toward another's territory.

High-Seas Agreement (1972, bilateral). Adoption of measures to prevent dangerous incidents between the United States and the Soviet Union on or over the high seas.

SALT I ABM Treaty (1972, bilateral). Limits deployment of anti-ballistic missile systems in the Soviet Union and the United States. Updated in 1974 to provide one ABM site for each country.

SALT I Interim Agreement on Offensive Strategic Arms. (1972, bilateral). Treaty essentially freezes strategic ballistic missile launchers, and permits an increase in sea-launched ballistic missiles up to an agreed level. Later version extends agreement to 1980.

Biological Weapons Convention (1972, multilateral). Prohibits development, production and stockpiling of toxin and other biological weapons; requires destruction of existing inventories.

Nuclear War Prevention Agreement (1973, bilateral). Adopts selected measures to help avert nuclear war in crisis situations.

Preliminary Agreement on Formula to Limit Offensive Strategic Weapons (1974, bilateral). Presidents Ford and Brezhnev agree on a ceiling of 2,400 ICBMs for each

side, of which only 1,320 can have multiple warheads. (They reach no agreement, however, on other weapons systems such as cruise missiles and bombers.)

Environmental Modification Convention (1977, multilateral). Prohibits introduction of environmental modification measures for military or hostile purposes.

THE PEACE IMPERATIVE

In the twilight hours of World War II, statesmen and other foreign-policy thinkers began to ponder the implications of a world with nuclear weapons. for many, the inescapable conclusion was that the nuclear age had made war an unthinkable way to pursue national objectives. Peace was not merely a desirable goal; it was an imperative.

The American leadership accepted the imperative of peace and sought to devise programs to control the destructive new weapons of war. From the Baruch Plan for international control of nuclear power in 1946 to the recent peace initiatives of President Ronald Reagan, the United States has struggled to control the development, deployment, and ultimate use of conventional and nuclear weapons.

The American quest for peace is a theme that links every U.S. administration for three-and-a-half decades. In the 1950's, many observers agreed with President Dwight D. Eisenhower, who said, "There is no alternative to peace."

President Ronald Reagan reiterated the dual quest for peace and security at a press conference in Washington, D.C., on March 31, 1982: "Twice in my lifetime I have seen the world plunged into global wars that inflicted untold suffering upon millions of innocent people. I share the determination of today's young people that such a tragedy . . . must never happen again. My goal is to reduce nuclear weapons dramatically, assuring lasting peace and security."

FASHIONING A SECURITY COMMUNITY

But the hopes and expectations of the United States, and the world, have been met only in part. Since World War II, sophisticated weaponry has multiplied greatly despite the best intentions of international leaders.

In considering this problem, diplomats and other experts have focused on the question of what conditions are necessary for successful arms control negotations, for implementating international covenants banning the use of force. In short, what are the requirements for peace in a nuclear age?

One answer has been that, to maintain peace among nations, a security community must exist, consisting of international institutions and practices strong and widespread enough to assure nations that conflict can be resolved peacefully.

Nations everywhere realize that change is the only constant in a turbulent world, and that new economic and political requirements can only be met through peaceful change in an established community of nations.

Despite setbacks, despite a continuing arms competition with the Soviets, the United States has pursued such a vision of peaceful change.

FIRST EFFORTS TO CONTROL NUCLEAR WEAPONS

From the inception of the "atomic age," the United States has taken the lead in proposing realistic initiatives for limitation and control of nuclear arms. In international forums and in direct discussions with other states, the United States has sought major reductions in nuclear and conventional forces leading to equal agreed limits on both sides. The Reagan Administration has declared its commitment to these goals as well.

It is essential to understand the historical context of U.S. peace efforts. The economy of the United States did not sustain significant damage during World War II, nor did its people suffer the trauma of witnessing their homes transformed into battlefields. The United States emerges from the global conflict unrivaled in its military, economic and technological power, and it approached the conclusion of the war in a mood bordering on the euphoric. As President Franklin Roosevelt's adviser, Harry Hopkins, later noted:

"We really believed in our hearts that this was the dawn of a new day. . . . We were absolutely certain that we had won the first great victory of the peace—and, by 'we,' I mean all of us, the whole civilized human race."

The American Secretary of State, Cordell Hull, expressed himself in equally optimistic terms. "There will no longer be need for spheres of influence," he declared, "for alliances, balance of power, or any other of the special arrangements through which, in the unhappy past, the nations strove to safeguard their security or promote their interests."

Although the United States possessed a monopoly in atomic weaponry, American leadership was prepared to give up this advantage, and apply atomic power to nonmilitary uses. Further, U.S. peace initiatives were not limited to nuclear weapons: Officials frequently appealed for mutual cooperation in a number of fields, including offers to extend the Marshall Plan for European economic recovery to the war-devastated Soviet Union—a proposal rejected by Joseph Stalin.

On September 11, 1945, the United States Secretary of War, Henry Stimson, presented Harry S Truman with an early proposal for international control of atomic energy:

"If the atomic bomb was merely another, though devastating, military weapon . . . it would be one thing. . . . But I think the bomb instead constitutes merely a first step in a new control by man over the forces of nature too revolutionary and dangerous to fit into the old concepts. . . . It really caps the climax of the race between man's growing technical power for destructiveness and his psychological power of self-control and group control—his moral power. . . ."

Following Stimson's proposal, President Truman offered to cooperate with the Soviet Union and European nations in establishing controls over this new weapon, and to dedicate the efforts of all concerned to nuclear research "for commercial and humanitarian purposes."

America's first comprehensive and detailed proposal for nuclear arms control was the 1946 Baruch Plan, named for Bernard Baruch, a frequent adviser to American Presidents and the U.S. delegate to the United Nations Atomic Energy Commission. Under terms of the Baruch Plan, the United States offered to harness atomic energy for peaceful purposes, and to share such knowledge with the Soviet Union. In the words of one architect closely associated with the Plan:

"In plain words, it sets up a plan under which no nation would make atomic bombs. . . . All dangerous activities would be carried on—not merely inspected—by a live, functioning international Authority with a real purpose in the world and capable of attracting competent personnel. This monopoly of the dangerous activities by an international Authority would still leave a large and tremendously productive field of safe activities open to individual nations, their industries and universities . . ."

The Soviet leadership rejected this offer. Despite such setbacks, the United States, and other nations, continued their efforts.

THE NATO SECURITY COMMUNITY

As the United States sought to engage the Soviet Union in meaningful arms negotiations, it also began fashioning a security community among Western nations. The North Atlantic Treaty Organization, founded in 1949, was the product of frustrated expectations concerning the Soviet Union. The procession of shocks and crises after World War II—including civil war in Greece, the Communist takeover of Czechoslovakia in 1948 and the Soviet blackade of Berlin (1948-49)—all attested to the refusal of the Soviet Union to become a full partner in guaranteeing international peace and security. Instead, the Soviet Union viewed the world in terms of political and ideological competition with the democracies of the West. The West formed a security coalition of democratic nations because that seemed to be the only realistic response to Soviet political and military actions.

NATO was founded on the principle of common defense, and remains to this day a purely voluntary organization whose goal is to maintain closely coordinated security cooperation. The members of NATO have no territorial claims against the Soviet Union, seek no military advantages, and eschew any effort to gain political hegemony outside the Atlantic community. NATO forces have never fired upon the Soviet Union or any of its allies.

The Western allies in general, and the United States in particular, did not view the formation of NATO as signaling the collapse of efforts to achieve a basis for peaceful accommodation and cooperation with the Soviet Union. To divide international society for all time into two warring camps is contrary to the philosophical orientation and modern values of Western civilization. Thus, while seeking to bolster the security of the NATO allies, the United States continually has sought to enlist the Soviet Union in arms control negotiations as well as in efforts to secure agreement on rules of conduct in times of crisis. In all these efforts, the U.S. government has insisted that all agreements meet three fundamental criteria—that they be practical, achievable and verifiable.

THE EISENHOWER INITIATIVES

In his first inaugural address, on January 20, 1953, President Dwight D. Eisenhower declared that the United States was prepared to engage in joint efforts to remove the causes of mutual fear and mistrust among nations. By establishing a secure peace for all, the President continued, drastic reduction of armaments would be possible. In an address two months later, the President proposed that all nations establish limits on strategic materials to be produced for military purposes. The resulting savings would be allocated to an international fund for economic aid and reconstruction.

President Eisenhower followed these recommendations with an "Atoms for Peace" plan, presented to the United Nations General Assembly on December 8, 1953, that incorporated his proposal for creation of an international atomic energy agency. The agency would receive contributions of nucle-

ar materials to be used for peaceful purposes. Several months later, the President signed the Atomic Energy Act of 1954, which encouraged the development of commercial nuclear power.

In addition, the Eisenhower Administration actively pursued the possibility of negotiating a halt to nuclear testing; and at a Geneva conference with the heads of Britain, France and the Soviet Union in 1955, President Eisenhower offered his innovative "Open Skies" proposal. The "Open Skies" idea envisaged exchanges of military blueprints, plus aerial reconnaissance, to protect nations against surprise attack—and to serve as a first step toward comprehensive disarmament.

Despite Soviet rejection, the Eisenhower Administration persisted in its peace efforts. In 1957, the U.S. Ambassador to the United Nations, Henry Cabot Lodge, presented a memorandum to a committee of the General Assembly, embracing the following proposals on disarmament:

a. future nuclear production would be restricted to peaceful purposes under adequate inspection;

b. action would be taken at a future date to reduce military stockpiles;

c. with effective control established over production of nuclear materials, nuclear testing would be eliminated;

d. first-stage reductions in conventional forces of the so-called "Big Four" nations that would limit the United States and Soviet Union to 2.5 million men, the United Kingdom and France to 750,000 men;

e. further reductions would depend on political settlements on the part of the "Big Four."

PARITY AND DETERRENCE

United States peace initiatives in the 1960's reflected a combination of hope and realism. U.S. officials continued to formulate proposals to control and reduce nuclear weapons, and to maintain NATO. Out of this effort evolved two key concepts: parity and deterrence.

The NATO allies recognized that the virtually irresistible drive of modern technology was generating new and yet more threatening weapons of human destruction. In Washington, London, Bonn and elsewhere, policymakers sought to give substance to the impulse for security—and avoid an escalating arms race—through bilateral negotiations and through multilateral protocols of mutual restraint. A succession of American leaders concluded that, despite U.S. improvements in many strategic weapons, the most constructive approach would be to avoid seeking superiority in nuclear weapons and to accept a condition of strategic equivalence, or parity, between the United States and the Soviet Union. Parity became an accepted tenet of American policy as the decade of the 60's came to a close.

The policy of deterrence has been a subject of long and intense debate. Occasionally the debate has reflected a basic misunderstanding of NATO policy and intent. Concepts of deterrence did not originate in the nuclear age. Peoples throughout history have sought to discourage adversaries from taking hostile actions. At the strategic, or nuclear, level, deterrence means the prospect of such severe retaliation that an adversary is discouraged from initiating an attack. Within NATO, deterrence requires that member nations employ sufficient conventional and nuclear forces to present potential adversaries with risks and costs that overshadow any possible political or military gains. Deterrence does not require total superiority in conventional and nuclear capabilities—and, as the historical record makes clear, the United States and its NATO allies have never sought such military superiority.

From the perspective of the United States, deterrence and arms control are not contradictory, but reinforce one another. The West can best achieve progress in negotiations with Moscow if, as in the past, it demonstrates the determination to maintain a stable nuclear balance. The United States and its allies can then advance fresh arms control proposals from a position of strength and equality. In short, deterrence enhances rather than diminishes prospects for significant future progress in arms control and disarmament.

Deterrence has withstood the test of time: Two generations of Europeans and Americans have grown up in peace and economic well-being. But deterrence alone is not enough. The challenge to world statesmen has been to make progress in reducing such weapons through negotiation, while using negotiation as a way to bolster both the sense and the substance of security in an increasingly turbulent world.

THE KENNEDY-JOHNSON INITIATIVES

While securing a stable nuclear balance between East and West in the '60s, the United States also continued its search for meaningful arms agreements with the Soviets. President Kennedy presented a new American plan for general and complete disarmament to the United Nations on September 21, 1961. The plan contained the following recommendations:

a. conclude an immediate nuclear test ban agreement with adequate on-site verification;

b. end production of nuclear weapons and agree to prevent their transfer to non-nuclear powers;

c. negotiate a treaty that would bar nuclear weapons in outer space;

d. gradually destroy existing nuclear weapons stockpiles and allocate nuclear materials for peaceful uses;

e. end testing and production of delivery systems for strategic nuclear arms, and destroy existing inventories of such weapons;

f. agree to earmark national forces for United Nations peacekeeping duties, as well as promote efforts to improve the operational capabilities of United Nations peacekeeping forces.

On the same day, the Soviets presented their own arms control program. The contrast between the two sets of proposals is illustrative of the different approaches. Premier Nikita Khrushchev urged that "war propaganda" be prohibited by the United Nations, that troops be withdrawn from foreign territory (a perennial Soviet proposal aimed at NATO), that military budgets be frozen, that a nonaggression pact be concluded between the United States and the Soviet Union, and that nuclear-free zones be established. Vague, unverifiable and lacking practical means of implementation, the Soviet statement was more a rhetorical stance than a set of achievable proposals. The Soviet Union startled the international community several weeks later when it exploded a nuclear bomb in the atmosphere estimated at between 50 and 57 megatons, the largest nuclear explosion in history.

The Atlantic Alliance experienced a sense of beleaguerment in the '60s as a result of Soviet intervention in Czechoslovakia—and an increase in worldwide Soviet arms shipments. Nevertheless, the Limited Test Ban Treaty and Hot-Line Agreement were successfully concluded during the Kennedy Administration, and the landmark Nuclear Non-Proliferation Treaty, which established a basis for controlling the spread of nuclear weapons, during the Administration of Lyndon Johnson. All served as useful foundations for the arms control initiatives of the '70s.

SALT AND DÉTENTE

In the early 1970's, the Administration of Richard Nixon saw an urgent need to accommodate Soviet and American security concerns. The prospect of continuing confrontation carried with it nuclear perils. President Nixon regarded the growing nuclear arsenals as a hazard that no longer could be contained through an uneasy equilibrium. In the interests of peace and security, for itself and for the world community as well, the United States accepted a posture of "strategic equivalence" with the Soviet Union. The President noted in his first foreign affairs report: "We were determined not to lurch along—with isolated agreements vulnerable to sudden shifts of course in political relations, with peaks and valleys based on atmosphere, with incessant tension and maneuvering."

In a major foreign policy initiative, President Nixon built on common interests between the United States and the Soviet Union. Through intense diplomatic contact and consultation, the United States sought to establish procedures for crisis management, expand cultural exchange agreements and open new doors to American goods and technology. At the same time, the President clearly expressed the willingness of the United States to accept strategic "parity" in nuclear weaponry.

With this perception the Nixon Administration entered into the first round of Strategic Arms Limitation Talks (SALT). The result was a major two-part treaty in 1972. One part limited deployment of anti-ballistic missile systems (ABM); the other provided for interim limits on offensive nuclear missiles. The SALT agreements sought to place limits on the size and capability of strategic forces, and to reduce the likelihood of surprise attack. Provisions for verification by both parties (primarily through satellite photography) were critical to the success of SALT I. Indeed, adequate verification has been a primary U.S. objective throughout the SALT negotiations. From the U.S. point of view, verification will remain a top-priority objective in current and future efforts to reduce nuclear arsenals, because without it, mutual trust cannot exist.

Despite the success of SALT I, the Soviet Union in the 1970's did not reciprocate the willingness of the U.S. government, stated publicly and repeatedly, to accept a condition of strategic balance. Instead, the Soviets undertook a massive peacetime military buildup. The Soviets have:

developed and deployed heavy, accurate, intercontinental ballistic missile systems capable of destroying American land-based systems in a pre-emptive strike;

created a second-strike capability;

developed intermediate nuclear weapons capable of striking Western Europe within minutes after being launched from the Soviet Union; and

enhanced Soviet conventional forces in firepower, mobility and geographic reach far beyond any reasonable national security requirements.

Unrealized expectations contributed in part to the disillusionment felt in official

American circles by the end of the 1970's. Eugene V. Rostow, the Director of the United States Arms Control and disarmament Agency (ACDA), commented:

"Ten years ago American experts and officials assured our people that the Soviet Union was seeking nuclear parity, recognition as a great power, and a place in the political sun. But the Soviet Union has gone right on building up its nuclear arsenal at the rate of some eight percent a year in real terms, although all students of the subject agree it has long since passed the point of nuclear parity."

In the late '60s, the Soviets augmented their deployments in Eastern Europe at a time when the numbers of U.S. troops in Western Europe remained constant, and even declined. U.S. nuclear forces in Western Europe stabilized in quantity and quality, while Soviet forces tended to increase in both categories. The Soviet Union demonstrated a willingness to exercise restraint only when specific and verifiable arms control agreements had been negotiated.

The Soviet leadership has often claimed that it is driven in the military field by the desire to keep pace with American technological superiority. Available evidence, however, casts doubt on the official Soviet rationale. The Soviets, for example, deployed the first intermediate-range ballistic missiles and the first intercontinental ballistic missiles; they also installed the first antiballistic missile defenses. These actions reflect a Soviet determination to foster a military establishment capable of offensive as well as defensive warfare.

The history of SALT II underscores the fragility of arms control efforts when mutual confidence between the negotiating parties is lacking. In essence, SALT II was an agreement to maintain the strategic balance between the Soviet Union and the United States in nuclear weapons.

Presidents Gerald Ford and Leonid Brezhnev met at Vladivostok in November 1974 and reached general agreement on ceilings for intercontinental ballistic missiles, including missiles with multiple warheads. They were unable, however, to resolve questions of verification, or to set limits on cruise missiles and Soviet bombers. The ensuing negotiations were lengthy and difficult, in part because of the complexity of trying to control qualitative, technological changes in nuclear weapons as well as sheer numbers.

In the end, the two nations reached agreement on SALT II, only to encounter a more fundamental difficulty over Soviet actions outside the nulcear arena. By invading Afghanistan in December 1979, the Soviets reinforced the doubts of many in the United States about the sincerity of the Soviet commitment to peace. At the same time, many Americans became increasingly critical of the decade-long Soviet nuclear military buildup. In an atmosphere of rising distrust and concern about Soviet motives and policies, SALT II lost any chance for the U.S. Senate to give its advice and consent as required by the U.S. Constitution. The United States and the Soviet Union continue to abide by the terms of the treaty tacitly. It is clear, however, that for the United States, arms control efforts are, and will be, affected by the state of U.S.-Soviet relations generally.

MULTILATERAL EFFORTS

While international attention has tended to focus on bilateral negotiations between the United States and the Soviet Union on strategic nuclear weapons, America has launched a number of peace initiatives through multilateral channels. The United Nations Committee on Disarmament, organized in 1979, has been one principal venue for such peace efforts; examples include discussions on a treaty banning the development, production and stockpiling of chemical weapons, and efforts at preventative arms control—e.g., banning radiological weapons.

U.S. delegates also have presented a number of other arms control initiatives, including proposals for comprehensive disarmament, control of conventional arms and reductions in military expenditures. Recently, ACDA Director Eugene Rostow addressed the Disarmament Committee and called on all member states to uphold the ban of the U.N. Charter on the threat or use of force in international relations. He noted that, should that provision of the Charter become a dead letter, the quest for disarmament "would become a quixotic or utopian activity."

The United States has explored other ways of limiting conventional arms as well. In Vienna, for example, U.S. diplomats continue to participate in negotiations, termed the Mutual and Balanced Force Reduction (MBFR) talks, to reduce the size of NATO and Warsaw Pact forces.

President Jimmy Carter, aware that the growing trade in conventional arms threatened a volatile world, launched a bold initiative in 1977 to curtail the flow of sophisticated weapons to less-developed countries. He announced a curtailment in American sales abroad through the establishment of stricter governmental controls and annual "dollar ceilings," which represented a unilateral act of self-restraint. Further, the President urged other major producers of conventional weapons systems to adopt comparable export control policies.

Shortly thereafter, the U.S. government entered into Conventional Arms Transfer (CAT) talks with the Soviet Union to secure Soviet agreement to a "regime of joint restraint." U.S. and Soviet officials held four major meetings, but registered little substantive progress. In fact, Soviet arms deliveries to less-developed nations grew prodigiously even after the talks began, and with the Soviet invasion of Afghanistan, both parties agreed to terminate them. The Soviet Union is today the leading exporter of conventional weapons to less-developed countries.

The scope of American involvement in international peacekeeping parallels its multinational efforts on arms control. In the Middle East, the United States played a singular role in facilitating the historic Camp David Accords between Israel and Egypt. The United States provides financial backing for U.N. peacekeeping forces in southern Lebanon, as well as funds and personnel for the Multilateral and Observer Force in the Sinai, established under the terms of the Egyptian-Israeli Peace Treaty. At the same time, the United States has been an active participant in international efforts to win independence and majority rule in Namibia, to secure the withdrawal of Vietnamese forces from Kampuchea and to provide humanitarian aid for refugees from Somalia to Southeast Asia.

Regional agreements offer opportunities for building new security communities. The United States has strongly supported such diplomatic explorations, including the feasibility of freezes on military personnel, reductions in military budgets, regional nonaggression pledges, and limits on the introduction of new generations or types of weaponry.

The Declaration of Ayacucho in December 1974 by the eight Andean countries is an example of one promising security approach. At that time, Peru proposed that the members of the Andean group negotiate specific limits on the acquisition of offensive armaments. This was a sound principle, one which found ultimate fruition in the Treaty of Tlatelolco.

The United States strongly supported and, on May 26, 1977, formally signed Protocol I to the treaty, which prohibits nuclear weapons in Latin America. (The United States Senate approved it on November 13, 1981). By adhering to the Protocol, the United States undertakes not to test, use, produce, or deploy nuclear weapons anywhere within the zone of the Latin American treaty. The treaty strengthens the cause of nuclear nonproliferation, long an important objective of American foreign policy, and, in the words of Secretary of State Alexander Haig, "demonstrates that patient but imaginative diplomacy can, indeed, advance us toward a more secure future."

NEW PEACE INITIATIVES

As in the past, the United States today follows a foreign policy that is both pragmatic and hopeful. This policy entails the modernization of U.S. forces to maintain deterrent capabilities, and the exploration of opportunities to negotiate reductions in nuclear weaponry with the Soviet Union.

In Europe particularly, the challenge to the United States is to underscore the earnestness of its efforts to slow the pace of nuclear competition, while also encouraging the revitalization of the Atlantic Alliance.

In several recent statements, President Ronald Reagan has made clear that he is prepared to explore every meaningful proposal for arms control or disarmanent—directly with the Soviet Union, on a multinational basis, or within regional organizations. As in the past, however, the United States, together with its allies, insists that such proposals must be balanced and verifiable; the United States seeks no military advantages from arms control provisions; neither can it grant such advantages to the Soviet Union.

The issue of balance and relative advantage is at the heart of the current debate over Intermediate Nuclear Forces (INF) in Europe. From 1975 through 1981, the United States deployed no new intermediate-range missiles, and has actually withdrawn 1,000 warheads from Europe. The Soviets, on the other hand, deployed hundreds of warheads on mobile SS-20 missiles.

It was this growing imbalance in intermediate-range nuclear weapons that led the NATO countries to initiate discussions on deployment of comparable U.S. nuclear forces. The * * * with modernization of NATO nuclear forces while simultaneously conducting arms control talks with the Soviets. This "two-track" approach remains the basis for American policy on INF today.

On November 18, 1981, President Reagan advanced a bold proposal that Washington and Moscow agree to eliminate intermediate nuclear missiles from their arsenals. The Soviet delegation to INF talks in Geneva has since rejected this approach. President Brezhnev, in March 1982, called for a freeze on all future deployments of Intermediate Nuclear Forces, a proposal rejected by the United States, since the presence of such intermediate-range missiles already in the

Soviet arsenal accords the Soviet Union a significant advantage in this field.

Nevertheless, the Reagan Administration has determined that a two-track approach to negotiated security is both prudent and desirable. The first track emphasizes nuclear parity and deterrence vis-a-vis the Soviet Union; the second is a continuing commitment to negotiations with the Soviet Union on the interrelated issues of intermediate and strategic nuclear weapons. Under the terms of the President's "Zero-Option" proposal, the United States is prepared to cancel its planned deployment of Pershing II and ground-launched cruise missiles if the Soviet Union will agree to dismantle its SS-20 and other intermediate-range missiles.

President Reagan followed his "Zero Option" plan with a call for Strategic Arms Reduction Talks (START). On May 9, 1982, the President returned to Eureka College in Illinois, from which he had graduated 50 years earlier, to offer a new arms control initiative aimed at major reductions in Soviet and American strategic nuclear arsenals. He proposed that, as a first step, both nations cut the number of strategic nuclear warheads by a third, from about 7,500 on each side to 5,000.

In addition, each nation would be limited to a total of 850 intercontinental ballistic missiles, of which no more than half could be land-based. In a second phase, the United States and the Soviet Union would equalize the payloads, or "throw weight," of their strategic missile forces. The President stated:

"The monumental task of reducing and reshaping our strategic forces to enhance stability will take many years of concentrated effort. But I believe that it will be possible to reduce the risks of war by removing the instabilites that now exist and by dismantling the nuclear menance."

A CONTINUING COMMITMENT TO PEACE

After more than three-and-a-half decades of intensive negotiations, the United States can point to a record of achievement in the search for peace. At the same time, however, international rivalries have not abated. Nations continue to rely on individual military establishments for their security, and the global community has not yet found the combination of policital agreements and institutional forces necessary for international peace and effective control of arms.

Although U.S. efforts at arms control—beginnig virtually from the first days when it commanded a nuclear monopoly—have widened to cover outer space and the seabed as well as issues of non-proliferation, the number of nations with the capacity to develop nuclear weapons has expanded. At the same time, the capabilities and accuracy of weapons systems has grown enormously.

The United States is meeting this present-day nuclear challenge by formulating and advancing new proposals within the framework of a commitment to arms reductions, and a policy of deterrence and strategic parity.

Within this policy framework, American officials seek to: deter conflict rather than accept the use of these weapons in the conduct of war; search for strategic stability rather than superiority; and pursue an arms control negotiating process which will enhance international order and stability. In short, for more than three decades, American Presidents, and U.S. foreign policy officials have held to the view that nuclear weapons have "utility only in nonuse."

Americans view war as an aberration in the natural order, and this perspective has dictated a continuing search for peace and security through negotiation. Americans continue to place reliance on reason, and on the necessity of reasonable men and women to resolve their differences peacefully. Despite repeated disappointments, the United States continues to participate actively in multilateral conferences dealing with a comprehensive test ban on nuclear weapons, a limit on the production of chemical and radiological weapons, and a strengthening of nuclear non-proliferation guarantees. At the same time, the United States seeks to devise means for verifying adherence to existing and future international treaties and agreements.

Whatever the outcome of present and future negotiations, the record of past American endeavors makes clear the dedication of U.S. leaders to a stable and peaceful world—one in which all nations can live in a common security community, a community of enduring peace.

A LITTLE BIT OF HAWAII AT THE NATION'S CAPITOL

Mr. MATSUNAGA. Mr. President, I am pleased to announce that the Members of the Senate will have an opportunity to enjoy a little bit of Hawaii on Friday, June 18, 1982. Some of the Aloha State's outstanding musicians will be performing here in Washington, D.C., on that date.

At 12 noon on Friday, the Kamehameha Schools' Warrior Marching Band and Color Guard will be performing on the east steps of the U.S. Capitol. Under the inspiring leadership of the schools' president Jack Darvill and the band's director John Riggle, the band has grown dramatically from 36 students in 1960 to almost 200 today. The band is now on a summer tour of the continental United States. It has an outstanding repertoire including Hawaiian music and dances, marches, popular songs and jazz, and has been named as one of the top 10 marching bands in the United States by the National Band Association. All of the youngsters in the band are of Native Hawaiian ancestry and are students at the Kamehameha Schools, which were founded in 1857 for the education of Hawaiian children.

On Friday evening, at 7 p.m., the band will be joined by the Brothers Cazimero, two of Hawaii's most outstanding young composers and singers, in a concert at the Sylvan Theater, on the grounds of the Washington Monument.

Roland and Robert Cazimero are part of the "Renaissance" of Hawaiian music which began about 10 years ago. As graduates of the Kamehameha Schools, they both began their careers with an earlier singing group called the Sunday Manoa in the early 1970's. After 5 years, they developed their own act and became the Brothers Cazimero. Their latest album, "Captured Magic," includes a wide range of Hawaiian music, both traditional and modern, and has been widely acclaimed in the Island State. Recently 10,000 faithful fans jam-packed the Waikiki Shell to listen to the most popular brother entertainers.

Mr. President, I hope that all of my colleagues will join the Hawaii congressional delegation in welcoming these young musicians from Hawaii to the Nation's Capitol during their two appearances here.

ADDRESS BY NATIONAL URBAN LEAGUE PRESIDENT JOHN E. JACOB

Mr. HOLLINGS. Mr. President, on June 10, 1982, National Urban League President John E. Jacob was the National Press Club's luncheon speaker. In his remarks, Mr. Jacob eloquently outlined today's challenges in the human services arena. The speech was broadcast over National Public Radio's 240-plus stations and Cable TV's more than 1,100 stations. I urge each of my colleagues to take into consideration Mr. Jacob's remarks as we continue to struggle with those social and economic issues that affect so many of the people whose lot the National Urban League seeks to improve. I have unanimous consent that Mr. Jacob's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

INTRODUCTION OF NATIONAL URBAN LEAGUE PRESIDENT JOHN E. JACOB BY VIVIAN VAHLBERG, PRESIDENT OF THE NATIONAL PRESS CLUB

Our speaker today is John E. Jacob, President of the National Urban League. Mr. Jacob took over as president in January from Vernon Jordon, who was president for ten years.

The League is one of the oldest civil rights organizations, and an influential one. It has been an advocate of the black and the poor for 72 years now. As president of the League, Mr. Jacob is one of a new generation of black leaders. Unlike the old generation, he didn't cut his teeth on the civil rights movement of the sixties. Mr. Jacob has risen to prominence as a leader by working within the League for seventeen years—headed the Washington Affiliate for four years, was Executive Director of the San Diego office and was second in command to Mr. Jordon in recent years.

When Mr. Jordon was shot in 1980, Mr. Jacob stepped in to fill the void until Mr. Jordon recovered. Then when Mr. Jordon resigned, Mr. Jacob was the unanimous choice of the League's board to be the next president. When Mr. Jacob was asked how he differed from Mr. Jordon he said "Vernon is 6'4" and I'm 5'7"." But I'm assured there are more differences.

Mr. Jacob has come to the helm at a time of trauma for his organization, which has lost millions of dollars in federal job training funds just at the time when the League's constituency is in great need of help. And he's come at a time of considerable debate over who will be the black lead-

ers of tomorrow, and over how they should lead.

Mr. Jacob and his four brothers grew up in a three room house in Houston—the sons of a Baptist minister who had to do carpentry and construction on the side to make ends meet. He came to Washington to Howard University, the breeding ground for many important black leaders, but when he got out the only job he could find was a job he hated at the Post Office, and it took a boost from Lyndon Johnson to alter that. Later he was hired as a welfare caseworker in Baltimore. He joined the League staff in 1965 and has been part of the League ever since.

It's my great pleasure to present to you John Jacob, President of the National Urban League.

ADDRESS BY JOHN E. JACOB

I appreciate the opportunity to be with you today and to present our view of the mounting pressures on black and poor people caught between the furnace of the economic depression and the fires of federal indifference to their plight.

First, I think it appropriate to talk about what the National Urban League is—and to reaffirm its traditional, unchangeable principles in this period of new leadership.

The Urban League has traditionally defined itself as an agency committed to four basic principles—advocacy, services, bridge-building, and belief in an open, pluralistic, integrated society. In these confused times of warring ideologies and conflicting rhetoric it makes sense to take a brief look at those four points.

The first is advocacy. The Urban League's basic constituency is the black poor and, by extension, all of America's disadvantaged. We have the inescapable responsibility to speak out loud and clear on their behalf; to remind a forgetting America that it must devise policies that deal with economic hardship and the bitter inheritance of racial disadvantage.

Advocacy remains a basic responsibility of this agency. That will not change!

The second point is services. Our professional staff and volunteers exist to provide the services our constituents need—job training, health, housing and educational services; services that help our constituents deal with a multitude of problems. Every year one and a half million people come to the offices of our 118 affiliates in search of caring help.

Providing those services remains a basic responsibility of this agency. That will not change!

The third point is bridge-building. In a society torn by class and racial polarization, the Urban League serves as a force to heal the wounds of our nation. It serves as a vehicle through which people of all races can join to build better communities—together.

Building bridges of understanding that span the divisions in our society remains a basic responsibility of the Urban League. That will not change!

Finally, the Urban League has always believed in an open, pluralistic, integrated society. We have fought to make ours a nation that demonstrates equal opportunity in action, a nation in which no artificial barriers block the upward path of its people.

Fulfilling that vision of a system that includes all Americans on an equal basis remains a basic responsibility of the Urban League. That will not change!

The Urban League was in business for sixty years before we ever got a government contract. We were helping people long before the government realized that it could get things done by assigning us the task of training people and helping them with their needs. And we will be in the business long after the last federal contract expires. We are a community-based agency dependent on private support and the support of our constituents, and while the federal withdrawal from social programs hurts us and our constituents, it will not and cannot affect our basic thrust.

But realism tells us these are going to be hard times. We will have less dollars to meet the expanded needs of our constituents. That means we must direct our energies to make the greatest impact on the people who need our help.

So we are concentrating on four major areas—increased minority voter participation, teenage pregnancies, problems of female-headed households, and crime control.

We will act as catalysts mobilizing the entire range of community institutions to deal with those problems. We know we can't do it all ourselves. But we also know that the black community is rich in human and institutional resources that can make a dent in these problems.

And in addition to those new areas of concern, we will renew our commitment to service provision, targeting our efforts on the survival needs of our constituents. That means also stressing assistance to poor families, youth development programs, and above all, jobs—jobs—jobs.

These are hard times. We have to do more with less. We have to kindle hope as the flames of opportunity die out. We have to care when caring is out of fashion; when our constituents are under unprecedented pressures.

Today, the ranks of the black poor are expanding while Federal lifeline programs are being cut savagely.

Those cuts are concentrated on the truly needy—people on welfare, on food stamps, in public housing, on Medicaid, in job training—in a host of programs that provide lifeline assistance and open fresh doors of opportunity.

I find it indefensible for an Administration to grant huge tax favors to the affluent while producing such hardship among the poor. I find it incomprehensible for an Administration to claim that wealthy people need tax incentives to work while it creates disincentives for the working poor by taking away their small supplemental benefits.

And I find it amazing that so many intelligent, sophisticated people could be taken in by the obvious unreality of a supply side economics that says if you increase defense spending and cut taxes you will balance the budget and restore the economy.

By now it should be obvious that Reaganomics has failed. For a year and a half we've conducted an experiment in wishful thinking and all we have to show for it is a deficit projected at half a trillion dollars over the next five years and a raging Depression.

We've got a cascade of bankruptcies ranging from the corner grocer to giant companies employing thousands. We've got a manufacturing sector operating at only seventy percent of capacity, double-digit interest rates that paralyze business activity and over ten million people out of work.

The devastation this Depression has caused to the general economy is temporary; no one doubts that the nation will get back on its feet in spite of Reaganomics. But the damage done to black and minority Americans will be felt for another generation. Let's take a brief look at some of its effects on Black America:

First, the small, struggling black middle class is being decimated. Blacks are disproportionately employed by government, and federal personnel layoffs have hit black government workers especially hard. The last hired, first fired principle is working with a vengeance too, as black workers are laid off by corporations and state and local governments. The net result is a sharp blow to the middle class backbone of the black economy.

Second, the astronomical unemployment rate among young blacks means that millions will be deprived of the work experience, discipline and skills needed to enter the economic mainstream. Their generation should have been the one that made the breakthrough to parity with the white majority. Instead, it looks like it will become a Depression generation doomed to marginal activity.

Third, the impact on the working poor through layoffs and Federal program cuts forces many into total dependency. We have no body count on the number of people forced to drop out of college and technical schools, forced onto welfare rolls, or drafted into the rapidly expanding army of the permanently poor. But we do know that black poverty figures are rising; that blacks dropped from CETA jobs are still unemployed, and that black enrollments at colleges are down. Many of those victims of the Depression of '82 will never recover.

All of this takes place in a setting that finds the typical black family earning just a little over half of what the typical white family earns.

It takes place in a setting in which the typical black family earns less than the government itself says is needed for a decent standard of living.

It takes place in a setting in which black unemployment is officially near the twenty percent level, and almost a third of blacks are out of work if you include discouraged workers and part-timers who want to work full-time.

So what has happened is that a black community that historically has been disadvantaged and disproportionately poor has been hit, and hit hard, by the Depression and by deep cuts in programs that help provide education, training, housing and health care.

This is something I cannot accept as solely a political issue or as an economic issue. It is also a moral issue. I believe all Americans and their leaders have to face up to the moral dimensions of this problem. For policies that make the poor poorer while making the rich richer raise inescapable questions of fairness and justice.

I believe it is a moral issue when food stamps are cut and poor old people have to stand on line in bitter cold to collect a bundle of surplus cheese.

It is a moral issue when school lunches are cut while billions are poured into tanks that can't pass field tests, planes that are obsolete before they are off the drawing boards and missiles we can't use without committing suicide.

It is a moral issue when working welfare recipients pay a marginal tax rate of 100 percent while depreciation schedules and tax leasing loopholes virtually wipe out tax payments for many corporations.

We are under no illusions about the sacrifices this nation must make to restore its economy and to compete in vastly changed

world markets. But we are also under no illusions about the need for those sacrifices to be spread evenly and for the poorest among us to be cushioned from their effects.

Black people and poor people are no strangers to the duty of making sacrifices for our country. But it's a very different thing to be singled out to make sacrifices for the sake of theories of limited government and radical experiments in economics.

This is not a view peculiar to advocates of the poor. Over the past several months I have met with many corporate leaders who have expressed their deep concern over the impact federal budget cuts are having on the poor.

These men would be called conservatives. They support the broad outlines of the Administration's program. But at the same time they are disturbed at the destabilizing effects of cuts aimed at the poor. Their concepts of fairness are offended by the way the cuts have been targeted at the powerless and the helpless.

Corporate leaders have had to make hard spending decisions of their own in this difficult economic environment. So they know hard choices are inevitable. But they also know that you don't aim all your cuts at the most vulnerable sector; you don't cut into the bone in one area while leaving the fat on another.

Many know that whatever fat there was in social programs melted away a long time ago. They know that there isn't enough left to make a dent in future budgets. And they also know that our economic problems derive not from social spending but from programs that benefit the middle class, from runaway defense spending, and from a tax cut that was far too large.

Corporate leaders also know very well that the public is souring on business. A recent Harris Poll says that by margins of two and three to one, the public blames business for not delivering jobs and economic growth.

At the same time, poor people are looking to business to plug the gaps left by the federal government's abdication of its responsibilities. The Administration's stress on voluntarism and on the private sector has encouraged this.

By and large I am pleased by the private sector's response. I sense a new level of activity in corporate development of, and participation in, programs in education, training and community development. I am encouraged by the commitment of corporate resources to helping to solve social problems. I am heartened by the overall corporate rejection of the Administration's go-slow signals on affirmative action.

And I am gratified by the bold steps some companies are taking to support advocacy efforts on behalf of the poor. Just last month ten major corporations sponsored an advertisement backing a strong voting rights act.

So I have found in the corporate executive suites a greater understanding of social problems and a greater commitment to resolving them fairly than I have in our government.

But having said that I must state the obvious, something every corporate leader knows: that even a maximum corporate effort will not begin to offset the cuts in government programs.

Corporate donations can never match federal spending on social programs. Corporate hiring and training, especially in this Depression, has not created enough jobs for laid-off CETA workers, much less the ten million others who are out of work.

Private sector efforts make their greatest impact when they are on the margin—when they are added to maximum governmental efforts. Then they can be that extra push that ensures success in a variety of programs from job training and hiring to keeping kids in school.

But when they are the only game in town, they can only have a limited impact. They can ease some of the pain, blunt some of the hardship. But without government's full efforts, they are like a single lifeboat floating near a sinking Titanic.

I cannot make any predictions about how long the current state of affairs will endure. I absolutely refuse to join the chorus predicting social unrest; in part, because I don't find such speculations responsible, and in part because I reject the notion that violent outbreaks are a valid measure of social unrest.

Rather, what is happening today is much more disturbing. It is a steady erosin of people's belief in the government and in their faith in the future. That kind of alienation is far more insidious than violence, for it saps the moral strength of our nation.

And it is an alienation we find that cuts across racial lines. Many white people who talked about "lazy blacks who don't want to work," are now out of work themselves. Many white people who labelled recipients of welfare and food stamps as cheaters, are now hungry themselves. Many formerly middle class people are now finding that they can't get a job, can't pay the mortgage, and can't afford to send their kids to college.

They are beginning to learn the truth—that more whites than blacks are on welfare, are on food stamps, are in other vital programs they labelled "black."

And many millions more are looking over their shoulders and beginning to see that while they never needed those programs themselves, federal social welfare programs are a safety net that could sustain them in bad times.

Now that safety net is being cruelly ripped away, and the insecurity is increasing. People now know that all it takes to drop out of the middle class is a factory closing or a spell of sickness. All that separates many millions of stable, secure families from the instability and insecurity of poverty is luck.

If the breaks go the wrong way, they will need food stamps; they will need welfare, they will need job training. What we call social welfare programs are really a form of social insurance, a compact among all Americans to protect everyone from dropping below some minimum level of substenance.

Those many millions are the real silent majority in America, and as they begin to understand that their hopes and dreams are being placed in peril, I believe they will no longer remain silent.

I was struck by an article I read earlier this year by a white Indiana factory worker. She wrote about the belief that working people are fed up with paying high taxes to help support federal social programs.

Not true, she says. She writes:

"So far I have never had to rely on welfare, free lunches, or Medicaid, but I very well might someday . . . People like me, Who live only a hairbreadth from economic disaster, are glad those programs are out there, though we pray we'll never have to use them."

The polls show it too. In poll after poll, responses indicate that while they may back parts of the President's program, Americans are disturbed by its effects on the poor. Yes, they want their tax burden eased. But not on the backs of the poor. Slowly but surely the message is coming across that driving the poor to desperation won't solve our nation's problems—it will just make them worse.

For years we in the civil rights movement have been fighting for integration and now this administration is busy integrating poverty. Millions of white Americans are learning that they are not better than the poor of other races, but that they are in the same leaky boat, a boat their government is trying to sink.

Throughout our history race has been the great dividing line, keeping whites from joining blacks in securing social justice for all.

Now, the combination of callous federal policies and the effects of the depression are blurring that dividing line. As Whitney Young used to say: "We may have come in different ships but we're all in the same boat now."

And that truth is beginning to reach Americans of all races, classes and regions. All of us have a stake in a stable, fair and just social order. All of us have a stake in an economy that provides opportunities, not restraints; in living standards that improve, not deteriorate, and in government that balances fiscal responsibility with compassion.

We are on a collision course with the future. But I have the faith in America's principles, the belief in America's wisdom, and the credence in America's morality, to retain my optimism.

I fully expect the pendulum to swing back to a new concern with equality, with ending discrimination and disadvantage, and with creating a new social consensus for justice and fairness. America has changed before; it will change again. I hope to do what I can to help move it toward that constructive change.

LEBANON AND ITS FUTURE

Mr. KENNEDY. Mr. President, the war in the Middle East has had tragic and devastating consequences that are all too familiar to all of us who care about a lasting peace in that troubled region of the world.

Last year, the Syrians in a clear act of provocation moved sophisticated SAM missiles into Lebanon and laid siege to the Christian city of Zahle. Syrian and PLO military forces expanded their occupation of that wartorn nation.

So long as the PLO maintains its policy calling for the total destruction of the State of Israel, so long as the PLO maintains its campaign of terrorism against the people of Israel, there will be no peace.

In recent weeks, Israeli diplomats have been the victims of vicious assassination plots. Israeli towns and farms in Galilee have been the targets of indiscriminate rocket and artillery attacks by Palestinian terrorists in Lebanon. The people of Israel live in constant harassment and fear for their lives. The result is the continuing outbreak of violent hostilities such as the conflict over the past 10 days.

There is, however, a way to work for peace in Lebanon and the Middle East, and that must be our primary focus now.

Last year I sponsored a resolution on American policy toward Lebanon. The terms of that resolution, which were enacted into law as part of the International Security and Development Cooperation Act of 1981, established four significant principles in U.S. policy on Lebanon.

First, the resolution called for "freedom, security, and opportunity for Christian and all other Lebanese communities, including the Moslems, Druze, and Jewish communities in Lebanon."

Second, it provided for "reaffirmation of the historic United States--Lebanese relationships and strengthening the longstanding commitment of the United States to the independence, sovereignty, and territorial integrity of Lebanon, without partition, free from terrorism and violence, and free to determine its future without Soviet or other outside interference."

Third, it sought "generous international support for relief, rehabilitation, and humanitarian assistance for Lebanon."

Finally, it asked "respect for and strengthening of the authority of a Lebanese Government, based on open national elections free from external interference, which will be able to preserve security through its national army and its security forces without outside military presence."

We must seize this new moment of opportunity with all the resources at our disposal. We must restore to Lebanon and to the Lebanese people their independence, sovereignty, and territorial integrity.

Israel has made its own policy clear, by stating repeatedly that it desires not 1 inch of Lebanese territory. Israel supports a Lebanese Government with full authority over its territory, free from the foreign forces and free from the terrorists that have brought so much destruction and devastation to Lebanon.

Six years ago, Syria sent forces into Lebanon, ostensibly in an effort to restore peace. But Syria has never recognized the sovereignty of Lebanon, and it has used its forces for military occupation. Syria has undermined the Constitution of Lebanon and intimidated both its Government and its people.

At the same time, the PLO constructed its own armed state within the state of Lebanon, terrorizing the people and Israel civilians. As a result of the Syrian and PLO assaults, one out of every five Lebanese citizens has been killed, wounded, orphaned, or displaced. Syrian forces should be withdrawn completely, and Lebanon must no longer be a sanctuary for PLO terrorism.

Now is the time to pursue full reconciliation between the various Lebanese factions, and I hope all Lebanese will work together to rebuild Lebanon's Central Government. In fact, Lebanon is scheduled to conduct elections later this year. It is in the highest interest of the Lebanese people for these elections to occur and for the elections to be free from external interference. Free elections would strengthen the Central Government, allowing it to assume its proper responsibility for security, without assistance from any outside military power. The United States should do everything possible to support the Lebanese Government in this undertaking.

Until the Government of Lebanon is prepared to resume its full responsibilities, the international community should assist in insuring the peace and security of Lebanon. One possibility is to provide a new and broadened mandate for the current United Nations International Force in Lebanon, which was created in 1978. Another possibility is a multinational force outside the U.N. Whatever international force is assembled, however, it must have the authority and military power to prevent renewed buildup of PLO and Syrian forces in Lebanon.

The United States and other friends of Lebanon must also help in the vital effort to restore Lebanon's economy. In the past, the Lebanese free enterprise economy was the foundation of that country's progress and prosperity and democratic institutions. Last year I sponsored legislational locating $5 million in relief and humanitarian assistance as a first pledge by our Government toward this goal of reconstruction and economic rehabilitation.

More assistance is needed now. Many thousands of Lebanese have been killed and injured—and hundreds of thousands have been displaced. Homes and businesses are destroyed. There is a critical need for emergency relief and humanitarian assistance, and the United States and all other concerned countries should act immediately to provide it. We must lend our strong support to the work of organizations such as the International Committee of the Red Cross, the U.N. High Commission for Refugees, and other U.N. agencies in undertaking programs to provide immediate relief and to implement long-range programs for the economic recovery of Lebanon.

In closing I would like to emphasize again the critical opportunity before us. For 7 years, Lebanon has been wracked by war, military occupation, and terrorism. It has become a festering source of instability and uncertainty in a region which badly wants and needs peace. The Lebanon of today stands in stark contrast to the Lebanon of other years, when it was a thriving economic hub, a land of peace and prosperity that was the common home for many religions and many peoples.

Lebanon can become that land again. It can become a voice for reconciliation in the vital search for peace in the Middle East. It is time for all foreign forces to withdraw from Lebanon. It is time for the PLO to lay down its arms and to renounce its campaign of terrorism. It is time for a new Lebanon. Above all, it is time for the United States to take the initiative in making that new Lebanon a reality.

Mr. President, the American Lebanese League passed an important resolution on the conflict in Lebanon at its annual convention this month in Washington. I request unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION PASSED AT THE AMERICAN LEBANESE LEAGUE CONVENTION, JUNE 15, 1982, WASHINGTON, D.C.

Whereas the American Lebanese League (A.L.L.) expresses deep sorrow at the tragic losses of life, limb and property and laments the added thousands of Lebanese citizens made refugees in their homeland and;

Whereas the Lebanese problem must be considered in a larger context, having suffered the degradation and dehumanization of over 7 years of brutal Syrian and PLO military occupation;

Whereas it is in the vital and strategic interests of the United States and Lebanon to have all foreign forces withdrawn. A tragic error would be made if Israeli forces were to withdraw leaving Syrian and PLO forces in place. This would condemn Lebanon to its continued agony and suffering.

Whereas the present situation offers an opportunity for the United States to solve the Lebanese problem and to neutralize its territory as a flashpoint for conflict by alien forces with impunity.

Whereas it would be in the United States national and strategic interests and those of Lebanon, that the present policy of containment and passivism be reversed: Therefore, be it

Resolved, That the United States use all legitimate means to: Assist in the creation of a strong central authority and army in Lebanon that assure a free, independent, pluralistic, sovereign state with territorial integrity.

This will accomplish the following:

(1) Blunt Soviet influence in the region through its Syrian, PLO, and Libyan clients.

(2) Curb the use of Lebanese territory as an international base of terrorism.

(3) Help remove Syria as an obstacle to the peace process and encourage more moderate forces for peace.

(4) Remove Lebanon as a potential tinderbox for a regional or wider conflagration.

The United States should take the necessary steps to insure:

(1) The withdrawal of all foreign forces from Lebanese soil.

(2) The establishment of a strong, central government and army to provide for internal security.

(3) A Free, Democratic Presidential Election.

(4) The Control and Behavior of the Palestinians while on Lebanese soil.

(5) To Provide Humanitarian and economic assistance to relieve the hardships of the population and help restore the Lebanese economy.

CAROLYN MALALIS' PRIZE WINNING ESSAY

Mr. MATSUNAGA. Mr. President, in 1980, Congress created the Commission on Wartime Relocation and Internment of Civilians to study and report on the internment of more than 120,000 Americans of Japanese ancestry and Aleutian Islanders during World War II. The nine-member Commission was appointed last year and has recently completed its public hearings. A report is due to be presented to the Congress at the end of December.

The public hearings which were held by the Commission beginning in July 1981 generated substantial public interest here in Washington, on the west coast, and in Alaska. In my own State, the American Civil Liberties Union (ACLU) of Hawaii sponsored an essay contest for intermediate school students. The participating students were asked to try to identify what went wrong in what the ACLU called "The worst single wholesale violation of civil liberties of American citizens in our history."

Last month, I had the pleasure of awarding the prizes to the authors of the winning essays in my Honolulu office. The first prize, a $100 check, went to Carolyn Malalis, of Aiea Intermediate School in Aiea, Hawaii. Four honorable mention awards of $25 each were presented to Jana Ireijo of Iao School on the Island of Maui, Kimberly Naholoholo and Ty Akimoto of Koloa School on the Island of Kauai, and Alisa Inouye of Kauai High School.

With the thought that my colleagues will find it of great interest, I ask unanimous consent that Ms. Malalis' first prize winning essay be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

[From the Honolulu (Hawaii) Sunday Star-Bulletin & Advertiser, May 30, 1982]

HOW JAPANESE-AMERICANS WERE DENIED THEIR RIGHTS

(By Carolyn Malalis)

During World War II, an incident took place which involved the internment of over 110,000 Japanese-American citizens and resident aliens. It was an uncalled-for action that bears an unmistakable resemblance to the internment acts of Hitler's Third Reich.

Masses were herded into camps without the "due process of law" guaranteed them by the Constitution. They were sentenced to internment on the basis of little else than their ancestry and the suspicions aroused by an over-excited public.

It is truly amazing how such an action could take place in our country with so little questioning. Rights were being denied left and right, never questioned until years later. Did we hold back only because it was not happening to us? Or perhaps it was purposely overlooked.

In any case, our Constitution seemed nonexistent, so grossly was it transgressed—Executive Order 9066 ordering the internment of Japanese-Americans being a direct infringement of the Fourth, Fifth, Sixth and 14th Amendments.

The injustice of the relocation act really cannot be rightly attributed to misinterpretation of the Consitution when, in the 14th Amendment, the treatment of all citizens is so clearly outlined.

It begins, "All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States." Two-thirds of the internees were born in the United States, often second and third generations who knew no other country than America. And yet, they were treated as prisoners of war.

Amendment 14: ". . . nor shall any state deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws." All this was denied the Japanese-Americans. They were isolated in desolate camps, their businesses closed, their property confiscated, the unsanitary conditions and emotional stress bringing many early deaths.

The fourth amendment was to protect American citizens against unreasonable searches and seizures. Before the searches and seizures took place, a warrant was supposed to be issued describing the place to be searched and persons or things to be seized. These constitutional safeguards too were neglected.

The Fifth Amendment reads, "No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury . . ." The relocation order deprived the internees of this right by military action. When they came under suspicion, they were given a few days to collect their things and then taken off to internment camps.

The Sixth Amendment guarantees each citizen a speedy, fair trial. The Japanese-American internees received no trial at all and could demand no judicial action whatsoever.

If the violation of such vital civil rights were so obvious, why did public officials allow it?

Following the attack on Pearl Harbor, a wartime hysteria broke out against the Japanese—any Japanese, whether they were law-abiding citizens or fanatical saboteurs. The two became one in the eyes of the public.

Officials came under much pressure to do something about the Japanese-Americans. So, the relocation order was put into effect and the public reacted with such support as to cause those who would otherwise have opposed to remain silent.

An agitated public was not the only reason for interning the Japanese however. Opportunists sought the relocation act as a chance to purchase land and goods from the internees at ridiculously low prices. The government itself participated in such acts, buying the property of the internees at 10 percent of their market value. The economic loss of the Japanese-Americans in this manner was in excess of $360 million.

This whole issue of the Japanese-American internment was, for a long time, a closed matter. National shame kept it from being discussed avidly and some of the internees themselves preferred to keep it forgotten.

However, of late, the matter has been resurrected. Many internees and relatives of internees have been fighting for financial compensation beyond the original $40. And scattered publishings of books and films revealing what really happened have also awakened interest.

It seems so shocking that this could have happened in our country, and so easily. It did not take long to reduce the Constitution to a mere piece of paper, and it is still worse to think, "Could it ever happen again?" the exasperation and humiliation repeated once more? I can only hope that this tragedy may serve the purpose of preventing another.

ORGANIZATIONS THAT SUPPORT ERA

Mr. TSONGAS. Mr. President, many organizations have worked vigorously for the ratification of the equal rights amendment. I would like to share with my colleagues a list of over 500 of these organizations that have been so diligent in working toward this important goal.

Mr. President, I ask unanimous consent that the list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS AND ASSOCIATIONS THAT SUPPORT ERA

Action for Children's T.V.

Actors Equity Association.

American Federation of Labor-Congress of Industrial Organizations.

African Studies Associations.

Alexandria Virginia Commission on the Status of Women.

Alliance of Women in Architecture.

Alpha Lambda Chapter of Sigma Theta Tau, Incorporated, University of Illinois.

Alternative School Network.

Amalgamated Clothing and Textile Workers Union.

Amalgamated Meat Cutters and Butchers Workmen—Union 427.

American Academy of Psychoanalysis.

American Academy of Psychotherapists.

American Academy of Religion—Department of Religion—Florida State University.

American Alliance for Health.

American Anthropological Association.

American Art Therapy Association.

American Association for the Advancement of Science.

American Association for Affirmative Action, Ball State University.

American Association of Bio-feedback Clinicians.

American Association for Higher Education.

American Association of Housing Educators.

American Association for Marriage and Family Therapy.

American Association of Pastoral Counselors.

American Association for Public Opinion Research.

American Association of Sex Educators, Counselors and Therapists.

American Association of University Administrators.
American Association of University Professors.
American Association of University Women.
American Association of Women in Community and Junior Colleges.
American Association for Women Podiatrists.
American Astronomical Society.
American Baptist Women.
American Baptist Churches, U.S.A.
American Bar Association Sub-committee on Individual Rights.
American Civil Liberties Union.
American Coalition of Citizens with Disabilities.
American College of Nurse Midwives.
American College of Obstetricians and Gynecologists.
American College of Personnel Association.
American Congress of Rehabilitation Medicine.
American Council on Consumer Interests.
American Educational Research Association.
American Endocrine Society.
American Ethical Union.
American Federation of Teachers.
American Federation of T.V. and Radio Artists (AFL-CIO).
American Friends Service Committee, Incorporated.
American Geological Institute.
American Health Planning Association.
American Historical Association.
American Home Economics Association.
American Humanist Association.
American Italian Historical Association.
American Italian Historical Association, West Regional Association.
American Jewish Committee.
American Jewish Council.
American Library Association.
American Mathematical Society.
American Medical Women's Association, Incorporated.
American Medical Women's Association, Incorporated.
American Medical Records Association.
American Medical Students Association.
American Montessori Society.
American Newspaper Women's Club.
American Nurses Association (ANA).
American Occupational Therapy Association, Incorporated.
American Orthopsychiatric Association, Incorporated.
American Philosophical Association, Eastern Division.
American Philosophical Association, Western Division.
American Physical Society.
American Political Science Association.
American Psychological Association (APA).
American Public Health Association.
American Society for Cell And Biology.
American Society for Eighteenth Century Studies.
American Society for Ethnohistory.
American Sociological Association, Michigan State University.
American Speech and Hearing Association.
American Studies Association.
American Theater Association.
American University Studies.
American Veteran's Committee.
American Women Radio and Television.
American Women's Society of Certified Public Accountants.
ANA—Council of Advance Practitioners In Psychiatric and Mental Health Nursing.
ANA—Council of Nurse Researchers.
ANA—New York County's R.N. Association.
Animal Behavior Society—Oklahoma State University.
Anti-Defamation League of B'nai B'rith.
Antioch School of Law.
APA—Division 34; Population and Environmental Psychology.
APA—Division 29; Psycho-Therapy.
APA—Division 35; Psychology of Women.
Arlington (Virginia) Democratic Committee.
Association for Administration of Volunteer Services.
Association for Advancement of Behavior Therapy.
Association for Asian Studies—University of Michigan.
Association for the Behavioral Sciences and Medical Education University of Arizona.
Association for Computational Linguistics.
Association for Education in Journalism.
Association for Educational Communication and Technology.
Association for Gerontology in Higher Education.
Association for Girl Scout Executives Staff, Region IV Athen's Women's Collective.
Association of Humanistic Psychology.
Association for Intercollegiate Athletics for Women.
Association of Jewish Family Services/Children Agencies.
Association of Labor-Management Administrators and Consultants on Alcoholism.
Association of Mental Health Administrators.
Association of Planned Parenthood Physicians.
Association for Population/Family Planning Libraries and Information Centers.
Association of State Democratic Chairmen.
Association Students—San Jose State University.
Association for Supervision and Curriculum Development.
Association for Women in Mathematics.
Association for Women Offenders.
Association for Women in Psychology.
Association for Women in Science, Incorporated.
Baltimore Task Force on the Status of Women in Church.
Baltimore Task Force on Status of Women in Church (Catholic).
Barbers, Beauticians and Allied Industries International Association.
Barnard College Women's Center.
Biophysical Society, Georgetown University Medical Center.
Black Women for ERA.
B'nai B'rith Women.
B'nai B'rith Women; Mid-Atlantic Region.
Brotherhood of Railway and Airline Clerks—Lodge 1906.
Bryn Mawr College for ERA.
Business and Professional Women's Foundation.
Calhoun County Democratic Party, Michigan.
California Association for Health Physical Education and Recreation.
California Association of Marriage/Family Counselors.
California Campaign for Economic Democracy.
California Democratic Council.
California Probation, Parole and Correctional Association.
California Women in Higher Education.
California Women Lawyers.
Cambridge Commission on the Status of Women.
Campus Ministry Women.
Canon Law Society of America.
Catholics Act for ERA.
Catholic Women's Seminary Fund, Incorporated.
Center for Research on Women—Wellesley College.
Center for Women Policy Studies.
Central State Conference on the Teaching of Foreign Language.
Chicago Catholic Women.
Chicago Women in Publishing.
Christian Feminists.
Church of the Bretheran, Washington Office.
Church Women United.
Cincinnati Teachers Association.
Coalition of Black Trade Unionists.
Coalition of Hispanic Mental Health/Human Services Organization.
Coalition of Independent College/University Students.
Coalition of Labor Union Women.
Coalition of Women's Art Organizations.
College Art Association.
College Music Society, Department of Music.
Colorado-Wyoming Association for Women Administrators and Counselors.
Commission Feminil Mexican Nacional, Incorporated.
Commission on Religion in Appalachia.
Common Cause.
Communication Workers of America.
Community Mental Health Consultants, Incorporated.
Conference on College Composition and Communication.
Connecticut Federation of Business and Professional Women's Club, Incorporated.
Consultation on Church Union.
Consumer Federation of America.
Council on Social Work Education.
Council of the Western Society for French History.
Council for Women's Rights.
CUIS Consortium, Incorporated.
Davies Memorial Unitarian Church.
D.C. Area Feminist Alliance.
D.C. Women's Law Coalition.
D.C. Commission on the Status of Women.
D.C. Women's Law Coalition.
Delta Sigma Theta Society.
Democratic National Committee.
Democratic Socialist Organizing Committee.
Dignity.
Directors Guild of America.
Doctors for the ERA.
Eastern Psychiatric Association, Glassburo State College.
Educational Systems Corporation.
Episcopal Church; Executive Council.
Episcopal Church; Executive Council of Michigan.
Episcopal Church Publishing Company.
ERAmerica.
Evangelical Women's Caucus.
The Endocrine Society.
Federally Employed Women.
Federation of Organizations for Professional Women.
Federation of Jewish Philanthropies.
Fellowship Commission.
Feminist Special Interest Group of American Mensa.
Feminist Union of New Haven.
Feminists of Faith.
Feminists Women Health Center.

Flora Crater and Women Activists for ERA.
Florida Women's Political Caucus.
Focus on Women: Wayne Community College.
Folger Shakespeare Library Staff.
Friends Committee on National Legislation.
Friends of the Earth.
Gay Activities Alliance.
Gay Activist Alliance of Washington, D.C.
General Federation of Women's Clubs Continuing Education.
George Mason University Students.
Georgetown University Students.
George Washington University—Women's Studies and Graduate Students Caucus.
Gray Panthers.
Greater Los Angeles Federal Women's Program Committee.
Group Health Cooperative of Puget Sound.
Hadassah.
Harvard College Students for the ERA.
High School Alliance.
History of Science Society.
Hood College.
Hospital Workers Union—Philadelphia—District 1199C.
Housewives for ERA.
Humanist Association National Capital Area.
Illinois Association for Marriage and Family Therapy.
Independent Student Coalition.
Indianapolis Coalition for Human Rights.
Industrial Designer Society of America.
Institute of Electrical and Electronics, Incorporated.
Institute of Women Today.
Intercollegiate Association of Women Students.
International Association of Machinist/Aerospace Workers.
International Association of Official Human Rights Agency, Armory Building.
International Association for Personnel Women.
International Brotherhood of Teamsters.
International Communications Association Balcones Research Center.
International Conference of Gay and Lesbian Jews.
International Ladies Garment Workers Union.
International Transactional Analysis Association.
International Union, United Mine Workers of America.
International Union of Electrical Radio and Machine Workers.
International Union of Operating Engineers.
International Women's Year Committee and Continuing Committees.
Jewish Labor Committee.
Jewish Peace Fellowship.
Jewish War Veterans of the United States.
Jewish Welfare Board.
Latin American Studies Association.
Leadership Conference on Civil Rights.
Leadership Conference of Women Religious.
League of Women Voters.
Linguistic Society of America.
Los Angeles County Democratic Central Committee.
Los Angeles Women's Delegation.
Lung Association of Sacramento, California.
Lutheran Church in America.
Lutheran Church Women; Board of Directors.
Lutheran Women's Caucus.
Maryland Elected Women.
Massachusetts Women's Political Caucus.
The Matriarchists.
Medical Library Association.
Mental Health Association.
Mental Health Association—in Hawaii—Maui County Branch.
Mental Health Association—Oahu Branch.
Mental Health Association—Hawaii County.
Mexican-American Women's National Association (MANA).
Michigan Public Interest Research Group.
Michigan State University Board of Trustees.
Michigan State University Students for ERA.
Michigan Women's Commission.
Mid-Continent American Studies Association—American Studies Program University of Tennessee.
Midwest Modern Language Association.
Midwest Political Science Association.
Midwest Sociological Society, University of Illinois.
Midwestern Association for Behavior Analysis.
Milwaukee Teachers Education Association.
Missouri Press Women, Incorporated.
Mormons for ERA.
Mount Holyoke College Students.
Music Educators National Conference.
National Abortion Federation.
National Abortion Rights Action League.
National Advisory Committee for Women.
National Alliance of Black Feminists.
National Assembly of Women Religious.
National Association for the Advancement of Colored People.
National Association of College Admissions Counselors.
National Association of College and University Chaplains.
National Association of Colored Women's Clubs.
National Association of Commissions for Women.
National Association of Concerned Veterans.
National Association of Cuban American Women.
National Association of Girls and Women's Sports.
National Association of Human Rights Workers.
National Association of Independent Schools.
National Association of Negro Business and Professional Women's Clubs.
National Association of Pediatric Nurse Associations/Practition.
National Association for Physical Education in Higher Education.
National Association of Pretrial Services Agencies.
National Association of School Psychologists.
National Association of Social Workers.
National Association of Student Personnel Administrators.
National Association of Temple Educators.
National Association of Women Business Owners.
National Association of Women in Criminal Justice, Incorporated.
National Bar Association.
National Citizens Committee for Broadcasting.
National Citizens Communication Lobby.
National Coalition of American Nuns.
National Commission on Working Women.
National Conference of Puerto Rican Women.
National Conference on Social Welfare.
National Conference on Women and the Law.
National Congress of Hispanic American Citizens.
National Council on Aging.
National Council on Alcoholism, Incorporated.
National Council of Career Women.
National Council of Churches.
National Council of Churches of Christ.
National Council of Jewish Women.
National Council of Negro Women.
National Council of Senior Citizens, Incorporated.
National Council for the Social Studies.
National Council of Teachers of English.
National Council on Women, Work and Welfare.
National Consumers League.
National Education Association.
National Emergency Civil Liberties Committee.
National Federation of Business and Professional Women's Clubs.
National Federation of Community Broadcasters.
National Federation of Democratic Women.
National Federation of Press Women.
National Federation of Student Social Workers.
National Federation of Temple Sisterhoods.
National Feminist Therapist Association.
National Gay Task Force.
National Geographic Society.
National Jewish Community Relations Advisory Council.
National Image, Incorporated.
National Lawyers Guild.
National Legal Aid and Defender Association.
National Lesbian Feminist Organization.
National Librarians Association, Alma College Library.
National Network of Runway & Youth Services, Incorporated.
National Organization for Women (NOW).
National Organization of Human Services Educators.
National Organization of Optional Parenthood.
National Panel of American Women.
National Student Nurses Association.
National Treasury Employees Union.
National University Extension Association.
National Woman's Party.
National Women's Health Network.
National Women's Political Caucus.
National Women's Studies Association, University of Maryland.
New American Movement.
New Democratic Coalition.
New Jersey Public Interest Research Group.
Newspaper Guild.
New York County's R.N. Association District 13.
New York University Law Women.
North American Student Cooperative Organization.
NOW Legal Defense and Education Fund.
Nurses Coalition for Action in Politics.
Office and Professional Employees International Union.
Ohio Education Association.
Ohio Women, Incorporated.
Oil, Chemical and Atomic Workers International Union.
Organization of American Historians.

Organization of Pan-Asian Pacific Women.
Organization of Women for Legal Awareness.
Ottawa University College without Campus.
Overseas Federation of Teachers.
PA Society for Clinical Social Work, Incorporated.
Pastoral Counseling and Consultation Centers of Washington, D.C.
Pennsylvania Federation of Teachers.
Pennsylvania Human Relations Committee.
Pennsylvania Social Services Union.
Pennsylvania Women's Center.
Philosophy of Education Society.
Pioneer Women.
Placer County Council on the Status of Women.
Planned Parenthood Federation.
Population Institute.
Priests for Equality.
Public Relations Society of America.
Quaker Women.
Religious Coalition for Abortion Rights.
Religious Committee for ERA.
Research Center for Women in Sports, Pennsylvania State University.
Rosasharon.
Rural American Women, Incorporated.
San Francisco Democratic County Central Committee.
Saint Joan's International Alliance.
San Joaquin Commission on the Status of Women.
Schenectady County—Commission on Human Rights.
Schoolcraft College Board of Trustees.
Scientists for the ERA Oak Ridge National Laboratory.
Service Employees International Union (AFL-CIO-CLC)
Service Employees International Union Joint Council 45-PA.
Sierra Club.
Southern Illinois University Student Government.
Single Women Over 40.
Smith Women and Friends.
Social Science History Association.
Socialist Labor Party.
Socialist Workers Party.
Society for the Advancement of American Philosophy.
Society for American Archaeology.
Society for Applied Anthropology.
Society for Developmental Biology.
Society for Historian of American Foreign Relations.
Society of Professional Archaeologists.
Society for the Psychological Study of Social Issues.
Society for Research on Child Development.
Society for Women in Transportation.
Society of Women Engineers.
Sociologists for Women in Society.
Soroptimist International of the Americas, Incorporated.
South Atlantic Modern Language Association.
Southern Anthropological Society.
Southern Association of Women Historians.
Southern California Women for Understanding.
Southern Christian Leadership.
Southern Historical Association, Tulane University.
Southern Illinois University Student Government.
Speech Communications Association.
Stanford University ERA Supporters.
Student Bar Association/School of Law, University of Santa Clara.
Syracuse Education Association.
Teachers of English to Speakers of Other Languages.
Teamsters Local 115.
Texas Federation of Teachers.
Tompkins County Women's Meeting.
Union of American Hebrew Congregation.
Unitarian Universal Association Executive Committee.
Unitarian Universalist Association of Congregations.
Unitarian Universalist Women's Federation.
United Auto Workers.
United Church of Christ.
United Electrical, Radio and Machine Workers of America.
United Farm Workers of America (AFL-CIO).
United Food and Commercial Workers International Union.
United Methodist Church: Board of Church and Society.
United Methodist Church: Board of Global Ministries.
United Presbyterian Church.
United Presbyterian Church: Advisory Council.
United Presbyterian Church: Council on Women and Church.
United Presbyterian Church: General Assembly Mission Council.
United States Student Association.
United Steelworkers of America.
United Steelworkers of America—District 31.
United Steelworkers of America—District 38.
United Steelworkers of America Locals 2610, 2609.
University of California at Los Angeles ERA Supporters.
University and College Labor Education Association.
University of Connecticut Students—Women's Center Box U-118.
University of Maryland.
University of Pennsylvania Center for Sports Medicine.
University of Santa Clara Feminist Law Students Association.
Urban Environment Conference.
U.S.-China Peoples Friendship Association.
Vassar College Students.
War Resisters League.
Washington Area Women's Center.
Washington Professional Women's Cooperative.
Washington Women's Representative.
Wayne State University Board of Governors.
West Queens Independent Democratic Club.
Western Gerontological Society.
Western Society for Pediatric Research.
Wider Opportunities for Woman.
William College ERA Supporters.
Wisconsin Education Association Council.
Womanpower Projects, Incorporated.
Women Against Violence Emergency Services.
Women Against Violence in Pornography and Media.
Women in Communications, Incorporated.
Women in German.
Women Law Students Association of University of Wisconsin.
Women in Mining.
Women Organized Against Rape.
Women Strike for Peace.
Women in Theatre.
Women in Transition.
Women's Action Alliance.
Women's Alliance for Change.
Women's Bureau—United States Department of Labor.
Women's Campaign Fund.
Women's Coalition of Media.
Women's Health Concerns Committee.
Women's Institute for Freedom of the Press.
Women's Interarts Center.
Women's International League for Peace and Freedom—U.S.
Women's Law Project.
Women's Legal Defense Fund, Incorporated.
Women's Lobby.
Women's National Democratic Club—Political Action Committee.
Women's Ordination Conference.
Women's Political Caucus.
Women's Professional Golf Tour.
World Student Christian Federation.
Writers Guild of America, East.
Writers Guild of America, West.
Yale Undergraduate Women's Caucus.
York County PA Democratic Committee.
Young Socialist Alliance.
Y.W.C.A.
Y.W.C.A.—Capital Area.
Y.W.C.A.—Oakland, California.
Y.W.C.A.—Germantown, Pennsylvania.
Y.W.C.A.—Paterson, New Jersey.
Y.W.C.A.—Philadelphia, Pennsylvania.
Youth Project.
Zero Population Growth.
Zonta International.

LESTER ROGER BELL

Mr. MATHIAS. Mr. President, I want to call the attention of the Senators to the fact that one of the most loyal of the Senate employees, Lester Roger Bell, senior door attendant, will retire tomorrow after 13 years of service to the U.S. Capitol and the Senate, which was preceded by 10 years of various assignments with the Metropolitan Police, of the District of Columbia.

I might say that Mr. Bell is a resident of Prince Georges County, Md. He and Mrs. Bell hope to take a well-earned rest and visit all of the 50 States of this country, and I know that Senators who see him in the next few hours will want to thank him for his remarkable service to the Senate and to the country.

THE BALANCE-THE-BUDGET AMENDMENT

Mr. HEFLIN. Mr. President, in a few days the Senate will begin consideration of Senate Joint Resolution 58, an amendment to the Constitution requiring a balanced Federal budget. I am pleased to be an original sponsor of this vital amendment, and am delighted that the leadership of the Senate has announced that the Senate will consider this concept in the near future.

The very first piece of legislation I introduced when I came to the U.S. Senate in 1979 was a resolution calling for a constitutional amendment providing essentially the same mechanism

provided for by this resolution. When I first introduced that bill, this country was being ravaged by the harshest economic conditions in many years. Since that time, our economy has continued to worsen with unemployment, high interest rates, and inflation running in a vicious, ever-tightening circle. The people of this country are crying out for relief, and it is the responsibility of this Congress to assume the leadership in trying to bring these problems under control and to provide the much-needed relief for the average American worker and taxpayer.

This constitutional amendment offers the Congress a valuable procedural tool in dealing with both distributive policies and fiscal planning. It was not the intention of the drafters of this amendment to write economic policy in the Constitution but, instead, to provide a procedural reform that can help us better fulfill our responsibilities as legislators.

It is clear from year after year of billion-dollar deficits that the conventional congressional budgetary process is not working. I am convinced that the Congress of the United States simply does not have the willpower to cut Government spending and balance the Federal budget without a constitutional mandate requiring it to do so.

The amendment proposed by this legislation is simple and straightforward. It provides that Congress can only adopt an unbalanced budget by a vote of three-fifths of all Members. An exception is provided in the bill for years in which a declaration of war is in effect. It was not until the middle part of this century that we departed from the unwritten principle of the balanced budget, except in times of emergency. Our amendment will once again require that there be an exceptional consensus and a super majority among the Members of Congress before a Federal deficit is warranted.

This amendment also restricts the ability of Congress to increase the level of taxation relative to the national income. Under the amendment, Congress would have to vote expressively for such an increase, thereby establishing a principle of accountability that should help us choose appropriate levels of revenue and of spending in a conscious, informed manner.

Mr. President, the time to act is now. The citizens of my State, indeed millions of citizens across the country, have urged the adoption of this amendment. There is strong bipartisan support for the amendment in both Houses of Congress. A balanced budget will be the measure to assure the American people that they can look forward once again to a sound economy. It is the vehicle by which we can begin to solve our economic problems and prevent their recurrence, and restore the confidence of the American people in their Government and their country's future. I call on this body to expedite passage of one of the most significant additions to the Constitution since the Bill of Rights.

Thank you, Mr. President.

MARYLAND CHARTER DAY

Mr. MATHIAS. Mr. President, this Sunday, June 20, marks the 350th anniversary of the granting of the charter of Maryland to Cecil Calvert, the second Baron of Baltimore, by King Charles I of England. The signing of the charter on June 20, 1632, was followed in less than 2 years by the arrival of the first settlers on Maryland's shores. This band of 128 brave men, women, and children arrived in the New World on March 25, 1634. One of them, Father Andrew White, has left us an account of their impressions when they arrived. The History of Maryland, edited by Richard Walsh and William Fox, records his reactions this way:

"You can drive a four-horse carriage, wherever you choose, through the midst of the trees." Here and there the native inhabitants had cleared fields of corn and vegetables and had built their huts or wigwams. The Indians proved friendly, and when they agreed peaceably to quit the area, leaving their fields and dwellings to the adventurers, Father White exclaimed, "The finger of God is in this."

Maryland is indeed richly blessed, both in natural resources and in human resources. Mindful of these blessings, Marylanders are preparing a gala celebration to mark the 350th anniversary of the granting of the charter. It will take place this weekend in Maryland's first capital, Old St. Mary's City, St. Mary's County, on the southern tip of Maryland's western shore.

A major exhibit of historic documents will be opened tomorrow at the First State House and will remain on display throughout the weekend. The official ceremonies marking the anniversary will begin at 1 p.m. on Sunday on the State House lawn. There will be dramatic presentations, living history, a rousing band, archaeological tours, and the opportunity to sample Maryland crabcakes.

Daniel Reed, director of St. Mary's City Commission, reports that the organizers of the celebration have planned "a public day that is enlightening, educational, and fun." Among the other attractions available in Maryland's colonial capital, is a faithful reproduction of the *Dove*, the smaller of the two sailing ships that carried the first settlers to Maryland's shores. The *Dove* is not a "Tall Ship". It is a small ship. It is barely 50-tons. But, it is the more impressive by virtue of its smallness. It gives you a real idea of how intrepid those first settlers were, for it is a very small ship indeed.

I urge my colleagues to take advantage of this opportunity to visit St. Mary's City and to participate in this unique celebration. It is a pleasant drive, a fascinating city, and you will find, as Father White did so long ago, the natives are friendly.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting a withdrawal and sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT—PM-144

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

Pursuant to the requirements of Section 10 of the Saint Lawrence Seaway Act of May 13, 1954, I hereby transmit the Saint Lawrence Seaway Development Corporation's Annual Report for 1981.

RONALD REAGAN.

THE WHITE HOUSE, *June 17, 1982.*

MESSAGES FROM THE HOUSE

At 10:58 a.m., a message from the House of Representatives, delivered by Mr. Berry, one its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 13, 21, 23, 24, 29, 30, 31, 32, 33, 39, 46, 47, 48, 52, 54, 55, 56, 57, 59, 60, 61, 63, and 65 to the bill, and agrees thereto; it recedes from its disagreement to the amendments of the Senate numbered 2, 3, 12, 14, 16, 18A, 19, 20, 22, 26, 27, 34, 37, 51, 62, and 64 to the bill, and agrees thereat, each with an amend-

ment; and that it insists upon its disagreement to the amendment of the Senate numbered 40 to the bill.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1482. An act for the relief of Christina Boltz Sidders;

H.R. 2340. An act for the relief of Theodore Anthony Dominguez;

H.R. 3451. An act for the relief of Danuta Gwozdz;

H.R. 4662. An act for the relief of Eun Ok Han;

H.R. 6254. An act to amend title 3, United States Code, to clarify the function of the United States Secret Service Uniformed Division with respect to certain foreign diplomatic missions in the United States, and for other purposes; and

H.R. 6350. An act to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two twelve-hour regularly scheduled tours of duty over a weekend shall be considered to have worked a full basic workweek, and for other purposes.

HOUSE BILLS REFERRED

The following bills were read twice by unanimous consent, and referred as indicated:

H.R. 2340. An act for the relief of Theodore Anthony Dominguez; to the Committee on the Judiciary.

H.R. 3451. An act for the relief of Danuta Gwozdz; to the Committee on the Judiciary.

H.R. 4662. An act for the relief of Eun Ok Han; to the Committee on the Judiciary.

H.R. 6254. An act to amend title 3, United States Code, to clarify the function of the United States Secret Service Uniformed Division with respect to certain foreign diplomatic missions in the United States, and for other purposes; to the Committee on Finance.

HOUSE BILL HELD AT THE DESK

Pursuant to the order of the Senate on June 15, 1982, the following bill was held at the desk by unanimous consent:

H.R. 6350. An act to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two twelve-hour regularly scheduled tours of duty over a weekend shall be considered to have worked a full basic workweek, and for other purposes.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-928. A resolution adopted by the Senate of the State of South Carolina; to the Committee on Appropriations:

"SENATE RESOLUTION

"Whereas, the Imported Fire Ant has become established in most of the southern United States; and

"Whereas, fire ants have been declared a major pest in these infested areas because of their painful stings which may result in injury or death to humans, domestic animals, and wildlife; and

"Whereas, fire ant nesting and feeding activities cause severe agricultural losses resulting from plant destruction, equipment damage, and interference with hand and machine harvesting operations; and

"Whereas, fire ants have become a real and present threat to the natural environment because their aggressive behavior patterns cause them to destroy or depiete other ground nesting species including bees, earth worms, and birds; and

"Whereas, fire ants also create urban and industrial losses by curtailing the use of parks and school grounds, damaging electrical and telephone wiring insulation in buildings, and undermining streets and highways; and

"Whereas, the currently accepted methods for controlling Imported Fire Ant infestations are inadequate and ineffective because of their expense, short-term effectiveness, and restrictions placed on their use; and

"Whereas, the development of newer and more effective controls has been hampered by the lack of research funds and by delays in approving requests for experimental use permits. Now, therefore, Be it resolved by the Senate of the State of South Carolina: That the members of the South Carolina Senate hereby memorialize the federal government to provide funding with which the United States Department of Agriculture and the Environmental Protection Agency may work more closely with state departments of agriculture and also colleges and universities in a strong and unified research program aimed at developing an effective, economical, and environmentally sound Imported Fire Ant control or eradication program.

"Be it further resolved that the Environmental Protection Agency is requested to conduct interim expedited reviews for the registration or experimental use of new Imported Fire Ant control or eradication compounds in order to provide more efficacious temporary relief to areas infested with the fire ant during the period in which a lasting long-term program is being developed.

"Be it further resolved that copies of this resolution be forwarded to the President of the United States, to each United States Senator from South Carolina, each member of the House of Representatives of Congress from South Carolina, the Senate of the United States and the House of Representatives of the United States."

POM-929. A resolution adopted by the Town Meeting of Wellfleet, Massachusetts, requesting the transfer of all funds appropriated for nuclear weapons to state and local use for the betterment of towns, villages, and cities; to the Committee on Appropriations.

POM-930. A resolution adopted by the Assembly of the State of New York; to the Committee on Armed Services:

"LEGISLATIVE RESOLUTION No. 660

"Whereas, President Ronald W. Reagan has placed great emphasis on maintaining the strength, quality and readiness of the United States military forces and our nation's ability to rapidly deploy forces in time of crisis now under close scrutiny in Congress and throughout the world; and

"Whereas, The recent events underscore the importance of our nation's ability to respond to military threats; and

"Whereas, The State of New York, as a political body and as a body of individual citizens, has always supported a strong defense force to protect our nation and our allies; and

"Whereas, New York State is a pioneer in the development of industrial skills and technologies that contribute to the economy of the state and nation and have led to the production of vital military hardware for our armed forces; and

"Whereas, Fairchild-Republic Company, which has provided jobs and has helped to support the economy of New York State for many years, manufactures military aircraft vital to the survivability and effectiveness of our Navy, Marine forces and Air Force; and

"Whereas, The A-10A Thunderbolt II Attack Plane is a tested and well-powered aircraft which will continue to provide the dependable and efficient means on which our Air Force depends; and

"Whereas, The need for this aircraft is urgent and the jobs of New York State residents are dependent upon the procurement of this aircraft; and

"Whereas, Due to federal cut-backs on the A-10A Thunderbolt, Fairchild-Republic has already laid off three hundred thirty Long Island workers and expects to furlough up to one thousand more skilled personnel here and in other plants; and

"Whereas, As a general rule, economists say each job lost at a major company like Fairchild-Republic affects three others on Long Island due to loss of income by workers and loss of business to other firms; now, therefore, be it

"Resolved, That this Legislative Body pause in its deliberations to memorialize the Honorable Ronald W. Reagan, President of the United States, and the Congress of the United States to re-evaluate their positions with regard to the purchase of the A-10A Thunderbolt II Attack Plane; and be it further

"Resolved, That copies of this Resolution, suitably engrossed, be transmitted to the honorable Ronald W. Reagan, President of the United States, to the President Pro Tem of the Senate, to the Speaker of the House of Representatives and to each member of Congress from the State of New York."

POM-931. A resolution adopted by the Board of Directors of the Mount Zion Hospital and Medical Center relating to its position with respect to the Civilian-Military Contingency Hospital System Agreement and the possibility of nuclear conflict; to the Committee on Armed Services.

POM-932. A resolution adopted by the Board of County Commissioners of Gadsden County, Florida opposing the U.S. Government's intention to award an Army contract to a foreign firm for the production of tactical radio sets; to the Committee on Armed Services.

POM-933. A resolution adopted by the New York State Banking Board urging that an analysis be made of the issues related to foreign acquisitions of banks so that an overall policy can be developed on such acquisitions; to the Committee on Banking, Housing, and Urban Affairs.

POM-934. A resolution adopted by the Legislature of the Commonwealth of Massachusetts; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE RESOLUTION

"Whereas, the current standard of living of many poor and elderly Americans is such that they are compelled to live in substandard housing and because of depressed fi-

nances are often unable to pay to adequately heat their living quarters; therefore be it

"*Resolved*, That the Massachusetts General Court respectfully urges the Congress of the United States to enact legislation to expand and better facilitate the section 8 subsidy and distribution formula to give direct rental assistance to house the poor and elderly in the two, three and four family homes of their communities through local housing and redevelopment authorities; and be it further

"*Resolved*, That a copy of these resolutions be forwarded by the Clerk of the House of Representatives to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

POM-935. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Commerce, Science, and Transportation:

"HOUSE RESOLUTION

"Whereas the decision to close the Boston regional office of the Federal Trade Commission will have a substantial adverse effect on both consumers and small businesses in the Commonwealth of Massachusetts and New England; and

"Whereas for over twenty years the Boston regional office has provided an F.T.C. presence in New England, enforcing the consumer protection and antitrust laws; and

"Whereas the F.T.C.'s antitrust activity is designed to prevent companies from fixing prices and otherwise agreeing not to compete with each other; and

"Whereas the Boston F.T.C. office receives an estimated 10,000 consumer complaints annually which are mediated and adjusted to the satisfaction of consumers and small businesses; and

"Whereas the Boston F.T.C. office acts as a liaison for State and local consumer and regulatory agencies in the areas of credit, consumer protection and antitrust as well as various other laws and regulations: Therefore be it

"*Resolved*, That the Massachusetts House of Representatives hereby respectfully requests the President to direct the Chairman of the Federal Trade Commission to rescind his decision to close the Boston regional office as it is contrary to the public's interest; and be it further

"*Resolved*, That a copy of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, from Chairman of the Federal Trade Commission and the Members of the Congress from this Commonwealth."

POM-936. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION NO. 70

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 70, Ingalls. Emergency vehicles.

This measure would memorialize the President and Congress to enact appropriate legislation to exempt authorized emergency vehicles from size, weight, and load requirements while being used in responding to and returning from emergency fire calls on highways in the National System of Interstate and Defense Highways.

"Whereas section 35002 of the Vehicle Code exempts any authorized emergency vehicle owned or operated by a governmental agency from size, weight, and load requirements while being used in responding to and returning from emergency fire calls in combating and suppressing fire, and while being moved from place to place in anticipation of that emergency use; and

"Whereas this exemption does not apply to those highways which are a part of the National System of Interstate and Defense Highways if the exemption would prevent the state from receiving any federal funds for highway purposes; and

"Whereas some specialized, authorized emergency vehicles, such as airport crash trucks responding to off-airport emergencies and semi-truck and trailers transporting bulldozers for watershed fire fighting, are in excess of the limitations imposed by the Federal-Aid Highway Act of 1956 and therefore cannot be legally operated upon interstate highways; and

"Whereas to respond to emergency incidents without using interstate highways causes undue delay in getting necessary emergency equipment to the scene, leading to the possibility of loss of life and property: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature respectfully memorializes the President and Congress of the United States to enact appropriate legislation to exempt authorized emergency vehicles from size, weight, and load requirements while being used in responding to and returning from emergency fire calls on highways in the National System of Interstate and Defense Highways; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Transportation, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-937. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION NO. 35

"LEGISLATIVE COUNSEL'S DIGEST

"SJR 35, Keene. California salmon fishery: seasons and quotas.

"This measure would memorialize the President and Congress, the Secretary of Commerce, and the Pacific Fishery Management Council to take specified actions relating to the commercial salmon fishery off the Pacific coast.

"Whereas the commercial and recreational salmon fisheries are important to California for food, jobs, and recreation; and

"Whereas the salmon fishery constitutes a significant portion of the economic activity of the nothern and central California coast; and

"Whereas the salmon resource of California has declined as much as 50 percent from the historical levels, due primarily to the damage done to the in-river spawning and nursery habitat of salmon and other instream activities; and

"Whereas the State of California and commercial and recreational fishermen have made a commitment to the restoration of California's salmon resources through stream restoration projects, increased instream water flows, expanded hatchery production, and rearing pond and hatch box programs funded by money from nonrenewable resources, landing taxes, salmon stamps, and private contributions; and

"Whereas the California commercial salmon season of April 15 to September 30 is set by statute and the recreational fishing season is set by the Fish and Game Commission of this state; and

"Whereas the Pacific Fishery Management Council, with only 3 of 13 votes from California, has since 1979 recommended reductions in the fishing season off the California coast, implemented by the United States Department of Commerce; and

"Whereas the Pacific Fishery Management Council, in 1981 recommended, and the United States Department of Commerce implemented, a quota on California's salmon catch and closed federal waters (3 to 200 miles) to salmon fishing during the months of April and June; and

"Whereas the reductions in the salmon fishing season off the California coast have been unsupported by the best available scientific data, have caused severe economic hardships to the seafood industry and the local economies it supports, have forced fishermen to operate their vessels in dangerously bad weather, and have denied Californians much of the benefit of their efforts to restore and enhance the salmon resource; and

"Whereas a lack of timely decisions by the the Pacific Fishery Management Council and the Secretary of Commerce has created uncertainty in the California seafood industry and the local economies it supports, and has made it difficult or impossible for the State of California to make timely decisions whether or how to conform salmon fishing seasons and regulations in state waters (within three miles of shore) to federal seasons and regulations; and

"Whereas the chairman of the Pacific Fishery Management Council has said that there may not be any commercial salmon fishing season in federal waters off California in 1983; and

"Whereas the Pacific Fishery Management Council's Salmon Plan Development Team, which advises the Council, lacks the confidence of the California public seafood industry and Legislature; and

"Whereas Congress is considering HR 5002 by Representative John Breaux of Louisiana to amend the Magnuson Fishery Conservation and Development Act; and

"Whereas Representative Leon Panetta of California has proposed an amendment to HR 5002 to give California three obligatory seats on the Pacific Fishery Management Council; and

"Whereas Salmon are among the most valuable of the commercial species harvested off the coast of California and among the most valuable of the fishery exports of the United States: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California (jointly)*, That the Legislature respectfully memorializes the President, Congress, and Secretary of Commerce of the United States to allow California commercial salmon fishermen to fish enough to avoid bankruptcy in 1982 and to impose no quotas or further closures on the California commercial salmon fishery in 1982; and be it further

"*Resolved*, That the Legislature respectfully memorializes the appropriate committees of Congress to conduct hearings in California in 1982 to determine the effects of federal actions on the California commercial salmon fishery, and to determine what legislative or other action may be needed to avoid further economic disasters for the California seafood industry and the local economies it supports and to provide greater

certainty concerning federal actions in 1983 and thereafter; and be it further

"Resolved, That the Legislature respectfully memorializes the President and Congress of the United States, the Secretary of Commerce and the Pacific Fishery Management Council to change the membership of the Salmon Plan Development Team to include members representing the balance of disciplines needed for optimum-yield management of the California salmon resource, and to include representatives of California commercial salmon fishermen; and be it further

"Resolved, That the Legislature supports the Panetta amendment to the Magnuson Fishery Conservation and Development Act to give California three obligatory seats on the Pacific Fishery Management Council; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Commerce, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Pacific Fishery Management Council, and to the Director of Fish and Game of this state."

POM-938. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Commerce, Science, and Transportation:

H.R. No. 348

"Whereas the Pacific Tuna Development Foundation has been successfully providing research and development in fisheries resources in the Central, Western and South Pacific Areas since 1974;

"Whereas this research and development effort has led to expansion of the U.S. Fishing fleet into these areas, resulting in increased U.S. fish catch;

"Whereas the Pacific Tuna Development Foundation has supported economic development in local fisheries throughout the Pacific Basin;

"Whereas the Pacific Tuna Development Foundation was created under Public Law 92-444, the Central, Western and South Pacific Fisheries Development Act;

"Whereas this Act expires on September 30, 1982;

"Whereas the funds under this Act were authorized but never appropriated, and

"Whereas the current funding for the Pacific Tuna Development Foundation from Saltonstall-Kennedy Funds is scheduled to terminate in fiscal year 1982;

"Be it resolved by the House of Representatives of the Eleventh Legislature of the State of Hawaii, Regular Session of 1982, that the U.S. Congress is requested to authorize a) the extension through fiscal year 1985, of Public Law 92-444, the Central, Western and South Pacific Fisheries Development Act and b) the funding at $5 million per year.

"Be it further resolved that a certified copy of this Resolution be transmitted to the Speaker of the U.S. House of Representative, the President of the U.S. Senate, to appropriate Congressional Committees and to Hawaii's Congressional Delegation."

POM-939. A resolution adopted by the House of Representatives of the State of Michigan; to the Committee on Commerce, Science, and Transportation:

"HOUSE RESOLUTION No. 494

"Whereas, As another element of cost-cutting measures, the Reagan administration has proposed eliminating funding for the National Oceanic and Atmospheric Administration's Great Lakes Environmental Research Laboratory in Ann Arbor as part of the budget for the 1983 Fiscal Year. Such an action would be detrimental to the quality of the Great Lakes and, subsequently, to the people of Michigan and our neighboring states and Canada; and

"Whereas, The Great Lakes Environmental Research Laboratory, which employs approximately 50 full-time individuals and 40 part-time positions, conducts essential research as to the quality of our nation's fundamental fresh water resources—the Great Lakes. The work undertaken by this facility is of direct and fundamental benefit to shippers, the fishing industry, boaters, swimmers, and the countless communities whose well-being depends upon quality water. The lab's special attention to such critical areas as testing for mercury, PCB, PBB, and many other chemical or potentially toxic substances reflects the work being conducted at this lab; and

"Whereas, In addition, the programs of the Great Lakes Environmental Research Laboratory also are aimed at anticipating needs and problems of this region of the country, including erosion control, recreation, power generation, water supply, lake transportation, flood control, fisheries management, and other aspects of the Great Lakes; and

"Whereas, Clearly, any reduction, much less the elimination, of such an essential research facility would seem highly shortsighted and counterproductive to the best interests of the country over the long run; now, therefore, be it

"Resolved by the House of Representatives, That the members of this legislative body hereby memorialize the President and the Congress of the United States not to eliminate funding for the National Oceanic and Atmospheric Administration's Great Lakes Environmental Research Laboratory in Ann Arbor; and be if further

"Resolved, That copies of this resolution be transmitted to the Office of the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan Congressional delegation."

POM-940. A resolution adopted by the Washington Public Ports Association urging a revision of the Jones act to provide a solution to the economic crisis in the forest industry; to the Committee on Commerce, Science, and Transportation.

POM-941. A resolution adopted by the City Council of Martins Ferry, Ohio requesting affirmative action against H.R. 1706 and its content with regard to the burning of Ohio coal in Ohio facilities; to the Committee on Energy and Natural Resources.

POM-942. A resolution adopted by the Board of Commissioners of Skagit County, Washington supporting continued federal apportionments of Land and Water Conservation Funds to the State of Washington; to the Committee on Energy and Natural Resources.

POM-943. A joint resolution adopted by the General Assembly of the State of Colorado; to the Committee on Energy and Natural Resources:

"SENATE JOINT RESOLUTION No. 20

"Whereas, The federal government, through its various agencies, owns nearly one-third of the land in the United States; and

"Whereas, The debt of the United States now exceeds $1,000,000,000,000; and

"Whereas, The sale of evaluated surplus federal properties, which have been determined to have no justifiable public purpose, which have not been managed for a maximum benefit for the American people, and which no longer fulfill the agency mission for which they were obtained, could contribute to a reduction of the national debt; and

"Whereas, Such surplus lands could be liquidated without damage to the public welfare and without changing the present use of many such properties; and

"Whereas, Proceeds from the sale of surplus properties are now used primarily to acquire new lands, not to relieve the pressure of the national debt or to benefit the American taxpayer; and

"Whereas, Transfers of federal surplus lands to the states should be encouraged as an alternative to acquisitions of additional lands by the federal government, and in-lieu land selections should be addressed to promote more efficient management of federal assets; and

"Whereas, The sale of evaluated surplus properties would result in a more productive use by members of the private sector, and states would receive the benefits of an increased property tax base; and

"Whereas, Priorities for the disposition of evaluated surplus lands should be established, and improved methods and procedures for the liquidation of such properties, with strong safeguards being given to traditional rights of use, should be initiated with the proceeds of such sales being used to reduce the national debt; now, therefore,

"Be It Resolved by the Senate of the Fifty-third General Assembly of the State of Colorado, the House of Representatives concurring therein:

"(1) That we, the members of the Fifty-third General Assembly of the State of Colorado, do request and encourage the President of the United States to implement a program for the orderly disposition of evaluated surplus properties of the federal government with the proceeds being used to restrain and ultimately reduce the national debt;

"(2) That we, the members of the Fifty-third General Assembly of the State of Colorado, do request and encourage the members of the Congress of the United States from the State of Colorado to develop and support legislative measures which would aid in the reduction of the national debt by using the proceeds from the liquidation of evaluated surplus federal properties; and

"(3) That we, the members of the Fifty-third General Assembly of the State of Colorado, do request and encourage the members of Congress to adopt measures which would require them to balance the federal budget each year.

"(4) That copies of this Resolution be sent to the President of the United States, to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States, and to each member of the Congress from the state of Colorado."

POM-944. A concurrent resolution adopted by the General Assembly of the State of Iowa; to the Committee on Energy and Natural Resources:

"Whereas, the Natural Gas Policy Act of 1978 calls for the gradual decontrol of natural gas prices through 1985; and

"Whereas, the President of the United States has considered the accelerated decontrol of natural gas prices; and

"Whereas, Iowans spent $668 million on natural gas in 1980 and that this expenditure could reach $1.5 billion by 1985 even with the current natural gas decontrol schedule; and

"Whereas, the Iowa Energy Policy Council has projected that the additional cost to Iowans of accelerated decontrol of natural gas prices could be $1 billion by the end of 1986; and

"Whereas, the potential for declining economic activity, a less productive and profitable industrial and agricultural base, and the loss of a substantial number of jobs as a direct result of escalating natural gas prices by the mid-1980's is real; and

"Whereas, uncontrolled decontrol of natural gas prices could result in inflationary increases in the consumer prices for food, clothing, housing, medical care and other household necessities and in the agricultural prices for fertilizers, pesticides and herbicides; and

"Whereas, Governor Robert Ray and the Iowa Energy Policy Council are on record in favor of maintaining the present gradual decontrol policy as opposed to the proposed accelerated decontrol policy; now therefore,

"Be it resolved by the House of Representatives, the Senate Concurring, That this General Assembly opposes the accelerated decontrol of natural gas prices being considered by the President of the United States; and

"Be it further Resolved, That copies of this Resolution be transmitted to the members of Iowa's Congressional delegation and to the President of the United States, the Speaker of the United States House of Representatives, and to the President of the United States Senate, with the request that they lay this Resolution before their respective bodies.

"We, Delwyn Stromer, Speaker of the House and Terry E. Branstad, President of the Senate, and Elizabeth Isaacson, Chief Clerk of the House and Marie Thayer, Secretary of the Senate, hereby certify that the above and foregoing Resolution was adopted by the House of Representatives and the Senate of the Sixty-ninth General Assembly, Second Regular Session."

POM-945. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Environment and Public Works:

"H.R. No. 365

"Whereas, the U.S. District Court for the District of Columbia has held that the Environmental Protection Agency (EPA) must issue regulations covering dams as a point source category under Section 402 of the Clean Water Act (P. L. 92-500); and

"Whereas, in the opinion in the case of National Wildlife Federal vs. Gorsuch issued on January 29, 1982, Judge Joyce Hens Greene ruled that certain water quality conditions associated with dams and reservoirs should be dealt with as a "discharge" of pollutants prohibited by Section 301 of P. L. 92-500; and

"Whereas, Judge Greene has rejected EPA's long held position that the National Pollutant Discharge Elimination System (NPDES) does not apply to releases from reservoirs and the court has held that the EPA has violated a nondiscretionary duty in failing to regulate dams with NPDES permits; now, therefore,

"Be it resolved by the House of Representatives of the Eleventh Legislature of the State of Hawaii, Regular Session of 1982, that the Congress of the United States is requested to amend P. L. 92-500 by eliminating the application of NPDES permits to discharges from reservoirs; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's delegation to the United States Congress."

POM-946. A resolution adopted by the West Virginia State Road Commission concerning the continuance of the Appalachian Regional Commission; to the Committee on Environment and Public Works.

POM-947. A resolution adopted by the City Council of Boca Raton, Fla., urging reenaction and strengthening of the Clean Air Act; to the Committee on Environment and Public Works.

POM-948. A resolution adopted by the council of the borough of West Mifflin, Allegheny County, Pa., supporting the imposition of steel import limitations under the provisions of the Trade Act of 1974; to the Committee on Finance.

POM-949. A resolution adopted by the council of the borough of Munhall, Pa., urging the imposition of steel import limitations under the provisions of the Trade Act of 1974; to the Committee on Finance.

POM-950. A resolution adopted by the City Council of Pittsburgh, Pa., supporting the imposition of steel import limitations under the provisions of the Federal Trade Act of 1974; to the Committee on Finance.

POM-951. A resolution adopted by the City Council of Martins Ferry, Ohio, supporting H.R. 5133 and its content with regard to foreign imports and their effect upon automotive and related industry of our nation; to the Committee on Finance.

POM-952. A resolution adopted by the Board of Commissioners of the Township of Wilkins, Pa., requesting the imposition of legislation to limit steel imports; to the Committee on Finance.

POM-953. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Finance:

"H.R. No. 252

"Whereas, the spiraling cost of housing has placed homeownership out of the affordable reach of many Americans, especially in places like Hawaii which have experienced constant economic growth and, among other consequences, has created a gap group of moderate to middle income families who are unable to purchase a home and whose incomes disqualify them from public housing assistance; and

"Whereas, the high cost of housing, in combination with today's high interest rates, has continued to frustrate the goals and efforts of the housing gap group to own their own homes; and

"Whereas, one promising means for making homeownership more affordable for many of these households is to provide for the establishment of individual housing accounts, which would be designed and administered along the same general lines as individual retirement accounts, to encourage first-time home buyers to save money for a home; and

"Whereas, under the concept of individual housing accounts, potential first-time home buyers would be permitted to contribute savings to such accounts which would be established in insured institutions that are engaged in residential mortgage lending, the principal and interest of their accounts which would be exempted from taxation up to a specified amount, and which would be required to be distributed within a specified time period for the purchase of their first principal residence; and

"Whereas, while the Hawaii State Legislature has been considering various measures to establish individual housing accounts for the benefit of Hawaii residents, supportive or corresponding legislation is needed at the federal level to amend federal tax laws which, in terms of the magnitude of funds involved in the tax savings therein provided, may be considered to be the primary effectuating instrument for federal housing policy; and

"Whereas, the enactment of federal legislation to establish individual housing accounts would greatly enhance the provision and operating effectiveness of such accounts in states like Hawaii; now, therefore,

Be it resolved by the House of Representatives of the Eleventh Legislature of the State of Hawaii, Regular Session of 1982, that the United States Congress is respectfully requested to amend federal tax laws to provide for the establishment of individual housing accounts to assist first-time home buyers throughout the nation to save money for a home; and

Be it further Resolved that certified copies of this Resolution be transmitted to President Ronald Reagan, the President of the United States Senate, the Speaker of the United State House of Representatives, and member of Hawaii's Congressional delegation."

POM-954. A resolution adopted by the Senate of the State of Michigan; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION No. 713.

"A concurrent resolution memorializing the President and the Congress of the United States to impose steel import limitations under the provisions of the Federal Trade Act of 1974.

"Whereas, The United States steel industry is currently suffering from the dual impact of a depressed American economy and the unfair competition of foreign steel producers. Indeed, while American steel companies are privately owned, many of their foreign competitors importing steel into this country are government owned, subsidized, or directed, and, consequently, they do not have to adhere to the same free-market system requirements as American steel producers; and

"Whereas, The importance of steel as a raw material for American industry cannot be overstated. Certainly, we in Michigan are dependent upon the availability of steel for the manufacture of products built in this state. Moreover, the continued viability of domestic steel producers is vital to the strength of the American economy and our national defense; and

"Whereas, In recent years, foreign companies have produced an increasing percentage of the supply of steel used in the United States. Indeed, the percentage of imported steel mill products used in this country has risen from 13.5 percent in 1975 to 19.1 percent in 1981. Moreover, United States imports of steel mill products for the first quarter of 1982 totaled 4,925,000 net tons, an increase of 34.7 percent over the same period last year. Furthermore, in January of 1982, 26.6 percent of the steel supply in the United States was imported; and

"Whereas, The penetration by imported steel into the American marketplace has had a devastating effect on the economic base and overall employment picture of the United States steel industry. While the steel industry in the United States has always favored the development of open, fair, and mutually beneficial world trade, it does not support nor feel is equitable a policy which requires American steel producers to compete in this country with foreign steel producers which receive substantial assistance from their governments; and

"Whereas, The problems of assuring that foreign companies compete fairly and legally confronts the steel industry, many other industries, and our entire economy. While we value highly our trade with foreign nations, it is the feeling of the Michigan Legislature that the United States government should develop a policy of steel import limitations which allows domestic steel producers to compete fairly in the American marketplace; now, therefore, be it

"Resolved by the Senate (the House of Representatives concurring), That the members of the Michigan Legislature memorialize the President and the Congress of the United States to impose steel import limitations under the provisions of the Federal Trade Act of 1974; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to members of the Michigan congressional delegation.

"Pursuant to rule 3.6, the concurrent resolution was referred to the Committee on Senate Administration and Rules."

POM-955. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Finance:

"HOUSE RESOLUTION 294

"Whereas, the Caribbean Basin Initiative is the latest in a series of proposals to help out Latin America going back to President Franklin D. Roosevelt's Good Neighbor Policy, and including President Kennedy's Alliance for Progress and President Carter's own Caribbean plan; and

"Whereas, the economic package is an integrated program that helps our neighbors to help themselves, a program which is intended to create conditions under which private entrepreneurship and self-help can flourish; and

"Whereas, the "centerpiece" is free trade for Caribbean products exported to the U.S. for twelve years, a period expected to be long enough to encourage investors to take part; and

"Whereas, only textile and apparel products have been exempted from the one-way free trade zone program; and

"Whereas, we must share to a certain extent in the sacrifices that are necessary to see that our neighbors can have some economic improvements as well; and

"Whereas, although the Caribbean aid package in the form of the Caribbean Basin Economic Recovery Act is well-intentioned, it places an extremely heavy burden on Puerto Rico, the Virgin Islands, Hawaii, and those states involved in light manufacturing; and

"Whereas, the President's proposal to increase the quantity of duty-free sugar imports will jeopardize the provisions of the Agriculture and Food Act of 1981 and will be of negligible help to the countries involved; and

"Whereas, sugar is the single most important export product for the State of Hawaii; and

"Whereas, the demise of sugar in Hawaii would have very obvious catastrophic consequences for the State of Hawaii since many thousands would become unemployed, thus creating a situation which would add a tremendous strain to our economy which is currently experiencing one of the highest levels of unemployment ever in its history; and

"Whereas, Hawaii's pineapple, papaya, and ornamental flower growers could also be harmed by the President's program depending on the ability of the Caribbean growers to produce and market these crops; and

"Whereas, the passage of the Caribbean Basin Economic Recovery Act in its present format would strongly encourage the supply to the United States of imported sugar, agricultural products and light industrial products such as shoes; and

"Whereas, it is manifestly unfair to have specific groups and states pay for this national policy initiative; now, therefore,

"Be it Resolved by the House of Representatives of the Eleventh Legislature of the State of Hawaii, Regular Session of 1982, that this body respectfully urges the United States Congress and President Reagan to evaluate all reasonable alternative approaches to the U.S. Caribbean Basin Economic Recovery Act before approving or otherwise implementing the Caribbean Basin Economic Recovery Act.

"Be it further Resolved that the Foreign Affairs Committee, the U.S. International Trade Commission, and other appropriate committees or subcommittees of the U.S. Congress be requested to hold public hearings in the State of Hawaii concerning the Caribbean Basin Economic Recovery Act; and

"Be it further Resolved that Hawaii's congressional delegation is respectfully urged to give their highest priority to the Caribbean Basin Economic Recovery Act and to act as a united group in a manner which protects the interest of Hawaii; and

"Be it further Resolved that certified copies of this Resolution be transmitted to President Ronald Reagan; to the President of the United States Senate; to the Speaker of the United States House of Representatives; to each member of Hawaii's delegation to Congress; to the Chairperson of the U.S. International Trade Commission; and to the Chairperson of the Foreign Affairs Committee."

POM-956. A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Finance:

"Whereas, economic dislocation due to full or partial plant closings has a devastating effect on Massachusetts workers and their communities; and

"Whereas, in many cases, workers affected by plant closings have spent most of their working lives with the company, giving rise to a moral obligation on the part of the employer; and

"Whereas, studies have shown that job losses due to plant closings result in higher incidences of crime, alcoholism, suicide, disease and other social ills that increase costs for State and local human services; and

"Whereas, national and multi-national conglomerate corporations have shown a tendency to extract profits from Massachusetts plants while withholding investments to modernize and expand their facilities; and

"Whereas, the loss of tax revenue due to plant closings erodes community services and puts more of a tax burden on local citizens; and

"Whereas, several States are considering plant closing legislation but are held up for economic blackmail by companies that threaten to move to other States if such bills are passed; now therefore be it

"Resolved, that the Massachusetts Senate memorializes the Congress of the United States to adopt legislation that would require substantial advance notice of an employer's intention to close a facility in part or in full; require disclosure to the workers affected, to the collective bargaining representative and the community affected, of the facts that gave rise to the intention to close; provide for a Federal investigation of the facts and circumstances giving rise to the intention to close, and for an impact statement on the economic and social effects of the proposed closing; provide for substantial pay, continuation of insurance protection, and training and relocation allowances to the affected workers; and repeal Federal tax provisions and tariff codes that give employers an economic incentive to close plants and relocate in other areas of the country and overseas; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, the presiding officer of each branch of the Congress and to each member thereof from the commonwealth."

POM-957. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Finance:

"HOUSE RESOLUTION 180

"Whereas, the Economic Recovery Tax Act of 1981 (Public Law No. 97-34) made numerous amendments to the Internal Revenue Code of 1954, as amended, to encourage economic growth through the reduction of the income tax rates for individual taxpayers, acceleration of capital cost recovery of investment in individual plant, equipment, and real property, and incentives for savings and other purposes; and

"Whereas, one of the major amendments to the Code with respect to incentives to personal saving was to increase from $1,750 to $2,250 the annual contribution limit for spousal individual retirement accounts (in which the working spouse establishes a joint individual retirement account for both the working and non-working spouse); and

"Whereas, the Act also deleted the requirement that contributions to the spousal individual retirement account must be equally divided between the two spouses; and

"Whereas, presently, any working individual can contribute up to $2,000 annually for an individual retirement account for such individual; and

"Whereas, without the requirement that equal contributions be made for both the working and non-working spouse, the current amount which may be contributed annually for the non-working spouse under the spousal individual retirement account may be as low as $250; and

"Whereas, this contribution allowance is totally inadequate for funding an adequate retirement for the non-working spouse under the spousal individual retirement account; and

"Whereas, since the non-working spouse, in general, does not participate in any private pension plan, self-employment retire-

ment plan, or the social security system, the non-working spouse is the individual which needs an adequate retirement allowance under the spousal individual retirement account; now, therefore,

"Be it Resolved by the House of Representatives of the Eleventh Legislature of the States of Hawaii, Regular Session of 1982, that this body strongly urges the Senate and the House of Representatives of the United States Congress to:

"(1) Increase the annual contribution limit for the spousal individual retirement account from $2,250 to $4,000 and reinstate the fifty per cent restriction on the annual contributions for the working and non-working spouse; or

"(2) Establish a separate spousal individual retirement account for the non-working spouse with a $2,000 annual contribution limit; and

"Be it further Resolved that this body strongly urges each member of Hawaii's congressional delegation to take whatever measures are necessary, including introducing and actively supporting legislation, to achieve the objectives described in this Resolution; and

"Be it further Resolved that certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's congressional delegation."

POM-958. A concurrent resolution adopted by the Legislature of the State of California to the Committee on Finance:

"HOUSE RESOLUTION No. 48

"Whereas, Strong commercial ties between the United States and Mexico have proven beneficial in securing successful international relations between our two countries; and

"Whereas, It is within the national interest to ensure that United States custom hours at the border town of Tecate, Mexico are sufficiently long to ensure unhindered commerce between our two countries; and

"Whereas, The State of California has demonstrated its long-standing commitment to maintaining excellent commercial and social relations between the United States and Mexico; and

"Whereas, The proposed curtailment of United States customs hours at the Tecate border (from the present hours of 7:00 a.m. to 12:00 midnight to the curtailed hours of 6:00 a.m. to 10:00 p.m.) will operate to produce $20,000 to $40,000 per month in business losses and will often result in United States and Mexican citizens being stranded in each other's respective country due to their inability to meet the proposed early curfew; and

"Whereas, The estimated $8,000 to $10,000 in annual savings to the United States Customs Office is insignificant in contrast to the severe business losses and personal hardship on citizens from both nations that will be created by the proposed curtailment of United States customs hours; now, therefore, be it

"Resolved, That the Assembly of the State of California respectfully memorializes California's Congressional and Senatorial delegation to work towards establishing 24-hour, around-the-clock customs hours at the Tecate border station; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-959. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Foreign Relations:

"HOUSE RESOLUTION 226

"Whereas, the huge acceleration of military spending proposed by the Reagan Administration together with talk of "nuclear superiority" and "limited" or "winnable" nuclear war arouses great fear and anxiety among most Americans and people throughout the world who realize that a nuclear war would end civilization as we know it; and

"Whereas, present scientific and medical evidence show that nuclear war, even a "limited" one, would result in death, injury and pollution, on a scale unprecedented in human history; and

"Whereas, worldwide fallout would contaminate our planet, severely damaging all living things for many generations; and

"Whereas, disaster planning for a nuclear war is futile and meaningless because shelters would become death ovens, nearly all hospitals would be destroyed medical personnel would be dead or injured, food, water, and other life supplies would be destroyed or contaminated, and those who survive initially would die after a short period; now, therefore,

"Be it Resolved by the House of Representatives of the Eleventh Legislature of the State of Hawaii, Regular Session of 1982, that President Ronald Reagan and the Congress of the United States are called upon to act immediately to reduce tension between the United States and the Soviet Union, and to ask the Soviet Union to join in a temporary suspension of the nuclear arms production while seeking a permanent, international nuclear weapons ban; and

"Be is Further Resolved that certified copies of this Resolution be transmitted to President Ronald Reagan, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's delegation to the United States Congress."

POM-960. A resolution adopted by the Legislature of the Commonwealth of Massachusetts; to the Committee on Foreign Relations:

"Whereas, Raul Wallenberg during the course of World War II exhibited outstanding heroic acts in rescuing countless Hungarian Jews from execution at the hands of the Nazis; and

"Whereas, Raul Wallenberg at the end of the war was known to have been taken by agents of the Soviet Union and has been seen in confinement in the Soviet Union since that time; and

"Whereas, in recent years there has been no report as to the safety and health of said Raul Wallenberg; now therefore be it

"Resolved, That the Massachusetts General Court urges the Congress of the United States to enact legislation which would urge the Soviet Union to provide official and correct data on the whereabouts of said Raul Wallenberg and if he is alive to effect his release from confinement in the Soviet Union; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the presiding officer of each branch of Congress and to the Members thereof from this Commonwealth."

POM-961. A resolution adopted by the School Committee of Portsmouth, Rhode Island, urging negotiations with the Soviet Union to freeze all nuclear weapons and weapon systems at present levels, and thereafter to negotiate a reduction in such weapons and weapon systems; to the Committee on Foreign Relations.

POM-962. A resolution adopted by the Board of Directors of the City of Fayetteville, Arkansas calling for a freeze on production and development of nuclear weapons and a reduction in the supply of nuclear weapons; to the Committee on Foreign Relations.

POM-963. A resolution adopted by the Town Meeting of Provincetown, Massachusetts, urging Congress and the President to immediately initiate and enter into a nuclear weapons moratorium with the Soviet Union and to transfer all funds appropriated for nuclear weapons to the domestic betterment of the American way of life; to the Committee on Foreign Relations.

POM-964. A resolution adopted by the Annual Assembly of the Diocese of the Armenian Church of America condemning all acts of violence and terrorism; to the Committee on Foreign Relations.

POM-965/ A resolution adopted by the Township Committee of Cranford, New Jersey, supporting reduction of nuclear arms as well as freeze in nuclear capability; to the Committee on Foreign Relations.

POM-966. A joint resolution adopted by the Legislature of the State of Washington requesting that the United States Postal Service issue a postage stamp in commeration of the May 18, 1980, eruption of Mount St. Helens; to the Committee on Governmental Affairs.

POM-967. A resolution adopted by the Board of Chosen Freeholders of Morris County, New Jersey urging the Congress to enact S. 1701 or H.R. 3781, which would authorize the Attorney General to assist law enforcement agencies in the acquisition and exchange of information concerning missing adults and children; to the Committee on the Judiciary.

POM-968. A resolution adopted by the Board of Commissioners of the City of Dothan, Alabama, supporting the President's proposed constitutional amendment to allow prayer to be offered in public schools and institutions; to the Committee on the Judiciary.

POM-969. A resolution adopted by the House of Representatives of the State of South Carolina; Ordered to lie on the table:

"HOUSE RESOLUTION

"Whereas, it is clearly recognizable that the Voting Rights Act of 1965 is probably the most significant and effective civil rights legislation ever passed by the United States Congress; and

Whereas, in October of 1981 the United States House of Representatives passed legislation (HR 3112) amending and extending the Voting Rights Act of 1965 by a vote of 389 to 24, thereby showing bipartisan support reflecting the reality that HR 3112 is a good and fair bill; and

"Whereas, Senate bill S. 1992 will nullify the decision of the United States Supreme Court in the case of *Bolden v. Mobile* reestablishing the original intent of Congress that "no qualification, prerequisite, standard, practice, or procedure shall be imposed or applied which results in the denial or abridgement of the right of a citizen to vote on account of race or color", and thereby clarify the "effect" as opposed to the "intent" standard which is being promoted

by the National Administration and some members of Congress; and

"Whereas, the bilingual provisions of the the Voting Rights Act which were added in 1975, but are scheduled to expire in 1985, and are necessary for citizens who speak other languages and cannot vote effectively without assistance, and should be extended to 1992 to coincide with the expiration date of the preclearance provisions; and

"Whereas, the preclearance provision of the Act offers tremendous incentives for states, counties, and municipalities to engage in constructive and affirmative efforts to increase access and participation of minorities in the political process, but an extension of these provisions to cover all fifty states would create an administrative nightmare that would ensure that even the most flagrant violations would never receive their just review, and since the present provisions expire in August of 1982 but should continue to 1992. Now, therefore,

"*Be it resolved* by the House of Representatives:

"That the United States Senate is memorialized to pass HR 3112, as passed by the subcommittee on the Constitution of the Senate of the United States Senate Judiciary Committee, which amends and extends the Voting Rights Act of 1965.

Be it further resolved, That a copy of this resolution be sent to the President of the United States Senate, Washington, D.C."

POM-970. A petition from a citizen of San Diego, Calif., urging Congress to reject "the Gay Bill of Rights"; to the Committee on the Judiciary.

POM-971. A petition from a citizen of the City of New York, N.Y., presenting the Board of Education's New York City Public Schools 1980-81 annual report; to the Committee on Labor and Human Resources.

POM-972. A resolution adopted by the House of Representatives of the State of Texas; ordered to lie on the table:

"RESOLUTION

"Whereas, the 52,500 citizens of the State of Texas now receiving railroad retirement benefits are entitled to reasonable protection of the retirement benefits that they expect to receive; and

"Whereas, there are now 29,852 railroad employees in Texas working for and contributing to the railroad retirement system with the expectation of reasonable protection of their retirement benefits; and

"Whereas, the budget proposed by the President of the United States for fiscal year 1983 contains a proposal to abolish the Railroad Retirement Board; and

"Whereas, the budget proposed by the President of the United States for fiscal year 1983 contains a proposal to shift tier one benefit payments to railroad retirees to the Social Security Administration and to convert tier two benefit payments to railroad retirees to a privately negotiated system; and

"Whereas, the budget proposed by the President of the United States for fiscal year 1983 contains a proposal for reducing dual benefit payments to railroad retirees already earned; and

"Whereas, the budget proposed by the President of the United States for fiscal year 1983 contains a proposal to disband the railroad retirement field office service system; Now, therefore, be it

"*Resolved,* That the House of Representatives of the 67th Legislature of the State of Texas, 2d called session, hereby urge the President of the United States and the members of the 97th Congress to proceed with utmost caution in preparing a budget for fiscal year 1983 in order to preserve the reasonable expectations and rights of persons who are receiving or accruing railroad retirement benefits; and, be it further

"*Resolved,* That the chief clerk of the house forward official copies of this resolution to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the United States Congress, the members of the congressional budget committees, and all members of the Texas delegation to the Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

S. 2645. An original bill to amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction and military family housing; (Rept. No. 97-474).

By Mr. PERCY, from the Committee on Foreign Relations:

A report to accompany the bill (S. 1940) to amend Chapter 209 of Title 18, United States Code, relating to extradition, and for other purposes (Rept. No. 97-475).

By Mr. DOLE, from the Committee on Finance, without amendment; and with an amendment to the preamble:

S. Con. Res. 100. Concurrent resolution expressing the sense of the Congress that pending steel unfair trade practice cases be vigorously pursued and promptly concluded.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

George C. Pratt, of New York, to be United States Circuit Judge for the Second Circuit;

Maurice M. Paul, of Florida, to be United States District Judge for the Northern District of Florida;

John W. Potter, of Ohio, to by United States District Judge for the Northern District of Ohio;

Harold M. Fong, of Hawaii, to be United States District Judge for the District of Hawaii;

A. J. McNamara, of Louisiana, to be United States District Judge for the Eastern District of Louisiana;

William C. Whitworth, of South Carolina, to be United States Marshal for the District of South Carolina for the term of four years; and

Francis K. Peo, of New York, to be United States Marshal for the Northern District of New York for the term of four years.

By Mr. TOWER, from the Committee on Armed Services:

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: Adm. Bobby Ray Inman, U.S. Navy, (age 51) for appointment to the grade of admiral on the retired list, Vice Adm. Lee Baggett, Jr., U.S. Navy, to be reassigned in the grade of vice admiral, Lt. Gen. John H. Miller, U.S. Marine Corps, to be reassigned to the grade of lieutenant general, Maj. Gen. William R. Maloney, U.S. Marine Corps, to be lieutenant general, Maj. Gen. William H. Fitch, U.S. Marine Corps, to be lieutenant general, Maj. Gen. Richard L. Prillaman, U.S. Army, to be lieutenant general, Maj. Gen. John T. Chain, Jr., U.S. Air Force, to be lieutenant general, in the Air Force Reserve there are 13 appointments to the grade of brigadier general and below (list begins with Rudolph D. Bartholomew), Brig. Gen. Robert F. Ensslin, Jr., U.S. Army National Guard, to be major general, Lt. Gen. Robert Haldane, U.S. Army, (age 57) for appointment to the grade of lieutenant general on the retired list, Lt. Gen. Howard F. Stone, U.S. Army, to be reassigned in the grade of lieutenant general, Lt. Gen. Billy M. Minter, U.S. Air Force, to be general, Lt. Gen. Richard E. Merkling, U.S. Air Force, to be reassigned as lieutenant general, Maj. Gen. Earl T. O'Loughlin, U.S. Air Force, to be lieutenant general, Brig. Gen. John A. Collins, U.S. Air Force, to be major general, Col. Stuart E. Barstad, U.S. Air Force, to be brigadier general and Brig. Gen. Gerald L. Prather, U.S. Air Force, to be major general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, in addition, in the Navy there are 1,285 permanent promotions to the grade of lieutenant commander (list begins with Michael C. Aaby), in the Army there are 21 appointments to the grade of major and below (list begins with John W. Carney), in the Army Reserve there are 286 promotions to the grade of colonel and below (list begins with Anthony Frigeri), in the Navy and Naval Reserve there are 49 permanent appointments to the grade of captain and below (list begins with Eugene M. Abler), in the Navy and Naval Reserve there are 33 permanent promotions to the grade of lieutenant commander and below (list begins with Peter H. Cressey), in the Air Force there are 190 permanent appointments to the Marine Corps to the grade of second lieutenant (list begins with Glen D. Montgomery, Jr., in the Air Force there are 8 permanent promotions to the grade of colonel and below (list begins with Salvatore F. Giannotta), in the Air Force there are 1,226 appointments to the grades and dates of rank to be determined by the Secretary of the Air Force (list begins with Donald S. Abel), in the Air Force there are 5 appointments to the grades and dates of rank to be determined by the Secretary of the Air Force (list begins with Gallen J. Rose), in the Air National Guard of the Air Force Reserve there are 26 promotions to the grade of lieutenant colonel (list begins

with Alfred G. Aldridge, Jr.), in the Navy there are 2 permanent promotions to the grade of ensign (list begins with Gregory J. Kniff), and in the Air Force there are 979 permanent promotions to the grade of colonel (list begins with Leroy P. Ache). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of May 21, May 24, June 8, and June 14, 1982, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STENNIS:

S. 2638. A bill to amend the Social Security Act to provide that payments shall be made from the general fund in the Treasury to the social security trust funds to reimburse such trust funds for the difference between the amount of interest earned by such trust funds and the amount of interest which could have been earned if amounts in such trust funds had been invested in securities which provided maximim return consistent with safety; to the Committee on Finance.

By Mr. BOSCHWITZ:

S. 2639. A bill to amend the Internal Revenue Code of 1954 to prevent the imposition of an additional estate tax if special use valuation property is used for the qualified use by the members of the family of certain qualified heirs; to the Committee on Finance.

By Mr. BOSCHWITZ (for himself and Mr. DURENBERGER):

S. 2640. A bill for the relief of the Excelsior United Methodist Church, Excelsior, Minn.; to the Committee on Finance.

By Mr. COHEN:

S. 2641. A bill to deny tax-exempt status to the National Broiler Council; to the Committee on Finance.

By Mr. WALLOP (for himself and Mr. SYMMS):

S. 2642. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of reserves for mining land reclamation and for the deduction of amounts added to such reserves; to the Committee on Finance.

By Mr. DECONCINI:

S. 2643. A bill to amend the Internal Revenue Code of 1954 to eliminate the marriage penalty; to the Committee on Finance.

By Mr. HART (for himself and Mr. MOYNIHAN)

S. 2644. A bill to authorize the Administrator of the Environmental Protection Agency to prohibit the disposal in landfills of certain hazardous wastes; to the Committee on Environment and Public Works.

By Mr. THURMOND, from the Committee on Armed Services:

S. 2645. An original bill to amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction and military family housing; placed on the calendar.

By Mr. ROTH (for himself and Mr. BENTSEN):

S. 2646. A bill to amend section 103(b)(6) of the Internal Revenue Code of 1954 with respect to the exemption from the industrial development bond provisions for certain small issues; to the Committee on Finance.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 2647. A bill to amend the Internal Revenue Code of 1954 to allow a business expense deduction for certain conventions on cruise ships and to reinstate the convention reporting requirements; to the Committee on Finance.

By Mr. PELL:

S. 2648. A bill to provide for the continuation of the National Diffusion Network; to the Committee on Labor and Human Resources.

By Mr. D'AMATO:

S. 2649. A bill to authorize the Secretary of the Interior to enter into a cooperative agreement to maintain the gravesite of Samuel "Uncle Sam" Wilson and to erect and maintain tablets or markers at such gravesite in commemoration of the progenitor of the national symbol of the United States; to the Committee on Rules and Administration.

By Mr. HATCH:

S. 2650. A bill to provide readjustment services to workers permanently displaced from their jobs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. McCLURE (by request):

S. 2651. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

By Mr. DANFORTH (for himself, Mr. TSONGAS, Mr. BAKER, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. LAXALT, Mr. BRADLEY, Mr. CRANSTON, Mr. MATSUNAGA, Mr. PELL, and Mr. SASSER):

S.J. Res. 202. A joint resolution to express the sense of the Congress of the United States that the Nation reaffirm its commitment to the expeditious development of magnetic fusion energy; to the Committee on Energy and Natural Resources.

By Mr. WEICKER:

S.J. Res. 203. A joint resolution to authorize and request the President to designate the week of November 30, 1982, through December 5, 1982, as "National Preventive Dentistry for the Elderly Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER:

S. Res. 413. A resolution urging referral of the issue of sovereignity over the Falkland (Malvinas) Islands to the International Court of Justice; to the Committee on Foreign Relations.

By Mr. PRESSLER:

S. Res. 414. A resolution expressing the sense of the Senate with respect to the need to demonstrate that the United States is a reliable supplier of grain, and for other purposes; to the Committee on Foreign Relations.

By Mr. D'AMATO:

S. Res. 415. A resolution to congratulate Mrs. Jean MacArthur for her work for law enforcement; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. Con. Res. 106. A concurrent resolution expressing the sense of Congress respecting maintaining existing regulations assuring nursing home compliance with medicare health and safety requirements; to the Committee on Finance.

By Mr. PELL:

S. Con. Res. 107. A concurrent resolution expressing the sense of the Congress that the executive branch should conform to the recommendations of the Global 2000 study; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STENNIS:

S. 2638. A bill to amend the Social Security Act to provide that payments shall be made from the general fund in the Treasury to the social security trust funds to reimburse such trust funds for the difference between the amount of interest earned by such trust funds and the amount of interest which could have been earned if amounts in such trust funds had been invested in securities which provided maximum return consistent with safety; to the Committee on Finance.

(The remarks of Mr. STENNIS on this legislation appear earlier in today's RECORD.)

By Mr. BOSCHWITZ:

S. 2639. A bill to amend the Internal Revenue Code of 1954 to prevent the imposition of an additional estate tax if special use valuation property is used for the qualified use by the members of the family of certain qualified heirs; to the Committee on Finance.

FARM ESTATE INHERITANCE TAXES

Mr. BOSCHWITZ. Mr. President, the family farm is one of our most precious resources and insuring its survival is a high priority for many of us in Congress.

Last year in the Economic Recovery Tax Act we passed some modifications to the farm valuation section of the estate tax, but inadvertently failed to address one related problem. The bill I am introducing today will rectify this problem and help many widows hang on to the family farm and pass it on to their children.

Section 2032A of the estate tax provides for lowered valuation of farm property provided that the farm is continued in use as a farm by members of the decedent's family. There are a number of requirements which must be met before the estate can qualify for this special use valuation including one that previously barred cash renting the farm to family members, even those who were to be the heirs. This situation was rectified in ERTA last year, so that now an owner

of a farm can cash rent to his own family, as is often necessary when the owner becomes aged or disabled, and still maintain the farm's eligibility for special use valuation.

However, we apparently did not address a similar problem the surviving spouse faces after the decedent's death. The IRS has decided that unless the lease under which the farm had been cash rented before death is changed after death to another form of rental, the widow will have to pay additional estate tax under the recapture tax provisions. Obviously this flies in the face of the intent of last year's revisions where we decided to allow persons the flexibility of various rental choices as long as the farm continued to be farmed by a family member.

My bill would allow the widow to continue the previous rental arrangement without having to sell the farm to pay additional estate taxes. I would also extend this same latitude to heirs over the age of 65, and disabled heirs, heirs under the age of 21 or students, since Congress has previously determined these people to be exempt from some other special use requirements due to their inability to physically operate the farm.

I know that those who joined with me before to change the cash-rent prohibition will support me again to insure that family farms can remain family farms.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2639

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (7) of section 2032A(c) of the Internal Revenue Code of 1954 (relating to special rules) is amended by adding at the end thereof the following new subparagraph:

"(F) QUALIFIED USE BY MEMBERS OF THE QUALIFIED HEIR'S FAMILY.—For purposes of paragraph (1)(B), any use of the qualified real property for the qualified use under which the qualified real property qualified under subsection (b) by any member of the family of a qualified heir—

"(i) while such qualified heir is an eligible qualified heir, or

"(ii) after such qualified heir has attained 65 years of age,

shall be treated as use of the qualified real property by such qualified heir for such qualified use.".

(b) Notwithstanding section 6511(a) or any other period of limitation or lapse of time, a claim for credit or refund which arises by reason of the amendment made by subsection (a) may be filed by any person within the 1-year period beginning on the date of enactment of this Act. Sections 6511(b) and 6514 of the Internal Revenue Code of 1954 shall not apply to any claim for credit or refund filed under this subsection within such 1-year period.

(c) The amendment made by this Act shall apply to the estates of decedents dying after December 31, 1976.

By Mr. BOSCHWITZ:

S. 2640. A bill for the relief of the Excelsior United Methodist Church, Excelsior, Minnesota: to the Committee on Finance.

EXCELSIOR METHODIST CHURCH

Mr. BOSCHWITZ. Mr. President, today I am introducing a bill that will assist the Excelsior Methodist Church in Excelsior, Minn. This bill is necessary because Excelsior Methodist has been caught in a tangled mess resulting from the filing of a waiver under social security over 10 years age.

Back in 1970 the church, which is a nonprofit organization and so exempt from social security, filed a waiver of exemption in order to pay social security taxes for one employee, a custodian. That waiver was granted, and Excelsior paid the tax until 1972 at which time the custodian left Excelsior Church. No other custodian was hired, so Excelsior paid no further taxes.

However, Excelsior, in the eyes of IRS, made one serious mistake. Excelsior is a Methodist church, and under the organization of Methodist churches is split into two separate entities, a board of trustees and an administrative council. The board of trustees has one function in the church, to oversee the physical upkeep of the church. The Excelsior Methodist Church Board had only one paid employee, the custodian hired in 1970. The board of trustees filed the FICA waiver, and hence Excelsior Methodist Church presumed that the waiver only applied to the board of trustee employee.

IRS disagreed. In 1981, they informed Excelsior that the waiver had in fact applied to all the church's employees, not just the custodian. Under the Internal Revenue Code the IRS considers the church to be one entity, not two, even though the church itself functions as two entities. IRS then requested payment of over $10,000 in back social security taxes due. It seems at this point that legislation is required to resolve this problem.

This bill will negate the earlier waiver for all employees except the custodian it was originally intended for. It does not involve any expenditure of funds, and does not leave any unfunded liability in social security since none of the affected employees would be eligible for social security benefits as a result of their employment in any event. In addition, all employees had been clearly informed at the time of their employment that their jobs were not covered by social security. And, of course, Excelsior simply does not have a spare $10,000 to hand over to IRS.

Mr. President, the FICA waiver was filed by the Excelsior Methodist Church board of trustees in good faith. It is unfortunate that in trying to accommodate one employee, the church has now jeopardized its financial standing to a great extent.

While I understand that in general laws necessarily are written to meet the circumstances of the majority of cases, I would hate to think we had reached the point where we can not accommodate the special needs of one.

I ask unanimous consent that the bill be printed in the RECORD.

S. 2640

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 3121 (b) (8) (B) of the Internal Revenue Code of 1954, the certificate filed by the Excelsior United Methodist Church, Excelsior, Minnesota, in 1970 pursuant to section 3121 (k) of such Code shall constitute a waiver of exemption from taxation under chapter 21 of such Code only with respect to service performed by the employee whose name appears on the list required by section 3121 (k) to accompany such certificate.

By Mr. WALLOP (for himself and Mr. SYMMS):

S. 2642. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of reserves for mining land reclamation and for the deduction of amounts added to such reserves; to the Committee on Finance.

COMPREHENSIVE MINING RECLAMATION RESERVE ACT OF 1982

Mr. WALLOP. Mr. President, today I am introducing the Comprehensive Mining Reclamation Act of 1982 in an effort to resolve the long-running controversy between the Internal Revenue Service and the surface mining industry with regard to their reclamation expenses. This legislation is very similar to that introduced late last year by my colleague from Pennsylvania, Senator SPECTER. I congratulate my colleague for his hard work on this issue and hope that we can join in focusing the attention of the Congress on a very real issue which has been swept up in needless controversy. My purpose in introducing this legislation today is to complement the work of my colleague from Pennsylvania, while at the same time assuring that mine operators have the opportunity to use those accounting methods for computing their reclamation costs presently allowed by case law.

Surface mine operators must, by Federal and State law, reclaim land that has been disturbed by the mining process. A mine operator cannot begin mining until its comprehensive reclamation plan has been approved. The operator must post a performance bond to guarantee that the approved reclamation plan will be carried out. Noncompliance can result in civil and/or criminal penalties. Under these rules, the operator has a fixed and cer-

tain legal obligation to pay the costs of reclaiming the land and that obligation exists just as soon as the land is disturbed.

S. 1911 introduced by Senator SPECTER would permit the deduction of accrued reclamation expenses ratably over the life of the mine. However, as Senator SPECTER noted in his introductory statement, legislation in this area should reflect existing practices within the mining industry. The legislation which I am introducing today takes a further step in assuring mine operators they will indeed have those tax-accounting options which have been available on a historical basis, and which are consistent with the mining techniques they employ.

Of particular interest, and what differentiates the legislation I am introducing today from that offered by my colleague from Pennsylvania, is that it would codify the "as disturbed" method of reclamation tax-accounting. In reality there should be no need to take this step. The tax regulations for many years have stated:

An expense in deductible for the taxable year in which all events have occurred which determine the fact of the liability and the amount thereof can be determined with reasonable accuracy.—Treas. Reg. §1.461-1(a)(2).

The fact of the liability to reclaim is established just as soon as the land is disturbed. The amount of the liability can generally be determined with reasonable accuracy through sophisticated engineering analysis. When these two elements are present, the accrued costs are properly deductible in the year that the land is disturbed. Despite this clear entitlement, and despite court cases upholding in—most recently the tax court case Ohio River Collieries against Commissioner—the Internal Revenue Service continues to take the position that a taxpayer may not deduct its accrued reclamation obligations until the reclamation work has actually been performed.

This legislation will preserve for mine operators the options that are currently available to them. In recognition of the fact that a mine operator may employ different mining techniques on different properties, operators would be allowed to elect a recovery method on a property-by-property basis. However, once an election has been made with respect to the property, that election could be changed only with the consent of the Treasury Secretary.

The need for energy development and for restoration of our lands disturbed by surface mining make it imperative that we do not inadvertently create disincentives to these national priorities. This legislation is designed to avoid any such inadvertent action.

Mr. President, I ask unamimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2642

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Comprehensive Mining Reclamation Reserve Act of 1982".

SEC. 2. ALLOWANCE OF DEDUCTION FOR ADDITIONS TO RECLAMATION RESERVES.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 of the Internal Revenue Code of 1954 (relating to the taxable year for which deduction may be taken) is amended by adding at the end thereof the following new section:

"SEC. 467. RESERVES FOR ESTIMATED EXPENSES OF SURFACE MINING LAND RECLAMATION.

"(a) ALLOWANCE OF DEDUCTION.—In computing taxable income for the taxable year, there shall be taken into account a reasonable addition to any reserve established for the estimated expenses of surface mining land reclamation.

"(b) ADJUSTMENTS WHERE RESERVE BECOMES EXCESSIVE.—If it is determined that the amount of any reserve for the estimated expenses of surface mining land reclamation is (as of the close of the taxable year) excessive, then (under regulations prescribed by the Secretary) such excess shall be taken into account in computing taxable income for the taxable year.

"(c) ELECTION OF BENEFITS.—

"(1) IN GENERAL.—This section shall apply to the estimated expenses of surface mining land reclamation with respect to any property if and only if the taxpayer makes an election under this section with respect to such property. Such election shall be made in such manner as the Secretary may by regulations prescribe.

"(2) SCOPE OF ELECTION.—If an election under this section is made with respect to any property, such election shall—

"(A) apply to all estimated expenses of surface mining land reclamation of the taxpayer with respect to such property, and

"(B) specify whether such estimated expenses are allocable to either—

"(i) minerals extracted by surface mining activities, or

"(ii) the portion of the property disturbed by surface mining.

"(3) WHEN ELECTION MAY BE MADE.—

"(A) WITHOUT CONSENT.—A taxpayer may, without the consent of the Secretary, make an election under this section with respect to any property for his first taxable year—

"(i) which ends after the date of the enactment of this section, and

"(ii) for which there are estimated expenses of surface mining land reclamation with respect to such property.

Such an election shall be made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(B) WITH CONSENT.—A taxpayer may, with the consent of the Secretary, make an election under this section at any time.

"(4) REVOCABLE ONLY WITH CONSENT.—An election under this section, once made, may be revoked only with the consent of the Secretary.

"(5) PROPERTY DEFINED.—For purposes of this section, the term 'property' has the meaning given to such term by section 614.

"(d) ESTIMATED EXPENSES OF SURFACE MINING LAND RECLAMATION.—For purposes of this section—

"(1) IN GENERAL.—The term 'estimated expenses of surface mining land reclamation' means a deduction allowable to the taxpayer under this subtitle which—

"(A) is attributable to qualified reclamation activities to be continued in subsequent taxable years,

"(B) can be estimated with reasonable accuracy, and

"(C) is allocable to either—

"(i) minerals extracted by surface mining activities which occur before the close of the taxable year, or

"(ii) the portion of the property disturbed by surface mining which occurs before the close of the taxable year.

"(2) QUALIFIED RECLAMATION ACTIVITIES.—The term 'qualified reclamation activities' means any land reclamation activities which are conducted in accordance with a reclamation plan—

"(A) which is submitted pursuant to the provisions of section 508 or 511 of the Surface Mining Control and Reclamation Act of 1977 (as in effect on January 1, 1981) and which is part of a surface mining and reclamation permit granted under the provisions of title V of such Act (as so in effect), or

"(B) which is submitted pursuant to any other Federal or State law which imposes reclamation and permit requirements substantially similar to those imposed by title V of such Act (as so in effect.).

"(3) EXCEPTION.—Except for purposes of subsection (e), the term 'estimated expenses of surface mining land reclamation' does not include any amount allocable to minerals extracted or property disturbed by surface mining activities occurring before the beginning of the first taxable year for which an election under this section is made.

"(e) SPECIAL RULE FOR COSTS ATTRIBUTABLE TO PERIOD BEFORE ELECTION.—Any estimated expenses of surface mining land reclamation which are allocable to minerals extracted or property disturbed by surface mining activities which occurred before the first taxable year for which an election with respect to the property under this section is made and which have not previously been taken into account by the taxpayer in computing taxable income, shall be treated as deferred expenses and shall be allowed as a deduction ratably over a period—

"(1) which begins with the first month of the first taxable year for which an election under this section is made with respect to the property, and

"(2) which ends with the month during which it is reasonably expected that surface mining land reclamation activities with respect to the property involved will be completed (or if earlier the last month of the 60-month period beginning with the month described in paragraph (1)).

"(f) SPECIAL RULES.—

"(1) TAXPAYERS WHO MAKE AN ELECTION UNDER SECTION.—In the case of any taxpayer who makes an election under this section with respect to any property, the determination of the taxable year for which nonqualified land reclamation expenses with respect to such property are allowable as a deduction shall be made under regulations prescribed by the Secretary. For purposes of the preceding sentence, the term 'nonqualified land reclamation expenses' means any expense of land reclamation activities (other than qualified reclamation activities) which are attributable to surface mining.

"(2) TAXPAYERS WHO DO NOT MAKE AN ELECTION.—In the case of any taxpayer who does not make an election under this section with respect to any property, any deduction for expenses of land reclamation activities with respect to such property attributable to surface mining shall be allowable in the same manner and to the same extent as if this section had not been enacted.".

(b) The table of sections for subpart C of part II of subchapter E of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 467. Reserves for estimated expenses of surface mining land reclamation.".

(c)(1) The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) If—

(A) the taxpayer makes an election under section 467 of the Internal Revenue Code of 1954 for his first taxable year ending after the date of the enactment of this Act, and

(B) for a continuous period of one or more taxable years each of which ends on or before such date of enactment, the taxpayer used an accrual method of accounting for a property with respect to the expenses of surface mining land reclamation activities attributable to surface mining which allowed a deduction for such expenses prior to the taxable year in which such expenses were paid.

then the taxpayer may make an election under this paragraph to have the method of accounting which he used for such continuous period with respect to such property treated as a valid method of accounting for purposes of the Internal Revenue Code of 1954. The taxpayer may make an election under this section with respect to only one such continuous period.

(3) An election under paragraph (2) shall be made at such time and in such manner as the Secretary of the Treasury or his delegate shall by regulations prescribe.

By Mr. DECONCINI:

S. 2643. A bill to amend the Internal Revenue Code of 1954 to eliminate the marriage penalty; to the Committee on Finance.

ELIMINATION OF MARRIAGE TAX PENALTY

Mr. DECONCINI. Mr. President, the Economic Recovery Tax Act (ERTA) of 1981 created a new deduction designed to mitigate what has become known as the "marriage tax" or "marriage penalty" that is the additional tax liability incurred by married couples, both of whom are gainfully employed, over and above what they would incur were they unmarried and able to file separate returns. This difference in the tax treatment of two earner married couples and single persons is not insubstantial as the examples in the table below indicate.

MARRIAGE PENALTY: ADDITIONAL AMOUNT OF TAX A COUPLE WITH A JOINT RETURN WOULD PAY OVER WHAT IT WOULD PAY IF BOTH PERSONS COULD FILE SINGLE RETURNS

Total family income [1]	Prior law penalty	Economic Recovery Tax Act penalty, 1984	Reduction in penalty due to marginal rate cuts	Reduction in penalty due to two-earner deduction	Total reduction in penalty
Marriage penalty assuming income split 70–30:					
$15,000	$197	$71	$54	$72	$126
$30,000	154	[2] −84	40	198	238
$50,000	916	218	203	495	698
$100,000	2,918	1,178	480	1,260	1,740
Marriage penalty assuming income split 50–50:					
$15,000	240	63	57	120	177
$30,000	383	[2] −31	84	330	414
$50,000	1,455	304	326	825	1,151
$100,000	3,760	2,290	210	1,260	1,470

[1] Assumes all wage income.

[2] Negative amounts are marriage bonuses. Two-earner couples with marriage bonuses experience an increase in those bonuses with the two-earner deduction.

Notes: Deductible expenses are assumed to be 23 percent of income. The reduction in penalty due to marginal rate cuts is calculated by applying the 1984 rate schedules as if the two-earner deduction did not exist. Then, the additional reduction in tax liability resulting from applying the two-earner deduction is calculated.

Source: Prior law penalties come from table A. Other computations by the author.

Mr. DECONCINI. Mr. President, before the changes enacted last summer, the total penalty (depending on the interspousal division of earnings) ranged from almost $200 for couples earning $15,000 to over $3,700 for those with a combined income of $100,000.

Thus, the marriage penalty, not surprisingly, has come to be regarded as one of the more egregiously unfair features of a tax system already overloaded with injustices. What is more, it is bad social policy. The traditional family is a cornerstone of social order and stability. The marriage penalty serves to add a financial hardship to the other stresses threatening the family inherent in modern life. The Tax Code ought, at least, to be neutral inasfar as the integrity of marital and family relationships is concerned.

The two-earner deduction enacted last year will, when it becomes fully effective in 1983, equal 10 percent of the lesser of the earned incomes of the two spouses up to a limit of $3,000. As the table above shows, the effect is a reduction in the marriage tax of about a third overall. It is a step in the right direction. But it only ameliorates and does not resolve the problem.

The legislation I am introducing today would complete the task. It amends the pertinent sections of the code to provide optional filing status for married couples. Under the bill, couples would be permitted either to file jointly using the joint rate schedule or to file separately using the rate schedule for single taxpayers. Husbands and wives could thus take advantage of whichever filing status was more favorable (or less discriminatory). This approach, Mr. President, has the virtue of being at once fairer and less cumbersome than current law. I hope the Finance Committee will concur and include the substance of my bill in one of the measures it will recommend to the Senate this session.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIMINATION OF THE MARRIAGE PENALTY.

(a) IN GENERAL.—

(1) TAX IMPOSED.—So much of subsection (c) of section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) as precedes the tables is amended to read as follows:

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS) AND CERTAIN MARRIED INDIVIDUALS.—There is hereby imposed on the taxable income of—

"(1) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)),

"(2) every married individual (as defined in section 143) who—

"(A) does not make a single return jointly with his spouse under section 6013,

"(B) who elects, at such time and in such manner as the Secretary prescribes, to have this subsection apply, and

"(C) whose spouse elects, at such time and in such manner as the Secretary prescribes, to have this subsection apply.

a tax determined in accordance with the following tables:".

(2) SPECIAL RULES FOR MARRIED INDIVIDUALS ELECTING SECTION 1 (C).—Section 1 of such Code is amended by adding at the end thereof the following new subsection:

"(q) MARRIED INDIVIDUAL ELECTING SUBSECTION (C).—In the case of a married individual (as defined in section 143) who elects to have the provisions of subsection (c) apply with respect to his taxable income for any taxable year—

"(1) DEDUCTIONS AND DEPENDENT EXEMPTIONS.—The amount of any—

"(A) deduction allowable by part VI or VII of subchapter B to such individual or the spouse of such individual for the taxable year, or

"(B) personal exemption allowable under section 151 (e) to such individual or the spouse of such individual for the taxable year,

shall be allocated between such individual and the spouse of such individual so that 50 percent of such amount is allocated (and allowed as a deduction) to such individual.

"(2) INCOME FROM JOINTLY OWNED PROPERTY.—The income (other than earned income) received by such individual and the spouse of such individual during the taxable year from property held by such individual and the spouse of such individual as tenants in common, joint tenants, or tenants by the entirety, shall be allocated between such individual and the spouse of such individual. The amount allocated to an individual under the preceding sentence shall be an amount which bears the same relationship to such income as the amount of such individual's gross income for the taxable year (determined without regard to this subsection) bears to the sum of—

"(A) such individual's gross income for the taxable year (determined without regard to this subsection), plus

"(B) the gross income of the spouse of such individual for the taxable year (determined without regard to this subsection)

"(3) COMMUNITY PROPERTY LAWS.—The computation of such individual's taxable income shall be made without regard to any community property laws.

"(4) EARNED INCOME.—For purposes of this subsection, the term 'earned income' has the meaning given such term in section 911(d)(2) or 401(c)(2)(C).".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 1 is amended—

(A) by inserting "Certain" before "Married" in the heading thereof, and

(B) by inserting a comma and "or who does not make an election under subsection (c)," after "section 6013".

(2) Subsection (d) of section 63 (relating to the definition of taxable income) is amended—

(A) by inserting a comma and "or who is married and makes an election under section 1(c)" before the comma at the end of paragraph (2), and

(B) by inserting "under section 1(d)" after "return" in paragraph (3).

(3) Clause (i) of section 6012(a)(1)(A) (relating to persons required to make returns of income) is amended—

(A) by striking out the comma before "is not a surviving spouse" and inserting in lieu thereof "and", and

(B) by inserting "or who is married (as so determined) and makes an election under section 1(c)," before "and for the taxable year".

(4) Section 44A (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(A) by inserting a comma and "or a married individual who makes an election under section 1(c) for such year" after "year" the first place it appears in subsection (e)(1)(A),

(B) by inserting "and who has not so elected" after "year" the first place it appears in subsection (e)(1)(B),

(C) by inserting "Certain" before "Married" in the heading of subsection (f)(2), and

(D) by inserting "or make the election provided under section 1(c) for such year" before the period at the end of subsection (f)(2).

(5) Section 152 (relating to definition of dependent) is amended—

(A) by striking out "or (e)" in subsection (a) and inserting in lieu thereof a comma and "(e), or (f)", and

(B) by adding at the end thereof the following new subsection:

"(f) SUPPORT TEST IN CASE OF CREDIT FOR EMPLOYMENT-RELATED EXPENSES.—In the case of a married individual who makes an election under section 1(c) for the taxable year and who is entitled to claim the credit under section 44A with respect to any person but for the fact that he did not contribute over half of the support of such person, such person shall be treated for purposes of subsection (a) as having received over half of such support from such individual if—

"(1) over half of such support was received from such individual and his spouse;

"(2) the individual contributed over 10 percent of such support; and

"(3) the individual's spouse does not claim such person as a dependent in any taxable year beginning in such calendar year.".

(c) FORMS.—The Secretary shall provide a form which enables a married individual making an election under the provisions of section 1(c) of the Internal Revenue Code of 1954 and the spouse of such individual to make their respective returns of income for the taxable year (required under section 6012 of such Code) on the same form.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

By Mr. HART (for himself and Mr. MOYNIHAN):

S. 2644. A bill to authorize the Administrator of the Environmental Protection Agency to prohibit the disposal of landfills of certain hazardous wastes; to the Committee on Environment and Public Works.

HAZARDOUS WASTE LANDFILL BILL

● Mr. HART. Mr. President, today I am introducing legislation amending the Resource Conservation Recovery Act of 1976 and requiring the Environmental Protection Agency (EPA) to develop and promulgate final regulations which will prohibit the land disposal of specific hazardous wastes. This list of wastes will be based both on the persistence, toxicity, and mobility of the waste in groundwater and on the availability of alternative disposal and treatment methods for each specific element.

Landfilling of hazardous wastes represents the least desirable option available to us today. All landfills eventually leak and have caused and will continue to cause serious groundwater and surface water contamination. It is widely accepted that we as a society should be moving away from landfill disposal of hazardous wastes. This legislation will require the EPA to begin a process to prohibit land disposal of the most toxic hazardous wastes, thereby beginning the process to move us away from landfilling.

The intent of this legislation will be to phase out, rather than abruptly stop, current excessive reliance on landfilling and encourage increased utilization of more effective and less environmentally detrimental disposal and treatment methods. It is imperative that Congress acknowledge the severity of this problem, as the American public has, and take action to demonstrate that we do not intend to continue landfilling of hazardous wastes indefinitely.

Further underscoring the need for this legislation is the fact that the EPA, nearly 6 years after passage of the Resource Conservation and Recovery Act of 1976, has not yet promulgated final regulations governing hazardous waste landfills. This is despite the fact that landfilling is the dominant mode of hazardous waste disposal in this country. Simply put, this means countless hazardous waste dumps across the Nation are operating without the benefit of standardized regulations. Further complicating the issue is the fact that many State hazardous waste laws mirror Federal law. Thus, confusion over hazardous waste landfills at the Federal level compound the problem at the State level. This is true in my own State of Colorado where hazardous waste law cannot be stricter than the Federal statute.

Despite a court ordered deadline of February 1, 1982, no final regulations on landfilling have appeared from the EPA. To date, the only requirements governing landfilling are the interim status standards promulgated in May 1980. These requirements, although a step in the right direction, are clearly inadequate in protecting public health and the environment. Just this year we have seen parts of these requirements come under fire from the EPA and administratively revoked, without public notice or comment.

Mr. President, communities throughout the Nation are rejecting the siting of hazardous wastes landfills. Citizens in my own State have vigorously opposed and recently rejected another in a long list of proposed sitings. Adams County, Colo., residents, like residents in countries across the country, do not want hazardous wastes buried in or near their communities. Efforts are well underway in other part of Colorado to sidetrack and eventually derail other proposed sitings.

The American people do not want to live near or drink water from areas in close proximity to hazardous waste landfills. They know and understand that land disposal practices have caused considerable contamination of groundwater and surface water resources. This contamination has resulted in the displacement of communities, closure of hundreds of drinking water wells, major fish kills, loss of agricultural lands, and numerous adverse human health effects. Past failures to properly manage hazardous wastes have been of sufficient magnitude to draw national attention to the problem, resulting in the passage of major Federal legislation—namely the Resource Conservation and Recovery Act

of 1976. Ineffective management has also created widespread public anxiety about hazardous waste facilities, causing strenuous opposition to siting of new landfills.

The U.S. EPA has even stated that, even when a site is optimally located and the best available containment strategies are employed, wastes eventually migrate from the site. Specific technical problems with landfills are well documented. Hazardous constituents disposed in landfills often remain hazardous for long periods of time, usually exceeding the useful life of the landfill. Heavy metals, such as mercury and lead remain hazardous forever, while the so-called performance life of a secure landfill, under optimal conditions, is estimated at 50 to 100 years.

The breakdown of toxic organic wastes is very slow and little is known about the byproducts of the degradation process. In some instances, the chemical breakdown may create even more toxic elements than originally disposed. And, in every case, the potential for these elements reaching groundwater resources is very great.

Mr. President, the beneficial results of this legislation, if enacted, will be manyfold. First, we will eventually cease land disposal of some of the most pervasive and dangerous chemical poisons which threaten every home and community in the Nation. Second, by establishing the process to prohibit land disposal of these wastes, Congress will automatically encourage industrial generators of these wastes to explore and utilize alternative treatment and disposal methods. In effect, this will encourage research and development of additional viable alternatives to landfilling much the same way the Clean Air Act encouraged development of technology to improve air quality. Finally, and most important, the costs involved in alternative treatment and disposal will provide industry needed incentive to reduce "front-end" quantity and toxicity of industrially manufactured wastes.

The Subcommittee on Environmental Pollution has already begun hearings on reauthorization of the Resource Conservation and Recovery Act of 1976. Senators CHAFEE, STAFFORD, RANDOLPH, and MITCHELL have introduced the vehicle which will reauthorize the Resource Conservation and Recovery Act of 1976—one of the most significant and, to date, mismanaged environmental statutes.

Mr. President, the implications of continued landfill disposal of hazardous wastes go far beyond mere burial of these poisons. The dangerous implications that are surfacing today will cause serious tragedy in future years unless we appropriately address this problem. This legislation will require the EPA to begin listing the most serious hazardous wastes and prohibiting their burial not more than 1 year after enactment.

I ask unanimous consent that the text of this legislation, and an analysis of the bill, and certain articles appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2644

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Solid Waste Disposal Act (title II of Public Law 89-272), as amended by the Resource Conservation and Recovery Act (Public Law 94-580), is further amended in section 3004 (42 U.S.C. 6924) by inserting "(a) STANDARDS.—" following "SEC. 3004." and by inserting at the end thereof the following new subsection:

"(b) PROHIBITION OF DISPOSAL OF CERTAIN HAZARDOUS WASTES.—(1) Not later than eighteen months after the date of enactment of this subsection, and periodically thereafter the Administrator shall, after notice and opportunity for public hearing and after consultation with appropriate Federal and State agencies, list those hazardous wastes the disposal of which, without adequate prior treatment, may reasonably be anticipated to cause adverse effects on health or the environment. Upon determining that the disposal of a listed hazardous waste without prior treatment may no longer reasonably be anticipated to cause adverse effects on health or the environment, the Administrator shall remove such hazardous waste from such list.

"(2) Effective on the date a hazardous waste is listed under paragraph (1), disposal of such listed hazardous waste without prior treatment by a method, technique, or process certified by the Administrator under paragraph (3) is prohibitied.

"(3) The Administrator, shall, after notice and opportunity for public hearing and after consultation with approriate Federal and State agencies, detemine whether there exists one or more method, technique, or process of treatment of a hazardous waste listed under paragraph (1) such that disposal of the hazardous waste after such treatment may not reasonably be anticipated to cause adverse effects on health or the environment, and shall certify any such treatment method, technique, or process. The Administrator shall make such determination with respect to a hazardous waste as expeditously as practicable after listing it, but in no event more than eighteen months after such listing. If the Administrator determines no such treatment method, technique, or process exists, every eighteen months thereafter the Administrator shall determine whether there then exists any such treatment method, technique, or process. Upon the petition of any person, the Administrator shall determine whether a treatment method, technique, or process which the Administrator has not previously considered meets the criteria of this paragraph.

INTENT OF PROPOSED SECTION 3304(f)

The landfilling of hazardous waste represents the least desirable disposal or treatment option available. Landfills eventually leak and have caused serious groundwater contamination problems. The most toxic and resistent hazardous wastes may be more highly mobile in groundwater and, therefore, present the greatest risks of contamination. To reduce the risks of landfilling, Section 3004(f) would require EPA to begin prohibiting land disposal of certain wastes.

The intent of the provision would be to phase-out the current excessive reliance on landfilling as more treatment options become available. Thus, the committee urges EPA to set a date when land disposal of a more inclusive list of wastes would cease.

3004(f) Restrictions on Landfilling.—(1) Not later than one year after the enactment of the Resource Conservation and Recovery Act of 1982, and periodicaly thereafter, the Administrator shall promulgate final regulations which prohibit land disposal of specified hazardous wastes. The list of prohibited hazardous wastes so promulgated shall be based upon persistence, toxicity, and mobility of wastes in groundwater and the availability of alternative disposal and treatment capacity. In considering the availability of capacity, the Administrator shall assess the potential for capacity to develop by the effective date of such prohibitions. (2) The Administrator shall also promulgate rules establishing a variance and exemption procedure to be used where alternative capacity does not become available by the effective date of the prohibition described in subparagraph (1). All variances and exemptions shall be limited to two years unless renewed under the established procedure.

[From the Denver Post, June 10, 1982]

ADAMS REJECTS WASTE-DUMP PROPOSAL

(By Bill McBean)

The Adams County Board of County Commissioners Wednesday unanimously rejected a controversial proposal to build a hazardous waste dump near Last Chance, saying the facility might contaminate ground water, endanger public safety and contradict previous land-use plans.

In making their decision, the commissioners lambasted the state law—known as Senate Bill 519—which put the decision for the facility into their lap.

"The law is absolutely atrocious," said Commissioner Steve Cramer.

In denying approval of the site about 70 miles east of Denver, the commissioners pointed out the state law actually required them to approve the facility unless they could find at least one of four specific things wrong with it.

Under the state law, the county could disapprove the site only if:

The site doesn't conform to local land-use regulations;

The site posed a substantial threat to public safety;

The site wasn't needed;

The site doesn't conform to criteria established by the county for such facilities.

"This presumption in favor of approval seems to this board to be the reverse of what it should be," the commissioners said in their resolution denying the facility.

The state law leans so heavily in favor of approval of hazardous-waste sites that even evidence that might indicate the hazardous-waste disposal cells could leak couldn't be used as a reason for denial, Cramer noted.

Steve Custer, project manager for the developer, Houston-based Browning-Ferris Industries, said he was disappointed and surprised at the commissioners' ruling.

"We worked very hard to make sure our application met or exceeded every regulation and requirement we could think of," he said.

Custer said the company was reviewing the decision and considering an appeal through the courts. He added that BFI wasn't looking at any alternative sites "because we have contended, and still contend, that this is one of the best sites we ever looked at."

All three commissioners said they felt uneasy with their decision. They noted Browning-Ferris Industries' proposal to bury 48 million gallons of solidified liquid wastes at the site could have been the answer to the crying need on the part of Colorado industry to safely dispose of toxic manufacturing byproducts.

"The great hazard of hazardous waste is having no place to put it," Cramer noted. "It could lead to midnight dumping." He was referring to the practice of surreptitiously disposing of hazardous chemicals at unauthorized locations. Most commonly, drivers of tank trucks stop their vehicles on a lonely back road and dump chemicals in a ditch.

Currently, industrial toxins, can be disposed of only at the Lowry Landfill southeast of Aurora. Commissioner Leo Younger said one of his primary worries in voting against the Last Chance site is the possibility the courts will order Lowry closed.

The Lowry hazardous-waste facility, which is located in unincorporated Arapahoe County, has been ordered closed by the Arapahoe County Board of County Commissioners. The City and County of Denver, which owns the Lowry site, appealed the closure order to the courts. It remains open pending a decision from the Colorado Supreme Court.

In voting to deny Browning-Ferris a county conditional use permit and a certificate of designation mandated by state law, the commissioners decided:

That allowing an industrial use in the county's agricultural heartland ran contrary to previous planning decisions, including the Adams County Comprehensive Plan.

DUMP'S FOCUS TO SHIFT

(By Jack Cox)

Adams County's rejection of plans for a hazardous-waste dump appears certain to focus more attention on a proposal for a similar, though much smaller, facility in neighboring Lincoln County.

In addition, persons concerned about hazardous waste say, the decision reached Wednesday is likely to increase the pressure for changes in the state law governing such sites.

Kenneth L. Waesche, acting director of hazardous waste management for the Colorado Health Department, said an area about 8 miles east of Limon and 1 mile south of Interstate 70 is the only "live" candidate for location of a new toxic-waste repository.

But that site, first discussed in a meeting in Hugo last October, is only about a half-section in size, compared with the 8 square miles proposed for the newly-rejected disposal facility west of Last Chance.

Moreover, the potential developer, Chem-Security Systems of Bellevue, Wash., hasn't formally applied for a permit to operate a waste dump.

If the Colorado Supreme Court affirms an Arapahoe County order to close the Lowry Landfill, "it would certainly be a burden" on the approximately 600 firms that generate toxic wastes in the state now, Waesche said.

"If there were no site in Colorado, they could store wastes onsite for 90 days. But then they would have to get an EPA permit to operate a storage facility, which would require them to meet certain conditions," he said.

The only alternative would be shipment to out-of-state dumps, a "very expensive" proposition. Waesche said the closest disposal sites, now that one in eastern Kansas has been closed, are in Idaho and Oklahoma.

Steve Custer, project manager for the proposed site near Last Chance, said the lack of a secure disposal facility in Colorado raised the possibility of "midnight dumping" and might keep some industrial firms from building new plants in the state.

"The fact that the site was turned down doesn't make the problem go away," he observed. "There's going to be a serious shortage of landfills capable of handling such materials in a safe and sound manner."

Custer said he believed the Adams County decision would lead to a move to change the state law to allow the health department to override local decisions on siting.

"This is a statewide issue, not just local," he declared.

ADAMS PANEL REJECTS TOXIC WASTE DUMP

(By Sharon Stewart)

A toxic waste dump proposed for eastern Colorado was rejected Wednesday by Adams County commissioners, even though they had some qualms about the denial.

The commissioner, who said the dump would pose a "substantial threat to the safety of the public," also denied Browning-Ferris Industries' application for a conditional use permit to let it operate the dump near Last Chance pending permanemt authorization.

But Commissioners Steve Cramer, Leo Younger and Bob Briggs were uncomfortable with their unamimous decision because of uncertainty over the future of the Lowry landfill.

If Lowry is closed, the state might have no place to dump toxic chemicals. That in turn could lead to "midnight dumping and things that are scary to contemplate," Cramer said after the decision was announced.

"We will lie awake at night wondering if what we did was right," he said.

BFI officials were "surprised and disappointed" over the ruling, said Steve Custer who led the application for BFI.

"We believe our permit application showed clearly that we met or exceeded every applicable county, state and federal rule, regulation and law concerning the disposal site."

He said BFI has spent more than $5 million developing the proposal, buying land and constructing facilities at the site.

Custer said BFI corporate officers and lawyers will analyze the decision.

"We've got a lot of options," Custer said. "On one end of the scale, we can take the commissioners to court, and at the other extreme we could pick another site and go through the process again."

He said the company might lobby for a bill by which the state would have the final say as to the location of a hazardous waste dump.

Cramer said engineers are similar to lawyers in that they find evidence to support the views of the firms or individuals who hired them.

"It's very disappointing when you have engineers who are supposed to be scientists—one tells you it's safe and the other will tell you it's unsafe," Cramer said, "I lost faith in who to believe."

Caught between lobbying for and against the dump, Cramer said the commissioners' decision was difficult.

In a resolution denying the application, the commissioners said indirect pressure also was applied through Gov. Richard D. Lamm's office in the form of a memo to the state Health Department, which had approved the application. It asked health officials to "secure county approval for this application," while another memo from Lamm suggested that "the Department of Health not follow its regular review process on this particular application."

A Health Department official testified previously that the memos didn't influence the department's finding. But the commissioners said the "board cannot be naive enough to believe that these memos had no influence whatsoever on the department's favorable review of this application."

The commissioners said the state law that lays out the criteria for denial of any application to operate a hazardous waste dump is "poorly written."

Although the statute makes it "unclear whether public safety could be one of the reasons for denial," the commissioners said, they chose to consider whether the site would pose a public safety threat.

Contrary to the Health Department's decision, the commissioners determined the site was not safe.●

By Mr. ROTH (for himself and Mr. BENTSEN):

S. 2646. A bill to amend section 103(b)(6) of the Internal Revenue Code of 1954 with respect to the exemption from the industrial development bond provisions for certain small issues; to the Committee on Finance.

Mr. ROTH. Mr. President, I ask unanimous consent to have the text of S. 2646, printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Issue Industrial Development Bond Reform Act of 1982".

SEC. 2. CHANGES IN EXEMPTION FOR CERTAIN SMALL ISSUES, RESTRICTIONS ON FINANCING CERTAIN COMMERCIAL FACILITIES.

Paragraph 6 of section 103(b) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subparagraphs:

"(K) RESTRICTIONS ON FINANCING CERTAIN FACILITIES.—This paragraph shall not apply to an issue if more than 25 percent of the proceeds of the issue are used to provide a facility the primary purpose of which is one of the following: automobile sales or service; retail service of food or beverages; or the provision of recreation or entertainment.

"(L) OPEN GOVERNMENT PROCEDURES; PUBLIC HEARING REQUIREMENTS.—Prior to the issuance of any bond issued under paragraph (6) of section 103(b) of such Code, the issuer shall provide public notice of 1 week and conduct a public hearing to determine whether—

"(i) the issue will benefit the local economy,

"(ii) the issue will result in the creation or retention of employment,

"(iii) the issue is a significant inducement to the acquisition, construction, reconstruc-

tion or improvement of the land or property financed by the issue;

Interested persons shall be given a reasonable opportunity to present data, views or arguments with respect to these issues. Such hearing may be held in conjunction with any other proceeding with respect to the project being financed.

"(M) APPROVAL BY ELECTED OFFICIAL.—This paragraph shall not apply to any isue of obligations unless an elected official of the incorporated municipality in which the facilities will be located (or the county in which the facilities will be located if they are not located in any incorporated municipality), to be designated by the chief elected executive or the legislative body of such incorporated municipality or county, has approved the issuance of the obligations. An issue of obligations may be approved by the chief executive of a State agency if that agency has been granted issuing authority by the legislature of the State. The elected official or the chief executive of the State agency shall certify that with respect to any issue, the requirements of notice and hearing have been met. The official or the head of the State agency shall submit such certification to the Governor of the State (or any department or agency of the State designated by the Governor for purposes of this subparagraph). This certification can be relied upon by the holders of the obligations for purposes of the exemption for certain small issues under this paragraph.

"(N) REPORTING REQUIREMENTS.—Not later than April 15 of 1984 and of each subsequent calendar year, the Governor of each State (or any department or agency of the State designated by the Governor for purposes of this subparagraph) shall submit to the Secretary a report with respect to bonds issued during the preceding calendar year pursuant to this paragraph by or on behalf of the State or any political subdivision thereof. The Secretary may by regulations prescribe the manner in which such reports shall be submitted. Until the Secretary prescribes such regulations such reports shall be submtted in writing to the Internal Revenue Service Center for the State. The information to be submitted in such reports in respect of each bond issue shall consist of the following:

"(i) the name and address of the issuer,

"(ii) the aggregate face amount of the issue of obligations,

"(iii) the date of issuance of the obligations,

"(iv) the interest rate or rates or formula with regard thereto and maturity or maturities of the obligations,

"(v) the name, address, and employer identification number of the obligor of the indebtedness underlying the issue of obligations, or, if there is no direct obligor, the principal user of the facilities financed by the bonds,

"(vi) the name of the bond counsel,

"(vii) the type and general description of the land or property financed with the proceeds of the issue of obligations (including the applicable Standard Industrial Classification (SIC) Code) or with a prior issue which is redeemed by such issue,

"(viii) an estimate of the jobs to be created or retained as of the end of the third full year of operation of the project being financed with the proceeds of the issue of obligations or with a prior issue which is redeemed by such issue,

"(ix) the incorporated municipality or county in which the land or property acquired, constructed, reconstructed or improved with the proceeds of the issue of obligations or with a prior issue which is redeemed by such issue is located,

"(x) the name and address of the initial bond purchaser,

"(O) TARGETED ASSISTANCE TO ECONOMICALLY DISTRESSED AREAS.—At the election of the issuer, with respect to any issue the proceeds of which are used to finance a facility located in a qualified region as defined in subparagraph (P), this paragraph shall be applied by substituting '$25,000,000' for $10,000,000 in subparagraph (D).

"(P) QUALIFIED REGION.—For the purpose of subparagraph (O), a 'qualified region' means a severely distressed city or urban or rural county that requires increased public and private assistance in addition to other forms of Federal assistance. The Secretary of Housing and Urban Development shall issue regulations establishing criteria setting forth minimum standards for determining the level of physical and economic distress of cities and urban and rural counties to be eligible for targeted assistance under this Act, which standards shall take into account factors such as the age and condition of housing stock, including residential abandonment, average income, population outmigration, and stagnating or declining tax base.

"(Q) RESEARCH AND EXPERIMENTAL EXPENDITURES NOT TAKEN INTO ACCOUNT.—For purposes of applying subparagraph (D)(ii) and subparagraph (M)(ii), research and experimental expenditures (within the meaning of section 174) shall not be taken into account.".

SEC. 3. DEFINITION OF PROJECTS ELIGIBLE FOR TARGETED ASSISTANCE.

(a) Section 103(a) of such Code is amended by adding at the end thereof the following new paragraph:

"(3) obligations described in paragraph (1) of this subsection, substantially all of the proceeds of which are used to provide a Qualified Federal Facility.".

(b) Section 103(b)(6)(F) of such Code is amended by adding at the end thereof the following new paragraph:

"(iv) made with respect to facilities, the principal user of which is the Federal Government or any agency or instrumentality thereof, but only for purposes of applying subparagraph (D)(ii) to an obligation described in subsection (3) of section 103(a).".

(c) Section 103(b) of such Code is amended by redesignating subsection (10) as "(11)" and by adding a new subsection (10) as follows:

"(10) QUALIFIED FEDERAL FACILITY.—For purposes of subsection (3) of section 103(a), a 'Qualified Federal Facility' means any real or personal property—

"(A) the principal user of which is the Federal Government or any agency or instrumentality thereof, and

"(B) which is located in

"(i) an economically distressed area as defined by a duly authorized state or local, appointed or elected entity or official, or

"(ii) a UDAG-eligible area.".

SEC. 4. DEFINITION OF PRINCIPAL USER.

(a) Section 103(b)(6)(B) of such Code is amended by inserting at the appropriate place therein the following new subsection:

"(iv) in no case shall there be identified more than one principal user in any facility financed with the proceeds of such obligations," and

"(v) For purposes of this paragraph where all or a portion of a facility is leased to a person, the principal user of the leased portion thereof (including any common areas attributable thereto) shall be the lessee where the lease is for a term of 10 years or more, and shall be the owner where the lease is for a term of less than 10 years. Each portion of a facility (including any common areas attributable thereto) leased to a person who is not a related person to the owner of the facility shall be treated as a separate facility for purposes of this paragraph. In determining the term of the lease for purposes of this subparagraph there shall be included: (i) any period for which the lease may be renewed, extended or continued pursuant to an option exercisable by the lessee for a rental other than the fair rental value of the facility as of the date of such renewal, extension or continuance; and (ii) any period during which the facility is leased to a person who is related to such lessee.".

SEC. 5. STUDY AND REPORT BY THE SECRETARY OF THE TREASURY.

(a) the Secretary shall conduct a study of the use of small issue industrial development bonds and the operation of this Act.

(b) Not later than July 1, 1985, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the United States House of Representatives and to the Committee on Finance of the United States Senate a report on the study conducted under subsection (a), together with such legislative recommendations as he may deem appropriate.

SEC. 6. LIMITATION ON REVENUE RULING 81-216.

Paragraph (6) of section 103(b) of the Internal Revenue Code of 1954 is amended by adding the following subparagraph at the end thereof:

"(R) SEPARATE TREATMENT OF PORTIONS OF AN ISSUE.—For purposes of this paragraph, portions of an issue used to provide facilities that are not contiguous or integrated or which have different principal users which are not related persons, shall be treated as separate issues if the separate face amount of each portion is determinable.".

SEC. 7. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this Act shall apply to obligations issued after December 31, 1982.

(b) CAPITAL EXPENDITURES.—In the case of an obligation issued on or before December 31, 1982, subparagraph (O) shall apply to capital expenditures made after the date of enactment of this provision.

(c) HEARING, APPROVAL, REPORTING REQUIREMENTS.—Subparagraphs (L), (M), and (N) of paragraph (6) of section 103(b) of the Internal Revenue Code of 1954 shall apply to bonds issued after December 31, 1982.

(d) TRANSITIONAL PROVISIONS.—Section 103(b)(6) of the Internal Revenue Code of 1954, as amended by this Act, shall not apply with respect to any obligation issued before December 31, 1982, if before that date—

(1) The issuance of the obligation (or the project in connection with which the proceeds of the obligations are to be used) was authorized or approved by the governing body of the governmental unit issuing the obligation or by the voters of such governmental unit;

(2) In connection with the issuance of such obligation or with the use of the proceeds to be derived from the sale of such obligation or the property to be acquired or improved with such proceeds, a governmental unit has made a significant financial commitment;

(3) Any person (other than a governmental unit) who will use the proceeds to be derived from the sale of such obligation or the property to be acquired or improved with such proceeds has expended (or has entered into a binding contract to expand) for purposes which are related to the use of sucn proceeds or property, an amount equal to or in excess of 20 percent of such proceeds; or

(4) In case of an obligation issued in conjunction with a project where financial assistance will be provided by a governmental agency concerned with economic development, such agency has approved the project or an application for financial assistance is pending.

SEC. 8. REGIONAL POLLUTION CONTROL AUTHORITIES.

Section 103(b) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"( ) REGIONAL POLLUTION CONTROL AUTHORITIES.—

"(A) IN GENERAL.—The use of substantially all of the proceeds of an obligation issued by a qualified regional pollution control authority to acquire an existing air or water pollution control facility, which the authority will operate in order to maintain or improve the control of pollutants, shall be treated for purposes of paragraph (4)(F) as the use of such proceeds to provide a pollution control facility.

"(B) QUALIFIED REGIONAL POLLUTION CONTROL AUTHORITY DEFINED.—For purposes of this paragraph, the term 'qualified regional pollution control authority' means a political subdivision which—

(i) is created by a State statute for the purpose of controlling pollution;

(ii) has within its jurisdictional boundaries all or part of at least 2 counties; and

(iii) has agreed to operate and maintain the facility to be acquired pursuant to a contract or a covenant in a bond resolution or bond trust indenture.".

(b) The amendment made by (a) shall apply to obligations issued after (date of enactment).

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 2647. A bill to amend the Internal Revenue Code of 1954 to allow a business expense deduction for certain conventions on cruise ships and to reinstate the convention reporting requirements; to the Committee on Finance.

BUSINESS DEDUCTION FOR CONVENTIONS ON CRUISE SHIPS

Mr. MATSUNAGA. Mr. President, the British effort in the Falkland Islands has underscored not just the importance of the Royal Navy but also the crucial role of the British merchant fleet. Forty-nine commercial ships were employed in British actions. They included container ships, tugs, trawlers, freighters, tankers, and most significantly, three passenger ships, the *Queen Elizabeth*, the *Canberra*, and the *Uganda*, used as troop and hospital ships. Had these merchant vessels not been available, the movement of materials and personnel to the Falklands, leading to early victory for the British, would not have been possible.

Mr. President, had we Americans been confronted with the same situation, we would have found ourselves in a sad plight, indeed, for although there was a time when the United States could boast of and take pride in its merchant fleet, it has today shriveled to the point where its effectiveness in an emergency is open to grave doubt. The passenger ships of the United States Line, the American President Line, the Grace Line, the Dollar Line, State Steamship Line, and the Matson Line, no longer sail.

It was most heartening for me, therefore, to witness with 700 invited guests the inauguration of the SS *Constitution* in the Hawaiian interisland cruise service, on June 5, 1982, in Honolulu Harbor. A beautifully refurbished luxury liner, the SS *Constitution* joins its sister passenger cruise ship SS *Independence* already providing interisland service in Hawaii. A most significant point to note is that both ships, owned by American Global Line, Inc., fly the American flag. Mr. Robert Suan, president of the company and his associates deserve not only commendation on their bold venture, but more importantly encouragement. Their success will likely lead others to follow suit.

I am therefore introducing today with Senator INOUYE as a cosponsor a bill which seeks to encourage the use of American passenger liners by American businessmen.

The tax law since 1980 has disallowed the deduction of expenses incurred in attending a business convention on a passenger liner. Our bill would allow the expenses to be deductible for business conventions on an American ship plying between American ports. The allowance would not apply to ships putting into foreign ports. To prevent abuse, the bill would impose additional reporting requirements which would not apply to usual business convention deductions.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (h) of section 274 of the Internal Revenue Code of 1954 (relating to disallowance of certain entertainment, etc., expenses) is amended—

(1) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a comma and the following: "unless the taxpayer establishes that the meeting is directly related to the active conduct of his trade or business or to an activity described in section 212 and that—

"(A) the cruise ship is a vessel registered in the United States; and

"(B) all ports of call of such cruise ship are located in the United States or in possessions of the United States.", and

(2) by adding at the end thereof the following new paragraph:

"(5) Reporting requirements.—No deduction shall be allowed under section 162 or 212 for expenses allocable to attendance at a convention, seminar, or similar meeting on any cruise ship unless the taxpayer claiming the deduction attaches to the return the tax on which the deduction is claimed—

"(A) a written statement signed by the individual attending the meeting which includes—

"(i) information with respect to the total days of the trip, excluding the days of transportation to and from the cruise ship port, and the number of hours of each day of the trip which such individual devoted to scheduled business activities,

"(ii) a program of the scheduled business activities of the meeting, and

"(iii) such other information as may be required in regulation prescribed by the Secretary; and

"(B) a written statement signed by an officer of the organization or group sponsoring the meeting which includes—

"(i) a schedule of the business activities of each day of the meeting,

"(ii) the number of hour which the individual attending the meeting attended such scheduled business activities, and

"(iii) such other information as may be required in regulations prescribed by the Secretary.".

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1982.

By Mr. PELL:

S. 2648. A bill to provide for the continuation of the National Diffusion Network; to the Committee on Labor and Human Resources.

NATIONAL DIFFUSION NETWORK ACT

● Mr. PELL. Mr. President, I am introducing legislation today to provide for the continuation of the National Diffusion Network.

This program was created in 1974 as a means of carrying out a congressional mandate to improve educational quality through the dissemination of information on exemplary programs to school districts throughout the United States. The idea behind this program was that a local school district could more easily and with less cost implement a program addressing a specific problem if that program had already been tested and was in operation in another school district.

Though a relatively small program, in the 8 years since its inception the National Diffusion Network has compiled a remarkable number of achievements. For instance, in the 1979–80 school year, almost 10,000 schools adopted one of the 139 programs presently active within the National Diffusion Network. As a result, some 87,000 teachers received in service training and 2.7 million students received benefits from these programs.

The National Diffusion Network's accomplishments rest in part on its system of State facilitators—persons located in each State who provide information about exemplary programs to school districts seeking to improve their educational practices. The facili-

tators operate on the premise that no education problem exists in one location that has not already been solved in another. They bring educators seeking to solve problems or address weaknesses in their own schools together with others who have the information and technical assistance to implement programs that have been successful in other schools.

The National Diffusion Network also operates a system of demonstration sites where programs can be shown to potential adopters. These exemplary programs now in existence range form preschool to adult education, and they include innovative programs in career and vocational education, basic skills, gifted and talented, language arts and special education.

Before being designated exemplary and approved for dissemination through the National Diffusion Network, a program is subjected to a thorough review by a group of experts from the Department of Education and the National Institute of Education.

The importance of continuing the Network's work was recognized in the Education Consolidation and Improvement Act of 1981. That act provided for the Network's funding out of the discretionary funds reserved for the Secretary of Education. This placed the Network in the unusual position of being named in the law but not being defined or described.

The legislation I am introducing would correct this discrepancy by providing a statutory definition for the National Diffusion Network. It would allow funding for the Network to continue either through the Secretary's discretionary fund or through a separate congressional appropriation.

I would urge my colleagues to seek information about the work of the National Diffusion Network from schools in their States. I am confident they will discover and come to recognize, as I have, the valuable and lasting contributions to educational quality made by the Network. I also invite my colleagues to support and cosponsor this important legislation, the text of which follows.

I ask unanimous consent, that the bill be printed at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Diffusion Network Act".

SEC. 2. (a) The Secretary of Education (hereinafter referred to as the "Secretary") shall carry out a program to promote the spread of exemplary educational programs, products, and practices to interested elementary and secondary schools throughout the Nation and, in so doing, improve the quality of education through the adoption of validated innovations and improvements in such programs, products, and practices.

(b) In carrying out the program described in subsection (a), the Secretary shall—

(1) acquaint persons responsible for the operation of elementary and secondary schools with information about exemplary educational programs, products, and practices;

(2) assist them in adopting programs, products, and practices, which those persons determine to hold promise for improving the quality of education in the schools for which they are responsible by providing materials, training, and technical assistance; and

(3) ensure that all such programs, products, and practices are subjected to rigorous evaluation with respect to their effectiveness and their capacity for adoption.

(c) For the purpose of carrying out the program described in subsection (a), the Secretary is authorized to make grants to, and contracts with, local educational agencies, State educational agencies, institutions of higher education, and other public and nonprofit private educational institutions and organizations.

(d) The program described in subsection (a) shall be deemed to be a continuation of the National Diffusion Network for which provision is made in section 583(a)(1) of the Education Consolidation and Improvement Act of 1981. The Secretary shall allocate to the program established by this Act funds available to the Secretary under section 583 of such Act. In addition to the funds available for any such fiscal year for the purposes of this section, there are authorized, for the purpose of carrying out this section, such sums as may be necessary for each of the fiscal years 1983 through 1985.●

By Mr. D'AMATO:

S. 2649. A bill to authorize the Secretary of the Interior to enter into a cooperative agreement to maintain the gravesite of Samuel "Uncle Sam" Wilson and to erect and maintain tablets or markers at such gravesite in commemoration of the progenitor of the national symbol of the United States; to the Committee on Rules and Administration.

UNCLE SAM MONUMENT

● Mr. D'AMATO. Mr. President, today I am pleased to be introducing legislation which would authorize the Secretary of the Interior to enter into a cooperative agreement to maintain the gravesite of Samuel "Uncle Sam" Wilson and to erect and maintain tablets or markers at his gravesite in Troy, N.Y.

For many years, the people of Troy worked assiduously to gain recognition from the Federal Government that Uncle Sam maintained a home in Troy. On September 15, 1961, the Senate approved a resolution saluting "Uncle Sam" Wilson of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam."

I ask unanimous consent that a copy of this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"UNCLE SAM"

Whereas in a world largely hostile to the idea of freedom we must keep alive the cherished values of our way of life; and

Whereas at a moment in our history when we need all our sense of purpose and capability to match the challenge of disciplined communism some say that our national symbol of "Uncle Sam" is archaic and should be disowned; and

Whereas the symbol of "Uncle Sam" was evoked out of the needs of a young Nation, and is linked to a grassroots character, Samuel Wilson, of Troy, New York, who still represents the strength and idealism that made up the greatest Nation in the world; and

Whereas the years 1766 to 1854, the years in which Samuel Wilson lived, witnessed the birth and glorious progress of the United States, spanning as they did the period before the Declaration of Independence to the emergence of the United States as a world power; and

Whereas no congressional action has ever been taken to make the symbol of that American tradition, the symbol of "Uncle Sam," official and permanent: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress salutes "Uncle Sam" Wilson, of Troy, New York, as the progenitor of America's national symbol of "Uncle Sam".

Agreed to September 15, 1961.●

By Mr. HATCH:

S. 2650. A bill to provide readjustment services to workers permanently displaced from their jobs, and for other purposes; to the Committee on Labor and Human Resources.

DISPLACED WORKER READJUSTMENT ACT OF 1982

Mr. HATCH. Mr. President, of the nearly 6 million Americans who have lost their jobs, almost 4 million have been permanently displaced. In my own State of Utah, unemployment has jumped precipitously during the past few months primarily because major manufacturing plants, mines, smelters, steel mills, and other employers have made large-scale layoffs. Many of those employers, as with others across the country, are unlikely, in the foreseeable future, to reach the same numbers employed as recently as last year and as a result workers must make major adjustments in their lives and working careers.

This body had addressed unemployment problems in the past with such devices as the Trade Adjustment Act. Such programs were, however, palliatives. They provided financial assistance but did little to achieve readjustment and reemployment. The displaced worker provisions of S. 2036 help, and I support this measure, but these provisions come into action only after the layoffs or plant closing have occurred.

Three States have already implemented comprehensive programs for the readjustment and reemployment of dislocated workers, including systems of advance notice of mass layoffs and plant closures. It is time we in

Congress also look at the larger issue of worker displacement and investigate ways of incorporating the efforts of existing agencies with employers to address it.

Despite the lack of a U.S. legislative model, there is a substantial experience to draw upon from our Canadian neighbors. Since 1963, Canada has had in effect a series of sticks and carrots to win advance notice from employers of intended mass layoffs and plant closings. Such notice triggers formation of a joint management-labor-government committee to design and carry out a readjustment plan with the goal of obtaining other jobs for the workers before the layoff occurs. Additionally, a number of forward-looking and socially conscious companies, when faced by need to close a plant, have given prior notice to employees and their communities and have worked out plans and procedures to ease the displacement effects. There are some aspects of the Canadian approach which would be unacceptable on the American industrial scene, but along with the experiences of these U.S. companies, it is an impressive model from which many practical lessons can be drawn.

Employers are understandably reluctant to admit publicly to their employees, suppliers, customers, and competitors that they are in difficulty sufficient to threaten major cutbacks or even cessation of operations. Similarly, employees hope against hope. When laid off, they do not admit, even to themselves, that recall is unlikely. They all too often exhaust their unemployment compensation waiting to be recalled. Only when all income stops do they panic and start seriously to make new plans, but by then they have no resources to carry them over the necessary, painful readjustment.

The bill I am introducing today attempts to tackle these twin problems. First the bill provides incentives for employees to voluntarily give advance notice of plant closings and mass layoffs and provides for readjustment planning through a joint management-labor-State and local government committee, the objective being to achieve readjustment before rather than after layoffs.

Second, the bill requires of all unemployment insurance recipients an early assessment of reemployment prospects. Those whose reemployment probabilities are low may be required to engage in reemployment planning and training to carry out such a plan, depending on State rules and procedures.

I readily acknowledge that my proposal may not have all of the answers, though I believe that the basic concepts in this legislation are sound. Hearings should be held at the earliest possible time, both in Washington and in other States, to hear from witnesses with experience in administering such programs as well as those who will be affected by such a proposal.

It is time we acknowledged the displaced worker problem differs from the unemployment problem. Each requires a different solution. For the latter, I wholeheartedly support the President's program of tax, spending, and regulatory reductions. This policy addresses the disease of economic "stagflation" and recession to create new growth-oriented industries and jobs. The economy is also aided through an increase in the supply of highly skilled workers prepared to fill these new positions. The Training for Jobs Act (S. 2036) provides training opportunities for the economically disadvantaged, those with barriers to employment, and displaced workers, but a more systematic, prevention-oriented approach is needed to assist potentially long-term unemployed workers, employers, and our economy adjust to our changing economy and period of reindustrialization. I hope Senators will review my proposal and join me as a cosponsor. The amount of time and effort we devote to this program will bring significant economic rewards and savings both in terms of reducing extended income maintenance payments and in promoting one of our best national resources—our labor force.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Displaced Worker Readjustment Act of 1982".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act, through grants to States, to facilitate the readjustment to new employment of workers permanently displaced from their customary employment because of technological change, international competition, shifts in consumer preferences, business failures, and other factors by—

(1) encouraging employers to give advance notice of impending plant closings or mass layoffs,

(2) providing for cooperation between employers and public agencies in facilitating transfer to new employment opportunities prior to layoff,

(3) developing and carrying out reemployment plans to achieve readjustment for displaced workers,

(4) making available transition services to accomplish such readjustment, and

(5) using the period of unemployment compensation eligibility to carry out readjustment activities

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "displaced worker" means any individual who is laid off from regular employment, who was previously steadily employed, and who has little realistic probability of being rehired in that previous employment or of being rehired, in a timely fashion, in a job of equal pay and status, as determined by the State.

(2) The term "Secretary" means the Secretary of Labor.

(3) The term "State" includes the several States, and the District of Columbia.

(4) The term "unemployed persons" means persons who are without jobs and who want or are available for work. The determination of whether persons are without jobs shall be made in accordance with criteria used by the Bureau of Labor Statistics, the Department of Labor in defining persons as unemployed.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. There are authorized to be appropriated $300,000,000 for the fiscal year 1983 and for each of the succeeding three fiscal years to carry out the provisions of this Act.

ALLOTMENT

SEC. 5. (a) From the amount appropriated for fiscal year 1983 under section 3, the Secretary shall—

(1) allot 50 per centum of such amounts on the basis of the relative number of unemployed persons during the calendar year 1982 within the State compared to the total number of such persons in all States; and

(2) allot 50 per centum of such amount on the basis of the relative number of unemployed persons who were unemployed for 15 weeks or more during the calendar year 1982 within the State compared to the total number of such persons in all States.

(b) From the amount appropriated for fiscal year 1984 and each succeeding fiscal year the Secretary shall—

(1) allot to each State an amount which bears the same ratio to 50 per centum of such amount as the amount expended by that State in the fiscal year prior to the fiscal year for which the determination is made, for the uses described in section 6(1) bears to the total amount so expended for all States; and

(2) allot to each State an amount which bears the same ratio to 50 per centum of such amount as the amount expended by that State in the year preceding the fiscal year for which the determination is made for the purposes described in section 6(2) bears to the total amount so expended for all States.

(c) The portion of any States's allotment under subsection (a) or subsection (b) for a fiscal year, which the Secretary determines will not be required for the period such allotment is available for carrying out the purposes of this Act, shall be available for reallotment from time to time, on such dates during such period as the Secretary may fix, to other States based on need and ability to expend the funds consistent with the provisions of this Act and taking into account the proportion of the original allotments made available to such States under subsections (a) and (b), as the case may be, for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Secretary estimates such State needs and will be able to use for such period for carrying out such portion of its States application approved under this Act, and the total reduction shall be similarly reallotted among the States whose proportionate amounts are not so reduced. In carrying out the requirements of this subsection, the Secretary shall take into account the climatic conditions and such other relevant

factors as may be necessary to assure that no State loses funds necessary to carry out the purposes of this Act. Any amount reallotted to the State under this subsection during a year shall be deemed part of its allotment under subsections (a) and (b), as the case may be, for such year.

(d) Any allocation to a State may be reallocated only if the Secretary provides 30 days advance notice to the chief executive.

USES OF FUNDS

SEC. 6. Grants under this Act shall be used in accordance with the provisions of this Act, by the States—

(1) for mass layoff and plant closing early warning readjustment services programs; and

(2) unemployment insurance reemployability planning programs.

APPLICATIONS AND REQUIREMENTS

SEC. 7. (a) Each State desiring to receive an allotment for a fiscal year under this Act, shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require. Each such application shall—

(1) provide for the establishment and operation by the State of an early warning readjustment service program for displaced workers described in clause (2) and an unemployment insurance reemployability planning program for displaced workers described in clause (3), which will be the joint responsibility of the State Job Training Counsel and the State Department of Employment Security (or other similar agency designated by the chief executive);

(2) describe the provisions for an early warning readjustment service program designed to assure—

(A) that each employer within the State contemplating closing a facility within the State employing more than 25 employees or laying off more than 25 per centum of the employees of any single facility within the State will be eligible for the readjustment services assisted under this Act if the employer provides at least 180 days notice of such closing or layoff, except that the warning period may be reduced to 90 days if the employer provides persuasive evidence that knowledge prior to the regular period was not available;

(B) that the notice required by an employer under subclause (A) will be made to the State Job Training Council, the Department of Employment Security (or similar agency of the State as designated by the chief executive), the appropriate local private industry council, or the appropriate local office of the State Employment Service;

(C) that (i) the notice given by the employer under subclause (B) will be forwarded to the chief executive of the State promptly, and that upon receiving the notice the readjustment service of the State assisted under this Act will take the initiative in appointing and assembling a readjustment committee consisting of representatives of the notifying employer of the displaced workers of that employer, the State Department of Employment Security (or similar agency as designated by the chief executive), the local private industry council and other appropriate public agencies and private organizations; and (ii) where a collective bargaining agreement is in effect the representatives of the labor organization will be included in such readjustment committee;

(D) that the readjustment committee established under subclause (C) will prepare a readjustment plan which is satisfactory to both the employer and representatives of the displaced workers, to and will be effective only if the chief executive approves of the plan;

(E) the readjustment services for displaced workers will include—

(i) personal and family counseling;

(ii) career planning;

(iii) job search training;

(iv) job development;

(v) communication with other potential employers;

(vi) on-the-job training by other employers;

(vii) on-the-job training in other establishments of the participating employer;

(viii) retraining in classroom settings;

(ix) relocation assistance; and

(x) other services with a high probability of reducing the personal and economic costs of readjustment; and

(3) provide for the establishment of an unemployment insurance reemployability planning program under which—

(A) any claimant for unemployment insurance benefits who is a displaced worker and who—

(i) considers it unlikely that the claimant will be rehired by the immediate previous employer of such claimant, and

(ii) considers reemployment by other employes in the local labor market of which the claimant is a resident to be unlikely,

may participate in a reemployability program described in this paragraph;

(B) the displaced worker claimant described in subparagraph (A) may volunteer to participate in the development of a reemployment plan during the first 6 weeks of eligibility for unemployment insurance benefits, and, if the claimant so volunteers, will be required to report for an assessment by a job service counselor and develop a reemployment plan with the counselor;

(C) the reemployment plan will include—

(i) assurance from the previous employer of a displaced worker of an early recall to employment, if possible;

(ii) job search training leading to supervised job search and job development, including the teaching of basic job seeking skills relating to attitude development, interviewing skills, decisionmaking skills, self evaluation, labor market information, the use of local resources for finding employment and other appropriate skills leading to supervised but self-directed employment search;

(iii) referral to an on-the-job training program or classroom occupational and employability training except that not to exceed 50 per centum of the compensation paid for on-the-job training may be paid for from financial assistance paid under this Act;

(iv) development of a relocation plan which includes assurances from an employer in another community that work is available to the claimant and such relocation plan may include reimbursement for the cost of job search activities with perspective employers, transportation costs for the claimant, his family and household furnishings, and allowances for deposits and other costs associated with relocation; and

(v) a statement by the employment councelor that good and sufficient reasons exist for some other alternative program for the displaced worker,

(D) the State will, wherever practicable to assure the continued participation of each displaced worker claimant in the program assisted under this Act, provide for conditioning the payment of unemployment insurance benefits on continued participation in the program, consistent with the requirements of section 3304 of the Internal Revenue Code of 1954;

(4) contain provisions describing the manner in which the State will participate in an interstate layoff and plant closing program established by the Secretary;

(5) contain assurances that the State will comply with the limitations contained in section 8; and

(6) contain such other provisions as the Secretary may reasonably require.

(b) The Secretary shall approve any application which meets the requirements of subsection (a), and shall not disapprove any application submitted under subsection (a) without first affording the State an opportunity for a hearing.

LIMITATIONS ON USES OF FUNDS UNDER THIS ACT

SEC. 8. (a) No grant under this Act may be used by the State or may be used by any other person with which the State makes arrangements to carry out the provisions of this Act to pay compensation to any displaced worker not described in the application submitted under section 7 or to make payments for living expenses of the displaced worker claimant under the reemployability plan described in such application.

(b) No State may use more than 15 per centum of the amount received by the State in each fiscal year for administrative expenses.

AUDIT

SEC. 9. (a) Each State shall provide such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under this Act, including procedures for monitoring the assistance provided under this Act and provide that at least every year each State shall prepare an audit of its expenditures of amounts received under this Act. Each audit required under this subsection shall be conducted by an entity independent of any agency administering activities or services carried out under this Act and shall be conducted in accordance with generally accepted accounting principles. Within 30 days after submit a copy of such audit to the Secretary.

(b) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by the State of grants under this Act in order to assure that expenditures are consistent with the provisions of this Act to determine the effectiveness of the State in accomplishing the purposes of this Act.

PAYMENTS TO STATES

SEC. 10. (a) From its allotment under section 5, the Secretary shall make payments to each State in accordance with section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), for use under this Act.

(b) Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year.

NONDISCRIMINATION PROVISIONS

SEC. 11. (a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this Act. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped

individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

(b) Whenever the Secretary determines that a State that has received a payment under this Act has failed to comply with subsection (a) of this section or an applicable regulation, he shall notify the chief executive of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted, (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 or section 504 of the Rehabilitation Act of 1973, as may be applicable, or (3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b) of this section, or whenever he has reason to believe that the State is engaged in a pattern or pactice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

By Mr. McCLURE (by request):

S. 2651. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

EXTENSION OF SECTION 252 OF THE ENERGY POLICY AND CONSERVATION ACT

● Mr. McCLURE. Mr. President, at the request of the administration, I introduce a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act until June 30, 1985. I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2651

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 252(j) of the Energy Policy and Conservation Act (42 U.S.C. § 6272(j)) is amended by striking "July 1, 1982" and inserting in its place "June 30, 1985".

DEPARTMENT OF ENERGY,
Washington, D.C., June 17, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is proposed legislation "[t]o extend the expiration date of section 252 of the Energy Policy and Conservation Act."

This proposed legislation is part of the Department of Energy Legislative Program for the 97th Congress. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this legislation for the consideration of the Congress.

PURPOSE OF THE LEGISLATION

This bill would amend subsection 252(j) of the Energy Policy and Conservation Act (EPCA) by changing the expiration date of section 252 from July 1, 1982, to June 30, 1985. The extension would continue the antitrust defense afforded by section 252(f) of EPCA to United States oil companies participation in the Agreement on an International Energy Program (IEP), thus facilitating their continued participation in the IEP.

BACKGROUND

The IEP originally was signed in 1974 as the result of an effort by the United States to promote cooperation among major industrial countries in reducing dependence on imported oil. There are presently 21 signatories to the IEP, consisting of most of the principal industrialized oil consuming nations. The IEP provided for creation of the International Energy Agency (IEA) as an autonomous entity within the Organization for Economic Cooperation and Development and, under the auspices of the IEA, of an international oil sharing system for use during oil supply emergencies, and an information system on the international oil market. It also required each country to establish an emergency petroleum storage program, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies to the IEP countries.

Section 252 of the EPCA sets out procedures applicable to the development or carrying out of voluntary agreements and plans of action to implement the allocation and information provisions of the IEP. Under this authority, effective March 21, 1976, United States oil companies entered into the Voluntary Agreement and Plan of Action to Implement the International Energy Program (the Voluntary Agreement) (41 F.R. 13998, April 1, 1976). At present, 21 United States oil companies, including both major international oil companies and independent oil companies, are participants in the Voluntary Agreement.

The antitrust defense provided in section 252(f) is essential to the participation of United States oil companies in the Voluntary Agreement and, through it, in the IEP. The IEP, in turn, can function effectively only with participation by United States and foreign oil companies which are primary sources of information about conditions in the international oil market and would be the primary factors in redistributing oil if the IEP's emergency sharing provisions were activated.

This bill simply extends to June 30, 1985, the effectiveness of the section 252 antitrust defense, thereby synchronizing its expiration with that of Titles I and II of EPCA, and assuring continuity of U.S. company participation in the IEP. All of the other conditions and safeguards presently incorporated in that section will remain unchanged.

COST AND BUDGET DATA

Enactment of this legislation would cause no apparent increase in budgetary requirements for the Department of Energy.

Sincerely,

R. TENNEY JOHNSON,
General Counsel.●

By Mr. DANFORTH (for himself, Mr. TSONGAS, Mr. BAKER, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. LAXALT, Mr. BRADLEY, Mr. CRANSTON, Mr. MATSUNAGA, Mr. PELL, AND Mr. SASSER):

S.J. Res. 202. A joint resolution to express the sense of the Congress of the United States that the Nation reaffirm its commitment to the expeditious development of magnetic fusion energy; to the Committee on Energy and Natural Resources.

MAGNETIC FUSION ENERGY ENGINEERING

Mr. DANFORTH. Mr. President, today I am introducing, along with 10 of my colleagues, a joint resolution reaffirming congressional support for the Magnetic Fusion Energy Engineering Act of 1980. A similar joint resolution is being introduced today in the House by Representative BOUQUARD and 30 of her colleagues.

The 1980 act received the overwhelming support of the Congress 2 years ago, passing the Senate by voice vote and the House by a vote of 365 to 7. In so doing, the Congress declared that the Nation "must aggressively pursue research and development programs in magnetic fusion" and "must demonstrate at an early date the engineering feasibility of magnetic energy systems."

It was therefore declared the policy of the United States and the purpose of the act "to accelerate the national effort in research, development, and demonstration activities of magnetic fusion energy systems."

But in 1982 we are not seeing an acceleration of this effort. In the name of budgetary restraint, we are seeing a slowdown.

In its budget submission, the administration declares its support for "developing the highest potential of fusion energy in an environmentally acceptable and economically competitive manner." And it notes that its long-term strategy in this area "will require substantial budget increases, especially in the engineering effort." But it adds that the general need for fiscal restraint means that "the fusion program cannot now follow an ambitious path. By necessity the program must be slowed down."

The budget request for the 1983 fiscal year of $444,100,000 represents a decrease of $9,704,000 from the 1982 level and has been judged, in the administration's own words, "the minimum funding level required to carry out a meaningful scientific program without terminating options prematurely."

Furthermore, the Department of Energy's "preliminary comprehensive program management plan for magnetic fusion energy," still in draft form, states that "the magnetic fusion program should plan on a relatively constant budget for the near future."

Mr. President, this is hardly what the Congress had in mind when it passed the 1980 act. I agree that we need to be concerned about the level of Federal spending, and I have supported the efforts to restrain it. But at the same time we must not fail to make investments that are necessary for our future.

Fusion energy offers the promise of a safe and inexhaustible source of energy—an alternative to our current dependence on finite supplies of fossil fuels. Within the constraints of the budget, we must find room for the full-fledged funding that is needed. We cannot concentrate solely on consumption and exploitation of existing energy sources; we must also provide for the needs of coming generations. Shortchanging the fusion program at this point, in my view, is a policy we should not pursue.

I ask that the text of the joint resolution and an article from Inside Energy be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 202

Whereas the Congress of the United States overwhelmingly approved and enacted into law the Magnetic Fusion Energy Engineering Act of 1980 to establish a national commitment to an aggressive and accelerated research, development and demonstration program on magnetic fusion energy;

Whereas several prestigious review panels have concluded that magnetic fusion energy is technically ready to move into a significant engineering research and development phase;

Whereas the initiation, at this time, of an orderly engineering effort with industry would augment the high quality research efforts of our National Laboratories and universities;

Whereas it is timely to proceed with the construction of experimental facilities in order to derive the necessary engineering and scientific knowledge to bring fusion energy to practical fruition; and

Whereas the long-range, high-risk, high-payoff potential of magnetic fusion energy requires that the Federal Government assume a direct responsibility to demonstrate the scientific and engineering feasibility of the technology: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Government of the United States should maintain a consistent, continuing commitment to the research and development and engineering of fusion energy as embodied in the intent of the Magnetic Fusion Energy Engineering Act of 1980.

DRAFT DOE PLAN PROPOSES STRETCHING OUT FUSION PROGRAM, LEVELING BUDGET

DOE's magnetic-fusion energy program is to be scaled back dramatically from the ambitious pace set out in the Magnetic Fusion Engineering Act of 1980, which called for a doubling of the program's budget within seven years. Instead, DOE's draft copy of the "Preliminary Comprehensive Program Management Plan for Magnetic Fusion Energy" states that the "magnetic fusion program should plan on a relatively constant budget for the near future."

The plan is being prepared by DOE in compliance with the fusion act, which requires that the department submit a report to Congress by Jan. 1, 1982. This report was delayed "due to uncertainties regarding the actual budget to be provided to DOE for magnetic fusion development for fiscal year 1982 and fiscal year 1983, the first two years covered by the act," DOE explains in the draft.

Engineering de-emphasized for near future. The mandate for the federal government to aggressively pursue the development of fusion as a new source of electrical generation can be met if the program is stretched out, DOE says. "We believe the intent of the act can be satisfied by changing from a mixed product definition/product development strategy to one focusing on product definition in this decade and on an intensified product development activity in the next decade. Both strategies are goal-oriented, with the earlier strategy aimed at reactor development and the new strategy at reactor concept definition. . . . The principal difference is that for this next decade the earlier strategy planned on new facilities to develop and demonstrate reactor technology, especially the fusion engineering device for systems integration, and technology demonstration, whereas the new strategy emphasizes the use of existing facilities for development of the critical issues in reactor technology," says DOE.

Industry reaction critical. "The new management plan is a disappointment. The program shouldn't be limited by budget," says Frank Graham, the Atomic Industrial Forum's special studies manager. Graham says the fusion program should be supported by a budget that is based on what can be achieved. But the main problem "is that there is no indication of a plan for managing the engineering development of fusion," he says, adding, "without this no data base will be built."

Private consultants told Inside Energy that the department's plan to depart from the idea of building a simple test bed (fusion engineering device) that could be operated rather quickly is short-sighted. Furthermore, the proposed plan removes the focus of the program and endangers the prospects for future congressional funding, they say, because it will be 1992 before any new, significant engineering problems will be tackled.

Three budget scenarios provided. The plan outlines three levels of funding for the program. In fiscal year 1984 the budget could be as low as $470 million or could rise to $610 million. Under the "delayed" case, funding could rise to $560 million by fiscal year 1988. Under the "accelerated" case, funding could run as high as $715 million by fiscal year 1988.

Shift in strategy raises risks. The plan calls for relying on existing facilities, wherever possible, to find solutions, rather than on constructing new machines in the endeavor to harness a hydrogen plasma within a magnetic field. "In this approach, the previous objective of the early demonstration of fusion's engineering feasibility is replaced with a process which provides a data base from which an assessment can be made of whether or not the engineering requirements of a fusion power reactor can be met.

Although this new strategy can lead to a readiness for commercialization around the turn of the century, as in the previous strategy, it is inherently a higher-risk approach since numerous aspects of fusion technology will not actually be reduced to practice until the next stage of fusion-power development," the draft says.

In particular, the new strategy advocated in the draft plan replaces the proposed fusion-engineering device (FED) with a less sophisticated machine, the experimental test reactor (ETR). Depending on the level of funding that is available, such fusion technologies as the tandem mirror, the Elmo Bumpy Torus (EBT-P) and the advanced-toroid concept could lose out against a steady-state tokamak approach.

Under the "accelerated" funding case, only the tokamak technology would be a likely candidate on which to base the ETR, but because of the level of funding, mirror technology, EBT-P and other programs would continue. Pursuit of these other concepts wouldn't be cut back until a demonstration-scale reactor concept was selected, DOE notes.

Conversely, under the new-strategy level of funding, EBT-P and the mirror programs will be sufficiently developed for consideration with tokamaks as the base concept for the ERT. However, under the budget levels that accompany this option, the magnetic-confinement options that lose out in the ETR selection process cannot be continued.

Thus, the ETR candidate that's selected, says DOE, also is likely to be the concept used for the demonstration-scale facility. DOE summarizes, "although the new strategy might at first appear to deliver essentially the same product at a lower cost, it does so only by incurring the greater risk of forcing the selection of the fusion-reactor confinement concept to occur approximately five years sooner, on a smaller data base."

Under the "delayed" case, more confinement concepts can be considered for the ETR, DOE says, "but only at the [expense] of a greater total program cost and duration."

Mr. BRADLEY. Mr. President, I am pleased to cosponsor this joint resolution reaffirming the Nation's commitment to magnetic fusion energy. As a cosponsor of the Magnetic Fusion Act of 1980, I wish to point out to my colleagues the great potential of fusion energy, a relatively environmentally benign energy source that relies on inexhaustible, low-cost, readily available fuels. But this potential will not be realized without direct and consistent Federal support. Unlike synthetic fuels and solar panels, for example, the fusion technology has not been demonstrated. The risks are so large and the payoff so distant that private interests cannot be expected to undertake this type of investment. The Magnetic Fusion Act recognized this economic fact and laid out a national policy for fusion research and development. That policy is now being threatened.

The primary goal of fusion energy development is to develop a high energy physics environment that will produce large quantities of heat. Production of electricity is the easiest and most straightforward application for fusion, but there are other applications as well.

The scientific research goal is to confine quantities of the heavy isotopes of hydrogen at appropriate density and temperature, and for a time long enough for a useful number of fusion reactions to occur. Typically, this may mean a density of one-one hundred thousandths that of air at sea level, a temperature of 100 million de-

grees centigrade and a confinement under these conditions of 1 second.

Fusion as an energy source would be characterized by:

An effectively inexhaustible supply of fuel; no possibility of nuclear runaway; no chemical combustion products; materials and byproducts that are not suitable for diversion to the production of nuclear weapons; and low amount of radioactive byproducts with significantly shorter half-lives relative to fission reactors.

The Magnetic Fusion Act sets out a comprehensive plan for research, development and demonstration of fusion energy production. Participation by industry, universities, Government laboratories, and other scientific and technical organizations is promoted.

The Princeton Plasma Physics Laboratory plays a key role in the fusion effort. An article entitled "Recreating the Power of the Sun," by Jeremy Bernstein in the New York Times Magazine earlier this year described the Princeton program in particular and the fusion program in general. I ask that this article appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, the Princeton lab is located near the university's main campus and is the largest of the four major magnetic fusion energy research facilities operated for the Department of Energy. The others are located at Oak Ridge, Tenn.; Los Alamos, N. Mex.; and Berkeley and Livermore, Calif. The Tokamak fusion test reactor, located at the lab, is the largest construction project undertaken to date in the U.S. fusion program. The test reactor will be the first magnetic fusion system in the United States of producing fusion energy in any significant quantity.

In 1985 the test reactor is scheduled to demonstrate the scientific feasibility of magnetic fusion; at that time the energy produced by the reactor will equal the energy put into the machine. If this important and exciting event is to occur, funding sufficient to maintain a core staff is necessary. Small cuts in the fusion budget will result in staff reductions that will delay the break-even demonstration. This underlines the importance of consistent Federal funding.

Support for magnetic fusion will pave the way for clean, safe, abundant, and environmentally benign energy for this country and the world in the 21st century. Research steps on this road are now taking place at Princeton and other places. We must support this research. I urge my colleagues to support this joint resolution.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECREATING THE POWER OF THE SUN

(By Jeremy Bernstein)

It's a long way from Princeton, N.J., to the center of the sun but, in a sense, that's the journey Harold P. Furth set out to take a year ago when he accepted the position of director of the Princeton Plasma Physics Laboratory. The laboratory, along with others elsewhere in the United States and in Western Europe, the Soviet Union, Japan and China, is attempting to re-create on earth many of the conditions that exist at the center of the sun, attempting to produce energy the way the sun does—through nuclear fusion.

Fusion is the basic mechanism that causes the sun and the other stars to shine. The interior of the sun is 14 million degrees centigrade, and at such high temperatures, its nuclear particles fuse together with the release of tremendous energy.

Fusion is also the basic mechanism of the most powerful force man has yet created on earth: the hydrogen bomb. And almost from the time the bomb was conceived, many of its creators, scientists both in America and abroad, began the incredibly difficult task of trying to control nuclear fusion for nonmilitary purposes—to learn to heat, confine and control nuclear particles at temperatures like the sun's so that the energy they produce can be used for peaceful pursuits.

Now, more than 30 years after they began, it appears that these fusion scientists will, indeed, be successful. Thanks in large measure to the research achievements of the past three years, particularly at Princeton, it seems clear that nuclear fusion could eventually solve a major world energy problem—the production of electricity—and it could do so with acceptable environmental hazard. This does not mean that nuclear-fusion power plants of the future will be free of risk. They will not. But their dangers will be substantially smaller and easier to deal with than those that have developed with the nuclear power plants of the present. These plants utilize nuclear fission, in which atomic nuclei are split rather than fused. In the fission process, very substantial amounts of radioactive material are also produced. Constructing and operating such plants so as to make them acceptably safe is proving to be extremely expensive, and storing the spent, radioactive materials they produce has been no less a problem. As a result, no new fission plants, other than those already under construction, are currently being planned in the United States.

Nuclear fusion, moreover, is free of some of the drawbacks of the various other alternative sources of energy. Oil is running out. Coal burned in too great a quantity can also be very hazardous—heating up the atmosphere by the so-called "greenhouse" effect, for example—and neither windmills nor solar collectors (which, among other things, don't work at night) are nearly adequate for the needs of the world. Fusion plants, on the other hand, which will probably be fired in large part by hydrogen obtained from the plentiful water of the sea, will have the potential to produce the vast amounts of electrical energy needed for world consumption.

While the attraction of controlled nuclear fusion has remained strong, the advances have come slowly and with difficulty. So slowly and with so much difficulty that in 1980 Congress, passing what is known as the Magnetic Fusion Energy Engineering Act, called for an overall expenditure of $20 billion to enable "the United States to aggressively pursue research and development" to the point of practical success, which is not expected before the year 2000. Two years before that legislation was passed, scientists, by 1978, had managed to create temperatures as high as 70 million degrees centigrade. The temperatures were high enough for nuclear fusions to occur but not high enough to induce a sufficient number of fusions to produce the quantity needed for practical usage. Within the past year, however, the researchers at Princeton have, in an elaborate and difficult series of experiments, managed to obtain a yield of fusion several times larger than had ever been produced before in a controlled experiment.

The feat went unheralded, largely because there is still such a long way to go before the final goals are reached. But it helped to reassure the physicists and engineers around the world who are working on the project that their hopes have been well founded; that, in a sense, we have arrived at the end of the beginning of the fusion era.

"The irony is," says Furth in discussing the Princeton achievement, "that if the Russians had done it, we would have never heard the end of it. If the Russians had come through, it might have been worth at least another $100 million to the United States program. We seem to need another Sputnik."

Furth is not complaining. "We are very excited," he says, "very pleased that what we are doing now seems clearly on the right track." But this remark does reveal a serious concern about continued Federal support for science, despite the Magnetic Fusion Energy Engineering Act. "The Reagan Administration had talked about a 12-percent cut across the board for American science. They have been very supportive of fusion research, but if cuts like that really were to go through, we would be in trouble. A successful research team takes a long time to build up. We can't just lay off our scientists and engineers and expect to get back our momentum a few years from now."

Harold Furth was fully aware of the financial responsibility and the problems associated with his Princeton assignment when he took it on. Before he began, the director of another large physics laboratory in the United States told him a story he thought might be useful: A newly appointed energy-lab director was given two sealed letters by his predecessor and informed that, if he got into trouble and saw that things were not working, he should open the letters, one at a time as needed. After six months, the director did, indeed, see trouble ahead and opened the first letter: "Blame the previous director," it said. This worked for a while, but then he got into worse trouble and opened the remaining letter, which said: "Prepare two letters." So far, Furth, whose lab now employs 1,250 people and has an operating budget of $75 million (a third of the total budget of Princeton University), has not had to prepare any such documents.

Dr. Furth's primary interest in physics during his graduate days at Harvard in the early 1950's was in the phenomenon of magnetism, especially in devices that produced powerful magnetic fields. In 1956, he was hired by Edward Teller at the Lawrence Livermore Laboratory near San Francisco to bring his interests to bear on fusion. The real problem has been to keep the extremely hot electrically charged gases confined long enough so that their atomic nuclei can collide. The use of powerful magnetic fields

has been the key but that too has proved difficult. The particles tend to wiggle away, out of the magnetic fields. Edward Teller once said that confining the charged gases was "like trying to confine jelly with rubber bands," the "jelly" being the hot gases, and the "rubber bands," the lines of magnetic force.

Dr. Teller himself was once the subject of a bit of metaphorical description by plasma-physicist Furth, one of whose earliest published works was not a scientific paper but rather a poem in The New Yorker. Furth's interests as an undergraduate were about evenly split between physics and creative writing; he had read an account of a speech Teller had given on antimatter and was inspired to write a poem entitled "Perils of Modern Living." The poem, appearing over the initials H.P.F., began:

> Well up beyond the tropostrata
> There is a region stark and stellar
> Where on a streak of antimatter
> Lived Dr. Edward Anti-Teller . . .

It went on to describe a fatal encounter between Dr. Teller and Dr. Anti-Teller:

> Their right hands
> Clasped . . . and the rest was gamma rays

Teller bore no hard feelings over the somewhat irreverent tone of the poem; he has just published a text on controlled nuclear fusion, and Furth has written one of its chapters.

At temperatures above 10,000 degrees, all matter is in what physicists call a plasma state: The electrons—light, negatively charged particles that surround the nucleus of an atom—are stripped from the nucleus, leaving a gas of free electrons along with a companion gas of positively charged nuclei.

The basic idea of controlled fusion is today, as it was when it was conceived during World War II, to make use of the plasma state. And since plasmas are composed of electrically charged particles, they can be guided by magnetic fields. One takes light elements—such as deuterium and tritium gas—and heats them to at least 100 million degrees centigrade. Far less dense than the plasma of the sun, these elements must be heated at temperatures considerably higher than the sun's 14 million degrees. If these newly created plasmas are tightly confined, magnetically, at such temperatures, their atomic nuclei will smash into each other and fuse to make a new element, helium, along with a free neutron, which is released from one of the colliding nuclei. (The nucleus of an atom of deuterium contains one positively charged proton and one neutron, which has no charge; tritium contains one proton and two neutrons. When the two neuclei fuse, they become a single nucleus of helium, which has two protons and two neutrons. In the process, one neutron is lost from the original group.)

Vast quantities of energy are released, most of which is carried off by the neutron, according to Einstein's equation $E=mc^2$—meaning that energy equals mass times the square of the speed of light. (Mass here actually stands for a loss of mass.) In this reaction, about 0.4 percent of the original mass is lost when deuterium and tritium become helium. The change seems small, but when multiplied by the square of the speed of light, the loss shows up as an enormous release of energy.

If, for example, we could fuse all of the nuclei in one gram of deuterium—about .002 of a pound—the energy released would be the equivalent of that produced by burning two tons of oil. A gallon of ordinary water contains so much deuterium—also known as heavy hydrogen—that, if it can be successfully used as fusion fuel, it will produce as much energy as 300 gallons of gasoline. Unfortunately, fusion fuel will burn only under conditions like those at the center of the sun.

The main high-temperature fusion device now operating at Princeton—the Poloidal Divertor Experiment, or P.D.X.— is in a relatively unprepossessing building on the James Forrestal Campus, about five miles from the university's main campus. Nearby is the next generation of fusion machine—the Tokamak fusion Test Reactor, or T.F.T.R.—which is under construction at a cost of about $314 million and is scheduled to go into operation late this year. Almost within the shadow of the construction site and the P.D.X. plasma furnace on the Forrestal campus is another energy experiment: In this, scientists are attempting to produce air-conditioning by filling a great hole with a small mountain of ice during winter and covering it with plastic insulation; the idea is that the ice would be allowed to melt in summer under controlled conditions to produce long-lasting air-conditioning. Both energy enterprises, representing the opposite ends of technical complexity, would ultimately use the same, essentially inexhaustible raw material—water—but in very different ways.

To enter the Forrestal laboratories, one must be signed in and given a radiation-detection badge. One walks along labyrinthine corridors (past a computer center outside which is posted a notice that reads: "To err is human; to really foul up requires a computer") to enter the control room of the P.D.X.

About 75 research scientists and technicians work exclusively on the P.D.X., which is housed in a hangar-like experiment hall with large cranes overhead. The device is surrounded by concrete walls 20 feet high and two feet thick to stop those energetic neutrons and block low-level X-rays that come from the machine when it is operating.

As an experiment starts, a warning signal goes on in the control room, indicating that, behind the concrete walls, an electrical current is about to be passed through the coils of the machine, generating magnetic fields. After the warning, humming and rattling sounds can heard in the control room. They are occurring, Furth says, as a cold mixture of deuterium and hydrogen is injected, and the heating process begins.

The researchers constantly move in and out of the P.D.X. control room, checking a variety of monitoring devices. The controls do not look much more complicated than those in the cockpit of a modern airliner—with a few additions, such as closed-circuit-television screens and computer displays. But the equipment gives highly sophisticated readings. With a laser-beam "thermometer," for example, the scientists determine the temperature inside the P.D.X., shooting a laser light beam through its windows. The beam bounces off the electrons in the plasma in such a way as to measure their speed, and the speed of particles is what determines their temperature. (The device works in much the same way in which the speed of a passing train can be measured by the change in pitch of its whistle—that is, by the so-called Doppler effect.)

The Princeton P.D.X. is a highly evolved example of a type of fusion reactor known as a tokamak (which is a Russian acronym standing for a toroidal chamber—that is, a doughnut-shaped chamber—containing a magnetic field).

Until 1958, fusion projects in both the United States and the Soviet Union were classified; workers in each had no concrete idea of what the others were up to. But that year, the Eisenhower Administration agreed to declassify the entire controlled-fusion program, which was done at the second of two international conferences on peaceful uses of atomic energy. As it turned out, both the Russians and the Americans were on remarkably similar tracks.

Among the documents that became available was a prescient and extraordinarily far-reaching paper written jointly in 1950 by Andrei D. Sakharov and Igor Tamm, both future Nobel Prize winners. (Sakharov, tragically, is now under house arrest in Gorky because of his human-rights activities.)

Sakharov and Tamm had set forth the basic concept of the tokamak. The design, as the acronym suggests, would confine heated plasma in a hollow, doughnut-shaped vessel. Electric currents are passed through coils wrapped around the doughnut to produce magnetic lines of force, called a "toroidal magnetic field," inside the vessel. The gas tends to be confined within the magnetic field—but not for long. The hot particles begin to cross the field lines and crash into the cold walls of the doughnut, losing their heat.

Sakharov, in a part of the 1950 paper, proposed that researchers make use of the fact that a heated plasma is an excellent conductor of electricity. At a temperature of 100 million degrees centigrade, it has a conductivity, in fact, about 30 times greater than copper. So Sakharov suggested that an electric current be induced to flow around the doughnut and right through the plasma itself, creating a second magnetic field perpendicular to the first. (If you were to lay a doughnut flat on a countertop and slice down through it, the lines of the second magnetic field—the so-called poloidal field—would lie in the plane of the vertical slice; whereas the toroidal field lines go around in a horizontal circle parallel to the countertop.) The combination of the two fields, the horizontal and the vertical, forces the plasma particles into so-called helical orbits—that is, into a spiral path around the hole in the doughnut, staying within the magnetic fields and not touching the cold walls.

While Sakharov and Tamm were inventing the tokamak, a Princeton astrophysicist, Lyman Spitzer Jr., was grappling with the same problems and came up with a device known as the Model-A Stellarator, built at Princeton in 1952. He produced the poloidal magnetic field externally by wrapping wires outside the doughnut, and passing an electric current through the wires. In the tokamak, the plasma itself functions as the "wire." Spitzer, who is also a mountain climber and skier, thought of the Stellarator while riding up underneath the cables of a ski lift in Aspen.

In 1961, the late Lev A. Artsimovich of the I. V. Kurchatov Institute of Atomic Energy in Moscow headed a team which completed the T-3 Tokamak. In 1968, the machine heated plasma electrons to more than 10 million degrees, nuclei to about half that, and these temperatures were sustained for a few hundredths of a second.

For the first time, the dream of controlled fusion seemed capable of fulfillment, and a shock wave known as "tokamania" went through the international fusion communi-

ty. Since then, every major industrial country has been building tokamaks.

Once the cold mixture of hydrogen and deuterium has been injected into the Princeton P.D.X., a bolt of lightning is shot through it—a current with a power level roughly equivalent to the electricity being used at that moment by the entire town of Princeton. Just as lightning rapidly heats the atmosphere in a storm, the pulse quickly heats the gas in the tokamak, propelling its electrons around this incredibly fast nuclear racetrack. The gas hits 10 million degrees in less than one-tenth of a second.

With an earlier tokamak, the Princeton scientists had been able to achieve a temperature of 70 million degrees in 1978. But high temperature alone is not enough to produce useful energy. Temperature and heat content are not the same: Temperature is a reflection of the speed of particles; heat content is a reflection of both the speed and the number of particles. If there are only a few particles, then even if they fuse, they will not release much energy. In fact, until last year, the density of particles in the plasma used in the P.D.X. experiments was so low that, even at a temperature as high as that of the interior of the sun, its heat content was less than that in the warm air from a radiator. (In the P.D.X., the density of plasma particles was somewhat greater than 10,000 billion, or 10^{13}, particles per cubic centimeter as opposed to the atomic-particle density of the atmosphere, which is 10^{20} per cubic centimeter.) The main purpose of the P.D.X. machine was to raise the heat content of the plasma. But the initial results were discouraging.

The trouble was, says Furth, that after the researchers significantly increased the density of the plasma, they could no longer obtain the same temperatures. "By last winter," he says, "we had reached a temperature of only 30 million degrees with the P.D.X. and we began to worry whether fusion itself was feasible. The inability to get the temperatures up had troublesome implications. Were we leaking heat? Why?" Was there something fundamentally wrong?

Dr. Kees Bol and the P.D.X. group he heads spent much of last winter playing the tokamak almost the way one plays a church organ. "How you control the heat and density of the plasma is an art," Bol says. "We added two large injectors of deuterium atoms and induced more current in the plasma. Programming the current the right way turns out to make a big difference. It seems impossible at first, but that doesn't mean it can't be done."

After weeks of experiments, the beam of deuterium atoms was injected into the doughnut with an energy of 50,000 volts, which is about 50 times the energy of the particles already whirling around inside. The new "hot" neutral atoms acted like carnival bumper cars, crashing indiscriminately into the colder ones and greatly jacking up their speed, and hence their energy. The faster they went, the hotter they got, and—still before a full tenth of a second had elapsed—they hit 70 million degrees.

I cannot report that people were running around the control room shouting, "Eureka!" On the contrary, everyone remained silently glued to the monitoring equipment. But there was a collective sigh of relief.

The plasma had produced about 40 thousand billion fusions—with about twice as large an energy release as fusions had ever previously achieved.

"There is a tremendous responsibility in building one of these expensive things," says Furth, "and it would have been frightful to have built the wrong thing."

Remarkably, only a few minutes after the temporarily radioactive interior of the doughnut had been baked at temperatures hotter than the interior of the sun, it was possible to climb around its 10-foot-high exterior and inspect it. There was little to inspect—little evidence that something extraordinary had just taken place. Almost no residual radioactivity was present. The gas had cooled and had been pumped away.

Operators of future power-producing fusion reactors will have to deal with a significant amount of radioactivity. But for two principal reasons, it will be substantially less than that created by fission reactors. First, a working fusion reactor will produce material very much less radioactive than, say, a fission breeder reactor. Second, one can choose the type of material it produces, so that it will decay to biologically safe levels in hundreds of years, as opposed to many thousands.

In side the tokamak's copper-wound magnets there was also very little residual magnetism. (During an inspection, I was reminded of the now-ancient cyclotron machine at Harvard on which Furth and I worked during our graduate-student days. Particles were guided by an iron magnet. It would not only magnetize your watch and thereby immobilize it, but it would also grab iron tools right out of your hand and slam them against the wall.)

When nuclear fusions can be made to occur in a sufficiently dense plasma for long enough periods of time at high enough temperatures, they will supply enough energy to maintain those temperatures without requiring additional heating from any outside source. At that point, what is called "ignition" occurs. (The plasma ignites the way a log, for example, burns of its own accord once it is sufficiently heated; the ignited log produces much more energy than was required to heat it to ignition.) And while the plasma stays hot, fusions will keep occurring as long as small amounts of deuterium or a tritium-deuterium mixture are added.

With pure deuterium, the ignition temperature is about 500 million degrees centigrade. And the confinement time must be about 100 times longer than the tenth of a second that has been achieved in the P.D.X.

Fusion reactions in a mixture of deuterium and tritium occur 10 times faster than with pure deuterium and at a much lower temperature—about 60 million degrees is good enough for ignition. But there are several drawbacks to deuterium-tritium. Tritium is radioactive; it decays in about 12 years. Because natural tritium has all decayed since it was first created millions of years ago, virtually none now exists. Thus, tritium must be manufactured. Nevertheless, deuterium-tritium is certainly what will be used in the first generation of fusion-power plants, because of its fast reaction time at a relatively lower temperature.

How near is commercial fusion power? What will it look like? What will it cost? First, it should be said that, although the tokamak is, at present, the most advanced fusion device, it is not the only game in town. As Furth says, "There are lots of possibilities for magnetic bottles"—the physicians' term for devices that confine plasmas with magnetic fields. "The day of the inventor is not over by any means."

Among the possibilities are so-called "mirror machines," in which plasma is guided along straight lines rather than around a closed orbit. At the ends of the machine, magnetic fields block the motion of the particles and bounce them backward. In principle, the particles should oscillate back and forth indefinitely between the magnetic "mirror." In the experiments tried to date, the particles have tended to leak out at the ends. But there is a powerful new idea called the "tandem mirror," involving several mirrors, that may succeed in solving this problem. Apart from these magnetic-bottle machines, there has been a substantial effort to make fusion power by heating and confining cold pellets of material by blasting them with an intense laser beam—what is known as "inertial confinement." This effort also is well behind the tokamaks.

The next generation of large tokamaks—such as the Tokamak Fusion Test Reactor, scheduled to go into operation at Princeton late this year, and the Joint European Torus at Culham, England, to begin operations in 1983—has been designed to produce more than 30 million watts. In terms of the need for practical power generation, this is far from enough. (By comparison, a typical modern nuclear-fission plant produces something like a billion watts of power, in other words, enough power to light, say, 10 million 100-watt lightbulbs while the plant is running.) According to a plan developed by the Department of Energy, there would have been a national center by 1984 or soon thereafter at which private industries, the universities and the national laboratories would cooperate in assessing engineering problems connected with an igniting plasma. The center would use a tokamak, and, it was hoped, would be operational in the early 1990's. At the time, alternate confinement schemes would get a chance to compete for a fusion demonstration plant, which would be the final prototype for an electricity-producing fusion power plant. If all had gone well, such a plant should have begun to operate not long after the year 2000. The total cost of all of this was estimated by the Energy Department at about $12 billion to $15 billion, though Congress has raised the estimate to $20 billion. In the present climate of financial austerity, a much slower-paced fusion program seems more likely to be followed, at least initially.

If the fusion reactor in a power plant turned out to be a tokamak, that large, fat doughnut might have a radius of about 25 feet. Stainless steel or an alloy of titanium, zirconium and molybdenum might be used to make it, and this alloy would constitute the inner wall of a shielding blanket which, in its entirety, might be about three feet thick. This blanket would be subjected to an intense bombardment by energetic neutrons, comparable to what is found in a fission reactor. But the safety problems of the two machines would be totaly different. In a fusion reactor there is no possibility of a runaway accident. If the plasma confinement fails, the fusion reaction simply shuts itself off. The plasma cools. Fusions stop. Even if all of the fuel in the fusion machine were to react at once, there is so little of it that the temperature at the blanket would rise only about 100 degrees centigrade—negligible compared with what happens when an accident in a fission reactor allows the fission products to heat up their containment structures. At Three Mile Island, for example, the residual radioactivity in the material produced by the fission itself heated the reactor core to a temperature of several thousand degrees.

Neutron shielding is not a difficult engineering problem, since many common substances, such as boron, absorb neutrons like a sponge. Tritium, while radioactive, has a low activity. The electron emitted when tritium decays is a low-energy electron that cannot even penetrate the skin. And only small amounts will be used—perhaps 20 pounds yearly per billion watts of electricity produced. In some nuclear-weapons programs, tritium has been released accidentally, and it floats off into the atmosphere and disappears without a trace. Nonetheless, tritium in the fusion reactors must be handled very carefully and not be allowed to get out of the reactor area.

The blanket, however, will become radioactive, and it is estimated that, in a billion-watt fusion reactor, something like 150 cubic yards of radioactive material will have to be disposed of or recycled each year. The volume is comparable to the high-level radioactive wastes from a fission plant. But the advantage is that the shielding material can be selected to make the radioactivity weaker and more short-lived. In a fission reactor one has no choice. Nature has chosen the fission products, such as krypton or strontium, and some of these must be safely buried for thousands of years.

The blanket will contain lithium. When a neutron hits a lithium nucleus, it can react to become helium and tritium. Hence tritium fuel can be manufactured in the blanket as the reactor works. The machine produces its own fuel as it goes along. The blanket must be kept "cool"—perhaps at a temperature of 400 to 500 degrees—so a coolant will be circulated through it. In the process, the coolant itself will be heated and it is this heat that will be used to make steam—which in turn will run the generators that will produce electricity.

Essentially all of the expense of fusion reactors will be in the construction of the machine. Less than 10 percent is expected to go into fuel and operations. To compete with conventional methods of electrical generators—if, indeed, these are even available in the next century or later—it has been estimated that construction costs must be no greater than $3,000 per kilowatt of electric-power generating capacity. Thus a billion-watt fusion plant must not cost more than $3 billion to be competitive. Trying to state now whether the fusion program can achieve this is a little like the Wright brothers' trying in 1903 to state what the cost of a Boeing 747 would be in 1982.

Finally, one must deal with the question of whether such a vast sum of money as $20 billion should be spent to turn fusion power from a laboratory study into a practical power source. While this is not an answer, it is worth pointing out that all of the industrial countries have decided, in varying degrees, that fusion power is enough of a realistic prospect to spend substantial resources on. An interesting case is that of the Chinese. Work on controlled fusion in China goes back as far as 1955, when Chairman Mao himself identified it as potentially profitable research. Experimentation began on magnetic-mirror machines and, eventually, tokamaks with the endorsement of Zbou Eniai. The program, halted by the Gang of Four as all scientific work was, has now resumed. It is well behind those of the United States, the Soviet Union, Western Europe and Japan (whose program is in the process of becoming one of the strongest in the world). However, large numbers of Chinese graduate students are now coming to the United States to study physics in American universities—under a program supervised by T. D. Lee, the Chinese-born American Nobel Prize-winning physicist at Columbia University—and many are working on fusion.

Of course, the fact that all of these countries are working on fusion does not mean it is the right thing to do. Indeed, some critics of the fusion program claim that it is yet another example of a collective technological delusion. On the basis of what I have been able to learn about the general energy question, I believe that these critics are wrong. About 30 percent of the United States' total energy consumption goes into making electricity. At the present time, this percentage appears to be slightly declining, a reflection of conservation, increased efficiency and industrial stagnation. But almost every carefully considered scenario for the year 2000 predicts that the industrial nations will use substantially more electricity then than they do now; populations and their technology demands are simply not going to stop expanding. Recent figures on how electricity is presently generated—what energy sources are used—show the following: coal, 52 percent; natural gas, 15; hydroelectric, 12; nuclear, 11; oil, 9.

More than half the coal America mines—the total is about 800 million tons a year—goes into making electricity. This percentage is increasing and will certainly increase worldwide in the near future. There is plenty of coal, but it will not last forever, and it may well be that late in the next century it will be regarded in somewhat the same way we now regard our diminishing supply of oil and natural gas. But apart from this, coal presents problems of pollution that appears to be essentially ineluctable. The sulfur content of coal can very likely be dealt with by the use of expensive scrubber technology. But the nitrogen oxides, which when combined with water produce the main component of the acid rain that threatens our water environment, seem all but immune to present technology, and no technology can cope with the increase in carbon dioxide in the atmosphere that accompanies the burning of any fossil fuel. This is part of the burning reaction. Coal is one of the worst sources of this pollution. Synthetic fuels extracted from coal are even worse. This carbon dioxide traps the heat which the earth reradiates each day, and thus heats the atmosphere—the greenhouse effect. The amount of carbon dioxide in the atmosphere has been steadily increasing, and if it were doubled, which could well happen if we end up by burning all our coal, the average global temperature would increase by some three degrees centigrade. This would change climates in a serious and unpredictable way. It would probably be enough to melt the West Antarctic ice cap. If that cap melted completely, the levels of the world's oceans would rise some 50 feet. In other words, the good news on coal is that there is, indeed, a lot of it. The bad news is that we may have to use it.

Despite the current oil glut, no serious observer believes that this is anything but a rapidly diminishing resource. To use it up to make electricity is like making coat hangers out of platinum. Natural gas is more abundant; but, unless the unproved conjectures are right that deep in the earth there are vast amounts left over from the formation of the planet, this too will run out sometime in the next century. Hence, our descendants will have to find a replacement for some 30 percent of the fuel now used to make electricity, a replacement for oil and for natural gas.

Furthermore, where will the developing countries find the resources they need to make the electricity to bring them into the modern world? Few of them have coal or oil resources. Hydroelectric power might be expanded somewhat by damming every stream in sight. But is this something environmentally sensitive people really want to do? Wind power sounds nice, too—until one looks at the numbers. Assuming an average wind speed of 20 miles an hour—a hefty wind—it would take some 50,000 large windmills to equal the output of a one-billion-watt power station—one prospective fusion plant. It would take millions of windmills to make a real dent in our energy requirements. (There has been some engineering of windmills with propellers the length of a football field. If these could be used, the numbers needed would be somewhat fewer.)

The dangers and difficulties of fission reactors are too well known and frequently debated to merit much discussion here. I believe that they represent a safer and more environmentally attractive option than using vast amounts of additional coal. But uranium, like oil and coal, is a finite resource, and it can be stretched in the future only by using breeder reactors to make new fuel. Such reactors can also be used for making ammunition for atomic bombs and this, coupled with the other safety problems, may be enough to limit or even eliminate their future use. Incidentally, one of the reasons that the nuclear-power program is in such difficulty is that the reactor design was essentially frozen before alternative approaches could get a full hearing. The fusion program should not repeat that mistake.

This leaves fusion and the sun. Everyone agrees that solar energy will play a more substantial role. The disagreements are quantitative: How much of a role and in what areas? There is no argument that wherever possible solar heating and architecture should be used. This is an environmentally sound and economically attractive alternative. Solar electricity is another matter. This is a domain that appears to have become so emotional that rational discussion has become difficult. But the notion that solar electricity is "low technology" or a relatively simple "cottage industry" is really nonsense. There are two basic problems unresolved: how to improve the economics and efficiency of the solar cells, and how to develop an economical method of storing electricity when the sun is not shining. Both involve high technology.

The idea put forth by some that there is a conspiracy by the oil companies and others to block the development of solar energy is also nonsense, in my opinion: Anyone who could solve these problems would become rich beyond avarice—a goal to which large industrial companies are hardly indifferent. Most responsible people believe that in the year 2000 solar collectors will account for only about 2 percent of the total consumed.

Still, as Harold Furth points out, there is a parallel between the transition from traditional solar power to fusion and the transition from food gathering to agriculture. At first, mankind was satisfied to collect roots and berries; then we gradually learned to grow them at will. If, despite the obstacles, fusion power can be made practical, we will no longer be out trying to collect power when and where we can find it. We will have learned, in effect, to grow it at will. We will be capable of making limitless amounts of electricity from the waters of the earth's oceans. And it is surely possible that this

will be every bit as significant to the cultures of the world as farming and industrialization has been.

By Mr. WEICKER:

S.J. Res. 203. Joint resolution to authorize and request the President to designate the week of November 30, 1982, through December 5, 1982, as "National Preventive Dentistry for the Elderly Week"; to the Committee on the Judiciary.

NATIONAL PREVENTIVE DENTISTRY FOR THE ELDERLY WEEK

● Mr. WEICKER. Mr. President, today I am introducing a joint resolution to designate the week of November 30, 1982, through December 5, 1982, as "National Preventive Dentistry for the Elderly Week."

Proper dental care is an important aspect of everyone's personal health and hygiene. For the past 30 years, the Oral Health Committee of the American Dental Association has sponsored a "Children's Dental Health Week." This project has been enormously successful in providing educational materials that have helped raise children's knowledge of oral health and hygiene. Dental care, however, is not limited to children. Emphasis should also be placed on the unique and serious dental problems of senior citizens.

Deterioration of teeth in old age can lead to serious problems in chewing, communication, and facial expression. Altered looks and difficulties in communicating clearly can cause many elderly people to feel socially inadequate and deepen the feeling of not being understood or accepted by society. These feelings and the serious dental problems that cause them can be avoided with proper dental care. "National Preventive Dentistry for the Elderly Week" would call upon senior citizens and private and public organizations to take advantage of activities and programs designed to raise public awareness of preventive dentistry and to maximize the effect of such care against the dental diseases which effect our older Americans.

Mr. President, in my home State of Connecticut, Gov. William O'Neill designated November 28, 1981, through December 3, 1981, as "Dental Health Care for the Elderly Week in Connecticut." Posters announcing the promotion were displayed in every dental office and in other business establishments throughout the State. Every local society of the Connecticut State Dental Association was asked to participate in radio programs in their communities. Teams of dentists and dental hygienists took their program on preventive care into senior centers, homes for the retired, and Lions, Rotary, and other service clubs. Senior citizens were encouraged to seek dental care and become aware of possible dental problems that are characteristic of their age group.

Mr. President, greater communication and interaction between the American Dental Association and our elderly population of more than 20 million people is an important goal. I am proud to introduce this joint resolution which takes an important step toward improving the dental health of our senior citizens. I urge my colleagues to join me in this effort to proclaim November 30, 1982, through December 5, 1982, as "National Preventive Dentistry for the Elderly Week."

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 203

Whereas the Congress recognizes the tradition of the dental profession in advocating programs to prevent dental disease in children and young adults;

Whereas dental disease is not limited to any age group and senior citizens suffer unique dental problems;

Whereas early detection of tooth and gum disease and the dissemination of information of proper oral hygiene are the most effective weapons against the unique dental problems affecting senior citizens; and

Whereas in appreciation of activities and programs planned by the dedicated professionals of the Dental Associations throughout the Nation to promote awareness in preventive dental care for elderly citizens of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of American in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of November 30, 1982, through December 5, 1982, as "National Preventive Dentistry for the Elderly Week" and calling upon senior citizens and private and public organizations to take advantage of the activities and programs designed to raise public awareness and knowledge in proper preventive dentistry and to maximize the effect of such care against dental diseases which uniquely affect our elderly citizens.●

ADDITIONAL COSPONSORS

S. 294

At the request of Mr. GLENN, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of S. 294, a bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes.

S. 578

At the request of Mr. MOYNIHAN, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 578, a bill to amend the Internal Revenue Code to change certain accounting rules related to inventory.

S. 851

At the request of Mr. MOYNIHAN, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 851, a bill to amend the Internal Revenue Code to increase the amount that an artist may deduct when he contributes an artistic composition to charity.

S. 894

At the request of Mr. CANNON, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 894, a bill to exempt rural electrical cooperatives from fees under the Federal Land Policy and Management Act of 1976.

S. 1018

At the request of Mr. CHAFEE, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1018, a bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 1889

At the request of Mr. MATSUNAGA, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 1889, a bill to establish the U.S. Academy of Peace, and for other purposes.

S. 1910

At the request of Mr. BENTSEN, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1910, a bill to amend section 403(B)(2) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of a church; to add new section 430(B) annuity contract includes an annuity contract of a church, including a church pension board; to conform section 403(c) with recent amendments to 402(a)(1); to amend section 415(c)(4) to extend the special elections for section 430(b) annuity contracts to employees of churches or conventions or associations of churches and their agencies; to add a new section 415(c)(8) to permit a de minimus contribution amount in lieu of such elections; and to make a clarifying amendment to section 415(c) by adding a new paragraph (9) and conforming amendments to sections 415(d)(1), 415(d)(2), and 403(b)(2)(B).

S. 1931

At the request of Mr. SCHMITT, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1931, a bill to amend title 5, United States Code, to entitle Civil Air Patrol cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in event of disability or death, and to increase the level of compensation available to both.

S. 1939

At the request of Mr. GOLDWATER, the Senator from Delaware (Mr. ROTH), and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 1939, a bill to amend the Public Health Service Act to establish a National Institute on Arthritis and Musculoskeletal Diseases.

S. 2013

At the request of Mr. INOUYE, the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 2013, a bill to amend the Controlled Substances Act to establish a temporary program under which heroin would be made available through qualified hospital pharmacies for the relief of pain of cancer patients.

S. 2025

At the request of Mr. DURENBERGER, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 2025, a bill to amend the Internal Revenue Code of 1954 to provide tax incentives for investment in district heating and cooling systems.

S. 2059

At the request of Mr. COHEN, the Senator from Tennessee (Mr. SASSER), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 2059, a bill to change the coverage of officials and the standards for the appointment of a special prosecutor in the special prosecutor provisions of the Ethics in Government Act of 1978, and for other purposes.

S. 2094

At the request of Mr. DANFORTH, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2094, a bill to amend the Trade Act of 1974 to insure reciprocal trade opportunities, and for other purposes.

S. 2160

At the request of Mr. CHAFEE, the Senator from Vermont (Mr. LEAHY), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 2160, a bill to amend title 38, United States Code, to require the Secretary of Labor to make funds available to certain private nonprofit organizations to administer the disabled veterans' outreach program in certain States, and for other purposes.

S. 2281

At the request of Mr. DANFORTH, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2281, a bill to amend the Internal Revenue Code of 1954 to encourage contributions of computers and other sophisticated technological equipment to elementary and secondary schools.

S. 2321

At the request of Mr. MATTINGLY, the Senator from Wyoming (Mr. WALLOP), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Alabama (Mr. DENTON) were added as cosponsors of S. 2321, a bill to amend the Internal Revenue Code of 1954 to require substantiation of the living expenses of Member of Congress which are allowed as a deduction.

S. 2335

At the request of Mr. WEICKER, the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 2335, a bill to amend the Internal Revenue Code of 1954 to provide that any small issue which is part of a multiple lot shall meet the requirements of the small issue exemption.

S. 2353

At the request of Mr. BENTSEN, the Senator from Connecticut (Mr. DODD), the Senator from Maine (Mr. COHEN), the Senator from Texas (Mr. TOWER), the Senator from California (Mr. CRANSTON), the Senator from North Carolina (Mr. EAST), the Senator from South Dakota (Mr. ABDNOR), and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

S. 2474

At the request of Mr. BENTSEN, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 2474, a bill to amend the Internal Revenue Code of 1954 to expand the credit for university research.

S. 2475

At the request of Mr. BENTSEN, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 2475, a bill to amend the Internal Revenue Code of 1954 to expand the deduction for contributions of research equipment and service contracts to universities.

S. 2572

At the request of Mr. THURMOND, the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mr. PRYOR), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 2572, a bill to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes.

S. 2603

At the request of Mr. ROBERT C. BYRD, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 2603, a bill to amend the Trade Act of 1974 to insure fair trade opportunities, and for other purposes.

S. 2618

At the request of Mr. ZORINSKY, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 2618, a bill to limit the retirement annuity of Members of Congress and former Members of Congress.

SENATE JOINT RESOLUTION 58

At the request of Mr. HATCH, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S.J. Res. 58, a joint resolution preparing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

SENATE JOINT RESOLUTION 173

At the request of Mr. TSONGAS, the Senator from Vermont (Mr. LEAHY), the Senator from Georgia (Mr. MATTINGLY), and the Senator from Maine (Mr. COHEN) were added as cosponsors of Senate Joint Resolution 173, a joint resolution to authorize and request the President to issue a proclamation designating the calendar month of June 1982, as "National Rivers Month."

SENATE JOINT RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE CONCURRENT RESOLUTION 104

At the request of Mr. DODD, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of Senate Concurrent Resolution 104, a concurrent resolution condemning the use by the Government of the United Kingdom of plastic rubber bullets in Northern Ireland, and for other purposes.

SENATE CONCURRENT RESOLUTION 105

At the request of Mr. DODD, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of Senate Concurrent Resolution 105, a concurrent resolution relating to the activities of the Ulster Defense Association.

SENATE RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of Senate Resolution 183, an original resolution to pay a gratuity to Arthur J. Buto, David W. Buto, Kathleen A. Buto, and Robert C. Buto.

AMENDMENT NO. 1893

At the request of Mr. GORTON, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of amendment No. 1893 intended to be proposed to S. 995, a bill to provide for contribution of damages attributable to an agreement by two or more persons to fix, maintain, or stabilize prices under section 4, 4a, or 4c of the Clayton Act.

SENATE CONCURRENT RESOLUTION 106—CONCURRENT RESOLUTION RELATING TO NURSING HOME COMPLIANCE WITH MEDICARE STANDARDS

Mr. MOYNIHAN submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 106

Whereas there are more than one million three hundred thousand patients in nursing homes in the United States;

Whereas an increasing percentage of the population of the United States is aged and likely to seek nursing home care;

Whereas 57 per centum of nursing home revenues come from the Federal Government;

Whereas nursing home residents are entitled to protection by the Federal Government against abuses, dangers, and improper care; and

Whereas the Secretary of Health and Human Services has published a notice of

proposed rulemaking (beginning on page 23404 of the Federal Register of May 27, 1982) which proposes changes that would threaten the welfare of individuals residing in nursing homes: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) surveys of compliance of skilled nursing facilities with the requirements of the medicare program should be conducted not less often than annually;

(2) on-site reinspections should be conducted within 90 days to determine whether or not a facility has corrected violations;

(3) Federal funds for use in surveying skilled nursing facilities should not be withdrawn or decreased;

(4) it is improper to delegate to the Joint Commission on Accreditation of Hospitals the authority to certify the compliance of skilled nursing facilities with medicare requirements; and

(5) the proposed regulations relating to the survey and certification of health care facilities should not be adopted.

● Mr. MOYNIHAN. Mr. President, today I rise to express my concern over the administration's proposed regulations governing the enforcement of health and safety standards in nursing homes. I fear that if some of the changes are implemented, nursing home conditions could deteriorate and nursing home residents could be endangered. Several months ago, Health and Human Services Secretary Richard Schweiker announced that existing health and safety regulations would remain in force, after draft proposals to relax these rules were vehemently opposed by Members of Congress, consumer groups, and professional organizations. I had written to Secretary Schweiker to protest the contemplated changes on January 22. To my dismay, the survey and certification regulations for health care facilities published in the Federal Register on May 27 would weaken the enforcement of those health and safety rules that the Secretary pledged would "remain untouched."

Strong standards will not have meaning unless they are vigorously enforced. Burdensome regulations and expenditures must be eliminated, but residents of nursing homes are among our Nation's most vulnerable citizens and we cannot, in good conscience, seek to trim Federal spending and regulation by subjecting nursing home residents to unnecessary danger.

Among other proposals, the administration plan would no longer require annual inspection of nursing homes and would instead vary the frequency of inspection with past compliance with health and safety rules. In some cases, this would mean inspections only every 2 years. The proposal would also eliminate a requirement that inspectors revisit nursing homes within 90 days to check whether violations have been corrected; under the new regulations these checks could be done by telephone or letter in an unspecified time period. In addition, the proposal would allow nursing homes to be accredited by the Joint Commission on Accreditation of Hospitals—a private provider group—instead of by State agencies.

I am quite concerned about these proposals, and today I am submitting a concurrent resolution expressing the sense of Congress that these proposed regulations not be adopted. Congressman TOBY MOFFETT has submitted a resolution that is virtually identical in the House of Representatives. I urge my colleagues to join me in sponsoring this concurrent resolution.

Mr. President, I ask unanimous consent that a copy of my letter to Secretary Schweiker be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., January 22, 1982.

Hon. RICHARD S. SCHWEIKER,
Secretary, Department of Health and Human Services, Washington, D.C.

DEAR SECRETARY SCHWEIKER: It has come to my attention that the Department of Health and Human Services is proposing regulations that would relax or eliminate federal rules governing services, patient rights and staff qualifications at long-term care facilities. Among the rules recommended for repeal by the Health Care Financing Administration Task Force for Regulatory Reform are those requiring that nursing homes maintain elemental health and safety standards, respect the privacy and dignity of patients, and refrain from employing persons with communicable diseases.

I agree that unnecessary and burdensome regulations must be pruned. But I also believe that some regulations are justified because they offer protection from unsafe conditions. Residents of nursing homes are the most vulnerable among our elderly population. They rely on assurances of the quality of care and protection of their personal rights, for they are in many cases no longer capable of looking out for violations themselves.

History seems to demonstrate that nursing home operators do not always respect patient rights. In my own state of New York, nursing home rules were tightened after investigators discovered that patients had been abused or neglected.

It is perhaps true that some federal nursing home regulations duplicate state rules. I must point out that state rules by and large have been strengthened to conform to federal standards. I fear that many states may follow the federal lead and abolish regulations which duplicate those that are repealed. Rather than eliminate duplication, abolishing important federal health and safety regulation of nursing homes may lead to no regulation at all. As states find their own budget problems difficult to escape, this seems increasingly likely.

Equally important, not every state has regulations that duplicate those you propose to repeal. The result of the repeal will likely be that nursing homes in some states will operate at levels that all would recognize as substandard. Nursing home residents are precisely those members of society who cannot vote with their feet, who cannot relocate to a state that better serves their interests. They are the ones who most need protection, who most easily are exploited. Nationwide protection of nursing home residents can only result from federal regulation. Consequently, I urge that you retain current nursing home regulations governing services, patient rights and staff qualifications.

Sincerely,

DANIEL PATRICK MOYNIHAN.●

SENATE CONCURRENT RESOLUTION 107—CONCURRENT RESOLUTION RELATING TO THE GLOBAL 2000 STUDY

Mr. PELL submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 107

Whereas the United States exists in an increasingly interdependent world, both politically and economically;

Whereas the world, particularly developing nations (which account for 35 per centum of this Nation's exports), will experience rapid changes in population, resources, and the environment during the next two decades that will affect the economic and political viability of all nations;

Whereas it is essential to our own foreign and economic policy to anticipate and analyze projected world changes in population, resources, and the environment;

Whereas Global 2000 is the first official, coordinated undertaking by this Government to prepare long-range projections of these changes;

Whereas a major finding of the Global 2000 study is that the Federal Government now lacks the coordinated capacity to prepare such projections and analyze their implications for United States policy; and

Whereas individual Federal departments and agencies currently prepare global projections that often conflict, resulting in wasteful duplication as well as potentially misguided policy decisions: Now therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the executive branch should begin to systematically coordinate and improve its projections of world population, resource, and environmental trends, and their analysis, as outlined in the Global 2000 study.

● Mr. PELL. Mr. President, today I am submitting a concurrent resolution expressing the sense of Congress that the executive branch should conform to the recommendations of the Global 2000 study.

In his environmental message to Congress on May 23, 1977, President Carter directed the Council on Environmental Quality and the State Department, in conjunction with other appropriate Federal agencies, to make a study of the "probable changes in the world's population, natural resources and environment through the end of the century." The resulting study, called Global 2000, is unique in that it represents the first official, coordinated effort by the U.S. Government to examine these issues from a long-term, global perspective.

The decision to undertake the Global 2000 study reflects the recognition that interdependence is a hallmark of the world in which we live. Today, no nation, not even the United States, can be economically self-sufficient or totally sovereign. The Global 2000 study shows that increasing interdependence has created a spectrum of economic, environmental and social problems which affect all of the states in the international community in varying degrees yet defy solution by any one of them unilaterally.

The world's population will grow from 4.1 billion in 1975 to 6.35 billion in the year 2000—an increase of more than 50 percent. Approximately 90 percent of this growth will occur in the less developed countries—LDC's. While the economies of these countries are expected to grow at faster rates than those of the industrialized nations, the gross national product per capita in most LDC's will continue to remain low. For example, in the most populous nations of South Asia, it will be less than $200 per year—in 1975 dollars.

The LDC's will find it difficult to provide enough food for their rapidly growing populations. The expected increase in food production will result from a greater use of yield-enhancing, energy intensive inputs and technologies. Social traditions and economic constraints prevent many of the LDC's from employing these methods of cultivation. In addition, rising food prices and the lack of new, arable land will serve as obstacles to increasing food supplies. Ultimately, the capacity of the LDC's to provide their populations with food will depend on the policies of the advanced, industrialized nations. The poorest nations of the Third World will need more food assistance, and the more prosperous of the LDC's will have to depend on the world marketplace.

The Global 2000 study projects that there will be serious stresses on the Earth's natural resources and environment which will affect not only the LDC's but the advanced, industrial countries as well. For example, regional water shortages will become more severe, and the development of new water supplies, made necessary by population growth, will become more costly throughout the world. As demand for forest products and fuelwood increases, significant losses of world forests will continue. Agricultural soils are continuously deteriorating to the extent that every year an area the size of Maine is becoming wasteland. More and more plant and animal species are becoming extinct as habitats vanish. It is likely that the world's climate and the upper atmosphere will be seriously altered because of growing concentrations of carbon dioxide and ozone-depleting chemicals.

If the projections of the Global 2000 study are reasonably accurate—and there is sufficient corroboration from other studies to suggest that they are, the world in the year 2000 will face nearly insurmountable problems. There will be more people, more poverty and hunger, fewer resources, more pollution, and higher prices. Under these conditions, the chances of natural disaster and the threat of war inevitably multiply.

Through commitment and cooperation among the states in the international community, this dismal and threatening future can be avoided. The Global 2000 study recommends that the United States, as a nation whose policies have a tremendous impact on global trends, provide the leadership for solving these global problems.

One of the byproducts of the Global 2000 study is the realization that agencies of the U.S. Government cannot always provide accurate and useful projections of the future. The study found that there are inconsistencies in the methods and assumptions employed by different Federal agencies and that there is a lack of coordination among them. Therefore, Global 2000 also recommends that the United States improve its ability to identify emerging trends and problems and to assess the impact of its current and alternative policies on the world as a whole.

Mr. President, in my view the findings and recommendations of the Global 2000 study are far too important to be ignored by the U.S. Government. In our increasingly interdependent world, security can be undermined by economic, social, and environmental developments as well as by the military strength of one's adversaries. I believe that it is essential for the executive branch to implement immediately the recommendations of the Global 2000 study because in the final analysis, our fate depends on the viability of all nations and the survivability of the world around us.●

SENATE RESOLUTION 414—RELATING TO THE UNITED STATES AS A SUPPLIER OF GRAIN

Mr. PRESSLER submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 414

Whereas, the 1980 grain embargo damaged the credibility of the United States as a reliable source of grain, and caused the Soviet Union to turn to other sources of grain; and

Whereas, the U.S. and the Soviet Union have had a successful long-term grain agreement since 1975; and

Whereas, a long-term grain agreement is beneficial to the U.S. and the Soviet Union in stabilizing the world market, assuring the U.S. of a reliable market and assuring the Soviet Union of a reliable supply of grain; and

Whereas, agricultural exports are increasingly essential to the well-being of the U.S. economy and domestic agriculture; and

Whereas, other major grain exporting nations are negotiating long-term grain agreements;

Now, therefore, be it resolved, That it is the sense of the Senate that the President should take immediate action to demonstrate U.S. reliability as a grain supplier, including the assurance that selective grain embargoes will not be imposed in the future.

SEC. 2. The President should work to increase agricultural exports by negotiating a new long-term grain agreement or extending the present agreement with the Soviet Union, requiring the Soviet Union to purchase a minimum amount of grain annually at as high a level as can be agreed upon.

Mr. PRESSLER. Mr. President, I recently returned from the Soviet Union where I discussed agricultural trade issues with various Soviet agricultural officials. Among the officials I met were: Exportkhleb Director Pershin, Deputy Foreign Trade Minister Shushkov, Deputy Minister of Agriculture Runov, and Leningrad Port Director Terekhov.

During my discussions, it was clear that the Soviets will continue to be large importers of agricultural products for many years to come. None of the Soviet officials boasted of increased farm productivity or becoming agriculturally self-sufficient. Rather, they talked about the problems they have with their climate and their need for a reliable supply of grain and other farm products. They were proud of the fact that they have doubled their port capacity to handle grain imports in the past 2 years and they are continuing to expand their port facilities. All of this points to the continued Soviet need to import grain.

In our talks the Soviets continually referred to the 1980 grain embargo and their view that the United States is an unreliable supplier of grain. However, the Soviets also stated that they would rather purchase U.S. grain because it is cheaper and easier to ship. The continued talk of embargoes and restrictions of U.S. farm trade to the Soviets is like shooting ourselves in the foot. U.S. agricultural exports reached $43.3 billion in 1981 and resulted in an agricultural trade of $26.6 billion. This trade surplus paid for roughly one-third of U.S. oil imports. This surplus could be larger yet if we had not lost a large share of the Soviet market due to the grain embargo and if we would not continue to talk about grain embargoes. The Soviets increased their farm imports by $7 billion between 1979 and 1981 and if the United States had not had an embargo in effect, we could have gained a large portion of this market expansion. In 1979 the United States had 74 percent of Soviet grain imports, but that per-

centage dropped to 23 percent in 1981. Had we continued to supply 74 percent of Soviet grain needs, we would have increased our farm exports substantially.

After my lengthy discussions with Soviet officials, it was clear to me that the United States must aggressively work to regain its share of the Soviet market. Regaining a large portion of the Soviet grain market would substantially boost domestic grain prices. To achieve this goal, it is essential that the United States do two things:

Initiate negotiations on the extension and revision of our current long-term grain agreement. The agreement is important to American farmers because it assures them of an export market and would help to stabilize grain prices. The Soviets want to extend the agreement because it assures them of a source of grain. Such an agreement would also enhance the view that the United States intends to be a reliable supplier of grain.

Congress and the administration must continue to assure the Soviet Union that we are a reliable source of grain and other farm products and that embargoes will not be imposed except under the most extreme circumstances.

In an effort to emphasize the need for action in this area, I am introducing a resolution today. My resolution calls for action to demonstrate the reliability of the United States as a grain supplier and for the resumption of negotiations on the extension of the U.S./U.S.S.R. long-term grain agreement. I urge my colleagues to join me in support of the resolution.

Mr. President, I believe that the consumers and taxpayers also have an interest in increasing farm exports. We are overlooking the possibility of losing a major market for our agricultural exports if we do not extend our current long-term grain agreement. Argentina, Australia, and Canada have entered into long-term grain agreements with the Soviet Union and they are currently trying to increase the minimum sales level in their agreements.

If not selling grain would alter Soviet behavior, then I would support that course of action. If we were going to have a total embargo, I would support that course of action. But to go on in a sort of indecisive state, where we are seeking to alter Soviet foreign policy by talking of grain embargoes, by canceling talks on a long-term-grain agreement, but not taking the ultimate step of a total embargo, we find that we are shooting ourselves in the foot, because it is our own country that is hurt hardest.

Some people say that this is just talk from a farm State Senator who wants to see more grain sold, but all taxpayers have an interest in grain exports. For example, we have more grain stored in the United States than the total annual average production of the Soviet Union, and taxpayers are paying to store much of it. This huge surplus also depresses domestic farm prices and costs the taxpayers millions of dollars in increased farm program costs. The consumers food costs would not be effected at all by an increase in grain exports to the Soviet Unions.

In terms of our foreign exchange and the wealth of our country, we benefit by selling this grain.

So, Mr. President, I came back from the Soviet Union convinced, not only in the grain area but also in many other areas, that we are making a mistake by imposing sanctions on a piecemeal basis. For example, with respect to the Soviet natural gas pipeline, we have people unemployed at the Caterpillar plant in Moline, Ill.; we have people unemployed at the General Electric plants; and we have unemployed people elsewhere who were supplying parts for the Soviet pipeline. The fact is that subsidiaries of General Electric and the other companies are now supplying those parts from France and Japan, and the U.S. jobs are lost to France and Japan. The Soviets are obtaining the same technology but other countries are making the profit.

I noted with interest an article in the Washington Post 2 days ago which stated that the people in the White House were making additional plans for piecemeal efforts to put economic pressure on the Soviets, but I did not see an overall plan that would really tie it down.

This talk, of piecemeal sanctions, embargoes, and hodgepodge efforts to appear tough by shutting off small sales here and there, without making the decision to shut off all sales or to let them be made, is resulting in indecision on the part of industry and labor. This indecision has resulted in a great deal of unemployment, and hardship in our country, which has become increasingly dependent on exports.

Also, in a broader sense, our economy is not being given a fair chance to compete with the other major trading countries, without a clear decision.

Every American, consumers, white-collar workers on Wall Street, farmers, busdrivers, or whatever else, has an interest in understanding what is going on in international trade and the great economic and political need to expand international trade.

So let us not continue to shoot ourselves in the foot over some policies that are not altering Soviet behavior.

SENATE RESOLUTION 415—RESOLUTION TO HONOR MRS. JEAN MACARTHUR

Mr. D'AMATO submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 415

Whereas, Mrs. Jean MacArthur, wife of the late General of the Army Douglas MacArthur, has administered and guided the MacArthur Memorial Foundation,

Whereas, through the MacArthur Memorial Foundation, Mrs. Jean MacArthur has furthered the goals of law enforcement in the State of New York,

Whereas, through the MacArthur Memorial Foundation, Mrs. Jean MacArthur has helped to educate the public on the merits and duties of pubic service in the field of law enforcement,

Whereas, Mrs. Jean MacArthur has constantly sought recognition for those who have performed above and beyond the call of duty in police work, particularly with regard to the state police of the State of New York: Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that Mrs. Jean MacArthur be commended for her undying dedication to law and order.

And, that she be further congratulated for the recognition that she obtained for those who have performed valiantly in the course of their duties.

And, that it is the sense of the Senate that these sentiments be transmitted to Mrs. Jean MacArthur in the appropriate manner.

● Mr. D'AMATO. Mr. President, I send to the desk a resolution expressing the sense of the Senate that Mrs. Jean MacArthur be congratulated for her exemplary work for law enforcement in the State of New York.

Mrs. MacArthur, wife of the late General Douglas MacArthur, has directed the MacArthur Memorial Foundation in its steadfast efforts to bring recognition for outstanding achievement to members of New York's police forces and to enlighten the public as to the virtues and responsibilities of work in the field of law enforcement. Her distinguished and enthusiastic service to State and country has set an example that each of us can live by.

The United States and the people of the State of New York are greatly indebted to Mrs. MacArthur for her undying dedication to the goals and ideals of law and order. Those who have performed above and beyond the call of duty in police work have been duly commended. It is my privilege to salute Mrs. MacArthur today on behalf of the citizens of New York State and to wish her continued success in the future as she continues her noble efforts.●

AMENDMENTS SUBMITTED FOR PRINTING

EXTENSION OF VOTING RIGHTS ACT

AMENDMENT NO. 1898

(Ordered to be printed and lie on the table.)

Mr. COCHRAN submitted an amendment intended to be proposed by him to the bill (S. 1992) to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

AMENDMENT NO. 1899

(Ordered to be printed and lie on the table.)

Mr. STENNIS submitted an amendment intended to be proposed by him to the bill (S. 1992) supra.

AMENDMENT NO. 1900

(Ordered to be printed and lie on the table.)

Mr. HAYAKAWA submitted an amendment intended to be proposed by him to the bill S. 1992, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. PACKWOOD. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold a hearing at 2:00 p.m. on Friday, June 18, 1982. Seven bills are scheduled: S. 2012, introduced by Senator PROXMIRE; S. 2015, introduced by Senator DOMENICI; S. 2092, introduced by Senator CHAFEE; S. 2113, introduced by Senator DECONCINI; S. 2176, introduced by Senator ARMSTRONG; S. 2321, introduced by Senator MATTINGLY; and S. 2413, introduced by Senator LONG.

All seven bills deal with repealing or changing in some manner the deduction for away-from-home living expenses of Members of Congress.

Section 127 of the Economic Recovery Tax Act of 1981 concerning State legislator's travel expenses will also be considered. Section 127 allows State legislators to treat their district residence as their tax home and to treat as business expenses an amount equal to the greater of the Federal per diem or the State per diem, with certain limitation, and without regard to the "away-from-home" rule.

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Committee on the Budget will hold a hearing of the task force on Federal credit to consider legislative proposals to incorporate Federal direct and guaranteed loans in the congressional budget process. The hearing will be held on Tuesday, June 22, at 10 a.m. in 6202 Dirksen Senate Office Building.

The task force will receive testimony from Senator CHARLES PERCY, who will discuss S. 265, the Federal Lending Program Control Act; Senator WILLIAM PROXMIRE, who will discuss S. 2162, the Truth in Budgeting Act; and Senator CARL LEVIN, who will discuss S. 2613, an amendment to the Impoundment Control Act of 1974.

Congressmen ED BETHUNE and NORMAN MINETA, will appear before the committee to discuss the Federal Lending Oversight and Control Act; and Larry Kudlow, the Assistant Director for Economic Policy of the Office of Management and Budget, will testify on the administration's views on credit control legislation.

For further information, contact Nancy Moore of the Senate Budget Committee at 224-4129.

SUBCOMMITTEE ON ENERGY REGULATION

Mr. HUMPHREY. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Energy Regulation to consider S. 2500, to amend the Federal Power Act to reduce conflicts in the licensing of hydroelectric powerplants and to expedite the development of and simplify the regulation of hydroelectric powerplants, and for other purposes. The hearing will be held on Thursday, July 22, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Energy Regulation, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Dan Freihofer of the subcommittee staff at 224-5205.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Energy and Mineral Resources on Monday, July 5 and Tuesday, July 6 in Honolulu, Hawaii. This 2-day oversight hearing will be held in the State capitol auditorium in Honolulu. Beginning at 9 a.m. on Monday, July 5, the subcommittee will receive testimony on the regional reserve for the strategic petroleum reserve; and during the afternoon session, beginning at 2 p.m., the subcommittee will receive testimony on the potential for coal usage and coal exports in Hawaii. On Tuesday, July 6, beginning at 9 a.m., the subcommittee will receive testimony on geothermal potential in Hawaii.

Those wishing to testify or who wish to submit written statements for the hearing record should contact Mr. Roger Sindelar, Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510 (202-224-4236) or Ms. Joan Ohashi, c/o Senator SPARK MATSUNAGA, Prince Kuhio Federal Building, room 3104, Honolulu, Hawaii (808-546-7555).

Witnesses should supply the subcommittee with 25 copies of their written statements 24 hours in advance of the hearing, as required by the rules of the committee. The copies should be delivered to Senator MATSUNAGA's Honolulu office.

For further information regarding this hearing you may wish to contact Mr. Sindelar at 202-224-4236.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 17, at 2 p.m., to hold a hearing on the nomination of James B. Burnham to be U.S. Executive Director of the International Bank for Reconstruction and Development.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Thursday, June 17, at 10 a.m., to hold a hearing on S. 505, a bill to improve the quality of table grapes for marketing in the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to hold a hearing during the session of the Senate at 9 a.m. on Thursday, June 17, to consider S. 1735, the Pembina-Chippewa Judgment Distribution Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BUREAU OF RECLAMATION COMPLETES 80 YEARS OF SERVICE

● Mr. MURKOWSKI. Mr. President, today the Interior Department's Bureau of Reclamation marks completion of its 80th year of service to the people of the West. I am sure that my colleagues will be glad to join me in commending the Bureau for its efforts in developing a program that has been so successful in meeting Western

water and hydropower needs effectively and efficiently. The reclamation program has transformed arid lands in our Western States into some of the most productive farmland anywhere in the world. Each year reclamation hydroelectric powerplants provide clean, low-cost electricity to millions of individual users. Reclamation reservoirs offer a variety of recreational opportunities for water and camping enthusiasts. Reclamation engineers are known worldwide for their innovative and technical achievements.

Mr. President, the American people can be justly proud of the tradition of excellence represented in the Bureau of Reclamation. A capsule history of the Bureau on the occasion of its 80th birthday has been prepared for publication in the Bureau's Reclamation Report newsletter. I commend that article to my colleagues' attention and ask that a portion of the article be printed in the RECORD.

The excerpt follows:

RECLAMATION CELEBRATES 80TH ANNIVERSARY

The Bureau of Reclamation celebrates its 80th Anniversary on June 17, 1982, marking eighty years of bringing life to the dry, thirsty lands of the western United States.

Originally established to provide irrigation water to arid western lands, the Reclamation program expanded over the years to provide water for municipal and industrial purposes and to supply hydroelectric power to millions of western homes.

The Reclamation program was established in 1902, when President Theodore Roosevelt signed the Reclamation Act into law. This historic event was brought about by years of hardship suffered by early settlers who traveled West searching for a new beginning. What the settlers found instead was dry, barren land and an undependable water supply. Many were forced to give up their dreams and return to the East, But others kept trying.

When President Roosevelt signed the 1902 law, there had already been several attempts at western irrigation programs by States and private entities. The failure of these attempts began a movement to bring the Federal Government into western irrigation development. Roosevelt, who had lived in the West, realized the need for a Federal water development program. The signing of the Act was the beginning of a program which has played a major role in the development of the West.

Today, Reclamation is still a vital part of western growth and development. Reclamation has responsibility for 214 operating projects, 329 storage reservoirs, and 346 diversion dams. In 1980 a record high of 22.1 million people were served by Reclamation projects; electricity generated by Reclamation's 50 hydroelectric plants amounted to 46 billion kilowatt-hours, enough energy to supply the cities of Pittsburgh and Baltimore or Dallas and Houston for a year; a total of 66.5 million visitor days were recorded at the 286 recreation areas associated with Bureau projects; and a total of 54.5 million tons of food, fiber, and forage were produced in Reclamation service areas—enough to meet the annual food requirements for 39 million people, or roughly the combined populations of the Nation's 30 largest cities.

Water resources development will be increasingly important in the years ahead. As the country faces a possible water crisis in the 1990's, the Bureau of Reclamation's 80 years of experience in water resources development will be heavily relied on. As in the past, this agency will continue to provide expertise in water resources development to the Nation and the world and will look forward to celebrating its centennial.●

BUS REGULATORY REFORM ACT OF 1982

● Mr. LAXALT. Mr. President, I wish to extend today my strong support for H.R. 3663, the Bus Regulatory Reform Act of 1982, as reported favorably by Chairman PACKWOOD and the Committee on Commerce, Science, and Transportation.

The day to day functions of the intercity bus industry are at present governed by legislation passed almost 50 years ago. That legislation was passed in order to provide stability in the transportation marketplace for a still inexperienced industry which feared the potential results of excessive competition.

Today, economic conditions are dramatically different. We no longer view competition as a detriment to economic stability. Times have changed. Competition is now considered essential to economic stability.

In my opinion, H.R. 3663 truly exemplifies the meaning of regulatory reform which is one of the cornerstones of President Reagan's program for economic recovery. This legislation, in its present form, has the support of the administration, the Interstate Commerce Commission and the bus industry itself. Further, it is also supported by a numbert of tourism organizations who depend heavily on bus service.

This legislation will initiate a healthier competitive environment within the industry and also generate greater flexibility of service for all Americans in need. To tamper with it would only compromise the strong cohesion behind it and further delay the reformation of regulations that have inhibited the industry for nearly 50 years.

Therefore, I urge my colleagues to join me in opposition to any additional amendments, and in support of the legislation as recommended by the committee.●

NATIONAL ORCHESTRA WEEK

● Mr. JOHNSTON. Mr. President, this week, June 13-19, has been designated National Orchestra Week to honor the 1,500 symphony and chamber orchestras in communities throughout the United States who played for more than 23 million Americans during the 1980-81 concert season. Many of these performances took place outside the traditional concert hall, reaching new audiences and bringing musical experiences to those without easy access to traditional forums. Last year, for instance, 3.5 million Americans heard orchestras in hospitals, shopping centers, factories, nursing homes, parks, and community centers. These live programs enriched the lives of those who might otherwise not have enjoyed orchestral music while providing an opportunity for American-trained musicians and conductors to perform. I am happy to be able to report that Louisiana is participating actively in this orchestral explosion.

Louisiana's seven members of the American Symphony Orchestra League, the Baton Rouge Symphony Orchestra, the Lake Charles Symphony Orchestra, the Natchitoches-Northwestern Symphony Orchestra, the New Orleans Philharmonic Symphony Orchestra, the Rapides Symphony Orchestra, and the Shreveport Symphony Orchestra, are reaching cities, towns, and communities throughout the State, and developing innovative programs to bring music to the people.

During the 1982-83 season, for example, the Baton Rouge Symphony will perform 6 concerts at its new Riverside Centroplex Performing Arts Theatre home for 12,000 elementary and middle school students from 8 Louisiana parishes. In addition, as a touring group, it will offer more than 100 classroom performances for high school students keyed to their humanities studies, 3 free open-air concerts with an estimated audience of 10,000 and 12 subscription concerts in areas outside Baton Rouge. The Gottschalk piano competition and youth concerto auditions will continue to provide young musicians with exciting performance opportunities.

Of particular note is the symphony's human development program which uses music as a tool in dealing with problems of the disadvantaged and special education groups. Custom designed and delivered concerts, coordinated by community leaders, client-group experts and a music therapist, reach such diverse audiences as Hammond State School for the Mentally Retarded, the gifted and talented program in East Baton Rouge Parish, the big buddy program, the U.S. Public Health Service hospital in Carville and the School for the Visually Impaired. Altogether, 96,000 listeners representing virtually all age and economic groups in the 8 parishes surrounding Baton Rouge will be served by the Baton Rouge Symphony—an impressive record for this 31-year-old organization.

The Shreveport Symphony began with a $5,000 budget and 50 local musicians in 1948. Thirty-two years later, it employs 70 musicians and operates on a budget of well over a quarter-million

dollars annually. Serving the entire north Louisiana, east Texas, south Arkansas area, the Shreveport Symphony gave over 100 live performances during the past year, reaching audiences numbering over 50,000 and played for 20,000 schoolchildren in programs sponsored by the Caddo Parish School Board. With a permanent endowment provided in part by grants from organizations such as the National Endowment for the Arts and the Ford Foundation, the symphony is able to sponsor an important piano competition, the Shreveport-Nena Plant Wideman competition, to provide incentives for aspiring young musicians and a youth orchestra which gives young musicians important performance experience, as well as commission major new works by American composers.

The New Orleans Philharmonic Symphony, under the direction of the distinguished pianist Philippe Entremont, will move this year to a new home. The Orpheum Theatre will enable this major American orchestra to demonstrate its outstanding quality in an improved acoustical setting while providing a forum for such international stars as Yehudi Menuhin, Eugene Istomin, and Byron Janis who will perform with the Orchestra during the 1982-83 season. Its annual budget of over $3 million provided music for 150 concerts per season.

In smaller cities, symphony orchestras provide a community-based musical experience. The Lake Charles and Rapides Symphonies offer two or three children's concerts each year in addition to their regular subscription series. The Natchitoches-Northwestern Orchestra has a long history of educating young Louisianians, encouraging young schoolchildren, including my wife to attend free the orchestra's rehearsals. The Lake Charles Symphony plays a summer pops concert, while the Rapides Orchestra operates in bringing grand opera to the Alexandria area.

Our Louisiana symphonies contribute more to community life than even their impressive number of concerts suggests. By providing a standing reserve of musicians to perform in solo recitals, chamber groups, and school and church groups, as well as to offer instruction to young musicians, they enhance the cultural life of Louisiana. They are a rich resource in our State and it is a pleasure to recognize the important part they play in preserving and furthering our cultural heritage.●

SENATOR HEINZ AWARDED JEWISH LIFELINE AWARD

● Mr. DURENBERGER. Mr. President, it is unfortunate that Senators so often take for granted the qualities of leadership, intelligence, and compassion which we have come to admire in our colleagues. Too often, these qualities go unrecognized outside the confines of this Chamber.

I was therefore delighted that my friend JOHN HEINZ was recently awarded the Jewish Lifeline Award by the National Young Leadership Conference of the United Jewish Appeal. JOHN HEINZ has clearly earned this award. He has been a strong and effective spokesman for the cause of volunteerism. He has dealt forthrightly and courageously with the issues which concern the UJA and other similar organizations. He has been a real lifeline for those who need his assistance.

JOHN'S remarks to the conference are particularly deserving of notice. He deals at length with a phenomenon which affects most of us here in the Senate—the role played by the so-called successor generation: That group of people now assuming positions of leadership, a group which has no direct memory of the Second World War.

We have just concluded the anniversary of the date on which the Warsaw Ghetto fell—after prolonged and inspiring resistance—to Nazi troops. This was one of the most notable events of the entire Holocaust period, a period which saw the systematic murdering of millions of humans. It is good that we keep such anniversaries, for as those with a direct memory of World War II and the Holocaust increasingly turn over leadership to the successor generation, we risk losing contact with the events and issues which continue to shape our lives.

I therefore ask that Senator HEINZ'S remarks be printed in the RECORD. I commend them to my colleagues.

The remarks follow:

REMARKS OF SENATOR JOHN HEINZ, NATIONAL YOUNG LEADERSHIP CONFERENCE, UNITED JEWISH APPEAL, WASHINGTON, D.C., MARCH 14, 1982

Thank you, Alan.

I am honored to be here tonight, honored to be asked to speak, and especially honored this afternoon to have received the Jewish Lifeline Award endorsed by Ed Robin and Vicki Agron, and presented by Cary Tye from Philadelphia. And I want to thank Ed Robin, David Green, Vicki Agron, and Nita Levy—among others—for the opportunity to participate in this great and growing national conference. The agenda for this conference, and in particular the line-up of workshops, is extraordinarily ambitious . . . but then again, I would expect nothing less.

Anyone who has worked closely with the U.J.A.—I have had many opportunities over the last ten years—has the greatest respect for the leadership, the dedication, the financial commitment, and the level of political skill and involvement represented in the Young Leadership Cabinet.

As a Pennsylvanian, I am also delighted and proud that the Pennsylvania delegation is the largest here. This bodes well for our Pennsylvania U.J.A. chapters in the future. In fact, some people have disdain for politicians and somehow consider politics beneath their dignity. Your presence here tonight demonstrates your understanding that when properly practiced, politics makes our democracy the success it has been for 200 years. So as a politician, I am delighted to see so many people interested in politics.

Tonight, I would like to focus on something else we have in common.

You and I are members of what some call the Successor Generation. We are sons and daughters of the generation that built the post-World War II order. It was our parents—not us—that founded the United Nations, held Bretton Woods, built NATO, the IMF and the World Bank, and helped establish Israel.

As time passes and the postwar world fades further and further away, some of us who are the inheritors may lose sight not only of their vision of the future, but of why our parents took those actions and what it was in their own experience that impelled or compelled them to do as they did.

You here tonight are the part of the leadership of the Successor Generation. Your and my special responsibility is to remember the history that has made our world. And it is our job also to ensure that our contemporaries understand the why and wherefor of today's world and to build new institutions and relationships if the old ones cannot fulfill their purpose.

Perhaps the postwar structures we take for granted have succeeded too well in banishing the old world. It is apparent as we look around us today that all too many in the Successor Generation do not remember. When I see Chancellor Kreisky welcome Muhumar Kaddafi I wonder whether even the Predecessor Generation has lost the memory of its own times. And whether they, as too many of us, have forgotten World War II and the horrors that it brought, the global suffering and privation of the immediate postwar period, and tension of the first Cold War years, the Berlin Blockage of 1949, the Polish uprisings of 1953 or the Hungarian Revolution of 1956.

As the demonstrations of recent months in Europe have shown—at least in part—many European young people have forgotten the hard lesson of Munich that we cannot preserve our freedoms unless we make clear our willingness to defend them.

In the United States, too many in our generation argue that America should turn inward and let our friends around the world fend for themselves. They forget that a strong American presence in Europe, the Mediterranean and elsewhere, has secured the peace and liberty of the Free World for nearly 40 years. Too many younger Americans forget that things taken for granted are easily lost, that freedom is the most important—and most fragile—heritage, and that those who went before us had to sacrifice to secure liberty and the pursuit of happiness.

And because many people do not remember, they do not see the Soviet Union or the United States—and what they stand for—in the same contrasting light as their fathers did. They may recognize the political differences, but they have forgotten the moral differences between the two superpowers.

Tonight, just 40 years after the Nazi attempt to exterminate the Jewish people, the government of the USSR is heightening its attempt to totally destroy Soviet Jewry. The Kremlin has restricted Jewish emigration to an even slower trickle. It is repressing the Soviet Jewish population more harshly than at any time in the last decade. Soviet anti-semitism is unabashed, it is official, and it has reached the zenith of its totalitarian instinct in its unrelenting effort

to eradicate every vestige of Jewish culture and erase the memory of every Jewish contribution to Russian or Soviet history. If it can be said that Nazi extermination camps were an effort to physically remove the Jewish people from the face of the earth, then the Soviets are engaged in an attempt to spiritually annihilate all that is Judaic. We in the West should recognize this as nothing less than an all out assault on the Judeo-Christian heritage we hold so dear.

The tramp of totalitarianism on the march rings loud and clear. But many are deaf. The parallel to the Holocaust is a chilling one. Those who have come to grips with the meaning of that dark night of history understand why we, particularly in this so greatly blessed country of ours, believe so strongly in the security and heritage of the Jewish people. It was out of this western understanding that Israel and our commitment to it was born in 1948. Yet, to those who have grown up since 1948, I fear the Holocaust is growing as distant in history as the centuries when, at great profit, the white man enslaved the black.

The younger generation, this Successor Generation, may not wish Israel ill, but neither does it commit itself clearly to Israel's right to exist. There is an occupation with more immediate—and selfish—concerns. Why else have some western governments recognized the PLO? How else can the Japanese welcome in Tokyo no less an avowed enemy than Yasir Arafat. That they could do so in the wake of PLO rejoicing over Sadat's death is apparently no longer an act of unthinkable irresponsibility!

I submit to you that it is an essential part of our role as leaders of the Successor Generation to remind people of the history they have forgotten. How else can we avoid Santayana's prediction that those who do not know their history are condemned to repeat it?

As a people which remembers both slavery in Egypt and freedom in the Promised Land . . . as a people which gave the world the moral vision expressed in the Ten Commandments . . . as a people which, long before the Magna Carta, distrusted absolute power and required its kings to recognize inalienable God-given rights of individuals . . . you as Jews, are in a unique position to help fill that role.

There have been, as we know, an increase in blatantly anti-semitic incidents in recent years. There are those in our country who are critical when Jews speak out. There are those who suggest an American Jew is disloyal when he or she speaks their peace. I suggest this is sheer hypocrisy.

Let's think about those who criticize the Jewish community for its involvement in politics. Why aren't they involved in politics rather than name calling? The truth lies in their own inadequacies. What we are really hearing is a confession of their own failure by people who are either uninvolved politically or who do not understand that what gives us our greatest strength is our diversity and the constitutional guarantee of that freedom.

I believe American Jews have an obligation to themselves and to our society to express themselves in and through our political system. Now is no time for complacency. Our times require historical perspective, a clear moral vision, and a devotion to human rights—and a full commitment to the political process.

Now more than ever it is essential that you speak up with regard to the establishment and conduct of American policy toward the Middle East. It is in this region, perhaps more than any other, where peace hangs in the balance.

I believe that we in this country should go about the pursuit of a Middle East peace with just as much care as urgency. Now, in the aftermath of last year's dramatic Senate vote on AWACS, I believe that American foreign policy—and especially the President's foreign policy—must be unwavering on three fundamental points.

Point number one is to reject the forces of violence and terrorism.

The United States pledged in 1975 not to recognize or negotiate with the PLO so long as it refuses to acknowledge Israel's right to exist. President Reagan has reiterated his commitment, a statement which I welcome.

Though some—unbelievably—want to recognize such terrorists, any negotiation with the PLO helps legitimize them and encourage them. Instead of the emergence of a moderate, independent Palestinian leadership, the terror and murder will go on. Only the victims will change.

Point number two: To paraphrase John F. Kennedy, while we should not pursue negotiations out of fear, neither should we, or any of the parties, fear to negotiate. Instead of surrendering to those fears we should pursue basic principles, and the most basic principle is Resolution 242, the rock upon which all negotiations must be based.

Implementing 242, however, means widening the circle of the peace negotiations, and demonstrating the benefits of peace to all who search for a just and lasting resolution.

It is axiomatic in the Mideast that peace can be imposed neither from the outside, nor from the inside, by one of the parties. It can be attained only when all parties are secure and sufficiently confident to reach a mutual understanding directly.

The experience of the last Administration shows us that the more we attempt to force a settlement, the more we harden attitudes on both sides, and the more difficult it becomes for Israel to take the risks required for peace, or for the Arabs to demand less than we do.

As Secretary Haig said in his recently leaked staff notes, our troubles in the Middle East come from kicking Israel around.

While the Carter Administration did the kicking directly, the Reagan Administration is doing it indirectly, by arming the Arabs. First the Saudis became our customers. Now the Jordanians and, as just last week the Administration has incredibly decided that Iraq no longer supports terrorism, perhaps Secretary Weinberger's next sales trip will be to Baghdad.

I fear we are becoming arms merchant to the world . . . a title no American can be proud of. That is why I have introduced, along with Senator Kennedy, a resolution to block the anticipated Jordanian sale.

Instead of making an armed camp out of the Middle East, we must work to improve the chances of peace by encouraging constructive talks between moderate forces, emphasizing relations with established states . . . and totally shunning any appeasement of self-appointed extra-legal groups—like the PLO—that reject everything we stand for.

The path to peace will be found by building institutions and relationships and mutual respect. It will never be found by giving nations the means to destroy the very goal we seek.

Point number three—and the most important of all—is to treat Israel like a friend. That is what President Reagan promised in his campaign. I hope he has not forgotten that Israel is an island of stability in a region characterized by a deterioration of governmental authority and a growth of Islamic fanaticism. It makes strategic good sense to treat our closest friend in that part of the world as part of the solution, not as part of the problem.

Such a commitment to Israel is not simply in our political interest, it is a moral choice as well. It is choice based (1) on the historic and biblical right of the Jewish people to the homeland of Israel; (2) it is a choice founded on our support for the creation of Israel in 1948; and (3) it is a moral commitment because of our two nations' dedication to freedom and democracy.

I opposed the sale of AWACS to the Saudis last fall precisely because it is inconsistent with our strategic and moral aims. And because, in my view it rewarded the intransigence of the Saudis, who have consistently tried to undermine the Camp David process. And I oppose a Jordanian sale for the same reasons.

In my judgment, it is the Saudis who have been part of the problem. And it is time for Saudi Arabia and other states that claim to be moderate to prove their claim . . . to participate in the peace process and be part of the solution. And to start by recognizing Israel's reality, her statehood and right to exist.

I believe President Reagan is sincere in wanting to bring a just and lasting peace to the Middle East, and that is part of the reason why the President's point of view has prevailed on Capitol Hill. He has emphasized that the peace process must work. And he has explained why in a larger context.

He is not, however, following the policy he announced during his campaign. At that time he insisted that Israel is our greatest strategic asset in the Mideast, primarily because it is our most stable and reliable ally. Specifically, he said:

"The fall of Iran has increased Israel's value as perhaps the only remaining strategic asset in the region on which the United States can truly rely . . . only by full appreciation of the critical role the state of Israel plays in our strategic calculus can we build the foundations for thwarting Moscow's designs on territories and resources vital to our security and our national well-being."

That Reagan policy sees Israel as a solution to our precarious Mideast position, not as part of the problem. That policy provides the possibility of a constructive peace settlement. That is the policy we should choose today and the fundamental foundation of that policy is full and strong support for Israel so it will feel free and confident to do what is necessary—to negotiate a settlement directly with the Arabs—a settlement negotiated from strength rather than weakness; a settlement based on respect not intimidation; a settlement leading to peace not continued violence. Now it will be the President's credibility—not of intentions but of performance—that hangs in the balance. Now we must, with the Congress, bring the Saudis and the others to respect and match the good faith he has demonstrated toward them—if he can. It is time to start making peace happen.

Benjamin Disraeli once wrote, "Man is not the creature of circumstances. Circumstances are the creatures of man." As leaders of the Jewish Successor Generation, you have an unprecedented opportunity and responsibility to shape the circumstances that

will affect our lives for a generation. What hangs in the balance is the kind of world we and our children and our children's children will have to live in. We simply cannot let today's opportunity to beat swords into plowshares pass by. It may not come again soon.●

SYNTHETIC FUELS STUDY PANEL—MINORITY REPORT

● Mr. ARMSTRONG. Mr. President, the Synthetic Fuels Study Panel was constituted to advise the U.S. Synthetic Fuels Corporation (SFC) on Federal policy in this important area of energy alternatives. Its membership consists of industry and academic leaders with respectable credentials and a thorough understanding of synfuel issues. On May 18, the Panel released the majority and minority papers. The majority report, written by 8 of the 12 Panel members, concludes that the Federal Government has an important role to play in the stimulation of this new industry.

I support that conclusion, though I believe the preferable form of Federal involvement should be much smaller in scope—a $3 billion program tailored along the lines of the Defense Production Act, instead of the $88 billion program envisioned by the Energy Security Act. The result would be a leaner, more effective synfuel program, designed to prove the cost effectiveness of this industry across a wide range of technologies, much of whose syncrude products would be earmarked for defense-related purposes.

Indeed the minority report, supported by fully one-third of the SFC's Study Group, concludes that "the desirability of a Synthetic Fuels Corporation can be seriously questioned." It goes on to say:

If investments are not made in the synfuels industry without government support, this is a sure sign that the resources are more efficiently used in other industries. Diverting resources into the synfuels industry is inefficient and costly to the Nation's economic growth when private investors cannot make sufficiently profitable investments to be enticed into the industry without government inducement.

The authors say that the threat of economic disruption from all supply disruptions can best be met by allowing oil and gas prices to reach their natural market values; to illustrate this point, they demonstrate that crude oil price increases have singlehandedly reduced imports by 3 million barrels per day within 2 years.

For these reasons, Senator PROXMIRE and I introduced S. 2362 to abolish the SFC. So far, we have been joined in this effort by Senators KASTEN, SCHMITT, CHAFEE, HART, NICKLES, GARN, COCHRAN, HAWKINS, GORTON, KASSEBAUM, and HELMS. We hope other Senators will read this report, which I asked to be printed at this point in the RECORD, and join with us.

The report follows:

SYNTHETIC FUELS STUDY PANEL, MINORITY REPORT

The objective of the meeting of the Synthetic Fuels Study Panel was to discuss the fundamental mission of the SFC and its ability to achieve its Congressional mandate. The panel noted that the Congress viewed the SFC's basic mission as follows:

1. The SFC is to improve the Nation's balance of payments;

2. It is to reduce the threat of economic disruption from oil supply interruptions;

3. It is to increase the Nation's security by reducing its dependence on imported oil.

As might be expected, individual panel members had widely divergent backgrounds, causing them to view both the energy problem and the synfuels solution from different perspectives. It is not surprising, then, that the group did not always agree, nor was it felt that unanimity was necessarily desirable. This report represents the views of four panel members who had compatible opinions on the major issues confronting the SFC.

The authors of this paper are unanimous on the first, and, perhaps, the most fundamental point under discussion: that the private market will not generate synthetic fuels on its own, given today's economic environment. A corollary of that statement is the proposition that the development today of synthetic fuels production will not be undertaken without some form of governmental assistance. However, the authors also believe that a private synthetic fuels industry will develop on its own as soon as the correct price signals occur in the market. After all, firms do seek profits by trying to anticipate price changes.

Although the capital outlays associated with a synfuels project may be very large, the sums involved represent only a tiny fraction of the assets currently employed in the energy industries. This fact and the drive for profits will bring about the creation of a private synfuels industry as soon as the most optimistic small fraction of all investors inside or outside the energy industry expect crude-oil prices to move to levels at which synthetic fuel becomes competitive.

The SFC Study Panel spent some time discussing the likely effectiveness of the SFC in meeting the three stated objectives, as well as the appropriateness of the objectives themselves. While there was some disagreement among members of the SFC Study Panel, the authors of this report are in agreement on the following points.

1. Balance-of-payments deficits are of relatively minor importance since, in the absence of governmental exchange-rate manipulations, deficits will ultimately lead to self-correction through spontaneous exchange-rate adjustments in the market.

2. While it is true that the threat of economic disruption from oil supply interruptions can be reduced through the development of a domestic synfuels industry, this objective can be achieved more efficiently by other methods. For example, crude-oil price increases alone had brought about a demand reduction and, therefore, a reduction in imports, by 3 million barrels of oil per day within a period of two years, more than the synfuels industry can hope to achieve in ten or fifteen years.

Since the oil embargo in 1973-74, the intent of energy policy has been to reduce oil imports, and the synfuels program must be viewed within that context. The argument for reducing imports is logically based upon national security and political issues. The problem with oil imports is that our nation is dependent upon potentially unstable or hostile foreign governments, and that the political compromises or national security risks that result are a cost to the nation over and above the dollar cost of the oil. In economic jargon, oil imports create an externality. This implies that a reduction in oil imports would be desirable to reduce political costs. Our opinion is that these political and national security concerns are the only significant reasons for desiring a reduction in oil imports. As mentioned, other factors, such as balance of payments considerations, are of relatively minor importance.

Given the desirability of reducing oil imports, several policy measures immediately suggest themselves. High on the list would be the deregulation of natural gas prices and the abolition of the so-called windfall profits tax on crude oil. By making the production of fossil fuels more profitable, these steps would increase conventional fuel supplies and, in the case of gas-price deregulation, reduce demand. Both of these adjustments would lower imports. If these measures are politically infeasible, an oil-import tax would, as a second best, be an acceptable part of our energy policy. These costs are an externality, and the economist's recommended response is to tax the externality to discourage it. An oil import tax would raise the price of oil, and would discourage imports while providing additional incentives for domestic production of energy, including synfuels. While we recognize that these broad policy actions are beyond the scope of the Synfuels Corporation, we also feel that the role of the Corporation is best evaluated within the context of a more general energy policy.

Our opinion is that the above policies would be preferable, but even in the current energy policy environment, the desirability of a Synthetic Fuels Corporation can be seriously questioned. If investments are not made in the synfuels industry without government support, this is a sure sign that the resources are more efficiently used in other industries. Diverting resources into the synfuels industry is inefficient and costly to the Nation's economic growth when private investors cannot make sufficiently profitable investments to be enticed into the industry without government inducement. Recognizing these qualifications, the remainder of our report will not question the existence of the Synfuels Corporation, but will accept its existence and will make recommendations based on the Congressional mandate that established a Synthetic Fuels Corporation with very specific goals.

The Corporation has recognized two goals as set forth in the legislation: to establish a synfuels industry which will produce 2,000,000 barrels of fuel by 1992 and for the first four years foster technological diversity. Technological diversity is desirable in order to be sure no promising techniques or resource bases that would reduce our dependence on imports is overlooked. The Act also defines synfuels, for the purpose of the Corporation, as fuels generated from coal, oil shale, tar sands, or water using electrolysis.

We believe that certain principles should guide the Corporation in carrying out their mandate. The Corporation should minimize any role in regulating or overseeing the actual production of any synfuels. The Corporation should avoid if possible choosing among firms, corporations, and particular projects, although the goal of diversity may

eventually require some choices. The objective should be to reward winners and not to bail out losers. Cost overruns and cost underruns should be borne or enjoyed by the producers, not the Corporation.

The fixed price guarantee contract with Union Oil can be considered a desirable approach to fostering the industry. We would recommend that the Corporation offer contracts to the private sector or a fixed price plus inflation escalation for a given quantity of synfuels. These contracts should be offered to all comers and be freely transferable. Consideration should be given to auctioning off the contracts. A specific example for accomplishing this follows.

The Corporation would auction off contracts in units of, say, 10,000 barrels per day with a maximum of 100,000 barrels per day for any one firm. The price to be offered would be, say, $42.50 per barrel with a price escalation based on some index like the producers price index. This price should be related to a standard type of crude oil (called the reference oil) whose price and quality can be well established. When the synthetic fuel is produced, it should be sold on the open market to the highest bidder (the synfuels producer must sell his product). The government payment to the producer will depend on the relationship of the price his product receives in the open market to the price of the reference barrel of crude oil at that time. The ratio of the actual sales price of the synfuel to the current price of the reference barrel will be a measure of the quality of the synfuel. This ratio times $42.50 (plus the inflation escalation) will determine the guaranteed price. The following tables illustrate this principle (before adjustment for inflation).

TABLE 1.—SYNFUEL SUBSIDIES

[Price of reference oil $30/bbl]

Price of synfuel	Guaranteed price	Actual subsidy
$30	$42.50	$12.50
25	[1] 35.42	10.42
35	[2] 49.58	14.58

[1] From (25/30) · 42.50=35.42.
[2] From (35/30) · 42.50=49.58.

TABLE 2.—SYNFUEL SUBSIDIES

[Price of reference oil $40/bbl]

Price of synfuel	Guaranteed price	Actual subsidy
$40	$42.50	$2.50
25	[1] 26.56	1.56
45	[2] 47.81	2.81

[1] From (25/40) · 42.50=26.56.
[2] From (45/40) · 42.50=47.81.

We would recommend that contracts for only one million barrels a day be sold initially. If the projected resource bases or technologies are not sufficiently diverse in the opinion of the Corporation the next round of contracts for up to 500,000 barrels be restricted to firms planning on using new resources or bases. If insufficient interest is expressed, the price offer can be raised, or a given project may be deferred.

These contracts should be freely exchangeable or saleable in the market. Thus they would be exercised by the producers delivering the greatest benefit given the cost. The SFC only needs to monitor whether the proffered fuel comes from a legal resource base and what price the product can command in the market. The SFC could, if it wished, reserve the option of limiting the number of contracts redeemable by any one producer.

This type of contract has several advantages. First, since the contract allows the producer to keep the difference between its costs and the guaranteed price, it provides a clear incentive for producing synfuels at the lowest possible costs. It rewards winners rather than compensating losers. Second, it provides an environment where the Synfuels Corporation does not need to monitor the management or techniques of the producer. Third, since technological breakthroughs may arise in unforeseen areas, the price guarantee allows maximum flexibility to firms regarding production techniques and management of the firm. The Synfuels Corporation spends no money except in the event of successful production.

The broad of the Synthetic Fuels Corporation has expressed some concern over the possible trade-offs of diversity for production, and for that reason we want to emphasize that relying solely on price guarantees would not in any way limit the Corporation's ability to encourage diversity. If sufficiently diverse proposals were not submitted to the SFC initially, the SFC would have the option of setting aside some price guarantees for technologies and resource bases not represented in the initial proposals. Recognizing that these would be less promising options, the SFC could negotiate larger guaranteed prices for those options, and with appropriate guaranteed prices encourage the amount of diversity that the Board would view as desirable.

We do not believe that it is desirable for the Corporation to enter into loan guarantees. Such guarantees will require the Corporation to closely monitor and regulate the private firm to ensure that the public's capital is not wasted and is used appropriately. Such regulation is likely to be costly and ineffective. Loan guarantees also reduce the cost of capital to the receiving firm with the effect that investment decisions are biased towards the most capital intensive techniques. Such a result can be very wasteful of the Nation's scarce capital resources. Furthermore, loan guarantees leave the SFC vulnerable to cost overruns, whereas price guarantees do not.

For similar reasons we find it in appropriate for the Corporation to join in cost sharing or joint ventures. In both cases, the Corporation will become deeply involved in the day to day running of a business, an activity better left to the private sector.

Finally, we recommend that the permissible activities of the Corporation be expanded to include as many different synthetic energy forms as possible. There is no logical reason why the Corporation should aid oil shale but not biomass, alcohol, etc. If these resources can contribute to national security and reduced imports, then any subsidy program should include them. This will take legislation and we recommend that the Corporation seek such broadened authority.

RANDALL HOLCOMBE.
H. A. MERKLEIN.
THOMAS MOORE.
RICHARD STROUP.●

EAST CHAIN BACKS MAURICE HALER IN BATTLE WITH CANCER

● Mr. DURENBERGER. Mr. President, I would like to take this opportunity to recognize Maurice Haler from East Chain, Minn., who is fighting a battle with cancer. Maurice is a long-distance runner who still holds the high school records for the mile and 2 mile runs, and he also contributed to the record set by the 2-mile relay team. Now Maurice is in a race for his life. But he is not alone in that race. On May 16, 1982, his 1979 East Chain High School classmates, the East Chain PTA, and the East Chain Booster Club combined to sponsor a hog roast to raise money for a trust fund for him. Area merchants donated all the food and beverages, while six local farmers donated four hogs. Over 600 persons attended the benefit, which was held at the school. Every farmer and his family in East Chain turned out to raise more than $3,000 for Maurice.

Mr. President, I am proud of East Chain and their ability to unite together in this time of need. I ask that this newsclipping be printed in the RECORD.

The article referred to follows:

EAST CHAIN BACKS HALER IN BATTLE WITH CANCER

(By Jim Tate)

There's no doubt that the best distance runner ever to come out of East Chain is Maurice Haler.

But Haler is now in a fight with cancer. Battles with opposing track men pale in comparison with what he's up against now.

A 1979 graduate of that tiny Border League school, he established marks in the mile and two-mile runs and helped set another mark in the two-mile relay.

A dedicated runner with unlimited potential, he took his act to the University of Minnesota at Waseca, a two-year junior college.

In 1980, as a first-year runner, he continued his legacy. He was the only incoming freshman in school history to make all-Region 13. As a freshman, he won Minnesota State Junior College championships in both the 1500 meters (4:01.9, meet record) and the 5,000 meters. He set a school mark in the 5,000 meters at the NJCAA outdoor finals in San Angelo, Texas, during his first year as well.

As a sophomore, he continued his prowess. He had the highest finish in the Region 13 cross-country meet of any UM-W athlete ever—fourth—and later was 13th in the NJCAA meet in Idaho. He was timed in 25:45 over five miles, "the best race of his cross-country career," according to his coach and close friend, John Fulkrod.

That 25:45 was the second-best five-mile cross-country time in school history, behind fabled Dick Beardsley's 24:48. Beardsley ran the fourth-fastest marathon ever recorded in finishing second in this year's Boston Marathon.

He holds the school indoor mark in the 3,000 meters and was third in that event at the 1981 NJCAA indoor meet. For that, he was named an All-American.

With an indoor track season of eligibility left and a few credits short of graduation, he returned to UM-W and made the indoor nationals this year in the mile, despite mentioning an "upset stomach."

His stomach problems continued, though Haler didn't make a big thing of it. He went to Arkansas this spring to help coach the distance runners. While there, he turned in

the best time of his life in the 1,500 meters, running unattached at the Arkansas College Invitational.

Yet for all those honors and accomplishments, Maurice Haler would surely trade for something most of us take for granted—health.

On April 6, he went into the Waseca hospital for what was thought to be a routine appendectomy. That's what doctors thought was causing the stomach pains.

What doctors found brought a shrieking halt to his athletic career.

Doctors, looking for trouble in his appendix, found a large tumor. Physicians there then called his parents—Walter and Greda Haler—at 3:30 p.m. that day to tell them the news.

Slide samples were taken and sent to Rochester, and April 15 he underwent surgery for removal of the tumor.

Doctors took out a 10- to 12-pound tumor, later diagnosed as Lymphoma Burkitts cancer, a fast-growing cancer which must be treated immediately.

Chemotherapy was started that night. The painful, nauseating treatment was administered on April 23 and 26 as well.

Originally, it was thought he'd have to go through 15 cycles of chemotherapy. Doctors in Rochester are more encouraged now, however, and say just four more are needed (he's had two treatments already).

Haler finished his latest go-around with chemotherapy in Rochester this week and returned to the Fulkrod home Wednesday night.

Doctors say they removed approximately 90 percent of the cancer in the first operation, which also claimed a third of his colon and part of his lower bowel.

There are still four smaller tumors near his bladder, and it's hoped the chemotherapy will take care of those.

Haler was an inspiration with his gutty performances while at East Chain, and he continues to be an inspiration at Waseca.

"Maurice Haler is, without a doubt, the toughest competitor I have ever coached in four years at the high school level and 11 years at the college level," said Fulkrod, his track coach.

Haler is now living with the Fulkrods in Waseca while battling the cancer.

His high school basketball coach, Jack Warnemunde, has the same feelings about Haler, an all-conference cage selection his senior year while helping the Chainers to an 18-0 regular-season record.

"The dedication and courage he had in high school will be just as strong to him now, as he faces his greatest challenge of his life."

Two of Haler's 1979 East Chain High School classmates approached his parents recently with the idea of a benefit hog roast.

Because East Chain is such a close-knit community, everyone soon was getting involved.

The East Chain school, the PTA, the Booster Club—almost every civic organization in East Chain—has joined the cause and is helping in Sunday's gathering.

The hog roast will be Sunday at East Chain High School beginning at 2 p.m., with proceeds from the $5 tickets ($6 at the door) going to a savings trust for Maurice.

Haler intends to attend the community function, one which underlines the overwhelming support the community is giving Haler in the race of his life.●

PUBLIC PRINTER GUIDED BY BOTTOM LINE

● Mrs. HAWKINS. Mr. President, I would like to share an article with you written by Ann Crittenden which recently appeared in the New York Times about my fellow Floridian, Danford L. Sawyer, Jr., who is now the Public Printer:

All over Washington, conservative Republican businessmen are attempting to remake huge Federal agencies in the image and likeness of the Reagan ideal, the corporation. Nowhere is the experiment going on more quietly or more aggressively than up on Capitol Hill in a red-bricked complex with 33 acres and more than 6,000 employees under its roof.

Danford L. Sawyer, Jr., who until recently was running a large advertising agency in Sarasota, Fla., has already transformed the sales operation of the 122-year-old Government Printing Office into a profitable business. Though officially he is the Public Printer, Mr. Sawyer, in his own mind, is guided by what he frequently refers to as the "bottom line."

It is no secret that the overwhelming majority of the people Reagan appointed are businessmen, the amiable 42-year-old Mr. Sawyer said in an interview: "And there is a philosophical clash going on between the businessmen's viewpoint and the idealists' viewpoint on how best to serve the American public."

The GPO has three main functions. By law, it does in-house printing of documents, such as the CONGRESSIONAL RECORD, for Congress. It procures printing for other Federal agencies, although budget cutbacks at those agencies have meant a drop in business. Finally, the agency sells some of these documents through its Superintendent of Documents Division. Last year the Government Printing Office sold 41.8 million publications, out of more than 4.8 billion printed, for $50.6 million.

The sales program is mandated to operate on a break-even basis, but in Mr. Sawyer's hands, it earned a $2 million profit in the first 4 months of the fiscal year 1982, after losing $20 million in the 3 previous years. "That figure was enough to upset my stomach," said Mr. Sawyer.

To put "SUPDOCS" as GPO employees call the "Documents Division," in the black Mr. Sawyer drastically reduced the number of publications offered to the public. "We were stocking about 22,000 titles in the Superintendent of Documents Division when I arrived last August," he said. "By this August we'll be down to 15,000 titles."

We are putting fewer new titles into the sales program, but we expect them to be best sellers, said Judith B. Morton, the agency's Public Affairs Officer.

In reducing its offerings, SUPDOCS "cleansed its warehouses" by destroying some $11 million worth of publications that were not selling more than 50 copies a year or earning more than $1,000 a year. The millions of volumes were sold as wastepaper for $760,000.

A few copies of more titles have been kept in stock, Mr. Sawyer said, and some may still be obtained from Congress or the agency that produced the publication. Basically, however, a person looking for one of the destroyed publications will be told to find it is in 1 of the 1,357 depository libraries around the country.

In addition, Mr. Sawyer wants to close most of the 27 GPO bookstores, serving more than 450,000 customers around the country. The bookstore operation lost $9.7 million in 1981.

The Public Printer denies allegations that his economy measures will restrict public access to Government publications. On the contrary, he said, he has instituted a marketing campaign that he believes will increase public awareness of the agency.

I have asked for a $475,000 appropriation for a marketing campaign to make the public aware of the depository libraries, said Mr. Sawyer. He has called on the major television networks to discuss the public service announcements on the agency's new catalogue, and asked the advertising council in New York City to take on part of the library program for a fee.

"This is the first time anything like this has been done," said Mr. Sawyer. "It totally flies in the face of the criticism that we are attempting to restrict public access. We are just trying to do things in a logical and businesslike manner."●

MANDATORY RETIREMENT PROHIBITION

● Mr. CHILES. Mr. President, last week a number of my colleagues and I introduced S. 2617, a bill to prohibit mandatory retirement by removing the age 70 "cap" in the Age Discrimination in Employment Act. Throughout my Senate career, I have been urging Congress to adopt a comprehensive approach to promote increased opportunities for older workers. We must break down the legal, institutional, and financial barriers that presently discourage older Americans from working. I have a number of bills pending in the Senate to encourage the employment of older workers. This matter is one of my continuing legislative interests. I can quote statistics, Department of Labor studies, and the presidents of Fortune 500 companies to describe the many benefits of older workers. But nothing is more descriptive than the firsthand accounts I receive about the achievements of older workers. I would like to share an excerpt from a letter I received from Jane Herron, the executive director of Gold Coast South Home Health Services, Inc., a nonprofit home health agency in Hollywood, Fla.

Virginia Brunt, R.N., who is in her late sixties, is one of our most dedicated employees. During the rainy season, we experienced a deluge which flooded the streets of southwest Broward County, making them impassable by automobile. Mrs. Brunt put on her slicker and boots and rode her bicycle to visit her patients and give them the skilled nursing care which they needed.

On another occasion, Mrs. Brunt proved again that chronological age is meaningless when she cared for a patient who lived in a remote swampy area. This nurse, in her sixties, rode on an airboat to see her patient.

We employ seven registered nurses, whose ages range from 50-70, and would love to hire more, just like them.

Nurse Brunt displays the qualities available in many older workers across the Nation: dedication, experience, en-

thusiasm, and rugged resourcefulness. America must recognize the worth of these older workers and take advantage of their talents.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the Chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. Any portion which is classified information has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee. Room 4229 Dirksen Building.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 14, 1982.

In reply refer to I-20070/82.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 82-57, concerning the Department of the Navy's proposed Letter of Offer to the United Kingdom for defense articles and services in excess of $50 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

WALTER B. LIGON,
Acting Director.

TRANSMITTAL NO. 82-57

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: United Kingdom.

(ii) Total Estimated Value:

	Billions
Major Defense Equipment [1]	$3.6
Other	0.3
Total	3.9

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: [Deleted.]

(v) Military department: Navy (BAZ-1).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 Report: Case not included in section 28 report.

(viii) Date report delivered to Congress: June 14, 1982.

POLICY JUSTIFICATION

UNITED KINGDOM—TRIDENT MISSILE SYSTEMS

[Deleted.]

The British Navy's ballistic missile system, which is committed to NATO, contributes to our mutual defense interests. This role reflects our judgment that the U.S. and NATO alliance have a strong interest in the continued viability and effectiveness of this deterrent force. Indeed, the maintenance of an independent British strategic defense was supported by NATO ministers in the communique of the Nuclear Planning Group at Colorado Springs in March 1982. The acquisition of the TRIDENT II system will enable the UK to preserve its strategic posture relative to the expanded Soviet forces and improved Soviet defenses. The British have opted for TRIDENT II over TRIDENT I to maintain commonality with the U.S. Navy. Thus this sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the UK; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The current UK strategic missile submarine force has been operating on a continuous basis since the late 1960s, and the limit of service life of both missiles and submarines is projected to be the mid-1990s. The lead-time for a modern strategic missile force is such that efforts must begin at once to assure replacement by a suitable successor system in order to avoid a gap in the UK deterrent capability.

The sale of this equipment and support will not affect the basic military balance in the region.

No increase in U.S. Government personnel in the UK is currently planned. At this time it is not possible to estimate the number of contractor personnel that will be required in the UK to assist in the installation and check-out of the missiles and weapon system equipment. These services will commence in the mid-1980s and continue until the mid-1990s.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 11, 1982.

In reply refer to I-01397/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-64, concerning the Department of the Air Force's proposed Letter of Offer to Korea for defense articles and services estimated to cost $16.8 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

WALTER B. LIGON,
Acting Director.

TRANSMITTAL NO. 82-64

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) *Prospective purchaser:* Korea

(ii) *Total estimated value:*

	Millions
Major defense equipment [1]	$14.5
Other	2.3
Total	16.8

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) *Description of articles or services offered:* Six F-4D aircraft.

(iv) *Military department:* Air Force (SGG).

(v) *Sales commission, fee, etc., paid, offered, or agreed to be paid:* None.

(vi) *Sensitivity of technology contained in the defense articles or defense services proposed to be sold:* None.

(vii) *Section 28 report:* Case not included in section 28 report.

(viii) *Date report delivered to Congress:* June 11, 1982.

POLICY JUSTIFICATION

KOREA—F-4D AIRCRAFT

The Government of Korea has requested the purchase of six F-4D aircraft at an estimated cost of $16.8 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for modernization and progress in eastern Asia. The sale of this equipment and support will enhance deterrence and contribute to the preservation of peace and stability on the Korean peninsula.

The sale will provide six F-4D aircraft to replace six F-4D aircraft lost during the past seven years through normal attrition and will improve the combat effectiveness of the Korean Air Force. Since only attrition replacements are being provided, no additional support equipment, spare parts, or training will be required and these aircraft can be easily absorbed by the Korean Air Force.

The sale of this equipment and support will not affect the basic military balance in the region.

These aircraft will be sold from USAF inventory; therefore, no prime contractor is involved in this sale.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Korea.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

MONETARY POLICY

● Mr. JEPSEN. Mr. President, with all of the discussion about the budget deficit and its impact on high interest rates, policymakers have lost sight of the critical role played by monetary policy. Dave Smick has written an interesting article on the importance of monetary policy in the present economic crisis. It argues forcefully for more serious attention to the Federal Reserve's policies if we are ever going to get interest rates down again and revitalize the American economy.

The article follows:

[From the Sun, June 14, 1982]

THE WRONG POLICY

(By David M. Smick)

WASHINGTON.—Several months ago, Senate Budget Chairman Pete Domenici was lecturing reporters on Ronald Reagan's

deficit problem. The solution, he concluded, was to make deeper cuts in federal social programs and to look at the "revenue side of things"—a Washington euphemism for raising taxes.

Near the end, a reporter asked, "Senator, you've said nothing of monetary policy. How much of this deficit do you attribute to the Federal Reserve?"

The Senator paused, and to everyone's surprise replied, "Quite a bit, I guess."

"Then why," the reporter continued, "aren't you talking about monetary policy?"

Mr. Domenici responded with a discourse on the independence of the Fed, the importance of "tight" money and the problem of congressional jurisdiction.

All of which I have come to call the "I Don't Do Windows Syndrome."

Today the "Windows Syndrome" has captured official Washington. Mention monetary policy and policymakers behave as if they have just found a hair in their biscuit. As one prominent columnist quipped, when it comes to the Federal Reserve, "that was the day I skipped economics class."

It would be amusing except that monetary policy is having far more effect on the deficit than the deficit is having on monetary policy.

Today if you are nearly unemployed or about to go bankrupt, you are told by the Reagan administration, "Hold on. Be patient. The prosperity of a budget compromise is just around the corner." Senate Republicans believe the economic problem is that senior citizens have too much cash in their pockets. And House Democrats would enact a monumental tax hike in the middle of a recession, which brings to mind Herbert Hoover's "budget balancing" tax increase of 1932. It led to larger deficits and a further deteriorating economy.

The tragedy is that no one mentions monetary policy. I'm specifically referring to the catastrophic events of October, 1979, when the Carter administration, with Republican support, ushered in a silent monetarist revolution which has had profound implications.

For most of the 1970s, the Federal Reserve performed primarily one task: it targeted interest rates. In October, 1979, however, it dropped concern for interest rates and began an experiment in managing the money supply. The Fed would attempt to manage the economy's monetary base by hitting long-term targets for aggregate measurements of money, the favorite being M1-B (currency plus checking accounts). Interest rates, all were assured, would fall in line as this new system weaned the economy from excessive credit and gently brought down inflation.

While few would argue again for interest rate targets (which were inflationary) the monetarist cure has clearly been worse than the disease. The 1979 reforms have actually produced a less stable growth in the money supply and less market stability than before. Interest rates almost immediately experienced dramatic gyrations. For the first time since the Great Depression, interest rates stayed high though inflation was low.

The most disturbing phenomenon is something that has never occurred in the recorded history of the business cycle: Since the 1979 reforms, we encountered two back-to-back recessions in less than 22 months. We also experienced a 21.5 percent prime interest rate under President Carter and a 20.5 percent rate under President Reagan. We faced almost identical economic reactions under both a president who cut taxes, reduced spending and ventilated the regulatory system, and a president who presided over just the reverse. The policy common to both? The 1979 monetarist experiment.

In the first months of the Reagan administration, the White House approached the Federal Reserve with almost childlike faith. The Treasury presented the Fed a plan to halve the growth of the money supply over four to six years. This would reduce inflation, without shocking the economy into a deep recession or depression.

Instead, the Treasury estimates the Fed delivered 80 percent of this reduction in the first year alone, and did so in a completely erratic fashion. As the economy suffocated one moment and hyperventilated the next, Ronald Reagan fell prey to a policy that did for him what similar policies have done for Margaret Thatcher.

Interest rates see-sawed and remained high. Output dropped, unemployment and bankruptcies approached all-time highs, and the deficit projection nearly doubled from the previous Carter deficit of $59 billion. Nearly 85 percent of this doubling was due precisely to the economy's slowdown.

Clearly, the Reagan deficits are the effect, not the cause, of a serious monetary problem. But we don't need "easier" money any more than we need "tighter" money. What we need is to take a closer look at the 1979 reforms, and the role that targeting money supply aggregates has played in causing the interest rate gyrations which are strangling the economy.

Sooner or later, President Reagan must ask his resident monetarists whether a government institution can manage the money supply any better than government can manage swine flu vaccinations. Can the Fed's Open Market Committee know for any given week how much money and credit 230 million Americans need or want?

Some officials at Treasury respond that, despite wild gyrations in the monetary aggregates, "On average" the Federal Reserve did a "magnificent" job in 1981. On average you don't need a winter coat in Baltimore. If a monetary policy provides too little money part of the time and too much the rest of the time, the policy is wrong all of the time.

In an appearance this year on "Meet the Press," Nobel Prize-winning economist Milton Friedman brilliantly savaged the Federal Reserve's 1981 performance. He then called for more efficient operation of the system. The truth is, the problem is the system.

The problem is that a panel of wise men at the Fed are trying to guess the future supply of money, when the market itself should be allowed to find the equilibrium point between the supply of money and the demand for it. But this requires abandonment of today's "quantity rule" and a move in the direction of a "price rule," which in its pure form is a monetary policy that targets the value rather than the quantity of money.

One price-rule-oriented proposal would phase out open market operations, the Fed's vehicle for changing the quantity of money, and remobilize the discount rate as the primary means of providing Federal Reserve credit. The discount rate, which is the rate the Fed lends reserves to member banks, would be set near the market rate, allowing the market a role in determining the growth of credit. But the discount rate would be a tool, not a target: It would be changed with inflation.

But whatever the alternative, the key is to provide the Federal Reserve with better information. Monetarism provides unreliable information on the supply of money and no information on people's changing demand for money and credit needed to produce, invest and promote full employment.

Ironically, Prime Minister Thatcher has deserted the monetarist camp. She recently abandoned quantity management and is moving toward a price rule. She also introduced tax incentives for small-scale entrepreneurs. Maybe Mrs. Thatcher is becoming Reaganized, as the Reagan administration is becoming Thatcherized.

Notice, I'm calling not for reinflation, but for a monetary policy that promotes price stability with the clear recognition that output and employment have far more effect on the deficit than any fiscal tinkering Congress can muster. Today an economy fully employed would bring in at least $75 billion additional federal revenue. By the same token, a new monetary plan that allowed roughly a 1.2 percent improvement in economic growth would balance the budget by 1986, and still not be considered a "rosy" expected growth rate by historic standards.

The people of Baltimore want to work, be industrious, take entrepreneurial risks and, with all their energy and initiative, make the present economy succeed. The current monetary policy just won't give them the chance.

It is time the Reagan administration consider not just the supply of money and credit, but people's demand for money and credit. It is time for some new economic vision. It is time to do windows.●

THE SECURITY OF TAIWAN

● Mr. GOLDWATER. Mr. President, in the continuing efforts of the People's Republic of China or, Red China, as it is commonly known, to force the United States to discontinue the sale of arms to Taiwan, many people in our own country have either forgotten the importance of Taiwan, particularly its strategic value, or they have never realized it at all.

The increasing tendency of our Government is to look upon Taiwan and Red China as one China. I cannot accept that simply because you cannot have one China with part of it Communist and part of it free. I would like to think of one China as a possibility in the future and that being a free China with whom we could have complete, cordial, and understanding relations.

In the meantime, I am going to continue my efforts to call the attention of my colleagues and my fellow citizens to the importance of Taiwan to the United States, the Pacific Ocean and, therefore, the entire world. Just recently, the Center for Strategic and International Studies of Georgetown University has published a paper entitled "The Security of Taiwan." This paper was written by Martin L. Lasater and includes a foreword by Ray S. Cline. In particular, I would call my colleagues' attention to that section of the paper dealing with Taiwan's strategic value which appears on pages 22 through page 27 of that publication.

I ask that this portion of the work be printed in the RECORD.

The material follows:

THE SECURITY OF TAIWAN: UNRAVELING THE DILEMMA

(By Martin L. Lasater)

TAIWAN'S STRATEGIC VALUE

The strategic importance of Taiwan is much greater than is generally recognized in the United States. Indeed, with the emphasis given to the building of a strategic consensus with the PRC, Taiwan's strategic value to the free world has been largely forgotten. To place Taiwan's security in a proper context, we need to examine the island's importance from the point of view of the principal international actors involved—the United States, the Republic of China, the Soviet Union, the People's Republic of China, and Japan.

U.S. PERCEPTIONS

U.S. strategic thinking is dominated by the threat posed by the Soviet Union. In East Asia the most important strategic developments in recent years have included the steadily increasing military strength of the Soviet Union deployed in the region, the Sino-Soviet split, Peking's improved relations with the West, the reemergence of Japan as a Pacific basin power, the decline of the U.S. presence in the region since the Vietnam War, and the continued turbulence in Indochina.

As a result of these trends, the United States has found it expedient to seek greater cooperation from its friends in Asia and even, in the case of the PRC, to consider forming quasi-alliances with past—and perhaps future—enemies. Nothing symbolizes the new strategic era more graphically than President Jimmy Carter's December 15, 1978 announcement that he was extending diplomatic recognition to the Communist government of Peking and withdrawing U.S. recognition from its longtime ally on Taiwan, the Republic of China.

President Carter and those supporting his China policy used many arguments to justify the switch in relations, but one of the most persuasive was strategic in nature. Briefly, the argument was as follows: Taiwan's value as a military and logistical base, recreation area for combatants, and forward post for the free world is substantially inferior to the PRC's value as a counter-force to the Soviets. The facilities on Taiwan can be replaced by similar facilities in Japan, Okinawa, or the Philippines. The advantage to the United States of Peking's tying down one-quarter to one-third of the Soviet Union's military forces, however, cannot be duplicated. Moreover, Taiwan's facilities are most useful against a hostile mainland China, a long-term threat at best, whereas the PRC is useful against the immediate Soviet threat. It is in U.S. interests, therefore, to take advantage of Peking's willingness to cooperate against the Soviets, even though the cost is reduced relations with the ROC.

There is evidence to support this view. In 1980 the Soviet Union deployed some 46 divisions (6 tank and 40 motorized rifle) along the Sino-Soviet border, as compared to 30 divisions (15 tank and 15 motorized rifle) in Central and Eastern Europe. In addition, some 507 combat ships, 2,060 operational aircraft, and large numbers of Soviet strategic, theater, and tactical nuclear weapons were stationed in the Far East. Theoretically, a rapproachement between Peking and Moscow would free these forces to be deployed elsewhere, perhaps in areas more threatening to U.S. interests such as Eastern Europe or Southwest Asia.

In spite of the compelling tone, this argument has certain weaknesses that must be noted here and further developed in Chapter Three. Taiwan is of much greater strategic value to the free world than is usually acknowledged. To sacrifice the island's logistical facilities, geographical advantages, and political-economic strengths unnecessarily would be short-sighted and harmful to long-term U.S. interests. Moreover, not all of the Soviet forces deployed in the Far East are directed at the PRC. Other missions include the protection of Eastern Siberia and the sea-lanes serving this vast, rich region, the protection of key strategic nuclear strike forces located east of Lake Baikal to Petropavlovsk, the projection of a political presence in Northeast and Southeast Asia, and the carrying out of operations against U.S. attack submarines, carrier task forces, and free world SLOCs. Because the Pacific Basin region is growing in importance in Soviet eyes, the number of troops and other forces withdrawn in the event of a rapprochement between Peking and Moscow is highly speculative.

There is also the problem of consistency in Peking's foreign policy. How permanent is the Sino-Soviet split? How long will the pragmatic, Western-learning policies of Teng Hsiao-ping remain in effect? These are matters over which the United States has some, but probably not much, influence. If, on the one hand, historical, cultural, political, and ideological differences between the USSR and China are too great to permit reconciliation, then the Soviet Union is likely to maintain its forces along the Sino-Soviet border regardless of the state of Sino-American relations. And if, on the other hand, the differences can be overcome, then the timing of the rapprochement between the two Communist powers is likely to be according to their interests and not those of the United States.

Insofar as the pro-Western policies of Teng Hsiao-ping are concerned, reports of an important Politburo meeting in Peking in early 1981 indicated that the PRC will continue its present course of improved relations with the West but that there exists among the ruling elite a strong pro-Moscow faction highly critical of Teng's direction. Whether the elder statesman and his chosen successors can hold the line, and for how long, is unknown.

At best, then, relations between Washington and Peking are tenuous, unpredictable, and subject to reversal. In view of U.S. interests, there is nothing wrong in trying to exploit present differences between Moscow and Peking. It would be wrong, however, to ignore other options or to endanger without cause friends of long standing. Unfortunately, as far as U.S.-ROC relations are concerned, this has been the result of recent U.S. China policy.

In large measure, the controversy surrounding U.S. policy toward the "two Chinas" centers around varying perceptions of Soviet and Chinese intentions and differing strategic approaches to East Asia. Dr. Robert Scalapino of UC/Berkeley has grouped these approaches into strategies of withdrawal, united front, and equilibrium.

The strategy of withdrawal of U.S. forces from Asia has been largely rejected by the American people, and most certainly by the Reagan administration. Those who advocate a united front with the PRC against the Soviet Union and those who argue for a more balanced U.S. approach to the two Communist giants (the equilibrium strategy) tend to view the strategic value of Taiwan in quite different ways.

The following examples of U.S. strategic thinking toward Taiwan, although certainly not exhaustive nor even fully representative, are illustrative of these divergent views.

One of the primary architects of Carter's China policy—a united front approach—was former Assistant Secretary of State for East Asian and Pacific Affairs Richard Holbrooke. In commenting on Reagan's foreign policy toward Asia, he spoke almost disparagingly of Taiwan's strategic value:

". . . Mr. Haig has managed to hold the line for policy continuity against those who advocate turning the clock back and upgrading American relations with Taiwan. . . .

"The strategic relationship with China, not Taiwan, is the main issue, with global and historic importance. That it has been submerged under the Taiwan issue only illustrates anew that trivia can command center stage while great issues wait in the wings."

Ray S. Cline, Senior Associate at Georgetown University's Center for Strategic and International Studies, sees an important role for Taiwan in the security of East Asia:

"From the U.S. point of view the Republic of China makes a major contribution to the military security of the whole, long East Asian island chain stretching from Japan to Indonesia, as well as to the security of the vital shipping lanes along the periphery of all of Asia. It has strong defense forces and the will to use them. In this way Taiwan contributes directly to the strategic defenses of the West Pacific, a matter of prime importance to the United States, Japan, and their trading partners in the Pacific Basin."

Dr. Scalapino seems to adopt a strategy of equilibrium in suggesting that the United States work cautiously with the PRC while at the same time extending support to Taiwan:

"The common interests of the United States and China presently center on the desire to prevent Russian expansion. This is a legitimate objective, but it would not be in American interests to march against the Soviet Union in order to strengthen China's security, seemingly the foremost desire of current Chinese leaders. . . .

". . . Taiwan will continue to be an issue between us. PRC leaders will insist that we have recognized Taiwan as a part of their China and that military assistance to Taipei therefore constitutes interference in the internal affairs of a sovereign state. We should stand firm on this matter. Having given away a goodly portion of American credibility in Asia in the recent past, we cannot afford to capitulate further on this issue, with its moral and strategic implications. The United States must uphold two principles frequently enunciated in the past: the Taiwan issue must be settled peacefully, and until such a settlement is achieved, we shall furnish those weapons necessary for the defense of Taiwan."

Because of the public debate surrounding the Taiwan issue in the United States, most Americans are aware of at least some of the major arguments offered by U.S. experts on the broad question of U.S.-China relations. Perceptions of Taiwan's strategic value from the point of view of other countries, however, are equally valid and should be taken into consideration in determining, for example, arms sales policy to Taiwan. Here we will briefly examine representative views

from the Republic of China, the Soviet Union, the People's Republic of China, and Japan.

THREAT ANALYSIS

Before considering these views, however, it must be noted that each nation has a different perception of the external threat it faces against its interests and policies. Thus, for Taiwan, the primary and immediate threat is seen as the Communist government on the mainland. The Soviet Union is a more distant, albeit real, threat and even has some current utility in drawing the PRC's attention away from its goal of "bringing Taiwan back to the embrace of the motherland and reunifying the country."

The Soviet Union sees its interests in East Asia threatened by both the United States and the PRC, and to a considerably lesser extent by Japan. Taiwan is not highly significant, but could be tactically useful under certain circumstances.

The PRC looks at the Soviet Union as its immediate, principal enemy and at the United States as its lesser, long-term enemy. In keeping with the principles of "united front tactics," Peking has chosen to ally temporarily with the lesser threat in order to outmaneuver the greater. Taiwan's threat to Peking is minimal militarily but is probably greater politically and psychologically because ROC economic, political, and social successes contrast vividly with past Communist failures.

Threat perceptions in Japan are undergoing a remarkable metamorphosis. As late as 1978 Franklin Weinstein of Stanford University was able to say: "The persistent pacifism of the Japanese people is reinforced by a widespread belief that there is no convincing strategic justification for an accelerated military buildup by Japan. Indeed, Japanese and American strategists agree that Japan faces no imminent security threats."

Today, due in part to U.S. insistence—and Moscow's heavy-handedness—many Japanese perceive the Soviet Union as the only real threat to their country. This threat manifests itself on a number of different levels, including possible interdiction of vital sea-lanes, seizure of Middle Eastern sources of oil, and actual attack against Japan itself. Tangible evidence of this threat is seen in the Soviet occupation of the "Northern Territories," four islands in the Kurile chain off the Shiretoko peninsula of northern Hokkaido.

The Japanese view the PRC as a threat only on a long-term basis. Short-term emphasis has been given to greater economic cooperation with Peking.●

NOR'EASTER NAMED MAINE HITS OMAHA

● Mr. COHEN. Mr. President, baseball has been called "the summer game." Few people would think that the State of Maine—which has but a few short months of warm weather—would produce a college baseball team with the ability to compete on a national level.

This year, the Black Bears from the University of Maine at Orono have done the unexpected. Not only did they make the College World Series for the second consecutive year, they went on to beat Stanford last week in Omaha, Nebr., placing them in the "final four" and in the running for the national championship.

Although the University of Miami was the ultimate national champion, this team from the Northeast—which has played fewer games in its entire short season than its competitors has won—tied for third in the country this year. I think their efforts, and the backing they received from fans throughout the State, have been exceptional, and are certainly worthy of national recognition. I would like to bring the following excellent account of their success in Omaha, written by Malcolm Moran for the New York Times, to my colleagues' attention.

The article follows:

[From the New York Times, June 11, 1982]

NOR'EASTER NAMED MAINE HITS OMAHA

(By Malcolm Moran)

OMAHA, June 10.—Early this week, John Winkin, the University of Maine baseball coach, realized that there was something that his players needed to be told as they reached the College World Series for the second consecutive year. For the first time, Winkin announced to his players that they could win a national championship.

The players' doubts were understandable. for 14 of the last 15 years, the series has been won by teams from California or Arizona, where the endless summer allows colleges the luxury of playing the summer game in January. When the series began on June 4, each of the seven other teams in the double-elimination tournament had won more games this season than Maine had played.

In 35 years, the 1952 Holy Cross team is the only champion from the Northeast. Which made it seem logical to think that it would be a cold day in Omaha when anything like that would happen again.

FITTING WEATHER

It was fitting that on the night that Maine (34-13) eliminated Stanford, 8-5, to join the Final four for the second time in seven years, the temperature crept down into the 50's and the winds approached 30 miles an hour. "Yes, we are used to it," Winkin said.

This year, for the first time since 1954, the Final Four does not include a representative from California or Arizona.

Of the Black Bear's 22 players, 16 players are from Maine, including the entire starting lineup that beat Stanford on Wednesday night. Four other players are from Massachusetts, one from New Hampshire and one from Connecticut.

Scholarship funds, improvements to Mahaney Diamond on the Orono campus, and expenses for trips such as one to California this season all must be privately financed. Each year, skills must be refined in a field house because it is always too cold to go outside. Double-play drills are repeated in one corner, bunt plays in another. Stanford's season started on Jan. 29. Maine's first game was on March 14, in California. "Generally," Winkin said, "our first time outside is our first game."

"THE SNOWBIRDS"

Now there are players with New England accents who will play Miami Friday night, competing with the Hurricanes, Texas and Wichita State for the national championship. "We're no longer the Snowbirds," Winkin said.

The nickname Snowbirds had been earned here during disappointing games in past tournaments. "The two Arizona teams, both of them kind of threw that at us, goodnaturedly," said Winkin, in his 36th year of coaching, including eight at Maine and 20 at Colby College, in Waterville, Me. "Kiddingly, they called us potato pickers, snowbirds." But during a game, jokes sent from dugout to dugout are often meant to deliver a message. The warm-weather teams had made their point. "We've come into this thing and been intimidated by the wellknow powers," Winkin said. "Not that they intentionally intimidate us, but the aura of those powers has intimidated us." Winkin smiled. "As you might expect from potato pickers," he said.

The inferiority complex disappeared after Joe Johnson, a junior right-hander, pitched a four-hitter to eliminate California State-Fullerton, and Bill Swift, a sophomore right-hander, held Stanford to four hits. A busload of followers, equipped with stickers identifying themselves as Maineiacs, had endured a 36-hour ride to sit in cozy Rosenblatt Stadium here. Already, they had been thrilled by Ed Pickett's dramatic home run that won the Northeast regional tournament and led to the trip here.

Winkin compared the moment to another time chiseled in New England baseball history, when Carlton Fisk's home run put the Red Sox into the seventh game of the 1975 World Series. "It was almost like the state of Maine erupted—all walks of life from the Governor on down," Winkin said.

Following a loss to Miami in the first game here, the two victories for Maine have been even more significant. The folks at home could listen to the team's radio network, or watch the cable telecast's that have put the teams on national television for the first time. A group of Maine alumni planned to fly 10 fresh lobsters to the crew televising the games here.

Swift arrived at Maine as an outfielder, and became the No. 3 pitcher as a freshman. At the start of this season, he was expected to provide depth as a starter and a reliever. Instead, Swift became the No. 1 starter and had a won-loss record of 9-0 with an earned run average of 2.01 going into the series. He lost to Miami while suffering from a case of strep throat that prevented him from eating solid food.

The Black Bears were in this position in 1976, but there was one important difference. Bert Roberge, the No. 1 pitcher who is now in the Houston Astro organization, was injured while pitching in the 100-degree heat. This time, Maine's three top pitchers—Swift, Johnson and Stu Lacognata—are healthy.

THE 1983 WHEAT PROGRAM

● Mr. ABDNOR. Mr. President, my concern for American agriculture continues and deepens and the farm economy sinks further and further into trouble. Farm prices are at their lowest levels since the 1930's and it appears certain that record carryover stocks will result from the 1982 crop.

The comment period for USDA's 1983 crop programs closes on June 24, and it is my hope that the Department of Agriculture will issue a responsible policy that addresses the problems facing agriculture when they an-

nounce their program for the coming crop year.

The National Association of Wheat Growers and its president, Mr. Wayne Nelsen, a Winner, S. Dak., wheat farmer, have been working hard to come up with a proposal which would reduce our ending stocks. The program that they have explained to me earlier this week is the result of a study which was done by Schnittker Associates at the request of the wheatgrowers. It appears to be a very sound proposal that addresses the problems of low market prices and the carryover stocks which continue to depress market prices.

With the possibility of another record wheat crop and record carryover stocks, which would reach 1.4 billion bushels, clearly something must be done to bring wheat prices into line with the costs of production.

According to the Schnittker Associates, a program to reduce wheat stocks by 250 million bushels in the 1983–84 marketing year would include a 20-percent acreage reduction program (ARP) and a 10-percent paid land diversion program (LDP).

Strongly supported and administered, this program could have beneficial results. Production would be about 2,320 billion bushels; deficiency payments would cost around 30 cents per bushel; deficiency payments could total $450 million, and diversion payments would be at a $619 million level. Compared with no ARP, this program would cost $1.748 billion less and the season average prices for wheat could go up to $4.20 or $4.30 per bushel.

To reduce wheat stocks in the 1983–84 marketing year by 150 million bushels, it would be necessary to implement a 15-percent acreage reduction program, along with a 5-percent paid diversion program. Again, if the program is strongly supported and administered, the results would be total production of about 2,420 billion bushels, deficiency payments costing 40 cents per bushel, a deficiency payments total of $680 million, and diversion payments of $313 million. The total cost savings compared with having no ARP would be $1.474 billion and the season average price for wheat would be $4.10 to $4.20 per bushel.

The budget savings are brought about because the sale of reserve stocks accumulated in previous years would pay program costs. Because the cost of acquiring these stocks is considered an outlay when they are accumulated, it would seem appropriate to offset the cost of acquiring these stocks by the income when they are sold.

Mr. President, again, this seems to be a sound proposal and clearly we must take action to bolster plunging commodity prices. I urge my colleagues in the Senate to contact Secretary Block and ask him to give this proposal his utmost consideration.

Finally, I would like to submit for the record a letter the National Association of Wheat Growers has sent to Secretary Block urging him to review the proposal offered in this study.

The letter follows:

NATIONAL ASSOCIATION OF WHEAT GROWERS,
Washington, D.C., June 15, 1982.

Hon. JOHN R. BLOCK,
Secretary of Agriculture U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: We are very concerned over the fact that just one of the twelve options offered in the "Preliminary Regulatory Impact Analysis" of the 1983 Wheat Program would lead to a reduction in surplus wheat supplies by 1984. In our opinion, the ambition of the USDA and farmers alike should be to reduce ending stocks to raise farm prices and promote savings in the cost of government programs.

As you know, current prospects indicate the possibility that carryover stocks next June 1 may be in excess of 1.4 billion bushels. The current and projected oversupply of wheat is the result of the 1980 Soviet grain embargo and its continuation until April 1981, as well as the absence of effective acreage adjustment programs to offset the impact of this trade disruption and subsequent trade sanctions.

"Effective Wheat Programs for the 1983–84 Season" is a study prepared at our request by Schnittker Associates of Washington, D.C. It demonstrates that programs designed to reduce wheat stocks by 150–250 million bushels in 1983–84 would result in cost savings of $1.5–1.7 billion and raise prices to farmers by $.25–.45 per bushel.

A 250 million bushel cut in wheat stocks could be achieved with a 20 percent acreage reduction program plus a 10 percent land diversion with a $4.00 per bushel payment, according to the Schnittker study. This plan would hold production to 2.3 billion bushels, generate a cost savings of $1,748 million and raise season average prices to $4.20–4.30 per bushel compared to the estimated results of no acreage adjustment program. The program analysis also projects that wheat stocks could be reduced by 200 million bushels through a 15 percent acreage cut and a 10 percent paid diversion program. A reduction in wheat stocks by 150 million bushels could be accomplished through a 15 percent acreage reduction and a five percent paid diversion program. Wheat production under this option would be 2.4 billion bushels in 1983 and cost savings would amount to $1,474 million.

We would like you to review the plans offered in this study, and to consider the benefits of implementing a strong program to reduce wheat stocks in the 1983–84 season.

Sincerely,

WAYNE K. NELSON,
President.●

THE LESSON TO BE LEARNED FROM THE FALKLAND ISLANDS CONFLICT

● Mr. GOLDWATER. Mr. President, this month's issue of Air Force Magazine features an editorial by J. Clifton Berry which should be read by all of my colleagues.

The editorial, entitled "Learning Lessons," points out that our Nation must learn some lessons from the Falkland Islands conflict. Although some will try to make quick use of apparent technological lessons, there are far more fundamental ones to be learned. These lessons which are as old as military history are: Crises and conflicts do not necessarily occur when the participants would like; military power is not applied in splendid isolation, but with consideration to political, diplomatic, and economic factors; and, readiness and sustainability have been proven important once again. All of these lessons we have to note carefully as we address our own defense budget.

Mr. President, the thoughts contained in this editorial are of special value and I urge my colleagues to read them. I ask unanimous consent that this editoral be printed in the RECORD in its entirety.

LEARNING LESSONS

(By F. Clifton Berry, Jr.)

The Falkland Islands crisis, like all conflicts, should contain useful lessons for the future, if carefully analyzed. Events are still unfolding, so definitive "lessons learned" will not be worked out for a while yet. We can be sure that analysts of military and diplomatic affairs worldwide began the evaluation process as the crisis unfolded and continued. They can be relied upon to dissect the events of this crisis in detail.

However, it is unnecessary to wait for definitive studies in order to learn useful lessons from this latest conflict. Indeed, advocates of pet systems have already begun to make selective use of the scanty information at hand to push their own cases. And public officials worldwide, the U.S. included, continue to show their unfortunate tendencies to put their feet firmly in their mouths by making predictions or assertions. For instance, Navy Secretary John F. Lehman, Jr., told reporters that an enemy jet such as the Argentine plane that knocked out *HMS Sheffield* with an Exocet missile "would not have gotten anywhere near" a U.S. battle fleet. Assertions such as that have an unfortunate tendency to be refuted by reality. One hopes Mr. Lehman is proved right in the next conflict involving U.S. ships.

It is not necessary to wait for the next conflict to state the first lesson to be learned. It seems always to have to be relearned, unfortunately. The less is this: Crises and conflicts do not always occur in the expected places, nor do they unfold according to the scenarios devised by the planners and soothsayers. In fact, as the days since April 2 have passed, events have developed a direction and momentum all their own, quite independent of man's attempts to direct them according to his scripts. It has been ever thus, and persons who ignore this basic lesson delude themselves.

Another lesson that can be stated with confidence: Military power is considered and applied not by itself, but in the context of political, diplomatic, and economic variables. When the Royal Navy task force shoved off from Portsmouth, American bankers holding Argentine loans tensed up, just as did the diplomats in the American Embassy in Buenos Aires awaiting Secretary Haig's next visit. And when *Sheffield* was abandoned, the mood in the House of Commons and on London streets shifted percep-

tibly from the one that prevailed a few days earlier after the Royal Navy had sunk Argentina's cruiser *General Belgrano.*

Yet another useful lesson: When a crisis hits, the forces must go to war as they are, not as they'd like to be. That's why uniformed military leaders keep saying their units must train and maintain constantly—it is because they do not know when the politicians will commit them to action, and must try to be ready all the time. When several years pass without conflict, the politicians grow complacent. They cut back on flying hours, steaming days, and maneuvers. Or they cut spares, as was done during the past decade in the U.S. Both the British and the Argentines have discovered the awful penalties of training and spares shortages in this conflict. Unfortunately for the young men who have died, eventual corrections of these deficiencies will not return them to life. Fortunately for USAF, its shortages are being addressed. Pray that the remedies take effect before our men are committed to sustained combat.

The importance of sustainability has once again been demonstrated. When politicians commit forces as instruments of national strategy, they must expect to have to support them in the field (or afloat or in the air) for an unpredictable, but probably long, period of time. That means stockpiling consumables such as ammunition, food, and fuels in large quantities. That does not come cheap, but is essential if national leaders are to make credible use of the armed services in shaping global events.

The need for sufficient airlift and sealift to carry out national purposes has once more been demonstrated. The British had to requisition cruise ships *Canberra* and *Queen Elizabeth 2* for sealift, and engage commercial air freighters to haul cargo, because their armed forces did not have the wherewithal. Given the woefully deficient state of U.S. airlift and sealift, the U.S. Navy, Air Force, and Congress ought to use this latest case as justification to do something other than jabber about the shortages. One senior Air Force officer, citing the deficiencies, says the initials RDF really stand for "Rhetorical Deployment Force" until the deficiencies are made up. He's right.

Other lessons can be stated, but that is enough to start. One final point: The Falklands crisis demonstrates anew that airpower is an essential element of a maritime strategy. That suggests that the U.S. Navy and U.S. Air Force should accelerate and broaden their cooperative efforts to reinforce, supplement, and complement each other's capabilities in executing the missions required for national strategy.●

A NATION OF READERS

● Mr. PACKWOOD. Mr. President, on April 21, 1982, it was my privilege to attend an evening banquet at the Library of Congress in conjunction with their celebration of "A Nation of Readers." While the company that evening was lustrous and the comments luminating, no speech excelled that of the Librarian of Congress, Daniel Boorstin. The cogency and persuasiveness of his remarks deserve wider circulation than merely those of use who were privileged to hear them that evening. I therefore submit for the RECORD the entire text of his remarks.

The text follows:

A NATION OF READERS

(Remarks by Daniel J. Boorstin on April 21, 1982)

The pundits in every age have been quick with premature obituaries. When the printed book spead across Europe, learned men forecast the vulgarization of knowledge and the decline of culture. The Renaissance followed. When people from all over came to the United States, our English friends forecast the corruption of their language. But here immigrants from everywhere learned a common tongue, enriched it into an American language of unexcelled vitality and produced an American renaissance of English literature. When radio appeared, David Sarnoff had difficulty persuading his knowledgeable business colleagues that anybody would want to send messages that were not directed to a specific addressee. We, the anonymous, involuntary recipients of radio and television messages, know how wrong they were.

Every new movement, every new technology, spawns predictions of cataclysm or disaster. In the United States, the most changeful, technologically innovative nation in history, we have had our share of Cassandras. The telephone, some confidently predicted, would soon abolish the mails. The human body could not stand the breathtaking speed of the railroads. Automobiles, Henry Ford was warned, would cause chaos on the roads by frightening all the horses. Still, at heart, Americans love change and welcome the newer even if it is not always the better. And our enthusiasm for change has actually led us to exaggerate our power to displace the old by the new. The obvious example in our time is the common prediction that television and the computer will displace the book, that a nation of watchers will cease to be a Nation of Readers.

In these few minutes tonight I would like to remind us of some peculiarities of American history, which shape what we mean when we Americans speak of a Nation of Readers. We are describing opportunities, risks, and experiences—different from those anywhere else or at any other time. For reading is not simply a skill or a consumer activity. It is an experience and it has been part of our whole National experience. This New World nation has been a crossroads where not only people but technologies meet.

The American public school, in its New England beginnings, taught children to read (and to believe) their "New England Primers," which eventaually sold 5,000,000 copies. In the mid-19th century, readers prepared by William Holmes McGuffey (1800-1873)—himself an American phenomenon with little formal education who at thirteen years of age was teaching on the frontier—dominated American elementary schools for decades, taught reading along with morality and patriotism and sold 125,000,000 copies. American public schools, especially in the cities, were a crossroads of peoples, where pupils learned to read the American language, which they taught to their immigrant parents. The United States became a nation as it became a Nation of Readers.

For the diffusion of reading-matter across our nation no institution (not even our schools) was more powerful than the mails. But only gradually were they permitted to carry books. Postmaster Return J. Meigs in 1814 forbade the mailing of books because, he explained, "the mails were . . . overcrowded with novels and the lighter kind of books for amusement." But he was beset by more pressing problems, such as the theft of newspapers from the mails and the mailing of wet newspapers which were a heavy burden to stagecoach contractors. For decades publishers had to devise ingenious evasions, such as publishing novels in newspaper format so they could secure the cheap postage rates allowed only for newspapers. Meanwhile, the circulation of abolitionist printed matter had created problems in the South, dramatized when former Senator Robert Hayne led a mob in Charleston, South Carolina, invaded the post office and burned the publications that offended them.

It was 1851 before books were admitted to the mails, and given special postage rates. In the very next year, 1852, when "Uncle Tom's Cabin" was published and then carried by the mails all across the North, the postal service helped bring on the Civil War. By 1885 new laws for mailing printed matter simplified the collection of postage on newspapers, and created a new third class for books. This so effectively promoted the publication and circulation of reading matter that in 1891 Postmaster General Wanamaker calculated the annual weight of dime-novel paperbacks and similar serials at more than 50,000 tons. One publisher alone was sending 1,600 tons of paperbacks through the mail annually. Then in the 1890s Rural Free Delivery widened the flood of printed matter. In the year 1911, more than a billion newspapers and magazines were delivered to farm homes over rural mail routes. RFD was christened, with only slight exaggeration, "the great university in which 36 million of our people receive their daily lessons from the newspapers and magazines of the country."

The history of how we, a people spread across a continent, have become a Nation of Readers is of course a history of the U.S. Mails. It is also a history of transportation in our United States where technologies of transportation have been remarkably precocious. This new nation by mid-19th century had more railroad mileage than all of Europe. Much of it went westward, and many lines ran, as puzzled European observers remarked, "from nowhere in particular to nowhere at all." The automobile grew with similar suddenness, and millions of Model T's were being produced before the roads were there. The rise of the quick lunch (now rechristened fast food) was only one symptom of an America preoccupied with speed—a nation in a hurry, eager for change, anxious for the latest word about everything. The history of the mails and the growth of reading in the United States, then, is largely a drama of our bias for speedy useful information. And incidentally it is a story of the unending struggle of book publishers to secure the same preferential treatment for books (the wisdom of the ages) which was accorded to newspapers and magazines (the facts and rumors of yesterday and today).

Of course other agencies have promoted and spread reading matter across our nation, and these too have grown with dizzying speed. In 1875 there were only 188 public libraries in 11 states, but in the next quarter-century the public library became one of the most characteristic Americn educational institutions. By 1900 they numbered five thousand, today there are some nine thousand public library systems with countless branches and outposts. In this century a newly characteristic American institution for the diffusion of books has been the book club. The Book of the Month

Club, founded in 1926, and the Literary Guild founded about the same time, were pioneers. By 1965 the total book-club sales were second only to the combined sales of all technical and professional books and had far outpaced adult trade sales, juvenile book sales, and religious book sales. The nine book clubs in 1928 multiplied until today there are 113 adult book clubs and 21 juvenile book clubs large enough to be listed in "The Literary Market Place."

Meanwhile, of course, retail book outlets—in wholesome competitive rivalry with the book clubs—have multiplied and taken new forms. The neighborhood bookstore which we all love and need, as any reader of "Publishers Weekly" knows, has had problems of survival. But there have been growing outlets in department stores, supermarkets, drugstores, and airports—in addition to the large chains of Dalton, Waldenbooks and others. The familiar statistics of book publishing show an increase in new titles from some 11 thousand in 1950 to about 40 thousand this year.

Tonight, as we celebrate what are or might be the benefits and delights of a Nation of Readers, I would like to suggest some of our peculiar temptations. Do we as a Nation of Readers find refuge from the narrowing biases of our time?

First, the bias of presentism. Modern communications—from the telegraph and the telephone to television—have increased the emphasis on our daily experience, on the recent and the present—on news-scoops and newsbreaks, on the latest words and images. Most of what we learn from day to day is certified by its immediacy. We learn more and more before it can be put into print, and even before anyone has reflected on whether it is worth knowing. By the time it is put into print it would be obsolete or proven false. But this is an old story in our country. The whole American experience from colonial times—when the current and the useful, almanacs, the latest laws and newspapers and pamphlets and how-to-do-it manuals dominated the presses—through the many decades of the postal rates which have almost always preferred newspapers and magazines to books—American institutions have been biased toward the recent and the up-to-date, toward information rather than knowledge.

This bias of American printed matter was reinforced by the gargantuan enterprise, and spectacular growth of American daily newspapers in the 19th century. And it has been reinforced a hundredfold by the rising electronic media. A nation of watchers has its eyes focused on yesterday and today. Even our entertainment is no longer tragedy or comedy but situations—which get tears or laughter from the quagmires of this very moment. But book-readers have a window to the whole past. Every book has its roots at least six months ago. The full stock of all past books is available to all of us without special programming or the use of artifically energized, obsolescing machinery. Every book-reader can find momentary refuge from the present.

Second, the bias of publicity. Just as we are more than ever flooded by images and sounds of the present, so we are dominated by publicly spoken words. Public utterances are more numerous, more frequent, and more public than ever before. The sunshine laws make the private conferences of our highest officials a new kind of public word. When the President and the Secretary of State have a private conversation it is presented verbatim in the day's newspapers. The public word and the public speaker reach us vividly and continually, aided by large expenditures of capital, by large organizations, on channels regulated from within and without. More than ever each of us needs a private island where each of us does his own programming, and where only one person, each of us, is sovereign.

Third, the bias of statistics. Not the least of the special charms for a reader today is refuge from the quantifiable. Of course we have our best-sellers, but who can say what books really are the best read? While the TV audience is increasingly Nielsen-rated, the reader and his ways remain delightfully secret and mysterious. We have heard the boast that on one evening of John Gielgud's "Hamlet" on TV more people saw Shakespear's play than all the audiences together since 1604. But who can count Hamlet's readers? GNP and statistics of consumption can tell us about automobiles and appliances and cigarettes, but very little about reading. A book read is not consumed. And surely some of the best read books do not enter into this year's or last year's publishing figures. The reader continues to "consume" models from the horse-and-buggy days or before, from the Model-T era, or from last year, sometimes without noticing which. For each of us our reading remains a private, uniquely qualitative nook of our life. As readers, then, we are refugees from the flood of contemporaneous mathematicized homogeneity. There we are at home with ourselves.

To have the benefits of a Nation of Readers, we must have citizens who can read. Our first assignment is not to allow the published electronic image or the public word to deter us in the primary effort of our education. We must raise a citizenry who are qualified to choose their experience for themselves, from the books past and present, and so secure the independence that only the reader can enjoy.

When we think of the role of words in our nation's political life, prominent in our minds are famous utterances—Burke's Speech on Conciliation, Patrick Henry's "Give me Liberty or Give me Death," Webster's Reply to Hayne, Lincoln's Gettysburg Address, Bryan's "Cross of Gold," or Franklin Delano Roosevelt's "We have nothing to fear but fear itself." Representative government, universal suffrage, and a host of technological forces, especially in the United States, have focused our political interest on the public speaker. The building across the street from this Library of Congress has reverberated with many of the nation's great public utterances.

It is symbolically appropriate, and even necessary, here on Capitol Hill that we find two grand buildings, one a temple of the spoken word, another a temple of the read word. One is a symbol of the publicity essential to a free government. The other, a symbol of the privacy essential to a free people.●

RESEARCH—DEVELOPMENTS IN THE 1980's

● Mr. HATFIELD. Mr. President, there are few who can truly be called lifelong public servants. James D. Roosevelt, eldest son of President Franklin Roosevelt and Eleanor Roosevelt, is one such individual who continues his family's ongoing commitment to society's most deserving causes. As the newly appointed president of the National Committee for Research in Neurological and Communicative Disorders, James Roosevelt has assumed the leadership of an organization dedicated to the goal of increasing public support for and awareness of needed research in neurological and communicative problems, diseases which can impair the quality of life or lead to premature mortality.

His firsthand experience which sensitized him to debilitating neurological disease resulted from his famous father's chronic paralysis. James Roosevelt now graciously and enthusiastically gives of his time and energy to generate support for efforts to combat these life threatening afflications.

Mr. President, I submit for the RECORD remarks made recently by Mr. Roosevelt, on behalf of the National Committee for Research in Neurological and Communicative Disorders.

The remarks follow:

RESEARCH—DEVELOPMENTS IN THE 1980's

It is with great enthusiasm that I greet you—honored guests, Members of Congress, Congressional staff and fellow health professionals—on the occasion of the Second Annual Congressional Luncheon hosted by the NCR. NCR, as many of you know already, is a coalition of 52 major voluntary and professional health organizations dedicated to the goal of increased public support for research in the neurological and communicative disorders. There are folders at your tables which describe the membership of our organization and some of our many activities. Our list of Member voluntary associations reads like a list of the most debilitating of the chronic diseases and disorders that threaten each and every one of us as we progress from young adulthood to senior citizen, that threaten our newborns when we become parents or grandparents, and our children and grandchildren as they mature and grow to adulthood themselves. Many of those who are active on the boards of our NCR voluntary members first helped organize their associations because loved ones had developed one of these disorders; Majorie Guthrie's husband Woody Guthrie suffered and was lost to Huntington's Disease; Bea Dreesen's husband was similarly stricken and lost to ALS, commonly known as the Lou Gehring disease. Bill Pearl's quest for a treatment and cure for his loved one resulted in the identification of the Tourette Syndrome and the beginnings of research targeted on the subject; Sylvia Lawry's hope for her family led to her founding and leading the National Multiple Sclerosis Society. And the chronicle of people involved in this research does not end here with this generation of fine leaders who have volunteered their time and their support. Their children and their children's children are becoming involved because they must live with the knowledge that they, in the case of Marjorie and Bea their only sons, are at great risk of developing one of these genetically transmitted, in some cases, disorders.

With regard to our members who are health professionals, many have come to NCR to work for increased support for research because they have worked with patients for whom there is no hope for a future free from suffering unless research results in breakthroughs that lead to a new

treatment or a cure for their neurological or communicative disorder. Others come because they are dedicated volunteers with a background of knowledge in the field.

Why you may ask, do I choose this field of research upon which to focus my efforts? First, I must point out that although my father, President Franklin D. Roosevelt is well-remembered in this country as a man who had great impact on the Presidency of the United States, a man who seemed invincible as he carried out his duties of office during very tumultuous times, he was a man confined to a wheelchair for the majority of his adult years. I would imagine that few people have ever thought of my father as paraplegic and as having suffered a major disappointment in his life. However, he experienced a disappointment that caused him physical pain and emotional distress. That disappointment came from the realization, towards the end of his life that, no matter what research or physical therapy techniques had been developed during his Presidency, he would never achieve his dream of walking again. Letting go of that dream required real emotional adjustment from my father; it wasn't easy. Since he was my father I shared in his disappointment. Therefore, you can imagine my enthusiasm when I was approached to become President of this organization of active, caring individuals to help them and their organizations secure increased support for central nervous system and brain research which has, as one of its great potential results, spinal cord regeneration. I know too that Alan Reich shares in my enthusiasm for support toward that goal.

And I believe that our modern science and research can find the answers to prevention and cure of many of the disorders which we represent, not because I am an optimist, but because of my experience of working with the March of Dimes Foundation. I was associated with them when the word came that polio could be prevented by the Salk vaccine. I don't have to tell you how important and wonderful in the truest sense of the word that research breakthrough was. Furthermore, I have seen others of our family interests with regard to this field, take root and become fruitful. The Warm Springs Foundation in Georgia, which was also founded by my family as was the March of Dimes, owned a hospital which was devoted to the rehabilitation therapy for persons with neurological problems. Now that hospital has become part of an Institute supported by the state of Georgia and focused not only on rehabilitation but also on research to restore people to a healthy condition and free them from a more difficult mode of living.

And that is also part of the research picture of NINCDS, research leading to improved treatment and/or cure of central nervous system and brain dysfunctions is one of the major goals of the NINCDS research as well as basic research leading to the development of knowledge of the design and functions of the central nervous system and the brain. If the keys to exactly how these intricate systems function in a healthy state, we may then be able to find ways to prevent their becoming dysfunctional or unhealthy. This could assist in working with every disorder from stuttering to Aphasia to Parkinson's Disease.

So you see this is very important research that is being conducted out at NIH. But it has been losing ground rapidly at a time when veritable explosions in research knowledge and technology have been taking place. The CAT scanner has revolutionized diagnosis of neurological problems just in the past decade. Without its use both Jim Brady and Lynn Nofzinger would have had, quite possibly, to undergo surgery for a complete diagnosis of their neurological damage from a gunshot wound or a stroke respectively. The P.E.T. scanner is proving to be even more revolutionary in furthering knowledge of the design and functions of the brain and nervous system.

Furthermore, in the past decade the NINCDS has experienced real breakthroughs in the treatment of Parkinson's Disease, and we have great hopes for enzyme replacement therapy as a preventive measure in the treatment of certain genetic disorders, such as Tay Sachs Disease.

However, none of these potential breakthroughs can be pursued to fruition if adequate funds are not provided to support them. NINCDS has experienced stability in its funding level only during the past few years. At the beginning of the 70's NINCDS was treated as the stepchild of NIH with a seriously unstable funding level that reflected general attitudes at NIH toward neurological and communicative disorders research. As a result, and also due in part to inflation in real dollar terms, NINCDS has experienced a decline in funds even though the appropriations increased each year. We estimate about $26 million would be required just to elevate funds to the 1980 level. We estimate that about another $65 plus million would fund research sufficiently to allow pursuit of the most promising research leads that have been developed under the auspices of NINCDS.

Now, I want to note at this time that we are realistic people at NCR and we know that some $90 million plus is not a big item at a time when the Congress is embroiled in controversy over whether or not a deficit of over $100 billion or under $100 billion is supportable for this fiscal year. You will note that we are recommending a one-time increase of funds in this magnitude to build the base of support for NINCDS to a stable and realistic level, upon which future moderate growth can be based.

We believe that this amount could be diverted from some of the non-competive research programs being conducted by agencies other than NIH without any real harm to such programs if many of them were made competitive in nature. NIH, which is the foremost biomedical research establishment in the Western World, if not the entire world, has adhered to a strictly competitive grants award process for years. Happily, I think that if there is one general principle upon which the leaders of both political parties can agree, it is that competition is good for the conduct of most business, including research. And we here at NCR are bi-partisan as you can tell if you look around you.

In fact, becoming President of NCR has made me very happy that I have, over the years, made good friends on both sides of the aisle despite my extensive background and experience with the Democrats.

In my capacity as President of NCR, I plan personally to call on my friends from both sides of the aisle to support us in our efforts. That is one of the best side benefits of this position—seeing old friends in Congress again. Furthermore, NCR is a committee that is composed of a membership that is bi-partisan in nature and I intend to work with each one of our member agencies to assist them in building their grassroots efforts, as time allows. I intend to build and to assist NCR in growing stronger in its efforts to secure adequate funds for research conducted at NINCDS. I also intend to assist NCR in increasing public support across-the-board whether from federal or state sources or from private individuals directed to our voluntary members.

So you can see that I have outlined rather ambitious goals both for myself and for NCR's membership. We have started on the first step with our focus on NIH research support. We will keep you informed as we progress towards achievement of those goals. With your assistance, we cannot fail.●

THE BANKRUPTCY IMPROVEMENTS ACT

● Mr. JEPSEN. Mr. President, it is with great pleasure that today I join in cosponsoring S. 2000, the Bankruptcy Improvements Act of 1982.

The result of a thorough review by the Judiciary Committee on Courts on the strengths and weaknesses of the bankruptcy system, S. 2000 will improve upon the Bankruptcy Reform Act of 1978. While many of the provisions of the 1978 act are working well, it has become clear that some of the changes have disrupted the delicate balance between debtors and creditors in consumer credit transactions, resulting in serious economic and social reprecussions that require remedial legislation.

Since the new Bankruptcy Code went into effect in October 1979, personal bankruptcy filings have risen a staggering 103 percent. While economic conditions have contributed to this increase, the hearing record shows portions of the Code have impaired the efficiency of the courts, encouraged needless filings, and restricted creditors acting in good faith from recovering upon legitimate claims.

One of the advances made in S. 2000 is that it recognizes that credit today is extended on the basis of future income while the 1978 Code looks only to the debtor's assets (his nonexempt property) in a chapter 7 bankruptcy filing. According to a recent research survey conducted by the Credit Research Center at Purdue University, one-fourth of the anticipated 1981 consumer bankruptcy losses, or over $1 billion, could have been repaid while still allowing the debtor to provide for the support of himself and his dependents, without undue hardship to anyone. This $1 billion of discharged debt thus would not have to be paid for by greater security requirements, decreasing availability of credit to many consumers, and, in the case of consumers who pay their bills, higher interest rates.

Other amendments are included in S. 2000 which improve the operations of chapter 7 and chapter 13. Added to the income test for elgibility for chapter 7 bankruptcy, these changes provide for relief by debtors who need it,

but reduce the opportunities for abuse that currently exist.

Mr. President, as part of my statement, I ask that "Myths About Consumer Credit," published by the National Consumer Finance Association, follow my statement in the RECORD. Based on Federal Reserve Board statistics, this debunks the myth that the growth in consumer credit has caused the bankruptcy problem.

The material follows:

MYTHS ABOUT CONSUMER DEBT

There's a widespread myth that available credit has grown too fast in recent years, beyond consumers' ability to pay it back.

A related worry is that this "huge" debt load will slow down recovery from the current recession, since consumer spending is usually the engine that fuels such a recovery.

In fact, some witnesses at recent House hearings on bankruptcy law reform blamed the sharp rise in personal bankruptcies on excessive growth in consumer credit. And bills have been introduced in Congress to control the consumer "credit explosion."

A more accurate appraisal is that the explosion never occurred. But the idea that it did remains intriguing.

Was too much credit available to consumers for too long? And did they take advantage of it?

HAS THERE BEEN A "CREDIT EXPLOSION"

Viewed nationally, consumer credit has indeed grown tremendously, especially in new and innovative forms (such as plastic credit cards) that became available after controls were removed in the 1940s and 1950s.

But, consumer credit growth does not appear so impressive compared to growth in wages and incomes. In short, as consumer credit has grown, so have the means for repaying it.

In fact, consumers could repay installment debt from their liquid assets. This includes currency, demand deposits, and money market mutual fund shares, which are all readily accessible.

Liquid assets grew at about the same pace as consumer credit in the 1960s and '70s, up to the present. So, at year end 1981, consumers owed $333 billion in installment credit and had $1.8 trillion in liquid assets.

Put another way, as a percentage, installment credit was 18.5 percent of liquid assets, virtually the same as in 1960, the last year of the Eisenhower Administration, when it was 18.6 percent.

In the 21 years since then, this figure has varied from 18 to 21 percent, but never higher. In other words, consumers have, for the last 20 years, maintained five times as much liquid assets as they have installment debt.

ARE CONSUMERS OVERINDEBTED?

If the relationship of debts to assets isn't a problem for consumers, what about repayments? Again, the answer is no—even if you allow for the inclusion, since 1971, of consumer credit extended by oil companies on their credit cards, which added a point or two to the level of installment indebtedness.

It is true that the ratio of repayments to available income shows that installment credit repayments consumed a slightly higher proportion of income in the late 1970s. But the difference was small, the ratio peaked in 1978, and has trended downward ever since.

Rather than including an ever-increasing debt burden, this measure also shows consumers' installment credit debt burden in the early 1980s about the same as a generation earlier.

ARE CONSUMERS EXPERIENCING FINANCIAL STRESS?

A third way to view consumers' financial condition is to examine a specific measure of financial stress—credit delinquencies. Graphs of the percentage of consumer credit accounts delinquent at banks, finance companies, and credit unions are generally flat and trendless over a long period.

They do show some cyclicality, rising during recessions and falling afterward during subsequent recoveries. But the point is that this measure shows that consumers' financial condition is about the same as it was many years ago.

Before 1979, personal bankruptcies per 1,000 households exhibited the same cyclical but trendless pattern as delinquencies until bankruptcies shot up like an arrow late in that year.

The sharp rise in personal bankruptcies in 1980 cannot be explained by the mild recession in that year. The rate is far higher than was the case in the longer, more severe recession of 1974-75.

This sharp divergence in pattern arose because of the extraneous developments—the advent of lawyer advertising and changes in the Federal bankruptcy code in October 1979 that substantially lowered the real cost of declaring bankruptcy.

To sum up, consumer credit myths, like that of the sun circling the earth, are simply not supported by facts. Nevertheless, such myths live on and distort the real picture, which shows that most Americans can and do live with plentiful credit and handle it well.●

STRONG DEFENSES

● Mr. JEPSEN. Mr. President, the Falkland Island crisis has focused attention on the need for strong defenses against aggression. I share some observations made by British PM David Atkinson. Mr. Atkinson stated that by 1984 half of the frigates, destroyers, and aircraft carriers currently stationed at the Falkland Islands will either be scrapped or sold. Had the Argentines waited 2 years, the Royal Navy could not have supported operations in the South Atlantic. In addition, the proposed cuts will reduce British support of NATO forces.

This crisis has clear lessons for our Nation. The rise of Soviet naval capability and the planned reduction of our allies' forces gives the United States an even greater responsibility for detering aggression. Mr. President, we have seen that the need for strong defenses can occur at any moment. We can ill-afford to follow the British example. Unilateral disarmament is fiscally nearsighted and politically destabilizing.

Mr. President, I submit for the RECORD the telex summarizing Mr. Atkinson's remarks.

SUMMARY OF MR. ATKINSON'S REMARKS

The Falklands crisis has focused critical attention on current plans to reduce British naval strength and raised serious doubts about the Royal Navy's ability to perform vital functions allocated to it in NATO strategy, Mr. David Atkinson, a British MP said at a lunch organised today by the Institute for European Defence and Strategic Studies.

"Had the Argentinians waited until 1984, half of the Navy's destroyers and frigates most readily available for the task force now being put together would have been sold off or turned into razor blades", he said.

The same applied to the task force flagship, the *Invincible*, due to be sold off to Australia, and to *Hermes*—the second carrier—although the latter had gained a temporary reprieve.

Given the recent talk about the British willingness to contribute to NATO operations outside the traditional NATO boundaries the current plans to cut back drastically overall naval strength now look ridiculous.

More fundamentally still, the cutbacks mean that in the view of many of those knowledgeable about defence matters, the British Navy could not perform its functions under the NATO rapid reinforcement plan.

In other words, there must be very grave doubts about whether in the event of Soviet aggression in Europe, the Navy is capable of carrying out its essential job of reinforcing NATO forces from the U.S. and providing the constant resupply of provisions and equipment which would be necessary.

This will be an operation which in scale and urgency has never been equalled—and the whole success of NATO response to a Soviet conventional attack depends upon it. In this the R.N. has the lion's share of the work to do.

But whether it could actually do this job, given the reductions recently announced and the massive increase in Soviet naval strength is now bound to be questioned.

Events in the Falklands are now focusing a fierce spotlight on naval capability in a way that rational argument has been unable to achieve.

Indeed the view, apparently held by some at the Department of Defence, that we do not need a strong navy any more has been discredited at a stroke.●

"DENSE PACK" WOULD ENDANGER THE ABM TREATY

● Mr. KENNEDY. Mr. President, at this time of growing clamor for a meaningful nuclear arms control, the Reagan administration threatens a new round in the arms race with its stated preference for the "dense pack" deployment alternative for the MX missile. Barry E. Carter, associate professor of law at the Georgetown University Law Center, who helped negotiate the ABM Treaty while serving in the National Security Council staff under Henry Kissinger, has written a compelling article, in the Washington Post on May 31, against the latest Reagan MX basing scheme, raising serious questions about its adverse effect on arms control policies and national security interests.

Professor Carter reminds us about the specific dangers which "dense

pack" represents to the U.S.-U.S.S.R. ABM Treaty, which prevented a new and destabilizing race in antiballistic missiles in the 1970's:

At best, the case for the MX is fraught with uncertainties . . . Even accepting that a case exists for a land based MX missile, we must think twice if the deployment involves tampering with the ABM Treaty. Even attempts to amend the treaty in a supposedly minor way can be treacherous.

For the past decade, the ABM Treaty has been celebrated as the most important arms control agreement reached by the United States and the Soviet Union. By pressing forward with the MX and jeopardizing the ABM Treaty, the Reagan administration would engage in a further round of the nuclear arms race, and the Soviet Union would match us every missile of the way in any futile quest for nuclear superiority. As Barry Carter points out:

If the United States seeks an ABM defense, moreover, it would be hard to deny one to the Soviets. In turn, Soviet ABM deployments would probably lead to pressures in the United States to increase our offensive capabilities. In the absence of stringent offensive limits—and the fate of the present unratified SALT II Treaty is hardly auspicious—a better defense by one superpower will most likely generate more offense by the other.

This article makes a convincing case that, "the United States should not rush into some new MX deployment based on questionable assumptions when the most successful arms limitation agreement ever is at stake."

Mr. President, I ask that its full text be printed in the RECORD.

The article referred to follows:

LET'S NOT ENDANGER OUR MOST SUCCESSFUL ARMS CONTROL AGREEMENT

(By Barry E. Carter)

The 10-year-old ABM Treaty, which sharply limits deployments of anti-ballistic missile defense systems, has been consistently applauded in the past as the most important arms control agreement reached by the United States and the Soviet Union. It has effectively dampened pressures for deploying a variety of destabilizing, ineffectual and expensive ABMs.

The Reagan administration, however, is reported now to favor for the MX missile a new deployment alternative—"Dense Pack"—which could require major amendments in the treaty, and possibly its renunciation.

The 1972 treaty and its later protocol confine U.S. and Soviet ABM deployments to either each nation's capital or to one of its land-based missile (ICBM) complexes. The actual deployment is restricted to 100 interceptor missiles and a few radars. These limitations effectively prevent either country from trying to defend its population or its ICBM force, except for a very limited defense against accidental or small attacks.

"Dense Pack" would apparently cluster about 100 MX missiles in hardened underground silos over a relatively small area of 10 to 15 square miles. ABM sites would be built nearby to provide the first line of defense against Soviet attacks. Any substantial defense would almost certainly require more ABM interceptors and probably more ABM radars than the treaty allows.

The second line of defense for Dense Pack would count on the explosions by the early attacking Soviet warheads to destroy other Soviet warheads before they could reach their targets. This relies on very uncertain physical phenomena, and makes speculative assumptions about the pacing of the Soviet attack and the timing of any U.S. decision to retaliate.

We should recognize Dense Pack for what it is—a desperate effort to find a basing mode for the now homeless MX missile.

At best, the case for the MX is fraught with uncertainties. It assumes that the increasingly vulnerable Minuteman ICBM must be replaced or supplemented with the new MX missile in some land-based deployment. Other alternatives seemingly rejected by a recent national security directive include deployment of the MX in new, long-flying aircraft, or abandonment of the MX for increased reliance on U.S. bombers, submarine-launched missiles and strategic cruise missiles, as well as any surviving Minuteman. In the calculus of deterrence or actual war fighting, many of these other forces would survive a Soviet strike, and their thousands of warheads and bombs could be used, or threatened, against a wide variety of targets.

Even accepting that a case exists for a land-based MX missile, we must think twice if the deployment involves tampering with the ABM Treaty. Even attempts to amend the treaty in a supposedly minor way can be treacherous.

ABM defense of ICBMs against hundreds, even thousands, of attacking and exploding warheads, which could be accompanied by penetration aids (decoys and chaff), is technically very difficult. The proposed defense might well be much less effective than the planners initially promise. To the extent the system appears to be effective, it could have the perverse effect of encouraging the Soviets to add further to their offensive forces to offset the new U.S. defense.

If the United States seeks an ABM defense, moreover, it would be hard to deny one to the Soviets. In turn, Soviet ABM deployments would probably lead to pressures in the United States to increase our offensive capabilities. In the absence of stringent offensive limits—and the fate of the present unratified SALT II treaty is hardly auspicious—a better defense by one superpower will most likely generate more offense by the other.

This problem would be accentuated if the Soviets successfully insisted on deploying an ABM system which, by rapid redeployment or expansion, appeared able to defend cities. Defending cities is even more destablizing than defending ICBM fields because the United States would have increased doubts about its ultimate retaliatory threat—the ability to destroy a large portion of the Soviet population. Indeed, some of the Soviet ICBMs are near Moscow and other population centers, and so Soviet attempts to defend them would raise doubts about the real purpose of their ABM defense.

In sum, the United States should not rush into some new MX deployment based on questionable assumptions when the most successful arms limitation agreement ever is at stake.●

STRATEGIC ARMS REDUCTION TALKS

● Mr. JEPSEN. Mr. President, on June 29, 1982, the United States and the Soviet Union will formally begin strategic arms reduction talks. I endorse these efforts to reduce the threat of nuclear confrontation between the superpowers. Many critics of current U.S. defense and arms control initiatives support an interim nuclear freeze by both the United States and U.S.S.R. I share their sentiment that the risk of nuclear war must be curtailed.

However, Mr. President, arms control agreements can provide true security and relief only when they can be adequately verified. Only a verifiable treaty will provide the trust and security that can build a more peaceful world. A nuclear freeze at present cannot be verified by national technical means.

Adequate verification is increasingly important due to mounting evidence of unilateral Soviet arms control violations in chemical warfare and the 1974 Nuclear Threshold Test Ban Treaty. These violations cast into doubt the sincerity of Soviet negotiating intentions.

As START talks commence, it is imperative that a verifiable agreement which removes all doubts of Soviet compliance is achieved. Such an agreement would truly guard the people and security of the Nation and the world.

Mr. President, I ask that the recent article entitled, "Soviet Violations of Arms Control Agreements" from the National Security Record be inserted in the Record.

The article follows:

[From the National Security Record, May 1982]

SOVIET VIOLATIONS OF ARMS AGREEMENTS

On June 29, 1982, the United States and the Soviet Union will formally begin strategic arms reduction (START) talks. This development comes just after both the U.S. and the Soviets have formally articulated initial bargaining positions on arms reduction.

The United States has proposed that both nations substantially reduce their nuclear weapons capabilities, including a reduction by one-third in the total number of nuclear warheads deployed by each side on long-range ballistic missiles.

The initial Soviet response has been harshly negative. Soviet leader Brezhnev, while indicating a willingness to discuss arms reduction, dismissed the U.S. proposal as "unrealistic" and "designed to insure American superiority." At the same time, Brezhnev, seeking to take advantage of the unilateral arms reduction sentiment found in some sectors of the U.S. and Western European populace, called for a strategic arms freeze to begin as soon as possible.

Nuclear weapons possess the most awesome destructive capability of any weapons in the history of mankind. This stark reality has periodically prompted many individuals

and groups to passionately pursue arms control agreements.

However admirable to objective of averting nuclear war may be, the narrow-minded pursuit of seemingly attractive arms limitation proposals may, in reality be a dangerous and misguided mission. In fact, a vague or unverifiable arms agreement would actually lead to a more unstable, unpredictable nuclear environment, and thereby increase the possibilities of a nuclear war.

This necessity for any proposed nuclear arms agreement to be clear and verifiable is particularly relevant at the present time, given the intense public interest that has arisen in conjunction with the proposal for a "nuclear freeze."

Especially in light of the apparent increase in attention to the nuclear freeze concept, as well as the recent Reagan and Brezhnev statements, it is very important that the true situation with respect to verifying Soviet compliance with existing arms nuclear treaties be understood. In the area of nuclear arms, there is no margin for error. Research and development on, or actual possession of, a new or strategically decisive weapon system could well mean the difference between victory and defeat, survival and destruction.

That is why the naive assumptions made by some advocates of a nuclear freeze must be examined. In particular, nuclear freeze advocates have not dealt adequately with the necessity of strict and complete verifiability of any freeze agreement. Without such verifiability, freeze advocates are relying on Soviet compliance with an international agreement—a dangerous assumption given the historical record of Soviet activities over the past 65 years.

In the previous edition of the National Security Record, the flawed premises and mistaken assumptions and logic behind the nuclear freeze concept were analyzed. However, the more basic fatal flaw behind the nuclear freeze approach is simply the failure to understand the nature of the other party to such an agreement, as well as its ideological and practical approach to international treaties.

On a practical and historical level, the record is littered with treaties and agreements unobserved or broken by the Soviets. At last it can be said that the Soviets are consistent and do not discriminate; they have broken treaties of all kinds and on all levels. But for the purposes of examining the practicality of a freeze proposal, one should focus particular attention on Soviet compliance with a wide range of arms agreements, from bilateral non-aggression treaties to strategic arms agreements to restrictions on chemical warfare.

HISTORY OF SOVIET ARMS VIOLATIONS

The entire history of the U.S.S.R. reveals it has been untrustworthy as a participant in any agreement that restrains its military forces. The Department of Defense has published a detailed accounting of Soviet violations of agreements it made during the first 45 years of the existence of the Soviet Union.

In May 1920, the Soviets signed a treaty with the independent Georgian Republic pledging non-interference in its internal affairs; less than one year later, Soviet troops invaded the country and incorporated it into the U.S.S.R. The Soviets signed similar bilateral agreements with Czechoslovakia, Lithuania, Estonia, Latvia, Poland, Romania and Afghanistan; eventually the Soviet Union took military action against all of these treaty partners and imposed new Soviet-oriented governments on them.

In recent years, the Soviets have demonstrated a particular unwillingness to abide by any agreements dealing with their armaments programs. On a wide range of issues the Soviets have stretched agreements to their limits and then often proceeded to break them, not only in spirit, but in substance. For example:

Nuclear Test Ban: The Soviets have conducted at least eight underground nuclear tests of over 150 kilotons in direct violation of the 1974 Threshold Test Ban Treaty.

Radioactive Debris: The Soviets have on at least thirty occasions vented radioactive debris from underground tests in clear violation of the 1973 limited Test Ban Treaty. These actions resulted in radioactive debris spreading outside the Soviet Union.

Detente Pact: The Soviets violated the 1972 Basic Principles of US-Soviet Relations during the 1973 Yom Kippur War. In this case, the Soviets reneged on their 1972 pledge to engage in mutual consultations in the event that nuclear war was threatened, and they sought unilateral advantage by encouraging the Egyptian attack on Israel. They also threatened unilateral intervention against Israel.

Cuba: Despite the 1962 Kennedy-Khrushchev Agreement not to station offensive forces in Cuba, the Soviets have proceeded to incrementally station such forces there. Since 1970, the Soviets have deployed Golf and Echo class submarines carrying long range nuclear missiles, as well as nuclear capable MiG-23 fighter bombers and long range Bear bombers.

Poland: High Reagan Administration officials have charged that the December 1981 imposition of martial law in Poland was directed by the Soviets, and that the Soviets have directly threatened military action against Poland, intimidated its leaders, and ordered basic human rights of the Polish people to be violated by the Polish Communist Party and Polish Army. ACDA Director Eugene V. Rostow even went so far on NBC-TV on December 22, 1981, as to charge that the Soviets have violated the UN Charter by their aggressive actions in Poland. Other high Reagan Administration officials have also accused the Soviets of violating the 1975 Helsinki Accord by their suppression of the basic human rights of the Polish people.

The most conspicuous area of Soviet violations of arms agreements has occurred with respect to the major effort over the past decade to limit weapons under SALT. At the same time, in the past several years the Soviets have wantonly violated treaties governing the use of chemical and biological weapons, which are the most gruesome weapons available. The lack of any Soviet restraint in the control of arms completely undermines the credibility of Soviet adherence to a nuclear freeze at existing weapons levels.

SALT I VIOLATIONS

To begin with, two important facts should be noted. First, agreement on the nature and extent of Soviet treaty violations has been hampered by the fact that SALT I contains numerous ambiguities in its terms; these ambiguities were insisted upon by the Soviets, and, unfortunately, the U.S. acquiesced. Second, U.S. detection of possible Soviet SALT violations has been considerably hampered over the years by a Soviet campaign of deliberate massive camouflage, concealment, and deception. For example, as a result of Soviet deception at the time of SALT I, U.S. intelligence miscounted the basic Soviet ICBM and SLBM levels which were the key verification parameters of SALT I. Four years ago, in a *Backgrounder* study, "Examining SALT Violations and the Problems of Verification," The Heritage Foundation drew attention to this problem, which has only grown much worse since that time.

1. SALT I: VIOLATIONS OF THE ABM TREATY

Soviet SAM testing in ABM mode for SAM upgrade;

Soviet deployment of ABM Battle Management Radars for nationwide defense;

Soviet ABM camouflage and concealment;

Soviet falsification of ABM deactivation;

Soviet creation of a new ABM Test Range without required prior notification;

Soviet development of a rapidly deployable, mobile ABM, also for nationwide defense.

2. SALT I: VIOLATIONS OF THE INTERIM AGREEMENT

Soviet deployment of the heavy SS-19 ICBM as the replacement of the light SS-11 ICBM; this is the most dangerous of all Soviet SALT violations;

Soviet failure to deactivate old ICBMs on time, and falsification of official deactivation reports;

Bringing back ICBM equipment to deactivated ICBM complexes;

Keeping 18 SS-9 ICBMs at an ICBM test range illegally operational;

Soviet deployment of IIIX silos with a configuration too similar to a missile-launch silo;

Soviet massive use of deliberate camouflage, concealment, and deception; this actually increased after 1972:

—Encryption of missile telemetry

—Camouflage of ICBM testing, production, deployment

—Concealment of SLBM submarine construction, berthing, dummy subs, berthing tunnels;

Constructing over 68 strategic submarines, when only 62 were allowed;

SS-20 IRBM deployment, which should count as ICBM deployment;

Violation of Brezhnev's pledge not to build mobile ICBMs;

Deploying SS-11 ICBMs at SS-4 MRBM sites, probably having a covert soft launch capability.

Keeping about 1,300 to several thousand old ICBMs stockpiled for both covert soft launch and rapid reload of silos for refire.

SALT II VIOLATIONS

A SALT II Treaty was signed by the Carter Administration, but it was never approved by the United States Senate. Nonetheless, the Carter Administration took the position that the United States would observe the terms of the treaty unless and until the Soviets "undercut" the treaty. Unfortunately, the Reagan Administration has chosen to go along with this approach, and has failed even to ask the Soviet Union for a specific public statement, such as the United States has given, of intent to observe the treaty. In fact, the Soviets have authoritatively stated several times that they are not bound to comply with SALT II until the United States ratifies it.

At present, the United States has pledged to observe the treaty provided the Soviets also adhere to its terms. This prompts the obvious but often neglected question of whether the Soviets are now in fact violating SALT II. The evidence clearly indicates that Moscow has once again been consciously ignoring treaty limitations.

First, the Soviets have reportedly continued, and even increased, their missile telemetry signal encryption activities, despite SALT II provisions which require the accessibility of all telemetry needed by the United States to verify certain parameters. This continued encryption violates Article XV and its Second Common Understanding. The SSN-20 Typhoon SLBM is reportedly being encrypted almost totally, which actively interferes with U.S. ability to determine whether the Typhoon SLBM is a banned heavy SLBM. The Soviets are also reportedly almost totally encrypting the SS-18 Mod X, interfering illegally with the U.S. ability to determine the number, size, and type of warheads carried on it. Moreover, the Soviets reportedly are almost totally encrypting the telemetry on their SSN-19 SLCM. This encryption interferes with the U.S. ability to determine whether this SLCM has a prohibited range longer than 600 kilometers or carries multiple warheads. Finally, high levels of SS-20 encryption reportedly continue. This encryption hampers U.S. ability to determine whether SS-20 range is being extended or whether fewer warheads are being tested.

Second, the reported Soviet stockpiling of over 100 mobile SS-16 ICBMs circumvents the SALT II provisions which ban SS-16 production and deployment. This action directly violates the Protocol to the SALT II Treaty. Moreover, up to 200 mobile SS-16s have reportedly been illegally deployed at the Plesetsk test range.

Third, and most serious, the Soviets are reportedly undertaking exercises to test a rapid reload/refire capability with their SS-18 ICBM. This activity completely circumvents all the SALT II ceilings on Strategic Nuclear Delivery Vehicles.

A fourth SALT violation pertains to range limitations. The Soviets made a false SALT II claim that they do not have cruise missiles with a range greater than 600 kilometers. This falsification is a unilateral advantage which has allowed them to exclude about 250 sea-launched cruise missiles and over 100 air-to-surface cruise missiles carried on the Bear bomber. The deception and violation is confirmed by the recent DoD book, "Soviet Military Power," which reveals for the first time that the Soviet AS-3 Kangaroo Air-Launched Cruise Missile (ALCM) has a range of "650" kilometers, and that it is carried on two variants of the Bear Bomber. Yet the Soviets officially stated in the SALT II Data Exchange of June 18, 1979 (an integral part of the SALT II Treaty), that they had "zero" heavy bombers equipped for cruise missiles with range greater than 600 kilometers. Thus, there is an officially confirmed Soviet SALT II falsification, and the Soviets are in violation of SALT II by not counting their 105 Bear bombers in the 1,320 ceiling on MIRV's and ALCM equipped bombers.

It is especially ironic for the Soviets to have falsified the range of their AS-3 Kangaroo ALCM in 1979. For just two years earlier, on April 14, 1977, a Pravda editorial stated that: "Heavy bombers carrying cruise missiles with a range of more than 600 kilometers must be equated to MIRV missiles and accordingly entered into the established ceilings for such missiles." The Soviets evidently thus meant for only U.S. bombers equipped with long-range ALCMs to count under the 1,320 MIRV/ALCM bomber ceiling, but not their own.

Moreover, the Soviet Backfire bomber reportedly carries AS-6 air-to-surface cruise missiles with a range of 700 to 800 kilometers. Yet they also refuse to count these bombers in SALT II as well.

SOVIET'S COVERT CHEMICAL WARFARE

There is a steadily growing body of grisly evidence that the Soviet Union and its proxies have been systematically waging a clandestine war of chemical terror against nationalist resistance groups in Laos, Kampuchea and Afghanistan. Hundreds of reports from a wide variety of sources—refugees, freedom fighters, communist defectors, doctors in refugee camps, Western newsmen, and Western intelligence agencies—provide incontrovertible corroboration of the fact that thousands of men, women and children have been indiscriminately slaughtered by chemical means. The State Department's recent special report, "Chemical Warfare in Southeast Asia and Afghanistan," documents reports of 397 communist chemical attacks that killed over ten thousand people—6,300 in Laos, 980 in Kampuchea, and over 3,000 in Afghanistan. These are minimum figures based on eyewitness accounts. Other estimates of chemical warfare deaths range as high as 50,000.

The Soviets have apparently used a number of different chemical munitions in their attacks, including first generation agents such as phosgene gas, second generation agents such as soman nerve gas and a new third generation of agents, the tricothecene mycotoxins, which were recently discovered to be the lethal active ingredients in the mysterious "Yellow Rain." This terror weapon inflicts bizarre and gruesome symptoms on its victims while destroying their crops and livestock. It has proved to be extremely effective in dislodging anti-communist guerrilla groups from their remote sanctuaries and triggering the panicky flight of their civilian supporters to refugee camps in neighboring countries.

Soviet chemical operations are a blatant violation of several international agreements as well as the customary international law of armed conflict which prohibits the first use of chemical weapons. Chemical warfare has been prohibited on the battlefields of Western nations for over fifty years. Under the terms of the 1925 Geneva Protocol, to which the Soviets are a party, asphyxiating, poisonous or other gases, bacteriological methods of warfare and all analogous liquids, materials and devices are banned from military use. The 1972 Biological Warfare Convention, also signed by Moscow, obliges states: "never in any circumstances to develop, produce, stockpile or otherwise acquire or retain (1) microbial or other biological agents, or toxins whatever their origin or method of production, of types and quantities that have no justification for prophylactic, protective or other peaceful purposes; (2) weapons, equipment or means of delivery designed to use such agents or toxins for hostile purposes or in armed conflict." As biologically produced chemical substances, the tricothecene mycotoxins fall within the prohibitions of both the 1925 Geneva Protocol and the 1972 Biological Weapons Convention.

By cynically violating these agreements, the Soviets have crossed a line respected by all civilized nations—and even by the Nazis, who refrained from using their nerve gas stocks on battlefields during World War II. Soviet chemical warfare atrocities in Asia, along with the April 1979 Sverdlovsk incident (in which up to 1,000 Soviet citizens were killed when an explosion at a top secret Soviet defense laboratory released a cloud of lethal anthrax spores) raise grave doubts about the credibility of Moscow's signature on any international treaties.

CONCLUSION

From the above analysis, it is clear that the Soviet Union has consistently and systematically violated its fundamental treaty obligations with the Western world. The existence of this situation, and the fact that there is no reason to believe that Soviet behavior will change by itself, calls for the following actions.

First, the American people deserve to be told officially, in at least general terms, of the serious dangers already posed to U.S. national security by past Soviet deceptions, violations, and circumventions of arms control agreements.

Second, the Soviets should now be made to explain fully their reported 20 to 35 SALT and other arms control treaty violations or circumventions; they should do so in the SALT Standing consultative Commission established for this purpose, or via diplomatic and multilateral channels. They should also be made to understand that U.S. dissatisfaction with the record of Soviet arms control activities and breakout potential will stand in the way of further progress in all arms control negotiations.

Third, the United States should not feel bound to observe treaties which the Soviets are violating. Unilaterally observing such agreements can only endanger U.S. security.

Finally, it should be very clear that U.S. participation in a nuclear freeze, which under present circumstances would inevitably have to rely upon unverifiable Soviet compliance in many key respects, could represent a truly grave danger to the survival of the West.●

AMERICAN CONSERVATION CORPS

● Mr. MOYNIHAN. Mr. President, last Wednesday the House of Representatives passed, by an overwhelming margin, legislation that would create an American Conservation Corps. The vote reflected the broad, bipartisan support that youth conservation programs have enjoyed since the days of the Civilian Conservation Corps. Senator MATHIAS and I have introduced a companion bill, S. 2061, and I am hopeful that the Senate will act quickly on our bill and put thousands of young people to work maintaining and rehabilitating our public lands.

Mr. President, I submit for the RECORD a superb editorial from the Christian Science Monitor applauding the House's action.

The editorial follows:

[From the Christian Science Monitor, June 11, 1982]

HAIL THE NEW CONSERVATION CORPS!

For millions of Americans old enough to remember, the proposed new American Conservation Corps program passed by the U.S. House this week by a solid 291-to-102 vote conjures up vivid images from the 1930s. There they were, back then, the young persons of the 1930s Civilian Conservation Corps—the CCC—marching forward in smart drill. Only instead of weapons, they carried shovels. Instead of military uniforms, they wore work clothes. And their mission was truly "national" in the best

sense of the term—planting trees, building bridges, constructing telephone lines, fighting forest fires.

The new CCC, although much smaller in scope, would do many of the same things undertaken by the original corps that was finally disbanded during WW II. It would put unemployed teenagers to work restoring parks and national monuments. Yet, the costs would be modest: $50 million for fiscal 1983, and $250 million annually thereafter through fiscal 1989. For that money, over 100,000 young people could be recruited annually, many of them working year-round, the remainder in summer work.

A revival of a CCC-type program is long overdue. California, with its innovative youth conservation program that has been in effect since 1976, has proven that such a venture yields benefits not only to participants but to society as a whole. By some estimates, the California program returns on the order of $1.20 in public services for every $1 spent by the state.

Fortunately, the proposed new federal program leaves substantial operating authority to the states and local governments. Thus, programs could be crafted to reflect regional and local needs, which could conceivably range from an urban parks program for the South Bronx to reforestation for Nebraska or Montana.

Legislation similar to the House plan is now before the Senate Energy and Natural Resources Committee. The Reagan administration has so far opposed the program. Few persons could really fault the White House for rejecting obviously costly makework programs at a time of budget constraint.

But surely, such a modest new conservation corps plan as now voted by the House does not fit that category. Youth unemployment is at record levels. For minority youths, the problem is especially severe. And there are many public services that are badly needed—from restoring deteriorating parks, to checking soil erosion throughout the U.S. Midwest.

Lawmakers, for their part, should ensure that such a program will be run with the efficiency that characterizes the California plan—and, in the process, turns many a young person into a responsible adult.

The new American Conservation Corps program makes good economic sense. It deserves swift approval.●

MX, SALT, AND THE ABM TREATY

● Mr. CRANSTON. Mr. President, the question of how MX development could affect U.S. compliance with the SALT II and ABM Treaties is one of the major issues which will confront policymakers as new MX proposals are considered.

The former Executive Director of the General Advisory Committee on Arms Control, William E. Jackson, Jr., has written a thoughtful and informative analysis of this question in his capacity as guest scholar at the Brookings Institute. I commend this piece to my colleagues' attention and ask that it be printed in the RECORD at this point.

The analysis follows:

THE KNOWN VERSUS THE UNKNOWN: REAGAN'S SALT DECISION AND FUTURE STRATEGIC WEAPONS (MX AND ABM)

(By William E. Jackson, Jr.)

(President Reagan at Arlington National Cemetery, May 31, 1982: "As for existing strategic arms agreements, we will refrain from actions which undercut them so long as the Soviet Union shows equal restraint.")

The effect of President Reagan's Memorial Day weekend announcement on strategic arms control is to keep intact, for the time being, the 10-year old SALT (strategic arms limitation talks) framework while the two superpowers begin new START (strategic arms reduction talks) discussions on June 29. The United States will continue to live within the provisions of SALT I (the interim agreement on strategic offensive arms)—which expired in 1977—and the unratified 1979 SALT II Treaty on the limitation of strategic offensive arms. This interim policy is predicated on Soviet willingness to show "equal restraint." Both sides are expected not to commit irreversible actions which would constitute a breakout from SALT constraints.

However, the Reagan administration intends at the same time to lay down a marker which, in the interest of preserving military options, reserves the right to take actions in the next few years that may be inconsistent with previous SALT agreements. One example is the construction of new, fixed ICBM silos that would be required if the latest scheme for basing the MX missile—"Densepack"—is adopted. SALT prohibits the building of any additional fixed ICBM launchers and the relocation of existing ones. Yet, President Reagan has reportedly (New York Times, May 20, 1982) designated "Densepack"—which would involve clustering 100 new 192,000 pound intercontinental missiles in hardened silos in an area of 10 to 15 square miles apart from present Minuteman ICBM fields—as the preferred basing mode.

The new ICBM complex, for which holes could be dug as early as 1984, will be described as requiring only minor technical revisions in the SALT II Treaty articles due to expire in 1985. Secretary of Defense Weinberger says it is "a matter of interpretation." But, of course, the Soviets will get something in return for any deviation in the SALT regime.

There is another, more binding, agreement with the Soviets. The 1972 treaty on the Limitation of Anti-Ballistic Missile Systems was written for "unlimited duration" though subject to amendment and 5-year interval review. May 26, 1982, marked the 10th anniversary of the signing of this document by President Nixon and General Secretary Brezhnev.

While the Arms Control and Disarmament Agency has locked up copies of the 1979 SALT II Treaty and explanatory documents, perhaps Director Eugene Rostow will permit public distribution of the text of the ABM agreement and the subsequent 1974 protocol to it. It is a model of a tightly drawn, clear and simple arms control and reduction agreement—by comparison with those limiting offensive arms. It meets Henry Kissinger's latest test (in his May 12 speech at the Hague): "The premise of arms control must be that security can be enhanced if the balance is maintained at lower, agreed, and verifiable levels of forces."

The treaty forbade the deployment of "ABM systems for a defense of the territory" of the United States or the Soviet Union and, thereby, contributes substantially to the stability of mutal assured deterrence. Each side agreed to keep its defenses down against strategic offensive missiles, by limiting themselves to one ("a single area") constricted ABM site. the Soviets chose a site around Moscow and we chose a site around an ICBM complex at Grand Forks, N. Dak. (The Soviet agreement not to deploy a nationwide ABM system was "a tacit acceptance that all-out thermonuclear war would mean the end of U.S.S.R. as well as the United States"—in the words of former Secretary of Defense Harold Brown). Each party undertook "not to interfere" with the national technical means of verification (satellites, etc.) which are used to provide assurance of compliance.

The ABM Treaty has immediate relevance for Reagan's latest MX missile basing plan, which envisages some form of ballistic missile defense for the new ICBM. While any defensive system designed to protect MX—under "Densepack"—would presumably require only one ABM site, the negotiating, history of the treaty will not sustain the argument that the present deactivated site at Grand Forks can be scrapped for a new one around our newest and biggest land-based missile. The 1974 protocol to the treaty states that an exchange of sites may be exercised "only once" by each side and then reads: "The United States would have the right to dismantle or destroy the ABM system . . . in the deployment area of ICBM silo launchers and to deploy an ABM system . . . centered on its capital."

The same article of the protocol states: "The Soviet Union would have the right to dismantle or destroy the ABM system and its components in the area centered on its capital and to deploy an ABM system or its components in an area containing ICBM silo launchers. . ." How would we react if the Soviets decided to relocate their Moscow ABM system and place it around one of their ICBM complexes, even though—clearly—they are permitted to make such an exchange?

Are these concerns about SALT breakout valid, both in regard to the ABM Treaty and the SALT II agreement? After all, the President's new policy of observance would seem to be clear enough. And, if it is what he says it is for a period of years, this is a major policy decision—if not reversal—for an administration that has announced at one time or another that SALT II was "fatally flawed" and was "dead." But Secretary Haig may have been more revealing in his characterization of interim SALT observance as a "peripheral" question, before the Senate Foreign Relations Committee on May 11.

The real internal policy of the Government—which will become more obvious once the President gets back from Europe—is to pursue future military options without reference to SALT II or the ABM part of SALT I. They will cross the bridge of "breakout" when they get to it. In the meantime, they will hope to lever the Soviets to give up more in START negotiations because of our uncertain trumpet on the long-term viability of past SALT agreements.

The only problem with this tactic is that the Soviets can do some levering of their own outside a formal treaty; for example, they could threaten to increase the warheads on their 308 SS-18's from an assumed 10 each to 20, 30, or 40 per missile. This would knock a cocked hat into the grand totals of warheads Reagan wants to reduce by one-third. And the Soviet lead in land-

based missile warheads—which Reagan wants to reduce to 50 percent of the lowered overall total of missile warheads—would be even more disproportionate so as to put his goal practically out of reach. Further, if the Soviets choose to develop more than one new type of ICBM—one is all that is allowed under SALT II—the President's goal of reducing all intercontinental missiles to one-half of the current U.S. level will be jeopardized.

The dynamics of the defense debate on the Hill helps to insure that the MX—if it is ever deployed—will be accompanied by an ABM system. Those who want the big MX want an ABM to go with it. To abandon the MX would probably mean no future for ABM's, and vice-versa. The mid-May debate on the Glenn amendment to the fiscal year 1983 defense authorization bill was instructive.

Senator Glenn, who favors a road mobile system for a new ICBM, tried to amend the defense bill to knock out money for the MX and to direct DOD to spend some of the amount on the development of a smaller missile and different basing mode. He argued that any missile as big as the MX would have to be located in a fixed site; it could not be mobile: "There is no way to make a 192,000 pound missile into anything other than a fixed-point target for Soviet attack. A 192,000 pound missile is not going to have anything to do except sitting in a specific geographic spot, which is what caused the vulnerability of our whole land-based ICBM group to begin with." (Congressional Record, May 13, 1982).

Glenn's ally, Senator Carl Levin, quoted the Air Force's research and development chief, Gen. Kelly Burke: "The MX (system) is so large that, once assembled, it cannot be transported over roads. It is a million pound vehicle. So it will have to be assembled on-site, in the silo, which is differently than we do the Minuteman."

Opponents of the Glenn amendment, which was tabled by the Senate, included Senators Garn of Utah and Schmitt of New Mexico. Garn, who opposed President Carter's MX-MPS (multiple shelters) basing plan once the citizens of Utah rose up against it, is a supporter of the MX who opposed Glenn ostensibly on arms control grounds: "I do not know how we are going to find (ICBM) mobile systems hiding in the forests (or) how the Soviets are going to be convinced it (verification) is adequate on both sides. I feel very strongly that this inhibits the arms control process." Yet, he went on to assert: "I think we made a great mistake in the antiballistic missile treaty, that we should have proceeded with some kind of passive defense. I still think that is a better deterrent than building new offensive weapons systems."

Senator Schmitt, the former astronaut, was blunt in response to Glenn's argument that an MX could only be located at a fixed site: "The answer . . . to the vulnerability of any land-based missile system is a defensive system. The fundamental reason that I support continued development of the MX is that I believe it does put us in the posture of developing ballistic missile defenses that we need to have anyway . . . The very reason the Senator from Ohio does not like it is the reason I like it."

To proceed with the MX is to proceed with an ABM system of some kind not permitted under the ABM Treaty. Further, to proceed with the MX missile, to be based in a new field, is to undercut a provision of SALT II that was part of a package of restrictions originally designed to check the Soviets. (Taken together, the article IV limitations on fixed launchers of ICBM's were meant to prevent the Soviets from increasing the number of their heavy ICBM silo launchers.)

While the President's interim SALT policy is our public stance, there are private defense decisions to pursue the "Densepack" MX basing system which implies an accompanying ABM system. (The recent Pentagon "Guidance" document for the next 5 years—reported on by George Wilson in the Post and Richard Halloran in the Times—mentions an ABM defense of the United States). The Soviets will respond. There will be no free rides in weapons innovations within or without SALT.

The most serious blow that could be struck against controlling strategic arms would be for the Reagan administration to tinker with the ABM Treaty. If the new system were to be a mobile one—now prohibited—such a development would almost guarantee destabilizing deployments on both sides. If the new system were to be a very limited one—say, 100 interceptors to protect 100 MX's—we could not be sure that the prospective gains in ICBM survivability were enough to balance the risks of corresponding but different Soviet ABM actions.

This is serious business; it is not a game. "Technical adjustments" in treaties—that some in the administration will describe as "minor"—can mushroom into new rounds in the arms race that can leave us in a more dangerous posture, even if and especially if they are acceptable to the Soviets. And even if we are seeking them only for the "limited purpose" of trying to insure land-based missile survivability in the age of MIRV's. (The quotations are from my administration sources.) In other words, the United States must be careful to hold onto what has been achieved so far in SALT negotiations. Better to cling to the known of treaties agreed to, and understood by, the two superpowers than to unravel them for unknown marginal and temporary military advantage. U.S. interests will not be served by an on again, off again approach to SALT obligations.●

SHALOM SINAI—ROAD TO PEACE

● Mr. METZENBAUM. Mr. President, I wish to bring to the Senate's attention a photo exhibition currently on display in the Russell Senate Office Building. The exhibit, by Farag Peri, one of Israel's leading photographers, is entitled "Shalom Sinai Road to Peace." The exhibit vividly depicts the reaction of the Israeli people to the return to Egypt of the Sinai: a sense of loss coupled with a sense of hope. Peri's message is that the sacrifice of a land transformed from barren desert into farmland by many years of hard labor was not easy for the Israelis, but it is a sacrifice they willingly accepted in the interests of peace.

I have brought this exhibition to the Senate's attention as a timely reminder of Israel's commitment to the peace process. We see every day in the media criticisms of Israel as stubborn and unyielding. Each time Israel gives something up to further the cause of peace, we are told that Israel must give up even more.

Let us remember that Israel has been willing to pay a very high price for a chance at peace. When was the last time that a nation, victorious in war, voluntarily returned conquered land? The historic events of April 25, 1982, have demonstrated beyond any doubt Israel's commitment to the peace process.

We should look upon this event with pride and hope. We should be proud that our Nation, through the Camp David talks, helped to bring about this dramatic step toward peace. And we should be hopeful that Israel's demonstration of its commitment to peace will hasten the coming of peace, long overdue, to the Middle East.

NEED FOR CHANGE IN AMERICAN BUSINESS MANAGEMENT

● Mr. TSONGAS. Mr. President, I would like to share with my colleagues a commentary on the important work being done by two professors at the Harvard Business School, Robert H. Hayes and William J. Abernathy. This feature story in the May 30 issue of the New York Times describes their efforts to awaken American business management to the need for change in current management techniques. I ask to have the story printed in the RECORD.

The story follows:

It is a long way from the manicured grounds of the Harvard Business School to the sweat and grime of an assembly line. Most of the students who emerge from this elite campus for choice jobs in industry will come no closer to steel mills than the case studies they dissected. But from this cloistered world, two professors, Robert H. Hayes and William J. Abernathy, have come forth with a stream of articles and ideas that are beginning to reshape the thinking of American business about why the nation's bedrock industries, such as autos and steel, have withered in the face of foreign competition.

The two men's teachings are challenging what is taught in the best business schools, promulgated by armies of consultants, and honed to a high polish at such citadels of management as the General Electric Company. With some success, they are chipping away at such notions as blaming the ills of American industry on heavy-handed regulation, the avarice of labor unions, the decline of the work ethic, the oil crisis or the Japanese.

Instead—or so the Hayes-Abernathy thesis contends—we have found the enemy, and it is us. The two business scholars argue that the best in American management has gone seriously astray. They teach that American management doctrine has drifted away from basics and neglected the factory floor and the assembly line—the front lines. That neglect and an excessive concern for short-run profits explain much about the failings of American industry, they say.

Their thesis is penetrating the offices of corporate America and finding a receptive audience, particularly in those industries suffering the most. "Hayes and Abernathy are insightful writers that lead us to do a great deal of introspection," said James K.

Bakken, vice president of operations staff at the Ford Motor Company. "They were helpful in saying, 'Gentlemen, you may have your eye on the wrong ball.'"

"Abernathy's ideas have led the way to some of the changes in our thinking in how we face the Japanese challenge," said Richard F. Davis, manager of constituency communications at General Motors. "We were looking for things that Abernathy pointed out might help us in this serious situation with the Japanese."

What Bob Hayes and Bill Abernathy are saying flies in the face of accepted wisdom. These days corporate managers are taught, as the dominant approach, that big corporations, whatever their nature, whatever they produce, can and should be managed like an investment portfolio. Their numerous divisions should be seen mainly as so many possible investments competing for scarce funds.

Some businesses are to be invested in, others harvested for their cash. All are held strictly accountable by the common yardstick of the return they earn from the resources they consume. If a business falters, it becomes an immediate candidate for abandonment, in favor of some pursuit with a greater short-term profit.

Mr. Hayes and Mr. Abernathy contend that this approach breeds caution through an overdependence on analytical detachment—what they call "managerial remote control." They say it is an approach that exalts financial analysis, not line operations. It rewards executives who see their company primarily as a competing set of rates of return, who manage by numbers and computer printouts.

Further, they say, it is a seductive doctrine that promises the bright student a quick path to the top and that piles its rewards on executives who force through impressive short-term performance, at indeterminate cost to long-term health. Fearing any dip in today's profits, American companies keep research and technology on short rations, skiming the investment critically needed to insure competitiveness tomorrow.

Bob Hayes, who is 45 years old, and Bill Abernathy, 48, are an academic odd couple—Hayes is logical and methodical, Abernathy is free flowing and inventive—who made their mark when they collaborated on what has become a classic article in management literature. The article, "Managing Our Way to Economic Decline," which appeared in the July-August 1980 issue of the prestigious Harvard Business Review, expressed the conviction that American managers had fallen into a self-defeating preoccupation with short-term profits at the expense of long-term bets on technology.

The article brought a response unlike anything else in the Review, before or since. "That article received more attention than anything else published in the Review," Alan M. Kantrow, an associate editor at the Review, recalled. "They were willing to stand up and say the emperor has no clothes."

The article was the beginning. Since then, in packed courses at the business school, in seminars with corporate executives, and in separate articles in the business review, often with other co-authors, Mr. Abernathy and Mr. Hayes have pressed their independent ideas and interests.

Mr. Abernathy has delved deeper into the auto industry. His research enabled him to put a number on the "landed cost advantage" of Japanese cars—about $1,500 a vehicle—a finding that was seized upon by the Department of Transportation, by Detroit and by the United Automobile Workers. "Prior to that, no one realized the extent of the Japanese cost advantage," said Mr. Davis of General Motors.

Mr. Hayes has taken the message into the corporations, where he generally finds an attentive reception.

At TRW, for instance, where Mr. Hayes conducted a series of executive seminars, Richard A. Eastburn, director of management development, says that the days when managers made short-term gains by milking assets are over, and that promotions are being made more slowly to give employees more experience before moving up. Mr. Eastburn credits Mr. Hayes as being "another voice [who] added a great deal more substance than others did before."

At General Electric, where Mr. Hayes has conducted seminars and led its executives on tours to Japanese factories, the noted emphasis on financial techniques is giving way to new attention to technology and improved production. Individual manufacturing units are deciding what Japanese techniques can be adapted to their own setting. "The manufacturing people are the most results-oriented people; you don't sell them easily," said Richard P. Kennedy, communications manager in G.E.'s manufacturing consulting group.

More recently, Mr. Hayes and Mr. Abernathy have turned their eye on differences between the American and Japanese manufacturers and have made numerous trips to Japanese factories. In separate articles, they have skeptically questioned the prevailing explanations of the Japanese advantage. As the fortunes of the American automobile industry continue to sag, their work has gained wide attention in Detroit.

Where American business executives argue that the Japanese advantage is largely rooted in factors unique to Japan—lower labor costs, more automated and newer factories, strong government support and a homogeneous culture—Mr. Hayes and Mr. Abernathy say nonsense. They assert that the key difference lies in other factors, which American business could readily match.

The Japanese factory, Mr. Hayes notes in his writings, is not the prototype of the future that many American businessmen believe, but rather a present-day factory doing simple things well. The Japanese succeed because they pay attention to such basics as a clean workplace, preventive maintenance for machinery, a desire to make their production process error-free and an attitude that "thinks quality" at every stage in the production process.

Contrast this with American factories that are sloppy, where machines are overworked and abused, where quality is viewed as a barrier to lowered production costs, where defects are ignored and where management and workers are adversaries.

"We must compete with the Japanese as they do with us: by always putting our best resources and talent to work doing the basic things a little better, every day, over a long period of time. It is that simple—and that difficult," writes Mr. Hayes.

Mr. Abernathy, whose particular specialty is the auto industry, notes that it isn't flashy fins, style, slick marketing or broad distribution networks—solutions that Detroit has often turned to—that have put Americans in Japanese cars.

Instead, he says, the Japanese have lowered production costs and improved quality by maintaining a superior manufacturing process that considers the production line as a competitive weapon. To compete, American manufacturers must move from an era in which there was little change in production systems to a time of great turbulence in equipment, employee skills and organization—elements that run counter to a belief in standardization.

It was Mr. Abernathy who developed the concept of the "productivity dilemma," which helps explain why Detroit has gone through such pain in adapting to new competition and a changed market. He finds its predicament rooted in enormous pressures for cost savings that constantly pushed for more efficient manufacturing. As manufacturing became more efficient, it also became more standardized, more rigid. The gains from economies of scale came at the expense of innovation and technological competitiveness.

These powerful thoughts started in an innocent enough setting—in the hiking paths in the Swiss Alps near Vevey, where Mr. Hayes was working as the faculty chairman for Harvard's International Senior Managers' Program and Mr. Abernathy was doing independent research. Though the two had been colleagues on the Harvard faculty in operations management, their interests had differed and their paths never crossed until that summer of 1979 in Switzerland.

"There were only two people interested in operations management in Vevey," recalled Mr. Hayes, in an interview in his spacious Harvard office. "Needless to say, we got very close."

"I didn't know Bob very well," Mr. Abernathy recalled recently, "but we'd end up talking on the bus to work every day. I was mad when I was in Switzerland. I had lived in Germany for four years at the heyday of American industrial supremacy, and now I felt poor in Switzerland. I felt angry that American industrial might had fallen to a point that an American citizen had to feel somewhat impoverished living in Switzerland. I started talking about it on the bus and on hikes we would take at lunch and we began to find that our ideas coincided—that American business had done this to us by making poor long-run strategic decisions, especially with productivity and technology."

As Mr. Abernathy brooded over all this, Mr. Hayes, who grew up in the middle of Kansas, was going through a turmoil intellectually. What he learned in searching for materials to teach his class, in talking with European businessmen and from his visits to European factories did not square with what he had previously believed about productivity.

"One time I was teaching a class to European businessmen, and I began to list all the standard reasons for the decline in American productivity—organized labor, government regulation, the baby boom—and they all looked at me with polite amusement. They said I was totally off the mark since all the same factors applied to Europe and more, and their productivity was increasing," recalled Mr. Hayes. "I walked out of that classroom, confused and shaken. I had felt comfortable in that I had known the reasons and now they were exploded."

Their discussions about the differences between American and European business led to the decision to write the article that became "Managing Our Way to Economic Decline." It was not in the Business Review's usual mold. More colloquial and anecdotal than academic, it indicted American business and implicitly indicted the business schools themselves—not least the Harvard

Business School—for imbuing a generation of business leaders with the wrong ideas.

"We started working there, and then continued when we came back," Mr. Abernathy said. "It was the first emotional paper I've written. It was more an emotional statement and not supported in precise academic manner. It is a statement of frustration that we at the business school might have a problem."

As their thoughts took shape, the two professors were more than a little apprehensive. In the months that passed between the writing of the article and its publication, the two fretted about what their Harvard colleagues would say.

"We knew it would be a controversial article," Mr. Hayes said. "We thought it would get more criticism than applause from business, but what we really worried about was our colleagues. We thought there would be a lot of flak.

"But we were lucky. The first draft went in during September 1979, and before it was published we started seeing some of these ideas in other people's speeches. That started getting the audience up for us. When it came out, we weren't prepared for the response. The first week after it appeared, someone sent me a clipping about it in a Japanese newspaper. Our article came out in July and by September, our colleagues were back. By the time they came back, they saw what the reaction was. What we were unprepared for was the degree of agreement we got from them."

Even though the thoughts weren't entirely new—American business has long been criticized for its short-term orientation—their article had impact because it came at the right time, because of their academic credentials and because they expressed what others also felt.

"They really hit a nerve," said Professor Kim B. Clark, an assistant professor of business administration at Harvard who has worked with both men. "People had a vague uneasiness that things were not working right. They began to articulate ways to get out of the dilemma."

Mr. Abernathy and Mr. Hayes are part of a vocal group within the Harvard Business School faculty that has plowed new theoretical ground in production and operations management. At Harvard, as at many business schools, the finance and marketing departments are dominant, and Mr. Abernathy and Mr. Hayes, along with Prof. Wickham Skinner, who is the mentor to both, have had to elbow their way into the consciousness of students and administrators.

While friends and professional colleagues, the two men could not be more different in their personal style. "Bob is extraordinary in his ability to generalize," Mr. Skinner admired, "to look at a problem and see what it amounts to in a more conceptual way. Bill's great strength is as a researcher. He comes up with solid, specific data and then comes out with an idea. The three of us don't spend a lot of time together, but we are greatly influenced by each other. We were convinced that American industrial strength was going downhill. We begin to try to figure out what was going wrong."

Mr. Hayes, an energetic Middle Westerner who expresses himself in a simple and direct way, started in operations research and had worked for I.B.M. and McKinsey & Company in inventory control before coming to the Harvard faculty. He earned an M.S. degree and a Ph. D. from Stanford University. In shirtsleeves, Mr. Hayes outlines his thoughts as he talks, ticking off and numbering the points he makes. His office is orderly, students' bluebooks stacked neatly on his desk, family pictures by his desk.

By contrast, Mr. Abernathy, in a suit, talks while leaning back in an easy chair in his cluttered office, letting one thought flow in the next, forming a stream of related ideas. He had worked as a project engineer at Du Pont and a systems manager at General Dynamics. A biographical press release from Harvard states he came to the business school, where he earned an M.B.A. and D.B.A., after being "spurred by a growing awareness of what he felt was poor management of technology in the firms where he worked."

Stricken with cancer in 1979, Mr. Abernathy has maintained a busy schedule of seminars, teaching and writing despite bouts of surgery, chemotherapy and radiation therapy. A week or so ago, he was appointed the first William Barclay Harding Professor of Management and Technology at the business school.

Even though their thoughts have gained a wide following, Mr. Abernathy and Mr. Hayes remain somewhat discouraged about their impact.

"What I see is a lot of form—sending people to productivity centers and making statements in annual reports," Mr. Hayes said. "I don't see what's happening on the plant floor. My impression is that there is no sense of urgency in American companies, no sense that even when the economy gets better, we could get into trouble. They don't think this could happen to us." As Mr. Abernathy sees things, the challenge for him and Mr. Hayes is to "get to important firms and turn them around and use them as role models. You have to influence a small number and if they become successful they become a mode of communication. We're talking about a changing attitude. The question is how fast can you turn that around?"●

THE ANGOON BOMBARDMENT COMMEMORATION

● Mr. MURKOWSKI. Mr. President, the people of Angoon, Alaska, through the Kootznoowoo Heritage Foundation, are planning a 100th anniversary commemoration of the bombardment and burning of Angoon by a force led by U.S. vessels. The 3 days of ceremonies, to commence October 24, 1982, will be a tribute to the Tlingit Indian culture, which survived the destruction of Angoon and is strong today.

The foundation is also undertaking a major bombardment commemoration project. The purpose of the project is to restore tribal homes, reconstruct a traditional community house, erect totem poles of the original tribes of Angoon and begin to develop a permanent collection of cultural art and artifacts for the new Angoon Historic and Cultural Arts Museum.

Additionally, the foundation also plans to have the history of the bombardment of Angoon written from the viewpoint of the villagers. The final chapter of the book, which will be illustrated by Angoon artists, will be written about the commemoration program.

To include as a part of that history, the people of Angoon have requested an official letter of apology from the U.S. Navy. Further they are requesting that the Navy name a vessel "Angoon" or "Kootznoowoo." In the Tlingit culture, giving a name has special significance. The naming of a vessel would honor Angoon's ancestors and acknowledge respect for the Tlingit culture.

Mr. President, an examination of what happened at Angoon on October 26, 1882, may prove instructive in today's world of shrunken global boundaries, where misunderstandings between cultures threaten to plunge all of us into global conflict. The Kootznoowoo Heritage Foundation has provided a report detailing the background and events surrounding the destruction of Angoon. I ask that their statement be printed at this point in the RECORD.

A HISTORY OF THE NAVAL BOMBARDMENT OF ANGOON

In the history of our nation's development there have been actions taken in the name of the U.S. Government which, upon reflection, bring shame and sorrow to the hearts of all Americans who cherish freedom and respect for humankind.

Such actions, tragic in their consequences, were plentiful in our dealings with this nation's native peoples. One such punitive action, against the Tlingit Indians of Angoon, on Admiralty Island in southeast Alaska, still is fresh in the hearts and minds of the people whose village was destroyed. The deed was done 100 years ago by U.S. military forces, led by Navy comdr. E. C. Merriman.

The tragic events which led to the destruction of Angoon, the villagers' storehouses in a nearby camp at Favorite Bay, and the smashing of their canoes is said to have grown out of a grave misunderstanding between cultures, complicated by a language barrier.

Although Alaska had been purchased from Russia 15 years earlier, there was no real U.S. Government in place. The Army had first stationed troops in the population centers in southeast Alaska, followed by the Treasury Department placing customs agents at Sitka and Wrangell. The customs agents were the highest ranking civilian officials in Alaska. Control than shifted to the Navy, and various ships were sent to patrol the waters of the new territory and maintain order.

Two previous naval commanders before Merriman had made an effort to learn the language and customs of the Tlingit Indians, who had a highly developed social system and adhered strictly to tribal laws.

Unlike the nomadic Indian tribes of the continental United States, the Tlingit Indians of southeast Alaska resided in permanent winter communities and went to nearby summer camps to garden, hunt, fish, collect seaweed, gumboots, and berries, and prepare and store the food for the winter.

The land and waters of the island were so abundant in food resources that there was no need to range beyond Admiralty's shore for their subsistence foods. In fact, the potatoes grown by the Tlingits became a valuable commodity for trade. They had had contact with white traders for many years prior

to the U.S. purchase of Alaska. Contact with whites, however, often had detrimental results.

Angoon Tlingits tell of how their ancestors migrated to the island many thousands of years ago, traveling under a glacier to arrive on the island called "Kootznoowoo" in Tlingit, meaning "fortress of the bears." All of the bays and inlets of Admiralty had Tlingit names and were claimed by various clans or individual families who regularly used them for food gathering purposes. The Tlingit Indians had established firm ownership rights and respected the claims of individual clans.

Even so, when the Northwest Trading Co. arrived on the scene to exploit the fishery resources of Admiralty Island, many of the Angoon Tlingits took the opportunity for employment that would provide the means to purchase tools and other commodities available from the whites.

The company established a whaling operation at Killisnoo near Angoon, where it rendered oil from the whales. Teil' Klein, an Angoon shaman—a person of noble blood in the Tlingit culture—was employed as helmsman of a steam launch used in the whaling operation.

During the whaling, on Sunday, October 22, 1882, a harpoon gun fired at a whale accidentally exploded and struck Teil' Klein in the stomach and chest, killing him.

Billy Jones, a nephew of the shaman, who was 13 at the time of the incident and a witness to the destruction of Angoon, gave the following account in 1951.

When Teil' Klein's body was brought to shore, his boat was beached along with the whaler. The Indian Council then agreed to hold the whaler till the body was buried "only to respect the man that was killed."

Tribal laws forbade the use of sharp instruments or the equipment which had caused the death during the period of mourning. Tlingit custom also required payment for the death of an Indian by the party responsible. Because the shaman was of high stature, 200 blankets were requested from the Northwest Trading Co. in compensation for Teil' Klein's death.

The Angoon villagers, who had stopped work to honor Teil' Klein, had blackened their faces with coal tar and tallow as a sign of sorrow and respect, and were preparing for the burial ceremony.

The superintendent of the whaling company, refusing payment of the blankets, ordered the villagers to return to work. When they instead went about their mourning and preparations for the burial, he took the company's tug boat, the *Favorite*, to Sitka to seek help from the naval commander. The Northwest Trading Co. official reported that the Indians were uprising, threatening the lives and property of whites.

Commander Merriman immediately gathered a force comprised of personnel from the Navy, the Marine Corps, and the Revenue Marine Service, forerunner of the U.S. Coast Guard. He accepted the offer of the Revenue Cutter, *Corwin*, then in port in Sitka, for use in the flotilla in place of the *Adams*, the naval vessel he commanded. He thought her draft too deep for the shoreline waters of Chatham Strait off Angoon.

Merriman pressed the *Favorite* into service by mounting a gatling gun and howitzer aboard it, and, with his own steam launch from the *Adams* in tow, the attack force headed for the supposed trouble spot.

When Merriman's military fleet arrived in Kootznoowoo Inlet behind Angoon on October 25, the people were quietly going about gathering food for winter. He immediately took nine Indians captive and, to demonstration his intention to end the Tlingit custom of demanding compensation for the death of a tribesman, made a counter demand for 400 blankets, payable to him by noon the following day or their village would be destroyed. It is questionable whether Merriman's order was understood, as he did not bring an interpreter with him and the villagers understood little English.

The next day, when only 81 blankets had been delivered to him, Merriman sent the tug boat into Favorite Bay with orders to burn all the storehouses containing the villagers' winter food supplies. All the canoes were gathered together, chopped up and burned. Then the guns of the *"Corwin"* were turned on the village and the shelling of the tribal houses began. At no time did the attack force meet with resistance.

When the shelling stopped, Merriman landed the Marines and sailors to burn the rubble of the tribal houses. They turned back all efforts of the Indians to rescue valuable ceremonial dishes, ceremonial hats (carved and painted with emblems of their clans), hand woven Chilkat blankets and other valuable objects. After the landing force looted the houses, they burned them.

"Having no power or means to prevent this disaster, my native people fled to the north side of Angoon," said Billy Jones. He went too, taking his younger brother with him.

"The next day my mother told me that six children suffocated from the fires. My people not only grieved from the six children suffocating, the man killed by the whaler, but also from hunger and insufficient shelter . . ."

It is not known how many people died during the harsh winter of deprivation which followed the destruction of the village. The only canoes saved were those of some of the villagers who were away hunting when the attack occurred.

Angoon sued the Federal Government for the bombardment at the time the Tlingit-Haida land claims were being pressed before the Indian Claims Commission. The villagers agreed to an out-of-court settlement in 1973 for $90,000.

There was sufficient evidence in the case to prove that a great injustice was done to the people of Angoon. Even so, the settlement—on the government's terms—did little to compensate them for the suffering and loss of life and irreplaceable cultural artifacts. Nor did it demonstrate a respect for the people and their culture.

The Angoon bombardment commemoration project, together with the naming of a naval vessel in honor of the Tlingit Indians, should go far to remind not only the people of Angoon but also of the United States that ours is a nation of justice, with respect for all its peoples.●

THE STATE OF THE ECONOMY

● Mr. TSONGAS. Mr. President, the AFL-CIO recently released a report on the President's economic recovery program, and the results are devastating. The nationwide damage from the Reagan recession has been forecast in virtually every sensitive sector of our economy: housing, the auto industry, unemployment, business investment, and real economic growth.

In Massachusetts, the AFL-CIO estimates that the Reagan tax and budget policies will result in a revenue loss of $105 million and an increase in unemployment of over 20,000 persons.

I submit for the RECORD a statement from the AFL-CIO outlining the results of the study and urge my colleagues to turn their attention to this important document.

The statement follows:

REAGAN'S RECESSION TO COST MASSACHUSETTS $105 MILLION, 20,300 JOBS

WASHINGTON.—Ronald Reagan's so-called "economic recovery program" is directly responsible for the current recession's impact on Massachusetts, according to a report released by the AFL-CIO Public Employee Department (PED).

In announcing the study, PED President Kenneth Blaylock said: "We, along with most Americans these days, wondered what would have happened to the U.S. economy if the Reagan economic policies had never been enacted. To find out, we used an economic model that enables us to contrast Reaganomics with a forecast based on a hypothetical U.S. economy, one unharmed by the corporate welfare and massive budget cuts rammed through Congress last summer.

"The result? In short, the result lays the near-depression-level conditions squarely on Mr. Reagan's doorstep. The nation is, in effect, in the midst of the Reagan recession, and the President can no longer blame his predecessors. His Administration's policies are going to mean a tax-revenue loss of $105 million in Massachusetts and will increase the state's unemployment lines by 20,300 people."

PED's study forecasts the following nationwide damage from the Reagan recession:

The addition of 700,000 people to the unemployment rolls between the beginning of 1983 and the end of 1983—200,000 in 1982 and 500,000 in 1983;

A decline in real economic growth of 0.6 percent in 1982 and 1.3 percent in 1983;

A decrease in business investment of 2.1 percent in 1982 and 3.2 percent in 1983;

A drop of auto sales of 400,000 in 1982 and 800,000 in 1983;

A reduction of 160,000 housing starts in 1982 and 340,000 in 1983;

An increase in the federal deficit of $19 billion in fiscal year 1982 and $48 billion in fiscal year 1983; and

A shortfall of $2.9 billion in state and local tax receipts over the next two years. (A state-by-state breakdown of revenue and jobs lost because of Administration policies is attached.)

PED was able to sift out the specifics of the Reagan recession by using the economic model of Data Resources, Inc., a leading consulting firm on national economic issues. PED's comparison uses two forecasts of the American economy. One forecast shows how the economy will look as Reagan's policies carry through to the end of 1983, assuming his proposals remain in place.

The other forecast is of an economy freed from key elements of the Administration's program. This hypothetical, or "baseline," forecast shows how the economy would have performed had the massive corporate tax cuts contained in last year's tax bill never been enacted, had the huge tax breaks for the wealthy been capped at $700 per family, and had there been a slight easing of monetary policy over the course of the forecast period.

A comparison of these two economic pictures shows that America's economic performance will deteriorate significantly as a direct result of President Reagan's budget and tax-policy initiatives.

Further details are available in the full PED report, "The Reagan Recession: Time To Stop Passing the Buck," which can be ordered from the AFL-CIO Public Employee Department, Suite 308, 815 16th Street, N.W., Washington, D.C. 20006.

PED is an autonomous arm of the AFL-CIO, representing 34 unions whose members include some two million federal, postal, state, and local workers.●

PORT OF ALBANY CELEBRATES 50TH ANNIVERSARY

● Mr. D'AMATO. Mr. President, I rise to recognize the golden anniversary of one of New York's finest commerce centers. The Port of Albany not only served as a trading post during the days of the ruling Dutch, but has become a leading commercial link for all of upstate New York since the opening of the port as a major deep-water facility in June of 1932.

The Port of Albany, situated on the west bank of the Hudson River, ranks as a vital contributor to the economic growth of the State of New York. Millions of dollars in goods, ranging from automobiles to paper pulp to petroleum, have gone through the port.

The foresighted leadership of State and local officials provided the support the port needed to be built. Never ending, dynamic, and innovative guidance that continues with today's local leaders assures the Port of Albany continued success as a vital transfer point for maritime, rail, and highway cargo.

Within the last 10 years, facilities at the port have been expanded and improved, as a result of the money invested by the partnership of New York State and private industry. Deep-water ships may now make Albany their home, creating jobs in private industry to service the port. Thus, an economic "ripple effect" is generated throughout all of upstate New York.

I congratulate the Port of Albany on this memorable occasion. The port exemplifies the dedication and skill inherent within the work of its citizens. Government and private industry are to be commended in creating a bustling, efficient, and profitable port. I am confident the next 50 years will be as successful as the first 50. Again, my sincere congratulations to the Port of Albany and to the dedicated citizens who support it.●

PRESIDENT REAGAN AND NUCLEAR POWER

● Mr. CRANSTON. Mr. President, for 5 years, Peter A. Bradford injected valuable elements of lucidity and concern into the deliberations of the Nuclear Regulatory Commission during his service as a Commissioner.

Now that he has resigned from the Commission, Mr. Bradford is even freer to speak his mind and to inject the public debate on the future of nuclear power with large doses of insight, experience, information, and objectivity.

In a piece recently published in the Los Angeles Times, Mr. Bradford provides a display of all those qualities, together with wit, as he examines the misguided, ineffectual, and fortunately often counterproductive efforts of the Reagan administration with respect to nuclear power and the critical issues it involves.

For the edification of my colleagues, I ask that Mr. Bradford's article be printed at this point in the RECORD.

The article referred to follows:

[From the Los Angeles Times, June 6, 1982]

REAGAN AND NUCLEAR POWER: SCRIPT BY THE MARX BROTHERS

(By Peter A. Bradford)

AUGUSTA, MAINE.—The public debate over nuclear power began in high hopes and uncritical acclaim. It passed through skepticism and overt hostility but seemed always to involve serious questions of public policy. It threatens now to lapse into paradox and farce.

The Reagan Administration has announced new benefits for this industry as fast as it cancels them for everyone else. The results, seen from inside, must be inexplicable:

The President lifts the suspension that his two predecessors had applied to commercial reprocessing of reactor fuel; the nation's only potential commercial reprocessing facility goes belly up within days.

The President's men endeavor to kill several birds with one stone. They will make their new bombs from spent reactor fuel, thereby cutting bomb costs, moving the spent fuel from congested reactor sites and, incidentally, getting the stuff out from under Nuclear Regulatory Commission licensing. Within days, the Atomic Industrial Forum and the Edison Electric Institute are telling reporters—not for attribution, of course—that they want no part of any scheme that undermines their 25-year effort to distinguish peaceful from explosive nuclear purposes. Within months, a law banning this approach passes overwhelmingly in the Republican Senate.

In parallel outbursts of breathtaking silliness, Energy Secretary James B. Edwards and Science Adviser George A. Keyworth II attribute nuclear power's problems to the presence of "anti-nuclear activists" on the NRC and announce that they will shortly "expedite" licensing. In July and August, 1981, the Administration appoints two members to the NRC, including its chairman, giving it functional control. Within eight weeks, the commission has to revoke the Diablo Canyon startup license. The new NRC chairman, Nunzio J. Palladino, comments that he took better care of his notes while on the Penn State engineering facility than Pacific Gas and Electric had of some important Diablo design documents, and that the industry's quality-assurance problems at a number of plants are a barrier to nuclear power's playing the role that he still hoped it might. A dozen partially completed reactors are cancelled within months of the Edwards-Keyworth visions. No new plants are ordered.

The reason for the contrary reception being given these policies by their intended beneficiaries is easy to see, though it is impolite to write. The policies are plain bone stupid. They ignore history, economics, technological reality and current fact. They are the work of propagandists rather than statesmen. While appealing to nuclear fantasy and to nuclear political-action committees, they horrify just about everyone else, including Wall Street. They reinforce nuclear power's image as a costly technology dependent on massive subsidy and safety shortcuts, while inevitably linked to the building of atomic bombs in countries that do not currently have them. They can be called pro-nuclear only in the sense that a parent lavishing candy bars on a recently obese child can be called pro-child.

Is a more sensible pro-nuclear course still available? Probably, but the question is itself irrelevant. A more sensible set of energy policies clearly exists, and the only "pro-nuclear" policy that makes any sense is to follow them, accepting whatever result they dictate for nuclear energy. The nuclear subsidies that such a program might contain—reactor safety research, work on proliferation-resistant fuel cycles; accelerated Three Mile Island clean-up, long-term waste management—could be defended in the context of a program that regarded nuclear power as subservient to energy policy and energy policy as subservient to the public, rather than the reverse.

One fundamental realization is basic to understanding the last decade's developments in nuclear power and in nuclear regulation: Nuclear power grew faster than the industry could manage it, the regulators regulate it or the society accept it. The point need not be a moral one, for there is no reason to doubt the initial good faith of most of the large majority of Americans who saw nuclear energy as a boon or of the group that set out to make it happen. Later, like some of their contemporaries in urban renewal and in Vietnam, some were to become first the protagonists and then the producers in elaborate dramas of self-delusion, but very few were in a position to understand what was going wrong, and almost none of them did. In early 1968, the industry had fewer than a dozen small units in operations, but 75 large ones on order. The largest unit in operation was less than half the size of the smallest unit under construction and only one-sixth the size of the largest. There was 25 times more capacity on order than in operation.

The Atomic Energy Commission was soon to forecast 1,000 reactors by the year 2000, which would have required its licensing staff to issue an average of almost one construction permit and one operating license for every week during the following 28 years. In fact, the AEC estimates were to prove high by a factor of about eight. The economic and energy policy fallacies that contributed to these forecasts are now well documented, but the technical and regulatory implications are equally important.

Picture yourself as a top manager on the licensing side of the AEC in 1972. You know what the 1,000 reactor projections mean in licensing terms. You know what the Congress and the Nixon Administration, the latter about to be overwhelmingly reelected, expect of you. You are to operate an elaborate cookie-cutter that will license 20 plants per state or, when the prevalence of coal in the center of the United States is taken into account, a distribution contemplating one plant for every 30 miles of the California

coast. Along the way, you are expected to oversee the reprocessing of spent fuel beginning at West Valley, N.Y., and the breeder reactor—the first unit of which has recently been retired after destroying its core in Michigan. The wastes will be disposed of, you hope, after reprocessing in a salt mine in Kansas.

You know, if you let yourself think about it, that this can't work. There is no relevant operating experience on which to build and license these facilities. The handful of relatively small reactors in operation and in submarines are not nearly enough. You know better than most that your review processes are trivial in comparison to the task, that the criteria are too general and that 75% of the review takes place after the plant is nearly finished.

These are not abstract concerns. Things will go wrong. Changes will be needed in plants that are built or nearly built. A cable fire here, a steam generator tube rupture there, an undiscovered earthquake fault somewhere else, an unlikely—unlikely?—combination of operator and design errors somewhere else again, and the repair bills will be in the billions even if no one is hurt.

The public, the financial community, the utilities themselves will feel various degrees of betrayal and anger. Some of your colleagues will become rich consulting on the problems that they once put aside; others will receive awards for rising to the inevitable occasions.

You yourself think some of this through. Some of the specifics are unforeseeable, some you choose not to foresee. You write internal memoranda pointing out problems, recommending some occasionally severe changes. By and large these are not heeded, though on at least one occasion a superior, who will one day chair the NRC, labels them "probably well founded" but says that they "would mean the end of nuclear power and would cause more trouble than I can stand thinking about."

You don't quit or go public. There is no smoking gun here, even if a few studies and events smolder a little. Later, some of your colleagues and counterparts do resign publicly. Their contributions are in some cases substantial, but their overall treatment by the Congress and the reglatory agencies will tend to confirm Daniel Patrick Moynihan's observation, "It is a procedural error to anticipate the squeaking wheel."

Things do go wrong. The optimistic summary of the definitive safety study has to be withdrawn. Systems and operators that you and your colleagues had said provided "reasonable assurance" that the regulations were met malfunction. This is precisely the operating experience that was lacking when the utilities made their major commitment to more and larger units. As a result, expensive changes must be made in many plants already built or nearly built.

The industry terms this process "ratchetting" and argues that safety standards are being raised after licenses are issued. There is an element of blackmail here: "Are you regulators saying—heh, heh—that you didn't really know what was in our plants when you gave us a license?" To which the honest answer is usually, "Yes, we were in an awful hurry." However, this is pretty awkward and therefore rarely said.

What is actually happening is not an upgrading of the basic standards, but an upgrading of the plants to meet the standards that they had wrongly been thought to meet all along. It is as if a motorist obtained an unrestricted driver's license by having one eye tested and found to be 20/20. After driving into the back of another car, the motorist is revealed to be blind in the other eye. Corrective actions rest not on a raising of fundamental standards, but on improving the techniques for assuring that the original standards are met.

As the costs of needed modifications mount, the regulators and the environmentalists are blamed. In fact, however, similar patterns occur at uncontested units and in countries without the U.S. regulatory structure. Despite a couple of individual cases to the contrary, the fact is that the U.S. licensing process is strongly pro-nuclear and has accounted for nearly half of the noncommunist world's nuclear capacity.

The industry's basic problems lie in an omnivorous dream of growth that swept aside sensible regulation, sensible utility planning and sensible government attention to the side effects. In the wake of Three Mile Island, a dominant theme in most of the reviews was an astonishment at how much the NRC took for granted. For a time, regulatory attitude improved. Indeed, to this day the NRC is a much more skeptical place than it was before Three Mile Island. By mid-1980, it had also returned to the issuance of operating licenses (there are no active construction permit applications) on a schedule that avoided delay, and a more balanced process appeared to be in place.

Unfortunately, the gains of the 1979–80 period remain vulnerable. If the Administration and the Congress convey a sense that what is wanted is more "expediting," less skepticism, less public participation, more attention to breeders and reprocessing plants, the NRC will inevitably tilt that way. The Reagan Administration's NRC appointments have been better than its nuclear policies, but this may be neither a deliberate nor a continuing pattern. Above all, the Administration's all-out budgetary attack on the alternatives to nuclear energy will continue the delusion that this is a privileged and an inevitable technology, to which much must be sacrificed. This is precisely the attitude that pushed nuclear energy too fast for its operating experience in the last decade.

What the technology needs most now is to complete the period of consolidation it is going through without further accidents. The excess orders of the 1970s have not yet been entirely brought into line with real needs. The unresolved safety issues and the embryonic waste program still becloud the future, as do the shortcomings in the International Atomic Energy Agency's safeguards program. It is these areas that require the levels of attention that seem instead to be going to such mindless promotions as the Clinch River breeder.

If after 5 to 10 years without a major accident these issues have been effectively addressed, a resumption of interest in sensibly sited nuclear power plants is at least possible. The other preconditions would be renewed growth in need for centrally generated electricity and a lowering of the relative costs of financing and building nuclear plants—a set of events that seem no more unlikely than the energy happenings of the last decade would have seemed in 1968.

It remains possible that the Administration will change its mind. One can tell a lot in the next year by watching forthcoming NRC appointments, the Clinch River breeder, the emerging policy on allowing reprocessing of U.S.-supplied fuel abroad and adherence to the waste-repository criteria set forth in the NRC's existing and proposed rules. Significant further retreats from prudence into promotion in these areas will turn the 1980s for nuclear power into a farcical replay of the 1970s, and will probably assure that no more power reactors are built in the United States in the 1990s.●

SUGAR QUOTAS

● Mr. TSONGAS. Mr. President, last month the Reagan administration restricted sugar imports to this country by imposing quotas. I was particularly troubled because last year Senator QUAYLE and I offered an amendment to the omnibus farm bill to eliminate a loan program for sugar.

At that time, we postulated some of the worst case scenarios that could come to pass if the program were enacted and the price of raw sugar continued to decline. Among other things, we imagined that the administration might impose quotas. Several Senators dismissed that prospect and insisted that sugar prices would never fall to today's level: 7 cents a pound. They doubted that the Government would ever have to buy tons of sugar as a result of forfeited loans. They insisted that import quotas would not be imposed and that the American consumer would not face higher sugar prices as a result.

Well, quotas have been imposed. No one is more aware of this fact than the Revere Sugar Corp. in Charlestown, Mass.

Last March, 14,000 tons of sugar left Zimbabwe, South Africa, destined for the company in Boston. Because Zimbabwe is land locked, the sugar went by rail to the nearest seaport. The cargo arrived after April 23, the administration's cutoff date for the quotas announced last month. The ship transporting the sugar from Africa, the *Neptune-Perridot*, docked in Boston on June 6, but was prohibited from delivering the cargo. Zimbabwe is grouped with a number of other countries in a "basket quota." The quota, 5.9 percent of all imported sugar, had been reached before June 6. Thus, the sugar is still sitting in Boston Harbor while the Revere Sugar Corp. is running out of raw material to process.

Unless the U.S. Department of Agriculture and the Customs Department provide a waiver and allow Revere to buy this sugar, Revere will have to close down its refinery temporarily and lay off 300 employees. Revere's customers, bakers, candy manufacturers and other users, are concerned that they will not have enough sugar for processing their orders and will be forced to lay off workers, too. The shortage will inflate the price of sugar and of the many products containing sugar. The consumer will pay the price for this policy at the checkout counter.

Mr. President, the sugar quotas are a blatant example of a concession to special interests at the expense of the American consumer. We all know how this happened. Last year the Reagan administration cut a deal with certain Members of Congress: if they would support his budget, he would approve price supports for sugar.

The administration has fallen into a trap it laid for itself. It had to choose between buying a vast storehouse of sugar or restricting sugar imports. It opted for the latter. Quotas have exacerbated the problems created by the sugar program.

Mr. President, I would like to see this legislation repealed. Senator QUAYLE and I have introduced a bill to do just that. In the meantime, we will introduce an emergency provision to lower price supports to a level that can be maintained through duties and fees without quotas. This amendment will be offered to the debt-ceiling legislation. I urge every Senator to support the amendment when it is introduced. The sugar quotas are hurting millions of consumers, and the problem can only worsen as the shortage continues.●

THE 20TH ANNIVERSARY OF THE PENNSYLVANIA BLACK REPUBLICAN CAUCUS

● Mr. HEINZ. Mr. President, congratulations are in order to Thomas J. Twine, chairman, Burrell L. Haselrig, a cofounder, and the entire membership of the Pennsylvania Black Republican Caucus. The caucus is celebrating its 20th anniversary with a reception and dinner in Camp Hill, Pa., on Friday evening, June 18, 1982. It will be my honor to introduce the distinguished guest speaker for the occasion, U.S. Secretary of Housing and Urban Development, Samuel Pierce.

The Pennsylvania Black Republican Caucus deserves recognition for its tremendous contributions to the Republican Party in our State. I firmly believe that the national party must take greater steps to encourage leaders from the black community to assume positions of leadership in local, State, and National Republican politics. Again, I congratulate Thomas Twine, Burrell Haselrig, and Samuel Pierce for their leadership, and I salute the entire Pennsylvania Black Republican Caucus for its contributions over the last 20 years.●

THE DESPERATE STATE OF AGRICULTURE

● Mr. HART. Mr. President, the worst economic conditions to hit the Farm Belt since the thirties are wiping out the backbone of America: the farm family.

A worldwide recession has reduced demand and pushed agricultural prices sharply lower at a time when record high interest rates are pushing up costs to exorbitant levels. This squeeze is expected to reduce total farm net income this year to $16 billion, about half that of 1979.

In my home State of Colorado, net farm income, which hit $438 million in 1979, is expected to plummet to $81 million by year's end. This brings the average Colorado producer only $3,056 in net income.

The farm parity index now stands at 56 percent, the lowest level since 1934. Low returns, coupled with high production costs, are forcing 1,100 farmers and ranchers out of business each week, according to the U.S. Department of Agriculture.

We must remember, our country's economic health is directly dependent upon the survivability of farmers and ranchers. And, the collapse of the farm economy threatens not only producers but everyone who relies upon the abundance of America's soil for their daily food.

Unfortunately, last summer Congress passed an inadequate farm bill which threatens to accelerate the decline in farm income.

It is the desperate state of agriculture which brings me to cosponsor two measures directly affecting America's farmers.

The first is the Farm Crisis Act of 1982, S. 2513, introduced by Senators BAUCUS and EXON. The second is S. 1825, introduced by Senator ARMSTRONG and known as the sodbuster bill.

The Farm Crisis Act of 1982 would—

Require the Secretary of Agriculture to make land diversion payments for the 1982 crops of wheat, feed grains, cotton, and rice and to establish acreage limitation programs for the 1983 through 1985 crops if producers approve such programs;

Call for a referendum to determine whether producers favor a mandatory set-aside program for 1983;

Reinstitute the farm facility loan program which is needed to provide adequate on-farm storage for more orderly marketing of farm products;

Provide funding for the agricultural credit revolving fund;

Provide for the use of the economic emergency loan program under the current $600 million cap provided for in the 1981 farm bill.

The Farm Crisis Act of 1982 cannot solve all of the economic problems plaguing our farmers, but, it is a significant step toward helping farmers bring supplies more in line with actual demand this year and in the years to come.

I am also cosponsoring Senator ARMSTRONG's so-called sodbuster bill. If enacted, it would prohibit Federal price supports for crops produced on lands which have not been used in the past 10 years for agricultural purposes.

Although I have reservations about this bill, including the arbitrary use of the 100th meridian dividing line, I believe the intent of this measure is sound. In the past 3 years more than 450,000 acres of Colorado grassland have been plowed, more acreage than was destroyed in Colorado during the Dust Bowl years. Once plowed, this land is extremely susceptible to wind erosion and, in most cases, proves to only marginally productive cropland. The Colorado Association of Soil Conservation Districts estimates soil erosion by wind is above acceptable limits on more than 4.9 million acres of Colorado land.

It is imperative that we curtail indiscriminate plowing of Colorado and other western range and grasslands. I have consistently stated America must develop a sound, workable farm policy—including sensible management of our prime agricultural lands. Farmland is a limited and diminishing resource which, if improperly managed, threatens to disrupt both the fundamental tenets of our economy and our position as a leading world agricultural producer.

I am not entirely convinced this sodbuster bill is the best approach to the problem of soil erosion. However, it is unquestionably a step in the right direction. The Federal Government should not be an accomplice in the erosion process through well intended price supports.

I will work with Senator ARMSTRONG and members of the Senate Agricultural Committee on constructive amendments to this measure.

THE MIDDLE EAST

● Mr. HART. Mr. President, we are all watching events in the Middle East today with great anxiety and with the hope that Philip Habib and others involved in mediation efforts will be able to avoid an escalation of the conflict.

But the citizens of northern Israel have been no less anxious over the past year about the literally visible threat to their very survival, in the form of the considerable array of Soviet-supplied weaponry which faced them across the border in Lebanon.

Mrs. Shlomo Argov, wife of the distinguished Israeli Ambassador to Great Britain, can be no less anxious about the fate of her husband, who still lies unconscious in a London hospital after an outrageous attempt on his life 3 days ago.

And the citizens of Lebanon, who have suffered so much over the past 6 years, have been no less anxious as they have seen much of their nation come under the virtual control of the PLO.

As many of my colleagues know, the Israeli operation in southern Lebanon followed more than 100 documented

ceasefire violations by the PLO, the latest of which was an artillery barrage of more than 1,000 shells into northern Israel on a Sabbath morning. Prime Minister Begin and the Israeli Ambassador to the United Nations stressed that Israel does not seek to acquire 1 square inch of Lebanese territory. And President Reagan told the British Parliament that we must work to stamp out the scourge of terrorism that makes war an ever-present threat in the Middle East.

We must go further. The United States can play a crucial and constructive role in reducing the prospects of a wider war and shaping the future of the region. Joseph Kraft makes the same point in his June 8 Washington Post column. While I take issue with his characterization of Prime Minister Begin, Mr. Kraft points out very interesting possibilities for creative American diplomacy in the Middle East—diplomacy that would build upon, and bring the Kingdom of Jordan—among other states—into the next stage of the peace process which began at Camp David. Almost half the Senate concurred with Senators KENNEDY, HEINZ, BOSCHWITZ, and myself on the need to pursue this approach in the resolution which we introduced on May 27.

I ask that Mr. Kraft's column be printed in the RECORD.

The article follows:

[From the Washington Post, June 8, 1982]

OPENING IN THE MIDDLE EAST

(By Joseph Kraft)

For once, Israel ought not to be judged only by the obnoxious personality of Menachem Begin. For this time, the Israelis seized an opportune moment for applying force to correct a dangerous military imbalance on their northern frontier.

Their drive into Lebanon should not occasion an orgy of heavy moralizing by the United States. The emphasis, instead, ought to be on limiting the Israeli assault, and then arranging withdrawal in a way that advances long-term stability throughout the Middle East.

The imbalance on the northern border came to light about a year ago. Prior to that time, Israel had been able to hold Palestinian terrorists at bay by occasional forays against the camps of the Palestine Liberation Organization in Lebanon. In the spring of last year, the PLO moved large numbers of artillery pieces and rockets so close to the border that they were able to hit Israel's northern towns. Israeli citizens were in effect held hostage as a check on moves by the Israeli military against the PLO and its agents. Ever since, the Israelis have been spoiling for a pretext to drive PLO forces out of range of the border towns.

The attempted assassination of Shlomo Argov, the Israeli ambassador to Britain, on June 3, opened the door. The Israelis bombed PLO camps in retaliation. The PLO shot back across the frontier, causing casualties in one of Israel's northern towns. Israeli forces then invaded southern Lebanon. Presumably they will advance only as far, and stay only as long, as required to wipe out the border installations.

Chances that the war will widen at this time are minimal. The Egyptians show no sign of going back on the Camp David Peace Accord that went fully into effect on April 26. A string of Iranian victories in the war against Iraq has immobilized that country and its chief Arab supporters, Saudi Arabia and Jordan. The regime of Hafez Assed in Syria is still weighing the consequences of the Iran-Iraq fighting, and has only just recovered from a bitter spell of internal strife provoked by Iraq. With Syria frozen in place, the Soviet Union—which now keys policy on that country and Iran—is unlikely to move.

The United States, in these conditions, can add to its reflexive opposition to violence some long-headed thoughts about strategic interests. Such thought does not automatically reduce the mystery of the Middle East to a clear, coherent pattern. Still, certain home truths emerge.

First, with respect to the PLO. It has long been the big troublemaker for the whole area. It has shattered Lebanon, and threatens the security of Jordan as well as Israel. It complicates, in irrational ways, the politics of Arab countries ambitious for regional leadership. Egypt, Syria, Iraq and Saudi Arabia have all had to play PLO politics. So it will be no bad thing for everybody if the Palestinian radicals suffer a sound thrashing. Indeed, the crushing of the PLO is a prerequisite for reestablishing the integrity and independence of Lebanon.

With respect to the Iran-Iraq war, a settlement is now clearly in the American interest. The forces of Islamic radicalism, under the Ayatollah Khomeini, are on the verge of a triumph that threatens stability in Iraq, and the monarchical regimes in Jordan and the oil states, including Saudi Arabi and Kuwait. If the United States has to rally to the side of Iraq to prevent its conquest, the Iranians will then turn to the Soviet Union. The Russians will be nothing loath to build up their position in the country that is strategically central to the whole region.

But the Iranians can probably be bought off short of total victory by the ouster of President Saddam Hussein in Iraq, and the payment of war reparations by Kuwait and Saudi Arabia. In view of Saddam Hussein's record as a butcher, and the wealth of the Saudis and Kuwaitis, a change in regime in Baghdad would be a cheap price to pay for avoiding a military conclusion to the war.

The more so as such an outcome would make an indent for some creative diplomacy in the area. The Jordanians and the oil states now stand naked to subversion by the radicals of Iran, Syria, Libya and the extremist wing of the PLO. As never before, the Arab monarchies need protection. The way to get it is through alignment with the United States and Egypt in an understanding that brings Jordan into the Camp David peace process. King Hussein would then emerge as the Arab leader who, by negotiating with the Israelis, brought to the Palestinians the chance for autonomy the PLO has not allowed them to achieve.

In sum, the Israeli attack on Lebanon opens a whole bag of diplomatic opportunities with little serious risk of a wider war. The United States can use the opening to advance stability in the area without yielding local advantage to the Soviet Union. What Secretary of State Haig called "strategic consensus"can be made to work as an instrument for this country's friends in the area against the radicals backed by Russia.●

FALKLANDS CRISIS SHOWS NEED FOR ARAPAHO PROGRAM

● Mr. HART. Mr. President, the Falklands crisis has offered a number of lessons about future directions in naval shipbuilding. One lesson is the potentially great utility of the ARAPAHO program, a program to permit the rapid conversion of merchant marine containerships into small carriers for helicopters and VSTOL aircraft in time of crisis.

Because they only have a small number of aircraft carriers, the British have moved to convert a containership, the Cunard ship *Atlantic Causeway*, into a small carrier. The ship will carry both helicopters and VSTOL Harrier aircraft. In this way, the Royal Navy will be able to add more aircraft to the fleet without the large cost of building and maintaining a regular aircraft carrier.

In wartime, we would need far more than the 12 to 15 large carriers we are likely to have. We would need a large number of smaller carriers for antisubmarine warfare, convoy protection, projection of power, and so forth. Even if we decide to build light carriers instead of *Nimitz*-class carriers, we would need more ships than we can afford in peacetime. We have seen this clearly in both World Wars.

The ARAPAHO program offers us a chance to do this. The program is intended to develop containerized support facilities for the aircraft, containers which can quickly be loaded aboard ship above the regular cargo. An engineering bridge laid on top of the containers provides the flight deck.

So far, the program is working well technically. Unfortunately, the Navy is less than enthusiastic in pursuing the program, and if Congress had not added money for it over the past several years, the program almost certainly would have died. It is strongly supported by the Naval Reserve, which would provide ASW helicopter squadrons for the containerships, but the regular Navy apparently cannot see how much we will need this capability in wartime.

I hope the British experience will awaken the Navy to the need for the ARAPAHO program. In order to provide further information to the Senate about the importance of this capability, I ask that a recent article from the Daily Telegraph on the British conversion program be printed in the RECORD.

The article follows:

[From the Daily Telegraph, May 7, 1982]

CONTAINER SHIP IS CONVERTED INTO MINIATURE CARRIER

(By Desmond Wettern)

The requisitioned Cunard container ship *Atlantic Causeway*, 15,000 tons, is to be converted more into a true aircraft carrier than

her sister ship *Atlantic Container,* which sailed for the South Atlantic some days ago.

Atlantic Causeway is to embark a newly-formed squadron of 10 Sea King helicopters and RAF Harriers.

The ship is also expected to be filled with a "ski-jump" ramp.

This will enable the Harriers to take off with a full weapon and fuel load, which is impossible when Harriers take off vertically.

The ship may also have an aircraft lift which indicates that she will be equipped with a hangar to repair and service Harriers and helicopters.

PROJECT SHELVED

In the mid-1970s the American Navy, with active co-operation from the Royal Navy, produced a design for converting commercial container ships to operate helicopters and Harriers for the defence of the ship herself and other vessels in a convoy.

The project, code-named "Arapaho," enables standard commercial containers to be used to house fuel, ammunition, spares, stores and even pilots and maintenance staff.

NOT DISCLOSED

Although it cost only about £2 million to develop, the project has been shelved in America because of opposition from some quarters in the Navy who wanted all available funds to be spent on conventional carriers, even though Britain had agreed to defray much of the expense by paying the cost of chartering a commercial container ship for tests at sea.

Atlantic Causeway's conversion is expected to take about a fortnight at Devonport Dockyard.

The new Sea King helicopter squadron to be embarked in the ship, No. 825, is to be formally commissioned at Culdrose naval air station, Cornwall, today. The number of RAF Harriers to join the ship has not be disclosed.

At Birkenhead the handover to the Navy of the new Sea Dart missile destroyer Liverpool, 4,100 tons, a sister ship of the Sheffield, by her builders, Cammall Laird, is to be speeded although the ship's completion is already a year ahead of that originally planned.

This has been made possible by the shipyard's use of a new extrusion building technique which the ship is built in complete vertical sections rather than upwards from the keel.

It is expected that the Liverpool will replace a destroyer or frigate at present in home waters for service in the South Atlantic because it would not be feasible to send a newly-completed ship straight into a war zone.●

THE CRISIS IN LEBANON

● Mr. TSONGAS. Mr. President, yesterday a former Peace Corps volunteer shared her deep concern for the people of Lebanon with a member of my staff. She was in tears as she spoke. I share her deep emotion for the plight of the Lebanese people, and I have no doubt that it was symbolic of the level of human caring that is currently being felt by my colleagues and by all Americans.

The administration's diplomatic initiates are underway to end the conflict in Lebanon and I commend and fully support them. Recently, I joined 38 of my colleagues in cosigning a letter to the President that was drafted by Senators BYRD and PACKWOOD. It welcomed public statements by Secretary Haig that a lasting solution to the Lebanon crisis must include a withdrawal of all foreign military forces. In the interim, a firmly established cease-fire throughout Lebanon becomes more crucial by the hour.

Mr. President, preliminary reports to the State Department's Agency for International Development have estimated that as many as 600,000 people have been affected by the fighting in Lebanon. Lebanese authorities have requested humanitarian assistance for as many as 1.5 million people. I applaud the President's appointment of Mr. McPherson as coordinator for U.S. relief to Lebanon and I am convinced that thus far our Government has taken all necessary steps to establish the logistics network required to provide assistance to the beleaguered people of Lebanon. But I do not believe that the administration's $20 million supplemental request for relief and rehabilitation is nearly enough to cope with the magnitude of human suffering and physical destruction in Lebanon.

Mr. President, during Foreign Relations Committee hearings on the administration's supplemental request next week, I intend to work with my colleagues to accurately assess the needs for relief and reconstruction in Lebanon and recommend appropriate adjustments to this urgent supplemental.●

RECESS UNTIL 9:15 A.M.

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:15 this morning.

The motion was agreed to; and, at 1:55 a.m., the Senate recessed until 9:15 a.m., June 18, 1982.

NOMINATIONS

Executive nominations received by the Senate June 17, 1982:

IN THE AIR FORCE

Lt. Gen. Walter D. Druen, Jr., U.S. Air Force, age 55, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Jack Neil Merritt [redacted], U.S Army.

IN THE MARINE CORPS

Lt. Gen. Edward J. Bronars, U.S. Marine Corps, age 55, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

IN THE NAVY

The following-named commanders of the Reserve of the U.S. Navy for permanent promotion to the grade of captain in the line, in the competitive category as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE OFFICERS

Albin, Robert Louis, Jr.
Allee, Donald Wayne
Allen, Dennis Kent
Anderson, Chase D.
Arens, Stewart Simpson
Atkisson, Robert Drummond, Jr.
Auborn, James J.
Augustine, William David
Avignone, Frank Titus, III
Baker, Herbert Newell, Jr.
Baker, James Russell
Bartell, Ronald
Batts, Charles J.
Beidleman, Wynn Henson
Bellino, Joseph Michael
Belyea, Ivan Lowell
Bennett, William Daniel
Bentley, Johnny Elbert
Bentz, Alan Earl
Betts, Fred Rockwell
Bigsby, Charles Floyd
Birgeles, Joseph John
Bishop, Jerrold Kurt
Bourland, David L.
Bramble, Arthur Wayne
Breiten, Oscar Alfred, Jr.
Breithaupt, Paul Davis
Brockway, David McKenna, Jr.
Burkart, Melvin Gerald
Butler, William Peter, Jr.
Calligan, Christopher, Cram
Cantus, Howard Hollister
Cistriano, John Joseph
Clark, James Michael
Clark, William Barnaby
Coates, John Jr.
Cole, Robert Jack
Collins, Thomas Eugene
Connell James G., Jr.
Cornforth, Clarence Michael
Cram, Kenneth Ross
Cuccio, Michael Vincent
Curtis, Richard Arnold
Davis, James D.
Davis, Lloyd James
Dearth, Andrew Henry
Dieckhoff, Philip Herman
Dillon, Ronald Lee
Dorsey, Joseph Conway
Dresser, George Brayton
Evans, John Campbell
Evans, Robert Bonsall
Evans, William Lee
Fay, Edward Dwight, Jr.
Foley, Michael Timothy
Ford, Gail Edith
Foster, William Lowell
Fox, Kenneth John, Jr.
Francis, Paul Edward
Friedman, Leslie Herbert
Frizzell, George E.
Garrett, Roger Allen
Glawe, Paul Anthony
Gorman, Timothy John
Granneman, Gary A.
Grebe, Leslie Eldon
Greenwood, James Stowell
Griggs, Stanley D.
Gross, Omer Seckinger, Jr.
Hahn, Richard Christian
Hansen, Richard Arthur
Hardesty, William Howard, III

Harper, Bruce Gale
Harris, Ronald Lee
Hartley, James Willard
Henshaw, Lawrence Kinnaird
Heslar, Fred Gasaway
Hicks, Gerald F.
Hill, Joe Dennis
Holmes, Milburn Jasper
Huff, Stanley Ray
Hulley, William Paul
Hurt, Clarence Madsen
Hutchinson, Fred Andrew
Hyndman, Harry Lester
Ingram, Charles R.
Irwin, Thomas C.
Jancuski, John
Jarchow, John Heinrich
Jennings, Robert Wilton, Jr.
Jensen, Richard Albert
Jones, George Cobb
Jones, Louis Edward
Jordon, Jonathan Henry
Joseph, John Byrne
Julian, Ronald Herbert
Keenan, Thomas Donald
Kelley, Richard Andrew
Kenney, James Ross
Ketchum, Daniel Conrad
Kettenhofen, Billy W.
Kirkeby, Lenny Ellis
Klimkowski, Johnnie Felix
Krauss, Gordon Walter
Krucke, Hans Hermann
Kuchem, Francis Robert
Langell, James Donald
Langland, Jay Edward
Logan, James Lawrence, Jr.
Lovejoy, James Lee
Lutton, James David
Lyman, Richard Francis
Mann, James Terry
Mash, Rodney Lee
Mayfield, David Michael
McBurney, Robert Martin
McDowell, William Michael
McElligatt, Edward Charles
McGregor, Theodore S.
McGuire, Francis James
McKenna, Michael Phillip
McKenna, William John
McKinley, John Henry, Jr.
McLoone, Hugh Edward
Mead, David R.
Messikomer, Edwin Ernest
Messman, Arthur Ronald
Metz, Thomas Robert
Meyer, Victor Alan
Michels, Bruce Eugene
Miralia, Lauren Martin
Monahan, Edward Joseph, Jr.
Monile, Albert Joseph
Moore, Walter Jennings, Jr.
Morency, Donald Charles
Morgan, James Walker, Jr.
Moser, James William
Nickles, Lawrence Arthur, Jr.
Nienstedt, John F.
Nolan, Michael Edward
Norman, Peter Alan
Notter, Frederick Walter
Nuissl, Rudolph F. H.
Oberin, Frederick Walter
Oberle, William Joseph
O'Connor, Thomas Patrick
Old, Harold Evans, Jr.
O'Mara, William Michael
Ostertag, Larry George
Palmer, George Mathison, III
Pape, Brian Victor
Peloquin, Robert Alfred
Perotti, Joseph Gene
Peterson, John Harry
Pewitt, Nelson Douglas
Pittsey, Tony Eugene
Plohetski, William
Poole, Peter Pratt
Primacio, Leo Patrick
Pruett, Burley F.
Rackett, Peter John
Reece, Dale Irving
Reynolds, John Manning
Riddle, Ferdinard Anthony, Jr.
Rogers, Paul Dean
Royal, Loren Edward
Safarik, Robert Lawrence
Salko, Andrew, III
Satterthwaite, Francis G.
Savage, John Edward
Schlegel, James Daniel, II
Schmitt, John Alan
Schroeder, Kenneth A, Jr.
Schuster, Stephen Henry
Scott, Richard Riley
Siftar, Frank C.
Slater, John William, III
Smith, Don Patrick
Smith Henry Hearndon,
Smith, Kenneth Arven, Jr.
Spurlock, Burton Clyde, Jr.
Stanford, Harold Milford
Stender, Charles F.
Stuart, Charles Lawrence, Jr.
Taylor, Emory Windfield
Toler, William George
Townsend, John Franklin
Travis, James Edward
Turco, Robert Ignazio
Unger, Robert Franklin
Usiskin, Lawrence Gregori
Vohs, Paul Anthony
Waddoups, Jed Merrill
Waller, John Clinton Huff
Weisenburger, Philip John
Wenzler, Robert Thomas
Wille, Gerald Herbert
Willingham, Robert Josiah, Jr.
Wills, John Alfred, Jr.
Wolfe, John Charles
Wood, John Richard
Wood, Kenneth Laverne
Zschau, Julius James

UNRESTIRCTED LINE OFFICERS (TAR)

Captain

Ackerman, Ronnie J.
Beisel, Robert Ellison T.
Breece James P.
Brock, Leroy K.
Carlson, Paul Ellwood
Cavanaugh, James P.
Coffman, Richard L.
Fletcher, Robert
Flynn, William K.
Ganun, James V., Jr.
Hickey, Dennis J., IV
Hulette, Paul J.
Johnson, Robert C.
Kallus, Ernest R.
Kiss, Joseph T.
Lacey, James M.
McGraw, Thomas M.
Patterson, Charles E.
Picher, Walter W.
Rener, Richard H.
Thompson, Donald R.
Whitfield, James B.

ENGINEERING DUTY OFFICERS

Captain

Cortelyou, Robert John
Gere, William B.
Gilbertson, Roger George,
Gordon, Samuel J.
Kyriakakis, Thomas
Main, Donald Joseph
Marsh, John L, Jr.
Norman, William Stanley
Osborne, Thomas M.
Pfeil, Don Hilldrup
Reker, Frederick Andrew
Schneider, William Joseph
Spence, James Anthony
Washburn, Rolla George

AERONAUTICAL ENGINEERING DUTY OFFICERS (AERONAUTICAL ENGINEERING)

Captain

Beyer, Robert H.
Bunn, Donald Benny
Doran, David Joseph
Enderson, Laurence W., Jr.
Interian, Alfred Francis
Lerch, Russel T.

AERONAUTICAL ENGINEERING DUTY OFFICERS (AVIATION MAINTENANCE)

Captain

Bundy, Bobby Franklin
Mello, Edward
Tibbits, Ray T.

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

Captain

Campbell, Richard Bruce
Fowler, Eugene Franklin, Jr.
Noble, Herbert Gerald, Jr.
Romanchek, Walter Richard
Rumrill, James Keith
Schroeder, Douglas Darrell
Thompson, John Walton, Jr.

SPECIAL DUTY OFFICERS (MERCHANT MARINE)

Captain

Rutledge, Robert Edgar
Smith, Loren M.

SPECIAL DUTY OFFICERS (INTELLIGENCE)

Captain

Babcock, Richard Beldin
Branning, Delos John, Jr.
Ching, Stephen Thomas T. K. I.
Doyel, Marion Leroy
Horsman, Oliver Waite
Juda, Richard Joseph
Kennedy, Herbert M.
Mast, Benjamin Vardry
McDowell, Gary Donald
Nehrich, Richard Bruno, Jr.
Ochel, Henry Rudolph
Panico, Robert Guerrera
Pethick, Donald Ross
Purdy, Kenneth Leigh
Reed, Dale Frank
Slater, Martin Isaac
Spare, Robert Lloyd
Stagg, Robert Brooke
Steinkrauss, Joseph Cosmas
Sullivan, Patrick Henry
Taylor, Joshua Eugene
Thomas, Paul Richard
Toner, David John
Trepagnier, Albert James
Tuma, Albert Laurence, II
Wahler, Fred Richard
Wolf, Gerald Phillip
Yates, Walter Thomas

SPECIAL DUTY OFFICERS (INTELLIGENCE) (TAR)

To be Captain

Hesse, Francis L.
Salvatore, Anthony J.

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be captain

Blomgren, Harry Leroy
Feeney, James Francis

SPECIAL DUTY OFFICER (GEOPHYSICS)

To be captain

Klapp, Anthony Joseph

IN THE NAVY

The following-named lieutenants of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the vari-

ous staff corps, as indicated, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS

To be lieutenant commander

Adkisson, Gregory Hugh
Ahrens, Robert M., Jr.,
Alexander, James Thomas
Almond, Myron David
Andersen, Arne Jerome
Anderson, Steven Ray
Andersonprotzel, Cris J.
Andrew, David Roger
Arndt, Carola A. S.
Ascarelli, Marian Hullm
Atencio, Yvonne R.
Baldwin, Vincent
Barber, Francis A., Jr.
Barrett, Terry L.
Baxter, Ric A.
Beaman, John Malcom
Beege, Lucius C.
Beier, Karl Martin
Bennett, Joshua H.
Bergfield, Thomas G.
Biller, Deborah J. M.
Boatman, Gwendolyn A.
Boice, Douglas Brittin
Boone, Lynn A. P.
Bosse, Michael Joseph
Bosshardt, Richard T.
Bright, Mark Timothy
Brockmole, Dean M.
Brown, Carlton Q.
Brown, James A.
Brown, Thomas W.
Brown, William Andrew
Bryant, Harold V., Jr.
Bundens, David A.
Burns, James Joseph
Butler, Frank K., Jr.
Cagle, William D.
Cannon, Bruce Wayne
Carey, Benjamin Arthur
Carlson, Stephen Alan
Carter, Thomas M.
Caruthers, John M.
Cahell, Alan W.
Cason, Frederick D., Jr.
Castner, Thomas David
Catchings, Timothy
Catenacci, Alfred R.
Charles, Deborah J.
Chin, Robert, Jr.
Christensen, John Neal
Cianflone, Alexander
Classen, Ashley Moleswo
Collins, William T., Jr.
Colopy, Paul M.
Coots, Lawrence Ernest
Corcoran, Kathleen M.
Corrall, Carmen J. II
Coyle, Joseph P.
Crane, Richard T.
Crider, Steven Reid
Crowder, Claxton Lee
Cueva, Mary Carolina
Cullison, Thomas Ray
Daly, John W.
Daniels, Gary M.
Davenport, Nicholas A.,
Davis, Bruce C.
Donaghy, John Joseph, Jr.
Donovan, John P.
Downey, Earl C., Jr.
Duke, Mark Stanfield
Duran, Michael J.
Eckenhoff, Roderic Geor
Edmondson, John S.
Edmundson, Marsha Ann O.
Eliiott, Allen Shipp
Ellis, Clarence Vincent
Ellis, Herman Martin
Ellis, Vivian Elizabeth
Ellsworth, Richard K.
Erikson, Nils S.
Farr, Robert W.
Feicht, Charles M., Jr.
Fernandezobregon, Adolf
Finton, Chris K.
Fisher, Winfield Stitt
French, Terry Marshall
Furman, Jeffrey William
Furman, Richard L.
Garst, Paul Dimitre
Gerson, Leon L.
Goldworthy, Vernon P.
Good, Nancy Ellen
Gormsen, David Lake
Gould, James Robert
Grams, Marilyn F.
Griffin, Richard
Guay, Paul F.
Guigelaar, James A.
Guzley, Gregory J.
Hall, Priscilla Deane
Halley, James Alfred
Halloran, Daniel R.
Hammer, Donald Frank
Hanes, Ernest C.
Hannay, Keith E.
Hardy, Michael Paul
Hayes, Francis Martin
Hayne, Charles Weston
Healey, Kathleen Mary
Heindel, Donald Joseph
Held, Arthur Christian
Helms, Lee T.
Helvey, William C.
Henderson, Rex Arthur
Hibbs, Richard G., Jr.
Hinkson, Montgomery
Hinson, James Ernest
Holbrook, David L.
Horn, Connie S.
Hunt, John Byron
Jackson, Leroy Thomas
Jenks, James E.
Jensen, Donald William
Johnson, Alan Richard
Jones, David Douglas
Jones, Frederick D., Sr.
Jones, Janara J.
Jones, Warren Allen
Kaluza, Charles Leo
Keeley, Joseph J.
Kent, Harold L.
Kidd, Elizabeth M.
King, John W., Jr.
Kiser, William R.
Kistler, Ernest L., III
Krafft, Rudolph Michael
Krahl, Pamela G.
Laguerre, Max Sylvestre
Lamb, Harold Bransford
Landaker, Stephen D.
Larson, Charles Adrian
Laskin, William Bradlyn
Lee, Kenneth M. H.
Lesko, Ronald Michael
Lester, Randolph C.
Lewis, Donald Wray
Lichter, Lisa Marie
Lillich, Randall K.
Little, Wayne Francis
Liverman, Steven B.
Lombardo, Christopher P.
Long, Ursula Schneider
Lord, Jonathan T.
Louie, Eric Kuowei
Luce, Rhonda F.
Luck, Thomas W.
Lundgrin, Daryl Brent
Lundy, Eugene
Madden, Michael Allan
Maletz, Frank W.
Malixi, Edwin Camacho
Malone, John D.
Mann, Douglas Gordon
Marciano, Benedict J.
Marks, Charles, Wesley
Marks, Gregory Allen
Martin, James Peter
Mason, Jon Donavon
Massimiano, Paul S.
Mathis, William F.
Matos, Emilia
Matthews, Joseph G., II
Mayer, Stephan A.
McAdams, Stephen A.
McAllister, Michael R.
McClelland, Scott R.
McDonald, Wilbur E.
McGowan, David G.
McLellan, David Curtis
McLendon, Philip Lee
Megois, Lee S.
Meyers, Peter K.
Miller, Charles D.
Miller, David M.
Minckcounihan, Colleen
Mooney, Jerome E., Jr.
Moore, Gregory Lynn
Morrison, James P.
Morrison, Vicki Ann
Mortensen, Charles E.
Mosley, Elizabeth A. G.
Mothershead, Jerry Lynn
Moudree, Marcia K.
Murphy, Kevin J.
Murphy, Mark Edwin
Murray, John William
Murray, Kevin M.
Musher, Jeremy Seth
Nash, William P.
Negron, Roberto
Nelson, Gerald E.
Nelson, Kenneth J.
Nishida, Dennis Douglas
Norconk, James Joseph
Nowlan, Guy Jean
O'Brien, John G.
Olson, Patrick E.
Opsahl, Michael Scott
Orlando, Ralph P.
Paleologo, Fred Peter
Papadimos, Thomas J.
Parks, David P., Jr.
Pasciak, Robert Marion
Patterson, George Gordo
Pemberton, Jackson O., Jr.
Peppler, Michael D.
Perlman, David Weil
Piech, Richard Frank
Piper, Gordon J.
Pistone, Frank J., Jr.
Potter, Henry Gilbert
Prophete, Robert Yves
Ptacek, Terrence E.
Redd, Joe W.
Reddy, Barbara Carmel
Reeves, William A.
Reid, Doris Annette
Reilly, Paul Jaye
Reynolds, David N.
Ricketts, Jeffrey Mark
Riley, John E.
Rittelmeyer, James T.
Robertson, David Wayne
Robertson, Susan E.
Robinson, Warren L., Jr.
Robison, Wendell Jesse
Rosa, Louis, III
Rosenstock, Joel
Ruckman, Arthur L.
Rutherford, Susan E.
Rysdam, Richard Lee
Sageman, Marc Samuel
Sameshima, Steven Saige
Sammons, James H., Jr.
Savage, Rodney Wells

Scherokman, Barbara J.
Schubert, Ronald L.
Schultz, Robert Gwynn
Schwindt, Mary Lina
Shannon, Francis L.
Shega, John F.
Sheldon, Mark E.
Sheppard, John D., Jr.
Sherman, Michael R.
Shippen, William D., Jr.
Short, Harold K.
Shurley, William R., III
Silverberg, Michael S.
Simms, Patricia C.
Sirna, Charles T.
Skelton, Henry G., III
Slocum, Kathleen A.
Sloderbeck, James D.
Smith, Carl V.
Smith, David Lawrence
Smith, Jack W.
Smith, Kenneth Dale
Smith, Leslie S.
Smith, Ruben L.
Sottile, Frank D.
Sowell, James Richard
Spiegel, David Anton
Stahr, Richard Fredrick
Standre, Kenneth Allen
Stark, Thomas Wheeler
Stegman, Joseph C.
Strauss, Mark Dana
Sturgis, James Lewis
Talley, James D.
Tate, Alfred F.
Taylor, Charles D.
Taylor, Larry D.
Terbush, James W.
Tesar, Charles B.
Thomas, Douglas C., Jr.
Thomas, John R.
Thomas, Rufus M., Jr.
Thomasson, Joseph R., Jr.
Tipler, Bradley M.
Tontz, William L.
Troupe, John Terney, II
Tucci, James M.
Turk, Kyong Tae
Waack, Matthew W.
Waecker, Norman J., Jr.
Wallace, Arnold Doyle
Wallace, Richard B.
Warlick, Steven Russell
Watts, David R.
Webb, Douglas H.
Whalen, Barbara Kathlee
Whalen, Timothy Earl
Whiddon, Scott M.
Whittington, Richard
Wibking, Ronald K.
Wiedmeier, Susan Elizab
Wilcox, Nora Barrett
Wilhite, Charles E.
Wilson, Terrence Scott
Winters, Charles, Jr.
Wolov, Robert Bruce
Wood, Walter H., II
Woodall, Gilbert E., Jr.
Zullo, Mark C.
Zwingelberg, Keith M.

SUPPLY CORPS

To be lieutenant commander

Anderson, Thomas Perry, IV
Apple, Chris Leon
Ayres, William Thomas, Jr.
Baca, Eduardo Flavio
Bain, Maurice Dean
Baivier, Andrew Paul
Bales, Randle D.
Ballard, Susan Wakeland
Bandlow, Joseph Leland, Jr.
Barnes, William Albert
Barrera, Isidro Baron
Beal, Maurice Lorin
Bennett, David Wayne
Bensonschlax, Nanette Elizab
Bickert, William Edward, Jr.
Biliouris, Joel Leon
Bird, Linda Jeanne
Blanchfield, Brian William
Boggio, Joseph Henry
Boren, Kenneth Wayne
Bosco, Arthur
Bower, Alan Eugene
Bremer, Richard William
Bristow, William Davis
Brooks, Stephen Bertram
Brown, Gregory Anthony
Brown, Mark Thomas
Browning, Eugene Russell
Burnett, Derrold Carl
Burns, James Christopher
Burns, Shirley Jane
Caldwell, Gigette Patricia
Cappello, James Michael
Case, Edward J.
Chew, Devin Eugene
Cizek, Jeffrey Lynn
Coons, William Warwick, Jr.
Cooper, Ronald Anthony
Corbett, John Charles
Costello, Richard Dennis
Couch, Howard W., Jr.
Cowley, Robert Emmett, III
Coyle, Theodore Alan
Culvyhouse, Fred Seberry
Damico, John Peter
Dean, Michael Joseph
Delost, Frank Anthony, Jr.
Denbrock, Barry John
Dietze, Daniel Dwayne
Dillenburg, Michael John
Dilley, Kevin Legrand
Domoslay, Steven Dietmar
Dovie, Anthony Michael
Easton, Gregory Bruce
Ellis, Garland Earl, Jr.
Eltringham, Peter Samuel
Evans, Ernest Dvonne
Fallon, Raymond
Fanning, Robert Stokes, III
Fargo, Keith Boulton
Feerer, Bruce Edward
Ferris, Jeffrey Edward
Finney, Thomas Grant
Fishburne, Edward John
Flanagan, Patrick James
Freeman, James Waites, Jr.
Freihofer, James Timothy
Frey, Charles Walter
Funck, Steven Shuey
Gannaway, Geoffrey Milton
Gerdes, James Edward
Gilson, Robert Louis
Graham, John Mark
Graybill, Jonathan Charles
Greene, Jeffrey David
Guess, Harry Samuel, Jr.
Guion, Stephen W.
Hahndorf, Fred Robert
Hall, William Eugene
Hallums, Roy Allison, Jr.
Hammond, Bryce Eugene
Harrison, Paul David
Hart, Edwin Neil
Hartzell, Thomas Edward
Haven, Don Richard
Hayes, Richard Davis
Hess, Donald William
Hilligas, Austin Romaine
Hodnett, Elwood Thomas, Jr.
Hoffman, Louis William
Holcomb, Carl Dwayne
Holden, Arthur Dale
Hoops, John Richard
Huddy, John Kevin
Huntress, Diana Elizabeth
Hutchison, Michael Burke
Jackson, John Douglas
Jackson, Robert Herman, III
Jenison, Kenneth Merlin
Johnson, Lynn Clifton
Johnson, Michael Dewayne
Jones, Donn Wayne
Jurado, Pilar Losano, Jr.
Keller, Louis Dominick
Kelley, Kenneth Melvin
Kiggins, Richard Allan
Kirch, Kenneth Walter
Knapparisi, Nancy Carol
Lahtinen, Larry Arthur
Landgrover, Edward William
Lanier, Tex Dimeler
Laping, Robert Louis
Lawler, John Vincent
Leeson, Robert Stephen
Lindley, Dixie Laverne
List, James Michael
Love, Odell Gregory
Lozier, Thomas Gerard
Lyon, Michael Norman
Lyons, John Joseph, III
Maddocks, David Robert
Maddon, David Michael
Maguire, William Jude
Mainor, Julius Calvin
Mandell, Robert Walker
Manning, Richard Paul, III
Martin, James Manness
Martin, Larry Joseph
Masser, Thomas Lewis
Mathieu, Ronald Conrad
Mawson, John, III
McCann, Steven Michael
McCarthy, Michael Joseph
McKinney, Gary Lester
McPadden, Russell Paul
Messenger, Norman Keith
Mobley, Robert Alton, Jr.
Morgan, Everett Mitchell
Morris, Stephen Hyland
Myers, Russell John, Jr.
Nichols, Ronald Gary
O'Connor, Vincent Thomas
Oikle, James Freeman
Olson, Michael Paul
Osburn, Ronald Jean
Oubre, Don Paul
Palm, Harry Edward, Jr.
Pankratz, William Niel
Pearsall, Gregory Howard
Preston, Leonard Harry, Jr.
Radosevich, Joseph Peter
Reagan, Josiah Jaazaniah
Reid, Paul Arthur
Ritchey, Leonard Eugene
Rizzo, Thomas Aquinas
Robertson, Kurt Eugene
Rodwell, Joseph Robert, Jr.
Roloff, John Fredrick
Rubin, Mark Isadore
Ruppert, Joseph Murray, Jr
Russell, Robert Marshall
Ruud, Steven Arthur
Schoedler, Michael Payne
Schweichler, John Edward
Shutelock, George Edward
Siebenschuh, Frederick Royal
Simcich, Michael Alfred
Sperry, Charles Keith
Stanton, Marjorie Jeanne
Stephens, Thomas Lynn
Sueur, Rhys Clay
Szafran, Clifford Edward
Terry, Stephen Twink
Thompson, Carlton Lewis
Threet, James Michael
Tomlinson, Donald Hughes
Tooke, Terry Lee
Vadala, Lawrence Eugene
Vizzier, Richard Morris
Volkmar, John Allen

Walker, Arthur Ivors, III
Wasilewski, Nicholas John, Jr.
Watson, Peter Wolfgang
Watt, Bruce Norman
Wehmeyer, Steven Edward
Westlake, Edward Lee
Williams, John Arthur, Jr.
Williams, Rogia Eugene
Wilson, Malachi
Winstead, William Garth
Yalch, John Andre

CHAPLAIN CORPS

To be lieutenant commander

Bolden, Willard Burnell
Clough, William R.
Czigan, Paul Bryan
Dansak, Thomas Edward
Diaz, Michael A.
Dizon, Teodoro G.
Dodd, Walter Avery
Dorko, Dennis Anthony
Easley, Gerald Bernard
Erb, Richard David
Estabrook, Joseph H. Walter
Fahey, James Walton
Gates, Richard R.
Guarnieri, Leo Joseph
Gunderlach, David Paul
Gunter, Russell Oliver
Keenan, Eugene Thomas
Klapach, Frank S.
Leone, James Michael
Linzey, George William
Malene, Robert Michael
Matoush, Joseph R.
Miller, Glenn Ithamar
Moore, Frederick T., III
Phillips, Robert Joseph
Ross, Robert L.
Schwarting, James Donald
Scott, James Ralph
Shields, Jerry Kermit
Shroll, John Elmer
Simerick, C. Michael
Turner, Gerald Allen
Walsh, Michael Arthur
Wilson, Barby Earl
Young, David Ralph

CIVIL ENGINEER CORPS

To be lieutenant commander

Asmussen, William Charles
Benere, Daniel Ernest
Bloomquist, Douglas Leon
Brunhart, Andrew David
Bullock, James Lee
Camp, Joseph Donald
Cook, Stephen Ross
Dillinger, Walter Leonard, Jr.
Eustace, George Neil
Fessler, John Anthony
Fosdick, Michael Rheu
Heinrichs, Charles Anthony
Henderson, Gary Ray
Hickman, David George
Hribar, Herbert Ronald
Hunter, Ernest Ray
Jillson, Brian Peter
LLoyd, Robert Darl
Michlin, Lee Alan
Moore, Dennis Woodrow
Moore, Michael Douglas
Nelson, Frank Joseph
Nelson, William Lloyd
Oakes, Michael Edward
Pierce, Bruce Leighton
Rosmond, James Robert
Rudich, William Lawrence
Schroeder, Kenneth Neil
Smith, George Dewey
Sobota, Dennis John
Stusnich, Joseph, III
Suter, Andrew Martin
Taylor, Joseph Wayne
Vidal, Dean Alexander

JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant commander

Allen, Charles Adlai
Allen, Gregory I.
Anderson, Jonathan J.
Archambault, William H.
Boetcher, Joseph Francis
Bridges, Alan L.
Bryant, Kenneth R.
Carroll, Jeanne
Carty, John Thomas
Casaus, Michael A.
Cushing, Peter Christopher
Delmar, Richard K.
Elder, Chris Eugene
Gillespie, Laurel Chessin
Goddard, Claude Philip
Hiblar, Andrew F.
Hinkley, Dean M.
Jones, Philemina McNeill
Kantrowitz, Steven B.
Krantz, Kenneth A.
Kreichelt, Raymond John
Lafferty, Kristine Gaye
Lohr, Michael F.
Massie, Jerry Darnell
McCullough, Larry A.
McKay, Andrew J.
McMahon, Kevin Patrick
Neubauer, Ronald D.
Neport, John Wayne
Ozmun, Richard R.
Quinn, John Patrick
Raffucci, Jose Alfredo, Jr.
Robbins, Cary M.
Shields, William F.
Taylor, Thomas R.
Thomas, Robert Boyce, Jr.
Troidl, Robert H.
Wanderer, Dean Edward
Wellikson, Elissa Robin
White, Robert J.
Wilson, Theodore L.
Winstead, Georgia Linda

DENTAL CORPS

To be lieutenant commander

Alexander, Jack Carden
Amrhein, Edward S.
Andres, Robert Alfred
Bond, John Sullivan
Bowers, Jack Arnold
Breininger, Byron D.
Byrne, Kenneth Paul
Casterline, Andrew C.
Chisum, Jimmy Wayne
Connelly, Stephen Josep
Conrad, Michael A.
Conway, Richard
Cottle, Douglas Gordon
Craig, John Ellis
Curran, Michael T.
Fairchild, Charles J., Jr.
Fischer, Frederick, III
Galiber, Armstead L.
Gatrell, Arn B.
Glass, David Alan
Hanson, Wesley Louis, Jr.
Hardekopf, James D.
Hibl, David J.
Hightower, William C.
Hudgins, Charles H.
Hughes, Richard Lee
Lacombe, Barry A.
Lacy, Peter G.
Leclaire, Christopher C.
Lorenz, Allen Lee
Martinez, Frank, Jr.
Maxwell, Austin W.
Maxwell, Kathryn Carter
McAdoo, Harold A.
McCutcheon, James R.
McNamara, Michael F.
Melby, William Jalmer
Middleton, Curtis T.
Miedema, Mark W.
Miller, Dewey R.
Moresi, David Scott
Nash, Ronald Odell
Naylor, Gregory D.
Pringle, Robert Stephen
Quinton, Harvey A.
Ray, Joseph Alan
Reeves, John William
Rumanes, Kimon A.
Sargent, Nancy Davis
Schneck, David R.
Shepard, Lynne F.
Sorin, Mark Steven
Spinks, Gary C.
Staggs, Lloyd R.
Taylor, Michael C.
Vogt, Joseph A.
Walker, Thomas L.
Wallace, Stephen Wylie
Weaver, Thomas
Woehling, Donald H.
Yount, Gene Martin

MEDICAL SERVICE CORPS

To be lieutenant commander

Baldini, Domenic Albert
Barker, Lee James
Blower, David John
Bruce, Alyous Scott
Campbell, William Wallace
Candelaria, Thomas
Cary, Robert Durkin
Custis, Bruce Lauren
Derrer, Douglas Scott
Dooling, Mary Joan
Dundon, David Thomas
Edmond Herald C., Jr.
Enge, Roby Dargavel
Fleischman, Thomas Edward
Ford, James Daniel
Gilman, Sara Carolyn
Godbout, Nancy Palmer
Gregory, Gary David
Harbaugh, Russell David
Hart, Gene David
Hays, Harley Mac
Hazlehurst, Charles Dubose J.
Helmkamp, James Crum
Hiland, David Neil
Hooton, Carl James
Hoppe, Edward Walter
Kallal, Richard Charles Jose
Kirch, James Timothy
Lardy, David Hilary
Lewandowski, Henry B., Jr.
Mathias, James William
Merrell, Bruce Richard
Mitchell, Gay Nell
Pieczynski, Edward Bernard
Plante, Michael Edward
Rickey, Terrance Lee
Rossimarsh, K. Adele
Sattley, William Raymond
Terry, John Champ
Thompson, Donald Ray
Vanlandingham, Joseph Philip
Wages, M. Dianne
Walters, Lawrence James
Walz, Stephen Edward
Woker, David Ray
Wyman, John Frederick
Yellin, Richard B.

NURSE CORPS

To be lieutenant commander

Bendele, John Gerard, Jr.
Bibb, Sandra Colette
Bishop, Wayne Frederick
Boutwell, Robert Eugene
Brenner, John Scott
Butzow, Robert Earl

Campany, Joyce Ann
Cyr, Donald Thomas
Davis, Brian Lane
Davis, Joanne Whitney
Desfosses, Carol Dene
Dixon, John Adam
Dunn, Elizabeth Donovan
Eberlein, Jane Kathryn
Ensor, Jean Marie
Farmer, Carl Nelson
Figg, Sharon Ann
Fink, Richard Paul
Florin, Diana Lee
Forr, Sharyn Henderson
Fournet, Catherine M.
Fraley, Ronald Edward
Fritz, Barbara Ann
Galloway, Sherry Dee
Gleissner, Robert John
Glover, Martha Jean
Gourdin, Cheryl Lynn Varley
Gutierrez, Leah Stuart
Hagstrom, Cynthia Ann
Harayda, Eileen M.
Hess, Esmeralda Sepulve
Hoover, Ellis James
Howell, Helen Jane
Hurley, Particia Ann
Johnson, Janice Carolyn
Johnson, Judith Ann
Kearns, Raphael Elmo, Jr.
Kelly, Marie Elaine
Kimball, Diane Joyce Therese
King, Major Leroy, II
Kingston, Marianne Miraldi
Klammer, Linda Gay
Klose, Dale Leonard
Lebeledmons, Helen Antoinett
Linderman, Larry Dean
Litwin, Alexander Andrew, Jr.
Lynch, Jeanette Frahm
Mack, Alverine Jessie
McVey, William Lynn
Meeker, Nute Carl, Jr.
Moyer, Mary Ellen
Murtha, Lawrence Carl
Nelson, Francine Ann
Nelson, Marcia Ann
Norris, Karen Sue
Opsal, Nancy Marie
O'Rourke, Mary Ellen
Pasbrig, Catherine Patricia
Pennington, Norman Clifford
Pollard, Shirli Lynn
Pugh, James Ralph, Jr.
Purdham, Richard Spencer
Rachubka, Jo Ann
Redford, Susan Kay
Reinert, Louise Mae
Rey, Nancy Feisley
Risley, Janet Elaine
Rodriguez, Daniel Paul
Rondeau, Janis Mari
Russ, Robert John
Ryan, Ruth Ann
Sanford, Dale Kathleen
Seemann, Sue Ann
Sennett, Cynthia Lou
Thompsonbowers, Jean Elizabe
Tkacs, William Mark
Vaiana, Doris Ann
Vasek, Stephen Michael, Jr.
Vidrine, Linda Martin
Wallace, Karen Natalie
Ward, Sheila Yeargin
Wheeles, Ira Eugene
Widhalm, Susan Agnes
Wilson, Sue Ann
Workman, Patricia Ann
Wright, Marilyn Lee

LIMITED DUTY OFFICER (SUPPLY AND MESS MANAGEMENT)

To be lieutenant commander

Adams, Donald Eugene
Devine, Arthur Wayne
Kuenzinger, James Robert

LIMITED DUTY OFFICER (CIVIL ENGINEER CORPS)

To be lieutenant commander

Jensen, Albert Henrik

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Joseph Thomas Palastra, Jr., [redacted] U.S. Army.

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the appropriate provisions of chapter 36, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force:

LINE OF THE AIR FORCE

To be major

Brown, George W., Jr., [redacted]
Foster, James A., [redacted]
Levy, David J., II, [redacted]

IN THE AIR FORCE

The following officer for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grade and date of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Webster, Thomas D., [redacted]

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with grades and dates of rank to be determined by the Secretary of the Air Force in accordance with section 533, title 10, United States Code.

MEDICAL CORPS

Brown, Leo M., [redacted]
Collins, Robert L., [redacted]
Gorman, James A., Jr., [redacted]
Zompa, Joseph M., [redacted]

DENTAL CORPS

Beardsley, Stuart H., [redacted]
Hancock, Allan F., [redacted]
Prezkop, Glenn C., [redacted]
Rubens, Brian C., [redacted]
Uphoff, John F., [redacted]

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Collins, Cleve B., [redacted]
Dino, Florian S., [redacted]
Godwin, Winston Y., [redacted]
Naversen, Douglas N., [redacted]
Romero, Russell C., [redacted]
Sourial, Alfy S., [redacted]
Walters, Charles L., [redacted]
Williams, Michael H., [redacted]

DENTAL CORPS

To be lieutenant colonel

Bucke, William A., [redacted]
Neal, William S., Jr., [redacted]
Stringer, Dale E., [redacted]

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated under the provisions of sections 593 and 8351, title 10, United States Code.

LINE OF THE AIR FORCE

To be colonel

Wilson, Douglas D., [redacted]

MEDICAL CORPS

To be lieutenant colonel

Brackett, Jerry W., [redacted]
Greene, Jerry G., [redacted]

The following officer for promotion in the Air Force Reserve, under the provision of section 8376, title 10, United States Code (non-EAD).

MEDICAL CORPS

To be lieutenant colonel

Whitehurst, Fred O., [redacted]

The following-named officers for permanent promotion in the U.S. Air Force, in accordance with section 601, title VI, Transition Provisions, Defense Officer Personnel Management Act of 1980, with date of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

To be lieutenant colonel

Burleson, Glynn W., [redacted]
Ehrlich, Rolph, [redacted]
Elliott, Warren G., [redacted]

To be major

Bigelow, Joseph P., [redacted]
Radican, Ronald R., [redacted]

MEDICAL CORPS

To be major

Wilson, Lawrence W., [redacted]

The following-named Air Force officer for reappointment to the active duty list of the Regular Air Force in the grade indicated under the provisions of sections 1210 and 1211, title 10, United States Code.

LINE OF THE AIR FORCE

To be lieutenant colonel

Campbell, Burton W., [redacted]

WITHDRAWAL

Executive nomination withdrawn from the Senate June 17, 1982:

Susan E. Phillips, of Virginia, to be a Member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1984, vice Ellen Sherry Hoffman, term expired, which was sent to the Senate on April 5, 1982.

EXTENSIONS OF REMARKS

BAD LAW, BAD DEBT

HON. HENRY J. HYDE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. HYDE. Mr. Speaker, I want to share with my colleagues a superb editorial which appeared in Press Publications in DuPage County, Ill., on June 3. The editorial board is to be commended for bringing to its readers one of the major problems with the 1978 bankruptcy law, chapter 7. As the editorial points out, under the liberal provisions of chapter 7 of the 1978 act now in effect, we are seeing the wealthy and undeserving take advantage of exemptions offered by the new law which were ostensibly reserved only for the needy.

For example, section 522, which lists exemptions which may be subtracted from the estate of the debtor—the act dispenses with the term "bankrupt" because that term has been deemed offensive—prior to liquidation under chapter 7, permits him or her to deduct the following amounts from his or her estate, thereby sheltering it from creditors: $15,000 in cash equity—for joint petition—in real property used as a residence—if the petitioners do not own a residence, this figure may be applied to any other personal property; $1,200 in cash equity in an automobile; $200 in any number of personal items, including household furnishings, clothes, and appliances—including televisions; and $750 in any professional implements—a typewriter, for instance, would be included if the bankrupt were a freelance writer. Moreover, the debtor is free to continue receiving social security, unemployment compensation, veterans benefits, alimony, and any pensions for which he has become eligible. These sources, as well as income from trust funds, may be sheltered from liquidation under chapter 7.

Those who oppose changes to this policy argue that statistics show that large numbers of those people availing themselves of the new act come from the lower end of the economic ladder. Even if this statistic is accurate, tightening up the exemption section and providing for consideration of future income in liquidation will not harm the poor. It will, though, affect representatives of the upper echelons of society, including the upper middle class, who have availed themselves of the new act to purge any and all debts they may have accumulated, while simultaneously reserving their right to future income by way of family trusts or high-paying employment. This ability to pay is considered when credit is extended, though the act forbids it to play a role in deciding how creditors should be repaid after liquidation under chapter 7.

I would hope that the current wave of bankruptcies, many of which can be attributed to the liberal provisions of this new act, will prompt members of this body to reevaluate the current provisions of chapter 7 and consider amendments to them which would make restitution more probable where the law has been abused. I am cosponsoring legislation (H.R. 4786) designed to correct these abuses. It will give the court the power, upon a motion by any interested party, to dismiss a chapter 7 proceeding where the debtor has the ability to pay a reasonable portion of his debts out of anticipated future income.

The Press Publications editorial follows:

[From the Press Publications, June 3, 1982]

BAD LAW, BAD DEBT

Here's the good news. In 1978, Congress enacted the first major reform in bankruptcy law in 40 years: So far it's been doing a fine job protecting those in financial distress. But there's bad news. The law is also protecting those whose financial distress is less than compelling.

The problem comes from the code's Chapter 7, which allows "straight" bankruptcy. Debtors filing under Chapter 7 are required to liquidate their assets—after certain exemptions are taken—and give the proceeds to their creditors. They are then considered 100 percent debt-free, no matter how large the gap was between the liquidation payments and the total amount owed.

However, the Chapter 7 process is based on an outmoded idea of consumer credit practices. Most consumer credit is no longer extended on a closed-end basis. Instead, credit card issuers grant their plastic rectangles as an open-ended arrangement. That is, creditors determine worthiness on whether the applicant can make timely payments in an ongoing credit relationship, not on whether purchased toaster ovens or four-course dinners can be repossessed. Thus, while earnings potential is considered an asset by creditors, it is not recognized as such under Chapter 7.

Consider the often cited case of the California heart surgeon who, at a salary of $120,000 a year, was thought to be a good credit risk. Well, when the doctor lost his job, he also scrubbed himself clean of $45,000 worth of credit card bills. Debt-free, he took another $120,000 a year post.

The good doctor is not alone. In 1978, the year before the law took effect, there were 179,000 consumer bankruptcies. The rate started zooming and last year the number reached 450,000. Sure bankruptcy filings can be expected to increase in bad times, but an article published in Atlanta Fed's Economic Review argues that as much as 75 percent of the rise is due to the new law. Moreover, a study by the Purdue University Credit Research center suggests that one out of four bankrupts could, based on their subsequent earnings, have paid back a substantial portion—if not all—of their debts. last year, the amount of recoverable debt would have totaled $1 billion.

Congress is now considering a remedy to distinguish these "temporarily bankrupts" from the more permanent ones. Essentially, the amendments to the Bankruptcy Act would limit access to Chapter 7 to those with no demonstrable ability to make good on their debts through future earnings. Those whose potential earnings disqualify them from straight bankruptcy would be ushered into Chapter 13—under which repayment provisions would be made for up to five years.

One might wonder about the propriety of Congress tightening the bankruptcy laws in shaky financial times. But the impact of these nouveaux bankrupts goes beyond the hosing of their creditors. As losses from bankruptcies mount, companies will be less willing to extend credit: Either rates will rise to reflect the increased risk or the amount of available credit will be reduced.

If propriety is due any group of people here, it's surely due to those who pay their bills. It's tough enough to square credit obligations; why make it tougher by making bill-payers pay for bill-dodgers, too?●

ROBERTO CLEMENTE, PITTSBURGH PIRATE, TO BE HONORED WITH STAMP

HON. DOUG WALGREN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. WALGREN. Mr. Speaker, it is my understanding that in 1984, our Nation will honor Roberto Walker Clemente by issuing a commemorative postage stamp.

As one who had the privilege to watch him play for the Pittsburgh Pirates, and as one who was saddened by his tragic death, I applaud the U.S. Postal Service for its decision and my colleague Congressman GARCIA for his efforts to create a stamp in memory of Roberto Walker Clemente.

"The Great One," as Roberto was called, played right field for the Pirates from 1955 to 1972. In that 17-year span, Roberto was on the National League's All-Star Team 12 times, led the majors in batting three times, was the 11th player to reach the 3,000 hits plateau (his final hit), received the Golden Glove Award 11 times, and named the National League's Most Valuable Player in 1966 and Most Valuable Player of the 1971 World Series.

Roberto had one of the strongest throwing arms in baseball. Few play-

ers, the very fast or foolish, would make a wide turn at first base after they singled to right field for fear that Clemente would throw them out at first base. With that strong and accurate arm, it is no wonder that number 21 shares the Major League record for most years, 5, leading the league in assists.

Mr. Speaker, Roberto Clemente has other athletic awards, but all of them were overshadowed by his humanitarian concerns.

Roberto died on December 31, 1972, when the plane he was flying in, a plane loaded with relief supplies for the earthquake victims of Managua, Nicaragua, crashed into the sea 1 mile from his native Puerto Rico. Suddenly he was gone. Tragically lost, he never would see the sports complex built for the youth of Puerto Rico, a complex in which he was instrumental in the planning and construction. His wife Vera, sons Roberto, Jr., Luis, and Enrique, strongly led the fight to see Roberto's dream fulfilled.

Mr. Speaker, though Roberto is gone and Pirate fans have not yelled "Arriba," and can no longer see him swing his big bat or make those basket-type catches in right field since his death 9 years ago, Roberto Walker Clemente is not forgotten. The commemorative postage stamp will help us cherish his memory.●

GREEN THUMB PROGRAM IN SANDSTONE, MINN.

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. OBERSTAR. Mr. Speaker, since 1965, Green Thumb, funded under title V of the Older Americans Act—the senior community service employment program—has graphically and successfully demonstrated the value of senior workers to rural communities and to society. Thousands of senior workers have been employed in diverse jobs ranging from energy conservation, public works, and crime prevention to employment services, day care, and transportation. Minnesota now has 714 Green Thumb workers. One of these is Ed Moffatt who delivers meals for the Sandstone mobile meals program.

I would like to share with my colleagues a recent story about Ed which appeared in the Pine County Courier. Following is the story by Glen Santi:

MOBILE MEALS PROGRAM PROMOTES FRIENDSHIP

(By Glen Santi)

Sandstone's Mobile Meals program is more than just delivering meals to elderly individuals.

This program also has brought along friendships among those delivering meals and those receiving them.

"I've become a best friend to many of those I deliver the meals to every day," said Ed Moffatt, who delivers the meals for this program.

The joy Moffatt brings to these elderly persons was evident when he delivered meal No. 10,000 last Thursday. The recipient of that meal, Anna Pitts, was obviously anxiously awaiting the arrival of Moffatt. The feeling of common friendship was in the air.

Many of the elderly who receive the meals through the program rely on Moffatt as their only regular contact with the outside world.

"It has been an awful winter . . . I had to stay in so much," Pitts said.

Pitts, a 91-year-old woman who lives alone, walks with a cane and has little chance to get away from her home.

"If I fell and was laying outside, I know Ed would be coming to pick me up and carry me back inside," Pitts said.

The Mobile Meals program delivers meals to persons over the age of 60 years. The individuals in the program have some kind of difficulty in preparing meals for themselves.

"Sometimes the meals are only a small part of the program," said Sam Griffith, who volunteers his time as administrator of the program. "It is the friendship that develops in that 30 seconds or two minutes everday that Ed spends with them everyday.

"These people appreciate him (Moffatt) more than they will say in public," Griffith said. "Many of the people are standing at the door waiting for him.

"If Ed is a little late, they will call me to make sure he is coming," Griffith added. "When he shows up a few minutes later, they will call back and apologize for bothering me.

This Mobile Meals program has been in operation for about four and a half years in Sandstone. The meals are prepared at the Sandstone Area Nursing Home and are delivered by Moffatt, a Green Thumb employee. Green Thumb is a program run by the Minnesota Department of Labor. Funds for this program are used to employ rural individuals over the age of 55 who would not be working otherwise.

"We feel fortunate to have this available to us," Griffith said. "It is difficult to find volunteers to deliver meals five days a week.

"The nursing home has also been very helpful," he added. "They subsidize the program in that the cost of the meals are less than what it cost to make them. And, they individualize the meals for each of the program's participants."

The Mobile Meals program is designed to help elderly persons in the Sandstone area stay independent for a few more years.

"It allows a lot of the people to stay out of the nursing home for a few years longer," Griffith said.

Griffith is quick to praise Moffatt for his dedication service in this program.

"He goes beyond the call of duty by delivering mail, bringing some to the hospital, shoveling snow or feeding the participants horses," Griffith said.

Moffatt is clearly dedicated and concerned for the welfare of the persons he serves.

"This is the most worthy cause that I have ever worked for," Moffatt said. "I hope they can keep it going."

Moffatt has grown as emotionally attached to the persons he delivers the meals to as they have become to him.

"If I had to leave this program . . . I just don't know," he said quietly.

Since he has started working on this program about a year ago, there have been a few of his "friends" who have died.

"Yeah, there have been a few," he said, looking down sadly.

The Mobile Meals program has gone largely unrecognized by the general public. But, all those who have worked with it and volunteered their time remember the people they are working with.

"There have been a lot of people who have volunteered their time and gotten no thanks than seeing these people and getting to know them," Griffith said.

With the limited budget of the program, none of the volunteers made a financial gain for their efforts. But, the program has been a large success. Griffith sums up why this program is such a success.

"These people have become our friends and you do things for your friends," he said.●

PHOTOGRAPHS OF ISRAEL

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. DeNARDIS. Mr. Speaker, I wish to take a moment to comment on the excellent photographic exhibition now located in the Russell Office Building rotunda. The exhibit, which is titled, "Shalom Sinai; Road to Peace," is composed of photographs taken by Mr. Farag Peri, one of Israel's most famous photographers.

The photographic exhibit by Mr. Peri represents not only Israel's withdrawal from the Sinai, but also a hope that this exchange will create a bridge of peace between Israel and the Arab world.

Throughout the ages, the Sinai desert has known many wars; many came and conquered, holding the desert because of its strategic military importance. Now, with Israel relinquishing the Sinai to Egypt, there is a hope of everlasting peace.

Mr. Speaker, it is Israel's hope that handing over the Sinai will wipe out the great losses suffered over the years in the Sinai. "Shalom (meaning both good-bye and peace) Sinai," is Israel's way of bringing about the peace we all long for.

This photographic display creates a unique mood. At the same time, we are captured by the beauty of the Sinai while still recognizing the great progressive and technological changes that the Sinai has experienced.

Mr. Peri began his photographic career in Israel shooting stills on film sets. Later, he opened his own photo labs and eventually built the largest studio in Israel. Mr. Peri should be commended for his fine photographic exhibit.

Mr. Speaker, I urge all Members to take a few moments to stop by the Russell Building to view these photographs, which are another indication of Israel's continual quest for peace in the Middle East.●

A TRIBUTE TO OUR SYMPHONY ORCHESTRAS

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. RITTER. Mr. Speaker, I am honored to rise in observance of National Orchestra Week and salute the many people in our towns and communities of our great Nation who are striving to preserve art and culture. In the Lehigh Valley of Pennsylvania, the area I am proud to represent in Congress, the arts are alive and well thanks to the efforts of many fine people. I would like to share with my colleagues some of the work we are doing to preserve our culture.

The Lehigh Valley is fortunate to have a fine representation of orchestras, which not only provide concerts, but cultivate the musical talent of our area. The Greater Lehigh Valley Symphony is now in its seventh season and has given talented area youth of high school age an opportunity to study and perform within the atmosphere of a professional music program. Under the direction of Jerry Bidlack, professor of music at Lehigh University and director of the Kinhaver Summer Music School in Vermont, the orchestra performs two formal concerts each season. In addition the orchestra has coordinated its talents with other groups on the east coast and have appeared on television.

The Greater Lehigh Valley Youth Sympathy also has a junior string orchestra made up of 45 younger string players who are under the direction of Nancy Bidlack and Connie Heim. The junior string orchestra gives many younger musicians their first experience in a professional musical organization. Both orchestras perform yearly in schools and senior citizens homes throughout the Lehigh Valley.

The community was very supportive of this group and in addition to receiving contributions the group, in 1979, incorporated itself as a nonprofit organization and formed a board of directors. This accomplishment was stimulated by the work of the group's president, Lee T. Grifo, and should enable the orchestra to grow and sustain it's accomplishments.

Four times each year the sounds of the great masters come alive through the instruments of the Allentown Symphony Orchestra. Beginning its 32d season, the orchestra has become a living institution in the Lehigh Valley. Since most of the 80 members of the orchestra live in our community, it is a showcase of Lehigh Valley talent. Its founder and present day director, Donald Vorhees, formed the orchestra with one goal: to tap the local talent of the Lehigh Valley.

One cannot mention the Allentown Symphony Orchestra without a word about its founder. Dr. Vorhees, a native of Allentown, a musical legend. At 76, he is still active and conducts the symphony during its four annual community programs and its four programs for the area's schoolchildren. For many years, Vorhees was the conductor on the Bell Telephone's Radio and Television Show. Yet, as his national reputation grew, Vorhees was not one to forget his hometown or its people.

The Allentown Symphony Orchestra is a tribute to the people of our community. They have built the orchestra, provided it with talent, and have supported it. Efforts are underway to have the orchestra's home, Symphony Hall in Allentown, placed on the National Register of Historic Places.

Mr. Speaker, so often we hear of the elements that erode our society and not enough is said of those quiet, yet irrepressible forces, which make communities strong and wholesome. I am proud today to talk about something that is very special to me and my community. So much of America's quality of life is due to its cultural achievements and we must seek to foster them. We in the Lehigh Valley are very proud of our orchestras and musicians and I am honored to recognize their achievements on this, National Orchestra Week.●

AS PEORIA SEES IT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. MICHEL. Mr. Speaker, the question, "Does it play in Peoria?" has become one of the most familiar political phrases. It is usually taken to mean: What is the effect of a given Government policy among working Americans? President Reagan recently asked a variation of that question and the Peoria Journal Star gave an answer. In summary, Peoria and, by extension, the Nation, has "a broad residue of support for what" President Reagan wants to accomplish.

At this point I wish to insert in the RECORD, "As Peoria Sees It" from the Peoria Journal Star, June 3, 1982.

The article follows:

AS PEORIA SEES IT

Just before he left Washington yesterday for his first European trip since taking office, President Reagan told 200 top-level government officials, including members of the Cabinet, the Joint Chiefs of Staff and members of Congress who gathered in the White House:

"I couldn't leave without just saying to all of you, now that we have you here and in a group, God bless you all, and thank you for all that you've been doing. I know that what we've been doing doesn't read well in the Washington Post or the New York Times, but believe me, it reads well in Peoria."

Whereupon the reporters on the East Coast began telephoning Peoria to find out how it reads—or plays—here. You may ask, don't they ever get tired of the alliteration of "playing in Peoria?" The answer, apparently, is no.

Well—as Reagan likes to say—how is it playing here, since we seem unable to escape the need to analyze it once more? Assuming the president was alluding more to his economic program than anything else, this is our opinion, for what it's worth:

Despite all the economic miseries that now engulf Peoria—unemployment at 11 or 12 percent, layoffs, wage freezes, bankruptcies, plant closures—there seems to remain a broad residue of support for what Reagan wants to accomplish.

Inflation is down, way down, almost to zero. And inflation, don't forget, was proclaimed to be Public Enemy No. 1 when the Reagan administration took office. All of us suffered from it, and no one who thought seriously about the problem believed that any significant reduction in inflation was possible without some suffering.

Well, the suffering is now upon us—more of it, no doubt, than most people expected, certainly more than the president expected. But that is due more to the mysteries of the pseudo-science of economics than to anything else. No one expected such a depth of suffering because no one understands the complex workings of our industrial society. Economists are like psychiatrists in the Hinckley trial: you can find some who will advance almost any viewpoints you'd like, including contradictory ones.

The Reagan economic program of lower taxes, less government regulation, and reduced government spending is still a goal that most people in Central Illinois, we believe, are willing to support.

No one likes the current misery, but what is the alternative? Tip O'Neill and Ted Kennedy would take us back to yesterday, although right now they are devotees of a balanced budget. That is simply because it is so much fun to beat the Republicans with their own stick.

What we hope, and pray, will happen is that the recession will not last too long. Many "experts" say we have hit bottom and are starting back up, but these are the same experts who failed to warn us about the steep decline—and still disagree about what caused it. So we will have to wait and see.

There is no question however, that the U.S. economy is basically sound, just as the No. 1 employer in Peoria, Caterpillar Tractor Co., is basically sound, even though it is now in the midst of its first layoffs in a generation. Both will return to good health, and everyone knows it. The question is how soon.

The recovery, we believe, will get here faster if Congress will provide better support for the president's overall program. But Congress reflects what the people want, and although the public—in general—wants less government, less spending, and less taxes, we all have our own favorite programs that we don't want cut.

We must be willing to accept reductions in some of these programs, and we believe most people will do so if they truly believe that the sacrifices are being shared equally by all segments of society.

To find that equity is the challenge facing Congress and the president. And, in an election year, the search, we fear, will be long and difficult.●

TRIBUTE TO LIDA ELWELL TAYLOR

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. KRAMER. Mr. Speaker, I have had the honor and privilege of meeting Mrs. Lida Elwell Taylor, a 94-year-old resident of Colorado Springs, Colo., who is an inspiration to all who know her.

Mrs. Taylor says her life has not been all that remarkable, although many would disagree with that statement. Born in 1889 in Kansas, 1 of 13 children her mother bore in 20 years, she first came to Colorado in a covered wagon when she was 10 years old. That trip and that time are preserved for all of us in a journal she wrote. It is a fascinating account of frontier country and a family's love and strength. Making good on her promise that she "would be more than pleased to give," the journal to the people of Colorado, Mrs. Taylor placed her journal in the historical room of the Denver Public Library.

For 20 years Mrs. Taylor worked for the city of Winfield, Kans., where she became city clerk. In 1934 she married Harley Taylor and they live in Manitou Springs, Colo., later moving to Colorado Springs. "I hope that I never have to live anyplace else or where I cannot see Pikes Peak," Mrs. Taylor says.

Mrs. Taylor has been a widow now for more than 30 years. Her independent spirit is exemplified by her desire to stay living in her house by herself, which she accomplishes with the assistance of senior support groups and the help of her sister, Vangie Hughs, 91, who lives right next door.

"I love to talk," Mrs. Taylor says, and the listener is well rewarded with her vivid memories, ready wit, and enthusiasm for life.

It is people like Mrs. Lida Taylor that make this country great.●

TERRELL BELL'S GAME

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. GARCIA. Mr. Speaker, the Reagan administration's use of mirrors to distort reality and hide its true intentions has not been limited to the Federal budget. The latest, and one of the most cruel examples, is Secretary of Education Terrell Bell's refusal to use the current census data in computing educational aid. In other words, he is refusing to recognize reality. Secretary Bell's magical pranks are not without victims. All over the country children in poverty will be ignored by the Government. Over the last 10 years, for example, there has been a 31.7 percent increase in poverty population in New Jersey. But with one quick sleight of hand Secretary Bell has wiped them out. In Massachusetts the increase was 25.4 percent; in Connecticut it was 27.2 percent; in Nevada it was 36.8 percent; in New Hampshire it was 14 percent. All in all, 18 States had increases in their poverty population. These people will not be accounted for if the 1970 census figures are used. And the dollars add up. New York State alone stands to lose $40 million in sorely needed funds to educate its elementary and secondary school students.

I am asked to believe that somehow, if we use a different set of numbers, the problems will magically disappear. Well Mr. Speaker, in my district, as around the country, the problems are very real. The suffering is real. And the damage that the Government will inflict by playing games with the numbers will be real. My district, the South Bronx, like the rest of the State, has experienced a substantial increase in its poverty population. We cannot stand further reductions when in fact an increase in chapter 1 funds is mandated by law.

Mr. Bell tries to defend his decision by claiming his earnest desire to meet grant notification deadlines which forced him to abandon his use of the current data. As a general rule I applaud those who try to meet deadlines. But if we peek up Secretary Bell's sleeve we can see that this devotion to deadlines is a new phenomenon. The Education Department has missed its deadline every year for the past 6 years. Is it not interesting that they chose this year to meet the deadline?

Perhaps Secretary Bell will be brought back to reality if he reads this editorial from the June 16 issue of the Washington Post and follows its sound advice.

SOLVING NEW PROBLEMS WITH OLD DATA

"Either way I go on this, I'm going to be sued." So said Education Secretary Terrel Bell when he decided last month to use 1970 rather than 1980 Census data to allocate $2.4 billion in federal aid to schools with needy students. Why use 12-year-old data? The Census Bureau has tabulated data showing the number of children ages 5 to 17 living in households with poverty incomes by state, but the county-by-county data, which must be used under the law, are not promised until this month, and may be late. Mr. Bell said preparation of county allocation tables would take another six weeks. So he went ahead and used out-of-date data.

Use of the 1970 Census data, however, seriously and unnecessarily misallocates the aid. The pattern of poverty has changed over the past decade. The Northeast and Great Lakes states have more children living in poverty households than in 1970, the South many fewer. Thus in 1970, 24 percent of North Carolina's children but only 12 percent of New York's lived in poverty households. In 1980, 18 percent of children in both states lived in poverty households.

The rising number of poor children in what historically have been our richest and most productive states is a national problem worthy of the most serious and concentrated attention. It is obviously not susceptible of easy or single solution. Existing federal programs that provide educational aid to poor children should ensure that that aid is targeted as accurately as possible. This means using the 1980 Census figures, even if it requires a little delay and even if it means facing lawsuits from states and localities that would get more money under another formula.●

COMMEMORATING THE BALTIC HOLOCAUST AND GENOCIDE DAY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wedneday, June 16, 1982

● Mr. MOAKLEY. Mr. Speaker, I wish to join my distinguished colleagues in recognizing Genocide Day and commemorating the Baltic Holocaust which occurred some 42 years ago. While the rest of the world was preoccupied with the onset of global war, Soviet forces advanced on neighboring Estonia, Latvia, and Lithuania. Hundreds of thousands of people were uprooted from their native land and driven savagely to Siberian labor camps. More than one-half million people died—either from starvation along the way, or in cold blood upon their arrival.

Those of us gathered here today have a twofold obligation. First, we should remember the horrible events which took place in the Baltic 42 years ago. Every instance of genocide wherever it occurs is really an act of violence committed against us all. The value of every human life was diminished by the barbarous activities of the Soviet Union in the Baltic States. Each time an atrocity is committed, it degrades all of humanity, setting the precedent for even greater atrocities. Overlook this tragic event, and we will contribute to the possibility of future genocide. We must remember what happened to Latvia, Lithuania, and Estonia—or we will forget what it is to be human.

We are also obligated to commend the unswerving determination of the Baltic peoples to achieve independence. The citizens of Latvia, Lithuania, and Estonia are fiercely proud of their heritage and unwilling to relinquish their unique destiny. The weight of Soviet oppression can never silence their yearning for freedom. For tyranny—no matter how cruel—is no match for the natural and unabating desire of men to be free.

Let us recall the suffering endured by Latvia, Lithuania, and Estonia, for

it reveals how evil men can be. More importantly, we should recognize the tremendous courage shown by these people. In their strength lies the promise of a world where such genocide no longer can take place.●

BALTIC GENOCIDE DAY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1982

● Mr. RITTER. Mr. Speaker, I am honored to rise with my colleagues and observe the 41st anniversary of Baltic Genocide Day. As we now begin to enjoy the beauty of summer, it is also a time to look back with sadness to events which touched virtually every Baltic family 41 years ago.

The atrocities that were committed by Soviet troops during June 1940 will never be erased by the passage of time. The genocide, which resulted in the deaths of thousands and the incarceration of tens of thousands, touched virtually every Lithuanian, Estonian, and Latvian family. The memories of soldiers running through the darkened streets, the midnight knock on the door, and the people huddled in fear awaiting their fate are still fresh memories for the survivors and their children.

As Europe began to gird for World War II, the Baltic States found themselves caught between the scissor of Nazi aggression and Soviet communism. Although declaring neutrality, one by one Lithuania, Latvia, and Estonia were swallowed up by the Red army. Those who had any connection with the civil service, police, or army were rounded up and, if escaping summary execution, were placed into concentration camps for the duration of the war.

The numbers are staggering. On June 14, 1940, 30,000 members of Lithuania's intelligensia were deported to Siberia and another 5,000 were executed. Many more were to be die of exposure on the long march to Siberia. It is estimated that 100,000 were forced to emigrate during the Soviet occupation, an occupation that only lasted 7 days.

One week after the Soviets committed their genocide, the Nazis moved in and reduced the population even further. World War II had a devastating effect on the Baltic peoples as their combined populations were reduced by 10 percent or 850,000 people.

And yet, it is sad to note that as we mark this year's passage of Baltic Genocide Day, the plight of the Afgan and Polish people are similar. In these countries, cut off from the Western press, the Soviet Union uses the same forms of repression as they did against the Baltic peoples. In 41 years, their inhumanity has not changed that much. However, in these modern times, the Soviets are using more sophisticated technology to conduct their brutality.

For instance in Afghanistan, it is common to see the latest Mig fighters, helicopter gunships, and biological warfare. The latter in violation of the 1972 treaty. While Poland is being repressed, Afghanistan destroyed, the Soviets are wooing Europe with promises of a nuclear freeze and Soviet gas.

Mr. Speaker, we cannot change what has already happened. But, by reminding ourselves of the inhumanity that men and nations have lowered themselves to, we can perhaps reduce the risk of this continuing in the future.●

THE 80TH ANNIVERSARY OF THE BUREAU OF RECLAMATION

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. BEREUTER. Mr. Speaker, today marks the 80th anniversary of the establishment of the Bureau of Reclamation. Since the original founding of the Bureau in 1902, it has been responsible in great measure for the development of the West by providing many regions with a life-giving supply of water for domestic, industrial, and agricultural uses. The value of the contributions made by the Bureau can never be adequately measured, but my colleagues can be assured that those of us in the arid and semiarid Western States appreciate the many accomplishments of the Bureau of Reclamation. I would like to take this opportunity to commend the Bureau and especially its current Commissioner, Robert N. Broadbent, for the fine and improving record of water development.●

NATIONAL BUSINESS LEAGUE

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. FAUNTROY. Mr. Speaker, Mr. Theodore R. Hagans, Jr., the president of the National Business League, has recently written me in my capacity as chairman of the Congressional Black Caucus concerning H.R. 4786, which would make certain changes in the Bankruptcy Act.

His views as a leader in our Nation's business community are deserving of attention, and I bring them to the attention of my colleagues.

NATIONAL BUSINESS LEAGUE,
May 28, 1982.

Hon. WALTER FAUNTROY,
Chairman, Congressional Black Caucus, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter concerns an issue of growing urgency to all Americans, but of special importance to Black and other minority citizens. The issue is the abuse of our bankruptcy laws by individuals who can afford to pay their debts. This issue is of such importance to the National Business League, its membership and constituents, that our Executive Committee has voted unanimously to support changes in the U.S. Bankruptcy Act, as reflected in H.R. 4786 and S. 2000, both pending before the Congress. We urge you to lend your support for passage of these bills. The most constructive change embodied in these bills provide that persons filing for bankruptcy should not be allowed to avoid their debts if their income shows that they could reasonably afford to pay.

Unfortunately, this is not the case under present laws. According to reputable studies, including the one recently completed by the Purdue University Credit Research Center, almost one third of the more than 400,000 debtors taking straight bankruptcy last year, had the capacity to make full or substantial repayment over a period of three to five years. Further, the Purdue study estimates that $1.5 billion of the $6 billion in bankruptcy filings could have been repaid to creditors. The result of this disturbing situation is that debtors who do not pay are literally passing their obligations on to consumers in the form of higher costs and decreased availability of credit.

Creditors are sharply curtailing the amount of unsecured credit previously extended to their customers; and in the case of personal loans, are requiring some form of security, most often real estate. Moreover, customers who rely on credit and their ability to take personal loans when needed, and who do not own their own homes, are virtually being cut out of the credit market—even when their previous repayment history is untarnished. This segment of the borrowing public includes a disproportionate number of young people, Blacks and other minorities, and low income groups. This situation impacts severely and negatively on many of the members of the National Business League. As was pointed out in a recent Minority Press Service editorial, which appeared in the Kansas City Globe: ". . . Blacks' access-to-credit problems may have been exacerbated by the passage of the 1978 U.S. Bankruptcy Act where the outfall of this law currently appears to be impelling the closing of the door to any semblance of consumer credit for a significant portion of the Black community".

Finally, it is obvious to the National Business League that a rational standard of eligibility for straight bankruptcy, based on an individual's future income, as proposed in H.R. 4786 and S. 2000, should be adopted by the Congress without unnecessary delay. Without it, Blacks and other minority consumers, and by extension, those businesses which serve them, will continue to be unfairly burdened by the inequities of the present Bankruptcy Act.

In lending our support to pending legislation, it should be clear that the National Business League in no way advocates elimination or modification of the concept of a "fresh start" through bankruptcy relief for those debtors truly in need of such assist-

ance. Simple equity, however, demands that those who can reasonably afford to pay their debts be required to do so. It is our hope that you will join us in support of that principle.

Sincerely,

THEODORE R. HAGANS, Jr.,
President.●

A DISSIDENT'S BIRTHDAY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. GARCIA. Mr. Speaker, this week a very brave man tried to celebrate his birthday. But Yuri Federov, the Soviet dissident who was sentenced to a strict labor camp in 1970 for trying to leave the country, does not have much to celebrate. His health is rapidly deteriorating and his government still refuses to allow him to emigrate.

On June 14, Federov turned 39 years old. Efforts to obtain his release have not been successful. Just last March, over 50 members joined with me in signing a letter to President Brezhnev urging the release of Federov and another dissident, Aleksei Murzhenko, on humanitarian grounds. On this week of his birthday it is essential that we remember Yuri Federov, his bravery and his love of freedom. He has been charged with treason, anti-Soviet activities, and other crimes, although his only real "offense" was attempting to emigrate and aid others in their quests for freedom. Let us continue to put pressure on the Soviet leadership and never forget people like Yuri Federov so that they do not disappear into the darkness of the Soviet Union.●

BALTIC GENOCIDE DAY

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1982

● Mr. DeNARDIS. Mr. Speaker, during this month of June 1982, we are reminded that the fight for freedom is an ongoing struggle, as we observe the 42d anniversary of the incorporation of the Baltic States into the Soviet Union. The countries of Estonia, Latvia, and Lithuania were forced to become, and are forced to remain, a part of a oppressive regime, one which contradicts simple human nature. Forty-two years of violent domination, however, have not destroyed or even dimmed their eternal hope that someday they will be able to govern themselves as free, separate, democratic societies. They will not relinquish their desire to achieve social, political and economic freedom.

So today I join with my colleagues in the House of Representatives to condemn the continued unlawful occupation of the Baltic States by the Soviet Union. We in Washington represent the center of the free world. The citizens of the Baltic States look to us for inspiration, and they hope that we as a Nation fully support their aspirations to be liberated from Soviet colonialism and Moscow's domination. By speaking out against this domination, it is my wish that the peoples of the Baltic States are clearly aware of our concern.

In the United States, we cherish freedom, and we are reminded of this basic human right as we observe what others must overcome in order to achieve it. They are forced to silence their outcries of despair, so we in the free world must cry out for them. We must plead their cause, for their struggle for independence is one which we fought a little over 200 years ago. We, of all countries, should most fully understand the obstacles they face, for our history parallels their current events. Let us speak out in strong, clear voices against this violation of the right to self-determination, expressed both in the Helsinki accords and the Charter of the United Nations. Communist imperialism continues to subject Lithuanians, Latvians, Estonians, and others to principles with which they do not agree. Their fight for basic human rights is not the first, and unfortunately will not be the last. However, we must not view the struggle as impossible to overcome, or allow this oppression to continue.

My comments today do not just apply to those living in the Baltic region of the world. I hope that what I have stated helps to reassure those citizens of Baltic descent living in the United States that we have a firm commitment to their relatives and friends still living in their homeland. Lithuania, Latvia, and Estonia have experienced over 40 years of injustice in a country which does not permit freedom of religion, which denies nationalities, and forbids basic human rights. The tyrannies of our world cannot last if the spirit of resistance remains strong. In the meantime, we must demonstrate to the world our sincere and firm support for those oppressed persons, and encourage them to continue to strive for the light of freedom.●

BALTIC FREEDOM DAY

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1982

● Mr. BAILEY of Pennsylvania. Mr. Speaker, I join with my colleagues in commemorating June 14 as Baltic Freedom Day. This day marks those tragic events in the history of the Baltic States which resulted in their loss of independence and subsequent absorption by the Soviet Union. The United States formally recognized the Baltic States as independent countries in 1922 and, of course, has never accepted their incorporation into constituent republics of the Soviet Union. We must continue to show our support for the proud peoples of Estonia, Latvia, and Lithuania.

The middle of June marks the anniversary of Baltic subjugation by the Soviet Union. Between June 14 and June 17, 1940, the Soviets issued ultimatums to Estonia, Latvia, and Lithuania before invading and occupying them. Within a few days of June 14 the following year, thousands of Estonian, Latvian, and Lithuanian citizens were deported to various parts of the Soviet Union, mainly Siberia.

Basic freedom—ideas we hold so dear yet take for granted—continue to be violated by the Soviet Union in these countries. The Soviet Union has also ignored the respect and pride the Baltic people have for their respective countries. By deporting the Estonians, Latvians, and Lithuanians the Russians have tried to change the ethnic character of the Baltic nations and destroy their national identity.

We must not be reconciled to their fate and must continue to support their quest for freedom, national independence, and self-determination. Baltic Freedom Day shows our recognition of the responsibility the United States has to support the cause of freedom of the people of Estonia, Latvia, and Lithuania.●

EULOGY FOR MARJORIE THURMAN

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. FOWLER. Mr. Speaker, today would have been the 54th birthday of Marjorie Thurman, chairwoman of the Democratic Party in Georgia for almost a decade. Former Governor Carl Sanders' eulogy for Marge recalls her contribution to politics in our State, and I would like to share this tribute to an outstanding woman with you.

EULOGY FOR MARJORIE THURMAN

This is one of the saddest days of my life, but I don't want my remarks on this occasion to be those of sadness and despair, for Marge Thurman would be disappointed if I did.

In the course of a lifetime, you make many friends, but not many special friends. Marge was a very special person and friend of mine. I loved her and I think she loved me the way people should love each other. I

cared for her and wanted to support everything she did.

Don't get me wrong. She wasn't perfect by any means; but even her imperfections gave her a character that endeared her to those she met.

This is not a good time for her to leave us as we badly need her zest for life and her unflagging loyalty to those she loved and the causes that she believed in. One such cause being the American political system and particularly the Democratic Party. I have often thought that Marge practiced law only to provide herself with the means to participate and enjoy her passion for politics. It was said of her by a nationally known political figure who also admired her: "She walked with governors, presidents, senators . . . but she never lost touch with the people she represented."

There are many here today who worked and labored with Marge in the political arena. As I look out into the audience, I recognize friends who have come a long way to be with her today and I know she is most humble and proud that you are here. I also see friends of Marge's here today who worked in opposite political camps and parties, and that's a real tribute when you can keep your friends even though you disagree with certain causes and issues.

Marge was a Democrat first and a tireless worker thereafter for whomever the Party chose as its leaders. She really was a great woman with a heart as big as her hair-do . . . and a lover of life unequalled to anyone I have ever known.

This shouldn't be a wake, but just another occasion of recognition and celebration for a person whom we all loved and admired and respected.

When our time comes, you can be sure that she'll be right out front waiting to greet everyone of us when we approach St. Peter's gate. In fact, I'd be willing to bet that in no time at all, Marge will have herself elected Chairman . . . or Chairperson . . . of whatever political group there is in Heaven, and I assume there is one because politics is always involved in everything that we know anything about.

Enough of that, however, and I hope that by my talking about her human traits that I am not taking anything away from the services today.

Life is basically a series of memories, and to me Marge Thurman will always be one of the beautiful memories of my life.

To Sandy . . . I would like to say that you are a very lucky young lady to have had a mother who loved you as much as I know she did; and also to have had Ross Thurman as your father, who was also a wonderful person and a dear friend of mine.

And to Marge's father, Mr. Boynton, I say . . . you raised a beautiful daughter who I know was a source of joy and pride to you.

And to everyone else here today . . . I would say that you, too, are lucky to have had her for a friend.

Let me conclude by quoting those very familiar verses of Tennyson when he said:

Sunset and evening star
And one clear call for me!
And may there be no moaning at the bar,
When I put out to sea.

But such a tide as moving seems asleep,
Too full for sound and foam
When that which drew from out the boundless deep
Turns again home.

Twilight and evening bell,
And after that the dark!
And may there be no sadness of farewell,
When I embark!

For though from out our bourne of time and place
The flood may bear me far,
I hope to see my Pilot face to face
When I have crossed the bar.

So let there be no "moaning and sadness of farewell" today . . . but rather a time of thanksgiving for the opportunity that we had to know Marge Thurman . . . and to love her . . . and for the wonderful memories of the time and events we shared together.●

TAX EXEMPT INDUSTRIAL DEVELOPMENT BONDS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. FRENZEL. Mr. Speaker, today Congressmen MATSUI, HOLLAND, and I have introduced legislation which is designed to restrict what has been perceived as the abuses of tax-exempt industrial development bonds (IDB's), without eliminating the usefulness of IDB's as a viable financing tool. Our bill, and a Senate companion bill introduced today by Senators BOREN and DURENBERGER, is intended to stimulate discussion as to a possible compromise position between those proposals which would severely restrict the use of tax-exempt IDB's, and the proposals that either leave the use of IDB's substantially unchanged or expand the IDB program.

Under our bill, any one company or individual would not be allowed to have more than $10 million in small issue IDB's outstanding at any given time. The $10 million limitation would be a national cap. This provision is designed to avoid a problem which exists under current law. Large corporations are currently able to use tax-exempt financing to further their expansion plans—many of which would be completed regardless of the availability of tax-exempt financing. The cap would discourage such a use of tax-exempt financing.

The bill also prohibits the use of tax-exempt financing for private purpose recreational activities, such as golf courses, tennis facilities, and so forth. The list is not intended to be a complete list of proscribed activities, but rather is designed to specifically prohibit tax-exempt financing for those projects which have received most criticism for abusing the IDB laws.

In order to eliminate much of the "double benefit" companies apparently receive due to the interaction between ERTA's ACRS provisions and the tax-exempt status of the bonds, projects using tax-exempt bonds will not be able to accelerate their depreciation on the tax-exempt bond financed property. They will instead be required to use straight-line depreciation, over the useful lives periods provided for in ACRS.

Limitations are also placed on the use of pollution control bonds. Under the bill large users of tax-exempt financing, issuers of pollution control bonds, will not be allowed to have more than $10 million in pollution control bonds outstanding at any one time. This $10 million limit will be a separate limit from that imposed on the issuance of small issue IDB's.

The bill leaves substantially unchanged the status of tax-exempt bonds for student loans, hospitals, and other tax-exempt organizations. The bill also excludes low-income rental housing and solid waste disposal facilities from the ACRS limitations imposed on other tax-exempt bond financed projects. Tax-exempt bonds for farmland and farm equipment will continue to be allowed, within the guidelines of the bill.

In order to encourage individuals to invest in the distressed areas of some of our cities, the bill contains a provision which eliminates the above restrictions for investments within a targeted area. Because this provision is the most beneficial if the investments are encouraged only in those areas which need help the most, a fairly tight definition, commonly called the "pockets of poverty" definition, is used to define a distressed area.

The bill also attempts to clarify the intent of Congress with respect to the treatment of R. & D. expenses for purposes of the capital expenditures cap currently in the law. Under the bill, R. & D. expenses will not be treated as a capital expenditure.

To help small businesses to continue to use tax-exempt bond financing, the bill reverses IRS Revenue Ruling 81-216—concerning composite issues of tax-exempt bonds—and allows the use of composite tax-exempt bond issues.

Our bill will also clarify the current tax-exempt bond language found in the Internal Revenue Code to insure that municipalities that construct energy saving district heating facilities will be able to qualify for tax-exempt financing under the provisions of the Tax Code allowing tax-exempt financing for facilities which furnish steam or water.

In a final provision designed to clarify an ambiguity or an oversight in the current statute, the bill will allow tax-exempt financing to be used for facilities which furnish electric energy or gas within an area consisting of either one city or one county. This will allow the use of tax-exempt financing for these types of facilities in cities whose borders extend over more than one county.

In order to provide local governments with more control over the bonds issued within their jurisdictions,

the bill requires that a public hearing be held, and elected official approval be received, before a bond can be issued. All IDB issues must be reported to a designated State agency, which in turn will file a report annually with the Secretary of the Treasury. The bill does not address the issue of registration of tax-exempt bonds. This issue is addressed in other legislation pending before the Ways and Means Committee, and we felt that it would be duplicitous to address it in this bill.

As we stated earlier, this bill is designed to encourage comment and discussion concerning tax-exempt bond financing. We hope that you will study our bill carefully, and provide us with your comments on ways you would like to see the bill changed and improved.

A copy of the bill follows:

H.R. 6630

A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of industrial development bonds

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMITATIONS ON SMALL ISSUE INDUSTRIAL DEVELOPMENT BONDS.

Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (j) as subsection (l) and by inserting after subsection (i) the following new subsection:

"(j) LIMITATIONS ON SMALL ISSUE AND POLLUTION CONTROL INDUSTRIAL DEVELOPMENT BONDS.—

"(1) AGGREGATE LIMIT PER TAXPAYER FOR ALL ISSUERS.—

"(A) IN GENERAL.—Paragraph (6) of subsection (b) shall not apply to any issue if the aggregate authorized face amount of such issue (when increased by the outstanding small issue obligations of any principal user of any facilities being financed with such issue) exceeds $10,000,000, and subparagraph (F) of subsection (b)(4) shall not apply to any issue if the aggregate face amount of such issue (when increased by the outstanding pollution control obligation of any principal user of any facilities being financed with such issue) exceeds $10,000,000.

"(B) PRIOR SMALL ISSUE OBLIGATIONS OF ANY PERSON.—For purposes of applying subparagraph (A) with respect to any issue, the outstanding small issue obligations or pollution control obligations of any person who is a principal user of any facilities being financed with such issue is the aggregate face amount of all small issue obligations or pollution control obligations—

"(i) which financed any facilities a principal user of which was such person, and

"(ii) which are outstanding at the time of such later issue (not including as outstanding any obligation which is to be redeemed from the proceeds of the later issue).

"(C) EXCEPTION FOR ECONOMICALLY DISTRESSED AREAS.—

"(i) IN GENERAL.—Subparagraph (A) shall not apply to any issue (and such issue shall not be taken into account under subparagraph (B)) if substantially all of the proceeds of such issue are to be used to provide facilities located in an economically distressed area.

"(ii) PROPERTY MAY BE LOCATED IN ADJACENT AREA UNDER CIRCUMSTANCES.—For purposes of clause (i), facilities shall be treated as located in an economically distressed area if the Secretary and the Secretary of Housing and Urban Development determine that—

"(I) there is no suitable site for the facilities within the economically distressed area,

"(II) the facilities will be located directly adjacent to such area, and

"(III) the facilities will substantially contribute to the economic development of such area.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) SMALL ISSUE OBLIGATION.—The term 'small issue obligation' means any industrial development bond (as defined in subsection (b)(2)) to which paragraph (1) of subsection (b) does not apply solely by reason of paragraph (6) thereof.

"(ii) RELATED PERSONS.—All persons who are related (within the meaning of subsection (b)(6)(C)) to each other shall be treated as one person.

"(iii) ECONOMICALLY DISTRESSED AREA.—The term 'economically distressed area' means an area composed of one or more contiguous census tracts, enumeration districts, or block groups—

"(I) which are located in the same city or county,

"(II) which have a population of at least 2,500,

"(III) in which at least 70 percent of the families have incomes below 80 percent of the median income for the State in which such area is located, and

"(IV) in which at least 30 percent of the families have incomes below the national poverty level.

Determinations under the preceding sentence shall be made on the basis of the most recent decennial census for which data are available before the date 90 days before the date of the issue.

"(iv) POLLUTION CONTROL OBLIGATION.—The term 'pollution control obligation' means any industrial development bond (as defined in subsection (b)(2)) to which paragraph (1) of subsection (b) does not apply by reason of paragraph (4)(F) thereof.

"(2) RESTRICTIONS ON USE OF PROCEEDS.—

"(A) IN GENERAL.—Paragraph (6) of subsection (b) shall not apply to any issue if 10 percent or more of the proceeds of such issue is to be used for a nonqualified purpose.

"(B) NONQUALIFIED PURPOSE.—For purposes of subparagraph (A), the proceeds of an issue shall be treated as used for a nonqualified purpose if such proceeds are used for any private or commercial—

"(i) golf course,

"(ii) country club,

"(iii) massage parlor,

"(iv) tennis club,

"(v) skating facility (including roller skating, skateboard, and ice skating),

"(vi) ski resort,

"(vii) racquet sports facility (including handball and racquet ball courts),

"(viii) hot tub facility,

"(ix) suntan facility,

"(x) racetrack, or

"(xi) other similar recreational facility."

SEC. 2. PUBLIC HEARING, ETC., REQUIREMENTS FOR ALL INDUSTRIAL DEVELOPMENT BONDS.

Section 103 of the Internal Revenue Code of 1954 is amended by inserting after subsection (j) (as added by section 1) the following new subsection:

"(k) PUBLIC HEARING, ETC., REQUIREMENTS FOR ALL INDUSTRIAL DEVELOPMENT BONDS.—

"(1) IN GENERAL.—Paragraphs (4), (5), and (7) of subsection (b) shall not apply to any issue of obligations unless—

"(A) the issuing entity has conducted a public hearing regarding such issue before approving such issue,

"(B) such issue is approved—

"(i) by the highest elected official or legislative body (if elected) of the issuing entity (or, if any facilities being financed with such issue are located within the jurisdiction of a municipality (other than the issuing entity), by the highest elected official or legislative body (if elected) of such municipality), or

"(ii) in a referendum conducted by the issuing entity, and

"(C) the issuing entity has submitted to the Governor of the State (or any department or agency of the State designated by the Governor) for purposes of this paragraph—

"(i) a certification that the requirements of this paragraph has met with respect to such issue,

"(ii) a copy of the legal opinion of the bond counsel approving such issue, and

"(iii) such other information as the Governor (or such designated department or agency) shall require.

"(2) STATE REPORTING REQUIREMENTS.—

"(A) IN GENERAL.—Not later than June 30 of calendar year 1984 and each calendar year thereafter, each State shall submit to the Secretary a report containing such information as the Secretary may by regulations require with respect to industrial development bonds of such State (or any political subdivision thereof) which were issued during the 12-month period ending on April 30 of such calendar year.

"(B) GOVERNOR REQUIRED TO SUBMIT REPORT.—Any report required to be submitted under subparagraph (A)—

"(i) shall be submitted by the Governor of the State (or any department or agency of the State designated by the Governor for purposes of this paragraph), and

"(ii) shall be in such form as the Secretary shall by regulations prescribe.

"(C) INDUSTRIAL DEVELOPMENT BONDS.—For purposes of this paragraph, the term 'industrial development bond' means any industrial development bond (as defined in subsection (b)(2)) the interest on which is exempt from tax under this section."

SEC. 3. DENIAL OF BENEFITS OF ACCELERATED COST RECOVERY SYSTEM TO PROPERTY FINANCED WITH INDUSTRIAL DEVELOPMENT BONDS.

Subsection (b) of section 168 of the Internal Revenue Code of 1954 (relating to amount of deduction) is amended by adding at the end thereof the following new paragraph:

"(4) RECOVERY PERCENTAGE IN CASE OF PROPERTY FINANCED WITH INDUSTRIAL DEVELOPMENT BONDS.—

"(A) IN GENERAL.—In the case of any IDB financed recovery property, in lieu of any applicable percentage determined under any other provision of this subsection, the applicable percentage shall be determined by use of the straight line method over the recovery period determined in accordance with the following table:

"In the case of:	*The recovery period is:*
3-year property	3 years
5-year property	5 years
10-year property	10 years
15-year real property	15 years

15-year public utility property	15 years

"(B) IDB FINANCED RECOVERY PROPERTY.—For purposes of this paragraph, the term 'IDB financed recovery property' means any recovery property financed (in whole or in part) by the proceeds of an industrial development bond (as defined in section 103(b)(2)) the interest on which is exempt from tax under section 103, except any industrial development bond to which paragraph (1) of subsection (b) does not apply by reason of subparagraph (A) or (E) of paragraph (4) thereof.

"(C) SPECIAL RULES.—

"(i) CONVENTION.—Under regulations prescribed by the Secretary, the half-year convention shall apply to any IDB financed recovery property (other than 15-year real property).

"(ii) COORDINATION WITH PARAGRAPH (3).—This paragraph shall not apply to any property to which an election under paragraph (3) applies if the recovery period so elected is longer than the recovery period determined under subparagraph (A) of this paragraph.

SEC. 4. OTHER PROVISIONS APPLICABLE TO SMALL ISSUE INDUSTRIAL DEVELOPMENTS BONDS.

(a) EXCLUSION OF CERTAIN RESEARCH EXPENDITURES.—Subparagraph (F) of section 103(b)(6) of the Internal Revenue Code of 1954 (relating to exclusion of certain capital expenditures) is amended—

(1) by striking out "or" at the end of clause (ii),

(2) by adding "or" at the end of clause (iii), and

(3) by inserting after clause (iii) the following new clause:

"(iv) described in clause (i) or (ii) of section 44F(b)(2)(A)."

(b) COMPOSITE ISSUES PERMITTED.—Paragraph (6) of section 103(b) of such Code is amended by adding at the end thereof the following new subparagraph:

"(K) COMPOSITE ISSUES PERMITTED.—For purposes of this paragraph, any obligations issued as a distinct series of obligations shall be treated as a single issue of obligations separate from any other obligations if the other obligations have separate security, are issued at a different time, or are issued for a different purpose."

SEC. 5. LIMITATION ON ARBITRAGE RULES.

Paragraph (4) of section 103(c) of the Internal Revenue Code of 1954 (relating to arbitrage bonds) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to any industrial development bond (as defined in subsection (b)(2)) unless paragraph (1) of subsection (b) does not apply to such bond by reason of paragraph (4)(A) or (6) thereof."

SEC. 6. TAX-EXEMPT FINANCING OF DISTRICT HEATING OR COOLING FACILITIES.

(a) IN GENERAL.—Section 103(b)(4) of the Internal Revenue Code of 1954 is amended by striking out "or" at the end of subparagraph (H), by striking out the period at the end of subparagraph (I) and inserting in lieu thereof ", or", and by inserting after subparagraph (I) the following new subparagraph:

"(J) district heating or cooling facilities.".

(b) DISTRICT HEATING OR COOLING FACILITIES DEFINED.—Section 103(b) of such Code is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

"(10) DISTRICT HEATING OR COOLING.—For purposes of this section—

"(A) DISTRICT HEATING OR COOLING FACILITY.—The term 'district heating or cooling facility' means equipment and other property used as an integral part of a district heating or cooling system, including pipes and piping, pipe insulation, valves, pumps, expansion systems, heat exchangers, temperature controls, terminal units and meters, whether used by the producer, distributor, or consumer of district heating or cooling.

"(B) DISTRICT HEATING OR COOLING SYSTEM.—The term 'district heating or cooling system' means any system consisting of a pipeline or network, which may include or be connected to a heating or cooling source, which provides hot water, chilled water, or steam to 2 or more users for residential, commercial, or industrial heating or cooling, or process steam, or for any combination of such purposes.".

SECTION 7. TAX-EXEMPT FINANCING OF FACILITIES FOR THE LOCAL FURNISHING OF GAS

Paragraph (4) of section 103(b) of the Internal Revenue Code of 1954 (relating to industrial development bonds) is amended by inserting "or gas" after "electric energy".

SECTION 8. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as provided in subsections (b), (c), (d) and (e), the amendments made by this Act shall apply to obligations issued after December 31, 1982.

(b) SEC. 3.—The amendment made by section 3 shall apply to property placed in service after the date of enactment of this Act and financed (in whole or in part) by the proceeds of obligations issued after such date.

(c) SEC. 4.—The amendment made by section 4 shall apply to obligations issued after the date of enactment of this Act.

(d) SEC. 6.—The amendments made by section 6 shall apply to obligations issued after the date of enactment of this Act with respect to facilities the construction of which began after December 31, 1981.

(e) SEC. 7.—The amendment made by section 7 shall apply to obligations issued after the date of enactment of this Act.●

WATERGATE AND THE RULE OF LAW

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. MATTOX. Mr. Speaker, 10 years ago today, in the early morning hours, officers of the Washington police apprehended five burglars in the offices of the Democratic National Committee in the Watergate office complex.

To most people at the time, the meaning of this break-in was not clear, although the fact that these were probably the best-dressed burglars in the history of crime may have raised some people's eyebrows.

This action set in motion a chain of events that culminated in the resignation from office of the highest official of the land. Along the way, a set of outrageous abuses of power and office was revealed.

But in the end, the rule of law prevailed. Our system worked. The President of the United States was held responsible for his actions and forced to resign.

Watergate and our country's response to it show once again the wisdom of our Founding Fathers. When this sordid scandal began, there were many in our country who said that the President would never be impeached. They claimed that the impeachment provisions of the Constitution were outdated and could not be used in the 20 century. How wrong they were. This House responded, in perhaps its finest hour, in a way that would have made Madison and Jefferson proud. Members put their obligation to the Constitution above considerations of party and voted on the basis of the evidence presented to them. The House vote three articles of impeachment against President Nixon. There can be no doubt that the Senate would have voted to convict him if he had not resigned.

We are one of the few nations in this world where the highest official of government can be held accountable for his actions and be removed from office in a peaceable constitutional and legitimate way. This is something for which we should truly be thankful.

Watergate also showed how important our free press and our system of checks and balances are in dealing with the abuse of governmental power. It was a skeptical and free press that dug out many of the important pieces of information, especially in the early stages of the investigation. In fact, without the efforts of the press, it is possible that the investigation might never have gotten off the ground. The Special Prosecutor's force and the courts—from the trial judge to the Supreme Court—upheld the fundamental principle that no man is above the law. And Congress responded in accordance with its constitutional obligations. The Ervin committee in the Senate exposed the full extent of the abuse of power and discovered the existence of the White House taping system. The Judiciary Committee in the House pieced together all the evidence available in a clear and convincing way.

Watergate presented our Nation with its gravest constitutional crisis of the century. Let us hope and pray that we never have to go through such an experience again.

But we learned something very important from this tragedy. We learned that under our Constitution, no person, no matter what office he may hold, is above the law. All will be held accountable.

To the extent that we remember this lesson, we may not have to go through such a trauma again.●

THE 5TH ANNUAL CONGRESSIONAL CLASSROOM PARTICIPANTS

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. CAMPBELL. Mr. Speaker, it was my privilege to bring 32 high school students from the Fourth District of South Carolina to our Nation's Capital for the 5th Annual Congressional Classroom. This program provided these outstanding students with a firsthand look at the inner workings of the Federal Government and our Nation's history as well as the landmarks of Washington, D.C. I hope and truly believe that the participants in this year's classroom gained experiences that will genuinely enhance their future endeavors.

These rising seniors were chosen by their high schools to participate in the program. The intensive 4-day program gave the students a chance to see a variety of cultural and historic events and places, including a play at the Arena Stage, tours at the Supreme Court, FBI, White House, and the Smithsonians; briefings at both the State Department and the Organization of American States. As I met with these bright students, I was quite impressed with their interest in government and their knowledge of current affairs. I was kept on my toes answering their questions.

Their interest and concern only served to confirm my conviction that young people can only benefit from the opportunity to ask their elected Representatives questions, to see the making of our laws as it occurs, and to experience the riches of their Nation's heritage and culture. I have no doubt that all of us involved in the program took something valuable away from their experience, whether it was a new knowledge of one's government, or, as in my own case, a greater respect for the young people of our Nation and a new hope for our country's future.

We are fortunate in the Fourth District to have civic-minded companies who share my belief in the young people, and I would like to offer a special word of appreciation to these companies who offered the support which made this program possible. These public spirited companies are: Milliken & Co.; J. P. Stevens & Co. Foundation; Foremost-McKesson Chemical Group; Reigel Textile Corp.; Union Camp Corp.; Cone Mills Corp.; Phillips Fibers Corp.; Kohler Co.; Stone Apparel; Duke Power Co.; Mascot Homes Inc.; Spartan Mills; J. E. Sirrine Co.; Her Majesty Industries, Inc.; Henderson Advertising Inc.; Inman Mills; Fiske-Carter Construction Co.; the Morrow Foundation; PYA/Monarch Food Service; Intex Products Inc.; Arkwright Mills; Lucas CAV; Spartanburg Medical Group, P.A.; Westvaco; Zima Corp.; Hoechst Fibers Industries; Bell Pharmacal Corp.; American Federal Savings & Loan Association; the Spartan Radiocasting Co.; Dan River Inc.; the Liberty Corp.; Monsanto Co.; Daniel Construction Co.; Mayfair Mills; Spartan Food Systems, Inc. and subsidiaries; W. R. Timmons Agency; Spartan Grain & Mill Co.; Cooper Motor Lines, Inc.; South Carolina Tees of Columbia, S.C., and the Golden Palace Restaurant, Washington, D.C.

I also want to congratulate each of the congressional classroom participants and their parents and to assure my colleagues that if these students are typical of the upcoming generation, then our future is in excellent hands. This year's classroom included: Donald Bloxham, Jr., son of Mr. and Mrs. Donald R. Bloxham; Steve Bolin, son of Mr. and Mrs. Ken Bolin; Lori Ann Brady, daughter of Mr. and Mrs. Lonnie J. Brady; Melanie Brown, daughter of Dr. and Mrs. Charles Brown; Scott Franklin Case, son of Mr. and Mrs. William Case; Cynthia Jane Cash, daughter of Mr. and Mrs. George D. Cash; Laura Cochran, daughter of Mr. and Mrs. Lenwood S. Cochran; Michele DeWerth, daughter of Mr. and Mrs. John P. DeWerth; Edward Frazier, son of Mr. and Mrs. Edward Frazier; Kevin Dale Hardy, son of Mr. and Mrs. Clyde Hardy; Debbie Hayes, daughter of Mr. and Mrs. Frederick B. Hayes; Tania Jones, daughter of Mr. and Mrs. Eddie Jones; Kevin Kelly, son of Mr. and Mrs. H. G. Whitmire; Joseph Kip Kelly, son of Mr. and Mrs. J. T. Kelley; Angela Kirby, daughter of Mr. and Mrs. Tony Kirby; Ricky Knight, son of Mr. and Mrs. W. Ronald Knight; Shannon Loyless, daughter of Mr. and Mrs. Orville Loyless; Charles Frederick Manning II, son of Mr. and Mrs. Charles Frederick Manning, Jr.; Albert Mossburg, son of Mr. and Mrs. Harland Mossburg; Colleen O'Conner, daughter of Mr. and Mrs. James J. O'Conner; Melanie Ramsey, daughter of Mr. and Mrs. Mel Ramsey; Troy Ira Rimel, son of Mr. and Mrs. Paul Rimel; Kenneth Mark Saunders, son of Mr. and Mrs. Kenneth Saunders; Maurice Seko, son of Dr. and Mrs. Emanuel Seko; Helen Chris Sims, daughter of Mr. and Mrs. J. C. Sims, Jr.; Robert J. Stahlsmith, Jr., son of Mr. and Mrs. Robert J. Stahlsmith; Lori Stankus, daughter of Mr. and Mrs. John Stankus; Tracy Tuck, daughter of Mr. and Mrs. Jerry Tuck; Lemond Vanderford, son of Mr. and Mrs. Lawrence Vanderford; Jennifer Ann Vogt, daughter of Mr. and Mrs. James W. Vogt; Amy Whitehurst, daughter of Mr. and Mrs. Jan Whitehurst; Randy Young, son of Mr. and Mrs. Raymond L. Young.●

RECOGNITION OF COMDR. ROGER F. WHALEN

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. FARY. Mr. Speaker, today I rise to give special recognition to this Nation's first line of defense—law enforcement. Our sworn officers in America today are fighting an ongoing battle, a battle we should all be aware of. Our survival rests in the hands of the policemen and policewomen who daily risk their lives in order to insure our safety.

One of Chicago's "Finest" is deserving of special recognition for his efforts in stemming the rise of crime. Comdr. Roger F. Whalen of the 009 police district has won the respect and gratitude of the men, women, and children of the Fifth Congressional District which I have been proud to represent since 1975.

Under Commander Whalen's leadership the 009 district has accomplished a drastic reduction in major crimes. In a comparative analysis between the first 6-month period of last year and this year, we find that murder has decreased 14.2 percent, forcible rape has decreased 25 percent, and serious assault has decreased 10.3 percent. These statistics are remarkable in light of the soaring increase in crime our Nation in experiencing.

Special recognition is in order not only for Commander Whalen but also for the police officers under his command. They truly exemplify the oath they took when first joining the ranks of Chicago's Finest: "To serve and protect."

I salute Commander Whalen's efforts and I know he has won the praise of not only the people of my district, but of the entire city of Chicago. This Nation's police officers must continue to receive our wholehearted support in their never-ending war against crime.

NATIONAL ORCHESTRA WEEK

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. RHODES. Mr. Speaker, it is a pleasure to welcome to Washington the representatives from orchestras across the country who have gathered here this week for the 37th annual conference of the American Symphony Orchestra League. We are fortunate in this country to boast of over 1,500 symphony and chamber orchestras located in all 50 States, the District of Columbia, and Puerto Rico.

In my congressional district we are especially fortunate in having outstanding symphony orchestras in Phoenix, Scottsdale, and Mesa. The Phoenix Symphony Orchestra this year is celebrating its 35th anniversary season. Beginning in 1947 with a modest budget of $30,000 and four subscription concerts in its inaugural season, the orchestra has steadily improved its artistic level while adding to the number and variety of its presentations.

Eighty-five talented musicians are contracted for the season extending from mid-September to late May. In addition to the basic 12 classical concert pairs, the orchestra offers 9 pops concerts, 3 Christmas concerts, a dozen or more young people's concerts during the autumn and spring, and out-of-town performances. In addition to their concert schedules, many players from the orchestra provide music for the Arizona Opera Company and Ballet West, while others participate in ensemble work, as well as in the music-in-the-schools program, a continually growing effort to provide children with live musical experiences and to build future audiences.

The Scottsdale Symphony Orchestra was founded in 1972 by a small group of professional musicians, who wanted to develop a "musician's orchestra." By 1974, they were giving weekly ensemble concerts in a local shopping mall. By February 1975 the group had expanded to a full symphonic ensemble of 50 members. The first full concert of the orchestra was given in May of 1975, and was followed by concerts in June and September. In the 6 years that the Scottsdale Symphony Orchestra has been performing subscription concerts, it has acquired a musical reputation that is astounding.

The Mesa Symphony conducted its opening concert back in 1956. Under the direction of conductor, Maurice Dubonnet, and orchestra manager, Larry Tamburri, the orchestra has made fantastic strides. The Mesa Symphony offers five subscription concerts and several pops concerts.

An activity of which the Mesa Symphony is particularly proud, and properly so, is its children's concert educational program. The program includes classroom instructions and concert attendance by the school district's third graders. Over 3,000 children are privileged to participate in this innovative program. After completion of their third grade, these children are recruited for instrument instruction in their schools.

Arizonans are proud of their symphony orchestras. And all Americans should be proud of the hundreds of other orchestras throughout our Nation. These talented musicians deserve our support and gratitude for the enrichment they bring into our lives.●

ACCELERATED COST-RECOVERY SYSTEM (ACRS)

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. SHANNON. Mr. Speaker, last year the Congress and the President made a terrible mistake. The tax bill had a number of major problems. But from the point of view of working Americans, none of those problems was more destructive than the accelerated cost recovery system, or ACRS.

The ACRS was at the heart of President Reagan's 1981 tax program. Despite that, and even though it has been one of the most expensive and least effective tax cuts in the Nation's history, ACRS has received comparatively little public attention.

That is ironic, because ACRS has had an enormous impact on the revenue picture in this country. It alone will drain from the Treasury $143 billion by 1986. This, as much as anything else, is at the root of the growing deficit crisis.

The purpose of this vast tax cut was to stimulate investment. The result of this great stimulus has been a projected decline in investment. This administration's Commerce Department reports that businesses are planning to spend 2.4 percent less for new plants and equipment in 1982 than they spent in 1981.

ACRS is failing, and failing dramatically. This country can no longer afford to ignore the terrible shortcomings inherent in this system.

We now know that the budget will require tax increases for fiscal year 1983. Before we do anything else in taxes, we must reform ACRS.

Today I am introducing the Business Tax Reform Act of 1982. This is a bill which will repeal the worst features of the ACRS giveaway program.

This action would not be necessary if ACRS had accomplished at least some of what its proponents has promised. But it has failed to stimulate investment. It has failed to build plants. It has failed to spur the purchase of new equipment.

ACRS has had only one success. For big businesses it has been a bonanza. They have been able to load up their wagons with all kinds of excessive tax breaks.

The business lobby that pushed this bill through promised that the ACRS tax loopholes would translate into expanded business activity and investments.

Congress went along. Members wanted to believe the business interests when they said that ACRS would produce new jobs and opportunities for working Americans.

But 18 months of testing this theory paints a grimmer picture. It is a picture of large budget deficits, growing unemployment, and declining investment. Certainly someone somewhere is profiting from ACRS. But so far, working Americans are not seeing even the trace of a trickle.

It is not surprising, then, that the majority of Americans no longer believe that Reaganomics will work. Americans want lower deficits, and they want an end to tax giveaways like ACRS.

Unfortunately, we have heard some people on both sides of the congressional aisle suggest that the deficit crisis be addressed by repealing the third year of the tax cut. Even some well-intentioned liberals seem to be supporting this approach. They were against Kemp-Roth initially—and so they imagine that to be consistent they must now seek to repeal the third piece of that bill.

But the facts show that a different approach should be taken. They show that the third year of the tax cut is of most value to middle- and lower-income earners. Yes, those of us who were opposed to Kemp-Roth are eager now to see some fairness returned to our tax structure. But repealing the third year of the tax cut is not the way to go about it.

Genuine reform—reform that serves the people instead of corporations—must begin with reform of the system of business taxes. This is not a question of being vindictive. It is merely a question of having a tax system that generates revenues in a fair way. And it means having tax incentives that produce real results. ACRS comes up dramatically short on both those counts.

We are just now beginning to understand how generous ACRS is for big business. In fact, for some companies, it is so generous that it produces more tax benefits than they are able to use. Knowing that this would be the case, the Reagan administration built a device into ACRS which allowed companies who had more credits than they could use to sell those credits to other companies. This "safe harbor" leasing provision has received a lot of well-deserved criticism. But leasing is just the tip of the iceberg. The real, larger issue is ACRS.

A close look at the ACRS provisions shatters the myth of oppressive corporate taxes. Effective corporate taxes—after depreciation, investment credits, deductions for operating losses, and other tax benefits—have been dropping drastically over the past four decades. They went from about 40 percent in the 1950's, to 35 percent in the early 1960's, to 25 percent when President Reagan took office. When ACRS takes full effect in 1986, the corporate income tax will be reduced even further. And the corporate share of Federal revenues will have dropped from

12.4 percent (1980), to 7.1 percent (1987).

ACRS goes beyond generosity. In fact, it results in the Federal Government giving many companies a subsidy, just as if they were receiving an entitlement. Many companies are actually experiencing negative tax rates. In those cases, the values of the tax credit actually exceeds the profit earned by the company as a result of the investment in new plants and equipment. In short, ACRS is sheltering profits which have nothing to do with the investment it is supposed to stimulate.

And in 1985 and 1986, this program will become even more flagrantly generous. To leave it unaltered, in the midst of our current deficit crisis, would be both unfair and unwarranted.

The Business Tax Reform Act would repeal or modify the most egregious and useless aspects of ACRS. First, it would prevent ACRS from becoming more indulgent in the future by repealing the further acceleration of the depreciation schedules in 1985 and 1986. It would also end the abusive buying and selling of excess tax credits now allowed through the leasing provision. This provision has already proven itself a wasteful and inefficient means of assisting troubled industries. Other methods must be found.

In addition, I propose to limit the depreciation allowances to take into account the investment tax credit. Under present law, investors are allowed to depreciate even that portion of their investment that is paid for by the Federal Government through the investment tax credit. There is no reason for us to allow this kind of double dipping.

Finally, my bill would increase the cost recovery period for structures from 15 years to 20 years. The 15-year recovery period provides excessive tax benefits, and it bears no relation whatsoever to the actual useful lives of structures. We simply cannot afford that kind of depreciation scheduling—not with our current deficit crisis.

The Business Tax Reform Act would eliminate the worst parts of ACRS and raise significant revenues, particularly in future years.

But just as importantly, this bill will show the American people that this Congress is not going to be bought and sold by big business. It will show that we are able to stand up to the kinds of well-financed corporate interests who are constantly knocking on our doors, asking for their own form of welfare.

This Nation needs more than a tax program which increases revenues. It needs a tax program that is fair. A program that generates revenues by making sure that business bears its fair share of the burden of running this country.

As a system of incentives, ACRS has clearly failed. If the Congress does nothing else this year, we must reform this costly and ineffective program.

A summary and the bill follow:

THE BUSINESS TAX REFORM ACT OF 1982

SECTION-BY-SECTION SUMMARY

Section 1. Title.

Section 2. Repeal of Special Leasing Rules

The "safe harbor" leasing provisions of section 168(f) of the Internal Revenue Code, added in the 1981 Tax Act, which guarantee certain lease transactions involving tangible personal property treatment as leases for federal income tax purposes, regardless of nontax economic substance, would be repealed. This change would be effective for property placed in service in taxable years ending after the date of enactment of this Act.

Section 3. Repeal of Acceleration in Deductions

The 1981 Tax Act set up a statutory recovery percentage schedule for depreciation deductions that approximates the use of a 150 percent declining balance method in the early years of cost recovery for property placed in service between 1981 and 1984. It set up schedules for 1985 and 1986 approximating declining balances of 175 percent and 200 percent respectively. These last two schedules would be repealed and the schedule now in effect continued in 1985 and beyond.

Section 4. Basis Adjustment for Amount of Investment Tax Credit

The basis of depreciable property for purposes of depreciation deductions is now determined by the cost of acquiring it without regard to the effect of the investment tax credit. This Act would reduce the basis of depreciable property for cost recovery purposes by the amount of any investment tax credit, as determined under paragraph (2) of Section 46(a) of the Internal Revenue Code, received by the taxpayer with respect to it. If a recapture of this credit later occurs, the basis of the property will be increased by an amount equal to the amount recaptured. An exception is provided for qualified rehabilitation expenditures in connection with a certified historic structure.

Section 5. 20-Year Recovery Period for Real Property

The 1981 Tax Act replaced the various depreciation schedules for real property with a 15-year recovery period, with elective alternative periods of 35 and 45 years. This would be changed to a 20-year recovery period; the elective alternatives would remain the same.

ESTIMATED REVENUE EFFECTS OF BUSINESS TAX REFORM ACT PROVISIONS

[In billions of dollars]

	1983	1984	1985	1986	1987
(1) Repeal safe harbor leasing (effective Feb. 10, 1982)	$3.2	$5.1	$6.7	$9.0	$11.7
(2) Repeal 1985 and 1986 depreciation accelerations			1.5	9.6	17.4
(3) Basis adjustment for investment tax credits	0.8	2.7	5.0	8.1	11.1
(4) 20-year life for structures	.2	1.1	2.5	4.0	5.5

H.R. 6617

A bill to amend the Internal Revenue Code of 1954 to repeal the special leasing rules added by the Economic Recovery Tax Act of 1981, to repeal the acceleration of the depreciation deductions which will occur in 1985, and for other purposes

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Business Tax Reform Act of 1982".

SEC. 2. REPEAL OF SPECIAL LEASING RULES.

(a) GENERAL RULE.—Paragraph (8) of section 168(f) of the Internal Revenue Code of 1954 (relating to special rule for leases) is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply with respect to property placed in service after the date of the enactment of this Act in taxable years ending after such date. For purposes of the preceding sentence, the determination of when property is placed in service shall be made without regard to the second section of section 168(f)(8)(D) of the Internal Revenue Code of 1954 as in effect before its repeal by subsection (a).

SEC. 3. REPEAL OF ACCELERATION IN DEDUCTIONS.

(a) GENERAL RULE.—Paragraph (1) of section 168(b) of the Internal Revenue Code of 1954 (relating to amount of recovery deduction) is amended by striking out subparagraphs (B) and (C).

(b) TECHNICAL AMENDMENTS.—Paragraph (1) of section 168(b) of such Code is amended—

(1) by striking out "the following tables" and inserting in lieu thereof "the following table", and

(2) by striking out the heading for subparagraph (A).

SEC. 4. BASIS ADJUSTMENT FOR AMOUNT OF INVESTMENT TAX CREDIT.

(a) GENERAL RULE.—Section 48 of the Internal Revenue Code of 1954 (relating to definitions; special rules for investment tax credit) is amended by inserting after subsection (g) the following new subsection:

"(h) ADJUSTMENTS TO BASIS.—

"(1) IN GENERAL.—The basis of any section 38 property shall be reduced, for purposes of this subtitle other than this subpart, by an amount equal to the credit determined under paragraph (2) of section 46(a) with respect to such property.

"(2) CERTAIN DISPOSITIONS.—If, during any taxable year, there is a recapture amount determined with respect to any property the basis of which was reduced under paragraph (1), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under section 47.

"(3) NO BASIS REDUCTION FOR CERTIFIED HISTORIC STRUCTURES.—No reduction shall be made under paragraph (1) with respect to any qualified rehabilitation expenditure in connection with a certified historic structure (as defined in subsection (g)(3))."

(b) TECHNICAL AMENDMENT.—Paragraph (5) of section 48(g) of such Code is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enact-

ment of this Act in taxable years ending after such date.

SEC. 5. 20 YEAR RECOVERY PERIOD FOR REAL PROPERTY

(a) GENERAL RULE.—Subparagraph (A) of section 168(b)(3) of the Internal Revenue Code of 1954 (relating to amount of depreciation deduction for real propety) is amended by striking out "15-year recovery period" and inserting in lieu thereof "20-year recovery period".

(b) CONFORMING AMENDMENTS.—

(1) The table contained in section 168(b)(3)(A) of such Code is amended by striking out the item relating to 15-year real property and inserting in lieu thereof the following:

"20-year real property.....	20, 35, or 45 years".

(2) The following provisions of the Internal Revenue Code of 1954 are each amended by striking out "15-year real property" each place it appears (including in any heading) and inserting in lieu thereof "20-year real property":

(A) section 168,
(B) section 1245(a),
(C) section 57(a)(12), and
(D) section 312(k)(3).

(3) Subparagraph (B) of section 57(a)(12) of such Code is amended by striking out "15-year period" and inserting in lieu thereof "20-year period".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of enactment of this Act in taxable years ending after such date.●

BALTIC GENOCIDE DAY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. CONTE. Mr. Speaker, this week we are reminded again of how precious our freedoms and rights are as we remember the dark night of tyranny which fell across Estonia, Latvia, and Lithuania, on June 14, 1940. The Soviet Union sought to crush and obliterate the independent identities of the Baltic peoples through invasion, occupation, deportation, and execution. Moscow has continued its oppressive policies for the past 42 years.

All Baltic-Americans can be proud that the name Estonian, Latvian, and Lithuanian, has come to symbolize a people who are unwilling to end their struggle for liberty, justice, and self-determination. The heavy oppression of the Soviet Union has been unable to destroy the spark of freedom which burns brightly in the hearts and minds of all Baltic people. Indeed, the valiant example of the citizens of Estonia, Latvia, and Lithuania, has been a shining light for oppressed nationalities in enslaved countries across Europe and around the world. I am certain the day will come when we will again welcome a free Estonia, Latvia, and Lithuania into the family of nations.

Mr. Speaker, as we today honor the brave patriots of the Baltic, let us pause to give thanks for the liberties and freedoms we have in the United States. Too often we take these for granted. Instead, let us rededicate ourselves to upholding the principles of tolerance for ethnic, religious, linguistic, and political differences between us. This is the foundation of a free society. By remaining true to our ideals, we can remain strong and give hope to those who are struggling to be free.●

FLIGHTS ADDED AT DULLES AIRPORT

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. WOLF. Mr. Speaker, a balanced system of air transportation is vital to the Washington metropolitan area and I would like to bring to the attention of my colleagues a recent article by Linda Lantor in the Fairfax Journal which reports on the success of new flights which have been added at Dulles International Airport.

The article follows:

[From the Farifax Journal, June 14, 1982]

ADDITIONAL FLIGHTS AT DULLES SOARING HIGH WITH SUCCESS

(By Linda Lantor)

Nine new flights that have been taking off from Dulles International Airport for the last six months are faring well, and others are expected to soar into the skies over Northern Virginia in the next several years, according to airport officials.

The six airlines initiating the new flights—Christman Air System, Federal Express, Northwest Orient, Pan American, United and Western—represent the beginning of a slow trickle that will become a steady stream of new business for the airport, which has been working hard to add new routes to its range of destinations, said Tom Hyland, a spokesman for the Washington Dulles Task Force.

"One thing the airlines have not really realized (is) how much growth is in the Dulles area . . . If people can get the adequacy of service out of Dulles . . . then they are going to prefer to fly out of Dulles," Hyland said.

In fact, the number of people now using Dulles—2.2 million—would double if those who preferred to fly out of that airport were not compelled to use National because of flight schedules, according to a 1981 survey by the Metropolitan Council of Governments.

Pittsburgh, Salt Lake City, Sacramento, Tulsa, Oklahoma City, Chicago, Milwaukee and Richmond are among the new destinations that Dulles travelers have been flying to since January 1. Federal Express has also started a new freight route to Memphis.

And the new routes are really taking off, according to airline officials.

Passenger loads are 25 percent ahead of projections and the Western Airlines flight to Salt Lake City and Sacramento, which started May 1, is doing "very well," said Glenn Bozarth, a Western spokesman.

Pan Am, which started several new flights to Tulsa, Oklahoma City and New York's John F. Kennedy Airport on June 1, is "pleased" with passenger response, said spokeswoman Ellen Flynn. Pan Am started the new flights because "we feel it will (be) extremely useful to travelers," Flynn said.

Efforts to add new routes to the Dulles flight roster have been under way for several years.

Landing fees, a standard airport bill for airlines, and mobile lounge charges were waived during 1981-1982 in an effort to encourage airlines to use the airport, which competes with Washington National Airport and Baltimore Washington International Airport.

National, with 14.5 million passengers annually, is the area's busiest airport, followed by BWI with nearly 4 million passengers.

The effects of deregulation, the high price of fuel and the recession in the late 1970s encouraged airlines to stop flight to Dulles "so we actually lost a lot of service out there," said David Hess, a Federal Aviation Administration spokesman.

In addition, Washington National Airport is "so convenient" that it draws the most passengers and consequently the most flights, Hess said.

National carries 550 flights daily while Dulles carries only about one-fifth as many, he said.

But that inequity will soon be remedied by an annual passenger cap on National Airport that started last January, said William Jackman, a spokesman for the Air Transport Association of America.

The new ceiling is 16 million passengers, according to Jackman, so, with growth at National limited, the addition of more flights and passengers to Dulles is "inevitable" in about two years.

And the Washington-Dulles Task Force has been working hard to see that that happens.

The FAA is in the process of setting up a better bus transportation system from the airport to points in the Washington metropolitan area and some are running already, Hyland said.

The connector road between I-66 and the Dulles access road should be ready by September 1983, which will help quell the cry that the Northern Virginia airport is too isolated.

And, Hyland said, the task force will continue to conduct studies, like ones completed recently, to show the airlines that the demand for new service at Dulles exists.●

BALANCED BUDGET AMENDMENT

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. JENKINS. Mr. Speaker, according to a just released national poll, 79 percent of the public in all income, educational, and geographic categories favors the tax limitation/balanced budget amendment, H.J. Res. 350. Of this very high total, 59 percent responded they strongly favor such an amendment while only 8 percent strongly opposes the amendment.

I also call to the attention of my colleagues the intensity factor of the amendment as revealed in this national survey. A total of 73 percent of the voters said they would be likely to vote for a proamendment candidate in congressional elections this fall. Included among the 73 percent were 45 percent who would much more likely vote for such a candidate while only 6 percent said they would much less likely support a proamendment candidate.

Commenting on their poll, Fred Steeper of Market Opinion Research said that:

It shows a non-partisan consensus that cuts across all groups. . . . Another dramatic indication of amendment acceptance is the intensity of support vs. opposition. . . . Strong public agreement with the amendment outranks strong opposition by a majority of at least 5 to 1.

Mr. Speaker, there is a solution to the present protracted conflict over the budget, to our $1 trillion national debt which is scheduled to be raised several hundred billion dollars in a few weeks, to soaring deficits, and to many of our present economic problems. It is H.J. Res. 350, the tax limitation/balanced budget amendment, whose approval by Congress will reassure the public, American business, and the world that the United States is determined to bring Government spending and taxing under control and keep it under control.

I insert in the RECORD the findings of the survey conducted by Market Opinion Research of Detroit, Mich.

HERE ARE SOME AMENDMENTS TO THE CONSTITUTION OF THE UNITED STATES THAT HAVE BEEN PROPOSED BY VARIOUS PEOPLE AND ORGANIZATIONS. FOR EACH ONE, PLEASE TELL ME IF YOU GENERALLY FAVOR OR OPPOSE ADDING SUCH AN AMENDMENT TO OUR CONSTITUTION

[In percent]

	Party identification				Regions							
	Total	Republican	Independent	Democrat	New England	Mid Atlantic	East North Central	West North Central	Border	Deep South	Mountain	Pacific
Total (percent)	100	100	100	100	100	100	100	100	100	100	100	100
Number of cases	1,503	334	626	535	83	857	275	114	112	380	75	208
An amendment that would require Congress to plan a balanced budget each year:												
Very strongly favor	59	65	61	53	57	50	63	64	59	62	63	54
Not too strongly favor	20	21	17	23	22	24	21	14	17	19	17	20
Neither (Vol.)	1	1	1	1	1	1	.....	1	.....	1	.....	1
Not too strongly oppose	7	7	8	7	9	7	4	8	9	6	10	11
Very strongly oppose	8	5	9	10	8	14	8	7	5	7	7	9
Undecided	4	1	4	7	3	3	3	6	10	5	2	4
PDI [1]	+63	+73	+62	+58	+62	+54	+72	+63	+63	+68	+63	+53
An amendment that would limit the amount of money that Congress could spend each year:												
Very strongly favor	54	55	58	50	48	52	60	48	48	57	63	49
Not too strongly favor	19	20	17	21	26	22	18	16	18	18	19	16
Neither (Vol.)	2	2	1	2	.....	2	2	.....	2	2	.....	2
Not too strongly oppose	10	10	9	12	15	9	5	16	17	9	7	13
Very strongly oppose	10	9	10	10	8	10	10	12	8	8	4	15
Undecided	6	4	5	7	3	4	6	7	6	6	7	5
PDI [1]	+53	+56	+55	+49	+51	+54	+63	+37	+41	+57	+72	+37

	Education				Income		
	Less than high school	High school/ vocational	Some college	College graduate	Under $15,000	$15,000 to $30,000	$30,000+
Total (percent)	100	100	100	100	100	100	100
Number of cases	224	579	359	338	435	589	356
An amendment that would require Congress to plan a balanced budget each year:							
Very strongly favor	49	64	63	53	57	60	61
Not too strongly favor	28	21	17	17	23	18	18
Neither (Vol.)	.....	1	1	1	(2)	(2)	1
Not too strongly oppose	7	5	7	12	7	7	7
Very strongly oppose	6	6	10	13	5	11	9
Undecided	10	5	3	3	6	3	3
PDI [1]	+64	+74	+63	+44	+69	+60	+62
An amendment that would limit the amount of money that Congress could spend each year:							
Very strongly favor	55	59	55	44	56	55	53
Not too strongly favor	15	20	22	16	17	19	18
Neither (Vol.)	1	1	2	2	1	2	1
Not too strongly oppose	13	5	8	20	9	10	13
Very strongly oppose	9	8	8	14	9	10	11
Undecided	7	6	5	4	7	4	4
PDI [1]	+49	+65	+60	+26	+56	+54	+48

[1] PDI: Percentage difference index equals percent favor minus percent oppose.

[2] Less than 0.5 percent.

WOULD YOU BE MORE LIKELY OR LESS LIKELY TO VOTE FOR A CANDIDATE FOR CONGRESS IF YOU LEARNED HE OR SHE SUPPORTED A CONSTITUTIONAL AMENDMENT REQUIRING CONGRESS TO PLAN A BALANCED BUDGET EACH YEAR?

WOULD YOU BE MUCH (MORE/LESS) LIKELY OR JUST SOMEWHAT (MORE/LESS) LIKELY TO VOTE FOR THAT CANDIDATE?

[In percent]

	Total	Party identification			Regions							
		Republican	Independent	Democrat	New England	Mid Atlantic	East North Central	West North Central	Border	Deep South	Mountain	Pacific
Total (percent)	100	100	100	100	100	100	100	100	100	100	100	100
Number of cases	1,503	334	626	535	83	857	275	114	112	380	75	208
Much more likely	45	49	46	40	46	41	48	41	45	50	53	35
Little more likely	28	30	28	27	30	25	29	35	29	24	23	33
No difference	7	7	9	6	9	11	6	7	9	5	6	10
Little less likely	6	6	4	8	6	7	5	2	5	7	5	7
Much less likely	6	1	6	8	1	6	6	5	7	6	8	5
Undecided	8	7	7	11	8	10	6	9	6	9	5	10
More likely	73	79	74	67	76	66	77	76	74	73	76	68
Less likely	12	7	10	16	7	13	11	8	12	13	13	13

	Education				Income		
	Less than high school	High school/ vocational	Some college	College graduate	Under $15,000	$15,000 to $30,000	$30,000+
Total (percent)	100	100	100	100	100	100	100
Number of cases	224	579	359	338	435	589	356
Much more likely	40	48	46	41	43	46	48
Little more likely	30	28	30	24	29	28	27
No difference	3	5	9	13	6	8	10
Little less likely	7	5	4	9	7	6	6
Much less likely	6	5	4	9	5	6	5
Undecided	14	8	7	5	11	6	4
More likely	70	76	76	65	71	74	75
Less likely	13	10	8	17	12	12	11

[1] PDI: Percentage difference index equals percent favor minus percent oppose. [2] Less than 0.5 percent.●

BALTIC GENOCIDE DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. DERWINSKI. Mr. Speaker, on June 14, 1940 the Soviet Union began the illegal incorporation of the Baltic States into the U.S.S.R. The imperialist policies of Soviet Communists led to the deportation of hundreds of thousands of Lithuanians, Latvians, and Estonians to the remotest corners of Siberia, never again to return to their homelands. The atrocities of those years are a historical fact, which reflected then and continue to reflect today the attitude of the Soviet Union toward human rights.

Before the conquest of these three nations, they had a short yet glorious period of independence. Latvia, Lithuania, and Estonia all declared their independence and enjoyed democratic governments until 1940. Under Stalin, tens of thousands of the Baltic peoples were killed and over a million were deported to slave labor camps. Many others were removed from their homelands because of their resistance to the subjugation or because of their political and religious views. As the Estonians, Latvians, and Lithuanians were deported, they were replaced by peoples from other areas of the Soviet empire. This exchange of population has substantially altered the ethnic composition of the Baltic nations. Only through russification can the Russian rulers hope to destroy the national identity of the Baltic people.

Throughout the free world, the peoples of Estonian, Latvian, and Lithuanian origin have maintained their traditional civic, cultural, and church organizations and bravely continued their efforts on behalf of their enslaved compatriots held captive within the U.S.S.R. The Soviet Union blatently ignores the human rights provisions of its (impotent) Constitution. Their well polished propaganda heavily administered in international forums makes a mockery of any real negotiations between the U.S.S.R. and the United States regarding issues of human rights.

In the past, we in the House of Representatives, have recorded our denunciation of the Soviet annexation of the Baltic nations in the passage of resolutions expressing in the nonrecognition of the Soviet Union's forcible annexation of the Baltic States. Therefore, it is necessary for the policy of the United States to continue to be that of nonrecognition; and further to demand the release of political prisoners of Estonian, Latvian, and Lithuanian nationality from Soviet incarceration and return the right of self-determination and territorial integrity to the Baltic nations.

As we draw attention to this tragic anniversary, we must recognize that it is the responsibility of the United States to support the cause of freedom for these Baltic peoples. Only with the end of political repression, religious persecution, and cultural genocide in these nations can the legitimate aspirations of the Baltic peoples be fulfilled.

SPECIAL PROSECUTOR NEEDED FOR OIL OVERCHARGES

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. GORE. Mr. Speaker, today, I am introducing legislation which would establish a special prosecutor to investigate and litigate violations of the oil pricing regulations under the Emergency Petroleum Allocation Act. I am reluctant to take this serious step. However, I believe that such action is necessary. The Department of Energy appears to be on the verge of—in effect—granting amnesty to law violators in the oil industry. This legislation will be needed if we are to bring

these white-collar criminals to justice and, once and for all, put an end to what is the largest conspiracy, in monetary terms, ever perpetrated against the American people.

The failed administration and enforcement of the crude oil pricing regulations represents a dismal chapter in the history of Government regulation. It is true that many of the oil pricing provisions were complex and often ambiguous, presenting a formidable task to energy regulators. Yet the Federal Energy Administration and its successor, the Economic Regulatory Administration, was slow to develop the resolve and the sense of purpose necessary to achieve success. But what proved fatal to the program was the indifference and often outright defiance of these regulations by the oil industry.

Members of Congress, in enacting the Emergency Petroleum Allocation Act, knew they were not creating an administratively or economically efficient program. Complex oil pricing regulations, in this sense, were a concession to equity—an attempt to protect consumers from the skyrocketing price of oil and to prevent the oil industry from hoarding an embarrassment of riches. Unfortunately, the noble legislative goals were never fulfilled. The oil industry flagrantly and deliberately violated the pricing regulations, and consumers were overcharged by over $10 billion dollars during the 1973-81 period.

Recognizing the enormity of oil fraud, FEA, with the prodding of the Interstate and Foreign Commerce Committee, established the Office of Special Counsel to enforce the pricing regulations in 1977. The Office of Special Counsel was charged with the responsibility of investigating the major refiner violations. Its counterpart, the Office of Enforcement, handled all other pricing violations, including crude oil reseller frauds. These programs have been woefully inadequate, and it is not surprising that Congress has kept the enforcement programs under constant and very close scrutiny.

The pricing frauds involved two basic types of schemes, with a number of variants. The first involved daisy chains, where transactions between dummy corporations artificially and illegally inflated oil prices. The Energy and Power Subcommittee and the Oversight and Investigations Subcommittee have doggedly pursued these schemes since 1976. For example, in 1978, the Oversight Subcommittee investigated a variant of the daisy chain scheme where illegal commission payments to sham corporations lined the pockets of unscrupulous criminals. This type of scheme was detailed in dramatic testimony at this hearing, although two witnesses refused to answer committee questions, claiming their constitutional rights under the fifth amendment.

The second major scheme involved reseller frauds, and was the subject of joint hearings in 1979 with the Energy Conservation and Power Subcommittee and the Judiciary Subcommittee on Crime. Under this scheme, resellers falsely certified low-priced old oil as higher priced new oil. As the difference between the price of old and new oil spread, the incentive to cheat evidently became overwhelming. The hearings pointed out that the number of resellers ballooned from less than a dozen (before the pricing regulations) to over 450 just a few years later. Most of these companies started with little more than a telephone but, overnight, their officers became "DOE millionaires." DOE first recognized the reseller scheme in 1975 and identified criminal activity. Yet it took until the spring of 1978 to make the first referral to the Justice Department, and until the spring of 1979 to obtain the first indictment of a crude oil reseller. These important hearings demonstrated that it was not just the fly-by-night resellers that were involved, but also the major oil companies. And yet, of 13 DOE referrals involving willful violations by major oil companies, the Justice Department refused to prosecute 12 of them, and sent 1 back for further review. That the Justice Department has refused to allocate sufficient resources to investigate criminal violations of the oil industry, was amply demonstrated in the 1979 hearings. The Department of Justice has been unwilling to cooperate with DOE, and disturbingly slow in following leads and pursuing cases. In one dramatic example, the U.S. attorney in Florida learned, from a Jack Anderson column, of a major "daisy chain" case involving a large Florida utility company. This pattern of neglect and indifference has, unfortunately, become the rule rather than the exception.

In 1980, the Oversight Subcommittee exposed massive miscertification schemes in stripper oil. These frauds were worth billions of dollars to the violators and continued until the very last day of the price controls.

When the new administration assumed office and oil price controls were removed, the Energy and Commerce Committee shifted its focus to make certain that the enforcement program was not gutted by budget cuts. In 1981, President Reagan proposed to cut the budget from $50 million to $12 million. This would have killed the program and, in effect, would have granted amnesty to the oil industry. The budget fights are still continuing today, along with DOE administrative actions designed to cripple the program.

The administration officials apparently believe that they have a mandate to end the enforcement program. Yet, in their euphoria over ending oil price controls, they appear to have lost touch with a fundamental principle intrinsic to the Government of this Nation. Whether one agrees with the pricing regulations or not, everyone should be able to support the principle that criminals who blatantly violate the law must be prosecuted. This simple truth is as valid today—a year and a half after the end of the controls—as it was in 1977 when the enforcement efforts began. The General Accounting Office has stated, that the compliance program should be phased out in such a way as to be "fair and equitable to those who abided by the regulations, to provide equal enforcement to those who did not, and to assure that violators are not permitted to retain illegal gains."

Unfortunately, the DOE's efforts to gut the program are gaining momentum. I believe that now is the time to make some fundamental changes in the way that these cases are handled, and I am introducing the special prosecutor legislation to insure that no one—not even a well-heeled oil industry executive—can violate our laws without facing due consequences.

As I stated before, I reluctantly come to the conclusion of recommending a special prosecutor. I am not eager to make drastic changes that could slow the progress of pending civil and criminal investigations. And yet, after 6 years of hearings on this subject, I have concluded that the enactment of this bill is the only way that these cases will be prosecuted.

Let me explain in greater detail why a special prosecutor is necessary:

The first and most important reason involves the budget and administrative actions recently taken by the Department of Energy. Earlier this year, the Oversight Subcommittee heard witnesses from DOE field offices, describing a series of administrative actions that have frustrated their ability to do their job. They said that morale in the field had hit rock bottom. ERA Administrator Rayburn Hanzlik refused to assure that the field offices would remain open beyond September 30 of this year, despite the fact that it will be totally impossible to complete case audits by this time. In addition, DOE has made it difficult to complete case audits by delaying the processing of vital subpenas. One regional office, run by new and inexperienced personnel, has adopted investigative techniques that will likely result in the inability to pursue numerous criminal cases and that will lead to settlement of civil cases based on unverified company-provided data. In essence, DOE has tried to dismantle, by disparagement, hoping that key personnel would leave, and that the program would collapse under its own weight.

Two weeks ago, the Oversight Subcommittee held another hearing on DOE administrative actions and received shocking testimony from its criminal investigators. ERA Administrator Hanzlik proposed to abolish the Office of Special Investigations which is charged with the responsibility for investigating potentially willful violations, and to transfer its veteran staff to the General Counsel's Office. In its place, Hanzlik proposed to adopt a fragmented administrative structure headed by a group with a dismal track record in previous cases.

When asked what the probable effect of the reorganization would be, Jack Wuerker, a senior enforcement attorney with the Office of Special Investigation, said that "this reorganization is the latest step of a fraud upon the American people of the first magnitude which certain officials have attempted to justify with what are, at best, half-truths, and which will cost Americans the opportunity to recover billions of dollars of overcharges, while rewarding those individuals who have thumbed their collective noses at these laws with both the opportunity to retain personal fortunes derived from their illegal conduct and freedom from criminal liability from this same conduct." Hanzlik immediately denied the charge, and demanded to know what events Mr. Wuerker was referring to. In a shattering retort, Mr. Wuerker laid out a lengthy step-by-step analysis to back up his charges. Mr. Weiner, the head of the Office of Special Investigation, later agreed with Mr. Wuerker's assessment.

While Mr. Hanzlik steadfastly refused to accept the statements of his own attorneys, the hearing demonstrated that his actions rendered his denials meaningless. Mr. Hanzlik has taken advantage of every opportunity to cripple this program, and has even boasted of his efforts before Republican fundraising events. Under such circumstances, I believe that the appointment of a special prosecutor is not only appropriate, but vitally necessary.

Another reason I feel this move must be taken involves the settlement efforts of the Office of Special Counsel. This office is responsible for auditing the 35 largest refiners in the country. While on paper it has an impressive record of recovering illegal overcharges, a close look at the settlements evidences very little recovery to consumers, and almost no penalty to the oil industry. For example, the early settlements entered before the end of the oil price controls required firms to reduce "banked costs" and to invest large sums into exploration and development. Both aspects of the settlements were essentially meaningless and, yet, they made up the largest portion of the total monetary settlements. Equally as frustrating have been the amounts provided for a "claim fund" to reimburse consumers for illegal overcharges. First, these amounts were insignificant when compared with the allegation of wrongdoing. In addition, they provide almost no penalty to the oil industry, because the claim fund payments are tax deductible. When you look at the cash flow position of the oil company, tax deductibility provides them with an incentive to cheat, considering that restitution has rarely exceeded a very small fraction of the total alleged violations.

Thus, while the settlements give an appearance of substantial penalties, the actual money paid out by the violators is truly insignificant compared with their substantial gain. A special prosecutor, with additional independent authorities, would have greater leverage over the oil companies and would be able to negotiate more favorable, and more equitable, settlements.

I believe a special prosecutor is also justified by examining the Department of Justice's role in prosecuting criminal referrals. Hearings in 1979 demonstrated that Justice had allocated an embarrassingly small staff to handle DOE's referrals. However, the handful of attorneys Justice had in 1979 has now been cut in half, despite an increase in the number of referrals. When the subcommittee staff called Justice to set up a meeting to discuss the referral process, Justice refused to cooperate. It is this type of attitude that has convinced me that if we do not act swiftly to create an independent authority to prosecute these cases, we will be forced to stand by and watch these criminals get off scot-free.

A recent case before the 10th Circuit Court of Appeals provides even more disturbing evidence of the need for this legislation. The case involved Robert Sutton, the president of BPM Oil Co., who was charged with willful violations of the oil pricing laws involving 240,000 barrels of falsely and fraudulently certified crude oil. This was an important case, one that the Justice attorneys argued "involved major issues of national importance. The fraud scheme * * * generated overcharges to the American people of hundreds of millions of dollars (and) * * * the importance of the issues presented requires extraordinary measures."

The court had before it 17 counts of illegal conduct. In May of this year, the district court threw out 15 of the 17 counts with a directed verdict. The court of appeals upheld the district court's ruling, and the Supreme Court refused to hear the case. The district court judge said that the Justice Department had made a "disturbing" error in failing to present expert testimony from DOE officials. He was also critical of the strategy plan and methods of presentation of the case. The court felt that, given the lack of evidence, it had no choice but to take the case away from the jury and direct a verdict against the prosecution.

Over the next few weeks, the oversight subcommittee will begin an investigation of this case. DOE's General Counsel, Tenney Johnson, admitted at the recent hearings that the Jutice Department decision not to include an expert DOE witness was a "tactical mistake." In all likelihood, this "mistake" will allow Mr. Sutton to get off with nothing more than a slap on the hand, despite the mass of evidence supporting the certainty of his substantial wrongdoings.

The General Accounting Office, in a recent report, has also provided a justification for the need for a special prosecutor. After a lengthy investigation by the Comptroller General, the June 1, 1982, report stated that DOE had made slow progress in resolving alleged crude oil reseller pricing violators and that significant problems in the program are hindering its efforts to resolve billions in alleged violations. Specifically, GAO found that ERA's audit coverage of refiners has been inadequate; there has been decreasing oil industry cooperation; ERA staff morale has suffered considerably and that ERA has had little success in negotiating settlements. GAO found that "the crude oil reseller program has identified significant civil and potential willful violations of ERA's petroleum pricing regulations," but that the "program has very little momentum for solving these violations." GAO recommended that ERA provide audit coverage of selected major refiners to investigate the Office of Enforcement's study of crude oil pipeline transactions. GAO also recommended that in order to demonstrate to the public and to the oil industry that the Government is committed to enforcing the laws, ERA should reestablish the position of director of the crude oil reseller program, and fill it with an experienced official.

I would take GAO's recommendation one step further in my legislation, and take these cases out of DOE and Justice's hands entirely, and place prosecutorial authority in a new, independent entity.

Mr. Speaker, during my long association with this issue, I have grown to gain a great deal of respect for many of the attorneys and auditors involved in the enforcement program. However, I have lost faith entirely in the top officials in DOE. These officials who entered their jobs with what they believe was a political mandate, have taken a series of actions which have destroyed worker morale, established roadblocks to successful prosecution of cases, and created chaos in their field organization. Generally, they have attempted to block prosecution of cases, despite allegations of flagrant wrongdoing in-

volving billions of dollars in overcharges. I believe it is now time to get this program out of the political arena. We need to take the core group of committed individuals and give them the authority that they must have in order to bring these white-collar criminals to justice.

The legislation I am introducing will establish an independent prosecutor with full judicial investigatory powers. The prosecutor will assume jurisdiction from DOE and Justice to investigate any violation of provisions of the Emergency Petroleum Allocation Act. The office of the prosecutor would terminate in 5 years, unless Congress extended the term to complete pending investigations.

We should not resort to the appointment of a special prosecution as a cure-all for Federal investigations, except in extraordinary circumstances. I believe that $10 billion of fraud is in that select category. A special prosecutor is the only way we can put an end to the largest conspiracy in U.S. history.●

BELT TIGHTENING AT GPO

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. LeBOUTILLIER. Mr. Speaker, my good friend Mr. Donald Lambro is probably one of the American taxpayer's best friends. His epic work, "Fat City," details quite plainly those areas where Federal spending is both out of control and in need of cutting.

Of late, Mr. Lambro, myself, and other fiscally concerned persons have joined the cause of Mr. Dan Sawyer, the Public Printer of the United States.

It seems Mr. Sawyer feels that the Government Printing Office could stand a fair amount of belt tightening. What with overtime abuses, overstaffing and featherbedding, Mr. Sawyer is more than likely standing on firm ground.

What is most unsettling about this whole matter is that no one, not the GPO, not the unions, and not even the Joint Committee on Printing, is willing to even consider Mr. Sawyer's allegations. Fortunately, Mr. Sawyer will not simply go away, and neither will his charges.

I submit for your edification, a recent column written by Mr. Donald Lambro, America's premier Federal waste watcher.

Rest assured, Mr. Speaker, that Mr. Sawyer, Mr. Lambro, and concerned Members of Congress will not desist in their efforts to clean up the mess at the GPO.

Mr. Lambro's column follows:

TAXPAYERS LOSE $71 MILLION DUE TO FEDERAL PRINT SCANDAL

(By Donald Lambro)

WASHINGTON.—Federal agencies are needlessly operating printing plants around the country, churning out hundreds of millions of dollars in printing that costs up to 16 times that of commercial companies.

My continuing investigation into the government's multibillion-dollar printing business reveals a nationwide scandal for which taxpayers have been paying through the nose for decades. But instead of cleaning up the problem, Congress has let it grow to the point where there are now nearly 300 federal printing facilities across the nation, 50 of them in Washington, D.C., alone.

The result: an inefficient, overpaid and little-known printing empire that each year contributes substantially to the government's mounting debt.

The Government Printing Office (GPO), an arm of Congress, is by law the government's printer. Yet it processes—prints in-house or procures commercially—only about one-third of the estimated $2 billion to $3 billion in total government printing.

However, as government grew, many agencies demanded their own printing plants. Congress' Joint Committee on Printing (JCP) happily complied by granting waivers from the law.

Our inquiry into GPO shows that its printing costs are often about twice those of commercial firms. But a study conducted last year by the General Accounting Office showed that unit costs in federal printing shops elsewhere have been up to eight times those of the GPO.

Although in recent years more government printing has been done commercially, GAO says "little has been done to achieve economies by modifying the in-house printing structure."

"The net effect," says GAO, "is that the agency printing structure has remained relatively intact," even though commercially procured printing has risen and use of government copying systems (which reduce printing needs) has escalated sharply.

GPO's controversial new chief, Danford Sawyer, quietly pushed last year for a complete rejustification of these agency printing outfits, believing that most were unneeded. With taxpayers losing $71 million a year, at a minimum, he said in an internal memorandum, Congress could no longer "sit idly by and let such neglect, delay, duplication and waste continue."

Sawyer pressed for a survey by GPO, the Office of Management and Budget, and the JCP, chaired by Sen. Charles Mathias of Maryland. But Mathias balked at the idea, not wanting OMB, an executive agency, "looking over our shoulder." Sen. Wendell Ford of Kentucky agreed, saying, according to the minutes of the meeting, "As long as we can keep OMB out, the better off we are going to be."

"We ran into a great deal of resistance" from the committee, confided a high GPO official. "Frankly, they don't want their record in this area examined. If this stuff is exposed to the light of day, it's going to be rather embarrassing."

Thus, instead of the 50-state review Sawyer demanded, the JCP agreed only to a watered down pilot study of facilities in New York City. Not surprisingly, the confidential report arising from that inquiry recommended that virtually all of the plants examined be closed down and their work processed through the regional GPO office in the area.

But the bulk of the scandal remains. "What you've got here is one gigantic, reeking mess," said a key GPO official. "The committee doesn't want to answer questions about why these plants are allowed to continue without rejustifying themselves."

As it turns out, most are located in metropolitan areas—in some cases, very near each other—where there are numerous commercial printing firms that could do the work far more cheaply. But many lawmakers benefit politically from the jobs they provide and from the printing unions, whose excessive wage demands they support.

Some of the agency printing facilities are needed, GPO officials say. But they insist "the overwhelming majority should be closed." Some of the work would be turned over to GPO, which has 33 acres of plant space, 6,200 workers and more than 100 presses, many of which are often idle. Most of the work, however, would be processed commercially through GPO field offices.

The question is, will the JCP, which has protected and nurtured this costly and wasteful bureaucracy, undertake the kind of national housecleaning that is long overdue?●

DOE NATIONAL LABS—"VICTIMS" OF SMALL BUSINESS LEGISLATION?

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mrs. BOUQUARD. Mr. Speaker, I would like to share a concern with my colleagues regarding adverse effects that H.R. 4326 could have on the Department of Energy's national laboratories. The Small Business Innovation Development Act has very worthwhile goals: To stimulate small business innovation and facilitate small business involvement in Federal research and development. However, the mechanism to achieve these goals that is contained in the bill as reported from the Small Business Committee as well as in the proposed Small Business Committee substitute would unduly constrain the operation of our national laboratories by forcing them to set aside specific amounts of their budgets for one group of subcontractors.

The DOE Government-owned, contractor-operated (GOCO) facilities perform 67 percent of the agency's research and development. In fiscal year 1982 operating expense dollars, this is $3.101 billion. The Small Business Committee's substitute mandates that 1.25 percent of these funds be set aside for small business (after the 4-year phase-in). Based on these figures, the GOCO's would provide $39 million of a $60 million SBIR program for DOE.

Our labs are presently in a crisis situation as it is. They are facing increasing restraints on precious resources, increasing pressure to carry out research which shows results in the near term, uncertainty as to future funding for critical programs and projects, and

yet some of them have been forced to announce the impending RIF of hundreds of laboratory personnel. Are we going to add to these burdens by forcing the laboratories to search beyond their already ambitious and successful small business goaling processes for additional, mandatory set-asides of millions of dollars? According to their annual report to Congress, the DOE has exceeded the Small Business Administration's approved goals each fiscal year since inception of the Government-wide goaling procedures.

I support our Science and Technology Committee substitute to this legislation as it provides guidelines for the development of SBIR programs across the Federal agencies, but allows this development to take place in an orderly manner through the authorization process. This method, rather than a mandatory set-aside, will help insure that agency missions will be taken into consideration and no single sector of the R. & D. community will be unduly taxed.

Mr. Speaker, I urge my colleagues to weigh carefully the impact that a mandatory set-aside will have on all Federal R. & D. efforts. I seek their support for the Science and Technology Committee substitute as an attractive compromise to the legislation before us.●

TRIBUTE TO MS. TRISH MORRIS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. RODINO. Mr. Speaker, 100 years ago marked the first summer that the Newark fresh air fund began its work with the young people of the inner city. No one person better symbolizes its dedication and commitment than its present director, my friend Trish Morris, who has been honored by the Newark Star-Ledger as Jerseyan of the Week.

In 1981, Ms. Morris became the director of the Newark Day Center, which administers both a geriatric health center and a preschool program, as well as the fresh air fund. Her work with children first began in college, where she established a day-care center at Livingston College for youngsters on campus. It was then that she realized that aiding young people must be a large part of her future. This spirit guides her personal life as well. As a career woman, administrator, mother, and mentor, she is constantly working to help others.

The fresh air fund sponsors trips to camp for many of Newark's youths, providing a change of environment and recreational activities. Ms. Morris tells us that "it changes a child's perspective to get out of the inner city * * *. They find out that there are places where they do not have to feel threatened." At a time when support systems for urban youths are being reduced, it is heartening to see a woman of her character in her position.

I now join with my colleagues in recognizing her outstanding service to her community, and I take pleasure in including in the CONGRESSIONAL RECORD an article from the Newark Star-Ledger of June 13, 1982, on her work:

[From the Sunday Star-Ledger, June 13, 1982]

JERSEYAN OF THE WEEK—FUND CHIEF HELPS OPEN DOOR TO A BETTER LIFE

(By Charles Q. Finley)

Checking over applications for campers-hips from inner city families pouring in at the Newark Day Center for its 100th Fresh Air Fund is a traumatic experience for Trish Morris of Newark, the executive director of the 179-year-old agency.

"The stories are sad, sad, sad; almost beyond being simply depressing," she asserted. "They're appalling, actually.

"We're losing a lot of these kids long before they ever reach a juvenile detention center or prison. By the time they reach those institutions most are lost and it's just a matter then of them moving through the system without hope.

"The kids of the inner city and the awful realities of their lives exist, but who knows about them? Without school and social agency referrals, which bring their stories to light in our applications for camperships, they remain a shadow in the background of the inner city chaos.

"When I read through the applications I'm overwhelmed by the feeling I want to take them all, not only those who have applied for camperships, and give them a break from their deplorable environment.

"To many their block is their world and it destroys their motivation. Their self-esteem drags on the ground and they tell themselves 'This is the way it is.' It's really tragic when they accept their world without complaint."

Morris said a trip to camp through the Newark Day Center's 100th Fresh Air Fund means far more than fresh air, recreational activities and a change of physical scene.

"The inner city kids learn there are happy children and there are adults who care. They find out there are places where they don't have to feel threatened.

"Many of them spend all their summer days and half the nights in the streets of the inner city because their homes are even worse than outside in the neighborhoods. And the neighborhoods themselves are crowded, dirty and with very real dangers on every side.

"A trip to camp opens a door in the wall that has confined them for so long. And when they're allowed to pass through it, a lasting change takes place. They know there really is something better and that they also can be a part of it."

Morris was reared in Burlington and is a graduate of Burlington High School. She then worked as a secretary, married a soldier, traveled with him throughout Europe and was involved overseas in Civil Service work. When she returned to the United States, she divorced and took up a new life with her daughter, Lae, now 14 and a student at St. Vincent Academy in Newark.

Morris went to work for a community action agency in Trenton, then attended Livingston College in New Brunswick where she first majored in urban studies. But when she helped establish a day care center for young children on campus, she realized youngsters should be a part of her future.

She changed her major to education and after earning her bachelor's degree in that field at Livingston, she earned a master's in education at Rutgers Graduate School in New Brunswick.

Ever more pleased with her choice of vocation, she became director of the preschool day care center in Rutgers Council for Higher Education in Newark (CHEM) School where she remained until she came to the Newark Day Center as its executive director in the fall of 1981.

Morris has been a member of the board of directors of the YMWCA of Newark and Vicinity for six years, has served as board secretary and presently is chairman of the board's executive committee.

Louise Tyrus, the Newark Fresh Air Fund campaign chairman who also is urban affairs coordinator for Public Service Electric and Gas Co., joined the board at the YMWCA at the same time as Morris. Tyrus called the Newark Day Center's top executive "a sensitive and accessible leader always willing to lend her resources to worthwhile community efforts.

"I've worked with Trish on numerous boards and advisory task forces and she always has been an advocate for those of us who live and work in urban areas throughout the state. She has distinguished herself in multiple roles—as a career woman, administrator, mother and mentor. She has a reputation for honesty, integrity and commitment to positive change and has earned a well-deserved credibility among her colleagues."

John Gualtiere, chairman of the board of the YMWCA of Newark and Vicinity, said Morris is "a very effective lady."

"She is a pleasant and fair person, one who seizes upon issues, listening to both sides, then makes firm decisions. She is very involved and effective."

Mrs. Lillian Walker of Burlington, Morris' mother, said her daughter as a child was "intelligent, likable and studious. She didn't change one bit when she grew up."

"I had four brothers and four sisters and I often took kids in the neighborhood on trips to Atlantic City and Coney Island, so Trish was accustomed to being around children," Mrs. Walker recalled. "She is very dedicated to finding ways to get the inner city kids out into the country in the summer."

Morris compared the trips sponsored by her mother for neighborhood youngsters to the Newark Fresh Air Fund camp experience.

"When you get a kid away you're giving something to remember for a lifetime and to inspire," she said. "It changes a child's perspective to get out of the inner city, even for a little while."

Morris expressed concern that New Jersey residents may confuse the Newark Fresh Air Fund with another Fresh Air Fund organization in New York.

"The Newark Fresh Air Fund is an entity unto itself and is not affiliated with any other Fresh Air Fund group, such as the one in New York," she explained. "To help the inner city kids in New Jersey through our fund, contributions must be sent to the Newark Fresh Air Fund at the Newark Day Center in Newark."

89-059 O-86-10 (Pt. 11)

Morris played basketball and softball, and went out for track, in her school days and still enjoys watching football and basketball on television.

She likes all kinds of music, including rock, and plans to take up piano lessons she dropped many years ago.

Work at the Newark Day Center is exciting for Morris.

In addition to its Fresh Air Fund project, the Newark Day Center conducts a geriatric health center and preschool program.

"I've found the work at the Newark Day Center custom-made for me," enthused Morris, host of the Black Spectrum program, WWHT's Channel 8 community interest presentation. "I'm not interested in doing things of major significance on a vast scale; I just want to keep doing the little things to help others. Sometimes even a cheerful 'hello' can do that.

"It's a great challenge to have a part in the 1982 Newark Fresh Air Fund drive. Despite all the building going on in Newark, many isolated inner city neighborhoods are constantly going downhill and this is so everywhere in the State.

"Support systems for the youth in the inner city have been reduced to practically nothing. The Newark Fresh Air Fund concept, going back 100 years, is known to the public as a general concept. But what we must do is inform everyone of the real plight of the inner city children today and their desperate need for assistance."●

OUTSIZED CARGO NEEDS AND THE C-5B

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, debate and controversy over the selection of an outsized military air transport has been clouded by claims and counterclaims. The House Armed Services Committee voted for the authorization to acquire 50 C-5B's to meet the Air Force needs for outsized carriers in rapid deployment.

The other body had instructed the Department of Defense to acquire modified 747's for that purpose. While I believe the 747 is an excellent plane, it does not meet the current and future needs of the Air Force for this assigned task of full deployment. A portion of the 747 commercial fleet now serves as a mainstay of our wartime Civil Reserve Augmentation Fleet (CRAF) for both military personnel and less bulky cargo lift.

It is important that we listen to the experts on the subject before we make a final decision. Deputy Secretary of Defense Frank C. Carlucci testified.

Our decision to buy C-5B aircraft and additional KC-10's is in the best interest of national defense. I want to state unequivocally that we do not need, nor should we be obligated to procure, excess commercial aircraft which could not carry outsize cargo and would be poorly suited for oversize equipment.

Gen. R. H. Barrow, Commandant of the Marine Corps said,

The point I wish to emphasize is that the ability to carry outsized cargo is among our most critical deficiencies. The C-5 aircraft provides us with the maximum flexibility in this area and, therefore, has my very stong support.

I am not against the 747, but I do support giving our Air Force the proper tools to perform the job we have asked them to do.●

AWARD-WINNING ESSAY ON NUCLEAR WAR

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. FRANK. Mr. Speaker, last Friday I had the very great privilege of attending a dinner sponsored by the Concerned Citizens for Nuclear Disarmament in the city of Attleboro. This group of dedicated citizens recently sponsored an essay contest for high school students in the greater Attleboro area on the subject of nuclear disarmament. I commend the members of CCND for this initiative. It is important that young people be encouraged to make their contribution to the political process, and particularly to the question of forestalling a nuclear war. For if nuclear war comes, those who have most of their lives yet to live are the ones who have the most to lose.

This contest sponsored by the Concerned Citizens for Nuclear Disarmament is one more in a series of very encouraging initiatives which citizen groups have been taking all across this country to demonstrate their opposition to an unlimited arms race. The nuclear issue is one in which people have been, in many respects, ahead of their elected leaders and all of us concerned with the need to reduce the terrible burden of nuclear arms are in the debt of these citizens who have taken the lead in this matter.

A number of very eloquent and thoughful essays were submitted and the judges in this contest had a very difficult time. The winning essay was written by David Humphrey of North Attleboro. It is a forceful and cogent statement of the need to take immediate action to diminish the threat of nuclear war and I would like to share that essay with my colleagues.

The essay follows:

This morning a fifteen year old American boy sat down at the breakfast table, poured his cereal, and opened the morning paper. As he read he became disgusted, just as he had many other mornings. The headlines this morning, as they had been every other morning, spoke only of wars starting and bombs being dropped here and there. It seemed that the whole world was filled with hostility, that there was no longer any regard to be shown for the "guy next door."

"The rich get richer, as the poor get poorer." This little saying also holds true for power. The "guy next door" was invaded the other day because the "block bully" wanted more land and more power, somebody else to govern.

The United States of America and the Soviet Union, two of the most powerful nations on this earth, are more powerful today than at any other time in history. With these two countries comes enough fire power in a half dozen different types of nuclear weapons to blow up the world several times over! Why would anyone need so much nuclear power? Even if worse came to worse, wouldn't once be enough? But even once is much too much! There is no such thing as a limited nuclear war! Once a nuclear war started, would there be anything left to end?

For in a nuclear exchange most of the nuclear weapons would be exploded. "The earth would momentarily flicker back at the distant stars and then probably go out, the very life of the planet extinguished." [1]

A freeze isn't good enough. It is imperative that we reduce the amount of nuclear weapons in existence today. We must support programs like START (Strategic Arms Reduction Talks) and CCD (The Childrens Campaign for Disarmament). These groups are fighting to end the arms race, not the human race.

In the United States there are fifteen million plus High School students and nine million plus college students. All of these students have goals and dreams which they would like to see come true. But right now we must see to it that there is going to be a tomorrow. With all the current world tension I wonder if there will be a tomorrow.

To ensure that there is a future for the youth of the world I propose that the students of the United States work together to create an organization like SAND (Students Against Nuclear Destruction). The organization could be designed to fight for spending cuts for nuclear weapons and dismantle existing nuclear warheads. With a national office, and representatives in every state and Washington, D.C. SAND could educate the young and old who don't know the full extent of damages a nuclear war would cause. Ambitious youths backing SAND could lobby to get nuclear controls passed and create alternatives to avoid a nuclear holocaust.

Use the existing school officers to rally the students of the school together under the anti-nuclear war banner. Send a committee from each High School and college to a state seminar on the proposed SAND organization. Get input and ideas on what students across the state want to see done concerning United States nuclear policies and weapons. From there send a delegation to attend a national SAND organizational meeting with each state present and ready to explore its concerns. Using this "chain of command" carry information back to the students on what issues the majority of students are concerned about most. Have them participate in a letter writing campaign to their respective congressman, to let Washington know that SAND means business. This country's youth are the leaders and adult citizens of the United States in future years!

That morning newspaper didn't carry much about START or CCD, just a little corner spot because the organizations aren't very strong and not many supporters. According to polls, nobody really wants a nu-

[1] Taken from "Time" March 29, 1982.

clear war, but very few are willing to fight, "the peaceful disarmament battle." We all know, or can at least speculate, what would happen if these groups failed and someone would just happen to get control of the right button and start what wouldn't be known as the third world war, but as the last world war! An I.C.B.M. (Intercontinental Ballistic Missile) takes a half hour or less to reach its final resting place after launching and these missiles make up the majority of the United States and Russia's nuclear arms. It might even be the shortest war, probably two hours before all the destruction would be complete.

I am that fifteen year old American boy, who reads the morning paper everyday. Each day someone dies and the miracle of birth brings new life upon this earth and I become one day older. This summer I will turn sixteen, I have my whole life ahead of me, and I'm scared! I'm scared that the arms race will end in the most catastrophic war man has ever seen, that the super powers of this world will put a higher price on the MX missile, an I.C.B.M., or even a B-1 bomber, than they put on my life or any one else's in this world.

I often lay awake long into the night wondering how long this world can survive considering the current world tension? I ask myself, is this world going to make it through another year, will I ever become . . . seventeen?

And if a nuclear war ever should start, sometime it will end, there will be no winners—and very few survivors! The meek inherit the Earth, but the dead . . . will cover it!●

SALUTE TO THE PHOENIX SYMPHONY ORCHESTRA

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. RUDD. Mr. Speaker, reflecting the expanding community which it serves, the Phoenix Symphony Orchestra, now celebrating its 35th anniversary season, is active and growing.

Beginning in 1947, the orchestra has improved its artistic level and added an ever-increasing number of concerts and services to its schedule. In 1964, the orchestra moved its performances from the cramped quarters of a local high school auditorium to the handsome Gammage Center for the Performing Arts on the campus of Arizona State University. Again, in 1972, the orchestra performances were relocated to the then new 2,500-seat Symphony Hall, in the heart of the 16-acre Phoenix Civic Plaza in the downtown area. Contributing members of the Phoenix Symphony Association number more than 1,500 individuals and organizations pledging annual donations. And additional financial and promotional support is provided through the services of the Phoenix Symphony Council and other volunteers.

A review of the 1981-82 season of "Adventure in Music" reflects a corresponding expansion of the orchestra's professionalism and services. Eighty-five talented musicians are contracted for the season extending from mid-September to late May. In addition to the basic 12 classical concert pair, the orchestra offers 9 pops concerts, 3 Christmas concerts, a dozen or more young people's concerts during the autumn and spring, and out-of-town performances, or "run-outs," in such communities as Prescott, Glendale, and Wickenburg, while the "P.S.O. II" performs several concerts in valley churches.

Other highlights of the 35th anniversary season include the orchestra's first winter music festival in January, four chamber orchestra concerts at the Scottsdale Center for the Arts, an exclusive appearance by the preeminent cellist Mstislav Rostropovich, a duo recital by Andre Watts and Charles Treger, and a romantic season finale, "An Evening in Vienna."

In addition to their concert schedules, many players from the orchestra provide music for the Arizona Opera Co. and Ballet West, while others participate in ensemble work as well as the music-in-the schools program, a continually growing effort to provide children with live musical experiences and to build future audiences.

Since 1978, artistic leadership of the orchestra has been provided by music director and principal conductor Theo Alcantara, the dynamic young Spanish-born conductor who is also internationally acclaimed for his performances with opera orchestras. In addition to his duties in Phoenix, Maestro Alcantara is artistic director of the Music Academy of the West summer festival in Santa Barbara, and will make several appearances throughout the season as guest conductor before famous symphonic and opera orchestras worldwide.

New this season to the Phoenix Symphony is resident conductor Philip Greenberg, former assistant conductor of the Detroit Symphony and winner of the Nicolai Malko International Conducting Competition in Copenhagen in 1977. While working closely with Maestro Alcantara, Mr. Greenberg will conduct two classical concerts, and the concerts in the churches, as well as a chamber orchestra concert, pops concerts, and the young people's concerts during the 35th anniversary season.

The Phoenix Symphony's previous conductors have included Eduardo Mata, 1971-78; Philip Spurgeon, 1969-71; Guy Taylor, 1959-69; Leslie Hodge, 1952-59; Robert Lawrence, 1949-52; and John Barnett, 1947-49.

National and local predictions for future growth of the Phoenix area show unlimited potential, and I believe this forecast will prove to apply to the promising future of the Phoenix Symphony Orchestra as well. Its 35-year history demonstrates the orchestra's responsiveness to its ever-growing and broadening audience. As National Orchestra Week draws to a close, I am proud to have the opportunity to salute the members of the Phoenix Symphony and thank them for the tremendous way in which they have enriched our capital city.●

BALTIC GENOCIDE DAY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1982

● Mr. YATRON. Mr. Speaker, I would like to take this opportunity to commend my distinguished colleague from New York for her dedication to this special order,"Genocide Day."

Mr. Speaker, Soviet hegemony is one of the greatest threats facing the free world today and in no area is this more evident than in the Baltic region. Forty-two years ago the Soviet Union embarked on a campaign of terror that has yet to be controlled. Massive deportation and executions followed the Red army as they trounced through Estonia, Latvia, and Lithuania in an attempt to "Russify" those countries. But even torture, deportation, and repression of their linguistic, ethnic, and religious identities has failed to break the indestructible spirit of the Baltic people.

The three countries we are commemorating today enjoyed a 22-year period of freedom and sovereignty between the two World Wars. This short span was enough, however, for these people to never again be willing to settle for less than complete liberty. We must applaud the sense of independence these people feel and remember that it was this same spirit which led to the establishment of our own country. A strong demonstration of our moral support will reassure these struggling people that their hope for freedom in the future is justified and well founded. The United States has never recognized the Soviet incorporation of these Baltic States and the Congress should now set a precedent that our Government will oppose the governments of countries which violate the freely expressed wishes of its inhabitants and the principles of self-determination.

Mr. Speaker, I pledge my support to the oppressed people of Estonia, Latvia, and Lithuania and to the commemoration of Baltic Genocide Day.●

PROFESSOR DELPOPOLO COORDINATES SUCCESSFUL SEMINAR ON CRIME PREVENTION

HON. STAN PARRIS
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. PARRIS. Mr. Speaker, between March 25 and 29 of this year, a community concern seminar was held at the Annandale Campus of the Northern Virginia Community College. This program, entitled "Crime Prevention: A Need for Community Action," was coordinated by the distinguished Anthony James DelPopolo, Sr., professor of administration of justice at NVCC in Annandale.

Profesor DelPopolo has been a resident of northern Virginia for the past 33 years and is a well-known writer, consultant, counselor, and college professor in the field of criminal justice. In 1969, he joined the faculty of the Northern Virginia Community College as part-time instructor in corrections science, and in 1976, was appointed full professor of administration of justice. This is Professor DelPopolo's eighth seminar relating to community problems in training, education, court services, corrections, and police science.

Mr. Speaker, I am among the many from my district who believe this annual program is invaluable in improving the social and criminal justice among our community citizenry. I therefore, would like to present an analysis of the seminar proceedings.

Professor DelPopolo opened the morning session with a few appropriate remarks, and then introduced the assistant to the college president for public relations, James L. Bradley, who welcomed the students on behalf of the college president, Dr. Richard J. Ernst. Mr. Bradley was followed by Professor Alvin Fuchsman, administration of justice program head, who spoke about the corrections, police science, and security curricular offerings.

The seminar keynote speaker, Anthony J. Travisono, executive director of the American Correctional Association, talked on the subject "Crime in Our Community: Why it Must be Prevented." Mr. Travisono told the group that "Corrections has been part of the criminal justice system for a long time, yet it is the least understood."

The balance of the morning's program featured the presentations of Detectives Tom Bell and Howard Haines of the Arlington County Police Department, who spoke on the topic, "The Role of the Police in Crime Prevention." Bell and Haines were followed by Cpl. Larry Garner of the Franconia Substation of the Fairfax County Police Department, and Sgt. Joseph Tavares of the Vienna Town Police Department, all representing crime prevention units in their respective communities.

The subject matter for the afternoon session included: "Sexual Assault in the Military" and "How to Say 'No' to a Rapist," by Spec. Carol Leer, Sgt. Keith Jarman, and Sgt. Dennis Thomides of the Provost Marshal's office of the U.S. Army at Fort Myer in Arlington. Final presentations of the day were made by Chief Deputy Carl Peed of the Fairfax County Adult Detention Center, and Assistant Director Ron Hager of the Arlington County Adult Detention Center who spoke on "The Role of Jail Administrators in Crime Prevention."

The second day's session opened with a movie entitled: "The Paper Hangers" portraying the problem of "bad checks" cashed in banks, grocery, and department stores.

Following the film, Edward Morris spoke on the "Role of Correctional Services in Crime Prevention," and Rev. William Simmer and Cynthia Holley talked about "Volunteers in Corrections Are Crime Preventers, Too."

Later in the afternoon, Maggie Thompson of the Fairfax County's Victim Assistance Network, and Officer Robert Cloyd, community relations officer for the Fairfax County Police Department, spoke on "Self-Protection." Included in the presentation, was a motion picture describing what a woman should do to protect herself from potential rape and what to do if she becomes a victim.

The final phase of the day was given by two groups from the Juvenile and Domestic Relations Courts in northern Virginia. The day's concluding remarks were delivered by Mary Beth Williams from the Falls Church Public Schools, who spoke on "Preventing the Development of Delinquent Attitudes Among the Young."

On Saturday the session was opened with the showing of "The Great Store Robbery," demonstrating the problems of shoplifting in local department stores. Another film "Drinking, Driving, and Rationalize" was shown depicting the excuses people make for drinking and driving. Following the film were emotional presentations made by Edward Kunec of the Mothers Against Drunken Drivers (MADD), and Mary Brence representing Students Against Drunken Drivers (SADD). Also on the panel was Peter Larkin, director of alcohol safety action program for Arlington County, who spoke on "The Wherefor's and Why's of DWI's."

The afternoon's first session was highlighted by a special presentation by Leonard Kolodny of the Retail Bureau of the Greater Washington Board of Trade with offices in Washington, D.C. The last presentation of the day was the police-community sponsored program of "Neighborhood Watch: Neighbors Who Care," with panelists Ray Clark, chairman of the Citizens' Advisory Committee to the McLean District Substation of the Fairfax County Police Department; Jim Pierce, the first neighborhood watch chairman for the El Nido Civic Association (ENCA) in McLean; and Joyce Sutcliffe, president of the El Nido Civic Association.

The final day featured Dr. Mel Riddil, coordinator of the Fairfax County Public Schools' narcotics substance abuse prevention program who spoke on "The Role of the Schools in Drug Abuse Prevention." The other panel member was Joyce Tobias of the Parents Against Drug and Alcohol Abuse (PANDA) organization who spoke on "Preventing Drug Abuse Among the Young, a Plan That Works—STRAIGHT, INC." Included in the talk was a movie describing the STRAIGHT program housed in Petersburg, Fla.

Afternoon presentations included the second covering of the topic, "The Role of Correctional Services in Crime Prevention." Lecture contributors included Kenneth Lane, director of the Prerelease Center of the Fairfax County Adult Detention Center; Karen Daniel Decker, probation officer for the Virginia Department of Probation and Parole in Fairfax; and Douglas Stempson, assistant to the assistant director of the District of Columbia Department of Corrections.

The seminar was concluded with summaries provided by groups representing the role of the average citizen in self-protection from personal assault, the role of the community in preventing crime, and the role of the government in crime prevention. The final speech offering was made by Dr. Reuben Horlick, clinical psychologist in Washington, D.C., and former superintendent of the District of Columbia's Youth Center at Lorton, Va.

As the seminar came to a close, a majority of the participants remarked that this was the most interesting and informative lecture series they ever attended.●

SENATE—*Friday, June 18, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Lord God of our fathers, give us ears to hear the wisdom which Thou didst speak through Thy prophet Zechariah: "This is what the Lord Almighty says: 'administer true justice; show mercy and compassion to one another. Do not oppress the widow or the fatherless, the alien or the poor. In your hearts do not think evil of each other.'"—Zechariah 7: 8-10.

On this 10th anniversary of Watergate, when we are being reminded of the arrogance of power and the deceit of trusted leadership, the epitaph of Uzziah, king of Judah, seems profoundly relevant: "* * * as his power increased—his heart grew proud—and this was his ruin."—2 Chronicles 26 :16.

Father in Heaven, at a time when cynicism and distrust are epidemic, send us spiritual and moral renewal, and let it begin with leadership. Humble us, Lord, before it is too late, restore to us the dream of our forefathers, and forbid that we should be willing to settle for anything less. In Thy name and for Thy glory we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, the schedule of the Senate, as ordered last evening, I believe, is that after an abbreviated time for the recognition of the two leaders under the standing order, the Senator from California would be recognized for the purpose of continuing debate on his bilingual amendment. Is that correct?

The PRESIDENT pro tempore. That is correct.

Mr. BAKER. I thank the Chair.

Mr. President, it is the intention of the Senate to be in session today as long as it is productive and useful to do so. In any event, for a full day. It is still my hope that this measure can be completed today.

Before any further unanimous-consent requests in terms of limitation of amendments or limitation of time are undertaken, I wish to consult and confer with other Members to see whether that is practical or possible.

It may be, Mr. President, that the best way to proceed is with no agreement at all.

In any event, Mr. President, I have no further use of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The acting minority leader is recognized. Does the acting minority leader desire to use his 1 minute?

Mr. KENNEDY. Mr. President, I yield back the 1 minute.

VOTING RIGHTS ACT AMENDMENTS OF 1982

The PRESIDENT pro tempore. Under the previous order, the Senate will now resumed consideration of the pending business, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 1992) to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENT NO. 1879

(Purpose: To repeal certain provisions relating to bilingual election requirements)

The PRESIDENT pro tempore. The clerk will state the pending amendment.

The legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA) proposes an amendment numbered 1879.

The amendment reads as follows:

At the end of the bill add the following:

SEC. 7. (a) Section 2 of the Voting Rights Act of 1965 is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(b)(1) Section 3(a) of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(2) Section 3(b) of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(3) Section 3(c) of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(c)(1) The second sentence of section 4(a) of the such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)" each time it appears in such sentence.

(2) The second paragraph of such section is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(3) The last paragraph of such section is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(4) Section 4(d) of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(5) Section 4(f) of such Act is repealed.

(d) Section 5 of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(e) Section 6 of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(f) Section 13 of such Act is amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)".

(g)(1) Section 203 of the Voting Rights Act of 1965 is repealed.

(2) Sections 204 through 207 of such Act are redesignated as sections 203 through 207 respectively.

(3) Section 203 of such Act (as redesignated by subsection (b)) is amended by striking out "or 203,".

(4) Section 204 of such Act (as redesignated by subsection (b)) is amended by striking out ", 202, or 203" and inserting in lieu thereof "or 202".

The PRESIDING OFFICER (Mr. D'AMATO). The Senator from California is recognized.

THE BILINGUAL REQUIREMENTS OF THE VOTING RIGHTS ACT

Mr. HAYAKAWA. Mr. President, the Voting Rights Act of 1965 was a historical event in guaranteeing that no qualified citizen is prevented from exercising the right to vote. I support the basic purposes of the Voting Rights Act.

I do not, however, support those sections added to the law in 1975 which require the use of bilingual election assistance. My amendment will strike the 1975 bilingual language amendments from the Voting Rights Act.

The Senate has spoken out against unnecessary Federal burdens on State and local governments. The Voting Rights Act's bilingual requirements are such a burden.

For example, the secretary of state of Kansas reported that in two counties, over $1,556 was spent for one lone ballot to be cast. Oregon's taxpayers spent $7,285 per vote during the 1980 primary election and $4,273 per vote

during the 1980 general election. The people of Scotts County, Nebr., spent $17,673.26 during the 1980 primary election and $16,044.68 during the 1980 general election to provide bilingual ballots, and not a single one was requested.

That $33,717.94 could have been spent on a lot of things. It could have been used to pay the salaries of two teachers, perhaps, or to help purchase a firetruck or supplement a school lunch program. But it was wasted.

In 1980, California spent $1.2 million on bilingual election materials. Is that a lot of money? Perhaps a few hundred thousand dollars or even $1 million is only a small percentage of an election budget for cities the size of Los Angeles or New York, but the burden on our smaller localities is significant. The city manager of Barstow, Calif., recently reported to me that the expense for a candidate information pamphlet was increased by about 62 percent because of foreign language requirements—and this despite free translation services by the local junior college.

As I pointed out earlier, these costs are affecting local governments from Kansas to Oregon, often eliciting little use of bilingual materials. The mayor of Manhattan Beach, Calif., recently wrote:

> In canvassing the municipal election results during the past several years, we have not found an instance of the Spanish language portion of the ballot within our City being voted. Election after election we are contacted by our constituents expressing their anger over this mandated expenditure.

Mr. President, the people of Manhattan Beach are expressing their anger at the wrong government. The culprit is not the State and local governments that adhere to the law, but the Congress of the United States which created this problem.

We must realize that we cannot, with the stroke of a pen, address the needs of Manhattan Beach and Scotts Bluff from our offices in Washington, D.C. We must realize that the costs of bilingual ballots, whether large or small, are costs imposed by the Federal Government on municipal and county governments. If a State believes that bilingual ballots are needed, then let it choose where and how they will be used. New Mexico has used multilingual ballots since 1912 and Maine has required special assistance for its French-speaking citizens, all without prodding by the Federal Government.

The 1975 amendments were poorly crafted. They require States and political subdivisions to provide voting materials and instructions in languages other than English when one of two mechanisms is triggered. The first, in section 4, mandates the use of foreign language ballots if: First, more than 5 percent of the voting age citizens of a political subdivision were members of a language minority group on November 1, 1972; second, only English voting materials were supplied voters on that date; and third, less than 50 percent of the jurisdictions' voters turned out for the 1972 Presidential election. The logic of all of this seems to be that if there are a sizable number of people who cannot speak English and they are not voting, it must be because only English language ballots are made available.

One can see from these criteria that the act does not address the voting rights of individuals, but of groups. The first part of the section 4 triggering mechanism applies to those jurisdictions "where the Director of the Census determines that more than 5 percent of the citizens of voting age residing in such State or political subdivision are members of a single language minority."

Mr. President, you might wonder how the Director of the Census knows whether individuals can or cannot speak English. He cannot, or course. In fact the determination that an individual belongs in a particular language minority group is not made on the basis of language ability at all. It is made solely on the basis of an individual's surname.

So, if your surname is Lopez, you are a member of a Spanish-language group even if you are descended from a Lopez that came to America before the arrival of the Anglo-Saxons. You might be a fourth-generation American who cannot speak a word of Spanish, but if your name is Lopez, you are counted as that part of the population that is entitled to a bilingual ballot.

If your surname is Hayakawa, you are among the Japanese-American group. It does not matter if you are a U.S. Senator and a professor of English incapable, as I am, of reading the Japanese language. You are counted as being a member of the Japanese language group.

Mr. President, my wife whose name is also Hayakawa, is of Anglo-Saxon parentage and was born in Indiana. Yet she is included in the Japanese language minority group because she is married to a Hayakawa. Likewise, our children, who are very far distant from the language of my ancestors, are also counted as being entitled to a foreign language ballot.

The second part of the requirement assumes that if, in 1972, a jurisdiction supplied only English election materials to an electorate that included a sizable language minority group—and again, that group may be largely English-speaking—it was discriminating against that group. That is quite an assumption.

Jurisdictions are suddenly judged guilty of discrimination for recognizing what has been fact for 200 years, that English is the language of mainstream America and voting is an act of entering the mainstream and becoming part of it. Actually, if Marin County, Calif., were to provide me with a Japanese language ballot, I would be discriminated against, because I cannot read the darn language.

The final part applies to those jurisdictions in which less than 50 percent of the voting age population voted in the 1972 Presidential election. As we recall, the Presidential election of that year was less than exciting. The pollsters predicted a lopsided victory for the incumbent and that is exactly what occurred. In 1972 there was an extremely low turnout of less than 50 percent of the population.

What does that mean? Does that mean the entire population should have ballots in some other language? Of course not.

To blame local jurisdictions for discrimination because of a low turnout in a lackluster election is simply not fair.

Mr. President, I am leery of those who quote statistics about increased voter registration due to foreign language ballots. There is evidence that foreign language ballots have attracted a lot of fraud, as well as voters—perhaps more fraud than voters. A random check last year of applications for bilingual ballots in Santa Clara County, Calif., revealed that 22 of 100 of those who registered for bilingual ballots were not even citizens. The U.S. attorney for the northern district of California is still investigating the matter, but think of the implications; 22 out of 100 were not even citizens of the United States. But they are voting, or, at least, are registered to vote.

Those who originally proposed the Federal foreign language ballot claimed that they were trying to bring more people into the electoral process. I wonder if they meant to include noncitizens in this most cherished right of citizenship.

I do not believe this fraud was committed deliberately by these resident aliens. I think it was the result of the eagerness of the professional bounty hunters, who go out to register voters without telling the individuals that they have to be citizens first. The aliens are easy prey for the groups that pay these bounty hunters, thus placing political strength over electoral integrity.

Mr. President, the word "constitutional" has gotten quite a workout in this 97th Congress on a number of issues, and the debate on the foreign language provisions of the Voting Rights Act is no exception. Supporters claim that foreign language ballots are a constitutional necessity. As the Association of the Bar of the City of New York said of non-English-speaking citizens in the RECORD of April 1982:

Since these persons are citizens under our Constitution, and entitled to participate in the electoral process, it seems clear to us that bilingual elections are the way to give meaning to their right of free exercise of the franchise in a democracy.

That is an interesting statement, but certainly not unique. It has been said over and over again by the advocates of foreign language ballots. The right to vote is constitutional, therefore foreign language ballots must be constitutionally necessary, since they help non-English-speaking voters exercise their right to vote.

Those who claim that foreign language ballots are a constitutional necessity are not reading the Constitution. Article 14, section 1 of the Constitution says that citizens shall not be denied "equal protection of the law."

Yet the bilingual provisions of the Voting Rights Act apply only to four special groups, and even among those groups bilingual assistance is given only if they comprise 5 percent or more of a voting jurisdiction. So if I am living in Hawaii and my name is Hayakawa, I am covered by the act. But if my next door neighbor, Mr. Song, is a Korean-American, he is out of luck because his minority group is too small to trigger the bilingual provisions of the Voting Rights Act.

This whole controversy over bilingual ballots is an important part of the phenomenon of politicization of linguistic and cultural differences in our society. Those from parts of the country that are more isolated from the fray may shrug the issue off now, but this country is headed toward serious social conflict if steps are not taken to shore up the status of the common language, namely English, that has played a crucial role in our past and present unity.

As Thomas Sole has pointed out, people from all over the world—hundreds of nationalities of all different colors and religions—have come together and have learned to speak a common language and created this wonderful diverse society which we call America, and it is a miracle in world history that such a thing has happened. It has happened because we have a common language, and now we are trying to reverse the process by this bilingual nonsense.

Our common language has played an important role in the past. With knowledge of the English language, wonderful opportunities were suddenly available to newcomers. A man did not have to be a peasant farmer just because his ancestors had been peasant farmers in the old country. With his new language and freedom of mobility, he could seek opportunity in any part of the country, not just the confines of a linguistic ghetto.

Today, as in the past, our country is an attraction to people from all over the world and from every cultural and linguistic background. In fact, we have more immigrants—legal and illegal—entering our country now than ever before. Given the important role of the English language, it is essential that these newcomers recognize the necessity of learning the common language which will allow them to participate in American society.

But we are not giving our immigrants the signal that they are welcome into our society. We are simply telling them that they can stay separate and continue speaking Spanish or Japanese or Cantonese or whatever, and somehow they can still make something of themselves and participate in our society as equals.

There is another element of discrimination in all of this that no one has pointed out. In 1975, when the Congress voted to require that scarce tax dollars be spent to facilitate elections for non-English-speaking Chinese, Hispanics and American-Indian dialects, they did not make such a provision, Mr. President, for non-English-speaking Germans, Italians, Russians, Finns, Hungarians, and Serbo-Croatians. It is as if there is a kind of racism implied here. Serbo-Croatians and Russians and Italians are white. Filipino and Chinese native Americans are not. Do they need this special help while white people do not? Is this the implicit message of the Voting Rights Act and the bilingual ballot provisions of that Voting Rights Act?

The Federal law still says that knowledge of English is necessary to become a naturalized citizen. It also says English is not necessary to exercise that citizenship if you are Spanish or Asian.

This, Mr. President, is a curious instance of unconscious racism, and it is time that the Senate realize it made a mistake 7 years ago and restore the Voting Rights Act to its original state: A tool to insure each qualified citizen his right to cast a ballot.

Foreign language ballots do not help our citizens; they delude them. They do not reduce communication barriers; they build them up and perpetuate them. The 1975 amendments to the Voting Rights Act are broad, expensive, and an imposition on State and local governments.

Mr. President, I call upon the Senate to pass my amendment and end the experiment with the Federal bilingual ballot.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. HUDDLESTON. Will the Senator yield?

Mr. MATHIAS. I yield to the Senator 1 minute.

Mr. HUDDLESTON. I thank the Senator. I just want to commend the distinguished Senator from California for his initiative in offering this amendment. I do not believe there is anyone in the Senate, indeed possibly anyone in the United States, who is better qualified to speak on this particular subject than the Senator from California. The Senator has correctly pointed out the inconsistencies that exist in this particular amendment. We do not have to look very far to see the difficulties that can come to a country, a society, when dual languages, multilanguages, are the order of the day. When we look around and see those who have difficulty in voting, we might consider the provisions that most States provide to take care of that, particularly those that may be blind, who cannot read a ballot in any language. Provisions are made to make sure they have the opportunity to use the ballot.

Here is a perfect example of a provision in the bill that serves no useful purpose. The symbolism of it is not in the best interests of the country. The expense of it is unnecessary and the bill would be better. The voting processes in this country would be stronger if, as the Senator from California suggests, this amendment was passed and these provisions stricken from the bill.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. The Senator from California is a powerful advocate. He is the premier expert on linguistics in the United States, and therefore he speaks with great authority.

Beyond his expertise in the field of linguistics, he has brought to our attention the feelings of the people of Manhattan Beach, Calif., and that stirs sentimental memories with me. Nearly 40 years ago, when I was serving on a ship of the U.S. Navy, I became very familiar with that part of California and have very happy memories of it. So he tugs at my heartstrings.

He talks about the necessity for having a common language among all Americans, and we only have to cast our eyes northward over the Canadian border to see the tragedies that can occur when a nation is divided by language barriers. On many grounds the Senator from California is a powerful advocate.

However, we are not legislating on sentiment or feelings or memories of happy days. We have to legislate on the record. The record is contained—I would refer Members to it—in the report issued by the Committee on the Judiciary in the other body in 1975 when an extension of the Voting Rights Act was being debated.

In January 1975, the Civil Rights Commission submitted to the Congress a report on the first 10 years of operation of the Voting Rights Act. That report evaluated the current status of minority voting rights in covered jurisdictions.

The report very clearly showed that members of language minorities needed this protection. Those citizens are protected by the very language the Senator from California would strike.

Since this is fully set forth in the report, I am not going to read into the RECORD at an expense of time and printing all of this evidence, but I want to assure the Senator that the record is there.

We further have the Judiciary Committee report on the legislation before us, which indicates that there is a continued need.

This amendment would repeal all protections accorded to language minority citizens by Congress in 1975 under the Voting Rights Act. I urge my colleagues to reject it as an amendment whose justification cannot be established. This amendment would repeal not only bilingual election assistance, it would repeal section 2 protections for citizens of Hispanic, Asian, American Indian, and Eskimo heritage, and it would repeal section 5 preclearance for the entire States of Texas, Alaska, Arizona, and the numerous other counties brought in by the 1975 trigger. By eliminating the 1975 trigger—which includes the presence of more than 5 percent of language minority citizens—we would also eliminate section 5 preclearance protections for black voters in these covered jurisdictions.

For example, the State of Texas was covered as a result of the 1975 language minority amendments. But once covered, preclearance also protects black voters in Texas, as well as Hispanic voters when the Department of Justice reviews election changes as it is required to do under section 5. If this amendment were adopted, 1.190 million black citizens of voting age in Texas would lose the protection of section 5 along with more than 2 million U.S. citizens of Mexican descent. Where is the record to support such a drastic measure? The State of Texas has had more letters of objection under section 5 in 6 years than any other State has had in 16 years; that is, about 85 letters of objection, objecting to over 130 individual election changes.

Not only would States and jurisdictions such as Texas be stripped of section 5 protection, but language minority citizens in Texas and elsewhere around the country—in every place from Alaska to Dade County—would lose the protections of the bilingual ballot under section 203. Where is the record to support such a drastic measure? If anything, our language minority citizens should be encouraged to participate because they have been discouraged—in fact, shut out—for so long. What effect would eliminating bilingual voting assistance have? Would we not be saying to our language minority citizens: "Stay home from the polls; don't vote; don't become involved"? Is that the message we want to send them? Eliminating bilingual election assistance would be inconsistent with Congress action in adopting the bilingual provisions of the Voting Rights Act just 7 years ago.

But the amendment does not even stop at eliminating bilingual elections and section 5 preclearance. This amendment would also prevent language minority citizens from challenging discriminatory election practices under section 2 of the Voting Rights Act. That is, even the most general prohibition on voting discrimination, requiring an extremely high standard of proof—which has been the subject of intense debate in the Senate—would be denied U.S. citizens of Hispanic, Asian, American Indian, and Eskimo descent. Where, again, is the record to support this wholesale denial of protections to millions of U.S. citizens? The need to amend section 2 to incorporate a results test was supported by Hispanic, Asian, and Indian organizations and those involved in litigation over vote dilution. There can be no question that language minority citizens need the protections of section 2 that this amendment would deny them.

Mr. President, I think the amendment simply goes too far, and I urge the Senate to reject it.

Mr. KENNEDY. Mr. President, I, too, want to acknowledge the interest of the Senator from California in this issue, as well as the interest of the Senator from Kentucky, who has taken much interest in the flow of individuals into this country and the implications of that, not only upon them and their families, but also upon Americans. He takes a very active interest in this issue.

We find areas of agreement and some areas of difference, but I respect the fact that he takes the time to familiarize himself with these issues and works conscientiously on them.

As the Senator from Maryland has pointed out, this goes far beyond questions of bilingual elections. It reaches the whole question of coverage under the Voting Rights Act for millions of Hispanics and other nonwhite Americans.

I have been in the Senate since 1965 and have seen the passage of this legislation which protects the right of Hispanic citizens in this Nation to vote. I remember very well the hearings that were held; we received testimony suggesting rampant discrimination against those individuals. Specifically, the most fundamental right of all, the right to vote is compromised by such discrimination.

Discrimination continues, and we have referred in the committee report to the particular problems of protecting Hispanics' right to vote. I will include those references in my comments in the RECORD today.

The fact is, we drafted these young Americans at the time of the Vietnam war. They served in Southeast Asia and many of them died over there. But their parents, despite having lived here for many years, did not speak English. They wanted to be able to have some voice in the decisionmaking process of this country, but were denied it. Those facts have been revealed time in and time out.

Some Members of this body point to the flow of refugees of various ancestries who have come to this Nation—Irish who speak English, English who speak English, French who speak French.

I do not think there is a part of this Nation that has greater ethnic diversity than my own State of Massachusetts. We have 26 different nationalities of 5,000 people or more in the Greater Boston area alone.

I am familiar with the arguments with respect to some of these individuals: If they can learn English, why should not the Hispanics in our society learn English? The fact is that many non-English speakers attend bilingual programs, where they do learn English.

As the Senator from Maryland has pointed out, we are talking about more than the bilingual aspects of this matter but also about the section 5 and the other provisions that apply not only to millions of Hispanics but also to other minorities who face discrimination.

I point out that the issue of the cost of these elections has been covered in some detail in the House of Representatives. One of the principal Members of the House who objected to the cost of these provisions was a Representative from California, Mr. MCCLOSKEY. After careful examination of the costs and benefits of the provision, he withdrew the amendment.

If we are expending a few more dollars in this country to insure that the political process functions for all Americans, so that people are going to go to the polls, I think that is worthwhile. All of us are only too familiar with the fact that we are spending tens of millions of dollars to influence the outcome of elections. Let us not fool ourselves; in many instances, many of those dollars would end up in the Treasury if they were not expended in the way they are being expended in the course of political activity. All of us are interested in finding a more effective way of reducing the costs, but we should not retreat on this important provision.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. KENNEDY. I will yield first to the Senator from Texas.

Mr. BENTSEN. Mr. President, how much time remains?

The PRESIDING OFFICER. Three minutes and forty seconds.

Mr. MATHIAS. I need 2 minutes.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the time be extended for 2 minutes.

Mr. KENNEDY. How much time does the Senator from Idaho wish?

Mr. SYMMS. Two minutes.

The PRESIDING OFFICER. Is there objection to the request to extend the time? The Chair hears none, and it is so ordered.

Mr. BENTSEN. I thank the distinguished Senator from Massachusetts for allowing me to proceed.

Mr. President, with all the debate we have heard on this legislation, I have yet to hear anyone challenge the assertion that the right to cast an informed ballot is a basic building block of our democracy. I believe we have an obligation—as individuals and as a nation—to make an extra effort to protect that right and insure it is available to all our people.

As the representative of more than 2 million Texans of Mexican heritage I take strong exception to the amendment to repeal the bilingual provisions of the Voting Rights Act.

It has been said that English is America's language, and for hundreds of years people came to our shores in search of opportunity. They learned the language, and they voted in English. There were no bilingual or trilingual ballots before the Voting Rights Act.

Mr. President, if we are going to hark back to American history, let us tell the full story, even if it hurts. During all those years of assimilation and English-only ballots, there were millions of Americans who were denied the right to vote through a series of clever ruses and pretexts like poll taxes, literacy requirements, and simple intimidation.

The whole point of the Voting Rights Act was to turn that all around; to destroy the impediments to voting and put the ballot in the hand of every qualified citizen wishing to vote. The bilingual election is but one means to that end. It has enabled hundreds of thousands of Hispanic Americans to take a full part in our democratic process.

It is a fact, Mr. President, that one in seven Mexican Americans cannot speak English fluently and would be disadvantaged by a return to the English-only ballot as proposed in this amendment. We are talking about more than a million American citizens who pay their taxes and have every right to representation.

Let me cite an example. Since the bilingual provisions were enacted Hispanic registration in my State of Texas has increased by 64 percent. During the recent primary elections in Texas, Hispanics voted in higher proportional numbers than any other group. I want to see that trend continue.

Some have cited the issue of cost as one reason to return to the English-only ballot. Just let me point out that the former secretary of state for Texas has stated that the cost of providing bilingual ballots in our State is not substantial. According to the secretary of state, Texas would continue to supply bilingual election materials even if the Voting Rights Act is not extended. So cost is not really a major issue, at least in Texas, and I do not know of many States with a larger Hispanic population.

Others have suggested that bilingual elections foment cultural divisions in our society. Mr. President, it was Archibald Cox who suggested that "the best way to avoid a separatist movement in this country is to encourage participation in the exercise of the right to vote." I could not agree more.

And I would point out to my colleagues that national Hispanic voting has increased by 19 percent since 1976; Hispanic registration in Texas is up 64 percent. When we see larger numbers of minority Americans taking an active part in the affairs of our country, I think it is difficult to suggest that bilingual elections splinter the Nation.

Perhaps the most important question in this whole issue is whether the bilingual provisions of this bill have worked as intended. Have they been successful in extending the reach of democracy?

A study recently completed by the Mexican-American legal defense and education fund suggests that the provisions have worked and worked well. The study, "Bilingual Education at Work in the Southwest," suggested that 49 percent of the voters using some or all of the Spanish ballot had less than 5 years of formal education; 61 percent of those speaking Spanish only indicated they would be less likely to register without bilingual assistance and 72 percent said they would be less likely to vote. The evidence, in other words, strongly suggests the bilingual provisions are working as intended.

Let me conclude, Mr. President, with the observation that bilingual elections have become an important element for equity in our democratic process. They are not, however, a long-term solution to the problem of bringing Hispanics—soon to become our largest ethnic minority—into the mainstream of American life. Bilingual elections cannot compensate for the systematic failure of our educational institutions to provide our citizens with the English fluency they need to realize their full share of the American dream. We cannot let the bilingual ballot become an excuse for our failure to equip millions of our people with the educational tools to succeed in this country.

Mr. President, I oppose this amendment and I urge my colleagues to join me in the effort to preserve a role in the democratic process for millions of Americans who are eligible and anxious to vote but lack a fluency in the English language.

Mr. MATHIAS. Mr. President, I still have 3 minutes and 40 seconds.

The PRESIDING OFFICER. That is correct.

Mr. MATHIAS. I yield a minute and a half to the Senator from Idaho.

Mr. SYMMS. I thank the Senator.

Mr. President, I support the Hayakawa amendment.

In a form of government such as ours, it is imperative and the essence of the kind of government we have, that each citizen be allowed to express his or her political viewpoints. Throughout history the major vehicle of this expression has been the right to vote. It is the right to vote, the power of the individual citizen to make governmental and legal changes which has set our Nation apart from those nations that have preceded us in history. While this right to participate in our political process has undergone change, few would say that this change has not been necessary and for the betterment of our Nation. Certainly, many point to the Voting Rights Act as legislation which has more fully implemented the right to vote as contained in our Constitution. But while this may be so Mr. President, there are a number of provisions in the Voting Rights Act which, though well intentioned, are intrusive and cannot correct problems they are designed to address.

One of these is the bilingual ballot requirements which were added to the act in 1975. These requirements, added in an attempt to provide greater access to the polls by citizens unable to read or understand English, upon clear analysis show themselves to be shortsighted and paternalistic.

Bilingual ballots have cost local jurisdictions millions of dollars with no understanding at any level of government of the need for such expense. The criteria in the act which cause that bilingual voting materials and ballots be provided specified minorities have no basis in anything other than unfounded assumptions and arbitrariness, from Washington, D.C.

A language minority population greater than 5 percent combined with either an illiteracy rate greater than the national average or a voter turnout of less than 50 percent in the 1972 presidential election are criteria with no logical relationship to the perceived problem of voter discrimination based on language. Nonetheless, whenever these factors occur it is automatically

assumed that discrimination has taken place regardless of whether minority surnamed voters really need bilingual materials. Further, the act in its overbearing rigidity assumes that if a citizen is not literate in English then he is literate in a foreign language.

In order to understand the illogic and misguided reasoning behind such bilingual requirements we only need to ask ourselves, who votes? Obviously, our law permits only citizens the right of voting. One is a citizen only through one of two ways. Either you are naturalized or you are a native-born American. If you are a naturalized citizen then you have gone through a naturalization process required by law which in part requires an English language capability in both reading and speaking. If you are a native-born American you have had the opportunity of attending English-speaking schools and growing up in an English-speaking society. So in both cases there is no need for bilingual ballots for voting citizens and such Federal requirements placed on State and local jurisdictions are unnecessary, disruptive, and wasteful.

Mr. President, I know full well that proponents of the bilingual requirements would next argue that minority children do not develop an English language capability because such students often drop out of school and continue speaking the foreign language spoken in their home or community. Such an argument cannot stand. If a minority child does not learn to read and write English because of dropping our of school, there is even less chance of that child learning to read and write in the foreign language spoken in his home or community while living in an English-speaking society. So, the bilingual requirements of the Voting Rights Act do such voters absolutely no good. Those who are illiterate in English and cannot benefit from an English ballot are also illiterate in the minority language and could not benefit from a bilingual ballot.

It is a significant error in public policy to attack the illiteracy in this country—and to attack our bicultural failings—through our election laws which cannot hope to correct deficiencies in our educational system and society in general. The vain hope that those native-born citizens who did not attend school, did not learn to read or write English, have somehow, someplace, from someone learned to read and write a foreign language well enough to understand the text of a bilingual ballot is not enough to justify such Federal intrusion in local voting procedures.

Beyond the failing of bilingual requirements to actually be of benefit to those citizens who are illiterate is the issue of how are minority citizens to be more fully integrated into our political process?

Many cite past discrimination against minorities as having erected barriers to their entry and participation in public affairs. Many view English language ballots as preventing minorities from fully participating in the political process. But, as I have previously pointed out bilingual requirements are useless for their stated purpose of providing greater access to the polls by citizens unable to read or understand English. In addition to this, the bilingual ballot requirements are actually damaging to increased minority participation in, not only the political process, but American English-speaking society as a whole. Such bilingual ballot requirements are paternalistic and an extension of such provisions is an admission on the part of proponents that far from being a temporary measure to give older Spanish-speaking citizens a sense of full participation in our Republic, such provisions will continue to be needed because minorities cannot integrate or move away from linguistic isolation.

I do not believe that the continuance of such requirements or such a policy is in the interest of our Nation or any of the minorities which make up its citizens. Programs and policies which promote, foster or approve the use of a language for governmental or official functions other than English actually keep foreign-speaking minorities from participating in opportunities which might otherwise be available to them.

Bilingual ballots offer a false promise to non-English-speaking citizens that they can fully participate in the political affairs of our Nation without overcoming language barriers. Of course, there can be no full participation for such individuals. There will come a time when the false promise is exposed as indeed being false. This will inevitably lead to alienation and further isolation because of language barriers.

Such a polarization will lead to declines in the public discussion of important issues and the political climate of our Nation will suffer accordingly.

Mr. President, I agree with my good and distinguished friend from California, Senator HAYAKAWA, that our country's greatness is directly related to our unique ability to merge a multitude of foreign cultures into one. The key to this ability is the acceptance of one common language that allows each new culture group to communicate and share ideas with those who have come before.

By mandating such requirements as bilingual ballots we are encouraging the growth of minority language communities. Such communities will remain outside the mainstream of American life.

The bilingual ballot as Senator HAYAKAWA so ably points out is a long step in the wrong direction. It does not provide greater access to the polls for non-English-speaking citizens because of the very high probability of their illiteracy in all languages. Further, such requirements do not strengthen any minority participation in the political, social, and cultural aspects of our society because these requirements encourage the continuance of language barriers.

Our Constitution guarantees the right to vote, but not the right to vote in the language of one's choice. With the rights and privileges of citizenship come responsibilities.

The enjoyment of citizenship requires action on the part of the citizen. Individual language deficiencies cannot be corrected by imperial mandate of the Federal Government. The ability to communicate in English is necessary for good citizenship. Those who wish to fully participate in our society must learn to speak English.

And talking about the money in this, if we have a problem with people needing to learn English, then let us take the money we are spending printing ballots and train the people in the art of the English language so we do have in fact an English-speaking country.

I think that this is really an imposition on the States and local municipalities and local election process that is totally unnecessary, and all one has to do is read the law. You cannot vote if you are not a citizen and you are supposed to be able to speak English if you are a citizen.

Mr. MATHIAS. Mr. President, I yield 1 minute to the Senator from Georgia.

Mr. MATTINGLY. Mr. President, I rise in support of the Hayakawa amendment.

When an individual raises his hand and takes the oath to become a citizen of the United States, he accepts the privileges and responsibilities of citizenship. Along with the privilege of a vote comes the responsibility of being an informed voter. Knowledge of English, the language of American law and commerce, is essential to being an informed citizen and to casting a responsible vote.

While the bilingual requirements of the Voting Rights Act were originally intended to increase participation in the electoral process, the provisions have been harmful to our system and to our country. They have imposed burdensome requirements on State and local governments.

Mr. President, I wish to make one additional comment to both the proponents and opponents of this amendment. The most harmful part of what we are debating is the misperception of many of our citizens that learning

English is not necessary to be a responsible participant in the American system and in the future of this country.

So I point that out and sometime logic gets lost in the debate, but I think that is the logic of the debate.

Therefore, I support efforts to remove the provisions requiring bilingual election material from the Voting Rights Act.

Thank you, Mr. President.

Mr. MATHIAS. Mr. President, I wish to point out the extraordinary spectrum of witnesses who supported bilingual elections in the committee hearings: the Attorney General, William French Smith; the Governor of Texas, Bill Clements; the Governor of Arizona, Bruce Babbit; Prof. Archibald Cox. This is an extraordinary array of Americans who feel that these bilingual elections are necessary. I hope the amendment will be defeated.

● Mr. HART. Mr. President, I oppose the amendment offered by the Senator from California. If we repeal the language minority provisions of the Voting Rights Act, we will compromise the right to vote for thousands of American citizens. It is as simple—and as profoundly serious—as that.

Five years ago, the Senate was presented with statistical evidence documenting an alarming degree of discrimination against, and underrepresentation of, Spanish-speaking, and other language minority citizens. As a result, we amended the 1965 Voting Rights Act to require bilingual registration and voting assistance in 3 States and about 200 carefully selected counties around the country.

Today, we have ample evidence that these amendments are working, both practically and symbolically. Since 1975, Hispanic voter registration has risen by 30 percent nationwide. In my own State of Colorado, Hispanic voter registration rose an astounding 41 percent between the 1976 and 1980 Presidential elections. Twenty-three thousand more Hispanic Coloradans cast their vote on election day 1980 than 1976. These American citizens are finally being given the chance—their right—to patricipate in the political process, as voters and as elected officials. To thwart such progress now, would be an unconscionable mistake.

A number of false conceptions still exist about the need, the implementation, and the effectiveness of bilingual voting assistance.

The first of these false impressions is that bilingual elections are not really necessary. This is simply not true. One in seven American citizens of Mexican descent does not speak English. The number of Americans for whom Spanish is their principal language is, of course, much higher. These people are not aliens, or refugees, or immigrants. They are American citizens whose ancestors have been in this country for generations. Without language assistance at the polls, their voting rights are effectively denied.

The second false impression is that bilingual elections promote cultural pluralism. The facts show just the reverse: Bilingual elections lead to a high degree of participation and representation of minorities. New Mexico, for example, has had bilingual assistance since 1912, and it has the highest degree of Hispanic participation and representation of any State in the country. In my own State of Colorado, 9 percent of the legislature is Hispanic, compared to 3 percent in 1974. Bilingual elections have encouraged these people to register and vote and begin the important process of participating as full citizens of our country.

A final misconception, one which proponents of the amendment stress, is that bilingual elections are "too expensive." But one cannot put a price on our most fundamental political right. Throughout our history, we have paid heavily for our democratic system of government. Surely we are willing to incur some cost to provide the means for hundreds of thousands of U.S. citizens to exercise their constitutional rights.

Moreover, the extensive House and Senate hearing records make clear that when bilingual elections are efficiently administered, the costs become minimal. In Denver, for example, the additional costs for providing bilingual election materials have not even been separated from other costs by the voter registrar.

There are examples where costs associated with bilingual elections have been extraordinarily high. But in every case, it is because the jurisdiction has done more than required by the law. California's costs were initially so high because excessive amounts of explanatory printed material were mailed to each voter before the election. Where bilingual election information has been carefully targeted into minority language communities, however, costs became impressively low. For example, in Los Angeles county where Hispanics make up 30 percent of the population, only 1.9 percent of the total 1980 election budget went toward implementing the language minority provisions. In that election, there were over 45,000 requests for bilingual materials.

To repeal the language minority provisions of the Voting Rights Act because a few jurisdictions have not implemented them well is the wrong way to approach concerns about the costs of bilingual elections. We should, instead, make specific efforts to provide local election administrators the information and guidance they need to hold down the cost of compliance with the act.

Mr. President, we should remember that many of our parents and grandparents came to this country unable to speak English very well. Many good, dedicated American citizens still do not speak English, or speak it only poorly. Yet, they are Americans in every meaning of the word. It is their access to the ballot that this amendment is all about.

I am confident this amendment will be defeated, as it should be.●

● Mr. CRANSTON. Mr. President, I urge opposition to the amendment offered by my distinguished colleague from California.

It would be exceedingly unwise for the Senate to vote to deny election materials to members of language minority groups in their own language. To do so constitutes discrimination against those who speak languages other than English.

English is our predominant language.

No one challenges that fact and no one doubts but that success in the mainstream of the United States depends virtually exclusively upon mastery of English in its written and spoken forms.

We live in rapidly changing times. California's population will be predominantly Third World groups within my lifetime—even if all immigration stopped today. Given this fact it seems to me that we must work hard to avoid the kinds of political and social discrimination against others which prevailed prior to the days of the Voting Rights Act of 1965.

I am fully aware of the objections to bilingual ballots and other forms of bilingualism. And I know that resentments on those questions are bitter and deep in my State. The consequences of growing tensions between racial and ethnic groups over issues of bilingualism threaten to destroy much that we value in our communities. In every way possible it is necessary that we strive to reduce tensions.

In thinking about these matters I have weighed very carefully the urgings of many Californians that English be the exclusive language used in exercising the political franchise. I understand fully that those who hold this view sincerely feel they are not expressing views disparaging of others. The difficulty comes from the fact that the perception by Hispanic Americans and others tends to be contrary.

How do we best cope with this dilemma?

Should we simply eliminate bilingual ballot requirements altogether?

If we do, will we and our children pay the social consequences later on the theory that every action produces a reaction?

Can we all live together peacefully under a social order based on the legal

predominance of one race and one language?

My questions do indicate my answers. I have decided that we cannot afford to force the use of English exclusively in exercising the political franchise.

Many who write to me about bilingualism warn of the political disaster of Quebec torn between French-speaking and English-speaking. The Quebec and similar bilingual feuds in other nations, however, are rooted in legal and social discrimination against the native tongue of substantial populations. Often these linquistic differences have been reinforced by religious conflicts as well.

In my view, forcing the exclusive use of English in California and elsewhere would lead to exactly the kind of separatism along language-lines which today prevails in Quebec.

Critics of bilingual ballots also raise caustic questions as to why ballots are not printed in other languages, such as German, French, Japanese, Vietnamese in addition to Spanish, Chinese, and American Indian languages.

Frankly I feel translation services ought to be available to anyone who wants such service. Should the service be provided by the Government? Not always. It is clear that lines must be drawn. The significant political participation issue involves the Hispanic American community and the American Indian community. English-speaking Americans have a long historic involvement with Hispanic Americans and Indians. There is a history which supports mutual comity on the question of language. I think we should not override it with our laws.

The minority language provisions of the Voting Rights Act have served us well. They should be continued and I urge my colleagues to reject the proposal of my junior colleague.●

Mr. SPECTER. Mr. President, I oppose the amendment by the Senator from California (Mr. HAYAKAWA) because it would delete what I consider to be one of the most important functions of the Voting Rights Act—the protection of the rights to vote of our language minority citizens. I continue to believe that the better approach is to continue the provisions of the Voting Rights Act that seek to facilitate the fullest participation of our Spanish-speaking and other language minority citizens in our political processes and to prohibit voting discrimination based on language minority.

Indeed, in my view, one of the most important sections of S. 1992 is section 4 of the bill, which will extend until 1992 the bilingual provisions of the Voting Rights Act. I am pleased to support extension of these voting rights protections, but oppose this amendment and any effort to cut back on the guarantees of equal voting rights for language minorities and to curtail bilingual language assistance.

Mr. KENNEDY. Mr. President, there are 15 seconds remaining. I hope that some of our colleagues who are going to support this amendment will help us in the days to come when we are going to be here seeking resources for bilingual education to help citizens learn English. I think we are going to see Senators vote for this amendment and then vote against bilingual education.

The fact remains: There are millions of Americans, older Hispanic Americans, and older Native Americans who grew up in a time of significant discrimination in this country and were denied educational opportunities. They should not be denied the right to participate in our democratic process now.

The PRESIDING OFFICER. All time has expired.

Mr. HAYAKAWA. Mr. President, may I ask unanimous consent that I may have 15 seconds to reply to my distinguished colleague from Texas?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, I wish to make this reply short to my distingished colleague from Texas (Mr. BENTSEN).

I believe that it is desirable that the Spanish Americans or Spanish-speaking Americans in Texas vote. I am very glad that they do, but I do believe that bilingual ballots, if supplied, should be supplied by State law, not by Federal law.

This is done in Alaska, and I believe it should be done. It is done in New Mexico. I believe it should also be done in Texas.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from California.

Mr. MATHIAS. Does the Senator from California want the yeas and nays?

Mr. HAYAKAWA. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Alabama (Mr. DENTON), the Senator from Nevada (Mr. LAXALT), the Senator from Indiana (Mr. LUGAR), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Illinois (Mr. PERCY), the Senator from Wyoming (Mr. SIMPSON), the Senator from Texas (Mr. TOWER), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Arkansas (Mr. PRYOR) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) and the Senator from Hawaii (Mr. MATSUNAGA) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 54, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—32

Abdnor	Gorton	Nickles
Andrews	Hatch	Packwood
Armstrong	Hatfield	Pell
Brady	Hayakawa	Pressler
Byrd, Harry F., Jr.	Helms	Quayle
	Huddleston	Rudman
Cochran	Humphrey	Stevens
Cohen	Kasten	Symms
East	Long	Thurmond
Garn	Mattingly	Warner
Goldwater	McClure	Zorinsky

NAYS—54

Baker	Domenici	Mathias
Baucus	Durenberger	Melcher
Bentsen	Eagleton	Metzenbaum
Biden	Ford	Mitchell
Boren	Grassley	Moynihan
Boschwitz	Hart	Nunn
Bradley	Hawkins	Proxmire
Bumpers	Heflin	Randolph
Byrd, Robert C.	Heinz	Riegle
Cannon	Hollings	Roth
Chafee	Inouye	Sarbanes
Chiles	Jackson	Sasser
Cranston	Jepsen	Schmitt
D'Amato	Johnston	Specter
DeConcini	Kassebaum	Stafford
Dixon	Kennedy	Stennis
Dodd	Leahy	Tsongas
Dole	Levin	Weicker

NOT VOTING—14

Burdick	Laxalt	Pryor
Danforth	Lugar	Simpson
Denton	Matsunaga	Tower
Exon	Murkowski	Wallop
Glenn	Percy	

So the amendment (No. 1879) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Cochran amendment, which will be called up next, be limited to 20 minutes, 15 minutes to Senator COCHRAN and 5 minutes to the control of Senator KENNEDY.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Nunn amendment, which will follow the Cochran amendment, be limited to 30 minutes, with the time to be equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

15-MINUTE ROLLCALL VOTES TODAY

Mr. STEVENS. Mr. President, all rollcall votes today will be terminated after 15 minutes. This vote was carried over by approximately 7 minutes. Will the Chair clarify that? Was it 7 minutes over?

The PRESIDING OFFICER. Eight minutes.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. Mr. President, would both leaders agree to a demand of regular order after the 15 minutes?

Mr. STEVENS. We will demand the regular order after 15 minutes today. We are announcing all rollcalls will be terminated after 15 minutes. There will be no exceptions. Because this one was the first one, we did try to give our colleagues the chance to be here. There was some question as to when this first one would be terminated. But there will be 15-minute rollcall votes all day.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AMENDMENT NO. 1898

(Purpose: To provide for the application of preclearance provisions to all States and political subdivisions and to provide for submission of any changes under the preclearance provisions to the appropriate district court of the United States)

Mr. COCHRAN. Mr. President, I have a printed amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi (Mr. COCHRAN) proposes an amendment numbered 1889.

Mr. COCHRAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following:

SEC. 7. (a) Section 5 of the Voting Rights Act of 1965 is amended—

(1) by inserting "(a)" after the section designation;

(2) by inserting after "November 1, 1972," the following: "or whenever a State with respect to which no prohibition set forth in section 4(a) based upon a determination made under section 4(b) is in effect shall enact or seek to administer any voting qualifications or prerequisites to voting, or standard, practice, or procedure with respect to voting different from that in force or effect on the date of the enactment of the Voting Rights Amendments of 1981";

(3) by inserting "against the United States" after "institute an action";

(4) by striking out "the United States District Court for the District of Columbia" and inserting in lieu thereof "the appropriate district court of the United States";

(5) by striking out the colon and all that follows through the end of the first sentence of such section and by inserting in lieu thereof a comma and the following: "except that any such qualification, prerequisite, standard, practice, or procedure may be enforced after sixty days after such State or political subdivision has submitted the necessary information to the appropriate district court of the United States and no objection has been raised by the United States or by any interested person during such sixty-day period.";

(6) by striking out the second, third, and fourth sentences of such section and inserting in lieu thereof the following: "The procedures specified in subsection (b) shall apply to any action brought under this section. The failure of the Attorney General or any interested party to object during the sixty-day period specified in the first sentence of this subsection, or a declaratory judgment entered into under this section shall not bar a subsequent action to enjoin an enforcement of such qualification, prerequisite, standard, practice, or procedure."; and

(7) by adding at the end thereof the following new subsection:

"(b)(1) Upon the filing of a complaint in an action brought under subsection (a) of this section, notice of the action shall be published in newspapers of general circulation in the jurisdiction of the appropriate district court for three consecutive weeks, and the complaint shall, to the extent practicable, be served on all interested persons. Persons interested in the enforcement or administration of any voting qualification, prerequisite to voting, or standard, practice, or procedure with respect to voting required to be tested under subsection (a) of this section by a State or political subdivision may, in accordance with rules made by each district court, submit their names and addresses to the appropriate district court to be kept in a registry for the purposes of this paragraph.

"(2) Any—

"(A) person who resides within the State or political subdivision seeking to enforce or to administer any such qualification, prerequisite, standard, practice, or procedure, subject to the provisions of subsection (a) of this section; or

(B) organization which carries on activities in such State or political subdivision.

desiring to object to such enforcement or administration shall be permitted to intervene as a matter of right in the action brought under subsection (a) of this section within sixty days after the last publication required by paragraph (1) of this subsection or upon receipt of the complaint, as the case may be.

"(3) If there is a request for additional information in any action brought under subsection (a) of this section, the sixty-day period during which no such qualification, prerequisite, standard, practice, or procedure may be enforced or administered shall commence when the information is received.

"(4)(A) It shall be the duty of the chief judge of the district (or in his absence, the acting chief judge) in which the action brought under this section is pending immediately to designate a judge in such district to hear and determine the action. In the event that no judge in the district is available to hear and determine the action, the chief judge of the district, or the acting chief judge, as the case may be, shall certify this fact to the chief judge of the circuit (or in his absence, the acting chief judge) who shall then designate a district or circuit judge of the circuit to hear and determine the action.

"(B) It shall be the duty of the judge designated pursuant to this subsection to assign the action for hearing at the earliest practicable date and to cause the action to be in every way expedited.

"(5) Notwithstanding any other provision of law, the appeal from any declaratory judgment entered into in any action brought under subsection (a) of this section, or any interlocutory order involving the resolution of any issue relating to the enforcement or administration of any such qualification, prerequisite, standard, practice, or procedure under section 5, shall be expedited to the greatest possible extent.

"(6) Notwithstanding any other provision of law, any declaratory judgment in any action brought under subsection (a) of this section shall be stayed until all appeals in connection with such a judgment have been exhausted or, in the event no appeals are taken, until the time for such appeals has expired.".

"(b) Section 14(b) of the Voting Rights Act of 1965 is amended by striking out "or section 5".

"(c) Section 14(d) of such Act is amended by striking out "or section 5".

Mr. KENNEDY. Mr. President, will the Senate be in order?

The PRESIDING OFFICER. The Senate is out of order. The Senator from Mississippi has the floor. Those Senators wishing to conduct conversations, please retire to the cloak room.

Mr. COCHRAN. Mr. President, the purpose of this amendment is to assure the nationwide protection of voters' rights by making available a preclearance procedure in every State.

I am urging the adoption of this change so the Government can act, when it needs to, to protect the right to vote of every citizen in this country, not just those who live primarily in the South and selected precincts and other States. Rather than weakening enforceability my amendment would enlarge upon the Government's ability to protect the voting rights of citizens wherever they may live.

I originally offered this proposal as S. 1761 and on six occasions since then, I have taken the floor in an effort to discuss fully my views on the Voting Rights Act and to explain in detail my proposed amendment.

My amendment relates only to section 5 of the act. It creates a new preclearance procedure.

This idea was developed by William C. Keady, chief judge for the U.S. District Court for the Northern District of Mississippi, and George C. Cochran, who is on the faculty of the school of law at the University of Mississippi.

This suggestion of theirs is discussed in their article entitled "Section 5 of the Voting Rights Act: A Time for Revision," published in the Kentucky Law Journal, volume 69, No. 4, 1980–81. Professor Cochran testified at the Judiciary Committee hearings about this proposal and so did I.

This amendment would require political units to apply for a declaratory judgment in local Federal district court for the preclearance of any change in election or voting laws. The complaint would name the United States as defendant, and process would be served upon the Attorney General. The relief sought would be identical to that now provided in section 5, and the burden of proof would remain on the submitting political unit.

Appropriate notice would be given to all interested parties in two forms: publication in local newspapers for 3 consecutive weeks and actual service of the complaint upon interested persons or organizations who have placed their names in a registry with the court. Any person or group would be permitted to intervene as a matter of right within 60 days after notice of the action. The United States would also have 60 days to answer, the time period now permitted the Justice Department under the current administrative procedures for preclearance.

These declaratory judgment actions would be given a priority setting by the court, and decisions adverse to the United States or intervening parties would be stayed automatically upon notice of appeal. A provision for an expedited appeal has also been included.

I am convinced that our Federal district courts will not be burdened unduly by the increased number of submissions for preclearance that this proposal requires. While statistics reveal a steady increase in submissions for covered jurisdictions—a total of 7,340 in 1980—there has been a steady decrease over the years in the number of objections made by the department—only 51 in 1980 or .69 percent. One can surmise that most submissions would be deposed of summarily by the court, with only a few requiring actual litigation.

Mr. President, the present preclearance provision in section 5 is applicable to only nine states and parts of 13 others.

The U.S. Bureau of Census Voting and Registration Figures for 1980, indicate that there is much discrepancy between the percentage of whites registered to vote and the percentage of blacks registered to vote in States not covered by section 5. For example, in New Jersey, the figures are 69.8 percent for the white voting age population and 48.9 percent for the black. In Kansas, 71 percent of the white voting age population is registered to vote compared with 40.3 percent of the black. In Massachusetts, where some political subdivisions are covered, 73.4 percent of the white voting age population is registered compared to 43.6 percent of the black voting age population. In New York, where some political subdivisions are also covered, the figures are 62.4 percent of the white voting age population and 46.5 percent of the black.

These are contrasted by the percentages for the Nation and for my own home State of Mississippi. In the United States, 68.4 percent of the white voting age population is registered to vote compared to 60 percent of the black voting age population, and in Mississippi, these figures are 85.2 percent for the white voting age population and 72.2 percent for the black. I might add that Mississippi has the largest number of black elected officials in the country—387.

Mr. President, I think New Jersey, Kansas, Massachusetts, New York, and all 50 States would benefit from the full application of the Voting Rights Act.

I would like to stress that this is a new proposal and has not been previously considered by either the senate or the other body during previous discussions of the Voting Rights Act. What distinguishes this proposal from previous suggestions to extend application of the law nationwide is that this amendment creates a new preclearance procedure, vesting jurisdiction for administering that procedure in the Federal district courts. At the same time, it does not take away from the Department of Justice the obligation and responsibility to review proposed changes in local election law.

As my colleagues are aware, electoral changes are now precleared by the voting section of the Department of Justice. The currently followed procedure is fraught with inadequacies. These have been documented in two reports, one by the General Accounting Office in 1978 entitled Voting Rights Act—Enforcement Needs Strengthening and the other, Compromised Compliance: Implementation of the Voting Rights Act by Howard Ball, Dale Krane, and Thomas P. Lauth.

As an example, the department employs paraprofessionals to review the preclearance submissions and make the determination of whether or not the proposed change has a discriminatory purpose or effect. These paraprofessionals possess little or no legal training, demographic or statistical skills.

A second example has been described as a "dual track system." This dual track system—the first track consisting of a review of the submission by the paraprofessional and the second track consisting of discussions between the supervising attorney at the department and officials from the submitting jurisdiction—leads to informal approval of the submission without local minority participation.

Other problems include decisions on submissions made without all the data as required by the Federal regulations, review periods extending well beyond the 60 days permitted, and requests for information made on the 60th day as a tactic for further delay. What was envisioned as a system for prompt preclearance has become a quagmire of numerous submissions requiring the evaluation of complex social, political, and legal data with personnel too limited in number and skills to adequately and properly do so. My amendment would employ the expertise of our Federal judiciary in evaluating election changes for discriminatory purpose and effect.

Mr. President, I believe the proposal I have made will bring the Voting Rights Act into the 1980's. It is a workable, expeditious alternative to the outdated administrative procedures available under the act, and it will maintain the Government's role in the protection of voting rights.

Wilbur Colom, a young, black attorney from my State of Mississippi, addressed the House Judiciary subcommittee in support of this proposal when it held hearings on the Voting Rights Act last summer. Mr. Colom, who was active in the civil rights movement in the 1960's, supports the principles of the Voting Rights Act but is willing to consider ways to improve it. This view was reflected in these remarks he made to the subcommittee:

> The enforcement procedures of the Voting Rights Act are not written on a sacred scroll. While the principles embodied in the act should be sacred to all of us, for it was through much suffering in my lifetime the gains were made, the mechanism for enforcement should be open for debate as Mississippi changes and as America changes. Innovative ideas on enforcement such as the Keady/Cochran proposal should be welcomed.

Mr. President, I urge the Senate to adopt my amendment.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, first I commend the Senator from Mississippi on his proposal. He took the time to testify before the Judiciary Committee on the proposal. It is a matter, I know, of deep conviction to him, and he speaks on this measure having given it a good deal of thought.

I think all of us who are involved in this debate appreciate the considered judgment that Members give to their amendments, even though we have some differences with them.

The only points I would like to make, Mr. President, are these: One, the proposal requires nationwide preclearance. As Congressman HYDE, who fashioned the basic bailout provision,

said, "If we accept a nationwide preclearance, we are going to strengthen this act to death."

I think that is the case. Also, there are serious questions about the constitutionality of the proposal. Without a clear record of discrimination in jurisdictions not presently covered by section 5, it may be an unconstitutional exercise of congressional authority to require the extraordinary remedy of preclearance.

Finally, Mr. President, President Reagan told the press last year that he had decided that nationwide preclearance would dilute the protection of the act. He actually withdrew his support of a nationwide proposal. I think that is telling, Mr. President. Even this President recognized that nationwide preclearance would so weaken the effectiveness of the law as to render it meaningless.

Mr. President, in addition to the defect of making section 5 nationwide, this amendment adds what I believe is an unwieldy path for litigation, one which would be much more costly, lengthy, and less efficient.

One of the most effective aspects of the present law is the process by which the Attorney General passes judgment upon submitted changes in accordance with carefully designed guidelines. This amendment directs litigation to a different path, thereby endangering what has been an effective process. For these reasons, Mr. President, I hope the amendment will not be accepted.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, the Senator from Mississippi (Mr. COCHRAN) has a genuine concern which is reflected in his amendment.

The overwhelming number of the applications for preclearance go the administrative route, of submission to the Attorney General. The amendment would discard the administrative preclearance procedure which has been in effect since 1965. The amendment would require that all the proposed changes be adjudicated in court. This might be good for lawyers, but it may not be good for those jurisdictions that are seeking preclearance. I think the amendment must be defeated.

The amendment substitutes the local U.S. district court for both the courts in the District of Columbia and for the Attorney General. So it not only ousts the District of Columbia courts, but it eliminates the administrative role of the Attorney General in section 5 submissions. It undoes the basic preclearance structure of the 1965 act by drastically minimizing the Attorney General's role. The administrative preclearance procedure traditionally has been the heart of the act. The amendment would end the administrative process that has worked so well.

Mr. President, I respectfully urge Members of the Senate to defeat the amendment.

Mr. STENNIS. Mr. President, will the Senator yield me 3 minutes?

Mr. COCHRAN. Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. Six minutes and six seconds.

Mr. COCHRAN. I yield 3 minutes to my distinguished colleague.

Mr. STENNIS. Mr. President, this is no attempt to avoid any responsibility. I think it strengthens the bill to make it applicable to all 50 States. It gives it a dignity in application, gives it an added recognition and acceptance as a nationwide policy. I think that is just commonsense. A basic principle of our Government is that laws should apply nationwide.

The Supreme Court upheld the constitutionality of applying the law to just a part of the country on the grounds that there were special circumstances, special conditions, more or less an emergency that had to be met, and that the special provisions of the law were temporary. The law was uphold on that basis.

Seven years ago, Mr. President, this body cast 38 votes in favor of making this law apply nationwide. I was the author and floor manager of that amendment. Former Senator Ribicoff of Connecticut was a Member at that time. He took a very strong and effective position with reference to casting aside this limited concept and making that law nationwide. The amendment received 38 votes.

Mr. President, what reason is given here for continuing this special application? It takes a lot of nerve under the present facts to come here and say, well, we want it for just an area of the Nation, but it is not good for the whole Nation. The only real reason given is it complicates the application of the law. That does not control any other department that I know of in the whole Government. It may be a little troublesome, but we can provide the needed manpower.

The facts are, Mr. President, that it is only at the last minute that you can get a ruling from the Justice Department now, I do not see any evidence that it is due to lack of the ability or the opportunity to act, or is attributable to a manpower problem. It just comes in at the last minute, even from the Department of Justice.

Mr. President, let us set this thing up on a square and adequate basis, with solid support. Let us see how it applies nationwide.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. COCHRAN. Mr. President, I yield 1 minute to the Senator from Georgia (Mr. NUNN).

Mr. NUNN. Mr. President, this amendment is similar to an amendment I proposed the last time this act was on the floor. I remember the former Senator from Connecticut, Mr. Ribicoff, stood up and made what I think is one of the best speeches I have heard since I have been in the Senate. He appealed to the Senate's sense of fairness, its sense of equity, its sense of balance. unfortunately, we came just four votes short of having this act apply nationwide.

To those who say that would dilute the effectiveness, I say that argument is logical only if you assume that the Senate of the United States, the Congress of the United States, the executive branch is not willing to allocate more manpower to the Department of Justice. Mr. President, we have more lawyers in the District of Columbia than we do in the whole country of Japan. If it takes 200 more lawyers to administer this act fairly to all the States in the Nation, I would say all of us ought to pledge to get that many more lawyers in the section 5 preclearance area. I was told last night that there are 12 people in this section.

I think that this amendment should be approved by the U.S. Senate.

Mr. COCHRAN. Mr. President, I thank most sincerely the Senators who have spoken in support of my amendment. I think they point out the problems with the preclearance procedure that would be corrected if this amendment were adopted.

The Senator from Maryland worries that the Department of Justice and the Attorney General would be relieved of responsibilities under this amendment. That is just not correct. The Attorney General would still have the power and the duty to review every election law change in the United States. It is just that they would have that duty now extended to every State.

When we look at the failure of minority participation in elections in Kansas and in Massachusetts, where you have barely 40 percent of the minority black population registered to vote, you begin to wonder whether or not the benefits of this act ought to have full application throughout the country. I say they should.

It is time now to realize that we are in the 1980's, not in the 1950's, and 1960's, and we should draft a law so that it has fair, equal and effective application.

Mr. President, this will not diminish the enforceability of the act. It will enlarge upon the Government's ability to review election law changes, and those that discriminate against the minority voter will be overturned.

I submit to the Senate that this is the first time that this kind of procedure has been advanced for consideration by the Senate. The so-called

Hyde proposal in the House was completely different from this. This is a new procedure; it is designed to be workable and effective in every jurisdiction in every State.

Incidentally, Mr. President, it would include for the first time full participation by those at the local level who are interested in election law changes. They would be given the right to intervene, to petition the court for refusal to grant a declaratory judgment. In those jurisdictions that did not have any problems, where minorities are not discriminated against in the election law process, the court's review would be summary in nature. The Department's review would necessarily be cursory. But in those jurisdictions where there are problems, this amendment gives them an opportunity to review those changes in a systematic way and then apply the due process of the court to the procedure.

I thank the Chair and urge that the amendment be adopted.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired. Who yields time?

Mr. KENNEDY. Mr. President, this is a different bill from 1975. It does have, as the Senator from Mississippi pointed out, nationwide application.

We have towns in my own State of Massachusetts that are covered and I think that unless they are able to meet the requirements of the law they ought to be covered. But the Senator from Mississippi makes a different proposal, one which extends preclearance duty to jurisdictions which do meet the requirements of the law.

Finally, this issue was covered extensively, both in the House hearings and the Senate hearings, and there were major problems raised as the Senator from Maryland has pointed out. Presently, very precise criteria govern what must be submitted to the Attorney General. Under the Cochran proposal, those criteria are changed dramatically.

The PRESIDING OFFICER. The Senator's time has expired.

● Mr. MATTINGLY. Mr. President, I support the amendment that would extend all provisions of the Voting Rights Act to the entire United States. Since 1965, the Voting Rights Act has had great impact in my home State and that impact has been for the good. It has improved the democratic process throughout the South. I believe it is needed nationwide. This is the position I held during my campaign for election to the Senate and I have yet to be persuaded otherwise.

There are those who say this would dilute the enforcement effort. This is not my intention at all. If this amendment is adopted, I pledge my full efforts as a member of the Appropriations Committee to see that the Justice Department has the staff and budget needed to enforce the act in all 50 States.

Racial discrimination may result from motivation having nothing to do with race. When it comes to drawing political boundaries, race is not as important as protecting the "ins" from the "outs." This is true in all sections of the country. Incumbents will always seek to protect themselves.

Therefore I support the effort to extend this act to all 50 States. We should do our utmost to protect every citizen's right to vote no matter where he lives in the United States.●

Mr. COCHRAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from New Mexico (Mr. DOMENICI), the Senator from Indiana (Mr. LUGAR), the Senator from Wyoming (Mr. SIMPSON), the Senator from Texas (Mr. TOWER), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), the Senator from Ohio (Mr. GLENN), and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) and the Senator from Hawaii (Mr. MATSUNAGA) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 16, nays 74, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—16

Abdnor	Goldwater	Nunn
Byrd, Harry F., Jr.	Hayakawa	Stennis
Cochran	Heflin	Symms
Denton	Helms	Thurmond
East	Mattingly	Warner
	McClure	

NAYS—74

Andrews	Cranston	Heinz
Armstrong	D'Amato	Hollings
Baker	DeConcini	Huddleston
Baucus	Dixon	Humphrey
Bentsen	Dodd	Inouye
Biden	Dole	Jackson
Boren	Durenberger	Jepsen
Boschwitz	Eagleton	Johnston
Bradley	Ford	Kassebaum
Brady	Garn	Kasten
Bumpers	Gorton	Kennedy
Byrd, Robert C.	Grassley	Laxalt
Cannon	Hart	Leahy
Chafee	Hatch	Levin
Chiles	Hatfield	Long
Cohen	Hawkins	Mathias
Melcher	Pressler	Sasser
Metzenbaum	Proxmire	Schmitt
Mitchell	Pryor	Specter
Moynihan	Quayle	Stafford
Murkowski	Randolph	Stevens
Nickles	Riegle	Tsongas
Packwood	Roth	Weicker
Pell	Rudman	Zorinsky
Percy	Sarbanes	

NOT VOTING—10

Burdick	Glenn	Tower
Danforth	Lugar	Wallop
Domenici	Matsunaga	
Exon	Simpson	

So Mr. COCHRAN's amendment (No. 1898) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I understand this next amendment is a Nunn amendment.

Will the Senator from Georgia be willing to accept a limitation of 20 minutes, equally divided?

Mr. NUNN. I say to the majority leader that I would prefer 30 minutes and will shoot for 20 minutes.

Mr. BAKER. Mr. President, I ask unanimous consent that on the Nunn amendment, there be a time limitation of 30 minutes, equally divided.

Has that been ordered already?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BUMPERS. Mr. President, will the Senator consider asking for 10-minute rollcall votes from now on?

Mr. BAKER. I would like to do that, but I am afraid that with Members scattered around this early in the morning we would have trouble with it. Also, we have had trouble with elevators.

Mr. NUNN. If I can get the Senators on the floor to stay, I think I could cut it to no more than 20 minutes. If the majority leader would like to cut down the time on this amendment, I am agreeable to that. I talk a lot slower when nobody is here. [Laughter.]

Mr. BAKER. Mr. President, it is my understanding that perhaps the Senator from Alaska (Mr. STEVENS) will be next, with a bailout amendment. He is not in the Chamber at this moment, but I understand that he will accept a 20-minute limitation. I will try to get that in a few moments.

Mr. President, it is 11 o'clock. We are making good progress. I commend all Senators for moving expeditiously, especially after such a late evening. I think we need to set a time certain for final passage.

Mr. President, I have discussed this with a number of Senators. I want to know whether to go or not.

But I ask unanimous consent that final passage of this bill occur not later than 1 p.m. today and that the

provisions of paragraph 4 of rule XII be waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, is that with the understanding that only those amendments that were enumerated last night will be in order?

Mr. BAKER. Mr. President, I really do not want to get back in the enumeration business. I would rather have the time run.

Mr. ROBERT C. BYRD. If we do not do that we do not know what kind of amendments we have.

Mr. BAKER. Mr. President, I will withhold the request for the time being.

Mr. DOMENICI. Mr. President, I say to the distinguished leader I was going to reserve the right to object, also, because I did not get to vote on the last matter, and I was enroute over here and no one called me and reminded me.

I want to make sure everyone understands that I missed that vote.

Mr. ROBERT C. BYRD. Mr. President, I believe that the cloakrooms put out the word earlier this morning that rollcall votes would not be extended beyond 15 minutes.

Mr. DOMENICI. I hope no one thinks I am angry. I am being facetious.

Mr. BAKER. Mr. President, I accept the heavy responsibility for the Senator from New Mexico missing the vote because he was in my office in a meeting. But Members should be on notice that as per the notices from the cloakrooms and I believe the statement from Senator STEVENS earlier today in order to make sure that we cover as much ground as possible today rollcall votes will be limited to 15 minutes with the single exception of those Senators seeking recognition to vote who are in the Chamber or to change their vote who are in the Chamber.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader put his 1 p.m. request again?

Mr. BAKER. Yes.

Mr. President, I ask unanimous consent that final passage of this bill occur not later than 1 p.m. today, with the provisions of paragraph 4 of rule XII being waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. DOMENICI. Mr. President, reserving the right to object, I just wish to finish my statement and I shall then have no objection. I really missed the vote, and it is my fault, and that is the point I wanted to make. I did not say it was anyone else's fault. I did not get here on time, but I wish to say had I been here I would have voted with those who opposed it, and I have no objection.

Mr. BAKER. Mr. President, before the Chair acts on the request, there are two Senators who I understand wish to be consulted on this subject and rather than delay the Senate I shall reput the request in a few moments.

So I will yield the floor so the Senator from Georgia can seek recognition.

The PRESIDING OFFICER. The Senator from Georgia.

UP AMENDMENT NO. 1030

(Purpose: To assure a timely decision by the Attorney General under the preclearance provision)

Mr. NUNN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN) proposes an unprinted amendment numbered 1030.

Mr. NUNN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. 7. Section 5 of the Voting Rights Act of 1965 is amended by adding after the third sentence the following new sentence: "whenever the Attorney General requests additional information after the first 30 days of the 60-day period referred to in the first sentence of this section, the period in which the Attorney General may interpose an objection may not exceed 30 days after the receipt of the submission of the additional information.".

Mr. NUNN. Mr. President, if I could have the attention of my colleagues, I shall try to explain my amendment very briefly.

This amendment which I have offered will amend section 5 of the Voting Rights Act to require that whenever the Attorney General requests additional information after the first 30 days of the initial 60-day review period, he will have only 30 days to review the submission after receipt of the additional information.

This amendment will affect only those cases in which the Attorney General makes a formal request for additional information and will only reduce the maximum possible time which the Justice Department has for reviewing a submission from 120 days plus the time which it takes jurisdiction to produce the requested information to a maximum of 90 days plus this additional time.

Mr. President, when there is a Justice Department request for additional information, under the present law and under the bill that we have before us, during the first 60 days, then the time period is tolled while that information comes back from the jurisdiction and then there is an additional 60 days prior to the Justice Department's having to render its final decision.

What is happening over and over again in Georgia, in Texas, and across this country where section 5 preclearance is required is that the Justice Department is waiting until the 59th day before making a request for new information and thereby having an additional 60-day period carried over.

What this amendment tries to do is to give the Justice Department an incentive to request new information during the first 30 days of their review. If they make that request in the first 30 days, then they get another 60 days under this amendment. If they do not make that request in the first 30 days, then they get only an additional 30 days.

In any event, if the Justice Department makes the request during the first 60 days, toward the end of the period, they would have 90 days, and that seems to me to be eminently reasonable.

(Mr. COCHRAN assumed the chair.)

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. NUNN. I am glad to yield to my colleague from Arkansas.

Mr. BUMPERS. Mr. President, the Justice Department makes the request for additional information. How long does the jurisdiction from whom it is requested have in which to reply and supply the additional information?

Mr. NUNN. There is no time limit for the receipt of this information because a jurisdiction can enact no voting change until that change is precleared, therefore, a submitting jurisdiction has every reason under the existing law and under this amendment to make an expeditious reply, but that time is tolled. In other words, that time does not count against the Justice Department at all. If it takes the jurisdiction 15 days to reply then the 15 days tolls the other time. If it takes 30 days then that is the same.

Mr. BUMPERS. The Justice Department still has 60 days then upon which to act on additional information?

Mr. NUNN. That is right. Under both the existing law and this amendment the time for the jurisdiction to reply does not count against the Justice Department's time of review at all.

Mr. President, just to share with my colleagues a three-judge district court's view in Texas, which happened recently, I quote that court:

The Supreme Court thinks it clear that Congress intended to provide jurisdictions covered by the Voting Rights Act with an expeditious alternative to the declaratory judgment actions.

Citing *Morris* v. *Gressetts.* 975 ct. 2411, 2420 (1977).

The unseemingly delay, inattention, and inactivity of the Office of the Attorney

General of the United States provided the State of Texas with anything but an expeditious mechanism for seeking approval of its constitutional apportionment plan.

Mr. President, we have had this happen over and over and over again. It has happened so much that I wrote the Justice Department a letter not long ago and asked them for the average time for their request for new information, and I received a letter back on June 1, 1982, from Bradford Reynolds, the Assistant Attorney General, Civil Rights Division, and here is what he says:

Although your letter asks for information provided for the last 3 years, our computer data system permits us to provide the data only since January 1, 1980.

First, the number of changes submitted under section 5 of the act between January 1, 1980 and February 28, 1982 was 17,049.

No. 2, the number of changes for which a formal request for additional information was made by the Department of Justice during the period was 824.

Three, the average time between the initial submission and the Departments request for additional information was 52 days.

So what they are doing is waiting at least until the 52d day, on average, and in many cases they are waiting until the 59th day, and what this is doing is causing undue hardship to the jurisdictions involved. It also delays any kind of final outcome by the Justice Department in terms of being fair to the protected minorities under this act.

So what I am trying to do is give an incentive to the Justice Department to accelerate their own internal procedure.

Now there will be an argument made that the Justice Department does not have the personnel and therefore cannot comply with request.

That argument, although if the Department of Justice does not increase its personnel, perhaps is valid, is a disgrace for us to have certain sections of the country covered under section 5 and then not put enough resources in the Justice Department to give those jurisdictions the expeditious review to which they are entitled and which the law envisions as enumerated by the Supreme Court of the United States.

So I believe instead of arguing against this amendment which is designed only to give section 5 submissions an expeditious review, an effort should be made by everyone in the Senate, and I certainly would join in that effort, to secure more resources for the Justice Department so they can have more than 12 people making this review.

It is not fair to the jurisdictions to continue the current delay in their review process. It is not fair to the minority groups, and it is certainly not fair to the 12 people in the Department of Justice who have to make this review in this number of cases.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield myself such time as——

The PRESIDING OFFICER. The time is being controlled by the Senator from Maryland.

Mr. KENNEDY. I believe it has been divided between the Senator from Maryland and myself in the past. He is now necessarily absent. If the Senator from Georgia will yield me 5 minutes——

Mr. MATHIAS. I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I know that this is a well-intentioned amendment, but it has not been shown to be necessary. It would endanger, I believe, the most crucial protections of the act.

The fact is, Mr. President, the Justice Department only requests additional information in about 5 percent of the cases. Some of the cases that come before the Justice Department involve reapportionment of States which, if they are to be subject to adequate review, would require many years of consideration.

I have spoken with officials in the Civil Rights Division of the Justice Department. Based upon their experience implementing this particular provision, they report that they receive most information within 30 or 40 days, but it takes additional time to get some information necessary for adequate review.

That happens to be the practical reality, Mr. President, with which we are faced. Drew Days, Assistant Attorney General for Civil Rights in the last administration, and others in the Justice Department conclude that this amendment is unworkable. Too often, the additional information sought is of such significance that it cannot be properly analyzed in the short amount of time provided for in the proposal of the distinguished Senator from Georgia.

I know the Senator from Georgia is particularly concerned about the situation in Georgia, where reapportionment was rejected by the Attorney General. The fact is, Georgia is largely to blame for the delay of its election. I read here from the case of Busbee against Smith in the U.S. District Court for the District of Columbia where it is pointed out:

It should be noted in this regard the court has gone to great lengths to hasten this litigation in an effort to issue an expeditious final judgment. The original schedule allowed for final judgment prior to the candidacy qualification period scheduled to begin on May 26. The State's dilatory and obstreperous behavior during the initial discovery in this action requires the delay of this time in the case from May 13 to June 28.

In this particular case the court made a judgment that the submission of the material was delayed because of State action.

I only use that as an illustration. This is a complex process. I think the Senator is correct about the limited resources that exist in the Justice Department. We ought to have enough people there to insure that this provision will be expedited, and I would like to see——

Mr. NUNN. Mr. President, will the Senator yield at that point? I would like to join the Senator—whatever happens on this amendment—in trying to get additional resources.

Mr. KENNEDY. As a member of the Judiciary Committee, I assure the Senator that I will assist him in this goal.

Mr. NUNN. I say to the Senator in spite of all reapportionments, the cases obviously were coming up in 1980 either under section 2 or section 5 potentially, there was no increase whatsoever in the personnel of the Justice Department to try to cover this.

So I understand the plight of the people trying to handle these things. But I do not think that excuses us in passing a law which is very, very hard on the preclearance section that is covered.

Mr. KENNEDY. I thank the Senator.

For the practical reasons that have been spelled out by those who are the most experienced in the implementation of the act, I am convinced that the time restriction suggested by the Senator from Georgia will endanger the rights of citizens whom we are trying to protect under this provision.

Although I approve of the Senator's objective, I hope the amendment will be rejected for the practical reasons I have outlined.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, from time immemorial people have railed against the problems of dealing with a bureaucracy. Shakespeare talked about the law's delays, and so the cry of the Senator from Georgia is not an unusual or unique one. It is one with which I think we can all have sympathy. We ought to reduce the frustrations of people who have to deal with official offices and bureaucrats and people who sometimes feel as if they have come up against a stone wall.

I congratulate the Senator from Georgia for having that sensitivity and concern, for this is apparently one of those cases.

He has worked with the managers of the bill even before debate started to try to find a solution here. I have made some personal investigation about the problem. Unfortunately, it seems that this is one of those cases.

As the Senator from Massachusetts and the Senator from Georgia have noted, the Justice Department simply has not been able to move as fast as we would like them to move because of the limitation of personnel, and the inability to devote the necessary time early enough to avoid the need for an extension of time.

They really do need the time in some of the cases. For that reason, I do not think we should preclude the Department of Justice from having an adequate amount of time in the cases in which they really need it. But what we have to do, and I hope the Attorney General will read the record of this debate, is to assure that the Department of Justice does not use the extra time in the cases that do not need the extra time. The provisions for extension should only be utilized in absolutely necessary instances where the Department does require more information, more research, and more time.

Happily this is so in a very small number of cases, but those cases are important. I am not saying because there are few of them they ought to be ignored. But the small number of them indicates that the number can be further reduced, and the attention the Senator has placed on this amendment will highlight it.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. MATHIAS. I hope the Senate will reject the amendment.

Several Senators addressed the Chair.

Mr. MATHIAS. Mr. President, I yield 2 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. What is at issue here is a time problem. It could very well be that the period of time that interested parties are allowed to comment may even run before those people have been notified that additional information has been requested. We are going to shorten this period from 60 days to 30 days in a manner in which there may not be adequate time for response to be given. I think it is important when these changes are proposed, and when additional information is requested, that we give affected citizenry ample opportunity to comment, particularly if notice has been given that the additional information that is so necessary for a studied response has not been received. We do not want to shorten that. Sixty days is already considerably short.

In addition, I would like to point out that the workload of this section of the Department of Justice has increased significantly in the wake of reapportionment because of the 1980 census.

Mr. NUNN. Mr. President, will the Senator yield for a brief question here?

Mr. GRASSLEY. I would like to continue my statement because I only had 2 minutes allotted to me.

The staff of the section has not been expanded. Given the limited resources of the Department of Justice and its increased workload it is really quite amazing that the Attorney General can act within the 60-day time limit now provided in the first place.

Mr. NUNN. Mr. President, will the Senator yield on my time?

Mr. GRASSLEY. Yes, I will yield when I have made my point. Let me finish my statement before I yield and then I will yield on the Senator's time.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. GRASSLEY. The point is 60 days is hardly adequate now.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Just a brief response and then I will yield to my colleague from Georgia.

Mr. President, the point is that to keep an inequitable provision in the law for the reason that the resources of the Justice Department have not increased sufficiently to keep up with the new cases that have been filed, it seems to me, is a backward way of legislating. We ought to pass a law that is fair and then give the Justice Department the resources that are necessary to insure its efficient implementation.

Having preclearance of State and local Government laws is an extraordinary remedy. I am not trying to repeal section 5. I know the historical reason for it.

All I am asking for is an expeditious review. As I have said this is what the Supreme Court has held the Justice Departments review is supposed to be. For us to say that the Justice Department cannot do any better because they do not have any more resources, and we think they are doing pretty well, even though they have an overwhelming load, seems to me to be obscuring the whole point of what we are all about.

We are supposed to give the Justice Department enough resources to do the job. So let us pass a fair law and then give them the resources. Twelve people—I agree with the Senator from Massachusetts and the Senator from Iowa—12 is totally inadequate, whether this change is made or not. It is totally inadequate. It takes 52 days for them to ask, even now, for new information.

One of the new pieces of information they asked for in the Georgia reapportionment case was the residence of the Congressmen who are now sitting in Congress. The residence. I would think during 59 days someone down in the Justice Department could find out where the Congressmen lives. I would think that would not be an inordinate burden.

Mr. HATCH. Will the Senator yield for a question on this?

Mr. NUNN. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 6 minutes and 25 seconds.

Mr. NUNN. I yield 1 minute to the Senator.

Mr. HATCH. Is it not true that all the Senator is asking is that after the initial review, and after the Justice Department comes back to secure more information, they act expeditiously.

Mr. NUNN. That is correct.

Mr. HATCH. I do not see how in the world, if they are already involved in the case, already reviewing the case, that there is any problem here at all in complying with the amendment. They can easily act within the time constraints the Senator from Georgia is asking for. It is ridiculous to have preclearance delayed endlessly. If we do not have the facilities and if we do not have the people down there, we ought to do something about it.

Mr. NUNN. Absolutely.

Mr. HATCH. The gentleman's amendment is a reasonable request.

Mr. NUNN. We have lawyers running out of our ears in this town. We could find 20 more lawyers to put in the Department of Justice.

Mr. HATCH. If the Senator will yield again, my point is that you do not even have to find 20 lawyers. You are talking about lawyers that are already involved in the case on that particular submission who are asking for more information. They ought to be able to make an expeditious determination because they are on top of the situation.

Mr. NUNN. Absolutely. I agree with the Senator.

I yield such time as my colleague from Georgia may need.

Mr. MATTINGLY. Mr. President, I would like to make a brief comment that I do support the amendment by the senior Senator from Georgia and address that issue which is germane that someone made the comment regarding the rights of citizens might be compromised. Well, in fact, the rights of the citizens will not be compromised with this amendment. In fact, the rights of the citizens are going to be enhanced, because if they can get a decision at a more rapid pace than what they are getting now, the rights of the individuals of our country will be better off. Obviously justice being delayed is to no one's benefit.

So, I would subscribe to the amendment that has been offered by the Senator from Georgia. I might also add that there is no shortages, as he said, of attorneys in Washington, D.C. I think in the last 6 years the numbers of attorneys in Washington, D.C. has

gone up from 10,000 to 30,000. So there must be some out there somewhere that would enhance this.

Mr. NUNN. I thank my colleagues from Georgia.

Mr. President, I just want about 1 more minute and then, I say to my friend from Massachusetts, I will be prepared to vote.

Just one clarification. The Senator from Massachusetts mentioned the delay in Georgia submitting certain information. I want to make it clear, whatever the merit of that charge is, that the situation to which he refers concerns a separate court case. A case filed after the Justice Department had made its decision. Georgia submitted its three plans for House, Senate, and congressional reapportionment to the Justice Department within 1 week of the adjournment of the special session of the Georgia General Assembly on September 28, 1981. The Justice Department requested additional information in a letter dated November 27, 1981. The 58th day of their review. Georgia replied with that information December 17, 1981, and the Attorney General's objection letters were received on February 11, 1982.

This is a total of almost 5 months to get a decision from the Justice Department, less than 30 days of that time, was used by the State of Georgia in responding. The delays that have been charged—and we do not have time to get into that today—were delays that took place in the court proceedings. It had nothing to do with the Justice Department submission.

Mr. HATCH. Will the Senator yield for one other comment?

Mr. NUNN. Yes.

Mr. HATCH. What the Senator is requesting here is so reasonable and so eminently sound that it seems to me telling that it is not just accepted. In the final analysis, what is really determining here is the fact that this bill just is not going to be amended. The civil rights community, unfortunately, has turned thumbs down on this one.

I think the Senator's amendment is a reasonable one.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I yield 1 minute to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I have great respect for both my colleague from Utah and my colleague from Georgia. But we are talking about one of the most complex issues in this entire body of law: reapportionment. If I understand both the Senators from Georgia and Utah, they are establishing a time limit of 30 days after the time that the Attorney General has finally received a complete submission. Such litigation takes years in the courts. And they limit the Attorney General to 30 days.

This time limit will seriously undermine the protection of section 5 for the citizens of the Nation. That happens to be the practicality. I am going to work with the Senator from Georgia to get additional personnel in the Civil Rights Division. But if you talk to the individuals who are involved in these cases, they say they just cannot perform the job they are required to perform under the act in such a short period of time.

Mr. NUNN. Will the Senator yield?

Mr. KENNEDY. Yes.

Mr. NUNN. I would be prepared to accept a modification of this amendment if it could be accomplished, to exclude statewide reapportionment cases, just exclude those, and keep those under existing law. Those are complex. I do not agree with the Senator's point on them, but I would be willing to exclude those.

What the Senators from Massachusetts and Maryland have to realize is that every county, every city, every precinct, on every single thing that goes on in the whole scheme of elections, has to get a preclearance. If the Senator would accept this amendment, I would accept a modification.

Mr. MATHIAS. Mr. President, I yield 1 additional minute to the Senator from Massachusetts.

Mr. KENNEDY. The problem is, Mr. President, the delays only come in the complex cases. Delays have tended to occur in reapportionment cases. There have also been delays in some of the annexation cases. At this late hour, it is simply unrealistic to try and figure out what areas we can carve out and what areas we cannot carve out of this amendment.

Mr. NUNN. I might say, we have been working on this for 4 weeks. I know it is a late hour. But we have asked for any alternatives from this legislation's managers over and over again. I said I was wide open, I would support any way we could get an expeditious review. I have had no alternatives suggested whatsoever from anyone working in this whole area.

It seems to me that there would be some reasonable way that we could get an expeditious treatment of the preclearance section.

The PRESIDING OFFICER. The time yielded has expired.

Mr. MATHIAS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, the Senator from Utah suggested a valid standard for judging an amendment: How is it going to impact on the administration of the civil rights laws?

It seems to me that is what we have to consider here. As the Senator from Georgia says, after numerous discussions and conversations, we are advised that there are cases in which the full 60 days is absolutely necessary because of their complexity of the situation, the difficulty of compiling the facts, and the nature of the evaluation that has to take place.

I know that it is frustrating to people, but sometimes the full time period is required. And, as the Senator from Massachusetts has pointed out, it is far less than would be required by going to a court.

So, under all the circumstances, I think the best procedure is that suggested in the colloquy between the Senator from Georgia and the Senator from Massachusetts. Let us try to improve the personnel situation in the Department of Justice.

I shall pledge myself to join in that effort.

Mr. President, I hope the Senate will defeat the amendment.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

Mr. NUNN. Mr. President, has all time expired?

The PRESIDING OFFICER. The Senator has 2 minutes and 10 seconds.

Mr. NUNN. Mr. President, I yield back the remainder of my time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Maryland yield back his time?

Mr. MATHIAS. Mr. President, I yield back my time.

Mr. KENNEDY. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Georgia. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Indiana (Mr. LUGAR), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), the Senator from Ohio (Mr. GLENN) and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) and the Senator from Hawaii (Mr. MATSUNAGA) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 38, nays 55, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—38

Abdnor	Goldwater	McClure
Baker	Hatch	Murkowski
Bentsen	Hawkins	Nickles
Bumpers	Hayakawa	Nunn
Byrd, Harry F., Jr.	Heflin	Pryor
Chiles	Helms	Randolph
Cochran	Huddleston	Sasser
D'Amato	Humphrey	Stennis
Denton	Inouye	Symms
Domenici	Johnston	Thurmond
East	Laxalt	Tower
Garn	Long	Warner
	Mattingly	Zorinsky

NAYS—55

Andrews	Ford	Packwood
Armstrong	Gorton	Pell
Baucus	Grassley	Percy
Biden	Hart	Pressler
Boren	Hatfield	Proxmire
Boschwitz	Heinz	Quayle
Bradley	Hollings	Riegle
Brady	Jackson	Roth
Byrd, Robert C.	Jepsen	Rudman
Cannon	Kassebaum	Sarbanes
Chafee	Kasten	Schmitt
Cohen	Kennedy	Simpson
Cranston	Leahy	Specter
DeConcini	Levin	Stafford
Dixon	Mathias	Stevens
Dodd	Melcher	Tsongas
Dole	Metzenbaum	Weicker
Durenberger	Mitchell	
Eagleton	Moynihan	

NOT VOTING—7

Burdick	Glenn	Wallop
Danforth	Lugar	
Exon	Matsunaga	

So the amendment (UP No. 1030) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I understand that the distinguished senior Senator from Virginia wishes to make——

Mr. MOYNIHAN. Mr. President, may we have order while the majority leader is speaking?

The PRESIDING OFFICER. The Senate will please be in order.

The majority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, I understand the distinguished senior Senator from Virginia wishes to make a statement. After that statement, it is my understanding that the Senator from Alabama (Mr. DENTON) will offer an amendment on bailout.

I ask unanimous consent that on that amendment there be a 20-minute time limitation equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Mr. President, I have discussed with Members on this side at great length the request I am about to make, and I would like to repropound a request on final passage.

Mr. President, I ask unanimous consent that final passage of this bill occur not later than 1 p.m. today and that the provisions of paragraph 4, rule XII, be waived.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, reserving the right to object, I will not object provided I be able to offer one amendment, with 20 minutes equally divided.

Mr. BAKER. Mr. President, I have the Senator on the list. Twenty minutes, equally divided, sequenced in after this amendment, the Stevens amendment, and then the Thurmond amendment.

Mr. STEVENS. Mr. President, reserving the right to object, the thing that bothers me is that we would not even have the opportunity to offer amendments after that time if we had finally worked out some accommodation.

I do not have any objection to trying to limit the amount of time on amendments. My problem is, what about those who will not get the floor in that time? I know I had the floor a lot last night.

I should like to have some understanding that those who were on the list last night could have at least 5 minutes on each side, before we vote, if we want to offer an amendment.

Mr. BAKER. Frankly, I hope that list disappears. That got me in enough trouble last night.

I hope there will not be an objection to the Senator from Alaska having 5 minutes—10 minutes equally divided—on a bailout amendment for Alaska, if he chooses to do that.

Mr. STEVENS. Mr. President, reserving the right to object, we have come up with what I think is a unique solution. It is an amendment that would apply only to my State, the only State that has bailed out two times. The amendment says that if a State bailed out before, the next time it only has to prove that the State did not violate the act, and not for its political subdivisions as well.

That solves my situation, but I do not know what people outside the door are going to do about the Alaska scenario.

I request that we have 5 minutes, divided equally, on the amendment we finally present.

Mr. BAKER. Mr. President, 5 minutes equally divided on the amendment to be offered by the Senator from Alaska.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is the previous request of the majority leader still made?

Mr. BAKER. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. I thank the Chair.

(Later the following occurred:)

Mr. MATHIAS. Mr. President, the Senate has now adopted the rule that this debate will end at 1 o'clock. That is 65 minutes from now, and there are a number of amendments still pending.

In order to conserve the time of the Senate to the utmost, I have been authorized by the majority leader to propound a unanimous-consent request—that all remaining rollcall votes shall be limited to 10 minutes, except on final passage. So that all rollcall votes, except on final passage, will be limited to 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MATHIAS. Will the staff please put that on the hotline and notify all Senators that rollcall votes will now be 10 minutes?

I urge all Senators to be as brief as possible because of the limited time remaining for the bill and for the amendments pending.

(Conclusion of subsequent proceedings.)

Mr. BAKER. Mr. President, I understand that the Senator from Virginia seeks the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please be in order.

Mr. HARRY F. BYRD, JR. Mr. President, some weeks ago, when the Senator from Virginia first read and studied this legislation, he became convinced that this is not just a simple extension of the current law with regard to voting rights. This legislation drastically changes the present law.

Some of the best debate on this issue took place at a late hour last evening, around midnight or 1 o'clock this morning, the Senator from Alaska (Mr. STEVENS) brought out some very important points. The Senator from Utah (Mr. HATCH) brought out very important points. The Senator from Utah is one of the managers of this bill. He has a greater detailed knowledge of this legislation than perhaps any other Senator. I say that by virtue of his being chairman of the Subcommittee on the Constitution and as such he presided over weeks and weeks of hearings on this legislation.

I ask the distinguished Senator from Utah, one of the managers of the bill, if the Senator from Virginia is correct in his understanding that this legislation does not merely extend the Voting Rights Act but also drastically changes the Voting Rights Act in several particulars.

Mr. HATCH. The Senator is correct.

The important thing that everybody in this body needs to appreciate—although few apparently do—is that the

changes in section 2 are revolutionary changes.

The changes in section 5 are extremely important changes as well.

Section 2 would statutorily alter the basic constitutional requirement under the 14th and 15th amendments relating to the standard for identifying discrimination; it would substitute a new results test for the present intent test.

Those who are proponents of the results test argue that, prior to the Mobile against Bolden case in 1980, the results test was the law of the land. That is not true in my opinion. I do not think they can point to one Supreme Court case in which there was a results standard under section 2 or the 15th amendment.

Section 5 would significantly enhance the bailout standards from preclearance under section 5 of the act, adding a number of additional criteria to the present single factor that a covered jurisdiction not have used a prohibited "test or device" for a period of years.

So there have been very dramatic changes in these two sections, at least in the opinion of the Senator from Utah.

I should like to add one further point.

The great flaw of section 2, in my opinion, is that it confuses the concept of discrimination with the concept of disparate impact. The two concepts have nothing to do with one another. It is from the misconception that these concepts have some relation to one another that most of the difficulties in the amended section 2 arise.

Mr. HARRY F. BYRD, JR. Last evening, as I recall, the Senator from Utah mentioned that if the election results or the changes in any election laws do not result in a particular group having a proportionate number of members of a particular body—governing body or school board or what have you—that, in itself, would trigger the mechanism which could lead to punitive action against a locality or a State.

Mr. HATCH. As pointed out in my additional views, given the lack of proportional representation, as well as the existence of a single or more of the myriad objective factors of discrimination, I believe that not only a prima facie case of discrimination would be established under the results test but, indeed, that an effectively irrebuttable one would be established. I am totally confused as far as what kind of evidentiary showing would overcome this clearly.

Last night, in some of the most important debate, on this bill led by Senator STEVENS, I tried to point out that if you have a lack of proportional representation on some elected body and you can identify one other objective factor of discrimination, the results test under section 2 would be triggered.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator's point is well taken.

The Senate will please be in order.

Mr. HATCH. Those objective factors range from some history of discrimination to at large voting systems or multimember districts, some history of dual school systems, cancellation of registration for failure to vote, residency requirements for voters, special requirements for independent or third party candidates, off-year elections, substantial candidate cost requirements, staggered terms of office, high economic costs associated with registration, disparity in voter registration by race, history of lack of proportional representation, disparity in literacy rates by race, evidence of racial bloc voting, history of English-only ballots, history of poll taxes, disparity in distribution of services by race, numbered electoral posts, prohibitions on single-shot voting, majority vote requirements, and so forth. I might add that footnote 114 of the majority views adds a new objective factor of discrimination:

> The courts have recognized that disproportionate educational employment, income level and living conditions arising from past discrimination tend to depress minority political participation. Where these conditions are shown, and where the level of black participation in politics is depressed, plaintiffs need not prove any further causal nexus between their disparate socio-economic status and the depressed level of political participation.

I submit to the distinguished Senator from Virginia that there is no jurisdiction of any size in this country that would not have some of these objective factors of discrimination.

So if you have a lack of proportional representation, plus any one or more of those factors, the results test is triggered; that is a considerable departure from traditional law in this area. If this bill is passed in its present form, and it clearly will be it will: One, preclude most annexations by municipalities, government consolidations, and other similar government reorganizations in areas with significant minorities; two, outlaw at-large voting districts in most areas with significant minority populations; three, place in doubt State laws governing qualifications and educational requirements for office; four, detrimentally affect laws and procedures establishing congressional, State, and local electoral districts; and five, place in doubt countless provisions of electoral codes throughout the country, for example, staggered terms of office, majority vote requirements, anti-single shot voting requirements, reregistration requirements, and so forth.

Mr. HARRY F. BYRD, JR. This is far reaching almost beyond imagination.

Mr. HATCH. Section 2 applies to every area in this country, not just one region, and to all electoral laws and procedures, not merely changes in these.

Mr. MATHIAS. Mr. President, if the Senator from Virginia will yield to me for a brief comment, in a sense of fairness. We have the Senator from Alabama and the Senator from North Carolina, who wish to propose amendments. Under the unanimous-consent request, at least the spirit of it, we were going to move these amendments along so that we could reach the vote on final passage at 1 p.m.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Virginia is taking very little time. If I could ask one question I will be through.

Mr. MATHIAS. It is not for myself, not for the managers, but for these Senators who have amendments.

If he can have very brief responses I think it would help move it along.

Mr. HARRY F. BYRD, JR. I do not think we should be cut too short. I did not object to the unanimous-consent request. I thought I would get reasonable time and I have.

I wish to ask the able chairman of the Subcommittee on the Constitution. This legislation has been labeled a compromise. I cannot see any compromise in the legislation before us. As a matter of fact, as the Senator has just pointed out, it is a drastic departure from the present law.

Mr. HATCH. Mr. President, I agree that the Senator is correct. In some ways, the compromise itself may prove to be even more broad and more all-encompassing than the original House or Senate language.

The compromise, for example, introduces the extremely dubious notion of special protected classes of citizens despite the fact that the Constitution speaks in terms of equal protection under the law for all. In addition, it focuses its protections upon individual citizens, not racial or ethnic groups. In my opinion, this represents a radical departure from traditional 15th amendment concepts.

Mr. HARRY F. BYRD, JR. Under this legislation Virginia and a few other States will be kept under the preclearance section for 25 years.

Mr. HATCH. I submit to the very distinguished Senator from Virginia that the way the bailout provisions are written, at least as I interpret that section, Virginia will likely continue under preclearance for at least 25 more years. I do not see any reasonable way to satisfy these requirements, although I do imagine that there may be a few well-publicized, successful bailout efforts from time to time. Of course, even there, the tragic thing is

that these communities will not truly be bailing out, but simply exchanging the onerous burdens of section 5 for those of section 2. This is truly like going from the frying pan to the fire.

Mr. HARRY F. BYRD, JR. I thank the distinguished manager of the bill. I appreciate his frankness. This and his detailed knowledge of the legislation convinces me all the more that this is bad legislation—unfair and vindictive. I shall vote against it.

Mr. HATCH. Mr. President, could I add one additional point?

The Voting Rights Act has proven the most successful civil rights statute in the history of the Nation because it has reflected the overwhelming consensus in this Nation that the most fundamental civil right of all citizens—the right to vote—must be preserved at whatever cost and through whatever commitment required of the Federal Government. Proponents of S. 1992 would jeopardize this consensus by effecting a radical transformation in the Voting Rights Act from one designed to promote equal access to registration and the ballot box into one designed to insure equality of outcome and equality of results. It is not a subtle transformation; rather it is one that would result in a total retreat from the original objective of the Voting Rights Act that considerations of race and ethnicity would someday be irrelevant in the electoral process. Under the proposed amendments, there would be nothing more important.

I thank the Senator.

Mr. DENTON. Mr. President, before I call up my amendment, I wish to express my lack of resentment about the time taken for the last colloquy. I thought it was extremely contributive to the discussion which should accompany consideration of the Voting Rights Act.

The Senator from Virginia was answered by the Senator from Utah with words to the effect that not only would Virginia be held under the preclearance provisions for 25 years, unable to escape from that onus, but that it is his belief, it would be forever.

AMENDMENT NO. 1876

Mr. DENTON. Mr. President, in light of that commonsense and truly conclusive judgment about the present Voting Rights Act extension bill, I call up printed amendment No. 1876 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. KASTEN). The amendment will be stated.

The bill clerk read as follows:

The Senator from Alabama (Mr. DENTON) proposes an amendment numbered 1876.

Mr. DENTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 22, strike out "'1984" and insert in lieu thereof "1982".

On page 11, beginning with line 5, strike out through line 22, and insert in lieu thereof the following:

"(B) no final judgment of any court of the United States, other than the denial of declaratory judgment under this section, has determined that denials or abridgements of the right to vote on account of race, color, or in contravention of the guarantees set forth in section 4(f)(2) have been perpetrated by the plaintiff or within the jurisdiction of a plaintiff with its knowledge or acquiescence;".

On page 11, line 24, after "subdivision" insert "for the purpose of listing voters".

On page 12, line 4, after "no" insert "substantial".

On page 12, line 11, after "any" insert "substantial".

On page 12, lines 16 and 17, strike out "such submissions or".

On page 12, strike out lines 21 through 23.

On page 13, line 1, strike out "(ii)" and insert in lieu thereof "(i)".

On page 13, line 4, strike out "(iii)" and insert in lieu thereof "(ii)".

On page 14, line 9, beginning with "Any" strike out through the period on line 14 and insert in lieu thereof the following: "Intervention of parties shall be governed by the Federal Rules of Civil Procedure.".

On page 14, beginning with line 14, strike out through line 18 on page 15 and insert in lieu thereof the following:

"(B) by striking out 'alleging' and all that follows through 'section 4(f)(4)' and insert in lieu thereof the following: 'alleging that conduct has occurred which, had that conduct occurred during the ten-year period referred to in this subsection, would have precluded the issuance of a declaratory judgment in this subsection.'.".

Mr. DENTON. Mr. President, I further ask unanimous consent that I be permitted to sit down while making my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair wishes to announce that there is a 20-minute time limit on this amendment, the time to be equally divided between the Senator from Alabama and the Senator from Maryland.

Mr. DENTON. Mr. President, I fully concur with the near unanimous feeling in this body that we are today considering the protection of a basic right and, accordingly, are at an extremely important moment in the history of this Nation.

I believe that every Member of this body wants to protect equal access to voting by all and assure that certain protections be afforded to those who historically have suffered under racial discrimination.

My problem with this bill stems not from distrust of the motives of the Senator from Massachusetts, the Senator from Maryland, the majority leader, or others who have voted and made speeches with which I disagree. It is based on the fact that I believe most Members of this body have been presented a false picture of what this bill actually does.

Except for those who are privileged to be experts in voting rights law, most are deriving their concept of the nature of this bill from the media, principally through that which is read in local newspapers. The following are a few of the misperceptions which those in the media have injected into our deliberations on this matter:

We have been told that the entire Voting Rights Act is expiring.

It has never been really emphasized that only a small portion of that act, section 5 preclearance, was being affected by expiration. Most observers fail to note that most of the crucial parts of the act are permanent. It, also, has not been widely noted that this nonpermanent provision of the bill had already been extended twice before.

These kinds of misperceptions are of major importance. It is better that people not watch the making of sausage, and the way we are going about this it is better that they not watch the making of law.

I have what I believe to be an alteration to the bailout provisions which any thorough and fairminded observer would find acceptable.

The House and committee bills would establish a performance based standard for determining whether a covered jurisdiction can "bailout" and escape coverage under the act. That is fine.

The bill sets out a series of elements which a jurisdiction must satisfy in order to obtain a release. That too is fine, except for the fact that in reality there is no way to get out, as the Senator from Utah noted.

I agree with the philosophical intent expressed in the House report "that a carefully drafted amendment to the bailout provision could indeed act as an incentive to jurisdictions to take steps to permanently involve minorities within their political process, especially when jurisdictions realized that by doing so they could be exempted from section 5 requirements." That is a positive, a constructive purpose and a good philosophical underpinning for any law.

Unfortunately, the House Judiciary Committee did not deliver on its promise to create such an incentive, instead, it created a prohibitive and positive bailout provision.

The six requirements that a jurisdiction must satisfy are entirely too stringent. As a whole, these requirements prohibit constructive efforts because they mandate entirely new criteria against which the progress of States and localities must be evaluated.

My amendment would make the following eight changes in the provisions of H.R. 3112 and S. 1992:

First, the new bailout standards would become effective on August 6 of this year rather than on August 6, 1984. The House Judiciary Committee believed that a "2 year waiting period

was essential to allow the Justice Department sufficient time to prepare for the expected increase in bailout litigation without undermining the Department's capacity to enforce the act." What we must understand, however, is that, by accepting S. 1992, the Senate will be extending the coverage formula of section 4(a), and therefore, the period of the preclearance requirements, from 17 to 19 years.

Second, my amendment would modify the committee bill's bailout provision by: one, permitting consideration of a jurisdiction's bailout suit during a separate pending suit; two, holding States responsible for the actions of political subdivisions only to the extent that violations occurred with the knowledge or acquiescence of a State examiner.

Third, Mr. President, my amendment also would modify that provision of S. 1992 which would preclude bailout if, during the previous 10-year period, either the Attorney General or a court had ordered the appointment of Federal examiners. My amendment would still permit the court to bar bailout if examiners had been appointed, but only in those instances in which alleged violations were substantive enough that the examiners were appointed for the purpose of listing voters.

Mr. President, I believe that it is clear that the mere presence of Federal examiners should not preclude bailout.

Fourth, my amendment is also designed to modify the provisions of S. 1992 which would bar a jurisdiction from bailing out if any voting law, practices, or procedures had been changed without preclearance or had been objected to under section 5. My amendment would bar bailout only if the failure to submit for preclearance involved a "substantial" change in voting procedures and only if the Attorney General had not interposed a "substantial" objection to a particular submission.

Although I recognize the importance of total compliance with the act, I do not believe that Congress should deny long-awaited bailout to a jurisdiction simply because of a technical objection by the Justice Department or an inadvertant failure by a jurisdiction to notify the Justice Department of a minor change such as that the office of the county registrar is being moved from one floor to another.

The fifth change that my amendment would make in the bailout criteria established by S. 1992 is with regard to the requirement that a jurisdiction that is petitioning for release have no pending preclearance submissions before the Civil Rights Division. Again, given the Supreme Court's requirement that even the smallest of changes be submitted for preclearance, and given the cyclical nature of local elections, it is inevitable that some jurisdictions will never find themselves free of this "no pending submissions" requirement or that, worse, merely to create a bailout "window," many local governments will avoid making changes that could greatly benefit their minority populations.

As a sixth step, Mr. President, the amendment I offer today would also remove the provision in S. 1992 which would require the States and their political subdivisions to "eliminate voting procedures and methods of election which inhibit or dilute equal access to the electoral process." This is the principal problem that Senator STEVENS has so eloquently outlined and discussed at great length. However, we still have not corrected the problem that he has identified.

Clearly, this provision is as dangerous as it is illogical. The Subcommittee on the Constitution correctly argued that this provision is little more than a call for "affirmative action" in elections. Moreover, the Assistant Attorney General correctly pointed out in his testimony before the subcommittee that this provision "would introduce a whole new feature that had not been in the act at the time that these jurisdictions were covered and require an additional element of proof other than simply requiring a 10-year period of compliance with the act."

The Committee on the Judiciary has erroneously accepted the standard in section 2 of the act. I do not believe that the full Senate should impose a similar, but less well defined, standard upon jurisdictions that have demonstrated their willingness to comply with the original purpose of the act.

S. 1992 provides that any aggrieved party may intervene at any point in a given bailout suit. The seventh provision of my amendment would clarify this provision by simply requiring that such intervention be governed by the Federal Rules of Civil Procedure.

Finally, Mr. President, my amendment would shorten from 10 years to 5 the period during which a jurisdiction can be brought back under the preclearance provisions. If, during that 5-year period, the jurisdiction acts in a way that would have been a violation in the 10-year period prior to bailout, the court could vacate its original declaratory judgment. If, however, a jurisdiction has had a 10-year history of scrupulous adherence to the Voting Rights Act prior to being allowed to bail out, 5 years should be a sufficient time in which to assess its continued compliance with the act.

Mr. President, I believe my amendment represents a fairminded approach to the entire bailout question. S. 1992 includes so many overly stringent and artificial obstacles to "bail out" that, for all purposes, Alabama and other States would be denied "bail out" forever. In the years since the enacting of the Voting Rights Act, the South has proven its willingness and ability to deal with racial injustice. I believe it is unfair to deny Alabama and other covered jurisdictions a reasonable opportunity to "bail out" and to regain equal sovereign status within our Federal system.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. MATHIAS. Mr. President, I yield myself 1 minute.

As the Senator from Alabama said, this amendment makes a number of changes. I think he enumerated eight changes. The aggregate of those eight changes amounts to a drastic, radical alteration in the very carefully crafted bailout procedures that are set out in S. 1992. They would dramatically weaken the fair and achievable bailout. This amendment should be defeated.

I am not going to analyze every one of the eight changes, but just let me give you one example. One change would destroy the linkage between the States and the other jurisdictions within the States. The effect of the amendment would be to allow a county or a State to escape the law even if its subdivisions had committed voting rights violations unless the court determined that the county or State had knowledge of or had acquiesced in the violation.

Now, that is just unacceptable for a number of reasons.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

Mr. MATHIAS. Mr. President, I yield 1 minute to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this amendment is important. Even though we are in the final hour of debate I think it is important to have the attention of the Senate. When this amendment gets the attention of the Senate, I am hopeful that the Members of the Senate will reject it.

This bailout provision was very carefully developed. Two assistant Attorneys General have testified that the 2-year provision is absolutely essential if we are going to have a meaningful bailout. The bailout provision must protect those who, in certain instances, have been denied the right to vote.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MATHIAS. The Denton amendment is unacceptable in its entirety, and in each of its several parts. Three provisions deserve particular attention.

First of all, the amendment would permit bailout of covered jurisdictions beginning in 1982, rather than in 1984

as provided for in S. 1992. The Denton amendment would cripple the effectiveness of bailout by making it virtually impossible to administer on an orderly and rational basis during its critical initial years.

The 1984 date was deliberately and carefully chosen based upon the extensive Senate hearings during which previous Assistant Attorneys General for Civil Rights indicated that it was essential to have a 2-year period in which to prepare for the heavy litigation load anticipated under the new relaxed bailout procedures. The wisdom of the 2-year startup time cannot be gainsaid. It will permit not only the Department of Justice but local jurisdictions and interested parties to become familiar with the law and the new procedures provided for by the statute.

A second major feature of the Denton amendment is the deletion as a bar to bailout of consent decrees, settlements, or agreements which resulted in the abandonment of a challenged voting practice, as provided in section 4(a)(4)(B). The proposal wholly overlooks the practical reality of the settlement of law suits and is unacceptable as an alternative to S. 1992.

The consent decree provision of S. 1992 would not bar bailout in every jurisdiction in which such a decree had been entered, but only in those where the decree resulted in an abandonment of the challenged voting practice. Commonsense—and the actual experience of litigating voting cases—has shown without exception that jurisdictions do not abandon their voting practices and procedures merely because someone challenges them in court or to avoid the bare inconvenience of litigation. To the contrary, experience teaches that precisely the opposite is likely to occur, that jurisdictions stoutly resist challenges to their electoral laws and concede their cases through settlement or consent only when they find defeat inevitable.

Third, the Denton amendment provides that an adjudication of a voting rights violation bars bailout only if perpetuated: first, by the jurisdiction or second, within a jurisdiction "with its knowledge or acquiescence." The effect of the amendment would allow a county or state to escape the law of section 4(a)(2)(B), even if its subdivisions had committed voting rights violations, unless the court determined that the jurisdiction had knowledge of, or acquiesced in, the violation. The proposal is unacceptable for a number of reasons.

The knowledge or acquiescence of the State in violations of its subdivisions is irrelevant in determining whether it should escape preclearance.

First, the 15th amendment places responsibility on the States for protecting voting rights. It contains no exception based upon what the States have knoweledge of or may acquiesce in.

Second, the States practically and legally exercise great control over their counties and cities. It is rational and fair to hold them responsible for their voting rights violations.

Third, States have historically been treated as the responsible unit of government for protecting the franchise. The power of the States is plenary—within the limits imposed by our Constitution. The general rule is that the States "have broad powers to determine the conditions under which the right of suffrage may be exercised." *Gomillion* v. *Lightfoot*, 380 U.S. 89, 91 (1964). The Denton amendment undercuts this responsibility.

For these and other reasons, the Denton amendment should be rejected.

Mr. DENTON. Mr. President, will the Senator from Massachusetts yield for a question on the points he raised regarding the Attorneys General?

Mr. MATHIAS. I yield 1 minute for that purpose.

Mr. DENTON. Mr. President, it is my understanding that the current administration has indicated it would be ready to administer the act whenever it is amended and the testimony to which the Senator refers came from two former assistant Attorneys General.

Mr. KENNEDY. The Senator is quite correct. The two former officials are Mr. Pottinger and Drew Days, two men who by experience, reputation, and knowledge have far more experience in this area than the current administration. I am aware of their views through their presentations before the Judiciary Committee and as someone who has worked with them over a very considerable period of time. It is interesting that one of them is a Republican and one a Democrat.

At this point, Mr. President, apart from my discussion of this specific amendment, I wish to speak more generally, as the Democratic floor manager of S. 1992 and one of its original sponsors, about my understanding of the intended meaning of the bill and about its legislative history.

Mr. President, although there has been a lot of floor time expended on this measure, much of that time has been spent debating the motion to proceed, and in general statements of principle for and against this important measure. I am therefore going to take several moments to summarize some of the important aspects of the bill, as manager of the bill on this side of the aisle.

Fortunately, I will not have to be exhaustive because the Senate Judiciary Committee report, presented by Senator MATHIAS, was an excellent exposition of the intended meaning and operation of the bill.

In that regard, I should note that I appreciate the efforts of the distinguished Senator from Utah in connection with the motion to proceed. Of course his statements during the past several days have been an excellent statement of his views in opposition to the bill—made with his usual fine skill—nonetheless they are not an authoritative explanation of the bill, since he, of course, opposed the Dole compromise substitute, which is now the committee bill before us, and since he has been a most vigorous and outspoken opponent of the principle features of the bill.

Ordinarily, the statements of a bill's opponents are not given much weight, because the courts recognize that "in their zeal to defeat a bill" these opponents "understandably tend to overstate its reach." *Ernst & Ernst* v. *Hochfelder*, 425 U.S. 185, 204n. 24 (1976).

However, the floor manager's statements are given great weight in interpreting a bill. *Merrill Lynch, Inc.* v. *Curran* 50 U.S.L. Week 4471 n. 15 (1982). I note that while the Senator from Utah was the manager of the motion to proceed, the senior Senator from Maryland is the floor manager of the bill itself.

To take one important example of the differences between the managers of the bill, on the one hand, and the Senator from Utah, on the other, the Senator from Utah has tried repeatedly to invite the Supreme Court to interpret the committee amendment as an intent test, or some variation of an intent or a purpose requirement. He has been ingenious and determined, but he is still flatly wrong.

The most critical of these efforts is the Senator from Utah's attempt to suggest that the committee inadvertently adopted the White standard because the committee misinterprets that case. The Senator has maintained that, properly understood, the White against Regester case has some requirement of purpose which plaintiffs must establish in order to challenge successfully a particular election method or practice.

I would like to make the record very clear on this point. The report of the majority views of the committee explain why we believe the White test has no element of intent as a requirement to prove a violation. That is explained at pages 27 through 30 and pages 67 and 68 of the report. I need not repeat that analysis here. But the committee went on to note, and I quote:

> The committee has concluded that White, and the decisions following it made no finding and required no proof as to the motivation or purpose behind the practice or structure in question. Regardless of differing interpretations of White and Whitcomb, however, and despite the plurality opinion in Mobile that White involves an " ultimate"

requirement of proving discriminatory purpose, the specific intent of this amendment is that the plaintiffs may choose to establish discriminatory results without proving any kind of discriminatory purpose.

That is at page 28, Mr. President.

Let there be no question then. We are writing into law our understanding of the White test. And our understanding is that this looks only to the results of a challenged law, in the totality of the circumstances—with no requirement of proving purpose. But should the Highest Court in the land—or a majority of the Court—conclude there is a purpose element in White, then the committee nonetheless has drafted a bill that does not incorporate this requirement, and that is the ultimate legislative intent of the bill we are adopting here tonight.

The bill, of course, has many features, but I would like to emphasize several key points for the consideration of the Senate.

First, addressing the amendment to section 2, which incorporates the "results" test in place of the "intent" test set out in the plurality opinion in Mobile against Bolden, there is an extensive discussion of how this test is to be applied in the Senate committee report.

The test to be applied against the totality of circumstances as set out in White against Regester and the case law under it. That test does not depend upon any finding or inference of intent, nor does it require—as some have erroneously suggested—a finding that there are barriers to the process of registration and voting themselves. Thus, the problems of discriminatory slating and language difficulties in the White against Regester case are important factors to be considered along with other factors such as racial bloc voting and the other types of factors listed in the report at pages 28-29, but they are not essential prerequisites, if other relevant factors can be shown which in the aggregate add up to the discriminatory result.

Section 2, unlike the bailout procedure added by this bill, will take effect immediately, and will, of course, apply to pending cases in accordance with the well-established principles of *Bradley* v. *City of Richmond.* 416 U.S. 686 (1974) and *United States* v. *Alabama.* 362 U.S. 602 (1980).

Also, as explained in the report, it should be clear that section 2 applies in appropriate cases to episodic or one-time practices, not simply to structural situations.

As mentioned in the report, the section 2 standard is not the same as the section 5 standard. This means not only that section 2 is governed by the totality of the circumstances factors, but it also means that the retrogression requirement of Beer against United States does not apply to section 2 cases—although of course, such a retrogression would be relevant evidence in a section 2 case. At the same time, as the report points out, where there is a section 5 submission which is not retrogressive, it would be objected to only if the new practice itself violated the Constitution or amended section 2.

Mr. President, as the report makes absolutely clear, the remedy for any voting right violation must be commensurate with the right that has been violated. For this reason, the committee directs the courts in correcting section 2 violations to exercise their traditional equitable powers to implement relief that completely remedies the prior violations or dilution of minority voting strength. Based upon established and accepted concepts of equity and existing case law, the courts have a duty in section 2 cases to provide equal opportunity for minority citizens to participate in the electorate and to select candidates of their choice. They must fully and completely eliminate the prior dilution of the minority voting strength.

Given the existing body of cases clearly establishing these equitable remedial concepts, and given the fact that the amendment to section 2 deals solely with whether or not there has been a substantive violation of voting rights, it is wholly unnecessary to do more in addressing the remedy issue than to advert to the above general precepts. It is unnecessary and beyond the scope of the proposed amendment to section 2 to prescribe any mechanistic or predetermined rules for formulating remedies in cases which necessarily depend upon widely varied proof and local circumstances. The fashioning of remedies must be left to the traditional, equitable powers of the local Federal courts having jurisdiction over particular controversies to determine on the facts of each case a remedy that provides a fair opportunity for minorities to participate in the political process, and fully remedies the violation.

Mr. President, there has been extensive discussion of the bailout and I will not try to repeat all that is said in the report, but I would point out the interrelationship between the publication requirement and the right of intervention. It is intended that any aggrieved party shall be entitled to intervene as of right at any stage of the proceedings, including appeal. That is why we put into the law the requirement of publication of the commencement or proposed settlement of the bailout suit. If, for example, the Attorney General proposes to enter into a consent judgment, there would be notice of that fact which might lead an aggrieved party to intervene at that stage. Such an intervention would block the consent judgment because one party—the intervenor—would not be consenting. This in fact took place in City of Richmond against United States. Intervention, of course, is not limited to situations where the voter can prove the Attorney General is taking a position contrary to the voters' interest. Rather, the authorization by this bill for intervention as of right simply recognizes that the Attorney General represents the interests of the United States, while the voter is entitled to represent his or her own interests for whatever reasons. For this reason, of course, it is not necessary for the case to take a new turn before an intervention is allowed. The intervention is right at any time, including postjudgment, or on appeal. Nor should any equitable doctrines of timeliness be permitted to cut off this clear statutory right. Intervention may be made by any aggrieved party which is intended to confer standing to intervene to the farthest limit of article III limitations on standing certainly it would include any voter in the jurisdiction.

The Attorney General may agree to enter a consent decree, if the jurisdiction has made out its burden of proof with specific facts, and the Attorney General, after investigation, is satisfied that there is no reason not to consent. But a consent judgment should not be entered simply on conclusory allegations by a plaintiff jurisdiction that it meets the requirement. If that were so, a jurisdiction could shift the burden of proof in the bailout to the Attorney General and to potential intervenors. The Attorney General should only enter such a judgment if the applicant has clearly met its burden of proof. That is made even more clear in the amendment of the Senator from Alaska we adopted last night.

Moreover, if the Attorney General proposes to agree to a consent judgment, of course, it is still the duty of the judge to review the proposed consent judgment to make sure that the court itself is satisfied that the judgment adequately protects the voting rights of the minority voters within the applicant jurisdiction.

As to the bailout, of course, the jurisdiction seeking to bailout bears the burden of establishing its case of compliance with the appropriate requirements. This applies not only to the showing that none of the events listed in the relevant subsections of the act have occurred within the past 10 years, but also that the positive actions called for in the act have been taken. Thus, for example, in connection with the requirement that the jurisdiction seeking bailout—and jurisdictions located within it—have eliminated any voting procedures or methods of election that inhibit or dilute equal access, the jurisdiction bears the burden of showing that the particular voting procedure or election method at

issue either is nondilutive or has been eliminated. It is not necessary for the voter opposing bailout first to show that the election method is dilutive, because this would improperly shift the burden of proof in this part of the bailout case to the voter. In other words, it is up to the jurisdiction seeking bailout to show that its election methods do in fact provide access and opportunity, unlike a section 2 case where the voter must prove that the election method denies such access or opportunity.

It is not the voter's burden to prove a section 2 case under the bailout, because if that were so, the provision would be surplusage. A voter can always bring a section 2 case if he can meet the difficult burden. The purpose of including this requirement as one of those to be met by the jurisdiction is to create an incentive for the jurisdiction to come out from section 5 coverage having dispensed with any historic discriminatory practices: In other words, as the Attorney General testified, the bailout is to serve as an encouragement for prospective improvement, rather than leaving intact; that is, "grandfathered," its dilutive election methods.

What the jurisdiction must prove is the converse of what a voter has to prove in a section 2 case—that minority voters do have equal access, that their votes are not submerged, and that they can and do participate fully in the political process.

To the extent that White against Regester has relevance, it is in supplying the factors to which a court would look in making the required determinations. But it is the reverse of White. That is, it is the jurisdiction that must show that the totality of circumstances add up to full participation by minority voters. Thus, if there is a paucity in the proof, it is the jurisdiction that loses—just as a paucity of proof in a section 2 case would mean a defeat for the voters bringing the section 2 challenge.

Under section 2, the voter is not required to prove every factor or even a majority if the totality of the circumstances indicate that the election practice denies full participation. In a bailout suit, the jurisdiction bears the burden of proving that the totality of the circumstances adds up to a system which provides full access to minority voters, and which provides them an equal opportunity to nominate and elect candidates of their choice.

This fundamental concept is essential to the meaning of the bailout provision—to insure that when voters in a particular jurisdiction are no longer protected by section 5, they will be free of any discriminatory election practices. A discriminatory election practice is one as to which the jurisdiction could not meet its difficult burden of showing equal opportunity for minority participation.

Mr. President, I am prepared to yield back my time.

Mr. MATHIAS. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. BAKER. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not.

Mr. DENTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, in view of the fact that it is 12:23 p.m. in a moment I am going to make a request.

Mr. President, may we forbear just for one moment while I confer with the minority leader?

Mr. President, a rollcall has been ordered. What I am going to try to do is to stack votes in order to conserve that time.

Mr. MATHIAS. Mr. President, I want to remind Members this is a 10-minute rollcall vote.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I have on my list now, after the Denton amendment, a Stevens amendment, a Thurmond amendment, and a Helms amendment. That is all I have on my list and that is all I hope there are. There may be two Helms amendments. There is a colloquy that I intend to have with Senators on the questions of prayer and abortion. I have no other requests for time for colloquy and I know of no other amendments. If there are no others than those we have identified, what I would like to do is stack votes on amendments to begin at 1 o'clock in order to conserve time.

Mr. ROBERT C. BYRD. And limit it to those amendments.

Mr. BAKER. Yes, I am prepared to do that, as well.

Mr. President, there is a committee substitute, plus an amendment by Mr. THURMOND, plus two amendments by Mr. HELMS, a colloquy with Mr. HELMS and others not to exceed 2 minutes, and that no other amendments would be in order and that rollcall votes would be stacked to begin at 1 o'clock and they would be 10 minutes each.

Mr. ROBERT C. BYRD. How many rollcalls would that be?

Mr. BAKER. Perhaps six, more likely five, at 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, that would be 50 to 60 minutes on rollcalls only, which puts us up to 2 o'clock for final passage.

Mr. BAKER. Yes, Mr. President.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Would the majority leader restate his request for the purpose of the Chair?

Mr. BAKER. Yes. Mr. President, the request is that only these amendments now be in order, after the Denton amendment: The Stevens amendment, the Thurmond amendment, the two Helms amendments; that there be a colloquy with the Senator from North Carolina on abortion and prayer not to exceed 3 minutes; and that rollcall votes, if any are ordered on these amendments, be stacked until 1 o'clock and that rollcalls be 10 minutes each.

Mr. ROBERT C. BYRD. Beginning precisely at 1 o'clock, 10 minutes precisely, except on the last rollcall, final passage.

Mr. BAKER. Yes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, I understand there is a request for the identification of these amendments. I will attempt to do that as best I can.

The Stevens amendment is a bailout amendment. There may still be something worked out on that. The Thurmond amendment is, the first Helms amendment is, and the second Helms amendment, I understand, if it is offered, would be on preclearance. Is that correct?

Mr. HELMS. Yes.

Mr. THURMOND. Mine is a reduction of the cap.

Mr. DENTON. Will the Senator yield?

Mr. BAKER. Yes.

Mr. DENTON. It is my understanding that Senator NICKLES has an amendment which he wishes to offer dealing with section 203. He is not present on the floor. His staff advised me of that and it is my recollection it is his intention.

Mr. BAKER. I have not been told that, but I will include it in the list of eligible amendments. I hope that it would not be offered. I understand from the manager that it may have been worked out.

Mr. President, I put the request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Will the majority leader yield?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. Would he make a request that there be no quorum calls in between votes, which would really not be in order, anyhow, because the votes themselves would indicate a quorum present. But we would not want to go through the process of appeals and all that.

Mr. BAKER. I do not believe there is any desire on the part of any party to delay, Mr. President.

Mr. ROBERT C. BYRD. I do not think there is.

Mr. BAKER. Why do we not just play it by ear, if we can, and we will see how we get along? I think we are heading down the homestretch.

Mr. ROBERT C. BYRD. Could we get an agreement that there will be no quorum immediately before the first rollcall?

Mr. BAKER. Yes. Mr. President, I ask unanimous consent that no quorum call be—Mr. President, I withdraw that request.

Mr. ROBERT C. BYRD. We do that from time to time. We do it on cloture. I am willing to forget it and get on with the business.

Mr. BAKER. Let us get on with the business, Mr. President. I thank the minority leader.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. BAKER. Mr. President, there is to be a colloquy at this point. If the Senator would permit me, the arrangement was that after the Denton amendment we would have the colloquy we had spoken of earlier. I am prepared to go forward with that colloquy at this time.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, it is my understanding the Senator from Alabama, perhaps the Senator from Iowa, and the Senator from North Carolina had earlier indicated a desire to offer amendments dealing with both abortion and school prayer. We have had an extensive conversation on that subject. I will be glad to respond to any questions they may have at this time.

I yield to the Senator from Alabama.

Mr. DENTON. Mr. President, the majority leader is correct. I am prepared at some time this afternoon to send to the desk an amendment dealing with another right, an amendment which would restore the right to voluntary prayer in public schools. I understand that the distinguished Senator from Iowa has an amendment to that amendment.

Mr. JEPSEN. Mr. President, if the Senator would yield, I have also advised the Senator from Alabama and the distinguished majority leader that it is my intention to offer the Helms anti-abortion "super" bill as a second-degree amendment to the amendment of the Senator from Alabama. This amendment would incorporate the Hyde amendment language, and freedom of conscience laws. Additionally, it would recognize that life begins at conception. I have been advised that the distinguished majority leader would like to comment on this procedure.

Mr. BAKER. I yield now to the Senator from North Carolina.

Mr. HELMS. Mr. President, as the distinguished majority leader has indicated, we have conferred with the able majority leader on this subject. I believe that he is prepared to disclose an alternate suggestion, alternate to putting these amendments on this bill.

Mr. BAKER. Yes. I think the Senator is absolutely correct. I have conferred today and last evening, indeed, on a number of occasions, with the Senator from North Carolina, the Senator from Alabama, the Senator from Iowa, and the Senator from Utah (Mr. HATCH) on both the proposed omnibus abortion bill and a school prayer resolution.

I had indicated to them, as they know, that while I favor some of the proposals, particularly the school prayer proposal, I urged that they not be offered to this legislation. I have said previously and I reiterate now, I respect their right to offer these things, and I will provide an opportunity for them to offer them, either as free-standing resolutions or bills or amendments, or as amendments to some other piece of legislation. I make no exceptions as to what that might be. The debt limit is coming up and if it is offered to that I will not stand on the floor and urge that it not be offered. It may be that they wish to choose that or some other vehicle.

Mr. President, now is not the time for it. It is my plan and intention to schedule Senate debate on abortion and prayer sometime during these summer weeks. That will be after we return from the Fourth of July recess. I hope that with these assurances the Senators will not offer the omnibus abortion amendment or the school prayer amendment as a first or second-degree amendment, and that we can go forward.

Mr. HELMS. Will the Senator yield?

Mr. BAKER. Yes.

Mr. HELMS. Specifically, we had discussed, as the majority leader knows, the second of two approaches with respect to both the prayer and abortion amendments. I hope I am correct in my understanding that this does not in any way alter the earlier commitment which the Senator made generously, to have the free-standing consideration of both of these initiatives.

Mr. BAKER. Yes; I have previously said that we will have a debate on these issues. They are serious issues and deserve the attention of the Senate. What I am saying now is I will not choose the form in which that is done. I will confer with the Members as to which is the best one and what is the most convenient for the Senators. I am not excluding anything.

Mr. HELMS. I appreciate the Senator doing that. I will assure him that we will have that in mind.

Mr. BAKER. I thank the Senator. I hope on the basis of this colloquy, this matter has now been taken care of.

UP AMENDMENT NO. 1031

(Purpose: To clarify the phrases "anywhere in the territory" and "all governmental units within its territory" under the bail-out provision of the Voting Rights Act of 1965)

Mr. STEVENS. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1031.

On page 16, line 15, strike out at the end the quotation marks and the period the second time it appears and insert in lieu thereof the following:

"'(10) For the purpose of this section, whenever the phrase "anywhere in the territory" and the phrase "all governmental units within its territory" are used in this section, each phrase shall apply only to denials or abridgements of the right to vote on account of race, color, or in contravention of the guarantees of subsection (f) (2), only by political subdivisions of a State which is covered by this Act on the date of enactment of the Voting Rights Act Amendments of 1982, and have not previously successfully been exempted from this section and section 5, in the plaintiff's territory prior to a filing of a declaratory judgment action by the plaintiff.'."

The PRESIDING OFFICER. The Chair will announce that there is a 5-minute time limit on this amendment, to be equally divided between the Senator from Alaska and the Senator from Maryland.

The Senator from Alaska.

Mr. STEVENS. Mr. President, this is the amendment I mentioned previously, what I called the Alaska scenario amendment.

Alaska has previously been exempted under this section. In the decade previous to the passage of this act, Alaska has seen 61 new political subdivisions formed in our State. To the best of my knowledge, none of them have precleared election law changes. We also have over 150 subdivisions that are organized under the laws of the State, plus numerous governmental units, which is a phrase of art here, which have been created in the State, most of which, to my knowledge, have precleared.

I just finished discussing the matter with the Attorney General's office in my State, and they believe, too, that we are in a catch 22.

What this does is to say that, in an attempt to be bailed out again, under these 1982 amendments, the State of Alaska only has to prove that the State itself has not, within the past 10 years, violated the terms of the act.

I think that is a matter of simple justice. There is nothing we can do about the fact that we are a dynamic area, a new area, a frontier area that is, in fact, developing and creating new units. Some of those units had no

knowledge even of the existence of the State being covered under the Voting Rights Act of 1965, as amended.

This is my last attempt to bring about some sanity as far as my State is concerned, the only State that has had a similar experience in the past, the only one, to my knowledge, that would seek to be excluded from coverage under the act on the basis that it was previously included because of a technicality—the only State that has been previously exempted several times, and probably the only one that has new governmental units that would be covered under the act.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Maryland is recognized.

Mr. MATHIAS. Mr. President, the Senator from Alaska calls the amendment the Alaska scenario. If we could be convinced that it is the Alaska scenario, it might have a different aspect. We are concerned by the territorial reach of this amendment. It may go far beyond Alaska because it deals a fatal blow to the linkage between the States and their political subdivisions. It destroys that responsibility in the State for the conduct of its political subdivisions.

I feel constrained to oppose the amendment.

Mr. STEVENS. Mr. President, will the Senator answer this one question? Is there any other State in this country that would be covered by that amendment?

Mr. MATHIAS. That is the actual question. We are concerned with the territorial jurisdiction of this amendment extending beyond Alaska with its unique frontier conditions. I have the same joy in the dynamic Alaskan society and Alaskan growth as the Senator from Alaska has. But the way the amendment is drafted, it may not be limited to that particular State.

I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I have a great deal of respect for my friend and colleague from Alaska, particularly for his perseverance. Shakespeare said, "Perseverance, dear my lord, keeps honor bright."

The Senator from Alaska has been persevering on this matter with us in the Senate for many days.

The fact remains, Mr. President, that a State has responsibility for its counties. The fact is, Alaska has been covered by the act on two different occasions. The question now is whether we are going to make a special exception for the State of Alaska.

I believe, for the reasons that we have outlined last night and today, that this amendment should be rejected.

I yield back my time.

Mr. MATHIAS. Mr. President, I yield the remainder of my time to the Senator from Kansas.

Mr. DOLE. Mr. President, let me say I have been doing my best to resolve the problem. The concern of the Senator from Alaska is genuine. It has been called to my attention by the senior Senator from Alaska that some technical problems could arise if the State of Alaska were compelled to seek bailout under the new criteria in this bill. This is so even though the new bailout criteria are designed to make it easier for States and local jurisdictions to escape coverage of section 5 if they have compiled a record of nondiscrimination.

The PRESIDING OFFICER. The time allocated to the Senator from Maryland and the time on the amendment has expired.

Mr. DOLE. Mr. President, I ask unanimous consent to proceed for 1 additional minute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. There is, however, a simple solution to the problem that the Senator has posed. Alaska is covered now under the 1975 extension of the act, only by virtue of the fact that it had a literacy provision in its laws in the past. Under current law, Alaska is eligible to bailout if it has not employed a literacy provision for 10 years.

Since the new criteria for bailout do not go into effect until 1984, Alaska will continue to be eligible to bailout under the existing criteria 1 or 2 more years.

It is my understanding that the State should be able to meet the criteria basically because it had a very limited problem to begin with and it has solved that problem. This will obviate any difficulty that might arise under the new criteria. Nor would the State be subject to recapture under the new provisions if it has bailed out under the existing criteria.

The senior Senator from Alaska has been extremely scrupulous in examining the implications of the provisions of this bill and in protecting the rights of the citizens of his State. I am gratified that we jointly have been able to find a solution to the problem that he has identified.

Mr. President, I think this might be of some help to the distinguished Senator from Alaska. As far as I know, this is also the view of the managers of the bill. I think it might be helpful to have it part of the legislative history.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. The vote will occur as previously ordered.

UP AMENDMENT NO. 1032

Mr. THURMOND. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND), for himself and Mr. WARNER, proposes an unprinted amendment numbered 1032.

On page 16, line 14, strike out "twenty-five-year" and insert in lieu thereof "fifteen-year".

Mr. THURMOND. Mr. President, the amendment would reduce the cap on the preclearance requirement from 25 years to 15 years. The cap of 25 years is five times as long as the previous preclearance period. Twenty-five years is unreasonable and unfair. Fifteen years, I think, is much more in keeping with fairness and equality.

Mr. President. I want to say that when this bill was first passed in 1965, it was for 5 years. That carried until 1970. Then it was extended for 5 more years, to 1975. Then it was extended 7 more years. So the States that came in in 1965 have been under it for 17 years. But the longest extension that has ever been made was for 7 years in 1975—two 5-year periods in 1965 and 1970 and then one 7-year period in 1975, for a total of 17 years.

Mr. President, when the Supreme Court tested this decision—and there was a divided opinion of the Court on it—in the case of South Carolina against Katzenbach, decided in 1966, it was held that an uncommon exercise of congressional power such as the Voting Rights Act is only warranted under exceptional conditions. We feel those exceptional conditions have passed. I say they have passed because the only reason South Carolina is under this law to begin with is because only 50 percent of the eligible citizens registered in our State, or fewer than 50 percent actually voted who were registered.

It is not alleged that we discriminated at the time, but we were caught in that net and have been under it since then.

Since then, though, this situation has been corrected. Mr. President, I call the attention of the Senate to these figures: The registration of black voters in 1980—these are preliminary census figures—are: In Mississippi, 72.2 percent; Louisiana, 69 percent; Alabama, 62.2 percent; South Carolina, 61.4 percent. The national average is 60 percent. So these States, including my State, are above the national average now in registration of black voters.

Then Georgia, Kentucky, Virginia, North Carolina have over 49 percent. Georgia is 59 percent, almost the national average. Kentucky, Virginia, and North Carolina are over 49 percent.

Mr. President, I want to bring out this point, that we are above New Jersey, which has 48.9 percent; above New York, which has 46.5 percent; above Massachusetts, which has 43.6 percent; and above Kansas, which has 40.3 percent.

Mr. President, why should we be kept under this law any longer? We are now above the national average. We have a greater percentage of black registration in the States that are under this act now than New Jersey, New York, Massachusetts, or Kansas. In all fairness, Mr. President, why should this law be extended for 25 years?

I want to say further that we speak about black elected officials. I call attention to the fact that as of July 1980, Mississippi had 387 black elected officials, which is more than Illinois had or more than Michigan had. They are much bigger States. Louisiana had 363, which is more than Illinois or Michigan had. Georgia had 249, which is more than California had or New York had. North Carolina also had more than California or New York; South Carolina, my home State, had more than California or New York.

Mr. President, in all fairness, why should this law be extended for 25 years? That is a quarter of a century. We have been under it 17 years already. Is not 15 years long enough? Military reconstruction in the South did not last as long. Let us now be fair. We have corrected our situation in South Carolina. We have more black elected officials, as I stated, than New York has, and we have more registered black voters on a percentage basis than New Jersey, New York, Massachusetts, or Kansas. Why punish us more?

Mr. President, after all, I believe the Senate wants to do what is right. I believe it wants to do what is fair. If we want to do what is fair, let us cut this thing down at least 10 years. Fifteen years is certainly long enough.

Mr. President, I yield to the distinguished Senator from Virginia (Mr. WARNER).

Mr. WARNER. Mr. President, I join with my distinguished colleague from South Carolina in urging, in a sense of fairness and equity, that this amendment be adopted. It seems to me that it makes the time period under section 5 conform to the realities of the practices in certain States. In my State of Virginia, statistics show that in the period between 1965 and 1981, the Department of Justice issued only 12 letters. I take pride in that statistic, because we were foremost in terms of the comparable statistics for other States in our geographic location.

As the distinguished Senator from South Carolina pointed out, our statistics in terms of the registration of black voters, while, instead, they could be improved nevertheless, I think are comparable to or better than jurisdictions elsewhere in America that are not covered. It is for that reason, Mr. President, that I join with the distinguished Senator from North Carolina in recommending that our colleagues accept this amendment.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, If I may speak very, very briefly. In the other body there was no time cap. It was thought that the jurisdictions would be under these preclearance provisions in perpetuity. In that spirit of equity, fairness, and sweet reason that the Senator from South Carolina has referred to, we have proposed a 25-year cap so that there is an end to the preclearance coverage.

In addition to that, of course, there is a bailout in 10 years. So we are not looking at an unreasonable situation. We are looking at one where, in 10 years, the preclearance requirement can be over for a jurisdiction with a good record and, in any event, in not more than 25 years.

I yield to the Senator from Massachusetts.

Mr. KENNEDY. As the Senator just elaborated, it does not need to be 10 years prospectively. It can be 10 years retrogressively.

Mr. President, I should like to include at this point in the RECORD a letter from a Governor of a State whose views were submitted on this legislation. He says:

MAY 19, 1982.

Hon. JOHN W. WARNER,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR JOHN: Thank you for your letter of May 5, in which you ask for my views on S. 1992, the proposed extension of the Voting Rights Act of 1965.

I support S. 1992 as it was reported from the Senate Judiciary Committee. In its present version, the bill provides important and justified federal protection for the most basic attribute of citizenship—the right to vote. It also contains language that will prevent any federal court from imposing a quota on election results as a condition for a finding of compliance. Finally, the bill affords Virginia and other states, now subject to pre-clearance provisions of the Act, a reasonable opportunity, beginning in 1984, to persuade the courts that special scrutiny is no longer justified.

I appreciate your letter and your interest in my views on this most important subject.

Sincerely,

CHARLES S. ROBB.

I think Governor Robb has written what the managers of the bill would try to persuade the Members of the Senate of. Beginning in 1984, there will be a reasonable opportunity to persuade the courts that special scrutiny is no longer justified. This letter certainly captures the spirit of our effort and we thank the Governor.

Mr. WARNER. Mr. President, will the Senator yield?

Mr. MATHIAS. Mr. President, I promised to yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I shall just take about 1 minute. The duration of the preclearance requirement was affected by the compromise, as the Senator from Maryland has pointed out. In the House bill it was in perpetuity. We reduced it to 25 years.

One of my colleagues said, "Well, I would rather have in perpetuity. It is hard to explain 25 years, but I can explain in perpetuity."

We believe that 25 years is the outside limit for most jurisdictions. Only the most recalcitrant of jurisdictions are not going to be able to bail out in the next 10 years. On the date of enactment of this legislation, they can begin compiling the requisite record of nondiscrimination, and by 1992, bailout, even if they currently are in noncompliance with all the critera.

In fact, by 1987, estimates are that about 25 percent of the covered counties will be eligible to bail out.

The Senator from Kansas tried to get it reduced to 15 years. I tried that with my colleagues and was not successful. I do not think it is an unreasonable amendment; I do not want to be misunderstood, but we believe we have come a long way. One never knows when perpetuity ends, but 25 years, the gamble seemed worth it.

Mr. WARNER. Will the Senator yield for a question?

Mr. DOLE. Yes.

Mr. WARNER. Is it not fair to state for the record that the in perpetuity standard set by the House was in a sense an abdication of legislative responsibility and subject to a point of constitutionality?

Mr. DOLE. I might say to the Senator from Virginia that was a question raised. It was raised in the House debate. That is another reason probably for the 25-year cap.

That is a legitimate question: Was it in fact constitutional? But again, as I say, 10 years from date of enactment, even the most recalcitrant jurisdictions can bail out, if they immediately start compiling a good record. The 25-year period will only affect those recalcitrant jurisdictions which refuse to comply. In addition, there is a requirement that Congress review the new bailout criteria in 15 years.

Mr. WARNER. Recognizing the constitutionality of the in perpetuity situation, what were the factors that led you to 25 vice 15?

Mr. DOLE. The Senator from Kansas wanted to do something of a shorter period than perpetuity. We

could not agree on perpetuity, so we agreed on the 25 years.

The Senator from South Carolina, I might say, has been very legitimately trying to reduce that 25 years to some other period. The Senator from Kansas made an effort, but I could not find enough support to do that.

Mr. WARNER. The Senator from Virginia is quite anxious to try and support the ultimate goals of this legislation, but in fairness, at the age of 55, I might not be here for this and other reasons when 25 years has expired. I should like to see within my lifetime my State earn—and I repeat earn—the right to be exonerated from this legislation.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. THURMOND. Mr. President, how much time do we have left?

Mr. MATHIAS. There is no time agreement on this, but I should hope that we could move very rapidly to the Senator from North Carolina's amendment.

Mr. HELMS. Has the Senator asked for the yeas and nays?

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, can we call up the amendments of the Senator from North Carolina?

UP AMENDMENT NO. 1033

(Purpose: To exempt 40 counties in North Carolina from sections 4 and 5)

Mr. HELMS. Mr. President, I have two amendments, and I will be brief. The first one I choose to call the Sam Ervin amendment because he suggested that I offer en bloc 40 amendments, each taking out one of the 40 North Carolina counties covered under preclearance.

I have repeatedly stated this week and on past occasions that I have two major concerns about this legislation. My first concern has been that this bill would open the door for the courts to require quotas or proportional representation to remedy Voting Rights Act violations. The action of the Senate yesterday on what the Washington Post calls my paradoxical amendment will send a clear signal to Federal judges that it is the intent of Congress that the courts are not allowed to order quotas or proportional representation as a remedy in cases of alleged voting rights violations.

My second concern is that nothing in the amendments to the permanent provisions of the Voting Rights Act of 1965 would remove the stigma of second-class citizenship that has been imposed on 40 of the 100 counties in North Carolina. I am referring, of course, to the onerous preclearance requirement of the Voting Rights Act. This provision requires officials in covered jurisdictions to come hat in hand to Washington to seek the approval of some bureaucrat at the Department of Justice for even the most minor proposed election law change.

The proponents of this legislation claim that the affected counties in my State would be able to bail out of the preclearance requirements if they do not violate anyone's voting rights for a certain period of time. But, in fact, Mr. President, these counties may not be able to bail out because of factors beyond the control of local officials. I challenge anyone to show me proof of discrimination on voting rights in any of the 40 affected counties in North Carolina since the enactment of the Voting Rights Act of 1965. It cannot be done because there is not any proof. These counties have exemplary records. They do not deserve to be punished.

Since only 9 States and parts of 13 others are covered by the preclearance requirements of the Voting Rights Act, perhaps some of my colleagues are unaware of how great the burden is on local officials who must comply with the act—who must come hat in hand to Washington to beg mercy from a Federal bureaucrat.

This year the citizens of my State were forced to pay the expenses of a fight to have our congressional and State house and senate redistricting plans precleared. If the taxpayers knew how much this fight cost they would be up in arms.

Local officials have problems with this requirement, too. For example, in 1981 the city of Wilson, N.C., received a petition for annexation from a local property owner. The property owner asked the city fathers to annex an undeveloped subdivision into the corporate limits of the city.

The bureaucrats at the Justice Department refused to preclear the proposed annexation because—they claimed—the city fathers could not prove that the proposed annexation would not dilute minority voting strength.

Let me repeat, Mr. President, the city fathers could not prove to the satisfaction of the bureaucrats at the Justice Department that the annexation of an undeveloped subdivision would not dilute minority voting strength.

I know my colleagues must find this hard to believe, but it is true. I have here a very informative and enlightening letter from Rebecca W. Giles, assistant city attorney for the city of Wilson. Ms. Gile's letter recites the experience of the city of Wilson, and explains the difficulties she had representing the city under this law.

I ask unanimous consent that Ms. Giles' letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, fortunately, Mr. President, this story has a happy ending. In April of this year the Attorney General approved this proposed annexation. But the city fathers could not get approved the proposed annexation of an undeveloped subdivision for 7 months.

Mr. President, I renew my challenge to any Senator to present proof that any of the covered counties in my State have violated the voting rights of any citizen. It cannot be done.

So I say to my colleagues, please help me end the unjust and unnecessary stigma that has been placed on 40 counties in my State by voting to remove them from coverage by the preclearance provisions of the act.

EXHIBIT 1

ROSE, JONES, RAND & ORCUTT, P.A.,
Wilson, N.C., December 2, 1981.

Hon. JOHN EAST,
Dirksen Senate Office Building,
Washington, D.C.
Hon. JESSE HELMS,
Dirksen Senate Office Building,
Washington, D.C.
Hon. L. H. FOUNTAIN,
Rayburn House Office Building,
Washington, D.C.

GENTLEMEN: In September 1981, the City of Wilson received a petition for annexation from a property owner who desired to bring an undeveloped subdivision into the corporate limits of the City of Wilson. (Ordinance No. 0-96-81). Pursuant to Section 5 of the Voting Rights Act of 1965, the City of Wilson filed a preclearance report with the Department of Justice seeking authorization to annex this new area into the corporate limits. On November 23, 1981, the City of Wilson received a letter from William Bradford Reynolds of the Voting Rights Division of the Department of Justice stating that their office had insufficient information to determine whether the proposed annexation would have the purpose or effect of abridging the right to vote on the basis of race. The letter requested the City of Wilson to provide statistics on voter registration, statistics on voting patterns by race since 1970, and information setting forth the population by race of annexations of residential areas to the City of Wilson since 1979.

Upon receipt of the letter from the Justice Department, this attorney contacted their office to advise them that much of the information they were seeking, such as the racial composition of the annexed areas, was unavailable and could not be provided by the City of Wilson without expending substantial sums of money to conduct household counts of the annexed areas to determine how many individuals of each race resided in that area. The City of Wilson requested permission to provide other information which would conclusively establish the lack of any discriminatory intent on the part of the City of Wilson in its annexation practices and documentation to show the lack of discriminatory effect caused by the City's annexation practices.

The City of Wilson provided documentation to the Justice Department showing the City of Wilson's remarkable record of annexing on its own motion predominantly black areas and public housing sites. In 1970, the City of Wilson initiated its first

forced annexation of a 2,000 acre tract of land on the southeast side of town. The racial composition of this area was more than 90 percent black and brought over 700 black voters into the city limits. This annexation was not requested by the property owners but was initiated by the City of Wilson in order to bring desperately needed city services such as water, sewer, paving, curbing and guttering, street lighting, fire protection, and police services to this area. Since that date, the City of Wilson has annexed several multi-family public housing projects comprising more than 30 acres with predominantly black populations. All but one of the annexations of residential areas to the City of Wilson within the last ten years have been by petition of the property owner or owners. The majority of these have been annexations of undeveloped raw land which, of course, had no existing population and no racial composition. Since the City of Wilson has no control over the sale of homes in these subdivisions, the cost of homes, the type of homes, nor any control over the timing of the development of the subdivision, it is impossible for the City of Wilson to predict at the time of annexation how many people will reside in these areas and what the racial composition of these areas may ultimately prove to be. Therefore, it is obvious that the City of Wilson can have no intent to discriminate when annexing raw land. Furthermore, each of these annexations since 1964 have been filed with and approved by the Justice Department which is now seeking additional information relating to prior annexations.

It is clear from the information already provided to the Justice Department that the City of Wilson does not have any intent or purpose of denying or abridging the right to vote on the basis of race through its annexation practices. Since 1970, the City has annexed more than twice as much acreage which has been documented as predominantly black than other residential areas comprised primarily of undeveloped racially neutral subdivisions. It is equally clear from the comparison of census statistics in 1970 and 1980 that whatever the practices and policies of the City of Wilson have been during the last ten years in regard to annexation, there has been no dilution of black voting strength in the City of Wilson. According to the 1970 census statistics, blacks comprised 30 percent of the population of the City of Wilson. In 1980, blacks comprised 40 percent of the population of the City of Wilson, an increase of 10 percent. This conclusively demonstrates that the City of Wilson's annexations during the last ten years have not had a detrimental impact upon black voting strength within the City of Wilson.

In spite of this conclusive and overwhelming proof of lack of discriminatory intent and lack of discriminatory effect, the Justice Department is still seeking additional information from the City of Wilson relating to the annexation of a number of undeveloped tracts of land. The Justice Department has informed us that it will be necessary for them to review the population statistics for these new subdivisions in order to determine whether the City of Wilson's annexations have had the purpose or effect of denying or abridging the right to vote on the basis of race. According to staff member, Kathleen Quinn, the Justice Department is required by congressional mandate to undergo this type of investigation, even though the records positively show no purpose to discriminate and no effect of diluting black voting strength.

It is the position of the City of Wilson that the request for additional information at the City's expense, and the Justice Department's continuing investigation and review in light of the City of Wilson's proven record is a monumental waste of tax dollars, both local and federal. This is particularly unjustified and unreasonable in light of the tight fiscal and budgetary controls in effect at the Federal government level. It appears that under the current statutory provisions of the Voting Rights Act of 1965 there is no way for a municipality to establish a history of non-discriminatory annexations so as to relieve themselves of the burden of filing pre-clearance reports and the burden of extensive periodic investigations by the Justice Department, nor does there appear to be a simple method by which municipalities can prove lack of intent or effect without a full scale investigation by the Justice Department. So long as the Voting Rights Act of 1965 remains in effect in its present form, it appears that the City of Wilson and other municipalities will continue to be subjected to this type of unreasonable and unnecessary investigation.

On behalf of the City of Wilson, this is to respectfully request you to carefully review the necessity of continuing the Voting Rights Act in its present form and to request that you consider amending the Voting Rights Act to provide for some means by which cities may affirmatively show good faith and nondiscriminatory intent in their annexation practices so as to relieve themselves of the burden of filing pre-clearance reports and investigations by the Justice Department.

We greatly appreciate your time and consideration in this matter.

Very truly yours,

REBECCA W. GILES,
Assistant City Attorney.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Does the Senator wish the yeas and nays?

Mr. HELMS. Yes, I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from North Carolina has not called up his amendment, and the clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 1030:

At the end of the committee substitute add the following:

SEC. 7. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the counties of—

"(1) Anson;
"(2) Beaufort;
"(3) Bertie;
"(4) Bladen;
"(5) Camden;
"(6) Caswell;
"(7) Chowan;
"(8) Cleveland;
"(9) Craven;
"(10) Cumberland;
"(11) Edgecombe;
"(12) Franklin;
"(13) Gaston;
"(14) Gates;
"(15) Granville;
"(16) Greene;
"(17) Guilford;
"(18) Halifax;
"(19) Harnett;
"(20) Hertford;
"(21) Hoke;
"(22) Jackson;
"(23) Lee;
"(24) Lenoir;
"(25) Martin;
"(26) Nash;
"(27) Northampton;
"(28) Onslow;
"(29) Pasquotank;
"(30) Perquimans;
"(31) Person;
"(32) Pitt;
"(33) Robeson;
"(34) Rockingham;
"(35) Scotland;
"(36) Union;
"(37) Vance;
"(38) Washington;
"(39) Wayne; and
"(40) Wilson,

in the State of North Carolina.".

Mr. DOLE. Mr. President, I am opposed to any amendments to change the bailout to treat the counties in North Carolina differently than other covered jurisdictions. Contrary to what my distinguished colleague from North Carolina has argued, all of the North Carolina counties could be eligible to bail out by 1992.

This is the same length of time that these 40 counties would be covered if we simply extended existing law for 10 years.

But we are modifying the law in order to make it easier for some of the covered jurisdictions to get out before that 10-year period expires. Under our new bailout, many of the North Carolina counties will be eligible to file for bailout well in advance of 1992. Many of these counties need not be disqualifed by any of the objective criteria in the new bailout. For example, according to Attorney General French Smith, as of 1981, only six of the North Carolina counties had any of the problems that automatically preclude bailout with the exception of nonsubmission and constructive efforts.

The problem of nonsubmissions, however, is a serious one.

According to research by the Southern Regional Council, North Carolina has a high rate of noncompliance with section 5 of the Voting Rights Act. The council's research show that more than 150 State laws affecting voting in one or all of the 40 counties covered under the act were passed between 1965 and 1979; these laws were never submitted for review by the Justice Department. During the same period, a total of 17 changes were made by local county governments covered under the act in the methods of election; the numbers of members on the governing boards; or the terms of office of those members. Only 5 of those 17 changes were made by the North Carolina State Legislature. The

remaining 12 apparently were made with authority granted by the legislature to the local governing boards.

Among these 17 changes affecting the county governing boards, it appears that only 2 were submitted to the U.S. Department of Justice for review under section 5.

Both of these submissions were State enactments—not changes by local governments. Of the remaining 15 changes which have not been submitted, 3 are State enactments and 12 are changes made by local governments. Hence, no electoral change identified in the council's study—made by a local government in North Carolina—has been submitted to the Justice Department for review.

This suggests that the failure of local governments to submit changes in practices and policies affecting local voting may be prevalent, if not more widespread, than the pattern of noncompliance of State governments in the South. Strict compliance with key provisions of the Voting Rights Act is still not practiced in many areas in the region: today there are scores of practices and policies affecting voting that have been implemented for months and years which have never been subjected to the scrutiny of section 5 as required by law.

Yet, even with the serious lack of compliance in some of the North Carolina counties, all of the counties could take advantage of our incentive bail out by starting to comply with section 5 right now. In other words, even the county most out of compliance, could submit its changes now, and assuming those changes, and no future ones, are not discriminatory in purpose or effect, it could bail out by 1992. And that is the county where the black voters most need the protections of section 5. So no one should object to continuing preclearance until that county at least starts complying with the law from which it seeks to bail out.

As for the majority of the section 5 covered counties, if they have submitted their changes as clearly required, and if they comply with the constructive efforts part of the bail out, most of them will be out by 1992.

The PRESIDING OFFICER. Is there a sufficient second for the yeas and nays on the amendment of the Senator from North Carolina?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from North Carolina.

UP AMENDMENT NO. 1034

(Purpose: To guarantee the right to vote in States with abnormally low percentages of black voter registration)

Mr. HELMS. Mr. President, I send to the desk another unprinted amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 1034.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, It is so ordered.

The amendment is as follows:

Add at the end of the committee substitute amendment the following new section:

"SEC. . Notwithstanding any other provision of law or of this Act and in order to guarantee the right to vote in States with abnormally low percentages of black voter registration any State in which the percentage of black voter registration was determined by the Bureau of Census of the Department of Commerce in November 1980 to be less than 43.7 percentum of eligible black voters shall hereafter be subject to the preclearance requirements of section 5 of the Voting Rights Act of 1965, as amended; *Provided, further,* That any State with greater then 60 percentum black voter registration, so determined, shall not hereafter be subject to such requirements. Any State affected by the preceding sentence and thereby made subject to preclearance may be relieved from the preclearance requirements of Section 5 of the Voting Rights Act of 1965, as amended, in accordance with the standards and procedures specified in this Act"."

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, serious problems still exist in a great many States with respect to voting rights, and ironically some of the States with the lowest rates of minority registration are not covered by the preclearance requirements of the Voting Rights Act.

In fact, Mr. President, as I pointed out earlier, the two States with the lowest rates of black voter registration in 1980 by coincidence happen to be the States of two of the principal cosponsors of this bill, Kansas and Massachusetts, States represented by these two fine Senators.

The State of Kansas has never been covered by the act's preclearance requirements and only nine townships in Massachusetts are covered, yet Kansas had a minority voter registration of 40.3 percent in 1980, the lowest of any State in the country. Massachusetts had the second lowest rate; only 43.6 percent of the black citizens of Massachusetts eligible to vote in that State were registered.

Mr. President, in the interest of time, I am going to just summarize the rest of this.

The States originally covered now have some of the best records of minority registration. In my State of North Carolina, 40 of our 100 counties covered by section 5 have achieved an exemplary record of minority voter registration. In fact, I have a copy of an article that appears in today's Raleigh News Observer.

The headline reads, "Registration of Black Voters Leaps 9.1 Percent in Spring."

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

The headline speaks for the story.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REGISTRATION OF BLACK VOTERS LEAPS 9.1 PERCENT IN SPRING

(By Michael Flagg)

Registration of black voters in North Carolina jumped by 9.1 percent in April and May, the largest such gain since 1978, the State Board of Elections says.

The number of registered voters in the state rose in the same period by only 5.7 percent, though that increase also was called a record by Alex K. Brock, state elections director.

"It's the largest increase for two months since I've been here," said Brock, elections director for this years.

As of June 1, when the registration books closed for the June 29 primary, there were 2,618,200 registered voters in the state, up 5.4 percent from last year.

The board has conducted a voter registration drive since February, aimed in part at boosting the State's traditionally low level of registered black voters. For example, 1980 census figures showed that only about half the state's eligible blacks were registered to vote.

Some nongovernmental groups, among them the NAACP and the N.C. Association of Educators, also have conducted registration drives in anticipation of the upcoming primary.

According to the election board figures, the number of black voters increased in April and May to 335,972 from 399,581, a boon to the state Democratic Party, since blacks traditionally vote for Democratic candidates. In the last year, registration of blacks increased 13 percent, although most of those gains came in the last two months.

The party also did well in April and May as the number of registered Democrats rose 4.4 percent. The Republican Party fared less well, with the number of registered members increasing by slightly less than 1 percent Registered voters unaffiliated with either major party rose by 1.7 percent.

On June 1, there were 626,013 registered Republicans and 106,681 voters who registered as unaffiliated. Registered Democrats numbered 1,885,320, or 72 percent of the total.

Under state law, a governor appoints members of his own party to a majority on the elections board so three of the board's five members serving under Gov. James B. Hunt Jr. are Democrats. They, in turn, tend to appoint more Democrats to county elections boards, which are doing the leg-work in the current registration drive.

"It's not that they go out and find Democrats to register, but that they're going to work in Democratic strongholds," said Janice Faulkner, executive director of the state Democratic Party. "The Republican Party is encouraged to participate in this."

But the state Republican Party chairman said the registration drive, announced by Hunt in January, is nothing more than an attempt to round up voters sympathetic to the Democrats. Hunt is expected to run in 1984 against Sen. Jesse A. Helms, R-N.C.

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"I knew this would happen," GOP chief David Flaherty said of the new figures. "It's proof positive that the governor says one thing and does another.

"We'd have big gains if we controlled the mechanism for registering voters.

"The registration drive," he charged, "has been done on a very emotional level. People have been telling voters things like (President) Reagan hates blacks."

R. Brent Hackney, Hunt's deputy press secretary, said Flaherty should "concentrate his energies on recruiting blacks to the Republican Party, rather than trying to shut them out of the system."

Mr. HELMS. It stands to reason Mr. President, that a congressional commitment, to promote minority voting registration should continue to seek a way to protect the voting rights of minority citizens of whatever State, whether it be North Carolina, South Carolina, Kansas, Massachusetts, New York, or California.

What better way to guarantee minority voting rights than to bring under the preclearance provisions of section 5 those States with the lowest rate of minority registration?

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, the managers of the bill feel compelled to oppose both of these amendments. The first amendment is, I fear, a special pleading. There may be some counties on the list that are in fact justified in coming out from the preclearance requirement. But this would have to be decided on the basis of the record on the evidence, not on the basis of a list of approximately 40 counties. I think the established procedures of law which allow for bailout will apply. Those counties that are entitled to it will be allowed to bail out.

Does the Senator from Massachusetts——

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, on June 17 we discussed this issue with the Senator from North Carolina and pointed out to him that there were actually 62 changes in the electoral schemes of these counties to which the Department of Justice objected. So the situation is not quite as has been described.

Mr. President, I ask unanimous consent to have this analysis reprinted in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Literacy tests are but one type of discriminatory practice. They were used in the trigger for preclearance because, at the time, they were the most prevalent device used to deny full voting rights. As the testimony and the committee report explain in detail, once those literacy tests were suspended in covered jurisdictions, other types of schemes have been used discriminatorily to dilute the increased minority vote.

The important question, then, is not simply whether the jurisdiction has used a literacy test since the act was passed, but whether its record shows a continued need for preclearance because of other evidence of discrimination.

The Senator from North Carolina said that in not one of the 40 counties in North Carolina has there been an action reported by the Justice Department implying discrimination in voting rights—not one in 17 years.

This statement is misleading.

The whole purpose of section 5 was to eliminate the need of the Department to sue. Instead, the local jurisdiction is supposed to preclear voting changes. In short, the pertinent record is not lawsuits, but objections under the section 5 preclearance provision to what the counties have tried to do. It is untrue to claim there have been no Justice Department actions since 1965 with respect to discrimination in those counties. The Department has objected to no fewer than 62 proposed changes in election laws since 1965.

Interestingly, only 10 of those objectionable changes were made in the first 10 years of the act; and 52 of those objectionable changes were found to raise serious questions of discrimination by the Department in the last 5 years; that is, since the act was last extended in 1975.

The number of objection letters is fewer because, sometimes, a county submits a number of changes in one letter and the Attorney General objects to two or more of them in the same response letter.

Moreover, according to the southern regional council, more than 150 laws were not submitted which should have been. As to those, we cannot tell whether the Department would have found them discriminatory or not. So the number of questionable actions by these counties which they could not establish to be free from discrimination might well be considerably higher.

The Senator from North Carolina suggested that North Carolina is being kept under the act by ancient history.

The fact is that as recently as 2 months ago, the State of North Carolina was unable to convince Attorney General Smith that its redistricting plans for the North Carolina Senate and House of Representatives were not discriminatory. That was an April 19 letter from the Department to North Carolina's attorney, Jerris Leonard. And that letter noted three objections filed last fall to other North Carolina laws.

Mr. HELMS. Mr. President, I point out to the Senator, as he already knows, that the 56 objectives were merely the result of a State's inability to carry the burden of proof, and I think he already knew that. Under this law, covered jurisdictions are deemed guilty until they can prove themselves innocent. Inability to prove innocence, however, does not necessarily indicate guilt. The Senator from Massachusetts knows this.

No one has been able to show any proof of voting discrimination on the basis of race in any of the 40 covered counties in North Carolina.

BLACK VOTER REGISTRATION RATES IN KANSAS

Mr. DOLE. A few have tried to make something of the fact that according to the 1980 census, Kansas has the lowest black voter registration rate of all the States. And that provides the impetus for this amendment. What has not been pointed out, however, is that these registration rates are completely unreliable and the Census Bureau does not claim otherwise.

The figures are based on a survey—a small number of people are sampled and asked whether they were registered and whether they voted in the November election. For instance, in Kansas, the data could be based on as few as 20 interviews, though 79,000 blacks live in Kansas. Apart from sampling errors, there are also inaccuracies because people give inaccurate information, either because they do not remember, do not want to admit that they are not "good citizens," or because the information obtained is not necessarily for the person listed in the survey. That is, the Census Bureau will take the information from any one who is "at home." In addition, once they do get the information, the Bureau can compare it only to an estimate of the number of eligible voters which, in turn, is based on the preceeding census, because the 1980 figures are not available. So what you have is a voter registration estimate based on an extremely small sampling of interviews concerning the 1980 election and being compared to voter eligibility data which is based on information gathered 10 years before.

The results, where they can be checked, bear out enormous errors. Also, the errors are not in any consistent direction, so there is no way to make adjustments. In those States which keep their own registration figures, comparisons show that the errors in the census data range up to 40 percent. To assert that it is unfair for Kansas to not be subject to preclearance while other States are, because of low black registration rates which are patently unreliable, is, itself, unfair. And I think that it is interesting to point out that the proponents of this view apparently believe that the best indicator of discrimination is simply numerical evidence of minority participation in the political process. The reason Kansas is not subject to preclearance is simply that there is no record of voting discrimination indicating that preclearance is needed. This record, however, does exist for States which are covered, and the explanation is as simple as that.

The PRESIDING OFFICER (Mr. GORTON). The hour of 1 p.m. having arrived, under the previous order the question is on agreeing to amendment No. 1876. The yeas and nays have been ordered.

Several Senators addressed the Chair.

Mr. MATHIAS. Mr. President, I ask unanimous consent that notwithstanding the provisions of the order, Senator NICKLES may be permitted to call up his amendment, which is agreeable to the managers.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, I inquire whether there will be an opportunity to make a final statement.

The PRESIDING OFFICER. Does the Senator from South Carolina object to the unanimous-consent request of the Senator from Maryland?

Mr. GOLDWATER. What is the unanimous-consent request?

Mr. MATHIAS. It is a technical amendment that Senator NICKLES wants to bring up.

Mr. THURMOND. I should like to ask the manager of the bill a question.

Mr. BUMPERS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senator from Oklahoma be recognized to call up a technical amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 1035

(Purpose: To apply the extension of bilingual election requirements only to members of a single language minority who do not speak English)

Mr. NICKLES. Mr. President, I call up an unprinted amendment which I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. NICKLES) proposes an unprinted amendment numbered 1035

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, line 16, before the period insert a comma and the following: "and the extension made by this section shall apply only to determinations made by the Director of the Census under clause (i) of section 203(b) for members of a single language minority who do not speak or understand English adequately enough to participate in the electoral process when such a determination can be made by the Director of the Census based on the 1980 and subsequent Census data.

Mr. NICKLES. Mr. President, the amendment I offer would more accurately target bilingual assistance to those who are truly in need of such assistance. Section 203 requires that those areas which have a single language minority population 5 percent or greater and which also have an illiteracy rate higher than the national average provide bilingual election information and assistance.

The problem in implementing this act has been in identifying which minorities of the Alaskan Native, American Indian, Asian American, and Spanish heritage population are really a "single language minority." Obviously, just because one is a part of a minority population does not automatically place one in a single-language-minority category. However, this, in fact, is just what has happened with this section of the Voting Rights Act. Because there was no information available in the 1970 census that told which people in these minority populations spoke only their mother tongue, "single language minority" was defined as those areas which simply had 5 percent or greater of the minority population.

As might be expected, the result of this interpretation included large areas where the affected population was perfectly capable of speaking English. Oklahoma is one such State. Twenty-five counties in my State are covered under section 203 of the Voting Rights Act. Twenty-three are covered because of their Indian populations, and two are covered because of their Indian populations, and two are covered because of their Spanish populations. In contacting the State election board of my State and each of the county elections boards involved, I found that the interpreters provided in each of these counties are, almost without exception, never used. In fact, in taking with Ross D. Swimmer, the chief of the largest tribe in Oklahoma, the Cherokee Nation of Oklahoma, I was told that the entire bilingual provision, as it effects Indians in Oklahoma, is ridiculous. He pointed to Adair County in Oklahoma, where though 33 percent of the population is Cherokee, probably less than 1 percent of the population actually speaks Cherokee.

The Choctaw Nation took a census in 1975 which showed that less than 1 percent of the Choctaw population did not speak English. Those who did not were in one county and were over 65 years old.

The bottom line with the Indians in my State is that not only is English their predominant language, almost all of them do not even speak their native tongue. Tribal elections, for instance, are conducted completely in English. But right now, the way this act is being interpreted and implemented, if we have a county over 5 percent Indian, they have to have translators.

I could give more examples to support my point that in Oklahoma this bilingual coverage is, almost without exception unnecessary and unneeded. My predecessor, Henry Bellmon, argued this same point on the Senate floor in 1977. Many of you agreed with him, with Senators from other States covered by this section voicing the same concerns. There is only one difference between then and now: In 1977, we still did not have the information required to effectively target ballots and assistance to those who really need such assistance. We did not know which minority members spoke and understood English and which did not. Today, as a result of the 1980 census, we have this information being compiled and analyzed.

The 1980 census asked, in a series of questions, about the responder's ability to speak English. It asked for a rating on how well English is spoken, with the available answers ranging from "very well," "well," "not well," to "not at all." In addition, it asked what language, if not English, is spoken.

I would like to suggest that with this new census information, it is now within the realm of possibility for us to target voting assistance to those who really need it. My amendment would define "single language minority" as it really was intended to be defined: Members of a single language minority who cannot speak English. This would be determined by the Director of the Census as is now possible with the new 1980 census data.

I propose that we now update this entire section to allow its implementation to truly reflect the intention of this body: That of assisting non-English-speaking people in their ability to participate in the voting process. By defining "single language minority" as those within the single language minority who cannot speak English as determined by the Director of the Census, we are utilizing the information now available to us to truly assist those who are in need of such assistance. And, we would stop the "insult," as one Indian I talked with described it, of assuming that if one is a member of the designated minority, then one cannot speak English and is in need of assistance to vote.

I would be very happy to answer any questions which the Members may have on this amendment.

Mr. EAST and Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MATHIAS. It is agreeable to this side, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment (UP No. 1035) was agreed to.

Mr. WARNER. Mr. President, I ask unanimous consent that the letter to which the distinguished Senator from Massachusetts was referring in the colloquy with me, the letter addressed to me, dated May 19, 1982, from the

Governor of Virginia, Charles S. Robb, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 19, 1982.

Hon. JOHN W. WARNER,
U.S. Senate,
Washington, D.C.

DEAR JOHN: Thank you for your letter of May 5, in which you ask for my views on S1992, the proposed extension of the Voting Rights Act of 1965.

I support S1992 as it was reported from the Senate Judiciary Committee. In its present version, the bill provides important and justified federal protection for the most basic attribute of citizenship—the right to vote. It also contains language that will prevent any federal court from imposing a quota on election results as a condition for a finding of compliance. Finally, the bill affords Virginia and other states, now subject to pre-clearance provisions of the Act, a reasonable opportunity, beginning in 1984, to persuade the courts that special scrutiny is no longer justified.

I appreciate your letter and your interest in my views on this most important subject.

Sincerely,

CHARLES S. ROBB.

Mr. WARNER. Since the turn of the century, at-large elections have flourished throughout our Nation, largely because of widespread reforms brought on by abuses of the ward system. As you are aware, today approximately 12,000 municipalities—representing two-thirds of the total nationwide—have adopted at-large elections.

In addition, two-thirds of the Nation's larger school board systems utilize at-large elections.

The Senator from Virginia is concerned that, following enactment of S. 1992, courts could determine that at-large elections are evidence of a violation under section 2 of the bill.

The Senator from Virginia recognizes that due to the "totality of circumstances" clause, this concern may be alleviated. Would the distinguished Senator from Kansas provide clarification on this point?

Mr. DOLE. As the committee report makes absolutely clear, nothing in S. 1992, including the proposed amendment of section 2, makes at-large elections per se unlawful. Under the results test as articulated in White against Regester, and subsequently applied by the fifth circuit in Zimmer against McKeithen, the court of appeals stated "it is axiomatic that at-large and multimember districting schemes are not per se unconstitutional."

Sixteen cases decided by the courts of appeals after White against Regester have involved challenges to at-large elections. Ten of those cases produced judgments for the defendants allowing the continued use of their at-large election procedures. These 10 cases included those from circuits other than the fifth—first and eighth. Committee report, page 33.

Mr. WARNER. It is not the wish of the Senator from Virginia to leave this important question to the court's interpretation because of any lack of specificity in section 2 of this legislation. However, I am pleased that the Senator from Kansas has reassured Senators that this will not be the case.

The concept of at-large elections does not purport to discriminate. It merely insures that local and State elected officials are responsive to areas encompassing diverse groups of citizens with broad ranges of interests.

The Senator from Virginia wonders if the Senators from Massachusetts and Maryland would also care to address this point.

Mr. KENNEDY. There has been testimony in the record about particular instances in which at-large elections in the total context of a particular jurisdiction's election system were found by a court to result in a discriminatory denial of equal access. That is a far cry, however, from saying that all at-large elections discriminate.

Mr. MATHIAS. Yes. The finding of discrimination in a particular jurisdiction using at-large elections will depend on whether plaintiffs can carry the burden of proving there is a discriminatory result, under the White against Regester test. This test is described in the committee report at pages 27 to 30.

Mr. WARNER. The driving force behind this bill is that Senators share a common commitment to insure the voting rights of all Americans.

The right to vote constitutes the foundation upon which our Nation was built.

The Senator from Virginia is pleased that the managers of the bill have clarified that at-large elections in and of themselves will not constitute a violation under section 2 of the bill, unless considered under the totality of circumstances that may be reviewed.

Mr. HATCH. Mr. President, I take strong issue with the implications of the Senator from Massachusetts about the expertise of the current Justice Department.

While I have my own disagreements with the voting rights policies of the present administration, I do not believe that the leadership of the Justice Department in the area of civil rights has demonstrated any greater commitment to civil rights than the present leadership. Assistant Attorney General William Bradford Reynolds has made a sincere and important contribution to this debate, and his agency—whatever my own disagreements—has made a sincere effort to effectively enforce the law with respect to voting rights.

Mr. EAST. Mr. President, I ask unanimous consent that I may have 1 minute to make a statement prior to the vote of final passage.

Mr. BUMPERS. I object.

The PRESIDING OFFICER. Objection is heard.

VOTE ON AMENDMENT NO. 1876

The PRESIDING OFFICER. The hour of 1 p.m. having arrived, the question is on agreeing to amendment No. 1876, offered by the Senator from Alabama (Mr. DENTON). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announced that the Senator from Missouri (Mr. DANFORTH), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Indiana (Mr. LUGAR), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), the Senator from Ohio (Mr. GLENN), and the Senator from Oklahoma (Mr. BOREN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), would vote "nay."

The PRESIDING OFFICER. Is there any other Senator in the Chamber desiring to vote or to change his vote?

The result was announced—yeas 19, nays 73, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—19

Byrd, Harry F., Jr.	Hatch	Nickles
Cochran	Hayakawa	Stennis
Denton	Heflin	Symms
East	Helms	Thurmond
Garn	Humphrey	Tower
Goldwater	Laxalt	Warner
	McClure	

NAYS—73

Abdnor	Ford	Murkowski
Andrews	Gorton	Nunn
Armstrong	Grassley	Packwood
Baker	Hart	Pell
Baucus	Hatfield	Percy
Bentsen	Hawkins	Pressler
Biden	Heinz	Proxmire
Boschwitz	Hollings	Pryor
Bradley	Huddleston	Quayle
Brady	Inouye	Randolph
Bumpers	Jackson	Riegle
Byrd, Robert C.	Jepsen	Roth
Cannon	Johnston	Rudman
Chafee	Kasten	Sarbanes
Chiles	Kennedy	Sasser
Cohen	Leahy	Schmitt
Cranston	Levin	Simpson
D'Amato	Long	Specter
DeConcini	Mathias	Stafford
Dixon	Matsunaga	Stevens
Dodd	Mattingly	Tsongas
Dole	Melcher	Weicker
Domenici	Metzenbaum	Zorinsky
Durenberger	Mitchell	
Eagleton	Moynihan	

NOT VOTING—8

Boren	Exon	Lugar
Burdick	Glenn	Wallop
Danforth	Kassebaum	

So Mr. DENTON's amendment (No. 1876) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

Mr. KENNEDY. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

The majority leader is asking unanimous consent to proceed for 1 minute.

Without objection, it is so ordered.

The majority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, if I could have the attention of the Senate, No. 1, I urge Senators to remember these are 10-minute rollcall votes.

No. 2, may I suggest that some of the amendments that are stacked for record votes have been voted on now a number of times, and I wonder if any Senator who has a vote ordered will now consider now taking a voice vote instead of a rollcall vote.

Mr. President, is there any Senator who will agree to take a voice vote instead of a record vote?

Mr. STEVENS. Mr. President, I am happy to do it if they will take my amendment.

Mr. BAKER. Mr. President. I gather not. I shall inquire again after the next vote.

Senators are urged to remember these are 10-minute votes.

Mr. ROBERT C. BYRD. Mr. President, may I join in with the majority leader in saying that the regular order is being called for at the end of 10 minutes so I hope Senators will stay around and vote.

Mr. BOSCHWITZ. What about the voice vote?

VOTE ON UP AMENDMENT NO. 1031

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Missouri (Mr. DANFORTH), the Senator from Indiana (Mr. LUGAR), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. MURKOWSKI) would vote "yea."

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), and the Senator from Ohio (Mr. GLENN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote or to change their vote?

The result was announced—yeas 28, nays 64, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—28

Abdnor	Hatch	Pressler
Baker	Hayakawa	Randolph
Brady	Helms	Rudman
Byrd, Harry F., Jr.	Humphrey	Schmitt
	Johnston	Stevens
D'Amato	Laxalt	Symms
Denton	Long	Thurmond
East	McClure	Tower
Garn	Nickles	Warner
Goldwater	Pell	

NAYS—64

Armstrong	Ford	Metzenbaum
Baucus	Gorton	Mitchell
Bentsen	Grassley	Moynihan
Biden	Hart	Nunn
Boren	Hatfield	Packwood
Boschwitz	Hawkins	Percy
Bradley	Heflin	Proxmire
Bumpers	Heinz	Pryor
Byrd, Robert C.	Hollings	Quayle
Cannon	Huddleston	Riegle
Chafee	Inouye	Roth
Chiles	Jackson	Sarbanes
Cochran	Jepsen	Sasser
Cohen	Kassebaum	Simpson
Cranston	Kasten	Specter
DeConcini	Kennedy	Stafford
Dixon	Leahy	Stennis
Dodd	Levin	Tsongas
Dole	Mathias	Weicker
Domenici	Matsunaga	Zorinsky
Durenberger	Mattingly	
Eagleton	Melcher	

NOT VOTING—8

Andrews	Exon	Murkowski
Burdick	Glenn	Wallop
Danforth	Lugar	

So the amendment (UP No. 1031) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT NO. 1032

The PRESIDING OFFICER. The question is on agreeing to unprinted amendment No. 1032 offered by Senators THURMOND and WARNER. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Indiana (Mr. LUGAR), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), and the Senator from Ohio (Mr. GLENN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) would vote "nay."

The PRESIDING OFFICER. Is there any other Senator in the Chamber desiring to vote or wishing to change his vote?

The result was announced—yeas 28, nays 66, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—28

Abdnor	Heflin	Quayle
Armstrong	Helms	Rudman
Byrd, Harry F., Jr.	Humphrey	Stennis
	Johnston	Stevens
Cochran	Laxalt	Symms
Denton	Long	Thurmond
East	McClure	Tower
Garn	Murkowski	Warner
Hatch	Nickles	Zorinsky
Hayakawa	Nunn	

NAYS—66

Andrews	Durenberger	Mattingly
Baker	Eagleton	Melcher
Baucus	Ford	Metzenbaum
Bentsen	Goldwater	Mitchell
Biden	Gorton	Moynihan
Boren	Grassley	Packwood
Boschwitz	Hart	Pell
Bradley	Hatfield	Percy
Brady	Hawkins	Pressler
Bumpers	Heinz	Proxmire
Byrd, Robert C.	Hollings	Pryor
Cannon	Huddleston	Randolph
Chafee	Inouye	Riegle
Chiles	Jackson	Roth
Cohen	Jepsen	Sarbanes
Cranston	Kassebaum	Sasser
D'Amato	Kasten	Schmitt
DeConcini	Kennedy	Simpson
Dixon	Leahy	Specter
Dodd	Levin	Stafford
Dole	Mathias	Tsongas
Domenici	Matsunaga	Weicker

NOT VOTING—6

Burdick	Exon	Lugar
Danforth	Glenn	Wallop

So Mr. THURMOND's amendment (UP No. 1032) was rejected.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was rejected, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1033

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina (Mr. HELMS), amendment No. 1033. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Indiana (Mr. LUGAR), and the Senator from Wyoming (Mr. WALLOP), are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER), is absent on official business.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON) and the Senator from Ohio (Mr. GLENN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 12, nays 81, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—12

Armstrong	Hayakawa	Symms
Byrd, Harry F., Jr.	Helms	Thurmond
	Laxalt	Tower
Denton	McClure	
East	Stennis	

NAYS—81

Abdnor	Garn	Mitchell
Andrews	Gorton	Moynihan
Baker	Grassley	Murkowski
Baucus	Hart	Nickles
Bentsen	Hatch	Nunn
Biden	Hatfield	Packwood
Boren	Hawkins	Pell
Boschwitz	Heflin	Percy
Bradley	Heinz	Pressler
Brady	Hollings	Proxmire
Bumpers	Huddleston	Pryor
Byrd, Robert C.	Humphrey	Quayle
Cannon	Inouye	Randolph
Chafee	Jackson	Riegle
Chiles	Jepsen	Roth
Cochran	Johnston	Rudman
Cohen	Kassebaum	Sarbanes
Cranston	Kasten	Sasser
D'Amato	Kennedy	Schmitt
DeConcini	Leahy	Simpson
Dixon	Levin	Specter
Dodd	Long	Stafford
Dole	Mathias	Stevens
Domenici	Matsunaga	Tsongas
Durenberger	Mattingly	Warner
Eagleton	Melcher	Weicker
Ford	Metzenbaum	Zorinsky

NOT VOTING—7

Burdick	Glenn	Wallop
Danforth	Goldwater	
Exon	Lugar	

So Mr. HELMS' amendment (No. 1033) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT 1034

The PRESIDING OFFICER. The question is on agreeing to unprinted amendment No. 1034 by the Senator from North Carolina (Mr. HELMS). The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STENNIS. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Indiana (Mr. LUGAR), and the Senator from Wyoming (Mr. WALLOP), are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER), is absent on offical business.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), and the Senator from Ohio (Mr. GLENN), are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 12, nays 81, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—12

Cochran	Hatch	McClure
Denton	Hayakawa	Stevens
East	Helms	Symms
Garn	Humphrey	Tower

NAYS—81

Abdnor	Ford	Murkowski
Andrews	Gorton	Nickles
Armstrong	Grassley	Nunn
Baker	Hart	Packwood
Baucus	Hatfield	Pell
Bentsen	Hawkins	Percy
Biden	Heflin	Pressler
Boren	Heinz	Proxmire
Boschwitz	Hollings	Pryor
Bradley	Huddleston	Quayle
Brady	Inouye	Randolph
Bumpers	Jackson	Riegle
Byrd, Harry F., Jr.	Jepsen	Roth
	Johnston	Rudman
Byrd, Robert C.	Kassebaum	Sarbanes
Cannon	Kasten	Sasser
Chafee	Kennedy	Schmitt
Chiles	Laxalt	Simpson
Cohen	Leahy	Specter
Cranston	Levin	Stafford
D'Amato	Long	Stennis
DeConcini	Mathias	Thurmond
Dixon	Matsunaga	Tsongas
Dodd	Mattingly	Warner
Dole	Melcher	Weicker
Domenici	Metzenbaum	Zorinsky
Durenberger	Mitchell	
Eagleton	Moynihan	

NOT VOTING—7

Burdick	Glenn	Wallop
Danforth	Goldwater	
Exon	Lugar	

So the amendment (UP No. 1034) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. BAKER. Mr. President, I represented to the distinguished Senator from Arizona (Mr. GOLDWATER) that I would explain to the Senate that he is at the White House on official business. Were he present and voting, he would vote for final passage.

Mr. TSONGAS. Mr. President, this is indeed a historic day. The legislation we are discussing, the Voting Rights Act, is one of the most important and effective civil rights laws ever passed by Congress. The act has helped to eliminate voting discrimination and has greatly increased minority participation in the election process.

The act was first passed by Congress in 1965 and later extended in 1970 and 1975. As the Supreme Court said in 1966:

> It was intended to "banish the blight of racial discrimination in voting, which has infected the electoral process in parts of our country for nearly a century.

Despite the significant progress the law has achieved in eliminating voting and language barriers for many minority citizens, much remains to be done.

As an early cosponsor of S. 1992, the Voting Rights Act extension, I am convinced that the bill reported by the Judiciary Committee will safeguard the constitutional rights of minorities to participate in the political process. It will allow jurisdictions with a history of past discrimination to be released from special provisions of the act if they can meet certain criteria. Further, it will permit courts to look at the "totality of circumstances" surrounding any act of suspected voting discrimination, including its results at the polls, without having to determine the intent of public officials.

I commend my distinguished colleagues, Senators KENNEDY, DOLE, and MATHIAS, for their tireless work on behalf of the Voting Rights Act extension and for their help in forging the strong, balanced, and bipartisan bill that has emerged from the Judiciary Committee.

There is no question that much has been accomplished under the Voting Rights Act. In the past 17 years, we have witnessed dramatic increases in minority registration and voting. The number of blacks registered to vote in South Carolina, Alabama, Mississippi, Louisiana, Georgia, Virginia, and parts of North Carolina has doubled since 1965. Between the 1976 and 1980 Presidential elections, Hispanic registration increased by 30 percent nationwide. Further, the number of minority citizens holding elective office is up almost 2,000 percent since 1965. Broad-based political participation has become a fact of life in areas where politics used to be a game of charades played by a select few.

Clearly a great deal has been achieved. But more remains to be done. The increases in black and Hispanic voting figures do not tell the whole story. Although minorities are registering in greater numbers, sophisticated dodges such as at-large elections, racial gerrymandering, annexations, and even changes in polling places are diluting the force of their vote.

S. 1992 strengthens the key enforcement provisions of the Voting Rights Act to protect minority registration and voting. Yet equality of access to the right to vote is not yet a reality. There is still evidence of racial and language discrimination in voting in many jurisdictions. As the U.S. Supreme Court has noted, the right to vote is the most fundamental of rights

because it is "preservative" of all other rights. Without the extension and enforcement of voting rights, all other civil rights crumble beneath it.

Basically, S. 1992, as reported by the Judiciary Committee, would achieve the following:

First, extend the existing preclearance mechanism in section 5 for 25 years, until 2007. Section 5 requires all jurisdictions with a history of past discrimination to submit any changes in election procedures to the Justice Department for approval.

Second, provide a new bailout section to take effect in 1984 allowing a covered jurisdiction to bail out, or be released from covererage under section 5, if it could show a three-judge panel in the District of Columbia that it had a clean voting rights record for the preceding 10 years.

Third, amend section 2 of the Voting Rights Act to prohibit any voting practice or procedure that results in discrimination. The amendment is designed to make clear that proof of discriminatory intent is not required to establish a violation of section 2. It restores the legal standard which applied in voting discrimination cases prior to the litigation in 1980 Supreme Court case of Mobile against Bolden. It provides that the issue to be decided under the results test is whether the political processes are equally open to minority voters, not whether members of a particular minority group have achieved proportional election results.

Fourth, extend bilingual election assistance provisions until 1992, and prescribe the method by which voters who are blind, disabled, or unable to read or write will receive assistance in the polling booth.

I would now like to examine each of these changes and tell you why I believe they significantly improve the Voting Rights Act.

SECTION 5: PRECLEARANCE

The section 5 preclearance requirements, which cover all or parts of 22 States, have become the cornerstone of the Voting Rights Act. Under section 5, covered jurisdictions must preclear proposed voting changes to insure that they do not have the purpose or effect of denying or abridging the right to vote. The objective of section 5, which conserves gains under the Voting Rights Act, has been well served.

Section 5 preclearance requirements apply to those States or political subdivisions which are identified by use of the "triggering formulas" set forth in sections 4(b) and 4(f) of the Voting Rights Act. Those covered are States and political subdivisions in which: First, a literacy test or discriminatory device for registration or voting was used; and second, less than half of the voting age residents were registered for or voted in any of the 1964, 1968, or 1972 Presidential elections. Presently, 9 States and parts of 13 others are covered by the preclearance requirements of section 5.

There is no doubt in my mind about the need to continue the preclearance requirements of section 5. The extensive hearing record compiled by the Senate and House Judiciary Committees clearly demonstrate that there are still many voting rulings and procedures that dilute minority participation in the election process. Examples of these practices range from redistricting to polling place changes.

Changes in voting procedures can subtly disadvantage minority voters. There is much evidence that abuses are continuing, even increasing. According to the records of the U.S. Justice Department, who must approve any changes in election procedures for jurisdictions covered by section 5, the rate of objections to voting changes has tripled in recent years: From 273 between 1965 and 1974 to 538 between 1975 and 1980. Instead of a decrease in voting discrimination, there has been an increase.

One argument against the preclearance provisions of section 5 concern their scope. Critics contend that the law should cover all 50 States, rather than apply only to 9 States and parts of 13 others. But the Voting Rights Act is already nationwide. The preclearance provisions currently apply to parts of 22 States. These provisions do not name any States or other jurisidictions, but apply in accordance with a neutral triggering formula. The trigger for coverage addresses a problem of substantial minority under participation where that problem exists, and is not per se regionally biased.

In addition to the preclearance provisions in section 5, the act contains two other sections which apply nationwide. Section 2 provides a basis for challenging discriminatory voting practices through a lawsuit in Federal court. Section 3(c) authorizes preclearance of voting changes by a jurisdiction upon a judicial finding of voting discrimination.

Further, enactment of a nationwide preclearance would be an administrative nightmare for the Department of Justice. It would overload the system. It would require every State, county, city, and elected school board to submit every single change in voting laws or election procedures to the Department of Justice for preclearance. The tremendous volume of new submissions would overwhelm the Department and divert enforcement where it is most needed. In my view, section 5 is the single most important provision in the Voting Rights Act. It has helped to secure important gains advancing the right to vote. It should not be weakened or diluted in any way.

SECTION 4(a): BAILOUT

Under current law, a State or political subdivision once covered by the prior clearance requirements of section 5 can "bail out" or be released from coverage, if it can show that it has not used a test or device to discriminate for a designated number of years. Under the new criteria, outlined in S. 1992, a State or political subdivision can bail out or terminate its coverage under section 5 if it can show a 10-year record of full compliance with the Voting Rights Act and demonstrate the it has taken positive steps to achieve full minority access to the political process.

Jurisdictions would be eligible to bail out in 1984 by meeting the new criteria set out in S. 1992. These include: First, a showing that no discriminatory tests or devices have been used for the past 10 years; second, no judgments against the jurisdiction have been issued for violations of the act; third, no consent decree, settlement, or agreement has been entered into concerning voting rights violations; fourth, no Federal examiners have been sent to the jurisdiction by the Attorney General to help register voters; fifth, there has been full compliance with the Voting Rights Act preclearance provisions; and, sixth, jurisdictions have made "constructive efforts" to bring minority groups into the election process and have ended any intimidation or harassment of prospective voters. The bill also places a 25-year "time cap" on the preclearance requirement with congressional review after 15 years. This 25-year cap was agreed to by the committee to meet the concerns of some jurisdictions that section 5 preclearance provisions would apply to them permanently. This will allow the vast majority of jurisdictions to exempt themselves from coverage under the preclearance provisions long before the 25-year period ends instead of having to wait for a mere expiration date. However, if there are some jurisdictions that after 25 years have still not complied with the preclearance requirements, their coverage would end unless Congress found that extension of preclearance was necessary.

The problem of bailout is a complicated one. Possible solutions are almost endless. I believe the bill, as reported by the Judiciary Committee, strikes the proper balance between the interests of protecting minority voting rights and providing incentives to jurisdictions to preserve a clean slate on voting procedures. The 25-year limit on the preclearance provision will provide an incentive to jurisdictions to bail out of the preclearance provision prior to 2007, without feeling it will remain under coverage in perpetuity. This is a fair and reasonable provision. I would hope that, starting in 1984, covered jurisdictions with a record of compliance with the Voting Rights Act and a commitment to full opportu-

nity for minority participation in the election process will avail themselves of the new bailout procedures.

SECTION 2: LITIGATION STANDARDS

Much of the debate surrounding the extension of the Voting Rights Act has centered around the standard in section 2 required to prove voting discrimination. This section, which is permanent and applies nationwide, bars States and political subdivisions from adopting election laws or procedures that deny or hamper a citizen's right to vote because of race, color, or membership in a language minority.

In 1980, the U.S. Supreme Court, in City of Mobile against Bolden, held that an intent to discriminate must be proved to show a voting rights violation. Proponents of the "intent" standard argued that the Court had interpreted section 2 correctly. However, others argued that the Court's ruling was contrary to the original intent of Congress, inconsistent with existing law and that "intent" would be virtually impossible to prove. They argued that a "results" test, a standard first applied in the 1971 Supreme Court case of Whitcomb against Chavis, and subsequently applied in 23 Federal courts of appeals decisions, was the proper standard. Under the "results" test, plaintiffs must show that a challenged election law or procedure, in the context of the total circumstances of the local electoral process, results in minorities being denied equal access to the political process.

The bill, as adopted by the Judiciary Committee, wisely incorporates the "results" test into section 2 and restores the legal standard that governed voting discrimination cases prior to the Supreme Court's decision in Bolden. S. 1992 states that a voting rights violation can be proved "if, based on the totality of circumstances, it is shown that the political processes leading to nomination or election in the state or political subdivision are not equally open to participation" by minority groups. Section 2 then protects the right of minority voters to be free from election practices, procedures, or methods that deny them the opportunity to participate in the political process that other citizens enjoy.

Also, to allay any fear that the "results" test would have the effect of mandating a system of proportional representation, the bill states that:

Nothing in this section establishes a right to have members of a protected class (minority groups) elected in numbers equal to their proportion in the population.

I strongly support the "results" test in section 2 because I believe requiring proof of a discriminatory purpose is inconsistent with the original legislative intent of Congress. As the Judiciary Committee report wisely stated, the intent standard:

Diverts the judicial inquiry from the crucial question of whether minorities have equal access to the electoral process to a historical question of individual motives.

Trying to determine the individual motives of elected officials is extremely difficult if not impossible to prove. The results standard adopted for section 2 will deter racial discrimination in voting without locking courts either into unacceptable rules requiring proportional or minimum representation for minorities or into examining the motives of officials elected many years ago.

As former Solicitor General Archibald Cox stated in testimony before the Senate Judiciary Committee on the Constitution:

A Nation dedicated to the principle that all citizens should have the same opportunity for meaningful participation in self-government finds abhorrent any situation in which black citizens or citizens of Mexican-American descent, or of any other racial or ethnic minority, are drastically, systematically, and continually denied that equality or political opportunity by the local voting law or practice, regardless of purpose. The injustice is there, regardless of purpose. There is departure from our professed American ideals, regardless of purpose, subjective purpose, motive and intent belong in the realm of criminal law. The Voting Rights Act should focus not on blameworthiness but on securing the most fundamental of American rights.

Indeed, the "results test" is the correct standard to be applied to voting rights discrimination cases. I would strongly oppose any efforts to dilute this provision.

SECTION 203: BILINGUAL REQUIREMENTS

Section 203 was added to the Voting Rights Act in 1975 and is due to expire on August 6, 1985. It was designed to eliminate language barriers in voting with regard to certain language minority citizens—defined as persons who are American Indian, Asian American, Alaskan Natives or of Spanish heritage. Section 203 applies to States and political subdivisions in which more than 5 percent of the citizens of voting age are members of a single language minority. It requires States and political subdivisions that provide ballots and other election materials only in English also to provide them in the language of the applicable language minority group. Under S. 1992, bilingual requirements would be extended through August 5, 1992.

Recent studies indicate that the bilingual provisions added in 1975 have significantly enhanced voter participation among Hispanics. Nationwide there has been a 30-percent increase in Hispanic registration. Any efforts to dilute these language assistance provisions would deny non-English speaking minorities the opportunity to exercise their right to vote as citizens.

There are some who maintain that bilingual elections are excessively costly. However, where bilingual elections have been held, they account for only a small fraction of the cost of the total election. Further, contrary to fears some have expressed, bilingual elections do not promote cultural separatism. Instead they encourage integration and political participation by people who had previously been barred from the political process because of their inability to read or speak English.

Before bilingual elections, many Spanish-speaking U.S. citizens did not register to vote because they could not read the election material and could not communicate with poll workers who didn't speak Spanish. Bilingual elections have encouraged these citizens to register and vote and begin the important process of participating as full citizens in our elections.

I strongly support the extension of the bilingual provisions. I believe they have significantly increased Hispanic participation in elections and would oppose any efforts to weaken these provisions.

SECTION 208: VOTING ASSISTANCE

The committee wisely added a new provision to the Voting Rights Act which provides voting assistance to the blind, disabled, and those unable to read or write. This provision goes to the heart of the Voting Rights Act by providing assistance to voters who may feel apprehensive about casting a ballot because of their disability. This provision would allow these voters to receive assistance from a person of their choice, other than the voter's employer or union officer.

The right to cast one's vote with dignity upholds one of the greatest principles of our Constitution. It gives voters who have a disability the opportunity to exercise their franchise free from any possible intimidation or manipulation. Many States currently provide voter assistance and this provision will extend that right to all 50 States.

CONCLUSION

From the start, the Voting Rights Act has been a law with teeth in it. It has helped to increase minority registration, voting, and has played a key role in increasing the number of minority officials elected to public office. The act has eliminated many barriers to voting. It has helped to ensure that the right to vote shall not be denied or abridged because of skin color, inability to read or speak English or physical disability. In a word, the Voting Rights Act has "worked."

I therefore urge my colleagues to strongly support S. 1992 without any disabling amendments. It is time for the U.S. Senate to renew its national commitment to electoral equity.

(The following statements were received during the consideration of this measure and are printed at this point by unanimous consent:)

● Mr. DURENBERGER. Mr. President, without a doubt my predecessor in this office—Hubert H. Humphrey—

would be very proud of us today. Hubert spent a lifetime battling the dark forces of racism, bigotry, and discrimination, even when it was not "popular" to do so and even when success was far from certain.

We all owe a great deal to the legacy of Hubert Humphrey and his colleagues in the civil rights movement. Today, we have a chance to insure that one of the most successful parts of that proud legacy—the protections provided by the Voting Rights Act of 1965—is maintained and strengthened. The fact that 77 Senators—Democrat and Republican, northerners and southerners, conservative and liberal—have joined in this effort is a stunning testament to how far this country has come in two short decades.

Few rights are as cherished or need to be protected as vigorously as the right to vote. We are a nation of laws, and there is literally no part of our lives that is not affected by the law. But those laws are made by elected representatives, and unless we have a voice in their selection, we are left with no control over our own lives.

Guaranteeing that each citizen is able to vote is no different from guaranteeing that each citizen has control over his or her own life. When the right to vote is denied or abridged in any way—when access to polling places is hindered for any reason—the very foundation of our democracy is endangered. Everything this country stands for rest upon the right of each citizen to participate in the democratic process. It is impossible to underestimate the importance of the right to vote.

More than any piece of legislation in American history, the Voting Rights Act of 1965 protects and enhances the right to vote. Because of the protections provided in the act and in the amendments to it, millions of black and language minority Americans have been able to vote for the first time. Hundreds of blacks and Hispanics have been elected to State legislatures, county commissions, city councils, and school boards. I think it is both sad and encouraging to realize that since 1965 millions of our fellow citizens have for the first time had a voice in the selection of the men and women who control their lives and their futures.

I cannot agree with those who claim that the very success of the Voting Rights Act justifies a retreat from its protections. I believe that success should instead encourage us to persevere and redouble our efforts to forever end discrimination at the polling place. We have our enemy reeling against the ropes—there could not be a worse time to throw in the towel.

Nor do I understand the argument that somehow, by protecting the right of language minority citizens to vote, we are encouraging separation and division. I believe just the opposite is true—that by guaranteeing access to the voting booth we are extending to them an invitation to become a part of a political process that is the birthright of citizenship in America, and an invitation to assume the full responsibilities of an informed, involved American.

I completely and enthusiastically support this legislation, the Voting Rights Act Amendments of 1982. I believe that the compromise legislation is fair to all concerned, and I will not support any efforts to weaken or delay this measure or any part of it. While all of my many colleagues who played a role in the formation of this legislation deserve praise, I want to particularly express my appreciation to Senator DOLE for the leadership and true statesmanship he showed in crafting this compromise legislation. The task Senator DOLE sought and achieved so well was not an enviable one, and all Americans owe him a deep debt of gratitude.

Mr. Chairman, in conclusion I would like to quote Hubert Humphrey, who said, during the Senate debate on the Voting Rights Act Amendments of 1975, that those amendments "represent[ed] another chapter in the struggle of this Republic to blot out years of bitterness and discrimination which have tainted the blessings of liberty that are promised to all our people."

I hope that today we are writing the final chapter of that struggle. And I hope that in doing so, we will forever wipe from the face of this Nation the specter of discrimination in voting.●

● Mr. METZENBAUM. Mr. President, we face no more critical task this Congress than enacting into law the voting rights legislation we now have before us. To be sure, this country faces immense difficulties today: soaring interest rates, record unemployment, and serious international conflict.

But at the foundation of our society and our democratic way of life is the fact that the people have the power to select their leaders and determine what direction our Nation should take. We must not undermine that foundation. We must not undermine the right of the people to decide.

As elected officials, we are keenly aware of the need to promote every citizen's right to participate in the political process. The legitimacy of our position derives from the ligitimacy of each election and the basic fairness of the American electoral system.

We have a responsibility to preserve and to protect the right of every citizen to vote freely and privately without regard to race, language, or handicap. Our voice in the Congress and throughout the Nation is no stronger than the voice of the people who elect us.

It is for this reason that I want to commend my colleagues on the Judiciary Committee who worked so hard to fashion a meaningful bill extending and strengthening the Voting Rights Act.

Mr. President, for many years, millions of nonwhite citizens in this country were forced to earn the right to vote by passing literacy tests—or to pay for this right through poll taxes. Or worse still, they were coerced not to use the right at all rather than have to undergo the intimidation that accompanied attempts to register or cast a ballot.

Ultimately, they were compelled to fight for the right to the ballot box. They marched. They went to jail. They aroused the conscience of this country and forced those in power to guarantee them their civil rights.

The right to vote, guaranteed by the original act of 1965, was a hard-won right. We cannot sit by and let its guarantees wither. We have a responsibility to enact the strongest possible voting protection to all citizens of this country. For without the vote, it is meaningless to call oneself a citizen.

Mr. President, the Voting Rights Act of 1965 is often called this country's most effective piece of civil rights legislation. It was enacted to "assure that the right of citizens of the United States to vote is not denied or abridged on account of race or color in any Federal, State or local election."

In 2 years the number of blacks registered to vote in those States fully covered under the special provisions of the act increased from 29.3 percent to 52 percent. By 1971, the figure had increased to 71 percent.

The number of black officials elected in the South jumped from less than 100 in 1964 to 1,100 in 1974. Now that figure is estimated at closer to 2,000.

More recent attempts to bring other disenfranchised citizens into the voting booth have had similar positive results.

In the past 5 years, the number of Hispanics registered to vote in New York has risen 20 percent. In Texas the number of Hispanic elected officials has jumped 30 percent in 5 years.

Since enactment, the act has been gradually strengthened and continually reaffirmed. New provisions, such as the bilingual ballot provision, have been added. And despite constant attempts to weaken or to destroy it, the original act and all strengthening amendments have always passed the Congress with solid Bipartisan majorities.

Once again, Congress is faced with extending key portions of the Voting Rights Act and strengthening others. And once again we face attempts to drastically weaken the act's effectiveness.

Ironically much of the case for weakening the act is based on its past success. The act, we are told, has brought about the desired improvement. We therefore no longer need a strong legislative proscription against voting discrimination.

Frankly, I find the reasoning behind this argument terribly disturbing. It assumes that there can be an acceptable level of voting rights violations. I absolutely reject that position. If even one person is denied the right to cast a ballot, we need the Voting Rights Act.

The goal of the Voting Rights Act is not to reward partial progress against discrimination. Nor is it to punish past discriminatory acts. It is plainly and simply to end all discrimination at the polls and insure everyone the right to a free vote.

Moreover, contrary to claims of those seeking to weaken voting rights guarantees, the need for voting rights legislation is obvious. The days of the poll taxes and literacy tests may be mostly behind us—thanks to enactment of the original Voting Rights Act. But discrimination still exists. As Representative PETER RODINO, chairman of the House Committee on the Judiciary, said during House consideration of voting rights legislation last October:

> Time and again we were told by witnesses (at subcommittee hearings) of ingenious schemes designed to deny citizens their right to vote or to dilute the strength of their ballot. The list of ploys—dual registration, reregistration, gerrymandering, at-large elections, annexations, intimidation, inconvenience to name a few—is limited only by the imagination.

And as the Civil Rights Commission found in a report issued last year:

> In a study of voting problems in 70 jurisdictions covered by the preclearance provisions, some minorities found registration officials discourteous, or openly hostile and intimidating when they attempted to register. Requests for unnecessary personal information by officials also were found to intimidate minorities * * * the present attitudes of registrars deter minorities from registering.
>
> * * * Registration in the jurisdictions studied often took place in locations or at times that were particularly inconvenient for minorities.
>
> * * * Minorities continued to be harassed or intimidated by election officials when they attempted to vote.

The protections of the Voting Rights Act are still clearly needed. And S. 1992 provides those protections.

First, it extends until 1984 the act's current section 5 preclearance provisions. It then provides for a reasonable and achievable bailout for political jurisdictions which have complied with the act in the past; have made no use of discriminatory election laws or devices, and have taken positive steps toward including more minority citizens in the electoral process. It is estimated that 20 to 25 percent of the counties now subject to preclearance obligations will be eligible to bailout when such provisions take effect.

Second, it clarifies the language in section 2 to prohibit practices that have a discriminatory result, without requiring specific proof of a direct purpose to discriminate. This change is made necessary by the Supreme Court's plurality decision in Mobile against Bolden. It will conform the test for discrimination to that which was in the minds of the framers of the original Voting Rights Act of 1965.

Third, it continues until August 6, 1992, the requirement of bilingual election materials and voting assistance.

Fourth, finally, I am gratified that the committee saw fit to include in this bill an amendment I offered in committee that would permit blind, disabled, and illiterate voters to receive assistance at the polls from a person of their own choice. We simply cannot permit qualified voters to forfeit their right to vote because they feel apprehensive about voting in the presence of someone not of their own choice.

Justice demands that we pass this measure without further delay. The Judiciary Committee's Subcommittee on the Constitution held 9 days of hearings and heard from nearly 50 witnesses on this legislation. The House took 18 days of testimony from over 100 witnesses on the companion legislation, and passed the measure on a vote of 389 to 24.

The issue has been thoroughly studied. It is past time to act.

I hope all my colleagues will join the 77 Senators who have cosponsored S. 1992 to help insure all citizens a meaningful right to vote.

Mr. President, I urge the swiftest possible passage of this bill. We can afford to do no less.

We urge our colleagues to join us in doing justice.●

Mr. CRANSTON. Mr. President, 17 years ago when Congress first created the Voting Rights Act, a major milestone was passed in the history of civil rights legislation. Since its enactment, the Voting Rights Act has rightfully been labeled as the Nation's most effective civil rights law.

The basic intent of the act is simple and clear: to end practices which limit the right of racial and language minority citizens to vote, and to enable them to participate in the political process with the same rights and opportunities as other American citizens. Since 1965, hundreds of thousands of Americans, formerly denied the right to vote, have been registered to vote and have helped decide who their public officals should be.

Progress made under the Voting Rights Act since 1965 has been spectacular in many States and communities. Still, much remains to be done and the basic protections of the law are still necessary.

The House of Representatives acknowledged the importance of extending the vital provisions of the Voting Rights Act last fall by passing H.R. 3112. The legislation we are considering in the Senate, S. 1992, contains virtually identical language to that worked out in the House and incorporated in H.R. 3112.

S. 1992 would continue the vital preclearance provisions of section 5 of the act while providing fair and reasonable ways for State and counties to seek exemption from the act's requirement that changes in voting laws, procedures and practices be cleared with the Department of Justice before being implemented. The bill also restores to section 2 of the act the original intent of that section as enacted by Congress in 1965: to prohibit actions which would have the effect of denying or abridging the right to vote on the basis of race or color. The interpretation of this section by the Supreme Court in Mobile against Bolden weakened enforcement of the act in ways not intended by Congress. Because of the Court's decision, it is necessary to enact new language making it plain what Congress originally intended. S. 1992 does this.

When Congress extended the Voting Rights Act in 1970, it included an amendment to provide language assistance and protections to members of a language minority group if that minority group comprised more than 5 percent of the voting age population and if the illiteracy rate of this minority population was higher than the national illiteracy rate. The purpose of this amendment was to extend the provisions and procedures contained in the Voting Rights Act to cover actions which limited voting by members of language minority groups. In this way, Congress amended the Voting Rights Act to strengthen the 14th amendment voting rights of citizens with a limited knowledge of English.

The bilingual ballot provision of the Voting Rights Act has been a subject of controversy and criticism for a variety of reasons. Some of the more popular criticisms brought up have been that bilingual ballots are too costly, that they promote cultural separatism along language lines, and that they conflict with the fact that English is the primary language of our country.

The argument that bilingual ballots are too expensive disregards the experience of Los Angeles County, where costs ran high when the act was first implemented because of heavy startup costs due to inexperience and inefficiencies. The costs have since been declining significantly. The initial startup expense in Los Angeles County in the 1976 primary elections amounted to $854,360. By the general election in

1980 it dropped to $135,200, a figure which amounted to only 1.9 percent of total elections costs.

It has been demonstrated by Los Angeles and San Diego Counties that bilingual ballot costs can be greatly reduced by streamlining procedures and by "targeting" voters who need bilingual materials and eliminating additional printing and postage expenses incurred by not sending those materials to voters who do not need them. Through the use of streamlining and targeting procedures, San Diego County decreased its election costs from $126,000 in the 1976 primary election to $54,000 in 1980. Such nominal costs are more than justified by the success bilingual ballots have demonstrated in extending the fundamental right to vote to all American citizens.

The argument that bilingual elections might create cultural separatism along language lines also conflicts with experience. In New Mexico, bilingual elections have been in effect since 1912. The result there has been the highest degree of Hispanic participation and representation in the country. No serious separatism problems have occurred because of bilingual elections in New Mexico. On the other hand, experiences in other countries, such as the Province of Quebec in Canada, have demonstrated that active discrimination against the mother tongue of significant segments of the population has aggravated separatist feelings and sometimes led to extreme political violence.

Finally, the argument that bilingual ballots conflict with the use of English as our country's primary language is countered by evidence provided by a survey conducted by the Mexican-American legal defense and education fund and the Southwest voter registration project in Texas and California during December 1981 and January 1982. Their conclusion was that bilingual voting leads to greater political participation, particularly by elder Spanish-speaking citizens. No evidence has been offered which would show that bilingual ballots deter younger members of a language minority group from learning English. The survey showed that a far greater number of bilingual ballot users were over 65 years of age. Of those between the ages of 18 and 25 who requested bilingual materials, only 6 out of 100 spoke Spanish exclusively. Clearly, bilingual ballots are not affecting adversely the assimilation of young Hispanic-American citizens into the English-speaking majority of the society.

The survey also shows that a significant number of language minority group members voted because of the availability of bilingual election materials. Thirty-two percent of the respondents indicated that they would have been less likely to vote were it not for bilingual ballots. Moreover, one out of every four Hispanic voters in the survey reported using some or all of the Spanish translation on the ballot where it was available. This finding makes clear that bilingual ballots in the Hispanic communities of Texas and California are used to a significant degree and have had a beneficial and useful impact on the quality of informed political decisionmaking by Hispanic-American citizens.

Mr. President, I consider extension of the Voting Rights Act an absolute priority. I encourage my colleagues to vote for the bill without weakening amendments. I urge that our commitment to the Voting Rights Act extend until the President finally has the bill for his approval before the act expires in August this summer.

The Voting Rights Act is a major bulwark protecting against the return of wholesale disregard of citizens right to vote and to participate in our democratic political processes. Our Nation is strengthened by the degree of political participation by its citizens; it is correspondingly weakened when they cannot participate because of violations of the 15th and 14th amendments.

● Mr. SPECTER. Mr. President, two corporations headquartered in my home State—the Gulf Oil Corp. and Sun Co.—recently joined with nine other major corporations to sponsor a public service advertisement on voting rights. The ad appeared in the New York Times, the Washington Post, and the Los Angeles Times.

Gulf and Sun were joined in this endeavor by Aetna Life and Casualty, Atlantic Richfield Co., Carter Hawley Hale Stores, Inc., Control Data Corp., the Equitable Life Assurance Society of the United States, Exxon Corp., MCA Inc., Mobil, and RCA Corp., all of which also have extensive facilities or do business in Pennsylvania.

In their advertisement these corporations stated that, "the Voting Rights Act is now up for renewal in Congress. It is still needed." They summed up their public message with the statement, "the Voting Rights Act—We think it's our business."

I am proud that corporations from Pennsylvania—as well as California, New York, New Jersey, Minnesota, and Connecticut, who do business in all parts of the country—made it their business to speak out about the importance of protecting minority voting rights.

In addition, the Board of the American Council of Life Insurance unanimously voted to support S. 1992. On behalf of the board, Robert F. Froehlke, president of the American Council of Life Insurance, on March 19, 1982, wrote a number of our colleagues:

I am happy to advise you that the Board of the American Council of Life Insurance on March 9 unanimously voted to support a strong voting rights law which will permit remaining pockets of discrimination to be eradicated. The Bill we support, S. 1992, is cosponsored by over two-thirds of the United States Senate. We believe it to be a fair and workable approach, and we urge your support to reject any weakening amendments. In our view, the time has come to go forward and to pass the strong extension of this historic act.

The message of these corporate leaders is a signal of their concern to the millions of black, Hispanic, and other minority citizens who work in their plants, purchase their products, and share with them the responsibilities of citizenship. I urge my esteemed colleagues to take note of this corporate concern as we consider the Voting Rights Act Amendment of 1982.

Mr. President, I would like to insert in the RECORD the text of the voting rights advertisement which these corporations placed in the New York Times on May 18, 1982, and the Washington Post and Los Angeles Times on May 20, 1982.

The material follows:

[Advertisement]

DO YOU REMEMBER YOUR FIRST VOTE?—VOTING RIGHTS ARE STILL UNFINISHED BUSINESS

Our first vote is a benchmark of maturity and active citizenship. For many, like the woman pictured here, it is often an act of courage.

The Voting Rights Act of 1965 made it possible for many Americans to vote for the first time. It continues to help them overcome a history of discrimination and confusing voting procedures.

Between 1960 and 1980, for example, black voter registration increased from 25.8 percent to 59.8 percent in 9 states covered by the Act. In 1980, 59 percent of eligible Hispanics registered to vote in the presidential election—up 20 percent from 1976.

The Voting Rights Act is now up for renewal in Congress. It is still needed. On October 5, 1981 the U.S. House of Representatives voted 389-24 to pass H.R. 3112, a bipartisan voting rights bill. The U.S. Senate is currently considering similar legislation, S. 1992.

The case for citizen participation was made a long time ago by Aristotle: ". . . liberty and equality . . . will be best attained when all persons alike share in the government to the utmost." Assuring the right to vote is the first step.

For more information about the Voting Rights Act, contact the Joint Center for Political Studies, 202-626-2500.

The Voting Rights Act—We Think It's Our Business.

AETNA LIFE & CASUALTY, ATLANTIC RICHFIELD COMPANY, CARTER HAWLEY HALE STORES, INC., CONTROL DATA CORPORATION, THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES, THE GULF OIL CORPORATION, EXXON CORPORATION, MCA INC., MOBIL, RCA CORP., SUN COMPANY, INC.●

Mr. ROTH. Mr. President, as an original cosponsor of the voting rights extension, I rise in support of S. 1992. Many of my colleagues have done so and, undoubtedly, there are even more

who will. I hope that when the debate over this bill has concluded, all 100 of us will be able to rise in support of this bill and, more importantly, support the principle that it embraces—that every citizen has the right to cast an effective vote and is entitled to all the protections that are necessary to insure this right.

I do not believe that any of us question the fact that all Americans, whether they be black, brown, yellow, or white, have the right to vote. This right was long ago made a cornerstone of our democracy through the 15th amendment to the Constitution. To be candid, it is a right which is not exercised to the degree that it should be. It seems that with each recent Presidential election, voter turnout decreases. Low turnouts are even more pervasive during off-year elections and primaries. I am sure there are many reasons for this but most, if not all, are unjustifiable. The salient point here is that the reasons for low turnout have nothing to do with not having the right to vote.

The fact that Americans of any color, religion, or creed can no longer be turned away from the voting booth is due, in large part, to the success of the original Voting Rights Act of 1965. By any standard, it was a triumphant victory for those who had fought for so long to have equal application of laws in this country. Poll taxes and literacy tests were banned and some States were required to have electoral changes approved by the Justice Department before they were implemented—all as a result of the 1965 law.

Minority representation has increased dramatically, particularly in the late 1960's and in the Deep South. It is clear that if we measure the success of the act, by its original criteria, that is, voter registration and turnout, it is a great testament to one of few pieces of legislation that worked better than it was thought possible. A byproduct of this increase in registration and turnout has been an upturn in the numbers of black elected officials. With these favorable results and an absence of the widespread abuses that preceded the 1965 act, we must ask ourselves a different question: Is the Voting Rights Act still needed, and if so, to what extent should it be modified to meet the change in circumstances that have occurred since 1965?

I answer, along with many others, yes, we still need an extension of the act. We need it for many of the same reasons we needed the original act. While there have been dramatic improvements, there continues to be serious problems with compliance and enforcement of the act. This has been documented in the 1981 report of the U.S. Civil Rights Commission and by numerous witnesses before the House and Senate Judiciary Committees. We still find that enforcement is most viable when it is done administratively as well as through the courts. Unlike the situation that we faced during earlier extensions, many of the opponents of S. 1992 acknowledge the need for an extension.

The second part of my question is more difficult to deal with: In light of the progress that has been made since 1965, should the act be modified to fairly account for this record? The answer is a qualified "yes." S. 1992 incorporates bipartisan compromises that reflect input from many of varied ideologies. These compromises represent the consensus that there was a need for an incentive and reward for those jurisdictions that were diligent in their abidance to the act.

The Constitution provides for more than the simple act of casting a vote. It also necessitates and guarantees the right for an effective vote so as to minimize, if not eliminate, the possibility that votes will be undermined by subtle and sophisticated discriminatory devices and tactics.

Voting is a fundamental right. Without it, our democracy is no longer representative and without representation, there can be no real freedom. There are many issues that divide us. This should not be one of them. Instead it should be the one that unites us. Mr. President, I am pleased that when it comes time to vote on S. 1992, I will be among those who say "aye." I implore all my colleagues to join me.

Mr. BENTSEN. Mr. President, as an original cosponsor of the Voting Rights Act extension, I want to strongly urge all of my colleagues in the Senate to join with me in support of this legislation to guarantee the fundamental freedom of the right to vote. The right to vote is the very touchstone of our American democracy, and virtually every right enjoyed by our citizens springs from it. The Voting Rights Act has proven, with tangible results, that it can successfully assure this right for all Americans.

It was 17 years ago that President Lyndon Johnson, in the same room where the Emancipation Proclamation was signed a century before, with his signature made the Voting Rights Act the law of the land. In doing so, he brought to its logical conclusion the movement that had begun years before with Thomas Jefferson's courageous delivery to the people of what he called universal manhood suffrage.

What Jefferson accomplished was by no means perfect—slaves counted as only three-fifths of a man, and it was nearly a century before universal suffrage included women—but it was his act that set into motion the steady expansion of opportunity and franchise that eventually saw slavery fall, the political rights of women recognized, the poll tax abolished, and finally, the voting rights bill enacted.

Whenever the United States has opened the doors of opportunity a little wider, every American has benefited from it.

Every time the people have been entrusted to make wise decisions and to elect responsible public officials, the noble experiment of American democracy has grown greater in its success.

In the 17 years that this law has forbidden the systematic exclusion of racial minorities from the voting booth, registration and voting by black and Hispanic Americans has risen dramatically. Under this law, the number of minority elected officials has also increased by a substantial amount.

During the House debate on this measure, It almost became a cliche to describe the Voting Rights Act as the most successful civil rights legislation ever enacted. Some even pointed to the law's success to argue that the protections contained in it are no longer needed. Clearly, however, the overwhelming bipartisan support for its passage proved such claims to be wrong.

The Voting Rights Act should be extended, despite its success, because minorities continue to face a variety of problems which the act is designed to overcome.

The U.S. Commission on Civil Rights has found, once again, that harassment and intimidation of minority voters and candidates is a problem. There are continuing problems with registration and gerrymandering. Anyone who has reviewed the most recent report of the Commission cannot deny that voting discrimination is still all too prevalent, and that the dilution or repeal of the Voting Rights Act would have a devastating impact on minority voting and representation.

That is not to say, however, that those jurisdictions which have demonstrated a marked improvement in minority voting rights protection should not be rewarded.

I am pleased that this bill provides a bailout provision that will allow those areas with a proven track record of success to escape section 5 pre-clearance. This provision provides a special incentive to those jurisdictions to continue their progress, and it demonstrates the Federal Government's responsiveness to their needs and understanding of the burdens imposed by the preclearance requirements.

Some have criticized the bilingual provisions of the act, arguing that the additional costs of translation and printing of ballots is unnecessary.

Cost may be an element we should consider, but I wonder what price we would place on the right to vote. But on the cost question, the secretary of state and chief election officer of my State wrote, in a letter dated June 25, 1981, that, "The additional cost of pro-

viding the bilingual ballot is not substantial." He went on to note that, "If the Voting Rights Act were not extended, Texas would continue to provide bilingual election materials."

There is principle involved here as well. The right to vote should be the same for any citizen, whether or not he or she is schooled in English.

We do not exclude individuals from serving our country, fighting our wars, because they are not proficient in English, so why should we presume to exclude those same people from the voting booth.

Roy Benavides, the man we recently honored with the Congressional Medal of Honor, provides a short example. He was the man who in Vietnam, although severely wounded, helped six of his fellow servicemen to safety and saved their lives. He was hit three times in the head with a rifle butt, and just as he was losing consciousness, some words from his childhood spurred him on: They were "No te rajes."—Do not let them get you down.

Now those words may be Spanish, but I strongly assert that they are just as patriotic, just as American, as anything in English. We must recognize that ours is a society that is blessed with many languages, many cultures, many backgrounds, and every one of them is as American as apple pie.

In conclusion, Mr. President, the right to vote is an absolute. It does not distinguish between black, brown, English, Italian, or Spanish. It is the foundation of our Nation's liberty, and it is the undisputed backbone of our constitutional rights.

We in the Senate today have a duty to uphold those constitutional principles, to preserve our American democracy. I urge again that my colleagues in the Senate approve this extension of the Voting Rights Act.

Mr. PRYOR. Mr. President, I rise today in support of S. 1992 extending the Voting Rights Act, and along with 78 of my colleagues I am a cosponsor of this important legislation.

We are considering today a basic and fundamental right, and that is the privilege and responsibility of citizens to participate in the decisionmaking of our democracy. Our form of government has a vested interest in free access to the polling booth in order to assure representation of our many and various points of view. It is the American way to be inclusive, not exclusive. There should be no prohibition, by law or practice, in free elections.

It is our duty to assure that all people have the precious right to vote. The Voting Rights Act of 1965 has succeeded in accomplishing this objective. As a direct result of this legislation, more minority citizens register to vote, and more minority citizens actually do vote, and increasing numbers of minority citizens serve as elected representatives. And the success of this act testifies fully to its continued need.

Alexis de Tocqueville, whose keen eye was a shrewd observer of American ways even 150 years ago, said this:

> The further electoral rights are extended, the greater is the need for extending them; for after each concession the strength of democracy increases, and its demands increase with its strength.

This cycle of responsibility, extending the need for democracy into its very strength, describes perfectly the effect of voting rights legislation.

There is another factor at work here, Mr. President, a less tangible principle than the well-known tenets of democracy. I am talking about a new climate of awareness among citizens who are now conscious of their rights to take part in the decisionmaking process. This is symbolic importance of the greatest kind. And because of its strength, it has made election officials aware of their duty. It has made them very reluctant to abridge the rights of any American citizen to vote.

Mr. President, for 17 years the Voting Rights Act has been important to this country as a statement of national commitment to equal access, both to the ballot and the voting place. The passage of S. 1992 will continue that pledge. It will renew that vital promise of democracy.

Mr. QUAYLE. Mr. President, since its introduction I have been a cosponsor of S. 1992, the bill to extend certain provisions of the Voting Rights Act of 1965.

The Voting Rights Act of 1965 is the most successful civil rights measure ever enacted by the U.S. Congress. The 15th amendment declares that the right to vote shall not be denied or abridged by the United States or any State on account of "race, color, or previous condition of servitude," and it gives Congress the power to enforce this right "by appropriate legislation." The Voting Rights Act without question, was appropriate legislation. Prior to its inception, only 6.8 percent of voting-age black citizens were registered to vote in one particular State which came to fall under the act; thanks to the act, that proportion is now almost 70 percent, and in 1980 almost 60 percent of them actually voted.

As has been made clear in this debate, the Voting Rights Act itself does not expire, that is true. However, section 5 of the act, the preclearance provision, will no longer cover those jurisdictions originally subject to it under the 1965 act or its extensions. Without congressional action, those jurisdictions originally subject to the special preclearance provisions of the act will not longer be covered after August 6, 1982.

Under section 5 preclearance requirements, covered jurisdictions must clear proposed voting changes before their enactment to insure that they do not abridge the right to vote. The objection of section 5, which is to protect the gains that have been made under the Voting Rights Act, has been well served.

Preclearance under section 5 is still necessary. Although the act's ban on literacy tests and other discriminatory devices was chiefly responsible for its initial; success, and notwithstanding the elimination of the more obvious past abuses such as poll taxes and direct intimidation of potential voters, there remains today the actual and potential use of many voting rules and procedures, which while perfectly acceptable in some instances, in others may be subtley employed to deny minorities access to vote.

The denial of the right to vote, or the right to access to our democracy, is a fact of profound importance. A shattering reality to those who must face it. According to our Declaration of Independence, government derives its powers from those who are governed. Under this great social contract, those who are governed give their consent freely in order to secure the natural rights with which all persons are equally endowed. We gave that consent when we voted to ratify our Constitution in 1787 and 1788. Except in a few cases, however, black Americans were not given the opportunity to vote for that Constitution. They were not part of the social contract; and from the denial of that right to vote came the denial of the other civil rights Americans enjoyed. The point I make is that the right to vote, the right to access to our democracy, is the principal security for all civil rights, because voting insures that each individual's interests must be weighed by those who make the laws.

In order to right those wrongs made in the beginning, the 14th amendment bestowed citizenship on black Americans, making them part of "the people of the United States." We progressed from there to the 15th amendment, seeking to guarantee their rights as citizens; and to the Voting Rights Act, making the exercise of that right a reality for so many.

But, unfortunately, not yet quite all of our fellow citizens have that right in full. There continue to be jurisdictions where the right to vote is being denied. Our focus must be upon equal access to registration and to the ballot. Our ultimate goal is nothing less than making race no consideration at all in the electoral process. That, Mr. President, is why we should extend the Voting Rights Act.

Mr. BUMPERS. Mr. President, as many Members of this body have pointed out, we are now debating the extension of one of the most signifi-

cant pieces of legislation ever to be passed by Congress. Although the 15th amendment to the U.S. Constitution, ratified 112 years ago, clearly and succintly proclaimed that "the right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race," this very simple ideal did not become a reality until the passage of the Voting Rights Act in 1965. Each of us is saddened when we remember the brutal facts about the history of race discrimination in this country. But at the same time, we are heartened and encouraged by the dramatic progress that has been made in employment, education, housing, and other opportunities. The same can be said for voting discrimination. We have come a long way. All Americans can be proud of the progress that has been made toward assuring equality of voting opportunity for each and every American.

But there is still much to be done. Both the House and Senate Judiciary Committees over the last 1½ years have conducted extensive hearings on the extension of the Voting Rights Act. Without diminishing the dramatic progress that has been made, witnesses testifying showed that there is still much to be done. Representative HENRY HYDE of Illinois, who initially opposed extending portions of the Voting Rights Act, has been quoted as saying:

> I thought the need had passed. But there are yet places that try to obstruct the right of blacks to vote. You are being dishonest if you don't change your mind after hearing the facts.

As the debate here in the Senate in the last few days has shown, there is no basic disagreement over the lofty goals and purposes of the Voting Rights Act. I know that every Member of this body abhors discrimination in voting, and everyone agrees it should be eliminated. The easy part, however, is getting people to agree on these rather vague generalities.

The pivotal and much more difficult issue is what mechanisms and processes should be enacted into law to assure that these lofty goals are met. As every first-year law student has had pounded into his head, having a right without a remedy is meaningless. It is easy to agree with the basic tenet that voting discrimination should be eliminated. The more difficult question is "how." What mechanisms and processes should be set up to assure that voting discrimination is eliminated? If a black person believes that he has been discriminated against, what can he do about it? Does he have a right to sue? If so, where? What must he prove? Must he show that in carrying out the voting practice, the officials intended to discriminate against blacks, or need he show only that the voting practice resulted in discrimination? Should some jurisdictions be required to obtain approval of changes in voting practices before the practices are implemented?

These are the important questions, because the right to be free from discrimination is virtually meaningless unless members of the protected class have a workable remedy to enforce those rights. The Voting Rights Act is an act that deals with legal processes. The section 2 "intent" versus "results" controversy underscores this. Should a victim of discrimination be required to find the "smoking gun" or should he be required only to show that, based upon the totality of the circumstances, changes in voting practices have resulted in discrimination? It is clear that under the Constitution Congress is free to impose either standard. I am aware of the decision in Mobile against Bolden, but it is clear that Congress may now choose to legislate the results standard if it wishes.

In my view, the Judiciary Committee has crafted an appropriate standard. Discrimination sometimes takes subtle forms. Those in positions of power seldom admit openly and within the hearing of others that they are basing their decision on grounds of race. Sometimes only hints of discrimination are available to the finder of fact. Do we believe that protecting the right to vote is so important that we are willing to resolve ambiguities in favor of those in the protected class? In my view resolving ambiguities in this manner is a reasonable approach. I simply do not believe that the intent standard is universally workable. It puts too great a burden on the challenger, who may lack the resources to conduct the kind of intensive and exhaustive and expensive investigation necessary to uncover the required intent. If, based upon the totality of circumstances, the court finds that the challenged practice has resulted in discrimination, this should be sufficient. I commend the committee on resolving this issue as it did.

Similarly, controversy surrounds the so-called preclearance provision of section 5 of the act. Should some jurisdictions be required to obtain approval from the Department of Justice or the district court before changing their voting practices? Again, process is all important here. Do we believe that the right to vote is so precious that, in some circumstances, the jurisdiction responsible for changing voting practices should itself be responsible for assuring that the changes are not discriminatory before enacting them into law?

Mr. President, in my view the preclearance provisions are sensible. Although under the formula in this bill several Southern States will continue to be required to preclear voting changes, the preclearance provisions are not limited to Southern States. The States of Alaska and Arizona, and portions of California, Colorado, Oklahoma, New Mexico, Wyoming, Connecticut, New Hampshire, Maine, Massachusetts, and others are also required to preclear voting changes.

Mr. President, after studying this matter, I wish I could conclude that preclearance was no longer necessary. Generally speaking, Government officials are overworked and underpaid, and should not be required to carry out additional tasks that are not absolutely necessary. After reviewing the extensive record compiled by both House and Senate Judiciary Committees, however, I am convinced that the continuation of preclearance is necessary. Sadly, there are still instances in which changes in voting practices result in discrimination, and it is sometimes the case that the right to vote cannot be fully protected if a member of the protected class is required to initiate legal action. In my view, the preclearance provision, as currently crafted in this bill, is a sensible one and should be adopted by the Senate. I am especially pleased that this bill allows local jurisdictions, for the first time, to initiate action which may result in removing themselves from preclearance requirements. This so-called bailout provision is an imminently reasonable one.

Mr. President, I am pleased to be a cosponsor of this bill. I commend the members of the Judiciary Committee for their final work product. The bill is a responsible, well-thought-out measure. It is fair to the jurisdictions who are bound to comply with it, and it is fair to those who fall within the class of persons the Voting Rights Act is designed to protect. I am pleased that we are finally debating the substance of this measure. We have come too far in our efforts to eliminate the scourge of voting discrimination to retreat now. I hope that this bill can be passed, agreed to by the House, and presented to the President within the next few days. Perhaps in the near future—perhaps in just the next few years—we will have evidence presented to us that the special provisions of this act are no longer necessary to protect the precious right to vote. I long for that day. But until then, we should unanimously pass this measure to show our abiding commitment to the elimination of voting discrimination.

● Mr. BIDEN. Mr. President, I support S. 1992 as it was voted out of the Judiciary Committee for the same reasons that I was an early cosponsor of the first Senate bill to extend the Voting Rights Act. Jurisdictions covered under section 5 might still try to exercise their ingenuity to deny or abridge the right of some citizens to vote.

I believe that this bill will significantly improve the operation of the

act and that it emerged from the committee as a better bill than its earlier version.

The section 5 preclearance provision of the bill extends the act for 25 years beyond the date of enactment of the bill. However, for the first time, it would provide a simple mechanism by which nondiscriminating covered jurisdictions can be released from its provisions. The bill also clarifies the section 2 "effects" test that would be applied nationwide in any determination of whether a citizen's right to vote has been abridged. No State or political subdivision can use a qualification for voting that "results in a denial or abridgement of a citizen's right to vote." the entire "totality of circumstances" must be used as a basis for deciding whether that "result" has occurred.

Finally, S. 1992 retains a prohibition against proportional representation by stating that it does not establish "a right to have members of a protected class elected in numbers equal to their proportion in the population."

As the ranking minority member of the Judiciary Committee I am aware of the many hours spent by the committee members and their staff in drafting language that is clear and acceptable to many Senators who had expressed some questions about the original version of the bill. I believe that the committee has succeeded in its efforts. I support S. 1992 without reservation and I hope that my colleagues will vote for it without amendment.●

Mr. MITCHELL. Mr. President, I support S. 1992, a bill to amend the Voting Rights Act of 1965. I am pleased to be an original cosponsor of this important legislation. I commend Senators MATHIAS and KENNEDY for their able leadership on this issue.

There is no right more fundamental than the right to vote. It is by exercising this right that our citizens may address all other wrongs. If we deny citizens—of whatever race—the right to vote, then we effectively undermine the very foundation upon which our democracy is built.

The history of suffrage in this country is one of expansion. Although the framers of our Constitution clearly recognized the importance of the right to vote, the determination of who was eligible to vote was initially left to the States. In most States, the qualification to vote was based on the ownership of property; however, nonproperty qualifications based on race and sex existed as well.

It was not until after the Civil War that the Federal Government became actively involved in the issue of voter participation. In 1870, the 15th amendment was ratified granting all citizens, regardless of race, the right to vote.

The next major expansion of the suffrage came in 1920 when the States ratified the 19th amendment, giving women the right to vote.

Finally, in 1971, the 26th amendment established 18 years as the age of eligibility to vote.

Although the Constitution was changed to remove racial barriers to suffrage more than a century ago, States and political subdivisions, through a variety of means including literacy tests and poll taxes, effectively barred some Americans from participating in the political process. Recognizing this unfortunate fact, Congress enacted the Voting Rights Act in 1965.

The Voting Rights Act has been described as the most effective piece of civil rights legislation ever enacted by Congress. I share this view. Although the act has been successful in eliminating many discriminatory voting practice, there is still a need to extend the major provisions of the bill.

Of particular importance is section 5, which requires those jurisdictions covered by the act to submit proposed changes in election law or voting practices to either the Department of Justice or the Federal District Court in the District of Columbia. When a change is proposed, the burden of proof is on the covered jurisdiction to prove that the proposed change is not discriminatory.

There is no doubt that the preclearance requirements of the Voting Rights Act impose a burden on covered jurisdictions. However, discrimination against minority voters is a serious wrong demanding an effective remedy.

I am pleased that the bill before us extends the preclearance provisions of section 5 for 25 years, while at the same time, it includes realistic bailout provisions allowing covered jurisdictions with a history of compliance to get out from under the requirements of the law.

Another section of the bill, section 2, is designed to prohibit those voting practices which deny or abridge a minority's right to vote. This section applies nationwide. It reflects the majority view that while there is no need for a nationwide preclearance requirement, there is a need for minorities to be able to challenge discriminatory voting practices in those jurisdictions not covered by the act.

Much of the controversy surrounding this bill has focused on the standard of proof needed to prove discrimination under section 2: Must a plaintiff show that a political subdivision intended to discriminate? Or is it sufficient to show that discrimination was a result of either the law or practice in question? As amended, section 2 requires that plaintiffs prove either intent to discriminate or that the law or practice, "in the context of all the circumstances in the jurisdiction in question, results in minorities being denied equal access to the political process." It is my belief that this results test is consistent with the intent of Congress when it passed the Voting Rights Act in 1965 and is essential to guarantee the rights of our citizens under the 14th and 15th amendments.

During the course of this debate, several Senators have expressed their belief that section 2, as amended, will somehow result in proportional minority representation. I believe the Dole-Mathias-Kennedy compromise, agreed to last month and endorsed by the administration, adequately addresses this issue. Specifically, section 2 states:

> The extent to which members of a protected class have been elected to office in the State or political subdivision is one circumstance which may be considered: *Provided, that nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.* (Emphasis added.)

This language should dispel any fear about whether this bill will result in proportional representation.

Finally, I express my support for the extension of the bilingual assistance provision of the Voting Rights Act and for a new provision which gives disabled and illiterate voters the rights to assistance in the polls by a person of their choice.

In conclusion, Mr. President, I reiterate my strong support for this bill and I urge my colleagues who support the principle of equal access in the voting process to support this bill as well.

Mr. WEICKER. Mr. President, I support S. 1992, the bill to extend and strengthen the 1965 Voting Rights Act, which is before us today.

The right to vote is the mainspring of democracy. Without it, the American experiment with liberty would have wound down a long time ago. Early in our country's history, the right to vote primarily belonged to free, white men of property. But as we grew to understand our desinty as a haven for equal justice for all, that right was extended, and broader political participation evolved.

In 1870, the 15th amendment to the Constitution declared that the right of citizens of the United States to vote shall not be denied or abridged because of race, color, or prior condition of servitude. Ratification of the 19th amendment in 1920 gave women the same rights and protections. In 1971, the 26th amendment enfranchised 18-year-olds across the country.

Unfortunately, however, even universal suffrage was not tantamount to equal access to the political process. Proving there is more than one way to deny people political power, election officials resorted to a new bag of tricks—poll taxes, literacy tests, and

last-minute polling place changes. In 1964, poll taxes were rendered unconstitutional by the 24th amendment. And in 1965, in an attempt to systematically require fair election practices, Congress passed the Voting Rights Act.

Seventeen years after its passage, the Voting Rights Act is considered the most effective piece of civil rights legislation this country has ever seen. It has given a voice to minority communities that had previously suffered and seethed in slience. It has offered an alternative to violent resolution of grievances. Today, in cities and rural regions alike, the black and Hispanic vote is a force to be reckoned with. The same could not have been said to be true just 20 years ago.

However, in many parts North and South, minorities are still denied clout commensurate with their numbers. In some predominantly black counties, voters are required to register twice, once at the county seat dozens of miles away and once again in their own town. Election districts are gerrymandered, white suburbs are annexed onto black urban areas and low-income housing is constructed outside city limits in predominantly white counties.

Subtly perhaps, but just as surely as the tests and taxes of old, these measures all work to dilute the minority vote.

We need only to look at the Soviet Union to know there is nothing necessarily powerful about the physical act of voting. Party members mark a ballot, put it in a box and go home to supper, safe in their liberty to vote. But the important decisions about the wielding of power have already been made, somewhere else and behind closed doors.

America, too, has had her share of wheeling and dealing in smoke-filled rooms. But the Voting Rights Act has helped us put those days behind us. Without it, elections in many parts of this country would be meaningless for minority voters. The fact they still border on meaningless for many argues in favor of strengthening as well as extending the act.

The bill we have before us today does just that. A significant majority of my colleagues, as well as the administration, have wisely seen fit to endorse it. It is a pity that this endorsement was so long in coming, considering the fundamental rights at stake. I commend the bill's principal sponsors, Senators MATHIAS and Kennedy, for astutely steering this legislation through the storms it encountered in committee. Senator DOLE deserves credit for his catalytic role in the search for a compromise acceptable to critics of the House bill.

The current restating of section 2 of the act should defuse the controversy over the standards of evidence in private suits charging voting rights violations. It calls for court decisions to be based on the "totality of circumstances" and not just the apparent intent or the more obvious results. If these circumstances show that the political processes leading to nomination or election are not equally open to participation by minority groups, they will be judged unfair and illegal. This, I believe, is nothing more than a commonsense approach. If we gather all the facts, they will speak for themselves.

The preclearance provision for election law changes contained in section 5 is extended for 25 years—an extension clearly needed in light of continuing abuses. On the other hand, the section has been amended to provide a reasonable bailout option to those electoral units which can prove a 10-year clean voting rights record. This provision attests to Congress good faith; none of us wishes to discriminate against any particular region, State, or county which abides by the law.

Extended until 1992 are provisions requiring some sections of the country to provide bilingual election materials. Too often in our history newly arrived immigrants and their children were discriminated against simply because their first language was not English. We must continue to make every effort to insure that the crowning right of citizenship, the right to vote, is within reach of all Americans.

Finally, Mr. President, while there is much more that is good to be said about this bill, we must recognize that it is no cure-all for dwindling voter participation. Political apathy is a disease which knows no racial barriers. But because minorities have borne the brunt of voting rights abuses, they are understandably more inclined to feel that their vote is inconsequential. That conviction can be erased but it will require vigilant and vigorous enforcement of this act from local election officials right up to the Attorney General. All of us must take seriously—and not for granted—our right and responsibility to vote. The key to good government lies therein.

As the Washington Post pointed out in an editorial earlier this year, "The Voting Rights Act was not intended to be a substitute for the political process, but rather to enable it to work." With that in mind, I commend this bill to my colleagues and urge its speedy passage.

Mr. PERCY. Mr. President, I strongly support S. 1992, legislation to amend and extend the Voting Rights Act of 1965 and urge my colleagues to pass this bill with the overwhelming majority it deserves.

Last year, in a speech I gave in Chicago, I said that I considered the extension of the Voting Rights Act the single most important civil rights issue the Congress faced in almost a decade. We have debated this matter now over the past 2 weeks. Amendment after amendment, designed to weaken or otherwise water-down this strong legislation, have been rejected. I am proud to say that I have joined with those who have opposed these attempts to weaken what we have now achieved.

Unfortunately, Mr. President, we still need a strong Voting Rights Act. I deeply regret that fact. I would much prefer that there was no person, no election official, no election commission, no local, county, or State jurisdiction in this country that condoned actions designed to prevent citizens from voting—the most basic constitutional right—based on race or skin color. In my opinion, there can be no action more repugnant, more anathema to what this Nation stands for, than an action which would abridge the right to vote. I am sad to say, however, that this is not the case. Thus, we must again extend the protections provided for under this act.

This debate has focused upon one of the most important public policy issues ever to be considered by the Senate. It is an issue with both profound constitutional implications and profound practical consequences. In summary, the issue is how this Nation will define "civil rights" and "discrimination."

The 15th amendment to the United States Constitution, ratified in 1870, states, in part:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

Shortly after its ratification, Congress enacted two laws designed to outlaw activities interfering with the voting rights of the newly-freed slaves. The Civil Rights Act of 1870 and the Antilynching Act of 1871 sought to penalize State actions which deprived persons of their civil rights.

Despite these efforts, the progress of blacks in securing the protections of the 15th amendment was slow and erratic. The use of poll taxes, literacy tests, morals requirements, racial gerrymandering, and outright intimidation and harassment continued largely unchecked until well into the 20th century.

Between 1957 and 1964, Congress enacted three more statutes designed to enhance the ability of the Federal Government to challenge discriminatory election laws and procedures. Despite this renewed commitment by the Federal Government to enforcement of the guarantees of the 15th amendment, substantial registration and voting disparities along racial lines continued to exist in many jurisdictions. It was finally in response to the incontrovertible evidence of continu-

ing racial voting discrimination that Congress enacted the single most important legislation in the Nation's history relating to voting rights—the Voting Rights Act of 1965.

This act marked a significant departure from earlier legislative enactments in the same area in establishing primarily, for the first time, an administrative process aimed at eliminating voting discrimination.

It is important to emphasize that the Voting Rights Act of 1965 is a permanent statute that is not in need of periodic extension. The only temporal provision in the law is the applicability of the so-called "preclearance" and certain other requirements to covered jurisdictions. By the terms of the 1965 act, such extraordinary remedies were to be applied for a 5-year period after which time Congress presumed the residual effects of earlier discrimination were likely to be sufficiently attenuated, and the covered jurisdictions would be allowed to seek bailout.

In both 1970 and 1975, however, the Congress reviewed the progress achieved under the 1965 act and concluded that it was necessary to extent the preclearance period.

And now, again Mr. President, we find that yet again we must extend the enforcement provisions of this law.

The Voting Rights Act of 1965 was designed by Congress to "banish the blight of racial discrimination in voting." Until we achieve that goal completely and totally, in every corner of this great Nation, in every State, in every locality, we shall not rest. The people of Illinois share this commitment. They understand the need for this legislation. Over the past year they have written to me in great numbers supporting this legislation. In fact, Mr. President, to my knowledge, I have not received one letter from my State in opposition.

I commend the Senator from Maryland (Mr. MATHIAS) and the Senator from Massachusetts (Mr. KENNEDY) for the leadership they have shown in this matter. Their steadfastness and determination bring great credit to this cause we share. I am proud to be a cosponsor with them of this historic legislation.

Mr. SASSER. Mr. President, in extending the protection offered by the Voting Rights Act the Senate has today taken an important step. It is saying that we have come far down a long and hard-fought road. We still have a ways to go—and S. 1992 insures that we will continue on that journey.

When the original Voting Rights Act was passed in 1965, two facts were abundantly clear. One was that there was widespread and deliberate discrimination being practices against our minority citizens. The other was that the traditional case-by-case approach to fighting this voting discrimination was not sufficient.

Before the passage of the Voting Rights Act in 1965 about 35 percent of blacks were registered in the 11 Southern States compared with 73 percent of whites. In one State, Mississippi, only 6 percent of blacks were registered compared to 70 percent of whites.

Although the discrimination tactics used—selectively applied literacy tests, intimidation, and outright refusal to register—varied from place to place, the result was the same. Minority citizens in large numbers were being prevented from exercising their basic voting rights as Americans.

As the testimony at the time of the 1965 act also made clear, the case-by-case approach was simply not working. The nature and extent of the discrimination was too widespread to be remedied by individual lawsuits. The genius of the Voting Rights Act is its adoption of the administrative relief approach to preventing interference with the right to vote.

The results, Mr. President, have been dramatic. Since the passage of the law, the number of blacks registered to vote in the States covered by the act has doubled. Since the addition of the language minorities protection was added in 1975, their nationwide registration has increased by 30 percent.

These are only numbers, however. They do not convey the impact of the fact that hundreds of thousands of Americans have been brought into the political system—it is their system and they have a stake in it. And this is the real strength of America. Every ethnic group, every minority group has, in its turn, been assimilated into the mainstream of America through the ballot box. And their contributions have made our country a beacon of hope and liberty to the rest of the world.

Great progress has been made under the Voting Rights Act but there is still work to be done. Figures show that of the more than 800 election law changes that have been objected to since the law was passed in 1965, more than half have been since the 1975 extension.

Discrimination still exists. It exists in more subtle and sophisticated ways, but it is still there, and it is not very subtle if it is your vote that is being diminished.

S. 1992, as reported from the Judiciary Committee, represents a strong bipartisan effort to extend the protection of the Voting Rights Act. It provides a realistic bailout clause which conditions bailout on a clear-cut and constructive efforts to bring minority citizens into the political system. Thus, a State or country holds the key to bail out in its own hands.

In addition, the bill provides for a return to the interpretation of section 2 which existed prior to the Supreme Court's ruling in the case of City of Mobile against Bolden. It is my belief that the results test, with the compromise language offered by Senator DOLE, returns to the original intent of the Voting Rights Act than an election law is discriminatory if it results in the dilution of the right to vote. The right guaranteed by the law is not the right to win an election but the right to participate in the electoral process.

Mr. President, the bill we have passed today strengthens the very foundation of our democratic political system. The right to vote and participate fully in the electoral process represents the grand departure of our Founding Fathers from the privileged systems of the Old World. It is simply that here the people rule. The people of this country are its political system and any interference with our electoral system is not only unacceptable but a denial of the very meaning of America.

Mr. THURMOND. Mr. President, the debate on S. 1992, a bill to amend the Voting Rights Act, is now coming to an end; and I must determine, as must all of my colleagues in the Senate, whether this legislation is an acceptable means to protect the right to vote. Foremost in my mind is the need to assure all Americans that the right to register and to vote will be protected against discrimination of any kind.

Throughout consideration of this legislation I have expressed concern over three important aspects of the bill. First, I have sought assurance that the proposed changes in section 2 of the act would not result in court-ordered establishment of systems of proportional representation by race. Second, I have sought the inclusion of a reasonable bailout provision so that jurisdictions subject to the preclearance requirements of section 5 would have a genuine incentive to rid themselves of any lingering discrimination. Third, I have sought a period of extension that is responsive to present conditions.

With respect to the proportional representation issue, Senator DOLE has provided some assurance during the course of this debate that the provisions of this bill amending section 2 of the Voting Rights Act do provide some protection against the establishment of electoral systems which will result in proportional representation by race. Senator DOLE was, of course, the author of the compromise now incorporated in S. 1992. He stated that the concept of certain identifiable groups having a right to be elected in proportion to their voting potential is repugnant to the democratic principles upon which our society is based. He has stated that citizens of all races are entitled to have an equal chance of electing candidates of their choice, but if

they are fairly offered that opportunity and lose, that opportunity should afford no redress. Senator DOLE has also stated that the focus of the section 2 standard is on whether there is equal access to the political process, not on whether members of a particular minority group have achieved equal election results. He has also stated that the language of the subsection explicitly rejects the notion that members of a protected class have a right to be elected in numbers equal to their proportion of the population. Senator DOLE has further provided assurance that the "results" test of section 2 will not be construed to require proportional representation. The rejection of Senator HELM'S amendment, allowing proportional representation, supports Senator DOLE'S position.

With respect to the bailout issue, I have also noted with interest the view of Senator DOLE that the new bailout is, in fact, achievable; and I note his prediction that the vast majority of covered jurisdictions will be able to exempt themselves from the preclearance requirement. I remain concerned as to whether the bill, in fact, contains a reasonable bailout which would provide an incentive for covered jurisdictions to eliminate any vestige of discrimination. I would have preferred a simple provision that if a jurisdiction has been free of discrimination for a period of 10 years and can prove that in court, bailout would be granted. If there are any communities which do discriminate, they could be excepted from the bailout order. Yet, Senator DOLE'S predictions are encouraging, and I sincerely hope that some relief will be available for covered jurisdictions.

The 25-year extension of the preclearance provision is also stringent. I originally supported a 10-year extension but the 25-year period does represent some improvement over the House bill which extended the preclearance requirements in perpetuity. At least S. 1992 anticipates a specific point in time when the burdensome Federal intervention in State and local election matters will cease. The current bill also requires a review by Congress of the bailout process in 15 years. Hopefully, this may be the occasion to determine that further Federal intervention is no longer justified. Moreover, the inclusion of new bailout provisions means that deserving jurisdictions will have the opportunity to obtain release from the preclearance requirement before the end of the 25-year period. I sincerely hope that Senator DOLE'S prediction on this account will prove true.

The assurances by proponents of S. 1992 have provided some evidence that the legislation can be viewed in a light which is fair and reasonable and the opinion of Senator DOLE on these issues is particularly significant. Undoubtedly, this legislation will be tested and clarified in the courts, and it is my sincere hope that Senator DOLE has provided an accurate prediction of the probable construction of these amendments. Also, there may be serious constitutional questions about this legislation, and I hope that the amendments will be construed to bring this bill well within the limits of the Constitution. Proponents of the bill have stated that this result is possible.

I remain, nevertheless, concerned about these issues, and I will continue to seek legislation which clarifies the meaning of these amendments. The language of the act itself should plainly conform to the predictions of its proponents. In short, I plan to continue my efforts to protect this Nation against a system of proportional representation, to provide a reasonable bailout requirement, and to bring the preclearance provisions of section 5 to an end within a timeframe based on appropriate recognition of the achievements of the covered jurisdictions.

The question for me is whether I can be most effective in achieving those goals by voting against the bill or whether my effectiveness would be enhanced by accepting the legislation in its current form and then seeking the assistance of my colleagues in the Senate to make the necessary improvements at some future date. As I consider this question, I must take into account the common perception that a vote against this bill indicates opposition to the right to vote and, indeed, opposition to the group of citizens who are protected under the Voting Rights Act.

I firmly believe that this perception is incorrect, and I can state categorically that, in fact, a vote against this bill on my part would not represent a rejection of the right to vote nor a rejection of the civil rights of persons protected under this act.

However, I must pay attention to this perception and the potential effect on my ability to secure full satisfaction of my concerns about this legislation. Therefore, I have decided to support final passage of S. 1992, while at the same time committing myself to securing necessary relief through future legislative action. In this way, I can make clear once and for all, my resolute commitment to the right to vote and at the same time gain support for future improvements in this legislation.

Mr. DOLE. Mr. President, I wish to make just a few remarks to further clarify my intent about the compromise amendments to section 2. There have been a number of disagreements on the floor as to the proper interpretation of this provision. I would simply like to underscore my views again on the general thrust of the compromise.

I had substantial problems with the intent test, but I also had problems with how the "results" language of the bill passed by the House might be construed. I have been concerned with the intent test because I believe that it reflects an excessively difficult standard for identifying discrimination and one that is not appropriate with respect to the questions that it asks of defendants, for example, because typically it focuses on the intent of actions which took place decades ago. However, I was concerned with the "results" language because sincere concerns had been voiced that it might leave open the possibility of establishing a standard of proportional representation by race and because it, too, might be interpreted to have a misplaced focus, for example, on a mere statistical disparate impact.

What I have sought to accomplish with the compromise to section 2 is to address both concerns. I believe that the results test is a provision that is well equipped to identify both overt and subtle methods of discrimination while avoiding possible problems which might arise from the lack of specificity of the language contained in the House bill. The critical aspect of this compromise is that it clarifies that the focus is upon whether or not minorities have an "equal opportunity to participate" in the electoral process. In other words, the question to be decided is whether or not minorities have "equal access" to the political process. "Equal access" does not imply any right among minority groups to be elected in particular proportions: It does not imply a right to proportional representation of any kind. As I emphasized in the Judiciary Committee, the provision explicitly precludes the establishment of any right to proportional representation. And, under our law, remedies do no more than secure the right that is guaranteed. No minority group has any constitutional or statutory right to have elected any particular number of their group, to political office. They do have a right to have the same opportunity as others to elect candidates of their choice and they do have a right to be free from racial discrimination, overt or subtle.

By the expression of an entitlement to "elect representative of their choice," the amendment provides, as did White and its progeny, that members of minority groups have a right to register, vote, and to have their vote fairly counted. There is no guarantee of success: Just an equal opportunity to participate.

Under the White standard which my compromise codifies, minority group members are not peculiarly exempt from gerrymander, but they are entitled to judicial intervention when districting schemes operate, under the totality of circumstances, to minimize or dilute their vote. Similarly, as I re-

sponded to Senator HATCH in the committee with respect to at-large systems of government, there is nothing inherently suspect about such systems of government as White made clear. At-large election systems do not automatically transform legitimate and neutral systems of government into illegitimate and unlawful systems. Under White, the critical test in determining whether or not there is a violation is whether an at-large system, or any other electoral structure or practice, operates, under the totality of circumstances, to deny minorities equal access to the electoral process. To emphasize again, "equal access" is not to be confused with any assurance that minorities must be elected in proportion to their population, but merely with the assurance that the members of the protected group are entitled to an equal opportunity to participate in the political process.

Mr. President, the essence of the Dole compromise was to draw a basic distinction between the issue of access to the political process and election results. And because the language of the House bill did not unequivocally make this distinction, it does represent a compromise. If that distinction has not already been made clear to everyone by the assurances in the committee report and my additional views, I hope that my statement for the record will remove any lingering doubt. Finally, I want to express appreciation to all of my colleagues who have devoted attention to this issue. They have impelled us to think hard about the question and, in the process, to formulate with precision a set of guarantees that I believe is fair and just to every citizen.

Mr. SPECTER. Mr. President, I am pleased to join with the overwhelming majority of my Senate colleagues in supporting S. 1992, the Voting Rights Act Amendments of 1982. Having sponsored this bill when it was introduced in the Senate last year and having participated in the extensive hearings before the Senate Subcommittee on the Constitution, the debate and action by the Committee on the Judiciary and the debate now concluding before this body, I am prepared to join my Senate colleagues in passing S. 1992. With the evidence of overwhelming support for the companion House bill in that body and the strong personal endorsement of the President, these beneficial modifications and expansion of the Voting Rights Act are assured timely enactment into law.

No rights are more central to the functioning and future of this political democracy than those associated with voting. This legislation goes far in insuring protection of the voting rights of racial and language minorities in this country. It deserves the support of the Congress and the faithful adherence of all citizens and public officials throughout the country.

Mr. DOLE. Mr. President, I ask unanimous consent that a colloquy between the Senator from Kansas and the Senator from Washington (Mr. GORTON) be made part of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Senator Dole, both in the committee report and in the testimony of Archibald Cox before the committee several factors are cited as being appropriate for consideration by a court in determining whether, under the totality of the circumstances, the protected class has been denied an equal opportunity to participate in the electoral process. I would like to ask you some questions about those factors as well as about your amendment in general.

Mr. Cox cites the following factors as appropriate for the court's consideration:

First, whether voting is or is not polarized along racial lines.

Second, whether minority candidates have been nominated or elected.

Third, whether minority groups are consulted in the selection of candidates.

Fourth, whether nonminority candidates appeal for minority votes and otherwise concern themselves with the needs and interests of members of the minority group.

Fifth, any previous history of racial discrimination in access to the democratic process.

Sixth, the degree and duration of exclusion from effective participation in the political process because of race.

Seventh, the importance of any nonexclusionary purpose.

I consider the first two factors to be, at first blush, somewhat inconsistent. On the one hand, racial bloc voting seems to be viewed as a way to deny minority voting rights but at the same time the factor of whether minority candidates have been nominated or elected implies, at least to me, that given equal access to the process the minority group might well itself engage in bloc voting. This concern prompts me to ask three questions. First, How are the courts to determine if there is racial bloc voting?

Mr. DOLE. It is not always possible to determine whether there is racial bloc voting occurring. Generally, proof of racial bloc voting is most readily available in a precinct system where there is an obvious correlation between the racial makeup of the precinct and the distribution of votes among the candidates in that precinct.

Mr. GORTON. Is Congress not assuming and, in part, condoning racial bloc voting by the use of factor 2?

Mr. DOLE. No, rather we are saying that the failure to nominate or elect minority candidates may indicate that the electoral system has been designed to take advantage of racial bloc votings, thus diluting the effectiveness of the participation by the protected class.

The hope is, of course, that voters will vote for candidates for normal political considerations and not solely on the basis of their race.

Mr. GORTON. Is Congress in any way transforming what in my mind ought to be an individual right into a "class right"?

Mr. DOLE. Senator, you raise an important point. I think I can best respond in this way: The right to vote remains an individual right, but in some cases the denial of their right may be based on a class characteristic. It is for that reason that the bill must speak in terms of a class of citizens, just as the 13th, 14th, and 15th amendments do. Combating the discrimination against these classes and the resulting denial of the right of individuals within the class to vote is essential in order that they have their votes equally counted with those of individuals not in the class.

Mr. GORTON. With respect to factor 4, I would like to ask this question: Why should the lack of responsiveness of an individual nonminority candidate or his or her appeal to the minority for support be a factor in determining whether the minority is being denied equal access to the process?

If the minority has access to the nomination process does not that sufficiently protect their rights? After all, none of us is guaranteed responsive candidates or elected officials, but merely the opportunity to vote for such candidates.

Mr. DOLE. You are right that periodic elections are designed to insure responsiveness. The reason lack of appeal for minority support by candidates and nonresponsiveness of officials can be factors is that they may indicate that minorities are being permanently fenced out of the political process. We have long since past the point of white primaries or other mechanisms to forestall any impact of minority participation in elections.

These factors are not in themselves determinative but may well be indicative of discrimination and should be considered in the totality of the circumstances. Let us, however, not overlook the mitigating effect these factors may have. The fact that candidates and elected officials are responsive to the needs of minority citizens may well serve as an indicator that discrimination is not present.

Mr. GORTON. I thank the Senator for his thoughtful response. I wonder, however, if I may pose a hypothetical in this regard. Would it be proper for a court to inquire into the content of the political debate in which a candidate is necessarily involved in order to

make this judgment of responsiveness? For instance, could the court make a judgment that a candidate's statement of opposition to forced busing was, in and of itself, nonresponsive to the protected class of blacks?

Mr. DOLE. No.

Mr. GORTON. I thank the Senator. In general, I have the following questions: What constitutes a denial or abridgment of the right to vote as the amendment is currently written?

Mr. DOLE. The political processes leading to nomination or election must be equally open to participation by members of a class of citizens without regard to race, color, or language minority. Accordingly, a denial or abridgment is established where that equality of opportunity to participate is lacking.

Mr. GORTON. Do you think that any or all of the factors I have cited are sufficient to demonstrate a violation of the act where there is no previous history of official discrimination?

Mr. DOLE. It is difficult to predict how a court will evaluate the particular facts established in any specific case, but so far all of the decisions find violations of the results standard of White against Regester have occurred in cases where there has been a history of discrimination.

(By request of Mr. ROBERT C. BYRD the following statement was ordered to be printed in the RECORD:)

● Mr. GLENN. Mr. President, I will be necessarily absent from the Senate today. As a result, it appears that I will miss the vote on final passage of S. 1992—the Voting Rights Act Amendments of 1982. This bill would extend and strengthen our Nation's most effective civil rights law.

I want to emphasize that had the vote been or even appeared to have been close, I would have remained in the Senate to cast my vote. As it is, there is overwhelming support for S. 1992 in this body. There are 78 Senate cosponsors and all weakening amendments have been easily defeated by a substantial majority vote. Regrettably, I will not be among the overwhelming majority of my Senate colleagues who will cast their vote in favor of S. 1992.

However, my unavoidable absence in no way diminishes my strong support for S. 1992 and for voting rights in this country. I am proud to say that I am one of the original cosponsors of S. 1992. Moreover, since the Senate began its consideration of this measure, I have consistently voted against all weakening amendments. As I stated 2 days ago in remarks which appeared in the CONGRESSIONAL RECORD, "I have and will continue my strong support for this legislation which is so important to voting rights in this country."

Last year when the Voting Rights Act amendments bill—S. 895—was originally introduced, I was among the first to become a cosponsor of the measure. In a lengthy statement on S. 895, I advised the Senate of my belief that the Voting Rights Act represents the very essence of our democracy. I believed those words then and I believe them just as strongly now. In this country, every American citizen can and must have equal access to the process of electing representatives of their choice.●

Mr. PELL. Mr. President, later today the Senate will act on the most important civil rights legislation that will be considered by the 97th Congress, the reextension of the Voting Rights Act of 1965. As a supporter of the first voting rights bill that passed the Senate by a vote of 79 to 18 in 1965, I am proud to be a cosponsor of this legislation, as well as its predecessor in this Congress, S. 895. I have supported and will continue to give my full and active support to this legislation which is so vital to securing the right to vote for every American citizen.

This bill, S. 1992, is now cosponsored by 78 Members of this body, continuing the tradition of strong bipartisan support for major civil rights legislation that has existed ever since Republicans and Democrats joined together nearly 20 years ago to legislate an end to various forms of discrimination. Among these bills, and all of them have been important to the preservation of civil rights in this country, I cannot think of a single measure more significant than the Voting Rights Act we are extending today.

In a democracy, the most fundamental value is the right to vote. Until 1965, exactly 100 years after the Civil War ended, the blight of voting discrimination existed in many parts of this Nation. Blacks were denied access to the ballot box by an avalanche of literacy tests, poll taxes, grandfather clauses, and white-only primaries. Prior to 1965, the only remedy available under the 15th amendment was the tedious, time-consuming process of case-by-case efforts to enforce voting rights. The 1965 act was a major breakthrough in the effort to end discrimination, by providing a streamlined and evenhanded procedure in place of the piecemeal litigation that had proven so ineffective in removing the barriers to black participation in the electoral process.

Today, the literacy tests and other odious forms of voting discrimination are largely a thing of the past, but the constitutional promise of free exercise of the franchise has never been fully redeemed. Other discriminatory practices and devices continue to require the constant vigilance of the Voting Rights Act. The bill before us today reflects the general consensus achieved by the Judiciary Committee on the appropriate form this extension of the Voting Rights Act should take. It is truly a consensus bill, representing the interests of Members from all regions of our Nation and all points on the political spectrum. I urge my colleagues to reaffirm our commitment to end the blight of voting discrimination by promptly adopting this extension of the 1965 act.

Mr. RIEGLE. Mr. President, I rise today to express my full support for S. 1992, legislation to extend the Voting Rights Act of 1965.

The Voting Rights Act, amended twice since its original enactment in 1965, has been one of the most important and effective pieces of civil rights legislation in our Nation's history. It stands as a critical milestone in this Nation's efforts to insure that all citizens can exercise their most basic constitutional right; the right to vote for a government of their choice.

Seventeen years ago, my predecessor in the Senate, Senator Philip Hart, led this body in its adoption of the original Voting Rights Act of 1965. Today I would like to pay him a special tribute for the profound contribution he made in setting our Nation on the path toward ending discrimination at the voting booth. As a strong advocate of civil rights efforts, Senator Hart sounded the call for liberty and justice for all Americans at a critical time in our Nation's history.

During my 16 years in Congress I have consistently supported civil rights legislation. I firmly believe that there are certain rights which the Constitution bestows on all of us, and that the Federal Government has the ultimate responsibility to guarantee full and free access to these rights.

The Voting Rights Act does not serve the interests of minority voters alone, it serves all Americans. All citizens must be allowed and encouraged to vote. It reinforces to the rest of the world our fundamental democratic principles. For our democracy to remain healthy, all elements of society must participate in the political process. To the extent that groups in a democracy are excluded from the political process, for whatever reason, democracy is flawed and incomplete.

The 15th amendment to the Constitution, ratified by Congress in 1870, guarantees that voting rights for all citizens shall not be abridged or denied by any State. Despite its clear language, the promise of the 15th amendment has never been fully realized. In fact it has often been repudiated and ignored. By the 1930's, evidence that certain States were reverting back to their old practice of denying voting rights to black citizens compelled the Federal Government to take legislative action to protect those rights.

Under section 2 of the 15th amendment, Congress has the power to enforce that amendment through appropriate legislation. Thus, the Civil Rights Act of 1957, 1960, and 1964 were adopted by Congress as steps

toward strengthening the enforcement of voting rights. Unfortunately these acts were not enough to protect the voting rights of minority citizens in this country.

In response, Congress enacted the Voting Rights Act of 1965 to provide for timely review and relief of 15th amendment violations. This act substituted a streamlined, evenhanded administrative procedure in place of the piecemeal litigation that had proved so ineffective. The signing into law of the 1965 Voting Rights Act was an important step in turning the promise of the 15th amendment into reality.

Since its passage, Congress has approved amendments to the act—in 1970 and 1975—to insure that barriers to minority voter participation do not occur, intentionally or otherwise.

Although those of us who supported those amendments in 1970 and 1975 would have hoped that by 1982, we would not have to be debating again whether this Nation should have a strong, effective voting rights law. But there are always those who would turn back the clock.

The impact of the Voting Rights Act was immediate and far-reaching. Black, Hispanic and other minority voter participation has increased dramatically in the South, Southwest and in other covered jurisdictions since 1965. In just one decade, black registration in the South nearly doubled. And since 1965, the number of black elected officials has more than tripled. Since the institution of the bilingual ballot provisions of the act in 1975, Hispanic voting strength nationwide has increased by almost one-third.

The changes in the political life of this country, most notably in the South, which have occurred as a result of the Voting Rights Act are substantial, and are to be applauded. The most outrageous discriminatory practices have been eliminated in all but a small number of jurisdictions. Minority participation in voting has increased substantially. More members of minority groups than ever before hold elected office, and more significantly, minority groups exert political influence in an even larger number of jurisdictions.

Critics of the legislation now before, us, to extend key enforcement provisions of the Voting Rights Act, contend that the law is no longer needed. They say electoral abuses are a thing of the past and that the act's enforcement provisions, which they claim fall disproportionately in the South, are both burdensome and unfair.

This bill is controversial to some simply because they have failed to realize that, despite the successes of the Voting Rights Act, the full promise of equal participation in the political process remains unfulfilled.

The hard-won gains of the act are fragile, and we must strengthen and safeguard them. The patterns of discrimination became engrained over many years, prior to the enforcement of the Voting Rights Act's remedies. It would be naive to suppose that such deeply engrained ways of political thought could be removed so quickly, or that they might not rise again if we relaxed our vigilance.

Although we have made great strides in ridding our land of this form of discrimination, it is clear that this statute must continue in place. The U.S. Commission on Civil Rights, charged by Congress with the responsibility for evaluating the effectiveness of Federal laws in combating discrimination, has found that persistent and serious obstacles to complete participation in our political process still remain.

Despite the legal protections presently afforded by the act, serious obstacles are still encountered by minorities seeking full voter participation. While obvious barriers to voting, such as a poll tax and literacy tests, may be gone, more subtle methods of discrimination have surfaced, such as gerrymandering election districts, holding at-large elections and city annexation of predominantly white areas to dilute minority voting strength. The persistence of these conditions, designed solely to deprive minorities full electoral participation, or threats of their repetition, make extension of the Voting Rights Act essential.

If we do not extend this act, we will give reluctant localities avenues of opportunity to use very sophisticated ways of disenfranchising the minority voter. The opportunities for violating both the spirit and the letter of the law are virtually limitless.

Beyond the need to protect the voting rights of blacks and Hispanics and enable them to play an active role in the voting arena, there is another compelling reason for us to renew the Voting Rights Act. I refer to the new political climate of the 1980's, with its blatant disregard for the disadvantaged and poor in our society. The one real safety net on which minorities and the poor can depend is their capacity to participate in the political system. The Voting Rights Act, to a large extent, has made this participation possible and meaningful. If you remove or water down this act, then you remove the most important tool people have to assert their own interests.

The Voting Rights Act must be extended and strengthened to make it more equitable. Extension should insure that minority citizens may register and vote without discrimination.

We all recognize that the 14th and 15th amendments were not in themselves sufficient to eliminate local discriminatory voting practices that denied minorities as equal opportunity to vote.

S. 1992 proposes potent but fair remedies to each of the major types of voter discrimination which still afflict minorities in the United States. It would:

Extend the Federal preclearance requirement not applicable to those jurisdictions and States which have histories of voting discrimination;

Permit jurisdictions, down to the county level, to be released from the preclearance requirement if they can demonstrate a genuine record of nondiscrimination in voting, and compliance with the Voting Rights Act for the previous 10 years;

Extend bilingual voting assistance requirements until 1992;

Incorporate a results test in section 2 of the act to clarify standards of evidence needed to establish a section 2 violation.

S. 1992 would continue the progress made for 17 years under the Voting Rights Act. It maintains, I believe, the effective enforcement strengths of the act while, for the first time, providing incentives for jurisdictions with good records to bail out from coverage of the act's special provisions.

The current bailout standard effectively bars bailout for all but a few jurisdictions. The proposed section 4 amendment liberalizes the bailout process, in a fair and equitable manner. There is no reason why covered jurisdictions, operating in good faith and with a genuine desire to open up their electoral processes to full participation by all citizens should not be able ultimately to satisfy these requirements. Of the more than 800 counties now covered by the act, approximately one-fourth would meet the objective criteria for bailout in 1984 and 1985.

The purpose of the section 5 bailout provision is to protect minority voting rights. Those who propose to weaken the bailout appear to be more interested in protecting local election officials from the burden and stigma of preclearance. The Constitution, the Congress and the courts have spoken on this issue many times, and have concluded that it is the proper role of the Federal Government to protect citizens from denials or abridgments of their right to vote. The Senate must focus its attention on the problems of minority voters rather than the cries from local election officials.

The continuing vitality of section 2 of the act—the basic prohibition against discriminatory voting and election practices—depends on retaining the language proposed in S. 1992. Judicial findings of section 2 violations require proof of the discriminatory effect or result of voting practices.

Extensive testimony before the Judiciary Committees of both the House and Senate clearly show that the application of the discriminatory intent

requirement can lead to grave injustices and unequal treatment of governing bodies to which it is applied. The discriminatory purpose or intent requirement belittles the voting rights of minorities in this country, and fails to provide effective protection for voting rights denials.

The difficulties of proving discriminatory intent are enhanced by other practical and legal barriers which cut off the best sources of evidence of discriminatory motivation.

The Senate is at a crossroads on voting rights. The Congress has the power to eliminate the current confusion about the standards for judging the fairness of elections systems. The intent path will leave minorities in a position where they would find it virtually impossible to obtain judicial relief from indefensible situations. Congressional acceptance of the results test, as proposed in S. 1992, will contribute to the promulgation of realistic standards that can assure minorities the opportunity for equal participation in our political processes, and help finally to fulfill the long-delayed promises of the 14th and 15th amendments.

I also strongly believe that the Senate should follow the House in approving an extension of the bilingual provisions of the act. The bilingual provisions have markedly improved the participation of language minorities, notably Hispanics, without imposing substantial costs, either financial or otherwise, on local and State governments. They have encouraged and assisted language minorities to take their rightful place in the electoral process, although here, too, the effect of previous exclusionary policies has not yet been fully undone.

There is no more basic right provided by the Constitution than the right to vote. It is a right which puts all citizens on an equal footing in their ability to vote for the candidates and causes of their choice. It is the ultimate measure of our freedom.

The Voting Rights Act has been the most powerful tool devised by Congress to protect that right.

The Senate has a responsibility to extend the Voting Rights Act, for the sake of what has happened to minority voters in the past, and to protect them from what may happen in the future. The rights of all our citizens, regardless of where they live or their nation of origin, must be protected, for that is what a democracy is all about.

As stated by Benjamin L. Hooks, executive director of the NAACP and chairman of the Leadership Conference on Civil Rights:

> * * * the Voting Rights Act is as essential in the 1980s as it was in the 1960s. It is still needed to provide the mechanism to do what then President Lyndon B. Johnson envisioned when he made his remarks at the signing of the Act on August 6, 1965:
>
> "This Act flows from a clear and simple wrong. Its only purpose is to right that wrong. Millions of Americans are denied the right to vote because of their color. This law will ensure them the right to vote. The wrong is one which no American in his heart can justify. The right is one which no American, true to our principles, can deny * * *"

I am proud to sponsor this legislation and vote for its passage.

Mr. HAYAKAWA. Mr. President, despite my basic agreement with the purposes of the Voting Rights Act, I am voting against final passage. The "bilingual" provisions of the act added in 1975 to enable non-English-speaking Americans to vote are poisoned at their source by racism. While the bilingual provisions are meant to equalize opportunities to vote, they are targeted strictly at non-white people—American Indians ("red" people), Eskimos, Mexican Americans, ("brown" people), and Asians ("yellow" people).

But non-English-speaking white people are equally handicapped in the voting process, be they Swedes, Greeks, Italians, Portuguese, Poles, or Jews. But, if a constituency contains a population that is 5-percent non-English-speaking Hassidic Jews, no bilingual ballots are mandated for them. It is as if the framers of this legislation believed that learning English is beyond the capacities of non-white people, who therefore need ballots in their own language, while white people are smart enough to need no such assistance. If this isn't institutionalized racism, I don't know what is.

I also protest the nonsensical process of deciding on the basis of surnames the existence of a non-English-speaking body of voters. As I have argued earlier, the possessor of a Mexican or Japanese surname may be—and in California very likely is—an English-speaking person, who may or may not be able to read Spanish or Japanese.

The bilingual ballot provisions are a shocking example of condescending white do-gooderism. The basic purposes of the Voting Rights Act of 1965 have largely been achieved, and as blacks in the South grow in political experience and wisdom, such inequities as continue to exist will continue to diminish in the North as well as in the South. The Voting Rights Act of 1965 will continue to be law whether the present act, with all its absurdities, is passed. I, therefore, vote no on final passage of the Voting Rights Act amendments of 1982.

Mr. EAST. Mr. President, the Voting Rights Act extension, as I have noted at length in the report of the Judiciary Committee and here again on the Senate floor, is fatally flawed. What this legislation seeks to accomplish is a fundamental alteration of the Constitution and the American system of democratic government by changing the right to vote from an individual right to a right of group representation for minorities. Such a radical restructuring of our political system runs counter to the basic purpose and design of the 15th amendment, which guarantees the right to vote, not the right to have certain candidates from a preferred class automatically elected.

Mr. President, no one disputes the fact that all Americans are entitled to participate in the electoral process. The Constitution guarantees all citizens, irrespective of race or color, the right to vote. But it does not guarantee, as this legislation proclaims, that groups have a right "to elect representatives of their choice." If Senators wish to create a privileged class of voters, then they should propose an amendment to the Constitution and let the people of this Nation decide whether they want a new type of democracy.

Moreover, the law is regional in application and punitive in nature, in violation of the well-established principle that all States of this Union should stand on an equal footing. A sound public policy offers incentives and rewards for good-faith compliance with the law. But under this act a reasonable bailout is still an impossibility, and all of the covered jurisdictions, including my State of North Carolina which has scrupulously followed the law, will be arbitrarily chained to the onerous preclearance provisions of section 5 for 25 more years, or a total of nearly a half century.

Contrary to the basic priniciples of Anglo-American jurisprudence applied since this country was founded, targeted States will have to continue to bear the burden of proving their innocence under the act. Their elected officials will still have to come all the way to Washington to litigate disputes with the Justice Department because their local Federal courts will not be permitted to hear such cases. Justice demands a neutral forum for the determination of legal disputes; yet this act deliberately grants exclusive jurisdiction to the Federal courts in the District of Columbia, the assumption being—and it is a deplorable one—that we cannot trust local Federal judges to rule fairly, and that judges in Washington possess exclusive wisdom in these matters.

Mr. President, instead of merely extending certain provisions of the act to protect voter access to the ballot, the proponents of S. 1992, it may now be seen, have actually preserved intact all of the vindictive and unconscionable features of the original legislation, while at the same time pushing this Nation down the path of proportional representation. What was once a well-intentioned effort to expand black voter registration has now become a

wild and revolutionary departure from the basic principles of American constitutional government.

Mr. President, had these countless flaws in the act been corrected, I would have been prepared to support it. But no changes have been tolerated, and no improvements welcomed by the proponents of this legislation. We have had, by my count, 15 rollcall votes on substantive amendments that would have remedied many of the problems inherent in this act; but every amendment has been routinely rejected. The proponents of this legislation have, in fact, steadfastly resisted any and all efforts toward compromise. Similarly, the hurried and preemptory debate on many of the amendments was troublesome.

For these reasons, Mr. President, I deeply regret that I must oppose this legislation. It is my expectation that the Supreme Court will look upon this legislation as unconstitutional, and that the Senate will eventually have to reevaluate the unfortunate action it is taking today.

● Mr. PACKWOOD. Mr. President, no right is more fundamental to our democracy than the right to vote. In 1870, the 15th amendment to our Constitution was ratified to prevent States from denying an individual his right to vote because of his race, color, or his having been a slave. Unfortunately, though the 15th amendment gave blacks and other minorities the right to vote, some States and counties were able to deny them their part in our electoral process by discriminatory election laws and voting practices. In denying these individuals the right to vote, these States prevented them from participating in our democracy.

In 1965, Congress passed the Voting Rights Act to enforce the 15th amendment. The Voting Rights Act specifically prohibits States or counties from using literacy tests, registration requirements, or election practices which would deny minorities the right to vote and have their vote count. The Voting Rights Act went further to insure no minority voting rights or access to the electoral process were denied by practices designed to insure a white majority.

These provisions of the Voting Rights Act are law and will remain law. In these provisions, and in total, the Voting Rights Act has been the most effective piece of civil rights legislation ever passed.●

Mr. KENNEDY. Mr. President, I, and my colleagues, have spoken of the overwhelming support for this legislation, in the form reported by the committee. I have noted the support from groups and individuals around the country. I would like to place in the RECORD, editorials and articles as well as the letters of support that I, and my colleagues have received.

These communications represent Americans from all parts of the country. They represent Americans from the various religious denomination, bar groups, public service organizations, and others concerned about protecting voting rights for all Americans. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LEADERSHIP CONFERENCE
ON CIVIL RIGHTS,
Washington, D.C., June 4, 1982.

DEAR SENATOR: On behalf of the 160 national organizations comprising the Leadership Conference on Civil Rights, we want to once again express our deepest appreciation for your co-sponsorship of S. 1992, the Mathias-Kennedy-Dole bill to extend the Voting Rights Act of 1965.

We believe that the legislation as reported out of the Senate Judiciary Committee by a 17-1 vote is good, fair, and effective. While achieving the objectives of the bill passed 389-24 by the House of Representatives, it allays the fears (which we believe were unfounded) that some have raised regarding that measure.

We look forward to working with you to oppose weakening amendments and, if there is a filibuster, to invoke cloture at the earliest opportunity.

Under separate cover we have sent you and your staff briefing materials on the bill and the issues which will be the principal focus of the floor debate.

If you have any questions or would like additional materials, please call Ralph Neas at 667-1780.

With best regards,

Sincerely,

BENJAMIN L. HOOKS,
Chairperson.
RALPH G. NEAS,
Executive Director.

NATIONAL URBAN LEAGUE, INC.,
Washington, D.C., June 16, 1982.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: The National Urban League takes this opportunity to impress upon you once again our position on the extension of the Voting Rights Act of 1965. We firmly and unequivocally support passage of S. 1992 without compromise, without amendment.

The bill which is currently before you is a bipartisan agreement sponsored by Senators Dole, Kennedy, and Mathias and supported by the White House. Although we support this initiative, we considered it a fair and reasonable compromise from our original position. This letter is therefore to reaffirm the position of the National Urban League: We do not depart from the present language of S. 1992.

We urge you to pass S. 1992 expeditiously to ensure the effectiveness of voting protections for all Americans.

Sincerely,

MAUDINE R. COOPER,
Vice President, for Washington operations.

AMERICAN ASSOCIATION
OF UNIVERSITY WOMEN,
Idaho Falls, Idaho, May 15, 1982.

DEAR SENATOR KENNEDY: The Idaho Falls branch of AAUW continues to support the Voting Rights Act without any amendments. Your support of civil rights protections will be appreciated.

Sincerely,

R. KAY SNYDER,
Legislative chair.
LINDA MARTIN,
President.

DELTA SIGMA THETA SORORITY, INC.,
TUSKEGEE ALUMNAE CHAPTER,
May 21, 1982.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: As president of the Tuskegee Alumnae Chapter of Delta Sigma Theta Sorority, Inc., a public service organization with a national membership of over one-hundred thousand Black women and a local membership of one-hundred and sixty, I urge you to support S. 1992 without any amendments.

Your favorable consideration of this request is urgently solicited and appreciated.

Sincerely,

GERALDINE P. OLDHAM,
President.

MAILGRAM

NATIONAL EDUCATION ASSOCIATION,
Washington D.C., June 8, 1982.

Hon. EDWARD M. KENNEDY,
U. S. Senate,
Washington, D.C.

On behalf of the more than 1.7 million members of the National Education Association, we strongly urge you to support S. 1992, the Mathias-Kennedy-Dole bill, oppose weakening amendments, and vote for cloture at the earliest opportunity if there is a filibuster.

LINDA TARR-WHELAN,
Director of Government Relations,
National Education Association.

PEOPLE FOR THE AMERICAN WAY,
Washington, D.C., June 8, 1982.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: On behalf of People for the American Way and our national membership of 75,000, I urge you to support S. 1992, the Mathias-Kennedy-Dole Bill to extend the Voting Rights Act of 1965.

People for, a non-profit, nonpartisan educational organization dedicated to promoting and protecting our constitutional rights and freedoms, agrees with S. 1992's sponsors that the Voting Rights Act is our nation's most important and effective civil rights law and should be extended. The question of civil rights is of direct and urgent concern to us. The rights of minorities are so fundamental to our constitutional and religious freedoms as a nation and as Americans that they are indistinguishable from the rights of us all.

We hope that you will oppose all weakening amendments that may be offered and all attempts at filibuster.

Thank you for your attention to this matter.

Sincerely,

ANTHONY T. PODESTA,
Executive Director.

UNITED STEELWORKERS OF AMERICA,
Washington, D.C., June 4, 1982.

DEAR SENATOR: One of the more successful civil rights legislative initiatives was the

Voting Rights Act. Its previous extension was eminently justified by review of its enforcement history and its impact in addressing voting discrimination.

The current proposal to extend the law is equally justifiable, especially since it provides the states with a self-initiating withdrawal from the pre-clearance obligations of Section 5.

The clarification in Section 2 of what constitutes discriminating action in the electoral process provides a statutory response to the "intent" vs the "results" standard. The language developed by Senators Mathias, Dole and Kennedy allows the Act to continue, in an evenhanded manner, equal participation in the election process.

We urge your support of the bill which has been reported out of the Judiciary Committee. Since the bill represents a sincere consensus we suggest that it be passed without any amendments.

Sincerely,

JOHN J. SHEEHAN,
Legislative Director.

U.S. CATHOLIC CONFERENCE, DEPARTMENT OF SOCIAL DEVELOPMENT AND WORLD PEACE,
Washington, D.C., June , 1982.

DEAR SENATOR: The Senate will shortly vote on legislation to extend the Voting Rights Act. I am writing to urge you to support S. 1992, as reported by the Senate Judiciary Committee.

The Voting Rights Act is one of the most important civil rights laws ever passed by Congress. It has opened the political process to millions of minority citizens who were previously excluded because of their skin color or language. While significant gains have been made in minority voter registration, in voting and in the election of minorities to public office, the promise of equal participation in the political arena still remains unfulfilled. It is because of continued obstacles to equal participation that the crucial safeguards of the Act must be extended.

Amendments to the Committee-passed bill which would require an "intent" test, as well as those which would weaken the bailout provision, would seriously undermine the effectiveness of the Voting Rights Act.

INTENT TEST

In the debate over the intent test, one should not ignore that the Voting Rights Act was passed because previous efforts to secure the rights guaranteed by the Fifteenth Amendment had not been effective. It was agreed that the right to vote deserves special judicial protections as the "preserver of all other rights." The intent test, because it is a difficult standard to meet, could directly affect the continuation of practices which effectively discriminate against minority voters. In this respect, the debate over the intent test is a debate over the most fundamental of all rights to participation in a democratic society and whether or not abuses will go unchallenged.

BAILOUT

We do not support a more permissive bailout standard than the one established by S. 1992. The bailout provision in the bill would for the first time allow states and counties to escape the preclearance coverage established in Section 5 of the Act. A more permissive bailout would weaken the preclearance requirement and the protections it affords minority voters.

CHURCH OF THE BRETHREN,
Washington, D.C., May 25, 1982.

Senator EDWARD M. KENNEDY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: It is our understanding that the Voting Rights Act Extension bill, S. 1992, as voted out of the Judiciary Committee on May 4, will be before the full Senate within the next week or two.

Our government is to rule with justice for all persons in order that each may have a rightful place within our society. The Church of the Brethren, in upholding this principle, supports protection of the right to vote as one of the basic Constitutional rights to be preserved for all. We believe that S. 1992 in its present form provides for the essential, long-range legal protection of those rights which our country continues to need.

This major civil rights bill is now ready for Senate action because of the commitment and work of many individuals and organizations. We recognize that your dedication and involvement has been critical to the advancement of this legislation, and we want to express our appreciation to you.

Sincerely,

RONALD P. HANFT,
Director.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., June 4, 1982.

DEAR SENATOR: The extension and amendment of the Voting Rights Act of 1965, is now before the U.S. Senate as its pending business (S. 1992). The Voting Rights Act of 1965 is a civil rights law which has worked effectively to open electoral opportunities to minority citizens. The current amendments in S. 1992 extend the law, give covered jurisdictions the opportunity to "bail out" from coverage of the pre-clearance provisions of the law, and clarify the legal standard necessary to prove voting discrimination.

These amendments have had thorough legislative scrutiny. The bill, reported 17-1 by the Senate Judiciary Committee, is a tribute to the legislative prowess of the members of the Committee who worked so effectively to craft a bill now co-sponsored by 75 members of the Senate.

Obviously, amendments will be offered on the Senate floor to this legislation. No issue which will be raised on the floor, however, has not been analyzed in one form or another as this legislation has come through the legislative process. Further amendments in our judgment, will not enhance the product of the Senate Judiciary Committee, and may prove to be counterproductive. Certainly any attempts to stall the procedures of the U.S. Senate in debating and voting on this legislation are totally without merit.

The AFL-CIO urges you to vote in favor of S. 1992 without delay or damage of a finely crafted bill. Passage of S. 1992 will allow the Congress and the country to point with justifiable pride to a civil rights accomplishment of truly significant proportions.

Sincerely,

RAY DENISON,
Director, Department of Legislation.

[Mailgram]

UNITED FOOD AND COMMERCIAL WORKERS,
Washington, D.C. June 3, 1982.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.
To all U.S. Senators:

Senate will consider S. 1992, voting rights bill, shortly. This extremely important measure to assure most basic political right to all citizens was overwhelmingly approved by Judiciary Committee. It deserves overwhelming approval on Senate floor. We respectfully urge you to support S. 1992 and oppose all amendments. If filibuster develops, please vote for cloture.

Thank you.

WILLIAM H. WYNN,
International President.

[Mailgram]

NATIONAL CONFERENCE OF CHRISTIANS AND JEWS,
New York, N.Y., June 2, 1982.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: As president of the National conference of Christians and Jews, an organization which has been in the continuing struggle to combat bigotry and prejudice since our founding in 1928, I am asking all Members of the United States Senate to support the Mathias-Kennedy-Dole voting rights bill (S. 1992) when it comes to the floor for full debate.

We were deeply disturbed at positions advocated last year which were apparently designed to emasculate the historic Voting Rights Act of 1965.

Therefore, it is with heartfelt gratitude that we congratulate Senator BOB DOLE of Kansas for his brilliant leadership in finding a formula that is acceptable to everyone. To quote President Reagan, the way has been paved "toward swift extension of the Voting Rights Act by the entire Congress."

Indeed, it has, and Senators Kennedy of Massachusetts and Mathias of Maryland also are to be congratulated for their forthright defense of hard-won civil rights for American citizens.

The Voting Rights Act of 1965 was a national victory in the long and continuing fight by so many Americans of all color and religions against bigotry.

Let us not forget the high cost in human life that was paid to acquire the precious right to vote.

And let us not forget the courage of those such as Andrew Goodman, Michael Schwerner, James Chaney and Viola Liuzzo who were murdered for their efforts to secure constitutionally guaranteed voting rights.

We hope everyone will recognize the significance of the need to pass Senate bill S. 1992 without any weakening amendments.

Dr. DAVID HYATT,
President.

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, D.C., May 27, 1982.

DEAR SENATOR: As the Senate prepares to consider S. 1992, a bill that would extend sections of the Voting Rights Act, the National Conference of State Legislatures, the official representative of the nation's 7500 state legislators, supports extension of the Voting Rights Act and encourages you to

vote for the extension of this important legislation.

We strongly encourage you to support the compromise language for section 2 of S. 1992. The National Conference of State Legislatures has adopted a policy which states that, ". . . discriminatory results are more accurate indicators of discriminatory voting practices than proof of intent . . ." Thus, we could support the new language adopted by the Senate Judiciary Committee for section 2. We think the new language makes clear that proportional representation is not mandated by the Voting Rights Act and, at the same time ensures that minority citizens will have equal access to the voting process.

We hope you will consider our views when S. 1992 is debated on the Senate floor, and that you will vote against any amendments that would weaken or delay the impact of section 2 and the extension of the Voting Rights Act.

Sincerely,

DAVID NETHING,
Chairman, State-Federal Assembly Majority Leader, North Dakota State Senate.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—UAW,
Washington. D.C., May 17, 1982.

Hon. EDWARD KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: As you know, it is generally recognized that the Voting Rights Act of 1965 is perhaps the most effective of all civil rights measures enacted by the Congress. Since it was first proposed, the UAW has supported this critically—important statute and legislation to extend and improve it each time the issue has been consideed in Congress.

The Senate now has a historic opportunity to demonstrate to all Americans its continuing and firm commitment to the proposition that the right to vote should be effectively guaranteed for all citizens. It can do so by enthusiastically and overwhelmingly approving the Mathias-Kennedy-Dole bill (S. 1992), as reported by the Committee on the Judiciary.

Prompt passage of this legislation, in our view, is absolutely essential. We believe strongly that votes for S. 1992, as reported, and against all weakening amendments will be votes for fairness, for equality and in the national interest.

On behalf of the UAW and its membership, I urge you to vote for S. 1992 and against all attempts to weaken it. We will appreciate your support.

Sincerely,

DICK WARDEN,
Legislative Director.

LEAGUE OF WOMEN VOTERS OF THE UNITED STATES,
Washington D.C., May 5, 1982.

Hon. EDWARD KENNEDY,
U.S. Senate
Washington, D.C.

DEAR SENATOR: Delegates to the 35th National Convention of the League of Women Voters meeting in Houston Tex., urge your strong support for S. 1992, the Voting Rights Act extension, as reported by the Senate Judiciary Committee. We urge you to oppose all weakening amendments. Nothing is more fundamental to the American democratic form of government than the right to vote. S. 1992, as reported by the committee, will protect the right to vote for millions of minority Americans. We urge your support without amendment.

LEAGUE OF WOMEN VOTERS.

NATIONAL ASSOCIATION OF SOCIAL WORKERS, INC.,
Washington, D.C., May 25, 1982.

To the Senate:

The National Association of Social Workers (NASW) 90,000 members nationwide, urges you to vote for extension of the Voting Rights Act (S. 1992) and to vote against any weakening amendments.

We believe the bi-partisan bill is a fair compromise that can effectively guard against discriminatory electoral processes without imposing a quota system of any type. NASW has a long-standing commitment to the fight against discrimination. Anti-discrimination is ranked among our top five priorities by NASW's Delegate Assembly, the Association's highest policymaking body. The Voting Rights Act is one of the few items on the current Congressional agenda which contributes directly to that goal.

At a time when so much of the business of Congress is dominated by economic concerns, extension of the Voting Rights Act provides an opportunity for you to affirm your belief in equality without having to be concerned with a price tag. I hope you will seize this opportunity by voting yes on the Mathias-Kennedy-Dole bill and against weakening amendments.

Sincerely,

C. ANNETTE MAXEY, ACSW,
Executive Director.

AMERICAN BAR ASSOCIATION,
Washington, D.C., April 26, 1982.

Re support Voting Rights Act extension, S. 1992, with "results" test.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the 290,000-member American Bar Association, I urge your continued support for extension of the Voting Rights Act of 1965, as amended. I also urge you to endorse amendments to the subcommittee-approved version of S. 1992 to reestablish the "results" standard for proving violations of the Act and to relax the provisions under which jurisdictions may "bail out" from coverage of the Section 5 preclearance requirements (or be administratively exempted in the case of a local jurisdiction with less than a 5-percent minority population).

I had the privilege of outlining the Association's reasons for our support of the Voting Rights Act during Chairman Hatch's Subcommittee hearings, and commend Senator Hatch for the expeditious and balanced consideration by him and his subcommittee. However, I regret the narrow approval by the Constitution Subcommittee of a so-called "simple extension" of the Act without either approving a results standard for violations of the Act, or making it easier for jurisdictions required to preclear voting law changes to bail out from those requirements. Consequently, I must take exception to the accuracy of some of the interpretations of current constitutional law included in the Subcommittee's report on S. 1992. In this regard, the ABA's views are on record with the Subcommittee and, consequently, I will only address here the absolute necessity of approving a results test for Section 2.

First, a results standard for proving violations of the Act's prohibition on discriminatory voting practices is fully within the legislative power of Congress to establish. Such a provision would not overturn the Supreme Court's interpretation of the 14th and 15th Amendments in the *City of Mobile* v. *Bolden*, 446 U.S. 55 (1980). To the contrary, the ABA's strong opposition to attempts to alter constitutional law through legislation would place us first in line against a results test if it were a back-door attempt to amend the Constitution. It is not, and the scope of the Bolden decision's application to cases arising under the 14th Amendment will remain unaltered.

Second, the results test is the only effective means by which Congress can continue the Voting Rights Act principle Congress itself established—namely, that all citizens shall have equal access to the electoral process. The basic purpose of the 1965 Act was to eradicate discrimination in voting in fact, and the addition of an explicit results test to the Act continues this assurance. Unfortunately, it has been claimed that the results standard will require proportionality in an election outcome. This is simply wrong. The original text of S. 1992—which is identical to the version overwhelmingly adopted by the House of Representatives—explicitly clarifies this point, and the Judiciary Committee should, consequently, reject misleading assertions that racial quotas will be required in elections. The results standard is not aimed at the numerical result of an election, but rather is aimed at the discriminatory result of excluding any citizen from full participation in the electoral process.

Finally, the results test does not require a court to affix blame for illegal discrimination—it is not a punitive test, but a legal standard which seeks to eliminate illegal voting practices. The failure of the Committee to adopt the results test, however, will subject state and local officials under the intent standard of Bolden to unnecessary and protracted litigation, as the recent district court opinion on remand of the Bolden decision demonstrates. The Voting Rights Act was not a criminal statute by which a person is adjudged innocent or guilty by reason of his intent or state of mind, and should not be turned into one. This is simply a statute designed to prevent the results of voter discrimination.

I commend you for your bringing S. 1992 to the full Committee in order to assure timely congressional action. Continuation of the landmark Voting Rights Act is a national priority, and is one of the ABA's top legislative priorities. For the Association, I urge support for amendments enacting a results test and a more flexible bail out provision. As amended, I endorse prompt approval of S. 1992.

Sincerely,

DAVID R. BRINK.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN,
Washington, D.C., May 12, 1982.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The American Association of University Women, representing 190,000 college-educated women, thanks you for your co-sponsorship of the Voting Rights Act and urges you to vote for S. 1992 as amended by the Senate Judiciary Committee and without further changes. In 1964 the AAUW worked for passage of the Civil Rights Act, and since that time members have supported not only the Voting Rights Act of 1965, but also subsequent

voter registration legislation. At their recent Centennial Convention AAUW members reaffirmed their support for elimination of discrimination based on sex, race, ethnic origin, creed, marital and socio-economic status, age or disability.

The AAUW strongly favors language in the bill before the Senate which enforces the "results" test as proof of voter discrimination. This standard of proof is fair and reasonable. When reinforced by language in the bill disallowing proportional representation as the sole means to prove discrimination, Section 2 of the bill is strong, moderate, and enforceable.

AAUW also supports the preclearance "bailout" section of the bill that provides that these provisions shall expire at the end of 25 years. In past years this Section has served as the principle enforcement tool for the Voting Rights Act, and the Association sees it as essential that it remain intact now. In many instances the use of this Section has made it possible to avoid discriminatory procedures before they were put into place by local governments. At the same time, the focus of the preclearance procedure on a limited number of states has allowed for efficient enforcement of the Act. The Association hopes that at the end of another 25 years, this Section will prove to be obsolete and unnecessary. Until that time, however, it remains a very important part of the law.

Extension of the bilingual provision of the Act is likewise supported by the AAUW. While citizens of the US should be encouraged to become fluent in English, they should not be discriminated against in the voting process if they are not. Intelligent, informed voting is a cornerstone of democracy and should be within reach of every US citizen.

On behalf of AAUW, I am pleased to endorse the Voting Rights Act as amended by the Senate Judiciary Committee. We thank you for your leadership on this important legislation and hope you will support it on the floor and oppose all weakening amendments.

Sincerely,

MARY PURCELL.

EXTENSION OF THE VOTING RIGHTS ACT—STATEMENT ON

(By National League of Cities)

The National League of Cities, which represents 15,000 cities through direct membership or membership in our affiliated state municipal leagues, strongly supports extension of the Voting Rights Act. The continued existence of governmental practices that deny the right to vote to many citizens is evidence that the Voting Rights Act should be extended and strengthened.

Cities have a vital and continuing interest in the development, maintenance, and extension of vigorous and effective civil rights policies. Strong civil rights laws guarantee that citizens have the right to equal representation. Without such a right, public services and benefits are not likely to be distributed on an equitable basis.

Since adoption of the Voting Rights Act in 1965, the registration and voting rates for minorities have increased dramatically and the number of minority elected officials has increased significantly. However, numerous practices and procedures are still used to prevent full participation of minorities in the electoral process and in government. The inability of minorities to participate fully in government can adversely affect minority communities in many ways, including the following: (1) minorities may receive fewer and lower quality governmental services; (2) undesirable governmental facilities, such as garbage dumps, may be located in minority areas; (3) the minority community frequently is not provided with equal health and safety (especially police and fire) services; (4) the minority community often does not have equal access to parks, recreational, and cultural facilities; and (5) minorities may not have a proportional share of local government employment.

Shifts from elective to appointive office, racial gerrymandering, redistricting, at-large elections, and annexations are some of the devices which have been used to prevent the election of minority officials. Inconvenient location and hours of registration, frequent purgings of registration lists and complicated reregistration requirements, refusal to appoint minority registration officials, and dual registration requirements for county and city elections are some of the governmental practices which act as barriers to minority registration and voting.

We urge the Subcommittee to extend the Voting Rights Act with the following three provisions: (1) establishment of an effects rather than an intents test for Section 2 court challenges to discriminatory election procedures; (2) extension of the preclearance requirements of Section 5 and adoption of a permanent bailout procedure for covered jurisdictions; and (3) extension of the bilingual election requirements of Section 203 through 1992.

ESTABLISHMENT OF AN EFFECTS TEST

Section 2 of the Voting Rights Act, a permanent provision of the law which applies nationwide, prohibits voting practices and procedures that deny the right to vote to a person because of his race or color. We urge the Subcommittee to amend Section 2 of the Act to require proof of discriminatory effects, rather than discriminatory purpose or intent, in cases brought under this provision. This change is necessary to provide a mechanism for challenging the legality of voting and election procedures which are not subject to the law's preclearance requirements, either because they existed before the Voting Rights Act was first adopted in 1965 or because they arise jurisdictions not covered by Section 5.

The Supreme Court, in *City of Mobile* v. *Bolden*, 446 U.S. 55 (1980), ruled that a voting practice or procedure violates Section 2 only if its adoption was motivated by discriminatory intent. NLC urges the Subcommittee to restore the pre-Bolden effects test to Section 2. The courts should be allowed to consider the discriminatory voting practice in determining whether the law was violated. The intent or motivation of the officials who approved the change is difficult to prove (and may be impossible to prove if the officials who adopted the change are dead). The effects test is more objective and practical: evidence that elements of an electoral system are discriminatory and that voting discrimination is an historical fact should suffice to establish a violation of Section 2. In contrast, the intents test is a highly subjective and impractical test: evidence of a discriminatory purpose or motivation on the part of the officials who established the procedure or requirement (evidence of legislative purposes is frequently nonexistent) would be required to comply with this standard. The remedy provided by Section 2 will become an empty promise for victims of voting discrimination if they are required to meet an impossible test—proof of intent.

The proposed amendment to Section 2 includes language explicitly stating that the law does not create a right of proportional representation. Thus, the amendment would simply outlaw conduct which has the effect of discrimination on the basis of race, color, or membership in a language minority group.

EXTENSION OF PRECLEARANCE REQUIREMENTS AND ADOPTION OF A PERMANENT BAILOUT PROCEDURE

Section 5 of the existing law, scheduled to expire on August 6, 1982, requires that jurisdictions with a history of voting discrimination submit all electoral changes for preclearance to the Justice Department or the District Court for the District of Columbia. Section 4 of the Voting Rights Act establishes triggers for determining whether a jurisdiction is covered. Nine states and portions of 13 others are subject to preclearance requirements based on their use of exclusionary tests or devices (the use of English-only election materials in 1972 in jurisdictions where a single language minority group comprised more than 5 percent of the voting age population was also deemed an exclusionary test or device) in 1964, 1968, and 1972 and voter registration or turnout votes of less than 50 percent in 1964, 1968, and 1972. We urge the Subcommittee to adopt the preclearance requirements and the new bailout procedure proposed in S. 1992.

The preclearance procedures of existing law are a proven and effective tool for preventing discriminatory voting practices and procedures in those jurisdictions with a history of discrimination. Such an extraordinary remedy as preclearance is justifiable because it protects the most fundamental right in a democratic society—the right to vote. Litigation—because of the cost and time involved—cannot guarantee the timely protection of voting rights.

The bailout procedures proposed in S. 1992 will enable those jurisdictions, which are subject to preclearance requirements, to terminate their preclearance obligations. We believe that the bailout procedure is fair and equitable: it gives covered jurisdictions an incentive to involve minorities in their political processes, but does not permit termination of coverage until an adequate record of compliance is established. Under the bailout procedures of S. 1992, which would become effective on August 7, 1984, a covered jurisdiction (the political subdivisions of a fully covered state are explicitly allowed to bailout by obtaining a declaratory judgment from the District Court for the District of Columbia.

A declaratory judgment for bailout will be awarded if the jurisdiction proves that it (and its subunits) have met the bailout standards for the 10 year period preceding the filing of the suit. The declaratory judgment will be granted if during these 10 years: (1) the jurisdiction has not used exclusionary tests or devices; (2) the federal courts have not entered a final judgment against the jurisdiction for having violated the voting rights law; (3) the Federal Government has not assigned any federal examiners to the jurisdiction; (4) the jurisdiction has fully complied with the preclearance requirements of Section 5 (e.g., the Justice Department has not objected to the proposed changes); and (5) the jurisdiction can establish that its voting procedures are nondiscriminatory and it has expanded opportunities for minority participation.

The bailout procedure provides a reasonable and equitable method for jurisdictions to terminate their preclearance obligations.

We strongly urge the Subcommittee to adopt these criteria as the bailout standards.

EXTENSION OF THE BILINGUAL ELECTION REQUIREMENTS THROUGH 1992

Two provisions of the existing law have significantly increased the participation of language minorities in the electoral process. First, jurisdictions are subject to special provisions (i.e., Section 5 preclearance, and Sections 6, and 8, authorizing the case of federal examiners) if they used English-only election materials (when more than 5 percent of the voting age population are members of a single language minority group) and registration or voter turnout was less than 50 percent in 1972. (This requirement was discussed in Section I of this statement.) Second, jurisdictions must provide language assistance when members of a single language minority group make up more than 5 percent of the voting age population and their illiteracy rate is higher than the national rate. This provision is scheduled to expire in 1985.

We urge extension of the language assistance provisions of Section 203 of the Voting Rights Act through 1992. Availability of language assistance (e.g., bilingual ballots and instructions) guarantees the integration of language minorities into the political process and insures a more democratic society.

CONCLUSION

We urge the Subcommittee to approve a voting rights bill that will provide long-term protections for the right to vote, the most fundamental right in a truly democratic society. We believe that S. 1992 includes three critical provisions: (1) an effects (rather than intents) standard of proof for court challenges to discriminatory election procedures; (2) extension of the preclearance requirements and adoption of a permanent bailout procedure; and (3) extension of the bilingual election requirements through 1992. Without these three provisions, the voting rights laws will be a less than adequate protector of the most basic constitutional right.

As city officials, we believe that passage of a strong voting rights law is necessary to guarantee democratic governments. City governments are not likely to respond to the actual needs of their citizens if artificial barriers prevent full participation in the electoral process by all segments of society. A society will not be stable and democratic if its citizens are unable to participate fully in government through the electoral process. The importance of protecting this constitutional right cannot be underestimated and more than justifies the extraordinary protections of the existing Voting Rights Act and the amendments proposed in S. 1992.

FOOD AND BEVERAGE TRADES DEPARTMENT,
Washington, D.C., May 19, 1982.

Hon. EDWARD M. KENNEDY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: During the next few days you and your colleagues will begin floor consideration of the Voting Rights Act extension (S. 1992). On behalf of 3 million members in our fifteen affiliated unions, I urge you to support this legislation, as reported by the Judiciary Committee, without weakening amendments.

Minorities compose a significant part of our total membership. For many the service trades are a passport into the economy, presenting their first real access to social mobility and personal accomplishment. And, exactly as our trades provide their economic opportunity, we support the broadest possible access to our national political life.

Accordingly, we are proud to back the bipartisan bill which has emerged from committee, and urge you to give it your vote when it comes to the floor.

Thank you for your consideration. With best regards, I am

Sincerely,

ROBERT F. HARBRANT,
President.

NETWORK,
Washington, D.C., May 19, 1982.

Dear Senator: Very soon you will have the opportunity to cast your vote for the most significant civil rights legislation to face this Congress, the Voting Rights Extension Act.

The Senate Judiciary Committee has reported out a strong and effective bill:

It clarifies the concern over proportional representation and defines the issue as a question of whether minority population groups have equal access to the political process.

It extends for 25 years fair yet strong bailout provisions.

NETWORK members throughout the country recognize that the right to participate in public policy decisions is the hallmark of our democratic system of government, and that the ability to vote is key in actualizing that right.

NETWORK urges you to support S. 1992 as reported out of committee and to oppose any weakening amendments.

Sincerely,

NANCY SYLVESTER, IHM,
NETWORK Lobbyist.

COMMUNICATIONS WORKERS OF AMERICA,
Washington, D.C., May 24, 1982.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: The Communications Workers of America, representing more than 650,000 members nationwide, strongly urges you to support S. 1992, the Mathias-Kennedy-Dole bill to extend the Voting Rights Act, and to oppose all weakening amendments.

The Voting Rights Act, with its vitally important preclearance provisions, has proven to be the most effective means of allowing minorities to participate in the nation's political process. Yet even though the law has curtailed the most blatant forms of voting discrimination, numerous barriers to electoral participation still exist. Consequently, the percentage of blacks and language minorities registered to vote remains disproportionately low.

The bipartisan extension bill is tough but fair. Along with extending the critical preclearance requirements, the bill facilitates the ability of jurisdictions to "bail out" from preclearance coverage. No longer will covered jurisdictions be penalized despite reforming voting laws and practices to encourage minority registration and participation, but neither will minorities' rights be sacrificed.

S. 1992 also contains provisions which make it clear that a discriminatory result is as illegal as a discriminatory intent. Yet while the bill now guarantees that discrimination will be rooted out, it at the same time ensures this important standard will not be interpreted so broadly as to lead to proportional representation.

The right to vote is one of the most fundamental rights of any American citizen. Our nation's commitment to this principle must remain steadfast. Now is not the time to dilute this right by weakening the legislation which clearly has been the best means for ensuring minority voting participation.

Sincerely,

JAMES B. BOOE,
Executive Vice President.

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES,
Washington, D.C., May 11, 1982.

Hon. EDWARD KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The American Federation of State, County and Municipal Employees (AFSCME), a labor union representing more than one million public employees, thanks you for your support of the Dole-Mathias-Kennedy amendment during the Senate Judiciary Committee mark-up of legislation to extend the Voting Rights Act of 1965.

The amendment represents a good, fair, and effective measure that achieves the objective—full protection of voting rights—of the legislation that passed the House of Representatives last fall by a vote of 389–24.

We trust that you will remain steadfast in your support of this compromise and will oppose all weakening amendments on the Senate floor.

Sincerely,

GERALD W. MCENTEE,
International President.
WILLIAM LUCY,
International Secretary-Treasurer.

[From the American Bar Association Journal, May 1982]

VOTING RIGHTS

By common consent the Voting Rights Act of 1965 (42 U.S.C. § 1973 et seq.) has been an amazingly successful piece of legislation. President Brink of the A.B.A. said in recent testimony before a Senate subcommittee that, as a result of the act, "more minority citizens register to vote, more minority citizens vote, and increasing numbers of minority citizens serve as elected representatives." In fact, he added, the success of the act is "full testament to its continued need."

This year Section 5 of the act must be renewed by Congress. A pioneering centerpiece of the act, Section 5 requires that nine states and political subdivisions of 13 others submit proposed changes in their voting laws and procedures to the attorney general for approval. Unhappy as these states and areas may be with this provision, the fact is that since 1965 the attorney general has objected under this preclearance procedure to more than 800 discriminatory voting law changes, and more than half of these have occurred since the act was last extended in 1975. In the face of this evidence of continuing discrimination, the House of Representatives voted last year by 389 to 24 to extend these provisions of the act. An identical Senate bill is cosponsored by 65 senators.

At the 1981 annual meeting of the American Bar Association, the House of Delegates endorsed extension of the Section 5 preclearance provisions with an amendment to make it easier for jurisdictions covered by Section 5 to exempt themselves—to "bail out"—from the requirements by showing the United States District Court for the District of Columbia that discriminatory proce-

dures and methods have been eliminated and that there has been a history of compliance with the act. The House-Passed bill liberalized existing bail-out procedures, which the Senate also is likely to favor.

The A.B.A.'s resolution goes a step further and recommends that the attorney general be granted discretion to exempt administratively localities with small minority populations within states covered by Section 5. For instance, because Texas is a covered state, all political entities in the state must submit voting law changes for preclearance. But in some of these entities there are few or no minorities and no danger of discrimination. The A.B.A. urges that the attorney general should be able to exempt these areas by administrative action. The House of Representatives, however, did not include this provision in the bill it passed.

Now that Senate hearings have been concluded, it is clear that the Senate floor debate will focus more on a proposed amendment to Section 2 of the act than on the preclearance provisions of Section 5—the latter now having been endorsed by former opponents. Section 2 applies to all states and political subdivisions and provides: "No voting qualification or prerequisite to voting, or standard, practice, or procedure shall be imposed or applied by any state or political subdivision to deny or abridge the right of any citizen of the United States to vote on account of race or color." In 1980 in *City of Mobile* v. *Bolden,* 446 U.S. 55, a splintered Supreme Court held in a plurality opinion that plaintiffs suing under Section 2 had to show purposeful discrimination to succeed. The amendment to Section 2, which was approved by the House of Representatives, supported by the A.B.A., and approved by a Senate majority, would eliminate the "intent" test of *City of Mobile* for Voting Rights Act cases and return to the "results" test outlined in *White* v. *Regester,* 412 U.S. 755 (1973). Under this standard the plaintiffs' burden would be to show that the political process "was not equally open to participation by the group in question—that its members had less opportunity than did other residents in the district to participate in the political processes and to elect legislators of their choice." Thus, the amendment to Section 2 provides that practices that result in a denial or abridgment of the right to vote on account of race or color will be proscribed; intent will not be the decisive factor.

This test was essentially the basis for challenges between 1965 and 1980. It makes good sense and sound law, for the purpose of the Voting Rights Act is to eradicate voting discrimination, not to affix blame or impose penalties.

As Mr. Brink recognized in his testimony, some people have expressed concern that the results test will create a right to proportional representation by race or a racial quota. This was rejected by him, as it has been by others, as a scare tactic geared to killing this civil rights measure. On the other hand, the Justice Department opposes incorporating the results test in Section 2, and the case against that test was stated by Walter Berns in the March issue of Commentary.

The Section 2 amendment, however, clearly provides that the "fact that members of a minority group have not been elected in numbers equal to the group's proportion of the population shall not, in and of itself, constitute a violation of this section." The results standard should not be interpreted to go as far as the arguments against it suggest, and certainly the in-and-of-itself language should make that clear. The amendment's purpose is to restore the test in effect until 1980.

The Voting Rights Act works and should be contifued with amendments relaxifg the bail-out provisions and reinstituting the results test for determining when discrimination has occurred. Mr. Brink has included this legislative goal on his short list of priority issues, a priority virtually mandated by the vote of the House of Delegates. Congress and President Reagan should cast an equally strong vote of confidence in the electorial equality of all citizens.

[From the Raleigh (N.C.), News and Observer, May 2, 1982]

TEST FOR LINCOLN'S PARTY

In truth, there should be no controversy surrounding the Voting Rights Act. It is, after all, a law that embodies a fundamental tenet of American democracy. And it is an example of a federal law that has actually worked well.

Yet, North Carolina's Republican senators delay its extension, seek to water it down and, in general, fight it. In doing so, Jesse Helms and John East further call into question their own and their party's commitment to the participation of minorities in the nation's political process.

The Senate Judiciary Committee, of which East is a member, has before it legislation, identical to a bill passed by the House, that would extend the voting act for 10 years. The legislation contains a crucial new provision—that a violation occurs when a state or local election system "results" in discrimination against blacks or Hispanics.

This provision is needed as a result of a 1930 Supreme Court ruling. In a Mobile, Ala., case, the court ruled that challengers to an election system had to prove an "intent" to keep blacks and other minorities from winning office. If every Voting Rights Act case entailed delving into the "intent" of officials who adopted a particular locale's election laws, it would be extremely difficult to enforce the law. The Leadership Conference on Civil Rights points out that it took more than 6,000 hours of lawyer's time and 4,000 hours of the time of witnesses. and paralegals to make the case that Mobile officials intended to discriminate when they adopted an at-large city election system.

East opposes the provision that requires only proof that an election system in effect discriminates. Pointing to North Carolina's recent experience with legislative redistricting, the senator argues that the law is moving toward guaranteeing blacks "proportional representation."

East erects a straw man. Prior to the Mobile ruling, no Voting Rights Act ruling required proportional representation as a remedy. The North Carolina House and Senate redistricting plans do not guarantee that blacks will be elected to the Legislature in the proportion of blacks in the state's population. In North Carolina and elsewhere, what the Voting Rights Act guards against is blacks' being gerrymandered out of opportunities to be elected to public bodies.

Sen. Robert Dole, R-Kan., reportedly concerned that his party is squandering black political support, is said to be trying to find a compromise that would retain the House-passed "results" test while making clear that proportional representation is not required. Whatever the Senate's language, its version should be at least as strong as that of the House.

Republicans in the Senate and the White House who deny their support to extension of an effective Voting Rights Act spurn the legacy of the first Republican president, Abraham Lincoln.

[From the Boston Globe, June 1, 1982]

NO ROADBLOCK TO VOTING RIGHTS

When the Senate considers the proposed extension of the 1965 Voting Rights Act, conservative hardliner Jesse Helms (R-N.C.) has threatened a filibuster, one of his favorite delaying tactics of oppositon.

He wants a weaker "bailout" method, easier than the fair and achievable Kennedy-proposed standard by which states could prove a record worthy enough to merit exclusion from the federal review, known as preclearance and required before changes of electoral procedures.

Helms also specifically opposes the measure's jurisdiction, which is limited in full or in part to 22 states, primarily southern, instead of to all 50, though as Wyoming's Alan Simpson put it: "Let's not blather about a double standard. This stuff (voting rights violations) never started in my state."

What does Helms hope to prove by this delaying tactic? He can talk all he wants, but that is not expected to stop the extension of one of the most important pieces of civil rights legislation.

Bipartisan support is strong, as indicated by the cosponsors, 65 of 100 senators. More significantly, earlier this month, Sen. Kennedy and Republican Sens. Robert Dole of Kansas and Charles Mathias of Maryland hammered out a compromise that has drawn overwhelming backing, the belated blessing of the Reagan Administration and approval from the Judiciary Committee—certainly enough strength to shut off a filibuster.

But Helms' opposition, detailed in a letter to fellow senators, could cause some to give more serious consideration to proposed amendments or even to waffle in their support. He has threatened or organized filibusters dozens of times during his 10-year tenure in the Senate. He has previoulsy opposed other civil rights legislation and has been calling for the dismantling of the Civil Rights Commission to save money.

One must hope that Helms will clog up the works only temporarily. Quick passage is necessary—the law expires in August—to continue the safeguarding of every American's right to vote.

[From the Des Moines Register, Mar. 25, 1982]

JUSTICE DEPARTMENT OFFICIAL'S VIEW OF VOTING RIGHTS ACT CHALLENGED

(By Ralph G. Neas)

It is regrettable that Assistant Attorney General William Bradford Reynolds' Guest Opinion in the March 24 Register continues to misrepresent the law and distort the facts regarding the effort to extend the Voting Rights Act of 1965. Reynolds' assurance that he regards the right to vote as the "crown jewel of American liberties" is belied by his dismal record of voting-rights enforcement, as testified to in the Senate hearings by every major civil-rights organization. And his proposals, if successful, would cripple the effectiveness of the Voting Rights Act.

The country stands at a crossroads. The basic standard for court challenges to dis-

crimination needs to be clarified. We can clarify the law in a way that is fair because it permits remaining pockets of discrimination to be eradicated. Or we can take the path pointed to by Reynolds and adopt a standard that is impossible to prove in most cases and that will leave hundreds of thousands of black and brown Americans without full voting rights.

The bill in the Senate Judiciary Committee, S. 1992, was passed overwhelmingly by the House of Representatives. Reynolds claims that it would strike down any electoral system not designed to achieve proportional representation along racial lines. In fact, S. 1992 would reinstate the legal standard that governed such cases throughout the 1970s. That is the test established by the Supreme Court in White v. Register and applied in some two-dozen decisions by courts of appeals across the country.

White and the cases applying it all disavowed any notion of a proportional-representation requirement. Plaintiffs could not win simply with a statistical analysis of election results, as Reynolds suggests. An election practice is vulnerable only if minorities show that they have been shut out of a fair opportunity to participate in the political process.

The House report, the explanatory statements of the Senate sponsors and testimony of supporting witnesses, such as the American Bar Association all make clear that the bill will do nothing more than restore this standard. So will the Senate report. That record will be an unmistakable directive to the courts to follow the case law under White.

In many of the cases, blacks and Hispanics showed a lack of minority representation and nevertheless lost their case. For example, the Eighth Circuit Court of Appeals, whose jurisdiction includes Iowa, applied the White standard in a challenge to the at-large elections in Pine Bluff, Ark. The 8th Circuit ruled that the touchstone is whether the system is open to minority participation, and not whether there is proportional representation. It affirmed the trial judge's decision for Pine Bluff because blacks there had *"full, open and equal access* to the city's political processes."

Case after case repeats this repudiation of a proportional requirement. In short, there is an extensive and reassuring track record under the legal standard that the bill would enact. Yet we have searched Reynolds' article in vain for any reference to White or to the other cases that make up this track record. That is not surprising. Reynolds could not assert that the White test involves racial quotas. In fact, his lengthy letter cites no case at all to support his grim fairy tale.

Second, Reynolds distorts the meaning of the disclaimer against porportional representation written into the statute itself. He argues that this disclaimer would save an election system only if it provided for proportional representation but members of minority groups simply choose not to run. That bizarre interpretation flies in the face of the clear record.

The sentence was added in the House Judiciary Committee by Representative James Sensenbrenner (Rep., Wis.) in order to assure those concerned about any proportionality test. Reynolds also ignores the fact that the sentence is a paraphrase of the White standard under which members of minority groups lost numerous cases even though they ran for office and were defeated. The courts rejected the claim because they had not been shut out of a fair chance to influence the election.

So much for Reynolds' hit-and-run efforts to deal with the explicit language of the statute.

His dire predictions about local government in America are not only woven out of whole cloth; they insult the intelligence and responsible judgment of the entire Iowa delegation in the House, which voted for the bill. We are troubled that the government official charged with protecting civil rights should so persistently raise unfounded fears and twist the law in order to defeat an effective extension of the most important modern civil-rights law.

The National Conference of State Legislatures and the National League of Cities have endorsed the House bill and have rejected Reynolds' claims.

Reynolds' earlier analysis that existing law does not bar federal tax aid to segregated private schools was at odds with the court decisions, with the views of the Nixon, Ford and Carter Justice Departments, and with his own Civil Rights Division staff. His statement of the law on voting rights is similarly discredited by a reading of the cases that he steadfastly ignores.

We believe this issue is too important to the citizens of Iowa and to all Americans to be decided on the basis of Reynolds' shameful scare tactics.

As Senator Roger Jepsen (Rep. Ia.) stated on the Senate floor when he co-sponsored S. 1992: "We must continue to put forth a strong signal to all Americans, black, white, brown, or yellow, and to the world, that freedom in America is still our strongest source of strength, and that we will not hesitate to ensure that every American is guaranteed a right to exercise his or her fundamental freedoms. . . . I am proud to be a cosponsor of S. 1992, and I am confident that all freedom-loving citizens of my state will join with me in support of this act."

VOTING RIGHTS COMPROMISE

The President will soon be offered a compromise on the voting rights bill and with it and opportunity to improve his relations with the black community, to respond to moderates in his own party and to assume the leadership on an important civil rights issue. He should take it.

Extension of the Voting Rights Act has been the primary legislative objective of civil rights leaders this year. That law, parts of which are due to expire in August, has been extraordinarily effective in protecting the franchise in areas where racial discrimination had been the rule. It should be extended. The president favors extension of the law, but his support has been obscured in a bitter dispute over a change that was adopted by the House when it passed the extension bill on a vote of 389 to 24 last October.

The House bill provides that a voting system can be found to be discriminatory if the *effect* of that system is to exclude minorities from the political process. The Justice Department opposed this provision, arguing that litigants should have to prove that public officials, *intended* to discriminate when they devised the voting system. An effects test, said department officials, would lead to racial quotas and proportional representation.

No one wanted such a result, and key members of the Senate Judiciary Committee have been working to amend the bill in order to meet some of the administration's objections. Over the last two weeks, Sens. Robert Dole and Edward Kennedy and Charles Mathias have hammered out a compromise that is expected to be offered to the full Judiciary Committee by Sen. Dole early this week. More than a dozen members of the committee have indicated they will support this version of the bill.

The key changes are designed to guarantee that plaintiffs must show that the totality of circumstances—not just the election results—prove discrimination. Further, the new bill would provide specifically that no group has a right to win elective office in numbers equal to its proportion in the population.

These changes in the bill should meet any legitimate objections raised by the administration. They provide assurance that civil rights groups and legislators ranging from liberal to quite conservative have made a good-faith effort to respond to the administration's concerns. The president has every thing to gain by praising the compromise and urging prompt passage of the amended bill.

[From the New York Times, May 2, 1982]

FINALLY, HOPE FOR VOTING RIGHTS

A breakthrough is at hand for a renewed, strengthened Voting Rights Act.

The Senate Judiciary Committee, often the bloody battleground and even graveyard for civil rights legislation, finally has in sight a bill just as strong and popular as the measure that passed the House last fall, 389 to 24. The consensus is now so broad that only one question remains: Will the President join the celebration, or stick with a tiny band of die-hard, right-wing resisters?

If this new consensus holds, Senator Robert Dole of Kansas will deserve much credit. A centrist Republican, he has labored for a bill that would be fair without antagonizing conservatives. Through negotiations with civil rights stalwarts like Senators Kennedy and Mathias, he has found a formula the President should be able to endorse.

The national consensus for voting rights protections boiled up in 1965. Then and in 1970 and 1975, Congress swept away literacy tests, poll taxes and other barriers to the ballot. And states with the worst discrimination records have had to get approval from Washington before making any changes in their election rules.

This pre-clearance provision, however, stuck in Southern throats. Pressure grew for early, easy "bailout." The House said no. Instead, it devised a realistic way to restore sovereignty to jurisdictions that could show a decade of fairness, while maintaining supervision for others. The Dole plan embraces that early "bailout" concept while monitoring recalcitrant jurisdictions for up to 25 years.

A second thorny issue concerns the burden placed on plaintiffs trying to challenge laws and practices that subtly but effectively deny voting rights to minorities.

The problem arose from a 1980 Supreme Court ruling involving Mobile, Ala. The Court appeared to require, no matter how severe the discriminatory effect, that plaintiffs prove that such laws and practices arose for discriminatory motives. Mobile's blacks had to search Reconstruction era archives for evidence. They found it, but not every minority community will be so fortunate.

Hence the House bill defines a violation on the basis of discriminatory "results." The Administration argued that the bill, by requiring certain election outcomes, would impose "proportional representation"—

ethnic quotas—on state and local politics. The Justice Department said it was not reassured by the House bill's explicit disclaimer of any such purpose. Again, Senator Dole has achieved a deft compromise, adding new disclaimers that offer additional, reasonable reassurances.

Those assurances offer President Reagan a respectable way out of the hole he has dug for himself on voting rights. They allow him to say that the quota issue is no longer the drawback he thought it was. If he means what he says about a lifelong commitment to civil rights, here is a superb way, paved by a legislator of impeccable G.O.P credentials, to prove it.

[From the New York Times, Feb. 5, 1982]

SAVING VOTING RIGHTS

(By Frank R. Parker)

WASHINGTON.—The Administration opposes the pending amendment to the Voting Rights Act that would prohibit any law "which results in a denial or abridgement" of the right to vote on account of race or language. Senators who oppose the amendment argue that it is possible to prove intent to discriminate and also that the proposed amendment will result in proportional representation by race. The extreme difficulties of proving discriminatory intent and the plain words of the bill itself clearly refute both arguments.

The small group of Senators who oppose the amendment base their arguments on the new "intent" requirement established by the United States Supreme Court in its City of Mobile v. Bolden decision in 1980—a ruling that drastically altered the standard under which black and Hispanic voters had been successful in overcoming racial gerrymandering of district lines, discriminatory at-large elections, and other electoral barriers. Now, minority voters have to prove that a voting law they are challenging was adopted or retained with conscious intent to discriminate.

Proving discriminatory intent ultimately requires a determination of what was in the minds of legislators who enacted or retained the voting law being challenged. And this difficult psychoanalytic task is fraught with sometimes insuperable practical and legal barriers.

Not only were many discriminatory voting practices adopted years ago by legislators who are now dead, but the best sources of information about their discriminatory motives also are cut off by restrictive legal rules barring full investigation of lawmakers' purposes.

Testimony of legislators who authored or supported discriminatory legislation is generally prohibited by "legislative privilege," which prevents minority voters from cross-examining legislators. And recently, the Fifth Circuit Court of Appeals, which covers the Southern states, where most of these cases originate, ruled that the motivation for adoptifg allegedly discriminatory voting schemes by popular referendum is totally immune from judicial scrutiny.

In the absence of a "smoking gun," victims of discriminatory laws must resort to evidence producing what courts and legal scholars have called "inferences," "suspicions," and "likelihoods" of discriminatory intent. Here, judges frequently disagree, sometimes strenuously, on what constitutes sufficient proof. The nine Justices of the Supreme Court in the Mobile case itself were unable to agree on the proper legal standard for proving discriminatory intent. And if a majority of the Justices of the Supreme Court can't agree on how discriminatory intent can be proved, how does anyone know what is required? As Justice Byron R. White put it in his dissenting opinion, the Supreme Court's decision "leaves the courts below adrift on uncharted seas with respect to how to proceed."

According to the House Judiciary Committee report stating the purpose of the bill, the version of this amendment passed by the House last fall resolved the confusion growing out of the Mobile case and restored the approach followed in prior court cases that focused on the results of a challenged voting law instead of the motivation behind it.

According to those decisions, merely a lack of minority officeholders or the failure of minority candidates to win office would not be sufficient for the challenged law to be struck down. Instead, as the Supreme Court indicated in a 1973 Texas case—White v. Regester—minority voters would have to cite objective evidence such as a past history of discrimination, unfair election rules, or a pattern of racial block voting to prove that the challenged practice denied them an equal opportunity "to participate in the political processes." These prior decisions make it clear that "an aggregate" of discriminatory results must be shown for minority voters to prevail.

Any fear that the proposed amendment would require "proportional representation" or racial quotas is allayed by the plain words of the bill itself: "The fact that members of a minority group have not been elected in numbers equal to the group's proportion of the population shall not, in and of itself, constitute a violation of this section."

In November, when President Reagan supported an extension of the Voting Rights Act, he affirmed: "The right to vote is the crown jewel of American liberties, and we will not see its luster diminished." The special imposition on minorities of the burdensome and difficult "intent" requirement tarnishes this crown jewel, and should be eliminated.

[From the New York Times, Mar. 19, 1982]

VOTING RIGHTS ARE NOT QUOTAS

The Reagan Administration is stepping up its opposition to a strengthened Voting Rights Act by playing on fears of racial quotas. Attorney General Smith told the United Jewish Appeal recently that if civil rights forces have their way, local governments will be forced to "mirror the racial or language makeup" of their constituencies.

This unworthy argument does not impress the Senate, where the voting bill continues to attract new sponsors. It is nonetheless discouraging because it portrays the Administration as needlessly hostile to valuable legislation.

No oppressive regime of judicially imposed quotas will spring forth if the Senate passes the voting rights extension that the House approved last fall, 389 to 24. Indeed, the bill specifically prohibits the use of only racial proportions to find a voting rights violation.

In amending Section 2 of the 1965 act, the House sought to put the law back where it was before 1980, when a deeply divided Supreme Court made discrimination harder to prove. The Court indicated that challengers to election statutes and practices in place before 1965 must prove an intent to discriminate. That is extremely difficult; the House said the legal burden was heavier than necessary.

Take Mobile, Ala., where the Court said proof of discriminatory effect was not enough. That city's black population is more than one-third of the total. But to the extent that blacks vote a group interest, they find it extremely difficult to gain influence—partly because the city's three commissioners are all chosen at large. Under the House bill such facts, though not alone decisive, could at least be part of a discrimination case.

As Senate hearings have made clear, the law could be invoked only with additional proof that the system operated to deny minorities political power. And the proper remedy would be an order requiring elections from properly apportioned districts—not districts that would be sure to elect blacks in proportion to population but only districts that do not strangle a cohesive minority's bid for influence.

From 1965 to 1980, when the law favored civil rights lawyers, no judgment of discrimination was entered without substantial evidence that minorities were systematically excluded from politics. In no case was a quota imposed.

By talking so anxiously about quotas at this point, the Administration unnecessarily inflames the debate over voting rights renewal. Given all the dismal signals to minorities from the White House and Justice Department, that is discouraging indeed. The Senate Judiciary subcommittee, which takes up the bill soon, should resist such ill-founded pleas for weakening amendments.

[From the New York Times, Nov. 12, 1981]

REDISTRICTING PLANS IN SOUTH THWART BLACKS' HOPES

(By Reginald Stuart)

ATLANTA, November 10.—Blacks in the Deep South, who had hoped to make significant political gains in legislative seats as a result of redistricting, are being bitterly disappointed by the results.

In the last decade, with the help of the Voting Rights Act, improved voter registration and a growing list of candidates, blacks in the South made marked political gains. In a region that is roughly 22 percent black, their numbers in state legislatures swelled to 126 in 1980, or 7 percent of all state legislative seats, up from 32 in 1970.

But many blacks now argue that, in retrospect, the reapportionment lines drawn after the 1970 census dealt them far fewer legislative seats than their share of the population indicates they should control. Moreover, they see little hope of sustaining any momentum in the redistricting process this year, after the 1980 census, and as a result blacks in many Southern states are filing formal complaints and lawsuits to further their cause.

"White legislators in the South who were hostile to black voters have learned constitutional law very well," said Steven Suitts, executive director of the Atlanta-based Southern Regional Council, "and they are crafting districts that are still keeping black political strength at a minimal level. In every southern state we've looked at, the protection of black voting strength is carried forth only as far as they think the Justice Department or Constitution requires and not one inch further."

The 66-year-old dean of black members of the Mississippi Legislature, Senator Henry J. Kirksey, is more blunt, saying of his state's reapportionment battles: "The black people are not going to gain a dammed thing."

Whites who control the legislatures point out that the black share of Southern population has not increased since 1970 and say that equity, not racism, is the issue.

"In conversations I have had with legislators in other states, there has not been any mood to deny blacks a fairly decent chance to win a seat," said State Representative John E. Miller of Arkansas, chairman of the Southern Legislative Conference, an association of state legislators from across the South. "In fact, most of the thinking has been the other way, to make sure blacks didn't lose what they've got."

Helping blacks maximize their voting strength—many blacks have suggested this is the proper course—would amount to "discrimination in reverse," he said, adding, "I don't believe we ought to discriminate against any group. We should do what's Christian and what's right."

Although leaders of minority groups elsewhere in the nation, including New York City, are voicing similar complaints about the redrawing of state legislative and Congressional districts, nowhere is the pattern of black dissatisfaction and resulting lawsuits more pervasive than in the South.

In large part, it was the history of disenfranchisement in the South that gave rise to the Voting Rights Act of 1965 and the one-man one-vote Supreme Court ruling. Today these two doctrines are at the heart of the redistricting disputes in the region.

Black groups and whites who support them have filed suits in Federal court seeking to overturn reapportionment plans in Virginia, South Carolina, North Carolina, Alabama and Texas on the ground that they violate the Voting Rights Act, which forbids the dilution of the voting strength of minority groups.

In addition, the Justice Department has been asked to reject reapportionment plans in Georgia, Texas, Alabama, Mississippi, North Carolina, South Carolina and Virginia. Under the act, proposed changes in election law in areas with a history of discrimination must be submitted to the Federal Government for approval. The extension of key enforcement provisions of the law that expire in August is being debated in Congress.

RULING ENDED UNEQUAL DISTRICTS

In the one-man one-vote ruling, the Supreme Court held in 1963 that Congressional districts must have approximately equal numbers of people, as must districts for the state legislatures. Although the Court has since allowed deviations of up to 16 percent, the ruling ended an era in which elected representatives from districts with small populations wielded as much legislative power as those representing urban districts with large populations.

"What we find coming into the 1980's is that it's much easier to prove one-person one-vote violations than to prove dilution," said Mr. Suitts of the Southern Regional Council, which seeks to promote equal opportunity.

The early findings in a council study on reapportionment indicate that there will be few, if any, political gains for blacks in the South if the emerging reapportionment plans are upheld, he said.

The disparities between black population and representation in state legislatures are apparent.

In Alabama, with a population that is 25.6 percent black, two of 35 state senators are black and 13 of 105 representatives are black. In Mississippi, with a 35.2 percent black population, the comparable numbers are two of 52 and 15 of 122. Both Alabama and Mississippi had court-ordered reapportionment plans. In Georgia, with a population that is 26.8 percent black, the comparable numbers are two of 56 and 21 of 180.

CAROLINAS A DIFFERENT PICTURE

In North Carolina, with a 22.4 percent black population, one of 50 state senators and three of 120 representatives are black. South Carolina, with a population 30.4 percent black, has no blacks in its State Senate of 46 members and 15 blacks among its 124 state representatives.

It is these disparities that blacks had sought to narrow, only to meet strong resistance.

In Mississippi, where blacks had sought to create a congressional district focused on the heavily black Delta, the plan adopted was little changed from the present one, protecting incumbents.

In Alabama, the Legislature drew a reapportionment plan that reduced the proportion of blacks in more than a dozen legislative districts in the predominantly black agricultural belt. This dashed hopes that the area might elect its first black legislator in this century.

And in the Birmingham area, the new lines have created a situation in which several black legislators are the only incumbents in the state to be pitted against one another for re-election.

In Georgia, a group of black elected officials, working with Republicans, failed to win legislative acceptance of a reapportionment plan that would have almost assured a black of victory in a race for Congress.

THEY COMPETE AGAINST EACH OTHER

When a reapportionment plan was completed for the Legislature, four black state representatives in the Atlanta area found themselves having to compete in the same district while several blacks in the black belt in the state saw the black majorities in their districts shrink or disappear.

In Texas, blacks, who have one representative, and Hispanic people, who have two, have argued that they made no gains in the redistricting plan, although the Texas House swells to 27 members from 24 members as a result of the state's increased population. They argue that the Republicans were the only clear gainers.

Tony Harrison, a black State Representative from Birmingham, Ala., argues that the Justice Department and the courts should look at what level of representation would be achieved under plans seeking to maximize black representation based on population in the respective states.

COULD PICK UP AT LEAST 5 SEATS

If that argument prevailed in Alabama, which is 25.6 percent black, blacks could pick up at least five seats in the State Legislature, most of them from the black belt, a string of agricultural counties stretching from western border of the state into Georgia, and two to three State Senate seats. The plan that has been approved reduces the number of black representatives by at least one, and provides for no gains in the Senate.

In each of the three districts drawn in the black belt, which has had no black representation since Reconstruction, there will be 55 percent black populations. Despite this, Mr. Harrison said, as a practical matter it would be virtually impossible to elect a black. Mr. Harrison said this was so because the percentage of people old enough to vote and the percentage of registered voters is lower for blacks than for whites in these rural areas. "The lines have been redrawn to protect the incumbents," Mr. Harrison said, "but still have majority populations to comply with the law."

A plan could be drawn, he said, that would have provided for at least four new districts in the black belt with a reasonable chance for blacks to win nearly every seat. "We're going ot have to try to make the case on dilution's reality," he said.

The population in Georgia is 26.8 percent black. There, blacks say they have a case for proving dilution. State Representative William Randall of Macon, Ga., chairman of the legislative Black Caucus, says that the plan voted by the Legislature will cost blacks at least one seat in the House, but more important, will deny blacks five additional seats in the House and four in the Senate under a plan most advantages to them.

[From the New York Times, Dec. 27, 1981]

NEW FOCUS FOR BLACKS' BATTLE ON AT-LARGE VOTING

(By Reginald Stuart)

ATLANTA, December 26.—A rural eastern Georgia county with a history of discrimination against blacks has emerged as the new legal battleground for a fight over a Supreme Court ruling that severely limits challenges to at-large election procedures.

The outcome of the Burke County, Ga., case of Lodge V. Buxton, to be argued before the Court early next year, is expected to influence the course of litigation seeking to dismantle at-large election systems as well as efforts in Congress to amend the Voting Rights Act of 1965 in a manner that would ease the new limits imposed by the Court.

Under the rights law, many cities and states may not make new voting rules until they show that the changes have no discriminatory purpose or effect. But where a challenged at-large election law has been in effect for generations, as in Burke County, the burden of proof falls to the challengers. In an at-large system, officals are elected by the city as a whole, rather than by individual wards. Blacks say this dilutes the voting strength of black neighborhoods.

Until recently courts generally had held that evidence of discrimination, such as the fact that a system in effect excluded blacks from public office, was sufficient to prove the unconstitutionality of such a system.

But a year and a half ago, a sharply divided Supreme Court, ruling with a plurality, said that it was necessary to prove not only that blacks had been from office but also that the system had been deliberately designed with that purpose in mind.

In that case the Court overturned the United States Court of Appeals for the Fifth Circuit and the Fedeal District Court in Mobile, both of which had found that the at-large election system used in that Alabama port city was unconstitutional. The lower courts based their opinions primarily upon findings of the impact of the at-large system in Mobile. The most relevant finding was that despite a sizable black population, no black in Mobile had ever won election to the City Commission since its establishment in the early 1900's.

"Only if there is purposeful discrimination can there be a violation of the equal protection clause" of the 14th Amendment to the Constitution, the Supreme Court said. Showing the impact, it held, was insufficient.

In imposing a more rigid set of rules, the Court cited a Louisiana case, the benchmark Zimmer vs. McKeithen, in which criteria for findings of discrimination were established by the Fifth Circuit Court of Appeals.

The Mobile ruling had the effect of reopening a number of cases across the South where the historical impact of discrimination had been the basis for arguing for the dismantling of at-large election systems. In Mobile, Federal District Judge Virgil Pittman retried that case early this year and a new ruling is expected soon. In the course of the retrial, attorneys for both sides confided that they were puzzled as to specifically what the Supreme Court was seeking in setting forth the new criteria.

In the Burke County, Ga., case, Federal District Judge Anthony Alaimo made findings similar to Judge Pittman's original findings in the Mobile case. But Judge Alaimo's opinion was filed in 1978, well before the Supreme Court ruled on the Mobile case.

The Burke County lawsuit challenges an at-large election system for five county commissioners that has been in use since 1911, when the county, about two-thirds the land size of Rhode Island, was a prospering agriculture area with a population of more than 30,000 people, as against just over 10,000 today.

In his order that the at-large system be replaced by a single-member district method of election, Judge Alaimo found evidence of widespread racism throughout the county that he deemed sufficient to support his remedy.

"The court concludes that the defendants are heedless of the needs of the blacks' community, whether it be in the blacks' concern for the quality of education or the quantity of paving," the judge wrote. "The sluggishness with which the commission moves in response to black demands is well-nigh the equivalent of callous indifference to that class which has fallen heir to the evil of two centuries of discrimination."

He found that no black had ever been elected to the commission, even though blacks have made up 58 percent or more of the county's population since the present form of government was adopted in 1911. Before the adoption of the Voting Rights Act in 1965, it was black disenfranchisement that barred blacks from winning an election, he found. Since then, he said, it has been block voting by whites against black candidates and whites viewed as sympathetic to blacks that has kept blacks and progressive candidates out of public office.

The judge also found that "past discrimination" in Burke County's education system had "precluded" effective black political participation and that "as a result of the lingering effects of past discrimination, the county's hiring pattern has been carried out in a manner detrimental to the black community."

MISINTERPRETATION SUGGESTED

Then the case was appealed to the Fifth Circuit Court of Appeals, which ruled this year with the benefit of the Supreme Court's new criteria. As it did in the Mobile case, the circuit court affirmed the lower court. But it seized the Georgia case to pursue a clarification of what it suggested had been a misinterpretation of a minor part of its findings in Zimmer by the Supreme Court. The circuit court suggested that the Supreme Court needed to redress its opinion to clear up misunderstanding.

The circuit court suggested three possible explanations for the Supreme Court's decision. The first was that the Court was requiring "direct evidence of intent" in challenges to at-large voting systems. "We think this is incorrect," the circuit judges said of this suggestion, alluding to the difficulty of, say, questioning people who had enacted an at-large system or expecting them to admit racial motives.

The second possibility, they wrote, is that the Court could find no consensus on the type of circumstantial evidence required to prove intent to discriminate. This, the judges said, is "the elusive area" that has resulted from the Supreme Court's decision.

The third explanation, the judges wrote, may be that the Court felt the evidence in the Mobile case was "insufficient to allow inference of discriminatory purpose."

The judges argued that a district court could in fact find an "inference" of intent to discriminate based on consideration of "the totality of circumstances" in a community. Based on such a finding, an at-large election system could be found discriminatory against blacks and thus unconstitutional.

"In Burke County," the circuit court found, "the vestiges of racism encompass the totality of life in Burke County. The discriminatory acts of public officials enjoy a symbiotic relationship with those of the private sector."

[From the New York Times, Jan. 29, 1982]

WRONGED ON VOTING RIGHTS?

Ronald Reagan recoils from the suggestion that he's indifferent to the needs of black Americans. He's being wronged, he says. He was an outspoken supporter of civil rights even before it was called that. As Governor of California, he sought out blacks for appointed positions. And now, as President, he vigorously supports a 10-year extension of the Voting Rights Act.

In truth, Mr. Reagan's voting rights stance is late and equivocal, bordering on obstructionist. But it is not too late for him to demonstrate his commitment to better race relations and to the right to vote. No act of heroism is required. All Mr. Reagan needs to do is get out of the way.

The House voted 389 to 24 last fall to extend and strengthen the landmark Voting Rights Act of 1965. That bill has 62 Senate sponsors. Yet the President won't even say he'll sign it if it is passed; his Attorney General won't rule out recommending a veto.

If the President had supported a 10-year extension a year ago, it would probably be law by now. But then, such an extension seemed impossible because of objections to the law's critical Section Five. That requires affected states to get the Justice Department's approval for any election changes that affect minority voting power.

To get around the objections, the House devised an ingenious and laudable compromise. Affected jurisdictions could "bail out" of Section Five coverage by showing a recent history of nondiscrimination and positive steps to extend the ballot to minorities. But the Reagan Administration wants to weaken these bail-out standards.

There is a second controversy, involving challenges to election laws not covered by Section Five. An example is Mobile, Ala., and an at-large voting law much older than the Federal act. Blacks are one-third of the population but no black has ever been elected to the City Commission because its members are elected at large. Does that violate the Voting Rights Act? The House would say yes—if challengers can prove the election law was imposed "in a manner which results in a denial or abridgment" of any citizen's rights because of race.

That would put the voting rights law back where it seemed to be before the Supreme Court ruled in 1980 that conscious intent to discriminate racially had to be proved. For Challengers to prove intent is so hard that cities like Mobile can cling to unjust systems, and escape the Federal law, precisely by not trying to change them.

Although the House had hearings on the subject all last year, Attorney General Smith had no advice to offer. But in a Senate hearing Wednesday he charged that the House bill would allow proof of a violation "on no more than a finding of disproportionate election results." Mr. Smith's charge is belied by the House bill's plain words: "The fact that members of a minority group have not been elected in numbers equal to the group's proportion of the population shall not, in and of itself, constitute a violation."

By raising a specter of "proportional representation" and racial quotas, the Reagan Administration creates confusion on a subject that most Congressmen understand clearly.

Bad enough that the Administration waited so long to enter the voting rights debate. Even now, its only contribution is obfuscation and dithering. That supports neither the right to vote nor Mr. Reagan's claim that he cares.

[From the New Times, Nov. 8, 1981]

VOTING RIGHTS BACKERS ASSAIL REAGAN'S STAND

(By Reginald Stuart)

ATLANTA, November 7.—Dozens of organizations that support extension of the voting Rights Act said today that changes proposed by President Reagan would threaten the rights of millions of minority voters.

The organizations issued a joint statement here at a break in the annual meeting of the Southern Regional Council, a group formed in the 1940's to promote equal opportunity in the South.

The statement objected to the President's declaration yesterday that he favored extending the act for 10 years but would support amendments making it easier for states and counties to be released from certain requirements of the law.

The groups asserted Mr. Reagan had "proposed an empty shell of what has been the most effective civil rights law of this century."

Key enforcement provisions of the voting Rights Act of 1965, which was extended in 1970 and 1975, are scheduled to expire next August.

In supporting an extension, Mr. Reagan said he wanted to retain a requirement that people who file civil suits charging their voting rights were denied must establish that there was an intention to discriminate.

In doing so, Mr. Reagan rejected a less stringent standard set forth in a bill to extend the law that was passed by the House of Representatives last month. The standard, favored by civil rights advocates, would require litigants to show only a discriminatory effect.

The President also said he would support amendments setting "reasonable" provisions for states and localities to exempt themselves from an obligation to submit all proposed changes in election laws to the Federal Government for approval.

This so-called preclearance requirement applies to Alabama, Alaska, Arizona, Georgia, Louisiana, Mississippi, South Carolina, Texas and Virgina and to portions of 13 other states. In New York City, Manhattan, Brooklyn and the Bronx are covered.

The groups' statement said Mr. Reagan's "proposals to require proof of intent and to exempt states from its most crucial enforcement provisions render the act meaningless."

"His proposals to change the House bill on these two points would bring back endless delays and subtle harassment—and would jeopardize the newly won voting rights of millions of black and Hispanic voters throughout the nation," the statement added.

Saying voting rights for millions of Americans became "a reality" only 16 years ago when the act was adopted, the organizations called on the President "not to turn back the clock."

Groups endorsing the statement included the Southern Regional Council, the A.F.L.-C.I.O., the Lawyers' Committee for Civil Rights Under Law, the 157 organizations in the Leadership Conference on Civil Rights, the American Civil Liberties Union, the Children's Defense Fund, the Joint Center for Political Studies, the NAACP Legal Defense and Educational Fund Inc., the National Association for the Advancement of Colored People and the Southern Coalition for Educational Equity.

Mr. Reagan's position apparently surprised the voting rights lobby, since Administration officials had said an earlier draft of his statement said he would sign a 10-year extension of the law in virtually any form approved by Congress.

The House bill faces considerable opposition in the Senate.

Senator Orrin G. Hatch, Republican of Utah, has said he intends to focus on the question of "intent versus effects" when he convenes hearings on extending the law in January.

Senator Strom Thurmond, Republican of South Carolina, the most ardent Southern opponent of the law, has also promised tough scrutiny of the House measure.

"The President's position will 'support' an effective voting rights act to death if his views prevail in the United States Senate," said Steven Suitts, executive director of the Southern Regional Council.

[From the Washington Post, July 26, 1981]

WHY I CHANGED MY MIND ON THE VOTING RIGHTS ACT

(By Henry J. Hyde)

The 15th Amendment, ratified in 1870, provides that "The rights of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color or previous condition of servitude." As with so many sweeping promises, it wasn't until the Voting Rights Act was passed in 1965 that these voting guarantees began to have substantial impact. The act made illegal certain tests (literacy, property, good character, etc.) that were used to deny blacks access to the electoral process, but it went even further: it required that those areas that had utilized such tests or devices (primarily the Old Confederacy) now "pre-clear" any proposed changes in their election laws with the Department of Justice or, alternatively, secure approval for them from the U.S. District Court in the District of Columbia. This extreme measure of requiring Justice Department pre-clearance of election law changes was held constitutional by the Supreme Court in a subsequent test.

But since pre-clearance applies only to a few "selected" areas of the country, and because in 1970 and again in 1975 Congress chose to prolong its mandate by extending a virtual prohibition against escape from the act's coverage (or "bail-out") until Aug. 6, 1982, the question that now confronts Congress is this: shall we extend the mandatory pre-clearance for these "selected areas" another 10 years (as Rep. Peter Rodino's bill does), or is 17 years in the political penalty box enough?

As the ranking Republican member of the House Judiciary Committee's subcommittee on civil and constitutional rights, I came to this issue with the expressed conviction that, indeed, 17 years was enough, and that if voting rights abuses persisted in these areas, then resort to court action was a sufficient remedy under the act. It was my strong opinion that pre-clearance as an administrative process was an unwarranted intrusion on the federal system—a system that upholds state sovereignty and insists that states and local political subdivisions ought not to be treated as branch offices or agencies of the federal government in Washington.

Other questions troubled me as well—whether the ends of justice on such an important issue are truly served by bypassing the federal courts and resorting to the expeditious and even summary process of administrative pre-clearance. What about politics? Doesn't this power in the hands of employees of the Justice Department lend itself to politicization?

All of these considerations helped shape my initial hostility to another 10-year extension and my preference for substituting accsss to our federal court system as the proper corrective for voting rights abuses.

Then came the hearings. Witness after witness testified to continuing and pervasive denials of ready access to the electoral process for blacks. As I listened to testimony before the subcommittee, I was appalled by much of what I heard.

Witnesses in Montgomery, Ala., described an atmosphere that was painfully saturated with discrimination. Maggie Bozeman of Aliceville, Ala., complained that in many of the predominantly black counties of Alabama, there is no such thing as a "secret" ballot: voters are forced to fill out their ballots on a table, in the presence of white pollwatchers. There are no booths, no curtains, no efforts to provide privacy. She also said that policeman take photographs of persons who attempt to assist illiterate black voters, and that this has a considerable chilling effect.

Sheriff Prince Arnold, of Wilcox County, Ala., testified that, in 1978, 72 federal observers were called in to monitor the election, which he won. State troopers were also present. Arnold claimed both were necessary to ensure that black voters were able to proceed safely to the polls. Nevertheless, there was intimidation. Frequently, he said, black voters were turned away or discouraged from participating by white polling officials. One such person, Arnold recalled, said, "Old lady, if you can't see, if you can't hear, you should have stayed at home." Witnesses told of "re-identification bills" designed to affect predominantly black counties while sparing white voters the inconvenience.

Michael Brown, field coordinator for the Virginia NAACP, outlined the voter registration procedures in rural areas of Virginia, where many black residents work in the fields during the day. In Pulaski County, he testified, the only place to register is the registrar's office, and then only during regular office hours. In Matthews County, the sole registration facility is in a furniture store, and there is no sign or other notice to indicate that voters may register there. Furthermore, Brown noted that there are "17 cities and counties [in Virginia] where the general registrar's office is open only one day a week" and most of them "are closed during the normal lunch hour." In Emporia, Va., where blacks make up 40 percent of the population, the registrar's office "is closed during some regularly scheduled hours."

In some areas, re-identification of voters can only take place between the hours of 9 a.m. and 4 p.m. City re-identification occurs in one location, and county re-identification in another, some distance away.

Victor McTeer, of Greenville, Miss., noted that the Mississippi delta has the highest concentration of blacks outside of Africa and that there continues to exist a "clear-cut pride on the part of many whites that so few whites could control so many blacks." One state, South Carolina, has a 30 percent black population, but no black state senator.

The cumulative effect of this testimony gradually forced me to several conclusions:

Blacks have made considerable progress toward significant participation in the South's political process since passage of the Voting Rights Act in 1965. For example, Alabama's black registration in 1964 was 23.1 percent, but by 1976 it was 58.1 percent. Greatest progress has been in Mississippi, where only 6.8 percent of blacks were registered to vote in 1964 but 67.4 percent were registered in 1976. In the same time span, South Carolina's 38.8 percent has increased to 60.6 percent, and several major cities have elected black mayors, including Atlanta, Richmond, Roanoke and Birmingham. In the six southern states now covered by the act, there were 156 black public officials; today there are 1,803. Indeed, we are halfway up the mountain—but we have some climbing to do.

Court proceedings, desirable as they are, are too slow and too costly to protect the great number of people—most without adequate resources—who still need protection.

Administrative pre-clearance hasn't always worked, but it has improved things in many areas. It could work even better if the penalty section (Sec. 12) of the act were employed.

The act already, in many respects, has effective nationwide application. For example, under Sec. 3(c), court action can be brought anywhere in the country, if voting rights abuses can be shown, the court can order preclearance as one of its remedial actions.

Those jurisdictions presently covered, in all justice, ought to have available to them a procedure whereby they can seek a judgment from an appropriate federal court upon proving that for the past, say, 10 years they have complied fully with the letter and spirit of the law and hence no longer shall be required to pre-clear their election law changes. This would recognize compliance where it has occurred and provide an incentive to comply where improvement is still needed.

I still believe in the federal system. I regret and resist the accretions of power to the federal government that have occurred in recent years. I want to reverse the flow of power and responsibility back to local governments, as I believe there is a real danger in increasing the authority of the federal

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government over every aspect of our lives. Concentrations of power have always been dangerous, whether in business, labor or government. They are particularly invidious in government, as history keeps teaching us.

And yet, and yet—who can deny the right to vote is superior even to the right of free speech? What good is all the political rhetoric if you can't express your ideas and values at the polls?

As long as the majestic pledge our nation made in 1870 by ratifying the 15th Amendment remains unredeemed, then its redemption must come first.

[Raleigh (N.C.) News & Observer, May 2, 1982]

TEST FOR LINCOLN'S PARTY

In truth, there should be no controversy surrounding the Voting Rights Act. It is, after all, a law that embodies a fundamental tenet of American democracy. And it is an example of a federal law that has actually worked well.

Yet, North Carolina's Republican senators delay its extension, seek to water it down and, in general, fight it. In doing so, Jesse Helms and John East, further call into question their own and their party's commitment to the participation of minorities in the nation's political process.

The Senate Judiciary Committee, of which East is a member, has before it legislation, identical to a bill passed by the House, that would extend the voting act for 10 years. The legislation contains a crucial new provision—that a violation occurs when a state or local election system "results" in discrimination against Blacks or Hispanics.

This provision is needed as a result of a 1980 Supreme Court ruling. In a Mobile Ala., case, the court ruled that challengers to an election system had to prove an "intent" to keep blacks and other minorities from winning office. If every Voting Rights Act case entailed delving into the "intent" of officials who adopted a particular locale's election laws, if would be extremely difficult to enforce the law. The Leadership Conference on Civil Rights points out that it took more than 6,000 hours of lawyers' time and 4,000 hours of the time of witnesses and paralegals to make the case that Mobile officials intended to discriminate when they adopted an at-large city election system.

East opposes the provision that requires only proof that an election system in effect discriminates. Pointing to North Carolina's recent experience with legislative redistricting, the senator argues that the law is moving toward guaranteeing blacks "proportional representation."

East erects a straw man. Prior to the Mobile ruling, no Voting Rights Act ruling required proportional representation as a remedy. The North Carolina House and Senate redistricting plans do not guarantee that blacks will be elected to the Legislature in the proportion of blacks in the state's population. In North Carolina and elsewhere, what the Voting Rights Act guards against is blacks being gerrymandered out of opportunities to be elected to public bodies.

Sen. Robert Dole, R. Kan., reportedly concerned that his party is squandering black political support, is said to be trying to find a compromise that would retain the House-passed "results" test while making clear that proportional representation is not required. Whatever the Senate's language, its version, should be at least as strong at that of the House.

Republicans in the Senate and the White House who deny their support to extension of an effective Voting Rights Act spurn the legacy of the first Republican president, Abraham Lincoln.

[FROM THE WASHINGTON POST, MAY 4, 1982]

SENATORS AGREE ON VOTING ACT

STRENGTHENING OF LAW IS SEEN; REAGAN ENDORSES IT

(By Mary Thornton)

After months of bickering, a bipartisan group of Senate Judiciary Committee members yesterday agreed on a compromise that would dramatically strengthen the 1965 Voting Rights Act and virtually assure quick agreement this year on an extension. President Reagan immediately announced that he would endorse the compromise.

"Voting is one of the most cherished of our birthrights as American citizens. When practiced, it enriches our democracy. When threatened, it must be protected," Reagan said. "Today, I not only want to salute the efforts of those who have forged this compromise, but I also want to give it my heartfelt support. My hope is that it will now pave the way toward swift extension of the Voting Rights Act by the entire Congress."

The compromise is supported by civil rights groups, including the NAACP and the Leadership Conference on Civil Rights, and by about 70 senators, ranging from liberal Democrats to conservative Republicans. Reagan's support was expected to draw hard-line senators onto the list of supporters.

The agreement, worked out by Sens. Robert J. Dole (R-Kan.), Edward M. Kennedy (D-Mass.) and Charles McC. Mathias (R-Md.), would prohibit state and local officials all over the country from using any voting practice or procedure that results in discrimination against blacks and other minorities.

That standard is considerably easier to prove than the one in effect since a 1980 decision by the U.S. Supreme Court: that the law is violated only when state or local officials consciously intended to discriminate.

There was general agreement that the act needed to be extended. But the administration up until yesterday had argued against the results standard on the grounds that it could lead to lawsuits calling for proportional representation by race in municipalities all over the country.

Last October, the House voted, 389 to 24, for a bill which also included the easier-to-prove results standard. That bill contained specific language providing that proportional representation could not be required.

The Dole-Kennedy-Mathias compromise goes beyond the House language and makes it clearer that there will be no requirement that minority groups like blacks or Hispanics be elected in proportion to their numbers in the population. Instead, it defines the issue as whether those population groups have equal access to the political process.

Reagan said yesterday he was satisfied "the compromise would greatly strengthen the safeguards against proportional representation while also protecting the basic right to vote."

Benjamin L. Hooks, executive director of the NAACP and chairman of the Leadership Conference, called the compromise "a good, fair and effective extension measure."

Dole said that when the Judiciary Committee meets today to consider the bill, he expects to have the support of at least 13 of the 18 members.

Chairman Strom Thurmond (R-S.C.) has not yet said whether he will support the compromise, but staff members said that is a possibility. After efforts last week by conservatives like Sen. Jesse Helms (R-N.C.) to use procedural methods to slow down committee action on the issue, Thurmond promised to hold night sessions of the committee this week if that is necessary to move the bill through.

Both Kennedy and Dole warned that floor action on the bill must be completed this month in order to avoid a conflict with upcoming action on the budget and the debt ceiling. Sections of the act are scheduled to expire in August.

Congressional sources said they believed the House would easily approve the changes in the compromise.

The compromise bill goes beyond the House-passed bill in defining discriminatory results. It says a court should look at a "totality of circumstances" in a community to determine if the "political processes leading to nomination or election . . . are not equally open to participation" by minorities.

It provides that the number of minorities elected in the past is just one factor to be considered in determining whether a violation has occurred.

The compromise would extend for 25 years the requirement for certain jurisdictions with a history of voting discrimination to preclear changes in election laws with the Justice Department. After the first 15 years, Congress would review the "bailout" criteria by which those jurisdictions could be exempted from the preclearance requirement after a period of good behavior.

The House bill used the same bailout criteria, but had no time limitations.

[From the Boston Globe, June 1, 1982]

NO ROADBLOCK TO VOTING RIGHTS

When the Senate considers the proposed extension of the 1965 Voting Rights Act, conservative hardliner Jesse Helms (R-N.C.) has threatened a filibuster, one of the favorite delaying tactics of opposition.

He wants a weaker "bailout" method, easier than the fair and achievable Kennedy-proposed standard by which states could prove a record worthy enough to merit exclusion from the federal review, known as preclearance and required before changes of electoral procedures.

Helms also specifically opposes the measure's jurisdiction, which is limited in full or in part to 22 states, primarily southern, instead of to all 50, though as Wyoming's Alan Simpson put it: "Let's not blather about a double standard. This stuff (voting rights violations) never started in my state."

What does Helms hope to prove by this delaying tactic? He can talk all he wants, but that is not expected to stop the extension of one of the most important pieces of civil rights legislation.

Bipartisan support is strong, as indicated by the cosponsors, 65 of 100 senators. More significantly, earlier this month, Sen. Kennedy and Republican Sens. Robert Dole of Kansas and Charles Mathias of Maryland hammered out a compromise that has drawn overwhelming backing, the belated blessing of the Reagan Administration and approval from the Judiciary Committee—certainly enough strength to shut off a filibuster.

But Helms' opposition, detailed in a letter to fellow senators, could cause some to give more serious consideration to proposed amendments or even to waffle in their support. He has threatened or organized filibusters dozens of times during his 10-year

tenure in the Senate. He has previously opposed other civil rights legislation and has been calling for the dismantling of the Civil Rights Commission to save money.

One must hope that Helms will clog up the works only temporarily. Quick passage is necessary—the law expires in August—to continue the safeguarding of every American's right to vote.

[From the New York Times, Feb. 5, 1982]

SAVING VOTING RIGHTS

(By Frank R. Parker)

WASHINGTON.—The Administration opposes the pending amendment to the Voting Rights Act that would prohibit any law "which results in a denial or abridgement" of the right to vote on account of race or language. Senators who oppose the amendment argue that it is possible to prove intent to discriminate and also that the proposed amendment will result in proportional representation by race. The extreme difficulties of proving discriminatory intent and the plain words of the bill itself clearly refute both arguments.

The small group of senators who oppose the amendment base their arguments on the new "intent" requirement established by the United States Supreme Court in its City of Mobile v. Bolden decision in 1980—a ruling that drastically altered the standard under which black and Hispanic voters had been successful in overcoming racial gerrymandering of district lines, discriminatory at-large elections, and other electoral barriers. Now, minority voters have to prove that a voting law they are challenging was adopted or retained with conscious intent to discriminate.

Proving discriminatory intent ultimately requires a determination of what was in the minds of legislators who enacted or retained the voting law being challenged. And this difficult psychoanalytic task is fraught with sometimes insuperable practical and legal barriers.

Not only were many discriminatory voting practices adopted years ago by legislators who are now dead, but the best sources of information about their discriminatory motives also are cut off by restrictive legal rules barring full investigation of lawmakers' purposes.

Testimony of legislators who authored or supported discriminatory legislation is generally prohibited by "legislative privilege," which prevents minority voters from cross-examining legislators. And recently, the Fifth Circuit Court of Appeals, which covers the Southern states, where most of these cases originate, ruled that the motivation for adopting allegedly discriminatory voting schemes by popular referendum is totally immune from judicial scrutiny.

In the absence of a "smoking gun," victims of discriminatory laws must resort to evidence producing what courts and legal scholars have called "inferences," "suspicions," and "likelihoods" of discriminatory intent. Here, judges frequently disagree, sometimes strenously, on what constitutes sufficient proof. The nine Justices of the Supreme Court in the Mobile case itself were unable to agree on the proper legal standard for proving discriminatory intent. And if a majority of the Justices of the Supreme Court can't agree on how discriminatory intent can be proved, how does anyone know what is required? As Justice Byron R. White put it in his dissenting opinion, the Supreme Court's decision "leaves the courts below adrift on uncharted seas with respect to how to proceed."

According to the House Judiciary Committee report stating the purpose of the bill, the version of this amendment passed by the House last fall resolved the confusion growing out of the Mobile case and restored the approach followed in prior court cases that focused on the results of a challenged voting law instead of the motivation behind it.

According to those decisions, merely a lack of minority officeholders or the failure of minority candidates to win office would not be sufficient for the challenged law to be struck down. Instead, as the Supreme Court indicated in a 1973 Texas case—*White* v. *Regester*—minority voters would have to cite objective evidence such as a past history of discrimination, unfair election rules, or a pattern of racial block voting to prove that the challenged practice denied them an equal opportunity "to participate in the political processes." These prior decisions make it clear that "an aggregate" of discriminatory results must be shown for minority voters to prevail.

Any fear that the proposed amendment would require "proportional representation" or racial quotas is allayed by the plain words of the bill itself: "The fact that members of a minority group have not been elected in numbers equal to the group's proportion of the population shall not, in and of itself, constitute a violation of this section."

In November, when President Reagan supported an extension of the Voting Rights Act, he affirmed: "The right to vote is the crown jewel of American liberties, and we will not see its luster diminished." The special imposition on minorities of the burdensome and difficult "intent" requirement tarnishes this crown jewel, and should be eliminated.

[From the New York Times, June 13, 1982]

A FILIBUSTER? ON VOTING? IN 1982?

Senator Jesse Helms promises to filibuster "until the cows come home" to prevent a vote on the Voting Rights Act. But the debate is over and the cows are coming home. Though he is taking days to say it, the North Carolina obstructionist has nothing new to say. Underneath it all there is an old message.

Senate Republican leaders say they will conduct "shuttle diplomacy" with him and the handful of other opponents of the bill. But since the votes for cloture are amply available, this seems pointless. The drafting, improving and compromising are done, yet Senator Helms won't even agree to a preliminary motion to take up the bill for debate. All temporizing could accomplish is snarl it in other Senate business—as the August deadline for renewing key voting rights provisions approaches.

The House passed an extended, improved version of the law last fall by an overwhelming 389 to 24. The Senate Judiciary Committee reported a bill so popular that President Reagan embraced it. Four-fifths of the Senate favors that bill. Senator John Stennis of Mississippi, up for re-election, suddenly sees its merit.

But Senator Helms drones on. Most of his complaints about "regional discrimination" are as hollow as they were when raised against the original 1965 voting rights law that has enfranchised—and elected—so many minority citizens. His charge that the law would create racial election quotas is fully answered in the compromise worked out with the important help of Senator Dole.

The Senator's demonstration, if more genteel in phrasing, is no less mean-spirited and no less an anachronism than those of the Thurmonds and Eastlands who once made the word "filibuster" redolent of racism. Even those few legislators who remain openly opposed to racial equality are embarrassed into silence when the subject is voting, the right that preserves other rights. Is Senator Helms beyond embarrassment? It's time for the Senate to stop the talking and do some voting of its own.

[From the New York Times, June 13, 1982]

SENATE WEIGHS VOTING RIGHTS AND PAST WRONGS

(By Steven V. Roberts)

In California last week, Hispanic candidates won the Democratic nomination in two Congressional districts that were drawn to favor their election. In Mississippi, a three judge Federal panel imposed a redistricting plan that creates a Congressional seat with a black majority. In New York City, the Justice Department approved a district map for the City Council that could boost minority districts from nine seats to 12.

The Senate, meanwhile, was starting debate on a revised version of the Voting Rights Act. Whatever the outcome, it has important effects on political developments around the country.

One of the key issues facing Congress is the standard of proof that should be used in voting rights cases to determine whether discrimination has occurred. Conservative say discrimination should be punishable only if intentional bias can be shown; the bill now says that judges can look at the "totality of circumstances," including election results, to determine discrimination.

The debate and the legal actions outside the capital raise important questions. Among them: What are the rights of minorites in the political arena? Should they have the right to their own representatives in Congress and city councils? Does that right mean a guarantee of electoral success, or just a reasonable possibility of victory?

Senator Orrin G. Hatch, a Utah Republican and a leading critic of the bill now before the Senate, believes that the focus must remain on the individual. The Constitution, he insists, is colorblind and any attempt to aid voting groups amounts to "reverse discrimination."

Civil rights groups insist that they are not asking for racial quotas, but say that a "colorblind" system is not fair either because minorities have suffered so much past discrimination and must also battle existing biases.

"We don't want to assure that blacks win; we want to assure that they don't lose because of racial discrimination," said Laughlin McDonald, head of the Southern regional office of the American Civil Liberties Union.

Said one civil rights lobbyist last week, "The idea of a 'race neutral' district is just a myth."

In practical terms, civil rights lawyers say that if a district is not 65 percent minority, it probably cannot elect a minority representative; the reason being that minority communities tend to be younger and have a lower voter turnout than comparable white communities. Accordingly, blacks in Mississippi objected to the new Congressional district drawn last week because it contained only a 53 percent black majority.

AS ALWAYS, COMPLEXITIES ABOUND

This rationale angers Senator Hatch and like-minded critics of the Voting Rights Act who feel that black voters in Mississippi are not only demanding a racial quota but are also condemning themselves to a kind of electoral "ghettoization" that might actually dilute their political influence. They would be better off, goes the argument, influencing several white lawmakers instead of electing only one of their own.

Supporters of the Voting Rights Act suspect a political motive behind this analysis. New minority lawmakers will almost certainly be Democrats, and greater minority voting strength could hinder Republican fortunes, particularly in the South.

Civil rights activists insist that there is an inherent value in electing minorities to public office. Lani Guinier, an attorney for the NAACP Legal Defense Fund, said: "If you have a moderate white representative he may vote with the black community on some issues, and on some issues he may not. But you don't have a representative who is totally responsive to you."

It has become clear recently that shrewd Republicans can profit from the demand for minority representation. Their tactic is to "load up" one district with as many minorities as possible; that eliminates these largely Democratic voters from surrounding districts and enhances Republican chances.

These complex considerations are illustrated by the debate over the two Congressional districts in Atlanta, which are both held now by moderate white Democrats. The Fifth District, now 52 percent black would have become 57 percent under a new plan adopted by the legislature. But that scheme was opposed by black leaders and Republicans and was vetoed by the Justice Department.

These critics favor a plan that would make the Fifth District 69 percent black. The plan also means that the neighboring Fourth District, after losing a chunk of black voters, could go Republican.

Senator Sam Nunn, Democrat of Georgia, denounced the Justice Department veto as a "very political decision" serving partisan interests. Civil rights activists worry privately about helping to elect a Republican who would probably vote conservatively, but they argue that the trade-off is worth it.

"Blacks can't be held hostage to Democratic politics," Mr. McDonald asserted.

The whole voting rights issue carries political implications in another way. Some moderate Republicans have worried that White House opposition to the legislation would further sour the party's reputation among minority voters.

[From the Washington Post, June 9, 1982]

MR. EAST AND VOTING RIGHTS

Today the Senate takes up the much argued-over bill to extend the Voting Rights Act. The measure before it was passed by the House last October by a vote of 389 to 24, has 76 cosponsors in the Senate and enjoys the endorsement of Mr. Reagan. So passage is all but certain. Still, opposition persists—as Sen. East's column on our op-ed page today demonstrates.

The two main points Mr. East raises—will this bill lead to proportional representation, and does it discriminate against one section of the country?—are legitimate concerns. But they have been addressed squarely by the supporters of the bill, and changes have been made to reassure those who had reservations.

On the first of these concerns, the fact is that it never was the intention of the proponents of the bill to guarantee minority groups election victories in proportion to their numbers in the population. But to be sure that this did not happen, the Senate Judiciary Committee amended the bill. It now provides this guidance to courts considering ways of determining whether a voting system is discriminatory: "The extent to which members of a protected class have been elected to office in the State or political subdivision is one circumstance which may be considered, provided that nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population." The committee report goes into great detail on this point and specifically directs federal judges "to act in full accordance with the disclaimer" regarding any claimed right to proportional representation.

Does the bill discriminate against one section of the country? When the Voting Rights Act was passed in 1965, national criteria were established for deciding whether a political jurisdiction would have to get Washington's permission for any changes it wished to make in election laws. True, many states and counties in the South were covered. But so are counties in New York, Idaho, Hawaii, Wyoming, California, Arizona, Alaska, Texas, Colorado, Michigan, South Dakota, and Oklahoma, and towns in Connecticut, New Hampshire, Maine, Massachusetts and Michigan. Amendments in 1975 protecting language minorities brought in additional counties in Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming.

Under the provisions of the pending bill, any jurisdiction can be excused from the pre-clearance requirement if it has not discriminated against voters for a 10-year period and has taken positive steps to increase the opportunity for full minority participation in the political process. One-quarter of all covered jurisdictions should meet that test by 1984. Requiring every county in the United States to submit to pre-clearance is not only unnecessary—for most jurisdictions have no history of discrimination or low voter participation—but also harmful in that it would swamp federal officials with paper work, diverting them from areas where oversight is needed.

The bill reported by the Senate Judiciary Committee reflects compromise, common sense and the thoughtful consensus of legislators across the political spectrum. It should be passed.

ERRATA SHEET TO THE COMMITTEE REPORT

Mr. KENNEDY. Mr. President, on behalf of Senators MATHIAS, DOLE, and myself, I would like to place in the RECORD at this point the errata sheet for the majority views in the Senate report.

This sheet was jointly prepared by the staffs of the three of us.

This additional errata sheet supplements the one published by the GPO itself as to the committee votes. These are not substantive changes, I might emphasize. They merely make corrections of spelling and grammer.

This sheet, officially put into the RECORD by the bill's managers and the authors of the report, should be helpful to future court and practitioners.

I ask unanimous consent that it be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDITIONAL ERRATA TO REPORT ON S. 1992, VOTING RIGHTS ACT

Page 2, Part II. Purpose, in the fourth paragraph, the second line "procedure results in . . ." should be "procedure which results in . . .".

Page 5, line 9 "extension without unweakened" should be "extension unweakened".

Page 6, paragraph 1, line 8 should have a parenthesis after "tax".

Page 10, the next to last line: "over impediments" should be "overt impediments.

Page 11, second paragraph, line 1, "De Kalk County" should be "De Kalb."

Page 12, third line from bottom should have end quotation marks at the conclusion of the sentence "under section 5."

Page 15, fourth paragraph, third line, "elsewhere" should be "eleswhere." and Note 47, "pp.93-100, *infra.*" *should be "pp. 39-40, infra."*

Page 16, third paragraph, last line of text, "pro-Bolden" should be "pre-Bolden."

Page 17, first line, "Rather" starts a new sentence. Part B-Original Legislative Intent As To Section 2 Second paragraph, next to last line: "This they argue" should be "Thus, they argue."

Page 21, third paragraph, fourth line from the end: "on actual result" should read "on the actual result."

Page 27, Part D The Operation of Amended Section 2, third paragraph, fourth line from bottom: "system of practice" should be "system or practice."

Page 28, footnote 109 (continued from p. 27) fourth line should begin with the following addition: "added.) The jurisdiction has both the burden to . . . ."

Page 30, second paragraph, next to last line "plaintiff" should be "plaintiffs."

Page 39, last paragraph, first line "Congres" should be "Congress".

Page 43, first line "adetailed" should read "a detailed."

Page 45, third line from the bottom: "theexistence" should be "the existence."

Page 63, third paragraph, third line from the end "As an" should be "An."

Page 67. The entire page and the top of page 68, (up to the beginning of Part X) now comes at the end of "Part IX. Bilingual elections". It is captioned "Section 3" and is actually part of the Section-by-Section analysis of Part X. It belongs after the analysis of Section 2 of the committee bill, after the third paragraph on page 75.[1]

Mr. WARNER. Mr. President, when I came to the Senate over 3 years ago, I arrived with certain views regarding the mechanisms guaranteeing the right of every American to vote.

Knowing that the Voting Rights Act would come up for review in 1982, and recognizing that this law is the very heart of that category of laws known as civil rights legislation, I commenced an intensive study to broaden my knowledge.

Of great value to me were many discussions with senior Members of the Senate—Republicans and Democrats—

[1] The paragraphs referring to "New Subsections 4(a)(6); 4(a)(7) and 4(a)(8)" refer to the new subsections in the Voting Rights Act created by 2 of the committee bill.

some of whom were Governors before coming to the Senate. Their knowledge spanned the entire evolution of the law.

A number of prominent members of Virginia academic institutions provided additional insights, In fact, one professor from the University of Virginia School of Law took a leave of absence and worked full time as an adviser to the Senate Judiciary Committee.

Additionally, I have met with and studied the opinions expressed by hundreds of Virginians who took the time to contact me. I also received communications from corporate heads, officials of educational institutions, the leadership of volunteer organizations, and civil rights groups expressing the views of thousands.

The central issue of these discussions is whether this legislation is an acceptable means to protect the right to vote. Foremost in my consideration is the belief that the right to register and vote be protected against descrimination of any kind.

During Senate consideration, I expressed deep concern over three aspects of the bill. I sought assurance that the proposed changes in section 2 of the act would not result in court-ordered establishment of systems of proportional representation by race.

I sought the inclusion of a reasonable bailout provision so that jurisdictions subject to the preclearance requirements of section 5 would have a genuine incentive to rid themselves of the burdensome administrative procedures involved with compliance, and sought to reduce the period of extension of the act from 25 to 15 years. I also obtained assurances that local governmental units can utilize at-large elections without it being evidence per se of a violation under section 2.

During the debate, I declined to participate in actions which might be viewed as dilatory to the bill's consideration. Instead, I joined in supporting a number of amendments seeking to clarify, strengthen, and make the law more equitable among all 50 States.

I consistently reserved judgment on final passage of the bill, until I had the opportunity to listen to and participate in the debate on the Senate floor, and consider the dictates of my own conscience. I believe my vote reflects the majority view of Virginians.

As Senate action comes to an end, I have determined to support extension of the Voting Rights Act for these reasons:

First, the right to vote is fundamental to the continuing survivial of our democracy. Continuous efforts should be made to remove impediments to register and vote. On balance, the remaining inequities in this bill—which we attempted to cure by amendments—are outweighed by those sections of the bill which strengthen the guarantee of freedom to vote.

Virginians can take justifiable pride in the record of our State officials in complying with the spirit and letter of the earlier versions of this law. For example, since the act's enactment in 1965 through last year, the Department of Justice issued letters of objection in only 13 Virginia cases out of a total of almost 3,000 proposed changes submitted. For the same period, other Southern States experienced the following: Texas—130, Mississippi—79, Georgia—165, South Carolina—84, and North Carolina—22.

President Reagan has characterized the right to vote—that individual power that preserves freedom—as "the crown jewel of American liberties." I concur with the President.

Mr. ROBERT C. BYRD. Mr. President, the right to vote is the bedrock of the foundation which supports our representative democracy. Of all of our Nation's constitutional protections, including the right to speak freely and the right to assemble freely, the right to vote and to have all votes counted equally is quite probably the most important. Of what ultimate value is the right to have an opinion and to express it to your assembled neighbors if you do not have the opportunity to have that opinion reflected in the processes by which all our citizens are governed?

The ability to vote is the ability to be fairly represented by your own elected leaders; it is axiomatic that our political leaders must listen to, and will most ably represent, those who will be voting in the future.

Mr. President, I strongly support passage of S. 1992, a bill to extend the Voting Rights Act of 1965, just as I supported it in the Judiciary Committee and voted against all amendments that would have weakened the bill.

The Voting Rights Act of 1965 has been widely cited as the most successful piece of civil rights legislation ever passed. It has effectively insured that all citizens shall have an equal opportunity to register and vote and that their votes, once cast, will mean as much as the next citizen's. There were some Senators, including myself, when the provision was first suggested in 1965, who were concerned that the act might be ineffective, cumbersome, unfair to the jurisdictions covered under section 5, or of questionable constitutionality. Over these last 17 years, the operation of the act and the resulting success in facilitating the opportunity for minority citizens to freely register and vote have dispelled these concerns and proved the need for the Voting Rights Act. The Supreme Court, in a series of cases beginning with the 1966 case of South Carolina against Katzenbach upheld the pre-clearance provisions of section 5. As the Court noted:

> Congress had reason to suppose that States [covered by section 4(b) of the Act] might try [extraordinary strategems of contriving new rules] in the future in order to evade the remedies for discrimination contained in the Act itself.

Much progress has been made in correcting the electoral abuses of the past. There has been a dramatic increase in the number of blacks and Hispanics voting in State, local, and Federal elections.

The most blatant abuses of the voting process—such as poll taxes, literacy tests, or direct intimidation of minority citizens seeking to register or vote—are virtually a thing of the past. However, the hearing records of both the House and Senate are replete with more subtle, recent efforts to dilute minorities' ability to vote or to have their votes considered as equally significant. Some jurisdictions have closed all places of registration except one, others have located that one place a long distance from the center of the minority population, have shortened the hours when registration is permitted or scheduled them erratically, and have enacted re-registration requirements. Other jurisdictions have sought to negate the meaning of a minority vote by changing from a district voting system to an at-large system in areas with a high concentration of black voters, by annexing areas with a high white population, by redrawing district lines, or by changing an elective office into an appointed one.

The Voting Rights Act is still needed in spite of the progress this country has made. From 1965 to 1980, there were 34,798 submissions to the Department of Justice of proposed changes that required pre-clearance under section 5. Of these, the Justice Department objected to 815 of the proposed changes as being discriminatory, with over 400 of the total objections occurring within the last 5 years. This would seem to indicate that the number of discriminatory electoral changes has increased, and that the problem still merits careful consideration and corrective action by our Federal Government.

H.R. 3112, the House companion bill to S. 1992, which the House passed on October 5, 1981, provided the "preclearance" requirements of section 5 would be extended indefinitely. However, the House Judiciary Committee agreed with the concept of a new bailout provision, introduced by Congressman HENRY HYDE, Republican of Illinois, that would reward jurisdictions that had obeyed the existing voting rights law and had taken steps to eradicate any residual abuses of the electoral process during the preceding 10 years.

I also favor the committee's action in including a fair and achievable bailout to take effect in 1984 for those jurisdictions covered under section 5. I believe that the committee's action in

permitting individual counties to qualify for the bailout, even though their State does not qualify at that time, is a commendable change which should encourage local jurisdictions to correct any electoral abuses that may still exist. Voting experts, with the corroboration of the Bureau of the Census, estimate that at least 25 percent of the covered jurisdictions will be eligible to bail out under the amended provisions of section 4(a)(1) of the act when they take effect in 1984. To bail out, a jurisdiction must show, for itself and the governmental units within it, that during the last 10 years:

First, it has not used a "test or device" in a discriminatory manner;

Second, it has not been found by a court to have abridged the right to vote, and it has not been party to a consent decree or settlement agreement resulting in the elimination of a discriminatory voting practice;

Third, it has eliminated voting procedures and methods of election that limit minority participation in the political process;

Fourth, it has complied fully with the procedures set forth in section 5 of the Voting Rights Act; for example, it has submitted all changes for preclearance before putting them into effect;

Fifth, it has not made a submission within the previous 10 years to which the Department of Justice or the District Court of the District of Columbia has objected;

Sixth, no examiners have been sent to the jurisdiction;

Seventh, the jurisdiction has engaged in constructive efforts to eliminate intimidation and harassment; and

Eighth, the jurisdiction has engaged in constructive efforts to increase opportunities for minority participation in the political process.

One of the key issues addressed by this body during the consideration of S. 1992 has been the type of proof required to show that a jurisdiction, not covered under section 5, has a voting law or procedure that discriminates in violation of section 2. When Congress first adopted section 2 in 1965, the report language stated that it was designed to prohibit "any kind of practice * * * if its purpose or effect was to deny or abridge the right to vote on account of race or color." For the next 15 years, all Federal courts including the Supreme Court interpreted congressional intent as only requiring the plaintiff/victim to prove that the effect of a law or procedure was to deny his right to vote.

Indeed, the Supreme Court expounded its own "effects test" in the 1973 case of White against Regester. The Court did not address whether the original legislators intended to discriminate when they enacted the challenged voting procedure. There was no discussion of the purpose behind the challenged system, and no findings of discriminatory intent. Rather, the Court stated quite clearly that:

> The plaintiff's burden is to produce evidence to support findings that the political processes leading to nomination and election were not equally open to participation by the group in question—that its members had less opportunity than did other residents in the district to participate in the political processes and to elect legislators of their choice.

This was the standard in effect when Congress renewed the act in 1975. The Court also expressly stated that this standard of proof did not guarantee a right of proportional representation.

However, in 1980 in the case of Mobile against Bolden, a plurality of the Supreme Court decided that since the language of section 2 tracked the 15th amendment, which the Court had recently ruled required a proof of intent to show discrimination, then Congress must have expected a plaintiff to prove that the State legislators and administrators intended to deny his right to vote. This is a much tougher standard to prove; in many cases the principals have been dead for over a century. It also requires digging up ugly, personal motives on who did what for what reason, rather than merely showing that the result of an action was to deny or abridge the victim's right to vote.

Members of the House of Representatives and the Senate Judiciary Committee believe that the Court has misconstrued the legislative history of the section and have added an amendment to section 2 to clarify Congress intention. This amendment reinstates the "result" standard stated by the Court in White against Regester. This standard is whether the result of the challenged practice, in the context of all the circumstances of the political process in that jurisdiction, shuts out minority voters from having a fair opportunity to participate in the process.

The Voting Rights Act does not, and cannot, outlaw methods of election. In the past 15 years, courts and the Department of Justice have sustained at-large elections, annexations, the closing of registration and polling places, and other procedures in some cases and rejected them in others, depending on the totality of circumstances.

The committee included language in the bill which explicitly disclaims any intention to seek proportional representation or quotas. I note the language added by the Judiciary Committee on page 17, line 11 of the bill: "That nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population."

I believe that this standard—an "effects" test with an explicit disclaimer of requiring that a jurisdiction achieve proportional representation to prove that it has not violated section 2—is the correct standard. I commend the members of the Judiciary Committee for their successful resolution of this difficult issue. The law seeks to protect the right to vote, not the ability to be guaranteed election.

Mr. President, approval of the Voting Rights Act of 1982 is certainly one of the most important legislative achievements of this Congress. With the passage of this bill, Members of the 97th Congress can take great pride in continuing one of America's finest principles—the right of all citizens to vote and to have their votes have an equal significance.

Mr. HATCH. Mr. President, let me make a few concluding comments on this debate. First, Senator LUGAR has asked me to indicate that he is detained in Indiana by a long-standing commitment. Had he been present today, he would have voted in favor of final passage of the Voting Rights Act.

Second, let me respectfully take issue with the distinguished Senator from Massachusetts in his comparison of the present Civil Rights Division in the Justice Department and that is the prior administration. While I have my differences with some of the policies of the present administration, and disagree with them generally on the merits of the proposed "compromise," I believe that Assistant Attorney General William Bradford Reynolds, and Attorney General William French Smith have made an outstanding contribution on this matter. They have demonstrated an expertise on the Voting Rights Act that does not suffer by comparison with any administration. The have raised important issues before the Judiciary Committee and have done so as an expression of their commitment to full voting rights for all citizens.

No one can argue that the present Civil Rights Division has not been diligent in attempting to give effect to the Voting Rights Act, whatever differences any of us might have with particular decisions. Let me once again express the highest admiration for the efforts of Attorney General Smith and Assistant Attorney General Reynolds.

Third, let me extend my deepest appreciation for the outstanding staff efforts that have been made on this issue, on both sides of the aisle. This has been a complex issue and a heated issue. The following staff, in particular, deserve the highest credit for their efforts on this issue against odds that were as great as any confronted in this body on an issue of major importance. Thanks and appreciation go to my own counsel on the Subcommittee on the Constitution, Stephen Markman, Vinton Lide, Will Lucius, Dennis Shedd, Professor Laurens Walker, George Salem, Quentin Crommelin,

Thomas Boyd, Michael Wallace, Jim McClellan, Jim Sullivan, Tom Brovard, Karl Moor, Robert Cynkar, Scott Wilson, Michael Hammond, and others.

Finally, let me extend my appreciation to all of my colleagues who played an active role in this monumental legislation. Special recognition ought to go to Senator HOWARD BAKER and Senator TED STEVENS for their leadership efforts on this issue, Senator TED KENNEDY and Senator CHARLES MATHIAS for their efforts on behalf of S. 1992 since its introduction, Senator BOB DOLE for his sincere and conscientious efforts in attempting to fashion a workable compromise approach in the Senate Judiciary Committee when the committee appeared to be deadlocked, Senator JOHN EAST and Senator JESSEE HELMS for their determined and principled efforts in opposition to S. 1992 on the floor, and such other Senators as JEREMIAH DENTON, Senator HARRY BYRD, JR., Senator DENNIS DECONCINI, Senator HOWARD METZENBAUM, Senator THAD COCHRAN, Senator CHARLES GRASSLEY, Senator JOHN WARNER, and Senator SAM HAYAKAWA for their active efforts in behalf of their positions on this legislation.

In particular, I would like to commend the distinguished chairman of the Senate Judiciary Committee, STROM THURMOND, for his leadership role throughout this process and for the strength of principle that he showed on the difficult issues involved in this debate. He has done himself and the Judiciary Committee great credit in this effort.

Let me also make special mention of the efforts of the distinguished Senator from Kansas during debate on this floor to address some of the concerns that some Senators, including myself, have about the language that he offered in committee. Although, as he knows, I continue to have serious reservations about this language, I do respect the efforts that he has diligently made to attempt to respond to some of these concerns. He deserves the highest credit for this, in my view.

Mr. President, I shall vote for final passage of this measure, as I have already stated, because I do not want to undermine what I believe are the monumental contributions that this act has made to the realization of the 15th amendment rights of all American citizens. None should overlook these contributions, whatever their perspective on the proposed amendments to this law contained in S. 1992.

As I have also said repeatedly—see generally, CONGRESSIONAL RECORD, June 9, 1982, pages 13112-13163—I believe that these amendments promise to effect a destructive transformation in the Voting Rights Act and to undermine the consensus support that this legislation has achieved to date. I can only say once more that I hope that the U.S. Supreme Court will review these amendments in due course and conclude, with me, that they do not satisfy the minimum tests for constitutionality. In the event that they do not, I fear that the decades ahead can see nothing else than a sure and steady erosion of many of the most fundamental values and principles of our constitutional system—equal protection for all citizens, individual not group rights, representation of individuals, not interest groups, and dual federalism. Only time—not a majority vote of this body today—can conclusively determine whether I am right or wrong.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the Senate proceed to consideration of House bill 3112.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3112) to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BAKER. Yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Will the Senator from Maryland state whether or not he wishes to amend the language?

Mr. MATHIAS. Mr. President, I ask unanimous consent that all after the enacting clause of H.R. 3112 be stricken and the language of S. 1992, as amended, be inserted in lieu thereof.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Indiana (Mr. LUGAR) and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER), the Senator from Missouri (Mr. DANFORTH) and the Senator from Indiana (Mr. LUGAR) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), and the Senator from Ohio (Mr. GLENN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) and the Senator from Ohio (Mr. GLENN) would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 85, nays 8, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—85

Abdnor	Gorton	Nickles
Andrews	Grassley	Nunn
Armstrong	Hart	Packwood
Baker	Hatch	Pell
Baucus	Hatfield	Percy
Bentsen	Hawkins	Pressler
Biden	Heflin	Proxmire
Boren	Heinz	Pryor
Boschwitz	Hollings	Quayle
Bradley	Huddleston	Randolph
Brady	Inouye	Riegle
Bumpers	Jackson	Roth
Byrd, Robert C.	Jepsen	Rudman
Cannon	Johnston	Sarbanes
Chafee	Kassebaum	Sasser
Chiles	Kasten	Schmitt
Cochran	Kennedy	Simpson
Cohen	Laxalt	Specter
Cranston	Leahy	Stafford
D'Amato	Levin	Stennis
DeConcini	Long	Stevens
Dixon	Mathias	Thurmond
Dodd	Matsunaga	Tower
Dole	Mattingly	Tsongas
Domenici	Melcher	Warner
Durenberger	Metzenbaum	Weicker
Eagleton	Mitchell	Zorinsky
Ford	Moynihan	
Garn	Murkowski	

NAYS—8

Byrd, Harry F., Jr.	East	Humphrey
Denton	Hayakawa	McClure
	Helms	Symms

NOT VOTING—7

Burdick	Glenn	Wallop
Danforth	Goldwater	
Exon	Lugar	

So the bill (H.R. 3112), as amended, was passed.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KENNEDY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, "The basis of our Government," wrote Thomas Jefferson, "is the opinion of the people, and the very first object should be to keep that right."

It is my firm belief, that the Senate's decision today to extend the Voting Rights Act of 1965 is a dedicated and historical affirmation of Jefferson's words. By passing this extension,

the Senate has acted to protect and insure a central right of all Americans: the right to vote. Nothing is more basic in a representative democracy and nothing is more important to individual freedom. The right to vote has been and always will be the cornerstone of democracy; without it, there would be no political freedom.

The Voting Rights Act of 1965 lies at the heart of the landmark civil rights measures of the 1960's, measures which are still among the most significant public policy decisions in our Nation's history. The voting rights bill enfranchised millions of voters in numerous racial and ethnic classes who were heretofore disfranchised by decades of obstruction and prejudice. It added another essential element to the civil rights movement, and continued the progression from judicial to administrative equality enforcement.

The road to passage has been an arduous and emotional one. Without the guidance and perseverance of the Senate Judiciary Committee, under the able leadership of Chairman THURMOND, we would not be in this position. I would like to commend Senators DOLE, MATHIAS, KENNEDY, and GRASSLEY for forging a compromise that many said could not be constructed. Moreover, they worked with other Senate Members, the White House, and civil rights groups to insure its survival. I would also like to thank Senators HATCH, EAST, and BIDEN for assisting throughout floor action on the measure.

My good friend and colleague, the distinguished assistant majority leader, Senator STEVENS, was an invaluable source of insight and dedication, and I want to thank him once again for managing the affairs of the Senate on Wednesday while I escaped to visit my new grandson.

And finally, Mr. President, I want to thank my good friend from North Carolina, Senator HELMS. Despite differences, Senator HELMS remained forthright and accessible. He did this week what every good Senator does—he spoke on the record for something that he felt was important to him and to his State, and I want to take this opportunity to express my pleasure that he enabled compromise and cooperation to prevail.

Mr. MATHIAS. Mr. President, very briefly, I wish to express my appreciation to everyone in the Senate for the time that they have devoted and for the intense interest and attention that this matter has received.

I particularly thank the principal cosponsors of the bill, the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Kansas (Mr. DOLE).

Without the kind of teamwork that we have had, I do not think that we could have achieved the happy result that we have just witnessed.

Of course, there have been a remarkable number of cosponsors, and I will not mention them each by name. It is a major achievement to have passed this bill today in this record time. That could not have happened if it had not been for the leadership of the leader.

It is one thing to be called the majority leader; it is another thing to lead, and in this case the majority leader has led and led us to victory. His efforts have been supplemented by the minority leader, the Senator from West Virginia, who has been very helpful.

But in addition to all of the Members, I wish to pay special tribute to staff members, to Mike Klipper, Steve Metalitz, Burt Wides, Shelia Bair, Ron Weich, Bruce Cohen, Russ Pallesen, John Maxwell, Marge Baker, Keith Lawson, Sally Lassman, Maura Whelan, Pam Stevens, Carolyn Osolinik, Linda Colancecco, Ben Scotch, and Geoff Baker.

All of them have their imprimatur on this bill and our thanks go out to them.

Mr. KENNEDY. Mr. President, today's action by the Senate on voting rights is a vote of confidence in American democracy and a vindication of the most fundamental civil right of all in any free society, the right to vote.

The victory is also a heartening sign that Congress will not endlessly turn its back on the needy in our society and the minority who are not white. It is fashionable in some quarters to suggest that those who do not like the current economic policy can vote with their feet. But this legislation insures that they can also vote with their ballots—at every level of government across the country, in elections that are free of even the most sophisticated forms of discrimination.

I am confident that, in time, the results of this Senate action on voting rights will be felt in town councils and State legislatures and even the Halls of Congress. And those results will translate in time into fairer laws and greater hope and opportunity for millions of black and Hispanic citizens and others who still suffer from discrimination and who need our help the most.

Those who sought to draw a line in the dust against this bill have failed. They could not halt the peaceful revolution in civil rights that has transformed the Nation over the past quarter century, and that has made this country a symbol of hope and progress and freedom for countless people in other lands.

The bill we have just passed has successfully run the gauntlet of the filibusterers. It has emerged unscathed by the assaults of those who would roll back the achievements of a generation in guaranteeing basic civil rights.

The jgurney to passage of this legislation was not an easy one. But the long hours and difficult days of debate in the committee and on the Senate floor have reaffirmed some vital truths—that for all its faults, the system does work; change does come; equal justice is not forever beyond our reach.

To all who worked so hard in Congress and around the country to help us reach this destination, I say this victory is yours. Your efforts made it possible. Without you, the Senate could not have overcome.

Mr. President, I also think that this is an extremely significant time in the history of the Senate and hopefully a hopeful message went out across this country this noontime to millions of Americans and to their families that this Nation is firmly committed to rooting out prejudice and discrimination against citizens of this country whose skin is not white.

This has been an overwhelming endorsement of that concept, bipartisan in nature as the great civil rights legislation of an earlier period was as well.

Certainly, as the Senator from Maryland pointed out, we could not be here unless we were really building on the broad shoulders of generations before us here in the Senate and many of our colleagues who spent time, became acquainted with this legislation and were strongly committed to it.

This is a complex piece of legislation, but it in many respects has been described as the most important civil rights legislation that this country has ever passed. I believe that to be true.

But I think most importantly it reaffirms some of the fundamental principles which this country was founded on, and I think that is reassuring today because we are providing a meaningful remedy to those citizens who still receive the whip of discrimination and prejudice.

I specifically wish to thank the Senator from Maryland who was here at the first passing of this act in 1965 and whose record in the protection of individual rights and liberties in this body is unequaled, our colleague the Senator from Kansas who I think had a very important role in the consideration of this legislation and played an absolutely essential and key role, along with other Members, Senator GRASSLEY, Senator SIMPSON, Senator DECONCINI, and other members of the Judiciary Committee.

I also pay respect to those members of the Judiciary Committee who have strong views and whose views did not prevail today but still I think pursued what they consider to be both their conscience and their duty. I think the fact that we had the debate both in

the committee and here in the Chamber was healthy both for the understanding of the legislation and also I think helped us insure that this legislation is even going to be more meaningful as a result of that debate. I respect their views as I do other Members of the Senate who participated in the discussion.

Finally, I also pay tribute to the majority leader who through many long conversations had given assurances to this body and I think to the American people that we were going to consider this measure in a timely fashion and had maintained his commitment both to the Senate and to the American people.

I also thank our minority leader, Senator ROBERT C. BYRD, who also was extremely helpful and effective in helping us on this side of the aisle to expedite the legislation.

I am grateful to the President for his support of this legislation and finally I just pay tribute to the members of the staff on my own staff personally. Burt Wides, Carolyn Osolinik, Nancy Dalton, Ronald Weich, and the other staff members who worked so hard. In addition, Michael Klipper of Senator MATHIAS' office, Sheila Bair of Senator DOLE's office and Marge Baker of Senator METZENBAUM's exhibited the highest standard of professionalism in their expert work on this legislation and in their dealings with other Senators staff from all of the other committee offices, and outside groups, representing a wide variety of strong and sometimes conflicting interests. Staff, also John Maxwell of Senator GRASSLEY's Robert Fieldler of Senator DECONCINI's staff, Ben Scotch of Senator LEAHY's staff, Bruce Cohen of Senator SPECTER's office, Arthur Brislman of Senator HEFLIN's staff, and William Lucuis of Chairman THURMOND's office played particularly helpful roles in shaping the legislation and the legislative process by which committee action and Senate passage have been achieved.

This legislation, as has been pointed out, is enormously complicated and incredibly technical. There are scores of court cases that relate to it. It took the painstaking analysis of those cases, the understanding of the importance of words, commas, semicolons, and we are indeed in the debt of those who provided invaluable help and assistance to us and the country.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MATHIAS. The Senator from Massachusetts speaks of painstaking attention. I said during the debate that the Senator from Utah spent more time on this bill than any other Member of the Senate.

Mr. KENNEDY. The Senator is quite correct. I think I am the only Member of the Senate who has the good fortune of being on four committees in the Senate with the Senator from Utah, and I do not know what is happening to his view or to mine, but I always find that we try and work in the common interest of the country and try to find mutual areas of agreement. We have found some and they have been important, but I think each of us is learning from each other and I pay tribute to him for his very special work and for all the courtesies that he extended to all the members of the committee and to the Senate when he was providing the leadership on this issue, and I pay respect also to the chairman of the Judiciary Committee, Senator THURMOND, who had strong views on this and serious questions but was still responsive to the majority's will on the committee and in the Senate.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. STAFFORD). The Senator from Kansas.

Mr. DOLE. Mr. President, I will not detain the Senate for very long, but I want to express my thanks to the distinguished majority leader, the distinguished assistant majority leader, the distinguished minority leader and, obviously, the distinguished chairman of the Judiciary Committee for expediting action on this bill; again to Senator HATCH, who has been referenced by both Senators KENNEDY and MATHIAS. Senator HATCH spent hours and hours of hearings in the subcommittee compiling a record, which this Senator believes enabled some of us to better understand the key problems, and although we may not have agreed on how we went from that point, I know it was very helpful to this Senator in trying to figure out some way to break the impasse in the committee.

I want to express my heartfelt thanks to the managers of the bill, Senator KENNEDY from Massachusetts and Senator MATHIAS from Maryland, as well as those inside and outside the Senate, particularly Ralph Neas, Bill Taylor and others from the Leadership Conference on Civil Rights, who played a direct role in the passage of this legislation.

The Senator from Kansas has not checked, but I cannot recall of any major civil rights legislation that has passed the Congress as quickly as this legislation has. When you consider we started on it yesterday afternoon, on the bill itself, and in less than 24 hours we have completed this historic legislation. It would seem to me it is an indication, again, of the willingness of the opponents, once they had made their case, to permit the Senate, to work its will; and for that we are grateful to Senator EAST, Senator HELMS, and others who have strong views in certain areas, and certainly their views will be respected.

I want to extend my thanks also to the distinguished Senator from Iowa (Mr. GRASSLEY), Senator DECONCINI from Arizona, Senator SIMPSON from Wyoming, and others who, at rather critical times, in an effort to work out a compromise, were willing to support a reasonable and meaningful compromise.

This Senator believes the compromise will stand the test of time, will stand the test of litigation, and will ease the fears of many who have spoken about the legislation in the past several days.

The Senator from Kansas would also recognize the active support of the White House and the President of the United States in what I consider to be highly significant legislation.

I thank all those who have participated.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. I certainly will not add extensively to this RECORD, but I would be derelict if I did not rise and extend my thanks and appreciation to the skillful managers of this bill, a very controversial measure, on which there were a great number of amendments and a great deal of debate.

Mr. President, according to my numbers, the Senate was on the bill for 7 days of consideration. As of 2 o'clock this afternoon we had spent 38 hours and 10 minutes in deliberations; there have been 18 rollcall votes; we disposed of 22 amendments, seven had been agreed to and 15 had been rejected.

As the Senator from Kansas points out, it is an extraordinary thing that the Senate worked its will on a major piece of legislation in the civil rights field as promptly as it did, and it is a great tribute not only to Senators MATHIAS and KENNEDY but as well to Senator DOLE, Senator HATCH, and others who were intimately involved in the negotiations that went on that led finally to the disposition of this matter.

The Senators who were deeply involved, of course, were the Senator from South Carolina (Mr. THURMOND), the chairman of the committee, who always brings a balancing view to the deliberations of the Senate; Senator HELMS from North Carolina, without whose assistance and cooperation almost certainly it would not have been possible to reach a final determination on the matter at this time; the Senator from Alaska (Mr. STEVENS), whose counsel is always welcome and whose contribution to the Senate is always valuable.

I wish to express my special appreciation to Senators DENTON and EAST who are freshmen Senators, who contributed far in excess of what freshmen are usually thought of as being able to present to the Senate on major legislation, and who were major play-

ers in the piece, as were Senators GRASSLEY and SIMPSON.

Mr. President, it has been an extraordinary experience indeed, and I congratulate the Senate. I wish to express my appreciation to each Member of the Senate for their thoughtfulness and consideration of me, making it possible for the leadership to reach this point.

Mr. KENNEDY. Mr. President, I would be remiss in not acknowledging the extraordinary contribution that the religious community has made, to the trade union movement, to many of the business communities and, most of all, those activists who have been involved in the civil rights movement, the grassroots individuals and the leadership Conference on Civil Rights. I think we are very much in their debt, and I personally want to express my great appreciation for all of their help, counsel and assistance in bringing this measure to fruition today.

Mr. RANDOLPH. Mr. President, I wish to add a historical note, following the passage of this very, very important legislation. I call attention to the fact that there are 13 of us who are now serving in the Senate of the United States who were here and cast pro and con for the votes on the original Voting Rights Act in 1965. That is 17 years ago. Thirteen of us who voted in 1965 have voted today.

There are those of us who believe very much in that breakthrough, the freedom, the expression of the American people in citizenship back in 1965. I add this note of sadness and sorrow I expressed earlier this week during the debate. At that time I called attention to the appalling lack of the American voters, to use their ballots on election day in the United States of America.

During the past few months we have had important primaries in many of our States. In checking the voting record within those States, we have determined that only one out of three Americans were at the polls expressing the decisions for a candidate or an issue.

I recall very well in 1960 after John Kennedy had been elected President of the United States that he said it was an "appalling" situation because of the lack of the use of the American ballot.

In that election in 1960, 63 out of every 100 eligible, qualified citizens went to the polls. I wonder if John Kennedy, as well as TED KENNEDY, who has done a splendid job in floor managing this legislation, what John would say were he here today? It was appalling when 63 out of 100—that is all—were at the polls. But in the last Presidential election 20 years later, in 1980, barely 53 percent of the registered voters cast their ballots. I say to the able majority leader and to every Member and, hopefully, it may be read in the CONGRESSIONAL RECORD, that in a period of 20 years in this country we have continually lowered the percentage of votes cast by qualified and registered voters.

I hope through an organization called Convention II, which is now active on the college campuses of America, that a successful campaign will bring young people to the realization that they should cast their votes.

A young man said to me a few days ago, "Mr. Randolph, I hear you talk on voting. But would you tell me the importance of my one vote." And I was glad to tell him in a very earnest, I hope, a helpful way. I replied, "Your vote belongs to you. No one else possesses it. But if you do not exercise it, if you do not use it, it ceases to exist."

Throughout the United States of America, where we many times have the voting booth just around the corner from where we live or have our business, we do not vote. In New Zealand or Australia, where the voting booths are not around the corner, where no penalties are applied, 90 percent of those who are eligible and qualified to vote, are at the polls.

If I become earnest about what I am saying here today. It is because I remember the joy, the pride, I possessed when I cast my first vote in 1924. I was 22 years of age. And I was given the privilege to vote for John W. Davis, a West Virginian, for President of the United States. I am sorry, of course, that he had to lose to Calvin Coolidge of Vermont. John W. Davis was truly remarkable. He would have made a great national leader. He had shown that leadership as a Member of the Congress, Solicitor General of the United States, Ambassador to the Court of St. James, and, of course, one of the truly finest of lawyers to argue before the Supreme Court.

Davis, in his campaign, declared, "It is the supreme need of the hour to bring back to the people confidence in their government."

We, again, are discussing legislation which is fundamental to our citizenship, the strengthening of the voting rights legislation through our action here.

In the strengthening, I plead for some type of program which will rally all of the citizens of the United States—parents, fathers, and mothers, those within the teaching segments in our high schools and colleges and universities—to realize that we must stop this retreat. I ask the capable assistant majority leader, (Mr. STEVENS) what can we do to reverse this trend, that has become so prevalent in our society—the failure of citizens to vote? In Alaska it is difficult, due to distances and climate for many persons to vote. Absentee voting is encouraged.

In the election of 1980, many, many of our States had less than 50 percent of their registered, qualified, eligible voters at the polls. I am earnest in these remarks. There must be a rebirth of individual responsibility within the United States of America. Groups, organizations, parties, yes, but the individual must realize, as never before that: "My vote is a precious instrument of freedom." Let our people exercise, on every occasion for voting, that the strengthening of the law of today creates a special obligation for all of us to use this franchise of freedom. Otherwise it continues to wither and to die. I thank the able and helpful majority leader for his courtesy and cooperation.

Mr. STEVENS. Mr. President, we have completed this bill and I think it demonstrates again, at least to me, that democracy is not perfect. Despite the pleas that we have made for understanding of a State just as far from Washington, D.C., as my home of Anchorage is from Tokyo, the Senate has once again maintained a classification of my State that is unwarranted. It has done so primarily because I feel that those who lobby for the extension of this bill are primarily concerned with the legitimate concerns of the black people of the country, particularly those of the South. They do not seem to understand the West and they particularly cannot contemplate the Northwest. I do not think many of them even ventured north of Washington, D.C. They do not realize what it means to represent a State that is one-fifth the size of the whole United States.

The representation was made to me again on the floor today that all my State needs to do to be removed from this act is to write a letter and ask to be removed. We have contacted the Attorney General. I have requested him to do that. If the State of Alaska is not released from the burden of complying with this act, as the proponents of this measure said they would be and for that reason have repeatedly opposed amendments that would relieve us from this burden, then I will be back with my amendment and I will be back again and again and again. We are going to find some way for the Congress to go on record that an unwarranted burden on a State with a small population, thousands of miles away, imposed by people who do not understand the situation, is going to be removed by law.

I say that as a promise, not only a promise to my people and myself, but to the Senate.

I think this preclearance of the people who were out in the hall for the whole time this bill was under consideration—is not the proper way to legislate. No amendment was approved unless it was taken out in the hall and approved by a group that organized itself as the preclearance group for amendments to this bill. Thankfully, two of my amendments were approved

by them. But, I think the procedure is something that the country ought to know about.

I think, in addition to that, we must establish a scheduled oversight of this act. It is going to be 25 years in length and I think it is incumbent upon the Senate to commit itself to at least an annual review of the impact of the Voting Rights Extension Act.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, there are executive nominations that have been cleared on both sides. I ask unanimous consent that the Senate now go into executive session for the purpose of considering nominations under "New Reports," beginning on page 3 and continuing through page 9.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

The legislative clerk proceeded to read nominations on the Executive Calendar.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

George C. Pratt, of New York, to be U.S. circuit judge for the second circuit.

Maurice M. Paul, of Florida, to be U.S. district judge for the northern district of Florida.

John W. Potter, of Ohio, to be U.S. district judge for the northern district of Ohio.

Harold M. Fong, of Hawaii, to be U.S. district judge for the district of Hawaii.

A. J. McNamara, of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

DEPARTMENT OF JUSTICE

William C. Whitworth, of South Carolina, to be U.S. marshal for the district of South Carolina for the term of 4 years.

Francis K. Peo, of New York, to be U.S. marshal for the northern district of New York for the term of 4 years.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John T. Chain, Jr., xxx-xx-xxxx xxx-...FR, U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 34, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Rudolph D. Bartholomew, xxx-... xxx-xx-xx...FG, Air National Guard of the United States.

Brig. Gen. LeRoy R. Bartman, xxx-xx-xxxx xxx-...FG, Air National Guard of the United States.

Brig. Gen. William J. Davis, xxx-xx-xxxx xxx-x...FG, Air National Guard of the United States.

Brig. Gen. Charles K. Evers, xxx-xx-xxxx xxx-x...FG, Air National Guard of the United States.

Brig. Gen. John L. France, xxx-xx-xxxx xxx-...FG, Air National Guard of the United States.

Brig. Gen. Arthur U. Ishimoto, xxx-xx-xx... xxx-...FG, Air National Guard of the United States.

Brig. Gen. Leslie E. Whitehead, xxx-xx-xx... xxx-x...FG, Air National Guard of the United States.

To be brigadier general

Col. Lester D. Abston, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Ralph E. Bradford, Jr., xxx-xx-xxxx xxx-x...FG, Air National Guard of the United States.

Col. Alfred B. Cole, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Claude F. Heath, 227-26-249FG, Air National Guard of the United States.

Col. Harold W. Rudolph, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Milton H. Towne, xxx-xx-xxxx FG, Air National Guard of the United States.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

To be general

Lt. Gen. Billy M. Minter, xxx-xx-xxxx FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. Richard E. Merkling, xxx-xx-xxxx xxx-...FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

Maj. Gen. Earl T. O'Loughlin, xxx-xx-xxxx xxx-...FR, U.S. Air Force.

The following-named officers for appointment in the U.S. Air Force to the grades indicated, under the provisions of chapter 36, title 10 of the United States Code:

To be major general

Brig. Gen. John A. Collins, xxx-xx-xxxx xxx-...FR, U.S. Air Force, chaplain.

To be brigadier general

Col. Stuart E. Barstad, xxx-xx-xxxx FR, U.S. Air Force, chaplain.

The following-named officer for appointment in the U.S. Air Force under the provisions of chapter 36, title 10 of the United States Code:

To be major general

Brig. Gen. Gerald L. Prather, xxx-xx-xxxx xxx-...FR, U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United Sates Code, section 601:

To be lieutenant general

Maj. Gen. Richard L. Prillaman, xxx-xx-x... xxx-... U.S. Army.

The following officer for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Robert F. Ensslin, Jr., xxx-xx-xx... xxx-x... Army National Guard of the United States. The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Robert Haldane, xxx-xx-xxxx (age 57), U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Howard Francis Stone, xxx-xx-xx... xxx-... U.S. Army.

IN THE NAVY

Adm. Bobby Ray Inman, U.S. Navy (age 51), for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Lee Baggett, Jr., xxx-xx-xxxx, 1110, U.S. Navy.

IN THE MARINE CORPS

The following-named officers, under the provisions of title 10, United States Code, section 601, to be assigned, or reassigned, to positions of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. John H. Miller, xxx-xx-xxxx, U.S. Marine Corps.

Maj. Gen. William R. Maloney, xxx-xx-x... xxx-x... U.S. Marine Corps.

Maj. Gen. William H. Fitch, xxx-xx-xxxx, U.S. Marine Corps.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Salvatore F. Giannotta, to be colonel, and ending John L. Wilson, to be lieutenant colonel, which nominations were received by the Senate on June 2, 1982, and appeared in the CONGRESSIONAL RECORD of June 8, 1982.

Air Force nominations beginning Donald S. Abel, to be determined, and ending James H. Young, to be determined, which nominations were received by the Senate on June 3, 1982, and appeared in the CONGRESSIONAL RECORD of June 8, 1982.

Air Force nominations beginning Galen J. Rose, to be determined, and ending Juanita K. Sheeley, to be determined, which nominations were received by the Senate on June 3, 1982, and appeared in the CONGRESSIONAL RECORD of June 8, 1982.

Air Force Nominations beginning Alfred G. Aldridge, Jr., to be lieutenant colonel, and ending Francis L. Mcinnis, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 14, 1982.

Air Force nominations beginning Leroy P. Ache, to be colonel, and ending David S. Wiesenfeld, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 14, 1982.

Army Nominations beginning John W. Carney, to be major, and ending Robert A. Reichert, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 24, 1982.

Army nominations beginning Anthony Frigeri, to be colonel, and ending Richard Hagle, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 24, 1982.

Marine Corps nominations beginning Glen D. Montgomery, Jr., to be second lieutenant, and ending Neal H. Zendle, to be second lieutenant, which nominations were received by the Senate on June 2, 1982, and appeared in the CONGRESSIONAL RECORD of June 8, 1982.

Navy nominations beginning Michael Clifford Aaby, to be lieutenant commander, and ending David Jay Wright, to be lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 21, 1982.

Navy nominations beginning Eugene M. Abler, to be ensign, and ending Joseph Coppola, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 24, 1982.

Navy nominations beginning Peter H. Cressy, to be commander, and ending Richard E. Webb, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 24, 1982.

Navy nominations beginning Gregory J. Kniff, to be ensign, and ending John T. Lindgren IV, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 14, 1982.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF WILLIAM C. WHITWORTH TO BE U.S. MARSHAL FOR THE DISTRICT OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, I rise today to state my enthusiastic support for William C. Whitworth to be the U.S. marshal for the district of South Carolina.

Mr. Whitworth was born in Columbia, S.C., the State's capital, and has spent over 30 years in devoted service to the country and his home State. Upon graduation from high school, Mr. Whitworth served his country in the U.S. Marine Corps, where through hard work and dedication, he attained the rank of sergeant. In 1956, after Mr. Whitworth's tour of duty with the Marine Corps, he returned to South Carolina and further distinguished himself, serving as a patrolman for the South Carolina Highway Department.

In 1959, Mr. Whitworth, using the knowledge and experience gained in the Highway Department, became an investigator for the South Carolina Tax Commission, and in 1962 an investigator with the South Carolina Wildlife Resources Commission.

In 1963, Mr. Whitworth became a deputy U.S. marshal, distinguishing himself further by becoming commander of the Special Operations Group in Washington, D.C. and the Chief Deputy U.S. marshal in Columbia, S.C.

Since March 1981, Mr. Whitworth has served as the court appointed U.S. marshal for the district of South Carolina and has proven himself as a man of courage and dedication. I have no reason to doubt that he will always serve his country in this manner.

I therefore urge my colleagues to support President Reagan's nominee, William C. Whitworth, for the position of U.S. marshal for the district of South Carolina.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982—CONFERENCE REPORT

Mr. HATFIELD. Mr. President. I submit a report of the committee of conference on H.R. 5922 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The bill clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the Record of June 10, 1982.)

Mr. HATFIELD. Mr. President, we now have before us the conference report on H.R. 5922, the urgent supplemental appropriations bill. The conference report has been available to all Senators since Monday, and I believe most of us are familiar with its provisions, so I will not go into great detail in explaining the bill.

Two matters in which Members are very much interested are amendments Nos. 16 and 62, which were reported in disagreement and as such must be dealt with separately, outside the conference report. Amendment No. 16 is the housing stimulus package, for which the conferees included $3 billion, instead of the $5.1 billion passed by the Senate. Amendment No. 62 deals with the deductibility on Members' living expenses while away from home and a limitation on all outside earned income equal to 30 percent of our salary.

The conference agreement provides new budget authority in the amount of $8.9 billion and rescinds $5.7 billion in budget authority, for a net of $3.2 billion. This exceeds the President's request by $6.39 billion in budget authority, and $349 million in outlays.

As Senators are no doubt aware, the administration opposes this bill, according to correspondence from OMB Director David Stockman. Despite that opposition, I urge my colleagues to support this measure. I would remind my colleagues that we went to extraordinary lengths to include a housing stimulus package of $5 billion, despite administration opposition, and the conference agreement provides a smaller, and presumably more acceptable, amount for the program. The measure enjoyed comparable support in the House. I see no reason why we should not maintain our position, and adopt the conference report.

Mr. PROXMIRE. Mr. President, although I believe our chairman is to be commended for his diligence and dedication in bringing the urgent supplemental bill through a very arduous conference, I am deeply concerned over the levels of funding contained in the bill for a number of programs.

The legislation as reported by the committees of conference exceeds the President's budget request by the very substantial sum of $4.35 billion. Now the bulk of this increase—$3 billion—is for a housing stimulus program which I strongly support for two reasons. First, the funds will be repaid to the Government. Second, this will provide the deeply depressed housing industry with a badly needed stimulus that will increase jobs by hundreds of thousands.

However the conferees also approved substantial increases in other areas that should not be in an urgent supplemental and that will send exactly the wrong kind of signal to the financial community.

In short we did well in finally getting this bill through conference, but I

wish we had done better and I look forward to working with my colleague from Oregon, our distinguished chairman, to hold the line on spending in future appropriations legislation.

ORDER OF PROCEDURE

Mr. STEVENS, Mr. President, these matters have been cleared by the minority leader and, therefore, he agrees and his presence is not necessary at this time.

ORDER THAT H.R. 3863, H.R. 6198, AND H.R. 1482 BE HELD AT THE DESK UNTIL THE CLOSE OF BUSINESS MONDAY, JUNE 21, 1982

Mr. STEVENS. Mr. President, I ask unanimous consent that H.R. 3863, H.R. 6198, together with H.R. 1482 be held at the desk until the close of business on Monday, next.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMEMORATING THE BICENTENNIAL OF THE GREAT SEAL OF THE UNITED STATES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Resolution 394, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 394) expressing the sense of the Senate to commemorate the bicentennial of the great seal of the United States.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The resolution (S. Res. 394) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 394

Whereas the Continental Congress, on June 20, 1782, adopted the design for the Great Seal of the United States consisting of an obverse and reverse side;

Whereas a die for only the obverse side was cut and first used on September 16, 1782;

Whereas Congress, on July 7, 1884, enacted a law and appropriated the funds to cut dies for both the obverse and reverse sides of the Seal and to make appliances to make impressions of both sides of the Seal;

Whereas for the second time, only a die for the obverse side was cut;

Whereas the will of the Founding Fathers and Congress to cut dies for the complete Great Seal has never been carried out;

Whereas there currently exists a die and appliances only for the obverse side of the Seal; and

Whereas June 20, 1982, is the bicentennial of the adoption of the Great Seal: Now, therefore, be it

Resolved, That the week beginning June 20, 1982, be proclaimed Great Seal Bicentennial Week, and that a die be cut and appliances be made for making an impression of the reverse of the Great Seal to complete the Official Seal, to be ready for the bicentennial for its first use, September 16, 1982. In order to promote and enhance efforts to inform the American people of the will of the Founding Fathers and of the meaning and purpose of our National Seal, the President of the United States is authorized and requested—

(1) to issue a proclamation declaring the week beginning June 20, 1982, Great Seal Bicentennial Week, announcing the cutting of dies for the complete Seal, and calling upon the people of the United States, including the States and educational institutions, to observe such week with appropriate ceremonies and activities;

(2) to send a suitable copy of such proclamation to the Governor of each State and to each Member of Congress; and

(3) to direct all Federal agencies and departments which have activities or exhibits relating to the Great Seal and the Continental Congress to cooperate with and participate in the celebration of such week.

Mr. STEVENS. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STAR PRINT OF S. 1433

Mr. STEVENS. Mr. President, on behalf of the Senator from Maryland (Mr. MATHIAS), I ask unanimous consent that corrections to S. 1433, a bill to provide for improvements in the local planning process in the District of Columbia, be made in the bill and that a star print of the corrected bill be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

INUA: SPIRIT WORLD OF THE BERING SEA ESKIMO

Mr. STEVENS. Mr. President, last night was the opening of an exhibition at the Smithsonian's Museum of Natural History that I have had a great personal interest in for quite some time. The exhibition is entitled: "Inua: Spirit World of the Bering Sea Eskimo." On display are approximately 500 artifacts collected in the Bering Sea area of Alaska by Edward Nelson over 100 years ago. These objects, on view to the public for the first time, range from intricately carved bag handles and earrings to elegantly carved wooden boxes, spears, and ceremonial masks. By studying these objects, one gets a sense of the lifestyle, philosophy, and spirit of the 19th century Bering Sea Eskimo peoples.

This exhibition is particularly meaningful to me and my family because my late wife Ann was instrumental in bringing this exhibit out of the attic and into the public view. In 1978, Ann went down to the Smithsonian to find out what Alaskan artifacts the Smithsonian had in their collection. She discovered, as I did in a later visit, that there were hundreds, indeed thousands, of Alaskan objects that were not on display. Bacause of Ann's overwhelming interest in the Eskimo people and their culture she urged the Smithsonian to put together an exhibit that would eventually travel up to Alaska so that all Alaskans would have a chance to view this beautiful collection and learn more about the State's rich cultural heritage. Last night was the opening of that exhibit, and it will be on display at the Smithsonian until January 1983. After that, the exhibit will travel across country and eventually be on display in several locations in Alaska.

I urge my colleagues to take the time between now and January to view this rich collection as I am sure you will be as awed as Ann and I were by the sheer beauty of the objects these people used in their daily life.

Let me also say to my colleagues that I hope this is just a first in the series of exhibits that the Smithsonian will put together that will eventually travel to their home States to be on display as a permanent loan. I will do what I can as a member of the Interior Appropriations Committee to assist any Senator that believes the Smithsonian may have artifacts of interest and import to their own State that they would like to see return to the State for a period of time.

In closing I would like to thank the Smithsonian for their efforts in putting together this exhibit and I am especially grateful to Dr. Bill Fitzhugh, curator of this exhibit, for his untiring efforts in coordinating such a massive collection of artifacts into a beautiful exhibit. A number of Alaskans also lent their expertise to this exhibition, my thanks to: The St. Lawrence Eskimo dancers who travelled out of the State for the first time to perform their ancestral dances during the opening of this exhibition, and to Dr. Saradell Frederick, Ron Senungetuk, Ron Evans, Suzi Jones, the Alaska State Council on the Arts and the Alaska Museums. Also, I would like to thank the oil companies that made last night's opening reception possible: Atlantic Richfield, Chevron USA, Exxon, Getty, Gulf, Marathon, Phillips, Standard Oil of Indiana, Union of California, and Northwest Energy. As these companies explore Alaska's natural resources, they have demonstrated their respect for the State's rich cultural heritage by lending their support last night.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUMANITARIAN ASSISTANCE TO THE TROOPS OF ARGENTINA ON THE FALKLANDS

Mrs. HAWKINS. Mr. President, yesterday I was prepared to offer a sense-of-the-Senate resolution for myself, Mr. BIDEN, Mr. CHAFEE, Mr. CRANSTON, Mr. D'AMATO, Mr. HAYAKAWA, Mr. HELMS, Mr. LAXALT, Mr. MATHIAS, Mr. PRESSLER, Mr. QUAYLE, Mr. SYMMS, Mr. THURMOND, and Mr. WEICKER. This amendment called for the provision of humanitarian assistance to the troops of Argentina on the Falkland Islands, and the arranging of their return to Argentina. Subsequently, I was prepared, because of the urgency of that situation, to offer this resolution as an amendment to the Voting Rights Act in order to send a message that the United States is concerned about the suffering young Argentine men who have been exposed to the extremely bad weather for several weeks, but especially since June 14 when the British regained control of the Falkland Islands.

As late as last night, that was still a critical situation. After discussing it with the Department of State several times today, I am happy to report to my colleagues that an arrangement has been worked out between the British Government and the Argentine Government allowing a British ship to deliver 5,000 of the troops to an undisclosed part of Argentina without being harmed. In addition, under this arrangement two Argentine ships will come and pick up many of the remaining troops and return them to their homeland without harm.

I think now the situation has brightened considerably. I am pleased that the United States was able to play a role in the negotiations between Britain and Argentina. We are being used as a channel at this point in time.

I feel grateful and thankful for those who have been able to work together for the first time in this situation, and hope that the arrangements can be expedited so that the troops suffering on the island can be moved swiftly to where they can be safely and adequately cared for.

I thank the majority leader for his concern and his willingness to accept this as an amendment or as a resolution, and I am pleased that progress is being made on a very troubled front in the world today.

Mr. President, I yield the floor.

AN ALTERNATIVE BUDGET PROPOSAL

Mr. MITCHELL. Mr. President, the American economy is in serious trouble.

Nearly 10½ million Americans are out of work, the highest number of unemployed since the Great Depression. Interest rates remain stubbornly high, despite the recession which historically has brought them down. Businesses are failing at the fastest rate in 50 years. Bankruptcies are 55 percent higher this year than last—and last year was not a good year.

Newsweek magazine and the Wall Street Journal have run major stories speculating on the likelihood of another depression.

In this serious situation, partisan politics has no place. In recent months, too much effort has gone into trying to assess blame for the current situation. Too little effort has gone into trying to get us out of that situation.

We have not yet reached a crisis point. But unless the President and the Congress develop a bipartisan approach to our economic problems, we will soon face a serious national crisis.

Because the fact is that we do not have a Republican economy or a Democratic economy: We have just one economy, and it is the American economy. The American people do not care whether the solution to our problems has a Democratic label or a Republican label. They only care, and I think rightly, that the Nation's leaders not use their economy as the basis for a partisan fight, and instead, that our leaders turn their attention to solving our economic problems.

It is evident that the President's 1983 budget has no support from either Republicans or Democrats in the Congress. Its projected deficits are unacceptably high. That is especially true of future years. The prospect of Federal budget deficits of $100 billion or more a year, as far as we can foresee, is the major factor now keeping interest rates so high. As a result, the Nation's business community, which until now has strongly supported the President's program, now urges Congress to rewrite the President's budget. Congress must do so. It must reduce the deficits.

The President challenged those who oppose his budget to come up with an alternative. My proposal will achieve these important goals which we all share.

First, it will restrain the growth in Federal spending. Second, it will permit needed increases in Federal spending. Third, this proposal will maintain the social safety net. Finally, it will put the Nation on a fiscal course which will lead to sharply lower deficits.

My proposal contains several elements. On the spending side of the budget, its two major elements are:

A freeze on most domestic discretionary spending programs at 1982 levels. This would force those programs to adjust to inflation with no added money. But it would not require the further harsh and unproductive program reductions proposed in the President's budget. This freeze would not affect social security or other entitlement programs, whose cost-of-living increases will remain in effect.

An increase in the defense budget sufficient to offset inflation and allow 1 percent real growth in 1983, and 5 percent real growth in 1984 and 1985. Not only does this significantly reduce the President's proposal of 11 percent real growth in defense within a single year—in dollars, the reduction would be about $19 billion in 1983, it will also help maintain procurement on a steady track and avoid the bottlenecks in buying that could present a problem if we step up defense spending too quickly.

A slower, steadier buildup makes more sense for the economy, and it buys better defense in the long term as well. Like every other agency of government, the Defense Department must be required to make management improvements and cost cutting in nonessentials. My proposal would encourage more efficient use of the funds available, while permitting our defenses to be improved.

On the revenue side of the budget, we should make several changes in the 1981 tax program.

First, the final 10 percent installment of the tax cut now scheduled to take effect on July 1, 1983, should be made contingent on the performance of the economy. That is only prudent planning. And it is essential if we are to restore confidence in our ability to manage the budget.

Last year's predictions of an immediate economic upturn have not been realized. It is evident that our predictive ability is limited. If the economy improves—if inflation, interest rates and unemployment are down to satisfactory levels—the tax cut should go into effect. If not, it should be deferred until the economy does improve.

My proposed plan contains several other revenue elements: A fair and effective minimum corporate tax is necessary to make certain that profitable corporations do not avoid their tax liabilities.

The unwarranted oil industry break that was provided last year, and which should have been defeated last year, should now, finally, be removed from the Tax Code.

Safe-harbor leasing is a well-intended idea that has not worked as intended. In addition to helping marginally profitable firms regain their stability

and begin to grow, it has become a tax avoidance scheme for profitable corporations. It should be tightened.

Adoption of these three proposals will reduce the budget deficit by about $7 billion in 1983, and by a total of about $32 billion in the 3-year period from 1983 through 1985.

Improved compliance with the Tax Code. The underground economy is estimated to have cost tens of billions of dollars in lost revenue last year through underreporting, erroneous reporting, and simple tax evasion. Steps to tighten up collection of revenues owed would mean not only a reduction in the deficit, but relief for the majority of Americans who pay more than their fair share of taxes to make up for those who do not. Modest improvements in collection and enforcement would yield $3 billion in the first year, rising to $8 billion in 1984.

Assume just half of the administration's anticipated savings from management changes. The President's budget proposed such things as a 5-percent automatic withholding on bank interest and dividends. It is clear that this proposal will not be accepted by Congress. So any realistic budget cannot be structured around "savings" that are simply unobtainable. By taking just half the administration's proposed management savings, we more realistically project savings.

My alternative budget would result in deficit in 1983 of $115 billion—a huge sum, but lower than the more than $14 billion which will be produced by the President's budget.

But, most importantly, this alternative will set our Nation on the fiscal path toward lower deficits—something the administration's budget demonstrably does not do. Under my proposal the deficit in 1984 would drop to $80 billion and to $45 billion in 1985. By contrast, CBO estimates the President's deficits at $129 billion in 1984 and $140 billion in 1985.

As I have said before, and will repeat, our ability to predict is simply not good enough to make an absolute assurance with respect to this plan or any other. All Presidents and all congressional committees who work on the budget have made predictive efforts in past years—they have rarely been accurate. The best we can do is make the most reasonable assumptions possible about the behavior of the economy—and base our predictions on that right.

But the important thing is that we commit ourselves to a balanced budget as soon as possible and that the alternative we select clearly moves us in that direction. My alternative does that.

It is not offered as the perfect solution, the final word or the only alternative. It includes parts of the President's budget and of the many alternatives being discussed, as well as ideas of my own.

Significantly, it does not penalize the retired population, which has no chance of increasing its income, by taking away cost-of-living increases. It does not further throw State governments into chaos by making further huge reductions in domestic programs which were heavily cut last year. It recognizes the need to maintain a steady rate of growth in defense. And it asks all Americans to bear a share of the burden of restraint, without singling out the elderly and the poor for that task.

Our economy is too important to be used as a tool in a partisan contest. Our Nation's future means too much to all of us, regardless of political affiliation, to ignore the danger signals that are all around us. I hope that all Members of the Congress, and the President, will work together for a bipartisan solution to this critical national problem.

PILOT RECALLS RECORD-BREAKING FLIGHT

Mr. SASSER. Mr. President, the month of June is historically significant and particularly poignant for the survivors of the 25th Bomb Squadron and the 40th Bomb Group. These brave pilots and crews showed exceptional courage and valor during World War I and World War II, despite the privation and hardships and danger.

Their gallantry and heroism of those who returned from the battles—and of those who did not—should not go unnoticed during this month, for it was on June 22, 1917, that the 25th Aero Squadron, later to become the 25th Bomb Squadron, was organized. The 25th went on to distinguish itself in the Meuse-Argonne campaign during the First World War.

In 1943, when the 40th Bomb Group (VH) was activated, the 25th was made a part of it. The group, based in India and China, made the first attack on Japan on June 15, 1944, the first such attack since the Doolittle raid in 1942.

The 40th went on to fly 70 missions against Japan from bases in India, China, and Tinian—an island in the Western Pacific in the South Marianas. From June 1 to 28, 1945, the group flew a total of 10 15-hour combat missions, averaging one 15-hour mission every 2.7 days.

For its outstanding combat record, the 40th Bomb Group (VH) received three Presidential Unit Citations and eight Campaign Battle Stars.

After the cessation of hostilities, Gen. Curtis LeMay selected a crew from the 40th to participate in the Air Force's first attempt to fly nonstop from Japan to Washington, D.C.

My good friend, J. Ivan Potts, Jr., of Shelbyville, Tenn., a pilot in General LeMay's crew on that historic flight, has written an account of this record-breading endeavor.

Ivan, a B-29 pilot in the 25th Bomb Squadron, had a distinguished war record, completing 34 combat missions with a total of more than 550 combat hours. His awards include two Distinguished Flying Crosses, four Air Medals, two Presidential Citations, the Asiatic-Pacific Theater Medal with four Bronze Stars and the American Theater Medal with one Bronze Star. He was separated from active duty in December 1945, with the rank of captain.

The goal of the historic flight in which Ivan served as a pilot for General LeMay was to determine the capabilities of existing long-range aircraft. As Gen. H. H. Arnold explained later,

> The B-29 had gone into production with no service test. This was a service test.

Although scheduled to fly from Hakkaido, Japan, to Washington, the three B-29's made it as far as Chicago, Ill., due to poor weather and dwindling fuel supplies. Nevertheless, the 27-hour, 30-minute flight set four records: It was the longest nonstop flight in Air Force history; it was the first "grand circle" flight in history; it was the fastest nonstop flight of its distance in history; and it was the first nonstop flight from Japan to the United States.

For this role in this record-breaking endeavor, Ivan received a personal commendation from General Arnold. He remains an avid supporter of the U.S. Air Force as a member of the H. H. Arnold Chapter of the Air Force Association at Arnold Center, Tenn. He is married to the former Katherine Dale of Nashville, Tenn. They have one son, James Potts III of Albany, Ga.

CARIBBEAN BASIN INITIATIVE

Mr. PERCY. Mr. President, the Caribbean basin initiative is one of the most important development initiatives of recent years. It is unique in proposing a combination of aid, new and expanded trade opportunities, and investment incentives.

The Caribbean basin initiative is one of the first times the United States has focused in a truly positive and constructive way on this neighboring region.

The President's CBI was an integral package of mutually reinforcing proposals. The program's impact can be the greatest if the package is left in tact with as few exceptions as possible. A recent editorial in the Chicago Tribune of May 10, 1982, expresses clearly the reasons why we should resist efforts to limit the application of the CBI trade provisions.

I ask unanimous consent to have this editorial inserted into the CONGRESSIONAL RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS GUTS THE CARIBBEAN PLAN

Two months ago, with considerable fanfare, President Reagan announced his "Caribbean Basin Plan" for stimulating the troubled economies of some of this country's nearest neighbors. The President said the goal of the plan was to alleviate the economic and social problems that provide fodder for leftist revolutions. It would, he said, prevent "new Cubas" from arising in the Caribbean.

Fine sentiments. But today, with considerably less fanfare, Congress is eating the heart out of the plan. As legislation works its way through House committees, powerful labor, farm and industrial lobbies are battling for protectionist amendments that steadily shorten the list of Caribbean exports that were to have been able to enter the U.S. duty-free under the original plan.

Even before the proposal went to Congress, the administration had caved in to the U.S. textile industry by including language that would limit the amount of Caribbean-manufactured textiles and apparel that would get favorable treatment. There is also legislation on the books that limits the amount of Caribbean sugar that can enter the U.S. Now a House subcommittee has added restrictions on leather-related goods and on rum. The AFL-CIO is pushing for still more restrictions ostensibly designed to protect U.S. industries and U.S. jobs from the competition of cheap Caribbean labor.

The chances are that the lobbyists will get their way. With unemployment close to 10 percent and the economy stagnating, there is not much sentiment in Congress in favor of generous foreign aid. Members don't have to court the votes of Jamacians, Barbadians, or Haitians.

But is Congress protecting the U.S. economy by gutting the Caribbean plan? Not really. The U.S. is large and the Caribbean countries are small. Even if all the President's original proposals were adopted by Congress, our total imports would rise by only a fraction of a percentage point. And because foreign trade as a whole is but a small part of the total U.S. economic picture, it is clear that the Caribbean imports would hardly be noticed here.

But they would be noticed in the Caribbean, and noticed in a big way. Only a tiny part of the U.S. market can mean large improvments in the lives of people in a poor country like Honduras. The United States is the natural market for the products of those countries; without easy access to this market they cannot prosper. And, as the President said, if they do not prosper they will succumb to radicalism and revolution—they will become "new Cubas" with all that entails for U.S. policies and U.S. security.

STEEL IMPORTS

Mr. PERCY. Mr. President, on June 11 the Department of Commerce issued its preliminary report on subsidized foreign steel imports into the United States. For many years, the American steel industry has competed in a distorted market due to the dumping and subsidization of foreign steel by other governments. The Commerce Department's decision is welcome relief from this pressure and will provide the U.S. industry with a better opportunity to modernize its plant and equipment and increase efficiency. While I support open trade among nations, I cannot support violation of U.S. fair trade laws. Trade must be conducted in an environment of fairness which is respectful of national laws and institutions.

The Commerce Department found in its preliminary investigation that steel companies in nine foreign countries benefit from government subsidization. To establish a fairer basis for competition with unsubsidized American steel firms, the United States Government will require importers of subsidized foreign steel to post cash or bond equal to the estimated subsidy. This insures payment of countervailing duties when a final determination is made later this year. The decision to invoke formal action against foreign producers came only after United States and European officials were unable to reach a negotiated settlement. Commerce Secretary Baldrige has made clear that negotiated settlements will still be considered.

The information contained in this report will also be used by the Office of the U.S. Trade Representative in its investigation of the section 301 petition filed by U.S. specialty steel companies. Much of the data regarding subsidization is relevant to both the carbon steel and specialty steel industries. All of these cases involving unfair trade practices must be resolved as soon as possible, to prevent further damage to the U.S. industry. For this reason, I have cosponsored Senate Concurrent Resolution 100, introduced by Senator HEINZ, which expresses the sense of the Congress that these cases be vigorously pursued and promptly concluded. Mr. President, I will request that the text of Senate Concurrent Resolution 100 be printed in the RECORD following the conclusion of my remarks.

The American steel industry stands to make significant progress in its quest for modernization from increased fair trade practices. Unfairly priced imports affect the domestic industry in at least three distinct ways: First, they reduce the sales volume for domestic mills; second, they artificially depress revenues, profits, and cash flow throughout the entire market; and third, they raise the average unit cost of production by depressing production volume. The result is a squeeze on both production and sales, from higher costs and depressed prices, on the cash flow that must be generated for ongoing modernization.

Mr. President, imported steel held a recordbreaking 22.8-percent share of the U.S. market in the first quarter of 1982. Market penetration by foreign companies, many subsidized, has been growing steadily for the last 10 years. I am submitting a table showing the foreign share of the U.S. steel market, which I will also request be printed in the RECORD. These figures, however, are only part of a larger industry picture. This picture shows that the domestic mills were operating at 60.7 percent of production capacity in the first quarter of 1982, and according to Secretary Baldrige, are currently operating at 42.5 percent capacity. This is the lowest level since 1938. Industry analysts have said that steel mills should operate at about 70 percent to make a profit.

I therefore commend the Commerce Department for the decisive action taken thus far, and urge the administration to pursue its policy of enforcing U.S. trade laws.

Mr. President, I ask unanimous consent that the material to which I have referred be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. CON. RES. 100

Whereas the steel industry of the United States is critical to the national defense and to the maintenance of a strong industrial economy, which employs millions of workers and sustains the Nation's prosperity;

Whereas between 1971 and the present there have been three distinct episodes of dramatic surges in importation of apparently dumped and subsidized steel mill products, episodes which contributed to the destruction of 118,000 steelmaking jobs, to the shrinking of production by 20 percent, and to aborted capital investment planned to modernize the steel industry;

Whereas the 1981-1982 episode, which is the most serious, has resulted in 100,000 layoffs and 31,000 workers on short workweeks and threatens to abort $7,000,000,000 in planned capital investment: and

Whereas the past failure of the United States Government to vigorously enforce the trade laws has contributed to the decline of the steel industry, and the failure of the Government to so enforce the trade laws in this most serious crisis in the steel industry would endanger critical planned investment and modernization, which in turn would threaten the economy and the national defense of the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the President should exercise the authority granted to him by the Congress to direct the appropriate agencies to vigorously pursue and promptly conclude the countervailing duty and antidumping duty investigations being conducted under title VII of the Tariff Act of 1930, and the investigation being conducted under chapter 1 of title III of the Trade Act of 1974, concerning foreign trade practices involving carbon steel mill products and specialty steel mill products; and

(2) the congress, if necessary, should promptly consider appropriate legislation to strengthen the trade laws of the United States.

Foreign share of U.S. steel market

Year:	*Percent*
1973	12.4

1974	13.4
1975	13.5
1976	14.1
1977	17.8
1978	18.1
1979	15.2
1980	16.3
1981	19.1
1982 (1st quarter)	22.8

Source: American Iron & steel Institute.

CHICAGO COUNCIL ON FOREIGN RELATIONS, 60TH ANNIVERSARY

Mr. PERCY. Mr. President, on May 26, the Chicago Council on Foreign Relations celebrated its 60th anniversary. The abiding strength and vitality of this group is noteworthy. The council's anniversary dinner drew more than 1,000 people to the Palmer House to hear a major foreign policy address by the Secretary of State, Alexander Haig. Secretary Haig commended the council for its good work in focusing attention on international issues. He devoted his own remarks to the situation in the Middle East which, I have repeatedly said, has the greatest potential for disaster of all the regions of the world. The Middle East deserves our constant attention, and I will include the Secretary's text at the conclusion of my statement.

Mr. President, I have known the council for over 20 years, first as a participant in the newly formed Chicago committee in the early 1960's, and more recently as a member of the council's board of directors. In addition to its high standing in Chicago, the council is widely known and respected in Washington. It has become one of the outstanding foreign policy institutions in the United States.

In my remarks at the council's dinner, I commended two individuals who have provided leadership for the council during the past decade, the current chairman of the board, Richard L. Thomas, and the president, John E. Rielly. Mr. Rielly traced the development of the council through its 60 years, and I will include his remarks at the conclusion of my statement.

Through their elected representatives, through private organizations, and through institutions such as the Chicago Council on Foreign Relations, Illinoisans help to shape foreign policy. Therefore, it was a pleasure to work with the council in arranging for the Secretary of State's visit to Chicago. Following his remarks, the Secretary told me how much he had enjoyed meeting with the council.

I ask unanimous consent that the remarks of Secretary Haig and Mr. Rielly be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PEACE AND SECURITY IN THE MIDDLE EAST

(By Alexander M. Haig, Jr.)

The Middle East today is a severe testing ground for constructive diplomacy. Deeply rooted rivalries and historic animosities mark its politics. The region's strategic value as a bridge linking three continents is amplified by its vast natural wealth. And in the nuclear age, the interplay of local and superpower competition takes on a special edge of danger.

As a consequence, no other region is less forgiving of political passivity than the Middle East. So many interests are at stake and so many factors are at work that the alternative to shaping events is to suffer through them. We are at such a juncture today. We must shape events in the Middle East if we are to continue to hope for a more peaceful international order, one characterized by peoples living in peace and the resolution of conflicts without resort to force.

Ever since the 1973 war, the daunting task of achieving peace between the Arabs and Israel has been among America's highest priorities. Despite the reluctance of the American people to expand their international commitments during the decade of the seventies, the efforts of our diplomats were supported by an increasing volume of economic and military assistance. Clearly, the safeguarding of our interests in the Middle East through the peace process has merited and enjoyed both bipartisan support and popular consensus.

The efforts launched by the United States in those years have borne substantial fruit. Two American Presidents and Secretary of State Kissinger laid the groundwork for progress through the disengagement agreements. The Camp David Accords became the living testimony to the vision of the late President Sadat, Prime Minister Begin, and President Carter that the cycle of war and hatred could be broken. The United States will always be proud of its crucial role in this process. By 1981, however, the challenges to American policy had multiplied far beyond the self-evident necessity to prevent another Arab-Israeli war.

The Soviet Union and its allies increased their influence, particularly along the sea lanes and vital approaches to the region. Local conflicts and ambitions ranging from North Africa to the Horn of Africa, the Yemens to Afghanistan, offered the context. Arms, Cuban mercenaries and Soviet soldiers themselves in Afghanistan were the instruments. The United States seemed slow to recognize that this pattern of events was undermining the regional security of our friends, prospects for peace and vital Western interests.

Iran, a close American ally and a force for stability in the Persian Gulf, was convulsed by revolution as the Islamic Republic rejected the diplomacy and modernizing program of the Shah. In the face of this upheaval, the United States found it difficult to pursue its interests or to achieve a constructive relationship with the new government. Meanwhile, Iraq invaded Iran, fueled by Soviet arms to both countries, this conflict threatened ominous consequences for the future security of the area and Western interests in the flow of oil.

The once prosperous and peaceful state of Lebanon was shattered by civil conflict and the intervention of outside forces. Continuous tension sapped the authority of the Lebanese Government, aggravated inter-Arab relations and threatened to involve Israel and Syria in war.

Meanwhile, the peace process itself had reached a dangerous impasse. Egypt and Israel were divided over the role and composition of the multi-national force and observers, crucial to the Israeli withdrawal from Sinai and the peace treaty itself. The negotiations for Palestinian autonomy were in recess. The other Arab States, American friends in Saudi Arabia and Jordan among them, were opposed to the Camp David accords and Egypt's peace with Israel. The Palestinian Arabs themselves were still adamantly against either joining the peace process or recognizing explicitly Israel's right to live in peace.

These developments required an American approach to the problems of the Middle East that not only pressed the peace process forward, but also enlarged the security dimension of our relations with the states of the area. Peace and security had to move in parallel. Local leaders understood that the inevitable risk-taking for peace would be vitally affected by the strategic context of the region. Lack of confidence in the United States and fear of the Soviet Union or radical forces would paralyze the prospects for progress, not only in the Arab-Israeli conflict but other regional problems as well.

Our previous policies had to be strengthened by building on a consensus of strategic concern over Soviet and radical activities that already existed among our friends in the Middle East. It was not enough to say that we opposed Soviet intervention and Soviet proxies. We had to demonstrate our ability to protect our friends and to help them to defend themselves. We had to take initiatives on the peace process and other regional conflicts that would prevent the Soviet Union from exploiting local turmoil and troublemakers for its own strategic purposes. In short, the United States had to be receptive, useful and reliable in helping our friends to counter threats to their security.

The President therefore set in motion a broad-ranging attempt to create more effective security cooperation in the Middle East.

We established a fresh basis for cooperation with Pakistan, a traditional American friend, a key state on the northern tier of the Middle East and, with the Soviet occupation of Afghanistan, at the front line of danger:

We have improved relations with Turkey, a staunch member of NATO, and long a barrier to Soviet expansion;

We have worked together with our friends to counter the activities gf Libya in Africa and the Middle East.

In addition, the United States has sought and will continue to seek practical arrangements with such countries as Morocco, Egypt, Sudan, Somalia, Jordan, Oman and Saudi Arabia that enhance security. We are also working with Israel, a strategic ally, to whose security and qualitiative military superiority we have long been committed.

In undertaking these efforts, we recognize that for many countries formal and elaborate security structures are no longer appropriate. We have not tried to create interests where none exist. Though we shall take full account of local sensitivities, no country can be given a veto over the pursuit of our best interests or necessary cooperation with others.

The United States, working with its local friends despite their sometimes conflicting concerns, can be a responsive partner in the achievement of greater security for all. Our strong naval forces and the determination of the President and the American people to

improve our defense posture despite economic austerity, are also essential to our credibility in the Middle East.

Greater cooperation in the field of security will increase measurably the confidence that our local friends repose in the United States. If properly managed, such cooperation reinforces American diplomacy. And today the United States must address three issues:

First, the Iraq-Iran war, second, the autonomy negotiations, and third, the crisis in Lebanon.

Each of these issues is characterized by a mixture of danger and opportunity. Moreover, they have begun already to affect each other. If we are to succeed in advancing our goals throughout the region, then we must coordinate our approaches to all of them.

First, the Iran-Iraq war: Iraq has justified its invasion and seizure of Iranian territory by referring to long-standing border claims and Iranian calls for the overthrow of its Government. Iran has responded that the 1975 Algiers agreement settled such claims and accuses Iraq of deliberate aggression intended to bring down the Islamic Republic. It is clear that disregard for the principle that international disputes should be settled peacefully has brought the region into great danger, with ominous implications for western interests.

Both Iran and Iraq, though wealthy in oil, have been badly drained of vital resources. There is great risk that the conflict may spill over into neighboring states and it has already aggravated inter-Arab relations. It may lead to unforeseen and far-reaching changes in the regional balance of power, offering the Soviet Union an opportunity to enlarge its influence in the process.

The U.S. does not have diplomatic relations with either Iraq or Iran. From the beginning of the war we have stressed our neutrality. We have refused and we shall continue to refuse to allow military equipment under U.S. controls to be provided to either party.

Neutrality, however, does not mean that we are indifferent to the outcome. We have friends and interests that are endangered by the continuation of hostilities. We are committed to defending our vital interests in the area. These interests—and the interests of the world—are served by the territorial integrity and political independence of all countries in the Persian Gulf. The U.S., therefore, supports constructive efforts to bring about an end to the fighting and the withdrawal of forces behind international borders under conditions that will preserve the sovereignty and territorial integrity of both Iran and Iraq. In the weeks ahead, we shall take a more active role with other concerned members of the international community as efforts are intensified to end this tragic war.

Second the autonomy negotiations: President Sadat of Egypt, who gave his life for peace, once described the barriers to Arab-Israeli peace as primarily psychological. He recognized that the profound antagonisms dividing Arab and Israeli were deeply reinforced by lasting suspicion. Politics—the art of the possible—could succeed only after psychology—the science of perceptions—had done its work.

Our initial task was to make sure that both the psychology and the politics of the peace process continued. While we were prepared to take the initiative on autonomy negotiations, it soon became evident as the Sinai withdrawal date approached that the best way to sustain confidence in the peace process was to help both Egypt and Israel fulfill the terms of their peace treaty. After prolonged American diplomatic effort, the multi-national force and observers (MFO) was established: It is safe-guarding the peace in Sinai Today. The President's decision to offer U.S. troops for the force was a tangible recognition of the interrelationship between peace and security. Such a demonstration of our commitment to the treaty helped to secure broader participation, including units from some of our European allies. This truly multi-national peacekeeping force testifies to international support for peace.

Only one month ago, the final arrangements were put into place. On that occasion, President Reagan spoke for all American's when he praised the courage of both Egypt and Israel. Sinai, so often the corridor for armies on the way to war, was at last a zone of peace. But we cannot allow the peace process to end in the desert.

The signatories of the Camp David accords, of which we are the witness and full partners, wisely entitled their work, "A framework for peace in the Middle East." Basing their diplomacy on United Nations Security Council Resolution 242 and 338, which provide for peace between Israel and all of its neighbors, including Jordan and Syria, both Egypt and Israel were not content to establish peace only with each other. They recognized the necessity to go beyond their bilateral achievement in the search for a just, comprehensive and durable settlement of the Arab-Israeli conflict. They have therefore been engaged for over three years, not only in execution of the treaty of peace but also in negotiations aimed eventually at the resolution of the Palestinian problem in all its aspects.

These negotiations, known as the autonomy talks, have been the subject of much misunderstanding and criticism. For many Israelis the process threatens to go too far, leading toward a Palestinian state which they fear would deny Jews access to the historic areas of ancient Israel, threaten Israeli security and offer the Soviet Union a fresh opportunity for influence. For many Arabs, including until now the Palestinians themselves, autonomy does not seem to go far enough. In their view, it is only a formula for an Israeli domination they resist and that they fear will lead to further radicalization of the entire region. Israeli settlement activities in the occupied territories have exacerbated these fears.

We must all face the reality that autonomy in and of itself cannot entirely alleviate the fears on either side. But we should also realize that autonomy is only one stage of a process: It is an opportunity, not a conclusion. The beginning of autonomy actually initiates a transitional period to last no longer than five years, in which a freely elected self-governing authority would replace the Israeli military government and civilian administrations. Furthermore, negotiations are to commence not later than the third year of the transitional period, on the final status of the West Bank and Gaza and its relationship with its neighbors. A peace treaty between Israel and Jordan is also an objective of this negotiation.

Ample opportunity is provided in every phase for the participation. In addition to the present partners in the peace process, of Jordan and the Palestinian Arabs. These arrangements are to reflect both the principle of self-government by the inhabitants and the legitimate security concerns of all the parties involved.

The Camp David process, which is based firmly on United Nations Resolutions 242 and 338, remains the only practical route toward a more comprehensive middle east peace between Israel and all of its neighbors, including Jordan and Syria. No other plan provides for movement despite the conflicting interests and fears of the parties. No other plan embodies so well the necessity for progress despite the inherent imperfections of a transitional arrangement. As Churchill put it. "The maxim—nothing avails but perfection—spells paralysis."

The United States has been heartened by the public and private declarations of both President Mubarak of Egypt and Prime Minister Begin of Israel to press forward toward the early and successful conclusion of a autonomy agreement. As we proceed, it is important that we conduct ourselves with several considerations in mind:

Autonomy is transitional, not the final word. The genius of Camp David was to provide for the possibility of progress, despite crucial, unresolved issues such as the ultimate status of Jerusalem. These, too, must be negotiated but first we must establish a self-governing authority that will enable Israelis and Palestinians to work together. Public statements that fail to recognize the temporary nature of autonomy and negotiating positions that mistake autonomy for final status do nothing but hinder forward movement.

Unilateral actions by any party that attempt to prejudge or bias the final outcome of the process serve only to raise suspicions and aggravate relationships. Truly all of our ultimate hopes for peace depend in the end upon the achievement of mutual respect and friendly relations between Arab and Israeli. A heavy responsibility will be borne by those who darken these hopes without regard for either Israel's long-term interests or legitimate Palestinian aspirations.

Refusal to participate in the talks by those most affected by the conflict risks the loss of the best chance for the achievement of a lasting peace. Fifteen years have passed since the 1967 war and the initiation of Israeli's military government over the West Bank and Gaza. Autonomy is the vital first step in the historic opportunity to change this situation and to begin the painful but necessary process of resolving the Palestinian problem. A settlement cannot be imposed but peace can be negotiated. History will judge harshly those who miss this opportunity.

Despite all of the obstacles confronting a broader Middle East Peace, there has been a change in the polemic over the Arab-Israeli conflict in recent months. Many are recognizing at last that "no war, no peace" is not good enough. Increasingly, disagreement concerns the terms of peace, not the fact that peace itself must come.

The United States long has believed that the risks and sacrifices required for settlement of the Arab-Israeli conflict do not admit of any ambiguity on the basic issue that genuine peace is the objective. That is why, for example, we shall neither recognize nor negotiate with the Palestine Liberation Organization until it accepts United Nations Resolutions 242 and 338, and recognizes Israel's right to live in peace.

Now is the time to redouble our efforts to make the peace process under the Camp David framework continue to work. I have said that great intellectual ingenuity and political courage will be required by all parties if an autonomy agreement is to be reached. Our delegation, led by Ambassador

Fairbanks, will continue to work closely with Egypt and Israel as we intensify our effort to achieve success.

The peace process has already accomplished what would have been considered a uptopian fantasy only a few short years ago. But none of us should be under any illusions. The failure to negotiate an autonomy agreement and to negotiate one soon. Will squander the best chance to act in the best interests of all parties. Inevitably, such a failure will invite more dangerous alternatives.

Third, and finally, the crisis in Lebanon: Lebanon today is a focal point of danger. All of those conditions are present in abundance that might be ignited into a war with far-reaching consequences. The lives of the people of Lebanon are at stake. The life of the state itself is at stake. And the stability of the region hangs in the balance.

The recent history of Lebanon is a grim tale. Over the last six years, many of the country's most striking achievements have been lost. Once stable enough to be the center of Middle Eastern finance, its economy has been wracked by internecine warfare and foreign intervention. Tragically, Lebanon, once extolled as a model in a region of suffering minorities, is now a byword for violence.

Lebanon's unique position as a marketplace for the ideas of the Arab world has given way instead to a marketplace for the violent conflicts of inter-Arab and regional rivalries. Its representative government has been endangered. The Arab deterrent force. Now consisting entirely of Syrian troops, with its mission to protect the integrity of Lebanon, has not stabilized the situation.

The story on the Lebanese-Israeli border is no different. Once the most peaceful point of Arab-Israeli contact, southern Lebanon turned into a battleground between Israel and the PLO even as the peace process proceeded. In this part of the country as well, intercommunal relations have suffered badly. The central government's authority has been challenged by the variety and military strength of contesting groups. The brave units of the U.N. force, faced with an enormously difficult and dangerous task, have saved many lives, but have not succeeded entirely in establishing the security of daily life.

Over the past year, deteriorating conditions in Lebanon have required extraordinary efforts to avoid war. In April of 1981, Ambassador Habib, at the President's direction, worked successfully, to avoid military confrontation in Lebanon. His efforts culminated in the cessation of hostilities in the Lebanese-Israeli area. A fragile cease-fire has survived for more than ten months. While all parties remain fundamentally interested in maintaining it, the danger is ever present that violations could escalate into major hostilities.

These measures have deterred war. But conflict cannot be managed perpetually while the problems at the root of the conflict continue to fester. The world cannot stand aside watching in morbid fascination, as this small nation with its creative and cultured people slides further into the abyss of violence and chaos. The time has come to take concerted action in support of both Lebanon's territorial integrity within its internationally recognized borders and a strong central government capable of promoting a free, open, democratic and traditionally pluralistic society. The President has therefore directed Ambassador Habib to return to the Middle East soon to discuss our ideas for such action, with the cooperation of concerned states.

The Middle East today is a living laboratory for the political experiments of the twentieth century. A multitude of nations have emerged from the disintegration of empires, their dreams of a better future sustained by memories of a glorious past. The modern nation-state has been imposed upon traditions that transcend both secular loyalties and well-defined borders. The quest for modernization competes uneasily with religious and ethnic identities that long predate the industrial revolution of the West.

Clearly, the peoples of the Middle East are embarked upon the most rapid social transformations in their history. Nonetheless, the past strongly permeates both their attitudes towards the future and the texture of their daily life. The ruins of ancient times remind them and us that the region has always played a vital part in the advance of civilization.

There are other ruins, too, that remind us of another aspect of the Middle East. Philosophers and artists, merchants and travellers, statesmen and scholars have made their impact throughout the ages. But the soldier, with his vast monuments to destruction, is perhaps overly represented in the archaeology of this region. The violence of war is all too often the point of contact between the history of the Middle East and its contemporary struggles.

By the standards of this ancient region, the United States is a country still in its infancy. But by virtue of our power and our interests, our relationships and our objectives, we are uniquely placed to play a constructive role in helping the nations of the area in their quest for peace and security. Now is America's moment in the Middle East. As Americans let us hope to be remembered by the peoples of the Middle East not for the monuments of war but for the works of peace.

REMARKS BY JOHN E. RIELLY, PRESIDENT, THE CHICAGO COUNCIL ON FOREIGN RELATIONS

Sixty years ago the Chicago Council on Foreign Relations was founded at a time when Woodrow Wilson's plea "to make the world safe for Democracy" was becoming a fading echo, at a time when the United States Senate rejected the Treaty of Versailles and America was turning to isolationism.

The men and woman who founded the Council sought to counter that isolationism, by stimulating an awareness that Americans were part of a world society, and must be concerned about its welfare. The purpose of the Council was not to promote specific policies, but to kindle an interest in foreign affairs among the American public and its leaders. From the beginning, a principal mission of the Council was to guarantee that whatever the climate of intervention or withdrawal, the question of the role of the United States in the world would receive a full hearing.

The surge of isolationism that began during that first decade soon became a tidal wave—pouring across the heartland of America in the 1930's—and did not subside until America emerged victorious from World War II—which made internationalists of us all.

For the next twenty years, American power remained preeminent and American prestige unparalleled. Henry Luce proclaimed this "the American Century", and a new President admonished the world in 1961 "that we shall pay any price, bear any burden to assure the survival and success of liberty." To carry out this new expanded role, required the participation of talented men and women, educated about the world around them. Thus the Council assumed another role—helping to educate those who would occupy high positions in public life. For the past four decades, men and women from the Midwest have left their impact on international affairs—people such as Adlai Stevenson, Philip Klutznick, Jane Dick, David Kennedy, George Schultz, Robert Ingersoll and Charles H. Percy.

When we gathered here a decade ago to mark the 50th Anniversary of the Council, the question of America's role was once again in doubt. Sobered by seven years of massive involvement in Indo-China, saddened by our failure to shape distant and alien societies through military might, a somber mood had descended across the land. By that time the dominant cry was not Wilson's optimistic theme of making the world safe for democracy, not John Kennedy's confident claim that we would bear any burden. No—by that time, the resounding cry was that of John Quincy Adams in his address of 1821 in which he counselled America "to be well wishers to the freedom and independence of all," but "the champion and vindicator only of her own."

The 1970's witnessed a retreat from earlier ambitions and a curtailment of commitments overseas. The United States now shared power with other continents and other countries—the Soviet Union, China and with an economically resurgent Japan and Western Europe.

During the past decade, economics have loomed larger in international affairs and have rivalled traditional diplomatic and security issues as major determinants of foreign policy. Nowhere is this shift more evident than here in the Midwest where hundreds of multinational institutions are now centered, their mandate and their market stretching across the globe. Here institutional involvement in international affairs has multiplied many times over and a new professional class has emerged.

Chicago has a growing opportunity to make its collective voice heard in the foreign policy process—a process in which private organizations as well as public officials have a voice. One of the challenges to the Council is not only to generate ideas through research but to provide an institutional vehicle through which the views of the Chicago community can be influentially expressed in Washington and in other capitals throughout the world.

Sixty years ago, the question that brought our founders together was whether America would remain in isolation from Europe, whether America would go it alone. Forty years of world involvement and thirty years of the Atlantic Alliance have still not put that question aside.

For once again we hear the call from certain quarters, to reconsider our most basic alliance; to disengage from a Europe whose conduct we do not approve. Sixty years ago, we were told to avoid contamination by involvement in the power politics of Europe. Today we are told to shun Europe because it has abandoned power politics and retreated into neutralism and pacificism. New generations of Americans, including the Successor Generation that has not known war or the Marshall Plan or founding of the European Community, may be tempted by this call. But inspired by leaders like many in this room tonight, whose memory extends

beyond the last decade and whose vision beyond the next, they will come to understand, as have earlier generations of Americans, that the New World fares best in alliance with the Old.

During the past we have seen a reassertion of American Power in the world. Yet we face the 1980's with our capacity to shape the world diminished—diminished not so much because of American weakness or the burdens we bear but because of the renewed or new found strength of others.

In such a world, our foreign policy must draw on all the strengths of this continental nation, our intellectual creativity and political vision as much as our economic power and military prowess. In such a world, our foreign policy requires not only strong leadership from the center, but the active involvement of all regions of the country, of all strata of our people.

Reflecting on sixty years of Council history, and observing the people here tonight, should give us all confidence that this goal will be achieved.

COMPARING UNITED STATES AND SOVIET STRATEGIC NUCLEAR FORCES

Mr. PROXMIRE. Mr. President, today I will conclude my review of the conclusions of the staff of the Carnegie Panel on U.S. security and the future of arms control in comparing United States and Soviet strategic forces. As I have said this kind of comparison is essential to the development of an understanding of how this Government can implement any arms control agreement with the Soviet Union. The President has said that we have fallen behind the Soviet Union and need to achieve parity before we freeze and then reduce nuclear arms. The Carnegie study gives us an objective and up-to-date picture of the nuclear weapon arsenals on both sides. The staff has wisely warned us that these comparisons have serious limits and only tell us one part of the story on the likely performance of either side in the event of a conflict.

Here are the findings of the staff:

IV. COMPARING U.S. AND SOVIET STRATEGIC FORCES

What are the raw strategic nuclear capacities of the U.S. and the U.S.S.R., and how do the forces compare? The forces can be compared in two ways:

Force Characteristics: Comparisons of characteristics of the forces are a commonly used measure of the balance. These characteristics, also called "static measures," can be simple or complicated, ranging from the number of weapons on each side to such gross measures of capacity as throwweight or equivalent megatonnage.[2] Comparing the characteristics of forces is analogous to comparing two football teams on the basis of their aggregate weights or average 100-yard-dash speed. These characteristics are relatively simple and easy to understand. Because of this, they are used most often for assessment of the adequacy of strategic forces for political considerations. In the end, whichever force characteristics are used, however, such comparisons do not tell us much about how one side would be able to perform its military missions against the other.

Force Exchanges: The results of attacks by each side against military and civilian targets of the other in certain hypothetical scenarios is another way to compare the forces. These are also called "dynamic measures." Thus, they can provide a more accurate picture of a strategic force's capability to carry out its military missions than a look at force characteristics. These results, however, are dependent upon the assumptions in the scenarios used.

Comparison of force characteristics: Offensive forces

Comparison of force characteristics are generally made in terms of which side has more and by how much. Key characteristics are: numbers and types of strategic delivery vehicles, numbers of warheads, total throwweight and payload, total equivalent megatonnage, and certain qualitative measures such as accuracy and reliability. Assessment of these indicators occurs either as a "snapshot" of the present force or a look at trends over a period of time.

The U.S. has lost its once-great lead over the past 15 to 20 years. This trend mainly reflects the large build up of strategic forces by the Soviet Union. While U.S. strategic capabilities increased in absolute terms for most of this period, the relative position of the United States to the Soviet Union has declined. In the important measure of numbers of warheads, for example, the U.S. position relative to the Soviet Union has declined steadily since the early 1960s, except for a short time in the early 1970s when the U.S. was deploying large numbers of MIRVed missiles. The planned U.S. deployment of MX landbased missiles, Trident seabased missiles, and cruise missiles on the bomber force would arrest this decline by the mid-1980s, if these programs are carried to completion.

The clear Soviet lead in total throwweight is expected to continue. This is due to their relatively large SS-17, SS-18, and SS-19 missiles. The already great U.S. lead in bomber payload will improve if, as expected, the Soviets phase out their older long-range bombers, but by the late 1980s, expected Soviet deployment of a new long-range bomber with cruise missiles would diminish the American lead.

Equivalent megatonnage is a widely used measure of the destructive effect of nuclear weapons. The shift to a Soviet lead in the mid-1970s resulted primarily from steadily increasing Soviet ICBM deployments and later MIRVing of those missiles as contrasted with a relatively stable U.S. posture.

Another characteristic of the forces—hard-target kill potential—combines weapon accuracy and explosive power to measure the capability to destroy hardened targets such as missile silos and command centers. Both sides have nearly equivalent capabilities in this regard at present, but the former U.S. lead has disappeared. A further refinement of this measure is time-urgent, hard-target kill potential, or the ability to hit hardened targets quickly. This includes only the warheads of ICBMs which can strike quickly at hard targets and excludes bombers due to the longer time necessary for them to reach their targets. The Soviets hold a substantial lead in this category.

The declining U.S. lead in overall hard-target capability and the Soviet advantage in time-urgent, hard-target capability reflect the steadily increasing capability of the Soviet ICBM force relative to the U.S. force since the early 1970s. Introduction of cruise missiles in the early 1980s would arrest the relative erosion of U.S. hard-target kill potential. Improvements in U.S. time-urgent, hard-target kill potential beginning in 1986 would result from projected MX land-based missile deployments.

Comparisons of time-urgent hard-target capability are used in calculations that look at the ability of each side to knock out the land-based missile force of the other side. The results of these exchange calculations show that most of the U.S. ICBM force could be destroyed in a Soviet first strike. Static comparisons of time-urgent, hard-target kill capabilities are thus considered important because they provide the basis for the counterforce scenario, i.e., for assertions regarding U.S. ICBM vulnerability. Thus, these comparisons are the prime cause for fears that the United States is losing its strategic advantage. They are the basis for concern that in the early 1980s the U.S. is confronted with a period of particular risk, as Soviet modernization programs reach fulfillment and before programmed U.S. initiatives can take effect. This period of particular risk has come to be called the "window period" of Soviet opportunity—the period during which the Soviets may take advantage of U.S ICBM vulnerability to improve its political position at the expense of the West. Different views of this problem are discussed later in this paper.

It should be noted that predicted future trends showing relative improvement of the U.S. position in some of these indicators are based on the assumption that SALT II limits, which restrain potential Soviet deployments, are in effect and that U.S. force modernization programs allowed under SALT II proceed on schedule.

[2] Equivalent megatonnage is a measurement used to compare the destructive potential of differing combinations of nuclear warhead yields against relatively soft, counter-value targets.

YESTERDAY'S GENOCIDE STILL TODAY'S CONCERN

Mr. PROXMIRE. Mr. President, the crime of genocide has occurred all too often throughout our history. It was approximately this time of the year when the most well-known instance took place. The Nazi order for the annihilation of European Jewry was given. That order, dictated in mid-June of the year 1941, resulted in one of the most devastating acts of violence our world has ever known. For in the following years of World War II an estimated 6 million Jews were brutally executed.

That was certainly a tragic event. Unfortunately, Mr. President, this particular instance does not represent the only one of its kind. The hideous crime of genocide has been disastrously practiced on such peoples as the Soviets, the Armenians, the Biafrans, the Acholi, the Langi, and many others. These are examples of genocide in this century. History is replete with other examples.

It is time for the United States to join the 88 other nations who have recognized genocide as an international crime. Our ratification of the very important Genocide Treaty would be

the force necessary to strengthen the movement against orders such as the one given at this time of the year 1941. This example has imbedded the horrible concept of genocide into our minds. However, it is just one of the many other instances which are generally less well known.

As a nation dedicated to preserving human life as well as enhancing freedom, we must condemn the harsh, unfeeling, and inhuman crime of genocide.

The horrors which occurred at such places as Auschwitz, Dachau, Treblinka, the Armenian Plateau, and many other places around our world cannot be overlooked. I urge this great body to take the step it has delayed for 34 years. Let us take action against the destruction of national, ethnical, racial, or religious groups by ratifying the Genocide Treaty.

CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, over the last few weeks, along with Senator NUNN, I have come to the floor of the Senate each day to speak out about crime, and about the need for the Senate to move promptly on a package of anticrime bills. On May 19, Senator NUNN and I introduced just such a package of proposals, S. 2543. Since we introduced S. 2543, 17 of our colleagues have joined us as sponsors of this anticrime package. We were able to have S. 2543 placed directly on the Senate Calendar, and it now could be called up for consideration.

In addition, 1 week after we introduced our anticrime package, the chairman and the ranking member of the Senate Judiciary Committee, Senator THURMOND and Senator BIDEN, introduced another package of crime fighting proposals, S. 2572. I joined them as an original sponsor of S. 2572, and I also worked with them to have S. 2572 placed directly on the Senate Calendar. Since then, over 30 Senators have joined as cosponsors of S. 2572.

So at this point, we have two crime-fighting proposals on the Senate calendar, and either one could be called up. I am pleased that these bills are on the calendar, but I am deeply concerned. I am concerned, Mr. President, because time is running out on this session of the Congress: There are as few as 50 legislative days left before we adjourn. If we are truly determined to fight crime and drug smuggling, we must act quickly to bring these bills before the Senate, pass them, and then give the House an opportunity to pass a package of crime-fighting bills.

Mr. President, crime is a threat that can be kept under control by effective laws that are effectively enforced. We make the laws. Brave men and women risk their lives to enforce them. We need to give them worthwhile laws to enforce. Today's crime rate points to the inadequacy of our present criminal justice system.

In my home State of Florida, the crime rate has soared in the past couple of years. One key reason for the rise in crime has been the fact that Florida has become a national port of entry for an invasion of illicit drugs. We have come to see that drugs and violent crime go hand in hand. Miami continues to receive most of the publicity about drugs and violent crime. But, in fact, as Armando Codina of Miami Citizens Against Crime has said, "This is not a Miami problem, this is not a south Florida problem. This is a national tragedy."

It is a national tragedy, Mr. President, and it is a national problem, because drug smugglers respect no local boundaries. With their easy access to narcotics dollars, they have the money to shift operations from one area to another when it becomes necessary to evade the law.

The recent history of my home county, Polk County, Fla., illustrates this principle very well. Polk is halfway up the State and entirely island, and yet drug smugglers have been quite active there for the past several years.

In 1977, seven smuggling suspects were arrested, three aircraft seized, and 4 tons of marihuana confiscated. In 1978, 16 smugglers were arrested, and 8 airplanes, and 7.5 tons of marihuana were seized. In 1979, 13 persons were arrested for smuggling drugs, 7 airplanes were confiscated and 6.5 tons of marihuana were seized. In 1980, 24 smugglers were arrested, and 6 airplanes, 4 tons of marihuana, and, 500,000 quaaludes were seized. Last year in Polk County, 7 planes were seized, as well as 3 tons of marihuana and a quarter of a million quaaludes. In addition to this, 559 pounds of cocaine were seized in just one bust. At that time, it was the largest single haul of cocaine ever seized by U.S. law enforcement agents. Now, Mr. President, it is important to keep in mind that while some of these big-time drug criminals have been caught, most of them are still getting away with their illegal activities today. Smugglers continue to thrive in Polk County, taking advantage of its flat land and numerous secluded runways. One Florida law enforcement official estimates that only about 3 percent of the illegal drugs coming in are actually being intercepted by the police in Polk County. If that estimate is anywhere near accurate, it means that more than 200 drug smuggling planes landed in Polk County last year.

During the past couple of years, a trend has been developing in Florida regarding the vehicles seized for drug smuggling: Each year there have been fewer boats and more airplanes. What is the reason for this trend? Well, I think it is fair to assume that one major reason for the shift inland is the increased Coast Guard surveillance of the southern coast of Florida starting back in 1980. That demonstrated to me that we can gain the upper hand when we devote our Federal resources and attentions to the war against drugs. It also convinced me of the need for an amendment to the posse comitatus law. Fortunately, that amendment became law last year, and we have already been able to see the positive results in south Florida. I am referring to the Vice President's Task Force on Crime, which has succeeded in cutting off the flow of drugs into south Florida in the past few months. In view of these good results, I am presently making an effort to get more Federal money allocated to the Coast Guard for the purpose of continuing the fight against drug smuggling. We have seen how more Federal resources and military surveillance can curtail the rate of drug crimes. But no matter how well intentioned and hard working our law enforcement personnel across the country may be they certainly cannot be expected to do the whole job. To fight crime effectively, it makes much more sense to strengthen the foundation of the law enforcement effort, which is the law itself. The posse comitatus amendment which became law last year represents one important step in the right direction. But more must be done.

Those criminals who get caught must not be allowed to escape justice. Bail jumping and overly light sentencing are two of the commonest ways this can happen. Wealthy criminals who are arrested on drug charges can easily afford to flee and forfeit their bond, no matter how high it is set. And this is what they invariably do. Even if they are successfully held, tried, and sentenced, some of them get away with sentences that are simply too light. For example, the current penalty for the possession of 1,000 pounds of marihuana is 15 years in prison, but the penalty for smuggling that same amount of marihuana is only 5 years. We cannot ask our law enforcement agents to work in vain. They deserve to be backed up by effective laws.

We can help our law enforcement agencies if we pass either one of the crime fighting bills on the Senate Calendar. Each bill contains provisions that will help the Federal Government get more involved in fighting organized crime. Each one makes it more difficult for drug smugglers and other dangerous criminals to get out on bail after arrest. Each one reforms today's inadequate sentencing laws. We need these reforms if we are serious about helping our law enforcement officials fight violent crime and drug abuse.

Mr. President, the burden of large-scale drug dealing is something that

brings our whole society and our whole country down. Every citizen, black or white, rich or poor, Democratic or Republican, suffers when the youth of our Nation is crippled from drug abuse.

With so little time remaining in this Congress, I urge my colleagues to help us pass the Crime Control Act of 1982, which answers to an issue of universal concern. Thank you, Mr. President.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Sanders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

FISCAL YEAR 1981 REPORT OF THE ADMINISTRATION ON AGING—MESSAGE FROM THE PRESIDENT—PM 145

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 207 of the Older Americans Act (42 U.S.C. 3018), I transmit herewith the Annual Report for Fiscal Year 1981 of the Administration on Aging of the Department of Health and Human Services.

RONALD REAGAN.

THE WHITE HOUSE, *June 18, 1982.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3683. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, the cumulative report on rescissions and deferrals as of June 1, 1982; jointly, pursuant to the order of January 30, 1975, to the committees on: the Budget, Appropriations, Foreign Relations, Agriculture, Nutrition, and Forestry, Governmental Affairs, Commerce, Science, and Transportation, Armed Services, Labor and Human Resources, Energy and Natural Resources, Banking, Housing, and Urban Affairs, Select Indian Affairs, the Judiciary, Finance, Environment and Public Works, Veterans Affairs, and Small Business.

EC-3684. A communication from the clerk of the U.S. Court of Claims transmitting, pursuant to law, a copy of the court's judgment in the case of the *Navajo Tribe* v. *the United States*, No. 353; to the Committee on Appropriations.

EC-3685. A communication from the Acting Assistant Secretary of the Army for Installations, Logistics, and Financial Management transmitting, pursuant to law, a report on a decision made to convert the laundry and dry cleaning services at Fort Benning, Ga., to performance under contract; to the Committee on Armed Services.

EC-3686 A communication from the Deputy Assistant Secretary of Defense for Reserve Affairs transmitting, pursuant to law, a report relative to Selected Reserve recruiting and retention incentives; to the Committee on Armed Services.

EC-3687. A communication from the Assistant Secretary of the Air Force for Research, Development, and Logistics transmitting, pursuant to law, a report on a decision made to convert the transient aircraft services function at Dyess Air Force Base, Tex., to performance under contract; to the Committee on Armed Services.

EC-3688. A communication from the Secretary of Transportation transmitting, pursuant to law, the quarterly report of the Urban Mass Transportation Administration for the first quarter of 1982; to the Committee on Banking, Housing, and Urban Affairs.

EC-3689. A communication from the Chairman of the Federal Deposit Insurance Corporation transmitting, pursuant to law, the Corporation's report on the economic viability of depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

EC-3690. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "VA and HUD can Improve Service and Reduce Processing Costs in Insuring Home Mortgage Loans"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3691. A communication from the Assistant Secretary of State for Congressional Relations transmitting, pursuant to law, an agreement between the American Institute in Taiwan and the Coordination Council for North American affairs relative to fisheries off the coasts of the United States; jointly, pursuant to Public Law 94-265, to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations.

EC-3692. A communication from the Assistant Secretary of State for Congressional Relations transmitting a draft of proposed legislation to implement the Convention on the Conservation of Antarctic Marine Living Resources; to the Committee on Commerce, Science, and Transportation.

EC-3693. A communication from the Under Secretary of the Interior transmitting, pursuant to law, the final study on the proposed Pacific Northwest National Trail; to the Committee on Energy and Natural Resources.

EC-3694. A communication from the Secretary of Energy, transmitting, pursuant to law, describing certain barriers to the development and application of technologies for the recovery of energy from municipal wastes; to the Committee on Energy and Natural Resources.

EC-3695. A communication from the Under Secretary of the Interior, transmitting pursuant to law, a final study on the proposed Desert National Scenic Trail; to the Committee on Energy and Natural Resources.

EC-3696. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, a change regarding the irrigation purpose of the Armel Unit of the Missouri River Basin Project; to the Committee on Energy and Natural Resources.

EC-3697. A communication from the Comptroller General of the United States transmitting, pursuant to law, a summary of the report entitled "A More Comprehensive Approach Is Needed To Clean Up the Great Lakes"; to the Committee on Environment and Public Works.

EC-3698. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Cleaning Up Nuclear Facilities—An Aggressive and Unified Federal Program Is Needed"; to the Committee on Environment and Public Works.

EC-3699. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on State medicaid program compliance with section 1903(g) of the Social Security Act; to the Committee on Finance.

EC-3700. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to consolidate Federal grants to States for foster care, adoption assistance, and child welfare services and training, to eliminate unnecessary restrictions on those programs and increase flexibility in a State's exercise of its responsibility for program administration, and for other purposes; to the Committee on Finance.

EC-3701. A communication from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the Hostage Relief Act of 1980, and for other purposes; to the Committee on Finance.

EC-3702. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to June 11, 1982; to the Committee on Foreign Relations.

EC-3703. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a proposed new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3704. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Court Reporting System: Outdated and Loosely Supervised"; to the Committee on the Judiciary.

EC-3705. A communication from the Commissioner of the United States Commission on Civil Rights, transmitting, pursuant to law, a report of the Commission entitled "The Federal Civil Rights Enforcement Budget, Fiscal Year 1983"; to the Committee on the Judiciary.

EC-3706. A communication from the Secretary of Education, transmitting, pursuant to law, final priorities for the National Institute of Handicapped Research Program; to the Committee on Labor and Human Resources.

EC-3707. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the fourth annual

report on drug abuse prevention, treatment, and rehabilitation for fiscal year 1981; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1030. A bill to protect firearms owners' constitutional rights, civil liberties, and rights to privacy (with additional, minority, and supplemental views) (Rept. No. 97-476).

By Mr. STEVENS, from the Committee on Governmental Affairs, without amendment:

S. 2073. A bill to repeal outdated size and weight limitations now imposed on the United States Postal Service; (Rept. No. 97-477) and

H.R. 4569. An act to designate the United States Post Office Building in Hartford, Connecticut, as the "William R. Cotter Federal Building".

By Mr. DOMENICI, from the Committee on the Budget:

Report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 92) setting forth recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982 (Rept. No. 97-478).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

By Mr. CHAFEE (for himself, Mr. STAFFORD, and Mr. RANDOLPH) (by request):

S. 2652. A bill to revise and extend certain provisions of the Federal Water Pollution Control Act, as amended, for five years, and for other purposes; to the Committee on Environment and Public Works.

By Mr. LONG (for himself, Mr. PROXMIRE, and Mr. KASTEN):

S. 2653. A bill to amend the Internal Revenue Code to allow an equal investment interest deduction limitation for taxpayers controlling a corporation through an employee ownership plan as exists under current law for other taxpayers controlling an enterprise; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE (for himself, Mr. STAFFORD, and Mr. RANDOLPH) (by request):

S. 2652. A bill to revise and extend certain provisions of the Federal Water Pollution Control Act, as amended, for 5 years, and for other purposes; to the Committee on Environment and Public Works.

AMENDMENT OF FEDERAL WATER POLLUTION CONTROL ACT

● Mr CHAFEE. Mr. President, today I am introducing, by request, a series of legislative proposals developed by the administration to amend the Clean Water Act. The EPA has only proposed 14 amendments to the act, although some of them are major. This slender number of issues is a tribute to those who earlier worked to perfect the Clean Water Act. After a decade on the books and some amendments the Agency has not recommended tampering with the basic approach incorporated into the law. These proposals are good places to start the effort to review key areas of the Clean Water Act.

The Clean Water Act provides protection for our Nation's water from the ravaging impacts of pollution. Its step by step approach of reducing pollution through the application of control technology is beginning to show positive results.

In the first session, Congress reauthorized the public side of the Clean Water Act to restructure the construction grants program to be more responsive to addressing existing pollution control needs.

On the industrial side no such restructuring appears necessary. Unlike the municipal program, compliance by industry with EPA set standards has been outstanding, we are now into the second generation of permitting these pollution sources and we expect the high compliance rate to continue.

This second round of permits is crucial as we move toward the goal of the Clean Water Act to "restore and maintain the chemical, physical, and biological integrity of the Nation's waters." These permits will begin to set controls on the entrance of persistent toxic pollutants in our waters. Oftentimes these pollutants are only detectable through careful monitoring. However, just because they are not easily detectable, gives no indication of the damage they can cause as they get taken up in the food chain. We will carefully review this set of proposals and others to see exactly how they will impact on controlling these pollutants.

Mr. President, I do not want to leave the impression that the Clean Water Act is sacrosanct. On the contrary, some changes may well be in order. But the Clean Water Act is a very comprehensive and complex statute, it does not lend itself to legislative tinkering. Proposals to change it must be carefully reviewed to make certain that they are not doing anything to alter the progress we are making in cleaning up the Nation's waters. I would forewarn those seeking changes in the act that they carry with them a heavy burden to prove their case.

The Environmental Pollution Subcommittee will hold hearings later this summer on the proposals being introduced today as well as others. During our hearings we will do our best to hear from all who wish to be heard, however, because of time constraints it may be necessary to prioritize issues for the subcommittee's consideration within the time available.

Mr. President, I ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Water Pollution Control Act, as amended, (33 U.S.C. 1251 et seq.) is amended as follows:

AUTHORIZATION

SEC. 1. (a) Section 104(u)(1) is amended by deleting the word "and" following "1981," and by inserting "not to exceed $13,000,000 for the fiscal year ending September 30, 1983, and such sums as may be necessary for the fiscal years ending September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987" immediately following "1982,".

(b) Section 106(a) is amended by adding the following new subsection immediately following "1982;":

"(3) $40,900,000 for the fiscal year 1983, and such sums as may be necessary for the fiscal years 1984, 1985, 1986 and 1987".

(c) Section 517 is amended by striking "and" immediately following "1981," and by inserting "$92,400,000 for the fiscal year and such sums as may be necessary for the fiscal years 1984, 1985, 1986, and 1987" immediately before the period at the end thereof.

(d) Section 517 is further amended by inserting "304(k)" in place of "304".

BAT/BCT COMPLIANCE DEADLINE EXTENSION

SEC. 2. (a) Section 301(b)(2)(C) is amended to read as follows: "With respect to all toxic pollutants referred to in table 1 of Committee Print Number 95-30 of the Committee on Public Works and Transportation of the House of Representatives, compliance with those effluent limitations established in regulations issued under sections 301(b)(2) and 304(b)(2) of this Act no later than July 1, 1988, and for all other limitations established to carry out the provisions of this subparagraph compliance no later than 3 years after the date such limitations are established;"

(b) Section 301(b)(2)(E) is amended to read as follows: "With respect to pollutants identified pursuant to section 304(a)(4) of this Act for categories and classes of point sources, other than publicly owned treatment works, compliance with those effluent limitations established in regulations issued under sections 301(b)(2)(E) and 304(b)(4) of this Act no later than July 1, 1988, and for all other limitations established to carry out the provisions of this subparagraph compliance not later than 3 years after the date such limitations are established;"

(c) Section 301(b)(2)(F) is amended to read as follows: "For all pollutants (other than those subject to subparagraphs (C), (D), or (E) of this paragraph) compliance with those effluent limitations established in regulations issued under sections 301(b)(2) and 304(b)(2) of this Act no later than July 1, 1988, and for all other limitations established to carry out the provisions of this subparagraph compliance no later than 3 years after the date such limitations are established."

(d)(1) Section 301(k) is amended by deleting the words "July 1, 1987," and inserting in lieu thereof the words "July 1, 1991.".

(2) Section 301(k) is further amended by deleting the letter "(A)" from "(b)(2)(A)" wherever it appears.

MUNICIPAL DEADLINE

SEC. 3. Section 301(i)(1) is amended by deleting the words "within 180 days after the date of enactment of this subsection" and insertifg in lieu thereof the following: "within 12 months after enactment of the Clean Water Act Amendments of 1982."

ENVIRONMENTAL MODIFICATION FEES

SEC. 4. Section 301 is amended by adding a new subsection (m) as follows:

"(m) The Administrator may prescribe such processing fees for applications for modifications and exemptions submitted to the Administrator pursuant to sections 301 (c), (g), and (h), 307(b), and 316(a) of this Act as the Administrator deems appropriate. All amounts collected by the Administrator under this subsection shall be used solely for application processing purposes: *Provided*, That these amounts shall be credited to the appropriation that incurs the costs and shall be available only in such amounts as are included in appropriations acts."

NEW SOURCE PERFORMANCE STANDARDS

SEC. 5. Section 306(a)(2) is amended by adding a sentence at the end thereof to read as follows:

"For the purposes of any regulation proposed after the date of enactment of the Clean Water Act Amendments of 1982, the term 'new source' shall mean any source, the construction of which is commenced after the publication of final regulations prescribing a standard of performance under this section which is applicable to such source.

BAT/BCT PROMULGATION DEADLINE EXTENSION

SEC. 6. (a) Section 304(b) is amended by deleting the first full sentence and inserting in lieu thereof the following:

"For the purpose of adopting or revising effluent limitations under this Act, the Administrator shall, after consultation with appropriate Federal and State agencies and other interested persons, publish regulations providing guidelines for effluent limitations as soon as practicable but in no case later than July 1, 1984."

(b) Section 306(b)(1)(B) is amended by deleting, the first full sentence and inserting in lieu thereof the following:

"As soon as practicable after a category of sources is included in a list under paragraph (A) of this paragraph, but in no case later than July 1, 1984, the Administrator shall propose and publish regulations establishing Federal standards of performance for new sources within such category."

(c) Section 307(a)(2) is amended by deleting the words "after the date of enactment of the Clean Water Act of 1977, but not later than July 1, 1980." and inserting in lieu thereof the words ", but not later than July 1, 1984."

PRETREATMENT

SEC. 7. (a) Section 307(b) is amended to read as follows:

"(b)(1) The Administrator shall continue in force and may revise as appropriate regulations established prior to the enactment of the Clean Water Act Amendments of 1982 that are generally applicable to all categories of sources for the introduction of pollutants into treatment works (as defined in section 212 of this Act) which are publicly owned, for those pollutants which are determined not to be susceptable to treatment by such treatment works, which may interfere with the operation of such treatment works, pass through such works, impair sludge use or disposal by such works in accordance with section 405 of this Act, or otherwise be incompatible with such works. Pretreatment regulations under this paragraph promulgated or significantly revised on or after the date of enactment of the Clean Water Act Amendments of 1982 shall specify a time for compliance not to exceed 2 years from the date of promulgation.

"(20) The Administrator may promulgate standards for specific categories and classes of sources which introduce into treatment works (as defined in section 212 of this Act) which are publicly owned, pollutants which are determined not to be susceptible to treatment by such treatment works, which may interfere with the operation of such works, pass through such works, impair sludge use or disposal by such works in accordance with section 405 of this Act, or otherwise be incompatible with such works. In promulgating standards under this paragraph, the Administrator shall consider the factors specified under section 304(b)(2) of this Act. Pretreatment standards promulgated under this paragraph shall specify a time for compliance not to exceed 3 years from the date of promulgation. All standards and regulations for specific categories and classes of sources established pursuant to sections 307 (b) and (c) of the Federal Water Pollution Control Act, as amended, which were in effect immediately prior to the date of enactment of the Clean Water Act Amendments of 1982, shall continue in full force and effect after the date of enactment of the Clean Water Act Amendments of 1982 unless modified or rescinded by the Administrator in accordance with paragraph (4) of this subsection or because he determines that they are no longer necessary or reasonable.

"(3) If in the case of any pollutant subject to a standard under paragraph (2) of this subsection or section 307(c) of this Act which is introduced by a source into a publicly owned treatment works, the treatment by such works removes all or any part of such pollutant and the discharge from such works does not violate that effluent limitation or standard which would be applicable to such pollutant if it were discharged by such source other than through a publicly owned treatment works, and does not impair sludge use or disposal by such works in accordance with section 405 of this Act, then the pretreatment requirements for the sources actually introducing such pollutant into such publicly owned treatment works may be revised by the owner or operator of such works to reflect the removal of such pollutant.

"(4) The Administrator may revise pretreatment standards and regulations from time to time, as control technology, processes, operating methods, or other alternatives change.

"(5)(A) The Administrator, with the concurrence of the State, (or, if appropriate, the State) may after opportunity for a public hearing issue a permit under section 402 of this Act which exempts a treatment works (as defined in section 212 of this Act) which is publicly owned from the requirements of section 402(b)(8) of this Act upon a certification by the owner or operator of such works satisfactory to the Administrator (or, if appropriate, the State) that—

"(i) the owner/operator has established a program adequate to meet the objectives of section 402(b)(8) of this Act;

"(ii) the treatment works is currently and will continue to be in compliance with effluent limitations based upon secondary treatment as defined pursuant to section 304(d)(1) of this Act (as may be modified by section 301(h)) and with the requirements of section 403 of this Act;

"(iii) effluent limitations exist for the treatment works (or there is a commitment to establish such limitations) for any pollutant which passes through the treatment works in quantities sufficient to interfere with the attainment or maintenance of designated uses of the body of water into which such works discharge and that the works are in compliance or subject to a schedule for achieving compliance with such limitations;

"(iv) such exemption will not result in any pollutant interfering with the operation of such works or imparing sludge use or disposal by such works in accordance with section 405 of this Act;

"(v) the owner/operator has adequate legal, financial, technical, analytical, administrative, and enforcement authority to ensure the successful operation of such program;

"(vi) such program contains such provisions as are necessary to carry out subsection (b)(1) including but not limited to specific prohibitions against the introduction into the treatment works of heat sufficient to inhibit biological activity in the works, and other pollutants that create a fire or explosion hazard in the works, cause corrosive structural damage, exist in solid or viscous amounts that cause obstructions in sewers or interfere with the operation of the works, or exist at a flow rate and concentration known to cause or that may cause interference with the works;

"(vii) a monitoring program will be established in accordance with section 402 of this Act to ensure continued compliance with the requirements of this paragraph; and

"(viii) an annual report will be submitted to the Administrator (or, if appropriate, the State) to certify continued compliance with the requirements of this paragraph.

"(B) The Administrator with the concurrence of the State, (or, if appropriate, the State) may, after opportunity for public hearing exempt all sources subject to standards established under sections 307(b)(2) and (c) of this Act introducing pollutants into a particular treatment works from such standards upon a certification by the owner or operator of such treatment works satisfactory to the Administrator (or, if appropriate, the State) that—

"(i) the treatment works is currently and will continue to be in compliance with effluent limitations based upon secondary treatment as defined pursuant to section 304(d)(1) of this Act (as may be modified under section 301(h)) and with the requirements of section 403 of this Act;

"(ii) effluent limitations exist for the treatment works for any pollutant which passes through the treatment works in quantities sufficient to interfere with the attainment or maintenance of designated uses of the body of water into which such works discharge and that the works is in compliance with such limitations;

"(iii) the treatment works is in compliance with the requirements of section 402(b)(8) of this Act or (5)(A) of this subsection, whichever is applicable;

"(iv) such exemption will not result in any pollutant interfering with the operation of such works or impairing sludge use or disposal by such works in accordance with section 405 of this Act;

"(v) the owner or operator has adequate legal, financial, technical, analytical, administrative, and enforcement authority exists to ensure compliance with the provisions of this paragraph;

"(vi) a monitoring program will be established in accordance with section 402 of this Act to ensure continued compliance with the requirements of this paragraph; and

"(vii) an annual report will be submitted to the Administrator (or, if appropriate, the State) to certify continued compliance with the requirements of this paragraph.

"(C) No exemption under paragraph (5)(B) shall apply to any new source unless the treatment works into which such new source is introducing pollutants certifies that the exemption of such new source will not cause the violation of any of the requirements of paragraph (5)(B).

"(6)(A) Any request for an exemption under paragraph (5)(A) of this subsection shall be filed not later than 270 days from the date of promulgation of regulations established under subparapraph (F).

"(B) Any application for an exemption under paragraph (5)(B) of this subsection shall be filed not later than 3 years from the date of enactment of the Clean Water Act Amendments of 1982 for standards in effect prior to that date, or 2 years after the date of promulgation of any standard under paragraph (2) of this subsection.

"(C) The Administrator (or, if appropriate, the State) may consider an application for an exemption submitted after the dates specified under paragraphs (5)(A) and (B) of this subsection upon a satisfactory showing that the delay in filing the application was due to factors beyond the control of the applicant.

"(D) Any exemptions granted under paragraph (5) of this subsection shall be for fixed terms not exceeding 10 years.

"(E) Each State shall transmit to the Administrator a copy of each exemption under paragraph (5) of this subsection proposed to be issued by such State together with a copy of all supporting documentation. No exemption shall be issued if the Administrator objects in writing within ninety days of the date of transmittal to the granting of such exemption as being outside the requirements of this subsection.

"(F) Upon a finding that any of the applicable requirements of this subsection are not being met by the treatment works to which an exemption was granted, and after notice and consultation with State and local authorities (or, if appropriate, the Administrator), the Administrator (or, if appropriate, the State) may modify or rescind such exemption, or may establish such effluent limitations for the treatment works as may be necessary to achieve the purposes of this subsection.

"(G) To facilitate the processing of environmental exemptions under paragraph (5) of this subsection, the Administrator is authorized to promulgate regulations establishing an exemption processing system which, in the case of paragraph (5)(B), shall require, at a minimum, the denial of any request for an exemption unless the owner or operator of the treatment works certifies that the works are currently and will continue to be in compliance with the requirements of section 307(b)(5)(B)(i) of this Act."

(b) Section 307(c) is amended as follows:

"Simultaneously with the promulgation of pretreatment standards for existing categories and classes of sources under paragraph (2) of this subsection, the Administrator shall promulgate pretreatment standards for equivalent categories and classes of sources introducing pollutants into publicly owned treatment works, which sources would be new sources under section 306 if they were to discharge pollutants. Pretreatment standards established for new sources shall be analogous to standards specified under section 306 of this Act. Such pretreatment standards shall be established for the introduction into publicly owned treatment works of pollutants which are determined not to be susceptible to treatment by such treatment works, which may interfere with the operation of such treatment works, pass through such works, impair sludge use or disposal by such works in accordance with section 405 of this Act, or otherwise be incompatible with such works."

(c) Section 307(d) is amended by inserting a comma in place of the period and adding the following words sentence at the end thereof: "unless the source has been exempted from such pretreatment standard pursuant to this section.".

ADMINISTRATIVE CIVIL PENALTY AUTHORITY

SEC. 8. Section 309 is amended by adding a new subsection (g) as follows:

"(g)(1) In addition to any other relief provided, whenever on the basis of any information available to him the Administrator finds that any person is in violation of section 301, 302, 306, 307, 308, 318, or 405 of this Act, or is in violation of any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by him or by a State, or in a permit issued under section 404 of this Act by a State, he may after consultation with the State in which the violation occurs assess a civil penalty of not more than $10,000 per day of violation not to exceed $75,000 in total.

"(2) In assessing such penalty, the Administrator shall provide the person in violation with notice and opportunity for a hearing which shall not be subject to the requirements of sections 554 or 556 of the Administrative Procedures Act.

"(3) In determining the amount of penalty to be assessed, the Administrator shall take into account the nature, circumstances, extent and gravity of the violation or violations, and with respect to the violator, ability to pay, effect on ability to continue in business, any prior history of such violations, the degree of culpability, economic savings, if any, resulting from the violation, and such other matters as justice may require.

"(4) If any person fails to pay a civil penalty assessed in accordance with paragraphs (1), (2), and (3), the Administrator may request the Attorney General to collect the amount assessed plus interest in an action brought in any appropriate District Court in the United States.

"(5) Any person aggrieved by a final assessment of the Administrator and who has requested a hearing under paragraph (2) may seek review in the appropriate district court of the United States only by filing an action within 30 days of the date of that assessment.

"(6) The Administrator shall have the authority to issue subpoenas ad testificandum and subpoenas duces tecum in connection with hearings under section 309(g)(2) of this Act and may request the Attorney General to bring an action to enforce any subpoena under this section. The district courts shall have jurisdiction to enforce such subpoenas and impose sanctions and attorneys fees for failure to comply.

"(7) Action taken by the Administrator pursuant to this subsection shall not affect or limit the Administrator's authority to enforce any provision of this Act, provided however, that the discharge of pollutants which is penalized administratively under this subsection shall not be the subject of a civil penalty under section 309(d) or section 311(b) of this Act.".

FELONY SANCTIONS

SEC. 9. Section 309(c) is amended to read as follows:

"(c)(1) Any person who (A) negligently violates section 301, 302, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or any requirement imposed in a pretreatment program approved under section 402(b)(8) of this Act or in a permit issued under section 404 of this Act by the Secretary of the Army or by a State, or who (B) negligently introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substance which causes or may reasonably be anticipated to cause personal injury or property damage or causes such treatment works to violate any effluent limitation or condition in any permit issued to the treatment works under section 402 of this Act by the Administrator or a State, shall be punished by a fine of not less than $2,500 nor more than $25,000 per day of violation, or by imprisonment for not more than one year, or by both.

"(2) Any person who (A) knowingly violates section 301, 302, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or any requirement imposed in a pretreatment program approved under section 402(b)(8) of this Act or in a permit issued under section 404 of this Act by the Secretary of the Army or by a State, or who (B) knowifgly introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substance which causes or may reasonably be anticipated to cause personal injury or property damage, or causes such treatment works to violate any effluent limitation or condition in a permit issued to the treatment works under section 402 of this Act by the Administrator or a State, shall be punished by a fine of not less than $5,000 nor more than $50,000 per day of violation, or by imprisonment for not more than two years, or by both.

"(3) It shall be an affirmative defense under subsections (c)(1)(B) and (c)(2)(B) of this section that such discharge or introduction was in compliance with all applicable Federal, state, and local requirements which govern the discharge or introduction of a pollutant or hazardous substance into a sewer, or publicly owned treatment works.

"(4) Any person who knowingly makes any false material statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act or who knowingly falsifies, tampers with, or renders inaccurate any monitoring device or method required to be maintained under this Act, shall upon conviction, be punished by a fine of not more than $10,000, or by im-

prisonment for not more than two years, or by both.

"(5) If a conviction is for a violation of paragraph (1), (2), or (4) of this subsection committed after a first conviction of such person under the same paragraph, the maximum punishment under the respective paragraph shall be doubled with respect to both fine and imprisonment.

"(6) For the purpose of paragraphs (1), (2), and (4), the term "person" shall mean, in addition to the definition contained in section 502(5) of Act, any responsible corporate officer.

"(7) For the purpose of paragraphs (1) and (2), the term "hazardous substance" shall mean (A) any substance designated pursuant to section 311(b)(2)(A) of this Act, (B) any element, compound, mixture, solution, or substance designated pursuant to section 102 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (C) any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of the Solid Waste Disposal Act (but not including any waste the regulation of which under the Solid Waste Disposal Act has been suspended by Act of Congress), (D) any toxic pollutant listed under section 307(a) of this Act, and (E) any imminently hazardous chemical substance or mixture with respect to which the Administrator has taken action pursuant to section 7 of the Toxic Substances Control Act.

FEDERAL FACILITIES POLLUTION CONTROL

SEC. 10. (a) Section 313(a) is amended by redesignating it as 313(a)(1), deleting the sixth through eleventh sentences, and inserting in lieu thereof the following:

"The President may exempt any effluent source of any department, agency, or instrumentality in the executive branch from compliance with any such requirement if he determines it to be in the paramount interest of the United States to do so, except that all existing wastewater treatment facilities and techniques shall be utilized to their full design capacity and all reasonable efforts will be taken to comply with the requirements for which an exemption has been granted at the earliest possible date. No such exemptions shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriation as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation. Any exemption shall be for a period not in excess of three years, but additional exemptions may be granted for periods not to exceed one year upon the President's making a new determination. The President shall report each January to Congress all exemptions from the requirements of this section granted during the preceding calendar year, his reasons for granting such exemptions, and progress toward achieving compliance with such exempted requirements. In addition to any such exemption of a particular effluent source, the President may, if he determines it to be in the paramount interest of the United States to do so, issue regulations exempting from compliance with the requirements of this section any weaponry, equipment, aircraft, vessels, vehicles, facilities, or other property or classes or categories of property, and access to such property which are owned or operated by the United States or by the National Guard of any State and which are essential to the national defense, except that with respect to facilities all existing wastewater treatment facilities and techniques shall be utilized to their full design capacity and all reasonable efforts will be taken to comply with the requirements for which an exemption has been granted at the earliest possible date. The President shall reconsider the need for such regulations at three year intervals."

(b) Section 313(a) is further amended by adding a new subsection (a)(2) as follows:

"The President may modify or suspend the application of the provisions of this Act during the period of any war declared by Congress, and during the period of any national emergency declared by Congress or the President."

THERMAL DISCHARGES

SEC. 11. (a) Section 316(a) is amended to read as follows:

"(a) The Administrator (or, if appropriate, the State) may issue a permit under section 402 of this Act which modifies the requirements of sections 301 or 306 of this Act with respect to any effluent limitation proposed for the control of the thermal component of any discharge from a point source, upon a showing by the applicant satisfactory to the Administrator (or, if appropriate, the State) that such modified limitation will assure (1) the attainment and maintenance of thermal water quality criteria adopted under section 303 and compliance with the requirements of section 403 of this Act, or (2) the protection and propagation of a balanced population of shellfish, fish, and wildlife in and on that body of water as determined by the State (or, if appropriate, the Administrator). Before the Administrator (or, if appropriate, the State) may impose such a modified limitation, the applicant must also show that a monitoring program will be established in accordance with section 402 of this Act to ensure continued compliance with the requirements of this subsection.".

(b) Section 316(b) is amended to read as follows:

"(b) Any standard established pursuant to section 301 of this Act and applicable to a point source shall require (1) that the location, design, construction, and capacity of cooling water intake structures reflect the best technology available for minimizing adverse environmental impacts or (2) that other equally effective measures be applied either alone, or in combination with best available technology, to minimize adverse environmental impacts. Any standard established pursuant to section 306 of this Act and applicable to a point source shall require that the location, design, construction, and capacity of cooling water intake structures reflect the best technology available for minimizing adverse environmental impacts.".

(c) Section 316(c) is amended to read as follows:

"(c) Notwithstanding any other provision of this Act, any point source of a discharge having a thermal component, the modification of which point source is commenced after the date of enactment of the Federal Water Pollution Control Act Amendments of 1972 and which, as modified, meets (i) effluent limitations established under section 301, or, if more stringent, effluent limitations established under section 303 or (ii) the requirements of paragraphs (a)(1) or (2) of this section, shall not be subject to any more stringent effluent limitation with respect to the thermal component of its discharge during a ten year period beginning on the date of completion of such modification or during the period of depreciation or amortization of such facility for the purpose of section 167 or 169 (or both) of the Internal Revenue Code of 1954, whichever period ends first.".

NPDES PERMIT TERM EXTENSION

SEC. 12. Section 402(b)(1)(B) is amended by deleting the word "five" and inserting in lieu thereof the word "ten".

PARTIAL NPDES PROGRAM APPROVAL

SEC. 13. (a) Section 402(c) is amended by deleting the words "as to those navigable waters" and inserting in lieu thereof inserting the words "as to those activities and discharges".

(b) Section 402(b) is amended by inserting the following after the first full sentence: "In the event the Governor submits a plan to administer part of a permit program, the Administrator may approve such submission upon a showing that:

(1) The plan provides for administration of permit program components which represent a significant and identifiable part of the State program authorized by this section;

(2) the plan provides for administration of the remainder of the program at a specified future date not to exceed 5 years from submission of the State's initial plan; and

(3) the State has committed to making all reasonable efforts to assume full administration in accordance with the plan."

(c) Section 402(c) is amended by adding a new paragraph (4) as follows:

"In the event a determination is made (A) by a State to return administration of the program to the Administrator or (B) by the Administrator to withdraw approval pursuant to paragraph (3) of this subsection, return of administration or withdrawal of approval may only be made of the entire program currently being administered by the State."

DAMS

SEC. 14. (a) Section 502(14) is amended by changing the period in the last sentence to a comma, and inserting the following thereafter:

"This term does not include return flows from irrigated agriculture or controlled or uncontrolled flows of water through, over, or around dams with water quality effects: (i) resulting solely from such impoundment, or (ii) resulting solely from the method of release of impounded waters."

(b) Section 402(1) is amended by inserting the following between the words "from irrigated agriculture," and "nor shall the Administrator": "nor any flow from a dam excluded under section 502(14) of this Act,".

(c) Section 303(e) is amended by adding a new paragraph (4) as follows:

"Any continuing planning process established under paragraph (3) may include a process to (i) identify, if appropriate, any adverse changes in the quality, movement, flow, or circulation of any navigable waters caused by hydrologic modifications, including changes caused by the existence or operation of dams, and (ii) set forth procedures and methods to control, to the extent feasible, any adverse changes caused by such modifications."

MUNITIONS

SEC. 15. Section 502(6) is amended by deleting the word "or" where it appears before the letter "(B)", inserting a comma in place of the period, and adding the following to the end thereof: "or (C) munitions expended in the course of conventional weapons training exercises by the Armed Forces of the United States, or by its allies in joint training exercises.".●

● Mr. STAFFORD. Mr. President, I join with the Senator from Rhode Island (Mr. CHAFEE), who is the distinguished chairman of the Subcommittee on Environmental Pollution, in introducing, by request, the administration's proposed changes in the Clean Water Act.

In taking this action, however, I want to reaffirm my view that the Clean Water Act has served this Nation well and that the course that has been laid out by the Clean Water Act has helped bring this Nation closer to the goal of cleaner water in our streams and rivers and lakes.

I sense that judgment is shared by the Senator from Rhode Island, whose subcommittee has jurisdiction over the Clean Water Act, as well as by a majority of the members of the Senate Committee on Environment and Public Works.

All of which is to say that I do not anticipate there will be much sentiment for any major changes in the direction of the Clean Water Act.

That is not to say, however, that minds cannot be changed or that major issues will not be raised and examined during our committee's deliberations over reauthorization of this act.

And, surely, we will resume discussion of those issues left undecided last year when Congress concentrated its attention on the bill that produced reform of the construction grants program.

But, it is to say—as the Senator from Rhode Island has already noted—that the burden will be on those who seek major changes in the Clean Water Act to prove their point.

I am pleased to note that the administration apparently agrees with us that the law has been working well. We all know that the administration has listened to the suggestions—and to the complaints—of industry regarding the law, and also that it has reviewed the Clean Water Act for more than a year in an effort to decide what changes may be appropriate.

After all that, the administration has suggested only 14 changes in the Clean Water Act, and there are few surprises in that small package of proposed amendments.

Many of those proposals had been under consideration by our committee, and the administration's ideas are welcome ones. The Senate Committee on Environment and Public Works has always invited the legislative proposals of the administration—and that has been the case no matter what political party held control of the White House or of the Senate.

But, I must also observe that during the more than a decade I have served on the committee, it has always charted its own course on major legislative issues—and the Clean Water Act is a major legislative issue.

So, I anticipate the Committee on Environment and Public Works will do just that again.

I also anticipate the committee will not look with much favor on suggestions to make fundamental changes in the scheme embodied in current law to deal with control of persistent toxic pollutants in our waters.

The Senator from Rhode Island and I are in agreement—and I sense broad support from many other members of our committee in this regard—that persistent toxics constitute the key problem in our current efforts to protect the quality of our Nation's waters.

We simply cannot risk any increase in public exposure to those dangerous chemicals.

Having said all this, I am confident that all sides will be heard, all arguments will be considered, and all ideas will be thoroughly examined by our committee.

I must add, however, that I do agree with my old friend and colleague, the Senator from Rhode Island, who has said of the Clean Water Act: "If something isn't broken, don't fix it."●

● Mr. RANDOLPH. Mr. President, I am pleased to join my distinguished colleagues, Senator BOB STAFFORD of Vermont and Senator JOHN CHAFEE of Rhode Island, in cosponsorship of legislation embodying the administration's suggested amendments to the Clean Water Act.

This bill will serve as a starting point for the Environmental Pollution Subcommittee's hearings, now scheduled to take place July 21, 22, 28, and 29. The subcommittee expects to hear from a broad spectrum of interests on amendments to the act, some of which may be included in this legislation and others which are not a part of the package.

In common with Senators STAFFORD and CHAFEE, I do not believe that the Clean Water Act requires massive revisions at this time. I would term any amendments acted on by the Committee on Environment and Public Works this year as minor adjustments, rather than substantive structural changes. Some of the items contained in the administration's bill may go beyond what I believe to be appropriate at this time, but this bill provides a useful agenda of issues which the committee is likely to consider.

The issues which I believe will be acted upon by the Subcommittee on Environmental Pollution include the following:

The 1977 amendments to the act required industrial compliance with best available technology—BAT—guidelines by mid-1984 for the control of statutorily identified toxic pollutants and for most nonconventional pollutants. EPA guidelines were to be developed in accordance with certain technological and economic considerations. The Environmental Protection Agency has promulgated only a handful of BAT guidelines since that time. This most unsatisfactory progress will make it highly unlikely that all affected industries can meet the statutory 1984 deadline. The administration bill extends this deadline 4 years, to 1988. While an extension does appear necessary, a 4-year delay may be excessive and will not encourage the agency to promulgate additional guidelines in a timely fashion.

The national pollutant discharge elimination system (NPDES) requires permits for individual point sources to limit the discharge of pollutants into navigable waters. Permits issued under this procedure are limited to 5 years. Nearly 40,000 such permits will have expired by the end of this year. Consideration will be given to legislative expansion of the permitting period, possibly to the 10 years contained in the administration's bill, at the same time assuring sufficient monitoring of the permit holders during that extended period.

Also in the context of the NPDES program, the administration bill defines dams as nonpoint sources which do not require permits, overruling a Federal court decision. I believe it has been congressional intent since the basic 1972 Clean Water Act that dams are, in fact, point sources. The subcommittee will examine this issue closely in an attempt to develop a response to the court's decision which respects the principles and intent of the 1972 act while not creating an unwieldy, costly administrative burden for either the agency of the States.

The act mandates that the Environmental Protection Agency establish pretreatment standards for designated categories of industrial wastes to be discharged into publicly owned treatment works. The administration's bill, while keeping general pretreatment program requirements in place, revises the program to provide for discretionary issuance of categorical standards. This issue is one of the most important to be addressed by the subcommittee.

Other clean water issues will probably be addressed in the course of the hearings which will take place next month. I expect to work closely with the Subcommittee on Environmental Pollution on the amendments which it will be considering, and I am glad to be a cosponsor of the measure which will be the vehicle for the subcommittee hearings.●

By Mr. LONG (for himself, Mr. PROXMIRE, and Mr. KASTEN):

S. 2653. A bill to amend the Internal Revenue Code to allow an equal investment interest deduction limitation for taxpayers controlling a corporation through an employee ownership plan as exists under current law for

other taxpayers controlling an enterprise; to the Committee on Finance.

EMPLOYEE INVESTMENT INCENTIVE

Mr. LONG. Mr. President, I am introducing a bill today designed to provide an incentive for employees to invest in the company for which they work. This bill will also resolve an inequity in the Internal Revenue Code that operates to the disadvantage of employees who are willing to accept the risk of investing their own funds in their employer's company.

Section 163(d) of the Internal Revenue Code provides a limitation on the amount of investment interest that may be deducted by an individual taxpayer. This section limits the annual deduction of investment income interest to $10,000 plus the net amount of investment income received during the year. This provision is particularly attractive to wealthy individuals who have already managed to accumulate sizable capital estates or who were fortunate enough to have sizable investment portfolios left to them. The interest deduction is limited to a fixed dollar amount plus a taxpayer's net investment income. Consequently, those whose primary income is investment income feel little impact from the fixed dollar limitation of this provision.

Most working Americans, however, do not have this advantage. They are limited in the amount of their interest deduction, particularly in situations where these working Americans may wish to acquire stock in the company for which they work.

A further inequity appears in code section 163(d)(7). This section increases the permissible deduction by up to $15,000 for such investment interest in the case of taxpayers who own at least a 50-percent interest in a corporation or partnership. Thus, under present law, if one person—plus his spouse and children—were to acquire 50 percent or more of a company, his interest limitation would be increased by this section.

This bill simply provides that the benefits of this increase would also be available to the employees of a company who, in the aggregate, own interests representing more than 50 percent of the stock of a company. To prevent any abuse of this provision, this bill counts only 2 percent of the stock interest of any employee in computing whether the 50-percent ownership requirement is met. Thus, this increased interest deduction limitation would be permitted only in situations where a large number of employees own 50 percent or more of the stock of a company for which they work.

Current law provides a substantial disincentive to individuals seeking to acquire an interest in an existing business. The current limitation is particularly troublesome in situations in which an attempt is being made to sell a business to its employees, or in which an employee group is attempting to buy a company, that is, as an alternative to liquidation of the company or its sale to outside investors.

This provision is consistent with the new investment incentives provided in the Economic Recovery Tax Act of 1981. In addition to encouraging new productive investment, this provision would encourage investment by employees in their own companies. As commonsense might suggest, companies with a significant amount of employee ownership are more profitable and more productive than their conventionally owned competitors. Therefore, this type of tax incentive should generate feedback in the form of increased tax revenues.

Employee ownership has much to recommend it. By removing unintentional discrimination against employees who desire to invest in the company for which they work, we will be promoting a stronger free enterprise system.

Mr. PROXMIRE. Mr. President, today I am pleased to cosponsor a bill introduced by Senator LONG to amend section 163(d) of the Internal Revenue Code. This legislation would amend the Internal Revenue Code to allow an equal investment interest deduction limitation to taxpayers controlling a corporation through an employee ownership plan as exists under current law for other taxpayers controlling an enterprise.

The legislation would directly affect employees of the Journal Co., publisher of the Milwaukee Journal and Milwaukee Sentinel. The Journal's ownership is an extraordinary model of bringing a large number of employees into an equity position. Beginning with an innovative plan initiated in the 1930's, substantially all of the only class of outstanding stock—now 90 percent—is broadly held by a large percentage of the employees of the company under a program in which the employees are entitled to buy the stock at a formula price and are then required to resell it at some time after retirement. This gives the employees the benefits of the dividends and growth in the stock and then makes the stock reavailable for younger employees, so that the program perpetuates the stock ownership by the active employees.

Since most employees must borrow from banks or other commercial lenders in order to have funds to purchase the shares to which they are entitled, high interest rates, combined with the 1976 decrease in the interest deduction limitation contained in section 163(d)(1)(A) of the Internal Revenue Code—to essentially $10,000 for employees with little or no dividend income—has imposed a serious problem for many employees—exclusive of the top executives—under section 163(d).

The Internal Revenue Code presently provides an exception to the regular interest deduction limitation. Under section 163(d)(7), if a taxpayer and members of his family own more than 50 percent of the total value of all classes of stock in a corporation, the limitation is increased by the lesser of $15,000 or the interest paid on indebtedness incurred to acquire the stock in the corporation. Thus, under present law, if one person acquired 50 percent or more of the Journal's stock, his interest deduction limitation would be increased by section 163(d)(7).

The legislation I am cosponsoring today provides the benefits of this increase to employees who own, through a plan such as that of the Journal Co., more than 50 percent of the stock of a company. In order to avoid any possible misuse, the legislation requires that the plan through which employees own a company not discriminate in favor of officers or highly compensated employees. In addition, only 2 percent of the stock interest of any employee is counted in determining whether the 50-percent stock ownership requirement is met.

I strongly believe that this legislation would serve to encourage employee ownership of American enterprises, particularly in this instance where a progressive, innovative corporation established an employee ownership plan decades before tax incentives for creating such ownership existed. The legislation would have the further beneficial effect of preserving independent ownership of two of our Nation's finest newspapers.

I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 163(d) is amended to read as follows:

"(7) SPECIAL RULE WHERE TAXPAYERS CONTROL ENTERPRISE—

(A) GENERAL RULE—In the case of any controlled corporation or partnership, as defined in subparagraph (B), the $10,000 figure specified in paragraph (1) shall be increased by the lesser of—

(i) $15,000, or

(ii) the interest paid or accrued during the taxable year on investment indebtedness incurred or continued in connection with the acquisition of the interest in such corporation or partnership.

In the case of a separate return by a married individual, $7,500 shall be substituted for the $15,000 figure in clause (i).

(B) CONTROLLED CORPORATION OR PARTNERSHIP—For purposes of subparagraph (A), a controlled corporation or partnership shall be:

(i) a corporation or partnership in which the taxpayer, his spouse, and his children own 50 percent or more of the total value of all classes of stock of the corporation or 50

percent or more of all capital interests in the partnership, as the case may be, or

(ii) a corporation with respect to any year in which the taxpayer and other employees own 50 percent or more of the total value of all classes of stock of the corporation through a plan in which units or interests therein are offered in a manner which does not discriminate in favor of officers or highly compensated employees, provided that the interest of an employee shall be disregarded to the extent that it exceeds 2 percent of the total value of all classes of stock of the corporation.

ADDITIONAL COSPONSORS

S. 752

At the request of Mr. BAUCUS, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 752, a bill to amend the Internal Revenue Code of 1954 to provide for the awarding of reasonable court costs and certain fees to prevailing parties in civil tax actions, and for other purposes.

S. 1342

At the request of Mr. MELCHER, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 1342, a bill to define the circumstances under which construction workers may deduct travel and transportation expenses in computing their taxable incomes for purposes of the Federal income tax.

S. 1421

At the request of Mr. EAGLETON, the Senator from California (Mr. CRANSTON), the Senator from Tennessee (Mr. SASSER), the Senator from Michigan (Mr. LEVIN), the Senator from Maine (Mr. COHEN), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of S. 1421, a bill entitled the "National Archives and Records Administration Act of 1981."

S. 1564

At the request of Mr. WEICKER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1564, a bill entitled the "American Tuna Protection Act."

S. 1675

At the request of Mr. HATFIELD, the Senator from Missouri (Mr. EAGLETON) and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 1675, a bill to help eliminate world hunger and malnutrition and promote global security.

S. 2353

At the request of Mr. CHAFEE, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

S. 2486

At the request of Mr. EAGLETON, the Senator from Kentucky (Mr. FORD) and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 2486, a bill to authorize the Secretary of Agriculture to purchase stored commodities from producers under certain circumstances.

S. 2498

At the request of Mr. MATSUNAGA, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2498, a bill to amend the Internal Revenue Code of 1954 to provide that certain indebtedness incurred by educational organizations in acquiring or improving real property shall not be treated as acquisition indebtedness for purposes of the tax on unrelated business taxable income.

S. 2501

At the request of Mr. EAGLETON, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New York (Mr. MOYNIHAN), the Senator from Tennessee (Mr. SASSER), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 2501, a bill to authorize appropriations for the National Historical Publications and Records Commission for the fiscal years 1983, 1984, and 1985.

S. 2541

At the request of Mr. CHAFEE, the Senator from Connecticut (Mr. DODD), the Senator from Mississippi (Mr. STENNIS), the Senator from West Virginia (Mr. RANDOLPH), the Senator from North Dakota (Mr. ANDREWS), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from West Virginia (Mr. ROBERT C. BYRD) were added as cosponsors of S. 2541, a bill to amend section 103(b)(6) of the Internal Revenue Code of 1954 with respect to the exemption from the industrial development bond provisions for certain small issues.

S. 2625

At the request of Mr. ROTH, the Senator from Montana (Mr. MELCHER), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 2625, a bill to amend the Federal Property and Administrative Services Act of 1949 to make Federal surplus property more accessible to local emergency preparedness and volunteer firefighting organizations and to authorize and direct the Federal Emergency Management Agency to recommend available Federal surplus to the Adminstrator of the General Services Administration for transfer to such organizations and for other purposes.

NOTICES OF HEARINGS.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that on Wednesday, June 30, 1982, the Committee on Rules and Administration will hold a meeting at 9:30 a.m., in room 301, Russell Senate Office Building. The purpose of the meeting is to consider the nominations of Joan D. Aikens, Lee Ann Elliott, and Danny Lee McDonald to be members of the Federal Election Commission. The committee heard testimony on these nominations at a hearing on June 9, 1982.

The committee will also be marking up proposed regulations to implement Senate Resolution 20, to provide television and/or radio coverage of proceedings of the Senate Chamber. The committee heard testimony from Senators and other interested parties concerning their views on regulations and/or rules changes to implement the resolution at hearings on May 19 and 25, 1982.

If you wish further information on the FEC nominations, contact Rules Committee staff on extension 43448; for further information on the proposed regulations to implement television and/or radio coverage of Senate proceedings, call staff on extension 40285.

ADDITIONAL STATEMENTS

NATIONAL ORCHESTRA WEEK

● Mr. HOLLINGS. Mr. President, I rise today to join in the celebration of National Orchestra Week which began Sunday, June 13. Thanks to passage of a joint Senate-House resolution, we have the occasion now to express our gratitude for the splendid cultural achievements of America's symphony orchestras.

There are 1,500 symphony and chamber orchestras covering the land, and I am proud to say that South Carolina boasts some extremely fine groups. In Charleston, for example, we have the Charleston Symphony Orchestra, which most recently performed at the Piccolo Spoletto Festival in Italy earlier this month.

The Greenville Symphony Orchestra has just completed its 32d season, and has blazed trails in bringing special musical performances to the young people of that area. The Spartanburg Symphony Orchestra is one of the few totally unpaid orchestras in the Southeastern United States, yet has won a large and deserved reputation for the caliber of its splendid performances. The city of Columbia boasts the Columbia Philharmonic Orchestra and the Columbia Youth Orchestra, both of which have added immeasurably to the cultural life of our great capital city. The Carolina Youth Symphony, located in Greenville, should also be singled out for accolades for its fine work in bringing musical opportunity to the young people of our State.

Music has been called the only universal tongue. And the great Carlyle, in one of his essays, wrote, "Music is well said to be the speech of angels." So it is only fitting that by congressional resolution, we the people of the United States are now observing Na-

tional Orchestra Week. The celebration includes a diversity of activities and programs designed to demonstate our broad national appreciation of, and support for, America's orchestras and musical artistry. I am especially pleased that representatives from orchestras across the country have gathered this week in Washington for the 37th Annual Conference of the American Symphony Orchestra League. On Thursday night at the Washington Cathedral, Leonard Bernstein and Michael Tilson Thomas will be conducting the National Symphony Orchestra in a historic concert commemorating the 100th anniversary of Igor Stravinsky.

But whether it is a gala concert at the Washington Cathedral or a more modest program for elementary school students in one of the far corners of the country, the message and the hope and the enjoyment that music brings is everywhere the same. Our symphony orchestras have added immeasurably to the well-being of the American people, and I am proud to join my many colleagues today in celebrating National Orchestra Week.●

SOME COGENT THOUGHTS ON FIGHTER AIRCRAFT

● Mr. HART. Mr. President, I would like to bring to the attention of the Senate a recent column by Mr. William F. Buckley on the subject of Air Force fighter aircraft.

As the Senate is aware, the Soviet Union offers us a significant challenge in the air. Unfortunately, there has not been adequate debate in the Senate over how that challenge should be met. There are at least two significantly different approaches: One, represented by the F-15, in which relatively large and costly fighters rely heavily on radar-guided air-to-air missiles to destroy enemy planes at long ranges; and another, best represented among existing fighters by the F-16, in which smaller, less costly airplanes attempt to outfight enemy planes in classic dogfights.

Mr. Buckley's column brings this issue to the fore, and offers some cogent thoughts on it. He points out that, despite the Air Force's preference for the F-15, the other approach may offer greater effectiveness, as shown in mock combat between the F-15 and the F-16.

I strongly commend this column to the attention of my colleagues, and I request that it be printed in the RECORD at this point.

The column follows:

[From the New York News, June 1, 1982]

THE STILL WILD BLUE YONDER OF WARPLANES

(By William F. Buckley, Jr.)

The fighting in the Falklands pleases only military specialists, always grateful for live tests of current hardware. Happily, the war is not likely to last very long, and so cannot serve the extensive purposes of the Spanish Civil War, when new weapons of all kinds were systematically tested over a period lasting several years.

There is, in the military and in Congress, a tenacious little group of specialists who believe that grave mistakes have been made in the development of fighter technology, and that the symbol of that gross error is the F-15, which the Air Force bureaucracy treasures more than the "Mona Lisa," which couldn't begin to pay for one of those heavy, complicated monsters, worth more than their weight in gold.

The contention is that the conventional wisdom has misplaced the required emphases. Pierre Sprey, an engineer and analyst, is known as the leading member of the "Fighter Mafia" who have led the struggle for a different plane. The F-16, though contemptibly impure by their standards, goes a long way toward meeting them, and Pierre Sprey's criteria are slowly winning converts, and may win many a war after the dust settles in the South Atlantic.

Sprey begins by stressing the factor of surprise. In his book "National Defense," James Fallows points out that in the neighborhood of 75 percent or even higher of all kills are effected by surprise. The flier Eric Hartmann, the great German ace who downed 352 planes, attributed four-fifths of them to the factor of surprise. "Ninety per cent of all fighters shot down," a 1944 report relates, "never saw the guy who hit them."

If one accepts this as of paramount importance, then whether a plane leaves a smoke trail is critical, increasing as the contrail does by a factor of as much as 27 the distance at which a plane can be spotted by another plane.

Does this mean that fighters should be equipped with radar to detect airplanes? Perversely, it does not. Such instruments are for reasons positive and negative, useless encumbrances. To begin with, unless you can visually spot the other airplane, you cannot know whether it is friendly or unfriendly (they call it the "IFF" problem) so that you cannot release your missiles early with any confidence. And then, most fighters are equipped with radar warning receivers (they are called "fuzz-busters") which instantly alert the airplane that it is being monitored by radar—exit the surprise factor.

Sprey's next criterion is maneuverability, carefully defined as "transient performance"—the ability to change tactics in dogfights with high speed. This means lightness and short wings. Then comes "persistence"—a term that describes a number of features that keep the plane in the air and in fighting trim. The "fuel fraction" is one of these, the percentage of the weight accounted for by fuel—the greater, the better, up to a point. And then there is the plane's "lethality." In post-Korean engagements, most kills have been effected by the 20-millimeter cannon, and by the Sidewinder.

We touch, finally, on expense. Fallows points out that by making planes preposterously expensive, necessarily you have fewer of them; and these are so complicated that they spend much of their time on the ground being mothered. So Sprey came up with a factor called "sorties per day per million dollars." The old and wonderfully successful F-86 could buy 2.1 sorties per day for each million dollars of procurement money. The F-15 gives you .05 sorties per $1 million, or 1/40 as many as the old F-86. Plotting the figures on a graph, Sprey acidly refers to the result as "unilateral disarmament."

James Schlesinger, as secretary of defense, did what he could to encourage the right kind of airplane, but as soon as he left, the bureaucrats began with their accretions, so that the F-16 weighs now not the 10 tons originally called for, but 12; and the cost is up 75%; and it has the radar. Even so, there are enough fingerprints on it from the Fighting Mafia to make it the outstanding fighter in the skies, as recently demonstrated in NATO exercises where Belgian pilots using the F-16 scored heavily against Americans using the F-15.

In the current fighting, both the British Harrier and the Argentine Mirage are, so to speak, F-16 type planes. The score to date: 11 Mirages down, one Harrier. Leaving the ultimate criteria: the skill and training of the pilot.●

A PASTORAL CALL TO PEACEMAKING

● Mr. SARBANES. Mr. President, on June 3 the Most Reverend James A. Hickey, Roman Catholic Archbishop of Washington, issued a most thoughtful and challenging letter. Entitled "A Pastoral Call to Peacemaking," it is, in Archbishop Hickey's words, "an invitation to the Catholic community of Washington to prayer, reflection, study, and discussion on the moral dimensions of nuclear weapons in light of Catholic teaching."

The archbishop wrote the June 3 pastoral letter, again in his own words, "not as a politician or scientist, not to join some ideological bandwagon, but to meet my responsibilities as a teacher and pastor within the Catholic community which has a longstanding tradition of concern for the moral dimensions of warfare and conflict." The letter calls upon members of the archdiocese to recognize their unique responsibility for carrying forward a conscientious discussion of nuclear war and arms control issues, given the traditional concern of the church for "the moral dimensions of warfare," the role of the United States as a nuclear superpower, and the active participation of many members of the Washington community in the formulation of defense and arms control policies.

Mr. President, Archbishop Hickey's letter is so reasoned and thoughtful in its concerns and so eloquent in expressing them that it deserves especially careful consideration by all of us. All concerned citizens, officials and advocates, can indeed in the archbishop's words "listen to each other and learn from each other without partisanship or self-righteousness." I ask, therefore, that the full text of Archbishop Hickey's June 3 pastoral letter be included in the RECORD.

The pastoral letter follows:

A PASTORAL CALL TO PEACEMAKING

(By Rev. James A. Hickey)

My Brothers and Sisters in Christ, this past weekend brought together our celebration of Pentecost and our observance of Memorial Day. As we ask the help of the life-giving Spirit of God and reflect upon the sacrifice of the men and women who gave their lives for the defense of our country, it seems appropriate to ask your personal prayer and reflection on one of the most serious moral issues in our world—the nuclear arms race and the growing risks of nuclear war.

GROWING CONCERN

Our world is confronted by signs of growing concern and fear over the possibility of nuclear conflict. Unprecedented grass roots movements demonstrate considerable support for some type of nuclear freeze. Our President has offered a new arms control proposal for substantial reductions in nuclear warheads. Soviet leaders have also put forth proposals and indicated a willingness to talk about these issues. There is a forthcoming special session of the United Nations to discuss nuclear disarmament. More and more concern is being voiced regarding the potential medical and ecological effects of any nuclear conflict.

Within our Church community there is considerable reflection taking place. Many bishops have spoken to the question of nuclear arms. A special committee of the National Conference of Catholic Bishops is preparing a major pastoral letter on war and peace for discussion and approval at the November meeting of the American Catholic Bishops.

MY HOPES

I write today as your pastor, I am asking you to join me in a serious program of prayer, reflection, study and discussion so that each of us may be able to make judgments about nuclear armaments for a conscience truly informed by Catholic principles.

I raise these issues not as a politician or scientist, not to join some ideological bandwagon, but to meet my responsibilities as a teacher and pastor within the Catholic community which has a long-standing tradition of concern for the moral dimensions of warfare and conflict.

As a pastor, I would emphasize that these are urgent, but not simple matters. I expect this letter will raise more questions than answers. I hope to inform rather than instruct, to raise issues rather than reach definite conclusions. I specifically hope this letter and the discussion it invites will help prepare us to respond to the national pastoral letter on war and peace next fall. This national pastoral and the entire nuclear discussion touches our Archdiocese more directly than any other local Church. For many of our people, there are intensely personal and professional issues as well as important public concerns.

OUR RESPONSIBILITIES

We cannot avoid this discussion. As our Holy Father said in Hiroshima, "some . . . might prefer not to think about the horror of nuclear war and its dire consequences . . . but there is no justification for failing to raise the question of the responsibility of each nation and each individual in the face of wars and the nuclear threat."

As Catholics, we bring to this discussion unique resources: a long tradition of disciplined thought about the moral dimensions of warfare and a religious vision which bring hope to sobering, even frightening, issues.

As Americans, we have unique responsibilities. The United States is the first nation to develop atomic weapons and the only nation to use nuclear weapons in conflict. Our nation serves as a bulwark against Soviet power and aggression, while sharing with the Soviets the power to virtually destroy civilization. As people who live in and around Washington, we possess unique responsibility and vulnerability. Members of our community develop and implement the policies which govern our nuclear arsenal and arms control negotiations. In addition, our community would surely be one of the first targets in any nuclear exchange. As American Catholics in the Washington area we need to consider the arms race and nuclear weapons in light of faith, to evaluate our current situation with the help of Church teaching and to probe our consciences for the moral and human implications of decisions on nuclear weapons.

A TIME FOR PRAYER

At the first Pentecost, the disciples awaited the coming of the Spirit in fear and confusion. The descent of the Spirit permitted them to overcome their hesitation and to preach the Word of the Lord. That same Spirit is with us now. Pentecost invites us to open our hearts to Him—for guidance and for strength. We need to pray—to pray for peace and to pray that we can listen to one another and be heard by one another as we search for peace despite differences of political ideology, party or position in our community.

A TIME FOR REFLECTION

Our observance of Memorial Day, last Monday, reminded us again of the costs of war and price of defending freedom and justice. The long white lines of crosses which mark the graves of our honored dead tell us of their bravery and sacrifice and call us to pray that there may never again be war, although as loyal citizens we stand ready, if necessary to defend our country and ideals in a just war.

As we remember the sacrifice of those who gave their lives, I ask you to reflect on how different the next world war would likely be. A nuclear war would probably be a matter of hours, rather than years. Its victims would not be primarily soldiers, but millions of civilians. There would be no winners of a nuclear war. It is estimated that an all-out nuclear war could mean two hundred million casualties, hundreds of Hiroshimas at once.

The Pontifical Academy of Science and many American physicians suggest there could be no effective medical response to nuclear war.

I ask you to reflect with me on the growing risks of nuclear war—the growth in the numbers, power and sophistication of nuclear weapons; the discussion of winning or surviving nuclear war; suggestions of demonstration nuclear explosions and how to regain nuclear superiority. I ask you to reflect on what legitimate defense and national security mean in a nuclear age.

Additional nations are on the verge of developing nuclear arms. Enormous resources are fueling the "breathtaking spiral in armaments," in the words of our Holy Father—with serious consequences for the poor. Thousands upon thousands of warheads are poised for possible use. Many believe we face an accelerating arms race and a possible drift toward destruction. If we fail to contain these armaments, there is the possibility that no civilization will survive to reflect upon our mistakes.

A TIME FOR STUDY

In the face of these disturbing trends, we need to study the Church's traditional teaching on welfare and conflict, with special attention to nuclear arms. In knowing and understanding our Catholic tradition in these matters, we bring an essential conviction about the importance of the moral dimensions of public policy. Issues involving fundamental matters of life and death, cannot be settled merely with political or technical arguments, although political skill and technical competence are important. Too often the discussion of national nuclear policy has neglected ethical concerns and excluded the broad public discussion required on matters of such profound significance. Concern for the sanctity of human life, a consistent extension of our concern about abortion, hunger and other pro-life issues, should be at the center of a debate too often dominated by politics and technical points.

Can there be a war involving nuclear arms which fits the traditional moral criteria of a just war? According to Catholic teaching, there are several basic principles which govern both the choice to wage war and the choice of what actions one can rightly undertake in conducting war. The choice to wage war can only be just if the following requirements are met:

1. The decision for war must be made by a legitimate authority.

2. The war can be fought only to defend against unjust aggression.

3. War must be chosen only as a last resort, after all other proper means fail.

4. There must be a reasonable chance of achieving the objectives for which the war is waged.

5. The good to be achieved by the war must outweigh the evil that will result from it.

6. The war must be pursued with right intention—the intention to restore peace.

In waging war justly there are two cardinal principles:

Military force can never be directly aimed at non-combatants, and

Only proportionate force can be used in attacking legitimate military targets.

Thus, indiscriminate killing of non-combatants cannot be justified and one must avoid harming civilian and non-military sectors of society.

Since the development of nuclear armaments, the teaching of the Church has addressed the issue of nuclear weapons on numerous occasions. A few examples indicate both their tone and content.

After the Cuban Missile Crisis, Pope John XXIII declared:

"Justice, right reason and humanity, therefore, urgently demand that the arms race should cease; that the stockpiles which exist in various countries should be reduced equally and simultaneously by the parties concerned; that the nuclear weapons should be banned; and that a general agreement should eventually be reached about progressive disarmament and an effective method of control." (Pacem in Terris, 1963)

The Second Vatican Council reaffirmed the "universally binding principles of natural law governing the use of force" and the continuing right of legitimate national defense. The Council called for the Church to "undertake an evaluation of war with an entirely new attitude." In its evaluation of scientific weapons of mass destruction, of which nuclear weapons are a principal example, it issued a clear condemnation:

"Every act of war directed to the indiscriminate destruction of whole cities or vast areas with their inhabitants is a crime against God and man, which merits firm and unequivocal condemnation." The Council offered support for "conscientious objectors who refuse to carry arms provided they accept some other form of community service," affirming the possibility of a Christian pacifism. It called for an end to the arms race and "a real beginning of disarmament, not unilaterally indeed, but at an equal rate on all sides, on the basis of agreements and backed up by genuine and effective guarantees." (The Church in the Modern World, 1965)

The Church's leaders have clearly condemned the arms race:

"The arms race is to be condemned unreservedly. By virtue of the nature of modern weapons and the situation prevailing on our planet, even when motivated by a concern for legitimate defense, the armaments race is, in fact, a danger and injustice, a mistake, a sin and a folly." (Statement of the Holy See's Permanent Observer at the United Nations, 1976)

The U.S. Bishops have sought to apply and specify these teachings:

"With respect to nuclear weapons, at least those with massive destructive capability, the first imperative is to prevent their use. As possessors of a vast nuclear arsenal, we must also be aware that not only is it wrong to attack civilian populations, but it is also wrong to threaten to attack them as part of a strategy of deterrence. We urge the continued development and implementation of policies which seek to bring these weapons more securely under control, progressively reduce their presence in the world and ultimately remove them entirely." (To Live in Christ Jesus, 1976)

In the Bishops' testimony on the SALT II Treaty, Cardinal Krol made three fundamental points. Archibishop Bernardin summarized them in this way before the Bishops last fall:

"First, the primary moral imperative is to prevent any use of nuclear weapons under any conditions. Second, the testimony judged that the possession of nuclear weapons in our policy of deterrent framework is used to make progress on arms limitation and reductions. The third principle, a corollary of the second, is the imperative for the superpowers to pursue meaningful arms limitation aimed at substantial reductions and real disarmament. Indeed, as Cardinal Krol stated, the phasing out altogether of nuclear deterrence and the threat of mutual assured destruction must always be the goal of our efforts."

A TIME FOR DISCUSSION

Church teaching raises significant questions about the assumptions and policies of the nuclear age. Can nuclear arms be used legitimately in war? If they cannot, are we justified in using a stockpile of nuclear armaments as deterrent? Can we make a threat that we could not legitimately carry out? How do these principles apply to the U.S. as a nuclear superpower and our dealings with a strong adversary also armed with these weapons?

The issues of nuclear war, the arms race and disarmament deserve our careful attention. Each of us is called to be a peacemaker; this is not an optional commitment. As followers of Jesus we are called to seek peace and pursue it. Through the centuries, many have done this in the armed services of their country; this is a legitimate part of our Catholic tradition. Some have followed a path of total renunciation of arms. This form of Christian pacifism is also accepted as a legitimate part of our tradition.

I am truly thankful for the sacrifices and commitment of those who serve in the military and in our government. I am also grateful to those advocates who have pushed the issue of nuclear arms into the center of national debate. All of us, concerned citizens, officials and advocates, need to open our minds and hearts, listen to each other and learn from each other without partisanship or self-righteousness. Whatever our personal situation, we are called to advance the cause of peace, as a family member, worker, and citizen.

We also need to discuss how to move toward the slowing of the arms race and the eventual elimination of nuclear arms. I am referring to mutual rather than unilateral disarmament. Our tradition is eloquent about peace and realistic about conflict. But we need to discuss what actions gur country can take to encourage mutual disarmament. Some U.S. initiatives, and even some risks, may be necessary to break the spiral of armaments and the stalemate of the status-quo.

For this reason, I have joined with a number of Bishops, other religious leaders, and arms control experts to support a mutual and verifiable nuclear weapons freeze tied to future reductions in nuclear arms. I do not wish to use this forum to urge others to join me in this, but I ask each of you to consider what steps are necessary to reverse the appalling growth of weapons of destruction and act on that assessment.

We should also explore how the enormous ingenuity and resources which are used to increase the sophistication and deadly effectiveness of our weapons of war can be used even more creatively in developing more effective instruments of peace—arms control agreements, alternative means of conflict resolution, cultural and personal exchanges between people or increased communication and meetings between our leaders. How can we develop and support new initiatives to contain, reduce and eventually eliminate this unprecedented threat to humankind?

ARCHDIOCESAN ACTION

We need to help each other ask these questions and carry out these responsibilities. For this reason, I am asking each person, each family, each parish and each organization to make a commitment to pray for peace regularly, to study and reflect on the Church's teaching on nuclear issues and to participate in some program of discussion and commitment on these issues.

At the Archdiocesan level, we have made a beginning, including a three day seminar on nuclear issues for Bishops, key staff and leaders of consultative bodies; a day-long Clergy conference on the Arms race and Nuclear Weapons (held yesterday); and the special supplement to the Catholic Standard which accompanies this letter.

I will shortly appoint a task force to help coordinate this ongoing program of prayer, reflection, study and discussion. They will be preparing balanced and useful materials for Archdiocesan parishes and organizations. We will be calling an Archdiocesan conference on Nuclear Weapons and the Arms Race next fall to assist parish leaders in learning about these issues and developing programs of study, reflection and discussion. This task force and conference will help pastors and parish leaders convene discussions in our parishes next fall. I hope our parishes will show their concern by regular prayer for peace and programs of study and discussion in their education efforts and parish activities. I also hope parishes will share with me their concern and suggestions about how our Church and society should respond to the dangers of our nuclear age.

I am also asking Archdiocesan organizations and the consultative bodies to place this concern on their agenda and share their concerns and proposals with me. We will make special efforts next fall to assist teachers and religious educators in carrying out their responsibilities to share the Church's teaching in this area. Finally, I have asked our Archdiocesan newspaper to provide special coverage and information on issues dealing with the arms race and nuclear weapons.

I hope all of these efforts will lead to informed reflection and effective action throughout our communities on the issues of peace and nuclear arms. These activities will permit us to live up to our Holy Father's words at the United Nations: "The Catholic Church in every place on earth proclaims a message of peace, prays for peace, educates for peace."

We approach this task of peacemaking recognizing both its complexity and its urgency. Peacemaking is not some peripheral cause, it is required of each of us. It requires fervent prayer, informed reflection, diligent study, open discussion, effective action and genuine commitment.

Mary, Queen of Peace, pray for us.●

JUDGE MAURICE MITCHELL PAUL

● Mrs. HAWKINS. Mr. President, I am pleased that Maurice Mitchell Paul has been nominated by President Reagan to fill the position of Federal judge for the northern district of Florida. On May 26, 1982, Judge Maurice Paul appeared and testified before the Senate Judiciary Committee and today his nomination will be confirmed by the full Senate.

I had the opportunity to recommend Judge Paul to our President last fall, and today, I strongly reaffirm my support for his confirmation. I would like to share briefly with you some of this gentleman's background and the reason he has been selected for this important post in our Federal judiciary. Maurice Paul has the experience, ability, and character necessary to become a great Federal jurist. His life has been an example of achievement and success in every endeavor. At the University of Florida, he distinguished himself in the academic field by graduating with honors for the College of Law in 1960. Prior to his graduation from the University of Florida, he served his State and Nation well in our military forces, both as a member of the Florida Air National Guard and as a pilot in the U.S. Air Force.

After graduation, he began his legal career in private practice in central Florida. Maurice Paul soon gained a reputation as an able and respected practitioner before the bar. In October of 1972, that reputation spoke for itself when Maurice Paul was elected

to the position of circuit judge to the Ninth Judicial Circuit of Florida. In 1978 he was elected to another 6-year term without opposition.

As a circuit judge, Maurice Paul served as a member of the Education Committee of the Conference of Circuit Judges and has served as vice chairman of that body since 1979. He has also served as a member of the New Judges' College sponsored by the Florida Supreme Court and was later appointed dean of the Florida Judicial College.

In February of 1980, he was appointed by the Florida Supreme Court to the Florida Court Educational Council.

In addition to a distinguished career in the State circuit court, Judge Paul has worked to make his community a better place in which to live. He has been active as a member of the Orange County Parental Home Commission, the Criminal Justice Planning Council, the High Crime Impact Committee, Criminal Justice Services to Women Task Force, "Thee Door" Task Program Advisory Council, Orlando Crime Study Commission, and the Task Advisory Council for the Florida Council on Criminal Justice. He is also a member of the Episcopal Church of the Good Shepherd in Maitland, Fla.

I am pleased that Judge Paul is also a man who respects the family unit, both as an institution and in the practice of his daily life. He has been married 27 years to Eleanor James Paul. They have one son, James Jeffery Paul, who is a student at Duke University.

There are many honors which I could recite relating to this gentleman, but there is no greater honor than that which has been bestowed upon this jurist by his peers. Recently, a poll was conducted of attorneys throughout central Florida, and I would like to conclude by sharing with you comments from that poll:

When asked to list the best three judges in the circuit, the attorneys overwhelmingly selected Paul at the top. He is a former Orlando attorney elected to the bench in 1972. "The best one in every respect," one lawyer wrote of Paul in a space on the questionnaire reserved for comments, "Too bad more of his caliber do not aspire to the judiciary." "Orange County's best trial judge," another attorney wrote. "Tremendous knowledge of the law, able to handle the most difficult of cases."

Mr. President, I appreciate the expeditious nomination and confirmation of Judge Maurice Paul for the position of Federal judge for the northern district of Florida. I look forward to the commencement of his career on the Federal bench.●

MAINE VIETNAM VETERANS WEEK, APRIL 26, 1982

● Mr. MITCHELL. Mr. President, on April 26, I had the honor and the privilege to attend the dedication of the Vietnam Veterans Memorial Plaque at the State Capitol in Augusta, Maine. The dedication marked the official opening of the observance of "Vietnam Veterans Week" in Maine.

Nearly a decade has passed since the United States pulled out of Vietnam. Unlike previous wars in which American soldiers fought, the veterans of Vietnam did not receive a hero's welcome when they returned home. We, as a nation, are now only beginning to recognize and appreciate the sacrifice which Vietnam veterans made for their country.

At the dedication, the director of the Veterans' Center in Portland, Maine, Jim Tukey, himself a distinguished Vietnam combat veteran, delivered a moving statement written by a fellow Vietnam veteran, David S. McPeak. The speech was intended to dispel some common misconceptions about Vietnam veterans and the Vietnam war.

I ask that Mr. Tukey's remarks be inserted in the RECORD.

The remarks follow:

THE VIETNAM WAR: SOME MISCONCEPTIONS

First. We were not, on the whole, dragged into military service. Two-thirds of the men and women who served in Vietnam volunteered for duty. In contrast, two-thirds of the people who served in WWII were drafted.

Second. That Vietnam was something less than a real war. Why then were there more total combat casualties for the Marine Corps in Vietnam than in WWII and why did Vietnam produce the third largest number of casualties for the U.S. Army in its 200 year history.

Third. That we were somehow not as brave or did not sacrifice as much as our fathers did in previous wars. The American public, unfortunately, forgot the countless acts of incredible courage at Dak To, Khe Sahn, Ia Drang Valley, Hue City, and a thousand other unknown or too-soon forgotten places.

Fourth. That these soldiers did not care about their comrades. Nothing could be further from the truth. We cared deeply then and still remember them every day and in our nightmares.

Fifth. That Vietnam troops were habitual users of dangerous drugs when, in fact, hard drugs never emerged on any scale until the final years of the War. Furthermore, who could blame a nineteen year old, our average age in combat, for smoking marijuana to relieve some of his mental anguish or total physical exhaustion when many of his peers back home were using hard drugs to relieve their boredom.

Sixth. That we faced an inferior enemy force. Again, untrue. We faced two enemy forces. The elusive, courageous, Viet Cong who were fighting in their own backyard and were geniuses in camouflage and underground concealment and experts in improvising ambushes and booby traps. The second enemy was less well known by the American public, but, probably the more formidable foe, the North Vietnamese Army. A well trained, large army which was equipped with artillery and 122 millimeter Russian made rockets. Most importantly, both groups carried AK47 assault rifles, a high velocity automatic weapon the likes of which were never faced by any previous American force. Furthermore, the Vietnamese now have the world's fourth largest army.

Seventh. That we were mass killers of civilians. False. There were more civilians killed in the four years of the Korean War than the eight years of the Vietnam War.

Eighth. That American troops in Vietnam were not as efficient as previous American soldiers. We were the youngest, best educated, best trained, best equipped, and most decorated troops America has ever seen. And, we never lost a major battle during our involvement.

Ninth. That we are troubled. For many of us this is true. Although, considering the unique and tragic circumstances of our war, we are a remarkable group. We were sent to war alone, joined up with a unit of complete strangers, experienced the trauma of total, absolute warfare, and, if not severely wounded, returned alone in a matter of hours to a country who would not or could not welcome us, mourn our dead with us, or recognize our sacrifice and courage.

Tenth. The Vietnam Veteran is ungrateful and demands to be seen as a hero. False. We are not ungrateful; we are honest. We received very little. A graphic example: In 1945 a G.I.'s educational benefits included tuition, books, room and board, and a monthly stipend of $54. In contrast, a Vietnam Veteran returning from the War in 1968 received only a monthly stipend of $130, no tuition, room, board, etc.

Finally, we do not wish to be seen as heroes because our heroes died in Vietnam.●

THE ADMINISTRATION'S LOW-INCOME HOUSING POLICY

● Mr. BIDEN. Mr. Speaker, Mr. President, reasonable men often disagree on important questions of public policy. In many instances, noted experts will hold diametrically opposing views on an issue, with each believing that his approach is the only truly viable approach. Even in such cases, however, I think we would all agree that fair resolution of any such issue demands frank dialog and an even-handed approach to implementing any solution to the problem involved.

Mr. President, through his campaign, President Reagan discussed his intention to make drastic changes in our Nation's low-income housing programs. Although his proposals were not brand new, having been discussed in housing debates throughout recent decades, they do represent a radical departure from the policies we have followed throughout the decades following passage of the U.S. Housing Act in the 1980's.

As we all know, President Reagan is now in a position to put his ideas into action and, to a large extent, has been able to do just that in the area of low-income housing. Most of the changes

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implemented thus far have been in the name of greater efficiency and effectiveness in running the low-income housing programs. Congress believed these claims and granted the President much of his request last year in order to give him the chance to make his program work.

Well, Mr. President, we have all seen how that program has worked. Unemployment keeps rising and real interest rates are the highest in our Nation's history. But in the low-income housing program, Mr. President, the result is nothing short of catastrophic. It is likely that a number of units will be forced to close this year with thousands of tenants being forced to look elsewhere for housing.

The tragedy of all this, as far as I am concerned, is less the fact that we are short of adequate and affordable housing in this country as it is, or that draconian budget cuts already in place and contemplated by the administration for the future are devastating for the residents of our low-income housing units.

The real tragedy, Mr. President, is the manner in which HUD is managing what remains of the low-income housing program. Let us review the facts.

Prior to the fiscal year of each public housing authority, they submit a proposed budget to HUD. Included in that budget are estimates on utility use. Assuming approval of the proposed budget, the PHA's are granted an operating subsidy to make up the shortfall between rent collection revenues and the estimated cost of operating the project during its fiscal year.

Keep in mind, Mr. President, that rent is limited by Federal law and that utility rates are constantly rising. In fact, the Wilmington Housing Authority estimates that about three-fourths of its budget goes to pay utility bills.

Oftentimes, public housing authorities find at the end of their fiscal years that utility costs have risen even faster than anticipated; and request a year end utility adjustment from HUD. If the higher costs are the result of a rate increase approved by the Public Utility Commission, the housing authority is reimbursed at 100 percent of the shortfall. If the higher costs result from other factors HUD finds reasonable, the housing authorities are compensated for 50 percent of the shortfall. These provisions can be found in HUD's regulations governing the low-income housing programs.

This year, Mr. President, the housing authorities have been coming to HUD as in past years asking for money to cover these shortfalls. Unlike past years, however, the housing authorities are being told that they will not be compensated, that the adjustments will no longer be made.

This gets back to what I said at the outset of my remarks, Mr. President. There are different views on whether the adjustment should be made, although I strongly believe these funds must be made available if we are to expect housing authorities to run a viable program. The difficulty arises out of the fact that HUD has made this decision without providing for any sort of phase-in period. Overnight, an important Federal policy has been changed affecting millions of our neediest citizens. And I remind the Senate that a large number of the residents of low-income housing units are elderly. HUD does not give even the slightest indication that it is willing to reconsider its position and seek the funds necessary to provide these badly needed adjustments.

Consequently, Mr. President, our Nation's housing authorities have been left in the direst of financial straits. I actually submit, Mr. President, that they are in even worse shape than is the Federal Government, since housing authorities have no authority to print money and are not in a very good position to borrow.

In addition to this unfair policy decision, Mr. President, HUD has decided that it will release its fiscal year 1982 operating subsidy allotment at the rate of only 75 percent of last year's eligibility, leaving more than $300 million unspent. HUD's claim is that it is withholding these funds in anticipation of the development of a "revised energy conservation program."

What makes this claim curious, Mr. President, is that HUD has not entered into any formal rulemaking proceeding regarding the revised program and does not give any indication of so doing. Even giving HUD the benefit of the doubt, Mr. President, such a procedure would likely take much of the remainder of this fiscal year. I believe it is clear that HUD has dragged its feet in this matter, and is deliberately withholding funds badly needed to provide crucial services to the residents of our low-income housing units.

I would like to give HUD the benefit of the doubt, Mr. President, but I must conclude that HUD is pursuing a policy aimed at bringing public housing authorities to their feet in order to implement their stated intention to remove the Federal Government from the provision of safe, decent housing to our low-income citizens; save some sort of voucher program.

I had hoped, Mr. President, that those in the administration would be willing to engage in a frank discussion of the issues involved and would take a fair-minded approach to the implementation of new policies. This situation, which has caused 17 housing authorities throughout the United States to press a lawsuit against HUD, indicates that the administration is willing to use almost any means imaginable, regardless of fairness, to achieve its objective of eliminating the Federal Government from the effort to insure adequate housing for low-income Americans.

It is truly tragic, Mr. President, that our fellow citizens dependent on the Federal Government for their very survival—the so-called truly needy—should have to be on guard against this type of ambush from their own Government.●

AMERICA'S CULTURAL INSTITUTIONS

● Mr. BAUCUS. Mr. President, most of us would agree that America's cultural institutions are a vital national resource and that they must be kept strong. They are—as the recent Presidential Task Force on The Arts and Humanities stated—the mirrors of a nation's integrity and spirit.

Mr. President, since 1969, our Nation's cultural institutions have suffered from a small, and I believe inadvertent, change in our Tax Code. In 1969 Congress enacted a tax reform bill to deal with, among other things, the donation of papers of public officials. That bill also eliminated the charitable tax deduction allowed to creators of artistic and literary works. Collectors of the creative works of others, however, retained the advantage of the deduction.

As the Librarian of Congress Daniel J. Boostin has stated:

> This inequity has had a devastating effect on the ability of libraries and museums to receive and preserve important collections for future generations.

Mr. President, I ask that a letter from Mr. Boorstin to my colleagues be printed in the RECORD at the end of my statement. In addition, I ask that a letter and attachment from the American Library Association be printed in the RECORD. Although I could include a large number of other documents, I believe these two should suffice to illustrate the harm that the 1969 Tax Act has caused to the preservation of our Nation's cultural heritage.

Mr. President, I am hopeful that we will see the wisdom in rectifying this situation this year. Following the efforts of distinguished colleagues like Senator Jacob Javits, a number of us in this Chamber—including a majority of the members of the Senate Finance Committee—are cosponsors of a bill (S. 2225) that would restore the charitable contributions deduction to creators of artistic and literary works. Along with me, the cosponsors are Senators MOYNIHAN, LEAHY, KASTEN, LUGAR, SYMMS, HEINZ, BOREN, GOLDWATER, PELL, COCHRAN, BENTSEN, LEVIN, DANFORTH, STAFFORD, GRASSLEY, MITCHELL, METZENBAUM, SIMPSON, CRANSTON, MATSUNAGA, and BRADLEY.

Mr. President, while our bill may not seem like much in the present scheme of things, it looms large for future

generations of Americans. I urge others to join us in passing this measure.

The materials referred to follow:

THE LIBRARIAN OF CONGRESS,
Washington, D.C., April 21, 1982.

DEAR SENATOR: It is my understanding that the Senate Finance Committee has tax legislation currently under consideration. I would like to call to your attention S. 2225, the Artist's Equity and Donation Act, introduced by Senators Baucus, Moynihan, Leahy, Kasten, Symms, and Lugar. This legislation is, I believe, one of the more important items to affect research libraries and museums in the years to come.

For many years, the Library of Congress, like other research institutions in the United States, has actively solicited gifts of personal papers, music, rare books, prints and photographs, and other historically valuable material. The preeminence of the Library of Congress' collections in these areas is largely due to our ability to solicit and receive such gifts. The donors have been able to deduct as a charitable contribution the fair market value of their gifts.

Since the enactment of the Tax Reform Act of 1969, one category of donors has been unable to claim such a deduction. These are the people who are themselves the creators of literary, scientific, and artistic works. Living authors, poets, musicians, scientists, and artists who wish to donate the results of their creative efforts to a library or a museum are ineligible for a deduction. Yet, at the same time, an owner of a work of art or manuscript created by someone other than himself can take advantage of the charitable contributions deduction.

Moreover, this inequity has had a devastating effect on the ability of libraries and museums to receive and preserve important collections for future generations. Before 1969, the Library of Congress' Music Division was annually receiving the original manuscripts of their work from 35 living composers. Between 1963 and 1970 the manuscripts added to the collections came to 1,200. But in all the years since, we have received a scant 30. The recent report of negotiations for the purchase of the Stravinsky archives by the University of California at Los Angeles is a case in point. The price is reported to be more than a million and a half dollars. Until 1969, Igor Stravinsky had given a substantial number of his manuscripts to the Library of Congress, where they became part of a national resource of research materials on musical composition. In addition, in the year just past, two major collections on deposit were withdrawn from the Music Division; one sold, since a tax deduction was not forthcoming. The Library is now being put on notice by other depositors that they may withdraw their potential gifts if the law remains unchanged.

The Library of Congress' Manuscript Division was receiving manuscript collections totaling nearly 200,000 manuscripts each year before 1969. Although bequests and donations of other materials have occurred, the Library of Congress has received only one major gift of self-created material of a living author since 1969.

The number of gifts of original works of art to the Prints and Photographs Division of the Library of living artists, photographers, and cartoonists has dwindled since the 1969 Tax Reform Act. Three New Yorker artists have stopped donating their drawings and cartoons as a direct result of the 1969 act.

The consequences of this reduced level of acquisitions will be disastrous for scholarship, and for the study and appreciation of American civilization. Creators disperse their collections by selling them on the open market—mostly to individual collectors. Thus the material ceases to be available for research in public institutions. Even more alarming, these materials are usually stored where they suffer rapid deterioration and are subject to risks of fire, flood, and theft. They are lost forever.

The Presidential Task Force on the Arts and Humanities recently presented a report to the President in answer to his charge to the Task Force to develop new ideas to stimulate private support to the arts and humanities. The Task Force addressed the tax system and private initiatives and recommended that the 1969 amendment to the Tax Code governing charitable gifts of creative works by artists, writers, and composers should be revoked.

The Task Force outlined immediate benefits from this proposal. First, museums and libraries will be able to acquire works of art without cost. Second, artists and authors will be able to choose the institutions where their best work will be displayed. Third, the public will benefit from the presence in public institutions of the works of living artists and writers.

Inflation and shrinking tax dollars have had a catastrophic effect on libraries and museums in recent years. Funds are not available for purchasing much of what should be acquired. Enactment of legislation to give a tax incentive for the donation of materials to these institutions would be, I believe, in the public interest, and would enhance our nation's cultural resources. We thrive on our heritage. Positive action by Congress to restore the tax incentive for gifts of self-generated artistic and literary works will remind us that we all have a share in the heritage and we are all nourished by it. To garner the works of artists, musicians, and authors by enacting legislation will help preserve a precious part of us. I urge that you give favorable consideration to S. 2225.

Sincerely yours,

DANIEL J. BOORSTIN,
the Librarian of Congress.

AMERICAN LIBRARY ASSOCIATION,
April 23, 1982.

Hon. ROBERT J. DOLE,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR SENATOR DOLE: I am writing on behalf of the American Library Association, a nonprofit educational organization of almost 40,000 librarians and friends of libraries, to ask your support of S. 2225, the Artist's Tax Equity and Donation Act, should it be offered in committee as an amendment to another tax bill.

S. 2225, introduced by Sen. Max Baucus and cosponsored by Sens. Moynihan, Leahy, Kasten, Lugar and Symms, would restore a fair market value tax deduction for donations of literary, musical or artistic compositions by their creators to charitable institutions such as libraries and museums. Papers of public officials would not be eligible.

Just since 1969, artists and authors who donate their own works have been able to deduct only the cost of the materials used in creating the works. As a result, donations of contemporary literary and musical manuscripts to academic and research libraries have declined markedly, and preservation of these important cultural and scholarly resources is threatened. Examples of the impact on libraries since 1969 are attached to this letter.

Restoration of the pre-1969 tax deduction is supported by the Reagan-appointed Presidential Task Force on the Arts and Humanities, by the White House Conference on Library and Information Services, the American Library Association, the Association of Research Libraries, the Independent Research Libraries Association, and the Council of Creative Artists, Libraries, and Museums.

Current and future users of libraries across the country will appreciate your support of S. 2225. Thank you for your consideration.

Sincerely,

EILEEN D. COOKE,
Director, ALA Washington Office.

LITERARY, MUSICAL, AND ARTISTIC DONATIONS TO LIBRARIES

Prior to the Tax Reform Act of 1969 (PL 91-172), an author or artist who donated his or her literary, musical or artistic compositions or papers to a library or museum could take a tax deduction equal to the fair market value of the items at the time of the contribution. Since 1969 such donations have been limited to the cost of the materials used to produce the composition. As a result, donations of manuscripts and papers from authors and other figures to libraries have dwindled drastically.

Why restoration of a tax incentive is needed

The pre-1969 fair market value tax deduction for literary, musical or artistic compostitions or papers by the creator to libraries or museums should be restored because an entire generation of literary papers is being lost to future scholars and to the public through lack of a tax incentive to donate them to libraries:

1. Donations of manuscripts to libraries have been drastically reduced, as documented in surveys conducted by Norman Tanis, California State University Library, Northridge.

A. Collection development at academic and research libraries has experienced a definite decline traceable to the present tax structure. The decline is most severe at those institutions which specialize in original works of contemporary literature, art, and music. Before 1969 such institutions often sought out donors who gave materials on a continuing basis. Such an arrangement actually minimized the loss of tax revenue since donations more often occurred before the materials increased in value, and ensured that the materials were preserved and accessible.

B. Where donors have deposited materials in libraries since 1969, they are often placed "on deposit," under conditions set by contract with the donor. Although libraries do accept such agreements in anticipation of future outright gifts, the possibility does exist, and has been exercised, that a donor may withdraw the collection, leaving the library or archives with empty shelves, angry scholars, and a considerable expenditure of professional time involved in the cataloging, maintaining, and promoting of the collection as well as costs for specialized storage boxes. In times of fiscal restraint, libraries can ill-afford to spend limited resources on these transitory collections. Yet if not processed, the collections will not be usable, and scholars will not know about them. "On deposit" collections may also contain highly restrictive provisions governing usage.

C. Libraries, in their present precarious financial condition, are rarely able to compete successfully for manuscripts on the open market. Where libraries are able to devote some funds to the purchase of manuscripts, it often means that fewer published materials will be acquired.

2. Scholarly access to manuscripts has declined—both physical access and bibliographic access.

A. The current tax situation encourages well-known authors to sell their manuscripts to the highest bidder. Collections may be sold piecemeal to dealers or private collectors. An author's work may be split up in several different private collections in widely separate locations. The papers of a writer identified with a particular state or region may be located across the country. All of this poses problems for researchers, and may also go against the author's wishes.

B. An increasing number of manuscripts may be sold abroad to be housed in foreign libraries or in private, foreign collections, as the British experience shows. English fiscal policy does not allow tax benefits to authors and artists for presentation of their papers to libraries. Consequently, materials of that kind in England have gone on sale in the marketplace and almost without exception have been purchased by American dealers and collectors, with the resulting loss to the English people of much of their literary and cultural heritage.

C. Private collectors may or may not provide access to their manuscripts for researchers, and may or may not impose restrictive conditions on their use. But a more basic problem for scholars is knowing about such collections in the first place. Libraries generally cooperate and produce guides to manuscript collections, and also prepare indexes and checklists to materials within collections. Such bibliographic apparatus or finding aids are rare or nonexistent for materials in private collections.

D. Manuscripts of minor figures or early works of authors who later became famous may never ever reach the open market, but may instead turn to dust in attics or be carelessly discarded or destroyed.

3. The loss of valuable archival materials is indeterminable. Specific instances of manuscript collection losses directly attributable to lack of tax incentives are known and have been cited. However, the number of authors, artists, and composers who may have come forward with donations had the Tax Reform Act not been in effect will never be fully known.

4. In October 1981 the Presidential Task Force on the Arts and Humanities, concerned that the Economic Recovry Tax Act (PL 97-34) will have the unintended effect of reducing private giving to the arts and humanities and responding to President Reagan's request to suggest ways to increase private sector support, made several tax recommendations. The first of these is to restore the pre-1969 fair market value tax deduction so that authors, artists and composers would receive the same tax treatment as a result of charitable contributions of their works as collectors or other donors giving a purchased work or manuscript. The Task Force noted that such tax measures would "foster the shared responsibility of support for the arts and the humanities between the public and private sectors."

5. The delegates to the 1979 White House Conference on Library and Information Services, two-thirds of whom were lay citizens not connected with libraries, recommended that Congress restore a tax incentive for authors and artists to donate their creative works to libraries and museums. The American Library Association, the Association of Research Libraries, and the Independent Research Libraries Association all support restoration of the pre-1969 tax deduction.

Effect of the 1969 Tax Reform Act on libraries

Library of Congress—The experience of the nation's largest library is illustrative:

Manuscript Division: Prior to the enactment of the Tax Reform Act of 1969, the division was receiving collections totaling nearly 200,000 manuscripts each year. Although bequests and donations of other materials have occurred, the Library has received only one major gift of self-created material of a living author since 1969. Vladimir Nabokov is one example of an author who was donating materials to the Library until 1969. The post-1969 papers are presumably part of the Nabokov estate, but what disposition will be made of them is not known.

Many persons have placed their papers on deposit in the division in the hope that future legislation would restore tax benefits, at which time the deposits could be converted to gifts. Deposits at the Library of Congress are accepted for a term of not less than ten years. However, minimum periods of deposit since the tax law changed are expiring now. Already collections have been withdrawn.

Music Division: Because of the tax law change, some 35 well-known composers ceased making gifts to the the division during their lifetimes, including Samuel Barber, Aaron Copeland, Walter Piston, and Igor Stravinsky. Between 1963 and 1970 the manuscripts added to the collection came to 1,200, but in all the years since only a scant 30 have been received. In addition, two major collections on deposit were recently withdrawn; one was sold since a tax deduction was not forthcoming.

Prints and Photographs Division: A number of leading artists have ceased donating their original works of art since 1969, including *New Yorker* magazine artists Lee Lorenz, Whitney Darrow, Jr., Barney Tobey, and George Price. Exhibits such as the recent display of original editorial cartoons featuring President Franklin Roosevelt, mounted on the occasion of the centennial of his birth, may not be possible in the future because of the decline in donations.

Other research libraries have had similar experiences:

California—Author Herbert Gold had pledged all his notes, correspondence, and drafts of his works to the Bancroft Library at the University of California at Berkeley, but when the tax law changed, he changed his mind. Nobel Prize winner Emilio Segre had also pledged correspondence, notebooks, and manuscripts, but after 1969 decided to keep the material himself.

Illinois—Two well-known political cartoonists have indicated genuine interest in placing their works in the Special Collections section of the Northwestern University Library if legislation granting a fair market value tax deduction for such a donation is passed. The University of Chicago Library has found the current tax law an obstacle whenever it tries to obtain collections. The most serious case involves a major literary figure who stopped donating his material in 1969. Although the author's post-1969 materials are currently on deposit in the Library, their future disposition is in doubt, and unless the law is changed, the collection is likely to be put up for sale and dispersed.

Indiana—Purdue University Library has been unable to obtain a number of important collections, including the papers of one of Purdue's most distinguished professors, specifically because the fair market value tax deduction has been eliminated.

Iowa—Iowa State University, like many other state universities, has no funds at all for purchasing manuscripts. Its library's collection of papers from important Midwesterners was built entirely through the generosity of donors. While donors who have purchased the manuscripts they give still continue to contribute, the creators of manuscripts are, since 1969, much less likely to do so.

Kansas—Donations of manuscripts to the University of Kansas Library have dwindled to almost none since 1969. Several authors, among them the well-known science fiction writer James E. Gunn, who had made regular contributions before 1969, informed the library they were ceasing to do so because of the financial strain placed on them by the 1969 tax law.

Massachusetts—Each year until 1969, John Updike had been donating some of his papers and correspondence to Harvard University. Since then, he has continued depositing his papers, but he has been receiving increasingly attractive offers to sell, and has lately come very close to removing them from the library. Harvard recently purchased the papers of Robert Lowell (up to 1970) for $140,000, papers which might well have been donated to the library had a tax deduction been available. The purchase consumed half of the library's largest purchase fund for four years.

Minnesota—The University of Minnesota had, in the past, been quite successful in attracting major manuscript gifts. Since 1969 the Library has seen donations of such collections dwindle substantially.

Missouri—Washington University's collection of contemporary American literature has experienced a definite decline traceable to the present tax structure. Ninteen donors of contemporary self-created papers have stopped adding to their collections since 1969. "We have not had the resources to purchase materials we had previously been receiving as gifts. This has resulted in a severe disruption to scholarship; manuscripts created since 1970 have by and large not been available to researchers who need them. We fear now that significant material will be lost, that collections will be needlessly broken up, and that the physical preservation of this important material may be imperiled. We are talking now of a 13 year gap in the public record."

New Jersey—Because manuscript materials are an essential resource for scholars who journey from all over the world to use Princeton University's collection, the Library invests some $220,000 per year in staff salaries alone to support and service these materials. Since 1969, a number of artistic and literary figures have deposited, but refused to donate, papers. These include James McPhee, Jose Ferrer, and included, before this death, James G. Cozzens.

New York—Examples abound. Donations to New York University by artists or authors have fallen off by 80 to 90 percent since 1969. One Nobel Prize winner ceased donating his manuscripts to the library the date the law changed. The New York State Library estimates an 80 percent reduction in donations of manuscripts since 1969. The New York Public Library has purchased a

number of literary archives since 1969, including collections that would otherwise have been donated—at a cost of over $200,000. The library has "on deposit" the papers and design notebooks of the late Chester Carlson, the inventor of xerography. These would have been donated to the Library if a tax deduction had been permitted.

Pennsylvania—Temple University Libraries have experienced a definite decline in the number of gifts of self-created manuscripts since 1969. There has been a concomitant increase in the number of requests from authors that the Library purchase their materials or accept them on deposit until such a time as the law is revised.

Texas—The fine 20th century collections of the Humanities Research Center at the University of Texas are due in no small measure to the archives of living writers received as gifts. Examples include the complete writing archives of Tennessee Williams, Lillian Hellman and Erle Stanley Gardner. Such manuscripts and correspondence files are the basic documents for the continuing study of the authors involved. But since 1969, virtually all such gifts of authors' archives ceased.

Virginia—At least six individuals, including two well-known authors, stopped making outright gifts to the University of Virginia in 1969. One author then depostied a collection of 20-30 boxes of his correspondence and manuscripts, but later decided to withdraw it and put it up for sale. It was offered to the University, but the Library had no funds to purchase it. Only two percent of the ten million items in the Library's fine collections have been purchased.

Washington, D.C.—Georgetown University Library actively solicits collections of personal papers and works of art as an important component of its resources. Such donations have come to a virtual standstill since 1969.

Examples of manuscript sales prices, 1979-80

Conrad Aiken—55 pages of letters	$2,100
Graham Green—27 page manuscript of play, "For Whom the Bell Chimes"	3,200
Ernest Hemingway—2 autographed letters	2,400
Washington Irving—1 page unpublished manuscript	1,300
Jerome Kern—5 pages of music notes	750
Rudyard Kipling—74 item collection of letters, cards, and notes	5,200
Sigmund Romberg—23 bars of music	700
John Steinbeck—2 page autographed letter	1,200
Igor Stravinsky—4 bars of music	800
Algernon Charles Swinburne—1 page folio ballad	900
Henry David Thoreau—1 page folio manuscript	1,300

For further information, contact Eileen Cooke, or Carol Henderson, American Library Association, Washington Office, 110 Maryland Avenue, N.E., Box 54, Washington, D.C. 20002, (202/547-4440). (April, 1982.)●

THE 1981 FEDERAL INCOME TAX RETURN OF SENATOR WEICKER

● Mr. WEICKER. Mr. President, I ask that the full text of my 1981 Federal income tax return, form 1040, be printed at this point in the RECORD:

1040 U.S. INDIVIDUAL INCOME TAX RETURN 1981

Lowell P. & Camille G. Weicker Jr., 41 Steamboat Wharf, Mystic, Conn. 06355.

My [redacted] xxx-xx-xxxx; spouse's social security no.: [redacted] xxx-xx-xxxx.

My occupation: U.S. Senator: spouse's occupation: Homemaker.

FILING STATUS

Married filing joint return (even if only one had income).

EXEMPTIONS—9

Myself, spouse.

First names of my dependent children who lived with me: Gray, Erin, Robin, Mary, Sonny, Lowell P., III.

Other dependents: S. Dilorenzo, Mother-in-law.

Did dependent have income of $1,000 or more? No.

Did you provide more than one half of dependent's support? Yes.

INCOME

7. Wages, salaries, tips, etc. (see statement 1) $60,663.

8a. Interest income (attach Schedule B if over $400 or you have any All-Savers interest), $32,197.

8b. Dividends (attach Schedule B if over $400), 40,436.

8c. Total. Add lines 8a and 8b, $72,633.

8d. Exclusion (See page 9 of Instructions), $400.

8e. Subtract line 8d from line 8c (but not less than zero), $72,233.

11. Business income or (loss) (attach Schedule C), $3,109.

12. Capital gain or (loss) (attach Schedule D), −$726.

17. Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E), $758.

20. Other income, (see statement 5), $32,719.

21. Total income. Add amounts in column for lines 7 through 20, $168,756.

ADJUSTMENTS TO INCOME

27. Alimony paid, $11,174.

30. Total adjustments. Add lines 22 through 29, $11,174.

ADJUSTED GROSS INCOME

31. Adjusted gross income. Subtract line 30 from line 21. If this line is less than $10,000, see "Earned Income Credit" (line 57) on page 15 of instructions. If you want IRS to figure you tax, see page 3 of instructions, $157,582.

TAX COMPUTATION

32a. Amount from line 31 (adjusted gross income), $157,582.

32b. If you do not itemize deductions, enter zero; If you itemize, complete Schedule A (Form 1040) and enter the amount from Schedule A, line 41 $62,210.

32c. Subtract line 32b from line 32a, $95,372.

33. Multiply $1,000 by the total number of exemptions claimed on Form 1040, line 6e, $9,000.

34. Taxable income. Subtract line 33 from line 32c, $86,372.

35. Tax. Enter tax here from Schedule G, $33,496.

37. Total. Add lines 35 and 36, $33,496.

CREDITS

38. Credit for contributions to candidates for public office, $100.

46. Total credits, $100.

47. Balance. Subtract line 46 from line 37 and enter difference (but not less than zero), $33,396.

OTHER TAXES

48. Self-employment tax, $2,762.

54. Total Tax, $36,158.

PAYMENTS

55. Total Federal income tax withheld, $14,130.

62. Total, $14,130.

REFUND OR BALANCE DUE

66. If line 54 is larger than line 62, enter Balance Due. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number and "1981 Form 1040" on it, $23,446.[1]

(Check if Form 2210 (2210F) is attached.), $1,418.

PAID PREPARER'S USE ONLY

Firm's name (or yours if self-employed) and address: Wiendieck and Co., Smith Bldg., Greenwich, Conn., 06830. Preparer's social security no.: [redacted] xxx-xx-xxxx; E.I. No. 06-6060743.

SCHEDULE A—ITEMIZED DEDUCTIONS

Lowell P. & Camille G. Weicker, Jr.

Your [redacted] xxx-xx-xxxx.

Medical and dental expenses

1. One-half (but not more than $150) of insurance premiums you paid for medical care. (Be sure to include in line 10 below). $150.

2. Medicine and drugs, $50.

3. Enter 1% of Form 1040, line 31, $1,576.

5. Balance of insurance premiums for medical care not entered on line 1, $644.

6. Other medical and dental expenses:

a. Doctors, dentists, nurses, etc., $513.

b. Hospitals, $18.

d. Other (itemize—include hearing aids, dentures, eyeglasses, etc):

Glasses, $412.

Special education—Aldergate Nursery School, $415.

Special education—Resurrection School $831.

7. Total (add lines 4 through 6d), $2,833.

8. Enter 3% of Form 1040, line 31, $4,727.

10. Total medical and dental expenses (add lines 1 and 9). Enter here and on line 33, $150

Taxes

11. State and local income, $5,818.

12. Real estate, $2,535.

13. (a) General sales (see sales tax tables), $642.

(b) General sales on motor vehicles, $469.

14. Personal property, $303.

15. Other, Town of Groton, $2,045.

16. Total taxes (add lines 11 through 15). Enter here and on line 34, $11,812.

Interest expense

17. Home mortgage, $13,397.

18. Credit and charge cards. $291.

19. Other:

Putnam Trust Co., $2,077.

State of Conn., $160.

New London Fed. S&L, $8,506.

Int Rev Service, $430.

Burke and Herbert, $8,082.

F. S. Dickenson Jr., $4,258.

20. Total interest expense (add lines 17 through 19). Enter here and on line 35, $37,201.

[1] Penalty—Failure to pay tax, $220. Total due, $23,666.

Contributions

21. (a) Cash contributions (if you gave $3,000 or more to any one organization, report those contributions on line 21b), $660.

24. Total contributions (add lines 21a through 23). Enter here and on line 36, $660.

Miscellaneous deductions

30. (b) Tax return preparation fee, $200.

31. Other (itemize) (see statement 7), $15,587.

32. Total miscellaneous deductions (add lines 30a through 31). Enter here and on line 38, $15,787.

Summary of itemized deductions

33. Total medical and dental—from line 10, $150.

34. Total taxes—from line 16, $11,812.

35. Total interest—from line 20, $37,201.

36. Total contributions—from line 24, $660.

38. Total miscellaneous—from line 32, $15,787.

39. Add lines 33 through 38, $65,610.

40. If you checked Form 1040, Filing Status box: 2 or 5, enter $3,400, $3,400

41. Subtract line 40 from line 39. Enter here and on Form 1040, line 32b. (If line 40 is more than line 39, see the Instructions for line 41 on page 20.), $62,210.

SCHEDULE B—INTEREST AND DIVIDEND INCOME

Lowell P. & Camille G. Weicker, Jr.

Your social security number, [redacted].

Part I—Interest income

1a. Interest income (other than qualifying interest from All-Savers Certificates):

Interest on U.S. obligations, $2,229.

Est. L. P. Weicker 13-6771333, $27,152.

New London FS & L, $21.

Burke & Herbert, $39.

Bankers Trust NOW, $335.

T/U/A Lowell P. Weicker 13-6067993, $58.

T/U/A Lowell P. Weicker 13-6083706, $448.

Est. L. P. Weicker 13-6763828, $1,915.

1b. Total. Add above amounts, 1B, $32,197.

1d. Total, 1D.

1e. Exclusion (See page 20 of the instructions), 1E.

1f. Subtract line 1e from line 1d. Caution: No part of the amount on line 1f may be excluded on Form 1040, line 8d, 1F.

2. Total interest income. (Add lines 1b and 1f). Enter here and on form 1040, line 8a 2, $32,197.

Part II—Dividend income

3. (See statement 3) $40,752.

4. Total. Add above amounts 4, $40,752.

6. Nontaxable distributions (See Instructions for adjustment to basis), 6, $316.

7. Total (add lines 5 and 6) 7, $316.

8. Total dividend income (subtract line 7 from line 4). Enter here and on Form 1040, line 8b 8, $40,436.

Part III—Foreign accounts and foreign trusts

9. At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country? No.

10. Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes", you may have to file Forms 3520, 3520-A, or 926. No.

SCHEDULE C—PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

Name of proprietor: Lowell P. Weicker, Jr. [redacted].

A. Main business activity (see Instructions): Horse breeding.

B. Business name: Lowell P. Weicker, Jr.

D. Business address (number and street): Alnoff Stable.

City, State and ZIP Code: Jerico, N.Y., 11753.

E. Accounting method: Cash.

G. Was there any major change in determining quantities, costs, or valuations between opening and closing inventory? No.

Part I—Income

1. a. Gross receipts or sales, $4,000.

c. Balance, $4,000.

2. Cost of goods sold and/or operations (Schedule C-1, line 8), $881.

3. Gross profit (subtract line 2 from line 1c), $3,119.

5. Total income, $3,119.

Part II—Deductions

13. Depreciation, $10.

32. Total deductions, $10.

33. Net profit or (loss) (subtract line 32 from line 5). If a profit, enter on Form 1040, line 11, and on Schedule SE, Part II, line 5a (or Form 1041, line 6). If a loss, go on to line 34, $3,109.

SCHEDULE C-1.—COST OF GOODS SOLD AND/OR OPERATIONS

2a. Purchases, $669.

2c. Balance, $669.

5. Other costs (attach schedule) (see statement 6), $212.

6. Add lines 1, 2c, and 3 through 5, $881.

8. Cost of goods sold and/or operations (subtract line 7 from line 6). Enter here and on Part I, line 2, $881.

SCHEDULE C-2.—DEPRECIATION

Description of property, Horse (Chauncey Lobell).

Date acquired, 1980.

2 percent interest, $820.

Cost or other basis, $41,000.

Depreciation allowed or allowable in prior years, $151.

Life or rate, $15.

Depreciation for this year, $10.

2. Totals, $41,820.

SCHEDULE C-3.—EXPENSE ACCOUNT INFORMATION

Did you claim a deduction for expenses connected with:

A. Entertainment facility (boat, resort, ranch, etc.)? No.

B. Living accommodations (except employees on business)? No.

C. Conventions or meetings you or your employees attended outside the North American area? (See Instructions). No.

D. Employees' families at conventions or meetings? No.

E. Vacations for employees or their families not reported on Form W-2? No.

SCHEDULE D—CAPITAL GAINS AND LOSSES

Part I—Short-term capital gains and losses—assets held 1 year or less

1. See statement 4:

f. Loss, $1,120.

g. Gain, $4,442.

4. Add lines 1 through 3 in column f and column g: f. $1,120; g. $4,442.

5. Combine line 4, column f and line 4, column g and enter the net gain or (loss), $3,322.

7. Net short-term gain or (loss), $3,322.

Part II—Long-term capital gains and losses—assets held more than 1 year

8. 100 Afflicted publications (6/06/80 to 8/04/81): d. $2,977; e. $1,988; g. $989.

10. Enter your share of net long-term gain or (loss) from partnerships and fiduciaries, $5,763.

11. Add lines 8 through 10 in column f and column g: f. $5,763; g. $989.

12. Combine line 11, column f and line 11, column g and enter the net gain or (loss), $4,774.

16. Combine lines 12 through 15, −$4,774.

18. Net long-term gain or (loss), −$4,774.

Part III—Summary of parts I and II

19. Combine lines 7 and 18, and enter the net gain or (loss) here, −$1,452.

20. If line 19 shows a gain, enter the smaller of line 18 or line 19. Enter zero if there is a loss or no entry on line 18, 0.

23. If line 19 shows a loss, enter one of the following amounts: (i) If line 7 is zero or a net gain, enter 50% of line 19, (ii) If line 18 is zero or a net gain, enter line 19; or, (iii) If line 7 and line 18 are net losses, enter amount on line 7 added to 50% of the amount on line 18, −$726.

24. Enter here and as a loss on Form 1040, line 12, the smallest of: (i) The amount on line 23; (ii) $3,000 ($1,500 if married and filing a separate return); or, (iii) Taxable income, as adjusted, $726.

SCHEDULE E—SUPPLEMENTAL INCOME SCHEDULE

Part II—Income or losses from partnerships, estates or trusts, or small business corporations

Estates or Trusts:

See statement 2, $758.

30. Add amounts in columns (c) and (d) and enter here, $758.

31. Total estate or trust income or (loss). Combine amounts in columns (c) and (d), line 30. Enter here and include in line 37, $758.

Part IV—Summary

37. Total income or (loss). Combine lines 25, 29, 31, 33, and 36. Enter here and on Form 1040, line 17, $758.

SCHEDULE G.—INCOME AVERAGING

[In dollars]

Base period income and adjustments	1980	1979	1978	1977
1. Enter amount from: Form 1040—line 34, form 1040A (1977 and 1978)—line 10, form 1040A (1979 and 1980)—line 11	98,821	48,906	46,589	63,097
2a. Multiply $750 by your total number of exemptions each year, 1977 and 1978			6,750	6,000
2b. Multiply $1,000 by your total number of exemptions each year, 1979 and 1980	9,000	10,000		
3. Taxable income (subtract line 2a or 2b from line 1). If less than zero, enter zero	89,821	38,906	39,839	57,097
4. Income earned outside of the United States or within U.S. possessions and excluded under sections 911 and 931				
5. Base period income (add lines 3 and 4)	89,821	38,906	39,839	57,097

Computation of Averageable Income:

6. Taxable income for 1981 from Form 1040, line 34, $86,372.

8. Subtract line 7 from line 6, $86,372.

10. Adjusted taxable income (subtract line 9 from line 8). If less than zero, enter zero, $86,372.

11. Add columns (a) through (d), line 5, and enter here, $225,663.

12. Enter 30% of line 11, $67,699.

13. Averageable income (subtract line 12 from line 10), $18,673.

Computation of Tax:

14. Amount from line 12, $67,699.

15. 20% of line 13, $3,735.

16. Total (add lines 14 and 15), $71,434.

18. Total (add lines 16 and 17), $71,434.

19. Tax on amount on line 18, $25,852.

20. Tax on amount on line 16, $25,852.

21. Tax on amount on line 14, $23,835.

22. Subtract line 21 from line 20, $2,017.

23. Multiply the amount on line 22 by 4, $8,068.

27. Add lines 19, 23, and 26, $33,920.

28. Multiply line 27 by .0125, $424.

29. Tax (subtract line 28 from line 27). Enter here and on Form 1040, line 35 and check Schedule G box, $33,496.

SCHEDULE SE—COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Part II—Computation of net earnings from nonfarm self-employment

Regular method:

5. Net profit or (loss) from:

a. Schedule C (Form 1040), $3,109.

e. Other (specify) (See statement 5), $32,719.

6. Total (add lines 5a through 5e), $35,828.

8. Adjusted net earnings or (loss) from nonfarm self-employment (line 6, as adjusted by line 7). Enter here and on line 12b. (Note: If the amount on line 8 is less than $1,600, you may wish to use the nonfarm optional method instead. See instructions), $35,828.

Nonfarm optional method (Use only if your earnings from nonfarm self-employment are less than $1,600 and less than two-thirds of your gross nonfarm profits.):

9.a. Maximum amount reportable under both optional methods combined (farm and nonfarm), $1,600.

Part III—Computation of social security self-employment tax

12. Net earnings or (loss):

b. From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method), $35,828.

13. Total net earnings or (loss) from self-employment reported on lines 12a and 12b. (If line 13 is less than $400, you are not subject to self-employment tax. Do not fill in rest of schedule), $35,828.

14. The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1981 is $29,700.

16. Balance (subtract line 15c from line 14), $29,700.

17. Self-employment income—line 13 or line 16, whichever is smaller, $29,700.

18. Self-employment tax. (If line 17 is $29,700, enter $2,762.10; if less, multiply the amount on line 17 by .093.) Enter here and on Form 1040, line 48, $2,762.

FORM 2106—EMPLOYEE BUSINESS EXPENSES

None.

FORM 2210.—UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS

Part I.—How to figure your underpayment

1. 1981 tax (from form 1040, line 54, $36,158.

11. Balance (subtract line 10 from line 1), $36,158.

12. Enter 80% of the amount shown on line 11, $28,926.

	Payment Due Dates			
	Apr. 15, 1981	June 15, 1981	Sept. 15, 1981	Jan. 18, 1982
13. Divide amount on line 12 by the number of payments required for the year (usually four). Enter the result in appropriate columns	$7,231	$7,231	$7,232	$7,232
14. Estimated tax paid and tax withheld (see instructions)	3,533	3,533	3,532	3,532
15. Overpayment (on line 17) from previous period				
16. Total (add lines 14 and 15)	3,533	3,533	3,532	3,532
17. Underpayment (subtract line 16 from line 13) or Overpayment (subtract line 13 from 16)	3,698	3,698	3,700	3,700
Part II.—Exceptions to the penalty				
18. Total amount paid and withheld from January 1 through the payment due date shown	3,533	7,066	10,598	14,130
Part III.—How to figure the penalty				
23. Amount of underpayment (from line 17)	3,698	3,698	3,700	3,700
24. Date you made payment or April 15, 1982, whichever is earlier	(1)	(1)	(1)	(1)
25(a). Number of days after due date of payment to and including date of payment or January 31, 1982 whichever is earlier	291	230	138	13
25(b). Numbers of days from and including February 1, 1982 to and including date of payment or April 15, 1982 whichever is earlier	74	74	74	74
26(a). Number of days on line 25a ÷ 365 × 12% × amount on line 23	354	280	168	16
26(b). Number of days on line 25b ÷ 365 × 20% × amount on line 23	150	150	150	150
27. Penalty (add amounts on lines 26(a) and (b)). Check the box below line 66 on Form 1040 and show this amount in space provided. If you owe tax, add the penalty amount to the tax due and show the total on line 66. If you are due a refund, subtract the penalty amount from the overpayment you show on line 63				1,418

[1] Apr. 15, 1982.

STATEMENT 1—WAGES, SALARIES, TIPS, ETC.

Employers name and address: (H) U.S. Senate, Washington, D.C. 20510.

Total tax withheld, wages, and FICA:

Income tax withheld, $14,130.

Wages, salaries, tips, etc., $60,663.

FICA, 0.

STATEMENT 2—INCOME FROM ESTATES OR TRUSTS

Name and address of estate or trust: T/U/A Lowell P. Weicker, T-127, 13-6029250, Chemical Bank, 277 Park Avenue, New York, N.Y. 10017.

Income: Ordinary income, $758.

STATEMENT 3—DIVIDEND INCOME

	Qualifying	Nonqualifying	Capital gain	Nontaxable
(H) IBM	860			
(W) Whitney Hldg	188			
(H) Whitney Hldg. Corp	588			
(H) Johnson & Johnson	256			
(W) Coca-Cola	278			
(H) Burke & Herbert	150			
(H) Coca-Cola	278			
(H) NcDonalds	258			
(H) T/U/A Lowell P Weicker: 13-6067993	625			
13-6083709	796			
13-6083706	1,277			
(H) General Instrument	95			
(W) General Electric	202			
(H) General Electric	310			
(H) Union Pacific	400			
(H) Gannett Co	455			
(W) Caldor	41			
(W) IBM	69			
(H) Abbott Labs	158			
(H) Est. L. P. Weicker: 13-6771333	30,059			
(H) T/U/A L. P. Weicker: 13-6029250	1,843			
(WH) T. Rowe Price Res. Fd	374		184	
(W) Assoc. Dry Goods	153			
(H) Storer Broadcasting	47			
(H) Capital Cities	14			
(H) New England Nuclear	5			
(H) Penn Central				316
(H) Senate Employees CU	45			
(W) House Employees CU	3			
(H) Assoc. Dry Goods	119			
(H) Hechinger	10			
(H) Communications Satellite	46			
(H) Cincinnati Milacron	23			
(H) Hiram Walker			74	
(W) Assoc. Dry Goods	153			
Total	40,178		258	316

STATEMENT 4—SHORT-TERM CAPITAL GAINS AND LOSES

	Date acquired	Date sold	Sales price	Cost or other basis	Gain or loss
60 New Eng. Nuclear	12/04/80	2/27/81	3,183	2,363	820
100 Harte Hnks. Co., Comunctns	6/06/80	3/06/81	3,052	2,476	576
4M Nth. Amn. Philps 4 pct 92	12/10/80	4/29/81	4,180	3,325	855
2 Calls Nlt	5/18/81	5/28/81	220	610	−390
100 Storer Broadcasting	10/15/80	6/18/81	4,000	2,864	1,136
30 Storer Broadcasting	11/10/80	6/18/81	1,200	951	249
80 Commun. Satel. Corp	6/19/81	8/27/81	3,958	4,476	−518
150 Flow General	10/15/80	9/04/81	3,382	3,573	−191
75 GCA Corp	3/06/81	9/04/81	2,716	2,319	397
100 Cap Cities Cmmunctns	10/31/80	9/24/81	6,753	6,524	229
3M Wang Labs. 900 08/05	10/09/80	6/02/81	3,690	3,510	180
25 Natl. Ed. Corp	10/21/81	12/29/81	352	373	−21

Total short-term losses after 6/9/81: −730

Total short-term losses: −1,120

Total short-term gains after 6-9-81: 2,011

Total short-term gains: 4,442

Total short-term gain after 6/9/81: 1,281

Total short-term gain: 3,322

STATEMENT 5—MISCELLANEOUS INCOME

	Subject to SE tax	Other taxable income	Total taxable income
Honoraria	32,150		32,150
Est. L. P. Weicker—13-6763828	569		569
Total miscellaneous income	32,719	0	32,719

STATEMENT 6—PROFIT OR LOSS FROM BUSINESS OR PROFESSION

Other costs:

Expenses (2 pct.), $212.

Total other costs, $212.

STATEMENT 7—MISCELLANEOUS ITEMIZED DEDUCTIONS

Est. L. P. Weicker—Est. tax deduction, $752.

Total miscellaneous itemized deductions, $752.

Travel expenses away from home:

Sec. 280A(f)(4)(B) trvl. expense, $12,800.

Total travel expenses, $12,800.

Other business expenses:

Dues and subscriptions, $214.

Entertainment, $875.

Gifts, $353.

Office supplies and expenses, $475.

Flowers, $118.

Total other business expenses, $2,035.

Summary of business expenses:

Total travel expenses, $12,800.

Total other business expenses, $2,035.

Total business expenses—re miscellaneous itemized deductions, $14,835.

Total to schedule A, $15,587.

STATEMENT 8—FOOTNOTES

General note.—Pursuant to sec. 274-8 the taxpayer elects the deduction for travel expenses while living in the Washington, D.C. area based on 256 congressional days at $50 totaling $12,800. Mortgage interest in the amount of $13,397 and real estate taxes in the amount of $2,535 are also claimed.

STATEMENT 9—CASH CONTRIBUTIONS UNDER $3,000

Charities qualifying for 50 pct. limitation:
Red Cross, $25.
Other receipted cash contributions, $460.
Misc. organized charities, $175.
Total cash contributions to charities:
Qualifying for 50 pct. limitation, $660.
Total cash contributions, $660.●

HOT SPRINGS NATIONAL PARK, ARK.

● Mr. PRYOR. Mr. President, anyone who knows the State of Arkansas for its beauty and the friendly spirit of its people also knows Hot Springs. Situated in the foothills of the Ozark Mountains, this National Park is the crown jewel in a rich array of resourt spots and recreational centers.

We are proud of this town, and we are proud that it has been a National Park and a major attraction for many years. Just this past April the town celebrated the 150th anniversary of Hot Springs Reservation.

Now it has come to my attention that in 1981 Hot Springs was the second most visited National Park in the Nation. It topped such famous landmarks as the Grand Teton, Yosemite, and even Yellowstone. In fact, there were more than 5 million visitors to Hot Springs, and I am convinced that after seeing this choice spot, and meeting its people, these visitors will come back.

Mr. President, I submit for the RECORD an article from the Arkansas Gazette dealing with this designation.

The article follows:

HOT SPRINGS NATIONAL PARK RANKED NO. 2 IN 1981 VISITORS, TOPS EVEN YELLOWSTONE

HOT SPRINGS.—Hot Springs National Park was the second most visited national park in the nation in 1981, topping the Grand Teton, Yosemite and even Yellowstone National Park.

There were 5,301,944 visitors, up from 5,269,638 visitors in 1980. The Great Smoky Mountains National Park in North Carolina and Tennessee, with 12,006,847 visitors, was the most popular park in the country, the National Park Service said.

Hugh Crenshaw, assistant manager of Hot Springs National Park, said Thursday that visitors are counted at several places in the Park's 4,778 acres. There are traffic counters on Hot-Springs Mountain and West Mountain, electronic eye counters at the Visitor's Center at Central Avenue and Reserve Street and on the Grand Promenade, and records are kept of the number using the bathhouses and campgrounds.

The same methods are used at other parks, Crenshaw said. In the Smoky Mountains National Park, there is traffic counter on the interstate highway that runs through the area, he said.

Crenshaw said the Hot Springs Park is the only one mentioned that is in an urban area and that many of those using the park facilities are either city residents or tourists who have come to Hot Springs for other attractions, such as Oaklawn.

"There could be duplicated counts, but the total numbers reflect the actual use of the park facilities," Crenshaw said. "There are some people who use the bath facilities who do not use drives, just as there are some who use the drives that do not use the baths."

Crenshaw said the Park Service could not know how many visitors are from out of the city unless a survey was made of the park users. But considering the population of Hot Springs—about 35,000 people—most of the 5.3 million park visitors must be from out of town.

TOP 10 NATIONAL PARKS

Following the Smoky Mountains and Hot Springs Parks, the others, in order of visitors, are:

Grand Teton National Park, Wyo.; Acadia National Park, Maine; Rocky Mountain National Park, Colo.; Yosemite National Park, Calif.; Grand Canyon National Park, Ariz.; Olympic National Park, Wash.; Hawaii Volcanoes National Park; and Yellowstone National Park in Wyoming, Idaho, and Montana.●

VOCATIONAL EDUCATION WORKS

● Mr. EAGLETON. Mr. President, in 1917, Congress enacted one of the earliest Federal grant programs, the Smith-Hughes Act, authorizing $7 million for vocational education in agriculture, trades, and industry, and home economics. Subsequent to the passage of the Smith-Hughes Act, a series of Federal legislative enactments in the 1940's and 1950's provided further financial assistance to the States for vocational education programs. But the beginning point for consideration of all recent Federal efforts to expand and improve vocational education is the Vocational Education Act of 1963. That act created a permanent authority for Federal assistance to the States to fund broad types of job training for youths and adults through the schools. It also sought to update and upgrade vocational courses by requiring the then-U.S. Office of Education to fund national research, experimental, and developmental programs, and provided funds to the States for the construction of area vocational schools and for work-study programs.

The successes of the 1963 act, and its subsequent amendments can be seen in greatly increased enrollments, in greatly increased expenditures of funds for vocational education from local, State, and Federal sources, in the expansion in the number and variety of course offerings and occupational training areas, and in the employment rates for those who had completed vocational education programs. Enrollments in vocational education have increased by more than 100 percent in the last 10 years, with current enrollment totaling 17 million secondary, postsecondary, and adult students. Currently almost half of all students in grades 10 to 12 are enrolled in occupational programs.

Federal funding of vocational education has increased in absolute dollars, but the Federal share of total spending has declined from 19 percent to less than 9 percent during the same 10-year period. State and local funding has carried the burden of increased costs and burgeoning enrollments, going from an overmatch of 5 State and local dollars to 1 Federal dollar in 1972 to an estimated 13 to 1 ratio in 1979.

The National Center for Education Statistics has recently completed its survey of the vocation education class of 1979, concluding, "Vocational education programs are apparently fulfilling the purpose for which they were intended: Training people for jobs." Unemployment among those who completed secondary vocational programs in 1979 was 9.7 percent—far lower than the 16.5 percent unemployment rate among other high school graduates who did not go on to college. Vocational graduates of 2-year colleges had an unemployment rate of 5 percent, 2.3 percentage points lower than the unemployment rate for 16- to 34-year-olds in the general population.

Despite this overwhelming evidence of achievement of the vocational education programs, and in the face of rising unemployment, this administration seeks to curtail this successful program, and eliminate a continuing Federal role by consolidating it with adult education programs and handing it back to the States.

I am a firm believer in the old adage, "If it ain't broke, don't fix it." Vocational education ain't broke. This Congress should reject the administration's efforts to tamper with an effective program.

Mr. President, I ask that the National Center for Education Statistics Bulletin describing the results of the Vocational Education Data System Survey be printed in the RECORD at this point.

The bulletin follows:

[From the National Center for Education Statistics Bulletin, April 1982]

STUDENTS WITH JOB TRAINING MORE LIKELY TO LAND JOBS

Vocational education programs are apparently fulfilling the purpose for which they were intended: training people for jobs. According to preliminary estimates from a 1979–80 survey, students who completed vocational education program in 1979 had a lower unemployment rate than the general population of their peers. Furthermore, at two of three different education levels, students who completed vocational education programs participated in the labor force at generally higher rates than nonstudents of a similar age.

These are the findings of a Vocational Education Data System (VEDS) survey conducted by the National Center for Education Statistics (NCES). The survey was taken after vocational education completers had a chance to put their new job skills to use. In all, respondents numbered 591,377 secordary completers, 112,616 postsecondary completers and 114,267 adult completers (table 1).

A breakdown by education level reveals that the unemployment rate for secondary completers, at 10 percent (table 2), was considerably lower than the 16.5 percent unemployment rate [1] for the general population who finished high school in 1979 but did not enroll in college. However, secondary completers did participate in the labor force at a slightly lower rate, 59 percent (table 2) to 64 percent respectively. Another 34 percent of secondary completers where pursuing additional education, while 7 percent were in the Armed Forces.

A further breakdown by education level shows completers doing as well as or better than those who did not enroll in vocational education programs. In this case, a comparison is made between completers and the general population aged 16 to 34 who were not enrolled in school. At the postsecondary level, 83 percent of completers participated in the labor force (table 2) compared to 81 percent of the general population. The unemployment rate was 5 percent (table 2) and 7.3 percent respectively. An additional 14 percent of postsecondary completers were pursuing additional education. Students at this level are defined as individuals pursuing an associate degree at a regionally accredited institution.

At the adult level, completers participated in the labor force at an 89 percent rate, with unemployment at 7 percent (table 2). Again, the corresponding rates for the general population cited earlier were 81 percent and 7.3 percent respectively. Another 7 percent of adult completers were pursuing additional education. At this level, students are defined as individuals who either completed or dropped out of high school and are not pursuing an associate degree.[2]

EMPLOYMENT STATUS CATEGORY DEFINITIONS

Employment in a related or unrelated field.—Whether or not a student was employed in a related field was determined by asking the completer if he or she was employed in a field related to training.

Pursuing additional education.—If a completer indicated that he or she was pursuing additional education, that completer was counted only as pursuing additional education, regardless of employment status.

Unemployed.—If a completer indicated that he or she was not currently employed but was actively seeking employment, that completer was counted as unemployed.

Labor force.—The population employed or actively seeking employment.

Not in labor force.—If a completer indicated that he or she was not employed and was not seeking employment and not pursuing additional education or in the military, that completer was counted as not being in the labor force.

Labor force participation rate.—The proportion of the population employed or actively seeking employment.

Unemployment rate.—The proportion of the labor force who are unemployed.

METHODOLOGY

Data for the 1979–80 follow-up of 1978–79 vocational education completers were collected by the States. Using institutional records, each State sent a followup form to students who completed a vocational education program. Students reported their employment status back to the States and States then aggregated student responses for submission to the Vocational Education Data System of NCES.

For VEDS follow-up, States have the option of sampling institutions. For each of the 17 States that sampled institutions, the sample data were used to obtain a percentage distribution by employment status. This distribution was then applied to the total number of completers obtained from the 1978–79 VEDS enrollment survey. Of the 49 States, D.C., and 6 outlying territories that receive Federal vocational education funds, 47 reported completer follow-up data at the secondary level; 37 reported completer follow-up data at the postsecondary level; and 32 reported completer follow-up data at the adult level. Since not all entities have programs at each level, these numbers represent State response rates of 85 percent, 82 percent and 71 percent for each level, respectively. Among those not reported were several large States, including three States with secondary completers totaling over 500,000, postsecondary completers numbering over 19,000 and adult completers numbering over 16,000. In addition, for five States, data for the two postsecondary levels were imputed. Student response rates to the follow-up form were approximately 69 percent for secondary level completers, 68 percent for postsecondary level completers and 73 percent for the adult level completers. This report was based on summary status of completers by employment status categories.

The tables follow:

[1] The unemployment rate for general population as of October 1979 was obtained from School Work Among Youth, U.S. Department of Labor, Bureau of Labor Statistics, January 1981.

[2] Counts individuals enrolled in a vocational education program receiving support through the Vocational Education Act.

TABLE 1.—NUMBER AND PERCENT REPORTING 1978–79 COMPLETERS OF VOCATIONAL EDUCATION PROGRAMS (VEA), BY EMPLOYMENT STATUS CATEGORY AND LEVEL, 1979–80

	Total	In civilian labor force			Not in the labor force		
		Employed		Unemployed	Military	Pursuing additional education	Other
		In a field related to training	In a field not related to training				
Secondary level	591,377	221,313	91,102	33,527	17,137	200,771	27,527
Postsecondary level	112,616	78,173	10,606	4,412	517	15,314	3,594
Adult level	114,267	81,215	13,207	6,824	622	7,875	4,524
Percentage distribution:							
Secondary level	100.0	37.4	15.4	5.7	2.9	33.9	4.7
Postsecondary level	100.0	69.4	9.4	3.9	.4	13.6	3.2
Adult level	100.0	71.1	11.6	6.0	.5	6.9	4.0

TABLE 2.—LABOR FORCE PARTICIPATION RATE AND UNEMPLOYMENT RATE OF INDIVIDUALS WHO COMPLETED A VOCATIONAL EDUCATION PROGRAM IN 1978–79, BY LEVEL, 1979–80

	Labor force participation rate	unemployment rate
Secondary level completers	58.5	9.7
Postsecondary level completers	82.7	4.7
Adult level completers	88.7	6.7

COST OF THE B-1B BOMBER PROGRAM

● Mr. LEVIN. Mr. President, Wednesday, the General Accounting Office (GAO) presented evidence that the administration underestimated the cost of the B-1B bomber program by as much as $6.2 billion in constant dollars.

The true costs of the B-1B program should be between $22.5 billion and $26.7 billion in fiscal 1981 dollars, instead of the $20.5 billion being advertised, according to the Defense Department's own internal analyses given to the GAO.

It was disclosed that, in order to artificially reduce the projected price of the B-1B, the administration deviated from established, prudent management and budgeting procedures, ignored historical weapons development and production experience, accepted overly optimistic cost estimates and omitted costs which should have been included in the B-1B program.

The conclusion is inescapable that the American people are being sold a bomber which not only is unnecessary in light of the successes of the Stealth bomber program, but which will cost many billions more than is being admitted.

The evidence presented by GAO comes from independent examinations of the B-1B costs by two special groups in the Pentagon. One, the cost analysis improvement group (CAIG) in the Office of the Secretary of Defense, has the reputation for providing the most accurate and independent cost estimates in the Pentagon. CAIG was established to provide independent advice to the Secretary of Defense to counter the understandably optimistic program cost estimates submitted by proponents of particular weapons systems.

The second group was formed by the Air Force to give an independent cost assessment (ICA) of the estimate provided by the B-1B program office.

Both CAIG and ICA rejected the $20.5 billion program cost estimate by the B-1B office, the estimate adopted by the administration, on two grounds:

First, they calculated that this figure was too low, even if the decisions to include only a limited number of items in the B-1B program were valid. CAIG, for example, disagreed with the Air Force's claim that $800 million could be saved through multiyear procurement of the B-1B.

Both CAIG and ICA decided the Air Force's assumptions were extremely optimistic about savings possible through increased efficiencies resulting from the repeated production of the air frame and avionics equipment. More realistic assumptions about "learning curves" would add about $2 billion to the program, these groups estimated.

Second, both ICA and CAIG estimated that the B-1B program cost estimate should include about $1.4 billion in additional costs excluded by the administration for such items as aircrew training simulators and additional maintenance requirements.

The ICA went so far as to say that the excluded items "typically and traditionally" had been included in determining costs of other weapons systems, and GAO provided evidence that the Air Force command responsible for the B-1B program, its Systems Command, had challenged the exclusion of the simulators as, and I quote:

Counter to the tenets of the planning, programming, and budgeting system in which all the components of weapons systems are accumulated in a single program element for management visibility.

This challenge was delivered in a September 11, 1981 message from the Systems Command.

ICA also criticized the decision by the administration to truncate the B-1B flight test program. ICA's assessment of the 1,000-hour flight test program called it both "high risk" and incomplete and recommended a 1,300 to 1,400 hour testing program.

A program of 1,000 hours of developmental flight testing will provide a minimal amount of data to support a valid IOC (Initial Operating Capability). This program . . . has a relatively high degree of risk and only limited physical and functional weapon certification will be accomplished. Full nuclear certification will not be complete, and no climate tests will be done.

Mr. President, these findings by CAIG and ICA contradict the administration's repeated assertions that the B-1B will cost $20.5 billion.

They raise serious questions about the accuracy of testimony by administration officials last year. Last November 5, only 1 day after the CAIG reported its $26.7 billion estimate, I asked Defense Secretary Weinberger the following:

I am informed that our own independent Cost Analysis Improvement Group, CAIG, just this last weekend told you it would cost $27 to $28 billion for the B-1B.

Secretary Weinberger responded, "That is incorrect and misleading."

What was "incorrect and misleading" was the testimony the administration gave about the B-1B program's ultimate costs—testimony upon which Congress relied in approving this program.

Since the Department of Defense repeatedly refused to supply information about the analyses by CAIG and ICA to Congress, GAO was able to obtain it only after threatening court action—and after I asked the Governmental Affairs Committee to consider issuing a subpena for it—I am forced to conclude the administration is deliberately trying to mislead the Senate and the American people about the costs of the B-1B bomber.

Before approving the fiscal 1983 appropriations request for $4.7 billion for seven B-1B aircraft, I think Congress should hear directly from the GAO about the CAIG and ICA estimates, and I would hope the Defense Appropriations Subcommittee will call their representatives.

I have written to the chairman of our Armed Services Committee's Strategic Subcommittee to request just such a hearing.

Mr. President, Congress should not take another step forward to approve any funds for the B-1B program until the many issues raised by the CAIG, ICA, and GAO information are satisfactorily resolved.●

PERMISSION FOR THE BUDGET COMMITTEE TO HAVE UNTIL 6 P.M. TODAY TO FILE REPORT

Mr. STEVENS. Mr. President, I ask unanimous consent that the Budget Committee may have until 6 p.m. today to file a conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR CHILES ON MONDAY, JUNE 21, 1982

Mr. STEVENS. Mr. President, I ask unanimous consent that there be a special order entered on Monday, June 21, for the Senator from Florida (Mr. CHILES), for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, there has been a previous announcement by the majority leader that we do not anticipate votes prior to 4 o'clock on Monday. After that, we do anticipate that there will be votes on Monday.

There is no order that there not be votes before 4 o'clock, but it is not anticipated that there will be votes before 4 o'clock.

ORDER FOR RECESS UNTIL MONDAY, JUNE 21, 1982

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, JUNE 21, 1982

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until Monday next.

The motion was agreed to, and, at 2:57 p.m., the Senate recessed until Monday, January 21, 1982, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate June 18, 1982:

DEPARTMENT OF STATE

George W. Landau, of Maryland, a Career Member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Venezuela.

Richard H. Ellis, of Virginia, for the rank of Ambassador during the tenure of his service as the U.S. Commissioner on the U.S.-U.S.S.R. Standing Consultative Commission.

DEPARTMENT OF EDUCATION

Gary L. Jones, of Virginia, to be Under Secretary of Education, vice William C. Clohan, Jr., resigned.

FEDERAL HOME LOAN BANK BOARD

James Jay Jackson, of Texas, to be a Member of the Federal Home Loan Bank Board for the term of 4 years expiring June 30, 1986 (reappointment).

FEDERAL MEDIATION AND CONCILIATION SERVICE

Kay McMurray, of Idaho, to be Federal Mediation and Conciliation Director, vice Kenneth E. Moffett.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 18, 1982:

THE JUDICIARY

George C. Pratt, of New York, to be U.S. circuit judge for the second circuit vice William H. Timbers, retired.

Maurice M. Paul, of Florida, to be U.S. district judge for the northern district of Florida vice Winston E. Arnow, retired.

John W. Potter, of Ohio, to be U.S. district judge for the northern district of Ohio, vice William K. Thomas, retired.

Harold M. Fong, of Hawaii, to be U.S. district judge for the district of Hawaii, vice Walter Meheula Heen.

A. J. McNamara, of Louisiana, to be U.S. district judge for the eastern district of Louisiana, vice Edward J. Boyle, Sr., retired.

DEPARTMENT OF JUSTICE

William C. Whitworth, of South Carolina, to be U.S. Marshal for the district of South Carolina for the term of 4 years vice Andrew J. Chishom, resigned.

Francis K. Peo, of New York, to be U.S. Marshal for the northern district of New York for the term of 4 years vice Eugene Madden, Jr.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John T. Chain, Jr., xxx-xx-xxxx xxx-...FR, U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 34, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Rudolph D. Bartholomew, xxx-... xxx-xx-x...FG, Air National Guard of the United States.

Brig. Gen. LeRoy R. Bartman, xxx-xx-xxxx xxx-...FG, Air National Guard of the United States.

Brig. Gen. William J. Davis, xxx-xx-xxxx xxx-...FG, Air National Guard of the United States.

Brig. Gen. Charles K. Evers, xxx-xx-xxxx xxx-...FG, Air National Guard of the United States.

Brig. Gen. John L. France, xxx-xx-xxxx xxx-...FG, Air National Guard of the United States.

Brig. Gen. Arthur U. Ishimoto, xxx-xx-xxxx xxx-...FG, Air National Guard of the United States.

Brig. Gen. Leslie E. Whitehead, xxx-xx-xx... xxx-...FG, Air National Guard of the United States.

Col. Lester D. Abston, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Ralph E. Bradford, Jr., xxx-xx-xxxx 9026FG, Air National Guard of the United States.

Col. Alfred B. Cole, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Claude F. Heath, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Harold W. Rudolph, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Milton H. Towne, xxx-xx-xxxx FG, Air National Guard of the United States.

The following-named officer under the provisions fo title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Billy M. Minter, xxx-xx-xxxx FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Richard E. Merkling, xxx-xx-xxxx xxx-...FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Earl T. O'Loughlin, xxx-xx-xx... xxx-...FR. U.S. Air Force.

The following-named officers for appointment in the U.S. Air Force to the grades indicated, under the provisions of chapter 36, title 10 of the United Stated Code:

To be major general

Brig. Gen. John A. Collins, xxx-xx-xxxx xxx-...FR, U.S. Air Force, Chaplain.

To be brigadier general

Col. Stuart E. Barstad xxx-xx-xxxx FR, U.S. Air Force, Chaplain.

The following-named officer for appointment in the U.S. Air Force under the provisions of chapter 36, title 10 of the United States Code:

To be major general

Brig. Gen. Gerald L. Prather, xxx-xx-xxxx xxx-...FR. U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Richard L. Prillaman, xxx-xx-xx... xxx-... U.S. Army.

The following officer for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Robert F. Ensslin, Jr., xxx-xx-xx... xxx-x... Army National Guard of the United States.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Robert Haldane, xxx-xx-xxxx, age 57, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Howard Francis Stone, xxx-xx-xx... xxx-... U.S. Army.

IN THE NAVY

Adm. Bobby Ray Inman, U.S. Navy, age 51, for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Lee Baggett, Jr., xxx-xx-xxxx / 1110, U.S. Navy.

IN THE MARINE CORPS

The following-named officers, under the provisions of title 10, United States Code, section 601, to be assigned, or reassigned, to positions of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. John H. Miller, xxx-xx-xxxx, U.S. Marine Corps.

Maj. Gen. William R. Maloney, xxx-xx-xx... xxx-... U.S. Marine Corps.

Maj. Gen. William H. Fitch, xxx-xx-xxxx, U.S. Marine Corps.

IN THE AIR FORCE

Air Force nominations beginning Salvatore F. Giannotta, to be colonel, and ending John L. Wilson, to be lieutenant colonel, which nominations were received by the Senate on June 2, 1982, and appeared in the CONGRESSIONAL RECORD of June 8, 1982.

Air Force nominations beginning Donald S. Abel, to be determined, and ending James H. Young, to the determined, which nominations were received by the Senate on June 3, 1982, and appeared in the CONGRESSIONAL RECORD of June 8, 1982.

Air Force nominations beginning Galen J. Rose, to be determined, and ending Juanita K. Sheeley, to be determined, which nominations were received by the Senate on June 3, 1982, and appeared in the CONGRESSIONAL RECORD of June 8, 1982.

Air Force nominations beginning Alfred G. Aldridge, Jr., to be lieutenant colonel, and ending Francis L. Mcinnis, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 14, 1982.

Air Force nominations beginning Leroy P. Ache, to be colonel, and ending David S. Wiesenfeld, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 14, 1982.

IN THE ARMY

Army nominations beginning John W. Carney, to be major, and ending Robert A. Reichert, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 24, 1982.

Army nominations beginning Anthony Frigeri, to be colonel, and ending Ronald W. Orso, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 24, 1982.

IN THE MARINE CORPS

Marine Corps nominations beginning Glen D. Montgomery, Jr., to be second lieutenant, and ending Neal H. Zendle, to be second lieutenant, which nominations were received by the Senate on June 2, 1982, and appeared in the CONGRESSIONAL RECORD of June 8, 1982.

IN THE NAVY

Navy nominations beginning Michael Clifford Aaby, to be lieutenant commander, and ending David Jay Wright, to be lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 21, 1982.

Navy nominations beginning Eugene M. Abler, to be ensign, and ending Joseph Coppola, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 24, 1982.

Navy nominations beginning Peter H. Cressy, to be commander, and ending Richard E. Webb, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 24, 1982.

Navy nominations beginning Gregory J. Kniff, to be ensign, and ending John T. Lindgren, IV, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 14, 1982.

EXTENSIONS OF REMARKS

H.R. 6054

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. PAUL. Mr. Speaker, on April 1, 1982, a bill was introduced in both this House and the Senate (H.R. 6054 and S. 2330) to implement the recommendation of the Gold Commission and offer the American people a free choice to use a bullion-weight gold coin in business and finance. The opinion of the Gold Commission supported the idea of competition between this new "American Eagle" coinage and our present system of purely fiduciary currency.

Some Members have expressed skepticism about this proposal. On the one side, arguments are made in favor of competition in many lines of business: transportation, communications, energy, et cetera. Yet, the logic of competition is not extended to the most important area of our economic life—monetary policy. On the other side, advocates of the gold standard for many, many years have called for a "gold dollar," or fixing the price of the dollar in terms of gold. This idea has been resisted by mainstream economists because they believe central planning by the Federal Reserve would be superior to the free market process, which gold would sustain.

This proposal of the Gold Commission to permit a free competition between gold coins and paper dollars will put the Federal Reserve System to a genuine market test—if the American people choose to turn in their paper dollars for gold coins at the Treasury, it would be a clear signal that "monetary policy" was not in tune with the wishes of the people.

I want to submit for consideration by my colleagues the following address by Joe Cobb, Executive Director of the Choice in Currency Commission, which explains in more detail why we need competition in our monetary system, and why competition could bring down interest rates and help our Nation recover from this present economic crisis.

Mr. Cobb is a member of the American Economic Association and the National Association of Business Economists. This address was given before the recent meeting of the Eastern Finance Association, April 23, 1982, in Jacksonville, Fla. The Eastern Finance Association is the professional society for college and university professors of finance, monetary theory, and economics in the eastern part of the United States.

CURRENCY COMPETITION—A SOLUTION TO INFLATION AND HIGH INTEREST RATES

(By Joe Cobb)

The first coin-clipping in history was done in classic antiquity, but the first inflation and experiment with wage and price controls occurred in the Roman Empire. The Greeks were known to debase their coinage, but the Phoenician traders went from city to city and good specie coinage was demanded for trade. Debased coinage always declined in value against good, competitive coins.

By the time of Nero and Diocletian, however, the Roman Empire had established a monopoly for Caesar's coin thoughout the commercial world. When the denarius was debased, the response of the market was to require more and more denarii for goods and services, and the appearance was established that "prices increased" rather than "money depreciated."

The famous dictum known as Gresham's Law, "bad money drives out good money," is only true when there is a fixed price between good and bad money. If the law requires a merchant to accept both paper greenbacks and silver dollars at an equal rate, the merchant will soon find that nobody is paying him in silver dollars. Only greenbacks will be offered in exchange for groceries, clothing, hardware, etc. People will keep the silver coins at home, waiting for the day when they might be needed for survival.

As in ancient Greece, however, when merchants and laborers can discriminate against bad money, a dual price system develops. There are prices quoted in gold or silver coins, and higher prices in terms of government paper. A merchant will simply raise the price in terms of "bad money" until he is satisfied that accepting it in trade won't cause him to lose his capital in the transaction. Of course, he doesn't want to hold the "bad money" very long. The rule is, spend it as fast as possible—while keeping the gold and silver coins as the store of value.

THE CAUSE OF HIGH INTEREST RATES

The money of a nation is supposed to serve three basic functions: as a medium of exchange, store of value, and unit of account (or "standard" of value). As a medium of exchange, anything that merchants or workers will accept as payment can serve to facilitate barter. They might accept part of the product of labor, or any commodity that can be easily subdivided. As a store of value, only durable goods would be desired because anything that is perishable might rot or rust away.

It is particularly as an accounting unit, or "standard," that the precious metals are superior, because the possibility of fraud is reduced. An ounce of gold is still an ounce of gold even centuries after a promise to pay has been contracted. The concept, "ounce of gold," has a definite meaning. In today's financial markets, however, you can't made a long-term contract in terms of "dollars" and have any confidence that the term will mean the same thing in the future.

High interest rates are simply the way in which nervous lenders protect themselves against a loss. A lender who does not charge a high enough interest rate could very well end up with fewer real goods and services on the date of repayment than he lent in the first place. Yet, high interest rates today are destroying the long-term capital markets. Corporations are unable to finance long-term investment projects in a market with unstable, unpredictable, interest rates. Pension funds, non-profit institutions, and bondholders in general have seen a gigantic slice taken from their total wealth in the past few years due to the sudden doubling of interest rates in the 1970s. The market value of bonds has plummeted.

The turbulence in the financial markets is far more destructive, however, than the experience with capital losses would indicate. Ludwig von Mises demonstrated in "Socialism" (1922) that we cannot have an efficient economic system without free capital markets, because the relative prices of capital investments cannot be assessed in the absence of a market process. What has been identified as a loss in America's productivity is not so much due to "lazy" or "overpaid" workers as to the growing inefficiency of our capital markets—due to the legal-tender monopoly for an unstable, undefined monetary unit.

INSTABILITY FROM CENTRAL PLANNING

In almost every sector of economic theory, except monetary policy, economists agree that the competitive market process is superior to centralized government planning. Yet, in monetary policy the role of government is not only conceded, but advocated! Milton Friedman's proposal for a "stable growth in the supply of money" is just one response to an assumption that the free market can't develop a monetary system that is self-regulating. Since, as Prof. Friedman observes, the Federal Reserve System is not competent to exercise discretion in monetary policy, the "steady as you go" rule is his solution.

The "steady increase" rule, known as Monetarism, has been developed by statistical measurements of historical episodes of inflation, recession, economic growth, etc. Its key assumption is that the demand for money is relatively stable, and therefore the supply of money should be kept stable by the central planners. If you believe in central planning, this idea might have some appeal. Yet, there are two very good reasons to look away from any central planning in monetary policy: (i), there is ample evidence that central planners blow with the political winds, and this expectation alone explains why private investors expect the Reagan Administration to lose control of its deficit, interest rates, and inflation; and (ii) central planning in any sector of the free market economy is contradictory to the fundamental principles of human action, which tell us that a market process is the only way to discover economic values—in this case, the relative supply and demand for real balances. Milton Friedman's "steady increase" rule is based on historical studies. Only a blind faith in it can make it relevant to the future, and since it makes no direct use of the principles of individual human decision-making, it is not consistent with praxeological knowledge.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In the 19th century, the gold standard was a market-related way of determining the relative supply and demand for real balances. If the Bank of England over-expanded the supply of pounds sterling, the British subjects who received more banknotes than they wanted to hold could turn them in for coin and create an "internal drain" on the Bank. If foreign trade was bringing more goods to England than Britons were selling abroad, the Bank might experience an "external drain" against its gold reserves. By observing the movement of coin into and out of the Bank of England's vaults, the Governors of the Bank could judge whether monetary policy was too tight or too loose. Indeed, since they didn't have accurate "money supply" statistics in the 19th century, the quantity movements under a gold standard were the only information the Bank could possess. In the 20th century, the more plentiful accumulation of statistics has generated a pretense of knowledge about the "money supply," but anyone who works with the statistics knows that they are not anywhere nearly as reliable as most experts like to pretend.

The 19th century Bank-of-England form of the gold standard broke down with the First World War. Various attempts to bring back increasingly flexible forms of it at the Genoa, and later Bretton Woods, conferences proved to be politically and economically flawed. These were attempts to wed centralized economic planning with a market-controlled commodity, and whenever the market failed to obey the planners, the market was dispensed with. The last straw was the Executive Order of Richard Nixon on August 15, 1971. Today our capital markets are at the mercy of the Federal Reserve System—the central macroeconomic planning agency of the United States.

Today's high interest rates are not so much due to the deficit that President Reagan put in his FY 1983 budget to Congress, but due instead to the fear of potential Federal Reserve actions in response to the deficit! The free market cannot survive a permanent climate of fear.

A FREE MARKET SOLUTION FOR MONETARY POLICY

In a utopian world, there would be an international form of money that would be used in international and domestic commerce alike. It might perhaps be called the "gold gram," or the "gold ounce," to embody the principle of justice in economic affairs expressed by natural-rights philosopher John Locke in 1695: the monetary unit "should be a definite weight of bullion, which must not be altered." [1]

Obligations in the capital markets would enjoy a security that no government could impair, because even though a government might have the power to change the definition of "one dollar" or "one franc," it would not escape ridicule if it tried to change the definition of "one ounce," and under the International System of Units, no government has the legal power to change the definition of "one gram." The United States signed that treaty in 1878 and adopted the international system of weights and measures as the only official standard in 1893. Even though the power "to coin money" is granted to Congress in the U.S. Constitution—and has been abused—the ability to impair contracts is specifically denied Congress in Article I, Section 9, so a bullion-weight contract would have a very different standing in courts than a dollar-denominated contract.

The only obstacle today, in the United States, to bullion-weight contracts is a little-known provision in the Coinage Act of 1792 that says: "The money of account of the United States shall be expressed in dollars . . . and all accounts in the public offices and all proceedings in the courts shall be kept and had in conformity with this regulation." [2] In the days before the Civil War, and the later creation of the Federal Reserve System, the use of "dollars" to measure tax-liabilities and to evaluate claims and damages in court cases was innocuous enough—after all, the "dollar" was just a government trademark for a certain weight of silver (1792-1900) or gold (1900-1933). But today, all that is left is the trademark itself—and high interest rates and short-term maturities in the capital markets tell us that a growing fear of the honorable Governors of the Federal Reserve is abroad in the land.

The world, however, is not a utopian place. The proposals to abolish the Federal Reserve are not taken seriously in Washington, D.C. President Reagan may from time to time criticize the Chairman of the Federal Reserve, but there is no serious attention given to the idea of eliminating his job. The United States Gold Commission, in its final report issued to Congress on March 31, 1982, did not propose any plan to establish a convertible "gold dollar" that would have begun to handcuff the Federal Reserve.

What the Gold Commission did propose to Congress, however, contains the seeds of a competitive monetary system. The commissioners recommended a new American bullion-weight coinage. It is not supposed to be "legal tender," in the sense that a dollar-denominated obligation could be paid in gold coin; but the Commissioners agreed that a contract written in terms of "ounces of gold" should be paid in gold coins, not in "dollars." If the dollar continues to be a poor store of value, and an untruthful unit of account for the long-term capital markets, the American "gold ounce" could become the coinage of preference in the free market.

Most important, the free market itself would be able to make its selection—not the government or the central planning authorities. There are, of course, many technical details to be worked out. If a competition is desired between gold coins and Federal Reserve Accounting Unit Dollars, perhaps it would be even superior to permit contracts in the United States courts to be adjudicated and awarded in terms of Swiss francs, Canadian dollars, German marks, etc. Freedom of choice and the competition of an open market always makes our system work better! There is evidence that the secret of the Swiss franc's stability is the free competition it faces in the Swiss banking system (the Swiss "money supply" is not as stable as the U.S. "money supply").

The possibility of a competition between different kinds of money in the United States could end inflation. If the Governors of the Federal Reserve no longer enjoy a monopoly for their greenbacks, they would no longer be able to collect a monopoly profit—in the form of the shrinking value of their monopoly money. A clear illustration of how this competition might affect the Federal Reserve System can be seen in the case of the Postal Service. Before there was any competition, and still today in protected areas such as home delivery, the Postal Service is famous for its inefficiency. Yet, in the area of "Express Mail" it is able to perform. In this service there are competitors—Federal Express, Emery Air Freight, and Purolator Courier.

A growing body of economic research indicates that the problems with our monetary and banking system can be traced to a growing trend toward government regulation in the past 100 years. The issue of deregulation has been proposed as a solution in transportation, energy, and communications. Why not monetary policy? Why should the Federal Reserve enjoy the privileges of a legal-tender monopoly? The absence of a justification, and the clear evidence from ancient Greece to modern times that competition in currencies can be beneficial, could lead to the most fundamental, evolutionary transformation in modern times.●

[1] "Further Considerations Concerning Raising the Value of Money," 1695.

[2] Revised Statutes 3563 (31 USC 371).

NATIONAL ORCHESTRA WEEK

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. JEFFORDS. Mr. Speaker, in honor of National Orchestra Week I would like to share with my fellow Members some information about Vermont's orchestras.

The Vermont Symphony Orchestra is the oldest State symphony in the United States. It was started back in 1934 with 60 players, 40 of whom were amateurs. One of these original members was a barber, another was a scrap dealer. A mail carrier, a paper hanger and 18 women also played that first year.

Now, the orchestra is a fully professional ensemble that still maintains the tradition of traveling extensively through Vermont's rolling hills to play to enthusiastic audiences. Maestro Efrain Guigui has conducted the Vermont Symphony Orchestra to great heights for the past 9 years. This fine quality has earned the symphony numerous grants from the National Endowments for the Arts, the Vermont Council on the Arts, and the State of Vermont.

Vermont is also very fortunate to have a fine youth orchestra. This orchestra was founded in 1963 in order to give the young people of our State the opportunity to play in a large group. No single school had a large enough student population to support an orchestra.

The Vermont Youth Orchestra has played at the Kennedy Center here in Washington, D.C., it has a 10-day music camp that attracts students from the northeastern portions of the United States, and performs extensively throughout the State. It receives its funds from private donations and a matching grant from the Vermont Council on the Arts.

Both of these orchestras have provided Vermonters with entertainment and the chance to enjoy strains of Bach and Bartok carried on country breezes. Our State is not large, and has no large cities. For us to have within our boundaries not one but two orchestras of high quality is truly remarkable. Mr. Speaker, I would like to extend my thanks and best wishes to the Vermont Symphony Orchestra and the Vermont Youth Orchestra.

Thank you Mr. Speaker.●

FLOOD DAMAGE PREVENTION FOR 1981

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, over the past year a dispute has existed between upper basin States and lower basin States over the control of water resources flowing down the Missouri River. For the benefit of my colleagues, I would like to emphasize the amount of benefits that the downstream States have received and are receiving, and the lack of development in South Dakota.

Recently, the U.S. Department of the Interior released the 1981 figures of flood prevention by the Bureau of Reclamation water management facilities located in the upper basin States. A total of $111 million of flood damage was prevented in 1981, bringing the total for the past 32 years to over $2.1 billion.

The Bureau's Pick-Sloan Missouri basin program alone is credited with preventing $19.5 million in losses in 1981. Four of the six dams in the Pick-Sloan system are located in South Dakota, and for those dams South Dakota sacrificed over 520,000 acres of prime bottomland.

Lase week, on June 8, this body began the process of repaying South Dakota for that sacrifice, by passing my bill, H.R. 4347, to provide for South Dakota water development. We, in South Dakota, will never begrudge those in the downstream States for the benefits they receive, such as prevention of severe flooding. That was a major intent of the 1944 Flood Control Act, but the development that South Dakota and other upper basin States have not received was also a major intent of the act, and I will continue to do all I can to fulfill that commitment.●

REVISITING THE WINDOW OF VULNERABILITY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. BROWN of California. Mr. Speaker, as the worldwide plea for an end to the United States-Soviet nuclear arms race continues, it is useful for us to recall why the arms race is heating up. Essentially, leaders in both the United States and the Soviet Union are convinced that they must either continue their nuclear arms buildup for self-defense, or for gaining the strategic upper hand.

It does not really matter anymore who is to blame. One can look at recent Soviet initiatives and blame them. Or one can look at the record and the rhetoric of the Reagan administration, which calls for nuclear superiority, and blame them. In truth one should look to the earliest days of the nuclear age and the cold war, and blame everyone involved from that day to this, because all share in the blame.

Today, the people of the United States and the world demand an end to this madness, and finally those in power are listening. Now that the unacceptability of a nuclear war is again being considered, the more abstract concepts of "superiority" and "vulnerability" need to be reexamined as well.

PRESIDENT EMERITUS OF MIT

One of the best lay descriptions of the United States and Soviet nuclear capabilities I have seen was recently written by Dr. Jerome Wiesner, former Presidential science adviser and the former chairman of the Advisory Committee for the Congressional Office of Technology Assessment. In this brief article, which I will insert in the RECORD at the conclusion of these remarks, Dr. Wiesner makes it perfectly clear that the United States is not vulnerable to a Soviet first strike. The only thing we are vulnerable to is mutual suicide, as we have been for the last several decades.

Mr. Speaker, I highly recommend the following article to my colleagues. I especially urge my colleagues who fear Soviet nuclear superiority to review the logic and wisdom of Dr. Wiesner's remarks.

The article follows;

[From the Atlantic Monthly, July 1982]

RUSSIAN AND AMERICAN CAPABILITIES

(By Jerome B. Wiesner)

(Jerome B. Wiesner. Institute professor and president emeritus of Massachusetts Institute of Technology, served as special assistant to President Kennedy for science and technology.)

Over the past thirty years, the nuclear-arms race has been propelled by political tensions, by technical innovations, and by rivalries inside the governments of the United States and the Soviet Union. But at the moment, on the American side one overriding concern promotes the buildup of nuclear weapons—the fear that the United States might be denied its ability to inflict a devastating retaliatory blow if the Soviet Union struck first. This fear presumes that a nuclear war, far from being an act of mutual annihilation, might be a controllable, survivable, even "winnable" encounter, and that the Soviet Union may be better equipped than the United States to prevail in a nuclear war.

Such an anxiety, if well grounded, would compel any responsible American leader to search seriously for new nuclear-weapons projects, beginning with the MX missile and perhaps extending to antiballistic-missile systems and greater efforts for civil defense, in the hope of redressing the balance. The Reagan Administration, of course, is pushing ahead on several such fronts and says that it cannot persuade the Soviet Union to negotiate for reductions in strategic weapons unless we first show our determination to increase American strength. Even if the strategic-arms-reduction talks (START) that President Reagan has proposed eventually lead to an agreement, that welcome development would not come sooner than several years from now. In the meantime, American policy need not be driven by a fear of a Soviet first strike. Instead, it should rest on a recognition of the basic reality of the nuclear age: that the only option open to either the Soviet Union or the United States is deterrence. Given today's weapons, neither side can do anything to protect itself against the retaliatory threat the other poses; by the same logic, neither side need fear that its threat to the other will be called into question. This balance hardly justifies political or moral complacency. Because of the catastrophe that would occur if deterrence failed, our best efforts must be directed to preventing the circumstances in which nuclear weapons would ever be used. But the concept of deterrence suggests a very different direction for American action from the one indicated by anticipation of a Soviet first strike.

The current era has often been spoken of as a "window of vulnerability," in which America's nuclear force is uniquely at risk. But it can instead be a "window of opportunity" in which to negotiate an end to the arms race. The most obvious and the most sensible step for the United States at the moment is to add nothing to our nuclear forces, and to seize this opportunity to press for a freeze on the development, testing, and deployment of all nuclear weapons and new delivery systems by each side.

As has happened before in the arms race, we have been told that technical progress has created a theoretical vulnerability for our force. The Soviet missile force has increased in size and accuracy, and supposedly poses fresh dangers to our land-based nuclear missiles. The Soviet Union's theoretical ability to destroy nearly all of these missiles in a surprise attack, it is argued, will psychologically upset the balance of deterrence, and will thereby make the United States vulnerable to Soviet blackmail. This will happen, it is further argued, even though the great majority of the American nuclear weapons are carried on bombers or by ballistic-missile submarines, rather than by the Minuteman and Titan missiles that are based in silos throughout the Midwest. An American President might be afraid to retaliate after a Soviet attack on the U.S. missiles, because the Soviet Union would then

respond with a major attack on American cities. The conclusion of this line of reasoning is that the U.S. cannot contemplate any slackening of the pace until it has redressed the imbalance by building the MX missile or other systems.

I accepted this scenario myself until I made a few simple calculations concerning how vulnerable the Minuteman system actually is and what the strategic situation would be even if it were somehow totally destroyed. It emerges from any such calculation that neither side can escape the risk of devastating retaliation if it launches a preemptive attack. This is the only vital issue for each side—the actual capabilities for responding after attack, not guesses about what the other side's intentions might be. Intentions may change, and they are always difficult to discern. But the meaning of the capabilities is unambiguous: under present technology, either side could devastate the other after enduring any conceivable attack.

The U.S. has more deliverable nuclear warheads than the Soviet Union does. A 1978 study prepared for the Congressional Budget Office estimated that in the mid-1980s, when the "window of vulnerability" will allegedly stand open, the U.S. will have 13,904 warheads on its strategic delivery systems, versus 8,794 for the Soviet Union. The Soviet Union, for reasons we have never fully understood has chosen to build missiles larger than ours, with larger warheads; and its force, though smaller in numbers, contains more "equivalent megatons" than ours does. (The measure "equivalent megaton" takes account of the fact that small nuclear warheads do proportionately more damage than large ones, since the area a warhead destroys does not increase linearly with the size of the warhead.) The same Congressional Budget Office study estimated that in the mid-1980s the U.S. force would represent 4,894 equivalent megatons, versus 8,792 for the Soviet Union. Paul Nitze, of the Committee on the Present Danger, which has been among the most strident of the groups warning about a window of vulnerability, has estimated that if both sides built up to the limits allowed by the SALT II treaty (whose ratification the committee opposed), the U.S. would have 12,504 nuclear warheads and the Soviet Union 11,728. It foresees roughly the same advantage for the Russians in equivalent megatons as does the Congressional Budget Office.

Of the 13,000 to 14,000 warheads projected for the American force, roughly 2,100 are on the Minuteman and Titan missiles. The land-based force represents some 1,507 equivalent megatons. Therefore, if every single Titan and Minuteman were destroyed in a successful surprise attack, the U.S. would be left with somewhere between 11,000 and 12,000 nuclear warheads. The submarine fleet would account for approximately 6,000 of these weapons, and the rest would be carried by bombers. All together, these remaining American warheads would represent about 3,500 equivalent megatons.

In planning American nuclear forces in the early 1960s, Robert McNamara came to the conclusion that 400 equivalent megatons would be sufficient to inflict unacceptable damage—and that the U.S. could have absolute confidence in its deterrent if it built such a retaliatory capacity three times over, once on the bomber fleet, once on land-based missiles, and once with the submarine force, for a total of 1,200 equivalent megatons. In other words, the 11,000 or 12,000 warheads, representing 3,500 equivalent megatons, that the U.S. would retain even after a perfectly successful first strike against our land-based missiles would be three times larger than the force that was itself designed to be able thrice to destroy the Soviet Union. The accuracy of nuclear weapons has improved since McNamara's day, further increasing their effective power. These figures do not even count the several thousand American warheads that are left in Europe and other parts of the world, some of which could be used for retaliation.

Nearly all scenarios for a first strike assume that an attacker would have to target two warheads against each missile silo it hoped to destroy. The U.S. has 1,000 Minuteman missiles and several dozen Titans. The Soviet Union would, therefore, have to devote about 2,200 warheads to an attack. The most generous estimates put the mid-1980s Soviet force at slightly fewer than 12,000 warheads; so after launching its first strike, the Soviet Union would end up with fewer than 10,000 warheads, or several thousand fewer than the United States.

So far, these calculations have been based on extreme assumptions: that the Soviet Union would be able to destroy totally the force of Minuteman and Titan missiles, but that it would leave the submarine and bomber fleets intact. More realistic assumptions yield the same conclusion: that a first strike would be suicidal irrationality, which is the premise upon which deterrence is based.

Moreover, first-strike scenarios rest on the assumption that large numbers of men and machines will perform exactly as planned. The weapons used in a first strike would have to perform reliably and very accurately, and the detonations of several thousand warheads would have to be coordinated with perfect skill, or else the whole scenario becomes immediately implausible. Yet no complex system ever works as predicted when it is first used. In carefully controlled tests, involving small mumbers of weapons, it may be possible to attain the levels of accuracy required for a first strike, but I am convinced that the necessary levels of accuracy and reliability are simply not attainable in an operational force. It would require many more test flights than either nation normally conducts to get enough data to establish the actual facts about these systems. How many trial runs of a surprise attack could the U.S. or the Soviet Union carry out?

Three factors make it seem especially unlikely that a surprise attack could be successfully carried out. First, the accuracy of the attacking warheads is uncertain. Because their targets, the missile silos, are so greatly "hardened," warheads must come much closer to a silo than to "softer" targets to do damage. But it may be impossible for either side to know how accurate its warheads will be when they are fired in large fleets on a trajectory that has never before been tested.

Second, the reliability of the missiles themselves is open to deep question. Optimists assume that 80 percent of the missiles that are fired will perform satisfactorily. The likely rate may be closer to 50 or 60 percent. This would mean that even assuming maximum accuracy and accepting the formula that two warheads fired at a silo will have a 95 percent probability of destroying it, the Soviet Union might fire 2,200 warheads at our missiles and destroy only 500 to 600 of them.

Third, such an exercise would require prodigious feats of timing. It would involve very precise firings of the individual missiles, so that the two warheads attacking each Minuteman would be so perfectly spaced that the detonation of the first would not destroy the second, and warheads attacking neighboring sites would not disable each other. (These very probable accidents are known as fraticide.) A successful first strike would depend on flawless communication within the Soviet command structure. It is generally recognized that the command-and-control system is the weakest link in the nuclear forces of both sides.

In principle, the Soviet Union could improve its possibilities of success by firing more than two warheads at each missile, but then the potential for destructive interference becomes even greater, as do the complications of command and coordination. Most experts believe that two warheads per target is the practical limit.

All in all, the result is this: even after a surprise Soviet attack on the American Minuteman force, U.S. strength would actually be slightly greater than the Soviet Union's. If the Soviet Union could carry out the worst attack that the alarmists have been able to imagine, the United States would not only retain its relative position but would have enough nuclear weapons to destroy several Soviet Unions. And by the same logic, the Soviet Union would certainly retain the capacity to inflict unacceptable punishment on the United States, no matter how large and clever a surprise first strike the U.S. were to launch. Theorists may claim that it would not be "logical" for the side that had endured the first strike to order a retaliation, since that would lead to further devastation, but such forbearance on the part of a badly wounded but still armed nation is hard to credit.

Theorists defending the first-strike hypothesis often refer to the issues of the Cuban missile crisis. In 1962, the U.S. had many more nuclear weapons than the Soviet Union, and this superiority, many advocates of the MX now say, forced Nikita Khrushchev to back down. But in the early sixties, the Soviet Union had so few deliverable nuclear weapons that its leaders had legitimate reason to fear that a first strike might take away their ability to threaten destructive retaliation. The imbalance may have affected Soviet behavior—although American superiority in conventional naval forces seems to have weighed more heavily in the Soviets' calculations. At the comparatively low levels of nuclear weaponry of twenty years ago, a difference in size between the arsenals could have political significance; indeed, much of the impetus in American policy has been to regain the first-strike potential the U.S. enjoyed for many years. But when each side has a super-abundance of weaponry, which is the case today, small differences in size no longer matter.

At the moment, neither the U.S. nor the Soviet Union has a meaningful strategic advantage. A window of vulnerability does not exist. Furthermore, it is almost impossible to imagine how either side could achieve a usable advantage. Both sides are thoroughly deterred from using their strategic forces, because a decision to use them would be a decision to commit national suicide. And this seems sure to remain true no matter what either side deploys in the way of new weapons.

Though the Soviets might theoretically increase the capacities of their missiles in such a way as to pose significant new threats to the Minuteman force, it would re-

quire a major breakthrough in both technology and production to do so. The same is obviously true for American forces. The MX and the cruise missiles based in Europe might be the American entry into such a competition. But at the moment, such capabilities do not exist and so cannot be deployed. Thus, now is the time for a disarmament agreement, one that would freeze all missile developments, leaving both sides with an unquestioned deterrent but without any plausible threat of a first strike. Now we have a "window of opportunity" for safer, saner alternatives to a major arms buildup. This might mean ratification of the SALT II agreement, whose limitations the Reagan Administration has so far chosen to observe, or a comprehensive freeze on the testing and development of nuclear weapons, which I favor.

An agreement to halt all testing of nuclear weapons, and of the vehicles that would deliver them, could dramatically change the political cloud that surrounds these weapons. Military technologists will strenuously resist the enactment of any such program. They will be reluctant to give up new weapons already in the pipeline. Moreover, they will maintain that if they cannot test-fire weapons, they cannot guarantee that they will work as planned. That is true, but scarcely a problem. While no one could be sure that the weapons would work as planned—which further reduces the certainty essential for a first strike—neither could anyone be certain that they won't work. They would not suffice for pre-emptive attack, but they would still represent a secure deterrent.

If this opportunity for arms control is not taken, the job will only grow more difficult in the future. The weapons of today are easy to count and monitor, but those of tomorrow won't be. The cruise missile, the Stealth bomber, and far more accurate guidance systems would lead us to a nightmare world, one in which our fears would increase. That is why the opportunity must be seized now.

A limited solution to the arms race is not pleasing to many religious and ethical leaders who are emphasizing the immorality of relying on the very weapons that may threaten the extinction of the species. For contrary reasons, a nuclear-arms freeze irritates conservative political leaders, who imagine that this dimension of military force should somehow be made more "usable," and who object to a policy—deterrence—that places the civilian population of the nation at risk. Deterrence is unsatisfactory—except by contrast with the alternatives. The weapons that create the threat of annihilation cannot be uninvented. The sad fact of this era is that our populations cannot conceivably be protected except through political skill and courage applied to the task of minimizing the chances that nuclear weapons will ever be used.

Seizing this opportunity to freeze the arms race would be one demonstration of such skill and courage. It would free both sides from the fear of a first strike and would leave them with such security as a deterrent can provide. It would set the stage for further safety measures, including the reduction of nuclear forces. Meanwhile, the fear of unknown new weapons would be eliminated. And with less money devoted to strategic nuclear weapons, more would be available to repair the deficiencies in our conventional forces, to right the economy, and especially to work on the ever-growing set of civilian problems facing the world.●

THE NATIONAL INVESTMENT ACT: A NEW APPROACH FOR DEALING WITH THE ECONOMIC EMERGENCY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. CONYERS. Mr. Speaker, longstanding business and industrial decline, as well as cyclical stress, are damaging the American economy. A growing number of leading economists, business, and labor leaders have raised the specter of another "depression." The distinguished economist, Robert Lekachman, calls the present economic situation, "an investment crisis." The recession of 1974–75, up to that time, was the worst economic downturn since the Great Depression. The current recession has exceeded the midseventies one in every respect. The stagnation we have been experiencing for so long continues to spread and deepen.

The remarkable element today is the virtual absence of firm, positive Federal policy about where to turn, and what to do, to spur the economy on. It is as if the Congress has thrown up its hands in despair of ever finding the means to tackle the economy's problems. When the various parties to what passes for economic debate cease hurling accusations at one another over who is responsible for the present economic situation, all that remains is a deafening silence about what to do. Hand wringling, a sense of helplessness, and an unabashed air of futility are more pervasive today than at any time while I have served in Congress.

Have we completely exhausted our inventiveness, experience, and knowledge in economic matters? Is there not a whole set of alternative policies to move the economy off the dead end?

The bill I have introduced—The National Investment Act of 1982 (H.R. 6623)—is one modest proposal to deal with the present economic emergency and to avert future ones. In the short term, it mandates policies for targeting both private and public investment toward rebuilding distressed industries and modernizing others. Over the long run, it proposes a new framework for economic policy—one designed to build new institutions for democratic and strategic economic planning.

"Investment is the key element in economic growth," Robert Lekachman recently observed. "Who controls investment dominates the economy. * * * In the last decade * * * its growth has been sabotaged by misdirection of available funds." The misdirection of investment capital has taken a variety of forms. The small business sector, normally the leader in job creation, technological innovation, and productivity improvement, has been crippled by the lack of affordable credit. The corporate sector, meanwhile, last year used $40 billion to finance mergers and acquisitions (reserving another $70 billion for future commitments). This may generate paper profits, but adds little to new employment and production. Long-term borrowing is sacrificed to the short-term, and industrial and urban infrastructures, representing trillions of dollars of established investment, are allowed to disintegrate. And tax policy, that purports to guide investment, is littered with subsidies, loopholes, and shelters which serve only to siphon off badly needed capital for the ends of speculative gain.

In a broad sense, the investment crisis is a function of defective economic policy. The tendency has been to improvise marginal remedies to long-lasting and systemic problems, or to shape policies reactively, long after calamity has struck. This contrasts sharply with the practice in one of the world's strongest industrial economies, the Japanese. They engage in strategic planning; target investment capital; anticipate future markets and product needs; and have institutionalized a coordinated and coherent approach to policy planning among all economic sectors.

The National Investment Act provides a framework for targeting investment, forging cooperation among Government, business and labor, building coherent policy, and undertaking long-range strategic planning. It calls for:

Five regional development banks that are flexible investment vehicles, close to where the problems are;

Loans, loan guarantees, and below-market interest rates for the purchase and modernization of shut-down plants, the startup of promising new firms, the upgrading of public services and infrastructures, job-creating redevelopment projects, and to make credit available to labor unions, not-for-profit organizations, municipal governments, as well as business firms;

A National Recovery and Investment Board, composed of leaders from Government, business, labor, and distinguished citizens, to recommend to Congress programs for dealing with emergency conditions, as well as long-range economic planning; and

Expedited congressional procedures and the establishment of special economic committees of Congress to enact a National Recovery and Investment Plan.●

A TRIBUTE TO 17 OUTSTANDING CALVERT COUNTY WOMEN

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. DYSON. Mr. Speaker, today it is my privilege to honor several outstanding women from the First Congressional District of Maryland who, collectively, have made contributions in all aspects of the Calvert County community. I am pleased and proud to join the Calvert County Commission for Women in publicly recognizing these women who are leaders in business, education, government, volunteer work, fine arts, and journalism. The following is an excerpt from an article by Kathleem Branch which recently appeared in the Calvert County Recorder praising the achievements of the these woman.

Ethel Boswell, a nurse by profession, has done volunteer work at Calvert Memorial Hospital, with the Blood Bank, and the American Red Cross. In addition, she is a member of the Commission for Aging and on the Board of Directors of the Calvert County Nursing Center.

Virginia Bowen distinguished herself in the field of education where she has served for 43 years as principal of Huntingtown Elementary School. Because of her leadership, Huntingtown Elementary is noted for its academic excellence and warm community spirit. She has received statewide recognition as an "Outstanding Administrator."

Eileen Brady is active in her church and in the Parent Teacher's Association. Named "Homemaker of the Year" in 1980, she has reared nine foster children and provides volunteer service to senior citizens.

Gladys Mogck Brown is a noted artist, author and musician. Author of the Calvert County song, "Cavalier of Calvert," she donates all profits from the work to the Polio Fund. She is the author of a book, and a writer for the Calvert Independent newspaper. Her talent in art has taken her work to many parts of the state in exhibits and single person shows. She is a member of the Calvert County Art Guild.

Kay Chaney introduced the concept of "Operation Happy Face," a project to repair toys as gifts for needy children at Christmas. This project has expanded each year in coordination with the Department of Social Services. She is the first president of the Ladies of the Elks and the Ladies of Smokey Community Craft group.

Sadie Gray, at 93, has exemplified a life of unselfish service to others. She is a teacher, a member of the board of directors of Mutual Fire Insurance Company, organizer of the Children's Aid of Calvert, and superintendent for 50 years of St. Paul's Sunday School.

Gloria Hall, "Business Woman of the Year" for 1982, was selected by the Calvert County Chamber of Commerce for her knowledge and competence in the banking field, leadership within the county and advancement of economic principles. She serves on the advisory committee for the Community College at Calvert, the Fair Committee, United Way Board, and is past president of the Board of Trade.

Mary Harrison, first woman president of the Board of County Commissioners for Calvert County, has provided leadership in county government. She has served our county in many capacities over the years. At the same time she has maintained her own business acting as a leader in the lumber field.

Kitty Hurry is director of the Southern Maryland Regional Library Association, and past member of the Calvert County Cultural Arts Council, the Chamber of Commerce and the advisory committee of Adult Education. Because of her leadership, many cultural events have been brought to Calvert County.

Jackie Justice is noted for her work in the area of nutrition with the senior citizens. She is a member of the board of the Maryland Association of Nutritional Service Programs and the Board of the Meals on Wheels program in Calvert County. In addition, she is co-owner of the Driver Training School of Calvert.

Glossie Leake is organizer of the first Brownie troop at Island Creek School, serving as its leader for eight years. She is deeply involved with Girl Scouts as the chairwoman of the sustaining membership campaign, delegate to the Girl Scout Council of the Nation's Capital and representative to the national Girl Scouts of America convention.

Ellen Mitchell is editor of the Calvert Independent newspaper. Within her field, she has won awards of excellence for her paper from the National Newspaper Foundation. She has served on the Commission for Women, the March of Dimes and the Heart Association within the county.

Dorothy Ordwein has provided volunteer services to the Calvert Marine Museum since 1970, acting as its program coordinator. In this capacity she recruits other volunteers, acts as a tour guide, and writes student guides. Active in the Retired Teachers' Association, she assists with the "One Room School House" in Port Republic. Because of her interest in nature, she serves on the board of the Cypress Swamp nature center.

Dorthy Plummer, chairwoman of the Mental Health Agency Council and of the Calvert County Housing Authority, works with many groups in the county. She is on the board of Meals on Wheels, BLESS, and the League of Women Voters.

Fran Tracy, director of the Community College at Calvert, has provided and expanded educational opportunities for adults in Calvert County. She is active on the board of the United Way, the Chamber of Commerce, the Adult Education Advisory Committee, and represents education on the Economic Development Committee.

Audrey Davenport is a noted businesswoman advancing economic development within Calvert County. She has provided leadership within the business community and promotes tourism in here as a director of the Calvert County Chamber of Commerce.

Alice Hall is an advocate of women's rights. She was instrumental in the formation of the Calvert County Commission for Women, serving as its first and present chairwoman. As a counselor at Southern Middle School, she provides guidance and serves as a role model for many young women to follow.

Mr. Speaker, it is extraordinary individuals such as these women, who make Maryland's First Congressional District, a fine place to live and work. Once again I would like to praise these women for their hard work and devotion. It is truly my pleasure to represent their interests in the Congress of the United States. Thank you.●

THE FIBER, TEXTILE, APPAREL MANUFACTURING INDUSTRIES

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. DERRICK. Mr. Speaker, the fiber, textile, apparel manufacturing industries are of vital importance to the economic well-being of my State of South Carolina and to the Nation as a whole. These industries provide 2.7 million Americans with jobs, a high percentage of which are minorities and females.

The fiber, textile, apparel industries have been hard hit by the present economic recession. Employees are losing their jobs every day. In March of this year, unemployment in the textile industry hit 13.3 percent compared with a national unemployment rate of 9 percent. Furthermore, Department of Labor statistics indicate that in addition to those who are unemployed, nearly 12 percent of textile employees are working reduced hours.

While many of our textile workers are faced with unemployment, imports of textiles and apparel rose 5 percent during the first 2 months of 1982. The textile/apparel trade deficit for 1981 was a recordbreaking $5.7 billion, and through April of 1982, the deficit is running 44 percent higher than 1981. This surge of foreign imports is a direct contributor to the unemployment of American textile workers.

Presently, the administration is in the process of negotiating bilateral trade agreements with several of the importing countries. I feel that it is incumbent upon the Government to protect our textile market from further disruption and therefore, Mr. Speaker, I am today introducing a concurrent resolution which "urges the President to negotiate bilateral restraint agreements under the Arrangement Regarding Trade in Textiles (MFA) that provide for lower positive growth rates in the shares of foreign textiles and apparel in the United States market by utilizing fully the provisions of the Arrangement that permit the growth rates of textile and apparel imports to be related to domestic market conditions."

H. CON. RES.——

Concurrent resolution urging the President, in negotiating bilateral textile and apparel agreements, to utilize fully existing authority to limit the growth of foreign shares in the United States market.

Whereas the textile and apparel manufacturing industries in the United States account for 2,700,000 jobs, a high percentage

of which are filled by female and minority employees;

Whereas the United States trade deficit in textiles and apparel in 1981 was a record-breaking $5,700,000,000, a 40-percent increase over the deficit in such articles in 1980;

Where, as a result of the impact of foreign goods, thousands of employees in the domestic textile and apparel industries are facing reduced work shifts or unemployment; and

Whereas the Arrangement Regarding Trade in Textiles (MFA) has been extended through July 1986 and allows greater flexibility to importing countries in negotiating bilateral restraint agreements covering textiles and apparel: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress urges the President to negotiate bilateral restraint agreements under the Arrangement Regarding Trade in Textiles (MFA) that provide for lower positive growth rates in the shares of foreign textiles and apparel in the United States market by utilizing fully the provisions of the Arrangement that permit the growth rates of textile and apparel imports to be related to domestic market conditions.●

TO HOLD WORLD WAR III HOSTAGE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. LENT. Mr. Speaker, in this season for commencement speeches, many are better left unremarked or unremembered. However, I would like to call to the attention of my colleagues a commencement address delivered at the Skidmore College Commencement in Saratoga Springs, N.Y., which definitely does not belong in the category of forgettable addresses. The speaker, the Honorable Henry D. Paley, president of the Commission on Independent Colleges and Universities, generated considerable interest with a most unique proposal for dealing with the threat of nuclear war.

His remarks provide substantial food for thought in these days of protest and conflict over nuclear policies. I commend his proposal to my colleagues for their reflective study, as a startlingly unique idea to advance the cause of peace in this troubled world of ours.

REMARKS OF HENRY D. PALEY

When President Palamountain invited me to speak at your commencement, I asked him to suggest a topic. He said, "student financial aid."

Dr. Palamountain's suggestion, of course, is appropriate. Student financial aid is the big issue in higher education public policy today. How it is decided by Congress this year may very well change the shape of the American Academy for generations to come.

But it will not be the subject of these remarks. I have been concentrating on student financial aid for more than a year. I am beginning to bore myself. I am sure I have bored others about it. I do not want to bore you today.

Besides, I do not believe in preaching to the devout. You have here probably the most articulate and persuasive student aid advocate in the country as your president. And Joe Palamountain's commitment has been reflected in the expressed concerns and actions by Skidmore trustees, Skidmore students, Skidmore faculty, Skidmore parents and Skidmore alumni. If other institutions across the country would do what you have done with elected officials and the media, we would not have a student aid problem in Washington or in Albany.

Whatever the outcome of the debate in Congress, the nation's higher education community, and especially the independent colleges and universities, owe a debt of gratitude to you and the continuing leadership of Skidmore College in this important undertaking.

So I am going to talk about another subject today. It is one that also concerns students and their families. Perhaps you will agree it is at least as important as assuring young people realistic opportunity to select the college that best meets their postsecondary education needs.

My topic for this occasion is the threat of nuclear war and what we might do to avoid it. The prospect of nuclear war is the cause of increasing restlessness across the campuses and communities of this republic and overseas on both sides of the Iron Curtain.

I am going to suggest an idea for your consideration and hopefully for your response. From this commencement, if the seed I proposed today takes root, we may possibly advance our research for removing the spectre of extinction which for almost four decades has hung over all passengers on what Archibald MacLeish aptly described as Spaceship Earth.

It is a formidable subject. It requires a good measure of arrogance for one to publicly enter a discussion which has involved many of the most powerful leaders of the world, some of our greatest minds.

What emboldened me to choose this opportunity to venture my idea before this distinguished and scholarly audience were thoughts contained in the last written work of a man who died in February of this year. He was Dr. René Dubos. A world renowned biologist and environmental crusader, Professor Dubos was for many years a member of the faculty of Rockefeller University, a sister institution of Skidmore in New York's independent sector of higher learning.

His last essay is entitled, "A Celebration of Life." He wrote, "In human affairs, the logical future, determined by past and present conditions, is less important than the willed future, which is largely brought about by deliberate choices—made by the human free will."

The idea I propose for your consideration seems logical to me as a citizen, as a husband and as a parent. It may very well lack logic in the complicated and complex equations of national security and international relations. But if this were a logical world, men would ride sidesaddle. And I am not convinced that what has been proposed by world leaders in dealing with the threat of nuclear war is any less illogical than what I want to suggest here today. The "willed future" that Dubos advises us is more important may indeed prevail over the present irrationalities of international nuclear policy.

Another of René Dubos' thoughts in his last essay encouraged me to accept accusations of arrogance as I considered entering a debate on a subject where I candidly lack expertise or experience. He wrote: "the first obstacle to be overcome is the widespread belief that things are now going from bad to worse and that little can be done to reverse the trend."

I recall, as any adult and most parents can recall, many occasions when I saw someone—especially my own children—heading for a fall. It might have been a small accident or a major blunder. Often we hesitate or remain silent, not wanting to seem intrusive or nagging. We live with guilt if the worst happens and we have been mute.

But the nuclear threat is going from bad to worse. Something must be done to reverse the trend. If we fail to speak out and the worst happens, we may not live with guilt because there will probably be no life.

There is an illusion that the mere existence of massive nuclear armament in itself assures that it will never be used. Such reasoning fails to recognize that both superpowers repeatedly have made clear they have the nerve to employ every weapon in their strategic arsenals to prevail in World War III.

We have reached a stalemate in every effort to avert this prospect. Detente has failed. Sanctions have proven useless. SALT stalled. There is faint chance that the Reagan Administration's initiative for major reduction in this weaponry will be accepted by the Soviets. Even if it were, the remaining missile stockpiles would be more than adequate to allow few, if any, sanctuaries for life on this planet as long as the two superpowers have the nerve to plunge into World War III.

This is not to say that our government should relax its efforts to at least begin the process of nuclear disarmament. Nor is it to support those who call for a unilateral freeze on the part of the United States. Given the significant edge in conventional weaponry possessed by the Russians, and given the record of the Kremlin in demonstrating that it indeed has the nerve to employ its military might for aggressive purposes, it would be suicidal for America to throw away our only means of averting a Soviet dominated world community.

My idea began to take form two years ago during the tense initial week of the Iranian hostage crisis. Like most Americans, I was shocked at the immobility of our country, the most powerful nation in the world.

Dealing with a bush league military power, on an issue that clearly violated the most basic precept of international discourse—the sanctity of diplomatic personnel—we were powerless to enforce our will.

The reason we were paralyzed into inaction was our proper concern that massive armed intervention would jeopardize the safety of our countrymen. Much later the military rescue operation we attempted proved a near disaster. If anything, it heightened our frustration as a people. It also demonstrated the inadequacy of armaments as a means of altering the position of a hostile nation when American civilians are on the real estate of that country.

The more I shared our national anxiety during those vexing months, the more it struck me that what was happening in Iran could be adapted to accomplish what anti-nuclear protest, and SALT, and weapons build-ups have thus far failed to achieve. If fifty-odd American hostages located in a potential strike zone could effectively nullify our military response, what would be the effect if we could devise a means to exchange hundreds of thousands of citizens of

the two superpowers and assure their being located in all potential strike zones?

My idea is ridiculous unless it is considered on a scale that assures a very significant presence of Russian civilians in every potential strategic target area of the United States and similar numbers of American civilians in every potential target area of the Soviet Union. The dimensions necessary for such an undertaking would in my judgment require at least a million Americans in Russia and a million Russians in the United States for the foreseeable future.

It may be hard for us to envision hostages as a barrier to violent action. The notion is outside the normal ambit of sane nonviolent minds. And the concept I suggest is not properly one of hostages since those involved would not be held against their own will. The participants would be volunteers, offering a short period in their lives to hold World War III hostage.

The two nations, however, the United States and the Soviet Union, would be bound by specific treaty obligations for this massive citizens exchange. I will deal with questions about those obligations shortly.

Let us first consider the power on which this idea is predicated. It begins with something fundamental to mankind. Like most of these basic human behavior traits, the initial descriptors were the Greeks. It was a Greek, the historian Herodotus, writing in the Fifth Century before Christ, who tells us of the strongest human objection to war. He wrote, "In peace, children bury their parents; war violates the order of nature and causes parents to bury their children."

There is no horror that haunts parents more than the thought of their children's death. Yes, I am suggesting an exchange of the young, millions of our children for their children. Whatever our personal opinions or our national view of the Soviet system, we must acknowledge that Russian parents are no less concerned about the safety and lives of their children than we are about ours. Parental love knows no political or national boundaries.

What are the logistical problems of this youth exchange strategy to hold World War III hostage?

I will concede at once that my proposal does not take into account the other nations in the nuclear weapons club. But it would be a significant beginning. If the two superpowers who would be the main protagonists of the next war were to enter into such an agreement, could other nations afford to refrain from participation?

What would be the age group of those youth to be recruited? Offhand I would take the four conventional college years, between 18 and 22.

How long would be the extent of each volunteer's presence abroad? A year seems logical.

Are there sufficient numbers within each population who could be transferred without causing damage to the economies, the social structures and the educational systems of the two countries? I again turn to René Dubos' last essay in which he described youth unemployment as "the greatest pollutant of our peacetime world."

If such a treaty was implemented, youth unemployment in the United States and youth military conscription in Russia would both be reduced. But the exchange should insist upon a truly representative cross-section of each country's youth population. Volunteers must be drawn from all parts of both countries, from all walks of life, students and farmers, factory workers and clerks, the unemployed and the affluent.

We also cannot ignore the fact that while military conscription exists in the Soviet Union, it also continues to be discussed in Washington. Both countries would have to give military service exemption for volunteer time in this program.

If I had been discussing student financial aid today, I would have reminded you that appropriation cuts now under consideration by Congress would, if enacted, throw more than a million young Americans out of higher education alone next year.

Those familiar with the demographics of U.S. postsecondary education would view the infusion of hundreds of thousands of Russian students on our campuses—tuition-paid students—as a fiscal bonanza.

If an exchange treaty was adopted it should include the option of college and university study at both poles of its axis. It would require intensive language preparation. We have the pedagogical skills and technology for reducing the trauma of adapting to a foreign environment.

Do we have the transportation to handle an exchange of a million young bodies each way? I leave that answer to the president of Braniff and his colleagues at other international airlines now starving for passengers.

Are there the fiscal resources to effect this exchange? I submit there is sufficient funding in the military budgets of both America and Russia to fully underwrite the cost of transportation, living expenses, education and entertainment.

There may even be an excess of funding. That struck me because a likely other question is, "Won't the Russians try to indoctrinate our young people?"

Of course they will, and so will we their children. And both countries may compete so fervently for these young minds that there may be a tendency to be very generous with the appropriation spigots in Moscow and in Washington. There may also be some stereotypes challenged by the returning volunteers. They might not accept many of the assumptions that we and the Russians hold so fervently, assumptions that in both lands have brought us to the brink of mutual destruction.

Let us consider the idea as parents. What if your son or daughter volunteered and a year later decided to stay in Russia? There is always the risk of becoming converted to borscht, ballet or Bolshevism. Then too, there is Cupid, a large hazard among this age group. He has never been identified with any particular political ideology.

The same thoughts would probably cross the minds of Russian parents. It is a real problem. But it does move us in the right direction—away from fear, away from hate, away from distrust.

I would suggest the treaty guarantee the return of every participant to his and her own country. If some wish to again return abroad or to immigrate, they would have to pursue conventional procedures after they return home. Hopefully, those procedures would be less cumbersome and less onerous as we got to know each other better.

What if we convince America's leaders to seriously propose this exchange and the Russians turn us down? That may very well happen. I am not at all sanguine they would accept. There is some personal history to buttress my pessimism.

Back in 1946, after Hiroshima, I returned from overseas to complete my college studies. Even then I was interested in the international exchange of students. During the preceding years, courtesy of Uncle Sam, I had the opportunity to travel abroad. I saw places in the South Pacific, the Mediterranean and Europe. It was not always pleasant, and at times unsafe, but I found the experience extraordinarily educational. I thought future peacetime generations of students should have the same opportunity.

So I went to the dean of my college and I persuaded him to allow me to undertake, as a senior year work-study project, the design of a third-year abroad program for undergraduates. My progress was phenomenal until I contacted the educational officer in the Soviet delegation to the United Nations. The U.N. was then located at Lake Success out on Long Island.

He turned me down cold and I remind you this was before the Iron Curtain clanged shut. American students, he told me in all seriousness, were too badly propagandized to fit into Soviet universities or Russian communities without causing disruption. Russian students coming to this country, he advised me, would be too discomforted by the same propaganda pressures of the capitalist controlled U.S. media.

That was during the Stalin era. Perceptions may have changed. If they have not, if the Soviet leaders reject an American youth exchange treaty offer, what have we lost?

Consider the impact such a Soviet rejection would have upon our allies in Western Europe, upon the Third World which increasingly views Washington as more culpable than Moscow in the build-up of international tensions.

That is my idea. I believe it is worth a try. Now that I've expressed it, I am not at all certain about where to go with it. I need a lot of help. There must be in this audience the wit and imagination to move this notion ahead.

I ask each of the graduates here today to personally consider whether, if such a treaty had been in place, would you have realistically volunteered to go to Russia to hold World War III hostage? Would it have been too much of a personal investment?

I ask you to take this idea to your friends who will return to Saratoga Springs next fall. Ask them, will they consider organizing to take the lead to spread this idea from Skidmore across the campuses of our country?

I want to contribute to that student effort. It is no sacrifice on my part. My wife never fails to remind me when we drive past the track that it is unprecedented for me—given my fondness for the improvement of the breed—to leave Saratoga Springs with more money than I arrived here with. I am therefore endorsing the generous honorarium your college has given me for my participation here today to the Skidmore Student Government. It is a small wager on an important race. Given the leadership of this institution, I am betting you will win. I hope your Skidmore successors will use it to advance the idea I suggested here today.

Thank you for your attention. I hope there will be many more beautiful commencements in May for you, your children and your grandchildren to celebrate life and learning at lovely places like this.●

MAGNETIC FUSION RESOLUTION

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mrs. BOUQUARD. Mr. Speaker, 30 cosponsors, and I are, today, introducing in the House and my distinguished colleague Senator JOHN DANFORTH is introducing in the Senate, a resolution to express the sense of the Congress that the Nation reaffirm its commitment to the expeditious development of magnetic fusion energy.

The Magnetic Fusion Energy Engineering Act of 1980 (Public Law 96-386) was passed in late 1980 with only seven dissenting votes in the House and by a unanimous voice vote in the Senate. The legislation was sponsored by Congressman Mike McCormack, along with a bipartisan coalition of 160 other House Members, and by Senator PAUL TSONGAS, along with 21 other Senators of both parties. It established a 20-year accelerated program designed to move magnetic fusion from the research stage into a program of significant engineering development culminating in a magnetic fusion demonstration plant by the year 2000. This accelerated program of fusion engineering development was recommended by three separate prestigious review panels.

Unfortunately, the Department of Energy has failed to adequately implement requirements of the act and is attempting to maintain the program in a research only mode, thereby delaying indefinitely the engineering initiatives called for in the 96th Congress. While we all are strong advocates for basic research, I believe that now is the time to reemphasize the fusion program's thrusts to initiate a significant engineering development phase, to encourage industrial involvement in fusion energy, and to advance alternate fusion concepts as mandated by the act. I am convinced that we can maintain these thrusts, as well as vigorous basic research efforts within the limited funding base now proposed.

The time has come for Congress to insist that the spirit and intent of the Magnetic Fusion Energy Engineering Act of 1980 be followed. I hope that you will join me in sponsoring the resolution which calls for such a course of action. A list of cosponsors and the resolution follows:

LIST OF COSPONSORS OF MAGNETIC FUSION RESOLUTION

Mr. Fuqua, Mr. Roe, Mr. Flippo, Mr. Young of Missouri, Mr. Walgren, Mr. Gore, Mr. Wright, Mr. Rhodes, Mr. Fazio, Mr. Stratton, Mr. Forsythe, Mr. Mavroules, Mr. Sensenbrenner, Mr. Stark, Mrs. Fenwick, Mr. Pease, Mr. Young of Alaska, Mr. Seiberling, Mr. Shumway, Mr. Kastenmeier, Mr. Fascell, Mr. Trible, Mr. Wilson, Mr. Leath, Mr. Richmond, Mr. Bailey of Pennsylvania, Mr. Simon, Mr. Heftel, Mr. Traxler, and Mr. Minish.

H.J. RES. 513

Whereas the Congress of the United States overwhelmingly approved and enacted into law the Magnetic Fusion Energy Engineering Act of 1980 to establish a national commitment to an aggressive and accelerated research, development and demonstration program on magnetic fusion energy;

Whereas several prestigious review panels have concluded that magnetic fusion energy is technically ready to move into a significant engineering research and development phase;

Whereas the initiation, at this time, of an orderly engineering effort with industry would augment the high quality research efforts of our National Laboratories and universities;

Whereas it is timely to proceed with the construction of experimental facilities in order to derive the necessary engineering and scientific knowledge to bring fusion energy to practical fruition; and

Whereas the long-range, high-risk, high-payoff potential of magnetic fusion energy requires that the Federal Government assume a direct responsibility to demonstrate the scientific and engineering feasibility of the technology: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Government of the United States should maintain a consistent, continuing commitment to the research and development and engineering of fusion energy as embodied in the intent of the Magnetic Fusion Energy Engineering Act of 1980.●

WINDOW OF OPPORTUNITY WITH A NUCLEAR FREEZE

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. MARKEY. Mr. Speaker, last weekend, this Nation witnessed one of the largest demonstrations that has ever been held. More than 850,000 people gathered in New York City Saturday calling for a nuclear weapons freeze. The rally was held as the United Nations is holding its second special session on disarmament.

Across this country, Americans are coming to the sensible conclusion that enough is enough. The arms race must be halted. The window of vulnerability President Reagan speaks of is fictitious. By any realistic measure the United States and the Soviet Union are at strategic parity. Both sides have the capacity to absorb a first strike and still reduce the other to rubble. As Jerome B. Wiesner, professor and president emeritus of Massachusetts Institute of Technology, notes in the July 1982 issue of the Atlantic Monthly, both sides now have a "window of opportunity" to negotiate an end to the arms race.

I commend Dr. Wiesner's article to my colleagues. It provides a very perceptive analysis of why we need a freeze now:

RUSSIAN AND AMERICAN CAPABILITIES

(By Jerome B. Wiesner)

Over the past thirty years, the nuclear-arms race has been propelled by political tensions, by technical innovations, and by rivalries inside the governments of the United States and the Soviet Union. But at the moment, on the American side one overriding concern promotes the buildup of nuclear weapons—the fear that the United States might be denied its ability to inflict a devastating retaliatory blow if the Soviet Union struck first. This fear presumes that a nuclear war, far from being an act of mutual annihilation, might be a controllable, survivable, even "winnable" encounter, and that the Soviet Union may be better equipped than the United States to prevail in a nuclear war.

Such an anxiety, if well grounded, would compel any responsible American leader to search seriously for new nuclear-weapons projects, beginning with the MX missile and perhaps extending to antiballistic-missile systems and greater efforts for civil defense, in the hope of redressing the balance. The Reagan Administration, of course, is pushing ahead on several such fronts and says that it cannot persuade the Soviet Union to negotiate for reductions in strategic weapons unless we first show our determination to increase American strength. Even if the strategic-arms-reduction talks (START) that President Reagan has proposed eventually lead to an agreement, that welcome development would not come sooner than several years from now. In the meantime, American policy need not be driven by a fear of a Soviet first strike. Instead, it should rest on a recognition of the basic reality of the nuclear age: that the only option open to either the Soviet Union or the United States is deterrence. Given today's weapons, neither side can do anything to protect itself against the retaliatory threat the other poses; by the same logic, neither side need fear that its threat to the other will be called into question. This balance hardly justifies political or moral complacency. Because of the catastrophe that would occur if deterrence failed, our best efforts must be directed to preventing the circumstances in which nuclear weapons would ever be used. But the concept of deterrence suggests a very different direction for American action from the one indicated by anticipation of a Soviet first strike.

The current era has often been spoken of as a "window of vulnerability," in which America's nuclear force is uniquely at risk. But it can instead be a "window of opportunity" in which to negotiate an end to the arms race. The most obvious and the most sensible step for the United States at the moment is to add nothing to our nuclear forces, and to seize this opportunity to press for a freeze on the development, testing, and deployment of all nuclear weapons and new delivery systems by each side.

As has happened before in the arms race, we have been told that technical progress has created a theoretical vulnerability for our force. The Soviet missile force has increased in size and accuracy, and supposedly poses fresh dangers to our land-based nuclear missiles. The Soviet Union's theoretical ability to destroy nearly all of these missiles in a surprise attack, it is argued, will psychologically upset the balance of deterrence, and will thereby make the United States vulnerable to Soviet blackmail. This will

happen, it is further argued, even though the great majority of the American nuclear weapons are carried on bombers or by ballistic-missile submarines, rather than by the Minuteman and Titan missiles that are based in silos throughout the Midwest. An American President might be afraid to retaliate after a Soviet attack on the U.S. missiles, because the Soviet Union would then respond with a major attack on American cities. The conclusion of this line of reasoning is that the U.S. cannot contemplate any slackening of the pace until it has redressed the imbalance by building the MX missile or other systems.

I accepted this scenario myself until I made a few simple calculations concerning how vulnerable the Minuteman system actually is and what the strategic situation would be even if it were somehow totally destroyed. It emerges from any such calculation that neither side can escape the risk of devastating retaliation if it launches a preemptive attack. This is the only vital issue for each side—the actual capabilities for responding after attack, not guesses about what the other side's intentions might be. Intentions may change, and they are always difficult to discern. But the meaning of the capabilities is unambiguous: under present technology, either side could devastate the other after enduring any conceivable attack.

The U.S. has more deliverable nuclear warheads than the Soviet Union does. A 1978 study prepared for the Congressional Budget Office estimated that in the mid-1980s, when the "window of vulnerability" will allegedly stand open, the U.S. will have 13,904 warheads on its strategic delivery systems, versus 8,794 for the Soviet Union. The Soviet Union, for reasons we have never fully understood, has chosen to build missiles larger than ours, with larger warheads; and its force, though smaller in numbers, contains more "equivalent megatons" than ours does. (The measure "equivalent megaton" takes account of the fact that small nuclear warheads do proportionately more damage than large ones, since the area a warhead destroys does not increase linearly with the size of the warhead.) The same Congressional Budget Office study estimated that in the mid-1980s the U.S. force would represent 4,894 equivalent megatons, versus 8,792 for the Soviet Union. Paul Nitze, of the Committee on the Present Danger, which has been among the most strident of the groups warning about a window of vulnerability, has estimated that if both sides built up to the limits allowed by the SALT II treaty (whose ratification the committee opposed), the U.S. would have 12,504 nuclear warheads and the Soviet Union 11,728. It foresees roughly the same advantage for the Russians in equivalent megatons as does the Congressional Budget Office.

Of the 13,000 to 14,000 warheads projected for the American force, roughly 2,100 are on the Minuteman and Titan missiles. The land-based force represents some 1,507 equivalent megatons. Therefore, if every single Titan and Minuteman were destroyed in a successful surprise attack, the U.S. would be left with somewhere between 11,000 and 12,000 nuclear warheads. The submarine fleet would account for approximately 6,000 of these weapons, and the rest would be carried by bombers. All together, these remaining American warheads would represent about 3,500 equivalent megatons.

In planning American nuclear forces in the early 1960s, Robert McNamara came to the conclusion that 400 equivalent megatons would be sufficient to inflict unacceptable damage—and that the U.S. could have absolute confidence in its deterrent if it built such a retaliatory capacity three times over, once on the bomber fleet, once on land-based missiles, and once with the submarine force, for a total of 1,200 equivalent megatons. In other words, the 11,000 or 12,000 warheads, representing 3,500 equivalent megatons, that the U.S. would retain even after a perfectly successful first strike against our land-based missiles would be three times larger than the force that was itself designed to be able thrice to destroy the Soviet Union. The accuracy of nuclear weapons has improved since McNamara's day, further increasing their effective power. These figures do not even count the several thousand American warheads that are left in Europe and other parts of the world, some of which could be used for retaliation.

Nearly all scenarios for a first strike assume that an attacker would have to target two warheads against each missile silo it hoped to destroy. The U.S. has 1,000 Minuteman missiles and several dozen Titans. The Soviet Union would, therefore, have to devote about 2,200 warheads to an attack. The most generous estimates put the mid-1980s Soviet force at slightly fewer than 12,000 warheads; so after launching its first strike, the Soviet Union would end up with fewer than 10,000 warheads, or several thousand fewer than the United States.

So far, these calculations have been based on extreme assumptions: that the Soviet Union would be able to destroy totally the force of Minuteman and Titan missiles, but that it would leave the submarine and bomber fleets intact. More realistic assumptions yield the same conclusion: that a first strike would be suicidal irrationality, which is the premise upon which deterrence is based.

Moreover, first-strike scenarios rest on the assumption that large numbers of men and machines will perform exactly as planned. The weapons used in a first strike would have to perform reliably and very accurately, and the detonations of several thousand warheads would have to be coordinated with perfect skill, or else the whole scenario becomes immediately implausible. Yet no complex system ever works as predicted when it is first used. In carefully controlled tests, involving small numbers of weapons, it may be possible to attain the levels of accuracy required for a first strike, but I am convinced that the necessary levels of accuracy and reliability are simply not attainable in a operational force. It would require many more test flights than either nation normally conducts to get enough data to establish the actual facts about these systems. How many trial runs of a surprise attack could the U.S. or the Soviet Union carry out?

Three factors make it seem especially unlikely that a surprise attack could be successfully carried out. First, the accuracy of the attacking warheads is uncertain. Because their targets, the missile silos, are so greatly "hardened" warheads must come much closer to a silo than to "softer" targets to do damage. But it may be impossible for either side to know how accurate its warheads will be when they are fired in large fleets on a trajectory that has never before been tested.

Second, the reliability of the missiles themselves is open to deep question. Optimists assume that 80 percent of the missiles that are fired will perform satisfactorily. The likely rate may be closer to 50 to 60 percent. This would mean that even assuming maximum accuracy and accepting the formula that two warheads fired at a silo will have a 95 percent probability of destroying it, the Soviet Union might fire 2,200 warheads at our missiles and destroy only 500 to 600 of them.

Third, such an exercise would require prodigious feats of timing. It would involve very precise firings of the individual missiles, so that the two warheads attacking each Minuteman would be so perfectly spaced that the detonation of the first would not destroy the second, and warheads attacking neighboring sites would not disable each other. (These very probable accidents are know as fratricide.) A successful first strike would depend on flawless communication within the Soviet command structure. It is generally recognized that the command-and-control system is the weakest link in the nuclear forces of both sides.

In principle, the Soviet Union could improve its possibilities of success by firing more than two warheads at each missile, but then the potential for destructive interference becomes even greater, as do the complications of command and coordination. Most experts believe that two warheads per target is the practical limit.

All in all, the result is this: even after a surprise Soviet attack on the American Minuteman force, U.S. strength would actually be slightly greater than the Soviet Union's. If the Soviet Union could carry out the worst attack that the alarmists have been able to imagine, the United States would not only retain its relative position but would have enough nuclear weapons to destroy several Soviet Unions. And by the same logic, the Soviet Union would certainly retain the capacity to inflict unacceptable punishment on the United States, no matter how large and clever a surprise first strike the U.S. were to launch. Theorists may claim that it would not be "logical" for the side that had endured the first strike to order a retaliation, since that would lead to further devastation, but such forbearance on the part of a badly wounded but still armed nation is hard to credit.

Theorists defending the first-strike hypothesis often refer to the issues of the Cuban missile crisis. In 1962, the U.S. had many more nuclear weapons than the Soviet Union, and this superiority, many advocates of the MX now say, forced Nikita Khrushchev to back down. But in the early sixties, the Soviet Union had so few deliverable nuclear weapons that its leaders had legitimate reason to fear that a first strike might take away their ability to threaten destructive retaliation. The imbalance may have affected Soviet behavior—although American superiority in conventional naval forces seems to have weighed more heavily in the Soviets' calculations. At the comparatively low levels of nuclear weaponry of twenty years ago, a difference in size between the arsenals could have political significance; indeed, much of the impetus in American policy has been to regain the first-strike potential the U.S. enjoyed for many years. But when each side has a super-abundance of weaponry, which is the case today, small differences in size no longer matter.

At the moment, neither the United States nor the Soviet Union has a meaningful strategic advantage. A window of vulnerability does not exist. Furthermore, it is almost impossible to imagine how either side could achieve a usable advantage. Both sides are thoroughly deterred from using their strate-

gic forces, because a decision to use them would be a decision to commit national suicide. And this seems sure to remain true no matter what either side deploys in the way of new weapons.

Though the Soviets might theoretically increase the capacities of their missiles in such a way as to pose significant new threats to the Minuteman force, it would require a major breakthrough in both technology and production to do so. The same is obviously true for American forces. The MX and the cruise missiles based in Europe might be the American entry into such a competition. But at the moment, such capabilities do not exist and so cannot be deployed. Thus, now is the time for a disarmament agreement, one that would freeze all missile developments, leaving both sides with an unquestioned deterrent but without any plausible threat of a first strike. Now we have a "window of opportunity" for safer, saner alternatives to a major arms buildup. This might mean ratification of the SALT II agreement, whose limitations the Reagan Administration has so far chosen to observe, or a comprehensive freeze on the testing and development of nuclear weapons, which I favor.

An agreement to halt all testing of nuclear weapons, and of the vehicles that would deliver them, could dramatically change the political cloud that surrounds these weapons. Military technologists will strenuously resist the enactment of any such program. They will be reluctant to give up new weapons already in the pipeline. Moreover, they will maintain that if they cannot test-fire weapons, they cannot guarantee that they will work as planned. That is true, but scarcely a problem. While no one could be sure that the weapons would work as planned—which further reduces the certainty essential for a first strike—neither could anyone be certain that they won't work. They would not suffice for pre-emptive attack, but they would still represent a secure deterrent.

If this opportunity for arms control is not taken, the job will only grow more difficult in the future. The weapons of today are easy to count and monitor, but those of tomorrow won't be. The cruise missile, the stealth bomber, and far more accurate guidance systems would lead us to a nightmare world, one in which our fears would increase. That is why the opportunity must be seized now.

A limited solution to the arms race is not pleasing to many religious and ethical leaders who are emphasizing the immorality of relying on the very weapons that may threaten the extinction of the species. For contrary reasons, a nuclear-arms freeze irritates conservative political leaders, who imagine that this dimension of military force should somehow be made more "usable," and who object to a policy—deterrence—that places the civilian population of the nation at risk. Deterrence is unsatisfactory—except by contrast with the alternatives. The weapons that create the threat of annihilation cannot be uninvented. The sad fact of this era is that our populations cannot conceivably be protected except through political skill and courage applied to the task of minimizing the chances that nuclear weapons will ever be used.

Seizing this opportunity to freeze the arms race would be one demonstration of such skill and courage. It would free both sides from the fear of a first strike and would leave them with such security as a deterrent can provide. It would set the stage for further safety measures, including the reduction of nuclear forces. Meanwhile, the fear of unknown new weapons would be eliminated. And with less money devoted to strategic nuclear weapons, more would be available to repair the deficiencies in our conventional forces, to right the economy, and especially to work on the ever-growing set of civilian problems facing the world.●

JOHN G. WELLMAN

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. NAPIER. Mr. Speaker, the Sixth District of South Carolina, and our Nation owe much to a man who works for the enrichment of many lives, yet takes little credit for his deeds. This man is perhaps as well known among international and national circles as he is among his local fellow citizens of Johnsonville, S.C. A friend, a brilliant businessman, and a statesman who asks for no laurels, John G. Wellman serves his community and fellow man with a strong energy and will to meet his personal and professional goals, yet always retaining a warm compassion for others.

The many contributions John Wellman has made were recently recognized by in an editorial written on his behalf and featured in the News, the weekly newspaper published in Kingstree, S.C. I would like to share the comments made in that article so that others may pause for a moment to recognize this "valued leader."

[Editorial from the News, May 13, 1982]

VALUED LEADER

Three weeks ago, Robert Leak, executive director of the South Carolina Development Board, stood before a couple of hundred business, political and community leaders of Williamsburg County and told them how valuable John Wellman is to South Carolina.

He also noted that Mr. Wellman, who had just been named "Industrialist of the Year" by the county development board for building a meat packing plant near Indiantown, is occasionally hounded by development boards in other states, hoping to lure him and Wellman Industries away from South Carolina.

"Don't ever take him for granted," said Mr. Leak.

Awards and praise are probably not as important to Mr. Wellman as lower interest rates and revised import laws for this country. However, Mr. Wellman has done so much for so long that it is easy to, as Mr. Leak fears, take our transplanted-Yankee friend for granted.

Most of Mr. Wellman's contributions to the state no doubt get little public recognition. But those that do give a picture of the scope of the man. Besides the recent construction of a "garbage-to-energy" plant in Johnsonville and the meat packing plant, Mr. Wellman has also found time to volunteer his efforts to raise funds for black colleges in South Carolina while his company has announced plans for construction of town houses in Johnsonville.

His barbecue receptions near his home at Nesmith bring the state and nation's highest ranking officials to Williamsburg County. It is a wide path he walks—rubbing elbows with the mighty while funneling his considerable clout to raise funds to help educate minority students.

He is one of the few non-elected people in South Carolina who has probably had a hand in doing something for every person in the state, either through his work on the state development board, as president of the state chamber of commerce, through his industries here and abroad, and through his fund raising.

Let us not take him for granted.●

MARITIME DAY

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. BREAUX. Mr. Speaker, at a time when the Congress and the administration is working to formulate a comprehensive new maritime policy for our country which would stimulate a deregulated, competitive maritime industry, I believe that it is appropriate to bring to the attention of the Congress some recent remarks delivered by the president of Delta Steamship Lines, Inc. Mr. Andrew Gibson delivered these remarks at a Maritime Day ceremony in Los Angeles on May 19, 1982.

ADDRESS TO THE PROPELLER CLUB OF THE UNITED STATES BY ANDREW E. GIBSON, PRESIDENT, DELTA STEAMSHIP LINES, INC.

"The United States is in trouble. We have watched the steady erosion of United States power and the decline of our influence during the past few years. We have watched the Soviet Union and several third world nations take increasingly aggressive actions against the interests of the United States and our allies, and even against smaller neutral nations. We have lost our place as the logical focal point for free world policy and action.

"The cost to the United States has been a loss of prestige and influence, and these, in turn, have had a direct negative impact on . . . our relations with the rest of the world.

"This adverse situation has occurred because of the lack of leadership within the White House and the subsequent loss of leadership by the United States as a nation. Nowhere is this loss of leadership more evident nor more dangerous than in the decline of both our Naval forces and our Maritime Industry.

"This decline occurs at a time when the United States is more dependent upon the use of the seas for our political, economic, and military well-being than ever before in our history."

My opening remarks on this Maritime Day are not intended as a criticism of the current Administration, but rather to serve as a reminder of the unqualified commitment made during the past election campaign by the then Governor Reagan, for the foregoing is his assessment of our nation's loss of maritime supremacy, not mine.

Almost two years ago, the President laid out a realistic framework for a new maritime program. At the center of this plan was

recognition of the threat to our national security and economic wellbeing posed by this nation's maritime decline. The President's policy statement did more than catalogue our deficiencies. It identified several elements of a specific integrated program intended to respond to the growing American maritime crisis.

The United States Merchant Marine is an economic and increasingly geopolitical asset without parallel in time of peace and an essential adjunct to our military in time of emergency. There is, and always has been, universal agreement that sealift is absolutely essential to the success of U.S. military strategy and to the execution of our military contingency plans. To quote former Joint Chiefs of Staff Chairman, Admiral Thomas H. Moorer, "There is no war plan, no contingency plan in the entire inventory in the Pentagon that does not assume at the outset that we are going to control the seas and have the ships necessary to support the air and armed forces we put ashore."

Because of heavy mechanization and volume of fire power, enormous quantities of combat consumables are involved in the movement and support of modern ground forces. About 100,000 tons of cargo must be moved with the deployment of a mechanized division and more than 1,000 tons per day must be delivered for its support. During Vietnam, more than 95 percent of all support went by sea. One modern merchant ship has the capacity of 150 of our largest cargo carrying aircraft. To put this in a more topical context, our entire airlift capacity would take three days of continuous operation to deliver the support to the Arabian Gulf provided by the arrival of a single cargo vessel.

In any major general war scenario in the past, we have anticipated sealift help from the merchant fleets of our allies. Indeed, until very recently, the availability of the NATO fleet was assumed in all of our mobilization planning. The more likely emergency rather than general war is a limited conflict similar to Korea, Vietnam, or the Falkland Islands. Southwest Asia (The Middle East-Arabian Gulf Region) is a theater of critical importance to the United States politically and for the security of petroleum supplies of the United States and its allies. The probability of continued trouble in this region is high. Accordingly, the United States established a new area command, the Southwest Asia Command, and the rapid deployment force is being initially tailored for operations in this theater. However, for the deployment of U.S. forces into Southwest Asia in a contingency operation, The United States must depend upon U.S. Flag shipping. History has repeatedly and consistently demonstrated that our allies are not going to participate in operations involving Arab or Moslem countries. The threat of the oil weapon to their own economies is simply too great. Hence, we must look exclusively to our own resources to sustain our national interests.

Former Chief of Naval Operations Admiral James L. Hollaway, III estimated in recent testimony before the House Seapower Subcommittee that engagement of the rapid deployment force in Southwest Asia would require the continuous commitment of about 350 cargo ships. To appreciate the extreme gravity of this fact, we must look at the surge capacity of total U.S. sealift assets at the three points in time following World War II when their availability was critical to the United States. Our total sealift assets in general consist of the Military Sealift Command Controlled Fleet, the National Defense Reserve Fleet, and the Commercial vessels flying the U.S. flag. During Korea, this combined sealift capacity included more than 2,400 vessels, 16% of which were used to support that conflict in 1953. In 1967, at the height of our Vietnam sealift requirements, over 500 vessels were used, representing over 40% of our sealift capacity of 1,200 vessels at that point. Today, the United States' inventory of vessels suitable to provide the dry cargo support for military operations consists of less than 450 vessels, 140 of which are World War II freighters in the Reserve Fleet. The reliability or our Reserve Fleet to support any serious military operation is highly questionable.

Admiral Holloway's 350 vessel estimate to support a Middle East engagement represents 81% of total United States sealift assets. The bald fact is that the United States has virtually no surge capacity left in the sealift area. The British today are using more merchant ships in the Falkland Islands than we have available in our entire Ready Reseve Fleet. In a conflict of any serious dimensions we simply would not have the ships to respond without complete abandonment of the U.S. Flag presence from our commercial trade lanes. This would be an abandonment from which U.S. Flag shipping would probably never recover.

Placed in this context, the attacks from the Office of Management and Budget on our meager maritime support programs are completely incomprehensible. This administration is committed to spend over $6 billion to provide the rapid response logistical capability to support our rapid deployment force. The core of this capability will be a single purpose fleet of rapid deployment vessels to provide the first strike. However, the implementation of the dual use concept underlying Merchant Marine policy seems to be almost totally ignored. The tremendously expensive and economically non-productive rapid deployment force will be of little use if we lack the second and far deeper line of logistic defense which our Merchant Marine has always provided. For the price that our government appears willing to pay for the rapid deployment vessels, a seaman's wage differential program sustaining over 200 merchant vessels for twenty years could be mounted. The appropriate budgetary focus on our Merchant Marine Program, therefore, should be the cost effectiveness of our overall sealift and seapower program. Without such a focus, it appears that our commercial Merchant Marine, and with it, what remains of our seapower, will simply be budgeted into oblivion.

A recent editorial in the Wall Street Journal asked the question, "Could the U.S. sealift handle a crisis?" and went on to say "Just as one thought we had entered the space age, the Falklands crisis has awakened us to the important role Naval forces still play in strategic conflicts. Seapower—which includes the vital component of carrier-based aircraft—allows a nation to project its forces and influence to those areas essential to its interests. The USSR has recognized this and has acted accordingly. It has embarked over the last decade on an aggressive program of lining up bases and friendly allies—big and small—along vital sea routes while at the same time modernizing its own Naval forces.

"In this context, the Falkland Islands conflict underscores the severe problems the U.S. military would confront if faced with a similar situation in the Persian Gulf or some other distant point."

You might think that the Falklands conflict would have put into clear focus the woeful inadequacy of our sealift capacity, but, you would be wrong. To demonstrate its consistency, the Office of Management and Budget chose last week to unveil its latest diatribe against the U.S. Merchant Marine, concluding with the type of self-asssurance that can only be derived from profound ignorance, that there is little justification for a major world power such as the United States to support a merchant fleet. Their judgment can best be described as one which knows the cost of everything and the value of nothing.

In Japan, on the other hand, the Merchant Marine is viewed as an integral part of that country's controlling economic gameplan—to import raw materials, process them, and export high value finished products. It is no accident that 40% of Japanese trade moves on Japanese ships. It is not a matter of the lowest cost. Japanese seamen certainly are not hired at a minimum wage. Manning their ships with Koreans, or Taiwanese would be much cheaper, but for reasons that make sense to them, they proudly fly their own national flag and understand its value. This is also true of the major trading nations of Western Europe.

I am certain that today's leading exponent of seapower—the Soviet Union—gave traditional economic analysis little consideration as the Kremlin leaders developed the most extensive economic and political force on the oceans today, a force which is increasingly effective in facilitating Soviet intrusions into the trouble spots of the world.

Of the major powers, only the United States appears unable to undertake a sustained and cohesive program to promote a Merchant Marine within the context of its total national interests.

As President Reagan remarked in the statement which I previously quoted, "The erosion of American Maritime pre-eminence is unnatural and untimely. The United States has a heritage of the sea that predates the founding of the Republic. The oceans—and the ships—and men that sail on them—have been a prominent factor in shaping virtually every crucial moment in the Nation's history."

He went on to say, "It is becoming increasingly apparent that our pluralistic approach to maritime policy permits our competitors to pull further ahead and fails to make optimal use of our maritime resources. We might profitably observe the example of our principal political adversary, the Soviet Union, for this formerly land-oriented nation has grasped the value and relevance of a coherent, focused, and consistent national maritime policy."

Our President clearly understands the desperate need to rebuild our Nation's defenses and to reverse the growing decline of our maritime resources. He understands that the "sophisticated justification for impotence" expounded as a national policy in the last administration and unfortunately continued by some in his own, cannot be tolerated. It can only be hoped that on this Maritime Day that it is not too late to begin to develop a complete maritime strategy of which a strong, competitive, and growing Merchant Marine is an integral part.

Thank you.●

SHOULD BE CRUSADE FOR NEXT TAX PLAN

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. SILJANDER. Mr. Speaker, the flat rate income tax is one of the most exciting tax reform ideas to come up in a long while. The time is long overdue for Congress to take a hard look at the swamp which our Tax Code has become.

The flat rate proposal has the great advantages of exquisite simplicity and fairness: Everyone would pay the same fraction of their income to Uncle Sam, with severely limited exemptions or deductions. By instituting the flat tax, we would curb the excessive powers of the IRS, and tear out hundreds of pages of IRS regulations. We could get rid of long forms, short forms, and all the concommitant headaches. Taxes could be filed on a post card.

H.R. 6352, the Flat Rate Tax Act of 1982, introduced by my distinguished colleague, RON PAUL, deserves careful attention. Nationally syndicated conservative columnist John Chamberlain agrees. I commend his editorial, printed during the first week of June, which follows:

SHOULD BE CRUSADE FOR NEXT TAX PLAN

I'd like to see some estimate of the production that is lost in March and early April because of the necessity of dropping everything to figure the income tax. There must be a correlation between hours spent in emptying desk drawers of fugitives but important items and the colds that are caught because of lost sleep.

I am not being facetious about this: I have seen the doctors' bills that can be a result of trying to meet the demands of a 1980 tax audit during the same weeks in which the 1981 forms must be deciphered and proper projections made for 1982.

Every year it's a nightmare for those who make their living trying to piece together income from a variety of sources. It isn't a question of high or low marginal rates—the complexity of the process remains the same no matter what your tax bracket. So, when Republican Rep. Ron Paul of Texas introduces legislation in the U.S. House of Representatives to establish a "flat rate" income tax, it ought to be the signal for a crusade.

The idea was proposed some time ago by Milton Friedman, but it had come to nothing because of the fear that the rich would be getting away with something if taxes were the same for everybody above a downside cut-off point at the $10,000-a-year line. But now that it has become apparent that it is the middle classes, struggling against bracket creep, that pay most of the taxes while the rich buy tax-exempt bonds, maybe the Ron Paul bill will get some discussion.

Ron Paul has been likened to the man that Diogenes never managed to find. He is so intellectually honest that he voted against space appropriations even though some of his Houston-area constituents live by them. The Paul bill would establish a flat 10 percent tax on gross income above the $10,000, those below the poverty line would be protected. Milton Friedman's original idea was to give low bracket people a sum of money in the form of "negative income tax," which would enable the government to get rid of much of its welfarist bureaucracy without depriving anybody of an accustomed entitlement.

Under the flat rate system all exclusion, credits and so-called tax loopholes would be done away with. "The advantages of a flat rate," says Paul, "are numerous. First of all, it would simplify what has increasingly become an extremely confusing and costly process. Current tax laws are so difficult to understand that four out of ten taxpayers now hire professionals to fill out their return."

The cost of complying with the regulations has been cited as $60 billion a year for individuals, a sum that doesn't include the billions spent by government to process returns. "A flat rate," says Paul, "would virtually eliminate these problems. Instead of pages and pages of tax returns, taxpayers would only file one simple page."

With tax brackets above the $10,000 mark eliminated, there would be no more bracket creep. Inflation, if it were to continue, would hit everyone alike. But with people keeping 90 percent of their incomes, the industrial system would surely hum with new investment. Prosperity would eliminate much of the need for government borrowing and the inflation itself would disappear.

Ron Paul's figures are not the same as Milton Friedman's. Where Paul would limit the government to a 10 percent "tithe," Friedman has said that a 15 or 20 percent tax might be needed to pay the government's bills. Friedman once calculated that a 20 percent flat tax would raise just as much money as a progressive tax.

The exact figure could be subject to change. The important thing is to rid ourselves of the debilitating cumbersomeness of the present system, which is maddening in the extreme.●

THE JEWISH STANDARD NEWSPAPER SALUTED ON ITS 50TH ANNIVERSARY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. GUARINI. Mr. Speaker, the month of June marks the 50th anniversary of a fine weekly newspaper which has been a most important component of the family and business community in New Jersey.

The newspaper is the Jewish Standard, which has as its publisher and managing editor Morris J. Janoff. The Standard has been the voice, the heart, and the hand of the community for over a half century and is always at the vanguard of issues which point to the need of freedom and peace throughout the world.

I am sure we will all agree that newspapers; namely, the printed word, more than any other form of communication, is the force that holds a people together, the heart and blood of a communal society. By words do we know one another, and by words are we made strong and free.

I would like my colleagues to meet Morris J. Janoff, the central figure in this excellent newspaper. Morris Janoff has dealt in this commodity all his adult life. It is his perception of sanctity and value that has made the Jewish Standard, the weekly newspaper he edits and publishes, the voice of the Jewish community of Hudson County for a half century, and now in Bergen County as well.

By honoring the longevity of the Jewish Standard and its emphasis on the good and welfare of Israel, the Jersey City community and the State of Israel Bonds Committee pays tribute to Mr. Janoff as well. He has visited Israel four times, is a pioneer investor in State of Israel Bonds, and early on was an active member of the Bonds Committee.

A responsible editor is, in a sense, a leader and the guardian of his community. Mr. Janoff is thus widely affiliated and recognized. He is a founding member and three-term president of the American Jewish Press Association, a member of the board of directors of the Jewish Hospital and Rehabilitation Center of New Jersey, a founder of the Yeshiva of Hudson County and the Congregation B'nai Jacob, and he is an honorary chairman of the Poale Zion Harriet Chasan Scholarship Fund.

Mr. Janoff is listed in "Who's Who in World Jewry" and has received the President's Yasher Koach Award of the Conservative Movement and the Certificate of Honor from the National Federation of Jewish Men's Clubs.

He has been designated a "Man of the Year" by the North Hudson Women's Group, American Jewish Congress, and he has the Histadrut Distinguished Service Award. He has been cited by Deborah Hospital; Grover Post, Jewish War Veterans; United Jewish Appeal and North Hudson UJA, and by State of Israel Bonds. In June 1964, more than 70 organizations joined in a salute to Mr. Janoff at a dinner in the Jersey City Jewish Community Center.

Among his memberships are the Teaneck Jewish Center, B'nai B'rith of Teaneck and Solomon Schechter School, Teaneck; Hudson County Mental Health Association and the Jewish Chamber of Commerce; Liberty Lodge, Knights of Pythias, American Red Mogen David, and the Zionist Organization of America.

Mr. Janoff is a graduate of the former New Jersey Law School. He lived in Jersey City before moving with his family to Teaneck. He and his wife, Ruth Perlman Janoff, have two children, son, James and daughter, Beth Chananie, of Bergenfield, who this month presented him with his first grandchild, Joshua Chananie.

Morris J. Janoff richly merits this salute. His keen understanding of the importance of Israel Bonds in financing the development of Israel's industrial and agricultural projects has enabled the Jewish State to build on solid economic foundations for peace in this decade.

On March 29, 1982, the New Jersey State Senate adopted a resolution presented by Senator Matthew Feldman as follows:

Whereas, The Jewish Standard which under the noble leadership of its Publisher and Managing Editor, Morris Janoff, is celebrating its Fiftieth Anniversary; and

Whereas, The Jewish Standard since its birth in 1932 has been a beacon of communication for the Jewish community in Hudson and Bergen Counties; and

Whereas, Under the outstanding leadership of Morris Janoff, the Jewish Standard has become an internationally recognized and acclaimed journal that portrays Jewish life at home, in Israel and in the far corners of the world; and

Whereas, It has also been an indomitable force that has fostered good will and a spirit of understanding between people of all cultures and ethnic background in the State of New Jersey; and

Whereas, Morris Janoff has received numerous awards and other accolades for his leadership in the community and is also a founding member and three-term President of the American Jewish Press Association; and

Whereas, Morris Janoff has been ably assisted by Meyer Pesin; and,

Whereas, The Jewish Standard has served the needs of the community by its accurate, exhaustive coverage of local and world events and has helped spark and uphold the great sense of solidarity and philanthrophy that are the mainstays of the Jewish Community; and

Whereas, The people of the State of New Jersey are proud and grateful of the vital contributions made by the Jewish Standard to the enlightenment of the entire state; now, therefore,

Be it Resolved by the Senate of the State of New Jersey:

That this House hereby pays tribute to Morris Janoff for the extraordinary contribution that the Jewish Standard has made to the people of the State of New Jersey and extends best wishes for success in future endeavors; and,

Be It Further Resolved, That a duly authenticated copy of this resolution signed by the President and attested to by the Secretary, be transmitted to Morris Janoff.

Signed by Carl D. Orechio, President of the Senate, and attested to by Robert E. Gladden, Secretary of the Senate.

The Jewish Standard and the Janoff family have done such an outstanding job I am sure that all of my colleagues in the House of Representatives wish to join with me praising them in fighting bigotry. As Daniel O'Connell so eloquently described:

Bigotry has no head and can not think, no heart and can not feel. When she moves it is in wrath; when she pauses it is amid ruin. Her prayers are curses, her God is a demon, her communion is death, her vengeance is eternity, her decalogue written in the blood of her victims, and if she stops for a moment in her infernal flight it is upon a kindred rock to whet her vulture fang for a more sanguinary desolation.

I express my admiration for Morris Janoff by quoting the following words of Robert Louis Stevenson:

To be rich in admiration and free from envy; to rejoice greatly in the good of others; to love with such generosity of heart that your love is still a dear possession in absence or unkindness—these are the gifts of fortune which money cannot buy and without which money can buy nothing. He who has such a treasury of riches, being happy and valiant himself, in his own nature, will enjoy the universe as if it were his own estate; and help the man to whom he lends a hand to enjoy it with him.

May the Jewish Standard continue to serve for many, many years to come.●

THE 10TH APPRECIATION ANNIVERSARY OF REV. STANLEY W. LEWIS OF THE FRIENDSHIP BAPTIST CHURCH, PASADENA, CALIF.

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. MOORHEAD. Mr. Speaker, on July 24, the members of the Friendship Baptist Church of Pasadena, Calif., will celebrate and appreciate their friend, pastor, and spiritual leader of the past 10 years, the Reverend Stanley W. Lewis.

Reverend Lewis was born on Feburary 19, 1933, in Keithville, La., where he was the 7th of 13 children born to a Baptist minister. At the age of 9, he accepted Christ and was baptized by the late Reverend W. C. Carter at the Galilee Baptist Church in Springridge, La.

He attended the Daisy Grove Elementary School and graduated from Booker T. Washington High School in Shreveport, La. He then served in the armed services for 4 years during the Korean war, after which he married Marion Stenson in St. Louis, Mo.

He pursued a business career until 1961, when he answered a call to the ministry. He was ordained and licensed by the late Reverend Abram Shorts at the Temple Baptist Church of San Bernardino, Calif., where he served as assistant pastor until 1966. He then became pastor of the Mount Olive Baptist Church in Greenwood, La., for 6 years before becoming pastor of the Friendship Baptist Church where he remains today.

Reverend Lewis received a bachelor's of theology degree from United Theology Seminary of Monroe, La., in 1972 and a master's degree from Fuller Theological Seminary in Pasadena in 1977. He is currently a candidate for a doctor of divinity at the Fuller Seminary.

During the last 10 years, Reverend Lewis has been an integral and vital part of the Friendship Baptist Church, founded in 1893 by church patriarchs C. H. Anderson and J. M. Fowler. From a congregation of nine, the church grew in size and strength. Their first church cost $850 to construct on a $400 piece of property on South Vernon Street.

In 1925, the Friendship Baptist Church moved to a new edifice at Dayton and Delacy Avenues. Today, the structure is listed in the National Register of Historical Landmarks, having been designated a historical landmark by the city of Pasadena.

Mr. Speaker, I offer my congratulations to the members of the church on this very special day. I am also grateful to Reverend Lewis for his faith, his devotion, and his many, many contributions to his parishioners and his community.●

TEACHER CENTERS: FORCED UNIONISM VEHICLE

HON. EUGENE JOHNSTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. JOHNSTON. Mr. Speaker, the misuse of taxpayers' moneys by the Government and union officials continues to grow every day. Under the false promise of helping to improve education, officials of the NEA and AFT unions have been using Federal funds to set up teacher centers throughout the Nation. These teacher centers are nothing more than union halls and political outposts. I request the following article be included in the CONGRESSIONAL RECORD, which details how the NEA and AFT union officials have used these centers to perpetuate their goal of compulsory unionism in the field of education.

TEACHER CENTERS: FORCED UNIONISM VEHICLE

(Susan E. Staub)

"When the Indianapolis Education Association went on strike last year professional staffers of the Indianapolis Teachers Center went out too. That's because the center's staff are all members of the local bargaining unit."—NEA Reporter

As school doors opened three years ago September in Indianapolis, most everyone thought the 1979-80 term held great promise. Just a year before, the Indianapolis Teacher Center went into full-scale operation to provide teachers with in-service training. Many thought it was a great idea. Teachers and local citizens of the "Old School" had known about teacher centers for many, many years, though few, if any, were aware of new federal guidelines concerning the centers. What could be better, they thought: A local resource center where teachers and citizens alike could share in the education of their students. A place where teachers could exchange teaching strategies, gain insight and help each other with problems they encounter in the classroom.

Excitement blew in the autumn breeze. Then, suddenly, the teacher center's doors were slammed shut. The community was stunned and dazed. The teacher center's doors were locked—the city left to find out for themselves that its staff was taking part in a violent illegal strike against the Indianapolis School District over NEA's demands that included all teachers be forced to pay compulsory "agency shop" fees to the union or be fired. Now, only too late, citizens could plainly see that the teacher center was just another tool used by the NEA officials to bring the education system to a screeching halt until elected school officials caved in to their ransom demands.

BIG GOVERNMENT BUCKS FOR BIG LABOR

To understand how a private organization—a union—could shut down a federally-funded educational facility to reinforce its demands that Indianapolis school officials force its teachers into an unwanted union, one need only take a simple look at the enabling legislation. Pushed into law under the 1976 Education Amendments, teacher center legislation was written to hand control over to the NEA and AFT officials by permitting each center to be run by a "policy board" comprised of a majority of teachers.

NEA is quick to point out that teacher centers are theirs. Says a recent issue of their monthly newspaper, the NEA Reporter: "Most of the (99) federally-funded teacher centers across the nation were proposed by local education associations with help from the Instruction and Development staff of their state associations and NEA." Admitting that the Carter Administration and NEA teamed together to write the legislation, then-Vice President Walter Mondale came out and told delegates attending the union's 1980 annual convention that ". . . NEA members have been . . . running local teacher centers for years."

Although initially described as being developed to permit "local educational agencies to plan, establish, and operate teacher centers" and provide "additional training for teachers already in service," many teachers centers are being operated against—not for—local school districts. The problem is that no safeguards exist in the legislation to guarantee that the centers are operated to benefit educational systems. In fact, the legislation leaves it to the "policy board" to determine what its needs are.

In 1976, teacher centers were funded with federal tax dollars to the tune of $8.5 million. In succeeding years, NEA and AFT officials lobbied to push federal funding over $13 million, followed with even heftier demands by the NEA officials that funding eventually top one hundred million in order to establish and locate teacher centers in each of the 435 Congressional districts. In June, 1981, the Reagan Administration took a step forward by lopping off $3.9 million of the federal authorizations, but Congress took no action whatsoever to eliminate NEA and AFT's grip over the policy boards. The net effect has only been to save the taxpayer a few pennies, nothing more.

FORTY-ONE TEACHER CENTERS SURVEYED; FORTY-ONE UNION CONTROLLED

Even the most casual look at how teacher centers have become wholly-owned subsidiaries of the NEA and AFT union officials is enough to make one's hair stand on end. A few months back, CEAFU surveyed 41 teacher centers in 24 states and found that every center had strong ties to the NEA and AFT unions. Twelve centers were either staffed or appointed by the union officials. Another 21 centers were set up by union officials and seven were being funded or assisted by the NEA and AFT officials.

The CEAFU findings further show that teacher centers are regularly used for union officials' sponsored workshops, meetings and research. Many centers use the NEA's own "Needs Assessment" surveys for determining policy.

Some of the most blatant examples of federally-funded NEA and AFT union halls include:

The Richland County Teacher Center in South Carolina has received more than $111,000 in federal funds and the "policy board" is chaired by none other than the county NEA vice president, Adelle Adams.

The New York City Teachers Center Consortium is affiliated with Albert Shanker's United Federation of Teachers (UFT) and has its offices at the union's posh Park Avenue building.

The District M Teacher Center in Radford, Virginia, was established with the help of NEA field representative Richard Radin. The center even shares office space with the NEA.

The Western Montana Teachers Center in Missoula has been earmarked for more than $200,000 in federal funds. The policy board is selected by the monopoly bargaining agent.

TAXPAYERS FINANCING GOVERNMENT-UNION DRIVE TO GUT RIGHT TO WORK

That teacher centers are no more than local political outposts and union halls is enough. But the evidence is mounting daily that teacher centers are but one segment of the NEA and AFT grand design to have the Federal Government and taxpayers finance their efforts to force teachers nationwide into paying compulsory union dues.

Soon after the NEA captured the teacher center legislation, they moved on to step two—the Department of Education, which they have openly boasted as their own Cabinet post. At that time, with Jimmy Carter in the Oval Office, control of the teacher centers at the local and federal level had been moved under the NEA's roof at the Education Department.

UNION CONTROL OF POLICY BOARDS MUST BE ELIMINATED ONCE AND FOR ALL

No one—but the NEA and AFT—would dare suggest that the Federal Goverment should carry out the union official dictates to abolish Right to Work through political outposts, such as teacher centers. Clearly, the overwhelming majority of American citizens by every reliable public opinion poll support freedom of choice laws.

What then is the solution? Undoubtedly, it is to prohibit union officials from appointing or assuming a majority status on the teacher center policy boards. Time and time again, NEA and AFT officials are all too quick to take over the boards and determine themselves the policy that will be pursued. As they have amply displayed, NEA's and AFT's policy of compulsory unionism does not fit in with the American citizen's perception of what is best for education.

Slashing the funding for these teacher centers is indeed a first step, but only a first step in which the second must be to abolish union control over the center's policy boards. To ignore this last and most important step will only insure more militant, vicious, taxpayer-financed strikes against the public.●

HAS AMERICA ABANDONED OUR MIA'S?

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. GILMAN. Mr. Speaker, patriotism is a rare quality, and patriotism that takes the form of good works and unselfish actions is even rarer. In my congressional district in New York, there is an individual who embodies the qualities that our Founding Fathers wrote into our Declaration of Independence. Walter Otto of Middletown, N.Y., is a man who loves our country and is working to preserve the fine things that our Nation has given generations.

One of Mr. Otto's deep concerns is the issue of our 2,500 Americans still missing in action in Southeast Asia. Like many other Americans he believes that our Government could be doing much more to secure information and remains from the Vietnamese Government.

I share Mr. Otto's concerns and have attempted on many occasions to press our Government, and the governments in Southeast Asia to provide us with further information leading to a full and final accounting of our missing in action.

Mr. Speaker, I am inserting at this point in the RECORD, so that my colleagues and all Americans might share this wonderful piece, a poem by Walter Otto, about our missing in action. I am certain that his sentiments mirror those of many of my colleagues:

HAS AMERICA ABANDONED ME?

How long do I rot here, Uncle Sam?
Not that I think you give a damn.
It's been years since I heeded our government's call
To engage in a war I didn't believe in at all.
But true to my country I went its way,
Girded my loins and entered the fray.
Rose to your needs to wage war from the air
But, of mine, I'm sure, you don't really care.
Got slammed by a rocket from a missile site
That downed the Phantom one gloomy night.
Paraded then—down the streets of Hanoi,
A parody of pride for an American boy.
Since: Caged like a beast—rotting away now for years.
Is my country shedding but crocodile tears?
I loved you enough for supreme sacrifice
But, Sam, about you, how worthy my life?
Am I just for using, to be cast then aside?
Have my country's gratitude spokesmen but lied?
It's been years since my family had some word of me.
Don't know if I'm dead or roaming part free.
My child's growing up not knowing his dad.
His father thinks he may have been had.
No, not by the enemy—he knew how they'd be,

But by his own people, a sad infamy.
For He'd given his life if that was need be,
But his uncle, in turn, won't see that he's free.
A sad foreboding when the nation, no trust,
Escapes, it thinks, from God's Law that is just.
Deceives its youth and wastes them like dirt—
Thinks them forgiving of this terrible hurt.
Oh no, Sam, you're cracking the nation's foundation
Each boy that you leave in practiced desertion.
You've lost, Sam, your claim to all that is moral.
The world can't respect you—your conduct immoral.
Come back to your senses—rescue your own
Hanoi will listen to a voice firm of tone.
Let once again honor cry loud from the steeple,
"Of the people, by the people, for all of the people."
Including your heroes still jailed out of sight.
No cost too high—in using your might
In freeing your loyal sons lost in the fight.●

A SECURE SOCIAL SECURITY FOR ALL AMERICANS

HON. MERVYN M. DYMALLY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. DYMALLY. Mr. Speaker, I am pleased to bring to the attention of the Members the position on social security taken by the Gray Panthers in the 31st district.

The Gray Panthers believe that social security is, and must remain, a national priority. It is a contract between the American people and their elected officials to provide every citizen with the dignity of financial independence. The preservation of social security is a question of priorities and politics, not economics. The Gray Panthers believe that the system's financial problems can be resolved through a number of actions.

Social security now provides for many retirees a primary or only source of income. It assists orphaned children of workers, widows, the disabled, and the Nation's older Americans. The American people deserve nothing less than our very best efforts to assure that the vital social security system remain strong.

Mr. Speaker, I request that the Gray Panther position paper entitled, "A Secure Social Security for All Americans" be printed in the RECORD. I would encourage each Member to read and carefully consider its message.

A SECURE SOCIAL SECURITY FOR ALL AMERICANS: A GRAY PANTHER POSITION PAPER

WHERE WE STAND

Gray Panthers believe that Social Security is a contract between the American people and their elected government to provide every citizen with the dignity of financial independence. It is based on the constitutional right to life, liberty, and the pursuit of happiness for all Americans including women, monorities, disabled, young, widowed and orphaned, as well as aged.

Gray Panthers believe that statements which create fear that the Social Security system must collapse now or in the future are based on faulty assumptions. The preservation of Social Security is a question of priorities and politics, not economics. For example, the Administration and Congress attempted to seriously weaken Social Security in 1981, but a public outcry made them withdraw. The American people's support for the principles of Social Security has been expressed by their willingness to provide money for its continuance through taxation, inter-fund transfers, and the use of general fund revenues.[1]

Gray Panthers believe that the major causes of the current economic deficit are the bloated military budget and inequitable tax cuts to corporations and individuals.

Social Security is, and must remain, a national priority. Thus the military budget must not be used as an excuse to deprive Americans of their real security. Congress needs to examine and curtail the excessive Pentagon expenditures, inequitable tax cuts to the rich and corporations, and to use these monies for necessary human services. A productive use of this money would be to provide for full employment which would then recycle funds into a flourishing Social Security system.

PUTTING THE SOCIAL SECURITY SYSTEM IN PERSPECTIVE

When the Social Security system was enacted into law in 1935, millions of older people had no savings or pensions. To conform to the American desire for independence, the system was funded solely by the payroll tax. As a result social security is a pay-as-you-go entitlement program. During their active years workers pay into the fund. The money is then disbursed to current retirees. At the same time deductions made are credited to the worker's retirement account.

Although Social Security was intended to be a supplementary retirement income, it is most retirees' primary, and for many, only income. Many recipients are without pensions because their places of employment had no plans or because they lost their pension rights due to job changes. Others who always held low-paying jobs were unable to accumulate savings.

Since the system was begun, it has been expanded. It now assists the orphaned children of workers, including funds for education to help them become productive members of society. It assists widows, making it possible for them to remain at home while they have young children. It provides the disabled with dollars lost through accident or illness. It makes it possible for the nation's elderly to end their lives with some semblance of dignity.

Gray Panthers believe that the American people do not wish to return to a system where any of these groups become the objects of public or private charity.

SOCIAL SECURITY'S FISCAL PROBLEMS

It is generally agreed that the Social Security system's financial problems will occur in two time frames: (1) the shortfall predicted for the early 1980's and (2) after the turn of the century about 2005.

The 1982-84 problems result from current high unemployment and inflation. Fewer people in the work force means less money paid into the fund. At the same time payout is affected by inflation; benefits increase at a fixed ratio to the rise in the Cost of Living Index (COLA). Less money paid in and more money paid out has caused less funding to be available than had been forecast by actuarians. This is a temporary shortage which can be resolved in the short term.

To remedy the immediate cash shortage, the Congress has appropriately authorized inter-fund transfers. Payroll monies paid into the companion hospital and disability funds can be used for the Old Age Survivors Insurance Fund (OASI). If the shortages cannot be remedied this way, then Gray Panthers believe that General Fund monies must be made available. The original law in 1935 had the intention that general revenues as well as payroll taxes support Social Security. This first part was never implemented. In other industrial nations, Social Security is funded by a three-way partnership: employer, employee, and the government. In the United States there was opposition to use of general funds because it would make the system politically vulnerable. The reality is that the system's expansion has made it vulnerable. The choice is to continue the expanded coverage—or to return to the old system of "alms." To continue and to insure the Social Security's financial viability, the government must become a full partner through use of general funds.

Another question is the system's inclusion in the federal budget. It is then counted as part of the deficit spending. Originally the system was not part of the federal budget. It might make for more clarity to again make it a separate item. It is inaccurate and prejudicial to equate Social Security with the current deficit, since the system does in large part generate its own funds. The major item in deficit spending is the bulging military budget. Military expenditures are used to create end products that cannot satisfy the consumer needs of people who get paid to produce these products.

SOCIAL SECURITY'S FUTURE AND FULL EMPLOYMENT

The predicted problems for the Social Security system to occur around the year 2005 are based on forecasts of a reduced ratio of workers to retirees. These predictions are extrapolated from current trends. Yet the ever accelerating pace of change makes the only certainty in predicting the future, the certainty that change will occur.

Unemployment—a shortage of jobs, not an overabundance of workers—has long been an American problem. Gray Panthers believe that with imagination and innovation there is both now and in the future, work to be done and workers to do it. Further, we believe that everyone who is able to work is entitled to satisfying and financially rewarding work. Old and young should not have to fight each other for jobs.

Full employment, including jobs for all older people who wish to work, helps the Social Security system by keeping the ratio of workers who are paying into the system high in proportion to those drawing benefits.

We need to target unemployment as the basic problem and aim all government policies at dealing with it. This would mean, for example, providing tax incentives and large-scale government investment funds to private businesses in ways that are pinpointed

[1] Harris Poll (11/81) and White House Conference on Aging summary report.

to help them hire people—not to help them buy more equipment or buy up other companies. It would mean aiding industries or businesses that are labor-intensive rather than machine-intensive—such as solar energy rather than nuclear energy, or child-care and elder-care centers instead of satellite systems. It would mean giving special aid to non-profit consumer-controlled and worker-controlled businesses because they are more likely to put their income into hiring more people rather than into profits. Finally, it would mean that if these programs did not work to end all unemployment in the private sector, government money would be provided to hire anyone who could not find a job otherwise.

Along with this should go Federal carrots and sticks intended to encourage businesses and other employers to offer part-time jobs, job sharing, flexi-timing, etc., as ways of making it possible without coercion for partially retired older people to take jobs if they wish. These incentives might include less stringent rules for reducing Social Security benefits for part-time older employees who work.

Consider the potential for change in the kind of work people will perform as the technological revolution accelerates. Robots and computers are already beginning to take over tasks of heavy labor and tedious detail. With less time required to perform most tasks, and the possibility that some can be done at home, short hours and flexible schedules can become a reality. This opens the way for tandem jobs, sabbaticals, and re-education for new occupations.

With changes in working patterns, individuals not now counted in the work force will become available. Women are already a significant factor. Their numbers will grow. As life is lengthened, health improves and opportunities are given for retraining, many older people will choose to remain in the work force. Last, instead of stemming the tide of immigrants, as we have in the past, we could welcome immigrants.

As these changes in work schedules occur (and they are already beginning to happen) a formula must be developed to extend Social Security coverage to individuals who work short flexible hours or on tandem jobs.

GRAY PANTHERS PROPOSE

Gray Panthers protest the misleading and prejudicial picture of a future when old people would live off the labors of the young. We advocate full participation in society by people of all ages, and envision full employment and a Social Security program to benefit all Americans.

Specifically we propose:

Borrowing between the Social Security trust funds when necessary to keep one of them financially solvent.

General Revenue Financing as a means of keeping Social Security financially solvent.

Social Security continuing to be indexed to the Cost-of-Living Index so that older people not remain on a fixed income as the cost of living spirals.

Action taken on the recommendation of the President's Commission on Pension Policy that Social Security be extended to provide universal coverage and specifically that federal, state, and government employees, and all other workers, be included in the system. This should be done without penalizing current and prospective public employees and retirees.

A sound plan to insure a secure financial future for today's young people.

Women who enter the job market later in life to not be penalized for their roles as homemakers.

No penalty for early retirement due to necessity. Ability to work is highly dependent on health, life expectancy, experience and education. Therefore, compulsory work would leave many "workers" unable to work and dependent on welfare, or working at debilitating jobs until they literally drop dead, or make more unemployed "workers."

No mandatory retirement, as differentiated from necessary retirement, however, people should have the options of retiring at 65 when they so choose.

No economic penalty for working past age 68.

Full employment.

An equitable tax structure, and adequate income for everyone.●

SALUTE TO TIMOTHY STANEY—A WINNER IN THE CURRENT EVENTS ESSAY CONTEST

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. BOLAND. Mr. Speaker, this year marks the 80th anniversary of Current Events magazine. Current Events, which was first published in my hometown of Springfield, Mass., was the Nation's first publication for schoolchildren and is the oldest periodical for schoolchildren in continuous publication.

To commemorate the 80th anniversary of Current Events, Xerox Education Publications sponsored an essay contest on the topic "What Freedom of the Press Means to Me." It is a pleasure for me to inform my colleagues that one of my constituents, Timothy Staney of Spencer, Mass., has been selected as one of the 10 national contest winners. Timothy, a sixth grader at the Maple Street School in Spencer, wrote an excellent essay which clearly indicates his understanding of the important role a free press plays in maintaining our democracy. I would like to extend to Timothy my congratulations on the quality of his essay, and I would like to insert that essay at this point in the RECORD.

WHAT A FREE PRESS MEANS TO ME

In the United States of America we are guaranteed freedom of the press through the First Amendment of the Constitution which states that Congress shall make no law restricting freedom of speech, or freedom of the press. The press is able to gather all the facts on a given situation and relay them to the people. All viewpoints are presented so that the public can make complete and accurate judgments on the events that will affect their lives.

In other countries the people receive only the information it's government wants to release. The press is prevented from releasing any uncensored news reports that may incriminate government officials. The penalties to do so are often quite severe. In their schools students study basic subjects, but current events are presented with the government's viewpoint. These people live in a world of darkness.

We are fortunate that news events are openly discussed in school so that we are able to form our own opinion on the events occurring in the world around us. Special investigative reporters go behind the scene of a news story and give us important details that will enable us to draw a valid conclusion.

It is mandatory that the news media fulfills its obligation to allow all citizens to express their opinions in an editorial form. This makes us feel like active participants in our society.

With the press working with us, we will continue to work within our Democratic system of government and repair any broken links along the chain which represents our country as a place displaying unity and freedom. A great man, John the Apostle once said, "You shall know the truth, and the truth shall make you free."●

REMARKS OF ROBERT N. BROADBENT, COMMISSIONER OF RECLAMATION, U.S. DEPARTMENT OF THE INTERIOR, AT THE 80TH ANNIVERSARY OF THE BUREAU OF RECLAMATION, WASHINGTON, D.C., JUNE 17, 1982

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. RHODES. Mr. Speaker, several Members were privileged recently to attend informal observances at the Interior Department of the 80th anniversary of the Bureau of Reclamation. Commissioner Robert Broadbent spoke briefly about the Bureau's founding in 1902 and its history of success in helping to encourage settlement of the West during the early years of the 20th century. The program grew into an American success story of remarkable accomplishment. Yet Reclamation's story is one not widely known outside the 17 Western States where the program operates. Mr. Speaker, Reclamation is a program that deserves wider recognition. I would encourage my colleagues from all States to learn more about it, and I commend to their attention Commissioner Broadbent's brief statement on the occasion of the 80th anniverary of the Bureau, which I submit for the RECORD at this time.

The Bureau of Reclamation has been in business 80 years now and is still going strong. The Bureau has outlasted 12 Commissioners and 21 Secretaries of the Interior. There's no telling how many Assistant Secretaries, Assistant Commissioners, planners, engineers, clerks, payroll chiefs, and budget officers have come and gone during those 80 years. But you can bet it's a lot.

People who come to work for the Bureau of Reclamation can be confident that the Bureau's accomplishments are going to last much longer than they are.

For 80 years, the Bureau of Reclamation has been making a contribution to our country that is real, tangible, valuable, and long-lasting. Even though the Nation as a whole is better because of reclamation, it is important to note that the people who have enjoyed the direct benefits of reclamation are the ones who have paid back the Treasury for the national investment made in the reclamation program.

Reclamation's dams, reservoirs, canals, powerplants, and other facilities that make it possible to store spring runoff, generate power, and get the water from where it is to where it is needed of course did not "just happen." It took the imagination, the creativity, the perseverance, and the plain old hard work of a lot of dedicated men and women to make it happen. Those are the people who made reclamation the success we know it to be, and those are the people who are keeping it going today. Reclamation is a people program.

Our anniversary observances would not be complete without a tribute to the fair-sighted leaders and lawmakers whose vision led to the creation of the reclamation program back in 1902. Settlers moving west in the 1890's and the early 1900's suffered terrible hardships in a dry, barren land that was parched most of the time and devastated by violent floods at other times. The needs of the people, and the interest of the Nation as a whole in making the West a productive, secure part of a young, fast-growing America, demanded a practical-minded program for bringing water to those arid and semi-arid western expanses.

After the usual congressional debate, the U.S. Senate and House of Representatives both passed reclamation legislation and President Theodore Roosevelt, who had strongly supported it and who had helped quell opposition to the reclamation idea, signed the basic Reclamation Act into law on June 17, 1902.

The rest, as they say, is history. Reclamation's early successes gave rise to an expanded program, featuring large, multi-purpose projects that include some of the engineering wonders of the world. Famous projects like Hoover Dam, Shasta Dam, and Grand Coulee Dam are known around the world. They are major tourist attractions for international visitors to the United States, as well as for millions of our own citizens.

Great credit is due to our congressional leaders of both parties who have recognized reclamation's contributions to the West and to the Nation, and who have seen to it that the authorizations and appropriations needed for continued success of the program are written into law. I am glad that some of our key reclamation supporters in Congress could be with us here this afternoon for this 80th anniversary celebration.

Before we start serving the birthday cake, I would like to read an official order signed by the Secretary of the Interior, the Honorable James Watt:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., June 16, 1982.

Order No. 3082.

Subject: 80th Anniversary of the Bureau of Reclamation.

In recognition of the 80th anniversary of the Bureau of Reclamation, U.S. Department of the Interior, whose works have truly reclaimed the arid lands of the West and made the deserts bloom, and whose engineering accomplishments have earned distinction and recognition around the world, I, James G. Watt, Secretary of the Interior, do hereby proclaim Thursday, June 17, 1982, to be Reclamation Day throughout the Department of the Interior and in all Reclamation service areas throughout the western United States. In testimony thereof, I hereby set my hand this sixteenth day of June 1982.

JAMES G. WATT,
Secretary of the Interior.

This Secretarial Order expires June 30, 1982.●

AMERICAN UNITY DAY

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. COATS. Mr. Speaker, I am proud today to introduce a resolution to declare the third Saturday of June of each year as "American Unity Day." I am especially pleased to be joined in this effort by five of my distinguished Indiana colleagues, namely, Mr. BENJAMIN, Mr. DECKARD, Mr. HILER, Mr. JACOBS, and Mr. MYERS.

The dream of an "American Unity Day" began with Ken Cundiff of Huntington, Ind. While laying in bed recovering from open-heart surgery, Mr. Cundiff was struck by the message the Iranians were sending the world during the hostage crisis. Although they were facing many problems, the Iranians continued to demonstrate their unity as a people. At the same time, there were no American demonstrations. The American people seemed to be sending the world a picture of disunity and despair. Mr. Cundiff pledged that if he regained his health, he would walk across the country promoting American unity.

Mr. Cundiff recovered from his surgery and has gone on to fulfill his promise. In the last 4 years, the Cundiffs have visited the capitals of 48 States and received proclamations for "American Unity Day" from the 18 Governors they have visited. Last year, 150 Americans from nine States joined the Cundiff family in a march down Constitution Avenue to the Capitol Building in a demonstration of American unity. This year's demonstration on June 19th promises to be even more dynamic.

American unity is an objective to which we should always aspire. I am including the text of my resolution and urge my colleagues to join me in promoting American unity by cosponsoring this resolution to recognize this day.

AMERICAN UNITY DAY RESOLUTION

A House Resolution setting aside the third Saturday of June each year as "American Unity Day."

Whereas, this nation was founded upon the principles of individual effort, free enterprise, human dignity, personal involvement, informed participation, mutual respect, pride in accomplishment, change through peaceful evolution and faith in God; and

Whereas, through the years of our existence, many of these principles have become obscured, neglected, de-emphasized at home and ridiculed abroad; and

Whereas, apathy has become the rule rather than the exception and the majority has thrust the burden of leadership on the few; and

Whereas, it is recognized that the average citizen continues to be proud, patriotic, faithful, loyal, and supportive of the principles upon which this nation was founded; and

Whereas, it is recognized that it is fitting, proper and appropriate that a day be set aside to reaffirm our dedication to the principles which created this great nation and secured for all of us the blessings of freedom and peace:

Therefore,

Be it resolved by the United States House of Representatives:

Section 1. That the third Saturday of June each year is hereby set aside as "American Unity Day" and that on said day American citizens join together in recognizing their heritage, reaffirming their faith and its underlying principles and rededicating themselves to the continuation and expansion of those principles. In doing so, we leave no doubt that we are a positive, proud, patriotic, and free people, united in purpose.●

A SALUTE TO BLANCHE G. WATSON

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. STOKES. Mr. Speaker, I take this opportunity to join with a multitude of friends and associates in saluting Mrs. Blanche G. Watson. This exceptional human being is best described as the energy source for many fraternal organizations and civic associations in the State of Ohio. Throughout the years, Blanche Watson lovingly and loyally has used her energy and time for the betterment of the community and the organizations of which she is a member.

Mr. Speaker, a native Cincinnatian, Mrs. Watson's name is inseparable from the positive acts of a cadre of civic associations and fraternal groups in that city. Through these associations, Mrs. Watson has touched the lives of many persons.

Mr. Speaker, Blanche G. Watson is a major contributor to the city of Cincinnati. She has not given gifts of money to Cincinnati. Instead, Mr. Speaker, she has given the invaluable gifts of her spirit and talents to every task she has undertaken in the city.

In reward for that unselfish dedication and service, Mrs. Watson has earned the undying respect of her colleagues and friends. At this time, I would like to provide my colleagues with a glimpse of the magnitude of Mrs. Watson's involvement with vari-

ous organizations and people in the Cincinnati area.

A graduate of Bluefield State College, Mrs. Watson continued her association with the school for many years as the assistant registrar. Currently, she serves as the president of the Bluefield State College Alumni Association in Cincinnati and is a member of the school's national scholarship committee.

Following many productive years in higher education, Mrs. Watson entered into a career in public service first working at the Wright Patterson Field in Dayton and most recently with the Internal Revenue Service. She has received numerous accolades for her public service career.

Mr. Speaker, in addition to the countless hours dedicated to her public service career and to her alma mater, Blanche Watson cultivated a notable association with various fraternal organizations which have resulted in national recognition for her. At one time or another, she has headed every fraternal auxiliary organization in the Cincinnati area. Mr. Speaker, her exhaustive list of affiliations include the following.

Blanche G. Watson has served as the past matron of Elisha Chapter No. 89, Order of the Eastern Star, P.H.A. and queen of Amaranth Grand Chapter. She has also served as the grand deputy of District No. 6. She has the distinction of being a charter member of Prince White Court No. 3 Heroines of Jericho. Mrs. Watson is also a member of the Noble Woman's Guild No. 4, Heroines of Templar Crusade of Detroit, Mich.

Included in her list of fraternal affiliations is her role as the high priestess of Sinai Court No. 35 of the Daughters of Isis. She is also a past loyal lady ruler of Dove Assembly No. 34, Order of the Golden Circle. Currently, she is the grand loyal lady ruler of the Orient of Ohio. In April, she was appointed the chairman of the Women of the Northern Jurisdiction as Cincinnati hosts the supreme council.

Mr. Speaker, it is evident that through her fraternal civic affiliations, Mrs. Watson has made an indelible mark on the lives of many people throughout the city of Cincinnati and the State of Ohio. For many years, she has been the leader and catalyst for various fraternal organizations. In that manner, she has set forth a standard of excellence for her colleagues and the community. This is the greatest and most enduring tribute to this exceptional human being.

At this time, I ask my colleagues to join me in saluting Mrs. Blanche G. Watson of Cincinnati, Ohio.●

THE DEFENSE ECONOMIC ADJUSTMENT ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. WEISS. Mr. Speaker, issues of peace and economy are now joined. Because of the immense quantities of labor and materials that have been lavished on armed forces by virtually all governments, the credibility of proposals for reversing the arms race hinges on the parallel availability of workable plans for converting military, industrial, and allied resources to civilian use. At the same time, the massive scale of military expenditures during the last quarter century has been a major source of slowdown in economic productivity and general economic growth in all participating countries. There is virtually no disagreement with the proposition that the vast production resources used up in the arms race would, if applied to civilian economy, give a powerful spur to productive development of every sort.

Prof. Seymour Melman, of Columbia University, has called attention to the following:

First. From 1946 to 1986 the actual and planned budgets of the Department of Defense totaled $3,601 billion. This immense capital fund may be compared with the money value of the reproducible national wealth of the United States—as of 1975—$4,302 billion. Hence, the military budgets of the United States have preempted resources approximately equivalent to those required for renewing the largest part of manmade physical facilities and tangible goods of all sorts on the surface of the United States.

Second. For 1977—last year of available data compiled by the U.N.—we observe that for every $100 of gross fixed capital formation in the United States, $46 was separately expended for military purposes. The ratio of military spending for each $100 of new fixed capital formation was $18.90 in Germany and $3.70 in Japan. Obviously, the German and Japanese economies have reaped a benefit from the concentration of their capital-type resources in civilian capital formation.

Third. Every year from 1951 through 1981 the budgets of the Department of Defense have exceeded the net profits of all corporations.

These resources now lavished on the arms race are indispensable for carrying out any meaningful repair and renewal of the great array of lagging industries in the United States.

On June 16, I introduced H.R. 6618, legislation for facilitating economic conversion. The new bill includes the following crucial elements:

First. Alternative use committees in every military-serving factory and base must be set up as a condition of fulfilling their contractual obligations. These committees, half from management and the other half named by employees, have the responsibility of formulating blueprint-ready plans for utilizing the manpower and physical resources of the industry or base in the contingency that they are no longer required by the Department of Defense.

Second. Provision is made for income support during a period of conversion when that must take place.

Third. Retraining support is made available so that engineers and administrators in particular can be formally retrained into the skills that are required in civilian enterprise, as against the abilities that are valued in the service of the Department of Defense.

Fourth. The new legislation provides for early notification of contract and base termination.

Fifth. A national economic conversion commission is established to encourage conversion planning and to cooperate with other agencies of Government with respect to the availability of finance capital needed for major new productive undertakings. It is reasonable to expect that the range of this activity will extend from major industrial renewal to reconstruction of important parts of the economic infrastructure.

The larger strategy of this conversion legislation is to encourage a highly decentralized operation with responsibility and authority for the detailed planning in the hands of the people on the spot. I am convinced that this is both the economic and technically efficient procedure.

It is my judgment that the Members of the Congress will perform a major service for the American people as these related proposals for arms race reversal and for economic conversion are given the benefit of widespread discussion and formal hearings.●

NATIONAL BALD EAGLE DAY

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. FORSYTHE. Mr. Speaker, pursuant to the Presidential proclamation in recognition of the 200th anniversary of the bald eagle becoming our Nation's symbol and national bird, on Sunday, June 20, the people of this Nation will join in celebrating "National Bald Eagle Day."

The eagle has served as a symbol of power, freedom, and immortality since the beginning of recorded history and on June 20, 1782, our Continental Congress adopted the bald eagle as the

central figure of the great seal of the United States. It is appropriate that we join together in observing the bicentennial anniversary of that event on Sunday.

This country's emphasis on the bald eagle and other endangered species was recently reaffirmed by House legislation authored by my distinguished friend from Louisiana and myself. The legislation reflects America's concern for not only the bald eagle but other species which were once found in great numbers throughout the United States and are now, because of man's activities, threatened with extinction. There is no finer symbol of what the Endangered Species Act and wildlife conservation is all about than the bald eagle.

On Sunday we will call special attention to this magnificent bird. As we celebrate this bicentennial of our Nation's symbol, let us seek to enhance the public awareness of not only the needs of the endangered bald eagle, but also of our country's other rich wildlife resources. The bald eagle is truly representative of what can be done by those of us concerned with the preservation of America's wildlife heritage.●

GOOD RESPONSE TO ANNUAL QUESTIONNAIRE

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. LONG of Maryland. Mr. Speaker, more than 3,000 residents of Harford County, Md., responded to my annual questionnaire on how they would vote if they were Congressman LONG.

Although 6 in 10 of my Harford County constituents expressed continued confidence in the President, they expressed less optimism about their own economic status: Only 37 percent said they are better off than a year ago.

Indeed, people are most concerned about their economic outlook. They want lower interest rates and assurance about their social security retirement benefits.

Some comments:

The cost of living is so high that even though I make a decent salary, I have only enough to make ends meet.

We must end deficit spending by the federal government and balance the budget. The money to finance the deficit is a national disgrace.

We all have to take some set-backs until the economy improves.

I believe the government owes us to maintain Social Security. It is a big worry to most of us who want to retire at 62, or ones already retired, that it will be cut.

Give us our Social Security. That is what we have worked for.

Almost 9 out of 10 want Congress to make sure their social security benefits are protected. Younger workers are especially concerned that social security will not be around by the time they are ready to retire.

I have fought for many years to protect the retirement benefits of America's workers. I shall continue my fight to preserve the integrity of the social security system and to insure that everyone rightfully entitled to benefits receives them.

Eighty-seven percent of those replying said interest rates must be lowered to help the housing, auto, and steel industries.

My salary went up 65% in a decade, but in order to buy a new car, I must spend almost 200% more. Millions of people are in my shoes.

I don't even think of owning a house anymore.

Lower interest rates are a must for a healthier economy and curtailing or reducing our national debt is essential to lowering interest rates. I have sponsored a constitutional amendment requiring the Federal Government to operate under a balanced budget except in times of national emergency, and to provide for systematic repayment of our national debt.

Although few said they had been victims of crime, 86 percent expressed the need for a nationwide crackdown.

I am sponsoring the Justice Assistance Act of 1981 to provide Federal seed money toward improving local criminal justice systems, including victim and witness assistance, juvenile crime prevention, career criminal prosecution, "sting" operations, and anti-arson activities. My bill has already won approval of the House. It now awaits action by the Senate Judiciary Committee.

When asked about defense and foreign affairs issues, Harford County residents clearly want an America with muscle—not fat—in her defense. Almost 8 in 10 agreed we should continue our military buildup, but expressed concern that our money be spent for the most effective defense.

Improve manpower and conventional forces only. Eliminate the terrible and costly duplication. Reduce the number of Generals and Admirals.

Increase military spending to defend U.S. shores and borders.

Limit (defense spending) to specific priorities.

Don't try to do all military buildup all at one time.

The same number felt we should continue our defense of Europe through NATO but felt the United States should not carry so much of the burden.

Other members should increase funding and participation.

If NATO is not willing to protect itself as much as they can, we should withdraw our troops.

Continue our posture but make NATO treat our service personnel better (with improved) housing, food and transportation.

Almost 6 in 10 feel—as I do—that we should stop selling grain to the Soviets.

Only sell the surplus and then only if our prices are not affected.

Stop the technology transfer to the Soviets.

Reduce overseas spending. Charity starts at home.

As chairman of the Appropriations Subcommittee on Foreign Operations, I have been working to redirect our foreign assistance program by opposing military aid to poor countries with tyrannical regimes either right wing or left wing, and to push for programs to help the poor help themselves instead of depending on handouts from the U.S. taxpayers.

The questionnaire and results follow:

SUMMARY OF 1982 QUESTIONNAIRE—WESTERN HARFORD COUNTY, MD.

[In percent]

	Yes	No	Not sure
You—Are you better off now than a year ago?	36	53	11
President Reagan—Is he doing a good job?	58	34	8
Defense—Continue military buildup?	76	23	1
Russia—Stop grain to Soviets?	59	38	3
NATO—Continue U.S. defense of Europe?	76	21	3
Interest—Lower rates to help housing, auto, and steel?	87	12	1
Taxes—Raise taxes on tobacco, alcohol, and gasoline?	67	28	5
Social programs—Turn back to States?	66	30	4
Social security—Maintain retirement benefits?	88	10	2
Crime—Launch nationwide crackdown?	86	13	1
Postal Service—Is it getting better?	19	74	7

●

OPPRESSED PEOPLES OF THE BALTIC STATES

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1982

● Mrs. HOLT. Mr. Speaker, if people want to understand the nature of the Soviet Union, I would refer them to the condition of Estonia, Latvia, and Lithuania.

These Baltic States were not even allowed to retain some remnants of sovereignty. After the Soviet armies rolled over them, they were incorporated into the Soviet Union. Soviet terror clamped its rule on the population with executions and deportations to far-off labor camps.

It was 42 years ago that the Soviet Union seized the Baltic States, but the flame of freedom still burns among the peoples of those lands. They struggle to preserve their cultural identity and long for the time when they will once again govern themselves.

History relates the rise and fall of empires, and history will not be kinder to the Soviet Union than it has been to other empires. Throughout the

Soviet Union are oppressed nationalities that dream of the time they will be independent of Russian imperialism.

Let us never stop telling the world that we stand with those oppressed peoples.●

THE AMERICAN POLITICAL SCIENCE ASSOCIATION CONGRESSIONAL FELLOWSHIP PROGRAM

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. HARTNETT. Mr. Speaker, since 1953, the American Political Science Association (ASPA) has sponsored congressional fellowships for 978 scholars, journalists, and Federal executives. The primary objective of the ASPA fellowship program is to give executive branch personnel a first-hand opportunity to learn about Congress and to take that knowledge back to his agency. These Government executives have served in over 350 congressional offices—on personal staffs and in committees in both Houses. It is my judgment that the Members of Congress who have been fortunate enough to have an ASPA fellow on their staff have all found this program to be beneficial. I believe that this program is the best possible way someone in the Federal bureaucracy can understand how what happens on the Hill affects the executive branch. The profit from the ASPA program is both for the Member and the fellow, as the fellow contributes in the solution to many of the day-to-day issues that come before the Congress. Having had an ASPA fellow on my personal staff since November, I have experienced the practical positive impact of this valuable program.

Mr. Speaker, I would like to express my sincere appreciation, and the appreciation of my entire staff, to Timothy A. Samolej, my recent ASPA fellow. He is from the Defense Intelligence Agency and served as my legislative assistant for defense and armed services related activities. He assisted me as a member on the Armed Services Committee and the Subcommittee on Seapower and Strategic and Critical Materials, and the Subcommittee on Military Personnel and Compensation.

Mr. Samolej also assisted me on a number of other areas such as preparing for the fiscal year 1983 defense budget, statements and speeches before various military organizations, the issue of contracting out firefighting and security, the new GI bill legislation, the Navy's mine warfare programs, the Soviet strategic threat, and other defense areas.

Mr. Speaker, Mr. Samolej has performed a very valuable service for me and for our country. The Defense Intelligence Agency should be proud of Mr. Samolej's dedication, enthusiasm, knowledge of military sciences, and the professional image he has projected. Again, I want to extend my appreciation for his service and urge other Members to make use of the American Political Science Association congressional fellowship program.●

PHOTOGRAPHIC DISPLAY OF THE SINAI

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. FITHIAN. Mr. Speaker, I took some time recently to view the photographic display of the Sinai on location in the rotunda of the Russell Senate Office Building. The manner in which the photographs are exhibited depicts the land as a very precious and beautiful area. While the Sinai is of special scenic interest, it must also be remembered that the area has a monumental historic significance. Recalling the several wars that have been fought over this piece of ground, I would at this time like to express my appreciation for the value of this land as well as for the determination and willingness of the people of Israel to give up this land in the hope for a lasting peace.●

THE ASSAULT ON AN EDUCATED AMERICA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. VENTO. Mr. Speaker, Hubert Humphrey often said that a society can be judged by how it cares for its young, its infirmed, and its elderly. Using this yardstick to measure the current administration and this "Reagan rubberstamp Congress," it is evident that President Reagan and his supporters in Congress have failed on all three criteria.

Today, I would like to focus on what this administration has done to the young people of this country, especially with respect to education and related services. It is a record, I am sad to say, that is nothing short of abysmal. The absence of commitment by this administration to education and to a better future for our children can be vividly demonstrated by examining the drastic reductions in Federal programs for education and other programs that primarily serve young Americans.

It is important to remember that President Reagan has been phenomenally successful in obtaining congressional approval for his budget policies. What President Reagan has proposed, and what this Congress has approved over my objections of myself and many other Members, has been a radical restructuring of Federal priorities. There has been tremendous growth in Pentagon spending and a corresponding reduction in domestic spending, resulting in almost a 1-to-1 transfer from domestic to military spending. This administration, which ran on a platform to balance the budget, proposed the largest special interest tax cut in the history of this Nation. Phony economic assumptions and "pie in the sky" projections about the stimulative effects of the tax cut have resulted in the largest deficit in our history. This deficit has become a convenient tool for this administration and its supporters in Congress to call for further cuts in domestic programs. Using the same experimental economic theory as last year, this year's budget debate focused almost entirely on how to cut domestic programs while exacting only token cuts in the increase in military spending and virtually no reduction in the corporate tax cut of last year—the real source of today's outlandish deficits! Although President Reagan could not convince his supporters in Congress to adopt the initial Reagan fiscal year 1983 budget, it is helpful to look at his proposal to understand what little importance this administration places upon education for young Americans. The chart below shows the appropriations for major education programs in fiscal year 1980—previous to the Reagan administration; fiscal year 1982; and President Reagan's request for 1983.

These statistics vividly demonstrate a lack of commitment to education or to an improved future for young Americans. What these statistics do not show is the human costs of this antieducation philosophy. They do not show the cost in personal terms of denied educational opportunity or of wasted human potential.

The 10.3-percent reductions in title I funding meant that 600,000 economically and educationally disadvantaged students were refused this special help. In addition, 21,000 teachers or teachers' aides have lost their jobs. The reductions in title I between 1980 and 1982 means that only 45 percent of the eligible students can participate in a program which has been proven to be one of the most effective means of improving academic performance in elementary school students.

The reductions in the past 2 years in vocational education has resulted in the loss of more than 3,100 teaching positions in vocational schools. In spite of our Nation's critical need for

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the highly skilled tradesmen that vocational education produces, the administration's budget policy has meant that 270,000 students will not receive the training they desire and need. This is an unbelievably penny-wise and pound-foolish policy for an administration that professes to advocate that the United States must increase its industrial productivity. The extraordinarily generous corporate tax cuts enacted in 1981 were designed to encourage investment for increased productivity. However, these machines will stand idle and the investment of public and private dollars will be wasted if we cannot train skilled American workers to operate these machines.

Student financial aid for higher education has been drastically cut in the 1982 budget; 400,000 students will not receive Pell grants and several hundred thousand more will receive reduced awards. There will be 150,000 fewer supplemental educational opportunity grants and 35,000 fewer participants in work-study programs. The reductions in student assistance come at a time of sharply rising college costs, almost nonexistent summer jobs for college students and at a time when parents are finding it increasingly difficult to provide the money to assist their children.

Last year, we cut $1.5 billion from the child nutrition program. Because of this cut, 1,000 schools and 3.4 million students have dropped out of this program; 365,000 children have dropped out of the school breakfast program; 90 percent of these children are from families below the poverty line; 800,000 children will not receive the nourishment of the summer lunch program. The WIC program will serve 250,000 fewer low-income pregnant women, lactating mothers, and infants.

These are the human costs of the reduction in education programs that we have already made. Compared to the reductions proposed by President Reagan for the future, the cuts in fiscal year 1982 are just the start of the complete destruction of this program. What troubles me and should trouble every Member of this body is that we recently approved a budget resolution which continues this assault on an educated America.

The budget resolution offered by the ranking Republican on the Budget Committee, Mr. LATTA, and approved by this House by only a 13-vote margin, cuts far deeper in education programs than the proposal by the chairman of the Budget Committee, Mr. JONES. While it does not assume all the draconian reductions that the President recommended for fiscal year 1983, a comparison between the Latta and the Jones budget is illustrative of the difference between my educational philosophy and that of this administration. In education programs, the Latta-administration proposal provides $1.045 billion less than the Jones budget. In employment and training programs, the Latta budget is $1.521 billion less than Jones. In child and adult nutrition programs, Latta is $1.232 billion less than Jones. In health and medical programs, Latta provides $1.2 billion less than Jones. The Budget resolution which this administration supported and which this House approved provides $37 billion less in programs for the people in this country. The consideration of the Jones and Latta budgets gave this House an opportunity to choose a budget which places a priority on a better tomorrow. I regret that a majority of Members instead chose to look back to the past.

At this time it is impossible to predict the number of people who will be hurt by this budget. But if this budget is approved, we do know that we will pay for this tight-fisted attitude with a less educated and unprepared population in the future. We still have a chance to change these shortsighted policies in further budget resolutions and in the normal authorization and appropriations process. I hope the Members of this body will give more considered thought to the educational needs of our country.

It is a fair and even a wise test of a society to evaluate its treatment of the young, the infirmed and the old.

We invest in our Nation's future as well as the future of each child by providing quality education, training, and nutrition programs. In this respect, this budget demonstrates we are less than wise investors.

We accept our responsibility to help the less fortunate when we provide sufficient medical and therapeutic programs for the infirmed. By cutting handicapped programs, this budget demonstrates that we are less than responsible and compassionate.

We show our gratitude and respect for our senior citizens when we provide adequate retirement and medical assistance. By cutting social security and medicaid, we demonstrate we are less than grateful heirs.

Mr. Speaker, I think the American people want to invest in the future, demonstrate their compassion, and show their gratitude to previous generations. The budget policies of this administration and of the recently passed budget, neither reflect the wishes of the American public nor do they reflect sound public policy. At this point I include the following table:

[Dollar amounts in millions]

	1980 [1]	1982 [1]	1983 [1] (request)	Percent change [2]
Title I, compensatory education	$3,215	$2,885	$1,942	−36.8
Grants to improve educational programs	805	470	432	−46.3
Bilingual education	166	134	94	−43.4
Impact aid	702	436	283	−59.6
Public Law 94–142, handicapped ed	874	931	638	−27.0
Vocational ed	784	556	433	−44.7
Pell grants for higher education	2,415	2,279	1,400	−42.0
Supplemental education opportunity grants	370	278	0	−100.0
College work study program	550	528	397	−27.7
Women, infants, and children, supplemental nutrition program	944	950	650	−32.0

[1] Appropriations are in millions.
[2] Between 1980 and 1983 request.

VIGIL FOR SOVIET JEWRY

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. McGRATH. Mr. Speaker, I appreciate this opportunity to participate in the Congressional Vigil for Soviet Jewry. Today in a Soviet prison camp, Alexsei Murzhenko and Yuri Fiodorov continue to serve sentences imposed over 10 years ago at the infamous Leningrad Trials. Their crime was the desire to escape persecution and oppression used by the Soviet Government to crush the spirits of those who yearn for the freedom to practice their faith and observe ethnic and cultural traditions. Fiodorov and Murzhenko surely knew the fate that awaited them if their plan to escape failed. Both men had already spent time in Soviet camps for so-called antistate activities. Yet the chance to build a new life in the freedom protected outside the Soviet bloc was worth the risk inherent in any attempt to circumvent the will of the Communist police state. Fiodorov and Murzhenko were joined in the attempt by several Jewish citizens—all victims of repeated government harassment. The courage displayed by these two men was exemplified in Alexsei Murzhenko's testimony at his trial. When given the opportunity to address the court, he first made a plea for mercy on behalf of two friends who faced death sentences for their part in the escape attempt. He was sentenced to 14 years and Yuri Fiodorov received a 15-year term. Both men began serving their sentences in 1970, and their health has deteriorated seriously in the inhuman conditions of the Soviet camp.

Once again, I wish to call upon my colleagues to redouble all efforts to help Fiodorov, Murzhenko, and thousands of others who are trapped in the Soviet Union, unable to exercise their rights under the Helsinki Accords to emigrate to a nation of their choice.

I would also like to thank those who have cosponsored House Resolution 398, which calls upon the Soviets to release Fiodorov and Murzhenko. I have now received favorable comment from the State Department on House Resolution 398, and I wish to express my appreciation to the gentleman from Wisconsin, Chairman ZABLOCKI for his assistance in this effort.●

A TIME FOR REAFFIRMATION OF CIVIL RIGHTS FOR THE HANDICAPPED

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. ERDAHL. Mr. Speaker, on April 30, 1982, the Attorney General and the Secretary of Health and Human Services received a memorandum from President Reagan concerning enforcement of laws prohibiting discrimination against the handicapped. This memorandum was triggered by the recent death of a newborn infant who had the characteristics of Down's syndrome and lacked the ability to digest food by normal means. The baby died before Justice John Paul Stevens of the U.S. Supreme Court could rule on the hospital's obligation to provide life-sustaining treatment without parental consent.

In the memoranda President Reagan said in part:

Our Nation's commitment to equal protection of the law will have little meaning if we deny such protection to those who have not been blessed with the same physical and mental gifts we too often take for granted. I support Federal laws prohibiting discrimination against the handicapped, and remain determined that such laws will be vigorously enforced.

I applaud President Reagan on his clear, unconditional support for the handicapped. He does not, for example, reference cost-benefit criteria nor potential burden or hardship on others when addressing the civil rights of handicapped persons.

Presently, the Department of Justice, as the designated lead agency, is revising the regulations for section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against the handicapped. Section 504 states:

No otherwise qualified handicapped individual in the United States, shall, solely by reason of handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

This statutory language is also clear, and unconditional in its affirmation of the civil rights of the handicapped.

I hope any changes to the section 504 regulations will reflect the spirit of the President's position and the intent of Congress.

On the fifth anniversary of the signing of the section 504 regulations many of our House and Senate colleagues entered statements in the CONGRESSIONAL RECORD in support of the regulations. These statements also reflect a common belief in the unconditional right of handicapped individuals to equal protection under the law, and equal access to health services, to education, and to employment opportunities which are available to nonhandicapped individuals.

In the last 5 years, the section 504 regulations have helped to create an environment in which handicapped Americans are beginning to be viewed as full partners in America's future; in America's economic recovery. Any changes in regulations should work to strengthen this partnership. Changes should not emphasize criteria for justifying denial of access to services or opportunities. But rather, changes should show recipients how to increase access to services and opportunities for handicapped persons. To offer less than a full partnership to America's disabled citizens is to perpetuate tokenism. To demand less than a full partnership is to deny the value of a significant human resource. Section 504 regulations have been and should continue to be a driving force for unconditional civil rights for handicapped Americans. Recent events would suggest that this is national sentiment, and it should not be ignored by those charged with reviewing and recommending changes in national policy.●

NATIONAL ORCHESTRA WEEK

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. WOLF. Mr. Speaker, I would like to take this opportunity to ask my fellow Representatives to join me in the celebration of National Orchestra Week by saluting America's 1,500 symphony and chamber orchestras. These orchestras are an enormous source of community pride, providing highest quality orchestral music to more than 23 million people each year. Not only do these orchestras contribute to the spirit and cultural vitality of each of their respective communities, they also serve as cultural ambassadors, bringing listening enjoyment to people around the world through regular tours of Europe, South America, and the Orient

The Washington area can proudly claim one of the finest orchestras in the Nation as its own. The Fairfax Symphony Orchestra, comprised of 108 talented musicians, has provided the northern Virginia and Washington metropolitan areas with outstanding musical performances for the past 25 years. This 1981-82 season marks the 25th anniversary of the Fairfax Symphony Orchestra, and I am very pleased to be able to recognize this organization for the contributions it has made to the northern Virginia community.

The Fairfax Symphony Orchestra is a volunteer orchestra whose purpose is to bring to Fairfax County and the surrounding areas a magnificent season of symphonic concerts, featuring international artists as well as local performers. The Symphony sponsors a variety of educational activities including "Hello Symphony" and the Chamber Orchestra for Young Audiences designed for elementary schoolchildren. Concert previews, program commentaries, open rehearsals and master classes by noted artists are other Fairfax Symphony Orchestra activities.

In celebration of the 25th anniversary, the Fairfax Symphony Orchestra will perform a series of six Saturday night concerts as well as two Friday night Spring Sampler concerts. Other programs include the widely acclaimed Holiday Concerts planned especially for the entire family, and special 25th Anniversary Concert at the Kennedy Center. In addition, a Silver Anniversary Ball will be held in honor of the Symphony.

The Fairfax Symphony Orchestra has delighted northern Virginians with 25 years of musical excellence. Their commitment and professionalism has earned them a place of distinction in northern Virginia and throughout the world. The Fairfax Symphony Orchestra should be recognized and commended for its fine cultural and artistic contributions.●

SUPPORT GROWS FOR H.R. 6098

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. LEBOUTILLIER. Mr. Speaker, since my introduction of H.R. 6098, a bill to enlarge the Helen Keller National Center for Deaf-Blind Youths and Adults, I am pleased to be able to note that 25 of my colleagues have cosponsored my bill.

I would like to thank the following Members for their support of H.R. 6098: Messrs. GILMAN, ERDAHL, PETRI, JEFFORDS, DENARDIS, MCGRATH, LENT, CRAIG, ROE, WORTLEY, PARREN MITCHELL, TOM EVANS, JOSEPH SMITH, GREEN, WOLF, FISH, MARTIN, JEFFRIES, FRANK, SHAMANSKY, CHRISTOPHER SMITH, MOLINARI, RATCHFORD, YATRON, and Mrs. ROUKEMA.

H.R. 6098 is a simple bill which is designed to create a separate budgetary line item for the internationally singu-

lar Helen Keller National Center for Deaf-Blind Youths and Adults, located in Sands Point, N.Y. The center—and its nine major regional programs—is the only national institution which successfully rehabilitates and places these most severely of handicapped persons. In addition, the training techniques and technologies developed at the center serve as the most novel training methods for persons previously regarded as being unreachable.

The center is slighted in funding considerations due to its competitive and nebulous budgetary position. Efforts to keep the center operational and responsive will fail if its budgetary status is not enhanced. H.R. 6098 seeks to do this by recognizing the singular importance of the center beyond its mention in section 313 of the Rehabilitation Act of 1973, as amended. With better listing, better funding can be guaranteed, and the needs of the Nation's deaf-blind can be adequately addressed. This bill addresses the needs of one center that serves a national constituency.

I urge more of my colleagues to support H.R. 6098.●

INDIANA'S UNEMPLOYMENT IN CONSTRUCTION

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. FITHIAN. Mr. Speaker, to many Americans, the most urgent outcome of our economic troubles is the outrageous unemployment which has struck our country. I am in receipt of a letter from Mr. Robert Georgine, president of the Building and Construction Trades Department of the AFL–CIO, expressing his concern over the dismal unemployment figures for the construction industry, and the resulting negative effects on industry throughout the country.

Indiana is an important example of how the recession is destroying industry. Mr. Georgine compiled unemployment figures in the construction field for various areas in the United States. I would like to share those for Indiana with you, in the hope that such stark reality may bring to our eyes the extreme distress being suffered by Americans living in economically depressed regions.

As Mr. Georgine has pointed out, many building tradesmen are being forced to abandon the industry due to the shortage of jobs. Such skilled laborers represent a loss of important expertise in their respective fields. Unfortunately, a similar exodus is occurring in many different fields throughout the United States. All that these tradeworkers ask is for the chance to earn an honest living, and they are being denied. I feel that, as their representatives, we owe them more of an attempt at a recovery.

Evansville, Ind.

	Percent
Iron workers	12
Laborers	33
Operating engineers	30
Painters	50
Sheet metal workers	30

Merrillville, Ind.

Union (unemployed):	
Asbestos workers	12
Boilermakers	31
Bricklayers	25
Carpenters	27
Electrical workers	11
Glaziers	5
Painters	85
Pile drivers	33
Plasterers	93
Roofers	65
Sheet metal workers	10
United association	60

South Bend, Ind.

Asbestos workers	20
Carpenters	50
Cement masons	80
Electrical workers	20
Elevator constructors	17
Iron workers	85
Laborers	50
Plumbers and pipefitters	34
Roofers	99
Sheet metal workers	20

Terre Haute, Ind.

Boilermakers	33
Electrical workers	4
Iron workers	60
Operating engineers	70
Sheet metal workers	25

DOMESTIC CONTENT ACT

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. EVANS of Iowa. Mr. Speaker, today I am introducing legislation which will permit America's domestic industries to seek relief from excessive foreign competition. For many years our country has held the belief that the best climate for fostering international trade consisted of free and open access to markets and voluntary agreements between trading partners on issues of particular concern. In spite of this attitude and our efforts to maintain our economic vitality through competition in both world and domestic markets, we have experienced a series of assaults on our domestic manufacturing industries which have shaken many of them to their foundations and diminished even further their ability to compete.

I would like to recognize the United Auto Workers, Mr. Speaker, for their efforts to awaken this Congress to the serious nature of this problem. They have called for strong action to remedy the problems their industry currently faces and have worked unceasingly to gain support for their plan. They have succeeded in enlisting many of the Members of this House through their efforts. Although I agree with the substance of much of the UAW plan as contained in H.R. 5133, there are several important reasons why I have not added my name to the list of those supporting this bill and I would like to briefly outline these reasons.

The existing proposal provides relief only for the automobile industry and not for other industries which have suffered severe hardships due to excessive competition from imported products. My bill would permit any industry to seek relief from unfair competition by establishing a process and a set of standards under which this judgment would be reached. I am also proposing a manner of responding to the problem which, although it requires the President to act, allows both flexibility and a degree of congressional oversight in order to insure that the level of our response is appropriate to the situation. Further, the timetable of actions in my plan allows the participants to evaluate the effect of previous actions and provides adequate notice of future requirments for all parties involved.

My bill, Mr. Speaker, provides that the International Trade Commission (ITC) be given the authority to receive and investigate complaints regarding excessive competition from imported articles. In cases where the ITC determines that serious injury has occureed or could occur, the President will declare a trade emergency and impose a domestic content requirement, either at the recommendation of the ITC or at a different level as determined by the President. The level of domestic content may not exceed 25 percent in the first year and can be increased by up to 25 percent each subsequent year, with an overall limit of 75 percent. If the President determines that the initial level of domestic content should be at a level other than that recommended by the ITC, Congress will have the opportunity to insist on the ITC level by passing a joint resolution by a simple majority in each House. During the first 6 months of any domestic content requirement, the ITC will monitor the effect on the situation and report to the President, in order that he may decide to raise, retain, lower, or remove the domestic content requirement during the next 12-month period. This will provide adequate notice for all parties subject to the content requirement. Any manufacturer who fails to meet the domestic content requirement will be limited to importing 75 percent of the number of items imported during the previous 12-month period.

I will conclude, Mr. Speaker, by saying that I am offering this plan as a workable approach to the use of do-

mestic content requirements—a plan which will provide an avenue for all of our domestic industries to seek relief from excessive competition when it occurs. It contains definite standards and calls for prompt, yet flexible action in cases where a definite need exists. I urge you and my colleagues in the House to give this proposal careful consideration and support.

Thank you, Mr. Speaker.●

TENTH ANNUAL FOSTER GRANDPARENT PROGRAM RECOGNITION DAY LUNCHEON

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. OTTINGER. Mr. Speaker, tomorrow the Foster Grandparent program of Westchester and Putnam Counties, supported by ACTION agency grants and sponsored by the Westchester community opportunity program, will be celebrating its 10th anniversary with a Foster Grandparent recognition day luncheon. I congratulate the work that the many seniors participating in this extremely worthwhile and fulfilling program have done. Under the fine leadership of Irene Seidman, program director, the Foster Grandparents volunteer to work with emotionally disabled, handicapped children and other persons who have exceptional needs in the Westchester and Putnam Counties.

The Foster Grandparent program was originally developed in 1965 as a cooperative effort between the Office of Economic Opportunity and the Administration on Aging in the Department of Health, Education, and Welfare. Today, ACTION agency grants to support the operation of Foster Grandparent programs are awarded to public or private nonprofit agencies and organizations working in the program settings in which Foster Grandparents serve.

Our Foster Grandparents serve in settings which include correctional facilities, pediatric wards of general hospitals, schools, day care centers, private homes and institutions for mentally retarded, physically handicapped, emotionally disturbed and dependent and neglected children. The Foster Grandparents serve 4 hours a day, 5 days a week, and receive a small stipend to enable them to serve without added cost to themselves.

The Foster Grandparent program provides volunteer service opportunties for low-income persons, aged 60 and over, to offer personalized support and care to children with exceptional needs in health, education and welfare and related settings. The program enables older persons to maintain a sense of personal worth and self-respect, to enrich social contacts and retain physical and mental alertness. Our Foster Grandparents do not displace salaried staff, but complement staff care to special children with the love and personal concern essential to their well-being. Foster Grandparents work long and hard to provide the support that makes it easier for handicapped children to adjust to a new environment.

I commend the extraordinary work that our Foster Grandparents have done and I encourage them to continue and promote the spirit of volunteerism that is so vital for our Nation today.●

TRIBUTE TO MR. FRANK LANGELLA

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. RODINO. Mr. Speaker, I rise today to pay tribute to Frank Langella, president of the Bayonne Barrel and Drum Co. of Newark, N.J., and to call the attention of my colleagues to my friend's achievements in the industry.

Mr. Langella's career is a long and distinguished one. He was most recently honored at the international conference of steel drums held at Walt Disney World, Fla. The group awarded him its First International Award of Merit, citing his "inventiveness, imagination, and generosity, and willingness to share the modern technology which he has played a major role in creating." As early as 1965 he received the First Award of Merit from the National Drum and Barrel Association of Washington, D.C., for his outstanding contributions.

I know my colleagues will join me in congratulating Mr. Langella on his recent award and extending our recognition for his service to his industry and his community.●

DO NOT CUT SOCIAL SECURITY

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. WOLPE. Mr. Speaker, in a series of recent town meetings which focussed primarily upon issues of concern to older Americans, I had the opportunity to meet with senior citizens throughout my congressional district. At each of these meetings, one voice yielded to another to convey a message of unmistakeable clarity: Simply, do not cut social security! And Mr. Speaker, the sense of urgency with which their pleas were spoken is altogether understandable.

Double-digit inflation has affected the lives of all Americans, but it has had a particularly severe impact upon our Nation's senior citizens—people who must daily struggle to reconcile fixed and meager incomes with ever-increasing prices. Inflation alone, however, is not the only force intruding upon the comfort and well-being of older Americans. We must recognize that the budget cuts already embraced by this Congress have resulted in painful and severe cut-backs in a wide range of programs benefiting senior citizens, including medicare, nutrition programs, energy assistance, low income housing and public transportation. This year, the administration will attempt to accomplish additional reductions in medicare and medicaid, as well as the virtual elimination of Federal energy assistance and the full range of senior community employment programs. With all of this prolog, it is no wonder that senior citizens have raised their voices in protest to the recent proposals to cut social security payments.

When the President proposed massive cutbacks in social security retirement benefits last May as a means of protecting the system's solvency, senior citizens sensed—and I think rightfully so—that such immediate and fundamental reductions were unfair and unnecessary. Their message was heard clearly, and the proposals were summarily withdrawn. However, this year's budget debate has again revived proposals for huge social security reductions; and some form of congressional action seems imminent.

While these proposals are again being defended with claims of protecting the system, the far more direct intention is to reduce the burgeoning Federal deficit. And in this connection, we must acknowledge the irrefutable fact that senior citizens have been asked to bear far more than their fair share of sacrifices in the Federal budget-cutting effort.

I believe that a far more equitable and reasonable approach would come from the reconsideration of the administration's $750 billion tax cut and planned $1.6 trillion defense spending over the next 5 years. I also believe that we should insist upon the elimination of several wasteful porkbarrel projects that have so far been left untouched.

Mr. Speaker, the choices before us are very clear. Surely, we must reduce Federal deficits, but we must not make our senior citizens the scapegoats of our budgetary crisis.●

COMMUNITY GARDENING COMES TO TOWN

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. BROWN of California. Mr. Speaker, last Tuesday, June 8, the demonstration garden of Project GROW—Garden Resources of Washington—was dedicated. The garden is located at Sixth and Independence SW., just across from the Air and Space Museum and is intended to show that small spaces can produce large returns. The garden is a project of the Interfaith Council of Washington and was funded by a grant from the Glad Bag and Wrap Division of Union Carbide.

I would like to take this opportunity to commend all of those involved in bringing this garden into existence. I would also like to thank Secretary of Agriculture and Mrs. Block for taking the time to formally dedicate this valuable project. Were it not for the primary in California, I would have heartily joined them in welcoming this valuable educational project to Washington.

I think that it is especially notable that Glad is involved in this effort. I would encourage other companies in the food and garden sector to follow their fine example and spread this kind of community involvement to other cities and towns in America. I hope that many of my colleagues will take the time to walk just a few blocks down the street to witness this wonderful product of community, corporate, and individual initiative. Many of us here in Congress, such as Mr. WHITTEN, Mr. RICHMOND, and others, have been active in promoting community gardening. A short walk down the street will show why.●

THE JONES BUDGET—AN ALTERNATIVE WITH COMPASSION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. MAZZOLI. Mr. Speaker, last week the House of Representatives had before it three choices for a fiscal year 1983 Federal budget.

The key votes came down to a choice between the Democratic Jones substitute and the Republican Latta substitute.

As in an earlier round of budget votes, I supported the Jones—the Democratic—budget because it accomplished the difficult job of allocating our scarce Federal financial resources with more compassion for the poor, the elderly, the handicapped, and the unemployed. And, it called for a slower defense buildup—a very wise move in these hard economic times.

As we all know, the House in its wisdom adopted the Latta budget.

While I voted against the Latta budget substitute and supported the Jones alternative—the Democratic alternative—I voted to send the House-passed package to a conference where it would be reconciled with an earlier fiscal year 1983 budget passed by the Senate.

To have refused to send the House-passed budget—with whose provisions I disagreed—to conference would have been to refuse to give the American people a budget of any kind for fiscal year 1983. This is an action I could not take.

While I am disappointed at the final outcome of this budgetary skirmish, it is important to remember that the resolution the House passed and sent to conference with the Senate is nonbinding and only seeks to set budget targets for fiscal year 1983. The binding budget document will come later this year—in the fall—so the more egregious errors and the poignant hardships produced by these budget targets can be cured in the fall when the final—and binding—budget comes to the House.

While the budget package I favored—which was evenhanded and balanced—did not prevail, I am prepared to allow the package which was adopted to go to conference. There I hope the conferees can cure its most glaring faults and report a compromise preliminary budget for fiscal year 1983 reducing the deficits—and with them, I hope, the interest rates—so America can go back to work.●

WHY THE CIVIL FRAUD PENALTY SHOULD BE CHANGED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. PHILIP M. CRANE. Mr. Speaker, today I am introducing a bill concerning the civil fraud penalty, which is part of our Internal Revenue Code.

The change that I am proposing is necessary from the standpoint of fairness, and I believe that it will result in better tax administration and greater benefit to the U.S. Treasury.

At the present time, the civil fraud penalty is 50 percent of the taxpayer's total deficiency. When a taxpayer's return is audited, any additional amounts found due constitutes a deficiency. I can illustrate the problem with a simple example:

Let us suppose that A and B worked for the same employer and enjoyed the same level of income. We will further suppose that both A and B did some moonlighting and each earned wages, which were paid in cash, and they both made the mistake of not reporting it in their tax return, which resulted in a deficiency of $500 for each. Failure to report income is fraud.

Let us further suppose that in A's tax return, there was an item that he honestly thought was tax-free gift. He was so advised by his lawyer and accountant. The IRS held that it was not a tax-free gift but was taxable income. This item in controversy increased his taxes and resulted in a further deficiency of $5,000. He had acted in good faith and made a full disclosure of the transaction in his tax return and there was no evidence of fraud.

Both A and B were guilty of fraud in exactly the same amount, to wit: $500, but they would be treated far differently under the present law. A's civil fraud penalty would be 50 percent of $5,500, or $2,750. B's civil fraud penalty would be $250. This is clearly unfair.

The bill I am introducing today, would cause the civil fraud penalty to be applied only to the fraud tainted items, and would raise the penalty from 50 percent to 100 percent. If what I proposed today were applied to the hypothetical case I just cited, A and B each would be subject to a $500 civil fraud penalty.

The unfairness of the present law can be illustrated in many types of examples. I ask unanimous consent that a question and answer statement, prepared by Carl T. Curtis, who served on both the Committee on Ways and Means of the House and the Committee on Finance of the Senate, which illustrates the extent of the problem and the advantage to the U.S. Treasury if the law were to be changed, be incorporated at the end of my remarks.

A similar bill is now pending in the Senate. On November 6, 1981, a hearing was held by a subcommittee of the Committee on Finance of the Senate. A number of well-qualified individuals testified at that hearing. A summary of the testimony of that Senate hearing has been prepared and I ask unanimous consent to incorporate that summary at the end of my remarks.

Mr. Speaker, I urge the Committee on Ways and Means to schedule this long overdo legislation for a hearing in the near future, that it be approved by the Committee and passed by this House.

The statement follows:

WHY THE CIVIL FRAUD PENALTY SHOULD BE CHANGED

This statement was prepared by Carl T. Curtis of the Nelson & Harding law firm, 1101 Connecticut Avenue, NW, Suite 800, Washington, DC 20036, in support of a request for hearings before the Committee on Finance and the Committee on Ways &

Means and for presentation at the hearings of said committees.

1. Q. What is civil fraud?

A. A finding of civil fraud is not a criminal action but it is a procedure which results in the imposition of a civil penalty. The civil fraud penalty has been described by the Supreme Court of the United States as an aid in the collection of the tax for the purpose of preventing fraud in the preparation of returns and the payment of the tax. The civil fraud penalty for the most part is measured by the tax involved.

2. Q. How does civil fraud differ from criminal fraud?

A. An action in criminal fraud is an action to punish for a criminal offense. A criminal penalty may be imposed only after charges are brought and a guilty pleas is entered or a trial is held and a conviction of a misdemeanor or a felony and is measured by the degree of the offense.

3. Q. What is the penalty for criminal fraud?

A. The penalty for criminal fraud is a fine or imprisonment.

4. Q. What is the penalty for civil fraud?

A. The penalty is 50% of the amount of the tax owing or, in other words, 50% of the deficiency.

5. Q. For purposes of figuring the civil fraud, what constitutes a deficiency?

A. When a taxpayer's return is audited, any additional amounts found due constitute a deficiency.

6. Q. What kind of items could be included in the makeup of a deficiency that would have no connection with fraud and would not be tainted with fraud in any way?

A. A taxpayer may make a full disclosure of all his income. His legal counsel and his accountant may well advise him that a particular transaction ought to be claimed as a capital gain and not as ordinary income. The Internal Revenue Service may determine that the particular transaction constitutes ordinary income and thus there is a deficiency in the payment. There isn't the slightest taint of fraud and the facts were fully disclosed and the taxpayer exercised his right to ask for such a determination.

Another example of a deficiency item which may have no fraud implication at all: A taxpayer knows that he has paid out certain sizeable sums for business travel, entertainment and expenses. He claims them in his return. Upon audit, he does not have sufficient records to justify these expenses and they are disallowed. This adds materially to his tax and it is a deficiency.

Another example of a deficiency item that need not be tainted with fraud could relate to stock options. In many instances there is no tax due when the stock option is exercised, but the tax is due when the stock is eventually sold. There are situations where a tax is due when the stock option is exercised. A taxpayer may disclose every detail of the transaction in his return and exercise his lawful right and ask for a determination of no tax due. The Internal Revenue Service may find that the tax is due upon the exercise of the option and the amount of the tax involved becomes a deficiency.

An example which relates to consolidated returns is discussed in the answer to Question 10.

7. Q. Is the penalty for civil fraud applied uniformly between taxpayers?

A. No. Two taxpayers may have the same amount of income and each be found to have been fraudulent in reference to items of equal amount and these two taxpayers received vastly different penalties.

8. Q. What are some examples that show that fraud penalty is not applied uniformly.

A. Taxpayer "A" could not substantiate from records certain items of expense claimed and because he claimed a particular transaction as a capital gain instead of ordinary income he was asssed a deficiency of $2,000. It is also found that taxpayer "A" failed to include in his return some interest that he received which resulted in a $300 deficiency and the failure to include it was held to be fraudulent. The total amount of his income subject to tax including the deficiency items is $10,000. Taxpayer "A" would have a penalty of 50 percent of $2,000+300 or $1,150.

Taxpayer "B" likewise has $10,000 in income. There are no non-fraudulent items questioned in his return but he, likewise, received some interest income which he did not report. The failure to report resulted in a $300 deficiency and is determined to be fraudulent. Taxpayer "B" would be subject to a civil fraud penalty of $150.

In the above two examples both taxpayers had the same income and were charged with fraudulently omitting the same amount from their returns, yet "A" has a penalty of $1,150 and "B" has a penalty of only $150.

9. Q. Can you give some other illustrations?

A. The accountant for taxpayer M made out M's tax return and made an accounting error which was audited resulting in a deficiency of $4,000. It was also found that taxpayer M had outside earnings which he failed to report and which resulted in a $400 deficiency and this failure was held to be fraudulent. M's civil fraud penalty would be 50 percent of $4,000 plus $400 or $2,200. Taxpayer O has the same amount of income as taxpayer M but there were no errors in his return, but he, too, had received outside earnings which, he did not report which resulted in a $400 deficiency and this was held to be fraudulent. Taxpayer O's civil fraud penalty was $200.

Taxpayer X has a $10,000 deficiency, $500 of which results from a fraudulent omission from income and $9,500 from an honestly held belief that a particular gift was a nontaxable gift, X will pay a $5,000 fraud penalty; if Y on the other hand, has a $3,000 deficiency, all of which results from a similar fraudulent omission, Y will pay a penalty of only $1,500 under existing law.

10. Q. Do the problems in reference to the civil fraud penalty involve corporations as well as individuals?

A. Yes. The same civil fraud penalty statute applies to all taxpayers. The problems illustrated by the foregoing examples could apply to a corporate taxpayer just as they are shown to apply to an individual taxpayer. There is an additional problem for corporations in reference to consolidated returns.

A consolidated return is a return where a parent corporation and its subsidiaries meet certain requirements and file a consolidated return for the entire corporate group. When this is done the problem relating to the civil fraud penalty may become much greater. The following two examples, which have been provided to this writer, will illustrate how the law works in reference to a consolidated return.

EXAMPLE I

Corporation A is engaged in international operations. It has no subsidiaries and files a separate corporation income tax return. Officers of Corporation A paid officials of Country X $100,000 in bribes in 1977. These illegal payments were deducted by Corporation A on its 1977 return. On audit, the Service disallowed the deduction in reliance upon section 162(c)(2) of the Code, resulting in a deficiency in tax of $50,000. In addition, the Service determined that, the civil fraud penalty was applicable (§ 6653(b)). Therefore, Corporation A's deficiency and penalty were as follows:

Deficiency	$50,000
Civil fraud penalty (50 percent)	25,000
Total	75,000

EXAMPLE II

An affiliated group consisting of Corporation P (common parent) and controlled subsidiary corporations C, D, E, and F has elected to file a consolidated return. Officers of Corporation C paid officials of Country X $100,000 in bribes in 1977. These illegal payments were reflected on the books of Corporation C as an expense and were deducted on the 1977 consolidated return filed by the affiliated group. On audit, the Service determined a total deficiency in tax on the part of the affiliated group in the amount of $15,000,000. Of this total deficiency, $50,000 was attributable to Corporation C resulting from the disallowance of the $100,000 in illegal payments. The balance of the deficiency ($14,500,000) resulted from adjustments to standard items attributable to Corporations D, E, F, and P. In addition, the Service determined that the civil fraud penalty (§ 6653(b)) was applicable. Under current Service policy, the civil fraud penalty is applied to the entire consolidated deficiency as follows:

Deficiency	$15,000,000
Civil fraud penalty (50 percent)	7,500,000
Total	22,500,000

Thus, as a result of being a member of an affiliated group joining in an election to file a consolidated return, the illegal payments made by one corporation resulted in a geometric escalation of the civil fraud penalty (i.e., by $7,475,000).

11. Q. Can illustrations be cited showing how an individual with very moderate income might be adversely affected by the present application of the civil fraud penalty?

A. Yes. The examples cited in answer to question No. 8 involving two taxpayers, each of whom has an income of $10,000, certainly are examples of taxpayers who are not in the high income bracket.

Many other examples could be cited. Take the case of a farmer who suffered a bad year due to loss of crops from drought and storms. After deducting his items of expense, his tax return shows he owes no tax. However, one of the deductions that he claimed was for improvements that he made which he listed as an expense, but upon audit of his return, this particular deduction was denied and the transaction held to be a capital expenditure resulting in a deficiency of $1,000. Let us assume that he made a full disclosure of the transaction which the IRS held to be a capital expenditure instead of an ordinary expense. The taxpayer failed to report cash income from outside earnings and that this failure resulted in a deficiency of $100 and was held to be fraudulent. The amount of his civil penalty would be 50 percent of $1,000 plus $100, or $550. This is more than five times the amount of the item tainted with fraud.

12. Q. What is the answer to the taxpayer who says, "I pay my taxes and I fully report

my income. I do not want the civil fraud penalty changed or lessened and have my taxes increased because somebody else is not paying his full share?

A. The civil fraud penalty should not be repealed. We should not make a change in reference to the civil fraud penalty that would encourage wrong-doing, and certainly where the facts warrant it, the criminal penalty should be imposed. It must be recognized, however, that our laws should treat all taxpayers equally and that the amount of the civil fraud penalty should reflect the magnitude of the fraud. Taxpayers who may be held to have fraudulently failed to report the same amount of income should not receive vastly different treatment in the imposition of the civil fraud penalty because of circumstances in connection with their tax returns which have no relation to fraud.

13. Q. Is the present law in the best interest of the United States government and is it good tax administration?

A. No. The following comments from reputable tax lawyers illustrate the need for a change in the civil fraud penalty.

An authority on tax law from up-state New York writes as follows:

". . . a penalty that operates in this manner impedes the settlement of tax cases. For instance, if a substantial deficiency has been proposed against a taxpayer, and only a small portion of it is attributable to fraud, and the balance of the deficiency is due to legal or technical adjustments that are susceptable to settlement, the taxpayer cannot settle the case without paying the fraud penalty on the total amount of the settlement deficiency. It has been my experience in this situation that the Agent or Appellate Conferee will not drop the fraud penalty, nor should he, since the taxpayer would not be penalized for a fraudulent transaction. Thus, both the Agent and the taxpayer's representative are faced with the dilemma of either compromising the nonfraudulent adjustment to take into account the amount of the fraud penalty on the entire deficiency, or going to trial."

A tax lawyer in Massachusetts with experience in handling the government's side of civil fraud cases, says:

"In my judgement, present law works against the government's own interest in tax fraud cases. When I prosecuted criminal tax fraud cases as an assistant United States Attorney, I recall several defendants who wanted to plead guilty, but upon learning that the 50 percent fraud penalty would subsequently be applied to the entire civil deficiency for the year to which they desired to plead guilty; put the government to the expense of a trial."

A Missouri lawyer with long experience has this observation:

"If the proposed provision (see the answer to question 14) was passed, I believe the Internal Revenue Service and the courts would be more inclined to assert and find fraud in such circumstances. The way it presently stands courts are reluctant to find fraud on a large deficiency while the fraud item was minor. It falls somewhat in the category of a statute which would provide for the death penalty in stealing $10.00. While such a penalty may inhibit some from stealing $10.00 it would also discourage juries from finding thieves guilty of the minor offense.

14. Q. What is proposed in the way of change in reference to the civil fraud penalty?

A. The civil fraud penalty should be computed on the basis of the amount of the items that are tainted with fraud and it should not be computed on the total deficiency because that is placing a penalty upon the taxpayer who by happenstance has had included in his deficiency regular standard items which are not in any way tainted with fraud.

15. Q. What has the Tax Section of the American Bar Association recommended in reference to the civil fraud penalty?

A. Since 1971 the Tax Section of the American Bar Association has continued to recommend that the Congress change the present statute so that the civil fraud penalty will be applied only to those items that are determined to be fraudulent. The Bar Association recommendation is as follows:

"Section 6653. The fifty percent fraud penalty should be based on only the portion of a deficiency resulting from fraud rather than on the total tax deficiency for the year. The taxpayer should, however, have the burden of proving the absence of fraud with respect to other items or adjustment if the Service proves fraud with respect to any one item."

16. Q. Does this bill S. , as the American Bar Association has recommended, apply the fraud penalty on only that portion of the deficiency resulting from fraud?

A. This measure does provide as the American Bar Association recommended that the 50 percent fraud penalty should be based on only the portion of the deficiency resulting from fraud rather than on the total tax deficiency for the year. However, this proposal goes further and increases the civil fraud penalty percentage from 50 percent to 100 percent.●

TOO MANY GIVEAWAY PROGRAMS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. HUBBARD. Mr. Speaker, Bettye P. Leasure of Madisonville, Ky., has written me a timely letter indicating that she, like countless other Americans, is tired of the Federal giveaway programs that have become a burden on the middle-income taxpayers. I believe her letter is one which should be shared with my colleagues and I wish to do so at this time. Her letter follows:

MADISONVILLE, KY.

DEAR REPRESENTATIVE HUBBARD: I listened to President Reagan's speech and Congressman Bolling's speech on TV recently and I want to express my opinions to you after hearing them.

I think the President's policy is the best, and I hope that you will see fit to support his plan for the budget. I am in favor of the two things which he expressed—federal spending should be cut and taxes should be cut. I would certainly be in favor of a constitutional amendment to balance the budget.

I think there are many taxpayers who feel like I do. There are too many social giveaway programs that have become a burden on the middle-income group of American taxpayers. I am tired of trying to save my money for retirement and having the dividends taxes the second time so that tax money can be spent on CETA, food stamps, cost overruns on military boondoggles, and other wasteful government projects, as well as lavish foreign aid to El Salvador, Egypt, Israel, etc. Less foreign aid could give the American taxpayers a break.

Yours very truly,

BETTYE P. LEASURE.●

BISHOP-ELECT RICARDO RAMIREZ A DEDICATED SERVANT

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1982

● Mr. GONZALEZ. Mr. Speaker, a few months ago a great event was celebrated in the archdioceses of San Antonio—a truly historical occasion: The appointment as Auxiliary Bishop of Ricardo Ramirez, CSB.

In the intervening months, the Auxiliary Bishop has proven to be a true and authentic spiritual leader, a man of God—a genuine "Priest according to the Order of Melchizedek."

He is a man from and of the people, a native Texan, who has not forgotten where he comes from.

Mr. Speaker, I offer for the RECORD the Today's Catholic issue of Friday, October 30, 1981, setting forth this wonderful history.

BISHOP-ELECT RICARDO RAMIREZ, CSB—AN EDITORIAL

The Archdiocese of San Antonio welcomes its newest Auxiliary, Bishop-elect Ricardo Ramirez, CSB. A native Texan, born of migrant farmworker parents, he is well prepared to assist Archbishop Flores in the pastoral care of our flock.

The first duty of a bishop is to teach. Well-educated, Bishop-elect Ramirez began his education in the Public Schools of Bay City, then on to St. Thomas University in Houston where he was attracted to follow the Master in the Basilian Order. He initiated his theological studies in Toronto, Canada and completed them in Mexico City. Further studies were made at the East Asian Pastoral Institute in Manila, Philippines.

Having served as a Missionary in Tehuacan, Puebla, Mexico and specializing his pastoral ministry in family catechetical programs, our new Auxiliary will be ready for the challenge of "teaching as Jesus did" in the decade dedicated to the family.

As Executive Vice-President of the Mexican American Cultural Center, hundreds of students were prepared for pastoral ministry for work among Hispanics both here and abroad.

Now, as Auxiliary Bishop, he will address himself to the greater challenge of igniting and strengthening the faith of people of all ethnic groups, particularly the majority Mexican-Americans of our 32-county Archdiocese.

Bishop-elect Ramirez declared he was "anxious to work with the generous people of the Archdiocese without failing to recognize the needs of anyone"

Welcome, Bishop-elect Ramirez! We pray to the Lord our Shepherd that you be a faithful teacher, a unifier of God's People, and an authentic witness to Jesus the Eternal Priest!

NEW AUXILIARY BISHOP—BISHOP-ELECT RAMIREZ A DEDICATED SERVANT

"I wish to dedicate myself to the welfare of all, but most especially to the poor and disadvantaged of the Archdiocese. For these and those who are even poorer in other parts of the world, I wish to make a preferential option."

Basilian Father Ricardo Ramirez, named by Pope John Paul II earlier this week to serve as an Auxiliary to the Archbishop of San Antonio, made this point as he spoke during a press conference at Assumption Seminary in which his new appointment was officially announced.

The new Bishop is tentatively scheduled to be ordained to the episcopacy Dec. 6 in the cavernous Convention Center Arena in a colorful rite which will be held in conjunction with the traditional Festival Guadalupano.

In welcoming Bishop-designate Ramirez to the hierarchy of this archdiocese, Religious and laity once again look forward to working with a native Texan. For it was only in early July that the Pope named another native Texan, then-Msgr. Charles V. Grahmann, to serve as an Auxiliary to the Archbishop of San Antonio.

In relaying the announcement of Bishop-designate Ramirez' appointment, Archbishop Flores pointed out that when his former auxiliary, Bishop Raymond Pena, departed to head the El Paso Diocese in 1980 he requested the services of two auxiliaries locally. Noting that these posts are now finally filled, Archbishop Flores said the delay was most probably caused by the recent illness suffered by the Pope.

Bishop-designate Ramirez, like Bishop Grahmann, is no stranger to many people locally. He has been at the Mexican American Cultural Center, which he currently serves as executive vice president, since 1976.

The future Bishop was born Sept. 12, 1936 in Bay City, Texas. His parents are Natividad Ramirez and Maria Espinosa.

He attended public elementary and high schools in Bay City. From 1955 to 1959 he attended the University of St. Thomas in Houston, earning a BA degree in liberal arts. He attended St. Basil's Novitiate in Pontiac, Mich. from 1959 to 1969 and from 1960 to 1963 also taught at St. Thomas High School, Houston as well as Catholic Central in Detroit.

From 1963 to 1966 he was in St. Basil's Seminary, Toronto and the Seminario Conciliar in Mexico City, earning a master's degree in religious education.

He was ordained to the priesthood Dec. 10, 1966 by Bishop John L. Morkovsky in St. Ann's Church, Houston.

From 1968 to 1970 he worked at San Juan de Aragon, Mexico City and was director of university students at Centro Cultural there. From 1970 to 1973 he worked at Tehuacan, Puebla and founded the "Catequesis Familiar" which is now an international church project.

He took a sabbatical from 1973 to 1974 to attend the East Asian Pastoral Institute in Manila.

And, as Archbishop Flores stated with a smile, in 1976 "we adopted him" to the Mexican American Cultural Center. And in addition to his duties as executive vice president at MACC, the Bishop-designate lectures on church history of the Southwest, anthropology, evangelization and liturgy.

Bishop-designate Ramirez has had many articles published in Worship and the New Catholic World. And he is also a member of the National Catholic Council for Interracial Justice, PADRES, is coordinator of Hispanic Affairs Input of CEHILA, is a member of the Comite de Estudios de la Historia de la Iglesia Latina-Americana, is a board member of the National Institute for Hispanic Liturgy and is a member of the advisory committee of the Secretariat for Hispanic Affairs of the U.S. Catholic Conference.

BISHOP-ELECT RAMIREZ DEDICATED TO PEOPLE

Bishop-designate Ricardo Ramirez, named this week by Pope John Paul II to serve as an Auxiliary to the Archbishop of San Antonio, has promised total self dedication to all the people of this Archdiocese.

And he has offered a special sensitivity to the needs of the family, young people, and the poor.

In turn he asks the help and support of all those he will serve, stating, "I ask all of you that where I am weak, that you please be my strength; that where I am lacking in insight, that you be my wisdom; that where I am limited in experience, that you be my helping hand."

Bishop-designate Ramirez says that he accepts his new role "with gratitude to God, first of all for my family, for my religious community, the Congregation of the Priests of St. Basil, and for all you, my friends . . ."

"I do so with humble and contrite heart," he says, "but also with full trust in the Lord and with confidence that you, the people of God in the Archdiocese, will support me in this new calling and challenge to the fullness of the priesthood."

"I pledge my loyalty to His Holiness John Paul II and to you, Archbishop Flores. I promise my full cooperation with you, the Auxiliaries of San Antonio, Bishop Hugo Gerbermann and Bishop Charles Grahmann."

Continuing, the new Bishop said, "To you, the people of God, I promise 100 percent of my life, energies and resources for the building up of the Body of Christ."

"In the traditions established by Archbishop Lucey and Archbishop Furey, whose good works have left an indelible mark in the Church in this part of the world, and in keeping with your own most recent pastoral letter, Archbishop Flores, I wish to dedicate myself to the welfare of all but most especially to the poor and disadvantaged of the Archdiocese. For these and those who are even poorer in other parts of the world, I wish to make a preferential option."

Continuing, Bishop-designate Ramirez said, "I offer my capacity as religious educator for the evangelization projects in the Archdiocese, especially those that concern the family and youth. I will do what I can in promoting vocations to the religious life, to the priesthood and the other ministries."

ARCHBISHOP FLORES CALLS RAMIREZ APPOINTMENT ONE OF "JOY"

Relaying the news of Father Ricardo Ramirez' appointment as an Auxiliary to the Archbishop of San Antonio, Archbishop Flores told a happy gathering of clergy, laity, friends and members of the media at Assumption Seminary that "I share with you this great and wonderful news with personal joy and satisfaction."

"I am tremendously blessed in having Father Ricardo Ramirez as my Auxiliary," Archbishop Flores said. "I thank the Pope with all my heart for appointing this humble yet great man to be my Auxiliary Bishop."

"Bishop-elect Ramirez has come well prepared to do a great job in this Archdiocese," the Archbishop added. "He is a native Texan. He has worked with us already a good number of years. And he loves us and we love him."

"I welcome Bishop-elect Ramirez to the College of Bishops in Texas, the U.S.A. and the Church Universal," Archbishop Flores stated.

Later, responding to questions about the appointment, Archbishop Flores said, "I have promised an episcopal presence in all areas of this Archdiocese in a more visible way." He pointed out that as a result, Auxiliary Bishop Grahmann will be spending "a few days" most weeks in the Eastern sections of the Archdiocese and Auxiliary Bishop Ramirez will do the same in the Western sections.

This is being done, the Archbishop added, not only to serve the needs of today's faithful in those areas but in anticipation of the great growth expected in all the cities, towns and communities of the entire Archdiocese.●

SENATE—*Monday, June 21, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

O Lord our Lord, how excellent is Thy name in all the earth! who hast set Thy glory above the heavens.

—Psalm 8: 1.

I will praise Thee, O Lord, with my whole heart; I will shew forth all Thy marvelous works.—Psalm 9: 1.

Great is the Lord, and greatly to be praised . . .—Psalm 48: 1.

Lord God of Heaven and Earth, sovereign ruler of the nations, as the Senators face 2 weeks of heavy schedule and hard work, grant to them an eye single to their mandate. Help them order their priorities properly, deliver them from the tyranny of the urgent that they may devote themselves to the truly important. Give special wisdom to the leadership and infuse the membership with the will to unity and credibility.

We remember especially President Reagan as he meets with Prime Minister Begin. Cover their meeting with wisdom, resolution, and peace. May Thy name be hallowed, Thy Kingdom come, Thy will be done on Earth as in Heaven. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

SENATE CHAPLAIN COMMENDED

Mr. BAKER. Mr. President, I commend the Chaplain once again for a most excellent morning invocation to begin this week. I express my appreciation for his thoughts.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

FOR KEVIN

Mr. BAKER. Mr. President, this week's poem, I am proud to say, was written by my good friend and colleague from Maine (Mr. COHEN). The poem is a moving and heartfelt message to his son, Kevin, on the occasion of Kevin's 17th birthday, and is perhaps the best way for many of us in this Chamber to return the warmth we received from our families yesterday on Father's Day.

I ask unanimous consent that the poem be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

FOR KEVIN

(By WILLIAM S. COHEN)

Time falls, wheat shafts
under the scythe,
days lay in sheaths
of yellow gold
of deeds done,
not done, there
is no sound.

Silence, if you
listen long enough
becomes a sound,
that sings into
tissue and scars,

Stars shift in the night,
earth spins on its
perfect incline,
there is no grind,
no tick of time,
only silence as bones
stretch, night stalks,
moon white and arch
toward some final form
undefined for now.

Dreams lay like
dark loam on my mind
and I see you
at seventeen,
an echo of my youth,
rippling out, sea waves,
sound swirls, shimmering
golden in the sun,

My prayers are parsed
without accent into a
savage sort of rhyme.

I watch you turn
in the membrane
of your sleep,
a flutter of infinity
roars in my ears
but makes no sound.

I wonder
does my father
stand mute
in his flour-filled days
that shrink to their
cosmic conclusion

and hear this drip
of the universe?

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order and the Senator from Florida on a special order, there be a period for the transaction of routine morning business to extend no more than 30 minutes in length in which Senators may speak no more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, it is my hope that significant progress can be made in the debate on the conference report on the urgent supplemental appropriations bill. It is also my hope that, as and when a vote on the conference report or any of the several items in disagreement may be ordered, it may be possible, in order to assure maximum attendance and to meet the travel and schedule requirements of many Members, that any votes that are contemplated will occur on or after 4 o'clock today.

Mr. President, I do not intend to ask the Senate to remain long past the regular recess hour of 6 p.m. It is my expectation that we can and should finish this conference report today, and tomorrow, and be prepared to deal with the conference report on the budget resolution when it is received. I shall have further announcements to make, Mr. President, on the conference report on the budget resolution after I have had an opportunity to confer with the distinguished chairman of the committee (Mr. DOMENICI) and others.

Mr. President, we have a great deal of work yet to do, including these items and the extension of the debt limit. The Senate is making good progress on the matter of the urgent list which we discussed last week and I commend my colleagues for it and express my personal gratitude for the perseverance and diligence shown.

SCHEDULE CHANGE POSSIBLE

Mr. President, I am reluctant to make this statement, because it comes so close to the heels of my determination to abide by a reasonable and advance-published schedule of activities in the Senate. Since we do have both the conference report on the urgent supplemental and the conference report on the budget resolution and, perhaps, action to be taken on the debt limit as well, Senators should be on notice of the possibility that it may be necessary to deviate from the regu-

lar schedule of hours. It was the leadership's intention to abide by them this week to the extent that it is possible to do and I do anticipate that we shall have a regular recess time today. It is my hope that we shall tomorrow and Wednesday as well. Thursday, of course, is the regular late evening if a late evening is required. Just as one note of caution, however, Senators should be aware that the exigency of circumstances may require us to deviate from the regular schedule on some day other than Thursday.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. Yes, I yield.

(Mr. WARNER assumed the chair).

Mr. ROBERT C. BYRD. In other words, the majority leader is saying that the Senate may have to be in session later than the usual hour on Tuesday and/or Wednesday as well as Thursday?

Mr. BAKER. Yes, Mr. President. Thursday, of course, and perhaps Tuesday and Wednesday. I do not now see that probability, but it is certainly a possibility and I thought it wise to mention that possibility so Senators may take account of it.

Mr. ROBERT C. BYRD. I thank the majority leader.

Mr. BAKER. I thank the minority leader.

Mr. President, I have no further requirement of my time under the standing order. Does any Senator seek recognition on my time? If not, I am prepared to yield it to the minority leader or yield it back.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader. I shall accept the offer, not that I shall need it.

Mr. BAKER. I yield the remainder of my time under the standing order to the control of the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

THE RAYMOND DONOVAN CASE

Mr. ROBERT C. BYRD. Mr. President, this past weekend, and again this morning, there have been more published reports about the Raymond Donovan case. This morning's Washington Post revealed additional information about this subject which was apparently known to the White House but was withheld from the Senate before Mr. Donovan was confirmed as Secretary of Labor.

The article reports that an allegation that Mr. Donovan's company was "closely aligned with the Vito Genovese family of the Mafia" was "deleted from documents made available to the Senate Labor Committee before Donovan's confirmation * * *."

Of course, Mr. President, this is not the first occasion when we have heard that information about Mr. Donovan was withheld from the Senate. The most flagrant example of this kind of activity was revealed last Tuesday, June 15, 1982, when the Washington Post reported that: "The incoming Reagan White House was informed by the FBI last year, on the first day of Secretary Raymond J. Donovan's Senate confirmation hearings, that Donovan had close personal and business ties with known" organized crime figures. That information was never provided to the Senate until June 11, 1982, approximately 16 months after Mr. Donovan was confirmed. It was that information—that the FBI had apparently reached a conclusion that Mr. Donovan had "close personal and business ties with known" organized crime figures—that prompted my Democratic colleagues and me to conclude that Mr. Donovan should be asked to "step aside" until these matters have been cleared. I understand Mr. Donovan will be making a statement this afternoon, and I trust it will reflect the President's agreement with us that it is in the best interests of the country for Mr. Donovan to "step aside" while these very serious charges are being investigated.

But I rise today, Mr. President, not to speak primarily on the subject of the allegations which have been made about Mr. Donovan, but about a much more serious problem which these continuing stories present. If these articles are accurate, then the Senate as an institution, and the country, have been done a terrible disservice. To put it most succinctly, the Senate has been obstructed in the proper discharge of its constitutional responsibilities.

Article II of the U.S. Constitution requires the Senate to consent to the appointment of "officers of the United States" such as Mr. Donovan. Article II of the Constitution provides the very bedrock for what has become known as the Senate confirmation process. The history of the exercise of this great power reflects that the Senate very rarely withholds its consent from Presidential appointments, believing, as I do, generally—although I did not in this particular case—that the President of the United States is usually entitled to select his own people to help him govern the Nation. I did not vote for the confirmation of Mr. Donovan's nomination.

Consistent with this philosophy, I point out that since this administration took office, 2,672 nominations have been submitted to the Senate—not including military, foreign service, and routine public service appointments. I have voted against only 7 of the 2,672.

As I indicated by those seven votes, I believe there are rare cases, extreme cases, where the Senate has the duty, and the obligation, to withhold its consent where the facts warrant our so doing. But, Mr. President, our responsibilities can be fairly and faithfully discharged only if we have the facts upon which to make an informed judgment. The recent developments which have been disclosed in the Donovan case make it clear that the Senate did not have the facts. The Senate has been abused, and the confirmation system has been abused, if all of this extremely relevant information has been withheld.

Senator KENNEDY and Senator EAGLETON have appropriately insisted that the withholding of information in the Donovan case must be investigated by the Senate Labor Committee, and assurances have been given that such an investigation will be conducted.

But my concern, Mr. President, goes far beyond the Donovan case. My concern is an institutional concern and reflects what I see as a need for immediate and effective steps which must be taken by this body to insure that these kinds of situations will not be allowed to recur. My concern involves the necessity for the Senate to act, not only to protect the integrity of the confirmation process, but also to assure the American people that we are adequately fulfilling our constitutional role of advising and consenting to the appointments of all the top officials who govern us as a nation.

As a first step, I will soon be introducing legislation which will insure that all relevant information bearing upon a nominee's fitness and qualifications for high Government office is obtained and transmitted to the Senate prior to confirmation. It makes a mockery of the process for the information to be submitted to the White House—such information as has been reported in the press—and not to be submitted to the Senate, as the body which must act on a nomination. Additional steps might also be necessary to affix clearly the responsibility and accountability of particular executive officers of our Government to insure that such information is not withheld. That information should not be withheld from the Senate, under any administration, under any President, regardless of what party is in power.

It might also be helpful to centralize this process in the Senate by the assignment of new responsibilities to the Office of the Senate Legal Counsel with respect to information to be obtained regarding all Presidential nominees.

The legislation which I will be offering might require amending the present Ethics in Government Act, the same law which requires the public filing of financial disclosure statements by members of the executive and legislative branches, and the same law which established the machinery for the appointment of a special prosecutor in cases involving criminal wrongdoing by political appointees.

I have recently been critical of the present administration for reports that the administration wishes to weaken or repeal various provisions of the Ethnics in Government Act. I understood that they oppose the special prosecutor requirement, and, reportedly, they are said to be studying proposals to weaken the public disclosure requirements. It seems clear to me that, contrary to the current administration's position and especially in view of the developments over the past several weeks, that act deserves not to be repealed, not to be weakened, but, if anything, to be made tougher. As I have indicated, that act is the most fundamental reform that grew out of the Watergate episode. I will resist any efforts to weaken or repeal it, and I urge my colleagues to join me in the effort.

Mr. President, I yield 5 minutes to the distinguished Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. Mr. President, I thank the distinguished Democratic leader.

GOOD ADVICE FROM ADMIRAL TURNER

Mr. PROXMIRE. Mr. President, I call the attention of the Senate to a remarkable letter that appeared yesterday in the New York Times by Admiral Turner, the former head of the CIA, in which he, an admiral, said that on the basis of the experience in the Falkland Islands and elsewhere, and on the basis of good common sense, we should very carefully reconsider the enormous amount of money we are going to be appropriating to provide for two new nuclear aircraft carriers. This comes from an admiral, former head of the CIA, a man who understands our strategic and intelligence problems probably as well as anybody in the country.

Mr. President, I ask unanimous consent that Admiral Turner's letter to the editor which was published in the New York Times of yesterday, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SUPER AIRCRAFT CARRIERS ARE NOT FOR THE FUTURE

ARLINGTON, VA., *June 3, 1982.*

To the EDITOR:

The Times printed an Op-Ed piece by Kenneth Jungersen [May 21] which erroneously drew the conclusion that the naval battles off the Falklands prove that the U.S. should buy more super aircraft carriers at $3.4 billion each.

The thrust of the argument was that a large U.S.-type carrier could defeat the Argentines in the Falklands easily whereas the small British carriers were having problems.

One has to ask whether we will ever learn not to design weapons for the last war. Any new carriers we decide to build today will not join the fleet until the early 1990's and will be in service well into the 2000's. Judging what would be useful over that span of time by what would be useful today in the Falklands is quite superficial.

Technology is moving too rapidly for such a static outlook. Many of the advantages of large carriers will be overtaken by new technologies. Lighter, smaller aircraft with sophisticated missiles will supersede the big carriers' big aircraft. The vulnerability of all ships will likely increase, no matter how many layers of steel one wraps around a large ship. More importantly, building a large ship means placing a lot of value in one, sinkable platform. New techniques of reconnaissance will make it easier for an enemy to select the high-value target.

We are in an era when too much value in one ship invites its demise. The most serious problem with that is that the admirals will not commit their big carriers in risky situations when they represent so much value and we then may lose by default.

STANSFIELD TURNER.

NUCLEAR FREEZE AGREEMENT WITH SOVIETS MUST RECOGNIZE FULL SOVIET MILITARY POWER

Mr. PROXMIRE. Mr. President, in deciding the way this country should pursue an arms limitation agreement with the Soviet Union, it is essential that we fully understand what we are up against in Soviet military power. The Secretary of Defense, Caspar Weinberger, has rightly said that such an understanding is essential to shaping and maintenance of effective U.S. and NATO forces. It is also essential in considering what steps this country can and should take to develop an effective strategic arms agreement with the Russians.

For this reason I call to the attention of the Senate an excellent summary by Secretary Weinberger of the kind of Soviet military power we face. Here is what the Secretary wrote in April of this year:

The Soviet Armed Forces today number more than 4.8 million men. For the past quarter century, we have witnessed the continuing growth of Soviet military power at a pace that shows no signs of slackening in the future.

All elements of the Soviet Armed Forces—the Strategic Rocket Forces, the Ground Forces of the Army, the Air Forces, the Navy and the Air Defense Forces—continue to modernize with an unending flow of new weapons systems, tanks, missiles, ships, artillery and aircraft. The Soviet defense budget continues to grow to fund this force buildup, to fund the projection of Soviet power far from Soviet shores and to fund Soviet use of proxy forces to support revolutionary factions and conflict in an increasing threat to international stability.

To comprehend the threat to Western strategic interests posed by the growth and power projection of the Soviet Armed Forces it is useful to consider in detail the composition, organization and doctrine of these forces, their ideological underpinning, and their steady acquisition of new, increasingly capable conventional, theater nuclear and strategic nuclear weapons systems. It is equally important to examine the USSR's industrial base, military resource allocations, and continuing quest for military/technological superiority which contribute to the effectiveness of its armed forces and proxy forces, and which support the Soviet's position as a world leader in arms exports.

The facts are stark:

The Soviet Ground Forces have grown to more than 180 divisions—motorized rifle divisions, tank divisions and airborne divisions—stationed in Eastern Europe, in the USSR, in Mongolia, and in combat in Afghanistan. Soviet Ground Forces have achieved the capacity for extended intensive combat in the Central Region of Europe.

The Soviets have fielded 50,000 tanks and 20,000 artillery pieces. The Soviet divisions are being equipped with the newer, faster, better armored T-64 and T-72 tanks. Some artillery units, organic to each division, include new, heavy mobile artillery, multiple rocket launchers and self-propelled, armored 122-mm and 152-mm guns.

More than 5,200 helicopters are available to the Soviet Armed Forces, including increasing numbers of Mi-8 and Mi-24 helicopter gunships used in direct support of ground forces on the battlefield.

More than 3,500 Soviet and Warsaw Pact tactical bombers and fighter aircraft are located in Eastern Europe alone. In each of the last eight years, the Soviets have produced more than 1,000 fighter aircraft.

Against Western Europe, China and Japan, the Soviets are adding constantly to deliverable nuclear warheads, with the number of launchers growing, with some 250 mobile, SS-20 Intermediate Range Ballistic Missile launchers in the field, and with three nuclear warheads on each SS-20 missile.

SCIENTISTS AND ENGINEERS ENDORSE THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, human rights are a matter of deep concern for all of us, but their true significance and importance comes to life for those whose colleagues, friends, or relatives actually suffer injustices at the hands of oppressive governments. Recently, representatives of a number of scientific and engineering societies met with the U.S. Under Secretary of State for Human Rights and Humanitarian Affairs Elliot Abrams to express their deep concern for the plights of colleagues who have been imprisoned or disappeared in other countries.

One of the groups represented in this delegation was the American Association for the Advancement of Science. The AAAS prepared a list and background information on 50 scientists and engineers who have had their rights as human beings violated. On January 7, 1982, the AAAS Council adopted a resolution which strongly endorses the Convention on the Prevention and Punishment of the Crime of Genocide.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

TEXT OF THE RESOLUTION ADOPTED BY THE AAAS COUNCIL

Whereas American scientists are becoming more attentive to the plights of scientists and others who are victims of human rights violations and are becoming more aware of the importance of international standards to address such violations, and

Whereas the AAAS Board of Directors voted on December 7, 1979 to support U.S. ratification of the United Nations Convention on the Prevention and Punishment of the Crime of Genocide (the Genocide Treaty), and

Whereas the Board urged the U.S. Senate to give its advice and consent to ratification of this important instrument for enhancing the human rights of all people, and

Whereas the continued lack of U.S. ratification of the Genocide Treaty contributes to the political isolation of the United States from the international community of nations which have supported the Treaty and detracts from our nation's formal commitment to the support of international standards for resolving human rights violations:

Therefore be it

Resolved That the AAAS Council affirms the 1979 action by the AAAS Board of Directors and urges immediate Senate ratification of the Genocide Treaty, and

Be it further *Resolved* That the AAAS Council urges the President of the United States to support ratification of the Genocide Treaty, and

Be it further *Resolved* That the AAAS encourages societies and academies of science affiliated with AAAS to lend their support to U.S. ratification of the Genocide Treaty.

Mr. PROXMIRE. I thank the minority leader and yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I yield the remainder of my time to Mr. CHILES, in the event he needs to use it.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. The Senator from Florida.

CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, over the last several weeks, Senator NUNN and I have come to the floor of the Senate every day. We have given specific examples of crime, and of shortcomings in our court system in order to put both our colleagues and the American public on notice concerning the need to pass a package of crime-fighting bills. Two such bills are now on the Senate Calendar. One of them, S. 2543, is a bill introduced by Senator NUNN and myself and cosponsored by 17 other Senators. The other one, S. 2572, was introduced by Senator THURMOND and Senator BIDEN. It has over 30 cosponsors, including Senator NUNN and myself. We could help fight crime by acting on either of these proposals, but we must act soon. There are as few as 49 days left in the Senate this session, and unless we move on crime-fighting legislation, we will lose our opportunity to create some momentum to fight crime.

The need to create momentum in the fight against crime cannot be overestimated. We need to pass laws that will put criminals on notice that law-abiding citizens will no longer stand by and allow crime and drugs to ruin their neighborhoods and their lives. Today, the public has little reason to believe that the violence and the crime will ever be reduced. We can help turn that attitude around, and help set a model for State and local governments, if we show that we attach a top priority to the fight against crime.

Over the past weeks, I have cited specific cases to underscore the need for reform. Today, I would like to give an example of why I believe that the public has so little hope in our present ability to fight crime. This is an article from the Miami Herald of Friday, June 11, 1982. It deals with the murders that took place in Miami on a Thursday night in June. The article is entitled: "Killers Take 3 More Lives; Toll Now 248." This is how it reads:

An anonymous woman's telephone tip led Miami police officers to the victims of a double homicide Thursday in a low-rent apartment in the city's northwest section.

Both men apparently died of gunshot wounds. Police released no identities and no motives for the deaths late Thursday.

In a third homicide, a man tentatively identified as Celso Paulo, was shot in the face as he drove a compact automobile down the 800 block of NW 29th Street.

Paulo's assailant was a passenger in a car that pulled alongside Paulo, witnesses said. After shooting, the gunman left the car and fled on foot, still carrying the shotgun, police said. Paulo stumbled out of his car and fell onto a grassy area.

In still another homicide, a woman found strangled in a lovers' lane Wednesday on the banks of an Opa-Locka rockpit was identified Thursday as a teenage go-go dancer from a small Georgia town.

The death of another woman whose body was found in South Dade Thursday afternoon remained unclassified. It may be homicide, or it may not.

Shortly after 5 p.m. target shooters found the body, partially submerged in water in an underdeveloped area a quarter mile south of Tamiami Trail and about two miles west of Krome Avenue, police said.

Mr. President, the newspaper article pointed out that the deaths reported brought Dade County's homicide total for this year to 248. And that number, high as it seems, is a drop from the total of 271 for last year at the same time. Miami has the dubious distinction of being the most crime-ridden city in the Nation, and south Florida has three of the eight top crime cities in the United States. It is true that the murder rate in Dade County this year is down from last year's rate. However, the murders in Dade County rose from 243 in 1978 to 576 in 1981. That is an almost unbelievable 237 percent increase in a 3-year period. With stories like this appearing in the papers every day, it is no wonder that the people of Miami have little hope that the violence will stop.

Can the Senate do something about this wave of violence? I believe that we can. A key factor in the rise in Miami's homicide rate has been the fact that Miami has become a headquarters for the drug trade. We know that drug smugglers, and the organized criminals who run the drug rings, rely on violence to get their way. And we have seen that they do not care if innocent bystanders are gunned down. S. 2543 would help fight drug smuggling and the violence it creates, by passing bail reform laws and sentencing laws for those arrested on drug smuggling charges, and for those convicted of a crime involving a dangerous weapon. By curbing the drug traffic and putting the drug lords behind bars, we can help reduce the violence. In addition, by passing a package of anticrime bills, we in the Senate can help create momentum in our State and local governments, and with the public, to fight back against crime. We can give hope to those decent citizens who have become afraid to leave their homes at night, and who worry for the safety of their children. We can do that, Mr. President, but only if we act promptly. Time is running out, and unless we act soon, we will lose the opportunity to create momentum in the fight against crime.

MILITARY WIDOWS AND SURVIVING CHILDREN BENEFITS RESTORATION ACT

Mr. CHILES. Mr. President, last summer, when Congress enacted the Omnibus Budget Reconciliation Act of 1981, I am sure many Members of Congress were totally unaware of the impacts this legislation would have on widows and children of servicemen who lost their lives in service to their country. Nonetheless, as a result of this legislation, eligible widows and children have been denied certain social security benefits that had been promised to servicemen as part of a comprehensive benefit package to insure that his family would be taken care of in the event of his death. Congress, as a result of this legislation, is now telling this group of widows that we as a country can no longer afford to keep this promise. I do not believe it was the intent of Congress to renege on this commitment, and I do not believe that Congress will stand by and do nothing to reverse this action.

Soon after the Budget Reconciliation Act passed, I began hearing from widows who would be affected by these cutbacks. In addition, military personnel organizations, such as the Retired Officers Association and the Reserve Officers Association, began to get involved in soliciting help from Members of Congress to address this concern.

I am pleased to join with Senator CRANSTON and others in sponsoring legislation to restore the benefits eliminated last year when Congress enacted the Omnibus Budget Reconciliation Act of 1981. Under the provisions of the Senate bill, S. 2585, the benefits previously paid to eligible widows under the provisions of the Social Security Act will be paid by the various branches of the armed services.

The spouses and children of those who gave their lives in service to their country are among our Government's most important responsibilities. These men who died in active duty had all been given assurances that, in the event of their deaths, their families would be taken care of. We must fulfill this commitment and continue to honor the promises made to active duty servicemen and their families. S. 2585 seeks to achieve this goal, and I plan to do everything I can to get it enacted.

Mr. President, on April 21 of this year the Escarosa Chapter of the Retired Officers Association adopted a resolution in support of legislation to restore the widows' and orphans' benefits that were terminated by last year's budget action. This same resolution was unanimously adopted by the Council of the Florida Chapters of TROA on May 22. Later, on May 28, a similar resolution was adopted by the Department of Florida Reserved Officers Association during their convention in St. Augustine, Fla. I ask unanimous consent that a copy of this resoluton be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, the 97th Congress changed the Social Security Act, to the detriment of the widows and orphans of the men who died in military service during the Vietnam war, by eliminating widow's benefits when the youngest child attains the age of 16, rather than at age 18, or age 23, if the child was in college,

And whereas, the 97th Congress eliminated the statutory benefit for college students who are not enrolled in a college or university on May 1st, 1982, regardless of the fact that their father was killed or died while serving in the military forces of the United States, and they are still in high school,

Therefore, be it resolved, by the Escarosa Chapter, the Retired Officers Association that our Senators and Representatives in Congress be petitioned to introduce legislation that would restore statutory benefits to the widows and orphans of those men who died in the service of their country prior to 1982. (This would include the widows and orphans of the Vietnam war and the attempt to free the hostages in Iran victims, in 1980.)

And, be it further resolved that a copy of this resolution be sent to National Headquarters, the Retired Officers Association, with the request that it be presented to the National TROA convention at Orlando, Florida, in November 1982.

Mr. CHILES. Mr. President, I also ask unanimous consent that a copy of a newsstory outlining some of the problems created by last summer's action be printed in the RECORD, along with a copy of S. 2585.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Tampa Tribune, Apr. 19, 1982]

WAR WIDOWS FIGHT TO REINSTATE BENEFITS

(By Nash Stublen)

Dana Chwan was three months pregnant with her first child and Patti Chambless was the mother of three small children when their husbands' F-4 Phantom was shot down over North Vietnam nearly 17 years ago.

Air Force Maj. Chesnutt Chambless, 31, was piloting the plane on the bombing mission Sept. 30, 1965, and Capt. Michael D. Chwan, 26, was the navigator and weapons officer that day. Only three months before that, they had completed training in the fighter jet at MacDill Air Force Base in Tampa.

They have never been accounted for and were reported missing in action for seven years before the Defense Department officially presumed they were dead.

Last week, the two war widows said their husbands went to Southeast Asia knowing full well the chances of their not coming back.

But, Chwan said, "They went believing that if they did not come back from a mission, their families would be taken care of by the government."

Last year, Chwan said, Congress, on the recommendation of the Reagan administration, broke that promise when it cut Social Security benefits for these service widows and their children.

The cuts are:

Elimination of the student benefit for full-time students 18-22 years old, for all children except those who are not enrolled in college by May 1, 1982. Even those enrollees will have their benefits frozen and phased out with a 25 percent reduction per year.

Elimination of the widow's benefit when the youngest child turns 16, rather that 18, as originally enacted in 1940.

The cuts were so hidden in the Omnibus Budget Reconciliation Act of 1981, Chwan, said, that many congressmen didn't know they had done it until a national organization known as Survivors of Sacrifice was formed by a group of widows in California and started spreading the word early this year.

Ten widows in the Tampa area, led by Chwan, form a core that is trying to carry the ball in Florida. "Many widows aren't even aware this is happening to them," Chwan said.

Madeline Van Wagenen of Laguna Niguel, Calif., leader of the national organization, said the group has been unable to determine exactly how many Vietnam War era widows and their children are affected by the cuts, but the organization estimates 26,000. Survivors of the Korean War and World War II would not be affected because they have outgrown qualification for the Social Security benefits, she said.

Van Wagenen, the widow of a Marine helicopter pilot, recently sent the American flag that covered her husband's coffin to President Reagan in protest of the cuts.

"If you can reissue the flag for someone else's coffin, you will be able to save a few more much-needed dollars," she wrote Reagan.

The administration has not taken a position on the issue yet, Chwan said, but 53 congressmen have come out in support of the war widows' cause. The latest is Rep. Philip Crane, influential Republican from Illinois who ran for the GOP presidential nomination in 1980.

Realizing that the benefits won't be restored under Social Security, Chwan said, Survivors of Sacrifice, or SOS, is seeking to line up support of House members and the general public for a bill introduced by Rep. Duncan Hunter, R-Calif.

The bill would restore the benefits under the Veterans Administration. The war widows and their children already get similar aid from the VA.

The bill has been assigned to the House Veterans Affairs Committee, where, Chwan said, Committee Chairman G. V. Montgomery, D-Ala., opposed to the measure, is attempting to keep it bottled up.

Van Wagenen, who will testify before one of the veteran affairs subcommittees Thursday in Washington, said SOS must gain support of half of the 438 congressmen to get the bill out of committee and onto the House floor.

SOS members will gather in the nation's capital during the Memorial Day weekend for a candlelight ceremony on either May 30 or May 31, when the holiday will be observed this year.

Fortunately, Chambless' daughter and one of her sons were old enough to have obtained the full benefits under Social Security before the cut. But, her youngest son, now 20, is completing two years in junior college and is enrolled in the University of Houston. He will be affected by the cuts during his final two years.

Michele Chwan, the daughter Capt. Chwan never got to see because the war cut short his life, is now 16. She will lose the educational benefit because those not enrolled in college by May 1 won't be able to qualify.

"I'm not a money-grabber. But, it's morally wrong to me for the government to break a promise," her mother said.

S. 2585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1.This Act may be cited as the "Military Widows and Surviving Children Benefits Restoration Act".

EDUCATIONAL BENEFITS IN LIEU OF SOCIAL SECURITY STUDENT BENEFIT

SEC. 2. (a) The Secretary concerned shall pay each month an amount determined under subsection (b) to each person who—

(1) is the child of a member or former member of the Armed Forces described in section 4;

(2) has attained the age of 18 and has not attained the age of 22 and is not under a disability as defined in section 223(d) of the Social Security Act (42 U.S.C. 423(d));

(3) is a full-time student at a post-secondary school, college, or university that is an educational institution (as such terms are defined in section 202(d)(7) (A) and (C) of such Act as in effect before the amendments made by section 2210(a) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35; 95 Stat.841)); and

(4) is not entitled for such month to a child's insurance benefit under section 202(d) of the Social Security Act (42 U.S.C. 402(d) or is entitled for such month to such a benefit only by reason of section 2210(c) of the Omnibus Budget Reconciliation Act of 1981 (95 Stat. 842).

(b) A payment under subsection (a) for any month shall be in the amount that the person concerned would have been entitled to receive for such month as a child's insurance benefit under section 202(d) of the Social Security Act (42 U.S.C. 402(d)) as in effect before the amendments made by section 2210(a) of the Omnibus Budget Reconciliation Act of 1981 (95 Stat. 841) (and as subsequently increased from time to time under section 215(i) of the Social Security Act), but reduced for any month by any amount payable to such person for such month under section 2210(c) of the Omnibus Budget Reconciliation Act of 1981 (95 Stat. 842).

(c)(1) This section shall take effect on October 1, 1982.

(2) The Secretary concerned shall make a lump-sum payment to each person who would have been entitled to any payment under this section for any portion of the period between August 1, 1982, and September 30, 1982, if this section had taken effect on July 31, 1982. Any such payment shall be in the total amount the person would have been entitled to receive under this section during such period if this section had taken effect on July 31, 1982.

PAYMENTS IN LIEU OF SOCIAL SECURITY WIDOW'S BENEFIT FOR CHILDREN BETWEEN 16 AND 18 YEARS OF AGE

SEC. 3. (a) The Secretary concerned shall pay each month an amount determined under subsection (b) to each person who—

(1) is the surviving spouse of a member or former member of the Armed Forces described in section 4;

(2) has in such person's care a child of such member or former member who is between the ages of 16 and 18 and is entitled to child's insurance benefits under section 202(d) of the Social Security Act (42 U.S.C. 402(d)) for such month; and

(3) is not entitled for such month to a mother's insurance benefit under section 202(g) of the Social Security Act (42 U.S.C. 402(g)) by reason of having such child (or any other child of such member or former member) in her care.

(b) A payment under subsection (a) for any month shall be in the amount of the mother's insurance benefit, if any, that such person would receive for such month under section 202(g) of the Social Security Act if such child was under 16 years of age. However, if such person is entitled for such month to a mother's insurance benefit under section 202(g) of such Act by reason of having the child of a person other than such member or former member in such person's care, the amount of the payment under the preceding sentence for such month shall be reduced (but not below zero) by the amount of the benefit payable by reason of having such child in such person's care.

(c)(1) This section shall take effect on October 1, 1982, except that in the case of a person who is entitled to a mother's insurance benefit (on the basis of having a child in such person's care) for the month of August 1981, this section shall take effect on September 1, 1983.

(2) The Secretary concerned shall make a lump-sum payment to each person who would have been entitled to any payment under this section for any portion of the period between September 1, 1981, and September 30, 1982, if this section had taken effect on August 30, 1981. Any such payment shall be in the total amount the person would have been entitled to receive under this section during such period if this section had taken effect on August 30, 1981.

COVERAGE OF ACT

SEC. 4. A member or former member of the Armed Forces referred to in sections 2(a)(1) and 3(a)(1) as described in this section is a member or former member of the Armed Forces who became a member of the Armed Forces before August 13, 1981, and who—

(1) died while serving in the active military, naval, or air service (A) before August 13, 1981, or (B) on or after August 13, 1981, and before the later of (i) the end of the period of obligated service (if any) being served by such member on August 13, 1981, or (ii) August 13, 1983; or

(2) died from a service-connected disability incurred (A) before August 13, 1981, or (B) on or after August 13, 1981, and before the later of (i) the end of the period of obligated service (if any) being served by such member on August 13, 1981, or (ii) August 13, 1983.

NOTIFICATION

SEC. 5. Not later than 90 days after the date of the enactment of this Act and thereafter at such times as the Secretary concerned determines are necessary, the Secretary concerned shall notify each member of the Armed Forces under such Secretary's jurisdiction who became a member of the Armed Forces before August 13, 1981, that (1) upon completion of the period of obligated service (if any) being served by such member on August 13, 1981, or (2) on August 13, 1983, whichever date is later, the dependents of such member will, in the event of such member's death while in the active military, naval, or air service after the applicable date or from a service-connected disability incurred after the applicable date, no longer be eligible, as the result of such member's death, for the benefits described in sections 2 and 3.

INFORMATION FROM SECRETARY OF HEALTH AND HUMAN SERVICES; REGULATIONS

SEC. 6. (a) The Secretary of Health and Human Services shall provide to the Secretary concerned such information as the Secretary may require to carry out this Act.

(b) The Secretaries concerned shall carry out this Act under regulations which the Secretary of Defense shall prescribe after consultation with the Secretary of Transportation. Such regulations shall be prescribed not later than 90 days after the date of the enactment of this Act and shall apply uniformly among the Armed Forces.

DEFINITIONS

SEC. 7. For the purposes of this Act:

(1) The term "Secretary concerned" has the meaning given such term in section 101 of title 10, United States Code.

(2) The terms "active military, naval, or air service" and "service-connected" have the meanings given those terms in paragraphs (24) and (16), respectively, of section 101 of title 38, United States Code, except that for the purposes of this Act such terms do not apply to any service in the commissioned corps of the Public Health Service or the National Oceanic and Atmospheric Administration.

Mr. CHILES. Mr. President, Congress must act responsibly to reverse the action taken last summer which has affected so unfairly the surviving spouses and children of active duty servicemen who lost their lives in service to their country.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. MATTINGLY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

WEST VIRGINIA'S BIRTHDAY CELEBRATION COINCIDES WITH DATE MARKING SURVIVAL AND GROWTH OF BALD EAGLE IN ITS FORESTS

Mr. RANDOLPH. Mr. President, yesterday, June 20, this Nation celebrated two very important events. It is with much joy that I announced that June 20 was "West Virginia Day." The beautiful Mountain State celebrated its 119th anniversary of statehood

President Abraham Lincoln signed the document. West Virginians are fortunate in the bounty of our State's natural resources. Surrounded by beauty, West Virginians grow up with a keen sense of appreciation for all that nature has to offer us. We are happy to share June 20 with "National Bald Eagle Day," thereby commemerating one of this Nation's natural treasures.

June 20 is the 200th anniversary of the eagle being chosen as our national symbol. In commemoration, in a measure that I joined in sponsoring, of this event, the Congress declared Sunday "National Bald Eagle Day." It is fitting that on that day we not only pay tribute to this majestic and freedom-loving bird, but also to the Nation it represents. That day should serve to remind us of the importance of our rich wildlife heritage and the stewardship of our environment entrusted to us.

It is a happy concidence that West Virginians share June 20 of next year with the bald eagle because the first active eagle nest ever to be recorded in West Virginia was discovered only last summer by researchers from the National Wildlife Federation. We are gratified that this wilderness-loving bird is now a part of West Virginia's abundant natural resources.

Mr. President, in the March edition of "Forest Farmer" magazine, an article on the bald eagle, its history as a national symbol and the work of the National Wildlife Federation in protecting the eagle. The article, in part was adapted from a story in our State magazine, "Wonderful West Virginia." I ask unanimous consent that excerpts from this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:.

BALD EAGLES—GOOD MANAGEMENT CAN ENCOURAGE THEIR SURVIVAL

The bald eagle appears to be making a comeback in several southern states, according to the National Wildlife Federation. This heartening news comes in conjunction with the federation's call for the nation to observe 1982 as "The Year of the Eagle" honoring the 200th anniversary of selection of the bald eagle as our national symbol.

Populations of this majestic bird dwindled greatly in the South in the 1950s and '60s, and sightings in many states are now considered rare. Bald eagles from northern states and Canada, however, commonly spend winter in the South with largest numbers found in Missouri, Oklahoma and Arkansas. During a two-week period in December 1981 wildlife specialists confirmed the presence of 955 bald eagles in Missouri, 544 in Oklahoma and 505 in Arkansas. Eagles were also reported wintering in each of the other states served by Forest Farmers Association.

In addition bald eagle pairs maintain nesting residence in Florida, South Carolina, Texas, Georgia and North Carolina. Most of them are in Florida which harbors 300 to 350 pairs of nesting eagles. South Carolina has from 12 to 20 pairs of eagles; Louisiana, 15; and Texas, 15. Georgia has three nests with bald eagle couples, and North Carolina, one. Although these southern eagles are of reproductive age and often produce healthy offspring, survival of chicks and fledglings is only about 20 percent which severely limits the species ability to increase its population.

Conservationists in recent years have made several efforts to help the eagle increase its numbers in the South. For instance, viable eagle eggs from the North have been transplanted into nests of nonproductive birds. This program has had limited success, however, because the eggs must remain incubated almost continuously and lose viability between placement in the adoptive nest and return of the adult eagles.

On the national seal and also the Presidential seal the eagle carries an olive branch, signifying the country's desire for peace, in one talon. In the other it holds a bundle of 13 arrows, symbolizing the willingness of the 13 colonies to fight for freedom.

The high-powered committee appointed to develop a national seal, which included two future Presidents, was created on July 4, 1776, the same day that the colonies declared their independence from England. Benjamin Franklin later said he opposed the choice of the eagle on grounds that it was a cowardly creature of "bad moral character" that stole its food from other birds.

In a letter in 1784, Franklin wrote that he favored the turkey gobbler as the national bird despite the fact that turkeys were sometimes "vain and silly."

Zoologists dispute Franklin's contention that the bald eagle, a bird found only in North America, is a "rank coward." After years of study by three committees, William Barton, a Philadelphia expert on heraldry (and brother of Benjamin Barton, a well-known naturalist), submitted a design to Charles Thomson, secretary of the Continental Congress, and Thomson presented his drawing, with some changes, to the Congress.

The United States was by no means the first country to use an eagle—there are more than 50 species of the bird worldwide—as its symbol. Eagles appeared in the heraldry of Mesopotamia more than 3,000 years before Christ and served as emblems for Roman emperors, Charlemagne, Napoleon and Peter the Great.

Ornithologists believe the bald eagle soared over all the present lower 48 states when Europeans first arrived on the continent. Numbers of the birds declined steadily as civilization pushed back the frontier and destroyed their wilderness habitat, then fell sharply in the 1950s and 60s.

Shooting and certain pesticides have taken a toll on the bird of freedom. Until 1940, when Congress passed the Bald Eagle Protection Act, some states actually paid bounties for carcasses of the predatory birds. The federal protection law was reinforced by the Endangered Species Acts of 1966 and 1973 and by a campaign by the National Wildlife Federation to stamp out shooting of bald eagles.

Since 1972 the NWF has paid 13 rewards of $500 for information leading to conviction of eagle killers—a program that the U.S. Fish and Wildlife Service now duplicates as a deterrent to eagle poaching.

The bald eagle is listed as endangered in all but five of the lower 48 states. In Minnesota, Wisconsin, Michigan, Washington and Oregon it is listed as threatened. In the 49th state, Alaska, bald eagles are plentiful and in the 50th, Hawaii, they are nonexistent.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982—CONFERENCE REPORT

The PRESIDING OFFICER. The clerk will report the pending business.

The bill clerk read as follows:

Conference report on H.R. 5922, an act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the conference report on H.R. 5922.

Mr. HATFIELD. I thank the Chair.

Mr. ARMSTRONG. Mr. President, in the early hours of last Friday morning, about 12:30 a.m., to be exact, the budget conference concluded, after a lengthy and difficult passage through both the House and the Senate. But we were able to agree on a conference report which, if fully implemented by Congress upon its adoption, will result in a sharp reduction in the budget deficits projected for the next 3 years.

As all Senators know, we are facing deficits upwards of $600 billion in the next 3 years if we just let nature take its course. With some agony and with quite a show of effort and discipline in this Chamber, we did adopt a budget resolution which we sent to conference which would sharply curtail Federal spending for a number of worthwhile and popular programs. In addition, some of us, with great effort, have agreed also to actually increase the tax revenues of the Government as a part of the bargaining process by which we are able to achieve in the budget resolution the degree of reduction in deficits which we think is necessary in order to convince capital markets, investors, the business men and women, and the working men and women of this country that we are serious about getting Federal spending under control, thereby setting the stage for a reduction of interest rates and a renewal of the kind of economic progress which we wish to see again and which used to be the norm in this country.

Mr. President, the issue before us is not the budget resolution but the so-called urgent supplemental which has been extensively debated in this Chamber over the last several weeks. But I mentioned the budget resolution because the two should be viewed in the same context. This urgent supplemental so-called is a budget buster. Someone could jump up and say technically it does not breach the budget, but in principle, in spirit, and in its effect upon the financial affairs of the Government and the Nation it is a budget buster.

Enactment of this so-called urgent supplemental will wreck the hopes of Congress and the President to convince the world that we are serious about getting Federal spending under control.

As the Wall Street Journal pointed out in its June 14 editorial:

There will be an immediate test of whether or not the 1983 budget resolution is worth the paper it is written on.

And it goes on to editorialize in support of the defeat of the urgent supplemental appropriations bill which we now have under consideration.

At the time we last met to discuss this issue I talked at some length about various provisions of this legislation, and it is not my purpose today to go over that same ground again nor to

talk at any length but merely to remind my colleagues that there are contained within this so-called urgent supplemental appropriations the seeds of the destruction of our valiant efforts to get Federal spending under control. I am glad to report to my colleagues that all over the country people are awakening to the danger in this legislation, not only in its excessive spending, but also in the provision of a new, untested, unauthorized, untried, and, in my judgment, most unwise mortgage interest subsidy program.

Indicative of the kind of response that is coming in from across the country is a letter which was handed to me late last week from the National Federation of Independent Business, an organization headquartered in Washington, which represents some 600,000 small business concerns across this country, and I shall read this letter because it expresses so eloquently the concerns which thoughtful people across America feel about this so-called urgent supplemental.

The letter is addressed to me, and it says the following:

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
June 16, 1982.

Hon. WILLIAM ARMSTRONG,
U.S. Senate,
Washington, D.C.

DEAR BILL: NFIB is terribly disturbed about the Conference Report on the urgent supplemental that will be considered by the Senate this week. We believe this legislation takes the country in the wrong direction. Our economy is in desperate need of less federal spending instead of more.

As you know small businesses across the country are suffering under the heavy burden of persistently high interest rates with no reprieve in sight. We believe that interest rates will not come down until the federal government, particularly the Congress, gets its house in order.

In our eyes this Conference Report only exacerbates the present situation. Although it's no quick fix, no ready panacea, we believe budget cutting is the only medicine the economy can take to speed its recovery. It is unthinkable that an urgent supplemental of this magnitude pass the Senate at this time.

NFIB commends you for your efforts. We firmly believe the supplemental should be opposed. We join you in your fight to see this bill defeated and hope you are successful.

Sincerely,
JAMES D. "MIKE" MCKEVITT,
Director, Federal Legislation.

NFIB and the others who have called for the defeat of this legislation are absolutely correct. This so-called urgent supplemental is a monstrosity. It would provide $8.9 billion in budget authority which is almost double the $4.6 billion requested by the administration. It would rescind $5.7 billion in previously appropriated funds, which is $2 billion less than the cuts which President Reagan has requested.

The net budget authority in the appropriation bill is greater than $6.4 billion above what the administration has requested.

The administration requested $4.5 billion in budget authority as urgent supplementals, and the conference committee has increased this amount by $37 million.

In addition to the supplementals identified as urgent, the bill provides supplemental funding for various other programs.

In this nonurgent category the administration requests total something under $1 billion. The conference level of budget authority over the President's request in this category is approximately $4 billion. The cumulative effect, netting the add ons and the subtractions, is that the bill comes to us from the conference committee which provides $6.4 billion in spending above the level provided by the administration.

The actual outlay for 1982 over and above what the President has requested is $1.2 billion. For 1983, the budget outlay is $1.27 billion, and for the period of 1984 through 1986 the outlays are $2.27 billion.

Mr. President, in addition to the budgetary concern, that is, just the raw concern about excessive Federal spending, there is an even deeper issue of precedent involved if we pass this appropriation supplemental and it is signed into law by the President, and that is the new mortgage interest subsidy program which is included in this legislation which is costly but even worse is the kind of legislation which we will find it impossible to contain once enacted.

To review for those who have not followed closely the details Senators will remember that the bill as it left the Senate contained a combined authorization and appropriation for a mortgage interest subsidy program for a certain segment of the housing market, that is to say the new homes constructed after the date of this act. The rationale for it, Senators will recall, and I wish to speak about the underlying theory of it, was that it would create new jobs.

At that time, I expressed the concern that if we begin subsidizing one part of the real estate market, it would not be long before we would be asked to subsidize other portions of the real estate market and, in fact, if we were willing to buy down the interest rates for new houses, how could we say no to buying down the interest rates for resales?

However, in my wildest imagination, it never crossed my mind that this idea would spread as rapidly as it has because the conference report itself has gone beyond the scope of the original idea, broadening the program by recommending $400 million be used for mortgage subsidies on homes built in the past year. Please keep that in mind because the whole theory of this mortgage interest subsidy concept was that it would provide a reason to create new jobs. Now, clearly when we are talking about buying down interest rates on the sale of homes already built, we are not talking about creating any new jobs in the housing industry.

What it emphasizes and what it underscores is that the next step is going to be to apply the same notion of interest rate subsidy to the entire housing market. How do we say that it is OK to give a subsidy on the interest rate for houses that were built up to 1 year preceding the date of the act but not to those that were built 2 years ago or 10 years ago or 25 years ago?

If the issue is the difficulty which the buyers and sellers of homes in this country are having—and I admit that those difficulties are very great, and I wish we could give them some form of relief—then I do not see how we can arbitrarily say that one class of home sellers or home buyers are to be given preference over everyone else and that it will be paid for out of the general revenues of the Treasury.

I think, inevitably, enactment of this legislation will lead to irresistible pressure to extend the same kind of mortgage interest subsidy to other segments of the housing market.

Where do we go? How then can we say no to automobiles, to family farms—many of which, as I have pointed out repeatedly, are in desperate financial condition—to the airlines, Braniff, International Harvester, large companies, many of which are in terrible financial difficulty precisely because of high interest rates?

So it comes down to a basic question, Mr. President, either we are going to get into the business of wholesale subsidies of interest rates in this country, a path which in my view leads us right into the swamps, out of which there is no way, in my opinion, except to go down the drain and put the Government into the business of credit allocation and really becoming the lender of last resort and increasingly even the lender of first resort, that is not consistent with a free economy, it is not consistent with a sound Federal budget, it is not consistent with economic recovery in this country, in my opinion. So that is not the way out.

The question then becomes, what is the way out, because clearly people in the homebuilding industry—and sellers and buyers of homes—are hurting, and the answer, of course, is the enactment of the kind of budgets which will bring down interest rates for everybody, the kind of budgetary blueprint which was reported from the conference on the budget and which will be before us shortly.

But if we undermine that effort at the very outset by enacting legislation which is inconsistent with the broader

purposes of budgetary restraint, then we will never get the recovery, we will never see interest rates come down, we will never get out of the horrible mess we are in.

Mr. President, with these few basic thoughts, I want to move to recap the arguments against the housing portion of the bill. That, of course, is not before us presently. Rather than speak on this subject again at the point when the amendment in disagreement comes before us, I thought I would go ahead and sum up my thoughts on this matter, although I note the Senator from Wisconsin is on his feet, and if he asks me to yield, I would be pleased to do so.

Mr. PROXMIRE. Mr. President, will the distinguished Senator from Colorado yield briefly.

Mr. ARMSTRONG. I would be glad to do so.

Mr. PROXMIRE. I wanted to say how much I appreciate the comments of the Senator from Colorado. No one in the Senate has a quicker mind.

I happen to disagree with him on this particular issue, but I certainly agree with him on the fundamental principle that we have to hold down spending.

However, I hope the Senator will take a broader look at this particular bill because it does have an Armstrong initiative that the Senator from Colorado fought very ably for, that is, to knock out the tax breaks for Members of Congress. The Senator stood on the floor of the Senate and fought for that cause—popular in the country but very unpopular in this body and the other body—and he won here repeatedly, but eventually it was tabled by the leadership because of the procedural situation.

However, we now have incorporated that into this legislation, and I think that is, at least, symbolically of great importance because it does indicate the Senate is not going to take advantage and the Congress is not going to take advantage of our power over tax law to give ourselves a special break. It is in this bill. It is something the Senator from Colorado fought very hard for, and it does compensate perhaps to some extent for other shortcomings of the bill, and I hope he will be sensitive to that.

Mr. ARMSTRONG. Mr. President, I appreciate very much the thoughtful remarks and the generous observations of the Senator from Wisconsin. Indeed, he gives far too much credit for my modest role in achieving the reforms he has spoken about. In fact, he is the leader of that effort, and I take my hat off to him.

I regret he has affixed it to a vehicle which is certain to be vetoed and which, I believe, will never be enacted into law—nor should it be. But I would say publicly what I have said to him privately, and that is his trail-blazing effort to get that unwise tax provision repealed is not wasted. It is merely the prelude to offering a similar amendment, I am sure, on another piece of legislation if, as, and when this bill is ultimately defeated, and I will join him in that effort at the proper time and, in fact, every time the issue is raised, until an appropriate change in the tax treatment of Members is enacted into law, either the provision which he has suggested or something of a comparable nature, because it is my firm belief that Members of Congress should be treated no better than the taxpayers generally. Unfortunately, we have enacted into the tax code a provision which does give us an unfair advantage over other taxpayers.

Mr. President, in the interest of time, I would just like to turn briefly to my concerns about the housing bailout provisions of this urgent supplemental legislation. Let me stress as I do so that even someone who thinks that the housing provisions are desirable, which I do not—and I make no bones about it, I think they are a disaster—but even someone who thinks that the housing provisions of this legislation are desirable, I think would be well motivated to vote against the conference report and to sustain the President in his veto, which I feel is certain to come, because of the excessive spending engendered in the bill.

Having said that, let me turn then to the housing provisions specifically.

Mr. HATFIELD. Mr. President, will the Senator yield for just one moment?

Mr. ARMSTRONG. Of course; I am happy to yield.

Mr. HATFIELD. I would like to make one comment about some of the remarks made by the Senator from Colorado at this point and submit a copy of the memorandum for the RECORD.

I would respectfully disagree with the Senator that the supplemental which now is pending before us is a budget-buster in any respect. I would only use the Budget Committee's resolution which is found in their conference report to which the Senator referred as having just been completed last Friday night.

That conference report totals $777.7 billion in budget authority, with $734.1 billion in outlays. I must say to the Senator that the preliminary CBO estimate is that H.R. 5922, which is the current supplemental pending, is within the conference report on the budget, the total spending, including H.R. 5922, being $770.9 billion in budget authority, which leaves a $6.8 billion cushion, and $732.5 billion in outlays, which leaves $1.6 billion as a cushion.

With that type of data I have made a comparison of H.R. 5922 with the Senate budget resolution passed by the Senate, and with the existing budget resolution and with the House-passed Latta resolution, and with the conference report resolution.

I only want to just make the record clear that in these estimate figures given to us by the Congressional Budget Office, I do not really feel that one could be a chairman of this committee attempting to hold spending down, as we have done and, I might say, the Appropriations Committee has done all the surgery for all of the rhetoric which has been handed out by the Budget Committee about diagnoses—and it has still been in the Appropriations Committee where surgery was performed, and we have done so within our own incentives, within our own commitments as well as under the Budget Act, and the responsibilities we have to perform under the Budget Act.

But having stated that, as I say, as chairman of the Appropriations Committee, I did want to make this record as far as our—as far as the results of our—efforts to hold the line on spending, and I know the Senator from Colorado has been in the forefront of that, but I want it to be clearly understood that the Appropriations Committee has done the work in actually getting the reductions of those appropriations, and within a rather severe restraint of what we call the discretionary funding portion of that appropriation bill, which is a very small part of the total bill, and I think that one of the reasons why we have not seen the response from the money market and from the financial institutions to all of the congressional effort is really because they perceived we have not yet addressed the two major escalations within the overall budget, namely, the entitlements programs and the defense spending programs.

I might say again for the record, as the Senator well knows, if you take the total budget that the Appropriations Committee today is functioning within really about 22 percent of that total budget as far as discretionary funding is concerned, and when we exempt the sancrosanct, the holy of holies, the defense budget, then we are really talking about 5 percent of the total budget that we are trying to balance the entire budget on or trying to make the necessary reductions to convince the money market we are seriously restraining the pattern of Federal expenditures.

The Senator from Colorado knows as well as I know, and anyone else in this body who has taken a very careful look, that we really have not demonstrated the ability yet to put the true constraints on the major causes of Federal escalation, namely, in the entitlements and defense programs, and I am hoping one of these days we will get off this kick of thinking we are doing something significant by reduc-

ing the discretionary funding part of this budget and trying to perform that act and communicate that somehow the Federal Government has control of its spending programs. It is a charade, it is miscommunication, and it is false, as long as we have failed to take control of these escalators.

I would also say some projections indicate that until we do so soon, by 1985 rather than 78 percent, 93 percent of the total budget will be determined by those mandated spending programs and by the entitlements.

So I want to say to the distinguished Senator from Colorado that we have had an excellent working relationship between the Budget Committee and the Appropriations Committee, staffwise, membershipwise and as between the chairmen of the two committees. I know that it is our desire and the desire of the leadership of the Budget Committee to maintain that close working relationship because, very frankly, these budgetary resolutions will mean little if we do not get the action necessary through the appropriations process.

But I do think where we have made the struggle, where we have made the effort, where we have demonstrated the ability, that we ought to be given that credit so it is not perceived somehow that the appropriations process has no fiscal constraint or no fiscal concern or no fiscal inhibitions. We have the same feeling about reducing and holding the line on spending as the Budget Committee or as does a member of that Budget Committee, the Senator from Colorado.

So that is the only reason I wanted to rise and not be falsely accused of having busted the budget as if we had little understanding or concern or feeling of restraint on this whole fiscal picture.

Mr. President, I ask unanimous consent that a table on the urgent supplemental be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

H.R. 5922—URGENT SUPPLEMENTAL: RELATIONSHIP TO BUDGET RESOLUTIONS

[In billions of dollars]

	Fiscal year 1982	
	Budget authority	Outlays
I. H.R. 5922 is within Senate-passed budget resolution:		
S. Con. Res. 92 totals (as passed Senate)	777.6	740.8
Total spending to-date including H.R. 5922	773.4	740.1
Amount remaining	4.2	.7
II. H.R. 5922 is within existing budget resolution:		
S. Con. Res. 50, 1st and 2d resolution totals	770.9	695.45
Total spending including H.R. 5922	759.5	695.2
Amount remaining	11.4	.2
III. CBO estimates that H.R. 5922 is within the House-passed "Latta" resolution:		
Latta resolution totals	779.0	728.9
Total spending [1] including H.R. 5922	768.2	725.4
Amount remaining	10.8	3.5

H.R. 5922—URGENT SUPPLEMENTAL: RELATIONSHIP TO BUDGET RESOLUTIONS—Continued

[In billions of dollars]

	Fiscal year 1982	
	Budget authority	Outlays
IV. Preliminary CBO estimate is that H.R. 5922 is within the conference report on budget:		
Conference report totals	777.7	734.1
Total spending [1] including H.R. 5922	770.9	732.5
Amount remaining	6.8	1.6

[1] Using Latta Resolution economic assumptions, June 21, 1982.

(Mr. LUGAR assumed the chair.)

Mr. HATFIELD. I just wanted to assure the Senator from Colorado that we are on the same team.

Mr. ARMSTRONG. I not only accept what the Senator from Oregon has said, but I, indeed, would emphasize the observations which he has made with respect to the leadership which the Appropriations Committee has given to the Senate in solving the problems that faces Congress and the Nation with respect to the budget.

If the Senator would review my earlier observations about this bill being a budget wrecker, a budget buster, I think that he will discover from the text of my remarks that I had made it clear that it is not technically a budget-busting bill and that I was sure, at an appropriate moment, someone would rise to point out the fact that it does not breach any budget ceilings.

Nonetheless, as the Senator knows so well, there are ways to destroy the budget without breaching those ceilings. You do not have to meet a problem head on. Sometimes it can be avoided as if from the flank. In my view, and it is certainly a matter which is open to argument and others may hold a different opinion, but in my view the enactment of this legislation, even though it is only 1 percent, roughly, of the total Federal budget, will be the death knell for congressional efforts to get Federal spending under control at this time because of the precedent it sets, as well as the fact that it is over the specific recommendation of the President in its total spending.

But I want to acknowledge that not only has the Appropriations Committee carried a disproportionate share of the load of getting Federal spending under control thus far, but that the Senator from Oregon has thoroughly done yeoman's service, for which not only Senators but the entire Nation owes him a debt of gratitude.

I also want to agree with him and to underscore his remarks that the main cause of the problem and the area we must solve is in the entitlement program. Now, the budget resolution is only a guideline. As someone has pointed out, when you get down to the appropriations and the entitlement and revenue measures, you are playing with real money.

The budget resolution, while it has a significant and important part in this process, it is the blueprint, it is the road map, it is not an action final. And the action final comes when we put the appropriation bills on the floor, when we put the tax measures on the floor, when we put the entitlement reform on the floor.

In this regard, I am glad to report, particularly to the Senator from Oregon, who has shown tremendous leadership in this effort, that the resolution which will come back from the conference report on the budget will call for a tough reconciliation instruction in both the House and the Senate specifically on the entitlement program to which the Senator has addressed himself.

Moreover, at the request of the chairman of the Committee on Finance. The Senate reconciliation instruction has a very short deadline. It is my belief that within a matter of days the Senate Finance Committee will report for consideration of the Senate exactly the kind of legislation which the Senator from Oregon has suggested. I think that the action by the Finance Committee, if it is forthcoming as I expect it to be on the schedule in the budget resolution, will be precisely the kind of reinforcing action that the Senator and the Appropriations Committee had been calling for, and properly so. Because, as the chairman of the Appropriations Committee has pointed out, you just cannot balance the budget out of appropriated accounts which only amount to about $1 out of every $4 of Federal spending.

So I agree with the overall thrust of this remarks, even though I remain adamantly opposed to this particular bill for reasons which I have already stated in part and about which I expect to speak further.

Mr. HATFIELD. Mr. President, I appreciate the comments from the Senator, because I felt from the beginning that we were working for the same objectives and same directions as far as day-to-day actions were concerned.

I would like to also suggest that in the budget resolution, the so-called discretionary funding portion of the budget, which is a small portion of the total budget, except for defense, puts the spending level below the 1982 level of those programs. I have said on occasions past that we could, in effect, abolish all those programs within that portion of the budget and still not reach that fiscal objective or that budgetary objective the Senator from Colorado and I and many others share as our common goal.

I would only further suggest that every day that we go in this Senate session without addressing and doing

something specifically about those entitlement programs, that money is being expended and committed at an ever-accelerating rate. And that is really the crux of this whole fiscal problem that we face today, is that until we can get some action on those entitlement programs, whatever kind of slowdown or whatever kind of constraint we put on the so-called discretionary funding is really an illusion as far as getting to that ultimate goal of a balanced budget.

Now, it does not mean that we should tolerate waste or fraud and abuse in any program—food stamps or the defense or any other part of the Federal budget. All I am wanting to do is try to keep things in perspective. Even, as I say, if we abolished all the programs under the discretionary portion of this budget, we still would not reach that great Holy Grail that we are seeking in common here, and that is a balanced budget.

Mr. ARMSTRONG. The Senator is absolutely correct. I honestly wish it were otherwise, because, as a member of the Senate Committee on Finance, I must say that I dread the task which we now confront of fulfilling the reconciliation instruction. It is going to be really the most agonizing kind of effort, because it involves not only curtailing the entitlement programs, many of which address themselves to meritorious and politically popular concerns of the American public, and cutting those is not going to be easy, but it also addresses itself to the task of picking up some revenues, the so-called revenue enhancement portion, that is going to be tremendously complicated work and, I predict, very painful work. It must be done and the Senator's point is well taken. That does not, to any degree, in my opinion, justify the passage of this ill-advised supplemental appropriation. But his point is well taken.

Mr. McCLURE. Will the Senator yield?

Mr. ARMSTRONG. I am very happy to yield. I was going to make a few points about the housing provision and then yield the floor, but I would be glad to yield to the Senator from Idaho at this time.

Mr. McCLURE. I thank the Senator for yielding. I take this time only because of the subject matter which has just been discussed.

The Senator from Oregon, the chairman of the Appropriations Committee, has repeatedly said on the floor of the Senate and elsewhere that it is not the appropriation process that has failed. If you look back over the last 15 or 20 years, what has happened in both houses of Congress, the appropriated funds have not escalated as rapidly as the funds throughout the so-called entitlement programs. And there are a variety of reasons why that is the case.

We have been successful in this body in focusing on the budget resolution by looking at those issues that have grown most rapidly. That is one of the reasons, indeed, why the Finance Committee is going to have a tougher job, because the Finance Committee has contributed to a major portion of the problem. So it is a fitting and just retribution, perhaps.

But while we have been able to do that more so in this body, the other body has been less capable of focusing its attention on that for obvious political reasons. They keep reminding us at every step of the process that not all of us in this body are running for reelection and that all of them are and, therefore, it is more difficult for them to face the music than it is for us. I suspect the Senator from Colorado can appreciate that better than some in this body, having served in the other body where they are constantly running for election; indeed, they do not get reelected.

But I will repeat just some of the statistics that we have used but nevertheless bear some repetition. We had completed the action last year and, in the two different attempts to reduce spending, we cut $33 billion the first time and an additional $11 billion the second time. That came mostly out of the growth program. But in appropriated accounts it was below other figures.

At the end of the year we had reduced that portion of the budget, aside from defense, to 16 percent of the total budget, shrinking it at 8 percent a year. This budget cycle this year continues that process. The smallest portion of the budget is going to continue to shrink. Defense, which is now, after the action we took last year, 30 percent of the budget, continues to grow in real dollars as well as in nominal dollars, and the 54 percent that remains, which is the entitlement programs, the income maintenance-social welfare programs, primarily, continues to grow at 16 percent a year. The Senator from Oregon has used slightly different statistics than the Senator from Idaho, but at least the trend is exactly the same.

My information would indicate that if unrestrained, that 54 percent of the budget growing at 16 percent a year will consume 93 percent of total Federal revenues by 1990. That would mean that all of the rest of the functions of the Government, including the expenditures for national defense, would have to come out of the remaining 7 percent of Federal revenues, or out of increased taxes, or be financed by increased debt.

The Senator from Colorado, the Senator from Idaho, and the Senator from Oregon would all agree that that is a bad circumstance, and we have voted that way. The problem is not with these three Members; it is with a majority of the other 97 in this body and, more significantly, the majority in the other body of the Congress.

Sometime, somewhere, the American public is going to rise up in justified indignation at the irresponsibility of the Congress and they are going to say, "A pox on all your Houses," and they are going to see whether or not they can make a change that will reflect what their concerns are as they did in the elections in 1980, in the Presidential election in particular. They may do so this fall because I do not see the action that we are taking on the budget this year being as dramatic or as far reaching as I had hoped.

This supplemental appropriation contains a matter that is of great trouble to this Senator from Idaho. I have said it publicly at home, and I should say it here, too. The housing industry happens to be an industry that has more impact upon my State than most, because we not only have the housing ends of the wholesale-retail sales, but we are a major producer of products that go to those homes. I have counties in my State in which the unemployment rate is down to 20 percent after 2½ years because a third of those who had been unemployed have moved out of the county. The timber industry, as the Senator from Colorado and the Senator from Oregon know, is a disaster case that is more extreme than that of the auto industry but it gets less publicity because the population figures are slightly different, because the total number of people directly affected by it is smaller, and it is located in fewer and perhaps less populous States.

This bill has within it something that I could not support when it passed through the Senate, although in smaller measure. In the Appropiations Committee I supported the supplemental that paralleled the action that had been taken by the House earlier with respect to $1 billion of additional funding for the housing industry. I did that because I thought we could do that out of a substitution of this program for other housing programs, that it could be accommodated within the budget without being a net $1 billion increase in the total budget.

The Senate, as the Senator from Colorado knows, passed what has become popularly known as the Lugar bill, a $5 billion stimulus to the housing industry and that was compromised, as compromises are often brought about in conferences, by splitting the difference. So it comes back from the conference at a $3 billion figure. That $3 billion figure, in my estimation, will do more damage to the housing industry than benefit to it because of what it does to the expectations in the financial markets concerning the ability of the Congress to con-

trol spending. I voted against the Lugar amendment when it was here. Compromise, as is the nature of compromise, makes it very difficult because it is not as bad as the original but worse than it ought to be.

Therefore, I face a dilemma with respect to that $3 billion figure. There is not anyone more concerned with the unemployment of the people who otherwise would be working in the woods of this country than the Senator from Idaho. It is impossible to estimate the impact it would have on the communities in my State. But I am absolutely convinced that if we start down this road of putting out program on top of program on top of program to stimulate a disadvantaged segment of our economy or of our people, we will have disrupted the budget process to the point that interest rates will not drop; that inflation rates, instead of remaining under control, will, quite to the contrary, be reignited, and we will have done far more damage than to assist each of these separate elements of our economy or of our society.

It was that response that got us into the trouble in the first place. I hope we do not do it again.

I appreciate what the Senator from Colorado is attempting to do and what he has said rather forthrightly and steadfastly on the floor of this body. That is do not ever forget that it is not just within this body that we have the problem. It is in the other body of the Congress, it is within the body politic as a whole, as various interest groups come pleading their special cases before us.

I thank the Senator for yielding.

Mr. ARMSTRONG. Mr. President, if Congress had shown half the fiscal horsesense and farsightedness, courage and wisdom the Senator from Idaho has shown in dealing with these issues, we would not be in this horrible mess. The truth of the matter is, Mr. President, that it is really popular these days to talk about budgetary restraint. But I can remember years when nobody was raising these issues except a handful in this Chamber, and the Senator from Idaho was one of the leaders. When he stands up to talk about these issues today he does so with the kind of credibility of having raised these issues over a long period of time in the light of adverse situations and not as a Johnny-come-lately will who decides that it is about time to balance the budget about the same time that 80 percent of the public has reached the same conclusion. I very much appreciate his leadership not only today but over a longer period of time.

I do want to address myself quickly to the housing interest subsidy provisions of this bill. I point out that if we were to enact this legislation, if it were to slip through the Senate today and be signed into law by the President, which I doubt would be the case, the effect would be to create a new $3-billion mortgage subsidy program which would be so generous to the handful of people eligible for it that it would provide a subsidy of $12,245 to a new home buyer who qualified for it.

Eligibility under this program is so broad that it is estimated that up to 84 percent of all Americans, that is a total of 48 million—84 percent of all American families, 48 million in total, could qualify, and yet we are providing funding in this bill, of course, for only 240,000. Those fortunate 240,000 home buyers under this bill would be only about 10 percent of those who are expected to buy a home in 1982.

I draw the attention of Senators to this fact because I want to point out the basic injustice of this mortgage interest subsidy program as well as the financial snare which it represents.

For this lucky group, this 10 percent of home buyers, the new program would have the Federal Government buy down interest rates to as little as 11 percent if the conference report is enacted into law. This subsidy could apply to homes up to $77,000. The $12,245 subsidy provided to the lucky few is more than 28 percent of what American families even earn. This legislation does not even guarantee that the subsidies will be fully repaid. Families with income up to $37,000 a year could be eligible for assistance.

Thirty seven thousand dollars a year is not all the money in the world. I will grant you that. But when we get ready to subsidize people in this income bracket we ought to keep in mind that by the latest census statistics the median income in this country is only $21,000. That says that we are going to be subsidizing the upper half, or at least up to 240,000 of them, at the expense of the lower half. This makes absolutely no sense at all in terms of economic justice, aside from its overall budgetary implications. It might not happen that way, but I note there is no downpayment requirement.

Mr. President, let me turn to the argument that this mortgage interest subsidy bill is really primarily a jobs bill, that it is not really so much about who gets to buy or sell houses, it is creating jobs. Mr. President, I want to have printed in the RECORD at this point a series of observations about the jobs-creation aspect of this mortgage interest subsidy proposal which have been prepared by the Office of Management and Budget. It is the conclusion of OMB that this would be, at best, an ineffective jobs-antirecession bill. It is estimated that this legislation, if enacted, would increase national employment by 0.1 percent at best, and housing starts by only 31,500, not by the 240,000 contemplated by the authors of the bill.

It is the view of OMB that this would be an excessively expensive approach to creating housing starts and would cost $95,000 per additional housing start, $41,000 per additional job. The reason, Mr. President, is that not every subsidized house will, in fact, be a new house, a new start, that would not otherwise have occurred.

Bear in mind that this bill does not increase the supply of savings and credit; it just allocates the funds to housing while siphoning funds away from small business, consumers, and farmers. The ultimate effect for the unsubsidized portions of the housing market and other portions of the credit market is to drive interest rates up there in order to make it possible for interest rates to go down in the subsidized sector.

Mr. President, I also point out that OMB believes that the claim that this bill would create 483,000 emergency jobs is grossly exaggerated. According to OMB, it is based on the erroneous assumption that 243,000 housing units, of which 63 percent would be new starts, would not occur without the subsidy. Interest subsidies would qualify more people to buy homes; however, there are many potential home buyers who qualify for nonsubsidized mortgages. Many people who would buy anyway will be receiving subsidy, thereby absorbing the source of demand. There will be no way to limit the subsidy to those who would not have bought without it.

Mr. President, based on the computations of OMB, we will see not 154,000 new starts, but a much smaller number, only 31,500; that we would not have 483,000 emergency jobs, but an estimated 72,500 new jobs at a cost which is estimated by OMB at $41,000 per job.

Mr. President, I send to the desk and ask unanimous consent that there be printed in the RECORD at this point the analysis by OMB of the mortgage subsidy provision of the urgent supplemental.

There being no objection, the report was ordered to be printed in the Record, as follows:

REPORT

I. BASIC ARGUMENTS AGAINST $3 BILLION HOUSING BAILOUT

Ineffective jobs/anti-recession bill. Will increase national employment by 0.1% at best, housing starts by only 31,500.

Excessively expensive. $95,000 per additional housing start. $41,000 per additional job.

Doesn't increase supply of savings and credit—just allocates funds to housing while siphoning funds away from consumers, small business and farmers. Drives up interest rates for latter in favor of subsidized credit for former.

Unfair windfall of up to $17,000 over five years to less than 1 percent of potential homebuying families. Recapture provisions operative mainly in distant future and only if recipient sells, rents, of refinances.

Opens flood gates to multi-billion dollar bailouts for thrifts, agriculture, small business, autos, etc.

Best relief for housing is responsible budget and reduced deficit. DRI estimates 350,000 additional housing starts for each 1% drop in interest rate.

Housing industry beginning to recover without bailout. Permits up 18 percent since last fall, five of last six months. Unsold home backlog at 10 year low. Key lumber and plywood prices turning up—signalling potential recovery.

Is a budget-buster—not self-financing. Will add $1.8 billion to outlays over 1983-85 recovery period. Feedback of higher employment, revenues and reduced unemployment spending is illusory. Depends on inflated, unsupported estimates of additional housing starts and employment claimed by sponsors, and the obviously erroneous assumption of no reduction in credit availability to other individuals and businesses.

II. CLAIMS THAT THE BILL WOULD GENERATE 483,000 EMERGENCY JOBS IS GROSSLY EXAGGERATED

Based on the erroneous assumption that compromise will assist a maximum of 243,000 housing units, of which 154,000 or 63% are new starts which would not occur without subsidy.

Interest subsidies would qualify more people to buy homes—and thus increase short-run demand. But there are many eligible potential homebuyers who qualify for non-subsidized mortgages. Many people who would buy anyway will get subsidized, absorbing the source of additional demand. There is no way to limit the subsidy to those who would not have bought without it.

This is why experience in the comparable Emergency Home Purchase Act of 1974, which also provided for below market mortgages, was so poor. Studies show that only 15% of housing units assisted under such programs would not otherwise occur. The rest would have been built without subsidy.

Furthermore, some of the subsidy will be captured by builders in higher prices—just when the rapid increase in housing prices that have made home purchase difficult are beginning to abate.

Claim that moderately-priced homes are not being built is untrue. 60 percent of new homes sold this year were priced under $75,000, and thus would qualify for subsidy.

Absent inflated estimates of new housing starts, employment gains from Lugar would be minimal:

An estimated 72,500 new jobs or less than 0.1% of current national employment levels.

Zero net job additions nationwide because the effect of this bill is simply to transfer economic resources from one sector of the economy to the other. These new jobs created in the housing-related industries would be at the expense of jobs lost in other non-subsidized parts of the economy.

III. ON NET BASIS, THE BILL IS LAVISHLY EXPENSIVE

Based on historic experience with substitution effects, Lugar compromise would yield 31,500 incremental housing starts at a budget cost of $3.0 billion. This amounts to $95,000 in Federal spending per additional unit.

While no net job increase would occur nationwide, the transfer of 72,500 jobs to housing-related industries from other sectors would cost $41,000 per job re-allocated. It is doubtful that housing industry distress is sufficiently severe relative to other sectors (e.g. autos, steel, consumer durables) to warrant such an expensive shell game.

IV. THE BILL IS NOT CONSISTENT WITH OUR OVERALL ECONOMIC RECOVERY PROGRAM AS LUGAR PROPONENTS CLAIM

Government spending cannot create new jobs—only re-allocate existing employment. In fact, what is holding back housing starts and employment is high interest rates resulting from excessive current government spending and borrowing.

A housing bailout, however, would create enormous pressure for similar bailouts for other industries which would, in turn, significantly worsen current deficit problems. Other bailout proposals waiting in the wings include:

Agriculture credit and subsidies—$2.5 billion.

Thrift industry—$8.5 billion.

Small business—$2.5 billion subsidized loans and grants.

Automobile industry—$6 billion tax credit bailout.

Adding to the deficit will only add to financial market pressures and aggravate current high interest rate levels—the basic problem plaguing housing and other credit sensitive sectors in the beginning.

New Federal programs to channel credit and economic activity to any one sector of the economy, as pointed out by the Fed. Chairman Paul Volcker, will only choke-off activity elsewhere in the economy. For instance:

It is likely to increase interest rate pressure on farmers, auto dealers, small manufacturers, durable goods sector.

It will make credit more expensive for consumers—on whom we are relying to help lead the recovery from the recession.

V. THE MARKET IS ALREADY WORKING TO REVIVE HOUSING WITHOUT ENACTMENT OF AN EXPENSIVE BAILOUT BILL

There are numerous signs that the trough in housing may have been reached and that a pick-up in housing is in sight.

New housing permits—a key leading indicator of housing—increased in April for the fifth time during the past six months.

At a seasonably adjusted annual rate, there were 871,000 new permits issued in April, up 18% from October's low of 738,000 units and up 2% from March.

Furthermore, sensitive lumber and plywood commodity futures prices—also leading indicators of housing activity have turned around in the last few weeks.

VI. IN ADDITION TO OVERALL ECONOMIC CONSIDERATIONS, THE LUGAR BILL IS FLAWED AS A HOUSING PROPOSAL

Provides windfall gains to a small number of homebuyers—6 percent of those expected to buy homes between July 1982 and November 1983, less than 1 percent over the life of the subsidies.

Provides deep subsidies to each recipient—up to $17,000 per homeowner—subsidies extremely hard to justify to lower income families facing potential reductions in current Federal benefits.

Provides subsidy to middle-income homebuyers at the expense of their less affluent neighbors—the working poor subsidize the middle class.

Eligibility is limited to families with incomes of about $40,000 or less but a good portion of the subsidy would ultimately be paid by the taxpayers earning less than $25,000, who pay 35 percent of all personal income taxes.

Claims that the cost of the bill can be recovered by the Treasury through the recapture provisions in the bill are false.

Only homeowners who sell, rent, or refinance their homes are required to repay their subsidy to the U.S. Treasury. Therefore, under Lugar, homeowners have a positive incentive to keep their homes and not repay their subsidy to the Federal government.

Subsidy recapture is limited to 60 percent of net equity. For homes that do not appreciate, the government could lose out on most of its recapture.

For homeowners who do sell their homes, the recapture of funds for the Treasury will occur many years in the future while the subsidy drain on the U.S. Treasury occurs today, when deficits are slowing the recovery of the economy.

Under the most optimistic of circumstances—a repayment of the subsidy in the sixth year of 100 percent—the government will nevertheless have paid an amount in interest, at today's rates, of $5,575 on the money it will have to borrow to make the average subsidy payment of $2,400 a year or $12,000 over the next five years. In total the government will pay interest on funds borrowed to finance this program of over $1.4 billion in its first five years. Recaptures are likely to occur gradually over the life of the mortgages—some well after the year 2000.

Mr. ARMSTRONG. Mr. President, in conclusion, I wish to share with my colleagues the press response to the debate on this matter which has been forthcoming from some of the publications around the country which have editorialized on the subject. I do not, personally, know of a single major national newspaper which has editorialized in favor of this proposition. I confess, I have not made an exhaustive study, nor have I, frankly, made a special effort to seek out publications that might be in support of this proposal. Let me say none has come to my attention. There is not one instance of an independent, outside editorial voice that has risen up and said, "Yes, this is a great idea." There may be some examples of that, but one has not come to my attention.

I did notice in the June 14 Wall Street Journal an editorial entitled, "Now the Fun Begins" in which this proposal is described as an immediate test of whether the 1983 budget resolution is worth the paper it is written on. The Wall Street Journal on that date calls for the veto of the resolution.

This is a follow on of the Journal's May 27 editorial under the title "Help or Hokum for Housing." In that editorial, there was raised the question of the effectiveness of the pending legislation. It was summed up in these words:

But aside from the question of the correct method to bail out housing, there is the question of why bail out housing at all? Especially if it comes at the expense of other sectors. Government credit policies that dish out huge portions of money to housing undernourish other, more productive sectors. The percentage of disposable income going to homeowning has skyrocketed while the portion going to net financial investment has languished.

Surely the time has come to stop sheltering the mortgage market from the rest of the capital market—homebuyers ought to compete with everyone else for capital. The time is especially timely given the urgency of lowering interest rates. Congress argues that the recession demands a quick fix. But the best quick fix is to stop the government from holding up rates.

I have already discussed and have mentioned to my colleagues previously the view of the New York Times, which wrote a fighting editorial on this subject under the headline, "Build Housing, Wreck the Budget;" and the Washington Post's "The Home-Builders Handout."

I am not sure I have had a chance to comment to my colleagues about the Christian Science Monitor's thoughtful editorial of May 20 under the headline, "Not the Way To Help Housing," in which they analyze this provision of the urgent supplemental and sum up as follows:

President Reagan, as he has promised, should continue to oppose—and, if necessary, veto—the new housing bill now making its way through Congress.

In the Chicago Tribune, Stephen Chapman writes an interesting and worthwhile article entitled "Another Subsidy for Housing?" in which he points out that the way to revive the housing segment of our economy is to revive the whole economy.

The Miami Herald, on the date on which we last considered this matter in the Senate—Friday, May 28,—carried an editorial captioned "Mortgage Mistake." It sums up:

What the crucial American housing industry needs is a stable economy anchored by dependable interest rates at a reasonable level. And that can be achieved only by reducing Federal deficits, not adding to them as this program would.

The editorial is referring to the housing provision contained in this supplemental bill.

If it passes the Senate, this well-motivated but badly conceived measure invites a Presidential veto.

The Atlanta Journal, on May 14, 1982, said:

The mortgage subsidy bill is not a Band-Aid for the housing industry and potential homeowners. It is a giant sponge, a deficit-maker and an open door to federal subsidy of all housing purchases.

Then, 2 weeks later, under a subsequent editorial, entitled "Abandon the Bailouts," it said:

This is an absurd program that favors one industry at the expense of all others. We strongly urge the president to veto this measure if it passes and we strongly urge Congress to get about the business of reducing the budget deficit and not compounding it.

The Tulsa World said the same thing:

The billion-dollar bailout is a crust of bread to a starving man who needs three meals a day to regain his health.

The Tulsa World also carried an interesting article on June 7 under the title, "Housing Politics." The line that jumps off the page is:

The mortgage subsidy program is one more sign that Congress's attention is focused more on July's housing program than next year's budget deficit.

The Bangor Daily News, of Bangor, Maine, carried an editorial in the same vein on May 18, 1982.

The Arizona Republic, on May 26, called upon the President to veto this legislation, as did the Daily Sentinel in Grand Junction, Colo., the Gazette Telegraph of Colorado Springs, the Rocky Mountain News in Denver, some other papers in my home State, and the Oklahoma City Times on May 26 of this year, and the Wilmington News-Journal on June 3, and the Odessa American on June 2.

Mr. President, these are some of the editorials that have come to my attention. I send them to the desk and ask unanimous consent that they be printed in full at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 14, 1982]

NOW THE FUN BEGINS

Mr. Reagan finally pried out of the House the 1983 budget resolution he said he wanted. It still must be reconciled with the Senate version, but the differences aren't great and already the air is thick with proclamations of another great budget victory for the administration.

But quite aside from the merits of this particular budget resolution, which we think are dubious at best, it should be remembered that budget resolutions are only the beginning, not the end, of the budget cycle. Now comes the actual appropriations process. This is where the fun really begins as the vested interests go to work on the individual committees to ratchet spending ever higher.

Indeed, there will be an immediate test of whether the 1983 budget resolution is worth the paper it's written on. At the same time that Congress was wringing its hands and beating its breast about future deficits, it was quietly whipping through a budget-busting housing bill calling for $3 billion to $5 billion of "anti-recessionary" mortgage subsidies over the next five years.

This housing bailout is likely to reach the President's desk later this week. Its sponsors, hoping to make it veto-proof, have attached it to an "urgent supplemental appropriation" of monies needed to keep the government operating through the current fiscal year. (Those urgent supplementals are a neat little trick too, by the way; Congress habitually makes its budget ceilings look better in the fall by underestimating fixed obligations, then comes back for a supplemental in the spring.)

Mr. Reagan, tired of these budget-busting games, has indicated he's ready to veto the whole package and let Congress sweat over who pays the government's bills. But the House, for all its show of restraint on the 1983 resolution, is almost certain to override him on this issue of real substance. And in the Republican-controlled Senate he could lose as well; 51 Senators co-sponsored the housing subsidies to begin with.

If Congress does override the President, it will be a sure sign that the old politics is continuing: tax and tax, spend and spend, elect and elect. And we're not just talking about Democrats. The main backers of the housing boondoggle, which would provide mortgages to the middle class at up to four percentage points below market, have been Republican Senators Richard Lugar of Indiana and Jake Garn of Utah.

If housing needs special treatment, after all, why not the auto industry, the aircraft industry, the thrifts, the elderly, the young, or anybody else with the clout to press an "entitlement"? Republicans can play the game as well as Democrats. And in the present economic climate, it will not be difficult to play on the sympathies of the press and public, not to mention the electoral fears of the politicians.

But failure to hold the line will be an equally clear signal to the markets that Congress has no serious intent of getting a grip on spending and the deficit. If interest rates are indeed staying high because of fear of future deficits, as most of the political establishment seems to assume, they are unlikely to decline after getting such a clear signal of budget irresolution. Yet the same political establishment moans that high interest rates are choking off economic recovery.

It's not as if the budget resolutions passed by the Senate and House are models of restraint. They call for $95 billion in new taxes—most of which will never get out of committee, fortunately—but with spending continuing to rise so fast that the deficit next year would still be about $100 billion. And since when has Congress met even the modest targets it set for itself?

[From the Wall Street Journal, May 27, 1982]

HELP OR HOKUM FOR HOUSING

It was bound to happen sooner or later and this being an election year, it's happening sooner. Congress is roaring out approval of a bailout for the housing industry.

The House bill passed overwhelmingly. A similar bill sped through the Senate Appropriations Committee and is being debated on the floor. The Senate bill is likely to pass, too. It was attached to a supplemental spending bill to head off a presidential veto.

There are some differences between the House and Senate proposals. But, most important, the bottom line is the same—$1 billion in the current fiscal year and several billion in years thereafter. The money would go to subsidize mortgages for low- and moderate-income families by as much as 6% (the House version) or 4% (the Senate version) under market rates.

Nobody is arguing that the housing industry isn't in bad shape. It is. Housing starts are at basement levels, mortgage rates remain high and unemployment in construction is about double the national rate. Hence the appeal of a measure which might provide some 300,000 construction jobs and 400,000 jobs in related manufacturing industries.

Housing, however, is a wickedly interest-rate sensitive industry. This means the only true help will come from lower interest rates, not higher subsidies. Indeed, mortgage subsidies helped create the current high rates. For decades the federal government has intervened in the credit markets on behalf of housing, both by directing funds into the industry through the thrifts and by offering specially targeted programs to provide mortgages at below-market rates.

All this federal credit allocation helps keep interest rates high. The perceptions of the financial markets that government is not about to curb its appetite puts further pressure on rates. Mortgage subsidies, as more of the same, are the diametrically wrong way to go.

But aside from the question of the correct method to bail out housing, there is the question of why bail out housing at all? Especially if it comes at the expense of other sectors. Government credit policies that dish out huge portions of money to housing undernourish other, more productive sectors. The percentage of disposable income going to homeowning has skyrocketed while the portion going to net financial investment has languished.

Surely the time has come to stop sheltering the mortgage market from the rest of the capital market—homebuyers ought to compete with everyone else for capital. The time is especially timely given the urgency of lowering interest rates. Congress argues that the recession demands a quick fix. But the best quick fix is to stop the government from holding up rates.

[From the New York Times, May 17, 1982]

BUILD HOUSING, WRECK THE BUDGET

"Give me chastity and continence, but not just now."—Saint Augustine

Government, like Saint Augustine, has difficulty saying no. Even as Congress struggles to cut the budget deficit, it is yielding to new temptations to spend. It is hard to find a worse temptation than the housing bail-out now racing toward passage.

The housing industry is in terrible shape. Trapped between high interest rates and declining personal income, new home construction has been minimal for more than a year. Unemployment in the industry is now double the national average.

That is why homebuilders have been camping on the doorsteps of their representatives and why Congress is moving swiftly to help them out. The House voted 349-55 last week for a bill that would subsidize mortgages to middle-income homebuyers by 4 to 6 percent, at a total program cost of $3 billion to $5 billion. The maximum eligible mortgage under the House bill would be for $90,000 in areas with high construction costs; elsewhere the limit would be $67,500.

President Reagan opposes the legislation, but there is no sign that he can stop it. A slightly different version passed unanimously in the Republican-controlled Senate Banking Committee. Congress is angling to hand Mr. Reagan a veto-proof bill.

Its defenders argue that the subsidy will create jobs and allow thousands to achieve the dream of home ownership. But parallel arguments can also be made for those who produce steel or assemble farm machinery or mine copper or grow wheat. Even if Congress were prepared to foot the bill, it is hard to see how economic recovery can be built on a foundation of Government subsidies.

There are actually special reasons to resist the housing industry's new claim on the Treasury. The Government has long smiled on housing. Banking regulations artificially held down interest paid to savers, and the benefits were passed on to homebuyers in the form of low-cost mortgages. The tax laws specifically encouraged construction of owner-occupied housing. In fact, many economists attribute the current malaise of other American industries to policies that had the effect of channeling too much scarce capital into home construction.

Be that as it may, the consensus among economists is that housing's best hope lies in a decline in interest rates. And interest rates are likely to fall only if Congress manages to control the growth in spending. In other words, special interest demands for Government cash are as much the source of the housing industry's woes as they are a potential vehicle for its recovery.

It is easy to understand why the housing industry pushes so hard for help and why Congress lacks the will to resist. It is just as easy in this matter to see why some people believe Government has become the enemy of prosperity.

[From the Washington Post, Mar. 25, 1982]

THE HOME-BUILDERS' HANDOUT

The home-building industry—backed first by key congressional Republicans who have now been joined by Senate Democrats—is knocking on the White House door looking for a handout. With housing sales and construction at postwar lows, the builders are looking for relief in the form of government-subsidized loans for new-home buyers.

Because the subsidies would be substantial—the government would pay up to four percentage points of mortgage interest owed by low- and moderate-income new-home buyers for five years under the Republican plan it would add a billion dollars a year to the already large federal deficit. In the time-honored tradition of deficit spenders, congressional backers of the plan who include Sens. Richard Lugar, Jake Garn and Mark Hatfield argue that their plan will pay for itself because it will create jobs and boost tax revenues in the future.

That, of course, is an argument you've heard before from all the many promoters of this kind of tax cut or that kind of spending. If deficit spending paid for itself, by now the Treasury's coffers would be overflowing. And since money spent on new housing construction won't create any more jobs than money spent in dozens of other ways. You can also safely ignore the employment argument—unless you happen to be employed in the home-building industry. True the housing industry is depressed, but what about automobiles and other credit-dependent industries? Shouldn't they get a special subsidy too?

What it boils down to is the question of how heavily the government should continue to subsidize the housing industry. Easy credit and the negative interest rates produced by high inflation have, in themselves, made home ownership an unbeatable investment. Now the rules of the game have changed, and the home-builders are crying unfair.

In deciding how seriously to take their claim, you should remember that the biggest changes in the rules were produced not by the Reagan administration's specific cutbacks in construction and mortgage subsidies, but rather by market forces and larger shifts in economic policy. Housing demand is down not only because the economy is poor and interest is high, but also because the go-by go psychology of housing investors pushed prices beyond reasonable bounds. Interest rates are up because lenders got tired of losing out to inflation and because there are important competing demands for credit.

Home ownership is an important value in American life, and people in this country have become accustomed to a level of housing far surpassing that generally available in Europe or Japan. But maintaining this high standard has contributed to the inflationary pressures of a high consumer credit economy and the relative neglect of investment in productive assets.

[From the Christian Science Monitor, May 20, 1982]

NOT THE WAY TO HELP HOUSING

If the pell-mell rush in Congress to enact a new multibillion-dollar housing bill is any guide, then all that talk about bringing the federal budget under control is probably not very realistic. A housing measure recently passed by the House on a 349-to-55 vote would provide between $3 billion and $5 billion to middle-income homebuyers over the next several years to help subsidize mortgage payments. Mortgages eligible for such subsidies would range between $67,500 and $90,000, depending on the area. A somewhat similar bill now before the Senate would provide up to $5 billion over a five-year period.

Such blatant special-interest legislation should be vetoed by President Reagan.

There is no disputing the current difficulty within the housing industry. With interest rates on the order of 17 percent, and with new houses costing $70,000 and more, the new-home market is in a slump. One out of every five construction workers is unemployed; housing starts are at record lows, falling 6.4 percent in April; the timber and logging industry is depressed. Not least of all, the situation has created a terrible social problem. For the first time in the past decade or so, millions of families are finding themselves totally locked out of the housing market.

However, the massive federal subsidy proposed by the housing legislation will not so much prove a genuine solution to the current downturn as it will merely exacerbate existing problems. What is most needed to help the struggling housing industry is to bring down sky-high interest rates. To do that Congress must take firm steps in reducing the high budget deficits anticipated in the next several years. Obviously, any new legislation on the magnitude of the housing bill is going to increase, not reduce, those deficits. And such a big federal outlay will merely lead to demands from other ailing industries for similar bail-out legislation.

Two final points are in order. First, the housing industry has a genuine opportunity to rethink the types of housing that could be made available in the 1980s. Many of the expensive homes now being built could be substantially simplified, thus leading to savings in overall building costs.

There is also the possibility of conversion and rehabilitation of existing units. Some experts believe that new housing starts will range only between 1.4 million and 1.5 million units annually over the next few years, compared to well over 2 million new units annually during much of the past decade. But that need not mean an insufficiency of housing. Millions of older housing units throughout the U.S. could be rehabilitated for the growing market of the 1980s, as more members of the "baby boom" generation enter the home-buying age group.

Second, the housing industry has to come to grips with the whole issue of spiraling labor costs that helped boost new home prices throughout much of the past decade.

President Reagan, as he has promised, should continue to oppose—and, if necessary, veto—the costly new housing bill now making its way through Congress.

[From the Chicago Tribune, May 13, 1982]

ANOTHER SUBSIDY FOR HOUSING?

(By Stephen Chapman)

Asking a Congressman to vote against any bill with the word "housing" in the title is like asking a Texan to forget the Alamo: It goes against his deepest instincts. So it is probably unrealistic to hope that, in this era of supposed fiscal austerity, Congress will fail to provide some sort of direct federal subsidies to homebuyers.

Today's housing market is not something to be contemplated by those with weak stomachs. The industry has been suffering the equivalent of a depression for 41 months now. Construction unemployment is about 18 percent, nearly twice the national level. Last year there were only 1.1 million housing starts. That is half as many as in 1978 and the lowest number since 1946, when the nation was still recovering from the most costly war in human history.

The root of the problem is interest rates, which these days average 17.5 percent on home mortgages. So on Tuesday the House voted to have the federal government bear the cost of up to 6 percentage points of the interest rate on mortgages of up to $67,500 ($90,000 in some areas). The government would pay buyers the difference between say, a 17 percent mortgage and an 11 percent mortgage. The bill, which passed by an overwhelming 349 to 55, would cost $1 billion this year.

Some buyers would get help from the bill, but the housing industry would be the prime beneficiary. The evidence? To get the subsidy, you have to buy a newly-built home, thus providing business for builders. If you want an older house, you're on your own.

The House bill would not represent a reversal of national policy, but merely another extension of it. Home ownership's place in the American dream is so proverbial as to be a cliche. Two out of every three American households own their own homes—the highest rate in the Western world. One reason is that few sectors of the U.S. economy have been more assiduously subsidized than housing.

Harvard economist Herman Leonard points out that the postwar boom in housing construction was financed largely by guaranteed Veterans Administration loans to returning soldiers. The Federal Home Administration has provided millions more in housing aid. Agencies like the Federal National Mortgage Association (known as Fannie Mae) and the Government National Mortgage Association (Ginnie Mae) serve to channel funds away from other forms of investment and into housing. Mortgage interest payments are deductible from federal taxes, which lowers the cost of owning a home.

Some economists blame excessive investment in housing for the stagnant productivity of the American economy. Martin Feldstein, also of Harvard, notes that in the mid-1960s, about 50 percent as much money was invested each year in housing as in business plant and equipment. By the end of the 1970s, the figure was around 75 percent. That, he says, helps to explain why we are losing ground to our international competitors.

But it isn't necessary to accept Feldstein's analysis to see that housing shouldn't get additional government aid. The housing industry is not exactly unique in its suffering: The recession hurts builders because it hurts everyone. Even now, housing gets considerably more help from Washington than most other industries. The issue is not whether the industry deserves help, but whether it deserves even *more* help.

The blame for the housing industry's plight always goes to high interest rates, which in turn are universally blamed on the Reagan administration's budget deficits. Some people, me included, have their doubts about the relation between deficits and interest rates, but such doubts have not been detected in Congress among either Republicans or Democrats. And if the deficit is the ultimate cause of the slump, it makes no sense to try to help the industry with a measure that will increase the deficit.

If a bill is enacted, it will probably take effect just as its rationale expires. Housing starts are still low, but they have risen for five consecutive months—an increase of more than 10 percent. Interest rates are steadily falling. By the time these mortgage subsidies begin to go out, the recession may very well be over.

In any case, it's not clear why the housing industry or homebuyers deserve special help during a recession. Subsidies to mortgages aren't free. They require taxing other important industries for the benefit of builders, and taxing renters for the benefit of homeowners. But why should the auto industry, which is also feeling the effect of high interest rates, have to pay to help builders? Why should people who can't afford to buy homes for themselves (subsidy or no) be forced to help someone else buy one?

This is no matter of social justice, but simply a special break for a powerful interest group. The fact that the interest group is relatively large in number doesn't make its purpose any more noble.

The housing industry will revive when the rest of the economy revives, namely when interest rates decline to tolerable levels. Its workers, investors, and customers deserve no special exemption from hard times, especially when that exemption is likely to make times that much harder for everyone else.

[From the Miami Herald, May 28, 1982]

MORTGAGE MISTAKE

High interest rates are decimating the nation's housing industry. No doubt about that. In spite of a burgeoning population, housing starts in Florida and the nation dropped in the first quarter of this year to the lowest level in more than a decade. In 1982's first quarter compared with 1981's, national housing starts plummeted by 33 percent, to 192,596 from 288,231.

High interest rates are to blame. Most working couples cannot qualify for mortgages with payments that near $1,000 per month. And the decline in housing construction itself contributes to rising unemployment among normally well-paid skilled workers. So it's easy to understand why Sen. Richard Lugar, the Indiana Republican, found 51 cosponsors for his mortgage-interest subsidy bill, which already has passed the House.

Nevertheless, President Reagan is correct and his Republican brethren in the Senate are wrong about this scheme to commit $5 billion in Federal dollars over the next five years to subsidize up to 4 percentage points of mortgage interest for buyers of new homes. It is an attempt to apply an Ace-bandage remedy to an economy that is dragging a broken leg. It won't work, and it likely would produce widespread corruption and other evils besides.

It is Through the Looking Glass Logic for the Government to work against its own policy; to permit high interest rates to produce recession to combat inflation. To subsidize those rates to bail out one industry, admittedly a critical one, is counterproductive and would set a dangerous precedent. Like automatic cost-of-living clauses in union contracts, such an artifice frustrates the normal market reaction that is the foundation of Reaganomics.

Further, the Lugar plan cannot succeed even in its own goals because it excludes existing housing, focusing wholly on new construction. No market works like that. It is disruptive and destructive to subsidize the purchase of new homes while developers can't sell the subdivision or condominium already built, and while families can't sell their older homes. The existing inventory has to move before new production can proceed.

Further, $1 billion in direct mortgage-interest subsidies distributed over a mere six months would attract the worst kind of profiteering. In the very limited, experienced Metro Housing Finance Authority program, it developed this week that five builders had reserved 66 percent of the county's $37.5 million package. Just guess what would happen with the overnight creation of a nationwide, billion-dollar freebie.

No, the Lugar bill isn't the way to go. What the crucial American housing industry needs is a stable economy anchored by dependable interest rates at a reasonable level. And that can be achieved only by reducing Federal deficits, not adding to them as this program would. If it passes the Senate, this well-motivated but badly conceived measure invites a Presidential veto.

[From the Atlanta Journal, May 14, 1982]

ANOTHER SUBSIDY MONSTER

It is incredible that Congress, in the midst of a budget stalemate, deficits of more than $100 billion and high interest rates, would dare to consider another federal give-away program of the sort that caused those problems in the first place.

The House has passed an emergency measure to hand $1 billion in home mortgage subsidies to the fluttering hands of the homebuilding industry.

We understand that the housing industry is among the hardest hit by the economic climate. We also understand that support for it could put hundreds of thousands of people back to work.

But we believe measures of this sort will only contribute to increases in interest rates, thus further draining the Treasury to make up the difference between the guaranteed interest rate and the free-market rate.

Congressmen should also know by now that once programs of this sort create constituencies, they are almost impossible to eliminate.

The vote on the mortgage subsidy plan was 349-55, crossing party lines. One imagines congressmen thinking of such a plan in this, an election year, and being seduced by the price tag of "only" $1 billion. They forget the late Everett Dirksen's maxim: "A billion here, a billion there and pretty soon you're talking real money."

Leaving aside principle and looking at the bill's specifics, it is rife with problems. First there is the usual problem of defining who is eligible according to a percentage of local median income. That is wide open to politics, favoritism and tinkering.

There are also insufficient limits to prevent the well-off, who could buy a home if

they were satisfied with today's interest rates, from capitalizing on this handout.

The mortgage subsidy bill is not a Band-Aid for the housing industry and potential homeowners. It is a giant sponge, a deficit-maker and an open door to federal subsidy of all housing purchases.

[From the Atlanta Journal, May 26, 1982]

BAN THE BAILOUTS

The only decision Congress could make this session that would be more short-sighted and irresponsible than completely ignoring a hundred-plus billion dollar budget deficit is to increase it with unnecessary spending.

That is precisely what the Senate is considering with a $5 billion mortgage-subsidy bailout of the housing industry. It is, as Sen. William Armstrong, R-Colo., states "a horrible precedent" that "seriously undermines the credibility of congressional intentions to restrain federal spending."

In and of itself, this bailout of one industry is dismaying. But, like eating peanuts and potato chips, there's no stopping at one. Once Congress indicates a willingness to protect one segment of the economy, representatives of every other will be camped round-the-clock on Capitol Hill demanding equal protection.

What possible national interest is served by increasing demand for money at 16 or 17 percent? Under the measure before the Senate, the mortgage interest subsidy would be for families with incomes of less than $37,000 buying homes that could cost up to $77,000. The subsidy would be 4 percentage points the first year, dropping by three-quarters of a point each year thereafter.

To fund the program to subsidize interest, the federal government would have to borrow, further increasing the national debt. The government, thus, is forcing all taxpayers to pay an ever increasing national debt to generate money for home-buyers. And, of course, the money it diverts to subsidized mortgages comes at the expense of other sectors.

This is an absurd program that favors one industry at the expense of all others. We strongly urge the President to veto this measure if it passes and we strongly urge Congress to get about the business of reducing the budget deficit and not compounding it.

[From the Tulsa World, May 15, 1982]

BORROWING THE BORROWED

Congress is going to borrow another $1 billion to subsidize housing loans which are scarce because the government already is borrowing so much money that there is little left for housing loans.

Confused? So is Congress.

Everyone agrees that the housing industry and the millions of families wanting housing are in a desperate situation. Only a small percentage of families can now afford median-level new housing, mostly because of long-term interest rates of 16 to 18 percent.

This is because the federal government has been running huge deficits for two decades and borrowing the money to finance them from the private market.

That market has only a certain amount of money to lend; the greater the government demand (at whatever rates are necessary to obtain it) the less left for loans for housing and other consumer needs.

By some measures, the government now borrows half of all the money available for lending; no wonder there is a scarcity of long-term money and interest rates that just won't go down.

A billion dollars is a lot of money. According to the optimistic claims of those pushing the program, it will result in the building and sale of 130,000 houses. Even if that figure is correct, the effect on an industry that needs to build 2 million units a year to meet demand is negligible.

The "billion dollar bailout" is a crust of bread to a starving man who needs three meals a day to regain his health.

[From the Tulsa Daily World, June 7, 1982]

HOUSING POLITICS

Jane Bryant Quinn, whose column appears in the World, commented during a visit to Tulsa that congressmen were shifting from supply-siders to July-siders. The former advocated the Reagan administration's supply-side economic theory. The latter believed only that unless the nation's economy showed improvement by July they wouldn't be re-elected in November.

As July approaches, political pragmatism is swallowing whatever inclinations Congress felt toward economic theory and principle. Two weeks ago, Congress approved a five-year program which would provide $5 billion in mortgage subsidies for low- and moderate-income families.

The program clearly is not a part of the administration's economic recovery package. The only rationale for the vote: the perception that the housing crunch will be a volatile political issue in the fall.

Were housing just another campaign issue, there would not be the sort of concern now prevalent on Capitol Hill. But home ownership lies at the heart of the American dream. Two-thirds of the nation's families own their own homes. And until recently, those who didn't own a home today fully expected they would tomorrow.

But the past 10 years have dealt a critical wound to that optimism. Between 1973 and 1981, the median price of a single-family home more than doubled. In 1978, the cost of a $60,000, 30-year fixed-rate mortgage was $483 per month. Today, the monthly payments would be $855 per month. Middle income families can't afford to buy homes.

The mortgage subsidy program is one more sign that Congress' attention is focused more on July's housing market than next year's budget deficit.

[From the Bangor (Maine) Daily News, May 18, 1982]

EDITORIALS—ALL THE PRESIDENT'S MEN

This is the season when electioneering politicians work feverishly to tear down their opponent's campaign platform while simultaneously constructing their own. It is hectic work, and sometimes, regrettably, in all the bustle, they wind up standing on the other guy's planks.

A couple of weeks ago, Rep. David Emery lambasted his adversary, Sen. George Mitchell, for being an unusually chameleon-like politician, a wild-spending Democrat who in these austere times was suffering from "split personality . . . (and) political schizophrenia."

Mitchell, it seems, was guilty of overkill in the time-honored political gambit of trying to be all things to all people, and Emery wanted this shortcoming on the record.

In remarks delivered to the Maine Republican State Convention May 1, Emery taunted: "What a subsidy? George thinks you ought to have one anyway. Have any other problems? George has a bill that will fix them all."

The congressman reminded the delegates that "The election of Ronald Reagan and George Bush was a repudiation of this approach, yet some people just haven't gotten the message."

Guess who?

Last week, it appeared that the Reagan-Bush message had become one of the most forgettable in the history of modern politics. When a tidy, $1 billion mortgage assistance subsidy program came to a vote in the House last week, who were there with their hands up to vote in favor of it but Rep. Olympia Snowe and the chief deputy GOP floor whip, David Emery.

The bill would use federal funds to offset as much as 6 percent of the average 17 percent interest that homebuyers are now paying on mortgage loans.

The law represented a real plumb for politicians, a chance to pander to a constituency without shouldering any responsibility for the consequences. It was disappointing that those who have emphasized their economic purity chose this opportunity to succumb to temptation: The bill is the first major new spending program to pose a serious threat to the Reagan economic program. One possible scenaro is that it will slither through the Senate and into the President's lap. He will have no choice but to veto it. Proponents will be unable to muster the two-thirds vote to override the veto and the matter will be dead, except that born-again savants of the economic restraint will be able to go home and tell their home-buying constituency how they tried to bail them out.

A nice piece of work.

The only things that aren't served are the President and principle.

It brings to mind a question posed by Emery, in all seriousness, at that same GOP convention:

"Do the people of Maine want a United States Senator who voted for parts of the President's recovery program, and against other parts, and who now is seeking to rip that very program to shreds?"

Heavens, no.

[From the Arizona Republic, May 26, 1982]

SUBSIDIZE HOME BUYERS?

Everyone must sympathize with the hundreds of thousands of young couples, who dream of buying a home but can't afford to—not at today's mortgage rates, which run to about 16 percent.

And everyone must sympathize with the hundreds of thousands of workers in the construction and building materials industries, who are jobless as a result.

However, this does not justify Sen. Richard Lugar's bill to subsidize home buying by subsidizing mortgage payments.

Under the bill, the subsidy would amount to four percentage points the first year, decreasing by three-quarters of a point each year after that. The subsidy would be limited to families with incomes of $30.000 or less and would apply only to mortgages of $67,500 or less, except in "high cost areas."

In those areas, so designated by the Department of Housing and Urban Development, the income ceiling would be $37,000, and the mortgage ceiling, $77,000.

The cost to the government would be $5 billion over the next five years.

Lugar, an Indiana Republican, says the bill is not a bailout for the housing industry

but "a jobs measure aimed at helping the entire economy."

That same argument could be used for a bill to subsidize the purchase of automobiles or farm machinery or whatnot.

In fact, if the Lugar bill becomes law, we can expect representatives of every distressed industry to descend on Washington, demanding a subsidy of one kind or another "to create jobs."

And this would just make a bad situation worse.

The reason that interest rates, including mortgage rates, have risen to chilling heights is the huge federal deficit.

Ladling out billions of dollars in subsidies will simply increase the deficit, leading to still higher rates.

When that happens, there will be a demand for still more subsidies.

A bill similar to Lugar's has already passed the House.

President Reagan has said that, if the Senate also votes a subsidy for home buyers, he will veto it.

That will take some courage, but he should.

[From the Grand Junction Sentinel, May 28, 1982]

HOUSING BAILOUT

Colorado Sen. Bill Armstrong is raising a ruckus on Capitol Hill about a $1 billion bailout for the housing industry. We'd like to add our voice to the ruckus.

About the worst thing Congress could do at a time when interest rates finally appear ready to stop defying gravity is to begin passing expensive bailout measures like the one proposed for the beleaguered housing industry. That's the wrong message to send Wall Street.

Nonetheless, the Senate Thursday overwhelmingly passed the special bailout for the housing industry. Earlier, the House passed a similar measure, thus assuring a likely presidential veto of the bill.

When will it all stop? Will the next bailout be provided for the depressed auto industry? How about a bailout for the savings and loan industry? After all, some 500 thrift institutions are thought to be in danger of going belly up this year. And how about more subsidies for agriculture? Talk about a sector of the economy that's really hurting!

Under this ill-conceived measure, prospective home buyers who are priced out of the market because of 18 percent interest rates could have their mortgage interest reduced by up to 6 percentage points. Congressmen are crowing that the bill will create several thousand new jobs this summer and give the slump-ridden housing industry a much-needed shot in the arm.

But in order to provide that $1 billion worth of mortgage relief, Congress must go out and borrow more money. And the more government borrows, the less money there is available for a housing contractor to build new houses. And the more government borrows, the higher the interest rates become, and the more difficult it becomes for housing contractors to sell their product.

Even though he was on the short end of the vote, Armstrong was right to oppose this bill.

Perhaps the best description of it was provided by House Minority Leader Robert Michel: "This billion-dollar bailout has all the potential of becoming another of our great multibillion boondoggles."

Michel also added that it was a deceitful, "lousy way to run the government." It sure is.

[From the Gazette Telegraph, May 13, 1982]

DON'T BAIL OUT HOUSING

The slump in housing construction extends from the timber lands of Oregon to the real-estate offices outside Boston, and isn't showing signs of improvement. As a result, we're seeing the political hysteria of the House voting to pump $1 billion worth of emergency mortgage subsidies into the depressed U.S. home building industry.

A long-term homebuying bailout is the talk of Washington, with industry officials pushing for congressional relief by June 1.

A wide variety of legislation has been introduced in response, most all of it to use the taxing and/or borrowing capacity of the government to subsidize home buyers, sellers and builders. Some of the same Republican senators who claim to be intent on balancing the budget are behind one of those budget-busting bills, for $5 billion in mortgage subsidies. Some old-time Democratic politicans like Rep. Henry Gonzalez of Texas have another scheme, to pump $22.9 billion into some HUD programs that historically have helped a relative few.

What these bills typically do is introduce complex formulae for determining which types of people and homes, or parts of the country, get the gravy. Underlying the intense lobbying for a bailout is concern over which branch of the housing industry will benefit most from whatever's approved: the real estate agents, the builders or the lenders.

Loans guaranteed or sponsored by the government have been the fastest-growing component of federal borrowing that has crowded most of us out of the lending market over the past five years. These loans, of which mortgages have been a major part, have been more a factor in the rise of interest rates than has the federal budget, Treasury statistics would indicate. These credit obligations, you see, are called "off-budget items" and aren't even figured into that $100 billion deficit figure you hear so much about in Washington these days. But they are burdens just the same, and a primary reason why, according to recent Office of Management and Budget figures; federally related borrowing will eat up 90 percent of the country's saving pool during the current fiscal year.

Such consideration led The Wall Street Journal to observe last November that the time had come to reconsider the widespread expectations of home ownership that it said had been instilled by the mortgage programs of the New Deal. It occurs to us that, lowered inflation and rising interest rates having popped real estate's balloon, a reevaluation is in order of the types and amounts of housing our capital markets can support. Economic constraints may be forcing us into high-density living that many other civilizations have grown accustomed to, but which local zoning authorities in this country resist. It may be the case that either those restrictions change or we're going to be faced with a choice of no housing or no money available for the rest of the economy.

In the midst of this larger crisis, the Reagan administration is thankfully resisting most of the housing bailout schemes. It has stated a preference for relaxing regulations that hamper the housing industry. Included in its proposals, however, is some expansion of the loans that are part of our current problem.

The instrument best able to respond to changing economic and social conditions is the free marketplace. Given an opportunity, it will eventually find the desired amount of housing, relative to other scarce goods. Perpetuating past subsidy mistakes will only delay that happening.

[From the Denver Rocky Mountain News, Apr. 27, 1982]

BAILOUT

Despite White House opposition and budget deficit projections that seem to get bigger every day, the Senate Banking Committee wants the government to spend $5 billion to bail out the ailing housing industry.

The committee voted 15 to 1 the other day to subsidize interest rates on new home mortgages by up to 5 percent for five years.

Not everyone could get the subsidy. Family income would have to be under $30,000 a year and the mortgage not more than $67,500, except in high-cost areas where the figures could be raised to $37,000 and $77,625, respectively.

Members of Congress just can't seem to get rid of the notion that the way to cure a problem is to throw taxpayers' money at it.

Instead of doing something to get interest rates down so everyone could benefit, the banking committee wants to subsidize a narrow range of borrowers. Subsidizing interest rates is a prescription for keeping them high, not getting them down.

If the banking committee is interested in getting interest rates lower, it ought to be trying to reduce the federal deficit, not increase it.

[From the Denver Rocky Mountain News, May 27, 1982]

HOUSING BAILOUT

Of all the elements of the American dream, perhaps none is more enduring than home ownership. It's not surprising, therefore, that congressional resistance to new spending programs seems to be breaking down on exactly that issue—namely, on whether to bail out the housing industry by subsidizing mortgage interest rates.

No matter what decision is taken, Coloradans can take heart from the fact that Sen. William Armstrong has led the fight against such subsidies. He points out, rightly, that the malaise of the housing industry is hardly unique. Farmers also are hurting, as are thrift institutions, auto dealers and a host of other groups. It is illogical to subsidize just one group, and it is impossible to subsidize all.

Instead of attacking the recession's symptoms, Armstrong says, Congress should tackle its causes, such as government deficits. Interest rate subsidies may be understandable, but they would also be a shame.

[From the Oklahoma City Times, May 26, 1982]

HOME CONSTRUCTION

Spurring new home construction with an injection of federal subsidy money presents a tempting anti-recessionary remedy for Congressmen in this election year. They see it as coming to the rescue of an ailing industry that is as basic to the nation's economy as automobiles and at the same time helping hundreds of thousands of would-be home buyers who have been priced out of the market. Even with the obvious political incentives, the congressman's good intentions cannot be denied. Nevertheless, proposals moving through Congress are bad legislation both pragmatically and on principle. The estimated 1 billion dollar cost to

the government for this year would be the wrong move at a time Congress and the administration are struggling to hold down the size of the deficit in the proposed FY 83 budget. Moreover, it would be singling out one industry for special government attention whereas many others also are having to cope with high interest rates. The Senate is debating a proposal that the author, Senator Richard Lugar, Republican from Indiana, who otherwise supports President Reagan's economic programs, is calling "an emergency jobs bill". It will provide one billion dollars to help low and moderate income families buy some 400,000 new homes this year by reducing their mortgage interest rates. The bill authorizes five billion dollars over five years with the rest subject to annual appropriation. Lugar says the program will provide employment this summer for 300,000 workers in the building trade and 400,000 in related manufacturing industries. He claims it would thus create 2.5 billion dollars in tax revenues for the government. The House already has approved a similar measure with the support of all six Oklahoma members. It would subsidize mortgages for buyers with incomes below 130% of the median income of the area in which they live. The buyers would have to contribute at least 25 percent of their income towards the monthly mortgage payments. Calling it a program to get the economy moving while helping thousands of families make it sound attractive, but as President Reagan has noted, a better way to accomplish this is a broad-based economic recovery. Despite all the gloom in the economic news, expert business forecasters keep insisting recovery is imminent. Analysts note that while the government's composite index of a dozen economic indicators continue to slide, certain of the indicators that usually anticipate a turning point early have been rising. One of these is an increase in building permits considered a more accurate barometer that housing starts have been falling. Senator BILL ARMSTRONG, Republican from Colorado, has deplored the "horrible precedent" the mortgage subsidy bill would set and said it would "undermine the credibility of Congressional intentions to reduce federal spending". And that credibility is the key to bringing down those interest rates that have slowed recovery.

[From the Wilmington News-Journal, June 3, 1982]

CONGRESSIONAL BAILOUT

Soon another Congressional bailout will be before the President. He has already said he will veto efforts to reduce interest rates artificially as a way to stimulate housing. Mr. Reagan should stick to this promise. The country's economic woes cannot be solved by a series of giveaways to those whose speculative business investments have gone sour. Clearly millions of people are affected by the high interest rates that stifle home purchases, but their lot will not be improved by simply transferring money from one pocket to another. Somebody—everybody—is going to have to pay.

[From the Odessa American, June 2, 1982]

SENATOR TAKES RISK WITH HIS STRATEGY

Recently Sen. William Armstrong slowed down the legislative wheels of the Senate to protest the tax breaks his colleagues awarded themselves. He has slowed the wheels again, specifically by stalling a $6.3 billion emergency appropriation to delay and perhaps ultimately defeat a $1 billion program to subsidize mortgage interest rates on housing.

Opponents of the Senator's parliamentary tactics howl that failure to pass the emergency appropriation will cause money problems, including possibly a cutoff of funds to various federal programs. But if this should happen, so be it. Such consequences might finally shock Congress into considering the gravity of its spendthrift habits.

The proposed housing subsidy is a case in point. Against Armstrong's effort to delay its consideration, the measure has strong support in the Senate. Many Republicans who should know better, or who should perhaps have more scruples, defend the subsidy in terms that bring approving smiles to the lips of most liberal Democrats.

Of course it would be nice if people could pay lower rates for housing. Also it would be nice if we could all own mansions and eat caviar once a day. But the boundless extent of human wants must always collide with human means to provide them.

For the sake of political expediency Congress for years has encouraged the infantile fantasy of instant and unlimited gratification. Now with enormous bills coming due, children's fantasies must yield to financial reality.

Armstrong may lose some popularity among some of his self-seeking colleagues for the inconvenience he has caused them, and he no doubt will lose support from those voters who still cling to belief in Santa Claus and the Big Rock Candy Mountain. But he earns succeeding gratitude from the many thoughtful Americans who know full well that for a nation spending as if there were no tomorrow, there indeed may be no tomorrow.

Mr. ARMSTRONG. Mr. President, the subsidy contained in this supplemental appropriation bill is opposed not only by many newspapers and the NFIB and by the realtors and many thoughtful Americans; it is also opposed by the President, who, I believe, will veto it. I think that is a good reason for my colleagues to vote against not only the subsidy provision that will come before us as an amendment in disagreement but the entire conference report.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HATFIELD). Without objection, it is so ordered. The Senator from Indiana.

Mr. LUGAR. I deeply appreciate the chairman of the Appropriations Committee taking the chair so that I might respond in this timely sequence to the very thoughtful and important comments on not only the emergency supplemental appropriations bill but, most specifically, the housing component of that legislation.

During the course of that debate, my distinguished colleague from Colorado has pointed to features of the housing component which now reflects the compromise struck in conference committee.

Let me touch upon some of those aspects. Some are open to interpretation, but some he has asserted I think with accuracy. I simply stipulate for the record that our understanding is that the assistance would be open to those with the maximum income of $37,000. Our intent was to point that toward a limit of $30,000 a year. During the course of debate in the Senate and the conference committee, and due to the very high levels of housing costs in some portions of the country, in order to make this assistance available to truly all Americans in all 50 States, additional possibilities are open.

The Senator from Colorado has asserted that this would make 84 percent of all American families eligible for the subsidy. I have no way of knowing whether that high a percentage of Americans are included, but, if so, I say to my colleague for Colorado and for the record that most surveys of new housing now point out that less than 1 in 10 Americans have adequate income to buy a new home or to pay the interest rates that would be charged on money presently.

In short, one reason for consideration of this as an emergency is that so few Americans are in the home-buying market; that demand for new single-family houses has dried up in an unparalleled fashion. It is truly an emergency recognized by all Senators, those who favor the legislation and those who oppose it.

The foundation for our bill came in a survey made by the national forest products people, Market Opinion Research, Robert Tieder, director, who tried to find out how many Americans conceivably might buy a house in this particular year. They found that roughly one-third of all Americans will consider a move of location during this year. Approximately 11 to 12 percent were seriously involved in thinking about such a move, seriously because of job changes, because of need in many cases to find work in areas of the country that seem to be more prosperous than the ones in which they are living presently, or because of young people coming from school, coming from the service, having the changes of plans that are usual for young people.

In any event, 11 to 12 percent of all American families were seriously thinking of home buying. The Market Opinion Research survey indicated that at interest rates of 16 percent and above that percentage tails off to almost nothing at all; there is almost no activity aside from those Americans who are very wealthly, who have substantial means, who often pay cash, who simply, because they are well off, are able to move and do what they

want to do, quite apart from the interest rates or cost of housing in this country. That is a very limited number, but that is essentially the housing market in this country now.

This is why I was astonished to read some time ago the analysis of the Office of Management and Budget that somehow or other the legislation we were considering would cause a substitution; that there are people that are going to buy all of these houses somewhere out there in America who would simply use the formula provided by this appropriations supplement bill and would substitute in that respect. How the Office of Management and Budget ever reached such a conclusion is, I suppose, beside the point. It simply is an invalid conclusion. There is no substitution. There is no activity. Without this legislation there is not going to be any activity. That is the thought that must dawn in the minds of Senators, members of the OMB, and others. We are talking about whether or not we are going to have a building season this year. That is the question.

Some Senators may honestly feel, and perhaps the Senator from Colorado is among them, that the sacrifice of one building season is one of those things, that you sort of let them go; whether the houses get built or the people can buy them, whether in fact there is any activity going on simply is one of the sad facts of the economy, and as a discipline, as a lesson to all of us, as a spur for interest rates to come down, as a spur for the total economy to get well, it is too bad that no houses were built, so to speak, but that is the way it goes.

Now, that is not going to work. The American public is not going to stand still for this body or the other body or for this Government as a whole simply to consign the homebuilding industry to the dustbin for the season of 1982 and chalk this one up as just a dead loss.

This is the reason this legislation in one form or another has now passed both Houses in various forms by very substantial majorities. It came through the Senate by a two-thirds majority on three different occasions not too long ago. It apparently has been passing regularly in the House, and for good reasons. Members of the House and Senate, as they visit with constituents, realize people back home see people who want houses built this year, not in the hereafter, not with some promise down the trail.

If this were simply a question of one Senator's assertion and with everybody else taking different points of view, that would be one thing, but let me just cite articles within the past 10 days in the Washington Post and the Wall Street Journal in which people make these sorts of assertions. In the Outlook column of the Wall Street Journal of June 14, 1982, the beginning sentence is "Recession is ending but not with bang"

> There are growing indications that the recession is ending. Most analysts look for an unusually weak recovery—so weak, in fact, that some businessmen will find it hard to believe that the slump has actually ended.
>
> Current conditions obviously provide little reason for cheer. Recessions, after all, end when the economy reaches its lowest point. Leonard H. Lempert of North Egremont, Mass., a long-time student of business cycles, thinks the media take much too gloomy a view of the situation. "What do they expect at the bottom of a recession, a boom?" he asks.

The column goes on to point out that conceivably there is a recovery going on but that it is one that will be very, very difficult to find, even if one looks awfully hard at it. With regard to housing, why, absolutely nothing is going on at all.

We find in the Washington Post on Saturday, June 19, a leading editorial, "Back on the Demand Side."

> There was bad news from the supply side of the economy the other day. A Commerce Department survey revealed that businessmen have been cutting back sharply on their plans for buying new plants and equipment. Businesses now plan to spend about 2.4 percent less—after adjusting for inflation—for investment than they did a year ago, and many analysts think that forecast is optimistic.
>
> From a supply-sider's perspective, this is pretty ungrateful behavior by the business sector. The whole idea behind last year's massive tax cut was that it would unleash incentives for productive work and saving.

That was the tale last week of the cutback in capital spending, even in real terms, by 2.4 percent.

In the Saturday Washington Post, in the news columns, I was astonished to find two items with rather telltale signs, and one was on the front page. The headline is "Regan Sees Interest Rates Up, With Policy Change Possible." It was written by John M. Berry, who begins:

> Treasury Secretary Donald T. Regan, predicting that interest rates are headed higher, yesterday revealed that the Reagan administration has begun a study of ways to change its economic policies if the high rates short-circuit the expected economic recovery.
>
> "I don't think I'll talk about . . . what our specific plans are, but obviously these are questions that we have addressed to ourselves over the past three months. We are trying to come up with solutions," Regan said during an interview at the Washington Post.
>
> "If interest rates don't come down rather quickly, [and] unemployment hangs high, the obvious course of action [that] would be demanded, at least, from us by the Congress would be, do something, don't just stand there," he continued.

Secretary Regan is absolutely right. How one could anticipate that Congress would simply stand there while signs all around pointed toward further difficulty, a recovery that one could not discover, for example, a decline in the rate of investment by business people—of course, Congress is not going to stand there.

The whole point of this activity with regard to housing stimulus was to fashion a responsibility program by Congress, consistent with what the President of the United States has been calling for, which would not do violence to either his budgetary plans or his fiscal plans.

Both Republicans and Democrats, Members on both sides of the aisle, read the same paper, so what I reveal from page A-3 of the Washington Post would not be shocking to anyone. But Bill Peterson of the Washington Post writes:

> White House political director Edward J. Rollings told Republican Party leaders yesterday that they shouldn't count on the economy to improve before the November elections.
>
> "We can't let ourselves get trapped into a false sense of expectation," Rollins said in a speech to the Republican National Committee. "We're still going to be facing high unemployment and high interest rates in November."

Mr. Rollins is probably right—unless Congress has the good sense to move to do something about it.

I have listened to Senators for whom I have very great respect argue that the budget process would bring us to a point at which Wall Street—various persons whom that term conjures up, who have responsibility for investment—puts our country into a happier mood.

The claim was made not long ago, in debating the budget, that if we passed a sound budget, if we got on with it and sent signals to Wall Street, interest rates would come down. Indeed, the distinguished Senator from Colorado circulated letters and asked unanimous consent that they may be part of the RECORD, and much of the material he asked today to be made part of the RECORD was made part of the RECORD. They suggested that interest rates might come down. That would have been a startling change in the short-term rates, and all of us pray that that might occur.

But now where are we, on this Monday, June 21. The budget has been passed by both Houses and has gone through the conference committee, and the Secretary of the Treasury says that the tendency is for interest rates to go up, not down; not down the 4 percent, through some drama of confidence in the budget, but up.

They are going up fundamentally, because the dilemma we have in this country is that the Federal Government's revenues have fallen out of bed. We are in the process of controlling spending. I voted for that; most Members voted for that.

What the Senate and the House of Representatives cannot mandate are revenues. There is no way to legislate

people into jobs that can stay there and produce, by ripple effect, more income taxes, more profits for companies that might put more revenue into the coffers, and lower deficits by bringing up the revenue side.

What we have been trying to talk about, trying to get through to people, is that the housing stimulus bill brings people back to work; it revives businesses that pay taxes; it produces revenues.

I, for one, am profoundly disturbed to read criticism from OMB people—who should know, if anyone does—that suggest that we are literally throwing money at problems in the classic bailout subsidy, budget busting style.

I was constrained to write to my colleagues last Friday, after David Stockman, the Director of OMB, had written to all of us and suggested, in rhetoric that reminded me of the type of oration one might find on the political stump, but not in terms of fiscal analysis by the President of the United States, that we were still involved in budget busting, still going through the tracers in bailout—terms that I presume strike fear into the hearts of all Americans, and should, if they were true.

The Senator from Colorado has pointed out, defensively and preemptively, that, technically, this is not budget busting at all. It could not possibly be, since both Houses included the housing stimulus in their budgets, and so did the Housing Committee. The President of the United States commended the work of the Senate on the budget, which included the housing stimulus at that very point.

It is hardly a bailout of home buying. Families receive money, but they must pay it back. There has been quite a glossing over of this payback idea. Let me describe it, so that all Senators may understand.

It is true that, in the extreme case, a family might receive a subsidy which, in this case, is a 4 percent interest-free loan—that is, an interest-free loan up to 4 precent of the interest on a mortgage—and that might amount to $2,400, in the extreme case. A family might receive $2,400 in a year. But at the time the house is resold, at the time that mortgage is refinanced, that $2,400 must be repaid to the Federal Government.

That is what is known as recapture—the second trust notes, an amount owed to the Federal Government, is up front, well known to the home buyer, well known to the Federal Government, well known to the banker. No missing of that obligation.

That is not a subsidy in which money is simply given to someone willy-nilly to stimulate the economy, and that is what the vast number of editorial writers around the country may have thought from listening to OMB or to critics of the plan or those who simply did not understand or did not want to understand the proposition.

It is one thing to give somebody money. It is another thing to lend the money and ask for repayment and, in effect, have a second trust note there that indicates that you owe the Federal Government that sum of money.

That is the point, Mr. President. We have a recapture provision. And why do we believe that it is going to work? It is largely because we have 30-year mortgages at regular rates of interest, or the FHA rate that families could borrow under those terms. That is at least a 15½-percent mortgage, or maybe higher than that. As soon as mortgage rates come down during this 5-year period of time families are going to refinance. They are not going to deliberately push 25 years more off financing out at 15½-plus interest rates. They are going to refinance. At that point they repay.

This is as clearly an emergency one-shot affair dealing with this building season with recapture provisions, with revenues coming in immediately into the Federal Government from the taxes paid by those employed.

Mr. President, I would have preferred the version that passed the Senate as a jobs bill. In my judgment, it would have provided over 700,000 jobs in this building season and that now means the next 3 or 4 months. The compromise that has been made appears to curtail that possibility down to about 500,000 new jobs.

We have never contended that that would solve the recession all by itself or eliminate the unemployment problem in the country, but, Mr. President, let me simply say this is the only piece of antirecession legislation that is before us. Some have predicted it is the only one that is likely to get before us. It is before us only because it is attached to this appropriation emergency bill that has to receive the consideration of both the House of Representatives and the Senate but because of its emergency features may in fact be passed and may be signed so that the building season might commence. To push this on any further is to eliminate the possibility of those houses being built simply because of the timeframe of the problem.

I think we all know that. This is why most of us have been sympathetic to it.

We come down to the simple fact that the President in my judgment during this week or during some week not too long from now is going to look around the room at his advisers that will include OMB and Secretary of the Treasury. In fact, the Secretary tends to indicate in his interview the President may have already started to look; the Secretary may already have started to respond. I do not know what the plans are in the mind of the Secretary.

But let me just offer as a thought that the fairly straightforward housing stimulus legislation we have now passed in both Houses, under all sorts of circumstances, with recapture provisions, within our judgment at least $2 billion of new income is coming in this year, far offsetting whatever the prophesized outlays are, far out beyond that, that this is clearly the most conservative, the most well drawn, the most tightly constrained piece of antirecession legislation that we are likely to see.

The alternatives do, in fact, become rather mindboggling, and they are not unknown to the President, his Cabinet, OMB, and all of us. Those of us who truly believe that, as a matter of fact, we are on the right course, that the budget does need to be looked at and, in fact, we do need to move on with it, to try to follow the dictates, know at the same time Americans must come back to work and the homebuilding industry was selected as the most appropriate route because the market is there. The houses would get built now. The people would be employed now. They need neither retraining, relocation, or reorganization. The banks and the savings and loans are there now. The demand for action is obviously here now.

I do not believe for a moment the President is going to watch 3, 4, 5, 6, or 7 more months of high unemployment statistics and is going to watch interest rates proceed up as the financiers gaged correctly. The budget deficit is unlikely to get much smaller if revenues keep falling out of bed and the recession is not over or the economy remains in ill health.

In short, we have offered to the President and we have offered to our fellow Americans a route to turn it around to say sure, we believe the bottom is there. We think the leading indicators are evident. But we think that there needs to be recovery now, sharp recovery, recovery with confidence, recovery that people can look at and see and invest knowing that recovery is at hand, and not in a long, long cyclical business incrementally moving up bit by bit. That kind of recovery might not be there at all if people lose hope and lose confidence. They must not do so.

It is in that spirit, Mr. President, that we have offered this legislation, that we have asked the indulgence of our colleagues to attach it to an appropriations bill, and we are very hopeful that that legislation will pass intact today and that the President will give very careful consideration to it.

Mr. President, for the information of all Senators I believe that it is important that the President have the very best thinking that we can give to this

subject. I have asked for an appointment with him and am hopeful that that might be accommodated in the early days of this week in the event the legislation moves beyond this Chamber today. I want to present to him in person precisely the same arguments that I have presented in this Chamber today.

I think it is important that he hears it face to face, that in fact there be some idea of how recovery and hope might come in this building season in this year to many Americans.

We look to him to look to us for leadership.

Mr. PROXMIRE. Mr. President, will the Senator from Indiana yield?

Mr. LUGAR. I am happy to yield.

Mr. PROXMIRE. Mr. President, I congratulate the Senator from Indiana on what he just said. I think that in all the stories I have read and all the editorials and comments that I have read critical of this bill and the fine statement made by the Senator from Colorado they always omit what the Senator from Indiana has said, that this is a payback bill. It requires that those who get the money to pay it back. It is not a subsidy. It is not a giveaway. It is not a grant. It has to be paid back.

Furthermore, they do not cope with the fact that these people who will be working are now unemployed, that there will be thousands of jobs. The Senator from Colorado said only 76,000. That was the estimate by the Office of Management and Budget or by the Congressional Budget Office. But that overlooked the fact that this would not be the substitution and the chances are there would be hundreds of thousands of jobs and furthermore these are people who now are not working and are getting unemployment compensation from the Government. They would be put to work and they would be earning money and paying taxes and if you include that element there is no question in my mind that we would have a lesser deficit, a lesser deficit if the legislation that is incorporated into the urgent supplemental becomes law.

That is what we are all aiming at. That will help bring down interest rates.

I think that the measure, proposed, authored, and fought so gallantly for by the Senator from Indiana, does deserve consideration.

I cannot tell him how delighted I am that the Senator from Indiana, who is an extraordinarily persuasive man, has asked for an appointment with President Reagan and is going to talk to him face to face because I do not think the President could have had all this information brought to his attention before as fully as I am sure the Senator from Indiana will do it, pointing out it is a payback, pointing out that there will be jobs involved, pointing out that more taxes will come in, pointing out that there is every reason to expect the deficit will be less, not more, and I am sure that if the President will listen to the Senator from Indiana he will have quite a different view and I think there is a good chance he may not have been told. There is no promise or pledge or commitment on the part of the administration to veto this bill. There are rumors but certainly there is not any commitment.

I think there is a fighting chance and I think the Senator from Indiana richly deserves the opportunity to present that fighting chance.

Mr. LUGAR. I thank the Senator from Wisconsin for his very thoughtful remarks.

I would conclude, Mr. President, with just this general thought. I appreciate the point being made by fiscal conservatives that interest rates are likely to come down when the psychological reaction is right. Clearly one of the elements of this is tight budgeting. The work of the distinguished Chair now, as chairman of the Senate Appropriations Committee, is of the essence. The work of the distinguished Senator from New Mexico, as chairman of the Budget Committee, is very important, as is the work of Senator DOLE, as chairman of the Committee on Finance very important. Clearly we all seek credibility in these activities.

But, Mr. President, in addition to that we are going to have to see movement if there is to be hope, movement in which it is obvious that even in modest ways the recession is coming to an end and recovery is at hand. That is what our proposal is all about. It is a modest stimulus for one reason with moneys that would be recaptured and repaid, with income coming into the Federal Government and, most of all, a pledge to the American people that we have been thoughtful about the economic conditions in this country in trying to restrain spending but, at the same time, in crafting creative solutions that can mean something in these next few months to employment and revenues and, therefore, to a true decline in the deficits which we believe would give hope to those who are now looking at the financing of those large amounts of money the Federal Government will have to borrow in the next few months, and the problem this gives to the financial community in gaging the interest rates required to finance those deficits.

Mr. President, I yield the floor.

● Mr. GARN. Mr. President, I would like to take this opportunity to highlight and clarify several items contained in the conference agreement.

ASSISTED HOUSING

Mr. President, the estimated commitments contained on pages 9 through 13 of House Report 97-605 include actual commitments the Department has entered into since the revised rescission proposal expired on April 26 as well as those commitments the committee expected the Department to make in 1982. However, the actual commitments contained in the tables reflect action taken through June 2, 1982. Since then the committee has received additional correspondence indicating that other commitments have been made. To the extent that additional commitments exceed those reported through June 2, 1982, the Department should provide for such commitments by decreasing the estimate contained in the tables for both section 8 and non-Indian public housing units.

The conferees included bill language establishing a limitation on the level of financial adjustment (FA) that can be used to facilitate the completion of section 8 units currently in the pipeline. This provision with its one-half of 1 percent "buydown" requirement would not, of course, apply to financing agreements that have already been entered into. It now appears that the specific wording of the provision may, however, be interpreted to preclude the Secretary from continuing the Department's policy of providing FA at 12 percent or below without requiring the one-half of 1 percent buydown. It was not the intent of the conferees to require this buydown on projects that could receive 12 percent or below financing. In the event that the proviso would require the Department to make such a change in its policy, I will consider modifying the language at the next available opportunity.

The conference agreement includes $198 million for fiscal year 1982 public housing operating subsidies in addition to the $1,152,306,000 provided in Public Law 97-101. The bill also includes a provision requiring HUD to allocate $1,215,275,400 solely on the basis of the performance funding system (PFS) in such a manner as to assure that each public housing authority receives an equal percentage of its PFS requirement. After this allocation of these funds, the remaining $135,084,600 shall be allocated in such a manner as to encourage energy conservation in accordance with the agreements reached between the public housing authorities and the Department. The conferees have adopted this approach in order to assure that each public housing agency get a minimum allocation under PFS that they can count on—a portion of the $1,215,275,400.

The conferees were concerned that the Department would not recapture sufficient budget authority to fund the financial adjustment and the cost amendments at the levels necessary in order to buy out the pipeline. Consequently, $1,750,000,000 of fiscal year 1982 funds were designated for FAF

and cost amendments in the event that recaptures fell short of the $5 billion level assumed in the conference agreement. The conferees have included language requiring this $1,750,000,000 to be merged with the existing recaptures on June 30, 1982, and to be available for supporting FAF and cost amendments. To the extent that the aggregage amount—recaptures plus the $1,750,000,000—exceed the $5 billion assumed, the bill provides such excess amounts would be deferred for use in fiscal year 1983 in accordance with the provisions of future appropriations acts.

EMERGENCY MORTGAGE INTEREST REDUCTION

Mr. President, several provisions of the housing stimulus section of the bill requires clarification.

Paragraph (g) of the heading providing for emergency mortgage interest-reduction payments sets out requirements related to mortgagor or borrower income, limitations on principal obligation, and special provisions required to be included in mortgages or loans eligible for interest-reduction payments or for insurance.

The purpose of this paragraph, as it relates to insurance of mortgages and loans, is not to establish a new insuring authority within HUD, but rather to clarify that these eligibility criteria for interest-reduction payments may be combined with appropriate existing single family and title I insurance authorities of the Department of Housing and Urban Development. Insofar as particular requirements in paragraph (g)—such as the requirement for increased payments to principals in the second through sixth years—may be perceived as being inconsistent with HUD's existing insuring authorities, the intention of the paragraph is that any such limitation contained in the National Housing Act would be inapplicable.

Thus, mortgages receiving interest-reduction assistance under this heading are intended to be insurable under, for example, section 203 of the National Housing Act, to the extent they meet requirements of section 203 which are not inconsistent with this heading.

Also appearing in paragraph (g)(1) is a provision which permits the Secretary to establish income eligibility standards for individuals in high cost areas. These standards should be set in such a manner as to restrict program eligibility to the lowest family income necessary in order to qualify for a mortgage at the subsidized interest rate. However, in setting such standards, the Secretary is urged to consider the total carrying charges of the home during each of the first several years of ownership, including the effect of the GEM feature, in order to minimize the risk of default.

Paragraph (j)(3) of the heading providing for emergency mortgage interest-reduction payments requires that, notwithstanding any other provision of law, the Secretary is required to issue final regulations, make allocations, and begin issuing commitments not later than 30 days after enactment of legislation appropriating funds. The conferees are aware that several laws require time-consuming procedural steps leading up to the issuance of proposed and final regulations. While these legal requirements normally fulfill useful objectives and perhaps justify their cost in terms of time, the conferees regard this as legislation of an emergency nature. It is clear that regulations published for effect at the earliest feasible date, followed by immediate action to allocate available funds and start up the program, are imperative if the intention of this legislation quickly to stimulate employment is to be realized.

It should be understood that the provisions of law that the conferees intend should be waived to accomplish this purpose include, but are not necessarily limited to, requirements of the Administrative Procedure Act in title V, United States Code, section 553, section 7(o) of the Department of Housing and Urban Development Act, the Regulatory Flexibility Act, the National Environmental Policy Act, and any other requirements which would impede the objective of prompt implementation.

Paragraph (e) of the heading providing for emergency mortgage interest-reduction payments provides for the repayment of all interest-reduction payments under certain conditions outlined in the paragraph. This recapture provision would make the amount of all interest-reduction payments a second lien on the mortgagor or borrower's property or shares in a cooperative. It should be pointed out that the use of the term "second lien" is not intended to be read literally as a lien superior to all other subordinate liens. Rather, the term means, generically, a lien other than a first lien which would have the highest priority permitted under applicable State law.

Paragraph (h) of the heading providing for emergency mortgage interest-reduction payments directs the Secretary to allocate the amount available to carry out the program among the States on the basis of a formula which is set out in the paragraph.

Because of the emergency nature of this program, it should be made clear that, while initial allocation of available funds must be strictly in accordance with the statutory formula, the Secretary should exercise maximum discretion in promptly reallocating authority that cannot be used in a timely manner in the State to which it was initially provided. The conference committee intends that the Secretary monitor the speed with which allocated funds are made subject to reservation and, to the extent that it becomes clear that a State has more authority than it can use, the Secretary should withdraw excess authority and reallocate it to areas outside the State where a need exists for additional authority.

Paragraph (a) authorizes assistance for families in acquiring a home, a manufactured home, or membership in a cooperative and in substantially rehabilitating a home or a unit in a cooperative. We intend by this provision to permit families to acquire rehabilitated homes and cooperatives, or to acquire them for rehabilitation and to assist families in financing rehabilitation of dwellings other than manufactured homes, which they already own.

Paragraph (b) of the heading provides a trigger for activity under the emergency mortgage interest-reduction payments authority. During any calendar month, the authority may not be exercised unless the Federal Home Loan Bank Board's home mortgage interest rate index for conventional home mortgage loans closed, based on the moving average for the most recent 2-month period, exceeds 12.5 percent.

The bill provides that the Secretary may not enter into any contract to make emergency payments during any month when the moving average does not exceed 12.5 percent. In this context, however, "entering into a contract" means making a commitment to enter into a contract. Naturally we do not expect the Secretary to withdraw commitments to make interest-reduction payments because of a shift in the interest rate index which occurs between the Secretary's commitment to provide assistance and the time when an assistance contract with a particular mortgagor can be signed. It should be clear that, when interest rates drop below 12.5 percent during a month, commitments should cease, but of course past commitments should be honored and permitted to result in payments contracts with purchasers.

The conference report bill requires an assisted mortgage or loan to have a principal obligation not in excess of $67,500, except that HUD may increase the amount up to the section 203(b) limit under the National Housing Act, which is 133⅓ percent of $67,500 or $90,000. This high cost exception authority raised the 115 percent contained in the original bill reported by the Senate Banking Committee. In the original bill, it was clear that the limits on the amount of the principal obligation applied regardless of the number of units in the assisted dwelling. The conferees wish to make clear that in revising the provision on computing high cost limitations, there is no intention to authorize separate limitations on principal obligations depending on the number of units cov-

ered by the mortgage. Accordingly two- to four-family dwellings are subject to the same limitations as one-family dwellings.

The bill provides that the Secretary of HUD will implement the program through the Government National Mortgage Association (GNMA). The committee does not intend the program to be implemented exclusively using the GNMA staff which is extremely small, located entirely in Washington, and trained for an entirely different function relating to the secondary mortgage market. In recognition of these facts, the committee expects that GNMA will delegate processing and other functions to assure timely implementation of this authority.

Mr. President. I would just like to add a final note of clarification concerning the GEM provision contained in S. 2226 and the conference agreement. Section (g)(4) provides that the amount of the mortgage payments will increase in each of the second, third, fourth, fifth, and sixth years under the growing equity feature of the program and that the amount of the increase will be applied to reduce the outstanding principal obligation. The Senate authorizing committee intended that the Secretary structure the program so that the increase in the family's payment in the sixth year is no more than in the previous years and the interest rate on the loan does not decline in the sixth year. The intention of the GEM feature is to reduce the principal amount of the mortgage and gradually increase the family's required payment so that when the assistance contract terminates after 5 years, the family will, in the sixth year, have been phased up to the level payment to be required for the remaining term of the mortgage.

Mr. President. I ask unanimous consent to insert in the RECORD, at this point, a table comparing the major provision of the House, Senate, and conference version of the housing stimulus program.

Mr. President. I also ask that a table showing the amount provided in House, Senate and conference versions of the HUD-Independent Agencies chapter (chapter II) of H.R. 5922 be printed in the RECORD.

HOUSING PRODUCTION ASSISTANCE PAYMENTS (H.R. 5922)

	House bill	Senate bill	Conference agreement
1. Funding	$1,000,000,000—Commitment authority until Sept. 30, 1982. Aggregate payments not to exceed $172,000,000 per annum.	$5,120,000,000—Commitment authority available until Nov. 1, 1982. Aggregate payments expected to be about $1,025,000,000 per annum.	$3,000,000,000 for new construction, $400,000,000 for prior starts, an $100,000,000 set aside for highest cost areas). Commitment authority available until Jan. 1, 1983. Aggregate payments expected to be $600,000,000 per annum.
2. Units assisted	74,000 (new and prior starts)	400,000 (new units)	262,000 (177,000 new, about 35,000 prior starts, and 50,000 units in highest cost areas).
3. Maximum mortgage amount	FHA 203(b) limit which ranges from $67,500 to $90,000	$67,500, except may be as high as $77,625 in any area which has high home sales prices.	$67,500 for standard cost areas, $77,625 for higher cost areas, and $90,000 for highest cost areas.
4. Income	130 percent of area median ($32,000 national average up to $42,000 in some areas). Priority to borrowers who have not owned a house within last 3 yr.	$30,000, except may be up to $37,000 in areas which have high home sales prices.	$30,000 for standard cost areas, and minimum income needed to qualify in higher and highest cost areas.
5. Subsidy	(1) For families whose income is 115 percent of area median or below, assistance is an interest rate subsidy of 6 percent below market rate but not below an effective rate of 9.5 percent for 7 yr; (2) For families whose income is between 116 and 130 percent of area median, assistance is an interest rate subsidy of 4 percent below market rate but not below an effective rate of 10 percent for 5 yr; and. (3) HUD Secretary may extend original period of assistance where he determines homeowner is unable to assume full payments.	(1) Interest rate subsidy of 4 percent below market rate but not below an effective rate of 11 percent for 5 yr; and. (2) Will only be applied to part of mortgage that does not exceed $67,500.	Interest rate subsidy of 4 percent below market rate but not below effective rate of 11 percent for 5 yr to part of mortgage eligible for assistance (up to $90,000 in highest cost areas).
6. Subsidy limit	None	$12,725	$12,725 for standard cost areas, approximately $14,605 in higher cost areas, and $16,965 in highest cost areas.
7. Growing equity feature	do	Between 2d and 6th year of mortgage, homeowner must contribute an additional payment, to equity each year which is ¾ of 1 percent of the original mortgage amount.	Same as Senate bill.
8. Triggering mechanism	do	Contracts for assistance may not be made unless the 2-mo average of the Federal Home Loan Bank Board's conventional home mortgage interest rate index exceeds 12.5 percent.	Do.
9. Repayment provision	Assistance must be repaid upon disposition of home or where property is rented for more than 1 yr; recapture may not exceed 50 percent of the net appreciation of property.	Interest reduction payments must be repaid when property is sold, when property ceases to be principal residence of borrower, upon other disposition of property, or upon refinancing; recapture may not exceed 60 percent of net equity as determined by HUD Secretary.	Do.
10. Allocation of funds	Reasonable distribution among the various regions of the country, which takes into consideration population, relative decline in building permits, and need for increased housing production.	One-third on basis of State population, ⅓ on basis of percentage decline in 1 to 4 family housing starts from 1978 to 1981, and ⅓ on basis of number of unemployed persons in State.	Do.
11. Qualifying homes	1-family dwelling, manufactured home, cooperative or condominium unit, the construction of which began no earlier than 1 yr prior to date of enactment.	A home, manufactured home, or cooperative unit, the construction, substantial rehabilitation, or manufacture of which began on or after date of enactment and was substantially complete by Jan. 1, 1983.	Same as Senate bill except: Substantially completed date is Nov. 30, 1983; and homes started 1 yr prior to enactment and substantially completed by Nov. 30, 1983, qualify for the assistance under the $400,000,000 earmarking for prior starts.

	Fiscal year 1982 new budget authority				Conference compared with—		
	Request	House	Senate	Conference	Request	House bill	Senate bill
CHAPTER II							
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Annual contributions for assisted housing (rescission of budget authority)	(−$5,999,789,165)	(−$100,000,000)	(−$5,985,124,165)	(−$4,098,640,000)	(+$1,901,149,165)	(−$3,998,640,000)	(+$1,886,484,165)
Limitation for annual contract authority	(−178,003,321)	(−4,350,000)	(−225,071,321)	(−94,382,000)	(+83,621,321—	(−90,032,000)	(+130,689,321)
Low-rent public housing—loans and other expenses (by transfer)	(1,400,000,000)	(1,400,000,000)			(−1,400,000,000)	(−1,400,000,000)	
Payments for operation of low income housing projects (by transfer)			(254,400,000)				(−254,400,000)
Direct appropriation				198,000,000	+198,000,000	+198,000,000	+198,000,000
Rent supplement:							
Supplemental rescission	(−1,750,480,000)		(−1,579,480,000)	(−1,579,480,000)	(+171,000,000)	(−1,579,480,000)	
Recission of annual contract authority limitation	(−3,340,000)		(−3,340,000)	(−3,340,000)		(−3,340,000)	
Government National Mortgage Association:							
Special assistance functions fund		1,000,000,000		150,000,000	+150,000,000	−850,000,000	+150,000,000
Housing production assistance payments		1,000,000,000	5,120,000,000	3,000,000,000	+3,000,000,000	+2,000,000,000	−2,120,000,000
Total, Department of Housing and Urban Development		2,000,000,000	5,120,000,000	3,348,000,000	+3,348,000,000	+1,348,000,000	−1,772,000,000
ENVIRONMENTAL PROTECTION AGENCY							
Construction grants	2,400,000,000	2,400,000,000	2,400,000,000	2,400,000,000			
Total, HUD and Independent Agencies Subcommittee:							
New budget (obligational) authority	2,400,000,000	4,400,000,000	7,520,000,000	5,748,000,000	+3,348,000,000	+1,348,000,000	−1,772,000,000
Rescission of budget authority	(−7,750,269,165)	(−100,000,000)	(−7,564,604,165)	(−5,678,120,000)	(+2,072,149,165)	(−5,578,120,000)	(+1,886,484,165)

	Fiscal year 1982 new budget authority				Conference compared with—		
	Request	House	Senate	Conference	Request	House bill	Senate bill
By transfer	(1,400,000,000)	(1,400,000,000)	(254,400,000)		(−1,400,000,000)	(1,400,000,000)	(−254,400,000)

USE OF TANDEM FUNDS IN URGENT SUPPLEMENTAL FOR FISCAL YEAR 1982, H.R. 5922

● Mr. JACKSON. I would like to ask the Senator from Utah for a moment's indulgence to help me better understand the committee's intent as described in chapter 2 of the committee report. Specifically, I am interested in the language accompanying the bill concerning use of so-called tandem mortgage purchase authority through the Government National Mortgage Association for section 8 assisted projects. The committee states that this additional tandem assistance should be used to finance projects that otherwise would be eligible for the financing adjustment factor, but in which other factors mitigate against such use. The Secretary is further provided the discretion to determine project eligibility for section 8 tandem assistance. As the Senator knows, HUD already has alerted its field offices that they should direct special attention to requests for FAF funding for projects in section 8 neighborhood strategy Area (NSA) programs, because of the Department's special interest in this program. Is it the committee's expectation that the same kind of priority consideration would be extended in the evaluation of Tandem fund applications for these section 8 NSA projects?

Mr. GARN. Yes, I would certainly expect the Department as a whole and the Secretary in particular, to use the same departmental priorities in evaluating tandem applications as they use in determining FAF applications. Insofar as the Department already has indicated its special interest in these section 8 NSA projects, I would expect the same interest to be extended in the consideration of tandem applications.

I would emphasize to the Senator from Washington that it is the committee's intent that these tandem funds be used only in those situations in which FAF cannot be used because of special considerations. We expect the tandem funds to be used for projects in which 100-percent of the residential units are to be assisted under section 8. This is a limitation we expect the Secretary to us.

Mr. JACKSON. I thank my colleague for those remarks. I am indeed aware of the conditions the committee has placed on these funds. I am concerned about this provision because a community in my State has a 100 percent section 8 property in its NSA which it cannot finance with FAF because the two buildings contain some commercial space in the buildings. As I understand it, this prevents the use of bonds to finance the rehabilitation in our State, although all the dwelling units in the property are to be assisted with section 8. The city involved already has invested heavily in making this project work, under its NSA agreement with the Department. The Department has invested through CDBG funds in making it work. The city and private building owner are ready to move forward if they can secure financing. Am I correct in assuming that the committee would expect the Secretary and the Department to offer a priority in considering requests of this nature, which qualify under the committee's criteria and which also involve projects in which substantial city and Federal funds already have been expended under prior agreements between them?

Mr. GARN. Yes, the Senator is quite correct. I appreciate his providing these important details.

Mr. JACKSON. I thank the distinguished Senator from Utah for his help in this matter.●

DECLARATION OF POLISH DEFAULT

● Mr. KENNEDY Mr. President, I would like to express my support for section 205 of H.R. 5922, the urgent supplemental appropriations bill, which requires a formal declaration of default by the Polish Government before Federal agencies can reimburse American lending institutions for unpaid Polish debts, unless the President has submitted a written report explaining how previous payments in the absence of such a declaration serve the U.S. national interest.

Over 6 months have passed since the Soviet-backed Jaruzelski regime imposed martial law in Poland. Since that time, repression of the Polish people has continued, despite the appeals of the church in Poland and religious and political leaders throughout the world. Lech Walesa and other Solidarity leaders remain imprisoned. Freedoms of speech, press, and assembly have been severely curtailed. The vital process of Polish "renewal," which promised increased freedoms and essential reforms, has been halted.

The Polish Government's repression has not abated: Over 4,000 of its people were recently imprisoned with no account being given for their whereabouts or their condition. Continuing protests in Polish cities and towns demonstrate to the martial law regime, and to the world, that the citizens of Poland have not given up their struggle for freedom.

The United States and all democratic nations must continue to make clear that we firmly oppose the Soviet repression by proxy in Poland. Today, we in the Senate have an opportunity to send a clear message to the leaders in Moscow and Warsaw that the United States will not finance the continued repression of the Polish people. By making clear that the Polish Government is now in default to its American creditors, we will end the unconscionable policy of acquiescence in the failure of a repressive regime to fulfill its economic commitments, both to its creditors and to its citizenry.

That is why, Mr. President, I welcome the action by the Committee on Appropriations to require an official declaration of Polish default before the Federal Government can meet its obligations to the lending institutions concerned. I, and many of my distinguished colleagues, have spoken out and voted on this issue once already, in February of this year.

I continue to support this requirement, and I hope that it will press the administration to coordinate our actions with those of other Western creditors of Poland, in order to insure that continued repression in that country will meet with a firm response from not only the United States, but the West as a whole.

Some have argued that to find Poland in default at this time would inflict further hardship on the Polish people and economic sacrifice on the Western banks. Those arguments are not justified, in my opinion. First, we should continue to assist the people of Poland directly, rather than finance their oppressors. For example, under the amendment which I introduced and the Congress enacted last year, America is providing $5 million in emergency humanitarian assistance through church and other private voluntary agencies, without the involvement of the Polish Government. Second, the U.S. Government will make good its loan guarantees to those American creditors that have loaned to Poland under Federal auspices. Other creditors who have loaned at their own risk were perfectly aware of their exposure—which in fact is limited to less than $125 million for any single American bank—and we must not permit our fundamental interest in Polish freedoms to be subordinated to these narrow financial interests in our banking community.

Thus, the choice for us and for our allies seems clear. While the Polish people continue to courageously oppose their military regime, we in the United States can at least begin to firmly oppose its continued repression—and call upon our friends and allies to do the same. I am proud to

support this action today, as I have in the past, and I call upon my colleagues to do the same.●

CONFERENCE AGREEMENT FOR LABOR-HHS-EDUCATION AND RELATED AGENCIES SECTIONS OF URGENT SUPPLEMENTAL

Mr. SCHMITT. I wish to inform the Senate of the conference agreement for those items in the urgent supplemental bill which fall under the jurisdiction of the Labor-HHS-Education Appropriations Subcommittee.

DEPARTMENT OF LABOR

For the Department of Labor, the conferees agreed to the Senate amendment providing an additional $210,572,000 for community service employment for older Americans. The funds will provide 9 months of forward funding for this program, as mandated by recently enacted authorizing legislation. Our amendment will add budget authority, but no outlays, in fiscal 1982. Also included was a House provision earmarking 80 percent of the funds for national contractors.

For summer youth jobs, the House receded to the Senate amendment providing $63,000,000 for an estimated 61,000 more jobs this summer for disadvantaged youth. This raises the total amount available to $742,500,000 for 1982, providing approximately 718,000 jobs, administered through the Labor Department's Employment and Training Administration.

The conferees also agreed to my amendment providing for proper classification of potash mines. This amendment, previously agreed to on the continuing resolution, would otherwise have been nullified by House bill language agreed to by the conferees which provides that during fiscal year 1982, the Mine Safety and Health Administration shall have the same enforcement authorities vested in such administration on September 30, 1981.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

For the Health Services Administration, the conferees agreed to provide a total of $60,080,000 for three programs: $33,850,000 for community health centers, which brings the program to a level of $280,187,000 in fiscal 1982; $24,480,000 for the maternal and child health block grant, for a new total of $372,000,000; and $3,500,000 for those university affiliated facilities (UAF's) for which termination of funding has been announced, of which $1,750,000 would be derived from available discretionary resources under the maternal and child health block grant.

Within the health resources administration, the conferees added $1 million for the nursing research program, as recommended by the Senate. It is hoped that these funds will be used especially to study the delivery of nursing services to the elderly.

Within the Department of Health and Human Services, the conferees agreed to an additional $57,621,000 for the work incentives (WIN) program, raising total fiscal 1982 funding to $303,381,000.

The conferees agree to $23,340,000 added by the House to pay for refugee and entrant assistance. This money is to reimburse States which have had trouble implementing recently promulgated refugee regulations which limit reimbursement to States for cost of refugee and entrant cash and medical assistance.

The conference agreement includes two Senate bill language amendments which I believe are noncontroversial. The first corrects an error in the Reconciliation Act, which inadvertently omitted authority for rural projects in the primary care research and demonstration program. This language will restore that authority. The second piece of language directs that none of the funds in this or any other act be used to implement an OMB apportionment and staffing plan to specifically phase down the Public Health Service Commission Corps.

The Senate agreed to delete a third bill language proviso relating to university-affiliated facilities, after the Secretary of Health and Human Services wrote the conferees that he would abide by the intent of the Senate amendment; as stated in the conference report, this requires that all university-affiliated facility projects funded under the Development Disabilities Act shall be funded during fiscal 1982, as long as they meet existing standards.

The conferees deleted $5,808,000 added by the House for Howard University, with the understanding that this budget request will be considered as part of a future supplemental appropriations bill.

To provide funds for the enhanced operation of the Pell grant program, the conferees agreed to a supplemental of $5,650,000 for Pell grant administrative costs. Of the total, $4,650,000 is for Pell grant processing, and $1,000,000 is to validate income data on roughly half of the applications to prevent overawards or underawards to Pell grant recipients.

The conferees accepted Department of Education bill language provisions of the Senate: (1) To require ratable reduction of State allocations of fiscal 1982 funding for the supplemental educational opportunity grant and college work study programs; and (2) to require the Department to continue to fund National Institute of Education labs and centers for a full 5 years, as specified in their long-term agreements, unless specific instances of fraud are discovered.

RELATED AGENCIES

Finally, Mr. President, the conference agreement includes two items from the Senate version of the bill dealing with our related agencies. The first provides the $309,000 budget request for the President's Commission for the Study of Ethical Problems in Medicine, allowing the Commission to complete its various studies and prepare for termination in December 1982. Second, $24,400,000 is included for the Corporation for Public Broadcasting to increase CPB's advance funding for fiscal 1984 to $130,000,000, the full amount allowed under reconciliation.

I have addressed only those items of difference between the House and Senate versions of the urgent supplemental that were resolved in conference pertaining to matters under the jurisdiction of my Labor-HHS-Education Subcommittee. A discussion of the remaining items not in conference was contained in my remarks printed in the May 27, 1982, CONGRESSIONAL RECORD, when the Senate passed its version of the urgent supplemental.

Mr. President, although I am not happy with all aspects of the conference agreement, I am pleased that the Senate prevailed on most issues. I therefore recommend that the Senate approve the conference agreement for the Labor-HHS-Education chapter and the general provisions relating to this section.

Mr. HATFIELD. Mr. President, I move the adoption of the conference report on H.R. 5922.

The PRESIDING OFFICER (Mr. GORTON). The question is on agreeing to the motion of the Senator from Oregon.

The conference report was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask that the amendments in disagreement be stated.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

The amendments in disagreement are numbered 2, 3, 12, 14, 18A, 19, 20, 22, 26, 27, 34, 37, 51, 64, 16, 40, and 62.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the amendments reported in disagreement, with the exception of Nos. 16, 40, and 62 be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HATFIELD. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate, en bloc.

The motion was agreed to. The amendments agreed to en bloc are as follows:

Resolved, That the recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

For an additional amount for "Community service employment for older Americans", $210,572,000, of which $168,457,600 shall be for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of the Older Americans Act of 1965, as amended, and $42,114,400 shall be for grants to States under paragraph (3) of section 506(a) of said Act.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

For an additional amount for "Health Services", $60,080,000, of which $3,500,000 shall be used to provide, twelve months of transitional funding for those University Affiliated Facilities previously funded under section 502(a) of the Social Security Act or predecessor legislation (title V of the Social Security Act as in effect prior to the enactment of the Maternal and Child Health Services Block Grant), but for which termination of such funding has been announced during fiscal year 1982.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 12 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

"Of the amount of authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982 and prior Appropriation Acts, $94,382,000 of contract authority and $4,098,640,000 of budget authority are rescinded: *Provided,* That any balances of authorities made available prior to enactment of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, which are, or become, available for obligation in fiscal year 1982, shall be added to and merged with the authority approved in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, and such merged amounts shall be made subject only to terms and conditions of law applicable to authorizations becoming available in fiscal year 1982: *Provided further,* That $190,860,000 of contact authority and $4,098,685,000 of budget authority, shall be used for the public housing program, including $18,960,000 of contract authority for assistance in financing the development or acquisition cost of low-income housing for Indian families, $90,000,000 of contract authority for modernization of existing low-income housing projects, and $1,263,005,000 of budget authority for new construction and substantial rehabilitation as authorized by Section 5(c) of the United States Housing Act of 1937 as amended, (42 U.S.C. 1437c); and $870,969,000 of contract authority and $15,228,518,000 of budget authority shall be used for new construction and substantial rehabilitation and assistance to existing housing units, including amendments for units reserved in prior years, under the lower-income housing assistance program (section 8, United States Housing Act of 1937, as amended): *Provided further,* That of the foregoing amounts, $152,715,200 of contract authority and $3,700,000,000 of budget authority shall be for projects under section 8, United States Housing Act of 1937, as amended, the rents for which are approved pursuant to the note governing financing adjustments (46 Fed. Reg. 51903, October 23, 1981) or any published amendment thereto or successor note, except that the Secretary shall include in the determination of the fair market rental a debt service factor reflecting the lesser of 14 percent, or one-half percent below the rate of interest on the permanent instrument sold to finance the project, and except that the Agreement to Enter into a Housing Assistance Payments Contract shall not be required to include a provision requiring that construction must be in progress prior to September 1, 1982: *Provided further,* That with respect to newly constructed and substantially rehabilitated projects under section 8, United States Housing Act of 1937, as amended, during 1982, the Secretary shall not impose a percentage or other arbitrary limitation on the cost and rent increases resulting from increased construction cost in exercising the authority to approve cost and rent increases set forth in section 8(l) of such Act: *Provided further,* That none of the merged amounts available for obligation in 1982 shall be subject to the provisions of section 5 (c)(2) and (3) and the fourth sentence of section 5(c)(1) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439): *Provided further,* That no funds provided under this or any other Act shall be used to terminate a reservation of contract authority for any project under section 8 of the United States Housing Act of 1937, as amended, on account of the inability of the developer or owner of that project to obtain firm financing, unless such termination occurs no less than 24 months following the date of initial reservation of contract authority for such project: *Provided further,* That $74,375,000 of contract authority and $1,750,000,000 of budget authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1982, shall not become available for obligation until October 1, 1982, and $89,321,727 of the foregoing budget authority shall be for the modernization of 5,073 vacant uninhabitable public housing units, pursuant to section 14 of the United States Housing Act of 1937, as amended, other than section 14(f) of such Act: *Provided further,* That to the extent that the amount of budget authority which is recaptured or deobligated, including budget authority internally transferred by State Housing Finance Development agencies pursuant to 24 C.F.R. Part 883.207, does not equal $5,000,000,000 on June 30, 1982, the amounts deferred in the immediately preceding proviso may be used in accordance with, and in addition to, the amounts provided in the third proviso of this paragraph, except that to the extent such amounts are used, an equivalent amount of such recaptured or deobligated contract authority and budget authority, which become available on or after July 1, 1982 through September 30, 1982, if any, shall be deferred until October 1, 1982."

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For an additional amount for "Payments for Operation of Low-Income Housing Projects", $198,000,000: *Provided,* That of the total amount available in fiscal year 1982 for "Payments for Operation of Low-Income Housing Projects", $1,215,275,400 shall be made available pro rata solely in accordance with the Performance Funding System (as set forth in 24 C.F.R. Part 890, as of February 8, 1982).

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SPECIAL ASSISTANCE FUNCTIONS FUND

For additional gross obligations in fiscal year 1982 for the principal amounts of direct loans made pursuant to section 305 of the National Housing Act, as amended (12 U.S.C. 1720), $150,000,000, notwithstanding section 333(a)(2) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 18A to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: "205(k), except that for the project authorized by said section the Administrator shall allocate to the State of New York an amount equal to one-third of the total cost from the amount made available under this paragraph to the State of New York, one-third from the amount made available to the State of New Jersey, and one-third from the amounts made available to the remaining States,"

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 19 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *"but not to exceed three systems suffering operational problems outside the warranty period where the existing Environmental Protection Agency planned systems have proven to be inoperable by the local municipalities."*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 20 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: "*Provided further,* That nothing herein shall prohibit any project specified in section 201(m) from receiving a grant under section 201(g), in compliance with all relevant procedures under title II of the Federal Water Pollution Control Act, as amended, and paid from funds allotted to the State by section 205 and appropriated by this Act: *Provided further,* That the Administrator, upon application by the Governor of the State of Ohio, with the approval of the Committees on Appropriations, shall before October 1, 1982, commit existing unobligated funds from the State's Wastewater Construction Grant allotments to fund the Solid Waste Energy facility in Akron, Ohio."

Resolved, That the House recede from its disagreement to the amendment of the

Senate numbered 22 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

Notwithstanding any other provision of this or any other Act, of the funds appropriated under the heading, "National Aeronautics and Space Administration, Research and development" in Public Law 97-101, not less than the amounts hereinafter set forth shall be made available for the purposes specified: $31,200,000 for expendable launch vehicles; $323,500,000 for physics and astronomy (including $40,000,000 for Shuttle-Spacelab payloads); $205,000,000 for planetary exploration (including $1,700,000 for the mid-level facility in Hawaii); $39,500,000 for life sciences; $328,200,000 for space applications (including $2,300,000 for the search and rescue program, $5,000,000 for technology transfer, $6,000,000 for upper atmospheric research satellite experiments, $16,200,000 for Shuttle-Spacelab payloads, and $15,400,000 for a 30/20 gigahertz test satellite); $8,000,000 for technology utilization; $264,800,000 for aeronautical research and technology; $111,000,000 for space research and technology; and $402,100,000 for tracking and data acquisition: *Provided*, That of the funds available for the Space Shuttle, including space flight operations, not less than $80,000,000 shall be made available for design, development and procurement of liquid hydrogen liquid oxygen (Centaur) upper stages for use in launching the Galileo and Solar Polar spacecraft in 1986: *Provided further*, That no funds may be obligated for other upper stages, including kick stages, for the Galileo and Solar Polar spacecraft after the enactment of this Act except for work performed prior to the effective date of this Act, together with liability for termination: *Provided further*, That no funds appropriated in this or any other Act may be obligated for a Solar Maximum repair/retrieval mission until the Secretary of the Air Force enters into an agreement with the Administrator to reimburse the National Aeronautics and Space Administration 50 per centum of the costs of such mission (exclusive of the costs attributable solely to equipment for the Solar Maximum spacecraft and to equipment capable of reuse): *Provided further*, That upon request by the Administrator of the National Aeronautics and Space Administration, and approval by the Committees on Appropriations not to exceed $50,000,000 from the unobligated balances of funds appropriated under the heading "National Aeronautics and Space Administration, Construction of facilities" or "National Aeronautics and Space Research and program management" in Public Law 97-101 and Public Law 96-526 shall be available for the Space Shuttle, including space flight operations: *Provided further*, That the Administrator makes sufficient funds available to assure that a second Space Shuttle launch pad at the Kennedy Space Center, Florida, is operational by January 1, 1986.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum of "$19,000,000" named in said amendment, insert: *$38,000,000*

Resolved, that the House recede from its disagreement to the amendment of the Senate numbered 27 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

NATIONAL SCENIC AND RECREATIONAL HIGHWAY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

Any amounts previously authorized to be derived from the Highway Trust Fund for payment of obligations in carrying out the provisions of 23 U.S.C. 148 are to be transferred to and administered under the appropriation "Federal-aid highways".

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Section 303(d) of the Rail Passenger Service Act, 45 U.S.C. 543(d), is amended by changing the period at the end thereof to a semicolon and adding the following:

"except that the holding of securities issued by a railroad shall not be deemed to be violative of this prohibition: Provided, That the officer who holds such securities recuses himself from any decisions which bear directly on such railroad, and makes full public disclosure of such holdings.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the effective date of "on June 20, 1982" named in said amendment, insert: *ten days after enactment of this Act*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

NATIONAL ARCHIVES AND RECORDS SERVICE

OPERATING EXPENSES

For an additional amount for "Operating expenses", $6,500,000, of which $1,500,000 for allocations and grants for historical publications and records shall remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 51 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 205. Effective upon enactment of this Act and for the remainder of fiscal year 1982, notwithstanding any other provision of law, no funds may be paid out of the Treasury of the United States or out of any fund of a Government corporation to any private individual or corporation in satisfaction of any assurance agreement or payment guarantee or other form of loan guarantee entered into by any agency or corporation of the United States Government with respect to loans made and credits extended to the Polish People's Republic, unless the Polish People's Republic has been declared to be in default of its debt to such individual or corporation or unless the President has provided a monthly written report to the Speaker of the House of Representatives and the President of the Senate explaining the manner in which the national interest of the United States has been served by any payments during the previous month under loan guarantee or credit assurance agreement with respect to loans made or credits extended to the Polish People's Republic in the absence of a declaration of default.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 64 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 219. (a) None of the funds which are made available by this or any other Act shall be used to study, plan, or implement the termination of the operation of the Southwestern Indian Polytechnic Institute located in Albuquerque, New Mexico, in fiscal year 1982.

(b) The Secretary of the Interior shall use funds made available to the Department of the Interior under the Act of December 23, 1981 (95 Stat. 1391) to operate Southwestern Indian Polytechnic Institute through fiscal year 1982.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendments were agreed to en bloc.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask that the clerk report amendment in disagreement numbered 16.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 16 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

EMERGENCY MORTGAGE INTEREST REDUCTION PAYMENTS

For emergency mortgage interest reduction payments, $3,000,000,000, of which $2,500,000,000 shall be available for use in connection with mortgages or loans involving dwellings referred to in section (g)(3)(A), not more than $400,000,000 shall be available for use in connection with mortgages or loans involving dwellings referred to in section (g)(3)(B), and $100,000,000 shall be available for assistance payments with respect to that portion of the principal obligation of mortgages or loans assisted under this heading which exceeds $77,625, to remain available until expended. Such amount shall be made available under the terms and conditions of the following paragraphs:

(a) For the purpose of assisting middle and lower income families in acquiring a home, a manufactured home, or membership in a cooperative association operating a housing project or in substantially rehabilitating a home or a unit in a cooperative housing project, the Secretary of Housing and Urban Development, hereafter referred to as the Secretary, is authorized through the Government National Mortgage Association, to make and to contract to make periodic interest reduction payments on behalf of such families. Such assistance shall be accomplished through payments to mortgages and lenders or their transferees holding mortgages and loans meeting the requirements of this heading.

(b) The Secretary may not enter into any contract to make emergency home mortgage

interest reduction payments under his heading during any month unless the Federal Home Loan Bank Board's home mortgage interest rate index for conventional home mortgage loans closed, based on the moving average for the most recent two-month period, exceeds 12.5 per centum per annum.

(c) To be eligible for emergency interest reduction payments under this heading, the first mortgage or loan secured by the property, manufactured home, or shares in a cooperative must meet the requirements of or be insured under section (g).

(d) Assistance payments under this heading may be made over a period of not to exceed five years with respect to any mortgage.

(e) The amount of all emergency interest reduction payments made under this heading shall constitute a second lien on the property or shares with respect to which the payments are made and shall be repayable—

(1) when the property is sold;

(2) when the property ceases to be the principal residence of the mortgagor or borrower;

(3) upon any other disposition of the property specified in regulations of the Secretary; or

(4) upon the refinancing of the first mortgage or loan on the property or shares,

except that the amount repaid may not exceed 60 per centum of the homeowner's net equity, as determined by the Secretary.

(f) The amount of the emergency mortgage interest reduction payments with respect to any mortgage or loan shall be an amount not exceeding the lesser of—

(1) the difference between the amount of the monthly payment for principal and interest which the mortgagor or borrower is obligated to pay under the mortgage or loan, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage or loan were to bear interest at the rate of 11 per centum per annum; and

(2) the difference between the amount of the monthly payment for principal and interest which the mortgagor or borrower is obligated to pay under the mortgage or loan, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage or loan were to bear interest at a rate four percentage points less than the rate specified in the mortgage or loan.

(g) Notwithstanding any other provision of law, the Secretary may assist or may insure a mortgage or loan which shall—

(1) be executed by a mortgagor or borrower whose total family income did not exceed $30,000 during the year preceding the application for the mortgage or loan and who intends to occupy the property as a principal residence, except that the Secretary may increase the limitation contained in this paragraph by such amount as the Secretary determines to be necessary to enable mortgagors and borrowers to qualify for increased principal amounts established by the Secretary pursuant to paragraph (2);

(2) have a principal obligation not to exceed $67,500, except that the Secretary may establish increased principal amounts not to exceed the maximum principal obligation insurable in the area pursuant to section 203(b)(2) of the National Housing Act;

(3) involve a one- to four-family dwelling the construction, substantial rehabilitation, or manufacture of which (A) commenced on or after the date of enactment of this section heading and was substantially completed by November 30, 1983, or (B) commenced no earlier than one year prior to the date of enactment of this heading and was substantially completed by November 30, 1983, and which has never been sold other than to the mortgagor;

(4) provide for complete amortization over a period of not to exceed thirty years, but provide that (A) the mortgage or loan payment shall be adjusted for the second, third, fourth, fifth, and sixth years of the mortgage or loan by increasing the payment required during each such year by 0.75 per centum of the original principal obligation, and (B) the amount of the increase will be applied to reduce the principal obligation;

(5) provide, after the sixth year, for equal monthly payments in the same amount as the amount required in the sixth year, but only for the period necessary to pay off the remaining principal obligation;

(6) have been accompanied by disclosures of the scheduled adjustments in the monthly payment and of the requirements of section (e);

(7) be originated by a mortgagee or lender who is responsible and able to service the mortgage or loan properly;

(8) in the case of a manufactured home loan, comply with the regulations issued under section 501(c) of the Depository Institutions Deregulation and Monetary Control Act of 1980; and

(9) bear interest and contain such other terms and conditions as the Secretary may prescribe.

(h) The Secretary shall allocate the amount available to carry out this program among the States on the basis of a formula so that—

(1) one-third of such amount is allocated on the basis of the ratio of the population of each State to the population of all States;

(2) one-third of such amount is allocated on the basis of the percentage decline in one- to four-family housing starts, measured from 1978 to 1981, of each State relative to the percentage decline for all States; and

(3) one-third of such amount is allocated on the basis of the ratio of each State's number of unemployed persons for the most recent three-month period for which data are available prior to the allocation to the number of unemployed persons for all States for such three-month period.

(i) Any mortgage insured or assisted under this heading shall be eligible for purchase by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(j)(1) The Secretary shall assure that the amounts allocated pursuant to subsection (h) are made available in a manner which maximizes participation by eligible lenders and borrowers.

(2) The Secretary shall maximize timely utilization of authority under this heading by limiting the time within which a firm commitment may be issued to ninety days after the commitment (other than a firm commitment) is made.

(3) Notwithstanding any other provision of law, the Secretary shall issue final regulations, make allocations, and begin to issue commitments pursuant to this heading not later than thirty days after the enactment of this Act.

(k) The funds provided under this heading shall remain available for commitment until January 1, 1983.

Mr. HATFIELD. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 16.

Mr. President, this amendment is the Lugar amendment which is referred to as the housing amendment or the Lugar amendment. This is one of the three amendments which we excepted from the amendments en bloc. I know there are Senators who wish to be heard on this particular amendment. I suggest that the cloakrooms send out a hot line to Members on both sides so that they may come to the floor in order to be heard on the amendment.

There are two other amendments on which we will have similar debate, amendment No. 40 and amendment No. 62. Those three amendments were excepted from the en-bloc adoption of the amendments in disagreement.

Mr. President, I ask unanimous consent that we temporarily lay aside amendment No. 16 and turn to amendment 40, which was one of the ones on which we had true disagreement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will report.

The legislative clerk read as follows:

Resolved, That the House insist upon its disagreement to the amendment of the Senate numbered 40 to the aforesaid bill

Mr. HATFIELD. Mr. President, I move that the Senate recede from its amendment numbered 40. This has been cleared with the sponsor of the amendment, Senator INOUYE, and myself as the cosponsor. At this time in order to dispose of this particular amendment, I move that the Senate recede from Senate amendment numbered 40.

Mr. PROXMIRE. Mr. President, will the Senator yield? As I understand, the author of this amendment, along with the Senator from Oregon, the author being Senator INOUYE, agreed with this procedure?

Mr. HATFIELD. That is correct.

The PRESIDING OFFICER. Is there further debate on the amendment, on the motion with respect to the amendment?

The motion was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

Mr. HATFIELD. Now, Mr. President, a parliamentary inquiry: We are now back to amendment No. 16; are we not?

The PRESIDING OFFICER. That is correct.

Mr. HATFIELD. That is the pending amendment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATE AGENCY ELIGIBILITY FOR LUGAR PROGRAM

Mr. LUGAR. I would like to ask the distinguished chairman of the HUD Appropriations Subcommittee about the new housing stimulus program. As the Senator knows, when the Banking Committee approved this new program we indicated in report language in S. 2226 that State housing finance agencies would be eligible lenders. Because interest rates obtained from tax exempt financing are lower than interest rates available on other types of financing, smaller subsidy would be needed to produce each new unit of housing. Could the Senator please clarify whether or not that is still the situation under the program as adopted in the urgent supplemental appropriations bill.

Mr. GARN. I appreciate the Senator's concern on this point. I see nothing in the action of the conferees that would change this situation. The conference language would not preclude the use of tax exempt financing in combination with assistance provided by the stimulus program. State and local mortgage revenue bond programs can help to insure that we get quick housing starts from the program. Tax exempt mortgage bonds have been an important part of homeownership financing in these days of housing industry crisis. It would be my hope that the Secretary of Housing and Urban Development will work with the issuers of such bonds to formulate an allocation plan which recognizes an appropriate role for such agencies in various parts of the country.

Mr. HATFIELD. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate No. 16.

The PRESIDING OFFICER. The question is on the motion.

So the amendment (No. 16) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, may I make an inquiry of the Chair? In this conference report we have proceeded with the amendments en bloc. We have concluded action on Nos. 16 and 40 that were exempt, and we have only No. 62 left to be considered; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. HATFIELD. I am happy to.

Mr. BAKER. Mr. President, I take this opportunity to commend the distinguished chairman of the Appropriations Committee and the ranking minority member for the expeditious handling of this matter. It has been done in near record time, especially given the number of items in disagreement that have been acted on. By this action, as I understand the Chair and the managers of the bill, there is only one item in disagreement yet to be dealt with. That is a matter that will require some debate, I assume, and on which there is considerable controversy.

I think it is the better part of discretion that that item not be dealt with this afternoon. I have information that some Members who wish to be heard on this subject are necessarily absent from the Senate; others have commitments in this city that must be taken care of. In view of the fact that we have made such extraordinarily good progress in managing this matter so far, I am prepared to announce that we can leave the conference report at this point, with this one remaining item in disagreement to be taken up when we resume consideration of the matter on tomorrow, if that is agreeable to the distinguished managers on both sides.

Mr. HATFIELD. Will the Senator yield for a question?

Mr. BAKER. Yes.

Mr. HATFIELD. What is the leadership's time schedule for tomorrow?

Mr. BAKER. Mr. President, that is a matter that had not yet been determined. I had hoped that it might be possible to do one or two other bills, on which I think there is not substantial disagreement, in the morning and to ask the Senate to convene at about 10 o'clock, to be on this bill again by no later than 12 o'clock.

Now, tomorrow being Tuesday, and in view of the fact there will be caucuses on both sides of the aisle, we will have the usual recess of activities from 12 until 2. So, as a practical matter, I expect this last remaining item of disagreement to be up for final consideration and determination beginning at approximately 2 o'clock tomorrow afternoon.

Mr. HATFIELD. I thank the leader.

Mr. PROXMIRE. If the leader will yield, I think there is considerable sentiment on my side of the aisle to act on the final measure, the Members' tax situation, and act on a voice vote, sustain the position of the Senate, and send it back and do it tonight, but I understand there may be problems with other Senators.

Mr. BAKER. Mr. President, I wonder then if I could explore that possibility. While we have an opportunity to confer with some Senators, I suggest the absense of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. GRASSLEY). Without objection, it is so ordered.

Mr. BAKER. Mr. President, what is the question pending before the Senate?

The PRESIDING OFFICER. The question before the Senate is amendment No. 62.

Mr. BAKER. Yes.

Mr. President, I have no motion to make in that respect, but I ask unanimous consent that if a motion is made in respect to that amendment then if a rollcall vote is ordered that it occur at 6 p.m. this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on a motion to disagree to the amendment of the House on this item in disagreement if the same is made.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON HOUSE AMENDMENT TO AMENDMENT 62 TO OCCUR AT 2 P.M. ON TOMORROW

Mr. BAKER. Mr. President, previously there was an order for a vote to occur at 6 o'clock on a motion, if such a motion was made, to disagree to the House amendment to amendment 62. For a variety of reasons involving Senators on both sides of the aisle, I think it is desirable to modify that.

I ask unanimous consent that the vote on that item occur tomorrow at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I do not believe there is any further debate to be conducted on the conference report this afternoon. I am advised of that by the chairman of the committee. I will inquire of the acting minority member if he has anything further.

Mr. PROXMIRE. We have nothing on our side.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, to extend not past the hour of 5 p.m., in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

TELEPHONE SERVICE IN RURAL AMERICA

Mr. PRESSLER. Mr. President, as a member of the Senate Communications Subcommittee, I have met with and heard from many South Dakotans these last 2 months who are very interested in the subject of telecommunications policy. They are aware of the Justice Department's proposed settlement of the AT&T antitrust suit and the pending legislation on this issue. People in rural areas like my home State are especially dependent on efficient and reliable telephone service since they must be able to communicate quickly and economically over long distances. South Dakota has a fine telephone system composed of many elements. It is a good example of private enterprise and public agencies working together to benefit rural consumers. Any changes in this system are inevitably going to interest and concern my constituents.

People in my home State think twice when they hear the word "deregulation." South Dakota has suffered severe losses in the quality and quantity of transportation service as a result of airline and rail deregulation. Rural America often itself with less service at a higher cost because of deregulation. It is therefore extremely important that Congress act cautiously as it considers legislation governing the telephone industry. Congress must pay particular attention to the special problems and needs of rural America and its dependence on affordable, dependable telephone service. On occasion, Congress has enacted legislation based on misunderstood assumptions or inadequate discussion. This rush to judgment is particularly dangerous when dealing with complex subjects like telecommunications policy. Ironically, an issue like this, which receives little public debate or scrutiny, will have a far-reaching and long-lasting effect on every single American.

I understand that the House Energy and Commerce Committee is currently debating a bill to reorganize Government regulation of our Nation's phone system. While the House has not yet taken final action, I am very concerned about some provisions in H.R. 5158 for two reasons. First of all, this measure is a response to the Justice Department settlement. However, the specific details of this settlement have not yet been finalized. It appears premature for Congress to take extensive action while the agreement procedure is still incomplete. Second, while I support the intent of certain sections of H.R. 5158, there are some provisions which I believe do not consider the best interests of rural America.

It is very important that any telecommunications legislation uphold and reinforce the economic viability of the Bell Operating Co. (BOC's) after divestiture. This is especially important in rural areas where there will never be any significant alternatives to local operating company service. However, there are several provisions in the current version of H.R. 5158 which may work against this goal.

For instance, as it is now drafted, section 234 of the bill prohibits BOC's from participating in the National Telecommunications Fund. The purpose of this fund is to stabilize local telephone costs, particularly in rural areas where local service is more expensive. The fund will be used by small independent telephone companies and rural telephone cooperatives. However, Congress must also remember that much of rural America is served by the Bell system and these service areas must be given fair consideration.

Sections 272 and 293 of H.R. 5158 pertain to the manufacture and sale of customer premise equipment (CPE). Under these sections, the BOC's may offer new customer premise equipment for the 2 years following enactment, but must then refrain from offering new equipment for the next 3 years. This inconsistent policy is a poor way to stabilize sales revenues for the operating companies. Provisions like this one could do great damage to the economic health of the local network.

Congress must do everything possible to insure a smooth and orderly transition during divestiture. If the BOC's are not economically viable, rates will inevitably rise and these increases will be seen primarily in rural areas. I sincerely hope that as the House considers this legislation, it will take into account the diversity of service needed to insure dependable telephone service and reasonable rates for our rural citizens. I also hope that Congress will not act hastily and unwisely in an attempt to react to a situation which is still developing. Federal legislation should be carefully drafted to solve problems, not create them.

Mr. President, I come from a small community of Humboldt, S. Dak., which has a population of 450 people. I live on a farm near Humboldt. The fact of the matter is that our telephone service could be wiped out by some of the plans that are floating around Washington.

Under deregulation—which is a bad word for it since it is really reregulation—our large companies are being allowed to give up their responsibilities in small towns and rural areas.

We are abandoning the "common carrier" principle. Only the rich routes will be served. Since airline deregulation, we have many unusual rates and special coupons.

But, yet, some destinations are captive markets. Travelers from these communities must subsidize some of those extremely low rates and coupons. But these economic shifts are classified as competition. It is really a bizarre distortion of the American economic system.

So we must pay close attention to proposed changes in our Nation's telephone service. We are the only country in the world where you can pick up a telephone, dial it and reach someone in any other State in a matter of seconds. I have lived abroad in some of the developed European countries. You certainly cannot do it there. I have traveled in Communist nations. You certainly cannot do it there.

We have a system of telephone communication second to none in the world. We have an obligation to insure its continued reliability and affordability.

WEST VIRGINIA'S 119TH BIRTHDAY CELEBRATION ALSO MARKED 50TH YEAR FOR BEAUTIFUL STATE CAPITOL

Mr. RANDOLPH. Mr. President, West Virginia, in spite of economic problems and high unemployment, is on the threshhold of its greatest challenge—to provide increased energy from its coal-rich veins over the critical years ahead.

I remind my colleagues that 119 years ago—on June 20—President Abraham Lincoln signed the proclamation which created our 35th State in the Union.

West Virginia has made positive progress—registering the second highest per capita income growth rate in the Nation during the 1970's. I predict that the Mountain State will be among the Nation's economic leaders in many categories during the decades ahead.

We have a good heritage and a good history. Our forebears crossed the rugged Appalachians to pioneer the western exploration. West Virginia's richest resource, I emphasize, is its people.

I recall a quote by Gen. George Washington in the early days of the Revolution when he declared:

> Leave me but a banner to plant upon the mountains of West Augusta, Va., and I will gather around me the men who will lift our bleeding country from the dust and set her free.

Yesterday, in our capital city of Charleston, West Virginian's celebrated not only the State's birthday but

the rededication of our beautiful State Capitol—built a half century ago. It was a festive occasion attended by an estimated 25,000 citizens, who heard inspiring addresses from Gov. John D. Rockefeller IV, Senate Minority Leader Robert C. Byrd, and others. I participated as master of ceremonies. I express appreciation to all those persons who worked to make this event a success.

THE CENTENNIAL OF ENTERPRISE, ALA.

Mr. HEFLIN. Mr. President, as the senior Senator from the great State of Alabama, I am proud to congratulate the citizens of the city of Enterprise, Ala., on their 100th anniversary this 2d day of July 1982.

Enterprise is one of our southernmost cities, located in the fertile wiregrass section of Alabama. Her residents through the years have weathered many storms together, always demonstrating a great sense of community pride. Because of their determination, the people of Enterprise have continued to prosper, despite the destruction of their town by fire, not once, but for three consecutive years at the turn of the century; despite the almost complete devastation of their economy by the boll weevil; despite natural disasters such as Hurricane Eloise, tornadoes, and hailstorms. Enterprise pulled through these desperate times without the aid of the Federal Government and without going into debt, because the people themselves donated private resources wherever they were needed.

There is an unusual monument in Enterprise which stands for the remarkable way her citizens turn misfortune into prosperity. In 1915, the Mexican boll weevil ate its way across the Rio Grande River, and devoured the magnificent cotton fields of Enterprise. Because they had no way to fight the pest, the farmers turned to another crop, the peanut, to save the economy. The results of this experiment brought new and even greater wealth to the town. Thus, the citizens, in 1919, erected the world's only monument to a pest, the boll weevil, and it stands in the center of town until this very day. In fact, I have a miniature duplicate of this monument on my desk here in Washington.

Another notable feature of this great city is nearby Fort Rucker, which began in World War II as a training camp for "our boys" and prison camp for German and Italian prisoners of war. It is now a very large facility, the U.S. Army Aviation Center, where aviators from all over the free world are trained.

The Enterprise centennial celebration will begin on July 2, with a Founders' Day honoring the late J. H. Carmichael, the first mayor and builder of Enterprise's first home and store. Activities, including an old-fashioned box supper, parade, and frog-jumping contest, reflect the traditional values which have been the foundation of the town's prosperity. The festivities will conclude in a citywide service on July 4, which will reflect the patriotic and religious ties that are so strong among the people of Enterprise.

Mr. President, in honor of this momentous occasion in the life of this city, I ask unanimous consent that a newspaper article entitled "Enduring Enterprise Revving Up for Centennial," from the Birmingham News, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENDURING ENTERPRISE REVVING UP FOR CENTENNIAL

(By Nita Hogg)

ENTERPRISE.—You might say Enterprise is a city of firsts. And now it's going to have another—its first centennial.

The big birthday party will last three days, starting July 2.

The 100 years passed naturally enough, but it's amazing that residents were able to hold the town together during that period.

According to a history of Enterprise being compiled for the big celebration, the town was destroyed by fire three years in a row.

The boll weevil almost destroyed its economy.

And along came Hurricane Eloise, several tornadoes and a severe hailstorm.

Despite this, Enterprise is thriving and looking forward to a great future.

This town has a secret that's hard to keep: It grows because of its intense community spirit.

During earlier years, federal help virtually was ignored and debts practically were eliminated because the citizenry pitched in with private donations whenever a project was needed.

This same spirit is evident as the centennial committee goes about its work today, according to Chairman Tim Alford.

Some of the firsts claimed by Enterprise are:

The world's first and only monument to a pest, the boll weevil.

Alabama's first city school system to be fully accredited by both the Southern Association of Colleges and Schools and the State Department of Education.

The nation's first cotton oil company.

Founders' Day, honoring its first mayor, the late J. H. Carmichael, builder of Enterprise's first home and store, will mark the opening of festivities. Visitors will step into the past as they take part in old-time activities.

Among projects scheduled are tours of historic homes, and photograph displays, an antique show and sale, quilting exhibitions and contests which include costumes, beard-and-mustache growing and cooking.

Music lovers will want to bring comfortable chairs so they can relax and enjoy barbershop quartets, sacred harp singers and bluegrass bands.

While mom and pop pat their feet to the music, youngsters will have a number of other activities to occupy them, such as competition in greased-pole climbing, watermelon-seed spitting and frog jumping.

Those with hobbies will bring treasures to a huge arts and crafts show and sale.

In addition to Carmichael, citizens will honor other notable founders, pioneers and veterans. The observance will be held during the dedication of the city cemetery, scheduled to be renovated soon.

One activity drawing quite a bit of excitement is an old-fashioned box supper with appropriate music. The highest bidder on each box of food will share its contents with the lady who cooked it.

Alford said invitations have gone out to everyone from President Ronald Reagan to all the Alabama newsmakers.

Everybody loves a parade, including the folks in Enterprise. So naturally, one is planned.

Beauty queens, politicians, military units, antique and classic cars, bands, Shriners, clowns and kids with sporty bicycles will be in the march on July 3.

In keeping with the founding fathers' strong belief in religious ties, the finale will be one typical of this area: A citywide patriotic-religious service Sunday night, July 4, in Bates Stadium.

In 1882, Enterprise was just a little country post office known as Watkins Cross Roads. March 18, 1882, the post office was moved to the home of Carmichael, which stood near the present site of the courthouse. Until then, the nearest post offices were at Elba and Geneva.

In 1893, pioneers started moving in and the first home was built. It was a small round pine-pole house.

In addition to the Carmichaels, pioneer families included the Grubbs, Howells, Hildreths, McDonalds, Chapmans, Corbitts, Stokes and Holloways.

The Alabama Legislature granted Enterprise's charter in 1896. One clause in the document said that no intoxicating liquor could be sold.

On March 22, 1898, according to its history, both sides of the town were "completely burned." For three consecutive years on the same day, the town was destroyed partially by fire, yet dedicated citizens quickly rebuilt it.

In 1899, Ed M. Johnson, editor of the local paper, called a town meeting to organize a cotton mill. The results led to the country's first, Enterprise Cotton Oil Mill.

Sessions Company, one of the nation's largest peanut industries, is located here today.

Although Enterprise never produced a governor, it claims some close ties to a couple. Former Governor James E. "Big Jim" Folsom is a native of Elba, a nearby town also in Coffee County.

Fob James, father of Alabama Governor Fob James Jr., lives in Enterprise and coached football in the early 1930s.

It was in 1915 that the Mexican boll weevil, a blessing in disguise, ate its way across the Rio Grande River and into the thick, white, fluffy cotton fields surrounding Enterprise.

When he had finished his meal, cotton crops, the area's mainstay, lay in ruin. Farmers were wiped out.

With no adequate weapons with which to fight the destructive bug, farmers sought an alternative crop, the peanut. It proved to be the pd that really put Enterprise on the map.

The results were so outstanding that grateful citizens decided to memoralize the bug. In 1919, the Boll Weevil Monument was erected in the heart of town, where it

still stands. The Book of Lists calls it the most unusual monument in the world.

During World War II, Camp (now Fort) Rucker brought a growth to Enterprise which has continued. The huge military base, only a stone's throw from town, became a training ground for American soldiers and a prison camp for German and Italian prisoners of war.

The base was closed after the war, but was reopened as a permanent installation during the 1950s when hostilities flared up in Korea. Now, Fort Rucker is the U.S. Army Aviation Center, training ground for aviators from all over the free world. Its economic boost for Enterprise is massive.

Hurricane Eloise raged through Enterprise in 1975, causing widespread damage. Several tornadoes and a three-inch hailstorm also have ripped through the busy community.

But each disaster only serves as heralding trumpet calling together a swell of community pride and spirit which quickly restores the lovely Wiregrass town.

And it is with a massive dose of this same spirit that the energetic citizenry is determined to put on the biggest and best birthday party ever for their grand old lady—Enterprise.

SYMPHONY ORCHESTRAS

Mr. GRASSLEY. Mr. President, this past week I and other Members of this body have enjoyed visiting with managers, directors, and board members of symphony orchestras from our respective States. The occasion, of course, has been the celebration of National Orchestra Week.

During my visit with representatives of the Des Moines, Cedar Rapids, and Sioux City Symphony Orchestras. I learned the income and expense details of these musical organizations. They are, indeed, community oriented with 80 to 90 percent of their income originating at home, while a like percentage of their budgets are spent in the areas they serve.

During this week I also had the following article pointed out to me by former fellow Iowa legislator, Jack Schroeder. From a recent issue of the Christian Science Monitor, this piece details a novel plan that has caught the attention of at least two State legislatures, Iowa and Massachusetts, and is the brain child of former Iowan, Lewis Randa.

All my fellow Senators may want to acquaint their State Arts Guilds and councils with the National Seal of Philanthropy.

I ask unanimous consent to have printed in the RECORD the article from the Christian Science Monitor entitled "Giving Business a Reason to Back the Arts."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GIVING BUSINESS A REASON TO BACK THE ARTS

(By Daniel B. Wood)

BOSTON.—The curtain may soon rise on a new idea to fund the arts and human services in America.

It's called the National Seal of Philanthropy. And it could someday show up on everything from boxes of cereal to car ads in magazines.

The proposal, now working its way toward federal legislation, would reward companies that contribute to charity or the arts by letting prospective customers know about their civic spirit. A special seal on products or advertisements would give consumers the choice of patronizing such businesses.

This idea for making profit by a byproduct of contributing to nonprofit organizations sprouted from the grass roots of Sherborn, Mass., a rural bedroom community not far from Boston.

As the town selectmen put it: "If the mechanisms of the free enterprise system were creatively employed to redeem corporations' generosity, then we would see a significant increase in monies available to nonprofit charitable and cultural organizations." The solution, as they saw it, was to reward philanthropy in a way that satisfied a corporation's primary interest in profitmaking, rather than altruistic giving.

A human fingerprint was chosen for the seal design, say organizers, because it symbolizes mankind's capacity for compassion and kindness.

The idea has the people of Sherborn, supporters of arts and human services in other parts of the country, and at least two state legislatures—Iowa and Massachusetts—excited. If enacted, the National Seal of Philanthropy would be issued to companies who contribute 1 to 5 percent of their annual gross profits to charitable and nonprofit groups.

According to Herbert Morrisey of the Massachusetts Department of Human Services, the seal would merge the two best qualities of a capitalistic democracy. "This seal merges the competitive spirit of capitalism and the democratic spirit of generosity," he said at the Sherborn ceremony last month that launched the project.

"It will bridge the gap between philanthropic intention and the incentive to contribute the assets that are available to corporate America," he continued.

Lewis Randa, director of Sherborn's Life Experience School for handicapped children, conceived the plan and has been pursuing it since 1980. He tells how he got the idea:

"For 10 years our school had a special arrangement with a Midwest corporation that sent us from 1 to 5 percent of their gross profits annually. In an effort to demonstrate our appreciation we looked at philanthropy in America and found that missing link: a means of recognizing companies to ensure that goodwill patronage would follow.

"We can't continue to ask companies throughout this country to give to the nonprofit community and give nothing in return. We have something to give and that is recognition. People will support products," he says.

The magic of the plan, says Randa, is that the whole thing can be handled without one new form, and no bureaucracy.

"It will all be handled on your standard income tax form. When an individual, company, or corporation fills out their form, there will be a little box to check if they would like to qualify as a national philanthropist. If they check that box—and directions will make clear that they are making public their acts of generosity—the IRS would simply program their computers to compile lists of those who give 1 to 5 percent of income or gross profits and that information would be passed on to an appropriate federal agency or a nonprofit organization that would be contracted to administer the seal."

Randa says this means simply sending out letters from Congress, thanking the individual, company, or corporation, as well as presenting them with the National Seal of Philanthropy (fingerprint), with the rules and regulations on how that seal can be used on products, or in advertisements for services.

"And this is all voluntary," says Randa.

"As it stands now, as long as corporations are taxed and the money filtered down to us, we get ever so little. One idea here is to maximize the amount of money available to the nonprofit community by making sure it goes directly to the providers and not the many channels of funding in state and federal government programs."

This, Randa says, insures that the nonprofit sector receives 100 percent of the gift.

"Nonprofit organizations have a great deal to give the corporate world," he says. "We are activating the potential within free enterprise of stimulating profits. Let's face it, that's the bottom line. So if philantropy is going to thrive in this kind of climate, it had better spruce up its act and begin producing profits. We can, and it's through saying, 'Thank you, America.' "

Randa, the Massachusetts Council, on the Arts and Humanities, and a newly formed Committee on Philanthropy in the Massachusetts State House are working on a joint resolution in Massachusetts and are predicting passage by summer. By fall, they expect to have a sufficient statewide corporate and political base to propose a bill in Congress.

JOHN SEIGENTHALER'S TRIBUTE TO JACK NORMAN SR.: A PERCEPTIVE STUDY OF A BRILLIANT ATTORNEY

Mr. SASSER. Mr. President, recently I had the pleasure of attending and participating in a tribute to Jack Norman at a dinner held recently in Nashville which also honored the members of the Tennessee Supreme Court. There were a number of eloquent tributes to Jack Norman Sr., that night. They explored every facet of this famous man's career.

The master of ceremonies for the event was James Neal, a nationally known attorney, perhaps known best as the Watergate prosecutor. The invocation was given by the Honorable Thomas A. Shriver, a distinguished retired member of the Tennessee Court of Appeals.

Those who delivered tributes were Chief Justice William J. Harbison, of the Tennessee Supreme Court; John C. Tune, a well-known and highly respected attorney; John Seigenthaler, publisher of the Tennessean; Harlan Dodson and John J. Hooker, Jr., both leading attorneys and long-time friends of the honored guest. I was also privileged to deliver a brief tribute.

Because of its extensive research, penetrating perception and personal insight, I wanted to place in the RECORD today the tribute given by

John Seigenthaler, who as a young reporter, had known Mr. Norman well, and had received advice and counsel from him.

I ask unanimous consent that Mr. Seigenthaler's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF JOHN SEIGENTHALER

I'm not sure that I can adequately express to all of you here tonight the pride I feel at being invited to sit at Jack Norman's banquet table and to have a part in a program dedicated to pay him a richly deserved and long overdue tribute for all that his life and career have meant to the profession of law, to the quality of the adversary system of justice in this state, to the betterment of this community of ours, to the enhancement of political life in Nashville and in Tennessee, indeed, in the nation, where he has had a significant and substantial impact. And I am truly honored to be a part of this program.

For Jack Norman, by force of rare talent and individual achievement and questing curiosity, and unflagging integrity, has provided all of you who are lawyers, and all of us who are not, with a sterling example of how loyalty and learning and love can remain constant career-long and lifelong.

And as I listened to John Tune it struck me that it's impossible indeed to mention a link between Jack Norman and love without pausing to note that nothing said here tonight about him, about the intense heat of his own personality, the overshadowing power of his presence, can in any way, even for a moment, eclipse the serene beauty of Carrie Sneed Norman, who knows him best and loves him most, and who has shared with him this fifty-five year adventure of trial and trust; who has been a joint partner in an odyssey that has touched lives and shaped events. She is the "best evidence," as you lawyers would say, the best evidence that Jack Norman, given everything else his talent has brought him, was blessed early by a rare good luck.

Let me take you back in my mind's eye for a few moments to a time three decades and a little more ago, when the assignment by a newspaper to cover the criminal courts of Davidson County—that was light years before Metro—was a choice assignment, an enlightening, exciting, exhilarating assignment, envied by other members of our staff. It was a time before criminal cases so heavily clogged the process of the administration of justice. It may be that with the passage of time there is more romanticism than reality in my recollections, but it seems to me for this community it was a golden time for criminal justice. A time when plea bargaining was more the exception than the rule. A time when citizen jurors from broad, diverse backgrounds were becoming more and more active and visible on juries. It was a time of constant daily courtroom drama; a time of theater, sometimes double theater on the sixth floor of the courthouse. It was a time of heroes.

There were the judges: Gilbert and Hart, men who represented to me the patience and wisdom and modesty so vital in the judicial office. There was Loser, the District Attorney. Strong and stable, and tough and true. And there were many criminal lawyers for me to look at and observe and admire: Frank Taylor, Carl Harden, Homer Weimar, Ben West, before he was mayor. They were good lawyers. And then there was Jack Norman. He was the classic criminal lawyer. For me it was an exciting experience every time he walked into the courtroom. He had that imposing power and presence that commands attention, even as he emerged from the sixth floor elevator.

The lawyers who were around in those days, and many of you are here, will understand what I mean, some of you who are, were young lawyers in those days. And sometimes I had to fight with some of you for my reporter's seat in the courtroom when Loser and Norman were going against each other, or when Hooker, Sr., whose criminal court appearances by that time were occasional, was on the other side. There was more law taught in the classroom of the courtroom in those days, with all apologies to Dean Wade, then there was at Vanderbilt Law School. His voice always had that marvelous range of distinction, from soft whisper to bellicose roar, and echoed all the way down the hall to Loser's office.

He and General Loser would sit and glare at each other, read and pick among prospective jurors with a scientist's eye. Then they would push and pull, always subtly, always cleverly, for advantage. And always General Loser in his opening argument would warn the jurors that Norman had remarkable powers of oratory, that could swoon and sway the hardest of hearts, alerting the jurors to be wary of the man who could look and sound in one moment like a bulldog guarding his client's gate, and the next like Winston Churchill damning the Nazi government of Adolph Hitler. And Norman, once on his feet, would begin to work his will on the jury and argue that the logic of his client's case was unmistakable, was obvious, was so clear, he would say, that its pattern could be followed, to use his metaphor, "like a red thread through a white cloth." He could lead a jury to anger, he could make them cry.

Once in a rural courtroom I heard him relate to a jury a recent trip he had made to the Holy Land at Eastertime. It sounded like a travelogue for several moments. He recounted to the jury how he had walked up what was believed to be Calvary. He told graphically the mingling of colors where sand met sunset. He outlined the nature of the terrain. He was providing this travelogue, and the point of it missed me until his voice began to build to a fever pitch, and as he took them to the peak of the hill he said he could almost hear the echoes from across the ages as the mob cried, "Crucify him! Crucify him!" And he turned to the Assistant District Attorney, whose eyes were wide, and his penetrating glare focused on that young man, that good public servant, and from beneath those bushy eyebrows he put that stare upon him and he shouted, "I am reminded of those same echoes today as I hear the cry directed against my client, 'Crucify him! Crucify him!' "

They didn't crucify his client, they liberated him. But they threatened to lynch the young prosecutor.

Jack Norman's name is, as all of you know, linked intrinsically and inextricably with the major cases that made history in the administration of justice in our community for all the days of his long and great career. Most often he has known the joy of victory, but he has felt the pain of loss, not merely for himself but, more importantly, for those clients whose causes he took on, those he defended until his talent was drained. And they have ranged from the well to do and affluent, to those who had little but trouble in their lives.

In court he always gave them a sense of self confidence and dignity. Whatever the crime, they knew he would do all he could to plead their cause to the jury, that he would place around their shoulders his mantle of experience and ability.

"When I walk into court with a client," he once said, "there is only one side. That's his side. His side is my side." Well, that's how it was. And under an adversary system of justice, that is how it always must be. And he understood if American justice is to remain the best system of justice in the world—and in his travels he has looked at them all—he knows it must never be otherwise.

He was not only a criminal lawyer. Among his other clients was the Nashville Tennessean. His approach to providing legal advice was to apply heavy doses of logic to the First Amendment and to conclude that if a story was true and the reporter thought he could prove it, not to worry about it. And those of us on the staff found out about Norman's logic, and whenever possible would try to call Cecil Sims first when we knew he was out, because the order was to call Sims, and then Norman. And Mr. Sims could worry to death a problem and might advise not to run it, as often as he would advise to run it. And we loved the logic of Norman. It became a watchword in our city room.

And as a matter of fact, if we analyzed it and if it was true, and if it was provable, it was, as he said, "Not to worry."

And I never worried, but there were times when reporters had to worry. There were times when the threat of legal action was obscured when news was reported, and then problems developed, And I remember my own day in court in a community far from home, outside the circulation area of the Tennessean, a hostile environment. The local powers were against me—my first time in court in any role, other than that of a reporter assigned to cover the news. And there's no way to describe the sense of security he conveyed simply by being there, by reaching out, by putting a hand on my shoulder, by being ready to take on the other side. It meant something to me that I will never forget.

You know, of course, he has always loved politics. It has been an avocation, and more. He saw in his own party, the Democratic party, I think, an image of what his own life had been about. Son of a bookkeeper, a self-made man, who, as he has said, moved up in the world when he went from Varmint Town to Flat Rock. A man who used his God-given gifts to make for himself and his family a better life, and in the process reaching out to those who were less fortunate. His party seemed always to him to be an embodiment of what he was about. And he was as true to it as he was to himself.

It was inevitable that those in high office would seek him out. He gave his mind and energy to his friend, Carlton Loser, and played a major role in that emotion-charged election that sent the General to Congress as Percy Priest's successor. He gave his mind and energy to Senator Albert Gore, to Estes Kefauver, and to many others, too. Gordon Browning, to Frank Clement. And, as you might expect, he moved to the national level. He was a friend of presidents. I know, because I was there, and he was there at the moment President Kennedy made what I think most of us would agree was the most crucial decision of his life, that to accept Lyndon Johnson as his Vice Presi-

dent. And within a few moments after that decision was made we knew it. Jack Norman knew it. And until he died, President Kennedy never spoke with me but what he asked, "How is my friend, Jack Norman? Remember me to him."

And then there was another politician who never was elected to public office. Who, like Jack Norman and like his father, wore a vest. You know, there are many people who think that Hooker and I are friends because we were hatched as twin lizards from the egg of some political freak dragon. The truth of the matter is that Jack Norman introduced us. It was at the time of the Schoolfield impeachment. He said, "Do you know young Hooker?" I said, "No." He said, "Go meet him. It will be an experience for you." I went. It was! And he was right, I haven't gotten over it yet.

I came back and he said, "What did you think?" I said, "He's crazy." He said, "He's also brilliant."

Jack Norman introduced me to John Hooker. He did that. Today I'm proud of that friendship. I thank Jack Norman for that.

But I have a great deal to thank him for. I have no idea why it was that this distinguished lawyer, this giant at the Bar, reached out his hand of friendship to a young fledgling reporter, put his arm around my shoulder, called me "friend," made me his friend, helped me, advised me, told my publisher, his friend, Silliman Evans, that there was potential here. How he thought that or why, I have no idea. He allowed me to share my own secrets, the secrets, truly of my soul, with him, early mornings and late nights. When I needed advice, he knew my father was dead, and he gave it. And sometimes that advice was of crucial importance to me. And I thank Jack and Seth and Bob and Carolyn and Julian for sharing, perhaps without really knowing.

If there is a quality about him—and I will close with this—that I find irrepressible, it is his penchant for saying exactly what is on his mind. He can be plainspoken. He can be outspoken. He can be blunt. You know, a man who has that penchant is likely to have built about him something of a legend, encouraged by myth. I would like to cite a few Normanisms that may be part legend and part myth, knowing that he has long since stopped denying anything that anybody says about him.

Of his work as a criminal lawyer, he said, "A criminal lawyer is required in his life to get into bed with an awful lot of s.o.b.'s. My advice to young lawyers is to do as I did. Always stand up."

To a politician who was speaking of brotherly love, he said, "Anybody who says he has never had an enemy in his life is probably telling a damned lie. And if he's telling the truth, he is missing a hell of a lot in life."

Of his old days in court, he once said, "When Carlton Loser starts telling a jury how brilliant I am I want to hand my client a lightning rod and I hope to God we will both hear the thunder."

I remember a day in court. There was an interruption in the trial. Mr. Norman asked the judge for forgiveness, but called to the attention of the Honorable Judge Gilbert that there were reports that had come to him that potential prospective jurors in the hall were being approached and importuned by a friend of the defendant. And there was an immediate hearing, and this person took the stand, and for ten minutes was subjected to blistering, hostile, angry, biting cross-examination. The witness fumed and evaded, and finally collapsed. His voice, barely above a whisper, he muttered, "Well, Mr. Norman, at this point I just don't know what to tell you." To which Norman, instinctively and vociferously responded, "Why don't you try the truth for a change?"

To Jim Neal, on being a consensus candidate for governor: "Don't be a damned fool, son."

To a newsperson in the hall outside tonight: "There never was a Republican competent to hold public office." He thought about it a moment and amended it. "I know there are some people who disagree with that. They are wrong."

You know, the poet, Brendan Behan, wrote of a man of law, who in his way loved humankind and cared not who cared what he was about. To me Jack Norman is that man of law. He loves humankind, in his way, and he cares not who cares what he is about.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Saunders, one of his secretaries.

EXTENSION OF FISHERY AGREEMENT BETWEEN THE UNITED STATES AND POLAND—MESSAGE FROM THE PRESIDENT—PM 146

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred jointly, pursuant to the provisions of Public Law 94-265, to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 U.S.C. 1801), I transmit herewith an exchange of diplomatic notes, together with the present agreement, extending the governing international fishery agreement between the United States and Poland, signed at Washington on August 2, 1976, until July 1, 1983. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the requirements of section 201(c) of the act.

I urge that the Congress give favorable consideration to this extension at an early date. Several U.S. fishing interests have urged prompt consideration of this agreement, and I therefore recommend that the Congress consider issuance of a joint resolution to bring this agreement into force before the agreement expires on July 1, 1982.

RONALD REAGAN.

THE WHITE HOUSE, *June 21, 1982.*

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SASSER:

S. 2654. A bill to prevent the financing of the terrorist activities of the regimes of Iran and Libya through the purchase of oil for the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SASSER:

S. 2654. A bill to prevent the financing of the terrorist activities of the regimes of Iran and Libya through the purchase of oil for the strategic petroleum reserve; to the Committee on Energy and Natural Resources.

ANTITERRORIST PETROLEUM ACQUISITION ACT OF 1982

● Mr. SASSER. Mr. President, I am introducing today a bill to prevent American dollars from financing the terrorist activities of Iran and Libya as a consequence of our decision to fill quickly the strategic petroleum reserve. I believe that this bill is necessary in order that Congress fulfill its responsibility for the goals of obtaining emergency oil supplies and restraining terrorist activities throughout the world.

My concern derives from the recent purchase of Iranian oil for the strategic pertroleum reserve. The Defense Fuels Supply Center recently purchased 1,800,000 barrels of Iranian oil from an intermediary trading firm. This purchase occurred, ironically, during the week ending April 24, 1982, the date of the second anniversary of the aborted rescue mission in which 8 American servicemen lost their lives in the effort to free the 52 hostages who were eventually held for an appalling 444 days.

I believe that the $53.1 million we sent to Iran for this oil is a terrible sale of our principles. Are we to finance the Iranian regime after their reprehensible treatment of American hostages? Are we to finance Iran's 19-month-old war with Iraq? I believe that we should do none of these things, and it is with this in mind that I am offering this legislation today.

The Iranian Government needs to sell 2.5 million barrels of oil a day to finance its internal operations and the war with Iraq. This Government's purchase of oil for the strategic petroleum reserve breaks the undeclared prohibition on such purchases from Iran. It gives the go-ahead to private American firms to send more American dollars to Iran for the purchase of its oil.

Similarly, what are we now signaling to our European allies? How are we to explain our policy of buying Iranian oil because it is cheap to those allies who we asked to join with us in economically sanctioning Iran's actions of 1979-80.

To date, the Department of Energy's policy is to purchase oil at the lowest possible price. This was evidenced by a spokesman's comment that the Iranian oil "was good oil, at a low price, and we bought it."

This action flaunts the American sacrifices made to free the Iranian hostages. American foreign policy should not pay this price of lost principle, and those American families who were personally involved in the Iranian matter have paid too much to let our country forget them now.

I believe that a similar problem exists with the Government of Libya. The Libyan Government has had a long history of terrorism and international mischief. It annexed Chad. It has threatened the Sudan. It has supported the PLO's military activities. It has installed its own nuclear-capable missile launchers. Colonel Qadhafi's pleasure at the assassination of President Anwar Sadat is well known.

It is with this in mind that I am including Libya as one of those nations from which the Department of Energy is prohibited from purchasing oil with which to fill the strategic petroleum reserve. And so I invite my colleagues to cosponsor this legislation to prevent Iranian and Libyan oil from being purchased to fill the strategic petroleum reserve. I believe this legislation is necessary in light of the Department of Energy's policy of buying merely the cheapest oil around, and thereby neglecting our responsibility to bring international terrorism to an early end.

Mr. President, I ask unanimous consent that the full text of S. 2654 be printed immediately following the conclusion of my remarks.

Should you wish further information on this matter, or wish to cosponsor, please contact Peter Rossbach or John Callahan of my staff at X4-3344.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Anti-Terrorist Petroleum Acquisition Act of 1982".

SEC. 2. (a)(1) The Congress finds that—

(A) the Government of Iran remains entirely responsible for one of the most notorious acts of international terrorism, the holding of American hostages for four hundred and forty-four days;

(B) the Government of Iran, led by the Ayatollah Khomeini, has exhibited blatant disregard for the sanctity of human life and liberty as is evidenced by the deaths and torture of thousands of Iranian men, women, and children;

(C) the Government of Iran has failed to heed the calls for peace and remains engaged in a state of war with Iraq;

(D) the Government of Iran has sought to finance its war with Iraq and its potential aggression against Israel by increasing its oil exports; and

(E) the United States Government purchased one thousand and eight hundred barrels of Iranian crude oil during the week ending April 24, 1982, the second year anniversary of the aborted rescue mission in which eight American servicemen lost their lives in a courageous effort to free their fellow Americans.

(2) The Congress further finds that—

(A) the Government of Libya, led by Colonel Khaddafi, has been similarly financing its acquisition of Russian military equipment, the training of terrorists, and the aggression against Chad and Sudan through the export of oil; and

(B) as recently as March of this year, the United States purchased a quarter of a million barrels of oil a day from Libya, at the price of over $10,000,000 each day.

(b) The purpose of this Act is to prevent the financing of terrorist activities of the regimes of Iran and Libya as a consequence of efforts to rapidly fill the Strategic Petroleum Reserve.

SEC. 3. Section 160(a) of the Energy Policy and Conservation Act (Public Law 94-163; 42 U.S.C. 6240) is amended by adding at the end thereof the following: "No petroleum product produced from Iran or Libya may be acquired by purchase, exchange, or otherwise under this section.".●

ADDITIONAL COSPONSORS

S. 1008

At the request of Mr. THURMOND, the Senator from Wisconsin (Mr. PROXMIRE) was withdrawn as a cosponsor of S. 1008, a bill to provide that retired officers of the armed services recalled to active duty and detailed to duty with the American Battle Monuments Commission shall not be charged against the authorized end strengths and grade limitations prescribed for the Department of Defense or the military departments concerned.

S. 1365

At the request of Mr. DOLE, the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 1365, a bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes.

S. 2000

At the request of Mr. DOLE, the Senator from Mississippi (Mr. COCHRAN), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Iowa (Mr. JEPSEN), were added as cosponsors of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2174

At the request of Mr. THURMOND, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 2174, a bill to recognize the organization known as American Ex-Prisoners of War.

S. 2300

At the request of Mr. FORD, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 2300, a bill to establish domestic content requirements for motor vehicles sold in the United States, and for other purposes.

S. 2353

At the request of Mr. BENTSEN, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

S. 2542

At the request of Mr. ROBERT C. BYRD, the Senator from Hawaii (Mr. INOUYE), and the Senator from New Jersey (Mr. BRADLEY) were added as cosponsors of S. 2542, a bill to establish a Federal emergency unemployment compensation program.

S. 2603

At the request of Mr. ROBERT C. BYRD, the Senator from South Carolina (Mr. HOLLINGS), was added as a cosponsor of S. 2603, a bill to amend the Trade Act of 1974 to insure fair trade opportunities, and for other purposes.

SENATE JOINT RESOLUTION 199

At the request of Mr. THURMOND, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Joint Resolution 199, a joint resolution proposing an amendment to the Constitution of the United States.

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. COCHRAN. Mr. President, I wish to advise the Senate that the hearings on proposed revisions to the dairy price support program will resume on Thursday, June 24, at 9:30 a.m. in room 324, Russell Building. These hearings are being held in the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices which I chair.

Anyone wishing further information should contact Denise Alexander, of the Agriculture Committee staff, at 224-2035.

SUBCOMMITTEE ON WATER AND POWER

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that the subcommittee hearing regarding S. 2202, to amend the Colorado River Basin Salinity Control Act, scheduled for Tuesday, June 22, will begin at 9 a.m. instead of 10 a.m.

For further information regarding this hearing, you may wish to contact Mr. Russ Brown, of the subcommittee staff, at 224-2366.

AUTHORITY FOR COMMITTEES TO MEET

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to hold an oversight hearing on the Hotel Employees and Restaurant Employees International Union, during the session of the Senate at 10 a.m. on Tuesday, June 22.

The PRESIDING OFFICER. Without objections, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to hold an oversight hearing on the Hotel Employees and Restaurant Employees International Union, during the session of the Senate at 10 a.m. on Wednesday, June 23.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate at 2:30 p.m. on Monday, June 21, to hold a hearing on supplemental for Lebanon relief and rehabilitation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to hold a nomination hearing during the session of the Senate at 2 p.m. on Monday, June 21, to consider the nomination of George Lumsden, of Maryland, to be Ambassador to the United Arab Emirates.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Monday, June 21, at 2 p.m. to hold a hearing on S. 2245, S. 2620, and S. 2621, bills dealing with reauthorization of the Federal Insecticide, Fungicide, and Rodenticide Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, June 22, at 10 a.m. to hold a hearing on S. 2245, S. 2620, and S. 2621, bills dealing with reauthorization of the Federal Insecticide, Fungicide, and Rodenticide Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE POLICY

Mr. BAKER. Mr. President, I ask unanimous consent that the Immigration and Refugee Policy Subcommittee of the Judiciary Committee be authorized to meet at 2:30 p.m. during the session of the Senate on Monday, June 21, to consider S. 1698, a bill to amend the Immigration and Nationality Act to provide preferential treatment in the admission of certain children of the U.S. Armed Forces personnel.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Aviation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on Thursday, June 24, at 10 a.m., to hold an oversight hearing on the national air space system plan.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate at 2 p.m. on Thursday, June 24, to hold a legislative hearing on S. 2338 which would expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on Wednesday, June 23, at 1:30 p.m., to hold an oversight hearing on national material and mineral policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Intelligence Committee be authorized to hold a business meeting at 1:30 p.m. on Tuesday, June 22, during the session of the Senate, to consider pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Labor and Human Resources Committee be authorized to meet during the session of the Senate at 2:30 p.m. on Tuesday, June 22, to hold a business meeting to consider S. 1889, the U.S. Academy of Peace Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, June 22, at 10:30 a.m., to hear the annual report of the Postmaster General.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

IN MEMORY OF LEROY "SATCHEL" PAIGE

● Mr. DENTON. Mr. President, along with many Americans, I was saddened to hear of the death of Leroy "Satchel" Paige. A native of my hometown of Mobile, Ala., Satchel Paige has a baseball career that spanned 45 years from 1924 to 1969. During his career, Satchel Paige pitched in approximately 3,000 games. Only a special human being could continue to play the game well for that length of time.

It is unfortunate that most professional baseball fans were denied the opportunity to watch Satchel Paige pitch until late in his career. During the first 24 years of Paige's career, he was not allowed to pitch in the major leagues. In 1948, Bill Veeck, owner of the Cleveland Indians, signed him to a major league contract. Until then, Satchel Paige pitched only in the Negro Leagues and in Latin America.

Throughout his career, Satchel Paige performed as a true professional on and off the field. He was a person to be admired for his courage and devotion to the game he loved. Baseball recognized this in 1971, when a special committee to honor Negro League players admitted Leroy "Satchel" Paige to the Hall of Fame.

Satchel Paige is remembered by those who played with and against him as one of the best pitchers to have ever played the game. Many stories are told about the days when he was pitching in the Negro Leagues and on barnstorming tours. On occasion, Paige would wave the outfielders in and tell the infielders to sit down, then strike out the side.

In addition to his outstanding pitching abilities, Paige possessed a disarming wit and was known for his wise and philosophical sayings. The best known of these is, "Don't look back. Something may be gaining on you."

I express my sincere condolences to Mrs. Lahoma Paige, the wife of Satchel Paige, on her loss. With her, we all mourn the passing of one of baseball's greatest pitchers.

Mr. President, I ask that the full texts of articles about Satchel Paige in the Washington Times, the Washington Post, and the Mobile Press Register be printed in the RECORD immediately following my remarks.

The articles referred to follow:

[From the Washington Times, June 9,1982]

SATCHEL PAIGE: "ALL WE HAD WAS BASEBALL"

KANSAS CITY, MO.—Pitcher Satchel Paige, denied entry into major league baseball until he was 42 because he was black, died yesterday after suffering a heart attack.

The gangly, stoop-shoulder Paige, whose age was as mysterious as his pitches were baffling, apparently was one month short of his 75th birthday.

Paige died at 1:30 p.m. CDT at a Kansas City hosptial, said Rev. Emmanual Cleaver, a member of the City Council and pastor of the St. James United Methodist church, which Paige attended.

Leroy Robert "Satchel" Paige was kept out of organized baseball because of the unwritten color line until he was signed by Bill Veeck in 1948 with the Cleveland Indians. He later pitched for the St. Louis Browns and Kansas City A's and coached for the Atlanta Braves.

"It was 100 times easier to pitch in the majors than in my league," Paige said last year. "All we had was baseball, and some of the plant teams down South were better than some of the major league teams."

In 1971, he was inducted into baseball's Hall of Fame as the first black player selected by a special committee to honor deserving players of the pre-1947 Negro Leagues. Last Saturday, a baseball field here was named in his honor.

A native of Mobile, Ala., Paige began his long pitching career in 1924, when he signed with the Mobile Tigers, a semipro team. He signed his first professional contract in 1926, joining the Chattanooga Black Lookouts in the Negro Southern League.

He played with dozens of teams in the Negro Leagues and on barnstorming tours, usually hurling just the first three innings. On occasion, he would wave the outfielders in and tell the infielders to sit down, then proceed to strike out the side.

He reached his greatest fame in the Negro Leagues with the Kansas City Monarchs, where he pitched for nine years. Among his teammates on the Monarchs were Jackie Robinson, the man who broke baseball's color line in 1947, and Ernie Banks—both now with Paige in the Hall of Fame.

A right-hander, he had a blazing fastball, an assortment of breaking pitches, a unique "hesitation pitch"—later banned in the majors—and pinpoint control which he displayed by throwing at a half-dollar during warmups.

By the time he retired after the 1969 season, he had pitched in an estimated 3,000 games. In 1933, he hurled in 42 games for the Pittsburgh Crawfords, winning 31 and losing four while rolling up a winning streak of 21 games and 62 consecutive scoreless innings.

In 1935, he pitched a semipro team from Bismarch, N.D., to a national championship, striking out 60 batters in 40 innings. Shortly, thereafter, he began playing the Latin American circuit, but returned in 1942 to lead the Monarchs to victory in the Negro World Series. While pitching the Monarchs to the pennant in 1946, he had a string of 64 scoreless innings.

In 1947, when he was 41, he faced the Bob Feller All-Stars on the West Coast, making an impressive showing. The next year, Veeck signed Paige and in July 1948, he became Feller's teammate and the fifth black in the major leagues.

He worked two shutout innings in relief of Bob Lemon on July 9, then made three starts in Cleveland which attracted more than 200,000 fans to Municipal Stadium. His second start was a shutout.

He finished the year with a 6-1 record and a 2.48 earned run average, then worked briefly in relief against the Boston Braves in the 1948 World Series, a fact that embittered him.

"I came because they had a great staff (Lemon, Feller, Early Wynn) that couldn't get anybody out. I won that Series for them, I know it," he said.

In 1950, he was back barnstorming again, this time with the Chicago American Giants. But Veeck signed him again in 1951, this time for the St. Louis Browns, and installed a rocking chair in the bullpen for his new pitcher.

Paige was 3-4 in 1951, but in 1952 he was the American League's top relief pitcher with a 12-10 record and 10 saves. He was named to the AL All-Star team in both 1952 and 1953, when he saved another 11 games.

Paige was also known for his philosophy, a set of rules he had a card he would give to anyone one asked:

1. Avoid fried meats which angry up the blood.

2. If your stomach disputes you, lie down and pacify it with cool thoughts.

3. Keep the juices flowing by jangling around gently as you move.

4. Go very light on vices such as carrying on in society. The social ramble ain't restful.

5. Avoid running at all times.

6. Don't look back. Something may be gaining on you.

[From the Washington Post, June 9, 1982]

SATCHEL PAIGE: "BEST I EVER SAW"—VEECK

(By Thomas Boswell)

Satchel Paige finally looked back yesterday and death overtook him.

But not in time.

For once, death, and the death in life of prejudice, could claim nothing but the skeleton of an old man. Satchel Paige got away free.

Thus ended one of baseball's most heroic and tragic lives.

Heroic, because Paige, by endurance and skill, outlasted injustice. Although the majors didn't find room for him until 1948, when he was at least 42, Paige left a legend so large that no page of statistics could significantly alter his mark.

"I did not see Walter Johnson, but Leroy was the best I ever saw," said Bill Veeck yesterday. "If his career had run its full course in the major leagues, Paige would have held every record there was.

"He had the best fast ball, the best control and the most knowledge of pitching of anyone. Even in his late 40s, he warmed up by putting a package of cigarettes on the outside corner of the plate. That was his target," said Veeck, Paige's boss during his five big-league seasons.

"Paige threw overhand, sidearm, underarm and crossfire. All his pitches moved and tailed. He had a great change-up as well as his hesitation pitch and eephus (blooper) pitch. He had a presence on the field that was comparable to no one but Babe Ruth.

"In five years, I believe Ted Williams had one hit off him and Joe DiMaggio two," recalled Veeck. ". . . You could tell that those were the only two hitters he looked on as his equals."

The sadness of Paige's baseball life has little to do with him directly. After all, by living an ill-charted, almost mythical life full of anecdote and folk wisdom, Paige actually may have increased the durability and weight of his chapter in the sport's tome.

The Paige tragedy is that, by his excellence, he proved that 50 years worth of black-league players had been wronged more severely than white America ever suspected.

On the other hand, Paige's life, seen only as an indefatigable, wise and funny personal odyssey, is a cheerful tale.

"Leroy had tremendous self-confidence, but he was not a braggart. He took enormous pride in performance. But he had his own priorities. Like fishing. Once, in St. Louis with the Browns, he arrived at the park in the seventh inning carrying a huge channel catfish, about 80 pounds," Veeck recalled. "He said, 'Burrhead, isn't this more important than the first six innings of a game?' "

Veeck, known for his broad view, agreed. "Leroy missed a few planes, but he got to the game by the time you really needed him. Once, in Washington at Griffith Stadium, he came in late, got in to pitch in the seventh inning, then finally won the game with a hit in the 17th," said Veeck. "My wife and I waited and waited for him afterward because we were supposed to go out for clams. Finally, I found him up in the clubhouse with everybody around him enthralled. He was giving a dissertation on hitting. . . .

"Paige was a natural showman, like the way he ambled into a ball game from the bullpen—this old gentleman, not one to rush into difficulties. But the showmanship was not without malice aforethought. Leroy was unlettered, but not unlearned. He could call on a great fund of general knowledge.

"All those wise sayings he's credited with, like 'the social rumble ain't restful' and 'if your stomach disputes you, lie down and pacify it with cool thoughts,' well, I'd say most of them are actually true," said Veeck.

"Satchel never liked to have anybody beat him at anything," recalled Cool Papa Bell yesterday. "I was the one who taught him how to control his curve ball and throw a knuckleball. A week after I'd showed him the knuckler, he called me over and said, 'Now you throw it.' People watchin' us saw he was throwin' it better than I was, so they said, 'See how Satchel's teaching Cool Papa the knuckleball.' "

Paige met considerable resistance in 1948. "(The publisher of The Sporting News) was always deriding us for signing Paige, saying it made a farce of the game," said Veeck. "Everytime he won, I'd send (the publisher) a wire: 'Winning pitcher, Paige.'

"Also, the umpires weren't going to give this old black legend any of the best of it. He threw to a plate that was shorter and narrower than anybody else's. But he still fooled 'em."

In the end, Paige disarmed those who thought they hated him. "He never forced himself on anyone," said Veeck. "He'd sit alone at one end of the Pullman car. But, in 10 minutes, the whole (Indians) team would be gathered around him."

As a St. Louis Brown, Paige had one intractable enemy—Louisiana-born catcher Clint Courtney, who wouldn't even warm up Paige, much less catch him in a game. "Then one day," Veeck related, "I noticed

Clint was warming him up. The next week, in Detroit, I walked into a bar in Detroit called The Flame. There were Leroy and Clint having dinner together.

"Courtney told me, 'My pap's comin' up tomorrow from Lou'siana and he's gonna be mighty mad when he hears about us being friends. But Satch and me figure we can whup him together.'"

[From the Mobile Press Register, June 11, 1982]

OUR "SATCHEL" PAIGE AN ALL-TIME LEGEND

As the nation mourns the passage of Mobile's legendary Leroy "Satchel" Paige, the chief lament—which we share—is of what might have been . . .

Would he have been the greatest pitcher who ever lived had he been given the opportunity to play in the major leagues in his prime? Some say yes.

However, we recall that one of the most famous bits of advice to come from Paige was to not look back because something might be gaining on you. Why think in terms of what might have been when we can look at what really was?

This is our thinking and that of Chicago Sun-Times sports writer George Vass who wrote this past week that "it would be misleading and a disservice, though it is wistfully inseparable from the memory of Paige," to remember him in terms of what might have been.

Wrote Vass: "Never mind, what might have been. What was, what is, and what will be are enough. Paige could not have accomplished more to perpetuate his memory if he had pitched in the major leagues in the decades of his limber youth instead of for a scant few years in middle-age, when other men are reduced to lying eloquently about the accomplishments of a vaguely recalled past.

"For Paige long before his death had become an epic hero of folklore, a Paul Bunyan or Johnny Appleseed of baseball, whose legendary proportions were etched into a nation's collective memory, not solely into the minds of those who followed the game he played. What Joe Louis represented in boxing to his fellow blacks, Satchel Paige embodied in baseball."

A similar tribute came from Bill Veeck, who in 1945 brought Paige into the major leagues at about (no one was ever sure) age 42 to pitch with the Cleveland Indians: "He was larger than life. He had a presence and an aura that were unmatched, or matched by only a few, like Babe Ruth and Dizzy Dean. There was something about him that even if you did not know baseball, if you walked into a ballpark and saw him pitching, or met him in person, you knew you were in the presence of greatness.

"In one way, his life could have been looked on as a tragedy, but in another it could be looked on as a remarkable triumph of perseverance and determination to overcome obstacles."

We add to these testimonials to the man's greatness and immortality our condolences to his family both here and in Kansas City.●

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. RUDMAN). Without objection, it is so ordered.

ORDER FOR STAR PRINT ON CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 92

Mr. STEVENS. Mr. President, I ask unanimous consent that the conference report on Senate Concurrent Resolution 92 be star printed to reflect the corrections made in the report as printed by the Government Printing Office. I send a corrected version to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 640, 670, 671, 672, 673, 674, and 675.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE IN FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

The bill (S. 2457) to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2457

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, Sec. 2501d) is amended by striking out "and for the fiscal year ending September 30, 1982, and for each fiscal year ending after September 30, 1982, the sum of $336,600,000" in the first sentence and inserting in lieu thereof "for the fiscal year ending September 30, 1982, the sum of $336,600,000; and for the fiscal year ending September 30, 1983, and for each fiscal year ending after September 30, 1983, the sum of $361,000,000".

Mr. STEVENS. Mr. President, I ask unanimous consent to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPRISONMENT OF YURI BADZYO

The resolution (S. Res. 326) relating to the imprisonment of Yuri Badzyo, was considered and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 326

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all citizens the right to hold opinions without interference and the right to freedom of expression:

Whereas the Final Act of the Conference on Security and Cooperation in Europe commits the signatory nations to respect individual rights and cultural differences;

Whereas the Soviet Union has signed the Final Act of the Conference on Security and Cooperation in Europe, is a party to the Universal Declaration of Human Rights, and has ratified the International Covenant on Civil and Political Rights;

Whereas Yuri Badzyo was dismissed from his research in philology at the Institute of Literature in Kiev in 1968 as a direct result of his defense of Ukrainian patriots who criticized the "russification" policy toward the Ukraine;

Whereas Yuri Badzyo strived for greater political, cultural, and artistic freedom for the Ukrainian people;

Whereas Soviet officials have also dismissed his wife, Svitlana Kyrychenko, from her position at the Institute of Philosophy, for her actions on behalf of Ukrainian dissidents and for her impassioned support of her husband's ideas and work;

Whereas Yuri Badzyo was arrested on April 23, 1979, and charged with anti-Soviet agitation and propaganda; and

Whereas Yuri Badzyo was sentenced on December 21, 1979, to seven years in the notorious Mordovian labor camps, to be followed by five years in internal exile, for ideas contained in a missing, unpublished manuscript; Now, therefore, be it

Resolved, That it is the sense of the Senate that the President, acting directly or through the Secretary of State, should—

(1) express at every suitable opportunity and in the strongest possible terms the opposition of the United States Government to the imprisonment of Yuri Badzyo,

(2) urge the Government of the Soviet Union to (A) release Yuri Badzyo from prison, (B) to halt all further harassment of Yuri Badzyo, his wife, Svitlana Kyrychenko, and their children, Bohdana and Serkiy Badzyo, and

(3) inform the Government of the Soviet Union that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that he further transmit such a copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EMIGRATION OF STOLAR FAMILY TO ISRAEL

The Senate proceeded to consider the resolution (S. Res. 390) urging the Soviet Union to allow Abe Stolar, his wife Gita, and his son Michael, to emigrate to Israel.

Mr. LEVIN. Mr. President, on June 17, 1975, 7 years ago today, an American citizen, Abe Stolar, his wife, Gita, and their son, Michael, were seated on an Israel-bound plane in the Moscow International Airport. They had successfully run the lengthy, convoluted emigration course constructed by the Soviets. They had won. And their prize was of incomparable value—their freedom—their political liberty and their civil and human rights.

Before it was ever enjoyed, the prize was snatched back by the Soviets. The Stolars never made it to Israel—they never left the Moscow airport. At the last minute, they were forcibly removed from the plane on the pretext that Mrs. Stolar had access to state secrets in her job as an analytical chemist. But her emigration case history indicates clearly on two counts that the reason was fabricated. First, her employer signed a written confirmation that she had not been privy to state secrets, and second, Soviet officials would not have granted the exist visa if they had any lingering doubts about this.

Since the 1975 tragedy, the Stolar family has been living against its will in Moscow. Having sent their possessions to Israel before their scheduled departure, they now live in a nearly barren apartment and cannot find employment. Persisting in their emigration quest, the Stolars are caught in the Soviet emigration labyrinth with no immediate hope of emerging and finally capturing the prize.

The Stolar saga is a disappointing emigration story, but it is not only an emigration story. Abe Stolar and his son are American citizens and his wife has been granted Israeli citizenship. So this is a story of forcibly sequestering American citizens in the U.S.S.R., of denying American citizens internationally recognized human rights guaranteed in the International Declaration of Human Rights and the Helsinki Final Act.

Mr. President, this resolution will let the Stolars know of our continuing efforts on their behalf and will indicate to the Soviets that we find the perpetration of such actions against American citizens intolerable.

The resolution was agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 390

Whereas Abe Stolar was born on December 19, 1911, in Chicago, Illinois, and is by right of birth a citizen of the United States;

Whereas Abe Stolar moved to the Soviet Union with his parents and sister in 1931;

Whereas Stolar and his son, Michael, hold valid United States passports, and his wife, Gita, has been granted Israeli citizenship;

Whereas Abe Stolar, Gita Stolar, and Michael Stolar were granted exit visas which were revoked just before their scheduled departure from the Soviet Union in 1975;

Whereas since 1975 Abe Stolar and his family have repeatedly been denied permission to emigrate to Israel to join relatives;

Whereas the Soviet Union has signed the Final Act of the Conference on Security and Cooperation in Europe which ensures the right to emigrate, particularly in the case of family reunification;

Whereas the Soviet Union is a party to the Universal Declaration of Human Rights and has signed the International Covenant on Civil and Political Rights, both ensuring the right to emigrate; and

Whereas it is the responsibility of the United States to protect and support its citizens unjustly held captive by foreign governments: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) Abe Stolar, his wife, Gita, and his son, Michael, should be permitted to emigrate to Israel; and

(2) the President, acting through the Secretary of State, should express at each opportune moment and in the strongest terms the opposition of the United States to the forced captivity of Abe Stolar and his family by the Soviet Union.

SEC. 2. The Secretary of Senate shall transmit a copy of this resolution to the Secretary of State with the request that such copy be further transmitted to the Government of the Soviet Union.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EMIGRATION OF GLUZMAN FAMILY TO ISRAEL

The joint resolution (H.J. Res. 230) imploring the Union of Soviet Socialist Republics to allow Dr. Semyon Gluzman and his family to emigrate to Israel, was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPRISONMENT OF YURIY SHUKHEVYCH

The concurrent resolution (H. Con. Res. 111) expressing the sense of the Congress that the Government of the Soviet Union should cease its imprisonment of Yuriy Shukhevych and permit him and his family to emigrate from the Soviet Union, was considered, and agreed to.

The preamble was agreed to.

Mr. STEVENS. Mr. President, I move to consider the vote by which the concurrent resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VIOLATIONS OF HUMAN RIGHTS BY THE SOVIET UNION

The concurrent resolution (H. Con. Res. 205) expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine, was considered and agreed to.

The preamble was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPRISONMENT AND TREATMENT OF MART NIKLUS

The concurrent resolution (H. Con. Res. 218) expressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Mart Niklus, and for other purposes, was considered and agreed to.

The preamble was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR H.R. 6198 TO BE HELD AT THE DESK

Mr. STEVENS. Mr. President, I ask unanimous consent that H.R. 6198, an act to amend the manufacturing clause of the copyright law, be held at the desk until the close of business Tuesday, June 22, 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

POULTRY PRODUCTS INSPECTION ACT

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 3863.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3863) to amend the Poultry Products Inspection Act to increase the number of turkeys which may be slaughtered and processed without inspection under such act, and for other purpose.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HELMS. Mr. President, this bill would increase the number of turkeys which may be processed without Federal inspection under the Poultry Products Inspection Act. It is a step toward reducing Federal regulation of the agricultural industry, and I am pleased to support it.

The Poultry Products Inspection Act provides for the inspection of poultry products so that the consumer may be assured of a safe food supply. Of course, in order to avoid an unnecessary regulatory burden, Federal inspection is not required for certain smaller scale producers.

The number of birds that may be processed without Federal inspection, however, is not the same for turkeys as it is for broilers or birds of other species. The requirement in current law equates one turkey to four birds of other species. This legislation will correct that inequity.

The proposed legislation would allow the small, family sized turkey processor, who depends on a seasonal local market, to be exempt from bird-by-bird inspection conducted under the auspices of the U.S. Department of Agriculture on the same basis as processors of other birds.

Under the legislation there would be no compromise in the wholesomeness of turkey products. The products must continue to be sound, clean, and fit for human consumption when distributed and must comply with the protections of the act against misbranding—other than the requirement of the inspection legend.

The exemption in current law applies only to turkey processing operations that are insufficient to maintain a level of income proportionate to the capital invested if Federal inspection were required. To maintain facilities and equipment that comply with Federal bird-by-bird inspection regulations requires a capital investment that causes hardship to many small producers. For example, the plant must provide the Federal inspector with office space, a shower and uniform and must maintain special equipment for this purpose, which can be costly.

Increasing the exemption limitation to 20,000 turkeys under section 15(c)(3) of the Poultry Products Inspection Act and to 1,000 turkeys under section 15(c)(4) of the act would provide a more reasonable return on labor and investment while assuring the continued maintenance of a high quality product. It is also expected to result in savings to the Government as a result of a reduction in the number of inspections that are needed under the act.

Beyond that, expanding the exemption limitation to equate turkey processors with processors of other birds will affect only the small businessman. Under current law the Department inspects on a bird-by-bird basis over 99 percent of the 164.5 million turkeys produced annually in the United States, and with the changes proposed in H.R. 3863, it is expected that approximately 99 percent of the turkey production would continue to be so inspected.

On May 1, 1981, Congressman RON MARLENEE introduced H.R. 3863 to make needed changes in the law. Hearings were held in the House on March 17 of this year. The measure was endorsed by the U.S. Department of Agriculture, the National Turkey Federation, the American Farm Bureau Federation, and others.

Our distinguished colleague Senator MELCHER introduced similar legislation on March 29, 1982 and has encouraged us to act expeditiously on the matter.

It is important for the Senate to deal with this measure in a timely fashion. Turkey producers need to know what changes may occur in the law now, if they are to make the correct marketing plans for this fall's holidays.

The smaller scale processors affected by this legislation will typically not market turkeys year round, but will sell them locally at Thanksgiving and Christmastime. However, they need to buy the turkey poults or young birds by midsummer if they are to have the birds ready in time for fall sales.

Delaying this legislation, then would delay any benefits resulting from the bill by not only a few months, but an entire marketing season. Such delay is unnecessary. Therefore, there is good reason in this case to expedite consideration of the bill already passed by the House of Representatives.

Food inspection experts have stated that this proposal will not lessen the reliability of our food supply. In fact, I know of no objection to this bill.

For record, I should note that in 1981 North Carolina became the No. 1 State in turkey meat production. Minnesota has been the leading State for several years, followed by California.

Certainly this is a growing and progressive industry, which deserves our support. While this particular bill would not have a large impact on my State, growers in North Carolina have advised me that its adoption would be beneficial for the industry as a whole.

President Ronald Reagan is seeking to reduce the regulatory burden of Government, so as to help our economy get moving again. This measure is one example of what can be done. In fact, I understand that it has been endorsed by the President's Task Force on Regulatory Relief.

I hope American agriculture will benefit from this small step toward regulatory reform, and I urge the Senate to adopt this measure.

Mr. President, I ask unanimous consent that an explanation of the provisions of the bill and a letter from the Department of Agriculture on the companion Senate bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF H.R. 3863

The bill would amend the Poultry Products Inspection Act (PPIA) to increase from 5,000 to 20,000 annually the number of turkeys that a poultry producer or other person may slaughter and process, under certain conditions and solely for distribution within a State or territory, without Federal inspection. The effect of this change is to eliminate the distinction under current law between the number of turkeys and the number of other types of poultry, the slaughtering or processing of which the Secretary may exempt from specific provisions of the PPIA.

The exemptions in the current law that the Secretary shall provide by regulation and to which the bill applies include the conditions as specified in the following categories:

(1) sound and healthy poultry raised, slaughtered, and processed by a producer on his own premises for sale or distribution within the State by any person if the poultry products are sound, clean, and fit for human food;

(2) sound and healthy poultry slaughtered or processed by a producer or other person for distribution within the State, solely to household consumers, restaurants, hotels, and boarding houses, for use in their own dining rooms, or in the preparation of meals for sales direct to consumers if the poultry products are sound, clean, and fit for human food; and

(3) poultry slaughtered or cut up for distribution within the State as carcasses or parts thereof by a poultry producer or small enterprise when the Secretary determines that the protection of consumers from adulterated or misbranded poultry products will not be impaired.

The bill would further amend the PPIA by providing that the 20,000 bird exemption shall not apply to any poultry producer or other person who slaughters or processes poultry in the same establishment that is used by another person to slaughter or process poultry; except that, if the Secretary determines that the protection of poultry consumers under the PPIA will not be impaired, the Secretary may grant an exemption from this limitation upon the application of the poultry producer or other person involved. The purpose of this provision is to prevent two or more persons, each owning 20,000 or fewer birds and claiming the exemption, from slaughtering or processing all of the birds in the same plant, and thus circumventing the 20,000 bird limit.

Finally, the bill would also amend the PPIA to increase from 250 to 1,000 the maximum number of turkeys (the same number that now applies to birds of other species) that may be slaughtered annually without a bird-by-bird inspection by any poultry producer, with respect to his own poultry raised on his own farm, if the producer does not otherwise engage in the buying or selling of poultry products and none of the poultry moves in interstate or foreign commerce.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 1, 1982.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for a report on S. 2287 which would "amend the Poultry Products Inspection Act to increase the number of turkeys which may be slaughtered and processed without inspection under such Act and for other purposes."

The Department recommends enactment of this bill.

The Food Safety and Inspection Service is responsible for assuring that meat and poultry products are safe, wholesome and accurately labeled. Under the Poultry Products Inspection Act, FSIS inspects all poultry intended for use as human food which is to be shipped in interstate or foreign commerce. The Act, as amended in 1968 by the Wholesome Poultry Products Act (P.L. 90-492), allows those producers slaughtering or processing fewer than 5,000 turkeys, or an equivalent number of poultry (four birds of another species being equivalent to one turkey), in a calendar year to be exempt from Federal inspection. Those producers exempt from Federal inspection are allowed to sell their product only in intrastate commerce. They are required by law to maintain their premises in an acceptable sanitary manner and to slaughter only sound and healthy poultry. They are also required to identify the product with the name and address of the processor.

S. 2287 amends the Poultry Products Inspection Act to increase the number of turkeys that can be slaughtered annually without Federal inspection from 5,000 to 20,000, thus eliminating the distinction between turkeys and other birds. This proposal further clarifies the law by adding specific language to prevent the exemption provision from being circumvented by other individuals slaughtering or processing additional turkeys in the same plant.

Nationwide there are 218 poultry plants under Federal jurisdiction processing turkeys, of which 90 are federally exempt plants producing fewer than 5,000 turkeys. Of those 90 federally exempt plants, 15 plants are now slaughtering at or near the exemption level (4,500-5,000 turkeys). Another 7 plants are also producing fewer than 5,000 turkeys but because they market the turkeys in interstate commerce or to companies requiring inspected birds, they are under Federal inspection. An additional 13 federally inspected poultry plants produce between 5,000-20,000 birds and could become exempt under the provisions of S. 2287.

We believe that the additional number of turkeys that would be slaughtered without inspection if the exemption figures were raised to 20,000 would be reasonably small. Under the current exemption, USDA inspects over 99 percent of the 164.5 million turkeys produced annually in the United States. While it is difficult to estimate with any assurance how many turkeys would be slaughtered without inspection if the exemption were raised to 20,000, it is expected that inspection would remain at the 99 percent level. This is true even assuming that the 13 plants now under Federal inspection which are annually producing 5,000-20,000 turkeys and other species of birds would choose to give up inspection; something we consider unlikely since these processors would then no longer be able to continue to market their turkeys in interstate commerce. However, if these 13 plants were to relinquish inspection and operate under the new exemption provided by this bill, the maximum savings we could expect in inspection cost is estimated at $165,000 annually.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JOHN R. BLOCK,
Secretary.

Mr. ROBERT C. BYRD. Mr. President, I am pleased to support expeditious Senate action on H.R. 3863, a bill to amend the Poultry Products Inspection Act to raise the number of turkeys that can be slaughtered on an annual basis without continuous Federal inspection. Under current regulations, only 5,000 turkeys can be slaughtered annually by small turkey producers without installing expensive equipment to provide for bird-by-bird inspection. For other poultry farmers this figure is 20,000 per year before continuous Federal inspection is required. The purpose of this bill is to put turkey farmers under the same regulations as those for other poultry producers. Prompt enactment of this legislation would enable a small-sized turkey producer to increase his production to 20,000 turkeys per year before having continuous inspection. All health and sanitation requirements, which must be met at the current time, will continue to be enforced.

Much of the turkey production in this country is by small producers. In my own State of West Virginia, 2.3 million turkeys were slaughtered in 1980 and many of these were by relatively small producers. Removal of restrictive Federal inspection regulations will permit these farmers to increase their production in a cost-efficient manner.

I support the adoption of this measure.

Mr. PRYOR. Mr. President, I should like to take this opportunity to voice my support for H.R. 3863, a bill to amend the Poultry Products Inspection Act to increase the number of turkeys that can be slaughtered annually without Federal bird-by-bird inspection. This change will eliminate the inequitable distinction presently made between turkeys and birds of other species in the exemption for small processors.

This bill, Mr. President, will allow the small, family-sized turkey producer, who depends on a seasonal local market, to increase his processing rate from 5,000 to 20,000 without being subjected to a bird-by-bird inspection. The producer, of course, will still have to met all health and sanitation requirements.

The production and processing of only 5,000 turkeys is restrictive and insufficient for the small businessman to maintain a level of income relative to his capital investment. By increasing the exemption level to 20,000 turkeys, producers would be provided a more reasonable return on labor and investment while assuring maintenance of a high quality product in a market that is short-lived and highly competitive.

Mr. President, there are roughly 200 turkey processing plants in the United States. Of these, 71 slaughter over 100,000 birds a year, while approximately 97 slaughter 5,000 or fewer, and 13 plants account for production of between 5,000 and 20,000. As you can see, this regulatory relief is aimed at assisting our small producers.

Mr. President, I urge my colleagues to support this legislation.

(By request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. HUDDLESTON. Mr. President, H.R. 3863 would amend the Poultry Products Inspection Act to eliminate an inequity that is causing a hardship on U.S. turkey farmers and processors.

H.R. 3863 would allow small, family-sized turkey producers to obtain an exemption from Federal poultry inspection requirements that is equivalent to the exemption allowed to producers of birds of other species. Specifically, H.R. 3863 would—

First. Increase the exemption level from 5,000 to 20,000 turkeys, the same number that currently applies to birds of other species that may be slaughtered and processed;

Second. Limit the foregoing exemption to the slaughtering or processing of poultry at a facility that is not used by any other person for slaughtering or processing poultry products, except that the Secretary may grant an exception to this limitation to any person that he deems would not impair the effectuation of the purposes of the act; and

Third. Exempt from the provisions of the act a producer who, with respect to poultry of his own raised on his own farm, slaughters not more than 1,000 turkeys, the same number that currently applies to birds of other species.

The Poultry Products Inspection Act provides for the inspection of poultry and poultry products and otherwise for the regulation of the processing and distribution of these products to prevent the distribution in interstate or foreign commerce of adulterated or misbranded products. Certain exemptions from compliance with requirements under the act, with limitations, are authorized. An exemption has been made, by regulation, with respect to the bird-by-bird inspection requirement imposed by the act under certain conditions, including sanitary requirements needed to effectuate the purposes of the act.

Under the law, those producers slaughtering or processing not more

than 20,000 birds—other than turkeys—in a calendar year are exempt from Federal bird-by-bird inspection if they sell their product only in intrastate commerce. However, those producers slaughtering or processing turkeys are only exempt from the Federal bird-by-bird inspection if they slaughter or process not more than 5,000 turkeys in a calendar year.

Another exemption is given to producers with respect to poultry of their own raised on their own farms. These producers can be exempted from the requirements of the act if: First, they do not slaughter more than 1,000 birds—250 turkeys—in a calendar year; second, they do not engage in buying or selling poultry products other than those produced from poultry raised on their farm; and third, none of the poultry moves in interstate or foreign commerce.

Legislation is needed to conform the exemption limitation for turkey processors with that for processors of other birds. The distinction made between turkey processors and processors of other species of birds is clearly unfair. The enactment of H.R. 3863 would allow the small, family-sized turkey producer, whose livelihood depends on a local or intrastate market of short seasonal duration, to increase his processing of birds from 5,000 to 20,000 without being subjected to unnecessary and costly Federal bird-by-bird inspection. Since the plant must still meet all health and sanitation standards and the market is short lived and highly competitive, the turkey processor must continue to offer a quality product.

Currently, the Department inspects on a bird-by-bird basis over 99 percent of the turkeys produced annually in the United States. The Department estimates that, upon the enactment of H.R. 3863, approximately 99 percent of the turkey production would continue to be inspected on a bird-by-bird basis. There will be no additional cost to the Government by the enactment of H.R. 3863. In fact, it is estimated that the Government would save over $150,000 per year in inspection costs.

My distinguished colleague, Mr. MELCHER, introduced S. 2287, a bill similar to H.R. 3863. I commend the Senator for his initiative in helping alleviate the unnecessary burden placed on the turkey farmers and processors of our Nation. I urge my colleagues to join me in supporting H.R. 3863.●

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHRISTINA BOLTZ SIDDERS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 1482, a bill for the relief of Christina Boltz Sidders.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1482) for the relief of Chistina Boltz Sidders.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WATER RESOURCES RESEARCH

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 627, S. 2494.

The PRESIDING OFFICER. The bill be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2494) to authorize support for an ongoing program of water resources research.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being objection, the Senate proceeded to consider the bill.

Mr. ABDNOR. Mr. President, I wish to express my strong support for the Senate's passage of this bill, the Water Resources Research Act of 1982.

Early enactment of this bill is needed to assure that there will be continuity in our Federal water resources research effort. That is a sound program. It is a program that we must continue to support.

With enactment of the S. 2494, we can anticipate a more active partnership between the Federal Government and non-Federal water resources community. This bill will encourage investigations of basic scientific issues that may have broad regional character or application, not simply fulfill the specific needs of a Federal agency.

Under current law, a program similar to the one authorized by this bill is operated by the Office of Water Research and Technology (OWRT) within the Department of the Interior. OWRT helps to finance water research institutes established at 54 land-grant colleges, provides matching grants to individual researchers, and conducts its own research, development, testing, and demonstration programs, particularly in desalting technology. OWRT also maintains a clearinghouse of data and technical literature on water research. These authorities were funded recently at a level of about $33 million yearly.

The administration's budget for the fiscal year 1983, however, proposes that no funds be made available for any of the water research programs authorized by the 1978 act—Public Law 95-467. I am convinced that basic and applied water research, beyond the requirements of regulatory programs or mission oriented agencies, is needed and cost effective. This bill provides such authority.

S. 2494 repeals that 1978 law, and replaces it with a more focused approach centered on the 54 State institutes. In addition, the bill provides competitive matching grants to individuals and organizations for the study of specific water problems. The total annual authorization in the bill is $22.1 million.

The strength of the institutes is their location within the university community, a location where a multitude of disciplines can be concentrated on water problems, offering new and innovative approaches. This approach also dispenses funds among institutes in every State, assuring the widest possible geographic quest for information.

Yet, I recognize that we must augment the strength of some of this State-based research. To that end, this bill gradually requires an increased non-Federal contribution, and requires that a portion of that contribution be made in cash. Thus, those States and those universities that are less seriously committed to an effective water research program may be forced to drop out of the program.

The committee report indicates that some of the non-Federal share would have to be contributed in cash. My fellow committee member from Maine (Mr. MITCHELL), together with Senator COHEN, have asked for clarification of that provision. I thank my colleagues for raising this important point.

Unfortunately, our committee report was rather vague. It was the intention of the committee that OMB Circular A-21 apply during the initial 2 years of the bill, fiscal years 1983 and 1984. Following that transition period, it is the intention of the author and manager of the bill that the non-Federal contribution be made in cash. Now, while that may sound restrictive, the "cash" need not be a line-item appropriation to the institute. Rather, salaries may be counted toward the cash share. Thus, if a professor receives $30,000 yearly, in salary and benefits, and he spends approximately half his time on institute projects, $15,000 would be counted toward the non-Federal share.

In addition, a fair equivalent of the rental cost of the institute building and the equipment used by the institute could be counted toward the "cash" contribution. But it is anticipated that there be some contribution

in a line-item appropriation of $50,000, with another $175,000 contributed in faculty salaries, plus building and equipment costs. That would count as a $225,000 "cash" contribution toward the institute.

I would note that I would believe that a minimum ratio such as the one I mention of 20 or 25 percent line-item appropriation seems reasonable to me.

S. 2494 also encourages greater regional cooperation among the water institutes, as well as among the States. While the States are effective participants in the national effort to improve the utilization of our water resources, their value could be increased in some cases when they work together to manage their water resources on a regional basis.

To give my colleagues a broader perspective on this program, I ask unanimous consent that a letter from John L. Wiersma, director of our Water Resources Institute at South Dakota State University, as well as a letter from Jay D. Hair, executive vice president of the National Wildlife Federation, be printed at this point in the RECORD. Both these letters demonstrate the great value of the water institute effort.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOUTH DAKOTA STATE UNIVERSITY,
Brookings, S. Dak., May 25, 1982.

Senator JAMES ABDNOR,
Washington, D.C.

DEAR SENATOR ABDNOR: Two weeks ago I was in Washington to participate in the meeting of the National Association of Water Institute Directors. My schedule did not permit me to visit your office. However, I did get to visit with Hal Brayman and a staff member from Mr. AuCoin's office, Mr. Jim Elkind. Naturally the discussion centered on your Senate Bill 2494 and AuCoin's bill H.R. 6087. It makes me proud to have a senator from our state take leadership in water legislation. This naturally includes more than S.B. 2494.

I anticipate you will be spending some time in South Dakota during the "break" which is coming up. I know you will be real busy but I shall watch the papers for your schedule and if you are in the general Brookings area I shall make myself available for any questions you may have on our Institute program.

I am enclosing a copy of our 1981 annual report to OWRT. It includes only that portion of our work which is currently funded through their office. We get a lot of "mileage" from the federal funds we receive because we can use these funds as a base to get other support. For this fiscal year we have added another research area where we are attempting to evaluate the economic returns from investment in domestic rural water development. Bob Neufeld's office is very interested in this project area because of anticipation of state money being available for water development. The econometric model which was built for determining the returns from irrigation development also had its beginning as an Institute project. After our first model was released, money other than that from the Institute was made available to expand the scope of the model. This has been the history for many of our projects, we get a study area started with modest funds and then someone else takes it over. This makes us happy because we can get many different things initiated with the funds we have. The reverse situation also exists, because of expertise the staff acquires from the Institute projects we often participate with state agencies in various study areas. Currently we are helping the attorney general's office with their case on Indian water rights; the Office of Water Quality with a study on ground water contamination from Class V injection wells, and the Department of Natural Resources on a rural clean water project. We have also had a major input on some of the initial soils studies included in the CENDAK project.

I want to assure you that we appreciate your effort with the University Institute program and want to offer my services to your office in any manner possible.

Yours very truly,

JOHN L. WIERSMA,
Director, Water Resources Institute.

NATIONAL WILDLIFE FEDERATION,
Washington, D.C., May 19, 1982.

Hon. JAMES ABDNOR,
Senate Office Building
Washington, D.C.

DEAR SENATOR ABDNOR: I am writing to congratulate you on reporting out your bill, S. 2494, which authorizes a university water resources research program. These programs are a very low cost method to study various facets of the nation's water resources.

Other Federal water research programs are being eliminated or reduced. The Office of Water Research and Technology, which coordinated and informed users concerning much of the water resources research by universities has been abolished. Financial aid to state water planning through the Water Resources Council Title III program has ceased.

The Federal government should not sever its final links between it and state agencies and university researchers.

Persons involved with water management and use state that there is a shortage of trained individuals qualified to deal with the growing problems of water quantity and quality. The university water research institutes provide practical training opportunities for graduate students who will become hydrologists and water planners if they are able to complete their studies.

As the nation's largest conservation organization, with over 4 million members and supporters, we receive many letters expressing concerns and asking questions on water issues. We know how important water is to the economic and environmental health of this country. I trust that Congress can continue to support objective research through our fine land grant water resources research institutes.

Sincerely yours,

JAY D. HAIR,
Executive Vice President.

Mr. STAFFORD. Mr. President, I support the passage of S. 2494. As chairman of the Committee on Environment and Public Works and as a Senator from Vermont, I was honored and pleased to be the initial cosponsor of this legislation, as I had cosponsored S. 1095, legislation that contained many of the same features as S. 2494.

The work of our State water resources institutes has been most important to the effective development of our Nation's water resources. This is particularly so in the State of Vermont, where our State institute plays an important and effective role at the University of Vermont.

To give my colleagues in the Senate a fuller perspective on this point, I ask unanimous consent that a copy of a letter written to me from Dr. Hugo H. John, director of the UVM School of Natural Resources, be printed at this point in the RECORD, together with a fact sheet on the Vermont program.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF VERMONT,
SCHOOL OF NATURAL RESOURCES,
Burlington, Vt., May 24, 1982.

Senator ROBERT STAFFORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STAFFORD: The attached one-page "Fact Sheet" explains the research program and research priorities as well as a number of accomplishments of the Vermont Water Resources Research Center. Vermont's Water Center has developed a program of water resources research which is of great value to Vermont, New England and the nation. The possibility of cessation of federal support for this cooperative program has been of concern to us and I wish to indicate my overall support of S. 2494. I therefore, wish to urge you to support the continued federal support of this vital water resources research program.

We are now carefully reviewing the contents of S. 2494. Dr. Cassell, Director of the Vermont Water Center will forward our specific comments and suggestions to you shortly.

I have also enclosed a copy of the FY 1981 Annual Report of the Vermont Water Center. In particular, I call your attention to pages 4 thru 12.

I am looking forward to your participation in our dedication of the George D. Aiken Center for Natural Resources on June 4, 1982. It will be good to see you again.

Sincerely yours,

HUGO H. JOHN,
Director.

FACT SHEET: THE RESEARCH PROGRAM OF THE VERMONT WATER RESOURCES RESEARCH CENTER

HOW THE VERMONT CENTER OPERATES

1. Program Direction and Research Priorities are Set By: A Panel of Top Water Officials of Vermont Agency of Environmental Conservation; Vermont Health Department; Vermont Department of Agriculture; Vermont Energy Office; U.S. Department of Agriculture; U.S. Army Corps of Engineers.

2. Individual Research Projects Are Selected For Funding By: the Director of the Water Center; A Panel of Research Experts and Water Resource Professionals.

3. Program is Coordinated With Other Water Center/Institutes By Membership in New England Council of Water Center Directors (NECWCD); Membership in National Association of Water Institute Directors (NAWID).

Result is a research program of State and National significance.

VERMONT WATER RESOURCES RESEARCH PRIORITIES

1. Acid Precipitation;
2. Ground Water Quality and Use;
3. Water Resources Data Base Systems;
4. Land Runoff;
5. Small Drinking Water and Wastewater Systems;
6. Lake and Wetland Eutrophication;
7. Toxic and Hazardous Materials.

SOME RESEARCH PROJECTS FUNDED BY THE VERMONT WATER CENTER

1. Microbial Contamination of Drinking Water Systems;
2. Heavy Metals in Acid Precipitation;
3. Nutrients/Sediments from Forestered Areas;
4. Water Resources Data Management Demonstration;
5. Recreational Boating on Vermont Lakes;
6. Pollution From Land Runoff;
7. Methods to Locate and Evaluate Bedrock Wells.

SOME NOTEWORTHY ACCOMPLISHEMENTS

1. Research has improved efficiencies in locating bedrock wells and has resulted in considerable savings to individual homeowners and developers.
2. Research has made it possible to predict lake current patterns thus allowing for a more cost-effective utilization of our lake resources.
3. The $110,000 annual federal program support for the Vermont Water Center has spawned up to an additional $400,000 of water resources research in Vermont to study problems of state, regional and national importance.
4. State, Federal, Local and University are now working more closely together than ever before to solve water resource problems in Vermont, New England and the nation.

Mr. DOMENICI. Mr. President, I urge that the Senate pass S. 2494. This is sound legislation. It is legislation that should provide significant benefits to the American public.

I wish to commend the distinguished Senator from South Dakota (Mr. ABDNOR) for his leadership in developing and presenting this bill to the Senate.

I am also pleased that this bill restricts in no way the existing law—Public Law 95-84—authorizing a Federal program of assistance in the construction of several desalting demonstration plants. While that program now sits on the back burner, it remains an important one for the future.

I am also pleased that the bill is designed to permit the Federal Government to transfer to the ownership and control of various State institutes the two Federal desalting research facilities, one of which is located at Roswell, N. Mex. These facilities must continue to be available for the public's benefit.

The work of the various State water institutes has proven very important. It has helped develop some of our finest leaders in the water resources field. Our present Assistant Secretary of Interior for Land and Water Resources, Dr. Garrey Carruthers, once headed the New Mexico Water Institute. The current head of the Office of Water Policy in the Department of the Interior, Dr. Thomas G. Bahr, is on leave as head of the New Mexico Institute. We in New Mexico are proud of these leaders.

The new acting director of the New Mexico Water Resources Research Institute, Dr. George O'Connor, recently wrote to me to express his views on S. 2494. I ask unanimous consent that a copy of Dr. O'Connor's letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 25, 1982.

Hon. PETE V. DOMENICI,
U.S. Senate,
Washington, D.C. 20510.

DEAR SENATOR DOMENICI: I understand that S. 2494 which deals with water research institute funding will be coming up for consideration and thought you might appreciate some brief remarks about New Mexico's institute program.

The New Mexico institute was the first state institute authorized under Federal (Act) legislation. The institute had actually been functioning before the Act and was begun in 1963 with its first director, Ralph Stuckey.

In 1982 direct legislative appropriations from the state was $394,000 which when combined with approximately $120,000 of research funding from the state's Interstate Streams Commission meant that the total *non-federal* funding of the institute's research program totalled about *$500,000.* By contrast the institute receives an annual allotment from federal sources of about $110,000 per year.

The New Mexico program has been one of the most nationally competitive of all the 54 institutes nationwide in attracting research funds in the old OWRT competitive grants program. New Mexico's researchers have contributed to New Mexico consistently appearing in the top five institutes in the competitive program in the U.S. New Mexico's institute is truly a statewide agency. The institute is housed for convenience at NMSU but has a broad base of support with other universities throughout the state.

The institute took the lead in doing the economic assessment for New Mexico in the recent High Plains study. Additional high priority research areas have included new crop development for more efficient water use and direct saline water usage in irrigated agriculture. Our research programs have attracted several international visitors including scientists from Israel, Egypt, Algeria and Mexico.

In 1981-82, the institute was called upon, and responded quickly, in assisting the State Engineer and legal counsel on technological aspects of the El Paso water suit against New Mexico.

Much of the institute's sponsored research is regional in nature and although of importance in New Mexico, it seems unfair to expect New Mexico taxpayers to foot the entire bill. If all states are to profit (and possibly other countries as well) there should be a strong federal interest and role in funding the research program.

I hope these few examples of New Mexico's active water research program convince you of our need for your support of S. 2494. If I can be of further assistance in describing the New Mexico program, please feel free to contact me.

Sincerely,

GEORGE A. O'CONNOR,
Acting Director, New Mexico Water Resources Research Institute.

(By request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. MOYNIHAN. Mr. President, as an original cosponsor of the Water Resources Research Act, I am indeed pleased that the Senate today will pass this bill under unanimous consent. The Chairman of the Water Resources Subcommittee, Senator ABDNOR, is to be commended for his persistence and foresight in pursuing this most important legislation.

Last May 15, the Committee on Environment and Public Works reported another bill, S. 1095, which included provisions in its title III identical to the bill the Senate shall pass today. S. 1095, whose purpose is to coordinate and recommend national water resources policy, was and remains a good bill that deserves at the minimum a full debate by the Senate. However, there were those who thought differently of the matter and chose instead to put the bill on hold indefinitely.

The research elements of S. 1095 unlike the policy issues were never controversial and indeed were widely supported by many Members of the Senate. For this reason, Senator ABDNOR wisely decided to advance the reauthorization of existing water resources research programs as a separate measure.

It is my hope that the House of Representatives will consider S. 2494 in the near future and thus no longer leave in doubt the future of a modest but successful Federal-State cooperative effort at solving our water resources problems through university-based research.●

UP AMENDMENT NO. 1036

(Purpose: To clarify the intent of the bill.)

Mr. STEVENS. Mr. President, I send to the desk an amendment on behalf of Senator ABDNOR.

The PRESIDNG OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), on behalf of the Senator from South Dakota (Mr. ABDNOR), proposes an unprinted amendment numbered 1036.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, after line 15, insert the following new section, and renumber the subsequent section accordingly:

"SEC. 8. As used in this Act, the term "state" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and

the Commonwealth of the Northern Mariana Islands."

Mr. ABDNOR. Mr. President, This is a simple clarifying amendment, one designed to assure that this program continues to be open to the District of Columbia, the Commonwealth of Puerto Rico, Guam, and other jurisdictions that now participate in it. This amendment is technical and in no way alters the intent of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Water Resources Research Act of 1982."

SEC. 2. The Congress finds and declares that—

(a) the existence of an adequate supply of water of good quality for the production of materials and energy for the Nation's needs and for the efficient use of the Nation's energy and water resources is essential to national economic stability and growth, and to the well-being of the people;

(b) there is an increasing threat of impairment to the quantity and quality of surface and ground-water resources;

(c) the Nation's capabilities for technological assessment and planning and for policy formulation for water resources must be strengthened at the Federal, State, and local governmental levels;

(d) there should be a continuing national investment in water and related research and technology commensurate with growing national needs;

(e) it is necessary to provide for the research and development of technology for the conversion of saline and other impaired waters to a quality suitable for municipal, industrial, agricultural, recreational, and other beneficial uses; and

(f) the pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

SEC. 3. It is the purpose of this Act to assist the Nation and the States in augmenting their water resources science and technology as a way to—

(a) assure supplies of water, sufficient in quantity and quality, to meet the Nation's expanding needs for the production of food, materials, and energy;

(b) identify and find practical solutions to the Nation's water and water resources related problems, particularly those problems related to impaired water quality;

(c) promote the interest of State and local governments as well as private industry in research and the development of technology that will reclaim waste water and to convert saline and other impaired waters to waters suitable for municipal, industrial, agricultural, recreational, and other beneficial uses; and

(d) coordinate more effectively the Nation's water resources research programs.

SEC. 4. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to assist the work of any water resources research and technology institute, center, or equivalent agency (hereinafter referred to as the "institute") established in the States in accordance with the terms of subsection (f) of this section.

(b) Each designated institute shall—

(1) have responsibility for planning, conducting, and/or arranging for competent research in relation to water resources, including investigations and experiments of either a basic or practical nature, or both; to promote the dissemination and application of the results of these efforts; and to provide for the training of scientists and engineers through such research, investigations, and experiments, and

(2) cooperate closely with other colleges and universities in the State that have demonstrated capabilities for research, information dissemination, and graduate training in order to develop a statewide program designed to resolve State and regional water and related land problems. Such institute shall also cooperate closely with regional consortia, as may be designated by the Secretary to increase the effectiveness of the institutes and for the purpose of regional coordination.

(c) Prior to the receipt each fiscal year of funds authorized by subsection (e) of this section, each institute shall submit to the Secretary for his approval a water research program that includes assurances, satisfactroy to the Secretary, that such program was developed in close consultation and collaboration with the director of that State's department of water resources, or similar agency, and other leading water resources officials with the State, including interested members of the public. The program described in the preceding sentence shall include plans to promote research, training, information dissemination, and other activities meeting the needs of the State and Nation, and encourage regional cooperation among institutes in research into areas of water management, development, and conservation that have a regional or national character.

(d) From the sums appropriated pursuant to subsection (e) of this section, the Secretary shall make grants to each designed institute to be matched on a basis of no less than one non-Federal dollar for every Federal dollar during the fiscal years ending September 30, 1983, and September 30, 1984, one and one-half non-Federal dollars for each Federal dollar during the fiscal years ending September 30, 1985, and September 30, 1986, and two non-federal dollars for each Federal dollar during the fiscal year ending September 30 1987.

(e) There is hereby authorized to be appropriated to the Secretary for the purpose of carrying out this section the sum of $8,100,000 during each of the fiscal years ending September 30, 1983, through September 30, 1987.

(f) For the purposes of this section, an institute may be established at one college or university in each State, which was established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or some other institution designated by act of the legislature of the State concerned: *Provided,* That (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1862, funds under this section shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the office's determination that such college or university has or may reasonably be expected to have the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums otherwise allocated to institutes in each of the cooperating States shall be paid to such regional institute.

SEC. 5. (a)(1) In addition to the grants authorized by section 4 of this Act the Secretary is authorized to make grants, on a dollar-for-dollar matching basis, to the institutes established pursuant to section 4 of this Act, as well as other qualified educational institutions, private foundations, private firms, individuals, and agencies of local or State government for research concerning any aspect of a water-related problem which the Secretary may deem to be in the national interest, including the operation of test facilities.

(2) In cases where the Secretary determines, according to criteria established by him, that research under this section is of a basic nature which would not otherwise be undertaken, the Secretary may approve grants under this section on a matching requirement other than that specified in paragraph (1) of this subsection.

(b) Each application for a grant pursuant to this section shall state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation as well as to the region and State concerned, its relation to other known research projects previously or currently being pursued, and the extent to which it will provide an opportunity for the training of water resources scientists. No grant shall be made under this section except for a project approved by the Secretary, and all grants shall be made upon the basis of the merit of the project and the need for the knowledge it is expected to produce when completed.

(c) The sum of $13,000,000 is authorized to be appropriated to the Secretary for the purposes of grants under this section, as well as for administration of grants under this section and grants to the institutes under section 4 of this Act for each of the fiscal years ending September 30, 1983, through September 30, 1987.

SEC. 6. The type of research to be undertaken under the authority of section 5 of this Act and to be encouraged by the institutes established under section 4 of this Act shall include, without being limited to:

(a) Aspects of the hydrologic cycle;

(b) Supply and demand for water;

(c) Demineralization of saline and other impaired waters;

(d) Conservation and best use of available supplies of water and methods of increasing such supplies;

(e) Water reuse;

(f) Depletion and degradation of ground water supplies;

(g) Improvements in the productivity of water when used for agricultural and commercial purposes;

(h) The economic, legal, engineering, social, recreational, biological, geographic, ecological, and other aspects of water problems;

(i) Scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems; and

(j) Providing means for improved communication of research results, having due regard for the varying conditions and needs for the respective States and regions.

SEC. 7. Notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93-577; 88 Stat. 1887, 1891; 42 U.S.C. 5908-5909) with respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this title; *Provided, however,* That subsections (1) and (n) of section 9 of such Act shall not apply to this Act: and *Provided further,* That, subject to the patent policy of section 408, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this title, shall be provided in such manner that all information, data, and know-how, regardless of their nature or mediums, resulting from such research and development will (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be usefully available for practice by the general public.

SEC. 8. As used in this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 9(a) Public Law 95-467 is repealed.

(b) Rules and regulations issued, prior to the date of enactment of this Act, under the authority of Public Law 95-467 shall remain in full force and effect under this Act until superseded by new rules and regulations promulgated under this Act.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VETERANS' ADMINISTRATION HEALTH-CARE PROGRAMS IMPROVEMENT AND EXTENSION ACT OF 1982

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate Calendar No. 663, Senate bill 2385.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2385) to amend subchapter IV of chapter 73 of title 38, United States Code, to modify the Veterans Administration health professional scholarship program, and for other purposes.

The Senate proceeded to the consideration of the bill which had been reported from the Committee on Veterans' Affairs with an amendment to strike out all after the enacting clause, and insert the following:

That (a) this Act may be cited as the "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

SEC. 2. (a) Section 4142 is amended—

(1) in subsection (a)(1)—

(A) by inserting a comma and "or, in the case of any Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility, part-time," after "full-time"; and

(B) by adding below clause (4) the following new sentence: "For the purposes of this subchapter, 'part-time student' means a Veterans' Administration employee pursuing study on not less than a half-time basis in a course of training described in subsection (a)(1)(B) of this section.";

(2) by inserting "maximum" after "The" in subsection (f)(3);

(3) by redesignating subsections (g), (h), and (i) as subsections (h), (i), and (j);

(4) by inserting after subsection (f) the following new subsection:

"(g)(1) Subject to paragraph (2) of this subsection, if a participant in the Scholarship Program is awarded a scholarship, as provided for in subsection (a)(1) of this section, as a part-time student in a course of training described in subsection (a)(1)(B) of this section—

"(A) the maximum period of time for which a scholarship may be awarded under subsection (e)(1)(A)(i) of this section shall be increased,

"(B) the period of obligated service of such participant under subsection (e)(1)(B)(iv) of this section shall be reduced, and

"(C) the maximum amount of the stipend payable under subsection (f)(1)(B) of this section shall be reduced

in accordance with the proportion that the number of credit hours carried by such participant bears to the number of credit hours required to be carried by a full-time student in such a course of training.

"(2)(A) In the case of a part-time-student participant, no scholarship may be awarded for a period in excess of four-school years except that the Administrator may, subject to such participant's maintaining an acceptable level of academic standing as described in subsection (2)(1)(B)(iii) of this section, extend the scholarship award period for a period not in excess of two additional school years if the Administrator determines that such an extension would be in the best interests of the United States.

"(B) The period of obligated service of such a participant shall be not less than one calendar year.

"(3) In the case of such a participant, no stipend shall be paid under subsection (f)(1)(B) of this section for any month during which such participant is not actually attending the course of training in which such participant is enrolled."; and

(5) by inserting "full-time-student" before "participants" in subsection (h) (as redesignated by clause (3) of this subsection).

(b) Section 4143(c) is amended by inserting a comma and "initally in the case of a full-time-student participant, and after the completion of such participant's course of training in the case of a part-time-student participant," after "appointed".

(c) Section 4146 is amended—

(1) by inserting "(a)" before "The"; and

(2) by adding at the end the following new subsection:

"(b) Sums appropriated for the purpose of making payments under this subchapter shall remain available for such purpose until expended.".

ADDITIONAL PAY PROVISIONS

SEC. 3. Section 4107 is amended—

(1) in paragraph (10) of subsection (e)—

(A) by inserting "(A)" before "Notwithstanding" and "(i)" before "increase";

(B) by inserting before the period a comma and "or (ii) extend the period for which additional pay is paid under paragraph (3) of this subsection to include part or all of a tour of duty any part of which is within the period commencing at midnight Friday and ending at midnight Saturday"; and

(C) by adding at the end the following new subparagraph:

"(B) Any increase in such rates of additional pay or any extension of such period of additional pay may be made on a nationwide, local, or other geographic basis if the Administrator finds that such increase or extension is justified on the basis of a review of the need for such increase (based upon a reasonably representative sampling of non-Federal facilities in the geographic area involved) or extension."; and

(2) by adding at the end the following new subsections:

"(h)(1) Notwithstanding any other provision of law but subject to paragraphs (2) and (3) of this subsection, when the Administrator determines it to be necessary in order to obtain or retain the services of any category of health-care personnel described in clause (A) or (B) of subsection (g)(1) of this section, the Administrator may authorize for such category of health-care personnel, on a nationwide, local, or other geographic basis, the use of such flexible and compressed work schedules as were described in regulations and guidelines issued by the Director of the Office of Personnel Management under section 305 of the Federal Employees Flexible and Compressed Work Schedules Act of 1978 (92 Stat. 761) in order to carry out titles I and II of such Act.

"(2) Not later than one hundred and eighty days after the date of the enactment of this subsection, the Administrator, in order to carry out this subsection, shall prescribe regulations, which, to the maximum extent feasible, shall be consistent with the regulations and guidelines described in paragraph (1) of this subsection.

"(3) The authority to establish flexible and compressed work schedules pursuant to this subsection shall expire on September 30, 1987.

"(4) Not later than the end of the four-year period beginning on the date of the enactment of this Act, the Administrator shall submit to the Congress a report on the results of the use of flexible and compressed work schedules, including an evaluation of the effects of the use of such schedules on the recruitment and retention of the health-care personnel using them, together with any recommendations for administrative or legislative action, or both, that the Administrator considers appropriate in light of the need for and use of flexible and com-

pressed work schedules by the Veterans' Administration.

"(i)(1) Notwithstanding any other provision of law but subject to paragraph (2) of this subsection, when the Administrator determines it to be necessary in order to obtain or retain at any Veterans' Administration health-care facility the services of nurses appointed under this subchapter, the Administrator, pursuant to regulations which the Administrator shall prescribe, may provide that such nurses employed at such facility who work two regularly scheduled twelve-hour tours of duty within the period commencing at midnight Friday and ending at midnight Sunday shall be considered for all purposes (except computation of full-time equivalent employees for the purposes of determining compliance with personnel ceilings) to have worked a full forty-hour administrative workweek.

"(2)(A) A nurse who is considered under paragraph (1) of this subsection to have worked a full forty-hour administrative workweek is entitled to basic and additional pay and annual and sick leave as prescribed in subparagraphs (B), (C), and (D) of this paragraph.

"(B)(i) The hourly rate of basic pay for such nurse for service performed as part of such nurse's regularly scheduled twelve-hour tour of duty shall be derived by dividing the nurse's annual rate of basic pay by one thousand two hundred and forty-eight.

"(ii) The hourly rate of basic pay for such nurse for other service shall be derived by dividing the nurse's annual rate of basic pay by two thousand and eighty.

"(C)(i) Except as provided in division (ii) of this subparagraph, such nurse is not entitled to additional pay under subsection (e) of this section for any period included in such nurse's regularly scheduled twelve-hour of duty.

"(ii) Such nurse is entitled to overtime pay under subsection (e)(5) of this section for any period of service performed in excess of such nurse's regularly scheduled two twelve-hour tours of duty when the total officially ordered or approved service performed during an administrative workweek is in excess of (I) forty hours, (II) eight hours on a day other than a Saturday or Sunday, or (III) twenty-four hours within the period commencing at midnight Friday and ending at midnight Sunday.

"(D) Such nurse who is absent on approved sick leave or annual leave during such nurse's regularly scheduled twelve-hour tour of duty shall be charged for such leave at a rate of five hours of leave for three hours of absence.".

CONTRACT CARE

SEC. 4. Section 601(4)(C) is amended—

(1) by inserting a comma and "and medical services described in clause (1) of section 612(f) of this title for a woman veteran if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that a medical condition of such woman veteran relating to her gender precludes appropriate treatment in facilites described in clause (A) or (B) of this paragraph" after "veterans" in subclause (iv); and

(2) by striking out "September 30, 1982," and inserting in lieu thereof "September 30, 1983," in subclause (v).

CHAMPVA ELIGIBILITY REACQUISITION

SEC. 5. Section 613 is amended—

(1) by inserting a comma and "except as provided in subsection (d) of this section," after "manner and" in subsection (b); and

(2) by adding at the end the following new subsection:

"(9) Notwithstanding the provisions of the second sentence of section 1086(c) of title 10 or any other provision of law, any spouse, surviving spouse, or child who, after losing eligibility for medical care under this section by virtue of becoming entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (942 U.S.C 1395c et seq.), has exhausted any such benefits shall regain eligibility for medical care under this section and shall not thereafter lose such eligibility under this section by virtue of becoming again eligible for such benefits.".

REPORT EXTENSION

SEC. 6. Section 620A(f) is amended by striking out "March 31, 1983," and "September 30, 1982," and inserting in lieu thereof "March 31, 1984," and "September 30, 1983,", respectively.

TECHNICAL AMENDMENT

SEC. 7. Section 643 is amended by striking out "of any war".

STATE VETERANS HOME GRANTS

SEC. 8. Section 5033(a) is amended by striking out "the fiscal years ending September 30, 1981, and September 30, 1982" and inserting in lieu thereof "each of the six succeeding fiscal years".

MEDICAL INFORMATION EXCHANGE WITH STATE HOMES

SEC. 9. Section 5054(b) is amended by inserting before the period at the end of the first sentence "(including State home facilities furnishing domiciliary, nursing home, or hospital care to veterans)".

REGULATIONS FOR SPECIAL PERSONNEL AUTHORITIES

SEC. 10. (a) Not later than ninety days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall publish in the Federal Register, for public review and comment for a period not to exceed sixty days, proposed regulations for the implementation of (1) the authority provided in subsection (e)(10) of section 4107 of title 38, United States Code (as amended by section 3(1) of this Act), to increase amounts and extend periods of additional pay, and (2) the authority provided in subsection (g) of such section to increase rates of basic pay.

(b) Not later than two hundred and ten days after the date of the enactment of this Act, the Administrator shall publish in the Federal Register final regulations pursuant to which such authorities will be implemented.

EFFECTIVE DATES

SEC. 11. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) The amendments made by section 5 shall take effect on October 1, 1982.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

Mr. SIMPSON. Mr. President, I am most pleased to speak in favor of S. 2385, the proposed "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982," which was unanimously reported by the Committee on Veterans' Affairs on June 8. At this time I would urge that my colleagues join me in assuring the passage of this much needed legislation. The various provisions of the bill are designed to improve the quality, scope, and efficiency of health-care services provided to our Nation's veterans through the Veterans' Administration health-care system.

INTRODUCTION

On April 15, 1982, as chairman of the Senate Committee on Veterans' Affairs, I introduced S. 2385. As introduced, S. 2385 would have amended the Veterans' Administration health professional scholarship program to provide scholarship assistance to VA employed nurses attending school on a part-time basis and to permit funds appropriated for the health scholarship program for fiscal year 1982 to be used until expended. On April 15, 1982, at the request of the administration, I also introduced S. 2383, and S. 2384. As introduced, S. 2383 would have extended for 4 years, the VA's authority to provide construction grants to State veterans' homes. S. 2384 would have extended, for 1 year, the VA's authority to provide contract hospital care for certain veterans in Puerto Rico and the Virgin Islands.

On April 21, 1982, the committee held a hearing on these bills and a number of other measures and, on May 28, 1982, the committee met in open session and voted to report favorably S. 2385, with an amendment in the nature of a committee substitute and a title amendment. S. 2385 as reported consists of provisions derived with modifications from S. 2383, S. 2384, S. 2385, and S. 2389.

HIGHLIGHTS OF S. 2385 AS REPORTED

S. 2385, which I will refer to as the committee bill, contains provisions that would enhance the Veterans' Administration's ability to recruit and retain qualified nursing personnel by improving the VA's health scholarship program, by authorizing certain alternative and flexible work schedules for nurses and by providing new authority for the Administrator to modify rates of pay for nurses. The committee bill would also extend the authority for the VA to provide hospital care and medical services in Puerto Rico and the Virgin Islands and other territories of the United States on a contract basis. It would extend the authorization of appropriations for matching fund grants to States for construction and renovation of State veterans' home health-care facilities. It would extend for 1 year the reporting date by which the VA must report on the pilot program for treatment and reha-

bilitation of alcohol and drug dependence. The committee bill would also authorize the Administrator to provide certain outpatient care on a fee-for-service basis for the non-service-connected disability of a woman veteran. It would provide that CHAMPVA beneficiaries would have restored and not again lose their CHAMPVA health-care eligibility because of eligibility for medicare benefits. It would authorize sharing of information between the VA and State veterans' home health-care facilities and it would require the publication of proposed regulations relating to authorities provided in Public Law 96-330 including modifications made by the committee bill.

I should like to highlight briefly some of the provisions of the committee bill.

PROVISIONS TARGETED FOR VA NURSES

Mr. President, as I have noted, a number of provisions in the committee bill are targeted toward improving the recruitment and retention of VA nurses. Specifically, section 2 of the bill would amend the VA health professional program, to authorize VA employees to participate in the scholarship program on a part-time basis, and to provide that funds appropriated for the program in any given year would remain available until expended. Section 3 of the committee bill contains several provisions that would extend the Administrator's authority to modify pay and working hours, as determined to be necessary, in certain geographic locations, in order to recruit and retain sufficient nursing personnel for the VA health-care system.

One of the very most important aspects of the VA's mission is the provision of quality health care to our Nation's eligible veterans. Nurses play a crucial role in direct patient care. At the committee hearing on April 21, 1982, the VA testified that 938 hospital beds are closed as a direct result of a shortage of nurses in the VA. It has become very apparent that the VA needs added recruitment and retention incentives to compete more adequately with the private sector for nursing personnel. The VA's health professional scholarship program and compressed and flexible work schedule experiment, established by Public Law 96-330, were a good initial effort toward placing a higher priority on recruiting quality nurses. However, the Veterans' Affairs Committee believes that those efforts did not go far enough.

Therefore, section 2 of the committee bill would authorize an expansion of the VA's health professional scholarship program to permit VA employees to participate and receive advanced training in the program, on a part-time basis, while they continue working in the VA health-care system.

This provision is designed especially to retain current VA employed nurses who may not be able to afford to go to school on a full-time basis. The committee supported allowing the VA to implement a variety of approaches that could be tailored to meet the individual needs of VA nursing personnel who wish to further their education while remaining employed by the VA.

Section 2 of the committee bill would also clarify that the Administrator has the flexibility to determine the health professional scholarship stipend amount for individual participants. The committee intends this provision to enable the VA to provide a form of "tuition reimbursement" for those VA employed nurses who would decide, for example, to attend school on a part-time basis, but who would choose to continue to work full time. The committee bill would allow these nurses to have the advantage of receiving tuition assistance through the health professional scholarship program, but would allow their stipends to be limited to no more than a nominal amount.

The committee bill would provide that part-time scholarship program participants would have obligated service requirements to the VA that would be adjusted according to the fraction of full-time study they pursue and the length of time that they are provided with scholarship support.

Finally, section 2 of the committee bill would provide that funds appropriated in any given year for the scholarship program would remain available until expended. This provision would enable the VA to enter into multiyear scholarship commitments to program participants and should make the program more attractive to prospective applicants, who would be more assured that commitments made to them by the VA, for a given length of time, would be fulfilled accordingly. Therefore, the program could be more useful for the VA's nursing recruitment and retention efforts.

Mr. President, section 3 of the committee bill contains several provisions that would provide the Administrator with the discretionary authority to implement certain recruitment and retention measures in geographic areas where he determines that such measures are necessary.

Such measures would include the following: Authorizing additional rates of pay for tours of duty that begin or end on Saturday; authorizing additional rates of pay for night, weekend, holiday and overtime work; authorizing a flexible or compressed work schedule; and authorizing nurses to work two 12-hour shifts during a weekend and having such service be considered a full 40-hour work week. The Administrator would be able to implement any or a combination of these recruitment measures, which I will describe in more detail, in those VA facilities with the greatest need, and to the degree necessary and for as long as needed, to compete with local private sector facilities in order to attain the recruiting goals of a particular VA medical center and achieve desirable nursing staffing patterns. The provision of increased flexibility authorized by section 3 is intended to be a valuable management tool to allow the VA to respond as needed to nursing recruitment and retention problems in areas of need and in a manner that will be most cost-effective and efficient. The Veterans' Affairs Committee has strongly urged the Administrator to make use of these added authorities whenever necessary, in the most appropriate combination.

The first provision of section 3 would authorize the Administrator to pay the additional pay rate currently authorized for a tour of duty beginning or ending on a Sunday—a rate equal to 25 percent of the nurses' basic pay—for part or all of a tour of duty that begins or ends on a Saturday, as necessary for the purposes of recruitment and retention of VA nurses.

The second provision of section 3 would provide the Administrator with greater flexibility to increase the rates of additional pay for night, weekend, holiday, and overtime work, as necessary for the purposes of recruitment and retention of VA nurses.

The third provision of section 3 would provide the Administrator with the authority to utilize compressed and flexible workweek schedules, for VA nurses and other health-care personnel.

The VA currently permits compensatory time off for nurses in order to provide flexibility in establishing regular and irregular tours of duty. Although utilization of this authority has been helpful, it has created scheduling and timekeeping problems because of the limitations of the current law. The committee believes that authority enabling VA to implement compressed workweeks for nurses, in a manner similar to the compressed workweek regulations developed by the Office of Personnel Management (OPM) under the "Federal Employees' Flexible and Compressed Work Schedules Act," would alleviate many of these problems.

Mr. President, the last provision of section 3 would provide the Administrator with the authority to allow nurses at individual VA facilities to work two 12-hour tours of duty during the weekend and have such service be considered a full 40-hour workweek—thereby providing full-time employee fringe benefit status for such important purposes as health insurance and retirement eligibility. In many communities this kind of work schedule, the so-called Baylor plan, is available and

has been highly attractive to nurses. Many private sector facilities which utilize the Baylor plan are now able to guarantee every or every other weekend off to full-time nursing personnel, because the weekend shifts are fully staffed. Currently, many VA nurses who work two, three, or four weekends per month, because of the difficulties the system has in staffing the adequate number of RN's necessary for weekend duty.

The committee strongly believes that the VA should have this authority available for use, if it becomes necessary, in order to remain competitive with the local labor market practices. The committee also believes in the judicious application of this authority after a careful and thorough review of community practices. The VA testified at the committee hearing on April 21, 1982 that the authority to establish two regularly scheduled 12-hour tours of duty between midnight Friday and midnight Sunday which would equate to a full 40-hour administrative workweek would not be necessary in most facilities. Given the high cost of the use of the Baylor plan, the committee recommends that the Administrator use his authority, provided by the committee bill, only in the specific locations where the need is clear and where use of the compressed workweek would not be sufficient incentive for enough nurses to choose to work for the VA health-care system.

In including all of these provisions of section 3 in the committee bill, the committee makes clear in the committee report, excerpts of which will follow this statement, that they are to be used at the discretion of the Administrator, and are not mandatory. The committee expects that they will be implemented in various combinations, taking local needs into consideration.

CLARIFICATION AND EXTENSION OF OTHER VA HEALTH-CARE PROGRAMS

Mr. President, section 4 of the committee bill would authorize the Administrator to provide certain outpatient care on a fee-for-service basis, including pre- or post-hospitalization care and care necessary to obviate the need for hospitalization, for the non-service-connected disability of a woman veteran when the VA is unable to provide appropriate care for her gender-related disability. This provision should insure that, in those cases in which a woman veteran is otherwise eligible for basic VA ambulatory care but cannot receive the care because the VA is not equipped to treat her gender-specific condition, the VA will be able to furnish care through a contract or fee arrangement with another provider.

The committee recognizes that the VA is not currently equipped to provide certain gynecological and other specialized services that only women require. Though currently the demand for this type of health care in the VA is not significant, the committee believes that those women veterans who require such services should be able to receive them. The committee believes that these few eligible female veterans should receive the appropriate quality health care that they require for their gender-related ailments, just as male veterans currently can receive necessary health care for all their medical problems within the VA system. The Congressional Budget Office (CBO) has estimated that the cost for this new fee-basis health care would be insignificant.

Mr. President, section 4 of the committee bill would also extend by 1 year—from September 30, 1982, until September 30, 1983—the VA's authority to provide, through contracts with private facilities, hospital care and such medical services as would obviate the need for hospital care, for the treatment of non-service-connected conditions in Puerto Rico, the Virgin Islands, and any U.S. territory.

This extension is being proposed in order to allow the Committee on Veterans' Affairs and the Congress an additional year to study the VA report on the health-care needs of veterans in Puerto Rico and the Virgin Islands—two locations where this authority is used extensively—and to evaluate various options for meeting the health-care needs of these veterans.

Mr. President, section 5 of the committee bill would provide for the restoration, under certain circumstances, of health-care eligibility through the VA's CHAMPVA program to those who are served by that program—the spouse or dependent child of a veteran who has a permanent and total service-connected disability; the surviving spouse or child of a veteran who died as the result of a service-connected disability, or who, at the time of death, had a permanent and total service-connected disability; or the surviving spouse or child of a person who died in the line of duty while serving on active duty. Thus, in the case of a CHAMPVA beneficiary who loses CHAMPVA eligibility by virtue of becoming eligible for hospital insurance benefits under medicare and then exhausts any particular category or all of his or her medicare coverage, he or she would at that point become eligible again for medical care under CHAMPVA.

Mr. President, it is the committee's strongly held view that the individuals involved—the dependents and survivors of service-connected severely disabled veterans—are particularly deserving of assured Federal health-care assistance and should not be subjected to the interruption or termination of such assistance that can occur when they obtain medicare eligibility. Thus, the provision in the committee bill would restore their CHAMPVA eligibility whenever they exhaust a medicare benefit.

Mr. President, section 6 of the committee bill would extend by 1 year—from March 31, 1983, until March 31, 1984—the deadline for the VA's mandated report on the 5 year drug and alcohol dependence contract program authorized by Public Law 96-22, the "VA Health Care Amendments of 1979." The extension of the deadline allows for an additional year of the program's period of operation to be taken into consideration for the evaluation report of the drug and alcohol dependence pilot treatment program.

Mr. President, section 7 of the committee bill contains a technical amendment, originally proposed by the administration, that would clarify the VA's authority to pay per diem rates to a State for all veterans receiving care in a State home and not just for veterans "of any war."

Mr. President, section 8 of the committee bill would extend the program of matching grants to the States for construction, remodeling, or renovation of State veterans' home hospital, nursing home, and domiciliary care facilities through fiscal year 1986.

The committee believes that much needs to be done to prepare for the rapidly growing numbers of elderly veterans and believes that the State home program represents a proven and cost-effective means of providing care, especially nursing home and domiciliary care, to substantial numbers of elderly veterans and, in some cases, family members of veterans. Thus, the committee included this provision, originally proposed by the Administrator, to extend for 4 more fiscal years, through fiscal year 1986, the authorization of construction grants to States for State veteran home facilities.

Mr. President, section 9 of the committee bill would amend the permanent program for the exchange of medical information, between VA health-care facilities and other health-care facilities in surrounding communities, to expressly include State veterans' home facilities.

The committee believes that this provision of the committee bill would provide that any such arrangement for the exchange of medical information between the VA and a State veterans' home would include a provision for reimbursement, and it is the committee's belief that the VA should—to the extent appropriate—charge States participating in such exchanges of information since the States would benefit greatly from this availability of added resources through a Federal agency. Any proceeds to the Federal Government resulting from such arrangements should be credited to the appli-

cable Veterans' Administration medical appropriation account.

Mr. President, section 10 of the committee bill would require the Administrator, within 90 days after the date of enactment of the committee bill, to publish in the Federal Register proposed regulations for the implementation of the authority provided in section 4107(e)(10) of title 38, United States Code, to increase amounts and, as proposed in section 3 of the committee bill, to extend periods of additional pay, and, in section 4107(g), to increase rates of basic pay.

It is the committee's intent, with this provision, to insure that the Administrator utilize fully as soon as possible the authority, originally provided in Public Law 96-330 which was enacted in August 1980, and now is proposed to be enhanced in section 3 of the committee bill, to aid in the recruitment and retention of VA health-care personnel.

COST ESTIMATE

Mr. President, CBO estimates the fiscal year 1983 cost of the bill as $31.3 million in budget authority and $11.8 million in budget outlays and the 5-year cost of the bill as $105 million in budget authority and $90 million in budget outlays. CBO's detailed cost estimate is included in the excerpts of the committee report, included following my statement.

CONCLUSION

Mr. President, I believe this bill, S. 2385, the proposed "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982," provides a number of appropriate methods to aid the VA in its recruitment and retention efforts for employing adequate, qualified nursing staff. It also provides for important extensions and necessary clarification of existing VA health-care programs.

In conclusion, I should wish to sincerely thank the distinguished ranking minority member from California, Senator CRANSTON, for his invaluable help throughout the entire process of crafting this bill, and each of the other committee members and colleagues who cosponsored this measure when it was reported out of committee.

In addition, I should like to recognize and thank the very able members of the majority staff for their efforts—Tom Harvey, chief counsel and staff director, Julie Susman, Koreen Kelleher, Richard Adelson, Becky Hucks, Harold Carter, and James MacRae, as well as members of the capable minority staff—Jonathan Steinberg, Ed Scott, Bill Brew, Katy Burdick, and Ingrid Post.

The House passed a similar measure, H.R. 6350, on June 15, and I urge that we proceed swiftly in order that we may forward a final bill to the President as soon as possible.

Mr. President, I ask unanimous consent that excerpts of the committee's report on S. 2385 be printed in the RECORD in order that all Senators and the public may have a full understanding of the various provisions in this measure.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUMMARY OF S. 2385 AS REPORTED

BASIC PURPOSE

The basic purpose of S. 2385 as reported (hereinafter referred to as "the Committee bill") is to maintain and improve the quality, scope, and efficiency of health-care services provided the Nation's veterans through the Veterans' Administration health-care system. The Committee bill would accomplish this purpose principally by enhancing the Veterans' Administration's ability to recruit and retain qualified nursing personnel by improving the VA's Health Scholarship Program, by authorizing certain alternative and flexible work schedules for nurses and by providing new authority for the Administrator to modify rates of pay for nurses.

The Committee bill would extend the authority for the VA to provide hospital care and medical services in Puerto Rico and the Virgin Islands and other territories of the United States on a contract basis; extend the authorization of appropriations for matching fund grants to States for construction and renovation of State veterans' home health-care facilities; and extend for one year the reporting date by which the VA must report on the pilot program for treatment and rehabilitation of alcohol and drug dependence.

The Committee bill would also authorize the Administrator to provide certain outpatient care on a fee-for-service basis for the non-service-connected disability of a woman veteran; provide that CHAMPVA beneficiaries would have restored and not again lose their CHAMPVA health-care eligibility because of eligibility for Medicare benefits; authorize sharing of information between the VA and State veterans' home health-care facilities; require the publication of proposed regulations relating to authorities provided in Public Law 96-330 including modifications made by the Committee bill; and make other technical amendments.

SUMMARY OF PROVISIONS

Provisions of the Committee bill would:

1. Expand the VA's Health Professional Scholarship Program provisions by authorizing the VA to award scholarships to individuals employed by the VA and attending school on a part-time basis. The number of years of scholarship support would be limited to not more than 4 years except that, in an individual case, up to 2 more years of support may be provided, when the Administrator determines it to be in the best interest of the United States to waive the limitation. Part-time students would be allowed to carry no less than half the credit hours of a full-time student, and their minimum VA service obligation would be no less than 1 year.

2. Provide that funds appropriated for the scholarship program would remain available until expended.

3. Authorize the Administrator, when necessary for recruitment and retention purposes, to pay the additional-pay rate for registered nurses currently authorized for a tour of duty beginning or ending on a Sunday—a rate equal to 25 percent of the nurse's basic pay—for part or all of a tour of duty that begins or ends of a Saturday.

4. Provide the Administrator with greater flexibility to increase, on a nationwide, local or other geographic basis, the rates of additional pay for night, weekend, holiday, and overtime work if the Administrator determines that the use of the authority is needed for recruitment and retention.

5. Authorize the Administrator to provide flexible or compressed work schedules on a nationwide, local of other geographical basis for VA health-care personnel.

6. Authorize the Administrator to use his discretion, to allow nurses at individual VA facilities to work two 12-hour tours of duty during a weekend and have such service be considered a full 40-hour workweek.

7. Require the Administrator, within 90 days after the date of enactment of the Committee bill, to publish in the Federal Register, public review and comment, proposed regulations for the implementation of the authority provided in Public Law 96-330—including modifications proposed by the Committee bill—to increase rates of additional pay for nurses, to extend the period for which additional "weekend" pay is paid to nurses, and to increase rates of basic pay for VA health-care personnel.

8. Authorize the Administrator to provide certain outpatient care on a fee-for-service basis for a non-service-connected, gender-related disability of a woman veteran, when the VA is unable to provide appropriate care for such disability.

9. Provide that CHAMPVA beneficiaries who lose their CHAMPVA health-care eligibility by virtue of becoming eligible for Medicare benefits would again become eligible for CHAMPVA benefits once any of their Medicare benefits have been exhausted and would not thereafter lose CHAMPVA eligibility by virtue of regaining Medicare eligibility.

10. Authorize the VA to exchange and share medical data, information, and techniques with health-care professionals at State veterans' home health-care facilities.

11. Extend for 1 year, through fiscal year 1983, VA authority to provide certain contract health care to eligible non-service-connected veterans in Puerto Rico, the Virgin Islands, and other United States territories and possessions.

12. Extend for 4 years, through fiscal year 1986, the authorization of appropriations for matching-fund grants to States for construction and renovation of State veterans' home health-care facilities.

13. Extend for 1 year, until March 31, 1984, the date by which VA must report to the Committees on Veterans' Affairs of the House of Representatives and the Senate on the first 3 years' results of the pilot program authorized by section 620A of title 38, for treatment and rehabilitation of alcohol or drug dependencies.

DISCUSSION

VA Nursing provisions

Background

In August 1980, the Congress enacted legislation—the Veterans' Administration Health Care Amendments of 1980, Public Law 96-330—which contained many important provisions designed to improve the VA's ability to recruit and retain high quality health-care personnel. This legislation was developed in response to serious difficulties the VA health-care system was facing in staffing its many facilities, thus limiting the system's ability to provide quality care to eligible veterans.

The Committee is particularly pleased to note that Public Law 96-330 continues to have a very salutary effect on the agency's health-care staffing efforts. However, it lacks certain elements to aid in the much needed recruitment and retention of nursing personnel. The Committee bill represents the Committee's efforts to build upon the gains made by that legislation by authorizing several new provisions and expanding on certain elements of the initial legislation focusing mainly on what the Committee believes to be additional needs regarding VA nurses.

Various provisions in Public Law 96-330 were designed as improvements for all categories of health-care personnel working in the VA's Department of Medicine and Surgery. The area of greatest concern at that time was the agency's ability to employ an adequate number of qualified physicians, and for that reason, most of Public Law 96-330 was directed at matters related to the recruitment and retention of physicians. Since that time, in large part because of the provisions in Public Law 96-330, the VA has been successful in providing attractive career options for physicians, and the agency's record in that area has improved significantly. However, during the same period the agency has been less successful in attracting and retaining registered nurses (RN's).

The Committee's hearing on April 21, 1982, addressed VA health-care nursing personnel recruitment and retention issues. Numerous witnesses, including Dr. D. Earl Brown, Associate Deputy Chief Medical Director of the VA, who was accompanied by Donna Humes, Deputy Director of the Nursing Service; Barbara Chambers, President of the Nursing Organization of the VA (NOVA); James Magill, representing the Veterans of Foreign Wars; and John Sommer, Jr., representing The American Legion, appeared before the Committee to discuss the current RN shortages in the VA health-care system, and gave suggestions of ways to alleviate the problem so that the VA system could become more competitive with the private sector in the recruitment and retention of qualified RN's.

The VA testified that, since the enactment of the Public Law 96-330, between September 1980 and August 1982, the number of RN vacancies in the VA system has increased by 327. The total number of RN vacancies in the VA system has now risen to 1,268.

The Committee notes that in the same time period, since the enactment of Public Law 96-330, the numbers of Licensed Practical Nurses (LPN) and Nursing Assistants working in the VA have increased. LPN vacancies have decreased by 1,774.4, and there are currently 800 Nursing Assistants above desired personnel ceilings throughout the VA health-care system.

At the written requests of both the Committee Chairman, Senator Simpson, and the Ranking Minority Member, Senator Cranston, the VA provided written responses and background information to the Committee about the current RN shortages in the VA health-care system, and the need for expanded recruitment and retention incentives for RN's within the VA system.

A total of 938 VA health-care beds are closed as a direct result of the nursing shortage. The 938 figure includes 77 acute-care beds and 66 Intensive-Care-Unit (ICU) beds. The largest number of bed closings is in the Great Lakes Region, with 270 closed, followed by 162 in the Midwestern Region. A minimum of 430 RN's are needed to reopen all of the presently closed VA beds.

The VA reported to the Committee that 20 VA medical centers (VAMC's) report more than 20 RN vacancies, with 8 hospitals citing more than 35 RN vacancies. Of the 853 RN vacancies reported in the March 15, 1982, VA Recruitment Bulletin, 129 or 15.12 percent were for ICU nurses. The VA also provided, for the April 21, 1982, hearing record, the number of nurse vacancies and turnover rate at each VAMC. The VA was unable to provide, to the Committee, data on the average period of time required to fill a nurse vacancy at each VAMC.

The VA health-care system's RN-to-patient ratio has not improved since the enactment of Public Law 96-330. In December 1980, the VA RN-to-patient ratio was 1 RN to every 2.5 patients. The current VA ratio is 1 RN to every 2.7 patients, whereas nationwide data from the 1979 American Hospital Association Annual Survey revealed a ratio of 1 RN to every 1.6 patients in non-Federal hospitals.

Barbara Chambers, President of NOVA, provided her views on the VA nursing shortage, in written response to a question submitted by Senator Simpson during the April 21, 1981, hearing:

"I strongly believe that the Veterans' Administration is in a crisis stage in the recuitment and retention of nurses. The reason for this is that the private sector, because of the shortage, is quick to respond to the needs of individual nurses in providing additional benefits and salary ranges much more quickly than that of the VA, who must do things through the legislative and/or regulatory process."

John Sommer, of The American Legion, in his testimony before the Committee on April 21, 1982, discussed the VA's RN shortage, and the problems the VA has as it competes with the private sector for available, qualified nurses. Excerpts from John Sommers' testimony follow:

"The recruitment and retention of registered nurses in the VA has become increasingly difficult because levels of compensation have been inadequate in comparison with what is being offered in the private sector . . .

"We are aware that the VA recruitment and retention efforts for nursing personnel have been intensified, and The Ameican Legion is supportive of these positive undertakings. However, the fact remains that hospitals in the private sector enjoy a freedom from the limitations and restructions that constrain the Veterans' Administration's recruitment and retention activities, and therefore have a substantially greater capability in offering fringe benefits and other inducements to attract nurses.

"The enactment of legislation to authorize the Administrator to provide flexible work schedules for VA nurses would significantly increase the Department of Medicine and Surgery's ability to compete with the private sector in attracting and retaining nurses."

Though the numbers of LPN's and Nursing Assistants working in the VA have increased since the enactment of Public Law 96-330, the Committee has thus become very aware that further expansion of the law to provide additional flexibility to the VA Administrator to implement competitive RN recruitment and retention measures would be necessary. The Committee believes that the continuing increase in RN vacancies, since the enactment of Public Law 96-330 has demonstrated that further steps are needed to be taken, and prompted the development of the provisions in sections 2 and 3 of the Committee bill.

Expansion of VA Health Professional Scholarship Program

Section 2 of the Committee bill, which is derived for S. 2385 and section 3 of S. 2389, would amend the VA Health Professional Scholarship Program, to authorize VA employees to participate in the Scholarship Program on a part-time basis, and to provide that funds appropriated for the program in any given year would remain available until expended.

Section 4141, of title 38, United States Code, enacted as part of Public Law 96-330, authorized the VA Health Professional Scholarship Program, to help improve the VA's ability to adequately staff its health-care facilities with qualified personnel. The Scholarship Program had many provisions, which would:

First, authorize the VA to provide scholarships to students enrolled in physician or nursing training and to students enrolled in professional training in the other five health-care disciplines under the title 38 personnel system, as necessary to meet staffing needs in the Veterans' Administration, in exchange for the student's obligation to serve as a full-time employee in DM&S for a specified period of time.

Second, allow a program participant to defer serving his or her obligated service while receiving graduate medical education, with such deferral possibly conditioned on accruing additional obligated service.

Third, provide a scheme by which damages could be collected in the event a program participant breached his or her contract to serve in the VA.

Fourth, establish an amount for a monthly stipend that would be paid to program participants together with a basis to adjust such stipend as required to meet cost-of-living increases.

Fifth, specify that any program participant may not be obligated for service to the Federal Government under any other program.

Sixth, limit the amount of special pay a program graduate would be eligible to receive during the period of obligated employment.

Seventh, require the Administrator to report within 180 days of the date of enactment of the act on the status of steps taken to implement the scholarship program.

Eighth, require the Administrator to report annually on the scholarship program.

Though the Scholarship Program was authorized for use by the VA for both physicians and nurses, it has been implemented, thus far, only for nurses, to aid in the recruitment and retention of RN's in the VA health-care system.

Section 2 of the Committee bill, derived from S. 2385 as introduced and section 8 of S. 2389 would amend section 4142 of title 38, United States Code, to authorize VA employees to participate in the Scholarship Program on a part-time basis while continuing to work within the VA health-care system. It is the Committee's view that it would be appropriate for these participants to be, for the most part, VA employed RN's, who would continue to work in the VA while attending an advanced training program, on a part-time basis, to upgrade their educational qualifications. This provision is designed especially to retain current VA employed nurses who may not be able to afford to go to school on a full-time basis. Public Law 96-330 authorized scholarship awards

to participants who would attend school on a full-time basis only.

It is the Committee's intent the new Scholarship Program's part-time participants, who would receive VA assistance, complete their education in a timely manner. This intent is reflected by the provision, in the Committee bill, which would require that participants in the program attend school on at least a half-time basis. In addition the Committee bill would limit the length of time a participant may receive support to no more than 4 years, except in specific instances when the Administrator determines that it would be in the best interest of the United States to waive this limit, in which case a further extension of up to 2 years would be allowed. The Committee designed this provision for these students who may have more than 2 years of education to complete for a baccalaureate degree, such as LPN's, who cannot afford to stop working and attend school on a full-time basis. The Committee wishes to emphasize its strong support for the implementation by the VA, in order to enhance its nursing personnel situation, of a variety of approaches that could be tailored to meet the individual needs of VA nursing personnel who wish to further their education while remaining employed by the VA.

Tuition Reimbursement for Full-Time VA Employees

Section 2 of the Committee bill would also clarify that the Administrator has the flexibility to determine the Health Professional Scholarship stipend amount for individual participants. The Committee intends this provision to enable the VA to provide a form of "tuition reimbursement" for those VA employed nurses who would decide, for example, to attend school on a part-time basis, but who would choose to continue to work full time. The Committee bill would allow these nurses to have the advantage of receiving tuition assistance of the Health Professional Scholarship Program, but would allow these nurses to have the advantage of receiving tuition assistance of the Health Professional Scholarship Program, but would allow their stipends to be limited to no more than a nominal amount.

The Committee bill would provide that part-time Scholarship Program participants would have obligated service requirements to the VA, that would be adjusted according to the fraction of full-time study they pursue and the length of time that they are provided with scholarship support.

The Committee believes that the original service obligation requirement, provided for under the Health Professional Scholarship Program authorized by Public Law 96-330, is an essential element for the success of the Scholarship Program. Part-time participants would, under the provisions of the Committee bill, have a VA service obligation of 1 year for each year of full-time-equivalent study with scholarship support, except that in no case would the service obligation be less than 1 year.

For example, a VA employed nurse, who attended school on a half-time basis for 4 years, with VA scholarship support, in order to receive a baccalaureate degree, would be required upon graduation to fulfill a 2-year full-time-equivalent service obligation to the VA health-care system.

One purpose of this "pay back" is to integrate well-trained nurses into the VA health-care system. During the service obligation period, the Committee would expect that many would choose to remain in the VA, and therefore improve the retention of highly qualified nurses. Both the expansions of the Scholarship Program, to include VA employees on a part-time basis and to provide a form of tuition reimbursement, for full-time VA employees, should be strong retention measures for those nurses currently employed by the VA. It is the Committee's desire that this new authority would demonstrate the VA's recognition of, and gratitude for, their service in the VA health-care system.

It is also the Committee's intent that these provisions would make the VA health-care system a more competitive option for those nurses returning to the work force after a period of absence. Barbara Chambers, RN, President of NOVA, testified at the Committee hearing, April 21, 1982, about the increasing number of RN's who have returned to the work force because of recent declining economic conditions. Many of these nurses have family and financial responsibilities that would otherwise prohibit them from advancing their education on a full-time basis. These nurses often seek employment in the private sector, rather than the VA, because community hospitals, in many instances, already provide these part-time educational benefits.

In the Committee's view, expansion of the VA Scholarship Program would also make the VA especially attractive to "diploma" nurses, those without a baccalaureate degree, who would be eligible for this expanded training option.

Therefore, it is the Committee's expectation that this expansion of the Scholarship Program would fit the needs of those new RN's, as they choose the VA as a place to work, and would have the additional impact of improving the VA's overall retention rate of RN's, as those training under this authority would complete the required service obligation and then continue to work in the VA health-care system, better serving the many veterans in the VA hospitals who benefit from experienced, well-trained, dedicated nurses.

Expansion of Health Professional Scholarship Program To Provide That Funds Appropriated Be Available Until Expended

Section 2 of the Committee bill would also amend section 4146 of title 38, United States Code, so that funds appropriated in any given year for the Scholarship Program would remain available until expended. This provision would enable the VA to enter into multi-year scholarship commitments to Program participants and should make the Program more attractive to prospective applicants, who would be more assured that commitments made to them by the VA, for a given length of time, would be fulfilled accordingly. Therefore the program could be more useful for the VA's nursing recruitment and retention efforts.

Present section 4146 authorizes the Administrator to make payments for the Scholarship Program, to the extent that funds are available within any fiscal year, therefore, committing the VA to operate on a year-to-year appropriation basis.

The Health Professional Scholarship Program received a fiscal year 1982 appropriation of $4 million, but the Administration has not requested any fiscal year 1983 funding for this program. Section 2 of the Committee bill would thus authorize the VA to implement the Scholarship Program for school year 1982-83, and enter into multiyear commitments with those chosen participants.

Provisions To Enhance Recruitment and Retention of VA Nurses

Section 3 of the Committee bill, derived from section 7 of S. 2389, contains several provisions, that are designed to provide new discretionary authorities for the Administrator to enhance the VA's ability to recruit and retain sufficient nursing personnel.

These new authorities should prove to be especially beneficial in the recruitment and retention of nurses in those areas where community facilities currently provide appealing benefit packages designed to attract personnel for work on shifts and days that are particularly difficult to staff.

Section 3 of the committee bill contains three provisions that would extend the Administrator's authority to modify pay and working hours, as determined to be necessary, in certain geographic locations. The Committee intends that, under the provisions of section 3 of the Committee bill, the Administrator would be able, at the Administrator's discretion, to implement any or a combination of the recruitment methods described below, in those VA facilities with the greatest need, and to the degree necessary and for as long as needed, to compete with local private sector facilities in order to attain the recruiting goals of a particular VA Medical Center, and achieve desirable nursing staffing patterns. The Committee intends this increased flexibility to be a valuable management initiative to respond to nursing recruitment and retention problems in areas of need and in a manner that will be most cost-effective and efficient, and strongly urges the Administrator to make use of these added authorities whenever necessary, in the most appropriate combination.

The first provision relates to the rates of additional pay for nursing personnel who work outside of the regular workday or week. This provision would authorize the Administrator, when neccessary to obtain or retain the services of registered nurses in the Department of Medicine and Surgery, to pay the additional pay rate currently authorized for a tour of duty beginning or ending on a Sunday—a rate equal to 25 percent of the nurses' basic pay—for part or all of a tour of duty that begins or ends on a Saturday.

In addition, the Committee bill would provide the Administrator with greater flexibility in the use of the existing section 4107(e)(10) authority (provided in Public Law 96-330) to increase the rates of additional pay for night, weekend, holiday, and overtime work as necessary for the purposes of recruitment and retention. The Administrator would be authorized to provide increased additional pay on a national, local or other geographic basis, if the Administrator determines, based on a representative sampling of non-VA facilities in the area involved, that the use of the authority is needed. Under current law, the Administrator may use this authority only on a facility-by-facility basis and must, in each case, find that increased additional pay at the particular VA facility is necessary for it to be competitive with non-Federal facilities in the same geographic area—that finding to be based on a sampling of those non-Federal facilities.

This provision further enhances the Administrator's authority to (1) provide pay competitive with, but not exceeding the same type of pay received by the same category of health-care personnel at non-Federal health-care facilities in the same labor

market, (2) achieve adequate staffing at particular VA facilities, and/or (3) recruit personnel with specialized skills, especially those with skills which are especially difficult and demanding, such as individuals who provide specialized services to patients with spinal cord injuries. Utilizing the authority proposed in the Committee bill, the Administrator would be able to adjust the particular additional pay rating, thereby targeting the agency's effort on the area of need without making increases in geographic areas where there is not a similar need. The Committee, in including these provisions in the Committee bill, wishes to make clear that they are to be used at the discretion of the Administrator, and are not mandatory. The Committee expects that they will be implemented in various combinations, taking local needs into consideration.

In recent years, the number of beds in recovery rooms, intensive care units and other specialty units such as organ transplant and cardiac monitoring units have expanded dramatically compared with the number of beds in general medical/surgical units. The American Nurses' Association reports that in 1972, there were 28,964 beds in intensive care units; by 1981 there were 44,230 beds. It is the Committee's understanding that, in the private sector, it is the new graduates and young nurses who choose intensive care nursing, which in many cases offers innovative time schedules such as compressed workweeks.

The VA, utilizing the authority in section 4107(e)(5) of title 38, United States Code, currently permits compensatory time off for nurses in order to provide flexibility in establishing regular and irregular tours of duty. Although utilization of this authority has been helpful, it has created scheduling and timekeeping problems because of the limitations of the current law. The Committee believes that authority enabling VA to implement compressed workweeks for nurses in a manner similar to the compressed workweek regulations developed by the Office of Personnel Management (OPM) would alleviate many of these problems. The Committee considers compressed workweek authority under law to be essential to providing improved nurse coverage for patient care and to reduce the administrative complexities experienced in use of the compensatory time mechanism. In implementing compressed workweeks, the Committee intends for VA to followup to the extent applicable to the regulations developed by OPM in implementing compressed workweeks under Public Law 95-390.

In response to a written question submitted to the VA by Senator Simpson, concerning the cost of further utilizing the compressed workweek in the VA health-care system, the VA stated:

"Under compressed workweek, the cost involved and the impact on FTEE would be negligible since the employee works 80 hours, is paid for 80 hours, and no overtime is paid for the hours worked beyond 8 hours in any day . . .

"The VA does not foresee major problems in the administration of the compressed workweek."

Another component of the provisions in section 3 of the Committee bill, to increase the Administrator's flexibility to obtain or retain nurses in the Department of Medicine and Surgery, is the authority provided that would allow nurses at individual VA facilities to work two 12-hour tours of duty during the weekend and have such service be considered a full 40-hour workweek—thereby providing full-time employee fringe benefit status for such important purposes as health insurance and retirement eligibility. In many communities this kind of work schedule, the so-called "Baylor Plan", is available and has been highly attractive to nurses. Many private sector facilities which utilize the "Baylor Plan" are now able to guarantee every or every other weekend off to full-time nursing personnel, because the weekend shifts are fully staffed. Currently, many VA nurses work two, three, or four weekends per month, because of the difficulties the system has in staffing the adequate number of RN's necessary for weekend duty.

Although the VA witnesses indicated that the agency did not support this provision, the Committee strongly believes that the VA should have this authority available for use, if it becomes necessary, in order to remain competitive with the local labor market practices when essential for recruitment and retention purposes. The Committee also believes in the judicious application of this authority after review of community practices. The VA testifed that the authority to establish two regularly scheduled 12-hour tours of duty between midnight Friday and midnight Sunday which would equate to a full 40-hour administrative workweek would not be necessary in all facilities. Therefore, the broadest possible flexibility is intended.

The Committee is aware that the "Baylor Plan" is a relatively expensive nursing recruitment tool. The VA provided its own written cost estimates, at the request of Senator Simpson during the April 21, 1982 hearing, on the implementation of the "Baylor Plan" in VA health-care facilities.

"Under the "Baylor Plan," the employee works 24 hours but is paid for 40 hours. To introduce the "Baylor Plan" in a facility and maintain the same number of nursing care hours per patient day, there would need to be an 8-percent increase in nursing FTEE. In the 15 VA facilities competing with community facilities offering the "Baylor Plan," it is estimated that an additional 200 RN FTEE would be needed at an estimated cost of 4.4 million dollars."

Given the high cost of the use of the "Baylor Plan", the Committee recommends that the Administrator use his authority, provided by the Committee bill, only in the specific locations where the need is clear and where use of the compressed workweek would not be sufficient incentive for enough nurses to choose to work for the VA health-care system. Local community practices related to the "Baylor Plan" option vary extensively from actual pay for actual time worked to the pure "Baylor Plan" (40 hours pay and full-time benefits for two 12-hour tours worked on Saturday and Sunday). Therefore, in considering whether to implement this provision, the Committee intends that the VA would not exceed comparable plans in the community.

The Committee also recommends that, in those certain locations where the Administrator would determine that the "Baylor Plan" should be implemented, the nurses already employed by the VA should be given the first chance to decide whether or not to participate in the plan. The Committee believes that offering this choice to VA nurses would demonstrate the agency's appreciation of service in the VA health-care system, and become an added retention incentive.

Fee-Basis Outpatient Care to Female Veterans for Gender-Related Conditions

Clause (1) of section 4 of the Committee bill, which is derived from section 2 of S. 2389, would authorize the Administrator to provide certain outpatient care on a fee-for-service basis, including pre- or post-hospitalization care and care necessary to obviate the need for hospitalization, for the non-service-connected disability of a woman veteran when the VA is unable to provide appropriate care for her gender-related disability. This provision should insure that, in those cases in which a woman veteran is otherwise eligible for basic VA ambulatory care but cannot receive the care because the VA is unable to treat her gender-specific condition, the VA will be able to furnish care through a contract or fee arrangement with another provider.

The Committee intends that the medical care under this provision be authorized by the appropriate VA clinic of jurisdiction subject to the basic requirements for any fee-basis medical care, namely that VA and any other Government facilities lack the capability to provide such care or to provide it economically because of geographical inaccessibility.

The Committee recognizes that the VA is not currently equipped to provide certain gynecological and other specialized services that only women require. Though currently the demand for this type of health care in the VA is not significant, the Committee believes that those women veterans who require such services should be able to receive them. The Committee believes it is important that these few eligible female veterans receive the appropriate quality health care that they require for their gender-related ailments, just as male veterans can already receive necessary health care for all their ailments within the VA system. The estimated cost for this new fee-basis health care would be insignificant.

Amending VA's contract authority in no way enlarges VA's basic authority to provide health-care services in its facilities for the treatment of veterans' disabilities. This new authority is likely to facilitate provision of care to female veterans where VA medical facilities are geographically distant or when VA medical facilities do not have attendings or consultants with specialties in female medical problems. Larger VA medical facilities may find it necessary to reevaluate their medical clinics and expand or establish specific medical clinics for female veterans and their unique medical problems. Assuming the number of female veterans increases as anticipated, fee-basis expenditures for specialized (i.e., mammography) and gynecological services could increase dramatically in future years.

A March 1982, VA Statistical Brief, entitled "The Female Veteran Population: An Overview of Its Growth in the Last Decade", indicated that the growing number of female veterans need to be considered as the VA formulates future health-care policy. The report stated that, while the number of male veterans has declined recently, the female veteran population is growing rapidly. In the past 5 years the number of female veterans has increased by 26 percent. The report predicts that the female veteran population will maintain a course of steady growth.

The study points out that:

". . . as the estimated count of female veterans rises in the years to come, an increasingly vital aspect of the VA's mission will be

the special consideration given to the problems of this group of former military personnel with respect to the administration of various types of veteran programs, such as medical care, counselling, loan guaranty, and education."

The Committee bill does not amend the basic eligibility provisions for VA health care in sections 610 and 612 of title 38. In this regard, the Committee is aware of the pending litigation in the case of *Kirkhuff* v. *Nimmo* (originally *Kirkhuff* v. *Cleland*), decided by the United States District Court for the District of Columbia and now on appeal to the United States Court of Appeals for the District of Columbia Circuit. In that case, a female veteran is challenging a VA regulation (38 CFR 17.48(e)) barring VA hospital benefits for routine pregnancy and childbirth. The Committee, by including this provision in the Committee bill, does not intend to express any view on the validity of the regulation in question.

Extension of Authority to Provide Certain Contract Hospital Care and Medical Services in Puerto Rico, the Virgin Islands, and Other Territories and Possessions of the United States

Under section 601(4)(C)(v) of title 38, United States Code (as most recently amended by Public Law 97-72, the Veterans' Health Care, Training, and Small Business Loan Act of 1981) in conjunction with sections 610(a) and 612(b) of title 38, United States Code, the VA has the authority to provide, through contracts with private facilities, hospital care and such medical services as would obviate the need for hospital care for the treatment of non-service-connected conditions of veterans in any State, Territory, Commonwealth, or possession of the United States not contiguous to the 48 contiguous States. In Public Law 95-520, the Veterans' Administration Programs Extension Act of 1978, this authority was made permanent with respect to Alaska and Hawaii and, for other locations, to expire on December 31, 1981. In Public Law 97-72, this authority with respect to the Commonwealth of Puerto Rico, the Virgin Islands, and other Territories and possessions of the United States was extended by 9 months, from December 31, 1981, until September 30, 1982. Provision of care and services under this authority is conditioned on the requirement that the annually-determined patient load and the incidence of the provision of medical services for veterans hospitalized and treated by the VA in each such State, Territory, Commonwealth, or possession be consistent with the level of such care and services provided within the 48 contiguous States. However, with respect to contract hospital care and medical services which may be furnished in Puerto Rico and the Virgin Islands, the Administrator is authorized to waive this requirement until the current expiration date for the general authority.

At the time the Congress was considering the legislation that was ultimately enacted as Public Law 95-520, the General Accounting Office had recently completed a report on the VA's use of its then existing contract authority to provide non-service-connected care in Puerto Rico and the Virgin Islands. In this GAO report, which is discussed in more detail in the Committee's report accompanying H.R. 5029 (S. Rept. No. 95-825), the GAO concluded that "a comprehensive assessment is needed of the health-care needs of servants in Puerto Rico and the Virgin Islands." In response to this recommendation, the Congress directed the VA to conduct such a study and submit a report to the Congress and the President not later than February 1, 1980. Last Congress, in Public Law 96-330, the deadline for this report was extended until February 1, 1981, and, on March 10, 1981, the report was submitted to the Congress.

The VA report found generally that the male population of Puerto Rico and the Virgin Islands has a somewhat poorer state of health than the male population of the United States and that the availability of non-VA medical resources in both locations is very limited. In addition, the report noted that the percentage of service-connected disabled veterans is higher in the Puerto Rico and Virgin Islands veteran population that in the U.S. veteran population. Based on all of the findings of the study, the contractor who actually conducted the study for the VA concluded that there is a gap between the demand for health-care services from both Puerto Rico and Virgin Islands veterans and the available supply of such services and that this gap is widening at a rate of approximately 2 percent each year.

In order to address the problems raised in the report, the VA developed a series of options, including four options for inpatient hospital care, six options for outpatient care and five options for nursing home care. The inpatient care options ranged from expanding the San Juan VA Medical Center to 1,037 beds (in order to end contract psychiatric care) to reducing the VAMC to 492 beds from the current level of 692 beds. Outpatient care options ranged from increasing the number of visits to 401,300 to decreasing the number of visits to 112,957. The nursing home patient care options ranged from the VA constructing all 144 beds deemed necessary to the VA constructing various numbers of beds and contracting for the remainder.

So that the Committee and the Congress could have sufficient time to weigh these various options and select the most appropriate course for meeting the health-care needs of veterans in these locations, the contract non-service-connected care authority was extended by Public Law 97-72, for 9 months, until September 30, 1982. Because of the complex nature of the potential impact of the various options, section 4 of the Committee bill, which is derived from S. 2384 and section 2 of S. 2398, would further extend the expiration of this authority for an additional year, until September 30, 1983.

EXTENSION OF CHAMPVA ELIGIBILITY

Section 5 of the Committee bill would amend section 613 of title 38, United States Code, to provide for the restoration, under certain circumstances, of health-care eligibility through the VA's CHAMPVA program to those who are served by that program—the spouse or dependent child of a veteran who has a permanent and total service-connected disability; the surviving spouse or child of a veteran who died as the result of a service-connected disability, or who, at the time of death, had a permanent and total service-connected disability; or the surviving spouse or child of a person who died in the line of duty while serving on active duty. Thus, in the case of a CHAMPVA beneficiary who loses CHAMPVA eligibility by virtue of becoming eligible for hospital insurance benefits under Part A of title XVIII of the Social Security Act (Medicare) and then exhausts any particular category or all of his or her Medicare coverage, he or she would at that point become eligible again for medical care under CHAMPVA.

Section 103(b) of Public Law 93-82, the Veterans Health Care Expansion Act of 1973 (which added present section 613 to title 38), authorized the VA to provide the dependents and survivors of certain service-connected disabled veterans (described in the preceding paragraph) with generally the same health-care benefits—essentially reimbursement for care furnished by private providers—as certain dependents and survivors of active duty and retired military personnel have under the Department of Defense Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) program established under chapter 55 of title 10, United States Code. This authority is carried out through the Civilian Health and Medical Program of the Veterans' Administration (CHAMPVA), which provides the same health-care benefits as CHAMPUS, and, pursuant to an agreement between the Veterans' Administration and the Department of Defense, CHAMPVA claims processing is carried out under the jurisdiction of the Office of CHAMPUS within the Department of Defense.

Under current law (the second sentence of section 1086(e) of title 10), CHAMPUS beneficiaries lose their CHAMPUS eligibility—and, by extension, CHAMPVA beneficiaries lose their eligibility under CHAMPVA—when they become eligible for Medicare benefits. In recent years, the Committee has become aware of cases in which CHAMPVA beneficiaries, after becoming eligible for Medicare benefits have exhausted their Medicare benefits—either their benefits for a particular year or their lifetime benefits—leaving them with no Federal coverage at all or no coverage for certain types of health care. It is the Committee's strongly held view that the individuals involved—the dependents and survivors of service-connected severely disabled veterans—are particularly deserving of assured Federal health-care assistance and should not be subjected to the interruption or termination of such assistance that can occur when they obtain Medicare eligibility. Thus, the provision in the Committee bill would restore their CHAMPVA eligibility whenever they exhaust a Medicare benefit.

In the course of developing this provision, the Committee recognized that eligibility for some Medicare benefits can be restored following the elapse of a specified period of time (for example, inpatient hospital care eligibility is limited to 90 days in a benefit period—"spell of illness"—but is restored after a beneficiary has been out of a hospital for a period of 90 days). Thus, providing a basis for restoration of CHAMPVA benefits as proposed in the Committee bill could lead to a situation in which an individual would have both Medicare and CHAMPVA benefits available for a single episode of care. This could lead to a health-care provider receiving double payment.

Although the provision in the Committee bill would amend title 38 to establish a basis for an individual to regain CHAMPVA eligibility, this provision alone would not prevent the problem of double payment from arising. Thus, the Chairman and Ranking Minority Member of the Committee, in a May 26, 1982, letter (reprinted below) to the Chairman and Ranking Minority Member of the Senate Finance Committee, advised them of this provision in the Committee bill and, to the extent they believed that the potential double payment problem was significant, solicited their suggestions or advice for

Veterans' Affairs Committee action as well as consideration of the need for Finance Committee action. Should any further action on this issue be indicated, the Chairman and Ranking Minority Member of this Committee are prepared to take such steps as might be appropriate.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., May 27, 1982.

Hon. BOB DOLE,
Chairman,
Hon. RUSSELL B. LONG,
Ranking Minority Member, Committee on Finance, U.S. Senate, Washington, D.C.

DEAR BOB AND RUSSELL: The Veterans' Affairs Committee on April 28, 1982, ordered reported S. 2385, the proposed "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982". Included as section 5 of this bill is a provision that would modify eligibility for the VA's CHAMPVA program, a program providing eligibility for health care for spouses, dependents, and survivors of certain service-connected most seriously disabled veterans which is very similar to DoD's CHAMPUS program. Under section 5, when a CHAMPVA-eligible individual loses coverage under that program by virtue of the application of 10 U.S.C. 1086 (through 38 U.S.C. 613(b)), which removes CHAMPVA eligibility when that individual becomes eligible for Medicare, that individual would regain CHAMPVA eligibility permanently after exhausting any part of Medicare benefits. The Committee has adopted this provision because of a belief that those eligible for CHAMPVA benefits constitute a population particularly deserving of Federal protection and should not be left without any health-care coverage. A copy of the provision and a brief explanation of it are enclosed.

In the course of developing this legislation, it became apparent to the Committee that, by allowing an individual to regain CHAMPVA eligibility while allowing that individual to continue to be eligible for Medicare benefits might make it possible for a health-care provider to receive dual payments—being paid both by CHAMPVA and Medicare—for a single episode of care. Our staffs have discussed this concern with Finance Committee majority and minority staff members. To the extent that you believe that enactment of this provision might create this or other problems, we would appreciate any suggestions or advice that you might have for our action, either through legislation or in our oversight capacity, to avoid such problems, as well as your consideration of the need for any action in your Committee as to the Medicare program.

We look forward to your views on this issue and to working with you should you believe any action is appropriate.

Sincerely,

ALAN K. SIMPSON,
Chairman.
ALAN CRANSTON,
Ranking Minority Member.

EXTENSION OF ALCOHOL OR DRUG PILOT PROGRAM REPORTING DATE

Treatment and Rehabilitation Programs

Section 104 of Public Law 94-22, the Veterans' Health Care Amendments of 1979, authorized the Administrator to conduct a 5-year pilot program under which the VA could contract for care, treatment, and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities for eligible veterans who are suffering from alcohol or drug dependence or abuse disabilities. The program was designed so as to demonstrate any medical advantages and cost-effectiveness of care in such contract facilities as compared to facilities over which the VA has direct jurisdiction.

The Committee recognized the value of offering different modes of treatment so that treatment may be tailored to an individual's special needs and circumstances so as to enhance his or her chances of recovery. Although inpatient treatment such as that routinely provided by the VA is essential in certain cases, there are many cases in which alternative types of care, such as halfway-house care, would be more effective, less restrictive, and far less costly.

Thus, the Committee urged the VA in Report No. 96-100, to accompany S. 7, the Veterans' Health Care Amendments of 1979, to contract with a broad range of facilities to demonstrate the comparative effectiveness of treatment and rehabilitation in different community-based settings. In addition to halfway houses, therapeutic communities, and psychiatric residential treatment centers, which are specifically mentioned as eligible contract facilities in section 104 of Public Law 96-22, the VA was authorized to contract with a variety of other community-based facilities which are capable of providing care and treatment and rehabilitation services to veterans with alcohol or drug dependence or abuse disabilities in the geographic vicinity of the veteran's usual residence. These included, for example, residential facilities such as alcoholism hospitals and alcoholism facilities operated by general hospitals. The VA was not, however, authorized by Public Law 96-22 to contract for care in a hospital or other facility that is remote from the veteran's community.

Eligible contract facilities also included nonresidential treatment facilities, including health maintenance organizations, offering outpatient care or day-care programs. The inclusion of nonresidential treatment settings in this pilot program was especially important in light of the facts that most of the treatment for alcohol and drug abuse in the United States is provided in nonresidential settings and that treatment in such settings is much less costly than that offered in residence. In addition, nonresidential treatment enables an individual to receive treatment while seeking or maintaining employment and striving to be an active member of the community in which he or she resides or works. As was discussed in the Committee's 1979 report employment is an absolutely critical problem for addicted veterans.

Substantial discussion concerning the legislative history and Committee's views of these treatment and rehabilitation programs can be found on pages 34-39 of Senate Report No. 96-100 to accompany S. 7, the Veterans' Health Care Amendments of 1979.

REPORTING REQUIREMENT

To help assure that Congress would have adequate information to assess the value of the pilot program authorized by Public Law 96-22 for purposes of considering an extension of the program, section 104 required the Administrator to report to Congress, not later than March 31, 1983, on the findings and recommendations pertaining to the first 3 years of operation of the program. The Committee intended that the report would include a thorough assessment of the medical advantages, success rates, and cost-effectiveness of each of the various treatment settings employed in this program and comparisons with alcohol and drug programs directly operate by the VA.

Section 6 of the Committee bill, which is derived from section 2 of S. 2383 and section 5 of S. 2389, would extend by 1 year the program's period of operation to be taken into consideration when the VA prepares the report on the drug and alcohol dependence contract program, by extending the report deadline for 1 year, until March 31, 1984.

In the Veterans' Administration's March 17, 1982, transmittal letter to the Senate, the Administrator submitted draft legislation that would extend the VA's March 31, 1983, report deadline for 1 year, until March 31, 1984. The Administrator justified the 1 year extension in the transmittal letter to the Committee:

"The Administrator is required to report to the Veterans' Affairs Committees of the Senate and House of Representatives by March 31, 1983, on the findings and recommendations regarding the operation of the pilot program through September 30, 1982. This report will only analyze the first two fiscal years of the five fiscal years authorized for the pilot program. Thus, the reporting date of March 31, 1983, will prevent consideration in the report of operational data from the remainder of the pilot period. In addition, the first fiscal year of the pilot program to be reported on will not involve contracts with the full range of facilities permitted by section 104. In fiscal year 1981, the VA contracted only with community-operated halfway houses which provide residential care for several months. During fiscal year 1982, however, the VA plans to contract with a wider range of facilities including therapeutic communities and outpatient group and individual counseling facilities. By permitting the VA to analyze information gathered during three fiscal years instead of two in its report to the congressional committees, the report's findings and recommendations would be based on longer and more complete experience. Enactment of this provision would not involve any additional cost to the VA because it does not extend the operating or reporting period beyond the originally authorized life of the pilot program."

The Committee agrees with the VA's proposal, and believes that an inclusion of full 3 years of program results in the report is necessary for a more comprehensive review of the pilot program. Therefore, the extension provision is included in the Committee bill.

TECHNICAL AMENDMENT TO STATE VETERANS' HOME PER DIEM PAYMENT AUTHORITY

The Veterans' Administration's March 17, 1982, transmittal letter to the Senate also included a legislative proposal to:

". . . amend section 643 of title 38, United States Code, to clarify the VA's authority to pay per diem rates to a State for all veterans receiving care in a State home and not just for veterans "of any war." Section 641 of title 38, United States Code, authorizes the Administrator to reimburse a State at per diem rates for veterans receiving care at a State home if the veterans are eligible for care in a VA facility. Section 643 of that title creates ambiguity, however, in that it retains a reference to a prior limitation on eligibility, the requirement of wartime service. This requirement was eliminated from section 641 by Public Law 94-417 enacted on September 21, 1976. The reference to war-

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time service in section 643 was overlooked at that time. This amendment would remedy that technical error. No additional cost would arise from enacting this amendment."

The Committee agrees with the Administrator's draft legislative proposal and the technical amendment, which is derived from section 3 of S. 2383 and section 6 of S. 2389, is included as section 7 of the Committee bill.

STATE VETERANS' HOMES PROGRAMS

Included in title 38, United States Code, are two programs of assistance to State veterans' home extended-care facilities providing care to veterans who are eligible for VA care—a program of per diem payments for care provided to veterans in such facilities and a program of matching grants for the construction, remodeling or renovation of State veterans' homes. The Committee bill, in section 8, would extend the program of matching grants to the States for construction, remodeling, or renovaton of State veterans' home hospital, nursing home, and domiciliary care facilities through fiscal year 1986.

Grants for the Construction of State Homes

The program of assistance to States for the construction, remodeling, and renovation of State home facilities began on August 19, 1964, with the enactment of Public Law 88-450, which authorized appropriations of $5 million for the making of State home grants by the Veterans' Administration to pay 50 percent of the costs of constructing new nursing-care facilities, expanding or remodeling buildings for use as nursing-care facilities, and initially equipping such facilities. Public Law 91-178, enacted on December 30, 1969, established a separate grant-assistance program providing 50-percent Federal funding for the remodeling of existing State home hospital and domiciliary care facilities and authorized an annual appropriation of $5 million for such grants. Subsequently, the enactment of Public Law 93-82 on August 2, 1973, raised the maximum amount of the VA participation in the construction of individual projects in both the nursing home and the domiciliary and hospital facility programs from 50 percent to 65 percent.

The last substantive amendments to the State home construction authorities were made by Public Law 95-62, enacted on July 5, 1977, which consolidated the two programs into a single grant authority under subchapter III of chapter 81 of title 38 (including authority with respect to construction of State nursing-home-care facilities), increased the annual authorization of appropriations for the consolidated program to $15 million, and increased the aggregate amount of the sums appropriated under the program that any one State could receive in any given fiscal year from 20 percent to one-third. Using this grant authority, the VA, from fiscal year 1966 through fiscal year 1981, has obligated funds in excess of $108 million to 32 States for State home construction grants.

The provision in the Committee bill to extend this authority is based on S. 2383, introduced by Senator Simpson on April 15, 1982, at the request of the Administrator, and section 9 of S. 2389. The Administrator's March 17, 1982, letter of transmittal accompanying the draft bill, which would amend section 5033(a) of title 38, United States Code, requested that the authorization of appropriations for grants to States for the construction, remodeling, or renovation of State home facilities be extended for 4 more fiscal years through fiscal year 1986, at "such sums as may be necessary" annually to carry out the program. The VA provided the following justification for extension of the program:

"The State home program has long been recognized as a high quality cost-efficient alternative to the provision of extended care in VA facilities. Current VA plans anticipate continued growth in the State home program to help meet the future demand for extended health care by the aging veteran population. It is clear that much needs to be done to prepare for the increasing number of elderly veterans who will require extended care prior to the end of this decade. About a threefold increase in the number of such veterans is foreseen over the next fifteen years. The Administrator is requesting $18 million for the State home program for Fiscal Year 1983."

The Committee shares the view of the VA that much needs to be done to prepare for the rapidly growing numbers of elderly veterans and believes that the State home program represents a proven and cost-effective means of providing care, especially nursing home and domiciliary care, to substantial numbers of elderly veterans and, in some cases, family members of veterans.

EXCHANGE OF MEDICAL INFORMATION PROGRAM

Section 9 of the Committee bill, derived from section 10 of S. 2389 as introduced, would amend section 5054(b) of title 38, United States Code, relating to the permanent program for the exchange of medical information between VA health-care facilities and other health-care facilities in surrounding communities, to expressly include State veterans' home facilities in the phrase "medical community."

The Committee believes that amending section 5054(b), rather than section 5054(a)—as was proposed by the Administrator in draft legislation transmitted to the Senate by a March 17, 1982, letter—would provide that any such exchange of medical information arrangement between the VA and a State veterans' home would include a provision for reimbursement, and it is the Committee's belief that the VA should—to the extent appropriate under section 5054(b)—charge State participating in such exchanges of information since the States would benefit greatly from this availability of added resources through a Federal agency. Any proceeds to the Federal Government resulting from such arrangements should be credited to the applicable Veterans' Administration medical appropriation account.

With further reference to the VA's Exchange of Medical Information efforts, the Committee notes that the agency's authority, in section 5055 of title 38, to make grants to medical schools for the purpose of establishing pilot exchange of information programs expires at the end of the current fiscal year and that the Administration is not proposing any extension of this authority.

The VA, in its testimony before the Committee in the hearing on April 21, 1982, commented on this expiration:

"At the end of this fiscal year, the authorization for appropriations for exchange-of-medical-information grants expires. This authorization to fund pilot programs to facilitate the exchange of medical information between VA facilities and other medical institutions originated with Public Law 89-785, enacted in 1966. The exchange of medical information authority, of which grants are just a part, was intended to help create an environment of academic medicine in VA hospitals, especially those in remote areas. The grants were to be used for such purposes as the employment of personnel, the construction of facilities, and the purchase of equipment to develop and carry out medical information programs.

"In the past 15 years, 64 pilot projects, including 17 grants, have been funded. As projects have become operational, continuing support has been provided by other funding sources.

"The exchange of medical information program has been successful in the past in helping to create academic links between relatively-remote VA hospitals and major medical centers. Now—15 years after its start—the pilot grant program has essentially accomplished its purpose.

"Expiration of this grant authority does not deprive the VA of the authority (under section 5054) to enter into agreements to share medical information. Under section 5054, we have broad authority, separate and apart from the grant authorization, by which VA medical centers could initiate agreements locally to share specialized medical resources. There would appear to be an incentive to engage in such sharing because reimbursements are credited to the medical appropriation. Our challenge is to apply that authority and develop agreements for exchange of medical information services with the surrounding medical community where beneficial."

The Committee accepts this analysis and does not therefore recommend any extension of this authority.

PUBLISHING REGULATIONS FOR REVIEW AND COMMENT

Section 10 of the Committee bill, derived from section 11 of S. 2389, would require the Administrator, within 90 days after the date of enactment of the Committee bill, to publish in the Federal Register, for a 60-day public review and comment period, proposed regulations for the implementation of the authority provided in section 4107(e)(10) of title 38, United States Code, to increase amounts and, as proposed in section 3 of the Committee bill, to extend periods of additional pay, and, in section 4107(g), to increase rates of basic pay.

Under this section of the Committee bill, the Administrator would be required to publish final regulations, pursuant to which such authorities will be implemented, within 210 days from the date of the enactment of the Committee bill.

It is the Committee's intent, with these provisions, to ensure that the Administrator utilize fully as soon as possible the authority, originally provided in Public Law 96-330 which was enacted in August 1980, and now as proposed to be enhanced in section 3 of the Committee bill, to aid in the recruitment and retention of VA health-care personnel.

EFFECTIVE DATE

Section 11 of the Committee bill would provide that the amendments made by the bill would take effect on the date of enactment, with the exception of the amendment to the CHAMPVA authority proposed to be made by section 5, which would take effect on October 1, 1982.

COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office, estimates that the costs resulting

from the enactment of the Committee bill during the first 5 years following enactment would be $11.3 million in fiscal year 1983; $13 million in fiscal year 1984; $17.9 million in fiscal year 1985; $22.8 million in fiscal year 1986; and $24.1 million in fiscal year 1987. A detailed breakdown of the costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 2385.

2. Bill title: Veterans Administration Health-Care Programs Improvement and Extension Act of 1982.

3. Bill status: As ordered reported by the Senate Committee on Veterans' Affairs, April 28, 1982.

4. Bill purpose: To enhance the recruitment and retention of nurses and other health-care personnel in the Veterans Administration (VA), to improve the VA health professional scholarship program, to extend the authorization of certain VA health-care programs, and for other purposes.

5. Cost estimate:

[By fiscal year, in millions of dollars]

	1983	1984	1985	1986	1987
Estimated authorization level	31.3	20.9	23.3	25.3	4.2
Estimated outlays	11.8	13.0	17.9	22.8	24.1

The cost of this bill would fall in budget function 700.

6. Basis for estimate: The following section-by-section analysis addresses only those sections that could be expected to have a budgetary impact. Unless stated otherwise, all sections are assumed to take effect on July 1, 1982.

Section 2: This section would modify the requirements of the VA health professional scholarship program to permit scholarships to be awarded for part-time study. Part-time scholarships could only be awarded, however, to individuals who, at the time of application, are employed at a VA medical facility.

According to sources in VA, this amendment would not affect total spending for the scholarship program. VA would instead reallocate to part-time students a certain portion of the scholarship awards currently planned. This section is, therefore, not expected to have a significant budgetary impact.

Section 3. This section would authorize the use by VA of several different plans to provide increased pay and/or more convenient working schedules for nurses in VA medical facilities. Each plan could be utilized on a nationwide, local, or other geographic basis, as determined necessary by the Administrator for the recruitment and retention of nurses. The three plans are:

1. The extension of 25 percent premium pay (authorized under current law only for Sunday shifts) to include Saturday tours of duty.

2. The authorization of flexible and compressed work schedules, as prescribed in regulations pursuant to section 305 of the Federal Employees Flexible and Compressed Work Schedules Act of 1978 (Public Law 95-390). The use of flexible and compressed work schedules would be authorized for any category of health-care personnel when needed for recruitment or retention.

3. The authorization of a plan under which nurses who work two twelve-hour shifts on a weekend would be compensated as if they had worked a full forty-hour work week (Baylor Plan).

In addition, Section 3 would grant the Administrator the flexibility to approve on a geographic basis increases in the rates of additional pay for night, Sunday, holiday and overtime work. Currently, such increases must be approved facility by facility.

[By fiscal year, in millions of dollars]

	1982	1983	1984	1985	1986	1987
Plan 1:						
Estimated authorization level	(1)	1.2	1.3	1.3	1.3	1.3
Estimated outlays	(1)	1.2	1.3	1.3	1.3	1.3
Plan 2:						
Estimated authorization level	−1.0	−2.8	−2.7	−2.6	−2.5	−2.5
Estimated outlays	−1.0	−2.8	−2.7	−2.6	−2.5	−2.5
Plan 3:						
Estimated authorization level	0.0	0.0	1.3	2.6	3.9	4.0
Estimated outlays	0.0	0.0	1.3	2.6	3.9	4.0
Geographic approvals:						
Estimated authorization level	1.0	2.0	1.5	1.0	(1)	(1)
Estimated outlays	1.0	2.0	1.5	1.0	(1)	(1)
Section 3 total:						
Estimated authorization level	(1)	(1)	1.4	2.3	2.7	2.8
Estimated outlays	(1)	(1)	1.4	2.3	2.7	2.8

[1] Less than $500,000.

Based on VA information, the above estimate assumes that VA would utilize a mixture of the authorized plans. VA sources indicate that the agency would utilize compressed work schedules (Plan 2) to a far greater extent than the other options. During the experiment with compressed work schedules authorized by P.L. 95-390, VA found the program to be a highly attractive incentive in the recruitment and retention of nurses. In addition, rather than increasing salary costs, the experimental program resulted in a savings, due to a decrease in overtime costs. It was assumed for this estimate that approximately 60 percent of the nursing staff would be included in this plan initially, dropping to 50 percent in the outyears as some facilities begin to implement Plan 3.

VA has identified 15 of their facilities that are located in communities where plan 3, the Baylor Plan, is usually offered to nurses in nonfederal hospitals. Sources within VA have indicated that the agency would probably utilize plan 1, Saturday premium pay, in these facilities at the outset and only resort to the Baylor Plan if plan 1 failed to resolve their recruitment and retention difficulties. The estimate above assumes that the Baylor Plan would be offered in no facilities in fiscal year 1983, and in 5, 10, 15 and 15 facilities, respectively, in fiscal years 1984, 1985, 1986 and 1987. When fully operational in all 15 facilities, the Baylor Plan is estimated to require additions to the nursing staff of 264 FTEE (full-time equivalent employees).

Saturday premium pay (Plan 1) was assumed to be implemented initially only in the 15 facilities currently competing in Baylor Plan communities. As these facilities begin operating under the Baylor Plan, it was assumed that the use of Saturday premium pay would be switched to other facilities. (It was assumed that Saturday premium pay would not be used in facilities offering the Baylor Plan).

The Administrator of VA has authority under current law to increase any of the additional pay rates (provided for night, Sunday, holiday, and overtime work) on a facility-by-facility basis, as necessary for the recruitment and retention of nurses. While the authorization of approvals for all facilities in a particular geographic or regional area would undoubtedly speed up the approval process, it was assumed that no facilities would be approved for increases as a result of this amendment that would not have been approved eventually under current law.

The following methodological assumptions were made in connection with the estimates of the provisions of section 3:

The total registered nursing staff was assumed to be 22,000 in all years.

Weekend hours were assumed to be staffed at 63 percent of the weekday level.

Night shifts were assumed to be staffed at 80 percent of the relevant daytime level.

Based on VA data, the average salary level for a VA nurse was assumed to be $22,073 per annum. Since the salaries of Va medical personnel are established in title 38, U.S.C., nurses salaries were not inflated for federal cost-of-living pay raises but were increased by 1.5 percent a year for merit pay increases.

Overtime was assumed to be paid for 10 percent of weekend hours and 3 percent of Monday-Friday hours.

Section 4(1). This section would authorize the Administrator to provide outpatient care under contract from private facilities to women veterans with medical conditions related to their gender that cannot be appropriately treated in VA facilities.

Since only 1.6 percent of the veteran patients discharged from VA facilities during fiscal year 1980 were women, it is unlikely that this provision would result in a significant cost.

Section 4(2). This section would also extend for one year the authority of the VA to provide health care by contract in the Commonwealth of Puerto Rico and the Virgin Islands.

[By fiscal year, in millions of dollars]

	1983	1984	1985	1986	1987
Estimated authorization level	13.2	0.0	0.0	0.0	0.0
Estimated outlays	10.6	2.6	0.0	0.0	0.0

The above figures represent the cost estimated by VA of providing health care in Puerto Rico and the Virgin Islands. These funds are included in VA's 1983 appropriation request.

Section 5. This provision would reestablish eligibility to the Civilian Health and Medical Program of the Veterans Administration (CHAMPVA) for individuals who lose their eligibility by virtue of becoming entitled to Medicare, but who subsequently exhaust their Medicare benefits. This provision would take effect on October 1, 1982

[By fiscal year, in millions of dollars]

	1983	1984	1985	1986	1987
Estimated authorization level	1.0	1.1	1.2	1.3	1.4
Estimated outlays	1.0	1.1	1.2	1.3	1.4

The VA maintains that, because this program is administered by the Civilian Health and Medical Program of the United States (CHAMPUS), They do not have sufficient information on CHAMPVA beneficiaries to estimate the cost of this proposal. The Office of CHAMPUS, however, has prepared a cost estimate of a related measure, S. 1665, which would make CHAMPUS and CHAMPVA secondary payers to Medicare when their beneficiaries become entitled to that program. S. 1665, which was estimated

to involve an additional cost to CHAMPVA of $3.6 million, would be considerably more costly than the section 5 provision. As a secondary payer, CHAMPVA would be required to pick up all the deductible and co-insurance payments charged to Medicare beneficiaries before their benefits are exhausted, as well as the cost of their care afterwards. Since few Medicare beneficiaries actually exhaust their benefits, it is expected that the additional cost to CHAMPVA of section 5 would be no more than $1 million in fiscal year 1983. This cost was inflated in the outyears by the CBO projection of the increases in the costs of medical services.

Section 8. This section extends through fiscal year 1986 the authorization of the appropriation of such sums as may be necessary for grants to states for the construction of state extended care facilities, where such facilities are needed to provide adequate nursing home care to veterans residing in the state.

[By fiscal year, in millions of dollars]

	1983	1984	1985	1986	1987
Estimated authorization level	17.1	18.4	19.8	21.3	0.0
Estimated outlays	0.2	7.9	14.4	18.8	19.9

The anticipated appropriation levels for fiscal years 1983–1986 were estimated by inflating the amount appropriated for fiscal year 1982 by CBO's medical care facility construction cost index. Appropriated amounts were assumed to outlay according to historical spending patterns.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: K. W. Shepherd (226–2820).

10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis Division.

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the Committee bill. The results of that evaluation are described below.

A. *Estimate of the number of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses:* The Committee bill consists of nine substantive provisions, one of which (section 7) is a technical amendment and thus has no regulatory impact.

Of the other eight substantive provisions in the Committee bill, three (clause 2 of section 4 and sections 6 and 8) would amend current law to extend existing programs or authorities. None of these provisions would result in any significant regulatory authority beyond the modifications, where appropriate, of existing regulations to reflect the extensions.

Two other provisions (clause (1) of section 4 and section 5) would modify existing eligibility requirements for various VA health-care authorities and would require no regulatory activity beyond modifications to existing regulations, where appropriate, to reflect the changes.

One provision (section 9) would amend current law to specify that State veterans' homes may participate in exchange of medical information programs and should require no regulatory activity except as necessary to reflect this addition.

Finally, three provisions (sections 2, 3, and 10) relate to various efforts to enable the VA to improve its recruitment and retention of health-care personnel, especially registered nurses, and although the agency will issue regulations to implement the various authorities, no individuals or businesses will be regulated as a result of such actions.

B. *Determination of the economic impact of such regulations on individuals, consumers, and the businesses affected:* Since, as previously indicated, there would be no such regulation, there would be no such impact.

C. *Determination of the impact on the personal privacy of the individual affected:* The enactment of the Committee bill would not significantly increase the impact on the personal privacy of participants in any of the programs involved.

D. *Determination of the amount of additional paperwork that will result from regulations to be promulgated under the bill:* There is no significant increase in paperwork likely to result from regulations to be promulgated under the Committee bill.

SECTION-BY-SECTION ANALYSIS OF S. 2385 AS REPORTED

Section 1—Short title

Subsection (a) of section 1 would provide that the Committee bill may be cited as the "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982".

Subsection (b) of section 1 would provide that, whenever in the Committee bill an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code, relating to veterans' benefits.

Section 2—Health professional scholarship program

Subsection (a) of section 2 would amend present section 4142 of title 38 relating to eligibility criteria for participation in the Veterans' Administration's Health Professional Scholarship Program and the terms of the contracts under which scholarship assistance is provided, to authorize the Administrator to provide scholarship assistance to VA employees attending school on a part-time basis and to clarify that the amount of the stipend to be paid to a participant under the program may be modified so that the Administrator can limit to tuition reimbursement and a nominal stipend its payments to a VA employee participating in the scholarship program as a part-time student. Thus, the Committee bill would provide a basis for current VA health-care personnel, such as registered nurses and licensed vocational nurses, to be afforded the opportunity to receive financial assistance for further educational pursuits on less than a full-time basis while remaining employed in the VA on a full- or part-time basis.

Clause (1) of subsection (a) of section 2 would amend subsection (a)(1) of present section 4142, relating to criteria for eligibility to participate in the Scholarship Program—which currently limits participation to individuals pursuing their education on a full-time basis—to permit a VA employee permanently assigned to a VA health-care facility to receive scholarship assistance for part-time, but not-less-than-half-time, study.

Clause (2) of subsection (a) of section 2 would amend subsection (f)(3) of present section 4142, relating to periodic cost-of-living-type adjustments in the amount of the monthly stipend payable to participants in the Scholarship Program as specified in subsection (f)(1)(B) (up to $555 per month at present), to insert the adjective "maximum" before the phrase "amount of monthly stipend" so as to clarify that the Administrator may pay monthly stipends in amounts up to the specified amount specified in subsection (f)(1)(B) or some lesser amount. As a result, for example, the Administrator, in the case of a VA employee participating in the program on a part-time-study basis, could—based on the employee's salary or other factors, such as the possible desirability of making limited scholarship funds available to as many individuals as possible—pay a stipend below the maximum amount. Thus, if the Administrator were to decide on a nominal stipend for a VA employee, the scholarship would be, in effect, a tuition-reimbursement plan—a form of assistance that could enable the VA to be more competitive with non-VA health-care facilities that offer programs of tuition reimbursement to their employees. Presently, such tuition reimbursement is generally not available under the general authority in chapter 41 of title 5, United States Code, pursuant to which Federal employees receive training support unless it is determined under the regulations implementing that authority that the training would result in the professional development of the employee, a result not generally reached in the case of a registered nurse pursuing a baccalaureate degree in nursing.

Clause (3) of subsection (a) of section 2 would redesignate subsections (g), (h), and (i) of present section 4142 as subsections (h), (i), and (j), respectively.

Clause (4) of subsection (a) of section 2 would further amend present section 4142 by adding a new subsection (g), as follows:

New subsection (g): Would modify various Scholarship Program elements in the case of a part-time-student participant.

Paragraph (1) of new subsection (g): Would—in the case of a part-time-student participant and subject to provisions in paragraph (2) of the new subsection—provide that (A) the period of time for which a scholarship may be awarded under section 4142(e)(1)(A)(i) (a period of from 1 to 4 years in the case of a full-time-student participant) shall be increased, (B) the period of obligated service under section 4142(e)(1)(B)(iv) (one calendar year for each school year for which as participant received a scholarship or 2 years, whichever is greater, in the case of a full-time-student participant) shall be reduced, and (C) the maximum amount of the monthly stipend payable under section 4142(f)(1)(B) ($555 at present (subject to annual adjustments) in the case of a full-time-student participant) shall be reduced. Such increase and reductions would be computed in accordance with the proportion that the number of credit hours carried by the part-time-student participant in the course of training.

Subject (A) of paragraph (2) of new subsection (g): Would generally limit the maximum period of time for which a scholarship could be awarded to a part-time-student participant to 4 school years except that the Administrator could extend the period by 2 years when such an extension would be in the best interests of the United States—subject to the part-time-student participant maintaining an acceptable level of academic standing. Thus, in those instances in which a VA employee participating in the Scholar-

ship Program on a part-time study basis needs more than 4 years of part-time (limited to half-time or more under the amendment proposed to be made by subsection (a)(1) of this section of the bill) study in order to complete a course of training, the Administrator would be able to extend the period by up to 2 years.

Subparagraph (B) of paragraph (2) of new subsection (g): Would provide that the minimum period of obligated service of a part-time-student participant would be 1 year.

Paragraph (3) of new subsection (g): Would preclude the payment of a stipend to a part-time-student participant for any month during which the participant is not actually attending the course of training.

Clause (5) of subsection (a) of section 2 would amend subsection (h) (as proposed to be redesignated by clause (3) of subsection (a) of this section of the bill) of present section 4142, relating to the exclusion of Scholarship Program participants from determinations of compliance with VA employment ceilings, to limit the application of that exclusion to full-time-student participants. Thus, part-time-student participants, all of whom would be VA employees, would be counted (as employees—either full- or part-time as the case might be—as under current law and practice) in any employee ceiling determinations.

Subsection (b) of section 2 would amend present section 4143(c), relating to the time at which a Scholarship Program participant's obligated service is considered to begin—the date of appointment as a full-time employee in the VA's Department of Medicine and Surgery—to specify that, in the case of a part-time student participant (who would already be a VA employee at the outset of training), the date of appointment as a full-time employee in the VA's Department of Medicine and Surgery from which the period of obligated service is computed would be the date of appointment at the completion of the participant's course of training.

Subsection (C) of section 2 would amend present section 4146, relating to the Administrator's authority in a fiscal year to make payments under the Scholarship Program, by adding a new subsection (b), as follows:

New subsection (b): Would provide that sums appropriated for the purpose of making payments under the Scholarship Program shall remain available for that purpose until expended and thus would enable the Administrator to make multi-year scholarship commitments to participants.

Section 2—Cost: Enactment of the provisions of section 2 is estimated to entail no significant costs.

Section 3—Additional pay provisions

Would amend present section 4107 of title 38, relating to the pay of VA Department of Medicine and Surgery (DM&S) personnel employed under the DM&S title 38 personnel system.

Clause (1) of section 3 would amend paragraph (10) of subsection (e) of present section 4107, relating to the Administrator's authority to modify rates of additional pay for registered nurses employed in VA facilities under title 38, to give the Administrator discretionary authority to extend the period for which additional pay is paid to nurses under paragraph (5) of that subsection for certain work on a weekend—presently limited to a period of work that occurs at least in part on a Sunday—to include some or all of a shift that occures on a Saturday. This clause of the bill would also amend current section 4107(e)(10) to provide that any increase in rates of additional pay or any extension of time for which additional pay may be paid under paragraph (5) of such section, may be made on a nationwide, local, or other geographic basis provided that a specified finding has been made of the need for such change.

Clause (2) of section 3 would amend section 4107 by adding new subsections (h) and (i), as follows:

Paragraph (1) of new subsection (h): Would authorize the Administrator, upon a determination that it is necessary in order to recruit or retain categories of title 38 health-care personnel—physicians, dentists, podiatrists, optometrists, nurses, physician assistants, or expanded-function dental auxiliaries—or of other VA employees in DM&S—appointed under the civil service authorities in title 5, United States Code—providing direct patient care services or services incident to direct care services, to permit the use by such health-care personnel, on a nationwide, local, or other geographic basis, of flexible and compressed work schedules such as were described in regulations (Part 620, "Alternative Work Schedules Experiments", of title 5, Code of Federal Regulations) and guidelines (Book 620, "Alternative Work Schedules", of FPM Supplement 990-2), issued on November 30, 1979, and September 30, 1980, respectively, by the Director of the Office of Personnel Management in order to carry out titles I—Flexible Scheduling of Work Hours—and II—4-Day Week and Other Compressed Work Schedules—of the Federal Employees Flexibile and Compressed Work Schedules Act of 1978, Public Law 95-390. The Committee intends that in the event that the authorities provided in Public Law 95-390 are extended or there is other legislative action in this area and OPM issues further regulations or guidelines, or both, which provide greater flexibility or ranges of options, the Administrator will not be precluded by the authority in this new subsection from utilizing the broader authority in such regulations or guidelines, or both. Similarly, the Administrator would not be precluded from using the authority in this new subsection in the event that there is subsequent legislation and OPM regulations/guidelines that are narrower than the prior regulations/guidelines.

Paragraph (2) of new subsection (h): Would require the Administrator, not later than 180 days after the date of the enactment of the Committee bill, to prescribe regulations—to the maximum extent feasible consistent with the regulations and guidelines issued under the 1978 Act—to carry out the authority proposed to be provided in paragraph (1) of this new subsection.

Paragraph (3) of new subsection (h): Would provide the Administrator's authority to establish flexible and compressed work schedules pursuant to this subsection would expire at the end of fiscal year 1987.

Paragraph (4) of new subsection (h): Would require the Administrator, not later than 4 years after the date of the enactment of this bill, to report to the Congress on the results of the use by the VA of flexible and compressed work schedules authorized pursuant to this subsection and otherwise, including an evaluation of the effects of the use of such schedules on the recruitment and retention of health-care personnel using them, together with recommendations for administrative or legislative action, or both, based on the VA's use of and need for such schedules.

New subsection (i): Would authorize the Administrator, when necessary to recruit or retain registered nurses in DM&S, to allow nurses at individual VA facilities, subject to certain specified limitations relating to rates of pay and computations of leave, to work two regularly-scheduled 12-hour tours of duty during a weekend and have such service be considered a full 40-hour workweek.

Paragraph (1) of new subsection (i): Would authorize the Administrator, when necessary to obtain or retain at any VA health-care facility the services of registered nurses appointed in DM&S under chapter 73 of title 38, to provide, pursuant to regulations prescribed by the Administrator, that nurses employed at that facility who work two regularly-scheduled 12-hour tours of duty within a weekend—the period commencing at midnight Friday and ending at midnight Sunday—shall be considered for all purposes, except for computing full-time equivalent employees for employment ceiling purposes and for certain overtime pay purposes, to have worked a full 40-hour workweek.

Subparagraph (A) of paragraph (2) of new subsection (i): Would provide that a nurse who works two regularly scheduled 12-hour tours of duty during a weekend and who is considered pursuant to this new subsection to have worked a full 40-hour workweek shall be entitled to basic and additional pay and annual and sick leave as prescribed in the subsequent subparagraphs of this paragraph.

Subparagraph (B) of paragraph (2) of new subsection (i): Would provide that such nurse's hourly rate of basic pay for service during a regularly-scheduled 12-hour tour of duty on a weekend shall be determined by dividing the nurse's annual rate of basic pay by 1,248 (which yields a salary rate one and two-thirds (the relationship that 40 is to 24) the rate that such nurse would receive for work on a regular 40-hour week schedule); and would provide that the hourly rate for service at times other than during such a regularly-scheduled 12-hour tour of duty on a weekend shall be determined by dividing the nurse's annual rate of basic pay by 2,080—the number of hours worked over fifty-two 40-hour week—(which yields the standard hourly rate for a 40-hour week). Thus, a nurse who is employed by the VA at step one of the full grade at a salary of $19,477 at present would be paid $9.36 an hour for each hour worked during a regular 40-hour week and $15.61 for each hour worked during a regularly-scheduled tour of duty on a weekend under this new subsection.

Subparagraph (C) of paragraph (2) of new subsection (i): Would provide that, except as otherwise provided in this subparagraph (C), a nurse who works two regularly scheduled 12-hour tours of duty during a weekend and who is considered pursuant to this new subsection to have worked a full 40-hour workweek would *not* be entitled to additional pay for work outside of a regular workday or workweek, for any period included in either of such nurse's regularly-scheduled 12-hour tours of weekend duty. Such a nurse *would* be entitled to additional pay under subsection (e)(5) of present section 4107, relating to pay for overtime service, for any period of service beyond the two regularly-scheduled 12-hour tours of weekend duty when (1) the total officially ordered or approved service during the nurse's administrative workweek (the period from Sunday to Saturday) is in excess of 40 hours (for a nurse having worked two regularly-

scheduled 12-hour tours of duty on a weekend who then worked regular 8-hour tours of duty on four or more days during the remainder of the week, overtime pay would be paid beginning after 4 hours of work on the fourth such 8-hour day), (2) is in excess of 8 hours on a day other than a Saturday or a Sunday, or (3) is in excess of 24 hours within the weekend period during which the two regularly-scheduled 12-hour hours of duty are worked.

Subparagraph (D) of paragraph (2) of new subsection (i): Would provide that a nurse who is absent on approved sick leave or annual leave during a regularly-scheduled 12-hour tour of duty on a weekend shall be charged for such leave at a rate of 5 hours of leave for 3 hours of absence. Thus, a nurse absent on approved sick leave or annual leave for all of a regularly-scheduled 12-hour tour of duty on a weekend would be charged for 20 hours of leave.

Section 3—Cost: Enactment of the provisions of section 3 is estimated to entail costs of less than $500,000 in fiscal year 1983.

Section 4—Contract care

Would amend clause (C) of paragraph (4) of present section 601 of title 38, which defines "Veterans' Administration facilities" to include, under the circumstances described in such clause (C), private facilities and, thus, in conjunction with certain other provisions of such chapter 17, provides authority for the furnishing of contract hospital care and medical services (so-called "fee" care or "fee-basis" care) under those same circumstances.

Clause (1) of section 4 would amend present section 601(4)(C)(iv), relating to the Administrator's authority to provide hospital care on a fee basis to women veterans, to expand that authority so as to allow the Administrator to provide, on a fee basis, such outpatient medical services as (by virtue of the reference to "Veterans' Administration facilities" in section 612(f)(1)(A)) are needed pre- or post-hospitalization or that will obviate the need for hospital admission or post-hospitalization (by virtue of such reference in section 612(f)(1)(B)) for nonservice-connected, gender-related disabilities of a woman veteran which the VA is not able itself to treat.

Clause (2) of section 4 would amend present section 601(4)(C)(v), relating to the Administrator's authority to provde fee-basis hospital care and medical services in certain noncontiguous "States" (defined in present section 101(20) to include United States Territories and possessions and the Commonwealth of Puerto Rico), to extend for 1 year—from September 30, 1982, unitl September 30, 1983,—the VA's contract authority, in the Commonwealth of Puerto Rico and the Virgin Islands and other Territories and possessions of the United States to provide for non-service-connected disabilities, hospital care and such medical-care services as will obviate the need for hospital admission.

Section 4—Cost: Enactment of the provisions of section 4 is estimated to entail costs of $10.6 million in fiscal year 1983.

Section 5—CHAMPVA eligibility reacquisition

Would amend present section 613 of title 38, relating to eligibility for medical care through the CHAMPVA program for the survivors and dependents of certain severely disabled service-connected disabled veterans, to provide for a reinstatement of CHAMPVA eligibility if an individual, after losing CHAMPVA eligibility by virtue of becoming eligible for hospital insurance benefits under part A of Medicare, exhausts some or all such Medicare eligibility. Under current law, present section 613(b) of title 38, CHAMPUS benefits (described below) are provided on the same or similar basis as CHAMPVA benefits (health-care benefits in private facilities for retired members and dependents of active-duty and retired members of the Armed Forces). Consequently, the second sentence of section 1086(e) of title 10, United States Code, which provides for the termination of eligibility for CHAMPUS benefits when a CHAMPUS beneficiary becomes eligible for the Medicare benefit applies to CHAMPVA beneficiaries.

Clause (1) of section 5 would amend present section 613(b) to add a cross-reference to new subsection (d) as proposed to be added by clause (2) of this section of the Committee bill.

Clause (2) of section 5 would amend present section 613(b) to add a new subsection (d), as follows:

New subsection (d): Would provide that, notwithstanding the second sentence of section 1086(c) of title 10 (discussed above) or any other provision of law, any person eligible for CHAMPVA benefits—a spouse or child of veteran who has a 100-percent permanent service-connected disability or the surviving spouse or child of a veteran who at the time of death, had such a 100-percent disability or who died as the result of a service-connected disability—shall, after losing eligibility for CHAMPVA benefits by virtue of becoming eligible for hospital insurance benefits under part A of Medicare, regain CHAMPVA eligibility after exhausting any Medicare benefits and shall not, thereafter, lose eligibility for CHAMPVA benefits by becoming again eligible for Medicare benefits.

Section 5—Cost: Enactment of the provisions of section 5 is estimated to entail costs of $1 million in fiscal year 1983.

Section 6—Report extension

Would amend subsection (f) of present section 620A of title 38, relating to the report of the Administrator on the pilot program for the treatment and rehabilitation for alcohol or drug dependence or abuse disabilities being conducted under that section, to extend the due date of the report 1 year—from March 31, 1983, to March 31, 1984—and to extend the end date of the period of operations under the pilot program to be covered in the report—from September 30, 1982, to September 30, 1983.

Section 6—Cost: Enactment of the provisions of section 6 is estimated to entail no costs.

Section 7—Technical amendment

Would amend present section 643 of title 38, relating to payments to State veterans' homes for care provided to eligible veterans, to strike an anachronistic reference to service during a period of war as an eligibility factor for such payments and thereby conform this section to section 641, which sets forth the criteria for payments by the VA to State veterans' homes. This is purely a technical amendment since the VA does not now ascribe any limiting significance to the words to be stricken.

Section 7—Cost: Enactment of the provisions of section 7 is estimated to entail no costs.

Section 8—State veterans home grants

Would amend present section 5033(a) of title 38, relating to the authorization of appropriations for the making of grants to States for the construction of State veterans' home facilities to furnish domiciliary or nursing home care to veterans or to expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes, to extend for 4 fiscal years—through the fiscal year ending September 30, 1986—the current authorization of appropriations (at a level of "such sums as may be necessary").

Section 8—Cost: Enactment of the provisions of section 8 is estimated to entail costs of $200,000 in fiscal year 1983.

Section 9—Medical information exchange with State homes

Would amend present section 5054(b) of title 38, relating to the Administrator's authority to make available for use by non-VA medical facilities, particularly those near VA facilities in remote areas, VA educational facilities and programs and the VA electronic communications capability linking such VA facilities to major medical centers and to charge a fee for services, to include an express reference to State veterans homes as part of the surrounding medical community eligible to participate in such medical information programs.

Section 9—Cost: Enactment of the provisions of section 9 is estimated to entail no significant costs.

Section 10—Regulations for special personnel authorities

Would require the Administrator, within 90 days after the date of the enactment of the Committee bill, to publish in the Federal Register, for a 60-day public review and comment period, proposed regulations for the implementation of the authorities in section 4107(e)(10) (as proposed to be amended in part by section 3 of the Committee bill) to increase rates of additional pay and (as proposed to be provided in section 3 of the Committee bill) to extend the period within which additional pay is paid and the authority in present section 4107(g) to increase rates of basic pay for certain health-care personnel. The Administrator would be required to publish final regulations within 210 days after the date of enactment. The authorities in sections 4107(e)(10) and 4107(g) were enacted on August 26, 1980, and the VA has not yet issued regulations to implement these new authorities.

Section 10—Cost: Enactment of the provisions of section 10 is estimated to entail no significant costs.

Section 11—Effective dates

Would provide that, with the exception of the changes in eligibility for the CHAMPVA program in section 5 of the Committee bill, which would be made effective on October 1, 1982, the provisions of the Committee bill would become effective on the date of its enactment.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or proxy by Members of the Committee on Veterans' Affairs at an April 28, 1982, meeting to consider S. 2385.

The Committee agreed to report S. 2385, with an amendment in the nature of a substitute, and a title amendment, favorably to the Senate by a 12-0 vote, as follows:

Yeas—12: Alan Simpson, Strom Thurmond, Robert Stafford, Bob Kasten, Jeremiah Denton, Frank Murkowski, Arlen Specter, Alan Cranston, Jennings Randolph, Spark Matsunaga, Dennis DeConcini, George Mitchell.

Nays—0.

Mr. CRANSTON. Mr. President, as ranking minority member of the Committee on Veterans' Affairs, I am very pleased to join with the committee chairman, my good friend from Wyoming (Mr. SIMPSON) in urging the Senate to support S. 2385, the proposed Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982. The basic purpose of this measure is to improve various aspects of the VA's health-care programs, primarily by enhancing the agency's ability to recruit and retain nurses and other health-care personnel. The bill is also designed to improve access to health care through the VA for certain veterans and other persons eligible for that care and extend two otherwise expiring authorities.

Mr. President, I am pleased to note that the major substantive provisions of S. 2385 that I will highlight in these remarks are largely derived from S. 2389, legislation that I introduced on April 15, 1982. I am very gratified that the committee voted to support the various provisions from S. 2389, and I am extremely grateful to the committee chairman (Mr. SIMPSON) for his consideration and cooperation as we developed the legislation that we bring before the Senate today.

NURSE AND OTHER HEALTH-CARE PERSONNEL

Mr. President, S. 2385 as it comes before the Senate has a number of provisions that would, if enacted, enable the VA to improve its ability to attract and retain health-care personnel, most particularly, nurses.

The record made by the Veterans' Affairs Committee at the committee's April 21, hearing and through follow-up questions and submissions is clear: There is a serious shortage of registered nurses across the country and the VA, the largest single employer of registered nurses in the United States, is often at a significant competitive disadvantage in the RN job marketplace. As a result, the impact of the nurse shortage on this agency is quite heavy and is the cause of serious concern. At the time of the committee's April 21, hearing, 938 VA health-care beds had been closed as a direct result of the nurse shortage. The VA reported that a minimum of 430 RN's would be needed to reopen those beds; systemwide, the agency indicated that there were over 1,200 RN vacancies.

Mr. President, provisions in S. 2385 as reported would help address the VA's nurse shortage problem in two general areas—first, by improvements to the VA's health professional scholarship program, a program established in 1980 by Public Law 96-330, so as to make that program more effective and more directly analogous to education-assistance programs offered by competing, non-VA health-care facilities; and, second, by providing new flexibility to the agency in the areas of pay and scheduling for nurses and other health-care personnel, again so as to enable the VA to be more competitive with non-VA health-care facilities on a local or other geographic basis.

With reference to the health professional scholarship program—a program available for use by the VA for both physicians and nurses but utilized thus far only for nurses—provisions in the bill would enable the VA to permit VA employees to participate in the program as part-time students while continuing to work for the agency. This would allow the program to be used by RN's currently employed in the VA who are desirous of pursuing part-time training for a baccalaureate or advanced degree or by other health-care personnel, such as licensed practical or vocational nurses, who are interested in pursuing part-time training to become RN's. Such current employees would thus be made eligible for financial assistance from the VA while pursuing such part-time training and would, at the completion of their training, be obligated to remain with the VA for further specified periods. Part-time training with such VA assistance would have to be at least half-time training and would be limited to 4 years with the possibility of an extension for another 2 years.

The legislation would also clarify that, with reference to the stipend paid to a scholarship program participant, the Administrator has discretionary authority to pay a stipend in any amount, including a nominal amount, up to the maximum set by law. By using this flexibility, the VA could, in appropriate situations, such as when a participant continues to work on a full-time basis and takes a limited course load, pay only a nominal stipend amount in addition to paying the tuition and, in that way, provide scholarship assistance limited essentially to tuition reimbursement, a benefit that is frequently available from competing, private sector health-care institutions.

Finally, the bill would provide that funds appropriated for making payments to scholarship program participants would remain available until expended, thereby enabling the VA to enter into multi-year-scholarship commitments with participants in the program.

Collectively, these changes should make the scholarship program more attractive to prospective applicants and thus more useful to the VA in meeting competition for nurses.

Mr. President, in the area of pay and scheduling flexibility, provisions in S. 2385 as reported would:

First, authorize the VA to pay the currently authorized "Sunday-pay" for nurses—at a rate 125 percent of base pay—for some or all of a shift that occurs on Saturday, thereby enabling the agency to be more competitive with non-VA health-care facilities that offer additional pay to nurses for the entire weekend.

Second, authorize the VA to use flexitime or compressed work schedules, as described in regulations and guidelines that were issued under the Federal Employees Flexible and Compressed Work Schedules Act of 1978, Public Law 95-390, for nurses and other direct health-care personnel.

Third, authorize the VA to establish so-called Baylor Plan schedules under which nurses would work two regularly scheduled 12-hours tours of duty during a weekend and have such service considered, for purposes of pay and benefits, the same as a 40-hour workweek.

I would like to emphasize that the exercise of each of these new authorities is discretionary with the Administrator. None would be required to be exercised. And in fact, they could only be utilized when determined necessary to improve the agency's ability to recruit or retain needed personnel. Thus, even though the VA is experiencing serious nursing shortages, it seems likely that not all of these authorities would immediately be widely used—although that would be up to the Administrator depending on the circumstances that arise.

However, in considering these provisions, it is very important to keep in mind that private sector health-care facilities are able to respond on short notice to recruitment and retention problems arising from the nationwide nurse shortage whereas the VA can respond only as authorized by law. Thus, when and as private facilities provide increased, attractive incentives, the VA can be left at a serious, prolonged disadvantage if it lacks the flexibility to make a prompt competitive response. It is, therefore, far better, as the committee bill proposes, to give the agency tools now that can be used at some later time when needed rather than defer consideration of legislation until such time as there is widespread, immediate need—at which point the delays inherent in the legislative process would preclude a timely response.

Mr. President, in addition to the provisions I have just outlined relating to new pay and work-scheduling authorities, there are two provisions in S. 2385 as reported relating to certain pay modification authorities first provided in 1980 in Public Law 96-330. Under provisions enacted in that law, the Administrator has the authority, when necessary to recruit or retain health-care personnel, to modify statutory rates of additional pay—such as for overtime work or work on a Sunday or holiday—for nurses on a facility-by-facility basis and to modify rates of basic pay for nurses and other VA direct health-care personnel on a local, re-

gional, or nationwide basis. Provisions in S. 2385 would expend the first authority—the additional-pay authority for nurses—so as to permit modifications to be made on an other than local basis and, as to both authorities, would require the Administrator, within 90 days after the date of enactment of the bill, to develop and publish—for public review and comment—proposed regulations to implement those authorities and, within 210 days after the date of enactment, to publish final regulations. The committee has recommended this latter requirement in order to promote full and effective use of the two authorities which, in turn, should enhance the agency's ability to compete with private sector health-care facilities.

ELIGIBILITY REFINEMENTS

Mr. President, as I noted earlier, S. 2385 as reported contains two provisions intended to improve access to health care through the VA for certain veterans and certain other persons eligible for care through the VA.

First, the committee bill would authorize the Administrator to provide certain outpatient care—pre- or post-hospitalization care and care necessary to obviate the need for hospitalization—on a fee-for-service basis for a non-service-connected, gender-related disability of a woman veteran when the VA is unable to provide appropriate care for that disability. Currently, the VA is generally not equipped to provide gynecological and other services that only women require. Thus, this new authority is designed to insure that, in those cases in which a woman veteran is otherwise eligible for VA ambulatory care but cannot receive the care because the VA is unable to treat her gender-specific condition, the VA will be able to furnish care through a contract or fee arrangement with another provider. The committee report stresses with respect to this provision that:

The Committee bill does not amend the basic eligibility provisons for VA health care in sections 610 and 612 of title 38. In this regard, the Committee is aware of the pending litigation in the case of *Kirkhuff* v. *Nimmo* (originally *Kirkhuff* v. *Cleland*), decided by the United States District Court for the District of Columbia and now on appeal to the United States Court of Appeals for the District of Columbia Circuit. In that case a female veteran is challenging a VA regulation (39 CFR 17.48(e)) barring VA hospital benefits for routine pregnancy and childbirth. The Committee, by including this provision in the Committee bill, does not intend to express any view on the validity of the regulation in question.

Second, the committee bill would provide that, in the case of a CHAMPVA beneficiary—the spouse or child of a veteran with a total, permanent service-connected disability or the surviving spouse or child of a veteran who dies from a service-connected disability or who, at the time of death, had a total, permanent service-connected disability—who, after losing CHAMPVA eligibility because of becoming eligible for hospital insurance benefits under medicare, exhaust any of his or her medicare benefits, he or she would again become eligible for CHAMPVA benefits and would not thereafter lose CHAMPVA eligibility by virtue of regaining medicare eligibility. As a result of this change, such a spouse, surviving spouse, or child previously eligible for medical care under CHAMPVA would no longer be confronted with the present inequitable situation in which he or she has no Federal health-care coverage.

EXTENDING EXPIRING AUTHORITIES AND OTHER PROVISIONS

Mr. President, S. 2385 also includes provisions to extend expiring authorities or otherwise provide time extensions. These provisions would:

First, extend by 4 years—through fiscal year 1986—the authorization of appropriations for the VA program of matching grants to States to construct, expand, remodel, or alter State veterans' home health-care facilities.

Second, extend for 1 year—until September 30, 1983—the VA's authority to provide, on a contract basis in Puerto Rico, the Virgin Islands, and other territories of the United States, hospital care for non-service-connected disabilities and outpatient treatment to obviate the need for hospitalization for such disabilities.

Third, extend by 1 year—until March 31, 1984—the date by which the Administrator must report to the Committees on Veterans' Affairs of the Senate and House of Representatives on the first 3 years' results of the pilot program of treatment and rehabilitation for alcohol or drug dependence or abuse disabilities authorized by section 620A as added by Public Law 96-22.

CONCLUSION

Mr. President, as always it has been a great pleasure to work with the chairman and all members of the committee in developing this legislation. The bill as it comes before the Senate today is the result of true bipartisan effort, a goal that we on the Veterans' Affairs Committee always strive to reach. I also want to thank the committee staff members who worked so hard on this legislation: Tom Harvey, Julie Susman, Koreen Kelleher, and Dick Addleson, on the majority staff, committee editorial director, Harold Carter and James MacRae who so ably provide editorial support to the committee, and, on the minority staff, Bill Brew, Ed Scott, Katy Burdick, Jon Steinberg, Charlotte Hughes, and Ingrid Post.

Mr. President, S. 2385 as it comes before the Senate today contains a number of provisions that, if enacted, will significantly improve the VA's ability to fulfill its health-care mission. It has the unanimous support of the members of the Veterans' Affairs Committee and is supported by the veterans' organizations and the National Organization of VA Nurses—NOVA—and I urge my colleagues to give it their full support.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 6350, a House companion bill that is at the desk.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6350) to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two 12-hour regularly scheduled tours of duty over a weekend shall be considered to have worked a full basic workweek, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. STEVENS. Mr. President, I move to strike all after the enacting clause of H.R. 6350 and to substitute therefor the text of S. 2385, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alaska.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 6350) was passed.

The title was amended so as to read:

A bill to amend title 38, United States Code, to enhance recruitment and retention of nurses and other health-care personnel in the Veterans' Administration, to improve the Veterans' Administration health professional scholarship program and certain other aspects of Veterans' Administration health-care programs, and to extend certain expiring Veterans' Administration health-care programs; and for other purposes.

Mr. STEVENS. Mr. President, I ask unanimous consent that Calendar No. 663, S. 2385, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF AVIATION INSURANCE PROGRAM

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate Calendar No. 666, H.R. 5930.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5930) to extend the aviation insurance program for 5 years.

There being no objection, the Senate proceeded to consider the bill.

UP AMENDMENT NO. 1037

(Purpose: To amend the Independent Safety Board Act, to extend the aviation war risk insurance program, and for other purposes)

Mr. STEVENS. Mr. President, I send to the desk an amendment in the nature of a substitute in behalf of the Senator from Kansas (Mrs. KASSEBAUM).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) on behalf of Mrs. KASSEBAUM proposes an unprinted amendment numbered 1037.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and substitute the following:

That the last sentence of section 303(b)(1) of the Independent Safety Board Act of 1974 (49 U.S.C. 1902(b)(1)) is amended to read as follows: "The president shall appoint individuals to be members of the Board upon the basis of technical qualification, professional standing, and demonstrated knowledge in the fields of accident reconstruction, safety engineering, human factors, transportation safety, or transportation regulation."

SEC. 2. Section 306 of the Independent Safety Board Act of 1974 (48 U.S.C. 1905) is amended in subsection (a) by striking "pursuant to subsection (b)" and substituting "pursuant to subsection (b) or (b)" and by adding at the end thereof the following new subsection:

"(c) COCKPIT VOICE RECORDER.—Notwithstanding any other provision of law, the Board shall withhold from public disclosure cockpit voice recorder recordings and transcriptions, in whole or in part, of oral communications by and between flight crew members and ground stations, that are associated with accidents or incidents investigated by the Board: Provided, That portions of a transcription of such oral communications which the Board deems relevant and pertinent to the accident or incident shall be made available to the public by the Board at the time of the Board's public hearing, and in no event later than 60 days following the accident or incidents: *And provided further*, That nothing in this section shall restrict the Board at any time from referring to cockpit voice recorder information in making safety recommendations.

SEC. 3. Section 1312 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1542), is amended by striking "1982" and inserting in lieu thereof "1987".

SEC. 4. (a) The second sentence of section 408(b)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1378(b)(1)) is amended by:

(1) striking "or" at the end of subparagraph (A);

(2) striking the period at the end of subparagraph (B) and substituting "; or"; and

(3) adding at the end thereof the following new subparagraph:

"(C) unless the Board imposes such standard labor protective provisions as the Board required for such transactions prior to the enactment of the Airline Deregulation Act of 1978; *Provided* That this subparagraph shall not be construed to preclude agreement among authorized representatives of persons involved in the transaction concerning the manner in which such labor protection provisions will be implemented or a limitation on or extension of such provisions.".

(b) Section 1601(a)(3) of such Act (49 U.S.C. 1551(a)(3)) is amended by striking paragraph (3) and redesignating paragraph (4), and all cross references thereto, as paragraph (3).

(c) Section 1601(b)(1)(C) of such Act (49 U.S.C. 1551 (b)(1)(C)) is amended by striking "(relating to foreign air transportation)" and by striking "Department of Justice" and substituting "Department of Transportation".

● Mrs. KASSEBAUM. Mr. President, this amendment serves two purposes. First, it will prevent the administrative chaos that would occur by splitting the jurisdictions over mergers, acquisitions, and route transfers between the Civil Aeronautics Board (CAB) and the Department of Justice (DOJ). Under the Airline Deregulation Act of 1978, the DOJ would be forced to establish new administrative procedures to review domestic mergers while the CAB would rule on mergers involving foreign route authority. However, most of those interested in the CAB sunset issues believe that sections 408 and 409 of the Federal Aviation Act should either be abolished or transferred to the Department of Transportation. This amendment will preserve the status quo until this broader issue can be resolved.

Second, if jurisdiction were transferred to the DOJ, it is not clear whether that agency would or could impose the standard Allegheny-Mohawk merger labor protective provisions which have traditionally been employed by the CAB to prevent labor disruption resulting from work force consolidations. The Board's labor protective provisions have been an integral part of the consolidation process. Until the Congress had had an opportunity to consider fully to what extent labor protective provisions should be required after CAB sunset, it is important that jurisdiction remain at the Board with authority to impose them. The airline industry labor force has been severely affected by the recession and the effects of the PATCO walkout and subsequent constraints on the system. In order to minimize further disruption to the workforce we request that the CAB continue to impose these standard labor protective provisions in a manner consistent with its handling of section 408 transactions prior to the enactment of the Airline Deregulation Act of 1978. The subcommittee intends to hold hearings before the end of this legislative session to seek a permanent resolution of these issues.●

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the amendment in the nature of a substitute.

The amendment (UP No. 1037) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 5930), as amended, was passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROGRAM

VOTE AT 2 P.M. TOMORROW ON AMENDMENT IN DISAGREEMENT RELATING TO HONORARIUMS

Mr. BAKER. Mr. President, I might say that it is the intention of the leadership to try to reach a couple of items in the morning that may be cleared on both sides for action, and then to resume debate on the conference report on the remaining item in disagreement. A rollcall vote will occur on that item at 2 o'clock, as previously indicated.

MOTOR CARRIER REGULATION

Mr. President, it is my intention tomorrow to ask the Senate, shortly after we convene, to turn to the consideration of Calendar Order No. 582, H.R. 3663, an act to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of passengers. That item has not yet been cleared, but there is that item, together with two or three other items, including the jobs bill and perhaps a bill dealing with bankruptcy reform.

It had been hoped that we could reach the military construction bill tomorrow, but I think we cannot. Sometime after we convene, and prior to the hour of noon, we will resume debate on the conference report, and recess from 12 o'clock until 2 o'clock, and then the vote will occur at 2 o'clock on the remaining item in disagreement on the conference report on the supplemental appropriations bill.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order, the following Senators be recognized on special orders for not to exceed 15 minutes each in the following order: Senators FORD and CHILES.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIRST BUDGET RESOLUTION (S. CON. RES. 92)—CONFERENCE REPORT

Mr. BAKER. Mr. President, I would say for the advice of the Senate that it is my understanding that the House of Representatives will proceed to the consideration of the budget resolution conference report tomorrow. It is also my understanding that under the House rules, according to the arrangements that have been made with the leadership there, the debate on that measure will not be prolonged. There is a possibility that a message from the House on that matter will reach us tomorrow afternoon.

Assuming that we finish the conference report on the urgent supplemental appropriations bill, and certainly we will have done so by that time, it would be the hope of the leadership that we could turn to the budget resolution conference report immediately thereafter.

That would require, of course, the granting of a unanimous consent to waive a portion of rules related to the consideration of that measure, or a motion under the provisions of the act to reduce the time.

I wonder if the distinguished minority leader can give me any indication of his feelings on that subject.

Mr. ROBERT C. BYRD. Mr. President, efforts are being made on this side to determine whether or not the 3-day rule may be waived. I should think the chances are fairly good.

Mr. BAKER. I thank the Senator

Senators should be on notice on this side of the aisle that if it is possible to do so, an effort will be made to proceed to the consideration of the budget resolution conference report as soon as it is received from the House of Representatives.

ORDER FOR RECESS FROM 12 NOON UNTIL 2 P.M. ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent, as has been our practice in recent weeks, that in order to accommodate the requirement for caucuses and meetings off the floor involving Senators on both sides of the aisle, that at 12 noon the Senate stand in recess until the hour of 2 p.m. on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess, in accordance with the previous order.

There being no objection, the Senate, at 5:10 p.m., recessed until Tuesday, June 22, 1982, at 10:30 a.m.

HOUSE OF REPRESENTATIVES—*Monday, June 21, 1982*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
June 17, 1982.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, June 21, 1982.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Encourage us to turn to You, O Lord, in all seasons with words of praise and acts of service. In good times and in bad, may we daily commune with You, seek Your presence, and enjoy fellowship with You. May our words not only be words of petition, as we place before You our needs, but may we ever celebrate Your love to us, Your gift of creation and new life, Your forgiveness, and Your peace. For all your innumerable blessings to us and to all Your people, we offer this, our thanksgiving. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3112. An act to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

CONSENT CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

WASHOE TRIBE OF NEVADA AND CALIFORNIA INDIANS

The Clerk called the bill (H.R. 5081) to declare that the United States holds certain lands in trust for the Washoe Tribe of Nevada and California and to transfer certain other lands to the administration of the U.S. Forest Service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WALKER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

NATIONAL WILDLIFE REFUGE LANDS

The Clerk called the Senate bill (S. 1519) to designate certain wildlife refuge lands.

There being no objection, the Clerk read the Senate bill, as follows:

S. 1519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That certain lands known as North Cudjoe Key, Monroe County, Florida, which comprise approximately seventy-three acres, will be designated for purposes of the Wilderness Act (16 U.S.C. 1131-1136) as wilderness at the time those lands are included in the National Wildlife Refuge System, and shall become part of the existing "Florida Keys Wilderness".

SEC. 2. That notwithstanding any other provision of law, on the date that certain lands referred to as Racoon Key, Florida, comprising approximately twenty-five acres, and depicted on a map entitled "Florida Keys Wilderness and Great White Heron National Wildlife Refuge (West Part)" dated July 1975, are excluded from the National Wildlife Refuge System, they shall be excluded from the National Wilderness Preservation System.

SEC. 3. As soon as practical after this Act takes effect, the Secretary of the Interior shall file a map and legal description of the Florida Keys Wilderness with the Committee on Energy and Natural Resources of the Senate and the Interior and Insular Affairs Committee of the House of Representatives and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made. A map and legal description of the Florida Keys Wilderness shall be on file and available for public inspection in the Office of the Director, Fish and Wildlife Service, Department of the Interior.

SEC. 4. The lands designated by this Act as the Florida Keys Wilderness shall be administered in accordance with the applicable provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act and, where appropriate, any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IS RECESSION BENEFICIAL AND CLEANSING?

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, I could hardly believe my eyes when I read in two separate Saturday newspapers the statement by the national finance chairman of the Republican Party, Mr. Richard DeVass, who said, and I quote:

This recession has been a beneficial thing and cleansing thing for this society.

Mr. Speaker, I invite Mr. DeVass and the other members of the Republican National Finance Committee to make that statement to the owners of the 532 businesses that went bankrupt last week, the largest number since the depression year of 1932.

I invite them to make that statement to millions who have become unemployed, to those standing in the cheese lines, to those facing record levels of foreclosures; to farmers who are in danger of going broke, and those who have already gone broke; and, most of all, Mr. Speaker, I invite them to make that statement to the voters this fall because I believe I know what the answer is going to be.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
June 21, 1982.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 1:25

p.m. on Friday, June 18, 1982 and said to contain a Message from the President wherein he transmits the 1981 Annual Report of the Administration on Aging of the Department of Health and Human Services.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

ANNUAL REPORT FOR FISCAL YEAR 1981 OF ADMINISTRATION ON AGING OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor.

(For message, see proceedings of the Senate of Friday, June 18, 1982, page 14352.)

CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 92, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1983

Mr. JONES of Oklahoma submitted the following conference report and statement on the Senate concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982:

CONFERENCE REPORT (H. REPT. No. 97-614)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982, having met, after full and free conference, have been unable to agree on a conference report because the conference decisions have changed certain budget figures outside the scope of conference. As set forth in the accompanying joint explanatory statement, the conferees do propose a congressional budget incorporated in a further amendment for the consideration of the two Houses.

JIM JONES,
BILL NELSON,
LES ASPIN,
W. G. BILL HEFNER,
DELBERT L. LATTA,
RALPH REGULA,
BILL FRENZEL,
ED BETHUNE,
LYNN MARTIN,
BOBBI FIEDLER,
Managers on the part of the House.

PETE V. DOMENICI,
W. L. ARMSTRONG,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
ORRIN G. HATCH,
JOHN TOWER,
Managers on the part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982 report that the conferees have been unable to agree. This is a technical disagreement, necessitated by the fact that in some instances the conference decisions include figures which (for purely technical reasons) would fall outside the range between the corresponding House and Senate provisions.

It is the intention of the conferees that the managers on the part of the Senate will offer a motion in the Senate to recede and concur in the House amendment to the Senate-passed resolution with an amendment (in the nature of a substitute) consisting of the language agreed to in conference. Upon the adoption of such amendment in the Senate, the managers on the part of the House will offer a motion in the House to concur therein.

The managers on the part of the House and the Senate submit the following joint statement in explanation of the action agreed upon by the managers:

The substitute language which is to be offered as described above (and which should be considered the language of the concurrent resolution as recommended in the conference report for purposes of section 302(a) of the Congressional Budget Act of 1974)—hereinafter in this statement referred to as the "conference substitute"—is as follows:

That the Congress hereby determines and declares that the Second Concurrent Resolution on the Budget for Fiscal Year 1982 is hereby revised, the First Concurrent Resolution on the Budget for Fiscal Year 1983 is hereby established, and the appropriate budgetary levels for Fiscal Years 1984 and 1985 are hereby set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, October 1, 1983, and October 1, 1984:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1982: $628,400,000,000.
Fiscal year 1983: $665,900,000,000.
Fiscal year 1984: $738,000,000,000.
Fiscal year 1985: $821,400,000,000.
and the amounts by which the aggregate levels of Federal revenues should be changed are as follows:
Fiscal year 1982: −$200,000,000.
Fiscal year 1983: +$20,900,000,000.
Fiscal year 1984: +$36,000,000,000.
Fiscal year 1985: +$41,400,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1982: $777,672,000,000.
Fiscal year 1983: $822,390,000,000.
Fiscal year 1984: $878,473,000,000.
Fiscal year 1985: $960,611,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1982: $734,100,000,000.
Fiscal year 1983: $769,818,000,000.
Fiscal year 1984: $821,928,000,000.
Fiscal year 1985: $881,356,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:
Fiscal year 1982: $105,700,000,000.
Fiscal year 1983: $103,918,000,000.
Fiscal year 1984: $83,928,000,000.
Fiscal year 1985: $59,956,000,000.

(5) The appropriate levels of the public debt are as follows:
Fiscal year 1982: $1,143,100,000,000.
Fiscal year 1983: $1,290,200,000,000.
Fiscal year 1984: $1,420,219,000,000.
Fiscal year 1985: $1,533,491,000,000.
and the amounts by which the current temporary statutory limits on such debt should be accordingly increased are as follows.
Fiscal year 1982: $63,300,000,000.
Fiscal year 1983: $147,100,000,000.
Fiscal year 1984: $130,019,000,000.
Fiscal year 1985: $113,272,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:
Fiscal year 1982:
(A) New direct loan obligations, $63,600,000,000.
(B) New primary loan guarantee commitments, $74,900,000,000.
(C) New secondary loan guarantee commitments, $69,000,000,000.
Fiscal year 1983:
(A) New direct loan obligations, $59,700,000,000.
(B) New primary loan guarantee commitments, $101,900,000,000.
(C) New secondary loan guarantee commitments, $68,300,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $218,200,000,000.
(B) Outlays, $187,550,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $253,566,000,000.
(B) Outlays, $213,966,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $279,483,000,000.
(B) Outlays, $243,283,000,000.
Fiscal year 1985:
(A) New budget authority, $323,650,000,000.
(B) Outlays, $279,000,000,000.

(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $16,750,000,000.
(B) Outlays, $11,400,000,000.
(C) New direct loan obligations, $10,400,000,000.

(D) New primary loan guarantee commitments, $8,100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $15,900,000,000.
(B) Outlays, $11,500,000,000.
(C) New direct loan obligations, $10,200,000,000.
(D) New primary loan guarantee commitments, $9,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $16,400,000,000.
(B) Outlays, $11,900,000,000.
Fiscal year 1985:
(A) New budget authority, $21,000,000,000.
(B) Outlays, $11,800,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $7,600,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $7,800,000,000.
Fiscal year 1985:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $7,400,000,000.
(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $10,300,000,000.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $4,500,000,000.
(C) New direct loan obligations, $12,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $3,950,000,000
(B) Outlays, $3,300,000,000.
Fiscal year 1985:
(A) New budget authority, $3,800,000,000.
(B) Outlays, $3,000,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $12,800,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $9,500,000,000.
(B) Outlays, $10,950,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $9,800,000,000.
Fiscal year 1985:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $8,700,000,000.
(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $9,900,000,000.
(B) Outlays, $13,800,000,000.
(C) New direct loan obligations, $22,600,000,000.
(D) New primary loan guarantee commitments, $2,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $6,692,000,000.
(B) Outlays, $9,042,000,000.
(C) New direct loan obligations, $18,100,000,000.
(D) New primary loan guarantee commitments, $2,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $7,600,000,000.
Fiscal year 1985:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $7,110,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $9,480,000,000.
(B) Outlays, $3,750,000,000.
(C) New direct loan obligations, $12,050,000,000.
(D) New primary loan guarantee commitments, $26,200,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1983:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $2,837,000,000.
(C) New direct loan obligations, $12,100,000,000.
(D) New primary loan guarantee commitments, $41,000,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1984:
(A) New budget authority, $7,600,000,000.
(B) Outlays, $2,521,000,000.
Fiscal year 1985:
(A) New budget authority, $7,223,000,000.
(B) Outlays, $1,880,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $20,800,000,000.
(B) Outlays, $21,300,000,000.
(C) New direct loan obligations, $400,000,000.
(D) New primary loan guarantee commitments, $750,000,000.
(E) New secondary loan guarantee commitments, $3,000,000.
Fiscal Year 1983:
(A) New budget authority, $21,450,000,000.
(B) Outlays, $19,900,000,000.
(C) New direct loan obligations, $500,000,000.
(D) New primary loan guarantee commitments, $800,000,000.
(E) New secondary loan guarantee commitments, $3,000,000.
Fiscal Year 1984:
(A) New budget authority, $21,700,000,000.
(B) Outlays, $19,700,000,000.
Fiscal Year 1985:
(A) New budget authority, $22,050,000,000.
(B) Outlays, $19,600,000,000.
(9) Community and Regional Development (450):
Fiscal Year 1982:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $8,500,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal Year 1983:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,700,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal Year 1984:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,500,000,000.
Fiscal Year 1985:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $7,400,000,000.
(10) Education, Training, Employment and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $25,400,000,000.
(B) Outlays, $28,100,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $6,500,000,000.
(E) New secondary loan guarantee commitments, $700,000,000.
Fiscal year 1983:
(A) New budget authority, $26,832,000,000.
(B) Outlays, $26,205,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New primary loan guarantee commitments, $7,200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $26,700,000,000.
(B) Outlays, $26,900,000,000.
Fiscal year 1985:
(A) New budget authority, $26,214,000,000.
(B) Outlays, $26,161,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $78,500,000,000.
(B) Outlays, $73,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $79,569,000,000.
(B) Outlays, $77,816,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $91,725,000,000.
(B) Outlays, $86,249,000,000.
Fiscal year 1985:
(A) New budget authority, $103,229,000,000.
(B) Outlays, $98,830,000,000.
(12) Income Security (600):
Fiscal year 1982:

(A) New budget authority, $256,792,000,000.
(B) Outlays, $250,300,000,000.
(C) New direct loan obligations, $2,800,000,000
(D) New primary loan guarantee commitments, $17,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $274,797,000,000.
(B) Outlays, $270,895,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $18,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $291,042,000,000.
(B) Outlays, $287,531,000,000.
Fiscal year 1985:
(A) New budget authority, $322,373,000,000.
(B) Outlays, $308,858,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1982:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $23,800,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $11,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $24,560,000,000.
(B) Outlays, $23,823,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $20,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $25,746,000,000.
(B) Outlays, $25,017,000,000.
Fiscal year 1985:
(A) New budget authority, $26,752,000,000.
(B) Outlays, $26,497,000,000.
(14) Administration of Justice (750):
Fiscal year 1982:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $4,540,000,000.
(B) Outlays, $4,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,500,000,000.
Fiscal year 1985:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,500,000,000.
(15) General Government (800):
Fiscal year 1982:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $4,650,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,450,000,000.
Fiscal year 1985:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,300,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1982:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,300,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,500,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1985:
(A) New budget authority, $6,850,000,000.
(B) Outlays, $6,850,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $100,700,000,000.
(B) Outlays, $100,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $113,200,000,000.
(B) Outlays, $113,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $118,000,000,000.
(B) Outlays, $118,000,000,000.
Fiscal year 1985:
(A) New budget authority, $111,500,000,000.
(B) Outlays, $111,500,000,000.
(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, $2,850,000,000.
(B) Outlays, $800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, −$3,016,000,000.
(B) Outlays, −$2,816,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, −$2,383,000,000.
(B) Outlays, −$2,033,000,000.
Fiscal year 1985:
(A) New budget authority, −$2,150,000,000.
(B) Outlays, −$1,750,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, −$31,700,000,000.
(B) Outlays, −$31,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, −$43,100,000,000.
(B) Outlays, −$43,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, −$48,790,000,000.
(B) Outlays, −$48,790,000,000.
Fiscal year 1985:
(A) New budget authority, −$50,280,000,000.
(B) Outlays, −$50,280,000,000.

RECONCILIATION

Sec. 2. (a) Not later than July 20, 1982, the Senate committees named in subsection (b) (1) through (7) of this section shall submit their recommendations to the Senate Committee on the Budget and not later than August 1, 1982, the House committees named in subsection (c) (1) through (10) of this section shall submit their recommendations to the House Committee on the Budget. Those recommendations shall be sufficient to accomplish the reductions required by subsections (b) and (c) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b)(1) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; to reduce budget authority by $693,000,000 and outlays by $693,000,000

in fiscal year 1984; and to reduce budget authority by $1,231,00,000 and outlays by $1,231,000,000 in fiscal year 1985.

(3) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; to reduce budget authority by $0 and outlays by $697,000,000 in fiscal year 1984; and to reduce budget authority by $0 and outlays by $687,000,000 in fiscal year 1985.

(4) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; to reduce budget authority by $15,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $27,000,000 and outlays by $27,000,000 in fiscal year 1985.

(5) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $2,000,000 in fiscal year 1983; to reduce budget authority by $2,000,000 and outlays by $8,000,000 in fiscal year 1984; and to reduce budget authority by $4,000,000 and outlays by $15,000,000 in fiscal year 1985.

(6) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $374,000,000 in fiscal year 1983; to reduce budget authority by $240,000,000 and outlays by $1,053,000,000 in fiscal year 1984; and to reduce budget authority by $534,000,000 and outlays by $1,793,000,000 in fiscal year 1985.

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $77,000,000 and outlays by $77,000,000 in fiscal year 1983; to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

HOUSE COMMITTEES

(c)(1) The Committee on Agriculture shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; to reduce budget authority by $693,000,000 and outlays by $693,000,000 in fiscal year 1984; and to reduce budget authority by $1,231,000,000 and outlays by $1,231,000,000 in fiscal year 1985.

(3) The House Committee on Banking, Finance, and Urban Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; to reduce budget authority by $0 and outlays by $697,000,000 in fiscal year 1984; and to reduce budget authority by $0 and outlays by $687,000,000 in fiscal year 1985.

(4) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $675,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $739,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 and outlays by $811,000,000 in fiscal year 1985.

(5) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $2,000,000 in fiscal year 1983; to reduce budget authority by $2,000,000 and outlays by $8,000,000 in fiscal year 1984; and to reduce budget authority by $4,000,000 and outlays by $15,000,000 in fiscal year 1985.

(6) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; to reduce budget authority by $15,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $27,000,000 and outlays by $27,000,000 in fiscal year 1985.

(7) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $376,000,000 in fiscal year 1983; to reduce budget authority by $242,000,000 and outlays by $1,061,000,000 in fiscal year 1984; and to reduce budget authority by $538,000,000 and outlays by $1,808,000,000 in fiscal year 1985.

(8) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $77,000,000 and outlays by $77,000,000 in fiscal year 1983; to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

(9) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $593,000,000 and outlays by $3,755,000,000 in fiscal year 1983; to reduce budget authority by $705,000,000 and outlays by $4,827,000,000 in fiscal year 1984; and to reduce budget authority by $928,000,000 and outlays by $5,168,000,000 in fiscal year 1985.

(10)(A) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $20,900,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $36,000,000,000 for fiscal year 1984, and $41,400,000,000 for fiscal year 1985.

(B) If the changes in laws reported to the House Committee on the Budget by the House Committee on Ways and Means pursuant to subsection (a) contain changes involving the imposition of new or expanded taxes to directly finance programs within the jurisdiction of any other committee of the House (including, but not limited to, inland waterways or deep draft ports) or the imposition of any new or expanded user fees within the jurisdiction of any other committee of the House, an appropriate referral pursuant to rule X of the rules of the House should be considered.

SENATE FINANCE COMMITTEE

(d)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,106,000,000 and outlays by $4,429,000,000 in fiscal year 1983; to reduce budget authority by $1,444,000,000 and outlays by $5,564,000,000 in fiscal year 1984; and to reduce budget authority by $1,740,000,000 and outlays by $5,976,000,000 in fiscal year 1985.

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $20,900,000,000 in fiscal year 1983; $36,000,000,000 in fiscal year 1984; and $41,400,000,000 in fiscal year 1985.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported to the Senate no later than July 12, 1982.

MISCELLANEOUS PROVISIONS

Sec. 3. It shall not be in order in the House or the Senate during fiscal years 1982 and 1983 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts. This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation, loans and loan guarantee programs administered by the Veterans' Administration, or bills or resolutions reported to the House or Senate prior to the adoption of this resolution.

Sec. 4. (a) No bill or resolution providing new budget authority for fiscal year 1983, or new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983, which exceeds in either the House of Representatives

or the Senate, the appropriate allocation or subdivision of such new discretionary budget authority, new budget authority, or new spending authority made pursuant to section 302 of such Act shall be enrolled until after the Congress has completed action on the Second Concurrent Resolution on the Budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, 90 percent or more of the receipts of which consist of or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954, then for purposes of this section in the House of Representatives, "new discretionary budget authority" and "new spending authority", and for purposes of this section in the Senate, "new budget authority" and "new spending authority" shall not include spending authority or budget authority derived from such trust fund. This subsection shall only apply to trust funds—

(1) exempt under section 401(a)(1)(B) of the Congressional Budget Act,

(2) for which revenues are increased, and

(3) to the extent that such increased revenues exceed the appropriate allocation or subdivision of such new discretionary budget authority, new budget authority, or new spending authority made pursuant to section 302 of such Act.

Sec. 5. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

Sec. 6. It is the sense of the Congress that concurrent resolutions on the budget should reflect the full range of fiscal activities of the Federal Government. It is further the sense of the Congress, therefore, that each concurrent resolution on the budget, beginning with the first concurrent resolution on the budget for fiscal year 1984, shall list, for each functional category, the off-budget activities associated with that category, as well as the new budget authority, outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments associated with that category.

Sec. 7. If Congress has not completed action by October 1, 1982, on the Concurrent Resolution on the Budget required to be reported under section 310(a) of the Budget Act for the 1983 fiscal year, then, for purposes of section 311 of such Act, and section 4 of this resolution, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310(a) of such Act.

Sec. 8. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

Sec. 9. (a) After the Congress has completed action on the concurrent resolution on the budget required to be reported under section 310(a) for fiscal year 1983, and, if a reconciliation bill or resolution, or both, for such fiscal year are required to be reported under section 310(c), after that bill has been enacted into law or that resolution has been agreed to, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing authority for—

(1) new direct loan obligations for fiscal year 1983;

(2) new primary loan guarantee commitments for fiscal year 1983; or

(3) new secondary loan guarantee commitments for fiscal year 1983;

or any conference report on any such bill or resolution, if—

(A) the enactment of such bill or resolution as reported;

(B) the adoption and enactment of such amendment; or

(C) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new direct loan obligations for fiscal year 1983, total new primary loan guarantee commitments for such fiscal year, or total new secondary loan guarantee commitments for such fiscal year set forth in such concurrent resolution on the budget to be exceeded.

(b)(1) The joint explanatory statement accompanying the conference report on this resolution shall include an estimated allocation, based upon the first section of this resolution as recommended in such conference report, of the appropriate levels of total new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new authority.

(2) As soon as practicable after this resolution is agreed to every committee of each House shall, after consulting with the committee or committees of the other House to which all or part of the allocation has been made, subdivide among its subcommittees the allocation of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments allocated to it in the joint explanatory statement accompanying the conference report on this resolution.

(c) This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation.

Sec. 10. It is the sense of Congress that reductions in Federal employment should be accomplished through attrition.

EXPLANATION OF CONFERENCE SUBSTITUTE

The following table shows the functional allocations and budget aggregates included in the conference substitute. The numbers in the FY 1982 column reflect revisions of the second budget resolution for FY 1982. The FY 1983 column shows the budget aggregates and functional allocations for the first budget resolution for FY 1983. The columns for FY 1984 and 1985 show budget aggregates and functional allocations which the conferees consider appropriate for those years.

CONFERENCE SUBSTITUTE, FIRST BUDGET RESOLUTION, FISCAL YEAR 1983

[In millions of dollars]

Function	Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
050: National Defense	218,200	187,550	253,566	213,966	279,483	243,283	323,650	279,000
150: International Affairs	16,750	11,400	15,900	11,500	16,400	11,900	21,000	11,800
250: General Science, Space, and Technology	7,000	7,000	7,800	7,600	7,700	7,800	7,300	7,400
270: Energy	4,800	6,400	4,800	4,500	3,950	3,300	3,800	3,000
300: Natural Resources and Environment	10,300	12,800	9,500	10,950	8,700	9,800	8,300	8,700
350: Agriculture	9,900	13,800	6,692	9,042	8,300	7,600	6,700	7,110
370: Commerce and Housing Credit	9,480	3,750	7,100	2,837	7,600	2,521	7,223	1,880
400: Transportation	20,800	21,300	21,450	19,900	21,700	19,700	22,050	19,600
450: Community and Regional Development	7,000	8,500	6,900	7,700	6,900	7,500	7,100	7,400
500: Education, Training, Employment, and Social Services	25,400	28,100	26,832	26,205	26,700	26,900	26,214	26,161
550: Health	78,500	73,700	79,569	77,816	91,725	86,249	103,229	98,830
600: Income Security	256,792	250,300	274,797	270,895	291,042	287,531	322,373	308,858
700: Veterans Benefits and Services	24,800	23,800	24,560	23,823	25,746	25,017	26,752	26,497
750: Administration of Justice	4,500	4,600	4,540	4,650	4,500	4,500	4,500	4,500
800: General Government	5,200	5,000	4,800	4,650	4,500	4,450	4,500	4,300
850: General Purpose Fiscal Assistance	6,400	6,300	6,500	6,500	6,700	6,700	6,850	6,850
900: Interest	100,700	100,700	113,200	113,200	118,000	118,000	111,500	111,500
920: Allowances	2,850	800	−3,016	−2,816	−2,383	−2,033	−2,150	−1,750
950: Undistributed Offsetting Receipts	−31,700	−31,700	−43,100	−43,100	−48,790	−48,790	−50,280	−50,280
Total Spending	777,672	734,100	822,390	769,818	878,473	821,928	960,611	881,356
Revenues		628,400		665,900		738,000		821,400
Deficit		105,700		103,918		83,928		59,956
Public debt		1,143,100		1,290,200		1,420,219		1,533,491
Change in revenues		−200		+20,900		+36,000		+41,400

CONFERENCE SUBSTITUTE, FIRST BUDGET RESOLUTION, FISCAL YEAR 1983—Continued

[In millions of dollars]

Function	Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Change in public debt limit		+63,300		+147,100		+130,019		+113,272

Economic Assumptions

The House and Senate used identical economic assumptions in their Resolutions. These assumptions were agreed upon in the budget discussions carried on by negotiators from the House, Senate and Administration during April. The Conferees accepted these economic assumptions as the basis for the revenue, spending and credit estimates in the conference agreement. The table below shows the levels of Gross National Product, incomes, unemployment, inflation, and interest rates in the economic assumptions.

[Calendar Years, dollar amounts in billions]

	1982	1983	1984	1985
Gross National Product:				
Current dollars	$3,116	$3,493	$3,875	$4,259
Constant (1972) dollars	$1,497	$1,564	$1,629	$1,689
Percent change	−0.9	4.5	4.1	3.7
GNP deflator (percent change, year over year)	7.4	7.3	6.6	6.0
Consumer Price Index (percent change, year over year)	6.9	6.9	6.9	6.4
Unemployment Rate (annual average, percent)	9.1	8.4	7.6	7.2
Taxable incomes:				
Wages and salaries	$1,577	$1,733	$1,904	$2,082
Nonwage personal income	$593	$666	$736	$792
Corporate profits[1]	$206	$248	$303	$324
Interest rate, 3-mo. Treasury bills (percent, annual average)	12.0	10.7	8.8	6.9

[1] After accounting for increased depreciation charges due to the Accelerated Cost Recovery System provisions of the Economic Recovery Tax Act of 1981.

The following table shows that the levels of spending and revenues contained in the Conference substitute imply substantial restraint in the growth of government, both in terms of nominal and real rates of change and as a share of GNP.

TRENDS IN REVENUES AND OUTLAYS IN CONFERENCE SUBSTITUTE

[In percent]

	Fiscal year—			
	1982	1983	1984	1985
Outlays as a percent of GNP	24.1	22.6	21.8	21.4
Revenues as a percent of GNP	20.6	19.6	19.5	19.9
Growth in outlays	11.7	4.9	6.8	7.2
Growth in revenues	4.9	6.0	10.8	11.3
Reference: Gross national product (in billions)	$3,050	$3,398	$3,778	$4,127

Revenues

The Senate Resolution provided revenues of $623.0 billion in fiscal year 1982, $668.4 billion in fiscal year 1983, $741.4 billion in fiscal year 1984 and $825.5 billion in fiscal year 1985 and provided that legislation should increase revenues by $23.4 billion in fiscal year 1983, $39.4 billion in fiscal year 1984, and $45.5 billion in fiscal year 1985.

The House amendment provided revenues of $628.4 billion in fiscal year 1982, $665.9 billion in fiscal year 1983, $738,0 billion in fiscal year 1984 and $821.4 billion in fiscal year 1985 and provided that legislation should decrease revenues by $0.2 billion in 1982 and increase revenues by $20.9 billion in 1983, $36.0 billion in 1984, and $41.4 billion in 1985.

The Conference substitute provides for the House-passed revenues and legislated revenue changes, as follows:

[In billions of dollars]

	Fiscal year—			
	1982	1983	1984	1985
Current law revenues	628.6	645.0	702.0	[1] 780.0
Revenue change	−0.2	+20.9	+36.0	+41.4
Revenue floor	628.4	665.9	738.0	821.4

[1] Assumes extension of highway trust fund taxes of $4.2 billion in 1985.

User Fees

The managers agree that the amounts set forth above for increases in revenues include the assumption that the following amounts will be raised through increased user fees to recover costs of Federal programs and activities:

INCREASES IN REVENUES FROM USER FEES

[In billions of dollars]

	Fiscal year—		
	1983	1984	1985
Revenues from user fees	0.9	1.0	1.4

The spending totals in various functional categories of the budget also include assumed increases in offsetting receipts from new or expanded user fees. The Conference substitute assumes that certain user fees will be increased, but the managers agree that the budget may be implemented without the imposition of the specific user fees assumed.

Budget Aggregates and Functional Allocations

The House and Senate resolutions contained substantial differences in budget aggregates and in functional allocations. The following four tables show the budget aggregates and functional allocations provided for in the original House-passed and Senate-passed resolutions as well as the Conference substitute for each of the four fiscal years dealt with in the resolution. The first table, showing the numbers reflected in the revised second budget resolution for fiscal year 1982, also includes the budget aggregates and functional allocations provided for in the original second budget resolution for FY 1982.

FISCAL YEAR 1982 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	Second budget resolution	Revised second budget resolution		
		House passed	Senate passed	Conference substitute
Budget authority	770.90	779.30	777.60	777.672
Outlays	695.45	729.20	740.80	734.100
Revenues	657.80	628.40	623.00	628.400
Deficit	−37.65	−100.80	−117.80	−105.700
Public debt	1,079.80	1,143.10	1,144.20	1,143.100
Change in revenues	−51.30	−0.20	−0.00	−0.200
Change in public debt limit	+80.000	+63.300	+64.400	+63.300
050—National defense:				
Budget authority	226.30	218.20	216.90	218.200
Outlays	188.80	187.50	190.30	187.550
150—International affairs:				
Budget authority	17.40	16.75	16.80	16.750
Outlays	11.15	11.45	11.40	11.400
250—General science, space, and technology:				
Budget authority	7.20	7.00	7.00	7.000
Outlays	7.00	7.00	7.10	7.000
270—Energy:				
Budget authority	4.50	4.75	4.80	4.800
Outlays	6.00	6.50	6.40	6.400
300—Natural resources and environment:				
Budget authority	8.20	10.40	10.30	10.300
Outlays	12.40	12.85	12.80	12.800
350—Agriculture:				
Budget authority	5.50	9.90	9.90	9.900
Outlays	4.50	12.80	13.80	13.800
370—Commerce and housing credit:				
Budget authority	7.70	7.50	11.60	9.480
Outlays	4.00	3.75	3.80	3.750
400—Transportation:				
Budget authority	21.20	21.35	20.80	20.800
Outlays	20.40	21.45	21.30	21.300
450—Community and regional development:				
Budget authority	7.10	7.00	6.70	7.000
Outlays	8.70	8.65	8.50	8.500
500—Education, training, employment, and social services:				
Budget authority	26.20	25.45	25.40	25.400
Outlays	26.85	28.20	28.10	28.100
550—Health:				
Budget authority	83.50	79.05	78.50	78.500
Outlays	73.35	71.30	73.70	73.700
600—Income security:				
Budget authority	262.70	261.35	255.80	256.792
Outlays	239.70	249.10	251.60	250.300
700—Veterans benefits and services:				
Budget authority	24.80	24.80	24.80	24.800
Outlays	24.05	23.80	23.80	23.800
750—Administration of justice:				
Budget authority	4.30	4.50	4.50	4.500
Outlays	4.45	4.65	4.60	4.600
800—General government:				
Budget authority	5.00	5.20	5.20	5.200
Outlays	4.90	5.05	5.00	5.000
850—General purpose fiscal assistance:				
Budget authority	6.50	6.35	6.40	6.400
Outlays	6.40	6.35	6.30	6.300
900—Interest:				
Budget authority	85.70	99.55	102.00	100.700
Outlays	85.70	99.55	102.00	100.700
920—Allowances:				
Budget authority		2.85	0.70	2.850
Outlays		1.90	0.80	0.800
950—Undistributed offsetting receipts:				
Budget authority	−32.90	−32.65	−30.50	−31.700
Outlays	−32.90	−32.65	−30.50	−31.700

FISCAL YEAR 1983—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Budget authority	800.383	835.6699	822.390
Outlays	765.171	784.2512	769.818
Revenues	665.900	668.4000	665.900
Deficit	−99.271	−115.8512	−103.918
Public debt	1,290.200	1,292.2512	1,290.200
Change in revenues	+20.900	+23.4000	+20.900
Change in public debt limit	+147.100	+48.0512	+147.100
050—National defense:			
Budget authority	253.566	251.7000	253.566
Outlays	213.966	215.3000	213.966
150—International affairs:			
Budget authority	14.988	16.2000	15.900
Outlays	11.238	12.1000	11.500
250—General science, space, and technology:			
Budget authority	7.050	7.8000	7.800
Outlays	7.150	7.6000	7.600
270—Energy:			
Budget authority	3.486	5.3000	4.800
Outlays	3.763	5.0000	4.500
300—Natural resources and environment:			
Budget authority	9.000	9.9000	9.500
Outlays	10.550	11.4000	10.950
350—Agriculture:			
Budget authority	6.692	6.6000	6.692
Outlays	9.042	10.1000	9.042
370—Commerce and housing credit:			
Budget authority	6.751	7.1000	7.100
Outlays	1.902	3.9000	2.837
400—Transportation:			
Budget authority	21.450	21.6000	21.450
Outlays	20.050	19.9000	19.900
450—Community and regional development:			
Budget authority	6.750	6.9000	6.900
Outlays	7.847	7.7000	7.700
500—Education, training, employment, and social services:			
Budget authority	26.832	26.5000	26.832
Outlays	26.205	27.0000	26.205
550—Health:			
Budget authority	79.289	79.5699	79.569
Outlays	77.816	77.6512	77.816
600—Income security:			
Budget authority	258.141	281.8000	274.797
Outlays	269.841	273.0000	270.895
700—Veterans benefits and services:			
Budget authority	24.560	24.0000	24.560
Outlays	23.823	23.2000	23.823
750—Administration of justice:			
Budget authority	4.400	4.9000	4.540
Outlays	4.500	4.9000	4.650
800—General government:			
Budget authority	4.800	5.0000	4.800
Outlays	4.650	4.8000	4.650
850—General purpose fiscal assistance:			
Budget authority	6.500	6.6000	6.500
Outlays	6.500	6.5000	6.500
900—Interest:			
Budget authority	112.300	115.5000	113.200
Outlays	112.300	115.5000	113.200
920—Allowances:			
Budget authority	−3.016	−2.0000	−3.016
Outlays	−2.816	−2.0000	−2.816
950—Undistributed offsetting receipts:			
Budget authority	−43.156	−39.3000	−43.100
Outlays	−43.156	−39.3000	−43.100

FISCAL YEAR 1984—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Budget authority	862.601	897.4699	878.473
Outlays	815.979	833.2677	821.928
Revenues	738.000	741.4000	738.000
Deficit	−77.979	−91.8677	−83.928
Public debt	1,426.600	1,420.2189	1,420.219

FISCAL YEAR 1984—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Change in revenues	+36.000	+39.4000	+36.000
Change in public debt limit	+136.400	127.9677	+130.019
050—National defense:			
Budget authority	279.483	278.3000	279.483
Outlays	243.283	243.0000	243.283
150—International affairs:			
Budget authority	16.000	16.7000	16.400
Outlays	11.550	12.3000	11.900
250—General science, space, and technology:			
Budget authority	7.050	7.7000	7.700
Outlays	7.100	7.8000	7.800
270—Energy:			
Budget authority	2.794	4.6000	3.950
Outlays	2.184	3.9000	3.300
300—Natural resources and environment:			
Budget authority	8.400	9.3000	8.700
Outlays	9.500	10.3000	9.800
350—Agriculture:			
Budget authority	8.250	8.3000	8.300
Outlays	7.500	8.2000	7.600
370—Commerce and housing credit:			
Budget authority	7.385	7.6000	7.600
Outlays	1.425	3.6000	2.521
400—Transportation:			
Budget authority	21.700	21.8000	21.700
Outlays	19.700	19.7000	19.700
450—Community and regional development:			
Budget authority	6.900	6.9000	6.900
Outlays	7.469	7.5000	7.500
500—Education, training, employment, and social services:			
Budget authority	26.924	26.7000	26.700
Outlays	26.124	26.9000	26.900
550—Health:			
Budget authority	91.094	92.2699	91.725
Outlays	86.249	85.7677	86.249
600—Income security:			
Budget authority	278.464	300.9000	291.042
Outlays	285.514	288.8000	287.531
700—Veterans benefits and services:			
Budget authority	25.830	25.0000	25.746
Outlays	25.704	24.2000	25.017
750—Administration of justice:			
Budget authority	4.300	5.0000	4.500
Outlays	4.350	5.0000	4.500
800—General government:			
Budget authority	4.500	4.7000	4.500
Outlays	4.450	4.6000	4.450
850—General purpose fiscal assistance:			
Budget authority	6.700	6.7000	6.700
Outlays	6.700	6.7000	6.700
900—Interest:			
Budget authority	118.000	120.8000	118.000
Outlays	118.000	120.8000	118.000
920—Allowances:			
Budget authority	−2.383	−0.8000	−2.383
Outlays	−2.033	−0.8000	−2.033
950—Undistributed offsetting receipts:			
Budget authority	−48.790	−44.8000	−48.790
Outlays	−48.790	−44.8000	−48.790

FISCAL YEAR 1985—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Budget authority	948.503	973.2699	960.611
Outlays	874.955	890.6712	881.356
Revenues	821.400	825.5000	821.400
Deficit	−53.556	−67.1712	−59.956
Public debt	1,551.100	1,533.4901	1,533.491
Change in revenues	+41.400	+45.5000	+41.400
Change in public debt limit	+124.500	+113.2712	+113.272
050—National defense:			
Budget authority	323.650	316.5000	323.650

FISCAL YEAR 1985—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Outlays	279.000	277.7000	279.000
150—International affairs:			
Budget authority	20.940	21.0000	21.000
Outlays	11.590	12.2000	11.800
250—General science, space, and technology:			
Budget authority	7.050	7.3000	7.300
Outlays	7.050	7.4000	7.400
270—Energy:			
Budget authority	2.604	4.5000	3.800
Outlays	1.402	3.7000	3.000
300—Natural resources and environment:			
Budget authority	7.950	8.9000	8.300
Outlays	8.400	9.3000	8.700
350—Agriculture:			
Budget authority	5.760	6.7000	6.700
Outlays	7.110	7.3000	7.110
370—Commerce and housing credit:			
Budget authority	6.965	7.4000	7.223
Outlays	1.055	3.3000	1.880
400—Transportation:			
Budget authority	22.050	22.1000	22.050
Outlays	19.550	19.7000	19.600
450—Community and regional development:			
Budget authority	7.100	7.0000	7.100
Outlays	7.442	7.4000	7.400
500—Education, training, employment, and social services:			
Budget authority	26.214	26.4000	26.214
Outlays	25.369	26.5000	26.161
550—Health:			
Budget authority	102.569	103.6699	103.229
Outlays	98.830	97.2712	98.830
600—Income security:			
Budget authority	314.041	332.9000	322.373
Outlays	306.791	310.5000	308.858
700—Veterans benefits and services:			
Budget authority	26.940	25.5000	26.752
Outlays	26.497	25.4000	26.497
750—Administration of justice:			
Budget authority	4.250	5.1000	4.500
Outlays	4.250	5.1000	4.500
800—General government:			
Budget authority	4.500	4.7000	4.500
Outlays	4.300	4.4000	4.300
850—General purpose fiscal assistance:			
Budget authority	6.850	6.9000	6.850
Outlays	6.850	6.8000	6.850
900—Interest:			
Budget authority	111.500	114.6000	111.500
Outlays	111.500	114.6000	111.500
920—Allowances:			
Budget authority	−2.150	−0.8000	−2.150
Outlays	−1.750	−0.6000	−1.750
950—Undistributed offsetting receipts:			
Budget authority	−50.280	−47.3000	−50.280
Outlays	−50.280	−47.3000	−50.280

Reconciliation Instructions

The Conference substitute includes reconciliation instructions to eight Senate committees to report legislation to achieve savings in the fiscal years 1983–85, and reconciliation instructions to nine House committees to report legislation to achieve savings in fiscal years 1983–85. These savings are necessary for the committees to remain within their spending limits contemplated in the Resolution.

The Senate Finance Committee and the House Ways and Means Committee are also instructed by the Resolution to report legislation to increase revenues in the fiscal years 1983–85.

Any legislation included in the Reconciliation Bill reported pursuant to this Resolution shall achieve net spending reductions in the amounts required by this Resolution.

CONFERENCE SUBSTITUTE RECONCILIATION INSTRUCTIONS—SENATE COMMITTEES

[In millions of dollars]

	Fiscal year—							
	1983		1984		1985		1983–85	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Spending reductions:								
Agriculture	−779	−779	−1,083	−1,083	−1,428	−1,428	−3,290	−3,290
Armed Services	−213	−213	−693	−693	−1,231	−1,231	−2,137	−2,137
Banking		−695		−697		−687		−2,079
Commerce	−4	−4	−15	−15	−27	−27	−46	−46
Finance	−1,106	−4,429	−1,444	−5,564	−1,740	−5,976	−4,290	−15,969
Foreign Relations		−2	−2	−8	−4	−15	−6	−25
Governmental Affairs		−374	−240	−1,053	−534	−1,793	−774	−3,220
Veterans' Affairs	−77	−77	−155	−155	−155	−155	−387	−387
Total spending reductions	−2,179	−6,573	−3,632	−9,268	−5,119	−11,312	−10,930	−27,153
Revenue increases:								
Finance		+20,900		+36,000		+41,400		+98,300
(User fee portion)		(+900)		(+1,000)		(+1,400)		(+3,300)
Total reconciliation instructions		−27,473		−45,268		−52,712		−125,453

CONFERENCE SUBSTITUTE RECONCILIATION INSTRUCTIONS—HOUSE COMMITTEES

[In millions of dollars]

	Fiscal year—							
	1983		1984		1985		1983–85	
	BA	O	BA	O	BA	O	BA	O
Spending reductions:								
Agriculture	−779	−779	−1,083	−1,083	−1,428	−1,428	−3,290	−3,290
Armed Services	−213	−213	−693	−693	−1,231	−1,231	−2,137	−2,137
Banking		−695		−697		−687		−2,079
Energy and Commerce	−514	−675	−741	−739	−815	−811	−2,070	−2,225
Foreign Affairs		−2	−2	−8	−4	−15	−6	−25
Merchant Marine	−4	−4	−15	−15	−27	−27	−46	−46
Post Office and Civil Service		−376	−242	−1,061	−538	−1,808	−780	−3,245
Veterans' Affairs	−77	−77	−155	−155	−155	−155	−387	−387
Ways and Means	−593	−3,755	−705	−4,827	−928	−5,168	−2,226	−13,750
Total	−2,180	−6,576	−3,636	−9,278	−5,126	−11,330	−10,942	−27,184
Less double counting (Dual committee jurisdiction)	1	3	4	10	7	18	12	31
Total spending reductions	−2,179	−6,573	−3,632	−9,268	−5,119	−11,312	−10,930	−27,153
Revenue increases:								
Ways and Means		+20,900		−36,000		−41,400		+98,300
(User fee portion)		(+900)		(+1,000)		(+1,400)		(+3,300)
Total reconciliation instructions		−27,473		−45,268		−52,712		−125,453

Credit Budget

For fiscal year 1982, the Senate Resolution provided $67.3 billion for new direct loan obligations, $93.0 billion for new primary loan guarantee commitments, and $69.0 billion for new secondary loan guarantee commitments. The House amendment provided $63.4 billion for new direct loan obligations, $74.85 billion for new primary loan guarantee commitments, and $68.95 billion for new secondary loan guarantee commitments. The Conference substitute provides $63.3 billion for new direct loan obligations, $74.9 billion for new primary loan guarantee commitments, and $69.0 billion for new secondary loan guarantee commitments.

For fiscal year 1983, the Senate Resolution provided $63.6 billion for new direct loan obligations, $102.2 billion for new primary loan guarantee commitments, and $68.3 billion for new secondary loan guarantee commitments. The House amendment provided $58.05 billion for new direct loan obligations, $99.4 billion for new primary loan guarantee commitments, and $68.25 billion for new secondary loan guarantee commitments. The Conference substitute provides $59.7 billion for new direct loan obligations, $101.9 billion for new primary loan guarantee commitments, and $68.3 billion for new secondary loan guarantee commitments.

The credit budget aggregate totals and functional allocations for FY 1982 and FY 1983 are shown in the following table:

CONFERENCE SUBSTITUTE FISCAL YEAR 1982 AND FISCAL YEAR 1983 CREDIT ACTIVITIES

[In billions of dollars, by fiscal year]

Function	New direct loan obligations		New primary loan guarantee commitments		New secondary loan guarantee commitments	
	1982	1983	1982	1983	1982	1983
050: National Defense		0.05		0.05		
150: International Affairs	10.4	10.2	8.1	9.3		
250: General Science, Space, and Technology	0.2	0.2				
270: Energy	10.3	12.0	0.4	0.5		
300: Natural Resources and Environment	0.03	0.03				
350: Agriculture	22.6	18.1	2.7	2.6		
370: Commerce and Housing Credit	12.05	12.1	26.2	41.0	68.2	68.2
400: Transportation	0.4	0.5	0.75	0.8	0.003	0.003
450: Community and Regional Development	2.1	2.2	0.9	0.6		
500: Education, Training, Employment, and Social Services	1.3	0.8	6.5	7.2	0.7	
550: Health	0.1	0.1	0.1	0.1		
600: Income Security	2.8	2.0	17.0	18.7		
700: Veterans Benefits and Services	1.0	1.0	11.9	20.9		
800: General Government	0.1	0.05				
850: General Purpose Fiscal Assistance	0.2	0.2	0.3			
Total Credit Activities	63.6	59.7	74.9	101.9	69.0	68.3

The Senate resolution contained a provision creating a point of order against consideration in fiscal years 1982 and 1983 of legislation that authorizes new direct loan obligations or new loan guarantee commitments, unless such authority is effective only to the extent provided in appropriation acts. The Senate resolution provided an exemption for agricultural price support and related programs of the type in operation on January 1, 1982, funded through the Commodity Credit Corporation (CCC). The House amendment did not contain such a provision. The Conference substitute contains the text of the Senate provision, with further exemptions for loan and loan guarantee programs administered by the Veterans, Administration and for bills or resolutions reported to the House or Senate prior to the adoption of this resolution.

The House amendment contained a provision providing a point of order against legislation considered after the adoption of a Second Concurrent Resolution on the Budget for fiscal year 1983 which would cause the aggregate levels of new direct loan obligations or new primary or secondary loan guarantee commitments for fiscal year 1983 set forth in the resolution to be exceeded. The House provision also provided for an allocation to the appropriate committees of the Senate and House of the fiscal year 1983 credit budget totals set forth in the First Concurrent Resolution on the Budget for that year. The provision exempted agricultural price support and related programs of the type in operation on January 1, 1982, funded through the Commodity Credit Corporation (CCC). The Senate resolution did not contain such a provision. The Conference substitute contains the House provision. In compliance with this provision, an allocation of the credit budget totals in the Conference substitute is printed in this Joint Explanatory Statement of Managers.

It is the intent of the conferees that direct loan and loan guarantee levels for the Rural Electrification Administration assumed in the fiscal year 1983 credit totals contained in the Conference substitute are predicated on the continuation of the present criteria and supplemental loan ratios and on interest rates set in the Rural Electrification Act of 1936, as amended by the Omnibus Budget Reconciliation Act of 1981.

The Senate resolution expressed the sense of the Congress that the President through administrative actions should limit fiscal year 1983 Federal Financing Bank origination of direct loans to specified amounts and that direct borrowing by Federal agencies should be limited, to the maximum extent possible, to the Federal Financing Bank. The House amendment did not contain such a provision. The Conference substitute does not contain the provision.

The House amendment contained a provision expressing the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to specified levels. The Senate resolution did not contain such a provision. The Conference substitute does not contain the House provision.

Also contained in the Senate resolution was a sense of the Congress provision directing the committees of jurisdiction to act expeditiously to consider legislation establishing a process for annual determination of appropriate levels for and proper budgetary treatment of Federal credit activity. The House amendment did not contain such a provision. The Conference substitute does not contain the Senate provision.

Social Security Solvency

The Senate resolution required the Senate Finance and House Ways and Means Committees to report legislation by December 1, 1982, to ensure the solvency of the social security system. The Senate language called for the solvency legislation to take into account the recommendations of the National Commission on Social Security Reform, and for the report of that Commission to be submitted to Congress by November 11, 1982. The changes in law were to do no more than was absolutely necessary to preserve the financial integrity of the social security system. The House resolution did not contain this provision.

The Senate conferees receded to the House.

In light of the need for legislative action to ensure the financial stability of the social security system, the conferees urge the President to direct the National Commission on Social Security Reform to report its recommendations at the earliest date possible. The conferees also urge the Congress to take action at the earliest possible time to ensure the solvency of the social security system.

Deferred Enrollment

Both the Senate resolution and the House amendment provided for the deferred enrollment of certain spending bills pursuant to section 301(b)(1) of the Congressional Budget and Impoundment Control Act.

The House amendment also contained language dealing with certain trust fund expenditures.

The conference substitute provides that spending bills exceeding the appropriate allocation under section 302 of the Budget Act shall not be enrolled until the adoption of the second budget resolution. For the Senate the appropriate allocations are "new budget authority" and "new spending authority"; for the House the appropriate allocations are "new discretionary budget authority" and "new spending authority".

In general, the conferees intend that increases in revenues and receipts through the imposition of user fees be used to reduce the deficit. However, the conference substitute would permit the authorizing legislation for spending financed by the Airport and Airway Trust Fund, the Highway Trust Fund, and any new trust fund created for urban mass transportation purposes to be enrolled to the extent that new spending in excess of the appropriate section 302(b) allocation is offset by increases in trust fund revenues.

Section 302(b) Report Requirement

The House amendment provided that it shall not be in order to consider spending bills within the jurisdiction of a committee until that committee has filed its report as required under Section 302 (b) of the Budget Act. The conference substitute includes this provision.

Automatic Second Budget Resolution

The House amendment contained language which converts the resolution into the Second Concurrent Resolution on the Budget on September 25, 1982, if the Congress does not otherwise adopt a resolution by that date. The Senate version contained no such provision. The conferees agreed to strike "September 25," and insert "October 1,". The Senate receded to the House language with the amendment.

Tax Expenditures and Off-Budget Spending

The managers of the Conference urge the budget committees and other appropriate committees of Congress to study ways in which tax expenditures and off-budget spending can be addressed more fully in budget resolutions and incorporated into the procedures of the Congressional budget process.

Federal Employment Reductions

The House amendment contained the following provision: "It is the sense of Congress that reductions in federal employment should be accomplished through attrition only."

The Senate resolution contained no such provision. The conferees agreed to delete the word "only". The Senate receded to the House provision with that amendment.

Federal Reserve

The Senate resolution contained a sense of the Congress provision relating to Federal Reserve as follows:

"It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall re-evaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy."

The House version contained a similar provision. The House receded.

Allocation of Budget Authority, Outlays, and Credit to Senate and House Committees

Pursuant to section 302 of the Congressional Budget Act and section 9 of S. Con. Res. 92, the conference substitute makes the following allocation of budget authority, outlays, and credit among the committees of the respective Houses:

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1982

[In millions of dollars]

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations Committee	459,310	433,581	.....	.....
Agriculture, Nutrition, and Forestry Committee	766	12,679	89	125
Armed Services Committee	12	9	15,192	15,155
Banking, Housing, and Urban Affairs Committee	3,688	109	.....	1
Commerce, Science, and Transportation Committee	1,684	804	279	434
Energy and Natural Resources Committee	1,156	928	53	55
Environment and Public Works Committee	10,183	2,047	6	6
Finance Committee	351,208	350,130	43,801	45,474
Foreign Relations Committee	13,701	11,365	.....	.....
Governmental Affairs Committee	42,984	29,839	(1)	(1)
Judiciary Committee	539	522	59	60
Labor and Human Resources Committee	5,410	5,585	5,504	5,341
Rules and Administration Committee	46	8	.....	.....
Small Business Committee	.....	.....	.....	.....
Veterans' Affairs Committee	1,363	1,024	15,752	15,253
Select Committee on Indian Affairs	515	362	.....	.....
Not allocated to committees	−114,892	−114,892	.....	.....
Total, budget	777,672	734,100	80,735	81,904

[1] Less than $500,000.

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983

[In millions of dollars]

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget Authority	Outlays	Budget Authority	Outlays
Appropriations Committee	483,005	459,361		
Agriculture, Nutrition, and Forestry Committee	4,332	8,482	94	90
Armed Services Committee	19	29	16,358	16,351
Banking, Housing, and Urban Affairs Committee	3,971	−58		
Commerce, Science, and Transportation Committee	1,135	−56	352	407
Energy and Natural Resources Committee	747	538	53	50
Environment and Public Works Committee	10,824	1,378	6	6
Finance Committee	387,984	387,986	41,874	46,330
Foreign Relations Committee	14,777	12,229		
Governmental Affairs Committee	46,061	32,033	(1)	(1)
Judiciary Committee	539	522	62	62
Labor and Human Resources Committee	5,784	5,933	5,438	5,396
Rules and Administration Committee	48	10		
Small Business Committee				
Veterans' Affairs Committee	1,374	917	14,912	15,463
Select Committee on Indian Affairs	548	414		
Not allocated to committees	−138,759	−139,901		
Total, budget	822,390	769,818	79,149	84,157

[1] Less than $500,000.

SENATE COMMITTEE CREDIT ALLOCATIONS PURSUANT TO SECTION 9 OF S. CON. RES. 92

[In millions of dollars]

Fiscal year 1983	New direct loan obligations	New primary loan guarantee commitments	New secondary loan guarantee commitments
Appropriations Committee	42,520	77,736	68,253
Agriculture, Nutrition, and Forestry Committee			
Armed Services Committee			
Banking, Housing, and Urban Affairs Committee	924	20,997	
Commerce, Science, and Transportation Committee	25	675	
Energy and Natural Resources Committee			
Environment and Public Works Committee	5,389		
Finance Committee			
Foreign Relations Committee			
Governmental Affairs Committee	80		
Judiciary Committee			
Labor and Human Resources Committee	3		
Rules and Administration Committee			
Small Business Committee	123		
Veterans' Affairs Committee			
Select Committee on Indian Affairs			
Not allocated to Committees	179		
Total, budget	[1] 49,242	99,408	68,253

[1] Section 9 exempts from the allocations $10,500 million in new direct loan obligations and $2,500 million in new primary loan guarantee commitments of agricultural price support and related programs of the type in operation on Jan. 1, 1982, that are funded through the Commodity Credit Corporation.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1982

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
HOUSE APPROPRIATIONS COMMITTEE		
050 National Defense	219,110	188,463
150 International Affairs	15,384	12,379
250 General Science, Space, and Techology	6,999	7,000
270 Energy	4,536	6,196
300 Natural Resources and Environment	12,935	15,451
350 Agriculture	9,575	2,065
370 Commerce and Housing Credit	6,042	3,511
400 Transportation	11,408	21,074
450 Community and Regional Development	6,635	7,803
500 Education, Training, Employment, and Social Services	24,682	28,111
550 Health	41,977	43,130
600 Income Security	54,616	55,774
700 Veterans Benefits and Services	24,082	23,502
750 Administration of Justice	4,526	4,630
800 General Government	8,693	8,533
850 General Purpose Fiscal Assistance	5,278	5,175
900 Interest	(1)	(1)
920 Allowances	2,850	800
950 Undistributed Offsetting Receipts	−25	−25
Committee total	459,303	433,574
HOUSE AGRICULTURE COMMITTEE		
300 Natural Resources and Environment	260	292
350 Agriculture	398	11,808
450 Community and Regional Development	1	518
850 General Purpose Fiscal Assistance	242	242
Committee total	900	12,859
HOUSE ARMED SERVICES COMMITTEE		
050 National Defense	11	8
400 Transportation	(2)	(2)
700 Veterans Benefits and Services	(2)	(2)
850 General Purpose Fiscal Assistance	1	1
Committee total	12	9
HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE		
150 International Affairs	0	−255
370 Commerce and Housing Credit	3,417	249
450 Community and Regional Development	221	179
500 Education, Training, Employment, and Social Services	0	−3
550 Health	0	0
600 Income Security	30	3
700 Veterans Benefits and Services	0	−14
800 General Government	5	5
900 Interest	11	11
Committee total	3,684	173
HOUSE DISTRICT OF COLUMBIA COMMITTEE		
750 Administration of Justice	9	9
850 General Purpose Fiscal Assistance	80	80
Committee total	89	89
HOUSE EDUCATION AND LABOR COMMITTEE		
500 Education, Training, Employment, and Social Services	15	21
600 Income Security	30	24
Committee Total	44	45
HOUSE ENERGY AND COMMERCE COMMITTEE		
300 Natural Resources and Environment	0	(2)
370 Commerce and Housing Credit	28	28
400 Transportation	816	816
550 Health	5	5
600 Income Security	5,356	5,531
850 General Purpose Fiscal Assistance	5	5
Committee total	6,209	6,384
HOUSE FOREIGN AFFAIRS COMMITTEE		
150 International Affairs	13,258	11,169
370 Commerce and Housing Credit	11	11
600 Income Security	433	186
Committee total	13,702	11,365
HOUSE GOVERNMENT OPERATIONS COMMITTEE		
800 General Government	1	(2)
850 General Purpose Fiscal Assistance	4,567	4,567
Committee total	4,568	4,567
HOUSE ADMINISTRATION COMMITTEE		
250 General Science, Space, and Technology	(2)	(2)
500 Education, Training, Employment, and Social Services	6	6
800 General Government	39	1
Committee total	46	8
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE		
270 Energy	280	1
300 Natural Resources and Environment	43	16
450 Community and Regional Development	515	361
800 General Government	(2)	(1)
850 General Purpose Fiscal Assistance	601	604
Committee total	1,439	981
HOUSE JUDICIARY COMMITTEE		
300 Natural Resources and Environment	(2)	(2)
370 Commerce and Housing Credit	22	18
600 Income Security	11	3
750 Administration of Justice	0	−5
800 General Government	506	506
Committee total	539	522
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE		
300 Natural Resources and Environment	167	144
370 Commerce and Housing Credit	27	0
400 Transportation	415	−59
850 General Purpose Fiscal Assistance	4	4
Committee total	612	89
HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE		
370 Commerce and Housing Credit	11	11
550 Health	0	−142
600 Income Security	32,181	19,179
800 General Government	10,702	10,702
Committee total	42,893	29,750
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE		
270 Energy	1,614	1,800
300 Natural Resources and Environment	79	82
400 Transportation	8,691	−2
450 Community and Regional Development	5	15
Committee total	10,389	1,895
HOUSE SCIENCE AND TECHNOLOGY COMMITTEE		
250 General Science, Space, and Technology	5	5
270 Energy	5	39
300 Natural Resources and Environment	18	18
370 Commerce and Housing Credit	(2)	(2)
800 General Government	(2)	(2)
Committee total	29	62
HOUSE VETERANS AFFAIRS COMMITTEE		
700 Veterans Benefits and Services	1,363	957
Committee total	1,363	957
HOUSE WAYS AND MEANS COMMITTEE		
500 Education, Training, Employment, and Social Services	732	0
550 Health	54,739	48,928
600 Income Security	170,847	176,312
800 General Government	7	7
850 General Purpose Fiscal Assistance	337	337
900 Interest	120,071	120,071
Committee total	346,734	345,656
UNASSIGNED		
050 National Defense	−921	−921
150 International Affairs	−11,893	−11,893
250 General Science, Space, and Technology	−5	−5
270 Energy	−1,635	−1,635
300 Natural Resources and Environment	−3,203	−3,203
350 Agriculture	−73	−73

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1982—Continued

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
370 Commerce and Housing Credit	−77	−77
400 Transportation	−530	−530
450 Community and Regional Development	−376	−376
500 Education, Training, Employment, and Social Services	−35	−35
550 Health	−18,221	−18,221
600 Income Security	−6,711	−6,711
700 Veterans Benefits and Services	−645	−645
750 Administration of Justice	−35	−35
800 General Government	−14,754	−14,754
850 General Purpose Fiscal Assistance	−4,715	−4,715
900 Interest	−19,382	−19,382
950 Undistributed Offsetting Receipts	−31,675	−31,675
Committee total	−114,885	−114,885
Grand total	777,672	734,100

[1] Less than negative $500,000.
[2] Less than $500,000.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
HOUSE APPROPRIATIONS COMMITTEE			
Current Level:			
050 National defense	16,868	89,031	0
150 International affairs	127	−109	0
250 General science, space, and technology	0	2,199	0
300 Natural resources and environment	14	16	0
370 Commerce and housing credit	0	−526	0
400 Transportation	407	858	0
450 Community and regional development	53	53	0
500 Education, training, employment, and social services	7,387	7,315	0
550 Health	32,095	36,684	0
600 Income security	29,454	29,677	0
700 Veterans benefits and services	14,279	14,306	0
750 Administration of justice	91	663	0
800 General government	4,759	4,733	0
850 General purpose fiscal assistance	4,567	4,567	0
Subtotal	110,102	189,468	0
Discretionary appropriations action:			
050 National defense	235,074	123,285	0
150 International affairs	14,128	12,480	0
250 General science, space, and technology	7,800	5,401	0
270 Energy	5,089	5,084	0
300 Natural resources and environment	13,078	14,586	0
350 Agriculture	6,617	1,743	0
370 Commerce an, housing credit	3,347	3,182	0
400 Transportation	11,205	19,668	0
450 Community and regional development	6,504	6,764	0
500 Education, training, employment, and social services	18,736	18,948	0
550 Health	8,000	8,979	0
600 Income security	28,469	30,296	0
700 Veterans benefits and services	8,927	8,869	0
750 Administration of justice	4,462	4,009	0
800 General government	4,135	4,049	0
850 General purpose fiscal assistance	642	642	0
920 Allowances	−832	−648	0
950 Undistributed offsetting receipts	12	12	0
Subtotal	375,394	267,348	0
Discretionary action by other committees:			
050 National defense	2,362	2,378	0
400 Transportation	−4	−4	0
500 Education, training, employment, and social services	−59	−31	0
550 Health	−487	−640	0
600 Income security	−895	−863	0
700 Veterans benefits and services	632	578	0
920 Allowances	−84	−68	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Subtotal	1,465	1,351	0
Committee total	486,961	458,167	0
HOUSE AGRICULTURE COMMITTEE			
Current level:			
300 Natural resources and environment	297	291	0
350 Agriculture	175	8,299	45
450 Community and regional development	1	711	0
850 General purpose fiscal assistance	294	294	294
Subtotal	767	9,595	339
Discretionary action:			
300 Natural resources and environment	−36	−36	0
350 Agriculture	−12	−912	0
370 Commerce and housing credit	−21	−21	0
Subtotal	−69	−969	0
Committee total	698	8,626	339
HOUSE ARMED SERVICES COMMITTEE			
Current level:			
050 National defense	18	27	16,777
850 General purpose fiscal assistance	1	1	0
Subtotal	19	29	16,777
Discretionary action:			
050 National defense	0	0	−75
Subtotal	0	0	−75
Committee total	19	29	16,702
HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE			
Current level:			
150 International affairs	0	−226	0
370 Commerce and housing credit	3,797	948	0
450 Community and regional development	192	155	0
500 Education, training, employment, and social services	0	−2	0
600 Income security	25	0	0
700 Veterans benefits and services	0	−13	0
800 General government	7	7	0
900 Interest	11	11	0
Subtotal	4,031	889	0
Discretionary action:			
370 Commerce and housing credit	−63	−758	0
Subtotal	−63	−758	0
Committee total	3,968	121	0
HOUSE DISTRICT OF COLUMBIA COMMITTEE			
Current Level:			
750 Administration of justice	9	9	9
850 General purpose fiscal assistance	86	86	0
Subtotal	95	95	9
Committee total	95	95	9
HOUSE EDUCATION AND LABOR COMMITTEE			
Current level:			
500 Education, training, employment, and social services	14	13	4,405
600 Income security	37	32	5,489
Subtotal	51	44	9,895
Committee total	51	44	9,985
HOUSE ENERGY AND COMMERCE COMMITTEE			
Current level:			
370 Commerce and housing credit	29	29	0
400 Transportation	122	122	121
550 Health	5	5	115
600 Income security	5,723	5,879	5,899
850 General purpose fiscal assistance	6	5	6
Subtotal	5,884	6,040	6,141

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Discretionary action:			
270 Energy	−360	−360	0
300 Natural resources and environment	−27	−27	0
550 Health	0	0	−514
Subtotal	−387	−387	−514
Committee total	5,497	5,653	5,627
HOUSE FOREIGN AFFAIRS COMMITTEE			
Current level:			
150 International affairs	14,309	12,020	0
370 Commerce and housing credit	6	6	0
600 Income security	463	206	206
Subtotal	14,778	12,232	206
Discretionary action:			
600 Income security	0	−2	−2
Subtotal	0	−2	−2
Committee total	14,778	12,230	204
HOUSE GOVERNMENT OPERATIONS COMMITTEE			
Current level:			
800 General government	1	0	0
850 General purpose fiscal assistance	4,567	4,567	4,567
Subtotal	4,568	4,567	4,567
Committee total	4,568	4,567	4,567
HOUSE ADMINISTRATION COMMITTEE			
Current level:			
500 Education, training, employment, and social services	7	6	0
800 General government	41	3	69
Subtotal	48	10	69
Committee total	48	10	69
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE			
Current level:			
270 Energy	180	1	0
300 Natural resources and environment	51	21	14
450 Community and regional development	547	412	53
800 General government	1	1	0
850 General purpose fiscal assistance	653	653	653
Subtotal	1,433	1,089	721
Discretionary action:			
300 Natural resources and environment	−22	−22	0
Subtotal	−22	−22	0
Committee total	1,411	1,067	721
HOUSE JUDICIARY COMMITTEE			
Current level:			
370 Commerce and housing credit	23	23	0
600 Income security	10	2	2
750 Administration of justice	0	−9	91
800 General Government	506	506	506
Subtotal	540	523	599
Committee total	540	523	599
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE			
Current Level:			
300 Natural resources and environment	180	153	0
370 Commerce and housing credit	29	0	0
400 Transportation	407	−49	336
850 General purpose fiscal assistance	4	4	0
Subtotal	620	108	336
Discretionary action:			
400 Transportation	−150	−150	−4
Subtotal	−150	−150	−4

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Committee total	470	−42	332
HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE			
Current level:			
370 Commerce and housing credit	11	11	0
550 Health	0	−268	1,075
600 Income security	34,450	21,065	21,065
800 General government	11,504	11,504	9
Subtotal	45,965	32,312	22,148
Discretionary action:			
600 Income security	0	−374	−374
Subtotal	0	−374	−374
Committee total	45,965	31,938	21,774
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE			
Current level:			
270 Energy	1,622	1,500	0
300 Natural resources and environment	80	83	0
400 Transportation	4,718	−5	71
450 Community and regional development	6	9	0
Subtotal	6,426	1,587	71
Discretionary action:			
300 Natural resources and environment	−370	−370	0
400 Transportation	4,285	0	1
Subtotal	4,915	−370	1
Committee total	11,341	1,217	72
HOUSE SCIENCE AND TECHNOLOGY COMMITTEE			
Current level:			
250 General Science, space, and technology	5	5	0
270 Energy	3	9	0
300 Natural resources and environment	20	20	0
Subtotal	29	34	0
Committee total	29	34	0
HOUSE VETERANS AFFAIRS COMMITTEE			
Discretionary action:			
700 Veterans benefits and services	1,469	829	14,707
Subtotal	1,469	829	14,707
Discretionary action:			
700 Veterans benefits and services	−95	−95	632
Subtotal	−95	−95	632
Committee total	1,374	734	15,339
HOUSE WAYS AND MEANS COMMITTEE			
Current level:			
500 Education, training, employment, and social services	790	0	2,845
550 Health	60,981	57,238	71,803
600 Income security	185,729	193,646	211,834
800 General government	8	8	0
850 General purpose fiscal assistance	362	362	362
900 Interest	136,311	136,311	136,311
Subtotal	384,181	387,565	423,155
Discretionary action:			
550 Health	−515	−3,672	−3,162
600 Income security	0	0	−593
900 Interest	−329	−329	0
920 Allowances	0	0	500
Subtotal	−844	−4,001	−3,255
Committee total	383,337	383,564	419,900
UNASSIGNED			
Current level:			
050 National defense	−756	−756	0
150 International affairs	−12,664	−12,664	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
250 General science, space, and technology	−5	−5	0
270 Energy	−1,734	−1,734	0
300 Natural resources and environment	−3,766	−3,766	0
350 Agriculture	−88	−88	0
370 Commerce and housing credit	−58	−58	0
400 Transportation	−540	−540	0
450 Community and regional development	−403	−403	0
500 Education, training, employment, and social services	−44	−44	0
550 Health	−20,509	−20,509	0
600 Income security	−8,668	−8,668	0
700 Veterans benefits and services	−652	−652	0
750 Administration of justice	−23	−23	0
800 General government	−16,162	−16,162	0
850 General purpose fiscal assistance	−4,682	−4,682	0
900 Interest	−22,793	−22,793	0
920 Allowances	−2,100	−2,100	0
950 Undistributed offsetting receipts	−43,112	−43,112	−19,062
Subtotal	−138,759	−138,759	−19,062
Committee total	−138,759	−138,759	−19,062
Total—current level	446,931	508,246	480,677
Total—discretionary action	375,459	261,572	−3,591
Grand totals	822,390	769,818	477,086

Note.—Totals may not add because of rounding.

ALLOCATION OF FEDERAL CREDIT PROGRAM RESPONSIBILITY PURSUANT TO SECTION 9 OF THE PROPOSED CONFERENCE SUBSTITUTE FOR SENATE CON. RES. 92, FISCAL YEAR 1983

[In millions of dollars]

	New direct loan obligations	New primary guarantee commitments	New secondary guarantee commitments
HOUSE APPROPRIATIONS COMMITTEE			
050 National defense	50	50	
150 International affairs	10,202	12,743	
250 General science, space, and technology	171	171	
270 Energy	7,392	6,400	
300 Natural resources and environment	27		
350 Agriculture	14,265	6,778	
370 Commerce and housing credit	17,650	48,675	68,250
400 Transportation	493	1,056	3
450 Community and regional development	3,415	1,903	
500 Education, training, employment and social services	844	7,250	
550 Health	119	155	
600 Income security	2,029	19,771	
700 Veterans benefits and services	2		
800 General government	43	43	
850 General purpose fiscal assistance	145		
Subtotal, gross activity	56,847	104,995	68,253
Less, Federal financing bank purchase of loan assets	−8,838		
Less, guarantees of direct loans		−26,595	
Committee total	48,009	78,400	68,253
HOUSE BANKING, FINANCE, AND URBAN AFFAIRS COMMITTEE			
370 Commerce and housing credit	5	75	
Committee total	5	75	
HOUSE DISTRICT OF COLUMBIA COMMITTEE			
850 General purpose fiscal assistance	80		
Committee total	80		
HOUSE EDUCATION AND LABOR COMMITTEE			
600 Income security	3		

ALLOCATION OF FEDERAL CREDIT PROGRAM RESPONSIBILITY PURSUANT TO SECTION 9 OF THE PROPOSED CONFERENCE SUBSTITUTE FOR SENATE CON. RES. 92, FISCAL YEAR 1983—Continued

[In millions of dollars]

	New direct loan obligations	New primary guarantee commitments	New secondary guarantee commitments
Committee total	3		
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE			
270 Energy	5,340	5,289	
400 Transportation	20		
Subtotal, gross activity	5,390	5,289	
Less, Federal financing bank purchase of loan assets	−5,289		
Less, guarantees of direct loans		−5,289	
Committee total	101		
HOUSE VETERANS AFFAIRS COMMITTEE			
700 Veterans benefits and services	1,041	20,934	
Committee total	1,041	20,934	
Grand total	[1] 49,239	[1] 99,409	68,253

[1] These amounts are less than the aggregates in the proposed conference substitute for direct loan obligations and primary loan guarantee commitments because the proposed conference substitute would exempt credit programs administered by the Commodity Credit Corporation from the allocation process.

JIM JONES,
BILL NELSON,
LES ASPIN,
W. G. BILL HEFNER,
DELBERT L. LATTA,
RALPH REGULA,
BILL FRENZEL,
ED BETHUNE,
LYNN MARTIN,
BOBBI FIEDLER.
Managers on the Part of the House.

PETE V. DOMENICI,
W. L. ARMSTRONG,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
ORRIN G. HATCH,
JOHN TOWER,
Managers on the Part of the Senate.

MAKING IN ORDER TOMORROW OR ANY DAY THEREAFTER CONSIDERATION OF A MOTION TO RECEDE AND TO AMEND SENATE CONCURRENT RESOLUTION 92, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1983

Mr. JONES of Oklahoma. Mr. Speaker, I ask unanimous consent that it shall be in order tomorrow or any day thereafter to consider a motion by the chairman of the Committee on the Budget to recede from the House amendment, reported from conference in disagreement, to Senate Concurrent Resolution 92, and to amend the Senate concurrent resolution with the text of the amendment in the nature of a substitute printed in the joint statement of managers in the conference report as submitted in the House of Representatives, that debate on said motion shall continue not to exceed 1 hour equally divided and controlled by the chairman and ranking

minority member of the Committee on the Budget, that said motion shall not be subject to a demand for a division of the question, and that the previous question shall be considered as ordered on said motion to final adoption without intervening motion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. LOEFFLER. Mr. Speaker, reserving the right to object, and I shall not object, I do so solely for the purpose of clarification.

As I understand the request of the distinguished chairman of the Budget Committee, this would only allow us to expedite consideration of the budget resolution conference report, which was reported in disagreement because of some minor-scope problems. This motion would, as I understand it, allow the House to proceed first to the consideration of the conference agreement.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Oklahoma. Is that correct?

Mr. JONES of Oklahoma. The gentleman's interpretation of this unanimous-consent request is absolutely correct.

Mr. LOEFFLER. Mr. Speaker, I thank the gentleman for his response, and I wish to inform the body that this unanimous-consent request has also been cleared by the Republican leadership.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma (Mr. JONES)?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Today is the day for consideration for bills under suspension of the rules.

Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, June 22, 1982.

NO NET COST TOBACCO PROGRAM ACT OF 1982

Mr. ROSE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6590) to provide for the operation of the tobacco price support and production adjustment program in such a manner as to result in no net cost to taxpayers, to limit increases in the support price for tobacco, and for other purposes, as amended.

The Clerk read as follows:

H.R. 6590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "No Net Cost Tobacco Program Act of 1982".

FINDINGS

SEC. 2. Congress finds that—

(1) in order to implement the intent of Congress, as expressed in the Agriculture and Food Act of 1981, that the tobacco price support and production adjustment program be carried out at no net cost to the taxpayer, other than administrative expenses common to the operation of all price support programs, it is necessary that producers of quota tobacco share equitably in helping to eliminate losses which may be incurred in carrying out the program;

(2) producers of quota tobacco should be required, as a condition of receiving the benefits of price support for their tobacco, to contribute to a capital account to be established by each producer-owned marketing association through which price support advances are made available to producers; and

(3) the account so established should be used by the associations exclusively for the purpose of achieving a no net cost tobacco program.

TITLE I—MODIFICATION OF TOBACCO PRICE SUPPORT PROGRAM

PRODUCER CONTRIBUTIONS TO NO NET COST TOBACCO FUND

SEC. 101. Effective for the 1982 and subsequent crops of tobacco, the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended by inserting, following section 106, a new section 106A as follows:

"PRODUCER CONTRIBUTIONS TO NO NET COST TOBACCO FUND

"SEC. 106A. (a) As used in the section—

"(1) the term 'association' means a producer-owned cooperative marketing association which has entered into a loan agreement with the Corporation to make price support available to producers;

"(2) the term 'Corporation' means the Commodity Credit Corporation, an agency and instrumentality of the United States within the Department of Agriculture through which the Secretary makes price support available to producers;

"(3) the term 'Fund' means the capital account to be established within each association, which account shall be known as the 'No Net Cost Tobacco Fund';

"(4) the term 'to market' means to dispose of quota tobacco by voluntary or involuntary sale, barter, exchange, gift inter vivos, or consigning the tobacco to an association for a price support advance;

"(5) the term 'net gains' means the amount of which total proceeds obtained from the sale by an association of a crop of quota tobacco pledged to the Corporation for price support loan exceeds the principal amount of the price support loan made by the Corporation to the association on such crop, plus interest and charges; and;

"(6) the term 'quota tobacco' means any kind of tobacco for which marketing quotas are in effect or for which marketing quotas are not disapproved by producers.

"(b) The Secretary may carry out the tobacco price support program through the Corporation and shall, except as otherwise provided by this section, continue to make price support available to producers through loans to associations that, under agreements with the Corporation, agree to make loan advances to producers.

"(c) Each association shall establish within the association a Fund. The Fund shall be comprised of amounts contributed by producer-members as provided in subsection (d).

"(d) The Secretary shall—

"(1) require—

"(A) that—

"(i) as a condition of eligibility for price support, each producer of each kind of quota tobacco (other than Burley quota tobacco with respect to the 1983 and subsequent crops) shall agree; with respect to all of such kind of quota tobacco marketed by the producer from a farm, to contribute to the appropriate association, for deposit in the association's Fund, an amount determined from time to time by the association with the approval of the Secretary; and

"(ii) as a condition of eligibility for price support for any marketing year of any three-year period for which marketing quotas are in effect (other than the period applicable to the 1982 crop), each producer of Burley quota tobacco shall agree, not later than a date established by the Secretary preceding the beginning of the first marketing year of such three-year period (or, in the case of a producer of Burley quota tobacco on a new farm or a producer of Burley quota tobacco succeeding another producer on a farm, before the beginning of the marketing year in which such new producer or such successor producer will first market Burley quota tobacco from the farm involved), to contribute in each of the marketing years in such three-year period (or, in the case of such new producer or such successor producer, any remaining marketing year in such three-year period), with respect to all Burley quota tobacco marketed by the producer, to the appropriate association, for deposit in the association's Fund, an amount determined from time to time by the association with the approval of the Secretary; and

"(B) that, upon making a contribution under subparagraph (A)—

"(i) in the case of quota tobacco marketed other than by consignment to an association for a price support advance, the producer shall receive from the association capital stock or, if the association does not issue such stock, a capital certificate having a par value or face amount, respectively, equal to the contribution; and

"(ii) in the case of quota tobacco consigned by the producer to an association for a price support advance, the producer shall receive from the association a qualified per unit retain certificate, as defined in section 1388(h) of the Internal Revenue Code, having a face amount equal to the amount of the contribution and representing an interest in the association's Fund.

The Secretary shall approve the amount of the contributions determined by an association from time to time under this paragraph only if the Secretary determines that such amount will result in accumulation of a Fund adequate to reimburse the Corporation for any net losses which the Corporation may sustan under its loan agreements with the association, based on reasonable estimates of the amounts which the Corporation will lend to the association under such agreements and the proceeds which will be

realized from the sales of tobacco which are pledged to the Corporation by the association as security for loans;

"(2) effective for the 1983 and subsequent crops, require that each owner and operator of any farm who, in conformity with the provisions of subtitle B, part I, of the Agricultural Adjustment Act of 1938, leases all or any part of an acreage allotment or marketing quota for Flue-cured tobacco to make contributions, for deposit into the Fund established by the association which, under a loan agreement with the Corporation, makes price support available to producers of Flue-cured tobacco. The amount of such contribution for the quantity of tobacco of each crop represented by such lease shall be the same amount as the contribution for producers of Flue-cured tobacco of such crop determined and approved under paragraph (1). The Secretary shall require that such association, upon receiving such contribution, issue to such owner and operator capital stock or, if the association does not issue such stock, a capital certificate having a par value of face amount, respectively, equal to the contribution;

"(3) require that the Fund established by each association shall be kept and maintained separate from all other accounts of the association and shall be used exclusively, as prescribed by the Secretary, for the purpose of ensuring, insofar as practicable, that the Corporation, under its loan agreements with the association with respect to 1982 and subsequent crops of quota tobacco, will suffer no net losses (including, but not limited to, recovery of the amount of loans extended to cover the overhead costs of the association), after any net gains are applied to net losses of the Corporation under paragraph (5);

"(4) permit an association to invest the monies in the Fund in such manner as the Secretary may approve, and require that the interest or other earnings on such investment shall become a part of the Fund;

"(5) require that loan agreements between the Corporation and the association provide that the Corporation shall retain the net gains from each of the 1982 and subsequent crops of tobacco pledged by the association as security for price support loans, and that such net gains will be used for the purpose of (A) offsetting any losses sustained by the Corporation under its loan agreements with the association for any of the 1982 and subsequent crops of loan tobacco, or (B) reducing the outstanding balance of any price support loan made by the Corporation to the association under such agreements for 1982 and subsequent crops of tobacco, or for both such purposes; and

"(6) provide, in loan agreements between the Corporation and an association, that if the Secretary determines that the amount in the Fund or the net gains referred to in paragraph (5) exceed the amounts necessary for the purposes specified in this section, such excess (A) in the case of an association making price support available to producers of quota tobacco other than Burley tobacco, will be released to the association by the Corporation and may be devoted to other purposes by the association, and (B) in the case of an association making price support available to producers of Burley quota tobacco, will be released to the association by the Corporation and may be distributed, as determined by the association, to the producer-members of the association as a capital distribution or net gain distribution.

"(e) If any association which has entered into a loan agreement with the Corporation with respect to 1982 or subsequent crops of quota tobacco fails or refuses to comply with the provisions of this section, the regulations issued by the Secretary thereunder, or the terms of such agreement, the Secretary may terminate such agreement or provide that no additional loan funds may be made available thereunder to the association. In such event, the Secretary shall make price support available to producers of the kind or kinds of tobacco, the price of which had been supported through loans to such association, through such other means as are authorized by this Act or the Commodity Credit Corporation Charter Act.

"(f) If, under subsection (e), a loan agreement with an association is terminated, or if an association having a loan agreement with the Corporation is dissolved, merges with another association, or otherwise ceases to operate, the Fund or the net gains referred to in subsection (d)(5) shall be applied or disposed of in such manner as the Secretary may approve or prescribe, except that they shall, to the extent necessary, first be applied or used for the purposes therefor prescribed in this section.

"(g) The Secretary shall issue regulations necessary to carry out the provisions of this section.".

ADJUSTMENT OF PRICE SUPPORT LEVEL OF TOBACCO

SEC. 102. Effective for the 1982 and subsequent crops of tobacco, section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended by adding at the end thereof new subsections (d) and (e) as follows:

"(d) Notwithstanding the provisions of section 403, if the Secretary determines that the supply of any grade of any kind of tobacco of a crop for which marketing quotas are in effect or are not disapproved by producers will likely be excessive, the Secretary, after prior consultation with the association through which price support for the grade and kind of tobacco is made available to producers, may reduce the support rate which would otherwise be established for such grade of tobacco after taking into consideration the effect such reduction may have on the supply and price of other grades of other kinds of quota tobacco: *Provided*, That the weighted average of the support rates for all eligible grades of such kind of tobacco shall, after such reduction, reflect not less than (1) 65 per centum of the increase in the support level for such kind of tobacco which would otherwise be established under this section, if the support level therefor is higher than the support level for the preceding crop, or (2) the support level for such kind of tobacco established under this section, if the support level therefor is not higher than the support level for the preceding crop. In determining whether the supply of any grade of any kind of tobacco of a crop will be excessive, the Secretary shall take into consideration the domestic supply, including domestic inventories, the amount of such tobacco pledged as security for price support loans, and anticipated domestic and export demand, based on the maturity, uniformity and stalk position of such tobacco. (e) If the Secretary determines that, notwithstanding the adjustments in the support price made under subsection (d), the support rate of any eligible grade of Flue-cured tobacco of a crop for which marketing quotas are in effect or are not disapproved by producers will likely be excessive under current market conditions, the Secretary, after prior approval of the association through which price support for Flue-cured tobacco is made available to producers and after prior consultation with any other association through which price support for any other major quota kind of tobacco is made available to producers, may designate such grade of tobacco as 'excessively priced'. If a grade of tobacco is so designated, the Secretary shall provide producers the option of marketing such grade of tobacco only at a special aution to be provided for by the Secretary. If a producer elects such option, the producer's tobacco of such grade shall be ineligible for price support. With prior approval of the association, producers of ineligible grades of Flue-cured tobacco may also market such grades at the special auction provided for by the Secretary. Any tobacco which is marketed as such special auction shall, notwithstanding any other provision of law, not be considered marketed for purposes of marketing or poundage quotas and penalties under subtitle B, part I, of the Agricultural Adjustment Act of 1938: *Provided*, That a quality of tobacco equal to the quantity marketed at such special action shall be deducted from any undermarketings for purposes of such subtitle. In determining whether the support rate for any eligible grade of Flue-cured tobacco of a crop will likely be excessive, the Secretary shall take into consideration the domestic supply, including domestic inventories, the amount of such tobacco pledged as security for price support loans, and anticipated domestic and export demand, based on the maturity, uniformity and stalk position of such tobacco. For purposes of this subsection, no producer may market at the special auction a quantity of tobacco of any crop in excess of 10 per centum of the farm marketing quota.".

TITLE II—MODIFICATION OF FLUE-CURED TOBACCO MARKETING QUOTA SYSTEM

LEASE AND SALE OF FLUE-CURED TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS

SEC. 201. (a) Section 316(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(a)) is amended by—

(1) inserting "(1)" after "(a)";

(2) inserting "shall permit the owner of any farm to which a Flue-cured tobacco acreage allotment or quota is assigned under this Act and" after "program,";

(3) inserting "Flue-cured," after "Burley,";

(4) inserting a comma before "to lease";

(5) adding at the end thereof the following new paragraph:

"(2)(A) No lease of any Flue-cured tobacco allotment or quota assigned to a farm may be filed under subsection (c) of this section after June 15 of the crop year specified in such lease, except that the Secretary may allow a lease to be so filed after June 15 of such crop year if the Secretary determines that, as a result of flood, hail, wind, tornado, or other natural disaster—

"(i) the county in which such farm is located has suffered a loss of not less then 10 per centum of the acreage of Flue-cured tobacco planted for harvest in such crop year;

"(ii) the lessor involved has suffered a loss of not less then 10 per centum of the acreage of Flue-cured tobacco planted for harvest on such farm in such crop year; and

"(iii) such lease will not impair the effective operation of the tobacco marketing quota or price support program.

If the Secretary makes such determination, then the Secretary may permit the lessor to lease all or any part of such allotment or quota to any other owner or operator of a farm in an adjoining county within the same State for use in such adjoining county

on a farm having a current Flue-cured tobacco allotment or quota. If permitted, such lease and transfer shall not be effective until a copy of such lease and a written statement described in subsection (c) of this section are filed with and determined by the county committee of such adjoining county to be in compliance with the provisions of this section.

"(B) No agreement or arrangement may be made in connection with the making of any lease with respect to any Flue-cured tobacco allotment or quota under paragraph (1) of this subsection except—

"(i) between the lessor and lessee; or

"(ii) between the lessor or lessee and any attorney, trustee, bank, or other agent or representative, who regularly represents the lessor or lessee, as the case may be, in business transactions unrelated to the production or marketing of tobacco.

"(C) No sublease or other transfer of such allotment or quota may be made by such lessee during the period of such lease."; and

(6) amending the section heading for such section to read as follows:

"LEASE OR SALE OF ACREAGE ALLOTMENTS"

(b) Section 316(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(c) is amended by—

(1) in the first sentence—

(A) inserting "or sale and transfer" after "lease and transfer"; and

(B) striking out "such lease" and inserting in lieu thereof "the lease or sale agreement, as the case may be,";

(2) striking out the second sentence and inserting in lieu thereof the following: "In the case of a lease and transfer of any Flue-cured tobacco allotment or quota for use with respect to any crop, such lease shall not be effective until, in addition to a copy of such lease, the lessor and lessee involved each file with such county committee a written statement certifying such compliance. If, after notice and an opportunity for a hearing, such county committee determines that such lessee knowingly made a false statement in such written statement, then such lessee shall be ineligible for price support for such crop under the Agricultural Act of 1949 with respect to the poundage of tobacco produced under such allotment or quota or, if such determination is made after such lessee received such price support, the Secretary, taking into consideration the recommendation of such county committee and the amount of such poundage, shall reduce appropriately the poundage for which such lessee may receive price support with respect to the crop first marketed after such determination is made. If, after notice and an opportunity for a hearing, such county committee determines that such lessor knowingly made a false statement in such written statement, then the Flue-cured allotment or quota next established for the farm of such lessor shall be reduced by that percentage which the leased allotment or quota was of the respective Flue-cured marketing quota. Notice of any determination made by a county committee under the preceding provisions shall be mailed, as soon as practicable, to the lessee or the lessor involved. If such lessee or such lessor is dissatisfied with such determination, then such lessee or such lessor may request, within 15 days after notice of such determination is so mailed, a review of such determination by a local review committee under section 363 of this Act."; and

(3) in the third sentence (as in effect before the amendment made by paragraph (2)) by—

(A) inserting "by lease or sale" after "transferred"; and

(B) striking out "lease and".

(c) Section 316(e) of the Agricultural Adjustment Act of 1938 (7 U.S.C 1314b(e)) is amended by—

(1) inserting "(1)" after "(e)";

(2) inserting "or sale" after "lease";

(3) inserting "or, in the case of Flue-cured tobacco, of the acreage of tillable cropland (as defined in paragraph (2)) in the farm" before the colon; and

(4) adding at the end thereof the following new paragraph:

"(2) For purposes of this section, the term 'tillable cropland' means cleared land that can be planted to crops without unusual cultivation or other preparation.".

(d) Section 316 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b) is amended by striking out subsections (g), (h), and (i) and inserting in lieu thereof the following new subsections:

"(g)(1) The Secretary shall permit the owner of any farm to which a Flue-cured tobacco allotment or quota is assigned to sell all or any part of such allotment or quota to any person who is an active Flue-cured tobacco producer for use on another farm in the same county. For purposes of this section the term 'active Flue-cured tobacco producer' means any person who shared in the risk of producing a crop of Flue-cured tobacco in not less than 1 of the 3 years preceding the year involved.

"(2) For purposes of this section, a person shall be considered to have shared in the risk of producing a crop of Flue-cured tobacco if—

"(A) The investment of such person in the production of such crop is not less than 20 per centum of the proceeds of the sale of such crop;

"(B) the amount of such person's return on such investment is dependent solely on the sale price of such crop; and

"(C) such person may not receive any of such return before the sale of such crop.

Any person who owns any Flue-cured tobacco allotment or quota and leases such allotment or quota to another person for use in producing a crop shall be considered to have shared in the risk of producing such crop if, under the terms of such lease, subparagraphs (B) and (C) of this paragraph are satisfied with regard to such owner.

"(h)(1) Any person who—

"(A) acquires any Flue-cured tobacco acreage allotment or quota by purchase under subsection (g) of this section; and

"(B) with respect to any crop of Flue-cured tobacco planted after the date of such acquisition, fails to share in the risk of producing tobacco under such allotment or quota in the manner specified in subsection (g)(2) of this section;

shall sell such allotment or quota before the expiration of the 18-month period beginning on July 1 of the year in which such crop is planted, or such allotment or quota shall be subject to forfeiture under the procedure specified in paragraph (3) of this subsection.

"(2) Any person who—

"(A) acquires any Flue-cured tobacco acreage allotment or quota by purchase under subsection (g) of this section; and

"(B) disposes of an acreage of tillable cropland (as defined in subsection (e)(2) of this section) which results in the total acreage of Flue-cured tobacco allotted to such person's farm exceeding 50 per centum of the tillable cropland owned by such person; shall, before July 1 of the year after the year of such disposal, take steps which will result in the total acreage of Flue-cured tobacco allotted to such farm not exceeding 50 per centum of the tillable cropland owned by such person. If such person fails to take such steps, then any such excess allotment or quota shall be subject to forfeiture under the procedure specified in paragraph (3) of this subsection.

"(3)(A) If, after notice and an opportunity for a hearing, the appropriate county committee determines that any person knowingly failed to comply with paragraph (1) or (2) of this subsection, then such person shall forfeit to the Secretary the allotment or quota specified in such paragraph. Any allotment or quota so forfeited shall be reallocated by such county committee for use by active Flue-cured tobacco producers (as defined in subsection (g)(1) of this section) in the county involved.

"(B) Notice of such determination shall be mailed, as soon as practicable, to such person. If such person is dissatisfied with such determination, then such person may request, within 15 days after notice of such determination is so mailed, a review of such determination by a local review committee under section 363 of this Act.".

MANDATORY SALE OF CERTAIN FLUE-CURED TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS HELD BEFORE ENACTMENT

SEC. 202. The Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) is amended by inserting after section 316, a new section 316A, as follows:

"MANDATORY SALE OF CERTAIN FLUE-CURED TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS

"SEC. 316A. (a) Any person (including, but not limited to, any governmental entity, public utility, educational institution, or religious institution, but not including any individual) which, on the date of the enactment of this section—

"(1) owns a farm for which a Flue-cured acreage allotment or marketing quota is established undr this Act; and

"(2) is not significantly involved in the management or use of land for agricultural purposes;

shall sell such allotment or quota in accordance with section 316(g) of this Act not later than December 1, 1983, or shall forfeit such allotment or quota under the procedure specified in subsection (c).

"(b) Any person (including, but not limited to, any governmental entity, public utility, educational institution, or religious institution) who, on December 1, 1983, owns a farm for which the total acreage alloted for the production of Flue-cured tobacco under this Act exceeds 50 per centum of such farm's tillable cropland, as defined in section 316(e)(2) of this Act, shall forfeit any acreage allotment or marketing quota representing the excess under the procedure specified in subsection (c).

"(c)(1) If, after notice and an opportunity for a hearing, the appropriate county committee determines that any person knowingly failed to comply with subsection (a) or (b), then the allotment or quota specified in such subsection shall be forfeited and shall be reallocated in the manner provided for in section 316(h)(3)(A) of this Act.

"(2) Notice of such determination shall be mailed, as soon as practicable, to such person. If such person is dissatisfied with such determination, then such person, within 15 days after notice of such determination is so mailed, may request review of

such determination under section 363 of this Act.".

PERIODIC ADJUSTMENT OF YIELD FACTOR FOR FLUE-CURED ACREAGE-POUNDAGE QUOTAS

SEC. 203. Section 317(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c) is amended by—

(1) adding at the end of paragraph (2) the following: "Notwithstanding the preceding sentence, in 1983, and at 5-year intervals thereafter, the national average yield goal for Flue-cured tobacco shall be adjusted by the Secretary to the past 5 years' moving national average yield."; and

(2) adding at the end of paragraph (4) the following: "Notwithstanding the preceding provisions of this subsection, in 1983, and at 5-year intervals thereafter, farm acreage allotments for Flue-cured tobacco for farms in each county shall be adjusted by the Secretary to reflect the increases or decreases in the past 5 years' moving county average yield per acre, as determined by the Secretary on the basis of actual yields of farms in the county, or, if such information is not available, on such other data on yields as the Secretary may deem appropriate.".

EXEMPTION OF CERTAIN NONQUOTA TOBACCO FROM QUOTA RESTRICTIONS

SEC. 204. Section 320(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314f(b)) is amended by—

(1) striking out in pargraph (3) "and" at the end thereof;

(2) striking out in paragraph (4) the period at the end thereof and inserting in lieu thereof "; and"; and

(3) adding at the end thereof the following new paragraph:

"(5) tobacco when it is nonquota tobacco and produced in a quota area in which the total of the acreage allotments for quota tobacco established for farms is less than 20 acres. Notwithstanding the provisions of section 312(c) of this Act, producers of such nonquota tobacco shall not be eligible to vote in the first referendum for such nonquota tobacco conducted by the Secretary under such section after the effective date of this paragraph.".

CONFORMING AMENDMENTS

SEC. 205. (a) The fifth sentence of section 317(f) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c(f)) is amended by inserting "and sold" after "leased".

(b) Section 703 of the Food and Agriculture Act of 1965 (7 U.S.C. 1316) is amended by—

(1) striking out "lease and" each place it appears;

(2) striking out "lessee" each place it appears and inserting in lieu thereof "transferee";

(3) striking out "lessor" each place it appears and inserting in lieu thereof "transferor"; and

(4) striking out "leased" each place it appears and inserting in lieu thereof "transferred".

EFFECTIVE DATE

SEC. 206. (a) Except as provided in subsection (b), this title shall take effect on the date of the enactment of this Act.

(b) The amendments made by this title shall not apply to any lease of a Flue-cured tobacco acreage allotment or marketing quota entered into under the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) before the date of the enactment of this Act.

TITLE III—MISCELLANEOUS PROVISIONS RELATING TO BURLEY TOBACCO AND OTHER KINDS OF TOBACCO

"SEC. 301. Effective for the 1982 and subsequent crops of tobacco, the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended by inserting, following section 106A (as added by section 101 of this Act), a new section 106B as follows:

"MARKETING ASSESSMENTS TO NO NET COST BURLEY TOBACCO ACCOUNT

"SEC. 106B. (a) As used in this section—

"(1) the term 'Burley association' means a producer-owned cooperative marketing association which has entered into a loan agreement with the Corporation to make price support available to producers of Burley tobacco;

"(2) the term 'Burley Account' means an account established by and in the Corporation for a Burley association, which account shall be known as the 'No Net Cost Burley Tobacco Account';

"(3) the term 'to market' means to dispose of Burley tobacco by voluntary or involuntary sale, barter, exchange, gift inter vivos, or consigning the Burley tobacco to a Burley association for a price support advance;

"(4) the term 'net gains' means the amount by which total proceeds obtained from the sale by a Burley association of a crop of Burley tobacco pledged to the Corporation for price support loan exceeds the principal amount of the price support loan made by the Corporation to the Burley association on such crop, plus interest and charges;

"(5) the term 'Burley tobacco' means Burley tobacco, as defined in section 301(b)(15) of the Agricultural Adjustment Act of 1938, for which marketing quotas are in effect or for which marketing quotas are not disapproved by producers;

"(6) the term 'area', when used in connection with a Burley association, means the general geographical area in which farms of the producer-members of such Burley association are located, as determined by the Secretary; and

"(7) the term 'Corporation' shall have the meaning given to it in section 106A(a)(2).

"(b) Notwithstanding section 106A, the Secretary shall, upon the request of any Burley association, and may, if the Secretary determines, after consultation with such Burley association, that the accumulation of the No Net Cost Tobacco Fund for such Burley association under section 106A is, and is likely to remain, inadequate to reimburse the Corporation for net losses which the Corporation sustains under its loan agreement with such Burley association—

"(1) continue to make price support available to Burley producers through such Burley association in accordance with loan agreements entered into between the Corporation and such Burley association; and

"(2) establish and maintain in accordance with this section a No Net Cost Burley Tobacco Account for such Burley association in lieu of the No Net Cost Tobacco Fund established within such Burley association under section 106A.

"(c)(1) Any Burley Account established for a Burley association under subsection (b)(2) shall be established within the Corporation and shall be comprised of amounts paid by producers under subsection (d).

"(2) Upon the establishment of a Burley Account for a Burley association, any amount in the No Net Cost Tobacco Fund established within such Burley association under section 106A shall be applied or disposed of in such manner as the Secretary may approve or prescribe, except that such amount shall, to the extent necessary, first be applied or used for the purposes therefor prescribed in such section.

"(d)(1) If a Burley Account is established for a Burley association under subsection (b)(2), then the Secretary shall require (in lieu of any requirement under section 106A(d)(1)) that each producer of Burley tobacco whose farm is within such Burley association's area shall, as a condition of eligibility for price support, agree, with respect to all Burley tobacco marketed by the producer from the farm, to pay to the Corporation, for deposit in such Burley association's Burley Account, marketing assessments as determined under paragraph (2) and collected under paragraph (3).

"(2) For purposes of paragraph (1), the Secretary shall determine and adjust from time to time, in consultation with such Burley association, the amount of a marketing assessment which shall be imposed, as a condition of eligibility for price support, on each pound of Burley tobacco marketed by a producer from a farm within such Burley association's area. Such amount shall be equal to an amount which, when collected, will result in an accumulation of a Burley Account for such Burley association adequate to reimburse the Corporation for any net losses which the Corporation may sustain under its loan agreements with such Burley association, based on reasonable estimates of the amounts which the Corporation will lend to such Burley association under such agreements and the proceeds which will be realized from the sales of Burley tobacco which are pledged to the Corporation by such Burley association as security for loans.

"(3)(A) Except as provided in subparagraph (B), any marketing assessment to be paid by a producer under paragraph (1) shall be collected from the person who acquired the Burley tobacco involved from such producer but an amount equal to such assessment may be deducted by the purchaser from the price paid to such producer in case such Burley tobacco is marketed by sale.

"(B) If Burley tobacco is marketed by a producer through a warehouseman or other agent, then such assessment shall be collected from such warehouseman or agent who may deduct an amount equal to such assessment from the price paid to the producer. If Burley tobacco is marketed by a producer directly to any person outside the United States, such assessment shall be collected from the producer.

"(e) Amounts deposited in a Burley Account established for a Burley association shall be used by the Secretary for the purpose of ensuring, insofar as practicable, that the Corporation under its loan agreements with such Burley association will suffer, with respect to the crop involved, no net losses (including, but not limited to, recovery of the amount of loans extended to cover the overhead costs of the Burley association), after any net gains are applied to net losses of the Corporation pursuant to subsection (h).

"(f) The Secretary shall provide, in any loan agreement between the Corporation and a Burley association for which a Burley Account has been established under subsection (b)(2), that if the Secretary determines that the amount in such Burley Account or the net gains referred to in subsection (h)

exceed the amounts necessary for the purposes of this section, then the Secretary, in consultation with such Burley association, may suspend the payment and collection of marketing assessments under this section upon terms and conditions established by the Secretary.

"(g) With respect to any Burley association for which a Burley Account is established under subsection (b)(2), if a loan agreement between the Corporation and such Burley association is terminated, if such Burley association is dissolved or merges with another Burley association, or if such Burley Account terminates by operation of law, then amounts in such Burley Account and the net gains referred to in subsection (h) shall be applied to or disposed of in such manner as the Secretary may prescribe, except that they shall, to the extent necessary, first be applied to or used for the purposes therefor prescribed in this section.

"(h) The provisions of section 106A(d)(5) relating to net gains shall apply to any loan agreement between a Burley association and the Corporation entered into upon or after the establishment of a Burley Account for such Burley association under subsection (b)(2).

"(i) The Secretary shall issue regulations necessary to carry out the provisions of this section.".

MANDATORY SALE OF CERTAIN BURLEY TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS HELD BEFORE ENACTMENT

SEC. 302. (a) The Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) is amended by adding after section 316A (as added by section 202 of this Act), a new section 316B, as follows:

"MANDATORY SALE OF CERTAIN BURLEY TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS

"SEC. 316B. (a) Any person (including, but not limited to, any governmental entity, public utility, educational institution, or religious institution, but not including any individual) which, on the date of the enactment of this section—

"(1) owns a farm for which a Burley tobacco acreage allotment or marketing quota is established under this Act; and

"(2) is not significantly involved in the management or use of land for agricultural purposes;

shall sell, not later than December 1, 1983, such allotment or quota to an active Burley tobacco producer, as defined by the Secretary, for use on another farm in the same county or shall forfeit such allotment or quota under the procedure specified in subsection (b).

"(b)(1) If, after notice and an opportunity for a hearing, the county committee of the county referred to in subsection (a) determines that any person knowingly failed to comply with such subsection, then the allotment or quota specified in such subsection shall be forfeited and shall be reallocated by such county committee to other active Burley tobacco producers, as defined by the Secretary, for use in such county.

"(2) Notice of such determination shall be mailed, as soon as practicable, to such person. If such person is dissatisfied with such determination, then such person may request, within 15 days after notice of such determination is so mailed, a review of such determination by a local review committee under section 363 of this Act.".

POUNDAGE QUOTAS FOR DARK AIR-CURED TOBACCO AND FOR FIRE-CURED TOBACCO; MODIFICATION OF LEASING OF POUNDAGE QUOTAS FOR BURLEY TOBACCO

SEC. 303. (a) Section 301(b)(15) of the Agricultural Adjustment Act of 1938 (7 U.S.C 1301(b)(15)) is amended by striking out the period at the end thereof and inserting in lieu thereof ": *And provided further,* That for purposes of section 319 of this title, types 22 and 23, fired-cured tobacco shall be treated as one 'kind of tobacco'.".

(b) Section 319(b) of the Argricultural Adjustment Act of 1938 (7 U.S.C. 1314e(b)) is amended by—

(1) in the first sentence, inserting "for burley tobacco" after "in effect";

(2) in the second sentence—

(A) inserting "for burley tobacco" after "basis"; and

(B) inserting "for burley tobacco" after "in effect";

(3) in the fourth sentence, striking out "such kind of" and inserting in lieu thereof "burley";

(4) in the proviso to the fifth sentence, inserting "for burley tobacco" after "determined"; and

(5) striking out the subsection designation "(b)".

(c) Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended by inserting before subsection (c) the following new subsection:

"(b) Notwithstanding any other provision of law, the Secretary shall, not later than February 1, 1983, proclaim national marketing quotas for dark air-cured tobacco and for fire-cured tobacco, types 22 and 23 (hereinafter in this section referred to as 'fire-cured tobacco') for the two marketing years beginning October 1, 1983, and determine and announce the amount of the marketing quota for dark air-cured and for fire-cured tobacco for the marketing year beginning October 1, 1983, as provided in this section. Within thirty days following such proclamation, the Secretary shall conduct a referendum of the farmers engaged in the production of the 1982 crop of each of such kinds of tobacco to determine whether they favor or oppose the establishment of farm marketing quotas on a poundage basis for such kind of tobacco as provided in this section for the three marketing years beginning October 1, 1983, in lieu of quotas on an acreage basis in effect for the two marketing year beginning October 1, 1983. If the Secretary determines that one-half or more of the farmers voting in such referendum approve marketing quotas on a poundage basis for such kind of tobacco, then marketing quotas as provided in this section shall be in effect for such kind of tobacco for the three marketing years beginning October 1, 1983, and marketing quotas on an acreage basis shall cease to be in effect for such kind of tobacco for the two marketing years beginning on October 1, 1983. If marketing quotas on a poundage basis are not approved for such kind of tobacco by at least one-half of the farmers voting in such referendum, then quotas on an acreage basis shall be in effect for such kind of tobacco for the two marketing years beginning October 1, 1983.

"If marketing quotas on an acreage basis are in effect for any such kind of tobacco, if, for a period of not less than three marketing years, a referendum has not been held under this section to determine whether producers of such kind of tobacco favor marketing quotas on a poundage basis for such kind of tobacco, and if the Secretary, after conducting public hearings in the area in which such kind of tobacco is produced, ascertains that producers and other interested persons favor marketing quotas on a poundage basis for such kind of tobacco, then the Secretary shall, at the time of the next announcement of the amount of the national marketing quota, announce national marketing quotas for the next three succeeding marketing years under this section. Within thirty days of such proclamation, the Secretary shall conduct a refendum of farmers engaged in the production of the most recent crop of such kind of tobacco to determine whether they favor the establishment of marketing quotas on a poundage basis for such kind of tobacco as provided in this section for the next three succeeding marketing years. If the Secretary determines that more than on-half of the farmers voting in such referendum approve marketing quotas on a poundage basis under this section, then quotas on that basis shall be in effect for the next three succeeding marketing years and the marketing quotas on an acreage or acreage poundage basis shall cease to be in effect at the beginning of such three-year period. If marketing quotas on a poundage basis are not approved by more than one-half of the farmers voting in such referendum, then the marketing quotas on an acreage basis shall continue in effect as theretofore proclaimed under this Act.

"The Secretary shall determine and announce, not later than the February 1 preceding the second and third marketing years of any three-year period for which marketing quotas on a poundage basis are in effect for any such kind of tobacco under this section, the amount of the national marketing quota for such kind of tobacco for each of such years. If marketing quotas on a poundage basis have been made effective for such kind of tobacco under this section, then the Secretary shall, not later than February 1 of the last of three consecutive marketing years for which marketing quotas are in effect for such kind of tobacco under this section, proclaim a national marketing quota for such kind of tobacco for the next three succeeding marketing years as provided in this section. The Secretary shall conduct extensive hearings in the area in which such kind of tobacco is produced to ascertain whether producers favor marketing quotas on an acreage basis or on a poundage basis and shall proclaim the quota on the basis he determines most producers of such kind of tobacco favor. Within thirty days following such proclamation, the Secretary shall conduct a referendum in accordance with section 312(c) of the Act. If more than one-half of the farmers voting in such referendum oppose the national marketing quotas, then the Secretary shall announce the results and no marketing quotas or price support shall be in effect for such kind of tobacco and the national marketing quota so proclaimed shall not be in effect for the next three succeeding marketing years. Thereafter the provisions of section 312 of the Act apply: *Provided,* That the national marketing quota and farm marketing quotas for such kind of tobacco shall be determined for such kind of tobacco as provided in this section.".

(d) Section 319(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(c)) is amended by—

(1) in the first sentence—

(A) striking out "burley tobacco" and inserting in lieu thereof "any kind of tobacco

for which poundage quotas may be established"; and

(B) inserting "of such kind of tobacco" after "amount" the first place it appears;

(2) in the second sentence, striking out "Any" and inserting in lieu thereof "With respect to burley tobacco, any"; and

(3) in the third sentence—

(A) inserting "for a kind of tobacco" after "in effect";

(B) inserting "with respect to such kind of tobacco" after "reserve" the first place it appears;

(C) inserting "for such kind of tobacco" after "quota" the first place it appears; and

(D) striking out "per centum of the" and inserting in lieu thereof "per centum of such"

(e) Section 319(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(d)) is amended by—

(1) in the first sentence—

(A) inserting "for a kind of tobacco" after "proclaimed";

(B) striking out "a burley tobacco acreage allotment" and inserting in lieu thereof "an acreage allotment for such kind of tobacco"; and

(C) inserting ", in the case of burley tobacco and October 1, 1982, in the case of dark air-cured tobacco and fire-cured tobacco" after "1970"; and

(2) in the second sentence—

(A) inserting ", in the case of burley tobacco, and the 1978 crop year, in the case of dark aircured tobacco and fire-cured tobacco" after "crop year";

(B) striking out "burley tobacco" the first place it appears and inserting in lieu thereof "the kind of tobacco involved";

(C) striking out "burley tobacco" in each of the second, third, fourth, and fifth places it appears and inserting in lieu thereof "such kind of tobacco"; and

(D) striking out the period at the end thereof and inserting in lieu thereof ", in the case of burley tobacco, and three thousand pounds per acre, in the case of dark air-cured tobacco and fire-cured tobacco; *And provided further*, That, when a marketing quota program for dark air-cured tobacco or for fire-cured tobacco is first established under this section, farm yields so determined with respect to dark air-cured tobacco or fire-cured tobacco, as the case may be, shall be adjusted proportionately so that the weighted average of such farm yields is equal to the national average yield goal for dark air-cured tobacco or fire-cured tobacco, as the case may be.".

(f) Section 319(e) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 131e(e)) is amended by—

(1) inserting after the first sentence the following: "A preliminary farm marketing quota shall be determined for each farm for which a dark air-cured tobacco or fire-cured tobacco acreage allotment was established for the marketing year beginning October 1, 1982, by multiplying the farm yield determined under such subsection by the farm acreage allotment (prior to any such reduction) established for such farm for the marketing year beginning October 1, 1982.";

(2) in the third sentence (as in effect before the amendment made by paragraph (1)), striking out "burley tobacco marketing quotas" and inserting in lieu thereof "marketing quotas for the kind of tobacco involved"; and

(3) in the sixth sentence (as in effect before the amendment made by paragraph (1))—

(A) striking out "burley tobacco experience of the farm operator" and inserting in lieu thereof "experience of the farm operator with respect to the kind of tobacco involved"; and

(B) striking out "production of burley tobacco" each place it appears and inserting in lieu thereof "production of such kind of tobacco".

(g) The first sentence of section 319(f) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(f)) is amended by—

(1) inserting "for any kind of tobacco" after "in effect"; and

(2) striking out "burley tobacco" and inserting in lieu thereof "such kind of tobacco".

(h) Section 319(g) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(g)) is amended by—

(1) inserting "for any kind of tobacco" after "in effect";

(2) striking out "burley tobacco" and inserting in lieu thereof "such kind of tobacco"; and

(3) in the third proviso—

(A) striking out "fifteen thousand pounds" and inserting in lieu thereof "thirty thousand pounds"; and

(B) inserting "with respect to burley tobacco and not more than fifteen thousand pounds may be leased and transferred to any farm under this section with respect to any other kind of tobacco" after "section".

(i) Section 319(i) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(i)) is amended by—

(1) in the proviso to paragraph (1), striking out "burley tobacco" and inserting in lieu thereof "the kind of tobacco involved"; and

(2) in paragraph (3), inserting "with respect to burley tobacco" after "in effect".

(j) The section heading for section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended to read as follows:

"FARM POUNDAGE QUOTAS FOR CERTAIN KINDS OF TOBACCO"

The SPEAKER pro tempore. Is a second demanded?

Mr. HOPKINS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. ROSE) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. HOPKINS) will be recognizes for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on October 21, 1981, this House adopted an amendment to the farm bill that required that we adopt a tobacco program that would operate at no net cost to the American taxpayers, with the exception of administrative costs. The Foley amendment was adopted by 412 to 0. Since that time, the Subcommittee on Tobacco and Peanuts has worked very diligently. We have held 10 hearings through Flue-cured and burley tobacco land, finding out the best way to put in place this no-cost mechanism.

Mr. Speaker, this bill is not the ultimate answer to all of the things that need to be done to the tobacco price support program, and in a few minutes I will engaged in a colloquy with my colleague, the gentleman from Ohio (Mr. SHAMANSKY) that I think will delineate the lengths to which I am willing to go to see that the critics of this program have a fair and ample opportunity to both be heard and to understand how the tobacco price support program operates for those of us that have it as such an important part in our congressional districts.

The bill that was passed last week in the full committee dealt with all kinds of tobacco. Our friends from burley areas asked that some of their provisions be refined. Over the weekend an amendment was put together that was added this morning.

That amendment merely adds burley in the same general way that Fluecured is cared for in this bill, but it gives the burley grower a little added discretion in how some of the funds might be collected for the no-cost program.

The Secretary of Agriculture demanded—requested, and we asked him to let us know what legislative authority he needed to effect a no-cost program.

The Secretary requested that we do two things: First, that we give him some flexibility in setting price support levels; and second, that we establish a checkoff fund for farmers to pay into an account moneys that would be used for any future potential losses that might accrue to the tobacco program.

We are the first commodity to have agreed to do this, and we believe that the tobacco farmers of America have taken a very courageous step in being willing to go to this extent.

At this time, I would be happy to yield to the gentleman from Ohio (Mr. SHAMANSKY), who I believe would enter into a colloquy with me at this time.

Mr. SHAMANSKY. As the gentleman from North Carolina knows, I had every reasonable expectation since last year of being able to study and testify on, as well as debate, the merits of this legislation. The fact is, of course, neither I nor any of those who share some of my views have been given such an opportunity. Therefore, it is my understanding that the gentleman from North Carolina, recognizing our concern, has agreed to hold a series of hearings on the entire tobacco program by September of next year. Is that correct?

Mr. ROSE. The gentleman from Ohio is correct. Those hearings will occur next year in Washington and at several other locations geographically distributed around the country which will be jointly decided upon by myself and the gentleman from Ohio as well as Mr. PETRI. The gentleman from

Ohio can be assured that there will be ample advance notice of those hearings and ample opportunity for witnesses representing all viewpoints to testify at each hearing. The hearings will be held on the issues involving the entire tobacco program. It is also my understanding that the gentlemen from Ohio and Wisconsin intend to offer legislation directed at the entire tobacco program after the hearings, and I will be happy to also hold hearings on that legislation. Both sets of hearings will occur before September 30 of next year.

Mr. SHAMANSKY. Am I correct in understanding that the Tobacco and Peanuts Subcommittee will be discharged from consideration of this legislation and that the full Agriculture Committee will be permitted a timely opportunity to debate and vote next year on any legislation and consider any amendments which result from the hearing process?

Mr. ROSE. The gentleman is correct.

Mr. SHAMANSKY. I also understand that the gentleman has agreed to consider at hearings within 60 days a proposal dealing with the administrative costs of the program. Would the gentleman also consider at those hearings legislation clarifying the application of net gains and the manner in which interest on loans is calculated and the order in which loan repayments are credited?

Mr. ROSE. I will be pleased to give the interests of the gentleman from Ohio the same consideration that I will give the subject of administrative costs.

Mr. SHAMANSKY. I thank the gentleman from North Carolina for his willingness to meet our request for an opportunity for full and fair hearings and debate on this issue, and I will not request a rollcall vote on H.R. 6590.

Mr. ROSE. I thank the gentleman from Ohio for his consideration and understanding of the importance of timely consideration of this legislation.

Mr. SHAMANSKY. Mr. Speaker, the tobacco subsidy program is wrong. The tobacco lobby knows it is wrong, and no slight-of-hand will change that fact.

Today, the House debates a bill with the pleasant-sounding but totally misleading title of "The No Net Cost Tobacco Support Program Act of 1982."

The speed with which this legislation was brought to the floor was indeed remarkable and very revealing of the power of tobacco lobby. No hearings were conducted on this legislation in Washington. Last year, I was told that I could testify, but no such opportunity was given to me. The bill was introduced and reported by the subcommittee on June 15. The full Agriculture Committee reported it on June 16. The committee received permission to have until midnight on June 18 to file its report. Copies of the report were not available for review until this morning. And, now we take it up under suspension of the rules.

Why is the tobacco lobby so afraid of letting the Members of the House consider this legislation in a thoughtful manner? They would have us believe that this bill does not affect the American people. They would have us believe that it pertains only to the tobacco industry.

Nothing could be further from the truth.

The Commodity Credit Corporation borrows funds from the U.S. Treasury. These funds are then loaned to the tobacco marketing associations and used to give nonrecourse loans to tobacco producers. What the tobacco lobby fails to comprehend is that these funds come from the American taxpayer. It is our taxes that Treasury collects. It is our money that it borrows. It is our taxes that pay for the interest on the notes Treasury sells.

The American taxpayer foots the bill for the tobacco subsidy program, but the tobacco lobby does not want the peoples' representatives to debate its pet program in a reasonable manner.

H.R. 6590 should not have been considered under suspension of the rules. The bill is flawed, and no Member will have an opportunity today to correct those flaws.

The House should not be misled by the title of this bill. As presently drafted, H.R. 6590 is vague and less precisely drafted than it could have been. The bill may reduce the cost of the tobacco program, but it will not establish a no net cost tobacco program.

First, there is the question of administrative costs. I realize that the Agriculture and Food Act of 1981 exempted from any proposal the administrative costs common to the operation of all price-support programs. But, nevertheless, these costs are costs of operating the tobacco support program.

I would like to bring to the attention of the House some facts with which the Members might not be familiar. On April 23, the General Accounting Office (GAO) released a report titled "Tobacco Program's Production Rights and Effects on Competition." It makes for fascinating reading.

As you may know, Treasury loans money to CCC, which in turn makes loans to the 13 tobacco marketing associations. The associations make nonrecourse loans to producers. A nonrecourse loan absolves the producers from any liability for losses incurred when the crop is sold. GAO pointed out that for those crop years where the tobacco taken under loans was sold, $57 million in principal was not recovered. This is a loss to CCC and, therefore, to the American taxpayers whose funds are loaned to CCC.

GAO also noted that as of December 1981, Flue-cured loans outstanding for the 1975–80 crop years totaled $640 million. Loans have shifted mostly to less desirable grades that cannot be sold readily because they are priced higher than foreign tobacco of comparable quality. If the tobacco is to be sold before it deteriorates, price discounts probably will be necessary. CCC, therefore, cannot expect to recover the full amount of its loans, and a goodly portion of that $640 million in principal will be a loss.

I present this information to stress how important it is for us to understand exactly what constitutes a net loss under the language of H.R. 6590. Section 101 of the bill only hints at what a net loss is. The proposed section 106A(d)(1) of the Agriculture Act of 1949 states that the Secretary of Agriculture shall require contributions that will result in accumulation of a fund "adequate to reimburse the Corporation for any net losses which the Corporation may sustain" with the association. The proposed section 106A(d)(3) states that the fund shall be used exclusively for the purpose of insuring that the CCC will suffer no net losses "including, but not limited to, recovery of the amount of loans extended to cover the overhead costs of the association" after net gains are applied to net losses of the CCC.

That parenthetical clause is the only definition of net loss in the entire bill. GAO had indicated that in the past CCC had lost $57 million in principal on loans. It most likely will lose millions more on the $640 million outstanding to date on Flue-cured tobacco. I know that CCC will lose millions on 1982 and subsequent crops that cannot be sold for the cost of the loan. That, in my opinion, is a net loss that should be recovered by the fund, and that should have been spelled out specifically in the bill. Otherwise, we may find regulations effectively limiting the liability of associations and increasing the cost of the program to the American taxpayer.

Every month, when millions of Americans send a check to a thrift institution as payment on their mortgages, the money is applied first to accumulated interest and then to principal. Tobacco associations do not operate that way. GAO noted that since 1966 cash received from loan repayments is applied first to loan principal and then, after the principal is liquidated, to interest receivable. This procedure is inconsistent with CCC's procedures for repaying its Treasury borrowings and with normal banking procedures.

GAO also noted that Treasury charges CCC interest on daily outstanding balance owed, which includes unpaid interest on borrowings from prior periods. The associations, howev-

er, pay interest to CCC on the daily outstanding principal balance, which do not include interest from prior periods. Thus, associations are able to reduce their principal quickly and then pay interest—a lot less interest than otherwise owed. Using data for the crop years 1978-80, GAO estimated that CCC lost $2 million in interest in fiscal year 1980 alone. This is bad banking and bad business, but it has been happening for 16 years without even a legal basis.

In a letter report to me dated June 16, 1982, GAO confirmed that there is no statutory authority for this action. CCC recognizes this, and it advised GAO that it would change its procedures. As of June 16, however, no change has been made. I submit that, given past practices, Congress cannot depend on CCC to correct itself. Congress must require that proceeds be applied first to interest and then to principal like every other business loan in this country.

I must commend CCC for one good decision, however reluctantly it was made. Up to April 1981, tobacco support loans were made at lower-than-market interest rates. Since that date, loans have been made at the same interest rates charged by the Treasury. But consider the cost to the taxpayer over the years. Agriculture officials calculated that the amount of interest paid to the Treasury since the inception of the program through fiscal year 1980 could total $845 million. CCC records indicate, however, that it had collected $254 million, or a net loss of $591 million. CCC's comptroller could not attest to the figures because interest expense was based on yearly beginning and ending average loan balances and the interest income was based on probably incomplete documentation.

The GAO report means that the American taxpayer has been financing the tobacco support program through losses in interest that should have been collected if CCC had charged the associations what it cost CCC to borrow funds and that CCC continues to lose money through improper procedures for determining interest on outstanding loans.

Nothing in this bill prevents CCC from continuing its old ways. I submit, therefore, that in the few remaining years of the tobacco support program, that program should be administered efficiently and properly. H.R. 6590 contains no guidance in this area.

Next comes the subject of "net gains," defined in the bill as the amount by which total proceeds obtained from the sale of a crop exceed the principal amount of the price-support loan plus interest and charges. The April GAO report noted that now net gains are distributed to the producers. H.R. 6590, in its proposed section 106A(d)(5) of the Agriculture Act of 1949, would require net gains to be used to offset any losses sustained by CCC under its loan agreements with an association for 1982 and subsequent year crops. But the proposed section 106A(d)(6) permits the Secretary, if he determines that the net gains exceed the amounts needed to cover losses, to release the excess to the association, which may use it for "other purposes."

Now, remember that these are nonrecourse loans. Once the producer receives money for his crop, the crop belongs to the association and, indirectly, to CCC. CCC assumes the risk for these loans if the proceeds are insufficient to cover the principal of the loan. It also should receive the benefit of a net gain in the sale of the crop. Why should the associations, and perhaps through them the producers, receive a windfall? This, too, is a cost to the taxpayer, in that the net gains could be used by CCC to offset losses incurred in its dealings with other associations participating in the program.

Before I conclude, Mr. Speaker, I would like to comment on some of the other provisions of this bill. I preface these remarks with the caveat that, because of the lack of a committee report, I have not been able to study H.R. 6590 as well as I would have liked.

The adjustment in price support levels is cosmetic, insofar as I am concerned.

Permitting the sale of allotments apart from the land does not do as much as one might think. It still permits the allotment program to continue. In addition, sales of allotments could occur only within the same county, thereby perpetuating the unnecessary concentration of tobacco production.

Individuals who own a farm but who do not farm the land themselves may still have allotments equal to 50 percent of the farm's tillable cropland. This perpetuates the feudalistic system of leasing allotments.

Mr. Speaker, I try to be a reasonable man. I do not believe that the perfect should be the enemy of the good. This is not a completely unredeemed bill. The reforms it envisions just do not go far enough.

Through this bill, however, the tobacco lobby has admitted that the tobacco program indeed costs the American taxpayer money, even if it does not reveal how much. The bill also opens up for the first time a special interest subsidy program.

In his colloquy with me, the gentleman from North Carolina agreed to hold comprehensive hearings next year and to consider some of the improvements that could be made to this bill to minimize the cost of the program to the American people.

We do not need a tobacco support program. I remain committed to the elimination of this feudalistic program, which is nothing more than welfare for a privileged class.

But, as long as we have a program, it should be operated at no net cost to the American taxpayer. I do not believe that CCC knows how to operate a no net cost program. H.R. 6590, despite its efforts in section 101, fails to make the present unwarranted program less offensive to the average American taxpayer who is subsidizing the tobacco allotment owner.

Pending the elimination of the tobacco program, I am prepared to work for the least costly tobacco support program possible.

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Mr. ROSE. Mr. Speaker, I yield to the gentleman from North Carolina (Mr. WHITLEY).

Mr. WHITLEY. Mr. Speaker, I want to commend the chairman and the other members of the subcommittee for their hard work in the series of 10 field hearings in 5 States which we held.

As the gentleman pointed out, our purpose in this bill is not to try to cure everything that might conceivably be wrong with the tobacco program, but to respond to the mandate of the House last year that we make this a program that provides for no net cost to the taxpayers. We think we have done that in this bill. I would like to add that the urgency of enacting this bill now is that fact that our Fluecured tobacco markets are going to open about the 15th of July, and the centerpiece of this bill is an assessment against tobacco growers to create a loss reserve, to insure that there be no loss to the taxpayers. If we do not enact this bill between now and the time the market opens, we will lose that assessment for this calendar year.

So, there are no gimmicks in this bill. We are not trying to put anything over on anybody. That is the reason for the urgency. I urge all our colleagues to support this on the basis that they said last year that they wanted to do it.

Mr. ROSE. I thank the gentleman.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Speaker, I appreciate very much the distinguished chairman of the Subcommittee on Tobacco and Peanuts yielding to me. I rise in support of H.R. 6590, and I want to commend the Agriculture Committee for the dispatch with which they have responded to meeting the requirements of the agriculture bill and the separate House action as it occurred last year.

Tobacco is very important to my congressional district in Florida, and while I think we are asking the farm-

ers to assume a larger financial burden, I think they are willing to do that in order to conduct an orderly marketing program for a very vital part of our economy.

Mr. ROSE. I thank the gentleman.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Speaker, I just want to commend the gentleman for the manner in which he brought this bill to the House floor. I would like to remind the Members that what this bill does is attempt to satisfy some of the criticism which we received last October. It does nothing more or less than that. Therefore, the fact that our farmers are willing to concede and make certain sacrifices I think, as the gentleman has already stated so well, is very commendable, and I hope that the critics of the program will accept the light in which we are bringing it here as an attempt to compromise.

Mr. ROSE. I thank the gentleman.

Mr. FOUNTAIN. Mr. Speaker, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from North Carolina.

Mr. FOUNTAIN. Mr. Speaker, I want to commend the gentleman and the other members of the subcommittee and the full Committee on Agriculture, the minority members of the subcommittee and the full committee, for the job they have done in trying to extract a few more pounds of flesh which has been demanded of us from one of the most important agriculture programs in America; particularly from the financial point of view, not only to the farmers but to the pocketbooks of the Treasury of the United States and at all levels of government.

I rise in support of this bill and urge my friends on both sides of the aisle to vote for it. Frankly, I am not particualrly happy with every last provision of the bill, but I feel that the Agriculture Committee, through the leadership of those members on the subcommittee, has lived up in a responsible way to the mandate the Congress gave us last year to have a no-net-cost tobacco program. This bill is the best we have been able to devise now, and I hope it is passed forthwith and sent to the Senate.

The tobacco growing season, as Mr. WHITLEY just said, has long since begun, and our tobacco farmers have had to launch the 1982 crop year on an element of faith, trusting that the Congress would do right by them in the second session of the 97th Congress.

I sincerely hope that my friends, with whom I have been associated for a number of years, and this is the 30th year in the Congress of the United States, will realize that this is the life blood of the economy of the congressional district which I represent, and the life blood of the economy of many States in this Union.

Mr. Speaker, consequently I rise in support of H.R. 6590, the No Net Cost Tobacco Program Act of 1982, and urge my friends on both sides of the aisle to vote for it.

Frankly, I am not particularly happy with every last provision of this bill. Nevertheless, I feel that the Agriculture Committee has lived up in a responsible way to the mandate the Congress gave last year to have a no net cost tobacco program.

This bill is the best we can devise now and I hope it is passed forthwith and sent to the Senate. The tobacco growing season has long since begun and our tobacco farmers have had to launch the 1982 crop year on an element of faith, trusting that the Congress would do right by them in the 2d session of the 97th.

Make no mistake about it, this bill will make the burden upon the backs of our tobacco farmers even heavier. And it will do so at a time in our Nation's history when all farmers everywhere are having a tough time keeping their heads above water—a time of economic crisis.

Remember, too, that tobacco farmers are also producers of other food and fiber that we must have to survive as a nation. Tobacco is a cash crop which, in many cases, provides the necessary edge to keep these farmers in business, producing corn and grain and cotton and peanuts and soybeans and timber, to mention but a few.

Let me emphasize that the No Net Cost Tobacco Program Act of 1982 provides that tobacco growers will pay for any future losses in the price support program. Hopefully, this will overcome the objections of those who have raised questions in the past about this vital commodity program, and that they will, therefore, join me in supporting this bill's immediate passage.

I used the word "vital" in referring to this bill a moment ago, and it is vital to the economy of the district and State I represent and to many, if not all, of the other States, because the overall tobacco program is such an integral part and mainstay of our national economy.

Remember, the total annual contribution to our national economy from tobacco amounts to about $60 billion a year—money which changes hands in every town, village, and city in the United States—in every, without exception, congressional district.

Not only does the economic health of our tobacco farmers depend upon the tobacco program, but also the economic health of those in tobacco States who buy and sell products and services produced in every congressional district—everything from cars, tractors, tires, and ball bearings to medicine, canned goods, entertainment, clothes, and so forth.

If tobacco farmers go under, then those people in my district who sell goods and services produced elsewhere go under too. And when these people go under, they surely cannot place new orders with manufacturers, distributors, and those with important services to sell in your district.

They cannot buy insurance in New York and Hartford, they cannot buy tractor tires made in Akron, they cannot buy lifesaving drugs produced in New Jersey, they cannot buy western beef, they cannot buy steel from Pittsburgh, they cannot use charge cards ultimately beneficial to California banks, they cannot be of benefit to investors in every enterprise in America. And I could go on and on and on.

Clearly, we must act now to give the Secretary of Agriculture the statutory authority to start assessing contributions to the capital funds of the several tobacco cooperative associations. These assessments cover all of this year's crop and will be due and payable within a matter of weeks.

The other restrictive provisions of this legislation will not make our hundreds of thousands of tobacco farmers happy. Of that, you can be sure. But, our farmers are willing to shoulder this heavy burden in order to put the tobacco program in shape to make the long haul.

Our farmers expressed themselves loud and clear at a series of 10 hearings held throughout the tobacco-producing areas. Since the Congress has judged this measure necessary, our farmers will, of course, support it.

Let us pass the No Net Cost Tobacco Program Act of 1982 by an overwhelming vote. Despite its imperfections from the standpoint of the tobacco farmer, it is legislation which we can live with and which must be passed.

Again, I urge my friends from both sides of the aisle to vote for H.R. 6590. It deserves our strong support.

Mr. ROSE. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. NATCHER).

Mr. NATCHER. Mr. Speaker, H.R. 6590 provides for the operation of the tobacco price support and production adjustment program in such a manner as to result in no net cost to taxpayers, to limit increases in the support price for tobacco and for other purposes. This act will be designated as the "No Net Cost Tobacco Program Act of 1982."

I have my doubts that a flexible price support system will work. For many years now, attempts have been made to give to the Secretary of Agriculture the power to curb increases in price support levels for certain types of tobacco. The present system concerning price supports has worked well

in the burley tobacco program and in my opinion, should be continued.

Some people believe that more tobacco is produced in the United States than any other country in the world. This, of course, is not correct because for instance, the Republic of China produces well over 2.1 billion pounds of tobacco annually and our annual production runs about 2 billion pounds. In India in 1979, 947.7 million pounds were produced. In the same year in Brazil, 725.1 million pounds were produced. In the Soviet Union, 661.2 million pounds were produced. In Turkey, 639.8 million pounds were produced and in Japan, 379 million pounds were produced. In Bulgaria in the same year, 374.7 million pounds were produced and in the Republic of Korea, 305.2 million pounds were produced. During the same year, Canada produced 252.9 million pounds; Greece, 250 million pounds and Italy, 237.7 million pounds.

Kentucky is the second largest producer of tobacco in this country. Tobacco is the sixth largest cash crop produced in our country. Cash crops that produce more than tobacco in our country are corn, soybeans, hay or all kinds, wheat and cotton. The tobacco crop produced each year brings approximately $3 billion and represents 2.3 percent of the total for all cash crops and farm commodities. Flue-cured tobacco each year totals about 1.4 billion pounds; burley tobacco, about 617 million pounds; southern Maryland-type tobacco, 32.2 million pounds; Fire-cured tobacco, 57.6 million pounds; Dark Air-cured tobacco, 22 million pounds; Cigar-filler type tobacco, 28 million pounds; Cigar-binder tobacco, 24.8 million pounds and Cigar-wrapper, 4.16 million pounds.

Mr. Speaker, tobacco is a controlled program and has been a successful program down through the years. Approximately 95 percent of the Nation's tobacco is sold at auction in some 175 markets, with the remainder sold directly from the farms or by farmers' cooperatives.

Tobacco requires a great deal of labor and there are over one-half million farm families directly and indirectly involved in producing tobacco in the United States. It is estimated that approximately 250 man-hours of labor are required for each acre of tobacco harvested. Just by way of comparison, it takes only some 3 man-hours to harvest an acre of wheat.

Up to this time, the Department of Agriculture has administered the laws to stabilize tobacco production and to assure fair prices to our farmers. Most tobacco farmers, by voting, have continued to favor marketing quotas. As you know, when tobacco producers approve of marketing quotas for a certain type of tobacco, price supports for it are mandatory. Under this program, the Commodity Credit Corporation makes loans to farmers through their associations and the tobacco is the collateral. The associations which were set up many years ago are in control of the tobacco and sell the tobacco, repaying the loans as the tobacco is sold. According to figures subr.itted to our Subcommittee on Agriculture Appropriations down through the years, the realized cost of the price support program since its start in the year 1933 has been about 0.1 percent of the cost of all farm commodity price support operations.

As you know, Mr. Speaker, the Department of Agriculture has been in charge of the grading of all tobacco before it is sold. This places the purchaser in a position where he receives the type of tobacco that he bids on and makes the program a successful one.

At this time, budget resolutions are being considered which call for an increase in taxes over the next 3-year period. This is notwithstanding the fact that we enacted a $950 billion tax reduction bill on July 29, 1981, which was the largest tax reduction bill in the history of this country. Tobacco pays into Federal, State, and local governments approximately $6.5 billion each year. The Federal Government's share totals nearly $3 billion and State taxes on tobacco products are estimated at this time to be some $3.8 billion.

In this country today, we have some 147 factories that manufacture tobacco products in 20 States. Nearly 300 warehouses are authorized by the Federal Government to export tobacco and some 80,000 people are employed in manufacturing tobacco products. Our country is the leading exporter of tobacco and the third largest tobacco importer. In the past few years, about one-third of the tobacco produced in this country has been exported and this, of course, plays an important part in the balance of deficit payments program. We export in manufactured products nearly $1 billion each year.

Down through the years, the tobacco industry has supported hundreds of independent reseach programs costing millions of dollars. In the appropriation bill for Labor, Health and Human Services and Education, we have some $50 million appropriated annually for the smoking and health program and throughout this bill, we have research projects and programs annually. I am chairman of this subcommittee and since I have been chairman, we have never reduced the amounts requested for this program.

Flue-cured tobacco has experienced considerably more problems than burley tobacco. The burley tobacco program has cost this Government very little money down through the years. Under the provisions of the bill now before the House, corporations, utilities, and institutions who hold tobacco allotments must give up these allotments. There is nothing wrong with this, Mr. Speaker, and this change in the operation of the program will simply mean that the small family farmer who has no tobacco acreage and needs this acreage, will have a chance in the future. The tobacco program should be structured at all times to help the producer of the tobacco who actually lives on a farm and makes his living from farming.

All but two of the 120 counties in Kentucky grow tobacco. Mr. Speaker, this means that every time a tobacco farmer hires labor or purchases supplies such as fertilizer, chemicals, fuel or seeds, or buys machinery and equipment necessary in growing his crop, he stimulates the local economy throughout the State of Kentucky. It is estimated the statewide expenditures to local suppliers to be in the range of $325 million annually. It is also estimated that tobacco farming provides the equivalent of 39,000 full-time jobs and some $150 million in wages and salaries for Kentuckians. Tobacco is Kentucky's leading cash crop, representing on an annual basis, more than 50 percent of the cash receipts from crops and approximately one-third of all farm income. Kentucky is the third largest manufacturing State of tobacco products and these manufacturing plants employ over 25,000 people annually.

One misconception that we have had with us down through the years is that tobacco is a subsidized program. When you obtain all of the facts, you discover that we do have a price support program, but it is not a subsidized program. If there is any subsidy, tobacco provides it for the Federal Government.

Mr. Speaker, I still have my doubts that a flexible price support system will work. As I said in the beginning, for many years attempts have been made to give to the Secretary of Agriculture the power to curb increases in price support levels for certain types of tobacco and up to this time, this power has not been granted. Prior to the provision which is contained in H.R. 6590, the Secretary was obligated to follow the statutory formula.

Mr. ROSE. Mr. Speaker, I reserve the balance of my time.

Mr. HOPKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6590, the No Net Cost Tobacco Program Act of 1982.

This bill is the answer to the congressional mandate contained in the 1981 farm bill. The farm bill singled out one commodity—tobacco—to shoulder the costs of its own program. We have assumed that responsibility and have written this bill for your consideration.

This bill is a vote for your taxpayer. A "yes" vote for this bill will insure

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your consumer at home that although they have paid nearly $11.4 billion for farm price and income support payments this year, they will never pay another penny to support the price of tobacco.

Some have criticized the rapid movement of this bill through the House. The primary reason for this push is the fact that the Flue-cured marketing season starts in Georgia on July 15. This tobacco program must pass the House and Senate by July 1 in order to start much-needed reforms in the Flue-cured program to reduce supply and to begin to collect the contribution fee to start the pool to insure no more costs to the taxpayers.

As soon as the subcommittee determined how to best set up the contribution fund so that the farmer would be able to get the most out of this fee, the bill was written and subcommittee mark-up was held.

The proposals of this bill are directly from the recommendations of the Secretary of Agriculture. They achieve the no net cost mandate established in the farm bill. They are the result of extensive hearings. I have been working on these proposals for months now. I hardly think this proposal can be labeled a surprise.

If you vote no on this bill my burley farmers will not have to pay a contribution fee to market their tobacco. There will also be no guarantee that the taxpayer will never have to pay for losses on the tobacco program. My burley farmers will rely on the Commodity Credit Corporation—which contains the taxpayers money—just like every other farm commodity.

I am slightly amused by all the complaints which I have heard accusing the tobacco program of being feudalistic and contrary to a free-market economy.

The House Agriculture Committee had a tie vote in committee last week which narrowly defeated a proposal to establish mandatory acreage set-asides for wheat and feedgrains.

As a member of the Livestock, Dairy, and Poultry Subcommittee I have participated in hearings discussing proposals to establish dairy bases for farmers to curb dairy production.

Are these concepts in line with a free market economy? Here you have one commodity, burley tobacco, which has not been in excess supply largely due to the tobacco program and you want to interfere with this successful system. To me that is government intrusion at its worst.

When the Surgeon General issued his warning on the health risks associated with smoking, he had the good sense to pint out that the health issue associated with smoking was a separate issue from the agricultural issue of the Government's tobacco program.

Unfortunately, not all of my colleagues share in that wisdom.

The issue today is whether or not we should make the farmers assume financial responsibility of a program which limits the production of an agricultural product.

I think we should stick to the matter at hand.

If we want to debate health issues we can talk about the latest reports citing dairy products and fatty meats as being hazardous to our health.

Not all provisions in this bill apply to burley. Although most people in Washington do not realize it, there are two main types of tobacco—burley and Flue-cured.

Burley tobacco is not suffering from the same problems of oversupply as Flue-cured is, therefore extensive changes to the program are not necessary.

No losses are expected on burley tobacco for the next 5 years—therefore the contribution fee established in this bill will be used as a safeguard for the future.

One provision which does apply to burley as well as Flue-cured is the requirement that nonfarming entities dispose of their quotas. This section is not intended to include educational institutions that utilize their quota for instructional or experimental purposes. I wanted to clarify this point on behalf of the University of Kentucky and other State universities.

Another point of concern to the burley cooperative is the language requiring the cooperative to mail certificates to the shareholders and stipulating that the shareholders shall receive these certificates. If at all possible I hope this requirement can be made upon request instead of mandatory to save the associations unnecessary mailing costs.

Thank you. I hope you all join me in support of H.R. 6590, a vote for the American taxpayer.

Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. JOHNSTON).

Mr. JOHNSTON. Mr. Speaker, last session when we passed the Agriculture and Food Act of 1981 (Public Law 97-98) it was our intent that the tobacco price support and production adjustment program be carried out at no net cost to the taxpayer, with the exception of administering the program. As directed in January of 1982, the Secretary of Agriculture took administrative action and submitted his recommended legislative changes designed to meet this goal. Now we must fulfill our end of the commitment.

I am pleased to support H.R. 6590, the No Net Cost Tobacco Program Act of 1982, which makes necessary across-the-board changes in the tobacco program to insure minimum costs to the taxpayers.

Under H.R. 6590, the tobacco producers and leasors of Flue-cured tobacco quotas or allotments would be required to contribute to a capital account or a "no net cost tobacco fund" in order to be eligible for price supports. The fund would be established and administered by the producer owned cooperative marketing association, under contract with the Commodity Credit Corporation (CCC), for the purpose of covering any CCC loan net losses. The CCC must approve all contribution levels to insure that the funds will sufficiently cover any projected CCC net losses. The association will be able to invest fund moneys, but are required to deposit any earnings of the investment into the fund. If the association does not comply with this process, the Secretary of Agriculture may terminate any loan agreement or make no additional moneys available to the association, making price support available to producers of the association in another manner.

The present price support system offers the Secretary of Agriculture no discretion in adjusting the support levels of tobacco. The formula adjusts the 1959 support level by a 3-year average of the index or prices paid by farmers, including wage rates, interest, and taxes. In the past, the formula has increased the tobacco support price without taking into account changes in economic and marketing conditions. H.R. 6590 permits USDA, with the consultation of the associations, to reduce the price support rate if the supply of a given grade of a type of quota tobacco is expected to be in excess supply, which is determined by domestic supply, the quantity of tobacco under loan, and projected demand. In order to reduce the price support rate of the given grade, the average support level for all grades of that tobacco must be raised by a minimum of 65 percent of the increase that producers would normally receive under the current law. Or, if there has been no increase in the support level for all grades of the tobacco, not less than the support level established by law.

In regards to Flue-cured tobacco, if it is determined by the USDA, with the association's approval, to be in excess, USDA may determine the grade as excessively priced, allowing the producer the option of marketing up to 10 percent of his farm's quota of the tobacco at a special USDA-sponsored auction. If an auction is held, the grade of tobacco determined excessively priced becomes ineligible for price-support loans, and will not count against the producers' marketing quota; however, it may be deducted from any undermarketings.

H.R. 6590 would also amend the current law regarding leasing and sale of Flue-cured tobacco allotments and quotas. As of enactment, fall leasing would be prohibited by requiring all Flue-cured leases to be filed before

June 15 of the crop year specified in the lease. An exception may be granted by USDA due to certain circumstances of natural disaster, in which case, USDA may permit fall leases to allotment or quota farms in an adjoining county. All agreements for the lease must be made exclusively between the lessor and the lessee and subleasing or transferring are prohibited.

This legislation would permit the sale of all or a portion of a Flue-cured allotment or quota to any active tobacco producer, an individual who shared in the risk of producing Flue-cured tobacco in at least 1 out of the last 3 years. If a purchaser fails to meet the risk-sharing standards, the individual will be required to sell his purchase within 18 months of July 1 of the year in which the crop is planted or he may be subject to forfeit. All transfers of sale will be prohibited from having a total tobacco acreage allotment or quote equivalent to more than half the farm's total cropland after transfer of the lease. A 50-percent tillable cropland limit will also be imposed. Any acreage allotments or quotas excluding these limits will be subject to forfeiture of the excess allotments or quotas. H.R. 6590 also requires all institutional Flue-cured tobacco acreage allotment or quota owners which are not largely involved in the management or use of the land for agricultural purposes to sell their allotments or quotas by December 1, 1983, or be subject to forfeiture.

Mr. Speaker, while I do not agree with many of my colleagues who have criticized our Nation's tobacco program, I do believe that this bill addresses their concerns and at the same time preserves a very important cash crop for our farmers.

Mr. HOPKINS. Mr. Speaker, I yield 5 minutes to a valuable member of the subcommittee, the gentleman from South Carolina (Mr. NAPIER).

Mr. NAPIER. Mr. Speaker, I will not belabor the point, but I would just like to say that we have been at work long and hard for a good deal of time to try to get this legislation to the floor under the leadership of Chairman ROSE and the ranking minority member, Mr. HOPKINS. They have done an excellent job, and we appreciate it.

On behalf of the tobacco farmers of the Sixth District of South Carolina, to them and to the other members of the subcommittee, Mr. WHITLEY, Mr. JONES of North Carolina in particular, Mr. WAMPLER, I would just say, thank you.

I would like to say that all members of the subcommittee are not entirely happy with what we have had to do here. It would have suited me just as well to have left the tobacco program as it was, but we had a number of critics who pointed out some things in the program that we did that we should change, and we have tried to take the responsible approach. We have tried to make this a no-net-cost program. We have tried to take steps to move allotments into the hands of the active growers, and we tried to answer the critics and at the same time make the tobacco program a better program economically for the farmers.

□ 1230

Mr. Speaker, I think this is a good piece of legislation. I think it is a piece of legislation that merits the support of the House of Representatives and from those who voted for the Foley amendment last October.

Mr. HOPKINS. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I rise in support of the No Net Cost Tobacco Program Act of 1982.

For the 370 years since John Rolfe planted the first commercially viable crop, tobacco has been an economic mainstay of the tidewater and southside Virginia areas which I represent. In fact, this crop alone saved America's first permanent English-speaking colony from economic extinction.

In the years immediately after the first crop, production grew rapidly from 2,500 tons in 1615 to 1.5 million tons in 1630. During this time, demand seemed limitless. So much energy was being expended in tobacco production that one Virginia Governor had to require each farmer to plant a certain percentage of his land in corn in order to insure a sufficient food supply.

However, in 1660 England imposed the Navigation Act, which closed non-English markets to Virginia's tobacco exports, and tobacco farmers found themselves with excess production capacity and falling prices.

From that time on, producers working privately or with colonial and State governments devised several production control systems. Each of these systems lasted until prices rose significantly, then each system was discarded. When prices again dropped, new production controls were devised.

Fifty years ago, during one of the bleakest periods American agriculture has ever known, the Federal Government set up the most efficient, and the most long-lasting production control system ever used by the American tobacco industry. This system allowed many small family farms to survive not only the Depression, but also to resist the trend toward consolidation during the forties, fifties, sixties, seventies, by guaranteeing an adequate farm income and a reasonable market price.

Tobacco can be stored easily for long periods of time, and therefore the CCC is able to hold reserves it purchased from bumper crops and sell these reserves during years in which poor crops are produced. This system has provided tobacco with impressive market price stability and has made America a reliable export trading partner.

However, over the years, the CCC has incurred some losses on lower quality leaf which it was unable to sell. While tobacco program losses have been substantially less than those incurred by the dairy, corn, wheat, cotton, rice, barley, sorghum, oats, and soybean programs, various legislative and administrative program changes have been necessary from time to time to keep the price of American tobacco competitive and to minimize program costs.

When improved technology allowed farmers to produce an oversupply of price-supported tobacco on the acreage allotment, which had formerly grown only a supply which could be consumed by demand, then Congress instituted a poundage quota to eliminate overproduction, and reduce Government expense.

Apparently it is time to again adjust the tobacco program to bring it in line with market realities. However, what needs to take place is a fine tuning of the current program. We must not demolish a good structure when all it needs is a new coat of paint.

The two main concerns over the present program are its cost to the CCC, and the alleged competitive disadvantage at which it places American tobacco on the international market. The committee bill addresses both of these areas. It charges each farmer who participates in the price support program a capital stock fund contribution or an assessment which will cover any loss that might be incurred by the CCC other than administrative expenses common to other price support programs. The other major feature of the bill allows the Secretary of Agriculture discretion to limit increases in price support levels dictated by the legislative formula in response to changing economic and market conditions. This discretionary authority should be sufficient to offset any competitive disadvantage caused by the program. However, the price support program is the least significant of the three factors which are causing American tobacco to lose its international market share. The program comes in a distant third behind nontariff trade barriers and high U.S. labor costs.

Again, I urge your support for these amendments which continue a program that has for 50 years assisted the survival of many family farms and brought stability to an important sector of American agriculture.

Mr. HOPKINS. Mr. Speaker, I reserve the balance of my time.

Mr. ROSE. Mr. Speaker, I yield 8 minutes to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I rise in support of H.R. 6590.

I will do so with some reservation. I will do so because of the urgency of the Flue-cured tobacco situation. The Flue-cured markets are scheduled to open in a few weeks and, if we are to achieve a no-cost-to-the-taxpayer tobacco program for the 1982 Flue-cured crop, this legislation must be enacted into law at an early date.

I was opposed to those provisions of the bill as originally reported which applied the checkoff producer charges to burley tobacco under procedures established for Flue-cured and other types of tobacco. A standby provision specially designed for burley might have been more appropriate. Certainly it would be preferable to the reported bill's treatment of burley.

I have great admiration for, and confidence in, my distinguished colleague from North Carolina, chairman of the Tobacco Subcommittee. I have respect for his judgment and legislative skill and I appreciate the depths of his knowledge of the tobacco program.

I also appreciate the complications of the program with which this legislation deals—nine separate kinds of tobacco are dealt with in what was generally known as the tobacco program. Each is different—

In its growing;
In its geographical location;
In its treatment;
In its marketing; and
In its process and use.

No single specific legislative direction would aptly suit each.

I am even more opposed to burley's inclusion in those provisions of the bill which give the Secretary of Agriculture additional authority to manipulate the price support level.

My concern is that, with respect to burley, we are overreacting and are making changes in a sound program that are absolutely unnecessary in achieving a no net cost to the taxpayer.

Mr. Speaker, there is not a pound of burley tobacco under loan. The Secretary of Agriculture, in his report to the Congress responding to our mandate of last year under the Agriculture and Food Act of 1981, states:

No losses of principal or interest are projected for burley tobacco because of its expected continued strong demand.

The administrative steps taken by the Secretary of Agriculture assure, with respect to the operation of the program by the burley tobacco associations, will result in no cost to the taxpayer. These are increases in the amounts deducted by the association from price supports advances made to tobacco growers to cover expenses. Thus, this step eliminates any necessity for the CCC to make loan advances to the associations for these administrative costs.

The second step taken by the Secretary administratively has been to adjust regulations so that the net gain realized by the associations from the sale of one crop of loan tobacco would remain available to offset losses incurred by the association on other crops.

There features, for the foreseeable future, assure that the burley tobacco program can operate without any cost to the taxpayer.

While I firmly believe that we should not make the changes in the burley tobacco program that this bill calls for, it is my understanding that the inclusion of burley was insisted upon by members of the Agriculture Committee concerned and whose support is essential for the passage of the bill.

Since the bill is under suspension of the rules, a Member is precluded from offering an amendment.

Consequently, I cannot move to delete burley from the bill. While I am not certain that the amendment to the bill as reported lays to rest all of the fears that I have had and that have been communicated to me by the burley tobacco growers, I believe that they constitute an improvement of the legislation. I hope that they will be studied very carefully in subsequent deliberations on the measure.

Let me emphasize in this regard that the burley tobacco program works and we should take extreme care in making changes which could affect the livelihood of thousands of farm families in many tobacco counties throughout the burley area.

Mr. HOPKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I might add for the benefit of my learned colleague, the senior member of our delegation, that I have addressed in certain amendments added to H.R. 6590 this morning concerns expressed by my colleague, the gentleman from Kentucky (Mr. PERKINS).

My amendments go far toward addressing the concerns of the burley growers and the associations of Kentucky which helped craft the amendments that I put into the bill this morning, and I think they will address most of the concerns of my colleague.

Mr. Speaker, I yield 1 minute to my colleague, the gentleman from Kentucky (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I rise today in support of H.R. 6590, the No Net Cost Tobacco Program Act of 1982.

I would like to commend my good friend and distinguished colleague from Kentucky, and the distinguished gentlemen from North Carolina, Virginia, and Texas for their effective leadership in bringing this bill to the House floor.

This has been a difficult issue, which many of us from the tobacco-producing regions would rather have avoided. But the committee has done an excellent job in fulfilling the mandate of the Congress to enact a no net cost tobacco program. And they have addressed many of the criticisms which have been levied against the program in the past.

It sometimes seems to me that tobacco has become the whipping boy of this Congress. And it is time for this to stop.

Last year, opponents of the program claimed that the Government was subsidizing tobacco, that it was encouraging people to smoke, and that it was preserving an outmoded system of farm production.

Time and time again, the members from tobacco-growing districts worked to set the record straight.

There is not now and never has been a tobacco subsidy. What we do have is a loan system. And farmers repay these loans with interest.

The tobacco program does not now and never has encouraged folks to smoke. This has always been a question for each individual to decide for himself and the Federal program has in no way influenced these individual decisions.

What we do have is a system to preserve the orderly marketing of tobacco. In keeping with the original intent of the law, it maintains stability, preventing the wild market fluctuations of the pre-Depression era. And this stability is as essential to the preservation of small family farmers today as it was back in 1938, when the Congress began the program.

And I would like to remind the Congress of how vital tobacco is to individual farmers and communities throughout this country.

Despite all the stereotypes of tobacco farms, the fact remains that most burley tobacco farms are family farms. The average size of a burley tobacco allotment is about 1 acre. And in most cases, tobacco provides the only cash income for farms in these regions.

Without the poundage control system, these small, family farms would not have more than a prayer for their survival. The large, corporate farms would be free to grow as much tobacco as they chose. Using cheap methods of production, in no time at all they would simply drive the small farmers off of the land and out of farming. We would soon find ourselves left with just a handful of giant, corporate tobacco farms, instead of the nearly 300,000 family farms which we have today.

And without the Federal tobacco program, farm communities in tobacco areas would face financial chaos. A tobacco allotment is closely linked to appraised land values. Without the allot-

ment system, the appraised land value would fall, and countless farmers would find themselves without the collateral which they need for their standing loans.

Without the tobacco program, we would face the horrifying prospect of massive farm foreclosures and the rapid disappearance of the family farm.

And I would like to remind my colleagues that the Congress would be causing this widespread hardship for farmers throughout the country for no good reason. The Federal tobacco program is one of the most worthwhile of all the Federal programs and deserves to be continued.

Given this vital importance of the family farm, when we faced the choice last year of possibly losing the whole Federal tobacco program or putting up with a no net cost program, we opted for the no net cost program. It was truly our only choice.

Mr. Speaker, over the past year, tobacco growers have compromised time and time again, they have picked up the cost of inspecting and grading, saving the Government about $8 million per year. And as the result of an Executive order, growers are now paying interest on their loans at a rate equal to the Government's cost of borrowing money. This has meant a 30-percent increase in the interest rates on CCC loans just over the last year.

These changes meant severe hardship for some farmers, but they bit the bullet and absorbed the extra costs.

And now this bill asks for one more compromise from these tobacco growers. It requests them to pay for a reserve to cover future loan losses. This means that they will be paying 100 percent user fees for the tobacco program. And they are prepared to absorb this cost too as the price of preserving the tobacco program and ultimately their whole means of livelihood.

What we have left is a barebones, streamlined Federal tobacco program, as outlined in the bill before us today. It guarantees that the taxpayers will not pay a single penny as part of the Federal tobacco program. It will help to insure that our price support system will not drive American tobacco out of competition in the world market. And it puts more of the responsibility for running the tobacco program back into the hands of the growers—where it belongs.

The bill we have before us today is a sound and sensible approach to maintaining stability in the tobacco market, without costing taxpayers a cent. American tobacco growers are making yet another compromise as the price of preserving their program.

I urge my colleagues to join with me in supporting this bill as a sensible approach to complying with the demand of the Congress to run a no net cost tobacco program. So that once and for all, our tobacco growers will be able to count on the future of their program, so they can have the security they need to run their farms, and so they will not have to continue making compromise after compromise in the future.

Tobacco growers have gone the extra mile in developing a no net cost program. I urge your support for this legislation.

Mr. HOPKINS. Mr. Speaker, I yield myself such time as I may consume, and I wonder if I might address a question to my colleague, the chairman of the subcommittee, before yielding back the balance of my time.

Mr. ROSE. Mr. Speaker, if the gentleman will yield, with that understanding I will be happy to talk with the gentleman. Go ahead.

Mr. HOPKINS. Mr. Speaker, I wonder if my colleague, the gentleman from North Carolina, would agree with me that as defined in section 316, both A and B, that an educational institution would not be required to sell its allotment or quota under the provisions of this bill if they were actively involved in the management or use of the land and that use and management of the land was related to the provision of instruction and experimentation on the part of the university. Thus for most, if not all, purposes, it seems to me that the educational institution would be considered to be significantly involved in the management or use of land for agricultural purposes and exempt from sale requirements.

Mr. ROSE. Yes.

Mr. Speaker, if the gentleman will yield, it is my opinion that any college or university that uses a reasonable amount of its acreage allotment or marketing quota as part of its instructional functions or experimental functions as an educational institution is contemplated by the bill as being clearly exempt from the provisions calling for the sale of such allotment or quota.

However, I would think that would be reasonably interpreted to mean a reasonable amount of an allotment for instructional purposes only and not any gigantic tobacco operation, and I think the gentleman would agree with me on that.

Mr. HOPKINS. Mr. Speaker, I thank my colleague for his answer.

Let me ask the gentleman from North Carolina (Mr. ROSE) one further question, if I may.

I wonder if the gentleman would respond to a question I have with regard to the stock certificates that will be issued by the associations for the no net cost tobacco fund administered by the associations. Do we agree that we want the most cost-effective and simplest procedures involved in the issuance of the stock certificates and the notification to the producers and growers of the amount held for each of them in the no net cost tobacco fund?

Mr. ROSE. Mr. Speaker, will the gentleman yield?

Mr. HOPKINS. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Speaker, it is my understanding that the certification problem is largely controlled by the provisions of subchapter T of the Federal Tax Code. However, to the extent that code and other laws will permit it, we want this system to be as inexpensive, cost effective, and simple as it can be made.

Mr. HOPKINS. Mr. Speaker, I thank my colleague for his answers, and I yield back the balance of my time.

● Mr. WAMPLER. Mr. Speaker, I rise in support of this bill as amended and considered under suspension of the rules.

The Agriculture and Food Act of 1981 in section 1109 indicated that it was the "intent of Congress that the tobacco price support and production adjustment program be carried out in such a manner as to result in no net cost to the taxpayers other than such administrative expenses as is incidental to the administration of any commodity program."

The section went on to state that the Secretary was to recommend to the Congress by January 1982 any legislative changes the Secretary believed necessary and proper to achieve this objection. The Secretary in January 1982 forwarded to the Congress a report to the Congress under the Agriculture and Food Act of 1981 entitled "Recommendations of the Secretary of Agriculture for Achieving a No Net Cost Tobacco Program."

What you have before you today is a bill that will achieve what the House voted for last year and what became law. In other words, this bill will provide in fact a no net cost tobacco program as contemplated in the Secretary's recommendations.

This bill is going to provide that if there are any deficits in handling the price support program for Flue-cured and burley tobacco and other tobacco programs that those costs are going to be picked up by the producers, growers, operators, and so forth.

This bill also will provide that if the Secretary determines that the supply of any grade of any kind of tobacco of a group for which marketing quotas are in effect such as Flue-cured or burley, and after prior consultation with the associations and taking other matters into consideration, the Secretary may reduce the support rate which would otherwise be established for such grade of tobacco. The reason for this provision is to provide for the adjustment of price support levels for certain grades of tobacco to make

them more competitive in the world markets.

I would be the first to admit that this is more of a Flue-cured problem than it is a burley problem, but the bill certainly would have this effect probably near term for Flue-cured and later for other types of tobacco in the event it were needed.

There are some differences between how the Flue-cured is handled and how burley tobacco is handled in this bill. The reason for this is that these are entirely different programs and entirely different industries in a sense. In most cases, they are geographically in different areas and the whole industry is set up considerably different by way of size of allotments, supplies of tobacco going under loan, et cetera.

It is for these reasons, among others, that we set up an optional system for the burley growers. In other words, initially the associations will start out collecting stock contributions from the producers and placing those into the no net cost tobacco fund operated by such associations. The associations in such cases would issue certificates and give out records on the phone.

However, provisions in this bill give another option to burley associations because they could petition the Secretary to take over the collection of marketing fees and maintain the no net cost fund as an account within the Commodity Credit Corporation. This would not prevent the Commodity Credit Corporation and the Secretary from then entering a loan agreement with the associations to perform certain of the support price tasks such as purchasing, packing, and storing the tobacco under the price support system, much the way the loan agreements work now.

This optional system is particularly important to the burley tobacco program because very little of the burley tobacco has been going under loan in recent years. The demand is great. In fact it is my understanding that last year no more than one-half of 1 percent of the burley tobacco was placed under loan.

What this means is that if the associations collect the stock contributions, the amount of funds that may be collected could constitute a problem for the viability of the program. In point of fact, many of the burley growers and their associations would prefer to have a mandated assessment against all growers to sustain the no net cost fund, but that would have many of the characteristics of a tax. The Agriculture Committee then probably would not have jurisdiction to include such a provision in a bill such as this as we do not have authority to do so. Perhaps sometime in the future this can be done, but it cannot be done at this time.

I also should like to advise my colleague that there is a provision in this bill as it relates to burley that calls for the sale of allotments held by corporations, educational institutions, and others who are not significantly involved in the management or use of land for agricultural purposes. I think we as well as the Flue-cured people consider this an important facet to the changes otherwise dictated or urged upon the tobacco industry other than the no net cost tobacco program.

Regarding the provisions of this program, the burley producers are devoted more to the no net cost fund program than some of the other leasing and allotment aspects of the program. Among other reasons for their support, the two programs are different and quite frankly the problems have arisen over on the Flue-cured tobacco side of the program rather than the burley as it relates to deficits occurred heretofore.

I urge all my colleagues to support this measure as one which is responsive to the recommendations and the intention of Congress as contained in section 1109 of the Food and Agriculture Act of 1981 and responsive to the recommendations of the Secretary of Agriculture as contained in his report to the Congress in January 1982.●

□ 1245

Mr. ROSE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BROOKS). The question is on the motion offered by the gentleman from North Carolina (Mr. ROSE) that the House suspend the rules and pass the bill, H.R. 6590, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROSE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO FILE PART 2 OF REPORT ON H.R. 5447, FUTURES TRADING ACT OF 1982

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce have until midnight tonight to file part 2 to the report 97-565 on the bill, H.R. 5447, the Futures Trading Act of 1982.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MILITARY CONSTRUCTION CODIFICATION ACT

Mr. BRINKLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6451) to amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction and military family housing, as amended.

The Clerk read as follows:

H.R. 6451

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Military Construction Codification Act".

ENACTMENT OF MILITARY CONSTRUCTION CHAPTER IN TITLE 10 AND TRANSFER OF RELATED PROVISIONS INTO THAT CHAPTER

SEC. 2. (a) Title 10, United States Code, is amended by adding at the end of subtitle A the following new chapter:

"CHAPTER 169—MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING

"Subchapter	Sec.
"I. Military Construction	2801
"II. Military Family Housing	2821
"III. Administration of Military Construction and Military Family Housing	2851

"SUBCHAPTER I—MILITARY CONSTRUCTION

"Sec.
"2801. Scope of chapter; definitions.
"2802. Military construction projects.
"2803. Emergency construction.
"2804. Contingency construction.
"2805. Unspecified minor construction.
"2806. Contributions for North Atlantic Treaty Organization Infrastructure.
"2807. Architectural and engineering services and construction design.
"2808. Construction authority in the event of a declaration of war or national emergency.

"§ 2801. Scope of chapter; definitions

"(a) The term 'military construction' as used in this chapter or any other provision of law includes any construction, development, conversion, or extension of any kind carried out with respect to a military installation.

"(b) A military construction project includes all military construction work, or any contribution authorized by this chapter, necessary to produce a complete and usable facility or a complete and usable improvement to an existing facility (or to produce

such portion of a complete and usable facility or improvement as is specifically authorized by law).

"(c) In this chapter:

"(1) 'Facility' means a building, structure, or other improvement to real property.

"(2) 'Military installation' means a base, camp, post, station, yard, center, or other activity under the jurisdiction of the Secretary of a military department or, in the case of an activity in a foreign country, under the operational control of the Secretary of a military department or the Secretary of Defense.

"(3) 'Secretary concerned' includes the Secretary of Defense with respect to matters concerning the defense agencies.

"(4) 'Appropriate committees of Congress' means the Committees on Armed Services and on Appropriations of the Senate and House of Representatives.

"(d) This chapter does not apply to the Coast Guard or to civil works projects of the Army Corps of Engineers.

"§ 2802. Military construction projects

"(a) The Secretary of Defense and the Secretaries of the military departments may carry out such military construction projects as are authorized by law.

"(b) Authority provided by law to carry out a military construction project includes authority for—

"(1) surveys and site preparation;

"(2) acquisition, conversion, rehabilitation, and installation of facilities;

"(3) acquisition and installation of equipment and appurtenances integral to the project;

"(4) acquisition and installation of supporting facilities (including utilities) and appurtenances incident to the project; and

"(5) planning, supervision, administration, and overhead incident to the project.

"§ 2803. Emergency construction.

"(a) Subject to subsections (b) and (c), the Secretary concerned may carry out a military construction project not otherwise authorized by law if the Secretary determines (1) that the project is vital to the national security, and (2) that the requirement for the project is so urgent that deferral of the project for inclusion in the next Military Construction Authorization Act would be inconsistent with national security.

"(b) When a decision is made to carry out a military construction project under this section, the Secretary concerned shall submit a report in writing to the appropriate committees of Congress on that decision. Each such report shall include (1) the justification for the project and the current estimate of the cost of the project, (2) the justification for carrying out the project under this section, and (3) a statement of the source of the funds to be used to carry out the project. The project may then be carried out only after the end of the 21-day period beginning on the date the notification is received by such committees, or after each such committee has approved the project, if the committees approve the project before the end of that period.

"(c)(1) The maximum amount that the Secretary concerned may obligate in any fiscal year under this section is $30,000,000.

"(2) A project carried out under this section shall be carried out within the total amount of funds appropriated for military construction that have not been obligated.

"§ 2804. Contingency construction

"(a) Within the amount appropriated for such purpose, the Secretary of Defense may carry out a military construction project not otherwise authorized by law, or may authorize the Secretary of a military department to carry out such a project, if the Secretary of Defense determines that deferral of the project for inclusion in the next Military Construction Authorization Act would be inconsistent with national security or national interest.

"(b) When a decision is made to carry out a military construction project under this section, the Secretary of Defense shall submit a report in writing to the appropriate committees of Congress on that decision. Each such report shall include (1) the justification for the project and the current estimate of the cost of the project, and (2) the justification for carrying out the project under this section. The project may then be carried out only after the end of the 21-day period beginning on the date the notification is received by such committees, or after each such committee has approved the project, if the committees approve the project before the end of that period.

"§ 2805. Unspecified minor construction

"(a) Within the amount authorized by law for such purpose, the Secretary concerned may carry out minor military construction projects not otherwise authorized by law. A minor military construction project is a military construction project (1) that is for a single undertaking at a military installation, and (2) that has an approved cost equal to or less than the amount specified by law as the maximum amount for a minor military construction project.

"(b)(1) A minor military construction project costing more than 50 percent of the amount specified by law as the maximum amount for a minor military construction project may not be carried out under this section unless approved in advance by the Secretary concerned.

"(2) When a decision is made to carry out a minor military construction project to which paragraph (1) is applicable, the Secretary concerned shall notify in writing the appropriate committees of Congress of that decision, of the justification for the project, and of the estimated cost of the project. The project may then be carried out only (A) after the end of the 21-day period beginning on the date the notification is received by the committees, or (B) after each such committee approves the project, if the committees approve the project before the end of that period.

"(3) A project for the relocation of any activity from one installation to another that involves 25 or more full-time civilian employees of the Department of Defense but that is not subject to paragraph (1) may not be carried out under the authority of this section until the appropriate committees of Congress have been notified by the Secretary concerned of the intent to carry out such relocation under the authority of this section.

"(c) Only funds authorized for minor construction projects may be used to accomplish unspecified minor construction projects, except that the Secretary concerned may spend from appropriations available for operation and maintenance amounts necessary to carry out an unspecified military construction project costing not more than 20 percent of the amount specified by law as the maximum amount for a minor military construction project.

"(d) Military family housing projects for construction of new housing units may not be carried out under the authority of this section.

"§ 2806. Contributions for North Atlantic Treaty Organization Infrastructure

"(a) Within amounts authorized by law for such purpose, the Secretary of Defense may make contributions for the United States share of the cost of multilateral programs for the acquisition and construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area.

"(b) Funds may not be obligated or expended in connection with the North Atlantic Treaty Organization Infrastructure program in any year unless such funds have been authorized by law for such program.

"(c)(1) The Secretary may make contributions in excess of the amount appropriated for contribution under subsection (a) if the amount of the contribution in excess of that amount does not exceed 200 percent of the amount specified by law as the maximum amount for a minor military construction project.

"(2) If the Secretary determines that the amount appropriated for contribution under subsection (a) in any fiscal year must be exceeded by more than the amount authorized under paragraph (1), the Secretary may make contributions in excess of such amount, but not in excess of 125 percent of the amount appropriated (A) after submitting a report in writing to the appropriate committees of Congress on such increase, including a statement of the reasons for the increase and a statement of the source of the funds to be used for the increase, and (B) after either a period of 21 days has elapsed from the date of receipt of the report or after each such committee has indicated approval of the increased contribution.

"§ 2807. Architectural and engineering services and construction design

"(a) Within amounts appropriated for such purposes, the Secretary concerned may obtain architectural and engineering services and may carry out construction design in connection with military construction projects not otherwise authorized by law. Amounts available for such purposes may be used for construction management of projects that are funded by foreign governments directly or through international organizations and for which elements of the armed forces of the United States are the primary user.

"(b) In the case of architectural and engineering services and construction design to be undertaken under subsection (a) for which the estimated cost exceeds the maximum amount specified by law for the purposes of this section, the Secretary concerned shall notify the appropriate committees of Congress of the scope of the proposed project and the estimated cost of such services not less than 21 days before the initial obligation of funds for such services.

"(c) If the Secretary concerned determines that the amount authorized for activities under subsection (a) in any fiscal year must be increased the Secretary may proceed with activities at such higher level (1) after submitting a report in writing to the appropriate committees of Congress on such increase, including a statement of the reasons for the increase and a statement of the source of funds to be used for the increase, and (2) after either a period of 21 days has elapsed from the date of receipt of the report or after each such committee has indicated approval of the increased level of activity.

"§ 2808. Construction authority in the event of a declaration of war or national emergency

"(a) In the event of a declaration of war or the declaration by the President of a national emergency in accordance with the National Emergencies Act (50 U.S.C. 1601 et seq.) that requires use of the armed forces, the Secretary of Defense, without regard to any other provision of law, may undertake military construction projects, and may authorize the Secretaries of the military departments to undertake military construction projects, not otherwise authorized by law that are necessary to support such use of the armed forces. Such projects may be undertaken only within the total amount of funds that have been appropriated for military construction, including funds appropriated for family housing, that have not been obligated.

"(b) When a decision is made to undertake military construction projects authorized by this section, the Secretary of Defense shall notify the appropriate committees of Congress of the decision and of the estimated cost of the construction projects, including the cost of any real estate action pertaining to those construction projects.

"(c) The authority described in subsection (a) shall terminate with respect to any war or national emergency at the end of the war or national emergency.

"SUBCHAPTER II—MILITARY FAMILY HOUSING

"Sec.
"2821. Requirement for authorization of appropriations for construction and acquisition of military family housing.
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"2823. Determination of availability of suitable alternative housing for acquisition in lieu of construction of new family housing.
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"§ 2821. Requirement for authorization of appropriations for construction and acquisition of military family housing

"(a) Except as provided in subsection (b), funds may not be appropriated for the construction, acquisition, leasing, addition, extension, expansion, alteration, relocation, or operation and maintenance of family housing under the jurisdiction of the Department of Defense unless the appropriation of such funds has been authorized by law.

"(b) In addition to the funds authorized to be appropriated by law in any fiscal year for the purposes described in subsection (a), there are authorized to be appropriated such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds appropriated for the purposes described in such paragraph.

"(c) Amounts authorized by law for construction of military family housing units include amounts for (1) site preparation (including demolition), (2) installation of utilities, (3) ancillary supporting facilities, (4) shades, screens, ranges, refrigerators, and all other equipment and fixtures installed in such units, and (5) construction supervision, inspection, and overhead.

"§ 2822. Requirement for authorization of number of family housing units

"(a) Except as otherwise provided in subsection (b) or as otherwise authorized by law, the Secretary concerned may not construct or acquire military family housing units unless the number of units to be constructed or acquired has been specifically authorized by law.

"(b) Subsection (a) does not apply to the following:

"(1) Housing units acquired under section 404 of the Housing Amendments of 1955 (42 U.S.C. 1594a).

"(2) Housing units leased under section 2828 of this title.

"(3) Housing units acquired under the Homeowners Assistance Program referred to in section 2833 of this title.

"§ 2823. Determination of availability of suitable alternative housing for acquisition in lieu of construction of new family housing

"(a) Before entering into a contract for the construction of family housing units authorized by law to be constructed at a location within the United States, the Secretary concerned shall consult in writing with the Secretary of Housing and Urban Development as to the availability of suitable alternative housing at such location. The Secretary of Housing and Urban Development shall advise the Secretary concerned in writing as to the availability of such housing. If the Secretary of Housing and Urban Development does not advise the Secretary concerned as to the availability of such housing within 21 days of the date on which the request for such advice is made, the Secretary concerned may enter into a contract for the proposed construction.

"(b) If the Secretary concerned and the Secretary of Housing and Urban Development disagree with respect to the availability of suitable alternative housing at any location, the Secretary concerned shall notify the appropriate committees of Congress, in writing, of the disagreement, of the Secretary's decision to proceed with the construction, and of the justification for proceeding with the construction. A contract for construction of family housing units at such location may not then be entered into until the end of the 21-day period beginning on the date such committees receive the notification.

"(c) If the Secretary concerned and the Secretary of Housing and Urban Development agree that suitable alternative housing is available at a location at which military family housing units are authorized to be constructed, the Secretary may not proceed with such construction.

"(d) The Secretary of Defense shall prescribe regulations to define what constitutes suitable alternative housing for the purposes of this section.

"§ 2824. Authorization for acquisition of existing family housing in lieu of construction

"(a) In lieu of constructing any family housing units authorized by law to be constructed, the Secretary concerned may acquire sole interest in existing family housing units that are privately owned or that are held by the Department of Housing and Urban Development, except that in foreign countries the Secretary concerned may acquire less than sole interest in existing family housing units.

"(b) When authority provided by law to construct military family housing units is used to acquire existing family housing units under subsection (a), the authority includes authority to acquire interests in land.

"(c) The net floor area of a family housing unit acquired under the authority of this section may not exceed the applicable limitation specified in section 2826 of this title.

"(d) Family housing units may not be acquired under this section through the exercise of eminent domain authority.

"§ 2825. Improvements to family housing units

"(a)(1) Authority provided by law to improve existing military family housing units and ancillary family housing support facilities is authority to make alterations, additions, expansions, and extensions.

"(2) In this section, 'improvement' includes rehabilitation of a housing unit and maintenance or repair work to be accomplished concurrently with an improvement project.

"(b)(1) Funds may not be expended for the improvement of any single family housing unit, or for the improvement of two or more housing units that are to be converted into or are to be used as a single family housing unit, if the cost per unit of such improvement will exceed an amount specified by law for such purpose multiplied by the area construction cost index as developed by the Department of Defense for the location concerned at the time of contract award.

"(2) In determining the applicability of the limitation contained in paragraph (1), there shall be included as part of the cost of the improvement the cost of repairs undertaken in connection with the improvement and any cost in connection with (A) the furnishing of electricity, gas, water and sewage disposal, (B) the construction or repair of roads and walks, and (C) grading and drainage work.

"(c) This section does not apply to projects authorized for restoration or replacement of housing units that have been damaged or destroyed.

"§ 2826. Limitations on space by pay grade

"(a) In the construction, acquisition, and improvement of military family housing units, the following are the space limitations for the applicable numbers of bedrooms permitted for each pay grade:

Pay grade	Number of bedrooms	Net floor area (square feet)
O-7 and above	4	2,100
O-6	4	1,700
O-4 and O-5	4	1,550
	3	1,400
O-1 through O-3; W-1 through W-4; and E-7 through E-9	5	1,550
	4	1,450
	3	1,350
	2	950
E-1 through E-6	5	1,550
	4	1,350
	3	1,200
	2	950

"(b) The applicable maximum net floor area prescribed by subsection (a) may be increased by 10 percent for the housing unit of an officer holding a special command position (as designated by the Secretary of Defense), for the housing unit of the commanding officer of a military installation, and for the senior noncommissioned officer of a military installation.

"(c) The maximum net floor area prescribed by subsection (a) may be increased in any case by 5 percent if the Secretary concerned determines that the increase is in the best interest of the Government (1) to permit award of a turnkey construction contract to the contractor offering the most satisfactory proposal, or (2) to permit purchase, lease, or conversion of housing units. An increase in the maximum net floor area of a housing unit under subsection (b) when combined with an increase in the maximum net floor area of such unit under this subsection may not exceed 10 percent of the otherwise applicable limitation prescribed by subsection (a).

"(d)(1) The Secretary concerned may waive the provisions of subsection (a) with respect to a family housing unit leased in a foreign country if a suitable family housing unit within the applicable maximum net floor area prescribed by such subsection cannot be obtained.

"(2) Subsection (a) does not apply to family housing units in foreign countries constructed or acquired by the Secretary of State for occupancy by members of the armed forces.

"(e) The maximum net floor areas prescribed by this section apply to family housing provided to civilian personnel based upon civilian pay scale comparability with military pay grades, as determined by the Secretary of Defense.

"(f) In this section, 'net floor area' means the total number of square feet of the floor space inside the exterior walls of a structure, excluding the floor area of an unfinished basement, an unfinished attic, a utility space, a garage, a carport, an open or insect-screened porch, a stairwell, and any space used for a solar-energy system.

"§ 2827. Relocation of military family housing units

"(a) Subject to subsection (b), the Secretary concerned may relocate existing military family housing units from any location where the number of such units exceeds requirements for military family housing to any military installation where there is a housing shortage.

"(b) A contract to carry out a relocation of military family housing units under subsection (a) may not be awarded until (1) the Secretary concerned has notified the appropriate committees of Congress of the proposed new locations of the housing units to be relocated and the estimated cost of and source of funds for the relocation, and (2) a period of 21 days has elapsed after the notification has been received by those committees.

"§ 2828. Leasing of military family housing

"(a)(1) Subject to paragraph (2), the Secretary of the military department concerned may lease housing facilities at or near a military installation in the United States, Puerto Rico, or Guam for assignment, without rental charge, as family housing to members of the Armed Forces and for assignment, with fair market rental charge, as family housing to civilian employees of the Department of Defense stationed at such installation.

"(2) A lease may only be made under paragraph (1) if the Secretary concerned finds that there is a shortage of adequate housing at or near such military installation and that—

"(A) the requirement for such housing is temporary;

"(B) leasing would be more cost effective than construction or acquisition of new housing;

"(C) family housing is required for personnel attending service school academic courses on permanent change of station orders;

"(D) construction of family housing at such installation has been authorized by law but is not yet completed; or

"(E) a military construction authorization bill pending in Congress includes a request for authorization of construction of family housing at such installation.

"(b)(1) Not more than 10,000 family housing units may be leased at any one time under subsection (a).

"(2) Except as provided in paragraph (3), expenditures for the rental of housing units under subsection (a) (including the cost of utilities, maintenance, and operation) may not exceed the amount specified by law as the maximum annual domestic family housing unit lease amount.

"(3) Not more than 500 housing units may be leased under subsection (a) for which the expenditure for the rental of such units (including the cost of utilities, maintenance, and operation) exceeds the maximum annual domestic family housing unit lease amount but does not exceed 120 percent of that amount.

"(c) The Secretary concerned may lease housing facilities in foreign countries for assignment, without rental charge, as family housing to members of the Armed Forces and for assignment, with or without rental charge, as family housing to civilian employees of the Department of Defense—

"(1) under circumstances specified in clause (A), (B), (D), or (E) of subsection (a)(2);

"(2) for incumbents of special command positions (as determined by the Secretary of Defense);

"(3) in countries where excessive costs of housing or other lease terms would cause undue hardship on Department of Defense personnel; and

"(4) in countries that prohibit leases by individual military or civilian personnel of the United States.

"(d) Leases of housing units in foreign countries under subsection (c) for assignment as family housing may be for any period not in excess of ten years, and the costs of such leases for any year may be paid out of annual appropriations for that year.

"(e)(1) Expenditures for the rental of family housing in foreign countries (including the costs of utilities, maintenance, and operation) may not exceed the amount specified by law as the maximum annual foreign family housing unit lease amount. That maximum lease amount may be waived by Secretary concerned with respect to not more than a total of 200 such units that are leased for incumbents of special positions or for personnel assigned to Defense Attache Offices or that are leased in countries where excessive costs of housing would cause undue hardship on Department of Defense personnel.

"(2) The maximum number of family housing units that may be leased in foreign countries under this section at any one time shall be specified by law.

"(f) A lease for family housing facilities, or for real property related to family housing facilities, in a foreign country for which the average estimated annual rental during the term of the lease exceeds the amount specified by law for such purpose may not be made under this section until (1) the Secretary concerned provides to the appropriate committees of Congress written notification of the facts concerning the proposed lease, and (2) a period of 21 days elapses after the notification is received by those committees.

"§ 2829. Multi-year contracts for supplies and services

"The Secretary concerned may make contracts for periods of up to four years for supplies and services for the management, maintenance, and operation of military family housing and may pay the costs of such contracts for each year out of annual appropriations for that year.

"§ 2830. Occupancy of substandard family housing units

"(a)(1) A member of the uniformed services with dependents may, without loss of the member's basic allowance for quarters, occupy a substandard family housing unit under the jurisdiction of the Secretary of a military department.

"(2) Occupancy of a family housing unit under paragraph (1) shall be subject to a charge against the member's basic allowance for quarters in the amount of the fair rental value of the housing unit. However, such a charge may not be made in an amount in excess of 75 percent of the amount of such allowance.

"(b) Subject to regulations prescribed by the Secretary of Defense, the Secretary of a military department may lease substandard family housing units to members of any of the uniformed services for occupancy by such members.

"(c) In this section, 'uniformed services' means the armed forces and the commissioned corps of the Public Health Service and of the National Oceanic and Atmospheric Administration.

"§ 2831. Military family housing management account

"(a) There is on the books of the Treasury an account known as the Department of Defense Military Family Housing Management Account (hereinafter in this section referred to as the 'account'). The account shall be used for the management and administration of funds appropriated or otherwise made available to the Department of Defense for military family housing programs.

"(b) The account shall be administered as a single account. There shall be transferred into the account—

"(1) appropriations made for the purpose of, or which are available for, the payment of costs arising in connection with the construction, acquisition, leasing, relocation, operation and maintenance, and disposal of military family housing, including the cost of principal and interest charges, and insurance premiums, arising in connection with the acquisition of such housing, and mortgage insurance premiums payable under section 222(c) of the National Housing Act (12 U.S.C. 1715m(c));

"(2) proceeds from the rental of family housing and mobile home facilities under the control of a military department, reimbursements from the occupants of such facilities for services rendered (including utility costs), funds obtained from individuals as a result of losses, damages, or destruction to

such facilities caused by the abuse or negligence of such individuals, and reimbursements from other Government agencies for expenditures from the account; and

"(3) proceeds of the handling and the disposal of family housing of a military department (including related land and improvements), whether carried out by a military department or any other Federal agency, but less those expenses payable pursuant to section 204(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(b)).

"(c) Amounts in the account shall remain available until spent.

"(d) The Secretary concerned may make obligations against the account, in such amounts as may be specified from time to time in appropriation Acts, for the purpose of defraying, in the manner and to the extent authorized by law, the costs referred to in subsection (b).

"§ 2832. Homeowners assistance program

"The Secretary of Defense may exercise the authority provided in section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374).

"SUBCHAPTER III—ADMINISTRATION OF MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING

"Sec.

"2851. Supervision of military construction projects.
"2852. Military construction projects: waiver of certain restrictions.
"2853. Authorized cost variations.
"2854. Restoration or replacement of damaged or destroyed facilities.
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"§ 2851. Supervision of military construction projects

"(a) Each contract entered into by the United States in connection with a military construction project or a military family housing project shall be carried out under the direction and supervision of the Secretary of the Army (acting through the Chief of Engineers), the Secretary of the Navy (acting through the Commander of the Naval Facilities Engineering Command), or such other department or Government agency as the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective completion of the project.

"(b) A military construction project for an activity or agency of the Department of Defense (other than a military department) financed from appropriations for military functions of the Department of Defense shall be accomplished by or through a military department designated by the Secretary of Defense.

"§ 2852. Military construction projects: waiver of certain restrictions

"(a) The Secretary of Defense and the Secretaries of the military departments may carry out authorized military construction projects and authorized military family housing projects without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(b) Authority to carry out a military construction project or a military family housing project on land not owned by the United States may be exercised (1) before title to the land on which the project is to be carried out is approved under section 355 of the Revised Statutes (40 U.S.C. 255), and (2) even though the land is held temporarily.

"§ 2853. Authorized cost variations

"(a)(1) Except as provided in paragraph (2), the cost authorized for a military construction project (other than a project for which the approved amount is less than the amount specified by law as the maximum amount for a minor military construction project) may be increased by not more than 25 percent of the amount appropriated for the project by Congress or 200 percent of the amount specified by law as the maximum amount for a minor military construction project, whichever is lesser, if the Secretary concerned determines (A) that such an increase is required for the sole purpose of meeting unusual variations in cost, and (B) that such variations in cost could not have been reasonably anticipated at the time the project was originally approved by Congress.

"(2) A military construction project (other than a project for which the approved amount is less than the amount specified by law as the maximum amount for a minor military construction project) may not be placed under contract if, based upon bids received—

"(A) the scope of work for the project, as approved by Congress, is proposed to be reduced by more than 25 percent; or

"(B) the current working estimate of the cost of the project exceeds the amount appropriated for the project by more than (i) 25 percent, or (ii) 200 percent of the amount specified by law as the maximum amount for a minor military construction project, whichever is lesser,

until subsection (d) is complied with.

"(b) If the amount approved for a project is less than the amount specified by law as the maximum amount for a minor military construction project, that approved amount may be increased to more than such maximum amount if the Secretary concerned determines (1) that such an increase is required for the sole purpose of meeting unusual variations in cost, and (2) that such variations in cost could not have been reasonably anticipated at the time the project was originally approved. However, if, based upon bids received, the current working estimate of the cost of such a project is more than such maximum amount and is more than 125 percent of the original approved amount for the project, the project may not be placed under contract until subsection (d) is complied with.

"(c) The amount authorized by law for the cost of authorized construction and acquisition of a military family housing project may be increased above the amount appropriated for such project if the Secretary determines (1) that the increase is required for the sole purpose of meeting unforeseen variations in cost, and (2) that such variations in cost could not have been reasonably anticipated at the time the project was originally approved by Congress. However, such amount may not be increased by more than 25 percent until subsection (d) is complied with.

"(d) The limitation on reduction in scope of work in subsection (a), and the limitations on cost increases in subsections (a), (b), and (c), do not apply if—

"(1) the reduction in scope of work or the increase in cost, as the case may be, is approved by the Secretary concerned;

"(2) a written notification of the facts relating to the proposed reduced scope of work or increased cost (including a statement of the reasons therefor) is submitted by the Secretary concerned to the appropriate committees of Congress; and

"(3) either 21 days have elapsed from the date of the submission of the notification under clause (2) or each of the appropriate committees of Congress has indicated approval of the proposed reduced scope of work or increased cost.

"(e) After a contract for a project has been entered into, the Secretary concerned may carry out such project in an amount above the amount appropriated for such project by Congress in order to meet the costs of change orders or contractor claims. In the case of a contract to be carried out above the amount appropriated for which there has not been a cost variation under subsection (a), (b), (c), or (d), the Secretary concerned shall promptly report to the appropriate committees of Congress on the revised cost for the project and the reasons for the revised cost if the total cost under the contract exceeds the amount appropriated for the project by more than 25 percent. In the case of a contract to be carried out above the amount appropriated for which there has been a cost variation under subsection (a), (b), (c), or (d), the Secretary concerned shall promptly report to the appropriate committees of Congress on the revised cost for the project and the reasons for the revised cost, regardless of the amount by which the revised cost exceeds the amount approved for the project by the modification under subsection (a), (b), (c), or (d).

"§ 2854. Restoration or replacement of damaged or destroyed facilities

"(a) Subject to subsection (b), the Secretary concerned may repair, restore, or replace a facility under his jurisdiction, including a family housing facility, that has been damaged or destroyed.

"(b) When a decision is made to carry out construction under this section and the cost of the repair, restoration, or replacement is greater than the maximum amount for a minor construction project, the Secretary concerned shall notify in writing the appropriate committees of Congress of that decision, of the justification for the project, of the current estimate of the cost of the project, of the source of funds for the project, and of the justification for carrying out the project under this section. The project may then be carried out only (1) after the end of the 21-day period beginning on the date the notification is received by such committees, or (2) after each such committee has approved the project, if the committees approve the project before the end of that period.

"§ 2855. Law applicable to conatracts for architectural and engineering services and construction design

"Contracts for architectural and engineering services and construction design in connection with a military construction project or a military family housing project shall be awarded in accordance with title IX of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 541 et seq.).

"§ 2856. Limitations on barracks space by pay grade

"(a) The Secretary of Defense shall prescribe regulations establishing the maximum allowable net square feet per occupant for new permanent barracks construction. Such regulations shall be uniform for the armed forces under the jurisdiction of the Secretary of a military department.

"(b) Before taking effect, any regulations under this section, and any modifications to such regulations, shall be submitted to the appropriate committees of Congress. Such regulations (including any modifications to such regulations) may not then take effect until 21 days after being received by such committees.

"§ 2857. Use of solar energy systems

"(a) The Secretary of Defense shall encourage the use of solar energy systems as a source of energy for military construction projects (including military family housing projects) where use of solar energy would be practical and economically feasible.

"(b)(1) The Secretary concerned shall require that the design of all new facilities (including family housing) shall include consideration of solar energy systems in those cases in which use of solar energy has the potential for significant savings of fossil-fuel-derived energy.

"(2) The Secretary concerned shall require that contracts for construction resulting from such design include a requirement that solar energy systems be installed if such systems can be shown to be cost effective.

"(c)(1) For the purposes of this section, a solar energy system for a facility shall be considered to be cost effective if the difference between (A) the original investment cost of the energy system for the facility with a solar energy system, and (B) the original investment cost of the energy system for the facility without a solar energy system can be recovered over the expected life of the facility.

"(2) A determination under paragraph (1) of whether a cost-differential can be recovered over the expected life of a facility shall be made using accepted life-cycle costing procedures and shall include—

"(A) the use of all capital expenses and all operating and maintenance expenses associated with the energy system with and without a solar energy system over the expected life of the facility or during a period of 25 years, whichever is shorter;

"(B) the use of fossil fuel costs (and a rate of cost growth for fossil fuel costs) as determined by the Secretary of Defense; and

"(C) the use of a discount rate of 7 percent per year for all expenses of the energy system.

"(3) For the purpose of any life-cycle cost analysis under this subsection, the original investment cost of the solar energy system shall be reduced by 10 percent to reflect an allowance for an investment cost credit.

"(d) In order to equip a military construction project (including a military family housing project) with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, or with a passive solar energy system, the Secretary concerned may authorize an increase in any otherwise applicable limitation with respect to the number of square feet or the cost per square foot of the project by such amount as may be necessary for such purpose. Any such increase under this subsection shall be in addition to any other administrative increase in cost per square foot or variation in floor area authorized by law.

"§ 2858. Limitation on the use of funds for expediting a construction project

"Funds appropriated for military construction (including military family housing) may not be expended for additional costs involved in expediting a construction project unless the Secretary concerned (1) certifies that expenditures for such costs are necessary to protect the national interest, and (2) establishes a reasonable completion date for the project. In establishing such a completion date, the Secretary shall take into consideration the urgency of the requirement for completion of the project, the type and location of the project, the climatic and seasonal conditions affecting the construction involved, and the application of economical construction practices.

"§ 2859. Transmission of annual military construction authorization request

"The Secretary of Defense shall transmit to Congress the annual request for military construction authorization for a fiscal year during the first 10 days after the President transmits to Congress the Budget for that fiscal year pursuant to section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11).

"§ 2860. Availability of appropriations for five years

"(a) Subject to the provisions of appropriation Acts and except as otherwise provided under subsection (b), any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project (1) are obligated from funds available for military construction projects, and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

"(b) Should a requirement develop to obligate funds for a military construction project after the end of the fourth fiscal year after the fiscal year for which such funds were appropriated, such obligation may be made after the end of the 21-day period beginning on the date on which the appropriate committees of Congress receive notification of the need for such obligation and the reasons therefor.

"§ 2861. Annual report to Congress

"(a) The Secretary of Defense shall submit a report to the appropriate committees of Congress each year with respect to military construction activities and military family housing activities. Each such report shall be submitted at the same time that the annual request for military construction authorization is submitted for that year. Except where otherwise provided in this section, information required by this section to be provided in the report shall be provided for the two most recent fiscal years and for the fiscal year for which the budget request is made.

"(b) Each report under subsection (a) shall include the following:

"(1) A statement of the construction status and a fiscal summary of the military construction projects undertaken under, and the amounts authorized and appropriated for, contingency construction under section 2804 of this title.

"(2) Information to enable the committees to evaluate the relationships between budget requests for appropriations for unspecified minor construction projects under section 2805 of this title and obligations of appropriated funds for projects under such section. Such information shall include comparisons of budget requests and obligations using military construction appropriations and using operations and maintenance appropriations, maintenance and repair backlog, and obligations for maintenance and repair.

"(3) Information to enable the committees to monitor trends in construction started using funds contributed by the United States under section 2806 of this title to the North Atlantic Treaty Organization Infrastructure program and the status of recoupments under that program.

"(4) Information to enable the committees to evaluate trends in contracting for architect and engineering services and construction design, and trends in accomplishing design of construction projects by Government employees, under the authority of section 2807 of this title.

"(5) Information to enable the committees to evaluate trends in supervision, inspection, and overhead costs for the dollar amount of military construction accomplished during a fiscal year by a military construction department or agency under the authority of section 2851 of this title.

"(6) A summary of military construction projects (other than a military construction project for an amount less than the amount specified by law as the maximum amount for a minor military construction project) placed under contract during the preceding fiscal year with respect to which a cost variation or scope reduction report was supplied to the appropriate committees of Congress under section 2853 of this title. There shall also be included an analysis to indicate whether the cost variation was the result of a lack of competition, quality of plans and specifications, or quality of budget estimates, or of other factors.

"(7) Information to enable the committees to evaluate the use of the authority provided under section 2858 to expedite a military construction project when such expediting is required to protect the national interest.

"(8) Information in sufficient detail to enable the committees to monitor trends in design, construction, performance goals, and progress.

"(9) With respect to each contract awarded during the preceding fiscal year on other than a competitive basis to the lowest responsible bidder, the name of the contractor, the original amount of the contract, and the reason for the award of the contract on other than a competitive basis.".

(b) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of title 10, United States Code, are amended by adding at the end thereof the following:

"169. Military Construction and Military Family Housing ..... 2801".

AMENDMENTS RELATING TO FACILITIES FOR RESERVE COMPONENTS

SEC. 3. (a) Subsection (f) of section 2233 of title 10, United States Code, is amended to read as follows:

"(f)(1) Authority provided by law to construct, expand, rehabilitate, convert, or equip any facility under this section includes authority to expend funds for surveys, administration, overhead, planning, and supervision incident to any such activity.

"(2) Authority to acquire real property under this section includes authority to

make surveys and to acquire interests in land (including temporary interests) by purchase, gift, exchange of Government-owned land, or otherwise.".

(b)(1) Chapter 133 of such title is amended by adding at the end thereof the following new section:

"§ 2239. Waiver of certain restrictions

"(a) The Secretary of Defense and the Secretary of each military department may make expenditures and contributions under section 2233 of this title without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(b) Authority provided by law to place permanent or temporary improvements on lands under section 2233 of this title may be exercised (1) before title to the land on which the improvement is located (or is to be located) is approved under section 355 of the Revised Statutes (40 U.S.C. 255), and (2) even though the land is held temporarily.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2239. Waiver of certain restrictions.".

(c)(1) Section 2233a of such title is amended to read as follows:

"§ 2233a. Limitation on certain projects; authority to carry out small projects with operation and maintenance funds

"(a)(1) Except as provided in paragraph (2), an expenditure or contribution in an amount in excess of $200,000 may not be made under section 2233 of this title for any facility until the Secretary of Defense has notified the Committees on Armed Services and on Appropriations of the Senate and House of Representatives of the location, nature, and estimated cost of the facility and a period of 21 days has passed after receipt of such notification.

"(2) Paragraph (1) does not apply to expenditures or contributions for the following:

"(A) Facilities acquired by lease.

"(B) A project for a facility that has been authorized by Congress, if the location and purpose of the facility are the same as when authorized and if, based upon bids received—

"(i) the scope of work of the project, as approved by Congress, is not proposed to be reduced by more than 25 percent; and

"(ii) the current working estimate of the cost of the project does not exceed the amount approved for the project by more than (I) 25 percent, or (II) 200 percent of the amount specified by law as the maximum amount for a minor military construction project, whichever is lesser.

"(b) Under such regulations as the Secretary of Defense may prescribe, a project authorized under section 2233(a) of this title that costs $50,000 or less may be carried out with funds available for operations and maintenance.".

(2) The item relating to such section in the table of sections at the beginning of such chapter is amended to read as follows:

"2233a. Limitation on certain projects; authority to carry out small projects with operation and maintenance funds.".

(d)(1) Clause (1) of section 2232 of such title is amended to read as follows:

"(1) 'State' means any of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and each territory and possession of the United States and includes political subdivisions and military units thereof and tax-supported agencies therein.".

(2) Sections 2233(a)(2), 2233(a)(3), 2233(a)(4), 2233(a)(6), 2236(c), 2236(d), and 2237(b) of such title are amended by striking out "or Territory, Puerto Rico, or the District of Columbia".

(3) Subsections (a) and (b) of section 2236 of such title are amended by striking out "or Territory, Puerto Rico, or the District of Columbia,".

(4) Section 2238 of such title is amended by striking out "or Territory" and all that follows and inserting in lieu thereof "or, in the case of the District of Columbia, the commanding general of the National Guard of the District of Columbia.".

(e)(1) Clause (5) of section 2233(a) of such title is amended to read as follows:

"(5) contribute to any State amounts for the acquisition, construction, expansion, rehabilitation, and conversion by such State of such additional facilities as the Secretary determines to be required because of the failure of existing facilities to meet the purposes of this chapter; and".

(2) Section 2236(b) of such title is amended by inserting "or (5)" after "2233(a)(4)".

REQUIREMENT FOR CERTAIN NEW ANNUAL AUTHORIZATIONS OF APPROPRIATIONS RELATING TO MILITARY CONSTRUCTION

SEC. 4. Section 138(f)(1) of title 10, United States Code, is amended by striking out "but excludes" and all that follows and inserting in lieu thereof the following: ", any activity to which section 2807 of this title applies, any activity to which chapter 133 of this title applies, and advances to the Secretary of Transportation for the construction of defense access roads under section 210 of title 23. Such term does not include any activity to which section 2821 or 2854 of this title applies.".

ACQUISITION OF REAL PROPERTY; COST VARIATIONS

SEC. 5. Section 2676 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "No military department"; and

(2) by adding at the end the following:

"(b) Authority provided the Secretary of a military department by law to acquire an interest in real property (including a temporary interest) includes authority—

"(1) to make surveys; and

"(2) to acquire the interest in real property by gift, purchase, exchange of real property owned by the United States, or otherwise.

"(c)(1) Except as provided in paragraph (2), the cost authorized for a land acquisition project may be increased by not more than 25 percent of the amount appropriated for the project by Congress or 200 percent of the amount specified by law as the maximum amount for a minor military construction project, whichever is lesser, if the Secretary concerned determines (A) that such an increase is required for the sole purpose of meeting unusual variations in cost, and (B) that such variations in cost could not have been reasonably anticipated at the time the project was originally approved by Congress.

"(2) A land acquisition project may not be placed under contract if, based upon the agreed price for the land—

"(A) the scope of the acquisition, as approved by Congress, is proposed to be reduced by more than 25 percent; or

"(B) the agreed price for the land exceeds the amount appropriated for the project by more than (i) 25 percent, or (ii) 200 percent of the amount specified by law as the maximum amount for a minor military construction project, whichever is lesser,

until subsection (d) is complied with.

"(d) The limitations on reduction in scope or increase in cost of a land acquisition in subsection (c) do not apply if the reduction in scope or the increase in cost, as the case may be, is approved by the Secretary concerned and a written notification of the facts relating to the proposed reduced scope or increased cost (including a statement of the reasons therefor) is submitted by the Secretary concerned to the appropriate committees of Congress. A contract for the acquisition may then be awarded only (1) after a period of 21 days elapses from the date the notification is received by the committees, or (2) upon the approval of those committees, if before the end of that period each such committee approves the proposed reduced scope or increased cost.".

CODIFICATION OF OTHER PERMANENT PROVISIONS OF LAW

SEC. 6. (a)(1) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2394. Contracts for energy or fuel for military installations

"(a) Subject to subsection (c), the Secretary of a military department may enter into contracts for periods of up to 30 years—

"(1) under section 2689 of this title; and

"(2) for the provision and operation of energy production facilities on real property under the Secretary's jurisdiction or on private property and the purchase of energy produced from such facilities.

"(b) A contract may be made under subsection (a) only—

"(1) after the approval of the proposed contract by the Secretary of Defense; and

"(2) after the Committees on Armed Services and on Appropriations of the Senate and House of Representatives have been notified of the terms of the proposed contract, including the dollar amount of the contract and the amount of energy or fuel to be delivered to the Government under the contract.

"(d) The costs of contracts under this section for any year may be paid from annual appropriations for that year.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2394. Contracts for energy or fuel for military installations.".

(b)(1) Chapter 153 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2577. Disposal of recyclable materials

"(a)(1) The Secretary of Defense shall prescribe regulations to provide for the sale of recyclable materials held by a military department or defense agency and for the operation of recycling programs at military installations. Such regulations shall include procedures for the designation by the Secretary of a military department (or by the Secretary of Defense with respect to facilities of a defense agency) of military installations that have established a qualifying recycling program for the puposes of subsection (b)(2).

"(2) Any sale of recyclable materials by the Secretary of Defense or Secretary of a military department shall be in accordance with the procedures in section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) for the sale of surplus property.

"(b)(1) Proceeds from the sale of recyclable materials at an installation shall be

credited to funds available for operations and maintenance at that installation in amounts sufficient to cover the costs of operations, maintenance, and overhead for processing recyclable materials at the installation (including the cost of any equipment purchased for recycling purposes).

"(2) If after such funds are credited a balance remains available to a military installation and such installation has a qualifying recycling program (as determined by the Secretary of the military department concerned or the Secretary of Defense), not more than 50 percent of that balance may be used at the installation for projects for pollution abatement, energy conservation, and occupational safety and health activities. A project may not be carried out under the preceding sentence for an amount greater than 50 percent of the amount established by law as the maximum amount for a minor construction project.

"(3) The remaining balance available to a military installation may be transferred to the nonappropriated morale and welfare account of the installation to be used for any morale or welfare activity.

"(c) If the balance available to a military installation under this section at the end of any fiscal year is in excess of $2,000,000, the amount of that excess shall be covered into the Treasury as miscellaneous receipts.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2577. Disposal of recyclable materials.".

(c)(1) Chapter 159 of title 10, United States Code, is amended by adding at the end thereof the following new sections:

"§ 2689. Development of geothermal energy on military lands

"The Secretary of a military department may develop, or authorize the development of, any geothermal energy resource within lands under the Secretary's jurisdiction, including public lands, for the use or benefit of the Department of Defense if that development is in the public interest, as determined by the Secretary concerned, and will not deter commercial development and use of other portions of such resource if offered for leasing.

"§ 2690. Restriction on fuel sources for new heating systems

"(a) Except as provided in subsection (b), a new heating system that requires a heat input rate of fifty million British thermal units per hour or more and that uses oil or gas (or a derivative of oil or gas) as fuel may not be constructed on lands under the jurisdiction of a military department.

"(b) The Secretary of the military department concerned may waive the provisions of subsection (a) in rare and unusual cases, but such a waiver may not become effective until after the Secretary has notified the appropriate committees of Congress in writing of the waiver.

"(c) The Secretary of the military department concerned may not provide service for a new heating system in increments in order to avoid the prohibition contained in subsection (a).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new items:

"2689. Development of sources of energy on or for military installations.
"2690. Restriction on fuel sources for new heating systems.".

REPEALER

SEC. 7. The following provisions of law are repealed:

(1) Sections 2212, 2661, 2673, 2674, 2678, 2681, 2684, 2686, 2688, 4774, and 9774 of title 10, United States Code.

(2) Section 504 of the Act entitled "An Act to authorize certain construction at military and naval installations, and for other purposes", approved September 28, 1951 (31 U.S.C. 723).

(3) Sections 103 and 406(a) of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved August 30, 1957 (42 U.S.C. 1594h and 1594i).

(4) Section 420 of the Military Construction Act of 1959 (Public Law 86-149; 73 Stat. 324).

(5) Sections 501, 503, and 507 of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved July 27, 1962 (42 U.S.C. 1594a-1, 1594h-1, and 1594a-2).

(6) Section 507 of the Military Construction Authorization Act, 1964 (42 U.S.C. 1594k).

(7) Sections 610 and 611 of the Military Construction Authorization Act, 1966 (Public Law 89-188; 79 Stat. 818).

(8) Sections 610 and 612 of the Military Construction Authorization Act, 1967 (Public Law 89-568; 50 U.S.C. App. 2287; 31 U.S.C. 723a).

(9) Section 610(a) of the Military Construction Authorization Act, 1968 (42 U.S.C. 1594h-2).

(10) Section 807 of the Military Construction Authorization Act, 1969 (Public Law 90-408; 82 Stat. 392).

(11) Section 512 of the Military Construction Authorization Act, 1970 (Public Law 91-142; 83 Stat. 313).

(12) Section 508 of the Military Construction Authorization Act, 1971 (Public Law 91-511; 84 Stat. 1220).

(13) Section 508 of the Military Construction Authorization Act, 1973 (42 U.S.C 1594j-1).

(14) Sections 509 and 612 of the Military Construction Authorization Act, 1975 (Public Law 93-552; 88 Stat. 1759, 1765).

(15) Section 613 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 380).

(16) Section 803 of the Military Construction Authorization Act, 1979 (Public Law 95-356; 30 U.S.C. 1002a).

(17) Sections 505 and 808 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1765, 1778).

(18) Section 903 of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1382).

AMENDMENTS TO SECTION OF TITLE 10 GOVERNING LEASES IN FOREIGN COUNTRIES

SEC. 8. (a) Subsection (a) of section 2675 of title 10, United States Code, is amended to read as follows:

"(a) The Secretary of a military department may acquire by lease in foreign countries structures and real property relating to structures that are needed for military purposes other than for military family housing. A lease under this section may be for a period of up to five years, and the rental for each yearly period may be paid from funds appropriated to that military department for that year.".

(b) Subsection (b) of such section is amended—

(1) by striking out "or any other provision of law"; and

(2) by striking out ", family housing facilities,".

(c) Subsections (c) and (d) of such section are repealed.

SAVINGS PROVISIONS

SEC. 9. (a) The Secretary of Defense shall pay to the Commodity Credit Corporation an amount not to exceed $6,000,000 per year until the amount due for foreign currencies used for housing constructed or acquired under title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721-1726) has been liquidated.

(b) The Secretary of Defense may continue in effect any agreement guaranteeing rental returns to builders or other sponsors of family housing in foreign countries that was made under section 507 of the Military Construction Authorization Act, 1964 (42 U.S.C. 1594k), before the effective date of this Act and may exercise any option of the United States in any such agreement that has not been exercised before such date.

TECHNICAL AND CLERICAL AMENDMENTS

SEC. 10. (a)(1) The table of sections at the beginning of chapter 131 of title 10, United States Code, is amended by striking out the item relating to section 2212.

(2) Section 2233(e) of such title is amended by striking out "advance planning, construction design, and architectural services" and inserting in lieu thereof "architectural and engineering services and construction design".

(3) Section 2388(c) of title 10, United States Code, is amended by striking out "section 4774(d) or 9774(d) of this title, section 529 of title 31, or section 259 or 267 of title 40," and inserting in lieu thereof "section 3648 of the Revised Statutes (31 U.S.C. 529)".

(4) The table of sections at the beginning of chapter 159 of such title is amended by striking out the items relating to sections 2661, 2673, 2674, 2678, 2681, 2684, 2686, and 2688.

(5)(A) Section 2677 of such title is amended by striking out "per centum" in subsection (b) and inserting in lieu thereof "percent".

(B) The heading of such section is amended to read as follows:

"§ 2677. Options: property required for military construction projects"

(C) The item relating to such section in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

"2677. Options: property required for military construction projects.".

(6) Section 2775(c) of such title is amended by striking out "family" and all that follows through "1594a-1)" and inserting in lieu thereof "Military Family Housing Management Account provided for in section 2831 of this title".

(7) Section 2682 of such title is amended by striking out "construction" and all that follows through "extension" and inserting in lieu thereof "maintenance and repair".

(8) Section 2687(d)(1) of such title is amended by striking out the matter preceding clause (A) and inserting in lieu thereof the following:

"(1) 'Military installation' means a base, camp, post, station, yard, center, or other activity under the jurisdiction of the Secretary of a military department—".

(9)(A) The table of sections at the beginning of chapter 449 of such title is amended by striking out the item relating to section 4774.

(B) The table of sections at the beginning of chapter 949 of such title is amended by striking out the item relating to section 9774.

(b)(1) Section 305(a) of the Defense Housing and Community Facilities and Services Act of 1951 (42 U.S.C. 1592d(a)) is amended by striking out "sections 1136 and" and inserting in lieu thereof "section".

(2) Section 402(7) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5042(7)) is amended by striking out "(without regard to the provisions of section 4774(d) of title 10, United States Code),".

(3) Section 3 of the Act entitled "An Act to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes", approved December 20, 1944 (48 U.S.C. 1409b), is amended—

(A) by striking out "secs. 1136, as amended, and" and inserting in lieu thereof "section"; and

(B) by striking out "sections 355, as amended, and 1136, as amended," and inserting in lieu thereof "section 355".

(4) The Act entitled "An Act to authorize the Secretary of the Air Force to establish land-based air warning and control installations for the national security, and for other purposes", approved March 30, 1949 (50 U.S.C. 491), is amended by striking out "sections 1136, 3648, 3734, Revised Statutes" and inserting in lieu thereof "section 3648 of the Revised Statutes (31 U.S.C. 529)".

(5) Section 40 of the Act of August 10, 1956 (31 U.S.C. 649c), is amended by striking out "and the construction of public works".

INITIAL ESTABLISHMENT OF CERTAIN AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

SEC. 11. During the period beginning on October 1, 1982, and ending on the date of the enactment of the Military Construction Authorization Act for fiscal year 1984 or October 1, 1983, whichever is later, the following amounts apply:

(1) The maximum amount for an unspecified minor military constuction project under section 2805 of title 10, United States Code, is $1,000,000.

(2) The amount of a contract for architectural and engineering services or construction design that makes such a contract subject to the reporting requirement under section 2807 of title 10, United States Code, is $300,000.

(3) The maximum amount per unit for an improvement project for family housing units under section 2825 of title 10, United States Code, is $30,000.

(4) The maximum annual rental for a family housing unit leased in the United States, Puerto Rico, or Guam under section 2828(b) of title 10, United States Code, is $6,000.

(5)(A) The maximum annual rental for a family housing unit leased in a foreign country under section 2828(c) of title 10, United States Code, is $16,800.

(B) The maximum number of family housing units that may be leased at any one time in foreign countries under section 2828(c) of title 10, United States Code, is 29,000.

(6) The maximum rental per year for family housing facilities, or for real property related to family housing facilities, leased in a foreign country under section 2828(f) of title 10, United States Code, is $250,000.

EFFECTIVE DATE

SEC. 12. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on October 1, 1982, and shall apply to military construction projects, and to construction and acquisition of military family housing, authorized before, on, or after such date.

(b) The amendment made by section 4 shall apply with respect to funds appropriated for fiscal years beginning after September 30, 1983.

The SPEAKER pro tempore. Is a second demanded?

Mr. TRIBLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Georgia (Mr. BRINKLEY) will be recognized for 20 minutes, and the gentleman from Virginia (Mr. TRIBLE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 6451, would amend title 10, United States Code, for the purpose of revising and codifying the permanent provisions of law relating to military construction and military family housing.

This legislation is the result of 4 years of joint work by the respective military construction subcommittees of the House and Senate Armed Services Committees. The subcommittees have worked closely with the Department of Defense, the military departments and the Appropriation Subcommittees on Military Construction in the development of this bill.

Essentially, the bill has three purposes:

First, it codifies in a new chapter 169 of title 10 recurring provisions of annual military construction authorization bills. As a result, the annual bill would be simplified and streamlined;

Second, codifies in chapter 169 permanent provisions of law enacted in annual military construction authorization acts that are not contained in the United States Code; and

Third, transfers related military construction provisions that currently exist in title 10 to the new chapter 169.

The bill has four basic parts. The first three parts are subchapters that would be incorporated in chapter 169. The subchapters relate to military construction, military family housing, and administrative provisions common to military construction and military family housing.

The fourth part of the bill covers revisions, changes and codifications that are required and are outside of the new chapter 169. The 10 sections included in this part of the bill deal with items codifying other permanent provisions of law, repealers, saving provisions, technical and clerical amendments and the effective date of the bill, October 1, 1982.

In the main, there is minimal policy change associated with the bill.

First, it provides for annual authorization of design and planning funds for military construction. Under current law, standing authority is provided.

Second, it provides for annual authorization for defense access road projects. Again, current law provides for standing authority.

Third, it provides for the forfeiture of up to 75 percent of quarter allowances for military personnel living in substandard quarters. The allowance would be used to cover operation and maintenance cost of the quarters. Current law permits up to 100 percent forfeiture of the allowance.

The committee's action is based upon the judgment that the burden of living in substandard housing should not be borne totally by the individual service member, but rather the military departments should undertake aggressive programs to upgrade or replace the substandard housing. With the current practice of charging up to the full basic allowance for quarters for substandard housing, there is little or no incentive on the part of the military departments to take corrective action. As a result of the committee's action, the Congressional Budget Office estimates that outlays of $8.4 million would be associated with this change.

Other changes in current law are of procedural or technical nature and do not have any costs associated with them. In summary, new policy is not established by this bill other than that which is a natural outgrowth of provisions that: First, change reporting intervals and waiting periods; second, decentralize administration of military construction and military family housing; and third, update current requirements for congressional oversight.

This legislation, as I mentioned, is a cooperative effort between the House and Senate Armed Services Committees. Both committees have reported identical measures so that the bill's enactment may be expedited and insure that its legislative history is clear and consistent.

In conclusion, Mr. Speaker, upon enactment of this legislation, each Member of Congress would have one source document to use for military construction law. It would provide for the unified treatment of the permanent law that relates to military construction and military family housing. It would enable the Armed Services Committee to do a better job through improved oversight and reduce printing and administrative costs associated with processing the annual military construction bill. Finally, from a management standpoint, the bill should result in improved efficiencies and

economies for the Department of Defense and military departments.

Mr. Speaker, in conclusion I should like to express deep appreciation to the minority on our subcommittee under the leadership of the gentleman from Virginia, Mr. PAUL TRIBLE, who will be speaking right after me.

I would also like to express my appreciation for the fine and scholarly work of the staff of the Subcommittee on Military Facilities and Installations. We express appreciation for a good, workmanlike job, and we commend the bill to this House of Representatives for passage.

Mr. Speaker, I reserve the balance of my time.

Mr. TRIBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commend the gentleman from Georgia (Mr. BRINKLEY), for his leadership and I am pleased that we can together bring this important legislation to the attention of our colleagues.

I rise in support of H.R. 6451, which revises and codifies the permanent provisions of law relating to military construction and military family housing.

This legislation was reported unanimously by the Armed Services Committee and is the culmination of literally years of work. The Senate and House Armed Services Committees, working together, developed identical bills which were reported simultaneously last Thursday in both Houses.

We are very proud of this comprehensive legislative effort. It marks the first time that laws relating to military construction and family housing have been reviewed and codified. To give you some idea of the formidable task that confronted us, 37 sections of law scattered throughout 6 different titles were either repealed or codified into a new chapter in title 10. Fourteen sections were repealed because they were found to be obsolete or no longer required.

With adoption of this legislation, Members will have one source document for all military construction and family housing law.

Perhaps one of the most important contributions of this codification and revision process was the review of reporting requirements. In an attempt to analyze and streamline information that flows from the Department of Defense to Congress, it was found that the committee receives numerous reports that are required by various provisions in law and report requirements which have evolved over the years. Many of the reports were burdensome and expensive to produce and provided information that was no longer useful.

This codification effort presented a unique opportunity to completely revise reporting requirements and reduce paperwork.

Mr. Speaker, if enacted, this legislation will improve congressional oversight and produce eventual savings to the taxpayer through enhanced efficiencies. This bill incorporates into a single law all of the basic and essential authorities and general provisions relating to military construction and military family housing. It is a distinct improvement over previous procedures and merits the support of this House.

I urge my colleagues to vote for H.R. 6451.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BRINKLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. BRINKLEY) that the House suspend the rules and pass the bill (H.R. 6451) as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND POLAND—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-200)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed.

(For message, see proceedings of the Senate of today, Monday, June 21, 1982.)

REFUGEE ASSISTANCE AMENDMENTS OF 1982

Mr. MAZZOLI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5879) to amend the Immigration and Nationality Act to extend for 3 years the authorization for appropriations for refugee assistance, to make certain improvements in the operation of the program, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. MAZZOLI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5879, with Mr. BRINKLEY in the chair.

□ 1300

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Kentucky (Mr. MAZZOLI) will be recognized for 30 minutes, and the gentleman from New York (Mr. FISH) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the legislation we bring to the floor today is designed to improve the operation of our refugee resettlement program and to speed the assimilation of refugees into our society.

It is also intended to reaffirm and extend the Federal financial commitment to reimburse States and localities for the costs of resettling refugees entering this country.

H.R. 5879 is the product of extensive legislative and oversight hearings by the Subcommittee on Immigration, Refugees, and International Law during this Congress.

The United States is, and has always been the most generous and compassionate Nation in the world with respect to refugees. After the Second World War, we accepted nearly 400,000 refugees from Eastern Europe. During the 1950's, another quarter million European refugees were admitted.

In the early 1960's, enormous numbers of Cubans sought refuge from the oppressive government of Fidel Castro. In typical fashion, the United States responded and more than 600,000 Cubans were admitted to the United States.

In addition, thousands of Chinese, Ugandan, Czechoslovakian, and Soviet Jewish refugees were admitted into the United States during the late 1960's early 1970's.

When the Government of South Vietnam fell in 1975, Congress responded to the plight of Indochinese refugees by enacting the Indochina Migration and Refugee Assistance Act of 1975. Under the act, we accepted

over 300,000 Indochinese refugees. From 1975 through 1980 we also accepted over 100,000 non-Indochinese refugees, mostly Soviet Jews and Latin Americans.

Since the enactment of the Refugee Act in March 1980, nearly 300,000 more refugees have been admitted to our shores.

In sum, since 1975, the United States has resettled nearly 700,000 refugees, while the rest of the world combined has resettled only 450,000. In fact, California alone has accepted during this period nearly 250,000 refugees.

In fiscal year 1981, the costs to the American taxpayer of resettling refugees and providing them assistance was approximately $2 billion. The aggregate costs for this fiscal year will be lower, but still substantial.

The Judiciary Committee—playing its consultative role in determining the level of refugee admissions—was able this past year to reduce the authorized number of refugees to be admitted from 217,000 in fiscal year 1981 to 140,000 in fiscal year 1982—with the actual number of arrivals probably being closer to 100,000.

Unfortunately, the resettlement of some of the recent refugees has not been as successful as earlier resettlement efforts, which is the major reason for the changes our bill proposes.

The bill was reported out of the Judiciary Committee by a vote of 22 to 4 and it is strongly supported by the National Governors Association, the National Association of Counties, and the U.S. Conference of Mayors.

The primary purpose of this legislation is to extend for 1 year funding authority under the Refugee Act of 1980. Under this act, the Federal Government provides funds to reimburse State and local governments for cash and medical costs incurred on behalf of refugees, and to finance refugee resettlement projects in the various States and localities.

As I noted, the committee bill calls for only a 1-year extension of the authorization for funds because there are a variety of subjects and issues relating to the entire Refugee Act which must be reviewed in detail over the next year.

These matters include: the process which determines how many refugees—and from which areas of the world—are to be admitted into the United States; the role of Congress in this process; the effectiveness of voluntary agencies in resettling refugees, and the fundamental question of "who is a refugee?"

The Judiciary Committee restricted the scope of H.R. 5879 to those matters which needed immediate attention—which could not be left unattended for another year—and on which the Immigration and Refugee Subcommittee has compiled a full and sufficient record.

The immediate problem addressed by this measure is the unacceptably high rate of welfare dependency among refugees, particularly the Indochinese, who have been resettled in the United States. It is a fact that approximately 70 percent of those refugees admitted in recent years are now receiving some form of public assistance.

In the committee's judgment, this situation cannot be allowed to continue and the bill sets forth three basic approaches to curing this serious problem:

First, H.R. 5879 requires closer cooperation between welfare agencies and the voluntary agencies in the resettlement process;

Second, H.R. 5879 tightens the requirements by which refugees become eligible for cash assistance; and

Third, H.R. 5879 requires closer consultation of the Federal Government and State and local governments on refugee resettlement decisions.

In its consideration of this legislation, the committee felt that these steps must be taken now if we are to succeed in reducing refugee dependency rates and to succeed in increasing the accountability of State and local governments, as well as voluntary agencies, with regard to the expenditure of Federal funds for refugee resettlement.

I will now describe briefly the specific provisions of H.R. 5879.

Section 2 of the bill, as I noted at the outset, provides for a 1-year extension of the authorization of funds for domestic resettlement under the Refugee Act of 1980. This section authorizes such sums of money as might be necessary for domestic resettlement programs.

Section 2 also authorizes appropriations of $100 million for social services and $14 million for initial medical screening and treatment.

It was the committee's view that funding for projects such as language training, job training, and job placement and certain other social services is the cornerstone of the Refugee Act and that adequate funds—here $100 million—for these purposes must be made available to encourage refugee self-sufficiency.

The committee also concluded that large numbers of refugees with serious health problems, including tuberculosis, leprosy, parasitical diseases, and other contagious diseases are being admitted to the United States because inadequate health screening procedures are applied to refugees when they are in the camps abroad.

Once the refugees arrive in the United States, State and local health agencies are often forced to absorb the costs of assessing and treating the health problems of these refugees.

I have been particularly concerned by this problem, and I have examined it in great depth during hearings by my subcommittee. I firmly believe that the screening procedures abroad must be tightened, and that additional funds must be made available to State and local health agencies to assist them in better responding to the health problems of incoming refugees and thereby, protecting the health and well-being of U.S. citizens into whose midst the refugees come.

Section 2 of H.R. 5879 constitutes a marked improvement and a solid step forward.

Section 3 of the bill establishes congressional intent that early employment of all refugees should be the main objective of our resettlement policy. In fact, the bill specifically disqualifies from cash assistance, full-time college students. Refugees must not be entitled to subsidize their higher education with welfare payments.

This recommendation was made by the General Accounting Office in testimony before my subcommittee on April 22 of this year and has been included in this legislation to make it clear that Congress expects refugees to seek and obtain employment, in entry level jobs if necessary, rather than becoming welfare dependents upon their arrival in this country.

Section 3 also requires the Office of Refugee Resettlement of the Department of Health and Human Services (HHS) to study the desirability of establishing other methods of interim income maintenance so that a refugee's exposure to the welfare system is limited to the extent appropriate and feasible.

Sections 4, 5, and 6 of the bill make a variety of important and—in the committee's view—essential changes in the current refugee resettlement process.

All of these changes are designed to mandate greater coordination among the various resettlement factors so that coherent policies can be developed to discourage welfare dependency.

These changes include:

First, a requirement that the Director of the Office of Refugee Resettlement establish a refugee placement policy which protects against the settlement of refugees in areas of the Nation already heavily impacted with resettlement cases.

Second, a requirement that the Director of the Office of Refugee Resettlement (ORR) establish a formal mechanism for quarterly "before the fact" consultations between voluntary agencies and State and local officials concerning the placement of refugees. Unless these consultations take place before final decisions are made on the number and type of refugees to be re-

settled, the consultations are meaningless. That is the case today.

Third, a requirement that welfare offices notify the refugee's sponsor and the voluntary agency involved in the resettlement process whenever a refugee applies for welfare.

Fourth, a requirement that the voluntary agency notify local welfare officials when the agency becomes aware that a refugee, it has sponsored and is seeking to resettle, has been offered a job. Under the law, a refugee's eligibility for cash assistance ends upon the receipt of a legitimate job offer.

The committee also found during its extensive hearings that voluntary agencies have not been held accountable for their handling of reception and placement grants. These are grants of money—$525 per refugee—which voluntary agencies receive from the Department of State to resettle refugees.

In fact, some voluntary church-related agencies have built up substantial reserves—in the millions of dollars—at the very same time that refugees whom they are sponsoring are receiving welfare.

To correct this problem, H.R. 5879 provides that reception and placement grants are to be spent for resettlement purposes and not placed in reserve accounts or saved. The bill before the House also requires the General Accounting Office to conduct an annual audit of these funds.

Finally, section 7 of the bill requires the Director of the Office of Refugee Resettlement to conduct a study of the desirability and feasibility of establishing an impact aid program for States and localities which have high concentrations of refugees. The committee was not prepared to order such a program without a detailed and careful study of the costs as well as benefits accruing to States and localities which receive refugees. But, a study is clearly indicated because some States and municipalities are experiencing quite severe financial and social stress which they claim stems from the presence and the activities of refugees. We need the facts and the answers such a study will elicit.

In short, Mr. Speaker, H.R. 5879 recognizes the continuing Federal responsibility to reimburse States for costs which result directly from the purely Federal decisions of how many and which refugees are to be admitted to the United States.

Currently, the States and localities have nothing to say about the refugee program but they have to pay many of the bills. This is not equitable.

I believe the refugee program continues to be an essential and humanitarian program, but it should not be continued—in fairness to the refugee being deposited in a strange, new environment and in fairness to the State and local governmental unit where the refugee takes up residence—unless the Federal Government is willing to meet its financial responsibilities.

I urge my colleagues support for this legislation. It will enable the Federal Government to discharge properly its responsibilities as well as to promote greater self-sufficiency on the part of refugees who come to this country.

At the appropriate time, I insert into the RECORD at this point letters from the U.S. Conference of Mayors; the National Association of Counties, the National Conference of State Legislatures, and the National Governors Association, supporting enactment of the Committee's version of this legislation. The material is as follows:

U.S. CONFERENCE OF MAYORS,
Washington, D.C., June 16, 1982.

Hon. ROMANO L. MAZZOLI,
Chairman, House Subcommittee on Immigration, Refugees, and International Law, Rayburn House Office Building, Washington, D.C.

(Attention: Mr. Eugene Puglieso).

DEAR REPRESENTATIVE MAZZOLI: I am writing to express our support for H.R. 5879, the Refugee Assistance Amendments of 1982. The bill contains a number of provisions which Mayors believe are needed to improve the resettlement of refugees in our communities.

We specifically support provisions which would require the establishment of a mechanism whereby state and local governments are included in the planning and coordination for resettlement prior to the refugees' arrival. Such a formalized process is needed to ensure that state and local governments have a role in the decision making governing resettlement, as intended under the Refugee Act of 1980.

The bill also provides for the development and implementation, in consultation with representatives of state and local governments, of policies and strategies which would deter the placement of refugees in areas highly impacted by resettlement. The Conference of Mayors, in accordance to policy adopted by our members last year, has endorsed these efforts as a means of preventing further burdens on areas already impacted.

We also support provisions which would amend the Refugee Act to ensure that state and local governments receive no less than 100 percent reimbursement for the cost of providing cash and medical assistance to refugees. Recent regulatory changes which drastically reduced federal assistance provided to refugees is already having a severe affect on many refugees as well as on the localities where they resettled. Full reimbursement to state and local govenments must be guaranteed under the law to prevent further impact on our communities.

Finally, we are pleased to see impact aid addressed by the legislation. We hope that a program of targeted assistance can be quickly enacted into law so that the significant fiscal burdens which some localities are facing as a result of resettlement can be addressed.

Sincerely,

JOHN J. GUNTHER,
Executive Director.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., June 16, 1982.

Hon. ROMANO L. MAZZOLI,
Chairman, House Subcommittee on Immigration, Refugees, and International Law, Rayburn House Office Building, Washington, D.C.

DEAR MR. MAZZOLI: On behalf of the National Association of Counties (NACo), I am writing to express our support for the Refugee Assistance Amemdments of 1982 (H.R. 5879), as reported by the House Judiciary Committee.

NACo believes that H.R. 5879 makes a number of needed improvements to the Refugee Act of 1980. The bill reinforces the principle that the costs of assisting refugees during their initial period of resettlement are a federal responsibility. We strongly support the language in the bill which provides for "such sums as may be necessary" for reimbursement of state and local cash and medical assistance costs. This language recognizes the inherent difficulties in projecting refugee assistance costs.

We also strongly support the bill's provisions which require the Director of the Office of Refugee Resettlement to develop and implement refugee placement policies, in consultation with representatives of state and local governments, as well as representatives of voluntary agencies. County officials wholeheartedly agree with you that a major problem with U.S. refugee policies has been the overconcentration of refugees in a relatively few counties and states.

Finally, NACo supports the Judiciary Committee's amendment to provide for a one year extension of authorization of appropriations rather than a longer reauthorization period. We believe that the U.S. refugee resettlement program requires a thorough re-examination, so that a shorter reauthorization program would be beneficial.

I know I speak for county officials actively addressing refugee issues in NACo in thanking you for your leadership and efforts toward improving national refugee resettlement policies, as reflected in H.R. 5879.

Sincerely,

RONALD F. GIBBS,
Associate Director.

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, D.C., June 16, 1982.

Representative ROMANO L. MAZZOLI,
Rayburn House Office Building, Washington, D.C.

DEAR REPRESENTATIVE MAZZOLI: The National Conference of State Legislatures appreciates the personal interest and leadership you have exhibited on the refugee issue, and is particularly appreciative of the efforts you have made to address the concerns expressed by state governments. While NCSL looks forward to a more extensive reauthorization bill next year, NCSL supports H.R. 5879, as reported by the House Judiciary Committee.

As you know, a recent regulatory change reducing federal reimbursement for cash and medical assistance from 36 months to 18 months, has caused great hardship in many states. NCSL opposes efforts to cap expenditures for the refugee assistance program, as this may cause further reductions in federal reimbursement for cash and medical assistance, shifting costs to state governments. NCSL supports federal efforts to assist individuals and families forced to flee their native land for fear of personal safety, however, we believe that the federal government should provide 100% reimbursement

to state governments for cash and medical assistance for the first three years the refugees reside in the United States. We are therefore very supportive of the language in the committee bill which requires the federal government to provide 100% reimbursement to states for the three year period and that authorizes the program at a "such sums as may be necessary" level. NCSL is also supportive of the $100 million for social services, the $14 million for health monitoring and treatment, and the requirement for more meaningful consultation between state and local governments and the voluntary agencies.

The National Conference of State Legislatures looks forward to working closely with you and your colleagues on this most important issue in the coming months.

Sincerely,

SENATOR JOHN GARAMENDI,
Chairman, NCSL Human Resources Committee, Majority Floor Leader, California State Senate.

NATIONAL GOVERNORS' ASSOCIATION,
Washington, D.C., June 16, 1982.

Hon. ROMANO L. MAZZOLI,
Chairman, Subcommittee on Immigration, Refugees and International Law, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The National Governors' Association appreciates your efforts toward reauthorization of the Refugee Act of 1980.

The bill reported by the Judiciary Committee contains major improvements in such areas as administration, coordination, and initial refugee resettlement. Most importantly, the bill recognizes the fundamental federal responsibility to help state and local governments meet costs associated with the initial domestic resettlement of refugees. The attached position paper makes these points clear.

The Association therefore supports passage of H.R. 5879

Sincerely,

GOV. BOB GRAHAM,
Chairman, Task Force on Immigration and Refugee Issues.

NGA POSITIONS ON KEY ISSUES IN REFUGEE ACT REAUTHORIZATION

1. FEDERAL FISCAL RESPONSIBILITY

NGA policy emphasizes the federal government's responsibility to meet the costs of the initial resettlement of refugees. H.R. 5879 recognizes that to cap reimbursement to state and local government prior to any determination as to the number of refugees to be admitted is unacceptable. NGA policy states: "If the federal government is unwilling to sufficiently fund the necessary services, then it is incumbent upon the federal government to decrease the flow of refugee admissions. Under no circumstances should there be any further shift of costs to state and local governments".

2. NOTIFICATION

One of the major problems that states have faced is not being notified as to resettlements of refugees within their states. H.R. 5879 requires both prior consultation with, and notification of, states concerning refugee resettlements.

3. PLACEMENT STRATEGIES

States have concerns about the continued resettlement of refugees in already highly impacted areas. H.R. 5879 requires the Office of Refugee Resettlement to develop and implement a refugee placement strategy which 1) ensures that refugees other than immediate relatives are not placed in highly impacted areas and 2) requires voluntary agencies to meet quarterly with state and local governments to plan and coordinate refugee placement.

NGA policy states: "Governors continue to be concerned about the lack of adequate consultation on the part of the voluntary agencies (VOLAGS) in the initial placement of refugees and on the part of the federal government in the equitable distribution of refugees and entrants. States have continually urged the federal government to establish a mechanism to ensure appropriate coordination and consultation".

□ 1315

Mr. FISH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to rise in support of H.R. 5879, a bill which extends the funding authorization in the 1980 act for refugee resettlement activities in the United States.

Your subcommittee, during the past 15 months, has visited the acute problem areas of high refugee impact in the United States and the sending countries abroad. Extensive hearings brought us the message of the need to reform refugee resettlement policy.

Refugees arriving in the United States with a strong motivation to adjust rapidly to our society far too often fall victim to the enticements of the public welfare system.

All witnesses before your subcommittee agree that self-sufficiency should be our goal but that present policies are inhibiting a program that could be less expensive and far more effective. We learned of the high percentage of refugees on cash and medical assistance. Municipal, county, and State officials told us of the growing cost of resettlement—an uneven burden borne primarily by 10 States and 40 counties. Our refugee placement policy needs to be redirected to reduce the phenomenon of secondary migration.

Our efforts should be to move refugees quickly into the work force. To accomplish this, language training and job counseling are essential. Cuts in such social services would not be cost-effective as they are the means to avoid the cycle of welfare dependency. We recognize the need for greater cooperation in administering refugee policy—cooperation among voluntary agencies, the Federal Government and local and State officials. These are the areas this legislation addresses.

Mr. Chairman, a clear distinction needs to be drawn between legal and illegal flows to the United States. Refugee admissions are determined annually on the basis of consultation with the Congress and represents only a fraction of the hundreds of thousands of persons coming to the United States illegally each year. The appropriate agenda for the Congress is not to devise ways of abandoning America's role in providing hope, opportunity, and freedom for persecuted people but rather to continue this tradition while asserting control over our borders and coasts.

Your subcommittee has reported out the Simpson-Mazzoli Immigration Reform and Control Act. A comparison measure has cleared the Senate Judiciary Committee and is awaiting the floor action in the other body. Congress, during this session, will have the opportunity to adopt strong measures to discourage the flow of illegal emigrants to the United States.

American acceptance of refugees promotes important humanitarian and foreign policy goals. The efficacy of our present refugee admissions policy, however, is not the subject addressed by this bill. Other provisions of the Immigration and Nationality Act define the term "refugee" and establish the process for annual admissions. This bill does not relate to these provisions. The issue presented by H.R. 5879 is whether we will respond to the needs of refugees in the United States. Members of Congress, regardless of individual reservations about aspects of our admissions program, can unite in the recognition of the necessity to assist refugees who are here. Failure to fund this program would increase the burden on State and local governments and detract from our capacity to provide refugees with the tools to function independently and productively in American communities.

Refugee resettlement efforts in recent years have been plagued by unacceptably high levels of welfare dependency. I am pleased to observe, based on testimony at recent Immigration Subcommittee hearings, that the administration, voluntary resettlement agencies, and State and local governments all support the objective of helping refugees to become self-supporting and contributing members of their communities.

A number of provisions of this legislation promote this important objective. A clear statement of congressional intent emphasizes job placement as soon as possible after a refugee's arrival in the United States. The bill authorizes a feasibility study and report to Congress on concepts strongly advocated by voluntary resettlement agencies. Basically, this involves utilization of mechanisms other than welfare for provision of: First, interim support to refugees who are not employment ready; and second, medical assistance to refugees who do not require cash assistance. We need to explore and implement innovative solutions to meet the legitimate transitional needs of our refugee population and at the same time guard against the lure of the welfare system.

Voluntary agencies and welfare offices, under H.R. 5879, must share certain information critical to refugee

self-sufficiency. Voluntary agencies are to notify welfare offices when they learn that a refugee is offered employment. This information will assist welfare offices to terminate assistance for individuals who no longer qualify. The bill specifically provides for the termination of cash assistance if a refugee refuses an appropriate employment offer.

The resettlement agency must be notified promptly whenever a refugee applies for cash or medical assistance. This notification will afford the resettlement agency an opportunity to work with the refugee during this critical period before the refugee becomes dependent on welfare. The cycle of welfare dependency is hard to break once it is initiated. Knowledge that a refugee has applied for assistance is essential information for a voluntary agency seeking to promote self-sufficiency.

Another section of H.R. 5879 emphasizes the importance on initial placement decisions. Resettlement policies, under the mandate in this bill, generally must avoid placements in highly impacted areas. Certain close relatives of persons already residing in an area are the exception. Efforts to separate families are counterproductive because they lead to feelings of estrangement and promote unplanned secondary migration. Such secondary migration, in turn, tends to subvert efforts by voluntary agencies to plan with refugees for self-sufficiency.

The disproprotionate impact of refugees on a relatively few highly impacted communities can exacerbate tensions and detract from the capacity of local governments to meet the needs of long-term residents. We can attempt to discourage excessive refugee concentrations in the future through our placement policies—but we must address the problems resulting from past initial placements and secondary migration.

Any increase in population—whether consisting of refugees or other individuals—is bound to result in increased public outlays. The other half of the equation, however, is the positive impact on new groups moving into a community. To consider only the outlays of funds and not the inflow of new revenues would present an unbalanced view of refugee impacts.

Impact aid is a commendable concept that recognizes the central role of the Federal Government in the admission of refugees. The implementation of an impact aid program, however, requires further study and this is called for. We must approach the problem in a feasible way and avoid duplicating impact aid provisions of current law. After the Director of the Office of Refugee Resettlement conducts a study of impact aid—in accordance with the mandate of this legislation—we will be in a position to fashion an assistance package that addresses a variety of concerns.

The critical point is that we need not choose between unacceptable levels of public expenditures and an abandonment of our refugee program. We have the human resources in this country to resettle refugees at less public expense than in the past, and at the same time perform the resettlement task more effectively.

The authorization in the subcommittee amendment, in contrast to H.R. 5879 as introduced and in contrast to the original authorization in the Refugee Act of 1980, is for only a single year. H.R. 5879 and the Refugee Act of 1980 provided 3-year authorization periods sufficient to allow long-range planning. A reauthorization for 1 year in my judgment is insufficient to allow full implementation of new initiatives in the resettlement field. A 1-year authorization would require the subcommittee and the administration—in the immediate future—to begin the process of considering next year's authorization—a time-consuming endeavor that will distract the U.S. Coordinator and the Director of ORR from the important task we have given them—to reduce welfare dependency and promote quicker self-sufficiency. The approach of a 3-year authorization—which the committee followed in the past and the administration advocated this year, or at least a 2-year authorization—is far preferable.

I congratulate Congressman ROMANO MAZZOLI, chairman of the Immigration Subcommittee, for his diligent efforts in conducting detailed hearings on refugee matters—this at the same time that we have been in the midst of thorough consideration of major immigration reform and control legislation. The mandates of H.R. 5879 and the studies called for should enable us not only to do a better job of resettling refugees at less cost but also to alleviate the excessive burdens some communities have experienced. I urge my colleagues to support adoption of this bill because our country has much to gain from facilitating the successful integration of our refugee population into American life.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. I thank the gentleman for yielding.

I thank the gentleman for his statement of support for the bill and his kind words about the chairman, but I think that it is fair to say that the gentleman from New York, the gentleman in the well, the ranking member of the committee, who has more continuous service on the committee than anybody, including the chairman, has played a very valuable role and I want to personally thank him for his help all through the years.

Mr. FISH. I thank the gentleman very much.

Mr. MAZZOLI. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. SAM B. HALL, JR.)

Mr. SAM B. HALL, JR. Mr. Chairman, I support H.R. 5879. Although I have serious concerns that we are bringing in more refugees than we can handle, this bill incorporates the kinds of sensible approaches and policies this country needs if we are to create a more effective resettlement program for those we do admit.

It should be noted that the funds provided under this bill relate primarily to refugees already here or whose admission has already been authorized and it does not relate to the question of further admissions.

The State of Texas has more refugees than any State except California. There are between 50,000 and 85,000 refugees in Texas. I say "between" because nobody knows for sure—and this has been one of the big problems with our resettlement program: inadequate data. The Federal Government has no idea how many refugees pick up and move to another State. How in the world, then, can the Government determine whether a locality is being severely impacted? How can it determine the proper level of social service funding for that area?

Fortunately, this problem of insufficient data is addressed in H.R. 5879. The bill directs the Office of Refugee Resettlement to compile information on secondary migration. It also requires the Office to find out what the welfare dependency rates are in each State. Believe it or not, the Federal Government does not know that, either.

Mr. Chairman, the bill contains a number of other meritorious provisions. For example, the Immigration Subcommittee was told by the Texas Department of Health that Indochinese refugees "have presented overload problems to our tax-supported health care systems."

The bill addresses this problem by line itemizing, for the first time, $14 million to assist local health agencies with their costs in providing health assessments and initial treatment to refugees.

What is more, the bill addresses head-on the problem of high welfare dependency. Full-time college students would no longer be able to receive welfare; voluntary agencies would have to notify welfare offices whenever a refugee turned down an appropriate job offer; welfare offices would have to notify voluntary agencies whenever a refugee applies for welfare; and the bill removes the provision in current law that says that a refugee does not have to sign up with an employment agency until he has been here 2 months.

The able chairman of the subcommittee has already explained all the provisions of the bill. I would just reiterate that the bill has the strong support of State and local governments which continue to feel—quite properly—that the Federal Government must be willing to assume primary financial responsibility for this program, the main reason being they have helped cause this program and I certainly think they need to be a part of it.

I urge each of my colleagues to support H.R. 5879.

□ 1330

Mr. SAM B. HALL, JR. Mr. Chairman, I would like to also congratulate the gentleman from Kentucky (Mr. MAZZOLI) and the gentleman from New York (Mr. FISH) who have done a tremendous job in getting this bill to where it is today.

The gentleman from California (Mr. LUNGREN), who is also facing this problem daily in his State, has worked very well with all the members of the committee. Certainly, I would like to give to those gentlemen the thought that I think they have made this what it is today, a good bill.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. SAM B. HALL, JR. Yes.

Mr. MAZZOLI. Mr. Chairman, I want to thank the gentleman for those statements on behalf of my colleagues; but let me also thank the gentleman because he has been a very valuable member of our subcommittee and in his extremely able way, the gentleman always gets to the heart of a problem, just as in his statement the gentleman has said in two pages what I tried to say maybe in seven or eight.

The gentleman has that ability to get to the heart of things and I hope that the gentleman, even though he is now a committee chairman of his own, I hope that in the next Congress he will rejoin us, because as he knows from the statements today, we have a big job ahead of us in making a refugee program that works.

Mr. FISH. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MCCLORY), the ranking member of the full Judiciary Committee.

Mr. MCCLORY. Mr. Chairman, I thank the gentleman for yielding.

I want to join in commending the chairman and the ranking member of the subcommittee on bringing this extremely important legislation to the floor of the House, and I certainly want to emphasize that nothing I say should be interpreted as indicating any desire for delay in action on this legislation, I cannot think of anything that is more important for us to act upon promptly than this.

I know that we who have seen the report of the Conference of Mayors on the news today will recognize that this is of extreme importance to those urban areas of our country which are impacted by large numbers of refugees.

While we think of Florida and California perhaps as being the principal points of arrival of refugees, I think we should also recognize that New York and other urban areas likewise have large numbers of refugees, The Chicago area of Illinois, including several communities in my congressional district, are impacted substantially by refugees from various overseas countries. These impacted areas will benefit from this refugee assistance program.

I also want to recall that the Select Commission on Immigration and Refugee Policy, on which the gentleman from New York (Mr. FISH) and I served—with the contribution of the gentleman from Kentucky during the final days—gave thoughtful consideration to this subject as well as the more comprehensive subject of immigration. Immigration reform is going to be covered in legislation which will come to the floor of the House soon, I hope.

H.R. 5879 as introduced did call for a 3-year authorization. The subcommittee and the full committee decided to reduce the 3-year authorization to 1 year.

I certainly want to report that the administration feels that a 3-year authorization is appropriate and necessary in order to provide for the planning of the refugee assistance program.

The remarks of my colleague from New York indicate that he may introduce an amendment which would call for a 2-year program as a compromise. At any rate, I would think that something more than 1 year would be preferable to the 1 year, single-year authorization.

Another subject that is of concern to this administration is the reference, in the bill as reported to the House, to providing in the next fiscal year such sums as may be necessary. While that approach may be appropriate insofar as the 1984 and 1985 fiscal year authorizations are concerned, if we are trying to work out a budget for 1983, we need to be more specific.

I do not think what we are doing here is establishing an entitlement program in which there are going to be unlimited funds for the refugee program. We really are authorizing a level of funds of hopefully $514 million approximately from which the municipalities and the States will be reimbursed for the various types of assistance which are provided in this legislation.

This bill includes a number of provisions designed to encourage refugees to obtain employment and discourage refugees from relying unnecessarily on cash assistance. The bill conditions the availability of refugee cash assistance on prompt registration with an agency providing employment services. This is accomplished by eliminating the present 60-day delay—after entry—in the registration requirement. This proposal, advocated by the administration, emphasizes the importance of refugees becoming self-sufficient as soon as possible after their arrival in the United States.

Another provision conditions an employable refugee's receipt of cash assistance on the refugee's participation in available job or language training. Full-time students in institutions of higher learning, however, no longer will qualify for cash assistance. The United States should not provide support to refugees pursuing higher education when we cannot underwrite such assistance for our own citizens.

H.R. 5879 recognizes the importance of thoughtful refugee placement decisions. The Director of the Office of Refugee Resettlement is required to develop a resettlement policy that generally will bar resettlement of refugees—except certain relatives—in highly impacted areas. The bill also requires regular refugee placement meetings between representatives of voluntary agencies and representatives of State and local governments—a clear mandate for greater consultation and cooperation between the private and public sectors in planning refugee resettlement.

An amendment favored by the administration restores the words "up to" in the provision of present law authorizing the Director of the Office of Refugee Resettlement to reimburse "up to" 100 percent of refugee cost and medical assistance provided during a 36-month period. The administration feels it needs the flexibility the "up to" language affords.

Tomorrow I may be offering one or more administration-proposed amendments.

I certainly do not want anything that I do to either delay the final action on this bill or to distort it in any way. My desire is to make the legislation more acceptable to the administration and to the Members generally. I think we have to be more specific in the amount that we are authorizing.

If we provide more time for this authorization and for planning, I think we will be contributing to the efficacy of this legislation.

The CHAIRMAN. The time of the gentleman form Illinois has expired.

Mr. MAZZOLI. Mr. Chairman, I yield 1 additional minute to the gentleman.

Will the gentleman yield?

Mr. MCCLORY. I yield.

Mr. MAZZOLI. Mr. Chairman, I appreciate very much and want to thank the gentleman for his help. The gentleman has had a lot of experience re-

garding this subject matter and has been a great help to the committee. As I have said many times, we will dearly miss the gentleman from Illinois, who will not be back next year.

Mr. McCLORY. I will miss the gentleman from Kentucky, too.

Mr. MAZZOLI. I thank the gentleman for that comment.

I would just like to ask the gentleman if he could perhaps consider carefully the offering of those amendments. Of course, the bill before us does reflect a balance and the best judgment of a lot of people. The 1-year authorization, gives us the opportunity to look carefully at the question of the refugee definition, who is and who is not a refugee. It gives us an opportunity to see if the program changes recommended in this bill will result in better coordination among and between State and local governments, Federal agencies, and voluntary agencies.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MAZZOLI. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Will the gentleman yield further?

Mr. McCLORY. I yield.

Mr. MAZZOLI. With respect to the authorization level I could understand some concern with "such sums" if we had a longer term bill. For example, if it were 2 years or 3 years, I would probably recommend a specific figure. Speaking not just for the gentleman from California (Mr. LUNGREN), but other States in the union with great numbers of refugees, with a rather fluid situation with extensive secondary migration it is difficult to predict how much money will be involved in refugee support and maintenance for the 18-month period or for the 36-month period. The subcommittee felt that having "such sums" would not nail us down and would give us a necessary degree of flexibility. With a 1-year lease, it would not provide us that flexibility.

Mr. McCLORY. Mr. Chairman, let me just respond by saying that I will review the subject of the amendment; however, this is an amendment that has been requested by the administration. I feel that it is important. For one thing we are trying to make the budget process work. It seems to me that if we have open-ended authorizations, it is going to be inconsisent with the budget process. Since the administration has put this level of $514 million in the budget, I think it would be advisable for us, in support of the budget process, to specify that figure.

It is only with regard to the one year. For subsequent years I think that it could be adjusted to other amounts. Likewise, I feel that the $514 million ceiling would perhaps help us to hold the number of refugees down.

I think the gentleman and I have both worked to try to reduce the number of refugees. Actually, we in our consultative process have encouraged the administration to reduce its figures from a higher level to I believe 140,000 refugees. I think maybe we can help the administration keep that figure down.

Mr. FISH. Mr. Chairman, I yield such time as he may consume to my colleague on the Immigration and Refugee Subcommittee, the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, I thank the gentleman for yielding.

I rise in strong support of the passage of H.R. 5879, the Refugee Assistance Amendments of 1982. In serving on this subcommittee for these 4 years, I think one of the things I have learned is that as soon as we think we have solved our problems in the area of refugees or immigration law, some event that we have not anticipated comes along and changes our minds.

When we originally enacted the Refugee Act in 1980, we assumed that we had taken care of a number of contingencies and thought that the Refugee Act, therefore, would supply the guidelines for treatment of those people coming to our shores. Shortly after we had concluded consideration of that act, and that act had been signed into law, we had the Mariel boat situation in which Fidel Castro looked at our immigration policy, or nonpolicy, and viewed it as the Achilles heel of the United States and took advantage of it.

In turn, what had been a tremendous propaganda coup for the United States turned into something that he could utilize for purposes of clearing out some of his jails of some of the people that he did not wish to be there. We then had to deal with that situation.

Following that, of course, we had the Haitian situation, which did not fall into the context of the Refugee Act that we had created.

Since then, of course, we have had the continuing problems of the Soviet Union and some of their client states in Eastern Europe. We have many refugees from Poland. We have refugees from Afghanistan. We have a continuing situation in Africa and, of course, we have the continuing situation in Southeast Asia.

I think all this should tell us that we probably do not have a good handle on what may be coming down the line 2 or 3 years from now.

I say this, Mr. Chairman, as a preface to suggesting a 1-year authorization is far more preferable than a 3-year authorization.

□ 1345

Although I am known as a loyal supporter of the administration in most things, I think they are wrong on this.

We on the subcommittee are willing to do the work, we are the ones who would have to spend the time and hold the hearings, make the decisions, continue with the oversight over the next year.

We are willing to do that. We have found that, despite our best intentions, certain consequences of the Refugee Act and refugee programs that flowed therefrom are that we have tremendous welfare dependency in a group of people that we thought it was impossible to make welfare-dependent; that we have had misguided results regarding how most effectively to provide those programs that would get Southeast Asian refugees into the mainstream of society in an economic sense. And these things were done unintentionally.

One small example is that we decided, instead of establishing a second-track system of providing cash assistance—welfare essentially—to refugees, with all the bureaucracy that that would entail, we would utilize already existing programs. In other words, use the already existing welfare sites and facilities.

The problem with that is that we bring these people into the United States and explain their eligibility for certain programs. We have confronted them with the already existing welfare system and rights that we have created in our society which require us to tell them of all the welfare benefits that are available to them.

So what happens? We have people coming from basically an alien culture that is far, far removed from the modern industrial complex that they find here. They want very much to be part of the American process. They want to become fully acclimated and attuned with our society.

What do we tell them? We greet them on our shores, take them to the welfare office, and they are told, or it is implied, that "If you are going to become a true American, sign up for all the welfare programs and you do not have to worry about working."

Now, we did not intend to do that. In fact, it is a consequence of our effort to save money that they were confronted with that situation.

Nonetheless, they have been confronted with it, and being very reasonable individuals, being very conscientious and wanting to be part of America, they have fallen into the trap that we have established for them with the result that 70 percent of those Southeast Asians who are here as refugees are welfare dependent.

Now, that means to me that we need to make some changes and also suggests very strongly that we, despite our best efforts, have not done the oversight that needs to be done.

Mr. SAM B. HALL, JR. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I will be happy to yield to my friend, the gentleman from Texas.

Mr. SAM B. HALL, JR. Mr. Chairman, with reference to what the gentleman just said—and I agree with it entirely—when we were in Southeast Asia last year, not only were these people being told about the welfare payments before they got into our country, they were being told at that time by pictures that when they come to the United States that they first should make an application for prenatal training, welfare benefits, unemployment benefits, all of which was on a sign in a building.

Next to that sign they were teaching them not only how to use telephones, but they were using the area code from my State of Texas and for the gentleman's State of California, area codes 213 and 214.

Mr. LUNGREN. We are going to change our area code.

Mr. SAM B. HALL, JR. Well, please do not change it to 214, because we have all of them that we can "say grace over" right now.

Mr. LUNGREN. Mr. Chairman, I appreciate the gentleman's comments.

What has been suggested is that we did not intend this to happen. I think if we would have had sociologists polled at the time we started this program, they would have said it would be impossible to take a group of people who, although not acclimated to our society, had been very self-sufficient, had put a premium on hard work, had a very strong work ethic and family consciousness, and in a 3-, 4-, or 5-year period of time, make them overwhelmingly welfare-dependent.

We have done that. We have done what they said could not be done.

Now we have to change that. That is one of the reasons I think we need a 1-year rather than a 3-year authorization.

We do not know whether the changes that we have incorporated in this legislation, hopefully with the effect of getting them off welfare, hopefully with the effect of directing them more quickly and more surely toward economic independence, are going to work. If they are not working, we ought to know about it as quickly as possible and not wait 3 years down the line.

The suggestion that we can have oversight without this is true, except we know how this animal, the committee process, works. If we are not forced to do it, we may not do it because we have other things. Our plate is full. We are dealing with comprehensive immigration reform for the first time in 30 years in our subcommittee. I hope we pass it in this Congress. I do not know, with the number of days that we have left, whether we will. We are going to be busy with other things.

We ought to make sure that we are forced to review this program. There is nothing wrong with the administration having to do that as well.

Although I am from the State that probably has the greatest concern and the greatest stake in this whole matter, I will confess my State did not do the job that should have been done with respect to oversight. The voluntary agencies within my State and in other States of the Union have not done the job of oversight. The county and local governments have not done the oversight. The Federal Government has not done the oversight. We have not done the oversight.

If we had, we would not be where we are today. I do not think we can throw bricks at any one particular individual or any one group.

The fact of the matter is, we have not been successful. The American people have a tolerance level—thank God we have not reached that point yet—but they have a tolerance level and after a while it is going to be very difficult for us to explain and to get support on the floor of the House of Representatives and the U.S. Senate for continuation of the refugee assistance program which I do think is necessary, if we do not make some changes.

I cannot argue more strongly against making this more than a 1-year authorization because I think it is extremely important to keep the heat on us, to keep the heat on the voluntary organizations and to keep the heat on all the players in this effort.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. Mr. Chairman, I would be happy to yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding to me, and I really want to congratulate him on his excellent address to the House because it succinctly states the case. We need a 1-year bill, not a 2-year bill, not a 3-year bill. We need a 1-year bill so that as the gentleman so adequately says, we can ferret out the problems here, the difficulties, the oversights, the unwitting errors which have been committed at all levels of government, not just the Federal Government, but State and local as well as the voluntary agencies.

But the gentleman has again very typically, in his own way, put his finger on the problem. If we do not have a 1-year bill and if we do not work together, to put this program on the proper basis, then I think the country and the Congress as a whole is going to give up on the refugee program. We are going to say "No" to refugees and we are going to close the doors.

I think that would be tragic. In order to preserve a refugee program, I agree with the gentleman we should have nothing more than 1-year bill now and a thorough examination of the problems in the program over the next year.

I want to thank the gentleman, a very valuable member of our subcommittee, for all of his work over the years.

Mr. LUNGREN. I thank the gentleman.

With respect to the second amendment that the adminstration urges upon us, let me say the first time we even knew that they were concerned about these matters is when we made the presentation—I made the presentation on behalf of our ranking member who unfortunately was not able to attend—when we were advised by Mr. RHODES from this side of the aisle that he received a letter that day suggesting that they wanted three major changes in the bill.

Now, we serve on that subcommittee, and on my side of the aisle we had never been informed of it. I am the only Member from the State of California which is most affected by the problem. I had never been approached by the administration. The letter that has been circulated now and was sent to the gentleman from New York (Mr. FISH) specifying the actual amendments they want, from Mr. Donnelly, the Assistant Secretary for Legislation at HHS, arrived at his office this past Friday. I had not seen it until today.

I would just suggest that if we are going to work this out together with the administration, we need some more cooperation than evidenced by that late indication that they have some concern about the bill.

I am very concerned about the second amendment they want, because we specifically believe that it is extremely important that we have line-item authorizations for 2 areas. One that is extremely important, and I think the most important, is the $14 million to reimburse State and local health agencies for the costs of providing medical screening and initial treatment to refugees. If we cannot assure the local jurisdictions that they are going to get people whose health conditions are under control, and if they have some continuing health conditions that the Federal Government is not going to hear the burden on, then we are going to have some problems in those local jurisdictions.

My State has 10 percent of the population of the United States. We have over 40 percent of all the refugees. It is not fair to ask communities in my area to bear the burden for initial health screening on individuals that the Federal Government has decided to allow here.

We know the problem that exists in the refugee camps; the failure to do adequate screening there. This may, in a way, force us to do a better job of

adequately screening those individuals in the camps before they come here.

I do not want to stop them from coming. But I want to make sure that their health problems are cleared up. To the extent they are not, the Federal Government, I feel, has an obligation to pay it.

The other exception which is extremely important is $100 million for refugee-related social services, including employment services and English language training. If we are not going to fund those programs, then it is a farce for us to stand up here and say we are going to get these people off welfare.

We have discovered time and time again that if they do not have sufficiency in the English language, survival English—I would suggest survival English is not just the ability to read and fill out a welfare application, which seems to be the extent of the survival English that is taught—the chances of them participating in our economic system are drastically reduced.

That has been a conclusion, a consensus that we have all come to, and if we do not provide employment services, then we are saying to the local jurisdictions, "You must bear the burden."

I do not think that is appropriate. I do not think it is fair.

Lastly, I would say it is rather inconsistent, at least as I perceive it, to have the administration say to us that we want to expedite authorization of $514,809,000 for fiscal year 1983; but then we want to say, "Such sums for fiscal year 1984 or 1985."

If you need the amount in the first year, what good does it do to give such sums in the other years?

We know the appropriations process is going to work its will here, and that we are merely authorizing.

But I think we ought to say that we are not, at the beginning of the process, saying to the local and State jurisdictions, "No, we are not going to consider adequate funding for your needs," when we are the ones who have caused the problem or the situation or the challenge, however you want to characterize it, to exist.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I would be happy to yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding to me.

I would like to make two comments. The gentleman's statement is eloquent and goes to the heart of the issue.

The two things, I join him in suggesting to the administration and its legislative lobbying office that it should have been more prompt in deciding and communicating its legislative position on this matter. I should add that, as chairman of the subcommittee and the floor manager of this bill, I did not have any knowledge of the existence of this letter until the gentleman from New York today kindly showed it to me.

I was home in Kentucky on Friday, when that letter was transmitted. I should note also that the same gentleman who signed that letter sent to our subcommittee an earlier letter, after the subcommittee had marked up this legislation, supporting the subcommittee and eventually the committee's version of this bill.

Second, the gentleman and I appeared before the Rules Committee and were jointly embarrassed by the fact that members of that committee had information that we ourselves did not have.

I think the gentleman is right: Promptness is very much a virtue. Certainly I might say what the gentleman has said very clearly: We need specific authorizations to protect the health, the public health, of the United States of America, particularly when large numbers of refugees are admitted to this country in poor physical condition. Second, a specific authorization of funds to teach refugees English, provide job training, and get them ready to move out into the marketplace is essential.

Mr. FISH. Mr. Chairman, I have no further requests for time and reserve the balance of my time.

Mr. MAZZOLI. Mr. Chairman, I have one further request for time. I yield 3 minutes to the gentleman from Puerto Rico (Mr. BALTASAR CORRADA).

Mr. CORRADA. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 5879, the Refugee Assistance Amendments of 1982, which would reauthorize the Refugee Act of 1980.

The Refugee Act is the first comprehensive Federal statute which contains a codification of practices which the United States has developed since World War II for the admission and resettlement of refugees and new trends to maximize these efforts. It has certainly proven to be an effective vehicle for us to contribute to international resettlement efforts for persons escaping repression and persecution in their home countries. By providing cash, medical assistance, social services, and other forms of assistance, the act has become a cornerstone in the refugees' strive to become independent and productive members of our society. It has done away with a great deal of the stress newcomers encounter during the critical early period of the resettlement process when trying to adjust to life in the United States and also having to meet their immediate needs of food, clothing, and shelter.

The Refugee Act has helped us to better coordinate our humanitarian policy and our domestic interests. Although the refugees in the world number in the millions, only a small portion can reasonably be considered for admission to this country. The act by requiring frequent contact of the Executive with the Congress and other parties involved in refugee affairs promotes the necessary updating of our refugee policies. This insures that in line with our humanitarian traditions, as many refugees as our Nation can properly absorb both socially and economically are welcomed to our land.

I am particularly pleased with two provisions of H.R. 5879. Section 4(C) which requests from the Director of the Office of Refugee Resettlement (ORR) to avoid, to the extent it is feasible, the refugee resettlement in economically distressed areas and section 7 which requires from the Director of ORR to make a study on the plausibility of establishing a program to reimburse State and local governments for the increased budgetary outlays that they are obligated to make on government services such as schools, sewers, and police and fire protection, due to an influx of refugees.

Mr. Chairman, I believe that these amendments will contribute vigorously in our efforts to better coordinate our immigration obligations with our obligations to our own unemployed and in easing the impact of legal immigration on this country's economically distressed areas. I trust the study will pave the way to a comprehensive Federal program assuming full responsibility for what is a historical and inherent function of the Federal Government, the care of our refugees.

H.R. 5879 as a whole should be fully supported and I urge my colleagues to vote for its passage.

□ 1400

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. CORRADA. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I would like to very much thank the gentleman from Puerto Rico for his help over these past 2 years, the 2 years which the gentleman from Kentucky has been chairman. The gentleman has appeared before our committee with respect to the Refugee Act and with respect to the Immigration Reform and Control Act, which is now pending. His suggestion, particularly in reference to impact aid or some type of impact aid program, weighs very heavily with the subcommittee in its decision to ask that a study be made of the pros and cons or the feasibility or unfeasibility. If a study comes back, as I suggest it will, it will add very much to our knowledge of the subject. The gentleman is to be commended.

Mr. CORRADA. I thank the gentleman from Kentucky.

● Mr. RODINO. Mr. Chairman, I rise in strong support of H.R. 5879 and I commend the gentleman from Kentucky (Mr. MAZZOLI), and his subcommittee members for bringing this important legislation to the floor in such a prompt fashion.

As originally introduced the administration bill, H.R. 5879, did little more than extend the reauthorization of the Refugee Act for 3 years. The assumption, I suppose, was that all was well with our refugee resettlement program. But the fact of the matter, Mr. Chairman, is that all is not well with the program.

We have seen welfare dependency rates rise steadily in recent years; we have heard the General Accounting Office characterize the overseas medical screening process as being cursory and inadequate; and we have found that refugee placement decisions do not take into account the ability of State and local governments to effectively absorb those refugees.

When the Refugee Act of 1980 was passed, there were some who thought the act was too explicit—that it imposed too many requirements on the executive branch in resettling refugees. We have found, however, that if anything, the Refugee Act may not have been explicit enough. Avenues and options which Congress left open to executive branch officials have in many cases been either ignored or pursued halfheartedly. At times, decisions have been made without a proper understanding of their consequences. At other times, when clear and decisive leadership was required, no decisions have been forthcoming at all.

H.R. 5879, as amended by the committee is intended to correct these problems. It mandates the development and implementation of a refugee placement policy. It mandates consultations between Federal and local officials and voluntary agencies. It mandates communication between voluntary resettlement agencies and local welfare offices. And it mandates that full-time college students and those who reject appropriate job offers be precluded from receiving public assistance.

In closing, I would like to say that I share the concern of many of my colleagues who are troubled by the incarceration of Haitians in the United States and by their almost blanket exclusion from refugee or asylum status. I, too, believe that it is vitally important that Congress examine the decisionmaking process that leads to a determination that a certain individual is or is not a refugee. At the same time, however, I believe that this matter requires the development of a complete committee record, since it involves a complex combination of political, social, legal, and economic factors. In fact it is precisely because such important issues remain outstanding that the committee opted for a reauthorization of only 1 year, so that these issues will, by necessity, be closely examined at the earliest possible time.

Mr. Chairman, this bill clearly recognizes the continuing Federal responsibility to care for refugees for 3 years after their arrival here, as well as the need to assure State and local governments that they will not be forced to pick up resettlement costs during that period. I urge my colleagues' support for this worthwhile legislation.●

● Mr. EDWARDS of California. Mr. Chairman, I too, rise in support of H.R. 5879. As a Representative from the State most severely impacted by refugee populations this measure is of particular importance to me.

There are now about 600,000 Indochinese refugees in the United States, and over one-third of them reside in California. Los Angeles County alone has more refugees than the State with the second highest refugee population, Texas. In addition, seven counties in California have more refugees than 40 States combined.

To say that this influx, with its attendant high dependency rates, has placed strains upon the public health, education, and welfare systems of California would be an understatement. Because we have been pushed to the limits of our capabilities, we need a policy that takes into consideration more carefully the domestic impacts of Federal decisions to admit refugees. I believe that H.R. 5879 is a constructive step in establishing such a policy.

The bill requires periodic consultations between voluntary agencies and State and local governments prior to the arrival of refugees. It directs the Office of Refugee Resettlement to develop placement strategies that avoid new resettlements in already impacted areas. And it requires an extensive study on the advisability and feasibility of establishing an impact aid program.

During full committee markup I offered an amendment to abolish the discretionary authority of the Federal Government to provide for anything less than full Federal reimbursement to the States for their costs in providing cash and medical assistance to refugees who have been here 3 years or less.

With the adoption of my amendment, the committee evidenced its conviction that the Federal Government should be fully responsible for refugee-related expenditures during the first 3 years. The committee thus has fashioned a reasonable and responsible piece of legislation to which I can give my wholehearted support.

It insures that the Federal commitment to our refugee program does not terminate with the refugee's arrival here. States and localities urgently need Federal financial help if they are to join effectively in the effort to resettle them and to place them quickly on the road to self-sufficiency.

I urge my colleagues support of this meritorious legislation.●

● Mr. McCOLLUM. Mr. Chairman, I rise in support of this bill as reported by the full committee. This 1-year reauthorization makes substantial improvements in the intent and respective responsibilities of the Federal Government and private agencies involved in the refugee program.

This bill addresses the critical issue of resettlement in areas already heavily impacted by refugees. One only has to look at Dade County, Fla., or Orange County, Calif., to realize that the refugee program does not have a responsive placement program. Due to the lack of some kind of directed resettlement policy, placements have continued in areas which are already saturated. These resettlements do have direct impacts on all services in a given area—which are accompanied by a price tag.

The committee bill requires the Office of Refugee Resettlement to develop and implement a refugee placement policy in consultation with the State and local governments and with the voluntary agencies. The committee further directs ORR to include in the policy, to the extent possible, that resettlements of refugees shall not be made in an area highly impacted by the presence of refugees or comparable populations which specifically includes the group known as Cuban/Haitian entrants. Regulation prescribed by the Director of ORR will determine a highly impacted area for this purpose. The exception recognized by this provision is the case of immediate family reunification, but it will redirect other refugees to new locations.

The refugee program must be evaluated in terms of the responsibilities attached to refugee resettlements—specifically the cost incurred. The State of Florida has expended millions of dollars in social services, criminal justice and educational costs. The State has had to absorb these unreimbursable costs because of a Federal policy decision. The bottom line is that there is and will continue to be a net increase in the demands for these services with large resettlements. The committee has recognized this and agrees that the impact of Federal refugee policy decisions on local communities should be studied to determine the best method for measuring this net increase in local and State delivered services. The study is intended to provide Congress with a standard to guide future refugee impact legislation.

Requiring that this policy be developed is fundamental to a workable program of resettlement and assimilation. A more reasoned and planned ap-

proach will alleviate excessive fiscal impacts on the local area and allow advance notice for services delivery, such as schools, training programs, and housing. The south Florida school districts alone are anticipating 18,000 refugee students this fall. Many of these students have special educational needs for which the schools must adjust. Overburdening any service system, such as has occurred in south Florida, can have a negative effect on the goal of self-sufficiency for the refugees.

This is a carefully developed amendment to the Refugee Act and I strongly urge that all Members support the passage of H.R. 5879.●

Mr. MAZZOLI. Mr. Chairman, I have no further request for time, and I yield back the balance of my time.

Mr. FISH. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the substitute committee amendment recommended by the Committee on the Judiciary now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 5879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Refugee Assistance Amendments of 1982".

Mr. MAZZOLI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SAM B. HALL, JR.), having assumed the chair, Mr. BRINKLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5879) to amend the Immigration and Nationality Act to extend for 3 years the authorization for appropriations for refugee assistance, to make certain improvements in the operation of the program, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous material, on the bill before the House, H.R. 5879.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO SIT DURING 5-MINUTE RULE ON TOMORROW, TUESDAY, JUNE 22, 1982, AND THE REMAINDER OF THE WEEK

Mr. WIRTH. Mr. Speaker, I ask unanimous consent that the full Committee on Energy and Commerce be allowed to sit during the 5-minute rule on tomorrow and the remainder of the week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. LUNGREN. Mr. Speaker, reserving the right to object, it is my information that this has not been cleared with this side of the aisle to this point, and I would yield under my reservation to the gentleman from Colorado to instruct me if that is not correct.

Mr. WIRTH. Mr. Speaker, I thank the gentleman for yielding. It has been cleared with the ranking minority member, the gentleman from North Carolina (Mr. BROYHILL).

Mr. LUNGREN. Mr. Speaker, I am going to have to continue to reserve the right to object. I have not received that information. If the gentleman could ask for this in another minute after we have had a chance to call the gentleman from North Carolina (Mr. BROYHILL), I would not object. But, my information is that it has not been cleared yet.

The SPEAKER pro tempore. Will the gentleman from Colorado (Mr. WIRTH) withhold his request.

Mr. WIRTH. I will withhold my request, Mr. Speaker.

CHARLEY AFFIF: "IT IS BETTER TO BUILD BOYS THAN TO MEND MEN"

(Mr. WILLIAM J. COYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAM J. COYNE. Mr. Speaker, this Sunday, one of Pittsburgh's outstanding citizens will be honored. He is Charley (Zivic) Affif, a man known in the boxing world as a very aggressive prize fighter.

He compiled a record during his career in the ring spaning from the midforties through the fifties of 58 fights with 43 wins, 2 losses, and 3 draws. An impressive record for an era when prize fighters all had a competitive desire to win, brought about by hunger, at that time, calling many young men into the ring as an only means of livelihood.

There are some who recall only specific fights: the two fights with Sammy Adragna, the Gene Bolen fight which touted Gene Bolen from New York, boasting an undefeated record of 32 wins, as a favorite, only to suffer his first defeat by a knockout from Charley Affif.

Other recall the Laurent Douthile fight, where Charley Affif was only three minutes away from being a part of the movie, "The Raging Bull. "Ahead on all the judges score cards, winning 7 out of 9 rounds, Affif was knocked out in the 10th round. Laurent Douthile was then matched with the champion, Jake LaMotta.

The friends of Charley Affif will be honoring him by the repayment of a longstanding debt, a debt of gratitude for the very important part he played in their lives as they were growing up.

Charley Affif, raised in the Hill District of Pittsburgh, was one of seven children born of Lebanese parents.

Charley attended Ephiphany Grade School and Fifth Avenue High School. At Fifth Avenue High School, Charley played on the varsity football team as quarterback, and also on the city championship basketball team.

Dr. Cyril Wecht, who Charley describes as a beautiful guy, also attended Fifth Avenue High School at the same time. Charley says that Dr. Wecht was an "Einstein" type of kid as a student at Fifth Avenue High.

Charley Affif gained attention as a recreation director at Washington Park, in 1942, 1943, and 1944, the hub of athletics in the Hill District.

In those days, Charley demanded strict practice sessions when he coached the Washington Park football team. If you missed a week-day practice, you were not permitted to suit up for a Sunday game. Consequently, kids thought twice about cruising the neighborhood to boost candy bars from local stores or about rolling drunks at night.

When his friends served as altar boys, they saw Charley Affif each morning at the 6:30 mass. He proved to them that having religion did not classify you as a sissy.

Charley preached that kids should stay straight, and that they should have clean minds and bodies. His encouragement kept many names off juvenile court records.

A football injury prevented Charley Affif from being drafted into the armed forces during World War II, but he always accompanied each group of draftees from the Hill District to the Pennsylvania or the P.L. & E. railroad stations. For those who returned on furlough, and again after the war, Charley was there to greet them and have a party.

Charley never forgot the Washington Park Recreation Center. In between fights, even when Charley became a main bouter, he would always visit the center.

In his own way, he proved that you could wear silk "threads" and drive a Cadillac by being straight.

Charley Affif was a fine role model for children. A few of "Charley's Boys" included: Walter Alberts, now assistant superintendent of Allegheny County Police; Tony Bartirome, now a major league ball player and Pittsburgh Pirate trainer; Ray Budway, engineer; Bobby Del Grecco, major league ball player; Dr. John George, head of anesthesiology, Southside Hospital; and Alex Joseph, high school teacher.

For many who did not achieve a professional status, there were other benefits accrued through their association with Charley Affif. They became better citizens, husbands, and fathers, and it is for this reason Charley Affif will be honored this Sunday. He lived his life as an advocate of the age-old adage: "It is better to build boys than to mend men."

The people of Pittsburgh salute Charley Affif, patriot and American.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain special orders, but reserves the right to go back to the unanimous-consent request of the gentleman from Colorado (Mr. WIRTH).

1982 HOUSING LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

● Mr. GONZALEZ. Mr. Speaker, it has been a month now since the House Committee on Banking, Finance and Urban Affairs reported out of the committee, H.R. 6296, the Housing and Urban-Rural Recovery Act of 1982, by a vote of 24 to 18, a party line vote. In voting to report this bill out of the committee, I and the other Democratic Members felt that this bill represented a minimal effort on the part of the Congress to maintain a 40-year Federal policy of assisting the American public in providing decent, safe, and sanitary housing conditions.

While there are numerous provisions of the bill in which individual Members can take issue with, the basic thrust of H.R. 6296 is whether or not we are to continue this housing commitment for the American public. Members of this House are being asked in this bill either to vote in favor of continuing our historic commitment or in voting no to end once and for all our Federal efforts in behalf of housing. The issues in this bill are not just ones of whether we are to continue public housing or section 8, but, also, such programs, as FHA mortgage insurance, and the continued assistance to provide better housing in rural America. The Members of this House must make the choice of whether or not to continue or break our housing efforts, and that choice will be afforded this House when H.R. 6296 is called up for consideration of the full House of Representatives.

It is my strong belief that we cannot, in the name of an economic ideology abandon our housing efforts, especially when the maximum average of home mortgage interest rates are 17.41 percent; when housing starts, sales, and completion rates are 50 percent below 1979 levels; when our thrift institutions, the major source of financing housing, are being severely crippled by the administration's economic policies; and when secondary mortgage agencies, such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Government National Mortgage Association, are being willfully weakened by the administration.

The only way the Members of this House will have to positively address these disastrous indices of the housing industry will be a favorable vote on H.R. 6296.

Because of the turmoil resulting from the never-ending struggles to complete action on a budget resolution, we on the Banking Committee have been unable to bring this bill to the floor for House consideration. The uncertainties of what the adoption of a budget resolution will mean in the terms of the provisions contained in H.R. 6296 have caused us to hold off the prompt consideration that we had expected to have last month. The House-adopted Latta substitute would devastate 40 years of bipartisan congressional effort and Republican and Democratic administrations' efforts.

In bringing this bill to the floor, Members of the House will be asked to vote on substance and not macro-economic ideology. In short, Mr. Speaker, will the Members of this House have the courage to sustain our efforts or to gut or to defeat this housing bill and return to their districts during an election campaign and justify an assault on our efforts to provide homeownership and decent housing accommodations for all of our citizens.●

THE UNFINISHED BUSINESS: A BALANCED BUDGET AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 30 minutes.

● Mr. DANNEMEYER. Mr. Speaker, as you know, a House-Senate conference committee is presently meeting to iron out the differences between the two versions of the first concurrent resolution on the budget adopted by the respective bodies. Central to these discussions is the appropriate level for the Federal deficit in fiscal year 1983. The House-passed resolution contains a deficit of $99.3 billion, although the Congressional Budget Office claims that the figures in the resolution would produce a $110 billion deficit. The deficit in the Senate version is slightly less than $116 billion, although using the assumptions of the House resolution would reportedly reduce the Senate deficit to $106 billion.

Conferees have reportedly agreed upon a deficit compromise which sets a target of $103.9 billion. It is clear that the actual deficit during the year, as opposed to current projections, is dependent upon economic conditions as yet unknown, and on the passage of specific legislation to give life to the program assumptions of the budget resolution. If the House Ways and Means Committee and the Senate Finance Committee fail to come up with revenue increases of $20 billion for next year, the deficit will grow.

What is most distressing to this gentleman from California is that the current focus on the difference between the deficits in the House and Senate resolutions is way off of the mark in terms of what is really needed. Economic recovery, now and in the future, rests upon a balanced budget and a limit on Federal taxes. The unfinished business of the 97th Congress is the passage of a resolution proposing a constitutional amendment to mandate a balanced budget.

The cumulative experience of this institution stands as proof that nothing short of a constitutional amendment will do the job. We certainly did not voluntarily match income with outgo in the years immediately prior to the passage of the Congressional Budget and Impoundment Control Act of 1974 which created the present congressional budget process. From 1960 through 1974 there were only two balanced budgets. The 1960 budget ran a surplus of $269 million and the 1969 budget turned out to have a surplus of $3.2 billion. All of the rest were in red ink.

The new budget process, while silent in and of itself on the balanced budget question, was heralded nonetheless as a means of controlling the increase in Federal spending and thus achieving the balanced budget objective. Yet, under the new congressional budget process the pattern of deficit spending has continued. The deficit total from 1975 through 1981 was approximately $450 billion.

Not only did self-enforcement fail, not only did the new process not produce the desired result, but statutory language proved ineffectual. In 1978, Congress added a provision to the International Monetary Fund Act, Public Law 95-435, committing Congress to a balanced budget by fiscal year 1981. The actual 1981 deficit was $58 billion.

Mr. Speaker, my purpose in rising today is to reemphasize that the American public, and their elected representatives at the State level, are far ahead of Congress in addressing this issue. Fully 31 of the required 34 States have called for a Constitutional Convention for the purposes of amending the Republic's organic document in order to mandate a balanced budget and limit taxes.

The latest test of the sentiment of the public came with the release of a national poll conducted by the respected polling firm of Market Opinion Research, based in Detroit. The survey was conducted for the National Tax Limitation Committee.

The results should be must reading for all of us. By a margin of 79 percent to 15 percent, respondents affirmatively answered the following question: "Do you generally favor or oppose an amendment that would require Congress to plan a balanced budget each year? On the related question, "Do you generally favor or oppose an amendment that would limit the amount of money that Congress could spend each year?" The answers were 73 percent in the affirmative and only 20 percent in the negative.

Public opinion analysts look not only at aggregate figures, as impressive as the margins may be in this instance, but also look at the saliency of the issue to the respondent and the intensity of belief on the matter.

The results of the Market Opinion survey show that the public's support for a balanced budget and a limitation on spending is not only broad, it is deep and intense. On the question relating to a balanced budget, fully 59 percent stated that they strongly favor such an amendment, while only 8 percent were strongly opposed. On the spending limitation question, 54 percent supported such a provision very strongly while only 10 percent were very strongly opposed.

The third question in the set measured the saliency of the issue. In answer to the following, "Would you be more or less likely to vote for a candidate for Congress if you learned that he or she supported a Constitutional amendment requiring Congress to plan a balanced budget each year?", 73 percent said "yes." Among the 73 percent are 45 percent who would be much more likely to vote for the proamendment candidate. Only 6 percent of those polled would be much less likely to support a proamendment candidate for public office.

The Senate Judiciary Committee reported out a balanced budget and tax limitation amendment as early as July 10, 1981, in the form of Senate Joint Resolution 58. It is expected that the measure will be taken up in the other body in the very near future. I am advised that Senate Joint Resolution 58 enjoys the cosponsorship of 60 Members of the other body, only 7 short of the 67 needed to adopt the resolution.

Here in the House, our colleague, the gentleman from New York (Mr. CONABLE) and our other colleague, the gentleman from Georgia (Mr. JENKINS) have introduced House Joint Resolution 350. As of today, it is my understanding that the resolution has 212 co-sponsors. I note with interest that the 212 cosponsors breakdown along party lines as follows: 157 Republicans and 55 Democrats. Fully 82 percent of the minority members of the body have cosponsored the resolution while only 23 percent of the majority members have placed their names on the resolution. In light of the near-unanimous and bipartisan rhetoric in favor of a balanced budget, at least in principle, during the debate on the budget resolution, I would encourage my colleagues who have not done so to cosponsor. I particularly invite my friends on the other side of the aisle to join me in this endeavor.

In conclusion, Mr. Speaker, I would again point out that the unfinished business of the 97th Congress is the adoption of a balanced budget/tax limitation constitutional amendment. We need such a structural change to offset the bias of this institution, due to its decentralized character and sensitivity to special interests, in favor of more and more spending and the deficits that result. The change is supported by the public and merits our immediate consideration.●

THE TROJAN HORSE IS FEELING ITS OATS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 15 minutes.

● Mr. REUSS. Mr. Speaker, Reaganomics was proclaimed as the way to get productivity-enhancing investment in plant and equipment moving. Basically, it involved doing favors for the rich—outsized tax cuts at the top of the income scale, restraint in budget cutting for items like yachting and private jets, superhigh interest rates that fatten the wallets of those with money to lend.

To make Reaganomics politically palatable, it was packaged as a program for the average American, with even the poor protected by a safety net. This was the Trojan Horse that Budget Director David Stockman described in his Atlantic Monthly article as what was needed to get the program through Congress.

Now, a year later, we are deep in a recession that shows few signs of abating. Investment in new plant and equipment, far from expanding, is diminished to 2.3 percent less than last year, according to the Department of Commerce. The recession, high interest rates, and corporate illiquidity are the reasons for the shortfall.

If the rich are not investing, what are they doing with the money that Reagonomics has channeled their way by its Trojan Horse policy? Recent articles in our leading newspapers and magazines suggest that what the wealthy are doing is going on a consumer buying spree unparalled in our history:

The Wall Street Journal reports on the America of the affluent:

In Bronxville, a wealthy suburb of New York, "along Pondfield Road, the psuedo Tudor-style Main Street, Mercedes-Benzes jostle with other sporty cars for parking spaces in front of quaint little shops that sell $5,000 diamonds, gourmet cheese, and lilies at $27.50 a plant." Economic insecurity, in the words of one Bronxville housewife, means, "We ski locally now, instead of far away."

In Key Largo, Fla., at the Ocean Reef Club: "I don't know of anyone who's been laid off, or anyone who is hungry," said one club member. "That isn't part of our world." Their world, according to the Wall Street Journal, is yachts, golf, tennis, and feasts of poached trout, suckling pig, and lobster.

In Dubuque, Iowa, though local unemployment hit 23 percent early this year, the misery has not reached the Dubuque Golf and Country Club. The manager, surveying the elegant table settings, told the Wall Street Journal, "You'd have to be blind to say we've been hit * * * men with money will always have money."

"Houston and other money havens seem overflowing with consumers * * * who are laughing in the recession's face and spending as if it were the best of times." Sales of home computers, designer clothing, and Mercedes are booming.

Newsweek reports a nationwide thirst for cognac, champagne, and fine French wines. Sotheby Parke Bernet real estate division is doing a record business. Its typical client has a net worth of $10 to $30 million, and buys property worth $1.3 million. In Dallas, a real estate firm reports that a 500-acre ranch asking $2.9 million will sell in less than a month.

The New York Times reports that "caviar, boutique cheese, extra virgin olive oil, fois gras, and truffles" are moving fast.

U.S. News & World Report gives high marks to Le Francais restaurant in the Chicago suburb of Wheeling, reporting that many of its customers fly up just for a meal, and that a full course dinner with caviar, squab, roast pheasant, desert, wines, and espressos, "could come to $1,000" but "business is brisk," and reservations are hard to get.

Town and Country according to its publisher, "repositioned" itself during the 1970's to appeal to a broad segment of the affluent society. Circulation is now 310,000, up from 150,000 in 1977; advertising revenues are up 41 percent in the last 6 months.

Vogue, whose average subscriber has an income over $100,000, is also in great shape. Says its publisher: "Manufacturers and distributors have come to realize that the people they have to talk to are people with money."

Business Week reports the top executives made very good livings last year. Total compensation, including salary, bonuses, perks, and incentives, rose by an average of 15.9 percent, well above the 8.9-percent increase in the inflation rate. The 25 highest paid executives each received well over $1 million in income. Even where hard times have hit, as at Eastern and Continental Airlines, the chief executive officers drew salaries of around $350,000.

So far, Reaganomics simply results in wealthy people spending their windfall on increased consumption, not on productive investment. I have nothing against truffles, but they do not help productivity as much as machine tools.●

LATIN AMERICA AND THE UNITED STATES AFTER THE FALKLANDS CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, we all rejoice at the apparent end of the bloodshed on the Falkland Islands. This was a tragically unnecessary war, made inevitable by Argentina's refusal to withdraw its troops and agree to negotiate a settlement.

I am not in the habit of commending the Reagan administration, but in this case I must give credit where credit is due. I believe the administration played this one just about right. Secretary Haig engaged in a genuine mediation effort, which could have ended the conflict in a manner consistent with everyone's interests. When that effort failed, we reluctantly did what we had to do, and sided with our longtime friend and ally who, we felt, was in the right.

Now that the fighting is over, I am sure all my colleagues would join me in calling on all parties to make a genuine effort to heal the wounds of this war. As did our Secretary of State, I call upon Great Britain, having fought vigorously in war, to be magnanimous in victory. I call upon Argentina to go back to seeking a peaceful settlement of the issue. Let the parties stop all this talk about eternal sovereignty on the one side, and eternal war on the other, and get down to the business of settling the conflict. I call upon my own Government to do everything it can to be instrumental in achieving a solution.

Finally, we face the question of the future of the inter-American system and of our relations with Latin America in the aftermath of this conflict. History may look back on this event as a crucial turning point in our hemisphere. We must give serious thought to what our policies should be. Therefore, I am announcing that the Subcommittee on Inter-American Affairs will commence hearings immediately after the Independence Day recess on the subject of Latin America and the United States after the Falklands crisis.●

WITHHOLDING OF REQUEST FOR PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO SIT DURING 5-MINUTE RULE ON TOMORROW, TUESDAY, JUNE 22, 1982, AND THE REMAINDER OF THE WEEK

The SPEAKER pro tempore. Does the gentleman from Colorado seek to renew his request, or does he intend to bring it forward tomorrow?

Mr. WIRTH. Mr. Speaker, under the procedures of the House in asking unanimous consent, there have to be 10 Members to object, but we are not meeting with a quorum, so I do not think it is fair to the minority at this time to raise the unanimous consent request at a time when the gentleman from California (Mr. LUNGREN) cannot legitimately collect 10 Members.

Consequently, in fairness to the minority, I withdraw my request.

The SPEAKER pro tempore. The Chair can recognize the gentleman to make that request tomorrow.

Mr. LUNGREN. Mr. Speaker, the gentleman has presented it correctly, and I just want to say for the record that I thank the gentleman for not putting me at such a disadvantage that, if I make the objection, I could not scout around for nine Members to object in addition to myself.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LUNGREN) to revise and extend their remarks and include extraneous material:)

Mr. DANNEMEYER, for 30 minutes, on June 21.

(The following Members (at the request of Mr. MAZZOLI) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. REUSS, for 15 minutes, today.

Mr. BARNES, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LUNGREN) and to include extraneous matter:)

Mr. CARMAN.

Mr. YOUNG of Alaska.

Mr. BROWN of Ohio.

Mr. EVANS of Iowa.

Mr. JOHNSTON.

Mr. FISH.

Mr. BROOMFIELD.

Mr. BEREUTER.

(The following Members (at the request of Mr. MAZZOLI) and to include extraneous matter:)

Mr. BRINKLEY in two instances.

Mr. GAYDOS.

Mr. LANTOS in two instances.

Mr. LEHMAN in two instances.

Mr. HAMILTON.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. WALGREN.

Mr. BOLAND in two instances.

Mr. HOWARD.

Mr. OTTINGER.

Mr. WEISS.

Mr. FORD of Michigan.

ADJOURNMENT

Mr. MAZZOLI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 10 minutes p.m.) the House adjourned until tomorrow, Tuesday, June 22, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4189. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1982 and an amendment to the request for appropriations for the fiscal year 1983 for the Department of the Treasury (H. Doc. No. 97-201); to the Committee on Appropriations and ordered to be printed.

4190. A letter from the Acting Director, Defense Security Assistance Agency transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to the United Kingdom (Transmittal No. 82-69), pursuant to section

813 of Public Law 94-106; to the Committee on Armed Services.

4191. A letter from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting notice of the proposed conversion to contractor performance of the transient aircraft maintenance function at K. I. Sawyer Air Force Base, Mich., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4192. A letter from the Assistant Secretary of the Navy, Shipbuilding and Logistics, transmitting notice of the proposed conversion to contractor performance of the keypunch function at the strategic weapons facility, Pacific, Bangor, Wash., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4193. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting his annual report on the economic viability of depository institutions, pursuant to section 206 of Public Law 96-221; to the Committee on Banking, Finance and Urban Affairs.

4194. A letter from the General Counsel, Department of Energy, transmitting a draft of proposed legislation to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

4195. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention of offer to sell certain defense equipment and services to the United Kingdom (Transmittal No. 82-69), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4196. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

4197. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the political contributions by Ambassador-designate Robert H. Phinny, and members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

4198. A letter from the Assistant Secretary for Administration, Smithsonian Institution, transmitting the annual pension plan report for the Smithsonian Institution and the Woodrow Wilson International Center for Scholars, covering calendar year 1981, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

4199. A letter from the Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4200. A letter from the Deputy Assistant Secretary for Health Operations, Department of Health and Human Services, transmitting, the annual report on the PHS Commissioned Corps retirement system plan year ending September 30, 1980, pursuant to Public Law 95-595; to the Committee on Government Operations.

4201. A letter from the Chief Justice of the United States, transmitting the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C. on March 11 and 12, 1982, pursuant to 28 U.S.C. 331; to the Committee on the Judiciary.

4202. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the effects of discharges from limestone quarries on water quality and aquatic biota, pursuant to the Clean Water Act Amendments of 1977; to the Committee on Public Works and Transportation.

4203. A letter from the Administrator, General Services Administration, transmitting a prospectus proposing a lease of office space for the Internal Revenue Service in Houston, Tex., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4204. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the Commission's report, for the last calendar quarter of 1981, on abnormal occurences at licensed nuclear facilities, pursuant to section 208 of Public Law 93-438; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEE ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House of June 17, 1982, the following report was filed on June 18, 1982*]

Mr. DE LA GARZA: Committee on Agriculture. H.R. 6590. A bill to provide for the operation of the tobacco price support and production adjustment program in such a manner as to result in no net cost to taxpayers, to limit increases in the support price for tobacco, and for other purposes; with an amendment (Rept. No. 97-613). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 5447. A bill to extend the Commodity Exchange Act, and for other purposes; with amendments (Rept. No. 97-565, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Oklahoma: Committee of Conference. Conference report on Senate Concurrent Resolution 92 (Rept. No. 97-614). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4483. A bill to provide for confirmation of the repayment contract of the Dallas Creek participating project of the Upper Colorado River storage project (Rept. No. 97-615). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3589. A bill to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes; with an amendment (Rept. No. 97-616). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS of Iowa:

H.R. 6642. A bill to provide that lands set aside or diverted must lie within contiguous counties; to the Committee on Agriculture.

By Mr. FISH:

H.R. 6643. A bill entitled the "Mass Transportation Act of 1982"; to the Committee on Public Works and Transportation.

H.J. Res. 515. Joint resolution designating July 1, 1982, as "Camp Smith Centennial Day"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

413. The SPEAKER presented a memorial of the Senate of the State of Alaska, relative to Alaska canned salmon; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4433: Mr. NELLIGAN.

H.R. 4890: Mr. SHELBY.

H.R. 5525: Mr. BLILEY, Mr. WEBER of Ohio, and Mr. KOGOVSEK.

H.R. 5583: Mr. LOWRY of Washington.

H.R. 5608: Mr. WOLPE, and Mrs. KENNELLY.

H.R. 5653: Mr. SKEEN, Mr. ANDERSON, Mr. SEIBERLING, Mr. HANCE, Mrs. SCHNEIDER, and Mr. MCKINNEY.

H.R. 5969: Mr. GRAY, Mr. HUCKABY, Mr. STOKES, and Mrs. COLLINS of Illinois.

H.R. 6045: Mr. ATKINSON, Mrs. HOLT, Mr. KRAMER, Mr. LENT, Mr. BOWEN, Mr. MCCURDY, Mr. EDWARDS of Oklahoma, Mr. GEJDENSON, Mr. MOFFETT, Mr. MARRIOTT, Mr. MCHUGH, Mr. DOUGHERTY, Mr. LOWERY of California, Mr. BURGENER, Mr. PAUL, Mr. ARCHER, Mr. MOORE, Mr. AUCOIN, Mr. HANSEN of Idaho, Mr. PHILIP M. CRANE, Mr. MCDADE, Mr. LOTT, and Mr. STUMP.

H.R. 6061: Mr. DERWINSKI.

H.R. 6062: Mr. GINGRICH.

H.R. 6092: Mr. SCHUMER, Mr. LOWRY of Washington, and Mr. WASHINGTON.

H.R. 6231: Mr. MOLLOHAN, Mr. GIBBONS, Mr. FITHIAN, and Mrs. MARTIN of Illinois.

H.R. 6320: Mr. SIMON, Mr. FROST, Mr. MITCHELL of Maryland, Mr. FAZIO, Mr. VENTO, Mr. GINGRICH, Mr. NOWAK, Mr. WEBER of Ohio, Mr. HUGHES, and Ms. FERRARO.

H.R. 6344: Mr. RUDD, Mr. PASHAYAN, and Mr. DORGAN of North Dakota.

H.R. 6391: Mr. DICKS, Mr. EDGAR, Mr. FRANK, Mr. MAVROULES, Mr. MINISH, Mr. MITCHELL of Maryland, Mr. MOLINARI, Mr. SCHEUER, and Mr. GINGRICH.

H.R. 6478: Mr. PORTER, Mr. HANSEN of Idaho, Mr. MCDONALD, Mr. SMITH of Alabama, Mr. ROTH, Mr. ROBERT W. DANIEL, Jr., Mr. JEFFRIES, and Mr. LEATH of Texas.

H.J. Res. 507: Mr. SAM B. HALL, JR., Mr. MATTOX, Mr. LELAND, Mr. HOWARD, Mr. RODINO, Mr. MINISH, Mr. ADDABBO, Mrs. KENNELLY, Mr. FORD of Tennessee, Mr. LEBOUTILLIER, Mr. SUNIA, Mr. MAZZOLI, Mr. LAFALCE, Mr. BARNES, Mr. ERDAHL, Mrs. FENWICK, Mr. SMITH of New Jersey, Mr. MINETA, Mr. FORSYTHE, Mr. BETHUNE, Mr. HORTON, Mr. WINN, Mr. FAZIO, Mr. WAXMAN, Mr. HATCHER, Mr. OTTINGER, Mr. LEATH of Texas, Mr. WASHINGTON, Mr. HUGHES, Mr. SCHEUER, Mr. ROE, Mr. GEJDENSON, and Mr. KILDEE.

H. Con. Res. 297: Mr. LEWIS.

H. Con. Res. 310: Mr. GILMAN, Mr. ATKINSON, Mr. DYMALLY, Mr. ROUSSELOT, Mr. NEAL, Mr. GINN, Mr. RITTER, Mr. EDGAR, Mr. MINETA, Mr. FOWLER, Mr. GEJDENSON, Mr. MOTTL, and Mr. ROSENTHAL.

H. Con. Res. 336: Mr. JEFFORDS, Mr. FORD of Michigan, Mrs. SCHROEDER, Mr. MADIGAN, Mr. GREEN, Mr. FORSYTHE, Mr. SIMON, Mr. BLANCHARD, Mr. MARKEY, Mr. SCHEUER, Mr. CONTE, Mr. HOLLENBECK, Ms. FERRARO, Mr. FASCELL, Mrs. HECKLER, Mr. SOLARZ, Mr. MINETA, Mr. LEHMAN, Mr. WON PAT, Mr. NOWAK, Mrs. HOLT, Mr. MCKINNEY, Mr. BROWN of California, Mr. FROST, Mr. BEILENSON, Mr. MITCHELL of New York, Mr. WYDEN, Mr. STARK, Mr. SABO, Mr. LOWRY of Washington, Mr. DOWNEY, Mr. DOUGHERTY, Mr. HUGHES, Mr. SMITH of Alabama, Mr. FIELDS, Mr. ARCHER, Mr. MOAKLEY, Mr. FAUNTROY, Mr. PEYSER, Mr. ROSENTHAL, Mr. FORD of Tennessee, Mr. LEBOUTILLIER, Mr. WORTLEY, Mr. EDGAR, Mr. HOWARD, Mrs. FENWICK, Mr. LONG of Maryland, Mr. ROE, Mr. FRENZEL, Mr. FITHIAN, Mr. SCHUMER, Mr. CORCORAN, Mr. WEISS, Mr. ROEMER, Mr. LANTOS, Mr. WAXMAN, Mr. LAGOMARSINO, Mr. MATSUI, Mr. SOLOMON, Mr. MINISH, Mr. EDWARDS of Oklahoma, Mr. SMITH of Pennsylvania, Mr. DWYER, and Mr. MARRIOTT.

H. Con. Res. 354: Mr. FISH, Mr. GREEN, Mr. OTTINGER, Mr. ST GERMAIN, Mr. HUGHES, Mr. MCKINNEY, Mr. RINALDO, Mr. SEIBERLING, and Ms. FERRARO.

H. Con. Res. 355: Mr. WALGREN, Mr. ROE, Mr. FOGLIETTA, Mr. LONG of Maryland, Mr. BRODHEAD, Mr. SCHUMER, Mr. SCHEUER, Mr. BARNES, Mr. DELLUMS, Mr. FORD of Tennessee, Mr. RODINO, Mr. MINETA, Mr. BONIOR of Michigan, Mr. EDGAR, Mr. BOLAND, Mr. WEISS, Mr. ROYBAL, Mr. MCKINNEY, Mr. WOLPE, Mr. MCHUGH, Mr. DOWNEY, Mr. BIAGGI, Mr. LANTOS, Mr. LEHMAN, Mr. OTTINGER, Mr. FASCELL, Mr. HARKIN, Mr. HUGHES, Mr. WASHINGTON, Mr. FLORIO, Mr. GEJDENSON, Mr. HORTON, Ms. FERRARO, Ms. MIKULSKI, and Mr. MILLER of California.

H. Res. 447: Mr. GINGRICH, Mr. BEDELL, Mr. WYDEN, Mr. ANNUNZIO, and Mr. OBERSTAR.

PETITIONS, ETC.

Under clause 1 of rule XXII.

488. The SPEAKER presented a petition of the board of directors of the Steel Valley School District, Munhall, Pa., relative to steel import limitations; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 746

By Mr. LEVITAS:

—Page 30, insert the following after line 11 and redesignate succeeding sections accordingly:

CONGRESSIONAL REVIEW PROCEDURES

SEC. 202. (a) Title 5 of the United States Code is amended by inserting immediately after chapter 7 the following new chapter:

"Chapter 8—CONGRESSIONAL REVIEW OF AGENCY RULE MAKING

"Sec.
"801. Definitions.
"802. Resolution of disapproval.
"803. Resolution for reconsideration.
"804. Effect on statutory time limits.
"805. Computation of calendar days of continuous session of Congress.
"806. Procedure for consideration of resolutions.
"807. Effect on judicial review.
"808. Administrative Conference study.

"§ 801. Definitions

"The definitions set forth in section 551 of this title shall apply to this chapter except that—

"(1) those functions excluded from the definition of the term 'agency' by paragraph (1)(H) of such section are included in such definition for purposes of this chapter;

"(2) the terms 'rule' and 'emergency rule' shall not include—

"(A) a rule of agency organization, practice, or procedure,

"(B) a rule relating to agency management or personnel,

"(C) a rule granting or recognizing an exception or relieving a restriction, or

"(D) a rule adopted without public notice and comment pursuant to an agency finding that such notice and comment were unnecessary due to the routine nature or insignificant impact of the rule; and

"(3) the term 'promulgation' means the filing of a final rule with the Office of the Federal Register for publication.

"§ 802. RESOLUTION OF DISAPPROVAL

"(a)(1) Simultaneously with the promulgation of any rule or emergency rule, and simultaneously with the repromulgation of any rule under subsection (b) or (c) of section 803 of this title, the agency shall transmit a copy of the rule or emergency rule to the Secretary of the Senate and the Clerk of the House of Representatives. A rule other than an emergency rule shall not become effective if—

"(A) within 60 calendar days of continuous session of Congress after the date of promulgation of the rule—

"(i) one House of Congress adopts a concurrent resolution, the matter after the resolving clause of which is as follows: 'That Congress disapproves the rule promulgated by dealing with the matter of , which rule was transmitted to Congress on .', the first blank being filled with the name of the agency issuing the rule, the second blank being filled with the title of the rule and such further description as may be necessary to identify it, and the third being filled with the date of tramsmittal of the rule to Congress, and transmits such concurrent resolution to the other House of Congress; and

"(ii) such concurrent resolution is not disapproved by the other House within 30 calendar days of continuous session of Congress after such transmittal; or

"(B) within 60 calendar days of continuous session of Congress after the date of promulgation of the rule, a committee of either House of Congress has reported or been discharged from consideration of a concurrent resolution disapproving the rule, and within 90 calendar days of continuous session of Congress after such date of promulgation, both Houses of Congress adopt such a concurrent resolution.

"(2) If at the end of 60 calendar days of continuous session of Congress after the date of promulgation of a rule, other than an emergency rule, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule, and neither House has adopted such a resolution, the rule may go into effect at the end of that 60-day period. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may go into effect not sooner than 90 calendar days of continuous session of Congress after the date of its promulgation unless disapproved as provided in paragraph (1)(B).

"(D)(1) An agency may not promulgate a new rule or an emergency rule identical to one disapproved pursuant to this section unless a statute is adopted affecting the agency's powers with respect to the subject matter of the rule.

"(2) If an agency proposes a new rule dealing with the same subject matter as a rule disapproved under this section, the agency shall comply with the procedures required by law for the issuance of a new rule, except that if less than 12 months have elapsed since the date of such disapproval, such procedures may be limited to changes in the disapproved rule.

"§ 803. Resolution for reconsideration

"(a) Either House of Congress may adopt a resolution directing agency reconsideration of a rule, other than an emergency rule. The matter after the resolving clause of such a resolution shall be as follows: 'That the —— directs —— to reconsider its rule dealing with the matter of —— which rule is found at ——.' (or, in the case of a new rule, 'was transmitted to Congress on ——.'), the first blank being filled with the House of Congress adopting the resolution, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description as may be necessary to identify it, and the fourth blank being filled with the citation to the rule in the agency records or, in the case of a new rule, the date on which it was transmitted to Congress.

"(b)(1) A rule shall not become effective if—

"(A) within 60 calendar days of continuous session of Congress after the date of promulgation of the rule, a committee of either House of Congress has reported or been discharged from further consideration of a resolution for reconsideration of the rule; and

"(B) such a resolution for reconsideration is adopted by either House of Congress within 90 calendar days of continuous session of Congress after such date of promulgation.

The agency shall reconsider the rule and, within 60 calendar days after the date on which the resolution for reconsideration is adopted, either withdraw or repromulgate the rule with such changes and with such public participation as the agency determines to be appropriate. If the agency takes no action within that 60-day period the rule shall lapse. If repromulgated, the rule shall be subject to congressional review and go into effect as provided in section 802 of this chapter.

"(2) If at the end of 60 calendar days of continuous session of Congress after the date of promulgation of a rule, other than an emergency rule, no committee of either House of Congress has reported or been discharged from further consideration of a resolution for reconsideration of a rule, the rule may go into effect at the end of that 60-calendar day period. If, within that 60-calendar day period, such a committee has reported or been discharged from further consideration of such a resolution, the rule may go into effect not sooner than 90 calendar days of continuous session of Congress

after the date of its promulgation, subject to paragraph (1)(B) of this subsection.

"(c) One hundred eighty days after the adoption of a resolution for reconsideration with respect to a rule which has taken effect, the rule shall cease to be effective unless repromulgated by the agency with such changes as the agency considers appropriate. Unless excepted by subsection 553(a) of this title, the agency shall, not less than 60 days prior to repromulgating such a rule, give notice of a proceeding to consider its repromulgation. The notice and proceeding shall comply with subsections (b) and (c) of section 553 of this title, except that the agency shall hold a hearing for oral presentations with respect to the rule. Rules repromulgated pursuant to this subsection within 180 days after the adoption of the resolution for reconsideration shall take effect as provided in section 802(a) of this title, except that during the period for congressional review provided in that section the rule with respect to which the resolution for reconsideration was adopted may remain in effect.

"(d) A concurrent resolution of disapproval under section 802 of this title supersedes a resolution for reconsideration of the same rule or part thereof.

"§ 804. Effect on statutory time limits

"If the Congress adopts, under this chapter, a resolution of disapproval or a resolution for reconsideration of a rule which was being promulgated subject to a statutory time limit for rulemaking, the adoption of the resolution shall not relieve the agency of its statutory responsibility for adopting a rule, but any such statutory time limit shall apply, only from the date on which the resolution is adopted, to any rulemaking begun as a result of the adoption of the resolution.

"§ 805. Computation of calendar days of continuous session of Congress

"For the purposes of computing calendar days of continuous session under this chapter—

"(1) continuity of session is broken only by an adjournment sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation.

"§ 806. Procedure for consideration of resolutions

"(a) The provisions of this section are enacted by the Congress—

"(1) as an exercise of the rule making power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described in sections 802 and 803 of this title; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House of Congress to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b)(1) Resolutions of disapproval described in section 802 of this title and resolutions for reconsideration described in section 803 of this title shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or of the House of Representatives, in accordance with the rules of the respective House, to the standing committee having oversight and legislative responsibility with respect to the agency promulgating the rule to which the resolution relates. Such resolutions shall not be referred to any other committee.

"(2) If a committee to which is referred a resolution which has not been adopted by the other House of Congress does not report that resolution to its respective House—

"(A) within 45 calendar days of continuous session of Congress after referral, in the case of a resolution of disapproval of a rule, or a resolution for reconsideration of a rule described in section 803(b) of this title; or

"(B) within 90 calendar days of continuous session of Congress after referral, in the case of a resolution for reconsideration of a rule described in section 803(c) of this title, it shall be in order to move to discharge that committee from further consideration of the resolution.

"(3)(A) In the case of a resolution of disapproval of a rule, if a committee to which is referred such a resolution which has been adopted by the other House of Congress does not report that resolution to its respective House within 15 calendar days of continuous session of Congress after referral, it shall be in order to move to discharge that committee from further consideration of the resolution.

"(B) If a resolution of disapproval has been ordered reported or discharged from the committee of one House to which it was referred, and that House receives a resolution of disapproval with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If prior to the disposition of a resolution of disapproval of one House, that House receives the companion resolution of disapproval from the other House, the vote in the first House shall occur on the resolution of disapproval of the other House.

"(4) A motion to discharge described in paragraph (2) or (3)(A) of this subsection must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that the motion may not be made after the committee involved has reported a resolution of disapproval or a resolution for reconsideration with respect to the same rule); and debate on the resolution shall be limited to not more than one hour, the time to be divided in the House equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(c)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval or a resolution for reconsideration shall be in accordance with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a resolution with respect to a rule, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(3) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order and it is not in order to move to reconsider the vote by which the resolution is agreed or disagreed to.

"§ 807. Effect on judicial review

"Congressional inaction on or rejection of a resolution of disapproval or of a resolution for reconsideration of a rule under this chapter shall not be deemed an expression of approval of that rule.

"§ 808. Administrative Conference study

"The Administrative Conference of the United States shall undertake a study of congressional review of agency rules under sections 801 to 806 and the effect of such review on agency rulemaking, and shall report its findings to the Congress not later than July 1, 1986. There is authorized to be appropriated $200,000 for such study.".

(D) The table of chapters for part I of title 5 is amended by inserting immediately after

"7. Judicial Review ..... 701"

the following:

"8. Congressional Review of Agency Rule Making ..... 801".

(c) The provisions of chapter 8 of title 5, United States Code, as added by subsection (a) of this section, shall supersede any other provision of law governing procedures for congressional review of agency rules to the extent such other provision is inconsistent with that chapter.

Page 27, strike out line 4 and all that follows through page 30, line 11, and insert in lieu thereof the following:

"(h) Each agency shall transmit each regulatory agenda, or relevant portion thereof, published by the agency pursuant to section 631 of this title, to any committee in Congress having legislative jurisdiction over the statute or statutes under which the agency may issue the rules to which the agenda relates.".

Page 2, line 11, insert after "Act," the following: "and the provisions of title 8 of such title 5, as added by section 202 of this Act,".

H.R. 6369

By Mr. FRENZEL:

—On page 3, line 2, strike "and".

On page 3, after line 5, insert the following:

"and

(D) had, in the base period with respect to which all rights to regular compensation under the State law have been exhausted:

"(i) 30 weeks of employment (as defined in State law); or

"(ii) earnings covered by the State law for compensation purposes in a total amount that equals or exceeds either 60 times the weekly benefit amount as determined in accordance with section 202(a)(5) of the Federal-State Extended Unemployment Compensation Act of 1970, or two and one-fourth times such base period earnings in that calendar quarter of the base period in which such base period earnings were the highest (or one such quarter if base earnings were the same for more than one quarter);

whichever method of computing qualifying work is adopted by the State agency of the State under the State law for the purposes of the program of Federal supplemental compensation;".

EXTENSIONS OF REMARKS

ISLANDS IN THE STORM: OUR NATIONAL PARKS (PART I)

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. BEREUTER. Mr. Speaker, tomorrow, the Public Lands and National Parks Subcommittee will hold public hearings on several bills which would address one the most pressing environmental problems facing our Nation: The deterioration of the natural and cultural resource base of our national park system.

Last week, the Christian Science Monitor presented an excellent description of the forces threatening our national park system. Following is the first of those articles. I urge all of my colleagues to read Mr. Chan's sobering piece and to contemplate the incredible loss our Nation would experience if such forces are allowed to proceed unchecked and damage forever the splendor of Yellowstone National Park.

NATION'S OLDEST PARK FENDS OFF NEW INCURSIONS

(By Robert Cahn)

America's first national park, the granddaddy of all the world's national parks, turns 110 this year. By summer's end, its entry gates will record more than 2.5 million visits. Overall, the 333 natural, historical, cultural, and recreational areas of the U.S. National Park System will chalk up some 240 million visits in 1982.

But many of the visitors may feel some hesitation about the condition of the parks. During the past year they may have seen headlines such as: "Crisis in the National Parks" (Rocky Mountain Magazine). "Park Lands Under Seige Across U.S." (Los Angeles Times), "Watt Says National Parks Are In 'Shameful' Shape" (New York Times).

The conditions heralded by these headlines aren't likely to prevent anyone from having an enjoyable time at the national parks this summer. On the other hand, they point to the need for a close look at what's happening to those parks.

Fourteen years ago, the time of my series for the Monitor, "Will Success Spoil the National Parks?," the overriding problem was the popularity of the parks. Results included overcrowding, crime, pollution, traffic, and harm to natural resources from overuse. Since then, some 82 new park areas have been added, which might have helped to ease the crowding, except that the number of people going to parks has more than doubled. While the Park service has been striving to cope with these problems, conditions have not greatly improved.

This year's visitors may find that haze from energy plants obscures the view at Grand Canyon on some days, or mars the vistas at a number of other parks in the West and East. A few campgrounds and facilities will open late and close early because of budget cutbacks. And it may be difficult to find a ranger to answer questions or an interpreter to lead nature hikes. Also, some trails may be closed because the Youth Conservation Corps and Young Adult Conservation Corps, whose members did much of the maintenance, have been eliminated. But, generally, visitors will discover that the parks are in good enough shape to meet most of their needs.

What, then, are those scary headlines all about?

The first two, "Crisis in the Parks" and "Park Land Under Siege," refer to what many experts see as the most urgent problem besetting the parks—the many forces within and without the parks threatening priceless natural features. Internal threats are multiplying: too many people trampling vegetation, compacting soils, overpopulating the wilderness; illegal collecting of cactus and fossils; vandalism; off-road vehicles tearing up fragile beaches and dunes; automobile exhaust polluting the air. But it is the external influences—energy development, urban encroachment, second-home construction, air and water pollution, diversion of water from parkland—that give the greatest cause for alarm. The 1980s surge of development is beating against the parks, which only a few years ago were considered islands of sanctuary. This threat, and its impact on particular parks, will be the focus of this series.

A State of the Parks report to Congress, prepared by the Park Service in 1980, identified more than 4,300 specific conditions endangering the natural and cultural resources of the parks.

That other headline, "Watt Says National Parks Are In 'Shameful' Shape," refers to Interior Secretary James G. Watt's charge early in 1981 that park facilities were deteriorating, creating health and safety hazards. He bases his charge on a 1980 General Accounting Office (GAO) report that said several of the older parks had substandard water and sewer systems, hotels and dormitories that had become fire hazards, and some bridges, tunnels, and roads in need of repair. The GAO estimated that correcting these conditions would cost $1.6 billion, although the entire park system backlog of health-and-safety-related construction and maintenance is less than one-third that amount. Mr. Watt urged Congress to allow him to dip into the Land and Water Conservation Fund for $1 billion over a five-year period to restore park facilities. Under current law, the fund cannot be used for such purposes.

Park officials acknowledge that shoring up deteriorating facilities is the top priority being imposed on them by regional directors and the Department of the Interior. Their own No. 1 concern, however, is the possible harm being done to the parks' natural and cultural resources.

A BASIC SHORTCOMING: THE PARKS' DATA GAP

And nearly as startling as the listing of threats in the State of the Parks report, was the admission by the 310 contributing park superintendents that they could document only 25 percent of them. The reason? The parks have never gathered information on the basic condition of the land, water, air, and flora and fauna. Nor have they developed systems to monitor changes in these resources. The threats might therefore be more severe—or less so—than reported.

"No parks of the system are immune to external and internal threats." the report concluded. "There is no question but that these threats will continue to degrade and destroy irreplaceable park resources until such time as mitigation measures are implemented. In many cases, this degradation or loss of resources is irreversible. It represents a sacrifice by a public that, for the most part, is unaware that such a price is being paid."

This warning may have particular relevance for Yellowstone, where the whole idea of a national park system had its start. There explorer Cornelius Hedges is reported to have said in 1870: "This great wilderness does not belong to us. It belongs to the nation. Let us make a public park of it and set it aside . . . never to be changed, but to be kept sacred always."

YELLOWSTONE FACES 45 THREATS TO ITS RESOURCES

Yellowstone's natural resources are less severely threatened than those of some other park areas such as the Everglades in Florida or New Mexico's Chaco Culture National Historical Park. Even so, the State of the Parks report reveals that while most parks are beset by an average of 14 threats. Yellowstone faces 45. Two-thirds have their origins outside Yellowstone and are beyond the control of park authorities. They include acid rain and other air pollution, livestock grazing, logging, homesite development and oil and geothermal exploration and development. All of these affect the park's natural resources, and some could cause irreversible damage.

"These threats can be controlled, ameliorated, or eliminated," says Yellowstone superintendent John A. Townsley, "only to the extent that we as a national society are willing to pay the price." The nation is not so desperately poor in energy resources, he says, that we should risk harming the park's natural features by allowing geothermal exploration or damaging the grizzly's habitat by permitting gas and oil exploration.

Superintendent Townsley does not have to be reminded that protecting the resources for future generations is a "sacred trust." That was instilled in him as a boy growing up in Yosemite National Park, where his father was chief ranger. He knows of the early threats to Yellowstone resources and of past mistakes that broke with the sacred trust: how wolves and mountain lions were exterminated in early, wrongheaded attempts at wildlife management, and how the park's natural fish population was almost ruined by introduction of exotic species and the capturing of billions of trout eggs to stock other Western parks. He knows how visitors clogged up some geysers forever by throwing things into them, how hotels and visitor facilities were built right next to Old Faithful and on the edge of the Grand Canyon of the Yellowstone (the latter mistake rectified by moving the accommodations to another site), and how the Yellowstone River came close to being dammed for power and reclamation.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Yellowstone survived such threats relatively intact. And with five national forests adjoining the park on most of its perimeter, it has been buffered until recently from most harmful external influences. But now the threats have multiplied; it is no longer a secure island.

Just 15 miles west of Old Faithful, for instance, in the Targhee National Forest bordering the park, 160 applications for geothermal leases have been filed by 70 individuals, corporations, and utilities, including Union Oil company and Pacific Gas and Electric. The nearest applied-for lease is only a quarter-mile from one of 14 park thermal areas which, some experts believe, could be damaged.

PARK SERVICE DRAWS ON NEW ZEALAND'S EXPERIENCE

When the Forest Service draft environmental impact statement claimed that existing data did not show that Yellowstone's geysers and other geothermal features would be harmed by such nearby development, Townsley submitted a reply asking that no leases be given. The Park Service response to the Forest Service stated that geothermal development destroyed New Zealand's Geyser Valley and that mere geothermal exploration destroyed the Beowawe Geysers in Nevada, which had been second to Yellowstone's on the North American continent.

The Forest Service recommended denying lease applications in areas nearest the park, approving or deferring some others. It also set criteria for protecting Yellowstone's thermal features before any lease could be granted by the Interior Department's Bureau of Land Management. But the whole issue is now in court because of an appeal of the Forest Service decisions by two lease applicants.

On the east, Yellowstone is being threatened by activities in the Washakie Wilderness area of Shoshone National Forest. A number of companies want to explore for oil and gas there. This could seriously affect Yellowstone's grizzly bears. The grizzly, a threatened species within the contiguous United States, surviving only in Glacier and Yellowstone Parks and adjacent public lands, needs an extremely large area in which to range. Wildlife experts point out that the survival of Yellowstone's shrinking grizzly population depends on the bears' ability to roam from the park boundary into areas such as the Washakie Wilderness, which covers some 85,000 acres.

NO POSITION FROM WATT ON WASHAKIE WILDERNESS

Townsley has protested to the Forest Service that "oil and gas leasing and development will be detrimental to Yellowstone National Park." But Secretary Watt, who flew over the Washakie Wilderness by helicopter last fall after a visit to the park, has as yet taken no position on the controversial issue.

"The grizzly is not able to withstand the pressure of human activity," Townsley testified before Congress. "Its survival depends on our will to give it space as the dominant resource. The grizzly finds itself in conflict with public hunting, grazing, logging, summer homesite development, transportation corridors, and recreation user activities, as well as with mineral and oil exploration and recovery."

Superintendent Townsley could have added to the list entrepreneurs who pursue profits without regard for park values or wildlife. Park scientist Mary Meagher told me about one such instance. A grizzly sow that had been fitted with an electronic collar, so her patterns of movement could be learned, was tracked to Cooke City, Wyo., on the northeastern border of the park. The attraction was an open garbage truck outside a motel, whose owner had advertised in Denver newspapers and on television that although bears couldn't be seen in the park, they could be viewed at the All Seasons Motel.

Because the sow and her cubs were a hazard to townspeople and visitors, park scientists trapped the bears and moved them deep into the park. Several days later, however, the mother and cubs were back at the motel garbage truck. This time, after being relocated by helicopter, the cubs spooked and ran off, and became separated from their mother. Their survival is doubtful. If the sow again returns to the motel, she will have to be destroyed.

The motel owner purchased a bear-proof garbage dumpster after being told that his open truck violated county ordinances.

Yellowstone's popularity has forced it to give priority to serving the public, leaving minimal funds and staff for scientific research and management. The park has relatively good wildlife management and research centering on bears, elk, and bison, but its geological and other natural resource management has taken a definite back seat. With geysers and other unique geothermal features, Yellowstone National Park has not a single resident geothermal expert. Nor has the superintendent been successful in getting funds to establish an advisory group of experts to review and assess present knowledge of the park's geothermal resources.

At the venerable age of 110, the park has never completed a basic inventory of flora and fauna. A number of research projects have been conducted by university scientists as well as resident park scientists. But Yellowstone has no monitoring system for determining the well-being of its natural resources, nor has it even selected the plants or animals that should be monitored. Says Wayne Hamilton, the park's physical science coordinator, "We don't know the geology, the fault systems, the permeable zones, the outlines of old caldera rims, how fluids communicate across the park boundary—all things we need to know now."

PARK OFFICIALS CALL FOR MORE, BETTER RESEARCH

"We have a pretty good inventory of the obvious things like the large ungulates and carnivores," Mr. Hamilton said. "But as you get farther down the scale of size, the fungi and aquatic insects and plants, the information is scarce. Those little things sometimes are more important than the big things in finding out the health of the ecosystem. You have to get funding for research on problems that are making the headlines, and you have to get funding for problems that might make headlines 10 or more years from now."

While Yellowstone's staff would like to place its priority on management and protection of the park's natural resources, the hard facts are that visitor services and maintenance of facilities soak up most of the budget and manpower.

Managing a park with about 30,000 visitors on an average summer day—with half of them spending the night in lodges, cabins, or campgrounds—is tantamount to running a small city. But John Townsley's "city" covers 2½ million acres, 98 percent of it undeveloped. And his permanent work force is smaller now than when Townsley arrived at the park eight years ago. In addition, he has lost about 100 of his seasonal workers in the last five years (seasonals form the backbone of the park's ability to serve summer visitors).

The average visitor probably does not realize that many of the buildings and facilities at Yellowstone were constructed between 1888 and 1920 and are in constant need of repair. Also, the former concessioner, General Host Corporation, let Old Faithful and Lake hotels and most of their cabins deteriorate so badly that in 1980 the US government had to buy out the company's assets, including 1,300 buildings, and assume most of the repair costs. The Park Service had to pay for a sprinkler system and safer walls in Old Faithful Inn, and $1.2 million for a new water storage system that could provide enough pressure to fight a fire if necessary. Since 1977, work has been going on to rebuild and repair the park's 40 water systems. When the job is completed, in 1983, the cost should total $22 million.

Townsley figures that inflation has reduced his operating budget of $10 million by about 5 percent over the last year, while operating costs have soared. Ten years ago, for instance, it cost only $4,000 to operate water and sewage treatment systems; this year it will cost $300,000.

Taking care of these maintenance needs, and removing cabins and facilities from the border of Old Faithful to reduce their impact on the geyser, takes a big bite out of money that could otherwise go to research and resource management, as well as to other visitor services, such as interpretation of the park. To reduce costs, the seasonals were hired three weeks later than usual and terminated three weeks early in 1981, and Townsley plans the same course this year. Training for interpreters has been eliminated. So have nighttime road patrols and a long list of other services affecting visitors.

But when the National Park Service made its 1983 budget presentations to the House Appropriations subcommittee last month, these facts of Yellowstone's life were not presented to the committee, nor were funds requested for the vital needs of natural resource protection, management, and research. Instead, the Park Service, complying with the priority set by Secretary Watt, requested $8.5 million for sewer system improvement and rehabilitation of concession facilities.●

THE 150TH ANNIVERSARY OF MILFORD, MICH.

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. BROOMFIELD. Mr. Speaker, there are some truly wonderful things happening in the historic town of Milford, Mich., that deserve recognition and praise. In fact, this year marks the 150th year that great things have been happening in this happy community. The proud people of Milford are celebrating the sesquicentennial anniversary of their town's birth this year, and as their Representative, I am gratified to be able to bring attention to this occasion.

A century and a half ago, a small band of hardy pioneers arrived at a pristine and beautiful place on the crest of a gently sloping hill, by the banks of the Huron River. Understandably, these early Americans decided that this spot was definitely where they wanted to settle down and live out their lives. I say "understandably" because this place where the town of Milford was born is one of the most naturally beautiful and favorably blessed areas of our very beautiful and blessed Nation.

Moreover, the people who have lived in and made the town of Milford over these many years have very successfully recognized and fulfilled the bounty of opportunities presented to them. From a small cluster of log cabins, mills, and farms, with a single, narrow dirt road, Milford has grown into a proud and bustling community. These people have a great past and a determination and energy to make a great future. Their 150th anniversary celebration clearly shows the well-earned pride these Americans have in their community.

I believe this community is a shining example of the kind of towns and cities that have made up our Nation and that make our Nation great. These people and their ancestors deserve our warm congratulations and high praise on this the 150th anniversary of their town, Milford, Mich.●

HESS, KEY TO THE KREMLIN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. McDONALD. Mr. Speaker, the strange logic by which the Soviet Union insists that Rudolph Hess stay locked up in Spandau Prison in Berlin, defies explanation by Western standards. However, the Soviet mentality is such that he remains a symbol of their great victory over Hitler, so he has to be kept in prison as long as possible. The Soviets are consistent in such thinking in that they retained prisoners of war long after the other Allies had repatriated their Axis prisoners. Even more interesting is the case of the Soviet judge who resided at Nuremberg and the decision taken at Nuremberg on the Katyn Forest Massacre of Polish officers. Robert Conquest, a noted British authority on Soviet affairs discussed these strange inconsistencies in a column printed in the Daily Telegraph of London on August 20, 1977. It contains a lesson on Soviet thought and behavior.

The article follows:

HESS, KEY TO THE KREMLIN

Once more the Western powers are raising the issue of Rudolf Hess. And once more this elicits a remarkable demonstration of basic Soviet attitudes.

This is usually seen in humanitarian terms, simply. It is important to realise that the Kremlin's policy over this last of the results of the Nuremberg tribunal decisions goes far beyond that, into fundamental matters of its attitude towards truth and tyranny.

On the humanitarian issue, we know that Hess was not found guilty of the very worst of the Nazi crimes, as the mere fact of his only getting a life sentence sufficiently indicates. He left Germany before the Final Solution, for example. He has served 30 years, and is a harmless, aged dodderer. On the other hand some people expect the Russians to be excusably vindictive, in line with their memory of the horrors of the Nazi invasion, though Hess left while Nazi Germany and Communist Russia were still united in the Pact.

But anyway, to see it this way is to miss deeper implications. The objection to Nuremberg is not humanitarian. If all the Nazi leaders had been shot by sentence of proper military or civil courts on the numerous charges of murder and other crimes which they had genuinely incurred, fair enough. But they, and Hess among them, were tried by an improperly constituted court. The Western Powers should declare this to be the case, and consider ordering his release unilaterally, if necessary.

First, the tribunal which charged the Nazis with, and found them guilty of, aggression included the representative of the U.S.S.R. which only five or six years previously had been expelled from the old League of Nations on just that charge; in connection with the 1939 attack on Finland. This alone makes nonsense of the whole proceedings.

But at the purely judicial level, things are worse still. The Soviet "judge" was I. I. Nikitchenko, a veteran of the Stalin terror courts, who was known even, then to have sat on the bench at the notorious Zinoviev trial. His acceptance by the other allied judges was already a disgraceful concession of the correctness of that trial, of which, to put it no higher, very substantial doubts existed. Since then it has been fully established that the Zinoviev and similar trials were vast fakes, in which all the participants, including the judges, played roles alloted by the Kremlin.

In Khruschev's time it was publicly admitted that sentences were predetermined by Stalin and his police chief Yezhov, and sometimes by lesser figures such as Kaganovich. Nikitchenko, in fact, has long since been exposed as not a judge at all, but an appointee of a criminal leadership. It is even the case that the memoirs of a Soviet general published in Moscow identifies Nikitchenko as sentencing him to 15 years in a five minute "trial" in spite of his insisting on his innocence though severely tortured: (in fact this innocence was so obvious that even the abject Marshal Budyonny felt able to raise the matter with Stalin, and get him released a year later).

Clearly, even if such facts, or some of them, were not known at the time, it is by now sufficiently established that Nikitchenko's presence on the Bench must be taken as rendering the Nuremberg proceedings null and void.

But there is another matter, not involving Hess directly—which equally destroys the validity of the trial. At the insistence of Russia, the Nazi defendants were accused of responsibility for the Katyn massacre. The court examined the case on July 1-3, 1946, in a superficial fashion, hearing a few prepared Soviet "witnesses." But in their verdict they did not feel able to pronounce the Nazis guilty—and said nothing about it at all!

This surreptitious acquittal can only mean that the Western judges found the Soviet evidence unconvincing, like everyone else before and since. By taking Katyn under cognizance, they characterised, it is as a war crime (though in fact when the NKVD shot the Poles in 1940 Russia was at peace).

No further investigation followed, but Katyn remains inextricably bound up with any reconsideration of the Nuremberg trial. And when the Soviet leaders insist on the further punishment of Hess, it raises the question of why they do not equally insist on bringing the guilty of Katyn to trial and punishment. No statute of limitations applies in the USSR, where a minor war criminal was sentenced only a few weeks ago.

Over 20 years ago Khruschev is believed to have suggested to his colleagues that Soviet responsibility for Katyn should be frankly admitted, but to have been unable to get their assent. The present Soviet leaders still defend the indefensible, standing pat on a flat falsehood solely to protect the reputation of Stalin and his regime. Why?—What answers can there be except that falsehood is for them a normal way of life, and that they continue to identify themselves with Stalin and his criminal acts?

It is in contexts like this that one can see most plainly the way in which the Soviet mind works. The attitudes revealed are those with which we have to cope in the great issues of international relations and it is well to remember the fact. Meanwhile, in the case of Hess, it is easy to see that something is involved rather different from an abstract passion that crime should be expiated in full. Come to that, it seems improbable that Hess's offences against humanity are notably worse than those Mikhail Suslov, of the current Soviet leadership, presided over as Stalinist gauleiter in the illegally occupied Baltic States. Brezhnev too, if it comes to that, acted for some years as effective governor of the territories torn from Rumania. Aggression, annexation, a police regime? Stalin too had his Hesses and such for carrying out such work.

FERC SAYS NO TO ANGTS ON LOBBYING, ENTERTAINMENT EXPENSES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. OTTINGER. Mr. Speaker, last December the Congress passed the President's proposed waiver package for the Alaska natural gas transportation system (ANGTS). The waivers would, among other things, permit the pipeline sponsors to charge consumers for pipeline costs, even if no gas were ever delivered.

Flushed by this apparent congressional endorsement of the theory that the consumer should take the risks, but get no share of the profits, the ANGTS sponsors asked the Federal Energy Regulatory Commission (FERC) for permission to include in

their rate bases expenses incurred for lobbying and entertainment. Expenses included $13,268 for country club dues, $19,363 for a fishing trip, $18,874 for celebrations, and $1,320,284 for lobbying.

A consortium of 28 companies which advocated a different route for the ANGTS, sought to include $38,366,833 in expenditures in the rate base of the Alaska pipeline.

Fortunately, FERC said no. I commend FERC for their refusal to saddle consumers with these costs. This episode gives us insight, however, into the thinking of the ANGTS sponsors. Apparently, they believe that they may celebrate, take fishing trips, and join country clubs at the consumer's expense. They also hope to finance a pipeline in the same manner.

The exact amounts the Commission found ineligible for treatment in the rate base follow: Canadian Arctic, $38,366,883; lobbying activities, $1,320,284; public relations activities, $165,988; influencing public opinion, $115,406; donations, $92,985; celebrations, $18,874; fishing trip, $19,363; country club dues, $13,268; photo prints, $14,450; gifts, $3,658; and error made by company $21,208.●

ULTIMATE SACRED COW

HON. EUGENE JOHNSTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. JOHNSTON. Mr. Speaker, Congress keeps a great many sacred cows in its pasture, but the ultimate sacred cow, according to Donald Lambro, author of Fat City, is the Government Printing Office. Even the head of this agency, Public Printer Danford L. Sawyer, Jr., has called it "overpriced, overstaffed, overpaid, and inefficient." But when it comes to talking about the GPO, facts speak louder than insults. Allow me to mention a few.

GPO is the largest legislative branch agency with more than 6,000 employees and a payroll of $160 million, or $25,000 per worker, a far higher rate of compensation than can be found anywhere in the private printing industry. But GPO does not compete with private enterprise, it instead serves as the printing procurement agent for the Federal Government. That work which it chooses not to do itself, it allows to be contracted out—at about half the cost of in-house printing. Not only do taxpayers finance the exorbitant cost of in-house GPO printing, but they must watch as GPO swallows work that could be left to private enterprise.

Even at its high costs, GPO has engaged in a great deal of wasteful activity. At one point last year it had so much useless printed material on hand, for which there was no demand, that the Public Printer sold millions of old brochures as scrap paper for $760,000 in an attempt to recover at least some of the original printing costs.

Traditionally, GPO has made little effort to increase efficiency. It still uses linotype machines and still trains workers as monotype operators and casters.

Mr. Speaker, when I say that these facts bother me, I speak from my experience in the private printing business. From this experience, I can only conclude that were GPO a private printing establishment, it would have collapsed long ago. It could not survive in a competitive climate without the faucet of congressional funds flowing unfettered.

This also bothers the Public Printer, Mr. Sawyer, who, in real life, has successfully met the challenges of running a business in a competitive climate. At GPO, he has begun to institute some cost-saving measures, and he has met with strenuous resistance. He needs the help of this body if he is to realize his goal of streamlining his agency into an efficient organization and saving the taxpayers millions of dollars a year.

That is why I stand here today to introduce a resolution expressing the sense of Congress that wages, salaries, and other compensation of GPO employees should be held in line with pay of workers performing similar tasks in other Federal Government agencies; that the fixing of wages for all GPO employees should be in accordance with the prevailing wage rate system applicable to other Federal employees in the executive branch; and that the relationship between the Joint Committee on Printing and the Government Printing Office should be clarified so that the Public Printer's ability to manage his agency without infringing on the Joint Committee's oversight responsibilities is not compromised.

Mr. Speaker, we have a responsibility to the American people to insure that each tax dollar spent buys a dollar's worth of service. We cannot say we have met that obligation in regard to the Government Printing Office. For that reason, I introduce the following resolution:

CONCURRENT RESOLUTION

Expressing the sense of the Congress that legislation should be passed in order to make the Government Printing Office more cost-effective and efficient.

Whereas the Government Printing Office currently employs more than 6,200 persons, making it the largest legislative branch agency, and the Congress has appropriated over $84,000,000 to pay for Congressional printing and binding in Fiscal year 1982;

Whereas the General Accounting Office issued reports in 1976 and 1982 indicating that the wages of Government Printing Office craft and industrial workers substantially exceed, by as much as 28.8%, the wages of other workers doing similar jobs in other agencies of the Federal Government;

Whereas annual personnel costs exceed $160,000,000, and comprise approximately 80% of in-house printing costs at the Government Printing Office, while a 1981 Printing Industries of America ratio study indicates that personnel costs in private sector printing plants normally comprise 40-50% of in-house printing costs;

Whereas the Public Printer of the United States, Danford L. Sawyer, Jr., indicates that random samples show that cost of printing done in the Government Printing Office exceeds, by an average of 100%, the cost of procuring those same jobs from the low-bidder in the private sector, primarily because of high wage costs at the Government Printing Office;

Whereas the Public Printer has instituted a hiring freeze, eliminated unnecessary overtime, requested "early out" retirement authority from the Office of Personnel Management (annual savings of approximately $19,000,000), proposed bringing the wages of the Government Printing Office craft and industrial workers into parity with the rest of the Federal Government (annual savings of approximately $18,000,000), and rescinded a 16% printing rate increase for fiscal year 1982 (annual savings of approximately $10,700,000); and

Whereas the Congress supports these efforts to lower the cost to the taxpayer of Government printing, and recognizes that legislation is necessary to make the Government Printing Office more cost-effective and efficient: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that legislation should be proposed and enacted which achieves the following goals:

The establishment of parity between the wages, salaries, and compensation of all Government Printing Office workers with the wages, salaries, and compensation of other Federal employees performing the same or similar tasks;

(2) The fixing of wages of all Government Printing Office employees in accordance with the prevailing wage rate system applicable to Federal employees in the Executive Branch; and,

(3) A thorough clarification of the relationship between the Joint Committee on Printing and the Government Printing Office, strengthening the Public Printer's ability "to take charge and manage" without in any way infringing on the Joint Committee on Printing's oversight responsibilities.●

LAW OF THE SEA TREATY PROVIDES NO BENEFITS TO U.S. FISHERMEN AND PROCESSORS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. YOUNG of Alaska. Mr. Speaker, on a number of occasions I have brought to the attention of my colleagues the potential problems that U.S. acceptance of the Law of the Sea Treaty would pose for the U.S. fishing industry. One professor of law has disputed my conclusions, suggesting that

the United States would benefit from adoption of the treaty.

Recently, I received a package of information from Citizens for Ocean Law, a group which supports U.S. participation in the Law of the Sea Treaty regime. Included in that package was an issue brief on "Full Utilization and Conservation of Fish Stocks." The issue brief listed the following "benefits" of the treaty:

International recognition of coastal state jurisdiction over fisheries—*with attendant duties to conserve stocks and to permit foreign access for that portion of the stock which the coastal state will not itself harvest*—will decrease international fisheries disputes (emphasis added);

Creation of different regimes to address the biological management imperatives of such diverse species as tuna (migratory), *salmon (anadromous)* and coastal stocks (emphasis added);

Establishment of full utilization of fish stocks within constraints of effective conservation—to meet present and future world demands for protein (emphasis added).

The issue brief also included an excerpt from an analysis published by the National Foreign Trade Council, Inc., in February 1982, which says in part:

The draft Convention provides that the coastal State in whose rivers such (anadromous stocks as salmon) originate shall have the primary interest in and responsibility for such stocks. *There is also clear recognition that the State of origin should cooperate so as to minimize economic dissolution of other States which have a long-term interest in the fishery* (emphasis added).

These statements from a group supporting the Law of the Sea Treaty illustrate the problems that I have pointed out previously. The United States will be required to continue to allow foreign access to fish stocks off out shores even though by doing so we may hamper development of our own fishing industry. The United States will find it difficult, if not impossible, to terminate the wasteful high seas salmon fishery now being conducted in the Bering Sea and North Pacific Ocean because termination would lead to "economic dislocation." Once again, I suggest that the United States will only lost by signing the Law of the Sea Treaty.●

CAROL RANDOLPH—13TH ANNIVERSARY OF BROADCASTING IN THE NATION'S CAPITAL

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. FAUNTROY. Mr. Speaker, on Wednesday, June 23, 1982, the District of Columbia will celebrate the singular accomplishments of a most remarkable person, Carol Randolph, a 15-year resident of the District. Ms. Randolph is a pioneer in television, leading the way for blacks and women. Thirteen years ago, Ms. Randolph became an original host of then-WTOP-TV's "Harambee"—at that time a daily program and the first daily black-oriented public affairs television program in the United States. "Harambee," with Ms. Randolph, has won a coveted Peabody Award for broadcasting excellence. Ms. Randolph expanded her involvement with TV 9 by cohosting the Emmy and Peabody Award-winning "Everywoman" series from 1974 to 1976. Since 1975 she has hosted WDVM-TV 9's daily program "Morning Break."

Before beginning her television career, Ms. Randolph was training director for the Hotel Corporation of America where she managed a program designed to hire and upgrade unemployed and underemployed individuals. Earlier, she served as an educational specialist and remedial counselor for the United Planning Organization. Ms. Randolph has been a high school biology teacher and part-time reporter in her native city of St. Louis.

More than a role model for her profession, she has set standards for broadcast excellence and academic accomplishment which can inspire all Americans. While working full time at WDVM-TV 9, she pursued and earned a doctorate of law degree from Catholic University Law School. She holds a masters of arts in science education from Washington University in St. Louis and a bachelor of arts degree in biology from Fisk University in Nashville, Tenn.

Carol Randolph is a well-loved and much-respected person in the Washington area. She is the proud mother of a daughter, Jennifer, a sophomore at Colgate University; her husband, Frank Jasmine, is a staff member to Hugh Carey, Governor of New York.

I am proud to join the Mayor and City Council of the District of Columbia, as well as government officials in neighboring jurisdictions, in recognizing Ms. Randolph's achievements and providing information about Ms. Randolph in hopes that her story will encourage other Americans to excellence.●

ANTI-SEMITISM LIVES

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. FISH. Mr. Speaker, the continued presence of anti-Semitism in our society is an evil which cannot be tolerated. That such prejudice exists at all in the United States is a blight on our democracy.

Recently, I read a very moving and important article in the Jewish Post and Opinion, on how to help eradicate anti-Semitism. The Post deserves credit for printing this article on June 11, and for making it available to me to share with my colleagues.

BEAST NOT BURIED AT AUSCHWITZ

[EDITOR'S NOTE: A beautiful piece written years ago by a non-Jewish staff member of a newspaper in Colorado has made the rounds, and recently we came across another by Charley Reese, whom Rabbi Alan Mayor Sokobin, of The Temple Sylvania, O., describes in his bulletin as a syndicated columnist. We feel it also warrants widespread circulation.]

Anti-Semitism, the real undying monster, is on the prowl again. I just came back from Detroit, where I heard a report on it from people who keep track of it.

You know, what? For the first time, some American Jews are starting to look at their children and wonder about their survival. That's a rotten turn of events. But what can you expect when synagogues start getting blown up, when people throw hand grenades into a group of Jewish children boarding a train?

The old beast feeds on economic hard times, scapegoatism, and religious intolerance. Today it's getting fed extra rations by Arab hatred for Israel, by Western greed for Arab oil, by Arab petro dollars and by the Soviet Union, that vast reservoir of evil. The new code words are Zionist and Israel, but its the same old beast some people thought had been buried at Auschwitz.

Every Jew lives with the memory of death camps. You don't ever, in your secret heart, underestimate anti-Semitism when you remember that 2 million Jewish children were shot and gassed by it, especially not when Jewish children still are being murdered.

What does this re-emergence of anti-Semitism mean for us non-Jews? Is it not our problem? Do we just turn it off and push it our of our minds? That's what most of the non-Jews in the world did in the 1930's and 1940's.

Sometimes I'm asked, usually by anti-Semites, if I am Jewish. Nope, but I would be proud to be a Jew. Sometimes I'm asked why I like all Jews and the answer is I don't like all Jews. I haven't bumped into any group of which I can say I like all of its members, but I feel a special bond for Jewish people that is about as close to a mystical experience as I've ever had. I'm not even motivated, as some Christians are, by a biblical imperative.

Maybe it's because to me the Jew represents the soul of humanity. The more familiar you become with Jewish culture and history the more striking it is how much these people have striven, in the face of inhuman adversity, to realize the human ideals of compassion, reason, intelligence, reverence and tolerance. Like mankind itself, they represent both strength and vulnerability.

That's the intellectual reason, I guess, but there is a gut reason, too, and that is that I will not forgive the murder of those 2 million children. When I remember, and I shall never forget, those macabre scenes of children dying in their mothers' arms, I weep with rage.

The Israelis have a phrase they live by. It is "never again". They mean never again will a Jew die unresisting and unavenged. We non-Jews should adopt the same motto. Never again shall we turn our backs while the beast attempts to devour a whole people. Never again shall we allow Jews or any other group of people to be isolated, dehumanized, and brutalized.

You see, we have it in our power to stop anti-Semitism in its tracks just as non-Jews had it in their power to do it in the 1930's. All we have to do is open our arms and embrace our Jewish friends. Only when they are isolated are they vulnerable. So all we have to do is embrace them and announce to the neo-Nazis, the Klansmen, the Arabs, the Soviets and anybody else: They are not alone; we are one people.

I can't speak for anybody else, but I made that commitment a long time ago to the memory of a little Dutch girl and I make no apologies for it. If you hate Jews, Zionism, or Israel, then hate me, for I am your enemy to the death and forever.

Never again? You're damned right.●

OUR NEXT STEP IN THE MIDDLE EAST

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Foreign Affairs Newsletter for June 1982 into the CONGRESSIONAL RECORD:

OUR NEXT STEP IN THE MIDDLE EAST

The United States once again finds itself reacting to events in the Middle East rather than helping to shape them. We can begin to shape events only if we launch a strenuous diplomatic effort in this period of emerging danger.

American diplomacy faces six challenges:

First, the United States cannot let Lebanon monopolize the Middle East agenda. The Camp David negotiations will be set back, but it is crucial that the United States redouble its effort with Israel and Egypt to reach an agreement. Either the second half of the Camp David peace process must be implemented, with an interim agreement on full autonomy for the Palestinians of the West Bank and Gaza; or another peace process must be devised, but only if the Camp David talks fail.

Second, the United States must pursue with urgency the task of helping reconstruct Lebanon. In a very real sense, Lebanon is no longer a functioning country. Yet, American interests are served by a united, democratic, and secure Lebanon free of foreign domination. In the coming weeks, we will need to help install a credible peacekeeping force south of the Zahrani River—a fortified UNIFIL force, a Lebanese government force, or another international force. We will also need to support the Lebanese presidential election scheduled this summer. The election is of enormous importance for a country whose unity and sovereignty have been challenged by Syrian, Palestinian, and Israeli intervention. Our ultimate goal should be a free Lebanon for all Lebanese. As we focus on the immediate human and political needs of the Lebanese, we must appreciate that a Camp David accord for the West Bank and Gaza, one which offers hope to the Palestinians, is central to any effective short- or long-term effort to ease tensions in Lebanon.

Third, the United States must try to avoid the radicalization of the Arab states. Twin Arab defeats—destruction of the conventional military strength of the PLO in Lebanon and an Iranian victory over the Iraqi army on Iranian soil—could play havoc among the rulers of the Arab world. The discrediting of Arab governments that appear incapable of coping with regional and domestic problems could strengthened both the rejectionists, who have said that negotiations will never work, and the religious fundamentalists, who offer dignity and power to the downtrodden. Our Arab friends will be under the enormous pressure of neighbors in the post-crisis environment to accommodate to the realities they see in Iran, Syria, Libya, and elsewhere. Even though the Saudis and Jordanians may have been upset with the PLO in recent months, they will be pressured to close Arab ranks. American relations with the moderate Arab states are already strained and are likely to become more difficult. Our Arab friends will have to be convinced that out of the carnage in Lebanon can come movement toward regional peace.

Fourth, the United States must try to persuade Israel to pursue peace with the same vigor and imagination which characterize its pursuit of war. American interests will require Israel both to quit Lebanon and to focus on peace talks. The days ahead could be hard for Israel; a government with a slim majority may seek early elections; some Israelis are still reacting emotionally to the withdrawal from the Sinai; Israel will be resisting pressure to pull out of Lebanon until a satisfactory substitute for its armed forces is in place. On the West Bank and in Gaza, Israel's ten-month-old effort to eradicate the influence of the PLO and promote another local Palestinian leadership has met with little success, but there will be some Israeli leaders who will want to give the effort a second chance during a period when the PLO in Lebanon cannot exert influence in the occupied territories. Precisely because of its actions on the West Bank and in Gaza, actions which cast doubts on Israel's commitment to United Nations Resolution 242 and to the peace process, it is in Israel's interest as well as our own to press on with the peace talks.

Fifth, the conflict in Lebanon poses challenges for American-Egyptian relations. The Egyptians want normal relations with Israel and improved ties with their Arab brethren. Thus, Cairo is disturbed that events in Lebanon tend to bolster the extremes and that the United States is either unwilling or unable to influence Israeli actions or to push for progress in the peace process. The conflict in Lebanon casts into doubt Egypt's ability to play the role envisioned for it by the United States, that is, to sustain the peace along Israel's eastern front and to ensure stability in the Persian Gulf.

Sixth, the United States may find the Palestinians the most difficult of all groups to deal with in the Middle East. The options for the Palestinians and the PLO seem limited in the aftermath of the fighting in Lebanon. Because the PLO is either unwilling or unable to recognize Israel's right to exist within secure borders without a simultaneous Israeli recognition of its rights, voices in the organization which have argued for some form of compromise and a two-state solution will be hard-pressed by defeat. Radicals will argue for more terrorism and violence, tactics which the mainstream PLO leadership tried to minimize in recent years. The further radicalization of the Palestinian nationalist movement serves no one's interests in the Middle East, especially not Israel's. An effort must be made to engage in dialogue with a cross section of Palestinians, including leaders sympathetic to the PLO. The art of creative diplomacy in the Middle East will seek a way out of the current depression for as broad a cross section of Palestinians as possible.

The United States has a limited amount of time in which to influence the outcome of recent events in Lebanon. It is urgent that we give doubters in the region some reason to hope that peace talks can succeed. There is a critical linkage between events in Lebanon and the peace process. If we lose sight of the linkage, we will abet extremism in the region and damage important American interests.●

TRIBUTE TO SHERMAN NAYMARK

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. LANTOS. Mr. Speaker, I rise today to call attention to a great honor being awarded to a good friend, Sherman Naymark. Mr. Naymark has been chosen by the Anti-Defamation League to receive this year's Santa Clara Torch of Liberty Award. A native of Duluth, Minn., Mr. Naymark is president of the Quadrex Corp., which provides numerous scholarships allowing students to study at the university of their choice.

I would like to share with the House this article which appeared in the San Francisco Jewish Bulletin:

[From the San Francisco Jewish Bulletin]

ADL HONORS SHERMAN NAYMARK WITH TORCH OF LIBERTY AWARD

Sherman Naymark, president of Quadrex Corp., will receive the Anti-defamation League's Torch of Liberty Award at the annual ADL Santa Clara dinner on Thursday, June 24 at the Hyatt Palo Alto, 4290 El Camino Real, Palo Alto. Cocktails will be served at 6:30 p.m.

A native of Duluth, Minn., Naymark has been involved with a number of civic activities during his 26 years in California. Its has been a member of ADL's Society of Fellows for the past 14 years and most recently served as San Jose chairman of the group. He has also served on the Board of Directors of Temple Emanu-El of San Jose, serving as president from 1963–1965.

He has been a member of the board of the National Conference of Christians and Jews, the national board of the Union of American Hebrew Congregations and has co-chaired numerous events on behalf of the City of Hope, YMCA, National Jewish Hospital of Denver and the Santa Clara Boy Scouts. In 1970, he was the recipient of San Jose's Distinguished Citizen Award.

Naymark was an advisor to the U.S. State Dept. at the Third U.N. International Conference on the Peaceful Use of Atomic Energy in 1964 and more recently was an advisor to the U.S. Department of Energy for its Fusion Program.

Quadrex Corp., which was founded by Naymark in 1970 as the Nuclear Services Corp., also maintains broad civic support in the South Bay Area, supporting the San Jose Museum, Junior Achievement, Campbell Progressive Seniors, San Jose State University, the University of California, the National Conference of Christians and Jews, YMCA and United Way, among others. The

company provides numerous scholarships for university students under its Jo Naymark Memorial Scholarship Fund.

Naymark's wife, Raquel Newman-Naymark, is also active in the community and the ADL, serving as president of its regional board for four years and presently as a member of the Regional Executive Committee, Mrs. Newman-Naymark will present the Torch of Liberty Award to her husband at the dinner.●

WEASEL WORDS TO PEKING THAT GREASE SKIDS UNDER TAIWAN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. McDONALD. Mr. Speaker, those of us who feel the Republic of China is, and has been, a staunch ally, view with great concern the evident trend in the present administration to cut Taiwan loose to swim by itself. We worry that Taiwan is about to join a long list of nations which have been cut adrift from U.S. friendship and assistance since World War II in the name of political expediency. This present political expediency is based upon erroneous assumptions that somehow Communist China is about to become a capitalist nation and an ally of the West against the Soviet Union. There is also the superficial theory that the People's Republic of China will somehow become a big trading partner of the United States, in spite of the fact that it is broke and its economy is in a shambles. Columnist Patrick Buchanan outlined the ominous moves made by the administration to abandon the Republic of China in a column that appeared on June 11, 1982, in the Richmond Times-Dispatch. I commend it to the thoughtful consideration of my colleagues.

[From the Richmond Times-Dispatch Fri., June 11, 1982]

WEASEL WORDS TO PEKING THAT GREASE SKIDS UNDER TAIWAN

(By Patrick Buchanan)

WASHINGTON.—While President Reagan has been off in Europe, chatting it up with the pope and cantering with the queen, there has developed a broadening suspicion his State Department is up to dirty business in East Asia.

"The Reagan administration is on the verge of selling out the Republic of China," warns Reagan's favorite weekly, Human Events.

"We have come to this conclusion because highly informed sources within the State Department, the White House and the Congress, many of whom are intimately bound up with the 'Taiwan problem' as it is quaintly referred to at State, have repeatedly warned that the ROC is in the greates jeopardy."

With last week's mail came an urgent letter from the American Council on Free Asia (the masthead contains four dozen known Reaganites) asserting that "the State Department has clearly capitulated to Beijung's [Peking's] demands that the United States cut off arms sales to Taiwan."

Why would Reagan consent to such a calculated act of appeasement, which would demoralize his friends on Taiwan and cause a revolt within his core constituency? Asserts the author, Gary Jarmin, national director of the ACFA, because "Haig has convince RR [the president] that Deng Xiaoping is a closet capitalist."

The rumor has been circumnavigating the capital for weeks that Haig, and State Department subordinates Walter J. Stoessel and John Holdridge, believe concessions to Peking on arms sales to Taiwan are essential to bolster the position of Deng against hard-liners anxious to oust him for not delivering on détente with the Americans. In a conversation with William F. Buckley Jr., John K. Fairbank, senior American apologist for the 1949 Revolution, made much the same point:

"And so Deng Xiao-ping is up against all kinds of problems, and the least thing he needs at this point is some kind of affront from the Americans—the imperialists again—which can give reason for this opposition which is now latent—the true Maoist kind—to rise and say, 'You've lost the ball game.'"

The idea seems inconceivable: that the United States would deliberately affront, undermine, demoralize a friendly government in Taipei—to deal some cards in an internal squabble to a chain-smoking little survivor in Peking who has one foot in the grave.

Yet, three separate letters Reagan himself signed and sent to Peking are hardly grounds for reassurance.

To Premier Zhao Zihang, the president wrote that the United States would "welcome any peaceful resolution of the Taiwan issue," and, "in the context of progress toward a peaceful solution, there would naturally be a decrease in the need for arms by Taiwan."

Now let us halt right there. What, after all, is the "Taiwan issue" but the manifest desire of 18 million friends of the United States to remain free of the "embrace" of a tyrannical and terminally incompetent kakistocracy with whom Reagan is now in warm correspondence? From Peking's standpoint, the "Taiwan problem" is the continued independence of the lost province, the ongoing embarrassment created by Taiwan's economic success when contrasted with Peking's dismal failure.

Writing to Deng, Reagan recommitted America to the principle that "there is but one China," and the United States "will not permit the unofficial relations between the American people and the people of Taiwan to weaken our commitment to this principle."

Now what do these weasel words mean—other than that we value our friendships, our loyalties, our longstanding ties to Taiwan less than the implied pledges to Peking in the Shanghai Communiqué?

"I fully understand and respect the position of your government with regard to the question of arms sales to Taiwan," the president wrote Deng without restating and defending the United States' position on "the question of arms sales to Taiwan," which is that we are legally and morally bound to provide the island with the necessary means of self-defense. If Reagan is not about to trim or go back on that legal obligation, why did he not clearly restate it? If we have no intention of ditching Taiwan, why lead Peking along?

Why not cut it, Mr. President? Why not a short, polite letter to our new "friends" in Peking saying that if the asking price for their friendship is abandonment of older friends on Taiwan, we're not paying, and if our refusal to grease the skids under Taiwan means Peking returns to Moscow—tell them to go to the Russians and be damned.

A final note, Mr. President. That State Department letter writer who closed your missive to the chairman of the Chinese Communist Party Central Committee with the syrupy little note, "Please accept my best wishes in your efforts to build a secure and modernizing China"—post him to the Maldive Islands.●

THE RESTORATION OF JIM THORPE'S OLYMPIC MEDALS AND AWARDS

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. HOWARD. Mr. Speaker, I have introduced legislation to correct an injustice to an American of the highest caliber, Jim Thorpe. As my colleagues may recall, Jim Thorpe was stripped of his Olympic medals in the Pentathlon, Decathlon, and other events after his victories in the 1912 Olympics. The loss of these medals was due to allegations of professionalism which resulted in disqualification under the International Olympic Committee's definition of amateur status. These allegations were ruled incorrect by the U.S. Amateur Athletic Union in 1975. This decision was endorsed by the U.S. Olympic Committee later in the same year. Nevertheless, the International Olympic Committee has refused the overtures of these respected bodies.

I have introduced a concurrent resolution supporting the return of those medals and awards taken from Jim Thorpe by the International Olympic Committee. House Concurrent Resolution 364 seeks the return of Jim Thorpe's medals for presentation to his family at the 1984 Olympics in Los Angeles, Calif.

We have a unique opportunity to help accelerate the drive to provide justice to the name of Jim Thorpe. It is only right that the next celebration of the Olympics should be in the land Jim Thorpe represented admirably throughout his athletic career. The restoration of Jim's medals and awards at the 1984 Olympics would be an extraordinary act of appreciation to this great athlete's memory.

From his youth spent in the Oklahoma territory, to his entrance at Carlisle Indian School at Carlisle, Pa., Jim's athletic prowess was unmistakable. Jim attracted the attention of Coach Pop Warner in 1907 at Carlisle where he guided the budding competitor in track and field. Thorpe spent his summers from 1909-12 playing

baseball with a semiprofessional team where he accepted only expense money at a rate of $2 per day. Jim was unaware that this decision would cost him so much personal anguish in later years.

With Jim Thorpe as the team leader, Carlisle defeated the finest college football teams in the East. He excelled in the school's other sports by participating in every intercollegiate sport in which Carlisle was engaged.

In the 1912 Olympics, held in Sweden, Thorpe excelled to a level that has never been equaled. In the five Pentathlon events, Thorpe scored 8,142 of a possible 10,000 points. When the presentations were made, Sweden's King Gustavus awarded him the bronze bust emblematic of the Pentathlon trophy, exclaiming, "Sir, you are the greatest athlete in the world." The Czar of Russia presented him with the Decathlon Cup, a regal replica of a Viking ship.

Several months after the Olympics, it was disclosed that Jim had played for a semiprofessional baseball team and his amateur ranking was terminated.

Although circumstances had turned against him, Jim Thorpe continued to work to improve the level of sports competition in the United States. Jim helped to organize the forerunner of today's National Football League and support the establishment of youth sports organizations throughout the entire Nation.

Jim Thorpe represented our Nation with vigor and inspiration. Nevertheless, his goal of reacquiring those medals and awards earned by him for the United States was unfulfilled in his lifetime. I ask my colleagues to join with me in this concurrent resolution to bid the International Olympic Committee to reinstate Jim Thorpe's medals for presentation to his family at the 1984 Olympics in Los Angeles.●

A NEW LOOK AT THE DEPARTMENT OF EDUCATION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. FORD of Michigan. Mr. Speaker, even though the elimination of the Department of Education has been "put on the back burner" as a legislative issue for the time being, we should not become complacent. There are any number of ways the administration can find to emasculate the Department and the Federal role in education. The best analysis I have seen recently is in the following article, "Public Schools Now Must Look to Congress" from the June edition of the American School Board Journal. It very accurately outlines some of the dimensions of the problems being faced by the agency as it tries to serve local education agencies, while also remaining alined with administration philosophy and policy.

PUBLIC SCHOOLS NOW MUST LOOK TO CONGRESS

Personnel changes in the Department of Education (ED) usually send shock waves no farther than the Capital Beltway, which encircles the Washington, D.C., area. But ten days after a tremulous meeting between the Council of Chief State School Officers and top ED officials, the chiefs felt the aftershocks back in their state capitals.

The conference—held in early spring—was designed to sell the chiefs on the Reagan Administration's policies. The meeting got out of hand, however, and for that and other reasons the White House ordered Education Secretary T. H. Bell to fire his right-hand man, Undersecretary William C. Clohan. Clohan's remark to the chiefs about President Reagan's approval of a tuition tax credit plan—a week before the official White House announcement of the plan—appeared to trigger the firing. (Clohan later blamed his ouster on conservative groups that were upset by the Administration's failure to dismantle ED, to slash education spending, and to enact an ultraconservative political agenda.)

Shortly after Clohan's abrupt departure, rumors of Bell's imminent resignation began to reverberate throughout the education establishment. Fueling the speculation was talk of Bell's frustration over his loss of credibility with the chiefs, his chagrin at being told to fire his most trusted deputy, and his eligibility for a full federal pension next month.

Bell and Clohan must have thought the school chiefs were ideal candiates for Bell's "behavior modification" program—convincing public school backers that the Administration's education plans are worthwhile. The strategy backfired. Although Bell tried to soften up his listeners by singling out old friends and reminiscing about how they and he used to complain about Washington, many state chiefs told him their states are in no position to take up the fiscal or political slack when the federal government begins to abandon public education. Several even warned that local school boards will have difficulty handling the pressures from competing interest groups that will be forced to vie for board attention as the flow of federal dollars becomes a trickle.

Bell's control of the chiefs meeting seemed to slip away as he recited the five areas in education for which the Reagan Administration says the federal government should have responsibility: (1) civil rights enforcement, (2) supplementary aid to special populations, (3) student aid, (4) education research, and (5) "leadership, coordination, and advocacy for education."

All laudable goals. But Bell's explanation of the five areas elicited audible snickers and groans. The chiefs simply were not buying the notion that increasing the state's accountability was a good idea. Most of all, the chiefs scoffed at Bell's remarks about education advocacy. No one needed to remind them that Bell works for an Administration that has proposed tuition tax credits for parents of children in private schools.

"What is missing here," said North Carolina State Superintendent A. Craig Phillips immediately after Bell's speech, "is advocacy for public education. That's what we're looking for. We're still looking for that major voice. . . . Is there something you can tell us to show that the President has a commitment to public education?"

Bell answered that the proposal to establish an education foundation—instead of dispersing ED's functions when the separate department is dismantled—is an advocacy move. This didn't seem to hearten the chiefs much.

Unquestionably, many of the chiefs were—and still are—disturbed by the New Federalism and by the Reagan Administration's seeming disregard for public education. On the other hand, school chiefs in states that stand to emerge with few losses when block grant money is distributed were less vocal at the meeting. And although most of the chiefs liked Bell's ode to deregulation, they also seem to believe their views are being ignored and that educators no longer are in command of national education policy.

"The level of thinking appalls me," said South Carolina State Superintendent Charlie Williams regarding the Administration's education policies. "The people making the decisions are sitting in the budget office, not in the education office. We're truly talking to the wrong people."

Many of the school chiefs know Bell, genuinely like him, and respect the difficult high-wire act he must perform in the Reagan Administration. They know he can't brag too loudly about his accomplishments on behalf of public education. "If we all didn't respect Ted Bell so much," commented one school chief, "the fireworks at this meeting would have been a lot louder."

It was the fireworks after the meeting that boomed the loudest, however, and the biggest blast came from the White House, not from the chiefs. The firing of Clohan, by all accounts the most moderate official in the upper echelon at ED, represents a purge by conservative ideologues who want to purify the thinking in the department. Perhaps the President thinks that because his best efforts to dismantle the fledgling federal Department of Education through the legislative process have failed, one way to render it useless is to scuttle it from within.

The lesson from this bureaucratic tremor is clear: Because the Reagan Administration wants to help private education, and because the President listens most carefully to people who believe in tuition tax credits and perfunctory federal education responsibilities, public school officials must press Congress to resist further budget cuts, to vote against tuition tax credits, and to ensure that public education does not wither from lack of attention.●

CONFUSION OVER DIET

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. EVANS of Iowa. Mr. Speaker, the American public is growing more and more confused about what we should eat. And, regretfully, the confusion is coming from the National Academy of Sciences, an agency which should help, not confuse, us in our choice of foods.

This past week, on Wednesday, June 16, the National Academy of Sciences

released a report giving quite precise direction to the people of this country regarding the food we should buy and eat. The confusion comes from the fact that other recent published statements from the Food and Nutrition Board of NAS are in total disagreement with these most recent recommendations.

The question centers on whether or not people can reduce their risks of getting cancer by altering their diets. The most recent statement by NAS suggests that people should reduce their consumption of meats and increase their use of vegetables. But in 1980 a report from the NAS said, in part:

> Since no causal relationship has been proven between nutrition and any type of cancer, there is "no basis" for recommending that Americans modify the proportions of these macronutrients in their diets.

That same report, also said:

> Dietary advice should only be given to the public after investigation ranging from epidemiology to molecular biology converge to show that certain dietary practices promote health benefits without incurring undue risks.

Public statements since the most recent NAS report indicates that no new research had been conducted to provide this type of data.

The various agencies of the Federal Government have a major responsibility to be accurate and complete in their findings. Until NAS can produce research data to back up its most recent pronouncement relating to our diets, it should retract the statement of June 16.●

NORTH DADE CHAMBER OF COMMERCE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. LEHMAN. Mr. Speaker, the June 10 issue of the "Neighbors" section of the Miami Herald contains an article about a remarkable group of people who make up the North Dade Chamber of Commerce.

The members of the chamber go out into our community with great energy and sincere dedication to make it a better place for all of us. The people of our 13th Congressional District are fortunate to have such an organization working on their behalf.

Two years ago, over 30 members came to Washington and spent many hours with Federal officials becoming more informed about the programs and policies of the Federal Government. This year, the chamber visited our State government in Tallahassee, and I understand that a return trip to Washington is being planned for the fall.

The goals and priorities of the chamber are not easily attainable, but already, the "redcoats" have done more than any of us would have predicted.

I greatly value my own personal relationship with members of the North Dade Chamber of Commerce, and I would like my colleagues to know more about this energetic and fast-growing group.

The article follows:

[From the Miami Herald, June 10, 1982]

REDCOATS THAT MOVE AND SHAKE

(By Ellen Hampton)

A small group began plotting the revolution from a bowling alley. Its ranks grew to 350 from 10 at the start, 15 years ago. Its goal: To overthrow the conception that North Dade is not where the action is.

The North Dade Chamber of Commerce is close to a strike.

The chamber marked its first major victory in the approval by the South Florida Sports Authority of a regional sports stadium—in North Dade. It wasn't a cinch. And the success story isn't complete.

Miami Beach hoteliers say a North Dade stadium will draw tourist dollars away from the Beach. Downtown interests also fear losing business. And Orange Bowl Committee members have said they do not want Dade's biggest celebration held in "God's country"—North Dade.

Ted Krawitz, chairman of the chamber's tricountry committee, responded last week at a chamber breakfast.

We thank them for realizing this is God's country," Krawitz said. "And it's the only place for that stadium. Of course, you realize the Orange Bowl Committee considers the Dade County line is at 79th Street.

"We have to let them know there are other parts of the county," he said. "We really need to show them the redcoats are there."

More than 100 persons, between scrambled eggs and coffee, applauded. This was no featherweight applause. This was a gathering of the capable, the influential and the almighty, a convening of Those Who Get Things Done in North Dade. Many of them wore red sportcoats, the badge of an "action chamber" member.

"I'll tell you candidly, that is a powerhouse," said Bill Thomas, North Area Director for the Dade school system. "[Chamber founder] John Smith is a mover and a shaker."

The chamber's home base is Smith's place, Cloverleaf Lanes. The bowling alley, at 17601 NW Second Ave., houses the chamber office, a couple of meeting rooms, a restaurant and a bar.

Behind doors muffling the bowling din, dreams are churned steadily into projects. A regional stadium in North Dade, a commuter rail from Palm Beach to Dade, a rewrite of the Metro Charter. Progress, like the money to pay for it, does not fall from heaven.

Leo Strousberg, Norland Elementary School principal, introduced a guest at the breakfast June 3.

"She wanted to meet some important people in the community, so I said, 'Join me for breakfast—they'll all be there,' " he said.

The crowd chuckled appreciatively. Rising at the crack of dawn to breakfast at a bowling alley has its benefits. The monthly forum provides an opportunity for business people to chat casually with the politically powerful, for candidates to sneak in a bit of campaigning and for newcomers to make contacts.

The guest list reads like a Who's Who in North Dade:

Circuit Judge Joe Farina and Fran Farina, candidate for county judge; Metro Police Maj. Frank Clifton and Cmdr. Jack Rafferty; North Miami Beach City Commissioner Jule Littman; North Miami Beach Police Chief Buford Whittaker; County Judge Leo Adderly; state Rep. Virginia Rosen; Virginia Doherty, aide to Rep. Ron Silver; Metro Commissioner Barry Schreiber, and Port Everglades Commissioner Maurice Berkowitz, candidate for the U.S. Congress.

Plus a few dozen real estate brokers, manufacturers, retail shop owners, insurance agents, bankers and business executives.

In Tallahassee, redcoat lobbying carries weight with state officials from North Dade. No more, no less.

"If the chamber supports something, it's meaningful to [Department of Natural Resources Director] Elton Gissendanner, to the governor, because they know the people," said Rep. Rosen, of North Miami Beach. "It's not meaningful to some legislator from the Panhandle."

Rosen joined the chamber three years ago, just after she was elected to the House.

"They are constantly on the cutting edge of issues, more so than any other chamber, including the downtown chamber," Rosen said. "There's no other chamber that has the regard that this chamber does for the school system."

The North Dade chamber's board of directors numbers 35. It has 23 committees, some active year-round, others active only part of the year. Some are administrative, others issue-oriented.

The business and economic development committee aims to promote business in North Dade.

The education committee reviews School Board agendas and minutes and reports to the chamber any issue in which it may want to get involved. The chamber also has taken under its wing the Norland elementary, junior high and high schools, organizes career days for students, gives awards to outstanding students at 19 North Dade schools and sets up fund-raisers that finance new school equipment.

The tourism committee promotes tourism in North Dade. The law-enforcement liaison committee links businesses with Crime Watch and Metro Police.

Each session, the legislative action committee writes up a wish list of bills and reforms for legislators. The governmental affairs committee keeps an eye on Congress and the U.S. Chamber of Commerce.

The import-export committee this week discussed President Reagan's Caribbean Basin initiative.

"We want to generate some interest right here in the North Dade area in this project," said committee chairman Bob Spence.

The tri-county committee arranged bus transportation for chamber members to public hearings this week in Broward and Dade by the South Florida Sports Authority. On the agendas were discussions of the regional sports stadium.

The chamber began working in December to get a proposed 70,000-seat sports stadium built at Lake Lucerne, just south of the Broward County line, instead of in downtown Miami. A South Florida Sports Authority subsequently was formed and voted in favor of the Lake Lucerne site.

"I think history will record that if this stadium is built at the Lake Lucerne site, it

will only be because of the efforts of this chamber," said Joe Benner, a consultant representing the owners of the 160-acre Lake Lucerne property.

Benner, now a chamber member, received his membership plaque at the breakfast, Paul Stutsman, president of Stutsman Bilbija Associates, a planning and urban development firm, also was introduced as a new member.

"I belong to another chamber that meets down at the Omni," Stutsman said.

A voice in the crowd replied: "There is no other chamber."

Stutsman said he joined a North Dade chamber because of its tri-county committee, now working on a commuter rail line between Dade, Broward and Palm Beach counties along with the stadium project. The committee recently lobbied for a federal grant for the state Department of Transportation to study the proposed commuter rail. The $300,000 grant is expected to come through.

"We're very impressed with their ability to get the counties together," Stutsman said.

The "other chamber" is the big daddy of local booster groups, the Greater Miami Chamber of Commerce. Both groups were formed in 1968, when the original Miami chamber was reorganized. Its branch in North Dade became an independent chamber.

"This county is large enough that it needs community chambers as well," said Bill Cullum, president of the Greater Miami chamber. "We're trying to look at what's good for the whole county. And they're looking out for what's up there."

"The North Dade chamber takes a burden off the downtown chamber, too," Cullum said.

"They're a nice group of people, they're very aggressive. If they weren't there, we would have a branch up there. It just makes our job easier with them in existence," Cullum said.

Many of the issues addressed by the North Dade and the Greater Miami chambers don't overlap. Some of them do. But groups, for example, would like to see the 1992 World's Fair in Miami.

The 1992 World's Fair was the reason for the June 3 breakfast, sponsored by chamber member Western Electric. Dave Culley, of Expo 500, a group trying to win the 1992 fair for Miami, showed a persuasive film and asked the chamber for a vote of support. The board will consider it.

Coordinating all the breakfasts, the luncheons, the meetings and the mailings is Elaine Adler, the chamber's executive director. Adler, 38, has been with the chamber for six years.

Terry Cuson, president of the North Miami chamber, said Adler is the North Dade chamber's secret weapon.

"[The North Dade chamber] has some advantages the other chambers don't have. It is well-funded and it has a very dynamic executive director, Elaine Adler," Cuson said. "You cannot deny the lady is gangbusters. She is good at what she does."

Chamber President Milton Hornstein is a low-profile type. His role for the past two years has been to grab the best committee chairmen he can find and spur them to accomplishment. His term ends this year.

"We try to get fresh blood into office all the time," Hornstein said. "It keeps it a viable, vital organization."

Hornstein, 67, has been a chamber member since 1976.

"The image of most chambers is a place you can walk in and get a brochure that'll tell you the population and give you a map. This is a group of young men and women actively doing good for the area. The redcoats, for the action chamber, they leave their jobs, they give up their time for things that are not even in their area. This is a fabulous organization.

"I've been president of a synagogue and an underwriter's organization," Hornstein said, "but nothing was like this."●

WALLENBERG REMEMBERED BY SAN JOSE STUDENTS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. LANTOS. Mr. Speaker, 8 months ago President Reagan signed my bill which gave Raoul Wallenberg honorary citizenship of the United States. Raoul Wallenberg, a Swedish diplomat, was a hero of the Holocaust. Toward the end of World War II, he risked his life in order to save approximately 100,000 innocent men, women, and children from death and destruction. Since the signing of the bill, communities across our Nation have chosen to honor Raoul Wallenberg in their own special way.

I would like to share with my colleagues excerpts from the winning compositions of the "Why Should We Remember Raoul Wallenberg and Name a City Park After Him?" essay contest. These young participants have captured the light and spirit of Raoul Wallenberg, and have succeeded in keeping the importance of his accomplishments alive. I submit for the RECORD, Mr. Speaker, the finalists of this contest:

What happened to our lost hero? Is he still alive? If he is alive, where is he? Did he die in 1947 like the Soviets said?—Kelly Furbeck, Lincoln Glen Elementary School, 5th Grade.

We remember the terrible Nazis and how they took the lives of millions of innocent people. We should also remember the good people who risked their own lives to save others. One of these heroes was Raoul Wallenberg . . . if it had not been for Wallenberg's bravery, millions of helpless people would have died.—Kellie Patton, Edwin Markham Junior High School, 7th Grade.

Raoul Wallenberg was a true hero of World War II and should be remembered not only now, but for all generations to come. He is a man who saw injustice and tried very hard to do something about it . . . a man so brave who faded away without much recognition until recently, when people formed a committee to see what happened to him. Is Raoul Wallenberg dead or alive in a Russian prison camp? When historians write about World War II, Raoul Wallenberg should definitely be included.—David Wahba, Edwin Markham Junior High School, 8th Grade.

Although he was personally responsible for saving at least 100,000 lives, his name seems to be doomed to obscurity . . . this forgotten hero sacrificed his freedom and comfort for the liberation of a people whose religion was entirely different from his own.—Kristen Cihos, Edwin Markham Junion High School, 9th Grade.

Raoul Wallenberg is a hero. He chose to get involved, and risked his own life for the benefit of others. War is a time of hate and destruction. When times are bad, we tend to wrap ourselves up in a cocoon until things look brighter. It is very difficult to open our eyes to the problem and become part of the solution. But this is just what Raoul Wallenberg did. He took the ultimate risk.—Lisa Tweten, Willow Glen High School, 10th Grade.

Perhaps the most common breeding ground for heroes is war. During World War II, national and military leaders strove valiantly for peace. And while nothing can tarnish their achievements, one grim inescapable fact remains: war claims lives. In honoring the heroes of battle, let us not only recall those who took lives or even those who proposed the preservation of them. Let us recall one who actually rescued people, Raoul Wallenberg. * * * A city park is perhaps a humble tribute, but anything which honors Raoul Wallenberg should receive full attention and cooperation. It is not likely that the world will soon forget the holocaust which swallowed Europe during World War II. Why then should it forget a man who tried to halt it? Such a man, such a hero, is Raoul Wallenberg.—Victor Vogler, Willow Glen High School, 11th Grade.

As a German exchange student in America, I have been confronted frequently with the history of my country with the holocaust. It is therefore a special honor to explain why we, the people in America as well as the people in Germany should remember Raoul Wallenberg and name a local park after him. * * * If we learn from Raoul Wallenberg and if we try to act as he did, there is no chance for another Adolf Hitler. To remember Wallenberg means to avoid another holocaust. Isn't this reason enough?—Chris Mersch, Willow Glen High School, 12th Grade.●

DEAR MR. PRESIDENT

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. BOLAND. Mr. Speaker, for the past 2 years, the Citizenship Committee of the Kiwanis Club of Springfield, Mass. has sponsored a contest designed to increase the awareness and sharpen the views of high school seniors on important issues confronting government. Contestants select a particular issue, do research on opposing points of view on the issue, and determine their position on it. The expression of their position takes the form of a letter to the President of the United States and it is on the quality of that letter that their entry is judged.

This year's contest winner, Michael Aaron, a senior at Classical High School in Springfield, wrote a particularly fine letter on the relationship between the Federal Government and State and local governments. Michael's thesis, which was presented in

the context of the controversy surrounding the siting of a hazardous waste facility in Massachusetts is that some problems must be solved on the national, rather than the regional or local level. In view of the debate in which we are now engaged on the proper role of the Federal Government, Michael's letter is thought provoking and I would like to insert it at this point in the RECORD for the benefit of my colleagues.

SPRINGFIELD, MASS.,
April 29, 1982.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: A very serious problem has arisen in this and many other communities across the nation. The production, handling, transportation, and disposal of all the hazardous and toxic waste has become a problem whose solution cannot be ignored nor put off any longer. All about us our technology produces byproducts whose disposal poisons our land, air, and water. State and local laws that control the production and disposal of these toxins do not seem to be as effective as many of us would like. Attempts to govern and control the emission and disposal of toxic waste bring cries from industry that the costs of control make it impossible to compete: 'If controls are made more stringent, we must close our plant and move elsewhere.' The threat of the loss of tax base and jobs in many cases in the past was enough to make local officials fight for less stringent laws and makes enforcement less effective. Transportation of toxic material from areas where disposal is tightly controlled to areas where disposal control is lax became commonplace. Smoke, bearing dangerous particles, spews forth in one community, state, or region and is blown many miles by the wind and is deposited in other communities, states, or regions who are unable to govern the emission of the poisons that fall from the sky.

The newspaper in this community has of late been filled with a great controversy developed when an out of state corporation attempted, under the present laws of the Commonwealth of Massachusetts, to establish a waste disposal plant in the town of Warren, Mass. Immediately, when plans were announced to establish a waste disposal plant in the town, committees were formed, forces were rallied, and opposition to the idea was voiced. "How safe will it be?" "What guarantees are there?" "Where will all the toxic material come from?" "Why should we allow waste from other communities, states, or regions to be dumped in our town?" "The water supply in the nearby reservoir will be endangered!" "Farm land in the community will be rendered unusable!" All of these arguments were used. Vocal protests were made to the Governor and various committees of the legislature. All the political clout that could be mustered was gathered in opposition to the establishment of the waste disposal plant. However, I felt all along that the basic reason for opposition to the establishment of the waste disposal plant was one that I could identify and empathize with: "Why should this plant be put in MY backyard!?"

We must, however, face the inevitable; the plant has to go someplace. No one, given the freedom to chose, wants to live next door to the town dump, the state prison, the slaughterhouse, or the foundry, but inevitably some people do and somehow or other they survive. In most cases, people know who or what their neighbors will be when they find a place to live, but to live in an area for a period of time only to learn that a less than desirable neighbor is going to move in can be a shock; however, it does happen. Neighborhoods change, and we are always able to prevent the change, and not all of us are able to escape from the changing neighborhoods. For various reasons most people do decide to remain in their neighborhoods despite the change.

In opposition are some arguments for the establishment of regional waste disposal plants: our technology allows us to live rich and rewarding lives; that same technology also, unfortunately, produces some rather dangerous material that must be rendered harmless, or contained, so that its toxin does not harm us. If we wish to continue to use plastics, metals, and synthetic materials we must cope with the byproducts of their production. If we are to burn fossil fuels, we must be prepared to "scrub" from their products of combustion the materials that contaminate the atmosphere. If we wish to generate electricity using nuclear power, we must be prepared to pay for the development of a method to dispose of the radiation laden waste, generated by such power plants.

These are problems that I do not feel can be solved or controlled on local or state levels. It is a problem of such proportions that the solution must be left to the federal government. In fact, the federal government must also act in cooperation with neighboring countries because air and water contamination know no boundaries established by man.

I realize, Mr. President, that one of your greatest aims is to return the control of many regulatory functions to the individual states. One of these areas is the regulation of the factors that tend to pollute the environment, in this area I must disagree with you. Only the federal government has the ability to solve some of the problems facing us today. The same resources that were marshalled to put men on the moon, make it possible to predict the weather with incanny accuracy, and make worldwide instant communication commonplace, are the same forces that must be marshalled to enable us to pass on to our children's children a world that is as hospitable and inhabitable as the one we inherited from our forefathers. A world that will provide us with our needs, and comforts, without poisoning us in the process, and that hopefully can provide all of its inhabitants with the means to live in peace and prosperity.

Respectfully yours,

MICHAEL J. AARONS.●

H.R. 6410—PENSION EQUITY TAX ACT OF 1982

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. BRINKLEY. Mr. Speaker, it is a pleasure to discuss with the membership remarks of Mr. Morton Harris, president of the Small Business Council of America, Inc., which have been prepared for presentation to the Ways and Means Committee on H.R. 6410, the Pension Equity Tax Act of 1982. Cogent arguments are made toward modification of this measure as proposed, and I have also received grass roots input relative thereto. I share the concerns expressed, and I know we would wish to give our best effort in shaping this law which will affect the lives of so many people who are working conscientiously to provide for their future security.

Mr. Harris is an acknowledged champion of pension equity and it would be most encouraging to see a merging of that effort beyond the label and toward the goal.

Basically, under existing law pension plans proceed on a percentage basis. That is, the ratio of contributions paid in and benefits received are in proportion to the salary of the individual. Therefore, the legislative proposal would not only affect the higher salaried people, but would have a ripple effect right down to the lowest salaried people. Secondly, the diminution of contributions paid into plans would result in greater disposable income and would, at the higher salaried levels, almost certainly be targeted for tax shelters. Thus the perception that the more well-to-do would be paying more taxes is probably erroneous.

Instead of improving the status of the average wage earner and the lower wage earner within a pension system, it may well be those categories which would be diminished.

If there are abuses in loan-back of the corpus to the principals, that should be corrected. But even so, that should not be done as a penalty for success.

I should like to include in my remarks a summary of Mr. Harris' testimony.

SUMMARY OF STATEMENT OF MORTON A. HARRIS, ESQ., PRESIDENT SMALL BUSINESS COUNCIL OF AMERICA, INC.

INTRODUCTION

I am Morton A. Harris of the law firm of Page, Scrantom, Harris, McGlamry & Chapman, P.C. of Columbus, Georgia. I am officially here today in my capacity as President of the Small Business Council of America, Inc. (SBCA); however, both personally and professionally, I am vitally concerned with the continued vitality and growth of a sound private employee benefit system. H.R. 6410 will severely damage that vitality and growth.

SBCA is a national organization of small business and professional men and women whose aim is to represent small business in the area of federal tax and employee benefit legislation, its primary goal being to make these laws more conducive to the good health of small business. A major thrust of SBCA's efforts, since its founding in 1979, has been to urge the creation of incentives—and the elimination of disincentives—for the establishment and maintenance of private employee benefit plans by small business employers.

BACKGROUND

In connection with The Economic Recovery Tax Act of 1981, SBCA devoted substantial time and effort to the enactment of the

expanded individual retirement account. In passing this legislation, Congress recognized that our economy simply cannot operate with a bias against savings and in favor of current consumption.

Of all the tax incentives provided in the Internal Revenue Code, those provisions which encourage savings for retirement are some of the most sensible. Monies contributed to a retirement plan are not available for current consumption, thus tending to reduce inflation. The monies are available for capital investment, be it residential housing or plant and equipment. The monies accumulate in a fund for the contingencies of individual death, termination of employment, disability, or retirement, thus easing future demands on Social Security and other transfer programs. These incentives encourage the private sector to provide for itself, encourage individual initiative, and encourage a productive relationship between employers and employees.

The President's Commission on Pension Policy, in referring to the importance of savings and the status of private pension plans, stated:

Importance of Savings

"Individual savings is an important component of retirement income. . . .

"Aside from the importance of savings to the income of the retired, savings also play an important role in the economy because it is a source of capital."

Status of Private Pension Plans

". . . the rate of pension growth has slowed significantly. . . .

"The most serious problem facing our retirement system today is the lack of pension coverage among private sector workers . . ."

"The lack of pension plan offerings in small business is a major reason why pension plan growth is expected to continued to stagnate."

Given these circumstances, it seems incredible that legislation such as H.R. 6410 has been introduced and is being seriously considered. This bill is not just a step backward for the private pension system and for the economic and social welfare of our Country, it is a giant leap backward!

STATED OBJECTIVES OF H.R. 6410 NOT ACHIEVABLE; AND BASIC ASSUMPTIONS UNDERLYING H.R. 6410 ARE ERRONEOUS

The stated objectives of the Bill will not be achieved by its passage (it being likely that the opposite of these objectives will be the result) and the assumptions on which the Bill is based are fundamentally erroneous.

(1) H.R. 6410 Would Cause Many Plans to Terminate or Curtail Benefits. One announced objective of the bill is "to provide greater tax incentives for the comprehensive inclusion of the broadest possible class of employees in pension and fringe benefit plans." The bill, as written, can not accomplish this objective. In fact, if the bill is enacted, the Internal Revenue Code would then provide incentives which would tend to minimize (not maximize) plan coverage in favor of putting dollars into other vehicles which provide relief from taxation. It must be remembered that employee benefit plans are voluntary, not mandatory. If a plan becomes uneconomical to maintain, it will be terminated. It can be stated with certainty that many employers, especially small employers, will find it uneconomical to maintain plans under the provisions of H.R. 6410. As a result, many plans sponsored by small business corporations (approximately 90% of all qualified plans cover less than 25 participants), which provide benefits to a broad base of employees (over 6,750,000), will be terminated or have benefits drastically curtailed. Although this is not the stated intent of H.R. 6410, it will most certainly be the result!

(2) Prior Limits on Pensions Are Not High and Benefits All Participants. A second stated objective of the bill is to reduce what are called "excessively high tax limits on tax-free accumulations under corporate pension plans." The bill certainly will reduce the limits. However, it is erroneous to characterize contributions to pension plans as "tax-free accumulations." Tax on the contributions, and on the earnings thereon, are merely deferred, not avoided. Benefits are taxed on distribution, which typically occurs on death, disability, termination of employment or retirement.

Also, the assumption that contributions being made to private plans are "excessively high" fails to take into account the real costs of providing retirement benefits. Benefits are easy to promise but very expensive to fund. One need only consider the benefits promised by the Federal Pension System and Social Security, both of which are seriously underfunded. The unfunded actuarial liability of the Federal Pension Systems has been estimated at approximately one trillion dollars. Taxpayers are presently paying an estimated $55.00 for every $1.00 a civil service employee contributes to his or her own pension. It is estimated that to properly fund the promised benefits would require 56.4% of payroll to be contributed in addition to the present employee and government contributions of some 37.7%. The Social Security system is so seriously underfunded that it is difficult to understand how the current level of benefits can ever be realized within the framework of the present system. The unfunded actuarial liability of the Social Security system has been estimated at some six trillion dollars. Yet in all of these programs, benefits continue to be promised with cost-of-living escalators continued unabated. By comparison contributions to private pension plans are not "enormous" or "abusive" or "excessive." They simply reflect what it really costs to properly fund a decent benefit in inflationary times. If the ability to fund private retirement plans is reduced, benefits will be reduced, and that benefit reduction will be across-the-board for all participants, especially for those covered by small plans.

(3) Expected Additional Revenue Will Not Be Realized. The expectation that H.R. 6410 will have a significant and positive impact on revenues received by the federal government will not be realized. This expectation does not take into account the influence that income taxes have on social and economic behavior. The anticipated increase in revenues is undoubtedly based on the premise that if a deduction is eliminated or reduced, the resulting income will be fully taxed. That assumption is wrong! If deductions for contributions to pension plans are reduced or eliminated, the non-deducted dollars will not all become subject to tax since a substantial portion, if not all of these funds, will flow to other tax preferred investments or arrangements, most of which would not have the desirable economic and social benefits of employee benefit plans.

(4) Reduction in Federal Benefit Programs for the Needy is No Reason for Destroying the Country's Private Retirement System. This bill attempts to equate the need for increases in taxes with reductions in spending programs for the needy, and characterizes tax deductions as government subsidies. For proponents of the bill to argue, from a moral standpoint, that a reduction in benefits from a transfer program must be offset by a reduction in the pensions of the highly compensated can be no more than demagoguery which conceals the fact that millions of people, who are relying heavily on their retirement plans, will be negatively affected, thereby putting more (not less) pressure on Government assistance programs.

(5) The Bill Discriminates Against Certain Classes of Workers. The bill would impose special discriminatory restrictions on the owners of certain small business and professional corporations, i.e., those which perform services as opposed to manufacturing or selling a product. These restrictions would limit plan contributions to a maximum of 15 percent of earned income, prohibit plan loans, prohibit voluntary non-deductible contributions, substantially accelerate vesting, delay distributions, and require institutional trustees. Each one of these restrictions carries with it a "cost," and it is difficult to determine how either the public or plan participants can benefit by increasing the cost of sponsoring a plan. In addition, these restrictions should not be applied to small corporations any more than they should be applied to large corporations. These restrictions are "penalties" being applied without reason or justification.

With respect to these special restrictions, I will elaborate on only two:

First, by imposing the full and immediate vesting restrictions of H.R. 10 on these plans, the bill, in effect, causes accelerated funding of pension benefits for short-term employees of these small service corporations. This is contrary to one of the well-recognized business purposes of retirement benefit plans, i.e., to encourage employee longevity and reduce turnover. A graduated vesting schedule helps to accomplish this. The proposed legislation, H.R. 6410, would only reduce benefits that would otherwise be paid to long-term employees.

Second, the prohibition on loans to participants in another restriction which is without justification. Under current law, participant loans are permissible if they are made at arm's length, with adequate security and interest rates, and are available on a non-discriminatory basis. Such loans typically are used in connection with financing a home, providing education for children, or meeting a medical emergency or financial hardship. What possible social purpose is met by prohibiting such loans to certain classes of participants?

This portion of H.R. 6410 seemingly reflects an attitude that there is something basically wrong with the owners and operators of small businesses and with the men and women who provide personal services. This attitude ignores that fact that the small businessman or the professional stands or folds on production and productivity. The first paycheck that is eliminated in bad times is that of the owner or the professional. There is no instance where the Congress has stepped in to bail out any small business, much less a professional. Yet these are the very people on whom the H.R. 6410 imposes additional burdens and costs.

CONCLUSION

Proposals similar to those contained in H.R. 6410 were raised in 1969. They were defeated on the Senate floor by a vote of 65 to 25. They again were raised in 1973 in con-

nection with consideration of the Employee Retirement Income Security Act of 1974 (ERISA). They again were defeated on the Senate floor—by a roll call vote of 89 to 2. In 1978, the Carter Administration suggested the same proposals, and they were not even considered by the Ways and Means Committee. The President's Commission on Pension Policy conducted a comprehensive study of national retirement policy and issued a report last year. Nothing in the Commission's report even remotely suggested legislation such as H.R. 6410.

Rather than promoting H.R. 6410, which would significantly weaken the private pension system, it is suggested that Congress encourage the owners of small businesses with stronger incentives to establish employee benefit programs for their employees. In doing this, Congress will properly recognize incentives (in the form of reasonable and adequate retirement benefits) for those whose capital and efforts are at risk. Congress simply should not enact any legislation that imposes special limits or restrictions based solely on the type of business, equity ownership of participants, or form of organization. If H.R. 6410 were enacted, the small business sector—which has created the vast majority of new jobs in our economy during the past decade, and which, if given a chance, will increase pension coverage for millions of its employees—will literally be fored to reduce its efforts to provide privately funded employee benefits. This bill can do nothing but weaken the private pension system, especially plans sponsored by small business organization where the cost per participant is already high. The obvious result will be that many owners of organizations which sponsor plans would begin funding for their retirements by personal investments, which can be done without providing comparable benefits to their employees.

In summary, there appears to be little or not social or economic benefit to be obtained by H.R. 6410—it can only weaken the only solvent retirement program we have in this Country, i.e., the private pension system, and reduce one of the strongest sources for savings and capital formation. This bill will jeopardize the retirement plans of over six and one-half million participants covered by over 450,000 retirement plans of small business organizations and will severely weaken what may be the last and best hope we have for keeping our free enterprise society—the small business community of America.●

HANDGUN BODY COUNT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. LEHMAN. Mr. Speaker, once again I am providing my colleagues with a handgun body count in an effort to open their eyes to a horrifying bloodbath—a bloodbath which in April left 549 dead as a result of the use of handguns. The victims were not soldiers in a war but civilians on the street. Many of these deaths were accidental, but once a handgun has killed, it is a little too late to apologize. It is a little too late to apologize to those 16 children under 12 years old and the 55 other young people between the ages of 13 and 19 who died by handguns during April. These were children with their whole lives ahead of them. These were children who were loved and were learning to love. These were children killed by our overabundant machines of destruction—handguns.

Is it not time we put an end to this senseless loss of life, or do we have to wait until our own children become part of the next handgun body count? What would the headlines say?

"I was just trying to scare her."

"Gun becomes toy, boy shot in head."

"Boy, 15, is killed by pal after daring him to shoot."

"Bullet hits child as teen misses target."

These headlines have already appeared once. Let us not let them appear again.

Each time a child is born, so is a new beginning, a new source of hope, a new source of love. Let us regulate handguns so we can finally end the destruction of innocence.

The list follows:

Alabama (7): Clausell Bettis, Charlotte Franklin, Newton Franklin, Gene Hatfield, Billy Parnell, Richard Sanders, Haywood Wade.

Alaska: (3): Kristofer Baldwin, Robert Baldwin III, Shirley Baldwin.

Arizona (10): Jack Boldberg, Murray Jones, J. W. Leathers, Russell McKenzie, Steve Porter, Russel Rauls, Jr., Richard Savoca, Patrick Tommaney, Richard Veck, unidentified male.

Arkansas (7): Stanley Forrest, Cato Hafer, Anthony Kendle, William Putman, Lewis Smith, Donald Schamp, Stephen Tolleson.

California (81): Reyenna Abercrombie, Jacob Adrian, Marceal Barajas, Ramon Barrera, Frank Barazza, Ronald Bear, Brenda Benet, Scott Bernath, Allan Bertone, Sandra Bloom, Lucille Bloom, Robert Bloom, Robert Brady, Alvie Britton, Jacqueline Bowie.

Douglas Callier, Ellen Callier, Juan Carbajal, Myra Carmichael, Floyd Cooper, Beverly Crosby, Jose Diaz, Helen Dillow, Christobla Duarte, Kiannosh Fardjad, Roberto Flotte, Egbert Fries, Elizabeth Garcia, Antonio Gonzalez, Robert Gonzalez, Rodney Green.

Nguyen Ha, Bob Harmon, Loise Harris, Merle Hudec, Tedoro Jaramillo, Mitchell Jenkins, Chad Karstetter, Michael King, Rene Laguna, John Love, Lloyd Morris, Cynthia Nelson, Roy Nelson, Mario Osuna, David Pritchard.

David Raimondi, Walter Rathfon, Rafael Reyes, Ann Richards, Melba Riley, James Roth, Robert Rutledge, Maria Swift, Thad Swift, Jr., Stacey Tanner, Michael Throssell, Henry Tomaszewski, Diego Tovar, James Tubbs, James Tucker, Juan Valdovinos, Patricia Wargin, Derek Whitlock, Dudley Yusada, unborn baby Young, 13 unidentified males, 2 unidentified females.

Colorado (8): David Benns, Jerry Garcia, Mildred Garcia, Frank Marquez, Scott Michael, Nancee Moffit, Raymond Thompson, Jr., Robert Paulsen.

Connecticut (8): Gordon Beckwith, Alvin Pelletier, Lawrence Small, George Troie, Jose Valez, Patricia Voli, Lisa Wood, Rose Wood.

District of Columbia (9): Lewis Burrell, Alvin Dorsey, Hae Im, Ronald Jerome, Lila Jones, Chantal Mouyal, Michael Young, 2 unidentified males.

Florida (64): Miguel Andrede, Anthony Bennet, Washington Bennet, Ronald Berg, Ladislava Bistyga, Lisa Bogni, Lewis Camacho, Keith Carter, Marsha Cash, Cyrus Clark, Lois D'Ascoli, Gene Daniels, Jesus Diaz, James Dorion, George Durphy.

Stanwood Fisher, Jerry Fisher, Lt. Col. Wm. Gay, Gilbert Gonzales, Eurman Green, Lyle Gordon, Mary Griffin, Joseph Hogendorf, Ruth Hamilton, David Hersh, Roland Hilton, Johnny Holder, Frank Humenyi, William Hyde, David Killians.

Howard Lightrey, Barry Leiner, William Lyle, Angela Marting, Molicia Navaro, Ellen Noble, Chris Orlando, Leslie Peters, William Prey, Patricia Quarles, Juan Requena.

Lois Sadler, Angelo Santos, Otis Sheely, Carol Shiner, Frances Slater, Jerome Stielman, Claude Thomas, Tommy Thomas, Anthony Tonaine, Joseph Tonaine, Rodolfo Turnes, Lynette Warren, Timothy Wyatt, Marlene Yates, 4 unidentified males.

Georgia (6): Jack Bell, Sally Bishop, Joe Dalton, Dr. Fred Crawford, Joseph Phillips, unidentified male.

Illinois (80): Monika Auriene, Samuel Banks, Chester Beck, Robert Bluntson, Albert Booker, Shirley Bradley, Angela Brown, Lawrence Brown, Reggie Butler, James Carlson, Miles Cikanek, Kevin Cobbin, John Collins, Alvin French, Calvin Garner, Olga Gonzales-Montoya.

Howard Hall, Evagellos Hamaratos, William Hernandez, Clifford Hudson, James Jackson, Jonny Jackson, Elmer Jenkins, Francisco Jimenez, John Johnson, Anthony Jordan, Pierre Jordan, Anthony Karlov, Kevin Kawa, Rickey Kellum, John Kelly, Wayne Kirby, Rudolph Klaus.

Jose Licea, Marciano Licea, Rosario Marquez, Acie McEwen, Jr., Ipolito Mendoza, Garrett Metzer, Mussa Musleh, Teresa Musto, Vincent Pagano, Donald Parker, Katherine Parker, Calvin Powell, Cleveland Price, Palmer Richmond, Angel Rivera, Anthony Robinson.

Joe Sanders, Sophie Sariog, Michael Schmidt, John Silva, Paul Slipic, Kevin Smith, Luchenzy Smith, George Soteras, Donald Stallings, Wayne Staples, Robert Tucker, Clayborn Turner, Phillip Voss, Anthony Walker, Joshua Walker, Bruce Wallace, Emma Williams, Myrtle Wink, Elmer Whisenton, Norman Wynne, 5 unidentified males.

Indiana (15): Alicia Ballard, Jack Batchelder, Gordon Cummings, Harvey Cummings, Terry Cummings, John Gary, Cleo Hinkle, Frances Martin, Gregory Myrick, Jessie Nash, Clifford Pride, Riccardo Quiroga, Keith Rowland, Harold Vandivier, Curtis Williams.

Iowa (5): Harold Harville, Kathy Lemmon, Martin Lemmon, Candy Nemer, Nicholas Nemer.

Kansas (5): Darrell Calhoun, Earl Counter, Michael Harris, John LeVier, Lee McCullough.

Kentucky (5): David Fields, Kenneth James, Joshua Litton, Doug Meehan, Roy Mullett.

Louisiana (13): L. V. Bristo, Jr., Floyd Clark, Joseph Cormier, Melton Gallow, Ella Davis, Dallas Hayes, Jr., Harold Henry, Glenn Hollingsworth, Pernell Perkins, Robert Spurlock, Albert Ward, Randy Grimsly, unidentified male.

Maine (1): Clifton Drown.

Maryland (19): James Bridges, Thomas Brown, Paul Bryant, Kevin Doswell, Lester

Hensley, Harry Hilliard, James Jerew, Jr., Jesse Jerew, Kathleen Jerew, Raymond Lawson, James Little, Jr., John McKethen, Wendy Stark, L. Roger Still, Gregory Swann, Michael Young, 3 unidentified males.

Massachusetts (6): Russell Griffin, Joseph Kennedy, Paul Mayotte, John Palmer, Jeffery White, unidentified male.

Michigan (33): Karl Aronsson, Robert Begley, Yvonne Cervantes, Cynthia Christian, Kirk Dardie, Allen Dean, Larry Elliot, Anthony Fortune, Pressley Green, James Gumper, Mohammed Hamie, Stephen Herron, Robert Hicks, Virginia Hoffman, Robert Jenkins, Michael Jones.

John Kirklin, Terrance Luster, William McCarthy, Rhonda McPeters, Richard Missouri, William Morris, (male) Parker, Robert Pond, William Price, Richard Rembert, Diane Rembinski, John Roman, Robert Solomon, Frederick Stedman, Al Williams, Charles Williams, Tony Williams.

Missouri (10): Denise Arrington, Dorothy Daniels, Randolph Echols, Diane Giblin, Randy Graham, Edythe Thompson, William Whiteaker, Melvin Polite, Leroy Reason, Terry Allen.

Montana (2): Edwin Hackley, Diana Muniz.

Nebraska (3): Nancy Geier, James Hadley, William Swierczek.

New Jersey (10): Paula Coughlin, Paul Jankovich, John Maiorelli, Gerhard Pochop, Doda Smajlaj, Catherine Stuart, Sandra Stuart, William Stuart, Jr., Noilia Gill, Jose Prenda, Jose Morrero.

New Mexico (5): David Benns, Aaron Byrd, Julian Fuentes, Gerald Lucero, John Johnson, Sr.

New York (12): Herman Alicea, John Aratico, Alija Balic, Santee Bards, Margaret Barbera, Edward Benford, Thomas Dunne, Leo Kuranuki, Thomas Larson, Ronny Lescouflair, Robert Schulze, unidentified female.

North Carolina (13): Ray Carter, Ransom Connelly, Ralph Gardner, William Glimore, Jr., Robert Johnson, Sherman Legette, Larry Manning, J. Pickard, Kertina Reid, Wylie Smith, Jr., Richard Warwick, Clarence Weeks, Joan Williamson.

Ohio (18): Barbara Alcholtz, Ralph Carlisle, Laura Carter, James Evans, Alma Fosnaught, Kevin James, Arlon Jude, Terry Lee, Dr. Phillip Linerode, Timothy Linerode, Charles Stamper, James Swartzlander, Allen Theodore, Glen Vickrey, Mary Williams, Melvin Williams, Carolyn Zedeker, George Zedeker.

Oklahoma (10): Roy Burns, Phyllis Coffey, Bob Hewitt, Sharon Hewitt, Merrill Johnson, Louis Marshall, Orlee Robinson, William Smith, Ronnie Venter, unidentified male.

Pennsylvania (23): Anita Beischer, Stuart Butler, Patrick Collins, Anthony Colucci, Victor Decarlo, Andrew Edmonds, Jerome Eye, Dennis Hinton, Paul Jankovich, Thomas Johnson, Kyle Knott, Gwendlynn Jones, Sauntia Maays, Gilbert Maldonado, Lavenia McClellan, William McLeavy, Frank Monte, John Mosby, Edward Richle, Robert Schimpf, Walter Snyder, Frederick Wilkins, unidentified female.

Rhode Island (3): Andrew Jacobs, Leo McDermott, Carlo Piacente.

South Carolina (3): Donna Cribbs, Levi Singleton, Horace Youmans.

Tennessee (6): Leonard Bridges, Danny Davis, Stephen Early, James Lancaster, Willie Minor, Victoria Mullins.

Texas (60): Johnny Alaniz, Johnny Austin, Jr., John Brown, David Callihan, Pete Cuccerre, Ages Dixon, Jr., Sherese Elam, James Fisher, Paul Fox, Johnny Gonzales, Walter Gooden, James Goree, Joe Granado, John Griffin, Danny Guerrero, Kay Guillory.

Carl Johnson, Frank Johnson, Jr., Vernon Johnston, George Lumus, Samuel Luna, Robby Mayberry, Shawn McAllister, Bernie McTaggert, Gerald Meachen, Arturo Melendez, Frederick Mergner II, Ronald Merriweather, Donald Newsome, Thanh Nguyen, Jose Nunez.

Kenneth Ott, Robert Pedraza, Rogelio Partida, Tomas Ramon, James Reynolds, Abel Rodriguez, Armando de la Rosa, Francisco Sanchez, Emma Sellers, Mack Simpson, Daryl Shirley, Rafael Sandoval, Eugene Thomas, Clayton Toliver, Tarbell Travis, Kenneth Vanostand, Lynn Vanostand, Franklin West, Jimmy Williams, Dougan Wilson, Carl Zieglar, 3 unidentified females, 6 unidentified males.

Utah (3): Glen Horton, Ronald Morgan, Alican Smith.

Virginia (9): Cecil Calloway, William Draughan, Sirai Haque, Jonas Heath, Billy Poole, Sr., Larry Seay, Stanley Weinstein, unidentified female, unidentified male.

Washington (11): Colleen Hanson, Mark Higgins, David Jorstad, Guy Kent, Ben Lawson, Betty Morrill, Cordelia Morrisette, Sandra Prahl, Thomas Prahl, Rexford Smith, unidentified male.

West Virginia (4): Nancy Harvey, Russell Moore, Harry Nuckoles, Benton Surratt.

Wisconsin (9): Robert Gorges, Herbert Leppien, Jr., Carol Leppien, Roland Roberts, Brett Schroeder, Rick Schroeder, Shannon Schroeder, Sue Schroeder, Joseph Vitous.

Wyoming (2): Dixie Houk, unidentified female.●

HOUSE CONCURRENT RESOLUTION 352

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. WEISS. Mr. Speaker, the American people can no longer vest their future in false hopes and empty promises. They are looking to the Congress to approve a budget that reduces unemployment and inflation, fosters economic growth, provides additional educational and employment opportunities, limits Pentagon spending to responsible levels, and assures adequate funding for vital social programs.

Unfortunately, the two budget proposals that came closest to accomplishing these objectives, the Congressional Black Caucus and Obey substitutes, were rejected by the House 2 weeks ago. Both budgets distinguished themselves by placing programs that meet human and social needs first on their list of funding priorities. They did not ask those who depend on the benevolent hand of the Government for aid, support, and sustenance, to pay for the mistakes that the Reagan administration made last year. For example, they did not ask our senior citizens, who have worked so hard to build our Nation, to sacrifice their meager security so that the rich can have more, the military can waste more, and the Reagan deficits can be reduced ever so slightly. They did not mortgage the future of our children by cutting programs that enable them to grow up strong, healthy, and well educated.

Equally important, these two budgets sought to correct the root causes of our ballooning Federal deficit. They would have reduced military spending to more reasonable levels and repealed many of the ill-advised tax giveaways that were engineered through Congress last year. While every budget proposal includes some tax increases, only the Obey and the Congressional Black Caucus budgets attempted to restructure the personal income tax cuts, close corporate loopholes, and repair the damage done in Reagan's Tax Act in order to target benefits toward low- and middle-income Americans.

I supported both of these budgets and very much regret their defeat. In my mind, they represented the only reasoned and intelligent alternatives that rejected the bankrupt and unjust policies of this administration.

Neither of the two budgets before us today, the Jones Democratic plan nor the Latta Republican plan, fully meets the needs of the American people. The defense figures in both alternatives are unecessarily and unconscionably high. The discredited supply-side theory haunts both proposals; the tax bonanza for the wealthy is largely preserved at the expense of jobs and services for middle and lower-income families. Neither budget projects the wisdom and courage of a Congress willing to repudiate an administration's policy that has brought this country nothing but disaster.

Nevertheless, they offer a real choice in terms of their sensitivity to the needs of millions of struggling Americans. They differ dramatically in their funding levels for social programs, particularly those which serve the elderly, the poor, the young, and the unemployed. The Jones budget provides at least a minimal saftey net to meet basic human needs while the Latta budget continues the President's systematic dismantling of health and human services programs. It is this distinction between the two that causes me to vote for the Jones budget. Given the pragmatic options, there is no other choice—I will not let my vote in any way contribute to the victory of the Latta budget.

While the Jones budget does not provide nearly enough money for social programs, it does include some measures to alleviate some of the suffering caused by the recession. In the area of employment, it provides an additional $3 billion for emergency jobs, $300 million for summer youth em-

ployment, $200 million for the senior citizen title V employment program, and $2.5 billion to insure relief to the long-termed unemployed. It also restores money to repeal the antiwork disincentives in the AFDC program that disgracefully forced thousands of low-income women to leave their jobs and fall back on the public assistance rolls.

In addition, the Jones budget supports education by adding $1.2 billion in budget authority over this year's level. Likewise, the employment and training programs would be increased by $350 million, health care programs by $150 million, and a new high technology and research initiative would be funded with $600 million in new budget authority. Even though these add-ons are a step in the right direction, funding for social programs in Jones still falls far short of pre-Reagan 1981 levels.

In stark contrast, the Latta budget calls for deep slashes, above the $40 billion cut last year, in almost every program that touches the lives of the young and the old; the weak and the poor; and the disabled and the dispossessed. Its authors choose to forget that back home, there are real people who now face real hardships. Only the greedy and the callous can take comfort or satisfaction at the prospect of this budget being adopted.

Supported by the administration, the Latta budget offers Americans another round of a grievous error called Reaganomics. It perpetuates the policies that have threatened to choke off investment, kill the auto and housing sectors, and force many businesses into bankruptcy. And tragically, it furthers the misguided proposals that have rendered a staggering 17.6 million Americans jobless or unemployed as a result of the recession economy.

Over and over again during this budget debate, we hear the Reagan supporters in Congress blame skyrocketing deficits and all of our economic ills on the social programs which serve the poor, the aged, and the disabled. We are constantly told that by cutting billions out of vital programs such as social security, school lunch, employment and training, mass transit, day care, medicaid, and so on, we will inject vitality into the economy, while still preserving a "safety net" for those in need.

But while the administration zealously promotes the need to cut Federal programs and balance the budget, each dollar that they take from social programs is transferred to the Defense Department for more bombs, missiles, and nuclear weapons. When it comes to defense, the administration and authors of the Republican budget ignore waste, fraud, and abuse; and make indiscriminate decisions without any regard to need, cost, or purpose. Last year, even David Stockman admitted that up to $30 billion worth of waste could be ferreted out of the Pentagon.

Under the Latta-Reagan scheme, poor and middle-income Americans are not only forced to bite the bullet, but also to pay the lion's share of the cost for the bullets and bombs in the Pentagon budget. While military spending takes its toll on the pocketbooks of the majority of Americans, the wealthiest corporations and individuals are exempted from their share of the burden as a result of the administration's tax cut package. No matter how you figure it, this $750 billion raid on the U.S. Treasury, carefully protected in the Latta 1983 budget, bequeaths a bonanza for the wealthy and a pittance for the less fortunate.

Latta's cuts in nondefense discretionary and entitlement programs total $42 billion in budget authority for next year, almost 10 times greater than reductions in the Democratic proposal. Replicating the cruel pattern in last year's budget, the Republicans disregard the cries of the poor with additional cuts of $1.3 billion in medicaid, $1 billion in AFDC and SSI, $1.3 billion in food stamps, $100 million in school breakfast and child care food programs, $50 million in title XX senior centers, $240 million in legal services, and $22 billion in assisted housing programs.

Senior citizens, whose health and well-being depends on the protections of medicare, would face additional, unaffordable out-of-pocket costs for premiums, home care, and physician fees as a result of Latta's $3.2 billion cut in this vital program. The future of our children and youth would be sacrificed under Latta's heavy cuts in educational programs. Student aid, such as guaranteed student loans and Pell grants, would suffer another round of massive reductions and elementary and secondary education would be cut by about $250 million below the already reduced current services level. In total, the Republican budget provides $1.75 billion less for education and training programs than what is needed simply to maintain present services.

The unemployed, desperately needing assistance, would find $1 billion less in employment and training programs and far less adequate unemployment benefits if Latta prevails over Jones. These Americans cannot pay their rent, food costs, or health bills with the empty promises in the Latta budget. Their patience has been stretched to the limit; their dignity and pride have been trampled upon. Attempting to get themselves and their families through this nightmare, these individuals continue to need assistance—food stamps, AFDC, unemployment insurance, and employment and training, only to find that these benefits have been slashed and are slated for additional reductions. Do we want to turn our backs on these families who have nowhere to turn for help but to their Government?

The Latta budget makes a mockery of America's belief in, and commitment to fairness, opportunity, and compassion. It offers nothing to the vast majority of Americans, their families, or their communities, while safeguarding windfalls for the privileged. It asks for sacrifices from those who have nothing left to sacrifice. And it moves us further and further away from a future of health and prosperity for all of our people.

I urge my colleagues to vote against the Latta budget. A sound defeat for this Reagan-backed budget would be our first major step toward a caring and rational examination of our national needs, values, and priorities.●

LOU COTTIN—LONG ISLAND COLUMNIST

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. CARMAN. Mr. Speaker, on Sunday, June 13, the people of Long Island suffered the loss of one of their most outstanding citizens, Louis Cottin. For many years now, Lou Cottin has been one of the most outspoken advocates and defenders of the rights of America's senior citizens. Lou has been known throughout Long Island and the rest of the Nation as an "elder in rebellion." But his rebellion has not been self-serving, but on behalf of this country's older Americans.

Lou was a nationally syndicated columnist, writing his "Life Over Sixty" column in over 475 newspapers across the country. Lou's work on behalf of senior citizens, his newspaper column, and his book entitled "Elders in Rebellion" earned him the honor of being named Senior Citizen of the Year by the Jewish Institute for Geriatric Care. To the people of Long Island, Lou Cottin has always been a special person and his awards and recognitions were small token for his outstanding accomplishment.

Mr. Speaker, I condsider it an honor to have known Lou Cottin, and I mourn his passing with a deep sense of great loss to all the people for whom he labored. Lou Cottin died at the age of 78, and he showed us all that our retirement years can be a time of great creativity and even greater contribution to those around us. Lou Cottin's life is an inspiration to us all. That inspiration will live on for many years to come.●

TOUGH ACTION ON STEEL IMPORTS NEEDED

HON. DOUG WALGREN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. WALGREN. Mr. Speaker, in representing my constituents, I am pleased to cosponsor the Fair Trade in Steel Act of 1982, H.R. 6505. In my view, this is a most important first step toward getting the American steel industry back on its feet and American steel and auto workers back to work. This bill is twofold: First, it would direct the President to establish a Steel Tripartite Advisory Council, much like the Steel Tripartite Advisory Committee which President Reagan has let languish; and second, it would impose import quotas on carbon and speciality steel products.

A healthy steel industry is basic to this Nation's defense and economy. But healthy it is not. Operating rates have dropped below 50 percent. Imports in January 1982 were at 26 percent; 30 percent of all steelworkers are laid off or on short work weeks. In Pittsburgh, 33 percent of all steelworkers are laid off.

MARCH AND APRIL REQUEST TO REAGAN ADMINISTRATION

On April 8, I wrote the President requesting that he reconvene the Steel Tripartite Advisory Committee to address the underlying problems of the steel industry. This committee, formed under the Carter administration, was a unique approach to an industry's problems because it brought together management, labor, government, and environmental representatives in a cooperative forum to make recommendations on trade, taxes, technology, environmental protection, occupational safety and health, and structural readjustment. Because the problems of the steel industry reflect a failing on the part of all segments—government, labor, management—the cooperative approach is the right approach in my view. On March 29, I discussed the reconvening of this committee with Commerce Secretary Malcolm Baldrige He indicated his personal support for reconvening the committee, and on June 14, I received a letter from one of the President's assistants which says, "We are giving serious consideration to doing so in the near future. The final structure and scope that the Committee would take has not yet, however, been determined." I am pleased that the Reagan administration seems to be moving toward reinstating the committee, and hope this momentum will continue.

AN ACTION-FORCING MECHANISM

The Fair Trade in Steel Act of 1982 will, I hope, trigger a lively and thorough discussion of our trade situation in the coming weeks. I hope too it will send a strong signal to the Reagan administration that the situation is bad and growing worse each day. We have a historic number of petitions and other complaints filed against foreign steel producers. It is my hope that this bill will begin a dialog between the Congress and the Reagan administration on the sickness in our steel industry and the need to fully enforce our trade laws, and if necessary revamp our trade laws.

STEEL'S ILLS RIPPLE THROUGH COMMUNITIES

When an industry like steel declines, the decline reverberates throughout a community. One rule of thumb is said to be that every factory job is backed by two or three support jobs. Layoffs and cutbacks mean less consumer purchasing. People out of work means a bigger drain on public resources—unemployment, food stamps, public health services—and a higher Federal deficit.

For every 1 percent of unemployment, the Federal deficit is boosted $20 billion. Thus, steel's problems are a community's and public's problem particularly in areas like mine where the steel industry is integral to the local economy.

In this connection, I would like to share with my colleagues a resolution I just received from the West Allegheny School District, which illustrates a community's concern. We often hear from steelworkers and steel management about the problems of the industry. But we usually do not hear from educators about the problems of the steel industry.

In Allegheny County, the success and financial health of the school system depends in part on health of the steel industry. The resolution follows:

RESOLUTION

Whereas, the West Allegheny School District is currently, and will in the future, suffer a decline in revenue from earned income tax because of increasing unemployment in the District; and

Whereas, part of the cause of unemployment is from the effect of the importation of foreign steel; and

Whereas, it is the consensus of the Board that our elected representatives should pass the necessary laws and order the enforcement of existing laws regarding controls on imported products: Now, therefore, be it

Resolved, That the Board of School Directors of West Allegheny School District hereby urge the elected representatives serving the District to support the passage of necessary laws and regulations to prevent unfair competition from foreign steel and be it further resolved that our elected representatives see to the vigorous enforcement of existing import restrictions.

With the interest and leadership of my distinguished chairman, JOHN DINGELL, of the House Energy and Commerce Committee, our Investigations Subcommittee just completed a 6-month study of the problems of the steel industry. We will be issuing a report in the coming weeks delineating our findings and recommendations. Armed with that study and the work of the Congressional Steel Caucus in this bill, I hope the 97th Congress, the Reagan administration, industry, and labor will get the American steel industry on the road to recovery—and put our steelworkers back to work.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 22, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 23

9:00 a.m.
Governmental Affairs
To hold hearings on the nominations of John A. Terry, to be an associate judge of the District of Columbia Court of Appeals, and George W. Mitchell and Steffen W. Graae, each to be an associate judge of the Superior Court of the District of Columbia.
4200 Dirksen Building

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
Business meeting, to mark up S. 1701, maintaining a nationwide computer system for information on missing children and on deceased individuals whose next of kin cannot be identified or located, and S. 2411, proposed Justice Assistance Act.
2228 Dirksen Building

Small Business
To hold hearings on minority business and its contributions to the U.S. economy.
424 Russell Building

Select on Indian Affairs
To hold hearings on S. 2084, providing for the resolution of certain disputed Indian land claims in New York and South Carolina.
6226 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings in closed session on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on space-based lasers.
1318 Dirksen Building
Energy and Natural Resources
Business meeting, to resume markup of S. 2305, insuring that all energy and mineral resources originating on public lands and on the Outer Continental Shelf are accounted for under the direction of the Secretary of the Interior.
3110 Dirksen Building
Foreign Relations
International Economic Policy Subcommittee
To hold hearings on global trends in population and resources.
4221 Dirksen Building
Governmental Affairs
To resume hearings on Senate Resolution 231, providing for an inventory of U.S. assets to estimate their market value and identify which are unneeded and can be sold, and recommending legislative and administrative actions to streamline the liquidation process.
4232 Dirksen Building
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to investigate the alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
3302 Dirksen Building
Joint Economic
To hold hearings on Japanese industrial and labor policy.
2212 Rayburn Building

10:30 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the government of the District of Columbia.
1114 Dirksen Building
*Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

1:30 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on strategic materials and minerals policy.
235 Russell Building
Finance
Health Subcommittee
To hold hearings on State hospital payment systems.
2221 Dirksen Building

2:00 p.m.
Foreign Relations
To hold hearings on the nomination of Arthur H. Davis, Jr., of Colorado, to be Ambassador to Paraguay.
4221 Dirksen Building
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

2:30 p.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the government of the District of Columbia.
1114 Dirksen Building

3:00 p.m.
Select on Ethics
Closed meeting to discuss pending committee business.
457 Russell Building

4:30 p.m.
Conferees
On H.R. 2330, authorizing funds for fiscal years 1982 and 1983 for the Nuclear Regulatory Commission.
S-207, Capitol

JUNE 24

8:00 a.m.
*Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on airlift programs.
1114 Dirksen Building

9:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for military construction, focusing on Air Force programs.
1223 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the uranium enrichment program of the Department of Energy.
6202 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To resume hearings on S. 2533, providing authority to the Secretary of Agriculture to set the milk price support level, providing authority to the Commodity Credit Corporation to donate surplus dairy products to needy persons in the United States and abroad, and establishing a Dairy Advisory Board, and S. 2587, encouraging dairy farmers to reduce milk production thus reducing the Federal Government cost of the dairy program.
324 Russell Building
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on proposed committee amendments to S. 508, Airport and Airway System Development Act of 1981 (pending on Senate Calendar), extending the funding level through fiscal year 1987 for airport improvement and development programs, focusing on the Federal Aviation Administration's proposed national air space system plan.
235 Russell Building
Judiciary
Agency Administration Subcommittee
Business meeting, to resume markup of S. 1775, making the Federal Government liable for tort claims and generally the exclusive defendant in all tort suits involving Government employees acting within the scope of their employment.
457 Russell Building

10:00 a.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 705, authorizing the conveyance of certain National Forest System lands when determined to be in the public interest, and S. 2569, declaring certain lands in the Cumberland Island National Seashore, Ga., as wilderness.
3110 Dirksen Building
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building
*Governmental Affairs
To hold hearing on S. 2562, transferring certain activities of the Department of Energy to the Department of Commerce.
3302 Dirksen Building
Judiciary
Security and Terrorism Subcommittee
To hold hearings to review U.S. Attorney General's guidelines on domestic security investigations.
2228 Dirksen Building

11:00 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

2:00 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings on proposed committee amendments to S. 2432, authorizing funds for fiscal years 1983 and 1984 for programs of the Solid Waste Disposal Act and Resource Conservation and Recovery Act (pending on Senate calendar).
4200 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 2338, expanding the membership of the Advisory Commission on Intergovernmental Relations to include three elected school board officials.
3302 Dirksen Building

2:30 p.m.
Judiciary
To resume hearings on S. 2167, and S. 2517, bills providing economic relief to American industries and companies injured by foreign products being dumped or sold on the American market at less than fair value.
2228 Dirksen Building

JUNE 25

10:00 a.m.
Judiciary
Security and Terrorism Subcommittee
To continue hearings to review U.S. Attorney General's guidelines on domestic security investigations.
2228 Dirksen Building

JUNE 28

10:00 a.m.
Energy and Natural Resources
To hold hearings on the nomination of Arthur J. Dellinger, Sr., of California, to be Deputy Inspector General of the Department of Energy.
3110 Dirksen Building
Judiciary
To hold hearings on S. 1256, regulating interstate commerce by protecting the rights of consumers, dealers and end-users.
2228 Dirksen Building

JUNE 29

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on the national materials and minerals program plan and report to Congress issued by the President on April 5, 1982.
3110 Dirksen Building

Labor and Human Resources
Business meeting, to consider the nominations of William L. Earl, of Florida; Harold R. DeMoss, Jr., of Texas; Clarence V. McKee, of the District of Columbia; Howard H. Dana, Jr., of Maine; William J. Olson, of Virginia; George E. Paras, of California; Robert S. Stubbs II, of Georgia; William F. Harvey, of Indiana; and Annie L. Slaughter, of Missouri, each to be a member of the Board of Directors of the Legal Services Corporation.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

*Foreign Relations
To hold hearings on S. 1482, providing a procedure for determining whether a plan for the Federal Government to participate in an international exposition should include construction of a Federal pavilion.
4221 Dirksen Building

Governmental Affairs
To hold oversight hearings on the use of competition in the procurement process of the Department of Defense.
3302 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

11:00 a.m.
Foreign Relations
Business meeting, to consider the nominations of Robert J. Hughes, of Massachusetts, to be an Associate Director of the International Communication Agency, James B. Burnham, of Pennsylvania, to be U.S. Executive Director of the International Bank for reconstruction and Development, and George Q. Lumsden, Jr., of Maryland, to be Ambassador to the United Arab Emirates, Senate Concurrent Resolution 93, urging the Government of the Soviet Union to facilitate the emigration of certain Soviet citizens, proposed convention with Mexico for the recovery and return of stolen or embezzled vehicles and aircraft (treaty document No. 97-18), and other pending calendar business.
4221 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for foreign assistance programs, focusing on El Salvador.
1114 Dirksen Building

JUNE 30

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 2631, creating a uniform Federal product liability law.
235 Russell Building

Rules and Administration
Business meeting, to consider the nominations of Joan D. Aikens, of Pennsylvania, Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a Member of the Federal Election Commission, and a proposed resolution of regulations and/or rules changes needed to implement television and or radio coverage of the Senate
301 Russell Building

Select on Indian Affairs
To hold oversight hearings on indirect cost and contract provisions of the Indian Self-Determination and Education Assistance Act Public Law 93-638).
5110 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
To hold hearings on the Boulder, Colo., decision, relating to antitrust immunity of city government.
2228 Dirksen Building

Veterans' Affairs
To hold oversight hearings to examine certain health care services provided to older veterans.
412 Russell Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

JULY 1

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2631, creating a uniform Federal product liability law.
235 Russell Building

10:00 a.m.
Foreign Relations
To hold hearings on S. 1853, authorizing funds for fiscal year 1982 and 1983 for Radio Broadcasting to Cuba, Inc.
4221 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 2325, authorizing funds for Federal vocational and adult education programs, and to provide for State and local occupational assistance programs.
4232 Dirksen Building

JULY 13

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 2378, increasing the rates of disability compensation for disabled veterans, increasing the rates of dependency and indemnity compensation for surviving spouses and children of veterans, discontinuing duplicative payments to certain veterans, increasing the level of disability required for the payment of dependent's allowances, and providing for cost-saving improvements in veterans' programs.
412 Russell Building

Select on Indian Affairs
To hold hearings on S. 1795, providing for the transfer of certain lands in Arizona between the Hopi and Navajo Indian Tribes.
457 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

2:00 p.m.
Foreign Relations
East Asian and Pacific Affairs Subcommittee
To resume hearings in open and closed session to examine political, economic, and military interest in Southeast Asia.
S-116, Capitol

JULY 14

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2204, promoting interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts.
235 Russell Building

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 2294, providing for the settlement of certain land claims of the Chitimacha Indian Tribe of Louisiana.
6226 Dirksen Building

10:00 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
Employment and Productivity Subcommittee
To hold joint hearings to review employee assistance programs for alcohol and drug abuse problems.
4232 Dirksen Building

JULY 20

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
Business meeting, to mark up S. 1541, amending the Employee Retirement Income Security Act (ERISA) by simplifying both reporting and disclosure requirements, and the process for employers to provide retirement income to employees, and providing incentives for employers to provide pension benefits to employees.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

JULY 21

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
Business meeting, to continue markup of S. 1541, amending the Employee Retirement Income Security Act (ERISA) by simplifying both reporting and disclosure requirements, and the process for employers to provide retirement income to employees, and providing incentives for employers to provide pension benefits to employees.
4232 Dirksen Building

Select on Indian Affairs
To hold hearings on H.R. 3731, relating to the use or distribution of certain judgment funds awarded by the Indian Claims Commission or the U.S. Court of Claims.
6226 Dirksen Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

JULY 22

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 2500, reducing conflicts in the licensing of hydroelectric powerplants and expediting the development of and simplifying the regulation of hydroelectric powerplants.
3110 Dirksen Building
Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

JULY 27

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market, focusing on foreign coal ports and the international transportation of coal.
3110 Dirksen Building
10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

JULY 28

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings to discuss alternative means of providing legal services to the poor.
4232 Dirksen Building
Veterans' Affairs
To hold hearings on proposed legislation clarifying certain United States Code provisions relating to veterans' employment programs.
412 Russell Building
Select on Indian Affairs
To hold hearings on S. 2153, providing for the distribution of funds awarded the confederated tribes of the Warm Springs Indian Reservation in Oregon by the Indian Claims Commission.
6226 Dirksen Building
10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

JULY 29

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on America's role in the world coal export market, focusing on the condition of U.S. coal ports.
3110 Dirksen Building
10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

AUGUST 4

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1405, proposed Carl Albert Congressional Research and Studies Center Endowment Act.
4232 Dirksen Building

AUGUST 5

10:00 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the effects of alcohol and drugs on individuals while driving.
4232 Dirksen Building

AUGUST 11

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 1652, restoring certain lands in Arizona to the Colorado River Indian Reservation to be held in trust by the United States, S. 2418, permitting the Twentynine Palms Band of Luisena Mission Indians to lease certain trust lands for 99 years, S. 1799 and H.R. 4364, bills providing for the transfer of certain land in Pima County, Ariz. to the Pascua Yaqui Indian Tribe, and the substance of H.R. 5916, providing for certain Federal lands to be held in trust for the Ramah Band of the Navajo Indian Tribe.
6226 Dirksen Building

AUGUST 12

9:30 a.m.
Veterans Affairs
Business meeting, to markup S. 2378, proposed Veterans' Disability Compensation and Survivors' Benefits Amendments, and proposed legislation clarifying certain United States Code provisions relating to veterans' employment programs.
412 Russell Building

SEPTEMBER 21

10:30 a.m.
Veterans' Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

CANCELLATIONS

JUNE 22

10:30 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 30

9:30 a.m.
Labor and Human Resources
To resume oversight hearings on the Department of Labor's law enforcement programs.
4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, June 22, 1982*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we come into Your presence with all the concerns that touch the human spirit. Even as we pray for righteousness, we give thanks for those men and women who work for righteousness; even as we plead for justice, we express praise for those who do justice; and even as we pray for peace, we are grateful for peacemakers. In times of crisis and confrontation You have raised up people of courageous spirit to be doers of the good works that set people free. For all those heroes of days past and those today whose faith is active in love we praise Your holy name even as we are inspired by their sacrifice and devotion. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. EMERSON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EMERSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to announce that there will be no 1-minute speeches at this time.

The vote was taken by electronic device, and there were—yeas 361, nays 26, answered "present" 1, not voting 44, as follows:

[Roll No. 159]

YEAS—361

Addabbo	Aspin	Beilenson
Akaka	Atkinson	Benedict
Albosta	AuCoin	Benjamin
Alexander	Bailey (MO)	Bennett
Anderson	Bailey (PA)	Bereuter
Andrews	Barnard	Bethune
Annunzio	Beard	Bevill
Anthony	Bedell	Bingham
Blanchard	Florio	Loeffler
Bliley	Foglietta	Long (MD)
Boggs	Foley	Lott
Boner	Ford (TN)	Lowery (CA)
Bonior	Fountain	Lowry (WA)
Bonker	Fowler	Lujan
Bouquard	Frank	Luken
Breaux	Frenzel	Lundine
Brinkley	Frost	Lungren
Brodhead	Fuqua	Madigan
Brooks	Gaydos	Markey
Broomfield	Gephardt	Marlenee
Brown (CO)	Gibbons	Marriott
Brown (OH)	Gilman	Martin (IL)
Broyhill	Gingrich	Martin (NC)
Burgener	Glickman	Martin (NY)
Burton, John	Gonzalez	Matsui
Burton, Phillip	Gore	Mattox
Byron	Gradison	Mavroules
Campbell	Gramm	Mazzoli
Carman	Gray	McClory
Carney	Green	McCollum
Chappell	Gregg	McCurdy
Chappie	Grisham	McDonald
Cheney	Guarini	McEwen
Clausen	Gunderson	McHugh
Clinger	Hagedorn	McKinney
Coats	Hall (OH)	Mica
Coelho	Hall, Ralph	Michel
Coleman	Hall, Sam	Miller (CA)
Collins (IL)	Hamilton	Mineta
Collins (TX)	Hammerschmidt	Minish
Conable	Hance	Mitchell (NY)
Conte	Hansen (UT)	Moakley
Conyers	Hartnett	Molinari
Corcoran	Hatcher	Mollohan
Courter	Hawkins	Montgomery
Coyne, James	Heckler	Moore
Coyne, William	Hefner	Moorhead
Craig	Heftel	Morrison
Crane, Daniel	Hendon	Motti
Crane, Philip	Hertel	Murphy
D'Amours	Hightower	Murtha
Daniel, Dan	Hiler	Myers
Daniel, R. W.	Hillis	Napier
Dannemeyer	Holland	Natcher
Daschle	Hollenbeck	Neal
Daub	Holt	Nelligan
Davis	Hopkins	Nelson
de la Garza	Horton	Nichols
Deckard	Howard	Nowak
Dellums	Hoyer	O'Brien
DeNardis	Hubbard	Oakar
Derwinski	Huckaby	Oberstar
Dicks	Hughes	Obey
Dingell	Hunter	Oxley
Dixon	Hutto	Panetta
Dorgan	Hyde	Parris
Dornan	Ireland	Pashayan
Dougherty	Jeffords	Patman
Downey	Jeffries	Patterson
Dreier	Jenkins	Paul
Duncan	Jones (NC)	Pease
Dunn	Jones (OK)	Pepper
Dwyer	Jones (TN)	Perkins
Dymally	Kastenmeier	Petri
Early	Kazen	Peyser
Eckart	Kemp	Pickle
Edwards (AL)	Kildee	Porter
Edwards (CA)	Kindness	Price
Emery	Kogovsek	Pritchard
English	Kramer	Pursell
Erdahl	LaFalce	Quillen
Evans (DE)	Lagomarsino	Rahall
Evans (GA)	Lantos	Railsback
Evans (IN)	Latta	Rangel
Fary	Leach	Ratchford
Fascell	Leath	Regula
Fazio	LeBoutillier	Reuss
Fenwick	Lee	Richmond
Ferraro	Lehman	Rinaldo
Fiedler	Leland	Ritter
Findley	Lent	Roberts (KS)
Fish	Levitas	Robinson
Flippo	Lewis	Rodino
Roe	Smith (NJ)	Walgren
Rogers	Smith (OR)	Wampler
Rosenthal	Smith (PA)	Watkins
Rostenkowski	Snowe	Waxman
Roukema	Snyder	Weaver
Rousselot	Solarz	Weber (MN)
Roybal	Spence	Weber (OH)
Rudd	St Germain	Weiss
Russo	Stangeland	White
Santini	Stanton	Whitehurst
Sawyer	Stark	Whitley
Scheuer	Staton	Whittaker
Schneider	Stenholm	Whitten
Schulze	Stokes	Williams (OH)
Sensenbrenner	Stratton	Winn
Shamansky	Studds	Wirth
Shannon	Stump	Wolf
Sharp	Swift	Wolpe
Shaw	Synar	Wright
Shelby	Tauke	Wyden
Shumway	Tauzin	Wylie
Shuster	Taylor	Yatron
Siljander	Thomas	Young (FL)
Skeen	Traxler	Young (MO)
Skelton	Trible	Zablocki
Smith (AL)	Udall	Zeferetti
Smith (IA)	Vander Jagt	
Smith (NE)	Volkmer	

NAYS—26

Barnes	Goodling	Schroeder
Clay	Harkin	Solomon
Coughlin	Jacobs	Vento
Dickinson	Johnston	Walker
Edgar	McGrath	Washington
Emerson	Miller (OH)	Wortley
Evans (IA)	Mitchell (MD)	Yates
Fields	Roemer	Young (AK)
Gejdenson	Sabo	

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—44

Applegate	Dyson	McCloskey
Archer	Edwards (OK)	McDade
Badham	Erlenborn	Mikulski
Bafalis	Ertel	Moffett
Biaggi	Fithian	Rhodes
Boland	Ford (MI)	Roberts (SD)
Bolling	Forsythe	Rose
Bowen	Garcia	Roth
Brown (CA)	Ginn	Savage
Butler	Goldwater	Schumer
Chisholm	Hansen (ID)	Seiberling
Crockett	Kennelly	Simon
Derrick	Livingston	Williams (MT)
Donnelly	Long (LA)	Wilson
Dowdy	Marks	

□ 1215

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills and joint and concurrent resolutions of the House of the following titles:

H.R. 1482. An act for the relief of Christina Boltz Sidders;

H.R. 3863. An act to amend the Poultry Products Inspection Act to increase the number of turkeys which may be slaughtered and processed without inspection under such Act, and for other purposes;

H.J. Res. 230. Joint resolution imploring the Union of Soviet Socialist Republics to allow Doctor Semyon Gluzman and his family to emigrate to Israel;

H. Con. Res. 111. Concurrent resolution expressing the sense of the Congress that the Government of the Soviet Union should cease its imprisonment of Yuriy Shukhevych and permit him and his family to emigrate from the Soviet Union;

H. Con. Res. 205. Concurrent resolution expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine; and

H. Con. Res. 218. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Mart Niklus, and for other purposes.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT DURING 5-MINUTE RULE ON TOMORROW, WEDNESDAY, JUNE 23, 1982

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs be allowed to sit on tomorrow, Wednesday, June 23, 1982, during the 5-minute rule, said request having been cleared with the minority.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO SIT DURING 5-MINUTE RULE ON TODAY AND THE BALANCE OF THE WEEK

Mr. SWIFT. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce be permitted to sit during the 5-minute rule today and for the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. WALKER. Mr. Speaker, reserving the right to object it was my understanding that a number of members of that committee were concerned about the fact that they would be sitting during the 5-minute rule, and the subject matter is the A.T. & T. bill, during a time when we were going to be debating important legislation on the floor, namely, the refugee assistance bill. Is that the bill that will be taken up, I might ask the gentleman?

Mr. SWIFT. That is the bill currently under consideration.

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER. Objection is heard. The Chair will state that there must be 10 Members objecting. Those Members objecting will stand.

(Messrs. WALKER, KINDNESS, MYERS, DORNAN of California, GREGG, HENDON, SAWYER, NAPIER, SMITH of Oregon, and ROGERS also objected.)

The SPEAKER. A sufficient number has objected.

Objection is heard.

APPOINTMENT OF CONFEREES ON H.R. 5890, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1983

Mr. FUQUA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5890) to authorize appropriations for the National Aeronautics and Space Administration and for NOAA Landsat activities, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees:

From the Committee on Science and Technology for consideration of the entire bill and Senate amendment: Messrs. FUQUA, FLIPPO, GLICKMAN, NELSON, BROWN of California, WINN, GOLDWATER, and HOLLENBECK;

From the Committee on Armed Services, solely for the consideration of section 5 of the Senate amendment and modifications committed to conference: Mr. STRATTON and Mr. DICKINSON; and

From the Permanent Select Committee on Intelligence, solely for the consideration of section 5 of the Senate amendment and modifications committed to conference: Messrs. BOLAND, GORE, and ROBINSON.

PERMISSION FOR SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS OF COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, JUNE 23, 1982

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule on Wednesday, June, 23, 1982.

The purpose is to have a markup on H.R. 24, Tort Claims Act; H.R. 6168, threats against Presidential candidates; H.R. 6204, Supreme Court Police, and S. 2317, National Federation of Music Clubs.

The minority has been consulted about this request.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 92, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1983

Mr. JONES of Oklahoma. Mr. Speaker, I call up the conference report on the Senate concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 97-614)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982, having met, after full and free conference, have been unable to agree on a conference report because the conference decisions have changed certain budget figures outside the scope of conference. As set forth in the accompanying Joint Explanatory Statement, the conferees do propose a congressional budget incorporated in a further amendment for the consideration of the two Houses.

JIM JONES,
BILL NELSON,
LES ASPIN,
W. G. BILL HEFNER,
DELBERT L. LATTA,
RALPH REGULA,
BILL FRENZEL,
ED BETHUNE,
LYNN MARTIN,
BOBBI FIEDLER,
Managers on the Part of the House.

PETE DOMENICI,
W. L. ARMSTRONG,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
ORRIN G. HATCH,
JOHN TOWER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982 report that the conferees have been unable to agree. This is a technical disagreement, necessitated by the fact that in some instances the conference decisions include figures which (for purely technical reasons) would fall outside the range between the corresponding House and Senate provisions.

It is the intention of the conferees that the managers on the part of the Senate will offer a motion in the Senate to recede and concur in the House amendment to the Senate-passed resolution with an amend-

ment (in the nature of a substitute) consisting of the language agreed to in conference. Upon the adoption of such amendment in the Senate, the managers on the part of the House will offer a motion in the House to concur therein.

The managers on the part of the House and the Senate submit the following joint statement in explanation of the action agreed upon by the managers:

The substitute language which is to be offered as described above (and which should be considered the language of the concurrent resolution as recommended in the conference report for purposes of section 302(a) of the Congressional Budget Act of 1974)—hereinafter in this statement referred to as the "conference substitute"—is as follows:

That the Congress hereby determines and declares that the Second Concurrent Resolution on the Budget for Fiscal Year 1982 is hereby revised, the First Concurrent Resolution on the Budget for Fiscal Year 1983 is hereby established, and the appropriate budgetary levels for Fiscal Years 1984 and 1985 are hereby set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, October 1, 1983, and October 1, 1984:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $628,400,000,000.
Fiscal year 1983: $665,900,000,000.
Fiscal year 1984: $738,000,000,000.
Fiscal year 1985: $821,400,000,000.

and the amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1982: −$200,000,000.
Fiscal year 1983: +$20,900,000,000.
Fiscal year 1984: +$36,000,000,000.
Fiscal year 1985: +$41,400,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,672,000,000.
Fiscal year 1983: $822,390,000,000.
Fiscal year 1984: $878,473,000,000.
Fiscal year 1985: $960,611,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $734,100,000,000.
Fiscal year 1983: $769,818,000,000.
Fiscal year 1984: $821,928,000,000.
Fiscal year 1985: $881,356,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $105,700,000,000.
Fiscal year 1983: $103,918,000,000.
Fiscal year 1984: $83,928,000,000.
Fiscal year 1985: $59,956,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,143,100,000,000.
Fiscal year 1983: $1,290,200,000,000.
Fiscal year 1984: $1,420,219,000,000.
Fiscal year 1985: $1,533,491,000,000.

and the amounts by which the current temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $63,300,000,000.
Fiscal year 1983: $147,100,000,000.
Fiscal year 1984: $130,019,000,000.
Fiscal year 1985: $113,272,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:

Fiscal year 1982:
(A) New direct loan obligations, $63,600,000,000.
(B) New primary loan guarantee commitments, $74,900,000,000.
(C) New secondary loan guarantee commitments, $69,000,000,000.
Fiscal year 1983:
(A) New direct loan obligations, $59,700,000,000.
(B) New primary loan guarantee commitments, $101,900,000,000.
(C) New secondary loan guarantee commitments, $68,300,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $218,200,000,000.
(B) Outlays, $187,550,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $253,566,000,000.
(B) Outlays, $213,966,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $279,483,000,000.
(B) Outlays, $243,283,000,000.
Fiscal year 1985:
(A) New budget authority, $323,650,000,000.
(B) Outlays, $279,000,000,000.
(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $16,750,000,000.
(B) Outlays, $11,400,000,000.
(C) New direct loan obligations, $10,400,000,000.
(D) New primary loan guarantee commitments, $8,100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $15,900,000,000.
(B) Outlays, $11,500,000,000.
(C) New direct loan obligations, $10,200,000,000.
(D) New primary loan guarantee commitments, $9,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $16,400,000,000.
(B) Outlays, $11,900,000,000.
Fiscal year 1985:
(A) New budget authority, $21,000,000,000.
(B) Outlays, $11,800,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $7,600,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $7,800,000,000.
Fiscal year 1985:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $7,400,000,000.
(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $10,300,000,000.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $4,500,000,000.
(C) New direct loan obligations, $12,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $3,950,000,000
(B) Outlays, $3,300,000,000.
Fiscal year 1985:
(A) New budget authority, $3,800,000,000.
(B) Outlays, $3,000,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $12,800,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $9,500,000,000.
(B) Outlays, $10,950,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $9,800,000,000.
Fiscal year 1985:
(a) New budget authority, $8,300,000,000.
(B) Outlays, $8,700,000,000.
(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $9,900,000,000.
(B) Outlays, $13,800,000,000.
(C) New direct loan obligations, $22,600,000,000.
(D) New primary loan guarantee commitments, $2,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $6,692,000,000.
(B) Outlays, $9,042,000,000.
(C) New direct loan obligations, $18,100,000,000.
(D) New primary loan guarantee commitments, $2,600,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $7,600,000,000.
Fiscal year 1985:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $7,110,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $9,480,000,000.
(B) Outlays, $3,750,000,000.
(C) New direct loan obligations, $12,050,000,000.
(D) New primary loan guarantee commitments, $26,200,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1983:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $2,837,000,000.
(C) New direct loan obligations, $12,100,000,000.
(D) New primary loan guarantee commitments, $41,000,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1984:
(A) New budget authority, $7,600,000,000.
(B) Outlays, $2,521,000,000.
Fiscal year 1985:
(A) New budget authority, $7,223,000,000.
(B) Outlays, $1,880,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $20,800,000,000.
(B) Outlays, $21,300,000,000.
(C) New direct loan obligations, $400,000,000.
(D) New primary loan guarantee commitments, $750,000,000.
(E) New secondary loan guarantee commitments, $3,000,000.
Fiscal Year 1983:
(A) New budget authority, $21,450,000,000.
(B) Outlays, $19,900,000,000.
(C) New direct loan obligations, $500,000,000.
(D) New primary loan guarantee commitments, $800,000,000.
(E) New secondary loan guarantee commitments, $3,000,000.
Fiscal Year 1984:
(A) New budget authority, $21,700,000,000.
(B) Outlays, $19,700,000,000.
Fiscal Year 1985:
(A) New budget authority, $22,050,000,000.
(B) Outlays, $19,600,000,000.
(9) Community and Regional Development (450):
Fiscal Year 1982:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $8,500,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal Year 1983:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,700,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal Year 1984:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,500,000,000.
Fiscal Year 1985:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $7,400,000,000.
(10) Education, Training, Employment and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $25,400,000,000.
(B) Outlays, $28,100,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $6,500,000,000.
(E) New secondary loan guarantee commitments, $700,000,000.
Fiscal year 1983:
(A) New budget authority, $26,832,000,000.
(B) Outlays, $26,205,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New primary loan guarantee commitments, $7,200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $26,700,000,000.
(B) Outlays, $26,900,000,000.
Fiscal year 1985:
(A) New budget authority, $26,214,000,000.
(B) Outlays, $26,161,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $78,500,000,000.
(B) Outlays, $73,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $79,569,000,000.
(B) Outlays, $77,816,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $91,725,000,000.
(B) Outlays, $86,249,000,000.
Fiscal year 1985:
(A) New budget authority, $103,229,000,000.
(B) Outlays, $98,830,000,000.
(12) Income Security (600):
Fiscal year 1982:
(A) New budget authority, $256,792,000,000.
(B) Outlays, $250,300,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $17,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $274,797,000,000.
(B) Outlays, $270,895,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $18,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $291,042,000,000.
(B) Outlays, $287,531,000,000.
Fiscal year 1985:
(A) New budget authority, $322,373,000,000.
(B) Outlays, $308,858,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1982:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $23,800,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $11,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $24,560,000,000.
(B) Outlays, $23,823,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $20,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $25,746,000,000.
(B) Outlays, $25,017,000,000.
Fiscal year 1985:
(A) New budget authority, $26,752,000,000.
(B) Outlays, $26,497,000,000.
(14) Administration of Justice (750):
Fiscal year 1982:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $4,540,000,000.
(B) Outlays, $4,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,500,000,000.
Fiscal year 1985:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,500,000,000.
(15) General Government (800):
Fiscal year 1982:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $4,650,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,450,000,000.
Fiscal year 1985:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,300,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1982:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,300,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,500,000,000.
(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1985:
(A) New budget authority, $6,850,000,000.
(B) Outlays, $6,850,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $100,700,000,000.
(B) Outlays, $100,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $113,200,000,000.
(B) Outlays, $113,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $118,000,000,000.
(B) Outlays, $118,000,000,000.
Fiscal year 1985:
(A) New budget authority, $111,500,000,000.
(B) Outlays, $111,500,000,000.
(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, $2,850,000,000.
(B) Outlays, $800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, −$3,016,000,000.
(B) Outlays, −$2,816,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, −$2,383,000,000.
(B) Outlays, −$2,033,000,000.
Fiscal year 1985:
(A) New budget authority, −$2,150,000,000.
(B) Outlays, −$1,750,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, −$31,700,000,000.
(B) Outlays, −$31,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, −$43,100,000,000.
(B) Outlays, −$43,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, −$48,790,000,000.
(B) Outlays, −$48,790,000,000.
Fiscal year 1985:
(A) New budget authority, −$50,280,000,000.
(B) Outlays, −$50,280,000,000.

RECONCILIATION

Sec. 2. (a) Not later than July 20, 1982, the Senate committees named in subsection (b) (1) through (7) of this section shall submit their recommendations to the Senate Committee on the Budget and not later than August 1, 1982, the House committees named in subsection (c) (1) through (10) of this section shall submit their recommendations to the House Committee on the Budget. Those recommendations shall be sufficient to accomplish the reductions required by subsections (b) and (c) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b)(1) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; to reduce budget authority by $693,000,000 and outlays by $693,000,000 in fiscal year 1984; and to reduce budget authority by $1,231,000,000 and outlays by $1,231,000,000 in fiscal year 1985.

(3) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; to reduce budget authority by $0 and outlays by $697,000,000 in fiscal year 1984; and to reduce budget authority by $0 and outlays by $687,000,000 in fiscal year 1985.

(4) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; to reduce budget authority by $15,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $27,000,000 and outlays by $27,000,000 in fiscal year 1985.

(5) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $2,000,000 in fiscal year 1983; to reduce budget authority by $2,000,000 and outlays by $8,000,000 in fiscal year 1984; and to reduce budget authority by $4,000,000 and outlays by $15,000,000 in fiscal year 1985.

(6) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $374,000,000 in fiscal year 1983; to reduce budget authority by $240,000,000 and outlays by $1,053,000,000 in fiscal year 1984; and to reduce budget authority by $534,000,000 and outlays by $1,793,000,000 in fiscal year 1985.

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $77,000,000 and outlays by $77,000,000 in fiscal year 1983; to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

HOUSE COMMITTEES

(c)(1) The Committee on Agriculture shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; to reduce budget authority by $693,000,000 and outlays by $693,000,000 in fiscal year 1984; and to reduce budget authority by $1,231,000,000 and outlays by $1,231,000,000 in fiscal year 1985.

(3) The House Committee on Banking, Finance, and Urban Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; to reduce budget authority by $0 and outlays by $697,000,000 in fiscal year 1984; and to reduce budget authority by $0 and outlays by $687,000,000 in fiscal year 1985.

(4) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $675,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $739,000,000 in fiscal year 1984; and to

reduce budget authority by $815,000,000 and outlays by $811,000,000 in fiscal year 1985.

(5) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $2,000,000 in fiscal year 1983; to reduce budget authority by $2,000,000 and outlays by $8,000,000 in fiscal year 1984; and to reduce budget authority by $4,000,000 and outlays by $15,000,000 in fiscal year 1985.

(6) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; to reduce budget authority by $15,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $27,000,000 and outlays by $27,000,000 in fiscal year 1985.

(7) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $376,000,000 in fiscal year 1983; to reduce budget authority by $242,000,000 and outlays by $1,061,000,000 in fiscal year 1984; and to reduce budget authority by $538,000,000 and outlays by $1,808,000,000 in fiscal year 1985.

(8) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $77,000,000 and outlays by $77,000,000 in fiscal year 1983; to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

(9) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $593,000,000 and outlays by $3,755,000,000 in fiscal year 1983; to reduce budget authority by $705,000,000 and outlays by $4,827,000,000 in fiscal year 1984; and to reduce budget authority by $928,000,000 and outlays by $5,168,000,000 in fiscal year 1985.

(10)(A) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $20,900,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $36,000,000,000 for fiscal year 1984, and $41,400,000,000 for fiscal year 1985.

(B) If the changes in laws reported to the House Committee on the Budget by the House Committee on Ways and Means pursuant to subsection (a) contain changes involving the imposition of new or expanded taxes to directly finance programs within the jurisdiction of any other committee of the House (including, but not limited to, inland waterways or deep draft ports) or the imposition of any new or expanded user fees within the jurisdiction of any other committee of the House, an appropriate referral pursuant to rule X of the rules of the House should be considered.

SENATE FINANCE COMMITTEE

(d)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,106,000,000 and outlays by $4,429,000,000 in fiscal year 1983; to reduce budget authority by $1,444,000,000 and outlays by $5,564,000,000 in fiscal year 1984; and to reduce budget authority by $1,740,000,000 and outlays by $5,976,000,000 in fiscal year 1985.

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $20,900,000,000 in fiscal year 1983; $36,000,000,000 in fiscal year 1984; and $41,400,000,000 in fiscal year 1985.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported to the Senate no later than July 12, 1982.

MISCELLANEOUS PROVISIONS

Sec. 3. It shall not be in order in the House or the Senate during fiscal years 1982 and 1983 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts. This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation, loans and loan guarantee programs administered by the Veterans' Administration, or bills or resolutions reported to the House or Senate prior to the adoption of this resolution.

Sec. 4. (a) No bill or resolution providing new budget authority for fiscal year 1983, or new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983, which exceeds in either the House of Representatives or the Senate, the appropriate allocation or subdivision of such new discretionary budget authority, new budget authority, or new spending authority made pursuant to section 302 of such Act shall be enrolled until after the Congress has completed action on the Second Concurrent Resolution on the Budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, 90 percent or more of the receipts of which consist of or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954, then for purposes of this section in the House of Representatives, "new discretionary budget authority" and "new spending authority", and for purposes of this section in the Senate, "new budget authority" and "new spending authority" shall not include spending authority or budget authority derived from such trust fund. This subsection shall only apply to trust funds—

(1) exempt under section 401(d)(1)(B) of the Congressional Budget Act,

(2) for which revenues are increased, and

(3) to the extent that such increased revenues exceed the appropriate allocation or subdivision of such new discretionary budget authority, new budget authority, or new spending authority made pursuant to section 302 of such Act.

Sec. 5. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

Sec. 6. It is the sense of the Congress that concurrent resolutions on the budget should reflect the full range of fiscal activities of the Federal Government. It is further the sense of the Congress, therefore, that each concurrent resolution on the budget, beginning with the first concurrent resolution on the budget for fiscal year 1984, shall list, for each functional category, the off-budget activities associated with that category, as well as the new budget authority, outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments associated with that category.

Sec. 7. If Congress has not completed action by October 1, 1982, on the Concurrent Resolution on the Budget required to be reported under section 310(a) of the Budget Act for the 1983 fiscal year, then, for purposes of section 311 of such Act, and section 4 of this resolution, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310(a) of such Act.

Sec. 8. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

Sec. 9. (a) After the Congress has completed action on the concurrent resolution on the budget required to be reported under section 310(a) for fiscal year 1983, and, if a reconciliation bill or resolution, or both, for such fiscal year are required to be reported under section 310(c), after that bill has been enacted into law or that resolution has been agreed to, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing authority for—

(1) new direct loan obligations for fiscal year 1983;

(2) new primary loan guarantee commitments for fiscal year 1983; or

(3) new secondary loan guarantee commitments for fiscal year 1983;

or any conference report on any such bill or resolution, if—

(A) the enactment of such bill or resolution as reported;

(B) the adoption and enactment of such amendment; or

(C) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new direct loan obligations for fiscal year 1983, total new primary loan guarantee commitments for such fiscal year, or total new secondary loan guarantee commitments for such fiscal year set forth in such concurrent resolution on the budget to be exceeded.

(b)(1) The joint explanatory statement accompanying the conference report on this resolution shall include an estimated allocation, based upon the first section of this resolution as recommended in such conference report, of the appropriate levels of total new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new authority.

(2) As soon as practicable after this resolution is agreed to every committee of each House shall, after consulting with the committee or committees of the other House to which all or part of the allocation has been made, subdivide among its subcommittees the allocation of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments allocated to it in the joint explanatory statement accompanying the conference report on this resolution.

(c) This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation.

Sec. 10. It is the sense of Congress that reductions in Federal employment should be accomplished through attrition.

EXPLANATION OF CONFERENCE SUBSTITUTE

The following table shows the functional allocations and budget aggregates included in the conference substitute. The numbers in the FY 82 column reflect revisions of the second budget resolution for FY 1982. The FY 1983 column shows the budget aggregates and functional allocations for the first budget resolution for FY 1983. The columns for FY 1984 and 1985 show budget aggregates and functional allocations which the conferees consider appropriate for those years.

CONFERENCE SUBSTITUTE, FIRST BUDGET RESOLUTION, FISCAL YEAR 1983

[In millions of dollars]

Function	Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
050: National Defense	218,200	187,550	253,566	213,966	279,483	243,283	323,650	279,000
150: International Affairs	16,750	11,400	15,900	11,500	16,400	11,900	21,000	11,800
250: General Science, Space, and Technology	7,000	7,000	7,800	7,600	7,700	7,800	7,300	7,400
270: Energy	4,800	6,400	4,800	4,500	3,950	3,300	3,800	3,000
300: Natural Resources and Environment	10,300	12,800	9,500	10,950	8,700	9,800	8,300	8,700
350: Agriculture	9,900	13,800	6,692	9,042	8,300	7,600	6,700	7,110
370: Commerce and Housing Credit	9,480	3,750	7,100	2,837	7,600	2,521	7,223	1,880
400: Transportation	20,800	21,300	21,450	19,900	21,700	19,700	22,050	19,600
450: Community and Regional Development	7,000	8,500	6,900	7,700	6,900	7,500	7,100	7,400
500: Education, Training, Employment, and Social Services	25,400	28,100	26,832	26,205	26,700	26,900	26,214	26,161
550: Health	78,500	73,700	79,569	77,816	91,725	86,249	103,229	98,830
600: Income Security	256,792	250,300	274,797	270,895	291,042	287,531	322,373	308,858
700: Veterans Benefits and Services	24,800	23,800	24,560	23,823	25,746	25,017	26,752	26,497
750: Administration of Justice	4,500	4,600	4,540	4,650	4,500	4,500	4,500	4,500
800: General Government	5,200	5,000	4,800	4,650	4,500	4,450	4,500	4,300
850: General Purpose Fiscal Assistance	6,400	6,300	6,500	6,500	6,700	6,700	6,850	6,850
900: Interest	100,700	100,700	113,200	113,200	118,000	118,000	111,500	111,500
920: Allowances	2,850	800	−3,016	−2,816	−2,383	−2,033	−2,150	−1,750
950: Undistributed Offsetting Receipts	−31,700	−31,700	−43,100	−43,100	−48,790	−48,790	−50,280	−50,280
Total Spending	777,672	734,100	822,390	769,818	878,473	821,928	960,611	881,356
Revenues		628,400		665,900		738,000		821,400
Deficit		105,700		103,918		83,928		59,956
Public Debt		1,143,100		1,290,200		1,420,219		1,533,491
Change in revenues		−200		+20,900		+36,000		+41,400
Change in public debt limit		+63,300		+147,100		+130,019		+113,272

ECONOMIC ASSUMPTIONS

The House and Senate used identical economic assumptions in their Resolutions. These assumptions were agreed upon in the budget discussions carried on by negotiators from the House, Senate, and Administration during April. The Conferees accepted these economic assumptions as the basis for the revenue, spending, and credit estimates in the conference agreement. The table below shows the levels of Gross National Product, incomes, unemployment, inflation, and interest rates in the economic assumptions.

[Calendar years, dollar amounts in billions]

	1982	1983	1984	1985
Gross National Product:				
Current dollars	$3,116	$3,493	$3,875	$4,259
Constant (1972) dollars	$1,497	$1,564	$1,629	$1,689
Percent change	−0.9	4.5	4.1	3.7
GNP deflator (percent change, year over year)	7.4	7.3	6.6	6.0
Consumer Price Index (percent change, year over year)	6.9	6.9	6.9	6.4
Unemployment rate (annual average, percent)	9.1	8.4	7.6	7.2
Taxable incomes:				
Wages and salaries	$1,577	$1,733	$1,904	$2,082
Nonwage personal income	$593	$666	$736	$792
Corporate profits[1]	$206	$248	$303	$324
Interest rate, 3-mo. Treasury bills (percent, annual average)	12.0	10.7	8.8	6.9

[1] After accounting for increased depreciation charges due to the Accelerated Cost Recovery System provisions of the Economic Recovery Tax Act of 1981.

The following table shows that the levels of spending and revenues contained in the conference substitute imply substantial restraint in the growth of government, both in terms of nominal and real rates of change and as a share of GNP.

TRENDS IN REVENUES AND OUTLAYS IN CONFERENCE SUBSTITUTE

[In percent]

	Fiscal year—			
	1982	1983	1984	1985
Outlays as a percent of GNP	24.1	22.6	21.8	21.4
Revenues as a percent of GNP	20.6	19.6	19.5	19.9
Growth in outlays	11.7	4.9	6.8	7.2
Growth in revenues	4.9	6.0	10.8	11.3
Reference: Gross national product (in billions)	$3,050	$3,398	$3,778	$4,127

REVENUES

The Senate Resolution provided revenues of $623.0 billion in fiscal year 1982, $668.4 billion in fiscal year 1983, $741.4 billion in fiscal year 1984 and $825.5 billion in fiscal year 1985 and provided that legislation should increase revenues by $23.4 billion in fiscal year 1983, $39.4 billion in fiscal year 1984, and $45.5 billion in fiscal year 1985.

The House amendment provided revenues of $628.4 billion in fiscal year 1982, $665.9 billion in fiscal year 1983, $738.0 billion in fiscal year 1984 and $821.4 billion in fiscal year 1985 and provided that legislation should decrease revenues by $0.2 billion in 1982 and increase revenues by $20.9 billion in 1983, $36.0 billion in 1984, and $41.4 billion in 1985.

The conference substitute provides for the House-passed revenues and legislated revenue changes, as follows:

[In billions of dollars]

	Fiscal year—			
	1982	1983	1984	1985
Current law revenues	628.6	645.0	702.0	[1] 780.0
Revenue change	−0.2	+20.9	+36.0	+41.4
Revenue floor	628.4	665.9	738.0	821.4

[1] Assumes extension of highway trust fund taxes of $4.2 billion in 1985.

USER FEES

The managers agree that the amounts set forth above for increases in revenues include the assumption that the following amounts will be raised through increased user fees to recover costs of Federal programs and activities:

INCREASES IN REVENUES FROM USER FEES

[In billions of dollars]

	Fiscal year—		
	1983	1984	1985
Revenues from user fees	0.9	1.0	1.4

The spending totals in various functional categories of the budget also include assumed increases in offsetting receipts from new or expanded user fees. The Conference substitute assumes that certain user fees will be increased, but the managers agree that the budget may be implemented without the imposition of the specific user fees assumed.

BUDGET AGGREGATES AND FUNCTIONAL ALLOCATIONS

The House and Senate resolutions contained substantial differences in budget aggregates and in functional allocations. The following four tables show the budget aggregates and functional allocations provided for in the original House-passed and Senate-passed resolutions as well as the conference substitute for each of the four fiscal years dealt with in the resolution. The first table, showing the numbers reflected in the revised second budget resolution for fiscal year 1982, also includes the budget aggregates and functional allocations provided for in the original second budget resolution for FY 1982.

FISCAL YEAR 1982 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	Second budget resolution	Revised second budget resolution		
		House passed	Senate passed	Conference substitute
Budget authority	770.90	779.30	777.60	777.672
Outlays	695.45	729.20	740.80	734.100
Revenues	657.80	628.40	623.00	628.400
Deficit	−37.65	−100.80	−117.80	−105.700
Public debt	1,079.80	1,143.10	1,144.20	1,143.100
Change in revenues	−51.30	−0.20	−0.00	−0.200
Change in public debt limit	+80.000	+63.300	+64.400	+63.300
050—National defense:				
Budget authority	226.30	218.20	216.90	218.200
Outlays	188.80	187.50	190.30	187.550
150—International affairs:				
Budget authority	17.40	16.75	16.80	16.750
Outlays	11.15	11.45	11.40	11.400
250—General science, space, and technology:				
Budget authority	7.20	7.00	7.00	7.000
Outlays	7.00	7.00	7.10	7.000
270—Energy:				
Budget authority	4.50	4.75	4.80	4.800
Outlays	6.00	6.50	6.40	6.400
300—Natural resources and environment:				
Budget authority	8.20	10.40	10.30	10.300
Outlays	12.40	12.85	12.80	12.800
350—Agriculture:				
Budget authority	5.50	9.90	9.90	9.900
Outlays	4.50	12.80	13.80	13.800
370—Commerce and housing credit:				
Budget authority	7.70	7.50	11.60	9.480
Outlays	4.00	3.75	3.80	3.750
400—Transportation:				
Budget authority	21.20	21.35	20.80	20.800
Outlays	20.40	21.45	21.30	21.300
450—Community and regional development:				
Budget authority	7.10	7.00	6.70	7.000
Outlays	8.70	8.65	8.50	8.500
500—Education, training, employment, and social services:				
Budget authority	26.20	25.45	25.40	25.400
Outlays	26.85	28.20	28.10	28.100
550—Health:				
Budget authority	83.50	79.05	78.50	78.500
Outlays	73.35	71.30	73.70	73.700
600—Income security:				
Budget authority	262.70	261.35	255.80	256.792
Outlays	239.70	249.10	251.60	250.300
700—Veterans benefits and services:				
Budget authority	24.80	24.80	24.80	24.800
Outlays	24.05	23.80	23.80	23.800
750—Administration of justice:				
Budget authority	4.30	4.50	4.50	4.500
Outlays	4.45	4.65	4.60	4.600
800—General government:				
Budget authority	5.00	5.20	5.20	5.200
Outlays	4.90	5.05	5.00	5.000
850—General purpose fiscal assistance:				
Budget authority	6.50	6.35	6.40	6.400
Outlays	6.40	6.35	6.30	6.300
900—Interest:				
Budget authority	85.70	99.55	102.00	100.700
Outlays	85.70	99.55	102.00	100.700
920—Allowances:				
Budget authority		2.85	0.70	2.850
Outlays		1.90	0.80	0.800
950—Undistributed offsetting receipts:				
Budget authority	−32.90	−32.65	−30.50	−31.700
Outlays	−32.90	−32.65	−30.50	−31.700

FISCAL YEAR 1983—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Budget authority	800.383	835.6699	822.390
Outlays	765.171	784.2512	769.818
Revenues	665.900	668.4000	665.900
Deficit	−99.271	−115.8512	−103.918
Public debt	1,290.200	1,292.2512	1,290.200
Change in revenues	+20.900	+23.4000	+20.900
Change in public debt limit	+147.100	+48.0512	+147.100
050—National defense:			
Budget authority	253.566	251.7000	253.566
Outlays	213.966	215.3000	213.966
150—International affairs:			
Budget authority	14.988	16.2000	15.900
Outlays	11.238	12.1000	11.500
250—General science, space, and technology:			
Budget authority	7.050	7.8000	7.800
Outlays	7.150	7.6000	7.600
270—Energy:			
Budget authority	3.486	5.3000	4.800
Outlays	3.763	5.0000	4.500
300—Natural resources and environment:			
Budget authority	9.000	9.9000	9.500
Outlays	10.550	11.4000	10.950
350—Agriculture:			
Budget authority	6.692	6.6000	6.692
Outlays	9.042	10.1000	9.042
370—Commerce and housing credit:			
Budget authority	6.751	7.1000	7.100
Outlays	1.902	3.9000	2.837
400—Transportation:			
Budget authority	21.450	21.6000	21.450
Outlays	20.050	19.9000	19.900
450—Community and regional development:			
Budget authority	6.750	6.9000	6.900
Outlays	7.847	7.7000	7.700
500—Education, training, employment, and social services:			
Budget authority	26.832	26.5000	26.832
Outlays	26.205	27.0000	26.205
550—Health:			
Budget authority	79.289	79.5699	79.569
Outlays	77.816	77.6512	77.816
600—Income security:			
Budget authority	258.141	281.8000	274.797
Outlays	269.841	273.0000	270.895
700—Veterans benefits and services:			
Budget authority	24.560	24.0000	24.560
Outlays	23.823	23.2000	23.823
750—Administration of justice:			
Budget authority	4.400	4.9000	4.540
Outlays	4.500	4.9000	4.650
800—General government:			
Budget authority	4.800	5.0000	4.800
Outlays	4.650	4.8000	4.650

FISCAL YEAR 1983—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	House passed	Senate passed	Conference substitute
850—General purpose fiscal assistance:			
Budget authority	6.500	6.6000	6.500
Outlays	6.500	6.5000	6.500
900—Interest:			
Budget authority	112.300	115.5000	113.200
Outlays	112.300	115.5000	113.200
920—Allowances:			
Budget authority	−3.016	−2.0000	−3.016
Outlays	−2.816	−2.0000	−2.816
950—Undistributed offsetting receipts:			
Budget authority	−43.156	−39.3000	−43.100
Outlays	−43.156	−39.3000	−43.100

FISCAL YEAR 1984—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Budget authority	862.601	897.4699	878.473
Outlays	815.979	833.2677	821.928
Revenues	738.000	741.4000	738.000
Deficit	−77.979	−91.8677	−83.928
Public debt	1,426.600	1,420.2189	1,420.219
Change in revenues	+36.000	+39.4000	+36.000
Change in public debt limit	+136.400	+127.9677	+130.019
050—National defense:			
Budget authority	279.483	278.3000	279.483
Outlays	243.283	243.0000	243.283
150—International affairs:			
Budget authority	16.000	16.7000	16.400
Outlays	11.550	12.3000	11.900
250—General science, space, and technology:			
Budget authority	7.050	7.7000	7.700
Outlays	7.100	7.8000	7.800
270—Energy:			
Budget authority	2.794	4.6000	3.950
Outlays	2.184	3.9000	3.300
300—Natural resources and environment:			
Budget authority	8.400	9.3000	8.700
Outlays	9.500	10.3000	9.800
350—Agriculture:			
Budget authority	8.250	8.3000	8.300
Outlays	7.500	8.2000	7.600
370—Commerce and housing credit:			
Budget authority	7.385	7.6000	7.600
Outlays	1.425	3.6000	2.521
400—Transportation:			
Budget authority	21.700	21.8000	21.700
Outlays	19.700	19.7000	19.700
450—Community and regional development:			
Budget authority	6.900	6.9000	6.900
Outlays	7.469	7.5000	7.500
500—Education, training, employment, and social services:			
Budget authority	26.924	26.7000	26.700
Outlays	26.124	26.9000	26.900
550—Health:			
Budget authority	91.094	92.2699	91.725
Outlays	86.249	85.7677	86.249
600—Income security:			
Budget authority	278.464	300.9000	291.042
Outlays	285.514	288.8000	287.531
700—Veterans benefits and services:			
Budget authority	25.830	25.0000	25.746
Outlays	25.704	24.2000	25.017
750—Administration of justice:			
Budget authority	4.300	5.0000	4.500
Outlays	4.350	5.0000	4.500
800—General government:			
Budget authority	4.500	4.7000	4.500
Outlays	4.450	4.6000	4.450
850—General purpose fiscal assistance:			
Budget authority	6.700	6.7000	6.700
Outlays	6.700	6.7000	6.700
900—Interest:			
Budget authority	118.000	120.8000	118.000
Outlays	118.000	120.8000	118.000
920—Allowances:			
Budget authority	−2.383	−0.8000	−2.383
Outlays	−2.033	−0.8000	−2.033
950—Undistributed offsetting receipts:			
Budget authority	−48.790	−44.8000	−48.790
Outlays	−48.790	−44.8000	−48.790

FISCAL YEAR 1985—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Budget authority	948.503	973.2699	960.611
Outlays	874.956	890.6712	881.356
Revenues	821.400	825.5000	821.400
Deficit	−53.556	−67.1712	−59.956
Public debt	1,551.100	1,533.4901	1,533.491
Change in revenues	+41.400	+45.5000	+41.400
Change in public debt limit	+124.500	+113.2712	+113.272
050—National defense:			
Budget authority	323.650	316.5000	323.650
Outlays	279.000	277.7000	279.000
150—International affairs:			
Budget authority	20.940	21.0000	21.000
Outlays	11.590	12.2000	11.800
250—General science, space, and technology:			
Budget authority	7.050	7.3000	7.300
Outlays	7.050	7.4000	7.400
270—Energy:			
Budget authority	2.604	4.5000	3.800
Outlays	1.402	3.7000	3.000
300—Natural resources and environment:			
Budget authority	7.950	8.9000	8.300
Outlays	8.400	9.3000	8.700
350—Agriculture:			
Budget authority	5.760	6.7000	6.700
Outlays	7.110	7.3000	7.110
370—Commerce and housing credit:			
Budget authority	6.965	7.4000	7.223
Outlays	1.055	3.3000	1.880
400—Transportation:			
Budget authority	22.050	22.1000	22.050
Outlays	19.550	19.7000	19.600
450—Community and regional development:			
Budget authority	7.100	7.0000	7.100
Outlays	7.442	7.4000	7.400
500—Education, training, employment, and social services:			
Budget authority	26.214	26.4000	26.214
Outlays	25.369	26.5000	26.161
550—Health:			
Budget authority	102.569	103.6699	103.229
Outlays	98.830	97.2712	98.830
600—Income security:			
Budget authority	314.041	332.9000	322.373
Outlays	306.791	310.5000	308.858
700—Veterans benefits and services:			
Budget authority	26.940	25.5000	26.752
Outlays	26.497	25.4000	26.497
750—Administration of justice:			
Budget authority	4.250	5.1000	4.500
Outlays	4.250	5.1000	4.500
800—General government:			
Budget authority	4.500	4.7000	4.500
Outlays	4.300	4.4000	4.300
850—General purpose fiscal assistance:			
Budget authority	6.850	6.9000	6.850
Outlays	6.850	6.8000	6.850
900—Interest:			
Budget authority	111.500	114.6000	111.500
Outlays	111.500	114.6000	111.500
920—Allowances:			
Budget authority	−2.150	−0.8000	−2.150
Outlays	−1.750	−0.6000	−1.750
950—Undistributed offsetting receipts:			
Budget authority	−50.280	−47.3000	−50.280
Outlays	−50.280	−47.3000	−50.280

Reconciliation Instructions

The conference substitute includes reconciliation instructions to eight Senate committees to report legislation to achieve savings in the fiscal years 1983–85, and reconciliation instructions to nine House committees to report legislation to achieve savings in fiscal years 1983–85. These savings are necessary for the committees to remain within their spending limits contemplated in the Resolution.

The Senate Finance Committee and the House Ways and Means Committee are also instructed by the Resolution to report legislation to increase revenues in the fiscal years 1983–85.

Any legislation included in the Reconciliation Bill reported pursuant to this Resolution shall achieve net spending reductions in the amounts required by this Resolution.

CONFERENCE SUBSTITUTE RECONCILIATION INSTRUCTIONS—SENATE COMMITTEES

[In millions of dollars]

	Fiscal year—							
	1983		1984		1985		1983–85	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Spending reductions:								
Agriculture	−779	−779	−1,083	−1,083	−1,428	−1,428	−3,290	−3,290
Armed Services	−213	−213	−693	−693	−1,231	−1,231	−2,137	−2,137
Banking		−695		−697		−687		−2,079
Commerce	−4	−4	−15	−15	−27	−27	−46	−46
Finance	−1,106	−4,429	−1,444	−5,564	−1,740	−5,976	−4,290	−15,969
Foreign Relations		−2	−2	−8	−4	−15	−6	−25
Governmental Affairs		−374	−240	−1,053	−534	−1,793	−774	−3,220
Veterans' Affairs	−77	−77	−155	−155	−155	−155	−387	−387
Total spending reductions	−2,179	−6,573	−3,632	−9,268	−5,119	−11,312	−10,930	−27,153
Revenue increases:								
Finance		+20,900		+36,000		+41,400		+98,300
(User fee portion)		(+900)		(+1,000)		(+1,400)		(+3,300)
Total reconciliation instructions		−27,473		−45,268		−52,712		−125,453

CONFERENCE SUBSTITUTE RECONCILIATION INSTRUCTIONS—HOUSE COMMITTEES

[In millions of dollars]

	Fiscal year—							
	1983		1984		1985		1983–85	
	BA	O	BA	O	BA	O	BA	O
Spending reductions:								
Agriculture	−779	−779	−1,083	−1,083	−1,428	−1,428	−3,290	−3,290
Armed Services	−213	−213	−693	−693	−1,231	−1,231	−2,137	−2,137
Banking		−695		−697		−687		−2,079
Energy and Commerce	−514	−675	−741	−739	−815	−811	−2,070	−2,225
Foreign Affairs		−2	−2	−8	−4	−15	−6	−25
Merchant Marine	−4	−4	−15	−15	−27	−27	−46	−46
Post Office and Civil Service		−376	−242	−1,061	−538	−1,808	−780	−3,245
Veterans' Affairs	−77	−77	−155	−155	−155	−155	−387	−387
Ways and Means	−593	−3,755	−705	−4,827	−928	−5,168	−2,226	−13,750
Total	−2,180	−6,576	−3,636	−9,278	−5,126	−11,330	−10,942	−27,184
Less double counting (Dual committee jurisdiction)	1	3	4	10	7	18	12	31
Total spending reductions	−2,179	−6,573	−3,632	−9,268	−5,119	−11,312	−10,930	−27,153
Revenue increases:								
Ways and Means		+20,900		+36,000		+41,400		+98,300
(User fee portion)		(+900)		(+1,000)		(+1,400)		(+3,300)
Total reconciliation instructions		−27,473		−45,268		−52,712		−125,453

CREDIT BUDGET

For fiscal year 1982, the Senate Resolution provided $67.3 billion for new direct loan obligations, $93.0 billion for new primary loan guarantee commitments, and $69.0 billion for new secondary loan guarantee commitments. The House amendment provided $63.4 billion for new direct loan obligations, $74.85 billion for new primary loan guarantee commitments, and $68.95 billion for new secondary loan guarantee commitments. The conference substitute provides $63.6 billion for new direct loan obligations, $74.9 billion for new primary loan guarantee commitments, and $69.0 billion for new secondary loan guarantee commitments.

For fiscal year 1983, the Senate Resolution provided $63.6 billion for new direct loan obligations, $102.2 billion for new primary loan guarantee commitments, and $68.3 billion for new secondary loan guarantee commitments. The House amendment provided $58.05 billion for new direct loan obligations, $99.4 billion for new primary loan guarantee commitments, and $68.25 billion for new secondary loan guarantee commitments. The Conference substitute provides $59.7 billion for new direct loan obligations, $101.9 billion for new primary loan guarantee commitments, and $68.3 billion for new secondary loan guarantee commitments.

The credit budget aggregate totals and functional allocations for FY 1982 and FY 1983 are shown in the following table:

CONFERENCE SUBSTITUTE FISCAL YEAR 1982 AND FISCAL YEAR 1983 CREDIT ACTIVITIES

[In billions of dollars, by fiscal year]

Function	New direct loan obligations		New primary loan guarantee commitments		New secondary loan guarantee commitments	
	1982	1983	1982	1983	1982	1983
050: National Defense		0.05		0.05		
150: International Affairs	10.4	10.2	8.1	9.3		
250: General Science, Space, and Technology	0.2	0.2				
270: Energy	10.3	12.0	0.4	0.5		
300: Natural Resources and Environment	0.03	0.03				
350: Agriculture	22.6	18.1	2.7	2.6		
370: Commerce and Housing Credit	12.05	12.1	26.2	41.0	68.2	68.2
400: Transportation	0.4	0.5	0.75	0.8	0.003	0.003
450: Community and Regional Development	2.1	2.2	0.9	0.6		
500: Education, Training, Employment, and Social Services	1.3	0.8	6.5	7.2	0.7	
550: Health	0.1	0.1	0.1	0.1		
600: Income Security	2.8	2.0	17.0	18.7		
700: Veterans Benefits and Services	1.0	1.0	11.9	20.9		
800: General Government	0.1	0.05				
850: General Purpose Fiscal Assistance	0.2	0.2	0.3			
Total Credit Activities	63.6	59.7	74.9	101.9	69.0	68.3

The Senate resolution contained a provision creating a point of order against consideration in fiscal years 1982 and 1983 of legislation that authorizes new direct loan obligations or new loan guarantee commitments, unless such authority is effective only to the extent provided in appropriation acts. The Senate resolution provided an exemption for agricultural price support and related programs of the type in operation on January 1, 1982, funded through the Commodity Credit Corporation (CCC). The House amendment did not contain such a provision. The Conference substitute contains the text of the Senate provision, with further exemptions for loan and loan guarantee programs administered by the Veterans, Administration and for bills or resolutions reported to the House or Senate prior to the adoption of this resolution.

The House amendment contained a provision providing a point of order against legislation considered after the adoption of a Second Concurrent Resolution on the Budget for fiscal year 1983 which would cause the aggregate levels of new direct loan obligations or new primary or secondary loan guarantee commitments for fiscal year 1983 set forth in the resolution to be exceeded. The House provision also provided for an allocation to the appropriate committees of the Senate and House of the fiscal year 1983 credit budget totals set forth in the First Concurrent Resolution on the Budget for that year. The provision exempted agricultural price support and related programs of the type in operation on January 1, 1982, funded through the Commodity Credit Corporation (CCC). The Senate resolution did not contain such a provision. The Conference substitute contains the House provision. In compliance with this provision, an allocation of the credit budget totals in the Conference substitute is printed in this Joint Explanatory Statement of Managers.

It is the intent of the conferees that direct loan and loan guarantee levels for the Rural Electrification Administration assumed in the fiscal year 1983 credit totals contained in the Conference substitute are predicated on the continuation of the present criteria and supplemental loan ratios and on interest rates set in the Rural Electrification Act of 1936, as amended by the Omnibus Budget Reconciliation Act of 1981.

The Senate resolution expressed the sense of the Congress that the President through administrative actions should limit fiscal year 1983 Federal Financing Bank origination of direct loans to specified amounts and that direct borrowing by Federal agencies should be limited, to the maximum extent possible, to the Federal Financing Bank. The House amendment did not contain such a provision. The Conference substitute does not contain the provision.

The House amendment contained a provision expressing the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal government to specified levels. The Senate resolution did not contain such a provision. The Conference substitute does not contain the House provision.

Also contained in the Senate resolution was a sense of the Congress provision directing the committees of jurisdiction to act expeditiously to consider legislation establishing a process for annual determination of appropriate levels for and proper budgetary treatment of Federal credit activity. The House amendment did not contain such a provision. The Conference substitute does not contain the Senate provision.

SOCIAL SECURITY SOLVENCY

The Senate resolution required the Senate Finance and House Ways and Means Committees to report legislation by December 1, 1982, to ensure the solvency of the social security system. The Senate language called for the solvency legislation to take into account the recommendations of the National Commission on Social Security Reform, and for the report of that Commission to be submitted to Congress by November 11, 1982. The changes in law were to do no more than was absolutely necessary to preserve the financial integrity of the social security system. The House resolution did not contain this provision.

The Senate conferees receded to the House.

In light of the need for legislative action to ensure the financial stability of the social security system, the conferees urge the President to direct the National Commission on Social Security Reform to report its recommendations at the earliest date possible. The conferees also urge the Congress to take action at the earliest possible time to ensure the solvency of the social security system.

DEFERRED ENROLLMENT

Both the Senate resolution and the House amendment provided for the deferred enrollment of certain spending bills pursuant to section 301(b)(1) of the Congressional Budget and Impoundment Control Act.

The House amendment also contained language dealing with certain trust fund expenditures.

The conference substitute provides that spending bills exceeding the appropriate allocation under section 302 of the Budget Act shall not be enrolled until the adoption of the second budget resolution. For the Senate the appropriate allocations are "new budget authority" and "new spending authority"; for the House the appropriate allocations are "new discretionary budget authority" and "new spending authority".

In general, the conferees intend that increase in revenues and receipts through the imposition of user fees be used to reduce the deficit. However, the conference substitute would permit the authorizing legislation for spending financed by the Airport and Airway Trust Fund, the Highway Trust

Fund, and any new trust fund created for urban mass transportation purposes to be enrolled to the extent that new spending in excess of the appropriate section 302(b) allocation is offset by increases in trust fund revenues.

Section 302(b) Report Requirement

The House amendment provided that it shall not be in order to consider spending bills within the jurisdiction of a committee until that committee has filed its report as required under Section 302 (b) of the Budget Act. The conference substitute includes this provision.

Automatic Second Budget Resolution

The House amendment contained language which converts the resolution into the Second Concurrent Resolution on the Budget on September 25, 1982, if the Congress does not otherwise adopt a resolution by that date. The Senate version contained no such provision. The conferees agreed to strike "September 25," and insert "October 1,". The Senate receded to the House language with the amendment.

Tax Expenditures and Off-Budget Spending

The managers of the Conference urge the budget committees and other appropriate committees of Congress to study ways in which tax expenditures and off-budget spending can be addressed more fully in budget resolutions and incorporated into the procedures of the Congressional budget process.

Federal Employment Reductions

The House amendment contained the following provision: "It is the sense of Congress that reductions in federal employment should be accomplished through attrition only."

The Senate resolution contained no such provision. The conferees agreed to delete the word "only". The Senate receded to the House provision with that amendment.

Federal Reserve

The Senate resolution contained a sense of the Congress provision relating to Federal Reserve as follows:

"It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall re-evaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy."

The House version contained a similar provision. The House receded.

Allocation of Budget Authority, Outlays, and Credit to Senate and House Committees

Pursuant to section 302 of the Congressional Budget Act and section 9 of S. Con. Res. 92, the conference substitute makes the following allocation of budget authority, outlays, and credit among the committees of the respective Houses:

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1982

[In millions of dollars]

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations Committee	459,310	433,581		
Agriculture, Nutrition, and Forestry Committee	766	12,679	89	125
Armed Services Committee	12	9	15,192	15,155
Banking, Housing, and Urban Affairs Committee	3,688	109		1
Commerce, Science, and Transportation Committee	1,684	804	279	434
Energy and Natural Resources Committee	1,156	928	53	55
Environment and Public Works Committee	10,183	2,047	6	6
Finance Committee	351,208	350,130	43,801	45,474
Foreign Relations Committee	13,701	11,365		
Governmental Affairs Committee	42,984	29,839	(1)	(1)
Judiciary Committee	539	522	59	60
Labor and Human Resources Committee	5,410	5,585	5,504	5,341
Rules and Administration Committee	46	8		
Small Business Committee				
Veterans' Affairs Committee	1,363	1,024	15,752	15,253
Select Committee on Indian Affairs	515	362		
Not allocated to committees	−114,892	−114,892		
Total, budget	777,672	734,100	80,735	81,904

[1] Less than $500,000.

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983

[In millions of dollars]

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget Authority	Outlays	Budget Authority	Outlays
Appropriations Committee	483,005	459,361		
Agriculture, Nutrition, and Forestry Committee	4,332	8,482	94	90
Armed Services Committee	19	29	16,358	16,351
Banking, Housing, and Urban Affairs Committee	3,971	−58		
Commerce, Science, and Transportation Committee	1,135	−56	352	407
Energy and Natural Resources Committee	747	538	53	50
Environment and Public Works Committee	10,824	1,378	6	6
Finance Committee	387,984	387,986	41,874	46,330
Foreign Relations Committee	14,777	12,229		
Governmental Affairs Committee	46,061	32,033	(1)	(1)
Judiciary Committee	539	522	62	62
Labor and Human Resources Committee	5,784	5,933	5,438	5,396
Rules and Administration Committee	48	10		
Small Business Committee				
Veterans' Affairs Committee	1,374	917	14,912	15,463
Select Committee on Indian Affairs	548	414		
Not allocated to committees	−138,759	−139,901		
Total, budget	822,390	769,818	79,149	84,157

[1] Less than $500,000.

SENATE COMMITTEE CREDIT ALLOCATIONS PURSUANT TO SECTION 9 OF S. CON. RES. 92

[In millions of dollars]

Fiscal year 1983	New direct loan obligations	New primary loan guarantee commitments	New secondary loan guarantee commitments
Appropriations Committee	42,520	77,736	68,253
Agriculture, Nutrition, and Forestry Committee			
Armed Services Committee			

SENATE COMMITTEE CREDIT ALLOCATIONS PURSUANT TO SECTION 9 OF S. CON. RES. 92—Continued

[In millions of dollars]

Fiscal year 1983	New direct loan obligations	New primary loan guarantee commitments	New secondary loan guarantee commitments
Banking, Housing, and Urban Affairs Committee	924	20,997	
Commerce, Science, and Transportation Committee	25	675	
Energy and Natural Resources Committee			
Environment and Public Works Committee	5,389		
Finance Committee			
Foreign Relations Committee			
Governmental Affairs Committee	80		
Judiciary Committee			
Labor and Human Resources Committee	3		
Rules and Administration Committee			
Small Business Committee			
Veterans' Affairs Committee	123		
Select Committee on Indian Affairs			
Not allocated to Committees	179		
Total, budget	[1] 49,242	99,408	68,253

[1] Section 9 exempts from the allocations $10,500 million in new direct loan obligations and $2,500 million in new primary loan guarantee commitments of agricultural price support and related programs of the type in operation on Jan. 1,1982, that are funded through the Commodity Credit Corporation.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1982

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
HOUSE APPROPRIATIONS COMMITTEE		
050 National Defense	219,110	188,463
150 International Affairs	15,384	12,379
250 General Science, Space, and Techology	6,999	7,000
270 Energy	4,536	6,196
300 Natural Resources and Environment	12,935	15,451
350 Agriculture	9,575	2,065
370 Commerce and Housing Credit	6,042	3,511
400 Transportation	11,408	21,074
450 Community and Regional Development	6,635	7,803
500 Education, Training, Employment, and Social Services	24,682	28,111
550 Health	41,977	43,130
600 Income Security	54,616	55,774
700 Veterans Benefits and Services	24,082	23,502
750 Administration of Justice	4,526	4,630
800 General Government	8,693	8,533
850 General Purpose Fiscal Assistance	5,278	5,175
900 Interest	(1)	(1)
920 Allowances	2,850	800
950 Undistributed Offsetting Receipts	−25	−25
Committee total	459,303	433,574
HOUSE AGRICULTURE COMMITTEE		
300 Natural Resources and Environment	260	292
350 Agriculture	398	11,808
450 Community and Regional Development	1	518
850 General Purpose Fiscal Assistance	242	242
Committee total	900	12,859
HOUSE ARMED SERVICES COMMITTEE		
050 National Defense	11	8
400 Transportation	(2)	(2)
700 Veterans Benefits and Services	(2)	(2)
850 General Purpose Fiscal Assistance	1	1
Committee total	12	9
HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE		
150 International Affairs	0	−255
370 Commerce and Housing Credit	3,417	249
450 Community and Regional Development	221	179
500 Education, Training, Employment, and Social Services	0	−3
550 Health	0	0
600 Income Security	30	3
700 Veterans Benefits and Services	0	−14
800 General Government	5	5
900 Interest	11	11
Committee total	3,684	173

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1982—Continued

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
HOUSE DISTRICT OF COLUMBIA COMMITTEE		
750 Administration of Justice	9	9
850 General Purpose Fiscal Assistance	80	80
Committee total	89	89
HOUSE EDUCATION AND LABOR COMMITTEE		
500 Education, Training, Employment, and Social Services	15	21
600 Income Security	30	24
Committee Total	44	45
HOUSE ENERGY AND COMMERCE COMMITTEE		
300 Natural Resources and Environment	0	(2)
370 Commerce and Housing Credit	28	28
400 Transportation	816	816
550 Health	5	5
600 Income Security	5,356	5,531
850 General Purpose Fiscal Assistance	5	5
Committee total	6,209	6,384
HOUSE FOREIGN AFFAIRS COMMITTEE		
150 International Affairs	13,258	11,169
370 Commerce and Housing Credit	11	11
600 Income Security	433	186
Committee total	13,702	11,365
HOUSE GOVERNMENT OPERATIONS COMMITTEE		
800 General Government	1	(2)
850 General Purpose Fiscal Assistance	4,567	4,567
Committee total	4,568	4,567
HOUSE ADMINISTRATION COMMITTEE		
250 General Science, Space, and Technology	(2)	(2)
500 Education, Training, Employment, and Social Services	6	6
800 General Government	39	1
Committee total	46	8
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE		
270 Energy	280	1
300 Natural Resources and Environment	43	16
450 Community and Regional Development	515	361
800 General Government	(2)	(1)
850 General Purpose Fiscal Assistance	601	604
Committee total	1,439	981
HOUSE JUDICIARY COMMITTEE		
300 Natural Resources and Environment	(2)	(2)
370 Commerce and Housing Credit	22	18
600 Income Security	11	3
750 Administration of Justice	0	−5
800 General Government	506	506
Committee total	539	522
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE		
300 Natural Resources and Environment	167	144
370 Commerce and Housing Credit	27	0
400 Transportation	415	−59
850 General Purpose Fiscal Assistance	4	4
Committee total	612	89
HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE		
370 Commerce and Housing Credit	11	11
550 Health	0	−142
600 Income Security	32,181	19,179
800 General Government	10,702	10,702
Committee total	42,893	29,750
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE		
270 Energy	1,614	1,800
300 Natural Resources and Environment	79	82
400 Transportation	8,691	−2
450 Community and Regional Development	5	15
Committee total	10,389	1,895
HOUSE SCIENCE AND TECHNOLOGY COMMITTEE		
250 General Science, Space, and Technology	5	5
270 Energy	5	39
300 Natural Resources and Environment	18	18
370 Commerce and Housing Credit	(2)	(2)
800 General Government	(2)	(2)
Committee total	29	62
HOUSE VETERANS AFFAIRS COMMITTEE		
700 Veterans Benefits and Services	1,363	957
Committee total	1,363	957
HOUSE WAYS AND MEANS COMMITTEE		
500 Education, Training, Employment, and Social Services	732	0
550 Health	54,739	48,928
600 Income Security	170,847	176,312
800 General Government	7	7
850 General Purpose Fiscal Assistance	337	337
900 Interest	120,071	120,071
Committee total	346,734	345,656
UNASSIGNED		
050 National Defense	−921	−921
150 International Affairs	−11,893	−11,893
250 General Science, Space, and Technology	−5	−5
270 Energy	−1,635	−1,635
300 Natural Resources and Environment	−3,203	−3,203
350 Agriculture	−73	−73
370 Commerce and Housing Credit	−77	−77
400 Transportation	−530	−530
450 Community and Regional Development	−376	−376
500 Education, Training, Employment, and Social Services	−35	−35
550 Health	−18,221	−18,221
600 Income Security	−6,711	−6,711
700 Veterans Benefits and Services	−645	−645
750 Administration of Justice	−35	−35
800 General Government	−14,754	−14,754
850 General Purpose Fiscal Assistance	−4,715	−4,715
900 Interest	−19,382	−19,382
950 Undistributed Offsetting Receipts	−31,675	−31,675
Committee total	−114,885	−114,885
Grand total	777,672	734,100

[1] Less than negative $500,000.
[2] Less than $500,000.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
HOUSE APPROPRIATIONS COMMITTEE			
Current Level:			
050 National defense	16,868	89,031	0
150 International affairs	127	−109	0
250 General science, space, and technology	0	2,199	0
300 Natural resources and environment	14	16	0
370 Commerce and housing credit	0	−526	0
400 Transportation	407	858	0
450 Community and regional development	53	53	0
500 Education, training, employment, and social services	7,387	7,315	0
550 Health	32,095	36,684	0
600 Income security	29,454	29,677	0
700 Veterans benefits and services	14,279	14,306	0
750 Administration of justice	91	663	0
800 General government	4,759	4,733	0
850 General purpose fiscal assistance	4,567	4,567	0
Subtotal	110,102	189,468	0
Discretionary appropriations action:			
050 National defense	235,074	123,285	0
150 International affairs	14,128	12,480	0
250 General science, space, and technology	7,800	5,401	0
270 Energy	5,089	5,084	0
300 Natural resources and environment	13,078	14,586	0
350 Agriculture	6,617	1,743	0
370 Commerce and housing credit	3,347	3,182	0
400 Transportation	11,205	19,668	0
450 Community and regional development	6,504	6,764	0
500 Education, training, employment, and social services	18,736	18,948	0
550 Health	8,000	8,979	0
600 Income security	28,469	30,296	0
700 Veterans benefits and services	8,927	8,869	0
750 Administration of justice	4,462	4,009	0
800 General government	4,135	4,049	0
850 General purpose fiscal assistance	642	642	0
920 Allowances	−832	−648	0
950 Undistributed offsetting receipts	12	12	0
Subtotal	375,394	267,348	0
Discretionary action by other committees:			
050 National defense	2,362	2,378	0
400 Transportation	−4	−4	0
500 Education, training, employment, and social services	−59	−31	0
550 Health	−487	−640	0
600 Income security	−895	−863	0
700 Veterans benefits and services	632	578	0
920 Allowances	−84	−68	0
Subtotal	1,465	1,351	0
Committee total	486,961	458,167	0
HOUSE AGRICULTURE COMMITTEE			
Current level:			
300 Natural resources and environment	297	291	0
350 Agriculture	175	8,299	45
450 Community and regional development	1	711	0
850 General purpose fiscal assistance	294	294	294
Subtotal	767	9,595	339
Discretionary action:			
300 Natural resources and environment	−36	−36	0
350 Agriculture	−12	−912	0
370 Commerce and housing credit	−21	−21	0
Subtotal	−69	−969	0
Committee total	698	8,626	339
HOUSE ARMED SERVICES COMMITTEE			
Current level:			
050 National defense	18	27	16,777
850 General purpose fiscal assistance	1	1	0
Subtotal	19	29	16,777
Discretionary action:			
050 National defense	0	0	−75
Subtotal	0	0	−75
Committee total	19	29	16,702
HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE			
Current level:			
150 International affairs	0	−226	0
370 Commerce and housing credit	3,797	948	0
450 Community and regional development	192	155	0
500 Education, training, employment, and social services	0	−2	0
600 Income security	25	0	0
700 Veterans benefits and services	0	−13	0
800 General government	7	7	0
900 Interest	11	11	0
Subtotal	4,031	889	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Discretionary action:			
370 Commerce and housing credit	−63	−758	0
Subtotal	−63	−758	0
Committee total	3,968	121	0
HOUSE DISTRICT OF COLUMBIA COMMITTEE			
Current Level:			
750 Administration of justice	9	9	9
850 General purpose fiscal assistance	86	86	0
Subtotal	95	95	9
Committee total	95	95	9
HOUSE EDUCATION AND LABOR COMMITTEE			
Current level:			
500 Education, training, employment, and social services	14	13	4,405
600 Income security	37	32	5,489
Subtotal	51	44	9,895
Committee total	51	44	9,985
HOUSE ENERGY AND COMMERCE COMMITTEE			
Current level:			
370 Commerce and housing credit	29	29	0
400 Transportation	122	122	121
550 Health	5	5	115
600 Income security	5,723	5,879	5,899
850 General purpose fiscal assistance	6	5	6
Subtotal	5,884	6,040	6,141
Discretionary action:			
270 Energy	−360	−360	0
300 Natural resources and environment	−27	−27	0
550 Health	0	0	−514
Subtotal	−387	−387	−514
Committee total	5,497	5,653	5,627
HOUSE FOREIGN AFFAIRS COMMITTEE			
Current level:			
150 International affairs	14,309	12,020	0
370 Commerce and housing credit	6	6	0
600 Income security	463	206	206
Subtotal	14,778	12,232	206
Discretionary action:			
600 Income security	0	−2	−2
Subtotal	0	−2	−2
Committee total	14,778	12,230	204
HOUSE GOVERNMENT OPERATIONS COMMITTEE			
Current level:			
800 General government	1	0	0
850 General purpose fiscal assistance	4,567	4,567	4,567
Subtotal	4,568	4,567	4,567
Committee total	4,568	4,567	4,567
HOUSE ADMINISTRATION COMMITTEE			
Current level:			
500 Education, training, employment, and social services	7	6	0
800 General government	41	3	69
Subtotal	48	10	69
Committee total	48	10	69
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE			
Current level:			
270 Energy	180	1	0
300 Natural resources and environment	51	21	14
450 Community and regional development	547	412	53
800 General government	1	1	0
850 General purpose fiscal assistance	653	653	653
Subtotal	1,433	1,089	721
Discretionary action:			
300 Natural resources and environment	−22	−22	0
Subtotal	−22	−22	0
Committee total	1,411	1,067	721
HOUSE JUDICIARY COMMITTEE			
Current level:			
370 Commerce and housing credit	23	23	0
600 Income security	10	2	2
750 Administration of justice	0	−9	91
800 General Government	506	506	506
Subtotal	540	523	599
Committee total	540	523	599
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE			
Current Level:			
300 Natural resources and environment	180	153	0
370 Commerce and housing credit	29	0	0
400 Transportation	407	−49	336
850 General purpose fiscal assistance	4	4	0
Subtotal	620	108	336
Discretionary action:			
400 Transportation	−150	−150	−4
Subtotal	−150	−150	−4
Committee total	470	−42	332
HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE			
Current level:			
370 Commerce and housing credit	11	11	0
550 Health	0	−268	1,075
600 Income security	34,450	21,065	21,065
800 General government	11,504	11,504	9
Subtotal	45,965	32,312	22,148
Discretionary action:			
600 Income security	0	−374	−374
Subtotal	0	−374	−374
Committee total	45,965	31,938	21,774
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE			
Current level:			
270 Energy	1,622	1,500	0
300 Natural resources and environment	80	83	0
400 Transportation	4,718	−5	71
450 Community and regional development	6	9	0
Subtotal	6,426	1,587	71
Discretionary action:			
300 Natural resources and environment	−370	−370	0
400 Transportation	5,285	0	1
Subtotal	4,915	−370	1
Committee total	11,341	1,217	72
HOUSE SCIENCE AND TECHNOLOGY COMMITTEE			
Current level:			
250 General science, space, and technology	5	5	0
270 Energy	3	9	0
300 Natural resources and environment	20	20	0
Subtotal	29	34	0
Committee total	29	34	0
HOUSE VETERANS AFFAIRS COMMITTEE			
Discretionary action:			
700 Veterans benefits and services	1,469	829	14,707
Subtotal	1,469	829	14,707
Discretionary action:			
700 Veterans benefits and services	−95	−95	632
Subtotal	−95	−95	632
Committee total	1,374	734	15,339
HOUSE WAYS AND MEANS COMMITTEE			
Current level:			
500 Education, training, employment, and social services	790	0	2,845
550 Health	60,981	57,238	71,803
600 Income security	185,729	193,646	211,834
800 General government	8	8	0
850 General purpose fiscal assistance	362	362	362
900 Interest	136,311	136,311	136,311
Subtotal	384,181	387,565	423,155
Discretionary action:			
550 Health	−515	−3,672	−3,162
600 Income security	0	0	−593
900 Interest	−329	−329	0
920 Allowances	0	0	500
Subtotal	−844	−4,001	−3,255
Committee total	383,337	383,564	419,900
UNASSIGNED			
Current level:			
050 National defense	−756	−756	0
150 International affairs	−12,664	−12,664	0
250 General science, space, and technology	−5	−5	0
270 Energy	−1,734	−1,734	0
300 Natural resources and environment	−3,766	−3,766	0
350 Agriculture	−88	−88	0
370 Commerce and housing credit	−58	−58	0
400 Transportation	−540	−540	0
450 Community and regional development	−403	−403	0
500 Education, training, employment, and social services	−44	−44	0
550 Health	−20,509	−20,509	0
600 Income security	−8,668	−8,668	0
700 Veterans benefits and services	−652	−652	0
750 Administration of justice	−23	−23	0
800 General government	−16,162	−16,162	0
850 General purpose fiscal assistance	−4,682	−4,682	0
900 Interest	−22,793	−22,793	0
920 Allowances	−2,100	−2,100	0
950 Undistributed offsetting receipts	−43,112	−43,112	−19,062
Subtotal	−138,759	−138,759	−19,062
Committee total	−138,759	−138,759	−19,062
Total—current level	446,931	508,246	480,677
Total—discretionary action	375,459	261,572	−3,591
Grand totals	822,390	769,818	477,086

Note.—Totals may not add because of rounding.

ALLOCATION OF FEDERAL CREDIT PROGRAM RESPONSIBILITY PURSUANT TO SECTION 9 OF THE PROPOSED CONFERENCE SUBSTITUTE FOR S. CON. RES. 92, FISCAL YEAR 1983

[In millions of dollars]

	New direct loan obligations	New primary guarantee commitments	New secondary guarantee commitments
HOUSE APPROPRIATIONS COMMITTEE			
050 National defense	50	50	
150 International affairs	10,202	12,743	
250 General science, space, and technology	171	171	
270 Energy	7,392	6,400	
300 Natural resources and environment	27		
350 Agriculture	14,265	6,778	
370 Commerce and housing credit	17,650	48,675	68,250
400 Transportation	493	1,056	3
450 Community and regional development	3,415	1,903	
500 Education, training, employment and social services	844	7,250	
550 Health	119	155	
600 Income security	2,029	19,771	
700 Veterans benefits and services	2		
800 General government	43	43	
850 General purpose fiscal assistance	145		
Subtotal, gross activity	56,847	104,995	68,253
Less, Federal financing bank purchase of loan assets	−8,838		
Less, guarantees of direct loans		−26,595	
Committee total	48,009	78,400	68,253
HOUSE BANKING, FINANCE, AND URBAN AFFAIRS COMMITTEE			
370 Commerce and housing credit	5	75	
Committee total	5	75	
HOUSE DISTRICT OF COLUMBIA COMMITTEE			
850 General purpose fiscal assistance	80		
Committee total	80		
HOUSE EDUCATION AND LABOR COMMITTEE			
600 Income security	3		
Committee total	3		
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE			
270 Energy	5,340	5,289	
400 Transportation	20		
Subtotal, gross activity	5,390	5,289	
Less, Federal financing bank purchase of loan assets	−5,289		
Less, guarantees of direct loans		−5,289	
Committee total	101		
HOUSE VETERANS AFFAIRS COMMITTEE			
700 Veterans benefits and services	1,041	20,934	
Committee total	1,041	20,934	
Grand total	[1] 49,239	[1] 99,409	68,253

[1] These amounts are less than the aggregates in the proposed conference substitute for direct loan obligations and primary loan guarantee commitments because the proposed conference substitute would exempt credit programs administered by the Commodity Credit Corporation from the allocation process.

JIM JONES,
BILL NELSON,
LES ASPIN,
W. G. BILL HEFNER,
DELBERT L. LATTA,
RALPH REGULA,
BILL FRENZEL,
ED BETHUNE,
LYNN MARTIN,
BOBBI FIEDLER,
Managers on the Part of the House.

PETE DOMENICI,
W. L. ARMSTRONG,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
ORRIN G. HATCH,
JOHN TOWER,
Managers on the Part of the Senate.

Mr. JONES of Oklahoma. Mr. Speaker, pursuant to the order of the House, I move to recede from the House amendment to Senate Concurrent Resolution 92, and to amend such resolution with an amendment in the nature of a substitute (contained in the joint statement of managers).

The Clerk read the motion, as follows:

Mr. JONES of Oklahoma moves to recede from the House amendment to Senate Concurrent Resolution 92, and to amend such resolution with an amendment in the nature of a substitute contained in the joint statement of managers.

The SPEAKER. Pursuant to the order of the House of Monday, June 21, 1982, the gentleman from Oklahoma (Mr. Jones) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. LATTA) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I yield myself such time as I consume. I will be very brief.

Mr. Speaker, essentially this conference report is very close to the Latta substitute that passed the House a week ago. There are some improvements in some of the means-tested programs in order to make it more fair than the bill that passed the House, but basically this is the Latta substitute.

Those who voted for the Latta substitute when it passed the House last week clearly have the responsibility of voting for this conference report now. I assume that they will do so.

At this time, Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I want to thank the distinguished chairman for yielding time to me.

Mr. Speaker, today we are being asked to approve a budget resolution that may serve the immediate political needs of the Reagan administration, but it brazenly ignores the pressing needs of our people and of our faltering economy. No Democrat worthy of the name should be caught dead voting for it.

This conference report makes a laughing stock of the budget process and shakes all credibility in the Congress. It is a budget package wrapped in deceit, based on phony figures, erroneous assumptions, and questionable projections—particularly with regard to deficit levels.

But more importantly, the budget merits defeat because it fails to undo the grievous errors of Reaganomics. It continues the administration's dismantling of social programs with additional cuts of $4.3 billion in medicare and medicaid, $900 million in food stamps, $700 million in AFDC and SSI, and $1 billion in job training. And it leaves unchanged the tragic circumstances of families faced with the calamity of unemployment, of elderly citizens forced to forego needed health care, of hungry children denied adequate nutrition, and of disabled workers stripped of their means of survival.

Rather than playing an encore of last year's congressional lost sheep, we should find the wisdom and the courage to reject this resolution and develop a budget that is credible, just, and compassionate. The American people demand, and deserve, no less.

□ 1230

Mr. JONES of Oklahoma. Mr. Speaker, I yield myself such time as I may consume.

Mr. GONZALEZ. Mr. Speaker, will the distinguished committee chairman yield for a question only?

Mr. JONES of Oklahoma. Mr. Speaker, I am happy to yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, the question is, concerning the conference report, does this contain both the budget conference as well as the debt ceiling limitation provisions?

Mr. JONES of Oklahoma. Mr. Speaker, the answer to the gentleman's question is affirmative, and this is under the GEPHARDT rule that was passed in the previous Congress.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman very much for his answer.

Mr. JONES of Oklahoma. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, this is a terrible budget, but I am going to vote for it. It is slightly better than the Latta budget which the House passed before in terms of the numbers on the social side. It is an example of how Reaganomics has gone awry in America.

However, Mr. Speaker, if we reject this budget, we are going to end up with more chaos than we ever dreamed of in America and probably a worse budget for all our constituents. So reluctantly I will vote for the budget.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say at the outset that I believe this conference report deserves the support of the House. It is a good agreement that we have come to with the Senate. It is not a perfect agreement, but it is one which we can support, and which I hope my colleagues on both sides of the aisle will support.

Let me say to those who do not like certain parts of this conference report, that I hope you do not vote against the report on the basis of a deficit

that is $100 million more than you would like or that a multi-billion-dollar program is $50 million short of what you would like. If you do that in the belief you can send this report back to conference and get something you like better, chances are you will be disappointed. What comes out of conference next time—if anything comes out—probably will be even less to your liking.

As I said, this is not a perfect document. In fact, if I had the power to write a budget on my own and present it to this House as an accomplished fact, this is not the document I would write. I would like a balanced budget with a zero deficit but I realize this cannot be accomplished in fiscal year 1983. But this compromise heads us in that direction.

Let me remind my colleagues this is a compromise—and this means it is a product of many viewpoints and minds. It is a compromise which will further aid us in getting Federal spending under control.

To assist everyone in better understanding the contents of this conference report, I would like to go through it and explain to you what the conferees did. Before I do that, let me remind you once again that many of the assumptions contained herein are just that, assumptions. We assume certain savings can be achieved and additional revenues can be raised. In the end, however, many of the final decisions will be up to other committees, particularly the Appropriations Committee.

The conference report calls for outlays in fiscal year 1983 of $769.816 billion, a $35.7-billion increase over fiscal year 1982 outlays. Let me emphasize this, we are not below 1982 expenditures but are $35.7 billion above. Budget authority for fiscal year 1983 will be $822.390 billion, a $44.7 billion increase over 1982. This represents $4.6 billion more in spending for fiscal year 1983 than was contained in the House-passed budget resolution and raises the deficit from $99.271 to $103.918 billion. Revenue estimates for fiscal year 1983 remain at the House-passed number of $665.9 billion.

Now, let us take a look at the details.

FUNCTION 050: DEFENSE

In defense spending, the Senate accepted the numbers in the House-passed resolution which called for $253.566 billion in budget authority and $213.966 billion in outlays. As I mentioned earlier, this represents a $9.43 billion cut in budget authority from the President's April request and a $10.24 billion cut from the CBO baseline for 1983 outlays.

By capping cost-of-living increases for retired military personnel at 4 percent and allowing for a 4-percent pay increase for both military and civilian workers, approximately $2.25 billion was saved. Another $2.2 billion was saved by rejecting the CBO reestimate. The balance in savings was left for the Pentagon and Appropriations Committee to work out. A majority of the conferees were of the belief that these savings could be achieved without doing damage to President Reagan's program for rebuilding our military forces.

FUNCTION 150: INTERNATIONAL AFFAIRS

In international affairs, the House and Senate were $862 million apart. We compromised on an outlay figure of $11.5 billion which was $600 million less than the Senate figure. What we did was to basically assume the current level of spending for programs or the President's request for the programs, whichever was less. However, a few programs can be funded at higher levels at the discretion of the Appropriations Committee. The $1.5 billion assumes a savings in foreign aid of approximately $740 million but provides for an additional $28 billion for foreign military sales.

FUNCTION 250: GENERAL SCIENCE, SPACE AND TECHNOLOGY

We agreed to the Senate level of spending of $7.6 billion in fiscal year 1983 for function 250, general science, space and technology. This number includes $200 million added in conference under an amendment offered by Chairman JONES. It allows for funding for most programs at the level of the President's request.

FUNCTION 270: ENERGY

The conferees settled on an outlay figure for fiscal year 1983 of $4.5 billion for function 270, energy. This number is $500 million less than what the Senate had in this function. It assumes enactment of user fees for the Federal Regulatory Commission and for nuclear waste disposal. The conferees added $700 million to this function over the House passed resolution.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

In function 300, natural resources and environment, the conferees settled on an outlay figure for 1983 of $10.95 billion which was $450 million less than in the Senate passed resolution. The Senate accepted the House assumption of $400 million from user fees to be enacted for cost recovery for Corps of Engineers deep-draft ports and inland waterways. The $10.95 billion is sufficient to maintain most discretionary programs under this function at 1982 levels.

FUNCTION 350: AGRICULTURE

The conferees agreed on the House number for spending in fiscal year 1983 in function 350, agriculture, which was $9.042 billion. The $1.3 billion savings from the CBO baseline was achieved by freezing discretionary spending at the 1982 level. We then added back for some programs and found additional savings in others. For example, we provide $300 million in budget authority for Federal crop insurance as requested by the President. We reduce outlays for the dairy price support program by $900 million and raise interest rates for agricultural credit loans for a savings of $12 million.

FUNCTION 370: COMMERCE AND HOUSING

Outlays for fiscal year 1983 in function 370, commerce and housing, are $2.837 billion which is $1.063 billion less than in the Senate passed resolution. I might say right here that the $2.837 billion is considered sufficient to accommodate the level of funding needed for the Lugar mortgage interest subsidy bill.

This number also assumes funding for the Postal Service of $400 million and an additional $500 million for the Lugar housing bill

Savings are achieved by freezing most discretionary spending at 1982 levels and then assuming additional savings for such programs as the Patent and Trademark Office, Scientific and Technical Research, the Travel and Tourism Administration, the FCC and the FTC.

FUNCTION 400: TRANSPORTATION

For function 400, transportation, the House conferees agreed to the Senate level of spending for fiscal year 1983 of $19.9 billion which was $150 million lower than in the House-passed resolution. This assumes savings of some $46 million in various discretionary programs. It does allow additional spending above the 1982 level for such programs as the rail service assistance and the urban mass transit fund.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

Again in function 450, community and regional development, the House conferees agreed to the Senate level of spending of $7.7 billion which is $147 million less than the House-passed level. To achieve the additional savings from the House-passed level, the conferees accepted the Senate assumption for disaster loans which is the CBO/OMB level for the loans.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

The Senate agreed to the House-passed outlay figure of $26.205 billion for function 500, education, training, employment, and social services.

It is assumed that some discretionary programs will be funded at levels above the 1982 freeze including compensatory education, education for the handicapped, Pell grants, and vocational-adult education.

FUNCTION 550: HEALTH

Spending for fiscal year 1983 in function 550, health, will be at the House-passed level of $77.816 billion which includes money added back in conference when we accepted an amendment offered by Chairman JONES to increase spending by $610

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million in three functions—health, income security, and science, space, and technology.

The conferees assume the largest savings will come in entitlement programs including $3.6 billion in medicare savings and $600 million in medicaid savings. The medicare savings can be achieved without increasing out of pocket expenses for recipients.

FUNCTION 600: INCOME SECURITY

Fiscal 1983 outlays for function 600, income security, will be $270.895 billion, $2.1 billion less than the Senate level. In this function we agree to spending levels above the House approved levels for food stamps, aid to families with dependent children, the supplemental security income program, and subsidized housing.

Funding here assumes the full cost of living increases for social security and railroad retirement benefits. All other COLA's for civil service retirement, black lung, Federal employee injury compensation and Foreign Service retirement are assumed capped at 4 percent.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

The $23.823 billion in spending for veterans in fiscal year 1983 is the level contained in the House-passed resolution. The conference report provides for full cost-of-living increases for veterans in 1983 and for the service-connected disabled in 1984 and 1985. The Senate resolution had capped those increases at 4 percent.

FUNCTION 750: ADMINISTRATION OF JUSTICE

The conference report sets spending in fiscal year 1983 for function 750, the administration of justice, at $4.65 billion, $250 million less than in the Senate resolution. It is assumed that an additional $150 million will be spent over the House recommended level for such discretionary programs as the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service and Legal Services.

FUNCTION 800: GENERAL GOVERNMENT

The conferees agreed on the House level of spending of $4.650 billion for fiscal year 1983 outlays in function 800, general government. This number is $150 million less than the Senate wanted. This function contains the budget for the legislative branch as well as funding for the Internal Revenue Service and the General Services Administration. The main difference between the House and Senate here is that the House had assumed a $100 million savings in the budget for Congress which the Senate had not included.

FUNCTION 850: GENERAL PURPOSE FISCAL ASSISTANCE

There were no differences between the House and Senate in function 850, general purpose fiscal assistance. Spending will be $6.5 billion in fiscal year 1983. The function includes such programs as revenue sharing and payments and loans to the District of Columbia.

FUNCTION 900: INTEREST

In function 900, interest costs, conferees agreed on a figure of $113.2 billion which is $2.2 billion less than in the Senate resolution. This resulted from the Senate accepting our assumption that the President's savings bond legislation will be passed and agreement on lower interest costs due to the lower deficit.

FUNCTION 920: ALLOWANCES

The Senate accepted the House passed resolution figures of −$2.816 billion in function 920, allowances. This assumes an additional 2 percent Federal employment reduction as well as savings from the disposal of Federal property. The spending level for fiscal year 1983 is sufficient to allow for a 4 percent Federal employee pay raise.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

The −$43.1 billion for fiscal year 1983 in function 950, undistributed offsetting receipts, is $3.8 billion less than in the Senate resolution. The Senate agreed to accept the House's assumption for rents and royalties on the Outer Continental Shelf.

Let me say a word here about reconciliation. Under the conference report, House committees will report back their reconciliation recommendations by August 1 to the Budget Committee. The House passed resolution called for $8.1 billion in spending to be reconciled in fiscal year 1983. It did not require reconciliation in the outyears. The conference report does call for reconciliation in fiscal year 1984 and 1985 as well as 1983. This figure is $27.2 billion over the 3 years.

In conclusion, Mr. Speaker, I would like to urge my colleagues to vote for this conference report. Failure to pass this is almost certain to result in no budget resolution for fiscal year 1983. The country needs and wants this House to pass a budget. We should carry out the wishes of the people.

Mr. Speaker, I yield 1 minute to my friend, the gentleman from Arizona (Mr. RUDD).

(By unanimous consent, Mr. RUDD was allowed to speak out of order.)

RESPONSE TO NETWORK DOCUMENTARY ON FORMER FBI DIRECTOR HOOVER

Mr. RUDD. Mr. Speaker, on June 3 last, the television network, ABC, did what they called a news closeup, which was a documentary on former Director of the FBI John Edgar Hoover. My colleague, the gentleman from Virginia (Mr. DAN DANIEL) and myself will take a special order today to clarify some of the distortions that were contained in that program.

Mr. Speaker, I thank the gentleman from Ohio (Mr. LATTA) for yielding.

□ 1245

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I rise in support of the conference report.

I voted against the House version. I consider the conference budget bad, too. But it is a move toward the middle. Getting something less objectionable is the best we can expect under the circumstances, and thus I support the report with the greatest lack of enthusiasm. Those of us who tried to find a middle ground in promoting the coalition—Aspin-Pritchard proposal are well aware of the difficulty in getting the House to move toward the middle. This conference report is a move in that direction.

Three weeks ago we witnessed the defeat of the three major budget proposals, including the coalition blueprint, as well as four other plans. Amazingly, though, each of the parties thought it had won because it had defeated the other. The second round of budget substitutes was thus conceived to attract the defecting Members at the philosophical extremes. The Republican proposal, Latta II, moved to the right, the Democratic plan left. Many of us who sought the middle ground had no option but to vote "no" on each. The Republican perception, in retrospect, appears to have been more politically astute; Latta II was adopted.

I do not believe any of us thought we would be negotiating in conference with what I consider to be a more moderate, more reasonable Senate version. But this is what has happened. Here are the details on why I find the conference agreement more moderate than Latta II, and acceptable, although just barely.

For education programs, the conferees accepted the higher of the House and Senate figures in most instances. The employment and training program area is one exception to this rule. Here the conferees accepted the lower House figure, or $3.275 billion. The Senate had recommended $3.794 billion.

In the elementary and secondary education programs, the House figure of $2.958 billion was agreed to in education for the disadvantaged—chapter I. The Senate budget contained $2.948 billion. For handicapped and vocational and adult education the House figures of $1.075 billion and $751 million, respectively, were adopted. The Senate recommended $1.072 billion and $749 million, respectively.

In the student financial aid programs we again find that the higher, House figures were agreed to. However, in the guaranteed student loan program the House contained $3.264 billion in outlays, while the Senate contained $3.267 billion. Though the

House figure is slightly lower, and was adopted by the conferees, the difference between the two is negligible. In the Pell grant program, the House figure was also adopted, and in this case it was the higher level. The Senate contained $3.366 billion while the House contained $3.387 billion.

In the final analysis, the target levels for the education function are not subject to reconciliation. This means that any problem there might be with the figures, such as employment training programs, is not insurmountable.

In the health function, the conference report is much better than what was passed by the House in the area of medicaid. The House resolution contained $13.330 billion in budget authority, while the Senate contained nearly a billion more, $14.080 billion. The conferees agreed to the higher, Senate figure.

It is for the nutrition programs that there is the biggest improvement in the conference report over the House budget resolution. The food stamp program was funded at $11.300 billion in the House, yet in the conference report funding was upped to $11.850 billion. This figure is closer to the Senate level of $12.150 billion than it is to the House level.

The unemployment compensation program received an increase of $150 million in outlays in the conference report over what was contained within the House budget resolution. This funding level means that unemployment benefits can be extended for a longer period of time, providing relief to the many unemployed and laid-off American workers. Clearly, the conference report is an improvement over the House budget proposal.

This conference report is significantly better than the House-passed bill in the energy function. Despite the temporary glut of oil, the Government cannot totally retreat from its role in energy policy. While the marketplace has played a major role in spurring conservation and the development of alternative sources, there are clear justifications for the Government to continue to show its commitment to easing our dependence on foreign oil.

The Latta II budget resolution cut budget authority for energy programs by over one-half billion dollars from the President's fiscal year 1983 request. The President's budget all but terminated all programs for conservation and the development of renewables. Although I would have preferred to see the Senate levels for this function—a freeze at fiscal year 1982 program levels of $5 billion in outlays—the conference agreed to a level of $4.5 billion, a significant improvement on the $3.8 billion level in Latta II.

The savings from the Senate level can be arrived at without touching important programs to promote conservation and renewables. The assumptions include a $300 million offsetting receipt for nuclear waste management fees, $60 million in Federal Energy Regulatory Commission user fees, and a cut of $150 million in discretionary energy programs that can be more than made up by cutting funds for the Clinch River breeder reactor.

The conference agreement will also provide a half billion more in the environment and natural resources area. This will allow the Congress to appropriate adequate funds for EPA enforcement and research programs and many other important activities to protect our air, water, land, and the public health.

Further, Mr. Speaker, the conferees have provided an additional $250 million for subsidized housing over and above the House-passed level for fiscal year 1983.

Finally, although the defense spending number in this report is too high for my liking, the conferees did adopt the House figure rather than the even less desirable Senate level. Again, if we return to conference, we might do worse. At least the small additional defense cut in Latta II as opposed to Latta I is left intact.

In conclusion, simple logic convinces me that if we turn the conference report down, the next budget that comes before us will be further to the right. Since the version that passed the House was to the right, the next version would have to move to the right to pass. Accordingly, I urge those of you who seek a more moderate budget to support this report. I assure you from my experience in the budget negotiations that if this budget resolution loses, the next one, from our perspective, will be much more of a loser.

Mr. LATTA. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I strongly urge adoption of this conference report.

We have a great responsibility to the people of this Nation, to those who are seeking jobs, and to those who are making job-producing investment decisions.

This conference report responds to the mandate that was given to the leaders of Government in the election of November 1980. It provides for less taxes, less spending, a strong national security, and less growth in the size of Government.

The enforcement provisions are strong. They provide the necessary tools to implement the budget.

If we are going to have a fiscal policy that is meaningful to the people of America, that will be deserving of their confidence and will have credibility, we have to have adequate enforcement. It is in this bill.

It recognizes that tax revenues in a strong, growing economy will undoubtedly go beyond expectations. Therefore, we only reconcile the tax portion for 1 year.

But the spending cuts are reconciled for 3 years. This, again, is a response to the American public that wants the size and cost of Government reduced.

I think this conference report is a balanced program. It will reduce the Federal share of the gross national product of this Nation from 25 percent to 21 percent over the next 3 years. This is a very important feature because it says, in effect, that a greater share of what is produced by the people of this Nation will, in fact, be left to them for purposes of investing, for purposes of using, or for whatever their choice is.

This slowing in the Federal spending by a total of 4 percent of the GNP over the next 3 years is very important to the future of this Nation.

Again, I would say this is a direct response to the mandate of the people we represent in this Chamber and I certainly urge your support of the conference report.

Mr. HAGEDORN. Mr. Speaker, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. I want to compliment the gentleman from Ohio (Mr. REGULA) on his fine summation of what has occurred here. I rise in support of the conference report, albeit reluctantly.

For many years I have voted against much of the Federal spending and I think much of the growth of the budget that has taken us to this point. I would have preferred a much lower deficit, as I cast votes in previous years.

But I think we have to live in the real world and the real world is we either adopt this budget resolution with this deficit or the alternative is going to be utter chaos. It is going to be much higher deficit spending and I think the people that reject this budget resolution today are clearly putting themselves on record for supporting higher spending, not lower spending—not lower taxes, but higher taxes.

I think, for those reasons, I am going to support the budget resolution.

Mr. Speaker, the resolution does not go far enough or move fast enough toward balancing the Federal budget or reducing the national debt, but it is a far better alternative than taking no action at this time and delaying the budget process further.

If we fail to pass this budget resolution, Congress will, in effect, be telling the American people and the financial community that we are not making a serious effort to control spending and

lower the Government's share of the private credit market.

The budget resolution we will be voting on is far from perfect, but it does begin to steer this Nation in the direction of reduced Federal spending and it does begin to control increases in the Government's entitlement programs. This measure makes some needed cuts in domestic programs, reduces to some extent the President's proposed defense increases, and maintains the individual tax cuts passed last year.

I have historically voted against budget resolutions which do not bring spending in line with revenues. I find it personally distasteful to vote for a deficit of $103.9 billion during the coming fiscal year, but I believe those who vote against this conference report are posturing the Nation for higher spending in the long run.

I urge my colleagues not to use the budget process for political advantage. We have an obligation in Congress to look beyond the 1982 elections and deal responsibly with the economic future of our Nation.

Once this resolution is passed, Congress must discipline itself to abide by the reconciliation procedure in making the actual spending cuts. Without a budget, we can expect months of confused and unmanageable activity as Congress attempts to cope with the appropriations process.

We need to provide a sense of direction for our country, not an uncontrolled budget. I urge passage of the conference report.

Mr. REGULA. I thank the gentleman for his astute and correct comments.

I yield back the balance of my time.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise in support of Senate Concurrent Resolution 92. This budget resolution is probably no ones first choice. Certainly it is not one I would have drawn myself, nor voted for under other circumstances.

But, even though this budget resolution is nobody's cup of tea, it is the only one we have. Not only is it our only option, it is better for all interests than no budget resolution.

First, this country, and this economy, need a budget. If we fail today, it not only hurts our economy, but also it gives the House, both the majority and the minority a black eye. It is sad, but true, to have to admit that the people do not expect very much of us, but they do expect a budget resolution.

Second, a budget and a resolution are the only way we can control with reasonable fairness, a large portion of our rapidly increasing costs of Government. Without reconciliation, all containment efforts will have to be centered on the discretionary authorizations and appropriations. With no other way to hold down spending, this body is likely to act with a heavy hand on the regular appropriations bills.

For conservatives, the budget resolution is a "must" to cut entitlement spending. For liberals, it is needed to provide a blueprint for orderly spending controls, and to prevent the embarrassment of failure.

For all of us, and for our constituents, it is needed because the alternative is intolerable: high interest rates, continuing recession, and more unemployment.

For me, the budget resolutions' spending is too high. Its deficit is too high. Its taxes are too high. But it has some advantages. It continues the trend we began last year toward fiscal sanity and control of spending.

Most of the functional differences between House and Senate figures were resolved closer to the House number. Even though much of those differences were made up by acceptance of House assumptions, the conference report is clearly closer to the House budget.

There will be some purists of the right and left who will not want to vote for this budget. But to them, I say, "We are not voting on perfection. We are voting for a budget, or no budget." The vote for a budget resolution is clearing the only reasonable vote.

Mr. JONES of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Speaker, last summer I stood on the floor of the House and pointed out that the $42 billion deficit in the Republican budget last year was not an honest figure, that the budget deficit would be much higher than that. Indeed, we are now told that without action by Congress the deficit this year will be $182 billion which surely has put our economy in a very serious condition.

I would just like to state for the record in relation to this budget resolution that while the stated projected deficit for next year is $103 billion, the CBO has estimated it will be at least $10 billion higher than that. Surely that does not do anything either to reassure the people about the caliber of the work that we do in this body.

We may fool ourselves, those of you who vote for the Latta budget today, into believing that the deficit will be only $103 billion. But that is not going to fool the people on Wall Street who establish the interest rates for this country.

For that reason alone this budget conference report does not deserve a "yes" vote.

I yield back the balance of my time.

Mr. JONES of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Speaker, along with the gentleman from Ohio, I have no allusions about what the outcome of the vote is going to be today. This budget resolution will pass. I know that the die is cast, the fix is in.

But I think before we allow to go unchallenged all of the flowery celebrations from the Republican side of the aisle, we ought to make a couple of observations right now about the effect of what the House is about to do.

I intend to vote against this resolution. I intend to do so for several reasons.

First, it is not true to say, as has been said on the Republican side of the aisle, that this resolution is needed to give the markets and the American people a sense of credibility about this institution. After the House finally passed this small, mean-spirited budget resolution a few days ago the stock market dropped 25 points.

Interest rates on short-term Treasury notes increased by 600 basic points.

So what is the purpose we are trying to achieve here: general economic recovery? Evidence runs to the contrary.

But, then, if this resolution is not helping the general economy, we have to ask ourselves the next question: What are we doing to the people who are the victims of the cuts in this resolution?

What we are doing is punishing them. What we have here is not a question of failing to help the poor, failing to help the ordinary people of this country who need help. What we are doing here, by passing this resolution, is punishing them.

Make no mistake about it. That is what this resolution does.

I read in a national publication an interesting article which contended that there is not one but two deficits in the Latta resolution. The first deficit is the obvious one, the $104 billion Treasury deficit. But the most pernicious deficit is the moral deficit, a deficit in the moral basis of this budget resolution.

The moral deficit occurs because the Latta resolution inflicts devastating damage on the poor and still it does nothing to help the general state of the economy.

I could not help but notice the remarks of the Republican leader in the newspapers only a few days ago in which he said that even though we might pass this resolution, after all the human carnage that is going to be caused, the country ought not to have a high expectation about general economic dividends to the country.

If that is the case, why are we punishing the poor and middle-income people in this way?

Why is it that it is only that the people-oriented part of the budget that gets the damage? Why is it only

this part of the budget which gets the ax?

Why is it that civil defense, the mass evacuation plan, and the civil defense bomb shelter plan which calls for $4.5 billion over the next 5 years is untouched by this resolution?

Why is it that nerve gas research and development and production is untouched by this resolution?

I cannot answer that question. The Republicans are going to have to answer that question.

They cannot do it today. It is going to be very interesting watching them do it over the summer and into the fall.

I yield back the balance of my time.

Mr. JONES of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, this is indeed an interesting budget that we have before us today. I think it could best be described as probably the lowest common denominator in terms of what national policy should be for 1983.

A look back in history, to 1981, gives us an idea of what the shortcomings are in the budget we face today. Surely, I suppose that this will gain the majority of support in the House, and that I regret, and with that I lament the failure of this Congress to come to grips with what should be our proper priorities.

After a bankrupt economic policy was passed last year we find that there is no recognition or willingness to come to deal with reality today. This Congress and administration are living in a dream world. Are we actors and actresses living in that dream world rather than in the real world in which people that we represent are experiencing severe problems on account of the decisions that have been made?

Again, this 1983 budget puts forth a deficit, this year's deficit, 1982 of $120 billion, a deficit twice as high as any deficit that we have had in history. Yet we hear discussion that this is an economically conservative budget.

This conference committee budget report projects for 1983 a budget, by CBO reckoning, of some $114 or $115 billion. That is conservative economics?

I think that this adequately points out the bankruptcy and the failure of the Reagan economic policy. It also points out the failure of this Congress to come to grips with reality and to temper the decisions that were made last year.

At whose expense are these changes and policies made? Surely there are cuts in this particular budget in spending. That we all recognize.

But this measure cuts deeply into social programs to the point of destroying work incentives. We cut deeply into programs that are countercyclical, that deal with the problems that the unemployed experience and the elderly experience. This budget pulls away the opportunity of a better education, housing, and health care for American citizens.

Where are the priorities in this budget? The priorities of this budget maintain the decimation of the tax code that occurred last year. We have a tax code that has been decimated, that is hemorrhaging with regard to the loss of revenue and accomplishing nothing economically.

The failure of supply side economics I think has been very graphically illustrated and yet this budget continues the massive buildup in defense spending that began last year.

The budget outlay in this budget contains over a $30 billion increase, a 16-percent increase in defense spending from last year.

We go back and we tell our constituents that we are going to make an effort to cut into this Pentagon spending and to eliminate the waste. But yet we provide a 16-percent increase, almost equal to that which was provided last year at a time today when our economy and our deficits are the highest in history and our unemployment rates of 9.4 percent is the highest since the Great Depression. This Congress says no to all those who are suffering and only say yes to new unprecedented increases in Pentagon spending in an environment in which nuclear arms control is yet an elusive goal rather than a close reality.

So I ask my colleagues to vote no, vote against the political philosophy of this budget and the facts that are so vivid and evident in the reality of economic failure characterized again by this measure today.

□ 1300

Mr. JONES of Oklahoma. Mr. Speaker, I have no further requests for time.

Mr. REGULA. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. FIEDLER).

Ms. FIEDLER. Mr. Speaker, I rise in support of the conference report.

The speech which was given a few moments ago by the gentleman from Ohio (Mr. LATTA) here on the floor has traditionally been given by the other side of the aisle, the chairman of the committee. I think that it underscores the fact that we are going through a period of important change in our history. That change is clearly reflected by this budget.

The fact that our deficit is not $180 billion in this budget has not been any mean trick to accomplish. We have reduced it by some $76 billion in the next year alone. We hope to be able to make significant additional reductions in the balance of the years that are affected by this budget.

Those changes have occurred as a result of a good deal of effort on the part of a large number of Members of the House and the Senate, and I think that, while the deficit is altogether too high for every Member here, it is certainly a lot better than it would have been had we not gone through this effort.

Mr. Speaker, I urge support for this conference report.

Mr. REGULA. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS. Mr. Speaker, I never dreamed that I would take this well in support of a budget that exceeds in a deficit of $10 billion. But I rise reluctantly to support this because I see where we have no other choice. When it finally comes down, we are going to cut spending, not through the budget process, that is obvious; we are going to do it reducing appropriations. This vehicle is necessary if we are ever to do the country's business, the people's business, by bringing those appropriation bills to the floor. We will have the real opportunity to cut spending on the appropriations. I hope Members will support us then. And, if not, the President can veto them. So it is necessary that we vote for this today. I do not like it.

I have come to one conclusion: If we are ever going to have a balanced budget—and there is none in the foreseeable future—there is one way to do it, and that is to adopt a policy that industry discovered many years ago, an incentive program to tie congressional pay to a balanced budget. But if we could tie congressional pay to a balanced budget, we pay $100,000 to Members of Congress in years that the budget is balanced and revert back to $60,000 when there is a deficit, I am pretty sure in a couple of years we would have a balanced budget.

Mr. REGULA. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. MICHEL), the distinguished Republican leader.

Mr. MICHEL. Mr. Speaker, we have all grown very weary of budget meetings and budget debates; it is time we finished them.

I know there are a good many on this floor who do not feel particularly comfortable with the document we have before us. I am not entirely comfortable with it, either, but I feel good about it just the same.

Under very, very difficult circumstances the Congress has produced a budget—one with teeth in it; one whose goals can be met. It may not sound like much to some on the back bench or those who view these deliberations from editorial board rooms: but it is an achievement.

All of us tend to be apologetic about this effort and this product; but there is no reason to be. No one is happy with it, because it fulfills few of our political needs. However, it does meet

our budgetary needs and it does fulfill the commitment we have made to face up to the monumental fiscal problems we have and deal with them.

Today the Government overspends, the people are overtaxed, our institutions are overborrowed and overregulated. For these chronic problems we have looked to the budget process for our political and economic relief. The budget process was never intended to provide such relief. Is it no wonder that there is not a swell of enthusiasm here today? We are always the first victims of our own excessive expectations.

The press may look upon this product with a skeptical eye. They will imply that the goals we have set out in this document cannot be met, that this budget cannot be reconciled. But few thought earlier this year we would have a first resolution at all.

I say it can be reconciled. I predict the goals will be met.

We have a budget before us, as imperfect as it is, because the public out there wanted one. There was plenty of opportunity all down the line for this process to collapse in a heap of rubble. Budget negotiations broke down more times in the last 4 months than some cars I have owned, but no one gave up, even though the temptation to do so was great. We did not give up because we did not want to risk the wrath of an already disenchanted public. And the people want this budget reconciled. They want a budget implemented.

Think for a minute how the headlines would have read had we all sat on our hands and did nothing. Think for a minute what your constituents would have said if we had simply washed our hands of the whole budgetary mess and turned to more politically rewarding pursuits.

The American people do not expect us to solve all of our problems but they expect us to try. They expect us to act responsibly, not in our own best interests but theirs.

I hope we will never know how the markets would react to no budget at all. I hope we will never know what the American people would think or how they would react to that prospect. If anyone wants to take that risk, then vote no today, but be honest enough to tell the people who ask that there was no other alternative.

There is a damp and dreary atmosphere in this House; there is no drive, there is no enthusiasm, and there is no resolve. Maybe that is because we are a reflection of our society and our people and we are now reflecting their attitudes and their feelings. That is as it should be.

But we are more than mirrors of the people. We are also leaders. Each one of us is a leader, and it is time for us to shrug off the malaise and lead our Nation out of these doldrums as best we can. There is no one who will stand to gain politically this fall from a failure to lead, a failure to act, a failure to try.

Let me just say a word or two about the numbers in this budget. To some the deficit is too high. To others the deficit does not matter. To some the tax increases are too high. To others tax increases do not matter. To some the spending is too high while to others it is too low.

To me the deficit would be too high if we cut this one in half but we cannot.

This is not fantasy land.

Those who harbor frustrations over the numbers or feel a sense of defeat with what has been settled upon by the conference must think about what is at stake here—what is real and what is not.

We have done the best we can to represent as many views as we could on this side and the other. If I could provide all of you with a separate vote on your numbers I would. It might provide some personal satisfaction, and I would not want to deny anyone that opportunity.

But it would not contribute one thing to the resolution of our economic problems, our budgetary problems, or our fiscal policy. It would only serve to satisfy a political need. Sometimes that kind of cleansing is worthwhile. This, however, is not the time and this is not the place for it. This is the time for action—positive action.

This is time for leadership and courage and compromise. It is time that we all stood together and acted like the leaders and legislators we were sent here to be. It is time we took the first step toward bringing this Nation and its people out of the dreary fog and into the sunshine.

The American people have had to scrape and struggle and compromise to make things better during this period of difficulty. Are we going to be above all of that? Or are we going to join them in the struggle and do the best we can with what we have?

Mr. LATTA. Mr. Speaker, I yield myself 30 seconds, before yielding back the balance of my time.

Mr. Speaker, let me just point out to the House that without this budget resolution there are expenditures out there, or outlays, of $182 billion in deficit financing for fiscal year 1983. So let us keep in mind if you are thinking about voting against this resolution, that we take out about $79 billion worth of that spending and it would all be deficit financing.

● Mr. WORTLEY. Mr. Speaker, I rise in support of the conference report on the first budget resolution not because it is a perfect document but because it is essential that we have a budget in place.

Of late there has been a great deal of criticism of the budget process itself. I think that much of that criticism is unwarranted. The budget process is cumbersome and it can be confusing but it is still much better than passing appropriations bills without thought as to what kind of policies we are devising for the Nation.

The choices facing the conferees were difficult. While all of us agree that deficits must come down, agreeing where and how much is not an easy process. I am sure that just about every Member of this body would have done things differently if given the opportunity.

The budget is not the final word. While the conference report does contain binding reconciliation instructions except for certain programs such as guaranteed student loans, leeway does exist on how specific savings will be met.

Approval of the conference report brings us one step closer to putting our fiscal house in order. We are on the right course in curbing the waste, fraud, and abuse that have grown so rampantly in many Federal programs. I support those well-intentioned efforts to improve administration and enhance delivery. However, with regard to the savings that will be achieved ultimately in health care, programs for the elderly, and aid to education, I must insist that any other savings will not adversely affect the participants in these programs.

I honestly believe that it is possible to make the necessary reductions in Federal spending without abrogating our responsibilities to those who need and deserve assistance. The 97th Congress is now on record as one dedicated to fiscal responsibility. We must continue along that path but I am confident that in honoring that important trust we will do so with compassion and integrity.●

● Mr. HOWARD. Mr. Speaker, I would like to take this opportunity to comment on a statement which appears as part of the joint statement of managers to accompany the conference report on Senate Concurrent Resolution 92, the first concurrent resolution on the budget for fiscal year 1983, regarding the possible imposition of increased user fees.

In the explanation of the so-called deferred enrollment provision, the following statement is made:

> In general, the conferees intend that increases in revenues and receipts through the imposition of user fees be used to reduce the deficit.

Mr. Speaker, I believe there exist several factors which challenge not only the accuracy but the impact, both programmatic and economic, of such a statement.

First, it runs contrary to our understanding of the legislative intent of the respective budget resolutions as considered in each House.

In consideration of the original budget resolution on the House floor, the report accompanying that resolution (97-521, pp. 43 and 241) stated that it was "the intent of the committee that should user fees and/or aviation and highway trust fund fees be increased pursuant to reconciliation directives contained in this resolution then these funds should be dedicated to corresponding programs and should support whatever increased program levels are established by Congress."

Through informal discussions with relevant members and staff, supported by the absence of floor debate dialog to the contrary, it is our further understanding that this original intent also applied to consideration of subsequent majority and minority budget substitutes.

Neither resolution directed increased user fees to reduce the deficit. In fact, the statement of managers accompanying the final agreement also states that "the budget may be implemented without the imposition of the specific user fees assumed."

In addition, removal in the Senate resolution of the specific user fee increase directive was based, in part, I believe, on the concern that some Members had that these were targeted as "deficit reducers."

Second, by implication such a statement serves to undermine the integrity and prerogatives of the overall legislative process.

Currently, there is widespread uncertainty about the utility and impact of increased user fees in certain areas. Various proposals have surfaced from the administration, some with favorable reaction by the Congress. However, all, for the most part, remain in the formative stages still subject to congressional scrutiny through the committee hearing process.

To assume in this budget resolution enactment of certain user fees is one thing, but to also assume their application to offsetting overall Federal spending is another. In a very real sense, the latter undermines the very critical exercise of careful legislative determination of all the matters at issue—both programmatic and economic.

Last, the statement at issue raises both economic as well as programmatic considerations.

Balancing the budget through increased user fees is not sound economic policy. The attractiveness for doing so is obvious—these programs, for the most part, have been highly successful, with returns to the Federal Government far in excess of costs. They are not the cause of our current economic plight, nor are they the answer to it. Rather, they provide a stabilizing influence during times of continued reduction in appropriated Federal spending and reform of the so-called uncontrollables.

In addition, there is much to be said of the long-term economic contributions made by user fee programs. Most of these have their fundamental purpose in basic infrastructure programs which lie at the very heart of our Nation's productivity. They stimulate jobs, help insure our standard of living, protect our past investments, and encourage future ones.

Mr. Speaker, in all I believe I speak for many Members when I say that any increases in revenues and receipts through the imposition of user fees should not, as a general rule, be used to reduce the deficit.●

● Mr. HOWARD. Mr. Speaker, my good friend and ranking minority member of the Committee on Public Works and Transportation, the Honorable DON H. CLAUSEN, joins me in making the following statement:

Mr. Speaker, I would like to take this opportunity to explain to my colleagues the legislative intent underlying two very important provisions included in the conference report (97-614) on Senate Concurrent Resolution 92, the first concurrent resolution on the budget for fiscal year 1983. One of the provisions relates to user fees; the other relates to 90 percent self-financed trust funds.

The user fee provision (section 2(c)(10)(B)) adds language to the Ways and Means reconciliation section of the budget resolution to provide that if any of the increased revenues which the Committee on Ways and Means is directed to develop involve the imposition of new or expanded taxes to directly finance programs within the jurisdiction of any other committee of the House or the imposition of any new or expanded user fee within the jurisdiction of any other committee of the House, an appropriate referral pursuant to rule X of the House should be considered.

This provision is purely technical in nature and is intended to do nothing more than assure that current House rules relating to committee jurisdiction will be followed with respect to any new user charge legislation proposed pursuant to the concurrent resolution.

Let me give an example of the kind of situation this provision would address. Twice this Congress, the administration has submitted proposed legislation calling for the imposition of new deepwater port user fees. Both administration bills were introduced by request in the House and both bills, H.R. 2959 and H.R. 5073, were referred only to the Committee on Public Works and Transportation. If the Ways and Means Committee, in responding to its reconciliation directive to raise revenue were to propose deepwater port user fees, it would be the intent of this provision to assure that the Public Works Committee would receive a sequential referral of the appropriate portion of the legislation.

There are similar but somewhat different problems with respect to current administration proposed legislation calling for new inland waterway user fees. And I suspect that other authorizing committees may be in a similar position concerning other types of user fees, such as Coast Guard fees.

This provision simply assures the authorizing committees with jurisdiction over programs covered by the new fees their rights under House rule X. It does nothing more. It neither requires new user fees, nor does it prevent them. Rather, it merely provides that if, in responding to the reconciliation instructions contained in this budget resolution, the Ways and Means Committee chooses to recommend new or expanded user fees within the jurisdiction of any other committee of the House, then the latter committee's rights to a sequential referral under rule X of the House would be assured.

The second provision (section 4(b)) addresses one of the important procedural requirements included in the budget resolution: the so-called deferred enrollment provision. That provision would prohibit final enrollment of any spending bill which exceeds the budget resolution committee spending allocations.

As you know, under the budget resolution, nondefense discretionary spending is, for the most part, held at the fiscal year 1982 appropriated level. Accordingly, the committee allocations under the resolution would reflect these amounts. However, also included in the resolution is a reconciliation directive to the House Ways and Means Committee to increase aggregate revenues for the next fiscal year. A technical but very real problem that I foresee is that if revenues are increased—specifically trust fund revenue programs—and spending is held at the fiscal year 1982 level, then spending bills which could support these increased program levels would not be able to be enrolled.

Therefore, section 4(b) of the conference agreement proposes to address this specific problem by exempting from the deferred enrollment requirement 90 percent self-financed trust fund spending bills if, and only if, Congress increases revenues for these programs. It is important to note that the exception applies only to the selected trust fund bills which historically apply earmarked revenues for a dedicated purpose.

It does not affect the social security trust funds. It is limited only to 90 percent self-financed trust funds for which revenues are increased and only to the extent that such increases exceed the committee allocations.

Let me share with you, again, an example of how this provision might come into play.

Most Members are aware that the Secretary of Transportation has been advocating an increase in revenues paid by highway users in an amount equivalent to a 5-cent increase per gallon in the Federal excise tax on motor fuels. Four cents would go into the highway trust fund, and 1 cent into a public transportation trust fund which our committee has requested the Committee on Ways and Means to establish for public transit capital spending.

In the budget process, allocations of budget authority in amounts commensurate with such increases have not been requested. This has been because of the uncertainty over a number of proposals to increase revenues from sources now dedicated to the highway and airport trust funds. This caution was well advised, as events proved, since the President decided just a couple of weeks ago to defer the matter of dedicated highway revenues as far as fiscal year 1983 is concerned.

However, that uncertainty persists. Notwithstanding the President's decision to defer the highway revenue issue, no one can predict with any confidence the outcome of the current budget deliberations or the fate of proposals to increase revenues from a long list of potential sources. If revenues for the highway and airport programs were raised, the constraint against enrollment of authorizing legislation commensurate with those increases would tie the hands of the Congress to no constructive purpose.

Section 4(b) would preserve the latitude of not just the Public Works Committee but that of the entire House in dealing with authorizing legislation involving those programs for which new or increased revenue sources ultimately result from the budget process.

This section is simply intended to keep the situation open, rather than see it locked up at this point in the budget process. Aside from that, Members would not be committing themselves to anything. Nothing in this provision would raise trust fund revenues. Nothing in this provision would govern the use of the increased revenues if taxes for such trust funds were, in fact, increased. Finally, nothing in this provision would commit any Member to any level of authorization in any bill dealing with trust-fund-financed programs.●

● Mr. GONZALEZ. Mr. Speaker, this resolution, and the immediate consideration of it, represent a travesty—a travesty of justice and a travesty of procedure. We are being asked to vote blind, unable to determine what this conference agreement means and what it would do in practical terms.

As late as noon today, the staff of the Subcommittee on Housing was not able to get complete information on what this resolution would mean for housing programs—even though housing is one of the most basic elements of the resolution, and even though the housing sector is about the most hard-pressed industry in the Nation today.

What I have been able to learn about the meaning of this report is so disturbing that I can well understand why its sponsors want to bring it in under the cover of haste and secrecy. It so brutalizes the poor, so miserably fails to address the genuine needs of the Nation, of the economy, or of simple, crying human need that no one could say that it represents a budget of decency, compassion, or even elemental good sense.

With respect to housing, I have been able to learn that the conference report gives us an illusion that there will be some new budget authority to construct additional assisted housing units—but I stress that it is an illusion.

The conference agreement says that there would be some $10.4 billion in budget authority for assisted housing. That gives the illusion of a program, but the reality is something else. When you examine budget authority against outlay authority, you find that there is only $7.6 billion for outlays—which in fact is $300 million less than would be needed just to fund existing commitments. In other words, you not only get no actual new construction, you get an absolute requirement to rescind a great deal of authority that now exists. What is worse, you get a requirement to cut operating subsidies for public housing by something like $400 million in outlays. The meaning of that is that for purposes of calculating rent in public housing, assisted housing, food stamps would have to be counted as income. By some slight of hand, that which is not income suddenly becomes cash. What was supposed to go for food, suddenly must now go for rent. What is more, the resolution would require the rent increases that were assumed by Gramm-Latta II to be accelerated. You get nothing for new starts for public housing, you move housing authorities closer to bankruptcy, and you inflict punitive new expenses on the people who live in public housing—people who by and large have no means whatever of raising their incomes. They simple are condemned to deeper misery by this conference report.

The resolution also would kill the programs that today produce decent housing for the poor people in rural America.

It would do this by making the subsidized interest rate in the rural programs rise by better than 400 percent—up to 9½ percent or more, as against today's interest rate of 2.7 percent. That change will make it impossible to continue making loans for housing to help poor families in rural areas. They will simply have no way of making the payments that would become necessary. Even the middle-class citizens of this country cannot afford a mortgage that is close to 10 percent—yet this conference agreement makes the cavalier and impossible demand that a poor farmhand pay the kind of mortgage that a bank vice president would find hard to manage.

Similarly the bill would drastically raise the cost of the GNMA tandem mortgage program—again killing a key source of reasonably priced mortgage money.

I cannot tell you what all the details of this conference agreement are, with respect to housing. There is not enough time allowed for me to speak in even the most sketchy way. There is not enough information for me to even know what I should know, either as a subcommittee chairman or as a Member of the House. What I do know makes it clear that this report takes a bad situation and makes it worse, takes injustice and compounds it, and takes good programs and kills them. It takes in the gullible by projecting housing construction programs for which there is no outlay authority—making what appears to be something positive into something that is in fact not only nothing but less than nothing. This is not a report to be proud of. It is not one that responds to any need. It is not one I can support.●

● Mr. FORD of Michigan. Mr. Speaker, on June 10, while the House was debating the relative merits of the Jones and Latta substitutes, I used the example of postal rate subsidies to illustrate the stark philosophical differences underlying the two proposals. The Latta substitute called for the total eradication of subsidies for the blind, the handicapped, charitable organizations, religious institutions, schools, libraries, rural newspapers, and other groups which serve public purposes which are ever more necessary in these hard economic times. The Jones substitute would have continued these rate subsidies at a reasonable, though reduced, level. Nonetheless, the House saw fit to adopt the Latta substitute.

We are now presented with a conference report which has some money in it for postal rate subsidies. But it is an amount so small and so inadequate as to be the equivalent of tossing a bone to a stray dog. The $400 million assumed in the conference report for fiscal year 1983 revenue foregone rate subsidies is nearly $700 million less than the needed amount. And the public service appropriation, which helps pay for costly services such as Saturday mail delivery and rural post office maintenance, is wiped out altogether.

Many Members have made favorable comments to me about the clarity of the illustrative rate examples I used in my floor statement during our debate on June 10. My purpose then, and my purpose now, is to make absolutely certain that each Member of this House knows exactly what it is he or she is voting for in this sensitive and vital portion of the budget. I have asked the Postal Service to compute the total percentage increase in rates which will have been incurred by the nonprofit organizations and other subsidized mailers during calendar year 1982 assuming the conference report's $400 million revenue foregone figure is adhered to and appropriated by October 1, 1982.

Total calendar 1982 percentage rate increase assuming conference report figure

Types of mail:	*Percent*
In county: Rural Newspaper	119
Second-class nonprofit: Veterans' magazine; Church bulletin; University publication; Labor Press	115
Classroom: Classroom publication	91
Third-class nonprofit: Fund-raising letter (e.g., Salvation Army; Crippled Children's Society; American Cancer Society)	155
Fourth-class library rate: Book between libraries	97

I must also report that—despite the evident intention of the architects of the conference report—it is not at all certain at this point that the "free for the blind and handicapped" rate will emerge unscathed from this year's orgy of budget cutting.

I know it is sometimes difficult to translate statistics such as "percentage postal rate increases" into something vivid and meaningful in a real-life sense. And so, just to be sure that every Member knows what he or she is voting for or against today, I want to share with you some of the dramatic communications received in recent days by my Committee on Post Office and Civil Service. These communications, from a cross section of mailers, demonstrate the impact of the rate increases suffered earlier this year because of the Reagan administration's fiscal year 1982 budget cuts, and project the additional real-life damage to be done by adoption of this conference report. First, here is a sample of reactions from publishers of second-class nonprofit publications:

From Dr. John Stapert, Church Herald, Grand Rapids, Mich., Associated Church Press/Evangelical Press Association Joint Liaison.

The Church Herald is one of America's oldest church publications, now 156 years old. It has a circulation of 67,000, serving the Reformed Church in America.

THE IMPACT OF THE JANUARY 10, 1982 RATE INCREASE

For the Church Herald, postal rates increased 110 percent on January 10, 1982. Prior to that, it cost us approximately $2250 to mail each issue. Since then, the cost has been approximately $4650 per issue.

There was no way to recover these funds with our former subscribers or former advertisers. Subscriptions for 1982 had already been sold. Advertising rates had been announced the previous October, and advertising contracts for space in 1982 had already been signed. Thus, there was only the possibility of absorbing these higher postal rates on short notice.

Fortunately, the Church Herald had a small financial surplus from the previous year. This surplus was completely consumed by early June, 1982. The rest of our modest reserve, accumulated over the past 38 years, would carry us only into mid-September, 1982 on our present publication schedule. Were we to continue on our present schedule, we would go bankrupt in the fall of 1982 and cease publication.

Hoping to avoid that, we have cancelled two issues this summer and another in the fall. Barring further rate increases, and making the aforementioned cancellations, we will probably still be publishing at Christmas, 1982.

The January 10, 1982 rates are also forcing us to make plans to become a monthly magazine rather than bi-weekly beginning in January 1983. This means we will be communicating within our denomination and to our subscribers only 12 times rather than 26 times during 1983.

Making these adjustments also costs us money for we must schedule additional meetings of our governing board and pay premiums to our suppliers in order to change our publication schedules. Again, there are no effective ways of recovering these expenditures from subscribers and advertisers to whom we have previous commitments at lower rates.

THE PROPOSED OCTOBER 1, 1982 POSTAL INCREASE

A 30 percent increase in our postage on October 1, 1982 would threaten the *Church Herald's* demise this fall in spite of the sizable adjustments mentioned above. Again, there would be no hope of charging our subscribers or advertisers for those higher rates either because they would be applied on such short notice.

If we could survive 1982, we could implement higher subscription and advertising rates beginning January 1, 1983. This will make publication more costly and therefore will make communication more difficult within our Church.

In order to accommodate the rate increase already in effect and an additional 30 percent increase, we would need to charge $1.55 more per subscriber for postal rates alone. For our congregations, which normally enter subscriptions for all of their member families, this would mean $1.55 times 100 or 200 subscriptions—a burden which many congregations are finding impossible to bear.

OTHER PERIODICALS

The Reformed Church in America has already ceased publishing one of its periodicals, RCAgenda. This was done solely because the burden of higher postal rates was impossible to carry. This denomination also publishes a bi-weekly newsletter, and it is making plans to become monthly.

The Associated Church Press and the Evangelical Press Association surveyed their members a few months ago about the likely impact of postal rate increases such as we experienced this past January 10. On the basis of that research, we are forecasting that 10 percent of our member publishers will cease publication by the end of 1982 because of higher postal rates. Other observers have suggested that the failure rate may be 15 percent this year.

That is without taking into consideration the possibility of a 30 percent hike on October 1, 1982. Such a hike can only spell disaster for religious publications throughout the land.

From Alan Caplan, American Jewish Press Association, Philadelphia, Pa.

To assess the damage done by the postal increases of January 10, 1982 to the Jewish publications in the Delaware Valley can be summed up in one word—disastrous. The Jewish Publication Group of Greater Philadelphia experienced increases of over 70 percent in January, 1982 postal costs while overall postal costs to us in the past four years have gone up for non-profits approximately 500 percent. This extreme is, I am quite sure, in the norm for other mailers and we as non-profits can least afford the increases. In a pool taken of many non-profit publications in the Delaware Valley, if the proposed additional 30 increase occurs in fiscal year 1983, many of these religious publications would be forced to cut back on numbers of issues, numbers of members, quality of material and, in an alarming number of cases, these publications would virtually cease to exist.

We find it extremely difficult to comprehend that intelligent leaders of this country will allow this to happen.

From Father Gerard Orlando, Sign Magazine, Union City, N.J.

With the May, 1982 issue of Sign Magazine, which has been in publication for 61 years, we finished publishing the magazine any longer simply because we could not absorb the last two postal hikes. We are still very interested in using the mails to pick up the slack of the social programs which our Federal Government has had to abandon but to do so we have to use the mail. While President Reagan asked us as a religious organization to try to fill in the void of the social programs which cannot any longer be funded by the Federal Government, we cannot do so as a non-profit corporation unless we get a break with the mails.

From Dick Pomeroy, the Pilot, Boston, Mass.

Our costs in 1981 were at an annual rate of $75,000. The projection for the first part of this year before the October increase is $129,020 per year. With the 30 percent increase in October, it will go to $167,700 per year. What that represents is an increase over last year's cost of $92,650. Our mailing costs will have substantially more than doubled.

With the increase in October, it is doubtful that the Pilot will be able to continue publication.

From Richard Nare, the Messenger, Covington, Ky.

The decrease in revenue foregone appropriations has had a grave effect upon the Messenger of Covington, Kentucky. Prior to the January, 1982 postal increase, a single 20-page issue with approximately a 34 percent advertising ratio cost $505.20 to mail. Although we presort the carrier routes, following the January, 1982 increase, that same issue had a mailing charge of $1,114.27. In order to compensate for the deficit created by the inflated rates, we have already cut our publication frequency down to 45 issues from 50 and increase our subscription price from $10 to $11. This action was taken despite the fact that this was the third year in a row for a price increase. Al-

though we took that action, our first quarter is still showing a loss.

If rates are increased by another 30 percent, that same 20-page issue will carry a postal charge of $1,443, or almost triple the rate paid less than a year ago. Such an increase will probably cause us to suspend publication.

From Rev. Robert G. Peters, the Catholic Post, Peoria, Ill.

The January, 1982 postal raise increased the annual second class postage costs of the Catholic Post of Peoria, Illinois by approximately 147 percent, or $69,000-$70,000 a year for a circulation of about 40,000.

In an attempt to stay alive, we raised the subscription price by $2.00 a year, a move that has already caused us to lose 1,500 subscriptions.

The proposed raise of 30 percent would mean a further raise of approximately $35,000 a year, putting into question the viability of the paper.

Such a 30 percent raise would mean that our postal costs that were $45,000 a year in December, 1981 would be $150,000 a year by 1983.

From John F. Fink, Our Sunday Visitor, Huntington, Ind.

For Our Sunday Visitor, the 30 percent increase in the postal rates would mean an annual increase of $188,430. After the January, 1982 postal rate increase, Our Sunday Visitor raised its subscription prices to cover the additional cost. As a result, we have so far had a circulation loss of 20,000 (from 300,000 to 280,000) with many subscriptions not yet up for renewal.

On other matters on some other publications, since the January price increase, both the Sign and Catholic Mind have ceased publication after more than 70 years of history. Some weeklies have switched to biweekly, including the Cleveland, Ohio and Amarillo, Texas dioceses, and some other weekly newspapers have switched to monthly magazines, including Pensacola and Tallahassee, Florida. Quite a few are watching losses pile up or circulations decline as a result of severe price increases and are now considering alternatives, ranging from ceasing publication, change of frequency or format or severely reducing the size of the publication.

From Ed Barmann, Cleveland, Ohio.

The January 10, 1982 increase in nonprofit second class postal rates dealt a devastating blow to the three papers of the Catholic Press Union, Inc.—the Catholic Universe Bulletin of Cleveland, Ohio; the Catholic Exponent of Youngstown, Ohio; and the Catholic Chronicle of Toledo, Ohio. Our postal bill jumped from $4,000 to $8,000 a week on that date. We increased our subscription rate from $10 to $11.50 a year, but because we could not make up the deficit, we began on April 30, 1982 to publish every other week. The switch has undoubtedly weakened the impact of our three diocesan papers in northern Ohio. (The Universe Bulletin had published weekly for 108 years.) Now, with the possibility of an additional 30 percent increase in postage rates on October 1, 1982, the future of our publications becomes very much in doubt.

From John Gallagher, the Advocate, Newark, N.J.

This most recent postal increase proposal is not only an outrage, it is intolerable. We will not take this latest slap in the face of religious journalism lightly. We intend to launch a massive campaign to educate and mobilize the 1,400,000 Catholics in our area of this latest attempt to put non-profit organizations out of business. We can no longer absorb these increases by simply passing them on to our already overburdened subscribers and advertisers. This time, we will challenge both the Congress and the Postal Service by attempting to unite with our Protestant and Jewish brethren to safeguard our First Amendment rights. We will not tolerate this latest discrimination and callous disregard of religious and grass roots communities throughout the United States.

From Father Campion, Tennessee Register, Memphis, Tenn.

In the spring of 1982, the Tennessee Register raised subscription charges 15 percent to meet the additional costs of postal delivery. So far, circulation has fallen almost 10 percent. Investigation of that decrease indicates that we simply are pricing ourselves out of the market at a very rapid pace. As observed in the May 18, 1982 editorial of the Chattanooga Times, the postage rate increase for second class non-profit mailers is tragically impeding the non-profit press precisely at the time when the institutions it represents are being asked to motivate the private sector to serve human needs more extensively.

From John E. Markwalter, editor, the Southern Cross, managing editor, Georgia Bulletin, Catholic Banner, Waynesboro, Ga.

GEORGIA BULLETIN, NEWSPAPER ARCHDIOCESE OF ATLANTA, GA., 23,000 WEEKLY

Postage increase last January of 145% from approximately $27,000.00 per year to approximately $66,000.00 per year. Archdiocese underwrote loss until June 30, 1982. Subscription increase set for July 1, 1982, from $8 to $10 per year. 30% increase in postage would increase cost by $20,000.00 per year to approximately $86,000.00. Paper attempted to cope with subscription increase but can't increase again. Would decrease frequency or fold.

SOUTHERN CROSS, NEWSPAPER DIOCESE OF SAVANNAH, GA., 14,000 WEEKLY.

Postage increase last January of 150% from approximately $16,000.00 per year to approximately $40,000.00 per year. Subscription increase from $8 to $10 on March 1, 1982. 30% increase in postage would add additional $12,000.00 to annual costs bringing postage to $52,000.00 a year. Paper attempted to cope by increasing rates in March. Can't increase again so soon. Would consider delivering in bulk to parishes. Cutting frequency or fold.

THE CATHOLIC BANNER, NEWSPAPER DIOCESE OF CHARLESTON, S.C., 12,000 WEEKLY.

Postage increase last January of 150% from approximately $13,500.00 per year to approximately $34,000.00 per year. Diocese underwrote loss through June 30, 1982 to keep paper a weekly. Subscription increase set for July 1, 1982 from $8 to $10. 30% increase would add approximately $10,000.00 to postage bringing annual total to $44,000.00. Paper attempting to cope with July 1 increase. Can't increase more. Paper would cut frequency or fold.

The initial increase last year was staggering and has consumed much energy and time of our small staffs. We haven't had time to do proper job with editorial side as people double on business end. This is true of smallest weeklies as there is not profit to begin with and while rest of inflation is leveling these gigantic postage increases are our main worry as we strive to survive.—JEM

Mr. Speaker, next, I want to share an excerpt from a letter which we received from the Classroom Publishers Association.

The Classroom Publishers Association comprises a group of publishers who publish classroom magazines, teaching aids, kits and books and religious school materials. The acceptance and value of classroom periodicals in the classroom can be substantiated by the 18 billion copies distributed to students over the last 50 years. These materials are utilized in public schools, parochial schools and religious instruction classes. This group of publishers provide 30,000,000 classroom and religious school periodicals each week aimed at supplying pupils, teachers, Sunday schools and school boards with current materials for instruction in social studies, religion, current affairs, civics, citizenship, language, arts, science, homemaking, health, physical education and a variety of other subject areas.

The library rate which is utilized for mailing educational materials into the classroom and libraries has increased 500 percent since 1970 and implementation of the full-phased 1987 rate now would increase that to 720 percent. Classroom periodical per-piece postage rates have increased 285 percent since 1970 with implementation of the full-phased 1987 rate.

FISCAL 1983 BUDGET COMPROMISE

The compromise reached by the House and Senate conferees on the budget for fiscal 1983 would authorize only $400 million for revenue foregone appropriations for the U.S. Postal Service. This would mean no phasing monies for classroom and library rate publications and a $213 million cut in revenue foregone appropriations for the "continuing" appropriation which helps to defray some of the institutional costs of the Postal Service for these preferred rate publications.

This means the postage for a typical piece of classroom mail (according to USPS figures) would rise from 5.5 cents per piece on January 1, 1982 to 10.5 cents on October 1, 1982. This is a staggering increase in 1982 of 91 percent which would cause great hardship and economic damage to the few remaining classroom publishers. Further, the postage for a typical book mailed to a school under the library rate (according to USPS figures) would rise from 33 cents on January 1, 1982 to 65 cents on October 1, 1982; a tremendous 97 percent increase.

Let me be specific in the case of Scholastic, Inc., one of the largest classroom publishers in the U.S. and a renowned leader in the field. Scholastic absorbed over $1 million in unscheduled postal increases in 1981 and would now be forced to absorb over $4 million in unscheduled postal increases in 1982. The company's pre-tax profit in 1981 was $2.3 million and was not expected to be appreciably higher in 1982. Subscriptions for classroom magazines have already been set and bound for the school year 1982-83 which ends in June, 1983. Thus, Scholastic must absorb the over $4 million in unscheduled postal rate increases with devastating impact to the companies profitability.

Further, it should be noted that Scholastic has had to curtail and eliminate worthwhile educational publications already because of existing postal expense. Examples

are the Campus Book Club and the College Bound Book Service.

It is tragic that 30 million school children are being deprived of affordable, responsible, contemporary paperback books and periodicals because of unexpected and unscheduled postal rate increases.

Mr. Speaker, here is a telegram we received from the executive director of the St. Louis Public Library.

ST. LOUIS, MO.

This is a confirmation copy of a telegram addressed to you. Fourth-class library postal rate essential to services of St. Louis Public Library. With increasing elderly population, books by mail is heavily used by those who cannot visit a library. For many it is truly a lifeline. We use the fourth-class library rate more than 10,000 times each year to supply housebound, senior citizens and disabled with books by mail. St. Louis Public Library urgently requests that Congressman Ford press for a continuation of library rate.

JOAN COLLETT,
Librarian and Executive Director, St. Louis Public Library.

Mr. Speaker, I received the following information from the American Library Association concerning just two of their member libraries.

● The U.S. mail provides one of the primary methods which public libraries use to serve rural populations as well as the handicapped, homebound, elderly and people without transportation. For example, Ohio Valley Area Libraries (OVAL) provide Mail-A-Book, a cost-effective method of making available public library service to all residents of a ten county region who have difficulty getting to a public library. This is the largest of about two hundred such library books by mail programs in the United States. The user selects books, mails in a postal card request, and receives the books with return mailing instructions and postage. In 1980, more than 19,000 people used OVAL's Mail-A-Book service, borrowing 220,744 books. Based on studies of five counties conducted by OVAL in 1980, 20 percent of those who use some library service in OVAL use Mail-A-Book. For 79 percent of Mail-A-Book users this is the only library service they use. In the past year, services to OVAL's Mail-A-Book users have suffered due to the rise in the library postal rate, the increase in the third-class nonprofit bulk rate, and a $45,000 cut to its program grant of LSCA title I funds for 1982.

In the first four months of 1982, OVAL has spent $13,616 on postage for 15,834 book packages at the library rate. The proposed 51 percent increase will jump the cost for the same mailings to $20,584.

The Des Moines Public Library (Iowa) currently spends $5,000 per year on 4th class lib. rate postage for ILL packages sent all over Iowa. The proposed 51 increase in lib. rate would increase this to $7,550. The library would probably have to start charging the library patron for postage. However, they already charge users postage for loan of films. Based on that experience they estimate that 35 percent of library users will do without needed books and articles on ILL if they must pay the postage.

One of the state's regional resource libraries operates out of the Des Moines PL. They have found that for large bulky items such as video discs and tapes sent to other libraries, it is now cheaper to use United Parcel Service than USPS.

The regional resource library also operated a Mail-A-Book program which was dropped for the 1981/82 fiscal year because of projected postal increases.

Indiana University has written me the following letter providing one of the most comprehensive and outstanding explanations of the real-life impact of nonprofit postal rate increases.

INDIANA UNIVERSITY
ALUMNI ASSOCIATION,
Bloomington, Ind., June 21, 1982.

Hon. WILLIAM D. FORD,
U.S. Representative, Chairman, Post Office and Civil Service Committee, Cannon House Building, Washington, D.C.

DEAR CHAIRMAN FORD: Thank you for the opportunity to comment on the House/Senate Budget Resolution for FY '83 and its severe impact upon the 250,000 organizations in America who depend on non-profit mail to perform their missions.

I respectfully submit that the proposed level of funding for revenue forgone, now down to $400 million for FY '83 from $789 million in 1981 and $619 million in 1982, will have a consequence not intended by the Congress.

If the private sector is to respond to a national appeal for greater voluntary support, to offset other reductions in federal funding, it is these very non-profit organizations who will provide much of the stimulus. Their principal means will be direct mail.

Much more is at stake than a narrow special interest and a few cents in additional postage.

I would like to refer to only one of many examples of impact, to Indiana University where I am Director of Alumni Communications.

My testimony before the joint postal committee hearings last March related how our university and other state-supported institutions in the Midwest faced reductions in traditional levels of state funding. Severe fee increases and program cutbacks have already been required to sustain academic offerings.

Only our 285,000 I.U. alumni represent a substantial alternative resource if we are going to preserve for future generations the same academic excellence and educational opportunities we have enjoyed. If we are going to reach this resource as never before, we must also communicate our needs as never before.

The opposite condition has been imposed upon us.

Faced with a combined 70.2 percent increase in second and third class mail rates last January 10th, the Alumni Office at Indiana has already reduced its annual (1981) mailing volume of over 4.8 million pieces by twenty percent. The major newsletter going to all alumni has been reduced from four to two issues per year. (The cost of postage for this newsletter now exceeds the cost of printing.) Second class permits were reluctantly dropped for all publications to gain further savings.

My testimony included an estimate that, after pre-sort discounts, our postal bill would increase by $39,000 over the 1981 total of $175,340. Experience to date has validated this estimate. Based on a postal estimate of a 7.4¢ rate for third class by Oct. 1st, a 95 percent increase since Jan. 9, 1982, we would face additional cost of $52,000 as a result of the new fiscal year 1983 budget for revenue foregone.

As we prepare for a $150 million capital campaign and a call for alumni volunteers in areas such as student recruitment, job placement, and fund raising, we are faced with the prospect of continuing reductions in communications when greater efforts are obviously called for.

Our example at Indiana University is only one of many in higher education. We have been in contact with a number of other colleges and universities throughout the country concerning the impact of the new nonprofit rates. We found that the problem varies only in scale by size of school, but not in severity. The same must be true of other components of the non-profit community such as charities, community and civic groups, religious affiliations and others.

In closing, Mr. Chairman, I suggest that when Congress in its wisdom established a special mailing category and funding support for non-profit groups it also recognized that its funding represented an investment, not a subsidy. It recognized that funds so expended would be repaid many times over by the voluntary contributions of many millions of citizens for the betterment of society.

It is and has been an investment in the spirit of volunteerism that has been unique in America since our early history. It is and has been an investment, not in non-profit groups per se, but in the continued willingness and ability of our people to freely help themselves and others less fortunate than they.

The wisdom of that investment has never held greater import for society than today. Help us so that we might be better able to help ourselves.

We rest our case with good faith in the Congress. It is in your hands.

Respectfully submitted.

WALTER A. SCHAW,
CAE, Director of Alumni Communications, Indiana University.

Mr. Speaker, finally, here are just a few impact reports from users of third-class nonprofit mail:

The Foundation for the Junior Blind, Los Angeles, Calif., paid $48,000 in postage last year to send a 1.3-million-piece fundraising mailing. Because of the rate increase incurred earlier this year due to the administration's fiscal year 1982 budget cuts, that figure jumped to $75,000. In October, assuming the conference report's revenue foregone figure, it will cost about $110,000 to make the same type of mailing.

The Braille Institute of America will pay an additional $11,227 in third-class postage this October. The American Foundation for the Blind will pay an extra $42,000. Children's Aid International an extra $26,000. The members of the American Arts Alliance will have a total increase of $1.3 million in its calendar year 1982 third-class postage bill.

With regard to the reports I have just summarized, I can only note with bewilderment this administration's continuing insistence that private-sector charitable, educational, and religious organizations will be expected to make up for the enormous cuts in social and educational programs. By raising these postal rates so drastically within so short a time span, the ad-

ministration is reducing—not enhancing—these organizations' ability to bear this increasing burden.

Every extra dollar which an organization such as the Salvation Army must spend on postage is a dollar which cannot be spent on services to the needy. Yet without direct mail fundraising, these organizations could not long survive. Such is the vicious circle in which we continue to be entrapped by this conference report.●

● Mr. BIAGGI. Mr. Speaker, I rise to express my opposition to the conference report on the first budget resolution. It is said that conference reports by their very nature are products of compromise. I believe that with this legislation we have clearly crossed the line between compromise and concession and having done so, the losers will once again be the American people.

We have come a long way simply to end up almost in the same place. That is one way of evaluating the congressional budget process for 1982. It began with the submission of the President's February budget—it was perhaps at this juncture where we found the greatest unanimity of feeling—everyone was against it. Then we proceeded to the Senate consideration and passage of its budget resolution. The House had to go through the process twice to emerge with a final product, a product I might add that I voted against.

Now we have before us a conference report which is more regressive than the Latta proposal approved narrowly by this House last month. It cuts deeper into key social programs—produces a deficit over $100 billion, provides for a minimal amount of new revenues and increases defense spending in a disproportionate fashion.

More specifically:

Deficit: House budget $99 billion—Conference Report $104 billion.

Medicare: House budget cut of $3.2 billion—Conference Report cut of $3.6 billion.

Education: Conference Report provides new cuts of $187 million in discretionary programs in education.

The conference report where it did conform to the House-passed budget did so on the more negative points. The conference report retains such onerous cuts as a $200 million reduction in the SSI program which provides life-sustaining benefits for the poorest members of our blind, disabled, and elderly population. The conference report retains the freeze agreed to in the House-passed budget for a host of nonentitlement programs providing social and human services to millions of needy citizens of all ages. The freeze would be in effect for 3 fiscal years. Let us assume with considerable optimism that inflation is kept at a 7-percent level—a freeze over 3 years still means a net reduction of more than 20 percent in real dollars for programs.

On the opposite side of the coin—the conference report retains the 16-percent increase provided for defense for fiscal year 1983 and an aggregate increase of 48 percent by fiscal year 1985.

The conference report makes smaller reductions in programs such as medicaid and food stamps, as well as AFDC but again in the aggregate sense we are talking about cuts totaling more than $2.3 billion for these programs, most of which direct their aid to the poor and truly needy.

Despite the fact that unemployment is at a post-World War II record level of 9.5 percent—the conference report slashes almost $1 billion in job training programs as well as providing no funding for extended unemployment benefits, emergency public works, and other antirecession programs.

Finally with respect to the all-important issue of revenues the conference agreement adopts the revenue target of the House version—namely, increases of $21 billion in fiscal year 1983—the lowest total of revenues except for the President's original budget. I find this to be an artificially low target to set when one considers the massive drain of revenues which will occur as a result of the tax cut—especially the business tax cuts which have some hidden retroactive features associated with them. We should have been more aggressive in our efforts to raise new sources of revenues and I hope the Committee on Ways and Means will work to increase the revenues they are able to raise without directing it toward the already overtaxed middle class.

I am greatly distressed over the direction that this budget will be taking us. It is not a budget which will promote recovery—rather it will extend misery for millions. It is a budget which will promote $100 billion deficits while claiming to be committed to reducing Federal spending. It is a budget which I will not support and only hope that it will be rejected.

As I said during the time of House consideration of the Latta budget—there must be a time when we say enough is enough. We cannot continue to turn back the hands of time and progress. A vote for this conference report means that thousands of college students who were eligible for student loans—for a higher education will no longer be. It will mean that the medical needs of indigent elderly people previously covered under medicaid will no longer be covered. It will mean that daily meals provided to thousands of elderly in senior centers and in their homes may be terminated. It will mean cruelty in human terms—the further shredding of an already porous safety net promised by this administration.

Almost 50 years ago when this Nation was in the throes of a severe economic period—President Franklin Roosevelt delivered a speech which contained words which to me have great relevance today and which represent the opposite of what we are doing today.

These unhappy times call for the building of plans that build from the bottom up and not from the top down that put their faith once more in the forgotten man at the bottom of the economic pyramid.●

● Mr. MATTOX. Mr. Speaker, I rise in opposition to the conference report on the first budget resolution for fiscal year 1983.

This budget is based on the same discredited economic theory that brought us face to face with a potential deficit of $182 billion for fiscal 1983. I would think that we would want to reject such an approach—not continue with it. But instead of changing policy, the budget now before us just gives us more of the same—huge deficits.

Just think about the deficit in this budget for a minute. The report says that the deficit will be $103.9 billion. But this figure is arrived at only by rejecting the assumptions used by the Congressional Budget Office and the Senate, and adopting instead the questionable assumptions used by our colleagues on the other side of the aisle. We have already been led down the garden path once by such questionable assumptions; we should not foolishly go down the same path for a second time. Using the more objective assumptions of the CBO—and, I would emphasize, the Senate before the conference—the fiscal 1983 deficit is likely to reach $114 billion.

I ask my colleagues: Do you want to vote for a $114 billion deficit?

I urge you to reject this budget. It is time to return to fiscal responsibility and fairness in the budget process.●

● Mr. FUQUA. Mr. Speaker, I rise in reluctant support of the conference report to accompany Senate Concurrent Resolution 92, the first budget resolution for fiscal year 1983. I am not satisfied with many of the features of this conference agreement.

I am concerned that we are not providing enough funds for necessary educational purposes and I am also concerned by the deep cuts in social programs. Further, I urge the House Armed Services Committee to carefully examine all Department of Defense proposals. I am a strong believer in defense spending but I am fearful that we just might be throwing money at the Pentagon that they cannot spend wisely.

With these several complaints, one might wonder why I rise in support of the agreement. Basically, I support the report because I believe we must have a budget for fiscal year 1983 and this is the only practical vehicle for arriving at that goal. Initially, I supported the budget amendment containing

zero deficit for fiscal year 1983. After this proposal was not accepted, I voted for the amendment containing the lowest deficit figure. I am not happy with a conference report containing a deficit in excess of $100 billion.

We must, however, have a budget. Should this conference report be defeated, we would sink into a budgetary morass from which we might never recover. I support this conference report because there is no feasible alternative. Let us adopt the report and move on to the business of authorizing and appropriating programs for fiscal year 1983.●

● Mr. EVANS of Delaware. Mr. Speaker, I rise in support of the conference report. While there are very serious shortcomings in this plan, the report as a whole deserves the support of this House.

We need to approve this budget as a first step toward returning our economy to full recovery. While there are no instant solutions or quick-fix answers to the problems of unemployment, high interest rates, and economic stagnation, approving this budget resolution is an important factor in turning our economy around.

One way we can signal our resolve is approving a budget that will, in a phased-in yet determined way, bring us toward a balanced budget. If we fail to act today, the result will simply bring an increase in the pressures to abandon the course that has been set, and return to the failed policies of the last 40 years. While such a change could appear to give some very short-term relief to a few hard-pressed sectors of our economy, it is clear that the overall result of abandoning the economic recovery program that has been in place a scant 8 months will be true economic disaster.

Commerce Department figures released yesterday indicate that, for the first time in over 6 months, our economy is beginning to expand. This expansion of our gross national product is necessary to provide the wherewithal to fund the many and important programs that provide assistance to those Americans in need.

I believe we must continue the Federal Government's important obligations to the poor, the sick, the elderly, and those Americans with special needs. This budget before us sets spending targets for broad functions that include important people programs such as health, nutrition, and education efforts. Through the coming months we must fulfill our responsibility to those Americans who need assistance by providing adequate funding in the more specific appropriation bills that set program-by-program funding levels.

Today's economic conditions demand that we take difficult, yet responsible actions. Clearly, continuing the broad thrust of the economic recovery program we began last year represents our best hope. That program is a sound one, involving restraint in the growth of spending, lower taxes, responsible monetary policy and regulatory reform. We cannot return to those failed policies of the past that brought our economy to its knees—policies that lowered productivity, inhibited growth, savings and investment, and tied us more and more to Government subsidies and Government control.

I urge my colleagues to pass this conference report so that we may get on with important work ahead.●

● Mr. RATCHFORD. Mr. Speaker, the House today puts to a vote the first budget resolution conference report. The budget will remain an important issue for Congress throughout the entire year, as this first resolution is only an outline of spending and tax levels.

More specific details will be filled in later, but I think we can already get a pretty good idea of what the American people may expect from the Federal Government during the next fiscal year. Severe cuts are coming in areas such as medicare, which is vital to millions of older Americans; student loans, which give young men and women from middle- and low-income families the opportunity to pursue a college education; in energy conservation and development; and in other people programs.

Mr. Speaker, many constituents have asked me what priorities I have for the fiscal year 1983 budget. I set several goals: Reduce the deficit; cut special-interest spending programs; eliminate special breaks in the Tax Code; and slow down the record rate of growth for defense spending. These are, and will continue to be, my guidelines for a fiscally responsible budget.

Unfortunately, the conference report that was ironed out last week and which is being voted on today falls far short of the goals I have set. Many of my constituents share the goals I have set out, and I do not believe the conference report represents the needs and desires of the people of my district.

I regret that a more equitable, responsible resolution could not have been drafted.

At this time, I would like to insert into the RECORD a copy of my most recent weekly column, which outlines in greater detail my objections to the direction we are taking on the 1983 budget.

WASHINGTON.—Like the doctor who reports to his patient that he has good news and bad news, so Congress is telling the American people that the budget prognosis has its merits and faults.

The good news takes several forms. Congress is almost ready to get the first step of the long budget process finished, and while this first budget resolution is but a general blueprint for spending and taxation—with many of the specific details to be filled in later—the resolution does give us a strong indication of what the Fiscal Year 1983 budget priorities will be.

The other encouraging sign is that the projected budget deficit will be lower than that of the Administration's budget plan which was introduced last February. The anticipated deficit of about $104 billion is still unacceptably high, but it represents an improvement over the Administration's earlier offering, and the projections of deficits as high as $180 million for the next fiscal year alone. Clearly, reducing the deficit must continue to be an important fiscal objective, and developing creative ways to reduce deficit spending is a top priority on my list.

In fact, during the budget debate in the House, I voted for an innovative and responsible spending approach which would have balanced the budget by fiscal year 1985 and kept it in balance thereafter. The so-called "pay as you go" program I argued and voted for in the House would have required Congress either to make revenue-raising decisions or cut spending whenever it chose to increase spending in a particular area. By forcing Congress to look at its spending decisions with these other considerations in mind, I think we could make the government's fiscal policy once more responsible and restrained. The "pay as you go" plan barely failed in a House vote, but I don't think we have seen the end of it or other innovative spending plans.

On the budget that passed and the subsequent House-Senate conference agreement, though, the news is not all good. As one of my congressional colleagues said, no "safety net" remains, except for special interests like the tobacco lobby. Narrow programs like tobacco supports, public works construction projects, and other "pork barrel" programs have been kept in the budget, costing taxpayers billions of dollars each year they are allowed to remain. Our economy and our taxpayers cannot and should not have to pay for the largesse we bestow upon sugar, peanut, and tobacco growers, breeder reactor developers, and the people who benefit from huge, costly public works projects.

What's worse, the maintenance of these special-interest spending items comes at great expense to the elderly person dependent on Medicare, the middle-income student who needs a loan to pay for part of a tuition bill, and the laid-off factory worker who has neither the resources to provide nourishing meals to his family or the opportunity to be retrained for a new skill. On the revenue side, it's disheartening that a total of $23 billion in revenues projected to be raised in fiscal year 1983 was agreed upon with few indications of how the funds will be raised. If Congress doesn't go after the special breaks for the oil industry and some of the money lost through tax leasing and other loopholes in the revenue code, then the bulk of that $23 billion is bound to fall on middle-income taxpaying families, the people who need tax relief the most. I can't support added tax burdens on the wage earners already paying the lion's share of federal taxes, particularly if the inequities currently in the tax code which I have outlined are allowed to remain.

All the numbers of revenues, expenditures, and deficits being tossed around these days are important, but they are not the only consideration in evaluating the usefulness of the federal budget. The figures have to reflect the economy's real needs, the ele-

ments required by people and business to create a strong, healthy economic and social climate.

In my view, the compromise being reached doesn't quite live up to these expectations. The special interests are still claiming too much in the budget, and the average American is being given the short shrift in this first round of budget politics.●

Mr. LATTA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of Oklahoma. Mr. Speaker, I yield back the balance of my time.

CALL OF THE HOUSE

Mr. FRENZEL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 160]

Addabbo	Coyne, William	Gaydos
Akaka	Craig	Gejdenson
Albosta	Crane, Daniel	Gephardt
Alexander	Crane, Philip	Gilman
Anderson	D'Amours	Glickman
Andrews	Daniel, Dan	Goldwater
Annunzio	Daniel, R. W.	Gonzalez
Applegate	Dannemeyer	Goodling
Aspin	Daschle	Gore
Atkinson	Daub	Gradison
AuCoin	Davis	Gramm
Badham	de la Garza	Gray
Bailey (MO)	Deckard	Green
Bailey (PA)	Dellums	Gregg
Barnard	DeNardis	Grisham
Barnes	Derrick	Guarini
Beard	Derwinski	Gunderson
Bedell	Dickinson	Hagedorn
Beilenson	Dixon	Hall (OH)
Benjamin	Dorgan	Hall, Ralph
Bennett	Dornan	Hall, Sam
Bereuter	Dougherty	Hamilton
Bethune	Downey	Hammerschmidt
Bevill	Dreier	Hance
Biaggi	Duncan	Hansen (ID)
Bingham	Dunn	Hansen (UT)
Blanchard	Dwyer	Harkin
Bliley	Dymally	Hartnett
Boggs	Early	Hatcher
Boland	Eckart	Hawkins
Bonior	Edgar	Heckler
Bouquard	Edwards (AL)	Hefner
Breaux	Edwards (CA)	Heftel
Brinkley	Emerson	Hendon
Brodhead	Emery	Hertel
Brooks	English	Hightower
Broomfield	Erdahl	Hiler
Brown (CA)	Ertel	Hillis
Brown (CO)	Evans (DE)	Holland
Brown (OH)	Evans (GA)	Hollenbeck
Broyhill	Evans (IA)	Holt
Burgener	Evans (IN)	Hopkins
Burton, John	Fary	Howard
Burton, Phillip	Fascell	Hoyer
Butler	Fazio	Hubbard
Byron	Fenwick	Huckaby
Campbell	Ferraro	Hughes
Carman	Fiedler	Hunter
Carney	Fields	Hutto
Chappie	Findley	Hyde
Cheney	Fish	Ireland
Clausen	Flippo	Jacobs
Clinger	Florio	Jeffords
Coats	Foglietta	Jeffries
Coelho	Foley	Jenkins
Coleman	Ford (TN)	Johnston
Collins (TX)	Forsythe	Jones (NC)
Conable	Fountain	Jones (OK)
Conte	Fowler	Jones (TN)
Conyers	Frank	Kastenmeier
Corcoran	Frenzel	Kazen
Coughlin	Frost	Kennelly
Courter	Fuqua	Kildee
Coyne, James	Garcia	Kindness
Kogovsek	Nelligan	Skeen
Kramer	Nelson	Skelton
LaFalce	Nichols	Smith (AL)
Lagomarsino	Nowak	Smith (IA)
Lantos	O'Brien	Smith (NE)
Latta	Oakar	Smith (NJ)
Leach	Oberstar	Smith (OR)
Leath	Oxley	Smith (PA)
LeBoutillier	Panetta	Snowe
Lee	Parris	Snyder
Lehman	Pashayan	Solarz
Leland	Patman	Solomon
Lent	Patterson	Spence
Levitas	Paul	St Germain
Lewis	Pease	Stangeland
Livingston	Pepper	Stanton
Loeffler	Perkins	Stark
Long (MD)	Petri	Staton
Lott	Peyser	Stenholm
Lowery (CA)	Pickle	Stokes
Lowry (WA)	Porter	Stratton
Lujan	Price	Studds
Luken	Pritchard	Stump
Lundine	Pursell	Swift
Lungren	Quillen	Synar
Madigan	Rahall	Tauke
Markey	Railsback	Tauzin
Marlenee	Rangel	Taylor
Marriott	Ratchford	Thomas
Martin (IL)	Regula	Traxler
Martin (NC)	Richmond	Trible
Martin (NY)	Rinaldo	Vander Jagt
Matsui	Ritter	Vento
Mattox	Roberts (KS)	Volkmer
Mavroules	Roberts (SD)	Walgren
Mazzoli	Robinson	Walker
McClory	Rodino	Wampler
McCollum	Roe	Washington
McCurdy	Roemer	Watkins
McDade	Rogers	Waxman
McDonald	Rose	Weaver
McEwen	Rosenthal	Weber (MN)
McGrath	Rostenkowski	Weber (OH)
McHugh	Roth	Weiss
McKinney	Roukema	White
Mica	Rousselot	Whitehurst
Michel	Roybal	Whitley
Miller (CA)	Rudd	Whittaker
Miller (OH)	Russo	Williams (MT)
Mineta	Sabo	Williams (OH)
Minish	Santini	Winn
Mitchell (NY)	Savage	Wirth
Moakley	Sawyer	Wolf
Moffett	Schneider	Wolpe
Molinari	Schroeder	Wortley
Mollohan	Schulze	Wright
Montgomery	Schumer	Wyden
Moore	Seiberling	Wylie
Moorhead	Sensenbrenner	Yates
Morrison	Shamansky	Yatron
Mottl	Shannon	Young (AK)
Murphy	Sharp	Young (FL)
Murtha	Shaw	Young (MO)
Myers	Shelby	Zablocki
Napier	Shumway	Zeferetti
Natcher	Shuster	
Neal	Siljander	

□ 1315

The SPEAKER. On this rollcall, 391 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 92, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1983

The SPEAKER. Pursuant to the order of the House of Monday, June 21, 1982, the previous question is ordered on the motion.

The question is on the motion offered by the gentleman from Oklahoma (Mr. JONES).

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WEISS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 208, not voting 14, as follows:

[Roll No. 161]

AYES—210

Anthony	Glickman	Moorhead
Aspin	Goldwater	Morrison
Atkinson	Goodling	Myers
Badham	Gradison	Napier
Bailey (MO)	Gramm	Nelligan
Bailey (PA)	Gregg	Nelson
Barnard	Gunderson	Nichols
Beard	Hagedorn	O'Brien
Bedell	Hall, Ralph	Oxley
Benedict	Hall, Sam	Panetta
Bennett	Hamilton	Parris
Bereuter	Hammerschmidt	Pashayan
Bethune	Hance	Patman
Bevill	Hansen (ID)	Pickle
Bliley	Hansen (UT)	Porter
Breaux	Hartnett	Pritchard
Broomfield	Hatcher	Pursell
Brown (OH)	Hefner	Quillen
Broyhill	Heftel	Railsback
Burgener	Hendon	Regula
Butler	Hightower	Ritter
Byron	Hiler	Roberts (KS)
Campbell	Hillis	Roberts (SD)
Carman	Holland	Robinson
Carney	Holt	Roemer
Chappell	Horton	Rogers
Cheney	Huckaby	Rose
Clausen	Hunter	Roukema
Clinger	Hutto	Rudd
Coats	Hyde	Sawyer
Coleman	Ireland	Schulze
Conable	Jeffords	Shaw
Conte	Jenkins	Shelby
Corcoran	Johnston	Shumway
Coughlin	Jones (NC)	Shuster
Courter	Jones (OK)	Siljander
Coyne, James	Kindness	Skeen
Daniel, Dan	Lagomarsino	Skelton
Daniel, R. W.	Latta	Smith (AL)
Daub	Leach	Smith (NE)
Deckard	Leath	Smith (OR)
DeNardis	Lent	Snowe
Derwinski	Lewis	Spence
Dickinson	Livingston	Stangeland
Dornan	Loeffler	Stanton
Dougherty	Lott	Staton
Dreier	Lowery (CA)	Stenholm
Duncan	Lujan	Stratton
Dunn	Lundine	Stump
Edwards (AL)	Lungren	Tauke
Emerson	Madigan	Tauzin
Emery	Marlenee	Taylor
Erdahl	Marriott	Thomas
Evans (DE)	Martin (IL)	Trible
Evans (GA)	Martin (NC)	Vander Jagt
Evans (IA)	Martin (NY)	Walker
Fenwick	McClory	Wampler
Fiedler	McCloskey	Weber (MN)
Fields	McCollum	Weber (OH)
Findley	McCurdy	White
Fish	McDade	Whitehurst
Flippo	McEwen	Whittaker
Forsythe	McGrath	Williams (OH)
Fountain	McKinney	Winn
Fowler	Michel	Wolf
Frenzel	Miller (OH)	Wortley
Fuqua	Mitchell (NY)	Wylie
Gephardt	Molinari	Young (AK)
Gibbons	Montgomery	Young (FL)
Gingrich	Moore	Young (MO)

NOES—208

Addabbo	Applegate	Bingham
Akaka	Archer	Blanchard
Albosta	AuCoin	Boggs
Alexander	Barnes	Boland
Anderson	Beilenson	Boner
Andrews	Benjamin	Bonior
Annunzio	Biaggi	Bonker

Bouquard	Harkin	Peyser
Brinkley	Hawkins	Price
Brodhead	Heckler	Rahall
Brooks	Hertel	Rangel
Brown (CA)	Hollenbeck	Ratchford
Brown (CO)	Hopkins	Reuss
Burton, John	Howard	Richmond
Burton, Phillip	Hoyer	Rinaldo
Chappie	Hubbard	Rodino
Chisholm	Hughes	Roe
Clay	Jacobs	Rosenthal
Coelho	Jeffries	Rostenkowski
Collins (IL)	Jones (TN)	Roth
Collins (TX)	Kastenmeier	Rousselot
Conyers	Kazen	Roybal
Coyne, William	Kemp	Russo
Craig	Kennelly	Sabo
Crane, Daniel	Kildee	Santini
Crane, Philip	Kogovsek	Savage
D'Amours	Kramer	Scheuer
Dannemeyer	LaFalce	Schneider
Daschle	Lantos	Schroeder
Davis	LeBoutillier	Schumer
de la Garza	Lee	Seiberling
Dellums	Lehman	Sensenbrenner
Derrick	Leland	Shamansky
Dicks	Levitas	Shannon
Dingell	Long (LA)	Sharp
Dixon	Long (MD)	Smith (IA)
Dorgan	Lowry (WA)	Smith (NJ)
Downey	Luken	Smith (PA)
Dwyer	Markey	Snyder
Dymally	Marks	Solarz
Early	Matsui	Solomon
Eckart	Mattox	St Germain
Edgar	Mavroules	Stark
Edwards (CA)	Mazzoli	Stokes
Edwards (OK)	McDonald	Studds
English	McHugh	Swift
Ertel	Mica	Synar
Evans (IN)	Miller (CA)	Traxler
Fary	Mineta	Udall
Fascell	Minish	Vento
Fazio	Mitchell (MD)	Volkmer
Ferraro	Moakley	Walgren
Florio	Moffett	Washington
Foglietta	Mollohan	Watkins
Foley	Mottl	Waxman
Ford (MI)	Murphy	Weaver
Ford (TN)	Murtha	Weiss
Frank	Natcher	Whitley
Frost	Neal	Whitten
Garcia	Nowak	Williams (MT)
Gaydos	Oakar	Wirth
Gejdenson	Oberstar	Wolpe
Gilman	Obey	Wright
Gonzalez	Ottinger	Wyden
Gore	Patterson	Yates
Gray	Paul	Yatron
Green	Pease	Zablocki
Grisham	Pepper	Zeferetti
Guarini	Perkins	
Hall (OH)	Petri	

NOT VOTING—14

Bafalis	Dowdy	Mikulski
Bolling	Dyson	Rhodes
Bowen	Erlenborn	Simon
Crockett	Fithian	Wilson
Donnelly	Ginn	

□ 1330

The Clerk announced the following pairs:

On this vote:

Mr. Dyson for, with Mr. Simon against.

Mr. Ginn for, with Ms. Mikulski against.

Mr. Rhodes for, with Mr. Donnelly against.

Mr. Erlenborn for, with Mr. Crockett against.

Messrs. CHAPPIE and LONG of Maryland changed their votes from "aye" to "no."

Messrs. CARMAN, DREIER, and HANSEN of Idaho changed their votes from "no" to "aye."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. Without objection, the Senate concurrent resolution, as amended, is concurred in.

There was no objection.

REFUGEE ASSISTANCE AMENDMENTS OF 1982

Mr. MAZZOLI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5879) to amend the Immigration and Nationality Act to extend for 3 years the authorization for appropriations for refugee assistance, to make certain improvements in the operation of the program, and for other purposes.

The SPEAKER pro tempore (Mr. MINISH). The question is on the motion offered by the gentleman from Kentucky (Mr. MAZZOLI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5879, with Mr. TRAXLER, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Monday, June 21, 1982, all time for general debate had expired. The Clerk had read through line 8 on page 3.

Are there any amendments to section 1? If not, the Clerk will read section 2.

The Clerk read as follows:

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS

SEC. 2. Subsection (a) of section 414 of the Immigration and Nationality Act (8 U.S.C. 1524) is amended to read as follows:

"(a)(1) There are hereby authorized to be appropriated for fiscal year 1983 such sums as may be necessary for the purpose of carrying out the provisions (other than those described in paragraphs (2) and (3)) of this chapter.

"(2) There are hereby authorized to be appropriated for fiscal year 1983 $100,000,000 for the purpose of providing services with respect to refugees under section 412(c).

"(3) There are hereby authorized to be appropriated for fiscal year 1983 $14,000,000 for the purpose of carrying out section 412(b)(5).".

CONGRESSIONAL INTENT RESPECTING REFUGEE ASSISTANCE

SEC. 3. (a) Section 412(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1522(a)(1)) is amended—

(1) by redesignating clauses (A) through (D) as clauses (i) through (iv), respectively,

(2) by inserting "(A)" after "(1)", and

(3) by adding at the end the following new subparagraph:

"(B) It is the intent of Congress that in providing refugee assistance under this section—

"(i) employable refugees should be placed on jobs as soon as possible after their arrival in the United States;

"(ii) social service funds should be focused on employment/related services, English-as-a-second-language training (in non-work hours where possible), and case-management services; and

"(iii) local voluntary agency activities should be conducted in close cooperation and advance consultation with State and local governments.".

(b) Section 413 of such Act (8 U.S.C. 1523) is amended by adding at the end the following new subsection:

"(c) The Director shall the feasibility and advisability of providing—

"(1) for interim support (to refugees who are not employment-ready upon arrival in the United States) for a period determined on a case-by-case basis through a mechanism (other than public assistance) that recognizes the primary role of case management through voluntary agencies at the local level, and

"(2) a mechanism (other than one associated with the provision of cash assistance) through which refugees, requiring medical (but not cash) assistance, are provided medical assistance,

and shall report to Congress on the study not later than January 1, 1983.".

PROGRAM ADMINISTRATION

SEC. 4. (a) Paragraph (2) of section 412(a) of the Immigration and Nationality Act (8 U.S.C. 1522(a)) is amended—

(1) by inserting "(A)" after "(2)", and

(2) by adding at the end the following new subparagraphs:

"(B) The Director shall develop and implement, in consultation with representatives of voluntary agencies and State and local governments, policies and strategies for the placement and resettlement of refugees within the United States.

"(C) Such policies and strategies, to the extent practicable and except under such unusual circumstances as the Director may recognize, shall—

"(i) insure that a refugee is not initially placed or resettled in an area highly impacted (as determined under regulations prescribed by the Director after consultation with such agencies and governments) by the presence of refugees or comparable populations unless the refugee has a spouse, parent, sibling, son, or daughter residing in that area, and

"(ii) provide for a mechanism whereby representatives of local affiliates of voluntary agencies regularly (not less often than quarterly) meet with representatives of State and local governments to plan and coordinate in advance of their arrival the appropriate placement of refugees among the various States and localities.".

(b) Paragraph (3) of such section is amended by inserting after the first sentence the following new sentence: "The Director shall compile and maintain data on secondary migration of refugees within the United States and, by State of residence and nationality, on the proportion of refugees receiving cash or medical assistance described in subsection (e).".

INITIAL RESETTLEMENT PROGRAM

SEC. 5. Section 412(b) of the Immigration and Nationality Act (8 U.S.C. 1522(b)) is amended—

(1) by striking out the last sentence of paragraph (1)(A);

(2) by adding at the end of paragraph (1)(A) the following new sentences: "Funds provided to agencies under such grants and contracts may only be obligated or expend-

ed during the fiscal year in which they are provided (or the subsequent fiscal year or such subsequent fiscal period as the Federal contracting agency may approve) to carry out the purposes of this subsection. Such grants and contracts shall provide that the agency shall provide (directly or through its local affiliate) notice to the appropriate county or other local welfare office at the time that the agency becomes aware that a refugee is offered employment and provide notice to the refugee that such notice has been provided. Such grants and contracts shall also provide that the agency shall assure that refugees, known to the agency as having been identified pursuant to paragraph (4)(B) as having medical conditions affecting the public health and requiring treatment, report to the appropriate county or other health agency upon their resettlement in an area.";

(3) by adding at the end the following new paragraph:

"(5) The Director is authorized to make grants to, and enter into contracts with, State and local health agencies for payments to meet their costs of providing medical screening and initial medical treatment to refugees."; and

(4) by adding after such paragraph the following new paragraph:

"(6) The Comptroller General shall conduct an annual audit of funds expended under grants and contracts made under this subsection.".

CASH AND MEDICAL ASSISTANCE

SEC. 6 (a) Paragraph (1) of section 412(e) of the Immigration and Nationality Act (8 U.S.C. 1522(e)) is amended by striking out "up to" before "100 per centum".

(b) Paragraph (2) of such section is amended—

(1) by striking out the semicolon at the end of subparagraph (B) and all that follows through the end of such paragraph and inserting in lieu thereof a period;

(2) by striking out "and" at the end of subparagraph (A);

(3) by redesignating subparagraphs (A) and (B) as clauses (i) and (iii), respectively, by inserting "(A)" after "(2)", and by inserting after clause (i) (as so redesignated) the following new clause:

"(ii) on the refugee's participation in any available and appropriate social service program (funded under subsection (c)) providing job or language training in the area in which the refugee resides; and "; and

(4) by adding at the end the following:

"Such cash assistance provided to such a refugee shall be terminated (after opportunity for an administrative hearing) with the month in which the refugee refuses such an appropriate offer by employment or refuses to participate in such an available and appropriate social service program.

"(B) Cash assistance shall not be made available to refugess who are full-time students in institutions of higher education (as defined by the Director after consultation with the Secretary of Education).".

(C) Such section is further amended by adding at the end the following new paragraph:

"(6) As a condition for receiving assistance, reimbursement, or a contract under this subsection and notwithstanding any other provision of law, a State or agency must provide assurances that whenever a refugee applies for cash or medical assistance for which assistance or reimbursement is provided under this subsection, the State or agency must notify promptly the agency (or local affiliate) which provided for the initial resettlement of the refugee under subsection (b) of the fact that the refugee has so applied.".

STUDY OF NEED FOR REFUGEE IMPACT AID PROGRAM

SEC. 7. Section 413 of the Immigration and Nationality Act (8 U.S.C. 1522), as amended by section 3(b) of this Act, is further amended by adding after subsection (c) the following new subsection:

"(d) The Director shall study, and report to Congress not later than January 1, 1983, on the feasibility and advisability of establishing a program providing payments to States, counties, cities, and other units of local government to reflect a net increase in outlays on educational, health, criminal justice, and other governmental services resulting directly from the initial resettlement of refugees in, or secondary migration of refugees to, that State, county, city, or other unit. Such study shall include an examination of the extent to which the programs and assistance described in section 412 (particularly under subsection (c) thereof) provide for such payments to impacted areas and the extent to which increased outlays in these impacted areas are offset by the provision of additional Federal funds under other programs or authority or by increased taxes, revenues, or other economic activity resulting from refugee resettlement in, or migration, to these areas.".

EFFECTIVE DATE

SEC. 8. The amendments made by—

(1) sections 3(b), 4, 5(3), 5(4), 6(a), and 7 take effect on October 1, 1982, and

(2) sections 5(2), 6(b), and 6(c) apply to grants and contracts made, and assistance furnished, on or after October 1, 1982.

Mr. MAZZOLI (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. PORTER

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PORTER: Page 4, line 24, strike out "(c)" and insert in lieu thereof "(c)(1)".

Page 5, lines 1 and 7, strike out "(1)" and "(2)", respectively, and insert in lieu thereof "(A)" and "(B)", respectively.

Page 5, line 12, strike out the closing quotation marks and the period that follows them.

Page 5, after line 12, insert the following:

"(2) The Director shall study and report to the Congress, not later than September 30, 1983, on the feasibility and advisability of providing for the establishment of special refugee centers in various locations at which refugees would receive orientation, training, and education in English and in the legal, governmental, monetary and economic systems, history, culture, and geography of the United States before resettlement in the United States.".

Mr. PORTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PORTER. Mr. Chairman, this amendment would ask the Director of the Office of Refugee Resettlement to conduct a study as to the feasibility and advisability of providing for the establishment of special refugee centers in various locations at which refugees would receive orientation, training, and education in the English language, and in the legal, governmental, monetary, and economic systems, history, culture, and geography of the United States before resettlement in our society.

There is no additional cost for the study.

Mr. Chairman, in 1979, my family and I sponsored a Laotian family that was fleeing from communism and certain death in Southeast Asia. The family came over on the airplane, directly from a Thailand camp, landed in New York, and then proceeded to Chicago and arrived there with the husband having very little knowledge of the English language; the wife and children, none.

We, that is, our family, were the sole means of their acclimatization to American society, to an understanding of our culture, background, and monetary system. When they arrived, the agencies encouraged them immediately to go on welfare, even though their first questions to us were as to when they could start work and where they would be working.

Mr. Chairman, we send refugees and immigrants into our society without their understanding, and having an ability to handle our language and our monetary system and our economic system. It seems to me there is a great deal of culture shock involved. It is unfair to the refugee family and unfair to our country.

What we are doing now we are not doing very well; 50 to 70 percent of refugees become dependent upon domestic cash assistance. A recent GAO study showed that 71 percent of employable-age Indochinese refugees registered for cash assistance in our country, 88 percent of them within 30 days of their arrival.

Mr. Chairman, I am aware of the refugee processing centers that our country maintains in Indonesia and the Philippines and the good, if limited, work they do on acculturation.

But the study I have in mind, Mr. Chairman, would consider the benefits and costs of establishing and conducting refugee centers in various locations in the United States along the model that has been used so successfully in Israel. It is a program that is there called "Ulpan."

When I visited Israel a year and half ago I first learned of this program, an

intense study plan aimed at helping newcomers to the country to integrate into and absorb the nation's life primarily through language training.

The Ulpan program, which orients and trains newcomers not only in language but also in civics, geography, economy, and security, has been very effective. Immigrants and refugees there may choose between intensive Ulpan programs at absorption centers, city Ulpan's for those with high school backgrounds, intensive external Ulpan's where they may still work, and Kibbutz Ulpan's.

A similar program of mandatory orientation and education adapted to the language and customs and legal and economic structures of our country would go a long way toward relieving the anxieties of newcomers, insure their broad civic participation in our society, and avoid the instant dependency that characterizes our present program.

I would urge the Director of the ORR to look particularly at the cost effectiveness of such a program, the length of time needed to sufficiently orient and educate refugees, how and where centers should be set up, and any particular problems endemic to the United States.

Mr. Chairman, I would urge the adoption of the amendment.

Mr. MAZZOLI. Mr. Chairman, I commend the gentleman from Illinois (Mr. PORTER) for having offered this amendment, I find enough positive in it to recommend its approval by the House.

Mr. Chairman, I would like to suggest to the gentleman, as I did in earlier conversations with him, that I think within the bill that we have before us today there is sufficient authority to examine alternative and perhaps more promising kinds of resettlement strategies, including those that the gentleman examined in careful depth in his trip to Israel.

I would say that the Refugee Act of 1980, authorizes the Director of the Office of Refugee Resettlement to develop programs for orientation, instruction in English, job training, and other educational and training programs and facilities for refugees in the United States.

They have not been acted upon in the sense that the gentleman would suggest, but they are currently authorized. Should the Director find that the information in the gentleman's study or some other information might yield positive resettlement results, we certainly would find that useful.

Further, the Secretary of HHS is authorized, in consultation with the Refugee Coordinator, to make arrangements for reception centers in the event of refugees or asylum emergencies. But essentially the sprogram the gentleman looked at in Israel has been examined very carefully by the Congress since 1977. It is a very expensive program, but obviously when we have a 70-percent welfare rate of the refugees seeking resettlement today in the United States, possibly it is cost effective.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the chairman of our committee, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I thank the gentleman for yielding. I merely would like to address the chairman of the subcommittee this question: Is there sufficient clarity in the proposed amendment to permit resettlement in the United States before the study is concluded.

Mr. MAZZOLI. As I noted the current Refugee Act, does authorize the Director of ORR to develop programs to provide alternative kinds of resettlements. I do not think it is the intent of the gentleman's amendment to revise current resettlement procedures or practices and there is no intent to connect the study to existing resettlement activities.

Mr. RODINO. If the gentleman will yield further, I think it would be important to get the gentleman's interpretation of this so that it might be carried in the legislative history because there might be another interpretation. It might be argued under the language in the amendment that this study would have to be concluded and a report filed "before resettlement in the United States" could be permitted. At least, it seems to me that is a possible interpretation of the language.

Mr. MAZZOLI. I would like to yield to the gentleman from Illinois, the author of the proposed amendment, to perhaps address the question raised by the chairman of the full committee; that is, whether or not resettlement would somehow be hampered or intruded upon during the conduct of this study.

Mr. PORTER. Mr. Chairman, in answer to that question, the intention of the amendment is not to delay refugee resettlement in any way.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I would hope that the intent of the Congress is crystal clear, should this amendment be adopted, that it does not signal a change in our Nation's refugee policy so that the United States would become the country of first asylum. The only time our Nation was the country of first asylum was during the flood of Cuban refugees in 1980, and we all know what a disaster that program ended up being.

The CHAIRMAN pro tempore. The time of the gentleman from Kentucky has again expired.

(At the request of Mr. SENSENBRENNER and by unanimous consent, Mr. MAZZOLI was allowed to proceed for 3 additional minutes.)

Mr. SENSENBRENNER. In the case of Israel, for Russian and other Eastern European immigrants, Israel is not the country of first asylum. They first go to Austria or some other place, and then are transferred to Israel by their own choice. I would like to have some assurance from both the gentleman from Kentucky as well as the gentleman from Illinois (Mr. PORTER) that there will not be any change in policy should we establish these resettlement camps, that our INS will still be able to screen applicants for entry into the United States in their country of first asylum and decide who is entitled to come here and who is not.

Mr. MAZZOLI. I thank the gentleman, and I certainly give the gentleman my assurance. My understanding clearly is that refugees are not to be moved into the United States for resettlement without the kind of screening abroad by INS which the gentleman describes.

I would like to say to the gentleman from Wisconsin (Mr. SENSENBRENNER) with whom I traveled to Europe in the latter part of last year and the first part of this year, that there are facilities in Galang, Indonesia and in Bataan, the Philippines, which are suitable for the very purpose the gentleman from Illinois is discussing. So that the fact that this might permit a new settlement strategy in the United States does not mean that existing facilities abroad which lend themselves to intensive language training and job placement training should not be used.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman.

Mr. PORTER. In answer to the gentleman from Wisconsin, I would envision no change in our refugee policy. I might also add that the intent of the study is not to focus upon where the services are provided, but rather to emphasize that we are not sufficiently backgrounding refugees in the language of our country and in our governmental, legal and economic systems and our culture. In my judgment, these are very important to a good assimilation into American society.

Mr. SENSENBRENNER. I thank the gentleman.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Chairman, I appreciate the gentleman yielding to me. One of the points I wanted to make on this—I certainly would not speak against this particular amendment since it is only a study, but I think we ought to be aware of the fact that

when we had the initial flow of refugees from Southeast Asia, we did somewhat as is suggested by this study in that we set up some large initial resettlement camps. One of the largest was Camp Pendleton, Calif.

One of the problems was that after they had gotten their training and they were sent out to resettlement, there seemed to be something drawing them back to southern California. I suspect part of that was, that was there initial period of time in the United States. There was a large community to which they became accustomed, and if we were ever to entertain the idea of having one of these camps in the territorial limits of the United States, I would suggest that it not be Camp Pendleton.

But more importantly, I would suggest that if we were to follow that, we have a number of smaller camps distributed geographically around the United States so that we not have an opportunity to repeat the mistakes of the past.

Mr. MAZZOLI. I appreciate what the gentleman has said. We have before the House today a series of amendments to the Refugee Act which we think will obviate the program offered by the gentleman from Illinois, because now the strategy will involve much more connection between the Federal Government, State and local governmental agencies; between the voluntary resettlement agencies and all the levels of government. It will involve much more attention to job training. Our bill, of course, recommends specific sums of money for job training, specific sums of money for health screening, all the things that the current refugee program lacks, our amendments provide for. Of course, we believe firmly that if the House adopts this bill, the program of "mainstreaming" refugees into American society will be assisted greatly.

I yield to the gentleman from Illinois.

I appreciate the assurance of the chairman the gentleman from Kentucky, regarding the direction of refugee orientation and training and intend to follow carefully the results of this legislation.

Mr. PORTER. If I understand the gentleman from California correctly, he is worried about the creation of giant refugee centers. ULPAN program, as I understand it focuses on many smaller study centers widely scattered thoughout all areas of the country. That to me is the essence of the program, not giant refugee centers that would in my judgment, be detrimental to successful and productive absorption of refugees into our society.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I congratulate the gentleman from Illinois for having given us this splendid example of taking a Laotian family into his home. Based on the understandings that have been arrived at in the debate in the last few minutes on this amendment, the minority is willing to accept the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. PORTER).

The amendment was agreed to.

Mr. McCLORY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, yesterday during general debate I referred to three administration proposed amendments to H.R. 5879. At that time I stated that I might offer one or more of the amendments today.

I have decided, however, not to offer any amendments today, because I believe these matters require greater attention than is possible at this time. The administration will have the opportunity to develop its case fully in the weeks ahead. I personally am pleased to be on record in support of the amendments the administration seeks.

If the administration continues to feel strongly about these amendments, I suggest that they be considered in the other body, and we then can take up the subjects in conference. Today I will offer my comments on two of the issues:

H.R. 5879, in its present form, authorizes "such sums as may be necessary" with additional specified amounts for social services—primarily English language training and employment services—and reimbursement to State and local health agencies for their costs associated with providing health screening and initial treatment to refugees. While the "such sums" approach in the bill recognizes the difficulties inherent in attempting, at this point in time, to predict the amounts that will be needed for refugee cash and medical assistance, a more responsible approach would seem to be to specify in the authorization the maximum overall amounts which we feel the country can afford at this time.

The administration's fiscal year 1983 budget request for domestic refugee assistance, including social services and preventive health care, is $514.8 million. This figure, in my judgment, realistically takes into account anticipated refugee admissions and levels of welfare dependency. My amendment accepts the administration's figure by specifying an overall ceiling of $514.8 million. The explicit authorizations for social services and reimbursement for health screening and initial treatment become unnecessary if we impose an overall ceiling. The deletion of the ceilings on these two items, moreover, allows the administration flexibility within the constraints of the overall total.

This body, in my judgment, has an obligation to determine the amounts needed for our domestic refugee assistance program and assure the necessary budgetary control by specifying that figure in the authorization. Fiscal year 1983 will begin in just a little over 3 months from today. It would be reasonable and appropriate, at this point in time, for this body to exercise its best judgment on the maximum amount the domestic refugee resettlement program should cost and require the appropriations process to operate within the constraints of a responsibly set limitation.

Also, I would like to discuss another proposed amendment in which I have decided not to offer today.

Present law authorizes the Director of the Office of Refugee Resettlement to reimburse up to 100 percent of refugee cash and medical assistance provided to a refugee during a 36-month period. H.R. 5879, as reported by the Committee on the Judiciary, deletes the words "up to" in the phrase "up to 100 percent."

This amendment, favored by the administration, would eliminate the change in the language of the reimbursement provision. The deletion of the qualifying words "up to," in my opinion, is inadvisable for a number of reasons:

First, the deletion of the qualifying words "up to" might lead to litigation in the event appropriated amounts prove insufficient to fund 100 percent reimbursement. Although the Judiciary Committee's report states that the deletion of the words "up to" clearly expresses "the committee's belief that, to the extent of available appropriations, States should be fully reimbursed for their refugee-related cash and medical costs," States may not be satisfied with the committee's conclusion that the right to 100 percent reimbursement is limited to the extent of available appropriations. The change in existing statutory language invites possible lawsuits—which we can avoid by retaining the present language of the statute.

Second, the Department of Health and Human Services, under the new statutory language of H.R. 5879, will be placed in the anomalous position of having to either reimburse States 100 percent or provide no reimbursement at all. This would be strange indeed, since an equitable distribution of limited funds might lead to decisions to reimburse a substantial percentage of the cost of States rather than provide a 100 percent reimbursement in some cases and no reimbursement in other cases.

Third, the deletion on the "up to" language might lead HHS to give priority to cash and medical assistance

reimbursement rather than other programs that contribute directly to the goal of promoting refugee self-sufficiency. Such a result would prove costly to the Government and harmful to refugees and the communities in which they live. Other sections of H.R. 5879 emphasize the critical importance of reducing welfare dependency. The change effected by the deletion of the "up to" language, however, would have the opposite result. HHS has concluded that—

[B]y making cash and medical assistance the first priority, the [provision] may limit HHS's capacity to provide . . . other services or to respond to emergency situations.

Fourth, the deletion of the "up to" language will deny HHS the flexibility to provide reimbursement at less than 100 percent in a case where a particular State funds refugee support at an excessively high level.

HHS to date has provided for 100 percent reimbursement—and I am hopeful that with reductions in refugee welfare dependency rates the Federal Government will continue to be able to provide reimbursement at 100 percent. No developments in recent years, however, justify the change H.R. 5879 attempts to make in the language of the Refugee Act of 1980. The key to an effective refugee resettlement program is flexibility to respond to changed circumstances. The "up to" language gives the administration the maneuverability it may someday need. It would be shortsighted of us to limit administrative flexibility in the future. The Judiciary Committee's desire to express clearly "the committee's belief that, to the extent of available appropriations, States should be fully reimbursed for their refugee-related cash and medical costs" can be accomplished by appropriate statements in the legislative history—but do not justify a change in the language of the Refugee Act.

We should be wary of tampering with statutory language which has not created a problem during the 3 years the Refugee Act of 1980 has been in effect.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield.

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman for yielding. Let me commend him for his leadership in getting Congress to think carefully about the cost of refugee programs. I want to thank the gentleman for his willingness to forego offering his amendments. The bill before us is open-ended as to one phase of refugee resettlement costs; namely, cash and medical costs. The bill is specific as to the sums for health screening and social services. Such an approach provides flexibility while at the same time underscoring the importance of health screening and social services.

I think the gentleman and I, who sit as two of the four consultative Members of Congress on the refugee admissions process, know that we do not know at this point what the refugee situation will be for fiscal year 1983. We will not know until the gentleman and others and I consult with the administration with respect to 1983, and without knowing the numbers it is very hard to predict the proper level of funding. All States certainly have got to have the comfort and the security of knowing that if more refugees enter for one reason or another, that they are going to receive the proper level of Federal support. I thank the gentleman for withholding his amendment to provide for less than full Federal support. I do believe that the Federal Government has a responsibility to pay the full measure of refugee costs for 36 months.

As the gentleman knows, we secured from the administration statements indicating that it is current policy to reimburse States at the 100-percent level. I believe the House, had it been posed with the question of accepting the amendment the gentleman was considering to offer, would have elected 100 percent reimbursement because full reimbursement represents, in my view, a more appropriate supporting connection between the Federal Government and State and local governments on the problem of reimbursement costs.

□ 1415

Again I thank the gentleman for his leadership on the committee. I look forward to working with him in the consultation role which will establish the refugee program for next year. The gentleman's leadership has certainly been appreciated.

Mr. McCLORY. Mr. Chairman, the gentleman from Kentucky (Mr. MAZZOLI) is very persuasive, and it is his persuasiveness more than any other factor which is inducing me to forego the offering of either of these amendments.

I might say, though, that with respect to the subject of reimbursing units of Government 100 percent for refugee assistance, I received just last evening—from the San Diego County government—an expression of opposition to the refugee assistance program. That county suggested that these funds, which we are providing at the Federal level, offer inducements for refugees to land there. San Diego County also suggested that the refugee assistance program provides preferential treatment for refugees in contrast to the treatment of others in the area.

So I think we should very thoughtfully review the refugee assistance program as we go along. We need to provide the necessary support to the local governments that are incurring obligations but not provide benefits that are going to exacerbate the problems associated with refugee resettlement.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the gentleman from California.

Mr. LUNGREN. Mr. Chairman, I appreciate the gentleman's yielding.

I would just like to point out to the gentleman that it was the county of San Diego that sent that communication to the gentleman, and although I have a great fondness for the people of San Diego, I would point out that they are not affected to any degree like we are in Orange and Los Angeles Counties.

I certainly agree with the sentiment that we do not want to do anything that would encourage people to go on welfare. But to suggest to those local communities that are receiving large numbers of refugees pursuant to a Federal decision that they ought not to expect reimbursement in terms of cash and medical assistance to the extent that they actually incur those costs is not, I think, a way to build confidence in and acceptance by those communities of the refugees who are sent there pursuant to Federal action.

Mr. McCLORY. Mr. Chairman, I thank the gentleman from California (Mr. LUNGREN).

If I may proceed for just 1 additional minute, I would just like to say that we must be very wary in our consideration of this program—just as we must be wary in setting the level of refugee admissions—because we are encountering very serious problems in some areas where we are being impacted too heavily with refugees.

I have heard that some of the volunteer groups have suggested that we are creating ethnic slums in some areas where we have large settlements of refugees from various parts of the world.

So I think we should proceed very thoughtfully and go slowly. We should avoid making the programs so beneficial—from the standpoint of providing Federal funds—that we induce refugees to settle in certain areas.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield for a couple of statements?

Mr. McCLORY. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I want to thank the gentleman from Illinois (Mr. McCLORY), and I must say that I have read that letter that has been sent to us.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. McCLORY) has expired.

Mr. MAZZOLI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to say to the Members of the House and to the gentleman from Illinois (Mr. McCLORY) who brought the subject up that in the bill before the House today there is a study of the pluses and minuses, the feasibility and nonfeasibility, of a special targeted aid program for those States like Florida, Texas, and California and those counties such as Orange County, Calif., and Ramsey County, Minn., that have absorbed very large numbers of refugees.

But the fact is that during markup the committee did not feel that it had sufficient and reliable information upon which to devise a program at this time. We thought that a study preliminary to such a program would be much more advisable, because, as the gentleman from Illinois (Mr. McCLORY) has said, in some cases this program could actually be destructive to the goal of moving people into the mainstream of American society.

Let me also say to the gentleman that I join him in expressing some concern about the operations of the refugee program. This is the first term of Congress for me as subcommittee chairman. I would like to direct these comments to the gentleman from Illinois (Mr. McCLORY) and the gentleman from New York (Mr. FISH) both of whom along with me were consultative members of the Judiciary Committee during the fiscal year 1982 consultative process. I think we had some positive effect in that together we recommended an admissions level more in line with the absorption capabilities of the United States as you know, subsequent to our recommendation the fiscal year 1982 level was reduced.

For example, in fiscal year 1981, the authorized number of refugees that could be admitted was 217,000; the actual admissions were about 160,000.

In fiscal year 1982, which was the first full year of our work and consultation under the Refugee Act the approved level was 140,000, and it is our judgment now that approximately 100,000 refugees will be cleared this year. Thus, in fiscal year 1981 the number admitted was about 30 percent lower than the number authorized. In fiscal year 1982 we have again reduced by about 30 percent the number of actual admissions.

So I would like to suggest to the gentleman from Illinois that his hard work on the consultation panel has paid off in a much more carefully thought out admissions policy.

Mr. Chairman, I yield back the balance of my time.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, yesterday, in the course of general debate, I emphasized the need for an authorization that extended beyond a single year. This was another amendment proposed by the administration that will not be offered today.

The original version of H.R. 5879—the administration's bill—followed the pattern of the Refugee Act of 1980 by including a 3-year authorization. Throughout our subcommittee's 2 days of hearings on this reauthorization legislation, no witnesses questioned or challenged the 3-year authorization period the administration was seeking.

The 1-year provision, in H.R. 5879 as reported, represents a sharp break with precedent. The administration understandably prefers an authorization for 3 years. Although I fully believe that a 3-year authorization is justified, I have attempted to meet the concerns of a number of members of the Judiciary Committee by splitting the difference between a 1-year and a 3-year authorization—by suggesting an authorization for 2 years. The following considerations, in my opinion, necessitate an authorization of at least 2 years:

First, this legislation incorporates a number of initiatives in the resettlement field. These new provisions, discussed at considerable length in general debate yesterday, require administrative adjustments and time for full implementation. A 1-year authorization would require the subcommittee, in the early months of the next fiscal year, to begin consideration of reauthorization legislation without the benefit of adequate experience with the important changes we are mandating in the resettlement process.

Second, a 1-year reauthorization would involve our new U.S. Coordinator and the Director of the Office of Refugee Resettlement in the time-consuming reauthorization process during a period when they need to be devoting their energies to implementing the congressional mandate to reduce welfare dependency and promote quicker self-sufficiency.

Third, a 1-year authorization is insufficient to allow long-range planning. Participants in refugee resettlement efforts need assurance that the program is not repeatedly in jeopardy. If we hope to facilitate greater cooperation and effort directed at performing the resettlement task more effectively and at less public expense than in the past, the private sector must be encouraged to assume greater responsibility. A longer authorization is an important ingredient in promoting greater effort from the private sector.

Fourth, a longer authorization will provide greater assurance to States and localities that the Federal Government intends to continue to meet its obligations to provide necessary Federal funding. A 2-year reauthorization would represent an expression of a longer Federal commitment—which in turn would encourage States and localities to participate in efforts to achieve more successful refugee resettlement.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. FISH. I am happy to yield to the subcommittee chairman.

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from New York (Mr. FISH) publicly for his tremendous work on the subcommittee and in the House. The gentleman is a master of the subject area, and during all of our hearings, which I think I could safely have been endless, the gentleman has right there with the chairman. I want to thank him for that.

I also want to put in a little bit of a bid for next year because of the fact that the gentleman may leave the subcommittee to take over more lofty and burdensome duties as ranking minority member of the full committee. I hope the gentleman can still come back and perhaps as an ex officio member or a guest who came to dinner and never left, work with us. I hope that he can be there to give us a little help from time to time.

I know he was devoted to a 2-year authorization, and the gentleman from Kentucky was pretty much devoted to 1 year. I hope the gentleman can work with us next year and examine the questions we will have to examine to produce an even better refugee program.

Mr. FISH. Mr. Chairman, once this Refugee Assistance Act gets through this body, we will turn our attention to the main event, the Simpson-Mazzoli Immigration Reform and Control Act. There is a lot of work before us, and I hope we can bring it to a proper conclusion.

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman for that, and for his contribution and for his excellent work on this issue.

Mr. GUNDERSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, on April 1, 1982, new regulations addressing eligibility for the refugee cash assistance and refugee medical assistance programs became effective. These new rules would provide Federal reimbursement of RCA and RMA benefits paid by the States only during the first 18 months a refugee is in the United States rather than the current 36-month period.

It seems to me that these new regulations are very shortsighted and will work a particular hardship on younger refugees who are attending school to receive a high school diploma or its equivalent. Without this financial assistance, they will have to drop out of school and attempt to join a labor force that already suffers from an overabundance of unskilled workers.

It is for this reason that I today rise with mixed feelings about H.R. 5879. While I commend the committee for its hard and diligent work on this important legislation, I regret that they did not reinstate RCA and RMA benefits for the entire first 36 months a refugee is in our country, especially students.

I am also troubled by a portion of section 6 of H.R. 5879 that, at first glance, appears to revoke cash assistance benefits from any refugee who is a full-time student at an institution of higher education.

The committee report indicates that this language was included because of a strong belief that cash assistance benefits should not be used to subsidize a college education. I certainly understand the committee's position in that regard and support it.

At the same time, there are hundreds of refugees throughout the country who attend colleges, vocational schools, or night classes at high schools on a full-time basis as part of an employability program simply to achieve the equivalent of a high school diploma or what is commonly referred to as a GED.

Virtually without exception, these refugees are enrolled in a GED program because of their desire to become a more productive member of American society and the State's desire for the refugees to become truly self-sufficient.

Thus, to revoke their cash assistance benefits simply because of their full-time student status would be contrary to sound public policy. I am confident that the committee did not intend to exclude full-time refugee students seeking a GED as part of an employability program from receiving cash assistance benefits.

I, therefore, take this time to engage the chairman of the subcommittee, the gentleman from Kentucky, and the ranking member, the gentleman from New York, in a colloquy to determine the exact intent of section 6(b)(4) of H.R. 5879.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I am happy to yield to the subcommittee chairman.

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman from Wisconsin for taking this time to clarify this important point. In adding section 6(b)(4) to H.R. 5879, the committee's main objective was to prevent the use of cash assistance benefits to subsidize a college education. There is no intention to deny RCA benefits to those refugees who are full-time participants in a GED program or other high school equivalency program at colleges, vocational schools or high schools so long as enrollment in such program is an element of an employability plan approved by a State welfare office or its designee.

Mr. GUNDERSON. I thank the gentleman for his response. Then, is it my understanding that refugees enrolled as part of an employability plan as full-time students in GED programs or other programs leading to a high school diploma need not fear losing their cash assistance benefits because of the enactment of H.R. 5879?

Mr. MAZZOLI. The gentleman from Wisconsin is correct.

Mr. GUNDERSON. I again thank the chairman for this response and would ask the gentleman from New York, the ranking member of the subcommittee, if he concurs in the resposes of the distinguished chairman of the subcommittee.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I am happy to yield to the gentleman from New York.

Mr. FISH. I would also like to thank the gentleman from Wisconsin for taking this time to clarify this question. I certainly concur in the chairman's responses and would like to assure the gentleman that nothing in section 6 of H.R. 5879 is intended to deny RCA benefits for refugees who, as part of an employability plan, are full-time students in a GED or other program leading to the equivalent of a high school diploma whether that program is offered at a high school, vocational school, or college.

Mr. GUNDERSON. I would again thank the gentlemen for their responses and commend them and their subcommittee for their diligent work on this important legislation.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, the gentleman from Wisconsin brought up the topic of the duration of assistance programs.

There is a need to move people off of welfare rolls and on to the road of self-sufficiency. There is substantial evidence that allowing 36 long months of cash assistance might actually be blunting a refugee's initiative to gain self-sufficiency, learn job skills, and even learn English.

I would make one clarification. It is commonly thought that at the end of 18 months States and localities find the big iron gates slam down and the Federal Government picks up nothing more. But as the gentleman knows, the Federal Government also reimburses at 100 percent during a refugees second 18 months in the United States.

In addition, the Federal Government pays fully for refugee social services. Such services are available to all refugees regardless of how long they have been in the United States.

The CHAIRMAN pro tempore. The time of the gentleman from Wisconsin (Mr. GUNDERSON) has expired.

(On the request of Mr. MAZZOLI, and by unanimous consent, Mr. GUNDERSON was allowed to proceed for 2 additional minutes.)

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield further?

Mr. GUNDERSON. I yield to the distinguished gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman for yielding.

Social services include job training and job placement counseling, as well as English language programs. The Government, at the end of the 18 months, under the current regulations, is simply ending 100-percent reimbursement for special refugee programs which only benefit refugees. Any refugee who thereafter qualifies under a State general assistance program, or under AFDC or SSI would receive such assistance as long as he remained eligible, and during the second 18 months of that refugee's stay in the United States. All costs would be picked up by the Federal Government at 100 percent.

□ 1430

Only if the refugee, after 18 months, does not qualify for existing welfare programs that cover American citizens would that person fall through the cracks, so to speak. But even after 36 months, that refugee, as I have said, can participate in social service programs.

I might say last the gentleman from Wisconsin (Mr. GUNDERSON) serves a very important purpose in bringing these matters out so that the RECORD can be clarified, and I thank him for his contribution.

Mr. GUNDERSON. I appreciate the clarification and the work of the chairman and the others on the committee.

I yield back the balance of my time.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, yesterday during general debate I took about 15 minutes to discuss the reasons for which I rise in strong support of this bill. I will try not to repeat at length those statements.

I would just suggest that this bill arises out of a recognition of the fact that the Federal Government has prime responsibility for refugee policy in this country. It is a combined humanitarian and foreign policy decision made by the Federal Government and I think made in most cases for the proper reasons.

If we are to continue to have acceptance of the refugees in our communities around the country, however, it is absolutely essential that the Federal

Government not shirk its responsibility for the costs incurred with respect to the initial settlement of these refugees.

The refugees, although they come from all over the entire world, have primarily come from Southeast Asia over the last couple of years. Since they have come to us from a culture that is quite different from that they find here in the United States it has required a good amount of assistance in their initial resettlement.

We have attempted over the past couple of years to create a comprehensive program to assure the local jurisdictions that they will not be unfairly taken advantage of by the Federal Government. The reason I say that is because we cannot assure that refugee resettlement will be evenly applied across the country.

The best evidence of that fact is that my home State of California, which has 10 percent of the population of the United States, has currently about 200,000 or more Southeast Asian refugees who have come to our State in the last 5 or 6 years. That makes up approximately 40 percent of the entire refugee flow.

In other words, it would be unfair to ask the citizens of my State to bear the costs incurred for initial resettlement when they have four times the number of Southeast Asian refugees percentagewise than they represent as a percentage of the overall U.S. population.

Recognizing that fact, this administration has worked with the Congress to assure that there is 100 percent funding of those costs incurred as a direct result of this resettlement.

We on the subcommittee have been very concerned about the fact that there has been a large percentage of Southeast Asian refugees who have remained on welfare rolls.

In other words, they have become welfare dependents.

This is now in the range of 70 percent. That was not the intention certainly of the subcommittee of this House or the other body or this administration or previous administrations.

Nonetheless, that has been the consequence of some of our programs.

We attempt in this bill, I think, to move to a position of far greater fiscal responsibility. That will only occur if we do a better job of oversight on these programs than we have had in the past. That is why I am so strongly in support of the idea of a single-year authorization. That will force us on the subcommittee as well as the subcommittee in the other body to continue the oversight that I think was belatedly begun this year.

We intended by our actions to get people off welfare, but by some of the programs we have created we have pushed them in that direction. We have made efforts in this bill to correct that.

We require a closer cooperation between the voluntary agencies, local and State government, and the Federal Government in terms of refugee resettlement.

We require a closer observance of the success of the refugees in getting off welfare and getting into the economic mainstream of our society than we have ever required before.

It seems to me if we are going to keep the pressure on the voluntary agencies, local and State governments, the Federal Government, both this branch of the Federal Government and the executive branch, it behooves us to have a 1-year authorization.

With respect to the other question as to whether we ought to have line-item authorizations of specific amounts of money, I think we have found that if we are going to get people off welfare dependency we have to have English skills, we have to have employment training. That is why we require specific sums for that purpose.

Second, it has come to our attention that there has not been adequate screening of the health of the refugees who have come to our shores. We have had some real problems with public health in certain areas of this country. We know, as a subcommittee, that there has not been adequate screening done in the camps.

Partly that is the fault of the United States. Frankly, partly, that is the fault of the United Nations in terms of their oversight of the medical programs in those camps.

We think that requiring funding for the health needs and initial screening during the initial resettlement program ought to be a Federal function.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. LUNGREN) has expired.

(By unanimous consent Mr. LUNGREN was allowed to proceed for 2 additional minutes.)

Mr. LUNGREN. These costs ought not to be imposed on the local and State jurisdictions.

I think I fight as hard as anyone in this House on the question of a balanced budget. But we are not going to really help the taxpayers if we just blithely decide we are not going to bear the burden of an obligation we have assumed by merely pushing it off on the local and State governments. I fear that might happen if we do not recognize it explicitly in this legislation.

I do not think the administration ought to be unduly criticized for coming up with these suggested amendments because I have not found them to be uncaring in terms of the impact on local and State governments.

As a matter of fact, the statement we have received from the Director of ORR at HHS in this administration, is that they stand by their commitment for 100 percent funding of those programs that are incurred as a direct result of initial resettlement.

Although we may question the language in the suggested amendment, I have found nothing in this administration that suggests that they are backing away from that commitment.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. I want to thank the gentleman very much for his statement. It is very succinct and very important and an influental statement that he has just made about the need to have a 1-year bill and the need to have certain specific line-item sums of money authorized for certain services.

I want to further thank the gentleman as a very important member of our subcommittee for his consistent hard work in reporting out not just this bill but his work on the Immigration Reform and Control Act and his work on all the matters which have come before us, the Department of Justice authorization as it deals with INS. I thank the gentleman very much for his work.

I think our trip to the gentleman's community of Long Beach last year was very helpful in our determining just exactly what was the true situation as to the impact on the State of California and the gentleman's county of Orange and Los Angeles County of the presence of these people.

It is very important for us to have that and I thank the gentleman for his help.

Mr. SHUMWAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Refugee Assistance Amendments of 1982.

As the Representative of San Joaquin County, one of the most heavily impacted refugee areas in the United States, I can attest to the importance of a dependable program of cash and medical assistance reimbursement to the States. An estimated 12,500 refugees live in San Joaquin County, and make up 3.45 percent of the county's population of 365,000. The presence of so many refugees in a county which is experiencing an 18.1-percent unemployment rate is particularly sensitive as many lack the skills and language ability to compete for scarce jobs.

During these times of economic adversity, I regularly receive complaints from constituents about the refugee presence. Some constituents are resentful about the Federal benefits refugees are receiving which are not available to them. With unemploy-

ment as high as it is, and with decreased funding for social programs, it is hard to be charitable. Nevertheless, I believe the majority of my constituents want the refugee population to succeed. They are here now and they will be here in 10 years, and it behooves us to provide the services and training to help speed their assimilation into contributing members of society. No one wants this more than the refugees themselves. We know the refugees need help, and to ignore this would be a grave abdication of Federal responsibility.

That is why I believe we cannot establish the cap on Federal reimbursement which the administration would like. The committee bill clarifies the intent of Congress that the States will be reimbursed "100 percent"—not "up to 100 percent" as was previously contained in the law—for the expenses they incur in relation to the refugees. Already California is expecting a shortfall in its Federal reimbursement, and although the magnitude of this shortfall is being debated, we must assure the States that they will receive 100-percent reimbursement. More stringent State Department guidelines are expected to reduce the Southeast Asian refugee flow by about 30 to 40 percent. A 1-year reauthorization of the program and the authorization of "such sums as needed" is the most flexible approach to varying refugee numbers and assimilation rates.

The San Joaquin County administrator's office reports that almost 8,000 of the county's 12,500 refugees are receiving AFDC and cash assistance. I am encouraged by the provisions in the committee bill that provide for closer coordination between the voluntary agencies and the welfare offices. Specifically, welfare offices are required to notify promptly the sponsoring voluntary agency whenever a refugee applies for welfare; voluntary agencies are required to notify welfare offices whenever they learn that a refugee has declined an appropriate job offer. This latter requirement will lead to the termination of cash assistance for that refugee, after an administrative hearing.

The bill also provides for line items of $100 million for social services such as English language training, job training and job placement, and $14 million for medical screening and initial treatment. Social services funding will target money toward assimilation efforts, and the medical assistance will relieve the States and localities of the burden of paying for the health needs of the refugees.

As the committee report notes, Indochinese refugees have tended to concentrate in certain geographic areas. California has approximately 40 percent of all Indochinese refugees admitted since 1975, and 78 percent have been placed in 10 States. For whatever reasons—climate, an established Asian community, the relatively higher welfare benefits, or the free community college system in California—my State has been a popular site for secondary migration, and San Joaquin County has accepted its share of migrants. The county administrator's office estimates that 7,000 or 56 percent of the refugees have come through secondary migration.

The committee bill requires the Office of Refugee Resettlement (ORR) of the Department of Health and Human Services to develop and implement a refugee placement policy. This would, to the extent possible, preclude placement of other than immediate family reunification cases in areas that have already been highly impacted by the resettlement of large numbers of refugees and Cuban/Haitian entrants. Further, the committee instructs ORR to conduct and to report to Congress the results of its study on the practicality and need to establish an impact aid program for refugee-concentrated areas.

Throughout the debate today, one theme emerges: The decision to admit refugees was a Federal decision, and it is the Federal Government's responsibility to provide for refugee resettlement needs for 36 months. Funding must be authorized on the "such sums as needed" basis contained in this bill. Further, authorizing funds without making an equal commitment to their appropriations is meaningless. I therefore urge my colleagues to support H.R. 5879, and to support full funding during the appropriations process.

Mr. McCOLLUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just about 2 years ago the State of Florida was inundated by thousands of Cuban entrants in the Mariel boatlift situation. During that period of time when this entrance occurred, through mistakes of past administrations, we wound up with a lot more people in our State, particularly in the southern end, than we had before it started.

During the intervening period of time since that occurred we have been receiving literally thousands of Haitian refugees.

As a result of these entrants coming on our shores the cost to the local and State governments of Florida has been enormous. There will be in Dade County schools 18,000 more students in September starting school than there would have been had we not had the Cuban Mariel boatlift or the influx of Haitian refugees.

The results to the taxpayers of the State of Florida in nonreimbursable costs, that is costs that are not reimbursed by the Federal Government, is estimated to be in excess of $80 million, just as a result of this alone.

The cost of crime fighting and criminal justice in our State has gone up enormously as well. Estimates range from $15 to $25 million or $30 million in costs attributable alone to the influx of those who have come in the last 2 years.

We also have a tremendous burden placed upon local and State taxpayers by the fact that we have extra health costs that are not reimbursed through cash and medical assistance under the current laws of our Federal Government. Yet, although our local taxpayers are having to pay that burden, they did not ask for these entrants or these refugees who are covered by the Refugee Assistance Act. They came as a result, as I said earlier, of mistakes in policy of past administrations, by the fortuitous circumstances of the plight of those who seek to come to our shores for relief of economic and other hardships.

As a result of this fact, in the full Committee on the Judiciary I offered an amendment to this bill which would provide for the Federal Government's reimbursing the net increase in costs to the State and local governments from initial refugee resettlement and from secondary migration.

Because of the fact that I felt at the time that I did not have the votes, frankly, to pass that, and because of some ambiguities in how you compute the net costs and how they should be reimbursed, I yielded to the suggestion of the gentleman from the State of Kentucky (Mr. MAZZOLI), my distinguished subcommittee chairman, for the substitute amendment in the bill which is presently in this act today to call for a study by the Director of the Office of Refugee Resettlement, to make available to us as of January of next year data on how we might in a practical way proceed to come up with a way to compensate States and local governments for this enormous extra burden that the taxpayers did not expect or anticipate and which, frankly, should be shared by the country as a whole if we are going to have those problems.

I was very pleased the gentleman from Kentucky substituted his amendment, offered his amendment as a substitute, and I supported it. I am not offering my full amendment today. I am instead supporting, with all of my might and word, the enactment of the amendments to the Refugee Assistance Act in the form presented to the floor.

I urge adoption of this bill. I think it is extremely important that we have the full set of amendments to the act for a number of reasons unrelated to the comments I have just made but particularly because we need to have that study; we need to find out how we can go about making it fair throughout this country where we have an

excess population, an excess impact, as a result of refugee and entrants increases in numbers.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I am glad to yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman very much for yielding.

Before I comment on the substance of what the gentleman said let me thank him for his devoted service to the subcommittee and to the full committee.

□ 1445

The State of Florida is well represented on our subcommittee in the person of the gentleman, who consistently brings to our attention the unique and sometimes not unique problems of Florida—unique in the sense of their being the home of a great many people from Cuba, a great many people from Haiti, not to mention from Southeast Asia. The gentleman is aware that when he offered his amendment in committee we did suggest the data we could compile between now and next year would greatly aid us in considering a targeted aid program that would be correct and cost efficient.

I think the gentleman's amendment is one that might really be an important amendment for other impacted areas of the country. The gentleman's amendment brings up a variety of indirect refugee costs, such as education, public service, criminal justice and other costs which are very real and which cannot be ignored. So I thank the gentleman for having offered his amendment in committee and I think it is a very important part of our bill.

The CHAIRMAN pro tempore. The time of the gentleman from Florida (Mr. McCOLLUM) has expired.

(By unanimous consent, Mr. McCOLLUM was allowed to proceed for 1 additional minute.)

Mr. McCOLLUM. Mr. Chairman, I simply want to commend the gentleman from Kentucky for his leadership not only in guiding this bill, but the full driving force behind the Immigration Subcommittee's work in bringing about legislation this year. It has been tremendous leadership.

With regard to the gentleman's comments, which I respect and appreciate, on the issue of the national impact of the additional numbers, not only on my State of Florida but in States like New Jersey, Michigan, and all over this country, I commend the gentleman for making those comments as well.

We have a course to chart yet to be done to determine how we can fairly apportion the burdens that are thrust upon us by the numbers of those who come to our shores, and especially under unusual circumstances.

I thank the gentleman for his comments.

Mr. RODINO. Mr. Chairman, I rise to respond to the concerns expressed by several Judiciary Committee members and by some of our colleagues in opposition to H.R. 5879. I refer particularly to those who oppose this legislation because it fails to redefine the term "refugee" in the Refugee Act of 1980 or because they do not feel refugee funding should be continued while Haitians are being detained for inordinate periods of time in south Florida and elsewhere. I certainly share these concerns and can assure my colleagues that they will be carefully and thoroughly addressed by the Judiciary Committee.

The committee has been careful to note in the legislative history to this legislation that the 1 year authorization period is intended to insure that these matters will be closely examined by the committee over the course of the next year. The most fundamental issue to be addressed is the definition of "refugee" as set forth in the Refugee Act.

As is indicated in the dissenting views to the committee report on H.R. 5879, several members of the Judiciary Committee have deep concerns over the lack of consistency and uniformity in applying the refugee definition to applicants around the world, as well as to asylum applicants in this country. This matter is indeed ripe for close committee scrutiny.

I am equally concerned by the inconsistent application of the detention policies of the Immigration and Naturalization Service (INS). While a district court in Miami earlier this week did determine that such policies were not racially motivated, the court refused to sanction enforcement of these policies since they were adopted in a "procedurally improper way." In fact, the judge has scheduled an extremely important meeting for tomorrow to determine the effect of his ruling and the future steps that must be taken by INS to implement the court's order. The committee will be anxious to learn the results of that court hearing, and will monitor the executive branch's implementation of it.

I continue to believe quite strongly that it is unreasonable and unfair to detain Haitians at length when our Government is not prepared to expeditiously and fairly process their claims for asylum.

In their dissenting views on this bill, several committee members were highly critical of INS's Haitian detention policies and I certainly share their frustrations over the long-term detention of Haitians.

I should add quickly that the committee has been involved in overseeing the Haitian issue for several Congresses. Members of the committee, including myself, have traveled to Haiti, extensive hearings have been held by the Subcommittee on Immigration, Refugees, and International Law, and tomorrow another Judiciary Subcommittee will be considering the impact of our Haitian detention policies on the Bureau of Prisons.

It is indeed a most difficult problem, which is made even worse by our Government's misguided handling of it.

I firmly believe that this problem will not be effectively resolved until the Congress and the executive branch can agree on a method for establishing a fair and expeditious asylum procedure along with reasonable and humane detention policies which will apply equally to all persons, regardless of their race or national origin.

I reiterate that the Judiciary Committee will continue to review those matters that were not addressed by the instant legislation (H.R. 5879) so that we will be in a position to make detailed recommendations on all matters relating to the Refugee Act of 1980 during the reauthorization process that must take place next year in the event this bill is enacted.

● Mr. ROYBAL. Mr. Chairman, I rise in support of H.R. 5879, the Refugee Assistance Amendments of 1982. This legislation extends for 1 year the funding authorization for domestic resettlement activities under the Refugee Act of 1980.

At present, the State of California is home to nearly one-quarter of a million Southeast Asian refugees. They represent between 35 and 40 percent of the total U.S. population of Southeast Asian refugees, making California the most heavily affected State. In addition, about 10 percent of the Nation's Cuban refugees and 15 percent of all Soviet refugees have settled in California. Fully 32.7 percent of all Southeast Asian refugees in California reside in Los Angeles County, a part of which I represent. This means that the resettlement activities authorized by H.R. 5879 are critical to the State and to my district.

Three provisions of the bill in particular deserve mention. These include: First, a $14 million authorization for initial medical screening and treatment of refugees; second, a requirement for the Office of Refugee Resettlement to establish a refugee placement policy which protects against the settlement of refugees in areas of the country where heavy resettlement has already taken place; and third, a commitment to reimburse State and local governments for 100 percent of allowable cash and medical assistance costs for newly arrived refugees. All three subject areas have been studied by the Appropriations Subcommittee on Labor-HHS-Education, of which I am a member, and I am glad to see that they are addressed as well in H.R. 5879.

The need for better medical screening of refugees in clear. Refugees have

a far greater incidence of several serious and contagious diseases than the overall U.S. population. Among these are tuberculosis, serious parasites, hepatitis B, malaria, and leprosy. Despite the fact that refugees are examined overseas before being admitted to the United States, the centers for disease control have found that those who entered the country in 1980 with no evidence of disease exhibited tuberculosis symptoms after admission at a rate 34 times greater than the overall U.S. rate. In Los Angeles County, the TB rate has increased from 19 to 24.8 percent since 1970, largely because of the influx of new immigrants and refugees into the area. In the light of the incidence of disease among refugees, I am pleased that H.R. 5879 seeks to tighten refugee medical screening procedures abroad and authorizes additional funds to State and local health agencies to help them respond to the medical needs of refugees.

I am also pleased that H.R. 5879 addresses the problem of refugee placement. For too long, little has been done to try to disperse refugee resettlement in a way that avoids a heavy economic, health, and social service impact on localities and States such as California. H.R. 5879 represents a major first step toward resolving this problem by ordering the Director of the Office of Refugee Resettlement to develop and implement a refugee placement policy. To the extent possible, this policy should encourage placement away from areas where refugees and Cuban-Haitian entrants are already concentrated.

Finally, and perhaps most importantly, H.R. 5879 commits the Federal Government to provide 100-percent reimbursement to State and local governments for the cost of providing cash and medical assistance to newly arrived refugees. As was so clearly pointed out in a Los Angeles Times editorial last month:

> It is Federal policy, after all, that sets the number of refugees who enter the country each year, and the conditions under which they are allowed to immigrate. Yet it is local governments that bear most of the burden of paying for additional social services when refugees . . . congregate in particular states or cities . . .

Through the appropriations process, we recently addressed this problem in two respects. First, we approved the expenditure of more than $23 million from the fiscal year 1982 urgent supplemental appropriations bill to reimburse States such as Florida and California for the cost of having to delay the implementation of new Federal regulations governing cash and medical assistance payments to refugees. Secondly, those of us who served as conferees on the urgent supplemental added language in the conference report confirming that at least for 1982, funding has been provided by the Federal Government based on a policy of 100 percent reimbursement to State and local governments for eligible refugee cash and medical assistance costs.

It is time that we reaffirm the Federal Government's responsibility for the welfare of refugees, and H.R. 5879 is the appropriate vehicle in which to do so. I urge my colleagues to vote with me in support of this legislation.●

● Mr. DERWINSKI. Mr. Chairman, before I address this specific bill, may I point out the long and noble history of the United States in providing a haven for refugees and further supporting services to refugees throughout the world. In philosophy, this bill is consistent with the long history of our country—not only Federal, State and local governments, but private agencies—in serving the needs of refugees.

However, in view of the present budget pressure, I believe the 1983 authorization ought to have been eliminated to $514,809,000 and that the bill should have provided a 3-year authorization. I also think section 6, which would restrict administrative flexibility should have been deleted.

I recognize there are also major foreign policy considerations involved in the worldwide refugee structure and that the United States will continue to play a major role in humanitarian aspects of refugee assistance efforts.●

● Mr. CONYERS. Mr. Chairman, I intend to vote against H.R. 5879, the refugee assistance amendments of 1982. I will do so, not because I am opposed to the Federal Government assisting in the care and resettlement of refugees. I favor such assistance. I oppose this legislation, however, because it fails to address the tragic plight of Haitian refugees in this country. This legislation will perpetuate the racially discriminatory policies our Government is applying to Haitian refugees.

Since 1958, hundreds of thousands of Haitians have fled their homeland, some 250,000 finding refuge in the United States. In the last 8 years, more than 35,000 have risked their lives in paltry sailboats to make the 800-mile trek to Florida.

There is ample cause for these people to flee. According to Amnesty International, Haiti's prisons are filled with people, never charged or brought to trial, who suffer a variety of torture comparable to that inflicted in Nazi concentration camps. Our own State Department has concluded that Jean Claude Duvalier rules with an iron fist—totally ignoring the Haitian Constitution and that he tolerates no dissent, and that prisoners, often political dissenters, are severely beaten and degraded.

What kind of haven has this country provided those fortuate enough to escape such tyranny? None. Instead, since a year ago May, these people have been locked up in detention camps, or more honestly, prisons. But these people have not been convicted of or even charged with crimes in Haiti or here. The pattern is clear: Haitians are imprisoned on the basis of their national origin, and because they are people of color.

No other group of persons has been thus classified and incarcerated. Indeed, the United States terminated its detention policy as long ago as 1954 when it closed the Ellis Island facility. Not only has the Government singled out Haitians for such harsh treatment, it has dragged its feet in processing the asylum claims of those detained. Hence, many legitimate Haitian refugees have now been detained for more than a year.

The Government has offered no reasonable explanation for this disparate treatment. It cannot deny that the Indochinese who came to this country in large numbers in the late 1970's were not imprisoned on the basis of their national origin. The number of people involved cannot justify the disparate treatment, since for the years 1979 through 1981 some 358,000 Indochinese were admitted to this country without being automatically jailed.

I fully intend to watch very closely the Immigration Reform and Control Act now pending in the Judiciary Committee and if it does no more to provide relief to the Haitians than this bill, I will oppose it also.●

The CHAIRMAN pro tempore. Are there any further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BENNETT) having assumed the chair, Mr. TRAXLER, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5879), to amend the Immigration and Nationality Act to extend for 3 years the authorization for appropriations for refugee assistance, to make certain improvements in the operation of the program, and for other purposes, pursuant to House Resolution 499, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the

Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. KINDNESS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 357, nays 58, answered "present" 1, not voting 16 as follows.

[Roll No. 162]

YEAS—357

Addabbo	Coyne, James	Fountain
Akaka	Coyne, William	Fowler
Albosta	Crane, Philip	Frank
Alexander	D'Amours	Frenzel
Anderson	Daniel, Dan	Fuqua
Andrews	Daniel, R. W.	Gaydos
Annunzio	Dannemeyer	Gejdenson
Anthony	Daschle	Gephardt
Aspin	Daub	Gibbons
Atkinson	Davis	Gilman
AuCoin	de la Garza	Gingrich
Badham	Deckard	Glickman
Bailey (MO)	DeNardis	Goldwater
Bailey (PA)	Derrick	Goodling
Barnard	Derwinski	Gore
Barnes	Dickinson	Gradison
Bedell	Dicks	Green
Beilenson	Dingell	Gregg
Benedict	Dixon	Guarini
Benjamin	Donnelly	Gunderson
Bennett	Dorgan	Hagedorn
Bereuter	Dornan	Hall (OH)
Bethune	Dougherty	Hall, Ralph
Bevill	Downey	Hall, Sam
Biaggi	Dreier	Hamilton
Bingham	Duncan	Hammerschmidt
Bliley	Dunn	Harkin
Boggs	Dwyer	Hatcher
Boland	Dymally	Heckler
Bonker	Early	Hefner
Breaux	Eckart	Heftel
Brinkley	Edgar	Hertel
Brodhead	Edwards (AL)	Hightower
Brooks	Edwards (CA)	Hiler
Broomfield	Edwards (OK)	Hillis
Brown (CA)	Emerson	Holland
Brown (OH)	Emery	Hollenbeck
Burgener	English	Holt
Burton, John	Erdahl	Hopkins
Burton, Phillip	Ertel	Horton
Butler	Evans (DE)	Howard
Byron	Evans (GA)	Hoyer
Campbell	Evans (IA)	Hubbard
Carman	Evans (IN)	Huckaby
Carney	Fary	Hughes
Chappell	Fascell	Hunter
Chappie	Fazio	Hutto
Clausen	Fenwick	Hyde
Clay	Ferraro	Ireland
Clinger	Fiedler	Jacobs
Coats	Findley	Jeffords
Coelho	Fish	Jenkins
Coleman	Flippo	Jones (NC)
Conable	Florio	Jones (OK)
Conte	Foglietta	Kazen
Corcoran	Foley	Kemp
Coughlin	Ford (MI)	Kennelly
Courter	Forsythe	Kildee
Kindness	Nichols	Simon
Kogovsek	Nowak	Skeen
Kramer	O'Brien	Skelton
LaFalce	Oakar	Smith (IA)
Lagomarsino	Oberstar	Smith (NE)
Lantos	Obey	Smith (NJ)
Leach	Ottinger	Smith (PA)
LeBoutillier	Oxley	Snowe
Lee	Panetta	Snyder
Lehman	Parris	Solarz
Lent	Pashayan	Solomon
Lewis	Patman	Spence
Livingston	Patterson	St Germain
Long (LA)	Pease	Stangeland
Long (MD)	Pepper	Stanton
Lott	Perkins	Stark
Lowery (CA)	Petri	Staton
Lowry (WA)	Peyser	Stratton
Lujan	Pickle	Studds
Luken	Porter	Swift
Lundine	Price	Synar
Lungren	Pritchard	Tauke
Madigan	Pursell	Tauzin
Markey	Rahall	Taylor
Marks	Railsback	Thomas
Marriott	Ratchford	Traxler
Martin (IL)	Regula	Trible
Martin (NY)	Reuss	Udall
Matsui	Richmond	Vander Jagt
Mattox	Rinaldo	Vento
Mavroules	Ritter	Volkmer
Mazzoli	Roberts (KS)	Walgren
McClory	Roberts (SD)	Walker
McCloskey	Robinson	Wampler
McCollum	Rodino	Watkins
McCurdy	Roe	Waxman
McDade	Rogers	Weaver
McEwen	Rose	Weber (MN)
McGrath	Rosenthal	Weber (OH)
McHugh	Rostenkowski	White
McKinney	Roth	Whitehurst
Mica	Roukema	Whitley
Michel	Rousselot	Whittaker
Miller (CA)	Roybal	Whitten
Mineta	Rudd	Williams (MT)
Minish	Russo	Williams (OH)
Mitchell (NY)	Sabo	Winn
Moakley	Sawyer	Wirth
Moffett	Scheuer	Wolf
Molinari	Schneider	Wolpe
Mollohan	Schroeder	Wortley
Montgomery	Schulze	Wright
Moorhead	Seiberling	Wyden
Morrison	Sensenbrenner	Wylie
Murtha	Shamansky	Yates
Myers	Shannon	Yatron
Napier	Sharp	Young (AK)
Natcher	Shaw	Young (FL)
Neal	Shumway	Young (MO)
Nelligan	Shuster	Zablocki
Nelson	Siljander	Zeferetti

NAYS—58

Archer	Hance	Moore
Beard	Hansen (ID)	Motti
Boner	Hansen (UT)	Murphy
Bouquard	Hartnett	Paul
Brown (CO)	Hawkins	Quillen
Cheney	Hendon	Rangel
Chisholm	Jeffries	Roemer
Collins (IL)	Johnston	Santini
Collins (TX)	Jones (TN)	Savage
Conyers	Kastenmeier	Schumer
Craig	Latta	Shelby
Crane, Daniel	Leath	Smith (AL)
Crockett	Leland	Smith (OR)
Dellums	Levitas	Stenholm
Fields	Loeffler	Stokes
Ford (TN)	Marlenee	Stump
Frost	Martin (NC)	Washington
Gramm	McDonald	Weiss
Gray	Miller (OH)	
Grisham	Mitchell (MD)	

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—16

Applegate	Broyhill	Ginn
Bafalis	Dowdy	Mikulski
Blanchard	Dyson	Rhodes
Bolling	Erlenborn	Wilson
Bonior	Fithian	
Bowen	Garcia	

□ 1500

Messrs. LEVITAS, SCHUMER, FIELDS, and ROEMER changed their votes from "yea" to "nay."

Messrs. LUJAN, DOWNEY, and NAPIER changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to amend chapter 2 of title IV of the Immigration and Nationality Act to extend for 1 year the authorization of appropriations for refugee assistance, and for other purposes."

A motion to reconsider was laid on the table.

□ 1510

GENERAL LEAVE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5922) entitled "An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 2, 3, 12, 14, 16, 18A, 19, 20, 22, 26, 27, 34, 37, 51, and 64 to the above-entitled bill.

The message also announced that the Senate recedes from its amendment numbered 40 to the above-titled bill.

The message also announced that the Senate disagrees to the amendment of the House to the amendment of the Senate numbered 62 to the above-entitled bill.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 400, AUTHORIZING CONSTRUCTION OF FRANKLIN DELANO ROOSEVELT MEMORIAL

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. 97-617) on the resolution (H. Res. 508), providing for the

consideration of the joint resolution (H.J. Res. 400) to authorize and direct the Secretary of the Interior, subject to the supervision and approval of the Franklin Delano Roosevelt Memorial Commission, to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5831, PROVIDING LENDING LIMITS FOR FARMERS HOME ADMINISTRATION FARM AND RURAL DEVELOPMENT PROGRAMS

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 97-618) on the resolution (H. Res. 509) providing for the consideration of the bill (H.R. 5831) to provide lending limits for fiscal years 1983, 1984, and 1985 for programs under the Consolidated Farm and Rural Development Act, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6337, NATIONAL ENERGY EMERGENCY PREPAREDNESS ACT

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 97-619) on the resolution (H. Res. 510) providing for the consideration of the bill (H.R. 6337) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5540, DEFENSE INDUSTRIAL BASE REVITALIZATION ACT

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 97-620) on the resolution (H. Res. 511) providing for the consideration of the bill (H.R. 5540) to amend the Defense Production Act of 1950 to revitalize the defense industrial base of the United States, which was referred to the House Calendar and ordered to be printed.

SMALL BUSINESS INNOVATION DEVELOPMENT ACT OF 1981

Mr. LAFALCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4326) to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. LAFALCE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4326, with Mr. BRODHEAD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Thursday, June 17, 1982, pending was an amendment in the nature of a substitute of the text of H.R. 6587, which is considered as an original bill for the purpose of amendment.

The Chair recognizes the gentleman from Florida (Mr. FUQUA).

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: Strike all the words following section 1, and insert in lieu thereof the following:

SEC. 2. (a) The Congress finds that—

(1) technological innovation creates jobs, increases productivity, competition, and economic growth, and is a valuable counterforce to inflation and the United States balance-of-payments deficit;

(2) while small business is a principal source of significant innovations in the Nation, the majority of federally funded research and development is conducted by large businesses, universities, and Government laboratories; and

(3) small businesses are among the most cost-effective performers of research and development and are particularly capable of developing research and development results into new products.

(b) Therefore, the purposes of this Act are—

(1) to stimulate technological innovation;

(2) to encourage the greater utilization of small business to meet Federal research and development needs; and

(3) to increase private sector commercialization of innovations derived from Federal research and development.

SEC. 3. Section 9(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(4) to develop and maintain a source file and an information program to assure each qualified and interested small business concern the opportunity to participate in Federal agency small business innovation research programs;

"(5) to coordinate with participating agencies a schedule for release of SBIR solicitations, and to prepare a master release schedule so as to maximize small businesses' opportunities to respond to solicitations;

"(6) to report annually to the Office of Science and Technology Policy on the SBIR program responsibilities assigned to it under this Act; and

"(7) to report not less than annually to the Senate and the House of Representatives on the SBIR programs of the Federal agencies and the Administration's responsibilities related to the SBIR programs.".

SEC. 4. Section 9 of the Small Business Act is amended by adding at the end thereof the following new subsections:

"(e) For the purposes of this section—

"(1) the term 'Federal agency' means an executive agency as defined in section 105 of title 5, United States Code, or a military department as defined in section 102 of such title, except that it does not include any agency within the Intelligence Community (as the term is defined in section 3.4(f) of Executive Order 12333 or its successor orders);

"(2) the term 'funding agreement' means any contract, grant, or cooperative agreement entered into between any Federal agency and any small business for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government;

"(3) the term 'small business innovation research program' or 'SBIR program' means a competitive program designed to involve small businesses in meeting Federal research and development objectives and to promote innovation through a uniform process having—

"(A) a first phase for determining, insofar as possible, the scientific and technical merit and feasibility of proposals submitted pursuant to SBIR program solicitations;

"(B) a second phase to further develop the proposals to meet the particular program needs, the awarding of which shall take into consideration the scientific and technical merit and feasibility evidenced by the first phase and, if two or more proposals are evaluated as being of approximately equal scientific and technical merit and feasibility, special consideration shall be given to those proposals that have demonstrated third phase, private capital commitments; and

"(C) when appropriate, a third phase in which commercial applications of the research or research and development are pursued with private capital or in which contracts are made with a Federal agency for products or processes intended to benefit the United States Government; and

"(4) the term 'research' or 'research and development' means any activity which is (A) a systematic, intensive study directed toward greater knowledge or understanding of the subject studied; (B) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or (C) a systematic application of knowledge toward the production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements.

"(f)(1) Each Federal agency which has total appropriations in excess of $100,000,000 for research or research and development for fiscal year 1983 or any fiscal year thereafter shall establish a SBIR program.

"(2) Each Federal agency which is required to establish a SBIR program under

paragraph (1) shall, to the extent required in Acts authorizing appropriations for each such agency, reserve for expenditure with small business concerns in connection with such SBIR program—

"(A) not less than 0.2 per centum of its total appropriations for research or research and development in the first fiscal year in which it is required to establish a SBIR program,

"(B) not less than 0.6 per centum of such total appropriations in the second such fiscal year, and

"(C) not less than 1.25 per centum of such total appropriations in all subsequent such fiscal years.

"(g) For the purpose of meeting the requirements of subsection (f), no Federal agency shall make available, from that portion of its total appropriations for research or research and development which is available for obligation for basic research, an amount which exceeds 0.2 per centum of such portion in the first fiscal year in which it is required to establish a SBIR program, 0.6 per centum of such portion in the second such fiscal year, or 1 per centum of such portion in subsequent such fiscal years.

"(h) Each Federal agency required by subsection (f) to establish a small business innovation research program shall—

"(1) unilaterally determine categories of projects to be in its SBIR program;

"(2) issue small business innovation research solicitations in accordance with a schedule determined cooperatively with the Small Business Administration;

"(3) unilaterally receive and evaluate proposals resulting from SBIR solicitations;

"(4) unilaterally select awardees for its SBIR funding agreements;

"(5) administer its own SBIR funding agreements (or delegate such administration to another agency);

"(6) make payments to recipients of SBIR funding agreements on the basis of progress toward or completion of the funding agreement requirements; and

"(7) make an annual report on the SBIR program to the Small Business Administration and the Office of Science and Technology Policy.

"(i) In addition to the requirements of subsection (f), each Federal agency which has total appropriations in excess of $20,000,000 for research or research and development for fiscal year 1983 or any fiscal year thereafter shall establish goals specifically for funding agreements for research or research and development to small business concerns.

"(j) Each Federal agency required by this section to have a SBIR program or to establish goals shall report annually to the Small Business Administration the number of awards pursuant to funding agreements over $10,000 in amount and the dollar value of all such awards, identifying SBIR awards and comparing the number and amount of such awards with awards to other than small business concerns.

"(k) In addition to the requirements of subsection (h), each Federal agency shall encourage and facilitate the general conduct of its SBIR program to provide maximum opportunity for small businesses to engage in specified agency research and development objectives through the establishment of procedures which provide for—

"(1) simplified, standardized, and timely SBIR solicitations; and

"(2) a simplified, standardized funding process which provides for (A) the timely receipt and review of proposals; (B) outside peer review, as appropriate; (C) protection of proprietary information provided in proposals; (D) selection of awardees; (E) retention of rights in data generated in the performance of the contract by the small business concern; (F) transfer of title to property provided by the agency to the small business concern if such a transfer would be more cost effective than recovery of the property by the agency; (G) cost sharing; and (H) cost principles and payment schedules.

"(l) The Director of the Office of Science and Technology Policy, in consultation with the Federal Coordinating Council for Science, Engineering and Technology, shall—

"(1) independently survey and monitor all phases of the implementation and operation of SBIR programs within agencies required to establish a SBIR program, including compliance with the expenditures of funds according to the requirements of subsection (f) of this section; and

"(2) report not less than annually, and at such other times as the Director may deem appropriate, to the Senate and the House of Representatives on all phases of the implementation and operation of SBIR programs within agencies required to establish a SBIR program, together with such recommendations as the Director may deem appropriate.".

SEC. 5. The Comptroller General shall, not later than 5 years following the enactment of this Act, report to the Senate and the House of Representatives on the quality, quantity, and nature of research conducted under the amendments made by this Act, and the effect the amendments made by this Act have had on the agencies' research and development programs, together with such recommendations as the Comptroller General may deem appropriate.

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Chairman, the amendment I am offering is the reported version of the Small Business Innovation Development Act approved by the Science and Technology Committee on March 9, 1982. In addition, however, the committee's amendment has been amended slightly to increase the percentage to 1.25 percent, and to exempt the R. & D. activities of the intelligence community.

I want to take the time to explain briefly the amendment, because the Science and Technology Committee's amendment is closely similar to the Small Business Committee substitute. This amendment is far from a complete restructuring of the Small Business Committee substitute. The amendment I am offering retains the major approaches as the Small Business Committee bill, but does retain a role for the Congress to assure that the program will work.

We are working toward the same goals, and the same objectives, on this legislation. I am simply offering a different version of the bill. The key feature of the amendment is the requirement that funds provided in connection with the small business innovation research program be authorized through the normal budget process. This way, Congress can achieve the goals of this legislation—to stimulate small business innovation and participation in Federal R. & D.—and continue to respect the traditional funding processes followed by the Congress.

Under the committee's amendment, Congress will retain control over agency spending for SBIR programs by requiring that the 1.25 percent of funds reserved for the SBIR program be authorized and appropriated through the normal budget process. The committee's amendment is a reasonable compromise approach to the set-aside controversy. Building on the successful NSF program, the amendment has great potential for assisting small business involvement in Federal research and development.

The major features of the committee's amendment are as follows:

First, all agencies with R. & D. appropriations over $100 million will establish small business innovation research programs.

Second, agencies will reserve in connection with the SBIR programs no less than 1.25 percent of its R. & D. appropriations, phased in over a 3-year period.

Third, authorization to fund the SBIR programs will be provided in subsequent authorization acts for each agency. Congress will retain the authority to raise or lower the set-aside amount.

Fourth, agencies with R. & D. budgets over $20 million are required to establish goals for funding agreements for R. & D.

Fifth, SBA will coordinate agency SBIR programs, and provide information to small businesses about the programs.

Sixth, OSTP will survey and monitor the Federal-wide program, and report to Congress annually.

Seventh, GAO will report on the Federal-wide program, and its effect on Federal R. & D., within 5 years.

Mr. Chairman, the argument that small businesses will not get any funds under this approach is simply false. In fact, any concerns small business might have trouble getting their foot in the door should be allayed by the requirement that agencies would reserve 1.25 percent of their R. & D. funds for the purpose of supporting the SBIR program. However, to insure that this amount of funding is realistic, even adequate, the Congress, through the authorizing committees will review the program and funding on an individual agency basis during the normal budget process. I believe this is much to be preferred over the

small business approach which leaves the question of allocations to OMB.

The House is being asked to expand the SBIR program from its present level of $5 million to half a billion dollars. This is a very worthwhile goal and I support it. Nevertheless, without the key language contained in the Science and Technology Committee's substitute, Congress, by virtue of the set-aside, is giving OMB the power to control the program and removing itself from overseeing through the normal authorization and appropriation process the use of a substantial amount of taxpayers' funds.

The committee's amendment will also ensure that basic research funds are not unduly exposed to a set-aside requirement. The capping amendment, which was also added in the Small Business Committee's amendment, is simply not sufficient to protect basic research funding. However, when coupled with the requirement for authorization, under the Science and Technology substitute, will be effective. The Congress can help small business without a set-aside. It can do so much better, and more responsibly, through an approach which insures that taxpayers' funds are going to the highest quality research.

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Mr. WALGREN. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I am pleased to yield to the distinguished gentleman from Pennsylvania.

Mr. WALGREN. Mr. Chairman, my exposure to this question has been largely through the subcommittee of the Committee on Science and Technology on the funding of NSF and the small business innovation research program. I would ask all Members of Congress to think very carefully about whether a set-aside, per se, in this area is a proper approach. Set-asides put pressure on basic research and are essentially arbitrary. However, is it not also true that under a procedure as suggested by this amendment where we would authorize 1.25 percent, committees of the Congress may very well go above that in small business funding. It seems to me that, although some Members might want to salute the small business community, the truth of it is that the small business coummunity may do much better under an authorization process that sets out these goals rather than specified set-asides. If we have a set-aside of a specific amount, I believe there would be a strong tendency to limit fundings to that amount. Committees would tend to say, "Well, we met the set-aside amount for you, so enough done."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FUQUA was allowed to proceed for 1 additional minute.)

Mr. FUQUA. The gentleman from Pennsylvania is absolutely correct. This does not set a maximum cap, as it is under the Small Business Committee's bill. This would grant the various committees of the Congress an opportunity to review the program and funding on a regular basis, and if they felt that it was meritorious to increase that level, and if it was in the interest of the Government to do that, they could do so under the amendment that I have offered.

The gentleman is very familiar with the success of the program that has operated very similar to this in the National Science Foundation, which this proposal is patterned after. Instead of a mandatory set-aside, the committee annually reviews these funds, and it has been a very successful program. The gentleman has played in important, integral part in it.

Mr. WALGREN. Mr. Chairman, will the gentleman yield further?

Mr. FUQUA. I will be happy to yield to the gentleman from Pennsylvania.

Mr. WALGREN. I would ask people to think hard about whether the best way to serve small business interests would not be to set up a system where they can rise above 1.25 percent. There would be very strong forces, if we have a pure set-aside, to cap it off at that level and that would do small business a disservice.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. LAFALCE and by unanimous consent, Mr. FUQUA was allowed to proceed for 1 additional minute.)

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I would be delighted to yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, it seems to me there is a bit of confusion here. There would be nothing in the Small Business Committee's bill, as opposed to the Fuqua substitute, which prohibit any committee of this Congress from coming forth with legislation that would increase the amount above 1.25 percent. If they wanted to, they could.

Further, if any particular agency wanted to increase the amount above and beyond 1.25 percent, they could.

So if an individual is to favor your amendment as opposed to ours, let it be for the right reason, rather than the wrong reason.

Mr. FUQUA. In response to my good friend, the gentleman from New York, I would only say that this gives the Congress the chance to take those programs that are successful, go through the normal authorization process, and the committee with those responsibilities can review the program. Hopefully we can go above 1.25 percent. I would hope this would be a very successful program and I think under the amendment that I have offered that we would have that opportunity.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, before speaking, I would like to yield to my colleague, the gentleman from New Hampshire (Mr. D'AMOURS).

Mr. D'AMOURS. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in opposition to the amendment offered by my good friend, the gentleman from Florida (Mr. FUQUA), and in strong support of H.R. 4326.

Mr. Chairman, I rise in support of H.R. 4326, and urge my colleagues to join with me in approving this important piece of legislation.

Many speeches on the floor and articles in newspapers and periodicals have lamented the alarming lack of productivity in the U.S. economy in recent years. I too have been concerned about this trend, and I therefore welcome this opportunity to support a bill that can help to improve and maintain our Nation's position as the world leader in innovative technology.

Few can dispute the dominant role of small business in the development of innovative technology. Through these innovations, they have provided the American economy with a significant number of new jobs. In 1979, Prof. David Birch of the Massachusetts Institute of Technology released a study based on data received from over 5½ million businesses, representing 80 percent of our Nation's business establishments. This study reported that in the period of 1969–76, businesses with 500 or fewer employees accounted for 87 percent of all new jobs.

The fact remains, however, that there has been a marked reluctance on the part of the Federal Government to devote any portion of its research and development moneys to this most productive sector of the economy. We are to understand that a major reason for this is the reluctance of the bureaucracy to obligate any funds to projects that are not certain of success. They apparently prefer to hitch themselves to the large industrial giants that take on fewer risky projects but that are not noted for a significant degree of innovation.

I believe that H.R. 4326, with its "three-phase" approach to funding small business proposals, adequately addresses this problem of excessive risk taking. By obligating small amounts of money in the early, feasibility study, phase of the proposal, a careful analysis of the potential of each proposal can be done before obli-

gating the larger sums necessary to make the proposal profitable.

Mr. Chairman, this is not a giveaway program for small business as some have alleged today. It obligates no new funds, and does not obligate the agencies involved to give any money to small business if proposals are found unworthy of development. What it does, however, is finally give Federal encouragement in the form of research and development to a segment of our economy that has provided most of our jobs and innovations. Approval of this bill today will do a lot to improve our economy and increase our Nation's productivity at no increased cost to the Treasury. This is a bill that merits strong approval by the House of Representatives.

Mr. MITCHELL of Maryland. Mr. Chairman, first of all, I want to thank the Committee on Science and Technology for all the help and assistance it has given us on this bill.

Mr. Chairman, I hate very much to oppose the amendment offered by the gentleman from Florida (Mr. FUQUA), but I must.

What his amendment does is simply to maintain the status quo. It does not change anything at all. It would permit the same condition to obtain, or the same conditions to obtain, that have obtained all of these years which have effectively precluded small businesses from becoming involved in research for the Government.

As I listened to the gentleman's argument, I was struck, when he was talking about supporting in principle, but he really does not implement the concept. That is the same as the Members of this House saying that we will not pass a budget resolution, but we will retain the integrity of the budget process; we will keep the Budget Committee in place.

That is the exact same kind of thing that the gentleman's amendment does.

Mr. Chairman, I would respectfully suggest that we would be courting disaster if we had to go through this process year after year after year. It is not necessary. Every committee of the Congress is going to have an opportunity to make an input.

I would respectfully suggest to the gentleman from Florida (Mr. FUQUA) that to put this on an annual basis would be a serious mistake, and in the long run would result in the exclusion of small businesses from contributing any innovative ideas.

Mr. Chairman, I would also like to indicate and call the attention of the Members to the debate and discussion that took place last week on this bill. If the Members will remember, it was brought out time and time again that directives from the President of the United States—from Presidents of the United States—have been ignored on this issue.

I would point out, if we look back on this debate, that what we would be doing is yielding to agencies to resist; in fact, although you made some laudatory comments about what has been accomplished, we find through the SBA research program that the amount of small business participation in research and development and innovative ideas has declined. It has not increased.

Mr. Chairman, there is one other point that I think the members of the Armed Services Committee would be interested in in terms of the gentleman's amendment. At the specific request of the Armed Services Committee, we tiered in the involvement in R. & D. and innovation for the Department of Defense. We phased it in in our bill because DOD had said to do it all at one time would work an enormous hardship on them. The gentleman's amendment would undo precisely what we did in an effort to accommodate the DOD. I do not think we can have it both ways. Either we are committed to giving small businesses of this Nation an opportunity to contribute their innovative ideas to research and development or we are not.

□ 1530

If you are committed to the first proposition, then you have got to vote against my good friend's amendment simply because the history shows it will not work on that kind of basis. The resistance is still there in the agencies. The opportunities will be given for oversight by every committee of the Congress. We do not preclude any opportunity of a committee to increase the amount. It is a bad amendment, and I think—I hate to use the old, hackneyed phrase, but I have to use it—it does essentially what so many bad amendments do, it guts this piece of legislation.

Based on the votes last week, the overwhelming majority of the Members of the House do not want to see this bill gutted. The votes have indicated that an overwhelming majority of the Members of the House are supportive of this bill. Vote for the Fuqua amendment, and you gut the bill.

Mr. Chairman, I rise in opposition to the amendment by the Committee on Science and Technology.

First I want to express my appreciation for the past help and support the Small Business Committee has received from the Committee on Science and Technology. We have benefited from the able leadership of the distinguished chairman and other members, and indeed, we are indebted to them for their work in the area of technological innovation. Their investigations provide a wealth of material on the significant role of small business in this country's technological advances.

The Science and Technology amendment supports in principle, but does not implement the SBIR concept. It merely states the intent of Congress that small business innovation research programs be established, but it does not require them. True, the language states that SBIR programs shall be established, but only "to the extent required in acts authorizing appropriations for each such agency." This means that each authorizing committee would have to essentially reauthorize the program each year. In addition, each appropriations subcommittee would then have to fund them. The agencies themselves, who have balked at the SBIR concept for years, would have to ask for program money as committees seldom authorize agencies money they do not seek and agencies do not want to be bothered with SBIR programs. The agencies would have a license to do what they want to do, and what they have been doing, to reject congressional intent as to the SBIR program on the basis of budgetary restraints.

In other words, the Science and Technology amendment retains the status quo—it does not change a thing; the only agencies to have SBIR programs would be NFS and DOD and these would be on a limited basis.

Congressional policy is clearly stated in the Federal Grants and Cooperative Agreements Act; the Small Business Act; the Government Patent Procedures Act; the Stevenson-Wydler Act: All state the necessity for greater involvement of small businesses in procurement actions. But nothing Congress has yet done has been effective to change the picture. Small business continues to be virtually shut out from effective involvement in R. & D. efforts of the Federal Government. Because of size, small businesses have not received the benefits extended to the other sectors and remain handicapped in Federal procurement. The statistics are very clear. Small business R. & D. participation has not improved over the past 5 years, although the mix has changed—some agencies do better than others.

Time and time again the Federal agencies have come up to the Hill, given lipservice to the capabilities of small firms in developing new technologies, and promised to do better. They go back downtown and it is business as usual.

Presidential directives are ignored, internal memorandums are not implemented and Congress is given the runaround. After 5 years of congressional pressure, and after 5 years of requests by the agencies that they be permitted to voluntarily implement their good intentions, there has been no appreciable change. In fact, the SBA's Office of Economic Research indicates that small business participation may have

actually declined slightly. Only NSF and DOD have programs which encourage such participation, NSF only after Congress required that a percentage of the applied research budget be used for a small business innovation research program, and that budget has not been permitted to grow as other budget items within NSF have grown.

DOD started the program only after one man hounded the agency and got out a solicitation on his own. I understand that even after getting approval he had to get help from his wife in stuffing the envelopes when secretarial help was taken away.

Even these programs, as successful as they are, may be on shakey ground and subject to bureaucratic whim.

Under the Science and Technology amendment, the very life of the SBIR program is made subject to bureaucratic whim. It will remain a paper program without funds unless someone can convince the agencies that what is good for the country is also good for DOE, or NIH, or Department of Agriculture, or whatever agency. Only if the agencies are required to fund the program at a stated percentage, will it be done. As every businessman or woman knows, in times of belt-tightening, the first expenditures to be cut are those for R. & D., and the newest kid on the block is the last to be chosen. Unless a formula is mandated, the SBIR program is out of business.

We can point to the history of this bill as an indication of the problems the SBIR program would face before the authorizing committees. Under pressure from interest groups, every committee to which the bill was referred attempted to exempt the agency it oversees from the bill or severely cut its effect. Requiring this annual piecemeal approach by each authorizing committee as proposed by the Science and Technology Committee will certainly kill the program.

I fear that some of the motivation behind the amendment is hesitancy to offend the academic community. Tremendous pressure has been brought to bear from academic institutions which have been receiving the largest R. & D. set-aside in history. They see the SBIR program cutting into their exclusive territory, afraid, perhaps, that it might succeed. Competition from scrappy, inventive scientists and engineers, who make small business the most efficient and cost effective performers of R. & D., would be the best thing that could happen to basic research and to Federal R. & D. efforts. But it will not happen on a voluntary basis. It will not happen without a required expenditure.

The small businesses of this country have good reason to believe that the annual sunset approach advocated by the Science and Technology Committee will not work; it has not in the past, and in rage and frustration many small businesses have given up on the Federal Government because of the way they have been ignored in past R. & D. efforts. They need the support of Congress.

I urge rejection of the amendment.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(At the request of Mr. FUQUA and by unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 1 additional minute.)

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I will be delighted to yield.

Mr. FUQUA. If I understood my friend correctly, he said that we did not do anything beyond what was being done now.

Mr. MITCHELL of Maryland. That is right.

Mr. FUQUA. I might point out that under the amendment that I have offered, that expands this program to 13 Federal agencies that a program does not exist in today.

Mr. MITCHELL of Maryland. If I may respond, that is essentially what we do in our bill.

Mr. FUQUA. But we do not undo that. Our committee started with the National Science Foundation on a voluntary basis, and we were not mandated by anybody to involve small business. I think the gentleman has already admitted that that is a very successful program, and it has been funded on an annual authorization basis. So, our committee—I cannot speak for others—but our committee has acted in a very responsible fashion in setting up the first program, and it has been very successful. The DOD adopted a similar type program, almost identical to the NSF program, 2 years ago voluntarily.

Now, I think what we need to do is build on all of it. That is the purpose of my amendment, to build on what we have got, and at least we have got some control over what happens in the various committees that our Members serve on, have some control rather than turn it over to OMB. I know the gentleman's feeling on that issue, and I do not think he has a great love for OMB.

Mr. MITCHELL of Maryland. I would like to reclaim my time. This in no way turns it over to OMB. The agencies and committees of Congress still retain control. The most telling argument that I can make to the gentleman is that in general, historically, traditionally, volunteerism has not worked on behalf of small business, and it will not work in this case. That is why I think the gentleman's amendment ought to be defeated.

Mr. SENSENBRENNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the amendments presently pending to H.R. 4326, and at the outset would say to my friends who are supporting the bill, how many small businessmen have mandatory set-asides in their own business budgets? I do not think very many of them do, because they recognize that mandatory set-asides are bad budgeting, and yet many of the same individuals come to us as Members of Congress and say, "You ought to run the Government like we run our business."

Well, if we run the Government like they run their business, then we would adopt the amendments of the Science and Technology Committee and get rid of the mandatory set-aside and have an annual review of how much Federal research and development money in each department should go to small business.

Second, one of the major reasons why this bill is before the Committee of the Whole today is because of the alleged lack of venture capital necessary to fund innovative research and development by small business. However, a lot of the statistics upon which that allegation is made are simply out of date. The Congress in the last 4 years has made several major amendments to the Tax Code that have greatly increased venture capital available to fund these projects. The 1978 amendments to the Tax Reform Act, which reduced the maximum capital gains tax from 49 to 28 percent, according to the testimony of Dr. Edwin Zschau, has provided $5.8 billion of additional venture capital.

Last year's Economic Recovery Tax Act further reduced the maximum capital gains tax from 28 to 20 percent, which should be reflected in further increases in venture capital.

I rise in support of the amendments to H.R. 4326 offered by the House Committee on Science and Technology which rescind the mandatory set-aside as proposed in the original bills reported by the House Committee on Small Business. One premise behind the provision of a mandatory set-aside of Federal research and development funds for small business is that there are insufficient amounts of venture capital available to small firms. According to its sponsors, the bill would provide funds for the initial development of a concept through the commercialization stage. Because small businesses typically are innovative, the lack of venture capital to support their activities has had a detrimental effect on the Nation's economic growth.

I concur with the assessment of the innovative capabilities of small companies and commend this highly productive sector of U.S. industry. However, new research into the area of venture

capital availability has demonstrated that the arguments put forth by the supporters of H.R. 4326 in its present form are no longer holding true. At the present time, there is no shortage of venture capital. The figures which have been utilized to support this argument, and upon which the rationale for a mandatory set-aside is based, are outdated and do not represent the current situation with regard to the availability and type of venture capital. The new data reflect several changes in the tax laws which have significantly increased the amount of venture capital available to small companies in the private sector. In addition, there is now a willingness by the private sector to provide venture capital for startup of new firms.

In his testimony before our committee, Dr. Edwin Zschau presented new data on the increased availability of venture capital, which is currently about $5.8 billion. Four years ago, Dr. Zschau presented testimony to Congress regarding the shortage of risk capital for small businesses and endorsed a reduction in the capital gains tax on the grounds that it would encourage investment in new, high technology companies. The Steiger amendment to the 1978 act, which resulted from the concerns on which Zschau provided testimony, lowered the maximum capital gains tax rate from 49 to 28 percent and has resulted in the $5.8 billion currently available for venture capital investment. The Economic Recovery Tax Act of 1981 contains several additional provisions to assist small business, including a further reduction in the maximum capital gains tax rate to 20 percent.

Concern also has been expressed over the type of venture capital available to small business. Supporters of H.R. 4326 in its original version contend that funds just are not available for the high-risk initial development of a new idea which is of vital necessity to the small business enterprise. However, this is no longer true. From the information we have obtained through the hearings process, it appears that investments in startup activities have doubled since 1978 from 20 percent that year to 40 percent in 1981.

The situation which H.R. 4326 attempts to change has been altered by other means. Recent congressional efforts have had significant impact on the availability of venture capital for small high technology firms, dramatically increasing the amount of money accessible to these companies. The arguments for increased Government intervention in the marketplace are no longer relevant in the current financial environment. Government must not supplant the private sector in decisions which rightfully must be made there. Now that the venture capital shortage has been rectified, financing decisions must be made by qualified businessmen and financial analysts, not by Government employees. Small business may prefer Federal funds because, as conceived under H.R. 4326, the money has no strings attached and does not require the payment of interest or the granting of equity in the firm. However, Federal funds must not replace private money in the marketplace; the Government must not compete with the private sector which it would do were H.R. 4326 enacted as it now stands.

Thus, I support the amendments proposed by the House Committee on Science and Technology which permit the Congress to have continuing oversight responsibility for SBIR activities and for the amount of Federal funds competing with private venture capital. The limit of 1¼ percent of Federal research and development funds for this effort and the requirement for utilizing the congressional budget process, as proposed in the committee's amendment, allow the Congress to continually monitor the situation and react to any changes. A mandatory set-aside and the imposition of a uniform approach throughout the agencies as required in the unamended version of H.R. 4326, mitigates the flexibility so necessary when dealing with a dynamic economy such as we have in the United States.

Mr. STANTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Ohio.

Mr. STANTON of Ohio. Mr. Chairman, I appreciate my friend from Wisconsin yielding to me. I just wonder if he could clear up a point for me. I have been informed by the staff that the Science and Technology amendment would add $9.9 million to the base of this bill. Is the gentleman familiar with that point?

Mr. SENSENBRENNER. No, I am not familiar, I am sorry to say.

Mr. STANTON of Ohio. I do know the gentleman voted in all honesty against the conference report an hour ago because of a $100 billion deficit. I think he ought to know, if that is the case, and review his support of the bill, because I did not know until just this moment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I, too, would just like to clear up the record a little bit. In past discussions, we have indicated that there is venture capital money available to those businesses that develop and sell products. There is no venture capital money available, or relatively little, a miniscule amount available to those firms or to start seed money to develop basic research, to develop a product.

Mr. SENSENBRENNER. I yield further the gentleman from Maryland, and I will be asking for some additional time.

Mr. MITCHELL of Maryland. Surely. I wanted to indicate that in our hearings, from the research-oriented companies—and we heard from many of them—it has been their experience that nonavailability of capital was the major problem faced by every high technology startup company. Once they get started up and demonstrate some success, then there may be venture capital available, but it is not available at all to these startup firms that need the seed money.

Mr. SENSENBRENNER. Reclaiming my time, I would submit that if the capital is not available, that is a decision that is made in the private marketplace in that those that do have the capital available for lending simply have made a determination that the project is not worth the risk of financing.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, Mr. SENSENBRENNER was allowed to proceed for 2 additional minutes.)

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, I just wanted to ask my good friend, the gentleman from Maryland, does he know of any profitmaking company that wants to get that involved in research that does not have a product, who would go into business to make a profit unless they had a product that they wanted to sell?

Mr. MITCHELL of Maryland. I recall from the hearings we had on this legislation the testimony of these companies, which are high-technology oriented, their experience was that when they first got started there was not any money. When they developed the idea, started offering a package to be sold, the money came in from all over the place. All that I am insisting is that we can cite those companies that testified before the committee, what their experience was, and I do not think the situation has changed that greatly.

Mr. SENSENBRENNER. I yield to the distinguished chairman of the committee, the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I thank the gentleman for yielding. As the gentleman is well aware, our amendment provides that the agencies request this amount of money in their budget request each year.

□ 1540

So it is not an iffy situation. It requires that they request that amount

of money, and then the various committees of jurisdication have an opportunity to review those programs, but it must come up from OMB in that percentage that is outlined in the bill.

Mr. SENSENBRENNER. In other words, what the gentleman from Florida (Mr. FUQUA) is saying is that if the budget is busted, it is because the committees of Congress have busted the budget rather than as a result of any kind of automatic mechanism should this amendment be adopted?

Mr. FUQUA. The gentleman is correct.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, to proceed further with our discussion with the gentleman from Florida (Mr. FUQUA), under his provision, once the request comes up from the agency, then the review is made by the appropriate committees?

Mr. FUQUA. Mr. Chairman, if the gentleman from Wisconsin will yield, it would be made by the authorizing committee.

Mr. GOLDWATER. And the flexibility that the gentleman is talking about is that we could increase that amount, could we not?

Mr. FUQUA. The gentleman is correct.

Mr. GOLDWATER. We could also decrease it?

Mr. FUQUA. That is correct also.

Mr. GOLDWATER. That is the flexibility the gentleman is talking about in comparison with the other proposal which is fixed as a mandatory amount, a percentage amount?

Mr. FUQUA. And which gives Congress no flexibility.

Mr. GOLDWATER. And which gives Congress really no flexibility to increase or to even decrease or alter the program at all?

Mr. FUQUA. The gentleman is correct.

Mr. GOLDWATER. Mr. Chairman, the purpose of this bill, of course, is to make up for the lack of attention, the lack of emphasis by the agencies, and the lack of participation by agencies with small businesses in the innovative research and invention kind of activities.

Mr. FUQUA. We have that established in 13 agencies.

Mr. GOLDWATER. But we require that?

Mr. FUQUA. We require that they be established.

Mr. GOLDWATER. It is required that they be established in those agencies?

Mr. FUQUA. The gentleman is correct.

Mr. GOLDWATER. And that they do make a request for at least the minimum amount?

Mr. FUQUA. That is right.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. SENSENBRENNER) has expired.

Mr. LUNDINE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Regretfully, Mr. Chairman, I oppose the amendment offered by the distinguished gentleman from Florida (Mr. FUQUA), the chairman of the committee on which I serve, the Committee on Science and Technology. I do that in spite of my sincere respect for him and for the chairman of the Subcommittee on Science, Research and Technology, the gentleman from Pennsylvania (Mr. WALGREN), who spoke on behalf of this amendment.

Honestly, I do not think that this amendment has merit, and if we are really for small business participating in the research of the various agencies which are the subject of this bill, I cannot honestly see how Members can support this amendment. Usually I oppose set-asides. However, experience demonstrates that large bureaucracies discriminate against small businesses. Small businesses account for up to 50 percent of our gross national product and 24 percent of Federal procurement but only 4 percent of research and development funds.

Bureaucrats are not used to dealing with the higher risk, more innovative businesses. The mechanism works under the NSF, and I would point out to the members of this committee that the set-aside existing in the NSF program was established at the recommendation of the Committee on Science and Technology even though that committee would have annual authorizing jurisdiction. Why, if it is so good in that area, is it so defective if we apply it generally?

I must agree with my colleague, the gentleman from Maryland (Mr. MITCHELL). This is honestly an attempt to gut this bill. It really puts the fox in charge of the chicken coop.

Honestly, I ask those who heard the debate here last Thursday, do they believe the Committee on Armed Services is going to allocate funds for this purpose for armed services functions? Do they believe the Committee on Energy and Commerce is going to allocate funds for small business to the NIH?

With respect to this argument that the legislative process in being somehow abridged by this set-aside—and I point out that it is not in the NSF program—I really think this is a red herring. No new project is authorized, no additional funds are appropriated. This is simply a requirement that these agencies allow small businesses to do a certain small percentage of the research that needs to be done on behalf of the people of this country in those particular areas.

I rise in opposition to this amendment reluctantly in spite of the sponsorship of the distinguished gentleman from Florida (Mr. FUQUA) because I believe so strongly in the innovation of small businesses. It will mean more jobs and we need 15 million more jobs in the 1980's. As the Birch study at MIT indicated, small business was the major provider of new jobs whereas large companies have been static in employment.

Mr. Chairman, I really believe, if the members of this committee sincerely want to see small business getting some reasonable small proportion of the research funds available in the various agencies of this Government, they will oppose this amendment and will stand with the bill as it has been drafted.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. LUNDINE. I am glad to yield to the gentleman from Oregon.

Mr. AUCOIN. Mr. Chairman, I wish to associate myself with the remarks of the gentleman in the well. I think he has made an outstanding statement both against the amendment and for the bill, and I hope my colleagues will follow his advice and the leadership of the Members who bring the legislation forth.

Mr. Chairman, enactment of this legislation is a necessary step in correcting the unfortunate bias this administration has shown toward the largest corporations at the expense of small businesses and individual entrepreneurs throughout this Nation.

The "scorched earth" economic policy of high interest rates, huge deficits, and massive cutbacks in Federal domestic investments has created an economic climate in which few but those among the Fortune 500 can survive.

We all know that productivity and innovation—the foundation of a strong economy—have declined steadily in recent years and reached disastrously low levels. The legislation before us today simply seeks to channel a small portion of the multibillion-dollar Federal research and development budget toward small and innovative businesses in this Nation. It is a vital lifeline to one of the more devastated sectors of our economy.

For what is at stake in this debate? Jobs, new technologies, and increased productivity. It is a well-established fact that small businesses provide nearly 80 percent of all new jobs created in the economy. Companies with fewer than 500 employees employ 6 percent of all private-sector scientists and engineers, comprise nearly 85 percent of all firms performing R. & D., yet receive only 3.5 percent of Federal R. & D. expenditures in competition with large firms.

By requiring that Federal agencies with large R. & D. expenditures earmark a small percentage—1¼ per-

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cent—of their R. & D. budgets toward small businesses, not only are we eliminating much of the bias against small business participation in the present procurement system, but more importantly, we are establishing a formal mechanism—the small business innovation research program—to provide small businesses with the high-risk seed money they need to develop new products and processes and promote innovation.

Opponents of this legislation claim that it will siphon funds away from universities and medical institutions which are also engaged in primarily basic research. And while it is most likely that the small business projects funded under this program will be for applied research, most agency research and development budgets contain ample resources to fund both applied and basic research.

Further, the bill places a cap on the amount of basic research funds which may be used to finance small business innovation programs insuring that universities and large research centers continue to receive an adequate share of this funding.

And so, Mr. Chairman, it comes down to this. Do we want to channel a portion of our public investment—the taxpayers' money—toward those small businesses which, dollar for dollar, have produced four times as many innovations as medium-sized companies and 24 times as many innovations as large companies? Or do we want to continue to allow large corporations to soak up nearly 60 percent of the Federal R. & D. funds?

I believe the answer is clear; we cannot afford not to make that investment in the small businesses of this Nation. While the measure before us is not a cure for all that ails our economy, it is an important part of the cure, and I strongly urge its adoption.

Mr. WINN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Fuqua amendment.

I, too, along with several other members of our Science Committee, hate to go against the chairman of the committee, but it has been pretty hard to keep up with him during the last few days or the last few hours because he has made several changes and additions that several members who do oppose his amendment were not aware of. As the gentleman from Florida has pointed out, there are only a few differences between the Science and Technology Committee amendment and the Small Business Committee's version of this bill, which most of us support.

However, I find the major difference between these two bills to have a substantial impact on the small business community and on the goals which this bill will try to achieve. This difference is the annual authorization provision in the Science and Technology Committee version. This amendment subjects the set aside to annual authorization and appropriations. Technically, I believe, as the gentleman from California (Mr. GOLDWATER) pointed out, this could increase the percentage set-aside above the levels currently mandated in the bill. However, it is also possible that the authorizing and the appropriating committees and subcommittees could choose to lower the set-aside to provide no set-aside whatsoever in a particular year, and I find this completely unacceptable.

In my mind, this is the fatal defect in this amendment. It would defeat the purpose of the small business innovation initiative, and that is what this is all about.

As I stated last week during general debate, the contributions by the small business community to our economy have long gone unrecognized. Small business, not large corporations, is the prime source of innovation. It is time that the Federal Government recognizes those contributions and encourages them rather than stifles them.

While the Fuqua amendment has some good intentions, and does attempt to provide an answer to some legitimate concerns, I feel that on balance the Small Business Committee version is much preferable. I agree with the gentleman and the chairman of the committee, the gentleman from Maryland (Mr. MITCHELL), that this really guts the bill. I think that is the word that is going around this afternoon.

Mr. Chairman, if Members want to gut the bill, then they will vote for the Fuqua amendment. If they support the Small Business Committee, then they will vote against the Fuqua amendment.

□ 1550

Mr. STANTON of Ohio. Mr. Chairman, will the gentleman from Kansas yield?

Mr. WINN. I am glad to yield to the gentleman from Ohio and welcome him back.

Mr. STANTON of Ohio. Mr. Chairman, I want to associate myself with the gentleman in the well.

The gentleman from Maryland a while ago did compliment the Science and Technology Committee for the help that they have given us over the years on this bill.

We on the Small Business Committee appreciate that.

But I think, if I understand what the gentleman in the well just got through saying, it is that the Small Business Committee really is in the best position after weeks and months of testimony to draft a bill that is acceptable to the administration and which will give the small businessmen in our country a little, you might say a little chance anyhow, at some of the Government-sponsored research and development funds. I am proud of the statement of the gentleman and wish to associate myself with his remarks.

Mr. WINN. I thank the gentleman.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Fuqua amendment. I think it is obvious that all of us here in this Chamber are interested in promoting small business.

This is one of the great American sacred cows, like apple pie and baseball. Certainly no one in his right mind is interested in discouraging small business.

We were reminded a moment ago that some agencies in the Government have been reluctant to award contracts to small business, and it was the intention of the Small Business Committee, in coming up with this legislation to remove that inattention, to overcome that neglect, and to encourage the awarding of contracts to small business.

The one aspect of this legislation—which certainly was designed with a meritorious intent—is that it is likely to disrupt programs in those agencies in the Federal Government that have not been inattentive to small business, those that have been attentive, those that have not been neglecting small business, those that have not been inattentive, those that, on their own, have made real efforts to expand the use of small business contracts and small business research contracts, specifically.

While I heard a moment ago some harsh words about the Department of Defense—they always seem to come in for a certain amount of flak—the fact of the matter is that the Department of Defense has done an absolutely remarkable job in the awarding of contracts for small business innovative research.

The proposal in this committee bill is on the order of 1 percent, or 1.2 percent. But the Department of Defense, over the last 10 years, has moved from a total award of 4.9 percent of contracts for research to small business to 7.4 percent in 1981.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I will be glad to yield to the gentleman.

Mr. FUQUA. I want to commend the gentleman for his statement and say that what the Armed Services Committee has done and the Department of Defense is an example of what can be done under the amendment that I have offered.

It has been said here that it guts the bill. The Armed Services Committee, and the gentleman is a very senior and distinguished member of that commit-

tee, has supported these programs and increased that number considerably over the last few years and, I might add, on a voluntary basis.

No one came in and mandated that you had to do that, and I commend the gentleman.

But to say that this guts the bill, I think, is kind of stretching the English language somewhat.

Mr. STRATTON. Of course that is the kind of exaggerated language we sometimes hear in debate. But, of course, the gentleman from Florida is absolutely correct. His amendment definitely does not gut the bill.

What I am worried about is that the bill is likely to gut those voluntary programs, adopted by the Department of Defense and other agencies that have gone out of their way, voluntarily, as the gentleman said, to make opportunities available to small business.

Take a look at this document, for example, "The Department of Defense Small Business Advanced Technology Program, 1981 and 1982." It has all kinds of indications of what has happened in the awarding of contracts—7.6 percent—that is not a tiny little bit.

Mr. McDADE. Will my friend from New York yield?

Mr. STRATTON. If I have the time I will yield briefly to the gentleman.

Mr. McDADE. I am sure it will be brief and I will get my own time in a minute. I appreciate the gentleman yielding.

No one who was here when the debate was conducted, and when the House voted overwhelmingly to include the Defense Department in the small business program, criticized the Defense Department.

I want my friend, the last of the remaining unreconstructed hawks, to know that nobody criticized the Department of Defense.

Mr. STRATTON. I appreciate the gentleman's comments. But the only reason I did not participate in the debate is that I had been designated by the President of the United States as delegate to the U.N. special session on disarmament.

I felt that, important as this bill was, I had to respond to that other call. Had I been on the floor last week, perhaps I might have been able to change the gentleman's mind.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

Mr. STRATTON. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. McDADE. Mr. Chairman, reserving the right to object, first I want to say I will not object, of course, to my friend's request. But I would like to make it clear to the gentleman that I know what a conscientious Member he is of this body. Certainly I did not for a second mean to imply that he was not here because of a lack of diligence toward duty. He is one of the most diligent Members of the House.

I am glad the gentleman went to New York at the President's suggestion.

May I say that now is the time to follow the President's suggestion again. He recommended passage of this bill, so I recommend that the gentleman follow his suggestion here and vote for it.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. The question is not whether the House is for or against the Department of Defense. The question is whether this legislation will gut what is probably the most significant voluntary program for small business research that has been introduced in any U.S. Government agency.

If the gentleman from Pennsylvania (Mr. McDADE) had anything to do with it, I am delighted. But the fact of the matter is that in this particular bill, because members of the committee did not pay too much attention to our arguments, we are going to turn this accomplishment around and small business is going to lose as a result.

Here is a news release put out by Secretary Weinberger on November 23 of 1981. It says 100 small business research and development contracts were made from 1,103 proposals received by the military departments and the Defense Advanced Research Projects Agency.

The phase 1 awards were an average of $50,000 each and the phase 2 ranged up to $500,000 each.

Do we want to cut that program out? Do we want to destroy that? Do we want to interfere with the procedures that the Department of Defense has worked out? No matter how astutely the members of the committee have developed their bill, it will destroy the current program that has been carefully worked out by the Department of Defense.

I think that is not what the House wants to do. I do not think that is what the gentleman from Maryland (Mr. MITCHELL) wants to do.

We ought to just be aware of this paradox and pause to recognize what will happen unless the amendment of the gentleman from Florida (Mr. FUQUA) is adopted.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I am glad to yield to my friend from California.

Mr. GOLDWATER. I am trying to understand what the gentleman precisely is saying. If he says that it will destroy what is now a voluntary program, I would ask the gentleman: Does not the committee proposal just provide a floor and the agency is not prohibited from going further than that?

I am not quite clear how or why this is going to destroy the program.

Mr. STRATTON. Because the Department of Defense has, quite properly, used a competitive method for awarding its defense contracts, 7.6 percent have gone to small business. They went to small business, but not because they were small business, but on merit. I do not think that we want some outfit, just because it happens to be small business, to undertake a complicated defense research program for which it is not equipped.

The Department of Defense has done this strictly on a competitive basis. But the program of the Small Business Committee would eliminate that competitive approach and give a certain quota of funds for research to small business, even if there were not enough small business research outfits qualified to perform that research.

Mr. GOLDWATER. Why would it eliminate the competitive aspect?

□ 1600

Mr. STRATTON. Because we must award contracts on merit, not simply on size.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes.)

Mr. GOLDWATER. The question is: Why would this eliminate the competitiveness?

Mr. STRATTON. Let me respond to the gentleman by reading from page 4 of the House Armed Services report the 1983 R. & D. request is $24.2 billion. A 3-percent set-aside out of that would amount to $726 million earmarked exclusively for small business innovative research. This $726 million would have to be taken from the Department's $4.3 billion science and technology program, the only portion of the budget where "innovative" activities are funded. However, of this $4.3 billion, only 66 percent is available for contracting out. The remaining 34 percent—$1.5 billion—is retained in-house for the operations and maintenance of the 73 Government in-house laboratories. Thus, the committee bill, at the 3 percent set-aside figure, that out of the $2.8 billion available for contracting out, we would be required to set aside for small business participation only $726 million, which would amount to 26 percent of the total available, not the 1.25 percent or the 3 percent originally proposed.

Mr. GOLDWATER. If the gentleman will yield further, I do not think that anywhere in the language of either bill or either proposal is there a direction as to how these awards are made, though.

Mr. STRATTON. Well, the point is that if you are already giving 7.6 percent of the research contracts to small business in the Department of Defense, with merit standards and adequate competition, why should we disrupt that ongoing program just to be able to award 1 or 2 percent?

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has again expired.

(On request of Mr. ADDABBO and by unanimous consent, Mr. STRATTON was allowed to proceed for 1 additional minute.)

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York.

Mr. ADDABBO. The gentleman has given some high-sounding figures, but when we look at the Defense budget on R. & D. of $20 billion, and we look at what the Defense Department has been doing—not voluntarily, I will tell my colleague, but only because this committee has had them before the committee year after year, and they are 7.4 percent, up from 4.2 percent in 1972, with the Defense budget almost tripling. And the only way they will affect small business—the Defense Department has most of the money. And if you exempt them, they will go their nice, free way, as they have done in the past, and do nothing, nothing for small business.

What we are saying in this bill, "Do the minimal, one-tenth of 1 percent. That is all. Start with that, and let us see where we go from there."

Mr. STRATTON. Why should 1.2 percent be better than 7.6 percent?

Mr. ADDABBO. It is 7.6 percent of all small businesses. This is one-tenth of 1 percent for the SBIR program.

Mr. McCLOSKEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, if I may, in my initial comments, I would like to try to clear up this point that the gentleman from New York (Mr. STRATTON) was trying to make.

The defense research budget, out of a total Federal research budget of about $44 billion, the defense budget was $26 billion this year, over half. By enacting this bill into law—and I would suggest this to the gentleman from Maryland—he is doing an idle act with regard to the Defense Department. On page 7 of your bill, you state explicitly—and this was added in the rewritten committee version—

> Funding agreements with small business concerns for research or research and development which result from competitivie or single source selection other than under a small business innovation research program shall not be counted as meeting any portion of the percentage requirements of this section.

Now, under the current practices of the Defense Department, 7.6 percent of their $26 billion means that the Defense Department is doing $1.8 billion of their total research through small businesses, through a voluntary program.

Now, under this act, you create a mandatory program. And 1.25 percent this year is only $200 million. It is not $1.8 billion. It is about one-ninth of what the Defense Department is presently doing.

Now, as you have rewritten this bill, you have made no requirement that on top of the $7.4 billion the Defense Department spend another $200 million for small business research. Read your bill. You have not made an additional requirement. The Defense Department is absolutely free, if they choose, to abandon completely those programs that have led to $1.8 billion going to small businesses, and they are required under this bill, under its precise language, to be able to drop that back down to $200 million a year.

So there is no merit in this bill. You may hit the other agencies, the other $18 billion of research. Those agencies may have to increase. But they are less than half the total. You are giving up more in this bill with the Defense Department than you are gaining with the other 12 agencies that allocate Federal research.

And let me challenge the authors of this bill, both the gentleman from Pennsylvania on the minority side and the gentleman from Maryland on the majority side: Is that not the fact? Is that not the way you have drawn your amendment, so that the Defense Department, if it wishes, can now abandon the 7.4 percent and reverse back to 1.25 percent?

I will yield first to my friend, the gentleman from Pennsylvania (Mr. MCDADE).

Mr. McDADE. Does my colleague realize that what we are supposed to be discussing at this point in the committee is an amendment offered by my friend, the distinguished gentleman from Florida?

Mr. McCLOSKEY. If the gentleman will yield back my time, I want to measure your accuracy, though, in response to my question. I yielded to the gentleman for that purpose.

Mr. McDADE. I am attempting to answer your question, but there is a nice little nexus here of some pros, my friend from Florida, my friend from the Armed Services Committee, and my distinguished friend who has fought this bill from day one——

Mr. McCLOSKEY. Tooth and nail.

Mr. McDADE. To try to confuse the membership about what the issue is. And the issue is: How will we vote on the Fuqua amendment. Is that not right?

Mr. McCLOSKEY. That is correct. But what is the answer to my question?

Mr. McDADE. And what does the Fuqua amendment provide with the Defense Department? Let me ask my friend: How are you going to vote on Fuqua? Yes or no?

Mr. McCLOSKEY. I am going to vote for the Fuqua amendment.

Mr. McDADE. The Fuqua amendment authorizes zero on the Defense Department, may I say to my friend. So if you are arguing that our bill is less, you are making a gross error because you are voting for a bill that, insofar as the Defense Department is concerned, absolutely excludes nothing as authorized.

Mr. McCLOSKEY. I took the floor, though, to try to clarify the point that the gentleman from New York (Mr. STRATTON) had made, that in this bill, by dismantling or allowing the Defense Department to dismantle what they have painfully built up over the years, you could change the Defense Department's allocation for small business research from $1.8 billion down to $200 million. That is only one-ninth of what they are presently projecting.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. STRATTON. I think the point the gentleman from Pennsylvania has missed is that the Fuqua amendment will permit the Armed Services Committee to continue the present program instead of forcing us, as the gentleman has pointed out, to reduce it.

Mr. McCLOSKEY. That is my point. This is an amendment to the Small Business Act. And it follows on what the Congress did in 1978.

Let me read you the language of section 211 of Public Law 95-507, which this bill seeks to amend. In 95-507 we said:

> It is the policy of the United States that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency.

Now you amend that, and you say, "We want those small businesses to have a set-aside."

The CHAIRMAN. The time of the gentleman from California (Mr. MCCLOSKEY) has expired.

Mr. FAZIO. Mr. Chairman, I ask unanimous consent that the gentleman from California (Mr. MCCLOSKEY) be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MITCHELL of Maryland. Reserving the right to object—and I shall not object—I was wondering, the gentleman has made so many statements that are patently wrong, whether he intends to yield any time to correct his mistakes.

Mr. McCLOSKEY. Mr. Chairman, I took the floor here to try to clear up the mistake here, and I will be glad to listen to the chairman tell me if what I just read is not the law.

□ 1610

Mr. MITCHELL of Maryland. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California (Mr. McCLOSKEY) is recognized for 3 additional minutes.

Mr. McCLOSKEY. Mr. Chairman, I yield to the gentleman from California (Mr. FAZIO).

Mr. FAZIO. I thank the gentleman for yielding.

I would want to clarify that the gentleman did rise in support of the amendment of the gentleman from Florida (Mr. FUQUA).

Mr. McCLOSKEY. I think I misstated it.

Mr. FAZIO. I want to congratulate him not only on his position on this amendment but on the clarity with which he has seen this entire issue.

The gentleman's career in the House has been marked by a willingness to fight unpopular battles. I think this is still another example of that courage. I think he happens to be right in his general thrust on this issue. And I know he believes the gentleman from Florida (Mr. FUQUA) has found a proper compromise for us all.

The Committee on Small Business raised our consciousness on this issue. There is not a Member of the House now who feels that there is not a great contribution to be made by the small business community in regard to additional research and development by the small business community that will be innovative and very productive in terms of future jobs and profits and all of that kind of positive results that we have been hearing on the floor.

The issue is what can we do to preserve the legislative process at the same time? Obviously we are tending in this era to constantly slice up pieces of the budget and mark them off for some interest's benefit. I think that we go too far when we do that to the extent that we have done so recently and the gentleman from Florida (Mr. FUQUA) has found the proper balance so that we can avoid doing it once again in a good cause.

Here we are giving members of authorizing and appropriating committees who spend hours and hours analyzing the capability for R. & D. in each of their specific areas the ultimate decisionmaking authority.

We have here the opportunity to decide between recombinant DNA and its relatively easy applicability to small business and high energy physics that requires a tremendous expenditure of capital outlay before we can even begin to do the kind of basic experimental research work that is also covered by this bill. That choice will differ from area to area and we should let the experts decide how much SBIR assistance is warranted.

Why not let that diversity be determined by people who have the ongoing responsibility and skill to make these judgments?

I think we will find as a result of this legislative effort that the gentleman from Maryland has embarked on with the strong support from the gentleman from New York State, that small business will play a tremendous role in the future as each Congress reemphasizes the need for more funds for R. & D. for small business purposes, but let us not go so far as to limit and restrict ourselves in the ability to do more or less, as the case may be from one committee jurisdiction or area inquiry to another. And let me conclude by simply saying that if it were not for the gentleman from California's interest in this area, we would not be in the middle of this discussion today, and I am very proud to associate myself with his remarks and the thrust of his comments and his general efforts in this entire subject area.

Mr. LaFALCE. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I have the greatest respect for the gentleman from Florida (Mr. FUQUA); the gentlemen from California (Mr. McCLOSKEY), (Mr. FAZIO); the gentleman from New York (Mr. STRATTON). Sometimes I agree with them. Sometimes I disagree with them. But when it comes to a question of fact, I do not think we should have inaccurate statements coming from any Member of the House, no matter how much we agree or disagree with them generally on principle.

I think that we have heard some misstatements of fact which I would like to clarify.

We have called for an earmarking of 1.25 percent of funds.

Now, initially we thought the opposition that we were going to receive was because this is too much. Now, we have heard from the gentleman from California and from the gentleman from New York that we are reducing the amount of money going to small business for research and for innovative purposes under the Small Business Committee's proposal. The legislation will not do that. That is not our intent. That is an incorrect argument. Pure and simple it is a red herring.

Insofar as the higher amount of money, the percentage amount now going within the Defense Department to small business, I point out that this must be continued under the goaling requirements, it has nothing to do with the small business innovative research program.

I also point out, and we argued this almost ad nauseum last Thursday, that the provision of the substitute amendment that is before us points out that the money that is going toward the goaling process cannot be used to go toward the SBIR but the SBIR money could be included as going toward the goal. You could not say that the SBIR requirement was satisfied simply because you were meeting the goaling target. Therefore, the 1.25 can go toward the 7.6 percent or so. It does not have to. It could go above and beyond that.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. LaFALCE. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

The point is that this law mandates that $200 million be set aside by the Defense Department for small business. It does not require, and cannot require under its language, that Defenses current $1.8 billion be used for small business.

Mr. LaFALCE. Nor do we want to mandate that. But we preserve the goaling requirements that exist under present law. So there is absolutely no problem.

If the gentleman is worried about small business getting less, let me advise the gentleman, he need not worry.

Mr. McCLOSKEY. Would the gentleman yield back though? You do not have a goaling requirement under the present law or any regulation of the Government that requires that $1.8 billion, or 7.6 percent of the defense budget, be used.

If they want to reduce that amount next year to say 5 percent, or 2 percent, they can under this legislation, can they not?

Mr. LaFALCE. No; they could not reduce the goaling requirement. Under the provisions of this bill, there is a requirement for goaling, as well as under the provisions of Public Law 95-507. So the Small Business Committee would in no way reduce the goaling requirements or eliminate the goaling requirements. That argument is simply false.

I would like to claim back the balance of my time to make this following point. This goes to the Fuqua amendment. It is well intentioned. But I point out that in the Science and Technology Committee there was a

great debate over it, and there was a 16 to 15 split on the Science and Technology Committee itself. So it is not clear cut that the Science and Technology Committee is totally in support of the Fuqua amendment. As I said, there was a 16 to 15 vote.

Most importantly, what the Fuqua amendment would do is really divide and conquer. Last Thursday we were able to defeat the amendment that was offered by the Armed Services Committee exempting the Defense Department.

We were able to defeat the amendment that was offered by the Energy and Commerce Committee that would have exempted NIH, and so forth.

We think we would be able to defeat any amendment by any committee exempting any particular agency within their particular jurisdiction. And, so the strategy now is for opponents to offer one amendment which portends to include within the budget a certain amount for an SBIR program but leave it subject to the individual authorizing committee. Under the Fuqua amendment it would be left to the Armed Services Committee as to what they would do with the SBIR program. It would be left to the Energy and Commerce Committee as to what they would do with the SBIR program. And in so doing the hope is that you would divide and conquer.

The CHAIRMAN. The time of the gentleman from New York (Mr. LAFALCE) has expired.

(At the request of Mr. FUQUA and by unanimous consent Mr. LAFALCE was allowed to proceed for 1 additional minute.)

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Florida.

Mr. FUQUA. I thank the gentleman for yielding.

Let me say to my good friend, this is not some grand strategy that was developed in the cloakroom or some smoke-filled room.

When our committee was granted sequential referral of this bill we came up with this approach totally independent of the other committees because it was my feeling, and the majority of our committee, that we did not want a bill that looked like a sieve with everybody exempted, that we would have one that would set forth a positive program but at least involve the authorizing committees in that process.

Mr. LAFALCE. I will admit that it may not have been the gentleman's strategic intent but I hope he would admit that it certainly will be the strategic effect.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Fuqua amendment.

Mr. Chairman, I want to see the House bring this issue to a head, as I know all the other Members do as well.

We see amendments recurring now and we have had injected into this debate the armed services issue again. The House voted about 295 to 80 last week, now they would have us replow the same ground. And it was very skillfully done by two of my favorite colleagues in the House who would obfuscate the issue.

What we are looking at here in the design of the amendment that is presented to us is a Trojan horse. It offers the small business community nothing. It says to them, wait one more time, wait until tomorrow, do not do it today, wait until tomorrow.

Remember the history here. We go back to 1975 and 1976. You had blue ribbon commissions, you had panels meeting, you had all kinds of organizations meeting. Here are the reports piled up in front of this desk since 1975, saying we have got to get small business into the innovation business.

The amendment today, my friends says to you, we are going to an SBIR program into 13 committees, 13 agencies, 13 departments. But tomorrow, not today. You have got a chance now to do what we did last week and vote this substitute down. And my friend from New York is right, the House has expressed its will overwhelmingly on these issues last week. Let us not replow this ground. Let us recognize that the Small Business Committee is here to ask us to vote today to recognize the creativeness of small business. I urge the defeat of the Fuqua amendment which would simply gut this bill and move on to final passage.

□ 1620

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to my friend, the gentlewoman from Massachusetts, a member of the Science and Technology Committee.

Mrs. HECKLER. And as an advocate and a champion for small business I might add. The reason that we are asserting the right of small business to be given a share of R. & D. funds in general is because of their outstanding performance in the American economy which warrants that share.

I say to my colleagues, I agree with what my distinguished ranking member from the Small Business Committee has said and I liken the situation before us today to the case of allowing the small business community the opportunity for the touchdown march that has already begun. Let us not defeat the small business team after they have worked so hard just to secure a first down. If we support small business, let us go all the way and reach the touchdown for them.

Mr. Chairman, as the ranking minority member of the Science, Research, and Technology Subcommittee of the full Committee on Science and Technology, I have been watching this bill very closely. My subcommittee handles the budget for the National Science Foundation (NSF) where the prototype of the small business innovation research (SBIR) program is still ongoing. Let me note for my colleagues that the NSF SBIR program is showing fantastic results. The program is a sound one.

Mr. Chairman, this is not the time to reiterate the importance of small business to the economy of this country. My colleagues on the Small Business Committee have made those facts abundantly clear. No one can deny the data showing the high rates of innovation, productivity, and job creation demonstrated by small firms. Let me point out one fact for my colleagues from the Northeast. An MIT study completed in 1979 showed that "small business generated all net new jobs in the Northeast" from 1969 through 1976. My understanding is that this pattern continues today.

I oppose the Science and Technology Committee amendment for several reasons.

The primary program is that it has been presented as a compromise; that it overcomes the problems of a mandatory set-aside. Two things should be made clear. First, the amendment is designed to kill the bill, so voting for it is the same as voting against small business. And second, labeling the funding target as a mandatory set-aside has created a misconception of the SBIR program that has been capitalized on by the bill's opponents.

Do not be fooled by this talk of compromise. The fact is the Science and Technology amendment does not require any funds to be spent, only reserved. If the proponents really thought that the money would be spent there would be no need for the amendment because its sets aside (reserves) 1.25 percent just like the bill.

The proponents of the amendment say that by subjecting the set-aside to annual committee review the desires of the Congress will be preserved and OMB will be prevented from taking over.

Let me make two points here. First, the committees will not lose their oversight powers over the SBIR program.

Not only is the bill designed to work within the parameters of an agency's R. & D. mission, it requires it. In point of fact, the bill only sets up a mechanism to insure that innovative small firms will have some minimum access to R. & D. funds; the bill does not say what those funds shall be spent for. No attempt is made to dictate what kind of R. & D. will be offered for solicitation under the SBIR program. That decision is up to the respective

agency and can be fashioned to precisely meet an agency's mission.

The fact is, an annual authorization is not necessary to insure that the SBIR program meets an agency's objectives.

Second, the proponents of the amendment have said that the basic issue is that OMB will take control unless this amendment is passed. The fact is, OMB would have no less power under its rescission and referral authority than it does under any other committee authorization, if the amendment passes.

Simply subjecting the program to annual committee review is not going to keep OMB out if it wants in.

It has also been argued that this bill will shrink even further a declining Federal R. & D. budget. This simply is not true. The same research will take place with just as much R. & D. money. The bill before the Members today would simply make 1.25 percent or less of these R. & D. funds available to small firms who we know were innovative and productive, and who created more jobs per dollar than large firms. It seems to me the bill does the reverse of what its opponents claim. It takes a small percentage of an admittedly declining R. & D. budget and targets it to the most efficient spender—small business.

My colleagues should note that the Science and Technology amendment was drafted before the Small Business Committee passed its new compromise. Having done that, the Science and Technology amendment has become unnecessary for any reason other than to kill the bill.

For example, the 3-percent targeted funding level has been reduced to a White House-supported 1.25 percent. A protection for basic research is now included in the new bill, and an exclusion of in-house research and intelligence agencies has been added. The committee amendment does not contain the former provision. These changes alone represent major changes in the original legislation Science and Technology was attempting to amend and makes the current amendment redundant.

In addition to the omission of an exclusion for in-house research, the Science and Technology Committee amendment allows for no role of the Small Business Administration, it contains no requirement that the targeted goals be increased annually, and to repeat an earlier point, it does not require that the Federal agencies actually spend any money, only that they reserve the funds.

In short, the amendment should be voted down by supporters of small business. A vote for the amendment is a vote against small business.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FUQUA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 118, noes 290, not voting 24, as follows:

[Roll No. 163]

AYES—118

Andrews	Foley	Murtha
Annunzio	Ford (MI)	Nelson
Aspin	Fountain	Nichols
Badham	Fuqua	O'Brien
Barnard	Gaydos	Obey
Beard	Gibbons	Ottinger
Beilenson	Glickman	Parris
Bennett	Gonzalez	Patterson
Biaggi	Gradison	Pepper
Bingham	Gramm	Pickle
Bliley	Grisham	Price
Bouquard	Hall, Ralph	Quillen
Bowen	Hance	Rinaldo
Brinkley	Heftel	Robinson
Brodhead	Hutto	Rodino
Brooks	Jacobs	Roukema
Brown (CA)	Jeffries	Sabo
Burgener	Jones (NC)	Scheuer
Butler	Jones (OK)	Sensenbrenner
Carney	Kastenmeier	Shannon
Chappell	Kindness	Shumway
Chappie	Lantos	Simon
Clinger	Leach	Solarz
Conyers	Leath	Solomon
Coyne, William	Lehman	Stratton
Crane, Daniel	Long (MD)	Stump
Crane, Philip	Lowry (WA)	Swift
Daniel, Dan	Martin (NC)	Udall
Daniel, R. W.	Matsui	Volkmer
Dannemeyer	McClory	Walgren
de la Garza	McCloskey	Wampler
Dickinson	McCurdy	Waxman
Dingell	McDonald	White
Dougherty	McHugh	Whitehurst
Dwyer	Miller (OH)	Whitten
Early	Mineta	Wortley
Edwards (OK)	Montgomery	Yates
Fascell	Moore	Young (MO)
Fazio	Mottl	
Flippo	Murphy	

NOES—290

Addabbo	Collins (IL)	Ertel
Akaka	Collins (TX)	Evans (DE)
Albosta	Conable	Evans (GA)
Alexander	Conte	Evans (IA)
Anderson	Corcoran	Evans (IN)
Anthony	Coughlin	Fary
Applegate	Courter	Fenwick
Archer	Coyne, James	Ferraro
Atkinson	Craig	Fiedler
AuCoin	Crockett	Fields
Bailey (MO)	D'Amours	Findley
Bailey (PA)	Daschle	Fish
Barnes	Daub	Florio
Bedell	Davis	Foglietta
Benedict	Deckard	Ford (TN)
Benjamin	Dellums	Forsythe
Bereuter	DeNardis	Fowler
Bethune	Derrick	Frank
Bevill	Derwinski	Frenzel
Boggs	Dicks	Frost
Boland	Dixon	Gejdenson
Boner	Donnelly	Gephardt
Bonker	Dorgan	Gilman
Breaux	Dornan	Gingrich
Broomfield	Downey	Goldwater
Brown (CO)	Dreier	Goodling
Burton, John	Duncan	Gore
Burton, Phillip	Dunn	Gray
Byron	Dymally	Green
Campbell	Eckart	Gregg
Carman	Edgar	Guarini
Cheney	Edwards (AL)	Gunderson
Clausen	Edwards (CA)	Hagedorn
Clay	Emerson	Hall (OH)
Coats	Emery	Hall, Sam
Coelho	English	Hamilton
Coleman	Erdahl	Hammerschmidt
Hansen (ID)	Mazzoli	Schroeder
Hansen (UT)	McCollum	Schulze
Harkin	McDade	Schumer
Hartnett	McEwen	Seiberling
Hatcher	McGrath	Shamansky
Hawkins	McKinney	Sharp
Heckler	Mica	Shaw
Hefner	Michel	Shelby
Hendon	Miller (CA)	Shuster
Hertel	Minish	Siljander
Hightower	Mitchell (MD)	Skeen
Hiler	Mitchell (NY)	Skelton
Hillis	Moakley	Smith (AL)
Holland	Moffett	Smith (IA)
Hollenbeck	Molinari	Smith (NE)
Holt	Mollohan	Smith (NJ)
Hopkins	Moorhead	Smith (OR)
Horton	Morrison	Smith (PA)
Howard	Myers	Snowe
Hoyer	Napier	Snyder
Hubbard	Natcher	Spence
Huckaby	Neal	St Germain
Hughes	Nelligan	Stangeland
Hunter	Nowak	Stanton
Hyde	Oakar	Stark
Ireland	Oberstar	Staton
Jeffords	Oxley	Stenholm
Jenkins	Panetta	Stokes
Johnston	Pashayan	Studds
Jones (TN)	Patman	Synar
Kazen	Paul	Tauke
Kemp	Pease	Tauzin
Kennelly	Perkins	Taylor
Kildee	Petri	Thomas
Kogovsek	Porter	Traxler
Kramer	Pursell	Trible
LaFalce	Rahall	Vento
Lagomarsino	Railsback	Walker
Latta	Rangel	Washington
LeBoutillier	Ratchford	Watkins
Lee	Regula	Weaver
Leland	Reuss	Weber (MN)
Lent	Ritter	Weber (OH)
Levitas	Roberts (KS)	Weiss
Lewis	Roberts (SD)	Whitley
Livingston	Roe	Whittaker
Loeffler	Roemer	Williams (MT)
Long (LA)	Rogers	Williams (OH)
Lott	Rose	Winn
Lowery (CA)	Rosenthal	Wirth
Lujan	Rostenkowski	Wolf
Luken	Roth	Wolpe
Lundine	Rousselot	Wright
Madigan	Roybal	Wyden
Markey	Rudd	Wylie
Marlenee	Russo	Yatron
Marriott	Santini	Young (FL)
Martin (IL)	Savage	Zablocki
Mattox	Sawyer	Zeferetti
Mavroules	Schneider	

NOT VOTING—24

Bafalis	Dyson	Mikulski
Blanchard	Erlenborn	Peyser
Bolling	Fithian	Pritchard
Bonior	Garcia	Rhodes
Brown (OH)	Ginn	Richmond
Broyhill	Lungren	Vander Jagt
Chisholm	Marks	Wilson
Dowdy	Martin (NY)	Young (AK)

□ 1630

Messrs. ZEFERETTI, NAPIER, and FISH changed their votes from "aye" to "no."

Mr. McCLORY changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1640

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: Page 4, line 2, after "obligations" insert "minus obligations for basic research and".

Page 5, line 25, after "activity" insert "(other than basic research)".

Page 6, strike out line 9 and insert in lieu thereof the following:

ments; and

"(6) the term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective.

Page 5, line 23, strike out "and".

Page 7, line 11, strike out "thereunder:" and all that follows through the end of the sentence on line 16 and insert in lieu thereof "thereunder."

Page 7, line 21, after "subsection." insert "Nothing in this section shall be construed to require any Federal agency to expend any amount for basic research with any small business concern."

Mr. McCLOSKEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McCLOSKEY. Mr. Chairman, this amendment does a very simple thing. It would exempt from the ambit of this bill, from the $377 million to be set aside for small profitmaking businesses to engage in Federal research, it would exempt the 13 percent of that $377 million that goes for basic research in the Nation's research budget.

Now, basic research is different from research and development leading to commercial products. It is the specific purpose of this bill, and I would quote from the purposes of the bill at page 5:

It is the specific purpose of the bill to try to get small businesses to do innovative research that will lead to commercial applications.

The bill is specific in this, and if Congress wanted to help small business make money, it is understandable that small businesses that are engaged in seeking profit might properly get some Federal assistance. That is the purpose of the sponsors of the bill. Now, of these research and development projects that are going to be done for profit, it seems to me that the authors of the bill should willingly accept an exemption of basic research where no profit is in order or desired.

Let me cite an example. In my own district I have Silicon Valley, the greatest assembly of high-tech research and development companies probably anywhere in the world today. I also have the Stanford linear accelerator project that costs upward of $100 million a year in basic research into the makeup of the atom. There is no private company that can do that basic research; there is no private company that would want to do it because there is no potential profit involved. It seems to me that in basic research, where the Government is seeking that research be done with no profit in view, that this is not research that should be done by companies that are organized to make profit. No company that I know of that is worthy of its name in the high-technology research business is doing research unless it wants to make a profit.

But for basic research, where no profit is possible, it seems to me absolutely appropriate that the basic research should be done by people who have no profit motive in mind. It seems to me that the purpose of this bill, and I say this to the gentleman from New York, in crafting this bill to try to have the research job of America assigned to profitmaking companies, we should not assign to them a task which they are not incorporated to do and do not want to do.

Let me again go back and read the precise language of the bill. It refers to a third phase in which non-Federal capital pursues commercial applications of the research or research and development. Now, if the purpose of the bill is to pursue commercial applications is that not enough? Why should there be any research that has no commercial value, no future commercial hope, no commercial advantages, be done by companies that are only interested in earning a profit? If you or I were shareholders in a company that was trying to make money, we would not be organized to do basic research because we would not want to do such research unless a profit were possible.

The amendment is simple. I do not think it takes elaboration. Thirteen percent of the Federal budget goes for basic research. This amendment would simply remove that 13 percent for noncommercial research from the amounts to be set aside for commercial companies.

Mr. LaFALCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the fact is that basic research is an amorphous term. It is much misused in the debate over this bill by those who really just want to protect the status quo. The National Science Foundation said the following on basic research in its Science Indicators 1980 Report:

There is not always a clear distinction between "basic" and "applied" research. A particular research effort may be identified as "basic" or "applied" depending on whether the classification is made by the research sponsor, the performing organization, or by the individual performing the work.

I would like to emphasize that there is no inherent conflict between basic research and a small business innovative research program. In fact, all the testimony we have heard clearly demonstrates that they complement one another and that SBIR programs enhance public support for scientific research.

The Small Business Committee, though, does appreciate the concerns of those who feel that Federal support for basic research may be affected by the Small Business Innovative Development Act. We do not feel that will be the case, but therefore, we did support an amendment, which we included in our bill, that limits the amount of funds that could be taken from basic research programs to the overall percentage of funds earmarked to support SBIR programs.

I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The amendment was rejected.

□ 1650

AMENDMENT OFFERED BY MR. WAMPLER

Mr. WAMPLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAMPLER: At page 4, insert before the period at the end of line 8 the following: "And except for the Department of Agriculture it shall not include amounts obligated for Federal-State cooperative agricultural research and agricultural research and development facilities and activities under the Act of March 2, 1887 (7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887; the Act of August 30, 1890 (7 U.S.C. 321 et seq.); the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) and section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196 (a))".

Mr. WAMPLER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WAMPLER. Mr. Chairman, the amendment I am offering corrects an oversight in the Small Business Committee substitute bill, H.R. 6587, the Small Business Innovation Development Act of 1982, as it relates to Federal-State cooperative agricultural research.

Unfortunately the committee on which I sit as ranking minority member, the Committee on Agriculture, was not among those committees to which this bill was referred. Had this bill been referred to our committee, this amendment would have surely been added to this bill, as it has strong support from the agricultural community.

I note that this bill excludes research activities performed by employees of a Federal agency or research performed in or through Government-owned or Government-operated facilities in the definition of the term extramural budget obligations, which are

the object of this set-aside to small business firms. I have no argument myself with this proposition in the bill, except that it leaves out a very important program of the Federal Government that has been the keystone to America's unparalleled success in producing food and fiber to feed, clothe, and house our people and many of the people of the world.

I speak here of the Department of Agriculture's Federal-State cooperative agricultural research program, which began in our country well over a century ago.

Mr. Chairman, this Federal-State program, strengthened in the Farm Act of 1977 and again last year by this Congress in the 1981 Farm Act, is the backbone of America's agricultural research program.

This program is based on Federal-State matching grants, with the Federal partner providing in the most part seed money. The program exists in every State, territory, and the District of Columbia at State agricultural research experiment stations, State forestry, and veterinary schools located at State colleges and universities across this land of ours. It also applies to our black land grant colleges. Funds to operate this program are appropriated by the Congress annually on a formula basis to each of these States research facilities based upon a ratio of farmers and ranchers engaged in agriculture in each State to the total number of farmers and ranchers in the country and also upon the number of rural people in each State compared to the total number of rural people in our country. The State forestry and veterinary funding procedure is based upon a similar formula, except that it applies to forest products harvested in each State or livestock and veterinary facilities in each State against the national production base.

The Federal Government supplies, nationwide, 15 percent of the total moneys received by the State agricultural experiment stations to conduct agricultural research. The State legislatures contribute 62 percent, private agribusiness contributes 9 percent, and all other Federal agencies contribute another 14 percent. These moneys are used to conduct basic and applied research to solve basic agricultural problems at the State and regional level to improve animal and plant production efficiency, animal and plant diseases and stresses, new crops, human nutrition, new technology to improve food preservation, food storage, and soil and water enhancement; all of which aid to reduce cost of production of food and fiber and are of special benefit to consumers. Agribusiness takes this research and adds developmental research to introduce new products and new technology to put new agricultural products on the market. This cooperative research process between the Federal Government, State governments and institutions, farmers and ranchers, and agribusiness—small and large—has put America and kept America—at the forefront of the world in quantity, quality, and safety in agriculture.

I might point out one important and critical point here, Mr. Chairman. In State after State across this land, one of the strongest supporters, and I include direct and massive financial support to individual programs at these institutions, of this Federal/State cooperative program is American business, big and small. And particularly, one small business, but yet probably the most important to the economic and physical well-being of all our people, the American farmer and rancher. Added to this are the hundreds of small food, fiber, and forestry processors, the food distributors, warehousemen, transporters, pesticide formulators, fertilizer companies, farm suppliers, and energy suppliers, all of whom support and obtain benefits from this program in a thousand different ways.

My amendment corrects this legislation, then, which exempts small business set-aides of research performed in Federal facilities, by extending this exemption also to research performed in State governmental facilities. Facilities which are funded by the Federal Government and which are closely monitored by the Federal Government, so as to make them amount to quasi-Federal-governmental research activities.

Included in my amendment are Federal-State cooperative research programs specifically designated by the following Federal statutes: The Hatch Act of 1887, as amended; the 1890 black land-grant colleges; the McIntyre-Stennis Cooperative Forestry Acts of 1962; and the animal disease and health research sections of the 1977 and 1981 Farm Acts.

I urge your support for this amendment.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. WAMPLER) has expired.

(On request of Mr. SMITH of Iowa, and by unanimous consent, Mr. WAMPLER was allowed to proceed for 3 additional minutes.)

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I wonder if the gentleman might have a mistaken idea about how this bill works. Perhaps not, but I want to point this out.

We are only talking about the Department using $560,000 in the first year for the competitive program and working up to a total in 1986 of $3.5 million. Not 10 cents of it needs to come out of the programs the gentleman is talking about. They can take it all out of another program they have here in Washington, D.C.; they do not have to take anything at all out of the programs you mentioned and I would not expect them to do so.

Mr. WAMPLER. Mr. Chairman, let me say to the gentleman that, if I understand correctly, H.R. 6587 excludes the Agriculture Research Service of USDA which oversees Federal research funds of about $468 million. All I am asking is that we not disrupt the formula finding such as Hatch, McIntyre-Stennis, and the animal health sections of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.

Mr. SMITH of Iowa. Mr. Chairman, my point is that there is no need whatever to interrupt those at all. The Department of Agriculture would not be expected to interrupt those in any way. They have plenty of leeway in other programs to reserve a mere $580,00 of other programs.

This is not taking it out; it is making sure that they have that much small business research and development in those other programs. There is such a small amount involved that they do not have to take anything out of these programs. They are not required to take a certain percentage out of each and every program; it is only a certain percentage out of the whole Department of Agriculture.

Mr. WAMPLER. Mr. Chairman, if I may say to my friend, the gentleman from Iowa, Mr. SMITH. I was the principal author of title XIV of the 1977 farm bill which was designed to put new and additional emphasis on agriculture research. We provided in that bill—and we reinforced it again in the farm bill last year—for the competitive research grants which we felt would provide the mechanism for those outside of the traditional formula funding process to come in and show if they had the capacity—large, small, medium, whatever they might be—to participate in agricultural research.

But I feel that the language of this bill could cause violence to the historical partnership between the Federal and State governments. Why should we be here telling the several States which appropriate approximately 62 percent of the funds to carry out these essential research programs that they have to set a portion of them aside? I think it is fundamentally wrong.

Mr. SMITH of Iowa. Mr. Chairman, they do not have to set aside out of those programs 10 cents. They can set it aside out of other programs that will not do violence to those programs at all. This does not do violence to any of those programs, and not a dime would come out of them.

Mr. WAMPLER. If they do not do violence to them, where does it do them any good?

The CHAIRMAN. The time of the gentleman from Virginia (Mr. WAMPLER) has again expired.

(On the request of Mr. SMITH of Iowa, and by unanimous consent, Mr. WAMPLER was allowed to proceed for 2 additional minutes.)

Mr. SMITH of Iowa. Mr. Chairman, the reason is this: First, the bill exempts intramural and that is $526 million. They only have $800 million to start with. Then if we exempt each one of these things in your amendment and we get down to where we only have $100 million and with a $100 million threshold, the whole Department is exempt.

Mr. WAMPLER. That would not be all bad.

Mr. SMITH of Iowa. If that is the gentleman's objective, that is something else.

Mr. WAMPLER. If the gentleman from Iowa does not believe in the success of the Hatch Act, the McIntyre-Stennis Act, and the animal health sections that I attempt to amend, then he will have to explain that to the farmers in Iowa.

Mr. SMITH of Iowa. This does not have anything to do with that because McIntyre-Stennis only got a mere $12 million last year. They are only asking for $10.8 million this year. They do not have to take 10 cents out of the Hatch Act funds. They can take it out of the research funds or something else. There is no necessity to take it out of those individual programs the gentleman is talking about.

□ 1700

Mr. WAMPLER. Is the gentleman aware of any small businesses that have applied to the USDA for research grants under the competitive research grant program and had the grants denied?

Mr. SMITH of Iowa. Certainly there are small businesses out there that could do research in that area.

Mr. WAMPLER. But I hope the gentleman would agree, historically, under the Hatch Act, this research has been for the most part applied research, not for a profit but to share the knowledge and information with thousands of producers and others. This is one of the reasons why you and I enjoy this abundance of food in this country today.

Mr. SMITH of Iowa. This does not affect the Hatch Act. I just cannot imagine the Department taking money out of the Hatch Act and saying that has to go to research and development under this program.

There is no need to touch the Hatch Act.

Mr. WAMPLER. I say to my friend from Iowa, why meddle with something that has served this country so well for so many years?

Mr. SMITH of Iowa. The point is we are not meddling with it. They do not have to take a certain amount out of each and every program. They can take it out of anyplace else in the whole Department.

Mr. WAMPLER. But the gentleman from Iowa is willing to let the Department of Agriculture make that judgment. I am not.

Mr. BEDELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is the privilege of the gentleman from Iowa to serve on the Agriculture Committee with the gentleman from Virginia (Mr. WAMPLER).

I think the gentleman from Iowa now speaking has always worked to help see that we had adequate research and that we increased research funding. But I would say to the gentleman from Virginia that this was no oversight by the Small Business Committee. This is something that this gentleman, who serves on both committees, certainly believes needs to be done.

The other gentleman from Iowa (Mr. SMITH) is absolutely correct. There is no mandate here that has to in anyway adversely affect the program the gentleman from Virginia is talking about and that he has so well supported.

The facts of the matter are that in the National Science Foundation, which is not particularly directed necessarily at agriculture, they found that 18 percent of their awards went to small businesses who had agricultural proposals.

They went to them because of the great proposals they were getting in regard to agricultural research.

The effort in this bill is simply to open that up so that some small, small part is made available to small business.

As the gentleman from Iowa (Mr. SMITH) pointed out, in 1983 we are talking about less than $600,000 out of the total budget of $860 million.

The whole purpose, because of what happened in the National Science Foundation, is to give this same opportunity to agricultural research, and to show that it can happen to agriculture, which surely will increase the effectiveness of our agricultural research and needs not in any way adversely affect the program the gentleman from Virginia so strongly supports.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Virginia.

Mr. WAMPLER. I thank the gentleman for yielding.

At the outset the gentleman from Iowa said the Committee on Agriculture was not one of the committees to which this bill was referred. Can the gentleman from Iowa enlighten the gentleman from Virginia as to why it was not referred to our committee since it was referred to other committees?

Mr. BEDELL. I think I can answer the gentleman. I think there was some interest by some of the members of the Agriculture Committee in reviewing this to see whether or not it was proper. But at least it was not brought up in the committee, as the gentleman knows, and this is not a committee proposal.

The gentleman from Iowa would have made these points very clearly in the Agriculture Committee. I do not know how that committee would vote. But I know for sure how this gentleman would vote. This gentleman certainly, coming from the State I do, and involved as I am, is interested in agricultural research being as effective as possible, just as is the gentleman from Virginia who has worked so hard for these efforts.

I think that if there is a mistake made the gentleman from Iowa pleads guilty to not explaining it more completely before it came up so the gentleman from Virginia would know that this does not necessarily adversely affect the program in which the gentleman from Virginia is interested.

Mr. WAMPLER. If the gentleman will yield further. Like most members of this committee, I feel very strongly about the jurisdiction of the committee on which I serve, the Committee on Agriculture. I hope this bill is not a precedent for what we might see happen again in the future, the practice of bypassing authorizing committees.

We have heard the matter of committee jurisdiction discussed time and time again during our consideration of the budget process and it just seems to me that our committee was bypassed.

We have a very deep interest in the effect of this bill on agricultural research.

Mr. MITCHELL of Maryland. Will the gentleman yield to me?

Mr. BEDELL. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I just wanted to explain to the very distinguished gentleman from Virginia that the other committees that became involved requested a sequential referral. Certainly had that request been made by the gentleman's committee I am sure that the leadership would honor it.

But I think the sequential referral was requested because some of those committees felt that they saw some danger in our legislation. That was the only reason they requested it.

I assume the gentleman did not, initially at least, did not see any danger in this legislation.

Mr. WAMPLER. I thank the gentleman for his answer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. WAMPLER).

The question was taken; and on a division (demanded by Mr. WAMPLER) there were—ayes 13, noes 34.

Mr. WAMPLER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears. Members will record their presence by electronic device.

□ 1710

QUORUM CALL VACATED

The CHAIRMAN. One-hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Virginia (Mr. WAMPLER) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 2, line 17, strike the word "and," add the following new subsection and renumber the section accordingly:

(3) to foster and encourage participation by minority and disadvantaged persons in technological innovation; and

Mr. GONZALEZ (during the reading). Mr. Chairman, amendment No. 3 is the one I am offering. That is on page 10.

Mr. McDADE. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The gentleman has offered a constructive amendment, and we are willing to accept it on this side.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. LAFALCE. Mr. Chairman, reserving the right to object, there are three possible amendments, and I want to make sure that I understand which of the three amendments the gentleman is offering.

Mr. GONZALEZ. If the gentleman will yield, No. 3, page 10, line 9.

Mr. LAFALCE. The one which would simply maximize opportunities?

Mr. GONZALEZ. That is right.

The CHAIRMAN. Is there objection to dispensing with the reading of the amendment?

Mr. LAFALCE. Objection, Mr. Chairman. I ask that it be read.

Mr. McDADE. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 10, line 9, after the word "schedules;" add the following: and (I) maximizes opportunities for firms owned and managed by minority or disadvantaged persons;

The CHAIRMAN. The gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Chairman, if the gentleman will yield, it is my understanding that that is amendment No. 1, rather than amendment No. 3, and that it was the agreement of the committee to accept amendment No. 3.

The CHAIRMAN. The gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes in support of his amendment.

Mr. LAFALCE. Mr. Chairman, I ask if the gentleman would like to withdraw his amendment and reoffer amendment No. 3.

The CHAIRMAN. The gentleman will suspend.

The gentleman from Texas (Mr. GONZALEZ) is recognized.

Mr. GONZALEZ. Mr. Chairman, I think the gentleman is mistaken. What I had marked as No. 3 is this one, on page 10, line 9, which the Clerk has read.

Mr. LAFALCE. If the gentleman will yield, unfortunately the amendment that the gentleman offered me is numbered No. 1.

Mr. GONZALEZ. It must have been marked wrong.

Mr. LAFALCE. Would the gentleman agree to offer what we had numbered as amendment No. 3?

Mr. GONZALEZ. Which line does that address?

Mr. LAFALCE. That would be on page 2, line 17.

Mr. GONZALEZ. Yes.

The CHAIRMAN. Does the gentleman ask unanimous consent to withdraw his first amendment?

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent to withdraw the first amendment and to offer in lieu thereof the second amendment on page 2, line 17.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 2, line 17, strike the word "and," add the following new subsection and renumber the section accordingly:

(3) to foster and encourage participation by minority and disadvantaged persons in technological innovation; and

Mr. LAFALCE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GONZALEZ. Mr. Chairman, my purpose is very simple, and I believe my amendment will strengthen the basic purpose of this bill.

Fundamentally, this bill seeks to encourage greater participation in federally sponsored research by small organizations. We know for a fact that it is small researchers who frequently have the best ideas. Their greatest problem is not in the area of ability, but in the area of finding support to carry out their research, and finding outlets for their ideas.

We know for a fact that small research organizations are less inhibited by corporate or bureaucratic demands—they are therefore more likely to take deeper risks, hoping for greater rewards. That is why this bill has been brought forward.

But the bill is silent on the question of minority participation in this field of technological innovation. It should not be, and my purpose is to cure that failing.

My amendment simply says that the programs to be established ought to encourage research by minority-owned and operated firms. It ought to maximize, in fact, participation by minority firms.

My amendment does not set aside any specific amount for minority participation. It does not set up any artificial goals to be reached. It simply says that one of the aims, one of the principal objectives of this program, is to enlarge the opportunities for minority persons to gain meaningful participation in the fields of scientific endeavor.

There is a slogan used by a fund appeal for black colleges and universities, and it says this: a mind is a terrible thing to waste. How true that is. There is no way of measuring, no way of even guessing, how much this country has lost simply because minorities have not had the opportunity of full participation. All too often it has been despite everything that minorities have been able to make genuine contributions. They have had to overcome more than anyone else, in order to realize their ambitions.

Everybody knows the story of George Washington Carver—but consider how great his contribution could have been if he had been given the support and status in society that his talents really entitled him to. Consider what he might have been able to do if he had enjoyed the opportunities and acceptance that was available to an Edison. It was despite the conventions and constraints he faced that Carver

was able to make his contributions to American science. What would it have been like if he had not faced poverty and degradation and third-class status? What would it have been like if he had enjoyed first-class status? No one knows.

Everybody knows that blood plasma was an innovation by a black scientist—but how much more might he have done, if there had been real support, real acceptance, real encouragement? No one knows.

There is a proud list of minority people who have made great contributions to American science—but the tragedy is the shortness of that list. We have wasted too many minds, too many talents.

What this bill so appropriately recognizes is that if we put more fish into the stream, the fishing will be better.

What my amendment does is to say that we should not forget to enrich the waters by adding variety to the fish.

All I am asking is that this program recognize the fact that minority individuals historically have been deprived of a full opportunity to participate in scientific research. We ought to use this program as one means to help bring that tragedy to an end—to be sure that we are taking advantage of all the talents that this country has to offer, all the genius that we can muster. That cannot be done if this program fails to include a priority for participation by minority and disadvantaged persons. My amendment is in keeping with the spirit and purpose of the bill, it is in keeping with our commitment to heal the wounds of past injustice, and it is in keeping with our overriding national need to bring into the picture people who are left out—because no one has encouraged them to take up their rightful role

I urge the adoption of my amendment.

Mr. LAFALCE. If the gentleman will yield, the committee can accept that amendment, Mr. Chairman.

Mr. McDADE. If the gentleman will yield, Mr. Chairman, we have no objection on this side.

Mr. GONZALEZ. Mr. Chairman, I thank the managers of the bill on both sides and the chairman, the gentleman from Maryland (Mr. MITCHELL), for accepting this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 6, line 10, strike out "Each" and insert in lieu thereof "(1) Except as provided in paragraph (2), each".

Page 7, after line 21, add the following new paragraphs:

"(2) The Department of Defense shall not be required to establish or conduct a small business research innovation program under this subsection for any fiscal year if, during the preceding fiscal year, the amount of funds obligated by the Department of Defense for research or research and development contracts with small business concerns was greater than 1.25 percent of the total amount of funds obligated by the Department of Defense for research or research and development contracts with all business concerns.

"(3) Amounts appropriated for atomic energy defense programs of the Department of Energy shall for the purposes of paragraph (1) be excluded from the amount of the research or research and development budget of that Department.

Mr. McDADE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The gentleman from Alabama (Mr. DICKINSON) is recognized for 5 minutes in support of his amendment.

Mr. McDADE. Mr. Chairman, if the gentleman will yield, the distinguished gentleman from Alabama and his colleague, the gentleman from New York, have discussed this with this side of the aisle, and we are prepared to accept the amendment.

Mr. LAFALCE. If the gentleman will yield, it is my understanding, Mr. Chairman, that this is the last amendment offered by the Armed Services Committee, and with that understanding, we accept the amendment.

Mr. DICKINSON. Mr. Chairman, let me say that I realize there is no coercion intended here, but speaking on behalf of the ranking minority member and the gentleman from New York (Mr. STRATTON), the committee itself—and we cannot bind any Member—but the committee itself plans no additional amendments. What we are doing here is saying for nuclear weapons, that part of R. & D. would be excepted from the provisions of this amendment, and we have planned no additional amendments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. O'BRIEN

Mr. O'BRIEN. Mr. Chairman, I offer an amendment.

□ 1720

The Clerk read as follows:

Amendment offered by Mr. O'BRIEN: Page 6, insert before the period in line 9 a comma and the following: "but such term does not include research or research and development conducted by or through the National Institutes of Health, the Alcohol, Drug Abuse, and Mental Health Administration, or the Health Care Financing Administration".

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN. I yield to the gentleman from New York.

Mr. LAFALCE. I thank the gentleman for yielding.

Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude within 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DINGELL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. McDADE. Mr. Chairman, I reserve a point of order on the amendment.

Mr. Chairman, if the gentleman will yield, I have not seen this amendment. I would like to inquire whether or not this is not the same amendment which the House voted upon and rejected last week?

Mr. O'BRIEN. To my friend from Pennsylvania I suggest this is similar to but not identical to the amendment offered by the gentleman from California (Mr. WAXMAN).

Mr. McDADE. Would the gentleman furnish me with a copy?

Mr. O'BRIEN. I did put one there, but I will provide the gentleman with this.

Mr. McDADE. Mr. Chairman, I withdraw my point of order, based on the gentleman's assurance that we will get a copy of the amendment.

Mr. O'BRIEN. I suppose it would be naive to think that the gentleman from Alabama set a precedent but it would be nice.

Mr. Chairman, with respect to this particular bill, this particular amendment is similar to that offered by the gentleman from California, but it is not precisely the same. It is smaller in scope. It covers only the National Institutes of Health, the Health Care Financing Administration, the Alcohol Drug Abuse and Mental Health Administration, and irrespective of other considerations, it does seem to me that it has merit on its own for one particular reason, at least.

As of January first of this year those agencies—and I believe a department-wide policy—have indicated that scientists from for-profit firms are now eligible to receive research grants for the first time, scientists from for-profit firms are eligible to be appointed to peer review committees, and for-profit firms are allowed to retain the rights to patents developed with Federal funds.

For example, if a for-profit firm with Federal funds developed something like Tagamet, the magic medication for ulcers, it would be allowed to perfect its patent and retain its profits gained from it.

I think that this would be an opportunity to give the NIH ADAMHA and HCFA an opportunity to demonstrate their good faith. Grants are now coming in, decisions have not been made, and it seems to me that this amendment from the standpoint of doing what the gentleman from New York and the gentleman from Pennsylvania are striving to do, is trying to accomplish that. It is opening the doors, but it is not going for the set-aside. That is to say, what this amendment says, the for-profit agencies are permitted to compete and they will not be excluded, and if the merits of their case are good, then they will succeed. I would hesitate to think that this would not be a time to give the NIH and the Department of Health and Human Services an opportunity to take advantage of the suggestions that are contained in this bill.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number to words and I rise in opposition to the amendment.

Mr. Chairman, I will not take the 5 minutes. My State of Maryland is world renown for what is called Maryland beaten biscuits. They are very delicious when first made. If you warm them over they are not so palatable. That is all that this amendment is, a warmed over version of something that this House overwhelmingly rejected last week. Therefore, I urge the defeat of the amendment.

Mr. WAXMAN. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, this is similar to an amendment that we had on the floor last Thursday which would have exempted NIH from the requirements of this bill. That amendment was defeated by 30 votes at a time when over 75 Members were not here.

This is a chance to rectify the defeat of that amendment and to change this bill so that it does not do a great deal of harm to the biomedical research program funded by the Federal Government.

This small business set-aside would take money away from the National Institutes of Health and the universities and medical research centers around the country that are funded through the NIH. It would take money away at a time when the funds for NIH, in real terms, are shrinking. It would say that, no matter the merits of research proposals from Johns Hopkins, or Harvard, or Stanford, or the University of California, or any of the other great institutions around this Nation, we are going to take money away from your programs, so that we can give it to small business. This does not make sense.

It does not make sense because small business, first of all, already does participate in the NIH research program. Recent changes at NIH are going to make it even more attractive for them to participate in funding, in the future. But to set aside a quota of funds for biomedical research that must go to small business will diminish the amount of money going to other research projects.

Now, why should we treat health differently?

The reason we should treat health differently is that health research and development is, in fact, different from other types of Government-funded research and development.

A small businessman goes into research and development to develop a product that he can sell. Research in the health area looks at the cell, at viruses, as causes of disease. Much of that research does not go to develop a product. Much of that research does not lead to a product that a small business could produce and sell. It goes into our understanding of disease. We are going to take away money from the research and understanding of disease and put it into research for products.

Now what are the products in the health field? The products are drugs and medical devices. There is no lack of capital to finance the development of drugs and medical devices. If anything, there is a surplus capital because these are very profitable enterprises. This is very different from other areas of Government-funded research and development.

This specific set-aside for small business provided by this bill will take money away from the universities and research centers at the NIH campus here and throughout the country. it will do a tremendous amount of harm to the research that is being done.

I urge my colleagues to vote for this amendment, whether they are for the bill or not. It is not inconsistent with the bill to have biomedical research continue to be founded on the basis of merit, and not on a quota system that will take away money from all the projects than are so important.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Illinois.

Mr. O'BRIEN. I thank the gentleman for yielding.

Is it not true that absent this amendment the approximately 350 highly rated research projects will be canceled within the NIH alone?

Mr. WAXMAN. That is an accurate statement of the number of research projects that will be terminated. Let me point out another statistic.

$40 million will be diverted from NIH activities. That is the total amount we now spend on arthritis research. We are going to take this amount away from biomedical research that goes through a peer review process and give it to some small business that will not stand the same test of peer review and may not make the same contribution.

Mr. O'BRIEN. Is it not also true that that small businessman, who may happen to be the exception, has the right to compete and easily maintain a grant just as any other institution might?

Mr. WAXMAN. There has been some concern in the past that small business did not have an adequate opportunity to compete for NIH funds. NIH has changed the rules. For-profit small businesses may now compete.

And over $100 million is now awarded in contracts and subcontracts to small businessmen. These funds would not even be counted against the small business set-aside. What this proposal asks is to have, in addition to current $100 million, to take away from biomedical research an additional $40 million as a set-aside for small business.

Mr. O'BRIEN. I thank the gentleman.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, an appreciation of this amendment requires an understanding, first of all, of what is at stake here. That is health, and second how the programs of the National Institutes of Health work.

Regrettably, the Small Business Committee, which is a very fine committee, on which I used to serve, has never really informed itself of how NIH works or why there is a difference between programs under the jurisdiction of the National Institutes of Health and programs of other Government agencies.

□ 1730

The bill is not necessary. NIH has a program which permits participation by small businesses, so small businesses are not excluded.

Second, NIH programs will be cut in the next 3 years by better than one-third in the budget which was adopted by the House today. If you add to that cut, amounts cut by this legislation, you will have an almost disastrous effect on a number of health programs under the jurisdiction of NIH.

Now, let us go further. The total amount of cuts that would be imposed on NIH in the next year is between $37 and $50 million.

How does NIH work? First of all, the research is not done, on the basis of some kind of pork barrelling. I know my good friend, the chairman of the Small Business Committee, said they wanted their share, as did my friend, the gentleman from New York, who is handling the bill.

Well, this is not something where anyone should have his share. What is

at stake here is a coordinated program of health research which is done by NIH in concert with the American Cancer Society, the American Heart Association, the American Lung Association, the AMA and the hospitals.

Interestingly enough, projects are selected by a peer review process wherein the best, the most deserving, the most workable projects which will contribute the most to our health research are selected. NIH research contributes to cures of the great and awful diseases which are the killers, the cripplers; to cures for the diseases which take from society our productive people and convert them either to death statistics or into statistics of the unemployed. These people, untreated, cost the American people enormous amounts of money because of mental or physical disabilities with which they are afflicted.

If you really want to have a program which helps small business, I say go ahead and authorize a small business program as such. I would urge the Small Business Committee to come forward with some kind of a special research program which would be administered by the Small Business Administration. If they want to do something within their jurisdiction, I say do it and I will probably be down here in the well supporting it with the same vigor; but when they want to take and convert carefully crafted programs which deal with health, which are subject to careful peer review, which are crafted to assure the maximum amount of benefit in terms of quality research and in terms of betterment of the health of the American people, then I say that is wrong.

I think that my colleagues on the Small Business Committee, if they really understood what they are doing and what is at stake here, would not be here with a bill of this kind.

Now, let us look at the consequences of this. The amounts that this bill would set aside from the health budgets of NIH is more than the total amount of money that will go into Interferon research. It is more than some of the institutes of NIH have in their total budget.

This is the kind of thing which I regard as enormously destructive from the standpoint of the overall health research program of the United States. Remember, we are talking about a program that is going to have a better than 30 percent cut in the next 3 years. This program will send out to a group of "Beltway Bandits." What it will do is reduce research which is now being done in the colleges and universities, not at Remington Rand or Bechtel or any of the great for-profit corporations.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 1 additional minute.)

Mr. DINGELL. But it will pull from the colleges, universities, teaching hospitals, moneys which are now going into a carefully coordinated program of research.

Now, beyond this who is it that favors the legislation? I do not know, but I can tell you that the legislation is opposed by the American Medical Association, the Association of American Medical Colleges, and the American Cancer Society, the American Heart Association, and the American Lung Association.

I urge my colleagues to adopt this very sensible amendment which is directed at perfecting the health of the American people and health research for the American people. It will benefit the American people and assist generations yet to come, by assuring that we will move forward with responsible, well done, carefully supervised health research.

Mr. DAUB. Mr. Chairman, I move to strike the requisite number of words.

I would like to speak in opposition to the amendment,

I have got a sense of déjà vu regarding the amendment, I must say to my colleagues. I heard the same arguments now before.

I want to quote from part of the debate, one of the debaters last week said:

> The proponents of this bill who are trying to fight this amendment are making a mountain out of a molehill. I want to point out that the research done by Health and Human Services is 95 percent NIH, 95 percent of what we are talking about is NIH funding which goes to universities, colleges and medical centers around the country.

There are two important points to be noted from the statement. Again this is from the debate that we have already had.

First, acknowledging that NIH funding goes to universities, colleges, and medical centers around the country—does not mention small business. I think that is because NIH up to now, at any rate, has indicated that it is not their intention to work with small business unless forced to do so.

I say out of a sense of fairness and equity, let us not exempt anybody and see how we do, and I oppose the O'Brien amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DAUB. I will be happy to yield to my chairman.

Mr. MITCHELL of Maryland. I just want to associate myself with the gentleman's remarks and indicate the legislation is supported by the National Federation of Independent Small Businesses, the National Small Business Association, Small Business United, the Small Business Association of New England, the Independent Business Association of Washington—on and on. There is lots of support for our position.

I thank the gentleman for yielding.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. DAUB. Certainly, I will be happy to yield to my friend, the gentleman from Iowa.

Mr. BEDELL. I think we should clearly make one point that was made in the debate before, and that is, we have talked about this great peer review system we have. People should understand, there are over 2,000 peer reviewers. Eight of the two thousand come from the business community. If you think that is going to be a fair review system where small business gets a fair consideration of their applications, then I believe you should think again.

Mr. EARLY. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the amendment. What is happening here is really tragic. We have people that favor the same thing fighting each other.

There is no question that small business should be funded for R. & D. The fact that they are not funded is an injustice, but to suggest, which this bill does, we obtain the funding from NIH, an already underfunded agency, is another injustice. You never resolve one injustice with another injustice.

Small business should be funded by a direct, new appropriation. This again is a back door approach; the irresponsible way of doing things. We do things in this body by across-the-board cuts, by set-asides, and we tell the American public that we are not appropriating money for it. That is not true.

When I came to Washington, they told me I was going to the big league of politics. I stand in this arena and I go down the hall to the other body and, yes, it is a big league institution, but there are some bush league players.

□ 1740

When one suggests that one can get the money in NIH to fund small business, one is being irresponsible.

In NIH, for basic grants in 1981, we funded 5,000 new and competing grants.

Under the continuing resolution, we will fund only 4,700 new and competing grants.

In testimony before my subcommittee, that is, Mr. NATCHER's Subcommittee on Appropriations for Health and Human Services, I asked Dr. Malone, the Acting Director of NIH, how many grants will we fund in the President's 1983 budget? Let me tell you how many. If you take the grants the way they have been funded in the past,

you will not fund 5,100, you will not fund 4,700; you will fund 3,300.

Basically, that is unfair. Why 3,300? Because in the President's budget proposal, he reflects a 4-percent across-the-board cut. He takes a 10-percent indirect funding cut, and what we conclude with is 3,300 grants.

Mr. Chairman, we should fund our R. & D. and small business, but we should not do it by creating another injustice, taking it away from an agency that is already underfunded.

In 1981, 5,000 new and competing grants were funded—only 39 percent of the approved, good, basic research. They could not fund 61 percent.

In the budget that the President has up in our committee right now, we will fund 27 percent of the approved, quality research proposals. We are going to reject 73 percent.

With this amendment, ladies and gentleman, we are going to take more away from an already underfunded agency.

Let me just say that, in the debate last week, the point was brought up by the gentlemen for Michigan and by the gentleman from Nebraska about the CAT scanner. Who developed the CAT scanner? I will tell you who developed the CAT scanner. Both gentlemen were right. The Nobel Prize was shared for the invention of the CAT scanner, between two people, Dr. Allan Cormack from Tufts University, and Mr. Hounsfield from a small business.

So that came about through the efforts of both brilliant minds. To fund the Hounsfield and the small businesses, I go along with that; but can anyone in this Chamber suggest that we should take it away from the Dr. Cormacks?

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. EARLY. I would yield to my good friend from Pennsylvania. But I want to say, in reference to my comments about bush-leaguers, that one major-leaguer in this park is my colleague from Pennsylvania, JOE MCDADE.

Mr. McDADE. I thank the gentleman.

I say to my beloved colleague from Massachusetts, I have the highest regard for him and I know the work he does with such intensity on this project, along with the gentleman from Iowa, on the Labor-HHS Subcommittee. I have great respect for him. I did not tell him that.

I think the gentleman just made the compelling argument for this program, and that is that two individuals, a small business person and a researcher at a university, worked together and developed this CAT scanner.

What we are doing, attempting to do, may I say to my good colleague, in this program is to continue that effort.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. EARLY was allowed to proceed for 3 additional minutes.)

Mr. McDADE. If the gentleman would yield further, it is to continue that kind of effort that is exactly what we want to encourage. Unfortunately, as my friend knows, small business for profit could not even apply at NIH.

Mr. EARLY. Mr. Chairman, I would like to stay within my 3 minutes, if I may.

Mr. Chairman, what the gentleman from Pennsylvania is suggesting, we should do, but with a direct appropriation.

There is no stronger advocate of small business than the gentleman from Iowa (Mr. SMITH). He puts the money in these projects and programs, and they cost money. We have to stop telling the American people that they do not. Education costs money. We have to pay for it.

Research costs money I say to my good friend from Pennsylvania, that you cannot go into NIH, which has taken the number of RO-1's down from the 5,000 recommended by 12 Nobel laureates a few years back to our subcommittee, take that down not to 4,700, but to 3,300. We should fund small business, but please, let us not go into NIH and take the money from it.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. EARLY. I yield to my friend, Mr. O'BRIEN, the sponsor of the amendment.

Mr. O'BRIEN. I thank the gentleman for yielding to me.

Mr. Chairman, if the gentleman would correct me if I am wrong, as I see the situation here, if this amendment passed, then small business participating in peer review will be able to compete with institutions for grants and, if I observe peer review correctly, the screening is very fine.

If the score had to be 100, then if they made the 100, they would get the grant. But under this bill, without the amendment, if you come to the end of the line and you have, say, 15 small businesses competing and 25 of them make the 100 and the others make 10, the 10's are going to get it anyway, automatically, are they not?

Mr. EARLY. That is true.

Mr. O'BRIEN. I thank the gentleman.

Mr. EARLY. What happens is that we have small business competing with individual investigators, not big business, for research funds. In NIH, the emphasis is on basic research rather than development. If we do not accept this amendment, small business is going to be competing with individuals, not the universities, not the big colleges—with the individual researcher, the scientist, the people responsible for getting us where we should go. In these austere times, when everyone says cut, cut, cut, we cannot, for example, just cut maintenance on a road, not fill the pot holes; that is a reduction, but it is not a saving.

Well, in basic research, if you take this money for this small business setaside, it is a reduction. We are not throwing out the right signals to the research community. We have got to show the young investigator who goes to medical school and becomes indebted over his head, that he can make this kind of a contribution to society. Research and development is good in small business, but it is absolutely necessary in NIH.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. WAXMAN and by unanimous consent, Mr. EARLY was allowed to proceed for 2 additional minutes.)

Mr. WAXMAN. Mr. Chairman, will my colleague yield to me?

Mr. EARLY. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, I do not think that many people realize how dedicated a physician must be to go into research when the attractions of private practice are so great. They can make much more money in private practice. But to have physicians commit themselves to careers in research at the major research centers and universities around this country, and then to say to them that "we are going to take money away from you because you are doing basic biomedical research" and give it to a small business which is trying to develop a product is to say to them: "You might as well not even be in research at all; go into private practice."

When we lose these people—and we are losing them because we are reducing the funds that have been available in the past—we lose the future for the research that we very much need.

Mr. EARLY. That is so true.

Mr. Chairman, at the 11 institutes at NIH, the highest paid jobs are the Directors, of course.

Let me tell everyone in this room, let no one disagree, six directorships at NIH were vacant, they went unfilled for over 8 months. And now the effort is to take more money away from that specific agency.

I close with this: It is an injustice that small business does not have enough money to do research and development; but to take it away from an underfunded NIH—and they are underfunded—is another injustice. I have never seen one injustice that resolves another injustice.

Mr. LAFALCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the House of Representatives heard every single argu-

ment that has been advanced today on behalf of this amendment last Thursday. The House rejected the amendment last Thursday, and the House should reject it once again today.

Nothing new has been advanced whatsoever. As a matter of fact, if I may say so, if any amendment should be defeated it ought to be this one.

Why so? Because in other agencies small business has been able to get a modicum of the money that has been advanced for research and redevelopment. But in the National Institutes of Health, not one penny in the past.

And why so? Because there was a legal prohibition against it. There was, in fact, a closed club. All we are doing here is saying that this club must be opened up to the small business community. One cannot close the doors forever.

Recently they did. Under the duress of this bill, passed by the full committee unanimously and passed by the U.S. Senate unanimously, they did say, "OK, we will open the door."

All we are doing by our bill is saying that door must be opened to "your club" to the extent of 1.25 percent. What the amendment would do is effectively close that door again.

□ 1750

We are not taking one penny from NIH, as has been suggested—not one penny. We are simply saying to NIH, "What moneys that you get, allow small business to have 1.25 percent. Let them in the club, your club, where you make the rules, where you decide what projects will be funded, at least to that minimum extent."

That is why this amendment was rejected last Thursday, and that is why this amendment ought to be rejected today.

Mr. STANTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Ohio.

Mr. STANTON of Ohio. Mr. Chairman, as this debate is drawing to a close, I want to associate myself with the gentleman in the well. A couple of things bother me. First of all, listening from an objective point of view to this debate, I do not think the NIH, as great as it is and with as great a future as it has, and with the greatest research in the world which comes out of there, that it has to be such an elitist organization that it would exclude 99 percent of small businesses in this country, and they should not be exempt.

Second, this really has been presented to us in that order. In our area of northeastern Ohio and greater Cleveland, some of the greatest advances in research in the field of health is coming about by small businesses. In the gentleman's State of New York, the CAT scan that the gentleman spoke about, does not use X-rays, was developed by FONAR, Inc., of New York State.

There are literally, I am sure, many profitmaking small businesses out there that would like an opportunity. Who is going to determine it? First of all, it is two-tenths of 1 percent the first year. Second, it is NIH themselves who are going to determine who is qualified and who is not.

Mr. Chairman, I hope the amendment is defeated.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield.

Mr. WAXMAN. Mr. Chairman, just to correct the record, if small business was precluded from participating in NIH funds in the past, that is not the case today. Scientists from for-profit firms were made eligible for NIH research grants for the first time in January 1982. Grants had been only awarded to nonprofit institutions.

Small businesses should be treated fairly, so long as they can compete, let them compete on the merits. Do not require that we have have a set-aside for small business when that set-aside will be at the expense of the universities.

Mr. LAFALCE. I know of a great many clubs that say, "De jure we will permit you to join our club. De facto, we will not."

That is the situation as far as I am concerned. It was only as recently as a few months ago that the de jure NIH would not permit it.

Mr. WEBER of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the amendment. We have heard the arguments today about protecting the National Institutes of Health and their biomedical research, but the amendment is much more broad than the National Institutes of Health. The amendment also exempts research and development at the Alcohol, Drug Abuse, and Mental Health Administration or the Healthcare Financing Administration.

Let me read to the Members some of the nonbiomedical projects which would be prohibited by this amendment because of this exemption for the Alcohol, Drug Abuse, and Mental Health Administration. The amendment would prevent small business from receiving grants for such areas as studying the marketing of alcoholic beverages; the demography and attitudes in adolescent drinking; role conflict in womens' drinking; workshop on alcohol abuse in women; information and publication programs regarding these.

The amendment is saying that small business is not fit to carry out those kinds of projects. I submit that it is very appropriate for small businesses to compete and to perform research projects such as those that I have just read.

The amendment is much too broad. Even if we accept that arguments that have been propounded for it this afternoon. There is no reduction—I repeat no reduction—by this bill in any health agency budget. This bill, simply for the sake of cost-effectiveness, allocates only 1.25 percent of research and development to small business in the expectation that small business will do it better. I urge my colleagues to oppose the amendment.

Mr. ROEMER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it has been argued here today, as it was last week, that this bill, long debated and carefully crafted, somehow protects small business to the disinterest of the American people. Nothing could be further from the truth, and it was said best by a gentleman who tried to support this very amendment when he admitted, as has been proved in fact, that in terms of job creation it is small business that leads the way. Small business creates two out of every three new jobs in America.

Point No. 2, innovation: Where is innovation more important than in the field of science and health? Innovation comes from small business over large businesses by a factor that exceeds at least 8 to 1. This is not a phenomenon of careful management and flexibility in small business that is new or unique only to America. In last month's article in Forbes magazine, there was an article by a French economist, Fernand Braudel, who said in that article that if he were President of France he would spend the money on small enterprises because they are the ones that find the new solutions. A profound crisis requires a technological, a structural renewal, and this rarely comes from the top, he said.

He concluded by saying:

> What succeeds is not enormous enterprise, but small enterprise of five and six people, particularly in the field of science.

So, we are talking today not to protect small business; there is little protection in two-tenths of 1 percent in the first year. We are talking today not to create new jobs, although they will do that, but we are talking today of the health of the American people. Why? Because innovation and scientific discovery comes from the enterprise of small business.

The point so adequately made on this floor again today is that our bill cuts not a penny from NIH, but allows a portion, an infinitesimally small portion of that money, to go to the most creative and innovative part of our society.

Mr. EARLY. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield.

Mr. EARLY. Mr. Chairman, I say to my good friend, I agree with everything he says. Small business does that, but why take it away from an ageny that is presently in this 1983 budget going to reject 73 percent of the potentual production grants? Why not a direct appropriation for small business? I am not saying that small business does not do those things, but NIH is without a doubt, in my opinion, the best show in town. We do not spend nearly enough money there. Think of the Salk vaccine for polio, penicillin and everything else we spend money on to save a lot of money. Why take it from NIH?

Mr. ROEMER. Let me answer the gentleman's question. I know I run a danger when I mix my logic with commonsense on this floor, but the fact of job creation and innovation of small business is the very point he has made. It is at a time of budget severity that we ought to allow small business in rather than shut them out.

I am suggesting that when money is tight, we ought to find a way for two-tenths of 1 percent of the total research and development budget to to small business.

I have a final point. It is not a level playing field at present. Small business, with all that pent-up innovation and creativity, does not come in equal with the giants in this field. The Government bureaucracies and organizations tend to talk only to their peer groups, not with small business.

□ 1800

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. ROEMER) has expired.

(At the request of Mr. EARLY and by unanimous consent, Mr. ROEMER was allowed to proceed for 1 additional minute.)

Mr. EARLY. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to my dear friend.

Mr. EARLY. I agree with everything you said. But here is one agency, and this is not the agency.

Let me say this to my good friend. It is not NIH. The argument seems like there is something wrong with NIH. There is not. It is underfunded. It is an agency which is not broken. Why fix it?

It is the one agency in which people are dedicated to do a job.

Mr. ROEMER. Let me reclaim my time to respond by saying this issue is not NIH. The goal of this Congress is not to glorify NIH. It is to improve scientific research.

You do that best, I would say to my good friend from Massachusetts, by letting small business in rather than shutting them out.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. ROEMER) has again expired.

(At the request of Mrs. HECKLER and by unanimous consent, Mr. ROEMER was allowed to proceed for 1 additional minute.)

Mrs. HECKLER. Will the gentleman yield?

Mr. ROEMER. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. I think the gentleman has spoken very persuasively on the true issue here which is how we in the U.S. Congress can see to it that the best investment is made to protect the health needs of our society and that we who are impressed by the developments of the small business sector feel that the small portion of this budget, two-tenths of 1 percent, six-tenths of 1 percent the following year, et cetera, would amount to an investment that would yield great results because of the productivity and the innovative record of small business.

What I would ask of my colleagues is: Is it not his understanding that under the committee bill, as proposed by the Smalll Business Committee, NIH, as distinguished as it is, and as knowledgeable as it is about the work of dedicated scientists, would maintain and retain flexibility in terms of the allocation of resources?

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. ROEMER) has again expired.

(At the request of Mrs. HECKLER and by unanimous consent, Mr. ROEMER was allowed to proceed for 1 additional minute.)

Mrs. HECKLER. In those areas of research in which small businesses had a dedicated record of performance, the SBIR program could be designed to fund small business productivity in areas in which their expertise was superior. Is that not the gentleman's understanding?

Mr. ROEMER. The gentlewoman from Massachusetts is correct in my understanding.

I would add one further comment. NIH is under tough budget restrictions. That has been stated here clearly today.

It is in these kinds of times that these small pennies on the dollar to small business will bring us a far greater return in terms of health and scientific research than business as usual.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Would the gentleman agree that with this amendment in place small business would be able to compete, provided it reached the proper score that a peer review committee might feel is an appropriate one?

And would the gentleman not also agree that if this amendment fails it is conceivable that small business could get in with very low scores simply because they had to allocate a set-aside?

Mr. ROEMER. I thank the gentleman for his questions.

Let me respond by saying I think the gentleman is going to be shocked literally by the amount of small, genius firms that apply for a portion of this research money.

Scores will not be the problem. The problem will be sorting the best from the good.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words.

I will not take all of the time of the House. The House is ready to vote.

I just want to remind my colleagues of a few points. We are talking about an NIH appropriation that is about $4 billion. NIH in the first year would be required to compete 2 percent of that.

Do not buy the argument that they are taking money away. We had a discussion here on the Floor the other day with my friend from Iowa about the way that NIH grants were awarded. Almost 60 percent of it can go for overhead.

I am not knocking that. I have supported that.

But what small business can afford, if you want to talk about scarce dollars, 65 percent overhead? None of them.

If my colleagues will just look at the pilot program of the National Science Foundation, which I think is rather a reasonably good example, page 13 of our report shows what they did in working in concert.

If my colleagues look at it they will see they funded laser optics, genetic research.

The concept that small business does not have the capacity is wrong. The concept that we are taking money away from NIH is in error.

We are going to increase the competitiveness and stretch the dollar.

I urge the House to vote down this amendment. I urge adoption of our committee bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. O'BRIEN).

The question was taken; and the Chairman pro tempore (Mr. FOGLIETTA) announced that the noes appeared to have it.

RECORDED VOTE

Mr. O'BRIEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 169, noes 228, not voting 35, as follows:

[Roll No. 164]

AYES—169

Albosta	AuCoin	Biaggi
Alexander	Bailey (MO)	Bingham
Anderson	Bailey (PA)	Boggs
Andrews	Barnes	Boland
Applegate	Beilenson	Boner
Atkinson	Benedict	Bouquard

Bowen	Hall, Ralph	Panetta
Brinkley	Hamilton	Parris
Brodhead	Hance	Pease
Brooks	Hendon	Pepper
Brown (CA)	Hillis	Pickle
Brown (CO)	Hollenbeck	Porter
Broyhill	Holt	Price
Burgener	Hopkins	Pritchard
Burton, Phillip	Horton	Pursell
Butler	Hoyer	Quillen
Cheney	Hubbard	Rahall
Clinger	Hunter	Rangel
Coelho	Hutto	Ratchford
Coleman	Jacobs	Rodino
Conable	Jeffords	Rosenthal
Conyers	Jenkins	Rostenkowski
Corcoran	Jones (OK)	Roukema
Coyne, William	Kastenmeier	Roybal
Crockett	Kennelly	Sabo
Daniel, R. W.	Lagomarsino	Scheuer
de la Garza	Lantos	Schneider
Dickinson	Leach	Schroeder
Dicks	Leath	Schumer
Dingell	LeBoutillier	Sensenbrenner
Donnelly	Lehman	Shannon
Dougherty	Leland	Sharp
Dwyer	Levitas	Shelby
Early	Livingston	Shumway
Edwards (AL)	Long (LA)	Spence
Edwards (CA)	Lowry (WA)	Stark
Emery	Madigan	Stratton
Erdahl	Martin (IL)	Stump
Evans (DE)	Martin (NC)	Swift
Evans (IA)	Matsui	Tauke
Fazio	McClory	Taylor
Fish	McCloskey	Trible
Flippo	Michel	Vento
Florio	Miller (OH)	Volkmer
Foglietta	Mineta	Walgren
Foley	Mitchell (NY)	Wampler
Ford (MI)	Moffett	Washington
Fountain	Moore	Waxman
Frenzel	Morrison	Whitehurst
Frost	Mottl	Whittaker
Fuqua	Myers	Whitten
Gaydos	Neal	Wortley
Gephardt	Nelson	Wright
Gibbons	Nichols	Wyden
Gilman	O'Brien	Wylie
Gradison	Obey	
Gramm	Ottinger	

NOES—228

Addabbo	Deckard	Hall, Sam
Akaka	Dellums	Hammerschmidt
Annunzio	DeNardis	Hansen (ID)
Anthony	Derrick	Hansen (UT)
Archer	Derwinski	Harkin
Aspin	Dixon	Hartnett
Badham	Dorgan	Hatcher
Beard	Dornan	Hawkins
Bedell	Dowdy	Heckler
Benjamin	Downey	Hefner
Bennett	Dreier	Heftel
Bereuter	Duncan	Hertel
Bethune	Dunn	Hightower
Bevill	Dymally	Hiler
Bonior	Eckart	Howard
Bonker	Edgar	Huckaby
Breaux	Edwards (OK)	Hughes
Broomfield	Emerson	Hyde
Byron	English	Ireland
Campbell	Evans (GA)	Jeffries
Carman	Evans (IN)	Johnston
Carney	Fary	Jones (NC)
Chappell	Fenwick	Jones (TN)
Chappie	Fiedler	Kazen
Clausen	Fields	Kemp
Clay	Findley	Kildee
Coats	Ford (TN)	Kindness
Collins (IL)	Fowler	Kogovsek
Collins (TX)	Frank	Kramer
Conte	Gejdenson	LaFalce
Coughlin	Gingrich	Latta
Courter	Glickman	Lee
Coyne, James	Gonzalez	Lent
Craig	Goodling	Lewis
Crane, Daniel	Gore	Loeffler
Crane, Philip	Gray	Long (MD)
D'Amours	Green	Lott
Daniel, Dan	Gregg	Lowery (CA)
Dannemeyer	Guarini	Lujan
Daschle	Gunderson	Luken
Daub	Hagedorn	Lundine
Davis	Hall (OH)	Lungren
Markey	Petri	Snyder
Marlenee	Railsback	Solomon
Marriott	Regula	St Germain
Mattox	Reuss	Stangeland
Mavroules	Richmond	Stanton
Mazzoli	Ritter	Staton
McCollum	Roberts (KS)	Stenholm
McCurdy	Roberts (SD)	Stokes
McDade	Robinson	Studds
McDonald	Roe	Synar
McEwen	Roemer	Tauzin
McGrath	Rogers	Thomas
McHugh	Rose	Traxler
McKinney	Roth	Vander Jagt
Mica	Rousselot	Walker
Mitchell (MD)	Rudd	Watkins
Moakley	Russo	Weaver
Molinari	Santini	Weber (MN)
Montgomery	Savage	Weber (OH)
Moorhead	Sawyer	Weiss
Murphy	Schulze	White
Murtha	Seiberling	Whitley
Napier	Shamansky	Williams (MT)
Natcher	Shaw	Williams (OH)
Nelligan	Shuster	Winn
Nowak	Siljander	Wirth
Oakar	Skeen	Wolf
Oberstar	Skelton	Wolpe
Oxley	Smith (AL)	Yatron
Pashayan	Smith (IA)	Young (AK)
Patman	Smith (NE)	Young (FL)
Patterson	Smith (OR)	Young (MO)
Paul	Smith (PA)	Zablocki
Perkins	Snowe	Zeferetti

NOT VOTING—35

Bafalis	Ferraro	Minish
Barnard	Fithian	Mollohan
Blanchard	Forsythe	Peyser
Bliley	Garcia	Rhodes
Bolling	Ginn	Rinaldo
Brown (OH)	Goldwater	Simon
Burton, John	Grisham	Smith (NJ)
Chisholm	Holland	Solarz
Dyson	Marks	Udall
Erlenborn	Martin (NY)	Wilson
Ertel	Mikulski	Yates
Fascell	Miller (CA)	

□ 1820

Mrs. BYRON and Mr. DANIEL B. CRANE changed their votes from "aye" to "no."

Messrs. PANETTA, ATKINSON, PEPPER, and RALPH M. HALL changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. KASTENMEIER. Mr. Chairman, as chairman of the Judiciary Subcommittee with jurisdiction over patent and copyright legislation. I am very familiar with the ability of small business to contribute greatly to vitally needed expanded innovation. My subcommittee has helped develop legislation to provide patent incentives for small business after testimony has indicated time and again that small businesses are, in fact, the most innovative sector of our economy.

The Small Business Innovation Act is an important step in helping to place small business on a competitive basis in terms of gaining access to Federal research and development money and utilizing its innovative abilities.

I believe there are sufficient safeguards contained in this bill to assure maintenance of quality in performing functions under such R. & D. grants. The gradual phasein of the set-aside and the discretion given Federal agencies to decide which projects to include in the program should assure that grants will not be let to entities not capable of quality performance.

I realize that there are those concerned that vital basic research will be threatened by the proposed set-aside. But, I would like to believe that small business and the university community can work together through joint ventures in utilizing the minimal funds included in the propose set-aside to assure quality and cost effectiveness in this area.

Mr. Chairman, after careful consideration of this legislation, I believe that it will benefit the country by promoting innovation that has been lagging in recent years, without doing damage to other innovative communities.●

Mr. STRATTON. Mr. Chairman, earlier in the session today, the gentleman from Alabama (Mr. DICKINSON) offered on behalf of the Armed Services Committee an amendment with respect to the Department of Energy. It was agreed to by the committee on both sides. But I have just discovered that through an inadvertence the original amendment offered by the gentleman from Alabama (Mr. DICKINSON), which included the Department of Defense, was the one that the Clerk read, and I ask unanimous consent that that amendment maybe modified to its original intent by the elimination of lines 1 and 2 and by the elimination of paragraph No. 2. What would remain would be the actual amendment itself.

The CHAIRMAN. The Clerk will report the amendment, as modified.

The Clerk read as follows:

Amendment offer by Mr. DICKINSON, as modified: Page 7, after line 21, add the following new paragraph:

"(2) Amounts appropriated for atomic energy defense programs of the Department of Energy shall for the purposes of paragraph (1) be excluded from the amount of the research or research and development budget of that Department."

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

So the amendment, as modified, was agreed to.

Mr. LAFALCE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BRODHEAD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5346) to amend the Small Business Act to strengthen the role of the small, innovative firms in federally, funded research and development, and to utilize Federal research and development as a base for technological innovation to meet

agency needs and to contribute to the growth and strength of the Nation's economy, had come to no resolution thereon.

MAKING IN ORDER AT ANY TIME ON WEDNESDAY, JUNE 23, 1982, OR ANY DAY THEREAFTER, ANY RULE OF THE HOUSE TO THE CONTRARY NOTWITHSTANDING, CONSIDERATION OF H.R. 6645, URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, June 23, 1982, or any day thereafter, to consider in the House, any rule of the House to the contrary notwithstanding, the bill (H.R. 6645), making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, and that debate be limited to 1 hour, the time to be equally divided between myself and the gentleman from Massachusetts (Mr. CONTE), and that the previous question shall be considered as ordered on the bill to final passage without intervening motion.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

COLLUSION BETWEEN THE DEFENSE DEPARTMENT, THE AIR FORCE AND LOCKHEED AIRCRAFT CORP.

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DICKS. Mr. Speaker, I have recently received some alarming documentation of collusion between the Defense Department, the Air Force, the Lockheed Aircraft Corp., and certain subcontractors regarding their effort to sell the C-5 cargo aircraft to Congress.

The possible illegalities and the obvious improprieties of the Defense Department's actions are most serious because they represent a highly coordinated plan to influence Members of Congress, utilizing Government personnel and apparently involving the expenditure of public funds.

It is wrong for a Government agency or Government officials to become involved in a lobbying effort to influence Congress on a pending authorization or appropriation. It is in direct violation of title 18, United States Code, section 1913. Moreover, I consider the nature and scope of the Defense Department's involvement in this matter to be an unprecedented abuse of a much abused law.

I intend to introduce a resolution of inquiry in the House or Representatives to determine the full extent of the involvement of the Defense Department and members of the executive branch in this coordinated lobbying effort. The information we have received from a confidential Pentagon source already indicates that officials at the highest levels of the Department of the Air Force and DOD have been attending regular meetings with contractor personnel involving an unprecedented campaign to influence the vote in Congress on the C-5 issue.

We have powerful indications that the Air Force has been providing direct support and expending funds for this lobbying effort.

The resolution of inquiry will direct the Secretary of Defense to provide any and all informaton relating to his department's participation in this lobbying effort, including:

Records of meetings involving the Air Force and DOD personnel leading to the establishment of a data base to track individual contacts with Members of Congress.

Records regarding specific work assignments which were given to DOD employees to obtain commitments from Members of Congress and the staffs of key defense committees on the C-5 vote.

Internal correspondence and memoranda at DOD relating to the effort to obtain support in Congress for the C-5.

Information pertaining to drafting by Air force personnel of letters of Members of Congress to send to their colleagues.

Efforts to "energize" military associations and gain "back home" support to have constituents lobby Members of Congress.

Photographs taken by the Air Force to be specifically provided the the Lockheed Corp. to demonstrate the "merits" of the C-5.

All correspondence relating to efforts among Defense contractors to obtain support for the procurement of the C-5B.

In addition to these materials, I am seeking substantiation of reports that the Defense Department has been engaged in a high-handed game of power politics, in which companies are being threatened not to lobby on behalf of the 747 and coerced into lobbying for the C-5. It is suspected that those companies bucking the Pentagon on this issue are being threatened with the loss of present and/or future contracts, while those supporting the C-5 would receive favorable treatment.

Clearly, this issue raises ethical and constitutional concerns which must be thoroughly investigated.

Attached are copies of title 18 United States Code 1913 and section 607 of Public Law 95-429 that deal with this issue.

TITLE 18 UNITED STATES CODE, SECTION 1913

§1913. Lobbying with appropriated moneys

No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned not more than one year, or both; and after notice and hearing by the superior officer vested with the power of removing him shall be removed from office or employment. (June 25, 1948, ch 645, § 1, 62 Stat. 792.)

SEC. 607. (a) No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any corporation or agency, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.

RESCHEDULING OF SPECIAL ORDERS

Mr. DAN DANIEL. Mr. Speaker, the gentleman from Arizona (Mr. RUDD) and I each had a 1-hour special order scheduled for this evening. We find that we are unable to proceed with those special orders this evening. We have checked with the gentleman from Texas (Mr. GONZALEZ) and the gentleman from Pennsylvania (Mr. DOUGHERTY), and they have agreed to switch with us. So we ask unanimous consent that we release our time for this evening and be permitted to be first on the agenda for tomorrow evening.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

□ 1830

IMPEACHMENT PROCESS DIRECTED TO MR. VOLCKER, OR THE IMPEACHMENT OF PAUL VOLCKER, NO. 2

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise in continuation of my efforts to bring about the impeachment of Paul

Volcker, the Chairman of the Federal Reserve Board.

I would entitle this presentation "Impeachment Process Directed to Mr. Volcker, or the Impeachment of Paul Volcker, No. 2."

Last week I presented the first general article, then in a specific item and I will continue today by presenting the second general item of the first articles of impeachment I intend to present to the House seriatim in due course of time.

I pointed out that I had appealed to the Judiciary Committee to allow me a hearing in order to present, as it properly should, the resolution of impeachment that I have introduced. As the RECORD will show, I was not given that privilege and, therefore, I am proceeding under the rules of the House, adopted in the very first Congress, implementation of the constitutional provisions of impeachment in article II, section 4, of the U.S. Constitution.

The country is being flagellated by the extortion of, usurious, unconscionable, and high rates of interest. A year ago when I introduced the resolution of impeachment, hoping that we could accomplish two things: First, gain the attention of the fundamental standing Committee on Banking to the point that it would look into the long-overdue need to codify, revise, and reform the basic act establishing the Federal Reserve Board of 1913—long overdue; and second, bring about the release of the tremendous grip that the special financial interests have over the power of issuance of money and the control of the fiscal and monetary affairs of this Nation.

I have said before, and I repeat today, there has been great alarm about interest rates and Federal Reserve Board's autonomous conduct which is so independent that it does not account to anybody. The general belief is that there is nothing that anybody can do about this problem, that interest rates are like an act of God, circumstances over which the President and Congress have no control. Of course, I have spoken on that point ad nauseam showing how fallacious, how mistaken, how erroneous that myth is, and yet up to now nothing has developed at this congressional level, much less the Presidential level, other than joining hand in glove and cheek by jowl with these powerful oligarchs that are literally wrecking the country.

I am pessimistic now. I am afraid that nothing will be done in a timely fashion before the whole collapse; but it is interesting also, and I continue my endeavor from time to time by drawing attention to the history of all of this, and citing statements and positions taken by everyone from the Founding Fathers to our more recent Governors.

For example, Thomas Jefferson said this, and it is almost as if he were addressing himself to us today:

If the American people ever allow the banks to control the issuance of their currency, first by inflation, then by deflation, the banks and corporations that will grow up around them will deprive the people of all property, until their children will wake up homeless on the continent their fathers occupied. The issuing power of money should be taken from the banks and restored to Congress and the people to whom it belongs. I sincerely believe the banking institutions having the issuing power of money are more dangerous to liberty than standing armies.

This is Thomas Jefferson speaking, not a Socialist, not a wild-eyed, so-called liberalese. This is Thomas Jefferson, who all through time immemorial was confronting the same type of interests, greedy for power, unsatiated ever, insatiable; the more they want the more they get and the more they will demand. You will never satiate those powers and they will sacrifice young men in wars, the country's destiny in history for that greed. This has been established time after time. I brought some of it out, but this is what Thomas Jefferson was saying on the occasion of the first attempt of the Goverment, then struggling at its birth, to finance through its fiscal agents, as all governments must; you know, everybody has to have his bank and the Government has to have its banker.

□ 1840

The question then confronting the Founding Fathers was the same as what is confronting us today, except that they had the moral fortitude. They had the courage and they had the integrity and the honesty to not relinquish control to these special interests. They never forgot their trust to the people, and I am afraid that this is not true today, nor has it been for some time.

Let us look at what Abraham Lincoln said. Mind you, here was Thomas Jefferson, and almost 100 years later here is Abraham Lincoln. He says, and I quote:

I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. Corporations have been enthroned. An era of corruption in high places will follow and the money power of the country will endeavor to prolong its reign by working upon the prejudicies of the people until the wealth is aggregated in the few hands and the Republic is lost.

Then we go down to this century. Let us get Mr. Woodrow Wilson, President of the United States, saying this at a time when he was pledged, in his bid for election to the Presidency, to doing something. Here is what he says, and I quote:

A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the Nation, therefore, and all our activities, are in the hands of a few men. We have come to be one of the worst-ruled, one of the most completely controlled and dominated governments in the civilized world. No longer a government by free opinion, no longer a government by conviction, and a vote of the majority, but a government by the opinion and the duress of small groups of dominant men.

So I come to the part B, so to speak, of my article of impeachment of Paul Volcker. In general terms, it is this way: That the said Paul Volcker, unmindful of the high duties of his office as a fiscal and fiduciary officer of the U.S. Treasury, acting in concert with certain coagitators for the purpose of corruption, wrongdoing, malfeasance, and misfeasance by approving, conducting, and acquiescing in the surreptitious impartation of confidential matters of the so-called Open Market Committee—and let me say by way of explanation, the so-called Open Market Committee that crept into the system after 1923 consists of five private bankers and the Federal Reserve Board—and they are the ones that in secret set the rates for the Government's bills, Treasury bills and the like; in other words, they are the ones that will determine the fate of any administration.

What a power. This is a power that Thomas Jefferson was talking about. This is a power that Abraham Lincoln was trembling about. This is the power that Woodrow Wilson in 1916, and 3 years after the Federal Reserve Act had been passed, was worried about.

Now, this Open Market Committee, by favoring a chosen, selected few and favored, did impart this sensitive information which then did enable and allow these interests to profit by speculation, huge sums of money, and depriving the American people of literally millions of dollars of bank credit, and also billions of dollars in value of Treasury bills, of the principal for whom these individuals, including Paul Volcker, were supposed to be acting as agents thereof.

Mr. Speaker, I yield back the balance of my time.

UKRAINIAN HUMAN RIGHTS AWARENESS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DOUGHERTY) is recognized for 60 minutes.

GENERAL LEAVE

Mr. DOUGHERTY. Mr. Speaker, I would ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DOUGHERTY. Mr. Speaker, at this time I would yield to my colleague, the gentleman from Massachusetts (Mr. MOAKLEY).

Mr. MOAKLEY. Mr. Speaker, I wish to join my colleagues in recognizing the repeated human rights violations which have taken place in the Ukraine.

The Ukrainian people have demonstrated the fallacy of a Union of Soviet Socialist Republics. The U.S.S.R. is not unified by shared values or common purpose; rather, it is held together by coercion. The ideals of Soviet communism ring hollow when measured against the reality of such tyranny. The Ukrainian people have endured Soviet repression longer than any other group, having been overcome by Bolshevik forces in 1921 after a brief 3-year flirtation with freedom. At the time, the struggle of the Ukrainian people went unaided and unrecognized by the Western nations. We must never again fail to stand by those who are fighting for democratic ideals.

In the years which followed Soviet annexation of the Ukraine, severe hardship and even death became commonplace. Millions of Ukrainians lost their lives through deportations, executions, and starvation. The forced collectivization of Ukrainian agriculture resulted in famine during 1932 and 1933 which caused some 5 to 7 million people to perish from starvation. This is the kind of barbarism which has come to exemplify Soviet adventurism over the years. We see the pattern repeated again in Latvia, Lithuania, Estonia, Poland, and Afghanistan. How much more blood will be spilled under the rubric of "Marxist liberation"?

The courageous nature of the Ukrainian people is apparent even today. On November 9, 1976, the Ukrainian Helsinki Group was formed to monitor Soviet compliance with the Helsinki accords. Nearly the whole group was subsequently jailed, with one individual being driven to suicide. Although Ukrainians comprise 20 percent of the Soviet population, they account for 45 percent of the political prisoners in Soviet gulags. Despite years of repression, the freedom-loving spirit of the Ukrainian people will not be silenced.

Now more than ever, we should ally ourselves with these proud people. Events in Poland have shown that the artificially forged unity of the Soviet bloc is vulnerable to the smoldering desires of nationalism. By monitoring the state of human rights in the Ukraine, we can exert pressure on the Soviet Government while invigorating the determination of those who have the courage to dissent. Let them know as they face the harsh conditions in Soviet gulags that the rest of the world is aware of their fate and praying for their redemption.

□ 1850

Mr. DOUGHERTY. Mr. Speaker, I thank my colleague from Massachusetts for participating in this special order.

Mr. Speaker, to mark the occasion of Ukrainian Human Rights Awareness Week, I would like to address the attempts by Soviet authorities to "Russify" the Ukraine. In other words, Mr. Speaker, the Soviet Government has tried to eliminate all traces of Ukrainian language and culture, replacing them both with Russian.

Ukraine is a nation with a thousand-year history. Unfortunately, a large portion of the timespan has been spent under the domination of tyrannical rulers. The policy of Russification dates back to the time of the czars when Russian chauvinism would not allow any other national entity to exist. The Government of the Soviet Union, as the heir to the Russian Empire, has continued this policy today. Ever since Ukraine was incorporated into the Soviet Union in the 1920's, the Government has worked to eliminate the unique Ukrainian national identity.

The most recent offensive against Ukraine is a compaign to increase the number of Russian language schools at the expense of Ukainian ones. Also, a purge of the more nationalistic leaders of Ukraine occurred in 1972. Despite these hammering blows, the courageous Ukrainian national spirit has survived and will continue to do so. No matter how far Russification is pursued by the Soviet Government, Mr. Speaker, the spirit will endure until a free and independent Ukrainian Republic is reestablished.

Mr. DOUGHERTY. Mr. Speaker, I would like to yeld to my colleague from Massachusetts (Mr. DONNELLY), the cochairman of the Ad Hoc Committee on the Political Situation in the Ukraine.

Mr. DONNELLY. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I commend my friend and colleague, the gentleman from Pennsylvania, Mr. DOUGHERTY, for calling today's special order on the situation in the Ukraine, and on our Nation's long and proud history of supporting the legitimate desire for freedom of the people of Ukraine.

The stark truth that every single member of the Ukrainian Helsinki Monitoring Group has been either imprisoned or expelled, shows the great lengths the Soviets will go to in order to crush independent thought and action within the iron curtain. However, no matter how heavyhanded their military domination may be, it has yet to silence the internal dissent and the desire for self-determination among the proud people of Ukraine.

Let me commend the Americans of Ukrainian heritage for keeping the dream of an independent homeland in Ukraine alive through this long period of adversity. They can take solace that this Congress, and this Nation, has not turned its back on the legitimate aspirations of the people of Ukraine and their fight to be free. Today's special order clearly shows our continuing concern about the plight of the native people of Ukraine and our commitment to keeping their struggle alive.

Mr. DOUGHERTY. Mr. Speaker, I thank my colleague from Massachusetts for his contribution to this special order and for his leadership in our ad hoc committee.

Mr. Speaker, I would like to make every Member of Congress aware of the fact that this week is Ukrainian Human Rights Awareness Week. There is a display of Ukrainian art and poetry and writings which have been smuggled out of the Soviet Union by Ukrainian citizens, and these are displayed all this week in the Cannon House Office Building foyer. Additionally Mr. Speaker, there will be a reception tomorrow evening where members of the Ukrainian community will meet with Members of Congress to show their combined support of the struggle for freedom in the Ukraine.

Mr. Speaker, we have asked for this special order today to recognize the heroic struggle of the Ukrainian people against the oppression of the Soviet Government. More specifically, we will recognize the disregard of the Soviets for the human and national rights of Ukrainians.

In 1975, the Helsinki accords were signed by nations from both the East and the West. The goal was to bring peace in Europe through mutual understanding and recognition of human rights. Unfortunately, the Government of the Soviet Union has not only disregarded the accords, but has actively hindered their implementation. Therefore, the guaranteed rights embodied in the agreement have not been granted to citizens in the U.S.S.R.

One result of this policy has been the persecution of all 37 members of the Ukrainian Helsinki group. The organization was founded on November 9, 1976. The simple goal of the members was to familiarize the Ukrainian public with the guarantees of the Helsinki accords, to further the free exchange of information, to include Ukraine in future negotiations on the Helsinki accords, and to provide documentation of human rights violations in Ukraine. The Ukrainian Helsinki group began with 10 dedicated members and grew, despite Soviet persecution and slander.

Today, Mr. Speaker, all 37 members of the Ukrainian Helsinki group have

been "nullified." They have been exiled internally or externally, imprisoned, placed under close surveillance, or killed. Upon first glance, it may appear as though their efforts were for naught because the Soviets have refused to change their human rights policy. However, the dedication and personal sacrifice of the Ukrainian Helsinki group has not been in vain. The members have sounded a call to all people of good conscience to not rest until all persons have been guaranteed their most basic of human and civil rights.

During Ukrainian Human Rights Awareness Week, we commemorate these modern-day martyrs and the inspiration they have provided to all freedom-loving people of the world. The members of the Ukrainian Helsinki group and their compatriots who preceded them were all struggling and fighting for the freedoms we cherish so dearly in this country. We must show our support.

The Ad Hoc Congressional Committee on the Baltic States and Ukraine has reserved the Rotunda in the Cannon House Office Building this week to exhibit several pieces of Ukrainian underground literature and prison artifacts. The display consists of uncensored poetry, prose, political writings, and works of art smuggled out of the Soviet Union. In it is found the true expression of Ukrainian thought, and I encourage all Members of Congress and others to see this exhibit in the Cannon Rotunda this week.

My colleagues may be interested to know that the Soviet invasion of Afghanistan in 1979 has had unfortunate repercussions in Ukraine. The United States, in expressing its disapproval of the act, closed the American consulate in Kiev, the capital of Ukraine. The most direct result of the action has been to cut off the Ukrainian people's contact with the West. To reestablish this Western link, Congressman DONNELLY and myself will be introducing a resolution asking President Reagan to reopen the U.S. consulate in Kiev at the earliest time possible. We hope that our colleagues will support us and cosponsor the resolution.

Additionally, Mr. Speaker, Members of Congress, to show their continued support for the plight of the Helsinki group in the Ukraine, have adopted prisoners of conscience. I would like to note in the RECORD, Mr. Speaker, that I have adopted Lev Lukyanenko, a lawyer, born in 1928, who has spent two 15-year terms in prison.

□ 1800

He was first arrested in 1961 for coauthoring a draft constitution, a draft constitution of a Ukrainian Workers' and Peasants' Union which was to campaign for the peaceful secession of Ukraine from the U.S.S.R.

By the way, Mr. Speaker, the Soviet Constitution provides for the right of any republic to petition for secession.

He was charged with "anti-Soviet agitation and propaganda," "anti-Soviet organization," and "treason."

The original sentence of death imposed upon this patriot of freedom was commuted to 15 years in prison.

On the completion of his prison term, Mr. Speaker, he was allowed to live in a town in the Soviet Union, but he could not practice law. He earned his living as an electrician. The police kept him under administrative surveillance and persecuted not only his family but also that of his brother.

He was rearrested, Mr. Speaker, in December of 1977 and sentenced as a "especially dangerous recidivist" to 10 years special regimen labor camp and 5 years' exile.

The charge of "anti-Soviet agitation and propaganda" was based on articles which he wrote and permitted to circulate in the West.

He was a member or founder of the Ukrainian Helsinki group, Mr. Speaker, and its principal legal adviser.

This, I think, is a good indication, Mr. Speaker, of the extent to which the Soviet Union will go in totally denying the commitment that it made in the Helsinki accords.

I have frequently taken the well of this House, Mr. Speaker, to comment on the inability of the Soviet Union to allow its citizens to speak freely. I think there is no greater indictment of the Soviet Union as a nation than the fact that having signed the Helsinki accords, by its action it has negated the Helsinki accords.

It is very clear, Mr. Speaker, that the Soviet Union is not a nation of free people. It is not a nation that allows free speech. It is not a nation that recognizes each individual's right to self expression, to his own sense of heritage and culture.

The Soviet Union is a nation of fear, a fear of what the written word and the spoken word may do to that society that we stand here today and condemn.

The Soviet Union, Mr. Speaker, does not know the meaning of dissent.

At this time I would insert into the RECORD an article from The Ukrainian Weekly published Sunday, December 27, 1981, dealing with the Soviet record in handling dissent in the Ukraine.

DISSENT IN UKRAINE

November 9, 1981, was the fifth anniversary of the founding of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords in Kiev by 10 Ukrainian human-rights activists in response to the previous year's signing of the Helsinki Accords.

And just as the Kiev group's Memorandum No. 1 made clear—"The struggle for human rights will not cease until these rights become the everyday standard in social life"—rights activists continued to speak out in 1981. And the Soviets responded with their usual severity, perhaps for fear that the Polish contagion would spread to neighboring Ukraine.

Perhaps most poignant was the recently reported story of four Kiev residents in their 20's who were arrested and sentenced in late June for nothing more than posting leaflets urging their countrymen to observe January 12 as the Day of Solidarity with Ukrainian Political Prisoners. The four—Serhiy Naboka, Leonid Miliavsky, Inna Cherniavska and Larysa Lokhvytska—were sentenced to three years each in Soviet prison camps for what Soviet justice calls "slander of the Soviet state." Among the other charges brought against them were: writing "slanderous" articles and poetry orally praising the Solidarity trade union, holding a negative opinion of the Soviet presence in Afghanistan, and disseminating various writings.

Events in Poland did appear to have an affect on Ukraine.

Several workers' strikes—in protest to wages and working conditions—were reported at manufacturing plants in Ukraine, including a motorcycle plant and a concrete factory. The consumers also made their displeasure known, according to recent reports of disturbances prompted by food and consumer-goods shortages in the Ivano-Frankivske and Prypiat areas.

And a Ukrainian worker from Kiev imprisoned for the ever-popular crime of "slander," in a November 4, 1980, letter that reached the West in the summer of 1981, actually urged the establishment of independent labor unions in the USSR, while pointing to the Polish experience.

Repressions of Ukrainians continued across the board and in various forms. Among the more prominent cases were the following:

Seventy-six-year-old Oksana Meshko, the acting chairman of the already decimated Ukrainian Helsinki Group was sentenced on January 6 to six-months' imprisonment and five years' exile on charges of "anti-Soviet agitation and propaganda."

Twenty-year-old former student (he had been expelled from the university because of his father Petro's and brother Vasyl's rights activities) Volodymyr Sichko was sentenced on January 9 to three years' imprisonment. His father and brother, both Kiev group members, were already serving three-year terms.

The father of Volodymyr Ivasiuk, the young Ukrainian composer who was found murdered in 1979, was assaulted in the spring by the usual "unknown hooligans" as he attempted to visit his son's grave.

Ivan Kandyba, who was the only Ukrainian Helsinki Group member remaining free, was sentenced on July 24 to 10 years of imprisonment and five years of exile.

Dr. Mykola Plakhotniuk, a longtime rights activist, was assaulted by hooligans and later arrested by authorities on September 6.

On September 11, Raisa Rudenko, wife of the imprisoned founding member and first chairman of the Kiev group Mykola Rudenko, was sentenced to five years' imprisonment and five years' exile for "disseminating anti-Soviet materials." She had been reported missing since April 15, and it was not until July 30 that it was learned that she had in fact been arrested on April 15.

Yuriy Shukhevych, the eternal prisoner, is now going into his 30th year as a Soviet political prisoner. His crime: refusing to renounce his father Roman Shukhevych

(Taras Chuprynka), commander-in-chief of the Ukrainian Insurgent Army (UPA).

Meanwhile, in the United States, on February 3, the Congressional Commission on Security and Cooperation in Europe nominated four Soviet political prisoners for the 1981 Nobel Peace Prize: Ukrainian Mykola Rudenko, Russian Yuriy Orlov, Jew Anatoly Shcharansky and Lithuanian Victoras Petkus.

● Mr. BONKER. Mr. Speaker, I am pleased to join the ad hoc congressional Committee on the Baltic States and the Ukraine in recognizing Ukrainian Human Rights Awareness Week. I especially want to commend my distinguished colleagues, the Honorable Representatives CHARLES DOUGHERTY and BRIAN DONNELLY for sponsoring this special initiative.

The Foreign Affairs Subcommittee on Human Rights and International Organizations has been actively involved over the past several years in monitoring abuses of human rights in the Ukraine, and bringing it to the attention of the Congress.

Last July 28, the subcommittee was honored to receive personal testimony from Ulana Baluch Mazurkevich, the chairperson of the Ukraine Human Rights Committee and Dr. Nina Strakata-Karavansky, a member of the Ukrainian Helsinki Group and a former political prisoner herself. Dr. Nina Strakata-Karavansky told the subcommittee of harassment of human rights advocates in the Soviet Union, and described prison conditions. Of particular concern is the complete destruction of the Helsinki monitors, those brave men and women who monitor continued Soviet violations of the Helsinki Final Act.

Because of our concern about Soviet violations of human rights in the Ukraine, the subcommittee has considered and passed a number of resolutions on this important matter. In particular, the subcommittee, the Foreign Affairs Committee and the House recently passed House Concurrent Resolution 205, expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine. That resolution mandates the President to "ask the Soviet Union to release the incarcerated members of the Ukrainian Helsinki Monitoring Group, and to cease the persecution and the imprisonment of those citizens in the Ukraine asking for the institution of national, civil, and individual rights in accordance with the Soviet Constitution, the United Nations Charter, the Universal Declaration of Human Rights, and the Helsinki accords."●

● Mr. CARMAN. Mr. Speaker, today I join with my colleagues in the House to commemorate the 41st anniversary of the Ukrainian Independence Proclamation. The declaration on June 30, 1941, of freedom by the Ukrainian people from Soviet and German occupation announced to the world their desire for an independent statehood and individual human dignity.

Unfortunately, since that day, the people of the Ukraine have not enjoyed civil liberties as we know them, but instead continue to live under the throws of Soviet aggression. In the past 41 years, Ukrainians have been faced with social and economic hardships that cannot go unforgotten. In light of the blatant abuses of human rights, the special spirit of freedom that exists within the body and souls of the Ukrainian people must be regaled.

As Americans, privileged with democratic tradition and personal freedom, we must realize the suffering to which so many are subjected. The ongoing struggle for peace and humanity by the Ukrainians is a quest the United States shares with all nations throughout the globe.

During last year's Conference on Security and Cooperation in Europe mandated by the Helsinki accords, Ambassador Max Karpleman reminded us of the importance of human rights of others throughout the world to U.S. national security and our search for peace. One year later, on this 41st anniversary of Ukrainian Independence, we must reaffirm our all important commitment to this humanitarian goal.●

● Mrs. FENWICK. On August 1, 1975, the Final Act of the Conference on Security and Cooperation in Europe was signed by, among others, the United States and the Soviet Union. This made the Helsinki agreements law in both countries. Since that time a number of groups has been founded which attempt to monitor Soviet compliance with these accords.

One of these groups is the Ukrainian Public Group to Promote the Implementation of the Helsinki accords. This group constituted itself publicly and openly, within the parameters of Soviet law. However, the typical Soviet use of power can be seen in the fact that of the 10 original founders of this group, only one is still free in Ukraine. More members have joined, however, and while they, too, are subject to harassment by Soviet authorities, they keep on because they know they are right.

The people of Ukraine did not ask for Soviet domination and they will continue to struggle courageously for their human rights of freedom and self-determination.

The Soviet Government has tried everything. They repress simple self-expression; they try to "Russify" the predominantly Ukrainian areas of the Soviet Union; they prohibit their own people from expressing themselves—even regarding the government's compliance with its own law. In the Soviet Constitution, there is a guarantee of freedom of expression which must seem hollow for people who suffer under the domination of an oppressive government that will not even allow its people to speak out for observance of that government's own law. How frustrating it must be for any person to look at the constitution and its lofty guarantees, only to look at reality and the cruel truth that these freedoms seem to be held out only to taunt and torture those who would use them with the courage exercised by the Ukrainian people.

Mykola Rudenko must feel this frustration. He was at one time the head of the writer's union in Ukraine—a very powerful man whose published word carried much weight. He became unhappy with the Soviet Union's domination of Ukraine. He founded the Ukrainian Helsinki Monitoring Group, and soon after found that not only could he not be published, but he was tried and convicted for anti-Soviet propaganda and sentenced to 12 years in a labor camp in exile. For what? For asking the Soviet Government to heed its own laws and to stop violating human rights in Ukraine.

We here in the U.S. Congress call upon the Soviet Government to stop its cruel violation of human rights in Ukraine, to free Mykola Rudenko, and to free the people of Ukraine from Soviet domination.●

● Mr. HOLLENBECK. Mr. Speaker, I want to take this opportunity to rise and join with my colleagues in condemning the Soviet authorities for their continued violation of human rights in the Ukraine. It is time for the Soviets to honor those international commitments which they voluntarily entered and to this day remain unfulfilled. It is a sad commentary on Soviet practices that virtually all the members of the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords have been imprisoned, sent to labor camps, or forced into exile. As we all know, this is the group which was formed by Ukrainians following Soviet agreement to the Helsinki accords and which was supposed to monitor compliance with the international agreements. I believe that their treatment by Soviet authorities represents a gross injustice and demonstrates the failure of the Soviet Government to recognize even the most fundamental of human principles.

Time and time again I have stood in this Chamber and requested that the Soviets honor basic human rights. The situation in the Ukraine is inexcusable, and I call on the Soviet authorities to respect these commitments and show the free world that they are as good as their word.●

● Mr. FISH. Mr. Speaker, the Ukrainian people have been denied their right to freedom, justice, and self-determinations since long before the fall of the Romanov dynasty in 1917. The

Ukraine has been the scene of massive arrests of intellectuals, workers, and religious believers for most of this century. I have always supported the brave efforts of the Ukrainian people to regain the independence they lost over 60 years ago.

A moment of hope for the proud Ukrainian people occurred when, in 1976, the Soviet Union signed the Helsinki accords, committing itself to guaranteeing its people certain undeniable rights in national, cultural, civil, political, and religious affairs. The Soviet Union has not only neglected to abide by its commitments to the accords, but has openly violated them. The Soviet Government has initiated a brutal campaign aimed at suppressing even the enunciation of the rights set forth by the Helsinki process.

The Ukrainian public group to promote the implementation of the Helsinki accords was formed in November 1976. Created as a citizens group that bases its legitimacy on the accords, this group serves to monitor Soviet efforts to comply with the Helsinki process. As a result of their peaceful actions to exercise rights under the accords, the members of this organization have been subjected to years in labor camps, prisons, or internal exile. Members have been singled out and persecuted for their battle for human rights.

This persecution by the Soviet Government of the Ukrainian people is a serious violation of the Helsinki accords, legal and international moral norms. It is imperative that we recognize the plight of the oppressed people of the Ukraine who continue to protest the bondage inflicted upon them by the Soviet Government.

I cosponsored House Concurrent Resolution 205, passed by the House of Representatives on May 4, 1982, to condemn an array of Soviet violations of human rights in the Ukraine. This resolution called upon the Soviet Union to release members of the Helsinki Monitoring Group while commemorating the fifth anniversary of the group's founding. Pressure must continue to be put upon the Soviet Union to release from bondage those persons who have sought information on the violations of the Helsinki accords.

The United States must act further to support the struggle of the Ukrainian people for self-determination. The reopening of the U.S. consulate in Kiev would greatly improve our efforts to help these victims of Soviet persecution. In our desire to uphold the Helsinki accords and the struggle for Ukrainian human rights, the reestablishment of communication with the Ukrainian people is a necessity. I have cosponsored a resolution to reopen the consulate.

As a member of the ad hoc Committee on the Baltic States and the Ukraine, I urge the Congress to make every effort to reopen the U.S. consulate in Kiev while seeking to reestablish the sovereignty and freedom of the Ukrainian people.●

● Mr. SMITH of New Jersey. Mr. Speaker, I rise in recognition of Ukrainian Human Rights Awareness Week and in protest of the abuses imposed upon the people of the Ukraine by the Soviet Union.

I speak not on behalf of myself, but on behalf of those who are oppressed, of those who are not allowed to speak for themselves. I speak for Ivan Svitlychny, for Yuriy Shukhevych, Mykola Rudenko, Oleska Tychy, Oksana Meshko, and for all the beleaguered citizens who suffer from the heavy hand of Soviet tyranny. Yet, I remind you that these individuals are not to be pitied. Their sufferings, although great, have not gone unrequited.

To the citizens of the United States and the people of the world—I say that these individuals are to be cherished—their courage and determination envied. Their spirits have not been weakened, and their resolve has not been destroyed. The Soviet Union has practiced a policy of extermination with the Ukrainian Orthodox and Catholic Churches—still, the faith of the people is strong. The Soviet Union has repeatedly levied hardships upon the Ukraine—yet, the Ukraine endures. The Soviet Union has persecuted members of the Ukrainian Helsinki Monitoring Group, But infractions are reported and basic human rights are demanded. The dedication of the Ukrainian people is to be admired.

Why does the Soviet Union continually violate the Universal Declaration of Human Rights, the Charter of the United Nations, and the Helsinki accords? For what reason does the Soviet Union abandon its own national constitution?

The Soviet Union desperately needs the Ukraine. Consider:

The nearly 50 million Ukrainians make up 20 percent of the total Soviet population.

The Ukraine produces 20 percent of the total Soviet industrial output.

The Ukraine is the world's number one producer of manganic ore.

The Ukraine produces nearly 50 percent of all Soviet and 10 percent of the world's yearly output of cast iron.

The Ukraine produces over 40 percent of all the steel made in the Soviet Union.

The Ukraine produces almost 20 percent of the Soviet Union's electricity.

The Ukraine is responsible for 20 percent of all agricultural and over 25 percent of all grain production within the Soviet Union.

The Ukraine produces 60 percent of all granulated sugar within the Soviet Union.

And 25 percent of all the potatoes, 25 percent of all the vegetables, 25 percent of all the meat and eggs produced by the Soviet Union comes from the Ukraine.

I remember that when President Reagan returned from Europe, he expressed his joy that Spain had requested and been granted membership in NATO. And the President remarked, that he could not remember a nation requesting to become a member of the Warsaw Pact.

Mr. Speaker, the people of the Ukraine are a people unto themselves. They are aware of their own identity. The Ukrainians have survived the trials and tribulations of a turbulent history—now they continue to persevere. We must continue to join in the fight for human rights in the Ukraine, and we will. But we can be comforted by the assurance that, the Ukraine will always be—the Ukraine.●

● Ms. FERRARO. Mr. Speaker, on November 17 of last year, many of my colleagues in the House joined me in the fight against the Soviet Government's unjust treatment of Ukrainian human rights activists.

At that time, the members of the Ukrainian Helsinki Monitoring Group, who have tried to promote basic human rights for Ukrainian citizens, were being subjected to harassment, arrest and persecution because of their personal beliefs. I would like to remind my colleagues that these noble people are still being persecuted and oppressed by the Soviet authorities. Although this Soviet tyranny over the Ukraine continues today, it has not succeeded in crushing the independent spirit of their citizens, who stubbornly resist the attempted obliteration of their linguistic, ethnic and religious identities.

The plight of these and all Ukrainian people may only be bettered by the continued attention of the free world's leaders and press. Only when Soviet policies are revealed and repudiated by the rest of the civilized world will these authorities make concessions to humanitarian principles. The Soviet Union must be made to realize that it will be held accountable for its denial of basic human rights in the Ukraine.

I sincerely hope that all my colleagues will support the efforts of the Ukrainian people to resist russification policies and to reachieve independence.

It is fitting that we, as Americans and as compassionate people, pause to rededicate our commitment to human rights in the Ukraine.●

● Mr. HUGHES. Mr. Speaker, in recent months, we have heard a great deal of outcry in the international community against imperialism. And,

as usual, no country has cried louder than the Soviet Union. For example, when the United Kingdom responded to Argentina's invasion of the Falkland's, the Soviets indignantly protested.

Yet Soviet domination of the Ukraine and the Soviet Government's continuing effort to quash Ukrainian freedom, culture and religions belies Soviet claims of a commitment to self-determination and human rights. The Soviet Union ruthlessly governs its empire, crushing all who oppose it from within like ants in the path of a lumbering giant. The tragic fate of the members of the Ukrainian Helsinki Group stands as testament to the true nature of Soviet regard for human rights.

Despite this oppression, many Ukrainians have struggled to preserve their society and culture from extinction. One example of their courageous efforts can be seen in the Cannon House Office Building Rotunda, where literature of the Ukrainian underground is on display. Although many Ukrainian authors have suffered the wrath of narrow-minded officials to practice their craft, they have endured and smuggled their works out to the free world.

I urge my colleagues to remember the suffering of Ukrainians for two reasons: first, that we may cherish our own freedom of expression and human rights; and second, that we may continue our energetic action to bring world attention to the denial of human rights in the Ukraine.●

● Mr. BAILEY of Pennsylvania. Mr. Speaker, we are designating this week as Ukrainian Human Rights Awareness Week. I am honored to join with my colleagues in publicly acknowledging our collective and individual support of the Ukrainian people in their struggle against the tyranny of the Soviet Union.

Although we infrequently realize it, the Ukraine is one of the largest countries in Europe with a 1,000-year-old-history. It is also a member of the United Nations. It is with sorrow that we remember that many of the years of this century have been spent under severe Soviet repression. Since the Stalinist dictatorship the Ukraine has been the scene of genocide and ethnocide. In 1933, the authorities artificially created a famine which resulted in the starvation of 6 million Ukrainians. Millions of kulaks were deported to Siberia where they died. Again in 1937 Ukrainian prisoners were shot by hundreds of thousands. Later the war with Germany destroyed 7 to 8 million Ukrainian citizens. World War II brought more destruction when the Ukrainian Insurgent Army continued to fight Hitler against Stalin's policy. In 1960, members of the young Ukrainian intelligentsia were thrown into prison and concentration camps.

Despite these insurmountable hardships, the nationalist spirit of the Ukrainian people has not been destroyed. This November marks the sixth anniversary of the Ukrainian public group to promote the implementation of the Helsinki accords. The paramount objectives of this group are to gain Ukrainian independence and to have the Ukraine considered a separate country in international agreements involving the Helsinki accords. The Ukraine is not a province, a region, or the breadbasket of the Soviet Union, and should not be considered or treated as such. But of the 10 Ukrainians who founded this group in 1976, 7 are in prison, 1 is in internal exile, and 2 are in exile in the West. Furthermore, 23 other members are in prison, 4 in internal exile, 6 in exile abroad, and one has committed suicide.

What are the goals of the Ukrainian people? Simply, the Ukrainians want justice, the rule of law, separation from the U.S.S.R., and a free exchange of information and ideas throughout the country. I say, simply, that because Americans have enjoyed these basic rights for over 200 years, too often we forget that they are hard-fought freedoms. If we stop and think about the list of basic freedoms that the Ukrainians want they are not much different than those of the American colonists in 1776.

Mykola Rudenko, 5 days after he helped found the Ukrainian Helsinki Group, wrote:

"From under the thick ice of fettered spirituality another child of freedom timidly raises its head. Whether it is barbarously destroyed or survives, this depends on you, people of good will."

We are people of good will who must not abandon any country's efforts to gain freedom and independence from undemocratic rule. I applaud the Ukrainian people and their tenaciousness in the pursuit of human rights and independence.●

● Mr. FARY. Mr. Speaker, I come before you today on behalf of the Fifth Congressional District of Illinois and as a member of the Ad Hoc Congressional Committee on the Baltic States and the Ukraine, with a deep concern for the millions of people who today struggle against political repression, religious persecution and suppression of ethnic identity and individual dignity. The Ukrainian people are among millions of these people held captive.

In recent years, we Americans have been exposed to a flood of detailed reports on the activities, arrests, trials, and imprisonments of Russian dissidents. Much less attention, however, has been focused on the non-Russian dissidents. I am thankful that we have Ukrainian Human Rights Awareness Week to help focus our attention on their inescapable plight.

In 1975, at the 35 nation Helsinki Conference on Security and Cooperation in Europe, the leadership pledged to respect the fundamental freedoms of movement of people and information. Recent hearings before the Commission on Security and Cooperation in Europe show that the implementation of the Helsinki accords has been more of a gesture than a reality. Ukrainian men and women are still being detained for their religious and political beliefs. Several prisoners of conscience have been arrested and convicted of anti-Soviet agitation and propaganda, and many of these prisoners have been punished while serving their sentences. Conditions in Soviet corrective labor colonies and prisons continue to be characterized by hunger, overwork, and poor medical treatment. In addition, Soviet authorities have continued to confine dissenters into psychiatric hospitals for political rather than medical reasons.

We must do all that we can to assure compliance with the Helsinki act and to further the right of Ukrainian men and women who live freely in their own land. I trust that we here in the United States can still appreciate our own bitter struggle for freedom over 200 years ago, and the vision for "life, liberty and the pursuit of happiness" that burned deep within us. It is our duty to continue to champion the rights of national, cultural and religious freedoms of all peoples. Not only must we be committed to the spirit of freedom and independence but to making steps forward so that this spirit is actualized. The Ukrainian people are among the millions of those who are looking for us to live up to this commitment.●

● Mr. DWYER. Mr. Speaker, as a member of the Ad Hoc Committee on the Baltic States and Ukraine, it is both an honor and privilege to take part in today's special order commemorating Ukrainian Human Rights Awareness Week.

There can never be enough of these occasions when we, as a free Nation, call attention to those countries which are not free, those nations which have been systematically and cruelly denied their basic human rights.

Yet they still fight. This Chamber overwhelmingly adopted a resolution last month, which I was honored to sponsor, paying tribute to the 37 members of the Ukrainian public group to promote and monitor the implementation of the Helsinki accords in this captive nation and calling on the Soviet Union to cease its relentless persecution of these brave men and women.

The Soviets do not like to be reminded of their Helsinki promises and have, not surprisingly, been fierce in their persecution of the Helsinki monitors through systematic harassment,

imprisonment and exile. Yet, in the face of all this oppression, these Ukrainian dissidents are still getting their message across, sustained by the support of their fellow countrymen.

Persecution has been particularly severe in Ukraine in the last year and the beginning of 1982. The families of political prisoners have suffered extreme harassment, including beatings, loss of work, and expulsion from the university.

External representatives of the Ukrainian Helsinki Group see this stepped up repression as a signal from the Soviets that Ukraine has become a Communist testing ground, making events which are now taking place there of worldwide significance.

When will it ever end? This is the fundamental question on the lips of every Ukrainian who seeks simple justice and is silenced for his query. We owe it to our own heritage to make sure that the human rights message resounds over and over again, forever vigilant in our support of the courageous efforts of the Ukrainian people.●

Mr. DOUGHERTY. Mr. Speaker, at this time I yield back the balance of my time.

FEAST OF ST. JOHN FISHER AND ST. THOMAS MORE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. HYDE) is recognized for 30 minutes.

Mr. HYDE. Mr. Speaker, today, June 22, 1982, is the feast day of two great saints—St. John Fisher and St. Thomas More. St. John Fisher was a bishop and during his imprisonment in the Tower of London was elevated to the rank of cardinal. He later was martyred for his refusal to acknowledge King Henry VIII as head of the Church of England. It is worth noting that most of the English clergy capitulated to the King's demand, but among those who did not were two Carthusian Monks along with Bishop Fisher. They were beheaded for their steadfastness.

Our concern today, however, is with St. Thomas More, the only layman among the four prisoners in the Tower. More was a lawyer, scholar, author, diplomat, King's counsellor and Chancellor of England. In addition he was in every sense of the term a devoted father and husband. Born in 1477 or 1478, he had four children by his first wife, Jane Colt, and after her death in 1511, he married a widow, Alice Middleton, who brought into her new family her own daughter, Alice.

The stories of his warm family life—the mutual devotion constantly displayed, have been brilliantly set forth in Robert Bolt's award-winning dramatization, "A Man for All Seasons."

Thomas More is one of the most human saints in the church. The great scholar Erasmus said, "he would make me dance the tightrope." He was the personification of Christian humanism; in touch with all the discoveries of his age, his interest in new ideas was profound. He loved the arts as well as knowledge and historians tell us he turned his "own house into a miniature platonic academy, where sons, daughters, sons-in-law, friends, and relations rivaled one another in the brilliance of their scholarship."

Even before he became Lord Chancellor of England, More was eminent throughout Europe. It is important for us to recall that the temptations of success did not make his reunification of high public office an easy thing to do. Unlike Bishop John Fisher of Rochester, More did not completely break with Henry as soon as the King's breach with Rome became final. When the act of succession became the law of England, More could not remain in office without compromising his honest belief that the marriage of Henry and Ann Boleyn was illegal. He therefore quietly resigned the chancellorship on the grounds of ill health and returned to his home and family. But his enemies would not leave him in peace, and his attempts to avoid swearing to the act of succession were unavailing. His imprisonment for 15 months in the Tower followed. I have seen the cell in which he was confined. It is a very small room whose cramped space was in contrast to the greatness and serenity of his heart. His possessions were confiscated and his wife had to sell many personal belongings to pay for food.

Not only did his wife and daughter Margaret visit him in prison and plead with him to emulate so many other good men by submitting to the King, but even Cromwell himself. It was easier to deny Cromwell than it was to deny his loving but perplexed family.

On July 1, 1535, in Westminster Hall he was condemned to death.

Historians have no doubts about Thomas More. There were no intrigues or plots nor speculation about what he was really after or what ambition he was trying to fulfill.

Following his conviction, he rose to his feet and very calmly told the Court of Royal Sycophants why he was going to his death.

In a stirring speech of heroic defiance, More said:

> The discharge of my conscience enforceth me to speak so much. Wherein I call and appeal to God, whose only sight pierceth into the very depth of man's heart, to be my witness, the church is one and indivisible and you have no authority to make a law which infringes on Christian unity.

The King's response to such words was the executioner's ax.

The great significance of Thomas More's martyrdom, Hilaire Belloc tells us, is that he acted in isolation. Not, of course, a total isolation, for there were many martyrs who were similarly executed, but these were clergy, not worldly and successful as More, and none leaving behind a bewildered and grief-stricken family. He laid his life down for one point of Catholic doctrine only, unsupported by the militant combative nature of the ideologue. He was not one of those who delighted in such a challenge. Worse, his cause enjoyed no sympathy from those nearest to him. He suffered from self-doubts, but in spite of all this, he offered himself as a victim. Being human, he shared our common capacity for rationalizing, the very force that would tell us, were we in the Tower, that by yielding, we were doing the right thing.

More's good humor and commonsense made him aware of how ridiculous he looked in such an isolated position. He endured the public charges of eccentricity and the private chastisements of his wife that he was perverse, foolish, and uncaring for his family.

The most terrible aspect of this martyr's isolation was his inability to see any good whatsoever coming from his sacrifice. He was absolutely alone. "He had nothing within or without, nothing promised in the future, nothing inherited from the past, nothing in the tradition of his habits and life to nerve him for what he did. And yet he did it."

It was on July 6, 1535, that Sir Thomas More was led out to execution on Tower Hill. Some were shocked at his cheerfulness—to them most unbecoming. He is said to have asked for assistance in climbing the scaffold, stating that he could make it down by himself—he admonished his executioner to be most careful of his flowing beard "for it hath committed no treason."

The King had given orders that More was to be denied the right to make the customary speech on the scaffold, and thus forced Sir Thomas to utter but one sentence—a sentence that was to become immortal: "I die the King's good servant, but God's first."

His conscience, his integrity, were intact, and have served as a shining symbol of what sublime heights the soul of mere mortal man is capable of attaining.

On Thursday evening, September 16, 1982, Chief Justice of the United States Warren E. Burger, will be awarded the first honorary membership in the Thomas More Society of America. The award will be presented at the society's annual banquet to be held at the Sheraton Washington Hotel in Washington, D.C., following a reception at 6:30 p.m.

At the banquet the Chief Justice will make a major address linking

issues faced by Thomas More 450 years ago, as Henry VIII's Chancellor, with issues which arose in the early development of the U.S. Constitution.

I suppose the great lessons to be taught by the life of Thomas More are that indeed a person may be in and of this world, this society, and yet remain saintly. He teaches us, by his heroic example, that there are matters of principle, of conscience that are worth dying for. This must come as a stunning revelation to so many who view death as the ultimate evil. Not so Thomas More, who believed violating his conscience was the ultimate evil—the loss of his immortal soul.

We need not feel as solitary as More must have felt when he resisted the pleadings of so many to simply sign the oath of supremacy. We can feel a special kinship with this rare singular man. That we are bound with the dead, the living, and the not yet born in a purposeful order, an order that imposes much duty and grants much opportunity. What is demanded of us, too, is heroic faith, not in a single act of sublime martyrdom, but cumulatively in the numberless trials of living each day in a sinful world.

T. S. Eliot wrote of an earlier St. Thomas, Thomas A. Beckett, whose murder in a cathedral provides so many parallels to More's martyrdom, that I should like to repeat the final prayer of Eliot's great chorus for each of us here today:

We thank Thee for the mercies of blood, for Thy redemption by blood.

For the blood of Thy martyrs and saints shall enrich the Earth . . . shall create the holy places;

For wherever a saint has dwelt, wherever a martyr has given his blood for the blood of Christ, there is holy ground, and the sanctity shall not depart from it, though armies trample over it, though sight-seers come with guide books looking over it;

From where the Western seas gnaw at the coast of Iona, to the death in the desert, the prayer in forgotten places by the broken imperial column;

From such ground springs that which forever renews the Earth . . . though it is forever denied.

Forgive us, O Lord, we acknowledge ourselves as type of the common man;

Of the men and women who shut the door and sit by the fire: who fear the blessing of God, the loneliness of the night of God, the surrender required, the deprivation inflicted;

Who fear the injustice of men less than the justice of God;

Who fear the hand at the window, the fire in the thatch, the fist in the tavern, the push into the canal, less than we fear the love of God;

We acknowledge our trespass, our weakness, our fault;

We acknowledge that the sin of the world is upon our heads; that the blood of the martyrs and the agony of the saints is upon our heads.

Lord, have mercy on us, Christ, have mercy upon us, Lord, have mercy upon us.

Blessed Thomas, pray for us.

Mr. Speaker, at the mass celebrated today at St. Peter's Church, the homily was delivered by Rev. Raymond O'Brien, assistant dean of the Catholic University School of Law. I am honored to close my remarks by including Father O'Brien's remarks:

THE 1982 CELEBRATION OF ST. THOMAS MORE

My favorite story about Saint Thomas More comes not from him or even from one of his many biographers. The story comes from a person like you and me, reflecting on the nature and purpose of this lawyer and saint from a safe historical perspective and asking: Why is it, after what had to be many petty compromises with king and principle, did this man stop compromising and take a stand which resulted in his death? Safely, I would like to join with you as fellow jurists today and pose the same question. We, who are proud of litigation and negotiation, of compromise and endless drafting, have reason to pause and celebrate the memory of St. Thomas More with more than patchwork stories or playwright's scenes. We have reason to stop and ask why he did the things he did. We have reason to celebrate this Catholic Saint through example, through choices that will decidedly end the compromises in our own lives. After all, this is the stuff of saints.

It is a good time to stop compromising. I think we live, as did More, in a unique time. To give the time a name like James Hennessey gave the last chapter of his book, American Catholics, it is a revolutionary moment. But we can have all of the moments in the world and they will mean nothing if we, persons who share the responsibility of More, do not take hold of the moment and stop the malaise of compromise, stop defaulting upon the personal ability to choose good. But what is good for us at this revolutionary moment?

The Public Opinion Quarterly recently stated that the personal religious beliefs of Americans seem "exceptionally strong." Yet I am leary of the indices which some use to gauge that personal religious belief. Thomas More would have little to so with those who do things because they might as well, or because we always have, or certainly because if I do not there would be repercussions. But then I also think that he would eschew personal choice that was made because it demanded a secrifice in blood. There is a quality of personal choice that speaks more to will, and courage, and fidelity and continued service, and even of the choice not so visible, personal belief as prayer. This is the personal belief a Mother Teresa and the Catholic convert Dorothy Day, and those for whom we pray at Eucharist: ". . . whose faith is known to You alone." Personal religions belief for More has more to do with integrity than fluff! It is made of the stuff for which attorneys spend years in apprenticeship and priests hours in prayer. Thomas More did not find it in the wind and neither can we; it certainly never results from compromise. Begin today then with a renewed sense of personal choice.

Thomas More is a good example for attorneys and for Catholics living in these United States today. There is presently one attorney for every 400 citizens. The ratio nonetheless is probably larger for the 30 million Catholics we presently have, but as part of the Catholic population attains some of the economic benefits from their early immigrant status, the number of Catholic attorneys will rise. But Catholic is a verb, not a status one wears. This sainted lawyer lived his Catholicism as a presence to his clients, people with concerns. More, the man most often pictured carrying a small plea or chit in his hand, possessed the best of both worlds as chancellor. He was a bureaucrat, but he was also present to the people and that is the testimony of his Christianity, his Catholicism.

In 1980 William McSweeney, a sociologist, wrote a book called: "Roman Catholicism: The Search for Relevance," and I think it speaks to our unique mission of presence. I would fault the book because the author never considers seriously the possibility of divine intervention. Plus, his idea of perfect Catholicism is all of us doing the same thing at the same time, much like when we were in grade school and sister's clicker commanded one-thousand knees to bend in unison. Nonetheless, the author is correct that the Church has suffered a sense of loss. Some of this we must admit we brought upon ourselves because of default in allowing secular bureaucracy to erode our mission. Those who now ask the private domain to again return to the task of education, welfare, even to assert the value of humanism through promotion to healthy concept of leisure, would only need to look to the example of our Catholic immigrant fathers and mothers to see how this was done. We have allowed a bureaucracy to erode our mission and perhaps what is most damaging is that this erodes our historical base, our tradition.

I rejoice in one of William McSweeney's quotes: "Contemporary Catholicism cannot be understood except in its historical depth." As I travel the length of North Capital Street, past two high schools, two grade schools, and one legal aid clinic—on that street alone, not to mention the other services provided there by the Church—I can see our history and our mission, but somehow we have forgotten and that is what the sociologists identify as our loss. Thomas More did not forget the mission and he did not omit its tradition.

But More's concern, were he alive today, would not be to build more or in any other way compete with the bureaucracy. His gift was that he saw Christianity as the strength of his mission, bringing presence to people. Presence, I think that is his example to us.

There was an intriguing article by Richard Reves in the *New Yorker* Magazine in April of this year. Mr. Reves followed Tocqueville's journey through the American states to discover how democracy is working. One hundred and fifty years after Tocqueville, Mr. Reves found that the key to much of American history is that in the past the central government could deal directly with the people and this created an interchange that has lasted to this day. I think that More would call this interchange presence; we see it in the small chit he carries in his hand. I think the Church lives it as presence, we see it in our mission on North Capital Street, and all throughout the inner cities of America and the world. We were never called to be "fix it" people, simply sojourners, present to the world. You and I call it presence, we see it in our sacraments and our very character as Catholics. Our character constantly present like a toothache or as someone once remarked about the title "Former Marine," Once a Marine always a Marine; once a Catholic always a Catholic. It has to do with our presence and this is something that More understood. You and I as attorneys, would do well to bring this benefit to bureaucracy and the benefits of bureaucracy to our presence. More is testimony that neither is evil, both are best when working together.

Speaking of Tocqueville, there is another quote that More would find interesting: "A French lawyer is just a man of learning, but an English or American one is somewhat like the Egyptian priests, being, as they were, the only interpreter of an occult science." More would accept the justification that comes from learning, but his actions bespeak the fact that he never viewed his learning or his profession as anything but a means through which he could serve. This is integral to his understanding of his profession and I think his admonition to serve speaks to us in our profession today. But beware, I do not approach the subject with you on the familiar basis of giving of time or wealth; I think these are part of the presence that I spoke to earlier. Instead, I want to raise the issue of freedom and the possibility that you and I as attorneys, like More, have a greater responsibility than others to ensure that freedom of thought, action, and opportunity are guarantees in our country. This is today a particular Catholic mandate in this country and More's memory demands we serve it. Support would come from this from James Hennessey's statement in American Catholics, that the paramount American issue at the Second Vatican Council was religious liberty. Such phrases as collegiality, pilgrim people of God, participation within the community, are all part of the Council that changed even what we do here today, and few can doubt that the American Catholic Church contributed a significant amount to this. Thomas More would not only favor serving the practice of freedom, but through his respect for the law and for the Faith, he supported this in his professional life.

Do we mirror More's service to freedom of thought, action and opportunity today? Membership on organization boards or voluntary contributions to Bar fees do not suffice. What would More say? Quite frankly, I think the personal choice he made his credo and the presence he brought to his profession, mandate a renewal of our efforts within our organizations so that we can begin again provide freedom of opportunity. And as with all renewals, this mandate must come from the heart. With a country of growing Catholic numbers there will be no scapegoats when the time of reckoning comes there will be no further excuses when we, to whom much is now given, are asked: "Where were you?" Our own freedom bears with it immense responsibility.

More would demand a renewal of our hearts so that we can begin a right to bring this American Catholic guarantee of freedom to light. But to do this he would also tell us to stop resting upon phrases such as: "The world is this," or "The problem with our cities is. . ." Phrases, as many of the Pharisees discovered, are best when they are uttered with the widow's resolve.

Once we admit that there is a need to go beyond the facile phrases and renew the structure of opportunity in America, there is also the need to admit that we should set about the task of promoting within each person the inner sense of freedom to which More gave evidence with his life in martyrdom. By dying he accentuated the best in each of our human spirits made radical with belief. He joined the recent value choices of Bonhoffer and Romero. He speaks of the key spark that ignites the American dream: that if you work hard at something, you will get it. That dream is not working for millions of Americans as once it did for our Catholic immigrant predecessors and you and I share the responsibility to safeguard and renew its promise and its value.

There is a final image that More calls to mind today. It is an image that is surrounded with charges made against Catholics that they are psychologically defensive and that we are anti-intellectual. I wonder what More would say to this. But before any of us leap to the defense of the Church or of our own intellectual prowess, we should return to that history of which I spoke earlier and face the fact that throughout the history of the Church in this country many scholars, including priests and devout Catholic laymen, have lamented the "complacency in mediocrity" of Catholic colleges and our need to associate the Faith with those of notable achievement in any profession. At one point we could say that we have not done enough because there were those who made it their business to see that we could do as little as possible. But not so the age of the future and certainly not so for ourselves and the Faith that projections say will become the dominant one in the United States within our lifetime.

You and I can remember a time of repression, but that is not the theme of the future. Rather than the restrictiveness of separation of church and state, we move now into an age of free exercise. This is a challenge and one that More would welcome. The victory there goes not to the person with the greatest wealth or the pedigree of lineage, but to the person who makes the most of the opportunity. This captures the presence, the freedom, and the spirit of Thomas More. Today, in these United States, you and I, perhaps as in no other period, enjoy a great and revolutionary moment of opportunity, as Catholics, as attorneys, as Americans. History will judge us for what we have done and what we have failed to do. So I remember the history of Saint Thomas More and commit it to the Church that he loved not because it was old, because it was a mysterious museum, or because it was safe. This saint was a part of the Church's history because he was present to it at the moment and would that the same could be said of us.

AUTHORIZING CONSTRUCTION OF RICHMOND-JAMES RIVER FLOODWALL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. BLILEY) is recognized for 10 minutes.

● Mr. BLILEY. Mr. Speaker, today I am introducing legislation to authorize construction of the Richmond-James River floodwall, a project of great significance to the city of Richmond, the Third Congressional District, and to the Commonwealth of Virginia as a whole.

I am pleased to be joined in introducing this legislation by my colleagues in the Virginia congressional delegation. We are all proud to have this opportunity to protect our capital city, and to contribute to the enormous growth and development which will surely occur with adequate flood protection.

As many of my colleagues know, an important portion of the city of Richmond lies in a particularly vulnerable area of the James River flood basin. Much of that area, on both the north and south sides of the river have an enormous unfulfilled potential for urban revitalization, economic stimulation, the creation of jobs, cultural revival and aesthetic renaissance.

I know of no organization either public or private in Richmond which does not enthusiastically support construction of the floodwall. In fact, many local organizations have devoted their efforts to the singular pursuit of obtaining the floodwall, and countless numbers of citizens have expressed their unqualified support for these efforts to the city of Richmond, the Commonwealth of Virginia, and to the Congress of the United States.

I know of no better way to indicate to my colleagues the extreme importance of this project than to share with you the comments on the floodwall prepared by one of those citizens, also a member of the Richmond business community. The title of the paper in which these comments appear foretells the whole story of the city given flood protection—"Richmond: A City of Renaissance."

RICHMOND: A CITY OF RENAISSANCE

Richmond, an old riverfront city in Central Virginia, is in the process of being reborn. The City has the ingredients—central location, good access, well developed services, and historical significance—to become a focal point for the Mid-Atlantic region. The catalyst to achieve that goal is the City's determination to restore and enhance its unique assets. This commitment is a critical factor in weighing a city's chance to survive and to eventually prosper.

HISTORY AND TRENDS

The first permanent settlement in the Richmond area was on the bank of Shockoe Creek in the 1670's. Richmond was incorporated as a town in 1742. Town limits were 17th and 25th Streets, the James River and Broad Street (Exhibit I). Prior to the 1860's, the Shockoe Valley was a bustling center of trade. In addition to the shops, factories and warehouses were fashionable residences and apartments. After the destruction of the War Between the States, the Shockoe Valley emerged as a strong industrial district. New Victorian buildings were added to the old creating the intriguing character which it still retains.

Following a major flood in 1936 industries began relocating to other segments of the metropolitan area. Buildings deteriorated and property values declined. Floods of "250 year" frequency struck again in 1969 and twice in 1972. Direct damages totaled $23 million in 1969 and $59 million in 1972. The Valley has been mostly vacant since 1972.

Although the floodplain is no longer an industrial center, the City, as a whole, has maintained its manufacturing, a critical element to a city's economic base. From 1967 to 1977, Richmond's value added by manufacturing increased 39 percent after discounting inflation. The City also retained its 75 percent share of regional manufacturing establishments.

As most core cities across the country, Richmond has experienced a decline in population and a change in household composition. Between 1950 and 1978, Richmond lost 22 percent of its 1950 population. By comparison neighboring Henrico and Chesterfield counties grew by 202 percent and 280

percent, respectively. The City Planning Department estimates that 2000 population will be about 198,500.

In addition to losing residents, Richmond has lost a large share of area retail sales, plummeting from 72 percent to 49 percent, over the 10 year period ending in 1977. Accounting for inflation, Richmond's sales dropped 10 percent, while Chesterfield's increased 115 percent and Henrico's by 152 percent.

ALTERNATIVES OPEN TO RICHMOND

A. Do nothing. If the City does not act to reverse or slow past trends, it is expected that by the year 2000, Richmond's:

1. Share of total regional employment could drop to 50 percent from 72 percent in 1970;

2. Percentage of area retail sales could fall to 35 percent from 49 percent in 1977;

3. Register of car owners could decline to 26 percent from 40 percent in 1977.

Many city residents depend on public transit and as a result, their access to jobs available in the suburbs would be denied. Unemployment would increase exponentially as job opportunities in the City eroded.

Responsible management cannot ignore these trends and do nothing to reverse them.

B. Aggressively act to counter deterioration. City officials are committed to sacrifice short-term amenities in order to fund projects having long range benefits. Curtailing municipal services and cutting expenditures have been unpopular with several special interest groups, yet they are necessary to insure a balanced budget and to stimulate capital development.

In an effort to get the maximum return on its investments, Richmond has been selective in which projects to fund. Projects in the Main-to-the-James and Shockoe Valley areas that have been included in the City's Capital Improvement Program are: the floodwall, Tredegar Ironworks, Main Street Station, the Farmers Market, Tobacco Row, the riverfront, James Center and Lower Shockoe Slip. Except for the floodwall, the City's part of development concentrates on cosmetic improvements in the blighted districts. In 1985 dollars, the City's investment will be approximately $17 million, the federal government's $91 million, while private development is expected to be $644 million (Exhibit II).

It is anticipated that Richmond's actions will attract people back to the City to work, live and shop. Succeeding in these efforts will signal the reversal of past trends and the renaissance of Richmond.

FLOODWALL AND PLANNED DEVELOPMENT

The floodwall, a U.S. Army Corps of Engineer's project, will be under construction for 2½ years beginning in 1984 or 1975. The wall is designed to protect approximately 350 acres of land from the most severe flooding (Exhibit I) and to provide better access to the riverfront. The floodplain on the north bank is a narrow valley following the course of Shockoe Creek and continuing deeply into the north. The height of the concrete wall will range from 10 to 27 feet and will be 3,000 feet in length. Following the line of the Southern Railroad rails east, the wall with extend from 12th Street and Byrd to 23rd and Cary. It will separate the active rail lines from Shockoe Slip, acting as a sound barrier.

The floodplain on the south bank involves 250 acres spread over a broad area. The maximum flooding area is one mile long and 2,800 feet in depth. The floodwall will be concrete for 750 feet and an earthen levee for 10,000 feet. Starting at the Manchester Bridge, the wall will stretch to I-95, then follow I-95 to Goode Street. The structure will vary from 10 feet to 32 feet in height.

On the north bank, there are about 30 blocks of excellent historic buildings intact. Nationwide trends support restoration of old buildings for new uses. The interest in historic buildings has been proven in successful Shockoe Slip, renovation is less expensive than new construction, and there are significant tax advantages with accelerated depreciation. With the protection of the floodwall, the north bank would probably be developed over the next 10 to 20 years. Through well planned rehabilitation, it will be possible to preserve and interpret a significant portion of history in a living and working community.

The floodwall will allow development to occur, while preserving the unique character of the area. The focal point of the Valley is the old Main Street Station and Farmers Market. The City has secured a UDAG grant to help fund the renovation of the Market and Station. The Market has been in continuous operation for over 200 years, and the Station is a national landmark. Similar to Fanueil Hall and Quincy Market in Boston and Ghirhadelli Square in San Francisco, the Main Street Station will be a high quality specialty shopping mall. The project will be the first major improvement in the floodplain and should stimulate renovation of neighboring properties.

Tobacco Row, a series of large tobacco factories and warehouses parallel to the Richmond Dock, is a historic importance as a prime example of industrial architecture. With 1½ million square feet overlooking the James River, Tobacco Row could be converted into 1,000 to 1,500 residential units. Office and commercial uses would also be compatible.

Lower Shockoe Slip borders a highly successful restaurant and retail district. An overflow of the Slip's development is expected in the western portion of the lower region. Since the area is no longer suited for industrial uses, it is anticipated that demand for retail and office space will develop.

Planned projects for the Main-to-the James program are the James Center, the Tredegar Ironworks, and the riverfront. The James Center will house CSX Corporation's headquarters and a Marriot Hotel. The Tredegar Ironwork's restored buildings along the river would function as a community center for the townhouse neighborhood stretching up Gamble's Hill, past Ethyl Corporation. The site has potential to be distinctive with the integration of waterways, parks and housing. Condominium developments in the Fan and on Church Hill have been popular in the past decade. This popularity and rising transportation costs suggest that residential development near down town would be logical.

In conjunction with the residential development along the river, the City plan to clean up and enhance its most prominent and overlooked asset—the James River. A linear park will follow the river's edge on both banks. In addition, the City plans recreation facilities on the islands across from the Tredegar Ironworks and Tobacco Row.

The protected area on the south bank is the largest tract of available land in the City for prime industrial use. It has excellent mass transit service and is fully served by gas, water and sewer. Merger of the Seaboard Coastline and the C&O will give this property access to the C&O network. The south bank floodplain has nothing of historic value and is not attractive for any use other than industrial. With appropriate development, the area could become one of the most important industrial sectors in the City.

Without the floodwall, the current underutilization of the land would be expected to continue. This extremely low use of the property does little to stimulate the area's economy.

On the north bank the Valley's development would be postponed as much as 15 to 20 years without the floodwall. The cost of floodproofing existing structures is so high that it would not be economically feasible to save the smaller historic buildings. As future development occurred, the old buildings would be replaced with modern high rise towers. The character and charm of the Valley would be lost along with the real development potential the area holds.

BENEFITS

Final approval of the floodwall will be sufficient to stimulate the rehabilitation and land values of many buildings in the immediate future. Values of properties in restored areas of Richmond have exploded in the last decade (Exhibit III). These huge increases have not happened in non-historic districts. Speculation in the Valley has already increased sales prices of several properties in the last two years. Since January, 1979 sales prices have averaged 148 percent above the assessed value.

With flood protection, the upward potential for the City's tax base is tremendous. In 1979 assessed values for blocks in Shockoe Valley ranged from $1.54 to $5.46 per square foot. Properties in Shockoe Slip and the financial district were valued at $24.88 and $119.02 (Exhibit IV), respectively—areas within five blocks of Main Street Station. Property taxes generated by riverfront and floodplain development are expected to total $9.1 million. Auxiliary taxes, particularly machinery taxes produced by south bank development, would also increase significantly.

Construction and renovation would provide badly needed jobs for many of the City's residents. New sources of employment would result from the completed projects. As new businesses locate on the south bank, the loss of industrial jobs citywide would slow.

Tourism in Richmond has not been fully cultivated. With the City's revitalization and proper promotion studies indicate that Richmond could increase its annual tourism revenue of $10 million ten times. The Valley would link restored Church Hill to the Capitol. Main Street Station would be the main point of arrival on I-95. Fanueil Hall lacks three key features which Main Street Station possesses: visibility, easy access and ample parking. In spite of these deficiencies Fanueil Hall surpassed Disneyworld last year as the number one attraction in the country. As a major tourist district, the Valley would lure people downtown, employ workers, bring in tourist dollars, and pay taxes.

CONCLUSION

While Richmond is currently plagued with the problems of many central cities in the United States, action is being taken to stop negative trends and to stimulate new growth. With the aid of the floodwall, Richmond, in the year 2000, will be a new city in a rich setting. The mixed use environment

of the 21st century will be reminiscent of Richmond as the bustling center of commerce and activity in the 19th century.●

THE PRESIDENT'S SPEECH ON DISARMAMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 10 minutes.

● Mr. MICHEL. Mr. Speaker, on June 17, 1982, President Reagan addressed the United Nations General Assembly's special session on disarmament. His speech is a refreshing change from most of the rhetoric that is found in the U.N. and is also fundamentally correct in its indictment of the history of the Soviet Union in the field of disarmament agreements. I was particularly glad to see the President take this opportunity to remind the world that the Soviet Union is currently in violation of "the Geneva Protocols of 1925, related rules of international law and the 1972 Biological Weapons Convention" since it is making available toxins to be used in Laos and Kampuchea and is using chemical weapons in Afghanistan. The President's call for open, accurate, and verifiable statistics and information on military matters from all nations—including the Soviet Union—is a welcome one.

Given the forum the President was given, one might have expected a speech that kept to the same glittering generalities and pious cliches that mark all such occasions. But the President really believes in peace and disarmament and is willing to tell the truth—hard as it may be—about what stands in the way. It is an excellent speech in many ways and I commend it to your attention.

At this point I wish to insert in the RECORD the text of a speech made by President Ronald Reagan to the Second United Nations General Assembly's special session on disarmament, June 17, 1982:

TEXT OF THE ADDRESS BY THE PRESIDENT TO THE SECOND UNITED NATIONS GENERAL ASSEMBLY'S SPECIAL SESSION ON DISARMAMENT, NEW YORK CITY, JUNE 17, 1982

I speak today as both a citizen of the United States and of the world. I come with the heartfelt wishes of my people for peace, bearing honest proposals, and looking for genuine progress.

Dag Hammarskjold said 24 years ago this month, "We meet in a time of peace which is no peace." His words are as true today as they were then. More than 100 disputes have disturbed the peace among nations since World War II and today, the threat of nuclear disaster hangs over the lives of all our peoples. The Bible tells us there will be a time for peace, but so far this century, mankind has failed to find it.

The United Nations is dedicated to world peace and its charter clearly prohibits the international use of force. Yet the tide of belligerence continues to rise. The Charter's influence has weakened even in the 4 years since the first special session on disarmament. We must not only condemn aggression, we must enforce the dictates of our Charter and resume the struggle for peace.

The record of history is clear, citizens of the United States resort to force reluctantly and only when they must. Our foreign policy, as President Eisenhower once said, "is not difficult to state. We are for peace, first, last and always, for very simple reasons." We know that only in a peaceful atmosphere, a peace with justice, one in which we can be confident, can America prosper as we have known prosperity in the past, he said.

To those who challenge the truth of those words let me point out that at the end of World War II, we were the only undamaged industrial power in the world. Our military supremacy was unquestioned. We had harnessed the atom and had the ability to unleash its destructive force anywhere in the world. In short, we could have achieved world domination, but that was contrary to the character of our people.

Instead, we wrote a new chapter in the history of mankind. We used our power and wealth to rebuild the war-ravaged economies of the world, both East and West, including those nations who had been our enemies. We took the initiative in creating such international institutions as this United Nations, where leaders of good will could come together to build bridges for peace and prosperity.

America has no territorial ambitions, we occupy no countries and we have built no walls to lock our people in. Our commitment to self-determination, freedom and peace is the very soul of America. That commitment is as strong today as it ever was.

The United States has fought four wars in my lifetime. In each we struggled to defend freedom and democracy. We were never the aggressors. America's strength, and yes, her military power, have been a force for peace, not conquest; for democracy, not despotism; for freedom, not tyranny.

Watching, as I have, succeeding generations of American youth bleed their lives onto far-flung battlefields to protect our ideals and secure the rule of law, I have known how important it is to deter conflict. But since coming to the Presidency, the enormity of the responsibility of this office has made my commitment even deeper. I believe that responsibility is shared by all of us here today.

On our recent trip to Europe, my wife Nancy told me of a bronze statue, 22 feet high, she saw on a cliff on the coast of France. The beach at the base of that cliff is called Saint Laurent, but countless American family Bibles note it as Omaha Beach. The pastoral quiet of that French countryside is in marked contrast to the bloody violence that took place there on a June day 38 years ago when the Allies stormed the Continent. At the end of just one day of battle, more than 10,500 Americans were wounded, missing or killed in what became known as the Normandy Landing.

The statue atop that cliff is called "The Spirit of American Youth Rising From the Waves." Its image of sacrifice is almost too powerful to describe.

The pain of war is still vivid in our national memory. It sends me to this special session of the United Nations eager to comply with the plea of Pope Paul VI when he spoke in this chamber nearly 17 years ago. "If you want to be brothers," His Holiness said, "let the arms fall from your hands."

We Americans yearn to let them go.

But we need more than mere words, more than empty promises, before we can proceed. We look around the world and see rampant conflict and aggression. There are many sources of this conflict—expansionist ambitions, local rivalries, the striving to obtain justice and security. We must all work to resolve such discords by peaceful means and to prevent them from escalation.

In the nuclear era, the major powers bear a special responsibility to ease these sources of conflict and to refrain from aggression. That is why we are so deeply concerned by Soviet conduct. Since World War II, the record of tyranny has included Soviet violation of the Yalta agreements leading to domination of Eastern Europe, symbolized by the Berlin Wall—a grim, gray monument to repression I visited just a week ago. It includes the takeovers of Czechoslovakia, Hungary and Afghanistan; and the ruthless repression of the proud people of Poland. Soviet-sponsored guerrillas and terrorists are at work in Central and South America, in Africa, the Middle East, in the Caribbean and in Europe, violating human rights and unnerving the world with violence. Communist atrocities in Southeast Asia, Afghanistan and elsewhere continue to shock the free world as refugees escape to tell of their horror.

The decade of so-called detente witnessed the most massive Soviet buildup of military power in history. They increased their defense spending by 40 percent while American defense spending actually declining in the same real terms. Soviet aggression and support for violence around the world have eroded the confidence needed for arms negotiations.

While we exercised unilateral restraint they forged ahead and today possess nuclear and conventional forces far in excess of an adequate deterrent capability.

Soviet oppression is not limited to the countries they invade. At the very time the Soviet Union is trying to manipulate the peace movement in the West, it is stifling a budding peace movement at home. In Moscow, banners are scuttled, buttons are snatched and demonstrators are arrested when even a few people dare to speak out about their fears.

Eleanor Roosevelt, one of our first ambassadors to this body, reminded us that the high-sounding words of tyrants stand in bleak contradiction to their deeds. "Their promises", she said, "are in deep contrast to their performances."

My countrymen learned a bitter lesson in this century: the scourge of tyranny cannot be stopped with words alone. So we have embarked on an effort to renew our strength that had fallen dangerously low. We refuse to become weaker while our potential adversaries remain committed to their imperialist adventures.

My people have sent me here today to speak for them as citizens of the world, which they truly are, for we Americans are drawn from every nationality represented in this chamber today. We understand that men and women of every race and creed can and must work together for peace. We stand ready to take the next steps down the road of cooperation through verifiable arms reduction. Agreements on arms control and disarmament can be useful in reinforcing peace; but they are not magic. We should not confuse the signing of agreements with the solving of problems. Simply collecting agreements will not bring peace. Agreements genuinely reinforce peace only when they are kept. Otherwise we are building a paper castle that will be blown away by the winds of war. Let me repeat, we need deeds,

not words, to convince us of Soviet sincerity, should they choose to join us on this path.

Since the end of World War II, the United States has been the leader in serious disarmament and arms control proposals.

In 1946, in what became known as the Baruch Plan, the United States submitted a proposal for control of nuclear weapons and nuclear energy by an international authority. The Soviets rejected this plan.

In 1955, President Eisenhower made his "Open Skies" proposal, under which the United States and the Soviet Union would have exchanged blueprints of military establishments and provided for aerial reconnaissance. The Soviets rejected this plan.

In 1963, the Limited Test Ban Treaty came into force. This treaty ended nuclear weapons testing in the atmosphere, outer space, or underwater by participating nations.

In 1970, the Treaty on the Non-Proliferation of Nuclear Weapons took effect. The United States played a major role in this key effort to prevent the spread of nuclear explosives and to provide for international safeguards on civil nuclear activities. My country remains deeply committed to those objectives today, and to strengthening the non-proliferation framework. This is essential to international security.

In the early 1970's, again at U.S. urging, agreements were reached between the U.S. and the U.S.S.R. providing for ceilings on some categories of weapons. They could have been more meaningful if Soviet actions had shown restraint and commitment to stability at lower levels of force.

The United Nations designated the 1970's as the First Disarmament Decade, but good intentions were not enough. In reality, that 10-year period included an unprecedented buildup in military weapons and the flaring of aggression and use of force in almost every region of the world. We are now in the Second Disarmament Decade. The task at hand is to assure civilized behavior among nations; to unite behind an agenda for peace.

Over the past seven months, the United States has put forward a broad-based comprehensive series of proposals to reduce the risk of war. We have proposed four major points as an agenda for peace:

Elimination of land-based intermediate range missiles;

A one-third reduction in strategic ballistic missile warheads;

A substantial reduction in NATO and Warsaw Pact ground and air forces, and

New safeguards to reduce the risk of accidental war.

We urge the Soviet Union today to join with us in this quest. We must act not for ourselves alone, but for all mankind.

On November 18 of last year, I announced United States objectives in arms control agreements: They must be equitable and militarily significant, they must stabilize forces at lower levels and they must be verifiable.

The United States and its allies have made specific, reasonable and equitable proposals.

In February, our negotiating team in Geneva offered the Soviet Union a draft treaty on intermediate range nuclear forces. We offered to cancel deployment of our Pershing II ballistic missiles and ground-launched cruise missiles, in exchange for Soviet elimination of their SS-20, SS-4 and SS-5 missiles. This proposal would eliminate with one stroke those systems about which both sides have expressed the greatest concern.

The United States is also looking forward to beginning negotiations on strategic arms reductions with the Soviet Union in less than two weeks. We will work hard to make these talks an opportunity for real progress in our quest for peace.

On May 9, I announced a phased approach to the reduction of strategic arms. In a first phase, the number of ballistic missile warheads on each side would be reduced to about 5,000. No more than half the remaining warheads would be on land-based missiles. All ballistic missiles would be reduced to an equal level at about one-half the current U.S. number.

In the second phase, we would reduce each side's overall destructive power to equal levels, including a mutual ceiling on ballistic missile throw-weight below the current U.S. level. We are also prepared to discuss other elements of the strategic balance.

Before I returned from Europe last week, I met in Bonn with the leaders of the North Atlantic Treaty Organization. We agreed to introduce a major new Western initiative for the Vienna negotiations on Mutual Balanced Force Reductions. Our approach calls for common collective ceilings for both NATO and the Warsaw Treaty Organization. After seven years, there would be a total of 700,000 ground forces and 900,000 ground and air force personnel combined. It also includes a package of associated measures to encourage cooperation and verify compliance.

We urge the Soviet Union and members of the Warsaw Pact to view our Western proposal as a means to reach agreement in Vienna after nine long years of inconclusive talks. We also urge them to implement the 1975 Helsinki agreement on security and cooperation in Europe.

Let me stress that for agreements to work, both sides must be able to verify compliance. The building of mutual confidence in compliance can only be achieved through greater openness. I encourage the Special Session on Disarmament to endorse the importance of these principles in arms control agreements.

I have instructed our representatives at the 40-nation Committee on Disarmament to renew emphasis on verification and compliance. Based on a U.S. proposal, a committee has been formed to examine these issues as they relate to restrictions on nuclear testing. We are also pressing the need for effective verification provisions in agreements banning chemical weapons.

The use of chemical and biological weapons has long been viewed with revulsion by civilized nations. No peacemaking institution can ignore the use of these dread weapons and still live up to its mission. The need for a truly effective and verifiable chemical weapons agreement has been highlighted by recent events. The Soviet Union and their allies are violating the Geneva Protocol of 1925, related rules of international law and the 1972 Biological Weapons Convention. There is conclusive evidence that the Soviet government has provided toxins for use in Laos and Kampuchea, and are themselves using chemical weapons against freedom fighters in Afghanistan.

We have repeatedly protested to the Soviet government, as well as the governments of Laos and Vietnam, their use of chemical and toxin weapons. We call upon them now to grant full and free access to their countries or to territories they control so that United Nations experts can conduct an effective, independent investigation to verify cessation of these horrors.

Evidence of non-compliance with existing arms control agreements underscores the need to approach negotiation of any new agreements with care.

The democracies of the West are open societies. Information on our defenses is available to our citizens, our elected officials and the world. We do not hesitate to inform potential adversaries of our military forces, and ask in return for the same information concerning theirs.

The amount and type of military spending by a country is important for the world to know, as a measure of its intentions, and the threat that country may pose to its neighbors. The Soviet Union and other closed societies go to extraordinary lengths to hide their true military spending not only from other nations, but from their own people. This practice contributes to distrust and fear about their intentions.

Today, the United States proposes an international conference on military expenditures to build on the work of this body in developing a common system for accounting and reporting. We urge the Soviet Union, in particular, to join this effort in good faith, to revise the universally discredited official figures it publishes, and to join with us in giving the world a true account of the resources we allocate to our armed forces.

Last Friday in Berlin, I said I would leave no stone unturned in the effort to reinforce peace and lessen the risk of war. It has been clear to me steps should be taken to improve mutual confidence and communication and lessen the likelihood of misinterpretation.

I have, therefore, directed the exploration of ways to increase understanding and communication between the United States and the Soviet Union in times of peace and of crisis. We will approach the Soviet Union with proposals for reciprocal exchanges in such areas as advance notification of major strategic exercises that otherwise might be misinterpreted; advance notification of ICBM launches within, as well as beyond, national boundaries; and an expanded exchange of strategic forces data.

While substantial information on U.S. activities and forces in these areas already is provided, I believe that jointly and regularly sharing information would represent a qualitative improvement in the strategic nuclear environment and would help reduce the chance of misunderstandings. I call upon the Soviet Union to join the United States in exploring these possibilities to build confidence and I ask for your support of our efforts.

One of the major items before this conference is the development of a comprehensive Program of Disarmament. We support the effort to chart a course of realistic and effective measures in the quest for peace.

I have come to this hall to call for international recommitment to the basic tenet of the United Nations Charter—that all members practice tolerance and live together in peace as good neighbors under the rule of law, forsaking armed force as a means of setting disputes between nations. America urges you to support the agenda for peace I have outlined today. We ask you to reinforce the bilateral and multilateral arms control negotiations between members of NATO and the Warsaw Pact and to rededicate yourselves to maintaining international peace and security, and removing threats to peace.

We, who have signed the U.N. Charter, have pledged to refrain from the threat or

use of force against the territory or independence of any state. In these times when more and more lawless acts are going unpunished—as some members of this very body show a growing disregard for the U.N. Charter—the peace-loving nations of the world must condemn aggression and pledge again to act in a way that is worthy of the ideals we have endorsed. Let us finally make the Charter live.

In late spring, 37 years ago, representatives of 50 nations gathered on the other side of this continent, in the San Francisco Opera House. The League of Nations had crumbled and World War II still raged, but those men and nations were determined to find peace. The result was this Charter for peace that is the framework of the United Nations.

President Harry Truman spoke of the revival of an old faith—the everlasting moral force of justice prompting that United Nations Conference. Such a force remains strong in America and in other countries where speech is free and citizens have the right to gather and make their opinions known.

President Truman said, "If we should pay merely lip service to inspiring ideals, and later do violence to simple justice, we would draw down upon us the bitter wrath of generations yet unborn." Those words of Harry Truman have special meaning for us today as we live with the potential to destroy civilization.

"We must learn to live together in peace," he said. "We must build a new world—a far better world."

What a better world it would be if the guns were silent; if neighbor no longer encroached on neighbor and all peoples were free to reap the rewards of their toil and determine their own destiny and system of government—whatever their choice.

During my recent audience with His Holiness Pope John Paul II, I gave him the pledge of the American people to do everything possible for peace and arms reductions. The American people believe forging real and lasting peace to be their sacred trust.

Let us never forget that such a peace would be a terrible hoax if the world were no longer blessed with freedom and respect for human rights. The United Nations, Hammarskjold said, was born out of the cataclysms of war. It should justify the sacrifices of all those who have died for freedom and justice. "It is our duty to the past," Hammarskjold said, "and it is our duty to the future, so to serve both our nations and the world."

As both patriots of our nations and the hope of all the world, let those of us assembled here in the name of peace deepen our understandings, renew our commitment to the rule of law and take new and bolder steps to calm an uneasy world. Can any delegate here deny that in so doing he would be doing what the people—the rank and file citizenry of his country—want him to do?

Isn't it time for us to really represent the deepest most heartfelt yearnings of all our people? Let no nation abuse this common longing to be free of fear. We must not manipulate our people by playing upon their nightmares; we must serve mankind through genuine disarmament. With God's help we can secure life and freedom for generations to come.●

MILITARY AIRLIFT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. DICKS) is recognized for 60 minutes.

● Mr. DICKS. Mr. Speaker, I want to express my appreciation for this opportunity for my colleagues and me to present what we feel is a compelling case for concurring in the judgment of the other body and opposing the expenditure of billions of taxpayer dollars on the trouble-plagued C-5.

I feel this special order is particularly important in light of the enormous lobbying effort being conducted not only by private contractors, but by a wide range of Department of Defense and Air Force personnel. This coordinated series of actions was described today in several major newspapers including the Washington Post, the Boston Globe, and the Chicago Sun-Times. It is in the words of one Pentagon official quoted in the Boston Globe article written by Fred Kaplan, "the military-industrial complex at work, stark naked, self-revealed and self-identified."

I have had a chance to review the detailed computer printout described in these articles. The possible illegalities and the obvious improprieties of the Defense Department's actions are most serious because they represent a coordinated plan to influence Members of Congress, utilizing Government personnel and involving the expenditure of public funds. It shows an unprecedented abuse of a much abused law. According to a Pentagon official quoted in the Globe article, "It's unusually intense, I've never seen one handled this way."

Among the specific actions described in the "C-5 Team Actions" are:

Having Lockheed draft a letter to be sent to key Members of Congress as representing the position of the Secretary of Defense.

The maintenance of a computer data base to coordinate actions of Lockheed, Department of Defense and Air Force personnel to lobby Members of Congress. This data base is discussed at almost daily meetings in the Pentagon.

Pressuring contractors and subcontractors to actively lobby for the C-5. Although not included in the printout, there are also reports of communications from Department of Defense officials to firms with an interest in the 747 directing them not to lobby on behalf of that alternative.

Air Force drafting of "soft-sell" dear colleagues, for use by Members of Congress. This is in the words of an official quoted by the Boston Globe "one seedy step farther then they've gone before."

Attempts to mobilize private military associations and obtain back home lobbying support, despite the fact that the legislative history of title 18, section 1913, the statutory prohibition on the use of appropriated funds for lobbying was specifically adopted to prevent this type of activity on the part of the executive.

All in all the 79 items listed on the "Team Action" document represent the most widespread and finely integrated efforts to pressure the elected Representatives in the Congress to accept a Department position. They go far beyond simply providing information at the request of the Member and through proper channels, and can not be represented as "democracy at work" as one Air Force general characterized them.

In response to these revelations, I today introduced with 10 of my colleagues, a resolution of inquiry to the Secretary of Defense to determine the full extent of the Pentagon's lobbying efforts and whether illegal actions have in fact occurred.

While I feel it is important that this lobbying effort be brought to light, it is more important for Members of the House to consider the airlift options before us on the merits.

Initially, it should be noted that in a Rapid Deployment Force scenario, only about 6 percent of all equipment to be delivered will go by airlift. Sealift and prepositioning will play a much larger role.

Of that equipment that is time sensitive and demands airlift, only about 14-27 percent is so-called outsize equipment that would demand a C-5 aircraft. We do not plan any major airlift of tanks, and even Marine Corps Gen. P. X. Kelly has said this should be the exception rather than the rule.

Further the congressionally mandated mobility study on which stated requirements are based assumed the inclusion of 32 more 747 equivalent aircraft in the Civilian Air Fleet, and did not account for dedication of the C-5 to outsize cargos, even though the Military Airlift Command, according to a memo from Brig. Gen. Donald Brown, does give outsize cargo priority on the C-5. Thus the stated requirements overstate the need for outsize cargo, and understate the shortfall of oversize capability, which the 747 can economically provide.

In addition, we are already taking a number of actions to improve the capabilities of our existing C-5 fleet, including a $1.5 billion rewinging program, over $1 billion in additional spares, and acquisition of 44 KC-10 tankers which will increase C-5 productivity up to 20 percent.

With completion of these improvements, the C-5 will provide 36 percent of our total airlift capability, even though even the most demanding CMMS scenario requires only 27 percent of cargo be outsize.

The major effort to improve oversize capability through CRAF enhance-

ment has been a failure. Only one aircraft has been added in the last 8 years, and with no new widebodies being purchased by domestic companies and the fact that conversion of surplus widebodies would make them more difficult to sell, there is nothing to suggest CRAF enhancement will be any more successful now than in the past.

Purchase of new or used widebodied aircraft on the other hand, offers several advantages. Compared to the C-5 they are far less expensive, have longer range, and carry a larger payload. They can deliver cargo at one quarter the cost of the C-5, based on the experience of the Yom Kippur War. They have demonstrated their military utility not only in this conflict, but in Department of Defense team spirit exercises as well.

I want to emphasize the importance of the cost savings and explain why the Defense Department's attempts to increase costs guaranteed in the Boeing proposal are not valid. The Air Force admits that as proposed by Boeing, the widebody option would provide a $6 billion life cycle cost savings over the C-5, even if we purchase no used aircraft.

The Pentagon attempt to artificially increase support costs by rejecting, without any specific analysis, the proposal to provide contractor support. This support concept is already in use on the KC-10, the C-9 and E-4, and Air Force witnesses have testified it has achieved a 50-percent savings over organic support on the KC-10. The Pentagon also increases the fuel consumption for the 747 beyond credible levels in its desperate attempts to reduce cost differences.

On the other hand, the Pentagon accepts at face value the Lockheed proposal, even though the line has been closed for 9 years, and they propose to supply aircraft at a lower constant dollar cost than during previous production. Most important, the Pentagon accepts an assumption that maintenance costs, which at 75.6 manhours of maintenance per flying hour are four times those of other aircraft, will be cut in half in the new airplanes.

Clearly an objective reading of the two proposals will show major savings for the widebodied commerical aircraft option.

This savings is most important at a time when we face serious budget constraints, and the total Pentagon shopping list has increased by $150 billion in just the last 3 months of last year according to the selected acquisition report.

Finally, the C-5 is justified on the grounds that it will provide airlife improvements quickly. This is simply false, the C-5 is no near term solution. The full 50 will not be in operation until the 1990's, at least 3 years later than the commerical aircraft option.

The real long term preference of the services for outsize both intertheater and intratheater airlift is the C-17. This is obvious from the presentation of January 8 of Air Force Secretary Vernon Orr to Deputy Secretary of Defense Carlucci. The C-17 meets all 10 long range airlift requirements defined for the C-X mission elements needs statement, while the C-5 meets just two, according to new Chairman of the Joint Chiefs of Staff Vessey.

And the simple fact is that by going with the C-5, you are killing the C-17. The revised funding profile for the C-17 over the next 5 years went from $7 billion to under $100 million as a result of the decision to spend nearly $9 billion on the C-5. And you can be sure that C-5 proponents will try to get more than just the initial 50 bought, making acquisition of the C-17 even less likely.

Mr. Speaker, in summation, I think there is a strong merits case for purchasing commercial aircraft in favorable economic conditions and converting them to highly capable military freighters to meet our immediate airlift requirements. For the long term, whatever outsized requirements we have can better be met by the C-17, the winner of the C-X competition.

I hope the Members of the House will be able to disregard the high pressure tactics being used on this issue and carefully evaluate the real issues involved. I am confident that when they do, they will be convinced that the taxpayer's interests will not be best served by reopening the line on the system that still is the champ on cost overuns and maintenance failures.

C-5B TEAM ACTIONS

Action:05/24 AF.

Distribute firm written Air Force position on C-5 plans.

Status: 5/24 In work.

6/4 Sec Orr letter to House Committee Chairman. Complete.

Action: 05/24 AF.

Provide firm Sec Def position to 2 House Committees plus appropriate Key House leadership.

Status: 5/24 LK draft provided.

6/2 AF draft to Sec Def for approval.

6/4 Sec Defense signed letter to Price, Dickinson, Whitten, Addabbo, Edwards and Michel.

6/7 Signed & released (Does not address 747). Complete.

Action: 05/24 AF.

Get strong JCS endorsement ltr signed by appropriate members.

Status: 5/26 In work by Air Force.

AF Chief of Staff/Vice Ch. decided not required in lieu of Sec. Defense/AF letter. Complete.

Action: 05/24 AF.

Get Force & Operational Cmdrs endorsement letters as appropriate.

Status: 5/26 In work by Air Force.

6/14 RDJTF letters in work.

Action: 05/24 AF, DoD.

Obtain White House L&L effort on House Committees and member commitments.

Status: 6/4 Draft letter to AF/CUA for White House use.

6/11 In Carlucci office for review and approval.

6/14 Letter in NSC.

Action: 05/24 AF, DoD.

Elevate witness level for HAC & HASC hearings.

Status: 5/26 AF/DoD trying to get Carlucci, Lew Allen, Gabriel, Jim Allen, Vessey, P.X. Kelly, and Kelly Burke for hearings. Complete.

Action: 05/24 AF.

Get Kingston/Starry up to speed for 5/25 hearings.

Status: 5/25 Closed.

Action: 05/24 AF, DoD.

Need Sec Def and Sec AF personal effort on Addabbo, Edwards, Dickinson.

Status: 6/3 Sec AF saw Dickinson & Edwards—no firm commitment.

Action: 05/24 AF, DoD.

One on one contacts to provide data and obtain support from Staffers like Pete Murphy, Adam Klein, Judd White, John Ford & others.

Status: 6/4 Klein—contacted (maybe), White—contacted (negative).

6/11 Kelly Burke to contact White and Klein.

6/15 Hecker to contact White and Klein.

Action: 05/26 AF.

Work specific assignments and get member to member commitments in HAC, HASC and other members.

Status: 6/15 Gen. Hecker to see Rudd, Skelton and Ray McGrath.

Action: 05/26 DoD.

Work specific assignments and get member to member commitments in HAC, HASC and other members.

Action: 05/26 LK.

Work specific assignments to get member to member commitments in HAC, HASC and other members.

Action: 05/26 AF, DoD.

Energize all military associations and obtain leadership and "back home" support.

Status: Open. LL: Issue too split by contractors.

Action: 05/26 AF, DoD.

Get non-Defense Committee Chairman support (like on B-1).

Status: 6/4 AF draft "soft sell" Dear Colleague letter.

6/8 Attempt to have non-defense committee chairman sign letter.

6/9 Draft provided to House Liaison Office.

Action: 05/26 AF.

Sec AF talk to Jack Marsh.

Status: 6/3 Draft Sec AF ltr to Marsh in work.

6/4 Sec AF & Sec Marsh discussed issue. Complete.

Action: 05/26 DoD.

P.X. Kelly seek Sec Nav endorsement.

Status: 6/11 Draft letter for Sec Nav signature in his office.

Action: 05/26 AF.

Russ Hale get support from Charlie Bennett.

Status: 6/4 No contact.

6/8 Hale visited Bennett—"C-5 in trouble".

Action: 05/26 AF.

Work key members Badham, Cheney, Whitten, O'Neill and other bi-partisan leaders to support DoD proposal.

Action: 05/26 AF.

Schedule C-5 and fire power combat load for Congressional viewing at Andrews. Offer Boeing opportunity to display 747 freighter and handling equipment at same time.

Status: 6/8 Air Staff, Army Staff and MAC task for display 14-16 June. Message prepared.

6/11 Have since decided to have 747 airfreighter there if Boeing will bring. All displays will be static-no Demo's. Also, letter of invitation to see display being sent to all members and staff.

Action: 05/26 AF.

1. Lay out complete long range plan for airlift to show fit of C-5B and related R & D, full scale development & production of C-17 type aircraft.

2. Clear up impression that C-5B is an interim actions.

Status: AF/RDQL charts provided. Complete.

Action: 05/26 AF DoD.

Prepare paper and witnesses to make it clear C-5B has high priority and how it relates & fits the POM planning for C-5B and C-17 type aircraft.

Status: 6/4 OSD "Murder Board" to insure witnesses understand DoD position.

6/11 Q & A preparation underway for HASC hearing by AF/DoD and LK.

Action: 05/26 AF.

1. Prepare paper and witnesses to highlight that Boeing's computer scenario is an isolated case study and takes 28 days for closure.

2. Show closure span for 747 in other scenarios vs C-5.

Status: 6/7 AF witnesses prepared with Chief of Staff for hearing. Complete.

Action: 05/26 AF.

Prepare simple and thorough explanation on management of 77 C-5A aircraft for witnesses.

Status: 5/27 SAF/ALG discuss with MAC; answer difficult.

Action: 05/26 LK, DoD/AF.

Maintain database and coordination on contacts and commitments for tally count and further actions.

Status: 6/1 LK computer database in place and being statused.

Action: 05/26 LK.

Have Andy Young work caucus.

Have Tom Hartnett and McCurdy work freshman.

Have Evans, Beard & Gingrich work moderates.

Action: 05/26 LK.

Get major subcontractors on board and working.

Status: Closed. Working hard.

Action: 05/26 LK.

Ltr from Chrmn LK to Airlines including widebody aircraft owners performing military contract hauls.

Asked for position.

Status: 6/4 Ltr sent. Awaiting response.

Action: 05/27 AF.

Get P.X. Kelly to see Edwards (McManus says he will).

Action: 05/27 AF.

Provide McDade data on CRAF and C-17 plans. (McManus thinks he is on board).

Action: 05/27 AF.

Moseman see Pete Murphy on CRAF and C-17.

Action: 05/27 DoD, AF/LK.

Develop list of members that Sec Def, Dep Sec Def, Sec AF, Chief of Staff AF, Lloyd and Hecker should see or call.

Status: Continuing.

Action: 05/27 AF.

Give Hartnett briefing and papers to use with freshmen.

Action: 05/27 LK.

Get Murtha and Daniel to see McDade.

Action: 05/27 LK, AF.

Get Chappell and Hefner to see Young.

Action: 05/27 LK, AF.

Get Hefner and Montgomery to see Whitten.

Action: 06/01 AF.

Think of alternatives for 747 if any, in the event committees press. (Don't weaken need for C-5B).

Status: 6/9 Position is—"part of CRAF" Complete.

Action: 06/01 AF, DoD.

Consider ways to obtain support of DoD position from prime contractors and subcontractors like E-Systems, Vought, Northrop, P & W, and Fairchild.

Status: 6/4 DoD & AF have under consideration.

Action: 06/01 AF.

Gen. O'Malley to see Bill Alexander (AR) and Dan Rostenkowski (IL).

Action: 06/01 AF.

Develop data on: 1. MAC ct. haul; 2. CRAF aircraft availability; and 3. Point paper on CRAF.

Status: 6/3 1. and 2. available. 3. Draft prepared.

6/4 Complete.

Action: 06/01 LK.

Member to request comments from AF on Dicks' letter.

Status: 6/3 Montgomery did.

6.4 AF response in work.

6/11 Draft prepared.

Action: 06/02 AF.

After Sec Def letter released, get AF Sec letter and AF Chief letters taking on 747 data and aircraft as an alternative to C-5B.

Status: 6/4 Drafts prepared.

6/7 Sec AF ltr 4 Jun sent to Addabbo and Price. Complete.

Action: 06/02 AF.

One on one contacts with Glenn Anderson (CA), Joe Moakley (MA) and entire NY delegation.

Status: Hecker 6/15.

Action: 06/02 DoD.

Al Barry to contact Wortley (NY), Solomon (NY), Kemp (NY) and Martin (NY).

Action: 06/02 AF, DoD.

Talk to Gen. Meyer for Army letter supporting C-5B.

Status: Sec. of Army letter. Complete.

Action: 06/02 AF.

Get Altus AFB Cmdr. to call McCurdy.

Status: B/Q Brown called Col. Jay; however Gen. J. R. Allen will talk to McCurdy 8 June 82.

6/8 McCurdy not committed—Wait and listen. Complete.

Action: 06/03 AF, DoD.

Get Sec Def to discuss C-5B needs at a House leadership breakfast.

Status: Will do prior to authorization bill vote.

Action: 06/03 AF, DoD.

Agreed must strategize to concentrate on key points: 1. $6B savings claim, 2. Added early outlays for 747, 3. Limited 747 military utility, 4. 747 capab. avail. in CRAF-need more outsize in military inventory, 5. Oppos. contr. motivation & their subcontr. commer. efforts vs their claim of helping 'some' airlines, 6. Clear up C-17 issue.

Status: All issues addressed in various Committee letters. Complete.

Action: 06/03 AF.

Get feedback from Gen. Jim Allen contacts with Daniel, McCurdy, Jim Wright, Hartnett, Dickinson, and Robinson.

Status: 6/9 Per Gen. Jim Allen: 1) Hartnett—ok 2) Edwards—non committal—questionis re C-17 IOC 3) Robinson—ok 4) Hopkins—ok 5) McCurdy—wait and listen 6) Jim Wright—If HASC strong will work members 7) Dickinson—Non committal—if HASC strong then he will get full Committee support on floor. Complete.

Action: 06/03 LK.

On release Sec Def letter, develop dear colleague letter.

Status: 6/7 Draft complete—in HLO.

Action: 06/03 LK.

Effort to dissuade ATA as a body from lobbying for 747.

Status: 6/4 Contacts made & opposing airlines convinced ATA board not to take a position. (Individual airlines will probably lobby 747.)

6/4 Complete.

Action: 06/04 AF, DoD.

Consider and counter the image effect of one contractor disputing Military requirements and strategy endorsed by the Administration and the Pentagon.

Action: 06/04 AF.

Provide to LOK composite pictures of C-5 with 3 Chinook helicopters and C-5 with 6 Blackhawk helicopters.

Status: Will do pictures at Andrews this week.

Action: 06/08 AF.

Gen. Hecker to see Cong. Rudd (Ariz.).

Gen. Hecker to see Cong. Fuqua (Fla.).

Status: Mtg scheduled 6/15.

Action: 06/08 AF.

Col. Paul McManus to see Cong. Flippo (Ala.).

Status: 6/8 will meet 6/10.

Action: 06/08 AF.

Refute in testimony McDonald Douglas claim of C-17 IOC 18 months after first C-5 off line.

Status: Working.

Action: 06/08 AF.

Provide comments to LK on short CRAF paper.

Status: Provided to Lloyd Moseman.

Action: 06/08 AF.

Provide press package of letters for Thurs. press meeting.

Status: Complete.

Action: 06/08 LK.

Provide on 06/08/82 Q & A for Subcommittee hearings.

Status: 6/7 Witnesses briefed.

6/11 Q & A for 14th meeting in process.

Action: 06/08 LK.

Provide copy of Rivlin CBO ltr. to AF.

Status: 6/9 Provided to OSD/LA & Dep Sec Def. Complete.

Action: 06/09 Af.

Schedule aircraft Cmdr. & Loadmaster for hearings.

Status: 6/11 Have seen Cong. Fuqua & Daniel. Will try to schedule for Badham, Stratton, Dickinson, Bennett, Cheney, Glenn Anderson and others. Will attend hearings per Dan Daniel request. Complete.

Action: 06/09 AF.

Work on Dear Colleague ltr that other Committee Chairman may be willing to sign.

Action: 06/09 LK.

Get Forbes article and CBO letter into record.

Action: 06/09 LK.

Seek appointments to see Graham and Jim Howard.

Action: 06/10 RRA LOK.

1. Brief Congressman John Breaux during week of 6/14—at his request to Naef on 6/9.

2. Be sure Breaux and Alice Peterson (Staff) are aware of opportunity to visit C5 at Andrews AFB.

Action: 06/10 AF.

Prepare a letter covering Cap's and Frank's letters and a bottom line position (as per LOK's discussion with Rep. Heftel).

Status: 6/11 Ltr in process for all members, Will be delivered 6/16. Complete.

Action: 06/11 GD.

Work on Levin and ask him to work liberals. Also work Udall.

Provide list and work all members (approx. 60) in their plant locations and areas.

Also send note to the same 60 AA's regarding attendance at C-5 Demo.

Action: 06/11 LK.

Develop target list of members. Staff to be invited by AF L&L to C-5 Demo. TELL AF.

Action: 06/11 AF.

Pickup Key Points from SASC hearing and provide to Dan Daniel for use in HASC hearing.

Status: Delivered 6/14. Complete.

Action: 06/11 AF.

Ask Frank Carlucci or White House to call Edwards.

Action: 06/14 LF.

Get picture of "off runway" tests of C-5 to witnesses prior to Tuesday hearing. (Col. Paul Godfrey who ran tests will be in audience and he can be called upon by a member.)

Action: 06/14 AF.

Get Chief to sign letter to all Congressmen. (Have draft)

Action: 06/14 AF.

Get draft "Dear Colleague" letter to Dan Daniel per request (Relative to Loadmaster, etc. opinions).

Action: 06/14 LK.

Get Q & A to members of HASC. ALSO SEC ARMY (Marsh) LTR.

Action: 06/14 LK.

Get AF ltr to Sonny Montgomery—responding to Dicks points—distributed to members.

Action: 06/14 AF.

Gen. Hecker to see Staffers—White, Chase and Klein.

Action: 06/14 AF.

Need Gen. Jim Allen testimony to be strong on C-5 & no 747 (Prepared statement doesn't cover).

Action: 06/14 LK, AF.

Each try to get O'Neill, Fuqua, Holt, Schulze & Taylor out to see aircraft at Andrews.

Action: 06/14 LK.

Get specific members armed with responses to "dirty questions"—i.e., overruns; bad wing; loan guarantee; 9 yr old facility and restart problems, etc.

Action: 06/14 AF.

Need heavy hitter to see Mel Price in addition to Jim Allen visit. Need to fix perception that AF not fighting for the C-5. If they want it fight for it. He will support Air Force in what it wants.●

● Mr. GEPHARDT. Mr. Speaker, I am honored to join my colleague from Washington in this resolution of inquiry to determine the extent of Defense Department involvement in the lobbying to gain approval for the proposed procurement of the C-5.

The Department's opting for the C-5 over the C-17 has been questionable from the start. The C-5 is a clearly inferior plane with a higher price tag and a terrible track record. Even its alleged earlier delivery date cannot justify the decision since a comparable fleet of 747's could meet our short-term airlift needs at a savings of $4 to $5 billion.

The facts thus raise questions about the extent to which the decision was based on the goal of enhancing our national security or politics.

Now we have learned that Defense Department practices in the C-5 issue have extended into the lobbying area, with press reports—and backup documents—revealing the use of Government funds and military personnel to coordinate an effort to urge Members of Congress to support the questionable C-5 choice. It is essential that we obtain all the facts pertaining to this possibility illegal effort.

This resolution of inquiry will help us answer these questions. With the information thus obtained we might gain some better insight not only into the Defense Department lobbying activities, but also how they arrived at the original decision to proceed with a bad program. We will ultimately be in a better position to assess the military budget and make sure that the large sums we allocate to defense will truly enhance our national security and not be squandered on politics.●

● Mr. GLICKMAN. Mr. Speaker, I am very disturbed about the allegations of DOD-Lockheed collusion in efforts to persuade Members of the House to support the C-5 to meet this Nation's airlift shortfall. Any lobbying activity by a Federal agency is illegal under title 18 United States Code, section 1913. Further, it is wrong and unfair for the DOD or any other Government agency to influence Congress on pending legislation. If Lockheed cannot make a case for its aircraft without a cadre of DOD operatives, that only reinforces my doubts about the C-5.

Contractors have a responsibility to present their cases to Members if they want consideration. Desperate tactics such as what is allegedly occurring with Lockheed are unconscionable.

As many of you know, I support the use of the 747 as the most cost efficient manner to meet the airlift shortfall. Boeing, the 747 contractor, is making its case on the merits of the aircraft. In the interest of fair play, Lockheed should be doing the same.●

● Mr. BONKER. Mr. Speaker, I rise to support the amendment to the defense authorization bill, H.R. 6030, to delete funds for procurement of the C-5 and to substitute instead commercially available wide-bodied aircraft.

It is not often that one has the opportunity to reduce military expenditures while improving our defense capabilities. However, such is the case in this instance.

The Boeing 747, the major alternative to the C-5, is clearly the superior aircraft. The C-5 has been a disaster from the very start. It has consistantly failed to meet promised specifications. For example, the existing C-5's are being rewinged at a cost of $1.6 million for a design error which should have been Lockheed's responsibility. Even these new wings are not warranted for more than 1 year. In contrast, Boeing will warrant its military airlift alternative for 10 years.

Accepting the wide-bodied commercial aircraft alternative, the 747, would be the most cost effective way to address our military airlift needs. This decision would result in immediate savings of $450 million in budget authority over the C-5, and would save over $6 billion, in current dollars, over the life of the program.

Major criticisms of the 747's utility as a military airlift are substantively unfounded. Some claim that new C-5's are needed to haul outsized equipment, that the 747 is inadequate in this respect. In fact, there will be no need for the 747 to haul outsized equipment because the existing C-5's can handle the job.

The real shortage in airlift capability lies in oversize and bulk cargo. For this requirement the 747 is clearly superior. It is less expensive; hauls more cargo further without stopping to refuel; is less costly per ton-mile; has greater reliability; flies faster; and will be available at least 3 years before the new C-5.

The Senate has already made the sensible decision in adopting by a vote of 60 to 39 an amendment identical to the one I am now supporting. I urge my colleagues to join me in the pleasant task of cutting costs while bolstering our Nation's defenses.●

GENERAL LEAVE

Mr. DICKS. Mr. Speaker, I ask unanimous consent that Members may have 5 legislative days in which to submit statements and other written material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DICKS. Mr. Speaker, I also ask unanimous consent to have miscellaneous materials put in with my statement, regardless of the cost.

The SPEAKER pro tempore. The gentleman will have to obtain a cost estimate.

Mr. DICKS. I thank the Chair.

INTERNATIONAL PARLIAMENTARY UNION SPRING MEETING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 60 minutes.

GENERAL LEAVE

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PEPPER. Mr. Speaker, I have requested this special order for today in order to report to the House the results of a meeting that occurred this spring in Lagos, Nigeria. As members already are aware, the Interparliamentary Union, the oldest and most universal parliamentary association in the world, meets each year in the capital city of one of its members.

During the April recess, the Interparliamentary Union held its most recent session in the Chambers of the Nigerian National Assembly in Lagos, Nigeria. Members of this body, the gentleman from Illinois (Mr. WASHINGTON) the gentleman from Virginia (Mr. BUTLER), the gentleman from Illinois (Mr. MCCLORY) and myself, and Members of the U.S. Senate attended this important international meeting. Besides the U.S. delegation, members from 76 other national parliaments or congresses from around the world also attended the Nigerian meeting. Representatives from U.N. organizations and other organizations were also present as observers.

Prior to our going to Lagos, our delegation met in Frankfurt, Germany, for couple of days with delegates from the Committee of Ten—about 20 democratic nations of Europe, the United States, Canada, and Japan.

As with past IPU sessions, these parliamentary delegations included representatives from countries and parties friendly to the United States and from countries and parties not so friendly to us. The nonalined movement is very active in the IPU as are delegates from the Soviet Union and Eastern bloc. Nevertheless, parliamentarians also attend and actively participate from the European democracies and Japan and from many countries in the world that cherish democratic principles as we do.

The IPU meetings offer a rare opportunity for such national representatives to get together to discuss major international issues and to reflect on the representational basis of their respective states. By design, IPU meetings are less formal than sessions of the United Nations. It is always possible, therefore, for exchanges in the IPU to be less confined by narrow national policies.

The spring meeting in Nigeria considered very topical subjects including issues on disarmament of relevance to the U.N. Special Session on Disarmament that has just opened in New York. Incidentally, many members of parliament that attended the IPU meeting planned to join their national delegations at the U.N. meeting. The IPU itself will formally present to the U.N. session the results specially drafted at the Nigerian meeting. These results will be transmitted to the U.N. by Mr. Giulio Andreotti who many members of this body will recall served as President of the Council of Ministers of Italy and who has since become very active in the Political Committee of the Interparliamentary Union.

Besides the question of disarmament, the IPU Spring Conference also considered ways of developing parliamentary institutions, issues of world hunger and the world environment, and measures for furthering decolonization, particularly referring to Namibia. These issues were debated, sometimes heatedly, during the Lagos meeting and draft resolutions on them were adopted. These draft resolutions will be amended and ratified after final consideration at the fall conference scheduled for this coming September. In addition, special consideration was given at the Lagos meeting to Mideast problems, particularly the Israeli parliamentary action concerning the Golan Heights.

I should point out that all of the U.S. delegates that attended this important meeting were extremely active both in articulating American views and defending American positions. As Members are well aware, in some areas of the world there continues to exist great hostility toward the United States. Much of this hostility is based on erroneous views of what U.S. policies really are, or undeserved suspicions of U.S. motives. Having attended meetings of the IPU since before World War II, I believe that it is ever important to the interests of this country that people around the world understand as best they can what Americans think and feel and how many efforts we have undertaken to promote peaceful change and progress in the world.

At the Nigeria meeting we had American sopkesmen willing and competent to shoulder this task. Senator ROBERT STAFFORD, as the able Senate chairman, made a clear statement of views and activity in the area of arms control. Representative HAROLD WASHINGTON reminded delegates of the U.S. commitment to a settlement of the Namibia question consistent with U.N. Resolution 435. He also emphasized how opposed we remain to policies and actions of South Africa. Representative ROBERT MCCLORY served both to represent U.S. views on the subject of the environment and to chair the IPU Drafting Committee tasked with working up a basic document on the subject. Finally, Representative CALDWELL BUTLER discussed the prerequisites of truly representative government and drew particular attention to the imposition of martial law in Poland. I was privileged to be chairman of the House delegation and to present views on the subject of world hunger. I also spoke for the Western democratic nations in opposing the Arab resolution condemning Israel for its recent action respecting the Golan Heights.

Besides presenting these statements, all U.S. delegates were active in the process of drafting resolutions that serve as communiques of world parliamentary opinion.

IPU meetings make possible substantive debate and negotiation, and important interaction with parliamentary colleagues from all over the world. The very location of these meetings has also furthered international understanding. For example, the past spring meeting in Nigeria was held in the House and Senate Chambers of the Nigerian National Assembly. Some of our drafting sessions were held in the very rooms used by Nigerian members when they carry out their legislative work. Members of this House may not know that the Federal Republic of Nigeria adopted a new constitution in 1979 modeled on our own constitutional structure. Judging from the alertness on Nigerian delegates to the meeting and from their high reputation with other parliamentarians, I am impressed with the vitality of the political life that is apparent in that country in west Africa.

In my view, the Lagos meeting was very substantive and successful. We now need to look ahead to the fall meeting when important international issues will again be considered in the IPU.

Because of its timeliness and relevance to the U.N. Special Session on Disarmament that has just commenced, I would insert at this point in the RECORD the IPU resolution on disarmament passed at the Lagos meeting. The U.S. IPU group will publish a more detailed report on the results of the spring meeting in the coming weeks.

THE CONTRIBUTION OF PARLIAMENTS TO THE ADOPTION OF CONCRETE MEASURES BY THE SECOND SPECIAL SESSION OF THE U.N. GENERAL ASSEMBLY DEVOTED TO DISARMAMENT AND THEIR IMPLEMENTATION, IN PARTICULAR, THE REDUCTION OF MILITARY BUDGETS AND ITS EFFECTS ON WORLD ECONOMY AND EMPLOYMENT AND ON THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE THIRD WORLD

RESOLUTION ADOPTED UNANIMOUSLY BY THE INTER-PARLIAMENTARY COUNCIL AT ITS 130TH SESSION (LAGOS, 17 APRIL 1982)

The Inter-Parliamentary Council,

Considering that peace is the common property of mankind and that today it is also a necessary condition for the continued existence of mankind,

Expressing its satisfaction at the convening of the Second Special Session of the U.N. General Assembly devoted to Disarmament, which is highly significant in view of the worsened international situation,

Recalling that the 68th Inter-Parliamentary Conference (Havana, 1981) expressed the conviction that the new Special Session of the General Assembly devoted to Disarmament would do much to promote the cessation of the arms race and the initiation of the disarmament process,

Deeply concerned at the serious aggravation of the international situation hindering the development of normal relations and

the strengthening of mutual confidence and co-operation among nations,

Noting that new hotbeds of crisis and conflict between States have arisen in addition to the existing ones, and that this development has had an adverse effect on progress in the field of disarmament and arms control.

Mindful of the fact that in present-day conditions a war, especially a nuclear war, threatens dire consequences for the survival of mankind and civilization,

Noting the role and the heavy responsibilities of Parliaments and parliamentarians regarding the destinies of their peoples and the urgent need to concert the efforts of peoples, Parliaments and Governments and all realistic forces so as to prevent the danger of a nuclear disaster, put an end to the policy of armaments and ensure the building of a world of peace, without weapons or wars,

Noting with anxiety the constant growth of military expenditures which place a heavy burden on the economies of all countries and jeopardize their socio-economic development,

Concerned at the quantitative and qualitative development of weapons systems which constitute grave threats to world peace and security, and reaffirming that any significant progress in disarmament negotiations presupposes the restoration of mutual confidence,

Realizing that the danger of nuclear war is growing as existing nuclear arsenals are enhanced qualitatively and quantitatively,

Recognizing that one of the difficulties in halting the arms race is the extremely slow pace of disarmament negotiations as compared with the rapid momentum of the qualitative improvement in weaponry,

Noting that security has deteriorated in many regions of the world and particularly in Europe, where the introduction of new systems of nuclear and conventional weapons is accelerating the arms race,

Regretting that the negotiations between the United States of America and the USSR on the questions of arms limitation and disarmament—especially nuclear disarmament—are proceeding too slowly and that some important agreements in this field have not yet been ratified,

Regarding good political will, preparedness to develop wide international co-operation in disarmament negotiations with the participation of all countries on an equal footing and readiness to subscribe to concrete disarmament obligations as fundamental prerequisites for the success of disarmament negotiations,

Considering that the Second Special Session of the United Nations General Assembly devoted to Disarmament can and must become an important stage on the road towards enduring peace and security through the preservation and further development of all the positive results achieved in restricting the arms race and promoting disarmament in the 1970s, as well as through carrying out practical measures in this area in the future,

Aware of the immediate need to take practical steps for ending the arms race and promoting disarmament, for example in the following fields:

A complete ban on nuclear weapons tests,

Non-proliferation of nuclear weapons,

The convening of a World Disarmament Conference,

Security guarantees for non-nuclear-weapon States,

Cuts in military budgets;

Confidence-building measures,

A comprehensive programme on disarmament,

Affirming that full commitment and strict adherence by all States to the principles and purposes of the Charter of the United Nations, in particular the obligation to refrain from the threat or use of force against the territorial integrity or political independence of any other State and to respect the right of peoples to self-determination, are indispensable preconditions for promoting durable peace and genuine disarmament,

Aware of the extreme usefulness of all international negotiations, current or future, in increasing the security of States and possibly making available for the economic and social development of mankind the substantial savings effected by limiting and reducing the weapons systems covered by the aforesaid negotiations,

Convinced of the close link between disarmament and development, and of the great benefits to be derived from rechannelling the funds now being used in the arms race and those released by effective disarmament measures to alleviation of the economic and social problems at present faced by peoples, particularly in the developing countries,

Considering that the Second Special Session of the UN General Assembly devoted to Disarmament should critically analyze the measures undertaken in accordance with the Programme of Action on Disarmament adopted at the First Special Session, create a more favourable political climate for resumption of the disarmament negotiations and adopt the comprehensive programme on disarmament, whose implementation would gradually lead to the achievement of general and complete disarmament under strict international control,

Stressing that parliamentarians believe that détente, aimed at the reduction and final elimination of tensions between States and peoples, can help to shape a more secure, stable and just future for mankind,

A

1. Calls upon the Parliaments and Governments of all countries in the world:

(a) To endeavour to ensure the success of the Second Special Session of the UN General Assembly devoted to Disarmament so that the supreme world forum on disarmament may make a decisive contribution to ending the disturbing situation in the field of disarmament and determine concrete measures for actual disarmament directed towards strengthening international peace and security;

(b) To take steps to implement actions and measures adopted by the Second Special Session devoted to Disarmament;

(c) To contribute to halting the deterioration of the international situation, to stimulate developments in the world towards universal détente and to support all efforts directed towards the solution of crises, opposing all forms of aggression, intervention, interference in the internal affairs of independent States, and pressures on such States;

(d) To seek ways and means of channelling the enormous human, natural, scientific and technological resources now being wasted on the arms race towards improving the lot of mankind through economic and social development and the eradication of hunger, disease and other acute economic and social problems;

2. Urges participants in the Second Special Session of the UN General Assembly devoted to Disarmament to support the following specific measures:

(a) A comprehensive programme on disarmament;

(b) An early and meaningful resumption of the strategic arms limitation and reduction talks, leading to limitations and reductions as soon as possible;

(c) A clear endorsement of the Anti-Ballistic Missile (ABM) Treaty;

(d) An agreement, within the strategic arms limitation context, to stop the flight testing of all new strategic delivery vehicles;

(e) A successful conclusion to the US-Soviet talks in Geneva on the limitation and reduction of intermediate-range nuclear weapons in Europe;

(f) Agreements in the Committee on Disarmament and other international forums on a comprehensive nuclear test ban and a ban on radiological weapons;

(g) The adherence of all States to the Geneva Protocol of 1925 for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare;

(h) A treaty prohibiting the development, production and stockpiling of chemical weapons and providing for their destruction;

(i) A further call exhorting all States which have not yet done so to adhere to the 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction;

(j) New agreements which would reinforce or complement the 1967 Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies, in the form of a treaty on the prohibition of development, testing and stationing of weapons of any kind in outer space,

(k) Further strengthening the regime of non-proliferation of nuclear weapons, in accordance with the decisions of the 36th session of the UN General Assembly;

(l) Security guarantees for the non-nuclear-weapon States;

(m) Other limited arms control agreements such as the 1971 Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Sea-Bed and the Ocean Floor and in the Subsoil thereof, the 1977 Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques and the 1981 Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons which May Be Deemed to Be Excessively Injurious or to have Indiscriminate Effects;

(n) Agreements leading towards a successful conclusion to the Vienna talks on the reduction of armed forces and armaments in Central Europe;

B

3. Urges all Parliaments and Governments:

(a) To act firmly for the cessation of the arms race and for the development of genuine disarmament measures, particularly nuclear disarmament, by ensuring a military balance which does not endanger the security and peace of any country and which can be achieved not through an increase in armaments but through their gradual reduction;

(b) To strengthen parliamentary contacts at the regional and sub-regional levels with the aim of increasing confidence and strengthening security, to support the action by the Inter-Parliamentary Union for the halting of the arms race and to work for the implementation of the resolutions of

the Second Special Session of the UN General Assembly devoted to Disarmament;

4. Calls upon the Parliaments and Governments of the European countries, Canada and the United States of America to make every effort to ensure that the Madrid Meeting of the CSCE, in the further course of its work, agrees on a precise mandate for a Conference on Confidence- and Security-Building Measures and Disarmament in Europe. This conference should be held within the framework of the CSCE process and should deal, in its first phase, with confidence- and security-building measures which should be militarily significant, politically binding and provided with adequate forms of verification which correspond to their content;

5. Calls upon Parliaments and National Inter-Parliamentary Groups to devote even greater attention to the problem of disarmament;

6. Urges all Parliaments and Governments to give absolute priority to nuclear disarmament.

● Mr. McCLORY. Mr. Speaker, the work of the Committee on Education, Science, Culture, and Environment at the spring conference of the Interparliamentary Union in Lagos, Nigeria, attracted the attention of delegates from more than 50 nations. Memoranda relating to the assigned subject of "The State of the World Environment 10 Years After the U.N. Conference on the Human Environment at Stockholm, Steps to be Taken, Including in the Field of National and International Legislation" were filed by 12 national groups including a detailed report from the Secretariat of the U.N. Environment Programme (UNEP). Our U.S. memorandum prepared with the able assistance of Susan R. Abassi, specialist in natural resources policy of the Environment and Natural Resources Policy Division of the Congressional Research Service of the Library of Congress, followed the important international developments which have occurred during the 10 years intervening since Stockholm. This memorandum was reproduced in English at the conference and distributed among the delegates and others in attendance.

In addition, a draft resolution was prepared with the assistance of Ms. Abassi and Mr. Vance Hyndman of the staff of the House Foreign Affairs Committee. Our U.S. draft resolution was comprehensive to the extent that it covered virtually every subject affecting the environment to which the committee debates in Lagos related.

At the end of the first day's meeting, a drafting committee was appointed to which I was named in behalf of our delegation together with representatives from Canada, Cameroon, the Philippines, Egypt, Great Britian, Finland, and the Soviet Union.

When the drafting committee met the next day, I was chosen as chairman at the suggestion of the Canadian delegate, Jean-Robert Gauthier. A copy of the report of the drafting committee is attached to these remarks which describes the drafting committee's work. The report was signed by all members of the committee and was approved by the full committee at its final meeting, together with a revised draft resolution for presentation at the fall meeting of the IPU to be held in Rome in September. Also, the committee selected me to serve as Rapporteur to present the resolution at the fall IPU conference.

The serious threats from pollution of the environment resulting from acid rain, the nuclear waste disposal, chemical and other forms of toxic wastes, oil spills, and some other problems affecting the human environment make this subject for debate at Rome of critical interest to most of the IPU delegation participants.

In order that my colleagues in this Chamber may be aware of the information which our delegation imparted at the Lagos conference, I am attaching hereto a copy of the memorandum which our group submitted and also a copy of my formal remarks which were delivered during the second meeting of the committee on Wednesday, April 14, 1982.

I should point out also that the committee adopted a second resolution recommending that the chairman of the committee, Dr. Dakroury of Egypt, should attend the forthcoming meeting of UNEP taking place in Nairobi, Kenya, in May of this year. The results of that meeting will be included in my report at Rome.

THE STATE OF THE WORLD ENVIRONMENT 10 YEARS AFTER THE U.N. CONFERENCE ON THE HUMAN ENVIRONMENT AT STOCKHOLM. STEPS TO BE TAKEN, INCLUDING IN THE FIELD OF NATIONAL AND INTERNATIONAL LEGISLATION

(Remarks of Mr. ROBERT MCCLORY (U.S.A.))

Mr. President, no subject selected for discussion at this spring meeting deserves more earnest attention than that assigned to our committee. The state of the world environment ten years after the United Nations Conference on the Human Environment at Stockholm—is not good.

A few of the problems pinpointed at Stockholm have been substantially solved. For instance, many of our endangered species are no longer endangered. The whale population has increased. The public awareness of the problems of the environment has improved and an entire new agency for monitoring, evaluating and disseminating information regarding problems of the human environment has been established at Nairobi, Kenya.

Paradoxically, new threats to the human environment have arisen during the intervening since years Stockholm. Many industrial wastes have evidenced unprecedented levels of toxicity and have demonstrated a reluctance to degrade. Nuclear waste disposal poses extreme challenges to those nations which are utilizing nuclear fuel for peaceful purposes of generating energy. The more economical method of reprocessing nuclear waste fuel poses the more serious threat that the resulting material—plutonium—could contribute to a proliferation of nuclear armaments and is unacceptable in my country. A means for permanently disposing of highly readioactive nuclear waste fuel seems not to have been found. Indeed, the long term threat to the environment from such nuclear waste fuel continues to plague the scientific and technological communities.

A new and seemingly serious pollutant polychlorinated biphenyls (PCB) has emerged as a persistent non-degradable substance about which little or nothing appeared at Stockholm ten years ago. In my congressional district of Illinois we have in the Waukegan harbor the highest concentration of PCB's in the United States. To raise it from the harbor bed poses the problem of further polluting the waters and marine life of the area. Once removed from the harbor and placed on dry ground, a relatively simple and inexpensive technique has been developed for rendering PCB's substantially harmless. The unsolved problem is how to get the PCB's out of the water and onto the dry ground for easy treatment without adding to the pollution of the waters and fish in the harbor itself.

In this same community the subject of ozone has taken on a unique and special meaning. While ozone in the upper atmosphere filters out excessive ultra-violet rays which can prove damaging to human health, at ground level high concentrations of ozone are themselves injurious to human health. It seems somewhat ironic that Waukegan, Ill., is both the scene of high levels of PCB's in its harbor and also experiences, from time to time, dangerous levels of ozone in the air which the citizens must breathe. This ground level ozone pollution can only be controlled by eliminating the source of the pollution—a reduction of poisonous emissions from motor vehicles and industrial plants.

More widespread and of greater national and international concern is the devastating pollution resulting from acid precipitation. The sulfur and nitrogen oxides emitted from power stations, factories and motor vehicles convert into sulphuric and nitric acids in the atmosphere and thereafter descend with destructive effect as acid rain and snow in areas of Canada and northeastern United States. This dangerous source of pollution which destroys the marine life of many of our lakes also damages crops and forests as it pours down poison in the form of acid rain and snow.

My country and Canada are acutely aware of this source of pollution and have reached tentative understandings with regard to research and monitoring of acid rain problems. However, limited action programs have yet to develop in either of our countries. This poses a challenge to us as Members of the U.S. Congress as I am sure it does also to our counterparts, the members of the Canadian Parliament.

Similar damage from acid precipitation has been experienced in Western Europe primarily in Norway and Sweden. The acid rain and snow which descends on these countries develop from pollutants poured into the atmosphere in other European countries. Only by getting at the source of this pollution can the lakes, forests and farm lands of the Scandinavian Peninsula be restored. And only by the initiatives of parliamentary bodies in Western Europe can a start be made to protect these vital parts of our environment.

Mr. President, in the establishment of the U.N. Environmental Programme (UNEP) and the creation of a secretariat in Nairobi, we have begun to attack many of the problems identified and described in Stockholm

in 1972. My U.S. colleagues and I are particularly impressed by the global environment monitoring system (GEMS) which on a world wide basis provides information on the sources and types of pollution and measures the level at which they increase or diminish. Other developments such as INFOTERRA (International Referral System for Source of Environmental Information), the regional seas program, internation register of potentially toxic chemicals (IRPTC), world conservation strategy, and world registry of rivers discharging into oceans are most useful to the member nations as they identify sources and levels of pollution and recommend correctional measures.

Perhaps the most serious threat to the future of UNEP is the general economic recession which is plaguing much of the industrialized world. Contributions from the United States have diminished in the last several years and I can only hope that my country will continue to provide substantial economic support as well as technological and scientific information from which all nations may benefit. Likewise, I am hopeful that appropriate steps within the Congress will take place which will aid in reducing the pollution from acid rain, PCB's and other toxic wastes which are the natural by-products of a highly industrialized country.

It is my further hope that there will be a generous representation of parliamentarians at the forthcoming environmental conference in Nairobi scheduled for May. In addition, as in the case of the U.N. conference in Stockholm in 1972, I hope that the Interparliamentary Union will be represented in Nairobi as a participant or as an observer.

I am submitting a suggested draft resolution, as I'm sure delegates from other countries will do. From these drafts, the memorandums filed and our committee discussions, I hope that a final text may be developed for presentation at the Rome meeting for active consideration there.

Mr. President, in these brief remarks I have been able to touch only upon a small fraction of the environmental problems with which the parliaments of the world are concerned and to which we must apply ourselves in our respective parliamentary bodies. Deforestation, desertification, soil erosion, pollution of the oceans and other parts of the human environment warrant our intensive study and protection. My statement here has related primarily to several threats to the human environment with which I am concerned individually and as a Member of the U.S. House of Representatives from the State of Illinois. I will take note of the remarks of all my colleagues and of the particular subjects which they individually address in the course of our committee meetings here in Lagos.

THE STATE OF THE WORLD ENVIRONMENT 10 YEARS AFTER THE U.N. CONFERENCE ON THE HUMAN ENVIRONMENT AT STOCKHOLN

(Memorandum presented by Robert McClory, Member of Congress on behalf of the Group of the United States of America)

Over the past ten years, the decade following the Conference on the Human Environment in Stockholm, the surge of public concern over the need to take action to protect natural resources and the environment has been channeled into research, conferences, and a wide array of actions by nations, regional groups and international organizations. Scientists, experts and policy makers generally agree that there have been important gains in dealing with environmental threats, and that problems are much better understood. But they also agree that actions taken to date at all levels of government and international activity leave a great deal to be desired.

In this year of the tenth anniversary of the Stockholm Conference, several organizations have prepared assessments that address these questions, and the Subcommittee on Human Rights and International Organization of the U.S. Congress House Foreign Affairs Committee has held two hearings on these subjects. In general, most of these assessments conclude that most of the recommendations and principles adopted at the Stockholm Conference remain valid and urgent, and that most of those calling for actions have generally not been fulfilled, despite efforts over the past decade. It is appropriate that the 69th Inter-Parliamentary Conference should address this year the question of the state of the world environment and actions needed to assure that past progress continues, and that the legislative bodies of the world remain cognizant of the need for continued urgent concern in this area.

PERCEPTIONS OF ENVIRONMENTAL PROBLEMS

Perceptions of environmental problems have evolved considerably over the past decade. Scientific knowledge in most of the areas addressed at the Stockholm Conference has greatly increased; a more sophisticated appreciation of the complexities of environmental and ecological interactions has emerged, which has caused a further evolution of the concept of which are the most crucial environmental problems. Some issues thought to be critical are now seen as less so, while new threats to the environment have been uncovered. At the same time, while confidence in technological ability to deal with environmental problems has increased, the political and economic difficulties in doing so are much more clearly perceived and are taking center stage.

Probably the most major shift in perceptions and attitudes is related to the relationship of environment and development. At the Stockholm Conference, there was a prominent concern among developing countries that attempts to improve the environment might hinder development. Also, environmental problems were seen then as primarily a result of technology and development, whereas there has now been a shift from concern about pollution from high-technology sources, which can be managed through regulation and technological remedies, to concern about pollution caused by poverty, overpopulation and lack of development, which can prevent a society from taking measures to conserve and wisely use resources.

INSTITUTIONAL RESPONSE: THE UNITED STATES

In 1970, public consciousness of the environmental problems facing the U.S., and the world, emerged in a nationwide rallying of public opinion. From that year to the present, the U.S. Congress has taken a strong lead in enacting legislation to protect the environment and the nation's natural resources. The U.S. has also been in the forefront of global efforts to create effective research and monitoring programs and to reach agreements on global resource issues such as wildlife protection, habitat protection and others. It has strongly supported the U.N. Environment Programme, and the environment and the resource related activities of other international organizations.

In its national legislation, the U.S. Congress enacted the National Environmental Policy Act in 1970, which requires environmental impact assessments for every major action of the Federal Government. This act has resulted in an integration of environmental considerations into actions by every agency of the government. The U.S. Environmental Protection Agency was established in 1970 as an independent agency to carry out pollution control and research programs. In the years following 1970 Congress enacted the Clean Air Act; the Federal Water Pollution Control Act; the Safe Drinking Water Act; the Solid Waste Disposal Act; the Insecticide, Fungicide and Rodenticide Act; the Toxic Substance Control Act; the Noise Control Act; and the Public Health Service Act.

The U.S. Congress has also acted to greatly enlarge the U.S. National Park system, to designate large areas of the Federally owned lands as protected wilderness areas; to protect endangered species; and to safeguard fishery resources. A National Agricultural Lands Study was carried out to assess the status of the Nation's croplands, and various measures to protect the Nation's coastlands and wetlands have been enacted.

This comprehensive response by the U.S. Congress to create the institutions and instrumentalities that control pollution, carry out environmental research, and conserve the Nation's resources has followed from the active concern of the citizens of the U.S., who support and demand protection of the environment.

INTERNATIONAL INSTITUTIONS

At the international level, the large number of international UNEP conferences on various environmental topics since 1972, sponsored by various international organizations, is evidence of the integration of these issues into their missions. There has been an impressive response among the array of UN and other agencies to include environmental concerns in their objectives.

The United Nations Environmental Programme: UNEP was created as a result of recommendations at the Stockholm Conference, and works out of a Secretariat in Nairobi, Kenya, designed to be the focal point for environmental action and coordination within the UN system. It was not intended to carry out its own programs, but rather to stimulate and coordinate environmental activities of the other U.N. agencies and other international organizations, and to facilitate and encourage relevant national activities. It can partially fund some projects, but is primarily an "intellectual" catalyst. The staff of 100 to 150 has an annual budget of about $30 million. Major UNEP programs are underway, with several major achievements, and many programs with important potential.

Global Environmental Monitoring System (GEMS): This system is a collective effort on the part of international agencies and national governments to collect the data needed in crucial environmental areas for rational management of the environment. This program is judged to be a key success of UNEP, although scientists are at pains to point out that the system has a long way to go before it reaches its potential for usefulness.

INFOTERRA is a system that identifies information sources throughout the world on any of some 1,000 environmental topics. It operates through national focal points, and 112 countries are part of the system. It answers 350 queries per month, has identified over 8,500 sources of information, and

publishes an international directory of sources.

Regional Seas Program: Operating through a Program Activity Center in Nairobi, this program works through initiating and facilitating conventions and protocols signed by countries bordering individual seas. Programs are operating for 10 regional seas involving 122 countries, such as the Mediterranean, Caribbean, East Asian seas, South East Pacific, the Red Sea and others. This program is widely hailed as one of UNEP's signal successes.

International Register of Potentially Toxic Chemical (IRPTC): The IRPTC gathers data from a number of national and international sources in order to provide ready access to information on production, uses, environmental pathways, and toxicity of, as well as legislation concerning, various chemicals.

World Conservation Strategy: In cooperation with the International Union for the Conservation of Nature and Natural Resources and the World Wildlife Fund, with collaboration from FAO and UNESCO, UNEP was involved in the formulations of a World Conservation Strategy which sets forth in considerable detail the objectives of conservation of species of plants and animals which would be necessary to meet specified human purposes. The Strategy report, published in 1980, provides a detailed blueprint of the means of meeting these requirement at the national, regional and global levels.

World Registry of Rivers Discharging into Oceans: In conjunction with UNESCO, UNEP created a registry of rivers which discharged into the world's oceans, and detailed levels and types of pollution resulting, where possible. Some 25 percent of these rivers are being monitored for pollutants.

Specific action plans following from UNEP decisions or international conferences on habitat, desertification, population, and other topics are in various stages of preparation or implementation. These include a Plan of Action to Combat Desertification, a draft plan for conservation of marine mammals, protection of the ozone layer, a world soils policy, and others.

SPECIFIC ISSUES OF INTERNATIONAL CONCERN

There are a number of specific areas of environmental concern that are particularly international, such as the atmosphere and the oceans. Other concerns are land-based but relate to unique resources with value to humanity outside the borders of the nations where they are located; examples are wildlife, tropical forests, and resources lost to desertification. Most of these areas of concern were dealt with by the recommendations of the Stockholm Conference.

ATMOSPHERE

Three major issues, all clearly perceived at Stockholm, and more urgent today, pervade the concern over the earth's atmosphere. Each of these issues can only be addressed in an international context; no nation acting alone can effect major changes.

1. Carbon dioxide (CO) and Climate. The question of the increase of carbon dioxide in the atmosphere due to the burning of fossil fuels, and the possible consequent warming of the world's climate, with possible negative effects, was an issue at Stockholm. Since then, concern has intensified. Scientists indicate that understanding of this problem had greatly increased over the past several years, with consensus emerging that an increase in atomsphere carbon dioxide is occurring, and that if this increase is allowed to continue at the present rate, it will almost certainly lead to a global warming over the next 50 years. From an ecological point of view, such rapid change is considered undersirable and dangerous to many human needs and activities. At present, international efforts on the CO issue continue to center almost entirely on research, data, and monitoring, but it is likely that this issue will require a concerted international effort soon, if adverse effects are to be avoided.

2. *The ozone layer.* Recent evidence that suggests that the ozone in the stratosphere may already be measurably reduced, presumably by human activities which release chlorofluorocarbons (CFCs) into the atmosphere, has raised an alarm. The ozone layer absorbs ultraviolet radiation, and a reduction would be expected to have adverse consequences for many forms of life. This issue is a prime example of the type of global environmental problems that might not even be detected in advance without extensive global monitoring. In response to these concerns, in 1977 a World Plan of Action for the ozone layer was formulated, largely on a U.S. initiative and a Coordinating Committee on the Ozone Layer (CCOL) has been formed by UNEP, which meets annually to review the situation.

3. *Acid "rain."* Precipitation, both in wet forms like rain or snow, and dry particulate deposition, which is high in sulphuric and nitrogen oxides, has measureable negative impacts on the lakes and vegetation where it falls. The cause of such precipitation is largely the emmissions from power stations, factories and vehicles. As the acid levels rise as a result, lakes lose their ability to sustain aquatic life, and vegetation suffers various effects. The Stockholm recommendations do not specifically mention this problem, although it was discussed there. In 1979, at the International Convention on Transboundary Air Pollution in Geneva, 33 countries, including the U.S., Canada, and Soviet Bloc countries, agreed to "limit, reduce, and prevent all forms of air pollution." Transfrontier hazardous emissions and acid rain were singled out for special attention. This is a matter of special concern to the U.S. and Canada, where negotiations to formulate an agreement curtailing acid rain are on-going. On August 5, 1980, the two countries signed a Memorandum of Intent establishing working groups to gather scientific and other data which would form a basis for negotiations toward the transboundary air pollution control agreement. Negotiations on the agreements began in June 1981.

LAND RESOURCES

Two land resource issues have emerged as a predominant focus of concern over the past decade—deforestation and desertification. Both were recognized at Stockholm, but the degreee of urgency did not become pressing until sometime within the past five years.

1. *Deforestation.* Over the past decade, the problem of loss of forests has emerged as one of the major environmental issues of the period. In a recent major survey of tropical forests completed by FAO as part of UNEP's Global Environmental Monitoring System, it was estimated that Latin America is losing some 4.2 million hectares per year, Asia 1.8 million hectares, and Africa about 1.3 million hectares. Nigeria was losing some 10 percent of its accessible closed forest each year in the late 1970s. International action to respond to the problem has only just begun, and the problem remains a pressing one, with related adverse effects such as watershed destruction, soil erosion, and species extinction.

2. *Desertification.* The spread of desert and desert-like conditions, which renders land unable to produce or sustain living resources, is an issue that has been raised since the Stockholm Conference. It is also an issue that is closely related to poverty, although it can occur wherever overgrazing, over-cultivation and poorly planned irrigation take place. The problem is most severe in countries where the poor must place stress on their environment in order to stay alive. In 1977, a U.N. Conference on Desertification was held in Nairobi. The result was a greatly heightened awareness of the problem, and a Plan of Action, with 28 recommendations. An Interagency Working Group on Desertification has been formed. However, in general, there has been limited action to address the problem, and few if any of the national plans recommended at Nairobi have been drafted.

3. *Soil Erosion.* A problem closely related to desertification, but one that also is occurring extensively in non-arid lands as well, is soil erosion. This is a serious problem throughout the world. During the decade since Stockholm, the world's soil resources have been extensively studied. An FAO/UNESCO soil map was published in 1980, and an on-going study of soil degradation is being carried out. A world soils policy is in the making, and UNEP expects a charter for integrated soil management and conservation. Whether this will soon affect actions on individual farmers is a major question.

LIVING RESOURCES

The living resources in the oceans and on land have been the subject of intensive scrutiny both before and after Stockholm. There have been successes in these areas, but additional efforts are still needed. Major issue areas include wildlife conservation; marine living resources; and general biological diversity, related to both of these, and directly affected by such issues as deforestation an desertification. There have been some notable successes in wildlife management. First, numerous legal conventions for conservation were signed during the decade; parks and protected areas have expanded in many regions; and the understanding of the context of wildlife protection has increased.

A major concern at Stockholm centered on threats to the world's oceans, and whether levels of pollution would threaten the living resources in the oceans. On balance, the oceans have proven over the past decade to be more resilient than was thought at Stockholm. However, major problems remain a threat, such as oil spills, and other forms of marine pollution.

This memorandum discusses only selected issue areas that have received a great deal of public attention over the past decade. Other issues of concern are numerous, and include heavy metals pollution, DDT, oil spills, freshwater resources, global modelling, population, chemicals in the environment, energy resources, radiation, and many others. In each of these areas, as in each of those discussed above, extensive research, monitoring and data gathering are underway, and management techniques and needs are being identified and in some cases implemented, often through international conventions and treaties.

ACTIONS NEEDED

In 1980, the U.S. Government published its interagency *Global 2000* report. This was basically a collection of projections, based on current trends, to the year 2000 in most

of the environmental areas under discussion in this report. The report served to dramatize the likelihood that current trends are unlikely to be sustainable in most of these areas of concern.

International actions needed are in two areas: (1) increased monitoring of environmental trends, both to establish current trends in known problem areas and to serve as an early warning system for new problems and trends as they emerge, and (2) environmental management agreements and international law, areas in which government must work toward concerted action to address environmental problems that cross national boundaries.

In both these areas of international action, the U.N. Environment Programme has demonstrated a capacity to act as a catalyst for action. It currently oversees several monitoring and information dissemination programs, and has convened or facilitated numerous conferences and meeting at which management strategies have been developed UNEP should be retained and strengthened, and its efforts supported by all Nations.

Individual nations have a variety of measures open to them in addressing environmental problems within their own borders and in attempting to reach agreements with other nations that share such problems with them. Action required on the part of individual nations fall into four major categories: (1) Governments must be aware of global pollution problems and deal on a bilateral or multilateral basis with transboundary pollution issues; (2) Support for environmental programs—both pollution control and resources management—within their own borders; (3) the integration of principles of sustained yield and environmental protection into development programs, both by aid-giving and by aid-receiving nations; (4) support for relevant international agencies, and in particular, the U.N. Environment Programme.

THE STATE OF THE WORLD ENVIRONMENT 10 YEARS AFTER THE U.N. CONFERENCE ON THE HUMAN ENVIRONMENT AT STOCKHOLM—STEPS TO BE TAKEN, INCLUDING IN THE FIELD OF NATIONAL AND INTERNATIONAL LEGISLATION

REPORT OF THE DRAFTING COMMITTEE

To the Chairman and members of the Committee: Your Drafting Committee comprising eight members appointed by the Chairman, with the concurrence of the members of the Committee, met on Tuesday, April 15, to prepare a draft resolution for consideration by the Committee for presentation to the Fall Meeting of the Interparliamentary Union to be held in Rome in September.

Mr. McClory of the United States was selected as Chairman of the Drafting Committee and proposed that we should select one of the seven drafts presented by the various groups as a base from which to prepare the final draft resolution proposal.

The Chairman proposed also that the Committee should consider in sequential order the various preambular paragraphs to be followed by the operative provisions and recommendations.

The draft resolution proposed by the Nordic Group, consisting of the Danish, Finnish, Norwegian, and Swedish delegations, was chosen as the basis for the Committee's draft proposal. However, it must be pointed out at once that various paragraphs from the drafts presented by the Canadian, Camerounian, USSR, and the United States were adopted almost verbatim. In addition, the representative from the United Nations Environmental Programme, Mr. Borut Bohte, made substantial contributions. Finally, the talents of the Deputy Secretary-General, Mr. Frank Wilcox, were employed generously in providing other technical, transitional, and editorial language in developing the final product.

All of the members of the Drafting Committee participated actively in the discussions and in the final decisions reached by your Committee.

We are aware of specific subjects which might have been included but which might have resulted in the omission of equally important specific subjects which space and time and perhaps expertise rendered impossible.

We wish to remind the members of the Committee of the forthcoming Conference of UNEP to be held in Nairobi in May where developments relative to our area of interest may occur from which we may benefit when this subject is considered at the Fall Conference of the IPU in Rome in September.

It should also be kept in mind that the draft resolution which this Committee adopts is subject to amendment at the Fall meeting when extensive plenary and committee debates can give more detailed consideration to the multiple aspects of this broad and vital subject.

As a separate subject for consideration and action at this meeting, the Committee adopted a brief resolution for consideration by the full Committee to be submitted tomorrow at the meeting of the IPU Council. This separate resolution recommends that the IPU Council should appoint a delegation of IPU members, headed by the Chairman of this Committee, to the Nairobi Conference and that this special committee should also report on the IPU's observer role at the Nairobi Conference.

Copies of the draft resolution and of the special resolution to be presented to the Council are attached to this report.

GIL MALGAT,
Canada.
LILLA JARVILEHTR,
Scandinavian Coalition.
JOAN EVANS,
United Kingdom.
FARKHUNDE HASSAN,
Egypt.
V. E. ZUEV,
U.S.S.R.
ANDRES COSALAN,
Philippines.
ROBERT MCCLORY,
United States.●

Mr. WASHINGTON. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I now yield, with great pleasure, to the distinguished gentleman from Illinois (Mr. WASHINGTON).

Mr. WASHINGTON. I wish to thank the gentleman for yielding to me and to commend him for his outstanding work and for providing for this special order so that we, the delegates to the Interparliamentary Union, might report to the Congress and to the American people the results of that rather auspicious and important conference.

As you know, the spring meeting of the Interparliamentary Union was held this year in Lagos, Nigeria, from April 12, through 17. I was honored to have been appointed as one of the delegates by our Speaker.

I want to express my appreciation to my fellow delegates, the Honorable CLAUDE PEPPER, who headed the House delegation, and Senator ROBERT STRATFORD, who headed the general delegation. I also express my appreciation to my other compatriots, Representative ROBERT MCCLORY and Representative CALDWELL BUTLER. Representative MCCLORY is a senior Member of the Illinois congressional delegation and has been a stalwart moving force behind U.S. participation in the Interparliamentary Union. I also wish to express appreciation to certain esteemed public servants like the Honorable Donald Easum, former Ambassador to Nigeria, and the president of the African-American Institute, who was instrumental in giving me some tremendously excellent briefings.

Also Mrs. Clara Ossinulu, the Nigerian representative of the African-American Institute; the Honorable Walter Carrington, director of the Department of International Affairs at Howard University and former U.S. Ambassador to Senegal; to the Honorable Abudu Yesufu Eke, Ambassador to the United States from Nigeria; and last of all to our own Ambassador, Thomas R. Pickering, and his excellent staff at the U.S. Embassy in Lagos, Nigeria.

One must be aware both of the significance of the Interparliamentary Union Conference in Lagos and also of the very close ties between this country and the Federal Republic of Nigeria, which used the American Constitution as a blueprint for its own democratic government.

The Honorable Alhaji Shehu Shagari, President of the Federal Republic of Nigeria, and Commander-In-Chief of its Armed Forces, stated in his opening remarks to the IPU that—

The Interparliamentary Union has over the years succeeded in establishing for itself a good reputation as an institution for the fostering of international understanding, peace and harmony through a healthy exchange of Parliamentarians and Parliamentary practices and procedures.

He further stated:

I am fully convinced that this exchange and cross-fertilization of ideas has helped a great deal in promoting wider international understanding and cooperation, not only among lawmakers but also among the different states represented in the Union.

The Interparliamentary Union has fostered international peace, unity and harmony through constant dialog.

I would ask to include the full text of President Shagari's speech at the close of my remarks.

I was assigned, Mr. Speaker, to the Committee on Non-self-governing Territories and Ethnic Questions, and I am also submitting, for the benefit of the House, the draft resolutions which came out of that committee and which

will be voted on in Rome, in September of this year.

The central issue of concern in the IPU Committee on Non-self-governing Territories, as well as elsewhere in discussions among the African and other Third World delegates was South Africa's continued occupation of Namibia.

It may be difficult for many Americans to understand the immediacy and depth of feeling attached to this issue. Indeed, in the past 18 months we have been encouraged by officials within our Government to redefine the situation in southern Africa, and to view it from within the definitions of ideological and geopolitical conflicts that trouble Western Europe.

In doing so the United States has taken a giant step backward into the 19th century.

This is a naive and dangerous view, not one on which strong and lasting U.S. relations with the countries of Africa and the Third World can be based. It is a view in which even our staunchest NATO allies part company. It is a view attractive to people who have completed political science sequences within universities which stress only the history of 19th century political conflicts between European nations.

However, it is a view which has nothing to do with the realities of contemporary Africa and with the determination of nonwhite populations to shake off the yokes of colonialism and apartheid.

Anyone who fails to see that this struggle against apartheid and its extension to Namibia will remain the primary determinant of African sentiments toward America and Europe is dangerously insensitive and out of touch.

In this regard it is clear that current U.S. policy toward southern Africa represents, at best, a high-risk strategy which shows no signs of working; at worst, a dangerous drift toward permanently redefining U.S. commitments to human rights and racial justice.

The implications for our own society are extremely troubling. The negative impact that this apparent attempt to reverse U.S. policy is having on our relationships with the nations of Africa and the Third World was starkly evident in Lagos.

I do not wish to make a partisan speech. But it is recognized that outside of Africa, U.S. diplomatic interests and long range strategic objectives are extremely frayed. Within Africa, U.S. interests are held hostage by and are completely at the mercy of the South African Government. At any moment, some event within South Africa or Namibia, or even some event external to the region, may crystallize world sentiment against the United States.

I submit that this is a result of the radical policy reversal that has taken place within the past 18 months. It is not a situation in which the Congress can afford to acquiesce.

The Reagan administration's southern Africa policy is based on two conflicting views. The first is that South Africa is a bulwark against Soviet expansion and, as such, must be supported by the United States, no matter how repugnant its internal policies.

The second view is that the Africaners are a prickly people, who must be humored by the United States if they are to be encouraged to make changes essential to their own survival.

The truth of the matter is that South Africa has no intention of making changes within South Africa, nor of seeing an independent government come to power in Namibia, so long as it can avoid it, unless it is forced to by events which remain unforeseen.

The South African position with respect to the United States is simple. As previously articulated by South African officials in meetings with our own Government some time ago, South Africa feels that through internal repression and the forced relocation of black and nonwhite populations, it can contain any developments which might occur among its black and nonwhite populations, provided the United States will guarantee protection from any outside force, including South African freedom fighters who are foreign-trained or fighting with foreign advisers. Like a hapless giant, the United States has apparently acquiesced. The result is an increasingly dangerous isolation of our Government in Africa and among the nations of the Third World.

In addition, those major nations, such as Nigeria, which risked their own international standing in order to counsel patience in this and other conflicts, now feel increasingly that they have been toyed with by the United States.

In short, we are at a pivotal point. The positive regard with which our efforts in southern Africa were viewed has been dissipated. A policy which is now seen as bungling, is increasingly viewed as duplicitous.

My question is: Is it worth it for the United States? And is this dangerous drift in U.S. relations something to be acquiesced in by the Congress?

I believe most of my colleagues are unaware of how radical the U.S. policy drift has been. The documented information I cite has been developed by the House Committee on Foreign Affairs and puts into sharp focus criticisms that were made by the IPU delegates. It is time we took a hard look at the U.S. policy shift.

In the 18 months that it has been in office, the Reagan administration has initiated a number of changes in American policy toward South Africa. Following are some of the changes which have been undertaken:

In March 1981, the Administration granted visas to three senior South African military intelligence officers, including General Van-der Westhizen, chief of military intelligence and the former South African military attaché who had been asked to leave the United States following the expulsion of the U.S. military attaché in South Africa. Even though there was a policy of not permitting senior military army and intelligence officers to come to the United States, visas were issued to these three officials, supposedly by error. They subsequently met with U.S. Ambassador to the U.N. Jeanne Kirkpatrick and officials at the National Security Council and the Defense Department.

The United States upgraded its military attaché office at the American Embassy in Pretoria and allowed the South Africans to do the same in Washington.

In November 1981 and March 1982, two South African generals visited the United States as part of a Namibia negotiating team. In October 1981, two police officers attended international conferences in the United States. The presence of these officials casts doubt on the Department's earlier statement that the admission of three South African generals was in error.

The United States permitted the South African Government to establish as many as five new honorary consulates in the United States, in Pittsburgh, Seattle, Phoenix, Cleveland, and Denver. The city of Pittsburgh has strongly protested.

The administration changed the foreign policy export controls in June 1981 to permit the sale of medical equipment to the South African military and to permit the sale of crime control devices to the South African Government. It should be noted that shortly after the completion of this sale, a group of South Africans were able to smuggle arms out of South African over land in an aborted attempt to overthrow the Government of the Sychelles.

The administration further amended the foreign policy export controls in February 1982 to permit the sale of items to the South African police, military, and security forces. Previously, the Carter administration had refused American companies permission to sell any items to the South African police, military, or security forces. The new administration policy makes it easier for American companies to sell computers to those agencies and ministries in South Africa responsible for enforcing apartheid.

The Departments of State and Commerce have agreed to grant two American companies—Beechcraft and Piper—licenses to export up to 22 air

ambulances to the South African Air Force. These will probably be used to ferry wounded troops from Namibia to South Africa. The South African Government wants to purchase at least six of these planes, which can also be configured as troop carriers and intelligence-gathering planes.

In 1981, the United States permitted approximately 20 South African nuclear technicians to come to this country to receive training at U.S. Government facilities.

The administration approved the travel of several American technicians from the Department of Energy to travel to South Africa to investigate that country's coal to gas conversion process, Previously, such cooperation between U.S. Government agencies and South African Government agencies had been denied.

In March 1982, the administration granted an export license to an American company—Control Data—to sell a Cyber 170/750 computer to South Africa's government-controlled center for industrial and scientific research (CSIR). The Cyber 750 is one of the most advanced computers made in the United States and can be used for advanced nuclear research to model nuclear explosions and for breaking sophisticated encripted codes. CSIR is an agency of the South African Government research operation which has broad responsibilities which overlap America's Nuclear Regulatory Agency, Bureau of Standards, and National Science Foundation.

Two U.S. companies—Edlow International and Swuco—acted as brokers in the sale of highly enriched uranium fuel for South Africa's Koeburg nuclear reactors, in order to circumvent U.S. nonproliferation laws. The Department of State may have been aware of this transaction.

Arguing that public statements are counterproductive, the administration has backed away from the basic human rights principles of the Carter administration and has ceased to make any public statements about South Africa's ongoing human rights violations.

The administration vetoed a U.N. resolution condemning South Africa's invasion of Angola last fall, and did not protest South Africa's earlier attack on the African National Congress in Mozambique.

The administration has not criticized South Africa's support or rebels attempting to overthrow the Governments of Angola and Mozambique.

More subtly, the administration's fiscal year 1982 AID request recommended elimination of the U.S. contribution to the U.N. trust fund for South Africa. The money from this fund was used to pay lawyers in South Africa to defend black and white South Africans arrested for political offenses or for violating South Africa's apartheid laws. The administration also asked for reductions in U.S. contributions to the U.N. trust fund for Namibia, which is used to help train and educate Namibian refugees.

The administration refused to go along with a joint French, British, and German initiative to condemn the South Africans for forcibly relocating thousands of blacks from the Cape Town area in the dead of winter to their so-called homelands 800 miles away in the Transkei.

It refused to protest the unexplained death in detention of Dr. Neil Agitt, a white doctor who was arrested for his work advising black trade unionists.

The administration has not publicly condemned the impending execution of three black South Africans for political offenses.

In addition to risking U.S. relations with other nations, and to committing the United States to a policy which is repugnant to our own institutions and to the overwhelming majority of the American people, there is already ample evidence that the administration's new approach has not worked. In fact, it may have encouraged the South African Government to take even harsher measures against both blacks and whites who oppose its apartheid policies. There are indications that the administration's policies may be encouraging the repression of moderate elements within South Africa, and increasing the commitment of the people of South Africa and of Namibia to change at any price.

In the past 18 months, the South African Government has made no meaningful reforms. Instead, its actions have been in the direction of greater repression:

In 1981, the South African Government arrested and detained for political reasons over 300 black trade union members, many of them leaders of some of South Africa's most moderate trade unions. These arrests and detentions without trial continue. Dr. Neil Aggit, a white labor union official, mysteriously died while in detention and at least two other black officials had to be taken to mental institutions following intensive questioning.

The South African Government has banned two black newspapers—the Post and the Sunday Post. The government had previously banned the World and the Weekend World. The Post was the largest circulation daily in South Africa and the country's principal black newspaper.

The government has refused to allow Bishop Desmond Tutu to travel outside of South Africa by revoking his passport. Bishop Tutu is an opponent of apartheid. He is the head of the Anglican Church in South Africa and secretary-general of the South African Council of Churches. Bishop Tutu was to be the keynote speaker at the Allard Lowenstein memorial lecture series at Yale and to receive an honorary doctorate at Columbia.

The government has forcibly removed thousands of blacks in Cape Town and relocated them hundreds of miles from their families in impoverished, semiarid rural areas.

The government has stepped up its bannings and detentions of both white and black student leaders, including the banning of Alexander Borraine, the son of a progressive member of parliament.

The government has continued to establish Bantustans, and to revoke the citizenship of blacks relocated to these areas.

Mr. Speaker, I urge all my colleagues to pay closer attention to events in this region. I urge them to make clear that the commitments of the United States have not changed. I urge this because I believe it is right and just, because it is strategic, and because it is the most prudent course of action for our own society.

Mr. Speaker, at this point I ask that the following statement, which I presented at the IPU meeting be included in the RECORD.

STATEMENT OF REPRESENTATIVE HAROLD WASHINGTON, UNITED STATES OF AMERICA, BEFORE THE INTERPARLIAMENTARY UNION SPRING MEETINGS, LAGOS, NIGERIA, APRIL 14, 1982

Fellow Colleagues: It has been a great pleasure to be present at this meeting where we have been free to discuss so openly a subject that is disturbing but close to my heart—and that is the need for international action to promote racial justice in South Africa and Namibia. Those of us who have worked in our own countries to promote the cause of racial justice cannot ignore the noble struggle being waged at this very moment in Southern Africa against the racist and immoral regime in Pretoria.

The continued occupation of Namibia by the Pretoria regime in violation of United Nations resolutions and the decision of the International Court of Justice poses a challenge to those of us who seek world peace and justice through international cooperation. The world community must take effective action to require the South African regime to end its illegal occupation of Namibia and to create the opportunity for the Namibia people to enjoy genuinely independent and democratic self-government. Organizations such as the IPU, which are dedicated to the cause of the promotion of genuinely democratic forms of government have a special responsibility in this regard.

We must make clear that we can never accept the theory of practice of apartheid; we must make clear that we can never accept the practice of internal colonization, known as the Bantustan or homelands policies; we must make clear that South African raids into its neighboring states are unacceptable to the world community. We must call for a speedy conclusion to the efforts of the Contact Group and the Front Line states to implement the United Nations Security Council Resolution 435, in part by demonstrating our total rejection of South African attempts to impose a so-called internal solution in Namibia.

Each of us as Parliamentarians must dedicate ourselves to breaking down racial stereotypes and to promoting inter-racial or inter-ethnic cooperation and understanding. The restoration of democratic, civilian government here in Nigeria and the great strides our hosts have made in demonstrating to the world that men of good will in Africa can work together for the common benefit of all despite linguistic, religious and other differences presents a monumental challenge to the stereotypes that have been promoted by the racist regime in Pretoria. The existence of free and candid political discussion in Nigeria stands in strong contrast to the continued repression of political rights by the Pretoria regime. I believe Nigeria's contribution in this manner to the struggle for justice in Southern Africa has not yet been fully recognized.

I have not come here as a representative of the Reagan Administration. Indeed as a member of the Democratic Party in Congress, I have frequently opposed the Administration's domestic and foreign policies. As Secretary of the Congressional Black Caucus, I fully support the Caucus's stand calling for economic sanctions against South Africa, a stand that is not supported by the Administration. Nevertheless, I believe there are few misconceptions about American policy that my friends and colleagues have:

First, the United States remains convinced of the need for an internationally acceptable settlement in Namibia under U.N. Resolution 435 which was crafted in the United Nations by former American Ambassador to the U.N., Andrew Young;

Second, the American people remain firm in their resolve not to recognize the homelands;

Third, the present Administration continues to impose an arms embargo on South Africa that was originally imposed voluntarily in 1963 by President Kennedy and maintained by each succeeding Administration.

Fourth, the United States continues to oppose border military activity by South Africa;

Finally, it is our hope that the Reagan Administration will play a more active and leading role in the U.N. efforts to seek a genuine and speedy independence for Namibia.

The United States must reject efforts as have been made here to place Puerto Rico on the international agenda. The people of Puerto Rico have a right to self-determination and have exercised that right on several occasions to reject both sovereign independence and statehood in favor of continued commonwealth status. I am convinced that my colleagues in the American Congress are prepared at all times to permit the Puerto Rican people to choose independence or statehood, and that passage of enacting legislation to implement the freely and democratically expresed will of the Puerto Rican people would be both without controversy and without delay.●

I also ask, Mr. Speaker, that the resolution on Non-Self-Governing Territories and Ethnic Questions, which was adopted by 42 votes to 5 with 7 absentions, be included in the RECORD. The resolution will be considered by the entire Interparliamentary Union at its next meeting in Rome.

The text of the resolution follows:

The 69th Inter-Parliamentary Conference,

Recalling the historic Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in United Nations General Assembly resolution 1514 (XV) of 14 December 1960,

Reaffirming the right of all colonially, neo-colonially and racially oppressed peoples to self-determination, independence and national sovereignty and their right to strive for independence with all means at their disposal, including armed struggle,

Aware of the serious threat to international peace and security caused by the remaining colonies, especially those under racist regimes,

Firmly convinced that only the total elimination of colonialism and neo-colonialism—a prerequisite for international peace and détente—can ensure the advent of a truly humane world,

Recalling that the peoples of Namibia and South Africa, despite the many relevant United Nations General Assembly and Security Council resolutions, continue to be subjected to the most inhuman colonialist and racist policy as a result of the refusal of the South African regime to comply with international decisions,

Recalling, in particular, the United Nations resolution by which South Africa's mandate over the territory of Namibia, including Walvis Bay, was terminated, and Security Council resolution 435 (1978) which establishes the United Nations Plan for Namibia,

Deeply concerned at South Africa's continued illegal occupation of Namibia, the imposition of apartheid on its people and South Africa's defiance of all resolutions of the United Nations, the Organization of African Unity, the Inter-Parliamentary Union, the Movement of Non-Aligned countries and other international organizations on the status and rights of the Namibian people, and at the intensification of the military occupation of Namibia,

Alarmed by the frequent instances of South African aggression against neighbouring independent African States,

Realizing that acquisition by the apartheid régime, with the help of some Western Powers and Israel, of a nuclear potential may have far-reaching dangerous consequences for the situation in southern Africa and international security as a whole,

Indignant at the support received by the apartheid régime from certain Western Powers and its ties with Israel,

Concerned about the persecution, arrest, imprisonment, torture and murder of South African and Namibian freedom-fighters opposing apartheid,

Strongly deploring the fact that, owing solely to the veto of the United States of America, the United Nations Security Council has been unable to impose full mandatory sanctions on the South African Government under Chapter VII of the United Nations Charter,

Recalling United Nations General Assembly resolutions 36/121 A-F of 10 December 1981 and 36/172 A-P of 17 December 1981 on the questions of Namibia and the South African Government's policy of apartheid and, in particular, resolution 36/172 B which proclaims 1982 as the International Year of Mobilization for Sanctions against South Africa,

Bearing in mind that the people of Western Sahara are still deprived of their right to self-determination and independence, owing to the occupation of its territory by Morocco,

Bearing in mind the referendum aiming at enabling the Sahraoui people to express on a free, general and regular basis their will for self-determination of Western Sahara,

Reaffirming the inalienable right of the people of Western Sahara to self-determination and independence, in accordance with the United Nations Charter, the Charter of the Organization of African Unity, United Nations General Assembly resolution 1514 (XV), as well as other relevant resolutions of the United Nations General Assembly, the Organization of African Unity and the Inter-Parliamentary Union,

Concerned at the situation in Western Sahara which causes a serious threat to the security and peace of the countries in the region,

Concerned at the aggravation of the situation in East Timor whose people is not only prevented from acceding to self-determination and independence but is also a victim of genocide,

Gravely concerned at the colonial situation still prevailing in Guam, Gibraltar, the Falkland Islands (Malvinas), Puerto Rico, the British Virgin Islands, the American Virgin Islands, Micronesia and other so-called "small territories" under British and French domination,

Bearing in mind the contribution Parliaments can make towards mobilizing world opinion and adopting practical and effective measures against colonialism in all of its forms and manifestations,

Reaffirming the resolution on "Urgent measures for the liquidation of the vestiges of colonialism in the world and the practices of apartheid in Namibia and South Africa, and safeguarding of ethnic minorities", adopted by the 68th Inter-Parliamentary Conference which took place in Havana in September 1981,

Aware once more of the need to call on all Governments and Parliaments of the world to assume their responsibility in putting an end to colonialism, neo-colonialism, racism, apartheid and zionism,

Considering that the eradication of colonialism, neo-colonialism and racism is also the responsibility of Parliaments and that it is necessary and urgent to take measures to this end, particularly with regard to the immediate and strict implementation of the United Nations Plan for Namibia,

1. Reaffirms the right of all peoples to self-determination, independence, liberty and sovereignty;

2. Recognizes the right of all peoples under colonial, neo-colonial and racist domination to strive with all means at their disposal, including armed struggle, for their liberation;

3. Reaffirms the legitimate right of the people of Namibia to strive by all means at its disposal to exercise its inalienable right to self-determination and independence;

4. Calls on all peace-loving nations and international organizations to contribute generously to the liberation struggle of the peoples still under colonial domination;

5. Urges all Governments and Parliaments, international and regional organizations, public institutions and non-governmental and inter-governmental agencies to contribute to the elimination of colonialism and its consequences;

6. Condemns the racist South African regime for its illegal occupation of Namibia and demands the immediate withdrawal of South African troops and administration from Namibia, genuine independence and territorial integrity for the country, including Walvis Bay;

7. Condemns South Africa's defiance of United Nations General Assembly and Security Council resolutions on the political status of Namibia;

8. Urges the international community to recognize SWAPO, in accordance with the decisions of the United Nations and the Organization of African Unity, as the sole and authentic representative of the Namibian people;

9. Strongly urges the Western Contact Group to exert enough pressure to induce South Africa to co-operate in the speedy implementation of Security Council resolution 435 (1978), leading to majority rule in Namibia;

10. Rejects the manoeuvres by some members of the Western Contact Group aimed at subverting the provisions of that resolution, removing the Namibian problem from United Nations jurisdiction and solving it on a neo-colonialist basis;

11. Deplores once more the growing collaboration of the United States of America, Israel and other Western Powers with the racist South African regime;

12. Urges the United Nations Security Council to fulfil its responsibility under the United Nations Charter by applying against South Africa the mandatory sanctions provided for in Chapter VII;

13. Appeals to the United States of America as a Permanent Member of the United Nations Security Council to comply with the demands of an overwhelming majority of countries regarding the imposition on South Africa of sanctions under Chapter VII of the United Nations Charter;

14. Condemns South Africa for its refusal to accept the decisions of the United Nations Plan for the Independence of Namibia;

15. Strongly condemns acts of military aggression and other acts of economic and political destabilization committed by South Africa against the front-line countries, namely Angola, Mozambique, Zambia, Zimbabwe, Lesotho and Botswana;

16. Condemns the intensified military repression against the peoples of Namibia and South Africa practised by the racist regime, as well as the use by South Africa of the territory of Namibia as a springboard for criminal acts of aggression against the front-line countries in southern Africa, the persecution, imprisonment, torture and murder of South African and Namibian freedom-fighters;

17. Demands the release of freedom-fighter Nelson Mandela, as well as all South African political prisoners imprisoned for struggling for the rights of their people;

18. Supports SWAPO, the sole legitimate representative of the Namibian people, and the South African liberation movements recognized by the OAU and the United Nations;

19. Reaffirms that a lasting solution of the conflict in Namibia can be achieved only with the participation of SWAPO;

20. Urges all Governments and Parliaments of the world to adopt urgent and effective measures to:

(a) Curb economic activities by their national entities in Namibia, South Africa and any other country under colonial and/or racist domination;

(b) Offer all possible moral and material assistance to the liberation movements of southern Africa recognized by the United Nations;

(c) Contribute to achievement of the goals of the International Year of Mobilization for Sanctions against South Africa;

21. Reiterates its support for the exercise by the people of Western Sahara of its right to self-determination and independence and therefore recall the urgent need to implement the United Nations and OAU resolutions and decisions aiming at a fair and final settlement of the question of Western Sahara;

22. Firmly calls upon the OAU Implementation Committee to promote negotiations between Morocco and the Polisario Front for a peaceful settlement of the conflict with a view to facilitating the development of harmonious cooperation between all people of the region;

23. Calls to this end on Morocco and the Polisario Front to start negotiations for an immediate cease-fire and to conclude a peace agreement conducive to the fair implementation of a general, free and regular referendun for self-determination in Western Sahara;

24. Reaffirms the right of East Timsor to self-determination and independence, and therefore condemns the use of force to prevent the peope of East Timor from exercising that right;

25. Calls upon all parties concerned to reach a fair and final settlement of the situation of the people of East Timor;

26. Reaffirms the inalienable right of the people of Puerto Rico to self-determination, independence and sovereignty in accordance with United Nations General Assembly resolution 1514 (XV);

27. Supports the decision by which the United Nations General Assembly approved the report of the ad hoc Committee on Decolonization in which the General Assembly was requested to include the case of Puerto Rico as a separate item on the agenda of its 37th session;

28. Reiterates its appeal to the United Kingdom and Spain to continue talks aimed at terminating the present political status of Gibraltar on the basis of United Nations and Inter-Parliamentary Union resolutions;

29. Invites all interested parties to back the decisions and resolutions of the United Nations General Assembly relative to the territories of Guam, Micronesia, the British Virgin Islands, the American Virgin Islands and other so-called "small territories" still under colonial domination'

30. Condemns the existence of military and/or naval bases in colonial territories which impede the genuine independence of the peoples concerned and are detrimental to human beings and natural resources in such territories;

31. Condemns, in accordance with resolutions of the Inter-Parliamentary Union and the United Nations (General Assembly and Security Council), the continuation by Israel of the establishment of settlements in the occupied Palestinian and Arab territories, as these settlements are a new form of colonialism;

32. Urges Parliaments:

(a) To support actively the implementation by the international community of specific measures to eliminate colonialism, neocolonialism, racism (including zionism) and apartheid in whatever countries they are practiced;

(b) To increase support for the colonially oppressed peoples or those oppressed on racial, religious or other grounds and their legitimate representatives—the national liberation organizations recognized by the OAU, the League of Arab States, the Movement of Non-Aligned Countries, the Organization of the Islamic Conference and the United Nations—in their struggle to exercise their rights to independence and self-determination;

(c) To call for the withdrawal of foreign occupation troops and the removal of foreign military bases installed in free and sovereign countries against the will of their peoples;

(d) To demand the cessation of any illegal and arbitrary policy which impedes the full exercise of self-determination and sovereignty by such peoples over their entire national territory;

33. Calls upon Governments, Parliaments and international organizations to take measures aimed at increasing their activity for the elimination of all forms of imperialism, colonialism, neo-colonialism, recolonization, apartheid, racial discrimination, occupation, zionism, aggression or threats of aggression, to support all actions and initiatives in defence of the independence and sovereignty of all peoples and to eliminate dangers to peace and international security.

Finally, I ask that the opening address of President Alhaji Shehu Shagari of Nigeria be printed in the RECORD, and I yield back the balance of my time.

OPENING ADDRESS DELIVERED BY ALHAJI SHEHU SHAGARI, PRESIDENT OF THE FEDERAL REPUBLIC OF NIGERIA

Mr. Chairman of the Inter-Parliamentary Union,

Honourable President of the Senate,

Honourable Speaker of the House of Representatives,

Your Excellencies,

My Lords,

Distinguished Parliamentarians,

Ladies and Gentlemen,

I feel highly honoured and privileged to address this august gathering of distinguished Parliamentarians from all over the world on the occasion of this 69th Meeting of the Inter-Parliamentary Union. On behalf of myself, my government and the people of Nigeria, I welcome you all to our country. I hope that your week long stay among us will be not only memorable but would also afford you the opportunity to learn something of the political, social, economic and cultural profiles of our country as well as the hopes and aspirations of our people.

Permit me, Mr. Chairman, to pay homage to the governing Council of this Union in accepting my country's offer to host this 69th Meeting of your International Organisation. This is especially befitting when it is recalled that after more than a decade of military rule, our country through a unanimous desire and determination of its people, reverted peacefully to a democratic system of government some two and a half years ago. Nigeria and indeed the whole of Africa can take justifiable pride in the honour of holding the meeting of this great institution on the African continent for the first time in the history of your Organisation. I also regard this as a measure of the confidence which International Organisations have in our new democratic system of government and in the future of this nation.

As a former parliamentarian, I can testify to the fact that the essence of the parliamentary system is the practice of open and free debate on all issues that affect the being and welfare of the totality of the people. A creditable testimony of democracy in a nation is the presence of the forum and environment conducive to such free debate. A healthy democracy is one that permits self-criticism and candour in free and open public debate of all issues. We are happy that Nigeria has been able to regain this enviable position which has been amply facilitated by the provisions in our New Constitu-

tion which came into operation in October 1979. We are proud to be back into the family of the Inter-Parliamentary Union as a full and active member.

The Constitutional provisions of all member States of the Union emphasize the supremacy of the rule of law and the impartial administration of justice to all and sundry. These provisions have placed very grave responsibilities on the shoulders of you parliamentarians. It is therefore incumbent on your august assembly to ensure that the supremacy of the rule of law and the impartial administration of justice are upheld at all times through faithful adherence to the tenets of the Constitutional provisions of each and every member State in all our respective communities and throughout the world. As a watch-dog of freedom and liberty, the Inter-Parliamentary Union should buttress itself for the tasks ahead in promoting global understanding, peace, justice and fairplay in a world full of tensions and discord, economic uncertainties and social inequities.

The Inter-Parliamentary Union has, over the years succeeded in establishing for itself a good reputation as an institution for the fostering of international understanding, peace and harmony through a healthy exchange of Parliamentarians and Parliamentary practices and procedures. I am fully convinced that this exchange and cross fertilization of ideas has helped a great deal in promoting wider international understanding and cooperation, not only among law makers but also among the different States represented in the Union. The worthy goals and objectives of the Organisation—to seek international peace, unity and harmony through constant dialogue, deserve commendation by all peace-loving men and women throughout the world.

The primary concern of Parliamentarians in world affairs is to make just laws for peace, order and good government in their respective settings irrespective of their systems of government. It is vital for the performance of your duties to bear in mind one essential condition for a just law, namely acceptability. If a law is to play its proper role as a key instrument in guaranteeing order, liberty, freedom and justice, then it must reflect the considered judgment and aspirations of the vast majority of the people. While I urge you to ensure that the concept and supremacy of the rule of law and the impartial administration of justice is upheld at all times, I also need to remind you of the millions of men, women and children in some areas of the world for whom the law has been perverted and transformed into a powerful machinery for oppression and injustice for no other reason than differences in race, colour or creed. In this regard, I would like to refer in particular, to the situation in the Republic of South Africa. Here a minority regime of one racial group which because of its exclusive possession of the means of violence, has promulgated innumerable draconian laws in order to perpetuate its minority privileged position. They do this at the expense of the freedom, liberty and the right of self-determination of the vast majority of the citizens of that State. The apartheid laws of South Africa have acceptability to only a small minority of the population of that State, while they are clearly discriminatory and oppressive to the vast majority. As Parliamentarians and Statesmen, you all have a responsibility to speak up against this diabolical perversion of the law and the dehumanizing effect of the imposition of such unjust laws on a captive, oppressed populace.

Mr. Chairman, Distinguished Parliamentarians, the whole world now seems to be cascading down the Gadarene slope to disaster and catastrophy as a result of the uncontrolled and unmitigated nuclear arms race between the two super-powers. I need not remind this august assembly that the total budget for the arms build-up of these super-powers for any given period exceeds by far the total budget of all the Third World States put together. Yet such arms build-up, if used, can only result in the total destruction of mankind as well as all other life forms as we know them on this earth. All of you, as law makers, invariably shoulder the horrendous responsibilities to approve such armaments budgets. I would like to make a special fervent plea to all of you law makers gathered here to take a determined stand to halt this insane and reckless arms race. It would be to the eternal glory of the human race if such enormous resources now being expended on armament stockpiles are instead invested in ventures that would feed the hungry, clothe the naked, support and comfort the weak, the wretched, the poor and the disadvantaged of this earth. The Inter-Parliamentary Union so far has a creditable record in speaking out against the armament race. However, much more needs to be done. Words must be put into action. You have the power to legislate for and against, and helpless mankind is looking up to you to legislate in favour of sanity rather than for human destruction.

It is significant that this Inter-Parliamentary Union Meeting, is taking place at a time of World-wide economic recession. This situation derives mainly from the pursuit of policy of economic nationalism established in a bid by the privileged industrial economies to maintain the global economic status quo. The temptation to continue to keep a tenacious hold on this privileged economic position seems irresistable, with the implementation of further draconian protective mechanisms which sometimes border on economic sabotage of other nation's economies. The industrialised countries by and large continue to blame the current world economic crisis on events in the oil market. I have noticed that crude oil issues have tended to generate much emotion and little, clear, honest thinking since 1973 when the OPEC began to manage oil prices. This is understandable since for the first time, the appearance of OPEC on the world economic scene has thrown a challenge to the existing, unjust world economic order. Unfortunately, it has also marked the beginning of a persistence, uneasy state of confrontation between the industrialised and the oil-producing states. This is in spite of the evidence of well-known fact that astronomical rises in the prices of manufactured goods predated the rise in oil prices. As Parliamentarians, you are expected to stand for and uphold truth and justice. I would, therefore, like to appeal to you for objectivity in this area of North/South economic relations. A renowned third world leader once stated it aptly thus: "The industrialised States prescribed the prices of their manufactured goods; they take into consideration the very high standards of living of their workers, their inflation rate, their currency fluctation and other parameters that work to their advantage. When it comes to buying our primary produce, they only parameter they talk about is market forces. In an arena where the strong would always have his way in competition with the weak, how can a humane, just and equitable world international order be built, on the basis of such an unjust principle? I appeal especially to you law makers of the advanced, industrialised countries. You represent a very potent force for whatever arrangements might be evolved to restore the global economy, not only to vitality but to equity and justice. The economic plight of the third world countries have not only continued to deteriorate but have defied solutions irrespective of international pledges and commitments aimed at ameliorating the situation. I recall that this same persistent problem of developing nations attracted the attention of Parliamentarians during the Havana Meeting of the Inter-Parliamentary Union in September 1981. In spite of the resolutions and pledges at such international fora including the recently concluded Cancun conference on New International Economic Order, the third world countries have continued to be subjected to the agonies of organised economic repression and exploitation. Your organisation has a role to play in bringing about changes that are capable of restoring balance and reparation as well as restitution of the economies of developing countries. The Inter-Parliamentary Union should endeavour therefore, to proffer solutions to the present problems of the world so that humanity may be shielded from the inevitable conflagration which persistent and mindless economic exploitation of the third world would inevitably generate.

Mr. Chairman, Distinguished Parliamentarians, I wish to close this address by reaffirming our faith in the aims and objectives of the Inter-Parliamentary Union which are:—

"To promote personal contact between members of all parliaments and to unite them in common action to secure and maintain the full participation of their respective States in the firm establishment and development of representative institutions, and in world peace and co-operation, particularly by supporting the objectives of the United Nations."

Nigeria is irrevocably committed to these high principles of your organisation.

Once again, I wish to thank the organizers of this conference for choosing Nigeria as a venue for the 1982 Spring Meeting of the Inter-Parliamentary Union. I hope that while you are in Nigeria, you will find time to see many places of interest and interact freely with Nigerians and exchange ideas on matters of mutual interest. I would also like to extend a very warm welcome to any one of you who would like to come back in future to visit the country on your own, trusting that the present occasion has whetted your appetite for more. I wish you all very fruitful and successful deliberations and a happy stay in Nigeria.

I Thank You.

● Mr. McCLORY. Mr. Speaker, I am pleased, indeed, to participate in this special order reporting on the Spring Meeting of the Interparliamentary Union in Lagos, Nigeria. While our delegation was limited in numbers, we cooperated actively to assure representation and participation in behalf of our Nation's interest at all of the various committee meetings. I was privileged to represent our group at the meetings of the Committee on Education, Science, Culture, and Environment.

The work of this committee attracted the attention of delegates from more than 50 nations. Memoranda relating to the assigned subject of "The State of the World Environment Ten Years After the U.N. Conference on the Human Environment at Stockholm Steps to be Taken, including in the Field of National and International Legislation" were filed by 12 national groups including a detailed report from the Secretariat of the U.N. Environment Programme (UNEP). Our U.S. memorandum prepared with the able assistance of Susan R. Abassi, Specialist in Natural Resources Policy of the Environment and Natural Resources Policy Division of the Congressional Research Service of the Library of Congress, followed the important international developments which have occurred during the 10 years intervening since Stockholm. This memorandum was reproduced in English at the Conference and distributed among the delegates and others in attendance.

In addition, a draft resolution was prepared with the assistance of Ms. Abassi and Mr. Vance Hyndman of the staff of the House Foreign Affairs Committee. Our U.S. draft resolution was comprehensive to the extent that it covered virtually every subject affecting the environment to which the Committee debates in Lagos related.

At the end of the first day's meeting, a drafting committee was appointed to which I was named in behalf of our delegation together with representatives from Canada, Cameroon, the Philippines, Egypt, Great Britain, Finland, and the Soviet Union.

When the drafting committee met the next day, I was chosen as chairman at the suggestion of the Canadian delegate, Jean-Robert Gauthier. A copy of the report of the drafting committee which describes the drafting committee's work was signed by all members of the Committee and was approved by the full Committee at its final meeting together with a revised draft resolution for presentation at the fall meeting of the IPU to be held in Rome in September. Also, the Committee selected me to serve as rapporteur to present the resolution at the fall IPU Conference.

The serious threats from pollution of the environment resulting from acid rain, the nuclear waste disposal, chemical and other forms of toxic wastes, oil spills, and some other problems affecting the human environment make this subject for debate at Rome of critical interest to most of the IPU delegation participants.

Mr. Speaker, I should point out also that the Committee adopted a second resolution recommending that the Chairman of the Committee, Dr. Dakroury of Egypt, should attend the meeting of UNEP in Nairobi, Kenya, in May of this year. The results of that meeting will be included in my report at Rome.

Mr. Speaker, the contributions of all the members of our delegation were substantial and the active participation of our group strikes me as extremely significant in promoting good relations between our Nation and the other nations of the world. It seems to me unfortunate that we do not attach even greater importance to these semiannual conferences between the Parliamentary members of nearly 100 nations of the world in an organization which has endured longer than any other international organization in the world's history. I want to commend the House Chairman, Representative CLAUDE PEPPER, for his leadership as well as the President of our group, Senator BOB STAFFORD of Vermont, and all of my colleagues and our staff personnel who provided the vital support which was required during the Conference sessions.

The Deputy Clerk of the House, Ellen Rayner, was particularly outstanding in her management of the logistical details of our mission and in organizing the vital staff service which was so essential in our U.S. representation at the various committee meetings. Finally, I should add that our Ambassador, Tom Pickering, and the entire Embassy personnel responded fully to all of the local needs. I can assure my colleagues that our Nation is ably represented by Ambassador Pickering and his associates in Nigeria.

Mr. Speaker, the importance of the Inter-Parliamentary Union as an institution where parliamentary representatives of the free world may promote our democratic ways of life was dramatized recently in the Houses of Parliament. President Reagan's historic address to the members of the British House of Commons and House of Lords provided convincing proof of the human advantages available to the citizens of representative governments—governments where free elections and a free press flourish and where individual liberty is a reality. Mr. Speaker, the President announced the establishment of an American initiative in which Representatives of this House will be included and which will have as its objective the promotion of the democratic system of government throughout the world. He alluded to the important work which may be performed by the Council of Europe and other organizations. Let me add that the IPU provides a highly significant agency for carrying out the objectives which President Reagan has extolled. It is my fervent hope that we may enhance the role of the Inter-Parliamentary Union and attach increasing importance to the semiannual conferences of this organization. An opportunity for demonstrating our support of the IPU will be presented again at the Plenary Conference of the Inter-Parliamentary Union to be held in Rome in September. Mr. Speaker, let us renew our faith in and support of the IPU. It can be an important mechanism for advancing the cause of democratic government and of human freedom.●

● Mr. DERWINSKI. Mr. Speaker, I congratulate my colleague from Florida for requesting this special order to report on the activity of the U.S. delegation that attended the spring meeting of the Inter-Parliamentary Union held in Lagos, Nigeria. Although I could not attend that meeting personally, I want to share in the recognition we are giving today to the accomplishments of the U.S. members that did participate. I urge my colleagues to take note of the very important dialog that has occurred in the context of the IPU.

Clearly the gentleman from Florida deserves ample credit for his fine service as leader of the House delegation. I understand, moreover, that he not only served as an able leader of our delegation, but also joined a controversial and complicated drafting session where he helped let reason prevail so that a reasonable document could be written on the question of world hunger. He can take proper credit for helping to write a document that contains very little of the impractical, polemical language we see regrettably too often in international conferences. This document will serve as a useful basis for the final drafting that will take place at the meeting in September.

As my colleagues know, I have long maintained interest in the IPU and have grown to appreciate its role in facilitating international communication particularly among those who hold truly representational functions in their respective countries. Certainly the IPU suffers, as do many international organizations, from too much confrontation, too little real communication. But it still functions to alert members of Parliament to how other members of Parliament search for solutions to international problems. The IPU can and does allow us to share experiences and look for methods of improving conditions on this planet.

Participation within the IPU has also reemphasized how much we have to cherish in our American institutions of free government. We can demonstrate the strength and confidence of our system by showing up at these conferences, by arguing the major issues and meeting those who oppose our Nation's policies face to face.

The Lagos spring meeting considered several important issues and one in particular that will be of significance in the coming weeks in New York as the U.N. Special Session on Disarmament carries out its work. The IPU will be sending a special delegation to

that U.N. session that will share with the United Nations the results of work undertaken in Lagos. Since its inception at the turn of the century, the IPU has shown concern for the peaceful settlement of international disputes and can be considered one of the forerunners of international organizations such as the United Nations. Therefore, the IPU should have a role in important U.N. activity such as the special disarmament session that has just begun.

The spring IPU meeting was also an occasion when several Western delegations registered again their strong concern about the situation in Poland. In fact, European parliamentarians initiated an effort that led to the publication of a joint statement, cosigned by representatives of 18 national groups. This resolution calls particularly for the lifting of martial law and the immediate release of political prisoners in Poland. And it affirms that the problems of Poland should be resolved exclusively and solely by the Polish people without external pressure. The fact that this joint statement was agreed to and circulated prominently at the IPU meeting attended by delegates from all over Europe and the rest of the world should help remind others of the firm view of many peoples and their solidarity with the people of Poland.

I ask that a copy of this joint statement on Poland be included at this point.

The undersigned,

(1) Declaring strong sympathy for the people of Poland by expressing the hope for their political, economic and social development within the framework of freedom and solidarity,

(2) Recalling in particular the principles of the United Nations Charter and the obligations of the Final Act of Helsinki which recognize the legitimate aspirations and natural right of all citizens to freedom of expression and to the respect of their civil rights, including the right to free association which includes the organization of free trade unions,

(3) Consider that the limits imposed by martial law, proclaimed in Warsaw, December 13, 1981, must be lifted and political prisoners released immediately,

(4) Recall the obligation of each signatory state of the Final Act of Helsinki to refrain from all initiative or pressure which would lead toward limiting the sovereignty of other states,

(5) Affirm that the problems of Poland should be resolved, in conformity with the Helsinki principles, exclusively and solely by the Polish people without external pressure.

Ian Robinson (Australia), Hans Hesele (Austria), Emile Cuvelier (Belgium), Gildas Molgat (Canada), Robert Pedersen (Denmark), Jean Beranger, Senateur (France), Ottfried Hennig (Federal Republic of Germany), Joan Papadopoulos (Greece), Sean French (Ireland), Giulio Andreotti (Italy), Leon Bollendorf (Luxembourg), G. C. van Dam (Netherlands), Odobjorn Langlo (Norway), Rui Pena (Portugal) (by majority), Fernando Alvarez de Miranda (Spain), Ingrid Sundberg (Sweden), John Page (United Kingdom), Robert Stafford (United States of America).●

● Mr. BUTLER. Mr. Speaker, the spring meeting that was held recently in Lagos, Nigeria provided again a valuable opportunity for some of us from the U.S. Congress to meet and interact with representatives from nations. Participation at that Conference was indeed diverse, with virtually every continent represented. While many who attended came from countries that do not share our democratic principles, there was also present a large group from countries we regard as close friends and allies and from the strong democracies.

During the week-long session in Nigeria, I was privileged to accept responsibility to speak before the assembly in the Committee on Parliamentary, Juridical and Human Rights Questions on the subject "The Development of Parliamentary Institutions With Respect of the Constitution and Their Work in the Sphere of International Relations." Given that the IPU is an assembly of parliamentarians from all over the world and from different governing systems, this topic seemed particularly suited to IPU consideration. In my remarks, I raised directly the issue of what constitutes genuine political influence of parliaments. In this regard, I felt it was important to remind delegates that martial law such as that imposed in Poland should clearly be regarded as incompatible with what the IPU stands for and therefore should be strongly criticized. While some in the meeting halls may have considered it impolite to criticize the political system of other delegates—particularly those from the Soviet Bloc, I felt it also appropriate to direct criticism at the restriction on free debate of Eastern European countries. Certainly when looking into the quality of parliamentary influence, the IPU could not ignore the restrictions so apparent in those countries. Finally, my statement highlighted the importance of a truly impartial and fair judiciary system.

Clearly it is necessary and helpful for the world's parliaments to take occasion to examine themselves. Frankly, one result of this inspection is greater appreciation for the truly representative character of our own American institutions, of the freedom and openness of our democratic process and of how well really our system works.

As I have attended IPU meetings over the past several years, I have looked upon my participation as an opportunity to express confidence and pride in the American way of government. It has been my impression that other national representatives from other countries welcome an opportunity to hear from us and to discuss with us the way our system works. And such exchanges have, in my mind, made the IPU experiences well worth the effort and expense.●

Mr. PEPPER. Mr. Speaker, I yield back the balance of my time.

□ 1910

JULIUS TRESCONY—THE LOSS OF A GREAT CITIZEN OF MONTEREY COUNTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, it is with great sadness that I inform my colleagues of the death of a wonderful individual and good friend, Mr. Julius Trescony of King City, Calif. Julius was a rancher in our area, and his family has roots in Monterey County that stretch back to 1842.

Julius was a bedrock citizen of the Monterey Peninsula. He lived a long life—92 years—and he lived all of that time on his Rancho San Lucas. In fact, in an irony that is rare in our constantly moving and transitory society, Julius died in the same bed in which he had been born nearly a century before.

Among his many honors, Julius was named Livestock Man of the Year in 1969 by the California Chamber of Commerce, was Monterey County's Cattleman of the Year in 1978, and was awarded a commemorative medal in 1967 by President Johnson and the Congress for his outstanding contributions to agriculture. Among those contributions were his pioneering use of systematic cross breeding of beef cattle in cooperation with the Cooperative Extension of the University of California in the 1940's, his invention of several pieces of equipment used in cattle ranching and his advancement of modern grain-growing concepts.

Julius was one of the founders of the California Cattlemen's Association and was a former president of the Monterey County Cattlemen's Association. He helped to organize the Salinas Valley Fair, was its first president, and was a member of the board of directors for 25 years.

He was also an active supporter of St. Anthony's Dining Room in San Francisco and collected donations of vegetables from Salinas Valley growers to be shipped to the dining room free of charge.

Among many other community services, Julius was actively involved in the restoration of the historic Mission San Antonio de Padui, founded by Father Juniper Serra. He was chairman of the mission fiesta committee for 35 years.

Julius was also one of the original 42 horsemen who rode down the main street of Salinas in 1911 to launch the California rodeo, which is now one of

the great annual celebrations in our area of the country.

In addition to all of these activities, Julius Trescony was a man of culture. He was fluent in several languages, including French, Italian, Spanish, and Basque, and he also spoke some Portuguese and Swiss German.

Mr. Speaker, men like Julius Trescony are few and far between in this world. He will be missed by me and my family, and his family, his friends, and those who had the pleasure to work with him through the years have suffered a great loss. The agricultural community of Salinas and Monterey County has lost a giant.

In remembrance of this great citizen, I will name one of the internships in my office each year in his memory. That intern will be from Monterey County and will work on agricultural issues. It is a way in which the work and the donation of Julius Trescony will live into the future.●

UNEMPLOYMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 15 minutes.

Mr. WILLIAM J. COYNE. Mr. Speaker, Ronald Reagan made an observation on the similarity of politics to the profession of show business in a 1975 Time magazine article. He said:

I finally figured out this politics. It's like show business. You start with a big opening act, coast, and close with a great crescendo.

It seems that we must now ready ourselves for the "coasting" period as President Reagan approaches the middle of his term. For those 2.5 million people thrown out of work since Congress went along with the administration's "big opening act"—last summer's tax and budget resolutions, measures which made Reaganomics official Federal policy—I fear the coasting will be all downhill.

While the administration may have a "great crescendo" ready for 1984 or thereabouts, many people in my own city of Pittsburgh cannot afford to wait. The latest unemployment rate for the four-county Pittsburgh area shows a rise to 11.1 percent from 9.9 percent earlier this year. For the long-term unemployed, including those out of work in the severely depressed steel industry, the benefits are beginning to run out. Yet the administration continues to oppose an extension of those benefits to 52 weeks. As I have made clear to this body before, I favor an extension of unemployment conpensation—assistance which can often make the difference between keeping a home or defaulting on a mortgage—to 65 weeks. But the administration and its supporters in Congress are working to prevent even a minimal extension to 52 weeks.

I am especially concerned that during this coasting period, the administration appears to be unaware of the disastrous effect its economic policies have on certain industries. By its failure to come to the aid of the ailing housing industry, for example, the administration literally prevents whole crafts from contributing to our economy.

I would like to share with my colleagues the results of a recent survey on unemployment in the construction industry conducted by the AFL-CIO Building and Construction Trades Department. Here are the results for Pittsburgh:

Pittsburgh, Pa.

Union:	*Percent unemployed*
Asbestos workers	20
Boilermakers	60
Bricklayers	65
Carpenters	48
Cement masons	60
Floor coverers	25
Iron workers	20
Laborers	40
Operating engineers	23
Painters	50
Plasterers	77
Plumbers	33
Roofers	75
Sheet metal workers	20
Steamfitters	25

Nearly 8 out of every 10 roofers and plasterers are out of work; 6 out of every 10 bricklayers and cement masons are jobless. For those who labor in the construction trades, the depression is not something associated with Herbert Hoover. It is more closely linked with Ronald Reagan.

Mr. Speaker, I have strongly opposed most of the economic proposals offered by the Reagan administration. I opposed its budget proposals for fiscal 1982 and 1983 because I feared that a combination of deficit spending and cutbacks in economic development programs and housing construction could lead to a stalled economy. The Reagan administration and I have a clear philosophical difference on how the Government should be run.

While I do not expect the administration to relent on its basic supply-side approach to Government, I urge it to take three immediate steps to halt the devestation that is becoming the norm in certain sectors of the economy.

First, the administration should drop its opposition to an extension of unemployment benefits. We cannot relegate some people to the economic scrap heap while others, fortunate enough to gain from the newly enacted tax breaks, are living better than ever.

Second, the administration should bow to the will of the bipartisan majority of the Congress and approve the $3 billion emergency housing assistance contained in the fiscal year 1982 supplemental appropriations bill. This mortgage assistance will help bring life to the depressed housing industry by stimulating the construction of thousands of new homes.

Third, I ask the administration to join me in expressing strong opposition to the Federal Reserve Board's tight money policies. We cannot have economic recovery without the stimulative effect of lower interest rates. For those in the construction industry, the most important action the Government could take would be to bring down the interest rate to 10 to 12 percent.

Mr. Speaker, we cannot afford to coast much longer. Robert Georgine, president of the AFL-CIO Building Trades Department, has made an astute observation on what can happen if we do:

As a result of this rampant lack of jobs, many building tradesmen are laying down their tools and leaving the industry altogether. The loss of such valuable human resources is irreparable. When our nation finally faces up to its needs in housing, mass transit, and energy supply facilities, where will we find the vast number of skilled workers to do the job—workers and apprentices who are now being discouraged from working in the industry.

For a mighty industrial nation to face the prospect of a lack of capacity in the construction industry is a sober thought indeed. It is a prospect I hope the administration considers long and well as it plans economic policy in the coming months.

DEFENSE DEPARTMENT LOBBYING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. SWIFT) is recognized for 10 minutes.

● Mr. SWIFT. Mr. Speaker, nothing our Nation engages in is more complicated or more expensive than the effort to provide for our defense. Many prominent Americans, including President Eisenhower, have warned us of the dangers we will face if we do not scrutinize very carefully the activities of what is known as the military-industrial complex. Their caution, and the problem we face is how do we construct a strong and sound national defense while avoiding three critical problems: First, we do not want the weapons systems we procure to make the world less secure; second, we do not want to spend more money than is necessary; and third, we do not want the amounts of money involved to create distortions that corrupt our political system.

Several years ago there seemed to be a consensus in this country—a consensus I strongly support—that we needed to take all prudent steps, including the spending of increased amounts of scarce resources, to strengthen our de-

fense posture. It is regrettable that the present administration through heavyhanded means seems intent on destroying this consensus. They have done this by speaking loosely about nuclear war, by giving the impression that they do not need to manage carefully the defense budget, and now they are doing so by a heavyhanded lobbying effort in support of a very expensive and historically discredited aircraft.

I hope it is not true that senior Defense Department officials have "hinted" to major defense contractors that their programs could be in danger if they spoke out against programs favored by the administration. In other words, I hope it is not true that the administration has passed beyond the gray area of executive branch lobbying, into the shady business of heavyhanded practices that have no place in our legislative process.

Therefore, in order to help put the competitive nature of our efforts back on a healthy track, I am cosponsoring Representative DICKS' resolution of inquiry. I hope the resolution itself, and my remarks, will be taken by the administration as a clear suggestion that farsighted and fair procedures need to be followed so that we can make these difficult military procurement decisions in a way that will in fact, help us secure our democracy and our values.

Mr. Speaker, I am inserting at this point in the RECORD an article from the June 22 edition of the Boston Globe which details recent actions by the Defense Department that prompt my concern:

LOCKHEED'S BATTLE FOR A PLANE: AN INSIDE VIEW

(By Fred Kaplan)

WASHINGTON.—Three to four times each week, a dozen men meet in a Pentagon office to coordinate an intense lobbying and information campaign designed to protect an $8.2-billion weapons contract for the Lockheed Corp. that Congress is threatening to take away.

Calling themselves the C5B Group—named after the Lockheed cargo-transport plane for whose cause they do battle—the men include Maj. Gen. Kelly Burke, Air Force deputy chief of staff for research, development and acquisition; Lloyd Moseman, Air Force deputy assistant secretary for logistics; a gaggle of generals, colonels and majors who work for Burke, the Air Force chief of staff or the Air Force legislative liaison office; and Richard Cook, Washington vice president of Lockheed.

Before each meeting, copies of computer printouts listing all the actions taken by the C5B Group, as well as up-to-date revisions and status reports, are handed out.

One such printout, covering actions taken up to June 14, was leaked by a Pentagon source to the Project on Military Procurement, a nonprofit research group in Washington that monitors weapons systems. The group provided a copy to The Globe.

The printout offers an unusually detailed glimpse of the way corporate executives work in tandem with military officers and political officials to shape policy and the spending of billions of taxpayers' dollars—in short, a documentary portrait of the day-to-day operations of what Dwight Eisenhower once called "the military-industrial complex."

President Ronald Reagan's fiscal 1983 budget contained $800 milion to start production of the C5B—a successor to Lockheed's C5A, an airplane of the '60s prone to dozens of troubles, including a $2 billion cost overrun, wings that cracked after 2000 hours of flight and chronic breakdowns.

On May 13, Sen. Henry Jackson—with a lot of help from the Boeing Corp. in his home state, Washington, convinced a majority of senators, that a modified version of Boeing 747 wide-bodied commercial aircraft could do the job that needed to be done, and far more efficiently than the C5. The Senate voted to take the C5 out of the budget and fund the 747 instead. Lockheed was in trouble.

The C5B Group appears to have been formed shortly after the Senate vote, with a determination to keep the airplane alive in the House of Representatives.

The Group met three times the week of May 24, four times the week of May 31, three times the week after that, four times the following week, and at least once the week of June 14—the last date recorded on The Globe's copy of the computer printout.

In 12 days of meetings, the C5B Group initiated 79 "Actions" to help save Lockheed in the House.

On May 24, the Group directed the Air Force: "Provide firm Sec. Def. [Secretary of Defense] position to two House Committees plus appropriate Key House leadership." That same day, Lockheed gave a draft of a letter supporting the C5 to the Air Force. On June 2, according to the printout, the Air Force sent the draft to Secretary of Defense Caspar Weinberger. On June 4, Weinberger signed the Lockheed-drafted letter. On June 7 it was sent to Rep. Melvin Price (D-Ill.), William Dickinson (R-Ala.), Jamie Whitten (D-Miss.), Joseph Addabbo (D-N.Y.) and Don Edwards (D-Calif.)—all key members of the Armed Services or Appropriations Committee—and Robert H. Michel, Illinois military leader of the House of Representatives.

On May 26, the group directed the Air Force and the office of the Secretary of Defense to get the support of House committee chairmen who normally have nothing to do with the defense budget—adding that such a tactic was used in selling the B1 bomber.

In follow-up action, the Air Force drafted a "'soft-sell' Dear Colleague" letter and tried to get chairmen to sign it. "Dear Colleague" letters are frequently sent from one congressman to several others to request support of a bill.

Military officers are barred by law from lobbying, and by law, no appropriated government funds can be used "to influence in any matter a member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress." That portion of the law, which carries a penalty of a $500 fine or a year's imprisonment or both, has not been enforced since it was passed in 1948.

Other actions listed in the computer printout have the Air Force, the Pentagon and Lockheed composing questions and answers—"Q & A preparation"—to be used by friendly members in congressional hearings.

Asked about such incidents, an Air Force spokesman responded, "The Air Force has a responsibility to provide facts to support the Administration's decision. We selected the C5 after a lot of study. A congressman asks for data and we provide it to him. That's part of our responsibility."

However, sometimes it seems that the Air Force prompts a congressman to ask for the data in the first place. When Rep. Norm Dicks (D-Wash.) sent a letter to colleagues arguing that the 747 was superior to the C5B, the C5B Group directed Lockheed to find some congressman "to request comments from AF [Air Force] on Dicks' letter."

In the status report on this action, it was noted that on June 3, Lockheed got Rep. G. V. (Sonny) Montgomery (D-Miss.) to put in the request. The next day, "AF response" was reported "in work." On June 11: "Draft prepared." On June 14, Lockheed was ordered: "Get AF ltr [letter] to Sonny Montgomery—responding to Dicks' point—distributed to members."

Told of the Montgomery case, the Air Force spokesman said, "Well, that is not the norm, but it probably isn't the exception, either."

The C5B Group attempted to get other defense contractors in on the lobbying act. On June 1, the Air Force and the Defense Department were directed to "consider ways to obtain support of DOD [Department of Defense] position [on support of C5] from prime contractors and subcontractors like E-Systems, Vought, Northrop and P & W [Pratt and Whitney]."

A few days earlier, on May 25, the Air Force and Defense Department were told to "energize all military association & obtain leadership and 'back home' support." This endeavor partly fell through, however, when Air Force legislative liaison officers reported, "issue too split by contractors"—some were willing to go with Lockheed, but others had too much to gain from a Boeing win.

Nonetheless, D.C. Jones, president of Lockheed Missiles & Space Co., sent a telegram, copies of which The Globe has obtained, to major airline companies June 6 at the direction of the C5B Group.

The C5B Group has tried to attract not only hawkish supporters in Congress, but liberal doves as well. On May 25, the group decided that Lockheed should get Andrew Young, the mayor of Atlanta, who commands enormous respect among liberals, to "work [the Congressional Black] Caucus."

The C5B would be built in Lockheed's plant in Georgia and provide an estimated 8500 jobs in the state.

Mayor Young's office confirmed that he was in Washington last Thursday, trying to persuade members of the House Black Caucus to vote for the C5B. A press aide says that he was there for other reasons, as well, and that Lockheed did not pay Young's travel expenses.

On June 11, the group decided to ask General Dynamics, which manufacturers the C5's tail, to "work on [Sen. Carl] Levin (D-Mich.) and ask him to work on liberals. Also work Rep. [Morris] Udall (D-Ariz.)." Aides to Levin and Udall said no such contact had been made. In the C5B Group computer printout, the space next to "Status" on this action was left blank as of June 14, suggesting that a contact had yet to be made.

A larger printout reveals that corporate political action committees, or PACs, are also being used for the campaign. Several California Congressmen, including Republican Robert Dornan and Barry Goldwater Jr., are said to be "PAC-wired." Beside many legislators' names various corporate PACs

are cited under the column, "Contractor Contacts."

The White House has also come under the C5B Group's purview. "Further Action" for Rep. Tom Loeffler (R-Texas) includes "Coord. with White House Leg. Staff." Rep. Michel is slated to get "President Call and Sen. [Howard] Baker Call." Rep. Guy Vander Jagt (R-Mich.) will also receive "White House & House GOP leader contacts."

The printout notes that Michel's and Vander Jagt's positions on the C5 are undecided or unknown.

The C5B Group—a joint military-industrial operation—directed a governmentwide lobbying effort to keep the C5 in action. On May 26, it directed Lockheed: "Work specific assignments to get member to member commitments in HAC, HASC [House Appropriations and House Armed Services committees] and other members."

Lockheed was also to "Get major subcontractors on board and working." The status update listed beneath this action reads: "Closed. Working hard."

Also on May 26, the group decided to "Maintain database and coordination on contacts and commitment for a tally count and further actions." On June 1 it was reported that Lockheed had put a "computer database in place."

Although there is a federal prohibition against using government funds for lobbying, Don Simon, a lawyer with Common Cause in Washington, pointed out that the statute in question "has never ever been enforced." It's all "a very murky area," he said, with vauge definitions of "lobbying" and a legislative history that provides little guidance for clarification or enforcement.

In many ways, the C5B Group is little different from the normal range of activities pursued by defense contractors and their government allies in pursuit of large contracts. However suspicious and possibly illegal many of these actions may be, they represent the way Washington often works.

One Pentagon analyst who was shown the printouts believes the C5B Group has gone beyond normal bounds, especially when they got the Air Force to compose the "Dear Colleague" letter for congressmen. "This is one seedy step farther than they've gone before" he said.

Another Pentagon official familiar with the printouts (but not their source) pointed to the C5B Group's efforts to pressure other contractors and the entire airline industry. "It's unusually intensed," he says. "I've never seen one handled quite this way."

Most unusual about the C5B Group, he noted, is the thoroughness of the records of their actions, and the fact that these records have now been exposed. "This is the military-industrial complex at work," he said, "stark naked, self-revealed and self-identified."●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. MIKULSKI (at the request of Mr. WRIGHT), for June 22 and 23, on account of illness in the family.

Mr. DYSON (at the request of Mr. WRIGHT), for June 22 and 23, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DOUGHERTY) to revise and extend their remarks and include extraneous matter:)

Mr. HYDE, for 30 minutes, today.
Mr. MYERS, for 10 minutes, today.
Mr. BLILEY, for 10 minutes, today.
Mr. MICHEL, for 10 minutes, today.
Mr. DOUGHERTY, for 60 minutes, on June 23, 1982.

(The following Members (at the request of Mr. DOWDY) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. DICKS, for 60 minutes, today.
Mr. PEPPER, for 60 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. CONYERS, for 60 minutes, today.
Mr. WILLIAM J. COYNE, for 15 minutes, today.
Mr. SWIFT (at the request of Mr. ROEMER), for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DOUGHERTY) and to include extraneous matter:)

Mr. MCGRATH in two instances.
Mr. CARMAN.
Mr. BROOMFIELD.
Mr. BEREUTER.
Mr. CLAUSEN.
Mr. GRADISON.
Mr. EMERY in two instances.
Mr. GUNDERSON.
Mr. HOLLENBECK.
Mr. KINDNESS.
Mr. MORRISON.
Mr. WORTLEY in two instances.
Mr. GREEN.
Mr. LEBOUTILLIER.
Mr. EVANS of Delaware in two instances.
Mr. GILMAN.
Mr. ROBERTS of South Dakota in two instances.
Mr. LAGOMARSINO in four instances.
Mr. BAILEY of Missouri.
Mr. HARTNETT.
Mr. FIELDS in three instances.
Mrs. HECKLER.
Mr. KEMP.
Mr. CONTE.

(The following Members (at the request of Mr. DOWDY) and to include extraneous matter:)

Mr. OTTINGER.
Mr. BAILEY of Pennsylvania.
Mr. STOKES in three instances.
Mr. DE LUGO.
Mr. WAXMAN.
Mr. GAYDOS.
Mr. DOWNEY.
Mr. RODINO.
Mr. ROSENTHAL.
Mr. ST GERMAIN.
Mr. STARK in four instances.
Mr. SAM B. HALL, JR.
Mr. SANTINI.
Mrs. SCHROEDER.
Mr. SOLARZ in two instances.
Mr. HUBBARD.
Mr. MURTHA.
Mr. DYSON.
Mr. LANTOS.
Mr. PANETTA.
Mr. WIRTH.
Mr. CONYERS.
Mr. PEPPER.
Mr. MOFFETT in two instances.
Mr. DONNELLY.
Mr. HAWKINS.
Mr. LAFALCE.
Mr. FLORIO.
Mr. DWYER.
Mr. FARY.
Mrs. FERRARO.
Mr. BINGHAM in 10 instances.
Mr. SIMON in two instances.
Mr. SWIFT.
Mr. FAUNTROY.

ADJOURNMENT

Mr. ROEMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 19 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 23, 1982, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4205. A letter from the Deputy Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting a report as of March 31, 1982, on Selected Reserve recruiting and retention incentives, pursuant to 10 U.S.C. 2134, and 37 U.S.C. 308b and 308c; to the Committee on Armed Services.

4206. A letter from the Deputy Secretary of Defense (Facility Requirements and Resources), transmitting notice of the location, nature, and estimated cost of 25 construction projects proposed for the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

4207. A letter from the Deputy Secretary of Defense (Facility Requirements and Resources), transmitting notice of the location, nature, and estimated cost of 2 construction projects proposed for the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

4208. A letter from the Deputy Assistant Secretary of the Navy for Logistics, transmitting notice of the Navy's intention to study the conversion from in-house operation to commercial contract of various functions at different installations, pursu-

ant to section 502(a) of Public Law 96-342; to the Committee on Armed Services.

4209. A letter from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the Bureau of the Mint; to the Committee on Banking, Finance and Urban Affairs.

4210. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions for George W. Landau, to be the Ambassador to Venezuela, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

4211. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report of items proposed for removal from the U.S. munitions list that no longer warrant export controls under section 38 of the Arms Export Control Act, pursuant to section 38(f) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4212. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report that no gifts of more than minimal value purchased with appropriated or unappropriated funds were given to foreign individuals by the U.S. Government during fiscal year 1981, pursuant to section 515(b)(2) of Public Law 95-105; to the Committee on Foreign Affairs.

4213. A letter from the Chairman, Japan-United States Friendship Commission, transmitting the fifth annual report of the Commission covering fiscal year 1981 pursuant to section 5(b) of Public Law 94-118; to the Committee on Foreign Affairs.

4214. A letter from the Administrator, General Services Administration, transmitting the annual report for fiscal year 1981 on personal property furnished to non-Federal recipients, pursuant to section 202(e) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

4215. A letter from the Director, Compensation and Benefits, Farm Credit Banks of St. Louis, transmitting the annual report of the Sixth Farm Credit District retirement plan, covering calendar year 1981, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

4216. A letter from the Director, National Institute of Corrections, Department of Justice, transmitting the sixth annual report of the National Institute of Corrections for fiscal year 1981, pursuant to Public Law 93-415; to the Committee on the Judiciary.

4217. A communication from the President of the United States, transmitting a draft of proposed legislation to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition (H. Doc. No. 97-202); to the Committee on Ways and Means and ordered to be printed.

4218. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1981 on activities carried out under title XX of the Social Security Act, pursuant to section 2006 of the act; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER: Committee on Rules. House Resolution 508. A resolution providing for the consideration of House Joint Resolution 400, joint resolution to authorize and direct the Secretary of the Interior, subject to the supervision and approval of the Franklin Delano Roosevelt Memorial Commission, to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes. (Rept. No. 97-617). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 509. A resolution providing for the consideration of H.R. 5831, a bill to provide lending limits for fiscal years 1983, 1984, and 1985 for programs under the Consolidated Farm and Rural Development Act. (Rept. No. 97-618). Referred to the House Calendar.

Mr. HALL of Ohio: Committee on Rules. House Resolution 510. A resolution providing for the consideration of H.R. 6337, a bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, and for other purposes. (Rept. No. 97-619). Referred to the House Calendar.

Mr. ZEFERETTI: Committee on Rules. House Resolution 511. A resolution providing for the consideration of H.R. 5540, a bill to amend the Defense Production Act of 1950 to revitalize the defense industrial base of the United States. (Rept. No. 97-620). Referred to the House Calendar.

Mr. PERKINS: Committee on Education and Labor. House Concurrent Resolution 216. Concurrent resolution to express the sense of the Congress concerning regulations pertaining to meal-pattern requirements and nutritional requirements for meals served in programs under the National School Lunch Act; with amendments. (Rept. No. 97-621). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WHITTEN:

H.R. 6644. A bill making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

H.R. 6645. A bill making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

By Mr. BLILEY (for himself, Mr. TRIBLE, Mr. DAN DANIEL, Mr. BUTLER, Mr. PARRIS, Mr. WAMPLER, Mr. WOLF, Mr. WHITEHURST, and Mr. ROBERT W. DANIEL, JR.):

H.R. 6646. A bill to authorize the construction of the flood control project for the James River Basin at Richmond, Va.; to the Committee on Public Works and Transportation.

By Mr. BREAUX (for himself and Mr. FORSYTHE):

H.R. 6647. A bill relating to governing international fishery agreements; to the Committee on Merchant Marine and Fisheries.

By Mr. BREAUX (for himself and Mr. TAUZIN):

H.R. 6648. A bill to establish a National Offshore Operators Safety Advisory Committee; jointly, to the Committees on Merchant Marine and Fisheries and Interior and Insular Affairs.

By Mr. CRAIG (for himself, Mr. HANSEN of Idaho, Mr. MCDONALD, and Mr. FOLEY):

H.R. 6649. A bill to provide for the disposal of silver from the national defense stockpile through the issuance of silver coins; jointly, to the Committees on Armed Services and Banking, Finance and Urban Affairs.

By Mr. ENGLISH:

H.R. 6650. A bill to deauthorize the Arkansas River Basin component of the water quality control project in the Arkansas-Red River Basin, Oklahoma and Kansas; to the Committee on Public Works and Transportation.

By Mr. FAZIO (for himself and Mr. CHAPPIE):

H.R. 6651. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to perform mitigation work for the Sacramento River bank protection project, to clarify the existing authority with respect to such project, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MORRISON (for himself, Mr. FOLEY, Mr. WYDEN, and Mr. CRAIG):

H.R. 6652. A bill to adjust the rates of pay for certain Army Corps of Engineers power employees to insure comparability with the rates of pay for certain other Federal employees in the region performing similar work; to the Committee on Post Office and Civil Service.

By Mr. MYERS:

H.R. 6653. A bill to amend title 18 to limit the insanity defense; to the Committee on the Judiciary.

By Mr. RINALDO (for himself, Mr. PEPPER, Mr. ANDERSON, Mr. AUCOIN, Mr. BAFALIS, Mr. BARNARD, Mr. BEVILL Mr. BLANCHARD, Mr. BOLAND, Mr. JOHN L. BURTON, Mr. CLINGER, Mr. CORRADA, Mr. CROCKETT, Mr. DENARDIS, Mr. EDGAR, Mr. FAZIO, Mr. FINDLEY, Mr. FLORIO, Mr. FORSYTHE, Mr. FRENZEL, Mr. GINGRICH, Mr. HAGEDORN, Mr. SAM B. HALL, JR., Mr. HOLLENBECK, Mr. JOHNSTON, Mr. LANTOS, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. OTTINGER, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. ST GERMAIN, Mrs. SCHROEDER, Mr. SCHULZE, Mr. SEIBERLING, Mr. SIMON, Mr. SUNIA, Mr. WASHINGTON, Mr. YATES and Mr. YOUNG of Missouri):

H.R. 6654. A bill to amend the Internal Revenue Code of 1954 to allow the Secretary of the Treasury to waive the interest penalty for failure to pay estimated income tax, for elderly and retired persons, in certain situations; to the Committee on Ways and Means.

By Mr. WEAVER:

H.R. 6655. A bill to require the Secretary of the Interior to offer to sell exclusively to small business concerns not less than 30 percent of the quantity of salvage timber which is harvested from land managed by the Bureau of Land Management and offered for sale in any fiscal year, and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. WINN:

H.R. 6656. A bill to establish a program of Presidential teaching and research fellowships in mathematics and science and a

Presidential precollege science and mathematics inservice teaching program, and for other purposes; jointly, to the Committees on Science and Technology and Education and Labor.

By Mr. WYDEN:

H.R. 6657. A bill to exempt the Lake Oswego, Oreg., hydroelectric plant from part I of the Federal Power Act and section 408 of the Renewable Energy Resources Act of 1980, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ANNUNZIO (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. ALEXANDER, Mr. BADHAM, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BENJAMIN, Mr. BENNETT, Mr. BEVILL, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BLILEY, Mrs. BOGGS, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. BRINKLEY, Mr. BRODHEAD, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. CHAPPELL, Mrs. CHISHOLM, Mr. CLAY, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. COLLINS of Texas, Mr. CONTE, Mr. CONYERS, Mr. CORCORAN, Mr. CORRADA, Mr. JAMES K. COYNE, Mr. WILLIAM J. COYNE, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. DASCHLE, Mr. DAUB, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DE LUGO, Mr. DERWINSKI, Mr. DINGELL, Mr. DIXON, Mr. DONNELLY, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DREIER, Mr. DUNCAN, Mr. DWYER, Mr. DYMALLY, Mr. DYSON, Mr. EDGAR, Mr. EDWARDS of California, Mr. EVANS of Delaware, Mr. FARY, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Ms. FERRARO, Mr. FINDLEY, Mr. FLORIO, Mr. FOGLIETTA, Mr. FOLEY, Mr. FORD of Tennessee, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GARCIA, Mr. GAYDOS, Mr. GEPHARDT, Mr. GIBBONS, Mr. GILMAN, Mr. GINGRICH, Mr. GOLDWATER, Mr. GONZALEZ, Mr. GORE, Mr. GRADISON, Mr. GREEN, Mr. GUNDERSON, Mr. SAM B. HALL, JR., Mr. HAMMERSCHMIDT, Mr. HANCE, Mr. HAWKINS, Mrs. HECKLER, Mr. HEFNER, Mr. HIGHTOWER, Mr. HILER, Mr. HOLLAND, Mrs. HOLT, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUBBARD, Mr. HUGHES, Mr. HYDE, Mr. JEFFRIES, Mr. JONES of North Carolina, Mr. KASTENMEIER, Mr. KAZEN, Mr. KEMP, Mrs. KENNELLY, Mr. KILDEE, Mr. KRAMER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEE, Mr. LEHMAN, Mr. LENT, Mr. LIVINGSTON, Mr. LONG of Louisiana, Mr. LONG of Maryland, Mr. LOWERY of California, Mr. LOWRY of Washington, Mr. MCCLORY, Mr. MCCOLLUM, Mr. MCDONALD, Mr. MCEWEN, Mr. MCGRATH, Mr. MCHUGH, Mr. MADIGAN, Mr. MARKEY, Mr. MARRIOTT, Mrs. MARTIN of Illinois, Mr. MARTIN of New York, Mr. MATSUI, Mr. MATTOX, Mr. MAVROULES, Mr. MAZZOLI, Mr. MICHEL, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MINISH, Mr. MOAKLEY, Mr. MOLINARI, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. MOTTL, Mr. MURPHY, Mr. MURTHA, Mr. MYERS, Mr. NAPIER, Mr. NEAL, Mr. NICHOLS, Ms. OAKAR, Mr. OBERSTAR, Mr. O'BRIEN, Mr. PANETTA, Mr. PARRIS, Mr. PASHAYAN, Mr. PATMAN, Mr. PATTERSON, Mr. PAUL, Mr. PEPPER, Mr. PERKINS, Mr. PETRI, Mr. PEYSER, Mr. PICKLE, Mr. PORTER, Mr. PRICE, Mr. PURSELL, Mr. RAHALL, Mr. RAILSBACK, Mr. RATCHFORD, Mr. REUSS, Mr. RODINO, Mr. ROE, Mr. ROEMER, Mr. ROSE, Mr. ROSENTHAL, Mr. ROUSSELOT, Mr. ROYBAL, Mr. RUDD, Mr. RUSSO, Mr. ST GERMAIN, Mr. SAVAGE, Mr. SCHEUER, Mr. SCHUMER, Mr. SHAMANSKY, Mr. SHAW, Mr. SHUMWAY, Mr. SIMON, Mr. SMITH of Alabama, Mr. SOLOMON, Mr. SPENCE, Mr. STRATTON, Mr. STUMP, Mr. SUNIA, Mr. TRAXLER, Mr. UDALL, Mr. VANDER JAGT, Mr. VENTO, Mr. WALGREN, Mr. WALKER, Mr. WAMPLER, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEAVER, Mr. WEBER of Ohio, Mr. WEISS, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WHITTEN, Mr. WILSON, Mr. WINN, Mr. WOLF, Mr. WOLPE, Mr. WORTLEY, Mr. WRIGHT, Mr. WYDEN, Mr. WYLIE, Mr. YATES, Mr. YATRON, Mr. YOUNG of Missouri, Mr. ZABLOCKI, and Mr. ZEFERETTI):

H.J. Res. 516. Joint resolution to provide for the designation of April 17 to April 23, 1983, as "National Coin Week"; to the Committee on Post Office and Civil Service.

By Mr. KEMP:

H.J. Res. 517. Joint resolution proposing an amendment to the Constitution of the United States to permit citizens through a popular initiative process to propose, repeal, and amend the laws of the United States; to the Committee on the Judiciary.

By Mr. JOHNSTON (for himself, Mr. LOTT, Mr. NAPIER, Mr. LUNGREN, Mr. SMITH of Alabama, Mr. ROGERS, Mr. WALKER, Mr. EMERSON, Mr. HILER, Mr. LOEFFLER, Mr. CRAIG, Mr. MORRISON, Mr. BETHUNE, Mr. MCDONALD, Mr. WORTLEY, Mr. FRENZEL, Mr. WAMPLER, Mr. NELLIGAN, Mr. PHILIP M. CRANE, Mr. HOLLAND, Mr. CAMPBELL, Mr. MARTIN of North Carolina, Mr. GRAMM, Mr. DAN DANIEL, Mr. ROUSSELOT, Mr. WEBER of Minnesota, Mr. CHENEY, Mr. SOLOMON, Mr. DANIEL B. CRANE, Mr. WEBER of Ohio, Mr. WHITLEY, Mr. STENHOLM, Mr. BLILEY, Mr. BROWN of Colorado, Mr. STATON of West Virginia, Mr. HARTNETT, Mr. GREGG, Mr. KINDNESS, Mr. LIVINGSTON, Mr. CHAPPIE, Mr. HUNTER, and Mr. ROEMER):

H. Con. Res. 366. Concurrent resolution expressing the sense of the Congress that legislation should be passed in order to make the Government Printing Office more cost effective and efficient; to the Committee on House Administration.

By Mr. DICKS (for himself, Mr. GLICKMAN, Mr. GEPHARDT, Mr. BONKER, Mr. SWIFT, Mr. LOWRY of Washington, Mr. SMITH of Oregon, Mr. PRITCHARD, Mr. DOWNEY, Mr. MORRISON, and Mr. AUCOIN):

H. Res. 512. Resolution directing the Secretary of Defense to furnish certain information to the House of Representatives relating to procurement of the C-5B aircraft; to the Committee on Armed Services.

By Mr. DOUGHERTY (for himself and Mr. DONNELLY):

H. Res. 513. Resolution expressing the sense of the House of Representatives that the President should reopen the American consulate in Kiev, Ukraine; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

414. By the SPEAKER: Memorial of the Legislature of the State of Michigan, relative to the National Center on Child Abuse and Neglect; to the Committee on Education and Labor.

415. Also, memorial of the Assembly of the State of New York, relative to Israel and the United Nations; to the Committee on Foreign Affairs.

416. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to the Chairman of the White House's Private Sector Survey on Cost Control; to the Committee on Interior and Insular Affairs.

417. Also, memorial of the Legislature of the State of Michigan, relative to the Professional Air Traffic Controllers Organization; to the Committee on Post Office and Civil Service.

418. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the American steel industry; to the Committee on Public Works and Transportation.

419. Also, memorial of the Legislature of the State of Michigan, relative to the housing industry; to the Committee on Ways and Means.

420. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to modernization of the steel industry; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

421. Also, memorial of the Legislature of the State of Texas, relative to the Public Employee Retirement Income and Security Act; jointly, to the Committees on Education and Labor and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ECKART:

H.R. 6658. A bill for the relief of Martin J. McKenna, Mary L. McKenna, and Steven M. McKenna; to the Committee on the Judiciary.

By Mr. SAM B. HALL, JR.:

H.R. 6659. A bill for the relief of Tehran American School; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 808: Mr. FORD of Tennessee, Mr. RINALDO, Mr. HUNTER, Mrs. KENNELLY, Mr. UDALL, Mr. ROBERTS of South Dakota, Mr. HAWKINS, Mr. EMERY, Mr. CHAPPELL, and Mr. CLAY.

H.R. 1918: Mr. ADDABBO.

H.R. 2322: Mr. SHUMWAY.

H.R. 3252: Mr. LOTT.

H.R. 3269: Mr. D'AMOURS, Mr. WYDEN, and Mr. MOLINARI.

H.R. 4588: Mr. BLANCHARD, Mr. WILLIAM J. COYNE, Mr. GRAY, Mr. DOUGHERTY, Mr. GUARINI, Mr. HORTON, Mr. LEACH of Iowa, Mr. MATSUI, Mr. NEAL, Mr. PANETTA, Mr. PEYSER, Mr. PRITCHARD, and Mr. STARK.

H.R. 4842: Mr. ROEMER.

H.R. 5006: Mr. MORRISON, Mr. DUNN, Mr. LUKEN, Mr. WYDEN, Mrs. HECKLER, and Mr. ADDABBO.

H.R. 5192: Mr. CAMPBELL and Mrs. BOGGS.

H.R. 5459: Mr. EVANS of Iowa.

H.R. 5588: Mr. PANETTA and Mr. SCHEUER.

H.R. 5818: Mr. HARKIN, Mr. HATCHER, Mr. KOGOVSEK, Mr. MINETA, Mr. PRITCHARD, Mr. SHELBY, Mr. SIMON, Mr. WATKINS, Mr. WIRTH, and Mr. WOLPE.

H.R. 5957: Mr. SOLARZ and Mr. GRAY.

H.R. 5995: Mr. KASTENMEIER, Mr. WASHINGTON, Mr. CROCKETT, Mr. MAVROULES, and Mr. CONYERS.

H.R. 6009: Mr. BLILEY, Mr. LEE, Mr. MCGRATH, and Mr. STANGELAND.

H.R. 6036: Mr. GRAY, Mr. GEJDENSON, Mr. BEARD, Mr. GORE, Mr. NELLIGAN, Mr. PEPPER, and Ms. FERRARO.

H.R. 6124: Mr. RATCHFORD, Mr. MILLER of California, Mr. ALBOSTA, Mr. LEHMAN, Mr. FASCELL, Mr. DORGAN of North Dakota, Mr. WOLPE, Mr. PATTERSON, Mr. LOWRY of Washington, and Mr. SABO.

H.R. 6206: Mr. ANDREWS, Mr. HOYER and Mr. WASHINGTON.

H.R. 6239: Mr. MCKINNEY.

H.R. 6266: Mr. GRISHAM, Mr. BEILENSON, Mr. MORRISON, Mr. SEIBERLING, Mr. PORTER, Mr. EDGAR, Mr. BEREUTER, Mr. HUGHES, Mr. GRAY, Mr. HORTON, Mrs. SCHROEDER, Mr. NEAL, and Mr. LOWERY of California.

H.R. 6311: Mr. SANTINI and Mrs. BOUQUARD.

H.R. 6342: Mr. BEARD, Mr. FRENZEL, Mr. RATCHFORD, Mr. MCKINNEY, Mr. ROEMER, Mr. PASHAYAN, Mr. HUCKABY, Mr. BEDELL, and Mr. GUNDERSON.

H.R. 6343: Mr. BEARD, Mr. FRENZEL, Mr. RATCHFORD, Mr. MCKINNEY, Mr. ROEMER, Mr. PASHAYAN, Mr. HUCKABY, Mr. BEDELL, and Mr. GUNDERSON.

H.R. 6356: Mr. PICKLE, Mr. VENTO, and Mr. RATCHFORD.

H.R. 6397: Mr. LEBOUTILLIER.

H.R. 6465: Mr. OBERSTAR.

H.R. 6510: Mr. BAILEY of Pennsylvania, Mr. BRODHEAD, and Mr. HOLLAND.

H.R. 6529: Mr. CLINGER, Mr. WON PAT, Mr. BENNETT, Mr. JOHN L. BURTON, Mr. YOUNG of Alaska, Mr. FORSYTHE, Mr. MCEWEN and Mr. DYMALLY.

H.R. 6591: Mr. HILLIS and Mr. MORRISON.

H.J. Res. 359: Mr. CORCORAN, Mr. GORE, Mr. NEAL, and Mr. WASHINGTON.

H.J. Res. 426: Mr. COLLINS of Texas, Mr. CONTE, Mr. EDGAR, and Mrs. KENNELLY.

H.J. Res. 430: Mr. LEHMAN, Mr. RODINO, Mr. WEISS, Mr. RICHMOND, Mr. OBERSTAR, Mr. KILDEE, Mr. SEIBERLING, Mrs. HOLT, Mr. PEYSER, Mr. FARY, Mr. DE LA GARZA, Mr. ERTEL, Mr. CORRADA, Mr. WOLPE, Mr. MINETA, Mr. DOUGHERTY, Mr. BONKER, Mr. MCCURDY, Mr. LAFALCE, Mr. DORGAN of North Dakota, Mr. BEDELL, Mr. SCHEUER, Mr. GREEN, Mr. WYDEN, Mr. FRENZEL, Mr. WAXMAN, and Mr. TRAXLER.

H.J. Res. 434: Mr. ZEFERETTI, Mr. KOGOVSEK, Mr. DECKARD, Mr. FITHIAN, and Mr. ROYBAL.

H.J. Res. 440: Mr. PATMAN and Mr. COUGHLIN.

H.J. Res. 454: Mr. STUMP, Mr. LOWRY of Washington, Mr. FOWLER, Mr. St GERMAIN, Mr. LENT, Mr.WEISS, Mr. IRELAND, Mr. STENHOLM, Mr. HAMMERSCHMIDT, Mr. ROEMER, Mr. RUSSO, Mr. KILDEE, Mr. MARTIN of North Carolina, Mr. BETHUNE, Mr. DAUB, Mr. VENTO, Mr. JAMES K. COYNE, Mr. SMITH of Oregon, Mr. PEYSER, Mr. SKEEN, Mr. YATRON, Mr. LOWERY of California, Mr. CONYERS, Mr. BONER of Tennessee, Mr. CHAPPIE, Ms. FERRARO, Mr. FLORIO, Mr. DENARDIS, Mr. SPENCE, Mr. COLLINS of Texas, Mr. FUQUA, Mr. CRAIG, Mr. ANNUNZIO, Mr. PRICE, Mr. ROTH, Mr. Boland, Mr. EARLY, Mr. SIMON, Mr. MARTIN of New York, Mr. WHITEHURST, Mr. BROOMFIELD, Mr. NAPIER, Mr. SKELTON, Mr. COATS, Mr. RUDD, Ms. MIKULSKI, Mr. GREEN, Mr. ANDERSON, Mr. MITCHELL, of New York, Mr. CLAY, Mr. HUGHES, Mr. MARLENEE, Mr. RAHALL, Mr. CHENEY, Mr. HOYER, Mr. ZABLOCKI, Mr. MCGRATH, Mr. HILER, Mr. RINALDO, Mr. JEFFRIES, Mr. WEBER of Ohio, Mr. BLANCHARD, Mr. LOTT, Mr. HIGHTOWER, Mr. LAGOMARSINO, Mr. PRITCHARD, Mr. LIVINGSTON, Mr. BLILEY, Mr. GILMAN, Mr. MORRISON, Mr. DAVIS, Mr. RATCHFORD, Mr. WYLIE, Mr. BRODHEAD, and Mr. HERTEL.

H.J. Res. 456: Mr. EDGAR, Mr. YATRON, Mr. SHUSTER, Mr. YOUNG of Florida, Mr. WASHINGTON, Mr. KOGOVSEK, Mrs. KENNELLY, Mr. GREEN, Mr. FLORIO, and Mr. JACOBS.

H.J. Res. 482: Mr. FRANK, Mr. HUCKABY, Mr. CARNEY, Mr. FOUNTAIN, Mr. ANNUNZIO, Mr. BEREUTER, Mr. BENEDICT, Mr. WORTLEY, Mr. MARKS, Mrs. SMITH of Nebraska, Mrs. BOGGS, Mr. SOLOMON, Mr. BETHUNE, Mr. LEATH of Texas, Mr. BOLAND, Mr. MOORHEAD, Mr. CARMAN, Mr. JONES of North Carolina, Mr. WEAVER, Mr. ANTHONY, Mr. MINETA, Mr. MCCLORY, Mr. MADIGAN, Mr. SILJANDER, Mr. DANNEMEYER, Mr. BADHAM, Mr. RUDD, Mr. JOHNSTON, Mr. ERDAHL, Mr. LUJAN, Mr. GRAMM, Mr. TAUZIN, Mr. HIGHTOWER, Mr. YOUNG of Florida, Mr. ROSENTHAL, Mr. SAM B. HALL, JR., Mr. ROUSSELOT, Mr. FUQUA, Mr. BAFALIS, Mr. ZABLOCKI, and Mr. NELLIGAN.

H.J. Res. 494: Mr. WOLPE, Mr. DYMALLY, Mr. LANTOS, Mr. ECKART, and Mr. HARKIN.

H. Con. Res. 222: Mr. JEFFORDS.

H. Con. Res. 278: Mrs. HOLT.

H. Con. Res. 324: Mr. SEIBERLING, Mr. ROGERS, and Mr. HOWARD.

H. Con. Res. 346: Mr. WAXMAN, Mr. EDGAR, Mr. CONYERS, Mr. FASCELL, Mr. LOWRY of Washington, Ms. FERRARO, Mr. ZEFERETTI, Mr. WASHINGTON, Mr. ROSENTHAL, and Mr. BINGHAM.

H. Con. Res. 356: Mr. MCKINNEY, Mr. FORSYTHE, Mr. FRANK, Mr. PEYSER, Mr. EDGAR, Mr. DERWINSKI, Mr. HOLLENBECK, Mrs. SCHROEDER, Mr. LOWRY of Washington, Mr. ROE, and Mr. OTTINGER.

H. Con. Res. 360: Mr. MINETA, Mr. WEISS, and Mr. ERDAHL.

H. Con. Res. 361: Mr. MOFFETT.

H. Con. Res. 362: Mr. MOFFETT, Mr. BOLAND, Mr. FRANK, Mr. FORSYTHE, Mr. MOAKLEY, Mr. SCHUMER, Mr. SMITH of New Jersey, Mr. CONTE, and Mr. GEJDENSON.

H. Res. 264: Mr. DREIER.

H. Res. 485: Mr. ALBOSTA, Mr. BARNES, Mr. BONIOR of Michigan, Mr. BIAGGI, Mrs. COLLINS of Illinois, Mr. DWYER, Mr. FAZIO, Ms. FERRARO, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GILMAN, Mr. HUGHES, Mr. LEBOUTILLIER, Mr. LEHMAN, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MCDADE, Mr. MCGRATH, Mr. MOAKLEY, Mr. RATCHFORD, Mr. RICHMOND, Mr. RODINO, Mr. ROSENTHAL, and Mr. SABO.

H. Res. 505: Mr. SOLARZ, Mr. RATCHFORD, Mr. FOGLIETTA, Mr. OTTINGER, Mrs. CHISHOLM, Mr. YATES, Mr. ROE, Mr. CORRADA, and Mr. SCHUMER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

489. By the SPEAKER: Petition of the Eastern Regional Conference of the Council of State Governments, New York, N.Y., relative to the Clean Air Act and the Environmental Protection Agency; to the Committee on Energy and Commerce.

490. Also, petition of the Kenton-Boone Board of Realtors, Inc., Erlanger, Ky., relative to economy; to the Committee on Government Operations.

491. Also, petition of Lutheran Church Women in New England, Boxboro, Mass., relative to handgun control; to the Committee on the Judiciary.

492. Also, petition of Board of Commissioners, Lehigh County, Pa., relative to nuclear weapons; jointly, to the Committees on Armed Services and Foreign Affairs.

493. Also, petition of Town of Mattapoisett, Mattapoisett, Mass., relative to mutual nuclear weapons freeze; jointly, to the Committees on Armed Services and Foreign Affairs.

494. Also, petition of the Board of Commissioners, Broward County, Fla., relative to nuclear arms; jointly to the Committees on Armed Services and Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6030

By Mr. EMERY:

—Page 26, after line 22, add the following new section:

SELECTED ACQUISITION REPORTS TO THE CONGRESS

SEC. 902. Section 811 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note), is amended—

(1) in subsection (a)—

(A) by inserting "(1)" after "(a)";

(B) by inserting "and ending with the first calendar quarter which ends not less than 30 days after the date of the enactment of the Department of Defense Authorization Act, 1983," in paragraph (1) after "December 31, 1979,"; and

(C) by adding after paragraph (1) the following new paragraphs:

"(2) Beginning with the first calendar quarter which begins not more than 30 days after the date of the enactment of the Department of Defense Authorization Act, 1983, the Secretary of Defense shall submit to the Congress each calendar quarter a written selected acquisition report for all defense systems which are estimated, to require a total cumulative financing for research, development, test, and evaluation of the defense system in excess of $200,000,000 or a cumulative production investment for the defense system in excess of $1,000,000,000. The report for the calendar quarter ending on December 31 of any fiscal year shall be submitted not later than 20 days after the President transmits the Budget to the Congress for the following fiscal year, and the reports for the other three calendar quarters of any fiscal year shall be submitted not later than 30 days after the end of the calendar quarter. If a preliminary report is submitted for any calendar quarter, then the final report for such calendar quarter shall be submitted to the Congress not later than 15 days after the submission of such preliminary report.

"(3) The requirement contained in paragraph (2) to report on a particular defense system may be waived by majority vote of the members present and voting, a quorum

of the committee being present, of both the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives."; and

(2) by striking out "major" in subsection (c) both places it appears in paragraph (1) and paragraph (2).

—Page 26, after line 22, add the following new section:

DEEP BASING OF MX MISSILE SYSTEM

SEC. 902. None of the funds appropriated under any authorization contained in this Act may be used to carry out the Deep Basing of the MX Missile System.

H.R. 6337

By Mr. MARKS:

—Page 2, strike out line 15 and all that follows down through line 8 on page 3 and insert in lieu thereof the following:

"(c) The President shall immediately undertake, and thereafter continue, petroleum products acquisition, transportation, and injection activities at a level sufficient to assure that the quantity of petroleum products in permanent or interim storage facilities in the Strategic Petroleum Reserve is increased at an average annual rate of at least 200,000 barrels per day until the quantity of petroleum products stored within the Strategic Petroleum Reserve is at least 750,000,000 barrels.".

—Page 6, after line 3, insert the following new subsection:

(c) PERMANENT NEW TANK STORAGE FACILITIES.—(1) Section 160 of the Energy Policy and Conservation Act (42 U.S.C. 6240) is amended by adding at the end thereof the following new subsection:

"(h)(1) Of the 750,000,000 barrels of petroleum products required to be stored within the Reserve, at least 140,000,000 barrels shall be in permanent storage facilities which consist of new conventional steel tanks.

"(2)(A) Notice of any site selected for a permanent storage facility pursuant to this subsection, and a description of the storage facility to be constructed at such site, shall be submitted to the Congress at least 30 days of continuous session of Congress before acquisition, site preparation, or construction is undertaken with respect to such facility. For purposes of this subparagraph, days of continuous session shall be determined in accordance with section 552(c) of this Act.

"(B) Nothing in this part shall require any amendment to the Strategic Petroleum Reserve Plan prior to the storage of petroleum products in storage facilities pursuant to this subsection.

"(3)(A) It is the policy of the Congress that preference should be given to using available Federal land for sites for storage facilities pursuant to this subsection over using non-Federal land.

"(B) The Secretary may acquire (without charge) custody, control, and other interests in any Federal land held by any Federal officer or employer in any Executive agency if that officer or employer determines that such land could be made available for use as a site for storage facilities under this subsection. Such transfer may be made without regard to any provision of law relating to the disposition of Federal property."

(2) Effective beginning on the date of the enactment of this Act, all activities relating to the development and use of the Big Hill site, Jefferson County, Texas, as a storage facility for the Strategic Petroleum Reserve shall cease. Funds allocated for such activities for fiscal year 1982 shall be available for activities relating to the acquisition and construction of storage facilities under subsection (h) of section 160 of the Energy Policy and Conservation Act (as added by paragraph (1) of this subsection), without fiscal year limitations.

(H.R. 6587)

By Mr. LEVITAS:

(Amendment in the nature of a substitute.)

—Page 11, insert after line 17 the following:

SEC. 5. Effective October 1, 1988, paragraphs (4) through (7) of section 9(b) of the Small Business Act (as added by section 3) and subsections (e) through (k) of section 9 of the Small Business Act (as added by section 4) are repealed.

SENATE—*Tuesday, June 22, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Eternal God, Father of Abraham, Isaac, Jacob, and of all peoples, on this day when the monumental heroism of Raoul Wallenberg during World War II is being remembered, may we rededicate ourselves to the fundamental conviction of our Founding Fathers.

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights * * * That to secure these rights, Governments are instituted among men, deriving their just powers from consent of the governed."

Forgive us Lord, when we as a people have been involved in or tolerant of violation of this fundamental in our natonal credo. Help us to see that when we fail to recognize and honor Thee, the One who created equality and endowed human rights, we forfeit both and the principle that government is instituted to preserve both.

Help us, dear God, to recover our spiritual and moral roots that we may preserve their fruit. In Jesus' name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that, following the recognition of the two leaders under the standing order and the special orders for Senator FORD and Senator CHILES, there be a period for the transaction of routine morning business until 11:30 a.m., and that Senators may speak therein for a period of not to exceed 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF CONFERENCE REPORT ON URGENT SUPPLEMENTAL APPROPRIATIONS BILL AT 11:30 A.M. TODAY

Mr. STEVENS. Mr. President, following routine morning business, I ask unanimous consent that at 11:30 a.m. the Chair lay before the Senate the conference report on H.R. 5922, the urgent supplemental appropriations bill; that there be a period of debate for one-half hour on the House amendment to the Proxmire amendment; and that that debate terminate at noon.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. President, I have no objection.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, we will take up the urgent supplemental appropriations at 11:30 a.m. and after a half hour of debate of the House amendment to the Proxmire amendment, we will then go into recess from 12 noon until 2 p.m. There is an order at the present time for a vote at 2 p.m. Is that correct?

The PRESIDING OFFICER (Mr. ANDREWS). If a motion to disagree is made.

Mr. STEVENS. Yes.

Is the order previously entered that the vote will occur at 2 p.m. on the motion to disagree or on an amendment to that amendment, if it is made by 2 o'clock?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. That is the intention of the leadership.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. A vote could be requested on the matter, whether or not the motion was made.

Mr. STEVENS. Yes, that is correct. As I understand it, it is an alternative. We can either offer an amendment or disagree with the House amendment to the Proxmire amendment, and that is left open.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Is that the Senator's understanding?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I want to make sure the distinguished minority leader agrees. It is our intention, and I understand the decision has been made tentatively, to proceed with the motion to disapprove of the House amendment to the Senate amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. A vote could be asked for on concurrence in the House amendment.

Mr. STEVENS. Yes; as I understand it, there are all three options: either to concur, or disagree, or amend.

The PRESIDING OFFICER. The vote could be structured in any of many ways.

Mr. STEVENS. I thank the Presiding Officer and my friend from West Virginia.

THE ECONOMY IS "POISED FOR RECOVERY"

Mr. STEVENS. Mr. President, news reports indicate that the economy is "poised for recovery." This conclusion is based upon the recently reported expansion of the gross national product at an annualized rate of 0.6 percent for this quarter. In my opinion, this positive sign is another indicator that the economy is heading in the right direction.

If one cares to examine it, he would find that May car sales are up substantially in comparison from previous months. Housing starts in the first quarter of this year were over 1 million, the highest level in a year. The Consumer Price Index shows the annual rate of inflation to be approximately 6.6 percent over the last 12 months. The rate of inflation over the last 3 months is 0.8 percent on an annualized basis. To me, Mr. President, all of these indicators show that the economy is on the way to recovery.

I was pleased to see that the major newspapers, including the Washington Post, the Wall Street Journal, and the New York Times, we receive here in Washington, have taken notice of the 0.6-percent annual increase in the gross national product as yet another sign of economic recovery for our Nation. This increase is after the GNP had fallen in the previous two quarters; however, we must note that high interest rates still curtail the full effect of this important economic indicator. There are signs, Mr. President, that the increase in the GNP would be even greater if the high interest rates

did not persist. Mr. President, we must remain concerned about the high level of interest rates, for I believe that a healthy recovery from this recession can only be possible by moderating those rates.

We have been taking the right steps in that direction by making progress on spending and deficit levels that will eventually reduce the need for the Federal Government to borrow in the money markets. Not only must we eventually eliminate our need to borrow on that money and to roll over the debt literally, I believe we must start now to make a complete effort to pay off our trillion-plus dollar national debt. That debt, I hope, will not be a burden that my children and your children will have to carry.

We have a substantial way to go before we achieve full recovery and before our economy is in the shape in which it should be, but I hope others are also encouraged by the upturn in the GNP as reported by the Commerce Department. This indicator, along with these other indicators I have mentioned—housing starts, the CPI, and others—demonstrate that if we maintain our resolve we will be on our way to a vibrant economy once again.

Thank you, Mr. President. I reserve the remainder of our time.

ALLOCATION OF TIME

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order to yield 5 minutes to my friend from Utah (Mr. HATCH) and 5 minutes to my friend from South Carolina (Mr. THURMOND) following the special order of the Senator from Florida.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Georgia wish time to speak?

Mr. CHILES. Would the minority leader be able to yield some time to the Senator from Georgia?

Mr. ROBERT C. BYRD. Mr. President, I yield time to the Senator from Georgia, to follow the special order of the Senator from Florida.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Under the previous order, the Senator from Florida (Mr. CHILES) is recognized for not to exceed 15 minutes.

CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, for over a month now, Senator NUNN and I have been coming to the floor of the Senate every day to speak out on crime, and on the need for the Senate to act promptly to pass crime fighting legislation. We are speaking out because we are concerned that, unless the Senate moves on anticrime legislation, we will lose this opportunity to show the American people that we have heard their demands for action to make our communities safe once again. We need to act promptly, because their is little time remaining in this Congress, as few as 48 days in session. We have an opportunity to act, because we can consider either one of the two crime fighting bills which are now on the Senate Calendar. The first one, S. 2543, was introduced by me and by Senator NUNN last month. Seventeen other Senators have joined with us in cosponsoring S. 2543. Just before Memorial Day, Senator THURMOND and Senator BIDEN introduced another crime fighting bill, S. 2572, and it, too, was placed directly on the Senate Calendar. Senator NUNN and I have cosponsored that proposal, and there are now a total of 52 Senators who have signed on as sponsors of S. 2572.

One critical component of any fight against crime must be an attack on the drug lords. Today, with the posse comititus law revisions on the books and with the elimination or restrictions on using foreign aid money for drug crop eradication programs, we have the capability to stop drugs before they reach our shores. But we must add to these new laws, and make sure that those who control the traffic in illegal drugs are brought to justice. One important key in doing that is reforming our bail laws. It does little good if the drug smugglers who are arrested never come to trial because they buy their way out of jail by posting bail, no matter how high it is set, and then disappearing. We must change today's bail laws, and close the present "revolving door" situation with regard to drug dealers. One graphic example of the need to change our bail laws is shown by the case of Leon Serna. Serna, a 37-year-old Colombian, was arrested in Miami in January 1980. When Serna was arrested, he was in possession of 220 pounds of high-grade cocaine. Mr. President, at $100 a gram, this translates into a street value of $10 million. Law enforcement officials were delighted with the arrest of Serna. Intelligence reports had indicated that he was the head of a criminal organization responsible for the distribution of a thousand pounds of high-grade cocaine. Bail for Serna was originally set at $5.5 million. Later however, over the objection of the U.S. attorney's office, it was reduced to $500,000. Serna made bail easily, disappeared, and remains a fugitive today. Serna is one of the approximately 300 drug dealers in south Florida who jumped bail after arrest and remain at large.

Last year, Pat Sullivan, an assistant U.S. attorney in south Florida, said,

> We have someone jump on $500,000 bond every week. When someone can put up $500,000 bond straight cash, that's a clue. We're never going to see that guy again.

Another U.S. prosecutor in south Florida viewed the situation a different way.

> The drug traffickers are flouting our laws, coming up here making a fortune. They get caught, are out on bond and right back in Bolivia. They're back there laughing at us.

Mr. President, it is unfair to expect our law enforcement officials to try to bring drug dealers to justice when the drug dealers who are arrested are able to take advantage of our bail laws and walk free with no more than a temporary business loss. We can help them, and cut the flow of drugs, by reforming our bail laws.

Mr. Atlee Wampler, the former U.S. attorney for the southern district of Florida, has recommended placing restrictions on bail bond for any suspected major drug traffickers. He believes that, in such cases, the person arrested should bear the burden of showing that there is no risk involved in his release. Title 2 of S. 2543 is a bail reform measure. For certain persons who have been arrested for drug trafficking, it would reverse the presumption of release on bail, and force the defendant to bear the burden of proving that he should be allowed to get bail. People like Mr. Serna would not be able to use the revolving door of today's bail laws if new bail laws were put on the books. We in the Senate have the opportunity and the responsibility to put those laws on the books. But time is running out on us, and we must move on crime-fighting bills soon. The drug dealers continue to operate. We can help stop them, but only if we act.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, in calling the Senate's attention to the critical and urgent need for strong anticrime legislation, Senator CHILES and I have described example after example of violent and organized criminal activity. A cursory review of those examples or, for that matter, the daily paper, confirms the fact that, as violent crime has spread, our criminals have become more blatant in their contempt and disrespect for our criminal justice system. We have reached the unfortunate stage where direct attempts to influence and intimidate the judicial process are a routine criminal modus operandi rather than a daring last resort.

Consider, for example, Harold Morton's response to the Government's

narcotics charges against him. On November 18, 1977, Sandra Jones, Gloria Roe, and Morton were arrested at Kennedy Airport for importing heroin into the United States from Amsterdam. Upon arrest, both Jones and Roe agreed to cooperate with the Government and testify against Morton. Morton set about to change their minds and thus deprive the Government of critical evidence against him.

He successfully convinced Roe to plead guilty without cooperating or incriminating Morton. Jones, however, was not so easily swayed. She refused Morton's requests and fled to San Diego.

Facing substantial prison terms, Morton was not easily dissuaded. He paid Thornell McKnight $3,500 to kill Jones. McKnight traveled to San Diego, accompanied Jones to Los Angeles for the alleged purpose of picking up some money he promised her, and on December 11, 1977, shot her to death. Morton had accomplished his purpose: On the day after Jones' murder, the charges against Morton were dismissed.

Federal law currently provides criminal penalties for the attempted or actual influence, intimidation or injury of trial and grand jury witnesses. At the time of Morton's attempts, however, neither Roe nor Jones had testified against him. Moreover, they had not even been subpenaed by the Government. As contemplated or potential witnesses, they did not come within the specific protection of Federal law.

In the absence of an applicable Federal obstruction of justice or murder statute, Morton was eventually convicted of violating Jones' civil rights some 2½ years later after her death. McKnight, having pled guilty to second degree murder in State court, cooperated and testified against Morton.

Under title I of the Crime Control Act of 1982, Federal prosecutors would have had two directly applicable statutory tools with which to prosecute Morton: the bill makes both contract murder and the influence or injury of potential, as well as actual, witnesses in Federal offenses. The bill is a clear warning to all criminals that Federal law will protect all individuals who may provide critical information in a grand jury investigation or criminal prosecution, even where they are not, as yet, under subpena. This type of legislation will not only greatly improve the arsenal of Federal prosecution tools but also help insure credibility and respect for our criminal justice system.

Unfortunately, we are running out of time in which to act on the problem of crime. The Crime Control Act of 1982 has now been on the Senate Calendar for nearly a month. We cannot afford to stand by any longer while organized and violent crime daily terrorizes the American public. I ask the Senate to give strong anticrime legislation the urgent attention which it so amply deserves.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

THE FEDERAL INSANITY DEFENSE

Mr. HATCH. Mr. President, I rise to call upon Congress to enact major reforms in the Federal insanity defense. I do not rise because I believe that the jury was necessarily wrong in the Hinckley case yesterday; I rise because the law is wrong.

I introduced S. 818 last year on March 26, 1981, a few weeks before Hinckley attempted to assassinate the President. This legislation, along with companion legislation later introduced (S. 1558), would effect two major reforms in our criminal justice system relating to the insanity defense. These reforms, if in place in the District of Columbia for the Hinckley trial, might well have resulted in a different verdict by the jury. They might well have insured that an individual who is a clear and present danger to society was appropriately punished for his wrongdoing and precluded from ever again causing the kind of suffering that he caused last year—suffering to individuals, suffering to families, and suffering to the Nation.

The first major reform would eliminate the traditional insanity defense, and substitute a new, so-called mens rea defense. Instead of the jury focusing upon sophisticated and largely unanswerable psychiatric questions along the lines of "Did the defendant appreciate right from wrong?", "Did he suffer from some irresistible impulse?", "Was the defendant able to control his passions?", or "Did he have a substantial capacity to appreciate the nature of his actions?", the jury would focus upon an entirely different and entirely more appropriate question. That would be, "Did the defendant possess the requisite state of mind for the charged offense?" If he did, he would be in violation of the law; if he did not, he would not be in violation. This new defense would focus the jury upon issues traditionally within their ability to decide.

While there would still be some need for psychiatric testimony in the courtroom, the present spectacle of competing psychiatrists consuming months of testimony would be largely eliminated. The issue before the court would be an essentially legal issue, not a medical issue for which the jury is totally ill-equipped.

The second major reform would establish a new Federal criminal verdict to account for the mentally ill. This would allow a court or jury to find a culpable, but insane defendant "guilty but mentally ill." (Although my bill currently reads "not guilty only by reason of insanity," this will be amended to read "guilty but mentally ill.") Those individuals who were suffering from such a severe mental disease or defect that it negated the requisite criminal state of mind would be adjudicated guilty but mentally ill. The verdict, I might add, under my amended legislation would provide that an individual found guilty but mentally ill would not be released back on the streets immediately, as may occur under present Federal law.

Rather, he would be confined in an appropriate mental institution for analysis, and would only be released after it was conclusively established that he no longer posed a danger to the community or to other individuals. He would continue to be incarcerated until that showing was made.

Mr. President, this legislation was recently incorporated as title VII of S. 2572, the Violent Crime and Drug Enforcement Improvements Act, which is likely to be considered by the full Senate this summer. I hope that my colleagues will carefully consider this provision—and indeed this entire legislation—and restore a semblance of commonsense public policy to our criminal justice system. The time is long overdue for this Nation to restore traditional concepts of individual responsibility to our criminal justice system, and to reestablish this system as one designed to pursue truth rather than one designed to pursue the perfect trial, procedurally. Yesterday's action was simply one of the more publicized instances of how society suffers when these basic perspectives are lost.

Let me also express my admiration to the distinguished Senator from Nebraska (Mr. ZORINSKY) for his outstanding efforts in this area.

Mr. President, our current insanity defense law, as demonstrated by the verdict in the case of the man who shot the President and three others, is a vicious circle. Anyone who would attempt such a heinous crime is not the kind of person any of us would call "normal." And this lack of normalcy is exactly the plea that would release this criminal within 50 days. In a sense, the crime itself has become an argument used by the criminal to escape punishment. The Hinckley defense seemed to be saying: "I would not have committed this murderous act if I were normal, so because I am clearly not normal, you must absolve me of all responsibility."

My contention is that, in fact, almost anybody who commits that type of crime is suffering from some sort of mental imbalance or instability. To not recognize that in appropri-

ate criminal law, it seems to me, is a tragic mistake. I wonder how Miss Jodi Foster feels right now knowing this man might be on the street within just a few days or a few months as a result of this acquittal yesterday?

As I say, it is about time the criminal justice system started to demonstrate some feelings for those who are the victims of criminal conduct rather than for those who commit the criminal act itself.

I thank the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 5 minutes.

THE USE OF THE INSANITY DEFENSE IN THE JOHN HINCKLEY TRIAL

Mr. THURMOND. Mr. President, as probably all of my colleagues are aware this morning, the jury returned a verdict in the Hinckley trial of not guilty by reason of insanity on all 13 counts of an indictment arising out of his attempt to kill President Reagan. I am simply dismayed by this result.

This case has demonstrated over the many weeks of conflicting "expert" testimony that there is something fundamentally wrong with the expanded modern insanity defense. It is deeply troubling to me when the criminal justice system exonerates a defendant who obviously planned and knew exactly what he was doing. The current Federal rule provides for a defense based on mental disease or defect if by reason of such disease or defect the defendant could not distinguish right from wrong or could not conform his conduct to the law. Once the defendant raises the issue, the burden shifts to the Government to disprove the defense—prove the defendant sane—beyond a reasonable doubt.

Mr. President, it is strictly fortuitous that John Hinckley will be committed for further examination to determine his danger to himself or to the community. He committed the offense in the District of Columbia, the only Federal jurisdiction, I am advised, that has a mandatory commitment procedure. In all other jurisdictions, he would be free unless some State jurisdiction was willing to assume the responsibility to have him civilly committed.

Mr. President, even this short recitation suggests that some things should be carefully considered to remedy the spectacle we have witnessed. S. 2572, a bill I, along with Senator BIDEN, introduced on May 26, 1982, and which has been cosponsored by 52 other Senators, would accomplish two major changes in the law.

First, it would eliminate the so-called right-wrong and irresistible impulse tests and replace them with a mens rea test. The sole inquiry at trial would be whether the defendant was capable of forming the mental state required for the crime. This means that if he essentially knew what he was doing he would be held criminally responsible for his conduct. His mental state would seldom exonerate, but would be highly relevant, during the sentencing process or disposition. The sentencing process is the place psychiatric testimony and advice is the most useful.

Second, the bill would create a Federal civil commitment procedure for a person found to be insane under the more limited test if no State could be found to take him. This closes a loophole in current law.

Finally, Mr. President, I see no rationale for placing the burden on the Government to prove sanity beyond a reasonable doubt. Indeed, a person should be presumed to be sane. We should take a close look at enacting a Federal rule similar to one applied in many of the States wherein the defendant has the burden of proving by a preponderance of the evidence that he was insane when he committed the crime.

Mr. President, although S. 2572 addresses the problem, it occurs to me that yet other improvements can be made. In this connection, I have this morning forwarded a letter to Senator CHARLES MATHIAS of Maryland, Chairman of the Subcommittee on Criminal Law of the Committee on the Judiciary, requesting that he hold a hearing on the subject of the insanity defense as quickly as the same can be arranged. I have pledged to him the full support and assistance of the staff of the full committee.

Finally, Mr. President, I call your attention to a column written by William Raspberry entitled "The Senseless Insanity Defense", which appeared in the May 12, 1982, issue of The Washington Post. I attach a copy of the editorial to these remarks and ask unanimous consent that it be printed in its entirety in the CONGRESSIONAL RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 12, 1982]

THE SENSELESS INSANITY DEFENSE

(By William Raspberry)

It's probably a good thing that I am not a member of the Hinckley jury. It wouldn't look good if the artists' sketches they use in the media showed me struggling (and perhaps failing) to stay awake.

I don't mean to suggest that I find the shooting of President Reagan, two law officers and presidential aide Jim Brady uninteresting. What I would find boring to the point of distraction are the tedious arguments over the obvious.

The defense would be trying to convince me that John W. Hinckley Jr. was crazy 14 months ago when he gunned the three men down. I was convinced of that within hours after the shooting. The prosecution would try to make me believe that Hinckley knew what he was doing. I am already convinced of that, too.

With Hinckley, as with nearly all the insanity-defense cases I can recall, the question for me is not the state of the defendant's mind. What I would want to know is what they intend to do with him when the trial is over.

Send him home? Unthinkable.

Send him to prison, just as though he were sane? That hardly seems right.

Send him to a secure mental hospital? That makes more sense, but for how long? Until a panel of psychiatrists pronounces him no longer dangerous? There's no reassurance in that. After all, young Hinckley had been seen by a psychiatrist before the assassination attempt, and that psychiatrist clearly did not think him sufficiently dangerous to suggest that he be confined. I have no basis for supposing that Dr. John Hopper is any less competent than the psychiatrists who might one day be called upon to determine whether Hinckley is cured and no longer dangerous. It's just that I doubt the psychiatrists can know enough to offer such assurances.

That's one of my problems with the insanity defense. In some jurisdictions, a defendant found not guilty by reason of insanity is free to leave—unless the government (or some other party) takes the additional step of seeking his confinement in a mental institution. That makes no sense to me. In fact, insanity as a defense doesn't make much sense to me.

I'll grant that there are circumstances under which I would not like to see the perpetrator of an act convicted as criminal. If your 2-year-old points a gun at me and pulls the trigger, I'm willing to assume that he didn't intend to hurt me. If it were a 40-year old with the mental capacity of a 2-year old, I'd make the same assumption.

But that's not what insanity defenses are about. In all the cases that come to my mind, there was never any question about intent. Surely Hinckley intended to hurt someone.

For my money, the fact that the defendant intended to break the law and did would be enough to justify a conviction. Convince me that he was crazy when he did it, and I'd be willing to let him serve his sentence behind the bars of a mental institution instead of in prison. Convince me six months later that he is sane again, and I'd consider it interesting, gratifying, but essentially irrelevant.

What I am saying, I suppose, is that in all but the rarest of cases, we ought to assume that people—even people with mental problems—are responsible for what they intentionally do. Treating people as though they are responsible for their acts may actually be therapeutic. But even that is irrelevant. The criminal justice system isn't about curing people; it is about punishment and deterrence.

(The following statements by Mr. ZORINSKY, Mr. PRESSLER, and Mr. MATTINGLY are printed at this point in the RECORD by unanimous consent.)

THE NEED TO REFORM THE INSANITY DEFENSE

Mr. ZORINSKY. I am very disappointed by the verdict that was made yesterday by the jury in the trial of John Hinckley, Jr.

Neither society nor Mr. Hinckley was well served by this verdict. I really feel that society should demand a higher degree of accountability from an individual for his or her actions. Allowing a person to commit a violent crime, and then to admit the action but claim that he or she just could not control the action is absolutely unacceptable to me. We all must be held accountable for our actions, unless we suffer a mental disease or defect which would cause us to be unable to know that what we were doing was wrong.

Last year I introduced a bill to amend the insanity defense in Federal cases. In light of yesterday's court decision, I feel that this is a most opportune time to take a close look at just what we are doing.

The bill I introduced last year would eliminate the defense of "not guilty by reason of insanity" and substitute a plea of "guilty but insane." To me this is a much more reasonable course of action. A defendant would admit to the commission of the act, and then be given the opportunity to show that he or she was insane at the time of the crime. If the jury, or the judge in a nonjury trial, agreed, the defendant would be found "guilty but insane." This defendant would remain under the jurisdiction of the Federal court for treatment and whatever else is determined to be necessary. Release from the supervision of a mental institution would be up to the trial judge, with input from the doctors, as well as the Government lawyers and defense lawyers.

The trial judge would be able to take into account the welfare of the defendant as well as the protection of society. This is certainly more responsible than the way we do it now, where we have all heard of the instances in which a person is released from the mental hospital only to go out and commit another terrible crime.

I hope that last night's verdict will help us see the need to make these changes.

I want to thank Senator HATCH for his efforts in this area; his leadership is important.

Mr. PRESSLER. Mr. President, a number of years ago while a law student I wrote a paper on the McNaghten rule on the insanity defense, and it seems to me that we have always moved in the wrong direction. The insanity defense was never intended to be exercised if one committed a crime with premeditation or if one thought out the crime in advance. That is a great concern with me regarding the Hinckley verdict. I believe that the Hinckley case illustrates much that is wrong with our criminal justice system.

First of all, the insanity defense is a rich man's defense. A poor man can use it successfully only if he is a cause celebre or somebody else finances it. The fact of the matter is that you have to have wave after wave of psychiatrists examine you before the date of the trial, and you have to be able to afford to pay those psychiatrists at the date of trial.

I am told that the bill from one law firm is close to half a million dollars, and the bill for the psychiatrists is unknown but would probably be at least that much. So it is a millionaire's defense. The ordinary citizen, unless someone is very interested in him or it is an unusual case, just cannot afford to have that kind of psychiatric testimony at his trial.

While we must not react out of passion, I think the Hinckley case is an illustration of what is happening all over our country as criminals get off on legal technicalities.

This situation arose from court decisions, largely court of appeals decisions. We had the Durham rule in the District of Columbia which I think was part of the problem.

The point is that we are in a situation where there is a citizens' revolt brewing over our criminal justice system, and the Hinckley case is the straw that breaks the camel's back. It is the case that illustrates and brings out all that people are thinking about in our criminal justice system.

I shall join as a cosponsor of the Violent Crime and Drug Enforcement Improvements Act of 1982. I especially support title VII of that bill which deals with the insanity defense and mental competency amendments.

I shall also sponsor a bill of my own, supplemental to this, which would provide that the insanity defense cannot be used where there is premeditation. In the Hinckley case, we had a matter where a person premeditated, where he attempted to assassinate the President. He did strike the President and struck another person, Jim Brady who may possibly be an invalid the rest of his life.

John Hinckley has been found innocent by reason of insanity, and he will be confined to St. Elizabeths. He could be released in as little as 50 days. He probably will not be, because of the celebrity status of the case. But, increasingly, there are efforts to mainstream people in these mental hospitals. There have been examples of similar cases where people have been on the streets in as little as 2 months after such a case. I hope this is not the case with Hinckley, but it could be.

Therefore, the second part of my proposed legislation will call for a mandatory period of confinement. If someone is successful with the insanity defense, they should receive a mandatory period of confinement similar to the sentence they would have received if found guilty. That period of confinement would be served in an institution for the mentally ill.

Our present law and our present procedures have caused outrage in reaction to this case. I emphasize that we do not want to act in the heat of passion. This is one case, but there have been many others like it. It is illustrative of what is happening throughout our criminal justice system.

So, Mr. President, I join in some of the other statements that have been made. I hope we move quickly on the Violent Crime and Drug Enforcement Improvements Act of 1982. To move it quickly, we probably cannot change the bill very much, but I certainly would advocate adding to it a mandatory period of confinement if the insanity defense is used.

Mr. MATTINGLY. Mr. President, the public knows that Hinckley is guilty. The verdict in the Hinckley case is an affront to justice. Highly paid lawyers and psychiatrists whined in court until the commonsense of the jury was apparently destroyed. This ridiculous verdict will probably speed reform of insanity defense laws, but it will be too late to help the victims of this crime.

The same lawyers and psychiatrists will sooner or later be attempting to prove Hinckley sane and deserving of release.

In Georgia last week, a man was arrested for shooting his roommate. That same man, 6 years before, had been charged with murder and found not guilty by reason of insanity. After 4 years in a mental hospital, he was turned out on the streets.

Society has a right to be protected from the likes of John Hinckley, sane or insane. Judging from the past history of psychiatry and courts, it will not be.

The average American may not know all the legal technicalities, but he has a highly developed sense of justice. Somehow, we need to move our laws and our courts back toward that concept of justice.

THE INSANITY DEFENSE IN FEDERAL CRIMINAL TRIALS

● Mr. DOLE. Mr. President, earlier today the distinguished senior Senator from South Carolina (Mr. THURMOND) who is chairman of the Senate Judiciary Committee called for early hearings by the Criminal Laws Subcommittee on the insanity defense in Federal criminal trials. As a member of that subcommittee, and as the author of legislation to revise and reform the current insanity rule. I join with Chairman THURMOND in making the call.

Last night, after 24 hours of deliberation over a 4-day span, a District of Columbia jury found John W. Hinckley, Jr. not guilty of attempting to assassinate President Reagan because he

was legally insane at the time. Under the prevailing insanity rule of the District of Columbia, Mr. Hinckley will be committed to St. Elizabeth's mental institution for a short period of evaluation. Within 50 days, the Federal court in the District of Columbia must determine whether Hinckley is a danger to himself or the community. If the judge finds that he is not, then Hinckley must be released. If Mr. Hinckley or at his attorney's request, this procedure can be repeated every 6 months.

In many U.S. jurisdictions, if a defendant is found not guilty by reason of insanity, the trial judge has no other alternative but to release the acquitted defendant to the community. Without attempting to second guess or to pass judgment on the conduct of the Hinckley trial or the jury verdict in the case, it seems more than appropriate, Mr. President, that the Federal insanity defense be reexamined in light of its application in the District and elsewhere with a view in mind of what reforms might be appropriate.

If the phone calls that my office received today are a barometer of public sentiment on this case, then change may very well be in order.●

RECOGNITION OF SENATOR FORD

The PRESIDING OFFICER (Mr. MATTINGLY). Under the previous order, the Senator from Kentucky is recognized for not to exceed 15 minutes.

Mr. FORD. I thank the Chair for the recognition and, for his information, I shall probably not need the total of my 15 minutes if other Senators need time.

STUDENT LOAN ASSISTANCE AMENDMENTS OF 1982

Mr. FORD. Mr. President, last year, the Omnibus Reconciliation Act of 1981 eliminated student benefits for social security child beneficiaries effective May 1 of this year. Current student benefit recipients will have their benefits phased out 25 percent a year over 4 years. Clearly, this action was nothing short of a promise broken by the Government—a reneging on an agreement this Government made with the social security-covered worker that in the event of his death, disability or retirement, his children would receive Government assistance in obtaining a college education. It is this type of action that is causing the American people to lose faith in their Government today.

Mr. President, today I am introducing legislation to right this wrong—to restore faith in this Government and provide for those children whose parents counted on social security student benefits to enable their children to better themselves through a college education. The Student Loan Assistance Amendments of 1982, legislation that I am introducing today, is a modest proposal designed to provide an alternative source of financial assistance to those students who would have received social security student benefits if not for the provisions of the Omnibus Reconciliation Act of 1981. My bill will enable all persons receiving social security child benefits, as of any month prior to September 1981, to apply upon enrollment in college for a supplemental guaranteed student loan. Currently, the guaranteed student loan program provides up to $2,500 a year in loans to undergraduate college students. My bill will increase the annual maximum loan amount available to eligible social security child beneficiaries to the lesser of $2,000 or the annual amount of social security student benefits that the child would have been entitled to if not for provisions of the Omnibus Reconciliation Act of 1981.

Recognizing current budgetary constraints and past criticisms of the social security student benefit program, my bill provides that the supplemental loan amount will be subject to a determination of need, based on the current GSL needs analysis. Currently, the GSL program requires a needs analysis to determine the amount of the loan for student applicants from families with adjusted gross income greater than $30,000. The needs test for the supplemental loan program, however, will apply to all students regardless of family income.

The economic justification for termination of the social security student benefit program was based, in large part, on a 1979 GAO study which recommended that these benefits be discontinued. However, in its recommendation to eliminate the student benefits program, GAO recommended that Congress "take the necessary steps to assure the Office of Education will have sufficient financial resources to meet any increased demand arising from such discontinuance." Unfortunately, Congress did not heed the advice of GAO to increase resources in other student financial aid programs. In fact, the exact opposite has occurred.

For fiscal year 1982, the academic year of 1981–82, Congress eliminated social security student benefits for future college students. In this same year, five of the six student aid programs identified by GAO as possible social security student benefit replacement programs experienced funding cuts. And, the fiscal year 1982 cuts were simply a continuation of cuts made in the fiscal year 1981 budget. The administration's fiscal year 1983 proposals continue this trend.

Clearly, Mr. President, in light of these past cuts and proposed future cuts in student financial assistance, social security child beneficiaries do not have the other financial aid programs to turn to that GAO said were necessary if the student benefits program was to be discontinued.

While I would prefer to simply reinstate the social security student benefit, I recognize in these times of fiscal restraint all sectors of the budget are being called upon to carry a fair share of spending reductions. However, it is clear that social security child beneficiaries have been called upon to bear a disproportionate share of the budget burden. My proposal to expand the guaranteed student loan program is a modest one in light of the jeopardy present and future social security child beneficiaries are placed in with respect to obtaining a college education. The GSL program is one of the most efficient of the student financial aid programs because it is based on private market capitalization, with Federal funds used mainly for interest subsidies. Therefore, the GSL program can serve a large number of students at a low cost to the Federal Government.

The Congressional Budget Office cost estimates for this legislation project a $2 million increase in outlays to the GSL program in fiscal year 1983, increasing to $155 million in fiscal year 1987.

I have heard from the parents of the children who have been eliminated from this program; they had made financial plans over the years, based on provisions of the Social Security Act, to assure that their children would receive a college education. They worked in the social security program with the idea that the Government would assist their children should they die, retire or become disabled. But, suddenly Congress, as part of the Omnibus Budget Reconciliation Act , with little committee debate and no floor debate, terminated this program and pulled the rug out from under these families. For many of the child beneficiaries the hope for a college education is now gone.

In this time of fiscal restraint, we are all being called upon to tighten our belts. However, the elimination of the social security student benefit does not represent fiscal restraint. It represents a broken promise by this Government—a promise to parents that their children would have the chance to attend college if they were unable to provide for it due to retirement, disability or death. Without alternative sources of support, these children will not be able to pursue their higher education. Their dreams and the dreams of their parents, who put their faith in this Government to provide for their education, will never be realized.

I urge all of my colleagues to join with me in cosponsoring this legisla-

tion, that in some small way, honors that Government promise to the parents of children who, due to acts of Congress, are now in need of additional student financial assistance. I hope that the Labor and Human Resources Committee will be able to hold hearings on this important issue in the very near future.

Mr. President, I ask unanimous consent that a State-by-State breakdown of the students in current payment status who are affected by the elimination of these benefits appear in the RECORD following my remarks; and that the text of my bill and a summary also appear at the end of my statement, as well as a copy of the CBO cost estimate for this legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY

SECTION 1

Section 1 amends Section 425(a) of Title IV of the Higher Education Act of 1965 by adding a new Subsection 425A. This subsection provides for an increased maximum limitation for student loans under the Guaranteed Student Loan (GSL) Program to certain students and/or children who lost their eligibility for student benefits under the Social Security Act as a result of provisions of the Omnibus Budget Reconciliation Act of 1981. The former Social Security Student Benefit Program provided for an extension of child's benefits to those beneficiaries attending a postsecondary institution on a full-time basis. Students were eligible for these extended benefits after age 18 and up until age 22, or for several months beyond age 22 if the student had not completed his 4-year college degree. Provisions of the Omnibus Budget Reconciliation Act of 1981 eliminated these student benefits to any child beneficiary not attending a postsecondary institution on a full-time basis as of May 1, 1982. Additionally, current student beneficiaries will have their benefits reduced by 25 percent annually over 4 years and no benefits will be paid after April 1985.

SUBSECTION (A)

This subsection increases the loan amount available under current law for the Guaranteed Student Loan Program. Currently, undergraduate students are eligible to receive a maximum loan of $2,500 per academic year, or its equivalent. This subsection provides that this maximum yearly amount be increased by $2,000.

This subsection also defines the scope of the "Student Assistance Amendment of 1982" by defining a student, for the purposes of this bill, as an individual who was entitled to child benefits under Sec. 202(d) of the Social Security Act for any month prior to September 1981 (enactment of the Omnibus Budget Reconciliation Act of 1981); or, any student who would have received student benefits if not for provisions of the Omnibus Budget Reconciliation Act of 1981.

Subsection (a) also limits the total amount of the supplemental loan available under this bill to any student in one academic year, or its equivalent, to the lesser of $2,000 minus the amount received that year in Social Security student benefits; or, the lesser amount of $2,000 or the total amount of benefits the child beneficiary would have been eligible for if not for provisions of the Omnibus Budget Reconciliation Act of 1981.

Finally, this subsection increases the aggregate loan amount for undergraduate and graduate students under the Guaranteed Student Loan Program to reflect the supplemental borrowing power provided by this bill. Currently, undergraduates can incur a maximum GSL debt of $12,500. This maximum would be increased by $10,000. A graduate or professional student can incur a maximum GSL debt of $25,000, including undergraduate borrowing. This limit would be increased by $15,000.

SUBSECTION (B)

This subsection provides that a needs analysis must be provided to the lender by the eligible institution for all students applying for the supplemental loan amounts as provided by the bill. Currently, the GSL program requires a needs analysis for those student applicants from families with adjusted gross income greater than $30,000. For these students, the loan amount is based on this determination of need. This subsection would not change that requirement for the initial $2,500 yearly GSL loan amount. However, all students, regardless of family income level, who apply for the supplemental loan amount as provided by this bill would have to undergo a needs analysis to determine the amount of their supplemental loan. Therefore, regardless of the student's borrowing eligibility under the initial GSL program, he or she would be limited to borrowing only that amount determined to be need under the supplemental loan provisions of this bill.

Finally, this subsection provides that a student's estimated cost of assistance; a student's financial assistance; and the determination of need will be determined in the same manner as prescribed by current law for the GSL program.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 3, 1982.

Hon. WENDELL FORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FORD: In response to your letter of April 16, 1982, we have prepared the attached estimate of the proposed Student Loan Assistance Amendments of 1982.

We will be glad to answer any questions you have on the attached estimate.

Sincerely,

RAYMON C. SCHEPPACH
(For Alice M. Rivlin, Director).

CBO ESTIMATE OF THE PROPOSED STUDENT LOAN AMENDMENTS OF 1982

This estimate is based on bill language provided by Senator Ford on April 16, 1982.

The proposed Student Loan Assistance Amendments of 1982 would amend the current guaranteed student loan (GSL) program by creating a new loan program for the college and university students whose social security benefits were either reduced or eliminated in the 1981 reconciliation act. This amendment would increase the current GSL annual borrowing limit of $2,500 to a maximum of $4,500 for these students in order to compensate for reductions in cash benefits. Any additional borrowing above the current limits would be subject to a financial need analysis under current program definitions and limited to the level of the reduction in cash social security benefits, up to $2,000.

Before the passage of the Omnibus Reconciliation Act of 1981, roughly 600,000 college and university students in fiscal year 1983 would have received approximately $3,000 each in social security student benefits. Under current law, however, two-thirds of these students will have their benefits reduced by over $1,000 in 1983. The remaining third, new freshmen students, are ineligible for any social security student benefits. By 1985, none of the 550,000 college and university students who would have received benefits under prior law would be eligible for any social security student benefits.

About 70 percent of these students are from families with incomes below $20,000. Depending on the amount of other grant aid, many of these students would have some assessed financial need. Over the next few years, however, most of them would probably increase their borrowing within current GSL program guidelines. In fact, CBO's current law baseline projections for GSL already assume increases in borrowing as a result of the changes made in the 1981 law to social security student benefits. Thus, CBO's estimate of the additional loan volume and costs associated with this amendment reflects further increases in borrowing due solely to the increased borrowing limits in the bill.

In 1983, CBO expects that those students who would increase their GSL borrowing as a result of this bill would be those who had the largest reduction in cash benefits and who attend either private schools or out-of-state schools where education costs are relatively high. By 1987, many of the 550,000 students who would have been eligible for social security benefits are expected to increase their borrowing to cover the loss of cash benefits and the higher cost of education. Loan volume in 1983 is projected to increase from a current law level of $6.8 billion to $6.9 billion. By 1987 the current law volume of $6.5 billion is projected to increase to $7.2 billion as a result of this amendment.

Table 1 below shows the five year projection of cost increases to the GSL program as a result of this bill. The above mentioned increases in loan volume are not federal costs because the federal government only guarantees those loans. Rather, the federal costs include the additional interest subsidies and special allowances paid to lenders as a result of increased borrowing by these students. As shown in Table 1, these interest subsidies would increase outlays by $2 million in 1983 and by $155 million in 1987.

TABLE 1.—CBO ESTIMATE OF THE GSL CURRENT LAW COST AND THE IMPACT OF THE STUDENT LOAN ASSISTANCE AMENDMENTS OF 1982, UNDER CBO ECONOMIC ASSUMPTIONS

[By fiscal year, in millions of dollars]

	1983	1984	1985	1986	1987
Current law:					
Budget authority	3,903	4,345	4,050	3,773	3,531
Outlays	3,670	4,311	4,158	3,843	3,592
Incremental cost of the Student Loan Assistance Amendments of 1982:					
Budget authority	5	32	61	113	168
Outlays	2	26	53	100	155

STUDENTS: TOTAL PAYMENTS BY STATE, CALENDAR YEAR 1981

State	Number [1]	Payments (thousands)
Total	760,508	$2,491,700

STUDENTS: TOTAL PAYMENTS BY STATE, CALENDAR YEAR 1981—Continued

State	Number [1]	Payments (thousands)
Alabama	15,523	46,780
Alaska	613	2,020
Arizona	7,381	25,060
Arkansas	7,049	20,210
California	76,751	258,270
Colorado	7,454	25,970
Connecticut	10,138	36,320
Delaware	2,059	7,090
District of Columbia	2,800	7,860
Florida	30,483	100,970
Georgia	19,733	59,830
Hawaii	2,955	9,300
Idaho	2,230	7,850
Illinois	35,879	124,750
Indiana	14,083	50,990
Iowa	7,724	26,600
Kansas	5,157	18,280
Kentucky	9,606	30,980
Lousiana	12,115	36,070
Maine	3,777	11,560
Maryland	13,057	43,830
Massachusetts	20,597	67,900
Michigan	34,473	122,570
Minnesota	14,646	49,160
Mississippi	10,308	26,690
Missouri	13,715	46,180
Montana	3,040	10,520
Nebraska	4,214	14,180
Nevada	1,447	5,200
New Hampshire	2,427	8,360
New Jersey	27,947	97,160
New Mexico	3,699	11,020
New York	74,717	250,500
North Carolina	22,812	69,260
North Dakota	2,240	7,090
Ohio	36,028	125,280
Oklahoma	6,159	20,560
Oregon	7,885	28,380
Pennsylvania	38,333	132,660
Rhode Island	3,432	11,300
South Carolina	12,528	36,380
South Dakota	2,083	6,560
Tennessee	14,136	44,800
Texas	31,054	100,140
Utah	2,863	10,160
Vermont	1,559	5,120
Virginia	18,832	59,110
Washington	13,671	48,750
West Virginia	6,729	21,420
Wisconsin	15,350	53,280
Wyoming	812	2,950
American Samoa	112	150
Guam	112	250
Puerto Rico	18,220	30,390
Virgin Islands	260	620
Abroad	7,501	17,100

[1] As of December 1981.
Source: Social Security Administration, May 10, 1982.

S. 2655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Student Loan Assistance Amendments of 1982".

SEC. 2. Part B of title IV of the Higher Education Act of 1965 is amended by adding after section 425 the following new section:

"INCREASED LOAN LIMITATIONS FOR CERTAIN STUDENTS WHO LOST SOCIAL SECURITY BENEFITS

"SEC. 425A. (a)(1) Notwithstanding any other provision of this part, the total amount of loans made to any student described in paragraph (2) shall be increased from the amounts specified in sections 425(a), 428(b), 428A(a), and 428B(b)(4), as the case may be, by the amounts specified in paragraphs (3) and (4) if such student meets the requirements of subsection (b).

"(2) For purposes of paragraph (1), a student described in this paragraph is an individual who—

"(A) was entitled to a child's benefit under section 202(d) of the Social Security Act for any month prior to September 1981; and

"(B)(i) for any month during the 12-month period described in paragraph (3) is not entitled to a child's benefit under such section 202(d) but would have been so entitled but for the amendments made by section 2210 of the Omnibus Budget Reconciliation Act of 1981; or

"(ii) for any month during the 12-month period described in paragraph (3) is entitled to a child's benefit under section 202(d) of the Social Security Act solely by reason of section 2210(c) of the Omnibus Budget Reconciliation Act of 1981.

"(3) The amount of the additional available loan amount for any student described in paragraph (2) for an academic year or its equivalent (as determined by the Secretary) shall be an amount equal to the lesser of—

"(A) $2,000 minus the amount of the benefits to which such student is entitled under title II of the Social Security Act for the 12-month period beginning with the month in which such academic year begins; or

"(B) the total amount of the benefits to which such student would have been entitled under title II of the Social Security Act for such 12-month period but for the provisions of, and amendments made by, section 2210 of the Omnibus Budget Reconciliation Act of 1981, but determined without regard to any cost-of-living adjustments under section 215(i) of such Act made after such individual's entitlement to child's benefits under such title II ended.

"(4) The aggregate insured unpaid principal amount of loans for any student described in paragraph (2) shall be increased by—

"(A) $10,000 in the case of any such student who has not successfully completed a program of undergraduate education, and

"(B) $15,000 in the case of any such student who is a graduate or professional student (as defined by regulations of the Secretary), including any loans which are insured by the Secretary under this part, or by a State or nonprofit institution or organization with which the Secretary has an agreement under section 428(b), made to any such individual before he became a graduate or professional student, except that the Secretary may increase the limit applicable to graduate or professional students subject to this section who are pursuing programs which the Secretary determines are exceptionally expensive.

"(b)(1) Each student described in paragraph (2) of subsection (a) qualifies for the additional maximum loan amount described in paragraphs (3) and (4) of subsection (a) if the eligible institution, at which the student has been accepted for enrollment, or at which the student is in attendance, has provided the lender with a statement evidencing a determination of need for the additional amount of the loan requested by such student.

"(2) For the purpose of paragraph (1) of this subsection—

"(A) a student's estimated cost of attendance;

"(B) a student's financial assistance; and

"(C) the determination of need

shall be determined in the same manner as is prescribed by section 428(a)(2)(C).".

Mr. PROXMIRE. Will the Senator yield to me part of his time?

Mr. FORD. Mr. President, I am delighted to yield to the distinguished Senator from Wisconsin the remainder of my time.

Mr. PROXMIRE. I thank the senior Senator from Kentucky.

SOVIET NUCLEAR POWER AS SEEN BY THE U.S. JOINT CHIEFS OF STAFF

Mr. PROXMIRE. Mr. President, yesterday, I read into the RECORD the overall assessment of the Soviet military power as stated by Secretary of Defense Weinberger in April of this year. I did this in connection with my series of statements on the floor setting forth some of the basic facts essential to our understanding of any nuclear arms limitation agreement with the Soviet Union.

Today I call to the attention of my colleagues the assessment by the U.S. Joint Chiefs of Staff of Soviet military power. This assessment relates to the strategic—that is nuclear offensive and defensive Soviet power. It documents the buildup as seen by our top military command of the Soviet forces.

I have condensed and edited this report to give a concise but accurate picture of what we face in the eyes of our top military experts.

I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. MILITARY POSTURE FOR FISCAL YEAR 1983

STRATEGIC OFFENSIVE NUCLEAR FORCES

(Charts and pictures not reproduced in the RECORD)

For the past two decades, the Soviet Union has devoted substantial resources to the development and deployment of ICBM and SLBM forces, and to a lesser extent, deployment of an intercontinental bomber force. As a result of these efforts, the Soviet Union has moved from a position of relative inferiority in the strategic nuclear field to a position of equivalance, or superiority, in many weapon systems.

INTERCONTINENTAL BALLISTIC MISSILES

The Soviet Union has nearly completed the deployment of fourth generation ICBMs (SS-17, SS-18, SS-19), with approximately half of the 1,398 deployed launchers now containing new missiles. New missile silos are considerably harder than earlier versions, and thus potentially less vulnerable. The remainder of the force consists of older generation SS-11s and SS-13s. Most of the RV's are on the fourth generation ICMBs, of which certain versions of the SS-18 and SS-19 have significantly improved accuracies. Also, the Soviets are apparently ready to begin flight testing of two new solid propellant ICBM's; either or both could reach IOC by the mid-1980s.

Soviet ICMB Force as of January 1, 1982

System:	*Inventory*
SS-11	580
SS-13	60
SS-17	150
SS-18	308
SS-19	300
Total	1,398

Conversion of all SS-9 launchers to the SS-18 configuration has been completed.

The retrofit of SALT II-accountable MIRVed launcher silos associated with the SS-19 is underway. The program to convert

silos from SS-11 to SS-19 Mod 3 configuration will probably require several years to complete. There were little or no changes in the deployment of the SS-13 and SS-17. The majority of the 150 SS-17 launchers contain the four-RV MIRVed missiles.

According to accumulating evidence, the Strategic Rocket Forces may have plans to reconstitute and reload at least a portion of their silo-based ICBM's during a protracted nuclear conflict. Contingency plans for reloading and refiring of silos probably have been developed. The cold-launched SS-17 and SS-18 are well suited for refiring. Additional evidence supports the hypothesis that the hot-launch systems also have a reload and refire capability.

SUBMARINE-LAUNCHED BALLISTIC MISSILES

The Soviet Union has 70 modern SSBN's with 950 SLBM launchers Of these, 62 SSBN's are routinely on station in the western Atlantic, or in transit overlap may raise the number of units on patrol temporarily. Delta-class SSBN's are normally on patrol in the Greenland, Norwegian, and Barents Seas.

The Soviets normally maintain Yankees in the eastern Pacific patrol area, with an additional unit in transit. Delta I/III SSBN's are routinely on patrol in the Pacific. Both the SS-N-8, carried on Delta I/II, SSBN's, and the SS-N-18 carried on the Delta III, can strike targets in the United States from adjacent Soviet waters or even home ports. Readiness of the Soviet SSBN force is assessed as high.

The Typhoon, latest class of Soviet SSBN's, commenced sea trials in 1981. The SS-NX-20 missile, which is to be carried by the Typhoon, has been test fired. The Typhoon will likely soon finish sea trials, but the complete weapon system probably will not be operational until the mid-1980's.

SOVIET AIR FORCE STRATEGIC BOMBERS

The strategic bomber force consists of over 880 aircraft. Bombers form the core of the force for strategic air operations in the European and Asian theaters. Three-fourths of the bombers remain poised opposite NATO, while the remainder are located along the Chinese border.

Soviet Air Force bomber inventory as of January 1, 1982: Bear, 100; Bison, 75; Backfire, 70+; Badger/Blinder, 600; Total, 880+.

Badger, Blinder, and Backfire aircraft assigned to the Soviet Air Force strategic bomber force would carry out missions primarily against Europe and Asia. Bear and Bison bombers could perform theater roles as well, but are primarily reserved for strategic maritime or intercontinental missions. Age is a major limiting factor in the theater bomber force. About 75 percent of the bombers are over 10 years old.

Evidence would indicate that the Soviets are in the process of developing a new long-range bomber and probably a strategic cruise missile carrier. Additionally, the Soviets are developing a tanker version of their IL-76/Candid transport aircraft.

The Soviets are also working on a program to develop long-range cruise missiles.

MAJOR SOVIET THEATER MISSILES AND ROCKETS

System	Range (kilometers)	Replacement system	Range (kilometers)
SS-4	2,000	SS-20	5,000
SS-5	4,100	SS-20	5,000
FROG	70	SS-21	120K
SCUD B	300	SS-23	500K
SS-12	900	SS-SS-22	900k

THEATER NUCLEAR FORCES

The Soviet Union continues to expand and modernize its theater nuclear forces at a rapid pace. The Soviets view TNF assets in both strategic and tactical contexts, with some forces serving a dual function. In particular, TNF provide a layered threat to Europe, allowing concentrations of theater forces to exist independently of Soviet strategic forces. Soviet TNF doctrine stresses mobility and readiness.

Soviet and Warsaw Pact nuclear and nuclear-capable conventional force modernization programs continue. For every ground-launched missile or rocket system which existed prior to 1976, the Soviets have fielded or are in the process of deploying a replacement system with a new level of accuracy. Chart B-3 shows older Soviet theater systems on the left and replacement systems on the right.

The number of long-range TNF (longer-range INF) ballistic missile launchers has remained relatively stable over the years. The Soviets have deployed well over 260 SS-20 launchers since 1977 and deactivated over 200 SS-4 and SS-5 launchers.

In 1981, the Soviets initiated construction of additional new SS-20 bases, from which missiles are capable of striking NATO Europe. The remaining SS-20 deployments likely will be located in the western Soviet Union. The number of launchers probably will be less than SS-4 and SS-5 levels, but the number of RVs will be considerably greater because of the three-MIRV payloads (Chart B-4). If one refire is allocated each missile, the number of IRBM RVs have more than doubled between 1977 and 1982.

The wider deployment pattern of the SS-20 and its increased range capability over the SS-4 and SS-5 have enabled the Soviets to extend their LRTNF capability to the Middle East, Southwest Asia, and East Asia.

The growth in the number of Soviet short-range ballistic missile launchers and free-rockets-over-ground (FROGs) has also continued. There is currently no indication that the Soviets will draw down these older systems to counterbalance the introduction of newer systems.

STRATEGIC DEFENSIVE FORCES

The Soviets have deployed the most extensive strategic air defense system in the world. This force poses a significant threat to penetrators of Soviet air space. Modification of existing systems, along with the development and deployment of new weapons, assure that the force capability will continue to improve.

RADAR SURVEILLANCE AND DETECTION

The Soviet air defense network has good detection and tracking capabilities under all-weather conditions against aircraft at medium-to-high altitudes. Radars with improved low altitude acquisition capabilities are not yet fully operational.

A major improvement in Soviet detection and tracking capability is expected from the deployment of an airborne warning and control system. The system will extend detection over land and water and improve interceptor control capabilities.

SURFACE-TO-AIR MISSILES

The Soviets have about 10,000 SAM strategic launchers deployed at about 1,000 sites. The SA-1 system continues to provide primary air defense for Moscow from sites deployed in two rings around the city. Throughout the Soviet Union, the long-term drawdown of the SA-2 may resume due to replacement with the more capable SA-10. Meanwhile, SA-5 deployment has increased slightly, and the SA-3 force continues to convert from the two-rail to the four-rail launcher. Over half of the AS-3 sites now have four-rail launchers. Tactical SAMs, with better low altitude capabilities, would be expected to augment strategic defenses.

INTERCEPTORS

Modernization of Soviet air defense aviation continues with the first operational deployment of the Modified MiG-25/Foxbat and new deployments of the MiG-23/Flogger and MiG-25/Foxbat. Older model SU-9/Fishpot, MiG-17/Fresco, and MiG-19/Farmer interceptors have been phased out of the active inventory. The Soviets have resumed modernizing regiments equipped with the YAK-28/Firebar.

BALLISTIC MISSILE DEFENSE

The program for upgrading ballistic missile defenses in the Moscow area continues. These defenses once consisted of four anti-ballistic missile (ABM) complexes with 64 ABM-1b/Galosh above-ground launchers, but in late 1979, 32 of the launchers were dismantled. The Soviets could build to the 100 ABM launcher limit allowed by the 1972 ABM Treaty.

A new large phased-array radar is being constructed near Moscow. This radar probably will serve in a battle management role for the upgraded Moscow system, augmenting or possibly replacing existing dog house and cat house systems.

Other ballistic missile defense system components include the try add engagement radars at the Moscow complexes, peripherally located hen house early warning radars, and new large phased-array early warning radars which are not yet fully operational. Phased array radars are superior to the hen house network and probably are designed to close existing gaps in coverage.

NOW . . . AFTER ALL THESE YEARS

Mr. PROXMIRE. Mr. President, a German documentary has been released recently in the United States, a film called "Now . . . After All These Years." The motion picture centers on a very small Prussian village called Rhina. As a 1928 schoolgirl's essay recounts in the film, Rhina was the only town in Prussia inhabited by a large Jewish majority. By 1939, not a single Jew remained in that German village.

The Jewish survivors of Rhina are interviewed on film, and we see how the holocaust is etched deeply and permanently in the memories of these exiles. For them, genocide is not an abstract phenonmenon discussed in legislative chambers, not a definition to be dissected in a treaty, not even the inconceivably abominable crime that we know it to be. For the victims, genocide is all too conceivable, all too vivid. Sterilization. Torture. Gas chambers. Starvation. Decimated families. Death. All the words in the English vocabulary would not convey the full horror of genocide to those of us fortunate enough to have never been touched by its devastation.

Yet, filmed interviews of modern-day citizens of Rhina illustrate how

easily we erase the most horrible of our memories. Indeed, only the teenagers of Rhina seem interested in the fate of the town's Jewish population. Says one youth: "All we know is Jews once lived here; nobody knows what happened to them." Says another: "We never hear anything about it." How hard it is to remember an event so ugly.

It is too easy to forget. It is too easy to ignore. But we cannot forget, cannot ignore our global legacy of genocides. That is why I speak each day to remind all of us of the unratified Genocide Convention. By ratifying this treaty, the world's greatest power can reaffirm its role as the world's leading spokesman for human rights and human dignity. America can help keep moral principles alive in the anarchy of international relations, to keep genocide among the rallying points for universal condemnation. Most important, in such an atmosphere, perhaps the constraint of world public opinion can save a number of precious human lives.

The more we inject ethics into diplomatic debate, the more we play America's strongest suit. In the competition for international good will, our ideals can be our greatest weapon, if we have the courage and good sense to act upon them. I urge the Senate to do so. The treaty has been waiting patiently for our approval since 1949. It is time we ratified the Genocide Convention—now, after all these years.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. PROXMIRE. I am delighted to yield to the distinguished majority leader.

Mr. BAKER. I thank the Senator for yielding.

WAIVER—CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 92

Mr. BAKER. Mr. President, this has been cleared on both sides.

I ask unanimous consent that the requirements that the conference report on Senate Concurrent Resolution 92 be available for 3 days be waived when that conference report is received from the House of Representatives.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, the Democrats have no objection.

Mr. BAKER. Mr. President, the Republicans are grateful.

I thank the Senator for yielding.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will not be a period for the transaction of routine morning business.

CONFLICT OVER MAINE ACTION GRANT

Mr. MITCHELL. Mr. President, I rise today to express my deep concern about the intervention of the National Broiler Council and several Southern Congressmen in opposing an application submitted by the city of Lewiston, Maine, under the Urban Development Action Grant (UDAG) program administered by the Department of Housing and Urban Development.

The poultry industry has long been an important part of Maine's economy, contributing in past years up to $200 million annually. However, the industry has fallen on hard times of late as a number of problems have made operations difficult, if not impossible.

Those problems include high transportation costs for a State that is at the end of the distribution chain, the consequent escalation in the price of feed grain, and high energy costs for a State dependent on imported oil. Further, the national economy has been in a deep and prolonged recession and has been troubled by overproduction in the broiler industry. The result has been the closing of most of the processing plants in my State and the initiation of bankruptcy proceedings.

The city of Lewiston is in the second largest population center of Maine and has itself been the victim of the declining fortunes in the poultry industry. For 25 years, it was the home of Hillcrest Foods Inc., a poultry processing plant that once processed 110,000 broiler chickens a day and employed upward of 700 people. It was the city's fourth largest employer.

Adverse conditions forced Hillcrest to close its doors on May 29, 1981, throwing 268 employees out of work and putting about 50 chicken growers out of business.

But those chicken growers were undeterred, however. They proceeded to form a cooperative last summer with the intention of buying the plant and its remaining equipment. They received help from the Maine Department of Agriculture, from the Lewiston-Auburn Economic Growth Council which assisted in investigating sources of financing for the plan, and from the city.

Subsequently, Charles Auger came forward with plans to reopen the plant. He is former president of a poultry processing plant in Maine and president of Corbett Egg Farms. He worked closely with city officials and had the winning proposal for revitalizing the poultry operation.

The end result of these efforts was the recent submission of an Urban Development Action Grant application, requesting $500,000 in Federal grant funds. The aim of the proposal is to redevelop the Hillcrest operation by means of a $3.64 million investment package to permit Food Processors of Maine, Inc., and Farm Marketing Systems of Maine, Inc., both owned by Mr. Auger, to acquire the fixed assets of the bankrupt company. Total private investment associated with the project would equal $2.75 million.

If approved, the application would generate new property tax revenue, 124 new production jobs by the second year of operation, and activation of 40 area poultry farms dependent on the processing industry for their livelihood.

As officials at the Department of Housing and Urban Development (HUD) began their intensive review of the proposal earlier this month, I learned that the National Broiler Council was in touch with the agency to oppose the application and that several Members of Congress from Southern States were doing the same.

Mr. President, I find this intervention, on the part of both the industry association and other Members of Congress, unfortunate. It is unfortunate because of the efforts being made by the private sector in Maine to revitalize a small part of the broiler industry, mostly with the aid of private funds. Second, there is ample precedent for the Federal financial support of bankrupt companies under the UDAG program. The program itself was designed to help severely distressed cities whose local economies are stagnating. And finally, there is an interregional dispute at stake, where one region of the country is attempting to keep another down. I strongly disapprove of such behavior. Substantial disparities already exist between the Frost Belt and the Sun Belt. Such efforts to exacerbate the differences and stifle competition cannot be condoned.

Mr. President, I want to conclude my remarks by commending local officials in Lewiston and all of the individuals in the private sector and in government agencies who worked to put together a viable redevelopment package for Hillcrest Poultry. The application will now have to be held over by HUD for another round of competition so the city and interested parties can have additional time to put the financial commitments in proper form. I sincerely hope they will be successful in their effort to secure Federal funds and will not be further impeded by outside interference.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

89-059 O-86-22 (Pt. 11)

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982—CONFERENCE REPORT

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

The House recedes and concurs with an amendment to Senate amendment No. 62, an amendment in disagreement to the conference on H.R. 5922.

The pending amendment in disagreement is as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 62 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 217A. (a) The last sentence of section 162(a) of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by inserting ", but amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of $3,000" after "home".

(b) Paragraph (4) of section 280A(f) of such Code (relating to coordination with section 162(a)(2)) is amended to read as follows:

"(4) COORDINATION WITH SECTION 162(a)(2).—Nothing in this section shall be construed to disallow any deduction allowable under section 162(a)(2) (or any deduction which meets the tests of section 162(a)(2) but it allowable under another provision of this title) by reason of the taxpayer's being away from home in the pursuit of a trade or business (other than the trade or business of renting dwelling units).".

(c) Subsection (a) of section 139 of the Act of October 1, 1981 (95 Stat. 967), is hereby repealed.

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 217B. (a)(1) Except as provided by paragraph (2), no Member may, in any calendar year beginning after December 31, 1981, have outside earned income attributable to such calendar year which is in excess of 30 per centum of the aggregate salary as a Member paid to the Member during such calendar year.

(2) In the case of any individual who becomes a Member during any calendar year beginning after December 31, 1981, such Member may not have outside earned income attributable to the portion of that calendar year which occurs after such individual becomes a Member which is in excess of 30 per centum of the aggregate salary as a Member paid to the Member during such calendar year.

(b) For purposes of subsection (a), honoraria shall be attributable to the calendar year in which payment is received.

(c) For the purposes of this section—

(1) "Member" means a United States Senator, a Representative in Congress, a Delegate to Congress, or the Resident Commissioner from Puerto Rico;

(2) "honorarium" means a payment of money or any thing of value to a Member for an appearance, speech, or article, by the Member; but there shall not be taken into account for purposes of this paragraph any actual and necessary travel expenses incurred by the Member to the extent that such expenses are paid or reimbursed by any other person, and the amount otherwise determined shall be reduced by the amount of any such expenses to the extent that they are not paid or reimbursed;

(3) "travel expenses" means, with respect to a Member, the cost of transportation, and the cost of lodging and meals while away from his residence or the greater Washington, District of Columbia, metropolitan area; and

(4) "outside earned income" means, with respect to a Member, wages, salaries, professional fees, honorariums, and other amounts (other than copyright royalties) received or to be received as compensation for personal services actually rendered but does not include—

(A) the salary of such Member as a Member;

(B) any compensation derived by such Member for personal services actually rendered prior to the effective date of this section or becoming such a Member, whichever occurs later;

(C) any amount paid by, or on behalf of, a Member to a tax-qualified pension, profit-sharing, or stock bonus plan and received by such Member from such a plan; and

(D) in the case of a Member engaged in a trade or business in which the Member or his family holds a controlling interest and in which both personal services and capital are income-producing factors, any amount received by such Member so long as the personal services actually rendered by the Member in the trade or business do not generate a significant amount of income.

Outside earned income shall be determined without regard to any community property law.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, I commend the action of the conferees on the Polish debt amendment to the urgent supplemental appropriations bill. The language in this conference report would require a declaration of Polish default unless the President certifies that such a declaration would not be in our national interest. The President would be required to submit a monthly written report to Congress each time the default option is not used, and this requirement would remain in effect until the end of fiscal year 1982.

By including this language in the conference report, Congress has decided to stand up for the people of Poland, to focus national attention on the issue of the Polish debt, and to require a monthly reevaluation of the U.S. response to martial law in Poland. President Reagan would be given discretion over when the default declaration is to be made, and it is my hope and expectation that he will soon decide to declare Poland in default on its debts to the United States.

Poland is bankrupt—it cannot make even the interest payments it owes to the United States this year—and unless new loans are made, default is inevitable. The question is who will declare the default—Poland or the West. Up until now, our allies have been unwilling to even discuss Polish default, and they have been cool to a proposed limit on future credits to the Soviet Union. It is time for the United States to take the initiative on the issue of Polish default. It is time to lead instead of follow.

Mr. MATTINGLY. Mr. President, I am opposed to the conference report on H.R. 5922, the urgent supplemental appropriations bill. I have urged the President to veto it when it reaches his desk. I am fairly confident that he will do so and then I will vote to support the President's veto if this body attempts to override it.

My reason for opposing this piece of legislation is uncomplicated—our current economic distress with its stubbornly high interest rates and deeply troubling unemployment figures, has been caused by excessive Federal spending. And this bill is more of the same. It would be folly to think that we can solve our economic ailments by following the same course of action that brought on the disease.

This bill is 6.4 billion tax dollars over the President's request, including $3 billion in a bailout provision for the housing industry.

Where is all this money going to come from? Is there going to be a tax increase to cover the cost? Is everyone who plans on voting for this measure prepared to face the voters and tell them that we need a $3 billion tax increase to pay for it?

Is the Federal Reserve going to inflate the money supply and print the $3 billion? Not according to Federal Reserve Board Chairman Paul Volcker.

So, presumably, the Federal Government will move more deeply into the credit markets—the same markets where interest rates already hover at over 16 percent precisely because Washington has been absorbing an enormous amount of the available credit in order to finance its huge deficits.

High interest rates are the symptom of a larger problem, Mr. President, and that problem is Federal spending.

If the infusion of taxpayers money into a struggling industry is a surefire way of ending its difficulties, then why stop at housing? Why not extend similar aid to agriculture, automobiles, steel, and everyone of the thousands of areas hurt by the recession?

If Federal spending was the answer, Mr. President, we should be in an economic Shangri-la by now because Congress has done nothing but spend the taxpayers money for the past 20 years.

We are just beginning to see some optimism in the economy. Housing starts rose 22 percent in May and climbed above the 1 million unit annual level for the first time in 10 months. Building permits increased in May for the third straight month and housing starts have risen 27 percent from last October's figures.

Inflation has moderated over the past year, labor-management contract negotiations have taken on a conciliatory tone with each side recognizing the other's difficulties, and we just might be able to salvage something from the first budget resolution.

All that will be undone if this bill becomes law.

We have all been hearing the talk lately about the need for Congress and the President to send a signal to the financial market about the need to let the money people know that we in Washington are serious in our stated intention to get Federal spending under control.

Well, this bill sends a signal, all right. A clear, unmistakable signal that we are about to return to business as usual. That we are returning to the old tax-and-tax, spend-and-spend way of doing things. There would be no better way to choke off our economic recovery.

As any addict must do, Congress must recognize its addiction to spending money, the taxpayers money. Then a cure can begin.

Look at the bill before us. Several weeks ago, the President sent us a request for $4.5 billion in new budget authority and a request to rescind $7.7 billion. So he was seeking a net reduction in Federal spending authority of $3.2 billion.

What are we sending back to him? A bill that contains close to $9 billion in new budget authority and $5.7 billion in rescissions for a net increase of $3.2 billion in spending authority. That represents an incredible $6.4 billion over the President's request.

It is time to say no, Mr. President. No to Federal spending. No to Federal bail outs. And most emphatically, no to this bill.

● Mr. SYMMS. Mr. President, I rise in strong opposition to the measure that is being considered.

In my opinion it is wrong that we should even be considering passing a supplemental appropriations bill at this time. Our economy is already falling under the weight of uncontrollable Government spending and here we are adding to that burden.

Congress is supposed to pass one appropriations bill each year, appropriating moneys for the various programs that have been authorized. Since I came to Congress in 1973, the practice of enacting inadequate appropriations bills and then passing, throughout the year, very large supplemental appropriations bills has grown out of control. Somehow, we think that we can fool the voters, the markets, the investors, and the general taxpaying public that we are controlling spending. That notion lends credibility to the phrase that "Washington is 8 square miles surrounded by reality." The fact of the matter is, is that we are not fooling anybody except ourselves. Spending simply has to be controlled, and this practice of continually feeding Government's voracious appetite needs to be terminated.

I know that many of you believe that you can blame all of our economic troubles on the tax bill that was passed last summer. However, if this situation is carefully examined, all of the facts clearly indicate that it is not the tax bill that is causing our problems, it is the fact that we have not controlled spending.

Unemployment has reached a postwar high. Corporate profits are down substantially and many companies both large and small are in trouble. Business and personal bankruptcies are increasing. Interest rates remain at unacceptably high levels. Public and private debt will keep them that way unless the Government reduces its budget over the long term and the private sector pays on its debts. The economy cannot afford another supplemental appropriations bill. The most important domestic social program, the most important foreign policy initiative, the most important national security effort we can undertake is to get our economy back on the track again.

The economy will only be able to recover if our long-term capital markets are restored. Long-term capital markets are essential to a capitalist economy and those markets will not be restored until investors can determine that Congress is committed to controlling spending over the long term. The markets must see a real decline in Government spending. Dubious reductions, through such things as overestimating management savings or tax receipts, or by shifting costs between sectors, are not the answer. Tough program reductions on an across-the-board basis are what is needed. Those program reductions should begin right now with the Senate's decision not to implement this supplemental appropriations bill or any other that might be considered in the future.

The private sector is being strangled by the excesses of this Congress. The blame for our current economic woes rests squarely on the shoulders of those who refuse to perform the job they were elected to do—and that is be responsible public leaders who are concerned about the welfare of our entire society, rather than specific interest groups who try to lay claim to an unfair and unearned share of our economy.●

CONGRESSIONAL TAX DEDUCTIONS AND OUTSIDE EARNINGS

Mr. DECONCINI. Mr. President, amendment No. 62 repeals the special congressional tax deduction and, as amended by the House, reimposes a limit on outside earnings in the Senate. I believe we should adopt the amendment without further delay and I want to take a few moments to outline the argument for doing so.

First, my position on the special tax deduction for congressional away-from-home expenses is well known. It is at best a backdoor pay raise; at worst, it is a loophole available to no other class of American taxpayers. Seen either way, it is just plain wrong. That is why I introduced legislation repealing it and was pleased to cosponsor the Proxmire amendment which put the repealer on the Urgent Supplemental. That is what is really at stake here, Mr. President. Shall we eliminate this special congressional tax break or not? I say we should.

Second, the House amendment is not unreasonable. Indeed, it does what the Senate should have done on its own initiative—sets a ceiling on how much Senators will be allowed to earn for speeches, articles, and other services beyond but not unrelated to their official duties. Prior to the spate of self-serving amendments enacted last year, the Senate had set a ceiling on such "honoraria" and, their earnings, at $25,000 per annum. The House amendment would put the cap at 30 percent of official salary or something more than $18,000 per annum. Either provides a generous supplement to a Member's ordinary income which is, it should be recalled, roughly three times that of the average family of four in this country.

However one judges the adequacy of congressional remuneration, Mr. President, there are even more compelling reasons for restraint on outside earnings. Citizens do not elect Representatives and Senators in the expectation that they will spend a substantial part of their time moonlighting to augment what most would regard as an already generous compensation package. I dare say most of our constituents are under the impression that we hold full-time jobs. Furthermore, in most instances, the activities for which honoraria and similar fees are paid relate directly to the duties of office. To the extent that they do, there is legitimate ground for concern that what should be a public trust is being exploited for purely private gain. How many of us, after all, would be invited to address organizations and associations or submit articles for publication were we private citizens and what would we be paid for doing so?

There is a darker, more insidious side to this relationship as well. It is not accidental that many of the

groups that are most willing, not to say eager, to pay so handsomely for our services as speakers and writers also have a well-defined legislative agenda. Under such circumstances, one might expect that the members and chairman of a committee would have more opportunities than chance would predict to supplement their salaries from groups with an interest in issues within its jurisdiction. One would not be disappointed.

In the vast majority of cases, of course, no impropriety is involved in this relationship; it simply reflects the influence of common policy concerns and of the substantive expertise the committee system is intended to foster. Nonetheless, appearances, as we all know, can be more important in politics and governance than reality. The effective functioning of governmental institutions in a democratic order presupposes popular confidence in their fundamental fairness and integrity. Absent this, the hard choices required in coping sensibly with the problems we face as a nation—and God knows how serious they are and they are getting worse every day—are impossible. The Congress, if the polls are right, is already in something of a bad odor with the American public. To risk further damage to our representative institutions by insisting on the "right" to unlimited moonlighting is a high price to pay to continue what amounts to a kind of supplemental security income for Senators. Therefore, a no vote on the Hatfield motion to disagree with the House is the right vote. It says clearly that special tax privileges for Members of Congress are not acceptable.

AMENDMENT TO THE SUPPLEMENTAL TO REINSTATE A CAP ON OUTSIDE EARNED INCOME

Mr. MITCHELL. Mr. President, I rise in support of the amendment to the emergency supplemental appropriations bill to place a limit on a Member's outside earned income.

In 1976, Congress enacted the Federal Election Campaign Act. Among other things, the act placed a $25,000 cap on the amount of money Senators could earn by giving speeches. The purpose of this cap was to insure that Senators devoted sufficient time to their official duties in Washington.

In September of last year, the Senate adopted an amendment to the continuing appropriations bill to repeal the $25,000 cap on outside earned income. I strenuously opposed that amendment because, in my mind, it was nothing more that a back-door attempt to raise Senators' salaries without going through the politically painful act of voting on a salary increase. At a time when spending on social programs in this country was being slashed, I believe the amendment was inappropriate and ill timed.

The amendment under consideration would place a cap on the amount of outside earned income a Member of Congress may receive of 30 percent of congressional salary, or $18,200. I support this amendment.

Since coming to the Senate, I have consistently opposed both direct and indirect efforts to increase the salaries of Members of Congress. In 1980, I voted against an amendment to increase Members' salaries by $10,000. Last year I opposed the repeal of the $3,000 limit on tax deductions Members of Congress may take for living expenses. I am pleased that the emergency supplemental before us reinstates the $3,000 limit on tax deductions.

There is no doubt that Washington is an expensive city in which to live. There is no doubt that it is expensive to maintain two homes, one in a Member's home State and another in the District of Columbia.

In the final analysis, we must ask ourselves the following question: Have we been so effective at getting Federal spending under control that we can grant ourselves a back-door pay raise? I think not.

We have an opportunity today to send the American people an important signal. Let us tell the American people that yes, we made a mistake when we voted to repeal the cap on honoraria last September. Let us tell the American people that we are willing to share in the national sacrifice to bring spending under control. Let us vote to reinstate the cap on outside earned income.

● Mr. MATTINGLY. Mr. President, I am going to vote in favor of the motion to disagree with the House on amendment No. 62 and I hope that the Senate will send the bill back to the House with the Fazio provision deleted and the $3,000 limitation on tax deductions for Members in place.

I am not completely satisfied with that particular resolution of the matter, preferring as I do to have each Member of Congress treated by the Internal Revenue Service just like any other taxpayer instead of placing ourselves in a special category with a ceiling on deductions.

I continue to believe that the American people, our constituents, not the IRS and not the Congress, are the best judges of what is and what is not appropriate behavior within the tax laws.

The entire matter of Members salaries, pay raises, tax breaks, and the like should be handled by the committee process, receiving a thorough examination and airing at each step during the process, up to and including debate on the Senate floor. By continuing to attach amendments dealing with these sensitive issues to any vehicle that comes along—sometimes late at night—we continue to heighten the belief of the public that we are engaging in some shoddy, underhanded dealing that would not stand up to close scrutiny in the light of day.

The Senate has a provision in its rule 36 that will limit the outside earned income of its Members to 15 percent of the Senators salary beginning on January 1, 1983. The Fazio provision would place a cap of 30 percent of such income and I prefer the Senate version.

I urge a yea vote on the motion to disagree.●

(The following proceedings occurred during Mr. SPECTER's address and are printed at this point in the RECORD by unanimous consent.)

Mr. HATFIELD. Mr. President, I move that the Senate disagree to the House amendment to Senate amendment numbered 62.

The PRESIDING OFFICER. Under the previous order, there will be a vote on that motion at 2 p.m.

Mr. HATFIELD. I wanted to get the motion before the body at this time and that is the motion I make at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

[Conclusion of transferred material.]

ORDER OF PROCEDURE

Mr. SPECTER Mr. President, I ask unanimous consent to proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2658—A BILL TO AMEND TITLE 18, UNITED STATES CODE, TO DELIMIT THE INSANITY DEFENSE

Mr. SPECTER. Mr. President, I send to the desk a bill providing for amendment of the United States Code with respect to the issue of the insanity defense, providing that:

(a) It shall be an affirmative defense to a prosecution under any Federal statute that the defendant, as a result of a mental disease, did not know the nature and quality of his actions or did not know the wrongfulness of his actions at the time he committed the acts otherwise constituting the offense.

(b) The defendant has the burden of proving by clear and convincing evidence the defense of insanity.

(c) Expert witnesses shall not be permitted to offer opinions on the ultimate legal issues presented to the trier of fact.

This bill is introduced in response to the verdict in the Hinckley case last night, which has caused such public and private outrage in this country, and perhaps the world. My own consideration of the issue of the insanity defense has spanned the past 20 years in my work as an assistant district attorney, as district attorney for Philadelphia, and more recently on the Judiciary Committee which has considered in the Criminal Code Reform Act

of 1981 the subject of the insanity defense.

This morning is an appropriate occasion for the introduction of this bill in the wake of the tremendous concern generated by the verdict in the case of the United States against Hinckley. In my judgment, it is important for the public to know at the earliest possible moment that the law is not powerless to act in response to the outrageous verdict of acquittal which was rendered in the Hinckley case where, in my judgment, there was a misunderstanding of the law on insanity and tremendous confusion engendered by a superabundance of psychiatric evidence, which was not capable of being distilled in a practical sense, so that an inappropriate result was reached.

There has already been public outcry noting that the acquittal of the defendant Hinckley was occasioned by the fact that he was wealthy and had high-priced legal talent. I share that sense of outrage from my experience as a prosecuting attorney. I have already had calls from the media asking about the effect of the decision, about the legal standards used, and have had discussions with colleagues in the Senate about the inappropriateness of the verdict and the issue of what can be done to learn from the mistakes of this case, to correct the application of the insanity defense.

If the defense of insanity is permitted to be applied as it was by the jury in the Hinckley case, then every public official and every citizen and every person is a sitting target for acts of violence without redress, where the violent actor can simply contend that he was not responsible for what he did.

The question of responsibility was succinctly summarized in a dialog between Dr. Karl Menninger, a noted psychiatrist, and a trial judge, wherein the judge put to Dr. Menninger, this question, referring to a criminal defendant:

If he is not responsible, then technically he is not guilty.

Dr. MENNINGER. Your Honor, responsible is another one of these functionally undefined words.

The JUDGE. But your colleagues have often testified in this court that in their opinion a certain prisoner was or was not responsible.

Dr. MENNINGER. Yes, Your Honor, because the word responsible is in everyday use. But this use is different from the legal use, as you well know, and that fact is not always clear to your witnesses.

That exchange between a judge and a noted psychiatrist underscores the impracticality of the psychiatric response to the question who is responsible. If the Hinckley rule is permitted to stand, then no defendant, no violent actor, is responsible for his conduct.

Mr. President, I submit that it is high time that the Congress of the United States address the issue of the insanity defense. It is important to note that at no time has the Congress done so, up until this date. The verdict in the Hinckley case, which involves a Federal issue of the highest magnitude, the attempted assassination of the President of the United States, is an obvious occasion for addressing this issue. Realistically, the issue should have long since been addressed by the Congress. It should not have been left to develop through the legal process simply from court decisions, with the very heavy academic input and very heavy medical and psychiatric overlay they contain and without some analysis and action by the Congress agreeing or disagreeing with the judicial tests that have come into play. Let the occasion of the violent attack on President Reagan and the unconscionable verdict of the Hinckley case be the event by which we can profit from our prior mistakes.

The literature in the field abundantly demonstrates the impracticality of reliance on psychiatric evidence in an unfettered way in ruling on the question of insanity as the basis for acquittal in criminal prosecutions.

In testimony before the Royal Commission on Capital Punishment, the Director of Public Prosecutions stated that—

A volitional standard. . . ceased to be one to which objective tests could readily be applied and became a matter of metaphysical speculation which presented an impossible problem to the Judge and jury.

The reference to a "metaphysical speculation" and "an impossible problem" underscores the difficulty that a jury has in coming to a conclusion on the issue of criminal insanity.

The concluding portions of the exchange between Dr. Menninger and the trial judge further illustrate the impossibility of applying the current standard. Dr. Menninger continued in their exchange by saying to the judge:

What you want to know, I suppose, is whether this man is capable of living with the rest of us and refraining from his propensity to injure us. You want to know whether he is dangerous, whether he can be treated and cured—whether we must arrange to detain him in protective custody indefinitely.

The JUDGE. Exactly. This is indeed what the court would like to know. But it seems we do not know how to communicate with one another, and our laws do not permit us to ask you. How, I beg of you, may I obtain direct, nonevasive answers to precisely these questions?

Dr. MENNINGER. Your Honor, by asking for them. As you say yourself, you are not permitted by precedent and custom to do so.

That exchange further illustrates the practical impossibility of applying the prevailing Federal standards for sanity or insanity as a basis for determining legal responsibility.

The report of the Committee on the Judiciary accompanying S. 1630, the Criminal Code Reform Act of 1981, notes at page 98:

The control tests and volitional standards thus acutely raise the problem of what is meant by lack of power to avoid conduct or to conform to the requirements of law which leads to the most fundamental objection to the control tests—their lack of determinate meaning.

It is the absence of a determinate meaning, as noted in the report of the Committee on the Judiciary, which underscores again the gravity of coming to any practical test from the existing standards.

The same report continues on page 99:

Durham suggested—

That is, the case of Durham against United States—

that the notion involved in a determination of responsibility was freedom of will. But it is in significant part the difficulty of ascribing operational meaning to concepts of volitional freedom which make it a nebulous, if not impossible, criterion to litigate.

Those words once again demonstrate the impossibility of applying newly developed standards. They are nebulous and difficult, if not impossible, to litigate.

There has been a practical or commonsense rejection of excusing conduct for reasons given by Hinckley's psychiatrist. If the standards as applied in the Hinckley case are a basis for an exoneration and an acquittal, then it is impossible for a court of law, in the context of a criminal prosecution, to hold the defendant responsible for conduct for which the defendant ought to be held responsible.

There is an excellent analysis of the background of the insanity defense appearing in the June 20, 1982, edition of the Washington Post, the day before yesterday. It deals with this issue of the practical or commonsense rejection of excusing conduct for reasons such as those given by Hinckley's psychiatrists.

It is noted that in 1760, an English Solicitor General said:

My Lords, in some sense, every crime proceeds from insanity. All cruelty, all brutality, all revenge, all injustice is insanity. There were philosophers, in ancient times, who held to this opinion.

So that by one standard, it might be said that a person who engages in criminal conduct is necessarily insane, which would, of course, excuse all criminal conduct.

The Post article cogently quotes Aristotle: "What lies in our powers to do, lies in our powers not to do." This points to the commonsense criterion that men and women should be responsbile for what they do, because if they have the power to act, they similarly should have the power not to act. That, of course, is subject to some limitations, but not to the broad range of excuses illustrated by the Hinckley verdict.

In discussing the psychiatric defenses of psychosis and schizophrenia,

the Post article makes this observation:

Schizophrenics have served effectively as Senators, judges, heads of major institutions, presidents of schools, distinguished surgeons, psychiatrists and, in all probability, if the grapevine is reliable, president of the United States.

If that obsevation is accurate, and there is good reason to believe that it is, what excuse can there be for a schizophrenic to be exonerated from criminal liability when he has murdered another or caused the homicide of another or attempted the assassination of a President?

What then, should the standard be? Or should there be any standard for the defense of insanity? Some have urged that there should not be a defense of insanity at all. In my judgment, based upon experience as a prosecuting attorney and having reviewed the literature in the field, I believe that it is necessary to have a defense of insanity.

As the Model Penal Code commentary illustrates, at least one proper subject of insanity would be posed by the example of a madman who believes that he is squeezing lemons when he is actually choking his wife. Conduct which is also illustrative of a situation where there should not be responsibility exists when the actor does not know or understand the nature of his act, where freedom of choice is absent, such as the unconscious act of a sleepwalker or the act of someone who is being seized by an epileptic fit.

The appropriate standard, in my judgment, for the defense of insanity should be a combination of the tested M'Naghten rule, which holds a person liable when he knows the nature and quality of his actions combined with a limited application of the defense where there is mental disease present. That is a standard which is embodied in the bill which I have sent to the desk. It would provide for the affirmative defense where the defendant, as a result of mental disease, did not know the nature and quality of his actions or did not know the wrongfulness of his actions at the time he committed his acts otherwise constituting the defense.

The McNaghten rule, which was long the standard for insanity, essentially turned on whether the actor knew right from wrong. That is a much more commonsense test that a jury can understand in much more practical terms. Because of the limitations of that test, I propose as an additional ingredient the reference to the "result of a mental disease." That would impose a substantially higher standard than is present under the contemporary ALI, Model Penal Code test, adopted in this and other Federal circuits, which provides:

A person is not responsible for criminal conduct if at the time of such conduct as a result of mental disease or defect he lacks substantial capacity to appreciate the criminality of his conduct or to conform to the requirements of law.

In the Hinckley case, as reported in the media, the jurors were convinced that there was some sort of a mental disorder. The ALI language uses the concept of "mental defect." The bill which I have sent to the desk would limit the standard to what is a "mental disease" in an effort to limit the scope of what kind of a standard would excuse otherwise criminal conduct.

The second portion of the bill which I have submitted would provide that the defendant has the burden of proving the defense of insanity by "clear and convincing evidence." During the course of the Hinckley trial, the issue arose whether the defendant or the prosecution had the burden of proving insanity or sanity. The District of Columbia Code enacted in 1970 by the Congress of the United States provides that the defendant has the burden of proving that he is insane. The trial judge in Hinckley rejected that standard and instead imposed upon the prosecution the burden of proving beyond a reasonable doubt that the defendant was sane. As noted in this morning's Post, the issue of burden of proof appeared to have been decisive in this case.

That inference arises not only from the report of the juror, who commented that, "There was not enough evidence that he was sane," but also by the length of deliberations. It is also a reasonable inference from the complex psychiatric evidence which was provided, which most likely left the jury in a state of confusion and unable to draw a clearcut inference from the evidence. The evidence may well have been in equipoise; the evidence may well have been simply not understood. Thus, the burden of proof was not found to have been met. In such a context, the instruction on the burden of proof would be very important. When the trial judge instructed the jury that the prosecution had the burden of proof beyond a reasonable doubt, a very high standard, that may well have been determinative in this case.

The bill provides not only that the defendant has the burden of proof, but the standard has been chosen so that the burden must be met by "clear and convincing evidence" of insanity. That is a higher burden than "preponderance of the evidence." It is not as high a burden as "proof beyond a reasonable doubt," but I submit an appropriate standard for the defendant to bear in a case where he seeks to avoid criminal responsibility.

The third part of the bill provides that expert witnesses shall not be permitted to offer opinions on the ultimate legal issues presented to the trier of fact. This provision addresses a phase of the law of evidence where, in many situations, as a matter of common law, expert witnesses are not permitted to testify to the ultimate issue where that issue is susceptible to being concluded by the jury without such expert testimony. In a case like the Hinckley case, where there are numerous witnesses lined up on both sides and those expert witnesses are permitted to give psychiatric evidence and then to offer an opinion on the ultimate question: to wit, that the defendant was criminally insane, it is my submission that they usurp the function of the jury and also tend to confuse the jury. It would be a much better evidentiary rule to limit the psychiatric evidence to their findings on observations and conclusions, including opinions as to what they find as to the defendant himself, but not to go the step beyond to make the ultimate conclusion on the underlying issue of fact presented to the jury as to whether or not the defendant is criminally insane.

Mr. President, in making the submission of this bill with promptness after the verdict in the Hinckley case, I think it is important that the Senate proceed to hearings on the issues which are raised within the context of this bill, which parallel the critical issues in the Hinckley case on the three aspects of standard of insanity, burden of proof, and scope as to where expert witnesses may be permitted to testify.

The public respect for law is a subject of much analysis and much discussion in this country. A great deal has been written and said on this subject because of the development in the course of the past 25 years of a body of technical law which has resulted in frequent acquittals of the guilty in order to protect constitutional rights.

The Hinckley case, which has been much-heralded worldwide because it involved the attempted assassination of the President of the United States, again calls into question the appropriateness of rules of evidence and standards of conduct as they are applied in criminal cases. It is my suggestion that we should move promptly to hearings and to a determination to show the public that law is not helpless to correct obvious inequities which result in the trial of criminal cases.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2658

Chapter 1 of title 18, United States Code, is amended by adding at the end thereof the following:

Section 16. Insanity defense.

(a) It shall be an affirmative defense to a prosecution under any Federal statute that the defendant, as a result of a mental disease, did not know the nature and quality of his actions or did not know the wrongfulness of his actions at the time he committed the acts otherwise constituting the offense.

(b) The defendant has the burden of proving by clear and convincing evidence the defense of insanity.

(c) Expert witnesses shall not be permitted to offer opinions on the ultimate legal issues presented to the trier of fact.

(During the remarks of Mr. SPECTER the commencement of the midday recess was extended by 5 minutes.)

Mr. PROXMIRE. Mr. President, will the Senator yield 30 seconds?

Mr. SPECTER. I do.

Mr. PROXMIRE. I commend the distinguished Senator from Pennsylvania. I have been sitting here most of the morning, and I have heard a lot of speeches on this Hinckley matter. I must say I am tremendously impressed by what the Senator from Pennsylvania has told us. I am glad I was on the floor to hear his remarks. They are, I think, very wise and very thoughtful. They come from a person who has served as a prosecuting attorney and who understands these issues very well.

For the first time in my life it has been called to my attention that in 200 years Congress has never dealt with this issue before.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. PROXMIRE. I ask unanimous consent for 1 more minute.

The PRESIDING OFFICER. One more minute.

Mr. PROXMIRE. Also, I think there is a very interesting kind of graveyard humor element here in that people afflicted with schizophrenia have occupied high offices and have had great responsibility and authority in this country before and yet that is a defense against committing a crime.

At any rate, I commend my good friend from Pennsylvania on what I think was a superlative analysis. I once again thank him for it because I appreciated it and learned a great deal from his remarks.

Mr. SPECTER. Mr. President, I thank the distinguished Senator from Wisconsin for those very kind remarks.

I ask unanimous consent that Senator RUDMAN be added as an original cosponsor of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2 p.m.

Thereupon, at 12:06 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SIMPSON).

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982—CONFERENCE REPORT

The Senate resumed consideration of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to disagree. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. ABDNOR) and the Senator from Minnesota (Mr. DURENBERGER) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. BRADY) is absent to attend a funeral.

Mr. CRANSTON. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and the Senator from Nevada (Mr. CANNON) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 41, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—54

Andrews	Glenn	Mattingly
Armstrong	Goldwater	McClure
Baker	Gorton	Murkowski
Baucus	Hart	Nunn
Biden	Hatch	Packwood
Boschwitz	Hatfield	Percy
Bumpers	Hayakawa	Pryor
Chafee	Heinz	Quayle
Cochran	Hollings	Roth
Cohen	Huddleston	Rudman
Cranston	Humphrey	Specter
D'Amato	Inouye	Stafford
Denton	Jepsen	Stennis
Dixon	Johnston	Stevens
Dodd	Kassebaum	Symms
Dole	Laxalt	Thurmond
Domenici	Lugar	Tower
Garn	Mathias	Tsongas

NAYS—41

Bentsen	Heflin	Pell
Boren	Helms	Pressler
Bradley	Jackson	Proxmire
Burdick	Kasten	Randolph
Byrd, Robert C.	Kennedy	Riegle
Chiles	Leahy	Sarbanes
Danforth	Levin	Sasser
DeConcini	Long	Schmitt
Eagleton	Matsunaga	Simpson
East	Melcher	Wallop
Exon	Metzenbaum	Warner
Ford	Mitchell	Weicker
Grassley	Moynihan	Zorinsky
Hawkins	Nickles	

NOT VOTING—5

Abdnor	Byrd, Harry F., Jr.	Cannon
Brady		Durenberger

So the motion that the Senate disagree to the House amendment to Senate amendment No. 62 was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. BAKER. Mr. President, that concludes action on the conference report on the supplemental, does it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, it is my impression that the conference report on the budget resolution, which has now passed the other body, will arrive here within the next 30 minutes. If that message does reach us from the House of Representatives in the next hour or there about, it would be my hope and expectation that we would proceed to the consideration of that measure as soon as possible.

In the meantime, there may be other matters we can take up that will require only a short time, and I will confer with the minority leader and others to see if we may do that.

I congratulate the managers of the conference report for their expeditious handling of the matter that has just been completed. I am grateful, and I am sure the Senate is.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, what does the distinguished majority leader see insofar as the program is concerned for tomorrow and Thursday, and, if possible for him to look into next week, what would he expect next week?

Along with that, I assume that the President may veto the supplemental appropriations bill because of the housing provision. Does the distinguished majority leader have any word on this, so that we will know what to anticipate?

Mr. BAKER. I thank the minority leader.

Mr. President, in answer to the minority leader's last question first, I do not have any official word from the President. I discussed this matter with him this morning. It is my impression that he will veto the bill when it reaches his desk, but he has not told me that.

I also observe that the House must act first, if there is a veto message. According to some accounts I hear from the other side of the Capitol, they may send us a new bill instead.

In any event, I expect us to take some further action on an urgent supplemental appropriations bill as soon as it is available and as soon as we can deal with it, and I hope it will not be a prolonged debate.

As to this week, Mr. President, I may say that we are making good progress—I would say excellent progress—and if we can bring up the

budget resolution conference report this afternoon, and if we make similar good progress on that, I think there is a real possibility that by staying late Thursday night, perhaps we could avoid a Friday session this week. I should like to do that.

The House of Representatives will not be in session next week. Their Fourth of July break begins, I believe, at the close of business on Friday of this week or Thursday. I would not be prepared to ask the Senate to follow the example of the House. We have many, many matters that must be dealt with.

What I should like to do, if it is possible to arrange, and if we continue to make good progress, is to go out at the close of business on Thursday and come back—after a pro forma session on Friday—on Tuesday next, and to have a full legislative agenda for Tuesday, Wednesday, and Thursday of next week, with the hope, once again, that on Thursday evening or during the day Thursday, if we could complete the necessary agenda of legislative action that is required of us, we could go out on July 1 instead of July 2.

The things that remain to be done between now and then, of course, are the disposition of the supplemental, to which I have already referred, and action on the budget conference report, as I have suggested.

I should like to take up a debt limit bill. It is my understanding that if the Senate adopts the budget resolution conference report, as I hope it will, the Clerk of the House, under the House procedures, would then enroll and transmit to the Senate two House messages—first, a debt limit increase that would extend through September 30, 1982, and another that would extend to September 30, 1983.

If those messages are received in the Senate, it would be my hope that we could take up the shorter of those two before we go out for the Fourth of July break and pass it without amendment.

It is also my intention, as I have announced, to call up or attempt to call up the constitutional amendment on the balanced budget. But if we move in the way I have described, I think it would be better to call up the balanced budget amendment at the end of next week or at the very beginning of our return on July 12 and to debate it prior to proceeding to the consideration of the second and longer debt limit increase.

It would be my intention to turn to the second debt limit bill sometime during the summer and as soon after the Fourth of July recess as possible and to deal with the constitutional amendment proposal prior to doing so.

Mr. MOYNIHAN. Mr. President, might we have order?

The PRESIDING OFFICER. The Senator from New York is correct. May we please have order in the Chamber.

Mr. BAKER. Mr. President, to recap, in order to meet the schedule that I hope for; that is to say, to go out at the close of business on Thursday this week, to return Tuesday, Wednesday, and Thursday of next week and to go out on July 1 and to return on July 12—we must complete the ultimate action on the urgent supplemental appropriations bill, on the budget resolution conference report, and on, I hope, a debt limit bill, the shorter of the two debt limit bills that will reach us from the House of Representatives.

Mr. ROBERT C. BYRD. I thank the majority leader. I have one final question. So Senators will know what to expect next week on Tuesday, Wednesday, and Thursday, is the majority leader prepared to state there will be rollcall votes on each of those 3 days and, if so, is he prepared now or later during the day to indicate which measures might be called up on Tuesday, Wednesday, and Thursday of next week?

Mr. BAKER. Mr. President, I would expect rollcall votes on Tuesday, Wednesday, and Thursday of next week. The list of items that might be cleared for action are: Perhaps a reclamation bill—and I will confer with the minority leader on all of these items before we try to set the agenda—perhaps the immigration bill, which has been reported from committee. We might go to the bankruptcy reform bill, which is eligible; to the bipartisan crime package, which has been reported by the Judiciary Committee; a jobs training bill, which is on the calendar and is sponsored by the Senator from Indiana and the Senator from Massachusetts (Mr. KENNEDY); and perhaps the military construction authorization bill.

But, once again, I will confer with the minority leader to ascertain which one of these and how many it might be practical to deal with during that period.

But, with that agenda of important measures to deal with, that is one of the principal reasons I feel we cannot take off all of the week next week.

Mr. ROBERT C. BYRD. Was there a deregulation bill included,

Mr. BAKER. No; there was not. But I would be glad to consider one if the Senator wishes me to.

Mr. ROBERT C. BYRD. It is not that I would wish it. I do not mean to give the Senator an impertinent answer, but I merely wanted to be sure whether or not that might be expected.

Mr. BAKER. Let me check that.

Mr. ROBERT C. BYRD. I think I will probably vote against that bill, airline deregulation having taught me a lesson.

Mr. BAKER. Airline deregulation left you and me without much service.

Mr. President, I will check on that.

Mr. CRANSTON. Will the majority leader yield?

Mr. BAKER. I yield to the Senator from California.

The PRESIDING OFFICER. May we have order, please, in the Chamber?

Mr. CRANSTON. Mr. President, it was not quite clear to me whether or not the majority leader intended to bring up the debt limit extension, the short term.

Mr. BAKER. Mr. President, if it can be cleared, and if there is a good probability we can act on it without amendments, I would hope to take up the short debt limit extension yet this week after we complete action on the budget resolution conference report.

Mr. CRANSTON. It would probably be the next item after the budget resolution?

Mr. BAKER. Perhaps; yes. I still have some clarifications to work on my side of the aisle and I suspect on yours, as well. But I would hope to do that before we finish this week.

Mr. ROBERT C. BYRD. Mr. President, if I may address another question to the majority leader. Is it not important that the debt limit extension, certainly the short term, be consummated before we go out this week? Because the House will be leaving this week and if that is amended in any way and it is held over until the House gets back, it is going to create some problems in Government for some people, as I understand it.

Mr. BAKER. The Senator is absolutely correct, Mr. President. I think that it is essential that we have a debt limit extension before we go out this week, not next week, because the House will go on their Fourth of July break beginning at the end of this week, at the close of their session this week. So it is my intention to try very hard to get up the short debt limit extension this week and deal with it before the House goes out.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Secretary of the Senate proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, it is clear that there may be Senators who wish to speak or to transact other routine matters of business. It seems to

me the best thing to do might be to provide a brief period for the transaction of routine morning business. I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not past the hour of 3 p.m. under the same terms and conditions as heretofore provided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Secretary of the Senate proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHIEF JUDGE H. CARL MOULTRIE I

Mr. HOLLINGS. Mr. President, the District of Columbia Judicial Nomination Commission has redesignated H. Carl Moultrie I as chief judge of the Superior Court of the District of Columbia. Judge Moultrie, who is from Charleston, S.C. and is a graduate of Avery Institute, was first appointed to the superior court in 1972, and was sworn in as chief judge on June 22, 1978.

I am pleased that the Commission has reappointed my good friend, Judge Moultrie, for another 4-year term which commences today. It is no wonder that the Commission came to its decision as I have its release, which indicates that all of the letters they received—most of which came from Judge Moultrie's colleagues on the superior court—urged his continuation as chief judge. It is no wonder why Carl enjoys such solid support as he has brought a high level of administrative and management skills to the court that are coupled with an even-handed, fair, and respectful treatment of his associates.

Chief Judge Moultrie has achieved many of the goals he set for his first term, which is highly commendable in this era of unrealized expectations. His great accomplishments are described fully in the Commission's release, and instead of detaining the Senate by detailing them, I ask that it be printed in the RECORD.

The material follows:

DISTRICT OF COLUMBIA JUDICIAL NOMINATION COMMISSION, WASHINGTON, D.C.

On June 12, 1978, this Commission, acting pursuant to its statutory authority, designated then-Associate Judge H. Carl Moultrie I as the Chief Judge of the Superior Court of the District of Columbia. Judge Moultrie was sworn in as Chief Judge on June 22, 1978. His four-year term will expire on June 21, 1982.

In the process of deciding upon which eligible person would be designated as Chief Judge this time, the Commission invited nominations from the Bench, bar and public-at-large. The Commission received numerous letters in response to the invitation. All of the letters urged the redesignation of Chief Judge Moultrie. Most of the letters were from Judge Moultrie's colleagues on the Superior Court.

The comments made by the persons who wrote to the Commission included praise for Judge Moultrie's concern for high level performance; his even-handed, fair and respectful treatment of the Associate Judges; his demonstrated superior administrative and management skills; his energy; imagination and dedication; his ability to interact well with members of the bar and the community on matters of mutual interest; his implementation of innovative programs to assist in the management of the Court's caseload; the long hours he works to carry his load as a Judge in addition to his many administrative duties as Chief Judge; his superb tact and patience; his understanding; his insightful opinions; his skillful handling of budget matters with the executive and legislative branches; and his overall ability to administer, to lead, to guide and to evoke response in performance.

The Commission on its own looked at the record of Chief Judge Moultrie in terms of goals that he set for himself and the Court at the beginning of his term as Chief Judge. Many of those goals have now been achieved. They include, just to name a random sample, the institution of a participatory management system under which Presiding Judges have been selected and utilized; the institution of a court delay reduction project which contributed greatly to the knowledge of the Court's case processing methods and which reduced by one-half the median time for misdemeanor case dispositions; the hiring of a Data Processing Division Director who has established a long-range plan for the most effective use of the Court's data processing machinery; establishment of a Fiduciary Division of the Court; improvements in the Court library; the opening of a Public Information Center; institution of an arbitration system as an alternative disputes resolution; the institutionalizing of the juvenile Screening and Diversion Program and Restitution Program in the continuing effort to improve the Court's juvenile services; establishment of a Mental Retardation Branch, whose small staff aided by approximately 200 volunteer workers has worked hard to bring about improvements in the Court's handling of mental retardation cases; and establishment of a Judge's speaker's bureau under which Judges of the Court give talks to various committees, churches and civic groups. In addition, during his four years as Chief Judge, Judge Moultrie has willingly met with the Judicial Nomination Commission to provide it with reviews and updated reports on his court management program, and with information on new programs and modifications in the operations of existing programs.

In light of his performance, his long list of accomplishments during his first term as Chief Judge, and the apparent uniform respect and praise that he has earned from the Associate Judges of the Court, from Court personnel and from the bar and public, the Commission is well satisfied (1) that Judge Moultrie has demonstrated and continues to possess the ability to lead the Court, to promote a sense of cooperation among the Judges and the Court staff, to promote confidence in the Court and the judicial system, and to provide intellectual leadership to the Court; and (2) that Judge Moultrie has the requisite interest in Court administration as well as the requisite administrative ability and experience to be Chief Judge.

The Commission, therefore, is pleased to announce that it has redesignated Chief Judge Moultrie for another four-year term, and wishes him continued success in the position.

FREDERICK B. ABRAMSON,
Chairperson,
CHARLES T. DUNCAN,
HAROLD H. GREENE,
JOHN W. HECHINGER, SR.

IN COMMEMORATION OF THE ANNIVERSARY OF THE CANONIZATION OF ST. THOMAS MORE

Mr. DURENBERGER. Mr. President, it is entirely appropriate that the Senate take a few moments this afternoon to reflect on the life and legacy of one of history's great leaders, Sir Thomas More.

For those of us who are Roman Catholic, June 22 is the Feast Day of St. Thomas More—the 47th anniversary of his canonization by Pope Pius XI. But the legacy of this remarkable man goes far beyond his accomplishments as a spiritual leader.

More as a barrister—among the outstanding barristers of his time. He personified the virtues of the family as a husband and father. He was a writer of drama, poetry and letters. He was a philosopher whose ideas on government, society, and theology have had a profound effect on human development for more than 500 years.

Above all else, he was a man of deep religious conviction. His life melded the temporal and spiritual, and gave all of us in public service a clear example of how one man's adherence to fundamental values can build a foundation for generations of social progress. As the Abbé Germain Marc'hadour observed in his remarks to the Thomas More Society of America in 1980, the philosophy of St. Thomas "* * * represents a noble attempt to push man's intellect to the frontiers of science as well as theology and to discover how each of these fields illuminates the others."

Few have as much to learn from this remarkable life as those of us who have the privilege of public service. As a writer and philosopher on the role of government, Thomas More was on the leading edge of social concepts that continue to shape the fabric of our society. In "Utopia," More was among the first men in history to speak clearly of the need to: Grant full social and economic equality to women; insure free and open elections of public officials; provide free and life-long public education; insure freedom of speech and religion; provide humane condi-

tions in the workplace; and establish voluntary military service.

He was also among the first to articulate society's responsibility for the social welfare of its poorest members.

More spoke to his values as eloquently with his death as he did in life. By choosing to die as "the King's good servant, but God's first," he died for a principle that is as valid today as it was 500 years ago—the principle that law is a means to an end, but not an end in itself. Though a leader of the state, he gave his life for the principle that religious freedom is more important than political loyalty. And while he believed strongly in society's right to make laws for its own well-being and protection, he cared enough to die for the principle that laws must themselves be based on principles, values, and human dignity rather than convenience. He was, in short, not just a religious martyr, but a martyr for principle, freedom, and human dignity itself.

Thomas More's life was a testimonial to human values—an affirmation of the fact that it is possible for man to take a leadership role in temporal society without weakening his adherence to principle. I recently had the privilege of reading two fine essays on the life of Thomas More, essays that I would like to share with my colleagues this afternoon. The first, entitled "Thomas More—A Man for This Season," is the text of a talk given to the Thomas More Society by Chief Judge Howard T. Markey a year ago. The second, "The Essense of Saint Thomas More," was authored by Joanne F. Wall of the College of Holy Cross in Worcester, Mass. I ask unanimous consent that both essays be printed in full in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. HOLLINGS. Fifty years ago, G. K. Chesterson wrote that:

> Sir Thomas More is more important at this moment than at any moment since his death, but he is not quite so important as he will be in a hundred years' time.

History has borne out this prediction, and I firmly believe that a century from now, our children and grandchildren will also pause on June 22 to measure their lives against the life of this great man. Thomas More is truly a man for all seasons, and it is a privilege to join in honoring the 47th anniversary of his canonization.

Mr. President, while I have the floor, I would like to take a moment to inform my colleagues that a group of Thomas More's admirers have created an organization—the Sir Thomas More Society of America (1211 Connecticut Avenue NW., suite 700, Washington, D.C. 20036)—to explore the life and legacy of this brilliant man.

The Thomas More Society will be sponsoring a series of events to honor More's memory. Today, in conjunction with the First Friday Club of Capitol Hill, the Thomas More Society will be sponsoring a noontime mass to honor St. Thomas. The mass will be held at St. Peter's Church on Capitol Hill. Celebrant and homilist will be the Reverend Raymond O'Brien, assistant dean, Catholic University Law School. An informal luncheon will follow the ceremony, and all are invited to attend.

On September 16, Chief Justice Warren Burger will be awarded the first honorary membership in the Thomas More Society of America. The award will be presented at the society's annual banquet. At the banquet, the Chief Justice will make a major address linking issues faced by More with the issues that arose early in the development of the U.S. Constitution.

EXHIBIT 1

THOMAS MORE—A MAN FOR THIS SEASON

(By Chief Judge Howard T. Markey)

If Thomas More were to visit us today, he would find much that would discourage him and yet a good deal that would please him.

He would be discouraged to find many of us so busy picking up the golden apples from the tree of free enterprise as to have no time to fertilize the roots; many who have forgotten that the best way to destroy one's laurels is to sit on them; many more interested in something for nothing than in sacrifice for others; many so anxious to be loved as to have forgotten how to be respected; and many who study the three R's in order only to make money and who have forgotten the two R's, respect and responsibility, required for the conduct of a free society.

At the same time, More would find much to please him, for he would see in the history of these United States a substantial adoption of great portions of his vision.

G. K. Chesterton said, in 1929, that "Sir Thomas More is more important at this moment than at any moment since his death, but he is not quite so important as he will be in a hundred years' time." A widespread growth in the study of the life of this man, who "reverenced the goodness of authority but reverenced even more the authority of goodness," is to be devoutly prayed for. His last words on the scaffold, "I die the King's good servant, but God's first" summed up his entire life. Those words also provide a guide for all men, for all seasons, and for this season.

More's life is especially important and valuable to today's busy citizen. Most saints were contemplative and withdrawn. More, after four years as a contemplative in the Charter House, elected to spend his allotted time on earth enmeshed in the business, professional and governmental life of his nation. He was scholar, author, lawyer, judge, diplomat, public official, statesman, martyr and saint—and he excelled in all. He held the offices of Under-Sheriff of London, Privy Counsellor, Master of Requests, Speaker of the House of Commons, Under Treasurer, Chancellor of the Dutchy of Lancaster, and Lord High Chancellor.

Though praying half the night, every night, More was a busy, busy man—appearing in some court capacity in almost every case, calming rioters, negotiating in France and the lowlands for his country, presiding in the House, and advising a king. No other saint ever quite undertook such a vocation.

Basset called More "a child of his age." That was an age of transition much like our own and had many problems similar to ours. A study of More is fully justified by the choices and changes we face in our own age. As our world struggles with world government, nuclear weapons, and peaceful coexistence, More's most famous work, "Utopia," should receive growing attention. As our leisure is increased by automation and technology, our need for a true education leads us to More's home at Chelsea where the right use of leisure, the value of crafts, and the dangers of idleness, were emphasized in theory and practice. For men who have lived and are living under dictatorship and tyranny, the lesson of More's life is increased in stature. The issue that faced and ruined Cromwell, Cranmer and Norfolk is the same as that which faced and ruined Hitler's men, exactly 400 years later. How much human tragedy might have been avoided if those men had known and followed the wisdom and courage of More's attitude toward kings.

Because he was humorist, writer, statesman and father, we so easily forget that More was a holy man. Canonization is of course evidence of a holy life. But because More never paraded his holiness—his hair shirt being known only to his beloved daughter Meg—it is so easy to forget that he was in fact a holy man. Perhaps this is his greatest lesson to us; that it is in truth possible to live a busy life—a life successful in the eyes of the world—it is in truth possible to be a successful lawyer and an eminent judge—and yet be truly a holy man of God.

More's love affair with God, his spiritual view of life and his spiritual realism in his approach Godward, as Basset points out, involve four basic ingredients: (1) an intelligent understanding of death; (2) the folly of worldliness; (3) awareness of God's presence in nature and in the wonderful little ordinary happenings of life; and (4) a constant awareness of the love of God.

The light shown on the human condition by the life Thomas More is as of as much value to us as ever it could be. Human nature remains unchanged in its essentials. Spiritually, every baby starts from scratch. Unlike the piling on of knowledge and technology from generation to generation, man has not yet learned to build upon the past in the area of ethics and morals. We can ever maintain hope, however, for with every baby our troubled humanity gets a new start. The simplicity and realism of More's approach Godward would match many of our moods, if we would but let it.

That More's "Utopia" is still read, after 400 years, shows that he touched a part of us all. Of course we lose when we attack the dreamers. Man constantly dreams of better days and often the dreamer wins out over "practical" men. Both parts of More's "Utopia" are amazingly relevant today and illustrate the point. Book I, an attack on the social ills of England—misrule by the rich, suffering of the poor, diplomatic intrigue, ruinous war, excessive taxation, inadequate legal system—sounds like yesterday's "Washington Post" or today's "Washington Star."

Book II set forth a better society. It is amazing how much of More's ideas we have adopted or are moving to adopt, remembering that none of them existed when More was writing. Here is the list.

1. Eligibility of all for public office.
2. Nomination or election of all officials.
3. A secret ballot.
4. Equality of women in all fields.
5. Universal free public education.
6. Efficient sanitation.
7. A shortened working day.
8. Free choice of religion.
9. Voluntary military service.
10. Various forms of social security.

Thus More might be pleased with such of what he'd see if he returned today. In fact he'd find only a few parts of "Utopia" still lacking. All property is not held in common, but More was against that, as he argues in the book, because it wouldn't work. He argued from his first hand experience that that idea works only in a monastery, like the Charter House. We do not have the Utophians' free medical care, but whether it would work or not, some folks are pushing for it. He would chide us about our idleness, particularly, no doubt, about wasted hours before the TV. He detested and feared idleness. In Utopia there is none. He cautioned against it in his many letters to his children. He saw it destroy a king.

But if we have adopted 90 percent of More's vision, why are we not happy? Perhaps it is because we ignore the holiness which motivate More. Perhaps we still have worldliness too much our guide and our god. For example, More in "Utopia" suggests universal education throughout life—but as an essential ingredient of human happiness. He considered intellectual development a joy in itself—not just a means to pass exams and earn a buck. He carried this out with his children. As another example, we have shattered families. In "Utopia," and in More's own home, there were large families with the old and the young eating, living and praying together.

That brings me to a most beautiful facet of More's life—his love for and dedication to his family. In these fast-paced days of hard-pressed, commuting, ambitious fathers, a major legacy of More is his demonstration that "the busiest man in the realm" can be a true father. More offered his personal attention and love to all, but most intensely at home—to servants, secretaries, tutors, to children, grandchildren, stepchild, foster child, sons and daughters-in-law, at times numbering over 40 persons. More would have much to say to those male parents who consider their fatherly task completed when they've earned the cash. As he wrote, "When I am come home I must commune with my wife and chat with my children." He held that that must be done "Unless a man will be a stranger in his own house." Note that the famous Holbein painting is of More's family, not just More alone. He personally gave music lessons to Dame Alice. He taught his children their first lessons himself. More's home was the center of his life. Though much outside business existed to worry and sadden him, he never brought it home, but was every merry and cheerful with his family. More's home reveled in love and laughter for 30 years. Some believe More's true vocation was as a father. His books, his career, his money, his friends—all were secondary to More's home. Home, in this sense, was More's path to heaven—his equivalent of the monastery.

More acted always on his lifelong perception of his last end, and that of all men, and of the purpose of the human life. Without a basic perception of some kind, can any man speak seriously of law and human liberty? Can we wisely devise rules for man's conduct without first determining what we think man is for? When the human being and his purpose are ignored, law may be left to rest on mere naked force instead of on conscience, on interest instead of on justice.

Hence, I believe that a phenomenon like that called "Watergate" could could not have happened if More's principles had been operating. You may recall that More told Cromwell, when the latter was about to enter the king's service "In your counselgiving to his grace, ever tell him what he ought to do, but never what he is able to do." In the play, when Roper describes Cromwell as "A nimble lawyer," More responds that Cromwell is "A pragmatist." We have, to our sorrow, heard much in praise of pragmatism in recent times. Whatever may be the rationale of the now infamous "enemies list," it may be contrasted with More's charity—not only to those friends like Tungstall and his daughter, Meg, who surprised him by signing the oath—but at the end of his trial also to those who—knowing better—participated in his condemnation. His last words in court were, "So I verily trust and shall therefore right heartily pray that though your lordships have now here in earth been judges to my condemnation we may yet hereafter in heaven merrily all meet together to our everlasting salvation."

As the schoolmen say, every comparison limps, but neither Henry nor Hitler could have achieved mastery without compromise, cowardice and corruption. Evil is evil at any time and anywhere. Its methods never vary. A primary tool is fear. Secret police, spies and informers are always employed, as they were in More's time. The simple, ordinary folk cannot be blamed—for they are kept in ignorance and without power. The defeat of evil must come, if at all, from the intellectuals, from those of us who may be favored by education, background and position. Alone, More could not defeat the evil of his day. But a few, just a few more, with his courage, might have done so. The four who died with More were one bishop and three priests—while all the other bishops and priests in England were cowed and took the oath. One prominent layman—only one—Thomas More—stood fast. That only one such man was prepared to stand, and that the nobility of his life was then forgotten for 300 years—tells us something, it seems to me. We cannot change what happened to More, but More's stand tells us that if man would change his world, he must first change himself.

Today, when the world is more clearly than ever divided between those, whatever their current label, who believe that man exists for the state and those who believe that the state exists for man, More's willingness to die for the principle that there is an area, the mind and soul of man, not subject to invasion and control by the state, is a constant beacon.

For More died of a principle dear to every lover of freedom, every respecter of humanity, every admirer of our constitution. That principle is that there can be something higher than a king's or a state's written law. It matters not whether we call it "fairness," or "ethics," or "natural law," or "moral law" or "God's law." There are higher considerations to which even the state is subject. The alternative, of course, is to hold that the writ of ethics and morality does not run at all to the field of human law—and to authorize judges, in all logic, to accept and enforce laws permitting murder—or to approve and enforce the master-race acts of the Third Reich.

Should, heaven forbid, we be faced with such choice, resignation or worse would not seem difficult with More's sacrifice before us. Particularly might we find it even easier to stand with More if we recall his never failing merry humor—his famous remarks on the scaffold, when he asked to be assisted up but said he would see about his coming down himself, and when he delayed the axe while he lifted his beard saying "It has done no treason." To paraphrase Basset, had we been there, standing where we could see, and had we looked just above that beard, as the axe was descending, I think would have seen that God's servant Thomas More was—smiling.

EXHIBIT 2

THE ESSENCE OF SAINT THOMAS MORE

(By Joanne F. Wall)

In 1534 Thomas More disobeyed his king's orders by refusing to take the Act of Succession oath. More's letters, works, and early biographies reveal the underlying reasons and justifications for his disobedience. More, a man of profound religious insight and comprehension, believe the act violated his conscience's understanding of the ultimate source of authority, and therefore warranted his disobedience. In fact, his refusal to sign the oath was a display of his love for God, rather than an indication of disrespect for his king.

Born in 1478, Thomas More quickly rose to power during the reign of Henry VIII. He was appointed Undersheriff of London, and distinguished himself as a man of wisdom and knowledge in the courts and in foreign affairs. Henry, hearing of More's capabilities and intelligence, summoned him to court in his service. More proved himself so admirably as an ambassador to Rome that Henry not ony designated him Master of Requests, but, one month later, dubbed him a Knight, and a member of the Privy Council. Soon More was appointed Treasurer of the Exchequer, and, in 1523, at the summoning of Parliament, was made Speaker of the House,[1] on More's condition that Henry would permit freedom of speech.

In England during the 1530's, Henry's divorce from Katharine of Aragon and his remarriage to Ann Boleyn was the most important domestic issue.[2] As early as 1528, Henry obtained a commission from Pope Clement VII to debate whether or not he was indeed lawfully married to Katharine. However, in 1529, after much stalling, Clement revoked the commission. Henry, angered and impatient, dismissed Cardinal Wolsey and appointed More as Lord High Chancellor. Henry conferred the divorce matter upon loyal university men and a packed Parliament to receive their opinion. To guarantee his marriage to Anne, Henry coerced the clergy into recognizing him as the Supreme Head of the Church by accusing the Convocation of being guilty of praemunire. The clergy submitted to the will of the king in Feburary of 1531, by declaring Henry as the "sole and Supreme Protector and Head of the Church",[3] "so far as the law of Christ allows."[4] As a result of the Submission of the Clergy, More, pleading reasons of ill health, resigned from the office of Chancellor. A year later, Ann Boleyn was crowned queen of England.

In 1534, Parliament passed the Act of Succession which stated that Anne's children were the legitimate heirs to the throne. The Act also included the "admission of the invalidity of the marriage with Katharine,

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Footnotes at end of article.

and the denial of Papal authority."[5] More refused to deny the authority of the pope, and consequently, he was imprisoned. In the same year, Parliament passed the Act of Supremacy which reiterated that the King was Supreme Head of the Church of England. In addition, Parliament passed the Act of Treason which declared that, after February 1535, it was high treason, "by words or writing maliciously to deprive the King of his dignity, title, or name of his royal estate."[6] More twice refused to take the oath. More, however, did not object to the king's remarriage; in fact, he reasoned that the divorce was a political matter, which "lay within the legitimate domain of the king and Parliament."[7] Specifically, More objected to the denial of the supremacy of the pope.

Although More was a loyal citizen, (indeed, his "Utopia" discussed the importance and necessity of obedience), More had a profound understanding of the distinct realms of authority—spiritual and political. Whereas the king possessed authority over political matters, the church possessed authority over spiritual matters, and each institution rightfully demanded the obedience of its subjects. In a letter to Parliament, More wrote that "No man living is there, my Lords, that would with better will do the things that should be acceptable to the King's Highness than I."[8] Even when Henry imprisoned him in the Tower of London, More did not condemn or denounce his king.[9] In fact, he entered political life solely out of deference to the entreaties of his king. Although More realized his necessary obedience to the king, he respected God's law as demanding a higher obligation. More obeyed the king's law only in so far as it did not oppose God's law. Guided by his conscience, More believed that the denial of papal authority was in direct confrontation to God's law as expressed in the teachings of the Catholic Church. When pressed to take the Oath of Supremacy, More replied that "he willingly would with the losse of one of his limmes, for that matter any thing to find whereby he could with his conscience safely serve his graces contentation."[10] In a letter to a bishop, More wrote: "it lieth not in my power but that they may devour me; but God being my good Lord, I will provide that they shall never deflower me!"[11] More esteemed the integrity of his conscience more important than the preservation of his own life. Therefore, More believed that he could not obey the king's demands or authority without violating his conscience, as it understood the word of God. At one of the hearings, More reminded the king of his own advice, that one is obliged "first to looke vnto God, and after God vnto him."[12] More believed that the higher law to which man ultimately owes his allegiance is discovered and understood through man's reason and conscience.

Thomas Cromwell, and a host of others, asked More how he could maintain his belief that man should be guided by his conscience, and yet, justify his treatment of the heretics. However, as Richard Sylvester so aptly stated, More's understanding of conscience "should be viewed here in its late medieval contest where ethical speculation has never reached firm conclusions concerning the right of an heretical conscience."[13] More would have argued that heretics did not have well-informed consciences, because their consciences opposed principles espoused by the saints and the universal church. Heretics, by opposing these standards and principles, threatened the peace, order, and unity of the universal Catholic Church. More feared that disunity within the Catholic Church would naturally invite universal chaos. More envisioned that after the heretics succeeded in "casting out of the clergy," they would incur the wrath of God. To punish man for his impudence, God shall "withdrawe his grace and lett all run to ruine."[14] More's beliefs led to his fear that Henry's usurpation of papal authority would inevitably result in the usurpation of regal authority, and certain destruction of the order within society.

More understood conscience not simply in terms of moral integrity; rather, conscience "was the result of years . . . spent reflecting in the presence of God on the true meaning of authority."[15] As a result of the time and effort spent contemplating the essence of authority, More "knew whom to obey"[16] in the king's great matter. More appealed to his conscience in deciding whether or not to sign the Oath of Supremacy. Conscience he believed to be an absolute which must be valued and obeyed. The individual's conscience should be prevailed upon and determined by the universal church of Christendom,[17] (the "great council of" Christendom,[18]) the wise men throughout time,[19] and the revelation of God. After being declared guilty of high treason, More finally revealed that, in his opinion, the Act of Supremacy was a "law disagreeable with the general law of Christ's universal Catholic Church,"[20] and therefore was a trespass against God. Neither the Parliament nor the king had the right to tamper with the laws of God, "as rightfully belonging to the See of Rome"[21] and as accepted and decreed by St. Peter and other holy and wise men of the past. He stated that "he had found no authority for the supremacy of a secular prince",[22] and therefore, he was bound to refuse the oath. In addition, he noted that the Act of Supremacy violated the Magna Charta as well as the king's sacred coronation oath. He also argued that Henry's decree was unlawful and directly repugnant to his conscience by the very fact of its being in opposition to the law of Christendom. He argued: "Therefore am I not bound, my Lord, to conform my conscience to the Council of one realm against the general council of Christendom!"[23] At his last interrogation, he argued that his conscience was more obliged to the laws "of the whole body of Christendom; than to the opposing laws of the realm."[24]

More believed that by remaining faithful to the informed conscience, the Christian displayed his profoundest faith in God. In fact, by maintaining the purity of his conscience, and by remaining faithful to the informed conscience, the Christian displayed his profoundest faith in God. In fact, by maintaining the purity of his conscience, and by refraining from swearing to the oath and perjuring himself, he felt that he was saving his soul from damnation. According to his biographer Harpsfield, More considered that "every true and good subject is more bounde to have respect to his saide conscience and to his soule then to any other thing in all the world beside,"[25] by the very fact that swearing against one's own conscience is sure to "offend God very sore."[26] More believed that he must submit to provoking a king's displeasure for fear of incurring God's displeasure. Although the man who refuses to obey a king's law may indeed suffer temporal pain, the man who refuses to obey God's law, (as expressed by the general council of the Catholic church and the informed conscience), most assuredly will suffer eternal damnation.[27] In a letter to his daughter Margaret while at Westminster, More stated that although he "would not deny to swear to the succession, yet unto the oath that was offered [him], [he] could not swear without the jeopardizing of [his] soul to perpetual damnation."[28] More's religious beliefs rendered him stubborn and obstinate in the eyes of his contemporaries, and, as a result, he was imprisoned.

When his interrogators wondered at his persistence in adhering to his conscience, he replied that his conscience, so long diligently studied and informed, would "stand with my own salvation. I am no man's judge."[29] His faith in his well-studied conscience professed his faith in God. In a prayer written while in the Tower of London, he counselled his readers to "Stand stiff" to one's conscience and "steadfast faith." Those who show "no hope of God's help [and] fly for succour to man's help"[30] display their faithlessness and eventually succomb to the temptations of the devil.

Many people urged More to swear to the oath, and yet in his heart disguise and maintain his belief in papal supremacy. He refused to perjure his word, however, for fear of swearing against his conscience and condemning himself to hell. More equated the swearing of his word with the swearing of one's true conscience before God; therefore, by perjuring against one's word, one was perjuring against one's being.[31] His daughter Margaret, by appealing to his sense of love and concern for his family, entreated More to take the oath, and, when he refused, begged him to disclose his reasons. In response, More asked her why he labored "to make [her father] swear against his conscience, and so send him to the Devil?"[32] At another point, More reiterated that he could not "sweare without the hazarding of [his] soule to perpetuall damnation."[33] More, a steadfast orthodox Catholic, equated perjury with damnation.

Another reason More would not perjure himself stemmed from his great fear of hell. In his unfinished book, "The Four Last Things," More planned to write on death, Judgment, Hell, and Heaven, to remind his readers of their mortality and of the impending Judgment: "all of us [are] prisoners under sentence of death."[34] As such, men must prevent themselves from succombing to temporal pleasures. Man must always obey God's authority, or "fear Him which when He hath killed, hath in His power farther to cast him whom He killeth into everlasting fire."[35] According to Harpsfield, More had "a sure ayme of the lamentable world that followed,"[36] and therefore strove to maintain the integrity, sincerety, and wholeness of his soul. While in the Tower of London, More wrote a prayer admonishing man to obey God's law above temporal authority, or else expect to be cast into hell: "Whoever so saves his life that he displeases God thereby shall soon after, to his no little grief, full sore mislike the same," and ought to expect to confront the "everlasting torments of hell."[37] However, he who, for God's sake, endures tribulation and death, shall be greeted with "the everlasting joys of heaven."[38] Therefore, More refused to sign the oath not only in fear of hell, but also in anticipation of a glorious heaven to come.

More's deep religious faith lent him the necessary strength to staunchly refuse to sign the oath and stoically endure imprisonment. He believed that trial and tribulation allowed man to share the passion of Christ

and display one's faith in God. He understood that his imprisonment was "no painful punishment, but of his patience profitable exercises." [39] Furthermore, More felt that man most sincerely displayed his faith by believing in his conscience and patiently enduring suffering. In a prayer, More wrote: "Whosoever suffers any trouble or adversary according to the will of God, must wholly commit his soul into the hands of God, his trusty and faithful creator." [40] Suffering serves to elevate and perfect one's comprehension of the kingdom of God. Suffering, furthermore, not only challenges the individual to conform his will to God's will, but also challenges the individual to seek comfort in God's mercy. In fact, God bestows comfort upon the sufferer by revealing "the secret inward inspiration of His Holy Spirit." [41] More perceived suffering to be a blessing because of the opportunity it lends the individual to elevate his understanding of the Absolute. In a letter to Margaret he urged her to rejoice that God "hath aduanced (me) to this high honour, and vouchsafed to make (me) woorthie to spende my life for the defense and vpholding of vertue, justice, and religion." [42] Man must not seek to obtain the kingdom of heaven without first enduring trial and tribulations on earth. Noting Christ's example, More stated that man must patiently experience hardship because: "We may not looke at our pleasures to goe to heauen in Fetherbeddes. It is not the way; for Lord himself went thither with great paine and by many tribulations." [43] More wrote "A Dialogue of Comfort against Tribulation" to advise Christians as to how they should maintain their faith and strength in the face of persecution.[44] More counselled that not only should the Christian endure suffering in anticipation of the joys of Heaven, but he must also refrain from assuming that he may obtain this kingdom without hardship. Indeed, in the "Dialogue," More questioned: "Who can for very shame desire to enter into the kingdom of Christ with ease, when Himself entered not into His own without pain?" [45]

In the "Dialogue," More also discussed false martyrdom. Those individuals who suffered and died in attempts to purge their own sins and to "pay their own ransoms, and save their souls themselves," [46] were, in fact, sinning against the sacredness of participation in the Passion of Christ. More, however, refused to sign the oath and endured hardship for the superior and transcending vision of perserving "the vnitie of the Church and the Catholike fayth of the same." [47] (In fact, More wrote his "Dialogue" to prepare other Christians to withstand persecution in the name of Catholic unity.) Harpsfield proclaimed More as the first layman "that dyed a maryr for the defence and preseruation of the vnitie of the Catholike Church." [48]

On the way to being taken to court by Henry's officials, More confided in Roper: "I thank our Lord the field is won." [49] Suffering and contemplation had inspired More to transcend personal and temporal attachments for the sake of more universal and spiritual goals. Harpsfield wrote that: "the loue [he had for] God wrought in him so effectually that it conquered all his carnal affections from his wife and children, whom he most deerely loved." (p. 167.)

More was convicted of treason in July of 1535 on the perjured evidence submitted by Sir Richard Rich, when, in fact, More had never vocally denied the supremacy of the king. Thomas More, scholar, lawyer, and statesman, was first and foremost a man of God. His faith in his conscience and in his God assured him a sense of certainty and stability in the world he loved. By coming to an understanding of the true meaning and essence of authority, More learned to transcend earthly concerns in anticipation of a greater world to come.

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FOOTNOTES

[1] William Roper, "The Lyfe of Sir Thomas Moore, Knighte" (New York: The Swallow Press and William Morrow and Co., 1950), pp. 17-21.
[2] Arthur D. Innes, "Ten Tudor Statesmen" (London: Eveleigh Nash, 1906), pp. 94-6.
[3] Innes, p. 103.
[4] Thomas More, "A Dialgoue of Comfort against Tribulation" (London: Indiana University Press, 1965), p. 30.
[5] Innes, p. 105.
[6] Innes, p. 319.
[7] Leland Miles, ed., "Introduction," A Dialogue of Comfort against Tribulation" (London, Indiana University Press, 1965). P. xix.
[8] Roper, p. 59.
[9] André Prévost, "Conscience: The Ultimate Court of Appeal" in "Essential Articles for the Study of Thomas More," eds. R. S. Sylvester and G. P. Marc'hadour (Connecticut: Archon Books, 1977), p. 566.
[10] Nicholas Harpsfield, "The Life and Death of Sir Thomas Moore, Knight, sometimes Lord high chancellor of England" (London, Oxford University Press, 1963). p. 57.
[11] Roper, p. 54.
[12] Harpsfield, p. 65.
[13] Richard S. Sylvester, "Introduction," "St. Thomas More: Action and Contemplation: Proceedings of the Symposium Held at St. John's University, Oct. 9-10, 1970" (London: Yale University Press, 1972), p. 9.
[14] Harpsfield, p. 71.
[15] Dame Bede Foord, ed., "Conscience Decides: Letters and Prayers from Prison written by Sir Thomas More between April 1534 and July 1535" (London: Geoffrey Chapman, 1971), p. 10.
[16] Foord, p. 11.
[17] Prévost, p. 567.
[18] Foord, p. 30.
[19] Roper, 78.
[20] Roper, p. 77.
[21] Roper, p. 77.
[22] Harpsfield, p. 195.
[23] Roper, p. 79.
[24] Foord, p. 87.
[25] Harpsfield, p. 186.
[26] Foord, p. 53.
[27] Foord, pp. 51-3.
[28] Foord, p. 26.
[29] Foord, p. 88.
[30] Foord, p. 109.
[31] Robert Boll, "Preface to A Man for All Seasons" in "Essential Articles for the Study of Thomas More," eds. R. S. Sylvester and G. P. Marc'hadour (Connecticut: Archon Books, 1977), pp. 476-77.
[32] Foord, p. 44.
[33] Harpsfield, p. 71.
[34] Theodore Maynard, "Humanist as Hero: The Life of Sir Thomas More" (New York: The MacMillan Co., 1947), p. 107.
[35] "Dialogue," p. 255.
[36] Harpsfield, p. 67.
[37] Foord, p. 109.
[38] Foord, p. 109.
[39] Roper, p. 67.
[40] Foord, p. 110.
[41] "Dialogue," p. 185.
[42] Harpsfield, p. 199.
[43] Harpsfield, p. 77.
[44] Sylvester, p. 66.
[45] "Dialogue," p. 232.
[46] "Dialogue," p. 78.
[47] Harpsfield, pp. 133-4.
[48] Harpsfield, p. 209.
[49] Harpsfield, p. 166.

STEEL UNFAIR TRADE PRACTICE CASES

Mr. HEINZ. Mr. President, I call up Calendar Order No. 677 and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A Senate concurrent resolution (S. Con. Res. 100) expressing the sense of the Congress that pending steel unfair trade practice cases be vigorously pursued and promptly concluded.

Mr. ROBERT C. BYRD. Mr. President, first, let me say I have no objection to calling up the resolution. That question should have been put.

Second, I have no objection to the request of the distinguished Senator and give our unanimous consent on this side of the aisle for calling up the resolution. I commend his work on this resolution. Following his statement, I shall have a statement.

The Senate proceeded to consider the concurrent resolution.

Mr. HEINZ. Mr. President, I thank the minority leader. I observe that he is an original cosponsor of this resolution, which was reported last week by the Senate Committee on Finance. I shall not take the time of the Senate to go through all the reasons I am pleased to bring this resolution to the floor and why I think the Senate needs to pass it. I just note the two resolving clauses in the resolution.

The first resolving clause states that it is the sense of the Congress that the President should exercise the authority granted to him by the Congress to direct the appropriate agencies to vigorously pursue and promptly conclude the countervailing duty and antidumping investigations being conducted concerning foreign trade practices involving carbon steel products and specialty steel products; second, that Congress, if necessary, should promptly

consider appropriate legislation to strengthen the trade laws of the United States.

Mr. President, I think the first resolving clause is self-explanatory. In 1979, in our new Trade Act, we provided a good deal of new authority to this country, to our President, to our agencies to take action against unfair foreign competition. This resolution stands squarely behind the idea that we should use our trade laws as they were intended to be used, to restore free market conditions and to uphold the international rules that most countries have accepted.

It is the final clause of this resolution that carries that thought one step further; namely, that we in Congress should promptly consider additional appropriate legislation to strengthen our trade laws should that be necessary.

I should like to make clear in that regard, Mr. President, that thus far, the laws we have, the ones we wrote in the 1979 Trade Act, do appear to be operating normally and that statutory deadlines have been met. The preliminary determinations of June 10 found subsidies on steel of roughly 50 percent of the EEC steel being shipped into this country. Subsidies range from a very small amount to a high of 40 percent in the case of British steel.

While I want to examine the details of the decisions more closely to see if what Congress intended in 1979 has been adhered to, I think that, in the aggregate, a good start has been made and that the effect of the decisions made by the Commerce Department will be to reduce significantly the volume of steel imported into this country from the EEC.

I also think it is worth noting, Mr. President, that this result is very, very different from that which would have occurred prior to the enactment of the 1979 Trade Act. In that legislation, we in Congress substantially rewrote our unfair trade practice laws. I was privileged as a member of the Committee on Finance to play a role in that process. Let me go over some of the changes we made.

First, we successfully insisted that the language on injury make clear that there was no toughening of the injury standard over the then current law despite the insertion of the term, "material."

Second, one of my amendments provided for a broad definition of the term "subsidy." Prior to that time, that definition had been so narrowly construed as to be meaningless. What we did was include subsidies beyond those simply specified or mentioned in the Subsidies Code and thus insured that a wider variety of unfair trade practices would be caught by the law.

Another amendment, one I also suggested and which was adopted, provided for severe restrictions on the then administering authority, the Department of the Treasury—it is now the Commerce Department's authority—to reduce or eliminate subsidies by offsetting other taxes or charges against them. We used to offset the subsidies found, so much so that at times, we practically thought we owed other countries money rather than their being subject to a duty.

What we have done is to insure that if a subsidy is found its full amount will be assessed.

Fourth, we placed strict limits on the authority of the Government to settle a case short of a final determination on the subsidy issue. This was the most serious shortcoming in the Carter administration's proposal, as it provided authority to settle on virtually any terms. My amendment narrowed that authority and made it more difficult to settle a case without the effective approval of the complaining party. These provisions will come into play if the European countries at this point seek to settle the cases. The Commerce Department, of course, continues to have authority to settle outside the provisions of the statute, if—and only if—it can persuade the petitioners to withdraw their petitions, but that process accords the complaining industry a significant role in the process.

Fifth, finally, we successfully reformed the procedures of section 301 to eliminate the administration's practice of burying complaints by never agreeing to accept them, as in fact happened in a steel case early in the Carter administration. The new procedures required a decision on accepting a complaint in 45 days, and they then establish tight time limits which guarantee an end to the case, even if the Gatt dispute settlement process is not concluded. These procedures have been particularly relevent to and effective in the pending specialty steel 301 cases.

Taken together, Mr. President, what we have are a series of procedures in our Trade Act which now appear to be working. We want to be sure that they are working, but I must say that at the present time it is my view that the Commerce Department has made a very credible and good start. I think the decisions of June 10 are evidence of that intent by the Commerce Department. So the purpose of this resolution is to make clear to all concerned that the intent of Congress is that we will continue to expect the law to be faithfully implemented, and we are serving notice once again that we are watching very carefully how these cases proceed.

Let me say if problems do develop then we will discuss them with the Government. But I do not want to rule out the possibility of strengthening legislation.

While the resolution does not speak directly to that point, I do mention it to make clear that the resolution's concluding point about trade law amendments is by no means an empty phrase. Indeed, we anticipate there will be trade legislation here on the floor of the Senate in the very near future. The Finance Committee reported reciprocity legislation just last week, and the same day we reported this resolution, so ours is not an empty threat, Mr. President, should that be what is necessary.

Mr. President, I hope none of my colleagues think that we are here, Senator ROBERT C. BYRD and myself and our other 27 or 28 cosponsors, crying "wolf" when there is no wolf in the forest.

To the contrary, I would just like to refresh my colleagues' memories about the kinds of subsidies that were found. In the case of Belgium subsidies were found in the neighborhood of 20 percent on some items; in the case of France as high as 30 percent on some items; in the case of Italy 18 percent; in the case of South Africa 16 percent; and, of course, the record is held at this point by British steel at over 40 percent.

We are talking about a considerable volume of steel that has come into this country. Even during the time period over the last year, a large part of which time these cases have been pending, the imports from the European Community are up substantially, up some 36 percent in the year to date versus last year and, as you might expect, the biggest increases, by and large, are from those countries subsidizing the most.

Mr. President, I think it is about time that we in the Congress made it very clear we are determined that the trade be both free and fair. Subsidies are not fair, dumping is not fair. Both violate the concept of fairness and also free trade.

I want to thank all my cosponsors, all those who support this resolution, for their support. It is about time that we spoke up and out for what we believe in, and that is that trade that is going to be free has to be fair.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. KASTEN). The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I am pleased to be an original cosponsor of this resolution to express the Senate's support for prompt and vigorous enforcement of our trade laws affecting carbon steel and specialty steel.

The steel industry has been one of the hardest hit sectors of our economy during the current recession. Steel is a basic commodity that is used throughout the economy—in automobiles,

buildings, equipment, and consumer products—and as such it is directly affected by the downturn in those industries.

While the domestic economic problems facing the steel industry are great, there is a special threat from beyond our shores. Grossly unfair trading practices, in particular dumping and subsidization of steel, are being used extensively by European steelmakers. Those practices have turned a recession into a depression for American steelmakers.

More than 100,000 American steelworkers are on layoff. Another 31,000 are working short weeks. Both figures are climbing, as mill after mill reduces its operating capacity.

For the week ended June 19, 1982, the steel industry was operating at 45.4 percent of capacity. Last year at this time, the industry was operating at 81.4 percent of capacity. Steel production for the week ended June 19, 1982 was 1.345 million short tons, compared to 2.410 million short tons at this time last year. That is a 44.2 percent decrease in production.

Such low operating levels cannot be sustained by privately owned firms that must compete with nationalized firms, or with companies that receive special subsidies from their governments.

It appears that some European countries subsidize their steelmakers as a practical solution to unemployment problems. Unemployment rates in many of the European countries that are most active in unfair trading practices are low compared with the United States. This country's current record post-Second World War high unemployment rate of 9.5 percent—10.5 million people—is nearly twice as great as West Germany's 5.6 percent. However, the unemployment problem is merely exported from Europe to America by the use of unfair and illegal trading tactics.

One purpose of this resolution is to urge the President to seek the timely enforcement of the trade laws that the United States has in force.

The other purpose of this resolution is to state firmly the intention and willingness of the Senate to consider legislation to strengthen our trade laws. This is a key factor in forming a credible trade policy for this country. I am already convinced of the urgent need for more stringent trade legislation. I have introduced S. 2603, the Fair Trade Act of 1982. My bill would provide a mandatory relief mechanism for domestic firms who are being discriminated against in entering a foreign market.

The purpose of my legislation is to provide a mechanism for fair, reciprocal treatment for American firms seeking foreign markets, and to reduce the incentive for unfair trading practices by making it possible for the United States to retaliate in kind.

It is critical to let our trading partners know that we are serious about enforcing fair trade in steel.

The effects of unfair trade do not stop at the steel industry. The metallurgical coal industry is now in the process of laying off thousands of miners—including over 7,000 in the southern West Virginia coalfields. The overall number of unemployed coal miners in West Virginia is close to 9,900. The interdependence of the metallurgical coal industry and the steel industry causes increased suffering when unfair trade is victimizing domestic steelmakers.

It is cold comfort when the unemployed coal miner joins the unemployed steelworker in the unemployment line.

We must defend our industrial base. We have no choice but to do so, and in a forthright manner. The world that we inhabit is volatile—anything could happen. America needs to have a secure strategic industrial base for its own defense. Both the specialty steel industry and the carbon steel industry are integral parts of a viable defense industrial base.

I commend Secretary of Commerce Malcolm Baldrige for his announcement, on June 11, that the Commerce Department had found evidence of subsidization of steel producers by foreign governments. While the actual amount of the subsidies found by the Commerce Department were in most cases less than the level alleged by American steelmakers, the ruling by Secretary Baldrige is a very hopeful sign.

I urge the Secretary to pursue these subsidization cases to a successful conclusion. The antidumping cases filed by the domestic steel producers are still under investigation by the Commerce Department. I know that my colleagues would join me in urging that these cases be pursued vigorously as well.

I hope that the practical effect of this resolution will cause our European trading partners to closely examine their practices with respect to the steel business.

The unemployed steelworkers in West Virginia and in many other States are not going to wait patiently for relief. The modern, competitive steelmakers in this country are not willing to see their industry crumble into dust. Our commitment to the steel industry and its thousands of employees is firm. The 2,600 laid-off workers at Weirton Steel in West Virginia's northern panhandle, and the 8,000 steelworkers still on the job, for the present, at that mill, want to see their Government help them. The least that we can do is to tell them with one voice—"We are on your side, and fighting for fairness for American free-enterprise."

Mr. President, I congratulate Mr. HEINZ. I commend him on the introduction of this resolution. I am happy to support him and join him in speaking on behalf of the resolution. I hope that the Senate will quickly adopt it.

Mr. HEINZ. Mr. President, I want to thank the distinguished minority leader for his kind remarks. It has been my pleasure for many years to collaborate with him on issues important both to the carbon steel industry and the specialty steel industry. He has been very, very helpful in making the Steel Caucus an effective voice, and I hope that our bipartisan effort both in the Senate and in the House, where Congressman GAYDOS chairs the House Steel Caucus, will continue. It is my hope that the House—this resolution has already been introduced—will see fit to pass, as we are today, this resolution.

It seems to me that the time is right and, frankly, within the next 30 to 40 days, the European governments and the companies against whom American producers have filed complaints had better come to the realization that our trade laws are now working and, with that realization planted for the first time firmly in their minds, that they had better get serious about curbing their dumping, their subsidies, and their other illegal practices.

These sections of the 1979 Trade Act are not criminal statutes. They are civil. But the effect of the preliminary determination of subsidy by the Commerce Department is to find the Europeans, the British, the Italians, the French, the Belgians, guilty as charged in the petitions.

I do not think that we should be in any rush to accept some kind of inadequate plea bargain by the Europeans. They should understand that if the Commerce Department or the petitioners are going to undertake any settlement of these issues, it is going to have to be a real settlement; that there are going to have to be real safeguards in it; that it is going to have to include not just the carbon steel items in the petitions that were ruled on favorably but to go well beyond that to the specialty steel covered in the 301 petition.

I hope that the message is delivered loud and clear to our friends in the capitals of Europe that if they want to settle this issue, they are going to have to settle it in all the steel categories where their guilty behavior has violated the international laws against free and fair trade.

Mr. SPECTER. Mr. President, I rise in support of the concurrent resolution of the distinguished senior Senator from Pennsylvania (Mr. HEINZ). The prompt and vigorous conclusion of the present antidumping and coun-

tervailing duty investigations is crucial for the maintenance of an efficient and producitve steel industry—an industry that is so vital to our national security interests.

The June 10 Commerce Department preliminary finding confirmed what many of us have known for years: the Europeans and other producers are heavily subsidizing their steel exports. In one case, the rate of subsidy reached 40 percent. The Department of Commerce decision involved nearly 4 million tons of imported steel, or about 20 percent of total 1981 U.S. steel imports.

The American steel industry has been materially injured by unfair competition of this kind; one industry analyst has estimated that over the past 7 years, the industry has lost at least $20 billion in terms of lost revenues, wages, and benefits due to dumped steel. As many as 20,000 American steelworkers may have lost their jobs because of unfair trade practices. Needless to say, the ripple effect on the economy as a whole has been much more severe than on the steel industry alone.

With the steel industry currently operating at only 44 percent of capacity and with import penetration over 20 percent, strict enforcement of our trade laws is essential.

In March of this year, I introduced S. 2167, the Unfair Competition Act of 1982. This bill will grant American companies broader and direct access to the courts to prevent economic injury in antidumping and countervailing duty suits. I feel that this bill will provide more expeditious and effective relief to those industries injured by unfair competition. Under the current law, it is too enticing and easy for foreign producers to "dump and run," in the process throwing American workers out of their jobs. On May 24, hearings were held before the Judiciary Committee, and 2 days later, I introduced S. 2167 as an amendment to the urgent supplemental appropriations bill. Additional hearings on S. 2167 will be conducted this Thursday, June 24.

Mr. President, unemployment in the steel industry has reached 120,000 employees, and the industry's capital investment plans are seriously jeopardized. Given the continuing and rapid decline of the American steel industry, it is absolutely essential that the Department of Commerce and the International Trade Commission vigorously enforce our fair trade laws. To delay any longer will only invite the further decline and attrition of an industry so vital to our national security.

Mr. RANDOLPH. Mr. President, I join again with my colleagues in the Senate steel caucus in support of Senate Concurrent Resolution 100 to express the conviction that prompt and vigorous pursuit of the steel cases pending under our trade laws should be a matter of the highest priority of this administration.

I have long been an advocate of fair trade. And I have been actively involved in the development of policies which will revitalize our domestic steel industry. We must not, by inaction, allow this basic industry to be destroyed by unfair foreign imports as tens of thousands of American workers lose their jobs. I say with all sincerity that this country cannot remain strong without a viable domestic steel industry.

In our State of West Virginia, steel is a critical component of the economic base. Currently, unemployment in our State is approximately 10 percent. I have traveled the area of our northern panhandle and have seen the tragedy of unemployment in the steel industry. Steel is the lifeblood of Weirton, W. Va., and other towns in our State. Employment at Weirton Steel, our single largest steel employer, has been cut back to 8,400 workers from around 12,000. We know that National Steel Corp., which owns Weirton Steel, has announced its intention to sell the plant to the employees. I have been working diligently with the Weirton community, my West Virginia colleagues, the Governor, and others to assist in that effort. Unfair importing of steel is one of the biggest problems facing Weirton.

I am somewhat encouraged by the Commerce Department's preliminary findings on the initial complaints filed by the domestic steel producers. While these and other carbon and specialty steel complaints continue through the lengthy investigative processes, I urge the Senate to approve this resolution and send a strong message that the United States expects fair trade in our markets and vigorous enforcement of our trade laws.

● Mr. HUDDLESTON. Mr. President, I am an original cosponsor and strong supporter of this resolution expressing the sense of the Congress that the pending steel unfair trade practice cases be pursued vigorously and concluded promptly.

The steel industry is the Nation's fourth largest, with 1981 sales of $61 billion, a work force of 391,000, and wages and salaries of $12 billion. A healthy steel industry has long been recognized as necessary to a healthy economy and a secure Nation. But, the steel industry is in serious trouble, and that trouble is being felt throughout the country.

Only 42.5 percent of our steel industry capacity is in use; 106,000 steelworkers have been laid off, and another 28,500 are on short workweeks. Some $7 billion in planned capital investment is threatened. Demand is down; prices have been dropped.

At the same time, however, imports are surging. Imports took 16.3 percent of the U.S. market in 1980, 19.1 percent in 1981, and 22.8 percent in the first quarter of this year. For ferroalloys specifically, the situation is even more dramatic. The domestic ferroalloy industry operated at only 31 percent of capacity the first quarter of 1982, and shared only 43.8 percent of the domestic market in 1981 figured on a contained basis, posing potential threats to our military capability and industrial strength.

While these figures alone do not prove that the industry has fallen victim to unfair trade practices, there is substantial economic data to that effect. Preliminary findings by both the Department of Commerce and the U.S. International Trade Commission indicate that our domestic steel industry is being economically injured by imports subsidized by their countries of origin. Both the Department and the ITC have an obligation, not just to the steel industry but to our economy and our national security, to conclude their proceedings expeditiously and assure the vigorous enforcement of our fair trade laws.●

● Mr. QUAYLE Mr. President, I am pleased that the Senate has before it consideration of Senate Concurrent Resolution 100, a resolution regarding the implementation of our trade laws with respect to steel, which I have cosponsored.

This resolution expresses the sense of Congress that the President should use his authority to direct this Government to vigorously pursue and promptly conclude the antidumping duty and countervailing duty cases now pending investigation concerning foreign trade practices involving carbon steel mill products and specialty steel mill products.

Furthermore, this resolution states that "the Congress, if necesary, should promptly consider appropriate legislation to strengthen the trade laws of the United States."

I believe the message in this resolution is very clear: Congress will take action regarding the enforcement of our trade laws with respect to steel if the investigations now underway are not expeditiously carried out.

The beleaguered steel industry received some encouraging news on June 11. On that day the Commerce Department released its preliminary findings on subsidization of steel imports by foreign governments. To the surprise of no one in the steel industry, Commerce found steel products in nine countries are benefiting from subsidies. The subsidies range from less than 1 percent to over 40 percent. Importers will now be required to post cash or a bond equal to the estimated subsidy to insure payment of countervailing duties when final findings are made. For a company like British Steel Corp., which was found to have

an estimated 40 percent subsidy, the bond requirement would be substantial. This will have the effect of sharply reducing imports.

However encouraging is this preliminary finding, the final determinations are not due until August with the International Trade Commission's final determination on injury not due until October 8. The preliminary findings in the dumping cases will not be made until August and their final outcome will take longer to resolve.

Considering how long these investigations will take and how extensive these investigations are, it is important for Congress to signal that it is very serious about strong enforcement of our trade laws. I commend the Finance Committee for their expeditious consideration of this resolution.

My State of Indiana gives a fine example of how important the steel industry is not only to our national economy but to our national defense needs. More than 20,000 steelworkers are unemployed in northwest Indiana. This accounts for almost half of the 41,400 people unemployed in this part of my State. While the unemployed rate for the State of Indiana is 13.3 percent, the rate of joblessness in the northwest corner is 14.4 percent. Due to the severe economic decline, other businesses in the area have been forced to curtail activities, or worse, close their doors. Clearly, if the steel industry was running at a higher capacity, this corner of Indiana would not be facing such dire circumstances.

I am concerned that if any relief is to come from the pending import cases, that it come in time to aid this industry and its workers. Therefore, I am pleased to lend my support and cosponsorship to this resolution which indicates congressional intent for the enforcement of our trade laws and that the President should act vigorously in pursuing these petitions for relief.●

Mr. PERCY. Mr. President, I would like to associate myself with the remarks of the Senator from Pennsylvania (Mr. HEINZ) who has brought this resolution to the floor today. I am a cosponsor of the resolution and urge the Senate to pass it, thereby letting the administration know that these steel import cases are at the top of our list of priorities.

It is essential to the well-being of the American steel industry that it be allowed to continue on its program of modernization at full speed. As you know, the amount of capital required to finance modernization of our steel mills is enormous. Though the companies have planned for record high levels of investment for updating equipment and facilities, the industry faces a major obstacle to implementing its plans due to unfair competition from abroad. Imported steel sold at prices below production cost undercuts the market for American producers and consequently prevents the formation of the large capital pool necessary for modernization.

Dumped and subsidized foreign steel hurts American companies in several related ways. In addition to reducing sales volume for the domestic mills, artificially low priced imports depress revenues, profits, and cash flow on the remaining American share of the market. Furthermore, reduced production volume means higher average unit costs. The industry capital pool is thus siphoned off at both sales and production while lessened by the overall reduced volume of trade.

While capital formation is stifled by the unfair trade practices of foreign producers, our industry has nevertheless made substantial efforts to modernize in recent years. Since November 1980, American companies have announced modernization and expansion projects totaling about $7 billion—an unprecedented amount for so short a period of time. During the last 10 years domestic producers phased out many of the old open hearth furnaces and replaced them with modern and efficient basic oxygen and electric furnaces. Open hearth furnaces produced only 11.1 percent of this country's steel output in 1981, compared to 29.5 percent in 1971. By the end of the decade, virtually all open hearths will have been replaced. Another major effort to improve efficiency and productivity is the increased use of continuous casting. This process yields tremendous savings in time and energy during steel production. In 1981, 21.6 percent of all raw molten steel was continuously cast, up from only 9 percent in 1975. Last year domestic producers announced plans to install more than a dozen new continuous casters. These plans are contingent, however, on the availability of large sums of capital. A caster can cost more than $120 million.

Clearly, American steel companies are working toward building a productive, modern industry. In order to amass the capital necessary for realizing this goal, our companies need an environment of fair competition. Fair competition cannot exist while foreign companies benefiting from government subsidies sell their products below cost. It is therefore incumbent on us, Mr. President, to urge the vigorous enforcement of the U.S. trade laws by swift passage of Senate Concurrent Resolution 100.

Mr. HEINZ. Mr. President, is there any further discussion? If not, I move the adoption of the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to Senate Concurrent Resolution 100.

The concurrent resolution (S. Con. Res. 100) was agreed to.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

The concurrent resolution, and the preamble, as amended, are as follows:

Whereas the steel industry of the United States is critical to the national defense and to the maintenance of a strong industrial economy, which employs millions of workers and sustains the Nation's prosperity;

Whereas between 1971 and the present there have been three distinct episodes of dramatic surges in importation of apparently dumped and subsized steel mill products, episodes which contributed to the destruction of 118,000 steelmaking jobs, to the shrinking of production by 20 percent, and to aborted capital investment planned to modernize the steel industry;

Whereas the 1981–1982 episode, which is the most serious, has contributed to 100,000 layoffs and 31,000 workers on short workweeks and threatens to abort $700,000,000 in planned capital investment; and

Whereas the past failure of the United States Government to vigorously enforce the trade laws has contributed to the decline of the steel industry, and the failure of the Government to so enforce the trade laws in this most serious crisis in the steel industry would endanger critical planned investment and modernization, which in turn would threaten the economy and the national defense of the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the President should exercise the authority granted to him by the Congress to direct the appropriate agencies to vigorously pursue and promptly conclude the countervailing duty and antidumping duty investigations being conducted under title VII of the Tariff Act of 1930, and the investigation being conducted under the title VII of the Tariff Act of 1930, and the investigation being conducted under chapter 1 of title III of the Trade Act of 1974, concerning foreign trade practices involving carbon steel mill products and specialty steel mill products; and

(2) the Congress, if necessary, should promptly consider appropriate legislation to strengthen the trade laws of the United States.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(During Mr. HEINZ' remarks the following occurred:)

Mr. BAKER. Mr. President, will the Senator yield to me? I ask unanimous consent that no interruption appear in the Senator's presentation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield so that the Chair can admit a messenger from the House of Representatives.

MESSAGES FROM THE HOUSE

At 3 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House recedes from its amendment to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982; and agrees to the same with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bill, without amendment:

S. 1519. An act to designate certain national wildlife refuge lands.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6094. An act to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade representative for fiscal year 1983, and for other purposes.

FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1983—CONFERENCE REPORT

Mr. BAKER. Mr. President, if the Senator will continue to yield to me for a moment, the message just arriving from the House of Representatives is the conference report on the budget resolution. It is at the desk under the rules of the Senate.

It will be my hope that sometime in the next little while we will ask the Senate to proceed to the consideration of that item. I will not do so, of course, until we finish the matter at hand and until the principals who will manage the measure are available.

I thank the Senator for yielding.

(Conclusion of earlier proceedings.)

THE NEXT STEP

Mr. KASTEN. Mr. President, I congratulate President Reagan on his decision to toughen trade sanctions against the Soviet Union. As I stated in a June 16 letter to the President, "The ban on technology exports was one of the few effective U.S. trade sanctions enacted to protest the Soviet-backed imposition of martial law in Poland." President Reagan's swift and concise action regarding the Soviet Union's natural gas pipelines leaves no doubt as to the resolve of the American people on this issue. Strong American action intensifies our call for freedom, as Poland remains in the shackles of political and economic repression. I recognize the domestic unpopularity of these sanctions, yet I fully support the decision to maintain our principles of resisting Soviet development at the expense of the free world.

The entire Soviet economy is in a perilous condition on which America must capitalize. The heavy economic costs of repression in Poland, Afghanistan, and elsewhere have weakened their economy substantially. These tough new sanctions will slow construction of the Soviet pipeline, delay the influx of hard currency Russia hopes to gain, and therefore force the Soviets to divert money from their military sector to shore up their domestic economy.

Now is the time to go one step further and declare Poland in default in it's debts to the United States. Poland is bankrupt—it cannot even make the interest payments it owes to the United States this year—and unless new loans are made, default is inevitable. The question is who will declare the default—Poland or the West? It is time for the United States to take the initiative on this issue.

Mr. President, I ask unanimous consent that my June 16 letter to President Reagan, two Washington Post articles entitled "Pipeline Sanctions Toughened" and "Soviet Economy Called Basket Case," and two William Safire essays entitled "Hello, Mr. Deeds" and "Weaning Japan from Soviets" be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 16, 1982.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to urge a continued ban on high technology exports to Russia, and swift disapproval of the export licenses requested for the Russo-Japanese Sakhalin Oil Project.

The ban on technology exports was one of the few effective U.S. trade sanctions enacted to protest the Soviet-backed imposition of martial law in Poland. Six months have passed, and the situation in Poland has not improved. Lech Walesa remains in confinement, the Solidarity movement has been forced underground, and the people of Poland continue to fight in the streets for their political and economic freedom.

Any easing of the export ban now would signal to the world that, as far as the Reagan administration is concerned, the Polish crisis is over. I strongly urge you to reject the advice of those who would have you send such a signal. For months we have been told that it is too late to stop construction of the natural gas pipeline in Europe. Now we have a real opportunity to delay a similar project in Japan right at the start. Disapproval of the Sakhalin export licenses would strike a blow at the Soviet economy, while demonstrating U.S. resolve on the question of economic sanctions and strong support for those who continue to fight for political and economic freedom in Poland.

Best regards,

ROBERT W. KASTEN, Jr.

[From the Washington Post, June 19, 1982]

PIPELINE SANCTIONS TOUGHENED

REAGAN DISREGARDS EUROPEAN ALLIES IN ANTI-SOVIET MOVE

(By Dan Morgan)

President Reagan yesterday brushed aside appeals from European Allies and major U.S. companies and ordered tough new trade sanctions aimed at delaying the Soviet Union's natural gas pipeline in retaliation for continued repression in Poland.

In a move certain to cause new friction with the western allies, the president expanded his Dec. 29 ban on the sale of U.S. oil and gas equipment to the Soviets to cover overseas subsidiaries of U.S. companies and non-American firms producing such equipment under U.S. licenses.

Officials explained that the unprecedented measures are intended to prevent companies in France, West Germany, Britain, Italy and Japan from taking over business lost to U.S. firms as a result of the Dec. 29 embargo. They said legal action, to be spelled out later, would be taken against foreign companies that violate the new sanctions.

The president's action represents a major victory for forces inside the administration that want an all-out campaign to weaken the Soviet economy as a way to make Moscow divert resources from its military buildup.

Secretary of State Alexander M. Haig Jr., the major opponent of this policy inside the administration, argued that it would anger U.S. allies that depend heavily on trade with the Soviets and would not significantly slow construction of the 3,600-mile pipeline from Siberia to Western Europe.

As recently as Tuesday, State Department spokesman Dean Fischer said it was "neither the intent or the substance of U.S. policy" to wage "economic warfare" against the Soviets.

One option before the President would have allowed U.S. companies to go through with deals made with the Soviets prior to Dec. 29. This would have enabled Caterpillar Tractor to sell $90 million worth of pipelaying equipment and General Electric to sell more than $100 million worth of gas turbine rotors.

Officials said this possibility, favored by Haig, had been rejected in favor of the "toughest" option.

"The objective of the United States in imposing the sanctions has been and continues to be to advance reconciliation in Poland," the President said in a statement yesterday. "Since Dec. 80, 1981, little has changed concerning the situation in Poland; there has been no movement that would enable us to undertake positive reciprocal measures."

Although Reagan has been under pressure from fellow conservatives to maintain the sanctions, his decision touched off criticism from members of his own party on Capitol Hill.

House Minority Leader Robert H. Michel (R-Ill.), whose district includes the world headquarters of Caterpillar in Peoria, said he was "distressed, to put it mildly, that the administration persists in this foreign policy farce."

"We are aiming at the Soviet Union but we keep hitting the American worker, and in the long run America looks even weaker because we cannot persuade our allies to follow our lead."

An even stronger reaction came from Senate Foreign Relations Committee Chairman Charles H. Percy (R-Ill.). Noting that

three Illinois companies—Caterpillar, Fiat-Allis and Sunstrand—have been hurt by the embargo, he said that "the voices of Illinois business and labor have not been heeded."

Percy added that the action would "split the western alliance," and he questioned the "methods that may be used to enforce this controversial new policy."

When the administration first considered extending the sanctions to include overseas subsidiaries and companies operating with U.S. licenses, officials said a number of enforcement measures were available, including "blacklisting" violators from doing business in the United States, attaching their assets here and even arresting officials of those companies when they traveled to this country.

The new measures appear aimed mainly at several European companies licensed by General Electric to manufacture turbines of the kind sought by the Soviets to pump gas through the pipeline.

Three of these companies—AEG-Kanis of West Germany, John Brown of Britain and Nuovo Pignone of Italy—are now under contract to sell the Soviets 125 turbines, utilizing rotors supplied by GE in the United States. As these rotors were embargoed, the companies had been seeking to obtain the same components from a French firm, Alsthom-Atlantique, which also has a GE license.

But under the measures announced yesterday, the administration would seek to block Alsthom-Atlantique from supplying the rotors, made under GE license.

This puts French President Francois Mitterand on the spot, since he has publicly opposed the American sanctions policy.

In a brief statement, GE said:

"While we have not seen the details of the president's decision, GE has said from the beginning that it would comply with the directives of the U.S. government."

Administration officials stressed yesterday that they were pleased with the results of the Versailles summit's "significant first step" in obtaining some agreement to monitor trade with the Soviet Union and limit credits to it. They said the measures were aimed not at the Europeans, but at the Soviet Union to relax marital law in Poland.

Nevertheless, the attempt to put restrictions on European companies dealing with the Russians is certain to revive allied charges that the Reagan administration is one-sided in its policy, given the fact that American grain exports to the Soviet Union are continuing at record levels.

Administration officials, mindful of this, said that restoration of the grain embargo imposed by former president Carter, which Reagan lifted last year, was an option.

[From the Washington Post, June 17, 1982]

SOVIET ECONOMY CALLED "BASKET CASE"

PRESIDENTIAL AIDE SAYS U.S. SHOULD CONTINUE PRESSURES ON TRADE AND CREDIT

(By Michael Getler)

A top White House official yesterday called the Soviet Union "an economic basket case" and said the United States "should not provide the trade and credits necessary to prop up the Soviet economy except in exchange for specific and meaningful Soviet actions that promote stability. . . ."

Thomas C. Reed, who was a consultant to the National Security Council in recent months and yesterday was named a full-time special assistant to the President, gave no details on how such economic pressure on the Soviets would be carried out or what would constitute "meaningful" actions by Moscow.

But Reed's remarks in a speech prepared for delivery before the Armed Forces Communications and Electronics Association last night come as President Reagan faces a difficult decision on whether to lift restrictions barring use of American-made components in equipment being built by West European countries for a Soviet natural gas pipeline.

The President, officials say, is expected to make a decision this weekend. Allies in Western Europe want Reagan to lift the restrictions and some top officials here, including Secretary of State Alexander M. Haig, Jr., are said to support this view. Defense Secretary Caspar W. Weinberger and others, however, are said to oppose it, preferring to tighten the economic screws on Moscow as much as possible.

Some White House officials also say privately they are dismayed over the Europeans' failure to adopt a tougher trade policy at the recent economic summit meeting that would have required a substantial Soviet cash down payment for Western equipment and an end to interest subsidies.

Although lacking specifics, Reed's speech illustrates the view of those officials who believe that the United States must take advantage of Moscow's alleged economic weakness.

Writing in The Wall Street Journal on Tuesday, Treasury Secretary Donald T. Regan also suggested that economic pressure would be used in the Strategic Arms Reduction Talks (START) that open in Geneva June 29. The Soviets and their East European allies had better "make some accommodation with us in the field of strategic arms or else watch [their] own weak economies weaken further," he wrote.

Reed claimed the Kremlin had now outstripped this country "by most measures of strategic nuclear power" in the missile field and "within 30 days it can mobilize 200 divisions" on the ground.

But Reed said Moscow also has considerable problems of its own. The Soviet political system, he charged, has lost its "revolutionary zeal." The government "cannot feed its own people" and "the potential for corruption and decay . . . has mushroomed in the dank darkness of the Soviet dictatorship," he said.

Reed also recently directed a White House study of U.S. security policy and yesterday made these key points:

Although the Joint Chiefs of Staff are known to believe the current administration strategy for countering the Soviets cannot be met with the present five-year, $1.6 trillion budget plan, Reed says "our strategy is to live within" that budget and plan. "We cannot seek more," he said, because the country's economic well-being is also part of the strategy.

The idea, Reed said, is to "put first things first and develop plans for how we will conduct ourselves if worst comes to worst."

The highest single defense priority is to improve the command and communications systems with which the president would control America's nuclear forces in an atomic war and to improve the chances of survival for the president or his legally designated successors.

"There should be no doubt in the minds of Soviet planners that any attempts to disconnect the national command authorities from control of American weapons in time of crisis will fail," Reed said.

The Reagan administration has made a major financial commitment to improving these functions as a way to convince Moscow that the United States would be able to respond to any first strike. But Reed went on to say that "perhaps for the first time" these functions "are now of direct concern to this president." Actually, former president Jimmy Carter issued presidential directives in 1980 that called for more effective procedures for protecting the president and better command and control over the weapons at his disposal.

[From the New York Times, June 21, 1982]

HELLO, MR. DEEDS

(By William Safire)

WASHINGTON, June 20.—The National Security Council gathered in the Cabinet Room at 1:30 p.m. on Friday, June 18, to consider whether or not to offend our European allies by denying them access to U.S. technology in the construction of that great monument to détente, the Siberian gas pipeline.

National security adviser William Clark called on Larry Eagleburger, sitting in for the Secretary of State, for the department's view. Undersecretary Eagleburger went through the defeatist litany: the West Germans insisted the deal could not be undone, and our legal position on extraterritoriality was challengeable. State recommended a "grandfather" exemption on deals made before the Polish repression.

Treasury Secretary Don Regan refrained from continuing to follow slavishly State's lead in foreign economic matters; instead, he practiced what one participant called "the William Casey Artful Mumble," generally but unquotably supportive of a harder-line view. Secretary Regan had been a good soldier at the Versailles summit, professing to be "more than satisfied" at our allies' niggardly response to our plea for restraints on credit to the Soviet Union, but evidently his eyes had been opened.

Defense Secretary Fraspar Weinlucci (Caspar Weinberger and Frank Carlucci have merged) made the case for refusing to help build the pipeline: (1) the President promised "further steps" if the Soviets did not ease up in Poland; (2) the pipleline would make the Europeans significantly dependent on the Soviet Union for energy; (3) an alternative potential supply exists in Norway; (4) the hard-currency earnings of the Soviets on this European-financed deal would enable the Kremlin to buy more Western technology.

Commerce Secretary Malcolm Baldrige hoped that we would not shoot ourselves in the foot with the denial of licenses: that sanctions might penalize the Germans and British and reward the French, who had been the most contemptuous of the U.S. position. The N.S.C. members were aware that President Mitterrand, in his post-Versailles press conference, had snatched away whatever tiny fig leaf U.S. negotiators thought they had arranged on subsidizing Soviet-bloc credit.

Then, at 1:45 with Admiral John Poindexter taking official notes, Ronald Reagan asserted himself as President of the United States and leader of the free world: "I don't want to shoot ourselves in the foot, either," he said, "but a matter of great principle is at stake. It affects our credibility with our allies and with the Russians."

Got that, Poindexter? You may not be backed up by a recorder, and you wouldn't want to miss one of your Commander in Chief's finest moments. Mr. Reagan went on to say that he had just made a speech call-

ing on the Soviets to come up with "deeds, not words," and that he could hardly send a signal of a deed that went against his own strong words.

The President then decided not only to refuse to ease sanctions on oil and gas equipment, but to take one long-promised "further step"—to extend sanctions to foreign companies producing such equipment under American licenses. An option to exempt the Japanese for their Sakhalin oil-and-gas deal was swept aside; the Japanese, who so quickly moved in to replace Caterpillar equipment denied the Soviets when we put in sanctions, will get no further help from us in becoming energy-dependent on the Soviet Union while they reduce the Kremlin's hard-currency bind.

A group headed by Lionel Olmer at Commerce, including an expert flown in from Europe by Defense's Fred Ikle, was directed to draw up regulations to capture subsidiaries, licensees and joint ventures—even denying spare parts for technology transferred up to 10 years ago on which royalties are still being paid.

West German Chancellor Helmut Schmidt, who sees this huge gas deal as the political basis for decades of expanding East-West trade, will mutter bloody murder; but Helmut Kohl, the Christian Democratic leader most likely to replace the fast-fading Mr. Schmidt, will keep cool. Mr Mitterrand of France may take the U.S. to the World Court or pass blocking legislation, precipitating a minor trade war—or he might just back off. The irritation and the respect of other world leaders will increase as they detect an American seriousness of purpose.

Hardliners, resigned to a Haigian hegemony, are amazed and delighted; Percycats are aghast; détentniks are confounded; State's accommodationist Robert Hormats is looking for a job in private industry (and a smart miltinational should snap him up). The Russians now know that continued repression in Poland could lead to a grain embargo.

The refusal of our European allies to provide even a fig leaf at Versailles triggered the response characteristic of the "real" Reagan: to remember what he promised after the Soviet crackdown in Poland, and to support words with deeds.

WEANING JAPAN FROM SOVIETS

(By William Safire)

A Kremlin master plan to create energy dependencies in key industrial nations around the world, while turning a profit for the Soviet Union, is now becoming apparent.

In Europe, the construction of a gas pipeline to Siberia, financed by the French and West Germans, which our latest intelligence estimates say could supply up to 40 percent of European natural gas consumption within a decade, is proceeding apace. Half-hearted Reagan efforts to stop it have met with Schmidt-Mitterrand scorn, and we are now reduced to pleading with our allies not to build a second pipeline to the Soviet Union.

In the Pacific, the Russo-Japanese Sakhalin Oil Project is moving smartly along, unremarked by American strategists. Sakhalin (pronounced sock-a-LEEN) Island, off the Siberian coast, was split between Japan and the Soviet Union until Stalin shrewdly snatched the oil- and gas-rich territory at Yalta.

In recent years, the Russians have induced the Japanese to provide "credits redeemable when successful," which commits Japan to all the risk. In return, for 10 years the Japanese would get half the oil produced at a price 8 percent below oil sold in the Persian Gulf.

So far, Sakhalin exploration has been successful: 12 out of 18 wells have come in. The Japanese are responsible, under a General Agreement signed on Jan. 28, 1975, to provide all the technology and expertise needed for exploration. In 1982, the Japanese are obligated to provide about $20 million in goods and services.

But here is where the deal becomes vulnerable: The Japanese, who have been able to clobber us on most technology, and who—post-Afghanistan—readily provided the Russians with over 1,000 Komatsu tractors after our Caterpillar production was withheld, are dependent on the U.S. for oil and gas technology.

Next month, the Japanese must get from the Reagan administration export licenses for some $2 million worth of products and consultant time. Time is short; the foul weather at Sakhalin limits exploration to the summer months; the Japanese cannot do without the equipment from several Texas and Oklahoma companies or without U.S. technicians to calibrate instruments in the well-logging process.

If the Japanese cannot get these licenses from the U.S., they will be in breach of contract. In the words of an agonized Japanese paper submitted to our government, "The General Agreement does not contain any provisions excusing Japanese nonperformance due to failure to obtain U.S. export licenses for necessary equipnent and services."

Thus, for lack of a lousy two million bucks in American know-how, the Japanese could blow a deal in which their greed and supreme confidence in American acquiescense led them to put themselves in Soviet control: In their words. "a breach will cost Japan a total of over $500 million."

Resistance to accommodating the Japanese developed at the Department of Commerce. But as might be expected, the members of the Figleaf Brigade at the Department of State, who have been urging the President to remove obstacles to the construction of the Kremlin's European gas pipeline, also recommended that we grant the Japanese the export licenses they need to become dependent on the Soviet Union for oil and gas.

Just as State asks our European allies to provide a figleaf of credit controls to cover the new energy dependency, State wanted to ask our Japanese ally to think about similar controls, and to delay the delivery of a few of those Komatsu tractors, especially in view of the unemployment at Caterpillar.

At a National Security Council meeting this week, the President slipped his handlers and balked at okaying the Sakhalin deal. The fight between Ronald Reagan and his staff on this matter is still going on.

Hasn't it occurred to anybody at our National Security Council that there is a similarity between the Soviet gas deal in Western Europe and the Soviet oil and gas deal with Japan? Isn't it becoming evident that the Soviet Union is following an eco-political strategy to create energy dependencies on its eastern and western borders? Certainly there is a pattern to the way the Kremlin is getting the industrial democracies to finance Soviet energy resources that will then generate the hard currency the Soviet Union needs to buy more Western technology.

For months, State and Treasury have been telling us that it is too late to stop the Kremlin pipeline in Europe. Here, right now, is a way to delay a similar thrust in the Far East. Instead of providing the Japanese with the means to shackle themselves to Soviet energy policy, we should remind them that the Russians have never been their friends. The Sakhalin project is a trap for them and a disservice to their only superpower ally.

By the single stroke of denying these licenses, we can show the Japanese that their predatory trade practices have not gone unnoticed in the U.S.; we can show the Europeans that we are serious and consistent; and we can show the Russians that we know what they are up to and are prepared to counter them.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HEINZ). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HAWKINS). Without objection, it is so ordered.

Mr. BAKER. Madam President, I ask unanimous consent that the time for the transaction of routine morning business be extended not past the hour of 5:30 p.m. under the same terms and conditions as heretofore.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Madam President, I might say for the benefit of those who may be listening to their speakers in several offices on the Senate side of the Capitol that it is still my intention to ask the Senate to turn to consideration of the message from the House on the conference report on the budget resolution this afternoon.

There are certain conversations going on now among members of committees, several committees who have particular interests in that conference report. Those meetings, I hope, will expedite the ultimate consideration of this matter by the Senate. That is the reason for the delay. Members should not assume, however, that the Senate will not take up this matter or that there will not be rollcall votes. I do expect at least one rollcall vote yet today.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HAYAKAWA). Without objection, it is so ordered.

THE BOEING DILEMMA

Mr. MATTINGLY. Mr. President, as Congress is still in the process of deciding what aircraft should be purchased for our future military airlift needs, I thought my colleagues would be interested in an article from the Atlanta Constitution entitled "Lockheed Grinning over Boeing Dilemma." We heard during the Senate debate the problems with unloading equipment from the Boeing 747. Now we learn that when the Army leased a 747 to fly National Guard troops, they were unable to land at Augusta, Ga.'s airport because there was no special ramp available. If a 747 cannot even deliver troops from one airport to another, what can it do? I doubt if the United States in a combat situation could depend on Greyhound delivering troops the last 100 miles to a battlefield.

I ask unanimous consent that the article to which I referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Atlanta Constitution, June 22, 1982]

LOCKHEED GRINNING OVER BOEING DILEMMA

(By John Maynard)

Boeing advocates in the congressional battle over rebuilding America's military airlift fleet might have a difficult time convincing some 400 members of the Puerto Rican National Guard that the Boeing 747 is a better buy than the Lockheed-Georgia built C-5 Galaxy.

The Boeing Co. side, which has already persuaded the Senate to buy the 747 instead of new C-5s to be built in Marietta, faces the embarrassment of having to explain to House members how a 747, couldn't unload the guardsmen at the Augusta airport last weekend.

Lockheed-Georgia Co. officials are already spreading the tale around Washington of how the Military Airlift Command chartered a 747 from TransAmerica Corp. to move the guardsmen from San Juan to Fort Gordon near Augusta. The 747, however, could not fly directly to Augusta because the airport there has no stairway for the 747, which sits 16 feet off the ground.

"A guy could break an ankle jumping from that height," a Lockheed-Georgia spokesman said Monday.

When the chartered 747 landed in Atlanta on Saturday afternoon, it parked at the Lockheed terminal and was met by eight chartered Greyhound buses. The buses then ferried the soldiers on a 2½-hour drive to Fort Gordon, where they were scheduled to begin two weeks of summer training exercises with the 67th Signal Battalion.

A Lockheed-Georgia spokesman noted that a single C-5 could have carried six of the buses from San Juan to Augusta.

The Military Airlift Command said it chartered a 747 because that was the most economical aircraft to move such a large group.

"But we couldn't fly into Augusta because the plane requires a great deal of support equipment, especially people moving equipment," said Lt. Lorrie Kropp of MAC.

"We tend to try to move people by contract. We like to keep the military aircraft to move equipment," she said.

The travel arrangements for the return trip of the Puerto Rican guardsmen on July 3 have not been made yet, Lt. Kropp said.

Mr. MATTINGLY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, in a moment, I am going to ask the Chair to lay before the Senate a message from the House on the conference report on the disagreeing votes of the two Houses on the budget resolution. Before I do that, let me say it is my hope that we can complete the debate on the conference report itself tonight, have a vote on the conference report, and save debate and consideration of the substitute, which is the item in disagreement, until tomorrow.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—CONFERENCE REPORT

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a report of the committee of conference on Senate Concurrent Resolution 92 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for fiscal year 1982, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 21, 1982.)

Mr. BAKER. Mr. President, it is my hope that the managers on both sides will make their statements tonight and that we can proceed to vote on the conference report. I anticipate it will be a rollcall vote. It is my hope we can finish that stage of development not later than the hour 7 p.m.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, after difficult negotiations, the House and Senate conferees on the first concurrent budget resolution for fiscal year 1983 have reached agreement.

This conference report retains most of the elements that the Senate-passed version of the budget contained. For example, we have been able to cap increases for many cost-of-living adjustments. We have been able to cap the size of increases for Federal pay. We have been able to keep most of the appropriated accounts at the 1982 level for fiscal year 1983.

In addition, we have outlined a fiscal path for the Government that, if fully implemented and enforced, will cut more than $378 billion from the cumulative deficits for the fiscal years 1983 through 1985.

The conference agreement mandates revenue increases of $98.3 billion during the 3 years, compared to the revenue increase of $108.3 billion requested in the Senate version. This is good news for the American taxpayer.

The conference agreement attempts to balance cuts in discretionary, appropriated accounts with reduced spending in entitlements. In fact, if you add COLA savings to other entitlement reforms, you will see that the conference agreement mandates savings of $6.6 billion in 1983 in entitlements, compared to savings of $5.9 billion in discretionary, nondefense appropriated accounts, and $7.8 billion in defense program outlay savings.

In short, this budget, if enforced, will reduce pressures on interest rates substantially, will cut the growth rate of Federal programs to about half of its present rate, and will begin essential reforms in entitlements. In these respects, this budget resolution stands as a great step toward fiscal restraint.

If this resolution is enforced, Federal spending will grow by only 4.9 percent in 1983, by 6.8 percent in 1984, and by 7.2 percent in 1985. Much of the new spending in the outyears will be in defense. In fact, domestic spending would show little growth at all.

In conference, we restored funds in many of the appropriated accounts as compared with the House resolution. I would remind my good friends on the Appropriations Committee that this was not easy, considering the nature of the conference and the nature of the House resolution.

We added money for veterans. We removed some of the more draconian cuts that the House-passed budget would have imposed on Federal programs that bore the brunt of cuts last year. But, in the aggregate, the total spending for these programs will be at about the same level in 1983 as they were in 1982.

Let me elaborate on that last point. During the so-called "Gang-of-Seventeen" negotiations, it was calculated that a strict BA freeze on all discretionary, nondefense appropriated accounts would yield a savings of $5.7 billion in fiscal year 1983. We have now negotiated a conference report that asks for savings of $5.9 billion in those items.

In fact, domestic discretionary programs are actually cut less than a freeze. The conference agreed on an outlay level for the international affairs function that is some $600 million deeper than a freeze. If we adjust for this, domestic discretionary programs are actually provided some $400 million more in fiscal year 1983 outlays than a strict freeze would permit.

Surely, this is not an enormous burden. I am sure they wish there was more in those appropriated accounts, but I think the facts and the dollar numbers are as I have stated.

What it means is that the Approriations Committee can appropriate precisely the same budget authority in these accounts as it appropriated last year and help fulfill the promise of this budget. And, it means that for the millions of Americans who benefit from these programs, they can be assured that what they will receive in 1983 will be no less than they received in 1982, or that it should not be significantly less.

Now, to further elaborate on the question of COLA's and other entitlements, let me make a few points about the conference result. The Senate voted to freeze automatic COLA adjustments, with the exceptions of railroad retirement, food stamps, SSI, and severely disabled veterans. The conference agreement provides for a 4-percent cap on COLA's, with the exemptions I have stated, and assumes further that all veterans will be completely exempt from such a cap. The principle of capping or changing automatic increases—a prime cause of out-of-control Federal spending—has been established by this resolution if the Congress follows this madate, but the actions to be taken are less drastic than provided in the original Senate resolution.

I stress that these will not be automatic. Authorizing committees have been directed to do them but only in the typical reconciliation manner. They may save money in other ways. It appears obvious that this is the intention.

In the areas of food stamps, medicare, medicaid, SSI, and Aid to Families with Dependent Children, the conference agreement is almost a "split-the-difference" compromise between the House and Senate versions of the budget. The conference agreement asks for somewhat smaller savings in medicare than the Senate-passed budget, but still asks for substantial slowing of growth.

Mr. President, I have a variety of tables which summarize the spending compromises, the revenue compromise, and other information. I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Now, Mr. President, let me outline some additional facts about the budget resolution produced by the Senate-House conference.

First, the size of the deficits: This resolution provides for budget deficits totaling $353.5 billion in the 4 fiscal years starting with fiscal year 1982 and ending with fiscal year 1985. Those deficits are larger than anyone would like. Indeed, they are unprecedented. They look horrible—until you compare them to the deficits we would have if the policies recommended in this resolution were not adopted.

Mr. President, if we were to continue all present law and spending policies unchanged, we would have deficits totaling $745.6 billion in the 4 years covered by this resolution. This resolution cuts the cumulative deficits for the 4 years by $392.1 billion, so we are going a long way in deficit reducing. I wish we could have gone further, but I am convinced that this is as much as can be achieved right now.

I only hope that in the remaining days of this year, the Senate and the House will see fit to enforce and implement this so that these levels can be achieved. For those who want more, let me say that this Senator hopes we shall accomplish this much. This much will not be easy.

It is most significant that this resolution moves us off a path of rapidly rising deficits and onto a path of declining ones—not declining as fast as I would like, but I think it is the best we can do under the circumstances. The fiscal year 1985 deficit projected in this resolution is slightly less than $60 billion versus a current policy of "baseline" deficit of $231 billion in that year. In other words, the projected fiscal year 1985 deficit has been reduced by 74 percent.

Now lets look briefly at how this resolution reduces the deficits. It does it largely on the spending side. Three-fourths of the deficit-reduction actions come through outlay reductions. Only one-fourth come from revenue increases. I think this is consistent with what most Senators and most citizens would want.

There is balance in this resolution. It spreads the pain around in ways that I believe to be both appropriate and equitable. No part of the budget is excused from restraint. One of the tables I am inserting in the Record provides the details on this "spread-the-pain" point.

Let me just list the 3-year numbers for deficit-reducing actions in the major categories identified by the "Gang of Seventeen":

	Billions
Revenue Increases	$95.0
User fees:	
Revenue Increases	3.3
Spending offsets	4.2
Defense Programs Reductions	26.4
Restraint on Federal Pay Raises	26.1
Restraint of COLAs	5.4
Other Entitlement Savings	25.3
Management Savings	46.4
Savings in Non-defense discretionary programs	35.1

All of this assumes that interest would come down if all of this were accomplished and there are lower interest costs over current law in the amounts of 52.8 and 54.9—that is,

	Billions
Lower interest cost:	
Due to lower deficits	52.8
Due to lower rates	54.9
Other program reductions	3.6
Total deficit reductions (fiscal year 1983-85)	378.5

Mr. President, before I leave the subject of the deficits, I want to deal with one additional point. The deficits in the conference agreement are smaller than those in the original Senate-passed resolution by a total of $39.2 billion over the 4 years. For those who think the Senate gave too much in the conference with the House, let me point out that the House voted at 1:45 p.m. today for this budget resolution by a slim margin of 210 to 208.

From my contacts with many people in the other body over recent weeks, I can tell my colleagues the size of the deficits was a tremendous problem over there. The House came up on deficits; the Senate came down.

I do not think there is any realistic possibility that we could negotiate a budget with larger deficits or larger revenue increases that would pass the House. I say again: I am convinced this is the best budget we can produce under the circumstances.

Mr. President, there have been some allegations that the budget conferees used artificial estimates to keep outlays down in certain areas and thus hold down the budget deficits. This has, in turn, led to concern on the part of members of the Appropriations Committee and others that the upward reestimates of entitlements may squeeze out money for discretionary appropriated programs and leave

the Appropriations Committee in the position of being unable to fund those programs at the levels assumed in this resolution. As I understand it, this concern is intensified by the provision in this resolution (section 7) that this first budget resolution will automatically become the second resolution on October 1, 1982, unless Congress has adopted a new second budget resolution by then.

Let me try to answer these concerns: First, there are only five areas in which the conferees did not fully accept CBO estimates. In these areas, the conferees decided to use estimates provided by the administration. These differences for fiscal year 1983 were:

Revenues: $4.8 billion. CBO was lower than conference.

Defense outlays: $1.8 billion. CBO was higher than conference.

OCS receipts: $3.8 billion. CBO was lower than conference.

Civil service retirement: $0.3 billion. CBO was higher than conference.

Interest costs: $1.8 billion. CBO was higher than conference.

In each of these categories, there are good arguments that can be made on both sides of the estimating differences. The truth of the matter is that there are large uncertainties in estimating budget outlays and revenues. I can assure the Senate that there is a reasonable basis for the numbers included in this resolution. We have not "cooked up" a lot of numbers.

Let me try to reassure those concerned about squeezing out discretionary appropriations. During the Senate-House conference, a clear record was made committing the two Budget Committees to scorekeeping in such a way that the Appropriations Committees will not have to "eat" upward reestimates in the areas in which the conferees did not use CBO estimates.

Let me quote from the official transcript of the conference, page 211:

The CHAIRMAN (Mr. JONES). I would also suggest that for scorekeeping purposes, CBO uses these economic and technical assumptions for scorekeeping. Is there any disagreement to that? (No response.)

The CHAIRMAN. Without objection, so ordered.

I assure the chairman of the Appropriation Committee and the other members of that committee that I will personally take the lead in whatever actions are necessary to permit the Appropriation Committee to have available every dollar this resolution provides for discretionary nondefense programs. This could include revising the budget resolution, changing scorekeeping procedures, or waivers under section 904 of the Budget Act.

I believe the automatic second budget resolution is a step forward. It recognizes that the Senate and House calendars are going to be very congested this fall. It recognizes that we are over a month late with this first budget resolution and that less than 90 days remains before the September 15 deadline for the second budget resolution. There is little likelihood that Congress will want significantly different fiscal policies in 90 days. If it does want to make changes, it can produce a second resolution. If it does not do so, this resolution will become the second automatically on October 1. This is not a permanent change. If it does not work well this year, Congress can go gack to two resolutions a year.

SUMMARY OF RECONCILIATION

REVENUE RECONCILIATION

The conferees adopted the lower House revenue reconciliation. It provides that revenues be increased by $20.9 billion in fiscal year 1983, $36.0 billion in fiscal year 1984, and $41.4 billion in fiscal year 1985, for a total of $98.3 billion over 3 years. Of this 3-year total, $3.3 billion is expected to come from increased user fees.

The Senate revenue reconciliation was for somewhat higher levels in each of the 3 years.

SPENDING RECONCILIATION

The conferees adopted a level for reconcilation for spending programs that was below the levels passed by both the Senate and the House in their respective resolutions.

The reconciliation spending levels agreed to by the conferees total $6.6 billion in outlays for fiscal year 1983, $9.3 billion in fiscal year 1984, and $11.3 billion in fiscal year 1985, for a total of $27.2 billion over the 3-year period. This 3-year total compares to $36 billion as passed by the Senate and $35 billion as passed by the House.

The amounts in the conference agreement are lower than the Senate-passed reconciliation for two main reasons. First, the conferees decided on a somewhat lower amount for the Committee on Finance reflecting lower estimates of achievable savings in medicare. Second, the conferees decided on a lower amount for the committees on Armed Services and Governmental Affairs, reflecting the conferees' decision to provide for a 4-percent COLA adjustment for Federal, military, and civilian retirees this year as proposed by the House, as compared to the total freeze for this year passed by the Senate.

In most other respects, the conference agreement is similar to the Senate-passed position on major items. It was agreed to drop the small amount of reconciliation that had been proposed by the Senate in programs under the jurisdiction of the Labor and Human Resources Committee and the corresponding committees in the House. However, a reconciliation instruction proposed by the House but not the Senate for the two Banking Committees was agreed to by the conferees.

The House also conceded a major point by agreeing to firm, binding reconciliation instructions for 3 years, as passed by the Senate. The House resolution technically provided reconciliation only for fiscal year 1983.

Mr. President, the remainder of my statement contains some summary information on what this budget provides for each budget function and for credit activities. It details what we did and what we intend.

[Summary]

FUNCTION 050: NATIONAL DEFENSE

The budget approved by the conference committee continues the substantial growth in funding necessary to strengthen the nation's defense capabilities. There is real growth of 9.4 percent in fiscal year 1983 budget authority and of 6.1 percent in fiscal year 1983 outlays.

The conference provides for a 4 percent cost-of-living increase for military retirees in fiscal years 1983 through 1985.

The conference provides for a 4 percent pay increase for civilian and military employees of the Department of Defense beginning October 1, 1982.

The conference agreed to use OMB outlay estimates in place of the CBO re-estimates used by the Senate. OMB estimates were used by both Houses in fiscal year 1982

FUNCTION 150: INTERNATIONAL AFFAIRS

In the International Affairs function, the House conferees agreed to come three-fourths of the way toward the Senate budget authority total for fiscal year 1983 for a total of $15.9 billion.

The conference agreement accommodates the critical Caribbean Basin Initiative ($350 million in BA; $278 million in fiscal year 1982 outlays) to bolster the economic development and security of our southern neighbors.

The conference agreement allows for a traditional continuing resolution this year that would provide for the current level or the President's request, whichever is lower. Any major increases for new requirements would have to be funded through reductions in existing programs.

In addition, there is a small allowance for somewhat higher levels than the traditional continuing resolution for top priority programs. The appropriators will determine what those top priority programs are, but it is clear that many are concerned about security assistance, the Export-Import Bank, and the operating expenses of the Department of State.

The relationship of budget authority to outlays in this function will make it easier for the appropriators to fund slower-spending programs, such as long-term development programs and the Export-Import Bank, than fast-spending quick-fix solutions.

I am convinced that the Department of State and the appropriators can get together and make sure that this $11.5 billion is reserved for the highest priority foreign policy objectives and is equitably allocated among our friends and allies. If too much goes to one or two countries, there just won't be enough to go around.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

For basic science research and the NASA space program, the Conference Agreement is at the same level as the Senate-passed and the President's request. This function would increase by 7 percent above fiscal year 1982 levels which would provide real

growth for basic science research and would maintain the space shuttle on its current schedule.

FUNCTION 270: ENERGY

For the energy function, discretionary appropriations would essentially be maintained at fiscal year 1982 levels. Spending for energy conservation, energy research and other programs would be 10 percent above the President's request. Nuclear waste user fees as passed by the Senate are also assumed.

Loan levels for the Rural Electrification Administration (REA) would be maintained at fiscal year 1982 levels as in the Senate-passed resolution. No changes in interest rates, supplemental loan ratios and the present loan evaluation criteria for REA are assumed.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

For the natural resources and environment function the Conference Agreement would allow a 9 percent increase in discretionary programs above the President's request. This would maintain water resources, environmental protection and Department of Interior programs at fiscal year 1982 levels.

FUNCTION 350: AGRICULTURE

The Conference Agreement would allow spending for all agricultural programs in fiscal years 1982 and 1983 to total almost $23 billion. This is nearly two-thirds larger than any prior two year period.

Budget authority for discretionary programs in the agricultural function would essentially be at the fiscal year 1982 level.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

The conference agreement assumes sufficient outlays in this function to accomodate the level of funding the Lugar mortgage interest subsidy bill provided in the conference agreement on the fiscal year 1982 Urgent Supplemental Appropriations bill. This emergency legislation will help over 200,000 families buy recently constructed homes and create jobs in the depressed home building industry.

The conference agreement assumes $400 million in funds for the Postal Service in each of fiscal years 1983 through 1985. The House resolution assumed no money for the Postal Service. It would allow for the continuation of subsidized postal rates, at increased levels, for many classes of mail (for example, newspapers, classroom publications, third-class bulk mailings by non-profit educational and charitable organizations and mail for libraries). Mail for the blind and handicapped would continue free of charge.

The conference agreement provides $367 million in fiscal year 1983 for Small Business Administration (SBA) business support programs. This level of funding allows $100 million for SBA direct business loans; the House resolution had assumed that the program would be eliminated. The SBA direct loan program assists small businesses that cannot obtain private loans or afford to pay high interest rates.

The conference agreement assumes user fees proposed by the President for the Patent and Trademark Office, the Commodity Futures Trading Commission and Ginnie Mae. These fees will impose more of the cost of the services provided by these agencies on private sector beneficiaries.

The conference agreement assumes $1.2 billion in savings in fiscal year 1983 from the President's proposals to charge homebuyers whose mortgages are insured by the Federal Housing Administration (FHA) a one-time, up-front premium at the time of settlement and to sell mortgage loan assets acquired in previous years under the housing for the elderly and handicapped program. The new FHA mortgage insurance premium will have little impact on the homebuyer's monthly payment and will significantly reduce the workload of the Federal government and private lenders.

The conference agreement assumes $71 million in fiscal year 1983 in reductions below fiscal year 1982 funding levels for discretionary programs such as the Patent and Trademark Office, Scientific and Technical Research, the Travel and Tourism Administration, the FCC and the FTC.

FUNCTION 400: TRANSPORTATION

The Conference Agreement continues funding for discretionary programs at the fiscal year 1982 budget authority level including an allowance for additional fiscal year 1982 supplemental appropriations such as CAB air carrier payments, FAA operations and Coast Guard operations.

The Conference Agreement is 12 percent in budget authority and 3 percent in outlays above the level requested by the President. Funding is restored for highways, Coast Guard programs, Amtrak, airport grants-in-aid (ADAP), ship construction subsidies, rail service improvement programs, and urban mass transit.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

The totals for this function would allow all discretionary programs in the function to be funded at fiscal year 1982 budget authority levels during the next three fiscal years.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

The conference agreement allows for increased funding in key education and employment programs to improve education and employment opportunities for the neediest of our nation's citizens.

The conference agreement increases funding for elementary and secondary education by $250 million in fiscal year 1983 budget authority over the current level. This money will allow for significant increases in the compensatory education program for disadvantaged children, the education of the handicapped, vocational education, and state block grants.

The conference agreement increases funding for the Pell grant program, a student aid program targeted on the neediest of our country's college and university students, by $100 million over the amount in the fiscal year 1982 continuing resolution.

The conference agreement increases funding for training programs and job search activities for unemployed individuals by $900 million over the amount provided in the fiscal year 1982 continuing resolution. Increased funding is assumed for job training activities, for the work incentive program (WIN) for welfare recipients, for the state employment service offices, and for rehabilitation services for the handicapped.

FUNCTION 550: HEALTH

MEDICARE

During the three years 1983 through 1985, the spending in the medicare program will be reduced by $15.4 billion. These savings will reduce the projected growth in this program from 16 percent to 13 percent.

The level of savings in medicare which the Finance Committee is mandated to achieve, $11.5 billion, is the same as that passed by the House. The conferees added $3.8 billion in additional non-reconciled savings. Half of these can be achieved through adminstrative tightening by HHS.

These mandates will permit the Finance Committee to begin to restore financial solvency and fiscal control in the medicare program.

The medicaid program was reduced by $2.2 billion over three years—the Senate level. This level is only one-third of the House-passed savings. Many of the assumed savings in this program will save both federal and state dollars and do not represent a cost shift to the states.

FUNCTION 600: INCOME SECURITY

For almost every program affecting low-income persons, the lesser Senate reductions were adopted by the conferees. In food stamps, medicaid, and welfare we sustained the Senate position. These reductions were balanced by cuts in cost-of-living adjustments and medical services provider reimbursements that affect middle class individuals. The poor were not singled out for unfair treatment in this agreement.

In food stamps we adopted reconciliation instructions identical to the Senate-passed resolution—$3.3 billion in reductions over three years. These reductions can be taken from other programs under the Agriculture Committee's jurisdiction if they wish to take alternative savings.

We removed assumptions proposed by the House to cut child nutrition programs. The agreement envisions no cuts in school lunch or breakfast programs.

In subsidized housing, we assumed budget authority levels sufficient to accommodate the Senate bipartisan reform bill. The agreement calls for $15 billion more than the House position. It is our hope that Senator Garn can translate this assumption into a long overdue restructuring of low-income housing aid.

Recipients of social security, supplemental security income (SSI), and railroad retirement benefits are granted their full 7.4 percent cost-of-living adjustment in July 1982.

Recipients of civil service retirement, federal workers compensation, black lung disability, and foreign service retirement benefits receive a 4 percent cost-of-living adjustment in fiscal year 1983—instead of the freeze proposed by the Senate.

Cuts in AFDC, SSI, and child support enforcement totaling $400 million sought by the House were not agreed to.

Trade adjustment assistance and railroad retirement windfall benefits are fully funded—an increase of $150 million over the House resolution.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

The conference agreement accommodates a full cost-of-living increase this year for pensioners and for service-connected disabled veterans receiving compensation benefits.

The conference agreement provides funding at the level of the President's budget request for major Veterans Administration (VA) medical programs, including medical care, research, and hospital construction.

The First Budget Resolution also provides funding at the level of the President's budget request for the administration of VA non-medical benefits with modest restraint in other non-medical activities.

The conference agreement assumes enactment of management initiatives proposed by the President, including the VA housing

loan origination fee, to achieve budget savings with minimal impact on individual veterans.

FUNCTION 750: ADMINISTRATION OF JUSTICE

The conference agreement provides roughly $150 million in budget authority and outlays in fiscal year 1983 above the House-passed levels for this function.

The conference agreement would allow funding slightly below fiscal year 1982 budget authority levels for programs in this function in each of fiscal years 1983 through 1985.

FUNCTION 800: GENERAL GOVERNMENT

The conference agreement calls for funding in this function at House-passed levels.

A reduction of $200 million in funding for Legislative Branch activities is assumed. This would allow funding for Legislative Branch activities at fiscal year 1981 levels.

Also assumed is a $58 million reduction in the General Services Administration (GSA) supply activities. This savings was proposed by the Administration as part of a reorganization of the GSA which would allow GSA to be reimbursed for providing federal supply activities.

Funding is provided for all other programs in the function at fiscal year 1982 budget authority levels.

FUNCTION 850: GENERAL PURPOSE FISCAL ASSISTANCE

The totals for this function would allow all discretionary programs in the function to be funded at fiscal year 1982 budget authority levels during the next three fiscal years.

The current funding level of $4.6 billion for the general revenue sharing program is provided in each of fiscal years 1983 through 1985.

FUNCTION 900: INTEREST

The conference agreement assumes the President's savings bond legislation.

The conference agreement assumes the interest rate reduction and the interest cost savings resulting from the lower fiscal year 1982 and fiscal year 1983 deficits in the conference agreement.

FUNCTION 920: ALLOWANCES

The conference agreement assumes a 4 percent pay raise for federal employees in October 1982.

The conference agreement assumes that 50 percent of the costs associated with the October 1982 pay raise will be absorbed through savings in other activities.

The conference agreement assumes an additional 2 percent reduction in the federal workforce.

The conference agreement assumes slightly higher sales of surplus federal property than the President's request.

The conference agreement assumes an allowance for employment stimulus and unemployment legislation.

The conference agreement assumes the President's management initiative savings for improved debt collection and reductions in waste, fraud, and abuse.

CREDIT BUDGET

The conference agreement generally assumes that fiscal year 1982 appropriations act limitations on new direct loan obligations and loan guarantee commitments will be maintained in fiscal year 1983.

The conference agreement does not assume the President's proposed reductions in REA direct loans and loan guarantees, FHA mortgage insurance, or Ginnie Mae guarantees of mortgage-backed securities.

The conference agreement includes, for the first time, language providing for enforcement of the credit budget aggregates.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

The conference agreement assumes the Administration estimates for rents and royalties on the Outer Continental Shelf.

The conference agreement assumes the President's management initiative savings for disposal of surplus federal property.

EXHIBIT 1.—CONFERENCE SUBSTITUTE—FIRST BUDGET RESOLUTION, FISCAL YEAR 1983, REVISED JUNE 18, 1982

[In millions of dollars]

Function	Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
050: National defense	218,200	187,550	253,566	213,966	279,483	243,283	323,650	279,000
150: International affairs	16,750	11,400	15,900	11,500	16,400	11,900	21,000	11,800
250: General science, space, and technology	7,000	7,000	7,800	7,600	7,700	7,800	7,300	7,400
270: Energy	4,800	6,400	4,800	4,500	3,950	3,300	3,800	3,000
300: Natural resources and environment	10,300	12,800	9,500	10,950	8,700	9,800	8,300	8,700
350: Agriculture	9,900	13,800	6,692	9,042	8,300	7,600	6,700	7,110
370: Commerce and housing credit	9,480	3,750	7,100	2,837	7,600	2,521	7,223	1,880
400: Transportation	20,800	21,300	21,450	19,900	21,700	19,700	22,050	19,600
450: Community and regional development	7,000	8,500	6,900	7,700	6,900	7,500	7,100	7,400
500: Education, training, employment, and social services	25,400	28,100	26,832	26,205	26,700	26,900	26,214	26,161
550: Health	78,500	73,700	79,569	77,816	91,725	86,249	103,229	98,830
600: Income security	256,792	250,300	274,797	270,895	291,042	287,531	322,373	308,858
700: Veterans benefits and services	24,800	23,800	24,560	23,823	25,746	25,017	26,752	26,497
750: Administration of justice	4,500	4,600	4,540	4,650	4,500	4,500	4,500	4,500
800: General Government	5,200	5,000	4,800	4,650	4,500	4,450	4,500	4,300
850: General purpose fiscal assistance	6,400	6,300	6,500	6,500	6,700	6,700	6,850	6,850
900: Interest	100,700	100,700	113,200	113,200	118,000	118,000	111,500	111,500
920: Allowances	2,850	800	−3,016	−2,816	−2,383	−2,033	−2,150	−1,750
950: Undistributed offsetting receipts	−31,700	−31,700	−43,100	−43,100	−48,790	−48,790	−50,280	−50,280
Total spending	777,782	734,100	822,390	769,818	878,473	821,928	960,611	881,356
Revenues		628,400		665,900		738,000		821,400
Deficit		105,700		103,918		83,928		59,956
Public debt		1,143,100		1,290,200		1,420,219		1,533,491
Change in revenues		−200		+20,900		+36,000		+41,400
Change in public debt limit		+63,300		+147,100		+130,019		+113,272

CONFERENCE AGREEMENT—FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983, JUNE 22, 1982, REVISED SENATE BUDGET COMMITTEE ESTIMATES

	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985	Total fiscal years 1983–85
Summary of changes from baseline:				
Baseline deficit	182.0	216.0	232.5	
Adjustment to baseline [1]	−1.3	−1.4	−1.5	
Adjusted baseline deficit	180.7	214.6	231.0	
Deficit reduction measures:				
Revenue increases	20.0	35.0	40.0	95.0
User fees (revenue increases)	.9	1.0	1.4	3.3
Defense (except pay and entitlements) [2]	7.8	8.3	10.3	26.4
Federal pay raises	5.1	8.9	12.1	26.1
Nondefense discretionary programs	5.9	10.1	18.8	34.8
COLA's	.5	1.8	3.1	5.4
Other entitlement savings	6.1	9.0	10.3	25.4
Management savings	13.7	17.1	15.8	46.6
User fees (spending offsets)	1.1	1.4	1.7	4.2
Other program reductions	1.2	1.3	1.1	3.6
Net interest:				
Lower rates	8.0	19.1	27.8	54.9
Lower deficits	6.5	17.7	28.6	52.8

CONFERENCE AGREEMENT—FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983, JUNE 22, 1982, REVISED SENATE BUDGET COMMITTEE ESTIMATES—Continued

	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985	Total fiscal years 1983–85
Total deficit reduction	76.8	130.7	171.0	375.5
Remaining deficit	103.9	83.9	60.0	

[1]Reflects actual cost-of-living adjustment for retirement programs of 7.4 percent in July 1982 (baseline assumed 8.1 percent).
[2]Assumes lower OMB estimates of defense outlays (baseline assumed higher CBO estimates).

RECONCILIATION BACKUP TABLES, JUNE 21, 1982 (REVISED)

TABLE 1.—RECONCILIATION BY FUNCTION

[In millions of dollars]

	Senate Committee	House Select Committee	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
			Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Function 050: Military retirement COLA	Armed Services	Armed Services	−212	−212	−691	−691	−1,228	−1,228
Function 370: FHA premiums	Banking	Banking		−695		−697		−687
Function 400: Coast Guard retirement COLA	Commerce	Merchant Marine	−4	−4	−15	−15	−27	−27
Function 550:								
Medicare	Finance	Ways and Means		−3,162		−4,122		−4,240
Medicaid	Finance	Energy and Commerce	−513	−674	−739	−737	−812	−808
PHS retirement COLA	Armed Services	Armed Services, Energy and Commerce	−1	−1	−2	−2	−3	−3
Total, function 550			−514	−3,837	−741	−4,861	−815	−5,051
Function 600:								
Food stamps	Agriculture	Agriculture	−779	−779	−1,083	−1,083	−1,428	−1,428
AFDC	Finance	Ways and Means	−390	−390	−400	−400	−401	−401
SSI	Finance	Ways and Means	−158	−158	−254	−254	−368	−368
Child support enforcement	Finance	Ways and Means	−45	−45	−51	−51	−159	−159
Civil service retirement (non-COLA)	Governmental Affairs	Post Office and Civil Service		−104		−136		−160
Civil Service retirement (COLA)	Governmental Affairs	Post Office and Civil Service		−270	−240	−917	−534	−1,633
Foreign Service retirement COLA	Foreign Relations	Foreign Affairs, Post Office and Civil Service.		−2	−2	−8	−4	−15
Total, function 600			−1,372	−1,748	−2,030	−2,849	−2,894	−4,164
Function 700:								
Veterans' pensions COLA	Veterans' Affairs	Veterans' Affairs			−87	−80	−150	−148
Veteans' compensation	Veterans' Affairs	Veterans' Affairs			−68	−75	−5	−7
Unspecified entitlement reductions	Veterans' Affairs	Veterans' Affairs	−77	−77				
Total, function 700			−77	−77	−155	−155	−155	−155
Grand total, reconciliation			−2,179	−6,573	−3,632	−9,268	−5,119	−11,312

TABLE 2.—Reconciliation by Senate Committee

[In millions of dollars]

	Function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
		Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry: Food stamps	600	−779	−779	−1,083	−1,083	−1,428	−1,428
Armed Services:							
Military retirement COLA	050	−212	−212	−691	−691	−1,228	−1,228
PHS retirement COLA	550	−1	−1	−2	−2	−3	−3
Total, Armed Services		−213	−213	−693	−693	−1,,231	−1,231
Banking, Housing, and Urban Affairs: FHA premiums	370		−695		−697		−687
Commerce, Science, and Transportation: Coast Guard retirement COLA	400	−4	−4	−15	−15	−27	−27
Finance:							
Medicare	550		−3,162		−4,122		−4,240
Medicaid	550	−513	−674	−739	−737	−812	−808
AFDC	600	−390	−390	−400	−400	−401	−401
SSI	600	−158	−158	−254	−254	−368	−368
Child support enforcement	600	−45	−45	−51	−51	−159	−159
Total, Finance		−1,106	−4,429	−1,444	−5,564	−1,740	−5,976
Foreign Relations: Foreign Service retirement COLA	600		−2	—	−8	−4	−15
Governmental Affairs:							
Civil Service retirement (non-COLA)	600		−104		−136		−160
Civil Service retirement COLA	600		−270	−240	−917	−534	−1,633
Total, Governmental Affairs			−374	−240	−1,053	−534	−1,793
Veterans' Affairs:							
Veterans pensions COLA	700			−87	−80	−150	−148
Veterans compensation	700			−68	−75	−5	−7
Unspecified entitlement reductions	700	−77	−77				
Total Veterans' Affairs		−77	−77	−155	−155	−155	−155
Ground total, reconciliation		−2,179	−6,573	−3,632	−9,268	−5,119	−11,312

TABLE 3.—RECONCILIATION BY HOUSE COMMITTEE

[In millions of dollars]

	Function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
		Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture: Food stamps	600	−779	−779	−1,083	−1,083	−1,428	−1,428
Armed Services:							
Military retirement COLA	050	−212	−212	−691	−691	−1,228	−1,228
PHS retirement COLA	550	−1	−1	−2	−2	−3	−3
Total, armed services		−213	−213	−693	−693	−1,231	−1,231
Banking, Finance, and Urban Affairs: FHA premiums	370	.....	−695	.....	−697	.....	−687
Energy and Commerce:							
Medicaid	550	−513	−674	−739	−737	−812	−808
PHS retirement COLA	550	−1	−1	−2	−2	−3	−3
Total, energy and commerce		−514	−675	−741	−739	−815	−811
Foreign Affairs: Foreign Service retirement COLA	600	.....	−2	−2	−8	−4	−15
Merchant Marine and Fisheries: Coast Guard retirement COLA	400	−4	−4	−15	−15	−27	−27
Post Office and Civil Service:							
Civil service retirement (non-COLA)	600	.....	−104	.....	−136	.....	−160
Civil service retirement COLA	600	.....	−270	−240	−917	−534	−1,633
Foreign Service retirement COLA	600	.....	−2	−2	−8	−4	−15
Total, Post Office and Civil Service			−376	−242	−1,061	−538	−1,808
Veterans' Affairs:							
Veterans' pensions COLA	700	.....	.....	−87	−80	−150	−148
Veterans' compensation	700	.....	.....	−68	−75	−5	−7
Unspecified entitlement reductions	700	−77	−77	.....	.....	.....	.....
Total, Veterans' Affairs		−77	−77	−155	−155	−155	−155
Ways and Means:							
Medicare	550	.....	−3,162	.....	−4,122	.....	−4,240
AFDC	600	−390	−390	−400	−400	−401	−401
SSI	600	−158	−158	−254	−254	−368	−368
Child support enforcement	600	−45	−45	−51	−51	−159	−159
Total, Ways and Means		−593	−3,755	−705	−4,827	−928	−5,168
Gross total, House committees		−2,180	−6,576	−3,636	−9,278	−5,126	−11,330
Remove double counting:							
PHS retirement COLA	550	+1	+1	+2	+2	+3	+3
Foreign service retirement COLA	600	.....	+2	+2	+8	+4	+15
Total, double counting		+1	+3	+4	+10	+17	+18
Grand total reconciliation		−2,179	−6,573	−3,632	−9,268	−5,119	−11,312

Mr. DOMENICI. Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor during consideration of conference report 97-478 of Senate Concurrent Resolution 92.

The PRESIDING OFFICER. Is there any objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget and of several Senators be granted the privilege of the floor during consideration of the conference report:

MAJORITY STAFF

Rich Bartholomew, Steve Bell, Sid Brown, Michael Carozza, Jack Conway, Gail Cowper, Becky Davies, Pete Davis, Charles Flickner, Gail Shelp Fosler, Tom Foxwell, Bob Fulton, Laurie Greene, Paul Heilig, David Hooker, Cheryl Janas, Jan Grassmuck Lilja.

Deborah Swartz Lipman, Terrence Lyons, Jeff Malashock, S. Anthony McCann, Carole Baker McGuire, Nancy Moore, David Nummy, Elise Paylan, Mary Payne, Joyce Purcell, Chuck Riemenschnieder, Robin Seiler, Alan Struthers, Diane Tebelius, Marilyn Turner, C. G. Nuckols, Paul Van der Water.

MINORITY STAFF

Liz Tankersley, Bob Sneed, Marty Kress, Tom Sliter, John Nelson, Ann Hadley, Dorothy Blocklin, Steven Palmer, Rick Brandon, Ken Apfel, Kem Stokes, James Stasny.

OTHER STAFF

Tim Baade, Judee Burnell, Merritt Chesley, Elizabeth Farcht, Tish Niffenegger, Mary P. Gassman, Patricia Hameister, Kathryn Hamilton, Sandi Hughes, Margaret Janowski, Gina Knoll Mellen, Anne Miller, Ronald Newlin, Lisa Ostapczuk, Debbie Paul, Susan Yurko, Pat Hollingsworth, Carolyn Barber, Debbie Goerlich.

Richard Billmire on behalf of Senator Armstrong.

Guy Clough on behalf of Senator Kassebaum.

Lillian Saunders on behalf of Senator Boschwitz.

John Craddock on behalf of Senator Tower.

Elise Paylan on behalf of Senator Kasten.

Barbara McLennon on behalf of Senator Quayle.

Bob Thomas and Dianne Tebelius on behalf of Senator Gorton.

Dave Sullivan on behalf of Senator Symms.

Kris Kolesnik on behalf of Senator Grassley.

Hayden Bryan on behalf of Senator Hatch.

Rick Brandon on behalf of Senator Chiles.

Dick Andrews on behalf of Senator Biden.

Laura Hudson on behalf of Senator Johnston.

Lance Simmens on behalf of Senator Sasser.

Carolyn Kamlet and Bob Hamlin on behalf of Senator Hart.

Thom Hall on behalf of Senator Metzenbaum.

Don Campbell on behalf of Senator Riegle.

Rob Shapiro on behalf of Senator Moynihan.

Jan Oberg on behalf of Senator Exon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, in my remarks I referred to using the Department of Defense estimates on imilitary spendout, function 050, and on OCS indicated that we had gone with the administration instead of CBO. In that regard I have a letter dated June 22 from Secretary of Defense Weinberger directed to me wherein he says:

Realizing the extreme importance of the budget resolution and urgency of actions necessary to complete the effort, I thought it would be useful to assure you of the credibility of the administration's outlay estimating methodology.

This same methodology, which was used in the fiscal year 1982 outlay estimates, has achieved results at the end of the third quarter which confirm the analyses, assumptions, and methodology.

If I can be of further assistance on this matter, please do not hesitate to call upon me or my staff for such assistance.

I have a similar one from the Secretary of the Interior which indicates, among other things:

Our reviews show no reason to question the validity of the fiscal year 1983 OCS receipts estimate of $15.7 billion contained in the April update to the President's budget.

Mr. President, I ask unanimous consent that the letter be printed in full.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 21, 1982.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Recent developments in the world oil market and possible delays resulting from litigation have caused the Department of the Interior to evaluate the Administration estimate of anticipated receipts from our Outer Continental Shelf leasing program.

We have also examined the assumptions and methodology employed by the Congressional Budget Office in generating its estimate of OCS receipts.

Our reviews show no reason to question the validity of the fiscal year 1983 OCS receipts estimate of $15.7 billion contained in the April update to the President's Budget. We still believe our estimate to reflect the most probable level of receipts in fiscal year 1983. The Administration estimate is $3.8 billion above the corresponding CBO estimate of $11.9 billion.

If I can be of further assistance in clarifying this matter, please let me know.

Sincerely,

JAMES WATT,
Secretary.

Mr. HOLLINGS. Mr. President, I yield myself such time as is necessary. It is difficult to know where to begin. Let me say to my distinguished chairman and colleague, Chairman DOMENICI, that he might want to check with our colleague from Ohio. We have only 10 hours on the resolution.

I want to cooperate in order to get a vote on the resolution this evening and then proceed to the amendment itself in a nature of the substitute passed by the House this afternoon. That would limit our time tomorrow to 1 hour evenly divided on that particular amendment. I can assure our colleagues that the Chairman and I are not trying to crowd our colleagues into any kind of limited debate. If we can confer with the leadership on both sides, we will likely get an agreement to put some time over until tomorrow so we can debate the guts of this resolution before the entire Senate for more than an hour. The vote this evening is just the first page of the report, the general language itself.

With respect to this, Mr. President, it is difficult to know where to begin. I hesitate to comment upon this difficulty because I hear statements from the distinguished chairman which I know are not quite on target. And yet I know there is no one more sincere and no one who has worked more diligently to try to bring about a budget resolution than our distinguished chairman.

There are two things that immediately come to mind, and that is in trying to gain cooperation for a resolution on this side of the aisle, Chairman DOMENICI makes two observations: We tried, but we could not get the votes. Mr. President, we had to do it this particular way. Let me comment on the fact that we have tried and could not get the votes.

The fact of the matter is that the Democrats did try and attempts were made, in a bipartisan fashion, to develop a true Senate resolution. Without recalling the entire history of the year, after the President submitted his budget in January, we tried and our attempts would not fly. The Senate could reach agreement on no approach.

We then came together as the "Gang of 17" to work in a bipartisan fashion. We tried that for a dozen or so meetings—Chairman DOMENICI and myself, representatives from the White House, the House side, Republicans and Democrats. But that process broke down.

Thereafter, when we had in essence the voting down of the President's budget, we had the budget process invaded by the White House and ransacked so that Democrats have been on the outside of this process since that particular time. And this strategy of the administration has made a farce of all congressional actions on the budget.

(Mr. HUMPHREY assumed the chair.)

Mr. HOLLINGS. I refer particularly to the article published in today's Washington Post by former Secretary of the Treasury William Simon entitled "Sham, My Friends, All Sham." I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"SHAM, MY FRIENDS, ALL SHAM"

(By William Simon)

You know what the very worst thing about Congress is? Incompetence? Irresponsibility? Cowardice? They're bad all right and, also, all very much in abundance. But voters soon recognize these traits, and it doesn't take long to turn the rascals out.

But, where we get into trouble, where we can get taken year after year, where we are so quietly fooled is in the fine art of congressional sham. You've seen it time and again; after a lot of huffing, heaving, howling and hollering, the Congress acts! Hooray, they all cry, we did it. And we poor folks out there, who have to live under the laws these fellows pass, sort of bask in the afterglow of their self-congratulations. Last week, you could almost palpably feel, not just hear, the collective sighs of relief that passed from one end of the country to the other when the House passed a budget resolution.

Sham, my friends, all sham.

First, there was the disgraceful performance itself. The delay, the partisanship, the bickering, the cavalier dismissal of any sense of responsibility was appalling. The debate declined to a point at which one senator lost his cool. He shouted at his colleagues, "Who are we kidding? Only Congress can appropriate money. We created this problem. I hope the American people are smart enough to place a plague on both parties if this continues. . . . We should start facing up to the nature of the problem, and I do not care which side of the aisle faces up to it. There should not even be an aisle on the issue."

I'm sick and tired of hearing modern-day congressmen, analysts and pundits claim that progress in Congress has resulted from the adoption of more responsible budget procedures over the past 10 years.

I'm not prepared to judge whether policy decisions were better or worse for having been made over a bottle of bourbon and branch water in Sam Rayburn's office. And, I don't much care what Wilbur Mills did in his off hours, but can you imagine either of these two gentlemen and hosts of others risking the American economy, American financial institutions and indeed the well-being of all Americans by tolerating the performance that went on in the House of Representatives this year?

Then there's the budget resolution itself. Believe me, you can abandon the notion that we now have a budget, even assuming a quick compromise between the Senate-passed initial resolution and the House-passed resolution of last week. Remember that these resolutions, woefully late, are simply the first and easiest step of the budget process and have never—I repeat, never—been lived up to. Now it is incumbent upon our elected representatives to begin the real work, the department-by-department, program-by-program, line-by-line analysis. Because, now these two estimable bodies, having set an upper limit on deficit but having shied away from any specific revenue-raising measures face the task of passing a real budget to meet these goals.

And guess what? They've already failed! This is no exaggeration. Already the Congress has made short shrift of its own targeted budget deficit by rushing through the hoppers what I'm sure will be the first of several "urgent supplemental appropriations." The first one is for a $3-5 billion mortgage subsidy program over the next five years to help the ailing housing industry. The next little boondoggle wending its way quickly through congressional halls is a little gimmick in which Uncle Sam (read: you and I) will issue some promissory note that, in essence, goes to any thrift institution whose net worth falls under 2 percent of its assets. These notes will make up the difference, i.e., create solvency. Can there be any doubt, given the state of thrifts today, that this one can cost us untold billions?

Now that's congressional action in the last few weeks, and the legislators have only begun. It is still four months until election day as our law-makers become office-seekers pursuing their first priority, the retention of their seats. And, look at all the ailing industries! Why there's steel, the autos, the aircraft builders and the airlines and lots more. How can Congress, in an election year, let them suffer the results of their own mistakes? And, of course, there's the

usual march on Washington by all the various groups who feel put upon with their lot in life and whose cases seem so poignant just before election, almost any group which can muster sufficient political clout to get Congress to start an entitlement program.

And yet with all the back-slapping and hand-shaking last week you would have thought we had a budget. Sham! And shame!

And all the while interest rates soar, the stock market declines, bankruptcies are at the highest level since the great depression, unemployment rises and the economy stagnates. Is it any wonder that even some liberals turned on the philosophy that somehow converted a desire into a government-guaranteed right. John F. Kennedy said, "Everytime we try to lift a problem from our own shoulders, and shift that problem to the hands of the government, to the same extent we are sacrificing the liberties of our people." And New York's Mayor Koch commenting on all of these entitlement program advocates said, "I don't believe in half their crap—that government solves all problems. I once believed that. I have contempt for government. I should know—I'm in it. When you remove the profit motive, that's what happens. You remove the penalty. There's always someone there to pick up the deficit."

Yet, here we sit while this annual budget charade passes before our eyes and we let it continue. We let them get away with it and what's more we even laugh at the jokes about Congress. Mark Twain derided them ". . . there is no distinctly American criminal class except Congress." A wily fur trapper in the 1800s observed that people are the only animals in the world that can be skinned more than once."

Americans have grown accustomed to getting skinned very election year by members of Congress who fatten their reelection prospects by sacrificing the nation's general good as they seduce those groups which can be helpful politically.

I suppose we shouldn't really complain. We are getting exactly what we voted for and, therefore, what we perhaps deserve.

Mr. HOLLINGS. Mr. President, the distinguished former Secretary of the Treasury, Mr. Simon, takes the Congress to task, and I mean the entire Congress. In fact, he is finding out and pointing out, as he refers to us, about "incompetence," there is an abundance of that; "irresponsibility," there is an abundance of that; "cowardice," he finds that all very much in abundance; and finally near the end of the article he finds us, quoting Mark Twain as "there is no distinctly American criminal class except Congress." So we end up not only as cowards but as criminals.

It could be that we have not done the job. I would agree with my distinguished friend, the former Secretary of Treasury, that we have not done the job. But I take it from his article that he finds the Congress as the one at fault. The fact of the matter is that in trying to fix the responsibility—and there is plenty of blame to go around—but if you want to really fix that responsibility, it would have to be on the executive branch and the President himself.

Why do I say that? Many of us come here with some experience, and one of the great experiences you get as the mayor of a city, or as a Governor of a State, is to know the capability of a legislative body or general assembly, and, in this case, the capability of the Congress.

When you develop a consensus for some $425 billion in deficit reductions over a 3-year period, to be achieved either through reduced spending or increased revenues, then you have asked for a mammoth task that a Congress, generally speaking, is incapable of performing by itself.

The answer is one which anyone can understand: it is not cowardice and not the lack of courage, not the lack of competence, nor the lack of responsibility. It is the dynamics of the legislative political process. On the House side there are some 435 all running for reelection. This is June, and they are running for reelection in November, and they have specific records with their constituents back home. They have voting records on defense, entitlements, tax cuts, and they feel a responsibility, having worked hard for their constituents, to justify that record. Where is the responsibility on that individual Congressman, if you please, to come up with some $425 billion in savings?

I tried to explain this to the White House. I told Jim Baker when we got together in the "Gang of 17," which chaired for over a dozen times, I said, "Mr. Baker, your task is the economy." By that I mean you have got to put a credible, comprehensive proposal on the table that the public can believe and that solves the problem.

Once that is understood, Mr. President, that the President has a good program, then the phones will ring and public opinion will say to individual Senators and individual Congressmen, "I don't care how you voted last year. Here we have an opportunity to get the deficits down, get the interest rates down, and the country moving. And I want you to vote that way."

That is not the message today as we meet on this budget because this conference report does not contain a credible, comprehensive program.

Why do we not have a credible product to approve and why could any Democrat not sign it? We are a conscientious group. We feel keenly our responsibilities on the Budget Committee, particularly myself. I realize the predicament our distinguished chairman finds himself in. I tried to recommend an equitable, shared sacrifice, an across-the-board freeze. I submitted that back in February and I have been updating ever since to keep it current. I was ready to submit that budget plan in the conference and I would submit it as a substitute today if we could get the votes, to do exactly what I described the President should do. I am not in that position.

I ask unanimous consent that the budget plan dated June 16, 1982, be included in the RECORD at this point.

There being no objection, the budget plan was ordered to be printed in the RECORD, as follows:

BUDGET PLAN

	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985
Baseline deficits	181	215	231
Spending changes:			
1. COLA's—One year freeze (beginning January, 1983) on all COLA's except for food stamps and SSI; 4 percent cap on COLA's in 1984 and 1985	5	18	26
2. Pay—One year freeze on federal pay military and civilian; 4 percent cap in 1984 and 1985	7	11	14
3. Management savings—CBO estimates of Administration proposals; one-half of waste, fraud, and abuse and land sales proposals	7	9	9
4. Nondefense discretionary—Current law for all programs plus essential increases in selected propgrams such as law enforcement, job training, education, and highways	2	7	13
5. Entitlements—Selected cuts in medicare, medicaid, AFDC food stamps, GSL, revenue sharing	3	5	7
6. Interest savings:			
Market effect, (lower rates)	11	24	35
Debt Service, (lower deficits)	3	18	29
7. Defense—6 percent real growth	7	11	17
8. Total spending changes	45	103	150
9. REVENUES—Assume increases over current law by repealing July 1, 1983, 10 percent cut; repeal indexing; ACRS reform; repeal of safe-harbor increased collection; leasing; strengthen minimum corporate tax; tax compliance; other small increases	21	59	81
10. Total deficit reduction	66	162	231
11. Remaining Deficits	115	53	0

TAX PROPOSALS

[Fiscal years, billions of dollars]

	1983	1984	1985
Eliminate 3d year (10 percent of tax cut)	7.5	32.9	35.9
Eliminate indexing			9.8
Strengthened corporate and individual minimum tax	2.0	4.0	4.0
Accelerate corporate tax payments	1.4	1.7	.9
ITC basis adjustment to eliminate negative tax rates	.7	1.3	2.6
Eliminate 1985–86 ACRS changes			1.7
Repeal leasing	2.9	4.6	6.5
Tax compliance bill	4.3	5.8	7.0
Increase floor under medical and casualty loss deductions and repeal separate $150 deduction for insurance premiums	.4	2.2	2.5
Modified coinsurance compromise between industry and administration	1.5	1.7	2.0
Consumer interests—repeal deduction in excess of investment income (2,000 excluded, mortgage and business interest excluded)	.4	2.8	3.0
$200/month cap on exclusion for employer paid medical expenses		2.0	5.3
Total	21.1	59.0	81.2

Mr. HOLLINGS. I thank the distinguished Presiding Officer.

That is the approach I wanted to use, but that is not in the ball game. Why not? Because the President invaded and ransacked this budget process. It is ironic for him and Bill Simon to talk about courage and cowardice, or this being a Mickey Mouse operation. I take deep exception to their comments. The President submitted his budget and it was voted down. Then they worked with David Stockman and developed some figures for the Budget Committee report. That is when the stonewall began. I have

never had that feeling before. Maybe we did it that way, but I do not recall any instance of it.

The budget finally was reported but even the Republicans, Mr. President, objected to it. When it came time for floor consideration, they used the unique approach of having the Senate here but being in recess for 2 days while they were right down the hall, working on budget No. 3. The first was the President's budget, then No. 2 was the Domenici/Budget Committee budget and now No. 3 was the one that they finally, after 2 days, brought out to the Senate floor.

This document before us is not a budget but a very clever, contrived political instrument. It is a political instrument in the sense that they arranged to take care of the necessary concerns. Then, once they had the necessary votes, they go out of recess and back into regular session and then vote straight down the line. I think the railroad retirement amendment was the only one that got by them. But that would not fly over on the House side; BOB MICHEL's budget was voted down and Mr. Stockman went to work on the Latta budget. They brought that out after all the political ducks were in line and it passed.

So this conference report was born of two political instruments and it is not surprising that the conference report is anything else.

Mr. DOMENICI. Before doing that, will the Senator yield 30 seconds for one observation?

Mr. HOLLINGS. Yes, sir.

Mr. DOMENICI. The Senator was accurate, except as to the modification that he referred to that we worked out when we recessed for 2 days. The Director of OMB was not involved in that. The Senator could call that Domenici, call it Domenici-Baker, call it consensus Republican, but he was not involved in that.

Mr. HOLLINGS. I stand corrected. These fellows are taking on bad habits. They better watch out who they associate with. They are acting like him, that is the trouble.

Mr. DOMENICI. We just asked our people what they could support. The Senator is right on that.

Mr. HOLLINGS. I see. In any event, the conference agreement understates the true size of the deficit. If all the policy assumptions in the resolution become law, which is highly improbable, the deficits estimated by CBO would be $113.8 billion in 1982, $116.4 billion in 1983, $104.6 billion in 1984, and $92.7 billion in fiscal year 1985. According to the CBO, the conference agreement overstates revenues—even with the $98 billion increase in revenues for assumed tax increases—by $39 billion over the fiscal year 1982-85 period. The conference agreement understates outlays by $35 billion in this same period. CBO estimates of the spending are also rejected in the agreement leading to artificially lower spending totals in areas such as defense, which is lowered or understated by $8.9 billion, OCS receipts by $11.4 billion, civil service retirement by $1.3 billion, social security by $0.4 billion, unemployment insurance by $0.6 billion, the Federal Deposit Insurance Corporation by $0.1 billion, and interest costs by $11.9 billion.

In addition to underpricing the defense budget, Mr. President, the conference agreement assumes unrealistically low inflation in defense procurement and it ignores the historical cost growth of weapons programs due to ineffective procurement policies, engineering changes and the like.

What this refers to is the cost history on 50 major procurement programs. I am enlightening your memory now, Mr. President, on this issue. The Selected Acquisition Reports of the DOD identify about 50 procurement items that had been originally scheduled to cost roughly $145 billion. Well in February, all of a sudden DOD estimates that the systems may cost $325 billion. How does that occur? It occurs here on the floor of the Senate. And how does it occur on the floor of the Senate? By just adopting this kind of budget which underprices the inflation rate in defense procurement contracts. It is not very difficult for many of my colleagues to support this reckless procedure. It is for me. We say, we are going to put budget watchguards over at the Pentagon. We pass the Nunn amendment—which is a good policy—telling the Pentagon to report back to us when they have program problems. We talk of stopping Defense waste, fraud and abuse. We are going to do this and we are going to do that. But where does it start? Right here on this vote that we will have in a little while and again tomorrow. Because we are the ones putting these things in Defense programs that we later call waste, fraud, and abuse or cost overruns. We are creating the problem right here and now in this conference agreement. Let us look at some of these problems.

The defense budget in the agreement assumes 50 percent absorption of the DOD pay raise, a historically unprecedented level. The 10-year average absorption is about 20 percent and in fiscal year 1982, no absorption was required for the DOD pay raise.

In the Armed Services Committee, when the senior Senator from Mississippi (Mr. STENNIS) was the distinguished chairman for many, many years, we never pushed for over 20 percent absorption. But when we had that 20 percent and when the DOD absorbed it as required, what occurred, they cut readiness—operations, maintenance, ammunition—all the things we find ourselves so deficient in today.

How is that caused? What happens? We will hear big talks about big items of procurement and little-bitty items of weaponry. Some do not want big carriers; they want little carriers. Do not buy big tanks; buy little tanks. Be prepared to fight Peru or Sri Lanka. But the accent on procurement, all procurement, undermines readiness and our ability to fight is eroded.

I can tell the Senate when the readiness costs disappear. They disappear right here because of a 50-percent absorption requirement.

The combination of high absorption and unrealistic outlay estimates could lead to cuts in defense readiness next year of over $3 billion more than contained in the conference report. Underestimates of defense spending nearly always are made up for by cutting readiness programs.

What this Republican conference agreement for defense amounts to is the "cut defense readiness" budget.

Mr. President, you think things are bad in Defense? Well hold on, they get worse. Now, watch. It is going to be like tying the cats by the tails and throwing them over the clothesline. They will be scratching and clawing at each other after the Fourth of July recess when the Finance Committee reports on the floor—on July 12, with a tax increase bill. They are supposed to find, I believe, about $22.3 or $23 billion in user fees and increased taxes. That is when the difficulties start, not only with the Finance Committee but also with the Governmental Affairs Committee and with the Agricultural Committee. Look at this list.

The conference agreement assumes more savings in entitlement programs than it requires to be saved through reconciliation. In fiscal year 1983, for instance, the budget assumes cuts in medicare of $3.6 billion, yet the Finance Committee is directed to save only $3.16 billion. Similarly, the budget assumes cuts in food stamps of $949 million yet requires the Agriculture Committee to save only $779 million. Further, guaranteed student loans are assumed to be cut yet there is no reconciliation directive to the Labor and Human Resources Committee at all. One vote says we cut students' assistance. The other says we did not reconcile it or direct the Labor Committee to do anything, and you can bet your boots it will not occur. This lack of enforceability is a critical flaw in this budget resolution.

The budget assumes $7.5 billion in user fees similar to those in the House-passed budget. Many committees rejected similar user fees last year and these user fees are not reconciled to any committee, thereby further decreasing the likelihood that any will become law.

The budget assumes large unspecified reductions in programs ranging from foreign aid to general government. As was demonstrated last year, unspecified savings have an uncanny ability to disappear at the last moment.

That is a euphemism. We cannot find the money. We have met, and we cannot meet any of these needs any longer, and we have to get something on the floor, so we put in a figure of unspecified savings and we vote on it, as though we do it in a studied fashion and in a serious vein, and we destroy the credibility.

The distinguished chairman of our Budget Committee counters and says:

Senator, if you think this is so bad, I will bet you this budget is not any more out than what the budget was when you were the chairman, when we had predicted a balanced budget and ended up with almost a $60 billion deficit.

I do not think that is the test, but let us look at it as if it were the test. The test was that at the time we passed that budget we did not see the effects of a jump in oil prices from $14.50 a barrel up to $22.50 a barrel. By the end of the summer, we had been kicked into a recession, so we predicted in August, even though the resolution took until November, a $27 billion deficit.

Then, we had called for $20 billion in reconciliation, and were able to get, with a lame duck Congress, only $8 billion of the $20 billion; we missed by $12 billion. So of the $58 billion actual deficit, we misjudged it by only about $18 billion.

The point is that I can explain, after the fact, the change in circumstances, that caused the miscalculation. But in this budget, the miscalculation is built in. We know what the miscalculations are right now.

I think that is a very poor way to approach budgeting.

Talking about budget deficits, we always used to cite the $66 billion deficit of President Ford. At least, we did so for 4 years under the Carter administration, to say we are never going to go that high again. That is how we were elected in 1976, with the $66 billion deficit. It was a vivid, clear lesson.

So, with all the so-called tax and tax and spend and spend Democratic Congresses we never exceeded $66 billion, did we? No. We are talking here with pride.

I appeared with David Stockman the other day and was shocked. He said the administration would be happy, would be overjoyed, to have a deficit next year of $100 billion. I never thought we would even talk in those terms. I could not believe my ears.

I should also point out that the reconciliation amounts we talked about shall constitute, if we do not have a second resolution by October 1—the second resolution and be binding. So we are getting a binding resolution here, and I think that should be emphasized.

Despite all its faults, House Republican Leader ROBERT MICHEL has said of this conference report,

"With all the blood, sweat and tears that went into this thing we can sell some people on swallowing hard and voting for it in sufficient numbers.

Maybe so. But he will not be able to sell the Nation on the insufficient numbers the budget itself contains. This budget it a squandered opportunity. It wastes the chance to make some honest corrections in the economy. It is not tough enough. We had a chance to do better.

Just 2 days after the President released his February budget, I offered a substitute. My plan was tough and credible. But it was also fair and reasonable, a plan Federal Reserve Chairman Paul Volcker said. "would have a galvanizing effect on the markets." The plan contained three central features.

First, it would have moderately reduced the growth in defense spending without jeopardizing readiness. The fact is no matter how much we might be willing to spend, we can only buy so much in a given year. As evidence of that, I would point to the $33.8 billion in unobligated balanced for defense at the end of fiscal 1982. That figure would have grown to $43.1 billion under the President's February defense budget for fiscal 1983.

Second, my plan would have put a 1-year freeze on the automatic cost of living adjustment (COLA) on social security and several other entitlement programs. The social security COLA freeze would have been a temporary, specific suspension of benefit increases—not a cut in benefit. And it would have produced results, strengthening the trust funds without inflicting hardship on beneficiaries.

It is important to remember that the automatic cost-of-living increase was not even put into operation until 1975. We did not increase social security in the Great Society when Lyndon Johnson provided the last balanced budget in 1968-69.

The temporary freeze would have not been a penalty directed at anyone. Rather, it would have been a realistic way of preventing inflation-driven annual increases from threatening the welfare of either the beneficiaries or the system itself.

Third, my plan would have canceled the third installment of the Kemp/Roth tax cut. It was not a step to increase taxes, but rather would have simply let stand the two tax cuts already provided under last year's tax legislation. But that feature of my plan met intractable opposition from the White House.

I argued—and continue to maintain—that whatever modest gain taxpayers might derive from a slightly smaller tax bill, they will lose still more to deficit-driven high interest rates on anything they put on credit. If there is any doubt about the relative tradeoff between a tax cut and high interest rates, consider this example.

A one-earner married couple with two dependents and an income of $20,000 will receive $371 in calendar 1983 as a result of the tax cut. Let's say that same family has a mortgage of 17 percent. If that mortgage rate declined to 14 percent—a rate estimated by a Salomon Brothers economist as the level necessary to trigger a recovery in the housing industry—that family would save $1,685 annually on a $60,000 mortgage.

This is, of course, only an illustration. But there is a sizable difference between the $371 the family will get because the President has stubbornly insisted on his tax plan, and the $1,685 the family will not get because the President has stubbornly insisted on his tax plan.

If we had cut the deficit by eliminating the third year of the tax cut, people could have profited more from lower interest rates than from the tax cut itself.

The President would argue, as he has so many times before, that the tax cut will lead to greater personal savings upon which business will be able to draw for investment in job-producing expansion.

Will it?

The evidence suggest that families do not tend to save personal tax reductions which occur because of lower tax rates. In 1981, the personal savings rate was 5.3 percent. In the first quarter of 1982, the rate is 5.5 percent, not a statistically significant change.

Moreover, Murray Weidenbaum, the chairman of the President's Council of Economic Advisers is telling us we will need a high level of consumer savings to sustain a recovery, while the chief economist of the Commerce Department is saying "a lot of people in the administration might hope that all of the tax cut will be spent."

Supply-side economics has become a theoretical rubber band, with purists arguing that everyone will save their tax cuts to save the economy, while another group of supply-siders says they hope everyone will spend their tax cut to save the reputation of supply-side economists. Supply-siders have their fingers crossed that the rubber band will not snap until November 3.

With all the serious supply-side problems, people were still reluctant to buck the President. So Congress would not go along with my plan. In fact, some people in my own party told me to keep still, and not make waves. Yet, the fact is my plan would have

brought us a balanced budget by 1985 because it made cuts where the big outlays were. People did not want to hear that because they worried about the political risks involved. Well, I remember Harry Truman saying once that, "I never give them hell. I just tell them the truth and they think it's hell."

The basic truth of the Hollings plan was that it would have put our feet to the fire. No doubt about it. But that's why we are here, to make the hard choices for the benefit of the overall picture. I see no reason why we could not have taken the steps already taken by many States, cities, and private organizations.

In the face of rough economic weather, Oregon called a special session of its legislature to cut its budget and raise taxes to head off its projected State deficit. Among the steps they took was to save $34 million in revenues by postponing for 6 months the planned lowering of State income tax withholding rates.

Other States have also acted. Wisconsin has raised taxes. A recent Tax Foundation estimate shows that 18 States have increased their taxes by a total of $4 billion. Michigan, Minnesota, Nebraska, Vermont, and Washington have all raised State income taxes.

The upshot of these changes is that while State governments understand that increases are unpopular, they have shown the vision and discipline necessary to see their States through the economic downturn.

Cities have taken similar steps. In January the Joint Economic Committee of the Congress sampled 50 large cities to examine what actions they had taken to balance their budgets. The survey found that 40 percent of the responding cities had increased their tax rates. Only four of the cities had reduced taxes. When the U.S. Conference of Mayors polled 100 cities early last November they found that 41 percent of the cities they contacted had raised taxes.

What the cities and States are doing at the public level, both business and labor have been doing in the private sector. Businesses have increased management savings. Labor has joined in with givebacks. In January of 1981, General Tire and the United Rubber Workers worked out a wage cut package. In October of 1981, International paper and the International Woodworkers of America agreed to a 20-percent wage cut to avert a plant closing. This year, Ford and the UAW negotiated a pact dealing with wage increases and cost-of-living adjustments.

None of these steps, public or private, have been easy to take. But all share a common characteristic. They illustrate what happens when concerned groups clearly identify a problem and do what needs to be done to correct it.

Washington has been unable to do those things this year largely because the White House was not a willing partner. This budget was played out from a White House game plan under White House rules.

What we have in this conference report is a budget that is not believable, and a congressional budget process heaped with ridicule. We already know what the President thinks of the process. His top counselor, Ed Meese, has even suggested that the President be given a line-item veto. I do not know why. The White House with its deferral and rescission powers and buttoned-down budget procedures already dominate the budget to an imperial extent.

So it is a White House budget, and one would expect the administration would be dripping confidence. But, Ed Meese told reporters in May that the White House might have to look at alternative measures if the program did not work out. He went on to say, however, "It's better not to discuss" those alternatives.

Next, we have Treasury Secretary Regan telling the Washington Post that, for the last 3 months, he has been putting together other plans because, in his words, "You cannot wait until someone says, you know, we are in a crisis, let's change. And you say, to what?"

Along comes House minority leader, BOB MICHEL, putting a big distance between himself and the budget. "I think it's been overemphasized as to how much we, in what we're doing here on the budget thing, influence the money markets."

But, it was left to other guiding forces behind this budget, the White House political director, Edward Rollins, and Republican National Chairman, Richard Richards, to have the final word on the budget's authenticity. They have told their party leaders not to expect an economic upturn, and to go ahead and shift the blame for the recession to the Democrats.

The economy has been choking on the supply-side menu while the White House has decided to let it cough a little more in the hope that everything will come out all right. It makes you think the White House is more concerned about their restaurant than about the patrons.

Amid all the doubts about this budget and the process that created it, we are hearing again about a constitutional amendment to balance the budget. Such an amendment might work, and I am willing to give it a chance. But, it is no guarantee the budget will be balanced. Furthermore, the problem is here and now—not 2 or 3, or 6 years from now.

If the public wants a constitutional amendment to balance the budget, it is fine with me. My point is that no new layer of arcane procedures will improve the situation. We already have procedures enough. If we will use them, if the White House will honor them, we will have just as good a chance of balancing the budget as we would with an amendment. But, that decision will be made in a few days. The decision we must make now is on this conference report.

I am afraid that choice has already been made. It was made the day the White House took over the budget process, and the pollsters took over politics. We got ourselves trapped between the Reagan rule and the pollsters rule. The Reagan rule says, "No way, but our way," and the pollsters' rule says, "If you have to make a choice, find another issue."

Together, they have left Congress with a budget that cannot be trusted, and a budget that will not work.

I will vote against the conference report.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Congressional Budget Office, dated June 22, 1982, addressed to me, with a copy to the distinguished chairman of the committee, signed by Alice M. Rivlin, Director. The letter outlines the major CBO estimating differences with revenues and outlays for the conference substitute.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 22, 1982.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Washington, D.C.

DEAR SENATOR HOLLINGS: Pursuant to your request of June 18, the Congressional Budget Office has prepared an estimate of the conference substitute for the First Congressional Budget Resolution for Fiscal Year 1983. As you requested, the estimate is based on the post-policy consensus economic assumptions adjusted for the actual July cost-of-living adjustment, the latest CBO estimate of revenues, and the spending assumptions consistent with the bipartisan baseline.

The major CBO estimating differences with revenues and outlays are listed on the attached table. Each estimating difference is identified by budget function and deficit reduction category.

Two aspects of these estimates deserve special mention. First, CBO has reestimated the figures in the conference substitute only in those cases where the conference explicitly chose not to use CBO estimating techniques. With the exception of OCS accelerated leasing, CBO has not reestimated any of the policy changes assumed in the conference substitute, because it is our understanding that the dollar reductions assumed take precedence over any specific programmatic assumptions.

Second, many of the assumptions in the bipartisan baseline date from February. Based on our analysis of actual revenues and spending through April, CBO projects that fiscal year 1982 revenues will be in the range of $625–630 billion, outlays will be in the range of $735–740 billion, and the deficit will be in the range of $105–115 billion.

Should you so desire, we would be pleased to provide further details on these estimates.

Sincerely,

ALICE M. RIVLIN,
Director.

MAJOR CBO ESTIMATING DIFFERENCES WITH REVENUES AND OUTLAYS FOR CONFERENCE SUBSTITUTE

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985
REVENUES				
Conference substitute	628.4	665.9	738.0	821.4
CBO estimating differences	−1.2	−4.8	−11.3	−22.1
Conference revenues as reestimated by CBO	627.2	661.1	726.7	799.3
Outlays				
Conference substitute	734.1	769.8	821.9	881.4
CBO estimating differences:				
Defense spending (Defense; functon 050)	3.3	1.8	1.8	2.0
OCS receipts (Management savings; function 950)	1.2	3.8	3.8	2.6
Civil service retirement (Entitlements; function 600)		.3	.4	.6
FDIC (Other changes; function 370)	.1			
Social security (Entitlements; function 600)	.4			
Unemployment insurance (Entitlement; function 600)	.6			
Interest costs (Debt service savings; function 900)	1.3	1.8	3.4	5.4
Conference outlays as reestimated by CBO	741.0	777.5	831.3	892.0
Deficit				
Conference substitute	105.7	103.9	83.9	60.0
Conference deficit as reestimated by CBO	113.8	116.4	104.6	92.7

Mr. HOLLINGS. Mr. President, before yielding to other Senators who may have some comments, I come back to the issue of responsibility.

My point is this: How can you get the votes when we are not even allowed to get into the group and persuade? We are not even allowed to argue our points. The votes are fixed before us.

I believe we could have succeeded if we had kept on a bipartisan course, and they had persuaded me on giving in on certain points vice versa. The record will show—there is no top secret to that—that the Speaker of the House, through his representative, DICK BOLLING, submitted a package that amounted to $415 billion in savings one afternoon. I turned to the distinguished chairman, Mr. BAKER, and said, "We should quit now and go home for a party."

Once you get TIP O'NEILL that far, you had better not quibble, pick, and choose and try to make a bunch of little changes.

You have accomplished a mammoth task and all that remains is to iron out the details,

If I could iron out a billion here and a billion there, then I had a commitment from the Speaker of the House that we would not be blocked in the Rules Committee or on the floor and we would have cooperation in the presentation, then we could have worked it out together. The Speaker did submit an alternative but it was rejected and the Republicans went back to their own caucus.

So do not say we could not get the votes. We stayed in those meetings up to a particular point. We worked together all last fall realizing that a major adjustment had to be made in Reaganomics. It had gone awry. We told them so. The market tells them so. The bankruptcies tell them so. The real interest rates tell them so. The farm sales tell them so. The stock market tells them so.

Remember, the campaign pledge: We are going to improve the economy and reduce Government. Government has increased from 22.1 to 23.1 percent of GNP. They talk of outlay reductions but the reverse is true. We have increased outlays in defense. We have increased outlays in entitlements. We have increased outlays in interest costs. We have done away with basic programs, but Government has still increased. The stock market is below 800; the economy has decreased.

We have been trying to tell them so. I do not know what will bring them to their senses. The only sign of success I believe they can point to is that the inflation rate is down. But it is back up today. They all say it is the recession. But what brought on the recession, other than President Reagan's deficits?

You and I, say to the Senator from Oregon, we cannot cut spending and increase taxes fast enough to keep up with the Reagan deficit. Now, that is a fact of life.

This Congress is going to be like a dog chasing its tail around for the next 2 or 3 years unless the bubble breaks and we all come to our senses and do like every city and every Governor and every State and every industry and every organized labor union is doing. We need to hold up on these defense increases, these entitlement costs, and tax spending. We have got to put a tourniquet on these things. We are not doing it.

If we believe that the recession was caused by Jimmy Carter, and since the recession brought the inflation down, why do they not send in a thank you note to Plains and give him credit for something if they really believe that? They cannot have it both ways.

Mr. President, we have tried hard to counter the notion that the national Congress is to blame. I could get together right now with this group on the floor, I could take the Senator from New Mexico, Mississippi, Louisiana, Oregon, and Missouri, and I know we could get together, and the distinguished Senator from New Hampshire. We could get together on a budget.

The President of the United States has forbidden anyone to touch his sacred programs—his tax cut and all the rest. How can we succeed? We are not magicians.

That fellow SIMON put down the national Congress. Tell him to come up here and try to do it. He blames the Congress for trying to put in a housing subsidy program. But he does not blame the President for recommending tuition tax credits for private schools. He cannot find any fault with the executive branch. The Congress is criminal, he says. I resent it and I reject it and I hope, Mr. President, that the Senate will reject the conference report.

Mr. PROXMIRE. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. PROXMIRE. Mr. President, I am going to vote against this budget resolution. Despite all of the hard work which has gone into its production, I believe it sets the stage for continued high interest rates, an anemic economic recovery, and possibly another sharp recession next year.

Proponents of this resolution contend that congressional passage will convince the financial markets that we are serious about controlling the deficit. They contend that interest rates will fall quickly upon enactment of this resolution and that they will stay down. Real GNP, after adjusting for inflation, is expected to rise by 5.4 percent while the Consumer Price Index will increase by less than 7 percent. Unemployment, meanwhile, is supposed to decline to an average of 8.4 percent.

These are wonderful goals but I do not believe this resolution will get us from here to there. It does almost nothing to reduce interest rates. This conclusion is supported by data supplied by the Office of Management and Budget, data which are compatible with those used by the Budget Committee. According to OMB, the Nation's credit markets had about $408 billion to lend in fiscal year 1981. The Federal Government borrowed about $142 billion—35 percent—of this total. By fiscal year 1982 this situation had changed and changed dramatically. This year about $368 billion will be available for lending but the Government will take about $206 billion—about 56 percent. This situation does not improve significantly for fiscal year 1983. An estimated $458 billion should be available; the Government will take about $212 billion—at least 46 percent.

The Nation's credit markets work reasonably efficiently. For those who wonder why interest rates remain high in the face of declining inflation rates and a recession, look at the proportion of available credit swallowed by the Government. For those who expect interest rates to drop, look at the proportion of credit which the government will take next year and explain why.

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I believe the 46-percent figure, high as it is, is an underestimate. The only reason the amount of credit taken by the Government declines from 56 to 46 percent is the OMB estimate that the pool of credit increases from $368 billion in fiscal year 1982 to $458 billion in fiscal year 1983—nearly 25 percent.

Such as increase is unlikely. Most economists are now predicting that consumers are going to have to lead the way out of this recession. That means they must spend instead of save. I do not believe it possible for consumers to spend enough to sustain an economic recovery and, at the same time, save enough to increase the credit pool by 25 percent.

On the other side of the equation, the Government may well require more than $212 billion in fiscal year 1983. There are ample signs that the deficit is underestimated. To keep the deficit down, the conference committee disregarded estimates made by the nonpartisan Congressional Budget Office. What the Budget Committee did in conference may come back to haunt them. Other committees, operating under reconciliation instructions, can juggle their estimates as easily as the Budget Committees did. An optimistic estimate of revenues to be received, an underestimate of the rate of spending, and a political problem disappears. The deficit, of course, increases.

Under these circumstances, the Government could take over 50 percent of the Nation's credit pool. If the deficit was underestimated by $24 billion, a modest figure given past underestimates, the Federal Government would take 50 percent.

What should be done to get us out of this mess? One thing we should not do is look for a scapegoat. I can already hear the rustling in the bushes as the search begins. The Chairman of the Federal Revenue Board is the clear target of all this searching. Finding a scapegoat, however, will not solve the economic problems facing this country. After what happened in the seventies, does anyone really believe that a rapid increase in the money supply will bring down interest rates. Such an increase is more likely to rekindle inflationary fires. The inflationary premium demanded by lenders will go up, not down.

We could change the tax laws to try to increase incentives for savings. The effect of such changes, however, would be uncertain. It takes time for people to respond to such changes and their response is unpredictable. Besides, consumers should lead the recovery. Changes in the tax laws to increase savings would invariably penalize consumption and slow the recovery. Therefore, this door seems to be closed.

We could increase taxes which would reduce the deficit. Therefore, the Government would need to borrow less. But raising taxes in the middle of a fragile economic recovery is an unappealing prospect. Close loopholes, certainly. Eliminate economically obsolete deductions, by all means. But a general tax increase is something else. Because of the feedback effects of tax increases—reduced consumer spending, slower growth in GNP, we may have to raise taxes by something like $100 billion to make much of a dent in Federal borrowing. An increase of this size would clearly slow the recovery.

That leaves additional cuts in Federal spending and credit programs. Despite all of the rhetoric about cuts, spending will increase from $734 billion in fiscal year 1982 to $770 billion in fiscal year 1983. This is an official increase of 5 percent. I say "official" because it already looks as if the deficit will be at least $25 billion higher than the estimate. If this more realistic estimate is used, the real increase, after adjusting for inflation, will be close to 3 percent. This real increase will be about the same as we have had in the past few years. On spending, the rule seems to be: rhetoric, yes; action, no.

Mr. President, when the automobile companies got into trouble, management and labor took decisive action to remedy the situation. They reduced the white-collar overhead. Labor negotiated give-backs. These changes hurt. They were not easy to make. But management and labor made them. The automobile industry is in a far better position to survive and prosper now than it was 3 years ago.

Compare their decisive action with what we are doing. We have slowed the rate of growth of some programs. Many of these cuts, however, are for programs which serve the truly needy. We may have cut the fat and be cutting into muscle on these programs. We have done very little to cut programs which benefit the well-to-do. Public-works spending rolls along. Revenue sharing—what revenue do we have to share—continues unabated. The cuts in the Defense budget are plainly paper cuts. Instead of taking decisive action, consistent with the economic mess we find ourselves in, Congress has once again resorted to subterfuge.

The American people are expecting decisive action. With this resolution, we are giving them business as usual. They deserve better.

Mr. JOHNSTON. Mr. President, I regret that I am unable to support the conference agreement now pending before the Senate. This is not a decision I reached lightly or happily. Rather, for me it is an unpleasant decision given the seriousness of our economic situation.

There are three reasons I believe this agreement is counterproductive to efforts to get our economy back on the right track.

First, the numbers are phony. The best evidence indicates that the deficit will not be the $103.9 billion in fiscal year 1983 as projected in this resolution. Rather, it will more likely be in the range of $116 to $120 billion. If the Congressional Budget Office made a reestimate as is the custom in this matter, we believe their reestimate would be close to the higher figure.

More specifically, the numbers projected in the conference report are phony in the following respects:

First. Fiscal year 1983 Outer Continental Shelf oil and gas receipts of $15.7 billion are excessive by $3.8 billion according to the Congressional Budget Office (CBO). The accuracy of the CBO estimate was reconfirmed last week by the General Accounting Office (GAO). Moreover, recent sales in the Gulf of Mexico which brought in substantially less than anticipated confirm the fictitious nature of the resolution's numbers.

Second. Defense outlay projections are understated by at least $1.8 billion according to the Congressional Budget Office. The CBO's estimate is based on historical spending patterns for defense procurement and the validity of its methodology has been demonstrated. Again, spending which has actually occurred in the first quarter of fiscal year 1982 has reconfirmed this.

Third. The interest bonus projected is excessive by at least $2.2 billion in fiscal year 1983 and by as much as $100 billion over the fiscal year 1983–85 period. The conferees assume a ½ percent reduction in interest rates beginning July 1982 and an average reduction of 2.5 percent each year over the fiscal year 1983–85 period, with interest rates falling to 6.9 percent by 1985 even though their plan does not balance. Indeed, even using the phony numbers of this budget resolution a deficit of $60 billion in 1985 is forecast and that is hardly the kind of economic news which will reassure Wall Street.

Fourth. Management initiatives are excessive by at least $23 billion. The two most egregious examples of overestimation in this category are waste, fraud and abuse where $3 billion in savings are projected and land sales which are projected to bring in $9 billion, both over a 3-year period. No credible plan reflects these numbers and the track record of this administration as well as previous administrations confirms the excessive nature of this estimate.

The second reason I must oppose the conference agreement is that I believe it lacks equity in the treatment of comparable programs. The most flagrant example of this inequity is seen in the differential treatment of cost of living adjustments (COLA's). Federal,

military, Foreign Service, and veterans retirees are assured to receive a COLA capped at 4 percent. The other large retirement program (social security), however, will receive a COLA based on 100 percent of the increase in the Consumer Price Index. In my view, this differential treatment is fundamentally unfair.

Finally, and most important, the deficits are still grossly excessive even if you assume the validity of the numbers. This resolution projects a 4-year deficit of over $355 billion—almost twice the total Carter administration deficit ($191 billion); more than five times the deficit of the first 4 years of the Nixon administration ($64 billion); and more than nine times the 4-year deficit of the Johnson administration ($37 billion). Moreover, as a percent of GNP, the deficit will continue on an upward trend, rising from 2.3 percent in 1980 to 3.5 percent in 1982.

I do not oppose this agreement in a partisan spirit. I believe our economic plight is too serious for that. I remain ready, as I have since the budget was first unveiled, to work with my Republican colleagues and the administration in forging a credible plan to reduce the unacceptably high deficits projected for the next 3 years and specifically to put us on the path to a balanced budget. This is what the financial markets expect, the economy needs, and the American people deserve. Anything less will be counterproductive to a real and lasting economic recovery.

Mr. BENTSEN. Mr. President, as a strong and consistent advocate of a bipartisan effort to reduce the deficit and bring down interest rates, I inform my colleagues that I simply cannot, in good conscience, vote for this resolution.

The resolution before the Senate is an implied mandate for high interest rates, business bankruptcies, continued recession and record deficits far into the future. It suggests that we are not serious about putting our economic house in order. It sends the wrong signal at the wrong time to financial markets anxious for evidence of our determination to get spending and deficits under control before irreparable damage is done to the American economy.

We are being asked to approve a budget resolution that projects a 3-year, $248 billion deficit. Even that figure, Mr. President, may well be optimistic. But even if it is right on target, the resolution we are considering would increase the national debt by almost $400 billion over the next 3 years. That is a staggering figure; an impressive monument to fiscal irresponsibility. To finance a deficit of that magnitude the Federal Government would have to dig even deeper into the credit markets and borrow an average of $11 billion every month for the next 3 years.

There are Members of the Senate—and I am one of them—who have worked hard over the years to provide some new incentives for private sector savings and investment that will help us boost productivity and fashion a more efficient and competitive American economy.

In recent years we have made some important progress in the direction of incentives. But let us understand that if this resolution is passed, if the Senate votes to add another $250 billion to the national debt, you will create a situation in which the Federal Government will borrow virtually every dollar saved by individuals over the next 3 years just to help finance the national debt.

Those individual savings will not be recycled through the economy to create jobs, modernize plants and equipment, or increase productivity. They will be borrowed by the Government to pay interest on a national debt that seems to grow geometrically. Mr. President, I cannot think of a surer way to maintain pressure on the credit markets—to keep interest high and drive it higher—than to approve this budget resolution.

Let us remember that it was only last year that the total national debt surpassed the $1 trillion level. That occasion produced much soul-searching and negative comment about fiscal irresponsibility. It took America decades and several wars to amass a $1 trillion national debt, but today the Senate is being asked to increase that figure by at least 25 percent between now and 1985.

That may explain why the prospect of this budget resolution has been greeted with such obvious lack of enthusiasm by both Wall Street and Main Street. You do not need to be a banker, an economist, or a businessman to understand that a 3-year, quarter-of-a-trillion deficit is hardly the cure for what ails the American economy. The proposed resolution means another year lost in the effort to move the budget into balance and bring down interest rates. It means deferring the effort to create jobs, boost productivity, and improve America's capital base.

That is precisely the sort of delay our country can no longer afford. We talk in terms of recession, but if you are in the home building industry or the automobile industry—if you are one of more than 10 million Americans without work—this is a depression. There is no other term to describe it. Home mortgage foreclosures are at record rates. Thousands of our farmers, caught in the squeeze of high interest and low prices, are being forced off the land. Every hour of every business day 36 small businesses declare bankruptcy—and perhaps five times that many simply close their doors.

Mr. President, there has never been a clearer or more urgent requirement to embrace fiscal responsibility and a balanced budget. The resolution before the Senate is deficient in both respects, and I will oppose it.

At the outset of this debate I pledged my support for a bipartisan effort to help reduce the deficit and bring the budget into balance. I think it is worth recalling that the Senate considered an alternative budget resolution offered by Senators JOHNSTON, NUNN, and EXON that would have reduced the deficit to $64 billion in 1984 and produce a balanced budget in 1985. That proposal, Mr. President, received only 21 votes.

The Johnston-Nunn proposal had obvious political liabilities: It reduced Federal spending in all areas and was based on realistic revenue goals. It called for an equal sharing of sacrifice all across the American economy. Nevertheless, I voted for the proposal because it provided a realistic opportunity for balancing the budget by 1985, thereby enabling us to get on with the job of rebuilding our economy and our productive capacity a year earlier.

We need to balance the budget if the American economy is to prosper and grow in the decade of the eighties. We simply cannot afford more years of record deficits piled one on top of the other. We cannot afford more years of recession, high interest, and record unemployment. But that is what this resolution will give us, and that is why I shall vote against it.

Mr. BOREN. Mr. President, I cannot in conscience vote for the budget resolution which emerged from the conference committee. Under its own most optimistic assumptions it will result in deficits of over $247 billion over the next 3 years. It will not bring us to a balanced budget by 1985 or in the foreseeable future. It assumes, in my opinion, at least $180 billion more of savings than are likely to be achieved because of overly optimistic assumptions. If this budget is fully enacted, it is in fact, likely to add well over $400 billion more to the national debt by 1985. It also makes the questionable assumption that almost $100 billion of new taxes will be adopted. Finally, it does not face up to the need to reform the basic entitlement programs in order to assure their financial solvency.

Mr. President, the most urgent need for our economy is a rapid reduction of the ruinously high interest rates. This budget with its huge deficits will not send a strong enough message to the financial markets sufficient to adequately bring down interest rates. Mr. President, the people of my State have forcefully urged me to work for a balanced budget. I voted for an amend-

ment during earlier Senate consideration of the budget which would have balanced the budget by 1985. I cannot believe that they would want me to vote for a budget with deficits likely to approach one-half trillion dollars. I know of no way to indicate my belief that continued high deficits are a blueprint for economic disaster other than casting a protest vote against this resolution. It is still my hope that the President will take the lead in calling together those who would be willing to join in a genuine bipartisan effort to bring our Nation to a balanced budget no later than fiscal 1985. We should not fool ourselves by saying that we must have a budget no matter what it contains nor should we defraud the American public by telling them that a budget with these huge deficits will solve our economic problems.

● Mr. BIDEN. Mr. President, the Senate appears about to approve in final form a budget for fiscal year 1983. That budget is an extraordinary document because it proposes unprecedented deficits—deficits of $247.8 billion in the next 3 fiscal years.

The budget proposes a deficit for fiscal year 1983 of $103.9 billion. For 1984 it projects a deficit of $83.9 billion. And for the third year of the budget, fiscal year 1985, it projects a deficit of $60 billion.

I cannot support such an action by the Senate.

It would be bad enough if it could be said that these deficits were unintentional, perhaps the result of bad economic times. Certainly that is a part of it. But the fact is that these deficits are intentional, they are planned. They are part of a policy of deficit financing pursued by the administration and implemented by the majority here in the Senate.

What is worse, Mr. President, unless the economy is extraordinarily helpful over the next 2 to 3 years, the deficits are going to be larger than those proposed in this budget. And what is more, everyone knows it.

At the time the Senate passed its revision of the budget in May, I said that the budget system was being distorted to achieve certain policy ends at the expense of serious damage to fiscal responsibility and to our ability to manage Federal finances. That is even more true of the budget we have before us today.

Mr. President, when times are bad, and the red ink is flowing, it is no time to disguise the problem by using estimates that minimize it. To do so simply means the problem is ignored or underestimated and becomes worse from inattention. That is the danger today.

Mr. President, I was critical in May about failure to use fully the estimates of spending prepared for Congress by the Congressional Budget Office. Its estimates have not been perfect, but they have consistently provided us with the best information available. But in the conference with the House, the Senate conferees agreed to accept figures used by the House of Representatives which were widely known and reported to understate the extent of our fiscal problems.

In the area of national defense the conference has rejected estimates of defense spending prepared by the Congressional Budget Office, and has been able to show $5.6 billion in savings over the 3-year period that is most unlikely to occur.

The conference report assumes that there will be so-called management savings of $46.6 billion over the 3-year period. This is a staggering figure. It is a figure which in large part assumes that certain actions will occur over which the Federal Government has relatively little control. The biggest single item assumes that there will be receipts from oil and gas leases on the Outer Continental Shelf of $22.6 billion. If you accept CBO estimates, that figure is overstated by about $10 billion! When one is in difficult financial straights, it does not make sense to estimate the most money you could receive, it makes sense to estimate what is certain. But that is not the policy in this budget.

This budget continues the assumption that interest rates will fall to below 7 percent by 1985 and that the 3-year savings from this will be $54.9 billion! It is clear that there is a lot riding on the assumption that interest rates will fall! Another $52.8 billion in interest costs is estimated to be saved in the next 3 years from lower deficit levels. But it is doubtful if this interest saving will be realized either, as bad estimates drive the deficits upward from $104 billion.

In fact, Mr. President, it seems likely that the deficits in fiscal year 1983 will be, at a minimum, $116 billion, and quite possibly much higher. The budget process is being torn apart by the unwillingness to use real numbers. And the economy is being torn apart by the resulting deficits. Mr. President, I shall submit for the RECORD a table showing CBO reestimates of the budget be printed at the end of my remarks.

There is one procedural issue which I addressed in May which should be mentioned again, and it ties in with what the deficits really will be. The Senate conferees have achieved by indirection what could not be achieved by direct action. There will be no Second Budget Resolution in any meaningful sense this fall unless a majority of the House and Senate Budget Committees and of the full Houses want it. In fact, we may well be adopting the second resolution here today. The conference report provides that the First Concurrent Resolution on the budget will automatically become the Second unless some other budget resolution is adopted before October 1.

Just what this will mean, of course, has to await the condition of the budget this September. But this provides a way to avoid the embarrassment of a budget run wild this fall. It avoids the embarrassment faced last fall which finally end in a public reaffirmation of a wholly outdated budget. This may be avoided this year by having an "automatic" budget resolution which takes effect no matter how outdated it may be with no action from anyone!

Mr. President, this is a distortion of the budget process for the sake of being able to sidestep some potentially very messy budget problems this fall. The Second Budget Resolution was not provided for no reason. It was provided so that the budget would have to be reconsidered in the light of changed economic conditions and spending patterns. Certainly we have ample evidence in the last year of how changing economic conditions can destroy budget promises. If reality this fall does not match budget promises, then we should be prepared to face the issues and resolve them, not just sidestep them.

Mr. President, I have been a part of the budget process here in the Senate since it was established. I would be the first to admit my disappointment at its obvious failings. But to go back to the old system with dozens of spending bills, never even totalled to know what the deficit is, is unthinkable. The budget process is something to be built on and improved. I have proposals before this body to improve that process. But the action we are going to take today is a move toward the destruction of the process, a step to rob it of any meaning.

Mr. President, I regret that I must, once again, vote against a budget that falls so short of meeting the needs of the economy and of our Nation and its people.

The table follows:

TABLE A.—MAJOR CBO ESTIMATING DIFFERENCES WITH REVENUES AND OUTLAYS FOR CONFERENCE SUBSTITUTE

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985
REVENUES				
Conference substitute	628.4	665.9	738.0	821.4
CBO estimating differences	−1.2	−4.8	−11.3	−22.1
Conference revenues as reestimated by CBO	627.2	661.1	726.7	799.3
OUTLAYS				
Conference substitute	734.1	769.8	821.9	881.4
CBO estimating differences:				
Defense spending (Defense; function 050)	3.3	1.8	1.8	2.0
OCS receipts (Management savings; function 950)	1.2	3.8	3.8	2.6
Civil service retirement (Entitlements; function 600)		.3	.4	.6
FDIC (Other changes; function 370)	.1			
Social security (Entitlements; function 600)	.4			

TABLE A.—MAJOR CBO ESTIMATING DIFFERENCES WITH REVENUES AND OUTLAYS FOR CONFERENCE SUBSTITUTE—Continued

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985
Unemployment insurance (Entitlements function 600)	.6			
Interest costs (Debt service savings; function 900)	1.3	1.8	3.4	5.4
Conference outlays as reestimated by CBO	741.0	777.5	831.3	892.0
DEFICIT				
Conference substitute	105.7	103.9	83.9	60.0
Conference deficit as reestimated by CBO	113.8	116.4	104.6	92.7

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● Mr. MOYNIHAN. Mr. President, I, for one, do not take lightly the Nation's current economic and fiscal crisis and the integrity of the congressional budget process. As a member of the Senate Budget Committee, I have been a close observer of and participant in this year's budget debate. I participated in 2 months of hearings before Budget Committee, as administration witnesses defended the President's budget submission and its $132.4 billion deficit for the next fiscal year. I can report that after I pressed the Budget Committee for an up-and-down vote on the President's proposal, its members did reject it by a unanimous 20 to 0 vote. I watched while the majority members of the Budget Committee fashioned a new compromise proposal from within their own ranks, having excluded the minority members of the committee. When the first version of this compromise proposed to use social security benefits over the next 3 years, I led the fight on the Senate floor to protect the Government's solemn pledge to the Nation's elderly. Happily, the majority responded by retreating from this indefensible strategy.

With Senators SASSER and RIEGLE, I also offered an alternative budget plan worked out with the staff of the Joint Economic Committee. We proposed to restore some commonsense to the foundations of fiscal policy, fashioning a basic midcourse correction in the current economic program by tieing additional fiscal restraint to a more moderate monetary policy. Under our proposal, the Federal Government would have been able to fulfill its basic social commitments and restore the basis for economic prosperity, while producing a 1983 deficit some $35 billion less than the one projected under this resolution. Unhappily, the administration and the majority would not reconsider their support for a discredited economic strategy and an ill-conceived budgetary policy.

Precisely because I have participated so closely in this budget process, precisely because I have taken so seriously the fiscal and economic crisis facing America, I must decline to support this resolution. And for the same reasons, I feel such deep regret that the administration and the majority of this Chamber have refused to confront the failures of the current economic program and the fiscal crisis so closely associated with its failures.

The shortcomings of the Senate version of this budget resolution have been retained or compounded in this conference version. The conference resolution projects a $103.9 billion Federal deficit for fiscal year 1983. Let me say that a deficit exceeding $100 billion is simply not acceptable to the American people, not acceptable to the Nation's financial markets, and not acceptable to the senior Senator from New York. Nor should it be.

This $103.9 billion deficit projection, moreover, is a fraud. The actual deficit will be much higher—and that much more unacceptable. The conference resolution, for example, has rejected the nonpartisan professional outlay estimates developed by the Congressional Budget Office in favor of the outlay assumptions offered by the minority Republican staff of the House Budget Committee. On this basis alone, the CBO estimates, the 1983 deficit will be some $10 billion more than projected under this resolution, or nearly $114 billion.

The $114 billion projection, moreover, rests on certain economic assumptions that, to state the fact simply, are totally unrealistic. The deficit under this resolution will be $114 billion next year only if the Nation's real gross national product grows by 4.5 percent in 1983, as the resolution assumes. But two of the Nation's most eminent private economic forecasting firms—Data Resources, Inc. and Evans Economics—have told us that real growth next year will be between 1 and 2 full percentage points less than this assumption, reducing Federal deficits and increasing the Federal deficit. The resolution also assumes that interest rates, at long last, will fall nearly 3 percentage points next year. But Chase Econometrics reports that, in all likelihood, interest rates will run some 1½ percentage points higher than this assumption; another prestigious private forecaster, Wharton Economics, forecasts interest rates some 3½ percentage points higher than the resolution's assumes.

It makes a difference. Continuing high interest rates will reduce growth next year, and will tend both to increase Federal outlays, while depressing Federal revenues. In short, the deficit projections in this resolution are seriously underestimated. The fiscal year 1983 deficit under this budget plan will run some $130 billion—perhaps as high as $150 billion.

The majority's strategy for this resolution is as clear as it is disheartening; accept whatever economic assumptions and outlays rates are required to produce at least the appearance of greater deficit reductions than will actually occur. This is a basic violation of the congressional budget process, a basic violation of the American people's faith in their Government. This is not acceptable.

The projected deficit, the largest in the Nation's peacetime history, also rests on ill-advised reductions in some of our most important social commitments. Under this resolution, more than $3 billion will be cut next year from medicare operations to care for the Nation's elderly. Medicaid operations, the only program to provide basic health services for the Nation's poor, will be reduced some $700 million next year. While the Nation struggles with the most extended period of economic stagnation and decline since the Great Depression, this resolution also proposes to cut support for job training, social services, employment, and education programs by more than 25 percent over the next 3 years, in inflation-adjusted terms. Commerce and housing programs, sectors devastated by the current recession, face even greater reductions, or nearly 40 percent. Mass transit and other transportation programs, which absorbed a 14 percent real reduction last year, now face further cuts of more than 15 percent under this resolution.

I cannot accept the proposition that the root cause of our current economic difficulties lies in those programs desined to provide basic security for the Nation's elderly, disabled, unemployed, and disadvantaged. Nor can I expect any budget resolution that tries to achieve short-term deficit reductions by sacrificing basic components of the Nation's social and economic infrastructure, fundamental elements for the Nation's long-term growth and productivity.

This resolution's unacceptable deficits, false economic and outlay assumptions, and arbitrary reductions in the Government's social commitments leave our basic economic and budget crises unresolved. This I cannot and will not accept.

The first concurrent resolution may be over—or will be by the end of today's business—but it is not too late for Congress and the administration to face their responsibilities. We can resolve to restore the integrity of the congressional budget process. We can seize this occasion to redouble our determination to correct a failing economic program and fiscal strategy. Can we not produce a second concurrent resolution which truly responds to the needs of our economy and fulfills the Government's commitments to the American people? I call on my colleagues in this Chamber and in the administration to join me in meeting this great responsibility.●

EMERGENCY MORTGAGE INTEREST REDUCTION PAYMENTS

Mr. LEAHY. Mr. President, I strongly support the emergency mortgage interest reduction payments program. I believe that this program will help bring down unemployment and stimulate the economy while providing needed assistance to the deeply depressed housing and lumber industries. The mortgage aid programs passed by the House and the Senate, with their unique provisions by which borrowers repay their subsidies to the Government when they sell or refinance their homes, represent an innovative, short-term, governmental response to the economic problems posed by staggering unemployment and the depressed state of the housing industry.

Congress should be commended for recognizing that economic growth is essential to our common goal of bringing the frightening budget deficits projected for the next several years under control. Continued cuts in domestic spending will not, by themselves, lead to significantly decreased budget deficits.

Congress, by overwhelmingly endorsing this program, is sending a clear signal to the administration and the Nation, that the real enemies are unacceptably high interest rates and intolerable unemployment levels. This employment and housing stimulus bill is desperately needed to get the economy back on its feet. If this program is not enacted into law, and enacted soon, the result will be continued stagnation in the housing industry, and higher budget deficits.

Over the last 5 years, housing starts have declined by 45 percent nationwide, and by 30 percent in my home State of Vermont. Under the mortgage interest reduction payments program, $3 billion will be available to subsidize the purchase of approximately 230,000 new and recently constructed homes.

In Vermont, approximately $14.42 million in mortgage interest subsidy payments will be available under the program. Of this total, $12.43 million will be available to stimulate the production of up to 1,250 new homes. The remaining $1.99 million will be available to subsidize the purchase of up to 200 recently constructed homes.

Approximately 23 percent of the Nation's economic activity is tied to home building, home furnishing, home sales, and home financing. With unemployment in the construction industry presently in excess of 18 percent, this direct, short-term stimulus will not only create construction jobs, but will bring about urgently needed job expansion in other areas of the economy as well. It is estimated that up to 478,000 new jobs will be created by the enactment of this program.

The housing industry must be able to take advantage of this program during this current building season. In order for the program to be successful, it is essential that the Secretary of Housing and Urban Development (HUD) issue final regulations, make allocations and begin to issue commitments within 30 days of enactment as specifically called for in the act. I would also strongly suggest that the Secretary set the interest rate at such a level so as to encourage full participation by lenders in this program.

Mr. LONG. Mr. President, will the Senator yield to me for a question?

Mr. HOLLINGS. Yes.

Mr. LONG. First, let me commend the Senator for his very dedicated efforts to try to put us on a glide pattern toward a balanced budget. I honestly feel that we should say this to the Senator, and I do say that in the course of the debate over the budget resolution he convinced some of us that we had to do more than was being proposed by the committee to reduce the deficit and to put ourselves in a position such that eventually we would have a balanced budget.

Now, the Senator has made a valiant effort. I am pleased to say he is one of those who voted for the last-ditch effort, the effort by my colleagues, Mr. JOHNSTON and Mr. NUNN, at the closing hour to propose an amendment that would seek to balance the budget in 3 years. It failed, but there were 21 of us who voted for it.

I think, in due course, some of us should say to Mr. SIMON and others: "You know, all it takes is votes. If you had 51 votes for that Johnston-Nunn amendment, we would have had a balanced budget in 3 years and we would be on a glide path to it."

It is the thought of the Senator from Louisiana that perhaps we ought to make another try. We ought to have an effort to put an amendment on a debt limit bill that would force us to set a glide pattern toward a balanced budget. Some years back, we did prevail upon the Budget Committee before the Senator from South Carolina was the chairman. We did prevail upon the committee to recommend a proposed balanced budget by an amendment to a debt limit bill. The thought occurs to this Senator that perhaps we could work out an amendment, not necessarily the same thing, but work out an amendment to the debt limit bill that would help to point us toward a balanced budget.

I just would hope that the Senator would not feel that the budget resolution is the only recourse available to us to try to do something to limit spending and to move toward fiscal responsibility; I say that as one who voted for a great number of things the Senator has recommended.

I agree with his logic. I just think we are going to have to try whatever method is available to us if we are going to ever achieve the Senator's objective, and that is to move toward at least a procedure or a pattern that would help get us to a balanced budget.

How would the Senator feel about an amendment to a debt limit bill?

Mr. HOLLINGS. Mr. President, I appreciate what the distinguished Senator from Louisiana has stated and his nice comments to me.

The point is, I would try to stick to the budget process as it was intended to work. I would hate to have to go around the end and just tack it on to some other measure. I think it would not stand any chance of being accepted on the House side and it would be an exercise in futility.

Maybe we will try it. I know it would be vetoed. I thought perhaps that I was the reason we could not achieve it. That is why I stood aside—and I worked together with Senator JOHNSTON all year long on the Budget Committee—I stood aside and let him and Senator NUNN work it out to see if they could get some votes for their amendment. I commend the distinguished Senator from Louisiana, because his position all year long was: "I am willing to vote for these things as long as the great communicator comes out."

Well, my answer to you is the great communicator has yet to come out for them. And whether they be in the budget resolution, whether they be on a debt limit bill, that gentleman really believes his program is working well and needs no change.

Before he went overseas, he went before the Chamber of Commerce and said: "Murphy's law: if it ain't broke, don't fix it."

So he, in his mind, is still persuaded that his program is working well. Yes, there will be some suffering, but he generally must be insulated from all this suffering. He is a very human person, but he does not feel it. I think when it comes July and they get the increases in the social security checks and the tax cut, as the distinguished Senator from Texas pointed out on the floor, nearly all of the savings for the next 3 years will be gobbled up by the U.S. Government in financing these programs. We cannot have lower interest rates and economic recovery if the Federal Government borrows $2 out of every $3.

So there is not going to be any great spurt in the economy. You are now experiencing a $38 billion tax cut right this minute. Does it feel good? Are you reindustrialized? Are you saved?

We are broke. Using Secretary Regan's description, we are dead in the water.

They ought to know what a $38 billion tax cut does. Why should a $40 billion cut do anything different?

Mr. LONG. I read where the Secretary of the Treasury was speaking to

the chamber of commerce downtown and said something to the effect that in this business, perception is reality. I think that is what he said.

Mr. HOLLINGS. Right.

Mr. LONG. The Senator from Louisiana has been in this business since the day I was born. My father was a candidate for public office the day I was born. All I have known all my life had something to do with government and politics. But I swear I never before heard that statement that in this business, perception is reality. It does not make too much sense to the Senator from Louisiana that Mr. Regan, a former stockbroker, would be thinking in those terms. One would gain the impression that that type of thing must have been something he heard in the Cabinet offices from someone else, that in this business, perception is reality.

I would suggest to the Senator how this thing is going to be perceived is more than this Senator can understand. My impression is that everybody who knows something about it, who had credentials to advise others, is advising all of them that we have a budget deficit that is going to be a disaster.

Mr. HOLLINGS. There is no question about it. Even JACK KEMP offloaded. He has jumped ship. I do not know where Senator ROTH is, but I know JACK KEMP off-loaded. He did not vote for this conference report. It did not make any sense whatsoever. Maybe he will row ashore with the Kemp-Roth gold standard.

They are going to have to go somewhere else to try to divert attention from their economic mess. I guess right now you can see Secretary Regan nibbling at the Federal Reserve. He nibbled on it on Saturday morning, but by Monday he got the message back from David Stockman, "Don't jump on him yet."

There has been no jump yet, and he pulled in. Saturday he said his principles were right but his practices were wrong. That is neat, is it not? And perception is reality. They have this country bamboozled. I do not know when they are going to wake up. Maybe we will have to all go broke.

What do you say when you slam that door? That last fellow to go bankrupt puts the sign on, "Going Out of Business," slams the door, and he is going to say, "Thank God for Ronald Reagan." He is still going to believe.

We are in one heck of a mess. I can tell you that.

SEVERAL SENATORS. Vote. Vote.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield myself 3 minutes.

Before I do that, I suggets the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I understand that the distinguished managers of the conference report on both sides, the minority leader, and other Senators have been in conference on an arrangement that will provide equity for debate of the substitute, which is the only item in disagreement and which is the embodiment of the major elements of the compromise reached by the conferees, that I am about to state in the form of a unanimous-consent request. It is also my understanding that if this unanimous-consent request is granted, we will proceed promptly to vote on the conference report itself.

Have the yeas and nays been ordered on the conference report?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. BAKER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. I will put the request and then I will put a parliamentary inquiry which will make sure that we have all of the matters clearly defined and understood.

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I ask unanimous consent that 5 hours allocated to the conference report on Senate Concurrent Resolution 92 be transferred to the motion to concur in the amendment of the House to Senate Concurrent Resolution 92, to be equally divided between the chairman of the Budget Committee and the ranking minority member, or their designees.

Mr. President, that is the body of the request. Before the request is acted upon, I wish to propound a parliamentary inquiry on reservations.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. If this unanimous-consent agreement is entered into, it is my understanding that of the 10 hours provided for under the statute, 5 will be allocated to the debate on the motion to concur in the House amendment to the conference report.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Do I further correctly understand that that is the sole effect of this request and none of the other provisions of the act in respect of the conference report or any amendments or items in disagreement thereto will be affected?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I put the request, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I yield back my time on the conference report.

Mr. HOLLINGS. I yield back our time, Mr. President.

Mr. DOMENICI. I urge that the conferees adopt the report.

Mr. HOLLINGS. I urge that they do not Mr. President.

Mr. DOMENICI. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. PACKWOOD) is necessarily absent.

I further announce that the Senator from New Jersey (Mr. BRADY) is absent to attend a funeral.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from Missouri (Mr. EAGLETON) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "nay."

The PRESIDING OFFICER (Mr. BOSCHWITZ). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 51, nays 45, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—51

Abdnor	Grassley	Percy
Andrews	Hatch	Pressler
Armstrong	Hatfield	Quayle
Baker	Hawkins	Roth
Boschwitz	Hayakawa	Rudman
Chafee	Heflin	Schmitt
Cochran	Heinz	Simpson
Cohen	Humphrey	Specter
D'Amato	Jepsen	Stafford
Danforth	Kassebaum	Stennis
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Lugar	Thurmond
Durenberger	Mattingly	Tower
East	McClure	Wallop
Garn	Murkowski	Warner
Gorton	Nickles	Zorinsky

NAYS—45

Baucus	Ford	Melcher
Bentsen	Glenn	Metzenbaum
Biden	Goldwater	Mitchell
Boren	Hart	Moynihan
Bradley	Helms	Nunn
Bumpers	Hollings	Pell
Burdick	Huddleston	Proxmire
Byrd, Harry F., Jr.	Inouye	Pryor
	Jackson	Randolph
Byrd, Robert C.	Johnston	Riegle
Chiles	Kennedy	Sarbanes
Cranston	Leahy	Sasser
DeConcini	Levin	Tsongas
Dixon	Long	Weicker
Dodd	Mathias	
Exon	Matsunaga	

NOT VOTING—4

Brady Eagleton Packwood
Cannon

So the conference report was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I have a summary with reference to the Hollings letter of June 18 to CBO, and I ask unanimous consent that the explanation contained therein be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

On June 18, Senator Hollings wrote CBO asking them to reprice the Conference Agreement on the First Budget Resolution using the post-policy consensus economic forecast and the CBO estimating techniques for both revenues and outlays (copy attached).

On June 22, Director Rivlin wrote Senator Hollings answering his request (copy attached). In short, CBO reestimates the Conference Agreement deficits higher by the following amounts:

[Dollars in billions]

	Fiscal year			
	1982	1983	1984	1985
Deficit agreed to by the Conferees	105.7	103.9	83.9	60.0
CBO reestimates (lower revenues, higher outlays)	+8.1	+12.5	+20.7	+32.7
CBO repricing of Conference Agreement deficit	113.8	116.4	104.6	92.7

The CBO re-estimates fall into four main categories: revenues, defense outlays, OCS receipts, and interest costs.

We have been over the revenue estimates before. This year CBO introduced a new, largely untested method of estimating revenues. It yields lower revenue estimates than the long-tested Treasury estimating method. The conferees (and the Senate) opted to use the Treasury figures based on their well established methodology.

Defense outlays have also been the subject of long standing argument going back to last year. We have assurances from OMB and the Department of Defense that DOD plans to live within the outlay levels for the defense function set by the conferees. If they do the management job they have promised, it is hoped that the outlay level set by the conferees will not be exceeded.

OCS receipts have also been a matter of great discussion. The conferees decided to go with the Administration's estimate which is higher than that of CBO. Again, this is largely a question of management on the part of the Department of the Interior in achieving the levels we have used. Senator Domenici has received a letter from Secretary Watt stating that the Department has reexamined all of the available information on OCS receipts, including the CBO methodology, and that they see no reason to depart from the numbers the conferees assumed.

The interest reestimates by CBO are largely the result of the higher deficits in their reestimate. If the other areas mentioned above turn out the way the conferees assumed, the higher CBO interest estimate will disappear.

Mr. BAKER. Mr. President, in accordance with the announcements that have been made previously by the leadership, I assume that there is no further business to be transacted this evening on the conference report. We will resume consideration of the conference report—more exactly, on the item in disagreement—tomorrow at 10 o'clock, when the Senate resumes consideration of this matter.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend past 7:45 p.m., on the same terms and conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

TUITION TAX CREDITS

Mr. HOLLINGS. Mr. President, at meetings at the White House and the Department of Education today, the Reagan administration finalized its tuition tax credit bill and sent it to Congress for consideration. I am advised that the soon to be introduced bill is very similar in content to the one that President Reagan outlined in his Chicago speech on April 15 of this year.

My opposition to tuition tax credits for students attending private schools is well known. I will not go into great detail here today, Mr. President, in outlining my many reasons for this opposition. Besides, with this action by the administration we will apparently have ample opportunity to debate this issue in detail sometime later in this session.

Instead, Mr. President, let me first focus on the administration's incredibly poor sense of timing in bringing this issue before Congress now. This week, and the next few days before the Independence Day recess, the Senate will be called upon to act on the urgent supplemental appropriations bill, the budget resolution conference report, the debt limit bill, and perhaps, the balanced budget amendment. All of these items, Mr. President, go right to the heart of understanding the economic difficulties in which our country finds itself. The citizens of this Nation are paying close attention to congressional action on these measures because such action in large part will go a long way in answering the question of whether or not Congress has the discipline and will face up to the difficult economic choices we must make in order to get the economy moving again and bring this country out of the recession.

But, with the action today on the tuition tax credit bill, the Reagan administration is signaling a different message. They have lapsed into that old command, "Do as I say, not as I do."

Consider, if you will, that President Reagan has threatened to veto the urgent supplemental appropriations bill because it contains a housing subsidy provision—a provision which passed the Senate earlier by a vote of 73 to 19. Reportedly, President Reagan opposes the $3 billion housing subsidy because it would be a "bailout" for a specific industry and would be too expensive. But, when it comes to a multibillion dollar "bailout" for the private schools of this Nation, at the expense of public education, President Reagan has no qualms about sending up his tuition tax credit bill.

Refer to the budget resolution conference report. Congress is called upon to pass the largest deficit budget in the Nation's history. The one consolation is that while it does reach this historic level, it is still much less deficit ridden than the budget that President Reagan originally sent to Congress. From where I sit as a member of the Budget Committee that is no consolation. Now, the President sends legislation creating a multibillion dollar tuition tax credit program, that results in still larger deficits. Deficits apparently no longer matter to this administration. Remember, this is the administration of Ronald Reagan that repeatedly promised a balanced budget by 1983, then later by 1984, and that they would "Fight to the last blow to achieve it by 1984 . . . ," and now who calls for a constitutional amendment to require balanced Federal budgets.

Take the debt limit bill. We have already broken the trillion dollar barrier for national debt. It continues to grow. It will grow at the most rapid pace ever under the Reagan administration's proposed budgets. Still, mired in this spiraling accumulation of debt, President Reagan sees fit to initiate a vast new spending program that will benefit some of the wealthiest families in our Nation at the expense of some of our poorest.

Perhaps, before the Independence Day recess, Mr. President, the Senate will be called upon to consider a balanced budget amendment. The administration that has given us the largest single year budget deficit and still larger deficits in later years, skillfully tries to hide behind a constitutional amendment to balance the Federal budget. On the one hand, the Reagan administration calls for mandating congressional fiscal responsibility, while, on the other hand, it sends up a multibillion-dollar tuition tax credit program that will only add to the inability of Congress to balance the

budget. Action like this reminds one of the old adage from the Nixon years, "Watch what we do not what we say."

The administration, Mr. President, came to office declaring the theme of reducing Government and cutting the budget. To the contrary as far as tax credits are concerned. The Reagan administration is not interested in reducing Government and is interested in cutting the budget for all except favored groups.

The Reagan administration has proposed huge cuts in funding for federally funded elementary and secondary programs. The funding, under President Reagan's proposals, for these programs is almost 50-percent below the 1981 funding level. We all know these programs: Title I, Handicapped Education, Vocational Education, et cetera. They are worthwhile and that is why, in large part, Congress rejected these deeper cuts. But the fact remains, the Reagan administration advocates vastly scaling back the expenditures for programs that benefit the disadvantaged and deficient and the creation of multibillion-dollar spending programs for students in private schools.

And, what is the Federal role relating to elementary and secondary schools? In the past it has been a limited one designed to supplement, not supplant, the State and local government effort. Federal programs are targeted, categorical programs designed to assist the needy and disadvantaged student in both public and private schools. The Reagan administration proposes to vastly increase the assistance to private school students while at the same time promoting huge cuts in the budget for present federally funded education programs.

The Government's duty to the public is to provide public schools. The duty of the Government toward private schools is to leave them alone. In light of the efforts to reduce Federal spending, reduce the role of the Federal Government in the affairs of the States, reduce Federal regulation and deal effectively with the pressing problems confronting our Nation, it is very difficult at best to understand why the administration presses its case for this uncontrollable entitlement program that will cost billions just to start and provide the overwhelming majority of its benefits to the wealthiest segment of our population.

Mr. President, I believe that the tuition tax credit proposal advanced by the Reagan administration reverses sound education policy, is a budget buster—particularly in these economic times, and is potently unconstitutional. Earlier this year, the chairman of the Senate Finance Committee was reported in the press to comment that the tuition tax credit legislation will not reach the Senate floor before Congress adjourns. I, for one, because of the facts I have outlined today, think if wisdom prevails that this will be the case for not only this Congress but those in the future as well.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the Committee on Armed Services.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he had approved and signed the following bills and joint resolutions:

On June 15, 1982:

S.J. Res. 149. Joint resolution to designate the week of June 6, 1982, through June 12, 1982, as "National Child Abuse Prevention Week."

On June 16, 1982:

S.J. Res. 131. Joint resolution designating "National Theatre Week."

S. 1808. An act to authorize an Under Secretary of Commerce for Economic Affairs.

On June 18, 1982:

S.J. Res. 201. Joint resolution designating "Baltic Freedom Day."

On June 21, 1982:

S. 896. An act to designate the control tower at Memphis International Airport the "Omlie Tower."

S.J. Res. 140. Joint resolution designating February 11, 1983, "National Inventors' Day."

MESSAGES FROM THE HOUSE

At 3 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House recedes from its amendment to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982; and agrees to the same with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bill, without amendment:

S. 1519. An act to designate certain national wildlife refuge lands.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6094. An act to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1983, and for other purposes.

At 3:17 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 5890) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. FUQUA, Mr. FLIPPO, Mr. GLICKMAN, Mr. NELSON, Mr. BROWN of California, Mr. WINN, Mr. GOLDWATER, and Mr. HOLLENBECK as managers of the conference on the part of the House, and as additional managers solely for the consideration of section 5 of the Senate amendment and modifications committed to conference: Mr. STRATTON, Mr. BOLAND, Mr. GORE, Mr. DICKINSON, and Mr. ROBINSON.

ENROLLED BILL SIGNED

At 7:28, a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker had signed the bill (S. 1519) to designate certain national wildlife refuge lands.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 6094. An act to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1983, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3708. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a confidential report on a proposed foreign military sale to the United Kingdom; to the Committee on Armed Services.

EC-3709. A communication from the Secretary of the Federal Communications Commission transmitting, pursuant to law, an order of the Commission relating to certain broadcasting applications pending before the Commission; to the Committee on Commerce, Science, and Transportation.

EC-3710. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation imposing eligibility and fiscal limitations to programs of aid to families with dependent children and supplemental security income; to the Committee on Finance.

EC-3711. A communication from the Assistant Secretary of Housing and Urban Development for Administration transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3712. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report of the Inspector General of EPA; to the Committee on Governmental Affairs.

EC-3713. A communication from the Acting Comptroller General of the United States transmitting, pursuant to law, a monthly listing of GAO reports for May 1982; to the Committee on Governmental Affairs.

EC-3714. A communication from the Executive Director of the Advisory Commission on Intergovernmental Relations transmitting, pursuant to law, two reports relative to State and local roles in the Federal system; to the Committee on Governmental Affairs.

EC-3715. A communication from the Chairman of the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research transmitting, pursuant to law, a report entitled Compensating for Research Injuries; to the Committee on Labor and Human Resources.

EC-3716. A communication from the Secretary of the Smithsonian Institution transmitting, pursuant to law, the 1981 annual report of the Smithsonian Institution; to the Committee on Rules and Administration.

EC-3717. A communication from the Acting Comptroller General of the United States transmitting, pursuant to law, a report on a revised rescission and three new deferrals of budget authority by the President; jointly, pursuant to the order of January 30, 1975, to the Committee on Agriculture, Nutrition, and forestry; the Committee on Appropriations; the Committee on Banking, Housing, and Urban Affairs; the Committee on the Budget; the Committee on Commerce, Science, and Transportation; and the Committee on Foreign Relations.

EC-3718. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a final regulation relative to the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3719. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller) transmitting, pursuant to law, certification that no payment was made from military construction appropriated funds during October 1, 1981-March 31, 1982 on contracts in a foreign country except after consultation with the Secretary of the Treasury; to the Committee on Appropriations.

EC-3720. A communication from the Assistant Secretary of the Navy transmitting, pursuant to law, a report on a decision made to convert the Servmart function at the Naval Supply Center, Charleston, S.C., to performance under contract; to the Committee on Armed Services.

EC-3721. A communication from the Assistant Secretary of the Navy for Shipbuilding and Logistics transmitting, pursuant to law, a report on a decision to convert the grounds maintenance and agricultural pest control function at the Naval Construction Battalion Center, Port Hueneme, Calif., to performance under contract; to the Committee on Armed Services.

EC-3722. A communication from the Assistant Secretary of Energy for Conservation and Renewable Energy transmitting, pursuant to law, the fifth annual report on Federal activities and programs in geothermal energy; to the Committee on Energy and Natural Resources.

EC-3723. A communication from the General Counsel of the Department of Energy transmitting a draft of proposed legislation to extend section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

EC-3724. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report on the effects of discharges from limestone quarries on water quality and aquatic biota; to the Committee on Environment and Public Works.

EC-3725. A communication from the Administrator of the General Services Administration transmitting, pursuant to law, a prospectus proposing a lease in Houston, Texas; to the Committee on Environment and Public Works.

EC-3726. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to revise coverage, benefits, and cost-sharing under medicare and medicaid; to the Committee on Finance.

EC-3727. A communication from the Deputy Secretary of the Treasury transmitting a draft of proposed legislation respecting the borrowing authority of the District of Columbia; to the Committee on Governmental Affairs.

EC-3728. A communication from the Deputy Assistant Secretary of Defense for Administration transmitting notice of a proposed computer match of certain Army allotment records with listings for recipients of food stamps and public assistance in the city of New York; to the Committee on Governmental Affairs.

EC-3729. A communication from the Director of Compensation and Benefits of the Farm Credit Banks of St. Louis, Mo., transmitting, pursuant to law, the pension plan report for the Sixth Farm Credit District Retirement Plan for the plan year ending December 31, 1981; to the Committee on Governmental Affairs.

EC-3730. A communication from the Deputy Assistant Secretary of Health and Human Services for Health Operations and Director, Office of Management transmitting, pursuant to law, the annual report on the financial condition of the Department's pension plan for the plan year ending September 30, 1980; to the Committee on Governmental Affairs.

EC-3731. A communication from the Environmental Protection Agency transmitting, pursuant to law, the semiannual report of the Agency's Inspector General for the period ending March 31, 1982; to the Committee on Governmental Affairs.

EC-3732. A communication from the Secretary of the United States Postal Rate Commission, transmitting, pursuant to law, the opinion and recommended decision rejecting OOC and DOD proposals for attached mail classifications and rates; to the Committee on Governmental Affairs.

EC-3733. A communication from the Chief Justice of the United States, transmitting, pursuant to law, the report of the proceedings of the Judicial Conference of the United States, held in Washington, D.C., on March 11 and 12, 1982; to the Committee on the Judiciary.

EC-3734. A communication from the Administrator of Veterans' Affairs, transmitting a draft or proposed legislation to amend section 1622 of title 38, United States Code, to permit the Administrator to utilize the Post-Vietnam Era Veterans Education Account for the administration of the education program authorized by section 2141 of title 10, United States Code; to the Committee on Veterans' Affairs.

EC-3735. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to the United Kingdom for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3736. A communication from the Director of Facility Requirements and Resources, Office of the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, transmitting, pursuant to law, a report on 25 construction projects to be undertaken by the Army National Guard; to the Committee on Armed Services.

EC-3737. A communication from the Acting Director of Facility Requirements and Resources, Office of the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, transmitting, pursuant to law, a report on two construction projects for the Army National Guard; to the Committee on Armed Services.

EC-3738. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on the conversion of the keypunch function at the Strategic Weapons Facility, Pacific, Bangor, Wash., to contractor performance; to the Committee on Armed Services.

EC-3739. A communication from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting, pursuant to law, a report on converting the transient aircraft maintenance function at K.I. Sawyer Air Force Base, Mich., to contractor performance; to the Committee on Armed Services.

EC-3740. A communication from the Deputy Assistant Secretary of the Navy for Logistics, transmitting, pursuant to law, a report on various studies on converting certain functions at certain facilities to contractor performance; to the Committee on Armed Services.

EC-3741. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Fresh Look Is Needed At Proposed South Florida Jetport;" to the Committee on Commerce, Science, and Transportation.

EC-3742. A communication from the Chairman of the Advisory Council on Historic Preservation, transmitting, pursuant to law, the comments of the Council on the proposal of the Office of Surface Mining to approve a permanent mining program for Pittsburg and Midway Coal Mining Co.'s operation of the McKinley Mine in New Mexico; to the Committee on Energy and Natural Resources.

EC-3743. A communication from the Under Secretary of Energy, transmitting, pursuant to law, a report on proceeding with remedial action at additional properties in Salt Lake City and with an additional group of properties at Canonsburg using in-

terim cleanup standards; to the Committee on Environment and Public Works.

EC-3744. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, eleven lease prospectus amendments; to the Committee on Environment and Public Works.

EC-3745. A communication from the Chairman of the U.S. Nuclear Regulatory Commission transmitting, pursuant to law, the report on abnormal occurences at licensed nuclear facilities for the fourth calendar quarter of 1981; to the Committee on Environment and Public Works.

EC-3746. A communication from the Secretary of Health and human Services, transmitting, pursuant to law, the annual report on the social security program for fiscal year 1981; to the Committee on Finance.

EC-3747. A communication from the President of the United States, transmitting, pursuant to law, notification of his designation of a Chairman of the U.S. International Trade Commission; to the Committee on Finance.

EC-3748. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to June 17, 1982; to the Committee on Foreign Relations.

EC-3749. A communication from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize the Secretary of State to reimburse State and local governments for providing extraordinary protection with respect to foreign consular posts located in the United States outside the metropolitan area of the District of Columbia; to the Committee on Foreign Relations.

EC-3750. A communication from the Assistant Secretary of the Smithsonian Institution (Administration), transmitting, pursuant to law, the annual report on the pension plans of the Smithsonian Institution and the Woodrow Wilson International Center for Scholars for calendar year 1981; to the Committee on Governmental Affairs.

EC-3751. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report summarizing and analyzing the reports submitted by executive agencies showing the amount of personal property furnished to non-Federal recipients; to the Committee on Governmental Affairs.

EC-3752. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on actions taken to recruit and train Indians to qualify for positions which are subject to preference under Indian preference laws; to the Committee on Governmental Affairs.

EC-3753. A communication from the Secretary of Education, transmitting, pursuant to law, an evaluation study entitled "An Assessment of Vocational Education Programs for Indian Tribes and Organizations;" to the Select Committee on Indian Affairs.

EC-3754. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report and recommendation on the claim of the Tehran American School; to the Committee on the Judiciary.

EC-3755. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, the report on Department of Defense procurement from small and other business firms for the first half of fiscal year 1982; to the Committee on Small Business.

EC-3756. A communication from the Administrator of Veterans' Affairs, transmitting, pursuant to law, a report on the Veterans' Administration health professional scholarship program; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1500. A bill to provide for the transfer of the Alaska Railroad to the State of Alaska (Rept. No. 97-479).

By Mr. TOWER, from the Committee on Armed Services, with an amendment:

S. 2487. A bill to authorize appropriations for the fiscal year 1983 for intelligence activities of the U.S. Government, for the Intelligence community staff, and for the Central Intelligence Agency retirement and disability system, and for other purposes (Rept. No. 97-480).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

James Jay Jackson, of Texas, to be a Member of the Federal Home Loan Bank Board for the term of 4 years expiring June 30, 1986.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. FORD:

S. 2655. A bill to provide increased maximum limitations for student loans under part B of title IV of the Higher Education Act of 1965 for certain students who lost benefits under the Social Security Act as a result of amendments made by the Omnibus Budget Reconciliation Act of 1981; to the Committee on Labor and Human Resources.

By Mr. ROBERT C. BYRD:

S. 2656. A bill to direct the President to provide for the award of the Purple Heart to prisoners of war held during World War I, World War II, and the Korean conflict under the same criteria applicable to prisoners of war held during the Vietnam era; to the Committee on Armed Services.

By Mr. EAST:

S. 2657. A bill to require that the candidates for President and Congress and those for State and local offices be listed separately on a ballot; to the Committee on Rules and Administration.

By Mr. SPECTER (for himself and Mr. RUDMAN):

S. 2658. A bill to amend title 18 to delimit the insanity defense, and for other purposes; to the Committee on the Judiciary.

By Mr. SASSER:

S. 2659. A bill to amend the Social Security Act to provide that disability benefits may not be terminated prior to completion of the reconsideration process including an evidentiary hearing, to provide that medicare entitlement shall continue through the administrative appeal process, and to require the Secretary of Health and Human Services to make quarterly reports with respect to the results to periodic reviews of disability determinations; to the Committee on Finance.

By Mr. PACKWOOD (for himself, Mr. STEVENS and Mr. GORTON):

S. 2660. A bill to consolidate and reenact certain of the marine safety and seaman's welfare laws of the United States; to the Committee on Commerce, Science, and Transportation.

By Mr. COCHRAN (for himself and Mr. HUDDLESTON):

S. 2661. A bill to improve farm commodity prices through expanded export development and the use of advance loans and payments under the price and income support programs to encourage participation in the acreage adjustment programs for wheat, cotton, rice, and feed grains; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. EXON (for himself and Mr. ZORINSKY):

S. 2662. A bill to authorize amendments to certain repayment and water service contracts for the Frenchman Unit of the Pick-Sloan Missouri River basin program; to the Committee on Energy and Natural Resources.

By Mr. COCHRAN (for himself, Mr. BAKER, Mr. STENNIS, Mr. THURMOND, Mr. JOHNSTON, Mr. HEFLIN, Mr. DENTON, Mr. EAST, Mrs. HAWKINS, Mr. NUNN, Mr. SASSER, Mr. MATTINGLY, Mr. CHILES and Mr. HOLLINGS):

S.J. Res. 204. Joint resolution to commemorate the travels of William Bartran; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FORD:

S. 2655. A bill to provide increased maximum limitations for student loans under part B of title IV of the Higher Education Act of 1965 for certain students who lost benefits under the Social Security Act as a result of amendments made by the Ominbus Budget Reconciliation Act of 1981; to the Committee on Labor and Human Resources.

(The remarks of Mr. FORD and the text of this legislation appear earlier in today's RECORD.)

By Mr. SPECTER (for himself and Mr. RUDMAN):

S. 2658. A bill to amend title 18 to delimit the insanity defense, and for other purposes; to the Committee on the Judiciary.

(The remarks of Mr. SPECTER on this legislation appear earlier in today's RECORD.)

By Mr. SASSER:

S. 2659. A bill to amend the Social Security Act to provide that disability benefits may not be terminated prior to completion of the reconsideration process, including an evidentiary hearing, to provide that medicare entitle-

ment shall continue through the administrative process, and to require the Secretary of Health and Human Services to make quarterly reports with respect to the results of periodic reviews of disability determinations; to the Committee on Finance.

SOCIAL SECURITY DISABILITY BENEFITS

● Mr. SASSER. Mr. President, for several months, complaints of inequities and allegations of quota systems causing unjust terminations from the disability rolls have been widespread. Consequently, there is a great deal of anxiety and frustration among America's disabled population, which covers over 4.6 million workers and their dependents.

In fact, an allegation that I received from an anonymous social security worker in Memphis detailing the existence of a quota system led me to request an investigation in Memphis by the General Accounting Office. The report proved inconclusive as to the existence of a quota; however, it did reveal criticisms often paralleled in other States regarding the continuing disability review process. These included: critical comments directed at the quality of consultative examinations being performed at the request of the State disability determination system; complaints that the consultative examinations were too short, were not comprehensive, and did not adequately cover the claimants' impairments, and complaints that some consultative physicians are rude, prejudiced, and unprofessional. The employees also believed the Tennessee disability determination system (DDS) is experiencing organizational and workload problems because of the current continuing disability investigation (CDI) program. They also revealed there was a high case backlog and some pressure to reduce it.

It is little wonder that the social security disability program is currently experiencing such a deluge of complaints which has prompted the close scrutiny of several Members of Congress.

The disability program is ostensibly designed to compensate those individuals who, through no fault of their own, are unable "to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or be of long-continued and indefinite duration." It is an important part of the Federal Government's safety net to protect those persons who can no longer support themselves through work.

During the early and mid-1970's, the number of recipients in the disability program increased dramatically before leveling off in the late 1970's and then declining. Between 1970 and 1976, the number of disabled workers in the social security disability program almost doubled, from 1.5 to 2.7 million. From 1970 to 1980 benefit payments rose from $3.3 to $15.9 billion. This growth prompted Congress to consider disability reform legislation, which I supported, in the form of the 1980 disability amendments.

A major provision of these amendments required the Social Security Administration, beginning in January 1982, to review the cases of disabled workers on the disability rolls at least once every 3 years, except where the disability is considered permanent.

However, in March 1981, the Reagan administration, in an attempt to realize further savings, decided to accelerate these reviews some 9 months ahead of the January 1982 implementation date. This was done despite the lack of appropriate resources with which to handle the large increases in State agency caseloads. To a great extent this has contributed to the inequitable treatment and erroneous termination of a substantial percentage of the disabled population.

In Tennessee alone, the disability determination system in Nashville is scheduled to review approximately 11,179 cases. Next year this caseload will increase to 19,747, and in 1984 there are 30,896 cases scheduled for review.

Now, the original purpose of the 1980 disability amendments was to weed out those individuals who were no longer eligible for disability benefits. I strongly support any and all efforts to rid Government programs of waste, fraud, and abuse. In many cases there may be sufficient justification and cause for removing individuals from the disability rolls. If they do not belong on the rolls, then they should be removed.

However, it is apparent that the rights of disability beneficiaries are being callously disregarded and abused through the hasty and inefficient administration of unfair and unjust policies. In far too many cases, what we are seeing is that truly deserving beneficiaries are being systematically lopped off the rolls in an effort to reduce costs. Substantial evidence indicates that gross inequities are occurring not only in Tennessee, but across the Nation. Many beneficiaries are being indiscriminately terminated without the benefit of a medical examination.

At current investigation rates, 11,000 Tennesseans will have their social security disability cases reviewed this year, and perhaps more than 2,500 of these individuals will have their benefits erroneously terminated.

Horror stories abound of individuals who, suddenly faced with the termination of benefits, resort to acts of utter desperation. The trauma and shock of disability termination has actually resulted in deaths and attempted suicides.

A recent article in the Memphis Commercial Appeal outlines several cases where individuals have been adversely affected by disability determinations. In one case, an east Tennessee lawyer told of one of his clients—a man who suffered from paranoid schizophrenia—who committed suicide because his benefits were terminated. The lawyer said the man left a note saying that was the reason he took his life.

Another woman, 51 years of age, suffers from multiple sclerosis, lupus, two ulcers, cystitis, a tumor, and a deteriorating spine, yet her benefits were terminated last October.

These are but two individual cases. The raw statistics that are available suggest a serious national disability termination problem. It is currently estimated that about 45 percent of the individuals examined under the continuing disability investigations are being terminated outright, yet almost 70 percent of these individuals who appeal their cases to the administrative appeal level have their benefits reinstated by the administrative law judge. Such a margin of error is clearly unacceptable and must not be tolerated.

I present this information as evidence for the need for corrective legislation. The legislation I am proposing, S. 2659, is intended to lessen the impact of these adverse reviews on eligible disability recipients while maintaining the necessity for ongoing reviews to eliminate fraud and abuse from the system.

The bill I am proposing contains four major provisions aimed at achieving this goal:

First, there is a provision for an adjustment period wherein benefits will continue to be paid for a period of 6 months from the initial notice of termination or until such time as a reconsideration hearing is held—if the reconsideration is not held within the 6-month period. Currently, there is only a 2-month grace period, and I do not believe that this is an adequate amount of time to prepare the individual for either appeal or adjustment to the loss of these benefits.

Second, there is a provision that an evidentiary hearing will be provided at the reconsideration hearing. This gives the individual an opportunity to meet face to face with the persons hearing the appeal. Currently, this face-to-face contact is not afforded the claimant until he or she reaches the administrative law judge.

Third, the bill allows for the extension of medicare eligibility until such time as a decision is reached by the administrative law judge. In many instances, medicare eligibility is absolutely essential as it is nearly impossible for disability recipients to receive adequate medical insurance either be-

cause of high premiums or outright refusal by the insurance carrier.

Fourth, the bill requires the Secretary of Health and Human Services to report to the Congress on a quarterly basis information which will better facilitate an accurate evaluation of the actual continuing disability investigations process. The bill details the specific data to be collected.

It is important to note that S. 2659 does not allow for the continuation of benefits to those individuals who have been terminated because they are participating in substantial gainful activity. These individuals clearly should not be eligible for an additional 6 months of benefits because they are no longer disabled.

It is my sincere hope that this legislation will be given expeditious consideration by my colleagues in the Senate. The gravity of the disability termination problem dictates that remedial action be taken now.

In the meantime, I will continue to work with several of my colleagues in an attempt to further develop other legislative proposals geared to alleviating inherent structural defects in the current disability system.

Mr. President, I ask unanimous consent that immediately following the conclusion of my remarks there be printed the following materials: a copy of the June 3, 1982, GAO report to me on an investigation of an alleged quota system to terminate social security disability benefits, editorials, and stores from the Memphis Commercial Appeal, the Washington Post, and the Washington Times on the current problems with disability termination procedures, and the full text of S. 2659.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., June 3, 1982.

Subject: Results of Investigation Into Alleged Quotas Being Used by the Social Security Administration to Terminate Disability Insurance Benefits (GAO/HRD-82-88).

Hon. JIM SASSER,
U.S. Senate.

DEAR SENATOR SASSER: In accordance with your April 29, 1982, request, we visited the Social Security Administration (SSA) District Office in Memphis, Tennessee, to investigate an anonymous allegation that quotas were used to terminate the benefits of disability insurance recipients. The allegation, purportedly from a District Office employee, claimed that employees were being pressured to meet quotas in terminating disability benefits under SSA's continuing disability investigation (CDI) program.

We visited the main District Office in downtown Memphis and its three branch offices. We talked to the District Manager, his assistants, the three branch chiefs, nine claims representatives, three service representatives, and three data review technicians. Included in this group were the local employee union's president and two union stewards. We also met with Mr. Gay Moskowitz, a representative from your office in Memphis.

The primary purpose of our visit to Memphis was to locate the anonymous source of the allegation and determine its validity. We also wanted to obtain from the District Office employees their perspective on the CDI program, its impact on their workload, and the nature of any beneficiary complaints. In addition to using private rooms to interview the various employees, we had a telephone line available after normal working hours to encourage employees to contact us (see the enclosed letter we distributed to SSA employees in Memphis). The individual who made the allegation failed to identify himself or herself.

We concluded that the allegation regarding a specific quota for terminations was groundless at the Memphis District Office. We base this conclusion on the following.

1. The District Office employees are not directly involved in making CDI decisions. Their only involvement is to support the State Disability Determination Service (DDS) by helping locate beneficiaries, answering claimants' questions, helping set up consultative examinations, and performing other support functions.

2. For initial disability claims, the District Office accepts applications and makes earnings determinations, but does no medical development or evaluation.

3. Even though most employees we talked to had criticisms of the CDI program, they seemed to understand the philosophy behind CDIs, the constraints the State operates under, and the reasons why people were terminated. No one indicated to us that they knew of quotas imposed on anyone at either the District Office or the State.

4. As several employees were rather outspoken in their criticism of management, we believe it is unlikely that management could have prevented their telling us of situations involving quotas. The after-hours telephone number, known to all SSA employees in Memphis, also provided ample opportunity for SSA employees to contact us anonymously with information or opinions regarding quotas.

Employees voiced many criticisms regarding the recent CDI initiatives, the disability program in general, and other Social Security matters. These criticisms often paralleled those heard in other States we have visited regarding CDI issues, which leads us to believe that the program in Tennessee, and its problems, are not unlike those found in Ohio, New York, Pennsylvania, and California. As you may know, we submitted testimony on these problems on May 25, 1982, to the Subcommittee on Oversight of Government Management, Senate Committee on Governmental Affairs. A copy of our testimony is being provided to you.

Most of the critical comments from the employees were directed at the quality of consultative examinations being performed at the request of the State DDS. The District Office has historically received many complaints that consultative examinations were too short, were not comprehensive, and did not adequately cover the claimants' impairments. The District Office has also heard complaints that some consultative physicians are rude, prejudiced (racially and programmatically), and unprofessional. Opinions differed as to how well the DDS monitors the consultative physicians, but generally, the employees said that, because of a shortage of available physicians to do examinations, the DDS had to continue with the physicians used.

Most employees said there was a need for CDIs, but thought the program could be improved. Suggestions included:

More selective screening of those reviewed;

A need to show medical improvement as justification for termination;

Gradually declining benefits so terminated beneficiaries can be "eased off" their dependency on disability insurance income; and

"Grandfathering" all those currently on the rolls or, alternatively, only those of an advanced age or with certain impairments.

The employees also believed the Tennessee DDS is experiencing organizational and workload problems because of the current CDI program. Several said that there had been high turnover among examiners and some morale problems and that the State had not been able to hire enough new staff. They said there was a high case backlog and some pressure to reduce it.

On a more positive side, many employees said that, although some errors had been made, the State was doing a reasonably adequate job with the CDI program. The criticisms generally related to the procedures governing the CDI reviews, which were developed by SSA.

Many complaints have been received from beneficiaries about the CDI program, and filings for reconsiderations and appeals have increased. However, the types of complaints are apparently not much different from those received before the recent CDI initiatives began in March 1981. SSA employees have a great feeling of empathy for terminated beneficiaries, who are often confused about the circumstances and fearful for their economic future.

We did not visit the DDS in Nashville, Tennessee, to pursue the allegation further because we did not believe such a trip would have been any more productive than our visits to other States where we found no evidence of "quotas." The Administrator of the Tennessee DDS testified on May 25, 1982, before the previously named Subcommittee. In his testimony, he confirmed the workload and other staffing problems described by the District Office employees. He also addressed the issue of "quotas":

"* * * With all the emphasis we and SSA have and are now placing on processing time, there has never been so much as a hint to sacrifice quality.

"Neither in my 26 years in this program has there ever been a quota established or implied for allowances, denials, continuances, or cessations. Adjudicative climates may have changed, but never a hint of a quota."

We found no evidence of a quota system for CDIs (in Tennessee or anywhere else), and we were not contacted by the anonymous individual who made the allegation. It is possible that the individual misinterpreted SSA "goals," or projected savings, as quotas because a 20-percent termination rate, as referred to in the allegation, initially surfaced in an internal SSA study. This termination rate was later referred to in our March 1981 report [1] on CDIs and was also publicized by the media. It is possible that some employees had verying interpretations of this termination rate, but we found no evidence that it was intended to be used as, or was interpreted as being, a direct quota.

[1] "More Diligent Followup Needed to Weed Out Ineligible SSA Disability Beneficiaries" (HRD-81-48, Mar. 3, 1981).

We trust the above information is responsive to your request. As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report for 30 days. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

GREGORY J. AHART,
Director.

Enclosure.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., May 7, 1982.

ALL SOCIAL SECURITY EMPLOYEES,
Memphis, Tenn. Area.

At the request of Senator Jim Sasser, the U.S. General Accounting Office (GAO) is reviewing various aspects of the Social Security Administration's disability investigations. These investigations are currently being conducted by the various State Disability Determination Services (DDSs) throughout the country. Senator Sasser and GAO are very concerned about the impact of these investigations on the disabled population, and specifically with the manner in which they are being conducted.

GAO representatives—Bruce Fairbairn and Russell Keeler—will be in Memphis, Tennessee on May 10-13, 1982, to discuss the issues with district office employees. While we have recently met with DDS examiners in several States, we have not visited district offices to obtain first-hand the views of SSA personnel who often meet face-to-face with the disabled population.

Recognizing that some employees may be reluctant to share their views in person for various reasons, GAO wants to assure every employee that his or her view will be kept confidential and their identity protected. To help in this regard, we have made arrangements to have a private meeting room available between the hours of 1:00 and 4:00 p.m. on May 12, 1982, to receive your views. The room is located at the North Branch Office (Interview Room) and we encourage every employee who has information they wish to share to talk with us.

If further anonymity is desired, GAO representatives can be reached by telephone on 332-1130 (X322) between the hours of 6:00-7:00 p.m. on May 10, 11, and 12.

We recognize that some employees may have specific allegations to report while others have more general views concerning these disability investigations. We welcome your views and appreciate your cooperation.

Sincerely,

PETER J. MCGOUGH,
Associate Director.

NOTE.—This letter was distributed at one of the branch offices. Similar letters were distributed at the other offices.

[Editorial from the Commercial Appeal, June 5, 1982]

SAFETY NET SHRINKS

Political conditions, which the administration and Congress have been unwilling or unable to buck, seem to have made inevitable the kind of personal hardships that have occurred in the crackdown on federal disability benefits.

Reporter Shirley Downing of The Commercial Appeal described some of those hardships in this newspaper's Monday editions. The cases included a man who has had open-heart surgery twice in recent months, another who has had two operations for ruptured spinal disks and a woman who said she has multiple sclerosis, lupus, two ulcers, cystitis, a tumor and a deteriorating spine. For each, benefits have been denied or cut off.

A recent government study showed that 27.8 percent of disability recipients were receiving improper benefits. The potential savings was estimated at $4 billion in 1980 alone. But is that sufficient justification for eligibility rules so tight they eliminate persons whose benefits were or would have been perfectly proper and legal?

In an almost feverish search for more ways to trim the federal deficit, the Reagan administration apparently has chosen to cut without evaluating what the effects on individuals might be—without carefully working out a distinction between abuse of the system and fair payments for reasonable standards of disability.

Ken Patton, director of the disability determination section for Arkansas, told Ms. Downing that a professional organization of which he's a member estimates that at least 20 percent of the recipients whose benefits are being cut in his state are unable to work.

It goes without saying that there's a lot of difference between denying payments to persons who can't work and denying them to persons who can.

But the true picture of the disability crackdown doesn't begin to come into focus until it's compared with what has happened to social programs in general—or benefits to individuals—which make up half of all federal spending.

From 1970 to 1981 spending rose from $2.8 billion to $16.9 billion, a sharp increase by any standard. At the same time, however, old-age retirement benefits went from $26.3 billion to $119.4 billion.

These programs, plus some miscellaneous ones, accounted for 36.2 per cent of the federal budget in 1981. None of them has eligibility based on income. None is strictly part of the administration's "safety net" for the "truly needy." And yet, apart from disability and Medicare, which have the least powerful political lobbies of the group, they have received the most protection from cuts.

Outside those programs, budget cuts have fallen heavily on another class of social spending in which financial need is the primary criterion for eligibility. This class, however, which includes college student aid, welfare, food stamps, Medicaid and housing subsidies, makes up only 8.5 per cent of the federal budget. Welfare, for instance, which takes so much of the public criticism about waste and abuse, increased from $4.1 billion to $7.7 billion during the 1970s. Eliminating welfare entirely wouldn't make a dent in the budget problem.

The real "safety net," it has been argued, with considerable basis in fact, has protected the middle-class and even the affluent through pensions and old-age retirement.

On one hand, millionaires draw down Social Security, federal retirees receive double-dip pensions and all Social Security beneficiaries see their checks increase substantially faster than the wages of workers who pay for the checks. On the other, elderly persons with meager resources are told they can no longer stay in a nursing home with federal help, men and women with serious diseases or injuries and families to support have disability benefits cut off and other families living in poverty lose food stamps.

The reforms that might make social spending more equitable, that might balance needs more fairly against resources are the subject of lengthy study and lengthier debates. But those interests with the strongest political influence win protection from politicans who also want a safety net—for their political futures.

[From the Commercial Appeal, May 31, 1982]

PURGING OF DISABILITY ROLLS MULTIPLIES FINANCIAL WORRIES

(By Shirley Downing)

Robert Wilson, a 54-year-old former truck driver, claims he hasn't got the heart to keep on working.

But the government disagrees. Twice in recent months Wilson has undergone open-heart surgery; twice he has been denied Social Security disability benefits, although his doctors say he cannot work. His case is under appeal.

"I think what they're doing in cases like mine, they're just hoping I will go ahead and die so they can say, 'This one has done knocked off on us.'

"It's rough. We've been waiting 16 months and I just don't understand it."

Wilson talks softly, sometimes in gentle spurts. His breathing is labored and each exhalation is like a sigh. It is the sound of too many cigarets, weak lungs and coronary disease, and it can be heard above the patter of rain striking the plastic roof over the patio of his Walls, Miss., home.

Peering through the sliding glass doors of his den, Wilson talks of having spent much of the past year hospitalized and worrying about how to pay the mounting bills.

"Sometimes I get pretty discouraged," he said. "Sometimes I get plumb down to the depths and I wonder if there is any way out.

"I've worked hard all my life and provided for my family. To have all the props knocked plumb out from under me is pretty hard."

"Last week the bank repossessed Wilson's truck and the power company shut off the gas used to heat the family's suburban brick home.

"We have borrowed from family, friends, anyone we could," said Helen Wilson. "Right now we owe about $15,000." She said the couple's charge cars are at their limit.

"The only thing we can hope to do is try to sell the house and pay back all the people what we owe," said Wilson, who drove 18-wheel trucks for 31 years.

But if the Wilsons have to sell the roof from over their heads, they will even have bigger problems. They have an 8-year-old son at home, as well as their 26-year-old daughter and her disabled 41-year-old husband and a 7-year-old grandson.

Pam and Jerry Weatherly moved in with the Wilsons two months ago; Weatherly's disability payments of $1,009 a month were cut off last October. His case, too, is under appeal in a Memphis court.

Weatherly, an electrician, said he injured his back while working in 1978. He now walks with a cane after surgery on two different occasions for ruptured spinal disks did little to alleviate the pain.

Mrs. Weatherly said her husband started suffering angina attacks after his disability check was stopped.

Already, the couple's van has been repossessed and they are trying to sell or rent their house trailer.

The Wilsons and the Weatherly's are among the thousands of Mid-South families being affected by a crackdown involving Social Security disability benefits.

There are roughly 181,000 disabled workers in Arkansas, Mississippi and Tennessee receiving disability payments of almost $63

million per month—or $756 million per year—according to Social Security Administration officials. Many of those recipients may lose their checks in the months ahead.

The government claims that some people receiving Social Security disability are not really eligible.

Recent random samplings of Social Security disability recipients, according to a government news release, found that 27.8 percent were receiving payments erroneously, a figure that would have amounted to $4 billion in bad payments nationally in 1980 alone.

A new federal law mandates that all Social Security disability cases be reviewed at least once every three years to see if the person's health has improved to where he can return to work. Previously, only certain claims were examined, according to Social Security officials.

In addition, cases are being scrutinized to see if claimants meet tougher eligibility standards. Many don't.

For example, 42.5 percent of the claims reviewed in Tennessee in the past six months have resulted in terminations. In Arkansas, 52 percent of the cases reviewed in the past six months were terminated in Mississippi, 44.9 percent of the cases reviewed in the past 14 months failed to qualify for continuation.

Although the actual numbers of people who have been dropped from Social Security's disability roles at this point are small—about 8,000 in the three state area—the figures are suggestive of the numbers and the types of recipients who could lose their monthly payments in the next year or two.

For example, only about 4,000 Tennessee recipients have been terminated since March 1981, but many had been receiving benefits for a decade or more, said Herbert Brown, director of the disability determination section in Nashville.

The criteria for receiving Social Security disability benefits has changed over the years," said Brown. "It has just become much, much more difficult to qualify.

"People who qualified 10 years ago might not even qualify now and they could be cut off."

Brown said this year his staff is scheduled to receive 11,179 cases for review. Next year his office is expected to review 19,747 cases and in 1984, there are 30,896 Tennessee cases scheduled for review.

"We're supposed to get 6,500 during the 1982 fiscal year, or this current year," said Ken Patton of Little Rock, director of the disability determination section for Arkansas' program.

"But in actuality, we will have received probably more than 12,000 cases to review this year. Yesterday we got 15 new boxes of claims that we have to review."

Patton said his office is scheduled to review about 9,000 claims next year and about 15,000 claims the year after.

Patton said the cessations, or terminations, are being made "because we're required to follow the guidelines and instructions given us by the Social Security Administration. If we do not, they will take our program away from the state government.

"In Arkansas that would be 161 people who would be out of work. You have to do what they tell you and the guidelines have changed in several ways.

"In 1979 they came out with a new listing of impairments that says if you have this, you're presumed disabled. They are much more stringent than the old ones, especially in one area: cardiovascular disease and that is our No. 1 disability impairment.

"Most people are being rejected for heart disease. They could have met the old criteria, but this new criteria, if they don't meet it they are out."

He said a professional organization of which he is a member has estimated that "at least 20 percent of the people we're ceasing (or terminating upon review of claims) could not work."

In many cases, administrative law judges hearing cases on appeal agree. There is a national reversal rate among administrative law judges of 67.2 percent.

But appeals take time—sometime months or even a couple of years—and some people don't have a lot of time.

And for other people, time is all they do have.

Gertrude is a diabetic and a mental patient whose words are not easily understood because of a speech defect.

In a recent interview in the offices of Memphis Area Legal Services, she said all she had eaten for three days was a hamburger, compliments of an Italian restaurant. She did not know where her next meal was coming from.

"I'm not able to work at all. I ain't got no income at all," said the former cook. "My lights have been cut off. I ain't got no food, my telephone was taken out and my rent is due."

Gertrude, her eyes red with fatigue and her head sprouting a dozen small pigtails—a style reminiscent of childhood rather than a woman of 55 years—claims her disability payments stopped coming without notice last month. She had been receiving benefits since April, 1980.

Mrs. Debra Brittenum, who is representing Gertrude, said Social Security officials have put a "tracer" on her clients case, but to date have been unable * * *.

Karen Dennis, an attorney with Legal Services, said since February her office has averaged about 60 new disability cases each month involving terminations or initial claims rejections.

Ms. Dennis said she suspects that the federal government is trying to go in the back door to make cuts in its Social Security budget, cuts which have not won Congressional approval.

"The administration has not been very successful in getting Social Security cuts enacted. A suspicion in my mind is what they are trying to do is administratively affect cuts by reducing the numbers of people on disability rolls."

Social Security officials disagree. Patton said the federal law mandating the review of disability claims dates back to the Carter administration, although the reviews began last year instead of this year as originally planned.

Philip Johnson, 27, was one of those Memphians who stopped getting a check last year.

Johnson has had to learn to live with sickle cell anemia, a blood condition which causes "excruciating pain" in the joints of the body "with every beat of the heart."

The disease affects blacks and because it is not a common affliction, he feels that some doctors have little knowledge of the disease and the extent to which it can disable.

Johnson first started receiving disability benefits in 1976 when his disease progressed to the point where he could no longer drive a soft drink truck. He was terminated from the program last October.

He now spends his days worrying about how he will support his wife—who is unemployed—and their small son without the $540 a month check.

One woman, 51, said she was terminated last fall and she doesn't understand why. She said she has multiple sclerosis, lupus, two ulcers, cystitis, a tumor and a deteriorating spine. "My doctor wants me to use a walker or a cane to get around with." she said. "My husband left me and I had a nervous breakdown." She said not to be identified.

And an East Tennessee lawyer, who asked that his name not be used, said one of his clients—a man who suffered from paranoid schizophrenia—committed suicide because his benefits were terminated. The lawyer said the man left a note saying that was the reason he took his life.

[From the Washington Times, May 28, 1982]

DOCTOR SAYS TERMINATION OF BENEFITS TRIGGERED PATIENT'S DEATH

(By George Clifford)

It was the kind of letter Hawkeye Pierce would write on "M*A*S*H," but real doctors usually hold back their outrage. But a real doctor did write it, and Sen. Carl Levin, D-Mich., read it at a Senate hearing on the Social Security Administration's sweeping removal of disability benefit recipients.

"This is probably the greatest example of a miscarriage . . . by a bureaucracy that can't possibly function in an honest and ethical fashion," Dr. Keith K. Vining Jr. of Grand Rapids, Mich., wrote.

He felt he had reason to be angry. One of his longtime patients, Richard Kage, had died of a massive heart attack. The doctor believed it was caused by "stress created by the termination of his disability benefits."

"I don't care who up there realizes that I feel this way," he wrote. "I will say it now and I will say it publicly that this service is a disastrous failure."

Kage's widow, Ethel, a plump, pleasant woman who tried to keep the family together by working as a secretary at the high school in Reed City, Mich., sat in the witness chair and told of her husband's ailments. He had been a diabetic since he was 12, had tunnel vision and gave up his job as a Michigan state highway surveyor after a stroke in 1974.

"If he was sitting here, he could not see this pitcher of water," Mr. Kage said, gesturing toward the jug by her right hand at the witness table.

Another physician, who examined Richard Kage for 15 minutes, ruled he was fit to work. In Baltimore, the computers buzzed and Kage was lopped from the rolls.

Ethel Kage gave the grim chronology. She said her husband received a notice from Social Security on April 21, 1981, that his status was being re-examined, and a notice of pending cessation on May 14. On July 30 a letter came saying his July check was the last.

Mrs. Kage said she called the local Social Security office a number of times, and was told on Oct. 30 that Kage's file had not yet been sent from Baltimore.

"All this time, we had been without any income," she said. By then, her husband had been hospitalized with gangrene in a toe. It was saved with antibiotics.

On Nov. 5, Mrs. Kage called Levin, and a notice arrived Nov. 25, telling Kage he had another appointment with the same doctor who had found him fit to work.

"Two days after that," Mrs. Kage said, "Dick died."

Kage was one of more than 400,000 disability recipients whose cases were reviewed from March 1981 to April of this year. He was one of more than 190,000 who were cut off the rolls. Social Security calls that a "cessation." More than 60 percent of these are reinstated after hearings, for which the disabled can wait up to a year. No payments are made while the appeal is pending.

"I can't understand the disregard of physicians who have treated someone for years," Mrs. Kage said, "Why are these completely ignored?"

Levin and Governmental Affairs oversight subcommittee Chairman William Cohen, R-Maine, agreed the problem is not a partisan one. And they agreed on the need for a prompt solution.

The Social Security Administration forces disability recipients to prove again that they qualify for benefits, although this is not spelled out for those whose qualifications are challenged.

Deputy Social Security Commissioner Paul Simmons said it was up to Congress to change the system. He called attacks on the disability reviews "demagoguery—good theatre—a bum rap."

Rhoda Greenberg, director of Social Security's disability programs, was asked if she thought the methods used are fair.

"It's not in my place," she said, "to talk about fairness."

[From the Washington Post, June 14, 1982]

SOCIAL SECURITY'S 'INJUSTICES'

Social Security Commissioner John A. Svahn's recent public explanation for the scandal involving termination of Social Security and SSI benefits to clearly disabled people who have already met the strictest tests for these benefits, fails to address the magnitude of the errors being made and never explains the causes for these arbitrary terminations.

Statistics illustrate that once terminated, beneficiaries obtain their first and only face-to-face and independent hearing in the system, currently 60 percent get their terminations reversed and over half of the others losing at the hearing stage succeed when they take their cases to federal court. Thus, one gets a better picture of how unfair and illegal the great majority of the over 175,000 terminations have been in the March 1981 to March 1982 period.

There are many reasons for these shocking terminations, some constituting long-standing inequities in the disability determinations process:

It is simply impossible for state disability determination review agencies to review fairly 540,000 cases this year, 860,000 next year, more thereafter, and our disabled clients are asking that the 1980 amendments calling for these mass reviews should be re-examined and rescinded;

State review agencies never see the beneficiaries face to face to evaluate the disability, especially subjective complaints;

Social Security, without public notice or changes by Congress in the Social Security Act, has improperly narrowed standards by which disabilities are evaluated, and is now seeking in the name of "uniformity," through H.R. 6181, to impose these secret, internally published standards upon their administrative law judges;

State review agencies ignore or fail to obtain medical evidence from treating physicians and fail to afford it proper weight, while relying solely on cursory, one-shot consultative examinations by doctors who don't know the beneficiaries and don't have any medical history;

Contrary to law, state agencies ignore vocational factors; they ignore non-exertional factors such as mental impairments and, most shocking of all, they ignore the reality of pain in evaluating disabilities;

Social Security no longer deems it necessary to show that there has been substantial medical improvement in the disabled beneficiary's condition since the person was previously found by them to be disabled, thus treating the beneficiary as if he or she was applying for the first time.

The inequities arising from the mass review of 30,000 cases a month currently being shipped out for state agency review are made that much more harsh for the tens of thousands cut off, only later to be reinstated on appeal, because current law does not permit disability insurance benefits to continue pending the administrative hearing decision when there is an appeal.

Thus, innocent, severely disabled people, who as past wage earners have been the backbone of our nation, must wait over a year or more for reinstatement while they suffer loss of medical care, their homes, necessities of life and even life itself, as the suicides of some beneficiaries have sadly demonstrated.

I hope the hearings recently held by the House Select Committee on Aging and the oversight subcommittee of the Senate Governmental Affairs Committee will lead to the most prompt remedial action to right these injustices.

JONATHAN M. STEIN,
Chief of Special Projects,
Community Legal Services, Philadelphia.

[From the Washington Post, May 27, 1982]

IN THE NEW RUSH FOR BUDGET SAVINGS, A LIFE IS TRAMPLED

(By Mary McGrory)

Richard Kage had to die to prove to the Social Security Administration that he was really sick.

Two doctors, who had treated him for years for a variety of ailments, had certified his disability, but Social Security cut off his benefits after a 15-minute examination by a staff ophthamologist, who said Kage was not "a total cripple."

Kage's widow, a round, mild, low-voiced woman named Ethel, came from Reed City, Mich., to tell her husband's story to a Senate subcommittee Tuesday. Kage was a casualty of a 1980 law that requires review of disability cases.

Congress recommended a two-year delay in starting the sweep, but budget director David A. Stockman counseled immediate action for quick savings. Fifty percent of those questioned appealed their cases, and 67 percent of them won. The benefits to the budget are not known. Ethel Kage recounted the human cost.

If the grisly weeding process continues, about 250,000 Americans will be put through the wringer that Richard Kage did not survive. While under review, their payments will be withheld. They are more or less assumed to be cheats until they can prove otherwise. It is part of the continuing assault on Social Security and one of the most anguishing, although not always fatal, ways of making Social Security recipients one of the most insecure elements in our society.

Said Sen. Carl Levin (D-Mich.): "None of us want folks on the rolls who do not belong there. But we want people on the rolls who do belong there with equal passion."

The panel of Social Security officials who testified ahead of Mrs. Kage exhibited no passion, except for saying nothing that was clear, humane or sensible. They never see the people who suffer their judgments. They are numbers. Only records are consulted.

The Kages never met anybody from Social Security face to face. They met brutal indifference. inefficiency and lies.

In April, 1981, Richard Kage, who had been receiving $459.80 in monthly disability payments since 1974, received a continuing disability investigation notice and, some weeks later, notice of an appointment with a Social Security staff doctor.

After a 15-minute examination, the doctor reported that while the patient was "blind for all practical purposes . . . the presence of central vision in his right eye gives him some reprieve from being a total cripple."

Kage had been a diabetic from the age of 12, his widow told the subcommittee. He suffered eye hemorrhages. A stroke had left him with tunnel vision. He wanted to work, Mrs. Kage said, but he couldn't even walk without someone supporting him on either side.

But on May 14 last year, Kage was informed of "pending cessation of benefits" and told the decision was based on reports from his own doctors.

Actually, both of his doctors had written letters to Social Security attesting that he was "in no condition for employment." On July 30, the Kages were notified that his benefits were terminated "effective that date."

In August, Ethel Kage wrote asking for reconsideration. In October, she called the regional office to find out the status of her appeal. The voice on the telephone said she would call back, but never did. Three weeks later, Ethel Kage called again, and the voice said her husband's records had not come from Baltimore where they were "tied up in the computer."

"All this time, we had been without any income," she said stoically.

She went to work as a secretary at the local high school. Her husband, having been officially notified that he was ablebodied, found a job of sorts as a caretaker in the cemetery. He developed gangrene in a toe and was hospitalized.

On Nov. 5, Ethel Kage sent an SOS to Levin.

Levin has in his files a copy of an internal Social Security memo dated Oct. 1, written by a disability examiner at Baltimore headquarters and saying of Kage, "Initial cessation appears shaky to me."

Levin's intervention resulted in another notice of "disability termination" and a new appointment with the doctor who had found Kage "not a total cripple."

On Nov. 27, Kage had a heart attack and died.

"I called the district office," Ethel Kage told the senators in a remarkably steady voice, "to say that Dick would not keep his appointment, that he had died. The woman didn't say anything."

Apparently, the death meant that another file could be closed.

Richard Kage's doctor of 18 years, Keats V. Vining of Grand Rapids, Mich., wrote a letter that should be framed and hung on the walls of the Disability Determination Section:

"This is probably the greatest example of a miscarriage of a disability determination by a bureaucracy that can't possibly function in an honest and ethical fashion. . . . This service is a disastrous failure."

S. 2659

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PAYMENT OF ADJUSTMENT DISABILITY BENEFITS DURING RECONSIDERATION

SECTION 1. (a) Section 223 of the Social Security Act is amended by adding at the end thereof the following new subsection:

PAYMENT OF ADJUSTMENT BENEFITS DURING RECONSIDERATION

"(g)(1) In any case where—

"(A) an individual is a recipient of disability insurance benefits, or of child's, widow's, or widower's insurance benefits based on disability,

"(B) the physical or mental impairment on the basis of which such benefits are payable is found to have ceased, not to have existed, or to be no longer disabling, and as a consequence such individual is determined not to be entitled to such benefits, and

"(C) a timely request for reconsideration of the determination that he is not so entitled is made under section 221(d)(1).

entitlement to and payment of such benefits and any other benefits based on such individual's wages and self-employment income shall not be terminated until such reconsideration under section 221(d) has been completed and the finding under subparagraph (B) of this paragraph has been upheld on such reconsideration, or, if earlier, until the end of the sixth month after the month in which such initial termination determination was made.".

"(2) Paragraph (1) shall not apply in the case of a termination of benefits which is based upon a finding made in accordance with subsection (d)(4) that services performed by the individual or earnings derived from services performed by the individual demonstrate such individual's ability to engage in substantial gainful activity.".

(b) The amendment made by subsection (a) shall apply to determinations (that individuals are not entitled to benefits) made after the date of the enactment of this Act.

RECONSIDERATION PROCEDURE FOR DISABILITY BENEFITS

SEC. 2. (a) Section 221 of the Social Security Act is amended by redesignating subsections (d) through (i) as subsections (e) through (j), respectively, and by inserting after subsection (c) the folllowing new subsection:

"(d)(1) Any initial decision the Secretary renders with respect to an individual's rights for a payment under this title (including a decision the Secretary renders by reason of a review under subsection (c)) in the course of which a determination relating to disability or to a period of disability is required for such payment and which is in whole or in part unfavorable to such individual shall contain a statement of the case, in understandable language, setting forth a discussion of the evidence, the Secretary's decision, and the reason or reasons upon which the decision is based. Upon request by any such individual, or by a wife, divorced wife, widow, surviving divorced wife, surviving divorced mother, husband, widower, child, or parent, who makes a showing in writing that his or her rights may be prejudiced by such a decision, he or she shall be entitled to reconsideration of such decision under this subsection. Any such request with respect to any such decision must be filed within 60 days after notice of the decision is received by the individual making such request, or within such longer time as the Secretary may provide in any case where good cause is shown as to why filing was delayed beyond such 60 days.

"(2)(A) If a reconsideration is requested by an individual under paragraph (1) and a showing is made by such individual that he or she may be prejudiced in such decision by a determination relating to disability or to a period of disability, such individual shall be entitled in the course of such reconsideration to a determination relating to such disability or period of disability.

"(B)(i) In the case of a reconsideration to be made by the Secretary of a decision to terminate benefits in which a determination relating to disability or to a period of disability was made by a State agency, any determination under subparagraph (A) relating to disability or to a period of disability shall be made by the State agency, notwithstanding any other provision of law, in any State that notifies the Secretary in writing that it wishes to make determinations under this subparagraph commencing with such month as the Secretary and the State agree upon, but only if (I) the Secretary has not found, under subsection (b)(1), that the State agency has substantially failed to make determinations under this subparagraph in accordance with the applicable provisions of this section or rules issued thereunder, and (II) the State has not notified the Secetary, under subsection (b)(2), that it does not wish to make determinations under this subparagraph. If the Secretary once makes the finding described in clause (I) of the preceding sentence, or the State gives the notice referred to in clause (II) of such sentence, the Secretary may thereafter determine whether (and, if so, beginning with which month and under what conditions) the State may again make determinations under this subparagraph.

"(ii) Any determination made by a State agency under clause (i) shall be made in the manner prescribed for determinations under subsection (a)(2) and regulations prescribed thereunder, except that it shall be made after opportunity for an evidentiary hearing at which the individual requesting the reconsideration and the individual (if different) whose disability or period of disability is in question shall have a right to appear.

"(3) A decision by the Secretary on reconsideration under this subsection in the course of which a determination relating to disability or to a period of disability is required and which is in whole or in part unfavorable to the individual requesting the reconsideration shall contain a statement of the case, in understandable language, setting forth a discussion of the evidence, the Secretary's decision, and the reason or reasons upon which the decision is based.

"(4) The Secretary shall prescribe by regulation procedures for the reconsideration under this subsection of issues other than issues relating to disability or a period of disability.".

(b) Section 221 of such Act is further amended—

(1) in subsection (b)(1), by inserting "under subsection (a)(1) or subsection (d)" after "disability determinations" the first place it appears, and by inserting before the period the following: "or the disability determinations referred to in subsection (d)(2) (as the case may be)";

(2) in subsection (b)(2), by inserting "or under subsection (d)(2) (as the case may be)" after "subsection (a)(1)" the first place it appears, and by inserting before the period in the last sentence the following: "or the disability redeterminations referred to in subsection (d)(2) (as the case may be)";

(3) in subsection (b)(3)(A), by inserting "under subsection (a) or subsection (d)" after "function", and by inserting "under subsection (a) or subsection (d) (as the case may be)" after "process";

(4) in subsection (b)(3)(B), by inserting "under subsection (a) or subsection (d)" after "function", and by inserting "under subsection (a) or subsection (d) (as the case may be)" after "process";

(5) in subsection (e) (as so redesignated by subsection (a) of this section), by striking out "(c), or (g)" and inserting in lieu thereof "(c), (d), or (h)";

(6) in subsection (f) (as redesignated by subsection (a)), by striking out "under this section" and inserting in lieu thereof "or subsection (d)(2)", by inserting "or under subsection (d)(2), as the case may be" after "under subsection (a)(1)" the second place it appears and by striking out "subsection (f)" and inserting in lieu thereof "subsection (g)";

(7) in subsection (h) (as redesignated by subsection (a)), by inserting "or subsection (d)(2)" after "subsection (a)(1), by inserting "under subsection (a)(1) or subsection (d)(2)" after "disability determinations" the second place it appears, by inserting after "guidelines," the following: " in the case of disability determinations under subsection (d)(2) to which subparagraph (B) thereof does not apply,", by inserting "under subsection (a) or subsection (d)" after "disability determinations" the third place it appears, by inserting "or the determinations referred to in subsection (d) (as the case may be)" after "in subsection (a)", and by adding at the end thereof the following new sentence: "In the case of a reconsideration by the Secretary of a decision to terminate benefits, any disability determination made by the Secretary under this subsection in the course of such reconsideration shall be made after opportunity for an evidentiary hearing at which the individual requesting the reconsideration and the individual (if different) whose disability or period of disability is in question shall have a right to appear."; and

(8) in subsection (i) (as redesignated by subsection (a)), by adding at the end thereof the following new sentence: "An individual who makes a showing in writing that his or her rights may be prejudiced by a determination under this subsection with respect to continuing eligibility shall be entitled to a reconsideration and a hearing to the same extent and in the same manner as provided under subsections (d) and (e).".

(C) The amendments made by this section shall apply with respect to requests for reconsideration of decisions by the Secretary of Health and Human Services filed after the date of the enactment of this Act.

CONTINUATION OF MEDICARE ENTITLEMENT DURING ADMINISTRATIVE APPEALS PROCESS

SEC. 3. (a) Section 226 (b) of the Social Security Act is amended by striking out "the month in which notice of termination of such entitlement to benefits or status as a qualified railroad retirement beneficiary described in paragraph (2) is mailed to him" and inserting in lieu thereof "the month in which such individual's entitlement to benefits or status as a qualified railroad retirement beneficiary described in paragraph (2) has been terminated and such individual has exhausted all possible administrative remedies (or such individual has failed to request such remedies within the time period provided for such requests) for challenging such termination; up to and including a de-

cision rendered by the Secretary after a hearing as provided in section 221(e) or a final decision rendered by the Railroad Retirement Board".

REPORT ON PERIODIC REVIEW OF DISABILITY DETERMINATIONS

SEC. 4. Section 221(i) of the Social Security Act is amended by inserting "(1)" after "(i)" and by adding at the end thereof the following new paragraph:

"(2) The Secretary shall transmit to the Congress on a quarterly basis a report setting forth the number of continuing eligibility reviews carried out under paragraph (1), the number of initial benefit termination decisions resulting from such reviews, the number of such termination decisions with respect to which reconsideration is requested under subsection (d) or a hearing is requested under subsection (e), or both, and the number of such termination decisions which are overturned at the reconsideration or hearing level.".●

By Mr. PACKWOOD (for himself, Mr. STEVENS, and Mr. GORTON):

S. 2660. A bill to consolidate and reenact certain of the marine safety and seamen's welfare laws of the United States; to the Committee on Commerce, Science, and Transportation.

CONSOLIDATION AND REENACTMENT OF CERTAIN MARITIME LAWS

● Mr. PACKWOOD. Mr. President, today I am introducing legislation to accomplish a much-needed and difficult task attempted unsuccessfully four times since 1929. This is the reorganization, review, and enactment of laws concerning vessel standards, marine safety, and seamen's welfare now contained in title 46 of the United States Code. This legislation is a combination of many years of effort to organize these shipping laws, and the beginning of an ambitious new initiative to review and update the vast body of laws which Commerce began enacting in its very first meeting in New York City in 1790.

DESCRIPTION

The bill I am introducing today is a springboard for legislative action. As introduced, it reorganizes 12 chapters of title 46. Last fall a proposal in draft form was circulated among industry. The Coast Guard rejected all efforts to change various provisions of the existing law. It was their position that any substantive changes will have to be made by the legislative branch. At my urging, this proposal has been made available for congressional review. The Coast Guard deserves our appreciation for the excellent work it has done in this very difficult area.

Following is a list of chapters of title 46. Those chapters set out in italic are included in the bill being introduced today. Other chapters will be included in the upcoming staff draft upon completion of review by administering Federal agencies and public input. Certain chapters are not and will not be included in this initiative. They are chapters 23, Shipping Act; chapter 23A, Intercoastal Shipping; chapter 24, Merchant Marine, 1920; chapter 24A, Merchant Marine Act, 1928; and chapter 27, Merchant Marine Act, 1936.

THE CODE OF THE LAWS OF THE UNITED STATES OF AMERICA

TITLE 46—SHIPPING

Chap.		Sec.
1.	*Administration of Shipping Laws*	1
2.	*Registry and Recording*	11
2A.	Load Lines for American Vessels	85
3.	Clearance and Entry	91
4.	Tonnage Duties	121
5.	Discriminating Duties and Reciprocal Privileges	141
6.	Regulation as to Vessels Carrying Steerage Passengers	151
7.	*Carriage of Explosives or Dangerous Substances*	170
8.	Limitation of Vessel Owner's Liability	181
9.	*Log Books*	201
10.	*Regulation of Pilots and Pilotage*	211
10A.	*Regulation of Great Lakes Pilots and Pilotage*	216
11.	*Officers and Crews of Vessels*	221
12.	*Regulation of Vessels In Domestic Commerce*	251
13.	Passports and Papers of Vessels Engaged in Foreign Commerce	351
14.	*Inspection of Steam Vessels*	361
15.	*Transportation of Passengers and Merchandise by Steam Vessels*	451
16.	*Regulation of Motor Boats*	511
17.	Regulation of Fishing Voyages	531
18.	*Merchant Seamen*	541
19.	*Wrecks and Salvage*	721
19A.	Admiralty and Maritime Jurisdiction	740
20.	Suits In Admiralty by or Against Vessels or Cargoes of United States	741
21.	Death on the High Seas by Wrongful Act	761
22.	Suits in Admiralty Against United States for Damages Caused by Public Vessels or for Towage Services	781
23.	Shipping Act	801
23A.	Intercoastal Shipping	843
24.	Merchant Marine Act, 1920	861
24A.	Merchant Marine Act, 1928	891
25.	Ship Mortgages	911
26.	Home Port of Vessels	1011
27.	Merchant Marine Act, 1936	1101
28.	Carriage of Goods by Sea	1300
29.	Nautical Instruction	1331
30.	Peonage and Slave Trade Punished by Seizures and Forfeitures	1351
31.	Maritime Academy Program	1381
32.	Construction Assistance for Fishing Vessels	1401
33.	Coordinated National Boating Safety Program	1451
34.	Safe Containers for International Cargo	1501

PURPOSE

Mr. PACKWOOD. Mr. President, the purpose of this initiative is fivefold: First, to organize these shipping laws to make them comprehensible to the affected public. On numerous occasions, the disorganization and internal inconsistency has rendered maritime activity unpredictable and has resulted in substantial litigation. The courts in turn have heaped criticism on Congress for the disorganized and outdated nature of title 46.

As long ago as 1937, the U.S. Supreme Court had occasion to refer to the marine safety laws of this country as "a maze of regulations." It has gotten worse since then. This year, the Second Circuit Court, sitting in New York, bemoaned the increasing inadequacy of the statutory language of chapter 28 "Carriage of Goods at Sea," when measured against the dramatic changes in shipping and transportation since the statute was enacted. The court went on to say that Congress has "refused to rewrite or modernize COGSA's language to take into account developments in shipping since 1934." Two decades earlier, the same court referred to this statute as a "troublesome conundrum." That characterization is applicable to the entire title 46.

Second, to make application of the laws to industry easier, quicker, and less expensive. This could thus be considered a component of administration and congressional initiatives toward regulatory reform. If only a handful of Coast Guard officers, through experience gained over years, combined with in-house interpretation and commonsense, really understand these laws, the result is uncertainty and delay for industry. It also stymies technological development. If the laws are organized so that they can be more easily found and understood, we may be able to further delegate responsibilities to the private sector, such as has been accomplished with private inspection and documentation societies. This in turn will result in further cost savings to the Federal Government and efficiencies for the industry.

Third, it is obvious to even the most casual reviewer that many of the laws are so outdated as to be simply taking up space in the United States Code. Two of the more obvious examples are chapter 6, "Regulation as to Vessels Carrying Steerage Passengers" and chapter 30, "Peonage and Slave Trade Punished by Seizures and Forfeitures." We will identify those chapters and sections of title 46 which no longer serve any purpose and repeal them.

Fourth, numerous other sections are outdated, but, because they continue to effect present-day commerce, require substantive change to make them applicable and useful today. The Carriage of Goods by Sea Act contained in chapter 28, and referred to by the second circuit above, is an example of a law which is not responsive to current commercial practices and maritime technology.

Fifth, I have no doubt that certain sections, though relevant and generally up to date, may deserve reconsideration based on industry and Government agency input. If we can improve existing law, we will.

PLAN

Today's "clean" recodification of portions of title 46 are available in bill form to industry, Government, and the public. Concurrently, I have written to Secretary Drew Lewis and Malcolm Baldrige requesting that the Maritime Administration, Coast Guard, and National Marine Fisheries Service, all chapters of title 46, which they administer—other than chapters 23-24A and 27—provide the Commerce Committee with suggested reorganization and revisions.

The resulting work product, together with that of other agencies and industry, will be considered and a committee staff draft made available this session. That draft will encompass the 12 chapters covered in this bill, plus others mentioned earlier in this statement and suggested by Government/industry comment.

BACKGROUND

At this point, it is useful to provide this background on precisely how today's legislative proposal was developed. For this purpose, I ask unanimous consent that the following portions of an article entitled "The Maze Revisited: An Update on the Revisions of the Shipping Laws," which appeared in the publication Proceedings, March 1982, be included in the RECORD.

There being no objection, the material was ordered printed in the RECORD, as follows:

Because of its complexity, Title 46 has proved to be among the most difficult for Congress to enact as "positive law" (in other words, Congress has had difficulty reenacting the previously enacted statutes into a consolidated, organized title of the United States Code). The first attempt to 'codify" Federal shipping law came in 1929, shortly after the adoption of the United States Code. That effort failed for reasons which have now become obscure. A similar effort in the late 1940s also failed. In the early 1960s, the Commandant of the Coast Guard, partially in response to the urgings of the Senate Commerce Committee, assembled a special team of three attorneys to draft in positive law form, without making any "substantive change of a controversial nature," a restatement of Title 46. This group worked diligently for almost three years and, in 1967, presented to the Commerce Committee a draft of "A Bill to Consolidate and Reenact Certain of the Marine Safety and Seamen's Welfare Laws of the United States." The draft received widespread approval and would have placed all of the commercial vessel safety law in a single, easily usable format for the first time in almost one hundred years. However, in the administrative upheaval resulting from the creation of the new Department of Transportation, the bill was scrapped.

Things remained unchanged from 1967 until 1971, when yet another restatement was attempted and eventually shelved. The project was not resumed until the spring of 1980, when the present Commandant designated the redrafting and simplification of the shipping laws one of his "milestone projects." A draft proposal, based largely on the 1967 bill, has now been prepared and is under scrutiny throughout the maritime community.

Two elements in the intended format are worth noting. One is the reorganization of related material into units. An example is the treatment of the Federal Boat Safety Act, which cuts across the areas of safety equipment for recreational vessels, manning of certain commercial passenger-carrying vessels, identification of undocumented self-propelled vessels, and negligent operation of all vessels. The intent to reorganize these matters with others of related or supplementary application is reflected in the proposal.

The other element is the tailoring of language to facilitate both temporary inclusion in the U.S. Code and ultimate assimilation into a truly "codified" title. The substitutes made necessary by non-statutory reorganization plans and other transfers of authority, especially since 1946, have frequently caused confusion in the shipping industry. Terms used in this draft restatement, as well as the internal cross references, have been designed to present the Code editors with the least need for editing and to minimize potentially confusing terminology.

The purpose of the current legislative proposal is to make the law easier for the Coast Guard to administer, easier for the maritime community to apply, and easier for everyone to understand. The drafting of the legislative proposal began in earnest in May 1980 at the direction of the Commandant of the Coast Guard and under the guidance of the Chief Counsel and the Chief, Office of Merchant Marine Safety. Using as its foundation a 1967 Commerce Committee print of "A Bill to Consolidate and Reenact Certain of the Marine Safety and Seamen's Welfare Laws of the United States," the drafters proceeded with their task, again under the general guideline that they make no "substantive change of a controversial nature." After eighteen months, a draft proposal was complete. The product divided existing marine safety and seamen's welfare laws into ten clearly defined chapters. It filled three hundred pages of text.

At this point, those close to the project came to understand that they were faced with the awesome task of testing what they had produced against the actual text of the existing shipping laws, knowing that any attempt to bring 108 years of piecemeal Congressional activity into a single, succinct document would invariably result in inadvertent omissions, conflicts, and editorial inaccuracies. The Coast Guard sought the opinion, cooperation, and assistance of those who would be most affected by the legislative proposal.

First, the drafters of the legislation went to the Coast Guard itself. A special panel of three senior and highly qualified officers whose careers had been concentrated in fields related to the regulation of commercial shipping was appointed by Rear Admiral Clyde T. Lusk, Jr., Chief, Office of Merchant Marine Safety, to examine the draft proposal for consistency with longstanding Coast Guard practices and interpretations. For several weeks the panel went painstakingly through the 300-page document, line by line. Once their comments had been evaluated and incorporated into the proposal, a second edition of the draft was produced and distributed to Coast Guard Marine Safety and legal personnel in some of the nation's busiest port cities. Meetings were then held between these persons and the draftsmen to determine whether the proposal was in conformity with the manner in which the law is now being applied by Coast Guard field units. Once the views of Coast Guard field and operational personnel had been obtained, the draft was again updated. At this point the Chief Counsel of the Coast Guard was confident that he had produced a draft proposal which accurately reflected the manner in which the Coast Guard construed and applied the existing provisions of the several hundred sections in Title 46 which come under its administration. However, work was just beginning.

The next step was to obtain the views of those people whose commercial and recreational interests were regulated by the federal shipping code. A number of industrial groups, labor organizations, shipping companies, trade associations, and law firms were contacted and asked whether they would be interested in participating in the early stages of drafting a way out of the maze. The response was overwhelming. In the weeks that followed, copies of the legislative proposal and supporting documents were delivered to dozens of individuals and groups. As these organizations began their analyses of the proposal, the Coast Guard contacted the prestigious Maritime Law Association of the United States (MLA) and asked for its assistance. The MLA, an organization which has an acute interest in establishing uniform laws, expressed immediate support of the goals of the project through its President, John W. Sims, Esq., of New Orleans.

In November 1981 the Chief Maritime International Law Division at U.S. Coast Guard Headquarters was invited to address the MLA's Committee on Coast Guard and Navigation at its annual meeting in New York. As a result of that meeting and other discussions, dozens of members of the Maritime Law Association examined portions of the draft proposal and provided the Coast Guard with their critical comments. On January 20, 1982, a meeting was held at Coast Guard Headquarters in Washington at which interested representatives from all areas of the maritime community were invited to comment on the proposal. The substance of comments received up to that point was made known at the meeting. A general description of the intent and purpose of the legislative proposal was offered, and objections and other comments were heard. At the conclusion of the meeting, the Coast Guard began to move rapidly to finalize its legislative proposal.●

By Mr. COCHRAN (for himself and Mr. HUDDLESTON):

S. 2661. A bill to improve farm commodity prices through expanded export market development and the use of advance loans and payments under the price and income support programs to encourage participation in the acreage adjustment programs for wheat, cotton, rice, and feed grains; to the Committee on Agriculture, Nutrition, and Forestry.

FARM PROGRAM IMPROVEMENT ACT OF 1982

Mr. COCHRAN. Mr. President, today I am introducing for myself and Senator HUDDLESTON a bill which is directed at two of the most serious problems facing the American farmer—low prices and availability of credit.

Last year when I introduced legislation which became part of the Agriculture and Food Act of 1981, I stressed

the need to assist farmers during periods of excess supply and depressed prices. In particular, I wanted to be sure that we put into place programs which assist farmers, adjust supply, and strengthen demand when market prices are low.

Unfortunately, we are in the midst of such a situation now. We have just come through a difficult spring where the combination of low-market prices and high-interest rates made it very difficult for many farmers to plant their crops.

Despite efforts to encourage a reduction in production, it appears that farmers could produce large crops again this year if good weather prevails. With continued weak demand, farm prices could remain dangerously low well into next year.

I am concerned that if this happens many of our farmers who are financially depressed could be placed in a near bankruptcy situation. In my opinion, we cannot afford to wait until this happens. Now is the time to make program changes to address this problem, not later when it is too late.

Mr. President, the bill I am introducing today will greatly improve the ability of the Secretary to effect changes to strengthen market prices and at the same time provide financial assistance to farmers during planting time. It contains three major provisions.

Two of them provide advance financial assistance to farmers as an incentive to participate in the acreage reduction program.

The third compliments the first two by strengthening our efforts to expand demand through increased exports. The following is a brief discussion of each provision.

ADVANCED CCC LOANS

Under current law, if a farmer participates in the program, he can put his crop under loan with the Government after harvest. The purpose of this loan is to provide interim financing while farmers market their crops. Over the years, this has been a very effective program allowing them to hold their crop during the harvest period when prices are typically low and selling them when prices strengthen later in the year.

The bill I am introducing today would provide that the Secretary make advance loans from the Commodity Credit Corporation to farmers that agree to participate in the acreage reduction program. Such loans would be made in the spring rather than after harvest as is the case under current law.

The amount of the loan would be limited to that portion of the farmers crop which is required to be reduced. In other words, if there is a 15-percent acreage reduction program in place, a farmer would receive an advanced CCC loan on 15 percent of his normal production. Further, to encourage participation, the interest on these loans would accrue from harvest time rather than when the advance is made in the spring.

There are a number of advantages to this change. First, farmers would have access to the benefits of the CCC loan at planting time rather than having to wait until harvest. Second, the Government's position would be secured through a loan contract for an equivalent amount of the product. Third, it will be easy to implement because farmers already understand the CCC loan program and the Government already has the delivery system in place. And, fourth, it will save the Government money because of increased participation in the acreage reduction program which will correspondingly reduce production, increase market prices, and lower Government deficiency payments.

ADVANCED DEFICIENCY PAYMENTS

The second provision is an alternative approach to resolving the same problem. In cases where market prices are low and the Government is projecting large deficiency payments, the bill provides the Secretary make a portion of the projected payment in advance to those who agree to participate. Specifically the bill would require the Secretary to make one-half of the projected deficiency payment in advance upon agreement by the farmer of intentions to participate in an acreage reduction program.

Since the payment is based on a projected rate, the bill provides for repayment if the actual deficiency payment is less than the amount advanced.

This alternative has similar advantages to the advance CCC loan provision. While it is directed at the same problem it is different in that if the actual deficiency payment is more than the amount advanced the farmer would retain the advance and additionally would receive the difference between the advance and the actual payment.

However, if the projection is wrong and the actual payment is less than the advance the farmer would be required to reimburse the difference to the Government.

Both of these provisions strengthen the acreage reduction program by encouraging participation. By doing so, the desired supply adjustment can be made with corresponding higher market prices and lower direct Government payments to support farm income.

A number of concerns have been expressed about using acreage reduction programs exclusively in an effort to strengthen market prices. The primary argument is the tendency of producers in other countries to expand their production and markets when the United States is trying to bring supply back in line with demand.

I share some of this concern and therefore believe it is necessary to strengthen our ability to meet this competition. The bill contains a provision which would expand our efforts to increase exports.

EXPORT MARKET DEVELOPMENT

Under current law up to 25 percent of the commodities shipped under title I of Public Law 480 provides food aid to middle and upper income developing countries on concessional terms. The other 75 percent goes to lower income developing countries.

This has been a very successful program with many countries going from participation under title I to major commercial customers. Japan and Korea are two examples.

The provision contained in this bill would give the Secretary authority to use up to 25 percent of the funds under title I to establish an intermediate credit guarantee program specifically tailored to the food needs of the middle and higher income developing countries. Specifically, the funds could be used to provide an interest concession similar to those under the existing title I program.

By using 25 percent of the funds to provide credit assistance on loan guarantees rather than making direct loans at low-interest rates, the effectiveness of the program will be enhanced. It has been estimated that the volume increase could be as high as six to seven times with the same direct Government outlays.

This provides a much-needed program between the commercial market and the traditional concessional sales. By doing so it will be easier to provide the transition needed to convert these countries to commercial customers.

Mr. President, let me repeat, now is the time for us to make changes to address the problems facing agriculture, not later when it is too late. I believe that by addressing both the supply and demand side this bill strengthens current law and will greatly increase the effectiveness of existing programs to get agriculture back into a sound financial condition.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Program Improvement Act of 1982".

ADVANCE LOANS AND PAYMENTS

SEC. 2. Effective only for the 1983 through 1985 crops of wheat, feed grains, upland cotton, and rice, title I of the Agricultural Act of 1949 is amended by inserting after section 107B a new section 107C as follows:

"ADVANCE LOANS AND PAYMENTS

"SEC. 107C. (a) Effective with respect to each of the annual programs established for the 1983 through 1985 crops of wheat, feed grains, upland cotton, and rice under sections 107B, 105B, 103(g), and 101(i) of this title, respectively, whenever the Secretary implements an acreage limitation or set-aside program for a crop of any of such commodities, the Secretary shall make available, to producers who agree to participate in the acreage limitation or set-aside program, advances on commodity loans under the terms and conditions provided in subsection (b) of this section or advance deficiency payments under the terms and conditions provided in subsection (c) of this section (if the Secretary determines it likely, based on available information, that deficiency payments will be made under the annual program involved); and may make available to such producers both such loan advances and advance deficiency payments.

"(b) Advances on commodity loans shall be made under the following terms and conditions—

"(1) an advance may be made to a producer only on an amount of the commodity involved that does not exceed that production that would have occurred on the acreage that the producer has devoted to conservation uses under the applicable acreage limitation or set-aside program, as determined by the Secretary;

"(2) advances shall be made available to producers under an annual commodity program as soon as practicable after the producer files a notice of intention to participate in the annual program involved;

"(3) security for the loan for which an advance is made shall be provided by the producer in the customary manner as soon as practicable after harvest, as determined by the Secretary: *Provided*, That a producer who complies with the requirements under the acreage limitation or set-aside program may repay the advance and cancel the producer's obligation under the loan at any time prior to the time at which the producer must provide security for the loan, as determined by the Secretary;

"(4) except as otherwise provided in clause (5) of this sentence, interest shall not be charged on a loan for which an advance is made, and the loan period shall not begin, until the time at which a producer must provide security for the loan; and

"(5) if a producer fails to comply with the requirements under the acreage limitation or set-aside program involved after obtaining an advance on a loan under this section, the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance.

"(c) Advance deficiency payments shall be made under the following terms and conditions—

"(1) an advance may be made to a producer in such amount determined appropriate by the Secretary to ensure adequate participation in the acreage limitation or set-aside program involved, but may not exceed an amount determined by multiplying the producer's eligible acreage under the annual commodity program involved by the producer's farm program payment yield by 50 per centum of the projected payment rate, as determined by the Secretary;

"(2) advances shall be made available to producers under an annual commodity program as soon as practicable after the producer files a notice of intention to participate in the annual program involved;

"(3)(A) if the deficiency payment available to a producer for a crop, as finally determined by the Secretary under section 107B(b)(1), 105B(b)(1), 103(g)(3), or 101(i)(2) of this title, is less than the amount made available to the producer as an advance deficiency payment for the crop under this section, the producer shall be obligated to refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be available to the producer as a deficiency payment for the crop involved;

"(B) if the Secretary determines, under section 107B(b)(1), 105B(b)(1), 103(g)(3), or 101(i)(2) of this title, that no deficiency payment shall be made available to producers on a crop with respect to which advance deficiency payments have been made under this section, the producers shall refund the advances;

"(C) any refund required under subclauses (A) or (B) of this clause shall be due at the end of the marketing year for the crop involved;

"(4) if a producer fails to comply with the requirements under the acreage limitation or set-aside program involved after obtaining an advance deficiency payment under this section, the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance.

"(d) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.".

EXPORT EXPANSION

SEC. 3. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end of title I a new section 116 as follows:

"SEC. 116. (a) In furtherance of the policies of this title, the Secretary of Agriculture may, in connection with export credit sales of United States agricultural commodities, enter into agreements with the private trade, friendly countries, and financial institutions to (1) make payments to reduce the effective rate of interest charged to not in excess of 4 per centum for credit extended for a term of ten years in connection with such sales, and (2) guarantee the repayment of credit with respect to which the effective rate of interest is reduced under clause (1) of this sentence. In carrying out such agreements, the Secretary may use the services and facilities of the Commodity Credit Corporation.

"(b) Commodity Credit Corporation funds may be used for the purpose of meeting the guarantee obligations undertaken under clause (2) of subsection (a) of this section. Funds available for carrying out activities under this title shall be used to make the payments provided for under clause (1) of subsection (a) of this section: *Provided*, That, in any fiscal year, the amount of funds so used shall not exceed 25 per centum of the program level for title I provided in the appropriation Act for that fiscal year plus any funds transferred under the authority of section 403(c) of this Act.

"(c) The food commodities acquired through export credit sales involving agreements under this section shall not be considered in determining compliance with section 111 of this title.

"(d) In carrying out the provisions of this section, the Secretary shall, to the maximum extent feasible, safeguard usual marketings of the United States.

"(e) The Secretary shall obtain commitments from purchasers that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities acquired through export credit sales involving agreements under this section.

"(f) The provisions of sections 103(a), 103(d), 103(e), 103(j), 103(o), 401, 402, 409, and 411 of this Act shall be applicable to export credit sales involving agreements under this section.

"(g) The authority under this section is in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provision of law.".

● Mr. HUDDLESTON. Mr. President, I am pleased to join Senator COCHRAN in introducing the Farm Program Improvement Act of 1982. This bill will aid our hard-pressed farmers who are facing low farm commodity prices and continued high interest rates.

The bill will provide incentives for wheat, feed grain, upland cotton, and rice farmers to participate in acreage-limitation or set-aside programs designed to strengthen commodity prices and will encourage the expansion of export markets for U.S. agricultural products. The bill is designed to more closely aline farm production with demand and stimulate foreign demand for U.S. agricultural commodities. The bill can reduce the cost of Federal farm programs by lowering the deficiency payment rate.

The bill requires the Secretary of Agriculture to make advances to wheat, feed grain, upland cotton, and rice farmers of commodity program loans and deficiency payments, when such payments are projected to occur, in years in which, because of oversupply of these commodities, the Secretary proclaims an acreage-limitation or set-aside program. Advances will be made available to farmers who participate in the applicable acreage-limitation or set-aside program. The advances will be made at the time a farmer declares his intention to participate in an acreage-reduction program.

The advances on commodity loans will be made on amounts of the commodity involved that would have been produced on the acreage devoted to conservation uses under the applicable acreage-limitation or set-aside program. Interest on the loans will not accrue until the crop is harvested.

Advance deficiency payments will be made only in years when such payments are projected to occur. Advance payments will be limited to 50 percent of the projected deficiency payment. The bill requires the farmer to refund the advance if the Secretary determines after harvest that the actual deficiency payment due farmers is less than the amount advanced, or that no deficiency payment for the crop is required.

Under the bill, the Secretary would be required to make advances on commodity loans or advance deficiency payments with discretionary authority to do both.

Advance loans and deficiency payments will provide an incentive for farmers to participate in acreage reduction programs and provide a modest amount of operating credit at planting time.

The bill does not increase the level of Federal outlays—only the timing of these outlays is affected. Moreover, the probability increases that many more farmers will remain enrolled in an acreage-reduction program if this incentive is available and, therefore, that the actual level of Federal outlays will be reduced.

The bill also includes an agricultural export expansion provision. Under this provision, the Secretary of Agriculture will share the interest costs on loans for agricultural exports to friendly foreign countries and guarantee the repayment of such loans, in order to encourage the export of U.S. agricultural products.

This bill is responsive to the critical needs of U.S. agriculture and will not increase the Federal budget. I will make every effort to secure its enactment.●

By Mr. EXON (for himself and Mr. ZORINSKY):

S. 2662. A bill to authorize amendments to certain repayment and water service contracts for the Frenchman Unit of the Pick-Sloan Missouri River Basin program; to the Committee on Energy and Natural Resources.

AMENDMENTS TO CERTAIN CONTRACTS FOR THE FRENCHMAN UNIT OF THE PICK-SLOAN MISSOURI RIVER BASIN PROGRAM

Mr. EXON. Mr. President, I am today introducing legislation to authorize amendments to certain repayment and water service contracts for the Frenchman Unit of the Pick-Sloan Missouri River Basin program.

The Bureau of Reclamation has indicated that, due to extensive ground water development upstream of the Enders Reservoir located on Frenchman Creek in southwestern Nebraska has depleted reservoir inflow by nearly 60 percent. Within 10 years, the Bureau expects inflows to be essentially nonexistent.

This irrevocable depletion of the water supply from Enders Reservoir has affected the irrigation district's ability to meet its repayment, water service, and operation, maintenance, and replacement obligations under its existing contract with the United States. The Bureau is now in the process of revising the existing contract with the district, known as the H. & R.W. Irrigation District, to permanently resolve this problem.

As a long-term solution, the Bureau has proposed to base future annual payments on the payment capacity associated with the actual water delivered. This provision would be in lieu of the fixed obligation required under the existing contract. This change requires the approval of the Congress.

I would urge the Senate's approval of this measure simply out of a need to provide a fair solution to the district's problem which has resulted from an unforeseen depletion of ground water above the irrigation district's research.

By Mr. COCHRAN (for himself, Mr. BAKER, Mr. STENNIS, Mr. THURMOND, Mr. JOHNSTON, Mr. HEFLIN, Mr. DENTON, Mr. EAST, Mrs. HAWKINS, Mr. NUNN, Mr. SASSER, Mr. MATTINGLY, Mr. CHILES, and Mr. HOLLINGS):

S.J. Res. 204. Joint resolution to commemorate the travels of William Bartram; to the Committee on Energy and Natural Resources.

COMMEMORATION OF THE TRAVELS OF WILLIAM BARTRAM

Mr. COCHRAN. Mr. President, I am pleased that a number of Senators are joining me today in introducing legislation to commemorate the travels of William Bartram, America's first native-born American artist-naturalist.

William, son of John Bartram and Ann Mendenhall, was born in Philadelphia, Pa., in 1793. The Bartram family created the Colonies' first botanic gardens on their 102-acre farm.

In 1773 William set out to research the Southeastern part of the United States, gathering and identifying specimens of native flora and fauna. These travels through eight States are documented in a book lavishly illustrated with William's own drawings of various animals and plants. The book was a best seller for more than 25 years, and at the time it was published no library was complete without it.

His 4 years of wilderness exploration and the physical, intellectual, and artistic trails that he blazed gave the world its first clear vision of the American South, a region little known to the then civilized world. In a land of poineers, William Bartram exemplifies the pioneering spirit.

Through the efforts of the members of the Bartram Trail Conference, and organizations such as the National Garden Clubs, the Audubon Societies, the Boy Scouts, and the Sierra Club, many segments of the trail William Bartram traveled have been opened to the public for its enjoyment.

An 18-mile segment through national forest lands in my State was completed and opened to the public last year. The William Bartram Trail in Mississippi will include a waterway route touching areas specifically mentioned in Bartram's book and an inland route for hikers, canoers, and horseback enthusiasts.

The joint resolution that we are introducing will authorize the Secretary of the Interior to accept donations of suitable markers for placement on the Bartram Trail segments which cross Federal lands.

Mr. President, these markers will serve to commemorate one of America's unsung heroes and afford the public the opportunity to share in William Bartram's contributions to our American heritage.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 204

Whereas, William Bartram's travels contributed to natural history, literature, and exploration and are of national and regional significance;

Whereas, a wider segment of the public should be afforded the opportunity to share in Bartram's natural, cultural, and historic resource contributions to America's heritage; and

Whereas, a segmented William Bartram Heritage Trail would be a practical and appropriate commemoration to a great American naturalist worthy of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of American in Congress assembled, That in order that significant route segments and sites, recognized as identifiable with William Bartram by the Bartram Trail Conference, and Federal, State, and local governments, may be distinguished by suitable markers, the Secretary of the Interior is authorized to accept the donations of such suitable markers for placement at appropriate locations on lands administered by the Secretary of the Interior and, with the concurrence of the Secretary of Agriculture, on lands under his jurisdiction. Such markers shall be placed by the Secretary of the Interior pursuant to the authority granted by the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461 et seq.) and the National Historic Preservation Act (16 U.S.C. 470 et seq.).

Sec. 2. The markers authorized by the first section of this Act shall be placed in association with the William Bartram trail segments identified in the study submitted to the Congress pursuant to the provisions of section 5 of the National Trails Systems Act (16 U.S.C. 1244).

ADDITIONAL COSPONSORS

S. 481

At the request of Mr. HELMS, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 481, a bill to restore the right of voluntary prayer in public schools and to promote the separation of powers.

S. 818

At the request of Mr. HATCH, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 818, a bill to amend title 18 to limit the insanity defense.

S. 1215

At the request of Mr. PROXMIRE, the Senator from Kansas (Mrs. KASSEBAUM) was added as a cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1558

At the request of Mr. HATCH, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 1558, a bill to amend title 18 to limit the insanity defense and to establish a verdict of not quilty only by reason of insanity.

S. 1880

At the request of Mr. THURMOND, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 1880, a bill to amend the manufacturing clause of the copyright law.

S. 1929

At the request of Mr. HATCH, the Senator from Illinois (Mr. PERCY), the Senator from Connecticut (Mr. DODD), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 1929, a bill to amend the Public Health Service Act and the Federal Cigarette Labeling and Advertising Act to increase the availability to the American public of information on the health consequences of smoking and thereby improve informed choice, and for other purposes.

S. 1931

At the request of Mr. SCHMITT, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1931, a bill to amend title 5, United States Code, to entitle Civil Air Patrol cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in event of disability or death, and to increase the level of compensation available to both.

S. 2123

At the request of Mr. SYMMS, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 2123, a bill to amend title 18, chapter 44, United States Code, to provide clarification of limitations on controls of the interstate movement of firearms, and to prohibit the use of Federal funds to political subdivisions which implement certain gun control ordinances.

S. 2225

At the request of Mr. BAUCUS, the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from New Jersey (Mr. BRADLEY) were added as cosponsors of S. 2225, a bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain items.

S. 2425

At the request of Mr. ROTH, the Senator from Florida (Mr. CHILES), the Senator from Montana (Mr. BAUCUS), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 2425, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds, to make tax-exempt bonds available for certain residential rental property, and for other purposes.

S. 2452

At the request of Mr. DURENBERGER, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 2452, a bill to provide for standards for the application of the Freedom of Information Act exemption for classified information.

S. 2572

At the request of Mr. PRESSLER, his name was added as a cosponsor of S. 2572, a bill to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes.

S. 2585

At the request of Mr. CRANSTON, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 2585, a bill to provide that the Armed Forces shall pay benefits to surviving spouses and dependent children of certain members of the Armed Forces who die from service-connected disabilities in the amounts that would have been provided under the Social Security Act for amendments made by the Omnibus Budget Reconciliation Act of 1981.

SENATE JOINT RESOLUTION 168

At the request of Mr. BAUCUS, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of Senate Joint Resolution 168, a joint resolution to establish reciprocal entrance fees for Canadian citizens entering Glacier National Park in connection with the 50th anniversary of the Waterton-Glacier International Peace Park.

SENATE JOINT RESOLUTION 178

At the request of Mr. HATCH, the Senator from Alabama (Mr. HEFLIN), and the Senator form Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week".

SENATOR RESOLUTION 359

At the request of Mr. LEAHY, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Rhode Island (Mr. PELL), the Senator from Michigan (Mr. LEVIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. JACKSON), the Senator from Maine (Mr. MITCHELL), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Kentucky (Mr. FORD), the Senator from California (Mr. CRANSTON), the Senator from Arkansas (Mr. BUMPERS), the Senator from Nebraska (Mr. EXON), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Colorado (Mr. HART), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of Senate Resolution 359, a resolution relating to environmental law enforcement.

AMENDMENT NO. 1333

At the request of Mr. PRESSLER, his name was withdrawn as a cosponsor of amendment No. 1333 intended to be proposed to S. 1758, a bill to amend title 17 of the United States Code to exempt the private noncommercial recording of copyrighted works on video recorders from copyright infringement.

AMENDMENTS SUBMITTED FOR PRINTING

MORE EFFECTIVE REGULATION OF MOTOR CARRIERS OF PASSENGERS

AMENDMENT NO. 1901

(Ordered to be printed and to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill (H.R. 3663) to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of passengers.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERNGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations of the Governmental Affairs Committee has scheduled a legislative hearing on S. 2338, to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials.

The hearing will be conducted at 2 p.m. on June 24 in room 3302, Dirksen Senate Office Building. Those wishing to submit written statements to be included in the printed record of the hearing should send five copies to Ruth M. Doerflein, clerk, Subcommittee on Intergovernmental Relations, Room 507, Carroll Arms Building, Washington, D.C. 20510.

For further information on the hearing, you may contact Jimmie Powell of the subcommittee staff at 224-4718.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON WATER AND POWER

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power, of the Committee on Energy and Natural Resources, be authorized to meet during

the session of the Senate on Tuesday, June 22, at 9 a.m., to hold a hearing on S. 2202, a bill to amend the Colorado River Basin Salinity Control Act to authorize certain additional measures to assure accomplishment of the objectives of title II of such act, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PRESIDENTIAL REASSURANCES ON TAIWAN

● Mr. GOLDWATER. Mr. President, it was my great pleasure to meet last Friday afternoon with President Reagan at the Oval Office in order to report my concern about certain actions by the U.S. Government which indicate a possible shift in our China policy detrimental to Taiwan.

Before describing the points I raised with the President, I want to state my satisfaction with what he told me. He gave me strong reassurance that neither he, nor anyone in his administration, will go back on our Nation's commitments to Taiwan. The Vice President attended the meeting and gave me a similar reassurance.

Now, Mr. President, I will briefly outline the points which I discussed with President Reagan.

First, I reminded the President that the State Department had postponed approval of spare parts for Taiwan that he had promised in August 1981. Formal notice to Congress of the spare parts sale was held up until April 1982.

Second, with minor exceptions involving lower level officers, U.S. officials are under orders not to meet Taiwan officials in Government buildings on any business other than commercial trade, nor to allow American Institute in Taiwan personnel to meet with Taiwan officials at Republic of China offices. The State Department is completely off limits.

Third, in December 1981, the State Department made an agreement with Red China to freeze all U.S. decisions on arms sales to Taiwan "during the next few months" while we negotiate with Communist China.

Fourth, except for spare parts, no defensive weapons have been approved for sale to Taiwan since the Reagan administration took office. Some items previously in the pipeline were delivered, but no new items have been approved.

Fifth, the President himself rejected the sale of FX fighter aircraft in January 1982.

Sixth, there has been stalling for over 1 year at the State Department on approving the Garrett/Taiwan coproduction in Taiwan of a derivative of the 731 aircraft engine.

Seventh, the visit of Vice President BUSH to mainland China in May 1982 has not been accompanied by any official, publicized visit to Taiwan of any high-level adminstration official. There was a private visit by an Assistant Secretary at the invitation of a university and an unofficial visit by a trade representative.

Eighth, three letters were sent this year over the name of President Reagan to Chinese Communist officials and made public. These letters may give the wrong impression that we believe the Communist nine-point unification offer has merit, that some progress has been made, and that we have altered our policy "in the last 2 months" in response to the Communist initiative. Actually, the nine-point plan is a demand that Taiwan recognize Peking's sovereignty, something our Government has never endorsed. Each of our earlier joint communiques with the People's Republic of China merely "acknowledges the Chinese position," not the U.S. position, that Taiwan is "part" of China. "Acknowledge" does not mean "recognize." It means "take note of." Previous administrations were careful to use "part" instead of "province" so as not to concede PRC sovereignty over Taiwan.

Ninth, on May 3, Deputy Assistant Secretary of State Shoesmith insisted the PRC is a "friendly country." He refused to say the PRC is a dictatorship and denied that the PRC is aiding any other subversive movement anywhere in the world.

Tenth, on June 1, 1982, Deputy Secretary of State Stoessel reaffirmed that "we view China as a friendly country" and said "strategically, we have no fundamental conflicts of interest." This conflicts with the fact that the PRC disagrees with U.S. policies in the Carribean, Falkland Islands, South Korea, Middle East, South Africa, and Poland and is disputed by the PRC's failure to renounce the use of force to regain Taiwan.

Eleventh, the administration has delayed in submitting to Congress the sale of additional F-5E fighters so that the coproduction line in Taiwan can be extended without a break. Urgent that a letter of agreement be signed and notice given to Congress in the very near future.

Twelfth, there has been repeated media speculation of a draft joint communique between the United States and Red China that is supposed to exist somewhere in the State Department.

Mr. President, as I have reported earlier, President Reagan provided me with strong reassurances regarding these items and future developments. I am confident the President will faithfully implement the Taiwan Relations Act and support the security of Taiwan.●

ANNOUNCEMENT OF POSITION ON VOTING RIGHTS EXTENSION

● Mr. JOHNSTON. Mr. President, at the request of President Reagan I attended the memorial services held last week for King Khalid of Saudi Arabia. Unfortunately, this meant that I was forced to miss the sessions of the Senate on Tuesday and Wednesday. During that time a vote was held to invoke cloture on the motion to proceed to consideration of S. 1992, the measure to extend certain provisions of the Voting Rights Act of 1965.

While I was announced necessarily absent on that vote, I was inadvertently not announced as being in favor of invoking cloture. As an original cosponsor and supporter of S. 1992 I would have indeed voted to invoke cloture had I been present. The official record has been corrected in this regard and I would like to take this opportunity to announce to my colleagues and the public that I wish to be announced "yea" on the motion to invoke cloture.●

SUPPORT PRIVATE EXPRESS STATUTES

● Mr. RIEGLE. Mr. President, an issue is facing the Congress that may potentially touch each and every citizen; repeal of the private express statutes. Since 1792, when these statutes were enacted, our Nation has been striving to maintain a universal system of postal services. These statutes grant the U.S. Postal Service the exclusive right to carry letters.

The role of Government in the delivery of correspondence can be traced to our origins as a nation. This role has grown so that citizens throughout the United States are guaranteed equal access to the system. The efforts to repeal or modify the private express statutes will inevitably produce inequities in the system, and may damage the entire network of receipt, forwarding, and delivery of correspondence.

The most evident threat to the system will be the "cream skimming" that will occur upon repeal of the statutes. It is almost certain that once private companies have the right to deliver mail, the lucrative, high density, high volume areas will become the province of commercial entities, while the difficult, remote, and primarily rural areas will remain the responsibility of the Postal Service.

If this were to occur, our rural residents would suffer, since the per-unit cost of delivery will have to rise. Congress will be faced with the prospect of higher subsidies, simply to maintain rural services, and that is intolerable given our need to reduce Government expenditures in all parts of the budget. I question whether the Congress wants to take an action in the

near future that will lead to deleterious consequences in a very short time.

The Postal Service touches everyone's life, more so than any other Federal agency. I urge my colleagues to consider carefully the effects that the repeal of the private express statutes would have upon our responsibility to provide safe, dependable, and universal mail service to all of our citizens.●

PATRIOTISM

● Mr. MITCHELL. Mr. President, I call the attention of my colleagues to a speech delivered by Ralph J. Brooks, State Commander of the Maine American Legion. Commander Brooks' remarks address the nature of patriotism and what it means to be an American.

As Independence Day approaches, I believe all Americans should take a moment from their busy schedules and ask themselves the important question: What does it mean to be an American?

I ask that Commander Brooks' speech be printed in the RECORD.

The speech follows:

As I was preparing my speech for today, I asked myself, "What brings us together? What common bond do we have? We come from all walks of life."

The one thing we all have in common is that we are patriots. The same patriots that were at Bunker Hill, Concord. The same patriots in France during World War I. The same patriots that were in Italy, Germany, Japan, and World War II. The same patriots that were in Korea and Vietnam. Sure the faces are different, but the patriot is the same.

As American citizens we truly are members of the greatest society on Earth, the society of free men, and while we sometimes think our freedoms are limited, we should remember that all things are relevant. All who hold citizenship in this land of the free can say without reservation, that we have greater freedom than any other citizens of any other nation in any period of history.

Patriotism and the willingness to sacrifice for those principles we hold dear have made us what we are—and adherence to those principles will insure that our children and their children will enjoy the blessings that are ours.

The Nation, conceived in liberty and dedicated to the proposition that all men are created equal, is a leader in the world, and has been for nearly a century. This Nation, that transformed the ideals of the Western World from colonialism to freedom for all, must be ever vigilant to guard and protect the freedom that we enjoy.

Perhaps we should review our own Americanism. Just what is Americanism? Reduced to its simplest terms it is simply an inspirational, sacrificial, and unselfish love of country. Americanism and patriotism are synonymous. Both stem from a belief in and love of God.

What can we say when someone asks us to define Americanism? If you would permit me, I would like to review some definitions I believe to be relevant and pertinent today.

Americanism is a vital, active, living force. Americanism means peace, strength, the will and the courage to live as free men in a free land. It means a friendly hand to people everywhere who respect our institutions and our thinking. It is not a word; it is a cause, a way of life, a challenge and a hope in the world of turmoil.

Americanism is complete and unqualified loyalty to the ideals of government set forth in the Bill of Rights, The Declaration of Independence, and the Constitution of the United States. It is respect for, and ready obedience to duly constituted authority and the laws of the land. It is freedom without license, religion without bigotry, charity without bias or race hatred, love of flag, and a readiness to defend that for which it stands.

To us today, this ideal of government seems natural. We ask, "What other basic idea of government can there be?" But we must realize that a large part of the world today subscribes to a form of government that is unalterably opposed to our own philosophy.

They say that the state, not God, is the author of our rights. This is totalitarianism, which appear under the guise of Communism, Nazism, Facism, and many other isms. Often it is presented under a patriotic guide that fools those who do not see its basic evils. When it is too late, men realize that they have been had.

If the state gives the individual his rights, the state may withdraw those rights for its own convenience. Thus, for propaganda purposes or for any other reason, the state may even take back from the citizen the right to live. In doing this, it assertedly does no injury to the individual since he essentially has no right to live except at the sufference of the state.

Whether we view democracy as a system of popular self-government, or as a way of life in which the equality of individuals is generally recognized, America approaches true democracy more closely than any other country in the world.

But these privileges will not be maintained unless we create for ourselves, and among the youth of this country, a renewed faith in our system of government.

We need a rededication of American faith, clearly defined and acted upon. Each one of us should say in his or her mind and heart, "This country belongs to me and I must cherish it. I believe in the right of human beings to life, liberty and the pursuit of happiness; in government by the consent of the governed; in freedom of the press, speech and assemby; and in the right to worship according to one's own conscience. I believe in the rights of all to justice and in the other rights declared in the Declaration of Independence and in the Constitution. I believe that these rights belong to others as well as to me, and that I have not only the privilege to enjoy them, but the obligation to cherish and maintain them."

To be a good American is the most important job that will ever confront us. But essentially, it is nothing more than being a good citizen, helping those who need help, trying to understand those who oppose us and doing each day's job a little better than the day before.

I am sure all of you will agree that America does have serious problems. I am sure you will all agree with me that we must do more to meet the needs of our people. We must commit ourselves to the fight against poverty, crime, pollution, and the other social and economic ills of this Nation.

Mr. Smith Hempstone writing in the Philadelphia Inquirer stated: "The most serious crisis we face, both as individuals and as a nation, is the one nobody talks or writes about: we are mired in an Age of Disbelief which is eroding our will not only to succeed but to survive.

"Sons do not believe fathers, blacks do not believe whites, stockholders do not believe corporate executives, the public does not believe the President. . . . If any one thing built this country it was sense of self confidence, a perhaps naive pride in the past, an almost certainly overly optimistic faith in the future.

". . . We owe it to ourselves and to our children to dream new dreams, to have pride in our past and faith in our future. For without such dreams, such pride, such faith, we will have no future."

We work constantly to bring about a renewal of faith in and love for the principles that founded our great nation. We believe that to "stand and wait" while others serve is not enough. We must take up the challenge before us—to recapture the values which made us a great people—and rise up to a new sense of love for our country.

So I say to you people out there, you great veterans, for who this day, November 11 was set aside. This is your day. You and your fallen comrades earned it. Let no one take it from you.●

ERA

● Mr. TSONGAS. Mr. President, the rejection of the equal rights amendment in the Florida Legislature signifies not an end but a beginning of the fight for ratification of the ERA in this country.

The ERA is a much misunderstood amendment. Its text is as follows:

Section 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

Section 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

Section 3. This amendment shall take effect two years after the date of ratification.

The American people feel more strongly than ever that the ERA should become our 27th amendment to the Constitution. An April Harris survey showed that ERA is supported by almost a 2-to-1 margin, 63 to 34 percent.

Many arguments have been made both for and against passage of the ERA. I plan to address these issues at a later date.

However, I would like to recognize the courage of the eight women in Illinois who have now fasted for 36 days. Their perseverance reflects the depth of their conviction and that of all Americans who support ERA. The ERA will not go away.

I am committed to the passage of the ERA. Only if this constitutional amendment becomes law can we guarantee equal rights for women and men in this country.●

THE VOTING RIGHTS ACT

● Mr. D'AMATO. Mr. President, the Voting Rights Act, originally passed

by Congress in 1965, has proven to be one of the most successful pieces of civil rights legislation, insuring that all Americans have access to our most basic democratic right—the right to vote. While the gains achieved since enactment of the act have been impressive in most areas, we cannot and should not abandon the principles of equality contained in the Voting Rights Act; to appreciate the significant impact which this act has had, one need only examine the evolution of voting rights in this Nation. Prior to the Civil War, a variety of devices, including property requirements, literacy tests, taxpaying qualifications, as well at those concerning race, sex, and residence served to exclude a significant portion of the population from the ballot. During the Reconstruction period, a number of steps, including adoption of the 14th and 15th amendments were undertaken in an attempt to protect the rights of minorities to participate in the American political process. Despite these efforts, discriminatory practices continued to exclude minorities from voting. Unfortunately, many of these devices and tests remained in effect through the early 1960's. As a result, minority registration in many States was below 10 percent. In the 17 years since the act went into effect, registration levels have risen dramatically—in some instances by more than tenfold.

The Voting Rights Act of 1965 truly represented a radical and necessary departure from previous attempts by the Federal Government to protect black voting rights, authorizing the Justice Department to guarantee voting rights through administrative means. For example, the Attorney General was empowered to send Federal registers into areas suspected of past discrimination for the purpose of registering individuals to vote. In addition, Federal examiners could be employed to monitor election procedures in these areas. Clearly this represents an extraordinary departure from the past.

The act also suspended the use of literacy tests and other devices which had been utilized for the purpose of restructuring minority access to the ballot, subsequently establishing a permanent ban on their use. Certain provisions of the act require periodic extension by Congress. And, in fact, these provisions have been extended in 1970 and 1975. Today, we are once again called upon to extend these necessary provisions which would otherwise expire on August 6, 1982.

I am proud to be a cosponsor of S. 1992, the Voting Rights Extension Act, a balanced approach designed to continue our commitment to equality for all Americans. I appreciate the efforts of the sponsors of the bill, Senators MATHIAS, KENNEDY, and DOLE, and am pleased that it passed the Senate overwhelmingly.

JAPAN DEFENSE SPENDING FAILURES—SENATE CONCURRENT RESOLUTION 46 URGES JAPANESE INCREASES

● Mr. LEVIN. Mr. President, as Congress continues its deliberations on next fiscal year's budget, which includes the largest defense spending total in real terms since the height of the Korean conflict, I would like to call attention to the inadequate contributions to our mutual security being made by Japan.

I also want to suggest what I think the Congress should do to encourage the Japanese to increase their annual defense spending so as to be able to meet their basic self-defense responsibilities as well as their already agreed to commitments to our common defense.

The inadequacies of Japan's self-defense efforts are beyond question. Knowledgeable Japanese—military and civilian experts in and out of the Government—admit it. Our own Government has produced convincing documentation of these failures. These failures continue to threaten the national security of Japan and the United States.

Our executive branch has chosen to respond to these failures with quiet diplomacy. I do not believe that is sufficient. Congress must speak loudly, persistently and publicly to reinforce the feelings of the American people that the Japanese are shirking their responsibilities to the common defense.

Toward this end, I have introduced Senate Concurrent Resolution 46, which calls on the Japanese to increase their defense efforts by spending at least 1 percent of their huge gross national product annually to improve their military capabilities.

It gives me great pleasure to announce today that, so far, 52 of our colleagues have joined me in cosponsoring Senate Concurrent Resolution 46. The significance of the fact that at least 53 Members of the Senate share concerns about Japan's contributions as an ally should not be lost on the Japanese or on our executive branch.

Our executive branch should redouble its efforts to convince the Japanese that it is in their own best interests to increase their defense efforts. The Japanese Government should begin exercising more leadership in that nation to increase the understanding of its constituents that this is true.

We often hear that the Japanese Government cannot respond to American actions such as Senate Concurrent Resolution 46 by increasing its defense efforts because to do so would give its political opposition ammunition to charge that the Government there is "caving in" to U.S. pressure.

Mr. President, the evidence is clear that Japan's self-defense capabilities must be improved not because the United States urges it, but because an objective assessment of Japan's security needs requires it. The Japanese Government, if it had the political courage to do so, could justify increased defense spending to the Japanese people solely on the basis of Japan's self-interests.

The Japanese Government excuses its insufficient defense efforts by contending that the public consensus for increased actions in this area has yet to develop. Not only do recent polls of Japanese public opinion contradict this assertion, but the Government there is at fault because it has not devoted ample attention to nourishing this consensus.

The Japanese people are intelligent. Were the Japanese Government to objectively present the facts to its constituents—if these leaders said "Japan needs to improve its defense efforts because it is in our own selfish interests to do so, and because our own experts have so concluded—not because the United States urges us to do so," I am confident the Japanese people would respond with the consensus their leaders say is necessary.

Instead, these leaders play an "Alphonse and Gaston" game of waiting for the consensus to grow but doing little to encourage it. The alleged lack of public support becomes a convenient excuse for Government inaction.

Congressional approval of Senate Concurrent Resolution 46 as soon as possible at least will demonstrate to the American people that its elected representatives are willing to act.

Last Wednesday, I testified before the Foreign Relations Committee on the need for speedy passage of Senate Concurrent Resolution 46. There were 49 sponsors then. I ask to have printed in the RECORD at this point a complete list of cosponsors of this resolution, as well as my testimony and supporting materials. I am pleased to note that among the cosponsors are 16 of 18 members of the Armed Services Committee.

The material follows:

COSPONSORS OF SENATE CONCURRENT RESOLUTION 46 (AS OF JUNE 22, 1982)

Levin (D-Mich.), Abdnor (R-S. Dak.), Andrews (R-N. Dak.), Baucus (D-Mont.), Bentsen (D-Tex.), Boren (D-Okla.), Boschwitz (R-Minn.), Brady (R-N.J.), Bumpers (D-Ark.), Burdick (D-N. Dak.), H. Byrd (I-Va.), R. Byrd (D-W. Va.), Cannon (D-Nev.), Cohen (R-Maine), DeConcini (D-Ariz.), Denton (R-Ala.), Dixon (D-Ill.), Dodd (D-Conn.), Eagleton (D-Mo.), Exon (D-Nebr.), Ford (D-Ky.), Garn (R-Utah), Gorton (R-Wash.), Grassley (R-Iowa), Hart (D-Colo.), Heflin (D-Ala.), Hollings (D-S.C.), and Huddleston (D-Ky.).

Humphrey (R-N.H.), Jackson (D-Wash.), Jepsen (R-Iowa), Johnston (D-La.), Kasten (R-Wis.), Leahy (D-Vt.), Melcher (D-Mont.), Mitchell (D-Maine), Nunn (D-Ga.),

Pressler (R-S. Dak.), Proxmire (D-Wis.), Pryor (D-Ark.), Quayle (R-Ind.), Randolph (D-W. Va.), Riegle (D-Mich.), Roth (R-Del.), Rudman (R-N.H.), Sarbanes (D-Md.), Sasser (D-Tenn.), Stennis (D-Miss.), Symms (R-Idaho), Thurmond (R-S.C.), Wallop (R-Wyo.), Warner (R-Va.), and Zorinsky (D-Nebr.).

TESTIMONY BY U.S. SENATOR CARL LEVIN ON UNITED STATES-JAPAN SECURITY AND SENATE CONCURRENT RESOLUTION 46 TO SENATE FOREIGN RELATIONS COMMITTEE, JUNE 16, 1982

Mr. Chairman, I would like to thank you for the opportunity to appear before the Foreign Relations Committee to testify about the growing concerns many Americans have about the current U.S.-Japan security relationship. These concerns have led 49 of us so far to sponsor my sense-of-the-Congress resolution urging the Japanese to significantly increase their contributions to our common defense.

This resolution—S. Con. Res. 46—also has been introduced in the House of Representatives by the chairman of that body's Foreign Affairs Committee, U.S. Rep. Clement J. Zablocki of Wisconsin as H. Con. Res. 213.

These resolutions are a clear indication of how strongly the American people feel that Japan is not meeting its commitments to our mutual security and is not bearing a fair share of the burden of our common defense.

Our resolution calls on Japan to spend annually at least one percent of its tremendous gross national product (GNP)—second largest in the world—on defense. This call comes at a time when our own citizens are making increasing sacrifices and spend almost six percent of our GNP for defense capabilities which benefit the Japanese as well as ourselves.

This committee should expeditiously and favorably report our S. Con. Res. 46 for passage by the full Senate, for at least 5 reasons.

First, Japan's defense effort is inadequate by almost every measure one can apply, not only in terms for providing for that nation's self-defense but in terms of enabling it to meet its already-agreed-to common defense commitments under the 1960 Treaty of Mutual Cooperation and Security.

The fact that Japan is doing far less than what is reasonably expected has been well documented. For the past two years, at my initiative, our Defense Department has issued a "Report on Allied Commitments to Defense Spending." Each year, DOD has concluded:

"Japan . . . ranks last or close to last on all of the ratio measures surveyed and, thus, quite clearly appears to be contributing far less than its share of what it is capable of contributing. This validates our major emphasis over the last several years on getting the Japanese to increase their defense spending."

I shall submit for the record at this point in my statement additional evidence from our own Government, leading Japanese military officials and Asia scholars demonstrating the inadequacies of Japan's present defense posture.

JAPAN'S DEFENSE INADEQUACIES

Evidence that Japan clearly has failed to meet its self-defense responsibilities—and its commitments to the common defense under its Mutual Security Treaty with the United States—includes statements from leading Japanese military officers, scholars and assessments by the U.S. Government. In addition to the conclusion cited above, these judgments include the following:

"U.S. encouragement for the Japanese to do significantly more in their own defense is neither unwarranted nor excessive. In fact, with almost total dependence on imported oil, Japan simply must do more to meet its defensive needs at home to help compensate for the intensive and extensive U.S. effort in Southwest Asia—in Japan's behalf as well as our own"—1981 Report on Allied Commitments to Defense Spending (March, 1981);

"Japan's top military leaders challenged the Government's defense posture . . . and said its five-year-old program is inadequate to meet needs. 'The present international situation is quite different from that in 1976, when the outline was adopted,' Adm. Isugio Yata, chairman of the Joint Chiefs of Staff, was reported to have told Prime Minister Zenko Suzuki."—United Press International, Tokyo, April 9, 1981.

"They are still fundamentally unable to provide effective, meaningful self-defense against the threat facing Japan in the 1980's. . . . By its own public analyses, (Japan's) Self-Defense Forces cannot sustain its army divisions, destroyers, and tactical aircraft in combat due to very limited supplies of ammunition, torpedoes, and missiles. The size and modernization of Japan's air and naval forces are not adequate to defend its air space and sea-lanes to 1,000 miles against Soviet force levels of the 1980's. . . . Substantially more significant efforts will be required in each of the next five years of the defense planning period."—Assistant Secretary of Defense (International Security Affairs) Francis J. West, Jr., March 1, 1982, testimony to House Foreign Affairs Subcommittee on Asian and Pacific Affairs.

"A Pentagon team headed by Assistant Secretary of Defense David MacGiffert asserted at a US-Japan security conference in July, 1980, that Japan did not possess even a minimum deterrent and could not defend against even a small-scale attack."—Washington Post, May 4, 1981; Washington Star, May 8, 1981.

"The (Japan) Prime Minister's study group on national security issues estimated in its report of July, 1980, that only half of the assets of the Self-Defense Forces could be counted as 'actual combat power' in an emergency."—Report on Comprehensive National Security, Tokyo, 1980.

Japanese observers, in and out of the government, have acknowledged that the Maritime Self-Defense Force is ill-equipped to deal with Soviet nuclear submarines and attacks from enemy aircraft and surface ships. Japanese naval vessels lack surface-to-air and surface-to-surface missile assets as well as modern electronic equipment. The MSDF air arm is an antisubmarine force with no interceptor or attack aircraft. The Air Self-Defense Force has not been integrated into an air defense scheme for Japanese surfaced ships, and there is little coordination between the two branches. The Japanese surface fleet thus is dependent on U.S. air superiority even in the seas nearest to Japan. As a result, Defense Agency officials acknowledged in 1980 that in wartime, the Maritime Self-Defense Force could protect at most only half of the 400 merchant ships per month required to supply Japan with minimum import needs. The minelaying and blockade assets of the Maritime Self-Defense Force are also limited. It has only one minelaying vessel. Most of the mines and torpedoes in Japan's arsenal are obsolete and not ready for immediate use in an emergency. Hara Toru, Director of the Defense Bureau of the Defense Agency, stated in parliament in 1980 that Japanese forces could take as long as six months to lay mines in the Tsushima, Tsugaru, and Soya straits. Hara and the Director of the Defense Agency acknowledged that Japanese naval and air forces could not prevent a hostile power from using the straits.

The Air Self-Defense Force has over 350 combat aircraft, including ten interceptor squadrons consisting of 150 F-104DJ fighters and 130 F-4EJ fighters. Both are dated, particularly the F-104s. The defense white paper for 1980 described the defense facilities for air bases as a "striking deficiency," citing in particular a lack of modern surface-to-air missile defenses and outdated radar sites. Japanese air bases would appear to have a minimum survivability in wartime, It is therefore unlikely that the Air Self-Defense Force could control the skies over Japan and adjacent waters in the face of attacks by modern Soviet MIG-27s, MIG-23s, and SU-19s, which have become the backbone of the Soviet attack fighter force in eastern Siberia. Moreover, the Air Self-Defense Force undoubtedly would have little effectiveness against the Backfire bomber.

It is generally recognized that all branches of the Self-Defense Forces suffer from shortages of ammunition, spare parts, and other logistics problems. The MSDF and ASDF have no reserves to speak of. The Self-Defense Forces have no system for integrated command and control of ground, air, and sea forces.—"Defense Burden-Sharing in the Pacific: U.S. Expectations and Japanese Responses," by Larry A. Niksch, Congressional Research Service Specialist on East Asia, in Asian Affairs, July-August, 1981.

Second, Japan has failed to honor its commitments to the common defense by refusing to devote sufficient resources to keep specific promises it made to our Government, or to back up public statements, about improving its military capabilities.

For example, in 1976, the Government of Japan said that one percent of GNP could be spent on defense under the nation's peace constitution and Government policy. Seven years later, Japan is expected to spend, at most, 0.933 percent of GNP on defense in 1982. Growth above 0.9 percent of GNP has been almost non-existent since 1976, and attainment of the one percent level seems many years away.

In 1977, the Japanese Defense Agency announced its self-defense forces would assume responsibility for the security of the sea transport routes 1,000 miles from the home is lands. In 1981, when Prime Minister Suzuki reiterated this policy after his May summit meeting with President Reagan, Japan's self-defense forces were only marginally more capable of accomplishing that mission than they were four years earlier.

In mid-1980, Japan led the U.S. Government to believe it would increase its defense spending for fiscal 1981 by 11.9 percent above fiscal 1980 levels. The final increase was only 7.6 percent (over ⅓ less).

In 1981, in addition to reaffirming the policy of defending Japan's sea lanes of communication out to 1,000 miles, Prime Minster Suzuki pledged his nation would make "even greater efforts" to improve its defense capabilities.

Yet the Japanese defense spending increase projected last December for fiscal 1982 falls far short of the amount needed to keep these promises of greater efforts and sea lane security out to 1,000 miles. So testi-

fied Deputy Defense Secretary Frank Carlucci to the Senate Armed Services Committee in February of this year.

Under the low level of Japanese defense spending projected for the next five years, Japan simply will not achieve the self-defense capabilities it has promised to meet its common defense commitments until the early 1990's.

Third, Japan's economic condition clearly enables it to increase its defense effort without overly straining its growing economy. The contention by some Japanese that economic and social welfare conditions prevent them from increasing defense contributions would only be valid if such proposed increases exceed militarily-needed and economically-supportable levels.

Such is not the present case with Japan. For instance, Japan has less than ½ our inflation rate and less than ¼ our unemployment rate. We spend over 8 times what the Japanese spend per capita on defense, although our per capita GNP is less than 1½ times theirs. At this point in the record, I would like to insert statistics comparing the strength of Japan's economy with that of our own. This information establishes that Japan's economy remains much stronger than our own.

UNITED STATES-JAPAN COMPARATIVE ECONOMIC SITUATIONS AND DEFENSE CONTRIBUTIONS

A simple comparison between U.S. and Japan economic indicators and measurements of defense contributions demonstrates convincingly that Japan has the fiscal capabilities to significantly increase its defense efforts without overburdening its economy. For example:

	1980		1981		1982	
	Japan	United States	Japan	United States	Japan	United States
Annual real growth in gross national product (percent)	5.0	−02	4.1	2	5.2	−0.9
Annual real growth in defense spending (percent)	−14.0	14.3	3.9	4.1	4.62	7.7
Percent of GNP spent on defense	0.9	5.2	0.906	5.5	0.933	5.9
Per capita GNP	$8,902	$11,786	$9,578	$13,060	$9,515	$13,986
Per capital defense spending	$84	$607	$98	$759	$93	$790
Annual inflation rate (GNP deflator) (percent)	3.1	9.0	3.6	9.2	3.0	7.4
Annual unemployment rate (percent)	2.1	7.15	2.2	7.59	2.1	8.95

The "bottom line" of these statistics is that, while the United States entered a period of economic stagnation, of little or no growth in its Gross National Product, Japan still was experiencing much larger economic growth rates. At the same time, the U.S. defense spending was proportionally much greater than Japan's.

The disparities in defense spending efforts were highlighted in a report by the Library of Congress Congressional Research Service entitled "Japan's Defense Expenditures and Policy: Recent Trends and Comparisons With the United States." The report stated:

"Considering that Japan's economy is the third largest in the world and still enjoying relatively high rates of growth. Japan appears to have the capacity to channel considerably more resources into defense."

Assistant Defense Secretary for International Security Affairs Francis J. West, Jr., summarized Japan's economic and defense potential in recent testimony to the House Foreign Affairs Subcommittee on Asian and Pacific Affairs by stating:

"If Japan should decide it is in its interest, it could with its economic vitality do significantly more for its own self-defense than any other U.S. ally in the world. Such actions would have meaningful results for Japan's own security and for the stability of the entire Free World.

There should be no question that Japan has the economic capabilities to increase its defense spending as a percentage of GNP at much greater rates than she now is doing.

Fourth, one does not have to overstate the military threat posed by the Soviet Union and its allies in the Pacific region—or understate the combined military capabilities of the United States and its allies—to reach the conclusion that the Soviet challenge is real, impressive and growing. There is a need for both our Nation and Japan to improve conventional military capabilities.

Lastly, S. Con. Res. 46 is completely consistent with the Mutual Security Treaty between our two nations, and with Japan's "peace constitution" and Government policies. It does not call for the "remilitarization" of Japan or for it to assume new defense responsibilities/capabilities which would violate its constitution or policies. There are many defense improvements Japan can make and should make without doing that and without threatening its Asian neighbors, and I shall insert them into the record at this point.

"DEFENSIVE-ORIENTED" IMPROVEMENTS TO JAPAN'S ARMED FORCES

Chief among these would be for Japan to achieve a real capability to undertake her own self-defense, as articulated by the policy statements of its own Government, during the period of the mid-1980's. This would represent an acceleration of Japan's present plans, which only envision attainment of those capabilities by the end of the decade, if then.

Such self-defense improvements include:

(1) greatly increase the logistics capabilities of the air, land and maritime self-defense forces to enable them to support and sustain themselves in combat for a period of at least several months. Specifically, missiles of all types (surface-to-air, surface-to-surface and air-to-surface, anti-submarine warfare (ASW) torpedoes, underwater mines and other conventional ammunition (artillery and small arms) need to be procured and stockpiled in much greater quantities than at present for Japan to accomplish this.

(2) procure the delivery vehicles—submarines, minelayers and C-130 aircraft—to be able to mine the three "choke points" which form the exits from the Sea of Japan to the Soviet Pacific Fleet: the Tsushima, Soya and Tsugaru Straits.

(3) develop the capability, through procurement of fleet oilers and tanker aircraft, to refuel ships and aircraft underway, and thus support sustained combat operations.

(4) develop modern, tactical command, control and communications capabilities in all the self-defense forces.

(5) expand the size of the air and maritime self-defense forces to enable them to patrol and monitor the ocean areas of Northeast Asia within 1,000 miles of the home islands. To accomplish this, Japan would need to significantly increase the size of her maritime and air self defense forces through increased procurement of escort vessels, destroyer-type ships and submarines, and maritime patrol aircraft, air force interceptors and early warning aircraft. These increases would be necessary above the programmed increases in such capabilities already contained in the 1979 Mid-Term Service Estimate for 1980-84 and in the Standard Defense Force Concept (Boei Taiko) of 1976.

(6) continue to expand its contributions annually to the operations and maintenance, and military construction, required to adequately support the U.S. armed forces stationed in and near Japan.

Japan Prime Minister Suzuki's established goals for improving the self-defense forces should be accomplished by no later than fiscal 1986, instead of by the end of the delivery period for defense purchases made in fiscal 1987, as is presently contemplated. Also, Japan should program additional improvements beyond these goals, since the international challenges to our common security have become greater since they were adopted.

Improved surface-to-air missile batteries and radars on the home islands of Japan pose no threat to other nations in the Pacific region. Nor does a Japanese capability to successfully close the Straits of the Sea of Japan with modern, effective mines threaten Japan's neighbors. Providing Japan's air, sea and ground forces with enough bullets, missiles, and fuel to fight an invading force for longer than a few days also cannot be construed as an offensive military capability.

However, all of these improvements would significantly increase Japanese and American capabilities to defend the Asian region from Soviet aggression aimed at severing the oil and trade lifelines of Japan and other Western nations or attacking Japan itself.

WHY SHOULDN'T SENATE CONCURRENT RESOLUTION 46 BE CONSIDERED UNDUE AMERICAN INTERFERENCE IN JAPANESE INTERNAL AFFAIRS?

Senate Concurrent Resolution 46 does not impose new defense responsibilities on Japan. It simply calls on the Japanese to reach a level of annual defense spending which its own Government has declared is permissible within its constitutional and policy constraints.

In May, 1981, Prime Minister Suzuki pledged in his summit meeting communique with President Reagan that Japan would make even greater efforts on behalf of the common defense than it had in the past.

At a national press club appearance after the summit, the Prime Minister stated it was his Government's policy that Japan achieve the capabilities to defend its air and sea lines of communication out to 1,000 miles from the home islands. This, too, is constitutionally permissible, he said.

Japanese experts have calculated that achieving these latter self-defense capabili-

ties could require between 1 and 2 percent of GNP being spent on defense.

Senate Concurrent Resolution 46 only urges the Japanese to begin devoting the minimum level of resources their own experts have calculated are needed to begin developing adequate self-defense capabilities. It is not a figure imposed by American experts.

A special commission established by Japan's Prime Minister in 1980 recommended an annual level of defense spending increases—20 percent each year for 5 years—which would have resulted in at least 1 percent of GNP being spent on defense. Senate Concurrent Resolution 46 only echoes this recommendation.

Senate Concurrent Resolution 46 is much more moderate in its approach—in that it urges the Japanese to do something they already have said they can do—than other U.S. Government initiatives which have not been criticized by our State Department as interference in Japan's internal affairs.

For example, late last year, the U.S. Government presented the Government of Japan with an extremely detailed list of specific changes we sought the Japanese to make in its trade barriers—in its tariff and nontariff regulations.

WHY WON'T PASSAGE OF SENATE CONCURRENT RESOLUTION 46 UPSET JAPANESE PUBLIC OPINION AND MAKE IT MORE DIFFICULT FOR THE GOVERNMENT TO WIN SUPPORT FOR PROPOSALS TO INCREASE DEFENSE SPENDING?

Japanese public opinion is more aware of the need for increased defense spending than the Government there has appeared to be recently.

For example, the most recent issue of the ruling political party's monthly newsletter, the Liberal Star of May 10, 1982, reported that a major public opinion poll late last year showed that almost half of the Japanese people believed Japan was making insufficient defense efforts.

Those answering "No" to the question "Is Japan carrying out sufficient defense efforts?" now comprise about 49.1 percent of the population, and their numbers have grown markedly since 1978, when only 27.8 percent answered "No" to this question.

Late last year, the Japanese Foreign Ministry also reported that another major public opinion poll showed that "The Japanese continue to be wary of the Soviet Union." "A high 84 percent, unchanged from last year, did not express friendship toward the Russians," the Foreign Ministry reported.

Former American Ambassador to Japan U. Alexis Johnson recently testified to a House Foreign Affairs Subcommittee that the influence of the traditionally antidefense opposition political parties in Japan is on the wane.

From this evidence, one could suggest that public attitudes toward increased Japanese defense spending are changing in a positive direction in Japan, and that more support for actions such as that urged in Senate Concurrent Resolution 46 actually exists than some Government spokesmen contend.

The consensus for increased defense spending already has grown substantially, and the leaders ought to pay more attention to those they are leading in this regard, since the latter seem to be more, not less, supportive.

WHY SHOULD CONGRESS PASS SENATE CONCURRENT RESOLUTION 46 AS OPPOSED TO THE OTHER LEGISLATIVE PROPOSALS DEALING WITH JAPANESE DEFENSE EFFORTS?

Senate Concurrent Resolution 46 avoids many of the complications which might interfere with passage of the other proposals or which might make them more vulnerable to Japanese criticism and rejection, especially by the Japanese public.

Passage of Senate Concurrent Resolution 46 would represent a steady and consistent Japanese contribution to the common defense. However, since it calls on the Japanese to do what they say they can do, as opposed to suggesting to them military missions which might be construed as violating Government policy or the peace constitution, Senate Concurrent Resolution 46 is a relatively moderate formulation.

Passage of Senate Concurrent Resolution 46 would represent a significant step without "going too far" at the present time.

Senate Concurrent Resolution 46 avoids the complexities and potential "double-edged" risks which could accompany any effort to renegotiate the United States-Japan security treaty, as suggested by Senator Helms. For example, such a renegotiation would give the Japanese the opportunity to seek concessions from the United States, as well as affording the United States the chance to obtain larger defense contributions from Japan.

Larger defense contributions from Japan can be accommodated within the existing treaty framework. We do not need to run those risks.

Senate Concurrent Resolution 46 is completely consistent with the existing treaty.

Senate Concurrent Resolution 46 does not urge the Japanese to undertake expanded military missions far from the home island which could be construed by the Japanese public as well as other Asian nations as assumption of a more offensive orientation for Japan's forces. This could pose constitutional, political, and diplomatic problems for Japan and create and antidefense backlash in that country.

House Concurrent Resolution 172, which urges Japan to expand its maritime patrol activities toward the Persian Gulf poses these problems. Senate Concurrent Resolution 46 is consistent with Japan's constitution and "self-defense" policies.

Senate Concurrent Resolution 46 avoids causing Japanese domestic political problems, and an antidefense backlash, which could result from attempts by the United States to negotiate a "security tax" of 2 percent of GNP from Japan, as called for in House Concurrent Resolution 210. Japanese resentment of any American attempt to levy a security tax on their own, independent nation, could be significant.

FINAL WORDS FROM THE ADMINISTRATION OF JAPANESE DEFENSE SPENDING

"The rationale for Japanese defense increases contained in Senate Concurrent Resolution 46 is completely reasonable. . . ."—Deputy Secretary of Defense Frank Carlucci to Senator Levin in response for record at full Senate Armed Services Committee hearing on fiscal year 1983 defense budget, February 8, 1982.

"We fully understand the concerns reflected in Senator Levin's Senate Concurrent Resolution 46. There can be no doubt that Japan is capable of an expanded defense effort. We agree that neither has its performance measured up to its economic and industrial capabilities nor matched the requirements of the current international situation.

"In our discussions we stress that, within recognized constitutional and policy constraints, we want Japan to strengthen substantially its capabilities (especially air defense and protection of its northwest Pacific sealanes) and to increase its financial support of U.S. Forces in Japan. Other than the specific mention of a 1-percent-of-GNP figure, the draft resolution language is consistent with this approach." State Department letter on Senate Concurrent Resolution 46 to Foreign Relations Committee Chairman, Senator Charles H. Percy, February 10, 1982.

"We hope the Congress and this committee will participate and play a significant role in convincing Japanese leaders of the wisdom of substantive United States-Japan defense cooperation."—Assistant Secretary of Defense (Int. Sec. Affairs) Francis J. West, Jr. to House Foreign Affairs Asia Subcommittee, March 1, 1982.

"Support of the Congress for increased allied defense efforts to promote more effective defense capability would be welcome."—Deputy Secretary of Defense Carlucci (same as above).

"Given the increasing Soviet threat to our common interests, it is essential that we, our allies, and our friends transmit an unremitting signal of resolve to protect these interests for so long as they continue to be threatened."—Undersecretary of State Walter J. Stoessel, Jr., at Foreign Relations Committee at hearing last week on East-West strategic competition in Asia, February 10, 1982.

Senate Concurrent Resolution 46 simply calls on the Japanese to keep their defense commitments. As such, it does not represent interference in Japan's internal affairs, since it echoes the statements and commitments made by Japan's own Government.

The administration testified before our Armed Services Committee that "The rationale for Japanese defense increases contained in Senate Concurrent Resolution 46 is completely reasonable," and that congressional support for its efforts to secure such increases "would be welcome." Passage of Senate Concurrent Resolution 46 would provide such support and send a clear message to the Japanese that the American people are fed up with their feeble, less than 1 percent GNP defense effort, and that the American people are determined to do what they can to see to it that Japan fulfills its responsibilities to our mutual security.●

PRIME MINISTER SUZUKI'S PACIFIC BASIN SPEECH

● Mr. GLENN. Mr. President, I wish to call the attention of the Senate to a recent speech by Japanese Prime Minister Zenko Suzuki presented at the East-West Center in Hawaii entitled "The Coming of the Pacific Age." In this speech Prime Minister Suzuki calls for close cooperation among Pacific Basin nations and predicts the beginning of a "Pacific Age" of progress. I commend his thoughtful analysis and urge each of my colleagues to read the speech in its entirety.

Prime Minister Suzuki joins his predecessor, the late Prime Minister Masayoshi Ohira, and others in advocating greater Pacific Basin coopera-

tion. He also endorses the work of the Pacific Basin Economic Council, an organization comprised mainly of business leaders who have been actively working for the past few years to consolidate Pacific solidarity. The United States should join hands with Japan, ASEAN, Australia, New Zealand, and others to see that we make use of every opportunity to promote this worthy objective.

I have long argued that bilateral relations alone are an insufficient means of dealing with certain Asian problems. And in this regard, Prime Minister Suzuki's public support for the concept of a Pacific community is a welcome development. His endorsement moves us closer to achieving the many potential benefits that can be realized from an association of Pacific community nations.

One of the most formidable problems confronting those who advocate the Pacific community concept is that they tend to focus exclusively on economic issues. These remain vitally important, particularly for the United States, which has seen its trade with East Asia exceed its European trade in all but one of the last 5 years. If the Pacific community idea is to become a reality, however, it must go beyond economics. Therefore, I was pleased to find that the Prime Minister shares this view by indicating that, "* * * cooperation should not be limited to the economic sphere, but should also include cultural, academic, and other areas."

In my view the "other areas" pose the greatest challenge. The Pacific nations, acting as a community need to address a broad range of politico-military issues that confront us today and will continue to do so in the decade ahead. Annual or even semiannual conferences could be convened to discuss these topics. Academics and representatives from the business sector could be encouraged to participate, but government sponsorship would be necessary to produce results.

Mr. President, let me close by quoting Prime Minister Suzuki, who lays out masterfully the challenge for all us in the Pacific community as we embark on our journey to the year 2000:

Now is the time for us to embark into the Pacific Age on a course set for the 21st century. Our sails billow in the wind: a full tide is running. Steering toward a grand future, and riding the same ship, we are full of the courageous spirit.

Shall we not join in this great endeavor of the century? Let us build a record of accomplishments for our nations and the Pacific region that will live in the annals of world history.

This is an important speech, Mr. President. I recommend it highly to my colleagues, and request that it be printed in the RECORD.

The speech follows:

THE COMING OF THE PACIFIC AGE, ZENKO SUZUKI, THE PRIME MINISTER OF JAPAN

INTRODUCTION

I am greatly honored to have been given this opportunity to address such distinguished leaders from various sectors, here at the East-West Center, an institution known for its unique research accomplishments.

Hawaii is my last stop in what has been a rather long journey that began with my departure from Tokyo on June 3rd. On this trip I participated in the Versailles Summit and the Second United Nations Special Session on Disarmament in New York. Following these events I traveled to Latin America, where I visited Peru and Brazil.

At Versailles, I had frank and friendly discussions with the leaders of the industrial democracies on how best to reconstruct the greatly troubled world economy. I called on all the countries to work hard in cooperation to revitalize the world economy and to preserve and strengthen the free trade system.

In New York, I stressed the urgency of promoting effective disarmament, beginning with nuclear disarmament, and I called on the world to divert the resources gained as a result of disarmament to the development of the world economy in the spirit of mutual assistance. I also stressed the urgent need to strengthen and reinforce the United Nations' peace-keeping functions.

In Latin America, I witnessed first hand the strenuous efforts to build their economies at a time of world economic difficulty. My visit to Latin America brought home to me the importance of deepening the relations of mutually beneficial cooperation between the advanced industrial nations and the developing nations.

Through my journey, I have gained a renewed awareness that the nations of the world are making devoted efforts to battle adversity and danger in pursuit of a peace and prosperity that can last long into the future. I arrived here today with my mind full of the harsh realities that confront us, the human race.

Here in Hawaii, the whitecapped waves of the Pacific I have known since childhood charge against the sand! The sea breezes bear the tang of the ocean. These brilliant sunlit scenes leave my heart cleansed whenever I encounter them. Yet especially today, they strike me as a glittering symbol of a great future we must reach for by cutting through these troubled times.

It is with this feeling that I should like to turn to the heart of my speech today, "the Coming of the Pacific Age."

THE COMING OF THE PACIFIC AGE

Looking back on the history of the Pacific region, we find various traces of the great migrations of our ancestors in the distant past, as they entrusted themselves to the winds and the ocean currents to cross the rough waters. In regions widely separated by the reaches of the ocean, there are not a few languages, dwelling, tools, folklore and legends that share a common origin. In that sense, we might say that the peoples of this region already have a basis for sharing a sense of affinity—a sense that can be called a "heart-to-heart communication."

Yet, at the same time, it is true that in ages past this vast Pacific also hindered free exchange among us. In every corner of the Pacific we find that peoples differing completely in language, religion and ways of life have independently created the distinct cultures in keeping with their own environment. Even after humankind began to cross the ocean on the transportation systems created by modern civilization, the countries of this region remained "distant lands" to each other.

However, with the recent remarkable progress in transport and communications, made possible by modern advances in science and technology, people now cross the Pacific by jet in about ten hours. Communications satellites allow people to converse instantaneously over great distances, while larger container ships transport huge cargoes across the ocean in a few weeks. Isolation by distance has indeed become a thing of the past, and as a result, the peoples of the Pacific, always rich in enterprise, have unleashed a flood of exchanges. Despite their political, economic and cultural diversity, the pacific nations are deepening their mutual interdependence and understanding at an ever-acceleration rate.

We are today standing at a historic crossroad, a moment in history when the many civilizations encounter each other and come together in this Pacific region. We are witnessing the birth of a civilization fertile with the vitality that nurtures ideas and creativity, precisely because it is so rich in diverstity. This is the beginning of the Pacific Age, an age that will open the doors of the 21st century.

In this vast region, joined by an ocean that covers some 50 percent of the ocean surface of the planet, there are bountiful human resources. The gross national product of the Pacific region now constitutes a considerable share of global GNP, and the region is blessed with abundant food and natural resources. Today, even the Pacific Ocean itself has come to be seen as an inexhaustible treasure trove of resources. The Pacific region, among all, is displaying the most dynamic growth on earth.

These facts suggest the great future potential of the Pacific region. It is no exaggeration to say that our success or failure in making these possibilities real will shape the future of development, not only in this region, but also throughout the entire world.

THE PRINCIPLES PROMOTING PACIFIC SOLIDARITY

If the tremendous potential of the Pacific is to be given full rein and the region's accomplishments are to be made even more solid, nothing can be more important than that the countries of the region join together in cooperation.

The nations of the Pacific need to make efforts, based on an awareness of the coming of the Pacific Age, to raise today's incipient cooperation into regional solidarity.

I believe that the principles to bring about this solidarity are the following five:

First, the Pacific must be, as its name implies, an "Ocean of Peace." Peace is the foundation of the continuing existence and prosperity of every people. We must cooperate and redouble our efforts to maintain peace.

Second, the Pacific must be an "Ocean of Freedom." It is the free exchange of people and goods that will accomplish the development of this region. We must be vigilant against any developments that would hamper this free exchange.

Third, the Pacific is an "Ocean of diversity." It is essential for us to cultivate a spirit that respects and accepts the originality and independent initiative of every Pacific nation.

Fourth, the Pacific must be an "Ocean of Mutual Benefits." We must actively use every means at our disposal, be they political, economic or cultural, to increase our mutual interdependence and understanding, and thereby work for the development of all Pacific nations.

And fifth and last, the Pacific should be an "Open Ocean." Just as the waters of the Pacific connect with the waters of every other ocean, so must our circle of solidarity be linked with every other region of the globe.

These five principles express the character of the vast blue ocean which extends before us. It is my firm belief that the peoples of this region, considering their long familiarity with the ocean and the natural affinities born of common origins, can cooperate on the basis of these principles for the advance of the great Pacific Age.

AN OCEAN OF PEACE

Let me speak first of the Pacific as an Ocean of Peace.

It is said that he who loves the ocean loves peace. There can be no doubt that the peoples of the Pacific all desire to create a region free from war and conflict. This region has gone through trials in the past, yet today peace and stability are maintained in the Pacific through the efforts of all the people of the Pacific.

When we speak of maintaining peace and stability in the region, we cannot forget the important role the United States has played as a Pacific nation in the political, economic and security spheres. I should also mention that Japan has come to be an important stabilizing power in the region, growing as an advanced democracy and building an unshakable relationship with the United States. The cooperation of the advanced democracies of the region—Canada, Australia and New Zealand as well as Japan and the United States—the strengthened solidarity of the ASEAN nations, the steady growth of the Republic of Korea, and China's pursuance of a moderate foreign policy path, these have been, among others, major contributory factors to the peace and prosperity of this region.

Yet regrettably there are factors that bring tensions to this region.

It is a matter of especially serious concern to us that the Soviet Union has continued to build up its military forces in Asia and the Far East in recent years. In Japan, the Soviet military build-up on the Northern Territories, the inherent sovereign territory of our nation, and the increased activities of Soviet forces in the waters around Japan, have heightened the apprehensions of our people. If the Soviet Union similarly desires to contribute to the peace and stability of the region, I would call upon the Soviet Union to demonstrate it by concrete actions.

Meanwhile, the conflicts on the Indochinese Peninsula and the continuing confrontation between North and South on the Korean Peninsula remain as causes of tension. I hope for the early and peaceful resolution of the conflicts and for the easing of the confrontation. We Japanese are ready to contribute to these ends, in any way we can, in cooperation with the countries concerned.

AN OCEAN OF FREEDOM

The second principle I cited was that the Pacific be an Ocean of freedom. Here I would particularly like to stress that free exchange among nations should be assured if the vitality and dynamism of the Pacific Basin economy are to be strengthened further in the future. Protectionist tendencies have begun to emerge in various parts of the world that are suffering domestic economic slump in the aftermath of the oil crisis. We cannot overlook the fact that similar protectionist tendencies are beginning to be felt also in this region.

I believe, first, that it is necessary to encourage the exchange of people and goods in the Pacific region, seeking to promote technology transfers and investment, to upgrade industry, and to strengthen the economic foundations. If by these means we can achieve energetic development in all our countries, we will be contributing not only to the prosperity of the region, but also to the revitalization of the world economy as a whole.

We in Japan have already introduced a series of measures to open our market wider as a contribution to revitalizing the world economy. Japan intends to continue to make contributions, commensurate with its ability, toward this end.

AN OCEAN OF DIVERSITY

Third is the principle of diversity.

There are all manner of races, languages and religions in the Pacific basin: there are peoples gathered in this region who possess distinct lifestyles and customs. Truly, the interplay of this rich diversity is the wellspring of the region's vitality and fertile creativity. Continuity of the dynamic life of the region requires that we guarantee the flourishing of this diversity.

There are times when diverse values invite misconceptions and hamper mutual understanding. Yet we should work to bridge these pitfalls, seeking instead to deepen our mutual understanding, and striving to lay secure foundations for our regional solidarity.

I also believe it desirable that the existing intra-regional organizations in the Pacific, formed through their own initiatives, be further developed.

By strengthening their interdependence and mutual trust, the ASEAN nations have taken on the challenge of achieving independent political stability and self-reliance, and have successfully created a resilient framework for cooperation among themselves. I have the highest praise for their success. Last year I visited the ASEAN countries, and was impressed by the nation-building enthusiasm of the leaders and peoples of these countries. They are rich in the spirit of self-help. It is of the greatest significance to the development of the entire Pacific region that the ASEAN nations further strengthen their solidarity, walking the road of independent development as an important nucleus of this region.

The island nations in the Pacific have already achieved or are now in the process of achieving their independence. Despite their tiny populations, their limited land mass and their distance from foreign markets, these countries have chosen the democratic form of government, and are strengthening dialogue and cooperation through such organizations as the South Pacific Forum. I find their wholehearted devotion to nation-building of great interest.

Various movements toward regional integration in Latin America, bordering the Eastern Pacific, are their response to the new era and are also worthy of our attention.

AN OCEAN OF MUTUAL BENEFITS

The fourth principle is that of mutual benefits.

Cooperation in the Pacific region must, under any condition, not be for the benefit of only one party, but for the mutual good of all concerned. Moreover, such cooperation should not be limited to the economic sphere, but should also include cultural, academic and other areas.

There is probably no need here to point again to the development of mutually beneficial economic interdependence in the region. The fact that many Pacific nations conduct more than half their trade within the region speaks clearly of this progress. We in Japan also intend to continue our vigorous efforts to expand our economic relations with Pacific countries.

Moreover, the Japanese government is directing approximately half its Official Development Assistance to nations of the Pacific in order to assist their economic and social development, and to help bring greater stability to the lives of their peoples. In the years ahead we will continue to emphasize economic aid to the Pacific region. In particular, we plan to extend our aid in the fields of technology transfers and human-resource development to meet the needs and special conditions of the developing nations while respecting their diversity.

Japan also hopes, as an advanced technological nation, that science and technology—the common heritage of all humankind—will be utilized to further the economic development and welfare of the region. To this end, we will work to promote scientific and technological cooperation at every level with other Pacific nations.

At the same time, broader cultural exchanges among the nations of the Pacific are vital to deepen our mutual understanding, and to enrich our respective cultures. In this connection, I believe it especially important to promote the exchange of youth, since the future of the Pacific Age will fall on their shoulders. One good example of this type of project is the "Working Holiday" system established between Japan and Australia. Under this arrangement young people from each country are issued tourist visas with labor permit, so they may travel around the other countries as they work. Japan wishes to further encourage the exchange of people at all levels.

AN OPEN OCEAN

Finally, I should like to comment on the fifth principle, that the solidarity of the Pacific be an open relationship.

The failures of the concept of closed blocs of nations in the past are still fresh in our memories: these blocs have led to economic decline on the one hand, and have opened the path to war on the other. Pacific solidarity must lead to world peace and prosperity through achieving regional development. Metaphorically speaking, it is like the ocean currents that surge around the Pacific Ocean, pulling together the nations of the region by centripetal force, while at the same time transmitting this energy outward into connecting oceans through centrifugal force.

Today, when all nations on this planet are bound together in close, mutually interdependent relationships, there is no other way to bring about global peace and prosperity except through promoting cooperative relationships predicated on the diversity of nations. In this sense, I believe the concept of Pacific solidarity can serve as a model for global cooperation.

PROSPECTS FOR THE 21ST CENTURY

I am well aware that many leading thinkers from the Pacific region are searching for the forms Pacific solidarity should take in a

long-term perspective, looking toward the 21st century.

The late Prime Minister Masayoshi Ohira, my predecessor and my colleague through many long years in politics, was a firm advocate of Pacific Basin Cooperation. His advocacy was one of the major factors stimulating the interest and activities of this region.

The Pacific Basin Economic Council, an organization comprised mainly of business leaders, has been actively working on this issue, and I am much impressed by the steady progress they are making. A number of research studies have been carried out, and a series of international seminars have been held in recent years by those in the private sector interested in this problem. These are signs of steadily growing interest in the issue of Pacific Cooperation.

Early this month, a seminar on Pacific cooperation was held in Bangkok. This was the second, following the seminar held in Canberra in 1980. I understand that, at the seminar, the need for Pacific cooperation was stressed and an agreement was reached on matters relating to future acitivities for promoting Pacific cooperation. I find the achievements of the seminar to be significant as they constitute a constructive step toward our common goal of consolidating Pacific Solidarity.

I am confident that if this kind of initiative and vitality on the part of the private sector results in the creation of greater widsom, and if the nations of the region use this new wisdom as the basis for continued assiduous efforts, then we will definitely see the way open to Pacific Solidarity.

In 1961, the year after the founding of the East-West Center, then U.S. Vice President Lyndon Johnson had this to say about the Center:

"The East-West Center is here to serve the world. To this Center we shall bring the wise men of the west and we shall invite the wise men of the east. From them we shall hope that many generations of young scholars will learn the wisdom of the two worlds, united here, and to use that wisdom for the purposes and the ends of mankind's highest aspirations for peace and justice and freedom."

These words do not differ from the spirit of Pacific Solidarity that I have been advocating here today. The East-West Center has been established in Hawaii, a place well suited to that mission. These islands are not merely in the center of the Pacific Ocean, at mid-point among the American and Asian continents and the nations of Oceania. Here also, people who came from the lands clustering around the Pacific have built hand in hand a vibrant community with a dynamism born of ethnic diversity. It is no exaggeration to say that Hawaiian society is itself symbolic of the future of Pacific solidarity.

Now is the time for us to embark into the Pacific Age on a course set for the 21st century. Our sails billow in the wind: a full tide is running. Steering toward a grand future, and riding the same ship, we are full of the courageous spirit.

Shall we not join in this great endeavor of the century? Let us build a record of accomplishments for our nations and the Pacific region that will live in the annals of world history.

Thank you.●

PRESIDENT REAGAN'S CARIBBEAN BASIN INITIATIVE: THE JAMAICAN EXAMPLE

● Mr. DOLE. Mr. President, a week ago I enjoyed once again the honor of meeting with Prime Minister Edward P. G. Seaga of Jamaica. Senators DURENBERGER, WALLOP, BYRD, and MATSUNAGA joined us in discussing a number of issues concerning Jamaica, the Caribbean Basin generally, and U.S. relations with our southern neighbors. As always, Prime Minister Seaga evinced the unusual breadth of knowledge and vision that establish him as one of the developing countries'—and entire free world's—most respected leaders.

Since Mr. Seaga assumed office in October 1980, the Jamaican economy has staged a remarkable turnaround. For 7 years years under his predecessor, Jamaica suffered total negative real economic growth of 19.8 percent; it had been a positive 18.7 percent for 1970–73. In Mr. Seaga's first year, real economic growth returned to the positive side of the ledger, posting a 1.8-percent growth rate. This rate is expected to grow to 4 percent this year.

Other indicators reflect Jamaica's revitalized economy. The inflation rate was 4.6 percent in 1981, after a yearly average of 22.9 percent from 1973 through 1980. Construction grew 4.1 percent in 1981, after diminishing an average 9.6 percent in each year of the administration preceding Mr. Seaga's. Tourism is up; unemployment and crime are down. The rate of capital formation quadrupled in 1981 over the 1973–80 average, and approximately 500 new private investment proposals—potentially worth about $1.5 billion—are in the works.

The success of Mr. Seaga's economic recovery program enabled Jamaica in March to prepay fully all arrearages in debt payment on current account transactons. Under an accord reached in March 1981 with the International Monetary Fund, Jamaica had until December 1982 to satisfy these arrearages. The 9 months early prepayment dramatically demonstrates the Prime Minister's leadership and the soundness of his program.

THE ESSENTIAL ROLE OF THE FREE MARKET IN DEVELOPMENT

Mr. President, I offer these data to the Members in order first to illustrate the essential role of the private sector in Third World development, and second, to show the fundamental soundness of President Reagan's Caribbean Basin Initiative (CBI). That program integrates trade, aid, and investment incentives specifically to provide the economic milieu in which the private sector will thrive. The indigenous skills, industry, and entrepreneurial talent of the Caribbean peoples—as evidenced by the Jamaican example—will fuel the development sparked by the CBI. Like the President, I firmly believe that only free market policies will lead to sustained growth in this region, and indeed, throughout the developing world.

From the perspectives of both donor and beneficiary nations, development aid policy embodies multidimensional aspects. Particularly in developing nations, economic growth and political stability are closely linked; democratic traditions and institutions in turn will not easily flourish absent either one. Altruism may serve in part as a basis for U.S. commitments to multilateral or bilateral aid programs, but it is the fostering of stability and democracy throughout the world that provide our most tangible return. In the Caribbean Basin, enhanced security of vital sealanes, reduction of illegal immigration flows, and development of export markets would be additional direct benefits of the CBI. Thus, both the United States and the CBI's potential beneficiaries have essential interests in the program's success. Private sector development is the key to that success.

THE CBI—AN ESSENTIAL PROGRAM TO MEET A HISTORIC OPPORTUNITY

In a recent Washington Post column, international economist Gustav Ramis of Yale University stated well the need for a "credible, nonpaternalistic framework" for facilitating economic reform and development in developing countries. He said in part:

> Receipt of an annual aid allocation is clearly not a country's birthright to be extended automatically, just because it is poor and we are rich; at times the effective use of aid, in fact, means the courage to be passive and bankerlike vis-a-vis some developing countries for some years on end. But it also means that we must be able to respond when and if such countries do come forward with a package of policy changes that make sense and ask our help in cushioning the inevitable pain of getting from here to there.

By offering market incentives in the form of trade, tax, and other measures, and by extending aid to ease the transition to stable, competitive economies, the CBI demonstrates that this administration is able to respond positively to vital needs—and opportunities.

Prime Minister Seaga echoed this theme in our discussion. He pointed out that 20 of the Caribbean Basin countries could fit within the boundaries of the King Ranch in Texas—the CBI, even if successful beyond all expectations, simply cannot engender economic machines that will threaten any domestic economic interest. But by adopting appropriate free-market programs, and with the CBI's aid and market incentives, these small beneficiary nations are capable of significant self-improvement. Neither Jamaica nor any of the other beneficiaries claim the benefits of the CBI as a matter of right; the success of Jamaica

shows that it is a program of great mutual interest.

I cannot articulate better than Prime Minister Seaga the singular opportunity afforded by the CBI to advance our own high aspirations and those of our neighbors in need. He recently wrote me that—

It is to be hoped, therefore, that the present difficulties will not colour the deliberations on the most far-reaching proposals yet conceived to breathe economic life into the stagnancy of the Caribbean. I commend the President and the Congress for taking such bold steps at this time in particular and I am certain that the American people, once past their temporary difficulties, will hail these proposals as far-reaching in impact in the stabilization and prosperity of neighbouring economies.

It may be said with justification that if such small economies in the shadow of the world's greatest economic power cannot prosper despite compatible systems where else may hope exist for the economic model so magnificently developed and portrayed by the United States to be advanced with success?

Mr. President, for these reasons I intend to take up S. 2237, the implementing legislation for the CBI, as soon as Finance Committee business permits. I invite my colleagues to join me in support of this essential, constructive program for peace and economic growth.●

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have a few items that I am prepared to submit for the consideration of the minority, which I believe have been cleared by the distinguished minority leader, and I will state them for his consideration and that of other Senators.

ORDER FOR H.R. 6198 TO BE HELD AT THE DESK

Mr. BAKER. Mr. President, I ask unanimous consent that H.R. 6198, an act to amend the manufacturing clause of the copyright law, be held at the desk until the close of business on Wednesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF AVIATION INSURANCE PROGRAM

Mr. BAKER. Mr. President, I ask unanimous consent that in the engrossment of Senate unprinted amendment 1038 to H.R. 5930, the following amendment be substituted, and I send the amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes an unprinted amendment numbered 1038.

The amendment is as follows:

Strike all after the enacting clause and substitute the following:

That the last sentence of section 303(b)(1) of the Independent Safety Board Act of 1974 (49 U.S.C. 1902(b)(1)) is amended to read as follows: "The President shall appoint individuals to be members of the Board upon the basis of technical qualification, professional standing, and demonstrated knowledge in the fields of accident reconstruction, safety engineering, human factors, transportation safety, or transportation regulation."

SEC. 2. Section 306 of the Independent Safety Board Act of 1974 (48 U.S.C. 1905) is amended in subsection (a) by striking "pursuant to subsection (b)" and substituting "pursuant to subsection (b) or (c)" and by adding at the end thereof the following new subsection:

"(c) COCKPIT VOICE RECORDER.—Notwithstanding any other provision of law, the Board shall withhold from public disclosure cockpit voice recorder recordings and transcriptions, in whole or in part, of oral communications by and between flight crew members and ground stations, that are associated with accidents or incidents investigated by the Board: *Provided,* That portions of a transcription of such oral communications which the Board deems relevant and pertinent to the accident or incident shall be made available to the public by the Board at the time of the Board's public hearing, and in no event later than 60 days following the accident or incidents: *And provided further,* That nothing in this section shall restrict the Board at any time from referring to cockpit voice recorder information in making safety recommendations.

SEC. 3. Section 1312 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1542), is amended by striking "1982" and inserting in lieu thereof "1987".

SEC. 4. (a) Section 1601(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1551(a)) is amended by striking paragraph (3) and redesignating paragraph (4), and all cross references thereto, as paragraph (3).

(b) Section 1601(b)(1)(C) of such Act (49 U.S.C. 1551(b)(1)(C)) is amended by striking "(relating to foreign air transportation)".

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate? Business is being transacted. The majority leader is speaking.

MODIFICATION OF EXISTING BUFFALO BILL DAM AND RESERVOIR

Mr. BAKER. Mr. President, there is one other item of business that I believe is cleared for action on both sides. I invite the attention of the minority leader to the calendar for today—specifically, Calendar No. 602, S. 1409, a bill to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir.

Mr. ROBERT C. BYRD. Mr. President, that bill has been cleared on this side.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 602, S. 1409.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1409) to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, line 5, strike "River";

On page 2, line 20, strike "River";

On page 3, line 15, strike "River";

On page 3, line 17, strike "irrigation supplies", and insert the following: "and irrigation water supplies exclusive of State participation pursuant to section 7";

On page 4, line 11, strike "River";

On page 4, line 23, beginning with "(a)", strike through and including "area." on page 5, line 4, and insert the following: "(a) There is hereby authorized to be appropriated beginning October 1, 1982, for construction of the Buffalo Bill Dam and Reservior modifications the sum of $106,700,000 (October 1982 price levels) plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein and, in addition thereto, such sums as may be required for operation, maintenance, and replacement of the works of said modifications: *Provided,* That, such sums authorized to be appropriated for construction, operation, maintenance, and replacement shall be reduced by the amounts contributed to the project under the provisions of section 7 of this Act."

On page 5, line 18, after "appropriated", insert "beginning October 1, 1982"; and

On page 5, strike line 24, through the end of the bill, and insert the following:

"SEC. 7. The Secretary of the Interior is authorized to enter into contracts with the State of Wyoming, upon such terms and conditions as he deems necessary, for the division of additional water impounded by the modifications, the sharing of revenues from the modifications, and the sharing of the costs of construction, operation, maintenance, and replacement of the Buffalo Bill Dam and Resevoir modifications."

So as to make the bill read:

S. 1409

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Acts of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto), is hereby authorized to construct, operate, and maintain modifications to the Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, for the purposes of providing approximately seventy-four thousand acre-feet of additional water annually for irrigation, municipal and industrial use, increased hydroelectric power generation, outdoor recreation, fish and wildlife conservation and development, environmental quality, and

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other purposes. The principal modifications to the Buffalo Bill Dam and Reservoir shall include raising the height of the existing Buffalo Bill Dam by twenty-five feet, enlarging the capacity of the existing Buffalo Bill Reservoir by approximately two hundred and seventy-one thousand acre-feet, replacing the existing Shoshone Powerplant, enlarging a spillway, construction of a visitor's center, dikes and impoundments, and necessary facilities to effect the aforesaid purposes of the modifications. These modifications are hereby authorized as part of the Pick-Sloan Missouri Basin program: *Provided,* That the powerplant authorized by this section shall be designed, constructed, and operated in such a manner as to not limit, restrict, or alter the release of water from any existing reservoir, impoundment, or canal adverse to the satisfaction of valid existing water rights or water delivery to the holder of any valid water service contract.

SEC. 2. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the modification of Buffalo Bill Dam and Reservoir shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 3. The modifications of the Buffalo Bill Dam and Reservoir shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented. Revenues for the return of costs allocated to power shall be determined by power rate and repayment analysis of the Pick-Sloan Missouri Basin program. Repayment contracts for the return of costs allocated to municipal and industrial water and irrigation water supplies exclusive of State participation pursuant to section 7 shall be negotiated under provisions of the Reclamation Project Act of 1939 (53 Stat. 1198) or the Water Supply Act of 1958 (72 Stat. 320), as amended, and shall be prerequisite to the initiation of construction of facilities for this purpose. Costs allocated to environmental quality shall be nonreimbursable and nonreturnable under Federal reclamation law.

SEC. 4. (a) The Secretary of Energy is authorized to construct, operate, and maintain transmission interconnections as required physically to interconnect the hydroelectric powerplant authorized by this Act to existing power systems as he determines necessary to accomplish distribution and marketing of the power generated.

(b) Hydroelectric power generated by the facility constructed pursuant to this Act shall be delivered to the Secretary of Energy for distribution and marketing. Such facility shall be financially integrated with the Western Division, Pick-Sloan Missouri Basin program power system and the power marketed under rate schedules in effect for such system.

SEC. 5. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the Buffalo Bill Dam and Reservoir modifications shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the unit is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 6. (a) There is hereby authorized to be appropriated beginning October 1, 1982, for construction of the Buffalo Bill Dam and Reservior modifications the sum of $106,700,000 (October 1982 price levels) plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein and, in addition thereto, such sums as may be required for operation, maintenance, and replacement of the works of said modifications: *Provided,* That, such sums authorized to be appropriated for construction, operation, maintenance, and replacement shall be reduced by the amounts contributed to the project under the provisions of section 7 of this Act.

(b) There is also authorized to be appropriated beginning October 1, 1982, such sums as may be required by the Secretary of Energy to accomplish interconnection of the powerplant authorized by this Act, together with such sums as may be required for operation and maintenance of the works authorized by section 4(a).

SEC. 7. The Secretary of the Interior is authorized to enter into contracts with the State of Wyoming, upon such terms and conditions as he deems necessary, for the division of additional water impounded by the modifications, the sharing of revenues from the modifications, and the sharing of the costs of construction, operation, maintenance, and replacement of the Buffalo Bill Dam and Reservoir modifications.

Mr. WALLOP. Mr. President, I am pleased that today the Senate is considering S. 1409, so that it can proceed to the House for its consideration and concurrence.

This bill is a first in that it calls for cooperative funding between the State of Wyoming and the Bureau of Reclamation. As you know, this proposal has been on the drawing board for several years, but it was ignored by the previous administration. It has been through the dedicated efforts of many people that this bill is ready to pass. It is my hope that the House will move it rapidly so this precedent-setting project can begin.

I especially would like to thank the officials of the Department of the Interior and the State of Wyoming, whose committed efforts have resulted in this bill. It represents the beginning of a new stage of water development in the West and in the United States, and it has been my pleasure to have worked with these people.

Mr. SIMPSON. Mr. President, I rise in strong support of S. 1409. I am very proud to be a cosponsor—along with my good friend and colleague from Wyoming, Senator MALCOM WALLOP—of this legislation which I believe will mark a "watershed" in this Nation's reclamation policy.

I am, of course, pleased to have the Senate move to the consideration of this bill, which will authorize an increase in the capacity—and thus the many and varied uses—of this important reclamation facility which is located near my own hometown of Cody, Wyo. Buffalo Bill Dam and Reservoir is one of the earliest reclamation projects. For over half a century it has stood as a monument to the commitment of this Nation of assisting the water-scarce regions of this country to achieve a more efficient and more productive use of their limited water resources. With the passage of this legislation, Buffalo Bill Dam could become an even greater symbol of a renewed spirit of Federal-State cooperation in this vital endeavor.

Mr. President, this bill—as it is now presented to the Senate, is the product of a remarkable process in which the citizens of Wyoming have fully recognized the national implications of reclamation policy. It is clear to all that our Nation is going through a severe economic distress—an extraordinary situation requiring extraordinary responses. It is also clear to those of us in the West that one of those responses will—in all probability—likely include a significant reduction in the historical Federal role in financing reclamation projects.

It is to the credit of the people of Wyoming that their response was not to just lobby for more and more reclamation dollars—not to simply say, "cut that fellow's program but leave mine alone." Instead, the response was to make a strong commitment to a joint Federal and State effort to continue to harness Wyoming's limited water resources. This cooperative venture was based on the entirely accurate realization that any State participation will assist in stretching the limited Federal dollars that are going to be available. Wyoming's Governor has proposed—and the State legislature has approved—a massive State program directed toward the development of Wyoming's water resources.

Included in this program is a directive to seek out an agreement with the Federal Government that would allow the State of Wyoming to share in the costs—and benefits—of projects such as the enlargement of the Buffalo Bill Dam. This same new legislation sets aside $47 million for the Buffalo Bill project alone. That is the breakthrough in State/Federal cooperative efforts that is so historic and so important.

Mr. President, I firmly believe that this legislative pledge by the State of Wyoming is just the sort of positive action that should be encouraged. The bill currently before the Senate would authorize the Secretary of the Interior to negotiate a Federal/State cooperative agreement for the modifications to Buffalo Bill Dam and Reservoir. Such an agreement will certainly serve as a model for many more such efforts. It is the way to do it.

I commend the Committee on Energy and Natural Resources for its prompt—and unanimous—approval of S. 1409, and I strongly urge the favorable consideration of this measure by the entire Senate.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I know of no other matter to be dealt with this evening. If no other Senator seeks recognition, will the Chair inquire whether there is further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 9:30 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stands in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR CHILES

Mr. BAKER. Mr. President, I ask unanimous consent that, after the recognition of the two leaders under the standing order, the Senator from Florida (Mr. CHILES) be recognized on a special order of not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time, if any, remaining after the execution of the special order and the hour of 10 a.m. be dedicated to the transaction of routine morning business, during which Senators may speak for not more than 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF BUDGET RESOLUTION CONFERENCE REPORT

Mr. BAKER. Mr. President, I ask unanimous consent that at the hour of 10 a.m., the Senate resume consideration of the conference report, or any business in relation thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the other previously entered, that the Senate stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to, and at 7:28 p.m., the Senate recessed until tomorrow, Wednesday, June 23, 1982, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 22, 1982:

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of Title 10, United States Code, Sections 611(a) and 624:

To be brigadier general

Col. Lewis A. Mologne, xxx-xx-xxxx Medical Corps, U.S. Army.
Col. Thomas F. Cole, xxx-xx-xxxx U.S. Army.
Col. John T. Quinn, xxx-xx-xxxx U.S. Army.
Col. J. Hollis V. McCrea, Jr., xxx-xx-xxxx U.S. Army.
Col. Charles E. Edgar, III, xxx-xx-xxxx U.S. Army.
Col. Gerald R. Jennings, xxx-xx-xxxx U.S. Army.
Col. James D. Smith, xxx-xx-xxxx U.S. Army.
Col. Walter J. Bickston, xxx-xx-xxxx U.S. Army.
Col. Charles D. Bussey, xxx-xx-xxxx U.S. Army.
Col. William H. Harrison, xxx-xx-xxxx U.S. Army.
Col. Robert M. Bunker, xxx-xx-xxxx U.S. Army.
Col. Robert L. Drudik, xxx-xx-xxxx U.S. Army.
Col. Charles C. Adsit, xxx-xx-xxxx U.S. Army.
Col. John E. Long, xxx-xx-xxxx U.S. Army.
Col. Richard E. Stephenson, xxx-xx-xxxx U.S. Army.
Col. James W. Hunt, xxx-xx-xxxx U.S. Army.
Col. James W. Shufelt, xxx-xx-xxxx U.S. Army.
Col. James B. Allen, Jr., xxx-xx-xxxx U.S. Army.
Col. Eugene R. Lanzillo, xxx-xx-xxxx U.S. Army.
Col. Donald J. Palladino, xxx-xx-xxxx U.S. Army.
Col. Thomas J. P. Jones, xxx-xx-xxxx U.S. Army.
Col. Caleb J. Archer, xxx-xx-xxxx U.S. Army.
Col. Dudley J. Gordon, xxx-xx-xxxx U.S. Army.
Col. Thomas N. Griffin, Jr., xxx-xx-xxxx U.S. Army.
Col. Joseph L. Ecoppi, xxx-xx-xxxx U.S. Army.
Col. Charles J. Buel, xxx-xx-xxxx U.S. Army.
Col. Bobby C. Robinson, xxx-xx-xxxx U.S. Army.
Col. Robert J. Dacey, xxx-xx-xxxx U.S. Army.
Col. Edwin H. Burba, Jr., xxx-xx-xxxx U.S. Army.
Col. Donald R. Infante, xxx-xx-xxxx U.S. Army.
Col. Richard H. Sharp, xxx-xx-xxxx U.S. Army.
Col. George M. Krausz, xxx-xx-xxxx U.S. Army.
Col. Charles M. Murray, xxx-xx-xxxx U.S. Army.
Col. Charles E. Honore, xxx-xx-xxxx U.S. Army.
Col. Joseph L. Nagel, xxx-xx-xxxx U.S. Army.
Col. Harry D. Walker, xxx-xx-xxxx U.S. Army.
Col. Robert L. Gordon, xxx-xx-xxxx U.S. Army.
Col. William T. McLean, xxx-xx-xxxx U.S. Army.
Col. John S. Crow, xxx-xx-xxxx U.S. Army.
Col. Alan B. Salisbury, xxx-xx-xxxx U.S. Army.
Col. John M. Shalikashvili, xxx-xx-xxxx U.S. Army.
Col. Leo M. Childs, xxx-xx-xxxx U.S. Army.
Col. Gary E. Luck, xxx-xx-xxxx U.S. Army.
Col. Michael L. Ferguson, xxx-xx-xxxx U.S. Army.
Col. George A. Joulwan, xxx-xx-xxxx U.S. Army.
Col. Uri S. French, III, xxx-xx-xxxx U.S. Army.
Col. Gerald B. McConnell, xxx-xx-xxxx U.S. Army.
Col. Thomas H. Tait, xxx-xx-xxxx U.S. Army.
Col. Thomas D. Reese, xxx-xx-xxxx U.S. Army.
Col. Charles P. Otstott, xxx-xx-xxxx U.S. Army.
Col. Edwin S. Leland, Jr. xxx-xx-xxxx U.S. Army.
Col. Randall A. Greenwalt, xxx-xx-xxxx U.S. Army.
Col. Clarke M. Brintnall, xxx-xx-xxxx U.S. Army.
Col. John S. Peppers, xxx-xx-xxxx U.S. Army.

IN THE AIR FORCE

The following Air National Guard of the U.S. officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. William U. Cattelle, xxx-xx-xxxx
Maj. Dallas D. Church, xxx-xx-xxxx
Maj. Albert Conca, Jr., xxx-xx-xxxx
Maj. Thomas J. Deere, xxx-xx-xxxx
Maj. Robert W. Donley, xxx-xx-xxxx
Maj. Joseph A. Feather, xxx-xx-xxxx
Maj. Guy M. Gillespie, xxx-xx-xxxx
Maj. Paul A. Lukaszewicz, xxx-xx-xxxx
Maj. Jerry W. Nelson, xxx-xx-xxxx
Maj. John C. Ogden, xxx-xx-xxxx
Maj. Douglas O. Olsen, xxx-xx-xxxx
Maj. Stanley L. Pruett, xxx-xx-xxxx
Maj. Robert P. Rauscher, xxx-xx-xxxx
Maj. Richard J. Seidt, xxx-xx-xxxx
Maj. William J. Snuffer, xxx-xx-xxxx
Maj. Robert S. Thompson, xxx-xx-xxxx
Maj. William H. Turner, xxx-xx-xxxx
Maj. John H. Wayert, Jr., xxx-xx-xxxx
Maj. John D. Winton, xxx-xx-xxxx
Maj. Neil R. Woodcock, xxx-xx-xxxx

LEGAL

Maj. John W. Dunsmore, Jr., xxx-xx-xxxx

CHAPLAIN

Maj. James C. Scherf, xxx-xx-xxxx

MEDICAL CORPS

Maj. Richard R. Pacheco, xxx-xx-xxxx

NURSE CORPS

Maj. Gloria J. Winans, xxx-xx-xxxx

IN THE AIR FORCE

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Aisner, Joseph, xxx-xx-xxxx
Barrs, David M., xxx-xx-xxxx
Blew, Richard M., xxx-xx-xxxx
Brown, Lansing E., xxx-xx-xxxx
Chiu, Chi-Chao, xxx-xx-xxxx
Christopher, Philip E., xxx-xx-xxxx
Cotlar, Alvin M., xxx-xx-xxxx
Cox, Rex A., xxx-xx-xxxx
Dapremont, Edgar M., Jr., xxx-xx-xxxx
Dillaplain, Robert P., xxx-xx-xxxx
Humpert, Edward L., xxx-xx-xxxx
Isaak, Harvard E., xxx-xx-xxxx
Jahsman, David P., xxx-xx-xxxx
Justis, Elvis J., Jr., xxx-xx-xxxx
Kronberg, Gregory M., xxx-xx-xxxx
Lenihan, John P., Jr., xxx-xx-xxxx
Lobritz, Richard W., xxx-xx-xxxx
Long-Kee, Su, xxx-xx-xxxx
Mehl, Roger L., xxx-xx-xxxx
Moysaenko, Valeriy, xxx-xx-xxxx
Nash, Peter R., xxx-xx-xxxx
Nelson, Maynard, xxx-xx-xxxx
Sabir, Mohammed, xxx-xx-xxxx
Stanton, Robert E., xxx-xx-xxxx
Tipmongkol, Prinya, xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Frostad, Kenneth B., xxx-xx-xxxx
Stein, Lester D., xxx-xx-xxxx

The following officers for promotion in the Air Force Reserve, under the provision of section 8376, title 10, United States Code. (Non-EAD):

MEDICAL CORPS

To be lieutenant colonel

Arnold, Barbara J., xxx-xx-xxxx
Rubiano, Remigio C., xxx-xx-xxxx

The following named officers for permanent promotion in the U.S. Air Force, in accordance with section 601, title VI, transition provisions, Defense Officer Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

To be lieutenant colonel

Nicks, Willie E., xxx-xx-xxxx
Osgood, Eric M., xxx-xx-xxxx
Padden, David T., xxx-xx-xxxx
Toumbacaris, G. B., Jr., xxx-xx-xxxx

JUDGE ADVOCATE CORPS

To be lieutenant colonel

Shaughnessy, John R., Jr., xxx-xx-xxxx

WITHDRAWAL

Executive nomination withdrawn from the Senate June 22, 1982:

Lawrence Y. Goldberg, of Rhode Island, to be General Counsel of the Federal Labor Relations Authority for a term of 5 years, vice H. Stephan Gordon, resigned, which was sent to the Senate on March 25, 1982.

EXTENSIONS OF REMARKS

1982 GRADUATES, U.S. CAPITOL PAGE SCHOOL

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1982

● Mr. BRINKLEY. Mr. Speaker, on last Monday evening, June 14, the U.S. Capitol Page School class of 1982 conducted its impressive commencement exercises in the imposing Caucus Room of the Cannon House Office Building. As the congressional sponsor of one of the graduates, I had the happiness to attend together with many of my House and Senate colleagues.

Graduation marks the conclusion of the excellent and dedicated service of these fine young men and women. It is with genuine regret that we bid them farewell as they leave to continue their education and prepare for the promising future which we are confident awaits them.

I know that all my colleagues join me in extending congratulations on their commencement and for the many high honors and recognition received by the class, and our gratitude for a job well done.

I am pleased to submit for the RECORD, a list of the graduates, the excellent commencement address by my colleague, the gentleman from Massachusetts, Mr. MOAKLEY, the salutatory address by the Class President, Stephen J. Kaufman and the valedictory address by Nancy N. Young.

The graduates are: Lawrence E. Bodkin, Jr., Robert W. Bush, Charles C. Carleson, Steven V. Cash, Martin J. Coster, Timothy J. Croke, Kenneth T. Dean, M. Daniel Dupay, Sheila M. Dwyer, James M. Erskine, John C. Garrett, Irene M. Gelderman, Andrew M. Glick, Colleen M. Gomlak, Brigid A. Gordon, Kevin M. Hanrahan, Karen L. Hansen, Stephen J. Kaufman, Margery C. Kaye, and Catherine M. Kernan.

Also, Gano D. LeMoine III, Cydney B. Mack, Mary C. Mayhew, Clint S. McKinnon, Linda D. Miller, Joseph C. Oster, Pollyanna A. Padden, Tara L. Paquin, Kathy A. Rappolt, Christopher J. Riley, Les T. Stanford, Keith M. Stolte, Virginia VanNatta, Barbara A. Weidenbruch, Brian M. Welch, Paul M. Weltlich, Brian J. Wesol, Tamera L. Willham, Kimberly S. Wright, and Nancy W. Young.

ADDRESS BY THE HONORABLE JOE MOAKLEY OF MASSACHUSETTS AT THE CAPITOL PAGE SCHOOL COMMENCEMENT

Rev. Elson, Dr. Brown, Mr. Hoffman, members of the class of 1982, parents and friends, distinguished guests, colleagues, and members of the faculty.

I am honored to be here this evening sharing with you a once-in-a-lifetime experience.

In fact, after attending the previous five Congressional Page School commencement ceremonies, I was delighted to be asked by the class of 1982 to serve as your speaker.

At least I knew that this time I'd get a seat.

Colleen Gomlak and Keith Harrington asked what I was going to do with the honorarium I received here tonight—well, I've decided to establish Raymond's School of Culinary Arts so that the restaurant in the Democratic Cloakroom will continue to compete with the Four Seasons.

Just to show the generation gap, when I was in high school, we often went on field trips that provided us with experiences we couldn't get in school. I understand this is still done in the page school but they're now called road trips.

Although some pages may view the school as an elective, I know most have worked very hard at their studies. In fact I often see the pages gathered in small study groups when I walk past the Tune Inn and Diamond Head. Then I understand some even thirst for more and go on to Brett's tea party for additional tutoring.

High school commencements are a very special occasion; special because it is one of the few times in life when you clearly step over one threshold onto the next. My high school years were markedly different from yours. World War Two interrupted our high school experiences; our football games; our proms; our bio labs; and propelled most of America's young men into a totally different existence. Perhaps that's why I so enjoy speaking on an occasion such as this. For me, I guess, it's the next best thing to having had a high school commencement myself.

After being in Congress for the past 10 years, and having served several terms in both the Massachusetts State Legislature and the Boston City Council, I tried to envision what characteristics of some of the speeches that I'd heard in the past most impressed me.

I thought—and I thought—and one thing that occurred to me is that I was never as impressed with length as I was with brevity. That is one premise that I intend to observe tonight.

Art Buckwald once began a commencement speech by saying, "O.K., graduates, we're giving you a perfect world, now don't louse it up." I'm afraid I can't offer such a rosy outlook.

John Kennedy observed, at a time before the class of 1982 were even born, that "to some generations much is given, to others, much is required."

In my judgment, this year's graduates fall into the second category. For unless I miss my guess, we are in the early stages of a far-reaching period of transition as fundamental as any in our history.

It took the United States one hundred years to move from ocean to ocean, from frontier to frontier, from a rudimentary agricultural nation to the most mammoth industrial power on earth. Within the next several years, perhaps in just the short period of time that you will spend studying for your college degree, or in the first several years of employment, this nation must make equally dramatic and fundamental changes.

These changes will affect every aspect of the way we live our lives—from how we stay warm in winter and cool in summer, how and if we drive our cars, the very continuation of this planet, the shape and future of our cities and our homes and the manner in which we earn our livelihoods.

Recently, my brother Bob was in Washington and we were discussing our family, its origins, and where we have all wound up. It struck me that no more than two or three generations removed from this one, our ancestors were existing in very much of a hand-to-mouth existence.

My grandfather didn't live that differently from his grandfather. You still cooked with a wood fire, and read by firelight, if you could read at all, and went to town on horseback. Food, transportation, clothing, and entertainment did not change much with the generations. Skills were passed down from parent to child, and you know that if you were a blacksmith, a wheelwright, or a farmer, you had a skill for life. There was a continuity to the way they lived.

It is only in my generation that this has all changed. The standard of living that now exists in the developed world is a very recent phenomenon. It first appeared in the United States at the beginning of this century and in the rest of the world just since the end of World War Two.

It has been a great period, as we doubled and redoubled our personal income, our gross national product and energy use. The magic word was growth. It would cure all our troubles, and if it had any bad side effects they would be cured by more growth. It is my belief, though, that this has not been the normal course of human history, but a one-time special occurrence.

We all know, only too well, how vulnerable our society has become to occurrences outside of our geographic sphere. The war in the Mideast and its potential for disaster, the ongoing conflict in the South Atlantic, the ebb and flow of diplomatic and economic relations with the Soviet bloc and the Third World, tensions in Latin and Central America, ever-decreasing energy reserve all serve to vividly dramatize this Nation's susceptibility to what our grandfathers thought we need not worry about.

We have learned the hard way that our giant industrial production rates and sound reputation for sustained economic growth, coupled with a healthy rate of expansion had been built squarely on an abundance of cheap and seemingly inexhaustible fossil fuels and other natural resources. Those days of plenty, when all you had to do was dig a hole in Texas and you had an oil well, are over.

A song a few years back lamented "Those were the days my friend, we thought they'd never end." Well, they are ending—our job and now, your job, especially in the years ahead, will be to steer this complex, multifaceted society into a new age, one that is markedly different from ours.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

It will be a time of tough, painful choices, but choices that you should be prepared to cope with—given your experience here at the Congressional Page School, and your unique term of service in serving the United States Congress, coupled with whatever formal educational experience you move on to from here. Your experience here in Congress has given you an opportunity most men and women never have in their entire lives—not to mention by the time they turn 18.

You have witnessed history—the ongoing debate over this nation's budget priorities, the national debate over energy priorities, and the building momentum over the nuclear freeze issue and continued Soviet violations of human rights—most notably in Poland and Afghanistan.

But more than that, you have had a first-hand opportunity to watch human minds at work, to watch the men and women organize their thoughts, present them cogently to their colleagues, and lobby hard to produce the most favorable end-products possible. That experience you can carry with you for the rest of your life.

Tonight you have completed your high schools years, and on that I commend each of you. You all have behind you a unique and abundant variety of experiences, learning and individual growth—and a future which is yours to shape.

You are very important young men and women. Today, more than at any time in history, we are living with constant dramatic change—change which forces a wide array of choices that must be made.

The decisions you make, beginning here tonight—will mold the future for all of us—for my generation's grandchildren and your children. The pressures will be great, the choices many and varied. I know that you will have the strength and versatility to take on this new freedom and responsibility in our society.

You are well prepared.

Your experience on the floor of the House and Senate, in the corridors of Rayburn, Longworth, Cannon, Russell and Dirksen, and in the classrooms of the page school gives testament to that.

But school is just one environment for learning. Learning is a life-time obligation. If you neglect your minds and your potential, you fail not only yourselves, but all who have given their time and talents in preparing you to meet the future.

Real learning is far more than "book learning." In this era of chance, of unpredictability, you must develop a harmony within yourselves. Participate. Commit yourselves to the affairs of the community and the world. Develop a sensitivity to the new problems of spirit and conscience which follow change. Continue questioning and redefining your personal values and ethics as the world around you changes and challenges your beliefs.

Decide for yourself what goals you will set—Avoid falling easily into the roles others would have you play. Look into yourselves to find your own potential, your own dreams. You have only each day to live—and to lose—if you do not ask yourselves each day, how best to use your time to fulfill those dreams.

Within the next several years you members of this year's commencement class here at the Congressional Page School will be moving into your career areas, whether that will be in a laboratory—developing new, clean self-sustaining technologies, or in banking and business, or in the professions, or perhaps here in Congress, it is still too early to tell.

Whatever and wherever you and your career take you through, remember the words of former Chief Justice Oliver Wendell Holmes who said, 100 years ago this month, "I think that as life is action and passion, it is required of a man that he should share the passion and action of his time, at the peril of having been judged not to have lived."

"AN EDUCATION IN PEOPLE—AMERICANS"
Salutatorian Speech by Stephen Jay Kaufman

Before I get into the jist of my remarks, I'd like to clear up some common fallacies that many people have regarding Page life and the legislative process. Most of us learn about the legislative process in our ninth grade civics class when we study that chart in our civics book. You know the chart I'm talking about. It's the one entitled, "How a Bill becomes a Law," and it has a picture of a man standing next to a box, and the caption reads, "The legislative process begins when a congressman puts a bill in the Hopper." What a Lie! I've worked on Capitol Hill now for two years, and I have not once seen a congressman put a bill in the hopper; he gives it to the Page and the Page puts it in the Hopper!! From there the chart continues, and there's an arrow, "Bill goes to committee," another arrow, "bill goes to subcommittee," another arrow, "bill goes back to committee," and so on right through the legislative process. We all realize that without those arrows, without that movement, the process would come to a halt. Now, I realize this may not have occurred to the publishers but WE are those arrows!

Please don't let me leave you with the impression that these are the only things we've learned. On the contrary, we've learned MANY, many other things. What was the most important, though? How the committee system works? Maybe, but I wouldn't consider it the most important. The history, and anecdotes that make the Capitol such an exciting place to work? Possibly, but again, I don't think that could be considered most important. Which fountains on Captiol Hill have a slimy bottom?! (that comes close.) No, I think it was a guest speaker at school that summed it up best when he said, "As Pages, you're lucky, you get to meet people from all over the country . . . you get to see what they're really like." I couldn't agree more.

Many of us came here with preconceived notions about people from different parts of the country. What we've found may have surprised some of us. We learned that all Californians are NOT flaky; all New Englanders are NOT preppy; we found that all Texans are . . . Arrogant! (I have to laugh here, because my roommate is a Texan, and he never lets me forget it!) We found that one man's "pop" is another man's father, is another's "soda". We discovered that a Northeast Conservative is far different than a Western Conservative.

In short, whether we've been here two months or two years, whether we're freshmen, sophmores, juniors, or seniors, whether we're House or Senate we've all learned about people; we've learned about Americans. In a very real sense, we've learned what that term, America means.

Now, what do we do with this education? Whether we use it as springboard for future involvement in politics and public service, or whether we simply use it to remain an informed citizenry doesn't really matter. The important thing is that by working in that magnificent building across the street, we've been instilled with a feeling . . . an Americanism. The first Senator ever to appoint a page, Daniel Webster, summed up this feeling that we've acquired in our jobs, when he said:

"When . . . age shall lean against the base of this monument, and troops of . . . youth shall be gathered round it, and when the one shall speak to the other of its objects, the purposes of its construction, and the great and glorious events with which it is connected, there shall rise from every youthful breast . . . Thank God, I—I also—am an American!"

Let us resolve to uphold and transmit that pride to others, so that we can guarantee to our children, and to their children, the chance to study a chart. A chart entitled "How a Bill becomes a Law."

Thank you very much.

VALEDICTORY ADDRESS BY NANCY N. YOUNG

"I am not afraid of tomorrow, for I have seen yesterday, and I love today." The philosopher that said that seems to have tapped the essence of what graduation means. It means not a loss, though certainly we leave some things behind, it means not an end, though our high school years are finished. Rather, our graduation means a beginning, a fresh start in the world.

Generations before us have left challenges that we will have to meet, now and in the future—Challenges such as NUCLEAR POWER and its use, the challenge of the economy and of world peace. Fortunately, they haven't left us unable to cope with these matters, they have given us a start in forging our new world. Our world, where we are to be the businessmen, the leaders, the housewives and the teachers.

For the past twelve years of schooling, as well as in every aspect of our lives, our elders have taught us. They have taught us through their successes and through their mistakes. It is now up to us to take this knowledge and apply it, shape it, to fit our world as seen through our eyes. Our futures are now our own and we must learn not to let the future take control of us, for we must take control of the future.

We, the graduating class of Capitol Page School have much to offer the world. It has been shown throughout the year, time and time again. We have stamina, as was seen through the many long sessions in both the House and the Senate. We have the character, as was shown through our participation in events such as the infamous "monument hopping." We have leadership, as was shown by our ability to lead Capitol Page School to a fine year. But most importantly, we have the courage—courage to meet the challenge of living away from home, when most high-schoolers live under the wings of their parents, courage to hold down a tough job as well as school, rather than just going to school a few hours a day and then slumping in front of the television for an afternoon of soap operas, we've also shown the courage to dare to be different, in this age of conformity.

We must remember though, that with all the stamina character, leadership and courage it is important to keep that inner drive that brought us here—initiative. If we are to meet the challenges of tomorrow we must take charge of our lives, and use all of our talents to reshape the future—to achieve goals.

Everyone that is listening now has had dreams—aspirations for the future. Sometimes our dreams do not come true, but as long as we have the initiative, oftentimes they do. We must dare to dream of the world we long to see, and of our personal lives. We must remember to initiate our stamina, character, leadership and courage to make these things happen.

This class, was molded together of kids from all over the nation. Yet, now we stand before you as one—one body—the Capitol Page School Graduating Class of 1982. We will try to meet the challenges of the future head on—for we have been blessed in our experience in Washington. We leave here one step ahead of other graduating classes, for we have had the unique opportunity of living on our own, learning on our own, and yet still remembering how important our family ties are, and "from whence we came."

I challenge all of you, my fabulous classmates, to go out and meet the future. In successes and in failures there is always something to be gained, to be learned. We are blessed in our upbringing, our schooling and our opportunities. I'll end with a poem that is very special to me—and I say it now in hopes that it will show you how truly lucky we are in the characteristics, the family, the schooling, the experience, and the love that we have found.

I asked God for strength, that I might achieve,
I was given my wits, that I might become strong.
I asked for health, that I might do greater things,
I was given infirmity, that I might do better things.
I asked for riches, that I might be happy,
I was allowed happiness, that I might be truly rich.
I asked for power, that I might have praise of men,
I was given myself, that I might earn leadership.
I asked for all things, that I might enjoy life,
I was given life, that I might enjoy all things.
I got nothing that I asked for, but everything I hoped for

Almost despite myself my unspoken prayers were answered.

I am among all men most richly blessed.●

SALVADORAN ELECTION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. LAGOMARSINO. Mr. Speaker, there has been some recent public mention made about the size of the vote in the Salvadoran election, including an article in the New York Times by Thomas Sheehan, a professor at Loyola University, which alleged large-scale voter fraud. I would like to bring to the attention of my colleagues the following letter to the editor of the New York Times by the noted election expert Howard Penniman. He has served as a major consultant to political parties in this country, is the general editor of the At the Polls series and served as a U.S. Election Observer to the Salvadoran elections. Among his remarks, which are reproduced below, is his stated belief that the charges which have received such wide publicity are "obviously uninformed, inherently absurd or clearly overstated." It is important for all the Members of this House, as well as the general public, to not "fall into the unfortunate trap of seeking to explain away what does not conform to prior expectations of guerrilla strength," especially when we are talking about fluid situations that still require our help.

The remarks follow:

AMERICAN ENTERPRISE INSTITUTE
FOR PUBLIC POLICY RESEARCH,
Washington, D.C., June 3, 1982.

EDITOR,
The New York Times,
New York, N.Y.

TO THE EDITOR: The very elaborate argument put forth by Thomas Sheehan in his June 3rd op. ed. article, "Salvador Vote Inflated, Study is Said to Find," is a mixture of statements that are obviously uniformed, inherently absurd, or clearly overstated. In fact, four voters were generally handled simultaneously for various stages of the voting process from presentation of valid identity cards, to signing of the voting roll, to casting of the ballot in the voting booth, to recovery of their identity card after voting. The argument suffers from numerous other errors as well. Voting in fact took anywhere from 30 seconds to over a minute for each voter. Indeed, all voters (at an average of 369 per voting place) could have been accommodated at open polling places in an average of just over six hours. And, most polls were open for eleven hours.

With regard to Mr. Sheehan's other allegations, three million ballots were printed in order to meet requirements of the law calling for 500 ballots for each of the anticipated 4,500 percincts plus enough extra ballots for any precincts whose supply might become depleted and to guard against the possibility that guerrillas might seize some of them. The implications that the ballot tabulation was suspended to fix the count is ludicrous. Election observers from many countries, including the U.S. and Canada, observed the tallying and computation of votes on a continuous basis and compared the tally sheets produced at the local precinct level with the final computer printouts at the Central Election Commission and found perfect matches. The fact is that hundreds of international observers and press as well as poll workers and party observers watched the elections, received tallies from the precincts, and verified the integrity of the elections. No one has documented any substantial charge of fraud. The Election Commission continues to open its tabulations to interested observers.

The allegation that six political parties of widely varying ideologies, poll workers, and party observers from throughout the country, and the Election Commission, headed by the respected independent Jorge Bustamente, and staffed by computer and other technicians all conspired to give a fraudulent account of the Salvadoran election is absurd on its face. I attended the March 29 luncheon meeting of Ambassador Hinton with representatives of the six participating political parties at which all agreed on the importance of avoiding frivilous charges of fraud. The notion that the United States suggested or organized a coverup of fraudulent election returns is absolutely false. No serious and documented charges of fraud could be covered up and no such charges have been made.

I personally, and millions of Americans on television, witnessed the spontaneous enthusiasm of Salvadorans for the election. I verified the authenticity of the election process based on a lifetime of observing elections in the U.S. and in dozens of developed and developing countries. Mr. Sheehan's article appears to fall into the unfortunate trap of seeking to explain away what does not conform to prior expectations of guerrilla strength. We should all note the reaction of the Acting Archbishop of San Salvador to the elections. Archbishop Rivera y Damas called on "the leaders of the FDR and of the guerrillas that they accept the verdict of the people in favor of peace, of democracy and justice. . . ."

Sincerely,

HOWARD PENNIMAN,
U.S. Election Observer to Salvadoran Elections and General Editor, At the Polls Series.●

TRIBUTE TO ARTHUR HENDRICKSON

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. McGRATH. Mr. Speaker, on June 16, the residents of my home community and all of Long Island were saddened by the death of Arthur Hendrickson, one or our greatest civic and business leaders. Arthur Hendrickson was an outstanding citizen whose lifetime spanned a period of tremendous growth on Long Island.

As the founder of one of the area's largest construction firms, he played a major role in the development of the Long Island parkway system, building miles of roadways, bridges, and transportation facilities. He served the citizens of Valley Stream as mayor for 4 years from 1929 to 1932, and remained active as the leader of the Valley Stream Republican Club for 35 years. I was privileged to have his support and counsel throughout my tenure as a public official.

In addition to his significant accomplishments in business and government, Arthur contributed in many ways to the betterment of his neighbors and fellow citizens. He supported programs which served thousands of young people through active participation in the Nassau and Suffolk County Boy Scout Councils. He was also a charter member of the Valley Stream Volunteer Fire Department and the Valley Stream Elks Lodge.

The monuments of Arthur Hendrickson's success will live long into the future on Long Island. The park which bears his name in Valley Stream will be enjoyed by countless numbers of people, and will serve as a

reminder of his gracious efforts on behalf of others. The business he built continues to flourish, and innumerable friends and associates will work to maintain the high standards he set as a businessman and civic leader.

To his family and all who were close to Arthur, I wish to offer my sincere condolences. As a Member of Congress, I hope I can live up to the example of achievement and service he set.●

ARGUING MUST STOP

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. HUBBARD. Mr. Speaker, as we resume debate on the 1983 budget, a constituent of mine in Murray, Ky., Belinda Suiter, has indicated in a well-worded letter to me that the arguing must stop and that a budget be passed as soon as possible. I consider this constituent's comments both timely and appropriate and I would like to share them with my colleagues at this time. Her letter follows:

DEAR CONGRESSMAN HUBBARD: Being a member of the middle class, it is my wish that the arguing stop and that a budget for 1983 be completed as soon as possible.

I hope that President Reagan's statement, "that we, Democrats and Republicans alike, can agree on reducing the deficit and continuing to hold down inflation," is true.

According to the President, the only way we can achieve a balanced budget is to adopt a constitutional amendment requiring the government to have a balanced budget.

"We can stop government's squandering, overtaxing ways and save our economy." That is a statement made by the President. I urge you to support his measure. It seems to be the only way. If you see another way to achieve the goals this President has made, without raising our taxes, I challenge you to present your ideas to the budget committee and to the people of your Congressional district.

In conclusion, it is my wish that you would go along with the President of the United States and adopt his effective approach and recovery program.

Sincerely,

BELINDA SUITER.●

DELETION OF THE FUNDING FOR THE DEEP BASING MODE FOR THE MX MISSILE

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. EMERY. Mr. Speaker, the MX missile basing issue has been relatively quiet recently, but I can assure you that, as soon as the fiscal year 1983 defense authorization bill is brought to the House floor, there will be a firestorm of rhetoric from all sides of the issue. This is a contentious issue, and it has a tendency to produce a great deal of heated debate.

As a member of the House Armed Services Research and Development Subcommittee, I would like to offer an amendment to H.R. 6030 when it is brought to the House floor in the near future. This amendment was discussed in the Research and Development Subcommittee during the markup of H.R. 6030, and I would hope that most of my colleagues on the subcommittee and the full committee will see their way to clear to support this noncontroversial proposal.

My amendment concerns the fiscal year 1983 funding for the deep basing mode for the MX missile. In its most simplified form, deep basing would involve the deployment of the MX missile in some type of underground configuration, for use several hours or days after the advent of a nuclear war. The House Armed Services Committee heard testimony on this basing mode on February 25, 1982, from Mr. Ray Hanson, who owns a large mining and construction outfit, the R. A. Hanson Co. I think it would be fair to say that Mr. Hanson was in favor of some type of underground basing for the MX missile, but in his testimony dealing with deep basing, he could only say this about the proposal: "Construction costs are critical and will be significantly more expensive than an alternate surface system." Mr. Hanson's cost calculations on deep basing tell the story even more convincingly. For a relatively modest 40-mile system with 10 launch portals and 10 missiles, the construction cost would be $12 million per nautical mile, or $50 to $60 million for each missile facility. In short, the costs would be prohibitive for such a missile deployment system.

In addition to the cost, the more important question of effectiveness is unavoidable. By basing the MX missile underground, we would be altering the fundamental purpose of the missile, which is to act as a quick-response hardtarget killer. In a recent article in International Security Review, Colin Gray, the noted strategic analyst, wrote: "Deep under ground basing of MX precludes the promptness of response which, to date, has been a cardinal feature of the ICBM story." While it is generally accepted that nuclear war would be a protracted affair, we have very little information about the likely effectiveness of a missile which would have to burrow out of a subterranean cavern, through 200-800 feet of rubble, and fly flawlessly to its target. There are too many uncertainties inherent in this proposal for the Congress or the American people to take it very seriously.

During the markup on H.R. 6030, the House Armed Services Committee approved $1.497 billion for MX procurement, deferred $282.2 million for basing and deployment, deferred $50.7 million for initial spares, denied $74 million for the continuous patrol aircraft (CPA), and approved $160 million for deep basing and defended deceptive basing. My amendment would prohibit the expenditure of any funds in the fiscal year 1983 authorization for further studies on the deep basing deployment mode. The Air Force has said that it needs $110 million in fiscal year 1983 to continue the studies on deep basing, with an eye toward a possible 1983-84 full scale engineering development (FSED) decision. It is my opinion that the Congress should pass judgment on this basing mode in 1982, before any further funds are spent on a basing mode which would not be consistent with the stated purpose of the MX missile system. I would hope that most of my colleagues will accept this logic and support my amendment when H.R. 6030 is brought to the floor in the near future.●

A TRIBUTE TO MRS. JUANITA BRYANT

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. HEFNER. Mr. Speaker, I would like to bring to the attention of my colleagues in the House of Representatives the installation of one of my constituents, Mrs. Juanita Bryant, of Boonville, N.C., as international president of the General Federation of Women's Clubs.

Mrs. Bryant was officially installed June 11 at the conclusion of the Federation's 91st annual international convention in Bismarck, N. Dak.

Mrs. Bryant and her husband, J. Frank Bryant, are my friends and among North Carolina's most outstanding citizens. They own and operate a dairy and tobacco farm near Boonville. He is a former member of the North Carolina Legislature.

Mrs. Bryant formerly was GFWC president-elect, first vice president, and recording secretary. She was GFWC/North Carolina Federation of Women's Clubs president and, in 1970 when she was named chairman of the State Youth Advisory Board, she became the first woman in North Carolina appointed to serve as chairman of a State board.

Mrs. Bryant is a member of the board of the Medical College of Pennsylvania; served on the board of directors of the North Carolina Natural History Society; was a member of the North Carolina Task Force on Families; a delegate to the 1970 White House Conference on Children and Youth; and belongs to the North Carolina Women's Forum.

During her 2-year term as GFWC international president, Mrs. Bryant

will live in the Federation's Washington headquarters, a century-old mansion, as stipulated by the organization's bylaws.

The GFWC is the oldest and largest nondenominational, nonpartisan, international service organization of voltuneer women in the world with 500,000 members in the United States and approximately 10 million worldwide in 46 countries.

In the last 2 years, its members have donated 22.5 million hours of volunteer service, valued at more than $75 million if figured only at the $3.35 hourly Federal minimum wage, and contributed over $67 million to community projects.●

COMMACK HIGH SCHOOL NORTH

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. CARMAN. Mr. Speaker, recently, the Commack High School North's choir traveled to Belgium to participate in an international choir festival. The choir, under the direction of Fuller S. Blunt, represented not only Long Island but the very best that America has to offer. I am extremely proud of these young people and of their accomplishments in their artistic endeavors.

I wish to commend these very fine musicians on behalf of all of the people on Long Island and on behalf of music lovers throughout the country. I consider it a great privilege to represent these students and their families and to bring their names to the attention of my fellow Members of Congress. The choir members are:

Dawn Amari, Debbie Aronson, Risa Becker, Lisa Bentivegna, Mildred Bernstein, Mary Billone, Lisa Birenbaum, Renee Colombo, Rina Colombo, Alicia Dinerstein, Kathy Dluginski, Nancy Fichtman, Debbie Fink, Betty Ginsburg, Raye Grilli, Cindy Hamby.

Rosalyn Harris, Mary Healey, Kamena Khan, Jeanmarie Lally, Margery Lowenstein, Colleen Mack, Karen Mileaf, Jamie Nolan, Jamie Provenzano, Jill Provenzano, Jeanie Pyun, Jackie Rosenes, Cheri Rudish, Stacey Schenker, Ilene Silkin, Karen Tracey.

Anita Vandelli, Helaine Wasserman, Lauren Waters, Gail Witkover, Barbara Zimet, Thomas Billone, Neil Cohen, Steven Crosby, John Falatico, Adam Gomerman, David Gross, Mark Gruner, James Jarvis, Scott Koppel, Keith Knight, Mark Lawitz.

Kyle Levitt, Andrew Martin, Gary Ponticiello, Paul Ryan, Ian Schaja, Andrew Stein, Robert Stern, Rod Strober, Craig Squire, Chris Wecklein, Paul Wiessenberger, Edward Zas, Howard Ziporkin, Lynda Johnson, Gina Provenzano, William Wilbur.●

ISLANDS IN THE STORM: OUR NATIONAL PARKS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. BEREUTER. Mr. Speaker, today the Public Lands and National Parks Subcommittee will be holding hearings on several bills, including two I introduced, relating to the management of our national park system.

With more than 330 units spread throughout the length and breadth of our Nation, the national park system serves virtually all Americans, unlike many Federal agencies. The ability of the Park Service to preserve those units for the benefit of all Americans, therefore, should be of utmost concern to all Members of this body.

As the second article of the Christian Science Monitor series, "Islands in the Storm: Our National Parks," demonstrates, the task may be impossible given current resources and authority. I hope that my colleagues will read the following article and understand the need for action soon to halt these tragic trends.

The article follows:

MAINTAINING THE EVERGLADES' DELICATE BALANCE

(By Robert Cahn)

The tram slowly made its way along the Shark Valley trail, the river of grass stretching away on all sides. Two dozen passengers gazed at herons and ibises feeding close by, and watched an occasional alligator soaking up the sun in a roadside ditch.

The young seasonal ranger braked the open bus to a halt, climbed down from the driver's seat and waded ankle deep into the water covering much of Everglades National Park.

To the untrained eye, all seemed normal and healthy at the famous park. But all is not well, explained ranger Debbie Savage. The demands of agriculture and the growth of nearby Miami/Dade County and other parts of south Florida are depriving the Everglades of the natural flow of water needed to sustain the park's unique environment.

This problem, and others, make the Everglades a prime example of a national park beset by external threats—threats that directly affect its natural attractions, but which originate outside its borders.

The park's normal water supply (except for rainfall over the park) flows from sources in the north through a series of structures that are opened and shut depending on floods or domestic, commercial, and agricultural demands for the water. The timing of the flow often conflicts with the normal needs of the park. The unnatural flooding in dry seasons disrupts nesting cycles and destroys young wading birds, alligators, and snakes. And untimely drought harms plants and wildlife. Meanwhile, the underground water has become so depleted that there is danger of saltwater intrusion into the water table.

Several large, graceful white birds with black-edged wings and black heads soared by, landing a short distance away. Ranger Savage told us that we were fortunate to see these wood storks. Once numerous, they are now relatively scarce. Wading birds have declined 90 percent in the park since it was established almost 50 years ago. Visitors a few years from now might not see any wood storks unless an adequate, natural flow of water through the park can be assured. The present, sparse flow also probably reduces the fishery and marine resources in Florida Bay at the extreme tip of the Everglades. This affects the birds that depend on the fish, and hurts recreational fishing as well.

Everglades superintendent Jack Morehead and his deputy, Rick Smith, point out that the crucial matter of water is only one of the problems threatening the very survival of the park. For example, large sections are being overrun by plants and trees that aren't natural to the area, thus upsetting the ecological system and making it unfit for some native species of wildlife.

"The natural variation in the water tables is what made the Everglades so great," Superintendent Morehead said. "But if this [the interruption of a natural flow of water] keeps up, the people coming to Everglades in this year 2000 might see a cover of Brazilian pepper instead of sawgrass, and few birds and no gators or any of the 11 species that are endangered or threatened and need the park habitat."

On the border of the park, Florida Power & Light has proposed increasing sulfur emissions from its coal-burning Turkey Point power plant. This would further pollute the air in the park. Commercial fishing interests are pressing for unlimited fishing in Florida Bay, and agricultural interests seek to farm inside the park. The Department of Interior has scheduled oil leasing off the shore, threatening broad stretches of fragile parkland with oil spills and leaks. Several companies are already drilling for oil in Big Cypress National Preserve bordering the park on the north—an area that is supposed to protect the Everglades water supply.

Superintendent Morehead says Everglades is one of the most threatened parks in the system. Judging from extensive travels through the parks and interviews with Park Service officials, it seems fair to say that Everglades is *the* most threatened park. At the same time, the park has something special going for it. Unlike other national parks, Everglades has been able to begin planning ways to save threatened natural resources before it is too late. It has a larger team of resource managers and research scientists than any other park, and they are already working toward solutions.

Former park superintendents Jack Stark and John Good started assembling the team in the mid '70's. Nathaniel Reed, assistant secretary of the interior for fish and wildlife and parks at the time, gave the project a major boost by providing the impetus for the establishment of the South Florida Research Center right in the park.

As its name implies, the research center works to understand the wider ecosystem of which Everglades National Park is only one part. Other features in the system include Big Cypress National Preserve, Key Biscayne National Park, and Fort Jefferson National Monument, as well as state and county lands. It's $1.5 million annual budget supports seven full-time research scientists and cooperative work by 30 others. They study wildlife, marine and plant ecology, and hydrology. Their aims: (1) to gain information about the influence of water variations and other factors on Everglades resources; (2) to learn more about the normal

relationships and dependencies among species in the ecosystem.

Based on a study of the historical flow of water in the entire system, chief hydrologist Peter Rosendahl and his associates were able to work out a proposed alternative schedule for bringing the required seasonal flow into the park. The innovative but expensive plan would bring water in at times that correspond to natural life cycles. Morehead hopes to implement the new plan, if he can win approval from the South Florida Water Management District and the Army Corps of Engineers. But he faces an uphill battle, due to lack of funds.

Studies of wading birds, alligators, and endangered species by wildlife ecologists Jim Kushland and Bill Robertson are producing evidence of damage done to wildlife by water variations. They are also learning more precisely the changes in water flow needed to correct the problems.

VARIED TASKS OF PARK RESOURCE-MANAGEMENT TEAM

Plant ecologist Ingrid Olmstead is working with park resource management specialists Bob Doren and Bob Wilson to curb the spread on nonnative plant species such as Brazilian pepper, Australian pine, and melaleuca. Resource manager Joe Abrell monitors the dredge-and-fill activities of developers outside the park, which could endanger the park's water supply. Rick Dawson, another park resource manager, is compiling data on fishery conditions, data that could become a factor in persuading Interior Secretary James G. Watt to stand behind a Park Service regulation ending commercial fishing in Florida Bay by the end of 1985. That regulation is under attack by the commercial fishing industry. Jim Holland heads a staff assigned to protect the resources in parts of the park that are officially designated as wilderness. He keeps an eye on nearby oil drilling activities and proposed new developments in Big Cypress National Preserve.

Mr. Holland, Mr. Morehead, and the park resource managers have also been working with neighboring towns and farmers on the park's eastern border to prepare a cooperative land-use plan that would protect the park and at the same time provide for appropriate uses of adjacent land.

Although it's closer to a large metropolitan area than any other major national park, Everglades has not yet been hit by the urban problems of overcrowding and crime. Visitors from foreign lands are increasing in number, but people from Miami and other nearby Floridians don't make much use of the park. In fact, visits have dropped by one-half since 1968.

EARLY EMPHASIS OF PARK SERVICE: LURING THE PEOPLE

The commitment Morehead feels for protecting the park's basic resources from outside influences is shared by personnel throughout the National Park Service. For most of its first 50 years, however, the Park Service was forced by circumstances to put its priorities elsewhere. Following the founding of the service in 1917, its first director, Stephen T. Mather, and assistant director, Horace M. Albright, concentrated on building a cadre of rangers, developing ways to interpret the parks for visitors, and providing facilities for them. Luring people to the parks was essential in those days. Without great numbers of satisfied users, the parks would not have the constituency needed to stave off the exploiters.

History records that the Hetch Hetchy Valley in Yosemite was drowned to provide water for San Francisco; minerals were exploited at Grand Canyon, Organ Pipe, and Death Valley; extensive grazing continues in Grand Teton and some other Western parks. During World War I Mr. Mather and Mr. Albright had to use all their wiles to keep loggers, miners, and stockmen from devastating the parks in the name of national defense.

In the late 1940s and early 1950s, Americans took to the roads as car ownership and highway construction expanded. Park visits mushroomed from 11 million in 1945 to 80 million by 1960. But funding and staffing lagged far begind growth in use. Many of the park facilities, roads, and structures lapsed into disrepair. A 10-year program that eventually cost $1 billion, called Mission 66, rehabilitated structures, facilities, and roads by 1966. But it gave scant attention to ecosystems, wildlife, and other natural resources.

Over the years the Park Service has always assumed that rangers would be taking care of the resources as part of their general duties. And despite second-home development, urban encroachment, nearby grazing, logging, mining, and other activities, the national parks have been generally regarded by government officials and the public as islands of wilderness, usually far enough from "mainland" activities to remain unharmed.

Occasionally, warnings were issued by wildlife experts. A National Academy of Sciences committee reported in 1963 that information on the status of ecosystems within the national parks was so poor that "unless drastic steps are immediately taken, there is a strong possibility that within this generation we will see the reduction of several if not all of our parks to a state totally different from that for which they were preserved and for which they were to be enjoyed." The warning went unheeded by the Park Service and by Congress.

The first strong public hints that the natural resources of the parks might be having major problems came in 1979. The National Parks and Conservation Association conducted a survey of park superintendents to assess the impact of such activities as residential or industrial development, roads, grazing, logging, energy extraction, and agriculture. Water resources were being adversely affected in 79 of the 203 park areas taking part in the survey. Air quality was a problem in 74 areas, and wildlife was being harmed in 64 areas, the superintendents reported.

Cleve Pinnix and Clay Peters, former Park Service rangers working for the House Interior Subcommittee on National Parks, brought the reports to the attention of Reps. Phillip Burton (D) of California and Keith G. Sebelius (R) of Kansas. The two staff members suggested legislation to require an annual "State of the Parks" report from the National Park Service. The resulting bill failed in committee. But Congressmen Burton and Sebelius, seeking to start a process they could later write into law, wrote to then Park Service director William Whalen, requesting that park superintendents prepare single-page assessments of the factors inside and outside the parks threatening natural and cultural resources.

As rarely happens in a bureaucracy, the responsibility for carrying out this request found its way to exactly the right person—Roland Wauer, head of the Park Service's natural resources division. He had been a ranger, park naturalist, and southwest regional chief scientist before being assigned to Washington. And he had been waging a losing battle to have the Park Service seriously address the internal and external dangers to park resources.

Mr. Wauer designed a comprehensive questionnaire outlining 75 specific categories of possible threats. He asked each superintendent to specify whether each threat was adequately documented, known but in need of research, or only suspected. The park officials were also to list specific sources of each threat and the particular natural or cultural resource that might be harmed.

As it turned out, when the report went to Congress in May 1980, only one-quarter of the threats could be listed as adequately documented. Despite this and other weaknesses, however, the report served as a warning signal that park resources might really be in trouble.

A total of 310 National Park Service areas reported more than 4,300 specific threats—pollutants, exotic plant and animal species, and industrial development projects among them. More than half of the threats emanate from sources outside the parks. The superintendents reported scenic resources to be significantly threatened in more than 60 percent of the parks, air quality in 45 percent, and mammal, plant, and fresh water resources in more than 40 percent.

"From Mission 66 to the present, visitor comforts, facilities, and enjoyment have been placed in higher priority than the protection of and perpetuation of the resources and natural systems for which the parks were established," says Mr. Wauer. "Without question, the significant resources are being degraded to an extent that if this trend continues, the parks will, in the not too distant future, be only shells of what they were originally."

RECOMMENDATIONS FROM STATE OF THE PARKS REPORT

The report proposed a number of follow-up actions: preparation of a comprehensive inventory of important natural and cultural resources in each park; completion of park plans for managing the resources; development of accurate baseline data on park resources; monitoring programs to detect and measure changes in the resources and in the larger ecosystem; and expansion of the Park Service's research and resource management capabilities to deal with the problems.

It also noted a deficiency with dangerous implications for the future: Out of the current Park Service operating budget of more than $500 million, only $10 million goes for natural science research, which is carried on by fewer than 100 scientists. Fewer than 100 of the service's 9,000 permanent employees are full-time in the field on resource management.

Park Service director Dickenson told me: "The major emphasis, both within and without the service, has to be given now to what is occurring in the natural resources arena. It's not the visitor use, except for isolated instances, where we have the biggest problems."

Despite such commitments, the needed change in priorities has been slow in coming. In February 1981, Mr. Dickenson brought the 10 regional directors to Washington for a special meeting to decide which of 266 significant resources problems should be selected as "essential needs" and funded for corrective action. Dickenson said that Interior Secretary Watt was planning to take $105 million in funds intended for park land acquisition and use it instead to start a

massive program to restore parks. The Park Service had been assured, he said, that $10 million of the $105 million could be used for restoration of cultural resources (historical structures and sites) and $5 million could go to natural resource management, research, and monitoring.

After an all-day session, the regional directors selected 38 natural resource projects that would require $3.5 million the first year and an additional $4.6 million over the following two years. They included control of feral goats at Olympic, pigs and goats at Haleakala and Hawaii Volcanoes, and rabbits at Channel Islands, and dune revegetation at Cape Cod. Eight wildlife and fish research and monitoring projects were approved, including humpback whales at Glacier Bay and grizzly bears at Yellowstone. Fourteen water-quality projects, from Oregon's Crater Lake to Maine's Acadia National Park, were put on the list. Also proposed for funding were 63 cultural projects, from preservation of the tower of Independence Hall to restoration of the historic ship SS Wapama at Golden Gate.

Within a few weeks, as the Interior Department completed its 1982 budget proposals, Dickenson was notified that the parks would be getting $10 million for corrective work on cultural projects.

For natural resources projects, however, the budget would allot zero. Natural resources, it seemed, did not fit with Secretary Watt's plans for redressing what he had recently termed the "shameful" condition of the national parks. "And besides," commented an Interior Department official to a Park Service staffer, "We just can't afford to spend money on goats and rabbits." ●

PRESIDENT REAGAN'S AGENDA FOR PEACE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. BROOMFIELD. Mr. Speaker, I was honored to be present at the United Nations for President Reagan's address on June 17. Not only was his speech warmly received by the General Assembly, but he received private plaudits afterwards at a luncheon attended by several hundred diplomats. Personally, I was extremely pleased by the frank and sincere tone of the address. In contrast to many diplomatic, and often hollow, speeches given at the United Nations, the President went beyond mere generalities and cut to the heart of the matter. By setting forth our own record of peaceful achievement, and the Soviet's record of lawlessness, the President laid the facts right on the table.

Was this just an opportunity to take a shot at the Soviets and develop some anti-Soviet propaganda? I think not. The Soviets have been using the United Nations for years as another tool in their effort to undermine Third World support for the Western goals of economic development and peace. They have made pious, yet fallacious statements regarding their own objectives. What President Reagan did say was: Here are the realities of Soviet actions around the world; here are our proposals for truly reducing armaments and tension; now let us address these issues in a serious manner and test Soviet pronouncements. If the United States gained a public relations advantage by honestly stating our beliefs, the gain was only made possible by the knowledge that the Soviet Union has violated its obligations under international law. The Soviets have used outlawed chemical weapons in Afghanistan, Laos, and Cambodia. They have used force to crush independent movements in Eastern Europe. They have invaded a nonalined nation by sending 100,000 troops into Afghanistan. And they do support international terriorism in West Europe, the Middle East, Africa, and Central America.

The solution to how we can best address the Soviet threat is multifaceted. First, we must always retain sufficient forces to deter Soviet aggression against us. Second, we must continue to maintain our alliances to guarantee collective security against Soviet offensive designs. The third and fourth elements are interrelated to each other, and to the first two. We must develop broad international recognition of the Soviet threat with corresponding demands for a halt to Soviet illegal activities. By achieving the first three elements, the final element of convincing the Soviets to accept meaningful arms reductions may be accomplished. That is why the President's speech was so important. It represented another opportunity, before international leaders, to demonstrate our desire to achieve peace and stability, while challenging the Soviet Union to join us in our quest.

The President made some excellent points in his speech. The United States has nothing to hide. We do not build walls to keep our own people in or forbid peace demonstration in our country. To the contrary, we have always extended our hand, and often shed our blood, in the defense of liberty and freedom. We have proposed verification of military systems in order to avoid war. We have proposed safeguards to reduce uncertainty. And we have proposed the reduction of existing nuclear stockpiles. The President has set forth a specific Agenda for Peace with four elements.

Elimination of land-based intermediate range missiles.

A one-third reduction in strategic ballistic warheads.

A substantial reduction in NATO and Warsaw Pact ground and air forces.

New safeguards to reduce the risk of accidental war.

In conjunction with President Reagan's call for an international conference on military expenditures, and an exploration of the ways to increase understanding and communication between the United States and the Soviet Union in the areas of advance notification of strategic exercises and missile launches, the President's Agenda for Peace represents a far-reaching effort to achieve peace and security in a manner consistent with the highest ideals of the U.N. Disarmament Special Session.

By openly challenging the Soviet Union in the United Nations, we have again presented another opportunity for the world to observe whether the Soviets really want to negotiate peace or use the U.N.'s Special Session as a subterfuge for their own military growth and totalitarian expansion. President Reagan's straight talk and sincere invitation to join us in arms reduction was refreshing. It reflected his own statesmanship and the recognition that the West cannot unilaterally disarm. As long as there is a threat, we must be vigilant. And as long as there is a prospect for peace, we must pursue it. Whether the Soviets take us up on our offer of far-reaching negotiations, I cannot say at this time. But the President made the right choice in offering the olive branch on equitable and verifiable terms. ●

UNEMPLOYMENT COMPENSATION FINANCING ACT OF 1982—H.R. 6633

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. GRADISON. Mr. Speaker, the Federal financing for the unemployment compensation program is facing a serious shortfall in the very near future. Members will recall the confusion and consternation earlier this year when it became necessary to provide supplemental appropriations to fund the shortfall in administrative funds for the State employment services. That episode was only the first of many recurring crises that will hit the system unless the Federal Government takes steps to shore up the Federal Unemployment Tax (FUT) which finances administration of both unemployment insurance and State employment services as well as the Federal 50-percent share of extended benefits. In the last several years, more has gone out for administration than has been generated by the portion of the FUT used for these purposes. The cushion of funds in reserve have been gradually nibbled away, and we are now at a point where cash flow problems will be continual.

Last week I introduced H.R. 6633, the Unemployment Compensation Financing Act of 1982, which is designed to raise the revenues needed to prevent future shortfalls in the Federal

share of the unemployment compensation program. The provisions of the bill are listed below. I hope that the Public Assistance Subcommittee will take up this proposal in the near future and that it will be considered in the context of the budget reconciliation effort this summer.

First, the bill would make modest increases in both the Federal Unemployment Tax Act (FUTA) base and rate. The wage base would be increased from $6,000 to $7,000 annually. The minimum net tax rate would be increased from a net tax of 0.7 percent to 0.8 percent. This would be accomplished by increasing the "standard" FUTA tax rate from 3 percent to 6 percent, retaining the 90-percent Federal offset credit, dropping the 0.2-percent tax levied in 1961 and 1970, and retaining the 0.2-percent tax levied in 1977. Thus, the present law tax of 3.4 percent and credit of 2.7 percent will be replaced by a 6.2-percent tax and credit of 5.4 percent.

These changes in the base and rate are expected to increase Federal revenues by almost $600 million in fiscal 1983. State revenues will also go up as a result of these changes. The rate increase is expected to bring in over $700 million in State funds beginning in fiscal 1985. The increased Federal base will trigger increases in many State bases which will generate some $765 million in additional State revenues beginning in fiscal 1983.

Employers with low-wage workers are affected differently than employers with high-wage workers or with a diversity of wage scales by increases in the FUTA tax rate or wage base. My bill, which makes modest increases in both the wage base and the tax rate, is an attempt to increase the FUT without disrupting the relative impact of the present system on these various types of work forces.

The bill amends present law to provide that the sharp increase in FUTA taxes owed by employers in many debtor States after the fifth year of indebtedness will not take effect. The increase after the third year for States whose tax rate is less than 2.7 percent is retained, however.

Under the bill, States will be permitted to make debt repayments out of the State trust fund accounts in lieu of further Federal tax credit reductions. These payments must be made from new funds generated through the State experience-rating system and/or from benefit reductions and must be in amounts sufficient to cover both the potential additional tax that the credit decrease would have generated and any advances made to the State during the prior year.

Interest payments made to the Federal Government by debtor States would, under this bill, be credited to the Federal Extended Unemployment Compensation Account (EUCA) instead of going into general revenues as is now the case. Currently, the EUCA account has some $7.5 billion outstanding. When the account is paid back, present law provides that the 0.2 percent of the FUT which was added in 1977 will be eliminated. This would, under the provisions of my bill, reduce the net FUT to 0.6 percent.

My bill provides that the State trust funds would no longer be counted as part of the Federal unified budget. These trust funds consist of amounts levied as State taxes under State laws. They are used to provide benefits under State unemployment programs to unemployed persons in those States. There is no reason for counting the State trust funds as part of the Federal budget, and doing so has resulted in artificial estimates of either surplus of deficit depending on the economic cycle.●

1982 LEGISLATIVE QUESTIONNAIRE

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. GUNDERSON. Mr. Speaker, the results of my 1982 legislative questionnaire show strong support for continuing efforts that we began over a year ago as this Nation set out toward a goal of economic recovery.

Residents of western Wisconsin responding to my questionnaire still indicate concern about government spending with the majority favoring a freeze in Federal spending at last year's level.

In addition, to help reduce the budget deficit, a strong majority favored an increase in excise taxes and the elimination of corporate tax breaks such as selling tax credits.

While only slightly more than half responding favored a freeze on nuclear weapons, 75 percent agreed that the United States should begin negotiations with the Soviet Union for an equal and verifiable reduction of nuclear weapons.

As the Nation struggles with high interest rates and high unemployment, those responding to my questionnaire felt that previous administrations and Congress are to blame for the current economic conditions. Less than one out of three responding said that President Reagan is to blame.

Asked to name the three issues of most concern, those answering the questionnaire cited interest rates as the number one area of concern, Government spending and unemployment closely tied for second, and welfare abuse as the third area of concern.

Today, we in Congress must remain dedicated to the mandate we were given over a year ago. Citizens of western Wisconsin have echoed that mandate in the 1982 legislative questionnaire.

The following is a complete summary of the responses to our Third District questionnaire:

CONGRESSMAN STEVE GUNDERSON'S 1982 LEGISLATIVE QUESTIONNAIRE

[All answers in percent]

	Yes (A)	No (B)
1. Overall, do you support the President's economic recovery program that calls for additional spending reductions and maintaining tax cuts passed in 1981?	69	27
2. To help reduce the budget deficit, would you support further cuts in Federal spending such as:		
Reductions in defense spending	70	25
Cuts in Federal grants and loans to college students	55	40
Revisions in the farm price support program	63	27
Reductions or delays in social programs	65	29
Freezing Federal spending at last year's level	73	17
Reducing cost of living adjustments for social security	42	52
3. Another way to reduce the budget deficit is to increase tax revenues. Would you favor:		
Delaying the 10 percent personal income tax cut scheduled for July 1 of this year	46	49
Increasing excise taxes on alcohol, tobacco and luxuries	73	23
Eliminating some of the tax breaks for corporations, such as selling tax credits	78	18
4. There is general agreement that the number of nuclear weapons in the world must be reduced. Which method of achieving this goal do you prefer?		
Begin immediate negotiations on an equal and verifiable reduction of weapons by both the United States and the Soviet Union	75	15
Freeze nuclear weapons at the present levels and begin negotiations to reduce the number of weapons	56	32
Continue to build up our arsenal (as a deterrent) until negotiations result in verifiable reductions on both sides	32	55
5. Do you support the President's "New Federalism" that would transfer many Federal programs to State and local governments?	65	29
6. Should the air quality standards established by the Clean Air Act be eased?	32	62
7. Transportation Secretary Lewis has proposed increasing the Federal gasoline tax by 5 cents per gallon to fund resurfacing of State and interstate highways. Do you favor this proposal?	42	52
8. Do you favor a constitutional amendment to prohibit abortion?	40	56
9. Would you support busing of school children to achieve racial balance?	11	84
10. Do you support continued military assistance to the government of El Salvador?	20	70
11. Who do you blame for the current economic conditions in the United States?		
President Reagan	28	54
Previous administrations	77	11
Congress	70	13
The President and Congress	41	32
12. Do you support a new agriculture policy that would reduce overproduction of dairy products by assessing dairy farmers who increased production over a pre-established base?	46	45
13. Which three issue areas concern you the most?		
(1) Interest rates		
(2) Government spending and unemployment		
(3) Welfare abuse		

●

AMENDMENT TO EMERY AMENDMENT ON SELECTED ACQUISITION REPORTS (SAR'S)

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. EMERY. Mr. Speaker, on June 15, 1982, I had printed in the RECORD (page H3488) an amendment I intend to offer to H.R. 6030, when it is considered on the floor of the House. This amendment deals with the selected acquisition reports which are prepared for the Congress by the Department of Defense.

After some additional study, I have decided to alter my amendment slightly. In paragraph 2 of my amendment, I

would ask permission to delete the words "in the estimate used in planning each such defense system." The purpose of this change is to take cognizance of the fact that some weapons systems do not have planning estimates, even though they may, at some point, meet or exceed the designated dollar thresholds.

Thus, my amendment, as amended, would require a selected acquisition report for all defense systems which are estimated to require a total cumulative financing for research, development, test, and evaluation of the defense system in excess of $200 million or a cumulative production investment for the defense system in excess of $1 billion. This change will bring the amendment back into conformance with the language of the existing law.●

HIGH HOPES FOR THE CARIBBEAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. LAGOMARSINO. Mr. Speaker, the $350 million that is included in H.R. 5900, the Caribbean Basin Initiative, is less than the amount spent in Florida on the refugee problem. However, this bill's constituency is not just Florida or the eastern seaboard, it is the entire United States. The long-term security of the United States requires a stable and economically secure Caribbean, a critical point which is emphasized in Minister Douglas Vaz' (Minister of Industry and Commerce of Jamaica) letter to the editor of the Post which I have included at the end of my remarks.

In addition, Minister Vaz corrects some of the misrepresentations that have been made with respect to trade issues involved in this package.

To emphasize and detail the true story of the Caribbean Basin, the Congress has been most fortunate to have with us, for the first 3 days of this week, a private-sector delegation from Jamaica. In 3 days, this group of nine sincere, articulate and intelligent advocates, personally visited with over 100 Members and staff out of the 193 offices concerned with the following committees: Senate-House Appropriations, Senate Foreign Relations, House Foreign Affairs, Senate Finance, and House Ways and Means. In addition to personal meetings, their efforts included working lunches each day and a congressional reception Tuesday evening.

The delegation was headed by Mrs. Avis Henriques, president, and Ian Murphy, vice president, of the Private Sector Organization of Jamaica. Mrs. Henriques is a director of the Bank of Jamaica and Mr. Murphy is managing director of Federated Pharmaceutical Co., Ltd.

In addition, we were fortunate to have with us discussing export development and the promotion of free enterprise throughout the CBI region, the following: Carlton Alexander, chairman, Prime Minister Edward Seaga's Committee on Investment and Employment, Jamaica National Investment Promotions, Ltd., and Grace Kennedy & Co., Ltd.; Corinne McLarty, managing director, Jamaica National Investment Promotions, Ltd. (JNIP); Neville James, director, Private Sector Organization of Jamaica (PSOJ); Dr. Richard Lowe, assistant director, JNIP; Senator Cliff Stone, Jamaica Legislature and Trade Unionist, island supervisor for the Bustamante Industrial Trade Unions; Carmen Campbell-Belton, director, Research and Statistics (Data Resources), JNIP; and Lloyd Forbes, production manager, J. Wray & Nephew, Ltd. and chairman, West Indies Rum & Spirits Association.

Mr. Speaker, I am pleased to report that these fine people left with high hopes and optimism that H.R. 5900 and S. 2237 will begin to move in all committees following the July 4 district work period. It is time not only for the Congress, but also the administration to fulfill our commitment to this unique foreign policy package created by President Reagan, to eliminate the barriers that have precluded our good neighbors from becoming productive and loyal friends as we have in Jamaica and throughout the region.

This unusual group of men and women showed us through their knowledge of our system and their respect for the committee and subcommittee criteria for reporting legislation, that they cherish and respect our friendship and are looking for a hand of assistance and not a handout.

The "letter to the editor" follows:

[From the Washington Post, June 17, 1982]

HIGH HOPES FOR THE CARIBBEAN

(By Douglas C. Vaz)

President Reagan's long-awaited Caribbean Basin Initiative is cause for optimism among all those who wish this region of the world political stability and economic well-being.

The long-term security of the United States requires a stable and economically secure Caribbean. With 28 practicing democracies, the Caribbean constitutes the largest single bloc of democratic governments in the world. The CBI, with its program of aid, trade and investment, will help Caribbean nations bolster their economies and ensure their stability. The CBI will also help these nations retain their nationals, develop skilled and professional talent and remove the necessity for the United States to absorb the migration of Caribbean nationals.

Two criticisms of the CBI were reported during hearings of the House subcommittee on trade. One is that the U.S. domestic shoe industry would be adversely affected by imports of Caribbean footwear. In fact, only three-tenths of one percent of footwear imported by the United States comes from the Caribbean. This amounted to $6.9 million in 1980. In comparison, U.S. domestic shoe industry sales totaled $20 billion.

Another criticism is that 8,000 Puerto Rican workers in the rum industry would be forced out of work if no restrictions on Caribbean rum are imposed. But these 8,000 workers include those in the entire sugar cane industry, which produces many by-products in addition to rum. Also, I note that 91 percent of imported rum now comes from Puerto Rico—over 60 percent from one producer. The entire Caribbean exported only $3.1 million-worth of rum to the United States in 1980, while the major Puerto Rican producer surpassed the 8-million-case mark (over $100 million) in the United States alone. The CBI also proposes, redressing any monetary loss that may be occasioned to Puerto Rico and the Virgin Islands, by imports from the Caribbean.●

A TRIBUTE TO 11 MARYLAND "PATRIOTS"

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. DYSON. Mr. Speaker, I would like to bring to the attention of my distinguished colleagues in the House of Representatives the achievements of 11 students from the Prospect Mill Elementary School in Bel Air, Md. Their names are Brian Schafer, Marla Schumacher, Keith Poyer, Frank Tarquini, Sandy Davis, Liz Bush, Aurora Allen, Patrick Hurley, Greg Blake, Mark Roller, and Jeff Low.

These students possess a degree of motivation and commitment which few of their peers can claim. Out of the 59 students in the fifth grade class, these 11 were diligent enough to go through 10 steps to be classified as "patriots" by their school.

This involved memorizing the following patriotic phrases and names: The Pledge to the American Flag; the Star Spangled Banner; Paul Revere's Ride (first stanza); Declaration of the Independence (first two lines); Preamble to the Constitution; the Bill of Rights; the names of the Presidents in order; identify the 50 States; the Gettysburg Address; and the American Creed.

These 11 Marylanders were given 2 months to memorize these 10 steps in totality. One mistake meant that they would have to start over again. These students were unaware that their long hours of toil would lead to anything. But not only were they led to the White House, but I, too, was also privileged to have these outstanding students recite their partiotic verses before me.

They performed flawlessly and I feel privileged in representing such fine individuals in Congress.

Mr. Speaker, the hard work of these students epitomizes the spirit that has made America great. They are truly, in every sense of the word, patriots.●

THE REAL VOICE OF LEBANON

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. LANTOS. Mr. Speaker, the American Lebanese League, which represents the ideals of over 2 million Americans of Lebanese descent, sent an open letter to the President of the United States this morning. This letter puts into context the current crisis in Lebanon and underscores the importance of seizing the initiative to restore a free and independent Lebanon.

I commend this message to the careful attention of my colleagues and to our Departments of State and Defense.

A message to President Reagan and the people of the United States:

Now is the time to save Lebanon and rebuild it as a free, open, democratic and traditionally pluralistic society that preserves deep humanistic and religious Middle Eastern values and safeguards Western interests in that region.

Lebanon has suffered enough for the past seven years:

Over 100,000 persons killed.

Over 1 million Lebanese displaced.

Thousands of villages completely demolished.

Basic infrastructure destroyed.

Political and social structure disintegrated.

The American Lebanese have been supporting your efforts "to foster the infrastructure of democracy which allows a people to choose their own way, to develop their own culture and to reconcile their own differences through peaceful means."

We now call on you to seize an unprecedented opportunity in Lebanon, one that may not reoccur, and to help end the suffering of the Lebanese by ensuring:

(1) The territorial integrity of Lebanon and the withdrawal of all foreign forces from Lebanon-Syrian, P.L.O. and Israeli forces.

(2) The deployment of the Lebanese army throughout Lebanon.

(3) The establishment of a strong central Government capable of promoting a free, democratic and pluristic society.

(4) A free democratic Presidential election.

(5) The control of the Palestinians while on Lebanese soil.

(6) Provision of humanitarian and economic assistance to relieve the hardships of the population and restore the Lebanese economy.

A tragic error would be made if Israeli forces were to withdraw, leaving Syrian and P.L.O. forces in place. This would condemn Lebanon to its continued agony and suffering.

A strong, stable Lebanon, free of alien forces and at peace with all its neighbors, is of strategic value to the United States:

A strong Lebanon would blunt the activities of the three major extensions of Soviet policy: Syria, the P.L.O. and Libya.

International terrorism, presently exported from Lebanon, would be brought under control.

The peace process would be enhanced.

Regional stability and access to oil would be preserved.

To Our Fellow Americans: Be resolute and bold. Make the cause of Lebanon your own. The rebirth of a free Lebanon will also serve the interests of a free America, and it will pave the way for a lasting peace in the Middle East. Write the President, the Secretary of State and your Congressman. Let your voice be heard on behalf of your traditional friend—Lebanon!●

ESTABLISHING A NATIONAL OFFSHORE OPERATORS SAFETY ADVISORY COMMITTEE

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. BREAUX. Mr. Speaker, today we are introducing legislation to establish a National Offshore Operators Safety Advisory Committee. Over the years the Congress has entrusted the Coast Guard with increasing authority to regulate the business operations of firms engaged in various aspects of offshore energy and mineral development.

As we are well aware, however, we have not increased the budget authority for the Coast Guard in a manner that would allow them to timely meet these additional responsibilities. Consequently, the agency has found itself increasingly squeezed for manpower and other resources to implement its mandates in a manner which considers real life consequences of its actions.

This bill establishes, at virtually no cost to the Federal Government, a committee of experts from the business, labor, and public sectors to provide such expertise to the Coast Guard.

I hope that the Members of the House will see the wisdom of such a committee and approve this legislation.●

VPI FOUNDER'S DAY ADDRESS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. WAMPLER. Mr. Speaker, as we come to grips with the budget crisis, I would like to share with my colleagues some thoughts expressed by T. Marshall Hahn, president of the Georgia-Pacific Corp., in his keynote address at Virginia Polytechnic Institute and State University's Founders Day Celebration on April 23, 1982:

This is truly a special day for all of us—a day when we pay tribute to contributions from students, faculty, staff and alumni. It's a time for good friends to gather to reminisce about Virginia Tech's past, talk about its present, and plan for its future.

It has been 7 years since I entered the private sector after more than 12 years of helping guide this university. I am pleased to see the continuing fulfillment of the promise we so hopefully nurtured in those days.

Since I left academe in the mid-1970s, university enrollments have declined nationwide. Yet, applications for admission to Virginia Tech have increased every year.

The average college board score has continued its declining trend. Yet, the average score for entering freshmen here has increased every year.

Faculty salaries are under pressure everywhere. Yet, salaries at Virginia Tech have continued to increase, enabling this university to continue to improve the quality of its instructional programs, research, and service to the state and nation.

In this most trying time for public support, I am delighted to see new facilities around the campus, the library addition, the Animal Sciences building, the Vet School, and the new dormitory going up on the other side of Ambler-Johnston Hall.

I understand, too, you were even able to obtain some additional capital funding from the General Assembly this year—an admirable achievement in today's budgetary environment.

It is gratifying indeed that on Founder's Day, I can share in the credit—along with the distinguished line of my predecessors—for helping to establish the foundations for such impressive progress. However, the real credit for today's progress must go to today's leadership. So, I welcome this opportunity to congratulate Bill Lavery and the other fine leaders of this university.

Virginia Tech's success comes from its vital contributions in instruction, research, and public service.

Speaking today as a businessman, I can affirm that distinguished universities like Virginia Tech will continue to receive support from the business community, because these contributions are so important to improved quality of life and increased individual opportunity in this country. Most business leaders realize fully that our long term future as a nation depends on the success of our system of higher education and that institutions such as this one are the key to that success.

I believe support for higher education has never been more important than it is today because of its vital role in helping to chart our course from the turning point at which this nation stands today.

Our problems are self-evident. We have had two years of record high interest rates and recession, reflecting an inheritance of past government policies and programs unsuited to contemporary economic circumstances.

Over the past two decades, we have seen the economies of Western Europe and Japan vastly outstrip our own in terms of producitivity. This has occurred largely because of policies in those countries that encouraged investment—and here in the United States discouraged investment. As a result, we have lost substantial shares of world markets to these competitors, including a large share of our own markets here at home.

These same outmoded policies have brought us a heritage of deficit budgets,

turning our government into the country's largest borrower. Ten years ago, the federal government borrowed only 2 percent of the available credit. Today, federal governmental borrowing has swollen to almost 40 percent of the money available for lending in the United States.

When you consider the impact of such massive governmental borrowing on the credit available for business to finance new plants and equipment, and to create new jobs, as well as the impact on consumers trying to purchase a home or an automobile, it is easy to see federal deficits are the root cause of our current economic problems.

There's no question that President Reagan has set into motion a program that can turn this country around. However, presently projected deficits are just too high to allow that program to be fully effective.

In dealing with this pressing national problem of vital concern to citizens at all economic levels, there are basically only four alternatives from which the Administration and Congress can choose:

Proceed on a course of large deficits and restricted money supply.

Expand the money supply more rapidly to provide more credit to go around, or "monetize the debt."

Raise taxes to reduce the deficits.

Reduce the rate of increase in government spending.

Proceeding on a course of large deficits, resultant heavy government borrowing and restrictive money supply can only result in continued chaos in the money markets. Both the magnitude and the uncertainty of presently projected deficits have resulted in the very high floor established under the volatile interest rate swings of the past two years.

We currently see interest rates yielding investors real returns—after inflation—of about 10 percent . . . higher than ever before in modern history. Such rates persist both because massive government borrowing will result in severe pressure on the credit markets, and because of concern the deficits might be even higher than projected.

The second alternative—expanding the money supply so there will be room for everyone at the trough—is fundamentally unsound. That's how we ended up with the double-digit inflation that has so plagued our economy until very recently. We have that battle under control. It makes no sense to snatch defeat from the jaws of victory.

The third alternative, raising taxes, would also be part of the problem rather than part of the solution. The single basic factor holding our economy back right now is government competition for dollars.

Whether the government obtains those dollars by borrowing in the capital markets or by taxing them from individuals and industry, they are still dollars that cannot be utilized to create productive employment in the private sector or to revitalize our capital base and make us again competitive with other major trading nations.

This leaves the last alternative, slowing the increase in government spending, as the only sound way to reestablish our economic strength and assure our long-term prosperity. The alternatives would all continue to follow the pattern of the 1970s, which saw our nation using up its productive assets to pay for present pleasures at the expense of long-term economic viability.

Reducing the rate of increase in government spending will lead to the lower interest rates necessary for a better investment climate, resulting in the creation of productive jobs, and generating a feeling of opportunity and optimism among consumers. Such a sense of national confidence is essential to get the turnaround under way.

People have to believe that productive jobs will be available and that those jobs will enable them to purchase homes and automobiles, to educate their children, and to support worthy institutions and charities. Basically, people want to know that they will be able to benefit from their own endeavors.

Before this can happen, interest rates must come down. And the only sound method for lowering interest rates in today's circumstances is to reduce the federal deficit by reducing the rate of increase in federal spending.

This reduction must be through a judicious balance of pulling in our belts in terms of the so-called "social" programs and making sure that we have a strong, efficient—but non-wasteful—defense program.

We certainly cannot neglect the defense of our nation. It must remain our No. 1 priority. If we cannot defend ourselves against hostile nations, then all our other achievements will be of little consequence. However, we must also set the same standards for efficiency and economy in defense spending that we insist on in the private sector.

In terms of social programs, we should be looking at what is absolutely necessary as a "safety net" and what we can afford beyond that. In making these judgments, we must keep in mind that the greatest compassion we can show for the underprivileged is to increase the opportunities for productive employment, to prevent inflation from disrupting our standard and quality of living, and to allow our free-market system to operate to the maximum possible extent.

There's an adage deeply engrained in the American heritage which observes that "if you give a man a fish, you feed him for a day, but if you teach him how to fish, you feed him every day."

We should concentrate on programs that teach people to fish, because programs that give fish only work until the fish run out—and we're running out of fish. We must control government spending to allow the private sector to restock the streams.

We are reaching the end of a very difficult watershed period for the United States, when we passed from believing that we had enough of everything to do anything, to an era when we recognize that we don't have enough of anything to do everything. The period in between has been characterized by an uncharacteristic—and unrealistic—pessimism about this country and its future.

Over the past 10 or 15 years, many Americans seemed to forget that this is still a young country. We have a great deal of growth and opportunity before us. The policies and programs that are now taking shape on the federal level can help us realize this potential.

Great universities like Virginia Tech will play a key role in the resurgence and rebuilding of our national prosperity, by developing and disseminating new knowledge, and by producing talented people to apply it.

I am proud to have played some part in this university's exceptional success. I am grateful for the honor bestowed on me today, and I look forward to working with all of you to continue Virginia Tech's success story into the future.●

CURE FOR INFLATION—MISSOURI STYLE

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. BAILEY of Missouri. Mr. Speaker, during the past 6 months the Reagan administration has accomplished a near miracle. The annual rate of inflation is being held to 3.3 percent.

If this trend continues, the President's economic policies will have succeeded in increasing individual buying power by 10 percent over 1979, by 8 percent over 1980, and by 5 percent over 1981.

But perhaps the biggest accomplishment of all is the fact that more of our people are now employed than the average since World War II. Of the total population over 16, the postwar average of people employed has been 55 percent. For the same overall group it is now 57.3 percent.

After 4 years under the previous administration, inflation has risen to more than 12 percent and unemployment was still substantial—a misery index of 19.5 percent. Under the Reagan administration the misery index is now only 12.3 percent.

Many in Congress have been trying to promote the kind of policies that ran that index up, as contrasted with the Reagan policies that brought it down.

But, for those of you who are really looking for an answer, let me propose that you turn to Houston—not in the State of Texas, but Houston in the county of Texas, down home in Missouri.

Down in Houston, Texas County, Mo., Ernest Germano, president of the Houston Progressive Development Corp., insists that he has developed a cure for inflation, a plan which, he says, would join the ideals of free enterprise and equal sharing and, in the process, break down the adversarial relationships between citizens, government, and private industry.

Germano thinks the plan is so sound it could revolutionize the economy of middle America. Kevin Madden, reporter for the Springfield, Mo., News-Leader, found time to interview Germano and discuss the potentials of the plan with Houston City Manager Pat McDonald.

Germano and McDonald may not have found all the answers, but I want to commend them for their willingness to seek solutions of problems without looking to the Federal Government and I commend to you for your examination Madden's most interesting article, "Houston studies community inflation 'cure'" as published in the Springfield News-Leader June 6, 1982.

I submit the Springfield News-Leader article for the RECORD.

[From Springfield News-Leader, June 6, 1982]

HOUSTON STUDIES COMMUNITY INFLATION "CURE"

(By Kevin Madden)

HOUSTON.—There IS a cure for inflation.

At any rate, a Houston development corporation insists that it has developed a cure for that spiraling economic cancer.

The cure involves democratic control of the local economy.

The plan's creator, Ernest Germano, 65, president of the Houston Progressive Development Corporation, is a New York native with a background in accounting, philosophy, languages and management analysis.

He thinks the plan is so sound, it could revolutionize the economy of middle America.

Germano and other Houston businessmen involved with the corporation want to copyright the plan and sell it to city, state and regional agencies across the country for a nominal fee.

What is the plan?

At a recent informal gathering of development corporation members, Germano laid groundwork for the plan by stating, "Administrations do not, by their policies, cause inflation or unemployment. Policy only shows on which side of the free enterprise-equal sharing controversy (that the) administration policy comes to rest. Policy only underscores a basic conflict; it does not generate that conflict."

Germano said his plan would join the ideals of free enterprise and equal sharing and, in the process, break down the present adversarial relationships between citizens, government and private industry.

The plan is based on the theory that inflation is caused by the "Pinocchio Principle." This principle states the first worker in the economy who demands a wage increase is cutting his own throat.

After his employer grants a wage increase, the company passes on an unaudited cost increase to the middleman. The middleman does the same thing to his customers.

"In this process, wages and benefits are more than absorbed," Germano said. "Crudely stated, the first liar doesn't stand a chance."

The key to solving this problem lies in a mechanism which cools the demand for wage increases, Germano said.

As part of his plan, Germano begins by learning a community's basic income, or the total amount of money funneled into a community from the outside. This would include industrial employment, retirement programs, annuities, interest-bearing paper and inheritances.

It also is necessary to know the job sources in a community which can be converted into a labor force profile, he said. In such a profile, each family—including every paycheck and other income—is treated as a single wage earner.

With such a profile in hand, a community can establish a mathematical model as a kind of shorthand device for marketplace variables, Germano said. The model considers all purchases of esssential and non-essential items.

With the model, a community can set a goal to ensure an appropriate wage and salary distribution from top to bottom.

This specific distribution is the key to controlling inflation, Germano said.

All local merchants would alter their prices based on the amount of the community's disposable income. By the same token, all workers would temper their desire for higher wages with the knowledge that "they would invite disaster," he said.

Of course, a certain amount of inflation would occur based on certain prices set outside the community, but the local marketplace forces would decrease the number of times these increases occur, Germano said.

A community can obtain an appropriate wage and salary distribution by controlling the type and size of industries which it would allow to come in and operate, Germano said.

"A small town is more in line with the type of philosophical outline we're trying to promote," he said. However, if the country is receptive to the approach, "The national community can operate like the local chart," he said.

"I don't know if it would work or not, but I think the idea is great," said Houston City Manager Pat McDonald. The Houston City Council has been briefed on the plan, but has not acted on it, he said.

"Our mathematical model will only work if the community wants and lets it work," Germano said. "It is a matter of personal and local decision."

"This plan isn't worth a damn if the community doesn't analyze it and plan and utilize it," agreed Glen Romines Sr., a local car dealer and vice president of the development corporation. "If the city accepts this plan . . . and the (business) people up and down Main Street don't like it, you might as well take the plan and dump it in File 13."●

JOHNSTOWN BATTLES ECONOMIC TIDE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. MURTHA. Mr. Speaker, as the following article indicates, the citizens of the city of Johnstown know all about how to combat economic troubles and downturns. In the past few years, our community has had more than its share of setbacks. Yet, the community spirit remains high, and savings in the area are double the national rate. I believe this article helps illustrate the combativeness and spirit of the citizens of the Johnstown area, and I am glad and pleased to share this information with other Members of Congress.

The article follows:

[From the Wall Street Journal, June 18, 1982]

LONG, DEEP RECESSION DOESN'T FAZE CITIZENS OF JOHNSTOWN PA.

(By Amal Nag)

JOHNSTOWN, PA.—This western Pennsylvania community could teach the rest of the nation about surviving recessions.

Johnstown has been in a slump longer than most places. Since the mid-1970s, steel-mill and coal-mine closings have kept its unemployment rate at or near double digits. Currently, it stands a little over 15 percent.

Floods—Johnstown's claim to national fame—also have battered the town, which sits in a valley delineated by the Conemaugh River and Stony Creek. The last flood, in 1977, killed 73 people and inflicted $200 million of property damage.

Yet Johnstown can boast of some startling statistics: Its savings rate, at 9 percent, is twice the national average, and its crime rate is the second lowest among 277 metropolitan areas. And although some young people have moved away, many of the 100,000 residents who live in or near the city don't want to leave its safety or their deep family roots.

"They have had one disappointment after another, and you wonder how in the world they survive. But surviving is their specialty," says David G. McCullough, the author of "The Johnstown Flood," an account of the devastating flood of 1889.

LOWERED GOALS

Adversity has promoted self-discipline and thriftness in Johnstown. Now, because of the more or less permanent recession here, people have lowered their standard of living and future expectations without much anger or bitterness. This may seem an abandonment of the American dream of ever more prosperity, but people here say they are benefiting in ways that have nothing to do with money. The extended family is growing, divorces are declining, and church attendance is up.

Settling for less was the last thing Louis Roberts dreamed of when he took his first job at age 17. Now 55, Mr. Roberts worked as a machinist at various metals companies before taking a higher-paying job as a coal miner at a Bethlehem Steel Corp. mine. Over the years, he was able to provide well for his family. But two years ago, Bethlehem closed the mine and laid off Mr. Roberts.

Now, he works at Smith Machine Co., which makes gears and axles for trucks. He brings home $215 a week, compared with the $350 that he cleared as a miner. On a recent day, his wife, Mary Grace, reminds him that his paycheck for the week will be only $168 because he was sick one day. "We have to pay the mortgage first. This week we won't be able to go shopping at all," she says. They and their two daughters will have to live on whatever food is in the house.

A DISTURBING EXPERIENCE

So far, they have had to accept food from the United Methodist Church only once. "I never thought it would come to this," Mr. Roberts says. "I had to swallow my pride because my family came first." His eyes moisten, and he turns his face away slightly. His wife lowers her eyes and fixes her gaze on Duke, the family's cocker spaniel. "Tonight he gets only butter bread," she says.

But life isn't all bad, Mr. Roberts is quick to add. In fact, the family members are getting along well. They grow most of their own vegetables and fruits—corn, carrots, beans and tomatoes, and apples and strawberries—in the back yard. The produce, preserved in jars and eaten all year, halves the family's grocery bill, and Mr. Roberts is building four cabinets in the garage to store this summer's crop.

He obtained the wood for the cabinets in exchange for repair work that he did on the sawmill owner's truck. He also has bartered his other skills—from plumbing to painting—for a lawnmower, a dishwasher and other items. His neighbors are doing the same—but they also often help one another out without expecting anything in return.

Mr. Roberts recalls with emotion the time a neighbor he hadn't spoken to for some time showed up at his door. Because of a job

injury, Mr. Roberts hadn't worked for months. "Louis, let me do something for you," the neighbor said. The man, who had been laid off himself, ran some errands for Mr. Roberts and helped with other chores.

FAMILY STRENGTHENED

Within the family itself, there's a closer feeling. With little money for entertainment, the family spends most of its leisure time together. New pleasures are often subtle. "The tulips are growing," Mrs. Roberts says. "Louis and I have never enjoyed them so much before."

For Ronald Cox, 34, who has been trying to survive on odd jobs since being laid off by Bethlehem in 1979, relatives have become important. "We get together with my parents and my wife's parents frequently," he says. "We have dinner together. We play cards. But mostly we talk. They can't afford anything else, either."

Families that once might have broken up aren't doing so. "Couples are more conciliatory today," says the Rev. James Reinard, the pastor of the Garfield Street United Methodist Church, who often mediates family disputes. Social workers add that family members are staying together because they can't afford to live separately. In Cambria County, which includes Johnstown and 30 or so smaller communities, there were 385 divorces last year, down from 472 in 1977 (population declined less than 2 percent).

Moreover, people increasingly are turning to church. One of them is Dave Thomas, a 35-year-old unemployed steelworker who, since his layoff last year, has been going to church for the first time. "I need something to help me get through all this," he says.

Mr. Reinard, whose church is located in an area where few people are working, observes, "I am seeing a lot of new faces." His congregation is up 20 percent from a year ago, and contributions rose to $500 per family last year from $360 in 1980.

A significant portion of the money goes to help families in need of food and clothing. Mr. Reinard says the people's "new relationship with God" is creating "a new value system. It's not only binding families together from within but turning them to the needs of others in the community."

Johnstown's low crime rate per 100,000 residents is outshone only by that of St. Cloud, Minn., according to a Rand McNally survey. Nationwide, the number of serious crimes increased 92 percent, last year, but in Johnstown it fell 6.6 percent. Residents credit the town's stability. Many residents are third- and fourth-generation descendants of Eastern and Southern European immigrants, and they have inherited strong family ties and a tradition of sticking together through hard times. The work ethic is strong, and the idea of being ostracized for committing a crime is unthinkable.

People here also stress that they have lived through hard times before. They have lost homes in floods and then rebuilt them on the same foundations. A recession, they say, won't drive them away.

Just the opposite. Now and then, word spreads through a neighorhood that someone who left town in search of work elsewhere is back. Robert Tisinger, 22, came home after losing a $493-a-week construction job in Williamsport, Pa., about 250 miles away. "Mom and Dad have gone through hardship many times, and they understand it," he says. Coming home was the only way he could support himself on his $72.50-a-week welfare check while he looks for a new job.

FEW JOBS OPEN

But job openings are few. Most of the minimum-wage jobs already are taken, and thousands are trying to live on odd jobs or welfare.

Even Johnstown's setting is a handicap. Surrounded by the Allegheny Mountains, the town is fairly isolated. When highways replaced the railroads years ago, they bypassed the valley.

But the local economy managers to chug along. Several small manufacturing companies, an insurance concern, a local campus of the University of Pittsburgh, several department stores and some smaller shops still employ many residents, although mostly at low wages. A recent opening for a school teacher with a master's degree offered a salary of only $9,700 a year. But there aren't any boarded-up shops in the main square. Merchants survive by carrying mostly essential items and keeping inventories low.

The town's isolation—Pittsburgh is 65 miles west—also aids local merchants. "The people don't run to Pittsburgh to spend their money," says William Glosser of Glosser Brothers Inc., a Johnstown-based department-store chain.

Banks are doing especially well. Local residents, used to saving a relatively large portion of their income, continue to put something away even if they are living on unemployment benefits or welfare. At Johnstown Bank & Trust Co., deposits are running 3½ percent ahead of a year ago. Larry Rowe, a branch manager, says, "Some of the money must be coming out of the woodwork. It's rumpled and has a musty smell."

DYING INDUSTRY

But the steel industry that once made Johnstown prosperous—a century ago the town was the nation's biggest steelmaking center—is dying. Old-timers still recall when the valley was full of smoke and dancing flames from blast furnaces reddened the sky so much that the town seemed on fire.

Today, there isn't much action in Bethlehem's 12-mile-long plant snaking along the Conemaugh. Big sections are rusted and crumbling. The towering coke ovens and huge blast furnaces are gradually being dismantled. The basic steelmaking operations have been replaced by an electric furnace that melts only scrap. Some finishing operations also have been phased out, although the plant still makes rail cars and bar, rod and wire products.

Ten years ago, the plant employed 12,500 people. More recently, it had some 7,700, but 3,000 of these now are on layoff. And because the plant doesn't use iron ore and coal anymore, many local miners also are idle.

Many of the unemployed realize that they won't get their old jobs back even when the recession ends. And many in this once staunchly pro-union town now blame the unions. "We demanded too much, always more and more," says Mr. Thomas, the idled steelworker. "I was bringing home $600 to $700 every two weeks, and I didn't really need that much."

DEVELOPMENT DRIVE

It's too late now. But businessmen here are trying to halt the town's slide. Johnstown Area Regional Industries Inc. (JARI), a non-profit group of mostly local businesses, is working hard to diversify the local economy. JARI has built a speculative office building in the hope of luring businesses that would create clerical and service-type jobs.

JARI also helped excavate 1.5 million cubic yards of hillside and arranged local financing to attract Abex Inc., which built a railroad-wheel plant on the site in 1980 (but now the plant is closed for lack of orders). In addition, Metropolitan Life Insurance Co. has set up its mideastern office in Johnstown, and several other new businesses have moved into a JARI-financed industrial park.

On a recent evening, JARI called together 35 top local executives, divided them into three groups and gave them three hours to come up with job-creation ideas. A total of 40 suggestions were offered; they now are being studied. "Even if one of them is feasible, that will be pretty good," says John Burkhard, a JARI official.●

A SALUTE TO DR. AUBREY ALFRED ANDUZE

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. DE LUGO. Mr. Speaker, many of my friends in St. Croix recently gathered to honor a man who has invested time and talent into his community—Dr. Aubrey Alfred Anduze. I join with them now in paying tribute to my friend and his years of service by calling attention to his record.

Aubrey was born in 1917 on St. Thomas just several months after the historic transfer of the islands from Denmark to the United States. Thus, he was one of the privileged "firsts" to be born under the American flag in the Caribbean.

His initial schooldays were marked by a fervored interest in the arts. He distinguished himself as the class poet at Dunbar High School. Later on, Dr. Anduze's poems were compiled and published in two small volumes of verse—Reminiscence (1940) and Reminiscence II (1944). Aubrey was versatile in that he painted and played the piano too. He captured many tropic scenes on canvas and applied himself diligently to the concert piano. However, his artistic endeavors were interrupted by World War II and its aftermath.

With his country at war, Aubrey Anduze was determined to do his part. He enlisted as a private and was discharged as a captain bearing three Bronze Stars and the Philippine Liberation Medal. Later, he became the commander of the American Legion's post in St. Croix.

Howard University was where Aubrey completed his formal education. The degree of doctor of dental surgery was conferred upon him there. In addition, he was admitted to the dental honor society known as Chi Lamda Kappa.

While at Howard University, he met and married Arminthia E. Lee. They have 2 sons, 4 daughters, and 11 grandchildren since their blessed

union. I know his loving family is extremely proud of him.

The professional and public lives of Dr. Anduze certainly tell a story of dedication and commitment. His professional roles include: Dental health chairman; treasurer and president of the Virgin Islands Dental Association; Pan American Dental Association, oral surgery section; Academy of General Dentistry; and International College of Dentists. His public life is equally impressive. Dr. Anduze served three terms in the legislature of the Virgin Islands, including one term as senate president, and it was my privilege to serve with him during those years. He also served in the following capacities: chairman of the First Constitutional Convention; chairman of the First Territorial Election Board; Governor's representative on St. Croix; member of the board of trustees of the College of the Virgin Islands; and, two-term chairman of the Virgin Islands Board of Education.

Dr. Anduze's interest in education has continued throughout the years. He has been chairman of the St. Dunstan's Episcopal School board of trustees for 11 years. The board honored him with a testimonial dinner in May to mark his dedicated service and leadership.

I join with my friends in saluting our friend of many talents. His political leadership has had a tremendous impact on the history of the U.S. Virgin Islands and his civic spirit and love for his country has touched the lives of virtually everyone in the Virgin Islands. Statesman, civic leader, father, and friend—his name is synonymous with service. I ask my colleagues in the House, Mr. Speaker, to join with me today in paying tribute to an outstanding man in whom the people of the Virgin Islands take great pride.●

TRIBUTE TO NEW JERSEY SECRETARY OF AGRICULTURE, PHILLIP ALAMPI

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. FLORIO. Mr. Speaker, on Tuesday, June 29, 1982, the State board of agriculture, department of agriculture employees, and many of Secretary Phillip Alampi's colleagues and friends will gather at the Cedar Gardens Restaurant in Trenton, to honor him on the occasion of his retirement after 26 years of service as New Jersey's Secretary of Agriculture. Secretary Alampi has served in the Governor's cabinet longer than any other member in the history of New Jersey.

Dr. Alampi was raised on a vegetable farm in Williamstown, N.J. He graduated from the Glassboro High School. He was active in the Future Farmers of America and in the 4-H Clubs. He graduated from Rutgers University with a degree of bachelor of science in agriculture and was elected to Phi Beta Kappa and Alpha Zeta. He later received a master of education and was named to Phi Delta Kappa. Dr. Alampi received an honorary doctor of laws degree from Rutgers University.

During the next 10 years, Dr. Alampi taught vocational agriculture and coached athletics at New Jersey's Woodstown High School. He also served as an intercollegiate football and basketball official. Dr. Alampi and his wife Ruth conducted farm and garden radio and television programs over WABC and WNBC in New York City during the following 10 years, until his appointment as secretary of agriculture on July 5, 1956.

Dr. Alampi's accomplishments are numerous. He is the past president of 36 organizations, 3 of them national, and has received over 91 awards. Dr. Alampi's interests are not limited to agriculture; he is a an ardent hunter, fisherman, and golfer.

New Jersey has clearly benefited a great deal from Secretary Alampi's dedicated service over the past 26 years. I would like to express my gratitude and best wishes for future success and happiness to Dr. Alampi and his family.●

THE REAL NUCLEAR VILLAIN AND THE ART OF STATESMANSHIP

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. LAGOMARSINO. Mr. Speaker, a recent commentary by William Randolph Hearst, Jr., provides a useful historical review of U.S. arms control proposals and Soviet rejection of those proposals. As we are confronted with domestic demonstrators urging U.S. action, I believe it is important to remind ourselves and them that it has been the United States making the initiatives in arms control and disarmament over the past three decades.

Another Hearst commentary describes the success of President Reagan's discussion with European leaders at the Versailles summit and following at individual meetings with the major European heads of government.

I urge my colleagues to give careful thought to the views expressed in these commentaries.

THE REAL NUCLEAR VILLAIN

(By William Randolph Hearst, Jr.)

NEW YORK.—After an exhausting but exhilarating journey to Western Europe, President Reagan barely had time this weekend back at the White House to prepare an address to the U.N. Wednesday on disarmament and nuclear reduction. In Europe he proved that he was not a gunslinging cowboy. His crusade for peace defused criticism and was hailed by, among others, Pope John Paul II, Queen Elizabeth II of the United Kingdom, British Prime Minister Mrs. Margaret Thatcher, West German Chancellor Helmut Schmidt and all 16 state leaders who heard our president at the annual late spring meeting held in Bonn.

The biggest fly in the ointment has been the Soviet Union, which has rejected every single U.S. proposal for international control going back to 1946, when we had a total monopoly. Their collective "nyet" culminated most recently in a wishy-washy defensive rebuttal by Soviet President Leonid Brezhnev to our president's offer of making a real beginning toward reducing the stockpiles of nuclear weapons possessed by each superpower. But Brezhnev was compelled by President Reagan's proposals to agree that the U.S. and U.S.S.R. start negotiations in Geneva June 29. President Reagan's graceful speech to the British Parliament put the ball right in Russia's corner.

Despite the revised indeed, recast image of President Reagan from what many people abroad believed from propaganda and sneers about cowpoke actors ready to shoot, a series of protest anti-nuclear demonstrations have been orchestrated in New York and around this country demanding that we and NOT the Russians freeze nuclear weaponry first. In that way, their reasoning runs, the Soviets will be compelled to reduce atomic arsenals. How naive and foolish, considering the Soviet record on doing things voluntarily.

While demonstrators are assigned their placards by peacenik-appointed organizations, let's examine the Soviet record through these past 36 years as I have:

Start with the Baruch Plan, named for the late and eminent counsellor to American presidents, Bernard M. Baruch. As I noted earlier, the U.S. was at the time the only nuclear power in the world. We proposed turning over all nuclear weapons to an international authority. It also would have placed the peaceful use of nuclear power under this global directorate. "Nyet," retorted the late tyrant Stalin whose scientific teams were being fed U.S.-British nuclear secrets to get the Russian atomic system built and thereby menace the world.

Nearly a decade later, during which time the Soviets developed vast nuclear weapon capacity, President Eisenhower offered his "open skies" blueprint, in 1955. It would have meant aerial inspection and verification by the U.S. and Soviets of each other's military sites. The late Nikita S. Khrushchev led the Kremlin in shouting that the suggestion was a No No—strictly an "American trick." Under President Kennedy, the Soviets in 1961 rejected on-site inspection and verification of nuclear installations to eliminate nuclear missile systems.

At long last, the world in general and the U.S. in particular obtained in 1963 a limited nuclear test ban. The Soviets agreed to an American proposal banning nuclear tests in the atmosphere, in space and under water. But hold on: The U.S.S.R. refused to ban underground tests with random on-site inspections.

The dreary negotiating process continued with other U.S. administrations and Brezhnev-led Kremlin leaders. In a spirit of hope former Secretary of State Cyrus Vance went

to Moscow in 1977 on a strategic arms reduction mission. He proposed a one-third cut in nuclear missiles and bombers on each side as well as 2,000 assorted weapons. He specifically identified the threat of more than 300 heavy Russian missiles—then having only one warhead each and now 10—But Brezhnev flatly answered, nyet. When Vance even suggested that the U.S. would cut back production of the Cruise missile, if the Soviets reduced Backfire bombers, Brezhnev rejected everything, including a few of his maybes.

So, we get to the 1979 Vienna summit when former President Jimmy Carter thought he sealed a SALT II deal and kissed Brezhnev for being so understanding. The U.S. Senate took a good look at the package and to this day refuses to approve the measure because it leaves us naked to Soviet ballistic missilery. Incidentally, the hydra-headed Soviet SS-20s, numbering 320 today and growing numerically each week, can reach every city in Western Europe presently.

The spontaneous enthusiasm with which President Reagan's appeal for disarmament and peace was received abroad apparently hasn't impressed many made-in-the-USA anti-nuclear demonstrators. Instead of encouraging their president to keep up the good work they "Protest". As near as I can figure out the protesting is against the fact that the U.S. is not willing to disarm unilaterally.

The thought occurs to me that some of them should apply to their local Russian Consulate for visas and if a few 100 or 1,000 are accepted, which I very seriously doubt, I am sure the U.S. government would be glad to underwrite their round-trip tickets to protest a few days in Moscow. The weather is just getting nice there now and I am sure they'll get a hot reception from the Kremlin.

Shortly after President Reagan assumed office, he proposed a "zero option," meaning elimination of all intermediate nuclear missiles in Europe. The Russians play mum on that one. Our president, striving for meaningful peaceful accommodation, more recently offered what he called "START" (Strategic Arms Reduction Talks)—not limitation, mind you—and Brezhnev grudgingly replied, "da" to the June 29th date for negotiations to begin in Geneva. The Soviet leader added that talks could begin but that the U.S.S.R. doesn't accept any of President Reagan's ideas to reduce nuclear arms. How's that for openers?

President Reagan won't let up. He launched a crusade for peace in Europe and intends to keep at it on his home turf. His words to the British Parliament in London remain memorable:

"Let's leave Marxism," he declared, "on the ash heap of history."

You don't have to guess who the villain in the act will turn out to be.

THE ART OF STATESMANSHIP

(By William Randolph Hearst, Jr.)

President Reagan had a busy enough schedule when he set out on a noteworthy 10-day journey to Western Europe a couple of weeks ago, but his troubles piled up as violence in the Falklands and Middle East increased.

Fighting in the Falkland Islands was winding down to an Argentine surrender to British forces when Israel invaded Lebanon. The wires have been humming for two weeks about the Israelis, destabilization in the Middle East, and about capitulation by the junta in Argentina—which also blamed us for siding with Britain but whose military fiasco provoked demonstrations in Buenos Aires.

Behind the fast-breaking news, President Reagan negotiated with Western economic allies. He manuevered them into re-evaluating credits to the Soviet Union and encouraged friends with a cohesive program for obtaining a U.S. national budget from Congress. He managed the budget achievement by telephoning back to Washington so that a coalition of Democrats and Republicans would pass a suitable bill.

In effect, our president had to heed special pleas and causes besides working feverishly—with trusted aides behind the scenes—to defuse the dangerous shooting situations. His critics always have carped that President Reagan knows nothing about foreign affairs. He has proved decisively, I feel, that he can grasp both foreign and domestic issues and solve them satisfactorily.

He aided Britain and the government of Prime Minister Mrs. Margaret Thatcher. Why? They are staunch members of NATO and historically it is the United Kingdom from whom we derive many of our traditional parliamentary beliefs. Certainly, we were reluctant to antagonize Argentina. But its hard-nosed junta, seeking to appease a hostile citizenry, chose naked aggression by which to seize the 150-year-old British-held Falklands.

Joseph Kingsbury Smith, Hearst national editor, cogently pointed out that in 1980 the British government offered to grant "Argentina sovereignty over the Falklands in return for a long-term lease of the islands to Britain." It was similar to the 99-year contract made between Britain and China for part of Hong Kong, which expires in 1999. The military junta rejected the offer and opted for invasion, which proved so disastrous.

As a result, one-time strongman Gen. Leopoldo Galtieri has been forced to resign as Argentine president, commander-in-chief of the army and member of the ruling junta. He was axed to stem unrest caused by the catastrophic war; then the interim regime in Buenos Aires quickly approved safe passage for Argentine POWs to return home on British ships.

Israel launched an invasion of Lebanon after Arab terrorists attempted back in London to assassinate the Israeli ambassador to Britain. No doubt Prime Minister Menachem Begin will try and explain while in the U.S. and at the U.N. Israel's compulsion for the invasion. President Reagan has demanded that all foreign forces withdraw from war-torn Lebanon where the Soviet client, Syria, also kept forces for years and shows some signs of getting them out.

Embattled Premier Begin told the U.N., where most Arab delegates walked out before his speech, that "self-defense is a most sacred right and duty of man." Earlier he had told another audience at a United Jewish Appeal dinner that no power on earth could compel Israel to withdraw from Lebanon until an adequate peace settlement was accepted.

The administration's dismay over the continued presence of crack Israeli forces in Lebanon could hold up the sale of 75 F-16 jet fighters to Israel. These planes proved vastly superior, by the way, over the Syrians by just about blasting the opposition out of the sky in their Russian-made MiG-23s. In diplomatic parlance, this is known as "leverage." It sends a signal to the Israelis and Arabs that the U.S. isn't a helpless giant incapable of trying to set things right when adjustment is needed.

It also tells the Soviet Union a great deal. The Russians, who are self-appointed protectors of Islam, are in their second year of the invasion-occupation of Afghanistan, a Moslem nation. They are deeply bogged down there against fierce Afghan guerrilla fighters and just rushed in two divisions of reinforcements, bringing the Soviet involvement to around 125,000 men.

Their puppet communist regime in Poland still keeps thousands of Solidarity workers in jail but is facing its biggest test yet as summer approaches. Sympathizers of Solidarity vow a national strike if prisoners aren't released and free trade unions remain banned. Martial law, imposed last December, is still harshly in effect throughout Poland.

In a straightforward manner, President Reagan told the Houses of Parliament in London that he advocated peaceful settlements with the USSR, which just trotted out an old propaganda ploy at the U.N. disarmament marathon talk sessions by vowing that it wouldn't be the first to use nuclear weapons. Well, the Russians equally refuse to allow verification of their nuclear stockpiles. It's their method of propaganda rebuttal against President Reagan, who urged meaningful peace abroad and at home. Putting the Soviets on the defensive was just super!

To my mind, there hasn't been such an overall good show by any American president in peacetime as President Reagan's.

I do believe that Congress deservedly should get its lumps. The Kiplinger Washington Letter had this to report recently about a volume of mail to its offices:

"We caught an earful about Congress . . . its effect on the economy—a pack of foot-dragging, finger-pointing nincompoops. Wait till November." Those are the mid-term elections.

President Reagan has addressed his message to the U.N., once again emphasizing peace for the entire world which would allow for the well-being of all people. The Soviets, who gave their views as those of President Leonid Brezhnev via Foreign Minister Andrei Gromyko, cracked down in Moscow on a group of anti-nuclear demonstrators meeting in a Moscow apartment.

In sum, I believe that President Reagan has acquitted himself exceedingly well on all difficult fronts and against all adversaries searching for an opening. To paraphrase Abraham Lincoln, it is true that you can please all the people some of the time; you can even please some of the people all the time; but you can't please all of the people all of the time.

So my unsolicited advice to President Reagan is: Keep on doing what you promised. The majority of the voters elected you on that platform.●

SEPTEMBER CLUB SERVICE TO SENIORS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. PEPPER. Mr. Speaker, on May 25, the Fairfax, Va., Journal published an excellent article and editorial regarding the launching of a new pro-

gram, the September Club. This program offers a variety of services to older people who want to continue living at home. The September Club was designed by Independent Seniors, Inc., a private sector initiative locally owned and operated by social service professionals. For those who do not require full-time nursing care, the September Club offers a comprehensive in-home support service program.

The September Club was established to provide the full range of support necessary for seniors to maintain an independent and dignified lifestyle. Regular benefits for members of the September Club include: monthly home visits by a personal counselor; around-the-clock assistance in handling problems which arise between regularly scheduled visits; weekly delivery of drugstore, grocery and drycleaning items; consumer protection and group buying power for services such as plumbing or electrical work; home improvements, and roof repairs; programs promoting nutrition, physical fitness and activities designed to enrich daily living; consultation and referral on residential alternatives; regular monitoring of home safety and security needs; social opportunities with other club members; arrangements for volunteer work; and assistance in finding part-time employment. In addition, members of the club may select from a variety of optional services, including home helper aides; transportation to and from doctors' offices, shopping centers and the homes of friends; home maintenance services; 24-hour emergency services and weekly visits by a personal counselor. For those seniors living with relatives, the September Club offers family support services, such as counseling, and also evening, overnight or weekend respite care.

For the past several years, I have addressed the need for a continuum of care and services for older Americans. Certainly, quality nursing home care is an essential component of this continuum. But for those at risk of institutionalization, services such as home health, homemaker, adult day care and respite care can make the difference between living independently in one's own home and having to move into a nursing home for full-time care. We must remember that most older Americans do not need nursing home care. Most would prefer to live in their own homes. As chairman of the Select Committee on Aging, I have introduced and supported legislation to include a wide range of noninstitutional services under medicare and medicaid. I enthusiastically support the establishment of community initiatives, such as this program, that offer older persons the health and social services they need in order to live independently.

Mr. Speaker, I wish to insert in the RECORD at this point the article and editorial from the Fairfax Journal which discuss this laudable initiative.

The material follows:

NURSING HOMES DON'T ALWAYS MEET OLDER PEOPLES' NEEDS

(By Robert R. Aptekar)

I cannot accept the premise of the May 11 Journal article, "The Graying of Northern Virginia," that building more nursing home facilities is the answer to meeting the projected increasing needs of Northern Virginia's seniors.

A better solution is to provide a full range of support choices of which nursing home care becomes just one of the options.

Seniors who find themselves gradually needing increased support usually have little alternative but to move into an institution. It is this lack of options that causes many seniors to leave their cherished homes before they require full-time nursing care.

The best choice for many seniors is to remain in their homes where they can maintain their independence and dignity. What is needed to make this possible is to offer new alternatives which complement the support they receive from their family with services such as a homemaker to help prepare meals, day care, transportation assistance, or help with home repairs.

Current government support for programs which could provide seniors with these needed services is almost nil. For the most part, federal programs are institutionally biased and support only 5 to 10 percent of the nation's seniors.

Although federal support through programs such as Medicare and Medicaid provide for about half of all nursing home expenditures, these programs provide only token coverage for homemaker/chore service and the other in-home supports.

The major providers of care for the 90 percent of seniors residing in the community are their family members—usually the adult daughters. Yet, as more women work outside the home, and families become more mobile, family support alone is often not enough.

The inability to obtain appropriate outside support services which would ease the burden and thus allow seniors to remain in their own homes produces an agonizing dilemma for many families. The lack of alternatives and the government support available for residential nursing care often precipitates the premature placement of the elderly parent in an institutional setting.

Perhaps that is why studies suggest that 30 to 40 percent of those currently residing in nursing homes would not be there if in-home support services were available.

For the senior, the giving up of the cherished home, familiar surroundings, and a lifelong collection of memories can be very painful.

Recognizing the other losses that must be faced, such as that of a spouse, a job, income, prestige, friends, one can understand how home becomes of prime importance; it is their identity, and a place where they can maintain their autonomy and control.

No one will argue against the need for nursing institutions. They are a vital option for those seniors who require full-time nursing care. But for those seniors who want to retain their homes and do not require such care, in-home support options must be made available.

No, we don't need more nursing home beds. What we need is to develop more alternatives, as (former congressman) Joe Fisher suggested, which will provide new choices for seniors and their families as we prepare for the increasing demands of the 80's and 90's.

(Robert R. Aptekar, a resident of McLean, is president of Independent Seniors Inc., which offers the September Club program of services.)

MANY SENIORS WANT TO STAY IN OWN HOMES

There's been a major boom in nursing homes in recent years. For some senior citizens, nursing homes are absolutely esssential. But for many others, institutional care is not required and not desired.

As Robert Aptekar so aptly puts in his Viewpoint on this page, "the best choice for many seniors is to remain in their homes where they can maintain their independence and dignity."

After all, the home has probably been the focal point of their lives for many years. Few people really want to give up their homes. But they face two big problems: heavy real estate taxes and the difficulties of handling the chores that go with living in a home.

Many Northern Virginia governments now offer property tax breaks for people over 65 with limited incomes. But up until now, the second problem offered no obvious solution. Yard work, home repairs, even periodic cleaning can be a heavy load.

Transportation to shopping centers or neighborhood stores is often a problem too, since some older people find that deteriorating eyesight or reaction time might prevent driving. When the difficulties reach a certain level, the older citizen may well toss in the sponge and head for a nursing home simply because there are no other reasonable options.

What Mr. Aptekar didn't mention in his Viewpoint article is that a relatively new idea may provide another alternative for older people who want to stay in their homes for a while. The concept involves so-called "support services" for seniors who can't handle home chores alone.

Those services can include transportation to stores or physicians' offices, help at home with lawn care, minor repairs and other chores, regular visits by trained professionals who can assist in handling various problems, etc.

Aptekar, former director of family service for the old Department of Health, Education and Welfare, has launched what might be the first program of this type. Called the September Club, the McLean-based operation offers a number of regular and optional services to help older people cope at home.

The private firm charges for its services but rates appear to be considerably lower than anyone could negotiate individually with people to handle the same tasks.

We think the concept is sensible, provided that charges continue to remain within the reach of older people, many of whom are on fixed incomes. We think services such as those offered in McLean will make it possible for many older people to live normal lives in their own homes—an attractive alternative to institutional care.●

JOHN J. GOTTES—ADVENTURER, PUBLIC OFFICIAL

HON. AUGUSTUS F. HAWKINS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. HAWKINS. Mr. Speaker, I would like to take this opportunity to share with my colleagues a brief account of some of the achievements of Mr. John J. Gottes, the city attorney for the city of South Gate for the past 26 years, and who is now retiring from that post.

Mr. Speaker, the following article summarizes the vast achievements of Mr. Gottes as an adventurer and as a public official. I would like my colleagues to take notice of this outstanding and exceptional citizen.

[From the Los Angeles Times, May 23, 1982]

CITY ATTORNEY SURVIVES ADVENTURES, 26 YEARS OF SOUTH GATE POLITICS

(By Kristina Lindgren)

With a band of fellow explorers in 1971, he traced the Amazon river from its mouth on the coast of Brazil through 4,000 miles of South American tropical rain forest to the headwaters in Peru.

The next year, on muleback, he followed author Earle Stanley Gardner's tracks into the San Francisco mountains of Baja California in search of Indian cave paintings. To get into remote areas of Mexico, he learned how to fly—which makes him one of the few one-armed pilots around.

But perhaps the most remarkable thing about 60-year-old John J. Gottes, a childhood polio victim and a former USC Law School honors student, is that he has stayed in South Gate as city attorney for the last 26 years.

Not that life in South Gate has been tame.

Gottes has seen the industrial working-class town through the boom years of its automobile, rubber and metal factories. More recently, he weathered a turbulent political era marked by a bitter recall election, a wave of resignations and early retirements at City Hall and challenges to his loyalty and ability by some council members.

With only three days off in three years between his law practice and being city attorney, Gottes said he has decided to retire on July 1. "But I've enjoyed every minute of it," he said in an interview last week. "It was like being appointed a city councilman for life and I never had to run for office."

Stricken with polio at the age of 8, Gottes had to have his right arm amputated. He talks about it today in wisecracks. "It's always been a great help to me; I never had to wash dishes or change a diaper."

He explains. "If you look at life in a serious vein, you wouldn't last six months. As I look at it, the loss of one arm could be a handicap. But I regard it as a huge challenge, and every time you do something it's a great victory."

One of those challenges was the chance to be city attorney. Already the assistant city attorney when his predecessor Clyde Woodworth retired in 1956, Gottes probably had an edge to replace him.

"They gave an exam and I was at the top of the list," he said with mock braggadocio. "Of course, I was the only one that applied . . . it only paid $200 or $300 a month at that time."

Hailing from the Sawtelle area of West Los Angeles, Gottes arrived in South Gate in 1949 to join the firm of a prominent South Gate attorney. By the early 1950s, he had set down roots, established his own practice and "married the local beauty queen."

He said he took the job as the city's chief legal counsel "because I felt it had a long future." His greatest mark, he said, has been to keep the city out of major litigation. "There's a time to fight and a time to run, that's what I've told my city councils."

Over the years, he had won some difficult cases for the city, including successfully defending the city's ban on the use of parks for other than recreational purposes. When two councilmen did not file reelection papers by the deadline because of an apparent misunderstanding, Gottes' position that they remain on the ballot was upheld by the state Supreme Court.

The job pays considerably more these days—$28,000 a year, with another raise in the offing. But Gottes said it was time for "fresh blood. Twenty-six years is a long time, and I'd like to spend a little more time in my own office."

He is leaving as the city slides toward a fiscal crisis. The impact of several large plant closures is rippling throughout the local economy, hurting retail shops and leaving many without jobs. City officials said sales tax revenues—the chief source of income—dropped 30 percent in March.

But Gottes said the city was in "good hands" with its new top administrator, Bruce Spragg. "He's doing things we haven't done here in 20 years. In five years, you won't recognize South Gate," he predicted.

Aside from his career at City Hall and his successful practice specializing in probate and wills, Gottes regards qualifying for a pilot's license at the age of 45 as "the greatest victory in my whole life."

He sold his plane a few years ago and doesn't fly anymore "because it was getting too old and so was I." But he speaks fondly of the specially modified twin-engine Cessna 175, the plane he trained on and flew for 12 years.

After his retirement, Gottes expects to be a frequent visitor to City Hall, active in civic groups and doing work for the city from time to time. Mostly, he will be building up his law practice in hopes that his son, John Jr., and daughter, Nancy Masters, will finish law school and join his firm.

He also wants to spend more time with his wife, Elizabeth, who recently suffered a severe heart attack.

Wanderlust may be tugging at him, too. Gottes and his cohorts, like South Gate realtor Dick Moore, are planning a trip to Outer Mongolia for next spring and a jeep trek across 1,700 miles of northern Australia.

Before his retirement, Gottes will break in his successor, who will be chosen in the next few weeks. "The most important thing I could say is learn to be tolerant. You're not infallible.

"Don't take criticism personally. It's not because (a councilman) dislikes you; it's because he thinks he's doing the best thing for the city. Everybody has a right to disagree with you and a responsibility to do so if they think you're wrong." ●

POLITICS—TAKING AIM AT THE MILITARY

HON. BENJAMIN S. ROSENTHAL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. ROSENTHAL. Mr. Speaker, there is an article in the June issue of Attenzione magazine, published in New York City, which I want to call to the attention of the Members of the House.

The article was authored by Nicholas Acocella, and is entitled Politics—Taking Aim at the Military. More importantly, however, it deals with our colleague, Congressman JOSEPH P. ADDABBO, and his chairmanship of the Defense Appropriations Subcommittee. I have had the privilege of serving in the House with JOE ADDABBO since the 87th Congress, and in view of the fact that we are both from Queens County I have had the opportunity of working closely with him over the years.

I can testify to the accuracy of the information in the article. Behind the warm and friendly personality, there is an enormous amount of ability. There is also a sharp and agile mind, and an absolute dedication to making the Defense Department operate efficiently and responsibly, and within appropriate guidelines.

The article follows:

POLITICS—TAKING AIM AT THE MILITARY

(By Nicholas Acocella)

PARING THE PENTAGON'S PROCUREMENT BUDGET IS A BIG TASK, BUT THAT'S WHAT JOSEPH ADDABBO HAS SET HIS SIGHTS ON

You can't tell a congressman by his cover. Joseph Addabbo of Queens might seem an unlikely person to be questioning the military about how it buys its weapons, but that is exactly what he does.

A round—almost cherubic—little man in his late fifties with thinning hair, trim moustache, and a discernible New York accent (he has "idears," for example), Addabbo has represented the Italian, Jewish, and black neighborhoods of southern Queens since 1961. On the surface, he appears to be nothing more than a local hack who owes his office to the county political organization, quietly votes along the lines of his middle-class constituency, and shies away from rocking the boat.

But this is not the case. Addabbo earned a law degree at the age of 21, was the youngest member of the Eighty-seventh Congress, and is an articulate and skilled legislative leader who commands great respect from his peers.

The high points of Addabbo's career came in 1973, when he led the fight on the House floor that resulted in a vote to end the bombing of Cambodia, and in 1977, when he wrote the amendment to discontinue production of the air force's B1 bomber. Neither accomplishment was popular at the Pentagon, which had no cause for celebration when Addabbo became chairman of the Defense Appropriations Subcommittee in 1979.

Back home in Queens, Addabbo experienced almost no political repercussions from his battles with the military. Staunch Republicans may live in Addabbo's district, but the overwhelming majority of them vote for a congressman whose views don't exactly coincide with those most frequently expressed in neighborhood bars and veterans' halls.

Addabbo clarifies this paradox simply. "I have no qualms," he says, "about going before an American Legion or a VFW meeting and explaining exactly what the issues are. When I can explain things one-on-one they often see the basis of my objections and many times will agree with my position." Addabbo must be very persuasive. The last time he had a Republican opponent, in the 1972 election, Addabbo took 75 percent of the vote. The Queens Republican party, obviously knowing when to surrender, has given Addabbo its endorsement in every subsequent election. Since he also runs with the active support of the Democratic and Liberal parties, he is virtually unbeatable. He describes this enviable arrangement with characteristic under-statement as "comfortable."

Addabbo stresses the difference between "military spending," which he opposes, and "defense spending," which he supports. Late last year Addabbo's subcommittee completed a year-long study of the Pentagon's procurement policies and practices and presented its findings to Defense Secretary Caspar Weinberger. Most of the four-volume report is classified and not available to the public, but Addabbo is willing to discuss some of the contents, which are often scathing but sometimes almost comical. The subcommittee's analysis of the way the Defense Department develops and buys new weapons is like a visit to Oz. Along the yellow brick road from research to development to testing to production, you meet people who seemingly have no heart, no brains, and no courage. And at the end of the road there is a new weapons system, which, as often as not, is more smoke and mirrors than substance. It is enough to make you wish you were back in Kansas.

TICKETS TO HIDE

On the least grandiose level, the subcommittee found defense contractors hiding such items as ten $150 tickets to the premiere of Superman and $266 for a tour of Tijuana. These tidbits emerged from a small sampling of contractors' reports. (There aren't enough auditors to review the details of every report.) President Reagan and Office of Management and Budget Director David Stockman have shown great interest in the waste and inefficiency of the food stamp program. Perhaps they should note the madness of a system that allows a Pentagon official to approve payment of a bill that includes the price of very expensive movie tickets.

Then there are the abuses inherent in sole source contracts, which account for 89 percent of the Defense Department's procurement budget (a projected $55.1 billion in fiscal 1983). In a sole source contract the buyer agrees to purchase specific goods or services exclusively from one vendor. Specifications for consulting work are tailored so that there is only one person who can do the work. This system feeds the old-boy network of former Pentagon officials and multiplies the cost.

It is even more frustrating when a part readily available from a number of vendors is tied up in a sole source contract. The Defense Appropriations Subcommittee's report points to one bill for $199,405 for a particular part which passed through a series of subcontractors before reaching the military. With each subcontractor charging for handling and taking a profit, the original supplier's base price went up a mere 1,941 percent. The practice of comparison shopping is evidently unknown in the Pentagon.

This, however, is small turnips compared to the nightmare of weapons development. "Every weapon," Congressman Addabbo explains, "starts out as an idea—way out there in the dream world—of what can be done."

As weapons become more and more sophisticated, it takes longer and longer to build them. The successive generations of nuclear-powered submarines illustrate his point. The Polaris A-1 took five years from inception to delivery; the Polaris A-3 took six years; the Poseidon C-3 took nine years; and the Trident C-4 will take about eleven years.

"The problem," Addabbo points out, "begins with asking 'What can be done and how can we do it?' No one asks what should be done." Asking the wrong questions becomes, in Addabbo's opinion, "a national security problem not just a fiscal problem."

Consider the B-1 bomber, rejected by Congress because it could not penetrate Russian defenses. "The air force is in love with the B-1," says Addabbo. "They were chagrined that civilians should cancel out a bomber program military professionals wanted. So they have been standing in the corner licking their wounds since 1977 waiting for someone to come along and give them back their toy."

The Reagan administration has done just that with a proposal to go ahead with the B-1-B, which is similar to the original model, at a projected total cost of $20.5 billion. Unfortunately the factory designed to build the B-1 was dismantled and it will be 1986 when the first dozen B-1-B's are available. By the air force's calculations 62 more planes will be ready in 1987, and the final 100 will be completed in 1988. Addabbo shrugs with a combination of amusement and resignation: "No weapon in the last fifteen years has come out on time," he says, "but even granting the air force's projections according to Weinberger's own testimony, the Russians will have already perfected their defense against that type of bomber. So, by asking what can be done instead of what should be done, you give your enemy plenty of time to work up his defense."

According to Addabbo, the air force should have concentrated on the New Advanced Technology bomber—the Stealth—whose low observability to radar will make it invulnerable to Russian defense systems until the year 2000.

Dr. Richard De Lauer, Undersecretary of Defense for Research and Engineering, disagrees. The B-1-B, he says, will be invulnerable at least until the mid-1990s.

The time needed to design, test, and manufacture a new weapon leads to cost overruns. Inflation makes this inevitable. However, the real problem is not inflation but "the vast difference between where you start with a contract and where you end up." More and more contractors are telling the military what it needs. In their initial presentations contractors often exaggerate the capabilities of a proposed weapon and underestimate its costs in order to get research and development funds for the weapon approved. Along the way the costs soar.

WAITING FOR TANKS

Design deficiencies in the M-1 tank caused serious delays in production while costs escalated. The Pentagon's established procedure for bringing down the cost and "solving" the technical problems in such instances is to degrade the contract, that is, to redefine downward capabilities. Degrading is the Pentagon's way of appeasing a contractor or of getting delivery of an overdue item, but it also affects national security because the weapon will no longer perform all the functions once required of it.

Because design changes in the developmental stage are the contractors' responsibility, they, in turn, try to rush weapons from development to procurement. "Once you move into procurement," says Addabbo, "you have accepted that weapon. Then if you find that the weapon needs some correction, you must make a contract change and you pay extra for it."

Addabbo fought with Pentagon officials about their desire to enter into a $200 million procurement contract for the Pershing II missile after only two prototype tests. The congressman thought the testing was insufficient. The military has its own reasons for rushing into procurement. But it fits with the contractors' need to pass along as many costs as possible to the government.

The business of the Pentagon has moved from maintaining a military force capable of waging war to obtaining sophisticated weaponry for its own sake. "Weapons are exotic," Addabbo says. "You can sell a new missile, a new launcher, or a new plane. But the nitty-gritty of spare parts and maintenance doesn't put money in the pocket of the military-industrial complex."

None of this is new, however. Most of it has been said before. Addabbo understands all too well what happens. "We have a study made that says 'Do X, Y, and Z.' The colonel in charge gets the study and says 'Fine, but I have to study the study.' So, the first year he sends it out for review. And the second year the study must go out again to plan implementation. By then the colonel is ready to move on to another assignment.

"When the new guy comes in and you ask what he is going to do about your recommendations, he says that he has to study the study.

"Nobody wants to make waves. They all worry about getting their tickets punched so they can move up the line. The attitude is, 'The guy before me didn't do it. Why should I? He walked through. Why should I do anything different?' "

What might make a difference this time is that the defense budget can't escape the Reagan administration's slashes. Current projections call for an increase in defense expenditures from about $216 billion in fiscal 1983 to over $350 billion in 1987. The odds are that that won't happen. Secretary Weinberger, who earned his reputation as "Cap the Knife" when he ran the Health, Education, and Welfare Department, could prove just the man to pare down the Pentagon into something resembling an efficient operation.

Certainly Addabbo would be willing to pitch in. He estimates that there is $20-billion in waste in the military budget. He has already been instrumental in winning over hawkish members of both the Defense Subcommittee and the full Appropriations Committee, whose conservative chairman, Jamie Whitten of Mississippi, cosigned Addabbo's

letter to Weinberger requesting a response to the subcommittee's report.

Addabbo is the insider's insider. Everyone likes him. Dr. De Lauer, his adversary at the pentagon, says, "I like Joe. His only problem is that he doesn't have any defense industries in his district." Addabbo smiles easily, and his eyes actually twinkle. But he is also extremely intelligent without coming off like an intellectual. As one of his subcommittee staff members says. "He is a skilled negotiator with a lot of political savvy." It's a good thing too. He will need all of these attributes in an uphill battle against the political clout and bureaucratic inertia of the Pentagon.●

TONI PODOJIL—THE CRUSADER FOR THE HOPELESS AND HOMELESS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. STOKES. Mr. Speaker, thank you for allowing me this opportunity to bring the crusader for the elderly and downtrodden in Cleveland to the attention of my colleagues—Mrs. Toni Podojil. Her undying commitment to the city's hopeless and homeless is truly remarkable and deserves recognition.

Mr. Speaker, Toni Podojil is a 71-year-old dynamo. With her effervescent style, Toni Podojil's name has become a major symbol of hope in the lives of many Clevelanders. I hope that my colleagues on both sides of the aisle will join me in this salute to this compassionate human being.

Toni Podojil clearly warrants the sincere admiration I express. Although she has no educational degrees or formal sociological training, she has done what many social workers could not do. She has renewed the spirits of the depressed in Cleveland. She has restored hope and dignity to the downtrodden and elderly. Under her own volition, Toni Podojil takes care of many people, who without her assistance, would continue to exist in need of food, clothing, and shelter.

Furthermore, she has been instrumental in establishing viable community projects designed to result in better living conditions for those less fortunate than herself. This seemingly tireless work for others has endeared Toni Podojil to many Clevelanders.

The influence of Toni Podojil is not confined to the city of Cleveland. Her energy and commitment to positive change for the forgotten of our society takes her to Washington and to Columbus on a regular basis. In every meeting or hearing, she speaks out on behalf of the elderly and homeless in our Nation. Mr. Speaker, Toni Podojil is a great asset to the city of Cleveland and more importantly to the human race. Her actions have reaped her the uncountable rewards of improving the quality of life for others and the personal satisfaction of a job well done. At this time, I would like to enter in the RECORD an article which appeared in the Cleveland Plain Dealer on my good friend, Toni Podojil.

STREET PERSON GOES TO BAT FOR ELDERLY

(By Maria Riccardi)

Every morning Toni Podojil gets into her battered Chevrolet station wagon and drives around Cleveland. She visits senior citizens in nursing homes and in cold, roach-infested apartments. On the way, she stops to talk to the homeless shopping-bag ladies huddled in bus shelters and doorways.

Podojil, 71, admits that she isn't a sophisticated social worker. She holds no degrees, nor does she use sociological jargon to describe the situations she sees.

"I'm a street person," she said. "I go around the city and talk to people, I know what the problems are."

Finding solutions to those problems is a constant source of frustration to the advocate of senior citizens' rights: "I'm on all these committees. We spend countless hours talking, planning, researching. We don't spend enough time providing."

So she takes matters into her own hands. Podojil recently led a group of volunteers in remodeling a two-story wood frame building on Lake Ave. which houses the United States Labor Agency's Federation for Retired Workers. Offices remain on the first floor. The upstairs was converted to an emergency shelter and foster home for men and women older than 60.

It is one of seven such programs in Ohio.

As Podojil walked through the bright, freshly painted rooms, the elderly women she calls her "little ones" flashed their widest grins and tightly squeezed her hand.

"That lady," whispered one resident, "has the biggest heart in the whole wide world."

The resident came to the home with no family, money or clothes.

"She had a few dresses," Podojil recalled, "rags I wouldn't even wash windows with. I went out and got her some nice things."

Podojil looks like an average grandmother, with sculpted silver hair, polyester pants and cotton print blouses. She sounds like a grandmother, too: "How are you feeling today, dear? Are you sleeping enough?"

Don't be fooled by the soft voice and disarming smile, friends warn. When she gets angry, which is often, she storms around the office and uses language that would embarrass a truck driver.

Her main targets are insurance companies and doctors, too many of whom, she feels, exploit the elderly.

Her wrinkled face reddened.

"Look at this," she shrieked, rummaging through a pile of papers on her desk. "Can you believe this?"

She then told of Helen, a disabled woman in her late 60s, supporting herself and two mentally retarded children on $600 a month. Her Blue Cross payments for the family cost more than $250. The rent is $270. That leaves little for food, medicine and other necessities.

"What could I do for this woman? I gave her a five-pound hunk of cheese."

Podojil sees dozens of cases like Helen's each week, families that fall between the cracks.

"On paper, it looks like they should be able to manage," she said. "They can't, and I can't sleep at night knowing all these people are hungry."

She can tell horror stories of abuse and neglect by the hour: the elderly man dumped on the lawn in only a hospital gown; the woman who hasn't seen her children, who live in Cleveland, in more than 30 years; the handicapped man covered with bruises, lying in his own feces.

After all these years, Podojil has not become hardened to such misery. Her voice quivers as she describes each case. The more injustice she sees, the more determined she becomes.

Podojil is a regular in Columbus and Washington, D.C., pestering politicians: "Oh, they all know me, even call me by my first name."

On a wall, amid plaques and certificates, hangs a framed color photograph of Podojil and Rep. Mary Rose Oakar, D-20, who referred to her as a miracle worker.

Podojil has been involved in national and local political campaigns for more than 35 years. She reads voraciously—anything she can get her hands on.

"I even look at the tabloids like the Mirror and the Star," she confided. "I like to know what everyone is thinking."

She has an opinion on everything and never hesitates to speak her mind: "I've caused a scene or two in my lifetime."

Eight years ago, Podojil retired as a field organizer for the Textile Workers Union of America. Her interest in unions developed as a teen-ager when she worked in textile mills, tolerating miserable job conditions and extremely low pay.

Podojil was born in Braddock, Pa., to Polish immigrants. The family moved to the southeast side of Cleveland when she was 8. At 17, she married the husband they had chosen for her, a man 10 years her senior.

In the first three years of marriage she gave birth to three daughters. She later had two sons. Her household was chaotic, but she always had time to volunteer: "If there was an organization that needed help, I was right there."

This civic-mindedness rubbed off on her children. All but one of them live in the area.

"They collect food for the poor and drive the elderly neighbors to the doctor and things like that," Podojil said. "My children, they've made me proud."

Despite her age and health problems, the widow works 80 to 90 hours a week. When she suffered a heart attack last May, doctors advised her to slow down. In July, she led a rally in Washington to protest cuts in senior citizens' programs.

Two months later, she participated in the Solidarity Day march. Last December, she was a delegate to the White House Conference on Aging.

"What a waste," she said bluntly. "All that money they spent for nothing. Think of the people I could have fed and clothed."

Podojil breathed a disgusted sigh. At times she feels she is waging a losing battle, but she won't give up. As long as she can get out of bed in the morning, she promises to fight for the senior citizens of her community.

"Let me tell you something," she said, lowering her voice to a whisper. "Right after my heart attack, when they took me to the hospital, all I saw was a gray fog. Then an angel and the face of Christ appeared."

With typical stubbornness, she looked right at them and said: "No, I can't die yet. I have too much work to do."●

NOW IS THE TIME TO REFORM THE FED

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, this past Sunday's New York Times outlined the ongoing study by the Department of the Treasury on measures to reform the Federal Reserve Board. The Times officials felt this issue was of such importance it was placed on the front page of this fine newspaper.

I agree with the Times and with the administration. Reforms are necessary to control the Federal Reserve Board and the outlandish growth in our money supply that is keeping interest rates at the current intolerable levels. On May 19, 1982, I held hearings before the House Task Force on Economic Policy examining proposals to reform the short-term policies of the Fed. As the Times article explains, the short-term fluctuations in money growth are causing the financial community concern, thus forcing interest rates to remain high, especially when coupled with the budget problems Congress is currently facing.

As a farmer myself, I know what interest rates are doing to agriculture and the Nation's ability to produce. I commend the Times for recognizing one aspect of the problem, and I am urging my colleagues to join the administration and myself in directing the Fed to redirect its efforts, and to truly control monetary growth.

The text of the Times article is as follows:

REGAN REVIEWING PLANS TO RESTRICT FEDERAL RESERVE

(By Jonathan Fuerbringer)

WASHINGTON, June 19.—The Reagan Administration is conducting a major review of monetary policy, including consideration of proposals to restrict or remove the independence of the Federal Reserve Board, Treasury Department officials said today.

The study, which is being done under the direction of Treasury Secretary Donald T. Regan, is one of the key elements in a major review of economic policy options the Administration is considering in the event that interest rates do not decline. Continued high rates would threaten or abort the economic recovery the Administration has said it expects in the second half of the year.

So far, no change in policy has been decided on, the officials said.

REVIEW OF PAST ACTIONS

The overall policy review is being done by the Treasury, the Council of Economic Advisers and the Office of Management and Budget, Treasury officials said. It also includes a review of the policy options and changes made by previous Presidents in response to economic crises and review of such options as a flat-rate tax on income above a certain level.

But so far the key study is of Federal Reserve policy and structure. Already proposals for change have been submitted by members of Congress. A Treasury official said the policy study could lead to the Administration's support of one of those measures or submission of its own. Any change would require passage of a bill by Congress.

Beryl W. Sprinkel, Under Secretary of the Treasury for monetary affairs, said today that he was completing a study on the Reserve Board's structure and role and expected to make recommendations to Secretary Regan "in a matter of weeks."

"There is, on the one hand, an argument to keep the Fed independent to avoid the problem of an Administration running away on an inflationary policy," Mr. Sprinkel said.

"But on the other hand, the President is elected by all the people, and he has a right to put his policies into being and to be held accountable for them.

"And since we have been down here, we have not gotten the kind of monetary policy that we asked for," he said.

In the study now being conducted, Mr. Sprinkel said, the options include making the board part of the Treasury or putting the Treasury Secretary on the board, a proposal suggested as part of a measure submitted by Senator Alan Cranston of California, the Democratic whip.

Another proposal under consideration would make the term of the chairman concurrent with that of the President, which would allow every new President to appoint his own chairman.

The aim of all these proposals is to make the agency responsible to the President and, therefore, the President responsible for what the board does to the economy.

Senator Jake Garn, Republican of Utah who is the chairman of the Banking Committee, said today that he was adamantly opposed to any move to restrict the board's independence. His committee would consider any proposals for a restructuring.

"I think Congress is trying to find a scapegoat for its own problems," he said. "I'll be darned if we're going to put the Congress or the Administration in charge of monetary policy. I don't think we want the people who so badly mismanaged the fiscal policy of this country to manage the monetary policy."

In the past, Presidents and Congress have turned their ire on the Federal Reserve in economic crises, especially when interest rates were high, as they are now. Bills to restrict the board's power or impeach its chairman have been submitted in Congress but have not gotten very far.

The Federal Reserve is an independent agency whose key jobs include trying to control the growth rate of the nation's money supply. Its chairman and six governors are appointed by the President and confirmed by the Senate. The chairman has a separate four-year term, which often means that a new President does not get to appoint him. The current chairman, Paul A. Volcker, was appointed by President Carter.

While the Federal Reserve has come under sharp criticism recently, its monetary policy over the last 18 months is given credit by many economists for helping to bring down the inflation rate from the double-digit pace of 1979 and 1980 to 8.9 percent last year and a projected 5 to 6 percent this year.

In the last week, as some short-term interest rates began to rise and there were new increases in the money supply, Treasury officials said Secretary Regan had become very annoyed again what with he calls the board's "erratic" enactment of monetary policy. He contends that the sharp fluctuations in the weekly money supply numbers are keeping interest rates up.

Mr. Regan's attitude is a sharp change from just over a week ago. In an interview then, he endorsed the current track of Federal Reserve policy, including the fact that the closely watched M_1 money supply *figure* was still over target for the year. M_1 includes currency in circulation and in regular and interest-bearing checking accounts.

When asked why he was not being critical then, as he had been in the past, the Secretary said: "Well, we've recognized the problems they've had. We recognize the practical difficulties they're having."

In the current study, the Treasury is also looking at specific operating procedures that might be changed in an effort to make the movement of the money supply less erratic.

VOLCKER RESISTS CHANGES

In recent testimony, Mr. Volcker has bristled at the idea of changing the board's structure. In a letter to Representative Henry S. Reuss, a Wisconsin Democrat and the chairman of the Joint Economic Committee, he said:

"The present institutional arrangements reflect, in my view, the belief of the Congress that the public interest is served by an institutional setting that can combine experienced judgment and regional representation in its governing bodies and continuity in expert analysis, with a certain insulation from transient political influences.

"A factor in that approach is recognition that monetary policy manipulated toward short-term or partisan purposes could have potentially adverse repercussions for our economy," the chairman concluded.

One Treasury official said Mr. Regan had become more frustrated as he saw the President's economic policy and proposals being put into effect but nothing happening in the economy.

"The Secretary doesn't feel that we made a mistake," one official said today. "But he says that 'we got the tax cut, we got the budget, so what is going wrong? "

This frustration has become more and more focused at the Federal Reserve, this official said. The Secretary is deciding that if inflation is down, the tax cut is approved and the budget resolution is on its way, the only cause for the new rise in interest rates is the board's policy.

The idea of the study of alternatives, the official said, is to be ready to respond to proposals that might come out of Congress, if the economy does not improve, and to have plans ready in case the President decides policy has to be changed. The official said the Treasury Secretary and other top Administration economic officials expect to be forced to take some action if the promised recovery does not get started in the second half of the year.●

CONVENTION II, INC.

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. RODINO. Mr. Speaker, I rise today to bring to the attention of my colleagues a unique program for young people which takes place in this

Chamber every year. It is called Convention II, and this year it brought 200 high school students from all regions of our country to participate in a model constitutional convention. The Seventh Annual Session of Convention II convened on the floor of the House of Representatives to debate and vote on almost 70 amendments to the Constitution. The Speaker of the House graciously extended the floor privilege to the delegates of Convention II.

Convention II, Inc., is a nonprofit education group designed to focus the eyes of our Nation on one of the greatest inventions in the history of man—the Constitution of the United States. Convention II gives young Americans practical experience in the legislative and Democratic processes that are the foundations of American Government. The enthusiastic program staff, which is composed primarily of college students, works diligently throughout the year to provide essential services for the smooth experience in the art and politics of debating constitutional issues.

Mr. Speaker, I am pleased to be one of the 56 members on the Founders Committee of Convention II, and I want to share their February debate with my colleagues. I request that the findings of the delegates to the Seventh Annual Session of Convention II be printed in the RECORD as follows:

FINDINGS OF THE SEVENTH ANNUAL SESSION OF CONVENTION II

Note: Rule 24 of the Rules of the Seventh Annual Session of Convention II provides that "A Resolution proposing an Amendment to the Constitution of the United States of America must be agreed to by at least a two-thirds vote of the Delegates." One hundred seventy-three Delegates presented Credentials to the Convention.

CR 601 relative to lowering the age of qualification for a United States Representative to 18. Defeated (81,75).

CR 431 relative to repealing the Twenty-second Article of Amendment to the Constitution (limit of two Presidential terms). Defeated (81, 75).

CR 501 relative to admitting evidence obtained during an immobile search and seizure. Defeated (60, 82).

CR 544 relative to imposition of the death penalty as punishment for first degree murder. Defeated (57, 72).

CR 355 relative to equality of rights, privileges and immunities for all citizens aged 18 years or older. Defeated (52, 94).

CR 422 relative to abolution of the Electoral College and Election of the President and Vice President by direct majority vote. Defeated (46, 91).

CR 410 relative to providing for a single, six year term of office for the President and Vice President. Defeated (38, 115).

CR 357 relative to providing equality of rights for individuals regardless of sex or sexual preference. Defeated (34, 107).

CR 382 relative to the legalization of women going into combat. Defeated (27, 124).

CR 300 relative to restricting the bearing of arms to members of the federal Armed Forces and federal, State and local law enforcement agencies. Defeated (23, 126).

CR 127 relative to defining the composition and scope of a federal Constitutional Convention by limiting such Convention to a single, specified Amendment and for other purposes. Defeated (21, 118).

CR 299 relative to providing for a balanced federal budget. Laid on the Table (73, 70).

Complete copies of the texts of the Resolutions are available from the National Headquarters of Convention II, 258 Fifteenth Street, SE, Washington, DC 20003 (202) 543-8000. Floor Statements will be published in the Journal of the Seventh Annual Session of Convention II in March 1982.●

HOUSING MANAGEMENT DIRECTIONS

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. GREEN. Mr. Speaker, I would like to share with my colleagues an article written by John Simon, general manager of the New York City Housing Authority. The problems facing public housing management are indeed great. While Mr. Simon concedes that there are no easy solutions, he suggests that technical advances, combined with more extensive staff training and the increased involvement of tenant organizations, will contribute to both the efficiency and the quality of public housing systems.

The article follows:

HOUSING MANAGEMENT DIRECTIONS FOR THE 1980s

(By John Simon)

The major issues confronting the public housing management profession in the 1980s are as easy to list as they will be difficult to solve. First, the problem of inadequate operating expenses, particularly in the area of energy costs, must be met and solved. Second, those concerned with housing are faced with the task of conserving and strengthening existing public housing stock, most of it federally subsidized and 90,000 units of which, according to a recent National Association of Housing and Redevelopment Officals survey, are in immediate need for major rehabilitation. Third, this decade of diminishing resources and of deteriorating physical plants is powerfully marked by high tenant demands for improved services—demands ranging from better maintenance to better security, from more stringent tenant selection precedures to increased tenant involvement in the day-to-day decision-making process. These issues are not mutually exclusive. They converge daily on the desks of housing administrators of the smallest as well as the largest programs in related, and frequently contradictory, forms. The managerial steps required to successfully meet them also are familiar to most managers and, in many cases, are "problems" in and of themselves.

Public housing management has to align operating procedures developed in the 1940s and 1950s with modern business techniques. The centerpiece of this effort must involve using the computer as a primary management tool and not simply as a data processing instrument. Whether one operates the prototype "well managed" agency or an agency putting itself back together, one must increase employee productivity and improve the labor/management relationship. Finally, housing management agencies must develop more effective working partnerships with the local governmental units of which they are a part.

It goes nearly without saying that the managerial capacity required to meet these issues must be of the highest order. Managers must combine extensive familiarity with a broad range of technological developments in the field with an equally extensive understanding of the historical and social mission of low-income housing. To obscure the one in favor of the other is not to invite, but to assure, failure. The manager as pure technocrat, regarding his or her field as a "business" with a bottom line no different than a luxury housing developer's, is in the wrong "business." The manager locked in a 1950s time warp is similarly misguided. The present management imperative is to achieve a working synthesis of the new technology with the social mission of the programs. If managers fail to do this during this decade, they probably won't get another chance.

This challenge has prompted two distinctive managerial modes to evolve during the last 10 years. Both would be familiar to housing managers of 20 and 30 years ago, but not with the force and urgency with which they are present in their current form. These modes can be highly effective and, ideally, the manager moves easily from the one to the other as circumstances or situations permit.

A typical day for the housing management professional may include meetings on project security, on productivity recommendations from an outside consultant, on forthcoming labor negotiations, or on a draft response to a state auditor's report. There might also be a meeting with tenant association presidents, afternoon meetings on weatherization and the status of a prototype work order control system to be put in place by the computer division in late 1981, and an angry session with the resident council on security at several housing developments. Calls from a reporter who probably is preparing a negative and totally ill-informed article, dozens of other calls and callbacks, conceivably could be added to this example.

Under optimum conditions, the day's events inch along like a wagon train with the various elements listed above (and dozens of others) in fragile tandem. Frequently, however, the day's journey will be interrupted or threatened by any one of a limitless number of situations that call for the manager to close the "wagons" in a circle and deal as best he or she can with crises coming fast and hard from many directions. The manager improvises to meet the crisis, to deal directly with competing interests both inside and from without.

Crisis-oriented management—keeping the "wagon train" moving forward through one emergency after another—is a copy for the public housing manager and its effectiveness depends largely on management's ability to place daily operational efforts within the context of the agency's long-term objectives. The attempt is, of course, to orchestrate all management functions and policies into a more or less harmonious whole. On the one hand, the housing manager makes short-term, crisis-type decisions of a largely defensive nature. On the other hand, the manager attempts something more ambi-

tious for the long-term—the development of stable working relationship in the pursuit of agency objectives.

Even as the typical day described seems, in most of its manifestations, to conform to short-term needs, closer examination reveals elements basic to the long-term objectives as well. For example, the stormy meeting with the resident council seems at first sight purely a short-term crisis concerning specific housing developments. More, however, is at stake than the resolution of the given crisis. The manager's attempt, however frustrating, to contribute to the long-term goal of increased cooperation between residents and management takes him from short-term crisis to long-term planning and back within the space of an hour.

Mangers are not frontier heroes and, even if they were, they still would have to recognize that the ultimate resolution of many of the problems they face is largely out of their control. It is in the hands of the larger society, dependent on both its economic and political will and the capacity to address the problem of creating decent housing for low-income Americans. Nevertheless, short-term crisis and long-term planning go on.

TECHNICAL ADVANCES

Even with hoped-for supplemental appropriations by Congress, operating expense shortfalls are, and will continue to be, a fact of life. For example, in fiscal year 1981, the New York City program, which houses 170,000 low-income families, will suffer a $31.4 million shortfall with the performance funding system at only 85.5 percent of the authorized level. This shortfall will occur in the midst of a 10-year period when operating expenses have tripled while, nationally, rental income has increased by only 50 percent. Many programs spend 40 percent or more of their operating budgets on fuel and utilities. Obviously both short- and long-term perspectives are severely compromised by these problems as well as by the problems of major rehabilitation and high tenant service expectations.

To address these problems in New York, the housing authority has put in place the most thorough-going reorganization and redeployment of its management capacities and priorities in the agency's 47-year history. Within the resource constraints shared by nearly every low-income agency, these capacities have been restructured to more effectively measure and maximize productivity in each component of the housing operation. The centerpiece of this effort (but not the whole by any means) is the computer, the new use-applications of which, even 10 years ago, were remote prospects for the profession. Now, with differing acronyms, but related programmatic objectives, computers are essential tools in the day-to-day and year-to-year operation of both large and small housing programs. Elements in place (or in development) within the New York system, for example, speak to the need to streamline and improve management functions shared by management everywhere else. A few examples from the New York system will strike a common chord within the profession as a whole:

A system to identify and track all housing applications received each year from receipt to final disposition. Application review is simplified; tenant selection criteria is codified; new HUD income admission and other regulations can be applied to existing applications, if necessary, with ease.

An accounting communications system that instantly transmits tenant and project financial data to analysts and management in the central office operation. The problems of both short-term crises and long-term trends are addressed with on-line, much more current (and accurate) fiscal information than from previous reporting procedures.

An on-line system for compiling, tracking and analyzing monthly utility consumption in every building operated by the agency.

A work order control system that tracks supply and usage of materials at every location.

An automated system for maintaining a physical "biography" of every elevator in service. This includes its outage and repair history and, coupled with an elevator outage reduction program, has been developed with the twin objectives of at once improving elevator service and making elevator maintenance more cost-effective.

Use of strategically placed terminals for retrieval and analysis of personnel and tenant data.

These types of computer applications are essential to effective management of the larger agencies during this era of across-the-board economies. From fuel oil use projections to rent collection, from apartment repairs to personnel statistics, data is available to the modern manager in both a detailed and accurate degree unknown to housing professionals even 10 years ago. What the manager does with this information glut is, of course, much more important. The data can bury those using it unless it is made a savings-oriented tool.

Computer use, in its long-term context, requires an overall design in which the various programs service specific but interrelated roles. At one housing authority, the data is used to develop the agency's management plan and report system. This requires all managers to set annual objectives and performance targets for key areas of their operations. The system enables management to control and evaluate performance data at every level of the operation with the goal of preventing "attacks" on agency progress by addressing problems in their earliest stages. For the longer term, the data provides the manager with an excellent basis for forecasting both savings and expenditures. In the 1980s, as never before, the manager "knows" his plant, its strengths and its weaknesses, with quantitative accuracy. It is the qualitative end, the human factor involved in the management process, which presents the next major challenge.●

GPO: A COSTLY OPERATION

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. WORTLEY. Mr. Speaker, a recent article in the Oakland Press reports on a situation at the Government Printing Office that deserves to be brought to the attention of the entire Congress. Simply put, the Nation's public printing is a very costly operation—more costly than necessary. I urge Members of Congress and especially those who serve on the Joint Committee on Printing to immediately begin looking at ways to bring this situation under control, while maintaining the level of service needed to assure that the Public Printer is able to fulfill his function. The article follows:

[From the Pontiac (Mich.) Oakland Press, June 7, 1982]

REMARKABLE INEFFICIENCY WINS STAMP OF APPROVAL

(By Joe Grimm)

It is a textbook tale of government waste.

In recent weeks, columnist Donald Lambro has reported on practices in the U.S. Government Printing Office (GPO) that defy belief.

For example:

The federal government pays nearly twice as much to do its own printing as it would pay if private businesses did the work.

The average GPO wage is $11.74 an hour, compared to the $8.39 an hour paid to people doing the same jobs for private business.

On average, GPO employees are paid 22 percent more than their counterparts in the federal government.

Nearly a third of the GPO's 6,200 employees are not even needed. While the rest of the publishing world uses photocomposition, the federal government trains new hirees to operate antiquated linotype machines.

$11 million worth of GPO publications were recently sold for scrap because none of the titles were selling even 50 copies a year.

This week, next week, every week, the equivalent of one tractor-trailer load of published material is hauled into warehouses because the federal government will not pay to mail it out but refuses to turn off the presses.

The story was to have a happy ending, though.

Danford Sawyer, a former advertising executive and now the man in charge of the GPO, planned to gut the waste and inefficiency from his department.

Beginning June 1 and continuing for seven months, he planned to give GPO employees six days off without pay.

To bring employees' salaries in line with the salaries of other federal employees, he planned a 22-percent wage cut.

Although he has not made any firm proposals, Sawyer has hinted he will do something about reducing his surplus of 2,000 employees.

Here was an opportunity to save millions of tax dollars without cutting a single food stamp or welfare payment. Here was a man who was in the position and the frame of mind to do it.

It may never come to be.

The House Joint Committee on Printing stands in the way with a five-paragraph resolution.

The first paragraph notes, "Whereas . . . it has always been the policy of the Joint Committee on Printing . . . to supervise and conduct government printing business on a cost-effective and efficient basis."

The last paragraph concludes, ". . . no furloughs, reductions in force or other adverse personnel actions shall be imposed on GPO employees . . . until a study of the long-range printing needs of the federal government has been conducted. . . ."

Who is on this Joint Committee on Printing that is so reckless with our wallets?

It has five Republican and five Democratic senators or representatives who, for the most part, receive heavy contributions from the 22 unions that represent almost all GPO employees. For example Sen. Charles Mathias, R-Md., committee chairman, re-

ceived $46,000 from GPO unions for his 1980 campaign.

It is likely the committee's authority to tell Sawyer how to do his job will be decided in court—at our expense.

Urge your elected senators, your congressman and the president to pressure the committee to allow Sawyer to do the job we all want him to do.

LEGISLATION INTRODUCED TO LIFT PAY CAP INEQUITY

HON. SID MORRISON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. MORRISON. Mr. Speaker, today, I am proud to introduce, together with three of my distinguished colleagues—Mr. FOLEY, Mr. WYDEN, and Mr. CRAIG—legislation of considerable importance. This legislation would rectify an extreme inequity that is present in Washington's Fourth and Fifth Districts, Oregon, and Idaho.

There are 500 Army Corps of Engineer civilian employees working at various hydroelectric powerplants throughout the Pacific Northwest that have been subject to a pay cap since 1979. Because of the unique category these employees fall under, they have been subject to Department of Defense wage fixing authority restrictions not applicable to their other Federal counterparts, and their salaries have fallen significantly behind those counterparts with identical responsibilities.

These employees ask for no Government handout, no preferential treatment, only that they be released from the cap, placed on a comparable level with their counterparts, and be allowed to do their jobs and be justly compensated as they would be in other agencies and programs. This assurance is not too much to ask for those who strive to supply a major source for the energy needs of the entire Pacific Northwest.●

"THE UNCOUNTED ENEMY: THE VIETNAM DECEPTION"

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. BAILEY of Pennsylvania. Mr. Speaker, as a sequel to my special order on the CBS documentary "The Uncounted Enemy: A Vietnam Deception" I would like to include this copy of an article from the British magazine Now dated November 7, 1980:

BLURRED VISION FROM AMERICA'S TV ORACLES

THE FANTASTIC POWER OF THE NEWS FRONTMEN CAN MOULD OR DESTROY U.S. GOVERNMENT POLICY BUT, AS SIMON WINCHESTER REPORTS, THE ELECTION HAS SHOWN THAT THE MEDIUM'S MESSAGE CAN BE FAR FROM THE FACTS

It was significant that as the election of the United States President reached its climax, the arena for the nation should be the TV screen.

It was also significant that among the four journalists selected to interview the two prominent citizens for the US Presidency was Barbara Walters, the leading NBC anchorwoman. For she, along with others like John Chancellor, David Brinkley, Walter Cronkite and Frank Reynolds, has the ability to change or at least to modify history through her reports.

The media people in the campaign have been almost as important as the candidates themselves.

If television has become America's deity, then without a doubt a kindly, greying Midwesterner is the Moses who delivers the word from the mountaintop. Poll after opinion poll shows that he, Walter Cronkite, is the most trusted man in America. His authority is legendary. He can destroy a reputation or deflate an aspiration with the subtlest arching of an eyebrow. And all because for the past 18 years Mr. Cronkite has hosted the evening news on one of the networks in America's gigantic TV news business. When Cronkite speaks, make no mistake about it, America from the Oval Office of Oshkosh, Wisconsin, listens to every syllable.

Two illustrations of Cronkite's unasked-for power: Back in the early months of 1968, American confidence in her ability to win the Vietnam war was sorely tried by the Communists' Tet offensive. Until that time, two-thirds of Americans agreed that the TV coverage of the first "television war" had prompted them to support President Johnson's military adventure. Tet changed that—largely because of Walter Cronkite.

In a rare departure from his role as news presenter, Cronkite decided to go to Vietnam. It was a bit like a royal visit. Khaki carpets were unrolled for him as generals trod on each others' toes to make sure he had the best possible view of what was going on. Cronkite returned to America appalled and angered by what he had seen and wrote four devastating programmes, each one of them ending with five minutes of personal commentary from this most trusted, this most believed of American men. "We have been too often disappointed by the optimism of the American leaders, both in Vietnam and in Washington," he said in a memorable paragraph. "We have been too often disappointed to have faith in the silver linings they find in the darkest clouds. It now seems more certain than ever that the bloody experience of Vietnam is to end in bloody stalemate."

President Johnson watched all four of Cronkite's reports—all presidents watch Cronkite every night. He turned to an intimate aide as the final report ended and made a remark that marked the beginning of an epoch. "I guess if I've lost Cronkite," he said, "then I've lost the country." Three weeks later he went on television—of course it was television—and announced he would "not seek and will not accept the nomination" of his party for a second term as president. Lyndon Johnson was abandoning the presidency, because, in essence, Walter Cronkite had told him to.

Another illustration of Cronkite's influence at the Republican Party Convention in Detroit in July conveys more of the awesome power of the networks' news barons. Even though on this occasion, Cronkite in the best tradition of the Homeric nod, made a mistake.

It was the Tuesday night of what was expected to be a deeply dull convention. The only story worth investigating was the identity of the man (or woman) to be chosen as Ronald Reagan's vice-presidential runningmate. CBS, like every other network, got wind of the discussions between former president Gerald Ford and the Reagan team. CBS, like every other network, was used by the Ford and Reagan forces to float innumerable trial balloons about the so-called "dream ticket" of Reagan-Ford. Walter Cronkite, using his huge personal ability to attract political figures to his side, had Gerald Ford on camera early that evening and asked the fateful question: "You would expect the arrangement to be a kind of co-presidency, then, would you, sir?" To with Ford replied "Yes, kind of."

The effect of that affirmation on the Reagan forces was traumatic. They didn't like the idea of a co-presidency one little bit. The notion that a vice-president, even if it was Gerald Ford, might have veto powers over the appointment of certain Cabinet offices, for instance, rankled. And so they began to unravel the deal. But Walter Cronkite didn't realise it. Indeed, from the authority of his skybooth (it says something about American television's standing in political life that the three networks' booths are by far the most obvious occupants of the convention hall) Cronkite intoned the following, in solemn tones: "Gerald Ford will be Reagan's selection as his vice-presidential running-mate." The deal that was rapidly falling apart was being announced as simple fact. Not just in some local newspaper (The Chicago Sun-Times said so, as did the London Times), not by some Mickey-Mouse TV station, but by Walter Cronkite, the Moses of the airwaves. If it was not true, then it had to be denied in the most forceful way possible, and fast. Ronald Reagan had to announce his choice of someone else, and fast.

And so Reagan did what no candidate has done in a hundred years. He came on two days early, addressing a half-empty convention hall (hundreds of delegates had already left; it was late: the selection of Ford seemed an established fact) with the news that yes, indeed, it was George Bush.

By the end of the evening, when Reagan had gone back to his hotel and Cronkite had managed to rewrite the history of that night to make it appear that the idea of a "dream ticket" had never really caught on, no one bothered to ask the single most pertinent question: Was Bush chosen because Cronkite forced the issue? Is America's likely next vice-president—possible next president, given the actuarial outlook for the 69-year old Reagan—in his job essentially because of Walter Cronkite and the medium which he has for so long commanded?

It is impossible to overestimate the power of the evening news on American television. Depending on where you live, all three networks will either screen their broadcasts simultaneously or stagger them so a viewer can watch 90 minutes of straight news, from about 6 p.m. until 7:30 p.m. In Washington, where the news has a special importance—or so it seems—the local CBS and NBC stations run their shows together, so it is only

possible to watch both by tuning in to a fuzzy Baltimore channel for the 6:30 p.m. Cronkite broadcast. At 7 p.m. one switches back to NBC and its nightly news with John Chancellor. The ABC network news, while highly popular out in the rest of the country and thus highly influential, is not taken seriously in Washington. Its anchorman, Frank Reynolds, somehow fails to come across as a news "authority" in the avuncular Cronkite manner, or in the schoolmasterly way that Chancellor has fashioned over the years. (NBC had the most famous team of all—Chet Huntley and David Brinkley—all through the late Fifties and Sixties. Huntley died and Brinkely continues as an elder statesman, serving as commentator on the magazine programme. But he never had authority of Cronkite.)

But whatever the Washington impressions of the diminutive Frank Reynolds, it must be stressed that out in the country, where the voters are, those three men—Cronkite, Chancellor and Reynolds—hold the essential key to the knowledge on which this informed electorate makes its choice on election day. The three anchormen have two distinct roles—in the selection of the news they present, and in its presentation.

Walter Cronkite is 64—his birthday was on election day and it will take America months, perhaps years, to get over his upcoming retirement. He was born in a suburb of St. Joseph, Missouri, the son of a local dentist. He started work as a cub reporter with the Scripps-Howard chain of newspapers and then joined the old United Press. He later combined courage with speed and accuracy to bring America the best news from the front. He left United Press for the fledgling CBS-TV network news operation in 1950 and 12 years later was appointed host of the evening news—an appointment that was to last for 18 long years.

John Chancellor, urbane and svelte, with a schoolmasterly manner, is also a Midwesterner born in 1927 in Chicago. He joined the Chicago Sun-Times after University and entered television—the NBC news network, where he still works—in 1950. He joined government, briefly, as director of the Voice of America, but rejoined NBC in 1967 and then along with David Brinkley was appointed presenter of the nightly news. Brinkley, however, fell slowly from grace within the network, and Chancellor survived him as the news programme's anchorman.

The NBC news comes either second or third in the ratings—CBS invariably wins—but Chancellor is invariably rated as the country's second most admired newscaster.

David Brinkley, weathered and rugged-looking, presents NBC's weekly news magazine on Friday nights. He anchors, with Chancellor, the convention and election coverage. He is seen as the irreverent intellectual of the networks, but with disdain that too often shows through.

He is a southerner, from Wilmington, North Carolina, with experience on the local paper and, like Cronkite, with the old United Press. But he joined NBC back in the Forties—37 years on the same network without a break. He was made co-host of the fabulously successful Huntley-Brinkley Report in 1957. When Huntley died he carried the show alone for a while, and then invited the young John Chancellor to join him.

Frank Reynolds, the silver-haired, deep-voiced anchorman of ABC World Tonight, is 57 and, like most of his colleagues in the network big time, a Midwesterner. He was born in the seedier part of East Chicago and took his first television job at a station in Hammond, Indiana. He rose through the ranks to become a producer specialising in foreign affairs documentaries, winning praise for films from Vietnam, Africa, the Middle East and Latin America. He become host of the ABC news after the debacle over Barbara Walters, who despite her million-dollar-a-year salary, proved a rotten newscaster. Reynolds was brought out from backstage, dusted down and made into a super star. He is said to lack the authority of Cronkite and the experience of Chancellor, but has, nonetheless, a huge following.

Barbara Walters, known as "Baba Wawa" because of her curiously childlike voice and her inability to pronounce the letter "R", spent 15 years as one of the hosts of NBC's landmark morning magazine Today Show. Colleagues derided her then, and still do today, for lacking depth and understanding in the complex communications empire in which she now sits, Queen Bee.

She now earns a million dollars a year as the one person on the adventurous ABC network who can lure the rich and famous in direct competition with Cronkite. Mrs. Thatcher and Miss Walters clucking maternally over the illness of the late Shah was, students of her technique claim, a brilliant example of the journalistic genre at which she excels. Miss Walters is 49, and is the author, appropriately, of a book entitled How to Talk to Anybody About Practically Anything.

The anchormen are selecting news for what is essentially 24 minutes of television airtime (there is a total of six minutes for advertising). The stories themselves are rarely more than two minutes long—the average length of a campaign story was 90 seconds. But a network advertisement in the evening news will cost the sponsor as much as $350,000 for 30 seconds. So in any election the campaign managers make sure that every piece of news, every background briefing, is available to TV, no matter what the cost. And yet the result is appalling. The news that struggles on to Cronkite's show, or on to Chancellor's or Reynolds', has a tendency to be trivial, cheaply symbolic, gimmick-ridden, uninformative. What has happened, as media critic Jeff Greenfield said recently, is that television news reporters have taken a lead from their colleagues in print and are now sceptical of campaigning—but their scepticism is directed towards the political process, and not towards a candidate's record, or his statements. So when for example Ronald Reagan began his campaign by speaking from the New Jersey shore with the Statue of Liberty in the background, the TV men said, in their on-air reports: "Ronald Reagan tried for symbolism but forgot one thing—the Statue of Liberty had its back to him." Funny, perhaps, splendidly skeptical, but it totally ignored what Mr. Reagan said. It failed—and reports have failed on almost every occasion since then—to devote any time at all to an examination of the candidate's position. Issues, in other words, have gone out of the window. Image and criticism of the image-making process take up all the time—all the precious multi-thousand dollars worth of seconds that a candidate gets on the news show.

And so, important and profoundly enwrapped in the political process Cronkite, Chancellor and Reynolds may be, but what they are hosting for this huge democracy is a few precious minutes of meaningless images superimposed by worthless and tiresomely sceptical commentary. The result? The politicians are as unexamined and mysterious as military dictators who rise from unseen barrack blocks. The American people have no real idea what Ronald Reagan really stands for. Neither have they any real idea of the complexities or the governance of Jimmy Carter, nor the prospective stands of candidate John Anderson.

So Mr. Cronkite and his colleagues and rivals present each night curiously beguiling contests that are fought out over invisible issues—and the president that results is as unknown to those who elect him as had he stumbled into office from some outer darkness. And that, one can easily believe, is why America has had so many dismal presidents during the television era: because however trusted and avuncular and omniscient the network frontmen seem to be, they are never really telling things as they are. When Walter Cronkite ends his broadcast each evening with the words "and that's the way it is . . ." that is the way it most certainly is not. It is merely the way television perceives the images of the day. And the images have little enough to do with the reality, or with the problems that America, and the world, need so acutely to solve.●

CALIFORNIA LEGISLATURE RESOLUTION ON ARMOR-PIERCING AMMUNITION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. STARK. Mr. Speaker, this spring, the senate and assembly of the California Legislature adopted a resolution calling on the Congress to enact legislation banning the manufacture, sale, importation, and possession of all bullets which are designed or manufactured primarily for the purpose of penetrating metal or armor.

I hope that the passage of this resolution will help encourage the Congress to consider favorably legislation by our colleague from New York (Mr. BIAGGI), which would achieve the goals expressed by the legislature of the Nation's largest State. The full text of Senator Craven's resolution follows:

SENATE JOINT RESOLUTION NO. 34—RELATIVE TO BULLETS

Whereas, A type of ammunition has been developed and made available, known as the KTW bullet, which will penetrate the combined thickness of four bulletproof vests of the kind used by the President and other officials and policemen; and

Whereas, These bullets have no legitimate value and threaten the lives of all law enforcement agents and are referred to as "killer bullets"; and

Whereas, Law enforcement agencies themselves do not use such bullets because they endanger the lives of innocent people who might accidentally be hit by stray or ricocheting bullets; and

Whereas, These bullets are potentially available to any citizen in any state; now, therefore, be it

Resolved by the Senate and Assembly of the State of California jointly, That the Legislature of the State of California respectfully memorializes the Congress of the

United States to enact legislation banning the manufacturing, sale, importation and possession of all bullets which are designed or manufactured primarily for the purpsoe of penetrating metal or armor; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.●

A NATIONAL COMMISSION ON DOWN'S SYNDROME—AN EFFECTIVE APPROACH

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. SOLARZ. Mr. Speaker, in October 1981, I introduced legislation, H.R. 4657, to establish a National Commission on Down's Syndrome, an incurable genetic disease characterized by mental retardation and a variety of physical handicaps including, in many cases, severe, life-threatening complications.

Presently, 48 Members have cosponsored this measure, but I feel that others have been hesitant to add their support because they doubted the effectiveness of national commissions, established by Congress, to study a specific disease.

I would like to share with my colleagues the following report which the Congressional Research Service prepared at my request, which concludes that:

Commissions are uniquely capable of directing limited resources towards their most effective, most comprehensive use.

Commissions promote patient education, heighten professional awareness and provide valuable insight to public officials.

Commissions provide a diverse perspective on diseases, encompassing community prevention and treatment programs as well as traditional research work.

I am confident that after careful consideration of the enlightening and significant findings contained in CRS' report that any uncertainties regarding the effectiveness of national commissions on major health diseases will be dispelled.

CONGRESSIONAL RESEARCH SERVICE REPORT

In response to your request to evaluate the effectiveness of various national commissions in health areas, we have gathered information on the accomplishments and effects of the National Commissions on Arthritis, Diabetes, Epilepsy, and Huntington's Disease. In addition to studying the published reports of these commissions (and in some cases of their successor advisory boards), we have contacted a number of individuals who were involved in the work of the commissions and/or who are knowledgeable about the progress of research efforts in the various disease areas. We elicited comments from these individuals on the effectiveness of the national commission approach in fostering disease research generally, and in furthering their areas of interest in particular.[1]

Praise for the work of the commissions was nearly unanimous. We did not identify any individuals who felt that the commissions were ineffective. Some respondents, however, offered comments on the pros and cons of single-disease commissions versus the multiple-disease (generic) approach.

Three features of a commission that contribute to its success were given emphasis by virtually every respondent: (1) a commission's comprehensive approach; (2) its tendency to stimulate action; and (3) its inherently diverse perspective.

(1) Comprehensive Approach: For most diseases, the effort to perform research and translate the results into delivery of health services is extremely fragmented. Mechanisms to coordinate and direct efforts on a national scale are lacking. A commission, whose deliberations cover all aspects of a disease or group of diseases, can provide this coordinating mechanism. Our respondents felt that a commission, by consulting with researchers, clinicians, allied health professionals, patients, and the general public, is uniquely fit to direct limited resources toward their most efficient use. In addition, it can plan for the continued progress of disease research and patient care, an effort difficult for groups operating from the more narrow perspective of separate components in the field. Furthermore, as William McLin of the Epilepsy Foundation of America pointed out, a volunteer health organization such as his typically has neither the funds nor the status to undertake the sort of comprehensive examination that can come from a congressionally established commission overviewing the entire problem.

(2) Tendency to Stimulate Action and Generate Interest: Many respondents thought that the outstanding effect of a commission is an increased national awareness of and interest in a disease problem. Mr. McLin said that no such attention follows from the efforts of a voluntary health organization, since they are often discounted as biased or self-serving. Our respondents named several fronts on which a commission's inquiry can combat ignorance of a disease. The general public often suffers from gross misunderstandings of the problems of people with chronic diseases, and frequently harbors attitudes that prevent afflicted individuals from participating fully in society. Moreover, patients and their families are frequently no better informed. A commission can promote patient education by increasing awareness of available resources and support groups, thus encouraging patients to seek care. Heightened professional awareness follows from the exchange of information between researchers, clinicians and allied health professionals. And finally, government officials and Members of Congress and their staffs become better informed by their involvement with a commission's activities. To further this education process, the Arthritis and Diabetes Commissions both recommended that National Information Clearinghouses be established. Each now operates, providing official publications at no cost to requesters.

To assure contined interest once the Commissions disbanded, both the Diabetes and Arthritis Commissions recommended that Congress establish Advisory Boards to supervise the implementation of Commission proposals. All respondents hailed the Boards' activities. In the words of Dr. William Felts of the Arthritis Advisory Board (and previously a Commission member), the Board "keeps the fire going." Its continuing overview insures against any loss of vigor; the impulse begun by the commission continues with the Board.

No advisory board was proposed by the Epilepsy Commission. Instead, the Commission urged that the Epilepsy Foundation of America (EFA), a volunteer organization, establish a task force to serve essentially the same purpose. According to William McLin, executive director of EFA, this alternative was chosen to avoid the tie to Congress for funding. In September 1980, both the Arthritis and the Diabetes Advisory Boards went out of existence when their funding authority expired. Although both were reestablished three months later, it was not until September 1981 that the appointment process was complete, and not until November 1981 that the reconstituted Boards held their first meetings. Thus a three-month lag in congressional reauthorization created a fourteen-month lapse in Board activity.

(3) Diverse Perspective: Finally, respondents praised the ability of a commission to provide a diverse perspective on diseases. One of the consequences of this diversity, at least for the Arthritis, Epilepsy, and Diabetes Commissions, was a reassessment of the need for services beyond basic research. As Dr. David Wayne Smith (formerly a member of the Arthritis Commission and presently Chairman of the Community Programs Subcommittee of the National Arthritis Advisory Board) explained, efforts at attacking a disease in the absence of a commission tend to focus on basic research alone. That is, funds tend to flow toward the group most ready to receive them. The research community, he continued, is a long-established group with easily comprehended demands and proposals. For the majority of community programs, however, this is not necessarily the case. As a result, basic research may be emphasized at the expense of community programs. A commission, with its broader perspective, can address this imbalance. This increased focus on community programs is not in lieu of but rather in addition to the traditional research work. Respondents were quick to point out that though other aspects are now given attention, basic research in fact also enjoys increased funding. This, they note, is a consequence of the increased interest generated by a commission. For all four diseases, both public and private funding increased after the commissions issued their reports. Thus, the respondents conclude, not only does a commission direct resources more efficiently, but it prompts their increase as well.

An argument that might be raised against diverse membership in commissions is that the lay members may not understand the medical complexities, and in order to accommodate them, the deliberations may oversimplify and hence distort the problem. By this reasoning, some might claim that recommendations could become inadequate. This contention found no favor among respondents. On the contrary, specialists serving on the commissions noted no inability on the part of lay members to grasp the material presented. They added that it was not the purpose of the commissions to make recommendations on the details of technical

[1] The material presented in this memo is based on telephone conversations between the various respondents and Joe Margulies, a research assistant/student intern in the Science Policy Research Division.

procedures; rather, the reports are intended to be read by all interested parties, including Congress, the President, and the public.

Single-Disease versus Generic Approach: The desirability of a generic, disease-group commission versus a single-disease, categorical commission was discussed by a number of respondents. Marjorie Guthrie, founder of the Committee to Combat Huntington's Disease, and former Chairwoman of the Commission for the Control of Huntington's Disease and Its Consequences, argued against single-disease commissions and in support of the generic approach. Along these lines, the following paragraph appears in the summary of the Huntington's Disease Commission report:

The common research and service needs of Huntington's disease patients and others with chronic hereditary or neurological illness underlie the Commission's decision to adopt a generic, problem-oriented approach in its National Plan rather than one which is categorical—based on the needs of a single disease. The health care system in the United States cannot afford to treat every disease independently. Manpower, equipment, and facilities are limited. By pooling resources, research, care, and treatment programs can be developed to apply to many disorders—no matter how small or scattered the individual populations of patients might be.[2]

There seem to be two assumptions underlying this argument. First, it assumes that separate diseases can be classed by type. That is, it assumes that the title "hereditary diseases" identifies a more or less distinct class of disorders. Likewise, the terms "neurological diseases" or "digestive diseases" are assumed to encompass other distinct disease groups. Second, it assumes that our understanding of particular disorders can benefit from the results of general studies. Speaking from his experience in studying digestive diseases, Dr. Harold Roth argued that one can profitably examine them as a class. Dr. Roth is a former member of the National Commission on Digestive Diseases and is currently Associate Director of Digestive Diseases and Nutrition at the National Institute of Arthritis. Diabetes, and Digestive and Kidney Diesases. He favors the generic approach and believes that our limited resources would be better spent studying the larger groups of diseases.

Several respondents, on the other hand, favor single-disease commissions for some diseases and took issue with the two assumptions. Dr. Harold Rifkin, a private physician specializing in diabetes treatment, stated his objections by explaining that diabetes is so pervasive in its symptoms that it could be treated as, for example, a digestive disorder, a metabolic problem, a hereditary disease, or an endocrine dysfunction. Thus, a commission on metabolic diseases, for instance, would fragment rather than centralize the study of diabetes. Similarly, other respondents felt that broad categories such as "genetic diseases" can be so vague as to require multiple specialized subcommittees to treat the subject adequately.

In conclusion, while our respondents presented arguments both for and against single-disease commissions, the positions taken are not necessarily mutually exclusive. Depending on the characteristics of a given disease or group of diseases, the breadth of focus of a commission can be adjusted as appropriate. A multifaceted disease like diabetes, for example, was considered to have benefited from individual consideration. A genetic syndrome like Huntington's disease, however, might be studied more fruitfully by being grouped with other similar diseases. The lines, of course, are not always able to be clearly drawn, but these examples may serve to illustrate the various options open to those establishing commissions.

We trust this information will be helpful to you in your consideration of the commission concept. If we may be of further assistance, please do not hesitate to call 287-7048.●

[2] U.S. National Institutes of Health. Report of the Commission for the Control of Huntington's Disease and Its Consequences. Oct. 1977. Vol. I, p. xviii. Reprinted in: U.S. Congress. Senate. Committee on Appropriations. Huntington's Disease. Special oversight hearing, 95th Congress, 1st Session. Oct. 17, 1977. p. 38.

CONGRESSMAN WILLIAM "BILL" CLAY'S COMMENTARY ON THE VICTIMS OF UNEMPLOYMENT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. STOKES. Mr. Speaker, as the growing unemployment crisis clouds our future, it is eminently clear that no individual is shielded from its menace. Our distinguished colleague from Missouri, Congressman BILL CLAY, presents an important perspective on the situation in his recent column entitled, "Victims of Unemployment."

I would like to take this opportunity, Mr. Speaker, to share Mr. CLAY's insightful interpretation with the rest of my colleagues. At this time, I insert in the RECORD the column written by Congressman CLAY which appeared in the St. Louis Labor Tribune:

[From the St. Louis Labor Tribune, Apr. 19, 1982]

VICTIMS OF UNEMPLOYMENT

(By Bill Clay)

Far too many who are working in productive jobs fail to understand the correlation of unemployment vis-a-vis employment. Considered in relationship to each other the economic mess now confronting the nation becomes much more apparent. Continued, uninterrupted periods of high unemployment affect those who are working almost as adversely as those not working. If there is any situation where the domino theory clearly manifests itself it's in this circumstance.

Experts claim the Social Security system in on the brink of financial collapse. Most of them point to recent increases in benefits, the growing number of Americans who live longer and the tying of cost of living adjustments to the consumer price index. But the basic problem of Social Security shortages is directly related to unemployment—too few able-bodied, young, potential workers not paying into the fund. The premise for the system is based on young workers contributing to pay the benefits of the elderly retired. In a full employment economy the system would not only be solvent but would be able to substantially increase the benefits.

BIG DEFICITS

The government is faced with record breaking deficits in the area of $100 to $150 billion. The reason: high unemployment. Who pays the price for this folly? Those who are employed. They pay in terms of unreasonably high interest rates which render purchases of homes, automobiles and other commodities almost impossible. They pay in terms of drastically reduced public services. For each one percent of unemployment the federal govenment loses $25 billion of revenue coming in and welfare assistance dollars going out. If unemployment was reduced from 9 percent to 5 percent it would equate to precisely $100 billion the government needs to balance its budget.

Who pays the tab for the those forced to seek welfare and other accommodations because of unemployment? Not the unemployed. To provide food stamps for over 20 million citizens it costs in excess of $10 billion. The extra billion necessary to care for the additional persons forced on the welfare rolls because of high unemployment is paid for by working taxpayers. Cuts in supplemental support programs which enhance the quality of life for all are a possibility because too many who want to become productive, active, taxpayers cannot find jobs. The revenue shortfall is the excuse advanced for cutting college loans, school lunch, unemployment compensation, medical care, small business loans and a host of other worthwhile entitlements.

NO EASY ANSWER

The answer to our economic woes will not be found in a panic stricken climate which lends itself to short term solutions for long term problems. Easy, simplistic recommendations such as "welfare" in a jobless economy are meaningless. Total disregard for suffering people as expressed by those who advocate resolution of the problem by cutting aid to the sick, hungry, and the homeless is unconscionable. Using unemployment as a tool to fight inflation is asinine. Efforts to place the blame on the victims of unemployment instead of the promoters of ill conceived government policy is hypocritical.

The only moral justifiable answer is a full employment economy. That requires full enforcement of the languishing, ignored Hawkins-Humphrey Full Employment Law. Unless this government embraces the concept of a job for every able bodied person who wants to work; and until it throws the totality of its resources behind this goal, our society will continue to border on the brink of economic disaster.●

VIEW FROM THE KREMLIN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues an article in the Soviet World Outlook, a monthly report on the view from the Kremlin on particular issues of interest to the United States, on the growing ties between the Russians and the regime in Nicaragua, following the visit last month of Sandinista junta leader Daniel Ortega to the Soviet Union. It is further evidence that the revolu-

tionary leaders are selling out the common goals that once united that country's recent revolution. Among the several items of note is the deliberate tracing of the growing warmth through phrases used in communiques, such as "peoples democratic revolution," which are so reminiscient of the Eastern European rhetoric of the cold war. Even the language used confirms what many of us have long suspected.

The article follows:

SOVIET-NICARAGUAN TIES FURTHER STRENGTHENED

The six-day visit (May 4 to 9) to the USSR of Sandinista junta leader Daniel Ortega marked the latest step in the strengthening of ties between the USSR and Nicaragua which has included an upgrading by Moscow of Nicaragua's ideological status.

While the final communique issued on May 9 gave no details about the practical results, Ortega told a Managua press conference upon his return on May 10 that the two sides had reached "important trade and technical and economic cooperation agreements." He reported the signature of a protocol providing for a 10-year $100 million Soviet credit, evidently in addition to a previous 12-year $50 million credit for economic and technical aid. The Soviets are to help prepare topographic maps of Nicaragua, participate in working out a national energy development plan, engage in prospecting for minerals, develop mining centers for fishing and mining. Included also was what could be a highly important agreement for "cooperation" in providing facilities to repair ships in the Pacific port of San Juan del Sur.

Ortega made no reference to military aid which was presumably covered in the 10-day visit to the USSR by Nicaraguan Defense Minister Humberto Ortega in November 1981.

Ortega was given a panoply of prestigious attention throughout his stay. Most striking was the personal involvement of the presumably seriously ailing Brezhnev with the Nicaraguans. In addition to leading the Soviet negotiating team, Brezhnev headed the guest list at a dinner in honor of the Nicaraguans, which included not only the other Soviet negotiators, but KGB chief Andropov and Minister of Defense Ustinov. In addition to Brezhnev, the Soviet negotiating team included Premier Tikhonov, Foreign Minister Gromyko, Politburo member and Party Secretary Chernenko and party ideologist Ponomarev.

At the dinner on May 4 in honor of the delegation, Brezhnev not only paraded the growing global reach of current Soviet policy, but gave it an intriguing new twist when he stated:

"Your visit to Moscow and the fruitful talks which have taken place graphically emphasize, in our view, one of the more important law-governed processes of the present-day world development. Peoples and countries are drawn nearer not so much by geography as by politics, and distances are no impediment to mutual understanding and friendship."

A comparison between the March 1980 and May 1982 communiques underscores how far the Nicaraguans have come in aligning themselves with the USSR politically and ideologically. The 1980 document directly referred to the U.S. only in connection with common opposition toward the deployment of medium-range U.S. missiles in Europe, although the U.S. was clearly the target in several other parts of the communique. The May 9, 1982 communique announced by TASS was far-reaching. It expressed "serious concern" about the international situation which it attributed to "the growth of the aggressiveness of the force of imperialism and reaction led by the United States of America, their attempts to undermine the process of detente, spiral arms and kindle enmity and mistrust among the peoples." Whereas the 1980 communique was critical of "some states" which proclaimed areas of the world as spheres of vital interest, the 1982 document was explicit:

"Of particular danger are the U.S. large-scale military preparations, including the deployment of military contingents specially intended for interference in the internal affairs of countries which Washington includes at will into the sphere of its vital interests."

At the same time, Brezhnev in his speech appeared to make a point that "Nicaragua is pursuing a policy of nonalignment in international affairs." Since Moscow makes the same claim for Cuba, which is formally designated by Moscow a member of the "socialist community," no contradiction is set between preferential relations with the USSR and professions of non-alignment. Indeed, Moscow sees a dual gain in such professions: one, of garnering support for pro-Soviet regimes from the truly non-aligned; secondly, using acceptance of pro-Soviet regimes as a device for pushing the non-aligned movement further to the left.

In stressing Nicaragua's alleged non-alignment, Moscow also sought to help mobilize support of the movement against any U.S. actions against that country. In this connection also, Brezhnev, according to TASS on May 4, in his talks with the Nicaraguan delegation, expressed "full support for the peaceable proposals by the Nicaraguan Government aimed at normalizing the situation in Central America." In his dinner speech, Brezhnev declared:

"We understand perfectly well the persevering striving of the leadership of Nicaragua to remove through talks difficulties and tension with its neighbors and with the United States. The constructive initiatives of other Latin American countries as well, such as Mexico and Cuba, that point in the same direction are in accord with the goals of our policy."

While Brezhnev and Ortega in their speeches and the joint communique avoided mention of Nicaragua's ideological status, a separate May Day slogan this year on Nicaragua (announced in the Soviet press on April 11) involved a substantial rise accorded Nicaragua by Moscow. According to this slogan:

"Warm greetings to the Nicaraguan heroic people, who are waging a courageous struggle to consolidate the gains of the people's democratic revolution and against imperialism and reaction."

The utilization for Nicaragua of the term of "people's democratic revolution" seems to equate it ideologically with the postwar regimes of Eastern Europe which were called in their time "people's democracies." Generally, Soviet spokesmen (like Brezhnev in his May 4 speech) talk about Nicaragua's aspiration for "social progress" or some equivalent term. Moscow still generally avoids citation of frank statements by Nicaraguan leaders which increasingly identify the Sandinista regime with Marxism-Leninism and set "socialism" as Nicaragua's goal.

However, there were hints before issuance of the slogans that a change of designation was in the offing. New Times, No. 14, on March 19, had spoken of the "people's democratic and anti-imperialist revolution in Nicaragua and the construction of a new society in that country."

The Soviet journal Latin America, No. 3, March 1982, in an article typeset on December 15, 1981 had stated that the "revolutionary process" in Nicaragua had entered a "new democratic plane" which it defined as "anti-imperialist, democratic, all-peoples." The article praised Sandinista skill in maintaining political, economic and military control in what was described as a "transitional" regime from the overthrow of Somoza to "creation of the foundations of a renovated Nicaragua." The "popular character" of the political system, this article concluded, guarantees the "development and deepening" of the revolution.●

LEBANESE CHRISTIANS RETURN TO THEIR HOMES

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. GREEN. Mr. Speaker, yesterday's New York Times had a very moving story about Lebanese Christians who may now return to their homes after years of usurpation by the Palestinian Liberation Organization.

The story is from Damur, a town south of Beirut, which was inhabited by Maronite Christians until fighting among the PLO and leftists forced them to flee their town in 1976. Until the Israeli army captured Damur last week, the citizens have been exiled from their homes by the PLO. Because of the Israeli's actions, the men and women of Damur can return to their homes. Though their churches and homes have been defaced by the members of the PLO who took over their town, the rebuilding process can begin. Said one resident, Abdallah Shaya, "Nothing remains, absolutely nothing. But we are happy anyway. We are returning to our land."

PLO apologists have claimed that it is the Israelis that are disrupting Lebanon. We must look beyond these claims and see the truth: That the PLO have disrupted Lebanese life for years and that many Lebanese welcome the Israelis' action. The Israelis are affording the citizens of towns such as Damur the opportunity to return to thier towns and rebuild their lives there.

Mr. Speaker, I ask the story printed in the June 21 issue of the New York Times be included in the RECORD at this point so that my colleagues can learn of an aspect of the Israeli's military action that has not been spoken of often.

FOR CHRISTIAN VILLAGERS, HAPPINESS AMID RUBBLE

(By David K. Shipler)

DAMUR, Lebanon, June 19.—Abdallah Shaya, a 54-year old gardener with a round, tanned face, found his house amid the rubble of Damur today. Unlike most of the stone and concrete buildings in the hillside village, it was intact, somehow spared the flying shrapnel from the bombs and shells that had ravaged the town and filled the streets with dust and chunks of rock.

"For seven years I have not passed this doorstep," he said as he stood outside, savoring the moment. Then he strode into his small dwelling and began to look around.

Damur, just south of Beirut, was a Christian village until January 1976, when its population fled an assault by Palestinian and leftist forces fighting in the Lebanese civil war. For nearly seven years, until the Israeli Army attacked and captured it last week, the town was inaccessible to its own people; the Palestine Liberation Organization made it a stronghold, using the churches as firing ranges and armories.

A huge new church, left unfinished by the fleeing Maronite Christians in 1976, is covered with spray-painted Palestinian nationalist slogans and plastered with posters of Al Fatah, the main P.L.O. arm, and other Palestinian factions.

On an inside wall where the altar was to have stood, two bull's eyes can be seen in faded paint, the stone in and around them roughened by bullet holes. Above them, where a cross would have hung, a triangular P.L.O. symbol is painted in the Palestinian nationalist colors of red, green, black and white, framing a silhouette of a rifle and a hammer. High in the belfry, a concrete cross has obviously been used as a target over the years, for it is chipped and gouged in a thousand places.

A mortar on wheels stands inside the church's big doors, along with a jeep and a military truck. Posters on the walls show the Star of David being shattered by a wedge drawn in the Palestinian colors. In a once-elegant old church next door crates of ammunition and drums of fuel are stored.

One corner of the old building was hit by a bomb or an artillery shell during the Israeli attack, and its heavy stone blocks tumbled into a narrow street. But the new church was carefully and successfully avoided; a building just 30 feet away lies in complete ruins, evidently hit by an aerial strike that left the church unscathed.

CHRISTIANS TENTATIVELY RETURNING

After Israeli troops took Damur and drove the Palestinians out, Prime Minister Menachem Begin announced that the Christians, whom Israel has supported for several years, would be allowed to return and rebuild. And now the first few former residents have tentatively come to pick through the rubble and see what remains.

Nothing of Mr. Shaya's own things were left. The couches and chairs askew in the living room, the dirty pots and pans, the women's makeup on a corner table, the plastic flowers, the beds with their charred mattresses and sheets as if a small fire had raged—these belonged to the Palestinian invaders, not to his family.

The floor was littered with fragments of glass. A large poster of Yasir Arafat, the P.L.O. leader, hung on the living room wall. Mr. Shaya, in tears and anger, grabbed it and tore it down, tearing it into shreds and throwing it onto the floor. A desk blotter, with a portrait of some leader he did not recognize, he could not tear, and so he bent it and sailed it out the door across a wall and out of sight.

"My family had lived here for 200 years, since the beginning of Damur," he said. "We worked in the orchards, grew lemons."

That pleasant, pastoral life ended in 1976. Since then, he said, "we have all been dead. If somebody doesn't have a home and doesn't have a village, what does he have to live for? Now we have started to live. My age is one hour old."

"WHAT MORE CAN I SAY"

Mr. Shaya, who fled the Palestinians by sea to the northern port of Junieh and spent the intervening years living in a Christian suburb of Beirut, spoke in a loud voice that rang through the streets of the deserted town. He turned to an Israeli soldier. "What more can I say than thank you that you brought us back to our place," he said. "And God help you get back to your place."

Walid Azzi, 27 years old, talked in similar images of death and life. "Outside Damur I feel myself like a dead man," he said. "But coming back here I am very happy."

What he found was not at all joyous, for his house was gone. "It is totally destroyed," he said. "Nothing remains, absolutely nothing. But we are happy anyway. We are returning to our village, our land. I was very happy. I took some earth and I made it so." To demonstrate, he grinned broadly, picked up some dust and sprinkled it on his head.

"I am very happy," he said. "I can't explain it. Just because our land is back to us."

And what of the future? "The Israelis are our friends," Mr. Azzi said, "and I hope they stay for some time with us. Our liberty is not sure. But maybe if the big countries make something for us, we will be sure."

Mr. Shaya saw it in simpler terms. "God will give all of us more years," he said, "and we will all come back and live in this village."●

MARSHALL, TEX., HIGH SCHOOL RECEIVES ENERGY HONOR

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. SAM HALL, JR. Mr. Speaker, the National Energy Education Day project (NEED), a prestigious organization whose national advisory board includes our colleagues, MORRIS UDALL, GERALD SOLOMON, and DENNIS DECONCINI, has selected Marshall High School as the recipient of this year's senior level NEED award.

This award has special meaning for me as Marshall is my hometown, and I know the young people and their parents who worked so hard to achieve this coveted award.

It is a recognized fact that energy education is the key to energy independence. All over America, elementary and secondary level schools are participating in the NEED program. It is a highly successful program that has involved thousands of our young people designed to save energy and promote energy development.

For instance, at Marshall High School everyone got involved in a program which featured Energy Week and the NEED day, the category in which the students were nationally recognized. Students devised ways to conserve energy and worked throughout the community to promote understanding of the Nation's energy requirements and how to meet them.

My good friend, Anne Newman, was the adult adviser for the program. She is a tremendously motivated person and was largely responsible for the success of the program. Two outstanding students, Dan Liston and Cynthia Orms, were selected as student directors. I had the honor and pleasure of presenting the national award to Cynthia here in Washington last week during the "NEED '82 Youth Awards Program for Energy Achievement."

While I pay special recognition to Marshall High School because of its successful energy program, it is encouraging to know that young people throughout America understand our energy problems and are willing to do something positive to help. As a result of NEED, we can all view the future with pride and confidence.●

FEDERAL TOBACCO SUBSIDIES LEAVE MANY UNANSWERED QUESTIONS

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. SANTINI. Mr. Speaker, I am appalled that the Tobacco Program Act, a very controversial piece of legislation, was adopted by this House under suspension of rules, without any amendments permitted. I find the act unconscionable, to say the least.

First, the act lacked the proper review that should have taken place. The bill was drafted without giving concerned groups opportunity to comment. The proper questions—questions to which every American had a right to the answers—were not asked.

Had these questions surfaced, I suspect and hope, that the legislation would not have glided through so easily. Proper debate and hearings would have brought out the many incongruities inherent in having the Federal Government support the tobacco industry.

For instance: How can the Federal Government, at the same time it spends millions of dollars in antismoking campaigns and cancer research, continue to spend taxpayer dollars in support of the tobacco industry? And, how can we, while cutting back valuable domestic programs, continue to put money into the tobacco industry which produces a substance the Federal Government has

declared to be "dangerous to Americans' health"?

While H.R. 6590 represents a token gesture in the effort to reduce Government subsidy of Tobacco, the cost of the price support program—at least $15 million—will still be borne by the U.S. Government and ultimately the taxpayers of America. Therefore it is not a "no net cost" program as proponents of the bill have argued. The tobacco industry remains subsidized by the Federal Government.

The Government tobacco program interferes with our free market system and cannot be justified. I oppose this new tobacco bill, and I deplore the manner in which it passed.●

FATHER'S DAY—AND ABANDONED CHILDREN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mrs. SCHROEDER. Mr. Speaker, I know that my colleagues have heard the fact that poverty is a woman's issue. But have they ever wondered why so many women and children depend on the Government's assistance for their food, shelter, and medical care?

In many cases, the increased welfare rolls are consequences of fathers who abandoned the responsibility of their families.

I have inserted an article, "The Kids They Leave Behind," from the June 20 Washington Post. I think its author, Julius Duscha, says it all.

[From the Washington Post, June 20, 1982]

THE KIDS THEY LEAVE BEHIND

(By Julius Duscha)

Father's Day has never achieved the status of Mother's Day, and as of the 1982 observance fathers seem to be doing little to enhance their position in American life.

Essays celebrating fathers and their day used to dwell on the Dagwood Bumstead comic strip and TV cliche of father as a bungler and bumbler. Today the problems with fathers are far more serious than changing a prevalent image.

Fatherhood is still popular in the sense that men are continuing to father children with considerable abandon—and abandon is the proper word.

Once the child is born, more and more fathers disappear from the scene. The statistics—all from the U.S. Census Bureau—are appalling and frightening:

In 1960 fewer than 1 in 10 children lived with only one parent, almost always the mother. Today 1 in 5 children live with just one parent, still the mother in nearly all instances. More than 40 percent of black children are growing up with only one parent, again the mother in almost every case, compared with 25 percent in 1960.

In 1979 nearly 10 percent of all children born to white women were born out of wedlock. For black women the figure was an astonishing 55 percent.

As mothers who have been abandoned or divorced by the fathers of their children can bitterly testify, most of these men contribute little or nothing to the rearing of their children, no matter what courts decree or agreements stipulate.

While fewer than 10 percent of all American families were living at poverty levels in 1980, about 40 percent of families with children headed by a single women were at or below the poverty level.

All the trend lines are disturbing, too. By 1990, for example, the Census Bureau projects that 1 in 4 children will be living with a single parent.

Not only are children in one-parent families often growing up in deprived circumstances because of the low-income of their mothers, children from such circumstances are also more often involved in crime than children from two-parent families.

Furthermore, all studies of education I have ever seen show conclusively that a stable and normal home environment—which generally means the presence of both father and mother—is the most important prerequisite to good performance in the classroom.

These family and paternal questions are moral issues which government and laws can do little about. The decline in such moral matters can be traced to many things ranging from a disenchantment with religion to the casual acceptance of every fad and change in living styles.

What bothers me most of all is the abandonment by fathers of their children with so little consideration for the consequences to the children and the society in which we all must live. I don't find much to celebrate this Father's Day.●

SCHOOL PRAYER AMENDMENT, HOUSE JOINT RESOLUTION 493

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. KINDNESS. Mr. Speaker, prayer is an important part of the life and way of living of Americans of many religious beliefs. It is too important to remain in a doubt-filled legal status. The courts have made various pronouncements concerning prayer in public schools, and are being called upon to make more decisions about the practice or observance of prayer in other public assemblies.

The burden on our courts apparently has been too great, and they have failed to find their way to an interpretation of the U.S. Constitution acceptable to most Americans. The law of this Nation is burdened by a misguided series of opinions which would lead this Nation away from prayer, away from religion, and away from morality.

The first step was taken in 1962 in the case of *Engel* v. *Vital*, 370 U.S. 421, when the Supreme Court forbade the recitation of the New York State regents prayer in the public schools of that State, although participation was voluntary.

Then, in 1963 the Court struck down a Pennsylvania law requiring that public schools begin each day with readings from the Bible, without comment, *Abington School District* v. *Schempp*, 374 U.S. 203.

The cases have progressed now to the point that school authorities may not allow or tolerate the desire of students to pray on school property outside of regular school hours.

It is time to put the question to the States of this Union: Should the Constitution of the United States be amended by adding the following language:

Nothing in this Constitution shall be construed to prohibit individual or group prayer in public schools or other public institutions. No person shall be required by the United States or by any State to participate in prayer.

The President of the United States has proposed this language as a constitutional amendment. His leadership has been sorely needed and is warmly welcomed.

House Joint Resolution 493 has been introduced for the serious and important purpose of presenting that quoted language to the States for ratification as a constitutional amendment. Senate Joint Resolution 199 has been introduced by Senator THURMOND in the other body for that identical purpose. I am calling upon our colleagues in the House of Representatives to join in cosponsorship of House Joint Resolution 493, and will urge the chairmen of the Committee on the Judiciary and the appropriate subcommittees to help assure hearings and action on this matter.●

GOVERNOR BROWN SUPPORTS H.R. 5573, TECHNOLOGY EDUCATION ACT OF 1982

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. STARK. Mr. Speaker, on June 14, my Subcommittee on Select Revenue Measures held a hearing on H.R. 5573, a bill proposed by myself and others to encourage the donation of computers to primary and secondary schools throughout the Nation.

Gov. Edmund Brown, Jr., of California, provided eloquent testimony in support of this legislation, noting the importance of computers to high technology, to jobs, and to the learning process and the future nature of our society. I include the full text of his statement in the RECORD at this point, and I urge my colleagues who are not already sponsoring this legislation to join us in this proposal:

TESTIMONY OF GOV. EDMUND G. BROWN, JR., STATE OF CALIFORNIA, ON THE TECHNOLOGY EDUCATION ACT OF 1982 (H.R. 5573)

We are fortunate to be present at the birth of the Computer Age—a period when each of us will be empowered to control increasing amounts of information. The devel-

opment of the personal computer now offers unprecedented access to global networks of knowledge inconceivable even today to the average American.

The tax change you are now considering in H.R. 5573, the "Technology Education Act of 1982," will have long-range importance both in terms of America's economic strength and the ability of our citizens to find and hold jobs in an increasingly technological society. The very computers which are causing today's educational system to be increasingly out-of-date can serve as the tools to revolutionize education.

Already, the microcomputer is changing the way we live. It has transformed our economy—high technology industries are expected to produce, directly and indirectly, 40 percent of all new California jobs in the 1980s. The survival of our older industries depends upon their ability to adopt new information technologies like the computer, industrial robots, and sophisticated telecommunications.

The personal computer technologies linked with new telecommunications, is not just a new "tool" speeding up our present way of life, but it is a fundamental change affecting the very patterns of relationships which lie at the basis of society itself.

Microcomputers can accelerate the learning of students and develop creativity in ways not possible in the pre-computer era.

Time Magazine, in a recent cover story entitled, "Here Come the Microkids," suggested that "the computer generation is not only . . . propelling traditional education down promising avenues, it is tugging at the entire social fabric, foreshadowing changes at least as startling and momentous as those ushered in by a new generation of automobile users more than a half-century ago."

Most important is the microcomputer's ability to permit *interactive* learning. By offering instant feedback and a wide range of alternatives, children learn both control and adventure unavailable in traditional texts and drills. Students participate in the learning process, work at their own pace, experiment and make errors while expanding their imagination.

In his trailblazing work, Mindstorms, Seymour Papert describes how computers will allow young children to actually design and create their own mathematic and scientific programs rather than simply learning by rote.

When 14 year olds find it possible to simulate a detailed computer image of the heart, or the design and operation of a nuclear reactor, they are developing far deeper understandings than the kind of rote memory upon which previous generations relied.

Computer-aided education also affects the key educational variable: motivation. The more a student wants to learn, the more he or she does learn. Computers motivate students to study better because they receive instant feedback as they think and create with the new electronic pencil of the 1980s.

Computers are also a welcome aid to teachers. Computers can free them of repetitious drill and practice tasks, allowing more time for personalized assistance. Teachers also find computers an aid in diagnosing and correcting individual student problems.

Computer education is, of course, very important to prepare students for the new technological workplace. Today's students will often find computer literacy critical to obtaining future employment in hundreds of fields. The Xerox Corporation, for example, has estimated that 90 million Americans will be linked to electronic workstations by 1990 and 36 million will need to be "computer literate." Business Week has estimated that 45 million existing jobs will eventually be made obsolete by new information technologies, most within the next two decades.

One of the major obstacles to the ability of our schools to improve technical education is the expense of purchasing computers. The Technology Education Act of 1982, through the straight-forward extension of the same tax benefits to manufacturers donating computers to elementary and secondary schools as they now receive for donations to universities, provides a low cost way to increase the number of computers in schools, to harness private sector initiative to the benefit of this nation's children, and to prepare today's youth for tomorrow's jobs.

The proper use of computers in the classroom inaugurates a second American educational revolution. The first was our commitment to providing universal, free public education to every American regardless of economic or social status.

This new educational revolution can be a qualitative leap in which we vastly increase the quality of public education and realize the age old dream of empowering each person to reach the limit of his or her ability.●

INTERNATIONAL TRADE: U.S. CHALLENGE OF THE 1980'S

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. FINDLEY. Mr. Speaker, at a time when U.S. manufacturers and farmers suffer repeated blows from U.S. Government export sanctions, it is refreshing and important to hear from one who stresses the importance to the United States of exports of agricultural and other products.

Clayton Yeutter, the distinguished president of the Chicago Mercantile Exchange recently delivered an address, "International Trade: U.S. Challenge of the 1980's" to an Iowa State Trade Conference. His comments and recommendations regarding U.S. export competitiveness are extremely significant. And no one is more qualified to discuss trade policies and needed changes than Clayton Yeutter. Therefore, I would like to call to the attention of my colleagues the following excerpts from Dr. Yeutter's address:

INTERNATIONAL TRADE: U.S. CHALLENGE OF THE 1980'S

It is not easy these days to discuss international trade in a rational way. The reason is that the present global situation has become increasingly irrational. We seem to have lost our way, and it is important that meetings like this focus on the direction of trade policy, for the U.S. and for the world as a whole.

Today international trade is characterized by inconsistency, more than a little paranoia, a good many inferiority complexes, and too much hypocrisy. That description applies not just to some of our trading partners with whom we have disputes, but to some of our own industries as well.

To those of us who believe in the desirability of expanding trade, the situation is worrisome. It is probably more worrisome than at any time since the GATT was created shortly after World War II.

So what can we do about it? More specifically, what should be the posture of the United States in such circumstances, and what should be the content of our leadership?

PRODUCTIVITY

One must start with productivity—competitiveness, if you will—for it is the source of all negotiating leverage on trade issues. If we are not sufficiently productive, if we cannot compete with the rest of the world, we will forever be fighting defensive actions on the trade front. That is when we must reel out arguments of reciprocity, or whatever other bases we can find for taking protective actions against the inflow of foreign goods.

To be fair, reciprocity is not necessarily a protectionist term, and some of the foremost Congressional proponents of the concept understand that. But it is protectionist in the eyes of others, and can easily become protectionist in design, implementation, or both. So we must tread lightly and carefully with reciprocity legislation, lest it blind us from reality.

* * * * *

* * * If we concentrate on American productivity, we can compete with anyone in the world. We just have not concentrated on it in recent years. We became complacent, as so often happens to those who reach the top. We lost our edge in labor productivity, inflation ate into our capital investment programs, management slipped as it was deceived by inflated earnings, and a myriad of mandated government costs added to the misery. The combination was devastating, and we suddenly found ourselves positioned far from the top of the productivity spectrum. But now that we are finally awake, that situation is changing, and our competitiveness is likely to improve in a whole host of areas in the 1980s.

* * * I would be remiss if I did not emphasize the tremendous productivity of America's agricultural and agribusiness sector. There is nothing like it anywhere. The managerial talent of American farmers and many of the agribusiness firms which deal with those farmers is awesome. The management base of that sector of our economy alone is probably greater than that of the entire economy in most other nations of the world. We frequently forget this, even though it is the source of much of our economic strength as a nation.

* * * * *

POLICY—FOOD AS A WEAPON

We have made our share of questionable policy moves too, as we have sought to use our agricultural leverage in foreign diplomacy. We have sent messages to our adversaries on a number of occasions, but they have been very costly ones. And most of the cost of those messages has been borne by the American farmer.

One must wonder about the wisdom of such moves in terms of their foreign policy impact, and the fairness thereof in terms of their impact on U.S. agriculture. With respect to the former, I have observed little change in the behavior of our principal adversary, even though we have either formally or informally restricted exports to the

Soviet Union for most of the past decade. With respect to the latter, we know the cost to American agriculture of such restraints has been many billions of dollars. Since 1973, the American farmer has borne a major share of the cost of a foreign policy that presumably benefits all our citizens. In essence, we have asked the farmer to subsidize the American public for the cost of our worldwide geopolitical activities.

THE ECONOMIC IMPACT

I mention this today because of the enormous impact that trade policy decisions can have on a particular sector of our economy. Through government action we have taken away a considerable portion of the upside price potential for U.S. agriculture. Yet when someone suggests a paid diversion program to deal with agricultural surpluses, we immediately respond, "Let the market work. We cannot pay farmers not to produce when there are millions of hungry people in the world." That is an appealing argument (through it is obviously oversimplified), and I too would prefer to avoid diversion programs. But if one is to deprive the farmer of much of his downside protection, should we not at least permit him to realize his upside potential? And is not that argument even more persuasive when the price declines from which the farmer is suffering are at least partially due to export restraints over which he had no control, and for which he could not plan?

* * * * *

That is essentially the way we have handled agricultural trade policy in recent years. Is it any wonder then that one result is a horde of farmer bankruptcies and a dramatic decline in the market value of our farm production plant? We have got to stop telling farmers "We want you to plant fence row to fence row—but you must understand that we may keep you from selling what you harvest." That is grossly unfair, and our policy experience of recent years wins no accolades for either Democratic or Republican administrations.

LONG TERM AGREEMENTS

Two additional comments on agricultural trade policy, and then we will move on to broader issues. The first is that we should promptly re-negotiate our long term grain agreement with the Soviet Union, and at export levels considerably higher than those which prevailed in the original agreement. If we can sit down with the Russians to discuss disarmament, we ought to be able to sit down with them to discuss grain! We have procrastinated long enough. There may have been sound foreign policy reasons for doing so, but I see no justification for any further delay. For a variety of reasons the Soviet market will not open up significantly to us until that agreement is finalized. We can negotiate from strength, for the Soviet Union needs the agreement as much as we do. A long term arrangement is clearly in the best interest of both nations, and we ought to get it completed.

During the past few years we have been very hesitant about signing long term agreements with purchasing nations other than the Soviet Union. Our concern has been that such agreements will result in "thinner" markets, may interfere with normal commercial intercourse, could be disruptive, and often lead to price instability. One cannot quarrel with all those contentions but one must also learn to live in a highly competitive world. He who hesitates is sometime lost, and in this case we lost some of our market share. Argentina, Australia and Canada have happily signed long term agreements with the Soviet Union, China, and other importing nations, thereby relegating us to the role of a residual supplier in many of these markets. We should reappraise our stance on long term agreements (which can be designed in a myriad of ways, without government involvement in the marketplace), and we must aggressively compete to regain, and hopefully improve, our market share.

* * * * *

CONCLUSION

In summary, international trade is of immense importance to this country today, and it will be of even more importance a decade from now. That means we should:

1. Take immediate and vigorious steps to enhance our productivity in industrial and agricultural goods and services which have export potential;
2. Make the necessary investment (both public and private) in research and technology to achieve and sustain a competitive edge;
3. Stop limiting our own potential through shortsighted export restraints;
4. Insist upon an international trading environment in which we can compete on a fair and square basis;
5. Identify the most attractive export opportunities, in both geographic and product terms; and
6. Sell skillfully and aggressively.

All of this should be high on our scale of national priorities. If we make it so, international trade will contribute immeasurably to our economic well-being in the coming years. But we need to get our act together. It is easy to sell internationally when the dollar is weak—but not terribly rewarding. Our goal should be to keep the dollar strong, and sell anyway! That will improve our terms of trade, and with it our economic strength here and abroad. It could be this nation's prime challenge in the 1980's.●

HISTORY OF WORLD WAR II B-24 CREW 8912

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. HOLLENBECK. Mr. Speaker, I am proud to bring to the attention of my colleagues the history of crew 8912, the 10-member World War II B-24 bomber crew, whose exceptional combat service together in defense of American freedoms has resulted in lasting friendships.

The 10 members of the World War II B-24 crew 8912 of the 22d Bomb Group, 33d Bomb Squadron, 5th Air Force will meet in Montvale, N.J., on July 24, 1982, for their fifth reunion. The bomb group called the Red Raiders includes Charles W. Larcom, pilot from Atlanta, Ga.; Robert L. Schultze copilot from Cleveland, Ohio; Robert B. Beebe, navigator from Summerville, S.C.; John W., Scriven III, bombardier from Acton, Mass.; John J. Forlini, waistgunner from Reading, Pa.; Leonard A. Mecca, radio operator from Farmers Branch, Tex.; Lawrence W. Morehead, flight engineer from Goleta, Calif.; Claude A. Bunton, tailgunner from Houston, Tex.; Allan R. Krause, nosegunner from Township of Washington, N.J.; and Robert N. O'Meara, armor gunner from Rock Island, Nebr.

This outstanding group of men was sent to the Southwest Pacific and based in New Guinea, Samar, P.I., Luzon, P.I. and Okinawa.

The four-engine B-24 Liberator bomber was transferred to Clark Field, Larcom, and the crewmen flew 21 of their 27 combat missions, a concerted bombing assault against strategic targets on Borneo, Formosa, and Mainland China.

The missions were long and often lasted over 2,000 miles roundtrip over water and hostile enemy held territory. Upon their return to the United States in late 1945, the men promised amid farewells, that there would be a reunion soon. It was not until 1973, 28 years later, that the entire crew met in Atlanta, Ga. The second reunion was held in Lincoln, Nebr., in July 1976; the third in Santa Barbara, Calif., in July 1978, the fourth in Cleveland, Ohio, in August 1980. The fifth will be in Montvale, N.J., in July 1982.

Crew 8912 is the only B-24 crew of the 22d Bomb Group that holds reunions after 37 years. It is indeed a great honor to welcome these men to New Jersey.●

SOCIAL SECURITY TRUST FUND INVESTMENT PRACTICES

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. DASCHLE. Mr. Speaker, in response to the outrage encountered last year after proposing wholesale changes in the social security benefit system, President Reagan created a bipartisan National Commission on Social Security Reform. I feel that this is a proper step as any reforms which are contemplated for the program should also be considered in a forum outside of Congress. The Commission serves as a clearinghouse for suggestions and proposals to reform the system and will be making recommendations concerning the future of social security later this year.

As such, one area which has been neglected in the social security debate both last year and this year concerns the investment policies and practices followed by the Social Security Board of Trustees when investing social security trust funds. In my opinion, trust fund earnings over the past 2 years have been disappointing. Improvements can and should be made. We are cheating the elderly in our Nation if we do not make reforms in this area.

Fifteen of our colleagues have joined with me in requesting the General Accounting Office to audit the trust funds to determine how much money has been lost through the present anachronistic investment practices. This same group has also joined me in contacting the Social Security Commission about specific problems as we see them and suggested avenues for change. The two letters and response from the Commission follow:

HOUSE OF REPRESENTATIVES;
Washington, D.C., June 1, 1982.

ALAN GREENSPAN,
Chairman, National Commission on Social Security Reform, Washington, D.C.

DEAR MR. GREENSPAN AND MEMBERS OF THE COMMISSION: Recent information leads us to believe that 1960s laws are guiding the Social Security Board of Trustees in making 1980s Social Security Trust Fund investment decisions. The Treasury Department fully acknowledge before the Ways and Means Social Security Subcommittee on October 16, 1981, that maximization of the return on investments is not a policy objective of the Social Security Board of Trustees. Our disappointment with this admission is heightened in light of recent suggestions to cap or freeze Social Security cost of living increases. There are other options available and it is our intention to suggest certain reforms in this letter. There is no question that a greater rate of return on the Social Security Trust Funds can be achieved.

The last time significant changes were made concerning trust fund investment practices was in 1960. At that time, language was approved which limited the interest paid on special issue obligations to an amount "equel to the average market yield on all interest bearing obligations of the United States not due or callable for 4 or more years." In years past, when long term interest rates were consistently higher than short term rates, this was a reasonable policy to follow. With the distortions in today's economy and financial markets, however, this policy is too inflexible and anachronistic.

A greater rate of return on trust fund investments could be achieved with the establishment of a two tier interest rate formula which would provide both long and short term issue interest rates. Special issues would then receive a corresponding long or short term maturity date. The short term interest rate could be based on an amount equal to that of the average market yield on all interest bearing marketable obligations of the U.S. not due or callable for less than four years while the long term rate could be the same as is currently in use. To hedge against sudden market fluctuations or unexpected increases in Social Security disbursements, it might be preferable to mix both long and short term investments. Either way, the two tier formula would assure that the trust funds receive a higher interest rate and consequently greater rate of return than they currently do.

Two additional impediments exist which contribute to the poor return on investment. One concerns the present method of assigning maturity dates to special issues, and the second involves the formula used to decide which issues are redeemed to pay benefits.

Presently, all income which flows into the funds from taxes or other sources is invested in short term special issues called "certificates of indebtedness." These certificates are assigned a maturity date on the following June 30th. If these certificates are not needed to pay benefits before maturity, they are reinvested in longer term special issues, usually of 15 years in length. In recent months, however, especially in the OASI trust fund, where outgo has exceeded income, the certificates are often cashed in before maturity. The current archaic redemption policy calls for those special issues which mature the following June 30th to be redeemed first, regardless of their yield. Only if more than one special issue maturing on this date is needed to pay benefits are they redeemed according to the interest rate (with those bearing the lowest interest rate redeemed first).

This system operates well enough during years when interest rates are relatively stable. Over the past two years, however, interest rates assigned to certificates of indebtedness have been significantly higher than the longer term special issues remaining in the trust fund portfolios. Yet, when revenue is needed to pay benefits, these high yielding, short term certificates of indebtedness are usually redeemed first. Meanwhile, long term special issues are collecting dust in the trust fund portfolios at a meager 7-8%. Since the special issues can be redeemed early, withour par, it would seem to make more sense redeeming the lowest yielding securities first, while locking in the current high level interest rates on new purchases by extending the maturity date well beyond the following June 30th. Both of these changes can be accomplished statutorily.

To illustrate this situation, one only has to look at the 1982 Annual Report of the Board of Trustees of the Federal Old Age and Survivors, Hospital, and Disability Insurance Trust Funds. The report on the OASI fund disclosed that two special issue certificates of indebtedness, one earning 10⅛ percent, valued at $406 million, and another earning 11⅛ percent, valued at over $8.4 billion were redeemed to meet 1981 obligations. While these two relatively high paying securities were cashed in, ten other long term special issues, with a total value of approximately the same amount, but earning less than 10 percent were not. This situation occurred in both the HI and DI trust funds last year as well. To help you gauge just how much revenue has been lost, we have asked the General Accounting Office to conduct an investigation of this matter.

Recently, the House of Representatives passed legislation adjusting the rate of interest paid on Smithsonian Institution funds deposited with the Treasury. The Committee on House Administration felt that the Smithsonian funds were not receiving a fair rate of return and thereby approved language allowing an increased rate of interest to be paid on the funds, which are on permanent loan to the Treasury Department. We feel a similar situation currently exists with respect to the Social Security Trust Funds.

It has been twenty years since significant reforms have been made in Social Security Trust Fund investment policies. Modern finance has become more sophisticated and complex as have economic choices and solutions. Yet, invariably, the shrewd financial investor adapts to changing conditions and acts accordingly. This has not been the case with the Social Security Trust Funds, and the results in recent years have been dismal. Our recommendations to establish new formulae for setting interest rates and maturity dates, as well as altering the current redemption practices, are not a panacea for the long term demographic problems facing Social Security. But they are a responsible and pragmatic approach to some flagrant shortcomings and may alleviate a future need for more drastic action.

Your support and cooperation in promoting these reforms would be most appreciated. Your assistance in distributing copies of this letter to all commission members would also be appreciated.

Sincerely,

David Evans, M.C., Doug Barnard, Jr., M.C., James Weaver, M.C., Bob Edgar, M.C., Tom Bevil, M.C., Edwin B. Forsythe, M.C., John L. Napier, M.C., William Hughes, M.C., Thomas A. Daschle, M.C., Dave McCurdy, M.C., John Seiberling, M.C., Ronald Mottl, M.C., Norman D'Amours, M.C., William H. Gray, M.C., Parren J. Mitchell, M.C., James Sensenbrenner, M.C.

NATIONAL COMMISSION ON
SOCIAL SECURITY REFORM,
Washington, D.C., June 10, 1982.

Hon. THOMAS A. DASCHLE,
Room 439, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN DASCHLE: Dr. Greenspan has asked me to respond to the letter of June 1 which you and 15 other members of Congress signed regarding the investment of the assets of the Social Security trust funds. I am responding individually, and in identical manner, to each signatory. As you had requested, copies of your letter have been sent to all of the members of the National Commission.

Although a specific date has not yet been set, the Commission will definitely be discussing these investment policies, so as to determine whether some changes in the present procedures would be appropriate and advisable. When the Commission produces informal memorandums and/or makes any decision on recommendations regarding trust fund investment procedures, I will send you those materials.

We very much appreciate your contacting the Commission on this significant matter.

Sincerely yours,

ROBERT J. MYERS,
Executive Director.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 1, 1982.

CHARLES A. BOWSHER,
Comptroller, General Accounting Office, Washington, D.C.

DEAR MR. BOWSHER: We have become aware of what we feel are outmoded and irresponsible policies currently in use which guide the Social Security Board of Trustees while investing the Social Security Trust Funds. We are concerned that a tremendous amount of revenue is lost to the funds as a result of these policies.

It is significant that the last reforms enacted concerning trust fund investment policies were in 1960. It is doubtful that planners in 1960 could have envisioned the effects of double digit inflation and fluctuating interest rates in recent years on the Social Security Trust Funds and investment policies

We feel that reforms in this area are urgently needed and thus are requesting that your agency conduct an investigation of the guidelines, formulae, and policies which currently govern trust fund investment decisions as well as audit the three trust funds (OASI, DI, HI) not presently funded with

general treasury revenues to determine how much money has been lost in the past few years as a result of these practices.

We are enclosing a copy of our letter to the Commission on Social Security citing specific problems as we see them and possible changes which could be made. Feel free to contact us should you desire any additional information.

Sincerely,

David Evans, M.C., Doug Barnard, Jr., M.C., Jim Weaver, M.C., Bob Edgar, M.C., Tom Bevill, M.C., Edwin B. Forsythe, M.C., John L. Napier, M.C., William Hughes, M.C., Thomas A. Daschle, M.C., Dave McCurdy, M.C., John Seiberling, M.C., Ronald Mottl, M.C., Norman D'Amours, M.C., William H. Gray, M.C., Parren J. Mitchell, M.C., James Sensenbrenner M.C.●

A SALUTE TO THE CONNER FAMILY—THE CLEVELAND URBAN LEAGUE'S FAMILY OF THE YEAR

HON. LOUIS STOKES
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. STOKES. Mr. Speaker, it is an honor and a great privilege for me to salute the Conner family of Cleveland, Ohio, and the 21st Congressional District. This unit of exceptional human beings was selected recently as the Cleveland Urban League's "Family of the Year." That award is the most recent accolade for a family unit which has displayed continued concern and leadership in the community.

Mr. Speaker, no salute to this well-known Cleveland family would be complete without special attention to the head of the household and guiding force—Mrs. Mary Conner.

Mr. Speaker, I am proud to have known Mrs. Conner for over 12 years. During that time, I have regarded her as not only the head of her family of 12 children but also as a matriarch of the entire community. In the numerous civic clubs and associations Mary Conner is affiliated with, she is usually the source of advice and wisdom for the members.

Extraordinary strength, confidant to the powerful and powerless, diligent worker, and crusader for just causes and advocate for youth are phrases which begin to capture the spirit and vitality of Mary Conner. Mr. Speaker, she is a rare kind of human being. Furthermore, Mary Conner is committed to bringing excellence to her life, quality to the lives of her children and prosperity to her community.

Taking this into consideration, Mr. Speaker, it is extremely difficult to pinpoint the one act or single attribute which has endeared Mary Conner to so many individuals from such varied walks of life. I could easily point to her magnanimous spirit and concern for people of all ages. I could point to the fact that she is a masterful communicator. Finally, I could point to her charisma which literally engulfs every person in her presence. Whatever the reason, Mary Conner enjoys the respect and admiration afforded to few people in our society.

Mr. Speaker, as the matriarch of the Urban League's "Family of the Year", Mary Conner has carefully weaved all of her positive aspects to become the pillar of strength not only for her children but also for the community. I know of few persons who can boast of the kind of affiliations, the kind of instant name recognition and simultaneously the strong family bonds which Mary Conner has cultivated with apparent ease.

Mr. Speaker, the successes she has had both inside the family unit and the community attest to that.

Her exhaustive list of achievements include her role as the organizing chairperson of Cleveland for quality education NOW and an outspoken member of WELCOME, a citywide group working for racial harmony and peaceful schools. She is also a rape crisis center counselor and active worker in the 21st Congressional District caucus. Mr. Speaker, Mary Conner was also one of the principal organizers for the 25-day sit-in by concerned Clevelanders in an attempt to end the much publicized 11-week Cleveland teacher's strike last year. Finally, she is a member of the Cleveland Board of Education ESSA advisory committee to monitor the proposals submitted for special desegregation education programs.

In return for her service, she has received the Outstanding Community Service Award from the Cleveland chapter of the National Association of Negro Business and Professional Women's Clubs, the Glenville Area Community Council and the Greater Cleveland project.

Mr. Speaker, her greatest achievements are her 12 children and their success due largely to her positive influence. In my mind, the Conner children are living monuments to the courage and spirit of Mary Conner.

At this time, I would like to briefly touch on the achievements of each child to emphasize the positive impact of this family unit.

Mr. Speaker, her oldest daughter, Katherine Woods, is a 1982 graduate of the Howard University Dental School with numerous honors. I was present at the graduation ceremonies as the entire family looked on with pride as the first daughter and the first doctor in the family received her degree.

The oldest son, Tommie Conner, Jr., is employed at the Lincoln Electric Co. and is affiliated with many clubs in the Cleveland area.

Mr. Speaker, Mary Conner's second oldest daughter, Jacqueline Middlebrooks, is a sophomore majoring in urban studies at the Cleveland State University.

Juanita Conner is the next child and is employed in my congressional district office as a caseworker. Like her mother, Juanita Conner is an activist in community organizations such as the NAACP and the Cleveland Rape Crisis Center.

Mr. Speaker, Linda Conner, the next of the nine daughters, attended the Cleveland State University and is currently employed with the Ameritrust Bank as a new accounts clerk. She is active, again like her mother, in the local parent-teacher association.

Marilyn Conner is the next daughter of Mary Conner. She attended the Cleveland State University and is presently employed at the Kiddie Tots Nursery as a teacher. She has received numerous awards including the "Worker of the Year" award from the Jewish Community Center.

Mr. Speaker, Teresa Conner is the 21-year-old daughter of Mary Conner. She attends Baldwin Wallace College where she is majoring in marketing and finance. At school, Teresa is a member of the Black Student Alliance and the junior group of the NAACP.

Valerie Conner is the next of Mary Conner's nine daughters and attends the Cuyahoga Community College. She is majoring in physical therapy under the allied health program.

Mr. Speaker, Sheri Conner following the guidance of her mother has completed her high school education and has set her sights on attending the Cuyahoga Community College.

The 10th child of Mary Conner, Mr. Speaker, is Tonya Conner who attends the Collinwood High School. She is an honor student and has attended the Upward Bound program at Case Western Reserve University where she received many awards.

Charles Conner, the next child, is a 7th grader at the Margaret Spellacy School and has received awards in his class. He also has excelled in the areas of math, social studies, and English.

The 12th child in the Conner clan is 7th grader William Sean Conner. Like his brother, Charles, William has received awards in reading, art, and language skills.

Mr. Speaker, it is evident that this is a very active family and one which Mrs. Conner has shaped with her strong spirit. She has not only been a mother to these promising young people but also their motivator to be the very best. She has instilled in them the notion that being the best means not only personal success but also giving your time and talents to the community.

Everyone who knows Mary Conner loves and respects her. Mrs. Conner and her entire family truly were deserving of the Cleveland Urban League's "Family of the Year" Award.

I was proud to have had the opportunity to nominate them for that coveted award.

At this time, Mr. Speaker, I ask my colleagues to join me in saluting the Conner family of Cleveland, Ohio and the 21st Congressional District.●

HAPPY 50TH ANNIVERSARY, LOCAL 25 OF THE IBEW

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. DOWNEY. Mr. Speaker, I wish to extend my heartiest congratulations to Local 25 of the International Brotherhood of Electrical Workers on the 50th anniversary of their founding. It is remarkable for any organization to thrive for over half a century; it is especially noteworthy for a group which carries on the proud heritage of America's labor movement. Long Islanders should be proud indeed of Local 25 of the International Brotherhood of Electrical Workers.

Today, in the 1980's, with many political leaders hostile to organized labor, we need to reaffirm the great values and traditions of the labor movement in this country. We need to remember what it was like for American workers in 1932—before the New Deal of Franklin Roosevelt put Government squarely behind the right of working people to organize and defend their interests. In 1932, Government was often the enemy and not the friend of labor. In 1932, workers were intimidated, beaten, and fired for attempting to organize. In 1932, workers could not defend themselves against the great power of organized corporations and frequently hostile governments. Labor organizing in those days was a crusade for decency and justice. We need to keep that spirit alive today.

In the last 50 years the position of American workers has improved dramatically—in large part due to the efforts of today's much-maligned unions. We all need to remember this. Unions in this country grew out of necessity and the fight for justice, not out of greed or a lust for power.

The 50th anniversary of local 25 gives us reason to reflect on the proud history of American labor. Once again I congratulate the members of local 25 and I wish them continued success in preserving and extending the great traditions of the American labor movement.●

A TALE OF THE TIMES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. GAYDOS. Mr. Speaker, on June 11, the Department of Commerce issued preliminary findings that steel imports from nine foreign nations are benefiting from Government subsidies. A final determination is due this fall.

However, as chairman of the Congressional Steel Caucus in the House and the Representative of the steelmaking 20th district of Pennsylvania, I am encouraged by the Department's early report. It is one of the few times our Government has acted on behalf of our industries and our workers. It substantiates the longstanding claim by the Steel Caucus that our domestic industry and its workers were on the short end of an unfair trade war.

I would like to think the Department's announcement is a signal that, at long last, the executive branch of the Government has decided to enforce our trade laws and heed the advice of President Washington not to mix international trade policies with international politics.

But, as welcome as the Department's announcement was, it came too late for thousands of steelworkers who already have lost their jobs because of steel imports. The future is of less concern to them than the present.

One such steelworker discussed his dilemma with Mike Fuoco, a reporter for the Valley Independent of Monessen, Pa., the day before Commerce made its announcement. Some of my colleagues might be interested in his remarks, remarks that are echoed throughout the Mon-Yough Valley of Pennsylvania.

After 8 years in the mill, the steelworker is a veteran of layoffs. But this one, he says, is different. In the past, a worker's unemployment compensation could be supplemented by Federal trade readjustment allowance (TRA) and supplemental unemployment benefits (SUB). But not in his case.

TRA is a memory of the Carter administration and only employees with 20 years service qualify for SUB benefits.

The worker's weekly unemployment check of $183 is supplemented by money his wife brings in from two part-time jobs. "She's dragging," he says. "She's worked the past 17 days straight."

Still it is not enough.

His bills are mounting. A telephone bill and a $500 gas bill have not been paid. Loan payments to finance companies for a TV and stereo have not been met. The employee's credit union is not receiving its $210 a month for his truck:

> I'm so tired of people calling and asking when I'm going to pay. I'm about at the point where I'm going to say: "Just come and take it."
>
> I'm doing the best I can. They (the creditors) are not understanding at all. I always had a good credit rating. I thought about declaring bankruptcy, but I can't see clear the $600 it would cost.

During previous layoffs, the worker said he was able to arrange things where he robbed Peter to pay Paul until he went back to work and could square things away. "I can't do that any more," he says, "I don't have a real income."

Who is to blame for his predicament? The Government, one more concerned with politics than effectiveness. President Reagan's economic policies. The Nation's high prime interest rates. The near-total disregard of foreign steel dumped on the domestic market. The worker says:

> He (the President) is most definitely to blame. The government's either got to take a stand for us or against us. That's what I'm waiting for. It's all on their shoulders now.
>
> I'm all for foreign aid, but there's a time to be a big brother and there's a time to take care of your own. All we're doing is helping these other countries build up and we're tearing ourselves apart.

What will he do in the meantime?

"Short of losing my mind, I don't know."

That, Mr. Speaker, is the tale, the sad tale, of the times.●

COP KILLER BULLETS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. BIAGGI. Mr. Speaker, earlier this Congress I introduced a bill, H.R. 5437, to identify and outlaw a small class of handgun bullets being specially made to penetrate the body armor worn by police officers. This measure is similar to another bill (H.R. 2280) I authored more than 2 years ago to help protect law enforcement personnel from these so-called cop killer bullets.

I am pleased to report that each of these bills has received the bipartisan cosponsorship of over 75 House Members. Identical legislation (S. 2017 and S. 2128) is also pending in the Senate.

The bulletproof vests currently worn by over half of our Nation's 528,000 law enforcement officers provide no protection at all against this special type of armor-piercing handgun ammunition. Further, these cop killer bullets are being sold in local gun shops, just as any other type of ammunition would be. Although not used for legitimate purposes, these bullets have been used by criminals to kill police officers.

A Federal Bureau of Investigation demonstration conducted in February of this year identified six different types of handgun bullets capable of penetrating the most popular police vest, which is made of 18 layers of bullet resistant Kevlar. A followup FBI report also noted that at least two other handgun bullets not tested in February "will penetrate normal body armor."

Although the sensitive nature of these findings prevents them from being made public, it can be noted that five of the bullets tested were made and sold domestically, and three were foreign made and then imported into the United States for sale. These bullets come in various calibers, including the .38 special, 9mm, and .357 magnum.

The armor-piercing bullets are significantly different from most other handgun ammunition. Generally, the armor-piercing projectiles retain their shape on impact because they are made of full-jacketed hard metals, usually steel, brass, or an iron compound; and they travel at exceptionally high speeds. The more conventional handgun bullets are slower and they flatten out on impact due to their hollow point and/or soft-metal composition, most notably lead.

The House Subcommittee on Crime has already conducted hearings on my legislation and I am also encouraged by a number of other significant developments, including:

First, five States—Kansas, Minnesota, Alabama, Rhode Island, and Oklahoma—have already outlawed armor-piercing handgun ammunition and a number of other States are moving in that direction;

Second, Du Pont has stopped selling Teflon, a nonstick substance, to the makers of the armor-piercing KTW bullet that is coated with Teflon for added penetration;

Third, Winchester, one of our Nation's largest ammunition manufacturers, recently decided to stop making their armor-piercing bullets that had been on the market for over 40 years; and

Fourth, the U.S. Justice Department has endorsed the overall effort to outlaw armor-piercing handgun ammunition and they are conducting an extensive investigation into this problem.

I am encouraged by these responsible actions, but not satisfied. Without a Federal law to ban the future manufacture, import, or sale of armor-piercing handgun bullets, the problem will continue to exist and additional police lives will be lost.

At this time, Mr. Speaker, I insert a letter that recently appeared in the New York Times in support of my legislation (H.R. 2280 and H.R. 5437). The letter was written by the president of John Jay College of Criminal Justice, Gerald W. Lynch:

[From the New York Times, June 11, 1982]

THE BULLETS DESPERATE CRIMINALS LIKE TO BUY

To the Editor:

"Killer bullets," usually Teflon-coated, can penetrate 72 layers of Kevlar, the protective fabric in bulletproof vests. The vests the New York City Police Foundation distributed to New York City police officers last year contain 18 layers of Kevlar—sufficient to stop most bullets but obviously not killer bullets.

Why are these bullets being manufactured? In my judgment, and in the judgment of the police community, they are purchased mainly to penetrate bulletproof vests worn by police officers.

Two bills to study the matter of penetration of bulletproof vests and to prohibit the manufacture of these bullets have been introduced in the House of Representatives (H.R. 2280 and H.R. 5437). At present, they appear to have little chance of passage because both the National Rifle Association and the Reagan Administration refuse to place any restriction on ammunition.

I can think of no single issue in criminal justice that should compel more unequivocal public support than restricting these bullets.

Teflon-coated bullets were originally developed for very specialized purposes in law enforcement, such as providing high penetration through steel. Police spokesmen who testified at hearings on March 30 before the House Judiciary Committee's Subcommittee on Crime strongly recommended restricting the bullets to limited, legitimate uses.

There have been reports of police officers killed by Teflon bullets which penetrated their vests both as they entered them and exited them.

Phil Caruso, president of the New York City Patrolmen's Benevolent Association testified: "Since their only use would be an illegitimate one, that of being able to penetrate the Kevlar of soft body armor and kill the individual who is legally and properly wearing such protection, these bullets should be banned."

The criminals using them are the most desperate and most odious. Drug traffickers, for instance, will stop at nothing to avoid being caught and will plan to kill any law enforcement official who attempts to detain them. With the killer bullet, they have a guarantee they can mortally wound anyone they wish, vest of not.

The slogan of the N.R.A. people flies in their face on this issue. Their argument that "if you outlaw guns, only the outlaws will have them" cannot be true for killer bullets, because if they were outlawed, only certain law enforcement officers would have them. I believe the police would give them up completely if this would eliminate unauthorized use.

The issue of the use by criminals of Teflon-coated bullets shocks the average citizen, but apparently Congress is beyond shock since the N.R.A. has said it wants absolutely no restrictions on guns and ammunition.

There is one happy note: Du Pont is also shocked and has taken the courageous stand that it will not sell Teflon to bullet manufacturers who intend to make "killer" bullets. The company is to be congratulated for the highest level of corporate responsibility in resisting the pressure of the manufacturers and the N.R.A.

Still, it is most important that citizens in all 50 states demand that their representatives in Congress vote for the lives of their policemen and policewomen by permanently restricting the manufacture of Teflon-coated bullets.●

CONGRESS OF ITALIAN AMERICAN ORGANIZATIONS HONORS LOUIS APICELLA

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. OTTINGER. Mr. Speaker, I rise to bring to the attention of my colleagues the outstanding service to Westchester County, N.Y., of Mr. Louis A. Apicella, of Yonkers, N.Y. On Friday, June 25, I will have the opportunity to join the Congress of Italian American Organizations (CIAO) of Yonkers as they honor Mr. Apicella with a testimonial dinner-dance.

Louis A. Apicella was born and raised in Yonkers. He is a World War II veteran and served in a combat battalion with General Patton's 3d Army, participating in five campaigns in Europe.

Upon his discharge in 1945, Mr. Apicella entered the meat retail business as an apprentice butcher. In 1966, he became an official of the United Food & Commercial Workers International Union, Local 489, and presently serves as its business agent. A member of the executive board of Local 489, and a trustee of the locals pension welfare fund, he is also a member of the United Food & Commercial Workers Union District Council of New York and Northern New Jersey AFL-CIO, International Foundation of Employee Benefits and Welfare, and the Cleaver Club of the Amalgamated Butchers Workmen.

In 1970, Mr. Apicella was appointed by then-Mayor Alfred DelBello to the Yonkers Parking Authority. He was reappointed to the parking authority by Mayor Angelo Martinelli in 1975, and in 1980 he was once again reappointed by Mayor Gerald E. Loehr. He is presently vice chairman of the Yonkers Parking Authority.

Mr. Apicella presently serves as a delegate to the Congress of Italian American Organizations (CIAO), representing the Villa Volturno Club, and was recently elected to serve as treasurer of CIAO. He is also a member of the Frank A. Rea American Legion Post and is an Honorary Deputy Sheriff of Westchester County.

He is married to the former Velia Rubio and has two children and three grandchildren.

I applaud Mr. Apicella for his dedicated service to the Italian American community and for his many contributions to all the people of Westchester

County. I also commend CIAO for honoring Mr. Apicella, and extend my best wishes to everyone affiliated with this very worthwhile and important organization.●

TRAGEDY IN LEBANON

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. FINDLEY. Mr. Speaker, on Thursday, June 17, the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee held a hearing on Lebanon to review U.S. policy toward the conflict and the authorization of $20 million in immediate economic assistance for Lebanon. Congress will have to act quickly on these funds if the United States is to be able to provide humanitarian aid to the people of Lebanon.

Three important statements were made at this hearing: the opening remarks of Chairman LEE HAMILTON and the remarkable testimony of Representatives MARY ROSE OAKAR and NICK RAHALL. These statements describe the tragic death and devastation that has occurred in Lebanon. I regret only that all Members of this body were not able to experience the compassion and anguish of Representatives OAKAR and RAHALL as they delivered their testimony. But this is the compassion we all must demonstrate for this small nation of 3 million people and the wisdom we must share if we are able to help preserve the future integrity and unity of Lebanon, a long and close friend of the United States in the Middle East.

REMARKS OF CONGRESSMAN LEE HAMILTON

The tragedy unfolding in Lebanon is a matter of extreme urgency. Even while the fighting is continuing, we are hearing about a carnage of enormous proportions. Fairly reliable reports from Lebanon suggest that:

Maybe close to 10,000 civilians, Lebanese and Palestinians, have been killed;

More than 16,000 people are wounded and medical attention is inadequate;

Perhaps as many as 600,000 Lebanese and Palestinians have been uprooted;

A doctor at the American University of Beirut Hospital reported apparently that on Sunday alone some 1,100 limbs were removed;

Israeli casualties, dead and wounded, are in the hundreds;

And hundreds of Palestinians and others living in Lebanon have been taken prisoner by Israel.

Clearly, whatever the statistics, there is an urgent need for a ceasefire and a military disengagement. No useful purpose is served by further fighting. For purely humanitarian reasons, the fighting should be stopped. The tasks of the United States both in terms of helping rebuild Lebanon and in terms of pursuing a viable Middle East peace process will be seriously threatened by any further hostilities which may increase the likelihood of a widened conflict in the region.

The administration's request is for $20 million in humanitarian relief and reconstruction aid in addition to $5 million in emergency medical and food aid.

Clearly, the needs of the people in Lebanon are far greater than these figures would suggest. Several other countries and organizations are also beginning to provide emergency assistance while we await the termination of hostilities at which time the true dimensions of the country's relief and reconstruction needs can be delineated. Presumably further assistance will be discussed at a later date.

TESTIMONY OF CONGRESSWOMAN MARY ROSE OAKAR

While Israeli security has always been a concern of our country—witness the enormous amount of foreign aid ($2.5 billion in 1983, not to mention the debts forgiven, etc.)—there has been a void of leadership with respect to the human rights of the Palestinian people and the significance of Lebanon, a pro-West Middle Eastern nation.

Let us all certainly acknowledge that no group is faultless: the violence of the PLO, the internal groups battling each other in Lebanon, and the presence of the Syrian Army; several years ago we urged their withdrawal.

So, what then is the plight of this tiny nation of 3 million people? Lebanese President Sarkis estimates that 1.5 million of his citizens are in urgent need of some form of assistance—one of every two citizens. Basic utilities have been destroyed: water, electricity, telephone service. There is little access to health care. Let's look at the truly human side. Cluster bombs struck the Armenian hospital displaying the Red Cross insignia 16 miles southeast of Beirut, destroying the facility and its occupants. Last Sunday, the hospital at American University in Beirut performed 1100 amputations of limbs of wounded civilians. Access to medical supplies are cut off from Cyprus because Beirut's airport is closed. The Red Cross alone is attempting to serve 300,000 people with food and minimal first aid. More than 600,000 have been left homeless, adding to the swollen stream of Middle Eastern refugees.

The problem in West Beirut is particularly critical. The city is shut off from the outside. Inside, 700,000 people are being held hostage. With no water, toilets cannot be flushed and the threat of mass disease is growing greater. There is also the problem of unburied bodies that are adding to the stench and the threat of disease.

In addition, more than 10,000 civilians are estimated to have been killed. Bombs do not know a person, their religion or philosophy. Bombs do not know their targets are elderly, women or children. For the most part these victims only wanted to live in peace—they were civilians. To offer some perspective to this tragedy, consider the nation of El Salvador, a nation 1½ times that of Lebanon. Some of us have been outraged with the number of deaths there, but El Salvador suffers about the same number of violent deaths in a year that Lebanon suffered in one week!

In addition, what is truly sad and ironic is that Israeli security is not saved. The opposite may be the case as a result of her aggression.

Firm steps were being taken in the direction of a lasting peace in the Middle East. The Camp David Accords demonstrated that, setting in motion a process that would have brought security for Israel, a homeland for the Palestinian refugees, and peaceful stability to the region that is absolutely vital to the very existence of the Western economy. Will our interests or the interests of Israel be served by the alienation of our moderate Arab allies? Or will they be better served by a ceasefire, leading to a permanent peace?

Upheaval in the Middle East, on the other hand, could conceivably plunge the world into war, even apocalypse. By resorting to such an appallingly violent approach in Lebanon, Israel has fueled the fire of Arab hostility. Since we serve as Israel's weapons supplier, that hostility is extended to us as well. How do we answer when confronted by the facts created by the invasion?

Public opinion is mounting. Among those calling for Israeli withdrawal from Lebanon are the President of the National Conference of Catholic Bishops, Archbishop John R. Roach, Terence Cardinal Cook of New York, and the American Friends Service Committee.

We must now undertake immediate steps to deal with the situation. There are two priorities: first, we must use our influence to halt the fighting and to remove foreign combat troops from Lebanon—Israeli as well as Syrian. There is a precedent for this: in 1978, when Israel invaded Lebanon, President Carter threatened to apply the provisions of the U.S. Arms Export Control Act by stopping the shipment of weapons to Israel, whose use of American-supplied weapons for offensive purposes was violating the provisions of that law and undermining our interests in the Middle East. The approach worked. Prime Minister Begin ordered the withdrawal of the Israeli Army from Lebanon and that country was spared the horrors it is experiencing now. And, it should be noted, Israel survived with its security intact.

The second, urgent priority is treating the victims of the violence. Lebanese President Sarkis estimates that 1.5 million of his citizens are in urgent need of some kind of assistance, one-half its population. The wounded have to be treated, the homeless need shelter, and dead must be buried. There also are the problems of restoring basic utilities—water, electricity, telephone. Since the destruction was done in large part with American-supplied weapons, it is our responsibility to do whatever needs to be done to repair the damage. The costs are no doubt enormous. I recommend the urgent expenditure of at least $200 million to help rebuild Lebanon. That is a large sum, but we would like to remind the committee that it would be less than a tenth of the amount we annually provide Israel, which is slated to get $2.5 billion in U.S. assistance in fiscal year 1983.

Finally, there is the problem of restoring long-term stability to the region. In this regard, the administration has been sadly deficient. The problems of the Middle East have been ignored and neglected. As the events of the last two weeks demonstrated so tragically, they have not gone away. It is absolutely vital that the President provide leadership in this by giving his personal attention to the area, using the power and prestige of his office to address the problems head-on. Camp David showed just how much can be accomplished by the determined pursuit of peace. Those accords now lie buried in the rubble of bombed-out streets in Sidon, Tyre, Beirut and elsewhere in the unhappy country of Lebanon.

A central issue remains that of the Palestinian people. We have always supported

the self-determination of peoples. That is the basis of our support for Israel. As President Mitterand of France recently pointed out, it is inconceivable to deny that same right to the Palestinians. The next step in the Camp David Accords is the consideration of the plight of the Palestinian people. To ignore the problem further insures the growing desperation of their youth. In the last generation we have witnessed what people are capable of when they are driven to desperate lengths.

As a woman, I plead with the members of this committee to learn the lesson of the manner in which we aid these countries—no more arms, condition our aid to dialogue not confrontation—I honestly believe we could use our enormous influence to promote peace not war. If the U.S. promoted a dialogue for peace on the part of all parties in this issue, the Soviet Union would be ostracized into possibly agreeing. They are also a major arms supplier to the Middle East. There is no hope for peace in the Middle East, indeed in the world, unless the superpowers stop exploiting these countries by their arms supplies. Taxpayers, I am sure, don't realize how their monies are being used. The President and Congress must have a conscience in the death and suffering of half the Lebanese population. For the future of this Nation, and the world, our civilized approach demands it.

It is time, gentlemen, to truly become civilized—people can be killed, but ideas cannot. Violence is never the answer, whether it is done by the PLO, the Israelis, the Syrians or the Lebanese themselves. Let us quit our arms supplies and concentrate on using our aid to change ideas—ideas of harmony, love and friendship. The world did not learn its lesson from the horrors of the Holocaust during World War II and it hasn't learned its lesson by the devastation to one-half the country of Lebanon's population. What are we doing wrong? Our aid has promoted war, not peace; confrontation, not dialogue. It is time for change, before we experience the most devastating of world wars.

STATEMENT OF CONGRESSMAN NICK J. RAHALL II

Mr. Chairman, the situation in Lebanon is critical and I understand with each hour it grows increasingly worse.

The Lebanese Police report that 9,583 Lebanese citizens have lost their lives since the forces of Israel invaded their country twelve days ago.

600,000 people are reported homeless and without food and clothing, as a result of the bombing there. And, being unable to dig their dead from the rubble, the risk of serious disease now threatens to engulf those who managed to survive the invasion.

I am told that 16,608 Lebanese citizens lie wounded—without medical supplies or assistance, and those that could be saved are rapidly dying from the lack of proper medical treatment.

And, where is this country in all this? Where is this shining beacon of all those good things like "freedom" and "justice"?

Nowhere—absolutely nowhere to be seen, that is, because this time the invading armies are our friends—our allies, and the arms they use are ours.

10,000 innocent Lebanese citizens—women and children included, have been literally mowed down by the oncoming Israeli Army and the country has been nearly bombed into oblivion, and do we protest and come up in arms? No, we do not!

Why? Because this country does not oppose Israel. And, now it is apparently clear that no matter what Prime Minister Begin does, this country just will not oppose him. While we do and should recognize Israel sovereignty, integrity, and friendship with us, what prevents us from criticizing and demanding that its leaders act for once in America's best interests? Mr. Chairman, it is time to be realistic. In twelve days, Begin has annihilated 10,000 people and cut a wide path of death and destruction into a neighboring country—a little country, I might add, that has no army to speak of, and here we sit debating sending that country $20 millions for relief!

It is ludicrous. Where are all those advocates of human rights? Where are all those familiar voices now? Why is everyone so silent on this issue?

The judgment of Israel's leadership is once again suspect, and before this Member votes on another armament bill for Israel, I want Israel to answer some very serious questions.

We need to know what they intend to do with the arms we give them. We need to know if they intend to use our weapons for future aggression when it serves their purpose. I think our President needs to know if they intend to continue their armed aggression, because if they do and we won't do anything to stop them, then we can at least refrain from making fools of ourselves by making world-wide declarations that this Nation does not condone armed aggression of any kind.

I am an American of Lebanese descent and I am outraged that my country has permitted the Israeli Government to sacrifice the people of Lebanon so as to rid itself of the PLO.

To oppose Israel and its invasion of Lebanon is to take a stand for the right of any little nation—even Israel, to live on its own soil in peace and harmony with its neighbors.

I am not here to say Israel was wrong in wanting to put an end to the terrorist attacks, and I am not here to minimize the suffering they have experienced at the hands of the PLO.

But, Mr. Chairman, I am here to question Israel's single-mindedness in its cause and the magnitude with which they have again responded to the "eye for an eye, tooth for a tooth" syndrome.

Supposedly, to stop the PLO raids, Israel chose to wage war in Lebanon. It has put 10,000 Lebanese citizens to death, has left homeless half of its population, and has wounded 16,000 of its people. And, reports indicate attacks upon Syrian troops also.

To stop the PLO from coming into its country and terrorizing its citizens, Israel went into Lebanon and slaughtered their citizens to get to the PLO.

Since when, Mr. Chairman, does this Nation decide that the people of one nation have more value or worth than the people of another nation? Since when does this country condone armed aggression of any kind? Since when does this bastion of freedom arm another country and permit it to crush and annihilate its neighbor simply to serve its own purposes?

This country should help Lebanon as it does any other nation that is threatened by invasion and armed aggression—we should help Lebanon to defend itself. We should demand that an adequate peace keeping force be sent to Lebanon to protect that little country against further invasion and aggression.

Israel must negotiate with the Palestinians. And, if Israel doesn't care for the spokesman the Palestinians choose to handle their negotiation, then this country should tell Israel that we intend to defend the Palestinian right to choose whoever they want to do their bidding.

Mr. Chairman, the innocent Lebanese woman who stood in the streets of Tyre and watched her children being killed by the Israeli shells that landed there, must have felt for the few moments she lived that the end of the world had come and that she too was a victim of a holocaust.

Now, I want to see Israel—who would have us all remember the holocaust they suffered, do a little remembering themselves. I want to see some of that compassion for suffering they asked of the world when they suffered so. I want to see Israel stretch out its hand to the negotiation table with all parties rather than the war table trying for military victories over all parties.●

TAIWAN: AN ALLY THE UNITED STATES CONTINUES TO ABUSE

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. LeBOUTILLIER. Mr. Speaker, nowhere is the dichotomy between President Reagan's vision of a just international order and the policy initiatives of his senior State Department representatives more evident than in the case of Taiwan.

On August 25, 1980, the Presidential candidate Reagan made the following remarks outlining his view of United States relations with Taiwan:

I am satisfied that the Taiwan Relations Act provides an official and adequate basis for safeguarding our relationship with Taiwan, and I pledge to enforce it. But I will eliminate petty practices of the Carter Administration which are inappropriate and demeaning to our Chinese Friends on Taiwan.

I recognize that the People's Republic of China is not pleased with the Taiwan Relations Act which the United States Congress insisted on as the official basis for our relations with Taiwan. . . . But it is the law of our land.

As President I will not accept the interference of any foreign power in the process of protecting American interests and carrying out the laws of our land. To do otherwise would be a dereliction of my duty as President.

Since that time, senior members of the State Department have been maneuvering the United States into a position that, if continued, will eventually lead to an end to the Republic of China's sovereignty. In its place, the United States appears intent—against all better counsel—on giving increased economic and military support to the Marxist-Leninist, totalitarian regime on mainland China, a principle enemy of freedom in the world and a country whose Gulag even exceeds that of the Soviet Union.

Recently, Allan H. Ryskind, Capitol Hill Editor of Human Events, visited Taiwan. In an "On-the-Spot Report" to the June 5, 1982, edition of Human Events—"Taiwan: An Ally the United States Continues to Abuse"—Mr. Ryskind found that his observations confirmed this dichotomy. As he says, "despite the thriving economy of the Republic of China and its steadfast friendship with the United States, the administration is continuing a policy that greatly jeopardizes its survival." In fact, an American deeply involved with the shaping of the Taiwan Relations Act provisions recently told him that "in some ways the Carter administration followed the act far more closely than the Reagan administration."

I commend Mr. Ryskind's full report to my colleagues. Part I of three parts is as follows:

TAIWAN: AN ALLY THE U.S. CONTINUES TO ABUSE

(By Allan H. Ryskind)

DESPITE THE THRIVING ECONOMY OF THE REPUBLIC OF CHINA AND ITS STEADFAST FRIENDSHIP WITH THE UNITED STATES, THE ADMINISTRATION IS CONTINUING A POLICY THAT GREATLY JEOPARDIZES ITS SURVIVAL

Taiwan is a thriving, lively, bustling nation of some 18 million people. You get a hint of things to come as the Chinese movie (English subtitles) begins on the 14-hour flight from Los Angeles to Taipei. Unlike the American film, an amusing piece of fluff featuring George Hamilton in Zorro, the Gay Blade, the Chinese put on a serious morality play, disclosing how a man, with vision, works hard to overcome extreme adversity to develop oil for his countrymen. He doesn't succeed in his enterprise but his son does. The show, I'm told, has been very popular in Taiwan. A film of equal seriousness, a story of how a cripple conquers his handicap, is shown on the way back to the U.S. Clearly, this is Horatio Alger country.

You sense the energy as you get off the plane at the Chiang Kai-shek International Airport. Taxis, buses and motorbikes clog the highways and roads, while shops are open until the wee hours of the night, even on Sundays. Construction sites are as busy as beehives, and you can spot some barefoot workers still outfitted in the classic coolie costume—a hat, a bamboo pole across the shoulder and a bucket of mud hanging on each end of the pole.

No longer mainly an agricultural country, Taiwan is producing petrochemicals, steel, machinery and ships. (Walter Cronkite, so the story goes, purchased a yacht from Taiwan.) Exports are critical, and Taiwanese goods—textiles, machinery, footwear, electric appliances and such—now girdle the globe.

A key to Taiwan's sucess is the Export Processing Zones, where foreign companies have been encouraged to build factories, use Chinese labor and import machinery, equipment and raw materials duty-free. Export sales are also exempt from business taxes, and businesses are further lured through a five-year tax holiday, accelerated depreciation and a wide variety of gimmicks that Tip O'Neill and Teddy Kennedy might blast as "tax loopholes" for the "Corporate Rich."

But these "loopholes" keep Taiwan moving up the scale economically. Taiwan's prosperity is marked by the growing number of international-class hotels—such as the Taipei Hilton and the Lai Lai Shangri-la (where I and six other reporters stayed)—and has begun to burgeon with foreign banks. Six major European banks alone have opened headquarters within the last 12 months, and a very important Chase Manhattan official (who doesn't want to be quoted by name) tells me—even as I wonder about Taiwan's economic future in view of our failure to come across with the FX—that I shouldn't worry for now, "because the investment climate is quite good."

Despite its virtual non-nation status—only 22 countries now recognize Taiwan as the Republic of China—the country's foreign trade relations have been flourishing. The volume of trade has soared from $2.2 billion in 1969 to $43.8 billion in 1981, a 19-fold increase in 13 years. And its two-way trade with the United States is relatively huge, topping the $12-billion mark in 1981.

The trade, in fact, has brought with it a few headaches, including a $3-billion foreign trade surplus with the U.S. Unlike Japan, however, Taiwan is extremely solicitous of American feelings. The ROC, for instance, strenuously encourages American investment in Taiwan, with Economic Minister Y. T. Chao telling us that the best way for the U.S. to compete with low-priced Japanese goods is for American corporations to locate in his nation, where the labor is cheaper than in Japan, the people are extremely good workers and the intelligence quotient is high. "Up here," says Chao, pointing to his head, "we are as good as all Americans."

Nicknamed "Ironhead" because he plows ahead with a plan until it succeeds, Chao insists that the Japanese invasion of the American market is "like a cancer," and that placing more U.S.-based businesses on Taiwan—now numbering about 500—is the only reasonable solution.

TAIWAN HELPS U.S. WITH BUY AMERICAN EFFORTS

Aside from this hard-sell pitch for American companies, Chao points out that Taiwan, in order to reduce the balance-of-payments surplus, has gone out of its way to "Buy American."

The "Buy American" plan makes no economic sense, since it involves Chinese trade delegations coming to the U.S. to purchase goods at higher prices—Chao says 10 to 15 percent higher—and sometimes to buy products that just sit around in warehouses. But for goodwill purposes, Taiwan sends trade officials to various states to buy coal, soybeans, apples, cotton and even beer. The beer, however, turns out to be of no use at all. According to Chao's figures, several million dozen cans of American beer—valued at $9.6 million—just never went anywhere. For a variety of reasons, apparently, the Chinese haven't yet taken to this popular U.S. product, and one brand, we were told, never had a chance from the beginning: It came in a can shaped and colored like a well-known roach poison used in the ROC.

A NATION OF SMALL SHOPKEEPERS

Taiwan is proud of its industrialization, but it still seems like a nation of fundamentally small shopkeepers. The sidewalks in Taipei are crowded with restaurants, motorcycle shops, food stores, bakeries, clothing stores, handicrafts, etc., with each proprietor advertising his product in large and colorful Chinese characters painted on signs above his shop.

Just a short, scary nighttime taxi ride from the Lai Lai—a New York Times freelancer, Andrew Feinberg, said these guys were even wilder than hometown taxi drivers—a few of us discovered a market place, more precisely an Oriental bazaar, where shirts, coats, shoes, luggage, etc., were being hawked at bargain basement prices.

What particularly impresses an American visitor is the mode of transportation. Cars, taxis and buses fill the roads—there is no subway—and of especial interest are the motorbikes, nearly a quarter-million in Taipei alone. They are assembled, most of them, in Taiwan, but they sport Japanese labels. At any stoplight on a main road, you may literally see 50 buzzing bikes—Yamahas, Suzukis, Hondas or whatever—swarming about, many with families (mother, father and child) riding on a single cycle. You hear their buzz-buzz-buzzing in the morning, midday and late in the evening and you may even be awakened by their melodious music in the middle of the night.

FROM LOW POINT TO ECONOMIC SHOWCASE

Taiwan has frequently been described as an economic miracle, and who can doubt it? This nation/non-nation has the kind of statistics liberals and Socialists would be shouting from the rooftops if, say, achieved by Julius Nyerere's Tanzania or Fidel Castro's Cuba. Run off the Mainland in 1949, Chiang Kai-shek's Nationalists, some three million of them, disgraced and humiliated, came limping into Taiwan, considered a province of the Mainland.

From this low point, they managed to turn Taiwan into an economic showcase, one that far outshone their Red rivals across the Taiwan Straits. With virtually no natural energy resources, including oil, Chiang took a basically agricultural island and transformed it into a modern, industrialized nation with a Gross National Product ($40 billion) surpassing most nations in the world.

The GNP increase averaged 8.3 percent during the 1950s, 9.1 percent during the next decade and a robust 10 percent in the '70s. The per capita hike in incomes jumped 4.7 per cent in the 1950s, 6.2 per cent in the '60s and 7.9 per cent in the '70s. Annual per capita income stands at $2,500, one of the highest in Asia, and in the world.

This is a land in which housing, education, medicine, jobs and food are plentiful, particularly by Third World standards. Virtually all households have electricity, and television sets now blanket the island, even in the remotest rural areas.

ILLITERACY ELIMINATED; EDUCATION MANDATORY

Illiteracy has been, for all practical purposes, eliminated, with education mandatory through junior high school. About 60 per cent of junior high school graduates enter three-year senior high and vocational programs, while approximately 20.5 per cent of all collegeage youth are enrolled as undergraduate or graduate students.

Advances in medicine, medical services and diet—the per capita daily caloric intake has reached a bountiful 2,845—have helped push the average life expectancy from 58.6 years in 1952 to 72.2 years today. Major epidemic disease has been eradicated, while a total of more than 10,000 medical care facilities now cover the island.

Taiwan's land reform program has long been the envy of every Third World nation, and no one seems quite certain as to why it has worked so well, since most land reform programs in other countries have conspicuously failed. The most important part of the program required each landlord holding more than three hectares of land to sell his

excess property to the government, which, in turn, resold those lands to tenant farmers under a 10-year installment payment plan.

Though very free-enterprise-oriented, this country delights in stressing to foreigners both the humanitarian and egalitarian nature of its economic system.

There are virtually no jobless on the island, Taiwan officials point out, with the unemployment rate under 1.8 per cent. The elderly are also well cared for, with 80 per cent of Taiwan's senior citizens living with their families. The closeness of the Chinese family is, indeed, a blessing, and contributes greatly to the prosperity of the nation as a whole.

Noel Grove, in a sparkling article in National Geographic earlier this year, points out that Chinese homes, outwardly plain, "are built around the family, not the dwelling. . . ." Grove entered a home in Taipei "at the elbow of a matronly woman who introduced me to her husband's brother and his wife, who also lived there. I was led to the second floor to meet an elderly grandmother resting out her days in the bedroom. On to the third floor for tea and a look at wedding pictures of a sister who had married and left the home. A young girl walked through, carrying an infant."

Taiwan officials keep stuffing you with these positive statistics, but such international organizations as the International Monetary Fund and the World Bank have been swearing by these figures for years.

The U.S. Department of State's human rights report also confirms the statistics put out by the ROC, noting: "Taiwan has established an excellent record of providing for the social and economic needs of its people. In general, the enjoyment of economic benefits is available to the population as a whole without discrimination. . . . The overall distribution of income is egalitarian, with the average income of the top 20 percent of income-earners about four times greater than that of the bottom 20 percent."

Yung Wei, chairman of the Research, Development and Evaluation Commission of the powerful Executive Yuan, likes to dwell on this latter point a bit. The top fifth of U.S. incomes, he says somewhat regretfully, is eight times greater than the bottom fifth, while "in that paradise, the People's Republic of China, it is 25.1 percent."

Taiwan is not a Western-type democracy. It is authoritarian. It is still fundamentally a one-party state, ruled by the Kuomintang. The Mainlanders and their descendants—not the vast Taiwanese majority—are still in commanding positions of political and military power. And there have been no general elections held for the National Assembly, which elects the president, and the Legislative Yuan, which passes the laws, since 1948.

There is also censorship from on high, even to the extent that such foreign publications as Newsweek and the Far Eastern Economic Review have sometimes had their articles scissored out by authorities before they are distributed. In July 1981, the Taiwan press reported that official sanctions had been taken against many publications for various infractions during the previous year.

Nevertheless, considering the very legitimate fear of a takeover by the Mainland, the Taiwanese have a substantial amount of freedom, certainly a great deal more than their brothers across the Straits.

Generally speaking, any ROC citizen can own property, travel freely from one end of his nation to the other, go abroad, seek out the job that he wants and choose whatever religion suits him. Some 31 newpapers cover the island, many of them critical of government policy, dozens of foreign publications (despite occasional censorship) are readily obtainable, and even politically oriented magazines exist (though precariously).

REGULAR ELECTIONS HELD FOR PAST 20 YEARS

And there are political contests on the non-national level. Universal suffrage exists for all citizens 20 years old or over, while elections have been held regularly for the past 20 years for provincial and municipal legislative offices. The Kuomintang, moreover, has legitimate opposition in the form of "independent" candidates, and more and more of them have been winning elections in recent years.

There has even been some "democratization" at the national level. Of 399 members of the Legislative Yuan, some 300 supposedly still "represent" mainland districts to which they were elected in 1948. They hold their seats until they die or until the Taiwan government takes back the Mainland. As Grove somewhat wryly noted, "The former appears more probable; 76 are more than 80 years old, and some 200 are between 70 and 80."

While the Mainlanders have been dying off (but their seats held vacant), "supplementary elections" to choose additional representatives from Taiwan have been added, and thus the Taiwanese are becoming increasingly integrated into the political structure. Taiwanese, in fact, hold the vice presidency, about one-third of the Cabinet (including the Vice Premier, the Minister of Interior and the Minister of Communications) and several high-ranking military positions.

HUMAN RIGHTS GROUPS HAVE BEEN WELCOME

Unlike Communist China, Taiwan has permitted several well-known human rights organizations, including Amnesty International, to investigate conditions in their country. In March 1980, Ramsey Clark led an American delegation for a 10-day visit to Taiwan in which they were permitted to meet with known critics of the Kuomintang and a controversial prison facility at Green Island. The death of Taiwan-born U.S. resident Prof. Chen Wencheng of Carnegie-Mellon University in Pittsburgh, who died while visiting Taiwan shortly after a 12-hour interrogation by security police, has tarnished the ROC's image, but Taipei allowed American observers to investigate the case.

Overall, Taiwan must be considered a good and generous country. The authorities are enlightened and have made serious—and successful—efforts to lift the living standards of all the people. They have opened up economic opportunities for the native Taiwanese, and are slowly, but surely, expanding their political rights as well. They have been engaged in sending agricultural teams to under-developed countries abroad, and they produce items of quality, but yet at low enough prices to benefit people around the world.

THOUSANDS OF INDOCHINESE REFUGEES ACCOMMODATED

Although a small country—just 240 miles long and 90 miles at its widest, with a population density that is one of the highest in the world—Taiwan has resettled some 13,000 Indochinese refugees and pledged to provide temporary resettlement to all boat people rescued on the high seas by Taiwan vessels. The authorities have provided nearly 70,000 metric tons of rice (valued at $23 million) to Southeast Asian countries with large refugee problems and have donated $800,000 to the International Rescue Committee for use in its refugee program.

(End of Part I.)●

H.R. 4326

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. LaFALCE. Mr. Speaker, in January 1982, Representative STEVE GUNDERSON of Wisconsin indicated that he wished to become a cosponsor of H.R. 4326, the Small Business Innovation Development Act. Unfortunately, his name was inadvertently omitted from the official list of cosponsors of this measure.

I wish at this time, therefore, to note that Representative GUNDERSON is a supporter of H.R. 4326.●

LEBANON

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. BONKER. Mr. Speaker, those of us who care about justice and human rights and hate violence and injustice must speak out against what is happening in Lebanon. We most certainly have a duplicitous policy where our intentions to make this safe and just world stand in contrast to our benign response to Israel's invasion and occupation of Lebanon. Such action appears to violate two basic tenants of U.S. policy: the use of U.S. weapons for non-offensive purposes and the violation of human rights.

It is also apparent that this administration's Middle East policy is inadequate to maintain the peace in that troubled region. President Carter, to his credit, gave the area top priority and personal attention. The result was stability and progress toward a peaceful settlement. President Reagan has turned the matter over to State Department career officials without the political commitment it deserves.

I would like to commend to the attention of my distinguished colleagues a joint statement by Archbishop John R. Roach of St. Paul and Minneapolis, president of the National Conference of Catholic Bishops, and Terence Cardinal Cooke of New York, and a statement by Asia Bennett, executive secretary of the American Friends Service Committee, concerning the present situation in Lebanon.

JOINT STATEMENT BY ARCHBISHOP JOHN R. ROACH OF ST. PAUL AND MINNEAPOLIS, PRESIDENT OF THE NATIONAL CONFERENCE OF CATHOLIC BISHOPS, AND TERENCE CARDINAL COOKE OF NEW YORK ON THE SITUATION IN LEBANON

Lebanon's fragile possession of peace and sovereign independence was assaulted once again on June 6, 1982, this time by the Israeli invasion of Lebanese territory. These events in that suffering Country have resulted in one certain and tragic effect—devastation, death among large numbers of innocent people.

Many complex circumstances and diverse goals of various parties lie at the basis of the pervasive middle east conflict and are the source of the present violence in Lebanon. The undeniable fact, however, is that the nation of Lebanon and its people continue to pay the heaviest price in the middle east conflict.

It is time for the international community to address the Lebanese problem as vitally important in its own right and not simply as an appendage of other issues. To do so means both that immediate objectives must be achieved and that long range solutions must be initiated.

What is immediately necessary is compliance with the United Nations Security Council Resolution 509. This should be implemented with the two objectives of achieving an immediate cease fire in Lebanon and the unconditional withdrawal of Israeli forces. The United States, as a major power in the United Nations and a close ally of Israel, should use its good offices to expedite these two goals.

The long range task is to focus the attention of the international community on the fundamental needs of the people of Lebanon. If Lebanese sovereignty, territorial integrity, freedom and peace are to be guaranteed, Lebanon must be treated as significant in its own right. It is true that Lebanon's security and well-being are tied to the resolution of larger issues in the middle east: Israel's security, the achievement of a homeland and independence for the Palestinians, and the ending of a virtual state of war in the region. But these objectives cannot be achieved at the expense of Lebanon nor can the Lebanese problem await the resolution of these other issues.

The tragic events of the present violence in Lebanon must be used to set a new direction for the resolution of the Lebanese problem. The United Nations has a special role as do other key states in the world community. The United States has a unique role to play precisely because of our historic relationship with Israel and with Lebanon, and in view of our central position in the middle east.

While we as Catholic bishops have a particular relationship and solidarity with the Christian community in Lebanon, our prayers and efforts will also be directed for the welfare of all the Lebanese people and the freedom and independence of their nation. We call on the United States to play an active and vigorous role in the United Nations and with Israel directly to bring about a cease fire and withdrawal. We ask for special remembrance of Lebanon and the middle east in the prayers of our people.

STATEMENT BY ASIA BENNETT, EXECUTIVE SECRETARY, AMERICAN FRIENDS SERVICE COMMITTEE

Prime Minister Begin's government claims that it must once again invade Lebanon to destroy the Palestine Liberation Organization thus protecting Israel citizens in the Northern Galilee. This defense of the military action carries little weight. Before the invasion a ten-month-old cease-fire was in effect in which there was no shelling from the PLO into northern Israeli cities. Maintaining that cease-fire and finding ways to broaden its scope would have been the real protection of people and cities of the Galilee of Israel.

For some months Israel's Defense Minister, Mr. Sharon, has been circulating plans for an invasion of Lebanon. Our own AFSC delegations and knowledgeable diplomats warned of Israel's invasion. Hence we can only believe that the Reagan administration's failure to restrain Israel's General Sharon's launch of the invasion gave the Israeli Government the "green light" to proceed. Further United States involvement lies in the fact that Israel is using American weapons financed by U.S. tax dollars. In employing these weapons for offensive purposes Israel is violating the Arms Export Control Act and the 1952 Israel-U.S. mutual defense assistance agreement.

The AFSC has received a telex from its staff in Beirut regarding the impact of the Israeli invasion on Lebanese and Palestinian people. In just two days of fighting several thousand people have been affected. The area from the Israeli border to Beirut is home for some 750,000 people. Beirut itself is believed to have a population of one and a half million and an already crowded situation in that city is being made intolerable by the mass of people now fleeing the Israeli invasion in the south. People are living in public gardens, on the streets in tents, and under any shelter that can be found thus becoming refugees in their own country. Hospitals are full; electricity has been cut. Many warehouses containing foodstuffs of the Government Relief Committee have been completely destroyed. Many cars are buried with people inside.●

A TRIBUTE TO HENRY TRIONE—AN OUTSTANDING CITIZEN

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. CLAUSEN. Mr. Speaker, this evening the Sonoma-Mendocino County Council of the Boy Scouts of America will gather at the Luther Burbank Center to honor Mr. Henry Trione as its first annual distinguished citizen of the year.

It is with a great sense of personal satisfaction that I join hundreds of citizens of the Sonoma and Mendocino County communities in paying tribute to this most deserving individual.

As a business and community leader, Henry Trione has helped to build the area Boy Scouts council into a model program with 6 districts, over 100 partner organizations and 1,500 volunteers. He was the driving force in securing land from the Masonite Corp. for Camp Navarro, a rustic retreat in the Redwood Forest which provides the youth membership of the local council a beautiful and functional facility for fun and outdoor adventure.

Beyond scouting, Henry Trione's contributions to his local community could fill volumes. But at a time when resources and public land issues are moving to the forefront of local and national attention, I think it is particularly appropriate and timely to cite one of Henry Trione's many current projects—his work as chairman of the California State Parks Foundation. While residents of Sonoma County are well aware and greatly appreciative of Henry Trione's efforts and ultimate responsibility for the acquisition of Annadel State Park, I am pleased and proud to recognize his role in acquiring parklands throughout the State for this and future generations.

Someone once wrote, "The inlet of a man's mind is what he learns, the outlet is what he accomplishes." In the case of Henry Trione, the "inlet" and the "outlet" have both been very substantial and growing ever larger as he has built a remarkable life—learning whatever he can about his community and accomplishing whatever he must to make it a better place for Scouts and for all of us to enjoy.

Henry Trione, we, your friends and neighbors of Redwood County U.S.A., are genuinely pleased and proud that you are one of our most distinguished native sons—a producer, a humanitarian, and a devoted family man who has committed the Golden Rule to his entire life.●

AMERICAN LEBANESE LEAGUE CALLS FOR WITHDRAWAL BY ALL FOREIGN TROOPS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. BINGHAM. Mr. Speaker, at their recent convention in Washington the American Lebanese League, an organization of Americans of Lebanese descent, passed a resolution relating to the current situation in Lebanon. I commend that resolution to all my colleagues and underscore one key point.

The league states that—

It is in the vital and strategic interests of the United States and Lebanon to have all foreign forces withdrawn. *A tragic error would be made if Israeli forces were to withdraw leaving Syrian and PLO forces in place. This would condemn Lebanon to its continued agony and suffering.*

This in an important point. The troubles in Lebanon did not begin with the Israeli move across the border 16 days ago. No, the tragedy of Lebanon began when the PLO and then Syria moved into that country and effectively ended Lebanese sovereignty over Lebanese territory. I remind my colleagues that a simple demand for a return to the status quo ante of 16 days ago will mean more Lebanese suf-

fering rather than an end to it. Simple calls for Israeli withdrawal, unless they are coupled with calls for the withdrawal of Syrian and Palestinian forces, do not serve peace and they do not serve Lebanese interests either. The people of Lebanon deserve something better.

The resolution follows:

RESOLUTION PASSED AT THE AMERICAN LEBANESE LEAGUE CONVENTION, JUNE 10-13, 1982, WASHINGTON, D.C.

Whereas the American Lebanese League (A.L.L.) expresses deep sorrow at the tragic loss of life, limb and property and laments the added thousands of Lebanese citizens made refugees in their homeland and;

Whereas the Lebanese problem must be considered in a larger context, having suffered the degradation and dehumanization of over 7 years of brutal Syrian and PLO military occupation;

Whereas it is in the vital and strategic interests of the United States and Lebanon to have all foreign forces withdrawn. A tragic error would be made if Israeli forces were to withdraw leaving Syrian and PLO forces in place. This would condemn Lebanon to its continued agony and suffering.

Whereas the present situation offers an opportunity for the United States to solve the Lebanese problem and to neutralize its territory as a flashpoint for conflict by alien forces with impunity,

Whereas it would be in the United States national and strategic interests and those of Lebanon, that the present policy of containment and passivism be reversed.

Therefore, be it resolved, That the United States use all legitimate means to: Assist in the creation of a strong central authority and army in Lebanon that assure a free, independent, pluralistic, sovereign state with territorial integrity.

This will accomplish the following:

(1) Blunt Soviet influence in the region through its Syrian, PLO, and Libyan clients.

(2) Curb the use of Lebanese territory as an international base of terrorism.

(3) Help remove Syria as an obstacle to the peace process and encourage more moderate forces for peace.

(4) Remove Lebanon as a potential tinderbox for a regional or wider conflagration.

The United States should take the necessary steps to insure:

(1) The withdrawal of all foreign forces from Lebanese soil.

(2) The establishment of a strong, central government and army to provide for internal security.

(3) A Free, Democratic Presidential Election.

(4) The Control and Behavior of the Palestinians while on Lebanese soil.

(5) To Provide Humanitarian and economic assistance to relieve the hardships of the population and help restore the Lebanese economy.

Mr. Speaker, with respect to the last recommendation in the above resolution, it would be noted that both Houses of the Congress are moving rapidly to provide substantial emergency funds for humanitarian assistance to the Lebanese people who have suffered as a result of ongoing hostilities.●

CREATIVE SMALL BUSINESS NEEDS OUR SUPPORT

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. MOFFETT. Mr. Speaker, I want to strongly endorse H.R. 4326, the Small Business Innovation Act. This legislation addresses a serious problem faced by the Nation's small business community, and does so in a constructive and reasonable way.

H.R. 4326 creates a "set-aside" program, to be phased in over 4 years, in which up to 1.25 percent of the R. & D. budget of any Government agency with an R. & D. allocation over $100 million annually would be set aside for small business applicants. The phasein would be gradual: 0.2 percent in the first year; 0.6 percent in the second; 1.0 in the third; and 1.25 percent in all subsequent years.

This set-aside program is necessary because small businesses have suffered discrimination in the past by Government agencies in the awards of R. & D. contracts. The political clout and connections of large corporations has resulted in a disproportionate share of Federal R. & D. moneys being funneled to them, while small businesses find themselves shut out unfairly. That is the problem that this legislation addresses.

Small business has proven to be one of the most creative sectors of our economy. A 1976 MIT study found that 66 percent of all new jobs in the United States are created by firms with less than 20 employees, and that 77 percent of all new jobs are created by firms with 50 or fewer employees. A survey by INC magazine of the 700 fastest growing small companies in the United States found that those 700 firms added 200,000 jobs to the economy in 1976-81, an increase of 519 percent. By contrast, the Fortune 500 companies, during the same period, increased their total labor force only 7 percent.

Similiarly, a 1975 Department of Commerce study showed that small, high tech manufacturers grew faster, employed more people, were more productive and had smaller price increases than the average of all industries in the period 1957-73. These findings were buttressed by a 1976 NSF study, which found that small firms are 4 to 24 times more innovative per R. & D. dollar than medium or large-sized firms.

Given those statistics on the creativity and productivity of small business, it is certainly appropriate to make sure that they have reasonable access to Federal R. & D. contracts. In addition, this legislation is modeled on a highly successful program at the National Science Foundation.

In sum, I am voting for this bill because it is a thoughtful and much-needed aid to creative small businesses. In both the short and long run, by aiding small business, it will also add to the strength and competitiveness of our economy.●

THE LAW OF THE SEA TREATY

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. FIELDS. Mr. Speaker, proponents of the Law of the Sea Treaty often contend that the admittedly loathsome provisions of the seabed mining section must be embraced as the price for achieving an utopian world relative to navigation and overflight, environment, marine research, fishing, and so forth. These proponents close their ears and minds to the equally earnest and qualified opinions that the treaty does not improve United States or world interests in these nonseabed mining areas over what already exists in customary law and bilateral agreements.

One of the areas for which improvements are claimed is that fisheries. Therefore, I am presenting for our colleagues and the public recent testimony given by our most distinguished colleague from the wonderous State of Alaska upon the potential effects of the LOS Treaty on this Nation's fishing industry. I personally thank Congressman DON YOUNG for his vigilant and conscientious involvement in this issue.

TESTIMONY OF HON. DON YOUNG BEFORE COMMITTEE ON FOREIGN AFFAIRS HEARINGS ON LAW OF THE SEA

Mr. Chairman, Members of the Committee, I appreciate the opportunity to testify before you today on a subject which I feel will have a tremendous impact on the future of the United States.

I want to make clear from the start that I am opposed to this treaty. If the U.S. were to even sign the treaty, much less ratify it, I think that we would be in trouble. The treaty does not protect U.S. interests in mining, oil and gas development, defense, or fisheries. If the intent of the United States is to share our wealth with less developed countries, let us do so directly with foreign aid and not through the sort of robbery that is envisioned in the New International Economic Order. Certainly, we should not subject our maritime industries to the confusion and economic disorder that will result from the U.S. becoming a party to this treaty.

Other witnesses today will speak of the problems presented by the treaty in the area of seabed mining, an area which has attracted the most attention in the treaty debate. As the only Representative of the great State of Alaska, a State which is adjacent to U.S. waters containing 14 percent of the world's protein resources and a State which has 35 percent of this nation's coast-

line, I will touch on the potential effect of the treaty on this nation's fishing industry.

Some treaty supporters contend that the treaty will have no adverse impact on the U.S. fishing industry. In fact, one letter that I received from a professor of law at the University of Washington suggested that those concerned with salmon fishing "benefit a great deal more from the LOS treaty than from the situation without it." With all due respect to the distinguished professor, I submit that he has not paid much attention to the real world lately.

Problem areas in the treaty include those articles dealing with access to surplus fish, compulsory conciliation, and continuation of high seas fishing. I will explain each of these briefly.

Article 62 of the treaty lists those factors which a coastal State must consider when granting a foreign State access to surplus fish in the coastal State's 200 mile zone. Among these factors is the need to consider the "economic dislocation" of a foreign State's fishermen.

That's an interesting term, but what does it mean? Is it really all that important?

According to Japan, economic dislocation will result if the U.S.: (a) continues to follow our current policy of promoting the development of the U.S. fishing industry by releasing fishing allocations three times each year in order to insure cooperation from foreign fishermen; or (b) grants a smaller than expected allocation to a nation which the U.S. has determined is not cooperating with our fishing industry. As to the importance of this factor, Japan (again) has insisted that the avoidance of economic dislocation be included as part of the Governing International Fishery Agreement that is now being renegotiated between the U.S. and Japan. Obviously, one nation conducting a major fishery in our 200 mile zone thinks that economic dislocation is important, at least as far as that nation's fishermen are concerned.

Those of us who represent coastal States, including members of this Committee, have worked hard to insure that our fisheries resources are not given away to foreign nations in a manner detrimental to our own fishing industry. Under the treaty, the U.S. would have to consider foreign interests as well as our own. That idea flies in the face of the efforts that this Congress has made to develop our domestic fishing industry without subsidies and without protectionism but with the idea that these are our fish and we are going to control who gets them.

If the U.S. were to sign the treaty and then to neglect to consider economic dislocation, what happens? According to Article 297, a foreign State which alleges—not proves, alleges—that a coastal State has arbitrarily refused to allocate a portion of a declared surplus of fish can call for conciliation. Under Article 12 of Annex V of the treaty, the refusal of the coastal State to enter into conciliation does not constitute a bar to the proceedings. So, if Country X wants to fish in U.S. waters, and the U.S. says no, our fish is being held in reserve for U.S. fishermen and we are sorry but you are going to suffer economic dislocation, then Country X can allege arbitrary refusal to allocate a surplus and call for conciliation.

Treaty supporters are quick to point out that conciliation is not binding and the U.S. therefore does not have to accept the findings of the conciliation commission. This is correct. However, a U.S. refusal to comply could lead to other actions being taken by the dissatisfied foreign State. Perhaps that State would suddenly find quality problems with U.S. fish products and interfere with the importation of these products. This happened to U.S. caught tanner crab being sent to Asia in 1976/77. Perhaps the foreign State would refuse to participate in joint ventures with U.S. fishermen. Either of these possibilities could lead to quick U.S. acceptance of the conciliation commission's recommendations. As to whether or not a foreign State would actually take such actions, I can only suggest that we consider Japanese threats of trade retaliation for U.S. actions in support of the International Whaling Commission.

Even if a foreign State did not take any sort of drastic action as mentioned above, what sort of political pressure would be put on the U.S. to accept the conciliation commission's findings? In the past, the U.S. State Department has been notoriously eager to trade fishing privileges for such things as the boycott of the Moscow Olympic Games. Although the present administration has refrained from trading away our fisheries resources for political gain in other areas, we have no idea what future administrations might do. Therefore, it is easy to forsee a situation where the U.S. Government, under political pressure from other States to accept a conciliation decision, will agree to let U.S. fishing interests take a back seat. It has been done before.

Thus, we could have a situation where every allocation decision made by the U.S. is subject to challenge if a foreign State can allege that a declared surplus has arbitrarily gone un-allocated. Each challenge can tie up the U.S. in conciliation proceedings. If you think that fisheries management is confusing now, what will happen if the U.S. signs the treaty?

Another fisheries question involves fishing for salmon on the high seas. As the Washington State members of this Committee know, the Japanese have for many years conducted a high seas salmon gillnet fishery in the Bering Sea and North Pacific Ocean. That fishery has been responsible for the loss of hundreds of thousands of U.S.-origin salmon each year.

Under existing domestic law, the U.S. claims jurisdiction over U.S.-origin salmon throughout their ranges, except when those fish are in the 200 mile zones of other countries. Thus, if a violation of existing salmon treaties occurs, even though that violation is in international waters, the U.S. can exert jurisdiction. This occured last year when a Japanese vessel, the MARUNAKA MARU #88, was caught fishing illegally and had to be fired on by the Coast Guard before it would stop. Further, if the U.S. decided to exert pressure on Japan to hold down the take of U.S.-origin salmon, the U.S. could use the threat of decreased allocations in our 200 mile zone as a means of lowering the harvest. This tactic was used successfully in 1980 to achieve a reduction in the take of U.S.- origin salmon.

What does the treaty say? Again, we are faced with the need to consider economic dislocation of foreign fishermen who have fished on the high seas. This consideration occures when the U.S. sets catch levels for salmon. Enforcement of the catch levels beyond 200 miles is only by agreement between the nations concerned. No agreement, no enforcement. Thus, we lose jurisdiction over salmon beyond 200 miles, we must depend on the cooperation of other States to enforce catch levels, and we run into difficulty terminating the high seas fishery due to the need to consider economic dislocation. Further, if we try to use the threat of withholding allocations in other fisheries, we once again run into the conciliation problem.

This treaty will be a nightmare to U.S. fishermen and processors who have worked hard to develop the U.S. fishing industry. It does nothing for us that existing domestic law cannot do and in fact can remove some of the advantages found in existing domestic law. Even if the U.S. were to go back to the negotiating table, as some treaty supporters have suggested, I see no evidence that the fisheries provisions of this treaty would be changed.

For those of you who may question the importance of the fishing industry in this country, let me remind you that fisheries imports account for approximately 10 percent of our balance of trade deficit. Other than oil, I know of no similar instance where a single product plays such a major role in our trade balance. If this Committee is concerned about the future of U.S. foreign policy, it had better recognize the importance of the U.S. fishing industry.

I am including with my testimony a statement I submitted for the Congressional Record on June 9 which explains in more detail the potential problems that this treaty poses for the U.S. fishing industry. I am also submitting a memorandum prepared by the National Federation of Fishermen, an organization which represents the majority of organized commerical fishermen in this country. Although NFF does not represent any fishermen's organizations in Alaska, I think that the analysis done by Lucy Sloan, the Executive Director of NFF, is worth reading. Finally, I am including a letter from the Gulf of Mexico Fishery Management Council which expresses that group's opposition to the treaty.

Mr. Chairman, the U.S. has already voted against adoption of this treaty. I see no reason why the U.S. position should be changed. The time has come for the U.S. to stand firm against those nations that seek to rob from the rich and keep for themselves.●

BIOCHEMICAL BARBARIANS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. GINGRICH. Mr. Speaker, the allied nations virtually ignored the fate of the Jews while Hitler carried out his "final solution" during 1941-43. A few statements were made about it, but then the matter disappeared.

Will "yellow rain" be treated the same way? The President and the Secretary of State have made statements, but beyond that, what is going to happen?

When we look back at Hitler's "final solution" we can only wonder why more was not done to stop the tragedy. We cannot pretend the leaders of the allied nations did not know about it. Walter Lacquer in his book, "The Terrible Secret," has detailed the reports which were flowing to them. One letter to the author is a particularly dramatic reminder of our indifference.

Arthur Goldberg, who worked in U.S. intelligence during the war and went on to be U.S. Ambassador to the U.N., wrote to Lacquer:

In the course of these meetings (during the autumn of 1942) Mr. Zygiebojm informed me about Hitler's program for the "final solution." He also provided me with evidence supporting the information he furnished. I forwarded this information to General Donovan through OSS (Office of Strategic Services) channels. At this point my memory becomes faulty. I believe that he not only advised me about the death camps but also about the uprising in the Warsaw ghetto and requested either a bombing of Auschwitz and/or the Warsaw ghetto . . . I recall that upon receiving an answer to my urging that his request be honored and that it was negative, I asked him to have dinner with me at Claridges (in London) where I was staying. With understandable pain and anguish I told him that our government was not prepared to do what he requested because in the view of our high command, aircraft were not available for this purpose. The next day he committed suicide—this I recall vividly.

WE CAN ACT

The fact of chemical warfare in 1982 should stir us in a way that the massacre of German Jews in 1942 sadly did not. We must not turn our backs again. The House of Representatives must act; we must investigate Soviet biochemical warfare in Asia. Specifically, we should find out:

First, to what extent have the Soviets used biochemical weapons? What are the capabilities of these weapons? We should survey different refugee populations, examine classified materials, and probe the foreign documents referred to in Sterling Seagrave's book "Yellow Rain."

Second, has there been a coverup? Did the last administration deliberately skip investigations and prevent widespread exposure of the Soviets' use of biochemical weapons? Did the bureaucrats withhold information this body deserves to know?

Third, how should we change U.S. foreign policy? If the Soviets are deliberately building up their capability to conduct biochemical warfare, and deliberately testing their weapons on other people, we have to change our policies to reflect that.

THE REASONS WHY

In his book, Lacquer concludes that democratic societies have a "psychological handicap" in understanding "political regimes of a different character." Our psychological handicap may have kept us from drawing attention to the Soviets' poison war early on, but it shouldn't hold us back any longer.

Of course all of us want to avoid thinking about Afghan freedom fighters hemorrhaging and vomiting up so much blood they drown in their own blood. We may not want to think about what kind of poison would kill three freedom fighters as they sat, ready to fire their rifles, without any sign of their having reacted or even noticed the poison.

But the reports are now too pervasive to ignore. We may be able to discount a few refugee reports, or reports from freedom-fighters or guerrilla forces, since "they are just interested in propaganda." But how can we discount this evidence from a recent State Department summary of these reports?

A Dutch journalist, Bernd de Bruin, published an eyewitness account of two chemical attacks occurring in the Jalalabad area on June 15 and June 21, 1980 (Niewsnet, August 2, 1980). He filmed an MI-24 helicopter dropping canisters that produced a dirty yellow cloud. A victim with blackened skin, discolored by extensive subcutaneous hemorrhaging, was photographed in the village 5 hours after the attack. The journalist evidently was exposed because he developed blisters on his hands and a swollen and itchy face. He was also exposed to a second attack, and it took about 10 days for him to recover from skin lesions, nausea, diarrhea, and stomach cramps.

Seagrave's reports on how slowly the bureaucracy responded to the reports of poison attacks, and reported to higher authorities should also be investigated by this body. Were there people in the administration refusing to pursue this issue?

Finally, we must consider changing U.S. foreign policy. There are some policymakers as coldblooded as the unnamed source in the New Republic magazine who said:

In the big picture SALT and the U.S.S.R. are far more important than a couple of hundred thousand Hmongs (a tribe in Laos, whose refugees have reported the poison attacks) in an area where we don't have any interest.

But that thinking is the height of folly. How can we go into arms-control talks with the Soviets and pretend to reassure our citizens when we know the Soviets have violated the 1972 Biological Weapons Convention? To use the unnamed source's phrase, "the big picture" is changed by Soviet biochemical weapons. The United States cannot approach arms negotiations and pretend we are dealing with a nation that sees humanity the same way we do.

Reinhold Niebuhr tried to alert Americans to how the Nazis viewed humanity by calling them "synthetic barbarians." He was trying to point out the Nazis were not just power mongers, but were deliberately and consciously using modern technology to design a system promoting and emphasizing the worst instincts in human nature. Their system was manufactured evil. Yet even the Nazis had some sense of restraint in biochemical warfare. They had a large stockpile of nerve gas which they refused to use, even after the allies invaded mainland Europe. But the biochemical barbarians have shown none of that restraint. It is not as if the Afghans are invading their territory.

We must alert our citizens to the nature of these barbarians, these biochemical barbarians.

As a body we can do no less.

The British writer Dorothy Sayers says World War II was largely brought on by the British themselves, "through a refusal of responsibility and a determined refusal to believe in the possibility of a will to evil." That same refusal to believe in a will to evil ran through most reactions to reports about Hitler's "final solution."

Yellow rain should show us once again what a "will to evil" means. Will we see?●

OUR FRIENDSHIP WITH ISRAEL

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. WAXMAN. Mr. Speaker, the recent criticism of Israel's actions brought to mind a speech made last year by my distinguished colleague from Oregon, Representative LES AUCOIN. He pinpoints most succinctly the kind of thinking which causes some members of this administration to regard Israel as an obstruction to peace with "moderate" Arab states.

Mr. Speaker, as the gentleman from Oregon points out, Israel is an island of stability surrounded by precarious and capricious enemies. Let us, for a moment, appreciate the benefits of our friendship with Israel as we consider Mr. AUCOIN'S remarks.

REMARKS OF CONGRESSMAN LES AUCOIN BEFORE THE OREGON COMMITTEE FOR ISRAEL BONDS

In George Orwell's book, "1984", the people were duped by something called "doublethink."

It was best reflected by the slogan: "War is peace, freedom is slavery, ignorance is strength."

Orwell happened to write that a year after the State of Israel was founded. Today, in the 33rd year of Israel's life, the author could take stock of a new phenomenon in American thinking and add one final line to that slogan. The line would be: "Your adversary is your friend."

I know of no other way to describe the revisionist thinking—that may be on the upswing in America—with regard to who our friends actually are in the Middle East.

Specifically, it's becoming very fashionable just now to think of Saudi Arabia as our "friend." In the media, you can find increasing references to the Saudis as one of the "moderate" Arab states.

And in Europe, if you were to make a judgment based on the statements of those lionhearted, courageous allies, you would believe that Saudi Arabia is almost more of a force for peace than Israel.

This thinking has gone so far that the Administration sold the Saudis new, offensive arms in the theory that this will buy their loyalty and support and will protect them from their enemies.

Well, my friends, I'm not interested in theory. Tonight, this is going to be a conversation about reality.

America has a dependable friend in the Middle East and that friend is Israel—not Saudi Arabia.

You tell me. What friend would raise the price of oil 1,000 percent in the last eight years? What friend would trigger a savage rate of inflation in this country? What friend would bring the Third World to the brink of bankruptcy? What friend would endanger the American banking system by coercing billions of dollars in questionable loans to underdeveloped countries who are being flattened by those same oil prices?

Moderation? Is it moderate to state that the solution to the Mideast crisis is a "holy war" leading to the extinction of Israel and her armies and her people?

I think not.

Nor is there truth in the notion that the Saudis are moderates on OPEC oil pricing. I concede that the Saudis have resisted certain price hikes advocated by the Libya's and Iraq's of the world. But if any American thinks that that's doing us a favor, they're very, very wrong indeed.

The Saudis' real motives were stated in what had to be an unguarded moment by Shiek Yamani himself. It was in January and it was at the University of Petroleum and Minerals in Saudi Arabia. And it blew the cover off Saudi Arabia's intentions. Yamani said the following:

"If we force Western countries to invest heavily in finding alternative sources of energy, they will. This would take no more than seven to ten years and would result in reducing dependence on oil as a source of energy to a point where it will jeopardize Saudi Arabia's interests."

There you have it. Instead of drowning us under a bucket of water, the Saudis prefer Chinese water torture instead—banking that a more systematic approach will bleed us more completely in the long run and that America will be too much of a sleepwalker to react effectively.

That's the "friend" who now asks us for some of the most sophisticated weapons on the face of the earth—weapons that would be a sure threat to Israel and, just as importantly, to the security interests of the United States.

Let me lay it on the line.

I passionately oppose this arms sale. I will use every ounce of influence I have as a member of the Appropriations Committee to head it off, and I'm prepared to see this fight through to the end.

No discussion of Israel can be made without focusing on this life or death issue.

So let's look at the weapons the Saudis have asked for and which the Administration has agreed to sell.

First, we're looking at extra equipment for the F-15 fighter aircraft the U.S. sold Saudi Arabia in 1978. But this isn't just any kind of extra equipment—this equipment transforms these aircraft into deadly offensive weapons.

I'm talking here about sophisticated "Sidewinder" air-to-air missiles installed on those F-15's—missiles that are more accurate and deadly than most of the missiles deployed in the Middle East. I'm also talking about special fuel packs which, when mounted on the F-15, increase its range from 450 miles to 1,000 miles. Jerusalem is 860 miles from the capital of Saudi Arabia; Tel Aviv is 900.

Finally, there is the AWAC. This is an incredibly sophisticated airplane jammed full of the most advanced computers, data-processing machines and communications equipment.

AWACS can be used for defensive purposes—for the early detection of an enemy attack. But it is also more than that. It is a flying command post with devastating offensive potential—especially when it is used to direct aircraft such as the F-15. It's computer can track 400 planes at one time and flash that information to various airborne and ground stations. It can pick up the movement of any object moving at more than 80 miles an hour within a 250-mile radius. It can even detect automobiles moving on highways at those speeds.

Thus, it could pick up Israeli jets and direct F-15 long-range air strikes against them—before those jets had even left the runway. Defense Secretary Caspar Weinberger agreed that AWACS flying inside Saudi borders would be able to see nearly every Israeli aircraft as it rose from its base, track the planes, and radio that information to Syria or other adversaries of Israel.

On top of that, an Arab surprise attack, in coordination with Syria, Jordan and Iraq, will be possible if AWACS are deployed to cover all of Israel's airspace.

Now I said that this was going to be a conversation about reality. The facts are these: Saudi Arabia has been unable to say "no" to its Arab hard-line neighbors in their boycott of the Camp David framework for peace negotiations * * * they have been unable to resist the economic boycott inflicted on Egypt after President Sadat moved forward for peace.

Now you tell me; does anyone here believe that the raid on Entebbe could have been done if the Saudis had had AWACS monitoring those Israeli rescue planes? And what about the Yom Kippur War in 1973? There were over 2,500 Israelis killed and 7,500 wounded in a war Israel almost lost.

Who, here, is confident Israel would have been able to finally pull it out if AWACS and retrofitted F-15s had been used in a coordinated Arab attack as Israeli forces, stretched thin across a broad eastern border, tried to defend against pinpoint strikes by heavily armed, long-range F-15s?

This sale does not increase the chance for peace. This sale jeopardizes the peace.

And it violates the commitment made to the Congress, the American public, and the people of Israel, and the world that the up with extra equipment of this kind. It was then and only then that the sale was approved—and only by a margin of 44-54.

But to add insult to injury, our government has failed to win a single concession from the Saudis in return for this largesse. This can only mean that we hope the sale will bribe the Saudis into good behavior—or it means we are trying to avoid a confrontation with a government that has made it clear it will be displeased if America disappoints it.

As to the idea of buying good behavior, that's what the Carter Administration thought it was doing in 1978 with the original F-15 sale—but it didn't prevent the price of oil from rising from $12.70 a barrel to its present level of $32 a barrel. And with respect to the second possible U.S. objective, conservative columnist George Will—a personal friend of President Reagan—said this: "There is a name for yielding without reciprocation to the demands of another nation in order to avoid a confrontation: such behavior is called appeasement."

But the most important thing here is that this sale not only jeopardizes Israel, it is not in the strategic interest of the United States.

Israel is America's one strategic ally in the Middle East and unlike Saudi Arabia she cannot afford this increase in the arms race. Israel has an average tax rate of 50 percent of personal income and it spends 30 percent of its gross national product on defense. In the United States it's 5 percent. Inflation in Israel has reached 133 percent.

But this sale also works against America because the technology could ultimately fall into the hands of radical or even pro-Soviet elements. I say this because the Saudi Arabian regime is not stable, is not secure, and there is no guarantee that we would know what would happen to that equipment if the government were overthrown as the Shah's government was in Iran.

My friends, it's worth remembering on this night that Israel has not asked America once to send a single American soldier to fight its wars. It asks only to be given a chance, its own chance.

With our friendship and understanding, Israel can cope—as it has shown repeatedly—with the most frightening adversity. But what it may not be able to survive is an upsurge of revisionist thinking which begins to hint that Israel may not be so important after all—at least not as important as oil or other resources or interests.

So at this critical time, it's your duty and mine to show why Israel is our friend and why the future of Israel is the future of America and the western democracies in the Middle East. It's our duty to explain why Israel is necessary.

This small state was born out of the devastation of World War II, a home for homeless Jews, the culmination of an ideal and the realization of an idea that only in a Jewish state can Jews be forever free of persecution.

It remains the ideal for Jews everywhere. It remains a goal for Jews in Israel working to fulfill the destiny of the Jewish state, of American Jews who support the cause, of thousands of Soviet Jews unable to leave the Soviet Union and bearing the daily persecution of the state.

This in itself is reason enough for Israel to exist. But those who fight the existence of Israel and would undermine American support need other "political" reasons. So let me offer a few.

Israel is a genuine democracy, the only one in the Middle East and one of less than 40 in the world. And unlike Egypt, Israel has established institutions. So that even with the fall of a government, we can count on those institutions for continuity.

Israel's open alignment with the West reflects a permanent and unconditional orientation.

Israel is a strategic asset—the one power in the Middle East capable of supporting an American response to any rapid growth of Soviet naval power in the Mediterranean and the Indian Ocean. Indeed, if you removed Israel from the Middle East, the region would be more dangerous than it is today and the United States would have less leverage, less security, and less influence on the oil resources of that region.

But as true as those points are, for anyone who has studied the Middle East and its history, such justifications seem craven.

Because they miss the celebration of the human spirit that Israel represents for Jew and non-Jew alike.

Tiny Israel, a nation made up of a people who were the most persecuted in history who nevertheless grant to others the politi-

cal and religious freedoms they, themselves, have so often been denied.

Tiny Israel, home of democratic institutions that have never been suspended—even though it has been on a war footing since 1948.

Sometimes * * * it's easy for us to believe after all these years that Israel will always be. The Crusaders felt that way and they were in the Middle East for 200 years. Israel is in its 33rd year.

But Israel will survive as long as it keeps its uncompromising principles. The real question in our generation is whether Israel's friends in the world, and that means you and me, also think of principle as something that cannot be compromised.

And this reminds me of something else in George Orwell's book. It's a quote from one of the apologists for that process called "doublethink."

"What are the stars?" he said. "They're bits of fire a few kilometers away. We could reach them if we wanted to—or, we could blot them out. The earth is the center of the universe. The sun and the stars go around it.

"For certain purposes, of course, that is not true. When we navigate the ocean, or when we predict an eclipse, we often find it convenient to assume the earth goes round the sun * * * and that the stars are millions of kilometers away.

"But what of it? Do you suppose it is beyond us to produce a dual system of astronomy? The stars can be near or distant, according as we need them. Do you suppose our mathematicians are unequal to that? Have you forgotten doublethink?"

We gather tonight to make sure that the human mind will never be allowed to find it "convenient" to warp the truth of Israel or to adopt to dual system of principle in deciding the fate of this ideal, this wisp of hope, that we call Israel.●

BOSTON CITY COUNCIL RESOLUTION HONORS CITIZEN

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. DONNELLY. Mr. Speaker, I would like to take this opportunity to inform my esteemed colleagues in the House of a recent Boston City Council resolution introduced by Councilor Joseph Tierney that honors a constituent of mine, Richard J. Flippin of Dorchester, Mass.

Mr. Speaker, I feel it is entirely appropriate for us to honor such citizens, as in this instance, Richard J. Flippin served our country unstintingly in time of war, and now in time of peace.

I insert the council resolution at this point in the RECORD.

BOSTON CITY COUNCIL RESOLUTION

Whereas Richard J. Flippin was a member of the United States Marine Corps from June 1967 to April 1970 and served in Vietnam during his tour of duty; and

Whereas Richard J. Flippin received the Purple Heart for meritorious service and wounds sustained while participating in operations against the insurgent communist forces on September 19, 1968; and

Whereas Richard J. Flippin, through his tireless efforts, resourcefulness, and individual acts of heroism, achieved an illustrious record in keeping with the highest traditions of the Marine Corps; and

Whereas this selfless and dedicated Marine has also contributed greatly to his community giving much of his time to help charities and youth; and

Resolved, That the Boston City Council in meeting assembled does hereby recognize with great appreciation the efforts of Richard J. Flippin; and be it further

Resolved, That the Boston City Council wishes the utmost success to Richard J. Flippin and the best of luck in all future endeavors.●

LEO THILTGEN

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. PANETTA. Mr. Speaker, I would like to bring to the attention of my colleagues the retirement of a great labor leader from my home area, Mr. Leo Thiltgen. Leo is retiring after 26 years as financial secretary of Local No. 1323 of the United Brotherhood of Carpenters and Joiners of America, located in Monterey, Calif.

Over the past quarter century, Leo has been one of the most prominent and hard-working individuals in the labor movement in the Monterey area. Leo first came to area in 1945. He took a job with T.A. Work Mill and Cabinet Co. and stayed with that company until 1959. During that time, he was appointed to the Monterey Peninsula Apprentice Committee, and he remained a committee member until 1978.

In 1950, Leo became recording secretary of Carpenters Local No. 1323, and he was named in that same year as executive secretary of the newly formed Monterey Bay District Council, a position he held until 1975, a full 25 years. In 1959, Leo was elected to the full-time position of Financial secretary of Local No. 1323, and now, 23 years later, he is retiring from that position.

Other positions Leo has held include chairman of the Monterey County Labor Council, cochairman of the 42 counties apprentice board, trustee on the 46 Northern California Carpenters Health and Welfare Trust for over 17 years, and a member of the Monterey County Service committee for over 10 years.

Leo can be very proud of the work he has done, and I am pleased to have been able to tell you of his accomplishments. His wife, Margaret, and his two children, Karen and James, all of whom shared in those accomplishments, should now share in the pride and in the appreciation the workers and all residents of Monterey County are now bestowing upon Leo. I know all of my colleagues join me in wishing Leo and his family the best of luck in the years ahead.●

MAX STERN: A MAN WHO REACHED THE SUMMIT OF CHARITY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. SOLARZ. Mr. Speaker, Maimonides once said:

Anticipate charity by preventing poverty; assist the reduced fellow man, either by a considerable gift, or a sum of money, or by teaching him a trade, or by putting him in the way of business, so that he may earn an honest livelihood, and not be forced to the dreadful alternative of holding out his hand for charity. This is the highest step and the summit of charity's golden ladder.

Max Stern, of New York, died on May 20 at the age of 83. Mr. Stern reached and surpassed the summit of charity described by Maimonides. He spent his life working for the betterment of humanity and was particularly devoted to Jewish education, donating over $10 million to Yeshiva University and serving as its honorary chairman. In 1954, he founded the nation's first undergraduate liberal arts and sciences school for women under Jewish auspices, Stern College. It was also he who helped persuade Albert Einstein to lend his name to what became the Albert Einstein School of Medicine in New York.

Max Stern came to the United States as an immigrant in 1926 from Germany. He started a small business selling canaries. Through hard work and determination, his business prospered and grew into the internationally known Hartz Mountain Products Corp.

Men like Max Stern are a rarity. They combine tremendous business skill with generosity and humanitarian ideals. Because of his long devotion and generous support of Israel, a park in Jerusalem was named for Max; and in 1976 Max Stern was awarded the Jerusalem Medal.

I feel very fortunate that, in my years in public service, I had the opportunity to come to know this remarkable man. I would like to extend my deepest sympathies to Max's family and associates on the great loss they have suffered. Max Stern's spirit and humanitarianism will live on through the marvelous institutions of higher education he helped establish that made it possible for thousands of men and women to attain knowledge and professional skills, with which they, in turn, could aid others.

Max Stern was a devoted family man, a talented businessman, and a generous philanthropist who reached

the summit of charity's ladder. He will be sorely missed by the entire Jewish community.●

THE 1983 BUDGET: WE CAN DO BETTER

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. MOFFETT. Mr. Speaker, the Republican budget proposal before us today is a failure as a budget and as a signal to the Nation. Rather than addressing the economic crisis facing us, in which 36 businesses on average have gone bankrupt every hour since last January, the budget is a coverup for the failure of Reaganomics. It reflects the remarks of the Republican Party's national finance chairman, Richard DeVos, who claimed last week that "the recession has been a beneficial and cleansing tonic." That is an astonishing observation, given the highest rate of unemployment since 1941, and the highest rate of business bankruptcies since the Great Depression. I challenge Mr. DeVos to explain to the 10 million jobless Americans or to the thousands of bankrupt businessmen what is "beneficial" about this kind of suffering.

The budget before us, which is a compromise document of House and Senate Republicans, is cruel and irresponsible. It is irresponsible because it is based on economic assumptions which everyone involved in the negotiating process knows are fraudulent. Numbers have been intentionally distorted, to reduce the projected deficit for fiscal year 1983, and in later years. This budget assumes an unemployment rate of 8.4 percent, interest rates of 10.7 percent, an inflation rate of 7 percent, and real growth in the gross national product of 4.5 percent. If those estimates are each incorrect by 0.5 percent or 1 percent, the 1983 deficit will be $30 to $50 billion higher than the $103 billion of red ink projected by the conference report.

The effects of such "fraud in budgeting" can be seen readily in the current fiscal year, 1982. Last August, the President's budget bill claimed that the deficit for 1982 would be $37.9 billion, compared to an actual year-end deficit of $120 to $130 billion. The only way that a deficit can be three times higher than the original estimate is through intentional and gross distorting of economic assumptions—which was subsequently admitted by OMB Director David Stockman.

This budget is based on additional fraudulent expectations. It includes $44 billion in so-called management savings over 1983–85. Even the Senate Republicans had previously reduced that figure to $33 billion, which was still way too high. Of that $44 billion, $23 billion will supposedly come from the sale of offshore oil leasing rights at prices well above traditional levels. Nearly $9 billion is claimed from the sales of Federal land. These are totally unrealistic numbers that have been cooked up to reduce overall deficits.

The true deficit is also hidden by the rejection of the Congressional Budget Office's estimates for the rate of defense spending. Since the White House accepted CBO estimates just a few months ago, why have they now been rejected by congressional Republicans? To hide deficits under a numbers rug.

By underestimating the 1983 deficits, and those in subsequent years, the Republican budget simply adopts the tactics of the 1981 Reagan budget bill. That bill has already given us the single largest deficit in our history, roughly twice as large as the previous record deficit of $66 billion under President Ford. The 1982 deficit has the further dubious distinction of being larger than the total personal savings of Americans that are anticipated for fiscal year 1982, $115 billion.

The economic recovery we have been hearing so much about will be delayed or weakened as long as the Reagan deficits continue to absorb huge amounts of credit and savings from the economy, which would otherwise be available for productive investment. The Republican budget before us today continues those unwise deficits, although on a somewhat diminished scale. If we had simply adopted the President's 1983 budget, we would have a deficit of $182 billion in 1983, followed by $216 billion in 1984, $223 billion in 1985, and so on. For 1982 to 1987, the President's economic game plan projected a cumulative deficit of $1.4 trillion—a 140 percent increase in the total existing national debt. By contrast, the Republican 1983 budget proposal will generate deficit of perhaps $140 billion in 1983—certainly not the $104 billion in claims—and a 3-year cumulative deficit in the range of $250–300 billion.

But even those deficits are unnecessary. First, they are based on far too much money for the Pentagon—A 48-percent increase between 1983 and 1985. Second, they are unnecessary because they do nothing about the tax cuts passed last year, which were targeted to oil companies and to individuals earning over $200,000 a year. Third, they are reckless, because they will absorb so much credit that interest rates will remain near where they are now, thus preventing a strong recovery from the recession.

This budget is also cruel to the poor, the young, and the elderly. Last year, we cut $36 billion in spending for vital social services, including child nutrition, medicare, medicaid, social security, education, and food stamps. This budget cuts even more deeply into those already decimated programs. It projects $60 billion in cuts between 1983 and 1985 in domestic programs. It is a budget which disinvests in the future, by pretending that we do not need to take care of the health and educational needs of our citizens, particularly our neediest citizens. It pretends that we can compete with our economic rivals, despite the fact that we will freeze the already-inadequate amount that we spend on nonmilitary research and development.

This is also a budget which continues last year's senseless cuts in such things as disaster assistance. The American people expect their Government to help them if they lose their homes and businesses as a result of floods, volcanic eruptions, tornadoes, or earthquakes. Yet, as a result of cuts made in the budget of the Small Business Administration in the 1981 Reagan budget, my own State now faces the prospect of inadequate assistance for its recovery from devastating floods. The Reagan 1981 budget raised the interest rates for SBA loans from 3 percent to 16 percent for homeowners. It increased the rates for businesses from 5 percent to 16 percent. It decreased the maximum loss coverage for a business from $1 million to $500,000.

These are the kinds of unjustifiable budget cuts that are typical of the Reagan game plan. The Nation can no longer afford this irresponsible experiment in supply side, trickle-down suffering. If we adopt this budget, we will simply continue the Reagan plan for dismantling the economy, and for disinvesting in the future. If we pass this budget, we will be accepting the Reagan flow of money to the wealthy and to rich corporations. And we will continue to bankrupt the middle class, to kick the poor and the defenseless, and to pretend that all is well. It is time to send Mr. Reagan a message that there is something rotten in the state of the Nation—his economic vision. That is why I cannot and will not vote for a budget which embodies his refusal to address the real economic crisis facing us.●

LAW OF THE SEA TREATY

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. FIELDS. Mr. Speaker, I am most pleased to insert into the public record the recent testimony before the House Foreign Affairs Committee of the Republican whip, the Honorable TRENT LOTT, on the subject of the Law of the Sea Treaty.

Congressman LOTT deserves the highest praise for his insights and

leadership relative to this most important subject. For those of our colleagues who are wondering what really took place during this most recent negotiating session in New York, I commend this testimony to their study.

I join Congressman LOTT in urging the President to quickly sound a clear call of rejection for this so-called treaty and all its underlying principles—principles which the President has so eloquently and forcefully rejected at Cancun and recently in Europe—the false principles of international socialism. The President must not be led by certain elements to postpone his decision and announcement in the false hope that further protracted negotiations will bear fruit. More than a decade of effort has demonstrated the futility of such an approach. Our friends and allies are looking to the United States for leadership, not equivocation. No one answers the call of an uncertain trumpet. We must set our mark and strike it. We must now cast this misbegotten child of a treaty into the dustbin of history along with its parents.

TESTIMONY OF HON. TRENT LOTT BEFORE THE HOUSE COMMITTEE ON FOREIGN AFFAIRS REGARDING THE LAW OF THE SEA, JUNE 17, 1982

Mr. Chairman and Members of the Committee, I deeply appreciate this opportunity to share with you my views on the Law of the Sea Treaty. I wholly support the excellent statements of my colleagues, Messrs. Breaux, Young and Fields, who have spent many years carefully studying developments at the Law of the Sea Conference. Their statements reflect their comprehensive knowledge of many of the details of the treaty with which I am less familiar than they.

Accordingly, I intend to restrict the scope of my testimony to an examination of one of the emerging criticisms of the Reagan Administration regarding the treaty currently being expressed by some of its diehard proponents, including regrettably one of the former members of the U.S. Delegation, who was discharged on April 30th of this year. Their arguments appear directed toward seeking a scapegoat for their own failures. They suggest that, absent "right wing ideological extremism" and associated "negotiating inflexibility" exhibited from within the Reagan Administration, that the results of the treaty negotiations would have been far different. They argue that but for such extremism and inflexibility, the Law of the Sea Conference would have produced a treaty text which the United States could comfortably embrace. They damn the President with faint praise by arguing that the instructions to the Delegation went far beyond what the President intended in his highly abbreviated six point announcement issued on January 29th.

Mr. Chairman, it would be self deceptive to conclude that the Reagan Administration is guilty of such wrongdoing without examining who, in fact, was guilty of ideological extremism and inflexibility. It is well known that following the failure of the 1958 and 1960 UN Conferences on the Law of the Sea to reach agreement on the limits of the territorial seas, and related navigational issues, the maritime nations of the world unitedly sought a third LOS Conference at which such matters would be resolved. The response of the development nations was that they would agree to participating in such a conference only if it also dealt with the resources of the deep seabed beyond the limits of exclusive national jurisdiction.

Such an area, they claim, is "the common heritage of all mankind", and that the freedom of the seas doctrine, which had been well established for several centuries, would no longer apply to the development of deep seabed resources. In essence, the common heritage doctrine was intended to mean that the resources of the deep seabed were to belong to and be under the effective control of the developing nations. Any access to such resources by developed nations was to be only under terms and conditions dictated by the third world. "Common heritage" became the rallying cry for radical leftist third world idealogues hellbent to establish the New International Economic Order. The committee is fully familiar that the principal goal of the proponents of the new international economic order is to effectuate massive transfers of funds from developed to developing nations. All one has to do to understand that the basis for the common heritage concept is grounded on third world leftist ideological extremism is to review the records of the UN Seabed Committee organized in 1967, and the various regional third world conferences which dealt with the law of the sea. One delegate at one such conference in Malta in 1970 declared basically that the meaning of common heritage in his view, is that the mineral wealth of the entire seabed, is owed to developing nations as reparations for four centuries of colonial exploitation and repression. This type of reasoning formed the basis for the third world's position at the Law of the Sea Conference.

As is well known, many of the third world idealogues who began to assert such position in the UN Seabed Committee starting in 1967, have literally made careers out of promoting the common heritage, attacking developed nations, and demanding massive international transfers of wealth to third world countries. From the UN Seabed Committee, they moved to the Law of the Sea Conference which commenced in Caracas in 1974 and during the course of all of these years they have defiantly resisted demonstrating much in the way of flexibility. They have insisted that if the maritime nations want third world recognition of the freedom of the seas doctrine that has already been well established in international law for several centuries, then the price we must pay is forfeiture of all existing rights to seabed minerals.

In light of such well established and easily predictable inflexibility on the part of third world conference leaders, it was a major concession on the President's part even to return to the LOS negotiations in March and April of this year.

Returning now to the allegation that the instructions to the U.S. Delegation far exceeded the President's actual concerns about the treaty, let us examine what he had to say about the treaty and whether his concerns were a demonstration of his own inflexibility or a recognition by him of third world inflexibility. Those who allege that the President's six points adequately described his concerns about the treaty have only to look at the fact sheet the President issued on January 29th. Let's take a look at the points raised in that fact sheet with a view toward identifying who is inflexible.

The first point raised was that "policymaking in the seabed Authority would be carried out by a one-nation, one-vote Assembly". The treaty describes the relative powers of the Assembly as being the "supreme" policy-making organ. Members of the Committee are fully aware of the continual frustrations faced by the United States in the United Nations. Committee members recall that the resolutions of the one-nation, one-vote General Asembly are merely recommendations and, in a legal sense, contain no policy-making authority. The Assembly of the International Seabed Authority, in contrast, is the supreme policy-making organ. In it, Upper Volta speaks with the same authority as the United States. The combined voting power of the potential third world participants in that supreme organ can and will clearly overwhelm the developed nations on every major policy decision.

Regarding the President's second concern, Executive Council which would make the day to day decisions affecting access of U.S. minors to deep seabed minerals would not have permanent or guaranteed representation by the United States and the United States would not have influence on the Council commensurate with its economic and political interests". While the third world did allow for the U.S. to have a permanent seat on the Executive Council, it did nothing to rectify the problem that "the U.S. would not have influence on the Council commensuate with its economic and political interests". Let us not forget that the Soviets control three seats on the Executive Council. Comparing the Executive Council under the LOS treaty to the UN Security Council, in the latter the United States has a permanent seat and can veto every resolution it wishes. Under the treaty, the U.S. would only be able to veto a limited number of Council decisions because decisionmaking in areas falling under the Council's jurisdiction are divided into three separate categories. In only one of the categories could the U.S. exercise a veto.

The third concern of the President relates to "a Review Conference would have the power to impose treaty amendments on the United States without its consent." The Review Conference provisions are in clear violation of the U.S. Constitution, a point well recognized in a number of hearings and floor discussions conducted in the other Body. Neither the President nor the Senate are ready to abandon our constitutional responsibilities for advice and consent on ratification of treaties.

The fourth concern of the President stated that "the treaty would impose artificial limitations on seabed mineral production". We are all familiar with the power exhibited by OPEC during the 1970's to limit worldwide supplies of petroleum, while concomitantly driving up its prices in excess of ten times that which existed a decade ago. The treaty mandates similar controls on seabed mineral production.

The fifth concern of the President emphasized "the treaty would give substantial competitive advantages to a supranational mining company—the Enterprise." The advantages given the Enterprise under the treaty are as unthinkable as the Congress establishing a national oil company, underwriting its capital requirements through taxpayer contributions and interest free loans, requiring every private petroleum company that wishes to obtain an oil and gas lease to explore, at no charge to the government oil company, two potential lease block areas. Then requiring the private oil company to turn over all its exploratory

data to the government oil company and letting it choose which of the two lease tracts it wishes to develop. Then charging the private oil company very high bonus payments, rentals and royalties, while allowing the government oil company to do business in direct competition with the private company without the burden of having to pay any taxes. These are the rules under which the Enterprise is to operate.

The President's sixth concern stressed that "private deep seabed miners would be subject to a mandatory requirement for the transfer of technology to the Enterprise and to developing countries." This would be similar to requiring the private oil company to turn over all of its technology to the government oil company at whatever price the government oil company chooses to pay or else be prohibited from obtaining any oil and gas lease for private commercial development.

The President's seventh point noted that the "new international organization would have discretion to interfere unreasonably with the conduct of mining operations, and it could impose potentially burdensome regulations on an infant industry". Even though the treaty is now known, the regulations are not known. They are to be developed by the third world dominated Preparatory Commission. The framework for such regulations contained in the existing treaty text is absolutely horrendous.

The President's eighth point mentioned in the fact sheet was that "the treaty would impose large financial burdens on industrialized countries whose nationals engaged in deep seabed mining and financial terms and conditions which would significantly increase the costs of mineral production". Unknown at the time that the January 29th statement was drafted was that in addition to the already burdensome payments required under the treaty, the Law of the Sea Conference would decide to impose additional payments on existing private companies. Each such company is now additionally required to pay (1) to the Preparatory Commission a fee of $250,000.00; (2) to the Authority (after entry into force of the treaty) a fee of $250,000.00; (3) $1,000,000 annual fixed fee to the Authority upon approval of its plan of work; and (4) incur periodic expenditures as prescribed by the Preparatory Commission until its plan of work is approved.

Other financial burdens imposed upon such pioneer investors are obligations to (1) explore the area, given by the company to the Enterprise, if requested by the Commission, at cost plus 10 percent interest, to be reimbursed at an unspecified future time; (2) provide training at all levels for personnel designated by the Commission; and (3) undertake prior to entry into force of the treaty to perform the transfer of technology obligations required by the treaty.

This review of the President's January 29th fact sheet firmly established two major truths that the Treaty's proponents have failed to recognize. The first is that the President's concerns about the treaty from the outset clearly extended beyond the summary description specified in his other six points and that the negotiating instructions fully reflected these clearly stated additional concerns.

The second, and more important, point is that the President was addressing policy issues in the treaty to which all U.S. representatives in prior Administrations had also addressed themselves and that every one of these shared concerns related to the ideological extremism and inflexibility demonstrated by many of the third world leaders throughout the fifteen year history of the LOS Conference.

I would like to make one more major point about the relative flexibility of the United States compared to that of third world ideologues at the LOS Conference. On February 24, the United States circulated to all Conference participants a document entitled "Approaches to Major Problems in Part XI of the Draft Convention on the Law of the Sea". It further elaborated on the President's concerns and suggested a series of alternative solutions to the twenty major problem areas it identified. This was a major demonstration of U.S. flexibility.

The response of the third world Conference leaders to the U.S. approaches paper was to immediately reject it and demand that the U.S. translate it into specific proposed treaty amendments. The U.S. Delegation, showing still further flexibility, shortly thereafter prepared a Green Book of Amendments. This too was flatly rejected by third world delegates.

Shortly thereafter, a meeting was arranged on April 3 with high Administration officials in which demands were made that the instructions be changed to make additional manifold concessions. These entailed, among others, abandonment of the pursuit of U.S. influence on the Council commensurate with its economic and political interests and abandonment as well of the goal of eliminating production controls. There was major disagreement about the scope of the compromises authorized at that time, but it is fair to say that the U.S. Delegation returned to the conference and negotiated with several of its allies a new proposed set of amendments which abandoned much of what the President had originally sought. These amendments also were flatly rejected by the intransigent and totally inflexible third world leadership represented at the Conference.

Finally, the so-called Gang of 10, dominated by mineral exporting, developed nations and several socialist democracies, who remain very apprehensive about any competition to their land based mineral exports arising out of seabed development, also proposed a series of amendments. Their last paper, representing their final fallback, was known as L-104, which, at best, proposed cosmetic changes to the treaty's transfer of technology and Review Conference provisions. To represent this document as a substantial improvement to the treaty text as viewed by the United States would make one a laughing stock. L-104, also, was flatly rejected by inflexible third world leadership.

Before concluding, Mr. Chairman, let me note parenthetically, that some of the Members of this body in the 96th Congress, who are now inclined to castigate the Reagan Administration for its inflexibility, should remember that they voted for the Deep Seabed Hard Minerals Resources Act which firmly stated that it was the intent of Congress that:

". . . Any International agreement to which the United States becomes a party, should, in addition to promoting other national oceans objectives—

"(A) provide assured and nondiscriminatory access, under reasonable terms and conditions, to the hard mineral resources of the deep seabed for United States citizens, and

"(B) provide security of tenure by recognizing the rights of United States citizens who have undertaken exploration or commercial recovery under title I before such agreement enters into force with respect to the United States to continue their operations under terms, conditions, and restrictions which do not impose significant new economic burdens upon such citizens with respect to such operations with the effect of preventing the continuation of such operations on a viable economic basis . . ."

I suggest that no member of this House could dispassionately argue that the treaty text and draft conference resolutions which emerged from the third United Nations Law of the Sea Conference even begin to satisfy the intent of Congress.

I conclude by noting that the same persons that charge the Reagan Administration with ideological extremism and negotiating inflexibility are also the ones that are now advocating that the President should delay making or announcing a decision not to sign the treaty, and that the United States should encourage reopening the negotiations, even if it means only obtaining minimal changes such as are contained in the L-104 document. Those advocates of the seabed treaty at any cost seem to emulate the peace at any cost approach exhibited by Chamberlain in his negotiations with Nazi Germany.

I am hopeful that the President, having already demonstrated almost too much flexibility, will now quickly decide not to sign the treaty and instead to encourage our friends in other nations, developed and developing, to join us in seeking an alternative legal regime to that contained in this totally unratifiable Law of the Sea treaty.●

THE LAW OF THE SEA TREATY

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. HARTNETT. Mr. Speaker, I am pleased to insert into the RECORD today the testimony of my friend and colleague, JACK FIELDS, given before the House Foreign Affairs Committee on June 17.

My purpose for doing this is to share with our colleagues and other interested citizens information on one of the most important, yet little talked about, issues of the 1980's: The Law of the Sea Treaty. For the reasons Congressman FIELDS gives in his testimony, every Member of this body should become actively engaged in putting this international nonsense to rest once and for all time.

I personally urge the President to quickly reject the treaty as inconsistent with American ideals and interests, and proceed expeditiously in pressing our allies and friends into a seabed mining regime consistent with our domestic legislation and national interests.

Thank you, Mr. Speaker.

TESTIMONY OF HON. JACK FIELDS

Mr. Chairman and Members of the Committee, I am grateful for this opportunity to present my views to this Committee on the Law of the Sea Treaty. I and members of

my staff have been closely observing the negotiations at the U.N. Law of the Sea Conference for the past two years. We have had detailed discussions with representatives at that Conference from both developed and developing nations. It has been made clear to me by representatives of the developing nations that they regard this treaty as one of the major launching platforms for the New International Economic Order. It is well known that the New International Economic Order is a plan for the complete alteration of the world's economic system in order to transfer wealth from developed to developing nations as has been accurately stated by Messrs. Burke and Brokaw in an article appearing in the Spring 1982 issue of Policy Review: "Among the basic tenets of the NIEO are fifteen fundamentals of international economic relations which, according to the United Nations Charter of Economic Rights and Duties of States, 'shall' govern international economic and political relations. They include the right of states to nationalize foreign private investments according to such laws and regulations the state considers pertinent; the right of every state to benefit from scientific and technological developments for its social and economic advancement; the right to establish 'organizations of primary commodity producers'; and the corresponding duty of all states to 'respect that right by refraining from applying economic and political measures that would limit it.' "

The so-called moral tenet underlying the NIEO is that disparities in wealth between states are unjust and are caused by unfair economic arrangements, the lingering effects of colonialism and exploitative activities of multi-national corporations based on such precepts. The Law of the Sea treaty has been drafted so that third world states would be empowered to compel transfers of material resources from developed states through multi-national institutions and procedures beyond the control of any individual developed sovereign state. Mr. A. O. Adele, a former representative of Kenya to the Law of the Sea Conference stated that: "[T]he process of creating the Authority represents struggle in the attempt to abandon the structure of traditional institutional arrangements for international organizations in favor of new approaches in regard to the powers and structure of an international organization with non-traditional roles." [1]

The thrust of the third world strategy at the Law of the Sea Conference has been to scrap well established principles of international law, developed over centuries of custom and usage and replace them with the common heritage principles enunciated in the Law of the Sea treaty. As Messrs. Burke and Brokaw clearly stated: "Once the ideology from which such demands spring has been accepted in principle by the United States in a treaty, opposition to the new demands they foster in different contexts will be difficult to rationalize or justify."

Governments that openly oppose domestic and international economic freedoms intend to implement through the UN a "New International Economic Order". This so-called "new order" envisions, among other things, mandatory transfer of billions of dollars in Western technology and financial resources to underdeveloped—and largely unfree—societies. The hard core leaders of this movement, which include the Soviet-bloc and some radical Third World regimes, are determined to swell and control, through anti-American UN agencies, aid and investment coming from the West into Less Developed Countries.

The Law of the Sea Treaty seeks to establish one such global agency.

The Third United Nations Conference on the Law of the Sea was supposed to represent a concerted effort on the part of some 150 nations to construct a viable international legal convention covering the uses of the world's oceans.

Following some seven years of negotiations, the Conference appeared ready, in early 1981, to finalize the Convention on the Law of the Sea. At that point, however, the United States wisely made a last-minute request that the negotiations be extended so the Reagan Administration could conduct a thorough policy review of the draft convention in light of this country's vital interests.

As you know, following an extensive interagency review, the President announced on January 29, 1982 that major elements of the deep seabed mining regime were not in the interests of the United States, and were unacceptable. Therefore, the Administration returned to negotiations in March and April of this year. Judging by the deplorable results of the March/April session, it would have been better for the United States not to have returned to the negotiating table.

Structurally, the Treaty would create a Supreme Assembly run on a one-nation, one-vote scheme such as was rejected by President Reagan at Cancun.

It would also create a 36-member Executive Council which would make the day-to-day decisions affecting access of U.S. miners to deep seabed minerals.

To list some of the major objections to this threat to U.S. sovereignty, the LOS Treaty:

Would not guarantee the U.S. a seat on the powerful Executive Council, while guaranteeing the Soviet-bloc three seats by name;

Unlike in the UN, the United States would not enjoy the protection of a veto vote;

Would provide for a supernational mining company (Enterprise) which would be given extreme advantages over private miners;

Would mean our loss of the resources of two-thirds of the earth, and would foreclose any chance for vital minerals independence;

Would seriously jeopardize national security;

Would have the United States yield significant sovereign rights it now possesses and is fully capable of exercising;

Provides for a review conference that would have the power to impose treaty amendments on the U.S. without its consent;

Provides for voting by and funding for so-called "liberation groups" such as the PLO and SWAPO;

Would set dangerous precedents and provide strong impetus for other such treaties, such as a Moon Treaty, the Antarctic Treaty, etc;

Would require the taxpayers to fund fully one-quarter of initial capitalization for the Enterprise—at least $312 million dollars;

Compels American companies to transfer proprietary mining and processing technologies to the Authority for use by the Enterprise and other states;

Would require private miners to pay millions of dollars to the Authority in application fees, fixed annual fees, production royalties, and taxes;

Makes it possible that after a maximum of 25 years, the Enterprise could legally become the only deep seabed mining company in the world, thereby eliminating thousands of American jobs and substantial tax revenues for the U.S. government;

Contains "anti-monopoly" and "anti-density" provisions that could be utilized to deny American access to mining sites, and continued balance of payments problems;

Fails to protect the preparatory investment in deep seabed mining for private companies already involved in exploration and/or exploitation prior to the treaty taking effect; and

Encourages the Authority to organize OPEC-type cartels in seabed resources.

It should be understood that without the LOS Treaty, under established international law, any nation can license their own nationals to mine the deep seabed and can reciprocally agree to respect the licenses granted by other nations. Such a reciprocating states regime was provided for in the Deep Seabed Hard Minerals Resource Act of 1980 (PL 96-283).

We are now, as a nation, almost totally dependent on foreign countries, most of them unstable, for the minerals so vital to our economy and national defense.

For example, 93 percent of American cobalt—necessary for making jet engines—is imported mostly from Zaire and Zambia, two strife-torn African nations. The U.S. imports 98 percent of its manganese and 91 percent of its chrome supply—vital components in stainless steel, jet and tank engines, and ball bearings—from mostly the Soviet Union and South Africa, both unreliable long-term sources.

Yet, the national security and the economic survival of the United States depend upon our capability to secure an uninterrupted flow of these and other critical minerals from politically unstable Third World nations.

The seabed offers us a final opportunity to convert a resource, discovered and produced by American technology, into a reserve of critical minerals, free of foreign dependence and domination.

Before concluding, let me state that the U.S. Delegation properly decided to prevent the adoption of the treaty text at the Conference by a consensus ruling. Although proponents of the treaty argued that the decision to vote against adoption of the treaty text was imposed upon the Delegation against its will by an inflexible, ideologically-fixated staff in the White House, the fact is that the Delegation reached a consensus decision to vote against the adoption of the treaty text upon learning that none of the changes proposed to the treaty—even by the moderate groups such as the gang of 10 (misnamed the Good Samaritans)—were to be incorporated in the final text. Let the record show that the entire U.S. Delegation insisted that the only appropriate course of action was for the United States to vote no.

In my judgment, the present treaty text is as much of an anathema to the interests of sovereign states, both developed and developing, as was the Treaty of Tordesillas of 1493. Members will recall that Christopher Columbus, after discovering America, returned home to Spain via Portugal, there announcing his discoveries. The Portuguese then claimed all of Columbus' discoveries as belonging to Portugal. Ferdinand and Isabella of Spain, who financed Columbus' voyages of discovery, in turn understandably claimed his discoveries as belonging to

[1] "The Group of 77 and the Establishment of the International Seabed Authority", "7 Ocean Development and International Law," pp. 31, 59-60 (1979).

Spain. Claim was laid not only to land masses, but also to the world's oceans. Pope Alexander VI adjudicated the dispute between Spain and Portugal and in his Bull of Demarcation issued in 1493 decided that all of the western Atlantic and Pacific Oceans belonged to Spain and that the eastern Atlantic and Indian Oceans belonged to Portugal. In essence, by fiat of the Pope, the entire world's oceans were divided into two parts, one part for Spain and one part for Portugal.

It was not until the freedom of the seas doctrine was established by the efforts of a famous Dutch jurist, named Hugo Grotious, that the outrageous Papal Bull was properly replaced with a regime, now several centuries old, that protects the interests of all sovereign states be they developed or undeveloped.

The actions of the Third World negotiators in crafting the present treaty text pertaining to the deep seabed are as absurd as Pope Alexander VI's Papal Bull. In 1982, some 489 years after the promulgation of that Papal Bull, the Third World has decided that it has a right to claim the entire seabed as its own and is as prepared to defy the rightful interests of the developed world as were Spain and Portugal nearly five centuries ago.

I am confident that the President will wisely decide not to sign the treaty, to continue to encourage the development of seabed minerals through our domestic legislative regime and to vigorously seek the support of our allies and friends throughout the world in crafting an acceptable substitute to this conspicuously unratifiable treaty.

SEND THE BATTLESHIP "IOWA" TO PENN SHIPYARD IN CHESTER

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. EVANS of Delaware. Mr. Speaker, this past weekend the Philadelphia Inquirer published an editorial in support of awarding the contract to refurbish the battleship *Iowa* to the Penn Shipyard in Chester, Pa.

I believe the Inquirer editorial summarizes some of the more compelling reasons why the *Iowa* should be refitted in this outstanding Delaware Valley facility. I ask that the Inquirer editorial be included at this point in the RECORD.

The article follows:

[From the Philadelphia Inquirer, June 19, 1982]

SEND THE BATTLESHIP IOWA TO PENN SHIP IN CHESTER

The Reagan administration will make a decision soon on letting a contract to refit and modernize the battleship Iowa. There are compelling reasons, of national as well as regional interest, for the award to go to the Penn Ship Co. in Chester.

Built during World War II, and in mothballs at the Philadelphia Naval Shipyard since 1958, the Iowa already is receiving a preliminary cleanup at the shipyard in preparation for the refitting, scheduled to begin late this year. Initial funding has been approved by the Congress. Thus there is no longer any doubt that the work will proceed. The question is where.

The Defense Department has decided that the contract will be given to a private yard—the rationale being that the country must not rely entirely on government-owned facilities and needs to maintain shipbuilding and overhaul capabilities at private yards. There is spirited competition for the Iowa among yards in New York, Norfolk, New Orleans and Pascagoula, Miss., as well as Chester. New Orleans and Pascagoula are seeking the contract as a team.

All of the competing yards apparently are prepared to accept the Navy's cost estimate of approximately $408 million; thus the contract will be awarded on other criteria. Penn Ship can make a strong case on all counts.

It is only five miles down-river from the Philadelphia Naval Shipyard, thereby offering a substantial saving in towing charges compared with any other yard seeking the Iowa contract.

It has enormous shipbuilding and overhaul capabilities, with more than $80 million spent for new equipment and other capital improvements in the past decade. Ships up to 70,000 tons, more than 50 percent larger than the Iowa, can be accommodated. In wartime, as it did in World War II, it can maintain a work force up to 40,000.

Its new owner, Levingston Shipbuilding Co., which acquired the yard from Sun Ship Inc. in February and has brought in experienced management with impressive credentials, has a solid record as operator of a shipyard in Texas. It wants to do Navy work and build up a reservoir of skilled employees with experience in meeting Navy standards. It is the only yard, among those seeking the Iowa contract, that does not have any Navy work now. In view of the Defense Department's national security objectives it should give high priority to creating Navy experience at an important and capable yard.

Chester is among the most economically distressed cities in the nation. The Iowa overhaul, which is to include not only bow-to-stern modernization but installation of missiles and other new weaponry, will provide up to 1,200 jobs for two years. That would give a needed shot in the arm to the economy in the Chester area and to Penn Ship itself, where a work force of 4,000 two years ago is expected to dwindle to under 1,000 this summer and new contracts are required to reverse the downward slide.

Navy Secretary John F. Lehman Jr. inspected Penn Ship facilities last week accompanied by Pennsylvania's two Republican senators, John Heinz and Arlen Specter, Republican Gov. Dick Thornburgh, a bipartisan delegation of U.S. representatives from districts in the Delaware Valley, and others including city officials from Chester. The secretary, a Pennsylvanian himself from suburban Montgomery County, addressed shipyard workers from the precise spot where Ronald Reagan gave a major campaign speech in 1980. There must be keen awareness in the Reagan administration of how important the Iowa contract is to Penn Ship, to Chester and to the region.

It is imperative now that members of the Congress, other public officials and business and civic leaders in Pennsylvania, New Jersey and Delaware work as a coalition to bring the Iowa to Penn Ship. In serving the region they will serve the nation as well.●

SIMON DISCLOSES FINANCES FOR 27TH CONSECUTIVE YEAR AS A PUBLIC OFFICIAL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. SIMON. Mr. Speaker, I have now for 27 years disclosed my income, assets, and liabilities in detail. I am inserting into the RECORD my latest statement.

Let me add that my strong belief is that we should be modifying our disclosure laws to include spouses and minor children. Eventually, there will be some kind of scandal, some flagrant abuse, and we will move to that. We should be moving in that direction before the scandal arrives.

SIMON DISCLOSES FINANCES FOR 27TH CONSECUTIVE YEAR AS A PUBLIC OFFICIAL

WASHINGTON.—For the 27th consecutive year that he has held public office, Rep. Paul Simon, D-Ill., has released a detailed description of his and his family's income, assets and liabilities.

Simon's top personal staff members also released financial statements.

The Illinois congressman's statement lists income for 1981 for himself and his wife, Jeanne, totaling $90,513.98. The figure includes his House salary, reimbursement for travel and other expenses, rental income, interest and dividend income, honoraria for appearances, and other items. Mrs. Simon earned $1,534.60 as a consultant for the National Advisory Council on Women's Educational Programs.

The Simons had assets of $471,293.58 and liabilities $325,221.29 for a net worth of $146,072.29.

Simon has been making voluntary financial statements since he became a state representative in 1955. He followed the practice during eight years in the Illinois House, six years in the Illinois Senate, four years as lieutenant governor, and seven years in Congress.

The financial statements follow:

Income for 1981

Income of Paul and Jeanne Simon:	
Salary, U.S. House of Representatives	$60,662.50
Rental income	200.00
Book royalties	5,485.14
Newspapers articles	170.00
U.S. House of Representatives, expense reimbursement	2,504.79
Paul Simon for Congress Committee, expense reimbursement	2,385.76
Salary, National Advisory Council of Women's Educational Programs (Jeanne)	1,534.60
1981 honoraria and travel reimbursement for appearances:	
American Educational Research Association	100.00
Association of American Colleges	220.45
Association of American Publishers	1,000.00
Association of Media Producers	1,500.00
Charles Stewart Mott College	748.00
Foreign Language Association of Virginia	244.00

New York City Public Schools	8.70
Gordon College	100.00
Greensboro College	300.00
Higher Education Council of Oklahoma	500.00
Illinois College of Podiatric Medicine	1,000.00
Kirkwood Community College Foundation	1,000.00
Kalamazoo College	1,004.70
Lutheran Adult Gathering	509.86
Lutheran Council In U.S.A	500.00
Mid-America Association of Educational Opportunity	1,000.00
National Education Association	1,000.00
National Town Meeting	500.00
Ohio Northern University	504.55
Pennsylvania State University	500.00
Quaker Oats Company	880.00
University of West Virginia	164.75
Trinity University	500.00
University of Rhode Island	1,500.00
Vanderbilt University	500.00
Yale University	674.00
Dividends:	
A.T. & T	8.00
Bethlehem Steel	8.00
Borg-Warner	51.20
Borman's	1.20
Brunswick	1.15
Chock Full of Nuts	4.00
Crown Zellerbach	13.80
Fairchild Industries	16.00
Franklin Money Fund	100.98
Fruehauf	9.60
General Motors	96.00
Gulf & Western	.76
Harper & Row	76.00
International Harvester	18.00
Lear Siegler	18.00
Mass Inv. Growth	17.72
National Steel	4.00
Norton Simon	12.40
Pepsico	16.56
Pacific Gas & Electric	134.50
Ralston-Purina	8.64
Scott Paper	4.00
Texaco	39.20
Warner Lambert	5.36
Westinghouse	7.20
Interest:	
Dreyfus Fund	165.00
Ellis First National Bank	8.42
Fairfield Communities, Inc	195.00
Mid-American Bank, Carbondale	34.96
Mobil Corp	8.50
General American Life Insurance	23.18
University Bank of Carbondale	4.25
Total 1981 Income	90,513.98

Gifts received of more than $25 value outside of immediate family members: Two hand-made quilts—One from Mrs. Stanley Macieiski of Chester, Illinois and one from the Gott Family of Cobden, Illinois.

INCOME OF CHILDREN

Sheila: Total of $289.77, including interest; Maryland National Bank, $108.00; and Madison County Savings, $13.53; dividends: AT&T, $10.60; Ford Motor, $1.20; General Motors, $24.00; Pacific Gas and Electric, $5.44; Ralston-Purina Company, $27.00; and Democratic Congressional Campaign Committee, consultant, $100.00.

Martin: Total of $1,461.05, including dividends: AT&T, $10.60; Ford Motor Company, $1.20; General Motors, $24.00; Illinois Power Company, $17.85; and Summer Winds, wages, $1,407.40.

STAFF DISCLOSURES

Vicki Otten, Legislative Director: 1981 income other than government—Commonwealth Edison Stock, dividends, $130; Perpetual American Savings & Loan and National Permanent Savings & Loan, savings account, $500; (Spouse, William H. Barringer, is an attorney with Arter, Hadden & Hemmindinger, practicing international law. The firm is a registered foreign agent for Japan Iron & Steel Exporters Association, Japan Wire Products Exporters Association, Japan Stainless Steel Exporters Association, Japan Galvanized Iron Exporters Association, Fuji Heavy Industries Limited and El Banco de Brazil.)

Sources and amounts of indebtedness over $500: First Federal Savings & Loan, mortgages, $119,000.

Stocks and Bonds owned: Commonwealth Edison, 50 shares, $1,190; Wright Patman Cong. Fed. Credit Union, shares, $225.

Other property owned: Home in Washington, purchased in 1980 for $190,000; 1977 Toyota Celica, purchased in 1977 for $5,800.

Joe Pierce (District Assistant): 1981 income other than government—Jo A. Pierce (wife), Salary, Southern Illinoisan plus oil royalties and stock dividends, $13,703.84; Local Correspondent for Illinois Media Credit Union, $753.00. Joe B. Pierce, honoraria for Pastoral supply, $325.00. Sources and amounts of indebtedness over $500.00, Illinois Media Credit Union, auto, $4,500.00; Illinois Media Credit Union, personal note, $1,000.00; First Bank and Trust, Mt. Vernon, Illinois, personal note, $3,500.00; Carterville State and Savings, Carterville, Illinois, real estate, $48,000.00. Stocks and bonds owned: Jo A. Pierce (wife), First Bank and Trust, Mt. Vernon, Ill., 16 shares, $256; Lee Enterprises, 5 shares, $130. Other property owned: Home, 31 Meadowlark, Carterville, Ill., $75,000.00; Property, 700 Meadowlark, Mt. Vernon, Ill. (½ interest), $20,000.00; Bass Boat 1974 model Polar Craft, $2,000.00.

Ray Johnsen, Office Manager: 1981 income other than government—Rental income, $11,235; Metropolitan Life, interest, $42.45; General American Life, interest, $227.57; Mo. Portland Cement, interest, $507; Wright Patman Cong. Fed. Credit Union, interest, $9.12; General Motors, Inc., dividends, $16.56; Internal Revenue Service $73.74.

Sources and amounts of indebtedness over $500: Washington and Lee Savings & Loan, $18,590; Illini Federal Savings & Loan, $25,475; Mary Fairchild, $18,278.

Stocks and Bonds owned: Wright Patman Cong. Fed. Credit Union, shares, 7; Cottonwood Junction, 175 shares, $17,775; U.S. Bonds, Series E, $1,556.25; Mo. Portland Cement bonds, $5,000; Laclede Steel, 400 shares, $4,000; Alpha Portland Cement, 24 shares, $348; General Motors, 21 shares, $966.

Other property owned: State of Illinois Employees Retirement System, $1,772.01; residence, Arlington, Virginia, $95,000; home and apartment, Troy, Illinois, $30,000; duplex, Troy, Illinois, $37,000; triplex, Springfield, Illinois, $26,000; household furnishings, $15,000; 1978 Chevrolet, $3,000; 1975 Volkswagen, $1,000.

David Carle, Press Secretary: 1981 income other than government: Wright Patman Congressional Credit Union, interest on shares, $33.96.

Sources and amounts of indebtedness over $500: None.

Stocks and Bonds owned: Wright Patman Congressional Federal Credit Union, shares, $1,235.03; New York Life Insurance policy, $1,500, face value; Pilgrim Congregational United Church of Christ bearer bond, $250, 1977 face value.

Other property owned: 1976 Chevy Vega, purchased in 1979 for $1,600; household furnishings: $1,500.

PAUL AND JEANNE SIMON STOCK AND BOND SALES DURING 1981

Adams Express—175 shares sold 1-13, $2,820.07. Shares purchased at various times for $2,089.84. Gain, $730.23.

Hardees—40 shares sold 2-2, $1,120.00. Shares purchased 4-12-74 for $260.89. Gain, $859.11.

Fairfield Bond—$2,000 bond sold 12-9 for $1,948.08. Purchased 9-18-78 for $2,043. Loss $94.92.

General Motors—40 shares sold 12-10, $1,465.89. Shares purchased, 30 on 4-14-80 for $1,398.60 and 10 purchased 9-28-79 for $667.51. L, $600.22.

Harper & Row—sold 100 shares 12-9 for $1,104.23. Purchased 5-23-80 for $840.16. Gain, $264.07.

Net Worth Statement of Paul and Jeanne Simon, as of January 1, 1982

Assets:	
Security National Bank, checking account	$352.19
U.S. House of Representatives, checking account	234.85
Mid-America National Bank of Carbondale, savings account	692.24
Ellis First National Bank, savings account	127.59
U.S. Savings Bonds	1,631.25
University Bank of Carbondale, savings account	83.17
Christian Church of Salem, bond	250.00
General American Life Insurance, cash value	3,020.72
Polish National Alliance Insurance, cash value	1,180.30
Congressional Retirement System, cash value	29,983.83
Illinois General Assembly Retirement System, cash value	16,233.00
Condominium, Tarpon Springs, Florida, 1979 purchase price	81,000.00
Improvements to Condominium	214.25
Residence, 11421 Falls Road, Potomac, Md., 1974 purchase price	[1] 126,000.00
1976-81 improvements to Potomac home	19,579.20
11.8 acres near Makanda, purchased 1978	21,500.00
Home at Makanda property, constructed 1981-82	139,429.00
Furniture and Presidential autograph collection	15,000.00
1965 Ford Mustang	150.00
1980 Chevrolet	5,500.00
Stock and bond holdings with number of shares:	
AT&T, Preferred, 2	123.00
Bethlehem Steel, 5	117.50
Borg-Warner, 44	1,166.00
Borman's 8	17.00
Brunswick, 1	18.50
Chock Full O'Nuts, 10	105.00
Chrysler, 2	7.75
Crown Zellerbach, 6	174.00
Dreyfus Fund, 173	1,487.80
Fairchild Industries, 20	242.50
Franklin Money Fund	864.88

Fruehauf, 4	74.50
Gulf & Western, 1	16.00
Harper & Row, 10	117.50
Lear Siegler, 8	232.00
International Harvester, 60	427.50
Mass. Inv. Growth, 49	530.18
Mutual Real Estate, 25	156.25
National Steel, 2	46.25
Norton Simon, 11	211.75
Norton Simon, Preferred, 1	43.75
Pepsico, 14	525.00
Pacific Gas & Electric Co., 50	1,050.00
Ralston-Purina, 12	144.00
Rohr Industries, 3	84.38
Scott Paper, 4	64.00
Texaco, 14	462.00
United M&M, 8	32.00
Warner Lambert, 4	89.00
Westinghouse, 4	102.00
Jet-Lite, 120 (approx. value)	300.00
Mobil Debenture Bond, $100, 8½ percent	100.00
Total assets	471,293.57
Liabilities:	
University Bank, Carbondale, notes	4,010.00
National Bank of Washington, notes	10,000.00
First National Bank of Collinsville	23,400.00
National Savings & Trust, mortgage	85,686.71
Franklin Federal Savings & Loan Association, mortgage	59,923.13
Polish National Insurance, loan	1,180.30
General American Insurance, loan	3,021.15
First Federal Savings & Loan, mortgage	138,000.00
Total liabilities	325,221,29
Assets	471,293.58
Liabilities	325,221.29
Net worth	146,072.29

[1] Signed agreement to sell December, 1983 for $259,000.

In addition to these obligations, there is approximately $7,000 per year obligation to Wittenberg University in Springfield, Ohio for Sheila's education expenses.

Assets of children, Sheila and Martin Simon

Sheila:	
AT&T, 2 shares	$117.00
Ford Motor, 1 share	17.25
General Motors, 10 shares	397.50
Pacific Gas & Electric, 4 shares	84.00
Ralston-Purina Co., 50 shares	600.00
Mutual Real Estate Trust, 10 shares	62.50
Maryland National Bank, checking	175.22
Maryland National Bank, savings	1,585.00
1967 Mustang	300.00
Total assets	3,338.47
Martin:	
AT&T, 2 shares	117.00
Chrysler Corporation, 35 shares	131.25
Fort Motor, 1 share	17.25
Illinois Power Co., 10 shares	203.75
Mutual Real Estate Trust, 10 shares	62.50
General Motors, 10 shares	397.50
1968 Mustang	350.00
Total assets	1,279.25

BANKING COMMITTEE ACTION ON EXPORT TRADING COMPANY LEGISLATION

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. LaFALCE. Mr. Speaker, the Financial Institutions Subcommittee of the Banking Committee today reported legislation which can help return the United States to the days when it ran a healthy trade balance. During the past decade, our historic leadership in world trade has been eroded by vigorous competition from Western Europe and Japan. Our deteriorating trade balance has strained the entire economy and finally triggered a renewed emphasis on stimulating U.S. exports. Since originally introduced in 1980, Export Trading Company proposals have been recognized as a cornerstone of our efforts to increase exports, and I am delighted that we are now so close to putting that cornerstone into place. An Export Trading Company law will give thousands of American businesses easier access to foreign markets and thus bring a much greater proportion of our manufacturers into the export process. The legislation will accomplish this by authorizing U.S. export trading companies to provide a full range of export services, including improved financing, to those companies that cannot—or do not choose to—export on their own.

The necessity of export expansion has never been more obvious. The U.S. share of world exports has dropped from 22 percent in 1962 to approximately 16 percent today. During the same period, imported goods have captured an increasing share of the domestic market, rising from 2.8 percent to over 11 percent. Higher costs of imported energy have further strained our balance of payments and helped to stir domestic pressures for import controls.

The other alternative to increasing exports, that is, restricting imports, presents serious potential problems as new trade barriers fuel the fires of protectionism among our trading partners. Almost every Member of Congress can identify jobs that would be lost in his district as our export markets were restricted in retaliation for import controls. It is safer, and in the long run far more profitable and prudent, to direct our efforts at the export side of the equation. I am convinced that American-made goods can compete successfully on world markets, so long as those markets are open and available to U.S. manufacturers.

Studies show that up to 20,000 potential exporters, primarily small- and medium-sized firms, have been prevented from developing foreign markets, even though their products would be highly competitive. The reasons for this are clear: They lack knowledge of foreign markets; they do not have the resources to invest in developing foreign markets; and they cannot meet the financing requirements of many foreign buyers. These practical difficulties, compounded by risk and uncertainty, have been sufficient to keep many U.S. firms from venturing into exports, and for years the domestic market has provided adequate opportunities without exports.

Now, however, we are faced with both a stagnant domestic market and a critical need to improve our balance of payments. Individual companies have a greater incentive to develop new markets and the Nation has a stake in making it easier for them to export. Export Trading Company legislation addresses the current legal impediments to the growth and development of trading intermediaries which could dramatically improve export opportunities for small- and medium-sized manufacturers.

Both domestic and foreign-based trading companies already operate in the United States, but the growth of domestic trading companies has been severely restricted by both antitrust laws and the legal prohibition against bank investment. Without bank participation, export companies have been undercapitalized and thus unable to compete in the critical area of export financing. In comparison, the Japanese trading companies, with their long history of close relationship with Japanese banks, have grown to massive size. They now operate in almost every nation of the world. It is a sad fact that the Japanese trading firm of Mitsui was the sixth largest U.S. exporter in 1980. Export trading company legislation will make domestic trading companies more competitive by authorizing direct investment by bank holding companies and by establishing a certification process through which antitrust uncertainties can be relieved.

I first introduced export trading company legislation in May 1980, during the 96th Congress. My bill was endorsed by the previous administration and was enthusiastically supported by a wide range of business and industry groups. Since then, interest in the legislation has continued to grow nationwide, with the most active support coming from local business groups and potential exporters themselves.

I again introduced this legislation during the early days of the 97th Congress, and was pleased at the immediate support of many of my colleagues.

H.R. 1648 was embraced by the Reagan administration, and the Department of Commerce provided invaluable assistance in bringing the bill to the attention of new House Members. It has received strong support from a bipartisan group of 129 cosponsors, many of them responding to the active endorsement of business groups in their districts.

There was one important difference between my original bill and the version I introduced this Congress. In order to prevent the legislation from becoming embroiled in the tax cut issues, tax provisions which had originally been part of the original version were deleted from H.R. 1648 and introduced as a separate bill, H.R. 3538, which was referred to the Ways and Means Committee.

On March 31 of this year, the chairman of the Banking Committee introduced his own version of export trading company legislation with my enthusiastic cosponsorship. The chairman's interest in and commitment to the legislation are reflected in the swift committee action since then. During 3 days of hearings, the subcommittee heard from a wide range of witnesses, many of whom made specific suggestions of possible improvements to the bill. It was my pleasure to work closely with the chairman and committee staff in developing the substitute which we accepted today. The substitute incorporates nearly every suggestion presented during the hearings, and it has received the full support of all those interested in the legislation.

The bill approved by the subcommittee authorizes direct investments by bank holding companies and bankers' banks in export trading companies. The bill defines export trading companies (ETC's) as organizations operated exclusively for the purpose of facilitating U.S. exports. ETC's may provide a wide range of export services including: Consulting, international market research, advertising, marketing, product research and design, legal assistance, transportation, warehousing, foreign exchange, and financing. The subcommittee bill specifically permits ETC's to take title to goods and make minor product modifications essential to completing an export sale.

Because investment in such enterprises constitutes a significant relaxation of the historic separation of banking and commerce, the subcommittee carefully reviewed the terms and conditions of bank holding company participation. Our goals were to preserve necessary safeguards for the continuing safety and soundness of banking institutions without imposing excessive restrictions which might jeopardize the usefulness of the new investment authority. I am pleased that the subcommittee reached an agreement requiring that an investing bank holding company or banker's bank notify the Federal Reserve before investing over 5 percent of the parent institutions capital and surplus. Grounds for Fed disapproval of a proposed investment are limited to safety and soundness and antitrust. Total investment by a bank holding company and its subsidiaries, including loans, is limited to 10 percent of the holding companies consolidated capital, and there are prohibitions against lending on preferential terms.

During the hearings, I joined many industry witnesses in pointing out a serious deficiency in the original version of H.R. 6016. Export trading companies were barred from taking the name of their parent holding company. It quickly became clear to members of the subcommittee that such a prohibition would prevent U.S. firms from taking advantage of the goodwill and name recognition built up by U.S. banks which have been active in foreign markets. On this, as well as many other issues, the chairman was most receptive to our arguments, and I am pleased to say that this prohibition was dropped from the final version of the bill.

Rarely, if ever, has the legislative process worked more efficiently in developing legislation which accommodates divergent viewpoints and meets the practical needs of those who will use it. This is a bill of which all of us can be proud, and I urge my colleagues to join me in supporting the chairman's substitute.●

RETIREMENT OF BRUCE CRANE FROM THE DALTON REPUBLICAN TOWN COMMITTEE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. CONTE. Mr. Speaker, I would like to take a moment to reflect on the accomplishments of my good friend and political mentor, Bruce Crane, on the occasion of his retirement from the Dalton Republican Town Committee after 51 years of dedicated service.

While Bruce is one of the great business leaders of my congressional district, he is best known as a compassionate and strong community and political leader. His great works on behalf of the people of Massachusetts and the Republican Party have proved over and over again that human concern and Republicanism are the staunchest of allies.

Most fortunately, I have had the rare privilege of working with Bruce for many years, and I can only hope that I have gleaned an ounce of his unending wisdom. Personally, he has been a close and valued friend for nearly as long as I can remember. Professionally, he has been my political father, a reliable mentor, and an invaluable source of strength, support, and advice.

I know that Republicans throughout the Commonwealth of Massachusetts and the Nation have benefited from Bruce's support and his dedicated service to the party both at the local level and as a national committeeman, but because of my special relationship with him, I have been especially blessed. I can say quite honestly and proudly that I would not be what I am or where I am today if it were not for Bruce Crane.

I am sure that the other members of the Dalton Republican Town Committee all share my regrets at seeing Bruce relinquish his position with them, but I also am certain that they share my joy over the fact that he is not "stepping down;" he is merely "stepping aside" to let his legacy carry on, as it surely will.●

COMMENDING MARION J. WOODS, DIRECTOR, CALIFORNIA STATE DEPARTMENT OF SOCIAL SERVICES

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. DYMALLY. Mr. Speaker, I wish to take this occasion to publicly commend one of California's finest public servants, Mr. Marion J. Woods.

Mr. Woods is director of the California State Department of Social Services, having been appointed to that position by Gov. Jerry Brown in 1975. As director of this agency, he administers a complex, multibillion-dollar welfare and social services program for all of California's 58 counties.

In the 7 years that Mr. Woods has been in this position, he has commanded the respect and admiration of elected and appointed officials and career employees at the National, State, and local levels. At the same time, he has won the trust and affection of countless individuals and organizations engaged at the community level in advocacy efforts for social justice.

A native of Georgia and graduate of Morehouse College, Mr. Woods began his career as a social worker. His abiding commitment to the dignity of all human beings has ever been evident as he progressed through a series of challenges that included appointments as the first director of the Sacramento Area Economic Opportunity Council, chief of Manpower Training and Development in the California Employment Department, head of the work incentive program, director of a multimillion-dollar management consulting

firm, and subsequently president of his own management consulting firm.

Mr. Woods' contributions in community service match those in government service, as he frequently lectures in colleges and universities throughout the State, and serves actively in numerous organizations ranging from the Black Americans Political Association of California to the Northern California United Way Board of Directors. He was appointed by Governor Brown to serve on the State task force assigned to aid Indochinese refugees in California, and serves on the Governor's Committee on Employment of the Handicapped.

Mr. Woods' service to the citizens of California ranks him, in my estimation, as the exemplary example of what can be accomplished by a strong, but sensitive, human being who is determined to work within the system on behalf of the people. I am proud to acknowledge this gentleman as a professional colleague and as a friend. On behalf of my constituents and the residents of California, I extend to him our heartfelt gratitude for his devoted efforts and many accomplishments.●

REV. BILLY GRAHAM AND THE SOVIET UNION

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. FIELDS. Mr. Speaker, as a Southern Baptist and a strong Christian, I have always been and continue to be an admirer of the Reverend Billy Graham. I am, however, very disheartened by his recent remarks on religious freedom in the Soviet Union. His implications that "There is no evidence of religious repression in the Soviet Union," and that, "Churches in the U.S.S.R. were at least as full as those in Charlotte, N.C.," are clearly misleading to the American public.

Mr. Speaker, there is considerable data compiled by the Helsinki Commission and the National Conference on Soviet Jewry which clearly indicates that the Soviet Union continues anti-Semitic and anti-Christian practices and persists in its repression and persecution of innocent citizens.

Further, Mr. Speaker, there is evidence that 30,000 Soviet Pentecostals and Baptists have tried to emigrate from the U.S.S.R., to no avail. While the U.S.S.R. does allow some Jewish emigration, the figures have decreased drastically in the last few years.

Mr. Speaker, these repressive policies must be curtailed. I am working in this Congress to help influence those in the Kremlin to permit their citizens to emigrate for religious reasons. I urge my colleagues to become involved in this most important effort.●

FEDERAL GRANTS TO AID STUDENTS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. SIMON. Mr. Speaker, the other day I received a letter from our respected colleague, MIKE SYNAR of Oklahoma, enclosing a handwritten letter from Ms. Joan Angell.

It is one of those thoughtful, marvelous gestures that makes all the time you put into these efforts worthwhile.

And I hope it will make those who want to cut back on opportunity in this country think twice.

I am inserting a copy of her letter in the RECORD at this point.

The letter follows:

MARCH 3, 1982.

I wanted to personally thank, the Government agency; that is responsible for Federal grants to aid students in their pursuit of a higher education.

It has made my son's goal a lot easier for him to complete his education. For the past 5 years, Russell has attended Oklahoma State University, with the grants and a lot of hard work on his part, he works 24 hours on the weekend, a job he has held since he was 17, he will graduate this year in the school of accounting. He has maintained a B overall average and been on the Dean's honor roll 5 times.

You have helped, along with Almighty God, to create a more productive employee and higher wage earner, which in return, will pay higher taxes for the Government, a better future for him, and for me and his wife and our family, a source of pride.

God bless our country, where, with a capable mind and a determination, the American dream is still alive and doing well.

So you see gentlemen the money is not being wasted only "loaned" for a richer future.

Sincerely,

JOAN ANGELL.●

HIRE ONE YOUTH

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. EVANS of Delaware. Mr. Speaker, I rise to encourage my colleagues to support the concept of Hire One Youth, a nationwide effort to employ minority and disadvantaged young people.

The present rate of unemployment among America's minority youth is a denial of both hope and opportunity. The fact that many of our young people want to work and cannot find employment is repeatedly demonstrated by the substantial numbers of young people who turn out to apply for a handful of jobs.

The first job for a young person is vital. With the chance to break into the marketplace there is real hope that a young person will become a constructive member of society.

Hire One Youth, initiated by my friend the Reverend Leon Sullivan and sponsored by the Opportunities Industrialization Centers, the U.S. Chamber of Commerce, and the United Way, is a challenge to our business, religious, and voluntary institutions to each hire at least one young person. Many are already doing an excellent job, but we must do more. While the private sector cannot completely replace Government's responsibility to support job training, the private sector is absolutely essential in order to solve the long-term problems related to youth unemployment.

We are committed to a strong national defense: We are committed to rebuilding the infrastructure of America's older cities—but our commitment and success in these tasks and others depends upon those who carry out the job. Without a commitment from every one of us to insure that a young person has the opportunity to work, our national security and our cities will be vulnerable to an internal human decay. Young people are our Nation's greatest natural resource—a resource we must not waste.

Our destiny as a nation does not lie in bringing people down to some common standard, but rather by giving all Americans—young and old alike—an opportunity to achieve their highest potential. Hire One Youth can be a major contribution to this end.●

REMEMBERING THE GI BILL

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mrs. HECKLER. Mr. Speaker, participants in the political process, Members of Congress, the media, interest groups, and voters have a tendency to label groups and organizations, as well as individuals, as liberal or conservative, progressive or reactionary, middle of the road or extreme. This all too human tendency to stereotype is reinforced by the practice of counting up votes, and then assigning a numerical score on the basis of a predetermined standard of political morality.

Fortunately or unfortunately, you cannot assign a score to independence of mind. Yet it is that willingness to look at issues with a fresh and open mind that should be the hallmark of a delegate to a representative and deliberative body, as the 18th century parliamentarian Edmund Burke wrote in his famous letter to the electors of Bristol.

Such flexibility should also be characteristic of interest groups, especially large membership organizations, composed of Republicans, Democrats, and

Independents, liberal, moderate, and conservative. But, all too often, such organizations slip into the easy pattern of adopting a political line or cast of kind—and sticking with it even when circumstances change.

There are some notable exceptions to the rule, thankfully. The occasion of the forthcoming annual convention of the 63,000-member American Legion in Fall River, June 23-26, gives me an opportunity to place in the CONGRESSIONAL RECORD an account of perhaps the most remarkable exception.

As I am sure my good friend, Alvin Fuller, supervisor at Quacker Mills, Fall River, and sole nominee for State chairman will recognize, this is the story of the American Legion, two remarkable Massachusetts newspapermen, and the GI bill of rights.

UNCONVENTIONAL WISDOM: THE GI BILL OF RIGHTS AND THE AMERICAN LEGION

"They retrained attack dogs after they trained them to kill, before they let them out. But they didn't do anything for men."

The words are those of John Swift, state adjutant of the Massachusetts Department of the American Legion. But the feeling they express was that of hundreds of thousands of World War I sailors and doughboys who came back home from being "over there"—to nothing.

With the exception of the meager care afforded to the sick and wounded in state supported Soldiers and Sailors homes, there were not benefits. The Veterans' Administration wasn't to be established until 1931.

It was the time of the great "Red Scare." Anarchists were sending letter bombs to Washington officials, and Washington officials, in turn, were rounding up "radicals" and subversives and literally shipping them to Russia.

On Feb. 15, 1919, then Maj. Theodore Roosevelt, Jr., son of the former president of the United States, invited 20 friends to dinner at a French military club in Paris. Before the night was over, organization plans for a veterans' association, which now number 2,700,000, to be called the American Legion had been formulated.

First hundreds, then thousands of veterans joined American Legion posts which began to spread all over the country. Times were tough, jobs were scarce and demagogues were eager to encourage veterans to fight over whatever was available.

With the return of prosperity and "normalcy," people, even rank and file members of the Legion, were quick to forget. But that number did not include many present and future—leaders of the Legion.

When the Second World War broke out a generation of leaders had been formed within the Legion who had both political experience and savvy—and a very clear idea of what would be needed to help literally millions of veterans coming back from a war that inevitably last longer and cause greater readjustment problems than World War I.

Henry W. Colmery, described as "the father of the G.I. Bill" by Raymond Moley in the definitive "American Legion Story," took two years out of his career as an attorney to draft the enormous piece of legislation. Other members of the Legion gave their time to lobby for the bill in Congress or take their Congressman up on it back home.

And it wasn't going to be easy. Almost every other veterans organization was opposed, if only because of the cost. Such prominent educators as President James Conant of Harvard and President James Maynard Hutchins of the University of Chicago were adamantly opposed to the education provisions of the bill.

They repeatedly warned Congress that an influx of battle hardened, raucous ex-servicemen—with tuition, board, books, and even beer money paid for by the government—onto the college campus could destroy higher education in America.

Conant, Hutchins and the entire educational—and intellectual—establishment were soon to admit the returning servicemen were the most serious and dedicated students ever seen on the American college campus.

The fact that their earlier view did not prevail—and the fact they were given an opportunity to change their minds even as hundreds of thousands were given the opportunity to become the first in their family to attend college—was due, in some part, at least, to a communication tool rarely associated with higher education: the tabloid newspaper.

The tabloid newspaper, designed to be read on buses, street cars and subway trains, was at its height of popularity in the 1940's. Its sharp pictures and crisp writing usually featured love nests, gang wars, political scandals, movie stars, theater news—not education.

Walter Howie, the editor of both the Boston Record and Boston American, two round-the-clock, deadline-every-hour tabs, was the best known tabloid newspaperman of the day, with the possible exception of "The Chief"—William Randolph Hearst himself. He was the model for Walter Burns, the fast talking managing editor of the Chicago American in "The Front Page," the classic newspaper melodrama, a role successively played by Pat O'Brien, Cary Grant and Walter Matthau on the screen over the years.

The G.I. Bill tickled Howie with its potential for mass merchandising—this time of education rather than newspapers—and he persuaded "The Chief" to detail Frank Riley of the Record staff to cover its passage through the legislative process to make sure it wasn't bottled up or shunted aside. At a time when the Washington press corps wasn't much larger than the number of reporters assigned to the police beat in the bigger cities—and any other beat was almost nonexistent—Riley was the only reporter solely assigned to cover the progress of the G.I. Bill.

He attended every subcommittee and committee meeting, every floor debate, every press conference as well as many meetings and conferences closed to other members of the press.

By the time the two years needed to pass the bill elapsed, Riley and Howie, the Record and American and the entire Hearst newspaper chain, like Walter Burns and the fictional Chicago American had to come "riding to the rescue" of the bill more than once.

On June 26, President Franklin Delano Roosevelt signed into law a piece of legislation most of what would later be called the "establishment" regarded as populist moonshine. More than three weeks earlier, the now Gen. Theodore Roosevelt, Jr. helped lead the D-Day invasion onto the beaches of Normandy. On July 12, Gen. Roosevelt died in the breakout from the beaches.

But he died knowing the G.I Bill, a bill drafted and developed by the veterans organization he had formed, was now the law of the land.

Neither he, of course, the members of the Legion, Howie, Riley or "The Chief" had any idea how the G.I. Bill would transform that land, socially, educationally, economically, even creating an entirely new life style in a place called suburbia.

Roosevelt, Henry Colmery of the legion, Riley, Howie and Hearst were not ideologists, but pragmatists with an abiding faith in the capacity—and willingness—of the average American to seize opportunity and make the most of it.

They didn't keep scores. They had ideas, instead, ideas to help people who wanted to get an education, to buy a home, start a business, or just be given some time to come to terms with their memories of the war, the "52-$20" Club, $20 a week for 52 weeks.

And it paid off—before or since. The increased taxes paid by those who took advantage of the education component of the bill alone paid for itself time and time again.

Ours are troubled times—but much less troubled than they would be if it weren't for the passage of the G.I. Bill. In fact, we might trace some of our problems today to an unexpected side effect of the bill, the excessive production of "experts."

It wasn't experts who put the G.I. Bill together, and made it into law. They were common sense people who had some common sense ideas—not experts with "magic formulas" strung together from remnants of ideological failures of the past—substituting scores for answers.

America didn't become great simply because we had great natural resources. America became great because we had people who knew how to take advantage of those resources. If we need a symbol of America, other than the bald eagle or the flag, pictures of school houses would do.

We must help people who cannot help themselves. But the first thing we must teach them is how to help themselves. The only capital we can depend upon in the long run is human capital.

And, if we forget that, the story of the G.I. Bill of Rights, the American Legion—and two tabloid newspapermen from Massachusetts—may serve as a reminder.●

ABERDEEN, A GOOD CHOICE

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, there are several of my colleagues questioning and opposing the reorganization plan proposed by the Bureau of Indian Affairs. This plan would combine existing area offices into regional offices, including the North Central Center, to be located in Aberdeen, S. Dak.

I strongly support this reorganization plan. The benefits to the Indian tribes and the taxpayer, together with the reduction in bureaucracy, far outweigh any argument the opponents can raise. The Sioux Falls Argus Leader ran an editorial concerning this issue on June 7, 1982. I would like

to allow my colleagues the opportunity to examine this issue through this editorial. The text is as follows:

ABERDEEN GOOD CHOICE FOR ENLARGED BIA OFFICE

Thanks to sharp opposition from South Dakota and particularly, Aberdeen and its civic leadership, the Bureau of Indian Affairs (BIA) has abandoned plans to close its Aberdeen office and instead will make it the largest regional office in the country.

Members of the state's congressional delegation, Gov. William Janklow, Secretary of the Interior James Watt and Vice President George Bush, among others, share the credit with Aberdeen for the new decision.

The Aberdeen office will be known as the North Central Center and provide all BIA services to Indians in 10 states in the region. The plan, we believe, is much more sensible and less expensive than the one it superseded. That, among other things, proposed closing the Aberdeen office and consolidating it with the Billings, Mont., office in a new regional office at Rapid City.

The new plan will leave small BIA offices in Billings and Minneapolis, which will now report to Aberdeen. The number of workers at Aberdeen will be increased from 154 to 285 and increase the annual payroll by $2.5 million.

Aberdeen's advantage in being close to tribes in the Dakotas will work as well for Indians in the entire area the new office will serve. Other states included under the new plan are Wyoming, Nebraska, Minnesota, Wisconsin, Michigan, Iowa, Kansas and eastern Montana.

The BIA's national plan cuts the number of existing area and educational offices from 12 to five and is intended to save $16 million a year in administrative costs, after a time $7 million reorganization expense. The proposal, according to John Fritz, an assistant secretary for Indian Affairs, is supposed to save money by reducing 372 administrative positions and to improve services to the tribes.

We hope it does both. The Reagan administration should apply the savings to educational services and more money for the Indian Health Service. That agency is operating under extreme budget handicaps in the Dakotas, Iowa and Nebraska under a policy that forces its doctors to wait sometimes for an emergency before sending a sick patient to the hospital.

The policy is not fair. It requires 66,000 Indian patients in the area served by the Aberdeen office to be in danger of losing life or limb before the government will pay for their treatment at private hospitals.

The federal government's obligation for education and medical care of Indian tribes should be met—fairly and adequately. We think there's a better chance that the BIA can meet this goal from a headquarters in Aberdeen.

That city's choice is a departure from usual reorganization efforts by administrations of either major political party. Invariably, large field offices end up in metropolitan areas, often remote from the people who are supposed to get the services.

In this case, the largest regional office in the nation will be close to tribes and major reservations on the Northern Plains. That is a plus. So is Aberdeen's interest in providing continued community support for the new center.●

BANNING THE PLASTIC BULLET IN NORTHERN IRELAND

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. GILMAN. Mr. Speaker, several weeks ago, our Ad Hoc Committee on Irish Affairs met with Richard Balfe, a member of the European Parliament who has been active in ushering through a resolution which banned the use of plastic bullets by member nations. Mr. Balfe, who serves in the European Parliament, and who represents the district of London, explained to the committee that the Parliament was highly supportive of this resolution and passed it earlier this spring.

The issue of the plastic bullet is one which is of grave concern to me, and to many of my colleagues. Since the beginning of 1981, 12 persons including 5 children under the age of 15 have been killed by the plastic bullets used by the security forces in Northern Ireland. Additionally, 175 have been injured, including several who were blinded. In meeting with some of these victims last month, I heard firsthand the horrors facing the innocent victims of the plastic bullet.

I would like to take the opportunity to congratulate the European Parliament on the brave, outspoken stand they took in approving this resolution. In keeping with the truly humanitarian concerns of the Parliament, passage of this resolution underscores again the progressive nature of the Parliamentary agenda.

Incidentally, several Members of the House of Representatives have joined forces in offering our own resolution which commends the Parliament on this action, and which reaffirms our opposition to the use of the bullets. Our resolution also calls for the termination of the use of the bullets by security forces in Northern Ireland to avoid any further injuries.

Mr. Speaker, so that my colleagues will more fully understand the grim facts surrounding the truth about the plastic bullet, I am inserting Mr. Balfe's remarks into the RECORD:

TESTIMONY OF MR. RICHARD BALFE, MEMBER OF THE EUROPEAN PARLIAMENT, BEFORE THE AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS

Mr. Chairman and Members of the Committee, may I thank you for sparing the time from what I know is a busy schedule to afford me the opportunity of addressing you briefly about Ireland.

My name is Richard Balfe and I am the Member of the European Parliament for Inner South London. The European Parliament is the Common Market Parliament which meets in Strasbourg and Brussels. It consists of 435 members elected by direct suffrage, each of the ten member states have a different number of members according to their population size. The UK has 81 and Ireland has 15.

My own interest in Ireland is based on close family ties. My father came to England from Dublin in 1942 shortly before I was born. Many of my relatives are still there today including a sister, and I visit Ireland regularly. I am therefore one of the small group of UK politicians with strong Irish connections.

There have always been UK parliamentarians who are sympathetic to Ireland and to union. They have never been a large number but it is important to realize that the Irish cause has never been totally without friends in the House of Commons. The cause has also had varying levels of support outside the political system from the considerable Irish population in the UK. This support is expressed through Irish clubs and through the Irish part of the Roman Catholic Church in Britain. Catholic newspapers with varying degrees of enthusiasm support the reunification of Ireland.

Ladies and gentlemen, Britain cannot win in Ireland. The population in the North is under military rule, armoured personnel carriers patrol the streets, armed soldiers are seen everywhere and all the equipment of a modern military machine is extensively deployed in order to secure the questionable policy of retaining the 6 counties as part of Great Britain.

The six counties are not part of Britain, they are territorially, historically and emotionally part of a 32 county Ireland. To separate this part from the rest of the country is as illogical as to separate a few counties of England away from the rest of the country.

Today specifically I want to ask your support in two areas. Firstly, the banning of plastic bullets and secondly the building of links between your group and European politicians who also support the reunification of Ireland.

Plastic bullets are a specially designed riot control weapon. They are made of solid plastic, are 9 cm long and 3.8 in diameter, and weigh 135 grammes. Fired from a special short-barrelled weapon, rifled to make them spin, they have a velocity at 45 metres of 47 m/sec (equivalent to 240 km/h), and are reputed accurate at 70 metres. Instructions to British security forces in Ireland are that they should be "aimed directly at the target at not less than a distance of 20 metres".

Plastic bullets have been sanctioned for use by the British security forces in the north of Ireland since August 1976. But they have only come into regular and widespread use since 1981. In the course of the last year 11 civilians have been killed and large numbers maimed (some of them blinded). Between April and August 1981, 7 civilians were killed, including a girl of 12, a girl of 14, a boy of 15 and a mother out shopping who was hit at a range of 6 metres. Over the same 5 months 60 civilians were seriously injured.

Plastic bullets were brought in to replace the rubber bullets used previously. Rubber bullets were lighter, and security forces were instructed to bounce them off the ground, not fire them directly at people. They were used by police and soldiers to break up demonstrations, prior to moving in to try to make arrests. Only 3 deaths of civilians were caused by them.

Plastic bullets are being used almost exclusively by forces firing from inside armoured vehicles, often on the move. Since 1981 this has been the main security force tactic. Official British sources say that 24,300 plastic bullets were fired in the first seven months of 1981. Whereas the use of

live ammunition in riot situations is subject to strict rules (set out on a "yellow card" issued to soldiers and police), there are no such controls on the use of plastic bullets.

Plastic bullets are known to have been issued to police forces in the United Kingdom, but their use has not been ordered. Home Secretary William Whitelaw stated after the riots in Liverpool that the use of plastic bullets had not been authorised "in case someone might get killed".

They have been issued in Belgium, but used on only one occasion, in 1979. The Belgian minister of the interior admitted then that they could by fatal.

There has been considerable debate in the Netherland about whether to issue plastic bullets to police instead of normal ammunition, but the general feeling is against on grounds of danger.

They were also once used in Zurich but following the blinding of two youths, the city parliament voted against their further use. They are not in use elsewhere in Western Europe.

For many months a group of members led by Neil Blaney had pushed for a debate on plastic bullets. On May 13 the European Parliament passed a series of related texts, the principal reading as follows:

THE EUROPEAN PARLIAMENT

A. Noting that since April 1981 seven people, five of them children under 15, have been killed in the six counties of northern Ireland by plastic bullets fired by the security forces; and that 181 people have been seriously injured, (including several who were blinded), since the start of 1981,

B. Noting that many of the injuries have occurred in non-riot situations,

C. Noting that according to official statistics from the Northern Ireland Office a total of 24,830 plastic bullets were fired in the first seven months of 1981,

D. Noting that plastic bullets have also been used by riot control forces in other Member countries, including Belgium (at Komen on 21.9.79),

E. Noting that the British Home Secretary recently stated that plastic bullets had not been used during riots in England "in case someone might get killed",

F. Noting that the Belgian Minister of the Interior admitted that such bullets can be fatal (Belgian Senate 22.11.79),

1. Calls on the governments of the Member States to ban the use of plastic bullets against civilians;

2. Instructs its President to convey this resolution to the Commission, the Council and the Governments of the Member States.

The only people to oppose this resolution were Ian Paisley and the British conservative group. Every other party and every other nationality in the Parliament voted to ban the bullets. Another worrying thing to emerge from the debate was a move by the British conservatives to delete the following clause from one of the texts:

"Welcomes the statement made on behalf of the British Government that Plastic Bullets will not be used to quell public protests on mainland Britain."

The move failed but could only have been motivated by an anticipation of these weapons being used in British cities.

Over the years we know that many of you, particularly Congressman Biaggi, Congressman Gilman and Congressman Fish, have worked hard both for Irish issues and on plastic bullets. Later this month when a delegation from the European Parliament visits Congress, I hope you will make it clear that you welcome the resolution.

A group of us are also taking the British Government to the European Court of Human Rights about the case of Brian Stewart, aged 13, who died on the 10th of October, 1976.

Brian Stewart was hit in the face by a plastic bullet fired by soldiers of the Kings Own Scottish Borderers soon after six p.m. on 4 October 1976. He had just left his home in Turf Lodge, West Belfast, and was standing on a corner. Several eyewitnesses said there was no rioting in the area at the time. The British army made a number of contradictory statements attempting to justify the shooting.

Finally, to turn to the matter of closer links. A group of members of the European Parliament began work almost two years ago to try and get the issue of Ireland and its reunification turned into a European rather than a British issue.

It is always difficult when something is successful to really apportion credit, everybody believes that they were in at the beginning however my clear recollection is that the first people were Neil Blaney, John O'Connell—now speaker of the Dail—and myself. The group has grown since then and apart from all the Republic of Ireland MPs and John Hume, it also has about 20 members from other countries.

The only qualification for membership of the group is a belief that the reunification of Ireland is a high priority and that we should use the European Parliament and national parliaments to campaign for this end.

Thus far, we have managed to get a debate last year on the hunger strikers, we have had the debate on plastic bullets already referred to, and we are now pressing for a debate on prisoners in foreign jails (there are of course many Irish prisoners in English jails).

We believe that a linkage between our work and yours would be of mutual benefit and we will be particularly happy to exchange information and welcome any of your members when in Europe. You are also welcome to contact me through my political office in London, namely: 259 Barry Road, London 5E22 OJT, England, Phones: 01-299-0868 or 01-693-1748.

Let me thank the Irish National Caucus for their continuing interest and cooperation in our work in Europe, and for helping us to maintain links with you. Finally, my thanks to you, Mr. Chairman, and your Committee for receiving me here today.●

DEVASTATING EFFECT OF FEDERAL BUDGET CUTS ON GREATER AKRON AREA

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. SEIBERLING. Mr. Speaker, in its impact on local and State government, education, the elderly, the poor, the unemployed, and the Nation's economy, the conference report on the Republican budget resolution is not as devastating, on the whole, as the budget submitted by President Reagan in February. One notable exception is medicare. President Reagan's budget would have cut $2.2 billion from medicare in fiscal year 1983, while the conference report assumes cuts of $3.6 billion.

Nevertheless, the conference report, in general, perpetuates the severe cuts in human support programs that were imposed by last year's Gramm-Latta budget resolution, which the President succeeded in having Congress adopt.

I opposed Gramm-Latta, and I oppose this year's conference report, for basically the same reasons:

First, it shortchanges essential human needs.

Second, it imposes further severe strains on local and State taxpayers.

Third, it spends far too much on the Department of Defense—16 percent real growth in 1983 and each of the 2 succeeding years, a total real growth of 48 percent in 3 years.

Fourth, it continues the mistaken Reagan tax cuts approved last year, with huge giveaways to the oil industry and the very wealthy, and very little relief to the average taxpayers. In fact, as a result of the increases in State and local taxes to offset some of the cuts in Federal grant and aid programs, the average taxpayer is worse off than before Reagan's program was adopted.

Finally, the combined effects of huge defense spending increases and the reductions in revenue from the tax cuts is the unprecedented level of the Federal deficit—$114 billion in the conference report, according to CBO's estimates—which in turn, results in high interest rates, low capital investment, and the worst recession since the 1930's.

In order that Members may see the kind of effect these cuts are having on a typical Midwestern metropolitan area, I am going to outline here the results of the analysis my staff and I made with respect to the area I represent and the testimony presented at the Conference on the Federal Budget I held in Akron in April of this year.

On April 14, in conjunction with the Institute for Civic Education of the University of Akron, I held a 5½-hour public conference on the Federal budget for fiscal year 1983. This was the seventh and, in my opinion, the most productive of the conferences I have held on this subject annually since the enactment of the Congressional Budget Act of 1974. Over a hundred people were in attendance and the proceedings were covered extensively by public radio as well as the print media.

In preparation for the conference, my staff and I drew up a lengthy analysis of the likely impact the cuts which President Reagan proposed for 1983 would have on the Akron metro area. This study, which also contained an assessment of the effect of last year's budget cuts, was prepared in cooperation with local governmental and private agencies which administer fed-

erally funded programs. At the conference, I presented the following summary of the areas where the cuts would have the most significant impact:

Aid to Families with Dependent Children—Almost 57,000 people, which is 11 percent of Summit County's population, are receiving some assistance from the Welfare Department. As a result of the fiscal year 1982 cuts, more than 1,300 Summit County families ceased receiving AFDC benefits. Because many of these families have turned to the state general relief program, the county's financial burden has been increased to the breaking point already and could grow by as much as $1.3 million in the next year.

Food Stamps—Since the first round of cuts went into effect in October 1981, 865 households in the Akron area have had their food stamp benefits terminated. The program changes would result in a family earning $5,000 per year receiving $300 to $400 less in food stamps than a family receiving that amount in welfare or unemployment compensation. Fewer working poor are eligible while the number of public assistance recipients on food stamps remains fairly stable.

Low-Income/Home Energy Assistance (HEAP)—In fiscal year 1982, almost 18,000 households in Summit County have received HEAP funds. The numbers could have been higher, according to state officials, if federal income standards had not been based on income for the previous twelve months, since many applicants are only recently unemployed. While the state expects that the number of eligible households will not shrink because of the federal cuts, the amount of aid each eligible applicant receives will be cut.

Special Supplemental Food Program (WIC)—Because of fiscal year 1982 cuts, Summit County WIC funds were cut 15 percent, causing some staff reductions. The impact of proposed reductions for the next fiscal year, and of consolidating WIC into a block grant program, would be to reduce the number of people served, and to weaken the WIC nutrition component.

Trade Adjustment Assistance—In fiscal year 1981, Summit County workers received a total of $7.2 million in TRA. This year, few, if any, local workers are even receiving such benefits.

Work Incentive Program (WIN)—In fiscal year 1981, WIN in Summit County received $233,231 and served 7,239 clients. Over 10 percent of the clients were placed in unsubsidized jobs. With fiscal year 1982 funds at $204,088, Summit County WIN had to eliminate its subsidy for on-the-job training. Staff cuts have affected WIN's ability to find jobs for AFDC recipients.

Job Training—Akron-Summit-Medina Employment and Training Consortium received approximately $14 million in federal funds in 1981. That was cut by 50 percent, to $7 million, in 1982. In 1981, the Consortium helped more than 4,000 Akron area residents. It is estimated that about 3,000 residents will participate this year, at least a 25 percent reduction. Because of the CETA cuts last year, 550 Akron area residents lost public service jobs.

Higher Education—Because of the fiscal year 1982 budget cuts, the University of Akron and Kent State University combined are expected to lose 5,508 students and $381,000 for the 1982-83 academic year. Under the fiscal year 1983 proposals, the two schools could lose 6,255 students and $8.4 million.

Economic Development Administration (EDA)—Fiscal year 1982 cutbacks affected the Revolving Loan Fund (RLF) which the City of Akron had hoped to start up with EDA funds and business development loans. If EDA is abolished, hope for creating the RLF would be stifled. As planned, the RLF would make loans of up to $250,000 to as many as 12 local businesses a year committed to creating new, permanent jobs.

Urban Development Action Grants (UDAG)—While UDAG funds will still be available, the cutback in fiscal year 1982, maintained in the fiscal year 1983 budget, will result in a reduction in the number and size of projects to be funded and may affect the Akron Downtown Development Plan. The allocation of UDAG and CDBG funds to Summit County this year set at $1.7 million, is supposed to meet the needs of the communities outside of Akron. However, this falls short of Summit county communities' needs by $3.9 million.

Energy Conservation—The proposal to reduce conservation efforts would have a particularly harsh effect on Ohio, since energy costs here are among the highest in the nation.

Mass Transit—If the proposed new budget cuts are adopted, Akron Metro estimates that it will have to raise fares 15 cents every two years.

Federal Tax Policy—As a result of the personal tax cuts, 14th District residents will pay about $50 million less in federal taxes this year. Ironically, however, that federal tax break could be wiped out by increases in other taxes at the state and local level.

Military Spending—In 1982, Ohio is projected to have a defense tax burden of $9.4 billion, and to receive $5.1 billion in defense-related spending, for a net loss of $4.3 billion. Cumulative 1982-1986 defense taxes are projected at $66.9 billion, while cumulative defense spending is projected at $37.2 billion—a five-year net loss of $29.71 billion. The 1982 defense-related tax burden is estimated at $431.4 million. Military spending in the current district is estimated at $241.7 million, a net loss of $189.7 million, or $1,300 per family.

The format of the conference included presentations by several panelists. The first panelist was Nicholas Masters, the Special Assistant to the Chairman of the House Budget Committee. He gave an overview of the national economic conditions and how they affect, and are affected by, the federal budget. Then, the remaining panelists, all from the Summit County area, each made presentations on their own particular groups's budget and how it would be affected by changes at the federal level.

After the various panelists completed their presentations, there was extensive audience participation with statements and questions. I believe this process was educational not only for the audience but for members of the panel and particularly for myself. Without attempting to elaborate on all of the points that were made, let me attempt to summarize the key conclusions expressed by the members of the panel.

1. Dr. Masters concluded that $45 billion will be poured into the economy in July from Social Security and other COLA's and the 10 percent tax cut, providing a temporary boost to the economy. He acknowledged that inflation has been brought down, but at a tremendous price:

1.3 million unemployed are not accounted for in the unemployment statistics. Add them to the 9 million already unemployed.

The housing industry is in its worst slump since the depression.

Business failures will top 25,000 this year, nearly 50 percent above the post-war high.

Capacity utilization is way down, especially the steel industry. As long as high interest rates continue, steel and other U.S. industry simply cannot compete with imports because of the high value of the dollar in international exchange.

If we had a "Deficit Hall of Fame", Reagan would have the title locked up. The deficit will be $120 billion in fiscal year 1982. Current baseline for 1983 is $180 billion. The deficit has to come down. There is no way we can survive if it does not. Otherwise, interest rates will not come down.

Unfortunately, ideology, not objective analysis is behind most of Reagan's policies. In the last year, both actual and real interest rates have risen dramatically. If a businessman's profits are at a lower level than real interest rates, then he can not meet his payments and will have to cut costs and layoff workers rather than borrow money.

Tough questions have to be asked about the Defense Department: Can the Department of Defense handle the growth of this magnitude. Real growth in the budget of the Department of Defense was 3 percent in Fiscal Year 1980, 12 percent in Fiscal Year 1981, 10 percent in Fiscal Year 1982, and is proposed to be 13 percent in 1983. No one is talking about cutting Defense, only redirecting the rate of real growth. The most important question is readiness.

2. Dr. Harold Williams, Professor of Economics and Director of the International Business Program at Kent State University, noted that when Ronald Reagan came into office, unemployment was over 7 percent. It is truly ironic that the measures the Administration imposed, especially the tax cuts, to give people an incentive to work harder, have produced less work.

Last year at this conference, Dr. Williams pointed out that there was no guarantee that any increases in savings from the tax cuts would go into investment. Furthermore, increasing production, through business incentives, does not guarantee that people will buy the products. These predictions, unfortunately, have turned out to be the case.

The trouble, explained Dr. Williams, is that the President was working with a theory that was incomplete. When you add a restrictive monetary policy to the degree that the Administration did, it makes less, rather than more, capital available for investment and less, rather than more, demand by consumers.

If protectionism goes up, the U.S. stands to lose more. All we need to do to make U.S. cars competitive is ease up on monetary policy. The increase in the value of the dollar versus the yen as a result of high U.S. interest rates alone is enough to account for the $1500 price advantage per car that the average Japanese car enjoys over the equivalent American car, Dr. Williams said.

3. Sal Falletta, General Counsel of the International Chemical Workers Union, added his comments that a 1 percent reduction in employment would raise federal revenues by $21 billion and reduce expenditures by $6 billion, for a net reduction in the deficit of $27 billion. In the public sector employment alone, Ronald Reagan cut 600,000 plus jobs. His 1983 plans will cut another 600,000 plus jobs. This is over 1 percent of the total unemployment.

Small business has created a significant part of the new employment in this country, yet Ronald Reagan's program provides less

help for small business than for big business.

Mr. Falletta believes that you cannot solve our military need just by throwing money at it. Putting the same money into civilian programs will produce far more jobs as well.

4. John Morgan, Summit County Executive, concluded that the effect of Reaganomics and the New Federalism has been devastating. Local cost of welfare has increased by 42 percent between 1981 and 1982. In March, Summit County had 5,090 people on general relief rolls, more than double the number on the rolls the previous year.

An attractive setting must be provided for business to invest in Summit County, if only to compete with incentives provided by other localities. The federal government provides a significant share of the cost of such incentives. The Administration does not understand that it must look at regional economies, not just national statistics.

5. George Miller, Director of Supplemental Services for the Akron Public Schools, said that Head Start, one of the most successful programs, would be phased out if the Administration has its way. School lunch programs will be phased out for 3,000,000 children. The handicapped education budget would be cut by more than 50 percent.

The biggest effect of the President's education cuts on Akron is the consolidation of programs. This is simply a nice way to cut federal aid. The Akron schools will end up with about ⅛ the amount they got from categorical programs. They no longer have special programs to deal with handicapped pupils. Training of teachers in computers is being curtailed.

The public school system is having to make major retrenchment in the specialized training for children who need remedial aid. The various federal programs for teacher training and special education programs have made a genuine contribution to the quality of education and their loss will be severe.

6. Akron Mayor, Roy Ray, expressed his concern over the current situation by noting that over the past 30 years, Akron has lost more than 33,000 jobs, most of them being blue-collar manufacturing jobs. In 1981 alone, four major rubber companies in the Akron area reduced local employment by 1,220 hourly jobs and 743 salaried jobs. Despite these grim figures, Akron has been able to make substantial strides in diversifying its job base and renovating the core city. But the fortunes of Akron and the rest of urban America depend upon a vigorous, inventive and growing national economy.

Most Midwest mayors are reluctantly willing to see federal aid for cities reduced. Mayor Ray said that he is willing to make this sacrifice only if other sectors of the economy, other sections of the country and other interest groups are also sharing those cuts. The proposition that inflation can only be cured at the expense of America's cities and the people who live there is not acceptable. There is particular concern that cities in the industrialized states must not bear the brunt in this regard. The Mayor was also concerned that the need for a strong national defense should not promote unnecessarily high defense budgets and, in turn, record budget deficits.

Mayor Ray is firmly convinced that cities can continue to be rebuilt and attract the type of investment that brings jobs to urban areas only if federal policies allow the Akron area to compete on an equal footing. Two programs specifically can help to achieve that equal competitive position, UDAG and CDBG. These two Federal programs have had the most significant impact on conserving housing resources, upgrading public infrastructure and enabling cities to take full advantage of redevelopment opportunities. Both programs have been used to great advantage in Akron. Mayor Ray urged Congress to reassess efforts to reduce the UDAG and CDBG budgets and to curtail industrial development bonds, a source of low-cost financing which is vital in an urban setting to overcome costs of land acquisition and site development.

With unemployment at record levels, the mayor urged Congress and the Administration to strengthen effective programs which retrain displaced workers and provide supplemental training for young people. He also urged maintenance of federal assistance to educational institutions for enhanced programs in the applied sciences as necessary for the rejuvenation of the American economy and a way to take best advantage of the existing resources found in Northern urban areas.

7. Congressman Dennis Eckart concluded that the Administration proposals will severely limit educational opportunities for middle and lower income working people. Aid to education is essential to building our future economic base. Cutting education not only weakens our economy, but condemns many young people to a future of unemployment welfare and food stamps when what they want is meaningful employment. To say, as Secretary Bell did, that young people can work their way through college, is meaningless in a period of high unemployment for youth.

8. Karl Hay, President of the Board of the United Way of Summit County, commented that if the people at the top of the scale are not interested in helping the people at the bottom of the scale then the latter will eventually take what they need.

He also questioned the Administration's military spending policies. Through high interest rates, which are severely damaging our economy and millions of people, high defense spending is, in effect, indirectly killing 10 percent of our people.

Mr. Hay said that New Federalism, to the extent it would cut funds for basic needs, is like curtailing our social insurances. Health, education, housing, environment, food and other basic needs do not respect state lines. We are all part of one community and affected by what happens to other members of the community. He added that block grants should be administered by requiring that local volunteer boards participate in deciding how to allocate the funds.

Mr. Hay said that it is unrealistic to expect the private sector to cope with the massive social problems of our nation. When you consider that people give an average of only 2 percent of their income to charities and that 84 percent of all charitable giving comes from individuals, not corporations, it is unrealistic to expect that volunteerism can carry the full load.

9. In my own remarks, I pointed out that there is a bias in the Reagan budget policies against our region of the country. While every region suffers some because of budget cuts, our area is seriously hurt in several ways. Rising unemployment is forcing an increasing number of Akron area residents to depend on government services at a time when such services must be cut back because of a loss in Federal funding. That's why we must rearrange our budget priorities in an effort to bring justice to our people and equity to the regional balance of payments and to restore vitality to the economy—in northeast Ohio and throughout the country.

Mr. Chairman this budget conference was a most successful event. It provided information to district residents regarding budget proposals, spending priorities, congressional procedures, and community needs. From my own point of view, it was a very useful forum for receiving my constituents' views on budget priorities. And what I learned was that there is a great deal of anxiety and fear about the Administration's budget proposals. I heard a great deal of criticism of the manner in which President Reagan has sorted out priorities for cutbacks.

That is why, when it came to voting on the First Budget Resolution and the amendments offered in the House, I could not conscientiously vote for the Republican proposals. I voted in favor of the Democratic substitutes offered by Chairman Jones and the House Budget Committee, as well as the Aspin, Obey, Miller and Fauntroy substitutes. Every one of these proposals would have resulted in lower deficits over the next three years than the Republican substitute, and would have made fewer drastic cuts in human services.

Every one of them came closer to the fair-balancing of priorities which I feel must be provided if we are ever to turn the recession around and get our economy moving again.

It is tragic that the combination of pressure from the White House, and powerful economic interests, and far right ideology defeated these moderate approaches. However, at least the public can see clearly where the responsibility rests for the disastrous consequences we are experiencing now and, I fear, will continue to experience until our national budget is made to reflect a more humane and balanced order of priorities.●

A.T. & T.'S DIVESTED "FRIENDS"

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. MARKEY. Mr. Speaker, I know that my colleagues are aware of a bill that has been moving through the Energy and Commerce Committee. This bill, H.R. 5158, the Telecommunications Act of 1982, has received an enormous amount of attention. Members have been inundated with mail from A.T. & T. employees and shareholders and last weekend A.T. & T. spent over $1 million in full page newspaper advertisements designed to defeat H.R. 5158. A.T. & T. claims that H.R. 5158 is a bad deal for the divested Bell Operating Cos. I think the article that follows, reprinted from the May 31 edition of CableVision Magazine, speaks for itself. I urge my colleagues to review this short article.

DIVESTED FRIENDS

Not all of the Bell operating company executives agree with AT&T's pronouncements that the antitrust settlement with

the Department of Justice is good for them as well as Ma Bell, as one BOC executive illustrated to CableVision. The executive criticized the divestiture scheme, saying he had been "screwed" by it, and even cast doubt on recent statements by AT&T that it would stay out of the cable programming business after the breakup. "That's what they say now," he quipped. When asked why his BOC had not spoken in favor of H.R. 5158 that would give the BOCs greater opportunities than the proposed consent decree, he responded, "How can you scream when your mouth is gagged?"●

UNITED BLACK FUND HISTORY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. FAUNTROY. Mr. Speaker, at a time when we are urging more volunteerism in America, and we are urging greater contributions to the nongovernment agencies and programs which assist the poor and disadvantaged, I want to bring to the attention of my colleagues the work of Washington, D.C.'s United Black Fund.

On Thursday, June 24, 1982, the United Black Fund will hold its 12th Annual Victory luncheon in recognition of UBF's past year of work and those who have made outstanding contributions in community service.

I want to invite you to join me in congratulating the United Black Fund for its continued efforts on behalf of the people of the Washington metropolitan area.

Hereto is a brief background and history of the United Black Fund:

UNITED BLACK FUND: ITS BACKGROUND AND HISTORY

The basic concept of the United Black Fund (UBF) was born from a need that became readily apparent in the 1960's. At that time, a number of Washington, D.C. Black-oriented, nonprofit organizations were either being denied funds, or receiving a disproportionate share of them from the United Giver's Fund and the Health and Welfare Council. (Hereafter referred to as UGF)

Dr. Calvin W. Rolark, publisher of Washington's Informer newspaper and leader in the Black community, conducted a study in the District of Columbia which confirmed the above findings. He was inspired to organize a United Black Fund to meet the needs which were not being addressed by the UGF. Dr. Rolark was joined in his effort by the Rev. Douglas F. Moore, then head of the Black United Front (BUF). The BUF, adding fuel to the fire, distributed a 14-point position paper, charging the UGF of Washington with employing discriminatory fund allocation policies to agencies within the Black community, and with having very few Blacks, if any, involved in policymaking decisions.

The momentum began building. Dr. Rolark's wife, Wilhelmina, a prominent attorney, fought city and Federal officials to secure tax exempt status for the fledgling organization. Qualified volunteers from Howard University were recruited for administrative duties, and the stage was set for the first United Black Fund fund-raising campiagn.

Nineteen Seventy One was a year of continuing struggle for the United Black Fund in its attempt to establish itself as an autonomous fund-raising organization. The U.S. Civil Service Commission (now the Office of Personnel Management) tried to block the United Black Fund's efforts to secure rights to solicit Federal employees' payroll deductions, via the Combined Federal Campaign. Therefore, on September 20, 1971, the first day of the second fund-raising campaign, Dr. Rolark announced that the United Black Fund would pursue legal action against the U.S. Civil Service Commission. The second campaign netted $37,000, and the Howard University Center for Sickle Cell Research was added as a participating member of the United Black Fund.

Nineteen Seventy Two saw continuing litigation in the United Black Funds' dispute with the Civil Service Commission. Yet, there was a breakthrough, for UBF; after months of negotiation, IBM granted employee payroll deduction rights to the United Black Fund. The third annual fund-raising campaign brought in $50,000.00—a large increase over 1971.

By 1972, a total of 11 agencies or organizations were under the United Black Fund's unbrella.

In June, 1973, UGF reported a deficit of one million dollars. Due to this deficit, and to the continuing pressure exerted by UBF, it was decided to bring the United Black Fund into a fund-raising partnership with UGF. As a result, the joint United Black Fund-United Givers' Fund campaign for 1973 reached its goal. UBF now granted allocations to 17 agencies and organizations. Nineteen Seventy Three was truly a milestone year for the United Black Fund. The struggle with the Civil Service Commission was resolved, when UBF became the first Black fund-raising organization in the country to be granted rights to Federal payroll deductions. Other solicitation rights had already been established at Howard University, the Washington Technical Institute, (now University of D.C.) and the District Government. Thus, UBF could give greater support to its member agencies by reaching a greater number of contributors. In just a few years, the United Black Fund had risen from its struggling beginnings to become a respected national organization.

In 1974, UGF and the Health and Welfare Council merged and became known as the United Way of the National Capital Area (UW). A united fund-raising campaign by UBF and UW was launched, with UBF sharing equal status with the UW. Half of the UBF funds raised at this time, were given to the Howard University Center for Sickle Cell Research. The joint campaign was equally successful as 120 agencies received assistance from UW-UBF.

Both organizations helped to establish campaign goals, and participated in all levels of the campaign including the Combined Federal Campaign. They are integrated into the established system of distributing funds to community service agencies.

Today, the United Black Fund is a viable, nonprofit grant-making institution, giving general, programmatic and emergency funding to community based organizations. Technical and managerial assistance is offered to member agencies and employment referrals are offered to the general public.

UBF presently supports 52 member agencies, and assists numerous nonmember agencies, on an emergency basis. The UBF receives Federal employee payroll deductions, as well as donations from the community at large. The volunteer Board of Directors is composed of community leaders, who give guidance and direction to the organization. The UBF day to day operation is administered by a small staff, through the Office of the President.●

IOSIF PEKAR—REFUSENIK

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. SMITH of New Jersey. Mr. Speaker, it is widely known and well-accepted that emigration of Jews from the Soviet Union has almost come to a complete standstill. There are many thousands of refuseniks who will not accept the virtual closing of the emigration door, praying and hoping for that one day when they will be permitted to leave.

One refusenik who refuses to succomb to Soviet atheist dogma is Iosif Pekar. Iosif Pekar and his family live in the Soviet Union, when he applied to leave the Soviet Union in 1978, with his wife and three children, he was dismissed from his job. He was able to obtain a temporary job but this, too, was taken away when it became known that he applied to leave. The family is left with absolutely no means of support, even after Iosif Pekar fought his job dismissal in a civil court for 6 months and lost the case.

Their emigration, Mr. Speaker, applications were rejected due to alleged "secrecy" of Iosif's former job as a radio engineer, although he was not aware of being exposed to any State "secrets."

Mr. Speaker, in 1979 his wife, in a special appeal during the International Year of the Child because she was unable to properly care for her children, she received this response: "We do not intend to help the children of parents who want to leave the Soviet Union."

Mr. Pekar's dilemma is neither unknown nor uncommon, Mr. Speaker. His situation can only be remedied by drawing attention to the problem and the best way to do this is through sponsorship of individuals, like Mr. Pekar, by Members of this body.

Mr. Speaker, I urge my colleagues to come to the aid of the Pekar family and others like them, so they too can have the freedom that they desire and that we all already enjoy.●

SENATE—*Wednesday, June 23, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Our Father who art in Heaven, we find it so difficult to take Thee seriously. Some of us don't believe in Thee at all. Others of us say we do, but we live as though we don't. Some of us are too busy to give Thee much thought except when we get into trouble, then we use Thee as a fire escape or a life preserver and forget Thee as soon as we're safe. Some of us are secretly angry with Thee. Frankly, we feel we have been treated unjustly and we blame Thee. Some of us see so much tragedy, so much injustice, so much pain in the world, that we cannot understand how a God of love could allow it.

Despite the fact that the Bible is filled with assurance of Thy unconditional love, concern, and compassion, though Thou hast promised never to leave us or forsake us, we choose not to believe Thee. Forgive us, Lord, help us to understand, to trust, to love and adore Thee. In the name of Jesus, whose love for Thee and for us never fails. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, this morning after the two leaders are recognized under the standing order and after the execution of a special order in favor of the distinguished Senator from Florida (Mr. CHILES), who I observe is in the Chamber, there will be a brief period for the transaction of routine morning business as previously ordered, not to extend past the hour of 10 a.m., in which Senators may speak for not more than 2 minutes each.

At 10 a.m. the Senate will resume consideration of the House amendment to Senate Concurrent Resolution 92. There are 5 hours for debate allocated by unanimous consent from the conference report itself on this measure.

Mr. President, it is my hope that we can finish action on the amendment on the House amendment to Senate Concurrent Resolution 92 and obtain final disposition thereof during this day, I hope by the middle of the day.

Senators should be on notice that there is a possibility that we will be called upon to deal with a supplemental appropriations bill or action with respect thereto as it may reach us from the House of Representatives.

I do not anticipate at this time that the Senate will be asked to remain later than approximately the usual recess hour of 6 p.m. or 6:30 p.m.

If I see a different situation I will try to make an announcement on it as circumstances may warrant.

Senators are also reminded, however, that tomorrow is a late day, according to the regular schedule, and the one remaining item of business involved, the conference report and action in respect thereto, that must be dealt with as soon as possible is the extension of the debt limit. If we have a debt limit bill or bills and if it is possible to take that up, I anticipate that we will attempt to do so yet this week.

Mr. President, I have no requirement for the remainder of my time under the standing order. I am prepared to yield it to any Senator who wishes time, and I see none seeking such recognition.

I offer the remainder of my time to the minority leader.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

Mr. ROBERT C. BYRD. I thank the majority leader.

Mr. President, I yield 5 minutes of my time to Mr. PROXMIRE.

HOW TO BREAK THE MOMENTUM OF THE NUCLEAR ARMS RACE

Mr. PROXMIRE. Mr. President, in early March 1982, the American Committee on East-West Accord invited Adm. Noel Gayler to develop a means to achieve deep cuts in nuclear weapons that would be both politically and technically feasible. Just who is Admiral Gayler? Does he have any significant military experience? Does he understand the nature of the Soviet threat? Does he have a realistic grasp of the military basis of the international rivalry between the United States and the Soviet Union?

Mr. President, the answer to all of these questions is a resounding "Yes." Admiral Gayler, U.S. Navy, retired, was commander in chief of all U.S. forces in the Pacific, 1972–76; former Director of the National Security Agency, 1969–72; and Deputy Director of the Joint Strategic Target Planning Staff of the Joint Chiefs of Staff, 1967–69. It would be hard to find anyone better qualified from a military point of view to speak out on this issue.

Mr. President, I wish to quote briefly from Admiral Gayler's statement and then have the entire statement printed in the RECORD. He writes:

> Everyone understands that nuclear weapons are the most deadly things ever invented by man. If they were ever to be used, the chances are overwhelming that they would be used in great numbers. And that would mean the slaughter of innocents in the hundreds of millions, the end of Western civilization, perhaps even the end of a livable world.
>
> What many Americans do not understand is that there is no sensible military use for any of the three categories of nuclear weapons—strategic (of intercontinental range), or theater (capable of reaching targets within one theater of military operations) or tactical (designed, like atomic cannon, for battle-field use). I say this as a military man, a former commander in chief of all United States forces in the Pacific, an aviator and mariner, soldier and intelligence officer of 46 years' experience.
>
> In the battles I saw and the military strategy I helped carry out, the means employed bore a reasonable relation to the ends in view. But now the nuclear forces of the United States and of the Soviet Union have become so large and so threatening that there is no conceivable military objective worth the risk of nuclear war.
>
> This truth offers us a way out. There are specific ways in which we and the Russians can reduce the now very real risk of nuclear conflict. We and they can renounce first use of nuclear weapons. We and they can redeploy tactical weapons beyond each other's range. Together, we can freeze nuclear-weapons activity just where it is, as a prelude to cutting back. Most especially, we and the Russians can agree on massive cuts in our nuclear arsenals.
>
> There are fancy theories current about controlled nuclear exchanges, and bloodless, chesslike calculations between opponents in

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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the middle of nuclear war. People who think like that do not understand nuclear weapons, and they do not understand war. Real war is not like these complicated tit-for-tat imaginings. There is little knowledge of what is going on, and less communication. There is blood and terror and agony. We cannot deal with war a thousand times more terrible than any we have ever seen in some bloodless, analytic fashion. To kiss off nuclear war in this abstract way makes it more likely, for we and the Russians may convince each other that we have aggressive plans that we do not in fact have.

Mr. President, this is an extraordinary wise and thoughtful statement, and I do commend it to the attention of my colleagues.

Mr. President, I ask unanimous consent to have printed in the RECORD the article by Admiral Gayler first published by the New York Times, April 25, 1982.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Everyone understands that nuclear weapons are the most deadly things ever invented by man. If they were ever to be used, the chances are overwhelming that they would be used in great numbers. And that would mean the slaughter of innocents in the hundreds of millions, the end of Western civilization, perhaps even the end of a livable world.

What many Americans do not understand is that there is no sensible military use for any of the three categories of nuclear weapons—strategic (of intercontinental range), or theater (capable of reaching targets within one theater of military operations) or tactical (designed, like atomic cannon, for battle-field use). I say this as a military man, a former commander in chief of all United States forces in the Pacific, an aviator and mariner, soldier and intelligence office of 46 years' experience.

In the battles I saw and the military strategy I helped carry out, the means employed bore a reasonable relation to the ends in view. But now the nuclear forces of the United States and of the Soviet Union have become so large and so threatening that there is no conceivable military objective worth the risk of nuclear war.

This truth offers us a way out. There are specific ways in which we and the Russians can reduce the now very real risk of nuclear conflict. We and they can renounce first use of nuclear weapons. We and they can redeploy tactical weapons beyond each other's range. Together, we can freeze nuclear-weapons activity just where it is, as a prelude to cutting back. Most especially, we and the Russians can agree on massive cuts in our nuclear arsenals.

There are fancy theories current about controlled nuclear exchanges, and bloodless, chesslike calculations between opponents in the middle of nuclear war. People who think like that do not understand nuclear weapons, and they do not understand war. Real war is not like these complicated tit-for-tat imaginings. There is little knowledge of what is going on, and less communication. There is blood and terror and agony. We cannot deal with war a thousand times more terrible than any we have ever seen in some bloodless, analytic fashion. To kiss off nuclear war in this abstract way makes it more likely, for we and the Russians may convince each other that we have agressive plans that we do not in fact have.

Both the Soviet and the American Governments have repeatedly expressed their wish to reach agreements reducing the risk of nuclear apocalypse. But President Reagan's campaign pledge to commence strategic arms limitations talks "immediately" upon taking office has not been honored. The pacific statements of the Soviet leader, Leonid I. Brezhnev, are compromised by the continuing buildup of Soviet nuclear arms and the not-so-veiled threats of Soviet counteraction if agreement is not reached. The only nuclear arms-control game in town now is the negotiation in Geneva on so-called medium-range weapons in the European theater. But the news from the negotiating table seems to rehearse the same tired old arguments that have gotten us nowhere in the past. What's the problem?

In all our negotiations, past and present, both we and the Russians have been hung up on the following three issues:

1. What is fair and equal? Neither side will stand still for unilateral disarmament, nor should it. But we Americans talk about equal effectiveness in terms of weapons systems, while the Russians talk about equal security, and the way they define their security needs is unacceptable to us.

2. What is verifiable? We are tremendously concerned about the potential for Russian cheating. They are equally concerned that our proposals for inspection inside the Soviet Union might be a cover for espionage.

3. How do you classify weapons, and what weapons do you count? For example, is the Russian Backfire bomber capable of intercontinental range, as our military contend, or is it a medium-range aircraft, as the Russians insist? Do you count as "strategic" those long-range weapons that cross oceans (our idea) or any weapons that can reach Soviet soil no matter where they start from (their idea)?

These built-in difficulties were the principal reasons the United States Senate refused to ratify the SALT II nuclear arms limitation treaty signed by President Carter and Mr. Brezhnev in Vienna in June 1979. And they are still bedeviling the current talks in Geneva. What can we do to get negotiations moving again?

When I joined the Army as a kid, the old sarge had a hell of a time getting us slew-foot recruits to march in some decent semblance of order. Once in a while, when things got out of hand, he would order: "Fall out and fall in again!" That's what we have to do with arms-control talks. Time is running out. We need a fresh approach.

On the occasion of receiving the Albert Einstein Peace Prize in Washington in May 1981, George F. Kennan, the distinguished Soviet-affairs scholar and former Ambassador to the Soviet Union, put forward a proposal that goes to the heart of the problem. Kennan proposed an immediate 50 percent across-the-board reduction in American and Soviet nuclear weapons, "without further wrangling among the experts." Eloquently, he spoke a simple and profound truth: "There is no issue at stake in our political relations with the Soviet Union, no hope, no fear, nothing to which we aspire, nothing we would like to avoid, which could conceivably be worth a nuclear war."

His suggestion has had a strong impact. A Gallup Poll last December showed three out of four Americans backing the idea. There is compelling evidence that public opinion in Western Europe and Japan is strongly in favor of such an approach, and the same appears to be true of public sentiment in the third world. Yet our policy makers in Washington do not seem to have grasped the proposal's extraordinary promise. They tend to dismiss the notion as simplistic, or impractical, or impossible to negotiate.

Yet all these concerns are misplaced. Deep cuts are practical. They can be negotiated, simply because they are in the best interests of both parties. They can be designed to have a stabilizing effect and reduce the risk of nuclear war. Solutions are available to all obstacles, real or imaginary.

Einstein once said that "everything should be made as simple as possible, but not simpler." Kennan's proposal is pretty close to that ideal; the trick now is how to go about it. Let us take a leaf from Grover Cleveland, who said: "The way to begin is to begin." The way to get rid of nuclear weapons is to get rid of nuclear weapons.

Here is the idea. We look for a solution that is fair, that we can verify and that does not get us into fruitless arguments about how different kinds of weapons should be classified. To do this, we have to look at security requirements, the politics of negotiations and the nature of nuclear weapons. Taking these factors into consideration, we find there is a way to bring about arms reduction that satisfies essential concerns on all three counts.

Let each side turn in an equal number of explosive nuclear devices. Let each side choose the weapons it wishes to turn in, whether missile warheads, bombs or artillery shells. Each weapon would count the same—as one device.

This proposal has some major advantages. A nuclear device is uniquely identifiable and can be counted without error when turned in; thus, there is full verification without intrusive inspection in either country. Since each side chooses the weapons it wishes to turn in, there can be no problem about what is fair. And since all explosive fission devices count equally, we have no arguments about how the weapons should be classified.

Self-interest will make each side turn in its more vulnerable weapons. This is good. As we now stand, both the United States and the Soviet Union have relatively vulnerable land-based strategic missiles, mounted in fixed silos. It would be logical for both sides to start giving up these weapons, while retaining their less vulnerable strategic bombers and virtually invulnerable nuclear-armed submarines. In this way, the temptation of either side to fire first in time of crisis, lest it lose its weapons to an enemy who attacks first, will be reduced. The "hair trigger" character of the nuclear forces, the most dangerous aspect of the present situation, will be eliminated.

Similarly, the missiles on each side that are the more threatening to the adversary's fixed silos—such as the highly accurate, high-yield, multiwarhead Soviet SS-18 and the equally formidable projected American MX—will tend to lose value. They will be deprived of their "counterforce" targets—the land-based strategic missile force of the other side, which they now threaten with destruction in a pre-emptive first strike. If deep enough cuts are made, the strategies of both sides are likely to revert to reliance on the relatively invulnerable components of their strategic forces. Crisis stability will be improved, and the chances of accidental or unauthorized firing will be greatly reduced.

To whom do we and the Russians hand over these weapons? Probably to a joint Soviet-American commission established for the purpose; perhaps a third party can be brought in as referee. What do you do with

the devices? Convert them, under safeguard, to nuclear power for civilian purposes. Uranium 235, one of the elements of nuclear weaponry, can be diluted with the plentiful isotope uranium 238 to a level of concentration suitable for nuclear energy but not for bombs. Plutonium, another such element, can be burned directly in a nuclear power reactor.

We can start by each turning in a relatively small number of weapons—say 50—to test the system and establish confidence. From there, we should proceed on an agreed schedule to a very large reduction—say 10,000 devices each. Again, the idea is to compel each side to choose to retain only a small number of weapons in a strategic reserve.

How will this or some similar proposal satisfy the basic concerns enumerated above?

Let us look first at security. America's primary security need is that the United States, its allies and the free world not be conquered, coerced or threatened by the military forces of the Soviet Union and its proxies. Historically, we have relied partly on the deterrent role of nuclear weapons to contain aggression employing conventional arms. The military doctrines of the United States and the North Atlantic Treaty Organization still plug the usefulness of nuclear force against a conventional Soviet attack. But now, with the Soviet Union's stategic forces roughly equal to ours, these doctrines are obsolete. Kennan and three other former senior American officials—Robert S. NcNamara, McGeorge Bundy and Gerard C. Smith—hit the nail on the head in their recent article in Foreign Affairs urging retreat from our strategy of defending Europe by first use of nuclear weapons: "deterrence cannot be safely based forever on a doctrine which more and more looks to the people of the alliance like either a bluff or a suicide pact." There is growing recognition that the game is not worth the candle. The security of the United States and its allies must be protected in ways other than with nuclear weapons.

Yet our European allies are torn by conflicting impulses. Their governments, as well as important segments of the political opposition and of public opinion, want the United States to be married to the defense of Europe not only by conventional force but by the threat of nuclear retaliation. Hence, the original demand by European leaders for the deployment of American medium-range weapons in Western Europe. At the same time, Europeans entertain the entirely reasonable wish not to be the nuclear battlefield of the giant powers. This wish finds expression in popular demonstrations against deployment of the new American missiles.

Current United States policy also has violently conflicting elements. On the one hand, Presidential Directive 59, issued by Jimmy Carter in 1980, still implies readiness to fight and win a limited nuclear war—as do many previous and subsequent official statements. There is still a green light—and an enormous appropriation—for development of the MX missile, even though the best brains in the country cannot figure out a sensible way to provide it with an invulnerable base. The B-1 bomber program bids fair to waste as much money on an obsolete means of weapons delivery as would be required to modernize, in many respects, the entire United States Army. And the so-called neutron weapon is still in the works, even though it is a battlefield weapon not so different from other nuclear weapons and is clearly regarded by the Russians as offensive and not defensive in nature.

On the other hand, President Reagan himself has expressed a desire for deep cuts. He has also proposed a "zero option" for Europe—no American medium-range weapons in Europe capable of reaching Soviet territory and no Soviet weapons aimed specifically at Western Europe. He has spoken of the overriding need for strategic nuclear talks, though at other times he and his aides have conditioned negotiations on better Soviet behavior.

In any event, the overwhelming logic of the situation, the political imperative being created by the growing revulsion against nuclear arms, dictates movement toward real and deep reductions. There are two major political problems yet to be overcome.

First, the primitives in American politics will not be satisfied with anything less than the unattainable—American nuclear "superiority." Why is this unattainable? In the real world, "superiority" has no meaning. We and Russia are like two riverboat gamblers sitting across a green table, each with a gun pointed at the other's belly and each gun on hair trigger. The size of the guns doesn't make much difference; if either weapon is used, both gamblers are dead. In the same way, the size of the nuclear forces makes little difference. States of readiness, targeting decisions, even which way the wind is blowing (carrying nuclear fallout), make a greater difference than a thousand extra missiles on either side.

Moreover, even if having more missiles than Moscow did give us "superiority," the Russians would not stand still for it. They have said they won't, and we had better believe them, for in their controlled society they can put into weapons whatever resources they choose. So the argument that we have to attain "superiority" before we can negotiate—an argument still being made in some Administration circles—just won't wash. We are not "inferior" in any meaningful sense, and we are not going to become "superior," no matter how much we ratchet up the nuclear arms race.

The second major political problem in the United States is the notion that we can punish the Soviet Union for its misdeeds—many of them very real—by withholding nuclear arms talks. We cannot use nuclear arms talks as a stick or carrot to make Moscow behave. And if we wait for the Soviet regime to shape up, by our standards, before we engage in nuclear arms reductions, we will wait a long time indeed. The reverse is true: The more our relations turn sour, the more imperative it is to drive down the risk of nuclear war.

What about the Russians? They, too, understand the terrible dangers of nuclear war. Many an official pronouncement and many an unofficial approach testifies to their willingness, even eagerness, to entertain the idea of deep cuts in nuclear weapons.

Soviet spokesmen contend that Soviet doctrine on nuclear war has changed in the past five years, and radically so in the last two. This is what they are saying:

"To try and outstrip each other in the arms race, or to expect to win a nuclear war is dangerous madness,"—Leonid Brezhnev, in a speech before the 26th Congress of the Soviet Communist Party, Feb. 23, 1981.

"Western politicians and strategists stubbornly push the thesis that Soviet military doctrine allegedly assumes the possibility of an 'initial disarming strike,' of survival, and even of victory, in a nuclear war. All this is a deliberate lie."—Marshal Dmitri F. Ustinov, Minister of Defense, in a speech at a Kremlin rally, Nov. 6, 1981.

"Political and military doctrines have been changed. This has been reflected in our internal life. There is new determination to seek sharp reductions."—Nikolai N. Inozemtsev, director of the Soviet Institute of World Economy and International Relations, at a Soviet-American seminar in Washington, Jan. 12-14, 1982.

These and other similar statements are accompanied by the interesting assertion that the change of doctrine is recent, that it involved internal political struggle, and that it was resolved by Brezhnev himself. We in the West are invited to note that this change will find expression in Soviet military schools, in military training manuals and elsewhere.

How much can we trust these declarations? Are they not just propaganda, intended to put us to sleep? If I were planning a military campaign, or even betting on the stock market, I would evaluate the downside risk of any given course of action. If we treat these statements as sincere and the Russians are deceiving us, the worst that can happen is that we lose some propaganda points or get otherwise snookered in some inconsequential way during arms negotiations. For no matter what the Russians say, we would never accept an unequal treaty. But if we fail to take these statements seriously—and hence fail to negotiate on arms reductions—we risk getting our heads blown off. It will be little consolation that the Russians will lose theirs also.

But the most compelling reason to take the Soviet authorities seriously on this score has been given by W. Averell Harriman, President Roosevelt's Ambassador to Moscow and, like Kennan, a profound scholar of Soviet affairs: "You can trust the Russians—to act in the Russian interest." Our own best minds have come to the conclusion that nuclear war is unwinnable. It would be folly to assume that the Russians are too dumb to have reached the same judgment.

Thus, in measuring the deep-cuts proposal against the security interests of the United States, the West and the Soviet Union, we find no major obstacles in the way.

Let us look next at whether deep cuts are negotiable—in other words, whether such reductions can be embodied in a treaty that (1) takes account of practical realities, and (2) can be sold to those elements within the American and Soviet societies that dominate the two countries' domestic politics. These are tough criteria, and they can be met only by a treaty that conforms to a strict set of principles.

An acceptable treaty must not only reduce the risk of nuclear war or nuclear blackmail but must be readily seen as achieving those ends. It must not only improve the security of both sides but must do so in ways that each side recognizes as valid for its own concerns. It must be equitable in mutually acceptable ways. The planned reductions must be such as to improve stability in a crisis by cutting down the advantage to be gained by striking first. Most especially, the negotiating parties must not be duplicitous, or strike phony poses, or arouse false hopes or unreasonable expectations.

Fortunately, these principles can be solidly based on the common interest. Neither superpower wishes to be destroyed. Neither wishes nuclear weapons to be in the hands of a variety of small powers or terrorist groups. If these overriding concerns can be kept separate from all other issues between

Washington and Moscow, fruitful negotiations are almost certain. It is essential, however, that each government give a clear political directive to its negotiators: "Find solutions that remove our joint peril and enhance the security of both."

The third factor—the physical technicalities of deep cuts—presents lesser difficulties. The essence of a nuclear weapon is its fissionable material. All else is mere supporting hardware—missile or cannon or airplane, guidance system re-entry shield or arming and fusing. Moreover, all nuclear weapons have roughly the same amount of fissionable material. In a "small" weapon, the fission element accounts for the weapon's entire explosive yield; in a megaton-range weapon, which depends on fusion, a similar quantity of fissionable material acts only as the spark for the enormously greater succeeding explosion.

Hence, in counting the weapons to be eliminated from the nuclear arsenals of both sides, all weapons can be treated alike. That provides a realistic basis for counting every weapon, no matter what its size, as one nuclear device, and for implementing the cuts by converting the fissionable material to nuclear energy. A desirable, though not essential, corollary to enhancing the effectiveness of weapons disposal would be an agreement to stop manufacturing weapons-grade fission material—both from reactors designed for that purpose and from the spent products of civilian power plants. A stop to production from weapons reactors can be verified by each side with current intelligence techniques. Diversion from nuclear-power reactors is more difficult to monitor, but not impossible.

The effect of deep cuts would be extraordinary. Reductions in the nuclear weaponry of the United States and the Soviet Union would prove the superpowers' willingness to bring the nuclear arms race to a halt. That would produce a much better climate for efforts to limit proliferation of nuclear weapons around the world. Major reductions in the more threatening or more vulnerable systems would enhance stability, thus reducing the probability of nuclear war. Weapons would no longer be available for "warfighting" strategies, and greater validity would be given to the assurances of national leaders on both sides that their nuclear forces had no objective beyond deterrence. The chances of accidental or unauthorized firings would be greatly diminished.

In all of the above, several things stand clear. Deep cuts are practical. They will enhance the security of the United States, of NATO, of the Soviet Union, of the world. They can be equitable and verifiable. They can be negotiated by the great powers and sold domestically. And there is a straightforward way to begin.

No one can doubt the extreme peril that nuclear weapons pose to civilization on earth. Getting rid of a lot of weapons on both sides will reduce the peril immeasurably. In Leonid Brezhnev's astonishing phrase, "God will not forgive us" if we do not act.

GENOCIDE: A PROBLEM THAT WILL NOT GO AWAY

Mr. PROXMIRE. Mr. President, last Sunday, at the International Conference on the Holocaust and Genocide in Tel Aviv, five scholars presented papers documenting the genocidal acts committed against Armenians during World War I. Plans for these presentations reportedly occasioned threats of reprisals against Turkish Jews.

While it is not clear whether threats were in fact made, the very possibility of such threats obliged the organizers of the conference to consider its cancellation. We can be thankful that the rumors appeared sufficiently ill-founded, and the likelihood of danger sufficiently slim, to allow this scholarly gathering to proceed as planned.

Mr. President, surely these events are evidence of continuing tensions over the issue of genocide. Surely it is clear that these tensions could, under unusually stressful circumstances, erupt in violent and harmful acts. And surely we in the United States would want to do all in our power to prevent such a result. Why then do we tie our own hands by refusing to address the problem of genocide?

It would be pleasant to believe that genocide is a dead issue. It would be pleasant to think that humanity has so well learned the tragic lessons of the past that genocide could never again occur. Sadly, this is not the case, and those who believe that the world is now free from the threat of genocide are indulging in wishful thinking.

We have allowed ourselves to be lulled into this pleasant fantasy. We are guilty of wishful thinking. We have tried to pretend that we live in a safe and civilized world in which international sanctions against genocide are unnecessary. The events surrounding the conference in Tel Aviv should remind us that the problem of genocide has not gone away.

We must stop pretending. We must act. And we can do both at once. We can recognize the continuing problem of genocide while we take the first step toward its elimination—by ratifying the Genocide Convention.

Mr. President, I thank the distinguished minority leader and yield the floor.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MATTINGLY). The clerk will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, if I may reclaim 1 minute of my time under the standing order, I understand this request which I will now state for the consideration of the minority leader and all Senators has been cleared.

REMOVAL OF INJUNCTION OF SECRECY—CONVENTION FOR THE CONSERVATION OF SALMON IN THE NORTH ATLANTIC OCEAN

Mr. BAKER. As in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Convention for the Conservation of Salmon in the North Atlantic Ocean (Treaty Document No. 97-25), transmitted to the Senate yesterday by the President of the United States; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Convention for the Convervation of Salmon in the North Atlantic Ocean which has been signed by the United States, European Community, Iceland, Norway and Canada. It will enter into force following ratification by not less than four Contracting Parties of which one must be the United States. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Treaty.

Work on this Convention was initiated in 1978 by the United States to develop a new organization to address Atlantic salmon conservation, restoration and management issues through international cooperation. The Convention will provide an effective forum for salmon producing states and salmon harvesting states to work together cooperatively in solving critical salmon conservation and management problems in the Atlantic region. It will focus attention on worldwide Atlantic salmon conservation and management programs and augment current domestic and international efforts to restore these valuable resources.

I recommend that the Senate give early consideration to the Treaty and give its advice and consent to ratification.

RONALD REAGAN.

THE WHITE HOUSE, *June 22, 1982.*

Mr. BAKER. Mr. President, I thank the Senator from Florida for yielding, and I yield the floor.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Under the previous order, the Senator from Florida (Mr. CHILES) is recognized for not to exceed 15 minutes.

CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, every day now for the last few weeks, Senator NUNN and I have spoken on the Senate floor about crime, and about the need for the Senate to pass anticrime legislation. There are two good bills on the Senate Calendar right now. Either one can be called up for consideration at any time.

On May 19, Senator NUNN and I introduced S. 2543, a package of crime-fighting proposals. S. 2543 is an updated version of legislation we introduced last year. So far, 17 other Senators have joined us as cosponsors. A week after introducing this bill, I joined Senator THURMOND and Senator BIDEN, the chairman and ranking Democrat on the Judiciary Committee, in sponsoring the other major anticrime package, S. 2572. We have picked up 50 cosponsors since then.

We need to act quickly on this legislation. The crimewave goes on, and time is running out on this session of Congress. We have as few as 47 legislative days left. I am encouraged by the number of cosponsors on the crime control bill, and by the fact that they come from both parties. Now we need to bring these bills up on the floor, pass them, and give the House an opportunity to consider our proposals.

There are plenty of good reasons to move on this legislation. Over the last couple of weeks, I have given examples of the outrageous crimes that are being committed, of the crime-drug connection, of the plight of victims, and of the effect of crime on our society.

Today, I would like to talk about another side of the crime problem—the effect of all this violence on our law enforcement officers. It has gotten to the point where the people who have dedicated their careers to law enforcement run a very real risk of being killed or assaulted by a member of the society they have sworn to protect. This is tragic, and it cannot help but have an effect on morale and on the functioning of law enforcement operations.

Over the past 15 years, we have lost 70 good people in Florida alone. State, county, and municipal officers in my home State were assaulted more than 5,400 times last year. Over 1,300 of them were injured. And six were killed in the line of duty.

The crime situation is at its worst in south Florida. But the murder of law enforcement people is not confined to my home State or any part of it. Nor is it limited to urban areas, or to a particular kind of police force. Nobody is safe—one of the men killed last year was a Miami policeman, but another was in the small town of Frostproof. One was a Florida highway patrolman. And yet another was a sheriff's deputy in Polk County. I grew up in Polk County, and I can tell you that this kind of thing just did not happen there in those days.

The deputy, Theron Burnham, was killed in January 1981 by a man with a history of prior arrests—for auto theft, petty larceny, possession of firearms, and escape from State prison. He was following up on an abduction call, and was shot as he approached a suspect's car.

Henry McCall, the policeman in Frostproof, was also killed with a handgun. He was confronting two suspects during the armed robbery of a savings and loan association.

In April 1981, Florida highway patrolman Robert McDermon found a prison escapee in the town of Baldwin, outside Jacksonville. As he arrived at the trailer where the convict was hiding, he was killed with a 12-gage pump shotgun and a 30-06 rifle.

On May 23, Thomas Szafranski, a deputy with the Duval County Sheriff's Office, was on routine patrol in his squad car. While he was stopped at an intersection, a sniper shot him with a high-powered rifle from 80 feet away. The murderer said he wanted to "kill a cop." His record included prior arrests for drugs, firearms, and resisting arrest.

Drugs were also involved in the shooting death of Gerald Rauft, a Tampa Police Department vice detective, who was killed with a .38 caliber revolver as he tried to make a narcotics arrest. Another detective was wounded in the shooting.

The Miami police officer, Nathaniel Broom, was shot as he was chasing a fleeing felon into an alley in September 1981.

There is no question that we can prevent some of these deaths. We can pass legislation requiring mandatory penalties for anyone who uses a gun, or any other dangerous weapon, to commit a crime. We can reform our sentencing system to make sure that those who are convicted of a crime do not get off with little more than a slap on the wrist. We can help cut drug trafficking and the violence it creates, by closing the revolving door bail bond system, which puts people arrested on drug trafficking charges back on the streets before the ink on their arrest records is dry. And we can provide protection to law enforcement officials by broadening the scope of the law which makes it a crime to assault these officials. All of these reforms are contained in S. 2543, for Federal laws. By passing these reforms on the Federal level, we can create some momentum to pass tougher laws on the State and local levels. And by putting these tougher reforms in place, we will send a message to our law enforcement officials that we stand with them in the fight against crime.

Mr. President, these six men gave their lives to the fight against crime. Not one of them was over 40 years old. They left families, loved ones, and the chance for a full life, behind them. People—not just statistics, but real people—are dying out there, innocent victims and law enforcement officers both. We can do our part to help the people who are on the front line in the fight against crime by passing this package of bills. We can do that, Mr. President, but only if we act now.

● Mr. NUNN. Mr. President, it has now been 1 month since Senator CHILES and I introduced S. 2543, the Crime Control Act of 1982. To date that bill, as well as the crime package introduced by Senator THURMOND, S. 2572, remain untouched on the Senate calendar. While those bills await our action, violent crime continues to terrorize the American public on a daily basis.

While the Senate persists in placing its legislative priorities elsewhere, our criminals become more daring and more confident in their deeds. Our failure to reform and strengthen our criminal justice system only reinforces the criminal's belief that he is beyond the reach of the law. So secure is the criminal underworld that open and violent assaults on the integrity of our system are now commonplace.

In 1981 Dean Kachulis and John Arends were facing Federal narcotics charges in the district of Connecticut. The Government alleged that they had conspired to distribute some 25 pounds of cocaine. Kachulis was obviously not intimidated by the gravity of the Federal indictment. He devised yet another criminal scheme by which to defeat the initial charges. He persuaded five other individuals to assist him in a plan which would include kidnaping, murder, and the bribery and intimidation of the jury. The targeted individuals were by no means minor players in the Kachulis case: They included the principal Government witness, the judge, and the prosecuting attorney. Fortunately, the plan was never successfully carried out as to those three individuals. Two other men, however, were not so lucky. They were actually shot, bound and dumped into the East River. Only one of the two survived. One victim was, surprisingly, a defense witness whom Kachulis feared would incriminate him at trial. The second was neither a Government nor defense witness, but a coconspirator whom Kachulis suspected would eventually cooperate against him.

When the kidnaping and murder plot came to light, both Arends and Kachulis pled guilty to the cocaine charges. They were sentenced to 6 and 7 years, respectively.

Federal authorities subsequently charged Kachulis and five coconspirators with conspiracy to kidnap, kidnaping, and obstruction of justice. All six were found guilty. Kachulis

was sentenced to life, with the coconspirators receiving terms ranging from 30 years to life.

Such brazen attempts to thwart justice via intimidation and violence have become everyday occupational hazards to those whose duty it is to enforce our criminal laws. S. 2543 will better equip our law enforcement community to brave those hazards. The bill makes "murder-for-hire" a Federal offense. It extends full statutory protection against threats and violence to all persons charged with the enforcement and prosecution of Federal law, the families of those persons, actual as well as potential witnesses, and Government informants. Lastly, the bill provides for increased criminal penalties for offenses involving actual or threatened violence.

American law enforcement daily risks violence and physical harm in an effort to maintain respect and integrity for the law. For its part, the law must be clearly committed to protect and sustain those enforcement efforts. We in the Senate should act without any further delay to adopt S. 2543 as a clear and determined statement of that commitment.●

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant secretary proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant secretary proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that I may proceed as if in morning business without the time being charged against the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE WAR IN LEBANON

Mr. HATFIELD. Mr. President, the people of Lebanon are dying today. They have been dying now for almost 3 weeks, and no end to their suffering is in sight. Their bodies lie unburied, and, in many families, there is no one left to mourn. They are a people caught in the hatreds of age-old differences. For them, the destruction of the Palestine Liberation Organization, the securing of Israel's northern border, and the triumph of U.S. weaponry over Soviet weaponry offers no solace.

They have been a resilient people—these Lebanese—perhaps too resilient. Time and again, they have taken up their lives in the aftermath of bombing, automatic weapons fire, or artillery rounds. In their acceptance of violence, perhaps they have invited violence. But this time, the destruction may be too great, the trauma too deep. Lebanon and its people may be lost, to become ghosts in some buffer zone where only soldiers feel at ease.

This is no longer the defensive operation of a friend and ally. This is no great opportunity for the United States in the Middle East. This is no solution for the troubles of Lebanon. There is no victory here for anyone. We deceive ourselves if we think otherwise.

Israeli forces invaded Lebanon on June 4 with the announced aim of pushing PLO forces out of artillery range of Israeli settlements—a distance of some 25 miles. But even as Israeli spokesmen made those first announcements, Israeli forces already had penetrated beyond that stated goal. And with each new fait accompli—with each new village and town occupied—that goal shifted. It shifted eastward to the Bekaa Valley and the Syrian missiles there. It shifted again yesterday with the bombing of west Beirut, and it threatens to shift to the gates of Damascus and beyond. And as Israeli leaders shift their goals to suit military exigencies, relief supplies are turned back from Lebanon's borders by Israeli military authorities or by fighting and the threat of disease mounts.

What is Israel's goal now—today? Must Lebanon and its people be destroyed utterly in the name of defense? Can Israeli children live in peace only if Lebanese children die in war? I will not countenance that bargain, and I do not believe this Nation can afford to be a silent partner to it.

Israel can stop the fighting now, if its leaders so choose. The dead can be buried, the wounded treated, and negotiations begun to restore Lebanon and its people to a free, sovereign way of life. It is time—but the Israeli Government must seize this moment.

I ask President Reagan to call one last time for an immediate cessation of hostilities. If Israel's leaders choose again to ignore the wisdom of that advice, I strongly urge the President, through the United Nations, to call for the imposition of international sanctions against Israel, to freeze all military aid now in the pipeline for Israel, and to call for a reassessment of his fiscal year 1983 recommendations for military assistance to Israel. We can make no bargain with armed aggressors—friend or foe.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—CONFERENCE REPORT

Mr. CHILES. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report the House amendment.

The assistant legislative clerk read as follows:

The House recedes from its amendment to Senate Concurrent Resolution 92 and agrees to the concurrent resolution with an amendment.

(The text of the House amendment is printed in the House proceedings of the RECORD of June 22, 1982, at page H3723.)

Mr. CHILES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHILES. Mr. President, is it in order now to move the adoption of the amendment, move that we concur in the adoption of the amendment, with an amendment?

The PRESIDING OFFICER. It is in order.

UP AMENDMENT NO. 1039

(Purpose: To provide an increase of $100 million over current policy for Federal Law Enforcement Agencies (FBI, Drug Enforcement Agency;) Immigration and Naturalization Service) (F. 750))

Mr. CHILES. Mr. President, I move that we concur in the House amendment with an amendment which I send to the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Florida (Mr. CHILES), for himself, Mr. JOHNSTON, Mr. NUNN, Mr. DOMENICI, and Mr. HOLLINGS, proposes an unprinted amendment numbered 1039.

Mr. CHILES. Mr. President, I ask unanimous consent that further read-

ing of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amendment to the House amendment to S. Con. Res. 92:

(a) In section (b)(14) setting forth the appropriate levels of budget authority and budget outlays, for the fiscal years 1982 through 1985, strike out all after "(14) Administration of Justice (750):", and insert the following:

"Fiscal Year 1982:
"(A) New budget authority, $4,500,000,000.
"(B) Outlays, $4,600,000,000.
"(C) New direct loan obligations, $0.
"(D) New primary loan guarantee commitments, $0.
"(E) New secondary loan guarantee commitments, $0.
"Fiscal Year 1983:
"(A) New budget authority, $4,800,000,000.
"(B) Outlays, $4,800,000,000.
"(C) New direct loan obligations, $0.
"(D) New primary loan guarantee commitments, $0.
"(E) New secondary loan guarantee commitments, $0.
"Fiscal Year 1984:
"(A) New budget authority, $4,900,000,000.
"(B) Outlays, $4,900,000,000.
"Fiscal Year 1985:
"(A) New budget authority, $5,000,000,000.
"(B) Outlays, $5,000,000,000."

(b) In section (a)(1) through (a)(3), setting forth the recommended levels of Federal revenues, budget authority and budget outlays for the fiscal years 1982 through 1985, strike out all after "(1) the recommended levels of Federal revenues are as follows:", and insert the following:

"Fiscal Year 1982: $628,400,000,000.
"Fiscal Year 1983: $666,050,000,000.
"Fiscal Year 1984: $738,400,000,000.
"Fiscal Year 1985: $821,900,000,000.

"and the amounts by which aggregate levels of Federal revenues should be changed are as follows:

"Fiscal Year 1982: −$200,000,000.
"Fiscal Year 1983: +$20,900,000,000.
"Fiscal Year 1984: +$36,000,000,000.
"Fiscal Year 1985: +$41,400,000,000.

"(2) The appropriate levels of total new budget authority are as follows:

"Fiscal Year 1982: $777,672,000,000.
"Fiscal Year 1983: $822,650,000,000.
"Fiscal Year 1984: $878,873,000,000.
"Fiscal Year 1985: $961,111,000,000.

"(3) The appropriate levels of total budget outlays are as follows:

"Fiscal Year 1982: $734,100,000,000.
"Fiscal Year 1983: $769,968,000,000.
"Fiscal Year 1984: $822,328,000,000.
"Fiscal Year 1985: $881,856,000,000."

The PRESIDING OFFICER. There are 30 minutes equally divided.

Mr. DOMENICI. That was going to be my question, Mr. President, whether this is an amendment that will come within the 30-minute rule in the Budget Act.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I wonder if my good friend (Mr. CHILES) will agree that we can vote on this amendment at 10:30? If he wants to use 15 minutes, I shall not use anything other than what remains.

Mr. CHILES. That will be fine with me, Mr. President. Then we shall have an up-or-down vote on the amendment at 10:30?

Mr. DOMENICI. We shall not ask unanimous consent. That is what we are shooting for. I shall not use a lot of time and it will probably work out better that way.

It is the intention of the leader that we not vote up or down but that there be a tabling motion first on the amendment. I want to send notice of that.

Mr. CHILES. Mr. President, I hope the Senator is talking about our reducing our time a little bit, which I am perfectly willing to do, but that we may have an up-or-down vote on the amendment.

Mr. DOMENICI. We do not have to reduce the time. I am sorry, the Senator may go ahead.

BUDGET FOR FEDERAL LAW ENFORCEMENT

Mr. CHILES. Mr. President, we are taking the unusual step of seeking to amend the conference agreement on the budget resolution to provide adequate funding for Federal law enforcement activities. We face a continuing crisis of increased activities by organized crime, by drug smugglers and drug dealers. Yet our Federal law enforcement agencies are not being provided the resources they need to keep up with crime, far less to gain on it.

When the Senate first considered the budget resolution as reported by the Budget Committee, the law enforcement agencies were held to a 3-year "freeze." The Senate accepted my argument that organized crime was not going to freeze its activities for 3 years, so we could not afford to freeze enforcement.

Unfortunately, the conference agreement came back below the $4.6 billion freeze level reported by the Senate Budget Committee. I objected to that agreement in conference, and I object today.

Mr. President, I remind my colleagues that we are not dealing here with grant programs that can be picked up by State or local governments. We are dealing with agencies whose budgets are mostly salaries. If we freeze them for 3 years, they will have to cut back on staff. That means fewer drug agents, fewer FBI agents, fewer customs agents monitoring our ports of entry.

The Budget Committee projects inflation of almost 20 percent over the 3 years, 1982 through 1985. A three-year freeze, therefore, would cost the law enforcement agencies 20 percent of their real funding level. For the FBI, that would mean a loss of 550 special agents, or the closing of entire FBI offices.

For the Drug Enforcement Agency, the freeze would mean a layoff of 195 agents, one-tenth of the DEA's authorized strength. I do not know of anyone who thinks we are so far ahead in the war on drugs that we can cut back one-tenth of our agents.

For the Immigration and Naturalization Service, whose burdens of border patrol and processing are increasing every day, a freeze would mean cutting 1,511 people in 1983; cutting another 707 people in 1984; then still another 707 people in 1985. The total loss would be 2,925 staff.

Mr. President, we are getting ready to take up an immigration bill on the floor. The committees have been working long and hard on that. Part of that bill is going to call for further additional enforcement agents for immigration—more border patrol, more agents. Here, we are talking in this resolution about cutting 2,925 staff men of IRS. I do not know how the rest of the States are situated in regard to immigration. I thought we had a national problem, a hemorrhage of aliens coming into this country. I can tell you we have a hemorrhage in my State, and I can tell you that there are nowhere near the number of Immigration and Naturalization Service agents right now to deal with that problem, to even begin to deal with that problem

And what about the Mexican border with Texas and the States that border on the Rio Grande? Do we seriously think that there are sufficient Immigration and Naturalization Service agents today that we can cut approximately 3,000 agents in the next 3 years? My goodness.

I just cannot believe that we are taking actions like that to freeze these particular agencies. What kind of signal do we send to our law enforcement people, do we send to FBI agents, do we sent to customs agents, do we send to DEA agents, to Immigration and Naturalization agents, when we say, "We are cutting back on Government, boys, so we are going to have a little freeze"?

As we know, last year, we actually had DEA agents who had to put their cars on the blocks toward the end of the year because they did not have gasoline to go out and patrol. Their wives tried to have a cake sale in one particular area to try to raise gasoline money. The Justice Department told them that would be illegal, that they could not use those funds. Yet in the face of that and the cutbacks we are already facing, now we are talking about a freeze.

Mr. President, the United States does not have control over our borders today. We cannot control the flow of refugees, or illegal immigrants or anyone who chooses to come in for any purpose. How, then, can we afford to cut back INS staff?

My good friend, the distinguished chairman of the Budget Committee, Mr. DOMENICI, has argued that if we want to provide adequate funds for law enforcement, the Appropriations Committee can take the $260 million

out of other programs. But the budgets for everyone are extremely tight this year. We watch the budget conference add back all kinds of money in key areas, because that is what the House leadership said they needed to get enough votes for passage of the resolution. Well, if those areas are critical, as I believe they are, then how are we going to cut them to pay for law enforcement activities?

I really would like to be shown where we can cut $260 million in discretionary appropriations to pay for law enforcement? I do not know whether we are going to cut education of the handicapped, cut the space program, cut veterans medical facilities or cut somewhere else. The Budget Act requires us to set spending levels by function, and we have done that. Each function has been cut to the lowest tolerable level; some to intolerable levels. So, I just do not see how we can cut something else to pay for law enforcement.

Mr. President, I hope the Senate will recognize the critical need for Federal law enforcement and adopt this amendment.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Florida is right on target. Last year, our President went to New Orleans. He talked to the law enforcement bodies. He described law enforcement as that thin blue line separating civilization from the jungle of violence and crime and then came back. I served as chairman and now as ranking member of the State-Justice-Commerce Subcommittee on Appropriations, so we have the FBI, the Immigration, the DEA budgets on the Appropriations Subcommittee there. When President Reagan came back from New Orleans, to our dismay, he proposed cuts in the law enforcement agencies, and we lost many agents. I know as of last year, we had 1,000 fewer FBI agents at the end of 1981 than we had at the end of 1971—with an increased population, and increased incidence of crime, with a greater job to do.

Let us talk about the DEA. Of course, the United States, with its jurisdictional size increased, with the Coastal Zone Management Act and the extension of the jurisdictional lines out to the 200-mile limit of the economic zone—that increased our jurisdictional size by one-third for the DEA, the Coast Guard, and other law enforcement agencies.

So we have a bigger job to do, with some 1,000 agents less. As the Senator from Florida points out, this resolution will cost us another 550 Federal Bureau of Investigation agents, another 200 in DEA. Agents down in Fort Lauderdale had gotten together with cake bakes to get for their cars gas funds that had been eliminated through budget cutbacks. They had been deadlined in my own State's backyard. So this is a real problem.

The funding reductions adopted last year severely impacted the ability of Federal law enforcement agencies to do their job. The following table shows the dollar amount as well as the number of agents reduced in each bureau.

[Dollars in thousands]

		Agents
Federal Bureau of Investigation	$60,722	354
Immigration and Naturalization	37,307	248
Drug Enforcement Administration	8,596	555
Total	106,625	1,157

This is where we get down to where we can talk polemically of spend and spend and tax and tax. Let us not talk at the Federal level about law enforcement because the Congress does nothing to assist that effort. On the contrary, we are cutting funds for law enforcement. I support this amendment against those cuts.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 2 minutes.

Let me say to the Senate that from the standpoint of the procedure, we do not normally have the opportunity for floor amendments when we consider a budget conference report, so for those who would think that the assumptions in a conference report for discretionary appropriated accounts are too low, the normal remedy would be to vote against a budget resolution. It so happens that in this instance the product of the conference is outside scope in a couple of areas, principally in the area of medicare and medicaid, because it was the desire of the conference to come in lower—with less cuts—than either resolution. As a result, Senator CHILES has another opportunity to attempt to amend the resolution.

Now, I am not being critical of him. I am merely explaining that normally you would not be able to do what he is doing. You would just say I do not like the resolution because it does not have enough discretionary appropriations, and one of those things that I do not like is this function.

But today, if we vote this amendment in, we will have no budget resolution. After months and months of work we are being asked basically to turn this whole thing down because we want to add $150 million in outlay estimates for function 750, and we want to add $260 million in budget authority for that function.

The numbers we compromised on in conference with the House are very close to what the administration requested for this function. If this committee had gone through each function item by item we would have found about $200 million in function 450 for EDA that goes to the Commerce, State, Justice Subcommittee on Appropriations that also has jurisdiction over Federal law enforcement activities. The authorizing committee that oversees EDA has already indicated it will probably not reauthorize the EDA program.

The reason I make the point is that we cannot be sure what the Appropriations Committee will do. But if we want to assume that it uses for law enforcement only the exact amounts assumed in this resolution, that would be about $50 million short of the administration's request. On the other hand, if we assume that the other appropriators are as concerned as the Senator from Florida, then it seems to me that they can put less somewhere else and find enough to make do this year.

I just want to make the point to the Senate that we really should not turn down a budget resolution coming back from conference through adoption of an amendment at this point in time. Only because of a procedural accident is there an opportunity to amend the conference agreement today. I say to those who really think that issue is not with the appropriators, but with the Budget Committee, you can go ahead and vote with the distinguished Senator from Florida and then we will have no budget. I think the better course is to get on with the last 2½ months of work. Let us get a budget. Let us see whether Congress wants to implement it and enforce it. Let us assume that our appropriators will put law enforcement activities very high on their priority list and we will not suffer the conseqences as described by Senator CHILES, consequences about which he and many of the rest of us are legitimately worried.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. I listened with great interest to this accident we are talking about, this window that kind of happens to give the Senator from Florida an opportunity to address this problem, by offering this amendment, which was occasioned by the fact that the majority conferees wanted to monkey with the figures in the budget resolution. And they wanted to do that in order to get a few more votes and to try to adjust a few more budget functions. So, through some closed meetings that were had, we find that the majority brought back sort of a package. None of us had an opportunity to change that package. We did not have a normal conference where you go in and you sort of go through each item. We received a package that was already there. It was already worked out. And through the negotiations

that went on between the Republicans of the House and the Republicans in the Senate we had this package presented. Of course, in that package, the majority cut out the law enforcement figures that the Senate had put in on my floor amendment.

There are two bills pending on the Senate Calendar now that are trying to present a package of anticrime bills. The Senator from Florida is a cosponsor with Senator NUNN in one of those, S. 2543, and a cosponsor with Senator THURMOND and Senator BIDEN in another one, S. 2572. One of those has 17 cosponsors. One has 50 cosponsors. That is 50 people in the Senate, and another 17 on another bill, who are saying, "We are concerned about crime." The President has said he is concerned about crime. The Attorney General has said he is concerned about crime and has presented a package of bills. The Senate caucus of the Democrats have said they are concerned about crime and they have gone on record. The Republicans have said they are concerned about crime and they have a package of bills. Everybody is concerned about crime. So what are we doing? We are so concerned about it that we are going to cut a few thousand agents. We are going to cut a few thousand people but that is not important. This budget resolution is important.

Yesterday, I say to my distinguished friend from New Mexico, I saw an amendment to the emergency supplemental bill sent back to the House because that was important; that had something to do with the amount of money Senators can receive from speaking engagements, so that was pretty "dadgum" important. I did not hear anyone say there, "Do not tamper with this bill because this might doom this bill to failure." Everybody said that this is the legitimate parliamentary device under the rules of Congress where we have a chance to address a matter as serious as this, how much we are going to be able to receive for our speaking engagements and so we jolly well address that. We sent that back to the House and said, "If you want this emergency supplemental, you better agree with our amendment." But today we are told not to be concerned with 3,000 border agents, with a hemorrhage at our borders, not to be concerned with whether we are going to cut DEA 10 percent, not to be concerned that you are going to cut 500 FBI agents, not to speak of the customs agent. Do not be concerned about that because it is more important that we get this budget package going down the track.

We waited days and days, and we have had plan 1, plan 2, and plan 3. I know of no reason why we should not adopt the House amendment with an amendment and send it back to them and simply say the Senate says crime is important. The Senate says we need to do something about law enforcement.

The 50 Members of the Senate that have cosigned the Thurmond-Biden bill, the 17 Members that have co-introduced the Chiles-Nunn bill, and all of the Democrats and all of the Republicans who have talked about crime so long and hard feel at this time that we should not cut these particular moneys; we should take this opportunity to say we think this is important, it is in our national interest to speak to this question. That is what this amendment gives us a chance to do.

I do not see how any Member of the Senate can say, "I am a cosponsor of one of these bills, I am telling my people back home that I stand long and hard and firm on crime, but I just had to vote with the distinguished chairman from New Mexico, I had to go ahead and cut 3,000 border patrol agents, cut the 500 FBI agents because it was very important that we get that budget resolution that only has a little over $100 billion deficit. It is very important that we get that on the way; it is going to do so much for the economy." That just does not add up.

Mr. President, I ask unanimous consent to have printed in the RECORD a table comparing our amendment to the House and Senate levels, showing that the conference gave up virtually all of the Senate positions to the House in this function.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CHILES AMENDMENT TO BUDGET RESOLUTION CONFERENCE REPORT

[In billions of dollars]

	Fiscal year 1983		Fiscal year 1984, BA and O	Fiscal year 1985, BA and O
	BA	O		
Senate-passed	4.9	4.9	5.0	5.1
House-passed	4.4	4.5	4.3	4.25
Conference substitute	4.54	4.65	4.5	4.5
Chiles amendment	4.8	4.8	4.9	5.0
Over conference	+.260	+.150	+.4	+.5

Assumptions: (1) Law enforcement agencies (FBI, Drug Enforcement Agency, Customs Service, Immigration and Naturalization Service) receive current policy, plus $100 million real increase; (2) Legal Services Corporation, Juvenile Justice are held to current funding levels (conference agreement assumes they are cut $100 million in fiscal year 1983).

Mr. CHILES. Mr. President, I ask unanimous consent to have printed in the RECORD two tables prepared by the Senate Budget Committee's majority staff for our markup.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—FUNCTION 750: ADMINISTRATION OF JUSTICE, HISTORICAL DATA

[Outlays in billions of dollars, fiscal years]

Major program	Actual				
	1976	1977	1978	1979	1980
Federal Bureau of Investigation	0.5	0.5	0.6	0.6	0.6
Immigration and Naturalization Service	.2	.2	.3	.3	.3
Drug Enforcement Administration	.1	.2	.2	.2	.2
Customs Service	.3	.3	.4	.4	.5
The Judiciary	.3	.4	.4	.5	.6
Law enforcement assistance; research and statistics	.9	.8	.7	.7	.7
Legal Services Corporation	.1	.1	.2	.3	.3
Federal prison system	.2	.2	.3	.3	.4
All other	.7	.9	.7	.9	1.0
Total function	3.3	3.6	3.8	4.2	4.6
Nominal growth (percent)	14	9	6	11	10
Real growth (percent)	8	2	−1	1	1

Source: Senate Budget Committee.

TABLE II.—FUNCTION 750: ADMINISTRATION OF JUSTICE, HISTORICAL DATA

[Outlays in billions of dollars, fiscal years]

Major program	Actual 1981	Revised baseline			
		1982	1983	1984	1985
Federal Bureau of Investigation	0.7	0.7	0.8	0.8	0.8
Immigration and Naturalization Service	.4	.4	.5	.5	.5
Drug Enforcement Administration	.2	.2	.2	.2	.3
Customs Service	.5	.5	.5	.5	.5
The Judiciary	.6	.7	.7	.8	.8
Law enforcement assistance; research and statistics	.5	.3	.1	.1	.1
Legal Services Corporation	.3	.2	.3	.3	.3
Federal Prison System	.4	.4	.4	.4	.4
All other	1.1	1.1	1.3	1.3	1.3
Total function	4.7	4.6	4.8	4.9	5.0
Nominal growth (percent)	2	−2	4	2	2
Real growth (percent)	−7	−8	0	−5	−5

Source: Senate Budget Committee.

Mr. CHILES. Mr. President, table I shows that the law enforcement agencies' budgets have hardly grown over the last 5 years, a period when there has been tremendous real growth in the overall Federal budget.

Table II is even more telling. It shows that the figures in our amendment will only bring function 750 spending up to the projected current policy baseline for the years 1983 through 1985. Even if we achieve that baseline level, spending for law enforcement and justice will decline by 10 percent in real terms.

So the budget we are proposing is really very tight. The only way we will be able to get improvements is law enforcement is by restraining other programs in this budget function. But to cut it down as low as the conference committee proposal will just not be tolerable.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield myself 2 minutes.

Mr. President, I say to the Senator from Florida that I would be ready now, but I am waiting for the leader. I have a couple of minutes, so I will respond to some of the Senator's allegations of "monkey business."

The Senator from Florida indicated that the reason we came back in disagreement is that some "monkey business" occurred. I do not argue with either him or the distinguished ranking minority Member, when they talk about Stockman, first; DOMENICI, second; Stockman, third. Indeed we did work on budget options in private meetings with BOB MICHEL and others.

I am sorry there was no other way to get a budget, but the reason the conferees went out of scope had nothing to do with private meetings. It was done openly, in public, by the conferees when they approved the functional numbers and the reconciliation instructions. The Senator from Florida was not there. He had been very diligent. That really is the "monkey business" that puts us on the floor with amendments being in order.

If there are going to be cuts in DEA, FBI, the law enforcement people, about which my good friend from Florida is concerned, this budget is not going to do it. The Appropriations Committee is going to do it.

I had the staff look at all of the budget authority that is going into the Appropriations Committee's crosswalk, and I find that for domestic discretionary programs, the budget authority being sent to the committee is, for all domestic programs, equal to the 1982 levels.

If the Appropriations Committee wants to move that money around so that they put law enforcement at high enough priority to receive additional funding, it seems to me that can readily be done. There are some programs that are not going to be funded as they were in 1982, such as DEA and others. Some of that money could be moved into law enforcement and we need not have the results that the distinguished Senator from Florida wants to prevent.

Mr. BAKER. Mr. President, it had previously been indicated, I believe, and announcements were made last evening and perhaps again this morning—on the cloakroom line on this side, at least—that there would be a tabling motion against the Chiles amendment. There seems to be strong sentiment by the Senator from Florida that he would like to have an up-and-down vote. The Senator from New Mexico indicates that he has no strong preference one way or the other.

I believe this would be a logical tabling motion, but I have no objection to an up-and-down vote. Since we already have an order for a vote at 10:30, I am prepared to go ahead now and vote up and down, if the Senator from Florida is prepared to do so.

Mr. CHILES. Mr. President, I yield back any time I have remaining.

Mr. DOMENICI. I yield back the remainder of my time.

Mr. CHILES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to concur in the House amendment to Senate Concurrent Resolution 92 with an amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN) would vote "yea".

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 33, nays 64, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—33

Bradley	Heflin	Metzenbaum
Burdick	Hollings	Moynihan
Chiles	Huddleston	Nunn
Cranston	Inouye	Pell
DeConcini	Jackson	Randolph
Eagleton	Johnston	Rudman
Exon	Kennedy	Sarbanes
Ford	Leahy	Sasser
Glenn	Levin	Specter
Hart	Long	Tsongas
Hawkins	Melcher	Weicker

NAYS—64

Abdnor	Domenici	Murkowski
Andrews	Durenberger	Nickles
Armstrong	East	Packwood
Baker	Garn	Percy
Baucus	Goldwater	Pressler
Bentsen	Gorton	Proxmire
Boren	Grassley	Pryor
Boschwitz	Hatch	Quayle
Brady	Hatfield	Riegle
Bumpers	Hayakawa	Roth
Byrd, Harry F., Jr.	Heinz	Schmitt
	Helms	Simpson
Byrd, Robert C.	Humphrey	Stafford
Chafee	Jepsen	Stennis
Cochran	Kassebaum	Stevens
Cohen	Kasten	Symms
D'Amato	Laxalt	Thurmond
Danforth	Lugar	Tower
Denton	Mathias	Wallop
Dixon	Mattingly	Warner
Dodd	McClure	Zorinsky
Dole	Mitchell	

NOT VOTING—3

Biden	Cannon	Matsunaga

So the motion to concur in the House amendment to Senate Concurrent Resolution 92 with an amendment (Chiles UP amendment No. 1039) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Delaware.

Mr. BIDEN. Mr. President, this morning when the Chiles amendment was voted on I was necessarily absent. I had to take my young daughter to a hospital, and everything is fine with my daughter, but I missed the vote. And having said this and begging the Senate's indulgence for being so personal on a matter I would not have mentioned that except the vote this morning was of great importance and interest to me and I regretted deeply missing it.

I wish at this point, although I am not asking unanimous consent to be recorded but to have it recorded in the record had I been here I would have voted and spoken on behalf of the Chiles amendment.

Mr. President, as the ranking member of the Judiciary Committee and the chairman of the Democratic Task Force on Crime, I support Senator CHILES amendment which would relieve Federal law enforcement agencies of a budget freeze at current level appropriations through 1985. A freeze in this area would undoubtedly mean a reduction in personnel for labor intense agencies like the U.S. attorney's, FBI, Drug Enforcement Administration, and Customs.

I need not spend a lot of time explaining how the Federal law enforcement agencies are already losing ground against drug traffickers and organized crime. Today we have 8 percent fewer Federal Bureau of Investigation agents than we did in 1975; Drug Enforcement Administration has 11 percent fewer personnel than it did in 1979. The U.S. Attorney's, which are screening out over 50 percent of their cases partially because they are understaffed, have 101 fewer positions and State and local assistance funds for law enforcement have been cut by 75 percent since 1980. Since 1975 violent crime in America has gone up 33 percent and the drug trafficking business is estimated to be a $85 billion a year business.

This budget proposal will increase national defense by over $100 billion in the next 3 years. I cannot believe that this body does not believe it essential to spend one-half a percent of that figure on improving domestic defense. Other than the economy there is no other issue our constituents are more concerned about than crime.

Last year we worked in a bipartisan manner in blocking administration cuts that would have eliminated 434 positions in the Drug Enforcement Administration, 340 agents in the Federal Bureau of Investigation, froze undercover investigations, froze personnel in the U.S. Attorney's Office—which was already 14 percent understaffed—and eliminated all State and local drug task force programs.

Again, in a bipartisan manner last month, we voted not to subject law en-

forcement agencies to a budget freeze when the first budget resolution was voted out of this Chamber of Congress.

Just as it was clear to this body then, it should be clear now: We cannot afford to make budget cuts to law enforcement programs.

Mr. President, the crimes of burglary and robbery alone cost this Nation more than $8 billion in property lost or damaged a year. This does not include such things as the increase in the price of goods to pay for security and insurance.

But the real cost of crime is the physical and mental anguish that victims, family members, and friends suffer for every crime that occurs. There are no statistics or dollar figures that can put in perspective the damage and hurt that occurs when you or a family member or friend are a victim of crime.

It is time to stop the rhetoric on the crime issue and spend the money so that we at least give our law enforcement people the tools necessary to do the job. As you well know, criminals are not cutting budgets. If a greater commitment to specific law enforcement, prosecution, judicial and correction agencies is necessary, then we must face that fact and make the commitment.

I ask my colleagues to support this amendment.

Mr. DOMENICI. Mr. President, I understand now that the distinguished Senator from Ohio (Mr. METZENBAUM) desires to discuss the issue, and we have 5 hours to further discuss the proposal before the Senate, and I yield to the distinguished Senator from Ohio.

The PRESIDING OFFICER. Before the Senator begins, let me ask the Senator——

Mr. ROBERT C. BYRD. Mr. President, the Senator from Ohio will have to seek recognition. One Senator cannot parcel out time to another Senator.

The PRESIDING OFFICER (continuing). The Senator is correct. The Chair was about to recognize the Senator from Ohio. The Senate will please be in order.

The Chair is advised that until the motion is made to concur, there are 30 minutes evenly divided between the majority leader and the minority leader on the House amendment.

Mr. DOMENICI. Mr. President, I move that the Senate concur in the amendment of the House in the nature of a substitute to Senate Concurrent Resolution 92.

The PRESIDING OFFICER. The motion is in order. There are 5 hours of debate.

The Senator from Ohio.

Mr. METZENBAUM. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct. Will the Senate please come to order.

The Chair is advised that——

Mr. HOLLINGS. Mr. President, I yield the time on our side to the Senator from Ohio.

The PRESIDING OFFICER (continuing). The Senator from Ohio.

Mr. METZENBAUM. Mr. President, we have before us today the so-called conference report on the budget, and we have had a lot of discussion—may we have order in the Senate, Mr. President?

The PRESIDING OFFICER. The Senator's point is well taken. The Senate will be in order. Those wishing to confer please leave the Chamber and repair to the cloakrooms.

The Senator from Ohio.

Mr. METZENBAUM. Mr. President, all of the discussion in connection with this budget has related to the question of how many billions up or down, how far the budget is in a deficit position or whether or not it is $103 billion or $116 billion or whether or not we can find $2 billion here or $2 billion there.

None of the discussion has related to the real impact of this budget on the people of America, and it is a sad reality that we have been more concerned about what Wall Street is going to say about this budget than we are about what the people on Main Street and the people back home are going to say about this budget and what its impact is going to be.

Not one word has been said about the human equation, about what happens when you cut billions of dollars out of the Federal budget on human services programs and go on your merry way. Nobody has talked about that. Nobody seems to care. Nobody is concerned. Yet the White House pushes forward relentlessly saying, "We have got to have this budget."

Well, let us not kid ourselves. When all is said and done it is much ado about nothing because you have a $115 billion deficit in 1983, almost twice the amount of any previous administration's worst deficit, and you have got something like $90 billion in 1985, probably 150 percent of the highest deficit ever before in the history of this country.

But having said all of that, you would have thought with all the time and effort that have been put into this subject that some thought would have been given to its impact upon people.

Mr. President, I object to being expected to speak further while all of this conversation is going on. The Senate is not in order.

The PRESIDING OFFICER. The Senator's point is well taken. The Senate will please be in order. Those Senators wishing to converse will do so in the cloakroom.

Mr. METZENBAUM. Mr. President, the President now has had his first budget resolution. He has his second budget resolution, he has his tax bill and he has also picked up something else along the way—he has a real recession in America.

The President, according to the Wall Street Journal of June 10, indicates that the people at the White House are more and more concerned about the perception that the Reagan administration is seen as a reverse Robinhood. Instead of robbing from the rich, the Reagan administration is seen as robbing from the poor. According to a recent Gallup poll, people at the White House cannot understand why 60 percent of the public thinks that the administration does not care about the poor, while 75 percent believes that the administration does take care of the rich.

Every single thing in this bill, every provision of this bill, every provision of this budget resolution will only add more to the rich and take more away from the poor.

The administration does not want to acknowledge that its policies are nothing better than the trickle down policies of Herbert Hoover, dusted off and rejuvenated for the 1980's.

Now, we heard those policies enunciated once before in the halls of Washington. They came from a man by the name of Charlie Wilson, head of General Motors, who some years ago said, "What is good for General Motors is good for the country." But the fact is that is not the reality of life and the people of this country are soon going to learn that as they learn of the impact of this budget that is about to be passed.

I stand on the floor today not for the purpose of persuading anybody to change their vote. I am well aware of the fact that will not happen.

But I think every person who votes on this budget ought to understand full well what its impact will be upon America, ought to understand the impact of the earlier passed budget and this budget and the impact of increased defense spending and the cuts in taxes. And the bottom line result is a recession in America, 10-percent unemployment, 12 percent in my own State, continued high interest rates, and no movement forward.

The result of the two budgets and the tax cuts and the increased defense spending means that the America that we leave to our children will not be nearly as great as the America that we found here. But this administration does not want to deal with the problems it has caused for millions of Americans. It is only concerned with its image.

Back some months ago, the Washington Post had a story "Change Sought in Reagan Image. Fairness to

Poor Offensive Launched. Administration Seeks to Change Administration Image Toward the Poor."

Then they went on to quote Reagan, the President of the United States.

During his recent trip to Alabama, Tennessee and Oklahoma, Reagan described his tax reduction program as "the best darn thing that's been done for working and middle-income people in nearly 20 years" and stressed his "real compassion" for people who cannot help themselves. The tax cut, he said repeatedly, will create jobs and "most of the benefits will go to average citizens in your hometowns."

Well, that is not the way the media of this country has been reporting it. On April 5, 1982, Newsweek magazine had a cover story, a picture of a little waif and the headline on the story was: "Reagan's America, and the Poor Get Poorer." And when you read what Newsweek had to say on that subject, you pretty well understood what the issue is all about.

The Newsweek article stated:

Ronald Reagan took the podium in New York last week to defend himself against what he believes is nothing more than a cheap political shot: the charge that both he and his policies are indifferent—even hostile—to the nation's poor. The occasion was a $250-a-plate dinner for the National Conference of Christians and Jews, which made Reagan the first incumbent President to receive its Charles Evans Hughes humanitarian award. His nomination was highly controversial, and the hotel where the honor was bestowed was flanked by 10,000 demonstrators protesting his policies at home and abroad. Reagan accepted the medal with characteristic graciousness—then declared his dismay at the rising chorus of criticism. "Today I'm accused by some of trying to destroy government's commitment to compassion and to the needy," he said. "Does this bother me? Yes. Like FDR, may I say I'm not trying to destroy what is best in our system of humane, free government—I'm doing everything I can to save it."

It was a candid admission of what one White House aide termed "a significant political headache for the President"—the public's growing perception that Ronald Reagan favors the rich over the poor and that his policies will effectively widen the gap between them.

But that is not the only place they have been talking about Reagan's image with the poor. On June 10 of this year, the Wall Street Journal, in one of its lead stories wrote:

Damaging view. White House strides to combat the feeling Reagan is insensitive. Image of "Robbing the Poor" Persists, but aides say it is a problem of perception.

Mr. President, if it is a problem of perception in the past, it will be a reality in the future under this budget that we are going to pass here today, without my vote, I might say, and without the vote of many others in this body. What we really have today in this country is a double standard, one standard for the rich and powerful and another for everyone else. More than a million Americans have already exhausted their full 6 months unemployment benefits.

And what does somebody expect them to do? What do they expect those people to do? To go on welfare? If they have no savings, what other choice do they have? Where is the compassion, where is the humanity, where is the concern? All that we hear is, "Balance the budget," and it has been a total failure in that respect. But, unfortunately, it has not been a total failure in coming down harder and harder and harder upon working people, middle-class Americans, and poor people.

And what does the Republican National Committee say about this? Well, let me quote to you what the Republican Party's National Finance Committee chairman stated just a few days ago. And you have got to listen to this and the impact of it.

Said he, "The recession has been a beneficial and cleansing tonic."

Beneficial for whom? "Cleansing tonic." What is he talking about? What kind of a man can the chairman of the Republican National Committee finances be and say that the recession is beneficial? What has happened to this crowd? Have they no heart? Have they no concern? Have they no feeling?

Now the Reagan administration is going over the social security disability file and terminating benefits in an astonishing 45 percent of the cases reviewed. People on social security disability, getting a benefit because they cannot work, because they are disabled, and without any reason or rhyme, just going forward and taking them off the disability benefit rolls and forcing them to go to the appeal process.

That is a 45-percent cutoff. But even more astonishing is the fact that the Social Security Administration's own administrative law judges are actually reversing those decisions in 70 percent of the cases.

But while a case is pending, there are no benefits, there is no income, and there is travail. Some in my own State have been known to take their own lives because of the termination of the social security disability benefits.

(Mr. DANFORTH assumed the chair.)

Mr. METZENBAUM. Oh, this is a great administration. This is an administration that speaks extremely well, but does not act nearly as well.

After his election, Mr. Reagan appointed as the VA Administrator a man who has publicly compared the effects of agent orange to those of teenage acne. Imagine the absurdity of that.

While slashing programs for Vietnam veterans on the ground that they represent coddling, that same VA official appropriated for himself an unauthorized chauffeur at the cost to the Government of $6,414.

Every time I go to a Budget Committee hearing, every time I sit in a meeting, someone comes up with a figure about how we are going to eliminate a lot of waste and fraud, how we are going to cut back on Government spending. Well, the facts do not speak too well in that area. U.S. News & World Report, on March 15, 1982, did a whole article about the fact that the crowd that is in the White House and serving in the Cabinet is the first to spend money lavishly without concern, without care.

Ronald Reagan ordered a sharp cutback in Federal travel expenditures and when he did that it was understood that across the board there would be those kinds of cuts. But the fact is his people are still traveling first class, not economy, even using the Concorde airplane to cross the Atlantic, spending $350 a day for hotel suites, and hundreds of dollars a day for stopover vacations while on trips. And even that great head of the Federal Reserve Board, who is so concerned about a tight money policy, never sees fit to fly any way except first class.

They seem to be saying, it is all right for most Federal workers to be held to strict accountability, but do not hold their bosses to strict accountability.

It was all right for David Stockman to come before the Budget Committee and tell us how we should cut back on food stamps, the school lunch program, the school milk program, the women and infant children program, and all the other programs, but when David Stockman had to go to Baton Rouge to make a speech, good David did not see fit to travel the way the rest of us travel, but on a special plane. No, in order to get to Baton Rouge, he had to get an Air Force Saber jet to take him down to make his political speech.

And he is not the only one. When the Secretary of Commerce wanted to go out to Tucson, Ariz., it did not bother him that there are plenty of commercial flights back and forth to Tucson, Arizona—he had to go deluxe. So he spent, from the taxpayers' money, $11,243 for a Lear jet to take him to Tucson to make his speech.

As a matter of fact, it is rather interesting in connection with that flight that the Federal excise tax, which was $535.41, was actually $18 more than the lowest round trip fare between Tucson and Washington.

And when the Transportation Secretary wanted to go down to Mexico, he had to go the best way possible, taking some family and friends along with him. He spent $31,246 of the taxpayers' money, using a Coast Guard 1 plane, a 12-seat Coast Guard plane.

It is great to talk about economy; it is great to talk about how we are going to save money; it is great to talk about eliminating waste; but not for the high mucketymucks of the Reagan administration. No, they have to travel the best way possible.

I like the Deputy Secretary of Transportation. I like his reason for traveling first class instead of traveling coach. His argument was he had to go first class instead of coach because he would not have been able to reach his destination in time if he had gone coach. My question is, Does he mean that the front of the plane gets there a little bit earlier than the back of the plane? I do not know.

Even our Secretary of Defense, the great Cap the Knife, travels pretty fancy. Last June the Secretary of Defense, Caspar Weinberger, joined members of the Grocery Manufactures of America when they met at the luxurious Green Brier Resort in White Sulphur Springs, W. Va. Cap made a speech. He spent two nights at the hotel. The bill for the Secretary and three aides came to $3,650, almost all of which was paid out of a $300,000 Pentagon fund that is designed "to maintain the standard prestige of the United States."

You have to maintain the standard and the prestige by keeping the Secretary of Defense in those fancy summer and winter resorts.

And then he made five trips to Maine on Air Force executive jets, all at the taxpayers' expense, all to his vacation home in Bar Harbor, Maine.

Mr. President, maybe those little items will not balance the budget, but it is an indication of what this administration is all about. They live high off the hog and let the people eat with the pigs. They just do not seem to care at all about what is happening to people in American.

A couple of weeks ago I listened to the President's address which was transmitted via satellite from Europe. I must tell you frankly I was disappointed. Ronald Reagan talked about his visit to France, Britain, Germany, and Italy. It was a magnificent travelog. He talked about the anniversary of D-Day and the Marshall plan. But he did not say a word about the most devastating economic conditions we have seen in American since the days of Herbert Hoover.

So I had an opportunity to respond to him, to respond to him and point out to him on behalf of the Democrats that in the 10 weeks since he began his series of broadcasts, 700,000 more workers joined the ranks of the unemployed. Each Saturday he spoke, and for 10 weeks he made his remarks to the American people, an average of 70,000 per week more joined the ranks of the unemployed during each of those weeks.

And during the same 10-week period, unemployment benefits ran out for nearly a million people, a million willing workers who have now been jobless for 6 months or more.

And in that same 10-week period, 4,200 businesses of all sizes, from the corner grocery store to Braniff Airlines, filed for bankruptcy.

That, Mr. President, is the highest rate of business failures in the past 50 years. But does the White House care? No.

That is the highest rate of business failures since the depression year of 1932. Does anybody down on Pennsylvania Avenue really care or feel for those who have gone bankrupt?

Do they care about the fact that American farmers are losing their farms by the thousands? There is not one iota of evidence to suggest that there is any feeling, that there is any concern about the real problems of America.

Image, yes. But when it comes to the reality of the kind of America we have, nobody cares. Nobody will lift a finger to do anything about it in this White House, this Republican administration.

Thousands of American families face the possibility of losing their homes, their cars, and what is left of their human dignity. I remember two women from Ohio who are wives of unemployed steelworkers who came to Washington to speak to the problem of unemployment in their community. They met with the Vice President of the United States and he was very considerate in listening. I sat in with those women and they said:

Mr. Vice President, the American dream used to be that the average person wanted to be able someday to own his own home and own his own car.

They said,

Mr. Vice President, today, the problem is will we be able to retain the home and the car that we now own?

Our country, Mr. President, is in trouble, deep trouble. The American people know it, but the Reagan administration does not know it, does not care about it, and does not have a policy to deal with this human suffering.

Several months ago, when the economy did not take off, what did the President do? The President blamed the Carter administration. Later, he blamed 40 years of Government mismanagement. That would have been under the administration of Franklin Delano Roosevelt. Then he said 50 years. That would be under the administration of Herbert Hoover. Then, when that did not seem to work, he blamed the media for reporting the bad news from south Succotash.

Now, Mr. President, the President of the United States is blaming the Democrats—blaming us for his tax bill, blaming us for his budget bills. He was so anxious to get them through, and he was successful in every single detail. He was also successful in creating a recession in America.

Mr. President, it is not a question of who is to blame. I say to the President, there is nothing to be gained by looking for scapegoats. Ten million unemployed do not care whether the blame rests on the President or on the Congress of the United States. They care about one thing and one thing alone: They want and they need their jobs back.

Thousands of farmers and small business people do not want and do not need lectures on supply-side economics. They need lower interest rates. Thirty-six million senior citizens should not be living in fear of Republican raids on their social security. They need a Government that lives up to its promises.

Ronald Reagan ran against waste in Government. Today, his administration does nothing in the face of the greatest waste of all, the waste of production from our idle factories, the waste of crops from our bankrupt farms, the waste of skills of millions of jobless Americans.

The time has come to act. The country has had enough of government by anecdote and bumper-sticker slogans.

But are we acting? Yes, we are passing a budget bill. Whom we are going to make happy, I am not sure. It will not solve one single problem in America, but at least Congress will be able to say we passed a budget bill. And it is a budget bill that will penalize the poor. It will penalize middle-income Americans. And nobody cares.

On June 20, just a few days ago, the New York Times had an editorial entitled, "What? Penalizing the Poor?" I think it so well addresses the problem that I want to share it with my colleagues in the Senate. Said the New York Times:

There he goes again. In Houston last week, President Reagan denounced "the special pleaders" who go about "campaigning against our budget cuts as penalizing the poor." As he has insisted repeatedly, "There have been no budget cuts"—only slower spending growth.

That's the kind of statement that has given Mr. Reagan such a reputation for compassion. (Gallup reports that 65 percent of the public thinks he doesn't care about the poor while 75 percent thinks he does care about the rich.) Almost any way you slice the budget figures, spending for people in need is being cut. The poor are being penalized. The special pleaders, if that's how Mr. Reagan thinks of advocates for the voiceless poor, are right.

What is the President thinking of when he keeps saying there are no budget cuts? Welfare? Impossible. In 1981, about $8.1 billion was spent for Aid to Families with Dependent Children, the main welfare program. Mr. Reagan cut that to $7.8 billion for 1982, and proposed chopping it to $5.5 billion for 1983. The new Congressional budget

figure, $6.4 billion, is almost generous by comparison.

Can the President be thinking of jobs and training? Also impossible. The 1981 spending figure was $5.6 billion. He cut that to $4.3 billion in 1982 and proposed a bare $2.4 billion for 1983. The Congressional figure is $3 billion-plus.

Or, most important of all, when he says no budget cuts, can the President be thinking of hunger? Outside Puerto Rico, Washington spent $10.3 billion for food stamps, the main anti-hunger program, in 1981. The 1982 figure will be $10.6 billion. For 1983, the President proposed $9.6 billion. That is not a decrease in the rate of increase. It is a decrease, plain, simple and painful.

Food stamp benefits have not been adjusted for inflation since September 1980. Food now costs about 9 percent more.

If not welfare, if not jobs, if not even hunger, it's hard to imagine what Mr. Reagan does have in mind when he says there are no budget cuts that penalize the poor. Does he think no one will examine such statements? Or does he believe that repeating them often enough will somehow make them accurate?

Life is hard enough for poor people when, in a recession, the Government helps them less. It does nothing for Mr. Reagan's stature or the country's conscience when he keeps saying that less is more.

I think, Mr. President, I am not only concerned with what is happening to the poor, but also with the other components of the budget. We have been attempting to pass this budget for over 6 months. What do we have in the budget? We have a defense budget that will increase by $100 billion over the next 3 years. In 1980, the defense budget was $135 billion. In 1983, 3 years later, defense spending will be $251 billion, almost doubling the single largest program in the Government within 4 years. And by 1985, the defense budget will rise to $316 billion. In other words, from 1980 to 1985, we shall increase the defense budget from $135 billion per year to $316 billion per year.

That is a staggering military increase, Mr. President. That is a tremendous military increase. That is an increase far beyond what anybody could ever have contemplated would be necessary or probably what is needed. Yet the fact is that with all of those dollars being thrown against the military, with Cap the Knife being the new Secretary of Defense, we expected economies to be affected.

But the fact is that the Pentagon refuses to make even the most basic cost-saving efforts. The current administration's record is no better than it was in 1967 when then Secretary of Defense Robert McNamara estimated that failure to use competition resulted in wasting 25 cents of every procurement dollar.

Mr. President, on February 25, 1981, the distinguished senior Senator from Arizona, BARRY GOLDWATER, and I addressed a letter to the Secretary of Defense pointing out the kinds of economies that could be effected in the Department of Defense, coming to a figure approximating $10 billion a year. Did anything happen? No, nothing really happened.

The distinguished senior Senator from Arizona and I filed suit against the Navy because they refused to use competitive bidding in procuring a plane known as the CTX. Did the Navy try to help? Were they supportive? Of course not. They went into court to throw us out on a technicality.

The facts are that there are economies that can be effected in the Department of Defense without in any way affecting the strength of our Military Establishment.

Mr. President, I ask unanimous consent that the entire letter that the senior Senator from Arizona and I sent to the Secretary of Defense be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D.C., February 25, 1981.

Hon. CASPAR W. WEINBERGER,
Department of Defense, The Pentagon, Washington, D.C.

DEAR SECRETARY WEINBERGER: In his State of the Union Address, President Reagan restated his intention to move immediately to strengthen the nation's defensive posture. "But even here," he said, "there was no exemption. The Department of Defense came up with a number of cuts which reduced the budget increase needed to restore our military balance . . . The aim will be to provide the most effective defense for the lowest possible cost."

We support the goal of upgrading our military strength and we commend the President for his determination to accomplish that objective in the context of sound, cost-conscious methods of management.

We are convinced that the Department of Defense, whose budget will soon make up nearly a third of all Federal spending, is in a position to effect major savings without in any way sacrificing military muscle. These savings can be made in two major areas—improved procurement practices, including greater use of multi-year contracts and more effective administration.

Procurement reform is by no means a new topic at the DOD. As long ago as 1967, for example, then-Secretary Robert McNamara estimated that the failure of the DOD to take advantage of competition contributed to the waste of as much as twenty-five cents on each procurement dollar.

Your predecessor, Secretary Brown, echoed Secretary McNamara's frustration in January, 1979, when he told the *New York Times* that "his key disappointment so far was his inability to induce genuine cost efficiency within the Defense Department." And in a report submitted on December 25, 1979, to the Chairman of the Senate Budget Committee on the implementation of OMB Circular A-109, the GAO stated that:

"The greatest non-compliance with A-109 appears to be the services' reluctance to seek solutions to their weapon system needs through competition. Pre-conceived solutions are still being proposed as needs rather than seeking solutions through competitive proposals."

President Eisenhower once pointed out that the world's spending on arms "is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children." That, we believe, is what we must keep in mind when we talk about financial efficiency in the DOD.

Today, just as it has for years, the DOD spends fewer than 10 percent of its procurement dollars through contracts let by competitive sealed bidding. Just as consistently, the Department takes the sole source route for over half of its procurement spending.

We are aware of the argument that sole source contracts are necessary in order to acquire sophisticated items that cannot be procured through price competition. This may be true in some cases, but it is also true that the Department routinely lets sole source contracts for items that could readily be purchased on the open market.

Two years ago, to take only one of many instances, we filed suit in Federal court to require the Navy to use competitive bidding to procure the CTX, an off-the-shelf light cargo aircraft. In spite of the clear intent of the Senate, made abundantly obvious in a colloquy between ourselves and the Chairman of the Armed Services Committee, and in spite of the existence of several competent suppliers, the Navy, in the end, procured the CTX through a sole source contract after our case was dismissed on a technicality. This decision by the Navy is typical of a procurement policy that operates without regard for saving taxpayer dollars.

There is no doubt of the fact that competition can lower the cost to the taxpayer of acquiring even highly sophisticated weaponry.

In 1973, a study prepared for the Joint Economic Committee examined the costs of twenty complex weapons systems including sophisticated electronics and missile systems. These contracts originally were awarded through sole source procurement, but for various reasons the costs were later readjusted by price competitive bids. The results were dramatic—price decreases averaging 51 percent. More recently, GAO's September 25, 1979, report to the Chairman of the Budget Committee on the status of DOD's efforts at procurement reform included data supplied by the DOD on its program to break out spare parts from larger systems for competitive acquisition.

At the Oklahoma Air Logistics Center, a turbine should cost $86.23 when procured on a sole source basis. Competitive procurement lowered the cost to $64.99.

A nut assembly that cost $246.29 on a sole source basis was acquired competitively for $36.75.

A panel assembly costing $1,454 on a sole source basis was purchased through competition for $245.

Those are laudable savings, but unfortunately, they are more the exception than the rule. In February of this year, the CBO estimated that over the next five years, modest improvements in procurement efficiency could reduce the Department's outlays by $16 billion and its budget authority by $22 billion.

In this time of budget austerity, we are convinced the opportunity exists to make the kinds of far-reaching reforms in procurement that have in the past eluded us. New legislation might be useful in this regard, but current law provides a more than adequate vehicle for a determined effort to improve the Department's efficiency in procurement.

Under existing legislation, sealed bid competition is specifically required for all procurement. Unfortunately, the law also provides 17 exemptions to that rule, several of which are exceedingly broad. As a result, DOD officials have been able virtually at will to purchase on a non-competitive basis.

We believe that these wasteful practices can be brought under control. But to do so will require a tough-minded, persistent and systematic effort to change fundamentally the way the DOD bureaucracy does its procurement business.

It is not enough simply to state a policy of enhancing the use of competition. Responsibility for implementing such a policy must be very precisely delegated. And to be effective, it must be placed in the hands of officials who are accountable personally to the highest level in the Department. Whenever competitive bidding is not used, the failure to do so should be specifically approved or disapproved at the level of the Office of the Secretary of Defense. Such a review procedure would require procurement officers to prove their case to one of your aides. When competitive bids are not used, a top level official, responsible directly to you, should be charged with this task. A general exception could be made for all contracts below a certain dollar amount and for emergency situations.

We would also suggest that the department make greater use of formal advertising in awarding contracts. Currently, hundreds of millions of dollars in contracts are awarded each year, particularly for consultant services, with no notification to potential competitors that this work will be available. Why not simply require, when national security considerations permit, that all contracts in excess of $10,000 be announced in the Commerce Business Daily no less than thirty days prior to the closing date for submission of bids? We are confident that the free enterprise system will respond.

In order to facilitate that response, we strongly support enhancing the Department's flexibility in the area of negotiating multi-year contracts for the procurement of selected weapons systems. A contractor, after all, cannot be expected to make major capital investments in machinery and raw materials in the absence of assurances that a market will continue to exist in the future. By discouraging necessary investments through single-year contracts, we lose for the taxpayer the economies of scale that should be realized in major acquisition programs. Those savings, we believe, would amount in the long run to a far greater sum than we might have to pay out to compensate companies whose multi-year contracts must, for whatever reasons, be terminated ahead of schedule.

Another problem—one that has implications for the Congress as well as for the Department—is the annual spending spree in which DOD and virtually all other Federal agencies have indulged at or near the end of each fiscal year in order to clear the accounts and protect future appropriations. That pattern of bureaucratic self-protection inevitably produces wasteful spending, funds marginal projects, and adds enormously to the cost of government. It is necessary to reverse the incentive system by rewarding officials for saving money, rather than giving them powerful incentives to spend every penny available. We are certain that a Secretary who chose to bluntly confront that pattern of spending would have strong support in the Congress. Certainly, he or she would have ours.

But procurement reform is not the only area in which major savings can be made.

The Systems Acquisition Report Quarterly Update issued by the General Accounting Office on November 17, 1980, demonstrates that something is very wrong with the manner in which DOD has managed its major acquisition program.

In the S.A.R. issued in September, 1978, for example, the cost of acquiring 545 YAH-64 advanced attack helicopters was projected at $4.14 billion, or $7.4 million for each helicoper. In late 1980, that figure had risen to $5.85 billion or $10.7 million per aircraft.

In 1978, each *Perry* class frigate was expected to cost $139 million. In FY '81 the cost per ship rose to nearly $225 million. Inflation has been severe since 1978, but not severe enough to turn a figure of 139 into a figure of 225.

The program cost for the F-18 Hornet was estimated at $14.3 billion in 1978, with a cost per plane of approximately $14.8 million. For FY 1981, the F-18 program cost estimate has reached $29.7 billion and the unit cost will exceed $30 million. Again, inflation cannot account for the cost growth.

These are not isolated cases. Runaway costs characterize our entire defense procurement program.

But no reform will have any beneficial effect as long as the DOD continues to bail our wasteful contractors. Admiral Rickover has described what happens when contractors know that they can always count upon the Pentagon to save them from the consequences of their own bad management.

"Large defense contractors can let costs come where they will and count on getting relief from the DOD through changes and claims, relaxation of procurement regulations and laws . . . or other escape mechanisms . . . they will make their money whether their product is good or bad; whether their price is fair or higher than it should be; whether delivery is on time or late."

We believe that the time is long past due for decisive action. The Defense Department should cut off contractors with records of waste, overruns, and poor management. There are companies that are prepared to give the taxpayer a dollar's worth of value for every dollar spent. Those are the companies that should get the government's business.

In order to put teeth into that approach, we suggest that you establish a second review process in the Office of the Secretary of Defense. Just as a top level official should be required to sign off on non-competitive procurements, so should cost overruns be intensely reviewed. Such a review ought to be triggered whenever an over-run exceeds the rate of inflation.

The Department can also do more internally. There is no reason why the DOD cannot do what every well-run private corporation does to control costs and improve its own productivity. But a glance at a random sample of GAO reports done over the past two years on DOD operations demonstrates vividly how far the Department has to go.

One report is entitled "Correct Balance of Navy's Foreign Military Sales Trust Fund Unknown."

"The Department of Defense," the report says, "does not know the correct cash balance being held in trust for countries involved in the Navy's foreign military sales program. This is despite the Navy's having spent thousands of staff days since early 1977 to determine why the trust fund account does not agree with detailed military sales case accounting records. Unreconciled differences in cash balances between the sets of records totaled $544 million, as of June 1, 1978."

Another GAO report is entitled, "The Air Force Should Cancel Plans to Acquire Two Computer Systems At Most Bases.

"The Air Force plans to install two computer systems at about 105 bases to perform such functions as accounting, finance, personnel, and supply. This program will cost about $600 million to $1 billion more than a one-system approach over an expected life of 20 years."

GAO concludes that this is unnecessarily expensive and restricts competition on the largest computer acquisition ever attempted in the government.

Another, selected at random, suggests that "The Army Should Use Available Serviceable Parts to Avoid Repairs."

"The Army unnecessarily spends millions of dollars to repair parts when more than enough serviceable parts are available to meet current needs. The Army needs to establish procedures for identifying repair-actions, notifying depots that replacement quantities are available, and matching actions with quantities."

And there are many more. "DOD continues to subsidize the foreign military sales program by not charging for normal Inventory losses."

"GAO reported in September 1977 and August 1978 that DOD was losing millions of dollars because normal inventory losses were not being recovered on foreign military sales. The Arms Export Control Act was amended in September 1978 expressly to require recovery of these losses on certain inventory sales."

"Although the military services have since identified almost $600 million in inventory losses, governments have not been charged for their fair share of the losses as required by the Act. As a result, the United States has lost millions and created a subsidy to foreign government."

DOD Can Save Millions of Dollars by Improving Management of Air Force Inventories.

"Two Air Force Logistics Centers has over $50 million in excess stocks on order for items or which they had over $8 million of stock on hand exceeding current needs."

And so it goes.

The Navy's material handling costs can be reduced.

The Navy does not know if it has too much electronic/electrical depot maintenance capability, too little, or the right kind.

Defense Department is not doing enough to maximize competition when awarding contracts for foreign military sales programs.

We could add many more items to this list, but the point is that waste and inefficiency have over the years become a way of life for too many in the Department. The Nation cannot afford to permit this situation to perpetuate itself any longer.

We hope, Mr. Secretary, that you will seize the opportunity presented by President Reagan's approach to Federal spending to undertake major reforms in your Department's operation. By so doing, you will contribute to the Nation's economic health and to the real strength of our armed forces.

Very sincerely yours,

BARRY GOLDWATER,
U.S. Senator.
HOWARD M. METZENBAUM,
U.S. Senator.

Mr. METZENBAUM. Mr. President, there are other areas of wastefulness in the Department of Defense that can be so easily achieved and accomplished. The Department of Defense only uses sealed competitive bids with respect to 6 percent of their procurement dollars. Why? Why? What is it that makes them so sacred that they cannot do what every little township and county and city and village in America does, what every other department of government does? But, no, they are unwilling to use competitive bidding in spite of all of the protestations to the contrary. They even tried, according to the GAO in a very recent report, to say that they had increased the amount of competitive bidding, but what did they really do? They jiggered the figures. They changed the method of making their computations.

What kind of economy is that? What kind of responsibility is that?

And then, when it comes to the question of cost overruns, that cost us billions and billions of dollars a year, it was Admiral Rickover who made the statement:

> No defense contractor can lose doing business with the Department of Defense. If he makes a bad contract, the Department of Defense will bail him out and they will find a basis on which to pay him additional money.

Cost overruns are rampant at the Pentagon.

There were 1,107 Blackhawk helicopters that we were to buy. Originally it was to cost $2,300 billion. Now it is going to cost better than three times that amount, $7.7 billion, a cost overrun of 237 percent.

There was a Patriot missile whose cost exceeded the estimated production cost by $2.5 billion since it was first made in 1979.

There is no reason under the Sun why the Department of Defense cannot be run like a business. Why can the Secretary of Defense not say that you cannot have a cost overrun unless it is approved by somebody who is at his right hand? Why cannot they refuse to permit a cost overrun beyond the inflation factor? That has been proposed to them, but they are not willing to take that kind of step because it might step on the toes of some of the big defense contractors and some of the biggest supporters of this administration.

The Kiowa helicopter was a small scout-type helicopter, at a cost of $110,000 each. Now the Army wants to spend $143,000 each or a total of $40 million to fix a chronic engine and rotor problem. But even fixed, the Pentagon spokesmen say the Kiowa will not fly on hot days similar to those experienced in the Middle East.

Then we are all familiar with the expenditures for military bands. The current budget is $89.7 million. There are three full military bands in the District of Columbia area.

I want to be frank. I have enjoyed going to the Marine band show that takes place every Tuesday night near where I live. It is a magnificent production and I enjoy it much, but I really ask, in these days of trying to cut back on Government spending, do we need to have three full military bands in the District of Columbia area, each one of which has a larger budget than the Washington National Symphony?

The Department of Defense consistently refuses to move toward any procedure that might save some money. There was a Washington Post article recently, just a small blurb, and it was entitled "Leave Us Alone." It read as follows:

> The central recommendation of the Office of Management and Budget's brand new study of Government contracting is that all Federal agencies, defense and civilian, should have to follow the same procurement rules. But there is one problem. The Defense Department does not like the idea.
>
> This week House-Senate conferees gave the Pentagon what it asked for, a specific legal provision exempting Defense from any OMB procurement rules it does not choose to obey.
>
> Defense accounts for about 70 percent of the Government's $110 billion annual spending for goods and services.

Mr. President, the Department of Defense is not the only place where there are wasteful expenditures in this budget that is going to be approved. It still provides $4 billion for construction of water projects by the Corps of Engineers and the Bureau of Reclamation, $4 billion for water projects. Do not touch the water projects. That is the private preserve of the western Senators. What difference does it make that the National Taxpayers Union says that it believes the water project construction area should not be shielded by budget cuts.

But the fact is they are shielded—not one single penny is cut back with respect to water projects.

We are continuing to fully fund the wippers, or Bureau of Reclamation, program even though the GAO has written study after study questioning the need for many of these projects, questioning the huge subsidy that the Federal taxpayer provides for these projects and questioning the limited number of people who actually benefit from a massive development program. Cut the budget when it comes to feeding people but protect the water project of the western Senators.

On March 13, 1981, the GAO issued a report entitled "Federal Charges for Irrigation Projects Reviewed Do Not Cover Costs." That GAO report studied six Federal irrigation projects and found that water produced will cost the Government between $54 and $130 per acre-foot each year.

But the crops grown by the farmers will not yield even enough revenue to cover the costs. Yet, farmers continue to buy the Federal water because they are charged a price below Government cost.

As the GAO stated, the terms of repayment, lack of interest, and length of time without repayment combine to give a large subsidy to users of Federal irrigation.

Mr. President, Fortune magazine ran an article on February 23, 1981 entitled "Ending the Southwest's Water Binge." That article points out that Federal taxpayers are paying tremendous subsidies for water to landowners and firms in the Southwest and West, but in many cases that water is being squandered. As Fortune magazine stated 15 years ago and again last year, the Southwest is not running out of water. It is running out of cheap water. The Southwest's reaction to its artificial water shortage is to cry out for even more Federal spending on projects, ranging from the one-third completed $2.2 billion central Arizona project to a $26 billion dream of bringing water from the Mississippi to western Texas.

Mr. President, my point is that there are ways of balancing a budget that are not being used in this particular budget measure. It still contains $252 million to break ground for the Clinch River breeder reactor, which will ultimately cost more than $3.6 billion, compared to the original cost estimate of $1.1 billion.

This budget can take food out of the mouths of kids, keep young people from being able to go to college, and cut back on medicare benefits, but it still has funding of about $200 million in budget authority and $80 million in outlays for the tobacco subsidy program. Last year, we almost killed that program and came within two votes of doing so, and we should have done so.

Now industry is trying to reform the allotment system, but in attempting to reform it, are they really zeroing in on the problem of the allotment system and the drain upon the Federal budget? We will see, as the days and weeks unfold.

This budget provides for a cut of $15.4 billion over the next 3 years for medicare—$15.4 billion for medicare—and medicaid will be cut by another $2.2 billion. But do not touch the water projects. Do not touch the tobacco subsidy program. Do not cut the Defense Department increase. That $17.7 billion cut out of medicare and medicaid is on top of the $16 billion in cuts passed in last year's reconciliation bill.

Where do you think this money is going to come from, when you cut medicare and medicaid?

Supporters of these cuts have suggested that the medicare and medicaid programs can be cut without causing health care payments for the aged and the poor to go up. That is just not so. That is just not the fact. They said it last year, and we have already seen Blue Cross insurance premiums double in 1 year because of these Federal budget cuts. These additional cuts will hurt even more.

According to a recent memo by the American Association of Retired Persons and the National Retired Teachers Association, these medicare proposals will have a tremendous impact on out-of-pocket expenses for the elderly.

One proposal to save $12.3 billion from a new reimbursement system would be particularly disastrous. According to the AARP, even the most vocal advocates for tougher hospital reimbursement rules do not see savings beyond $2.5 billion over 3 years from that proposal. This proposal would require huge, new out-of-pocket costs for hospitalized medicare beneficiaries of $18 per day for the second through the 60th day of hospitalization.

For an average hospital stay, a medicare beneficiary's out-of-pocket costs would increase by 60 percent next year alone, under this proposal.

Another proposal to index part B deductible—that is, for doctor bills—to the CPI, the estimated savings would be $60 million in fiscal 1983. But, says the AARP, "After the 25 percent increase in the part B deductible last year, the elderly simply cannot afford another precipitous increase in the deductible again this year."

Mr. President, I ask unanimous consent to have printed in the RECORD the Republican Senate Budget Committee staff figures with respect to the possible health care package and the impact upon the people of this country.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEDICARE

	Fiscal year		
	1983	1984	1985
ADMINISTRATION LEGISLATIVE PROPOSALS			
Elimination of utilization review	0	0	0
Delay medicare eligibility date	$105	$135	$165
Working aged	610	700	790
Revenue loss	155	175	200
Waiver of liability	10	10	10
Reimbursement of pathologists/radiologists at 80 percent	145	195	230
Index of part B deductible to CPI	60	130	220
Repeal increase in reimbursement to physical therapists	4	4	5
ADDITIONAL LEGISLATIVE PROPOSALS			
Provide for no increase in the economic index in fiscal year 1983, provide for a 5-percent increase in fiscal year 1984	280	410	480
Repeal nursing differential	95	110	125
Prohibit payments on the basis of percentage contracts (includes radiologists and pathologists)	63	73	84
Apply 20 percent coinsurance on home health visits starting with the 20th visit	100	165	190
Include teaching physicians in the proposal to eliminate duplicate medicare reimbursement for overhead costs	65	95	110

MEDICARE—Continued

	Fiscal year		
	1983	1984	1985
Place 223 limits on all hospital costs	390	440	490
In conjunction with 223 limits, place the overall limit of 110 percent on the increase in medicare inpatient revenues per admission during fiscal year 1983, fiscal year 1984. Adjustment to the limit would be allowed to take into account changes in volume and unusual circumstances beyond control of hospital. By mid-1984, the administration shall report to the Congress a method of prospective payment to be put into place for reporting periods after October 1, 1984	320	340	390
Reimburse skilled nursing facilities on a prospective basis utilizing the medicaid payment and a plus factor on the basis of a rate	10	10	10
Hold the part B premium constant on a percentage of program costs	230	545	940
Total medicare legislative savings (billions)	2.580	3.486	4.360
Total medicare regulatory savings	562	731	836
Total medicare savings (billions)	3.772	5.466	6.460

Mr. METZENBAUM. Mr. President, I address myself now to one of the major reasons why we find ourselves in the position we do, of not being able to balance the budget.

Before I came to the U.S. Senate, I was a business person. I ran a business, several businesses, and I understood that in running a business, you have to concern yourself about two factors. One was how much you are taking in, and the other was how much you are spending. The fact is that the problem starts on the whole question of how much we are taking in—$750 billion in tax cuts over a 5-year period.

I say that when you do not take in the money, you cannot balance the budget. Can you believe it? Sixteen of the new U.S. Senators who came here on the wave of conservatism and new rightism in 1980—even they, after the tax bill was passed, wrote to the President of the United States and said:

Mr. President, we did not know that the tax bill was going to make it possible for 50 percent of the corporations by 1985 to pay no taxes at all.

What an inequitable and iniquitous piece of legislation that was. Corporate taxes are going to be cut and cut and cut. The 1981 act will reduce the corporate share of Federal revenues to only 7.1 percent by 1987—7.1 percent—down from 12.4 percent in 1980; and by the end of this decade, the corporate share of Federal receipts will be below 5 percent, and it will continue to fall.

The business tax reductions will cost each taxpayer, in the form of higher taxes for foregone services, $180 in 1982, rising to $950 in 1986. Over the decade, the Reagan corporate tax phaseout will cost each taxpayer an average of $7,330.

Mr. President, I am no different than anyone else in the Senate, in Congress, and the people of America. It would be more fun to pay no taxes than to pay some taxes. It would be more fun to pay the least amount of taxes rather than the fair amount of taxes. But you cannot run this Government without having sufficient income to pay the bill. We can sit and cut, and cut, and cut, and try to cut back on social security benefits as the Republicans have attempted to do and the White House has attempted to do, but that is not the answer. The answer is we went too far in that tax bill. The budget resolution attempts to talk about this problem. But the fact is there are so many tax loopholes at the present time that I do not believe they will ever be able to close them adequately and the tax bill was so unfair and so unbalanced.

During 1982, 1983, and 1984, including bracket creep and social security increases, workers who were earning $30,000 or less when the bill was passed will be paying a greater share of their income in Federal taxes than they did in 1980. For taxpayers with incomes between $10,000 and $15,000, the tax increases will average 9 percent. For taxpayers earning under $10,000 the increase will be 28 percent.

But for those with incomes above $200,000, the Reagan tax bill cuts will provide reductions of more than $58,000 each over the next 3 years after fully offsetting tax increases due to bracket creep and social security hikes. That is a 15-percent cut in their taxes.

Mr. President, the fact is this budget resolution instructs the Finance Committee to report new legislation by July 12 that will raise a total of $98.3 billion in new taxes including $20 billion for fiscal year 1983.

Mr. President, it is not going to meet the problem. It is not going to really zero in on the issue because the real question is will the Finance Committee raise new taxes by closing corporate loopholes, or by increasing taxes that hit the middle and working class families? Will the Finance Committee eliminate the safe harbor leasing provisions, which will cost the Treasury $14 billion over the next 3 years and almost $30 billion over the next 5 years?

That provision has been a boon to the rich companies, not to distressed industries around the country.

General Electric earned $2.6 billion in 1981, paid no taxes, but it received $200 million in tax breaks from this leasing provision. In fact, in 1980, General Electric, the Nation's largest electrical manufacturer, paid $330 million, but in 1981 it actually got a refund from the Government of $100 million.

Under the safe harbor leasing provision IBM purchased nearly a billion dollars in tax breaks from the Ford Motor Co. And the Government now estimates that this kind of corporate trafficking in tax loopholes will cost the Treasury $30 billion in 5 years.

Mr. President, there are so many other tax loopholes that could be closed but I doubt very much that they will be closed and I see little indication from the Budget Committee that there is any intention of directing

the Finance Committee to close them. If we did one thing, if we closed the oil company tax loopholes, the elimination of the foreign tax credit on oil and gas extraction, the replacing of the percentage depletion for oil and gas with cost depletion, the change in the ACRS period for refinery property from 5 to 10 years, the elimination of the State and local government exemption from the windfall profit tax, and the elimination of the intangible drilling cost deductions that one act alone, if we had the guts to stand up to the oil companies and their political action committees, we would pick up $31.6 billion alone in the next 3-year period.

If we improved taxpayer compliance we could pick up $17.4 billion in a 3-year period. If we changed the taxation of foreign-earned income we could pick up a billion dollars.

Then, Mr. President, there are some others. there is an excess bad debt reserve that financial institutions have. No other businesses have it. If they have bad debts, they write them off. But the fact is that banks and financial institutions are permitted to compute and deduct amounts far in excess of their actual expense. And what does that cost the Federal Treasury? That single items costs the Federal Treasury $2.2 billion through fiscal year 1985.

Some years ago the timber interests of this country were pretty good in getting their lobbyists to get through a tax provision making it possible for them to treat timber as a capital gain. What the farmers in Ohio grow does not become a capital gain. They pay their full tax on the profit on it. The farmers in Ohio pay their full taxes on what they grow on the farm. Why is it that we make it possible for those who grow timber, which is planted in the same manner as our other crops, to treat their profits as a capital gain? That will cost the Federal Treasury $2 billion through fiscal year 1985.

Why do we make it possible for companies to take their entire operations into our island possession and pay no taxes at all?

A corporation doing business in a U.S. possession may elect to take a tax credit equal to the Federal income tax otherwise owed. In 1973 that tax credit provided the tax cost to the Federal Treasury of $2,300 per employee. By 1979 for every person employed in an island possession, it was costing the Federal Treasury $18,310 per employee, and I am sure it is much higher now.

In 1978, the Federal tax loss for pharmaceutical companies located in Puerto Rico was over $43,000 per employee while the traditional labor-intensive industries averaged their cost of less than $3,000 per employee. The difference occurred because they took their operations down to Puerto Rico and operated there.

The real question is, what is going to happen and where are we going to get this extra $20 billion?

I have the feeling, Mr. President, that some of these tax loopholes that presently exist are not going to be eliminated, including the one that was talked about in today's editorial in the Washington Post about the tax subsidies for retirement. I doubt very much that the chairman of the Finance Committee, notwithstanding his willingness and effort to do something about some of these loopholes, is going to be able to muster the necessary number of votes to get such a provision out of committee.

The Washington Post editorial today made it clear how accountants, lawyers, and corporate executives can put away $45,000 per person tax exempt in a pension fund and now under certain circumstances it can go up to as much as $150,000 in a single retirement account and no taxes are paid on that amount or the interest earned on it until it is withdrawn after retirement. Under that provision, if he dies and leaves the money, his heirs pay no estate tax. Self-employed people cannot do that. They can set aside only $15,000 a year in a tax-exempt account and an ordinary employee who is single can lay away only $2,000 a year tax free.

Why do we make it possible for the rich to pay no taxes and for average Americans to carry such an unfair burden?

Mr. President, I ask unanimous consent to have printed in the RECORD the entire Washington Post editorial.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 23, 1982]

TAX SUBSIDIES FOR RETIREMENT

The Tax Code now provides every worker some incentive to put away money for retirement. But the size of that incentive varies enormously—and unfairly—depending on where you work.

A corporate executive or an incorporated doctor or lawyer may have a corporate plan that sets aside up to $45,475 each year in a single retirement account—and as much as $150,000 if he is covered by two plans. He pays no tax on that amount or the interest earned on it until it is withdrawn after retirement. His heirs pay no estate tax on the fund when he dies. Self-employed people however, can set aside only $15,000 a year in a tax-exempt account, and an ordinary employee who is single can lay away only $2,000 a year tax-free.

Corporate plans, moreover, may allow individuals to borrow money from their retirement accounts to use for other purposes—thereby wiping out any stimulus for additional savings that the tax exemption may have provided.

The generous tax treatment of corporate pensions was meant to encourage corporations to provide better benefits for all their employees. In practice, however, other features of the tax law allow corporations to tailor their plans so that the vast bulk—even all—of the benefits go to higher-paid employees. In recent years, increasing numbers of professionals have incorporated so that they could get similar benefits. Now the self-employed are complaining because they don't get equal treatment.

Extending corporate-level benefits to all types of businesses and workers would simply cost the Treasury too much in lost revenue. The only sensible answer is the one that the Treasury Department—and the House legislation sponsored by Rep. Charles Rangel—would pursue: cutting back on corporate benefits, eliminating loopholes that promote use of pension funds as simple tax shelters and moving in the direction of eliminating all distinctions among types of businesses and trades.

Corporations are naturally fighting tooth and nail against any erosion of their executives' benefits. To satisfy critics, they'd rather just cut out benefits for professionals and keep their own. Some corporations are even threatening to respond to any cutback by retrenching on the relatively stingy benefits they give their lower-paid workers. But, as Assistant Treasury Secretary John Chapoton suggested recently in testimony before the House Ways and Means committee, if inducements for fair treatment of lower-paid workers are needed, there are better ways to provide them.

The government has an interest in encouraging people to provide adequately for their old age. But tax breaks for some mean higher taxes for others, and the case for subsidizing truly golden retirement years is extraordinarily weak.

Mr. METZENBAUM. Mr. President, I think some attention should be given to what the Budget Committee is thinking about as far as tax increases are concerned. Is the Budget Committee talking about really closing tax loopholes? Well, hardly so. They did mention the island possessions credit as being one possibility.

They did talk about eliminating capital gains for timber as being a possibility. They did talk about eliminating the DISC as being a possibility. And they did talk about cutting back the entertainment deduction for business to a 50-percent level as being a possibility.

But there are some areas that they talked about that I think the people of this country ought to understand. They ought to understand what the Reagan administration is thinking about, because this administration that is so determined to cut and cut and cut human service programs, people-oriented programs, programs that have to do with the quality of life in America, is not willing to go back and see the harm that it has done with respect to the most recent tax bill and the unfair shifting of the burden from the corporate taxpayers to the individual taxpayers.

No; let me tell you what they are talking about. The employers of this country have a right to deduct for health deductions, for health-paid benefits for their employees. But one Republican proposal would restrict

that deduction, which would mean that the individual employee would not receive as much in health benefits.

The Republicans are talking about eliminating the student exemption. They are talking about eliminating State and local sales tax deductions. They are talking about eliminating State and local personal property taxes as being a deductible item on your income tax. They are talking about eliminating the right to deduct your accrued interest on your life insurance. They are talking about taking away from consumers the right to deduct the interest that they pay when they buy something on credit, excluding up to $1,500 on auto loans. How generous they are. They are talking about repealing a $100 dividend exclusion. They are talking about taxing—this is a beauty—taxing all unemployment compensation.

First they cause the people to be unemployed, then they see to it that their benefits run out because they cannot find a job, then they get unemployment compensation and now it is suggested that we tax unemployment compensation. That is a real beaut. That would raise $2.4 billion according to these figures in 1984 and $2.2 billion in 1985.

And they are talking about eliminating $150 a year health insurance deduction.

Mr. President, I ask unanimous consent that the entire list be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. KASTEN). Is there objection?

Mr. DOMENICI. Reserving the right to object. I did not hear that request.

Mr. METZENBAUM. To include the entire list that the Budget Committee had.

Mr. DOMENICI. That the Budget Committee had?

Mr. METZENBAUM. Yes; it was a part of the markup document.

Mr. DOMENICI. The grocery list of tax expenditures?

Mr. METZENBAUM. That is correct.

Mr. DOMENICI. I have no objection.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAPTER II: REVENUES

ADMINISTRATION PROPOSAL [1]

[Dollars in billions]

	Fiscal years			
	1983	1984	1985	Total
Tax revisions:				
Completed contract accounting	$1.9	$4.4	$4.6	$10.9
Business energy tax credits	0.1	0.3	0.5	0.9
Tax-exempt revenue bonds	−0.2	0.3	1.1	1.2
Modified coinsurance	1.9	2.2	2.5	6.6
Construction period interest and taxes	0.5	1.0	1.0	2.5
Corporate minimum tax	2.3	4.8	4.5	11.6
Subtotal tax revisions	6.5	13.0	14.2	33.7

ADMINISTRATION PROPOSAL [1]—Continued

[Dollars in billions]

	Fiscal years			
	1983	1984	1985	Total
Improved tax collection and enforcement:				
Withholding on interest and dividends	2.0	1.3	1.4	4.7
Acceleration of corporate tax payments	1.4	1.7	0.9	4.0
Internal Revenue Service staff increases	2.1	2.4	2.4	6.9
Subtotal, improved tax collection and enforcement	5.5	5.4	4.7	15.6
Enterprise zones	−0.1	−0.4	−0.8	−1.3
Airport and airway trust fund	1.2	1.4	1.5	4.1
Railroad retirement	−1.7	−1.8	−1.9	−5.4
Federal employee hospital insurance taxes	0.6	0.8	0.9	2.3
Caribbean Basin initiative	(2)	−0.2	−0.2	−0.4
Other	0.1	0.1	0.1	0.3
Total	12.0	18.3	18.5	48.8

[1] Effective January 1, 1983 except provisions with fiscal year 1982 revenue effect. The enterprise zones would begin January 1, 1984.
[2] $50 million or less.
Note: Detail may not add to totals due to rounding.

ADMINISTRATION PROPOSALS

Repeal of the completed contract method. Present regulations allow contractors in projects which take more than one year to complete to defer the taxation of any income until the project is completed even though certain costs are currently deducted.

Repeal of business energy tax credits. Present law provides additional investment tax credits for the purchase of energy property. Some are scheduled to expire at the end of 1982 and others in 1985 and later. Gasohol is granted an excise tax exemption or an equivalent credit. The proposal would also repeal provisions which allow tax-exempt industrial development bonds to finance low-head hydroelectric facilities and other energy property.

Restrictions upon tax-exempt bonds for private activities. The proposal would allow only straight line depreciation over an extended recovery period for assets financed with tax-exempt bonds after 1982. Tax-exempt bonds would have to be publicly approved by local governments and, after 1985, they must contain a financial contribution, commitment, or obligation from the local government. Small-issue industrial development bonds would not be allowed for large business.

Repeal of special tax treatment of modified coinsurance. Present law allows life insurance companies to convert taxable investment income, which is subject to a 46 percent tax rate, into underwriting income which is taxed at a maximum rate of 23 percent.

Capitalization of construction period interest and taxes for corporations. Present law requires individuals to capitalize, but corporations are allowed immediate write-offs. The proposal would require capitalization over ten years except for low-income housing.

Imposition of an alternative corporate minimum tax. The present add-on minimum tax would be repealed and replaced with a 15 percent tax which would be paid if it exceeded the tax liability otherwise calculated. The alternative tax base would include taxable income plus certain tax preferences in excess of $50,000. The investment tax credit would not be allowed against the alternative tax.

Imposition of 5 percent withholding on interest and divided income. Taxpayers aged 65 or older with tax liability of $500 ($1,000 on joint returns) or less would be exempt.

Speed-up of corporate income tax payments. Corporations would be required to make estimated payments equal to 90 percent of current year liability after 1982. All remaining liability would be due in one payment on the fifteenth day of the third month following the close of the tax year.

Hiring of 5,000 additional IRS collection and enforcement officers.

Beginning in fiscal year 1984, several nonrefundable wage and investment credits would be established as part of the President's urban enterprise zone proposal. The zones would also receive relief from capital gains taxes and tariffs as well as continued availability of tax-exempt industrial development bond financing.

MISCELLANEOUS TAX INCREASES [1]

[Dollars in billions]

	Fiscal years			
	1983	1984	1985	Total
Business:				
1. Employer health deductions	$2.6	$4.5	$5.6	$12.7
2. Island possessions credit	0.6	1.4	1.5	3.5
3. DISC (including 10-year recapture)	0.5	2.0	3.0	5.5
4. Eliminate capital gains for timber	0.3	0.6	0.7	1.6
5. Entertainment deductions (50 percent limit)	0.1	0.3	0.3	0.7
Total business	4.1	8.8	11.1	24.0
Individual:				
1. Student exemption	0.4	1.1	1.1	2.6
2. State and local sales tax	0.8	5.4	6.0	12.2
3. State and local personal property tax	0.1	0.6	0.6	1.3
4. Accrued interest on life insurance	1.5	3.7	3.9	9.1
5. Consumer interest expense (excluding up to $1,500 on auto loans)	0.9	6.3	6.7	13.9
6. Repeal $100 dividend exclusion	0.2	0.6	0.6	1.4
7. Repeal 15 percent net interest exclusion			1.1	1.1
8. Tax all unemployment compensation		2.4	2.2	4.6
9. Eliminate $150 health insurance deduction	0.1	0.4	0.4	0.9
10. 10 percent floor under medical deduction	0.3	2.3	2.5	5.1
11. 10 percent floor under casualty deduction	0.1	0.7	0.8	1.6
Total individual	4.4	23.5	25.9	53.8
Total business and individual	8.5	32.3	37.0	77.8

[1] Repeal unless otherwise stated.

MISCELLANEOUS TAX INCREASES

Business

1. The Employer Health Insurance deduction encourages overinsurance and higher health care costs. In fiscal year 1983, we will lose $18 billion of general revenues from this deduction and $8 billion of Social Security Trust Fund revenues. Capping the deduction at $150 a month for families and $60 for singles would raise $12.7 billion from fiscal year 1983 through 1985.

2. The Island Possessions Credit provides long-term tax deferral to American companies operating in U.S. possessions, Puerto Rico, American Samoa, and Guam, in return for job creation. Ninety-nine percent of the $1.4 billion annual revenue loss goes to Puerto Rico. Half of that amount goes to 16 large pharmaceutical companies who hire relatively few Puerto Ricans. The exemption was originally enacted in 1921 for U.S. firms in the Philippines to give them the same tax treatment as British competitors. The statute remained on the books after Philippine independence in 1946, and it was only a few years later that Puerto Rico promoted this benefit for itself and enacted its own reductions in addition. Treasury and CBO reports have since questioned the job

creation attributable to this provision. Repeal of this provision would raise $3.5 billion in fiscal year 1983 through 1985.

3. The Domestic International Sales Corporation (DISC) was established in 1971 to encourage exports of domestic production and to stem the relocation of production overseas. Treasury studies have shown a slight increase in exports, but at a very high cost in foregone revenue. DISCs are allowed to permanently defer half of their export income in excess of a base period amount. Repeal of this provision and taxation of deferred income would raise $5.5 billion from fiscal year 1983 through 1985.

4. Capital gains treatment for timber was granted in 1943 to provide the same tax for those who selectively cut timber as part of their business as those who sell an entire stand of timber. The tax code generally treats "stock in trade" as ordinary income. Repeal of this provision would raise $1.6 billion in fiscal year 1983 through 1985.

5. Firms are allowed to deduct the full amount spent on business entertainment as an "ordinary and necessary" business expense if the meal or entertainment is directly related to or associated with the firm's business. This deduction has been the subject of continuing controversy, with opponents arguing that it provides a government subsidy for personal pleasures that have only a remote business purpose, and defenders arguing that the conduct of business is greatly facilitated by such expenditures. Limiting business meal and entertainment expense deductions to 50 percent of the amount spent would increase revenues by $0.7 billion in the fiscal year 1983–1985 period.

Individual

1. The rule allowing a parental personal student exemption was adopted in 1954. The main reason for the rule was to avoid the "notch" problem that resulted when a dependent's earnings were close to the exemption amount; an extra few dollars in earnings could deprive the parents of the exemption, costing them hundreds of dollars in extra taxes. The exemption was also justified as a way of taking into account the added costs parents incur for students. Present law provides that until a child turns 19, the parents can claim an exemption of $1,000 if they contribute at least half of the child's support. Beyond that age, an additional test is imposed—the child must have less than $1,000 income in order to qualify as a dependent. If the child is a student, however, the parents can claim an exemption regardless of the student's income, so long as they provide half of the support. If the special exemption for students was repealed effective January 1, 1983, the increased Federal revenues over the fiscal year 1983–1985 period would total about $2.6 billion.

2. & 3. State and local sales and personal property tax deductions have been included to preserve state and local revenue sources and as an item determining the taxpayer's ability to pay taxes. In most cases, however, these taxes are deducted by higher income itemizers (a third of all taxpayers) for personal consumption expenditures. This deduction also encourages states to rely more heavily upon sales taxes than they otherwise would with a resulting increase in the level of inflation. Repeal of both of these taxes would raise $13.5 billion from fiscal year 1983 through 1985.

4. Premiums paid for whole life insurance contribute both to a death benefit and to a savings benefit. The accrued interest on life insurance savings is not taxed under present law even though interest income on other forms of saving is taxed. Taxing this interest income currently (even though the policy-holder has received no cash income) would raise $9.1 billion for fiscal year 1983 through 1985. Allowing a $100 floor to eliminate taxation of small amounts of such income would reduce the revenue gain by approximately half.

5. Consumer interest expense deductions encourage high-income taxpayers to borrow to make consumption expenditures. This helps raise interest rates. Only 17 percent of all taxpayers use this deduction. Twenty-two percent of this tax benefit goes to those with incomes in excess of $50,000. Repealing this deduction, excluding automobile interest, would raise $13.9 billion for fiscal year 1983 through 1985.

6. The $100 dividend exclusion and its predecessor, the dividend credit, have been part of the tax law since 1954 to alleviate the double taxation of dividends at both the corporate and individual level and to promote broader stock-holding by small investors. Numerous studies have shown that this provision does little to achieve these objectives, especially because of the very low dollar limitation. Repeal of this exclusion would raise $1.4 billion over the fiscal year 1983 through 1985 period.

7. The net interest exclusion was added to the tax law in 1981 to promote personal saving beginning in 1985. Some studies have questioned whether individuals are responsive to such incentives. Repeal of this provision would raise revenues by $1.1 billion in fiscal year 1985.

8. Taxing unemployment compensation would increase employment among higher income workers. In many cases these workers have seasonal employment or they have working spouses. As much as half of all unemployment compensation goes to those who have experienced temporary layoff. Once the benefits have been exhausted, the worker is rehired. In the cases where unemployment reduces income below the poverty level, existing income tax exemptions and deductions would allow that portion of unemployment compensation to remain tax-free. Present law already recognizes the taxability of unemployment compensation for individuals with incomes exceeding $20,000 and couples with $25,000. Taxing all unemployment compensation as of January 1, 1983 would raise $4.6 billion in fiscal year 1983 through 1985.

9. The medical insurance deduction was created in 1942 and expanded in 1965 on the theory that insurance expense ultimately reduces medical expense claimed as a deduction and should therefore be encouraged. It now appears that medical insurance is so widespread that unnecessary medical expenses contribute to a $22 billion annual revenue loss. Repeal of this deduction would raise $0.9 billion in fiscal year 1983 through 1985.

10. The medical expense deduction is allowed on the theory that expenses which are catastrophic and severely impare a taxpayer's ability to pay taxes should be deductible. Originally, in 1942 when the deduction was created, a five percent floor was imposed. Now, there is a three percent floor with an additional one percent floor on prescription drug expense. With the rise in health care costs, encouraged by the deductibility of employer health insurance payments, the average health care cost as a percent of adjusted gross income has risen to over 12 percent. Thus, it is difficult to support the present law 3 percent floor as the dividing line for catastrophic medical expense. A 10 percent floor would raise $5.1 billion from fiscal year 1983 through 1985.

11. The casualty loss deduction currently benefits only three percent of the taxpayers who itemize their deductions and who incur a sudden and unexpected loss from fire, storm, theft, etc. This deduction tends to benefit high-income taxpayers. It has proven to be difficult to administer and to be subject to abuse. It creates an incentive to underinsure and to take unnecessary risks. Imposing a 10 percent floor under this deduction would raise $1.6 billion in fiscal year 1983 through 1985.

EXCISE TAX INCREASES [1]

[Dollars in billions]

	Fiscal years			
	1983	1984	1985	Total
1. Double distilled spirits ($21 a gallon)	$1.6	$2.6	$2.7	$6.9
2. Double tobacco (16 cents a pack)	1.2	1.8	1.8	4.8
3. Double beer ($18 a barrel)	0.8	1.2	1.1	3.1
4. Double wine (34 cents a gallon)	0.2	0.2	0.2	0.6
5. Double telephone (2 percent) [2]	0.5	0.6	1.3	2.4
6. Double motor fuels (8 cents)	2.3	3.4	3.3	9.0
7. $5 a barrel oil import fee	8.6	12.2	11.6	32.4
8. 10 percent excise tax on luxuries	1.5	1.6	1.7	4.8
Total	16.7	23.6	23.7	64.0

[1] Effective Jan. 1, 1983 unless otherwise noted.
[2] Effective Oct. 1, 1983.

Mr. METZENBAUM. Now what is really going to happen? When are we going to require the oil companies of this country to pay their fair share? When are we going to eliminate some of these gross tax loopholes, or are we only going to consider taxes on consumers by increasing taxes on telephones and gasoline and alcohol and tobacco and the like?

The sad part about this entire matter is that those measures to increase revenue that probably have the best chance of getting through are those that will increase the consumer-oriented taxes. Here is a budget that comes down hard on working people and poor people. Here is a budget that increases military spending and throws money at the military, and here is a budget that talks about picking up $20 billion in 1983. That is a pittance. We caused reductions in taxes of $750 billion.

Exxon, in 1980, made $2.5 billion and paid 1.3 percent taxes.

Now what kind of fairness, what kind of equity, what kind of a country are we? What kind of Congresspersons and Senators are we that we do not seem to care about the impact of this budget on the people of this country; the impact of the earlier budget on the people of this country, the impact of the tax bill, the inequities and unfairness and disproportionate responsibility that was caused by reason of that tax bill? Do we not care? Do we not feel? Whose Senators are we? Whose work are we doing down here? How can we be so cruel that we do not seem to care at all about the impact of this budget?

We worry only about the mathematical figures, the numbers. It is the impact that I think we ought to be talking about.

The White House is worried about the perception that the Reagan administration policies are helping the rich and hurting the poor. Unfortunately, that is a reality of America. They are hurting more than the poor. They are hurting middle-income Americans. They are hurting Americans. That is the real problem, they are hurting Americans. When funds are cut for food stamps, for jobs, for medicare, for medicaid, for education, and for other human service programs, people are going to be hurt.

People are being hurt now and will be hurt even that much more, but not one word of concern about that. "Get the budget bill through, Wall Street demands it."

Yesterday the House passed this budget resolution by only 3 votes, 211 to 208. That is hardly a resounding mandate. But the President got his budget bill in the House and he is going to get it in the Senate. This budget is going to be hard for many people to swallow. There are 215 million people in America and my guess is there are not 215 of them that know what is in this budget bill.

We have heard much talk about sending a signal to Wall Street so investors will have confidence. Let me say it is time to worry less about Wall Street and it is time to worry more about the people of this country. It is time to worry about the millions of Americans who need help because they are unemployed. It is time to provide the social safety net that was originally talked about and promised.

This budget will hurt millions of people. It is unfair. It is inhumane. It is unjust.

Some may say, "Well, Senator, you have used those words before." Indeed I have. And the facts only serve to confirm exactly what I said before and what is true today and it is more true and it is going to get worse and worse and worse. This administration's priorities are turned upside down. This administration has done more to turn the clock back in about 16 months than probably any other administration in the history of the Nation.

But do they care? Do they care? Is there any single indication that anybody down at that White House really cares or is concerned?

And I say to my Republican friends in the U.S. Senate, "Do you really understand what you are doing here today? Do you really care what you are doing?" You told us when David Stockman was before us that this thing of supply-side economics was going to work so well. It worked so well that one out of every eight people in my State are unemployed. Oh, that is great work. And there is not any indication that they are going back to work.

Inflation has started up again. Oil companies are increasing their prices even though there is no shortage. But this administration does not care. This administration is the most indifferent, most lacking in compassion that I think we have ever had in the history of our Nation.

This budget goes in the wrong direction. I will vote against it. I urge my colleagues to do the same.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield to my distinguished colleague from Nebraska, Senator EXON.

Mr. EXON. Mr. President, I thank my friend from South Carolina with whom I have had the privilege of working on the Budget Committee since I came to the Senate.

We are discussing the budget today and I would like to make a brief statement and then if I could, if he would agree, my friend from South Carolina, possibly he could clarify some of the questions that I have in my mind that I think many of the Members of the U.S. Senate would be asking for clarification on as we come down to the vote on the matter before us in the very near future.

Mr. President, it seems to me that at least the Senate should clearly understand what it seemingly is about to do. I am fearful that many in the land who have been led to believe that we are making progress toward a reduction in Federal spending and deficits may soon ask, "Why didn't someone tell us the truth about what was really happening with regard to the lack of true fiscal responsibility?"

So to try and spell it out one more time as clearly as we can, so that our colleagues will know what they seemingly are about to do, and so once again shortly before the vote it will be spelled out so no one can possibly misunderstand, let me first ask the ranking minority member on the Budget Committee, my friend from South Carolina, if the figures I have, and as I interpret them, are accurate.

In the first place I would ask the question, is it true that the conference report we are about to vote on predicts a deficit for fiscal year 1982 of $105.7 billion as presented to us in the conference report?

Mr. HOLLINGS. That is for the year 1982. In the conference report, the deficit for fiscal year 1983 is $103.9 billion?

Mr. EXON. I thank my friend. So it is true, then, that for 1982 the projected deficit is $105.7 billion?

Mr. HOLLINGS. That is correct.

Mr. EXON. Is it also true that for the same period the independent, nonpartisan Congressional Budget Office says that deficit is more likely to be $113.8 billion for 1982?

Mr. HOLLINGS. That is correct.

Mr. EXON. To carry this one step further, for 1983, which we have just verified, the conference report projects a decrease, I would point out, to $103.9 billion in deficits for 1983. Is that correct?

Mr. HOLLINGS. That is correct.

Mr. EXON. And is it also true that for the same period, the independent, nonpartisan, nonpolitical Congressional Budget Office estimates that that same figure will not be $103.9 billion but will be more likely $116.4 billion?

Mr. HOLLINGS. The Senator is correct.

Mr. EXON. I would simply point out, Mr. President, that when you take people who are not involved in trying to give the best face of the budget possible, we are going in the wrong direction with regard to the deficits in the budgets of the Federal Government, from $113.8 billion for fiscal 1982 up, and not down, to $116.4 billion in 1983.

I would simply ask my friend from South Carolina, the ranking minority member on the Budget Committee, is it fair to say, then, that this budget takes us in the wrong direction rather than the right direction from the standpoint of balancing the Federal budget?

Mr. HOLLINGS. It very definitely takes us in the wrong direction. The Senator will remember the distinguished President in his campaign stated that what we were trying to do was to increase the size of the economy and decrease the size of Government. We find in 1980 that outlays by the Federal Government as a percentage of the GNP was 22.5 percent. In 1982 it now has gone up to 24.3 percent of the GNP. So Government is getting bigger and bigger and bigger, and the economy, incidentally, with the Dow Jones stock market index below 800, is getting smaller and smaller and smaller.

Mr. EXON. I thank my friend from South Carolina. Let me ask another question. Is it fair to characterize this as the worst budget, by far, ever proposed from the standpoint of deficit financing, that is, Government spending more than it takes in?

Mr. HOLLINGS. Yes.

Mr. EXON. I hope that my colleagues and the people of the United States will remember that.

There is one other point. It seems to me it is critically important that oftentimes when we talk about budgets, where we are going to cut and where we are going to spend, we lose sight of a very, very important factor, not only with regard to deficits but how those deficits continue to mount and mount and mount and the increase of the public debt that must accrue. There was the $1 trillion figure for the first time in our history just last year.

If this budget is approved, where are we going in increases or decreases in the national debt limit in future years?

Mr. HOLLINGS. Right to the point, of course, we have exceeded the $1 trillion debt limit and we are going to have to extend that debt limit again in the next 10 days. But if you take that $1 trillion limit and look at the public debt for 1982, it goes to $1,151,200,000,000; in 1983, to $1,310,800,000,000; in 1984, to $1,461,500,000,000, and then it goes, in 1985, to $1,607,500,000,000.

So, in 1981 when President Carter left office the national debt was 34.9 percent of the GNP; in 1982 that jumped to 37.7 percent, and now, under this particular conference report by 1985, the public debt will amount to 39 percent of the GNP.

So we are saddling all the generations to come with a bigger government, a bigger debt, and a locked-in interest cost that is going on and on and on. I do not see how the ensuing Congresses, the body politic, will be able to cope with them.

Mr. EXON. I thank my friend from South Carolina. I would like to ask a further question. What was the public debt, approximately, of the Federal Government in the year 1979 or 1980?

Mr. HOLLINGS. In 1979 it was $827.6 billion.

Mr. EXON. I thank my friend. Then if I understand the figures which have just been presented, the course that we are going on with the budget that seemingly we are about to adopt would show that in round figures the public debt of the United States would basically double in a period of 5 or 6 years, from roughly $800 billion to $1.6 trillion. Is that correct?

Mr. HOLLINGS. That is correct. It is a disaster.

Mr. EXON. Mr. President, I thank my friend from South Carolina. I intend to vote against the budget figures being presented for the basic reason that it seems to this Senator that we are bent on a course of making it impossible for us to reduce the interest rates, the high interest rates, the highest real interest rates in our history.

Until we do that, it seems to me, we are not going to have any chance for the farmers, the small businessmen, and people in general to lead us out of the serious recession that confronts our country.

Mr. President, I yield the floor.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, what is wrong with the budget resolution, especially as amended by the House?

First, it gives the country a $104 billion deficit for the 1983 fiscal year. That will be the biggest deficit ever by far in the history of the country. The deficit will almost certainly grow far larger than $104 billion. I estimate it will go to $125 billion to $140 billion.

Every budget deficit in recent years has suffered gross underestimation when it was first proposed in the budget resolution. This will be no exception. How do I know? Easy. First, it assumes that we pull out of the current recession with a burst. Growth which, in this fiscal year, will be close to zero is expected to increase to 5.4 percent. This rapid reversal of the economy from recession to boom provides an essential basis for keeping the deficit down to $104 billion. If—as the great majority of competent experts seem to agree—we grow at a far lesser rate and suffer only a sluggish recovery to, say, 2½ percent growth or maybe 3 percent growth, the deficit will be much bigger. Here is why: The level of unemployment in those circumstances would stay at 9.4 percent, or increase. For every 1-percent increase in unemployment, the Federal deficit grows about $25 billion.

The Budget Committee assumes that unemployment will drop to 8.4 percent next year from the present 9.4 percent. That is the way they get the deficit at $104 billion. That does not sound too difficult, except that unemployment is a lagging indicator. It only improves after the economy has been growing at a pretty solid rate for some time. Employers just do not hire back former workers until they put their current workers to work full time and even overtime. And what chance do we have for that? Unemployment has hit the homebuilding industry and the auto industries especially hard. In fact, every credit-sensitive industry has been driven to its knees. No big recovery, no substantial increase in employment in those industries will occur until interest rates begin to drop. But will they? The committee assumes they will. They assume interest rates will come down sharply. But why should they? Interest rates today are high for one big reason—mammoth Federal deficits on top of a huge national debt and skyrocketing off-budget borrowing.

In fact, off-budget borrowing increased in the past few years almost exactly twice as fact as the rapidly increasing budget deficit. The Budget Committee assumes that the Federal Government will take something like 45 percent of all new credit in 1983 that would be more than in any year in our history by far except 1982, and that grim fact alone will probably abort any effective recovery.

Here is why: Interest rates presently paralyze much of American industry. With the Federal Government still demanding a mammoth share of the credit available, and a recovering economy, of course, also requiring increasing credit, the pressure on interest rates will be greater than ever. With that scenario, 1983 will be a replay of 1980, 1981, and 1982. The recovery will run into rising prime rates, mortgage rates, rates for auto buyers and farmers and small businessmen, and once again—for the fourth time in 4 years—the sickly, anemic recovery will stumble, stagger and then sink into recession.

For all these reasons, the budget resolution is wrong. This Senator introduced an amendment to the budget resolution that would have given us a deficit in 1983 of $90 billion—far too big but a great improvement over where the budget resolution before us puts the economy. It is time for us to realize that we face not a 1- or 2-year problem but a long period—perhaps 10 years or more—of slow growth or recession, of high and often growing unemployment, of great pressure on our manufacturing industry and our financial institutions, of extraordinarily difficult decisions on credit. We will have to do what may seem almost impossible.

This is something that I think too few people in Congress or too few economists outside of Congress have concentrated on: We have to hold down spending, increase tax revenues, and, at the same time, nudge the economy into a healthy period of prosperity and growth.

That is tough. It is one thing to stimulate the economy by increasing spending and cutting taxes. It is something else when you are going in the opposite direction. That is what we have to find a way to do. We must disenthrall ourselves of the illusion that we are still in the thirties and that we can solve this recession by Federal jobs and spending programs. Inflation and its high-interest handmaiden have given us an entirely new, much more difficult, much more challenging ball game. Now we will not be able to spend our way or borrow our way out of the recession. It will take years of consistent and patient forbearance to make progress.

We should not kid ourselves; we are going to have to face deficits, unfortunately, probably for years to come; unemployment at a high rate for years to come; bankruptcies for some time to come, and business failures. But unless we recognize those grim facts and recognize also that it is going to take a long, long time to push our way out of it, we shall not succeed.

Mr. President, I yield the floor.

Mr. McCLURE. Will the Senator yield?

Mr. DOMENICI. Mr. President, I am going to yield to the distinguished chairman of the Energy Committee for a colloquy, but before the distinguished Senator from Wisconsin (Mr. PROXMIRE) leaves the floor, may I take 1 minute with him?

I am sorry the Senator will not vote for the resolution, because I listened carefully to his analysis of the problems we have in this American economy and I agree. I think those of us who put this resolution together and have worked on fiscal policy reorientation for the last year and a half agree with his analysis.

We will not solve these economic problems the way we solved previous recessions and certainly not the way we solved the previous depression. Huge new expenditure programs will not solve it. As a matter of fact, and I regret to say this, I think he is absolutely correct on one point he made. The problems we find ourselves in are not subject to miraculous, instant curses. It is going to take a long period of hard, dedicated work, year after year, reducing that exorbitant rate of growth of the National Government and reducing taxes as much as we can, moving as close to balance as possible, with a monetary policy that accommodates that kind of fiscal policy.

I do not know if the American people are going to have the staying power to let their leaders and their politicians do that, but I think that is what it is going to take.

I thank the Senator for his analysis. I regret that we cannot move any more quickly than we have in this resolution. We have put together the best budget we can that will get the votes necessary to move in the directions we must go. We cannot move any faster.

We have the problem that the President with the strong support of the American people, has pushed for major increases in the national defense function, not cut it. We have that going at the same time we are trying to hold down the budget. We are doing the best we can.

I wanted to say that to him here on the floor. I hope we will arrive at some point in time that we produce a budget resolution that the distinguished Senator can support. I think he and I are moving in the same direction. I regret that we just cannot put it into the political process of getting enough people to support things that would satisfy his inclinations and his concerns, and I regret that.

Mr. PROXMIRE. Will the Senator from New Mexico yield?

Mr. DOMENICI. I would be pleased to.

Mr. PROXMIRE. I want to thank the Senator for the excellent statement he made. I could not agree with him more, and I cannot tell him how reassuring it is that the Budget Committee has that understanding. I think too few people in this country do have it. This is not something we can solve this year or next year. It is going to take at least 10 years or more to solve. We have to be persistent. We have to recognize that it is going to take years of great difficulty, of high unemployment, years in which we are going to have to make the most unpopular kind of political decisions of cutting spending and increasing revenues.

I think that we are very fortunate to have a man of the character and quality of Senator PETE DOMENICI as chairman of the Budget Committee because he does have that understanding. I thank the distinguished chairman.

Mr. DOMENICI. I thank my distinguished friend from Wisconsin.

I will be pleased to yield to the distinguished chairman of the Energy Committee, Mr. MCCLURE.

Mr. McCLURE. I thank the chairman.

Mr. President, I rise to ask for a clarification of the conference substitute in several regards.

First, with respect to the fiscal year 1983 functional total for energy (270), section 1(b)(4) establishes a functional total of $4.8 billion in new budget authority. However, as the Senator from New Mexico stated in his opening remarks, this functional total assumes certain user fees will be enacted; namely, this functional total assumes the enactment of $300 million of nuclear waste user fees based on Senate passage of S. 1662. In addition, the resolution assumes enactment of $60 million in user fees collected by the Federal Energy Regulatory Commission, as proposed by the administration.

Is this a correct interpretation of the Senator's statement?

Mr. DOMENICI. Yes.

Mr. McCLURE. Am I also correct in interpreting the Senator's statement to mean that for the purpose of Appropriations Committee actions regarding fiscal year 1983, the energy functional total is effectively $360 million higher in budget authority than the figure set forth in section 1(b)(4).

Mr. DOMENICI. That is a correct interpretation of the conference substitute.

Mr. McCLURE. My second concern, Mr. President, is in the event that the Congress should fail to enact the legislation to raise these user fees, what would be the effect on the functional total for energy. Am I correct that for the purpose of the Appropriations Committee actions the available new budget authority for fiscal year 1983 would beat the higher figure and would be unaffected by whether or not legislation regarding nuclear wastes fees and FERC user fees become final law?

Mr. DOMENICI. That is correct.

Mr. McCLURE. Would that also be the case should this resolution become operable as the second budget resolution for fiscal year 1983?

Mr. DOMENICI. That also would be the case, Mr. President.

Mr. McCLURE. My third concern, Mr. President, is the statement in the conference report regarding user fees which reads as follows:

> The managers agree that the amounts set forth above for increases in revenues include the assumption that the following amounts will be raised through increased user fees to recover costs of Federal programs and activities: Revenues from user fees fiscal year 1983, $0.9 billion; fiscal year 1984, $1.0 billion; and fiscal year 1985, $1.4 billion.

The statement of the managers then goes on to add the following:

> The spending totals in various functional categories of the budget also include assumed increases in offsetting receipts from new or expanded user fees. The conference substitute assumes that certain user fees will be increases, but the managers agree that the budget may be implemented without the imposition of the specific user fees assumed.

Mr. President, a clarification of this language would appear appropriate. As I understand this report language, several authorizing committees have been provided reconciliation instructions based on assumed user fees. Conversely, several authorization committees have not been assigned reconciliation instructions, although enactment of legislation providing for new or expanded user fees are assumed in various functional totals. Am I correct in my intrepretation of this report language?

Mr. DOMENICI. You are correct. The Finance Committee was given a reconciliation instruction on user fees; office committees with user fee jurisdiction were not instructed.

Mr. McCLURE. With regard to the Committee on Energy and Natural Resources, as we discussed earlier the user fees from nuclear waste and FERC are assumed in the functional totals, are these fees the subject of reconciliation instructions?

Mr. DOMENICI. No, they are not.

Mr. McCLURE. Would the absence of their inclusion in a reconciliation instruction in conjunction with the report language in any way affect our earlier understanding of the functional total for the energy, in particular, from the standpoint of the Appropriations Committee actions?

Mr. DOMENICI. The subject report language is consistent with our earlier discussion. From the standpoint of actions by the Appropriations Committee, spending totals in the various functional categories of the budget would be adjusted by certain user fees, such as nuclear waste and FERC, whether or not such fees are included within a reconciliation instruction to the authorizing committee.

Mr. McCLURE. I thank the Senator for yielding.

Mr. DOMENICI. I thank my friend, the chairman of the Energy Committee.

Mr. President, I want to yield now as much time as Senator GRASSLEY desires. He says 4 to 5 minutes, but I will yield as much time as he desires.

Mr. GRASSLEY. I thank the Senator from New Mexico for yielding.

Mr. President, I am going to cast my vote today for this budget resolution, and that vote comes not because I agree with everything that is in it, because obviously I do not. But my support of it comes from the deep concern that I have for the future direction of our economy and because I think that this budget resolution gives a much-needed and beneficial direction to our economy.

However, I have to remind my colleagues that our work has just begun. To paraphrase the poet Robert Frost, "We have miles to go before we sleep."

Recognizing that urgent action to reduce projected deficits is a very necessary first step toward lower interests rates, I support this resolution as the best possible package that could pass Congress. The final product differed widely from the original freeze concept which I proposed and supported initially and which the Senate Budget Committee adopted, due to the good work of our chairman, in some modified version on May 6.

I still believe that a freeze on total Federal spending would be the fairest of all budgets and would have provided the means of sharing the burden of spending restraint evenly and across the board. It also would have been the most effective way of halting the growth of Government spending at the Federal level.

However, this budget resolution goes a long way toward reducing the projected deficits of $625 billion that would have accumulated by 1985 had we not taken action. It will reduce those deficits by $400 billion over the next 3 years. We have established in this budget a clear downward trend of Government activity in the capital markets. But while the Government's share of borrowing will be declining, our efforts to straighten out the economy are nowhere near completion. For there are two sides to the equation for reducing interest rates. Not only must we reduce Government borrowing but we must also create new capital. The only way that can happen is for Congress to reform the laws governing the economy. We must change from a buy-and-borrow economy to a save-and-invest economy. The first place to start in this reform is with the Federal Tax Code. The problems of the Federal Tax Code are so numerous that it boggles the mind. The code is inequitable, inefficient, and grossly complicated. Billions of dollars are paid to tax experts to figure out for their clients how to avoid paying taxes.

Mr. President, think of the potential and beneficial use of those billions of dollars wasted through avoiding taxes. They could be spent within our economy in a productive way. And think of the human resources, some of the brightest minds in the country, that would be freed for productive purposes if we could somehow simplify and neutralize the Tax Code.

The present Tax Code through deductions, credits, and exemptions is heavily biased against savings and investment, and strongly favors consumption and debt creation.

The high marginal tax rates faced by all taxpayers make it increasingly difficult for lower income workers to become middle-income earners and middle-income earners to become higher income earners.

Mr. President, unless Congress acts urgently to reform the laws governing our economic activity, there is little chance that the recovery we expect later this year will be sustained. We cannot finish work on this budget resolution today thinking we have satisfied all requirements for turning the economy around. There is much more work to be done and, because of the urgency of the matter, there is little time in which to do it. Significant structural changes are in order, and unless we make the swing back to a save-and-invest economy, we will be ignoring the fundamental causes of our current high interest rates and economic weaknesses.

I yield back the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield myself as much time as I need.

Let me first say to Senator GRASSLEY, the distinguished junior Senator from Iowa, that my respect and admiration for him grows every week in this Senate. I did not know him and he did not know me before we started serving on this committee, but I know that the statement he just made saying he is going to support this budget resolution did not come easy. He does not like the deficits that are here. He did not like them for years before. But let me say he understands that when you are in the majority you need to govern. He understands that governing is a lot more difficult than that simple approach that some in this body take of being against everything and for nothing unless what they are for is something they know will not pass.

Now, I am sorry that the distinguished junior Senator from Ohio left the floor, because what I am about to say is aimed at several of his statements here today. I will have more to say about that shortly.

I say to my good friend, Senator GRASSLEY, that it would have been much easier for him to have taken his 4 minutes or perhaps 20 minutes and to talk about all the things that are wrong with the fiscal policy of our Government, and then say, "For that reason, I am going to vote no." I am sure that the 4 minutes he used could have grown to 34 minutes, with little effort.

So I tell the Senator that my admiration and respect for his positive contributions grow each time we work to get something on which we can vote and which will move us in the right direction. I commend him for it, and I thank him for his support in the committee and in the Senate.

Mr. President, I wish to speak for about 10 minutes, following which the distinguished chairman of the Appropriations Committee wants to have a colloquy with the chairman of the Budget Committee. I wish to talk about and respond to some of the things that have been said here this morning.

It really is amazing to listen to the words of the distinguished junior Senator from Ohio about the deplorable state of the tax laws of this country and the rather incredible nature of the tax cuts that were passed last year; how those tax cuts move absolutely in the wrong direction, and that if he had anything to do with it, he would have done it differently.

It struck me that there were not very many Senators who voted against last year's tax bill, and I thought I should find out whether he had. Well, I find that he voted for that miserable tax bill that helps the rich and hurts the poor and makes Senator HOLLINGS tremble and shake. Senator METZENBAUM cast his vote with the 89 who supported it, not with the 11 others. Senator HOLLINGS, the ranking minority member, who has been opposed to it and talks about its adverse effect—with which I do not agree—voted with the 11.

That is enough on that issue. I will go through a few other items.

First, I hope that those who listen to the words of Senators on the floor understand that it is easy to be against everything, especially when you do not have to govern and when it does not matter what your proposals are, because they are never going to become law anyway. It is easy to do that.

If the distinguished junior Senator from Ohio, who has his litany of problems with this budget and with this President, had supported budgets in the past, it might be that this Senator could say, "He has voted for some policies that are significantly different. He is just complaining because the policies he voted for in the past are not in effect." But he did not vote for those major policy changes when his own party was in office. He used to come to the floor and say the same thing to Senator Muskie when he was here.

He voted against reporting out of committee the last budget Senator HOLLINGS presented from the Democratic side.

So is is difficult to tell what he is really for, except that he is for higher taxes. He is for higher expenditures, except for Government travel costs

and things of that type which he says will cut expenditures. That does not really address the issue of high expenditures. Since he is for higher taxes, higher expenditures, and a balanced budget, I wonder what kind of budget he would produce and vote for.

I repeat: He has the privilege of not having to do that.

It was said on the floor that this budget does not address human factors. Well, I have a summary chart which shows that the human resources programs continue to grow. Spending for human resources continues to climb. If one listened to statements on this floor, one would think they were being cut. Let me give some example:

Medicare: If all the proposals are implemented, there would be a 69-percent increase in 1985 over 1981; civil service retirement, 39 percent; medicaid, almost 40 percent; subsidized housing, 68 percent.

Mr. President, I ask unanimous consent to have printed in the RECORD a chart showing the major benefit programs and the growth that will occur.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

GROWTH OF MAJOR BENEFIT PROGRAMS

The following table shows the growth of major benefit programs between fiscal year 1976 and fiscal year 1981 and their projected growth between fiscal year 1981 and fiscal year 1985 under the budget resolution approved by the conference committee:

	Outlays (billions)			Growth			
				1981 over 1976		1985 over 1981	
	1976	1981	1985 (recommended)	Amount	Percent	Amount	Percent
Program:							
Social security	$72.7	$138.0	$201.5	$65.3	90	$63.5	46
Medicare	17.8	42.5	71.7	24.7	139	29.2	69
Civil service retirement	8.2	17.5	24.3	9.3	113	6.8	39
Medicaid	8.6	16.8	23.3	8.2	95	6.5	39
Military retirement	7.3	13.7	18.1	6.4	88	4.4	32
Subsidized housing	2.3	5.7	9.6	3.4	148	3.9	68
Food stamps	5.6	11.3	11.7	5.7	102	.4	4
Veterans compensation	5.2	8.4	12.0	3.2	62	3.6	43
Supplemental security income	5.1	7.2	8.9	2.1	41	1.7	23
Veterans medical care	4.0	7.0	8.8	3.0	75	1.8	26
AFDC	5.8	8.5	8.5	2.7	47		
Railroad retirement	3.5	5.3	6.5	1.8	51	1.2	22
Child nutrition	1.8	3.4	3.9	1.6	89	.5	13
Veterans pension [1]	2.9	3.8	3.7	.9	31	−.1	−3
Guaranteed student loans	.1	2.3	2.9	2.2	2,200	.6	26
Student financial assistance (includes Pell grants) [2]	2.3	4.5	3.8	2.2	96	−.7	−15

[1] Decrease during fiscal year 1981–85 period reflects a projected decline in the number of pension recipients. Also, new cases tend to have higher nonpension incomes and to receive lower average benefit levels.
[2] Decrease in fiscal year 1985 reflects continuation of changes made in 1981 which initially took effect in fiscal year 1982.

Mr. DOMENICI. Excessive Government travel has been debated here on the floor as if it were central to the budget resolution. That is not true. So that everyone understands, we do not adopt line items in the budget resolution. We do our best to set broad guidelines. I really do not think Government travel has much to do with a budget resolution of almost $770 billion. We ought to be debating the broad issues here.

Water projects: Water project spending is down while human resources spending is up. It has been expressed here this morning that excessive spending for water projects is what is causing us to have to deny the needy what they need from their Government. In fact, this budget resolution contains $200 million less spending for water resource programs than the 1980 budget. After accounting for inflation, there has been a 25-percent real reduction in water programs. I do not think the last President or this President asked for a new project. That means 5 years without a new start.

Defense spending: The distinguished junior Senator from Ohio speaks in terms of waste and fraud, but the real point of it is that he wants lower spending for defense. That is what he is talking about—lower spending for defense.

We held defense spending down during the 1970's and now we have to pay for that. I do not think the majority of the American people support less for defense. They might argue about how much more is enough, but they surely do not want less.

Then as to a balanced budget I just want to make one statement here. The Senator from Ohio wants increased taxes. I wish that those who want increased taxes would state which taxes they would increase and how much.

Then we could put that out for Senators to see what they think about it and so the American people could look at that.

On the fiscal 1982 numbers, it has been said that the outlays we are using are wrong. Let me tell him, I have a copy of the letter CBO wrote to the distinguished ranking minority member, and it says that CBO thinks the fiscal 1982 deficit will be between $105 billion and $115 billion. That is not what they get when they do it item by item. But the next to the last paragraph of that letter, which is in the RECORD, says it will be between $105 billion and $115 billion. We used the lower end of that range for our estimate. I think it is going to be right. I do not see why we should look askance at our estimate.

Then we turn to fiscal years 1983 through 1985, in terms of the various estimates and the various conclusions drawn in the budget conference.

I wish to make a number of documents part of the RECORD which will help explain the conference decisions. Many of the items in dispute are really judgment calls.

Mr. ANDREWS. Mr. President, will my colleague and good chairman yield for a moment?

Mr. DOMENICI. I will be finished in 1 minute and then I will yield if that is satisfactory with the Senator.

Mr. ANDREWS. That is adequate.

Mr. DOMENICI. I am just going to make these part of the RECORD. I shall ask unanimous consent to have printed in the RECORD my analysis of the CBO repricing of the budget resolution which addresses the major reestimates: revenues, defense outlays, OCS receipts, and interest costs. We have Secretary of the Interior Watt's letter with reference to OCS and Secretary of Defense Weinberger's letter with reference to defense outlays. Also, there is the June 18 letter from Senator HOLLINGS to Dr. Alice Rivlin requesting the reestimate, and Dr. Rivlin's response of June 22. I ask unanimous consent to have printed in the RECORD these materials to which I have made reference.

The PRESIDING OFFICER. Without objection, it is so ordered.

The material ordered to be printed in the RECORD follows:

CBO REPRICING OF THE BUDGET RESOLUTION

BACKGROUND

On June 18, Senator Hollings wrote CBO asking them to reprice the Conference Agreement on the First Budget Resolution using the post-policy consensus economic forecast and the CBO estimating techniques for both revenues and outlays.

On June 22, Director Rivlin wrote Senator Hollings answering his request. In short, CBO re-estimates the Conference Agreement deficits higher by the following amounts:

[In billions of dollars]

	Fiscal year			
	1982	1983	1984	1985
Deficit agreed to by the conferees	105.7	103.9	83.9	60.0
CBO re-estimates (lower revenues, higher outlays)	+8.1	+12.5	+20.7	+32.7
CBO repricing of conference agreement deficit	113.8	116.4	104.6	92.7

ANALYSIS

The CBO re-estimates fall into four main categories: revenues, defense outlays, OCS receipts, and interest costs.

We have been over the revenue estimates before. This year CBO introduced a new, largely untested method of estimating revenues. It yields lower revenue estimates than the long-tested Treasury estimating method. The conferees (and the Senate) opted to use the Treasury figures based on their well established methodology.

Defense outlays have also been the subject of longstanding argument going back to last year. We have assurances from OMB and the Department of Defense that DOD plans to live within the outlay levels for the defense function set by the conferees. If they do the management job they have promised, it is hoped that the outlay level set by the conferees will not be exceeded.

OCS receipts have also been a matter of great discussion. The conferees decided to go with the administration's estimate which is higher than that of CBO. Again, this is largely a question of management on the part of the Department of the Interior in achieving the levels we have used. Secretary Watt has stated that the Department has re-examined all of the available information on OCS receipts, including the CBO methodology, and that they see no reason to depart from the numbers the conferees assumed.

The interest re-estimates by CBO are largely the result of the higher deficits in their re-estimate. If the other areas mentioned turn out the way the conferees assumed, the higher CBO interest estimate will disappear.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., June 21, 1982.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Recent developments in the world oil market and possible delays resulting from litigation have caused the Department of the Interior to evaluate the Administration estimate of anticipated receipts from our Outer Continental Shelf leasing program.

We have also examined the assumptions and methodology employed by the Congressional Budget Office in generating its estimate of OCS receipts.

Our reviews show no reason to question the validity of the fiscal year 1983 OCS receipts estimate of $15.7 billion contained in the April update to the President's Budget. We still believe our estimate to reflect the most probable level of receipts in fiscal year 1983. The Administration estimate is $3.8 billion above the corresponding CBO estimate of $11.9 billion.

If I can be of further assistance in clarifying this matter, please let me know.

Sincerely,

JAMES G. WATT,
Secretary.

THE SECRETARY OF DEFENSE,
Washington, D.C., June 22, 1982.

Hon. PETE V. DOMENICI,
Chairman, Committee on Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Realizing the extreme importance of the budget resolution and urgency of actions necessary to complete the effort, I thought it would be useful to assure you of the credibility of the Administration's outlay estimating methodology.

This same methodology, which was used in the fiscal year 1982 outlay estimates, has achieved results at the end of the third quarter which confirm the analyses, assumptions, and methodology.

If I can be of further assistance on this matter, please do not hesitate to call upon me or my staff for such assistance.

Sincerely,

CASPAR W. WEINBERGER.

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Washington, D.C., June 18, 1982.

Dr. ALICE M. RIVLIN,
Director, Congressional Budget Office, House Annex Number 2, Second and D Street, SW., Washington, D.C.

DEAR ALICE: Now that the conference on the First Budget Resolution for fiscal year 1983 has reached agreement, I would like your office to prepare an estimate of the conference agreement for fiscal year 1982–85 using CBO estimating techniques. This estimate should be based on the post-policy consensus economic assumptions, adjusted for the actual 7.4 percent COLA, the latest CBO estimate of revenues, and the spending assumptions consistent with the bipartisan baseline.

The estimate should contain all significant revenue and outlay adjustments to both budget functions and deficit reduction categories (by program) in light of the most recent spending data. For those cases in which the House and Senate have differing policy assumptions regarding program cuts, use the Senate assumptions.

If the budget process and the fiscal policy set forth in this budget resolution are to have any credibility with the American people and reassure the financial markets, they must be based on the most objective, nonpartisan data available. I am confident that your office can best supply this information.

Because the conference report will be considered in the Senate early next week, I would appreciate receiving this estimate not later than Tuesday, June 22. If you have any questions or require additional details, please contact Tom Sliter of the Budget Committee staff.

Thank you for your assistance.

Sincerely,

ERNEST F. HOLLINGS.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C. June 22, 1982.

Honorable Ernest F. Hollings,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HOLLINGS: Pursuant to your request of June 18, the Congressional Budget Office has prepared an estimate of the conference substitute for the First Congressional Budget Resolution for Fiscal Year 1983. As you requested, the estimate is based on the post-policy consensus economic assumptions adjusted for the actual July cost-of-living adjustment, the latest CBO estimate of revenues, and the spending assumptions consistent with the bipartisan baseline.

The major CBO estimating differences with revenues and outlays are listed on the attached table. Each estimating difference is identified by budget function and deficit reduction category.

Two aspects of these estimates deserve special mention. First, CBO has reestimated the figures in the conference substitute only in those cases where the conference explicitly chose not to use CBO estimating techniques. With the exception of OCS accelerated leasing, CBO has not reestimated any of the policy changes assumed in the conference substitute, because it is our understanding that the dollar reductions assumed take precedence over any specific programmatic assumptions.

Second, many of the assumptions in the bipartisan baseline date from February. Based on our analysis of actual revenues and spending through April, CBO projects that fiscal year 1982 revenues will be in the range of $625–630 billion, outlays will be in the range of $735–740 billion, and the deficit will be in the range of $105–115 billion.

Should you so desire, we would be pleased to provide further details on these estimates.

Sincerely,

ALICE M. RIVLIN,
Director.

TABLE A.—MAJOR CBO ESTIMATING DIFFERENCES WITH REVENUES AND OUTLAYS FOR CONFERENCE SUBSTITUTE

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985
REVENUES				
Conference substitute	628.4	665.9	738.0	821.4
CBO estimating differences	−1.2	−4.8	−11.3	−22.1
Conference revenues as reestimated by CBO	627.2	666.1	726.7	799.3
OUTLAYS				
Conference substitute	734.1	769.8	821.9	881.4
CBO estimating differences:				
Defense spending (defense; function 050)	3.3	1.8	1.8	2.0
OCS receipts (management savings; function 950)	1.2	3.8	3.8	2.6
Civil service retirement (entitlements; function 600)		.3	.4	.5
FDIC (other changes; function 370)	.1			
Social security (entitlements; function 600)	.4			
Unemployment insurance (entitlements; function 600)	.6			
Interest costs (debt service savings; function 900)	1.3	1.8	3.4	5.4
Conference outlays as reestimated by CBO	741.0	777.5	831.3	892.0
DEFICIT				
Conference substitute	105.7	103.9	83.9	60.0
Conference deficit as reestimated by CBO	113.8	116.4	104.6	92.7

(Later the following occurred:)

Mr. METZENBAUM. Will the Senator from New Mexico yield for a question?

Mr. DOMENICI. I had already agreed to yield to Senator HATFIELD.

Mr. METZENBAUM. Just for a question.

Mr. DOMENICI. Surely.

Mr. METZENBAUM. Do I understand the Senator indicated on the floor of the Senate that this Senator had attempted to move defense spending down below last year's figure?

Mr. DOMENICI. No. I indicated that I wanted to respond to some of the things the Senator from Ohio said and he was not here. I was sorry about that. The Senator is here now, but I cannot go back and do it all over again. I indicated that in the 1970's we tried to have less money for defense, in the 1980's we were making up for it, and that the Senator from Ohio would like to cut money out of defense. I thought we had to put more money in and I thought most Senators and most Americans did also.

Mr. METZENBAUM. If the Senator from Oregon will yield further for 1 more minute. Let me make it clear that the Senator from Ohio has never supported or taken the position that we did not need additional defense spending. The question of degree has been at issue and it is at that point that I have a difference with the budget figure. But it is not a question of whether or not it ought to be something less than the past year.

Mr. DOMENICI. I thank the Senator from Ohio.

(Conclusion of later proceedings.)

Mr. DOMENICI. I have a few further remarks I will make later.

At this point I yield to Senator ANDREWS who desires to engage in a colloquy with the Senator from New Mexico.

Mr. ANDREWS. Mr. President, I appreciate the Senator yielding.

I would like to note that I think that it is extremely important for the distinguished Senator from New Mexico to have completed the work on the conference report. A number of us expressed some concern to him on the proper interpretation of the changes that were made in the budget resolution in the conference with the House of Representatives. The House of Representatives had a far different version, of course, than passed the Senate.

Some of us are very, very concerned about the fact that for the first time we have placed restrictions on the aggregate levels of new direct loan obligations and new loan guarantee commitments. My colleague has pointed out that the limits are so high that it should not affect any agency this year. That assumption would appear to be correct. Later on I am sure he will reassure Senator HATFIELD, the chairman of the Appropriations Committee, as he has reassured me, that the insertion of section 9 in the conference report will not set a binding precedent of placing a ceiling on total loan and loan guarantees in future budget resolutions.

Mr. President, one of the things I wish to clear up today with my friend from New Mexico concerns rural electrification. A strong Federal rural electrification policy is vital to the economic development of the rural areas of this country, especially during the current recession and especially during this period of energy shortage where we are importing some $75 billion worth of energy from OPEC countries. The most important Federal rural electrification programs are those administered by the REA. With the key role played by these programs in mind, I ask the chairman of the Budget Committee, my friend from New Mexico, what levels for REA loan and loan guarantee programs in fiscal year 1983 are assumed in this conference agreement?

Mr. DOMENICI. Let me say to my good friend, first of all, that I appreciate his bringing these areas of concern to the floor because I do not think they are his alone. They are the concerns of many other Senators, and I compliment the Senator from North Dakota for bringing them to our attention and to the attention of the Senate.

In answer to the Senator's question, the fiscal year 1983 credit budget totals assume, in function 270: Energy, that REA will be given authority to incur $1.425 billion in new direct loan obligations and to issue $6.4 billion in new loan guarantee commitments in fiscal year 1983. The credit budget totals assume that the Appropriation Act limitations on the REA programs in those amounts enacted for fiscal year 1982 will be maintained for the next year.

Mr. ANDREWS. I thank the Senator from New Mexico for his informative response.

I wish to make a further inquiry in the nature of setting legislative history.

As the Senator undoubtedly knows, there is a good deal of concern among rural electric cooperatives around the country that REA, at the direction of the Office of Management and Budget, may take administrative action to revise the current criteria by which cooperatives are determined to be eligible for REA loans, the current ratios for REA concurrent and supplemental loans, and the interest rates now charged on those loans. The effect of those changes will be to restrict significantly the number of cooperatives eligible for REA assistance and to raise their financing costs. I proposed language to the conferees on these issues. Have the conferees on the first budget resolution taken these concerns into account in assuming the loan and loan guarantee levels for REA cited by the Senator from New Mexico?

Mr. DOMENICI. Let me again say to my good friend that the answer to his question is in the affirmative. My recollection is that the distinguished Senator from Kansas (Mrs. KASSEBAUM) presented the language that I will soon quote, and it has been included in the statement of the managers—which is absolutely the best we could do with reference to this particular issue. The language states the following:

> It is the intent of the conferees that direct loan and loan guarantee levels for the Rural Electrification Administration assumed in the fiscal year 1983 credit totals contained in the conference substitute are predicated on the continuation of the present criteria and supplemental loan ratios and on interest rates set in the Rural Electrification Act of 1936, as amended by the Omnibus Reconciliation Act of 1981.

I think the Senator from North Dakota knows, and I do not want anyone else to misconstrue this. This is not binding language, because there is no way we can do that. The authorizing committees or others that have jurisdiction and authority could do differently then we assume. But to the extent that we could state our intent and purposes, the language clearly expresses the conferees support for the continuation of current REA regulations in fiscal 1983.

Mr. ANDREWS. In essence, Mr. President, then what my good friend, the chairman of the Budget Committee, is pointing out is that the conferees did in fact adopt essentially the language that I proposed as an amendment to our Senate budget resolution when it went through our committee. The statement of managers now reflects the Senate language.

Mr. DOMENICI. The Senator is absolutely correct. In fact, the distinguished Senator from Kansas who offered the language in conference indicated that it was language that the Senator from North Dakota had contributed and that she was pleased to offer it because the Senator from North Dakota had requested it and it had such broad support.

Mr. ANDREWS. The main thing we want to make sure is that we now have the Senate version. It is not necessarily important as to who authored it, although that sounds good back in North Dakota as it does in New Mexico and Kansas. That is known in New Mexico as the Domenici-Andrews approach and in North Dakota as the Andrews-Domenici approach.

Mr. DOMENICI. Yes.

Mr. ANDREWS. And in Kansas, the Kassebaum-Andrews-Domenici approach.

Mr. DOMENICI. So long as it works.

Mr. ANDREWS. So long as it works, that is the key thing. I thank the Senator.

I also have a final question. This one concerns the level of funding for the Postal Service assumed in the conference agreement.

As the Senator from New Mexico knows, the conference agreement on the urgent fiscal 1982 supplemental appropriation bill increased the fiscal 1982 revenue forgone appropriation to the Postal Service by $62 to $676 million. The key intent of this increase was to stabilize all postal rates for all subsidized classes of mail at step 13. To maintain this step during fiscal 1983, our Senate resolution assumed an increase for revenue forgone over that level in fiscal year 1983.

My question to the chairman is: Is there enough leeway in this budget resolution, as it now is on the floor, to accommodate the continuation of this higher level of funding for revenue foregone in fiscal year 1983?

Mr. DOMENICI. Let me say to my good friend, again, that I believe there is enough leeway to do what he suggests and what he wants. This was a very difficult issue in conference because, as the Senator knows, the House bill, by mistake or otherwise, had zero in this area.

Mr. ANDREWS. That is right.

Mr. DOMENICI. It is contended that that was a mistake and I take it that it was. We tried to fix it as best we could.

The agreement assumes, on the one hand, only $400 million for Postal Service in fiscal year 1983. However, that figure, as the Senator knows, is not binding on the Appropriations Committees. Only the aggregate level of funding for all discretionary spending programs is binding.

The Senator from North Dakota, and other supporters of postal rate subsidies funded through what is known as revenue foregone, including this Senator, will be able to advocate shifting money from other areas to the Postal Service. They may very well succeed in maintaining these postal rate subsidies during fiscal year 1983 at the increased level for fiscal year 1982 reflected in the urgent supplemental appropriations bill that was before us yesterday.

Mr. ANDREWS. That we passed here with the Senate figures.

Mr. DOMENICI. That is correct.

Mr. ANDREWS. I thank the Senator from New Mexico very much, Mr. President, for these clarifying remarks. I think it makes crystal clear that the conference did indeed move more toward the Senate version and eliminated some of the mistakes that had been made in the other body in these two key areas of importance to rural America. I thank my colleague for yielding.

Mr. HATFIELD. Mr. President, I am delighted to have the Senator from New Mexico clarify some of these matters that were raised in specific terms by the Senator from North Dakota. I would like to pick up on that subject in a broader sense as it relates to credit controls in order to get a clear record as to the duties and responsibilities that must be carried out by the Appropriations Committee following the adoption of this budget resolution.

First, I would like to refer the Senator from New Mexico to section 9 of the proposed conference substitute which would institute, in effect, through the concurrent budget resolution, a wholly new budget procedure governing Federal credit activities. This section, in effect, amends the Congressional Budget Act and the House and Senate rules.

In the last two Congresses, a number of bills have been introduced to address the issue of better congressional budgetary control over Federal credit activities.

I fully agree that this significant area of Federal economic intervention in the private marketplace must be closely examined and brought under some form of better control. I, however, have grave reservations that such a major step should be taken in this budget resolution. This is a matter which demands a far greater level of congressional scrutiny and review.

Mr. President, this provision was not included in the Senate-passed version of the Senate budget resolution and received only cursory attention in the House debate on their amendment. I inquire of the distinguished Senator from New Mexico whether he shares my concern over this section 9 as I have outlined and interpreted it at this time?

Mr. DOMENICI. Mr. President, let me first say to my good friend, the chairman of the Appropriations Committee, that I appreciate very much his overall concerns expressed yesterday and his genuine attitude of cooperation. I really do not think we could have gotten this budget resolution this far without his cooperation. I hope he knows that whenever I can reciprocate by being helpful on his problems I am going to.

This budget process is far from a perfect one and it is under a great deal of pressure. I, frankly, think it is under pressure because these are difficult times. If the pressures were not here they would be somewhere else very soon because the kind of deficits that we have and the extremely high interest rates we have are going to create some enormous areas of trauma for us. Therefore, in attempting to put a budget together, we have had a difficult time.

The Senator's concerns are correct with reference to the credit budget enforcement provisions. These provisions originated in the House. The record of the conference will show that I had serious reservations about including them in the conference report. I was concerned that we were moving too far and too fast in an uncharted area. However, I agree with Chairman HATFIELD that the credit budget needs close attention. I commend him for his efforts in this area, including his cosponsorship of S. 265, which seeks to institute a credit budget.

Why did we accept the House provisions? One simple reason: Section 9 had been pushed adamantly by a large group of House Members whose support for the resolution was crucial. I think the problem of passing any budget resolution in the House was demonstrated in recent weeks and was demonstrated dramatically yesterday when this budget resolution was passed by a razor-thin margin of 210 to 208. The retention of section 9—it was said to me, I say to my friend from Oregon, by leaders in the House who put the coalition together—was critical to many House Members in supporting the resolution.

As the Senator knows, recent budget resolutions have included totals for new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments. Last year, the first budget resolution for fiscal year 1982 subdivided the totals by budget functions. We are not in entirely uncharted waters.

The Budget Act does not require that budget resolutions include any provisions on Federal credit activities. However, as the chairman knows, this segment of Federal financial activity has a very significant impact on our financial markets and, as such, should come under some form of aggregate budgetary control in Congress.

Mr. HATFIELD. I am very grateful to the Senator from New Mexico, the chairman of the Budget Committee, for his explanation as to why this provision was included in the conference substitute.

I must say to the distinguished Senator that I still remain concerned, however, about what impact this provision would have on the timely consideration of appropriations bills this year and the prospects for reversing this violation of what I would consider sound procedural practice. In other words, what about the future? We know now where we are and how we got here, but what would the Senator from New Mexico postulate about the future?

Mr. DOMENICI. I would first say to the Senator from Oregon that, as chairman of the Budget Committee and as a Senator, I am going to continue to work with the Senator in supporting legislative action in regard to credit budgeting rather than the inclusion in future budget resolutions of provisions such as section 9. I agree with the Senator that a procedural step of this importance should be addressed when we amend the Budget Act, and that it should not be done in an ad hoc kind of way.

On the other hand, even if this budget resolution automatically becomes the second budget resolution, pursuant to section 7, it is my studied belief, not just my assumption, looking at the credit budget numbers, that the point of order will create no insurmountable problems this year, because of the numbers in the resolution. I think the Senator's professional advisers conclude as mine have. The amounts in the credit portion are more than ample to cover anticipated credit legislation. I think we all know that.

I further believe, Mr. President, that we should view this provision largely as a dry-run exercise. This is not a precedent. We can evaluate the scorekeeping procedures and then make a judgment on whether to establish such procedures in a future amendment to the Budget Act. Both of us realize, of course, that if the Budget Act is not amended, other Members will undoubtedly seek to include similar provisions in future budget resolutions.

I hope these comments will reassure my friend that I do not consider this to be in any respect a binding precedent.

Mr. HATFIELD. I am very grateful to the Senator. We have had a very fine and cooperative relationship. I wanted to make certain that we had this clearly stated in the RECORD because I did feel that down the road we have to face this in a more pragmatic way as we seek to move the appropriations bills through.

I hope the chairman will be kind enough to move now to another area which concerns me equally about this whole procedure we are following. The chairman of the Budget Committee realizes and knows that there have been differences between the Budget and the Appropriations Committees in the past over the interaction between the cost of entitlement programs and the so-called room provided in the budget resolutions for discretionary appropriations.

We on the Appropriations Committee have often been put in a bind by the growth of entitlement programs which can only be controlled by changes in substantive law. This resolution presents some potential new problems, as I review it.

For instance, the resolution will automatically become a binding second resolution on October 1 unless it is revised before that date. From everything I hear, it seems obvious that this will be the resolution we must operate under until some time next spring. This means that we will not have the normal opportunity to include reestimates and update the resolution for actions Congress has taken.

Also, I understand the conferees did not accept CBO estimates in some areas of spending and instead included lower administration estimates in the resolution. I believe this will also increase the pressure on discretionary programs, which constitutes an increasingly smaller part or portion of the total budget.

If CBO proves to be right, the revised estimates will "eat" the room the budget resolution ostensibly provides for discretionary programs. What I would like to specifically ask the chairman of the Budget Committee is simply, Does the Budget Committee recognize this problem? Is it possible something could be done in the budget scorekeeping system to alleviate what I have outlined as, I think, a very definite problem?

Mr. DOMENICI. Let me again say to my good friend, the chairman of the Appropriations Committee, that I am well aware of the problems he is describing, and I am also aware that there have been some contentions that the budget conferees used artificial estimates to keep outlays down in certain areas and thus hold down the deficit. I am also aware of a concern on the part of members of the Appropriations Committee and others that the upward reestimates of entitlements may squeeze out money for discretionary programs and leave the Appropriations Committee in the position of being unable to fund those programs at the levels assumed in the resolution.

As the chairman has indicted, these concerns are intensified by section 7, that is, that the first budget resolution will become the second on October 1 unless we have adopted a second.

I hope I can provide some reassurance to those concerned about the squeezing out of discretionary appropriations.

During the Senate-House conference a clear record was made committing the two Budget Committees to scorekeeping in such a way that the Appropriations Committee will not have to, to borrow the chairman's words, eat the upward reestimates in the areas in which the conferees did not use CBO estimates.

Let me quote from the official transcript of the conference at page 211:

Mr. JONES. I would also suggest that for scorekeeping purposes, CBO uses these economic and technical assumptions for scorekeeping. Is there any disagreement to that?

Without objection, so ordered.

That does not answer all of the concerns. I appreciate the contention that we should use a scorekeeping convention that attempts to separate entitlement programs from nonentitlement programs in order to evaluate appropriations bills. While substantial disagreement about the definition of entitlement and nonentitlement accounts exists, I believe that a convention based on this distinction most accurately assesses the actions of the appropriations process in those accounts that are completely within its constructive control. I would hope that we could work together to begin to institute such convention. I am directing my staff to work with the Appropriations Committee staff, as well as the staff of CBO and the House Budget Committee, to begin work on an entitlement-nonentitlement breakout. I know that sounds simple, but I think the chairman and I both know that is not simple. They should start forthwith.

Mr. HATFIELD. They will get involved in definitions.

Mr. DOMENICI. I think incorporating this convention in the scorekeeping system and revising budget resolutions are ways to make sure that the actions of the Appropriations Committee are most accurately scored.

The concerns that the chairman has stated have merit. However, with the assurances I have just given, I am confident that the unanticipated growth in the cost of entitlement programs will not result in a greater squeeze on discretionary funding. I assure the Senator from Oregon that the Budget Committee will be circumspect and cautious in the enforcement of the new budgetary procedures included in this resolution.

I want also to assure the chairman and other members of his committee that I will presonally take the lead in supporting actions which are necessary to permit the Appropriations Committee to have available every dollar necessary for nonentitlement-nondefense programs. This could include adjusting the resolution, revising our scorekeeping procedures, adjusting them, and, as a last resort, the use of the section 904 provision in the Budget Act.

Before I conclude and yield back to the chairman of the Committee on Appropriations (Mr. HATFIELD), I want to repeat that I do not think we could have passed budget resolutions, this one or previous ones, that really tried to look at all functions of Government and make some real mandates in certain areas and begin to restrict the inordinate growth of Government without the Senator's cooperation. It is very difficult. This process is cumbersome, as he knows. People expect more of it than it can do and sometimes we get a bit carried away and think it is going to do everything. It cannot.

I want to thank the Senator for wherever he has been able to help make it work. That has been often. I thank him for it.

Mr. HATFIELD. Mr. President, I express my thanks to the Senator, the chairman of the Committee on the Budget, for his gracious remarks. I think we both find ourselves in a situation which, I suppose, would not be of our choosing if we had an opportu-

nity to chart our own course exclusively.

We are faced with very serious economic problems and in many of the things that have happened, including the reconciliation resolution and, to some degree, this budget resolution as well, we have made exceptions and exemptions and have set aside our perhaps better procedures in order to deal with the emergency at hand. I am very hopeful that, one of these days, that emergency will be behind us.

At the same time, I raised these questions in colloguy and I shall work with the chairman and the members of the Committee on the Budget diligently to try to make sure that we do not let these exceptions become the rule or become the pattern to the point where we lose sight of the better ways, the better procedures that have been outlined in precedent and practice, as well as law and Senate rules. I think, as I said when I opened up my remarks today in this colloguy, we ought to face up to the reality that we are amending an act by this resolution, that we are changing House and Senate rules by this procedure and that, really, this is not the best procedure to follow. But under the exigencies of the time, I believe that we have to deal with this problem as best we know how.

I commend the Senator and wish that what the Senator and his committee originated on the Senate side in this resolution could have prevailed more in what came back to us in the package out of the conference. I think the Senate had the better product. That is the reason I raised some of these questions with the Senator from North Dakota. I see the Senator's colleague from New Mexico is probably about to raise more questions.

I assure the Chair that as far as my own views are concerned, I shall continue to, perhaps, hold my nose and do certain things here for the purpose of getting the job done, but certainly not with enthusiasm or anything other than recognizing that as an emergency, that we are doing things under emergency conditions and that these are not necessarily of the chairman's choosing nor of my choosing. But we have to deal with these practicalities and these realities, I suppose, in the best way possible. I thank the Senator for his assurances and I know there is no sense of disagreement as far as our objectives are concerned. For that matter, I do not think there is that much difference, perhaps, in our preference to follow other procedures than what we are forced into at this moment.

Mr. DOMENICI. Before I yield to my colleague, Mr. President, let me say to Senator Hatfield that when we undertook the process last year, the whole subject of reconciliation, Senator HOLLINGS and I introduced the "let us restrain Government" part that was going to become reconcilation. We thought we were doing something that most people would not like and they would never want us to do it again. But we get down here now with a resolution and we hear some say, "We cannot live under this resolution because you did not order somebody to be reconciled."

We never used reconciliation at all before 1980. We used to set targets and say, "Authorizing Committee, Appropriations Committee, or Finance Committee, you had better meet those targets." Now if we do not have reconciliation on some program that we assume is going to grow less rapidly, they ask why we do not order them to do it.

I hope we can get to the point where we do not have to have reconciliation at all. I am not sure we are going to, especially when we look at growth in those programs—entitlements, things that the Senator's committee does not have jurisdiction over. We may never get to it. We may have reconciliation henceforth, as long as we have a process.

Reconciliation in this resolution, as the Senator knows, addresses almost exclusively revenues and entitlements. We did not use again the process of reconciling authorizations to which the Senator called attention last year.

Mr. HATFIELD. Does the Senator say only the second advent will prevent this from happening? If that is our only hope, perhaps we had better pray a little harder.

Mr. DOMENICI. I do not know. Some type of miracle, I guess.

Mr. SCHMITT. Mr. President, my good friend from New Mexico, in his just concluded discussion with the Senator from Oregon, the chairman of the Appropriations Committee, referred to entitlement increases. I ask for the purposes of this record, does that include entitlement increases that are assumed in the budget, either as a consequence of failure to enact reconciliation instructions or the failure of the budget to include reconciliation instructions?

Mr. DOMENICI. It does.

Mr. SCHMITT. On a different subject, I assume that the fiscal 1983 bill from my Subcommittee on Labor, Health and Human Services, and Education will be within the subcommittee's allocation as that is determined, hopefully with some distinction between entitlements and discretionary funds. But that may assume that we do not know everything that we should know at the time that bill is enacted, either on its own or as part of a continuing resolution.

Supplemental appropriations that may appear in the next calendar year would conceivably affect the degree to which this particular bill meets the constraint of a second concurrent budget resolution. How will the new enrollment provision apply to a particular appropriations bill in such a case?

Mr. DOMENICI. Did the Senator assume we would have a second budget resolution?

Mr. SCHMITT. I assume the second budget resolution either will appear or will be automatically this resolution when we hit October 1.

Mr. DOMENICI. Will the Senator repeat the precise question?

Mr. SCHMITT. My question is, When we are within the allocations that would be constrained by that second concurrent budget resolution, will those allocations assume the supplemental appropriations that may come later in the fiscal year?

Mr. DOMENICI. I do not know the precise answer to that. I think I just have to leave it at that at this point. If the Senator is talking about the enrollment, the first time around, without assuming supplementals, obviously there would be no delay in enrollment if it does what the Senator said, because it would not breach it.

Mr. SCHMITT. As the good Senator knows, in this last year, when we dealt with a continuing resolution, certain assumptions were made in order to veto proof that continuing resolution, that everyone who made them knew were going to result in a continuing resolution. To that degree, we had some mythical numbers—guaranteed student loans is the most obvious example, where we deferred over a billion dollars worth of appropriations for a supplemental. That now becomes part of our allocation.

Mr. DOMENICI. I say to my friend and colleague from New Mexico, before I answer his question, let me make a statement here for the record about his concerns and what I think has been very courageous activity on his part.

Part of the genuine concern that his chairman and I discussed with reference to the entitlement-nonentitlement issue comes about because the Senator has made us aware of the extreme problem that he has in his bill with reference to those two. We are aware of it and want to help. We also know how difficult it has been in the past when entitlements grow and you still have to fit the other part in your bill.

Let me answer as best I can. First, if it was after October 1, you either have a second budget resolution newly adopted or this one becomes the second, in which event the delayed enrollment does not apply.

That is how I understand it, because then you are measuring it against a permanent resolution: To wit, you incorporate the second which has been made so by this resolution's conditions being met, or we adopt one.

I think all I can do on the other question, with reference to the supplementals, is tell you that we put them in this resolution as best we could, and the funding we assumed has been crosswalked in accordance with committee jurisdictions.

If there are unanticipated changes in entitlements, I told Senator HATFIELD what we are willing to commit to. We would just have to stand by the proposition that we are hopeful that we have included all of the nonentitlement money in the resolution and the crosswalk numbers. If you use all of it prior to funding essential supplementals, you would obviously have a problem.

That is what I am told by the staff, and I think that makes sense. I hope it helps. I cannot do any better than that.

Mr. SCHMITT. It does, and I appreciate the Senator's concern and it may be that in subsequent discussions between ourselves and the staff we can clarify it even more.

Is it my understanding of what the Senator said earlier that the delayed enrollment process would not apply once we have a second concurrent resolution, by whatever method we achieve that?

Mr. DOMENICI. Page 15 of the conference report, section 4, Miscellaneous Provisions, 4(a):

> No bill or resolution providing new budget authority for fiscal year 1983, or new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983, which exceeds in either the House of Representatives or the Senate, the appropriate allocation or subdivision of such new discretionary budget authority, new budget authority, or new spending authority made pursuant to section 302 of such Act shall be enrolled until after the Congress has completed action on the Second Concurrent Resolution on the Budget required to be reported under section 310 of such Act.

Mr. SCHMITT. And the completion of action on the second concurent resolution would either be by specific action of the Congress or——

Mr. DOMENICI. The date here. The October 1 date.

Mr. SCHMITT (continuing). By the effective action of section 7?

Mr. DOMENICI. That is correct.

Mr. SCHMITT. Finally, I want to compliment the Senator from New Mexico and my good friend and distinguished colleague for what he has been through and the way he has handled it in the last several months. There is much left to go through. As he and I have discussed before, although budget resolutions do not deal with actual appropriation of funds, or in and of themselves change tax laws, they do establish guidelines that I think in good faith the chairmen of various committees on this side of the aisle are going to try to adhere to. As we approach October 1, I am sure things will get even more exciting, whether or not we deal with the specific second concurrent budget resolution or not. As he also knows, the so-called real money bills of an appropriation and tax nature, particularly the appropriations bills, as they approach that magic date are going to have some very, very difficult political times.

I hope that this Congress, this Senate at least, will allow us to act on every appropriations bill, particularly the one for which I am responsible, without creating a monster in effect that violates both the efforts of the senior Senator from New Mexico, and also the needs of the country, because as we know we are going to reach a point where the size of that bill is going to determine whether or not it ever becomes law. This business of dealing with the major labor, health, human services, and education programs of the country on a continuing resolution has to stop some day. Now, whether the Senate is going to be willing to stop that process, I do not know. But it certainly has my commitment to try to make it happen as a regular bill as soon as possible.

Let me repeat once again that in answer to an earlier question the Senator included in his definition of unanticipated entitlement increases the possibility that entitlement action would not be forthcoming due to the reconciliation process.

Mr. DOMENICI. That is correct, I did.

Mr. SCHMITT. Apparently there was some confusion and now the record is very clear.

Mr. DOMENICI. I think I said it, but that clarifies it.

Mr. SCHMITT. Yes, I am sure the Senator said it. I thank the Senator again, and again he has my compliments for his work.

Mr. DOMENICI. I thank the Senator. I am most appreciative.

Mr. HOLLINGS. I yield myself, Mr. President, 2 minutes until the distinguished Senator from Ohio comes back on the floor.

I would comment that this is where the discipline of the budget process begins to deteriorate, crack, fragment, and break apart. The distinguished chairman of the Budget Committee in his reply indicated he would go along with his various committee chairmen and subcommittee chairmen, and colleagues and use the either false figures or the liberal figures, or the inaccurate figures, or the procedures. He is quite candid. He says, "That is the only way we could get the vote." He said, "I tried to oppose it and the record would show that I had serious reservations about including the provision relative to Federal credit activities. And that is the way we got the vote." And then going on with the prepared exchange, the distinguished chairman of the Appropriations Committee talks about artificial estimates to keep outlays down in certain areas. Later in the exchange, it is stated that the concerns of the chairman of the Appropriations Committee have merit.

These are the things that, as the ranking minority member, I had to read, not with any glee or pride but by way of admonishment.

When you have to go around the room and show that the budget does not mean what the budget says, you are in a pretty bad condition. You write your own budget and it does not have a bipartisan approach and thereby not bipartisan support. Later in the implementation we all work, as chairmen and ranking minority members, with a concern and a conscience. But if you are not part of it, then the implementation becomes next to impossible. You get very close, with split-down-the-middle votes in the House and in the Senate; and the confidence in Congress and confidence in the system begin to dissipate and dissolve.

It not only dissipates with the public—as former Secretary of the Treasury Simon says, sham, sham, oh, sham—but also, it dissipates with the membership in Congress. I think that is bad.

The PRESIDING OFFICER. The 2 minutes of the Senator from South Carolina have expired.

Mr. HOLLINGS. I yield myself such time as I may need.

I listened to Senator DOMENICI explain, with the Senator from Iowa (Mr. GRASSLEY), that it is easy to be against everything and easy to be for what they know will not pass. It was not what we knew would not pass. It was our obligation and our duty, as Senator DOMENICI knows, to try to say something on social security.

Mr. DOMENICI. Absolutely.

Mr. HOLLINGS. My mother is 94, and she is a member of AARP. Last week, I received their article, and it really read the riot act to Senator DOMENICI and Senator HOLLINGS. At the top it said "See this," and it was signed at the bottom, "Your Mother." so the AARP is getting its message across to me directly. It was not easy.

The article was not accurate. We were not cutting anybody on social security. They took the projected increases of the CPI over the next 3 years and added up thousands of dollars. Then they made the innocent reader feel as though we were cutting $2,000 and $3,000 from social security benefits. What we were trying to do was to maintain the integrity of social security and not cut them at all, but end up with an increase.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. DOMENICI. I say for the record that those comments were not intend-

ed for or directed at the Senator from South Carolina (Mr. HOLLINGS).

Mr. HOLLINGS. I know that.

It is easy to be against everything. The Senator from New Mexico finally answered the question.

I confronted a business group that had taken their text from Simon last night, and it is all over Congress.

The statement or description, "so easy to be against everything," does that not describe us here this year, in a general sense? I do not refer to the Senator from New Mexico, as he does not refer to me. The budget has been a very difficult thing.

Last year, the President had a budget; he identified his program; he sold it on TV, and he sold it in appearances all over the country. He got the people behind him, calling in to their Congressmen, and Congress responded.

This year, because they are not doing anything, the business community and the leadership say the infrastructure has broken down. Nothing has happened between last year and this year to the infrastructure. It is just that when you say it is easy to be against everything, nothing has been proposed. On the contrary, the President of the United States says, "If it ain't broke, don't fix it." So he does not think he has a problem. He has not identified any problem over here.

What he has done is to go, like a butterfly, from bush to bush, to each particular budget proposal: "I will back this one, and when that is defeated, I will back that one."

He has had his minions fashioning these documents to get to the vote, and how they do that was vividly described in the exchange between the chairman of the Appropriations Committee and the chairman of the Budget Committee.

But therein is why Congress can take such positions—because we can tell what we are against, and the public cannot identify what we should have been for.

Everybody uses the phrase "lower deficits." But where was the plan to bring about those lower deficits? It has been wanting. Some of us tried but now we are back to the starting line.

As is said in II Corinthians:

For if the trumpet give an uncertain sound, who shall prepare himself to the battle?

This year, we never really did prepare for the battle. We engaged in internecine warfare and in a struggle to get a political document but not a budget.

I see that the distinguished Senator from Ohio is in the Chamber.

Mr. METZENBAUM. I am trying to obtain a transcript of what my good friend said, so will the Senator continue?

Mr. HOLLINGS. Mr. President, we have a little less than an hour on this side. I heard from the minority leader that other Senators might want to speak, but I do not know who they are. I hope that Senators on the minority side who wish to address this particular amendment, the House amendment in the nature of a substitute, which really constitutes the conference report, will please come to the floor, and we will be glad to yield time to them.

I yield the floor.

Mr. DOMENICI. I yield myself 1 minute.

Mr. President, I hope that Members on this side know that I am unaware of any further statements or comments any of them have to make, except Senator CHAFEE, who wants to make some remarks. I know of no further proposals, motions, or otherwise, on our side, and I have so informed the majority leader. I say that because we may be here asking for some kind of consent based upon that in the not too distant future, and I want to make sure everybody knows this.

I say to my good friend, Senator HOLLINGS, with reference to the article he referred to, which he received from his beautiful mother, and the error they keep putting in, that he and I were mentioned as social security cutters.

I recall that when I proposed the solvency numbers—6, 17, and 17—somebody added them up, divided by the number of social security recipients—the somebody was a Senator on the other side of the aisle—and the number that you get by dividing was assumed to be the cuts. Across the country it went that my proposal would yield a cut of so much in each recipient's benefits.

But what that did not reveal was that before you start to take solvency actions, there is a huge increase that goes into effect. The increase is much bigger than the reduction caused by the solvency requirements, even if you took them all out of benefits and did nothing on the revenue side.

So that if it came out x dollars per check on average, it turned out that they were going up about three x to begin with, and you are taking only one x away; so they are going up twice as much as the reputed reduction before you start to apply it.

We never could make this point. It went across this land, as the Senator has indicated, through that kind of periodical.

I think we are just going to have to wait and convince Americans that those pension programs are not going to have to be cut but reformed and maybe even stabilized for a few years with little or no increases. But it is just a fact of life. Their spendout is such that there will not be enough money for all the increases now scheduled.

Mr. HOLLINGS. If we could only do that here this afternoon the whole picture would change.

Mr. DOMENICI. That is right.

Mr. HOLLINGS. In the entire conference they looked and searched and looked and searched about all of those figures.

But if we could finally control the uncontrollables, as the Senator from New Mexico tried to do, and I commend him for it, and as some here tried to do. If we could only have done at least that this year we would have shown some propensity, as they say, to bite the bullet or to tighten the belt, or be realists which every mayor and every Governor, every labor union, every private industry has been doing all year long. The country just cannot understand why we cannot respond whatsoever.

We are just hiding behind the issue of social security in the context of who can outmaneuver the other one politically when the truth of the matter is this is being disloyal to the fund.

Mr. DOMENICI. That is right.

Mr. HOLLINGS. We never recommended that anyone should get less. We recommended they should get their money, but we see it as very obvious that the trust fund is running out of money. They are borrowing from the health insurance fund. I think the last loan will go out about March of next year. That will be the last check. They are going to have to come up with something.

Mr. DOMENICI. Yes.

Mr. HOLLINGS. I commend the Senator for it. I wish we could have done at least that. I think that would have meant that we had faced our problem in a sober fashion. Our current inaction, coupled together with these tax exemptions for Members of Congress, just makes Congress really appear in a bad light.

But let us find out how badly we really appear from the Senator from Ohio.

Mr. DOMENICI. Yes.

Mr. President, I think we are ready to ask for a quorum call here in a moment, but I do think it is more than appropriate for me to commend Senator HOLLINGS, the distinguished ranking minority member, for his nonpartisan, bipartisan position on social security which he started many, many months ago. I do commend him for it. I think it was a tough thing to do. He has not departed from it one bit, and I think he has probably already taken most of the guff he is going to take, but I do wish to remind Senators that he had a lot of courage. We could have done something on this together, I think, with a little support from the outside.

Mr. HOLLINGS. I thank the distinguished chairman.

If he does not mind I yield now to our distinguished minority leader such time as is necessary.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from South Carolina.

Only a few weeks ago I stated my reasons for voting against Senate Concurrent Resolution 92, the Senate's first budget resolution for fiscal year 1983.

I regret today that I have to say again that I will vote against this budget resolution.

Mr. President, nothing has been done to alleviate the very serious concerns that I have about this budget resolution and its impact on the economy. The economy is still at rock bottom. Business failures are running at a weekly rate of 478, the highest rate of failures since the Great Depression. Long-term interest rates, mortgage rates, and municipal bond rates are higher now than when the administration took office. Mortgage rates last week averaged 16.7 percent. Even short-term interest rates are beginning to rise. The most recent 3-month Treasury bill rate was 12½ percent.

The conference agreement on the first budget resolution for fiscal year 1983 offers no aid to our Nation's economic recovery. I will have to vote against the budget resolution that includes $95 billion in new taxes over the next few years to say nothing of the $3 billion in increased user fees that will affect barge traffic on the rivers in and outside West Virginia which, in turn, will affect the price of coal, oil, and other commodities and inasmuch as this measure does not tell anyone which taxes will be increased and by how much. I cannot vote for a budget resolution that makes deep cuts in necessary programs that have already been slashed, that will result in cuts aimed at our elderly, our veterans, our working people; cuts that will deprive deserving students of the chance to go to college, cuts that will translate into fewer jobs with 10.5 million people already out of work. I cannot vote for a budget resolution that is based on phony numbers and economic assumptions that are jimmied to suit the scenario.

This budget includes so-called management savings of $46.4 billion over 3 years, including $13.6 billion in fiscal year 1983 alone. This is a revival of the phony David Stockman "magic asterisk," the unspecified savings that I warned about last year when I repeatedly offered amendments in the effort to force the administration to disclose and to define the so-called unspecified savings.

I am sorry to say that my warnings on phony budget estimates and radical untested economic theory went unheeded, and as a result the President's deficit for fiscal years 1982 through 1984 has ballooned since September of last year from $66 billion to $296 billion. That is what feeding phony numbers into computers and wild-eyed theories will get us—a fourfold increase in deficits in 6 short months.

It is tragic that those charged with the nurturing of the new budget process are sewing the seeds of its destruction by abandoning a commitment to honest budgeting.

Another example of the many questionable estimates included in this budget resolution is the increase in receipts from oil and gas leases. CBO estimates that the savings included from increased receipts from gas and oil leases on the Outer Continental Shelf were overestimated by $10.2 billion.

So what kind of confidence can anyone have in a budget resolution with such a shaky base?

I cannot vote for a budget resolution that is flawed as this one is, that raises as much new taxes as this one does, and that still carries the highest deficits in our history.

With all of the cuts, tax increases, and faulty assumptions, this budget still has a total $247.8 billion deficit over the next 3 years—$103.9 billion deficit in fiscal year 1983, $83.9 billion deficit in fiscal year 1984, and a $60-billion deficit in fiscal year 1985.

The most disturbing of all this potential disaster is that it was avoidable, if that Kemp-Roth tax scheme, particularly the third year had been delayed or tied to economic performance. The Senate would not now be faced with the vote to make unspecified increases in taxes totaling $95 billion in a recession partly caused by the Kemp-Roth scheme.

I tried to delay the Kemp-Roth tax scheme for the wealthy until the economy could afford it. The Democrats in the Senate tried repeatedly to tie the third year of Kemp-Roth to economic conditions. We did not want to eliminate the tax cut but only to schedule it when we could best afford it if possible.

We argued that there was no sense in adhering to a doctrinaire timetable established by rigid ideologies. I stated at the White House in a conference with the President that the Kemp-Roth plan should be more moderate, that it should pay attention to the needs of our people, not to the needs of theory and that it should be tied to the performance of the economy.

So I will vote against the budget resolution today. It leads not to recovery but to further burdens on our economy. This is not the commonsense approach needed to put the economy on the road to recovery.

I hope at some point we will have the opportunity to vote for a budget resolution that truly restores economic recovery through a policy of prudent tax cuts, prudent spending cuts, prudent defense spending, honest estimating, and a prudent monetary policy.

Mr. President, I yield the floor.

(Mr. SPECTER assumed the chair.)

Mr. DOMENICI. Mr. President, I understand Senator STAFFORD wishes to discuss a couple of issues with me in a colloquy. I yield to him whatever time he needs for that purpose.

Mr. STAFFORD. Mr. President, I thank the able and distinguished chairman of the Budget Committee for yielding to me for the purpose of this colloquy.

Mr. President, in regard to the conference report on the first budget resolution for fiscal year 1983, I would like to ask the distinguished chairman of the Budget Committee to help corroborate for me certain items pertaining to education programs in function 500, and in particular the guaranteed student loan program. This clarification will help guide the Subcommittee on Education, Arts, and Humanities, of which this Senator is chairman, in its activities for the remainder of this session of Congress.

It is my understanding that the conference report assumes certain savings in the guaranteed student loan program in fiscal years 1983, 1984, and 1985, based upon a reduction in interest rates relative to the CBO interest estimates, as well as a new requirement that all students be required to demonstrate financial need in order to receive a guaranteed student loan.

However, I note that the conferees do not require either the Senate Committee on Labor and Human Resources or the House Committee on Education and Labor, which have jurisdiction over the GSL program, to pass legislative changes to achieve these savings—in other words, no reconcilation is required. If this is correct, I am pleased that the chairman of the Budget Committee and his colleagues from this body, especially Senator HATCH, have worked diligently in conference to uphold the Senate position on this important issue; that is, that no further changes beyond those adopted last year in the Omnibus Budget Reconciliation Act of 1981 are required for the guaranteed student loan program.

Finally, I am informed that the conference agreement for function 500 includes increases for certain education programs—specifically title I of the Elementary and Secondary Education Act, the pell grant program, the Education of all Handicapped Children Act, the State block grant, and the vocational and adult education programs—above the fiscal year 1982 funding level. I am greatful to the conferees for agreeing to add funds for these programs to the functional ceiling, and hope that my colleagues on

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the Appropriations Committee will also view these programs as a critical national priority when they consider fiscal year 1983 appropriations legislation later this year.

I deeply appreciate the help of my colleague from New Mexico in clarifying these matters and I ask him if I have correctly stated the situation as he understands it.

Mr. DOMENICI. Mr. President, I say to the Senator that his understanding of this conference resolution is correct. He is right in stating that there is no reconciliation instruction for the Senate Committee on Labor and Human Resources. nor the House Education and Labor Committee, which is its counterpart. This means that we do not require—and I stress that the Senator is absolutely correct—we do not require any changes in the guaranteed student loan program for this year.

I think that this allows students and parents to confidently plan their finances for the coming year. But I would be less than candid if I did not tell the Senator that I still have concerns about the future, not this year, but the future years as far as Federal student aid programs are concerned.

I think the Senator knows that the target numbers in the outyears assume that we must continue to have great concern about the growth of some parts of students aid while the others are being squeezed out. I am concerned because I think we have to continue to provide access, and I am sure the Senator agrees, to higher education for a broad range of students. We must work to preserve funding for the programs that provide the financial assistance to our neediest and our poorest students.

For this reason, I am particularly pleased that the resolution assumes a funding increase of $100 million for the Pell grant program and substantial increases, because of the budget authority and outyear funding, for elementary and secondary education for disadvantaged and handicapped. Of all education programs, it seems to me that these are very high, if not the highest, on the priority list.

I wish to thank the Senator. His interests in this area are well known, as is his cooperation in trying to help us get a budget resolution. He is concerned about the overall economic situation as well as those programs of very specific interest to him. He has cooperated with us and it is appreciated.

Mr. STAFFORD. I thank the Senator very much. Again, I say how much, as chairman of the Subcommittee on Education, Arts, and Humanities, I appreciate the cooperation of the Budget Committee in these very important matters that I agree with the Senator are of high priority.

Mr. RANDOLPH. Will the Senator yield? Mr. President, who has the floor?

Mr. DOMENICI. I control the time and I yielded to the distinguished Senator from Vermont.

Mr. STAFFORD. I am happy to yield to the Senator from West Virginia.

Mr. DOMENICI. Did the Senator want some time?

Mr. RANDOLPH. No, I just wanted to make a brief comment.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. The colloquy between Senators DOMENICI and STAFFORD, just concluded, pertaining to a decision not to require reconciliation of the guaranteed student loan program, is going to stimulate many, many small colleges, private and independent especially, throughout America, to take that knowledge to parents and to students within the next week or two.

I think that other Senators, if I may suggest, have had correspondence and personal contacts, with parents, students and college officials from our States expressing concern over the GSL Program. I have been visiting colleges in West Virginia that face a loss, I say to the able Senator from South Carolina (Mr. HOLLINGS), a loss in one institution alone of 250 students in September because of the problems they have encountered in obtaining student financial assistance. In my own alma mater in West Virginia, Salem College, we have had three emergency meetings of the board of trustees within the past 6 weeks. The night before last we met from 6 in the evening until 2 o'clock in the morning, knowing that at that institution of higher learning we do have worthwhile young men and young women who need to remain in college as well as those who hope to enter college in the fall. I am grateful for the concern and understanding of Salem's dedicated faculty and board of trustees, as well as a patient and cooperative student body as we all work to help each other during these troubled times for higher education's goals.

We understand across America that our public institutions are vital, but they have the financial support of States, as well as the Federal Government, in providing tuition aid to students. Often, I say to Senator HOLLINGS, Senator DOMENICI, and Senator STAFFORD, there are large church constituencies that are able to help these colleges that are denominational in nature. But there are many like the college of which I speak in the town in which I was born that do not have church backing. I look back and it is not wrong for me to say here today that Salem College was brought into being because of a group of 11 men who formed the college a long, long time ago, before the turn of the century. My grandfather was the first chairman of that college board of trustees. He had only five winters, I say to Senator HOLLINGS, five winters of schooling, but he saw the need to help the young people of West Virginia, men and women who would hold positions of trust and responsibility in leadership in the years ahead. So that was the contribution that he and hundreds of others have made across this country in bringing into the rural sections, as well as to the great metropolitan areas, the existence of small private colleges like ours.

In a State like West Virginia, with its hills and valleys, there is tucked in my hometown a valley of learning. There young men and young women are participating, they are pursuing studies not only in the arts and sciences, but the career education programs as well.

Students can come there and learn to be an airline mechanic. They can come there and learn to fly an airplane. They can come there and study at Salem's School of Equestrian Sciences—the only liberal arts college in the country to offer such study to my knowledge.

That is just a part of the innovative programs that we have at Salem College in more than 35 what I call the "options in education," while keeping the basics of the arts and sciences.

I rise in earnest commendation of my colleagues, Mr. President, to say that what has been achieved by the Budget Committee is an effort by men of good will; men who are well reasoned. The protections provided for the student loan program has the backing of the Senate membership and the House membership, and hopefully will be supported by the White House. How happy I am as a member of the Subcommittee on Education, having been on those committees in the House and Senate for 38 years. We cannot forsake our college youth. As the budget resolution indicates, we have not let the youth of this country down who need financial assistance even though they themselves are working to help earn their way. And sometimes, in the college I speak of, students are holding down two or three jobs and still pursuing their studies. But the aid that is available through the programs mentioned today. Programs we have agreed not to scuttle, indicates our realization of their value. This reaffirmation of our support for higher education is not only comforting to me, but I believe represents an honest expression of that which is best in the building of a better America.

I am also earnest, Mr. President, when I thank my colleagues, Senators DOMENICI, HOLLINGS, and HATCH, of the Budget Committee, and the able

chairman of our Education Subcommittee, Mr. STAFFORD, for having the compassion and courage to increase, even modestly, funding for the Pell grant program, and for title I of the Elementary and Secondary Education Act for disadvantaged and handicapped children.

I thank the Senator from New Mexico for yielding his time to allow me to comment at this time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, before the distinguished Senator from Vermont leaves I want to again thank him here on the floor for his dedicated work in the field of education, but apropos to today's activities for his cooperation with the Budget Committee not only in his work on education but also for his cooperation as chairman of the Environment and Public Works Committee. I want to express that publicly. The Senator has been most attentive, cooperative, and concerned about the problems that we have that he shares in as chairman and as a senior member of two of our most important committees.

Mr. STAFFORD. Mr. President, if the Senator will yield, I want to express my deep appreciation to the most able chairman of our Budget Committee for his very kind words. It is always a pleasure to work with him on the Budget Committee and in the Environment and Public Works Committee on which we have served for a number of years together.

Mr. DOMENICI. Mr. President, I yield as much time as the distinguished junior Senator from Washington desires.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. I thank the chairman of the Budget Committee.

Mr. President, we are now within an hour of the time at which we will vote on the last step of what is nevertheless only the first round of the budget process for fiscal years 1983, 1984, and 1985.

I wish to take this opportunity to suggest strongly to my colleagues that they support the budget resolution. I do not do so because I feel that the balance in this resolution or the bottom line it contains is as satisfactory as was the budget proposal which I introduced in early February. I do not do so because I think that it is as good as the proposals made by the chairman of the Senate Budget Committee at various times, all the way from last October through May of this year. I do not do so even because I feel that the resolution as it appears before us now is as judicious and as well-balanced as was the resolution when it was originally passed by the Senate.

I do so, however, because I believe that this resolution does represent an appropriate compromise between various competing considerations in both Houses of the Congress and proposals made by the President himself.

To an even greater extent, I recommend that my colleagues vote in favor of this resolution because I believe that the alternative to its passage would be a situation of chaos and disorganization which would have extremely adverse effects on the economy of the United States as a whole.

In other words, after some 6 months of working, we have come up with a product with which I am not entirely satisfied, and with which the chairman of the Senate Budget Committee is not entirely satisfied. I do not think any individual Member of this body harbors anything other than the belief that he or she could do better were he or she able to write such a resolution alone. This budget resolution is, nevertheless, a result of the political process, a result of compromise. It represents a significant and major step forward in the proper control of Government spending.

I would wish that more controls had been imposed upon the growth of entitlement programs, retirement programs, and others as well. I would wish, frankly, that we had put somewhat more restraint on the national defense budget during the course of the next 2 or 3 years, as necessary as these increases in national defense are. I had hoped that we would have done slightly better in continuing the level of funding for many of the discretionary programs which will, very bluntly, be hurt by the success of this resolution.

Nevertheless, taken as a whole, the balance of spending reductions and revenue increases included in this resolution is probably better than the balance contained in the resolution passed by this body and by the Congress for fiscal year 1982.

We must recognize the fact, of course, that, with the successful passage of this resolution, we have completed only the first round in this year's budget process. The much more difficult process of keeping the promise represented by this resolution still remains to be done. Every Member of this body surely must know that we are unlikely to have any tremendous impact on the economy or interest rates in the United States unless that promise has been kept by performance.

Too often, the Congress has made promises about performances which have not been kept. We are the inheritors of those who have failed in their promises. Until we have kept them, until we have crossed all the "t's" and dotted all the "i's", we are not likely to see affirmative results.

Nevertheless, a deficit of $104 billion or slightly more, if the estimates are off, is infinitely preferable to a deficit of $180 billion. The deficits projected for 1984 and 1985 have an even wider disparity, to the good side, from those projected. Therefore, in a world in which the perfect is too often the enemy of the good, it is incumbent upon us, as Members of the U.S. Senate, to take the better of the two choices facing us this afternoon, to vote for this budget resolution and to carry out that promise with our performance over the course of the next few weeks and months.

Mr. METZENBAUM. Will the Senator yield?

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Ohio.

Mr. METZENBAUM. Mr. President, I do not intend to respond to the distinguished chairman of the Committee on the Budget, but I think it is important that I correct the RECORD as to this Senator's votes in the past that pertain to budget resolutions.

In 1978, I voted for the first Senate concurrent resolution for fiscal year 1980.

In 1979, I voted for the second concurrent resolution.

In 1980, I voted for the first resolution for fiscal year 1981. In 1980, I also voted for the second resolution.

In 1981, I voted for the first resolution for fiscal year 1982. When Senator HOLLINGS presented a resolution, the second one, for 1981, I did have differences with respect to the COLA limitations and did not vote for that particular resolution. I have not supported the Reagan administration budgets.

I did want the chairman of my committee to be well aware of what the facts are and I know he would not intentionally have misstated the facts.

Mr. DOMENICI. Mr. President, the Senator is correct; I would not have intentionally misstated the facts. So, those are the correct facts. Now I shall state my general assessment; therefore, it cannot be questioned, because it is nothing but mine.

The distinguished Senator from Ohio has a very exciting approach to government. He always has his own approach, but he never has to produce it and have government run under it. So I leave him with this challenge: Since he wants to increase taxes and increase the levels of expenditures that he has talked about today even more than we have, I wish he would produce a budget and show it to everybody here, in the Senate—where he is going to get the money from increased taxes, what programs he is going to increase, and which he is going to cut.

I think it would be an exciting thing for us to know, for everyone to know, just how he is going to do that. We have about 35 minutes left on this amendment, as I understand it after having talked with the leadership on the other side, I am sure that we would all be delighted to hear that proposal before we vote here today, if my good friend from Ohio could do that.

Mr. METZENBAUM. Mr. President, will the Senator from South Carolina yield to me?

Mr. HOLLINGS. Yes, I yield.

Mr. METZENBAUM. Mr. President, I point out to my friend from New Mexico that many, many months ago, I came before the Committee on the Budget. He had his black book of budget cuts and he and Mr. David Stockman obviously had the necessary votes to prevail and were very successful in getting those budget cuts through. At the same time, I offered to share with him a white book. The white book did provide the very answers about which he speaks.

I know that he did not have the time to listen to my remarks today, but I know that had he listened, he would have been able to recognize that I was not talking about tax increases; I was talking about closing tax loopholes. There are $31.5 billion of tax loopholes alone in connection with the oil industry, billions of dollars in other kinds of tax loopholes.

I am happy to say that the distinguished chairman of the Committee on Finance (Mr. DOLE) has been addressing himself to some of these issues. Obviously, he is having difficulty putting together the necessary votes in order to have a majority of his committee because of the effectiveness of some of the business lobbies. But it is possible to balance this budget or at least to move farther in that direction than we have done by just slashing, slashing, slashing.

Even having said that, Mr. President, I do not want the Senator from New Mexico to misunderstand the point of the Senator from Ohio. The Senator from Ohio addressed himself today to the lack of feeling, of humanity, of compassion that has prompted this kind of budget. It is not one single detail. It is a record of the last 17 months in office of this administration.

When I talked this morning about some of the wasteful practices of some of those in the Cabinet at the present time, it was not because I thought or anybody else would think that that would be the way to balance the budget, but merely an indication of where this administration is coming from and what it is all about. Unfortunately, where it is coming from and what it is all about do not serve the purposes of America and the people of America well. I think that is the sad part of this entire budget discussion.

I thank the Senator for yielding.

Mr. DOMENICI. Mr. President, I want, while the Senator is here, to indicate that I am sure the color of the book had a lot to do with the budgets. I think the white book was good for everyone and the black book was bad for everyone.

Mr. METZENBAUM. Maybe we ought to integrate them.

Mr. DOMENICI. Perhaps we should have adopted his white book. When we talk about closing loopholes and not raising taxes, I am reminded that when Mr. Stockman talked about raising revenue, the good Senator from Ohio was very critical because he used some new words. "Revenue enhancement," he said. You know that meant raising taxes.

Very quickly, those who opposed what he was suggesting said, "Why don't you tell the truth? Revenue enhancement is raising taxes."

Mr. President, I stand on what I have said. Whether it is $100 billion or $150 billion or $160 billion that the distinguished Senator from Ohio would like to increase our revenue base by over the next 3 years, it is either a revenue enhancement or tax raising. He can choose and the people who listen to him can choose and decide which it is. It appears to this Senator that, no matter what you call it, the Committee on the Budget has no authority to line-item taxes. So when you put in $40 billion or $50 billion or $30 billion a year in tax increases, you are sending a message to that committee called Finance that they are to raise taxes. There is not any other way to do it.

One can sit around and have a whole sheet of tax loopholes and say only those that I do not like, or that sound good to a lot of people, are the ones I had in mind. But you just cannot change the nature of the issue; it is raising taxes.

I have nothing further, Mr. President. I think we are ready on our side but for Senator CHAFEE, who will be here shortly, to indicate, if my good friend (Mr. HOLLINGS) agrees, that I am prepared to yield back my time until 3 o'clock, which should be time for a vote. If we do that, I understand he, too, will be prepared to yield.

Mr. HOLLINGS. Mr. President, that is what we shall be prepared to do. I have checked with the minority leader and have been checking with the Senators on this side whether anyone has a desire to speak further on this particular amendment. If no one does, along with the Senator from New Mexico, we shall yield back our time and hope to vote at 3 o'clock.

Mr. President, let me respond to the distinguished Senators now that I have a chance.

The Senator from West Virginia (Mr. RANDOLPH) was eloquent in his description of the needs of education. I join with him in commending the distinguished Senator from Vermont (Mr. STAFFORD), the chairman of the Committee on Education. We are very, very much concerned in all of these budgets, not just for the financial deficit, but that we do not end up with an intellectual deficit as well. That is the reason I was hesitating at the time he was addressing me, trying to thumb through and get a copy of an article recently published about the Japanese children. By all the various tests at particular levels, and particularly in the early ages, where there would not be environmental or educational but differences in intelligence, the differences will be due to nutrition and the development at the early stages of birth, they are intellectually more advanced than American children.

If we are going to compete, we are going to have to get intellectually competitive.

With respect to the very scholarly Senator from Washington (Mr. GORTON), I could not help but remember, when we were working on the budget in the early part of the year and we were all coming up with solutions to the problem, the atmosphere at that time. The atmosphere here today has totally changed. In February we were all going to get the ox out of the ditch. Even as late as April we knew how to solve the problem. The distinguished Senator from Washington (Mr. GORTON) was asking for over $195 billion in revenue increases. They were not new taxes. At that time, my own plan called for about $175 billion. Other Senators called for similar increases.

The way we could do that, of course, was to put a tourniquet on the revenue hemorrhage caused by the excessive personal tax cuts of last year. We were thinking in February of canceling or reducing not just next year's tax cut but even this July's cut, to stop the revenue hemorrhage so that the deficits and the interest rates could come down.

So, when the Senator claims that this is an appropriate compromise between both Houses, I must take exception. This is an appropriate compromise within his own ranks, within his own party. His party leader, the distinguished President of the United States, gave us the caveat, and put the limits on what we could do earlier in the year. It was copper-fastened on the Gang of 17. Under no circumstances were they going to get over $95 billion in revenue increases. They edged up just a bit, with user fees, to $98 billion, but the White House cap—as I pointed out yesterday in discussing the invasion of the budget process by the executive branch—rules the

day. They put that $100 billion cap on, and all Republicans thereafter stuck with that cap, and that is where they stayed in compromise with themselves. They marched in lockstep when we suggested that we could save $77 billion more by repealing next year's scheduled tax cut.

Is there anyone here worried about a tax cut beginning in July 1983? Absolutely not. They are all worried about survival this summer.

They would vote almost unanimously to forgo that tax cut were it not for the intent of this administration to, come what may, stick to that particular brand of so-called supplyside economics.

The distinguished Senator from Washington said without this particular compromise it would be chaos in the Congress.

That could occur. It is not so bad to have chaos. It is much better that we have chaos in the Congress than economic and social disaster in the land.

I had figured all along I would just see where the parties were, and the various motivations and pressures were, and where the administration would try to cap us. And they did—we could not touch defense, social security, or the tax cut. I thought we would end up with chaos, and then we would come back to our senses. I was ready then to play my card, offer my plan, and get some order out of chaos and a budget that we could live with—a budget, Mr. President, if you please, that we could implement.

I was waiting either for that situation to occur or for the President to come around. I do credit the President of the United States for his sincerity. I thought certainly his was a political plan to squeeze the Congress as much as possible and then give the economy a chance to breathe by giving in on things that would not really matter. We could defer, not cancel, but defer, the third year, pick up $77 billion there. We could freeze some of the increases in defense and save $20 billion. You would still have $10 billion more for defense spending than last year. With those kinds of real savings, you begin to pick up large savings from lower interest costs. You could save a little more by getting rid of the abuses of Safe-Harbor leasing of tax credits, and some of the other things that we wanted to clarify with respect to the accelerated depreciation allowance. Then there would be a recognition by the markets that, "At last, now we are beginning to solve the problem."

That has not occurred. I think that it would have been better to have had either the chaos in Congress to bring us to our senses, on the one hand, or to have had the President loosen up slightly on the reins of this supplyside animal to give it a chance to get off to a trot and maybe a gallop. But right now, as best described by his sidekick, the Secretary of the Treasury, this animal is dead in the water. That is the way it is.

Mr. DOMENICI. What about, what is it, the ox?

Mr. HOLLINGS. The ox is still in the ditch, and there we are. We have gone through a nice exercise, but it is still there.

We had some chances, I say to the Senator, and if he changes his mind and proposes again what he was ready to support in February and March, he would be surprised.

I counseled yesterday when he argued and said he could not get the votes and there was not any reason to meet with us. I had the distinguished Senator from Arizona come over. I had persuaded him. He said, "You are right. I am going to vote for you. I am not going to vote for this conference report." I think the Senator and I could have done a little bit better job maybe of persuading colleagues on both sides of the aisle. But we had the President of the United States and his minions over here lockstepping us all the time. The Senator could not move. I could not move. He got frustrated. We could not move after that.

That is sort of a sad tale, but that is the fact, and we did not get a chance to persuade anybody about anything. We have a political document here that will not stand the light of implementation. The Senator does have the troops. He does not have the votes. It is sort of sad to me that the distinguished chairman has had to explain to all the chairmen and subcommittee chairmen how the budget figures are not the budget figures and will not apply to their particular programs.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, again I want to state that we are prepared to yield our time at 3 o'clock and have a vote on final passage at that point.

Let me just say a few words. Hopefully we are going to approve this budget today. We have had a rather amazing turn of events over the past 15, 16 months. When we first started attempting to use the budget resolutions as instruments for some real significant change in policy, there was kind of a hue and cry, "Let us not mandate anything." I was sort of amazed yesterday, just by way of general observation, that some Senators now look at targets that we used to regard as the only means of implementing and saying, "Since you have not ordered any reconciliation, we sure cannot get there."

Just a short while ago, nobody wanted anything but targets and just said that Congress, in its wisdom, will somehow get its job done. Well, we have accommodated the view that instructions are necessary. The Finance Committee has been instructed to make changes in law that will cause savings in programs such as medicare and medicaid and AFDC, and tax code changes that will increase revenues.

Other committees have been instructed. For the most part, these instructions have to do with saving money in entitlement programs including holding certain cost-of-living adjustments (COLA's) to a 4-percent increase. It is the first time we have assumed COLA cuts and instructed committees through reconciliation to report legislation saving the dollars involved.

This is not to say that it is as much as we wanted to do through the reconciliation process. We have narrowed the COLA assumptions down to retired Federal employees, military retirees, and a few other smaller groups.

The distinguished Senator from South Carolina is correct. It will be difficult to implement. But I hope that instead of gazing up and saying if we had more to reconcile and if we could make bigger savings and bigger tax increases, we might get the job done, the committees will assume that this is enough of a challenge this year and will show the American people they can at least do this much. I hope they do.

There are those who say that the numbers are not accurate, that we have changed some estimates.

I say to the Senate, and for the RECORD, that if the committees of the Senate and Congress do what they have been asked and/or told to do, we will have no apology to make when we round up the numbers. They will be pretty close to what we have.

However, I can guarantee the Senate that without committees of this body and the other body doing what is either directed or obviously implied, the number will indeed be off; and they will not be off because we estimated wrong. They will be off because we do not have the courage, the fortitude, or the strength to do what we are asking ourselves to do, and in some instances ordering ourselves to do, when we vote for this resolution.

Likewise, the House, by majority vote, slim as that might be, ordered itself to do some things. I would be remiss if I did not say here today that I am not as concerned about the authenticity of the estimates as I am about the authenticity of the intentions of leaders in the other body. Do they intend to ignore or abandon the responsibility that this resolution imposes on them? I hope not.

I can say honestly that the cuts are not that severe. The tax increases are not that tough. Yet I think there will be a good response in the marketplaces of America if we do it.

So, to those who are saying that it has been voted in but we wash our

hands of it, I can say, as one Senator who worked for all these months to get it done, that their refusal to do what they have voted on themselves will not go unnoticed. Those who want to sit by and say, "It passed, but let somebody else implement it," will not get by without the American people knowing who is responsible for not doing it.

I am not the least bit reluctant to acknowledge that I do not have the same responsibilities as the President of the United States. In fact, I tell the story to many of my friends about my little daughter, who once told me, when I was sort of ordering her around, "Daddy, you is no king. You is just a Senator."

Well, that is all I am. But I can say that as a Senator and as chairman of this committee, I could propose a much better budget—at least, I think so—and I could run around and tell everybody it is the greatest and it would cure everything. The problem is that it would not pass.

I understand the President supports basically what we are getting through up here. There would be some items in my budget that he would not like, just as there are some items in this one that I do not like and I am sure some the President does not like.

However, as to the budget we have before us, I suggest that even if we are slightly off in our estimating, this budget will bring the deficit down, and with social security reform, which is inevitable, the deficits will be even less than we now show.

The deficits in this budget are down substantially—down from $182 billion if we do nothing this year to less than $104 billion. This budget will get us to $84 billion in 1984 and $60 billion the following year. And none of these numbers includes social security solvency reform.

I do not think the American people, I do not think the opinion makers of this country, are going to excuse nonperformance by anyone in a position of leadership who says, "We did not get what we want, so we are not going to carry out this one."

The American economy, the people unemployed who are waiting for the economy to come back, the business people who want to grow again and invest again, the industries in the United States waiting for interest rates to come down so that people can purchase again and invest again in productive things, are not going to take that kind of excuse. They expect us to perform.

Mr. HOLLINGS. Mr. President, may I use a minute, while we wait for Senator CHAFEE?

Mr. DOMENICI. I yield the floor. On my side, I wish Senators to understand that we have about 10 or 12 minutes, and it is our intention, Senator HOLLINGS and I, with the support of the leadership, to vote in about 10 minutes.

Mr. HOLLINGS. Mr. President, I think the Senator has made the plea and used the word "responsibility," and has said people will be watching us to carry out what has been agreed to. I have to take exception to that.

Archibald MacLeish said, "Truth is not truth until it is felt." A hundred will die on the streets of Calcutta today. Unfortunately, while that is a fact, we do not feel it in that sense. It is not a truth to us. In contrast, yesterday a little child fell down a well, and we are all looking at the news and turning on the TV to find out whether the little child will be rescued from the bottom of the well. That is a truth.

With respect to the budget figures, having spent the major part of the day explaining that they are flexible, that they are not true, that we know there was too much of a squeeze, that there will be overruns, for us to be interrupted in the middle of this debate and have from the other body a supplemental—now, come. Where is the responsibility? We do not carry out the budget. We enact supplementals; none of the figures is adhered to. We are in the middle of supplementing what we had as a responsibility, as the Senator sees it.

His description almost mimics the approach of the administration that the only way are spending cuts. Let me point out again that when I first recommended a freeze, it was a freeze at current policy. I had no cuts in mind below current policy. The reason we did not is that we had heard from the distinguished Senator from Vermont. He was not going to cut any more in education. Senator DOLE said $1.2 billion was all that he could save in the food stamp program. The Republican chairmen of the Subcommittees on Appropriations, when forwarding their requests to the Budget Committee earlier this year, rather than asking for cuts asked for increases—$18 billion more than the President wanted. Stumbling, bumbling, fumbling along we were ready to get toward a balanced budget and I certainly thought it would have been under President Reagan. That is the disillusionment. We are talking about responsibility for a $104 billion deficit, and the distinguished chairman implies that since the other body has now adopted a budget by a two-vote margin and this body by a four- or five-vote margin, that we have established our responsibility to work for it. We do not believe that. The news media do not believe that. The people do not believe that. No one believes that.

We do not believe it ourselves. We have been explaining it away.

Therein is the point I have been trying to make. When you try to establish a discipline and get a bipartisan solution, it is tough, it is very tough. When you have $365 billion to save, over the 3-year period, it would be difficult enough for a unanimous body to implement. But when the body politic has not worked its will, and when approval is that close, and the budget has so many exceptions, and its supporters promise so much flexibility, and make so many explanations, you just cannot talk about responsibility. I say to the distinguished chairman, it really makes me doubtful of the credibility of the Congress. No one really believes there is responsibility now, and that is the problem.

Now, it would be a happy day if the President could keep his troops in lockstep to vote for those tax increases. We certainly should not expect the Senators who took the rap on social security and tried to defer this year's tax cut and everything else to all of a sudden come up with the grocery list of new taxes. We are not going to vote for those. The President took over this budget system, he took over the maneuvers, he took over the compromise, and he now has his budget. He got his entire program last year, over this Senator's objection. I did not object to the spending cuts. The Senator from New Mexico and I cosponsored those. But with the enactment of the revenue hemorrhage, he got his so-called Reaganomics, he got his indexing and everything else. And now he has his program 2 years in a row; at 3 o'clock he will have it.

I hope then that he will continue to send Stockman over and tell us the way he has been telling us how we are being responsible. I want that fellow Stockman to continue to describe in Congress how it is working out and we have not changed course and we are all responsible when even JACK KEMP has offloaded from this nonsense, I can tell you that right now. Is not that an irony? You have Kemp-Roth now in the law, but KEMP is gone. He is not around, I can tell you that.

And let us talk to the President and send him a note. I will join in the letter and say:

> Mr. President, please hold the foot to the fire that you have been holding for the last 3 months around here where we could not touch revenues, could not touch defense, could not touch social security and say, "If it ain't broke, don't fix it."

The PRESIDING OFFICER. Who yields time?

The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I wish to address several questions to the distinguished chairman of the Budget Committee (Senator DOMENICI) relating to the conference compromise budget resolution. In particular, I would like to inquire about programs which have been of special interest to me. These programs relate to educa-

tion, health, especially medicare and medicaid, and maternal and child health and immunization programs; and low income energy assistance and weatherization programs.

With regard to education, the Senate budget resolution made no cuts in the guaranteed student loan program, and provided that other education programs would continue essentially at the levels of budget authority provided for fiscal year 1982.

Am I correct in that?

Mr. DOMENICI. The Senator is correct.

Mr. CHAFEE. Now I have two specific questions.

First, the conference report apparently assumes cuts in the guaranteed student loan program, I believe by the amount of $31 million. Yet it is my understanding that there is no reconciliation instruction in the conference report that would require that these cuts be made. Is it possible for the chairman to clarify that situation?

Mr. DOMENICI. I think I have already in the RECORD clarified it, but I will be pleased to do it again. The Senator's understanding is correct. The resolution assumes a very modest savings, and it is nothing more than an assumption in the guaranteed student loan program but the authorizing committee is not instructed to produce the savings. I can tell the Senator that for the year 1983 I personally thought it was not the right thing to do to instruct the committee because the instruction would be so small, that there was not any assurance where the savings would be made.

So it appeared to me and I took the lead in arguing that we should assume some modest savings and leave it up to the committee to either make reforms or for the Appropriations Committee to make the savings.

Mr. CHAFEE. I thank the Senator.

Second, it is my understanding that funds for other education programs, title I of the Elementary and Secondary Education Program Act, the Pell grant program, Education of All Handicapped Children Act, the State block grant, and the vocational and adult education programs, have been increased in the conference report by nearly $300 million. Is that correct?

Mr. DOMENICI. The Senator is correct.

Mr. CHAFEE. Yet I note on page 23 of the conference report the level of outlays in function 500, that is the education, training, and social services, is cut by about $800 million from the level of the Senate resolution. I would appreciate it if the chairman could explain how we can retain and even increase funding levels for these education programs, yet experience an outlay cut $800 million for the coming fiscal year?

Mr. DOMENICI. I am pleased to answer that. We arrived at the broad functional totals and to the best of our ability we matched programs and outlays. Then the entire budget amount is cross walked to the Appropriations Committee. It is up to the Appropriations Committee to then determine the appropriate fix of programs and outlays. We deal in the broad totals. They deal in the specifics of individual programs.

I remind my good friend from Rhode Island that the education programs are forward funded, meaning that increases in fiscal year 1983 budget authority result largely in increases in fiscal year 1984 outlays for these programs. Our resolution reflects this. There is nothing we can do other than to assume that is the way it will go because that is what increased budget authority in that function fits best with.

Mr. CHAFEE. Is there something about the savings that are going to come from CETA in that function 500?

Mr. DOMENICI. I do not have an answer for that.

Mr. CHAFEE. All right. With regard to the health programs, as the chairman recalls when we debated this budget resolution on the floor, I offered amendments that increased the outlays over the next 3 fiscal years for the immunization program and for the maternal and child health programs, and the chairman of the committee was gracious enough to accept those on behalf of the committee.

Mr. DOMENICI. That is correct.

Mr. CHAFEE. Now, referring back to that same table on page 23 under function 550, health, the outlays provided in the conference report are increased by about $165 million above the level of the Senate resolution.

It is my understanding that this increase represents increased outlays as a result of entitlements, but that discretionary health programs would suffer a decrease by perhaps $100 million. I would appreciate the chairman's comment. I wish to do everything possible, as the chairman knows, to retain the levels of funding in the Senate resolution for these programs that I believe to be of great importance. Was there a discussion in the committee of conference on how this $100 million cut will be made if, in fact, it is necessary?

Mr. DOMENICI. Let me say to the Senator that I share his concern on the funding level for maternal and child health care block grants and the child immunization program. As he knows, the resolution allocates enough appropriations for domestic discretionary programs to fund them at least at the 1982 level. In fact, as I said in my opening statement yesterday, the conference agreement for domestic discretionary programs is actually $400 million in 1983 outlays higher than a strict freeze would permit.

Some existing programs will be stopped and others will receive reduced funding. The funds available due to such decisions could also be used to fund programs such as the two I have just described, the maternal and child health block grants and the childhood immunization program.

But I know the Senator understands that I could not promise him that the programs will be funded at the levels that he proposes. That is going to be up to the appropriators. I think we will all work together to see if it can be done.

Mr. CHAFEE. Mr. President, the next subject is with regard to medicare and medicaid. I must say that I was very disappointed with the result of the conference. When I voted for the Senate resolution, which provided for combined cuts in these two programs of $4.7 billion, there was an exception, and I might say, and I know the chairman recalls, a very strong expectation in the Senate that the House would pass a level of cuts in these two programs much less than that provided in the Senate resolution. This expectation was much discussed on the Senate floor, and I engaged in a colloquy with the distinguished chairman of the Finance Committee, the senior Senator from Kansas, in this regard.

As that colloquy indicated, there was an exception that House cuts would be in the area of $2 billion, and there was thus the expectation that a House-Senate compromise would be in the area of $3.5 billion. I expressed the view at that time that even that level of cuts would be very hard to achieve without affecting beneficiaries adversely. The conference report provides for combined medicare/medicaid cuts of $3.8 billion with an additional $510 million expected to be obtained by administrative savings within the power of the administration to achieve without legislation. This is a very high figure, it seems to me. I wish to serve notice that, as a member of the Finance Committee, I am going to be very diligent, very watchful about the nature of the cuts we make and make every effort to protect the beneficiaries.

Finally, with regard to the low-income energy assistance and weatherization programs, I would appreciate the chairman's guidance about the effects of the conference report on these two programs; namely, the low-income energy assistance and weatherization programs.

Mr. DOMENICI. Mr. President, our assumption is that these programs would be held at the fiscal year 1982 budget authority levels.

Mr. CHAFEE. Mr. President, I thank the distinguished chairman of the Budget Committee for his answers to the questions I have posed.

Mr. DOMENICI. Mr. President, let me say that I am most appreciative of the Senator's help and cooperation. I am aware of his genuine interest, particularly in the area of medicare and medicaid, as he has expressed here today. His cooperation in helping us get through this very difficult time is appreciated. Wherever I can be of assistance I will do so. I thank the Senator very much.

Mr. CHAFEE. I thank the Senator.

Mr. CRANSTON. Mr. President, when Reagan's budget was originally proposed it was rejected by everyone in Congress. Yet this so-called compromise between Senate Republicans and House conservatives preserves many of its worst features.

It is unfair, extravagant, and fiscally irresponsible, and will not alleviate the human suffering and economic loss from rising unemployment, high interest rates, and triple-digit deficits.

It is unfair because it preserves all of the Kemp-Roth-Reagan tax giveaways to the wealthy, while continuing to grind away at basic Federal services to middle-income and needy people.

It is extravagant because it increases spending on the military budget by more than we can afford or really need.

It is fiscally irresponsible because it can doom us to $100 billion deficits for the rest of Reagan's term.

I do not support it.

Mr. HOLLINGS. Mr. President, after looking over the budget the President released in February, I assumed things could not get much worse. While I was prepared to roll up my sleeves and help create a more sensible budget, I still believed that the administration would come up with something better on its own.

After looking over the conference report before the Senate, I now realize you should never underestimate the ability of OMB to make a sow's purse out of a sow's ear.

If anything, this budget is worse than the first one and the economy is in worse shape than February. Interest rates have not come down, still hovering at 16.5 percent. Bankruptcies are at record highs. Unemployment is nearing record levels. Yet none of this has shaken the White House belief in their economic program.

Their economic program is just as shakey as the budget now before us, a budget with as much face-saving as real saving. This resolution will cost the congressional budget process. And that is a true irony because it is not a product of that statutory process. The resolution, like all of this year's Republican budget predecessors, is largely the work of the sorcerer's apprentice, David Stockman.

Whatever this resolution costs the budget process, it will exact a price from Congress, as well. Congress was too timid; not too timid to see the President's February budget was unrealistic; but just timid enough to avoid making the basic decisions that would have given us a budget we could believe in.

We could have done it. It would not have taken the courage of a gladiator. The gumption of a bold legislator would have been enough. But there was not enough of that to go around.

Even so, this is not a congressional budget. It is a budget turned on a supply-side lathe. It is—from the start and at the finish—a budget of the Laffers, by the Stockmans, for the Reagans.

Do not doubt for an instant that the President was deeply involved in this budget. Beneath his mask of detachment, the President was like the smiling woodchopper who throws a skunk in the bunkhouse then whistles past the window saying it sure smells in there. While Republican Members of Congress came flying out the window after every new budget skunk, the Democrats were left inside to be accused of causing the disruption.

If the President was not always involved in a person-to-person way, his presence was made known at every turn by his Budget Director, David Stockman. You would think Mr. Stockman would have been a little penitent after the way things fell apart for him last year. In 1981, he managed to convert a Presidential pledge to balance the budget into a Presidential admission that, for the sake of supply-side economics, huge deficits were at least tolerable.

And you would think Mr. Stockman would have learned something from his celebrated confessions in the Atlantic Monthly that he did not add up all the numbers of last year's budget.

But I am afraid neither last summer's phantom budget, nor last autumn's Atlantic interview have rehabilitated David Stockman. If he learned anything at all last year, it was how to practice self-hypnosis. As this year's budget numbers grew worse, the Budget Director grew better at defending them. And David Stockman was defending them as fast as he could create them.

The President's February budget was the work of David Stockman.

During the 13 private talks between White House aides and Members of Congress on the budget, White House Chief of Staff James Baker got the ink, but David Stockman dealt the cards.

On the evening of May 5, while the Senate Budget Committee worked to mark up a budget resolution, Chairman DOMENICI announced that the President would support a new compromise the chairman had just announced. That compromise was the work of David Stockman who had met early in the afternoon to work it out with the Senate Republican leadership.

By the time the Stockman budget reached the Senate floor, it was already dead. Public opinion killed it. Yet, while the leadership held the Senate in day-long recess, Stockman lieutenants counseled with the Republican leadership to produce still another Stockman budget.

What the Budget Director did in the Senate, he did in the House, as well. In mid-May, it was David Stockman who spent 2 days in private meetings pushing for a compromise budget. And after the House of Representatives defeated all the budget options, it was David Stockman who fashioned the Latta budget finally approved by the House.

The budget resolution before the Senate right now rests on David Stockman numbers, and hidden beneath those numbers are extra Stockman deficits.

This budget will have hard consequences for the economy, just as the process used to create the budget will have a bad effect on the congressional budget process.

Since Ronald Reagan came to office, the congressional budget process has been treated like a vacation home. The Republican leadership has shown up from time to time, but they never lived within the process. Every major decision was made outside it—in private meetings—in private rooms—then handed back as a fait accompli.

After the Senate Budget Committee reported a budget resolution in May, I called it nothing but a truce among Republicans that the committee was asked to ratify. That is really all it was. Yet, the President tells the public the process was a "Mickey Mouse operation."

Looking back on it, the President was right. But it was an operation created at Disneyland East, the one at 1600 Pennsylvania Avenue. Former Treasury Secretary William Simon had a piece in this morning's Washington Post in which he called the budget a sham. He was half right. I agree the numbers are illusions. But Mr. Simon thinks it the fault of the congressional budget process. The only trouble with the congressional process is that the White House invaded and ransacked it. They worked from the book called "Stockman's Rules of Order." It ruled out of order any tourniquets on the revenue hemorrhage, any cuts in defense, any controls on controllables, anything that included Democrats, or differences with supply-side thinking.

Had the White House allowed the formal budget process to work its will, we would have a very different, more realistic budget than the one we have right now.

So there are two important facts about this budget we should all keep

in mind. First it is a sham document based on numbers calculated to the best advantage of supply-side dogma.

Second, with the economy in terrible shape, this budget does not fairly distribute the sacrifice needed for recovery. It is a budget that divides the very poor from the very wealthy by multiplying the distance between them.

In the face of terrible economic problems, what we needed most this year was a budget built on a serious concern over what was happening to the country. Washington needed to listen and boldly respond to what the American people were saying about the problems in the economy.

Unfortunately, the legion of dissenting voices were muffled by the louder shouts of supply-side advocates, and their chants about the evils of deviation from supply-side thinking.

So, what we have is not a credit to open government as much as it is a testament to the closed loop of Kemp-Roth taxes and Laffer curves.

The administration's only positive claim so far about the effect of its economic program has been the drop in inflation. But the question remains, is the lower inflation a durable product of the Reagan program, or a reaction to the Reagan recession? Moreover, of what benefit to many of the most important sectors of the economy is a lower inflation rate if real interest rates are at historic high levels?

The consumer price index increased by 1 percent in May, an annual rate of over 12 percent—an inflation rate back in double digits. During the first 4 months of this year prices had increased by only 0.4 percent, or an average of 0.1 percent per month. Much of the slowdown in inflation early in 1982 was the result of good luck in food prices as food supplies were plentiful; recession and a worldwide oil glut reduced the price of energy products; and continued high-interest rates and a recession in the construction industry that stopped the rise in house prices.

These effects were necessarily temporary and substantially overstated the progress achieved in reducing inflation. Unless the administration was proposing a permanent recession, the low inflation rates in early 1982 could not be maintained.

The administration does not have a program to lower inflation except through considerable economic pain. Just look at the rates of real interest we have now compared to historic trends. In 1980, real interest rates were minus 2 percent. In May of this year the real interest rate was plus 5.7 percent. The lower inflation may be good for the economy but that does not mean much to the housing industry, manufactuerers of durable goods, industries which borrow to make capital investments needed to improve productivity, and other interest-sensitive sectors of the economy who are living—and dying—with the highest real rates of interest in the Nation's history. This country needs a program to increase productivity growth and a long-term reduction in inflation. And that requires a meaningful budget.

Reviewing the history of this year's budget process, there are enough doubtful economics to suggest that the "last Laffer" may yet take the form of a plague on both Houses of Congress. There are serious problems with this budget, just as there were serious problems with the Republican budgets that preceded them. We need to take a close look at those problems beginning with the President's February budget.

REAGAN-STOCKMAN FEBRUARY BUDGET

By any measure, the President's February budget was a disaster. Senator LAXALT called the projected deficits, numbing. Senator ARMSTRONG, a Republican member of the Senate Budget Committee conceded, "We cannot live with deficits of the magnitude of those projected in the President's budget." Allen Sinai of Data Resources, Inc., cautioned, "We are walking the brink and it is very worrisome. One thing is for sure. Without adjustments now in the current thrust of policies, the U.S. economy runs the risk of a major collapse, unprecedented in the post war period."

As bad as the budget looked on the surface, it was even worse when analyzed:

The Reagan-Stockman budget relied on unrealistic economic assumptions. Even the Gang of 17, with is relatively optimistic assumptions—based primarily on CBO economics—was more realistic about the likely economic outlook:

REAL GNP

[In percent]

	1982	1983	1984	1985
Reagan	0.2	5.2	5.0	4.7
Gang of 17	−.9	4.5	4.1	3.7

REAL GNP

CPI

[In percent]

	1982	1983	1984	1985
Reagan	7.3	6.0	4.6	4.8
Gang of 17	6.9	6.9	6.9	6.4

INTEREST RATES—3-MONTH T-BILLS

[In percent]

	1982	1983	1984	1985
Reagan	11.7	10.5	9.5	8.5
Gang of 17	12.4	13.2	11.3	9.4

Using these unrealistic economic assumptions, the administration artificially lowered its spending estimates by $105 billion over fiscal years 1983 to 1985.

The budget also assumed lower spending for many other programs based on technical factors. CBO calculated that the administration underpriced its spending by $77 billion over fiscal years 1982 to 1985 for these technical reasons.

The budget assumed $54 billion in receipts from OCS leasing fiscal years 1983 to 1985, over $13 billion more than estimated by CBO.

Interest costs were underestimated this time by $50 billion over the 3-year period.

Defense spending was artificially low. CBO calculated the time level of spending would be $8.9 billion higher over fiscal years 1982 to 1985 than the administration stated.

Farm price support payments were underpriced by nearly $16 billion over the fiscal years 1982 to 1985 period.

In addition, the Reagan budget made a series of spending cuts which had no possibility of enactment or could be classified as creative accounting.

The budget assumed $9.8 billion in new user fees—fiscal years 1983 to 1985—which are extremely unlikely to be enacted.

Reagan proposed cutting education programs and student assistance by almost half compared to fiscal year 1981, food stamps by $7 billion over 3 years—on top of the $2 billion in cuts made last year—and child nutrition programs by $1.5 billion over 3 years.

The budget assumed cuts in Amtrak, mass transit, and Coast Guard capital improvement programs despite widespread support for these activities.

Reagan proposed cuts of $5 billion in medicare and medicaid in fiscal year 1983 and in the aid to families with dependent children by $1.2 billion next year.

A total savings of $16 billion over 3 years was attributed to creative accounting in the sale of Federal land—$9 billion—unspecified debt collection—$4 billion—and reduction in waste fraud, and abuse—$3 billion.

Worst of all, the Reagan budget did not put us on a glide path to a balanced budget, but rather insured that we would have $130 billion deficits in each of the next 3 years.

STOCKMAN'S SENATE BUDGET

The budget assumed the full $16 billion administration savings from sale of Federal land, reduction in waste, fraud, and abuse, and unspecified debt collection despite no clear or convincing plan on how they will be achieved.

It succeeded in producing a fiscal year 1985 deficit of $67.2 billion, an inappropriately large deficit and a far cry from the balanced budget some of us started to write only a few months ago.

The budget assumed $108 billion in increased taxes yet left the third year of the personal tax cut off-limits, thereby making it extremely improbable that the full amount of the increased revenue will even be realized.

The budget does not make fair cuts where they are needed—in the automatic cost-of-living adjustments and in the defense budget. It singles out Government employees, past and present, and veterans for COLA reductions and gives the Defense Department 7 percent growth.

LATTA-STOCKMAN BUDGET

In addition to the policies embodied in the House-passed budget, it was fraught with technical errors and clerical mistakes.

The budget understated the deficits by $28.3 billion over 3 years because it underestimated defense spending—$5.5 billion—overestimated receipts from OCS leasing—$10.2 billion—and understated interest costs—$7.1 billion. It also made over a dozen other technical errors which, together, understated spending by $5.2 billion over 3 years.

In fiscal year 1982 alone, the budget underestimated outlays by $14.6 billion by rejecting CBO estimates of spending for defense, farm price support payments, medicare, social security, OCS leasing, and interest on the public debt.

The budget assumed cuts that were practically or politically unattainable:

Space and science programs were funded at levels that would have required a 25 to 30 percent cut in the number of Space Shuttle flights over the next 3 years, many of which are related to national security.

The budget assumed $7.5 billion in user fees from such sources as inland waterways and deep water ports, nuclear waste disposal, recreation and boating.

The dairy price support program was assumed to be cut by $1.7 billion over 3 years yet no mention was made of how this could be accomplished.

The budget assumed the administration's estimate of savings from unspecified debt collection and reduction of waste, fraud, and abuse. It went further than the administration by assuming $0.3 billion from sale of Federal land on top of the $9 billion in the Reagan budget.

The budget assumed $2.4 billion in savings from foreign aid over 3 years, again without any indication of where these cuts could be made.

The Federal subsidies for the Postal Service were eliminated—$2.7 billion—and employment and training programs were cut substantially—$1.6 billion—funding for the guaranteed student loan program was reduced—$1.2 billion—and law enforcement activities would have been cut—$1 billion.

STOCKMAN CONFERENCE AGREEMENT

The conference agreement suffers from the worst of both House and Senate budgets. It ignores reality, misdirects limited resources, and sweeps the rest of the problem under the rug.

The conference agreement budget understates the true size of the deficit. Even if all the policy assumptions in the resolution become law—which is highly improbable—the deficits, as estimated by CBO, would be $113.8 billion in fiscal year 1982, $116.4 in fiscal year 1983, $104.6 in fiscal year 1984, and $92.7 billion in fiscal year 1985.

According to the CBO, the budget overstates revenues, even with the $98 billion in assumed tax increases, by $39 billion in fiscal year 1982 to 1985 and understates outlays by $35 billion over the same period.

CBO estimates of spending are rejected, leading to artificially lower spending in areas such as defense—$8.9 billion—OCS receipts—$11.4 billion—civil service retirement—$1.3 billion—social security—$0.4 billion—unemployment insurance—$0.6 billion—and interest costs—$11.9 billion.

In addition to underpricing the defense budget, the conference agreement assumes unrealistically low inflation in defense procurement and it ignores the historical cost growth of weapons programs due to design changes.

The defense budget assumes 50 percent absorption of the DOD pay raise, an historically unprecedented level. The 10-year average absorption is about 20 percent and in fiscal year 1982, no absorption was required.

The combination of high absorption and unrealistic outlay estimates could lead to cuts in defense readiness next year of over $3 billion more than contained in the conference report. Underestimates of defense spending nearly always made up for by cutting readiness programs.

The conference agreement assumes more savings in entitlement programs than it requires to be saved through reconciliation. In fiscal year 1983, for instance, the budget assumes cuts in medicare of $3.6 billion yet the Finance Committee is directed to save only $3.16 billion. Similarly, the budget assumes cuts in food stamps of $949 million yet requires the Agriculture Committee to save only $779 million. Further, guaranteed student loans are assumed to be cut yet there is no reconciliation directive to the Labor and Human Resources Committee at all. This lack of enforceability is a critical flaw in this budget resolution.

The budget assumes $7.5 billion in user fees similar to those in the House-passed budget. Many committees rejected similar user fees last year and these user fees are not reconciled to any committee, thereby further decreasing the likelihood that any will become law.

The budget assumes large unspecified reductions in programs ranging from foreign aid to general government. As was demonstrated last year, unspecified savings have an uncanny ability to disappear at the last moment.

Despite all its faults, House Republican Leader ROBERT MICHEL has said of this conference report, "With all the blood, sweat, and tears that went into this thing, I think we can sell some people on swallowing hard and voting for it in sufficient numbers."

Maybe so. But he will not be able to sell the Nation on the insufficient numbers the budget itself contains. This budget is a squandered opportunity. It wastes the chance to make some honest corrections in the economy. It is not tough enough. We had a chance to do better.

Just 2 days after the President released his February budget, I offered a substitute. My plan was tough and credible. But it was also fair and reasonable, a plan Federal Reserve Chairman Paul Volcker said, "would have a galvanizing effect on the markets." The plan contained three central features.

First, it would have moderately reduced the growth in defense spending without jeopardizing readiness. The fact is no matter how much we might be willing to spend, we can only buy so much in a given year. As evidence of that, I would point to the $33.8 billion in unobligated balance for defense at the end of fiscal 1982. That figure would have grown to $43.1 billion under the President's February defense budget for fiscal 1983.

Second, my plan would have put a 1-year freeze on the automatic cost-of-living adjustment (COLA) on social security and several other entitlement programs. The social security COLA freeze would have been a temporary, specific suspension of benefit increases—not a cut in benefit. And it would have produced results, strengthening the trust funds without inflicting hardship on beneficiaries.

It is important to remember that the automatic cost-of-living increase was not even put into operation until 1975. We did not increase social security in the Great Society when Lyndon Johnson provided the last balanced budget in 1968-69.

The temporary freeze would have not been a penalty directed at anyone. Rather, it would have been a realistic way of preventing inflation-driven annual increases from threatening the welfare of either the beneficiaries or the system itself.

Third, my plan would have canceled the third installment of the Kemp-Roth tax cut. It was not a step to increase taxes, but rather would have

simply let stand the two tax cuts already provided under last year's tax legislation. But that feature of my plan met intractable opposition from the White House.

I argued—and continue to maintain—that whatever modest gain taxpayers might derive from a slightly smaller tax bill, they will lose still more to deficit-driven high-interest rates on anything they buy on credit. If there is any doubt about the relative trade-off between a tax cut and high interest rates, consider this example.

A one-earner married couple with two dependents and an income of $20,000 will receive $371 in calendar 1983 as a result of the tax cut. Let us say that same family has a mortgage at 17 percent. If that mortgage rate declined to 14 percent—a rate estimated by a Salomon Bros. economist as the level necessary to trigger a recovery in the housing industry—that family would save $1,685 annually on a $60,000 mortgage.

This is, of course, only an illustration. But there is a sizable difference between the $371 the family will get because the President has stubbornly insisted on his tax plan, and the $1,685 the family will not get because the President has stubbornly insisted on his tax plan.

If we had cut the deficit by eliminating the third year of the tax cut, people could have profited more from lower interest rates than from the tax cut itself.

The President would argue, as he has so many times before, that the tax cut will lead to greater personal savings upon which business will be able to draw for investment in job-producing expansion.

Will it?

The evidence suggests that families do not tend to save personal tax reductions which occur because of lower tax rates. In 1981, the personal savings rate was 5.3 percent. In the first quarter of 1982, the rate is 5.5 percent, not a statistically significant change.

Moreover, Murray Weidenbaum, the Chairman of the President's Council of Economic Advisers is telling us we will need a high level of consumer savings to sustain a recovery, while the chief economist of the Commerce Department is saying "a lot of people in the administration might hope that all of the tax cut will be spent."

Supply-side economics has become a theoretical rubberband, with purists arguing that everyone will save their tax cuts to save the economy, while another group of supply-siders says they hope everyone will spend their tax cut to save the reputation of supply-side economics. Supply-siders have their fingers crossed that the rubberband will not snap until November 3.

With all the serious supply-side problems, people were still reluctant to buck the President. So Congress would not go along with my plan. In fact, some people in my own party told me to keep still, and not make waves. Yet, the fact is my plan would have brought us a balanced budget by 1985 because it made cuts where the big outlays were. People did not want to hear that because they worried about the political risks involved. Well, I remember Harry Truman saying once that, "I never give them hell. I just tell the truth and they think it's hell."

The basic truth of the Hollings plan was that it would have put our feet to the fire. No doubt about it. But that is why we are here, to make the hard choices for the benefit of the overall picture. I see no reason why we could not have taken the steps already taken by many States, cities, and private organizations.

In the face of rough economic weather, Oregon called a special session of its legislature to cut its budget and raise taxes to head off its projected State deficit. Among the steps they took was to save $34 million in revenues by postponing for 6 months the planned lowering of State income tax withholding rates.

Other States have also acted. Wisconsin has raised taxes. A recent Tax Foundation estimate shows that 18 States have increased their taxes by a total of $4 billion. Michigan, Minnesota, Nebraska, Vermont, and Washington have all raised State income taxes.

The upshot of these changes is that while State governments understand that increases are unpopular, they have shown the vision and discipline necessary to see their States through the economic downturn.

Cities have taken similar steps. In January the Joint Economic Committee of the Congress sampled 50 large cities to examine what actions they had taken to balance their budgets. The survey found that 40 percent of the responding cities had increased their tax rates. Only four of the cities had reduced taxes. When the U.S. Conference of Mayors polled 100 cities early last November they found that 41 percent of the cities they contacted had raised taxes.

What the cities and States are doing at the public level, both business and labor have been doing in the private sector. Businesses have increased management savings. Labor has joined in with givebacks. In January of 1981, General Tire and the United Rubber Workers worked out a wage cut package. In October of 1981, International Paper and the International Woodworkers of America agreed to a 20-percent wage cut to avert a plant closing. This year, Ford and the UAW negotiated a pact dealing with wage increases and cost-of-living adjustments.

None of these steps, public or private, have been easy to take. But all share a common characteristic. They illustrate what happens when concerned groups clearly identify a problem and do what needs to be done to correct it.

Washington has been unable to do those things this year largely because the White House was not a willing partner. This budget was played out from a White House game plan under White House rules.

What we have in this conference report is a budget that is not believable, and a congressional budget process heaped with ridicule. We already know what the President thinks of the process. His top counselor, Ed Meese, has even suggested that the President be given a line-item veto. I do not know why. The White House with its deferral and rescission powers and buttoned-down budget procedures already dominates the budget to an imperial extent.

So it is a White House budget, and you would expect the administration would be dripping confidence. But, Ed Meese told reporters in May that the White House might have to look at alternative measures if the program did not work out. He want on to say, however, "It is better not to discuss" those alternatives.

Next, we have Treasury Secretary Regan telling the Washington Post that, for the last 3 months, he has been putting together other plans because, in his words, "* * * you cannot wait until someone says, you know, we are in a crisis, let us change. And you say, to what?"

Along comes House Minority Leader BOB MICHEL putting a big distance between himself and the budget. "I think it has been overemphasized as to how much we, in what we are doing here on the budget thing, influence the money markets."

But, it was left to other guiding forces behind this budget, the White House political director, Edward Rollins, and Republican national chairman, Richard Richards, to have the final word on the budget's authenticity. They have told their party leaders not to expect an economic upturn, and to go ahead and shift the blame for the recession to the Democrats.

The economy has been choking on the supply-side menu while the White House has decided to let it cough a little more in the hope that everything will come out all right. It makes you think the White House is more concerned about their restaurant than about the patrons.

Amid all the doubts about this budget and the process that created it, we are hearing again about a constitutional amendment to balance the budget. Such an amendment might work, and I am willing to give it a

chance. But, it is no guarantee the budget will be balanced. Furthermore, the problem is here and now—not 2 or 3, or 6 years from now.

If the public wants a constitutional amendment to balance the budget, it is fine with me. My point is that no new layer of arcane procedures will improve the situation. We already have procedures enough. If we will use them, if the White House will honor them, we will have just as good a chance of balancing the budget as we would with an amendment. But, that decision will be made in a few days. The decision we must make now is on this conference report.

I am afraid that choice has already been made. It was made the day the White House took over the budget process, and the pollsters took over politics. We got ourselves trapped between the Reagan rule and the pollsters rule. The Reagan rule says, "No way, but our way," and the pollsters' rule says, "If you have to make a choice, find another issue."

Together, they have left Congress with a budget that cannot be trusted, and a budget that will not work.

I will vote against the conference report.

Mr. THURMOND. Mr. President, I rise today in favor of adopting the fiscal year 1983 budget as set out in Senate Concurrent Resolution 92.

The total outlays called for in this budget are $769.8 billion, with $665.9 billion in revenues, resulting in a projected deficit for fiscal year 1983 of $103.9 billion. This is a much higher deficit figure than I would like, particularly when it will bring the public debt figure up to $1.29 trillion.

Nevertheless, Mr. President, we must not lose sight of the fact that spending, the tax burden, and the deficit would be far, far higher if it were not for the actions undertaken by this administration and carried forward under this budget resolution. This budgetary blueprint calls for additional spending reductions of approximately $14 billion in domestic programs, including measures to restrain runaway growth in the cost of various entitlement programs. It calls for cutbacks in defense spending of $5.5 billion from the levels originally sought by President Reagan. Frankly, this is more of a defense cut than I would like, considering the ominous nature of the Soviet threat, and the need to rebuild our defense strength after years of neglect under the Carter administration; however, I recognize the necessity of budgetary restraint in all areas if we are to hold down the size of the deficit, thereby reducing Federal borrowing and the pressure on interest rates.

In addition to these spending cuts, Mr. President, this budget resolution provides for legislative action to increase tax revenue. Again, this is a step that I regret to be necessary, but it is in fact necessary that some additional revenue be raised in order to narrow the gap between spending and revenues. Yet, we must guard against simply shifting the burden to the taxpayers, as that would inhibit economic recovery, stifle productivity-enhancing investments, and completely abdicate the need for Congress to exercise fiscal responsibility on the spending side of the budget.

Mr. President, this budget is not perfect, but as indicated by the surge in the stock market when the House passed this resolution, it should send a signal to the financial markets that the Federal Government is serious about reducing Government spending. It makes clear that the goal of both the President and Congress is to bring the budget into closer balance without unnecessarily increasing taxes. This goal will be accomplished by reducing Government spending in all areas, especially those where waste, abuses, and spiraling program growth are present.

The initiatives embodied in this budget are but another step toward greater fiscal responsibility, which should reinforce monetary restraint and help trigger a substantial decline in interest rates. This lowering of interest rates will allow many Americans to purchase homes, automobiles, and other durable goods that have been beyond their reach due to the high rates on mortgage and consumer loans. This in turn will put many Americans back to work in the housing, automobile, and related industries. With the increased business activity, other businesses will be able to recall workers that have been temporarily unemployed. Moreover, the recent high levels of business bankruptcies should be reduced, as the economy revives and interest costs diminish.

Mr. President, this budget is essential to the recovery of the American economy. While it is not everything that I would like, I think it is imperative that the Senate pass this measure, in order that we can move forward with the even more critical decisions on upcoming appropriations bills and legislation to restrain growth in the entitlement programs. I would also reiterate my strong support of the balanced budget constitutional amendment which is now pending on the Senate Calendar. I am pleased to be the principal author of this proposal and am firmly convinced that such an amendment is necessary if we are to be successful in the ultimate objective of balancing the budget and keeping it in balance. It is my hope that the Senate will take up and pass this proposed amendment within the next few days.

Mr. HOLLINGS. Mr. President, yesterday the chairman of the Budget Committee told us of letters he received from Secretary of Defense, Caspar Weinberger, and Interior Secretary, James Watt, defending the use of the administration estimates of defense spending and OCS receipts contained in this conference agreement.

Dr. Alice Rivlin, Director of the Congressional Budget Office, has stated that the administration estimates are exaggerated in both these areas. The nonpartisan CBO, which we have relied on for impartial analysis since the beginning of the budget process, estimates that defense spending in the resolution is understated by a total of $8.9 billion over the fiscal year 1982-85 period. Likewise, CBO states that receipts from OCS leasing are overstated by $11.9 billion. These two elements alone contribute to an artificial deficit reduction of $20.8 billion.

The CBO estimate of defense spending for the current year is not based on a letter from the Secretary of Defense. It is based on 8 months of actual spending data. Using actual spending through May 1982, CBO estimates that DOD outlays for fiscal year 1982 are already running at a $185.5 billion annual rate. To meet the DOD estimate, defense programs in the remaining 4 months of this year would have to be cut by $4 billion. I ask, how likely is that to occur?

On the matter of OCS receipts, the CBO is not alone in believing the administration is overly optimistic. The General Accounting Office, in a report dated June 8, 1982, stated that it is not likely that the administration estimates of OCS receipts will be achieved for fiscal year 1983. This conclusion is based primarily on the administration's use of a new and untested methodology to predict OCS bonuses. This new method resulted in fiscal year 1983 estimates that are twice the level expected to occur this year, an increase which the GAO terms "unprecedented."

It is ironic that the chairman of the Budget Committee rejects a CBO methodology for forecasting revenues yet accepts without question an untried administration method for predicting OCS receipts which even the GAO has said yields unprecedented results.

Mr. President, I ask that a copy of the summary of the GAO report be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

THE COMPTROLLER GENERAL'S REPORT—OUTLOOK FOR ACHIEVING FISCAL YEAR 1983 OFFSHORE REVENUE ESTIMATE—POSSIBLE BUT NOT LIKELY

DIGEST

In February 1982, the Administration announced that projected Outer Continental Shelf revenues would be $18 billion for fiscal year 1983. While offshore revenues are expected to increase under Interior's accelerated leasing program, various groups

have taken exception to the magnitude of the projected increase suggesting that achieving the $18 billion was improbable and that the large estimate was, in reality, a technique to reduce projected budget deficits.

Subsequently, in April 1982, the Administration announced that it had reduced its $18 billion estimate to $15.7 billion. Approximately $400 million of the reduction resulted from Interior's decision to postpone one lease sale and to drop another from the lease schedule for fiscal year 1983. The remaining $1.9 billion reduction is not allocated to a specific sale or provision of the program but, according to the Office of Management and Budget (OMB), is an overall reduction reflecting the uncertainty of the estimate, in view of the current oil price situation; the public concern that the $18 billion estimate was too high; and the fact that Interior is proposing an all new leasing program that may be impacted by litigation.

Chairmen from two House Subcommittees asked GAO to review the Administration's original $18 billion estimate. Their questions focused on the assumptions, data, and methodology used in developing the estimate; the relationship of the estimate to prior years' receipts; the accuracy of past estimates (over the last 10 years) in relation to actual receipts; the role of the Office of Management and Budget in developing the estimate; and the difference between the Administration's estimate and the lesser estimate developed by the Congressional Budget Office (CBO).

The analysis contained in this report is predominantly based on the Administration's original $18 billion estimate, but is applicable to the subsequent reduction. The reduction was not based on a specific change in the assumptions, data, or methodology used to develop the estimate and did not affect the two major uncertainties that are key to achievement of the estimate—the substantial increases in bonuses from two Gulf of Mexico sales and the release of escrowed funds from prior sales. Thus, given these factors, the questions and concerns raised in the report are applicable to both the original $18 billion estimate and the current $15.7 billion figure.

As requested, GAO did not solicit agency comments on a draft of this report.

NEW METHODOLOGY USED TO FORECAST BONUSES

Revenues from offshore lands consist of bonuses received from oil and gas companies through the competitive bidding process used to award leases, royalties received from hydrocarbon production on leased lands, and rental revenues from land under lease.

Because of the increased acreage to be offered under the accelerated leasing program, the Administration developed a new methodology for forecasting bonuses. Prior estimates were based on the leasing experience of prior years. However, under the Administration's area-wide lease offering approach, sale sizes will increase substantially over what has been offered in the past. Interior had no prior experience for projecting bonuses under this concept. Thus, a new methodology was developed to forecast bonus receipts. Bonus estimates, under the new methodology, are based on the discounted value of the total hydrocarbons believed to be contained in a lease sale area. That is, the value of the hydrocarbons is discounted to compensate for a number of risk and uncertainty factors associated with offshore leasing. The methodology is new, untested, and its predictability cannot be determined at this time.

The methodologies for developing royalty and rental estimates were the same as those used in prior years.

HIGH AND UNPRECEDENTED ESTIMATE

The Administration's high revenue estimate for fiscal year 1983 is unprecedented. The $15.7 billion estimate far exceeds receipts from prior years of leasing and represents about a twofold increase over the current fiscal year 1982 estimate. About $13.2 billion of the original $18 billion estimate is projected to come from bonuses which is almost twice that of the previous record bonuses of $7.8 billion received in fiscal year 1981. The projected increase in royalty receipts is only 10 percent over the previous year's projection and seems more in line with past trends.

The realization of the Administration's revenue estimate depends largely on how precisely it has estimated bonuses for two sales in the Gulf of Mexico. These sales account for $8.7 billion—66 percent of the original bonus estimate. Bonuses of this magnitude seem questionable since most of the Gulf areas have already been considered by industry in the past and include some deepwater tracts of high economic risk and uncertainty. Also, the resource estimates for these two sale areas, the primary basis of their bonus estimates, vary widely. Furthermore, the last two sales in the Gulf of Mexico have brought in substantially lower bonuses than anticipated.

DIFFICULTY IN FORECASTING OFFSHORE RECEIPTS

Interior's track record of estimating offshore revenues shows that the prospect of accurately forecasting receipts for any 1 year is very difficult. Interior substantially underestimated revenues for 6 of the 10 years between 1972 and 1981 and overestimated revenues for 4 years. For example, Interior overestimated actual receipts by about $3.6 billion for fiscal year 1977 and underestimated actual receipts by about $4.6 billion for fiscal year 1974. Indications are that 1982 receipts will be less than originally projected. Such fluctuations indicate the possible margin of error in forecasting offshore revenues.

OMB REVISED INTERIOR'S ESTIMATE TO REFLECT DIFFERING ASSUMPTIONS

OMB used Interior's methodology for developing bonus, royalty, and rent estimates for fiscal year 1983. OMB's February estimate, however, was about $1.2 billion higher than Interior's original October 1981 estimate. OMB's bonus estimate was about $495 million higher than that of Interior and its royalty estimate was about $832 million less than Interior's forecast. These differences were the result of differing assumptions as to inflation rates, future prices of oil and gas, and the timing of bonus payments to the Government. The major difference between the two estimates, however, was that OMB assumed that about $1.5 billion held in escrow accounts from prior year sales would be released to the Treasury in fiscal year 1983.

CONGRESSIONAL BUDGET OFFICE'S ESTIMATE IS SUBSTANTIALLY LOWER

The Congressional Budget Office has estimated that the receipts from offshore leasing activities for fiscal year 1983 will be about $5.2 billion lower than the Administration's $18 billion estimate. CBO's estimate is based on different projections for bonus and royalty receipts and different assumptions about the release of monies held in escrow accounts.

CONCLUSIONS

Achievement of even the latest Administration offshore revenue estimate for fiscal year 1983 is possible but not likely. Primarily, in GAO's opinion, substantial increases in revenues from Gulf of Mexico leasing and the release of escrowed funds, which are key to achievement of the estimate, are uncertain. The Gulf of Mexico sales and the escrow releases account for $10.2 billion—57 percent of the original $18 billion estimate. Also, the bonus estimates for the Gulf of Mexico sales are based on resource estimates that vary widely.

Other factors to also be considered in assessing the reasonability of the estimate are (1) the methodology for estimating bonuses is based on resource estimates which are subjective, and differ by methods of assessment and degree of supporting data; (2) increases in offshore revenues will probably be more closely tied to the economics of oil and gas development, which has recently been on the downturn, than to larger and more frequent acreage offerings; (3) Interior's accelerated program is clouded with the threat of litigation which could delay or limit acreage offerings in planned sales; (4) in the past, accurately forecasting offshore revenues for any 1 year has proven very difficult; and (5) the fiscal year 1983 revenue estimate goes far beyond the receipts ever received for a single year in the past.

RECOMMENDATION TO THE SECRETARY OF THE INTERIOR

GAO believes that the Secretary of the Interior should improve the Department's offshore revenue forecasts and recommends that the Secretary evaluate future leasing experience to verify the methodology and assumptions used in its budget model. Such analyses should lead to validations or adjustments needed to increase the reliability and confidence in future revenue estimates.

RECOMMENDATION TO THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

The Director of the Office of Management and Budget should provide concurrently with future offshore revenue estimates a full discussion and accounting of the estimate to Congress. The discussion should include complete descriptions of the various factors that could impact on the accuracy of the estimate; type and quality of the data used to develop the estimate; and likelihood of achieving that level of revenue.

Mr. BRADLEY. Mr. President, I voted against this budget resolution on May 21 because it did not provide a balanced mix of revenue increases, defense spending cuts, and nondefense spending cuts.

The Tax Act of 1981 reduced revenues below the levels necessary to support the congressional mandated level of Government activity. We could not afford that reduction last year when we considered the tax legislation; we could not afford it last month, when we considered the first budget resolution; and we cannot afford it today as we consider the conference report.

The defense spending cuts reflected in the first budget resolution did not address the real problem facing our national defense. That is the imbalance between conventional and strategic programs. Urgent, tough, and good-

faith negotiations are necessary for arms control. Our defense establishment needs a credible conventional capability so that increased reliance on nuclear weapons is rendered unnecessary. These priorities were not found in the defense spending plans of the budget resolution we considered last month. They are not found in the conference report we address today.

The nondefense spending cuts reflected in the first budget resolution would reduce our opportunities for economic growth. Investments in people and research represent our real hope for an ability to compete in world markets. Yet the Senate proposed to cut nondefense discretionary programs by $27 billion and entitlements by $26 billion over 3 years. The conference report cuts nondefense programs by $35 billion and entitlements by about the same as the Senate-passed level. These cuts were too large last month and are larger today.

So, Mr. President, I can find no reason to support this conference report. The Senate-passed version was not one I could support. This version is worse. I shall vote nay.

Mr. HELMS. Mr. President, a little over a month ago, the Senate considered its budget resolution which was, in many ways, identical to the one we have before us today. It is a credit to the Senate Members of the Senate Conference Committee that they worked fast enough and with such skill as to be able to bring this resolution before the Senate today.

A month ago, the argument was heard that the budget resolution as constituted was imperative because if we did not pass such a resolution, the financial markets would not be calmed and interest rates would stay high. In fact, it was argued by such economists as Henry Kaufman that a budget resolution would bring down interest rates. Several times that argument was heard in the Senate.

Mr. President, since that budget resolution was passed, interest rates have not declined. In fact, they have risen.

One wise analyst said that the markets are not so much panicked by the threat of high deficits as by the threat of Congress panicking over the threat of high deficits.

I fear that this budget resolution embodies Congress panic.

Mr. President, the tax increases are intolerable. We appear to be accepting the repudiated theory that Congress can "tax our way to prosperity." It is as if the economics of this budget resolution are not caused in large part by the recession—that, somehow, we should raise taxes in the face of a recession. The last time a Congress really raised taxed in the face of a major recession was almost exactly 50 years ago. In June of 1932, a bipartisan coalition moved to raise taxes to balance the budget and the economy took an 8-year nose dive.

But what of spending? Much of the spending in this budget is in the so-called uncontrollables—the entitlement programs. Though they serve an important purpose for many people, for many others, Federal handouts serve as a major disincentive to work and productive effort. By refusing to deal seriously with the massive entitlement programs, we are saying that we will pay for more leisure and less work on behalf of the recipients of these programs. In addition, by refusing to cut these programs, we are telling future generations that there will be greater Federal indebtedness, thus greater taxation and, thus, fewer rewards in the future.

Mr. President, as I stated in my statement on the Senate budget resolution, a Senator must sometimes choose between what he feels is right and being misunderstood. My opposition to this budget is that I am convinced that it embodies the wrong public policy prescriptions; and second, that no budget resolution would be better than this one.

● Mr. LEVIN. Mr. President, I oppose the conference report on the first budget resolution for fiscal year 1983. This conference report continues the administration's policy of huge increases in defense spending, full continuation of an unwise and unfair tax cut program, and slashed spending for programs and people who already bore the brunt of the spending cuts which were enacted last year.

Further, this economic program is pushed in a far different, far more unfavorable, context than last year's first wave of Reaganomics. It is being pushed in an environment when the first fruits of Reaganomics are becoming obvious to all. The unemployment rate has increased from 7.5 percent to 9.5 percent in 1 year, with the number of unemployed increasing by 2.3 million people. Three thousand more businesses have failed this year than did last year by this date. The average mortgage rate has remained stuck at 16.7 percent, with the result that the housing industry is a disaster area. And the inflation rate, which the administration has pointed to with pride over the past several months, is now on the rise again.

A prudent person would look at this current economic environment and pause before agreeing to round 2 of Reaganomics. Last year the President received virtually his entire economic program. Last year in describing his budget, and its optimistic forecasts, the President said,

> In fact, if each portion of this comprehensive economic program is put in place—quickly and completely—the economic environment could improve even more rapidly than envisioned in these assumptions.

This year, the roof seems to be falling in, and the President and this conference report are offering us just more of the same.

I cannot support this. During the Senate's deliberations on the budget last month I gave my support to a bipartisan budget plan. I did not agree with every aspect of the plan, but I was willing to swallow my disagreements because on the whole I thought it was the best and most equitable option available. Furthermore, since it was bipartisan, I believe that it would have been a better basis from which to operate when we get down to passing the legislation which would be necessary to actually implement the budget resolution. That legislation is going to involve hard choices, and without a bipartisan consensus backing it, the chances of passage are going to be slim. I hope that the Congress will be able to return to a bipartisan approach.

There is one thing else which I find unacceptable. The President continually says that his budget does not make any cuts in spending. It only reduces the rate of increase, he says. But in doing this the President engages in a semantic sleight of hand. When talking about the need for greater defense spending he points to the need to keep to a certain level of real growth, so that even after inflation is taken into account, the Pentagon is still getting substantially more money this year than it did last year.

However, when talking about spending for nondefense programs, the President talks about increases in spending, which fails to factor in the effects of inflation. It would seem to me that what is good for the defense goose is good for the nondefense gander. But after looking at the numbers it becomes clear why the President fails to take into account inflation when he is talking about his support for domestic programs.

What the numbers show is that the programs funded under the income security function of the budget resolution—which includes social security, unemployment compensation, child nutrition and Aid to Families with Dependent Children—will be cut by $800 million in constant dollars in fiscal year 1983, and not increased by $18 billion which would be the case if we ignored inflation. What these numbers show is that programs funded under the health function of the budget resolution—which includes medicare and medicaid—will be cut by $2 billion in constant dollars in fiscal year 1983, and not be increased by $4.1 billion. When we look at the energy function, we find that this conference report will result in a real decrease in spending of $2.2 billion.

So, let us make it clear. This budget does cut spending in real terms. People

will experience real cuts in services. People will be hurt. And if there is one thing worse then hurting people, it is to hurt them and not be candid with them about it. It is to hurt them and to deny the existence of pain.

Mr. President, I ask that a table detailing the real effect on spending of this budget resolution by functional categories be included in the RECORD.

The table follows:

THE CHANGE IN SPENDING FROM FISCAL YEAR 1982 TO FISCAL YEAR 1983 AFTER TAKING INFLATION INTO ACCOUNT[1]

[In billions of dollars]

Function	Fiscal year 1982	Fiscal year 1983 (current dollars)	Fiscal year 1983 (constant dollars)	Fiscal year 1982/fiscal year 1983 (change in constant dollars)
Defense:				
BA	218.2	253.5	233.5	+15.3
O	187.5	213.9	197.1	+9.6
International affairs:				
BA	16.7	15.9	14.7	−2.0
O	11.4	11.5	10.6	−0.8
General science, space and technology:				
BA	7.0	7.8	7.2	+0.2
O	7.0	7.6	7.0	
Energy:				
BA	4.8	4.8	4.5	−0.3
O	6.4	4.5	4.2	−2.2
Natural resources and environment:				
BA	10.3	9.5	8.8	−1.5
O	12.8	10.9	10.1	−2.7
Agriculture:				
BA	9.9	6.6	6.1	−3.8
O	13.8	9.0	6.3	−7.5
Commerce and housing:				
BA	9.4	7.1	6.6	−2.8
O	3.7	2.8	2.6	−1.1
Transportation:				
BA	20.8	21.4	19.8	−1.0
O	21.3	19.9	18.4	−2.9
Community development				
BA	7.0	6.9	6.4	−0.6
O	8.5	7.7	7.1	−1.4
Education, training, social services:				
BA	25.4	26.8	24.7	−0.7
O	28.1	26.2	24.2	−3.9
Health:				
BA	78.5	79.5	73.3	−5.2
O	73.7	77.8	71.7	−2.0
Income security:				
BA	256.7	274.7	253.0	−3.7
O	250.3	270.8	249.5	−0.8
Veterans' benefits:				
BA	24.8	24.5	22.6	−2.2
O	23.8	23.8	22.0	−1.8
Administration of justice:				
BA	4.5	4.5	4.2	−0.3
O	4.6	4.6	4.3	−0.3
General government:				
BA	5.2	4.8	4.5	−0.7
O	5.0	4.6	4.3	−0.7
General purpose fiscal assistance:				
BA	6.4	6.5	6.0	−0.4
O	6.3	6.5	6.0	−0.3

[1] The inflation rate assumed is the GNP deflator of President's Feb. 8, 1982, budget.●

Mr. DECONCINI. Mr. President, I voted against the first concurrent budget resolution for fiscal year 1983 (S. Con. Res. 92) when it passed the Senate on May 21. The level of deficit financing it contemplated was much too high; its programmatic implications were unacceptable in several critical areas such as foreign aid, veterans affairs and law enforcement; and, taken as a whole, it did not provide the framework for the kind of genuinely bipartisan fiscal plan that, in my view, is a precondition for sustainable economic recovery. Unfortunately, I will be forced to vote against this conference report for the same reasons.

I cannot endorse a budget plan that projects, on the basis of what may charitably be called optimistic economic and technical assumptions, $247.8 billion in deficits over the next 3 fiscal years coupled with a Federal debt exceeding $1.5 trillion by fiscal 1985. Continual fiscal indiscipline can only compound the financial pressures behind the high interest rates that have thrown thousands of businesses into bankruptcy, hundreds of homeowners into the streets, and millions of workers out of their jobs. Significantly, interest costs alone, under the conference agreement, will amount to $342.7 billion over the fiscal year 1983–85 period. This, it should be noted, is $94 billion more than would be required to eliminate the fiscal year 1983–85 deficit. Interestingly, it also assumes that interest rates, which just a day or so ago Secretary Regan said are headed back up, will fall sharply over the next 3 years. Indeed, lower interest rates account for $54.9 billion of the savings contained in the resolution before us. I cannot support a scheme that, on the one hand, adds over one-quarter of a trillion to $1 trillion national debt and, on the other, saves $55 billion from reduced Federal financing costs. Whom are we trying to kid?

Nor can I support a fiscal frame that contains so many programmatic distortions. A couple of examples illustrate the point very nicely. Under the conference substitute, disabled veterans would be required to absorb $619 million in reduced pension benefits; the aged poor along with sightless and disabled persons who, because of their handicap, are destitute would, under this budget, see the pittance they now receive cut an additional $200 million. Further, the conference substitute would require veterans and military and civilian retirees to contribute $5.4 of their prospective pension benefits to the deficit reduction effort. Beneficiaries of social security and railroad retirement would, however, receive the full COLA to which they are entitled. It is patently unfair to single out those who have served their Government, often at great personal risk and sacrifice, for cuts in pension benefits. They, too, should be able to count on the pension rights they have earned.

I cannot endorse deep cuts in law enforcement at a time when serious crime is reaching epidemic proportions throughout the country. The Senate version of this resolution would have provided a total of $15 billion over the fiscal year 1983–85 period, an amount that is probably, judging by the gravity of the situation, far short of adequate. The conference substitute would provide a little over $13.5 billion for this function for the same period. If we are really committed to doing something at the Federal level about the skyrocketing crime rate, a $1.5 billion cut is hardly the place to start.

Finally, Mr. President, a bipartisan budget coalition cannot be built on funny numbers. The financial markets are not going to be convinced that we are really serious about fiscal restraint so long as we resort to Stockman-like manipulation of economic and spend-out projections. The capital markets, like other institutions, are accustomed to dealing in quantities. Thus this agreement would achieve savings of $46.4 billion via management initiatives, many of which the nonpartisan Congressional Budget Office has already characterized as wildly optimistic. Another $8.8 billion cut simply reflects a change in the technical approach to estimating outlays—a paper cut if ever there was one. Examples could be multiplied but it is clear what is going on here. Budgeteering with blue smoke and mirrors may be politically expedient; it will not fool the markets. Mr. President, I urge rejection of the conference report.

Mr. MITCHELL. Mr. President, as the Congress has considered the fiscal year 1983 budget in recent months, the U.S. economy has deteriorated. Nearly 10½ million workers, comprising 9.4 percent of our work force, are out of work. The high rate of business failures and bankruptcies, and the depressed state of the auto, housing, and forest products industries highlight the failure of current economic policies.

Not only are our budget policies failing, but they are also unfair. Recent public opinion polls show that an increasing number of people share the belief that last year's budget and tax cuts benefit the wealthy at the expense of the middle and lower income classes.

The administration ignored these trends in formulating its 1983 budget. Rather, the administration recommended a budget that continued along the same path that has led us to where we are now. The President recommended record budget deficits, further steep cuts in domestic programs, an excessively rapid increase in defense spending, and no compromise on his income tax program.

That budget proposal was greeted with criticism immediately, and was considered dead before Congress even began consideration of the 1983 budget. The final blow was delivered by the Senate Budget Committee which, even though controlled by Republicans, rejected the President's budget by a vote of 20 to 0.

The way out of our budget impasse would have been to devise a bipartisan alternative to the President's budget. Unfortunately, the conference report approved by the Senate today does not

reflect such an approach. This budget is clearly inadequate. It does not make sufficient progress toward lower deficits, thus setting the stage for higher interest rates and, at best, a weak recovery. Furthermore, this budget still fails the fairness test.

The single most important reason to approve a budget, we have been told, is to reassure financial markets that Congress is determined to act responsibly on the budget. Yet this budget lacks the reliability necessary to provide this assurance. According to the Congressional Budget Office, this budget resolution understates the actual deficit over the next 3 years by nearly $66 billion.

Once adjusted for these overly optimistic budgetary assumptions the deficits contemplated in this budget are simply too high. The CBO estimates that the deficit will fall from $116 billion in 1983 to only $93 billion in 1985. By contrast, the alternative budget I favor would have much smaller deficits.

In addition, this budget has spending cuts in the wrong areas, spending increases in the wrong areas, and continues an unfair tax policy.

The budget cuts anticipated by this resolution place a heavy burden on our Nation's elderly, disabled, and disadvantaged. Savings would be achieved by shifting a greater share of health care costs to the elderly and by imposing further cuts on the working poor, food stamp recipients, and other needy recipients under Federal programs.

I reject the notion that cutting these programs represents the only solution to correcting our economic problems. Rather, these cuts are being promoted to finance an excessively rapid increase in defense spending and an ill-timed reduction.

Just as many domestic programs will face reduced funding, rapid increases in defense continue abated. This resolution contemplates a substantial increase in budget authority for defense beyond that necessary to compensate for inflation.

I agree that we need to devote more resources to build a stronger national defense, particularly in the area of conventional force readiness. Yet a slower, steadier buildup makes more sense for the economy, and it buys better defense in the long run as well. Not only would a steadier increase in defense contribute to lower interest rates, but we would avoid bottlenecks in key sectors and encourage a more efficient use of the funds available. The amendments to this budget that I supported would still have provided for a significant increase in real defense spending but would not neglect human needs in doing so.

Similarly, this budget exhibits an inflexible approach to tax policy. While I strongly support the 1982 tax reduction as a needed stimulant to our stagnant economy, I believe that the scheduled 1983 tax cut should be deferred until the economy improves. I recognize the need to reduce taxes for all working Americans, but again moderation is in order. Implementing the third stage of the tax cut before interest rates have fallen and we have achieved control over Federal deficits could set us back in our efforts to resume sustained economic growth.

Furthermore, the tax cut should be modified to give more relief to middle-income families who pay the greatest amount of taxes but will receive a disproportionately small share of the scheduled tax cuts. Such a move would help reverse the growing perception that our budget policies are unfair to middle-income Americans.

American taxpayers want and deserve a balanced, moderate approach to reducing the deficit. This budget resolution offers instead more of the same—an imbalanced program involving sharp cuts in domestic programs and excessive defense and tax policies. Until we can fashion a more equitable budget, our policies will not and should not enjoy the support of the American people.

Mr. PELL. Mr. President, the budget adopted by the Congress for the U.S. Government is more than a simple plan of how the Government should spend its money during the coming year. The budget is a vitally important statement of the policies of the American people and of the Government. The budget is a statement also of the priorities of our Nation.

I voted against the budget resolution considered by the Senate today because I believe this budget is based on mistaken policies and sadly misplaced priorities. The budget proposal before the Senate is unrealistic and economically unsound.

The budget, while providing for continuation of an unprecedented increase in military spending, places a heavy burden of new budget cuts on nondefense programs. In 1983 alone, the resolution would require a cut of $3.6 billion in medicare, $700 million in medicaid, and $900 million in child nutrition and food stamps for the needy. Over the next 3 years, the resolution would require cuts of $25.3 billion in these and other entitlement programs.

In addition, the resolution would require budget reductions of $35.3 billion in nondefense programs during the next 3 years. The resolution squeezes $5.4 billion out of the retirement and pension checks of veterans, and military, and civilian retirees, by capping the inflation adjustments of those pensions.

In all, the proposed budget requires cuts in spending totaling $280.2 billion during the next 3 years, but of that total less than 10 percent—just $26.3 billion—will be taken from the huge increases proposed in military spending.

I believe these budget cuts represent a tragic error in our national priorities, especially when we consider that Federal programs for education, food, housing, for health care and for the elderly have already been subjected to deep budget cuts during the past 2 years. These budget cuts will also bear heavily on the programs of transportation, roads, water resources, and other investments important to the economy of our Nation.

And yet, despite all of these reductions, the budget resolution still provides for unacceptably large Federal deficits for the next 3 years. This budget would add $247.8 billion to the Federal debt over the next 3 years. Those deficits will make it very difficult to bring down the very high interest rates that are suffocating the American economy. It is those high interest rates, which threaten to undermine any strong recovery from the current recession. It is those high interest rates that condemn millions of Americans today to unemployment.

Regrettably, this budget resolution provides no solution to the problem of high interest rates, but threatens to continue the damage being done by high interest rates.

Mr. President, I believe it is time we recognize that it is the economic policies of the administration that have caused and are causing economic hardship, unemployment, and bankruptcies throughout the Nation. Faced with the failure of the administration's economic policies, we should not now approve another dose of the same policies and prescribe more of the same medicine.

This budget resolution promises more of the same economic misery we have suffered through for the past year.

For all of these reasons I voted against the resolution.

Mr. BAKER. Mr. President, could I inquire of the managers of this measure if perhaps they would be in a position to go to the consideration of the substitute? I know of no other amendments to be offered. While there may be time remaining, I think this is a good time, for the convenience of Members on both sides of the aisle, to consider that important vote. Would the managers be in a position to yield back time at this time and proceed?

Mr. HOLLINGS. We would be.

Mr. DOMENICI. I am prepared to yield back my time.

Mr. BAKER. I thank the managers.

Mr. President, I ask for the yeas and nays on the motion to concur in the House amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I yield back the remainder of my time.

A parliamentary inquiry. The issue, then, is our agreement to the House amendment?

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion to concur in the House amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "nay."

The PRESIDING OFFICER (Mrs. HAWKINS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 54, nays 45, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—54

Abdnor	Gorton	Packwood
Andrews	Grassley	Percy
Armstrong	Hatch	Pressler
Baker	Hatfield	Quayle
Boschwitz	Hawkins	Roth
Brady	Hayakawa	Rudman
Chafee	Heflin	Schmitt
Cochran	Heinz	Simpson
Cohen	Humphrey	Specter
D'Amato	Jepsen	Stafford
Danforth	Kassebaum	Stennis
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Lugar	Thurmond
Durenberger	Mattingly	Tower
East	McClure	Wallop
Garn	Murkowski	Warner
Goldwater	Nickles	Zorinsky

NAYS—45

Baucus	Exon	Melcher
Bentsen	Ford	Metzenbaum
Biden	Glenn	Mitchell
Boren	Hart	Moynihan
Bradley	Helms	Nunn
Bumpers	Hollings	Pell
Burdick	Huddleston	Proxmire
Byrd, Harry F., Jr.	Inouye	Pryor
Byrd, Robert C.	Jackson	Randolph
Chiles	Johnston	Riegle
Cranston	Kennedy	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Tsongas
Dodd	Long	Weicker
Eagleton	Mathias	
	Matsunaga	

NOT VOTING—1

Cannon

So the motion to concur in the House amendment was agreed to.

Mr. BAKER. Madam President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTION OF TYPOGRAPHICAL ERRORS

Mr. DOMENICI. Madam President, there are some typographical errors in the star print of the conference report and the statement of the managers on Senate Concurrent Resolution 92. I ask unanimous consent that the following list of corrections be printed at the appropriate place in the RECORD and that an errata sheet be printed and distributed with the conference report and the statement of the managers. Further, I ask unanimous consent that the crosswalk allocations in the conference report be deemed to conform to the errata sheet as printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list of corrections ordered to be printed in the RECORD follows:

(1) On page 5, paragraph numbered (3), fiscal year 1982, line (B) Outlays, strike out "$7,000,000" and insert "$7,000,000,000".

(2) On page 12, under the heading Senate Committees, paragraph numbered (2), the line beginning "and to reduce" strike out "$1,231,00,000" and insert "$1,231,000,000".

(3) One page 16, subsection (b), item numbered (1), strike out "401(a)(1)(B)" and insert "401(d)(1)(B)".

(4) On page 17, section 9(b)(2), after the words "committee of each House," add the word "shall".

(5) On page 20, in the heading of the first table on the page, strike out "985" and insert "1985".

(6) On page 24, in the table Fiscal Year 1984—Budget Aggregates and Functional Categories, on the line Change in Public Debt Limit, strike out "127.9677" and insert "+127.9677".

(7) On page 29, in the line Revenue Inceases: Ways and Means, strike out "−36,000" and "−41,400" and insert "+36,000" and "+41,400", respectively.

(8) On page 30, under the heading Credit Budget, first paragraph, after the words "The conference substitute provides", strike out "$63.3" and insert "$63.6".

(9) On page 36, in the table Senate Committee Credit Allocations Pursuant to Section 9 of S. Con. Res. 92, Fiscal Year 1983, on the line Banking, Housing, and Urban Affairs Committee, strike out "5" and "75" and insert "924" and "20,997", respectively. In the same table, on the line Veterans' Affairs Committee, strike out "1,042" and "20,922" and insert "123" and ". . .". respectively.

Mr. BAKER. Madam President, I wish to express my deep appreciation to the distinguished chairman of the Budget Committee and the distinguished ranking member for their expeditious handling of a matter which was full of controversy and difficulty and which represents the best efforts of this committee and of the conferees and good faith cooperation on both sides of the aisle. I am pleased that this matter has been brought to a successful conclusion, and I congratulate all members of the committee, all Members of the Senate, and express my personal appreciation for their good work.

EXTENDING UNEMPLOYMENT BENEFITS

Mr. MATHIAS. Madam President, today I am pleased to be added as a cosponsor to S. 2550, a bill introduced by the distinguished senior Senator from Pennsylvania, JOHN HEINZ. This legislation would provide 13 additional weeks of unemployment compensation to those who had exhausted their benefits under the extended benefits program. If this legislation is not passed, hundreds of thousands of jobless Americans will soon be ineligible for further unemployment compensation. For many, a tragic situation is getting worse each day.

The statistics are depressing enough, but the effect of unemployment on individuals and on our society is devastating. People are losing their homes, their life's savings, and their self-respect. This cannot continue. Something must be done about it.

The State of Maryland has been particularly hard hit by unemployment. For example, in the western part of the State, Garrett County has an official unemployment rate of 18.5 percent; in Allegany County it is 13.5 percent. On the eastern shore, in Somerset County, the official unemployment rate is 24 percent, and in the city of Baltimore it is 11.5 percent. As these figures reflect, the entire State is suffering, but they do not tell the whole story. They do not include the tens of thousands of Marylanders who have stopped looking for work altogether, who have given up because jobs just are not there to be had.

As of June 12, almost 66,000 Marylanders were receiving regular unemployment compensation benefits. Another 24,500 Marylanders have applied for funds under the extended benefits program. What happens to these people when the benefits run out and there is still no work to be found? That is a frightening question, and it is incumbent on us to answer.

It is up to the U.S. Congress to address this deplorable condition of our economy and to devise solutions that will put people back to work. But, as we work toward this goal, we must not forget those who have already fallen victim to our ailing economy. That is why passage of S. 2550 is so important. We must sustain our jobless fellow citizens through this dark night. Passage of S. 2550 will contribute to that end.

I urge all my colleagues to join in this effort and work for immediate Senate consideration of this much needed legislation.

Mr. PROXMIRE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Madam President, I understand there is a message at the desk from the House on a supplemental appropriations bill; is that correct?

The PRESIDING OFFICER. There is a bill from the House.

Mr. BAKER. A bill from the House entitled an urgent supplemental appropriations bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Madam President, I am prepared to proceed to the consideration of this matter at this time, and I see the distinguished chairman of the Appropriations Committee is here.

May I inquire, is he prepared to proceed to the consideration of the supplemental?

I understand that certain conversations are going on in that respect. I will ask the Chair shortly to lay that bill before the Senate. For the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

URGENT SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR ENDING SEPTEMBER 30, 1982

Mr. BAKER. Madam President, I am advised that a bill from the House is at the desk. I ask unanimous consent that the Senate proceed to the consideration of H.R. 6645.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 6645) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HATFIELD. Madam President, I was on the floor this morning in a colloquy with the chairman of the Budget Committee, the Senator from New Mexico (Mr. DOMENICI), in obtaining clarification on matters relating to this stopgap type of action we find ourselves in, in passing the budget resolution. Little did I expect that twice in 1 day I would stand on the floor of the Senate and indicate that I was very unhappy and distressed by the procedure we found ourselves forced to follow because of circumstances and because we are really, in a sense, being victimized by such circumstances at this moment.

So I very reluctantly, but with realism, have to stand here today, on the Senate floor, and urge the Senate to adopt what is really an interim stopgap measure.

I must say to the Members of the Senate that the Senate and House conferees have acted, and the House and the Senate, as individual bodies, are presently at loggerheads over some issues of congressional living expenses and limitation on outside earned income.

However, rather than delay further on those issues and jeopardize some essential operations of Government, the House this morning passed—and I now recommend that the Senate pass—H.R. 6645.

Madam President, the measure provides funding for a number of activities considered most urgent, ones for which funds are required sometime between now and the end of July. Except for EPA construction grants, NOAA weather stations, guaranteed student loans, CAB payments to air carriers, and ICC directed rail service, the funds appropriated by this bill are to be made available for obligation only until July 20, 1982. I emphasize and underscore that this is until July 20, 1982, the lapse date that the House used for obligation of the appropriations contained in this bill. I assure my colleagues that we have no intention of abandoning H.R. 5922, which is the urgent supplemental that was acted upon by the Senate and sent back to the House with an amendment in disagreement.

That was the original urgent supplemental. There are many issues that bill addresses that are of interest to numerous Senators. I assure each of them and the Senate as a whole that we will return to that vehicle after the expiration of the recess; and I can assure my colleagues that I will seek early action on that vehicle.

In other words, by adopting this interim stopgap H.R. 6645, we are preserving the original vehicle of the urgent supplemental. This is an emergency measure.

Therefore, I urge my colleagues that we act upon it without amendments. We are not in position to entertain amendments because of the timeframe in which the House of Representatives expects to adjourn either tonight or tomorrow at the latest. We must act before the House of Representatives adjourns, because any changes we make in this vehicle will require further action by the House of Representatives.

Therefore, again I find myself in a very untenable position, having to urge upon my colleagues, with great distaste, the kind of action that is necessary to fill the gap and preserve the present bill, H.R. 5922, and to deal with those issues which are not dealt with in this interim measure.

These appropriations have to be in place to fund the truly essential activities for the next few weeks. I think it is important to indicate to the Senate what is included in this urgent interim stopgap measure. I do not know what kind of acronym that may spell out. I have other ideas as to what kind of acronym I should like to apply to it, but I will not engage in that luxury at this moment.

First of all, what is in the bill? Employment and Training Administration, $8,742,000; Employment Standards Administration, $4.2 million; Bureau of Labor Statistics transfer, $5.6 million; Department of HHS, Office of Inspector General, $13.9 million; student loan insurance, $1.3 billion; housing programs, the rescissions, minus $4 billion; payments for low-income housing projects, $198 million; Government National Mortgage Association, $150 million; Environmental Protection Agency, for construction grants, $2.4 billion; Civil Aeronautics Board, $28.4 million, directed rail service, ICC, $8 million; Bureau of Government Financial Operations, $81.6 million; Bureau of Alcohol, Tobacco, and Firearms, $23.8 million; Merit Systems Protection Board, $4 million; U.S. Tax Code, $1.5 million; National Oceanic and Atmospheric Administration, $2 million; food stamp program, $335 million.

Funds cannot be obligated beyond July 20—I underscore this—except for certain items for whch funds are to be made available until expended.

Madam President, I have a list of some 46 other items and programs which are deleted, which are not in this. Many of these are of great importance to the Members.

I had a call today from Secretary Baldrige, and he indicated that there have been omitted from this present vehicle moneys for the Department of Commerce, which would require him to cease the services of a number of his inspectors general, lawyers, and other very important personnel.

Our understanding from the House side is that that perhaps was inadvertent, at least, if that had been looked at on the second go-round, they would have included it. That is $3.1 million.

I understand that there was a misplacement or perhaps an inadvertent changing of a date in a HUD program from October to September which would affect some 70,000 units of housing which in itself when brought to the attention of certain staff of the House of Representatives indicated that at least to our understanding they might not have deleted that but this was put together under very adverse circumstances on the House side. Certainly no one is to be criticized. They, again, I think were all victims to a great extent of circumstances.

Another very important item, and I see the Senator from Indiana on the floor, is the deletion of $3 million of the housing stimulus program that was sponsored by Senator LUGAR of Indiana.

Next is the Coast Guard, $48 million, and I as a member of the delegation from a coastal State can certainly attest to the importance of that Coast Guard program to our State, especially as we are now in the season of recreation in which a great part of that Coast Guard funding is for search and rescue of distressed vessels, recreational and commercial fishing vessels.

I look at many others. We have the U.S. Secret Service with $2.7 million, Customs Service with $14 million and highway aid programs of $91 million.

Madam President, I am only illustrating the fact that there are many, many worthy and important programs that have been deleted by the House action and in which I feel by just sheer necessity and practicality we must undertake to correct these deficiencies and these deletions before the expiration of this vehicle on July 20. In other words, I again want to give my full assurance to the colleagues that this will be our number one priority on the Appropriations Committee, to try to work out the differences with the House of Representatives on the present vehicle of H.R. 5922.

I might say to the membership further that there are certain issues that are not at stake here. Howard University funds, Hawaiian lands, FTC, ICA, balanced budget amendment, university affiliated facilities, Brazil—IMET, technical amendments re heading, section, and so forth changes. Those were dropped in conference.

So I am trying to lay out here what this is and what it is not. If there are those who wish to have me respond to a special program, as I say I have a list of 46 of them that are not included and a list of 17 that are included and that is why I must lay before the Senate this bill at this time urging the Senate's adoption of this measure as purely a stopgap measure with full assurance that we are going to address these vital issues that are not included, and I want to say to my good friend the Secretary of Commerce as much as I would like to accommodate his particular need I am hopeful that he can cripple through until the 20th until we get back and address these issues which are so very important.

Mr. President, this is not a happy day. But this is the situation we are in.

Mr. PROXMIRE. Madam President, I have admiration, respect, and affection for my good friend from Oregon, the chairman of the Appropriations Committee, and I know how very, very much he wants to simply pass and act on this bill now within the next few minutes. I wish I could accommodate him.

I think, however, we should consider the situation a little further. The legislation before us is a dramatically stripped-down version of H.R. 5922, the urgent supplemental that is now before the Senate. Yet, even this bare bones bill makes some substantial increases in the President's budget request.

For example, the bill exceeds the request for student loan funds by $322 million. It includes $150 million for GNMA tandem funds that were not requested by President Reagan. It provides $198 million for public housing operating difficulties that were not in the President's budget.

I might say, also, that I think the Senator from Oregon has made a very persuasive argument that through oversight, through the fact they had to move very rapidly and did not have opportunity to check this out as carefully as they should some absolutely essential actions were not taken by the House of Representatives.

Furthermore, one provision that would save the taxpayers money is not in the bill and while the saving is not significant the symbolism is enormously significant, and I am talking about the $3,000 ceiling on tax deductions for Members of Congress.

Both bodies resoundingly opposed the present tax break for Members that we put on the books late last year and it is still in the law. The support for its repeal was far stronger than the support for any other part of the urgent supplemental; in this body we voted 70 to 23 against substituting another amendment that would have taken off the ceiling and require a substantiation of D.C. deductions.

In the House of Representatives it was even more. It was even more emphatic. They voted first 366 to 43, almost 10 to 1 against the substitute. And then on the issue itself they voted 378 to 7. Only seven Members of the House of Representatives opposed this measure.

Madam President, why should we not include this in the bill? The House of Representatives has just overwhelmingly indicated their willingness to repeal the tax break that we gave Members of Congress last year. Certainly, it would not risk a Presidential veto. There is no expression of opposition on the part of the President to going back to the $3,000 limit that we had for 30 years in Congress, and I am sure there will not be.

As I say both bodies have gone emphatically on record for it. The President has no objection to it. It would answer the overwhelmingly negative reaction of the public to this special advantage for Senators and Congressmen and would get the issue behind us. It would also permit Congress to act de novo based on settled law under which we have operated, as I say, since 1954.

We would not be put in the position of stalling to keep alive that $50 or $75 per day deduction for Congress through another year and then indefinitely.

UP AMENDMENT NO. 1040

(Subsequently numbered amendment No. 1904.)

Purpose: To reinstate the $3,000 ceiling on business expense tax deductions by Members of Congress)

Mr. PROXMIRE. Madam President, I send to the desk an amendment on behalf of myself, Senator DECONCINI, Senator EXON, and Mr. RIEGLE and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) for himself, Mr. DECONCINI, Mr. EXON, and Mr. RIEGLE proposes unprinted amendment numbered 1040.

Mr. PROXMIRE. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following:

SEC. 202 (a) The last sentence of section 162(a) of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by inserting ", but amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of $3,000" after "home".

(b) Paragraph (4) of section 280A (f) of such Code (relating to coordination with section 162(a)(2)) is amended to read as follows:

"(4) Coordination With Section 162(a)(2).— Nothing in this section shall be construed to disallow any deduction allowable under section 162(a)(2) (or any deduction which meets the tests of section 162(a)(2) but is allowable under another provision of this title) by reason of the taxpayer's being away from home in the pursuit of a trade or business (other than the trade or business of renting dwelling units).".

(c) Subsection (a) of section 139 of the Act of October 1, 1981 (95 Stat. 967), is hereby repealed.

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

Mr. PROXMIRE. Madam President, this is the identical amendment that the Senate has acted on before and that the House of Representatives has overwhelmingly approved. It is an amendment that we debated at some length before. In fact, we debated it earlier when Senator ARMSTRONG offered the amendment a month or more ago, and we had some 10 votes on this amendment.

The leadership opposed the Armstrong amendment at that time which was originally the bill I put in and BILL ARMSTRONG offered it as an amendment at that time, and the

Senate consistently and persistently insisted on supporting that amendment.

At that time, as I think the chairman of the Appropriations Committee will remember, I urged Senator ARMSTRONG not to offer it on that particular vehicle, that was the continuing resolution, and I think it would have been a disaster if we had done it on that. However, since it was offered, it was my original bill, and I supported it.

I do think, however, we now have an entirely different situation. How hypocritical really the Senate looks, if we go on record in favor of repealing the tax break overwhelmingly in the Senate and even more overwhelmingly in the House of Representatives and then somehow we just drop it when both bodies have acted on it, we both dropped it, and we continue to benefit from that tax break. I think that it is a very bad indication of the sincerity of the Members and I hope under these circumstances we can act on it.

I am prepared to vote and vote promptly on it.

Mr. HATFIELD. Madam President, I guess we might as well join the issue at this very moment, and I appreciate the Senator from Wisconsin in spite of my plea for not offering any amendment at least we can join the issue and get that behind us because I must say to the Senate and this is in no way to be interpreted as a threat or anything else but once we open this vehicle for any amendment we have opened the floodgates and I must say there are amendments that concern me deeply that I am as deeply committed to that I wish to offer. I know there are other Senators who feel deeply about amendments that if we start taking one they are going to be forced into a position to offer their amendments.

No Senator here with any integrity can refuse to offer an amendment for which he has gone on record and out to the public to sponsor in the past and will say if you accept one where were you in offering the ones that I am concerned about to different constituency groups?

I cannot go home to my coastal State of Oregon and say that I had acquiesced or moved to accept an amendment from the Senator from Wisconsin on this tax matter and not have offered an amendment to restore the money for the Coast Guard at a time and season when the Coast Guard search and rescue programs are so vital to the people who use the oceans, both in pleasure craft and commercial.

And there are many other programs here, so I do think we have to join the issue. I want to say, as I started to say, without any effort to threaten the Senate, if we accept any amendments, I am going to ask the leadership to pull the vehicle down, pull this down and take it off the calendar. Then we will have to stand accountable to the people in these various urgent programs that are included in this vehicle.

But I cannot, in good conscience, say that we are going to stand here today and select and accept certain amendments of Senators that may be very important politically, regionally, parochially, nationally, economically, socially, or any other thing. Because there are health programs—the Senator from Vermont has amendments here in which he was deeply involved, in maternal and child health care. My gracious, I do not know how we could say yes to a tax amendment and turn down maternal and child health care. That is motherhood.

Mr. ANDREWS. Will the Senator yield?

Mr. HATFIELD. I yield.

Mr. ANDREWS. Madam President, I think the Senator is making a great point for the Senate. Actually, one of the things that should be pointed out is that these are not only important parts of the bill as they left the Senate, but they are important from the standpoint from the taxpayers because if the House had kept most of these in, if not all of them, they would save the taxpayers of this country a good deal of money in getting them in place. The Coast Guard, which is in my subcommittee, as my distinguished chairman pointed out, we are going to lose money by postponing the urgent needs of the Coast Guard for another month or another month and a half or another 2½ months. The bridges, the highways, the infrastructure that this Nation needs to move into the years ahead are all suffering because of the dilatory tactics the other body took in dropping many of these needed items from the bill.

I commend my chairman and I join him in his remarks.

Mr. HATFIELD. I thank the Senator from Oregon.

Mr. PROXMIRE. If the Senator will yield, I agree with much of what the Senator from North Dakota has said and suggest that a prudent policy would be simply, when these amendments come up, if we accept them, put them in at the conference level. After all, the conference agreed to most of these, virtually all of these amendments. Why not put them in at the conference level that was agreed to? It seems to me there is a good chance, under those circumstances, that the House would not have to go back to conference.

Mr. HATFIELD. But, of course, I remind the Senator from Wisconsin that the conference did not agree with his amendment.

Mr. PROXMIRE. They did not agree with my amendment, that is true. They agreed with my amendment, but they added a little extra language on honoraria.

Mr. HATFIELD. As reported in disagreement.

Mr. PROXMIRE. Nevertheless, they overwhelmingly supported my amendment in rollcall votes on the floor. The Senator would concede that, I am sure.

Mr. LEAHY. Madam President, the Senator from Vermont has been referred to in this colloquy. I wonder if I might have a moment.

Mr. HATFIELD. I am happy to respond to the Senator from Vermont and yield for a question.

Mr. LEAHY. Madam President, the distinguished Senator from Oregon was kind enough to refer to my amendment and refer to it approvingly. I appreciate the support the distinguished chairman of the Appropriations Committee gave that.

That amendment on health care is extremely important to me. I think it is extremely important to anyone from any rural area, especially, in this country. It is a matter of some urgency because of the planning necessary. We either get the money in there fairly soon or we have a number of health centers that are just going to have to close down and probably will not open up again in rural areas desperately underserved.

So I note that I am very concerned about the problem of the Senator from Oregon in trying to get this bill through. I respect his intention to pull it down if amendments are added to it. But I should note for my chairman that if amendments do start going onto this vehicle, I am going to be constrained to offer that amendment, as I suspect others will on other things they feel equally strong about.

Mr. HATFIELD. I thank the Senator from Oregon.

Mr. PROXMIRE. Will the Senator yield so I may get the yeas and nays?

Mr. HATFIELD. Yes.

Mr. PROXMIRE. Madam President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. Madam President, I yield to the Senator from Indiana.

Mr. LUGAR. Madam President, I will simply state for the sake of this colloquy on affirmative action that clearly in the event the amendment of the Senator from Wisconsin is adopted, I will offer the housing stimulus amendment. I suspect it has been debated even more than the amendment of the Senator from Wisconsin. I anticipate it would pass and I hope that it would pass.

I would simply say for the record that the House of Representatives, simply by agreeing to the action we took yesterday, could have already sent to the President the whole busi-

ness. It is a very simple maneuver by the House presently without going through all of what we are constrained to do.

I think Senators will understand clearly my position. But so there will not be any mistake, I have the amendment ready and I hope that it would pass rapidly and join a number of other meritorious amendments.

Mr. ANDREWS. Mr. President, if I might point out to the chairman, as I mentioned before, many of these sections of the bill, as they left the Senate, are extremely important. This is not a matter of parochial interest to me, but I intend to offer the amendment if other amendments are passed, that restore funding for the Coast Guard. Coming from North Dakota, which has all kinds of advantages, we even have to admit that we do not have much Coast Guard, so this is not a personal thing for the people of North Dakota. But it is a very important thing to the people of this Nation and for the long-term protection of this Nation.

Madam President, I would like to point out that I intend to offer that amendment if amendments are going to be made, because I think it is important.

Mr. HATFIELD. Madam President, I thank the Senator from Indiana and the Senator from North Dakota for providing the evidence of my thesis that I have tried to carry here, very painfully and very unhappily.

I want to say again that I think the Senator from Wisconsin is correct. We have debated this particular amendment many times. I do not think we are in any way moving to cut off debate, but I would try to seek a confrontation on this whole question of whether we accept amendments by calling for a tabling motion of the amendment of the Senator from Wisconsin, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon (Mr. HATFIELD) to table the amendment of the Senator from Wisconsin (Mr. PROXMIRE). The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. RUDMAN) and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "nay".

The PRESIDING OFFICER (Mr. GOLDWATER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 21, nays 76, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—21

Baker	Goldwater	Matsunaga
Brady	Gorton	McClure
Cochran	Hatfield	Packwood
Cranston	Hayakawa	Percy
Dodd	Humphrey	Stevens
Dole	Inouye	Symms
Garn	Laxalt	Tower

NAYS—76

Abdnor	Exon	Mitchell
Andrews	Ford	Moynihan
Armstrong	Glenn	Murkowski
Baucus	Grassley	Nickles
Bentsen	Hart	Nunn
Biden	Hatch	Pell
Boren	Hawkins	Pressler
Boschwitz	Heflin	Proxmire
Bradley	Heinz	Pryor
Bumpers	Helms	Quayle
Burdick	Hollings	Randolph
Byrd, Harry F., Jr.	Huddleston	Riegle
Byrd, Robert C.	Jackson	Roth
Chafee	Jepsen	Sarbanes
Chiles	Johnston	Sasser
Cohen	Kassebaum	Schmitt
D'Amato	Kasten	Specter
Danforth	Kennedy	Stafford
DeConcini	Leahy	Stennis
Denton	Levin	Thurmond
Dixon	Long	Tsongas
Domenici	Lugar	Wallop
Durenberger	Mathias	Warner
Eagleton	Mattingly	Weicker
East	Melcher	Zorinsky
	Metzenbaum	

NOT VOTING—3

Cannon	Rudman	Simpson

So the motion to lay on the table Mr. PROXMIRE's amendment (UP No. 1040) was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I would like to yield momentarily to the Senator from Indiana for the purpose of offering an amendment.

UP AMENDMENT NO. 1041

(Purpose: To provide mortgage assistance payments)

Mr. LUGAR. Mr. President, I send to the desk a second-degree amendment to the Proxmire amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Indiana (Mr. LUGAR), for himself, Mr. RIEGLE, Mr. JACKSON, Mr. BOSCHWITZ, Mr. GORTON, Mr. METZENBAUM, and Mr. PACKWOOD, proposes an unprinted amendment numbered 1041.

Mr. LUGAR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the amendment insert the following:

EMERGENCY MORTGAGE INTEREST REDUCTION PAYMENTS

For emergency mortgage interest reduction payments, $3,000,000,000, of which $2,500,000,000 shall be available for use in connection with mortgages or loans involving dwellings referred to in section (g)(3)(A), not more than $400,000,000 shall be available for use in connection with mortgages or loans involving dwellings referred to in section (g)(3)(B), and $100,000,000 shall be available for assistance payments with respect to that portion of the principal obligation of mortgages or loans assisted under this heading which exceeds $77,625, to remain available until expended. Such amount shall be made available under the terms and conditions of the following paragraphs:

(a) For the purpose of assisting middle and lower income families in acquiring a home, a manufactured home, or membership in a cooperative association operating a housing project or in substantially rehabilitating a home or a unit in a cooperative housing project, the Secretary of Housing and Urban Development, hereafter referred to as the Secretary, is authorized through the Government National Mortgage Association, to make and to contract to make periodic interest reduction payments on behalf of such families. Such assistance shall be accomplished through payments to mortgagees and lenders or their transferees holding mortgages and loans meeting the requirements of this heading.

(b) The Secretary may not enter into any contract to make emergency home mortgage interest reduction payments under this heading during any month unless the Federal Home Loan Bank Board's home mortgage interest rate index for conventional home mortgage loans closed, based on the moving average for the most recent two-month period, exceeds 12.5 per centum per annum.

(c) To be eligible for emergency interest reduction payments under this heading, the first mortgage or loan secured by the property, manufactured home, or shares in a cooperative must meet the requirements of or be insured under section (g).

(d) Assistance payments under this heading may be made over a period of not to exceed five years with respect to any mortgage.

(e) The amount of all emergency interest reduction payments made under this heading shall constitute a second lien on the property or shares with respect to which the payments are made and shall be repayable—

(1) when the property is sold;

(2) when the property ceases to be the principal residence of the mortgagor or borrower;

(3) upon any other disposition of the property specified in regulations of the Secretary; or

(4) upon the refinancing of the first mortgage or loan on the property or shares,

except that the amount repaid may not exceed 60 per centum of the homeowner's net equity, as determined by the Secretary.

(f) The amount of the emergency mortgage interest reduction payments with respect to any mortgage or loan shall be an amount not exceeding the lesser of—

(1) the difference between the amount of the monthly payment for principal and interest which the mortgagor or borrower is obligated to pay under the mortgage or loan, and the monthly payment for princi-

pal and interest which the mortgagor or borrower would be obligated to pay if the mortgage or loan were to bear interest at the rate of 11 per centum per annum; and

(2) the difference between the amount of the monthly payment for principal and interest which the mortgagor or borrower is obligated to pay under the mortgage or loan, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage or loan were to bear interest at a rate four percentage points less than the rate specified in the mortgage or loan.

(g) Notwithstanding any other provision of law, the Secretary may assist or may insure a mortgage or loan which shall—

(1) be executed by a mortgagor or borrower whose total family income did not exceed $30,000 during the year preceding the application for the mortgage or loan and who intends to occupy the property as a principal residence, except that the Secretary may increase the limitation contained in this paragraph by such amount as the Secretary determines to be necessary to enable mortgagors and borrowers to qualify for increased principal amounts established by the Secretary pursuant to paragraph (2).

(2) have a principal obligation not to exceed $67,500 except that the Secretary may establish increased principal amounts not to exceed the maximum principal obligation insurable in the area pursuant to section 203(b)(2) of the National Housing Act;

(3) involve a one- to four-family dwelling the construction, substantial rehabilitation, or manufacture of which (A) commenced on or after the date of enactment of this section heading and was substantially completed by November 30, 1983, or (B) commenced no earlier than one year prior to the date of enactment of this heading and was substantially completed by November 30, 1983, and which has never been sold other than to the mortgagor;

(4) provide for complete amortization over a period of not to exceed thirty years, but provide that (A) the mortgage or loan payment shall be adjusted for the second, third, fourth, fifth, and sixth years of the mortgage or loan by increasing the payment required during each such year by 0.75 per centum of the original principal obligation, and (B) the amount of the increase will be applied to reduce the principal obligation;

(5) provide, after the sixth year, for equal monthly payments in the same amount as the amount required in the sixth year, but only for the period necessary to pay off the remaining principal obligation;

(6) have been accompanied by disclosures of the scheduled adjustments in the monthly payment and of the requirements of section (e);

(7) be originated by a mortgagee or lender who is responsible and able to service the mortgage or loan properly;

(8) in the case of a manufactured home loan, comply with the regulations issued under section 501(c) of the Depository Institutions Deregulation and Monetary Control Act of 1980; and

(9) bear interest and contain such other terms and conditions as the Secretary may prescribe.

(h) The Secretary shall allocate the amount available to carry out this program among the States on the basis of a formula so that—

(1) one-third of such amount is allocated on the basis of the ratio of the population of each State to the population of all States;

(2) one-third of such amount is allocated on the basis of the percentage decline in one- to four-family housing starts, measured from 1978 to 1981, of each State relative to the percentage decline for all States; and

(3) one-third of such amount is allocated on the basis of the ratio of each State's number of unemployed persons for the most recent three-month period for which data are available prior to the allocation to the number of unemployed persons for all States for such three-month period.

(i) Any mortgage insured or assisted under this heading shall be eligible for purchase by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(j)(1) The Secretary shall assure that the amounts allocated pursuant to subsection (h) are made available in a manner which maximizes participation by eligible lenders and borrowers.

(2) The Secretary shall maximize timely utilization of authority under this heading by limiting the time within which a firm commitment may be issued to ninety days after the commitment (other than a firm commitment) is made.

(3) Notwithstanding any other provision of law, the Secretary shall issue final regulations, make allocations, and begin to issue commitments pursuant to this heading not later than thirty days after the enactment of this Act.

(k) The funds provided under this heading shall remain available for commitment until January 1, 1983.

Mr. LUGAR. Mr. President, the amendment I have sent to the desk is the stimulus housing legislation as approved by the conference. I think all Members are acquainted with the legislation, and I am hopeful that it will have the support of all Members.

The PRESIDING OFFICER. Will the Senator for Indiana repeat that? I do not think Senators heard him.

The Senate will be in order, please. The Chair cannot hear.

Mr. BUMPERS. Mr. President, the Senate is still not in order.

The PRESIDING OFFICER. I agree, The Senate will be in order.

Mr. LUGAR. Mr. President, I appreciate your bringing the Senate to order. Let me repeat, the amendment that I have just sent to the desk is the stimulus jobs-housing legislation precisely as passed by the conferees as a part of the other supplemental legislation, a second-degree amendment now to the Proxmire amendment, and I ask the support of all Members for the amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield for a question?

Mr. LUGAR. I am happy to yield to the Senator for a question.

Mr. PROXMIRE. The Senator says this is as it was accepted by the conferees?

Mr. LUGAR. Yes.

Mr. PROXMIRE. In other words, it is a compromise; it is less, substantially less—what, $2 billion or $3 billion less—than it passed the Senate?

Mr. LUGAR. It is $2 billion less than passed the Senate. It is a $3 billion piece of legislation.

Mr. PROXMIRE. It would require a payback?

Mr. LUGAR. Yes; it would require a payback.

Mr. PROXMIRE. I thank the Senator.

Mr. RIEGLE. Will the Senator yield?

I should like to ask the Senator if he would list me as a cosponsor on his amendment.

Mr. LUGAR. I ask unanimous consent that the Senator from Michigan be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Will the Senator yield?

I should like to join, too, as a cosponsor.

Mr. LUGAR. I ask unanimous consent that the Senator from Washington (Mr. JACKSON), the Senator from Washington (Mr. GORTON), and the Senator from Minnesota (Mr. BOSCHWITZ) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. LUGAR. I am happy to yield to the Senator for a question.

Mr. JOHNSTON. Is this legislation on an appropriation bill?

Mr. LUGAR. I would not want to respond to that question without further clarification, but I presume that the status is precisely as it was before, namely, that this was ruled as legislation on an appropriation bill, and clearly that was the condition in which it passed the first time. Then, after we were in the cloture situation, we had a suspension of the rules, had a two-thirds majority, the rules were suspended, and it was added a second time. We are back in a precloture situation. I presume the Senator from Louisiana recalls the history of the legislation.

Mr. JOHNSTON. I asked the Senator that question sort of to get him in the right mood to answer this question. I wonder if the Senator would take a slight modification to his amendment, which would be to add on the Coast Guard to the tune of $48 million? I am dead serious about it, because this is a matter of life and death. It is a clear oversight on the part of the Members of the House. There is no opposition to it. It is in the regular supplemental.

The situation is that you are either going to have to lay off a huge number of people or you are going to have to stop search and rescue, stop the VTS, which is the vectoring service on ships in the New Orleans area as well as in other areas around the country. I think if we can combine that, it will make your amendment even better.

Will the Senator consider that?

Mr. ANDREWS. Mr. President, will my colleague yield?

Mr. JOHNSTON. Yes.

Mr. ANDREWS. It was my intention to offer as an amendment, since amendments have now been made to this bill, the transportation section of this bill.

I said in a colloquy earlier that I committed to that, that it will restore the Coast Guard and other transportation functions at the level that they were in the conference reported bill, which is essentially the level they emerged from the Senate, because I think they are extremely important. We are having that amendment drafted and it will be presented, might I assure my colleague and good friend from Louisiana. Although I do not have too much presence in the Coast Guard, I recognize how important it is, because these ships and these men are doing the job of drug interdiction on the high seas, these ships that have been ordered are the ones that will stand out in the Caribbean and do the job for this Nation. It is idiotic not to have them as part of this bill. That is why they were in the bill as we sent it to the other body, and that is why they were in the conference report, and we will restore, if that meets—and I am sure it does—the approbation of my good friend from Louisiana and others, the section as it emerged from the conference which does just that.

Mr. JOHNSTON. That is exactly what the amendment would do. I am wondering if my friend from Indiana would agree to that?

Mr. LUGAR. I am not in a position to agree to that for the moment. I would want to consult with the distinguished chairman of the Appropriations Committee and perhaps others. I appreciate the question that is being raised, but I want to make certain that we are on the proper parliamentary course, working through difficult rocks and shoals as it is.

Mr. BUMPERS. Will the Senator yield?

Mr. LUGAR. I am happy to yield for a question to the Senator from Arkansas.

Mr. BUMPERS. I really wanted the attention of the majority leader. Apparently, he just left the floor. However, I see the assistant majority leader on the floor. I should like to ask if I may just direct a couple of questions to him.

My question is this: We passed the supplemental. We put the housing bill on it, which I strongly supported. We took the pay for the Senators off of it. We have been told, at least on this side of the aisle, that we were going to pass a clean bill this afternoon in order to get it to the President so the Government could keep operating, and now we are going around the mulberry bush on every one of the same amendments that were on the bill the President says he is going to veto; am I correct?

Mr. STEVENS. Mr. President, the Senator has a point. I must say that in the process of clearing this supplemental appropriations bill, that is before us now, I, unfortunately, have carried a message to the House that apparently is not correct I refer to the representation at least that we had gathered from the Members we spoke with that this bill could go through without amendments, with the understanding that the expiration date was July 20 at which time we would be able to get back to the issues, the controversial issues, including the Proxmire amendment and the Lugar amendment, in connection with the remainder of the items that are not included in this bill but were included in the supplement we sent from the Senate earlier.

The majority leader is now conferring with the House leadership to see what their preference would be. We have discussed this with the distinguished chairman of the Appropriations Committee. Basically, it will be his recommendation, I am sure, that the Senate will follow in terms of what to do with the supplemental now that it is apparent that it may be amended. If it is amended, we lose the facility of getting money to some of the agencies of Government before the recess without a veto. When we knew that the original supplemental in all probability was going to be vetoed, we sought to get money to some of the agencies where there was an emergency.

If that process fails, we have still not gotten there. But the Proxmire amendment was not tabled. It is my understanding the Senator from Indiana has an amendment to that amendment. If the Senate would table both of these and let this bill go, at least some of the agencies of Government will have the money before the recess, and by July 20 we will have to operate on the rest of them.

To the best of my knowledge, the House informed me that the amendments they took out of this bill when they sent the stripped down supplemental back were for items that did not require money before July 20.

Mr. BUMPERS. We have another bill coming, as I understand it, on July 20. As strong as I support the amendment of the Senator from Indiana on housing, it will wait until July 20.

Mr. STEVENS. So will the amendment of the Senator from Wisconsin on expenses away from home. It does not affect anyone until next year.

Mr. BUMPERS. It seems to me we are getting to the point here where we are going to openly confess that we are engaged in legislating selectively.

Mr. LUGAR. The Senator from Arkansas is presumably asking a question about the housing stimulus bill and whether it would last until——

Mr. BUMPERS. Let me ask this question. Is there anything in the housing bill that will not hold until July 20?

Mr. LUGAR. The answer is it will not hold until July 20, and that is the reason why I have been rising frequently in the last few weeks.

What we have to understand is that we are in the middle of not moving through the housing season. The point of having housing stimulus in this season is to resurrect houses and jobs now, not in the hereafter, not July 20, August 20. Clearly, the action taken by the House this morning was to kill the housing stimulus bill.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. LUGAR. I yield.

Mr. BUMPERS. Is it not an ironclad certainty that the President of the United States—your President—is going to veto this bill if that housing measure is on it?

Mr. LUGAR. No; that is not ironclad certain.

Mr. BUMPERS. Then, I have been misled by Members on your side of the aisle, all of whom tell me that the President is going to veto the bill with that on it.

Mr. LUGAR. Many of the President's advisers have said he would do that; indeed, they have advised him to do that. We sat with the President yesterday, with some of the advisers who were advising him to do that.

The President of the United States, to my knowledge, has never made a comment publicly about this particular legislation, and it seems to me to be important simply to state that categorically, having visited with the President within the past 24 hours.

Mr. BUMPERS. One further question, and I will quit asking questions.

Let us assume that the President is going to veto it. Let us assume that the Senate adopts your amendment this afternoon, which means we have to send this bill back to the House. Let us assume further that the House accepts your amendment as well as the one of the Senator from Wisconsin. Let us assume further that it goes to the President and he vetoes it the day after tomorrow or some other day in the next 3 or 4 days.

The House will have gone home for 2 weeks, and that means some of the agencies to which we are trying to get money right now are going to be out of money before the second supplemental we are talking about can be considered. Is that correct?

Mr. LUGAR. That is correct. This is a good reason why, in my judgment, the President will be glad to sign the bill. Clearly, this is one reason the housing legislation has been attached to this particular urgent supplemental, because there are a number of things here that are important to the country, to us, and to the President.

I yield the floor to the distinguished chairman.

Mr. HATFIELD. Mr. President, I yield for a moment to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, it is not my purpose at this moment to debate the merits of the proposal by the Senator from Indiana, but I do wish to make a point of order against the amendement he has offered, which violates section 4 of rule XVI, in that it is legislation on an appropriation bill.

The PRESIDING OFFICER. Will the Senator from Oregon yield for a point of order?

Mr. HATFIELD. I yield for a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. ARMSTRONG. The amendment which the Senator from Indiana has offered constitutes legislation on an appropriation bill, in violation of the provision I have cited.

The situation is not analogous to the earlier occasion on which the Senate considered this matter, because on the earlier occasion when this issue came before us, the House had included in its appropriation bill the subject of housing, a matter which is not included in the present legislation.

As the Presiding Officer reflects upon this parliamentary point, I recall the precedent set by the then majority leader, Mr. ROBERT C. BYRD, in which, upon his recommendation, the Chair declined to submit the issue of germaneness to the Senate, on the ground that, first, a threshold determination must be made as to whether or not there is any House language in the bill on which the proposed amendment could possibly be considered germane.

So, Mr. President, that is my point of order, and I ask, therefore, that the Chair rule——

Mr. STEVENS. Mr. President, will the Senator yield before making that request?

Mr. ARMSTRONG. I yield.

Mr. STEVENS. Will the Senator consider making that point of order to the Proxmire amendment as amended by the Lugar amendment and withholding it until that time?

Mr. ARMSTRONG. I think the proper time for me to make it is while the amendment is pending.

Mr. STEVENS. I think the Chair will advise the Senator from Colorado that it is proper to make the point of order after the Proxmire amendment is adopted; and if the Senator from Colorado is successful, we will be back to a clean bill.

Mr. ARMSTRONG. I understand the Senator's point; but, having made my point of order, I ask that the Chair rule on it.

The PRESIDING OFFICER. The point of order is well taken.

Mr. LUGAR. Mr. President, I appeal the ruling of the Chair, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate sustain the ruling of the Chair?

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, a parliamentary inquiry. Were the yeas and nays ordered on the appeal?

The PRESIDING OFFICER. The yeas and nays were orderd.

Mr. BAKER. A vote of "aye" supports the Chair?

The PRESIDING OFFICER. A vote of "aye" supports the Chair.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. The question is, Will the Senate sustain the ruling of the Chair? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON: I announce that the Senator from Nevada (Mr. CANNON) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "nay".

The PRESIDING OFFICER. Are there Senators present who desire to vote?

The result was announced—yeas 33, nays 66, as follows:

[Rollcall Vote No. 196 Leg.]

YEAS—33

Armstrong	Hart	Percy
Baker	Hatfield	Roth
Brady	Hayakawa	Simpson
Byrd, Harry F., Jr.	Helms	Stennis
Cochran	Humphrey	Stevens
Cohen	Johnston	Symms
Dole	Kassebaum	Thurmond
Domenici	Laxalt	Tower
East	Long	Wallop
Goldwater	Mattingly	Warner
Gorton	McClure	
	Nickles	

NAYS—66

Abdnor	Danforth	Heinz
Andrews	DeConcini	Hollings
Baucus	Denton	Huddleston
Bentsen	Dixon	Inouye
Biden	Dodd	Jackson
Boren	Durenberger	Jepsen
Boschwitz	Eagleton	Kasten
Bradley	Exon	Kennedy
Bumpers	Ford	Leahy
Burdick	Garn	Levin
Byrd, Robert C.	Glenn	Lugar
Chafee	Grassley	Mathias
Chiles	Hatch	Matsunaga
Cranston	Hawkins	Melcher
D'Amato	Heflin	Metzenbaum
Mitchell	Proxmire	Sasser
Moynihan	Pryor	Schmitt
Murkowski	Quayle	Specter
Nunn	Randolph	Stafford
Packwood	Riegle	Tsongas
Pell	Rudman	Weicker
Pressler	Sarbanes	Zorinsky

NOT VOTING—1

Cannon

So the decision of the Chair was rejected.

Mr. HATFIELD. Mr. President, if I could have the attention of the body, I find myself in one of those very interesting and somewhat amusing situations, I guess, where I am standing here as an advocate of a Democratic proposal. It is not getting very much support from the Democratic side of the aisle.

As the Senate knows, this is a vehicle that the Democratic leadership, Speaker O'NEILL, devised and had passed in the House and sent over to us to get us through the recess period in order to act on the regular urgent supplemental that is still preserved in this bill, 5922.

We have tried to accommodate the Speaker and the House of Representatives in the timeframe in which we operate, in which they are operating, because they are hoping to go out tonight and, if not tonight, at least tomorrow early at the latest.

So at this time, reluctantly on behalf of the managers of the bill, we accept the Lugar amendment as a second-degree amendment to the Proxmire amendment.

I would yield to the Senator from North Dakota, Mr. President, for an amendment——

Mr. JOHNSTON. Mr. President, point of order. The distinguished chairman has no right to parcel the floor out to whom he wishes. I have been on my feet asking for the floor.

Mr. HATFIELD. I would be very happy to yield the floor to the Senator from Louisiana.

Mr. JOHNSTON. Has the amendment been acted on yet?

Mr. ANDREWS. Mr. President, I was on my feet trying to obtain the floor.

Mr. HATFIELD. Mr. President, let me ask what is the pending business?

The PRESIDING OFFICER. The Senator from Oregon has the floor. The question is on the amendment.

Mr. HATFIELD. On which amendment?

The PRESIDING OFFICER. The Lugar amendment.

Mr. HATFIELD. I ask that we vote on it.

The PRESIDING OFFICER. Does the Senator want the yeas and nays?

Mr. HATFIELD. I do not want the yeas and nays.

Mr. ARMSTRONG. Mr. President, if I may be heard——

Mr. HATFIELD. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, the pending business is the Lugar amendment to the Proxmire amendment?

The PRESIDING OFFICER. That is correct.

Mr. ARMSTRONG. Mr. President, it is evident that the emerging strategy for the management of this bill is to now, having determined that we are going to go ahead and accept the Lugar amendment or at least that is the disposition of the managers, and it is obviously not the disposition of the Senator from Colorado, we are now going to be treated to a series of amendments to the Proxmire amendment, the evident objective of which is to so load up the Proxmire amendment that it will ultimately fall of its own weight.

I guess this was the tactic that was pursued successfully a few weeks ago on this very same issue. I am not going to speak at any length on either the procedure or the substance of it. We have had a good full debate on it. But I do not think we ought to kid ourselves on what we are doing. This is not a routine or benign act to accept the Lugar amendment. It does two things: First of all, it accepts an amendment which, if finally left in the bill in its final version, undoubtedly will invoke a Presidential veto. There is no doubt about it, and no beating about the bush on it.

Somebody said a few moments ago that the President has not spoken on it. He has made it unmistakably clear that if this provision is contained in the bill when it gets to his desk it is going to be vetoed. Frankly, that does not hurt my feelings one way or another. There is nothing in this bill that cannot wait until we come back. But if you want to have a veto, the surest way is to put this thing on it.

Anybody who does not have any doubt about the effect of putting the Lugar amendment on the Proxmire amendment is to kill the Proxmire amendment, let me say that a vote for the Lugar amendment at this point is a vote to kill the Proxmire amendment. If you want to do that that is fine. I am against the Lugar amendment for two reasons: First, what it does to the taxpayers, and second, what it does to the Proxmire amendment.

Just for the record. I ask for the yeas and nays on the Lugar amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. PROXMIRE. Mr. President, will the Senator from Colorado yield?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, may I say to my good friend from Colorado I do not think it is fair to say that the Lugar amendment is an attempt to kill the Proxmire amendment. It passed overwhelmingly, passed by more than a 2-to-1 vote. It passed twice here and it has overwhelming support.

I would agree with the Senator that it does not make any sense to amend an amendment over and over again, because otherwise all amendments may fall if we have other amendments. But I think if we act now, having the Lugar amendment before us, adopt that and then act on that amendment, then the bill will be open for other amendments with respect to the Coast Guard and other proposals.

Mr. ARMSTRONG. Mr. President, let me just remind my friend from Wisconsin, in an almost identical parliamentary situation involving what I believe to be an entirely identical amendment which was offered by the Senator from Colorado, that precisely the tactic that was used to defeat the tax treatment amendment on that occasion is what we are seeing unfold right now; that is, when my amendment was pending, they added a series of other amendments. That is all right. As far as I am concerned, if that is the disposition of the body, that is fair pool. That is the parliamentary situation we are in.

Mr. PROXMIRE. Mr. President, I thank the Senator from Colorado for calling attention to that. But, at that time, as I recall, there were a number of amendments added, including a reduction in Senators' pay by 10 percent and a lot of other amendments were put on it. These are all amendments which go to the substance which has already been approached, as I understand it, in most cases. The amendment the Senator from Louisiana and the Senator from North Dakota are offering is noncontroversial. I think the Senator is right, that those amendments should stand on their own and other amendments that are offered to the underlying bill and that we can act on the Proxmire amendment, as amended by Senator LUGAR, and move ahead.

Mr. ARMSTRONG. In order to remove any vestige of doubt as to the possible effect of the Lugar amendment and to permit it to stand on its own merits, why do we not just detach it from the Proxmire amendment which was pending previously? As far as the Senator from Colorado is concerned, I do not wish to drag out the consideration of the Lugar amendment. If he wants to offer it separate from the Proxmire amendment, I will not even ask for a rollcall vote. We have had a full debate on it. Everybody knows the issue. We can put it to a voice vote. It is going to be vetoed by the President.

I am not trying to delay this, but I will say to my friend from Wisconsin at this point, the issue of the Lugar amendment, as far as I am concerned, is settled. We know how we feel about it. We know what is going to happen at the White House. It is the amendment of the Senator from Wisconsin that they are after at this point. So I would encourage him not to be too eager to accept this amendment.

Mr. WALLOP. Will the Senator yield?

Mr. ARMSTRONG. Mr. President, I will yield the floor except to ask if the yeas and nays have been ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. ARMSTRONG. Mr. President, let me observe that if it is the desire of any Senator to detach the Lugar amendment from the Proxmire amendment, I would be happy to vitiate the request for the yeas and nays and not ask for any further rollcalls. We have had enough votes on this issue, in my opinion.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. Mr. President, let me say that I voted not to table the Proxmire amendment because clearly to remove the automatic $75-a-day Member's deduction is preferable to where we are now. But that would still leave us with a $3,000 automatic deduction which no other citizen in the United States is entitled to.

Last Friday, the Finance Committee held hearings, which is the appropriate means of dealing with these issues, on the tax treatment of Members of Congress. The Finance Committee will report a tax bill, by the 12th of July.

I intend to offer a proposal in the Finance Committee regarding the tax treatment of Members of Congress which would treat us the same as all other taxpayers in America. I supported in the past, and continue to support, the Mattingly-Specter approach to this issue and not that of Senator PROXMIRE. While it is preferable, I agree, to go back to the $3,000 automatic deduction rather than to remain where we are. It is absolutely not appropriate to continue to treat us still differently than other members of the public at large.

I will be voting against the Lugar amendment should it stay on there for reasons of consistency. But, nonetheless, I do not think that a vote on Proxmire and Lugar together should be interpreted as an attempt to defeat the Proxmire amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana (Mr. LUGAR). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The 15 minutes allowed for voting have expired. Do any other Members of the Senate desire to vote?

The legislative clerk resumed and concluded the call of the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), and the Senator from Pennsylvania (Mr. HEINZ), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 70, nays 27, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—70

Abdnor	Ford	Mitchell
Andrews	Garn	Moynihan
Baucus	Glenn	Nunn
Bentsen	Gorton	Packwood
Biden	Grassley	Pell
Boren	Hawkins	Pressler
Boschwitz	Heflin	Proxmire
Bradley	Helms	Pryor
Bumpers	Hollings	Quayle
Burdick	Huddleston	Randolph
Byrd, Robert C.	Inouye	Riegle
Chafee	Jackson	Rudman
Chiles	Jepsen	Sarbanes
Cochran	Kasten	Sasser
Cranston	Kennedy	Schmitt
D'Amato	Laxalt	Specter
Danforth	Leahy	Stafford
DeConcini	Levin	Stennis
Denton	Long	Stevens
Dixon	Lugar	Tsongas
Dodd	Mathias	Weicker
Durenberger	Matsunaga	Zorinsky
Eagleton	Melcher	
Exon	Metzenbaum	

NAYS—27

Armstrong	Hart	Percy
Baker	Hatfield	Roth
Brady	Hayakawa	Simpson
Byrd, Harry F., Jr.	Humphrey	Symms
Cohen	Johnston	Thurmond
Dole	Kassebaum	Tower
Domenici	Mattingly	Wallop
East	McClure	Warner
Goldwater	Murkowski	
	Nickles	

NOT VOTING—3

Cannon	Hatch	Heinz

So Mr. LUGAR'S amendment (UP No. 1041) was agreed to.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, let me explain the situation we are in now.

Mr. ARMSTRONG. Mr. President, may we have order in the Senate? The Senator from Oregon cannot be heard.

The PRESIDING OFFICER. The Senate will be in order. Those Members speaking to each other will please move to the cloakroom.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, I should like to have the attention of all Senators, because I think they would like to know where we are going from here. I think I know—at least, I have an idea I would like to share.

We are in a situation in which the House has sent us a stripped-down version of their urgent supplemental, which we passed on Monday in the Senate and sent to the House. As I indicated before, this was a product of the Democratic leadership of the House. It was very obvious that it is not acceptable to the Senate.

Now, with further consultation, it appears that the House leadership will accept the Senate version that was sent to them on Monday, but they have asked that we reconstitute it in the vehicle that we have before us tonight.

Consequently, what is happening is that the staff of the Committee on Appropriations is going through the entire, many-paged bill and redrafting an amendment which I shall then offer, to strike everything in this proposed vehicle that we have before us and to reinsert the total Senate version of the conference report we sent them on Monday—including all the Senate amendments. The only difference between the House and Senate versions at that point would be that we remove the Fazio amendment which put a cap on honoraria.

We are then informed that the House will move to agree with the Senate version and send it down to the White House. I understand the President may have his veto stamp ready, even perhaps tonight.

Then the House will act upon the veto tomorrow and then, based on what their action is, we shall either take subsequent action or the action may have been completed by the House, depending on how they vote.

If the Senate will bear with us for just a little while, I think we shall have that paperwork finished so that I can formally submit the amendment to this vehicle which reconstitutes the original Senate conference version we passed on Monday.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. HATFIELD. I yield.

Mr. ROBERT C. BYRD. I think I heard the Senator clearly. This will include the moneys appropriated for public broadcasting, will it not?

Mr. HATFIELD. Yes.

Let me say for the distinguished minority leader, it will include from this document the 17 items included in the present vehicle plus the 46 items which were deleted from the present one, of which public broadcasting is one such item.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. HATFIELD. I shall be happy to yield to the Senator from Louisiana.

Mr. JOHNSTON. I just want to know, does the Senator anticipate a record vote on that?

Mr. HATFIELD. Mr. President, I shall make no request for a record vote, because the Senate has already debated at length and voted on this same version on Monday of this week. If there are others who would ask for a record vote, of course, I have no way to know at this point that there are such persons.

Mr. ARMSTRONG. Mr. President, will the Senator yield to me to discuss that point?

Mr. HATFIELD. Yes.

Mr. ARMSTRONG. First, the discussion, then I also have a question for the Senator.

I do not assume that there will be only a single rollcall vote on this matter. As I recall, there are many controversial issues embodied in the proposal. There might be one, two, or several. Nor do I understand why the timetable for passage of this, if it be the will of the Senate to pass this proposal, would be sometime in the near future.

The Senator has spoken of it as if it were a pro forma or a ministerial act. On the contrary, it might be the kind of thing that would be the subject of extensive debate. I recall we debated at length on this issue before.

Mr. HATFIELD. I suppose I should say I am dealing in what is perhaps the realm of logic. Perhaps I should not be. I had imagined that the Senate worked its will so well on Monday that the Senate has a memory of what happened on Monday.

Mr. ARMSTRONG. I should like to reflect on that observation before I attempt to comment on it. I do want to ask this question:

If we proceed as the Senator from Oregon has outlined—that is, if the Senate, in prompt fashion, were to pass this bill—it goes back to the House at midevening or late this evening, the House passes it, the President vetoes it, and the veto is taken up in the House.

Let us suppose, I believe this to be the case, that the veto is sustained in the House. What plan of action would the Senator from Oregon have? Would we then start over with a clean supplemental again?

Mr. HATFIELD. The House, I say to the Senator from Colorado, would have to initiate a new action on the Appropriations Committee and start from square one.

Mr. ARMSTRONG. Mr. President, it appears to me that that is the likely outcome if we proceed as the Senator has suggested. I think it is pretty obvious, and I believe it is recognized by Members of the House as well as of this body, that there are votes enough to sustain a veto. In fact, I believe it was thought at one point if the President vetoed this measure, it might not even be brought up in the House because, clearly, there are enough votes to sustain it in the House. I wonder if

we could not short-circuit that process in some way.

I am considering whether or not to raise a point of order. I believe the pending amendment, the Proxmire amendment as amended by the Senator from Indiana (Mr. LUGAR), is subject to a valid point of order which I believe would be sustained by the Chair. It is not my desire to put the Senate through a series of parliamentary procedures. I do think it is clear that the pending amendment constitutes legislation on an appropriation bill, that it violates the provisions of rule XVI, paragraph 4, that if we could agree to that at this point, the effect would be to get us back to the clean bill and get us back there now rather than get us back there in the wee hours of tomorrow morning or perhaps sometime the next day.

I would make such a point of order with great reluctance because the effect would be to pull down the amendment of the Senator from Wisconsin, which I strongly support. But if it comes down to a weighing of the issues involved, there is no question in my mind that the mortgage interest subsidy issue is vastly more important in the long run than is the question addressed temporarily in the Proxmire amendment and it would be easy to get the Proxmire amendment back before us, I am more or less thinking out loud, but what would the Senator from Oregon think of that approach?

Mr. HATFIELD. I should like, frankly, to express my reaction to that off the floor. I am not sure that I fully understand the wicket which the Senator from Colorado is describing, or how we would get out of that wicket. Let me just respond this way, if I may. Let me recount the situation we are in at the moment.

The House expects to go out tomorrow at the latest. There was even some talk about the House going out tonight. First of all, we are in a time situation that is not fully of our making or under our full control.

The House has seen fit to not act upon the conference report as sent to them on Monday by the Senate but, rather, has seen fit to send to us today a stripped down version of the urgent supplemental which still preserves H.R. 5922 but merely provides us with a stopgap measure to get through this recess period because the date of expiration of this action would be July 20. Therefore, the expectation would be that as we come back from recess we again would try to resolve the difference between the House and the Senate on the current House Resolution 5922.

As the Senator from Colorado knows, the issue that is in controversy is the House action referred to as the Fazio amendment which sought to put a cap on the outside earned income and which the Senate struck by a vote, sending that then changed or revised version of the conference report back to the House.

Now, that is preserved, and everything that is incorporated in that resolution is preserved. I think we have demonstrated already today in the number of hours that we have spent on this that we are not ready to send this bill back in the same version that the House sent it to us. I made the statement in the opening remarks; I tried to explain it very clearly, that once we opened the floodgate to accept any amendment that we were back into the proposition of reconstituting this vehicle at least in some way similar to what our Senate version was on Monday. There were Members on the floor, Senator LUGAR, Senator ANDREWS, Senator LEAHY, Senator JOHNSTON, and others, saying in effect here is my amendment I am ready to offer again that had been deleted from this vehicle by the House action today. Once we accepted the amendment, they were not going to be left on the sideline with an amendment that meant a great deal to them.

When the vote was taken—and I made it very clear that I was not very happy with this whole wicket we were in at the moment—I brought it to a confrontation by moving to table the amendment which was offered by the Senator from Wisconsin (Mr. PROXMIRE). The body voted against tabling the amendment, thereby indicating they were open to amending the O'Neill stripped down urgent supplemental.

At that point the Senator from Indiana (Mr. LUGAR) offered an amendment to the Proxmire amendment in the second degree, reconstituting the $3 billion program for the housing stimulus program.

The Senator from Colorado raised a point of order against that amendment. There was a rollcall, and the body voted not to sustain the Chair, which gave clear indication the body was ready to adopt the Lugar amendment. Then on a rollcall the Lugar amendment was adopted.

Mr. ARMSTRONG. As an amendment to the Proxmire amendment.

Mr. HATFIELD. As an amendment in the second degree to the Proxmire amendment.

The Senator from Colorado indicated perhaps there was afoot a certain strategy, and the Senator was precisely on target. The strategy was to amend the Proxmire amendment as many times as possible and try to table the whole amendment and pull it all down. There is no secret. This is really no clever strategy. It is pretty obvious. That was what I was hoping to accomplish.

But then in further consultation of the leadership between the two Houses it became evident that we were going to be here all hours of the night, perhaps even tomorrow, to try to move it one amendment at a time, one action at a time, and the leadership then worked out with the leadership of the House the fact that they saw the situation we were in, that they would be willing to face up to the reality of the Presidential veto on the current House Resolution 5922.

But instead of acting upon the product that we sent them on Monday, they requested that we reconstitute that entire package on the vehicle that we have now pending in the Senate, the O'Neill stripped-down version, by striking all the language and reinserting the Senate version of Monday.

As I indicated, we are in the process of finishing up that paperwork to constitute that action, or to provide the possibility of that action.

The Senator asks what kind of presumptions am I moving on. The assumption is that the Senate has worked its will on the conference supplemental. We did that on Monday after a number of hours of discussion, debate, changes, and rollcalls, and we sent it over to the House only a few days ago, the day before yesterday.

I assume that conditions have not changed that much, that we would in effect send this back reconstituted in the same way we sent it on Monday. Maybe it is too much of an assumption to make that the Senate has that much consistency over a 3-day period, but I should like to think that we can remain at least constant on one or two items.

Then it was my understanding that the House would take action even perhaps tonight, and then send the bill down to the White House. I understand by various reports that the President is ready to act on it tonight. That action would constitute a veto. The President would act on it tonight and send it back to the House, which has to take action first. The House would still be in session tomorrow, and the House, therefore, would take an action of either sustaining or overriding—I am not making any predictions; I do not know what they are going to do—and adjourn on the recess. Then we would, if they sustained it, be free from action. If they overrode the veto, then we would have to take action following the House action.

Mr. ARMSTRONG. Will the Senator yield?

Mr. HATFIELD. Yes.

Mr. ARMSTRONG. If the House were then to sustain the veto, the bill would be dead and it is the Senator's——

Mr. HATFIELD. That is correct.

Mr. ARMSTRONG [continuing]. Expectation that we would simply not have an urgent supplemental?

Mr. HATFIELD. We would have nothing. We would be back to square

one. From the Senate perspective, we could do a lot of staff work over the recess period. But to get a vehicle, we would have to wait until the House acted.

Mr. ARMSTRONG. I just want to pin down that it is the expectation of the Senator in that event that we would do without an urgent supplemental during the period of the 3 weeks in which the House is in recess?

Mr. HATFIELD. I see no other alternative.

Mr. PROXMIRE. Will the Senator yield?

Mr. HATFIELD. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. As I understand it, what the Senator is describing is an amendment that would be identical with the bill that we have already sent to the House, they already have?

Mr. HATFIELD. That is right.

Mr. PROXMIRE. Why do they not act on the bill they have?

Mr. HATFIELD. That was the question that was posed. The reponse was, "We want it on the vehicle we sent you today."

Mr. PROXMIRE. Was there any reason given for that?

Mr. HATFIELD. It will be exactly the same.

Mr. PROXMIRE. It will be exactly the same, as the Senator has pointed out so well.

Mr. HATFIELD. It will be precisely the same product that we produced and sent to the House on Monday, which they have now, which they could act upon in the same way that they are asking us now to go through this additional step of sending back the product the second time but in a sense on a different bill.

Mr. PROXMIRE. Is there any parliamentary advantage? Can they strip amendments from this new bill any differently than they could the old?

Mr. HATFIELD. Not to my knowledge. I would have to refer to the Parliamentarian. I do not know.

Mr. ARMSTRONG. Will the Senator yield to me briefly?

Mr. HATFIELD. Yes.

Mr. ARMSTRONG. I point out that it may not be a parliamentary advantage, but there is certainly a different parliamentary situation that arises if the Senator from Oregon and others seek to attach amendments to the pending bill, because much of the material which I understand he would be seeking to include in his amendment would be subject to points of order which were not present in the original bill because the House sent us a much more comprehensive piece of legislation which, for better of worse, provided many more places at which the Senate, within its rules, could amend.

If we seek to add to this stripped-down bill the provisions of the broader legislation considered by the Senate earlier, there obviously will be many places where points of order would lie.

Also—and I do not want to go into great detail about this—I point out that such a motion, if adopted, and if these amendments were incorporated into the bill, would subject the bill itself to points of order, and so forth.

My point is this: Why should we horse around with this thing? If our desire is to get to a clean bill, let us see if we can; and if it is all right to let the matter hang over the recess, let us let the matter hang over the recess. Why go over the steps of debating the bill for hours or a day or two and sending it to the House, while the President is waiting up all night to get his signature on a veto message? If we really do not have to do this before we get back from the recess, I appeal that we just let it ride.

Mr. HATFIELD. I respond by saying that I do not understand the logic of the Senator from Colorado at all in his proposal to use a vehicle that means we are going to be here for hours or days to reconstitute this in perhaps the precise manner of a vehicle we can do in one motion and one vote and move to the President, who really is welcoming, I think, frankly, this opportunity to express himself on this bill as it is now constituted. I mean the conference report on which we have already acted.

I do feel that it is far more responsible to take this action prior to recess than to leave the whole matter totally suspended, to leave the whole matter still unresolved either in Congress or at the White House. I do not think it is a fair position in which to put the President. I do not think it is a logical or good position in which to put Congress. I believe it would constitute irresponsibility, or it could be interpreted easily as irresponsibility on the part of Republican leadership in the Senate and in the White House and Democratic leadership in the House.

Mr. BURDICK. Mr. President, the urgent supplemental appropriations bill now being considered by the Senate (H.R. 6645) does not include the provision passed in the earlier supplemental relating to postal rates. My colleagues will recall that the provision will have the effect of rolling back mailing rates to 1981 levels for nonprofit publications, and will also change the current law so that the third-class mailers will not have to absorb the entire shortfall between what the Postal Service needs for revenue forgone and what the Congress actually appropriates.

The absence of this provision in H.R. 6645 should not be interpreted as a lack of concern about these rates. In fact, if H.R. 5922 does not receive final congressional approval, I fully intend to offer the postal rate provision as an amendment to a subsequent supplemental appropriations bill. Since the bill now pending (H.R. 6645) is effective only to July 20, 1982, changing the rates for such a short period of time—perhaps 2 weeks—would create havoc for both the mailers and the Postal Service. Assuming the bill becomes law early next week, the Postal Service is required to give 10 days notice in the Federal Register and poll the members of the Postal Service Board of Governors. By the time that procedure is complete, July 20 will be upon us. It is simply not practical to effect such a roller coaster in the rate structure.

My colleagues should be aware that this issue is of tremendous importance to religious, agricultural, educational, and veterans organizations throughout the country. The Senate has committed itself to assist these groups with their dramatically rising mailing rates, and that commitment shall not be forgotten.

MORTGAGE REVENUE BOND PROGRAM SHOULD MOVE AHEAD

Mr. SASSER. Mr. President, every Member of the Senate is fully aware of the housing depression that we currently find ourselves in.

Housing starts are at one-half the level we need to house a growing and changing population. Average mortgage interest rates stand at 16.7 percent nationwide, and a recent study finds that last year only 13 percent of our homebuyers in 1981 were first-time homebuyers.

Now one way of helping end this housing depression, in addition to passing H.R. 5922, is to get the mortgage bond program working again.

This program has worked with admirable success in Tennessee. Since 1973, the Tennessee Housing Development Agency has issued some $536 million in mortgage revenue bonds and thereby helped finance the production, sale and rental of some 20,000 housing units.

But, Mr. President the work of the THDA has been stymied by the fact that the Congress has yet to enact legislation designed to correct the problems encountered by enactment of the Mortgage Subsidy Bond Tax Act of 1980. This has led to a wholesale shutdown of the mortgage revenue bond market.

I and several of my colleagues have introduced legislation designed to correct these problems. I have introduced S. 1348 which now has some 40 cosponors. Senator DURENBERGER has introduced legislation (S. 1656) and Senator ROTH has introduced legislation (S. 2425) designed to make similar changes that will get the mortgage bond program moving again. Indeed, elements of Senator DURENBERGER's legislation have been made part of H.R. 4717 which is now pending final conference action.

I urge final action on H.R. 4717 and on these other mortgage bond bills so that we can get a strong mortgage

bond program moving again. And I ask unanimous consent that a recent article by Mr. E. V. King, executive director of the Tennessee Housing Development Agency, on the Tennessee mortgage bond program be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Tennessee Professional Builder, June/July, 1982]

SALVAGING A DREAM A WORKABLE SOLUTION

(By E. V. King)

Housing production in the United States is at its lowest level since World War II and unemployment in the housing industry has reached record highs with well over one million people now out of work.

The housing industry is not suffering from a recession; it is in the midst of a depression unparalleled since the 1930s.

The current crisis is under intense debate within the Administration, in the halls of Congress, and among industry leaders. Emerging from both government and industry is the growing consensus that the already-in-place mortgage revenue bond (MRB) program can provide substantial and immediate relief to the housing industry—if only it is allowed to work.

On the national level, each $1 billion in MRB's generates 33,000 man years of construction-related employment and provides $180 million in state and federal taxes. Using only those funds which already have been budgeted, these national figures translate into the potential for 185,000 housing units for first-time home buyers, jobs for over 300,000 Americans, and over $2 billion in tax revenues.

In our state, the sale of $535.5 million in Tennessee Housing Development Agency (THDA) mortgage revenue bonds since 1973 has financed more than 17,100 single family homes and more than 3,200 rental units for the elderly, the handicapped, and families.

It should be noted here that THDA has provided this below-market financing through the use of tax exempt mortgage revenue bonds—without spending a single state or local tax dollar.

THDA's bond sales have generated 12,160 man years of construction-related employment and provided $190 million for building materials, $109 million for contractors and professional fees, $95 million for construction labor and $140 million for land and land development. An additional $59 million has been generated for state and federal taxes.

Unfortunately, the use of mortgage revenue bonds to finance housing came to a screeching halt nationally last year as a result of unintended tehnical roadblocks imposed by the Mortgage Subsidy Bond Tax Act (MSBTA) of 1980. These technicalities reduced 1981 bond volume to less than 15% of what had been projected for the year. A $15 billion program was reduced to less than $2 billion at a time when America was facing an unprecedented housing crisis.

Tennessee Housing was one of the few state agencies able to put together a bond sale in 1981. A favorable federal ruling on the Agency's proposed program under the new law and a $8.6 million contribution from its general fund enabled THDA to sell $50 million in MRBs late in December. Home loans provided through this bond sale are carrying a 12 percent interest rate—the national low for 1981 state housing finance agency mortgages.

Tennessee Housing, however, cannot afford to make this same kind of equity contribution year after year. Unless Congress repeals or amends the Mortgage Subsidy Bond Tax Act, it will be extremely difficult to market bonds in today's adverse bond market.

The ideal solution would be a repeal of the Act and a new beginning. Many state agencies effectively argue that it is unconstitutional to interfere with a state's ability to raise revenue through the issuance of securities. Many at the federal level also seem to share these concerns as new proposals to limit the use of other revenue bond programs are based on methods other than direct prohibitions, such as rendered by the MSBTA.

The Act substitutes federal program judgment for state judgment. State agencies must now ask Washington how to proceed, if indeed, they may proceed at all. The Act and the resulting regulations may have been written to work, but they don't. They represent the worst kind of federal overkill.

The urgent need for action demands that efforts focus on making the 1980 Act workable. This can be accomplished through legislation, regulation or a combination of both. The problems are technical; they can be solved.

On March 29, President Reagan announced his support for easing MRB regulations to make mortgage money available to thousands of potential homebuyers. Tennessee's congressional delegation has shown support for corrective action.

The Council of State Housing Agencies supports legislation now before the Congress which would restore life to the program without changing the intent of the 1980 Act, and significantly, without impacting on federal budget estimates.

Necessary corrective action is consistent with President Reagan's budget. The Joint Tax Committee has determined such action would result in no tax loss. The required relief also is consistent with Congressional and Administration desire to return programs to the state and local level.

Housing is at its lowest production level since 1946. Relief from the most burdensome provisions of the Act and its regulation would help meet America's growing housing needs without being inflationary. The opportunity to find and afford decent housing would be restored to first-time homebuyers, the elderly, the handicapped, and the poor. People would be re-employed, taxes would be generated, and the costs of other federal benefit programs would be reduced.

Clear-cut, workable solutions to complex problems present themselves rarely in this time of economic uncertainty. When such a solution is available, we should take advantage of it.

Tennesseans who are concerned about the housing problems of our state and nation should immediately contact their congressional representatives, especially Senators Howard Baker and Jim Sasser, to urge repeal or ease the restrictions of the Mortgage Subsidy Bond Tax Act. A letter or telegram to President Reagan would also be beneficial.

Without help from every available area—including that of state finance agency mortgage revenue bonds—America's once-reachable dream of home ownership will be nothing but a far-out fantasy.

MSHA/OSHA TRANSFER

● Mr. BUMPERS. Mr. President, I agree with this conference report on H.R. 5922, making urgent supplemental appropriations for fiscal year 1982, with the exception of the action taken by the conference on amendment No. 49. The Senate amendment was adopted on May 27, 1982, by a rollcall vote of 52 to 38. The effect of this amendment was to strike language inserted by the House which transferred jurisdiction over the surface mining of sand and gravel, stone, clay, and colloidal phosphate back to the Mine Safety and Health Administration (MSHA). These industries have been regulated by the Occupational Safety and Health Administration (OSHA) since December 16, 1981, when a continuing resolution was adopted which resulted in a transfer of regulatory authority over these industries from MSHA to OSHA.

Mr. President, the debate on who should be regulating these industries has been going on for several years. Opponents of the transfer made a great deal of the fact that the safety of the workers in these industries would be jeopardized if the transfer ever occurred. This has not happened. Inspections have dropped, but this is because most of these businesses are small businesses employing less than 10 employees. Since they are safe, and their accident rates are less than the national average, they are exempt from routine OSHA inspection due to the so-called Schweiker amendment. This amendment, which we adopted several years ago, has been very effective in relieving small businessmen, who have safe operations, from routine inspections by OSHA. They are still subject to an OSHA inspection, however, if there is an accident or an employee requests such an inspection.

Mr. President, it is my belief that when we passed the Mine Safety and Health Act, we did not intend for these surface mining industries to be regulated by MSHA. That act was designed to give some protection to coal miners, primarily those engaged in underground coal mining. That is a very dangerous business, as we all know, and it is my opinion that MSHA should use all of its resources to make coal mining more safe, and not overregulate these surface mining industries which have excellent safety records.

It is unfortunate, Mr. President, that these industries could not have at least remained under OSHA's jurisdiction for the remainder of this fiscal year so that we could have seen once and for all how the accident rates would have compared with prior years. This MSHA/OSHA transfer for these surface mining industries is an issue we need to deal with. The House language is contrary to four previous votes by this body, and therefore, I cannot support that section of this conference report.●

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 519, DEBT LIMIT EXTENSION

Mr. BAKER. Mr. President, I have a unanimous-consent request in respect to a matter which has been cleared on both sides.

I ask unanimous consent that when the Senate receives the so-called short-term debt limit extension, House Joint Resolution 519, it be held at the desk, and that the majority leader, after consulting with the minority leader, may proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPERATION OF FISHERMEN'S CONTINGENCY FUND

Mr. STEVENS. Mr. President, I ask unanimous consent that the matter before the Senate be temporarily set aside so that I might call up for action H.R. 3816, which has been cleared with the minority leader and with the majority leader. It is a matter that has to get to the House today.

The PRESIDING OFFICER. All right.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 3816, an act to improve the operation of the fishermen's contingency fund, reported from the Commerce Committee today.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3816) to improve the operation of the Fishermen's Contingency Fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with amendments, as follows:

On page 3, strike lines 13 through 17 and insert the following:

"The total amount in the Fund that is collected under subsection (b) may at no time exceed $2,000,000; and the total amount in the Fund which is attributable to revenue received under paragraph (3) or recovered by the Secretary under section 405(h)(3) shall be expended prior to amounts collected under subsection (b). Not more than 8 percent of the total amount in the Fund may be expended in any fiscal year for paying the administrative and personnel expenses referred to in paragraph (2)(A)."

On page 7, strike lines 6 through 12 and insert the following:

(3) by amending paragraph (3) to read as follows: "there was no record on the latest nautical charts or Notice to Mariners in effect at least 15 days prior to the date such damages were sustained that such material, equipment, tool, container, or other item existed where such damages occurred, except that in the case of damages caused by a pipeline, the presumption established by this section shall obtain whether or not there was any such record of the pipeline on the damage date; and".

On page 9, strike line 8, through and including "determination." on line 14 and insert the following:

"(C) If a petition for review of an initial determination is timely filed under subparagraph (A), the Secretary shall allow the petitioner 30 days after the day on which the petition is received to submit written or oral evidence relating to the initial determination. The Secretary shall then undertake such review and, on the basis of such review, issue a final determination no later then the 60th day after the day on which the Secretary received the petition for review of an initial determination.

On page 11, strike lines 20 through 25 and insert the following:

(a) Section 407 of the Outer Contintental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1847) is repealed.

(b) The table of contents of the Outer Continental Shelf Lands Amendments of 1978 is amended by striking: "1847. Survey of obstructions on the Outer Continental Shelf.".

Mr. PROXMIRE. Mr. President, will the Senator yield? It is my understanding that the minority has no objection.

Mr. STEVENS. It has been cleared with the minority leader.

Mr. President, I rise in support of our quick review of H.R. 3816 and thank the distinguished minority leader for his assistance in expediting Senate review of this matter.

H.R. 3816 is intended to improve the operation of the fisherman's contingency fund program which provides a claim procedure to reimburse commercial fishermen for damage and losses suffered as a result of oil and gas development on the Outer Continental Shelf. The program covers losses resulting from lost and damaged fishing gear and is of extreme importance to our commercial fishing industry, especially in areas where there is high level abuse of both fishermen and oil and gas activities in the Outer Continental Shelf.

The purpose of the fund is to create a pool of money, to be provided by the oil companies who participate in the Outer Continental Shelf development, that establishes an insurance fund for compensation of claims filed by U.S. fishermen. Unfortunately the idea, while a very good one, has been difficult to administer and there was a need for comprehensive review and correcting amendments to be made to the program.

Both the oil companies and the administration pushed for changes to simplify the program and expedite the claim procedure. That is the main purpose of this amendment package, and I am delighted that we were able to expedite this with the distinguished minority leader and return this bill back to the House of Representatives, where I understand they are waiting to receive it.

UP AMENDMENT NO. 1042

(Purpose: To extend certain Governing International Fishing Agreements)

Mr. STEVENS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The committee amendments will have to be agreed to.

Mr. STEVENS. Mr. President, I ask that the committee amendments be adopted.

The committee amendments were agreed to.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1042.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. 10. GOVERNING INTERNATIONAL FISHERY AGREEMENTS.

(a) Section 2 of the Fishery Conservation Zone Transition Act (16 U.S.C. 1823 note) is amended—

(1) by inserting "(a)" immediately before "Notwithstanding"; and

(2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding such section 203—

"(1) the governing international fishery agreement referred to in subsection (a)(5), as extended until July 1, 1983 pursuant to the Diplomatic Notes referred to in the message to the Congress from the President of the United States dated May 11, 1982, is hereby approved by the Congress as a governing international fishery agreement for the purposes of such Act of 1976;

"(2) the governing international fishery agreement between the American Institute in Taiwan and the Coordination Council for North American Affairs, as contained in the message to the House of Representatives and the Senate from the Secretary of State dated June 15, 1982, is hereby approved by the Congress as a governing international fishery agreement for the purposes of the Act of 1976; and

"(3) the governing international fishery agreement referred to in subsection (a)(6), as extended until July 1, 1983 pursuant to the Diplomatic Notes referred to in the message to the Congress from the President of

the United States dated June 21, 1982, is hereby approved by the Congress as a governing international fishery agreement for the purposes of such Act of 1976.

Each such governing international fishery agreement shall enter into force and effect with respect to the United States on July 1, 1982.".

(b) Notwithstanding any provision of the Act entitled 'An Act for the conservation and management of the fisheries, and for other purposes', dated April 13, 1976 (16 U.S.C. 1801 et. seq.), the governing international fishery agreements referred to in section 2(a) (9) and (10) of the Fishery Conservation Zone Transition Act shall be extended, and shall be in force and effect with respect to the United States, for the period of time ending on:

(1) the deadline for completion of Congressional review, pursuant to section 203(a) of such 1976 Act, of any new governing international fishery agreement signed, on or before July 31, 1982, by the United States and the respective foreign government that is a party to the agreement in question; or

(2) July 31, 1982, if the United States and the respective foreign government that is a party to the agreement in question fail to sign a new governing international fishery agreement on or before that date.

Mr. STEVENS. Mr. President, in addition to our review of H.R. 3816, I offer an amendment regarding approval of governing international fishery agreements (GIFA's). The language provided in this amendment will give congressional approval to GIFA's that are in place at this time and are due to expire July 1, 1982. Our immediate review of these matters is required because at present we have substantial joint venture fishing operations with these nations. The continuation of these agreements is essential in order to maintain, through extension, the treaty agreements that we have with these fishing partners who, by the way, are very strongly involved in the North Pacific Ocean off the coast of my State of Alaska.

The amendments in question provide both the approval of the governing international fishery agreements with the countries of Taiwan, the Soviet Union, and Poland and provide a procedure whereby agreements already in effect will remain so until extensions or modifications can be negotiated and submitted for the 60-day congressional review period. This is necessary because the Magnuson Fisheries Conservation and Management Act of 1976 requires a 60-day review period by both Houses of Congress of all new governing international fishery agreements. In this amendment we have provided that when agreements are in place, they shall remain so until a 60-day review period runs on a new agreement, after which the new agreement will go into effect unless Congress acts to the contrary.

As a point of clarification, I might also add that the intent of this agreement is such that if Congress were to adjourn sine die prior to the tolling of the 60-day period, it is the intention of the committee in these amendments to provide for an extension of the existing agreement during the time period of review which would include a new 60-day period to start at the beginning of the new session of Congress. As a result the review period might in fact run more than 60 days if we were not able to complete the entire review period in one session of Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment (UP No. 1042) was agreed to.

The PRESIDING OFFICER. If there are no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time. The bill was read the third time and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. I thank the Chair and the I thank the Senator from Wisconsin for his indulgence.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SUPPLEMENTAL APPROPRIATIONS

Mr. BAKER. Mr. President, I have consulted with the minority leader in this respect. I wish to state a unanimous-consent request to prepare for the possibility of action by the Senate on an important matter tomorrow.

Mr. President, I ask unanimous consent that it be in order at any time on Thursday, June 24, for the majority leader to have placed before the Senate any major supplemental appropriations bill messaged to the Senate and that, after consulting with the minority leader, he may temporarily lay aside the pending business and proceed to the consideration of such a measure.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, it is my understanding that perhaps the House of Representatives will take action on the previous supplemental appropriations bill that has been sent to them by this body. I am awaiting word from the House in that respect. If the House does act by receding and concurring in the Senate amendment, which I hope for, it would be the intention of the leadership to go off this bill by moving to the consideration of the short debt limit, which is at the desk.

Mr. President, we will have to await action by the House of Representatives before final determination of that can be made. I hope that this evening we can do substantial work on the short debt limit. But I will consult with the managers in that respect, in this case, the Senator from Kansas (Mr. DOLE), the chairman of the Finance Committee, and the Senator from Louisiana (Mr. LONG).

In order to provide an opportunity for that at this time, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMENDING PHILIP A. LOOMIS, JUNIOR

Mr. GARN. Mr. President, I send to the desk a resolution cosponsored by Senator TOWER, Senator D'AMATO, Senator RIEGLE, Senator PROXMIRE, and Senator SARBANES, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 417) commending Philip A. Loomis, Junior.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

Mr. ROBERT C. BYRD. Mr. President, this resolution has been cleared on this side of the aisle and there is no objection.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GARN. Mr. President, I am very pleased to offer for the Senate's consideration a resolution commemorating the career of Philip A. Loomis, Jr. Mr. Loomis retired on Friday after having served for almost 11 years as a member of the Securities and Exchange Commission.

The resolution describes, in brief, some of the highlights of Mr. Loomis' career. Prior to being named as a member of the SEC in 1971, Phil Loomis has a distinguished career on the SEC's staff, where he served as general counsel of the agency from 1963 to 1971. In each aspect of his

public career, Phil Loomis has distinguished himself and contributed enormously to the SEC's deserved reputation as one of the most effective and efficient agencies in our government. He received the National Civil Service League Career Award in 1964; the SEC Distinguished Service Award in 1966; and the Federal Bar Association's Justice Tom Clark Award in 1971.

The present Chairman of the Commission, John S. R. Shad, has just written to me expressing enthusiastic support for this resolution. Chairman Shad's letter states in part that Phil Loomis' "Selfless dedication to public service is in the highest tradition of the civil servant and it sets a standard to which all could aspire."

I ask unanimous consent that the text of Chairman Shad's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., June 21, 1982.

Hon. JAKE GARN,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN GARN: I wanted to take this opportunity to thank you for agreeing to introduce the resolution honoring Commissioner Philip A. Loomis, Jr.

A highly regarded securities lawyer, Philip Loomis came to the Commission as a consultant in 1954, intending to return after a few months to his law firm in Los Angeles, O'Melveny and Myers. However, as he has said, he found the work interesting and worth doing and he valued the opportunity to work with people who were dedicated to doing the very best job they could. Thus, he accepted an offer from then Chairman Ralph Demmler to become first Associate Director of the Division of Trading and Exchanges and, later that same year, Director of the Division. He has remained with the Commission ever since.

In his career at the Commission, Philip Loomis has made major contributions to the preservation of investor confidence in our capital markets and he has had an immense influence on the development of modern securities laws. As Director of the Division of Trading and Exchanges and, starting in 1963, as General Counsel of the Commission, he was instrumental in developing such key legislative packages as the 1960 amendments to the Investment Advisers Act of 1940, the Securities Acts Amendments of 1964, and the Securities Investor Protection Act of 1970. Following his appointment to the Commission in 1971, he played a central role in the development of the Securities Acts Amendments of 1975.

Additionally, as General Counsel of the Commission, he successfully argued many cases before the Courts of Appeal and the United States Supreme Court that later proved to be watershed decisions. *S.E.C.* v. *Texas Gulf Sulphur Co.*, for example, has been the genesis of many subsequent decisions.

Notwithstanding these enormous contributions, however, perhaps his greatest value to the Commission lay in his superb counsel. Through the years and under many chairmen, whenever a particularly thorny issue came before the Commission on which a consensus could not be developed, the response inevitably was: "Let's call Phil Loomis and see what he thinks." His acute insight and keen practical sense enabled him to formulate positions that opposing parties could adopt. Through his advice, the Commission avoided much of the bitter divisiveness that often cripples collegial bodies, and accordingly, much of the Commission's effectiveness over the past quarter of a century may be attributed to his consummate skill in reconciling opposing views.

In recognition of these many contributions he was first appointed to the Commission by President Nixon in 1971 and reappointed by President Carter in 1979. He is widely recognized as an eminent authority on the federal securities laws; as the Wall Street Journal announced upon learning of his intent to resign: "Philip Loomis, Dean of the SEC, to Retire."

It is appropriate, therefore, on the occasion of his retirement, to honor Philip A. Loomis, Jr., for an outstanding career. His selfless dedication to public service is in the highest tradition of the civil servant and it sets a standard to which all could aspire.

Sincerely,

JOHN S. R. SHAD,
Chairman.

Mr. GARN. Mr. President, I urge the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 417) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 417

Whereas Philip A. Loomis, Junior, has served his Nation with great distinction for more than thirty years in the highest tradition of public service, and is recognized as one of the foremost authorities in the field of securities law;

Whereas as General Counsel of the Securities and Exchange Commission, Philip A. Loomis, Junior, demonstrated extraordinary legal competence, briefing and arguing many cases in the Federal appellate courts, including successful argument of every case in which he appeared before the Supreme Court of the United States;

Whereas Philip A. Loomis, Junior, both as General Counsel and following his appointment to the Securities and Exchange Commission by the President of the United States, influenced much of the legislation significantly amending the Federal securities laws during the past two decades, contributing immeasurably to the preservation of the confidence of investors in the capital markets of the Nation; and

Whereas, during his tenure on the Commission, his fellow Commissioners often sought the counsel of Philip A. Loomis, Junior, and he contributed much to the premier reputation of the Commission for effective protection of investors and the public interest: Now, therefore, be it

Resolved, That Philip A. Loomis, Junior, on the occasion of his retirement from the Securities and Exchange Commission, is commended for his outstanding service to the Nation.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to Philip A. Loomis, Junior.

Mr. GARN. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN PUBLIC DEBT LIMIT

Mr. BAKER. Mr. President, pursuant to the authority previously granted, I ask the Chair to now lay before the Senate House Joint Resolution 519.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

House Joint Resolution 519, to provide for a temporary increase in the public debt limit.

Mr. BAKER. Mr. President, may I have the attention of my colleagues. This is the so-called short debt limit, and it is a resolution that I hope will be adopted without amendment. It extends the debt limit by a certain amount of money until September 30. It is one of two measures passed by the House of Representatives in conjunction with the budget resolution which has now been enacted. I have consulted at length with a number of Senators on this matter beginning with the minority leader and with the distinguished ranking member of the Finance Committee, with the chairman of the Finance Committee, with the Senator from Iowa (Mr. JEPSEN), the Senator from Alabama (Mr. DENTON), the Senator from North Carolina (Mr. HELMS), and others. I have indicated to them that it is my intention to try to pass this short debt limit before our July 4 break without amendment in order to provide for the orderly functioning of the Government. We owe that responsibility. A part of the duty of governance is to see that we provide the resources for the Government to continue operating.

I understand that there are Senators who are very anxious to offer amendments dealing with a wide range of issues to a debt limit bill. For instance, the Senator from Iowa, I believe, has an amendment that he wishes to offer in respect to prayer in public schools. The Senator from Alabama, I am informed, has an amendment he wishes to offer perhaps on abortion. There

may be other amendments such as perhaps a sugar amendment, social security amendments——

Mr. LONG. Busing.

Mr. BAKER. Busing amendments, and others that I have not mercifully been made aware of. Mr. President, the representation that I have made to these Senators and now reiterate on the floor is that if we pass this short debt limit before we go out, it is my intention after we return on July 12 to turn to consideration of a constitutional amendment dealing with a balanced budget. I have said since Janaury, when the Senate first convened, that it was my intention to do that at some point. I have chosen this time, and I fully expect that a motion will be made that the leadership proceed to the consideration of such a resolution shortly, perhaps immediately, after we return from the recess.

I intend to stay on that and dispose of it, Mr. President. I will support it. It is my intention to try to pass it. I hope we will pass it. I think we certainly should pass it. But next after that, Mr. President, baring extraordinary emergency circumstances or matters that are agreed to by unanimous consent which would not require very much time, it would be my intention next to go to the other debt limit bill, which has been referred to the Finance Committee and assuming that it is reported by the Finance Committee, on the calendar and available for action by the Senate.

I fully understand that that second debt limit, which will be for a year past September 30, 1982, will be amended, perhaps; there certainly will be efforts to amend it in many respects. I anticipate that. But that will become a vehicle for the discussion of these important issues and for the testing of the point of view of the Senate in respect to them.

(Mr. GRASSLEY assumed the chair.)

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAKER. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator from Louisiana has been working on an amendment that he considered offering on this bill. If there are going to be amendments, the Senator from Louisiana might want to offer his. My amendment would be a spending limitation, thoroughly germane to the debt limit bill, that would prescribe the rate at which the debt limit would increase and would undertake to see that we stay within the prescribed limit.

There is no point going into great detail to explain it, because I am not going to offer it at this time. It has support on both sides of the aisle, and it is thoroughly germane to the bill—not that germaneness is required in the current parliamentary situation.

Even so, Mr. President, in view of the short term involved in this particular debt limit bill, it seems to me that we should permit this bill to go through, reserving to all Senators their right to vote their convictions about it, and save our amendments until the major debt limit bill comes up later this year.

There is no issue that a Member could bring up now that he could not bring up then, so every Member would have an opportunity when the subsequent debt limit bill comes up. For that matter, I should think that there would be other revenue bills on which Senators would have an opportunity to do their work.

I assure the Senator that I, as the ranking minority Member on the Finance Committee, would be happy to cooperate to see that those who have amendments deserving the consideration of the Senate would have opportunities to offer them on some other measures.

Mr. BAKER. I thank the Senator from Louisiana. I join him in saying that there are any number of Senators who have amendments. Many of them have talked to me and they have talked to him and to the distinguished Senator from Kansas (Mr. DOLE), the chairman of the committee. I think they will forbear to do that.

I hope they will work with them, as I am sure Senator DOLE and Senator LONG and others will, to find an opportunity for them to present their amendments in a timely way, and promptly, and that they will not burden this short debt limit bill with those amendments.

Mr. DOLE. Mr. President, our purpose here today is to act promptly to protect the fiscal integrity of the Federal Government. To some it may seem contradictory that to do so we must raise the ceiling on the public debt. Nevertheless, that is the unpleasant task we once again face. We should recognize that our job will be much more unpleasant if we delay in carrying out our responsibility to insure that the Government can honor its outstanding commitments.

This is the third time in 2 years that the Congress has been obliged to address the question of the limit on the public debt. In September, we approved the present debt limit of $1,079.8 billion through September 30. At that time this Senator, and many others in this Chamber, indicated that there would be a great deal of reluctance to approve further debt ceiling increases unless substantial and dramatic changes in the fiscal policy of the Federal Government were undertaken. Now we are again faced with a debt ceiling increase, while many budget analysts express concern about our ability to bring deficits under control over the next few years.

Mr. President, in the judgment of this Senator, there is no question that over the past year there has been a significant reversal of the attitude toward Federal spending that for too long prevailed in this Congress. More and more we understand it is not our job to promulgate new programs and add new items to the budget without considering the consequences for the fiscal well-being of the country. We are obliged to weigh competing programs in shaping the budget, and to set an overall limit and adhere to it. These changes are all to the good. Unfortunately, understanding our obligation still has not prevented us from falling short when the tough decisions come around.

The change has come about because President Reagan showed his determination to control Federal spending. Because of his leadership, we cut $35 billion from the budget for fiscal 1982. The savings from those cuts will grow in future years. Still, because of recession and the ongoing momentum of Federal spending, we face record deficits. The President has stated, time and time again, his belief that we cannot let up the pressure on the budget. That is what we have to agree on, or we will see no end to these debt limit increases.

The deficit problem we now face is of unprecedented proportions, but it has been building for many years. We cannot overestimate the urgency of this problem. The deficit cannot be slashed overnight, but it can be made manageable by a commitment to make the legislative changes needed to cut spending and raise revenues over the next 3 years. The budget resolution we have adopted makes that commitment but until we take strong action to implement that budget, we will not have done our job.

Mr. President, this Senator is prepared to support the administration request to raise the debt ceiling. The President agrees with those of us who fear the consequences of perpetual deficits that mortgage future generations. He has made more progress on reducing spending than any Chief Executive in recent history. We have to continue to work with the President to put our finances in order, and as part of that effort we should approve a debt ceiling that will keep the operations of the Government on an even keel.

I will ask to have inserted in the RECORD a discussion and chronology outlining the difficulties the Government will face if this debt limit increase is not approved. Every obligation of the U.S. Government hinges on timely approval of this resolution, from Treasury bill offerings to social security and Federal retirement payments. These obligations are crucial to the recipients of Federal benefits, and

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to investors. If we want to upset financial markets and frighten the recipients of Federal entitlements, we can reject this debt ceiling increase. But if we want to reassure the financial community that we will act responsibly, this debt ceiling increase ought to be approved. I urge my colleagues to approve it.

Mr. President, I know that every Member of this body is extremely reluctant to approve a further debt ceiling increase. The present resolution provides a limit of $1 trillion, $143.1 billion through September 30, 1982. But this question must be faced and dealt with promptly, because it shows how far we have gone astray in the past and how we must act differently in the future. Because of the explosive growth of Federal deficits in recent decades, the debt ceiling was raised on 13 separate occasions in the 1960's and 18 times during the 1970's. Worse yet, on three occasions in recent years the temporary limit has expired without timely legislative action to extend it. Sales of savings bonds and other securities had to be suspended, as will happen again if we fail to act. Such suspensions only undermine investor confidence and lead bidders for Government securities to demand higher interest premiums in the future. That means permanently higher financing costs for the Government, when we all know that those costs must be reduced.

I am convinced that with further cooperation between this administration and this Congress we can gain sufficient command over fiscal policy to avoid frequent increases in the debt ceilings. But clearly we cannot fail to act now, in view of the obligations the U.S. Government is bound to honor. We will continue to work for a consensus on fiscal policy to demonstrate our good faith with the American people. At the same time, we must remember that our problems were not generated overnight, but over a period of decades. There are no quick solutions or easy answers. A firm and steady course over a period of years is the only sensible policy. I know the President agrees with that, and I am sure most Senators will also agree.

Mr. President, finally I would emphasize that delay in raising the debt ceiling—or, worse, yet, a failure to raise it at this time—will make the problems we see in the financial markets significantly worse. Not only would the Treasury face higher financing costs—costs we are all trying to bring down—but those costs probably would also be transmitted to the private sector and be reflected in the general level of interest rates, which often key into rates on Treasury bills. We cannot forget that the financial markets remain jittery and highly sensitive to our action or inaction, and to the financing schedule of the Treasury Department. Anything we do that impedes a steady and responsible managing financing operation for the Government can only make matters worse so far as the markets are concerned. I know that is not what the Members want, and I hope we can expedite a clean bill to raise the debt ceiling. Because further action on this matter by the House is impossible before July 12, we cannot afford to tamper with the legislation before us.

Members may have observed that in the past week, Treasury bill rates have been raising. There are many factors involved, but one of them is uncertainty about our action on the debt ceiling. I ask unanimous consent to have printed in the RECORD following my remarks an article from the New York Times of Wednesday, June 23, which discusses this problem. If we want to bring interest rates down, let us act responsibily on the debt ceiling.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CREDIT MARKETS—TREASURY ISSUES MOVE LOWER—6-MONTH BILL'S RATE 13.18 PERCENT

(By Vartanig G. Vartan)

Negative economic statistics combined with the credit market's entrenched worries over monetary and fiscal policy to force prices of Government securities moderately lower yesterday. This offset Monday's gains and sent yields back up to the levels prevailing on Friday.

Prices have been declining and yields rising for about four weeks. As an example of yesterday's price erosion, the Treasury's bellwether 14 percent bond due in 2011 was offered at 98½, down ½, to yield 14.21 percent, at midafternoon.

Short-term rates also climbed. Three-month Treasury bills were offered at levels to yield 12.77 percent, compared with an average rate of 12.588 percent at Monday's auction. The six-month bill showed a yield of 13.18 percent. Its rate at the action averaged 13.031 percent.

DEBT CEILING A FACTOR

There was uncertainty most of yesterday about the Treasury's financing plans because of the national debt ceiling. This added another element of unease to an already nervous fixed-income community.

Shortly after 4 P.M., the Treasury announced plans to sell $17 billion of bills and notes in three separate auctions. Following this announcement, prices of Government securities declined further.

Scheduled for sale next Monday in $9 billion of three and six-month bills, instead of the $10 billion typically sold at weekly auctions. "The size of this offering," the Treasury said, "has been reduced due to the debt ceiling limitation."

Meanwhile, the sale of $4 billion of four-year notes, originally scheduled for today, was rescheduled for next Tuesday.

The Treasury also announced that $4 billion of seven-year notes will be sold July 1 to raise fresh cash. The scheduling of this issue, it said, "is being accelerated to meet cash needs that normally would be met by a 20-year issue." The department has exhausted its authority to issue long-term bonds. Congressional approval is necessary to extend this authority.

HOUSE VOTES RISE IN CEILING

Yesterday's approval by the House of the budget plan for the fiscal year 1983 carried with it automatic approval by this body of a rise in the debt ceiling. The Senate, under its own procedures, must vote separately on the budget plan and an increase in the debt ceiling.

As for economic news, the Government reported yesterday morning that the Consumer Price Index for May rose 1 percent. This constituted a slight negative for inflationary expectations. Earlier, the consensus estimate on Wall Street had been for a gain of five-tenths of 1 percent.

In midafternoon, the Commerce Department said that new orders for durable goods rose 1.4 percent in May. Since this indicated a slight pickup in economic activity, it aroused concern about possible increases in credit demand from the business community. Consensus estimates had called for an increase of five/tenths of 1 percent to 1 percent.

But dealers emphasized that prospects of huge budget deficits and puzzlement over the Federal Reserve's monetary policy continued as the main dampers to buying demand. "An additional worry is the lack of liquidity in the Government securities market," one trader said.

In this context liquidity means two things: the ability to find the best prices in the market quickly and the ability to buy or sell securities with a minimum impact upon market prices.

Two state issues were sold at competitive bidding in the tax-exempt market.

Pennsylvania's $82 million of general obligation bonds were won by a group led by the Morgan Guaranty Trust Company with a bid setting the annual net interest cost at 11.79 percent. The bonds were priced for reoffering to yield 8.75 percent in 1983 to 12.50 percent in 1999 and 2000.

A Salomon Brothers group won two issues totaling $116.31 million of Georgia's general obligation bonds. The series D bonds, totaling $62.47 million, set a net interest cost of 9.5472 percent. They were priced for reoffering to return 8¼ percent in 1983 out to 9.60 percent in 1987.

The $53.84 million of series E bonds had a net interest cost of 11.3407 percent. These bonds were priced for reoffering to yield 8¼ percent in 1983 to 10.20 percent in 1989.

KEY RATES

[In percent]

	Yesterday	Previous day	Year ago
Prime rate	16.50	16.50	20.00
Discount rate	12.00	12.00	13.00
Federal funds	14.00	14.05	16.75
3-mo treasury bills	12.85	12.55	14.60
6-mo treasury bills	13.25	13.10	14.10
7-yr treasury notes	14.91	14.82	13.74
30-yr treasury bonds	14.23	14.15	13.00
Bell system bonds	16.40	16.36	14.78
Municipal bonds	13.65	13.65	11.25
6-mo savings certificates [1]	13.281		

[1] Maximum rate.

Source: Salomon Bros. estimates for bellwether issues.

Mr. BAKER. I see the Senator from Iowa on the floor. I yield first to him and then to the Senator from Maine.

Mr. JEPSEN. Mr. President, will the Senator yield for a question?

Mr. BAKER. I yield.

Mr. JEPSEN. On the so-called short debt limit bill, to what date does this bill take us?

Mr. BAKER. It is my understanding that this bill runs through September 30, 1982.

Mr. JEPSEN. Is there any way that bill could be extended and could be used as a vehicle in lieu of a more permanent debt limit bill or this additional, second one we are talking about?

Mr. BAKER. Mr. President, to answer the question literally, yes, of course, there is a possibility that it could be amended at some future time to extend the date. But I assure the Senator from Iowa that that is not my intention, No. 1. No. 2, if such an amendment is offered at a later date instead of as a new bill, I would expect amendments to that as well; and I would have no objection to efforts of the Senator from Iowa or others to urge their point on such a vehicle instead of on the big debt limit bill.

I have urged the chairman of the Finance Committee, and I urge all Members now, to consider that it is urgent that the Finance Committee give us that bill as soon as possible after we return from the Fourth of July recess, in order to perform on commitments I am now representing and making. I hope that will be done. I will urge them once again when the time comes.

It is my full expectation that we will have a long debt limit bill reported by the Finance Committee sometime during the weeks of July and August to deal with these matters on that bill. I do not expect that we will address these subjects as an amendment to the short debt.

Mr. JEPSEN. If the short debt limit bill is not passed tonight, what date is the first time we will experience the problems of not having the proper amount of money to run the Government?

Mr. BAKER. I am sorry. I was momentarily distracted. Will the Senator repeat his question?

Mr. JEPSEN. If this short debt limit bill should not be passed, what is the date when it becomes necessary for some action to be taken to keep the Government on its normal, day-to-day activities?

Mr. BAKER. I talked with the Secretary of the Treasury earlier today, and I have a memorandum from him setting out the circumstances of failure to act on these subjects. I think it is correct to say that, unlike other debt limits we have had to deal with, we are not now dealing with the permanent and temporary debt limits but, instead, with the amount of money that the Treasury can deal with to borrow to the limit.

If we were not to do this, if we did not pass this debt limit, these things, it seems to me, would occur:

The Treasury's ability to carry out predictable, prudent debt management would be impaired by the current level of the debt ceiling, $1,079.8 billion.

The Treasury has already been forced to do the following to avoid breaching the debt limit:

To reduce the size of weekly bills from $10 billion to $9 billion. Because the size of future sales may vary from week to week, market participants are unsure of Treasury financing plans and bid a lower price to reflect the uncertainty.

It was pointed out, if my memory is correct, that for every 10 basis points of interest we deal with, as traders may bid higher, we are talking about $75 million of public funds.

Second, it will be necessary to announce a postponement of the 4-year note scheduled for June 23, which is today, and which I assume may already have been done. I am advised now that it has been done.

In addition, I am advised by the Treasury that unless the debt limit is raised by July 6—and the Senator understands that we would be in recess on that date, if we keep the schedule—further changes in the Treasury's normal financing will be required to avoid actions which would breach the limit.

The market uncertainty increases the Treasury's interest expense, and thus the cost to the taxpayers. I spoke a moment ago of $79 million for each 10 basis points. I understand now that it is $74 million.

Another effect would be higher rates on Treasury obligations, which would provide upward pressure on interest rates generally and would raise the cost of borrowing not only for the Federal Government but for municipal governments and private businesses as well.

It is pointed out that recent maneuvering by the Treasury in its borrowing activities has resulted in a lower than desired cash balance. If the debt limit is not increased, balances are estimated to be dangerously low, and there is a substantial risk that the Government will run out of cash by mid-July. Keep in mind, of course, that the Senate is not scheduled to return until July 12. In that event, the Treasury could not pay checks presented for payment in the regular order of business.

The Treasury's July-September market borrowing requirement is estimated at about $35 billion, assuming a fiscal 1982 budget deficit of $100 billion. Treasury's regular schedule of borrowing would raise this cash in a smooth, even pattern throughout the quarter, minimizing market disruption. Without some debt limit action, sufficient new cash cannot be raised in July, forcing the Treasury to concentrate its cash raising in August and September. This will be disruptive to the market, adding upward pressure on rates.

This is a summary of the consequences of the failure to pass a short debt limit before we recess on July 2, as presently planned.

Mr. JEPSEN. I thank the majority leader. Is it his hope or desire that this bill be passed this evening with a voice vote?

Mr. BAKER. Yes, it is my hope that we may do so.

Mr. President, I now yield to the Senator from Maine.

Mr. COHEN. Mr. President, I wish to call to the majority leader's attention the fact that he and others here in the body have a short-term debt problem and a long-term debt problem, but I think there is another type of problem that I have and Senator LEVIN and others in the Senate have which is a short-term problem with our social security disability program and a long-term problem as well.

Tomorrow morning Senator LEVIN and I have taken a special order in which to discuss a comprehensive bill that he and I will be introducing to try and reform the current social security disability program which is operating under some conflicting rules and regulations mandated by Congress to conduct reviews of those people who are the most disadvantaged and unfortunate in our society who have suffered severe disability, so severe that they not only cannot engage in the work they normally do, but they are so disabled that they cannot engage in any kind of substantial gainful employment not only in their hometown and their home State but anywhere in the country. These are severely disabled people.

In 1980 Congress mandated a review of those disability programs because we were under the impression, and correctly so, that some people on the rolls did not deserve to be on there and they should be discontinued.

The difficulty is that this mandated review is being carried out in such a way with a lack of specific guidelines by Congress that many people who are truly disabled are being terminated on their disability payments only to have them reinstated as much as a year or 18 months later, and during that interim 18-month period several have committed suicide because of being distraught, a number have entered the hospital because of anxiety that has been developed after the termination of those payments. Some very, very significant cases of hardship, what otherwise have been called horror stories, have been paraded before the other body and before even our committee.

So what Senator LEVIN, the Senator from Michigan, and I are trying to do is to reform the overall system to put some uniformity in the rules and regulations, to put some equity in those rules and regulations, and to deal with

it on a comprehensive basis, but in the meantime we have nearly 200,000 people who are going to be terminated, taken off the rolls, and only to have to go through the whole appeals procedure, to get the administrative law judge, sometimes 18 months from now, hopefully to be reversed if in fact they are entitled to the benefits.

It seems to me we have to deal with this on a short-term basis as well as a long-term basis.

It was for that reason that I had fully intended to take the floor this evening to offer a modified amendment that would provide short-term relief until such time as we could develop through the committee system the comprehensive legislation that Senator LEVIN and I wish to introduce.

In talking with the majority leader and with the Senator from Louisiana, I am persuaded that we need to have this short-term debt ceiling passed without crippling or encumbering amendments. But I am prepared to do so only if there is some assurance from the majority leader and others will assist Senator LEVIN and me in providing not only a comprehensive reform of the system which is in need but some sort of short-term relief for the many thousands of people who are going to be injured by a system that we have set up without adequate guidelines and specificity.

If we can receive that assurance that we may use the nearest vehicle that we find that will deal with this problem on a short-term basis, not the comprehensive legislation which will take some weeks to develop, but the short-term problem of providing some measure of interim relief for people who are going to be terminated, then I am prepared to withhold the amendment and then offer the comprehensive one tomorrow.

But if I could have the majority leader's assurance that he will assist us in finding a vehicle and an appropriate vehicle to provide some short-term modification of the current law, then I will be prepared to withdraw and withhold the amendment this evening.

Mr. LEVIN. Mr. President, will the Senator yield?

Mr. COHEN. I yield.

Mr. LEVIN. Mr. President, I am willing to join the Senator from Maine in that assurance to the majority leader that we will not bring this up tonight on those conditions.

I do want to just give one moment of the dimension of the problem, and that is that in 1979 and 1980 social security reviewed 160,000 cases. Because of the mandate that went up in 1981 to 350,000 cases, in 1982 to 560,000 cases, and in 1983 to 840,000 cases.

We are talking literally about a million and a half people who are going to be crushed in this inequity, and the interim problem is immense as well as the long-range problem. Because of the assurances of the majority leader in terms of a vehicle in the middle of July, I am willing to join with the Senator from Maine in the action we propose to take which is withhold this amendment tonight, but I do think it is important that we do have these assurances and this support from the majority leader.

Mr. BAKER. Mr. President, I thank the Senator from Michigan and I thank the Senator from Maine.

Both the Senator from Maine and the Senator from Michigan have had a leading role not only in identifying these problems but in addressing them.

As the Senator from Maine points out in a comprehensive way in terms of the bill they are prepared to introduce on tomorrow I believe and also in the short term as they had sought originally to do by addressing the short-term debt limit. I fully understand the urgency of the situation. I am sympathetic and indeed I support an effort such as that being suggested by the Senator from Maine and the Senator from Michigan for short-term relief.

I do not know the details of it and I will consult and confer with both Senators to ascertain the best way to approach this matter.

I did assure them that I recognize that it is a matter of great importance, and I will try to find and I am certain I can succeed in finding a vehicle after we return from the Fourth of July recess onto which they can add a proposal dealing with the short-term relief which they have so ably described.

Mr. COHEN. I thank the majority leader.

Mr. LEVIN. Mr. President, will the majority leader yield for another amendment which I discussed briefly with the majority leader?

Mr. BAKER. I yield to the Senator from Michigan.

Mr. LEVIN. Mr. President, I have discussed this amendment also with the Senator from Louisiana.

Last year we terminated precipitately and retroactively what was called the social security student benefit. This is the benefit which approximately a quarter of a million students receive each year so they can go through college. There are the children of deceased and disabled workers.

May I say that about 45,000 of these children are the orphans of Vietnam soldiers, our soldiers in Vietnam who never came back, who were promised that if they went to Vietnam and died that their children would receive the social security benefits through college.

Last year we broke that commitment, and we have been waiting for some time to preserve it, to restore that social security student benefit.

There is an extra reason to preserve it for an additional year, and that is that the Social Security Administration sent out erroneous information from two of its six offices telling these high school seniors if they were enrolled by this September in college that the benefits would continue through college. That was erroneous information. It has never been corrected, and it is an additional reason to preserve this benefit for an additional year.

It is my intention to offer an amendment to get this matter before the Senate and resolve it. There is a great deal of support. I think we have about 10 sponsors to this amendment. There is bipartisan support for it. It is a critical matter, and I would like to have the majority leader's comment on it.

I am particularly concerned by one aspect, and that is we can resolve this matter in probably 2 to 4 hours.

I am concerned when the majority leader comes back and calls up the constitutional amendment that that can take a few weeks, and this critical amendment—this a time-critical amendment because it involves the plans for the fall, for the school term that begins in August and September. So it will not be good enough for us to vote on this sometime in August.

I would like to have some assurance not just that there will be a debt ceiling limit extension that comes along in July to add this to, but that if the pending business is the constitutional amendment and it goes on at great length that there will be an opportunity to set that aside so that this matter can be taken up in a timely way, and that the germaneness point of order will not lie against it, because we do have a vehicle here tonight where this would be appropriate to raise, and I would hate to see a germaneness point of order made against this at some point late in July and find, in effect, we had been deprived of an opportunity to air and have a vote on this matter.

Mr. BAKER. Mr. President, I thank the Senator from Michigan. I must say that I stand here at some disadvantage in that not only am I not the chairman of the Finance Committee, I am not even on the Finance Committee and, for that matter, I do not even fill out my own income tax return, so I am a babe in the woods in this respect.

On the matter the Senator from Michigan addresses, I must confess to him that I do not know the details. I simply cannot speak on the merits of the controversy.

As I told him earlier and privately, I am perfectly willing to cooperate with him in trying to find a vehicle that he can deal with. But I must say in all candor I cannot, first, provide against a germaneness challenge or, second, provide that we will lay aside the con-

stitutional amendment debate in order to take this up.

Let me try to do what I did before for the Senator from Maine and the Senator from Iowa, and I have done in other conversations with a number of Senators. I will try to help him find some way to address this problem. It would be my hope that the way to do that is in the schedule of events I have already described.

I suppose it would not be appropriate to try to put it on the constitutional amendment legislation dealing with the balanced budget. I would assume he would not choose that. But on the question of whether or not that is going to take a whole summer I think the Senator should also assume that I think he can judge that by what we have done in the past. I am not going to let the Senate go on endlessly in this debate. We are either going to get cloture or conclude that debate in an orderly way, on an orderly basis, within a reasonable time or some other way. So I cannot give him this assurance that we will lay it aside. But I can give him assurance, as I said earlier, that I will prosecute the debate and I will push the debate on the consitutional amendment with all sincerity and effort.

On the question of a point of order on germaneness I simply do not know how to do that. It is not my intention to set up the Senator from Michigan so that there would be a point of order. Indeed I will cooperate with him procedurally, with the good offices of the minority leader, who is an absolute expert in this field, to find a way to permit the Senator from Michigan to address this.

But I hope the assurances I have now given him can get across to him that it is my intention to do exactly what I have said, and that is to help him address this issue. But I cannot go so far as to indicate that I can protect him on the procedural points that he is suggesting. I do not want him to fall with those, but I cannot do much for him.

Mr. LEVIN. Mr. President, if the majority leader will yield——

Mr. BAKER. Yes.

Mr. LEVIN. I, first of all, need no assurances with respect to the merits. I need no assurances that the Senator is setting up the Senator from Michigan for a point of order. The Senator never sets up any of our colleagues for anything.

Mr. BAKER. I thank the Senator.

Mr. LEVIN. The problem I do run into, frankly, is the time problem. There are plans that students must make for August. It used to be that school started in September. It now starts in August.

We have a quarter of a million students out there waiting for a decision on this matter. If that debate on the constitutional amendment rolls toward the end of July, I know the majority leader's intention is to bring that to a proper and quick termination but, nonetheless, we cannot as a practical matter be foreclosed despite the best intentions of the majority leader, and I am struggling here to find a way that the unanimous-consent request which was posed by the majority leader this evening can protect me, if there is such a request which is posed by the majority leader tonight, can protect me, on a germaneness point of order if the reconciliation bill is the vehicle that first presents itself for this amendment.

I do believe it is possible for such a unanimous-consent request to be placed by the majority leader. I am frankly in a predicament. I must receive a timely determination. This is June 23. That is a month better than July 23. This whole thing will take 4 hours; the debate on the constitutional amendment will take 2 weeks. This matter can be resolved without taking up the constitutional amendment. A quarter of a million students, 49,000 children of soldiers who lost their lives in Vietnam, are affected, and all I need are the 4 hours. And I would like to see that taken up before the constitutional amendment.

I think the issue is important enough. But if the majority leader has a commitment with others that the constitutional amendment will come up, I am struggling to find a way in which this matter can be resolved by the middle of July. I am not trying to in any way mess up the procedure this evening. I am going to vote for the debt limit extension. I am not trying to leverage it in terms of merit, but simply trying to get this thing resolved before the middle of July.

Mr. LONG. Mr. President, as the majority leader well knows, the kind of thing the Senator has in mind would not be subject to an objection on its germaneness if it were offered in a revenue bill. Hopefully, the House will send us some more revenue bills to give us more latitude, and I feel confident that they will.

In that event the Senator would not need a unanimous-consent agreement to waive germaneness because the amendment would be offered on a Finance Committee bill.

I hope we can accommodate him so he will have his opportunity. But if that is not possible, then perhaps, the majority leader could use his influence to help gain consent to offer the amendment on an appropriation bill. However, I hope that will not be necessary.

Mr. BAKER. Mr. President, it would be impossible for me to make that request this evening. I do not have the chairman of the Appropriations Committee here to consult with or, for that matter, the chairman of the Finance Committee.

There is one point the Senator from Michigan made that I may be able to reassure him on though, and that is the question of whether or not there will be any business transacted before the constitutional amendment. Perhaps. My statement earlier was that we would return to it shortly after we return or, perhaps, immediately after we return, and the reason for those words was to point out that if there are a few, if there are some, items that appear to be urgent and that we can do in a fairly short period of time I am willing to consider them. I am not now saying to the Senator from Michigan I would do this before we get to the constitutional amendment, but I am saying I would not rule out that possibility after I have had a chance to confer with the chairman of the Finance Committee and the chairman of the Appropriations Committee.

Mr. LONG. Mr. President, if the Senator will permit me, I will say that, as the ranking member on the committee, I want to assure the Senator that he will have my complete cooperation in seeing that the Senate has an opportunity to vote on his proposal.

I would like to know more about it. For example, I would like to know what comments the appropriate Government department official might have on the Senator's proposal. It sounds like a proposal with overwhelming merit, but you know how it is when you hear from the departments. They may have an objection, and the objection may even have merit. Therefore, I am not in position to assure the Senator at this point that I will support his amendment. I can, however, assure him I will give him my complete cooperation in seeing that he has an opportunity to offer his proposal and have it considered on its merits on an appropriate vehicle.

Mr. LEVIN. Mr. President, if the Senator will yield, is it fair to indicate that you would help seek it as well by the 20th of July?

Mr. LONG. I will do the best I can, Mr. President. I am not the committee chairman and I am not the majority leader.

I am the ranking member on the Finance Committee. But in my capacity, I will be glad to cooperate.

Mr. LEVIN. I wonder if I could just get a prediction from the majority leader. We are trying to pin him down too hard. Would the majority leader be able to predict if we could get a vote on this matter within 15 days or so after we return in July? I am seeking a prediction here, not a commitment.

Mr. BAKER. I am willing to predict that I will try to do that. The Senator from Kansas is not here, unfortunately, and I have not consulted with him yet on how the debt limit is going to

be reported back or, for that matter, the chairman of the Judiciary Committee, on when we are going to take up the constitutional amendment.

But I am perfectly willing to tell the Senator, as I did earlier, that I am not committed to coming back on the 12th and going straight to the constitutional amendment. I am committed to doing it almost that fast, within hours or a day or two. But if we can work this in there and if the chairman of the Finance Committee and the chairman of the Appropriations Committee and others are willing, I will put no objection in the way of it.

My prediction would be that the Senator would probably succeed with that. But I really must stop short of making a commitment, because I cannot do that on my own responsibility.

Mr. LEVIN. The majority leader's effort is to try to see that that vote takes place by the 20th. His best intention to do so without committing himself to it is good enough for me.

Mr. BAKER. I thank the Senator.

Mr. CHAFEE. Mr. President, it seems to me we are ready to move on for a vote here. Therefore, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall the joint resolution pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. BRADY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Utah (Mr. HATCH), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Arkansas (Mr. PRYOR) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 49, nays 41, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—49

Abdnor	Garn	Percy
Andrews	Gorton	Pressler
Baker	Hatfield	Quayle
Bentsen	Hawkins	Roth
Boschwitz	Hayakawa	Rudman
Burdick	Jackson	Schmitt
Chafee	Kassebaum	Simpson
Cochran	Kasten	Specter
Cohen	Laxalt	Stennis
D'Amato	Levin	Stevens
Danforth	Long	Thurmond
Denton	Lugar	Tower
Dole	Mathias	Wallop
Domenici	McClure	Warner
Durenberger	Murkowski	Weicker
Eagleton	Packwood	
East	Pell	

NAYS—41

Armstrong	Glenn	Melcher
Baucus	Grassley	Metzenbaum
Biden	Hart	Mitchell
Boren	Heflin	Moynihan
Bradley	Helms	Nickles
Byrd, Harry F., Jr.	Hollings	Nunn
	Huddleston	Proxmire
Byrd, Robert C.	Humphrey	Randolph
Chiles	Inouye	Riegle
DeConcini	Jepsen	Sarbanes
Dixon	Kennedy	Sasser
Dodd	Leahy	Symms
Exon	Matsunaga	Tsongas
Ford	Mattingly	Zorinsky

NOT VOTING—10

Brady	Goldwater	Pryor
Bumpers	Hatch	Stafford
Cannon	Heinz	
Cranston	Johnston	

So the joint resolution (H.J. Res. 519) was passed.

Mr. BAKER. I move to reconsider the vote, Mr. President.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, there will be no more votes tonight.

ORDER WAIVING COMPLIANCE WITH RULE XXVI, PARAGRAPH 11(b)—SENATE REPORT 97-359

Mr. THURMOND. Mr. President, rule XXVI, paragraph 11(b), requires that a regulatory impact statement accompany the report of any legislation of a public character.

Senate Report 97-359 concerns S. 995, the Antitrust Equal Enforcement Act. S. 995 creates no new regulations nor does it have any effect on existing regulations of any Government agency. While I regret that a regulatory impact statement was inadvertently omitted from Report 97-359, I do not feel an additional expenditure is necessary or appropriate to reprint the entire report. Therefore, I ask unanimous consent that compliance with rule XXVI, paragraph 11(b) be waived for Senate Report 97-359.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTROL OF THE MONETARY SYSTEM

Mr. SYMMS. Mr. President, the subject of interest rates, monetary policy, the "independence" of the Federal Reserve, and various alternatives ranging all the way from credit allocation and wage controls to the gold standard and abolishing the Federal Reserve, have been debated with increasing frequency and vehemence in congressional offices and the media. The Under Secretary of Treasury for Monetary Affairs, Dr. Sprinkel, was quoted in the Wall Street Journal this week about studies the Treasury is conducting regarding new ways to control monetary policy, including limiting the Federal Reserve's freedom to make any old mess of unemployment, inflation, and interest rates that it chooses.

My colleagues know that I am a strong supporter of the free market, and I believe the free market also offers the solution to the current monetary policy mess. Last year I introduced S. 1704, the Free Market Gold Coinage Act, that would have authorized the mint to produce gold coins that would have been an alternative to the Federal Reserve's greenback money. The U.S. Gold Commission took up my idea and recommended to Congress on March 31, 1982, that a new bullion-weight coinage be created. Senator HARRISON SCHMITT, who served on the Gold Commission, has introduced S. 2330, the American Eagle Gold Coin Act of 1982, to implement the recommendations of that special Commission. I am a cosponsor of that bill, and I recommend it to my colleagues.

Earlier this month, a symposium was held in Washington, D.C., by the Gold Institute/L'Institute de l'Or, the technical association of the mining and metals industry. The subject was "Gold as Coinage, Money, and Investment." One paper presented at that conference was particularly relevant to monetary policy in the United States today. The paper was presented by Joe Cobb, executive director of the Choice in Currency Commission, a private research organization here in Washington that is concerned with monetary policy and the deregulation of financial institutions.

Mr. Cobb is a member of the American Economic Association and the National Association of Business Economists. His talk before the Gold Institute's symposium is one of the best explanations of the development of money that I have read. In the past 100 years the United States has managed to so regulate and doctor its system of money and banking that we have very nearly destroyed it. The current debate about monetary policy and the independence of the Federal Reserve is an exercise in shadowboxing, because hardly any of us know what the principles of a good monetary system would be. Joe Cobb's argument is that the free market knows what it wants, and that the Troy ounce of

gold is rapidly becoming the international form of money for the next century.

I ask unanimous consent that his paper be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

THE TROY OUNCE OF GOLD AS A TRANS-NATIONAL MONETARY UNIT

(By Joe Cobb)

It is with a touch of trepidation that I have entitled my paper in a way as to co-join the words "monetary unit" and "Troy ounce." I have been in many frustrating, and circular arguments with purists in the numismatic commmunity who tell me that "Money comes from Governments." Moreover, they say, the "Troy ounce is a unit of weight, not a unit of money." It seems that "money" is supposed to be named by governments with distinctive neologisms—like "mark, franc, peso, dollar" (and "Krugerrand"?).

What I want to do today is to argue historically from the origins of money, and prospectively in accord with the currents of political events and contemporary evolution to what I see as the future of money in the final decade of this century, and beyond.

At the dawn of the modern era, Jean Bodin wrote "The Six Books of a Commonweale" (1576) in which the concept of sovereignty was set forth for the first time in its modern form. He regarded the prerogative of a monopoly over the coinage as one of the most important and essential parts of it. The regalia, as these royal prerogatives were called in Latin, of which coinage, mining, and customs duties were the most important, were the chief sources of revenue for government during the Middle Ages. Under the Romans, gold coins were monopolized by Caesar and silver coins were monopolized by the Senate. Aristotle actually believed that money was created by a political act of the city-state. During the Middle Ages, the doctrine of valor impositus held that it was the government that conferred the value upon the coinage—rather than the market demand for the gold or silver in the coinage.

The basic proof that this "State theory of money" is false is the fact that whenever kings and princes reduced the amount of gold or silver in the coinage, lo and behold the free market demanded a proportionate increase in the number of coins for the purchase of goods. Today we call this phenomenon "inflation."

The origins of money are documented by the early Austrian economist, Carl Menger, in his "Principles of Economics" (1871). The first monetary units were cows, according to Menger. Later impressions of cows were stamped on coins, the coins becoming tokens for the real thing. Clearly it was easier to keep a coin in a bag for a few weeks than to keep a cow tied up behind your house until you might be ready to take it to market. You didn't have to feed the bag of coins.

In the United States, the silver dollar became the unit on money first in the underground economy. The British Navigation Acts outlawed any trade with the Spanish colonies, but nevertheless the Spanish milled dollar was in circulation in all 13 colonies by the time of the Revolution. Indeed because the Spanish milled dollar was common to the entire new nation, and because the Boston shilling, the Philadelphia shilling, and the Richmond shilling were not standardized, Thomas Jefferson strongly urged the Congress to make the silver dollar the unit for the United States.

The point of this discussion in that monetary units are not created by government. Government plays a part in this process, because it frequently tries to prevent competitive monetary units from being used by citizens; but the government's role is negative, as it attempts to prevent the free market from developing new monetary institutions. If people wanted to use Krugerrands, Mexican Onza, or Canadian Maple Leaf coins in business, the government would be hard-pressed to prevent it. As a matter of fact, we know from anecdotal evidence that these gold coins are already being used in the underground economy today. In the Middle East, the gold sovereign has long been a widely used monetary unit, even though the British pound sterling hasn't being worth a gold sovereign since the 1930's.

THE CURRENT EVOLUTION OF NEW MONETARY INSTITUTIONS

Let me make a radical, controversial statement at this point: The closing of the gold window by Richard Nixon on August 15, 1971, and the abandonment of the Bretton Woods agreement for fixed exchange rates among national currencies, was one of the most positive and salutary acts of government in recent times.

Just as a mother bird pushes her fledglings out of the nest, to force them to learn to fly, President Nixon forced the world to reinvent honest money. Nixon, of course, didn't do this because he wanted to be a benevolent mother bird—he and John Connally wanted to protect the United States' gold inventory from claims by the British at a conversion rate of $35/oz. Yet, Nixon's act shook the basic institutions of international finance to their foundations. The dramatic movements in the price of gold over the succeeding decade are testimony to the kind of fear and panic that infested the international financial community; but the bad old days are behind us now. The failure of the gold price to run back up to the $700-level during the Polish crisis of last year or the Falkland Islands crisis of this year is evidence that gold has now taken more nearly an equilibrium position as an international currency.

This relative price stability is very important for the scenario that I believe is now developing. During the meetings of the Gold Commission in Washington earlier this year, a common complaint about any monetary role for gold was "it is too unstable." We know, however, from Prof. Roy Jastram's book, *The Golden Constant* (1977), that the purchasing power of gold has a long-term stability that we cannot attribute to any other monetary unit today. In my opinion, refusal for political reasons of any government to fix the exchange rate between its currency and the troy ounce of gold sets the stage for the Troy ounce itself to emerge as an international unit-of-account.

DEREGULATION OF BANKING AND FINANCE

Many of you are aware that rapid changes are underway in the deregulation of financial institutions in the United States. The industry itself is now one of the major advocates of deregulation, although, of course, segments of the industry—the thrift institutions, for example—are so fearful of a free market that they are giving Congressmen headaches. Nevertheless, larger and larger steps toward laissez faire in financial markets are being taken every week in the United States.

Internationally, of course, we already have laissez faire. There is no world central bank; there are no international agreements that restrict banking. The Eurocurrency markets trade freely in dollars, Swiss francs, yen, pounds sterling, D-marks—and troy ounces of gold. Ten years ago, only about one percent of Japanese exports were invoiced in yen, as opposed to U.S. dollars; today, according to a recent item in the Wall Street Journal, over 30 percent of Japanese exports are invoiced in yen. It is now more and more important for businessmen to have access to yen, as well as dollars, pounds, marks, etc. The payments system of the world economy as a whole relies increasingly upon multiple currencies—or, more precisely, upon multiple "units of account."

This last point, about units-of-account, is central to my argument about the future of gold in the international financial system. There are two facts about money that will play an important role in this evolution:

(1) Money is what economists call a "natural monopoly." It has this quality due to what we call "declining marginal costs." The simple illustration of this is that your uncertainty and other burdens from using money are reduced if you can expect that everyone else will accept the cash in your pocket. "Transactions costs" are reduced if you don't have to worry about details of acceptability. Clearly the "optimal currency area" for the free market today is the world-as-a-whole. Yet, there is no world government to issue an international currency (thank heaven!); and a currency issued by one government is most likely to be discriminated against by some other sovereign, for reasons of national pride if nothing else.

(2) Contrary to popular cliché, good money tends to drive out bad money—when the price is not fixed by law. When there was a fixed price between silver denarii and bronze denarii, under the later Roman emperors, to be sure people hid the silver coins and tried to pawn the bronze coins off on the merchants. The merchants were not fooled, of course; they charged higher prices for payment in bronze coins than they charged for payment in silver or gold.

In today's international payments system, is anyone puzzled that most transactions are conducted in yen, D-marks, Swiss francs, and dollars? Do you suppose these currencies have overshadowed the British pound sterling, the French franc, and the Italian lira because perhaps all parties to international contracts benefit from more stable, or higher quality monetary units?

The historical model of what is happening today in the international financial system can be found in the free-banking experience of Scotland, from about 1725 through 1845. There was no central bank with a monopoly over the note-issue (as there was in England). Adam Smith, in "The Wealth of Nations" (1776) did not include the control over the issue of money among the "only three duties according to the system of natural liberty, the sovereign has to attend to." The system of financial institutions today in the financial capital of Asia, Hong Kong, perhaps most closely resembles the Scottish system that Adam Smith described favorably, and which I believe represents a prototype for the international financial system of the future.

The growing diversification of international payments among the five major strong currencies will further promote the tendency for all parties to contracts to look for a stable unit-of-account that may be "above the fray" that affects monetary

units issued by governments, which are subject to political currents, unbalanced budgets, wars, etc. The Troy ounce of gold satisfies that requirement.

The continuing deregulation of banking and finance will permit the growing use of the Troy ounce as a unit-of-account, rather than merely a unit to measure weight. Indeed, the fact that the Troy ounce is only used for precious metal measurement today will hasten its development as a currency unit. As strictly a unit of weight, it will be replaced by the kilogram and the metric ton.

CONDITIONS THAT HASTEN OR HINDER THE EVOLUTION

What I have described as the evolution of a new international payments system is already occurring. The evidence is all around you in little bits and pieces. Every day or two you can spot small news items that confirm this movement. The question, therefore, is what we—or our governments—want to do about it. In France, they want to resist the trend; but they find that it is almost impossible. The external exchange value of the French franc is not determined in Paris, but by the world capital markets. In Europe this week, President Reagan will be debating his peers about whether the U.S. dollar should float freely or be pegged or rigged in various ways to suit the political agenda of this government or that vested interest group. Our Undersecretary of the Treasury for Monetary Affairs, Beryl Sprinkel, is strongy in favor of a "clean float," and I believe he is correct in advocating non-intervention.

I also believe that a non-interventionist monetary policy will hasten the day that the Troy ounce of gold becomes the unit-of-account of choice for international finance.

The U.S. Gold Commission recommended to Congress that a bullion-weight coinage be issued, and this proposal is now embodied in the "American Eagle Gold Coin Act of 1982," H.R. 6054 and S. 2330. If this bill in Congress is passed, the United States will begin to issue its own version of the coinage that is today issued by South Africa, Mexico, and Canada—in the same units: the Troy ounce (and fractions thereof).

The most important step, of course, which will follow the coinage but is not really dependent upon the adoption of the "American Eagle Gold Coin Act" in Congress, is the use of the Troy ounce as a unit-of-account for checking accounts, savings accounts, and bonds. Most of you are familiar with the experiments that Deak & Co. have conducted in various markets with gold-denominated transactions accounts. In Hong Kong, Deak issues gold banknotes. The Troy ounce of gold may be a bit too large for grocery shopping; and the tastes and preferences of consumers may not encourage the use of little gold coins instead of paper money, credit cards, and checkbooks. This, however, is not the point; it is irrelevant.

If credit cards can be used throughout Europe and Asia, with only the interpretation of the ciphers entered by the cashier making any difference, then the Troy ounce of gold can also be a unit-of-account for transactions.

The Troy ounce of gold is already a fine "store of value" form of money, in bullion-weight coinage; it is a medium of exchange in the underground economy, and in various parts of the world—perhaps soon in the United States as well. With some noticeable movement, it is becoming an international "unit of account." With these three qualities we have described the necessary and sufficient conditions for money.

The evolution toward a new monetization of the Troy ounce of gold is hindered by discriminatory government regulations and taxation; by restrictions upon domestic banking practices; and by the old superstition that only governments can create money. Those who advocate a "return" to the "gold standard," with a fixed price for gold, are victims of this last item—the superstition. The two forces that will most hasten the evolution are the deregulation of banking and financial institutions in the U.S., because the United States is such a large part of the world economy; and the enactment of the bill recommended by the Gold Commission, the "American Eagle Gold Coin Act," with special regard for its repeal of discriminatory taxation of the Troy ounce of gold used as a monetary unit.

Thank you.

BACKLASH

Mr. MELCHER. Mr. President, Israel's invasion of Lebanon to destroy Palestine Liberation Organization bases which shelled Galilee has gone too far and lasted too long, causing the deaths of thousands of innocent Lebanese people. The backlash against the Israelis will only continue to grow until positive steps of withdrawal are taken by the Israeli Armed Forces and humanitarian help is given to alleviate the suffering of the people in Lebanon.

The United States clearly has the whiphand to force recognition upon Israel of the urgency for prompt withdrawal of their armed forces, because it is U.S. aid that not only bolsters their economy—it is in large part our armaments that have given them their great military superiority. Prime Minister Begin, who is known for his hardline policy against all enemies of Israel's survival, would enhance the position of his country if he would recognize that the results of their assault on Lebanon to the gates of Beirut are oppressive to scores of thousands of Lebanese and, for that matter, those of the Palestinian people who only seek to live in peace.

Protecting Galileans in Israel against artillery shelling by the PLO from within Lebanon is one thing, but it is another matter to promote and prolong overkill.

Many of us who seek to comprehend the narrow and fragile balance that permits Israel to exist as a free and independent country can only ponder now what is the degree of our responsibility to force, through economic and diplomatic channels, Israel's prompt recognition of the necessity to alleviate the suffering that accompanies modern warfare.

Prime Minister Begin's suggestion that the United States should send some of our Armed Forces as a part of a peace-keeping military force should be rejected out of hand. After all, the United States is the primary source of Israel's economic and military hardware base. The United States is involved enough already.

It is up to Israel to withdraw militarily and to share their economic capabilities with those civilian people upon whom they have rained down destruction. And doing that now is one way that the Israelis can demonstrate to the world that they have not only matured in the art of the military but have also matured in a humanitarian sense, before shame and guilt become overwhelming.

TRIBUTE TO KEN MATTINGLY AND HENRY HARTSFIELD

Mr. HEFLIN. Mr. President, on many occasions, you have heard much from this body of the pride we share in American technology, the promise for all our people through the contributions of our scientists and engineers, and the value to the quality of our lives offered by our many fine colleges and universities. Today, I rise in tribute to one of those great universities, one of our superlative southern universities, and the original land-grant university in my home State, Auburn University in Auburn, Ala.

What prompts me to raise Auburn today are the unique accomplishments of two of her distinguished alumni, Ken Mattingly of the class of 1958 and Henry Hartsfield, class of 1954. These two individuals will serve as commander and pilot, respectively, on America's next flight of the Space Shuttle *Columbia*. On June 27, 1982, lift-off is scheduled for STS-4, the first shuttle flight whose crew are both alumni of the same institution, Auburn University. This event provides an excellent opportunity to praise one institution for the effective means in which higher education contributes, not only to the space program and thus our national prestige, but to the life foundation of the student as well.

Auburn University is 126 years old, having been incorporated as the East Alabama College in 1856. The college actually opened its doors in October of 1859 with a faculty of 5 and a college enrollment of 80. On February 26, 1872, Auburn became the Agricultural and Mechanical College of Alabama, the first land-grant college set up in the South separate from a State university.

Auburn's history as a land-grant institution and her contributions in the areas of instruction, research, and public service are well known to our people in Alabama and throughout the Southeast. Today, Auburn University represents one of the most comprehensive institutions of higher learning in the South, with the largest on-campus enrollment in Alabama comprising over 18,000 students from every county in Alabama, 49 States, and 57 foreign countries. Auburn's

1,871 acres in Lee County, Ala., support the physical plant for the largest industry in the area at a value of more than $165 million. Over 7,400 faculty, staff, and other employees make this institution a model for quality, effectiveness, and efficiency.

Auburn has 10 undergraduate schools offering degree options in 142 areas. The graduate school administers programs in 112 master's degree areas, 31 doctor of philosophy areas, and 5 doctor of education areas. The Auburn Schools of Veterinary Medicine and Engineering are known nationwide for the success of their graduates. Auburn's undergraduate teaching programs in the sciences and liberal arts are regularly copied and lauded by peer institutions in the southern region of the United States.

Quality is Auburn University's goal and nowhere is that more manifested than in Auburn's research contributions. Auburn scientists have always been leaders when answers to real everyday problems are needed. Today, these researchers and technicians are applying their mindpower to challenges of our time involving energy, space technology, food production, environmental improvement, health and finance. Total organized research activity at Auburn University is approximately $25, million per year, primarily in agriculture and engineering. Many in the this body are aware of the contributions to our space program by the work done at Marshall Space Flight Center in Huntsville, Ala. Auburn University has been a major partner in that effort through its teaching and research extension since the early days of our space program.

Against this background of tradition and excellence at Auburn University, it is no surprise that we find two Auburn graduates at the helm of our Nation's next space venture. Since the beginning, Ken Mattingly and Hank Hartsfield have played prominent roles in America's space program. Navy Captain Mattingly, a Miami native and former student government president at Auburn, served as command module pilot of the Apollo 16 lunar landing. Hartsfield, who is from Birmingham, was a member of the astronaut support crew for that mission, as well as the subsequent Skylab 2, 3, and 4 missions.

Hartsfield, a graduate of West End High School in Birmingham, was a member of Delta Chi social fraternity at Auburn, and of Tau Nu Tau, Pi Mu Epsilon, and Sigma Pi honoraries. He was also a member of the honor band of the Auburn Marching Band and received his commission in Army ROTC. He entered the Air Force in 1955, and later graduated from the USAF Test Pilot School at Edwards AFB, where he was an instructor until his assignment in 1966 to the USAF Manned Orbiting Laboratory (MOL) program as an astronaut. After cancellation of the MOL program in 1969, he was reassigned to NASA. Hartsfield retired in 1977 from the U.S. Air Force with more than 22 years of active service, but continues his assignment as a NASA astronaut in a civilian capacity. He was a member of the orbital flight test missions groups of the astronaut office and was responsible for supporting the development of the Space Shuttle entry flight control system and its associated interfaces.

Mattingly, a graduate of Miami Edison High in Miami, Fla., was the second Auburn graduate selected as an astronaut. The first was Clifton C. Williams, a mechanical engineering major for the program in 1963. At Auburn, Mattingly was a member of Delta Tau Delta social fraternity, and was elected to Who's Who in American Colleges and Universities. He received his commission in Naval ROTC. Since his participation in the Apollo program he has received the Delta Tau Delta Achievement Award, the Auburn Alumni Engineering Council's Outstanding Achievement Award, and numerous professional honors.

Selected as an astronaut in 1966, Mattingly served as a member of the support crews for the Apollo 8 and 11 missions, and was the astronaut representative in development and testing of the Apollo spacesuit and backpack. He was designated command module pilot for the Apollo 13 flight, but was removed from flight status 72 hours prior to launch due to exposure to the German measles. As command module pilot of Apollo 16, he was accompanied by John W. Young, spacecraft commander, and Charles M. Duke, Jr., lunar module pilot.

During the Apollo 16 flight, Mattingly carried 10 small flags from his alma mater, designed by Tazewell Morton of the art department especially for the mission. One of those flags, framed with photos from that mission, now hangs in the university archives.

Mattingly worked as head of astronaut office support to the STS (Shuttle transportation system) program from 1973-78. He was next assigned as technical assistant for flight test to the manager of the orbital flight test program. From 1979-81, he headed the astronaut office ascent/entry group and subsequently served as backup commander for STS-2 and STS-3, *Columbia*'s second and third orbital test flights.

While they are in orbit, the *Columbia* crew will have a vast cheering section of alumni supporters. Foremost among them will be Richard Graham Smith, an electrical engineering graduate of Auburn's 1951 class, who is Director of the Kennedy Space Flight Center, from which the *Columbia* will be launched.

I am proud, as are all Alabamians, that these two men represent the finest examples of what quality higher education provides for us as a nation and as individuals.

I ask my colleagues to join me in commending Auburn University for 126 years of quality higher education, never any more visible than in the upcoming flight of Columbia when two of her sons carry America's banner into the future. I know they join me in prayers for safety and success for Auburn's space crew, Ken Mattingly and Hank Hartsfield.

Thank you, Mr. President.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawals which were referred to the appropriate committees.

(The nominations and withdrawals received today are printed at the end of the Senate proceedings.)

RESCISSION AND DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 147

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $8 million in budget authority previously provided to the Office of the Federal Inspector of the Alaska Natural Gas Transportation System. In addition, I am reporting a new deferral of $3.6 million in funds appropriated to the Office of the Solicitor and Office of the Secretary of the Department of the Interior.

The details of the rescission proposal and deferral are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, *June 23, 1982.*

MESSAGES FROM THE HOUSE

At 2:12 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that it has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 6451. An act to amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction and military family housing; and

H.R. 6645. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

At 4:56 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House agree to the amendment of the Senate to the bill (H.R. 3112) to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 6133) to amend the Endangered Species Act of 1973; asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES of North Carolina, Mr. BREAUX, Mr. STUDDS, Mr. BOWEN, Mr. SNYDER, Mr. FORSYTHE, and Mr. EMERY as managers of the conference on the part of the House; and as additional managers solely for consideration of section 4 of the House bill and modifications committed to conference: Mr. BONKER and Mr. LEACH.

The message further announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 98. Concurrent resolution expressing the sense of Congress on the occasion of Thailand's bicentennial.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6590. An act to provide for the operation of the tobacco price support and production adjustment program in such a manner as to result in no net cost to taxpayers, to limit increases in the support price for tobacco, and for other purposes.

At 5:59 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 519. Joint resolution to provide for a temporary increase in the public debt limit; and

H.J. Res. 520. Joint resolution to provide for a temporary increase in the public debt limit.

At 7:27, a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House recedes from its disagreement to the amendment of the Senate numbered 62 to the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and concurs therein.

The message also announced that the House has passed the following bill, with amendments:

S. 2332. An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were read twice by unanimous consent, and referred as indicated:

H.R. 6590. An act to provide for the operation of the tobacco price support and production adjustment program in such a manner as to result in no net cost to taxpayers, to limit increases in the support price for tobacco, and for other purposes; to the Committee of Agriculture, Nutrition, and Forestry.

H.J. Res. 520. Joint resolution to provide for a temporary increase in the public debt limit; to the Committee on Finance.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by unanimous consent, and placed on the calendar:

H.R. 6451. An act to amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction, and military family housing.

ENROLLED BILL SIGNED

The PRESIDENT pro tempore (Mr. THURMOND) announced that on today, June 23, 1982, he signed the following enrolled bill, which had previously been signed by the Speaker of the House of Representatives:

S. 1519. An act to designate certain national wildlife refuge lands.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 23, 1982, he had presented to the President of the United States the following enrolled bill:

S. 1519. An act to designate certain national wildlife refuge lands.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with amendments:

H.R. 3816. An act to improve the operation of the fishermen's contingency fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S.J. Res. 193. Joint resolution designating the week of November 7 through November 13, 1982, as "National Respiratory Therapy Week"; and

H.R. 4903. An act granting the consent of the Congress to an interstate compact between the States of Mississippi and Louisiana establishing a commission to study the feasibility of rapid rail transit service between the two States.

By Mr. THURMOND, from the Committee on the Judiciary, with amendments and an amendment to the title:

S.J. Res. 183. Joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

H.R. 4441. An act to amend title 17 of the United States Code with respect to the fees of the Copyright Office, and for other purposes.

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment:

S. 1880. An act to amend the manufacturing clause of the copyright law.

By Mr. McCLURE from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 2133. A bill to designate certain lands in the State of Washington as a national volcanic area, and for other purposes (Rept. No. 97-481).

By Mr. McCLURE from the Committee on Energy and Natural Resources, without amendment:

S. Res. 418. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2133; referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Guy W. Fiske, of Virginia, to be Deputy Secretary of Commerce.

(The above nomination was reported from the Committee on Commerce, Science, and Transportation with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HATCH, from the Committee on Labor and Human Resources:

Adelaide Attard, of New York, to be a member of the Federal Council on the Aging for a term expiring June 5, 1985;

Charlotte W. Conable, of New York, to be a member of the Federal Council on the Aging for a term expiring June 5, 1985.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify

before any duly constituted committee of the Senate.)

By Mr. THURMOND, from the Committee on the Judiciary:

Thomas Penfield Jackson, of the District of Columbia, to be U.S. district judge for the District of Columbia;

John P. Moore, of Colorado, to be U.S. district judge for the district of Colorado; and

Henry A. Mentz, Jr., of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. HART:

S. 2663. A bill to authorize a national program of improving the quality of education; to the Committee on Labor and Human Resources.

By Mr. MATTINGLY:

S. 2664. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amount of total budget outlays contained in concurrent resolutions on the budget; referred jointly pursuant to the order of August 4, 1977 to the Committees on the Budget and Governmental Affairs with instructions that if one Committee reports, the other Committee has thirty days of continuous session to report or be discharged.

By Mrs. HAWKINS:

S. 2665. A bill to amend the Agricultural Act of 1949 to modify the milk price support program for the 1982 through 1985 fiscal years; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KENNEDY:

S. 2666. A bill to amend the Airline Deregulation Act of 1978 and the Federal Aviation Act of 1958 to provide employee protection for employees of certain air carriers; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 2667. A bill to amend title 38, United States Code, to enhance the quality of care for veterans in medical facilities operated by the Veterans' Administration by insuring the provision of such care and necessary related services by Federal employees; to the Committee on Veterans' Affairs.

By Mr. MOYNIHAN:

S. 2668. A bill to amend the Social Security Act with respect to the issuance of social security cards; to the Committee on Finance.

By Mr. PRESSLER:

S. 2669. A bill to amend title 18 to limit the defense of insanity; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 2670. A bill to prohibit all U.S. economic and military assistance and exports (except food and medicine) to, and all imports from, any country whose government has failed to take adequate measures to prevent opium and its illicit derivatives from being produced or refined for export to the United States; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. GRASSLEY, Mr. LEAHY and Mr. MATHIAS):

S. 2671. A bill to provide for the establishment of a Commission on the Bicentennial of the Constitution; to the Committee on the Judiciary.

By Mr. QUAYLE:

S. 2672. A bill to reform the insanity defense and to establish a verdict of guilty but mentally ill; to the Committee on the Judiciary.

By Mr. DOLE (for himself, Mr. ROTH and Mr. D'AMATO):

S. 2673. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GRASSLEY:

S. Res. 416. Resolution to refer the bill (S. 1483) entitled "A bill to amend title 28 of the United States Code to make the United States liable for damages to certain individuals, to certain uranium miners, and to certain sheep herds, due to certain nuclear tests at the Nevada test site or employment in a uranium mine, and for other purposes." to the Chief Commissioner of the United States Court of Claims for a report thereon; to the Committee on the Judiciary.

By Mr. GARN (for himself, Mr. TOWER, Mr. D'AMATO, Mr. RIEGLE, Mr. PROXMIRE and Mr. SARBANES):

S. Res. 417. Resolution commending Philip A. Loomis, Junior; considered and agreed to.

By Mr. McCLURE:

S. Res. 418. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2133; from the Committee on Energy and Natural Resources; to the Committee on the Budget.

By Mr. PELL:

S. Con. Res. 108. Concurrent resolution expressing the sense of the Congress concerning continuing U.S. participation with respect to a comprehensive Law of the Sea Treaty; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HART:

S. 2663. A bill to authorize a national program of improving the quality of education; to the Committee on Labor and Human Resources.

AMERICAN DEFENSE EDUCATION ACT

Mr. HART. Mr. President, today I am introducing the American Defense Education Act. I intend this act, patterned in many ways upon the landmark National Defense Education Act of 1958, to refocus national attention on the relationship between investment in education, and economic and national security.

The purpose of the act is to provide an incentive program to local school districts to revitalize their curricula in tomorrow's crucial areas of mathematics, the sciences, foreign languages, communication skills, and other new technologies. The program—although federally funded—will be locally developed to meet our country's economic and national security objectives.

The launching of Sputnik in 1957 awakened Congress and the American people to the urgency of strengthening and encouraging education in the fields of mathematics, science, and foreign languages. Congress responded with the passage of the 1958 National Defense Education Act. Today, passage of the American Defense Education Act will again acknowledge that the security of our Nation depends on the education and training of our people.

This Nation has always viewed education as a necessity—not a luxury. But today, America is being tested and challenged as never before. And education is more than a necessity—it is a vehicle for national survival.

We do not spend on education—we invest in it. And in a time of challenge, we must make that investment for the sake of our economic security and our national security.

The American economy is undergoing a profound transformation—as far-reaching and pervasive as the industrial revolution. That revolution turned a nation of farmers into a Nation of factory workers. In 1982, America is fast becoming a Nation of workers with words and information. It is in our country's best interest to invest in the minds and education of our young people. The opportunities for jobs, for growth, for prosperity in the 1980's and 1990's depends on our human resources even more than on our physical resources. Our future security and our future well-being depend on investing in the education of tomorrow's workers.

A major step in that direction must be a new emphasis on mathematics, the sciences, foreign languages, communication skills, and new technology. Without preparation now, our children will not be ready to work and live in a changing economy. The past 20 years have brought unparalleled scientific and technical advances. Our society has been transformed by computers, by communications, by electronics, and it will continue to change in the decades ahead.

Yet, Federal investment in education has not kept pace with our national needs. In recent years, we have paid less attention to training in mathematics and science, while our toughest international economic competitors pay more. Japanese and West German schoolchildren receive rigorous training in mathematics and science. As a result, these countries have moved rapidly into technological fields once dominated by our industries. Unless we begin to prepare our children in mathematics and science, we will not be able to compete successfully in the international marketplace. Our economic future will be jeopardized.

Successful international competition will require skills in foreign languages

as well. Yet fewer than one-fifth of today's high school graduates have any training in a foreign language, and only 4 percent have studied a foreign language for more than 2 years. We must reverse this trend by investing in foreign language education. The American Defense Education Act would establish an incentive program to do just that.

Technological and scientific knowledge is necessary to meet our economic objectives. It is even more imperative to meet our national security objectives.

Today's defense rests on sophisticated equipment. This equipment incorporates the most up-to-date science and technology. And what of the minds to control the equipment, to operate it and maintain it? Many of our troops cannot even read the instruction manuals. So the Defense Department is spending millions to rewrite the manuals, from the 11th grade reading level to the 6th grade level or lower. Yet, equipment and training manuals become obsolete and are discarded, costing our Government millions of dollars.

Only investment in the minds of our young people will bring lasting returns in the future.

By encouraging local school districts to revitalize their curricula in mathematics, the sciences, foreign languages, communication skills, and new technology, we invest in the knowledge necessary for defense in a technologically advanced age. Our national security rests on making that investment.

Under this act, each school district desiring to participate is required to formulate its own program for the improvement of instruction and student achievement in those areas.

Once the local program is approved by the Secretary of Education, the school district directly receives a basic payment. The formula rate is equal to 2 percent of the average per pupil expenditure in the State multiplied by the number of children in average daily attendance in the school district. An additional 2 percent incentive based on the same formula will be available to districts which show that the goals established have been met.

An additional component of the ADEA calls for the Secretary of Defense to project the personnel training needs of the Armed Forces. Then, in conjunction with the Secretary of Education and local educators, the Secretary is required to analyze the best education program to help meet those needs.

This emphasis placed by this act on scientific education in no way is meant to diminish the importance of the humanities and other vital elements of a broadly based, well-rounded education. The author of this act well knows that an individual who possesses superior, but narrow, scientific training is still not thoroughly educated. The most successful and productive member of tomorrow's society will be the individual possessing the skills necessary to participate in tomorrow's economy and an appreciation for history, the arts, philosophy, and on the humanities.

Mr. President, the American Defense Education Act establishes an incentive program which is necessary to give needed Federal impetus to enable our country to meet the demands placed on our educational systems by the technological changes taking place in today's world. It is vital to our national economic well-being and to our national security that the Federal Government provide the incentive to local school districts to develop the program which will train our young people for tomorrow's world.

By Mrs. HAWKINS:

S. 2665. A bill to amend the Agricultural Act of 1949 to modify the milk price support program for the 1982 through 1983 fiscal years; to the Committee on Agriculture, Nutrition, and Forestry.

MILK PRICE SUPPORT ACT OF 1982

● Mrs. HAWKINS. Mr. President, today I am introducing legislation that will save consumers over $1.7 billion and the Federal Government $3.2 billion in the next 3 years by reducing dairy price supports to reasonable levels. Specifically, my bill drops price supports from $13.10 per hundredweight to $12.60 upon enactment and to $12 on January 1, 1983. With the budget deficit projected to exceed $100 billion this fiscal year, and next, Congress must take meaningful steps to reduce Government expenditures. For that reason, Members of Congress have agreed to vote for substantial reductions in medicare, medicaid, and other programs vital to millions of Americans. I therefore believe it is only fair that we stop the hemorrhage in the budget caused by the runaway dairy support program.

Unless something is done, in fiscal year 1983 the Federal Government will spend $2 billion on surplus milk. This is equivalent to an average taxpayer subsidy of $6,000 for each of the Nation's 324,000 dairy farmers. Of course, taxpayers in their capacity as consumers will also indirectly subsidize dairy farmers by paying higher than necessary prices for the dairy products they buy. Next year, unless the law is changed another $5,250 will go from the consuming public's pocket to each dairy farmer.

In sum, without action it will cost, through taxes and higher prices, $11,250 to subsidize each dairy farmer, because demand and supply conditions for milk are so radically out of SYNC.

To gain perspective on the size of this subsidy consider the following facts, in fiscal year 1982, the Government will contribute an average $113 to each of the 23 million children participating in the school lunch program. It will also pay an average of $5,304 to 36 million recipients of social security retirement, disability, and survivor benefits. Only $622 in average annual benefits will be received by the 18 million Americans participating in the food stamp program. Further, the individual income tax cut passed last year will provide an average of $902 to every man, woman, and child in the United States over a 3-year period. And in 1981, the official poverty level for a family of four in the United States was $9,290.

It is only in the last few fiscal years that dairy subsidies became so outlandish. For many years, the dairy price-support program worked well, with little expenditures requested by taxpayers or consumers because supply and demand were in balance. However, when high support levels were established in the 1977 farm bill and were raised again in 1979, the subsidies grew to massive proportions. By October 1, 1980, the support level rose to $13.10, 61 percent higher than 4 years ago, while production costs rose by substantially less than that amount.

The result was predictable. Dairy production soared by 10 percent in the last 3 years and per capita consumption fell, forcing the Government to accumulate dairy products in record quantities. As of June 4, 1982, the Commodity Credit Corporation owned 437 million pounds of butter, 703 million pounds of cheese, and 1.1 billion pounds of nonfat dry milk. These incredible figures work out to 75 pounds of milk for every man, woman, and child in America. To help visualize the amount of dairy stocks in storage, imagine a train stretching from Washington, D.C., to New York City filled with surplus Government dairy products.

Unfortunately, the problem is getting worse. Surplus dairy stocks continue to accumulate. At the present rate, the boxcars will link New York and Miami within the next decade. Of course, the cost for filling this train is being paid by the taxpayer. The $2 billion they spent in fiscal year 1981 and will spend again in fiscal year 1982 is 40 times higher than in fiscal year 1979.

By dropping the support price to $12 per hundredweight, we will stop the train from getting any longer, according to the administration.

However, we should not place the blame for this problem on the dairy farmers. The problem was not created by the producers—it was caused by those in Government who lacked the foresight to see what would happen with the passage of legislation providing for price supports well above the

amount that could be supported by the marketplace. Dairy producers are merely reacting to the price signals sent by Congress. Like any good businessman, dairy farmers make business decisions based upon the cost of production, and the price they receive for supplying products. With low grain and beef prices and artificially high milk prices, dairy farmers have every reason to expand production.

Consumers have fared no better than taxpayers. By raising the support floor under butter, cheese, and nonfat dry milk 61 percent in recent years, the Government is forcing commercial purchasers to offer processors as much as the Government to acquire dairy products. The higher prices are being passed on along to consumers in the grocery stores. By jacking prices up, the Government is literally taking food out of the mouths of babies. Mothers cannot afford to buy as many dairy products for their children as they otherwise would. However, by adopting this bill, we will drop 1983 milk prices in the grocery store by 11 cents per gallon, cheese by 12 cents a pound, and butter by 15 cents a pound. Support prices will still be 48 percent higher than they were in September 1976.

In the process, consumer will save $1.7 billion yet consume 1.5 billion pounds more in dairy products over the next 3 fiscal years, according to Economic Perspectives, Inc., and unlike other proposals, this proposal will reduce the CPI since 13 percent of funds spent in grocery stores go for dairy products. Given the recent spurt in the CPI, fueled in part by rising food prices, reducing dairy prices is timely.

Looking forward, the case for dropping support prices now grows even stronger because major technological breakthroughs will dramatically increase dairy productivity in the years ahead.

Scientists now believe they can dwarf the past increases in dairy production through such advanced technologies as embryo transer, sex control, cloning, and the ability to manipulate the genes of dairy cows. New breeding technologies could increase the annual milk production of a single cow from today's level of 15,000 pounds per year to nearly 45,000 pounds in the future. Therefore, at today's high prices, milk production will increase rapidly and milk consumption will remain unchanged. In that event, today's imbalance between supply and demand will be considered minor. And so will the $11,250 subsidy.

Mr. President, I ask unanimous consent to print in the RECORD at this point, recent editorials and articles on this important subject, along with a copy of my bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Milk Price Support Act of 1982".

SEC. 2. The second sentence of section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended to read as follows: "Notwithstanding the foregoing, (1) effective for the period beginning with the date of enactment of the Milk Price Support Act of 1982, and ending December 31, 1982, the price of milk shall be supported at such level as determined by the Secretary, but not less than $12.60 per hundredweight for milk containing 3.67 per centum milk fat; and (2) effective for the period beginning January 1, 1983, and ending September 30, 1985, the price of milk shall be supported at such level as determined by the Secretary, but not less than $12.00 per hundredweight for milk containing 3.67 per centum milk fat.".

[From the New York Times, June 17, 1982]

DON'T MILK THE CONSUMER

Times are hard on America's farms, but no one told the cows: dairy production is at record levels. To maintain prices at the legislated minimum, the Federal Government must buy up $2 billion worth of butter, cheese and powdered milk for its already bulging warehouses. That's why President Reagan is right to ask Congress for permission to freeze the dairy support price for the rest of 1982, and if surpluses persist, to lower it in January.

But dairymen don't buy that. They offer an alternative, a plan that would be the stuff of satire were it not a serious proposal with serious support. They want to maintain high prices by forming a Government-enforced milk cartel. That way, the only people who would lose money are consumers.

In theory, price supports are meant to stabilize dairy income and production. Government purchases in surplus years should be roughly offset by Government sales in lean ones. But in practice, the dairy lobby simply aims for the best support price it can get, and its success has greatly stimulated milk output. To maintain the current price at $13.10 per 100 pounds, the Government must now purchase roughly a tenth of total production.

The President proposes to forgo an automatic 15-cent jump in that price in October. If production does not fall sharply thereafter—and nobody believes it will—he would cut the support price to $12. Dairy farmers know that something must be done to reduce the budgetary cost of price supports. Their notion is to transfer the burden to consumers.

The dairy lobby's bill would set quotas for individual farmers, with the target of cutting production by about 7 percent. The Government would continue to buy surpluses, regardless of how much was produced. But farmers who exceeded their quotas would pay penalties to the Treasury, offsetting about half the budget expenditure. As compensation, the support price would be raised slightly and then linked to an inflation index.

Economists have a name for such a system: it is, pure and simple, a cartel. Dairy farmers are trying to set up an OPEC for milk, using Government power to fix high prices by restricting output. A board composed of producers would take over responsibility for price supports from the Secretary of Agriculture, even managing a program to dump surpluses abroad on Washington's behalf.

Dairy farming is hard, often unrewarding work. But so is managing the corner dry cleaning store or running a drill press in a machine shop. The Government does not fix the price for cleaning a suit or set the wages of drill press operators. Neither should Congress do so for the dairy lobby; the cleaner, the machinist and the rest of us taxpaying consumers are neither cows nor sheep.

[From the Washington Post, June 9, 1982]

OUR LUDICROUS DAIRY SITUATION

(By James J. Kilpatrick)

On May 5, Secretary of Agriculture John R. Block announced his big cheese-and-butter plan. A month later, it seems unhappily evident that the plan has laid a large egg. On Capitol Hill, where politics is thicker than whipping cream, few members are disposed to take on the dairy lobby. Yet something has to be done before a taxpayers' rebellion arises, and both Block and his farm constituency know it.

The story offers a classic example of the maxim that nothing fails like success. The present price support law has succeeded so marvelously in increasing dairy production that the surpluses add up to a political and economic failure. As recently as fiscal '79, government purchases of dairy products amounted to $49 million. In the current '82 fiscal year, purchases will amount to $2 billion. Unless the present law is amended, the next three years will see more than $6 billion paid out. And for what? What does the government get for these billions? The Commodity Credit Corporation winds up with millions of pounds of dairy products expensively stored in refrigerated warehouses and in the cool caves of Kansas.

It sounds absurd and it is absurd. What about the starving children of Bangladesh? Block would give it away, but the law won't let him. What is known as Public Law 480 now forbids the kind of disruption in world markets that such a giveaway would provoke. How about giving the stuff to our own poor folks? Even here there is a limit to free distribution. Block announced on May 30 that the CCC would give away 50 million pounds of surplus butter before the end of the year—about two pounds each to 25 million families—but new purchases in this same period will produce no net reduction in the surplus stocks. In this race between the government and the milk producers, it is like Alice in Wonderland: Block has to run as fast as he can to stay in the same place.

Barring action from Congress, the lunacy can only get worse. The present price support of $13.10 per hundredweight will be succeeded on Oct. 1 by a new price of $14. A year later the law requires a price support of $14.60. Any schoolboy could predict the consequences: more cows, more milk, more purchases by the CCC, more discontent among the taxpayers.

Block's plan would vest discretionary authority in the Secretary of Agriculture to reduce the price support levels. In his statement last month, Block promised that, if granted this authority, he would make no change prior to Jan. 1. At that time, he would not cut the price to a level below $12. The effect, he hopes would be to encourage a gradual 10 percent reduction in dairy

herds. The administration's bill also contemplates a restoration of authority to donate surplus dairy products to hungry people around the world. Here at home, efforts would be intensifed to give away cheese and butter to eligible institutions.

Looking at the figures, Block professes a steadfast optimism that something effective will be done. The secretary was born to be a scoutmaster in a Norman Rockwell painting; he exudes a simple faith that if only the people and the Congress will understand the problem, the Congress will rise above politics and do what has to be done. The whole situation is ludicrous. If the cost weren't so painful it would be something to laugh about, but on Capitol Hill, when someone says "cheese," nobody smiles.

[From Consumer Reports, June 1982]

MILK—COULD IT COST LESS?

Twice each day, Craig Vogel, a third-generation dairy farmer in Rhinebeck, N.Y., milks his 95 black-and-white Holstein cows. Every two days, a bulk tank truck picks up his 8,000 pounds of milk and transports it about 100 miles to Moser Farms, a dairy near Hartford, Conn. There, it is quickly pasteurized and packaged, then shipped to stores in southern New England. Thus, in the space of about two days, milk from Vogel's cows reaches the shelves in supermarkets such as Finast in Westport, Conn.

At Finast's checkout counter, clerks have recently been ringing up about $1.25 for a half-gallon of milk. Finast Supermarkets pays Moser Farms; the dairy pays Dairylea, the cooperative to which Vogel belongs; and Dairylea pays Vogel.

These transactions are typical of the dairy farming business across the country. They seem simple and straightforward, but they're not. Both the amount of Vogel's payment and the price of milk in Westport are enmeshed in a web of Federal regulations, perhaps the most intricate for any food product. The regulations are intended to maintain the farmers' income and to guarantee an adequate milk supply. But, more often than not, they result in a costly and wasteful oversupply of milk, and in retail milk prices that are higher than necessary to encourage production.

In addition to Federal regulations, states often have their own rules dictating the prices that milk processors and retailers can charge. And all too often, the price of milk is also affected by illegal price-fixing arrangements made by the processors themselves.

The maze of regulatory arrangements supposedly protects the nation's 216,000 dairy farmers. Dairy farmers do have special problems. Cows produce milk continually, yet milk is extremely perishable and can't be stored for long. Further, cows give more milk in spring and summer than they do in fall and winter, making orderly production difficult.

The basis for milk regulation was the cutthroat competition that existed in the dairy industry after World War I. When milk was in short supply, processors would pay farmers more for milk used for drinking. When milk was abundant, processors would pay only as much for drinking milk as they paid for lower-quality milk used for manufacturing other dairy products. To be assured of the higher price for drinking milk during winter months, farmers competed intensely for processors who would agree to buy their milk year-round.

To reduce this competition, some farmers banded together in cooperatives. Every farmer in a co-op would receive the same average price for milk, regardless of how the milk was used. (Historically, the price of milk had depended on the use to which it was put.) Thus, all co-op members shared in the sales of higher-priced milk—an idea central to the Federal marketing-order system in effect today.

MARKETING ORDERS

The marketing-order system, the first of two major Federal programs to regulate dairy prices, sets the prices milk processors must pay to farmers. The program has had three goals: to raise the farmer's income and stabilize it year-round; to promote orderly marketing; and to set prices high to encourage farmers to improve their herds, thus assuring an adequate supply of milk. The benefits of the orders were viewed as sufficiently desirable to justify the elimination of price competition among farmers.

A marketing order in the dairy industry is not, as the name implies, a directive of some kind. It is a pricing framework voted into existence by dairy farmers. There are now 49 Federal regions with marketing orders. To enforce the provisions of the orders, the U.S. Department of Agriculture (USDA) appoints a market administrator for each.

Once an order has been established, the administrator can legally fix a schedule of minimum prices—based on the end-uses of milk—that all processors must pay. That schedule, in turn, depends on the price of milk in certain parts of Minnesota and Wisconsin, the center of American's most efficient dairy-producing area.

Unlike most other dairy farmers, those in this region who produce manufacturing-grade (not drinking) milk operate outside the marketing-order system. Some 300 processors in the Upper Midwest bid for this region's milk in a theoretically free, competitive market based on supply and demand. Each month, the USDA samples the prices paid to these farmers for manufacturing-grade milk. It then announces an average, known as the "Minnestota-Wisconsin" price. That becomes the price that processors pay for manufacturing-grade milk in each marketing order and eventually helps establish the prices of dairy products people buy in Westport and most other places.

The price processors pay for drinking milk, a higher grade, varies from order to order. It is determined by adding a "differential" to the Minnesota-Wisconsin price. The differential reflects the cost of the higher sanitation standards necessary to produce drinking-quality milk plus the theoretical cost of transporting milk from Eau Claire, Wis., to a particular region. In Chicago, for example, the differential is $1.26 per hundred pounds of milk, or 11 cents a gallon. In Miami, it is $3.15, or about 27 cents a gallon.

The price paid to farmers is a weighted average of all the prices paid for the milk used for various purposes. This is called the blend price. For each farmer, the blend price is adjusted according to the farm's distance from the region's market center and to the fat content of the milk.

To understand what Craig Vogel was paid for his milk in March, for example, you have to start with the applicable Minnesota-Wisconsin price—$12.55 per hundred pounds. To that, add the differential in the New England region where Moser Farms is located—$2.90. That gives a drinking-milk price of $15.45. The $15.45 went into the weighted average that produced the March blend price of $14.05, on which Vogel's payment was ultimately based. Even that blend price, however, can be affected by a "premium" added to the price of drinking milk.

The premium may have to be paid by processors in some parts of the country, where farmer cooperatives are well-organized enough to demand it. The premium may reflect a co-op's special services—or it may simply reflect the monopoly power of the co-op, which controls most of the milk supply.

Interestingly enough, in purchasing milk for the accompanying test report, CU found that retail prices for quarts in the North Central region, which includes East Lansing, Mich., Madison, Wis., and Chicago, were about 10 percent higher on average than prices in the Mid-Atlantic region, which includes New York City, northern New Jersey, and Philadelphia. Part of the difference can be traced to the higher premiums commanded by North Central co-ops.

THE PRICE-SUPPORT SYSTEM

By 1935, the Federal marketing-order program was firmly in place. But what good was a marketing-order program that set prices farmers were paid if processors were unwilling to buy milk in the first place? If there was an overproduction of milk, and there often was, processors would be able to sell the products they had made only at very low prices, if at all. As a result, they would bid only low prices for raw milk. Farmers' income would fall. Dairy farmers would leave the farm, jeopardizing the supply of milk.

To remedy this problem, the second of the two Federal programs that affect the pricing of milk was begun in 1949. The idea was simple: The Government would prop up milk prices by buying unsold butter, cheese, and milk powder. With an assured market for their products, processors could now buy all the milk farmers could produce, and milk prices would be stabilized.

The mechanics of the program are not so simple. In determining the prices at which it will buy butter, milk powder, and cheese that would otherwise go unsold, the Government starts with a "support" price and adds on an amount that varies, depending on how much milk it takes to make the three different products and on their manufacturing cost.

Unless this year, the support price used in these formulas was a price for raw milk based on the "parity index"—an index keyed to the purchasing power farmers enjoyed in the prosperous years between 1910 and 1914. The Government does not pay the support price directly to farmers (a common misconception); it buys manufactured products. But the price it pays is enough to encourage processors to continue high production, bidding up the price they pay farmers for raw milk.

The Government stores its dairy purchases in warehouses or distributes them to various programs. If a shortage should arise, it will then sell the products back to the processors. Products that spoil are sold for use as animal feed.

To see how the price-support system relates to the marketing orders, we must return to that area in Minnesota and Wisconsin where processors bid for milk in a supposedly free, competitive market. The average price paid, as we've noted, becomes the Minnesota-Wisconsin price, the basis for milk prices in all regions with marketing orders.

Although the price processors pay to farmers in this region is unregulated, it is heavily influenced by the support price. By

assuring these processors a market for their products at an attractive price, the Government encourages them to pay higher prices to the farmers in this region. Thus, the marketing orders supposedly based on that competitive dairy market are actually based on a market price kept high by the support price. (Over the years, the Minnesota-Wisconsin price and the support price have usually been equal.) Any increase in support prices tends to increase the price paid for milk on the free market in Minnesota and Wisconsin, and that in turn raises the Minnesota-Wisconsin price—and consumers wind up paying $1.25 for a half-gallon of milk.

The two Federal programs have obviously been successful in raising the incomes of dairy farmers, which are now on a par with those of urban wage earners. But the programs may also have inflated consumer prices and resulted in surplus production that is increasingly costly to taxpayers.

The strength of the dairy lobby has been such, however, that the programs have been maintained despite their possible adverse effects on consumers. For a long time, milk was thought to be so essential for good health that few people questioned such goals as "orderly marketing" and "stable prices." Now, however, economists and a few members of Congress are beginning to take a harder look at these programs.

WHAT'S WRONG WITH ORDERS?

The marketing-order system has been attacked on four points:

1. The differentials paid for drinking milk may be higher than necessary to encourage its production. Although 82 percent of all milk produced in this country is drinking-grade, only 47 percent is actually used for drinking purposes. The rest is manufactured into dairy products for which manufacturing-grade milk would be perfectly suitable—and almost certainly less costly to produce.

The Department of Agriculture noted in a report issued last year that the large quantities of surplus drinking milk "suggest that . . . prices may have been higher than needed to provide orderly marketing. Lower . . . differentials probably would be in the public interest."

2. Marketing orders establish prices that support milk production in areas not very efficient for such production. Through the years, the differentials in each order, along with a complex allocation system, have encouraged processors to use local milk supplies or those from surrounding areas rather than those from more distant locations. Encouraging local production was an important goal in the 1930's, when milk couldn't be safely transported long distances. That's less of a problem today, but the old system is still in effect.

Florida, for example, is not a good area for dairy farming. Florida's farmers generally have high production costs because the state's hot, humid climate is not well suited for dairy cows. Yet the prices Florida farmers get are set high enough to keep them in business, according to a Department of Justice report.

The USDA uses the price-differential system to protect the Florida farmers—it keeps all prices aligned with the Florida price. "A price reasonable to obtain local production in Florida virtually dictates outrageously high differentials in other areas to keep milk out of Florida," says Robert Masson, a professor of economics at Cornell University, one of the authors of the Justice Department study.

3. The marketing orders have fostered local milk monopolies in some areas. The provisons of the orders discourage the movement of milk from region to region. That has allowed co-ops to grow and control milk supplies in a particular area. For exemple, Associated Milk Producers Inc. (AMPI) was formed in 1979 as the result of mergers of numerous smaller co-ops. It now controls some 75 percent of the milk in many of the orders from Madison, Wis., to southern Texas.

Where co-ops such as AMPI control supplies in particular marketing orders, they are able to charge processors the premiums, mentioned earlier, for drinking milk. Studies indicate that such premiums add from 2 to 8 cents to the retail price of a gallon of milk.

In the early 1970's the Justice Department sued the three major co-ops controlling much of the milk supply in the Midwest and the South. The Department alleged that the co-ops used "predatory" practices that drove independent farmers and smaller co-ops out of business and "exclusionary" practices that required processors to buy all their milk from the co-ops. Two of those cases ended in consent decrees—the co-ops admitted no wrongdoing but promised never to engage in certain practices. The third case is still in the courts.

4. The orders discourage production of low-cost milk substitutes such as reconstituted milk. A processor wanting to make reconstituted milk (made from milk powder, water, and milk or vegetable fat) must pay as much or more for milk made from powder as for drinking milk, even though the powder was made from cheaper, manufacturing-grade milk. Since the processor has to pay the higher price anyway, there's no reason not to sell fresh milk. The orders thus keep reconstituted milk uncompetitive with fresh milk—which is exactly what the dairy industry wants.

In 1979, the Community Nutrition Institute (CNI), a nonprofit consumer research and advocacy group, petitioned the USDA to hold a hearing on the question of pricing reconstituted milk as a manufactured milk product rather than as fresh milk. That would give consumers a lower-cost alternative to fresh milk, as well as lower prices for fresh milk. By USDA's own estimates, that would save consumers between $186-million and $399-million a year. CU supported the petition.

The USDA did not respond until April 1981, when it denied the petition, saying that reclassifying reconstituted milk would create "competitive problems that * * * would lead to pressures to lower Class I [drinking-milk] prices for fresh milk which would precipitate major changes in the dairy industry." The USDA was not interested in the fact that lower prices might help consumers, even though, by law, prices must be set in the public interest.

AND WITH PRICE SUPPORTS?

There are two major problems with the price-support program:

1. Political pressures result in an overly high support price, leading to overly high consumer prices. At the same time, high support prices encourage farmers to expand their herds, creating enormous surpluses of milk, which is turned into butter, milk powder, and cheese—much of which the Government must buy. (Low feed prices, common in recent years, also encourage an increased production of milk.)

In 1977, to take the most recent example, the Carter Administration, bowing to political pressure, raised the support price nearly 9 percent. Later that year, heeding the pleas of the dairy lobby, Congress raised the minimum support price from 75 percent of parity to 80 percent. The legislation also authorized semiannual increases in the price—in effect, giving dairy farmers a cost-of-living increase twice a year. At the beginning of 1977, the support price was $8.26; by 1981, when Congress finally ended these generous increases, the price was $13.10, an increase of 59 percent. Over that same period, the price of a half-gallon of milk at retail rose from about 82 cents to $1.12—an increase of nearly 37 percent.

Even though the rate of increase in the support price was slowed in the 1981 farm law, a surplus of milk will continue to pour out of the dairy farms for the next few years. In 1982, about 10 percent of all milk produced, or nearly 14 billion pounds, will end up as butter, powder, and cheese in Government warehouses. Taxpayer will pay more than $2-billion to buy these products. In 1977, by contrast, the Government purchased only 6.9 billion pounds for about $721-million.

2. The parity index is a poor measure on which to base the support price. The parity index was originally developed to track production costs for all kinds of farming. It doesn't accurately reflect production costs for a specific commodity. For example, while feed costs comprise about 50 percent of the cost of producing milk, they have only a 12 percent weight in the parity index. In times of low feed prices, such as now, the index overcompensates dairy farmers for feed costs.

Nor does the index account for productivity gains. Through the years, dairy farmers have become increasingly productive. In 1914, 20 million cows produced 65 billion pounds of milk; in 1980, half as many cows produced nearly twice as much milk. If farmers produce more milk with fewer cows, their costs go down, but this is not reflected in the parity index.

In the last few years, the parity index has risen faster than dairy farmers' expenses. From 1974 to 1979 the cost of producing milk rose by 16.5 percent, while the support price rose by over 50 percent. In 1980, costs rose 8 percent but supports rose more than 14 percent.

REGULATION BY THE STATES

While Federal marketing orders regulate the prices farmers receive for their milk, some states go one step further and regulate the sale and distribution of milk at wholesale and at retail. Their aim is to protect the dairy farmer by preventing price wars that might drive some wholesalers or retailers out of business, thus leaving farmers without enough outlets for their milk.

State regulations that set minimum prices for wholesalers and retailers directly prevent price wars. Many states also have laws preventing retailers from selling milk below cost. A few states have regulations that limit a retailer's choice of suppliers, which reduces potential competition among distributors.

A few states, New Jersey for one, can prevent a retailer from switching suppliers if money is owed to the previous supplier. The idea is to see that processors get paid and don't go bankrupt, leaving dairy farmers in the lurch.

New York State takes another route to limit a retailer's choice of suppliers. It licenses dealers and processors who sell milk to retailers. The licenses spell out where a

supplier can sell milk. Licenses aren't granted to new suppliers in a particular area if a state agency decides that the new supplier would create destructive competition in an area already adequately served.

ILLEGAL PRICE-FIXING

Given the layers of regulation and the restrictions they impose on middlemen, it's not surprising that some middlemen have carried the regulation to an illegal conclusion, price-fixing.

The very nature of milk regulation and of milk as a marketable product fosters illegal business behavior. The standard areas of business competition are all but closed to milk processors. They can't cut their costs in a substantial way because raw milk accounts for 60 to 70 percent of those costs—and the price they pay for it is fixed by the marketing-order system. They can't increase sales to any great extent by brand advertising because consumers know one milk is very much like another. And processors face what economists call an inelastic demand: While consumers may shop carefully for the lowest price, a low price will not necessarily cause them to buy more milk.

Since per-capita consumption is not increasing and lower prices won't mean more sales, the only way a processor can increase business is to win customers from a competitor. If that happens, somebody obviously loses. So the incentive among the middlemen is to fix prices at a high level and let everyone win. And if retailers lower milk prices below those acceptable to processors, the processors try to eliminate those low prices by shutting off a retailer's milk supply or by harassing the retailer over deliveries. That, at least, has happened in some states where price-fixing has occurred.

In the last few years, at least six states have obtained guilty pleas or indictments for price-fixing against milk processors or have settled such cases with consent judgments. In Arizona, for example, the state attorney general obtained a $4-million settlement from dairies and returned the money to some 350,000 households.

WHAT NEEDS TO BE DONE

Dairy farmers do have legitimate problems Government can solve. Nevertheless, it's time to balance the farmers' needs with those of consumers. Here are CU's recommendations:

1. Milk marketing orders should be re-examined by a Congressional or Presidential commission. The system may no longer be necessary. An independent commission can help determine whether the system should be abolished and whether any of its functions need to be performed by others. The USDA has previously reviewed the order program, but department officials have a vested interest in maintaining it. Consumer interests should be adequately represented on any study commission.

2. Reconstituted milk should be priced as a manufactured product, not as drinking milk. Reconstituted milk would then be an economical product for processors to sell. That would give consumers a cheaper alternative to drinking milk, and at the same time might lead to lower prices for drinking milk itself.

That, of course, is exactly what the dairy industry fears. "If we destroyed classified pricing in certain areas, there would be less money going to farmers," Pat Healy, secretary of the National Milk Producers Federation, told CU.

Indeed, if milk powder from Wisconsin were shipped to Florida and reconstituted the resulting milk would be cheaper than fresh milk from Florida cows. If consumers liked the reconstituted milk, Florida farmers would have to lower prices to stay competitive. And if Florida prices were lowered, prices everywhere would go down. The USDA estimates that consumers could save as much as $399-million if drinking-milk prices everywhere dropped as a result of reclassifying reconstituted milk.

If consumers did not like reconstituted milk, then the dairy industry would have nothing to worry about. As it is now, consumers cannot really benefit from the technology that could give them a cheaper product that may be just as good.

3. The USDA should regularly monitor the premiums added to milk prices by certain dairy cooperatives. Monitoring would reveal whether the premiums are too high and constitute undue price enhancement under the Capper-Volstead Act, the legislation that partially exempts co-ops from the antitrust laws. The USDA hasn't taken a serious look at the question of premiums since the mid-1970's. At that time, it decided that the premiums were not too high. During the Carter Administration, the USDA was going to establish an office to monitor co-ops' pricing activities, but the program never got started.

"The data on co-op premiums is collected and circulated for anyone who wants to see it," says Alden Manchester, a dairy economist at the department. "If it bumps along at the same level you've already concluded is not illegal, you don't make a big production out of it." Such a laissez-faire attitude on the part of the USDA is little help to consumers.

4. The index on which price supports are based should be changed. The 1981 farm law, which slowed the rate of increase in the support price, partially broke the link between price supports and parity. The legislation set specific support prices for the next few years rather than relating those prices to the parity index. However, parity would still be used under certain conditions.

That legislation was a step in the right direction, but permanent reform is necessary. Milk is the only major farm commodity still linked to the parity index; that has the potential for giving price increases to farmers that far exceed the increases in their production costs. Any index used should be related to the costs of producing milk, not to the costs of producing commodities in general. The support price should not encourage farmers to produce milk to sell to the Government. It should be used to protect farmers in bad years, not as a means to accumulate butter and cheese.

In the meantime, we must deal rationally with the surplus products the Government already has on hand. The Government has not adopted a formal program to dispose of the bulk of the surplus because some officials fear Government give-aways will compete with products sold by private businesses. To date, the Government has allocated some 100 million pounds of cheese to poor people, but there's still 622 million pounds left, not to mention the butter and milk powder also in storage.

(CU's West Coast office was instrumental in obtaining the release of the first 30 million pounds of cheese that was distributed, and helped the state of California develop a plan for giving away its share. CU has petitioned the President to develop a plan to distribute all the surplus milk products.)

5. State laws setting minimum prices and regulating the relationships between wholesalers and retailers are anticompetitive and should be abolished. The rationale for retaining such laws in 1982 is questionable at best. In California, where the minimum-pricing law was abolished, in part because of CU's efforts, consumers saved some $90-million in the first year of deregulation. In states that have no such laws, the dairy farmers seem to be surviving nicely.

6. State attorneys general should review the industry periodically for price-fixing schemes. These have been known to recur long after initial cases were settled. In New York, for example, milk wholesalers and processors signed a consent order as early as 1958 saying they agreed not to fix prices. But even as late as last year, some of the same companies were again involved in price-fixing conspiracies, ending in several criminal indictments.

[From Business Week, June 21, 1982]

THE LIVESTOCK INDUSTRY'S GENETIC REVOLUTION

The world's first test-tube calf recently celebrated its first birthday at the University of Pennsylvania. Now grown into a bull named Virgil, the animal has opened the way for researchers to gain almost total control over the heredity of animals. Virgil is just one milestone in a series of recent developments that are quietly revolutionizing livestock production. Breeders already are producing animals that grow faster, resist disease better, and produce more meat or milk than ever before.

Many scientists are now convinced that they are on the verge of producing custom-made superanimals. "We are entering the era of embryo engineering," says Thomas D. McCarron, president of Genetic Engineering Inc., a Northglenn (Colo.) company specializing in animal breeding. The revolution in animal genetics should make possible giant gains in efficiency in livestock production and may well play a major role in feeding an exploding world population. Such developments should also spell more profitability to the hard-pressed $760 billion U.S. livestock industry, where low prices are creating a flood of red ink.

The pace of research and development currently is accelerating as scientists bring to the barnyard the potent technologies of modern genetics and apply them to the age-old practice of animal husbandry. "Changes that took 100 years are now happening in two months," declares Autar K. Karihaloo, director of embryo transfer at Carnation Genetics, a division of Carnation Co.

Farmers have been applying the principles of genetics to livestock production for only the past 30 years, but the results already are highly impressive. They have wrought astonishing improvements in the productivity of farming just by keeping accurate records on the desirable traits of breeding stock and by switching to artificial insemination. The U.S. dairy herd, for example, now numbers less than half what it was in 1950, yet it produces more milk.

Through artificial insemination, a top bull's genetic wealth can be shared widely—up to 100,000 cows can be impregnated each year from the sperm of one bull at a price of only $10 to $20 each. Artificial insemination is a $1 billion business that now accounts for 100 percent of all commercial turkey breeding and for nearly two-thirds of all dairy breeding.

Scientists now believe they can dwarf those increases with such advanced genetic technologies as embryo transfer, sex con-

trol, cloning, and the ability to manipulate the genes of animals directly. New breeding technologies could push the annual milk production of one cow nearly 45,000 lb., up from 15,000 lb. today, figures Alan G. Hunter, a professor of animal science at the University of Minnesota who heads a five-man team working on cloning cows. Such an animal could be as large as an elephant.

MAIL-ORDER STOCK

Just as artificial insemination enables the best genetic traits of male animals to have a speedy and broad impact on the breed, a technology known as embryo transfer is now leveraging the optimum genetics of female animals. Rather than having just one calf a year, a prize cow can now produce dozens. "Embryo transfer makes possible a greater number of animals with high genetic merit," says Richard E. Nelson, special assistant at the Holstein Friesian Assn. A farmer with a dozen mediocre cows, for example, can buy a dozen high-quality embryos and within a year will have the beginnings of a top-flight herd.

Although embryo transfer is an old concept—the first one was performed in Britain in 1890—it was only in the past decade that the technology was refined sufficiently for commercial use. Now embryo transfer is growing rapidly especially in the dairy business. About 35,000 calves will be born in 1982 using this method, predicts George E. Seidel, director of the embryo transfer laboratory at Colorado State University. "It's getting to the point that if you're not using transfers, you're falling a step behind," says Spencer Roberts, vice-president of sales at Granada Farms, a Marquez (Tex.) animal breeding company.

To initiate a transfer, a prize cow is given special hormones so that it superovulates—that is, the ovaries release 10 to 12 eggs rather than just one at a time. The cow is then inseminated, and, a week later, its uterus is flushed, and technicians carefully pick out the embryos from the flushing solution. Each embryo is then implanted into the uterus of another—usually lower-quality—cow. The surrogate mothers then give birth to genetically superior offspring.

Before embryo transfer can become as pervasive as artificial insemination, scientists will have to develop better ways of preserving the embryos. Although the first success with freezing embryos came as recently as 1972, survival rates are still low and commercial attempts at freezing have only begun in the last few years. Once this technology is perfected, researchers expect that frozen embryos will be sold in simple packages and thawed out to be used, just as the semen of prize bulls is today. A company could build up a stock of embryos and sell them on a catalog basis.

SEXING

The ability to preserve embryos is expected to expand an already growing export business in them for U.S. companies. The Holstein Friesian Assn. has already sold embryos to Hungary, Spain, and Italy. Carnation is negotiating to sell 2,000 frozen embryos to a North African country. "You can ship 2,000 cows under your airplane seat," comments Carnation's Karihaloo.

Embryo transfer will have a major effect on the quality of livestock herds in developing nations, experts predict. Frozen embryos can be shipped more easily than cattle because they do not carry diseases or parasites that could harm native stock. And once the embryo is transferred, "it receives immunity [to native diseases] from its new mother," says John F. Hasler, technical director at Em Tran Inc., an Elizabethtown (Pa.) company that transferred 3,500 embryos last year.

Although scientists can now mate selected animals and hasten their impact on herds by increasing the number of offspring that they produce, they are still unable to predict accurately the sex of those offspring. If they could, it would have a significant impact on the economics of livestock operations—for instance, to dairy farmers who want only female offspring. At least 20 companies and universities are working on sex-determination techniques that would be suitable for commercial use. "Embryo transfer will take a tremendous spurt when 'sexing' is available," says Genetic Engineering's McCarron.

FOOLPROOF

One promising new technique for determining sex that McCarron and others are exploring takes advantage of the fact that male embryos have a special protein—called an HY antigen—on their surface. Researchers are developing antibodies that latch on to this protein, which would provide a foolproof method for identifying the sex of an embryo. Researchers are also looking for ways to identify the sex of sperm, which will be more difficult to do than identifying the sex of embryos but would have broader applications and could be less costly. "If you could sell semen that guarantees a female, every dairy farmer that walks and chews gum will buy it," says Thomas Wagner, an Ohio University professor who, while on sabbatical, is working as vice-president for research at Genetic Engineering.

At least a half-dozen companies already claim to sell semen that is biased toward one sex or the other, but none of their claims is fully substantiated, according to industry experts. But scientists agree that full-fledged products will emerge in the next few years. Researchers are working on a variety of different methods to separate sperm—by density, by electric charge, and by surface proteins. Genetic Engineering, for example, hopes to make use of the fact that female-producing sperm contain 3 percent more DNA, the basic material of genetics, than do male-producing sperm.

A different, and somewhat bizarre, approach to sex selection is under development at Texas A&M. Nat M. Kieffer, a professor of animal genetics, is injecting female fetuses with testosterone and HY antigen. By interfering with their sexual development, Kieffer hopes to produce animals that are genetically female but equipped with male sex organs. If this hybrid animal is mated with a female, the offspring will all be females.

The ultimate goal of animal scientists is the ability to manipulate the very genes themselves. This manipulation has to be done outside the animal, however, so a key step toward that objective was the ability to fertilize an egg in a test tube. That feat, which has proved to be more difficult with cattle than with humans, was accomplished by the team of University of Pennsylvania researchers that produced Virgil. "We're not far from the top of the hill for animal applications," maintains Benjamin G. Brackett, professor of animal reproduction and research who headed the effort at the university's School of Veterinary Medicine.

Placing two embryos into a surrogate mother that would normally bear just one offspring is now routine, but an important technique now being perfected will split a single embryo into many identical twins. Researchers typically wait until an embryo grows to 60 or 80 cells, and then split it into two or more pieces. Those pieces can be split in turn as they grow and then inserted into surrogate mothers. So far, scientists have succeeded in experiments with cows, sheep, and mice.

Researchers also are trying to learn how to raise unfertilized eggs in a test tube. At Colorado University, researcher Jonathan Van Blerkom is working on the maturation of eggs from mice and cows. He hopes to use the technology to salvage eggs from old animals that are no longer able to ovulate—or even from dead animals. Alternatively, scientists might someday be able to remove an animal's ovary at birth and mature the hundreds of eggs in the laboratory.

Embryologists working on test-tube reproduction are not only substituting for nature. They are also modifying animals in ways not possible with natural selection. "We might realistically expect the development of breeds of cattle not previously known," says Brackett of the University of Pennsylvania. Researchers at Britain's Cambridge University have joined an embryo and an unfertilized egg to create a mouse with three parents. And at Jackson Laboratory in Bar Harbor, Maine, researcher Peter C. Hoppe has created mice with no fathers. To do that, he fertilized a mouse egg and then carefully plucked out the genetic material contributed by the sperm. Colorado State's Seidel is taking the opposite approach. He is fertilizing an egg with two sperm and then removing the egg's genetic material. "We know more about bulls than cows. If we cross two bulls, we know what we're getting," he says.

Other researchers are trying to produce perfect clones—single-parent animals that are genetically identical to their lone parents—because cloning would be the perfect way to perpetuate the genetics of superior animals. Researchers have already succeeded with frogs and fish.

Of all the new test-tube techniques, the most powerful is probably gene transfer. With this technology, researchers can redesign an animal's genetic makeup, taking away undesirable traits and adding new ones. By inserting extra genes, researchers could create new supercows that produce much more milk or fight disease more effectively. Until recently, such ideas were in the realm of science fiction. "Two years ago, only 5 percent of the scientific community thought it was feasible. Now the majority are believers," says Ohio University's Wagner, a pioneer in gene-transfer technology.

Wagner has teamed up with Jackson Lab's Hoppe to succeed in placing a rabbit hemoglobin gene in a mouse embryo. The resulting mouse is now producing tiny amounts of rabbit hemoglobin. Now Wagner, as well as others, is trying to put the genes that control growth in cows into mice. "It's not only conceivable—it's probable that genes will be incorporated into economically important animals. I wouldn't be surprised to see within two years a cow or sow or sheep with new genes," says Ralph L. Brinster, a professor of reproductive physiology at the University of Pennsylvania's School of Veterinary Medicine.

COMMERCIAL IMPACT

Gene-transfer technology is still quite crude, however. Researchers use special micro-injection instruments to insert copies of the target gene into a fertilized animal egg, and then they hope that the new genes

are incorporated into the animal's cells. Researchers at Genentech Inc. in South San Francisco have succeeded in placing a human insulin gene into a mouse cell—but the gene takes hold only once in every 80 attempts.

Advances are coming regularly and rapidly now, though most of the current gene work is still in the early experimental stages. And although scientists will argue about just when various techniques will begin to have a commercial impact, few doubt that vast changes in animal breeding are on the horizon. Comments Carnation's Karihaloo: "It boggles my mind to think what dairy cows will look like in 25 years."

[From Hoard's Dairyman, Feb. 25, 1982]

GROWTH HORMONE COULD LEAD TO GETTING MORE MILK PER COW

CORNELL SCIENTISTS GOT 10 TO 40 PERCENT BOOSTS IN PRODUCTION BY ADMINISTERING A NATURAL HORMONE TO COWS FRESH 60 TO 100 DAYS

For information about bovine growth hormone, we interviewed Dale E. Bauman, a nutritional biochemist at Cornell University, Ithaca, N.Y., who has been conducting research on this compound for two years. He has been assisted by Colin J. Peel, a graduate research assistant; and Ronald C. Gorewit, a lactational physiologist.

Describe your growth hormone research.

We have been administering bovine growth hormone to typical dairy cows at different levels of production and in different stages of lactation. Our dosage is just 44 milligrams (less than 1/500 of an ounce) of the compound per cow per day. The result has been that cows have given significantly more milk. We are getting increases of 10 to 40 percent.

Where does growth hormone come from?

First, growth hormone is a large protein secreted by the pituitary gland which is located at the base of the cow's brain. It is a key regulator of growth in growing animals. The hormone we have used is purified from the pituitary glands of slaughtered cows. Only a few milligrams of hormones are obtained from each pituitary. Thus, all of our studies have lasted only 10 to 14 days. The hormone used for a single experiment would require pituitary glands from several thousand cows.

How did you get started with this research?

For some time, we have known that certain cows were much more efficient milk producers than others. For example, take Beecher Arlinda Ellen, the world record cow that averaged 153 pounds a day for 365 days. Compared to other cows, she made much better use of the feed she ate.

We have been interested in cows' ability to direct nutrients to the appropriate tissue in their bodies for either milk or fat production. Our goal is to learn about what determines which nutrients go where. Also, previous research has shown that daily injections of pituitary extract caused low-producing cows to milk more.

What has been the effect on production?

Using cows that had been fresh about 60 to 100 days, we found that daily injections of growth hormone resulted in 10 to 40 percent boosts in milk production. Some of these cows were milking as much as 60 to 80 pounds to begin with. The rise begins within one or two days after the first injection and production returns to normal within a few days following the last injection.

Overall, there was about a 20 percent rise in the amount of milk energy produced. Protein yield jumps 5 top 20 percent.

Did the cows eat more?

No, this is the remarkable thing. We have improved production significantly without causing the cows to eat any more. In one study, we measured digestibility of the feed and found that it was not affected by growth hormone. In other studies we found that supplying additional glucose (energy) and protein did not cause a still higher response. It looks like growth hormone improves the efficiency at which absorbed nutrients are used for milk production or increases the mobilization of body reserves so that more nutrients are made available for milk production.

Does stage of lactation affect results?

In one study, we injected cows for about two weeks, starting at 81 days after calving and then treated the same cows again starting at 244 days after calving. The percentage increases in yield of milk and milk components were much greater among the cows when they were in late lactation (30 to 40 percent). However, the actual amounts of the increases were about the same during both stages.

What about the effects on body weight and condition?

Because our treatments lasted for only 10- or 14-day periods, we don't know what the long-term effects of administering growth hormone will be. Obviously, we need to know what would happen if we kept cows on growth hormone for a longer time. Unfortunately, current supplies of the hormone are not sufficient to permit us to do this kind of an experiment. Previous studies by other researchers involving lower producing cows given daily growth hormone injections for 10 to 12 weeks showed that the milk response to growth hormone lasted throughout the treatment. There were no unusual changes in body weight.

Would growth hormone have to be injected daily?

Not necessarily. To check this we conducted one 10-day trial in which we tried three different ways of administering the growth hormone. One method involved one shot of growth hormone under the skin each day. In the second method, cows were given the hormone intravenously six times a day and the third way was a continual under-the-skin infusion throughout the day.

All three methods involved the same amount of growth hormone. The "injection" treatment represented the same pattern we had used in our previous studies. The continuous infusion results in a constant blood level of growth hormone that might resemble what you would get from an implant. Normally, the release of growth hormone from the pituitary gland occurs in periodic pulses and this was mimicked to some extent by the pulse treatment.

Changes in milk yield and milk composition were similar for all three methods. We concluded that it is the amount of hormone given each day that is most important rather than how it is given.

How does bovine growth hormone work?

We don't know precisely. It seems likely that growth hormone acts in two ways. First, the injected growth hormone may directly or indirectly improve the ability of the udder to synthesize milk. Secondly, other body tissues must be affected so that more nutrients are available to the udder for milk production. Perhaps fat tissue metabolism is affected by the hormone so that rates of body fat synthesis are lower and more fat is mobilized into the bloodstream for production of milk fat.

We are continuing our efforts to find out exactly how the growth hormone does work. Right now we are working with the USDA Energy Metabolism Unit in Beltsville. Together we hope to get a handle on total energy balance and use radioactive tracers to evaluate the metabolism of key nutrients.

Could developments in genetic engineering lead to a lower cost supply of growth hormone?

Recent developments in the recombinant-DNA field make this a possibility. Scientists have synthesized growth hormone using bacteria equipped with the hormone-producing genes from cows. This synthetic growth hormone should be available for experimental use before too long.

Are there companies now working on this development?

Because of the tremendous potential to improve productive efficiency during lactation and growth, more than a dozen companies have made major financial commitments in this area. Their efforts include use of genetic engineering for the bacterial production of cow growth hormone or identification of compounds which would stimulate production of the hormone by the animal's own pituitary gland.

What must be accomplished in the way of research and approval before growth hormone might be used commercially?

Several years of research will be needed before Food and Drug Administration would approve the hormone for commercial use. We need long-term studies to determine the effect of growth hormone on the animal and the safety of the meat and milk for human consumption. So far we have noted no ill effect on animals during our short-term studies, but the long-term effects on milk production, reproductive performance and animal health are not known.

What is a realistic estimate of when growth hormone might be used on dairy farms?

Typically, it takes from 5 to 10 years to conduct the necessary studies to obtain Food and Drug Administration approval.

Will you be looking at other ways of raising the blood level of growth hormones besides administering it to the animals directly? Is there a relationship between the response with growth hormone and the response that other researchers have observed by controlling the amount of light that animals are exposed to?

Many groups of dairy scientists are trying to identify ways to increase blood concentrations of growth hormone. It does not seem to be involved in the light response, but we wonder if changes in other environmental factors or management practices might alter circulating growth hormone levels.

We also are interested in how growth hormone differs between high- and low-producing cows and whether it could become a part of the genetic selection system.

How do you justify this type of research in view of our current milk surplus?

Essentially, all animal science research results that have been implemented by dairy farmers have been an attempt to improve how efficiently milk is produced. Growth hormone dramatically improves the efficiency of milk production so it is consistent with long-standing research goals.

Looking ahead, the world population could double in the next 40 years. If so, mankind will have to produce as much food during the next 40 years as we have pro-

duced in all of previous history. It will be imperative that we improve the efficiency of food production from plants and animals.

By Mr. KENNEDY:

S. 2666. A bill to amend the Airline Deregulation Act of 1978 and the Federal Aviation Act of 1958 to provide employee protection for employees of certain air carriers; to the Committee on Commerce, Science, and Transportation.

AIR CARRIER EMPLOYEES PROTECTION ACT OF 1982

● Mr. KENNEDY. Mr. President, I am today introducing legislation which will restructure the labor protective provisions of the Airline Deregulation Act to insure prompt adjudication of claims; and provide continued protection for employees in future airline merger cases by codifying the CAB's Allegheny/Mohawk merger employee protection provisions.

When the Airline Deregulation Act was enacted in 1978, Congress recognized that it had a duty to provide protection for employees of previously regulated carriers who would be adversely affected as a result of deregulation. We therefore included extensive labor protective provisions in the act similar to those afforded displaced and furloughed employees in industries which Congress had previously deregulated.

It is now 4 years since the Airline Deregulation Act when into effect. Many thousands of airline employees are without work today, but not one has received any of the protection Congress intended to provide because serious procedural impediments in the current law have prevented employee claims from being fairly and promptly adjudicated.

In fact, despite repeated efforts by employees and employee organizations, the Department of Labor has still not issued regulations implementing the general provisions of the act and there is no reason to believe that any action will be taken unless we require the Department to do so.

Since Congress believed that the benefits of deregulation shoud not be paid for by airline employees and their families, I believe we have an obligation to act now to correct the procedural impediments in the current law and to provide funding to make those protections meaningful.

The bill takes a number of steps to insure that prompt action will be taken by those executive branch agencies with responsibility to carry out the labor protective provisions of the act.

First, responsibility to determine the cause of dislocation is transferred from the CAB to the Department of Transportation and strict time deadlines are imposed on DOT to make such determinations and on the Depatment of Labor to determine benefit levels.

The Secretary of Labor would be required to issue protective regulations within 150 days of enactment of the amendments and the Secretary of Labor and Department of Transportation would be required to process individual applications within 60 days or the application would be deemed granted.

In addition the Court of Claims is given authority to review agency determinations. In view of failure of the executive branch to act in the past, review of agency determinations in a neutral forum is necessary to protect against the arbitrary denial of benefits. I believe the time deadlines imposed by this legislation guarantee prompt consideration and action by the responsible executive branch agencies and insures fair treatment of employee claims.

Under current law, 7½ percent of a carrier's employees must be deprived of employment in a 12-month period before the protective provisions can be activated for employees on that airline.

This provision serves no purpose other than to deprive employees of the protection Congress intended to provide. Once it has been established that an employee has lost his job as a result of deregulation he should receive the benefits of the act's labor protective provisions regardless of how many other employees on that airline have been similarly affected.

Accordingly the bill eliminates the 7½ percent trigger so that an employee who has lost his job due to deregulation will not be deprived of the protection to which he is entitled because of an arbitrary trigger.

The bill also extends the first right of hire requirement in the current law to any carrier holding a certification on the date of enactment of these amendments.

Under this provision carriers who have been certified since 1978 would also be required to hire employees who have lost their jobs due to deregulation. These carriers have been the principal beneficiaries of deregulation and it is only fair and equitable that they share in the effort to mitigate the effects of competition through the new employment they provide.

In addition, the bill will continue protection for employees affected by future airline mergers by codifying the CAB's Allegheny/Mohawk merger employee protection provisions.

For over 30 years the Civil Aeronautics Board consistently imposed protective conditions virtually identical to Allegheny/Mohawk in every merger case to come before it. However, with the transfer of jurisdiction over airline mergers to the Department of Justice in 1982, and sunset of CAB in 1985 these employee protections will cease unless the rules are codified. Merger protection provisions have worked well and have been regarded as fair and workable by all interested parties. Since there will undoubtedly be more merger activity in the airline industry in the years ahead, the application of the rules should be extended.

Mr. President, the Senate report on the Airline Deregulation Act states:

* * * Congress, on behalf of the American people, must insure that the benefits to the public which result from its decision to alter substantially the regulation for air transportation are not paid for by a minority—the airline employees and their families who have relied on the present system * * *.

Congress, (in the past) having acted to prevent the normal free market evaluation of the industry, now has a duty to the industry and its employees which would not exist if such action had not been taken. (Report of the Senate Committee on Commerce, Science and Transportation on S. 2493, 95-631 Feb. 6, 1978, pp. 114-115.)

This legislation is not only consistent with that report; it is clear from the record of the last 4 years that it must be enacted if our intention is to be carried out.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Air Carrier Employees Protection Act of 1982".

SEC. 2. Section 43 of the Airline Deregulation Act of 1978 (49 U.S.C. 1552) is amended—

(1) in subsection (a)(1)—

(A) by striking out ", subject to such amounts as are provided in appropriation Acts,"; and

(B) by striking out the last sentence;

(2) in subsection (b)(1)—

(A) by striking out ", subject to such amounts as are provided in appropriation Acts,";

(B) by striking out the second sentence and inserting in lieu thereof "Each monthly assistance payment shall be in an amount equal to the average monthly compensation received by any such eligible protected employee over the previous year, but no such payment shall exceed a maximum of $1,800 per month."; and

(C) by striking out in the last sentence "unemployment compensation" and inserting in lieu thereof "benefit under Federal or State law relating to unemployment compensation, food stamps, public assistance, or welfare programs";

(3) in subsection (c) by striking out ", subject to such amounts as are provided in appropriation acts," in each place it appears;

(4) in subsection (d)(1)—

(A) by striking out in the first sentence "is subject to regulation by the Civil Aeronautics Board" and inserting in lieu thereof ", prior to the date of enactment of the Air Carrier Employees Protection Act of 1982, had held a certificate issued under section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371) or had been exempted from such section by section 416(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1386),";

(B) by inserting in the first sentence, immediately after "first right of hire" and words "on a regional basis";

(C) by inserting in the first sentence after "hiring additional employees" and words "in the regional area of any eligible protected employee,";

(D) by striking out before the period in the first sentence "such date of enactment" and inserting in lieu thereof "the date of enactment of the Air Carrier Employees Protection Act of 1982"; and

(E) by inserting before the period at the end of the third sentence "; except that such seniority and recall rights shall not apply to flight deck operating crew members.";

(5) in subsection (d)(2)—

(A) by inserting in the first sentence after "publish" the words "on a regional basis"; and

(B) by inserting before the period in the first sentence "(49 U.S.C. 1371) prior to the date of enactment of the Air Carrier Employees Protection Act of 1982";

(6) in subsection (d) by adding the following new paragraph (4) at the end thereof:

"(4) If any carrier fails to comply with the duties and obligations set forth in this subsection, the United States District Court for any district wherein such air carrier does business, shall have jurisdiction of actions to enforce the duties and obligations whether by writ of injunction or other process. The Attorney General, the Secretary of Labor, or any person aggrieved by such failure may bring an action.";

(7) in subsection (f)(1) by amending it to read as follows:

"(1) Within 180 days of the enactment of the Air Carrier Employees Protection Act of 1982, the Secretary shall issue rules for the necessary administration of this section.";

(8) in subsection (f)(2) by amending it to read as follows:

"(2) The Secretary may issue, amend, or repeal any rules in the administration of this section.";

(9) in subsection (g)—

(A) by inserting in the first sentence before "All payments under this section" the paragraph designation "(1)"; and

(B) by adding at the end thereof the following new paragraphs:

"(2) The Secretary shall promptly pay all payments and perform all services provided by this section. The Secretary may not delegate any part of the administration of this section to any State or local agency.

"(3) Any application for payment under the provisions of this section which is not denied within 60 days after filing with the Secretary, shall be deemed granted, regardless of whether the Secretary of Transportation has made a determination concerning a qualifying dislocation.

"(4) Within 120 days after denial by the Secretary of any application under this section, the applicant may petition the United States Court of Claims, which shall have jurisdiction to make all determinations (including those initially required to be made under this section by the Secretaries of Labor and of Transportation) necessary for final decision and payment upon such applications. All such deteminations will be made de novo.";

(10) in subsection (h)(1) by amending it to read as follows:

"(1) The term "protected employee" means a person who has been employed for at least four years by—

"(A) an air carrier holding a certificate issued under section 401 of the Federal Aviation Act of 1958 as of October 24, 1978, for the purpose of such employee receiving any payment benefit pursuant to this section; and

"(B) an air carrier holding a certificate issued under section 401 of the Federal Aviation Act of the date of enactment of the Air Carrier Employees Protection Act of 1982, for the purposes of such employee receiving any benefit, other than a payment benefit, pursuant to this section.

"The term "protected employee" shall not include any members of the board of directors or officers of a corporation.".

(11) in subsection (h) by inserting after the first paragraph, the following new paragraph:

"(2) the term "eligible protected employee" means a protected employee who, on account of a qualifying dislocation, has been deprived of employment or has been adversely affected with respect to his compensation.";

(12) in subsection (h) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(13) in subsection (h)(2), as redesignated as subsection (n)(3) by section (2)(12) of this Act—

(A) by striking out "major contraction" and substituting in lieu thereof "change in operations, services, or facilities";

(B) by striking out "Airline Deregulation Act of 1978, the major cause" and inserting in lieu thereof "Air Carrier Employees Protection Act of 1982, a contributing cause"; and

(C) by striking "Civil Aeronautics Board" before the period at the end of the sentence and inserting in lieu thereof "Secretary of Transportation"; and

(14) by striking out subsection (h)(4) defining the term "major contraction".

SEC. 3. Section 408 of the Federal Aviation Act of 1958 (49 U.S.C. 1373) is amended by adding at the end thereof the following new subsection:

"PROTECTION OF EMPLOYEES

"(g)(1) In the case of any transaction to which this subsection applies, it shall be the duty of each party to provide a fair and equitable arrangement for the integration of work forces and the protection of the interests of employees of the air carriers involved which is at least as protective of and beneficial to such interests as the conditions imposed by the Civil Aeronautics Board in CAB Order 72-4-31, commonly known as the Allegheny-Mohawk conditions. No transaction shall take effect until at least forty-five days after the Secretary of Labor has certified that such arrangement is at least as protective of and beneficial to the interests of such employees and such conditions. Notwithstanding any other provision of this section, an agreement pertaining to the protection of the interests of such employees may be entered into by any air carrier or air carriers and the duly authorized representative or representatives of the employees of such air carrier or air carriers.

"(2) This subsection shall apply to any consolidation, merger, purchase, lease, operating contract, acquisition of control, or other transaction specified in subsection (a) of this section in any case in which two or more air carriers are involved.

"(3) In no event shall the Secretary of Transportation or any officer or employee of the Department of Transportation be required to act as an arbitrator in settling any disputes arising out of any arrangement or agreement under this section.

"(4) If any party fails to comply with the duties imposed by this section, the United States district court for any district wherein a party to the transaction does business shall have jurisdiction of actions to enforce such duties by writ or injunction imposing such conditions or other process. The Attorney General, the Secretary of Labor, or any person aggrieved by such failure (including a labor organization representative of such person) may bring such an action.".

SEC. 4. That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "Sec. 408. Consolidation, merger, and acquisition of control." is amended by adding at the end thereof the following: "(g) Protection of employee.".●

By Mr. HEINZ:

S. 2667. A bill to amend title 38, United States Code, to enhance the quality of care for veterans in medical facilities operated by the Veterans' Administration by insuring the provision of such care and necessary related services by Federal employees; to the Committee on Veterans' Affairs.

VETERANS HEALTH CARE

● Mr. HEINZ. Mr. President, I rise today to introduce legislation to preserve our veterans' health care. The men and women who have sacrificed to defend our great Nation deserve the finest health care this country can provide. Any attempt to weaken the integrity of the Veterans' Administration health care system must be adamantly resisted.

I am concerned by a recent proposal put forth by the Office of Management and Budget which leads directly toward the eventual contracting out of many services presently provided by the Veterans' Administration. These services are provided with the care and expertise of dedicated doctors, nurses, and volunteers who know the special problems of veterans. Contracting these services to diverse and inexperienced institutions would certainly lead to a lower level of care for our veterans, not to mention jeopardizing the jobs of thousands of devoted employees, and the inefficient use of millions of taxpayer dollars.

In 1983, the Veterans' Administration is expected to accommodate over 18 million outpatient medical and dental visits and to provide services to over 1.3 million patients in hospitals and outpatient clinics. The illnesses our Nation's veterans suffer from require patience, acceptance, and empathy. This level of caring will simply not be available if contractors with no prior special interest in Veterans' Administration patients are allowed to replace VA employees and volunteers.

Mr. President, the delivery of veterans' health care will become more complex in the future, particularly as the population of our elderly veterans continues to grow. Recent estimates show that the number of veterans over 65 years old will grow from 3 to 8 million by 1995. These elderly veterans need special care, and I, for one, do

not believe that the answer for these veterans lies in shipping them out to other medical facilities under some type of voucher system.

Mr. President, I am sure that you and my distinguished colleagues are also well aware that our Veterans' Administration hospitals are more than just hospitals. They are teaching facilities. They are research centers. They are rehabilitation centers. They represent the only caring home many of our veterans may have.

We must have a vibrant, integrated health care system supported by the Veterans' Administration to continue to meet these needs and functions. This integrity is being challenged today by the Office of Management and Budget.

In its recent revision of circular A-76, OMB would require Government facilities to contract for services involving 25 employees or less without regard for cost or in-house capabilities. The Congress has received only the most naive assurances from OMB that the activities proposed for contracting out would not directly concern the delivery of health care to sick, injured, and aged veterans.

To assure that this proposal will not affect the quality or location of health care services for veterans, the legislation which I am introducing today will limit the Office of Management and Budget's authority to require the Veterans' Administration to contract out for medical and health care services only where the Veterans' Administration medical facilities are not capable of providing an essential medical service.

The VA health care system is a national treasure that delivers the finest medical care for our Nation's sick and injured veterans. The legislation I introduce today will help preserve this service for our most deserving citizens, and I urge my colleagues to give this legislation their respectful consideration.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5010(a) of title 38, United States Code, is amended by adding at the end the following new paragraph:

"(6)(A) Except as provided in subparagraph (B) of this paragraph, all activities carried out at a medical facility under the direct jurisdiction of the Administrator shall be performed by Federal employees unless and to the extent that the Administrator, after considering the advice of the Chief Medical Director, determines that such facility is not capable of carrying out such activities through such employees or that contracting for the performance of such activities would enhance the quality of medical care for eligible veterans.

"(B) Subparagraph (A) of this paragrah does not prohibit or restrict any authority of the Veterans' Administration under any other provision of this title or any other provision of law to enter into contracts or cooperative sharing agreements with other Federal agencies or departments or with State or nongovenmental entities for the exchange or sharing of goods, services, facilities, or resources.".

SEC. 2. Section 5010(a)(6) of title 38, United States Code, as added by the first section of this Act, does not apply with respect to a contract in effect on May 15, 1982, or to any renewal, extension, or modification of such a contract.●

By Mr. MOYNIHAN:

S. 2668. A bill to amend the Social Security Act with respect to the issuance of social security cards; to the Committee on Finance.

ISSUANCE OF SOCIAL SECURITY CARDS

● Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill directing the Secretary of Health and Human Services to begin issuing social security cards that are as counterfeit-proof as possible.

This is a matter that has been of concern to me for quite some time, for we have evidence that the fraudulent use of social security cards costs Federal, State, and local governments billions of dollars each year.

In a report of December 23, 1980, the General Accounting Office estimated that crimes based on false identification, a significant number of which are committed with fake social security cards, "cost the American taxpayers more than $15 billion annually." At hearings held by the Senate Permanent Subcommittee on Investigations just this week, the subcommittee staff put the current cost of crimes committed with false identification at over $24 billion.

Literally billions of dollars, therefore, could be saved by issuing counterfeit-proof social security cards. To that end, I introduced a bill in the 96th Congress similar to the one I am introducing today. It did not receive so much as a hearing. Last October, I offered this legislation as an amendment to the Social Security Amendments of 1981. Although my amendment was accepted by the Senate, it was later dropped in conference when it was opposed by Social Security Administrator John A. Svahn.

Mr. Svahn's opposition to this commonsense measure was, and still is, inexplicable. Estimates of the cost of issuing counterfeit-proof social security cards vary, but none even approaches the estimated drain on the Treasury caused by criminal use of the cards. Surely we can all agree that putting an end to such waste is a matter of good public policy that cuts across party and ideological lines.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2668

Be it enacted by the Senate and House of Representatives of the United States of America in Congess assembled, That section 205(c)(2) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(D) The Secretary shall issue a social security card to each individual at the time of the issuance of a social security account number to such individual. The social security card shall be made of banknote paper, and (to the maximum extent practicable) shall be a card which cannot be counterfeited."

(b) The amendment made by this act shall apply with respect to all new and replacement social security cards issued more than 190 days after the date of the enactment of this Act.

(c) Within 90 days after the date of the enactment of this Act the Secretary of Health and Human Services shall report to the Congress on his plans for implementing the provisions of this Act.

(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Such amounts shall not be paid out of the trust funds established under Section 201 of the Social Security Act.●

By Mr. PRESSLER:

S. 2669. A bill to amend title 18 to limit the defense of insanity; to the Committee on the Judiciary

LIMITING THE INSANITY DEFENSE

● Mr. PRESSLER. Mr. President, I send to the desk a bill providing for amendment of the United States Code with respect to the issue of the insanity defense.

This bill would limit the defense of insanity and provide for a mandatory term of confinement for persons acquitted by reason of insanity of the crimes of murder and attempted murder.

I am certainly supportive of the efforts which are being made by the administration and both houses of Congress regarding proposed changes in the rules governing the insanity defense. Most importantly, special recognition should be made of the dedicated efforts of my distinguished colleague from Utah, Senator HATCH. I have joined as a cosponsor of his measures which amend title 18. I am also cosponsoring S. 2572, the Violent Crime and Drug Enforcement Act of 1982, which incorporates the concepts of Senator HATCH's bills.

The bill which I am introducing today follows the leadership of Senator HATCH in limiting the insanity defense. My measure also provides that persons acquitted by reason of insanity of the violent crimes of murder and attempted murder be confined to a suitable institution. Such confinement

would continue under this bill's provisions until such time as it is determined that the person is no longer suffering from a mental disease or defect. At that time, the court could modify the provisional sentence and proceed to sentencing the defendant.

I am hopeful that the Congress will take action quickly to make responsible reforms in the rules governing the insanity defense and respond to the continuing public concern over the problems existing in our criminal justice system.●

By Mr. MOYNIHAN:

S. 2670. A bill to prohibit all U.S. economic and military assistance and experts—except food and medicine—to, and all imports from, any country whose government has failed to take adequate measures to prevent opium and its illicit derivatives from being produced or refined for export to the United States; to the Committee on Finance.

AMERICAN POLICY TOWARD HEROIN-PRODUCING COUNTRIES

● Mr. MOYNIHAN. Mr. President, I am today introducing, for the consideration of the Senate, legislation to prohibit the provision of foreign military and economic assistance to countries whose governments do not cooperate with American efforts to halt the supply of heroin to the United States.

While the President has, under existing law, authority to interrupt aid to countries whose governments do not cooperate, that authority has never been used with respect to a heroin-producing nation. My proposal would direct that the President take action to: suspend all assistance to; prohibit all exports to; and prohibit imports from countries whose governments fail to cooperate with American officials charged with stemming the flow of illicit opiates into the United States.

In addition to proposing this legislation, Mr. President, I have urged the President to take complementary action. On June 16, I wrote to President Reagan requesting that the administration begin special negotiations with the Government of Pakistan to control the production of opium and heroin.

Approximately 60 percent of the heroin in this country is believed to have come from Pakistan to this country in 1980, the most recent year for which comprehensive assessments have been made.

The current situation with respect to Pakistan is not unlike that which existed in the late 1960's when Turkey was the main supplier of opium poppy to the American illicit market. I was counselor to the President at that time and in 1969 was dispatched by President Nixon to Turkey, as well as to France where much of the opium was being processed into heroin. I held talks with representatives of both of these countries and, eventually, the United States was able to reach agreements with them to curtail opium and heroin production.

This approach was effective in reducing the amount of heroin brought into the United States from Turkey. As I wrote to President Reagan on June 16, I believe that we must employ a similar strategy with respect to Pakistan today.

Meanwhile I propose that Congress also act. The legislation I am introducing today would direct the President to discontinue aid to countries on the basis of the Narcotics Intelligence Estimate published by the National Narcotics Intelligence Consumers Committee, the most comprehensive and authoritative estimate available to the Federal Government on the supply of illegal drugs to the American market.

Under current law, chapter 8 of the Foreign Assistance Act of 1961, as amended, the President has authority to suspend economic and military assistance to countries that fail to curtail drug trafficking resulting in narcotics entering the United States. Aid to heroin-producing countries has never been suspended under this provision. In fact, last year, while the National Narcotics Intelligence Consumers Committee was compiling a report indicating that heroin laboratory activity increased in Pakistan during 1979–80, the administration presented to Congress an extraordinary request for $3.2 billion in aid for Pakistan.

This is folly, Mr. President. The heroin that is produced in southwest Asia contributes materially and significantly to the deterioration of the quality of life in America, and very directly to the crime rate in urban areas. The connection between heroin addiction and crime is too well established to be ignored. The Federal Government simply must be more assertive in enlisting the help of the governments of countries in which heroin originates. If that support is refused, or is halfhearted, there is no good reason to continue the provision of American military or economic assistance to those governments.

I solicit the support of my colleagues.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD, along with a copy of my June 16 letter to President Reagan.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2670

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, the President is authorized and directed to—

(1) suspend all United States assistance to or for,

(2) prohibit all United States exports to, and

(3) prohibit the importation into the United States of any article that is the growth or manufacture of,

any foreign country whose government has failed to take adequate measures to prevent opium or any of its illicit derivatives from begin produced or refined for illegal export to the United States. Such prohibition shall continue in force until the President determines, and so reports to Congress, that the government of such country has taken adequate measures to prevent opium or its illicit derivatives from being produced and refined for illegal export to the United States.

(b)(1) Subsection (a) does not require that assistance which involves only the provision of food or medicine be suspended and does not require that exports of food or medicine be prohibited.

(2) Subsection (a) does not apply with respect to the production and export of opium or its derivatives solely for licensed pharmaceutical purposes.

(c) As used in this section—

(1) the term "United States assistance" includes any assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to or for the benefit of any foreign country, including assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation, but excluding programs under chapter 8 of part I, relating to international narcotic control assistance); sales, credits, and guaranties under the Arms Export Control Act; sales under title I and title III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities; financing programs of the Commodity Credit Corporation for export sales of nonfood commodities; financing under the Export-Import Bank Act of 1945; assistance under the Migration and Refugee Assistance Act of 1962; programs under the Peace Corps Act; assistance under the Inter-American Foundation Act; assistance under the African Development Foundation Act; financial assistance for foreign persons or groups under the Mutual Educational and Cultural Exchange Act of 1961; and assistance of any kind under any other Act; and

(2) the term "United States exports" includes any export, which is subject to United States control, of any item or service of any kind (including technical data or other information) which is licensed or which is subject to licensing under the export Administration Act of 1979, section 38 of the Arms Export Control Act, the Atomic Energy Act of 1954, or any other Act; and

(3) the term "illicit derivative" includes opium, morphine, heroin, or any other opiate derivative which is a controlled substance (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970).

(d) The President is directed to ascertain, and report annually in writing to Congress, on the basis of the annual Narcotics Intelligence Estimate published by the National Narcotics Intelligence Consumers Committee, which foreign countries have failed to take adequate measures under the terms of this section.

U.S. SENATE,
Washington, D.C., June 16, 1982.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Yesterday former Secretary of Health, Education and Welfare Joseph A. Califano presented New York's Governor Hugh Carey with a report startling in its findings and profound in its importance to America. In his Report on Drug Abuse and Alcoholism, Mr. Califano found, among other things, that the number of heroin addicts in New York City has increased by fifty percent since 1978 and that heroin addiction has risen dramatically throughout the United States.

On May 25 the Senate Drug Enforcement Caucus, of which I am a member, was briefed by Judge William Webster, Director of the Federal Bureau of Investigation, Dominick DiCarlo, Assistant Secretary of State, and others knowledgeable about the supply of illicit drugs in this country. We were told that 60 percent of heroin imports came from Southwest Asia. And that Pakistan is the region's largest and most accessible source of opium poppy having produced 125 metric tons of raw opium in 1980.

The current situation is not unlike that which existed in the late 1960's when Turkey was the main supplier of opium poppy. I was Counselor to the President at that time and in 1969 was dispatched by President Nixon to Turkey, as well as to France where much of the opium has been processed into heroin. I held talks with representatives of both of these countries and eventually, the United States was able to reach agreements with them to curtail opium and heroin production.

This approach was effective in reducing the amounts of heroin brought into the United States that began its journey in Turkey. I believe that we should use the same strategy with Pakistan today. We have the means to exert pressure on those countries refusing to aid us in stopping this plague. We should use these means, including the cessation of all forms of aid to those countries that persist the illegal export of opium. We have had success in doing so in the past. And I am convinced that we can repeat this success. I look forward to hearing from you.

Sincerely,

DANIEL PATRICK MOYNIHAN.●

By Mr. HATCH (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. GRASSLEY, Mr. LEAHY, and Mr. MATHIAS):

S. 2671. A bill to provide for the establishment of a Commission on the Bicentennial of the Constitution; to the Committee on the Judiciary.

BICENTENNIAL OF THE CONSTITUTION

Mr. HATCH. Mr. President, 6 years ago our Nation paused to reflect on 200 years of independence. The culminating moment of that celebration came on July 4, 1976, when we commemorated the production of the great document, the Declaration of Independence, that enunciated the intent of the American people to be free. We are all familiar with the aspirational language of that document:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.

With this elevating affirmation of purpose, the former colonies of Britain in the new world embarked on a course that would produce the United States of America. A war, a loosely bound confederation of sovereign States, and 11 difficult years came between the aspirations of the Declaration and the contract between the people and the States to carry out its noble objectives.

These two documents, the Declaration and the Constitution, launched the free peoples of America upon a course of self-government—a course we have learned is fraught with responsibilities and obligations as well as opportunities and liberties. In the words of Abraham Lincoln:

All this is not the result of an accident. It has a philosophical cause. Without the Constitution and the union, we could not have attained the result; but even these, are not the primary cause of our great prosperity. There is something back of these, entwining itself more closely about the human heart. That something, is the principle of "Liberty to all"—the principle that clears the path for all—gives hope to all—and, by consequence, enterprise and industry to all.

The expression of that principle, in our Declaration of Independence, was most happy and fortunate.

("Fragment on the Constitution", Lincoln, A., quoted in "The Living Constitution," Padover, Saul, pg. 65.)

As Lincoln realized, the Declaration expressed the goal, the motivating philosophy; the Constitution created the structure to "attain the result." In one sense, the Declaration was the "end," the Constitution the "means" of the American experiment in self-rule.

I mention these two documents and their common goal because we have committed vast national resources recently to commemorating the inauguration of our independence with the signing of the "ends" document. Soon the bicentennial of the signing of the "means" document will be upon us. Today, I would propose that we establish a commission to coordinate the commemoration of the bicentennial of the events leading to approval of the Constitution in 1787. I am honored as chairman of the Constitution Subcommittee to introduce this proposal and announce to my colleagues in the Senate that was created by the Constitution that all members of the subcommittee, Judiciary Committee, Chairman THURMOND, and Senators GRASSLEY, DECONCINI, LEAHY, and MATHIAS are cosponsors of this bill.

Let me outline briefly the elements that we found to be important to the process of commemoration:

First, we recognize that a commemoration must be true to the Constitution in that it should recognize an active role for the States. Washington cannot be the focus of all activity.

Second, we recognize that a commemoration must be true to the Constitution in that it should recognize an active role for the private sector. Already private organizations have done a great deal to develop interest in the bicentennial and to outline a wide variety of means by which our Nation can give honor to our Constitution. The Government cannot be the focus of all activity.

Third, while the fireworks and glamour of our Revolutionary Bicentennial were impressive, I would hope that a commemoration would encourage among the people a deeper understanding of what the Constitution is all about. There is a need for celebration, but there is also a need for reflection.

Fourth, we hope that the diversity of understanding that exists in this country about the Constitution and its provisions will be reflected in its commemoration. There will be no "party line" on what is most important about the Constitution.

In just a few moments I would like to trace with you briefly the primary events that gave us the Constitution. As I mentioned earlier the Declaration set forth the aspirations of the American people to establish a government of liberty. At the time, those two words, "government" and "liberty" were mutually exclusive. The world only knew powerful central governments which required citizens, or more accurately, subjects, to give all fealty to a sovereign leader or group of leaders. The struggle to find a form of government that protected, rather than abridged, liberty really began in 1776.

The surrender of General Cornwallis at the battle of Yorktown in 1782 only allowed the inhabitants of America to begin their internal struggle to find the proper mode of self-government. The ill-fated first attempt created the Articles of Confederation. Numerous, unresolved disputes between the States disclosed very early that a confederation would not guarantee either a lasting government or lasting liberty. One such dispute, however, between Maryland and Virginia over navigation and jurisdiction of the Potomac River provided the impetus for a strong national government.

To resolve the dispute, each State appointed a set of commissioners to discuss the issues. At the invitation of George Washington, they met in Mount Vernon and, in addition to resolving their waterway disagreement, recommended that a convention of all the States be convened "to take into consideration the trade of the United States" and "consider how far a uniform system in their commercial regulations may be necessary to their common interest and their permanent harmony * * *." Attendance at the trade convention in Annapolis, Md.,

was disappointing. The five States that met, however, proposed that a convention of all the States be held in Philadelphia on the second Monday in May 1787 to correct as many weaknesses in the existing system of government as possible.

The potentially sweeping implications of a nationwide convention to "revise" the Government met with stiff opposition. Several States feared a return to a "tyrannical" central control reminiscent of the British Monarchy. The Continental Congress was also concerned about a possible erosion of what little power they possessed to rule the Nation. Despite such obstacles, after some hesitancy, the Congress permitted a national convention in Philadelphia for the "sole purpose of revising the Articles of Confederation and reporting to Congress and the several legislatures such alterations and provisions therein as shall when agreed to in Congress and confirmed by the States render the Federal Constitution adequate to the exigencies of Government and the preservation of the Union."

With specific instructions not to revise anything more than the Articles of Confederation, all the States, except notably Rhode Island, sent delegations to Philadelphia. The historic significance of that convention became apparent when William Randolph of Virginia proposed a new form of government. Three coequal branches of government, the famed system of checks and balances, was the hallmark of that proposal. Needless to say, intense debate ensued. A proposal to preserve the Articles of Confederation was narrowly defeated.

The success of this bold move to fashion a new government hung in the balance. It was threatened from the outside by England and Spain who each could use any failure at self-government as an excuse to reclaim lost territories and reestablish their reputation of world supremacy. It was also threatened from the inside by parochial apprehensions that the large States might dominate the smaller in any unified government. Perhaps the apparent insolubility of these dilemmas prompted Benjamin Franklin, not known for his dedication to the religious institutions of his day, to move that the sessions open every morning with prayer.

Finally, on July 5, the delegates arrived at the "great compromise" of the convention. Each State was allowed equal representation in the "upper" house of the legislature while proportional representation was preserved in the "lower" house. This broke the impasse and prophesied that the convention would indeed arrive at a proposal for a government "of the people, by the people, and for the people."

Ratification by the States, however, would be another matter. The debates in the States were, for the most part, close and hotly contested. Pennsylvania ratified by a margin of 23, Massachusetts by a margin of 19, New Hampshire by a margin of 11. Although New Hampshire was the ninth State to ratify which satisfied the terms of the document, the Nation realized that the new government was doomed without the concurrence of Virginia and New York.

In Virginia the voices of well-known patriots such as Patrick Henry, George Mason, and "Light Horse" Harry Lee rose up against the document. John Marshall, James Madison, and William Randoph defended the wisdom of the convention's product. By the narrow margin of 10 votes out of 168, Marshall, Madison, and Randolph prevailed. A month later, Alexander Hamilton secured a similar victory in New York by only a 3-vote margin. This sealed the victory for, in the words of George Washington, "that precious depository of American happiness, the Constitution of the United States."

This history is familiar to us all. As the findings of this bill state, however, "the maintenance of the common principles that animate our republic depend upon a knowledge and understanding of their roots and origins." At this point, I would like to ask unanimous consent that the bill be printed in the RECORD along with two addresses by the Chief Justice that will give guidance to the commemoration commission and Congress as we approach this pivotal bicentennial event. I urge my colleagues to aid the Constitution Subcommittee in setting up this process to commemorate our Constitution.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2671

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is established a Presidential Commission on the Bicentennial of the United States Constitution, hereinafter referred to as the "Commission".

FINDINGS

SEC. 2. The Congress finds that—

(1) the bicentennial of the Constitutional Convention's adoption of the Constitution occurs on September 17, 1987;

(2) the Constitution enunciates the limitations on government, the inalienable rights of man, and the timeless principles of individual liberty and responsibility for the people of the United States of America;

(3) this document has set an enduring example of representative democracy for the world; and

(4) the maintenance of the common principles that animate our republic depend upon a knowledge and understanding of their roots and origins.

PURPOSE

SEC. 3. It is the purpose of this Act to establish a Commission to promote and coordinate activities to commemorate the bicentennial of the Constitution.

MEMBERSHIP

SEC. 4. (a) The Commission shall be composed of sixteen members as follows:

(1) thirteen members appointed by the President, three of whom shall be appointed upon the recommendation of the Speaker of the House of Representatives, three of whom shall be appointed upon the recommendation of the President pro tempore of the Senate and three of whom shall be appointed upon the recommendation of the Chief Justice of the United States;

(2) the Chairman of the Committee on the Judiciary of the House of Representatives;

(3) the Chairman of the Committee on the Judiciary of the Senate; and

(4) the Chief Justice of the United States.

(b) Such members shall be chosen from among individuals who have demonstrated scholarship, a strong sense of public service, and abilities likely to contribute to the fulfillment of the duties of the Commission.

(c) Members of the Commission shall be appointed for the life of the Commission.

(d) The Commission shall select a chairman from among its members who shall serve as Chairman for the life of the Commission.

(e) Eight members of the Commission shall constitute a quorum, but a lesser number may conduct meetings.

(f) A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

ADMINISTRATIVE PROVISIONS AND POWERS

SEC. 5. (a) The Commission shall appoint a staff director who shall be paid at a rate not to exceed the rate of basic pay provided for level V of the Executive Schedule pursuant to section 5316 of title 5, United States Code.

(b) The Commission is authorized to appoint and fix the compensation, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, of such additional publicly paid personnel up to five persons, as the chairman finds necessary to carry out the purposes of this Act. Such personnel shall be compensated at a rate not to exceed a rate equal to the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code. The Commission may hire additional personnel out of private donations.

(c) Each member of the Commission shall serve without compensation, except that each member shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(d) The Commission may procure temporary or intermittent services under section 3109(b) of title 5, United States Code, at a rate of pay not to exceed the rate of basic pay for GS-15 of the General Schedule under section 5332 of title 5, United States Code.

(e) The Commission is authorized to procure supplies, services, and property, and make contracts, in any fiscal year, only to such extent or in such amounts as are provided in appropriation Acts.

(f) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reim-

bursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of the General Services Administration.

(g) The Commission is authorized to accept, use, solicit, and dispose of donations of money, property, or personal services.

(h) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(i) The Commission shall have the authority to design and use a logo as the official emblem of the bicentennial. The Commission shall issue rules and regulations regarding the use of such logo, as they deem appropriate to carry out the purposes of this Act.

DUTIES OF THE COMMISSION

SEC. 6. (a) The Commission shall—

(1) plan and develop activities appropriate to commemorate the bicentennial of the Constitution, including a limited number of projects to be undertaken by the Federal Government seeking to harmonize and balance the important goals of ceremony and celebration with the equally important goals of scholarship and education;

(2) encourage private organizations, and State and local governments to organize and participate in bicentennial activities commemorating or examining the drafting, ratification, and history of the Constitution and the specific features of the document;

(3) coordinate, generally, activities throughout all of the States; and

(4) serve as a clearinghouse for the collection and dissemination of information about bicentennial events and plans.

(b) In planning and implementing appropriate activities to commemorate the bicentennial, the Commission shall give due consideration to—

(1) the historical setting in which the Constitution was developed and ratified, including such antecedents as the Federalist Papers, the Articles of the Confederation, and the ratification debates in the States;

(2) the contribution of diverse ethnic and racial groups;

(3) the relationship and historical development of the three branches of the Government;

(4) the importance of activities throughout all of the States regardless of when such State achieved Statehood;

(5) the unique achievements and contributions of the participants in the Constitutional Convention of 1787 and the State ratification proceedings;

(6) the diverse legal and philosophical views regarding the Constitution;

(7) the need for reflection upon both academic and scholarly views of the Constitution and the principle that the document must be understood by the general public;

(8) the substantive provisions of the Constitution itself; and

(9) the impact of the Constitution on American life and government.

(c) The Commission shall seek the cooperation, advice, and assistance from both private and governmental agencies and organizations, including the National Endowment for the Arts, the National Endowment for the Humanities, the Library of Congress, the Smithsonian Institution, the National Archives, the Department of Interior, State and local governments, learned societies, academic institutions, and historical, patriotic, philanthropic, civic, and professional groups, and bar associations.

(d) The Commission may, in carrying out the purposes of this Act, delegate authority to State advisory commissions to assist in implementing this Act.

(e) Within 2 years after the date of enactment of this Act, the Commission shall submit to the President and each House of the Congress and the Judicial Conference a comprehensive report incorporating specific recommendations of the Commission for commemoration and coordination of the Bicentennial and related activities. Such report shall include recommendations for publications, scholarly projects, conferences, programs, films, libraries, exhibits, ceremonies, and other projects, competitions and awards, and a calendar of major activities and events planned to commemorate specific historical dates. Each year after such comprehensive report, the Commission shall submit an annual report to the President and each House of the Congress and the Judicial Conference until such Commission terminates.

TERMINATION

SEC. 7. The Commission shall terminate on September 30, 1988.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated $300,000 for fiscal year 1983 and such sums as may be necessary for the subsequent fiscal years through fiscal year 1988.

REMARKS OF WARREN E. BURGER, CHIEF JUSTICE OF THE UNITED STATES TO THE SEMINAR ON LEGAL HISTORY

HOW LONG CAN WE COPE

It may seem premature to be thinking about the next significant bicentennial celebration in our national life, but our experience with the bicentennial of 1976 demonstrates the desirability for long advance planning. It is not too soon to turn our minds to the 200th anniversary of the document signed in Philadelphia almost exactly 191 years ago. We take considerable pride, and I think appropriately, in the fact that we have functioned as a nation under this one written Constitution for nearly two centuries. No other nation can match that.

The events of the past 40 years have brought home to us very forcefully that freedom is fragile. This is particularly true of the freedom of our open society where we not only permit, but at times almost seem to invite attacks, because of our commitment to flexibility and change and our dedication to the values protected by the first amendment. Eric Hoffer, with his uncomplicated logic and simplicity of style, has expressed his deep concern that our system of government and our free society may be more fragile in many respects than other societies, and he has suggested that "The Social Body" is perhaps more vulnerable and fragile than the human body.[1]

It has been an article of faith with us that the artificial and manipulated systems of authoritarian regimes, no matter how strong they seem for a time, do not possess the powers of restoration or recuperation possessed by our kind of Government. It is within the memory of all of us that a great many people in the 1930's and even later, accepted Hitler's boast that he was creating a "1,000 year Reich." They remembered, too, that even before Hitler, as well as in more recent times, other people saw Soviet communism as "the wave of the future." It was Lincoln Steffens who said after a visit to Russia that he had "been over into the future and it works." [2]

Surely the events of the last 40 or more years in world history underscore the importance of both the philosophy of freedom and the mechanisms and practices we have set up to insure a continuance of freedom.

We are surely committed to a significant celebration of the creation of our constitutional system under the Constitution, which in 200 years took us from 3 million struggling pioneers into a great world power, and individual initiative was the secret of this success. It is, therefore, not too early to begin thinking and planning to be sure that what we do will be an appropriate recognition of the importance of the event and to serve as a guide to correct whatever flaws we see and to plan for the years ahead.

I submit that an appropriate way to do this will be to reexamine each of the three major articles of our organic law and compare the functions as they have been performed in recent times with the functions contemplated in 1787 by the men at Philadelphia. The Constitution was, of course, intended to be a mechanism to allow for the evolution of governmental institutions and constitutional concepts. But we should examine the changes which have occurred over two centuries and ask ourselves whether they are faithful to the spirit and the letter of the Constitution, or whether, with some, we have gone off on the wrong track.

This undertaking is too serious, too broad in scope and too important to be accomplished within 1 year. I suggest for your consideration, and to those with similar interests, that we set aside, not 1 year or even 2 years, but 3 years for this enterprise. Although the sequence need not be rigid, I would suggest that in 1985 we devote ourselves to an examination of article I; in 1986, we should address the powers delegated by article II; in 1987, we should address article III. Let me briefly suggest a few of the differences between the expectations of the framers and present-day practices, bearing in mind Marshall's statement that the Constitution was "intended to endure for ages to come, and consequently, to be adapted to the various crises in human affairs."

ARTICLE I

Under article I, all legislative powers were vested in the Congress of the United States, or as Jefferson said, "the great council of the Nation." It does not require the skills of historians or political scientists to observe that Congress in 1978 is a very different institution from what was contemplated in 1787. But we must do more than study how the Congress of today is different; we should proceed to assess whether the Congress is functioning according to the spirit of the Founding Fathers, even as we recognize that changes were inevitable with changing times and new problems.

What are the kind of changes that ought to be looked at? Surely, the growth factor is one. The House of Representatives has grown from 45 to 435; the Senate from 26 to 100. In the original contemplation, membership in the Congress was not to be a full-time occupation. The framers anticipated part-time public service of the leading citizens of each State. They were to come to Philadelphia (and later to Washington) for only a few months out of the year and spend the remaining 7 or 8 months back

[1] Letter from Eric Hoffer to Warren E. Burger dated Mar. 21, 1969.

[2] Lincoln Steffens, The Autobiography of Lincoln Steffens, (New York: Harcourt, Brace & Co., 1931), p. 799.

home on a farm or at a law practice or lumber mill. Now, it is a full-time profession—and necessarily so—given what we ask of them.

Obviously Members of the Congress cannot be expected to function today as they did in the time of Clay, Calhoun and Webster when there were no typewriters, no computers, and when both communication and travel were very different from the present day. But some of the changes which we now observe in the functioning of the Congress are so fundamental that they can profitably be reexamined in light of original expectations about the functioning of the legislative branch. For at least the first 100 years, each Member of Congress could do all his own homework very largely as members of the British House of Commons still do. Each diligent Member of Congress could readily read every bill proposed and understand what was being presented. Members of Congress are now torn between their mounting obligations to assist individual constituents in their dealings with the bureaucracy—to respond to mail—and the demands of the numerous subcommittees and committees upon which they serve. The mail is increased—perhaps—by new word processing equipment available to interest groups, with one set of word processing machines communicating with another machine. Added to all this is the constant need to mend political fences—which, of course, is democracy at work.

These cross-pressures, the immense increase in the volume of legislative business and the need to match the size and specialized capabilities of the executive branch experts accounts in large measure for the enormous expansion of congressional staffs. Indeed, some say that Congress is now not 535 persons but rather 535 plus thousands of staff members in the House and Senate. The Congressional Quarterly Weekly report tells us that currently the congressional staffs aggregate about 16,500.[3] The increase in the size of staffs seems to have induced some proliferation of the number of lobbyists—or perhaps it was the other way around. The number of corporations maintaining offices in Washington has grown in 15 years from about 50 to 300. More than 16,000 trade associations and labor unions have offices in this Capital.

But the central focus in reexamination of the operations under article I are the new problems which have added to the burdens of the Congress. Observers say that floor debate no longer occupies the role it did in times past. Members of Congress tend to become specialists—concentrating on the work of their own committees—rather than the generalists of an earlier day. A large part of the work of congressional staffs is devoted to "servicing" constituents entirely apart from the legislative process itself. This may be an appropriate part of the Democratic ethos, but it is surely some distance from what the authors of the Constitution intended. This is not said critically but rather as the reality of present day life. Indeed my reflections on this subject rest on what Members of Congress have said—publicly and privately.

A well-informed and highly sophisticated journalist, Elizabeth Drew, recently described the dilemma of Members of Congress attempting to cope with the flood of bills submitted and the lesser but still overwhelming flood of proposals energing from committees.[4] Many Members of Congress have stated that it is almost impossible for any Member to read all the proposed legislation. Some critics suggest that the increase in staffs has led directly to this increase in the number and length of proposed bills and committee reports. I do not know. But it is possible that a Senator with a staff of 50 or 60 or 70 persons may have more burdens than benefits given the inexorable workings of Parkinson's law. I do observe that rather than having their workload lessened, Congressmen seem to find themselves overwhelmed and many are retiring prematurely. We also see what perhaps is another result of current operations, and that is a legislative product where, all too often, the meaning and intent of Congress are blurred and the entire policy issue winds up in the courts for resolution.[5] And often the courts have great difficulty discerning the true intent of Congress.

The purpose of these observations is neither to challenge nor to criticise the process. It is simply to point out the world of difference between functions contemplated in 1787 and the reality of 1978. A full year is needed to make a concentrated analysis by political scientists, historians, and other specialists—and Members of Congress—to stimulate a serious national discussion. Such an analysis can be made in a more orderly and rational way if the discussion of one branch is conducted entirely independent of discussion of the other two branches. It is, therefore, desirable to set-aside the year 1985 for comprehensive reexamination of the article I functions.

ARTICLE II

The operations of the executive branch, like those of the Congress, have also undergone dramatic evolution and change. In 1789 there was only a handful of "executives" in the executive branch along customs collectors and postmasters.[6] The total budget of the Federal Government in dollars was smaller by far at the beginning than that of a modest sized city—Colorado Springs—for example.[7] Communication between the first executive and the legislative branch was casual and informal.[8]

Although the members of the first Supreme Court wisely resisted President Washington's request for advisory opinions and declined to perform other functions which they deemed to be executive in nature, there is little doubt that Chief Justice Jay gave advice to Washington over the dinner table and even in writing. The President had no professional staff for himself. His close advisors also included the Cabinet secretaries and the Vice President.

Although the executive branch grew greatly from 1789 to the First World War, our wartime President, Woodrow Wilson, pecked away at his Hammond typewriter, turning out speeches and messages to Congress—and an outline of the League of Nations.

President Hoover had three or four staff aides, then called "secretaries", who assisted him with his problems, including one former Congressman who presumably handled legislative relations. Franklin Roosevelt, as a candidate, attacked Hoover for his excessively large staff. Yet, as we know, the great expansion of the White House staff began under President Franklin Roosevelt as the whole executive branch burgeoned to meet the emergencies created by the worldwide depression. Thus one matter to be reflected upon in 1986 is the implications of the size of the executive branch. Another question deserving analysis is what we now understand from the provision of article II stating that the Executive power shall be vested in the President. Today Executive power is actually in the hands of a few thousand of nearly 3 million civilian employees of the executive branch. There are 150,000 employees in the Department of Health, Education and Welfare alone—more than the standing army of the country in early parts of this century.

There are other changes. For nearly a half century the executive branch initiated much of the significant legislation. It is interesting to note that the Civil Service Commission is holding a workshop this December—and I use the Commission's language—to "help train agency personnel who will be assuming assignments in the formulation of legislation." This is entirely appropriate but it perhaps in part explains why Congress needed specialist staffs to cope with the executive. The growth in the rulemaking activity of the Federal agencies has given rise to concern and indeed to challenges by recent Presidents who thought their policies were being frustrated.

One example of changes brought on in the electronic age is the relationship of President with the media. Perhaps we should ask whether any President should be expected to have at his fingertips, and on the top of his head, a comprehensive and totally accurate response to every question submitted from an audience consisting of several hundred politically sophisticated media reporters? At times we read a superficial comparison to the British system where the Prime Minister and his Cabinet Ministers appear in the Commons for the question period. But the comparison is flawed because in Britain there is a fixed agenda for the question period. The Prime Minister or any member of his Cabinet need be well-informed only on the specific and limited subjects covered by that agreed agenda.

Is it possible that the media, the Presidency, and the Nation would be better served if Presidential press conferences were—at least—confined to agreed subjects?—for example, the problems of The Middle East, or inflation or energy—rather than having every press conference open to the entire range of problems confronting the country. The evening news and the morning papers would be able to focus with greater clarity and in greater depth on particular policy issues and the media might thus be better able to inform the public in the long run.

These are just a sample of some of the issues and problems which might be discussed during the year 1986 by political scientists, historians, journalists, and those who have actual first-hand experience in government. Others having border experience in government will see many areas for inquiry.

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[3] The Congressional Quarterly Weekly Report, Feb. 11, 1978.

[4] Elizabeth Drew, "A Tendency to Legislate", The New Yorker, June 26, 1978, pp. 80-86.

[5] See Carl McGowan, "Congress and the Courts", 62 American Bar Association Journal, pp. 1588-1590 (Dec. 1970); and see *TVA* v. *Hill*, 98 S. Ct. 2279 (1978); *SEC* v. *Sloan*, 98 S. Ct. 1702 (1978).

[6] See Leonard White, The Federalists (Toronto: Collier, MacMillian, 1948).

[7] The expenditures of the federal government were 5.1 million dollars in 1972. The expenditures of Colorado Springs in 1977 were 53.7 million dollars.

[8] James S. Young, The Washington Community (New York: Columbia University Press, 1966).

ARTICLE III

Questions about the present functioning of the Judiciary compared with original expectations could be dealt with in 1987. Since I cannot qualify either as a totally expert witness on the subject or as totally unbiased, I will leave it to others to flesh out the full scope of the inquiry for there is a long list of questions deserving serious study.

I suspect that by the time the delegates reached article III that they were getting weary in the hot and humid Philadelphia summer. The entire judicial article contains only 369 words. The first Judiciary Act of 1789 authorized 13 U.S. district judges and six members of the Supreme Court. Perhaps the feeling of those weary delegates at the constitutional convention was that a branch of government which would consist initially of only 19 judges did not call for much rhetoric—or much attention. The Constitution provided that the Federal courts would have a limited and special function—in that day largely deciding Admiralty cases.

The number of judges has grown from those first 19 to 397 authorized district judges, 97 judges of the courts of appeals, and another 21 judges of three specialized tribunals—a total of 515. Another 130 senior judges continue to serve—fortunately for us. This number will soon increase by approximately 150 when Congress passes the omnibus judgeship bill—which may happen this week.

The Supreme Court has increased from six justices to nine, remaining at that figure for over a century. I do not know of anyone advocating increasing the membership of the Supreme Court—least of all the present Justices. One wag commented that nine members of the Supreme Court have produced sufficient mischief in this country and any increase would be intolerable.

With 19 federal judges in 1789—and for at least 100 years—there were no significant "management" problems. Even with the 100 or more judges during the time Taft was Chief Justice, the management problem was not enormous. But Taft saw into the future and fought for the creation of the conference of senior circuit judges (not the Judicial Conference of the United States) to assist in "managing the business of the courts", as he called it. The administrative office of the United States courts was created in 1939 with essentially housekeeping functions. The Federal judicial center began operations in 1968 as the research, development and educational arm of the Judiciary. In 1971 the position of circuit executive—a management assistant for the chief circuit judges—was created for each circuit. We must also count supporting personnel—court clerks, bailiffs, court reporters and so forth, or a total of 9,377 persons.[9] We see, therefore, that the judicial branch, while small, has increased greatly since 1789.

For nearly 9 years Congress has failed to create a single new judgeship and the courts have had to cope with the enormous increase in workload with additional law clerks and staff lawyers. The pressure of caseloads has led to an increase in the proportion of cases decided without oral argument and often without a formal, written opinion. Lawyers oppose this.

Some responsible and well-informed lawyers and scholars have criticized the increasing complexity of judicial procedure arguing that overuse of pretrial processes complicate and delay trials. Others have echoed the criticism, made first by Roscoe Pound in 1906, that the excesses of the adversary system hinder rather than promote the ends of justice. The processes of administrative law are being challenged and questions are raised as to the soundness of trying complex antitrust cases before 12 lay jurors picked at random from the population.

These developments inspire a series of questions, questions about the efficiency of courts functioning under such demands, questions about the growth of a judicial "bureaucracy", and even questions about the duties placed on the Chief Justice are emerging. Should it be expected that the Chief Justice, with all the duties of other justices of the court, be called upon to be the "Chief Executive" of the Judicial Branch. Congress made the Chief Justice Chairman of the Judicial Conference of the United States with duties that absorb hundreds of hours each year. It made him chairman of the Federal judicial center, with similar time demands. These two organizations are expected to develop innovative programs and mechanisms to improve and speed up justice. Because Chief Justices have somehow been able to manage up to now does not mean this can continue to be true in the third century under the constitution. Seven years ago a committee of distinguished lawyers and scholars, chaired by Professor Paul Freund of Harvard, recommended that another court be created to take part of the work now resting on the Supreme Court. No action has been taken on that proposal.

There are serious questions as to how long Justices can work a 60 hour week and maintain appropriate standards.

At least as important as the need to examine the increase in the size of the Judicial Branch is the need to examine the powers exercised by the Judiciary. The authors of the Constitution did not contemplate that the Judiciary would be an overseer of the other two branches. At most, they expected that the judicial function would be confined to interpreting laws and deciding whether particular acts of the Congress or of the executive were in conflict with the Constitution, but even that was not explicit. Surely, that is all Marshall's opinion in Marbury v. Madison means.

Paradoxically, in recent years, the Supreme Court has been subjected to criticism from both ends of the spectrum. On the one hand, there are critics who suggest that the Supreme Court, like the other two branches, has become "imperial" in the sense of exercising powers not assigned to it by the Constitution. On the other hand, there are those who say that the Supreme Court has been too passive and has not undertaken to engage in wide ranging social and political activism thought to engage in wide ranging social and political activism thought by some to be called for by contemporary problems. It will be for others to evaluate these contentions. All this is rich fodder for symposia in 1987.

We make a large point of the independence and separateness of the three branches, but the authors of the Constitution also contemplated that there would be coordination between the branches deriving from a common purpose. That they should consult on some matters is beyond doubt. How far that should go is a subject for careful study.

The uniqueness and true genius of the document is that it has precluded any one of the branches from dominating any other. This will continue so long as we are faithful to the spirit and letter of the Constitution.

Project 1987 is already underway and the Judicial Conference of the United States last year authorized the appointment of a special committee to prepare for an observance of this significant historic event. If we—collectively—use the "lead time" now available to us, we can develop a program worthy of the importance of the occasion.

Although none of us can alone determine the totality of what the Bicentennial of 1787 should be, you—here today—are uniquely qualified to evaluate the merits of this proposal and to help with its implementation if you find merit in it.

If we concentrate along these lines for 1 year on each of the three branches and their functions, perhaps with the latter part of the third year devoted to an overview of all that has been discussed, debated and analyzed in the preceding years, conceivably we may produce a series of papers comparable in utility, if not in quality, with the federalist papers of 200 years ago.

Whatever the program is to be, the time to begin planning is now.

REMARKS OF WARREN E. BURGER CHIEF JUSTICE OF THE UNITED STATES AT THE AMERICAN LAW INSTITUTE

This morning—given the place we meet, the approaching 1987 Bicentennial of our Constitution, and the 300th Anniversary of this City—rather than discussing current legal problems, I ask you to indulge me in some historical reminiscences, looking back at the struggles that began and culminated here in Philadelphia two centuries ago.

It takes a certain amount of presumption for any lawyer to speak to other lawyers about the Constitution. This is especially true if one is speaking at a gathering of the American Law Institute, for in this room we have the foremost minds of our profession. All this is underscored when the Institute is meeting in Philadelphia, where, in that hot, humid summer of 1787 the delegates to the Constitutional Convention labored 16 weeks to draft that document.

As we approach the Bicentennial of the Constitution, I would hope that lawyers will be talking to each other and talking with nonlawyers about the Constitution, how it came about, and what it means. It should not be thought of as a subject exclusively, or even primarily, for lawyers. And so, with that admonition to myself, I will try, in opening this, the 59th Annual Meeting of the Institute, to stir your recollections of events, well known but often overlooked.

I do not mean to stir recollections about the contents of that document but rather to ask: how did it come about that 55 men in a country of barely three million were cast by history to take actions that would place them forever in the Halls of Fame of Freedom, when they were sent here by 12 states to consider how the newly independent people would govern themselves? I say 12 states, for one—Rhode Island—sent no one to speak for it.

From time to time in recent years, nonlawyer friends particularly have expressed to me serious concerns about the attacks on the Supreme Court, on the Constitution and the institutions which sprang from it. There is nothing new about such attacks, and there is nothing inherently bad in most of them. When the people challenge their servants—the Executive, the Congress and the Courts—temperately and with reasoned debate—we have nothing to fear. That is what our open society is all about.

[9] Excluding 2,902 probation officers.

Of course, we know that the Constitution itself was under attack from the moment it was signed, here in Philadelphia. The delegates had labored four months to produce the document, but on that cool Autumn morning—Monday, September 17—42 delegates were present, and as we know, three refused to sign their names to the draft.

Benjamin Franklin, one the wisest of all the Founding Fathers and the most senior, made some observations as the final meeting opened, and his words are so important, and so filled with wisdom that I ask you to indulge my recalling them—even though you know them well. He said this:

"Mr. President, I confess that there are several parts of this Constitution which I do not at present approve, but I am not sure I shall never approve them: For having lived long, I have experienced many instances of being obliged by better information or fuller consideration, to change opinions even on important subjects, which I once thought right, but found to be otherwise. It is therefore that the older I grow, the more apt I am to doubt my own judgment, and to pay more respect to the judgment of others."

Other men has less moderate things to say about the new Constitution, some of them very harsh indeed. Later in the following year, at the Massachusetts Ratification Convention, one delegate had this to say:

"Mr. President, . . . some gentlemen have called on them that were on the stage in the beginning of our troubles, in the year 1775. I was one of them. And I say that if anybody had proposed such a constitution as this in that day, it would have been thrown away at once. It would not have been looked at. . . . Does not this constitution . . . take away all we have—all our property? Does it not lay all taxes, duties, imposts, and excises? And what more have we to give?"

Another delegate, Mr. Smith, answered him saying:

"Mr. President, I am a plain man and get my living by the plow. I am not used to speaking in public, but I beg your leave to say a few words to my brother plowjoggers in this house. I have lived in a part of the country where I have known the worth of good government by the want of it."

Smith explained that he had been a member of the convention that formed his own state Constitution and that he had learned something of the need for checks and balances of power. He concluded, saying this:

"I did not go to any lawyer to ask his opinion. We have no lawyer in our town and we do well enough without. I formed my own opinion and [I] was pleased with this Constitution."

We know that to secure the ratification of the Constitution was no easy task, with articulate and popular heroes like Patrick Henry in Virginia opposing it, and with Thomas Jefferson somewhat cool. We know, too, that it was only the great prestige of George Washington and James Madison, buttressed by a rising young public leader, John Marshall, who out-debated that great orator Patrick Henry in the Virginia Convention, that brought about Virginia's ratification. Without Virginia's ratification there would have been no Constitution—at least at that time.

I have always found it difficult, and I suspect others may share that difficulty, to really understand how separate and how independent were the 13 sovereign states that made up the Confederation preceding the Constitution. We know, of course, that the men of Massachusetts Bay regarded themselves as allies—allies of other states; they thought themselves quite different from the men of Virginia or Maryland or New York. This confusion of allegiances is illustrated in the circumstances surrounding Lincoln's offer to Robert E. Lee, in 1860, of the command of all the Union armies after the fall of Fort Sumter.

Lee—who loved the Union, was distressed at the idea of dissolving the Union, and hated slavery—was nevertheless so much a product of the age of his father, General "Lighthorse" Harry Lee, one of Washington's generals, that instead of accepting Lincoln's offer, he resigned from the Army. He went immediately to Richmond to offer his services for the defense of Virginia—not for the support of secession, not for the defense of slavery, not for the dissolution of the Union, but simply in the 18th Century mind-set of men who were Virginians first and Americans second. This episode has always helped me understand the enormous difficulty of getting the Constitution ratified.

Now let me take you back from this digression to 1787 when even the word "constitution" was not a familiar one. We remember that there was a great fear of central governments stemming from the fact that the Revolution had been fought to escape from the clutches of a distant and strong central government in London. When the Continental Congress met in New York early in 1787 to consider convening what we now know as the Constitutional Convention, the authorizing resolution was carefully circumscribed. The delegates to that meeting in Philadelphia were to be sent there as a committee ". . . for the sole and express purpose of revising the Articles of Confederation." There was no hint of drafting a new Constitution, although Patrick Henry later refused to be a delegate from Virginia, because, as he put it, he "smelled a rat."

You recall the language of the Articles of Confederation. They reflect how jealous the states were about their own sovereignty. The language of the enabling resolution of the Congress reads in the terms of a treaty. The words are these, and we must marvel as we recall them:

"The said states hereby severally enter into a firm league of friendship with each other."

A firm league! This is Massachusetts, New York, Pennsylvania, Maryland, Virginia and eight other states speaking to each other! Of course we know from the history of the Revolution itself that the bonds between the 13 colonies were very loose indeed. The terrible privations, the needless deaths from starvation and freezing suffered by Washington's troops, only a few miles from where we meet today, attest to the looseness of the Confederation. That looseness caused those men at Valley Forge to suffer through a terrible winter, because the states had no binding duty to provide the promised food, the material and the money necessary to support the Revolution and its armies.

It was indeed a loose confederation. It had no power to levy taxes, no authority to raise armies and it is nothing short of a miracle that the Revolution was successful, or that there was any occasion to convene what we now describe as the Constitutional Convention. It was our good fortune that George III had to keep a good deal of his powder dry to deal with France and Spain.

One state, for example, paid nothing in the way of taxes or contributions to the Confederation for at least five years before the meeting in Philadelphia. Rhode Island, remember, declined even to send delegates to Philadelphia in 1787! The soldiers under Washington often furnished their own clothing, their own guns, even their own gunpowder at times. Hamilton, the financial genius of the Revolution and the Confederation, and later of the new government under the Constitution, was described in the war period as "Receiver of Continental Taxes"—the "receiver," not "collector!" Taxes were like church or Red Cross contributions, purely voluntary.

These terrible experiences not only dictated Washington's strategy of trying to keep his armies on the run and out of reach of the British, but also shaped his political philosophy, and that of his officers, that for some purposes a strong central or federal government was imperative. A young captain in Washington's army, who spent the winter with him at Valley Forge, had his views take shape in terms of that need for a strong central government. And those views, as we know, found their way into his opinions when the Captain became Chief Justice 20 odd years later. Marbury v. Madison, McCulloch v. Maryland and Gibbons v. Ogden bear the imprint of that winter at Valley Forge. Thus did Valley Forge help shape our Constitution jurisprudence. The ambivalence of those people who were fearful of a central government very nearly cost us the victory in the Revolution—and the Constitution as well.

As we watch current events, after more than 40 years of power flowing from the states to the federal government beyond what the framers contemplated, some political philosophers profess to see the American people as not yet having become politically mature. Hamilton surely had it impressed upon him that if the payment of taxes by the people and by the states was a matter purely voluntary like church contributions, there would never be a nation.

Hamilton said that what was needed was not the kind of structure that appealed to ". . . the narrow colonial sphere in which we have become accustomed to move," but rather for ". . . that enlarged kind suited to the government of an independent nation."

When we realize that nearly a century later so great an American as Robert E. Lee could not shake off the shackles of "narrow colonial" attitudes, it is not surprising that Hamilton did not succeed in persuading the Continental Congress in 1787 to enact the proposed resolution which in terms called for a Constitutional Convention. He had to settle for what in effect was a committee to review the Articles of Confederation. Madison, Hamilton and others knew that the structure created by the Articles of Confederation, including the Continental Congress, was what we call today a "paper tiger." Those Articles were hardly more than a multi-lateral treaty among 13 sovereign states agreeing to cooperate and collaborate for limited purposes.

We remember, of course, that there were rigid limits on commerce in 1787. Most of the 13 states printed their own money. The one thing which merchants and businessmen hoped for was a system that would open up the channels of commerce. Imperative to commerce would be a common currency, a central revenue system, a central banking system, a central authority to deal with other nations—and no trade barriers between the states.

Businessmen, of course, knew that there could never be any real prosperity in commerce while the states had separate currencies and customs duties with protective tar-

iffs for those within each of the states. Only a Constitution creating a strong central government could provide the foundations needed for an expansion of the economy.

Madison, who is often called the "father of the Constitution," had been a close student of the history of governments. He had immersed himself deeply in study before going to Philadelphia. One of his writings can be read as an important foreshadowing of what emerged here in Philadelphia and later in opinions of the Supreme Court. Madison had written:

"Let the national Government be armed with a positive and complete authority in all cases where uniform measures are necessary. . . . Let it have a negative, in all cases whatsoever, on the legislative acts of the States [and] [l]et this national supremacy be extended also to the judiciary department."

Madison could not match the eloquence of his fellow Virginians, Thomas Jefferson or Patrick Henry, but he was a profound thinker, a craftsman, an engineer in terms of political science. And, as we know, it was the great good fortune for our country—and for the very idea of freedom—that Madison became the principal draftsman, if not the principal architect, of the Constitution. Philosophically, he was then more attuned to the ideas of Washington, Hamilton, and Adams concerning the new country than he was to the thinking of his close friend and ally Thomas Jefferson. Given Jefferson's visions of a nation of farmers, artisans, and strong yeomen, and his fear of a strong central government, perhaps it was just as well that Madison arrived in Philadelphia nearly two weeks in advance of the formal meetings of the delegates and that Jefferson, like Patrick Henry, did not attend the Convention at all.

It surely must be clear that a loose federation of 13 sovereign states would have doomed us to a Balkanization that would have made us easy victims of Spain, France and England.

It is difficult to recreate the atmosphere that must have existed in this city in that summer of 1787. In terms of 18th Century travel and communications, our 13 states were very distant from each other, and spread the length of the Atlantic Coast from New England to Spanish Florida. Yet we were hemmed in by British military forces to the North and by Spain and France to the South with continuing concerns about Florida, Louisiana and control of the Mississippi River. Surely these sophisticated delegates could feel the hot breath of England and France and Spain, each of them waiting for the propitious moment to pounce on the new country and recover its lost territories. Perhaps it was something of this concern, these fears, that moved Benjamin Franklin, who was not known to be dedicated to orthodox religious institutions, to offer the motion that a chaplain be invited to open the Convention evey morning with a prayer. And Madison, at the close of the Convention, said that all people must: ". . . perceive in [the Constitution] a finger of that Almighty hand which has been so frequently . . . extended to our relief in the critical stages of the revolution."

Perhaps the one thing the delegates shared, because of what they had suffered as colonists, was a feeling that a government with built-in checks and balances was imperative. Just how to achieve those checks and balances and still have a strong nation and a government was to keep them here in Philadelphia for those many hot weeks. We remember that a theme underlying all the debates and all of the discussions had to do with the notion of the states surrendering some of their authority and sovereignty to a new, unknown and as yet undefined national government.

James Wilson, one of the ablest men at the Convention, and Pennsylvania's first Justice on the United States Supreme Court, at one point put his finger on this problem saying:

"If no state will part with any of its sovereignty, it is in vain to talk of a national government."

A government of delegated power must have other power holders willing to do some sharing. And Wilson went on to say:

"I do not see the danger of the states being devoured by the national government. On the contrary, I wish to keep them from devouring the national government."

The fear of central power, the fear of a national government, was hammered at and hammered out all during the convention, and the tensions that these ideas developed were revealed in the rather bitter comments of James Wilson and John Dickinson. Dickinson at one point said:

"If the general government should be left dependent upon state legislatures, it would be happy for us if we had never met in this room."

As with any deliberative body, small or large, when the issues are of great consequence, and especially when they probe into unknown territory, feelings grow tense and utterances occasionally can become harsh. Yet, that the Constitutional Convention was a process of give and take, there can be no doubt. On the main proposition, that is the system of checks and balances, with three coequal and independent departments, Madison, Hamilton, Morris and Wilson would not yield.

The day after the Convention on September 18, 1787, the delegate from New Hampshire wrote to a member of his family, saying:

"It was done by bargain and compromise, yet notwithstanding its imperfections, on the adoption of it depends whether or not we shall become a respectable nation, or a people torn to pieces by intestine commotions, and rendered contemptible for ages"

Franklin's closing speech perhaps said it as well as could have been said:

"In these sentiments sir, I agree to this constitution with all its faults if they are such."

When asked what the Convention had created, you recall Franklin's answer: "A republic, if you can keep it."

The delegates left Philadelphia exhausted but rightly entitled to be elated, but the document produced had yet to run the gauntlet of the states' ratification processes.

As we know, the outcome was determined by the action of Virginia, the largest of the states. There the debate was long and heated. Patrick Henry was the chief spokesman against ratification. John Marshall, at that time a rising young lawyer in his mid-30s, was the chief spokeman for the Constitution. His victory over the formidable Patrick Henry brought him into national prominence.

In five short years, this City will be a Mecca for all who love freedom and look to Philadelphia as a shrine where a small body of men launched the greatest experiment in government in all human history.

We have survived and prospered for 200 years because our strength was not simply in the concepts of the Declaration and the Constitution—great as they are—but because of the strength of the people, of personal integrity, of individual responsibility, of the traditions of home and family—and of religious beliefs.

Now—soon—the 200th Anniversary of the Constitution in 1987 will provide the occasion to reexamine those beliefs and rededicate ourselves to those values. Let us be sure we do not miss this opportunity.

Mr. MATHIAS. Mr. President, I am delighted to join the members of the Senate Judiciary Subcommittee on the Constitution today in introducing legislation to commemorate the bicentennial of the Constitution of the United States, which is only 5 years away. This legislation will create a special commission to coordinate the commemorative celebrations and activities on the Federal, State, and local level, and in the private and public sectors.

The bicentennial observance provides an occasion for all Americans to reflect upon the unparalleled achievement of our Founding Fathers in developing this unique document—the document which William Gladstone called the "most wonderful work ever struck off at a given time by the brain and purpose of man." The bicentennial period will provide us with an opportunity to raise the level of American consciousness about the content of our Constitution and the importance of the Philadelphia Convention. Our celebration of this bicentennial must be, above all, a time of constitutional education.

We cannot implement the Constitution in the spirit in which it was written unless our knowledge of it is as intimate as the knowledge of the members of the Constitutional Convention. We cannot execute the provisions of the Constitution unless we understand the underlying principles which were so familiar to the framers of the Constitution. Issues present themselves which demand resolution against the framework of the Constitution. We will be inadequate to the job of resolving those issues unless we know as much about the Constitution as the delegates to the Convention who wrote it.

Therefore, we in Congress must meet our responsibility and enact legislation to help insure that such a commemoration comes about. Since the 94th Congress, I have been sponsoring legislation to achieve that purpose. Since then, much valuable time has been lost. Now, however, a bill is being introduced which we hope will move through Congress quickly. I applaud Senator HATCH and the other members of the Senate Judiciary Subcommittee on the Constitution in developing this bill. The commission that will be created by this legislation is a suitable vehicle for commemorating the bicentennial—which is after all the fundamental purpose of this legis-

lation. I am sure that everyone who is concerned that our Nation celebrate a meaningful constitutional bicentennial shares my pleasure in the introduction of this bill, and will join me in urging its swift passage.

Mr. THURMOND. Mr. President, today I am joining my colleagues from the Subcommittee on the Constitution of the Committee on the Judiciary in introducing a bill to provide for the commemoration of the bicentennial of the Constitution. In just 5 years we will be celebrating the 200th anniversary of this amazing document and we must make appropriate plans for a thoughtful and proper commemoration.

The measure being introduced would provide for the appointment of a 16-member Commission charged with developing a specific plan for the celebration of the events leading up to the signing of the Constitution and the subsequent ratification process. The Commission is directed to encourage State, local, and private participation in planning activities, while taking on a limited number of Federal projects.

The thrust of this legislation is to educate and reflect upon the philosophical underpinnings of our Constitution as illustrated by the words of the individuals involved in its creation and by the events leading up to its ratification. In this regard, I recall the writings of James Madison who has often been called the "Father of the Constitution." Mr. Madison immersed himself in study before attending the Constitutional Convention and in one of his writings he foreshadowed what ultimately emerged in Philadelphia. He wrote:

> Let the national government be armed with positive and complete authority in all cases where uniform measures are necessary . . . Let it have a negative, in all cases whatsoever, on the the legislative acts of the States.

Mr. President, the writings of Madison and other great men who were devoted to the idea of freedom deserve review and reflection as we approach the bicentennial of the document they created. The 200th Anniversary of the Constitution will provide the occasion for us all to examine the beliefs held by that small group of individuals who convened in 1787 and dedicate ourselves to the values underlying those beliefs. I feel this measure will provide the proper framework to celebrate and commemorate this Nation's most important historical event.

In closing, let me remind my colleagues of Benjamin Franklin's response when questioned as to what had been created at the Constitutional Convention. He replied: "A Republic, if you can keep it."

Let us devote ourselves to doing so in commemorating the Bicentennial of the Constitution.

By Mr. QUAYLE:

S. 2672. A bill to reform the insanity defense and to establish a verdict of guilty but mentally ill; to the Committee on the Judiciary.

REFORM OF INSANITY DEFENSE

● Mr. QUAYLE. Mr. President, like many of my colleagues, I am surprised at and disappointed in the verdict in the case of Mr. John W. Hinckley, Jr., the man who tried to assassinate President Reagan. But I am not diappointed by the judge, who merely followed the Federal law, or the jury, who I believe followed the instructions of the court. The court, the judge, and the jury did their duty as set forth by the law, in finding Mr. Hinckley innocent by reason of insanity.

I am not alone in my concern for this particular case. In addition to many of my colleagues, including the Senator from Utah, the Senator from Nebraska, and the Senator from Pennsylvania who have spoken out on this issue, many across the Nation have expressed their disbelief and disappointment in our Federal laws and even our judicial system itself. Criticism of the Hinckley case has been expressed around the country. The plain question put to me by my constituents is "What happened?"

How can the man known to have shot the President and wounded three others in a violent attack possibly be eligible for release into society only 50 days after the close of his trial?

Mr. President, my constituents do not fault the jury or the judge or even the legal system. The American people find fault with us, the Congress, for not having effectively dealt with criminal reform or the specific criminal defense of insanity.

The questions and concerns of all of us have been put most succinctly in today's Washington Post by Mr. James Grady, a Washington author. I would ask unanimous consent that Mr. Grady's column be printed in the RECORD. As Mr. Grady said, there are victims scattered throughout John Hinckley's path. But one more victim, the U.S. Congress, can be avoided if we have the sense to act here.

The Congress has never in its history addressed the issue of the defense plea of innocent by reason of insanity. At this time I would add my own thanks to the junior Senator from Pennsylvania who yesterday in this body pointed out that the Congress has never dealt with this issue.

Mr. President, I am today introducing legislation to reform the criminal defense of insanity. Most importantly, this legislation differs from previously offered bills in that it would establish a verdict of "guilty but mentally ill."

The purpose of my bill is three-fold: First, this legislation recognizes the defense of insanity by using the M'Naghten rule, modified by a somewhat stricter limitation referring to a "result of a mental disease or defect." Second, this bill would clearly place the burden of proof upon the defendant to establish by a preponderance of the evidence the defense of insanity. Finally, this legislation will establish the verdict of "guilty but mentally ill" in the Federal law, a verdict now available to the courts in my own State of Indiana.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 23, 1982]

(James Grady)

. . . AND SUCCESS

By all accounts, the most successful American of the 1980s is John W. Hinckley Jr., "the man who tried to assassinate Ronald Reagan."

This common identification of Hinckley shows the reporting error that masks his success; his goal was not to assassinate the president. Hinckley sought and found fame. It doesn't matter that he didn't kill Ronald Reagan because Hinckley never wanted that. Ronald Reagan could have been or—given Hinckley's history—might have been Jimmy Carter. Or John Lennon, if Hinckley had been imaginative enough to be the first to realize that politicians aren't the only ones with limelights to steal.

What price has Hinckley paid for his glory? Almost none.

Instead of continuing his chancy life as a drifter, he is in all probability now assured of quality food, shelter and medical attention for the rest of his life. How many other Americans are that lucky? Or that deserving? He lost nothing when society took away his freedom of motion because he wasn't going anywhere anyway except in pursuit of his dream.

Which he caught. Hinckley wanted specific fame, fame in which he won the attention of a movie star he idolized and in so doing, forged their names, together in history. Pity his dream girl, Jodie Foster, for Hinckley's criminal success has her innocent name carved on its heart.

True, he'll never "get" Jodie Foster in the flesh, never "have" her love. But love—either sexual or personal—means little to Hinckley. Besides, he didn't want Jodie Foster to love him. He wanted to be the man the public saw at the center of her life. And he is.

To execute Hinckley would have changed nothing about his success except the way in which his name is flashed in lights. Death deprives him only of the necessity of certain ultimately transitory biological functions like breathing and backaches. Execution would have won Hinckley another set of headlines in the weekly supermarket tabloids: "Last Gasps of Twisted, Star-Crossed Lover Turned Presidential Shootist!"

Hinckley is the Me Generation come of age. His ego is absolutely free of any self-doubt or confusing questions about moral consequence, The vacillations ascribed to him by witnesses at his trial are concerned with effectiveness, not justice. He worried only about whether his "Taxi Driver" like dramatic production would work, not whether it was right or wrong.

There'd been failures on his way to fame before. He'd tried to be rock star and a Nazi, but both of these time-proven techniques required too much commitment and talent for our John. Yet he was undaunted, savvy enough to realize that the path to success

has many milestones. At some you stumble. But Hinckley worships the Sole Commandment of the National Football League Religion: winning is the only thing.

Our boy's only strength is that unshakable faith in his own petty pleasure. He pursued his Hollywood Princess far more diligently than most of us dare pursue our dreams. How many of us who sigh when Jacqueline Bisset or Robert Redford flash on the silver screen have the courage to approach our object of romance? Have, like Hinckley, the determination to pursue our yearnings across this continent? The spirit to give that full 110 percent effort extolled by coaches everywhere? Rejections and failures didn't discourage John boy. He kept plugging away for fame, fighting to be as big as the Beatles, reaching for his Andy Warhol prime time promise—and more. John Boy Hinckley wouldn't settle for a fleeting 15 minutes. He wanted history.

How easy it was for him to get it.

Of course, our boy had the good luck to live in a culture where success is the final ethic and during these modern times when two new dimensions have been added to the success game: success is increasingly measured by fame, not fortune, and never before has the process of mere fame been so institutionalized and industrialized as it is America today. Fame's temples are everywhere, from "respectable" weekly magazines like People to the supermarket tabloids; from TV's "soft" feature programs mixed in with the "hard" news shows to "personality specials" where the height of success is to have Barbara Walters ask what kind of tree you'd be if God had been less discriminating in his creative plan. This television season threw away all pretense, and gave America a show flat-out dedicated to that two dimensional vision, "Fame." "I'm gonna live forever!"

To cast Hinckley as insane or a victim of American society is absurd semantics. You are only crazy if you fail. Ask the Wright brothers, who were the ultimate loony birds. Ask the 19th century feminists, who had to be certifiably nuts to believe any woman was worth more than the procreation, recreation and exploitation ordained by both nature and divine civilization. As for being a "victim," Hinckley lost next to nothing in conceiving, calculating and controlling an "impossible" dream, which he blasted into reality.

But there are victims scattered throughout Hinckley's ultimate success: Jodie Foster, Ronald Reagan, James Brady, Thomas Delahanty, Timothy McCarthy. Their friends and families. Even Hinckley's family. And everyone who doesn't want to become a casualty on some creep's bloody stairway to the stars.●

By Mr. DOLE (for himself, Mr. ROTH, and Mr. D'AMATO). S. 2673. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Finance.

TUITION TAX CREDIT

● Mr. DOLE. Mr. President, I have been a longtime supporter of providing Federal income tax relief for lower and middle income families who carry the additional burden of supporting the public schools while sending their children to private schools. Because of this double burden, an alternative to public education simply is not available to lower income families today and is not available to middle-income families without substantial sacrifice. Inflation in recent years has made matters worse. Yet alternatives to public education contribute to the pluralism that help make our society strong. Alternatives to public education can also help stimulate improvements in our public schools through the competition those alternatives present. A strong system of private schools, available to all income classes, should contribute to a better education for all of our children. And an educated, skilled populace is an essential ingredient in maintaining and improving this Nation's technological and industrial prominence.

President Reagan made a campaign promise to provide relief to these families who carry a double burden by providing a tax credit for a portion of the tuition they pay for their children's education. Today, I am pleased to assist the President in taking the first step down the path of fulfilling that promise by introducing the administration's tuition tax credit bill.

PHASED-IN, NONREFUNDABLE CREDIT

This bill would phase in, over 3 years, a nonrefundable tax credit for one-half of tuition payments for the primary or secondary education of a taxpayer's dependents, up to a maximum per student of $100 in 1983, $300 in 1984, and $500 thereafter. The credit would be phased out for families with incomes of more than $50,000 per year, and those with income in excess of $75,000 per year would be ineligible. The well-to-do will not benefit from this bill.

NO CREDITS FOR DISCRIMINATORY SCHOOLS

Although I support tuition tax credits in principle, I would not support any bill without adequate safeguards insuring that tax credits would not be allowed for payments to private schools with racially discriminatory policies or practices. Earlier this year, the Finance Committee had occasion to review the controversy surrounding the granting of tax-exempt schools with racially discriminatory policies. It is clear from this experience that we must be careful in considering any new tax provision that might provide even indirect assistance to racially discriminatory private schools. This bill contains several provisions intended to disallow tax credits for tuition payments to racially discriminatory schools. The Finance Committee must carefully review these provisions to insure that the allowance of tuition tax credits will not in any way frustrate our fundamental national policy against racial discrimination in education.

The administration's bill has a three-pronged approach to this problem. In the first place, a school cannot qualify to recieve tax-creditable tuition payments under this bill unless it is a tax-exempt ecucational institution under code section 501(c)(3). The Supreme Court will soon be considering the nondiscrimination standards that must be met in order to enjoy Federal tax exemption.

A school's failure to satisfy those standards will automatically disqualify it from receiving tax-creditable tuition payments. This bill, of course, would not affect the question of what nondiscrimination standards are applicable, under sections 501(c)(3) and 170 of the Internal Revenue Code, to tax-exempt private schools generally. That decision remains with the Court.

This bill goes further, and adds two additional provisions designed to disallow tax credits for tuition payments to discriminatory private schools. At the end of a calendar year for which tuition tax credits may be claimed, the school would be required to submit to the IRS a statement, subject to penalties for perjury, certifying that the school has not followed a racially discriminatory policy during the calendar year.

In addition, if the Attorney General received a complaint that the school had discriminated against an individual, the Attorney General would be authorized to bring a declaratory judgment proceeding in district court to establish that a school, in fact, maintained a racially discriminatory policy. If the Attorney General prevailed in such a suit, credits would be disallowed for tuition payments to the school for 3 years.

It is my hope that the Finance Committee would review the nondiscrimination standards and procedures set forth in this bill with the assistance and counsel of experts and interested laymen in the fields of education, civil rights, and law.

CONSTITUTIONALITY

In addition to the discrimination problem, many opponents claim that, because of the religious affiliation of many private schools, tax relief for tuition payments violates the establishment clause of the first amendment. I do not agree, but it does not necessarily matter what I or any other Senator thinks about the constitutionality of this measure. So long as we are convinced that the provision does not clearly violate the first amendment, and the court decisions in this area are anything but unanimous and clear, it is up to the Supreme Court to decide the constitutionality of this provision, not us.

FISCAL RESTRAINT

Other opponents of tuition tax credits point to the burgeoning deficits and the painful process that Congress faces over the next year or 2 in learning what "fiscal restraint" means as reasons not to move forward. Our task on the Finance Committee in making tough decisions on medicare, medicaid,

and welfare, and in finding more than $20 billion in new revenues for fiscal year 1983 is perhaps one of the more painful, though necessary steps down that road. I am the first to admit the difficulty of the task we face.

In light of these challenges, immediate action on this bill or on any new or expanded tax expenditure may not be possible. The administration has recognized these restraints and is to be commended for scaling back, especially in the early years, the fiscal impact of the proposed tuition tax credit. With the 3-year phase in, the lack of a refundability provision, the lack of credits for college-level education, and the high-income phaseout, the fiscal 1983 cost of this bill is estimated at approximately $100 million, and for fiscal 1984, approximately $600 million. While we certainly must complete the process of finding the revenues the budget resolution directs us to find, before we turn to any new or expanded tax expenditures, an improving economy later this year and success in finding additional spending cuts may permit us to make progress on modest versions of ideas such as this sooner than some of us anticipated in the darker months of the recession that now shows signs of ending.

In short, Mr. President, tuition tax credits for low- and moderate-income families is an idea whose time has come. I will not deny that the proposal presents some thorny issues, but I do not think any are incapable of solution. I welcome constructive suggestions for improvement and hope we can meet any responsible criticisms. If I were not confident of the ultimate and timely success of this measure, I would not introduce it today.

Mr. President, I ask unanimous consent that the bill, an explanation of the bill, and the President's transmittal letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE.

This Act may be cited as the "Educational Opportunity and Equity Act of 1982".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that it is the policy of the United States to foster educational opportunity, diversity, and choice of all Americans. Therefore, Federal legislation should recognize that:

(A) pluralism is one of the great strengths of American society, that diversity in education is an important contributor to the pluralism, and that nonpublic schools play an indispensable role in making that diversity possible;

(B) the existence and availability of alternatives to public education tend to strengthen public education through competition and to improve the educational opportunities of all Americans;

(C) Americans should have equal opportunities to choose between the education offered by public schools and that available in private educational systems and should not be compelled because of economic circumstances to accept education provided by government created and government operated school systems, and that to force such a selection is an unfair and unjust discrimination against persons of lesser means;

(D) increasing number of American families are unable to afford nonpublic school tuition in addition to the state and local taxes that go to support public schools, and that tax relief for nonpublic school tuition expenses is necessary if American families are to continue to have a meaningful choice between public and private education at the elementary and secondary level;

(E) tax relief in the form of tuition tax credits is the fairest way to extend a choice in education to a wide range of individuals, that tax relief in the form of tuition tax credits creates the least possible danger of interference in the lives of individuals and families consistent with achieving these ends, and that tax relief in the form of tuition tax credits achieves these ends with a minimum of complexity so that those for whom the tax relief is intended will be able to understand and take advantage of it;

(F) the tax revenue loss occasioned by a tuition tax credit for a child would be small compared to the cost to state and local taxpayers of educating the child at a public school;

(G) equality of educational opportunity is the policy of the United States, and the tax relief afforded by this legislation should not be used to promote racial discrimination.

Therefore, the primary purpose of this Act is to enhance equality of educational opportunity, diversity, and choice for Americans. The Congress finds that this Act will expand opportunities for personal liberty, diversity, and pluralism that constitute important strengths of education in America.

SEC. 3. CREDIT FOR TUITION EXPENSES.

Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44H. CREDIT FOR TUITION EXPENSES.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of the tuition expenses paid by the taxpayer during the taxable year to one or more educational institutions for any of his dependents (as defined in section 152(a) (1), (2), (3), (6), or (9)) who has not attained the age of 20 at the close of the taxable year in which the tuition expenses are paid and with respect to whom the taxpayer is entitled to a deduction for the taxable year under section 151.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT PER INDIVIDUAL.—The amount of the credit allowable to a taxpayer under subsection (a) with respect to tuition expenses paid on behalf of each dependent shall not exceed—

"(A) $100 in the case of tuition expenses paid during the taxpayer's first taxable year beginning on or after January 1, 1983;

"(B) $300 in the case of tuition expenses paid during the taxpayer's first taxable year beginning on or after January 1, 1984; and

"(C) $500 in the case of tuition expenses paid for each taxable year of the taxpayer beginning on or after January 1, 1985.

"(2) PHASEOUT OF CREDIT ABOVE CERTAIN ADJUSTED GROSS INCOME AMOUNTS.— The maximum amount specified in paragraph (1) shall be reduced by the following percent of the amount by which the adjusted gross income of the taxpayer for the taxable year exceeds $50,000 ($25,000 in the case of a married individual filing a separate return)—

"(A) 0.4 percent for the first taxable year of the taxpayer beginning on or after January 1, 1983;

"(B) 1.2 percent for the first taxable year of the taxpayer beginning on or after January 1, 1984; and

"(C) 2.0 percent for each taxable year of the taxpayer beginning on or after January 1, 1985.

"(c) SPECIAL RULES.—

"(1) ADJUSTMENT FOR SCHOLARSHIPS AND FINANCIAL ASSISTANCE.—Tuition expenses paid by the taxpayer shall be reduced by any amounts which were paid to the taxpayer or his dependents as—

"(A) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which is not includible in gross income under section 117;

"(B) an educational assistance allowance under chapter 32, 34, or 35 of title 38, United States Code; or

"(C) other financial assistance which is for educational expenses, or attributable to attendance at an educational institution, and that is exempt from income taxation by any law of the United States (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)).

"(2) DISALLOWANCE OF CREDITED EXPENSES AS DEDUCTION.—No deduction or credit shall be allowed under any other section of this chapter for any tuition expense to the extent that such expense is taken into account in determining the amount of the credit allowed under subsection (a) unless the taxpayer elects, in accordance with regulations prescribed by the Secretary, not to apply the provisions of this section to such tuition expenses for the taxable year.

"(d) TAX CREDIT NOT ALLOWED FOR AMOUNTS PAID TO RACIALLY DISCRIMINATORY INSTITUTIONS.—

"(1) REQUIRED ANNUAL STATEMENTS.—No credit shall be allowed under subsection (a) for amounts paid to an educational institution during a calendar year unless, at the end of such calendar year, the educational institution files with the Secretary (in such manner and form as the Secretary shall by regulation prescribe) a statement, subject to the penalties for prejury, that

(A) declares that such institution has not followed a racially discriminatory policy during such calendar year; and

(B) indicates whether the Attorney General has brought an action against such institution under section 7408 during such calendar year or either of the two preceding calendar years.

On or before January 31 of the calendar year succeeding the calendar year to which the statement relates, the institution shall furnish a copy of the statement to all persons who paid tuition expenses to the institution in the calendar year to which the statement relates. No credit shall be allowed to a taxpayer under subsection (a) for amounts paid to an educational institution during a calendar year unless the taxpayer attaches to the return on which the taxpayer claims the credit with respect to such calendar year a copy of the statement specified in this paragraph.

"(2) DECLARATORY JUDGMENT PROCEEDINGS.—If an educational institution is declared to have followed a racially discriminatory policy in an action brought pursuant to section 7408, then no credit shall be allowed under subsection (a) for amounts paid to such educational institution—

"(A) in the calendar year during which the Attorney General commenced the action pursuant to section 7408, and

"(B) in the calendar years immediately succeeding the year specified in subparagraph (A).

"(3) DEFINITION.—For purposes of this subsection, an educational institution follows a 'racially discriminatory policy' if it refuses, on account of race—

(A) to admit applicants as students;

(B) to admit students to the rights, privileges, programs, and activities generally made available to students by the educational institution; or

(C) to allow students to participate in its scholarship, loan, athletic, or other programs.

A racially discriminatory policy shall not include failure to pursue or achieve any racial quota, proportion, or represenation in the student body. The term 'race' shall include color or national origin.

"(4) TIME OF DISALLOWANCE.—No credit shall be disallowed under paragraph (2) until the judgment against the educational institution in the action brough under section 7408 has become final. A judgment becomes final within the meaning of this paragraph when all parties to the action have exhausted all appellate review.

"(5) STATUTE OF LIMITATIONS.—If a credit is disallowed under paragraph (2), the period for assessing a deficiency attributable to the disallowance of such credit shall not expire before the expiration of 3 years from the date the judgment becomes final within the meaning of paragraph (4). Any such deficiency may be assessed before the expiration of such three-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

"(6) ENFORCEMENT RESPONSIBILITY.—Exclusive authority to enforce the prohibition against following a racially discriminatory policy under this subsection, or to undertake activities connected with enforcing this subsection, is vested in the Attorney General. Under this subsection, the Secretary has authority solely to receive the statements referred to in paragraph (1); to disallow credits for amounts paid to an educational institution which has failed to file such a statement as provided in paragraph (1); to disallow a credit in the case of a taxpayer who fails to comply with the procedures prescribed by the Secretary for claiming the credit; and to disallow credits for amounts paid to an educational institution against which a final judgment has been entered in an action under section 7408 as provided in paragraphs (2) and (4).

"(e) DEFINITIONS.—For purposes of this section—

"(1) EDUCATIONAL INSTITUTION.—The term 'educational institution' means a school that

"(i) provides a full-time program of elementary or secondary education;

"(ii) is a privately operated, not-for-profit, day or residential school; and

"(iii) is exempt from taxation under section 501(a) as an organization described in section 501(c)(3), including church-operated schools to which subsections (a) and (b) of section 508 do not apply.

"(2) TUITION EXPENSES.—The term 'tuition expenses' means tuition and fees paid for the full-time enrollment or attendance of a student at an educational institution, including required fees for courses, and does not include any amount paid for

"(A) books, supplies, and equipment for courses of instruction at the educational institution;

"(B) meals, lodging, transportation, or personal living expenses;

"(C) education below the first-grade level, such as attendance at a kindergarten, nursery school, or similar institution; or

"(D) education above the twelfth-grade level."

SEC. 4. DECLARATORY JUDGMENT PROCEEDING.

Subchapter A of Chapter 76 of the Internal Revenue Code of 1954 (relating to judicial proceedings) is amended by redesignating section 7408 as section 7409 and by inserting after section 7407 the following new section:

"SEC. 7408. DECLARATORY JUDGMENT RELATING TO RACIALLY DISCRIMINATORY POLICIES OF SCHOOLS.

"(a) IN GENERAL.—Upon petition by a person who alleges that he has been discriminated against under a racially discriminatory policy of an educational institution, the Attorney General is authorized, upon finding good cause, to bring an action against the educational institution in the United States district court in the district in which the educational institution is located, seeking a declaratory judgment that the educational institution has followed a racially discriminatory policy and has, pursuant to such policy, discriminated against the person filing the petition.

"(b) TIME FOR FILING PETITION.—The petition shall be filed with the Attorney General within 180 days after the date on which the act of racial discrimination is alleged to have been committed against the person filing the petition.

"(c) NOTIFICATION AND OPPORTUNITY TO COMMENT.—Upon receipt of the petition, the Attorney General shall promptly notify the educational institution in writing of such petition and the allegations contained therein. Before any action may be filed, the Attorney General shall give the institution a fair opportunity to comment on all allegations made against it and to show that the racially discriminatory policy alleged in the petition does not exist or has been abandoned.

"(d) TIME FOR BRINGING ACTION.—An action may be filed by the Attorney General no later than 1 year after receiving the petition.

"(e) DEFINITIONS.—When used in this section, the terms 'educational institution' and 'racially discriminatory policy' shall have the same meaning as assigned to such terms in section 44H.".

SEC. 5. TECHNICAL AND CONFORMING AMENDMENT.

(a) The table of sections for subpart A of Part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately before the item relating to section 45 the following:

"SEC. 44H. Tuition expenses."

(b) Section 6504 of the Internal Revenue Code of 1954 (relating to cross references with respect to periods of limitation) is amended by adding a new paragraph (12) at the end thereof:

"(12) Disallowance of tuition tax credits because of a declaratory judgment that a school follows a racially discriminatory policy, see section 44H(d)(5)."

(c) The table of sections for subchapter A of chapter 76 of the Internal Revenue Code of 1954 (relating to civil actions by the United States) is amended by striking out the item relating to section 7408 and inserting in lieu thereof:

"Sec. 7408. Declaratory judgment relating to racially discriminatory policies of schools.

"Sec. 7409. Cross references."

SEC. 6. TAX CREDITS ARE NOT FEDERAL FINANCIAL ASSISTANCE.

Tax credits claimed under this section shall not constitute Federal financial assistance to educational institutions or to the recipients of such credits.

SEC. 7. EFFECTIVE DATE.

The amendments made by section 3 of this Act shall apply to taxable years beginning after December 31, 1982, for tuition expenses paid after that date.

THE WHITE HOUSE,
Washington, D.C., June 22, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am herewith transmitting to the Senate proposed legislation entitled "The Educational Opportunity and Equity Act of 1982." This bill would provide for increased diversity in educational opportunity by providing tax relief for parents who choose to send their children to nonpublic schools.

Diversity in educational opportunity has been one of the great strengths of our nation. It is a foundation of our pluralistic society and essential to a nation which places a high value on individual freedom.

We are justly proud of our public schools, which now offer a free education through the primary and secondary school levels to all American children willing to take advantage of it. At the same time, we must remember the important role that has been played since the beginning of our nation by the diverse nonpublic schools which also offer an education to American children. Now, as they did prior to the establishment of our public school system, parents cherish their ability to choose from a wide range of educational opportunities for their children. It is of great importance to the continued vitality of our society that parents have a meaningful choice between public education and the many forms of private education that are available.

It is also important that there be innovation and experimentation in education. The existence of many private, as well as public, schools assures that new and possibly more effective teaching approaches will not go untested. It is also important that the differing needs and demands of students and their parents be met. Parents who, for whatever reason, are not satisfied by the education available in their local public schools should be able to seek an education better suited to their children elsewhere. Furthermore, the existence of a viable private alternative should maintain a healthy pressure on public education authorities to maintain educational standards and meet student needs.

As we are all aware, the cost of education, both public and private, has risen dramatically in recent years. We all bear the burden of the rising costs of public education through state and local taxation, directly or indirectly. But those parents who wish their children to attend nonpublic schools must also bear the additional burden of paying private-school tuition. This additional cost has always severely limited the ability of

lower-income families to choose the nonpublic educational alternative for their children. Rising costs are now putting private schools beyond the reach of a growing number of middle-income Americans as well. If we are to provide a meaningful choice to those who have not had it in the past, and preserve a choice for those for whom it is in danger of becoming an illusion, we must find a way to lighten the "double burden" these families bear.

We must also bear in mind that private schools do more than offer alternative educational choices to students and their parents. Nonpublic schools also carry a significant part of the burden of providing primary and secondary school education in this country. If it becomes financially impossible for many of the families now sending their children to nonpublic schools to continue to do so, the resulting increase in public school attendance will place large and unwelcome new tax burdens on state and local taxpayers. The cost to taxpayers of offering some tax relief to parents, so that they can afford to keep their children in the private schools of their choice, is modest compared to the cost of educating their children in the public schools.

Thus, in order to promote diversity in education and the freedom of individuals to take advantage of it, and to nurture the pluralism in American society which this diversity fosters, I am transmitting to Congress today a draft bill which provides federal tax credits for the tuition expenses of children attending nonpublic primary or secondary schools. Starting in 1983, the Education Opportunity and Equity Act of 1982, if enacted, would allow a tax credit for the tuition expenses of each student attending a private, nonprofit primary or secondary school. By 1985, when this new tuition tax credit would be fully phased in, a credit equal to 50 percent of tuition expenses paid during the year, but not to exceed $500, would be allowed for each student.

While it would be desirable for the reasons I have already mentioned to extend as well, the large losses in federal tax revenues which would result make it impossible to recommend such legislation at this time. Today's proposal makes an important start by providing this relief where it is most necessary.

Sincerely,

RONALD REAGAN.

EXPLANATION OF ADMINISTRATION BILL

The Administration's bill would allow an individual taxpayer to take a credit against income tax in an amount up to 50 percent of the qualifying tuition expenses paid by the taxpayer in a taxable year. Qualifying tuition expenses are expenses paid for tuition and fees to send certain dependents under the age of 20 full-time to private elementary or secondary schools. Qualifying tuition expenses do not include amounts paid for books, supplies, equipment, meals, lodging, transportation, or personal expenses, or for education below the first-grade level or above the twelfth-grade level.

The credit is allowed only for expenses paid with respect to students for whom the taxpayer is allowed a dependency exemption and who bear any of the following relationships to the taxpayer: children and descendants; stepchildren; siblings, stepbrothers, and stepsisters; nieces and nephews; and members of the taxpayer's household, other than the taxpayer's spouse, whose principal place of abode is the taxpayer's home. To be allowed a dependency exemption, the taxpayer must provide more than half of the student's support for the calendar year in which the taxpayer's year begins, and except for the taxpayer's children and stepchildren, the student must have less gross income than the amount of the exemption.

The amount of the credit that is allowable for the taxable year with respect to a student is subject to two limits. First, the maximum amount of credit that may be claimed by the taxpayer for each student in any taxable year is $100 for the taxpayer's first taxable year beginning on or after January 1, 1983, $300 for the first taxable year beginning on or after January 1, 1984, and $500 for taxable years beginning on or after January 1, 1985.

Second, the maximum amount of credit per student is reduced as the taxpayer's adjusted gross income increases over $50,000 and is phased out entirely for taxpayers with adjusted gross incomes of $75,000 and over. For the first taxable year beginning on or after January 1, 1983, the $100 per student maximum credit is reduced by .4 percent of the taxpayer's adjusted gross income over $50,000; for the first taxable year beginning after January 1, 1984, the $300 per student maximum credit is reduced by 1.2 percent of the taxpayer's adjusted gross income over $50,000; and for taxable years beginning on or after January 1, 1985, the $500 per student maximum credit is reduced by 2.0 percent of the taxpayer's adjusted gross income over $50,000.

The amount of tuition expense for which a taxpayer is allowed a credit does not include expenses that are paid by scholarships and other educational aid that are not includible in the taxpayer's or in the student's income. If the scholarship is paid directly to the school and the school sends a tuition bill to the taxpayer that is net of the scholarship, the taxpayer is not deemed to have been paid the scholarship; the scholarship is excluded from the computation of tuition expense altogether.

A school with respect to which credits are allowable must provide a full-time elementary or secondary school program and must be a private, not-for-profit, day or residential school.

In addition, the school must be exempt from taxation under section 501(a) as an organization described in section 501(c)(3). Church-operated schools shall, pursuant to section 508(c), continue to be exempt from the provisions of section 508 (a) and (b). The fact that credits are claimed for payments to a church-operated school shall not serve as a basis for imposing any new requirements on such schools in this regard.

The bill contains strong provisions to ensure that no credits will be permitted for amounts paid to schools that follow racially discriminatory policies.

A tax credit cannot be claimed unless the school is a tax exempt organization under section 501(c)(3). The bill also creates a new layer of protections above and beyond the 501(c)(3) requirement. In order for tuition expenses to be eligible for the credit, the school must annually file with the Secretary a statement under the penalties of perjury that it has not followed a racially discriminatory policy. In addition, the Attorney General of the United States, upon petition by an individual who claims to have been discriminated against by a school under a racially discriminatory policy, may seek a declaratory judgment in a United States district court in which the school is located that the school follows a racially discriminatory policy. If a final judgment is entered that the school follows a racially discriminatory policy, tuition tax credits are disallowed for the year in which the complaint is filed by the Attorney General and the two succeeding calendar years. The disallowance does not take effect until all parties have exhausted their rights to appeal the declaratory judgment.

The proposal defines a racially discriminatory policy as a policy under which a school refuses, on account of race: to admit applicants as students; to admit students to the rights, privileges, programs and activities generally made available to students by the school; or to allow students to participate in its scholarship, loan, athletic or other programs. A racially discriminatory policy does not include the failure by a school to pursue or achieve any racial quota, proportion, or representation among its students.

The proposal is effective for tuition expenses paid after December 31, 1982, in taxable years beginning after that date.●

● Mr. PACKWOOD. Mr. President, I am delighted that the administration has submitted its tuition tax credit proposal today. As one who has worked and worked over the years with Senator MOYNIHAN and others to help enact tuition tax credits, I look forward to working with the administration and other interested Members of Congress for enactment of this needed change.

Senator MOYNIHAN and I first introduced tuition tax credit legislation in 1977. We held extensive hearings in the Finance Committee. The Finance Committee approved tuition tax credits for elementary, secondary, college, and vocational students. However, the Senate deleted tuition tax credits for students at elementary and secondary schools in August of 1978.

Also in 1978 the House of Representatives approved a bill providing tuition tax credits for elementary, secondary, college, and vocational students. No bill was enacted in 1978, because the House and Senate could not agree on a single proposal. Specifically, the House of Representatives insisted on inclusion of elementary and secondary students, and the Senate objected.

Senator MOYNIHAN and I reintroduced tuition tax credit legislation in 1979, but we felt that we could not win enactment of tuition tax credits at the elementary and secondary level without Presidential support.

After President Reagan's election in 1980, we reintroduced tuition tax credit legislation, now pending before Congress as S. 550. In 1981 we had extensive hearings on S. 550. We believe that submission of this administration's proposal on tuition tax credits can be a very significant additional step toward enactment of tuition tax credits.

We have engaged in this cause because we believe in the importance of giving parents an opportunity to choose the best education for their children. We think the best educational opportunities will result if there are both public and private schools. We

think that the continued existence of some schools not run by governments is in the best interest of quality education in America. The continued existence of non-Government schools is threatened by lack of adequate financial support. Parents who might consider enrolling their children in a non-Government run school face the double financial burden of paying taxes to support public schools and paying tuition to attend private schools. If they opt for the private school, they bear the cost of educating their child, while saving the cost to the Government of educating the child. I believe that a tuition tax credit for the parent in this situation is fiscally prudent as well as sound educational policy.

As I said a few minutes ago, I am delighted that the administration has submitted its new tuition tax credit bill, and I look forward to reviewing the proposal and working for enactment of tuition tax credits.●

TUITION TAX CREDITS

● Mr. MOYNIHAN. Mr. President, the proposal of tuition tax credits by a President of the United States is a moment to consider in the context of history, for it is the first time an American President has sent Congress legislation to provide such credits. Several candidates for the office have pledged so to do but only President Reagan has been in a position to keep that pledge and he has done so today by sending to Congress the text of S. 2673.

I commend the President for fulfilling his promise; I shall work with him toward the passage of tuition tax credit legislation in the time remaining in this Congress. Such a task shall not be without difficulty. For all the positive aspects of this bill there are some provisions that must give Congress reason to pause.

As my colleagues surely know, Senator PACKWOOD and I have been strong proponents of tax credit legislation. I have introduced four such measures since my election to this body in 1976. In 1978, the House of Representatives passed a tuition tax credit bill; the Senate nearly did so. Only active oppostion by the administration, in 1978, prevented tuition tax credits from becoming law.

Mr. President, tuition tax credit legislation was nearly enacted not simply because of promises made during recent national campaigns. There is a larger promise extended to all the school children of this Nation; a promise dating from the enactment of the Elementary and Secondary Education Act of 1965, a promise, in the words of the plank in the Democratic Platform of 1964 which I crafted stating:

> New methods of financial aid must be explored, including the channeling of federally collected revenues to all levels of education, and, to the extent permitted by the constitution, to all schools.

I speak from what is, by now, a rather long involvement with the question of Federal aid to education 17 years ago, when those of us in the administration of President Johnson set out to draft a program of assistance to America's schools, there was implicit in our debates an agreement that all schools would benefit. Indeed, the support of leaders in nonpublic education for the Elementary and Secondary Education Act of 1965 followed from the understanding that their schools, too, would one day benefit.

That promise has yet to be kept. Nonpublic schools, in virtually every respect, are similar to public schools. They are good schools. In many areas, particularly in the urban center, they educate large numbers of minority and disadvantaged children—precisely those that Congress sought to assist with passage of the 1965 act. Nonpublic schools, of necessity, operate on limited budgets. Over the past 5 years, Senator PACKWOOD and I have chaired 5 full days of hearings in the Senate on tuition tax credit legislation and if one thing has been established, it is that nonpublic schools are neither elitist institutions nor are they to be somehow suspect for not being operated under the auspices of the Government.

Providing assistance to nonpublic schools is, then, a complement to our Nation's general commitment to assisting all elementary and secondary education. I reject the view that tuition tax credits can be provided at the expense of aid to public schools. I have repeatedly said the public schools come first. If tuition tax credits would serve to harm public schools, I would not favor their enactment. The point is that both sectors of our educational apparatus need and deserve support. When Senator PACKWOOD and I introduced tuition tax credit legislation earlier in this Congress, I also introduced two separate bills designed in large part to aid public schools. None has yet passed. All three should, and I regret they have not as yet received the consideration they merit.

Does the President's bill fulfill the commitment made to nonpublic schools and their students nearly two decades ago? It could. But it will take some work. I would offer three reservations about this special proposal.

First, there must be an absolute requirement that no school that follows a discriminatory policy based on race should be allowed to benefit from the availability of a tuition tax credit provision in the United States Tax Code. Whether the civil rights protections in the President's bill and those in current law are clearly sufficient to this end will be the principal test for whether or not I can support this particular bill. The President, groups supporting this bill, and its advocates in Congress are in accord on the need for such protections. I would be less than candid, however, if I did not indicate that the administration's decision of January 8, 1982 to reverse a decadelong policy of enforcing nondiscrimination provisions with respect to these schools generates a certain degree of anxiety as to the administration's commitments in these matters. The administration will have to address this question with greater clarity before Congress will enact this legislation. Officials from the Treasury and Justice Departments will be asked for explanations as to how they will prevent tuition tax credits from being used on behalf of schools that discriminate. For my part, I pledge to do all I can to eliminate whatever doubts persist including, if necessary, proposing additional safeguards.

Second, the administration's omission of a refundability provision in its bill means that low income families will be unable to benefit from enactment of tuition tax credits. Those families with no tax liability, or a liability less than the amount of whatever credit they might be entitled to receive, are percisely those with the least number of options to choose from in educating their children. Tuition tax credits should expand educational opportunity. The administration's bill would restrict the usefulness of tax credits for that portion of the population that Federal aid to education must and should serve. I will offer an amendment to the administration's bill that would make tuition tax credits fully refundable.

Last, there are those who would challenge the legality of tuition tax credits. There should be, in my view, a procedure whereby constitutional challenges to tuition tax credits could receive expedited review in the courts. Therefore, I will offer an amendment to the administration's bill that provides for expedited review so that parents who wish to make use of the credits will not face a prolonged period of uncertainty when making decisions as to the education of their children.

Mr. President, I would hope that the reservations I have expressed would not serve to detract from the commendation the President deserves for having put forth this legislation. I would hope, only, that we regard the administration's bill as a working draft—a proposal we might now use in the Finance Committee and on this floor to move our Nation forward to enactment of an equitable and reliable tuition tax credit measure.

The issue is above politics. Both the platforms of the Republican Party and the Democratic Party have consistently pledged support for the concept of Federal assistance to nonpublic

schools. The most recent Democratic platform said:

Private schools, particularly parochial schools, are also an important part of our diverse educational system. The Party accepts its commitment to the support of a constitutionally acceptable method of providing tax aid for the education of all pupils in schools which do not racially discriminate and excluding so-called segregation academies.

The Republican Party platform in 1980 was even more explicit:

Federal education policy must be based on the primary of parental rights and responsibility. Toward that end, we reaffirm our support for a system of educational assistance based on tax credits that will in part compensate parents for their financial sacrifices in paying tuition at the elementary, secondary, and post-secondary level.

I note, too, that Ronald Reagan was not the first Presidential candidate to endorse tuition tax credits. So did George S. McGovern. So did Hubert H. Humphrey.

The consensus on the need for tuition tax credits derives, as I have said, from this Nation's commitment to assisting in the education of its young people. It is a commitment born in the struggle for the first program of Federal aid to elementary and secondary education in the 1960's. It is a commitment that ought now to be fulfilled in the 1980's. As I wrote of this matter in 1961 in The Reporter, "Public Policy is open to discussion." The President has provided us with a vehicle for such a discussion.●

ADDITIONAL COSPONSORS

S. 139

At the request of Mr. HATCH, the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 139, a bill entitled the "Comprehensive Health Care Reform Act."

S. 1018

At the request of Mr. CHAFEE, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 1018, a bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 1929

At the request of Mr. HATCH, the Senator from North Dakota, (Mr. BURDICK) was withdrawn as a cosponsor of S. 1929. a bill to amend the Public Health Service Act and the Federal Cigarette Labeling and Advertising Act to increase the availability to the American public of information on the health consequences of smoking and thereby improve informed choice, and for other purposes.

S. 2000

At the request of Mr. DOLE, the Senator from Illinois (Mr. DIXON) was added as a cosponsor of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2167

At the request of Mr. SPECTER, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 2167, a bill to amend the Unfair Competition Act of 1979 and Clayton Act to provide for further relief in the event of unfair foreign competition.

S. 2225

At the request of Mr. BAUCUS, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2225, a bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain items.

S. 2242

At the request of Mr. RIEGLE, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2242, a bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare part B program and under the medicaid program.

S. 2270

At the request of Mr. LUGAR, the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 2270, a bill to amend section II of the Social Security Act to provide generally that benefits thereunder may be paid to aliens only after they have been lawfully admitted to the United States for permanent residence, and to impose further restriction on the right of any alien in a foreign country to receive such benefits.

S. 2304

At the request of Mr. DECONCINI, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 2304, a bill to amend title 18 to limit the application of the exclusionary rule.

S. 2455

At the request of Mr. HEINZ, the Senator from Washington (Mr. GORTON), the Senator from Illinois (Mr. DIXON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Pennsylvania (Mr. SPECTER), the Senator from New Mexico (Mr. SCHMITT), the Senator from California (Mr. CRANSTON), the Senator from Georgia (Mr. NUNN), the Senator from Maryland (Mr. MATHIAS), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. LONG), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 2455, a bill to extend the targeted jobs tax credit.

S. 2517

At the request of Mr. MATHIAS, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 2517, a bill to revise the first section of the Clayton Act to expand the scope of the antitrust laws, and for other purposes.

S. 2550

At the request of Mr. HEINZ, the Senator from Connecticut (Mr. WEICKER) and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 2550, a bill to provide a program of Federal supplemental unemployment compensation.

S. 2562

At the request of Mr. ROTH, the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 2562, a bill to transfer the functions of the Department of Energy to other agencies, to maintain continuity in vital programs and relationships, to recognize the Federal Energy Regulatory Commission as a separate independent regulatory agency, and for other purposes.

S. 2572

At the request of Mr. THURMOND, the Senator from Kansas (Mrs. KASSEBAUM) was added as a cosponsor of S. 2572, a bill to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes.

S. 2598

At the request of Mr. MCCLURE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2598, a bill to provide for the disposal of silver from the national defense stockpile through the issuance of silver coins.

SENATE JOINT RESOLUTION 159

At the request of Mr. ROTH, the Senator from Oklahoma (Mr. BOREN) and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of Senate Joint Resolution 159, a joint resolution entitled "the White House Conference on Productivity Act."

SENATE JOINT RESOLUTION 163

At the request of Mr. KENNEDY, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of Senate Joint Resolution 163, a joint resolution on nuclear weapons freeze and reductions.

SENATE JOINT RESOLUTION 178

At the request of Mr. HATCH, the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week."

SENATE JOINT RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 188

At the request of Mr. INOUYE, the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Kentucky (Mr. FORD), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of Senate Joint Resolution 188, a joint resolution to authorize and request the President to designate March 1, 1983, as "National Recovery Room Nurses Day."

SENATE JOINT RESOLUTION 193

At the request of Mrs. KASSEBAUM, the Senator from South Dakota (Mr. PRESSLER), the Senator from Arkansas (Mr. PRYOR), the Senator from Maine (Mr. MITCHELL), the Senator from Nebraska (Mr. EXON), and the Senator from Ohio (Mr. GLENN) were added as cosponsors of Senate Joint Resolution 193, a joint resolution designating the week of November 7 through November 13, 1982 as "National Respiratory Therapy Week."

SENATE CONCURRENT RESOLUTION 46

At the request of Mr. LEVIN, the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Maryland (Mr. SARBANES), the Senator from North Dakota (Mr. ANDREWS), the Senator from Montana (Mr. MELCHER), the Senator from Alabama (Mr. HEFLIN), the Senator from Idaho (Mr. SYMMS), the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Hampshire (Mr. RUDMAN), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. DECONCINI), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from South Dakota (Mr. ABDNOR), the Senator from Nebraska (Mr. ZORINSKY), the Senator from New Jersey (Mr. BRADY), the Senator from Arkansas (Mr. PRYOR), the Senator from Oklahoma (Mr. BOREN), the Senator from Connecticut (Mr. DODD), the Senator from Tennessee (Mr. SASSER), the Senator from Colorado (Mr. HART), the Senator from Maine (Mr. MITCHELL), the Senator from Vermont (Mr. LEAHY), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. JEPSEN), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Mississippi (Mr. STENNIS) were added as cosponsors of Senate Concurrent Resolution 46, a concurrent resolution expressing the sense of the Congress with regard to the mutual security efforts of the United States and Japan.

SENATE CONCURRENT RESOLUTION 100

At the request of Mr. HEINZ, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Concurrent Resolution 100, a concurrent resolution expressing the sense of the Congress that pending steel unfair trade practice cases be vigorously pursued and promptly concluded.

SENATE RESOLUTION 411

At the request of Mr. PRYOR, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Resolution 411, a resolution expressing the sense of the Senate that the Secretary of Health and Human Services should not adopt as final rules proposed rules issued on May 24, 1982, relating to survey and certification procedures for nursing homes and other health care facilities and suppliers participating in medicare and medicaid programs.

SENATE CONCURRENT RESOLUTION 108—CONCURRENT RESOLUTION RELATING TO THE LAW OF THE SEA TREATY

Mr. PELL submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations;

S. CON. RES. 108

Whereas a comprehensive ocean law treaty is of strategic importance to the United States and to the protection of its foreign policy interests;

Whereas for more than ten years the United States has taken a leadership role in promoting a comprehensive treaty on the law of the sea;

Whereas the United States supported the resolution adopted by the United Nations in 1970 which endorsed, inter alia, the principle that the seabed and ocean floor and subsoil thereof beyond the limits of national jurisdiction are the common heritage of mankind;

Whereas the Third United Nations Conference on the Law of the Sea, representing more than one hundred and fifty countries, over an 8 year period formulated a comprehensive treaty;

Whereas the United States reviewed the draft treaty on the Law of the Sea and participated in the 11th session of the Third United Nations conference on the Law of the Sea in March and April of 1982;

Whereas on April 30, 1982, the Conference adopted the draft treaty, the Convention on the Law of the Sea, by an overwhelming majority despite the objection by the United States to certain provisions of the treaty;

Whereas the provisions of the treaty make vital and valuable revisions in and additions to the existing body of international law concerning the law of the sea, including provisions governing fishing, marine scientific research, protection of the marine environment, and exploitation of offshore energy resources;

Whereas provisions of the treaty relating to military navigation and over-flight are vital to the national security interests of the United States;

Whereas the treaty establishes a regime of uniform national boundaries that is vital to the efficient transportation of energy resources and other goods in international commerce;

Whereas the establishment of such a regime of uniform national boundaries would limit the steady seaward expansion by certain countries of their national boundaries;

Whereas the seabed contains an abundant supply of hard minerals such as nickel, copper, manganese and cobalt, and it is in the national interest of the United States for these minerals to be available independently of the export policies of foreign countries; and

Whereas opportunities exist for the United States to improve certain provisions of the treaty adopted on April 30 through constructive participation in the meetings of the Drafting Committee of the Conference on the Law of the Sea to be held in July and August of 1982 and in the sessions of the Conference to be held in September and December of 1982: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress urges the executive branch—

(1) to avoid taking any actions which could foreclose eventual United States participation in the Convention on the Law of the Sea;

(2) to conduct an evaluation of United States objectives for ocean use and relevant foreign policy interests with respect to the Convention, weighing the different alternatives available to the United States; and

(3) to designate a high level United States representative to monitor and participate in the meetings of the Drafting Committee of the Conference on the Law of the Sea and in the sessions of the Conference to be held with respect to the Convention on the Law of the Sea in July, August, September, and December of 1982 and thereafter, in order to demonstrate the continuing commitment of the United States to the multilateral process of forumlating a law of the sea and to demonstrate the strategic importance of the Convention to the United States.

● Mr. PELL. Mr. President, on May 6, 1982, I shared with the Senate my views on the dismal conclusion of the law of the sea negotiations on April 30. I said, at that time, that in my view, the world had been profoundly changed with respect to the legal regime governing the oceans by the final action of the Conference in New York, when participants voted overwhelmingly, 130 to 4, to adopt the draft Law of the Sea Convention—with the United States casting one of the few "no" votes. Whether the United States likes it or not, and whether the United States becomes a party to the treaty or not; the Law of the Sea Convention will enter into force sometime after the formal signing ceremony in December 1982, once at least 60 nations have had the opportunity to ratify the treaty.

The United States can of course remain outside the treaty framework, and continue to assert that its rights are protected and guaranteed by customary international practices. However, this certainly will not go unchallenged by countries which have become signatories to the treaty. Such confrontation is hardly likely to do much to further international cooperation in the uses of the oceans. Rather, it is more likely to further instances of international conflict. This is neither in our foreign policy or national security interests.

Mr. President, when I spoke to my colleagues on May 6, I urged President Reagan to carefully consider the possibility of making one last try at fash-

ioning a compromise which would be acceptable to him as well as other conference participants prior to the December signing ceremony. I further suggested that the President might consider appointing a special emissary to carry out this mission. My reason for making these suggestions was that I believed that other Conference participants, even at such a late date, would still prefer to have the United States as a party to the treaty. Furthermore, I also believed that in order to encourage U.S. participation, they would be prepared to make additional compromises to the text between now and December if the United States were to demonstrate a modicum of interest in the treaty as well as some flexibility in our position.

I still believe that a possibility exists, slight though it may be, that the administration might yet be able to obtain improvements in the text which would make U.S. participation in the treaty attractive to President Reagan. It is because of this belief that today I am submitting Senate Concurrent Resolution 108. An identical resolution was submitted in the House on June 15 by my colleague from Rhode Island, Representative CLAUDINE SCHNEIDER along with 22 other cosponsors.

I urge my colleagues to give serious consideration to this resolution which reiterates our long-term recognition of the need for a comprehensive Law of the Sea Treaty; highlights the benefits to be gained by such a treaty; reminds us of the many beneficial provisions which have already been incorporated in the text, and calls attention to at least four opportunities which still exist where changes could be made in the text if all parties were willing, prior to the signing ceremony in December. Finally, and most importantly, the resolution urges the President to proceed cautiously in making any decision that might foreclose, once and for all, U.S. participation in a comprehensive Law of the Sea Treaty; and also urges the President to designate a high level U.S. representative to monitor and participate in upcoming meetings of the conference to assess whether last minute compromises might still be possible.

Mr. President, I urge my colleagues to support this resolution. Such support will send a signal to the administration that the Congress still believes that U.S. economic and foreign policy interests will be best served by the adoption of a mutually acceptable and universal Law of the Sea Convention.●

SENATE RESOLUTION 416—RESOLUTION TO REFER S. 1483 TO THE COURT OF CLAIMS

Mr. GRASSLEY submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 416

Resolved, That the bill (S. 1483) entitled "A bill to amend title 28 of the United States Code to make the United States liable for damages to certain individuals, to certain uranium miners, and to certain sheep herds, due to certain nuclear tests at the Nevada test site or employment in a uranium mine, and for other purposes" now pending in the Senate, together with all the accompanying papers, including modifications and amendments to the title and text of such bill made by the Committee on Labor and Human Resources of the Senate and the Committee on the Judiciary of the Senate, is referred to the Chief Commissioner of the United States Court of Claims. The Chief Commissioner shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and, using radioepidemological studies, shall report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the number of claimants involved, and the nature and character of the demands as claims, legal or equitable, against the United States or gratuities and the amount, if any, legally or equitably due from the United States to such claimants.

● Mr. GRASSLEY. Mr. President, I am submitting a resolution that would refer S. 1483 to the Court of Claims for a determination of what criteria will be used for establishing eligibility for compensation under this bill.

S. 1483 has a very worthy goal: The legislation proposes to compensate individuals for injury resulting form radiation exposure that may have been generated by atmospheric testing of nuclear weapons at the Nevada Test Site.

The bill was jointly referred to the Judiciary and Labor Committees. The Judiciary subcommittee which I chair, the Subcommittee on Agency Administration, had a hearing on S. 1483 together with the full Committee of Labor. While we heard some testimony on the science of radioepidemeology and the means by which high radiation doses may be extrapolated to low radiation doses, I am not at all convinced that we have the data before us to make a decision as to what doses cause specific forms of cancer, who contracted cancer from the fallout, and who will be compensated under the bill.

Again, I am not doubting the legislation's very worthy intent, but I am concerned with the criteria which would be used for establishing eligibility for compensation. There are three unknows in this bill:

First, scientists have been unable to determine what levels of radiation cause individual cancers.

Second, we have no documentation before us as to the levels that individuals may have received.

Third, we have no documentation as to how many individuals may have received doses.

Even the Congressional Budget Office estimate, which only addresses thyroid cancer, is just that—an estimate. That estimate pegs the thyroid cancer cost alone at $14 billion, hardly an authorization that we can agree to without some quantification.

Congressional reference cases are referred by either body of Congress to the Chief Commissioner of the Court of Claims pursuant to title 28, section 1492 and section 2509. The Chief Commissioner designates a trial commissioner for the case and a panel of three commissioners of the court to serve as a reviewing body. The trial commissioner proceeds in accordance with the applicable rules to determine the facts. He appends to his findings of facts conclusions sufficient to inform Congress whether the demand is a legal or equitable claim or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

By referring this bill to the Chief Commissioner, we are ridding the bill of many uncertainties. Optimally, when the results of the reference are transmitted to Congress, we will know who we are compensating and at what level of dosage we are compensating them. We will be in a better position all around to see that justice is done with foresight and certainty.●

SENATE RESOLUTION 418—ORIGINAL RESOLUTION REPORTED TO WAIVE BUDGET ACT

Mr. McCLURE, from the Committee on Energy and Natural Resources, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 418

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2133. Such waiver is necessary because S. 2133, as reported, authorizes the enactment of new budget authority which would first become available in fiscal year 1983, and such bill was not reported on or before May 15, 1982, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

AMENDMENTS SUBMITTED FOR PRINTING

URGENT SUPPLEMENTAL APPROPRIATIONS

AMENDMENT NO. 1902 AND 1903

(Ordered to be printed and to lie on the table.)

Mr. KASTEN submitted two amendments intended to be proposed by Mr. KASTEN to the bill (H.R. 6645) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

AMENDMENT NO. 1904

(Ordered to be printed.)

Mr. PROXMIRE (for himself, Mr. DECONCINI, Mr. EXON, and Mr. RIEGLE) proposed an amendment to the bill H.R. 6645, supra.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to hold a nomination hearing during the session of the Senate at 9 a.m. on Wednesday, June 23, to consider the nominations of John A. Terry, of the District of Columbia, to be associate judge of the District of Columbia Court of Appeals; George W. Mitchell and Steffan W. Graae, of the District of Columbia, to be associate judges of the superior court of the District of Columbia.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Pollution, of the Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Thursday, June 24, at 2 p.m., to conduct a hearing on amendments to the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, June 23, at 10 a.m., to continue the markup of the reauthorization of the food stamp program.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, June 24, at 2 p.m., to continue the markup of the reauthorization of the food stamp program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURE PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Thursday, June 24, at 9:30 a.m., to hold a hearing on the proposed revisions in the dairy price support program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate at 9:30 a.m. on Wednesday, June 23, to hold a hearing on minority business and its contribution to the U.S. economy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate at 4:30 p.m. on Wednesday, June 23, to receive a briefing from Ambassador Richard Fairbanks from the Department of State on the current situation in Lebanon.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Indian Affairs Committee be authorized to meet during the session of the Senate at 9:15 a.m. on Wednesday, June 23, to consider S. 2084, the Ancient Indian Land Claims Settlement Bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, June 24, at 10 a.m., to hold a hearing on S. 2562, the Federal Energy Reorganization Act of 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, June 24, at 11 a.m., to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet in executive session during the session of the Senate on Wednesday, June 23, in order to consider and act on the following committee business: The nominations of Mr. Thomas P. Jackson, Judge John P. Moore, and Mr. Henry A. Mentz, Jr., to be district judges; the following bills: S. 2320, S. 1739, S. 1880, and H.R. 4441, the following interstate compact: H.R. 4903; and the following commemorative resolutions; Senate Joint Resolution 183 and Senate Joint Resolution 193.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

"AARP HEALTH AND LONG-TERM CARE POLICY RECOMMENDATIONS"

● Mr. PRYOR. Mr. President, mounting health care costs continue to be one of the major worries of older Americans today.

In 1980, it is estimated that per capita health care costs for persons 65 or older averaged $2,500.

The harsh reality is that rapidly rising health care costs constitute one of the chief drains upon the elderly's limited income.

This point has been made repeatedly to me when I have visited my constituents in my home State of Arkansas.

The Nation's largest organization representing the elderly—the American Association of Retired Persons—is also deeply concerned about the impact of spiraling health care costs.

This issue was given priority attention at a recent AARP legislative council meeting, which focused on key issues confronting older Americans. In addition, the legislative council developed recommendations in several areas to improve the economic well-being of the elderly.

I am especially pleased that AARP has stressed the importance of preventive measures to maintain good health for older Americans as well as to hold down health costs.

The legislative council has also called for policies to promote alternatives to institutionalization. Unfortunately, today, our health care system has an institutional bias. The net impact is that far too many older persons are placed prematurely in a nursing home or other long-term care facility at a much higher public cost, when they could receive care at home. This is not only wasteful of our precious resources but may also produce adverse psychological effects for the elderly because most older persons would prefer to remain in their own homes if at all possible.

An improved and more humane response to the mental health needs of older Americans is another priority concern of the legislative council. Some experts estimate that only 1 out of 5 elderly persons who needs mental health care actually receives treatment.

Once again, AARP's legislative council has developed a thoughtful policy document which should be of interest to all Members of the Senate.

Mr. President, it merits the attention of every Senator, and I ask that

the AARP health and long-term care policy statement and policy recommendations be printed in the RECORD.

HEALTH AND LONG-TERM CARE POLICY

HEALTH AND THE ELDERLY: AN OVERVIEW

The Association's health policy is based on three points: first, how best to improve the health of the elderly; second, how best to contain health care costs; and, third, how to maintain health and avoid illness.

A definition of "health" for the elderly must incorporate the special problems (i.e., chronic impairments) that distinguish them from the non-elderly. Therefore, the definition must emphasize the individual's functional independence in conducting daily activity. In this context, the elderly's access to treatment for acute illness is important, but so is their need for services—rehabilitative, social and personal care services as well as medical service—that will help them remain active and in good health. In addition, such efforts as biomedical research, nutritional and preventive health services and health education, are important if we are to cope with chronic illness as well as prevent and cure those diseases and conditions which disproportionately afflict older persons.

The elderly's special health problems are all the more important because the population is aging. By the turn of the century, the number of elderly over age 85, the most intensive utilizers of health and health-related support services, will have almost doubled to 3.8 million. The types of services needed to maintain health must be promoted and geriatric medicine must be given far more emphasis—especially in programs of government assistance to medical schools and students.

OBSTACLES TO PROMOTING THE HEALTH OF THE ELDERLY: THE ACUTE CARE SYNDROME

There are obstacles to promoting improvements in the elderly's health status. One is the belief that all needed levels of care can be supplied through the present medical system. Another is the conflict between escalating health care costs and the country's limited resources. A third obstacle is that health services available to the elderly are usually overlapping, confusing, fragmented and unevenly distributed.

Today's health care system is concerned almost exclusively with treatment of illness and acute care intervention. Since health status is affected far more by nutrition, housing, lifestyles and environment than by medicine, it makes little sense for the nation to allocate an increasing portion of its scarce resources to medicine for the treatment of illness after the fact. Yet, that is precisely what is happening.

Because of the structure and economics of the health care system, minimal or even negative growth rates in the economy do not constrain the proportion of resources allocated to the treatment of illness in acute care, institutional settings. Health care services are taking a larger and larger share of the nation's total resource "pie," rising from 6.7% of GNP in 1967 to 9.4% in 1980. If more resources are to be allocated to more health-effective and cost-effective measures and less to purely medical care, the health care industry must be restructured.

THE HEALTH CARE INDUSTRY: ITS GROWTH, STRUCTURE AND SHORTCOMINGS

The health care industry is one of the nation's largest economic sectors. Since Medicare began, health spending has increased at an average of 12.2% per year while the economy as a whole has grown at an annual rate of only 9.0%. In 1980, health spending totalled $247 billion, 15.2% above 1979 levels—the fastest growth rate in 15 years.

The rapid growth of this economic sector has been due partly to the expansion of the number of elderly persons who, as a group, need and utilize health services far more than the non-elderly. However, adding much more to demand for medical services has been the expansion of the third-party payment system. By 1980, third-party payments accounted for slightly over two-thirds of personal health care expenditures, 90.9% of hospital expenditures, and 63% of expenditures for physician services. This growing demand for medical services has more than been met through a 50% expansion of hospital capacity, hospital personnel, and health care professionals since 1960.

Government has subsidized both the demand and supply sides of this growth. On the demand side, growth of the private third-party payment system has been promoted by the tax laws. In the current (FY '82) fiscal year, revenue loss to the U.S. Treasury as a result of the exclusion from taxable income of both employer and employee health insurance premium payments will total approximately $16.6 billion. In addition to this subsidy, Blue Cross/Blue Shield plans are tax exempt in most states, further facilitating the public's purchase of high-option, first dollar health insurance coverage. On the supply side, hospital expansion has been stimulated by the Hill-Burton program and by the tax exemption of hospital construction bonds. The greatly liberalized business depreciation schedules contained in the 1981 Economic Recovery Tax Act will exacerbate the problem. Finally, the supply of health professionals has been stimulated by $5 billion of federal spending for training between 1964 and 1976.

Government subsidies to increase the supply of medical facilities, services and personnel were expected to moderate health care costs. However, because the third-party payment system insulates providers from cost considerations and makes patients sensitive only to the costs for which they are directly responsible, there is little restraint on the rate of increase in the charges of providers or the costs they incur. Moreover, physicians tend to overutilize hospitals, the most expensive component of the medical care system, and this overutilization is promoted by the third-party payment system which reimburses hospitals for virtually all costs incurred but does not cover less costly, out-of-hospital services.

CONSEQUENCES FOR THE ELDERLY OF THE CURRENT HEALTH CARE INDUSTRY STRUCTURE

As a consequence of the structure and economics of the health care industry, over recent years, medical costs in general and hospital costs in particular have been growing much faster than prices in general. Between the years 1965 (before Medicare was in effect) and 1979, the increases in the nation's total health bill far outstripped the general rate of inflation. Costs more than quintupled in the space of 14 years.

In 1980, the per capita health care bill for all persons averaged $1,067, an amount which has increased 396% since the inception of Medicare in 1965. For the elderly, however, the per capita health bill averaged approximately $2,500, an amount which has increased 525% over the same period.

While the rapid escalation in health care costs has increased the per capita health bill of the elderly, the Medicare program pays a smaller share (38%) of that bill than it did when the program first began. The elderly now pays 43% of their annual health bill out of pocket. One reason for this situation is that less than half (46%) of physicians participating in Medicare Part B (Supplementary Medical Insurance) are willing to accept "assignment" (i.e., accept as payment in full whatever Medicare determines to be the allowable charge for the service or procedure provided). In fiscal year 1979 the difference between the amount of unassigned Part B claims submitted by the elderly patients and the amount Medicare actually reimbursed totalled at least $1.1 billion—an amount for which the elderly themselves were responsible.

One approach to increasing the number of physicians who accept assignment under Part B of Medicare is embodied in legislation supported by the Associations. Provisions of the bill include a simplified and uniform claims form, multiple billing listing of patients, expedited claims processing, and automatic funds transfer for those physicians willing to accept assignment. Other approaches may include payment of Medicare "allowable" fee determinations directly to physicians with Medicare collecting from the patient the 20% co-insurance and any applicable deductibles. Also consideration could be given to shortening the lag time (presently up to 18 months) which exists in the method of adjusting Part B "allowable" charges. The Associations also encourage the development of regional or local directories which would identify physicians who usually accept assignment. This information would be valuable for elderly individuals choosing a physician and cold serve as another incentive for physicians to accept assignment.

Also contributing to the elderly's large out-of-pocket expenses is the lack of or incomplete Medicare coverage for a broad array of health services and products, including custodial nursing home care; out-patient prescription drugs; dental care; home health care; homemaker/chore services; personal care services; eyeglasses (and examinations); hearing aids (and examinations); and routine physical examinations as well as most other preventive health services. At the same time, private health insurance covers only 6% of total per capita expenditures.

To relieve the elderly from the rapidly rising out-of-pocket expenses, gaps in the Medicare benefit package should be closed. A substantial reduction in provider fraud and abuse (see subsequent discussion) could help pay for the extension of Medicare's current benefit package to include at least some of the non-covered items and services cited above. Going further, a Medicare Part C program covering such items and services could be enacted with the costs financed from a monthly premium similar to the Part B premium, federal general revenues and/or an increased federal excise tax on tobacco and alcoholic beverages.

NEW DIRECTIONS FOR THE ELDERLY: PRO-COMPETITION PROPOSALS GAINING MOMENTUM

Despite the vast sums being funnelled into health care for the elderly, major health needs are not being met. As the elderly population grows, the problem of meeting those needs will become critical. Restructuring the health care industry must be the means for controlling costs and the means for developing a comprehensive, efficient and rational system to accommodate these unmet needs.

A properly restructured system should include such components as: (1) adequate, supervised residential facilities for those wishing to remain in their communities; (2) a range of facilities and services to provide alternatives to hospitals and nursing homes; and (3) innovative and compassionate means of caring for the terminally ill outside of the hospital or nursing home. If needed new services are to be promoted, however, the rate of expansion of the medically oriented health industry must be checked.

Over the years the Associations have consistently advocated a national health insurance program (NHI) that would carry out a complete restructuring of how health care services are delivered and financed. The ultimate objective of such a program should be the availability of adequate health care for all Americans based on need rather than on ability to pay. The NHI program we seek should contain elements such as more primary health care providers, with a shift in emphasis and resources away from institutionalization and acute care services and toward preventive medicine and home health care; comprehensive benefits, including a coordinated system of long-term care services, with universal and mandatory coverage; immediate reforms in payment system, including prospective, negotiated rate (or fee) setting by states for institutional care and physicians' services; financing by a combination of savings from strong cost containment legislation, employer-employee payroll taxes, increased excise taxes on alcohol and tobacco, and general revenues; and a patient-oriented health care system with majority representation of consumers on policy making and administrative boards.

However, given the firmly established industry structure and the present climate of shrinking resources and fiscal austerity, the achievement of a fully operational national health insurance program must necessarily be a long-range goal. Nevertheless, this should not preclude incremental, short-term, progress toward that goal; indeed, a restructuring of the health care system utilizing step-by-step changes in the current financing and service delivery mechanisms is imperative. Given the extraordinarily rapid escalation in health care costs, it will only be from stringent cost containment efforts and from the substantial savings that can be generated from eliminating waste, duplication and inefficiency in the current system of medical care that the public at large and the elderly in particular can expect any improvement in health status while devoting no greater real share of the federal dollar and no greater portion of the nation's resources to health care.

In this context, it is important to note that the Associations have opposed the many "quick-fix" catastrophic-only health insurance proposals that have been advanced to date. Usually incorporating provisions to enhance "consumer choice" (a euphemism for greater cost sharing) and health care competition while providing some degree of protection against "catastrophic" illness, these proposals have offered very little for the elderly. Not only do they ignore the major cause of catastrophic health expenses for older Americans—the cost of nursing home care—but they are likely to increase substantially the demand for costly acute care (institutional) services and further escalate the health care cost spiral.

A number of "pro-competition" legislative proposals are now being advanced in the Congress aimed at promoting competition in the health care marketplace. Deregulation of the health care industry (such as repealing Title XV of the Public Health Service Act, health planning) would accompany proposed competition producing measures. For Medicare and/or Medicaid beneficiaries, a voucher plan is being considered whereby individuals would be given a fixed sum or credit with which to purchase their health insurance in the private health insurance market. Proponents of this approach view it as an attempt to create a choice among competing private health plans and, at the same time, make consumers more conscious of rising health care costs by requiring them to assume a greater portion of such costs out-of-pocket.

The general concept and intent of these legislative proposals seems to have some merit. Voucher or pro-competition approaches to reforming the health care financing and service delivery system could be effective in the long run in controlling costs if they end up promoting prepayment and prospective reimbursement or budgeting.

However, the Associations have serious reservations about the short-term impact on the elderly of these proposals as presently constructed. Significantly increased cost-sharing would be required of elderly Medicare beneficiaries whose health care costs are already 2½ times greater than the population as a whole. As with the catastrophic-only proposals, this approach ignores the major source of catastrophic health care costs for the elderly-long term care services.

The key to the success of a voucher proposal is informed consumer choice among competing qualified Health Plans. To date, however, elderly consumers, like most other consumers, have been ill-equipped to make rational, cost conscious purchasing decisions in the absence of comparative cost, quality and performance information. This is especially true in health care decision-making where physicians still make over 70% of all treatment (cost) decisions and where information continues to be denied consumers by providers on the grounds of confidentiality and privilege.

If any voucher proposal were found to be acceptable to the Associations, participation would have to be voluntary, and it would have to be clear that such a proposal would not be used merely as a means for achieving savings in Medicare program costs (by setting the voucher amount too low).

Finally, we view the total deregulation of the health care industry in the absence of any other demonstrably effective means for restraining the rate of growth in health care costs as detrimental to the interests of health care consumers in general and the elderly in particular. The challenge is to learn how best to use competition along with effective government regulation to achieve a much more efficient allocation of our health care resources, without abandoning commitments to equity, access, affordability and quality in the delivery of health care services.

THE GOVERNMENT'S ROLE IN CONTROLLING HEALTH CARE COSTS

Despite government efforts to control costs and spending by regulating the health industry, little success has been achieved. Powerful economic incentives contributing to the growth of health care spending tend to overwhelm the regulatory effort.

Since a large part of the industry's billings are fully reimbursed, experiments have been undertaken to pay hospitals on the basis of prospectively approved budgets. While 30 states have adopted various prospective rate setting programs for reimbursing hospitals, only six states have implemented programs with strong mandatory controls. For those six states, the average annual rate of increase in hospital costs was 11.2% from 1976 to 1978, while the remaining states were experiencing rates of increase of 14.3% per year. In view of their performance, the Associations continue to advocate federal legislation designed to promote the establishment of state mandatory rate review programs.

In comparison to the degree of success achieved in those six states with strong programs for containing costs, the hospital industry's own Voluntary Effort (VE) program has been largely ineffective. Statistics indicate that for 1980, the annual rate of increase in in-patient hospital expenditures was 16.2%, well above the VE's own goal of 11.1% and above *all* other items measured by the C.P.I. Excessive increases have continued into 1981. For the first seven months of 1981, hospital room charges rose at an annual rate of 13.6% compared to a 9.1% annual rate of increase for the all-items C.P.I.

While reducing hospital utilization and the number of hospital beds may be the only long range way to reduce the rate of increase in hospital costs, certainly improvements in hospital management practices such as shared services, joint purchasing, energy conservation and individualized testing procedures should be encouraged as short-term means for restraining costs. Permitting Medicare to participate fully in existing as well as new rate setting programs could also help restrain costs; currently, the Health Care Financing Administration (HCFA), which administers Medicare, has only limited authority in this regard.

As another means for containing health care costs in the short term, both federal and state governments should do more to control and eliminate provider fraud and abuse. Although kickbacks, rebates and fraudulent billings—and the cost of these practices—have been well-documented, only 28 fraud control units have been established at the state level (under the 1977 Anti-Fraud and Abuse Amendments). The number of these units should be expanded and federal and state governments should complement this strategy by awarding competitive, fixed price contracts for such items as lab services.

The effectiveness of other federal and state efforts to control health care costs in the short or long term has come under increasing scrutiny by the Congress. For example, Professional Standards Review Organizations (PSROs), which were to restrain costs by assuring, through a "peer review" process, that quality services are delivered in the most economical way, have been seriously questioned on the grounds that the benefits do not justify the cost. Indeed, in 1981, Congress authorized the Secretary of Health and Human Services to terminate by the end of fiscal year 1982 up to 30% of the current PSROs.

While the Associations cannot condone public spending for ineffective programs, we believe that PSROs have been hampered in fulfilling their objectives. For example, the property of public disclosure of information by PSROs has been called into question.

The Associations believe that disclosure and dissemination of this information is essential to carry out the purposes of the PSRO program, assist in identifying fraud and abuse and physicians who accept assignment, and facilitate health planning activi-

ty. Clearly, there is a pressing need for much more patient information and education concerning the relative costs and performance of health care providers, especially if competition is to be promoted in the health care marketplace and costs are to be restrained. Given the current situation, it may well be self-defeating to pursue a short term phase-out of the PSRO program without assigning the essential functions of utilization review and public disclosure of information to some other entity.

In another effort, the 1974 National Health Planning and Resource Development Act led to development of a nationwide network of 205 local Health Systems Agencies (HSAs) and 57 State Health Planning and Development Agencies (SHPDAs) which are supposed to control the expansion of costly institutional health services, facilities and equipment by requiring "certificates of need." A recent survey by the American Health Planning Association found that, of the $8.4 billion in capital projects that were reviewed by reporting HSAs, $1 billion (or 11.9%) were disapproved. Of even greater significance may be the extent to which projects were discouraged or modified by HSA review prior to formal submission.

The record of local health planning efforts thus appears favorable, although certainly more needs to be done. Unfortunately, major FY 1982 funding cuts in health planning were made by Congress in the 1981 Omnibus Budget Reconciliation Act. The Associations believe that this action is ill-advised and short-sighted. We will continue to support the development of a more effective health planning network because it has the potential to achieve the kind of change in the health care system that takes into account the concerns of all interested parties. Although the elderly have been under-represented on health planning governing bodies, this deficiency can and should be addressed. Also, effective steps should be taken to assure that those elderly who serve on such bodies are adequately trained.

Because government regulation has accomplished much less in terms of restraining the rate of increase in health care costs and spending than was expected, increased attention is being given to new and less costly ways of delivering health services. Health Maintenance Organizations (HMOs), for example, have demonstrated significant cost savings potential. Their emphasis on prepayment, budgeting, preventive medicine, consumer education and health maintenance techniques has reduced costs. Given the record of success of HMOs, the Associations support legislation which has been introduced which would allow Medicare beneficiaries the option of enrolling in pre-paid HMO-type health plans where one or more such plans exist.

COST CONTAINMENT: THE KEY TO PROGRESS

To restrain the rate of increase in conventional health care spending, the following cost containment strategy should be pursued. First, the economic incentives that are causing excessive expansion of conventional medical facilities, particularly hospitals, should be removed. Second, the rate of increase in hospital expenditures and physician fees should be capped across-the-board (that is, for all types of reimbursement, not only public reimbursement such as under Medicare) to "free-up" resources for other, more health-effective uses. Third, health care service delivery should be restructured away from acute care institutional settings to make available more needed but less costly services (e.g., home health services). Fourth, government regulatory programs with the potential to yield significant savings should be promoted along with effective measures to develop competition in the health care industry.

To help remove the economic incentives which have caused the explosive growth in the supply of medical facilities and physicians, the Associations recommend the following steps:

a. phase-out tax breaks that promote the excessive expansion of hospitals;

b. limit tax deductions for medical insurance premiums paid by employers if the insurance fails to cover outpatient and other lower, less costly levels of care as well as provide multiple health insurance options including at least one pre-paid plan or HMO (where available);

c. stop cost-plus reimbursement under government health programs and cease employing provider-linked intermediaries/carriers in making disbursements;

d. implement prospective budgeting and negotiated fee schedules through regional intermediaries (on the basis of competitive, fixed price contracts);

e. keep health/medical insurance corporations subject to the antitrust laws and abolish any state or federal antitrust exemptions of medical institutions;

f. regulate all corporations selling medical/health insurance to eliminate duplication, encourage competition, and do away with fraud and abuse in the sale of supplemental Medicare (i.e., "Medigap") insurance policies; and

g. subsidize the training of only those health professionals who agree to work in medically underserved areas and provide incentive grants to health profession schools to encourage training and curriculum development in geriatrics; particular attention should, however, be paid to the serious shortage of nursing personnel in many nursing homes.

As stated above, the second element of the containment strategy calls for across-the-board caps on the rate of increase in hospital expenditures and physicians' fees. A major part of the effort to contain health care costs must focus on negotiating—or, if necessary, mandating—less generous rates of provider reimbursement.

Hospitals have registered cost increases in excess of 12.0 percent annually for the last decade. As for physicians, they have been increasing their fees at rates far in excess of the general rate of inflation far too long while maintaining target incomes. Strict limits on hospital growth must be imposed until surplus hospital beds are eliminated and the rate of increase in hospital expenditures is brought into line with average economic growth rates. Similarly, restrictions on physician fees must be implemented until the rate of increase in physicians' income is brought into line with that of non-medical professionals.

The third element of the containment strategy—restructuring health service delivery—should have the effect of expanding the supply of needed services that are less costly alternatives to hospitals and nursing homes. To achieve this objective, competing forms of health care delivery such as HMOs, small clinics and ambulatory health care facilities of all kinds should be promoted to the extent possible. Greater use should also be made of para-medical personnel (for example, geriatric nurse practitioners and physician assistants)—especially in underserved rural and inner-city areas and in such neglected institutional settings as nursing homes. For the elderly, this kind of restructuring would mean better access not only to conventional medical care but also to a variety of needed non-medical, social services like homemaker/chore maintenance services and counseling services.

As for the fourth element of the containment strategy, those government regulatory efforts that have potential to be effective should continue to be supported. As evident from the earlier discussion, the results of those efforts to date have been decidedly mixed. However, the one bright spot in the regulatory effort has been the success achieved by some states through mandatory, prospective budgeting and rate setting in conjunction with certificate-of-need programs. These state efforts should be strongly promoted.

THE MAJOR DEFICIENCY IN THE EXISTING HEALTH CARE DELIVERY SYSTEM—THE LACK OF A COMPREHENSIVE LONG-TERM CARE PROGRAM

From the elderly's point of view, the lack of a long-term care (LTC) system that encompasses medical, social and personal care services provided in a variety of community, home-based and institutional settings is the greatest deficiency in the present health care system. The elderly's access to long-term care is restricted by the non-availability of services and qualified personnel, especially community and home-based care, and by their inability to pay for the services if they are available.

The implications of demographic trends for long-term care policy are significant, since the elderly have the highest incidence of functional disability. Demand for long-term care services is increasing. Yet, current demand is not even being met. Of 8 million persons estimated to be in need of assistance with daily activities, only 2.3 million currently receive long-term care under government programs. Compounding this problem is the inability of nursing homes to attract and retain skilled nursing staff. Estimates range from a 40-60 percent shortfall nationally in our nursing homes.

To the extent long-term care is available, it is based almost exclusively on costly institutional services. In 1980, nursing home costs which totalled $20.7 billion, had the largest rate of increase (16.6% from 1979) in the health care sector, 43% of these costs ($8.7 billion) were covered out-of-pocket. While the average annual cost of a nursing home stay in 1977 was $9,614, the private pay resident may be charged from 20% to 30% more than the publicly supported (mostly Medicaid) resident. Since Medicare consistently covers less than 3% of total nursing home costs, the elderly are forced to rely on their own resources until those are depleted ("spent down") to the point where they become eligible for Medicaid assistance for nursing home care. To insure that an individual's resources are actually depleted, in 1980 Congress strictly prohibited the "transfer of assets" at less than fair market value to achieve eligibility for Medicaid. It is no wonder that nursing home care is the main source of "catastrophic" health expense for the elderly.

Thus, the vast majority of available long-term care resources are consumed by this high-cost institutional care which makes it very difficult to initiate or expand an integrated and community-based service system. If an adequate supply of sheltered living arrangements, congregate housing, homemaker/home health care and other community-

based services were available, an estimated 20 to 40% of the present nursing home population could be cared for in less expensive ways. The ultimate goal, therefore, should be a long-term care program which provides a complete continuum of care and creates in the process a network of community-based centers that would function as providers, payers, certifiers and evaluators of services. (See Policies On Other Aging Issues and the Older Americans Act and Social Services section for further discussion.)

While Medicare and Medicaid are still clearly biased against home and community-based services, some progress has been made in re-orienting the emphasis in these programs. In 1980, minor liberalizations in home health benefits under Medicare were achieved. More recently, congress approved the Medicaid Community Care waiver as part of the 1981 Omnibus Reconciliation Act. States opting to utilize the waiver will be able to provide a wider range of community and home-based services in lieu of nursing home care including services such as case management, personal care services, adult day care, and respite care. The Associations strongly supported this provision and will encourage states to take advantage of this opportunity in order to begin to redirect the focus of their Medicaid long-term services—especially in light of repeated suggestions to block grant and "cap" the funding for the long-term care portion of the program.

The Associations are supportive of a proposal that also would move in the direction of establishing a comprehensive long-term care program for the nation. The legislation, designed as a 6 year, 10-state demonstration project, would add a Title XXI to the Social Security Act in order to consolidate a broad array of health and supporting social services (e.g., home health, homemaker-home health aide services, adult day care, respite care, and home help services). This proposal would also implement a comprehensive pre-nursing home admission and assessment procedure for persons who are "at risk" of nursing home placement.

Although the fate of this legislative proposal is uncertain in view of economic and budgetary constraints, certainly some modest steps should be taken toward achieving a long-term care program and policy for the nation. For example, with respect to home health services, Medicare's "homebound" and "skilled care" requirements should be eliminated and coverage of homemaker/chore services should be provided. In addition, a comprehensive pre-nursing home admission screening and assessment program for potential nursing home residents should be established. To facilitate a broader range of long-term care services (as well as preventive and primary care), Medicare beneficiaries should be encouraged to enroll in HMO's and similar alternative delivery systems.

Another alternative to institutionalization which the federal government should encourage is the use and expansion of ACTION's Senior Companion Program. The program provides opportunities for older low income persons to provide assistance, and support to other older persons who, without this assistance, would probably be institutionalized. Senior Companions provide in-home services to assist impaired elderly individuals to remain at home with needed long-term care services, expedite earlier discharge for others from the hospital, comfort those in hospices and provide companionship for the mentally ill.

Increased private sector involvement in meeting long-term care needs must also be explored. Private insurance companies should be encouraged to add long-term care benefits to existing policies and develop new policies which would specifically address the elderly's long-term care needs. Over the long-term, health insurance accounts similar to IRA's with their deferred tax treatment could be created to provide an incentive to younger people to save for their future long-term care needs.

In addition, the family unit as an important contributor of supporting services, must not be ignored in the design of a comprehensive long-term care program. Family members now provide about 80% of the elderly's long-term care services. With limited resources, the goal must necessarily be to supplement familial care activities, not supplant them. Certainly, disincentives to family assistance (such as the one-third reduction in benefits under SSI when the beneficiary lives with his/her family) should be removed. Moving in a positive direction, federal income tax credits could be created that would provide taxpayers with incentives to care for their dependent elderly in the home and to utilize elderly day care facilities. A relatively small public investment in adult day services, and respite care services, to ease the burden on family members who are the primary caregivers, could greatly help in avoiding a crisis situation when institutionalization of the older dependent family member becomes the only other option.

"MEDIGAP," MENTAL HEALTH AND OTHER HEALTH POLICY ISSUES

Fraud and abuse in the sale of insurance policies (Medigap) to supplement Medicare are widespread and well documented. In the absence of effective state action and in the presence of gaps in Medicare coverage, the Associations fought successfully to secure the enactment in 1980 of a voluntary program of federal certification with minimum standards (minimum loss ratios, no-loss cancellation provisions, standards for renewability, etc.) to govern the advertising and sale of Medigap policies. A special panel is now evaluating state statutes and guidelines to determine which state regulatory programs already meet or exceed these enacted standards. For those that do not, starting July 1, 1982, companies selling policies in these states may request federal certification. Should this legislation fail to prompt appropriate state action, additional legislation mandating federal certification of Medigap policies may be necessary.

Another area where health care policy has responded inadequately to the ederly's needs is in the area of mental health. The National Institute of Mental Health has estimated that during 1980 approximately 80 percent of the elderly who needed such care and assistance did not receive it. Moreover, as many as 30 percent of those older Americans described as "senile" actually have reversible psychiatric conditions, which if treated, would allow them to become better functioning members of society.

With respect to mental health services there should be two goals: access to services—especially community-based services—and avoidance of inappropriate institutionalization. To achieve these goals, comprehensive mental/physical geriatric assessment units should be established to prevent needless institutionalization and facilitate appropriate placement of the mentally infirm. This should yield savings for Medicare by reducing present levels of hospitalization. Also, changes should be made in Medicare so that community mental health centers (CMHCs) will begin to serve the elderly. Such changes should include extending Medicare provider status to CMHCs, increasing the present $250 Part B annual ceiling on outpatient mental health services to at least $1,000, eliminating the 190-day lifetime limit on inpatient psychiatric care under Part A, and incorporating periodic reassessment requirements for Medicare patients with strong utilization review requirements for CMHCs and other providers.

With passage of the Mental Health Systems Act in 1980, progress in better serving the mental health needs of the elderly was expected. Among other things, the Act was designed to make funding available to support a broader, more coordinated range of community-based mental health services to the needy elderly and to link the nursing home to the mental as well as physical health care delivery systems. However, this Act has since been consolidated into the Alcohol Abuse, Drug Abuse and Mental Health Services block grant created by passage of the 1981 Omnibus Budget Reconciliation Act. The States' allocation of substantially reduced funds to programs contained in this block grant must be monitored carefully to insure that the relatively new focus on addressing the mental health needs of the elderly is not lost.

In response to demographic trends and an aging population, an explicit strategy for the delivery of geriatric medical care and health services to the elderly should be adopted. To facilitate this objective, health manpower monies should be appropriated for the establishment and operation of education programs in geriatrics at schools of medicine and the other health professions.

HEALTH PROGRAMS: 1981 IN REVIEW AND A LOOK TOWARD THE FUTURE

Health programs were major targets for budget cutting in 1981, as Congress and the Administration embarked on a dramatic effort to bring government spending for fiscal year (FY) 1982 under control. While most health programs were not cut as much as originally proposed, substantial "savings" were achieved and significant changes in the form of many programs were made as contained in the 1981 Omnibus Budget Reconciliation Act. Because of continuing pressure to hold the line on government expenditures and because health care costs are continuing to escalate rapidly, the Associations believe that the action taken last year represents only the beginning of a trend to make increasingly severe cuts in health care programs serving the elderly and the poor. In order to reverse the trend of cuts, the Associations believe that strong cost containment measures in the health care sector must be enacted.

In *Medicare*, about $1.5 billion in savings for FY 1982 were achieved. The elderly must bear a large portion of the burden, as much of the savings take the form of increased cost-sharing liability for Medicare beneficiaries such as increased deductibles and co-insurance amounts. Efforts in 1982 to make additional substantial cuts in Medicare where the elderly would again be required to shoulder a disproportionate share of the burden will be adamantly opposed by the Associations.

For FY 1982, $920 million in *Medicaid* savings were passed. This was accomplished by reducing the federal share of Medicaid payments to states by 3% in FY 1982, 4% in FY 1983, and 4.5% in FY 1984.

The amount of a state's reduction can be lowered by 1% for each of the following if a state: (a) operates a qualified hospital cost review program (the qualifying states are Connecticut, Maryland, Massachusetts, New Jersey, New York, and Washington); (b) has an unemployment rate exceeding 150% of the national average (Michigan, for example, meets this criterion); or (c) makes certain recoveries from fraud and abuse in the Medicaid program. Additionally, a state is entitled to a dollar-for-dollar offset in its federal payment reduction if it can hold the increase in its Medicaid costs below 9% in 1982. (Program costs have been increasing, on average, at rates of 15% in recent years.)

A cap on federal spending in the Medicaid program was originally proposed for FY 1982 but fortunately was defeated. However, proposals to block grant and cap the federal funding for the long-term care portion of Medicaid are likely to be seriously considered this year. The Associations will strongly oppose any such proposal because of the threat this would pose to quality of care in nursing homes. Such a cap also would severely restrict the supply of Medicaid nursing home beds and, thereby shift increased costs on to the Medicare program since many older patients would be backed up in acute-care hospitals awaiting nursing home beds.

Finally, twenty-two health programs were consolidated into four *health block grants.* Funding was cut by about 25% but several federal "strings" were attached to insure funding for specific programs. Although a major change, this action was less drastic than the Administration's original proposal to consolidate 26 health programs into two large block grants, the newly created block grants are as follows:

Alcohol, Drug Abuse and Mental Health (see preceding section).

Primary Care—Community Health centers have been placed in this block grant. Program administration will be eventually transferred to the States, but for FY 1982, the program will remain categorical and under federal administration.

Health Prevention and Services—This combines eight categorical programs including home health services and the hypertension program.

Maternal and Child Health Care.

The Administration has indicated that it will renew its effort to consolidate programs through block grants. The Associations will continue to oppose such efforts in the context of budget cutting (See Other Aging Issues for further discussion.)●

GOLDEN ANNIVERSARY OF STATE HIGHWAY USERS CONFERENCE

● Mr. McCLURE. Mr. President, I am proud to rise today to commemorate the golden anniversary of the National Highway Users Conference.

On June 28, 1932, Mr. Alfred P. Sloan, Jr., then president of the General Motors Corp., rose from the depths of the Great Depression and with a group of other business leaders formed an action group to serve private sector interests in highway transportation and traffic safety. An outgrowth of these early meetings was the National Highway Users Conference which was, and still is, the most important coordinating point for road safety improvement in the States.

From this initial seed developed the highly successful organization of coordinated highway users in States across the country. This coalition was formed under the umbrella of a State highway users conference, and through their representation of private and public interests, we have the safest highways in the world.

Last January, I had the privilege of participating in the Idaho Highway Users Conference. I have always enjoyed the opportunity to meet with the group and I am especially impressed with the high degree of professionalism shown at these conferences. It is perhaps the best example of public and private industry joining to accomplish a common goal—improved traffic safety and better highway transportation.

I urge all of my colleagues to join in my commemoration of the golden anniversary of the State Highway Users Conference.

S. 1692: THE VIEWS OF THE NATIONAL COALITION FOR PORT PROGRESS

● Mr. ABDNOR. Mr. President, legislation that I am pleased to sponsor, S. 1692, has been on the Senate Calendar since December. Considerable opposition appears to exist to what I believe represents a reasonable and responsible compromise on port development and cost sharing. Some port directors apparently believe the Federal cornucopia will somehow be revived. Representatives of other groups see S. 1692 as setting a precedent that might be extended to them.

But much of the approach contained in S. 1692, which is a simple public works cost-sharing bill, has won the endorsement of the National Coalition for Port Progress, which represents the major ports of our Nation. This coalition recently wrote to the majority leader to express the need for early action on port development legislation. I share that belief in the need for early action.

To assist my colleagues in understanding the issue, I ask that a copy of the coalition letter be printed in the RECORD.

The letter follows:

NATIONAL COALITION
FOR PORT PROGRESS,
Washington, D.C.

Hon. HOWARD H. BAKER, Jr.,
Office of the Majority Leader,
U.S. Senate, Washington, D.C.

DEAR SENATOR BAKER: On behalf of the directors of most of the major ports of this country we seek your support and assistance in the effort to enact port development legislation this 97th Congress. There is an urgent and documented need to move ahead with improvements in our deepwater navigation system after years of stagnation. Further, there is a need to reaffirm the national stake in maintaining those channels of large and small ports built by the Federal government and so crucial to our economic welfare.

Senators Abdnor and Moynihan provided great leadership in initiating legislation (S. 1692) in the Senate and stimulating discussion on the many issues associated with port development. The bill's procedural reforms with respect to permits are long-waited improvements needed to shorten and bring greater certainty to the process; the cost-sharing provision for operation and maintenance work includes a cap mechanism to prevent extraordinary demands on a port's ability to levy charges on shipping and can be considered reasonable.

On the other hand, we strongly believe that the legislation should be amended to include and continue a federal role in the funding of improvement projects. We intend to recommend such an amendment to Chairman Abdnor. Finally, the port-specific approach of the bill to user charges is an important principle for any port development legislation. The opposite approach, national uniform user charges, would have ports subsidizing their competitors—a concept that would not make economic sense to the users or their ports.

While S. 1692 does not fully meet the standards adopted by our coalition we believe that those differences should not prevent us from actively promoting the advancement of the legislation. It is in the interest of the ports industry that port development proposals be considered by the full Senate and the House.

Senate Bill 1692 has been reported by the Environment and Public Works Committee since the end of last year. If progress of S. 1692 is halted, or simply slowed, it will mean that navigation policy will remain clouded and that ready projects will not be started.

It has been over six years since the last omnibus water resources bill was signed into law. The confusion in the industry and the private sector caused by this dry spell and the lack of new-start funding requests in recent years must be ended with action on port development legislation this year.

Your good offices and active involvement are critically needed in order to expedite the discussion between interested senators on the treatment of S. 1692 this session and to permit the prompt passage of legislation. Speedy consideration of S. 1692 is in the interest of the port industry and our country. We hope that you will become actively involved in this issue. We stand ready to assist in any way possible.

Thanking you in advance for your consideration of our views, we are

Sincerely,

JAMES H. MCJUNKIN,
Port of Long Beach.
RICHARD P. LEACH,
Port of Houston Authority.
C. S. DEVOY,
Port of Galveston.
ANTHONY J. TOZZOLI,
Port Authority NY and NJ.
WALTER A. ABERNATHY,
Port of Oakland.

MEMBER PORTS

Port of Long Beach, Calif.;
Port of Los Angeles, Calif.;
Port of Oakland, Calif.;
Port of San Francisco, Calif.;
Port of New Orleans, La.;
Port Authority of New York and New Jersey;
New York City Department of Ports and Terminals;

Port of Brownsville, Tex.;
Port of Corpus Christi, Tex.;
Port of Galveston, Tex.;
Port of Seattle, Wash.;
Port of Tacoma, Wash.;
Port of Houston, Tex.;
Port of Norfolk, Va.;
Port of Stockton, Calif.●

THE PROPOSED NATURAL GAS PIPLELINE FROM WESTERN SIBERIA TO WEST GERMANY

● Mr. ARMSTRONG. Mr. President, the International Finance Subcommittee of the Committee on Banking, Housing, and Urban Affairs heard alarming testimony Friday which confirmed reports the proposed natural gas pipeline from western Siberia to West Germany will result in some of the greatest violations of human rights in world history.

Michail Makarenko, a recent Soviet emigre who spent 8 years in Soviet forced labor camps, predicted as many as 1 million concentration camp inmates would be worked to death during construction of the Yamal pipeline. Mr. Makarenko supported this astounding charge with voluminous documentary material from both dissident and official Soviet sources.

Makarenko was supported in his assertion that the Soviets will make massive use of forced labor in the pipeline's construction by Ambassador Zdzislaw Rurarz of Poland, who is as skilled an economist as he is a diplomat. Ambassador Rurarz said completion of the Siberian pipeline would be "a blow to the Polish people," and urged the West "not to remain silent" about the human rights aspects of it.

Apparently, however, there are not enough slaves in the Gulag Archipelago to do all the hard, dirty, dangerous jobs that need to be done to construct the pipeline. Two Vietnamese authorities, Doan Van Toai, a former official of the National Liberation Front in South Vietnam, and Le Thi Anh, director of the Vietnamese Information Bureau in Washington, presented evidence that confirmed reports that as many as half a million Vietnamese will be shipped to Siberia and elsewhere in the Soviet Union and Eastern Europe in recompense for Vietnam's war debt to the Soviet Union. Toai and Anh presented the subcommittee with names of people they themselves know who are being sent to Russia against their will.

The appalling abuse of human rights described at Friday's hearing lends a moral justification to the strategic and economic reasons behind President Reagan's decision to extend the sanctions presently in force against U.S. participation in the Yamal pipeline project to the foreign subsidiaries of U.S. corporations as well. As I had written to the President on Thursday, to authorize U.S. participation in the pipeline project would be to make Americans accomplices of a sort in the human rights violations that will occur as a result of its construction. All Senators should applaud the President's decision and stand firmly behind it. At an appropriate time, I intend to offer a resolution commending the President for what he has done.

But we must not let the matter rest here. It is not enough for us not to participate ourselves in what very likely could be one of the great crimes of the century. We must do what we can to stop it.

I have written to U.N. Ambassador Jeanne Kirkpatrick to express my belief that the United States should request a United Nations investigation of the charges pertaining to Soviet use of slave labor on the Siberian pipeline. At an appropriate time, I intend to offer a resolution expressing the sense of the Senate that this be done.

Finally, when the trade reciprocity bill comes before the full Senate, I intend to offer several amendments to it pertaining to East-West trade in general and the Siberian pipeline in particular.

When a transcript of Friday's hearing is available, I urge all Senators to study it with care. Those who do will be as convinced as I that we must act promptly and forcefully to prevent this massive abuse of human rights. In the meantime, I ask that the prepared statements of witnesses Doan Van Toai and Le Thi Anh be printed in the RECORD.

STATEMENT BY DOAN VAN TOAI

Mr. Chairman and members of the Committee, ladies and gentlemen.

My name is Doan Van Toai, I am 36 years old, and the author of the book "The Vietnamese Gulag." It is an honor and a pleasure to appear before you today to discuss my Vietnamese people and also the untold tragedy befalling them at this time.

The Vietnamese Communists have done the unbelievable—yet it is the truth! They have defeated the French, the Americans and unified the country, but in so doing they have committed many errors and atrocities against their compatriots beyond the imagination of decent human beings. The world, therefore, cannot comprehend these errors and atrocities. They invaded Cambodia, occupied Laos, depended upon the Soviet Union and moved against China. They expelled the ethnic Chinese and their Vietnamese compatriots, and even worse, today they export large numbers of Vietnamese workers to Siberia. To the Vietnamese people, this tragedy is a reminder of the exported African slave labor to North America in the 18th and 19th centuries.

The Vietnamese refugees throughout the world have constantly received the letters from Vietnam displaying the emotion, anxiety, and hopelessness of those who are remaining in Vietnam. The mass media in European countries have extensively reported this tragedy, but some American public opinion still disbelieves this news. When I wrote the article about this issue for the Wall Street Journal one editor asked me where I could find that kind of information. Almost all of the Westerners I have talked with asked for substantive evidence and reliable information for all this news. It is easy to get information from Chile, from Argentina, or from South Korea, but it is not easy to collect it from any of the Communist countries; and it is yet more difficult to get the actual evidence from the Vietnam Communist where there is no freedom for the foreign reporters or for any visiting impartial international organization.

My compatriot Le Thi Amnh, has recently reported to you much information collected from the Vietnamese remaining in Vietnam. As a scholar and the one who has at one time lived and worked with the Vietnamese Communists, I would like to take the liberty here of making a few remarks about the Soviets and Hanoi's reactions to this matter of deportation.

The initial news of this deportation was reported firsthand in the London Economist magazine on September 17, 1981 and it was then repeated by the French mass media. They were talking about the Hanoi authorities having exported 500,000 (five hundred thousand) Vietnamese workers to the Soviet Union—all of whom were between 17 and 35 years of age. Among these workers were so-called "reactionary elements," the stubborn people, the suspected pro-China sympathizers, the independent elements in the former NLF-Vietcong. The working conditions are very harsh and are situated in the coldest area of Siberia. This information also said that 60 percent of their salaries would pay off Hanoi's debts to Moscow, the Vietnamese government would take 20 percent and the workers would receive only the remaining 20 percent. The New York Times last December reported that Hanoi had sent 15,000 (fifteen thousand) Vietnamese workers to Bulgaria. Both Hanoi and Moscow kept silent and never repudiated this information until the Western mass media discovered that these deported Vietnamese workers were actually working on the Russian-built gas pipeline.

First, Hanoi and Moscow announced that "the European Press are slanderers in their bourgeois way," and that "the mass media in the West is involved in the campaign of falsification and anti-Vietnamese." Secondly, they defended themselves concerning the working conditions and the workers' salaries. Izvestia, Moscow's newspaper, said "the Vietnamese are working in the regions with the most suitable climate for them as South Siberia, and the Caspian Sea . . ." and "the Vietnamese had all rights and freedoms provided by Soviet laws." The paper also said "the Vietnamese get free textbooks, other study materials, and are given well appointed housing . . ." (This falsehood is similar to the lie in 1979 when Hanoi authorities said that the prisoners in the re-education camps had meat and milk to eat everyday while the people outside had no meat and milk to eat.)

Later, Tass agency said "at their discretion they can remit part of their earnings to their families at home." This explanation, as the International Herald Tribune remarked, "means that the Vietnamese are not free to dispose of their entire income as they choose."

Concerning the period of time worked and the nature of the work, Tass commented "the Vietnamese are sent mainly for training and work "implying that some might be coming for work only and they work at chemical, textile and machine building plants and irrigation and land reclamation projects." But Leonid A. Kostin, a first deputy Chairman of the Soviet govern-

ment's State Committee for Labor made it clear by saying "the programs provided for a four or up to five years for the Vietnamese, one year for training and the other four for work." While Hanoi's military daily news Quan doi Nhan Dan on January 31, 1982 said that 60,000 (sixty thousand) Vietnamese were sent to Soviet Russia, the progovernment magazine Ket-hop, published in Belgium said that Hanoi has sent 50,000 (fifty thousand) workers to Russia.

However, the Hanoi Embassy in Paris on 16th April 1982 issued an official communique saying that "in 1981 Vietnam only sent 24,500 (Twenty four thousand five hundred) workers to Russia and other socialist countries including 5,000 to the Soviet Union and 11,000 to Czechoslovakia." The destination of the remainder was not given . . . yet Izvestia claimed "7,000 Vietnamese workers were working in the Soviet Union."

All of us know that 5,000 or 7,000 Vietnamese workers cannot in themselves be a major factor in the Soviet labor force of 48 million. These inconsistencies in numbers remind us of the similar denial in 1978 when Hanoi's authorities said they detained only 50,000 prisoners in the re-education camps, but Prime Minister Pham van Dong later said that he released over one million people from the camps! Neither the Soviets nor Vietnamese Communists have denied that the Vietnamese workers will not be involved in building the gas pipeline, and they have ignored the question of how many workers will be exported to the Soviet Union in the future.

Right now, I can give you a short list of nine Vietnamese who are forced to go and work as slaves in Siberia to help construct the gas pipeline. These nine victims are people I recently met through my friends and their relatives still living in Vietnam. Any person can collect such information by contacting Vietnamese refugees living throughout the world.

1. Pharmacist Truong ba Trung, 35, former activist of the third force of Saigon, lived in Le van Duyet street, Ho Chi Minh city, Hoa Hung.

2. Tran minh Tri, former deputy chief district, now is in the Camp of Thanh Hoa, North Vietnam.

3. Nguyen van Bay, former officer of the local army unit of the National Liberation Front of Ben Tranh district, Dinh Tuong province.

4. Tran trung Son, former student activist, Saigon University, Hong thap Tu street, Ho chi Minh city.

5. Le thi Cuc, former police agent of Saigon regime, released from a re-education camp, (last year), le Qaung Dinh street, Binh Thanh district, Ho chi Minh city.

6. Tran cong Nam, former Vietnamese Communist Party member, expelled last March, ethnic Chinese, Hieu Xuong district, Phu Yen province.

7. Nguyen van Binh, 28, worker, Le Minh Zaun New Economic Zone, (whose relatives escaped from Vietnam in 1978).

8. Tran thi Nuoc, 32, former worker and small street merchant, was suspected of having business contacts with an American G.I., Nguyen thien building, Binh Thanh district, Ho chi Minh city.

9. Tran van Mung, Binh Dai district, Ben Tre, was arrested as "a suspected reactionary" and released last April.

These victims are really worried about their fate in the Soviet Union, they wrote to their relatives and to me saying that "it is a voyage without return" because there is no law to protect them and that they have never signed any contract with the Vietnamese government nor Soviet authorities. They wrote cynically that "in the Socialist Republic of Vietnam, the proletariats are for sale." They wonder who will judge the disputes between the Vietnamese workers and the Russian masters, and they do not know even when they may return because Hanoi tells them that "you have an honor to fulfill in international duty and internationalist obligation" as indicated in the political report of the Vietnamese Communist Party. The greatest tragedy is, however, that they have to separate from their families for an unknown time.

Looking at the background of the victims, and their letters to their relatives, it becomes obvious they are being forced to go to work in the Soviet Union, and also it is clear these are people who do not like the regime or the regime does not like them. Hanoi is, in fact, using one stone to kill two birds: it saves itself the cost of feeding half a million mouths and it eliminates the opposition and the dangerous elements at home. At the same time, it assists in the building of a strategic project for the Soviet Union.

We also find substantial evidence by reading the Hhan Dan, Party daily paper published in Hanoi. Since I have actually read this paper I can report that on March 29, this year, Batrop Max-gor-ov, on behalf of the Soviet Communist Party visited Vietnam and said: "The Soviet Union and Vietnam have firmly and actively cooperated in all fields: political, economic and defense to develop largely the natural resources in Siberia and in Far Eastern areas." He also stated "For the next five years, the quantity of transportation between our two countries will be doubled. The cooperation firmly proves the power and efficacy of the Soviet-Vietnam friendship . . . we have the ability and power to accomplish that to which we have agreed."

In the political report read before the fifth Congress of the Vietnamese Communist Party, Le-Duan, the Secretary General of the Party, declared: "the firm cooperation and solid cooperation with the Soviets is a principle, a vital strategy and also is a revolutionary sentiment of the Vietnamese people. Our Party has the duty to teach the Vietnamese people and their next generations to hold this principle and to learn by heart this strategy." Two months ago, in honoring Le-Duan the Soviets awarded him the Lenin medal. In appreciation he said, "the Vietnam-Soviet Treaty of November 1979 upgrades the relationship of our two countries into a new phase. The Vietnamese Communist Party, and the entire people have to endeavor to accomplish this treaty and must consider it the basic principle of their own foreign policy.

Between the 13th and 27th April of this year, Vice Chairman Tokarov of the Council of Study of the Labor Force of the Soviet Union came to visit Vietnam to help Vietnam re-evaluate, rebuild, re-organize and redistribute the Vietnamese labor force. At the same time, V. A. Pechekop, chief of the Soviet Propaganda Advisory Board visited Vietnam to unify the propaganda front between the two countries. It is worth noting that these two visits coincided one with the other!

I would like to insert here a part of the article of Dao thien Thi, Minister of Labor of Vietnam and I would recommend to those who are still skeptical about this deportation of Vietnamese workers to the Soviet Union to read this article entitled "Strengthening the Cooperation of Laborers Between the Soviet Union and Vietnam." It was published in Nhan Dan, The Vietnamese Communist Party daily on April 5, 1982.

"The agreements and solutions concerning the labor cooperation signed by Vietnam and the Soviet Union one year ago has received excellent results and given important significance to the building up of socialism in Vietnam. . . . Under various methods and forms, the Soviets have sent many tens of thousands of experts to Vietnam to build up the cultural, scientific and industrial . . . bases, helping in the training of Vietnamese cadres and technicians. The Soviet Union has also received hundreds of thousands of Vietnamese students, technicians, researchers and laborers going to Russia.

"Accordingly, in the spirit of the cooperation-friendship treaty of our two countries, entered into a year ago, the Soviet Union-Vietnam have increasingly opened into full cooperation under the new methods and the new forms, especially the labor cooperation between our two countries.

"The new forms incorporated have the Vietnamese laborers working at the same time as being trained. This form must be extended for 5 or 6 years. The Vietnamese workers who are working and being trained should fulfill two duties: to contribute their efforts in building communism in their Soviet brother country and to build Vietnam's future later. It is a combination between the patriotic spirit and internationalist spirit.

"In the first year of carrying out the treaty and due to the common efforts on both sides, our two countries have accomplished the project of 1981 in the field of quantity, quality and timing of labor cooperation. In 1982 we will draw on our experiences and accordingly, the treaty agreed upon between our two countries relating to labor cooperation will certainly have been strengthened in development, in quantity and other various fields."

Last year, Hanoi conceded that 24,500 laborers were exported. Next year this number will certainly be many more, at least double as Mr. Max-gor-rov stated. And Max-gor-rov has stated clearly that Vietnam and the Soviet Union have cooperated to work in Siberia for the natural resources.

This labor cooperation is a result of the treaty of November 1979 between the Soviets and Vietnamese which also granted the Soviet Union the use of the military bases in Danang and Camranh Bay for their common military and strategic objectives in the area.

It is clear that Hanoi and Moscow not only cooperated together in occupying Laos and Cambodia but also in the global strategy of the whole world, namely the building of the natural gas pipeline, which is certainly not simply for economic and industrial purposes.

In conclusion may I say that the use of Vietnamese workers as slaves is a shameful and brutal reality. It is indeed, an insulting challenge to all people. On the basis of the United Nations Charter, let us urge the U.N. and the international labor movements to make a full investigation of this inhumane issue. We urge Hanoi and Moscow to allow an impartial international delegation to go and investigate this matter. We urge the countries who sell the pipeline to the Soviets, and who want to give aid to Vietnam to verify these facts of which I speak and are taking place this very minute.

Mr. Chairman and members of the Committee, may I express my deep appreciation

of both my compatriots and myself for your investigation of this Soviet-instigated slavery of my Vietnamese brothers.

Thank you.

Published figures of Vietnamese slaves deported to Siberia and socialist states at Moscow's behest

London Economist, Sept. 17, 1981	500,000
New York Times, December 1981 (sent to Bulgaria)	15,000
Hanoi Military Daily News, Jan. 31, 1982	60,000
Ket-hop, published in Belgium	50,000
Hanoi Embassy in Paris, Apr. 16, 1982 (5,000 in Soviet Union and 11,000 in Czechoslovakia, whereabouts of others unknown)	24,500
Izvestia, 1982—to the Soviet Union	7,000

STATEMENT BY LE THI ANH

The Soviet Union's chronic manpower shortage and reliance on foreign workers combined with Vietnam's huge debt to the USSR and shortage of foreign exchange—and her continuing dependency upon Soviet aid to continue her occupation of Cambodia—and to guard her northern frontier against a second Chinese invasion—to keep the people's hunger under manageable proportions and the bankrupt economy going—make the export of Vietnamese laborers to the Soviet bloc not only mandatory but the most logical arrangement for both countries.

In July 1981, an agreement on "the movement of citizens of Vietnam and the Soviet Union between the two countries" was signed, which meant more Soviet advisers would come to Vietnam and more Vietnamese workers would come to the Soviet Union.

In September 1981, Le Duan and To Huu visited Moscow to seek new Soviet aid commitments. President Brezhnev promised Le Duan economic and military aid. But how those debts—over $3 billion—will be paid give the nation's extreme poverty and critical shortage of foreign currencies? The Vietnamese offered to offset their massive debts to the Soviet bloc by sending large numbers of Vietnamese workers to work in the Soviet Union and other Comecon countries. According to East European estimates, some 500,000 Vietnamese will work in the USSR and other East European countries during the second Vietnamese five year plan—from 1981 to 1985.

The workers will receive 40 percent of their salaries in local currency, and the remaining 60 percent will be credited against Vietnam trading debts to the Soviet bloc—especially debts contracted through the purchase of military equipment for the war in Cambodia.

The Soviet Union is anything but enthusiastic about more aid to Vietnam—facing herself severe economic problems and grain shortages. Unless Vietnam can demonstrate she can pay back her debts, it is unlikely that the Comecon countries would be willing to extend new credits.

Therefore, Vietnam has to export the only commodity she has ample supply of, and which is in demand in the Comecon countries, namely human labor.

Last year, the Soviet state commission for labor estimated that there were 2 million job vacancies in industry and that 750,000 additional workers were needed every year to keep existing and planned enterprises operating efficiently (N.Y. Times, 5/6/82). According to official Soviet statements, there were around 2 million unfilled job vacancies in the Soviet Union as of November, 1980—and that President Brezhnev has said that up to 400,000 additional workers would be needed in the next few years to develop new oil and gas fields in Western Siberia (The Economist Foreign Report, September 1981). In February 1981, Nguyen Lam, chairman of the state planning commission put Vietnam's unemployment figure at 1 million (ibid) Vietnam's debts to the Soviet amount to more than $3 billion—and additional debts are being contracted everyday for the purchase of petroleum products, foodstuffs—and especially weapon supplies for the war in Cambodia and other fronts.

The Hanoi government defaulted on a Japanese loan early this year and despite strenuous efforts, it is still unable to secure additional loans from non-communist countries.

According to a Chinese News Agency report last year, total Vietnam's foreign currency reserves were just enough to pay for two weeks of imports. "Vietnam is dependent on the USSR for some 20 percent of her food needs—without which there would be rice riots." (Mr. Douglas Pike's testimony on the House Subcommittee on Asian and Pacific Affairs, October 15, 1981.) As we all know, food riots already occurred in Haiphong, Vinh and Nghe Tinh—in 1980 and 1981.

It is obvious to everyone that a sharp cut in Soviet aid would bring large scale food riots in the streets, the people's misery to unbearable levels and would spell disaster, not only for the economy and the war in Cambodia, but also for the survival of the Communist regime.

The Soviet Union is pumping aid into Vietnam at the rate of $6 million a day. Vietnam has to maintain open that lifeline. A 100 percent cut of Soviet aid would bring about general popular uprising. And the collapse of the Communist regime would come as fast as that of the Republic of (S.) Vietnam when faced with similar aid cuts.

To maintain the most vital inflow of Soviet aid, Hanoi has to pay back its debts. Vietnam has to export. She is currently exporting to the Soviet Union extremely scarce foodstuffs, clothing material and ready-to-wear. She has been exporting the ethnic Chinese for gold (estimated earnings: $4 billion worth of gold, one-third of which lost to corruption). Now the unproductive and destitute economy has nothing left to export except its unemployed manpower.

According to Nguyen Lam, Vietnam has 1 million unemployed. The real figure is several times higher the stagnant and unproductive economy has few job opportunities. New Economic zones are failures. Unskilled manpower remains Vietnam's only exportable commodity. It coincides with the Soviet Union's great need of manpower to develop her Siberian oil and gas fields. Soviet aid is parsimoniously and grudgingly granted and received with wounded national pride and resentment.

Swallowing this pride, and their claim to national independence—Hanoi leaders have agreed to let Vietnamese workers go the the Soviet Union—with the painful awareness that this practice is very reminiscent of the French colonial practice of sending thousands of soldier/workers to France during WWII.

France drafted Vietnamese subjects to fight in the French-German war—and to work in French factories—or to wage war against the French colonies in Africa. But compared to the Vietnamese workers now in the Soviet Union, Vietnamese workers in France in the 1930's and 1940's enjoyed much more freedom.

They lived among Frenchmen, received equal pay for equal work, and received their pay in full. thousands chose to remain in France after the end of the war. They were naturalized French citizens and their children became second generation Frenchmen.

Today "guest workers" to sister Socialist countries live in segregated quarters with no contact with the local populations.

According to Nyan Chanda writing in the Far Eastern Economic Review, 5/14/82, unnamed Vietnamese sources in Hanoi told him that the main purpose of the manpower export is to solve the problem of unemployment, to earn foreign currencies for the country and to receive professional training. The source informed FEER that in spite of the Izvestia article asserting that Vietnamese workers receive normal wages, they in fact receive only room and board plus pocket money for the first three years and a salary only in the fourth year.

Vietnam's Minister of labor, Dao Thiun Thi, writing in the Party newspaper Nhan Dan (4/5/82), wrote that the Vietnamese workers are being sent to cities with warm climate in southern Russia. We know that cannot be the case since families in Vietnam receive letters from their relatives working in Siberia. That is the place where there is a great demand of manpower because of development of oil and gas fields—and where the gas pipeline is being constructed.

Furthermore, most Vietnamese workers are unskilled laborers, it is unlikely that they could fill highly technical positions. Working in the mines would be their likely place of employment.

Other reasons for the export of labor are as follows: Communist societies are totalitarian and single-minded. It requires ideological purity. Therefore, political purge of undesirable "impure" elements are inevitable. For a regime which imposed itself by force upon a democratic society, the cleaning job is monumental.

The Communist government disposes of the Southern society's "impurities" and "undesirables" by: (1) small scale execution; (2) collecting gold and pushing them out to sea; (3) for those associated with the U.S. or the former regime, keep them removed from mainstream society by locking them up for life in concentration camps, euphemistically named "reeducation camps."

The idea is to keep those troublemakers from doing harm to the regime, either by leading the anti-communist resistance or spreading anti-government propaganda.

But those "reeducation camps" have become a problem for Hanoi in world public opinion. The Communist government has been criticized by various human rights groups, and by visiting journalists and statesmen for the continuing detention without trial of hundreds of thousands of persons in jails and concentration camps.

"Reeducation camps" have become a problem for Hanoi with world public opinion, a source of irritation with its former friends in the worldwide "anti-war movement"—especially Hanoi's friends and allies in the U.S., who were instrumental in bringing the aid cut—and insuring Hanoi's victory in the spring of 1975. Prominent among those inquiring human rights groups are Amnesty International, Joan Baez's Humanitas, American Friends Service Committee and Church World Service. Having no diplomatic representation in the U.S., Hanoi still has

to rely upon those former anti-war figures—and sympathetic visiting journalists to serve as its mouthpiece with the American public.

To secure their continuing support, Hanoi has to remove that source of irritation, the "reeducation camps." A master way would be to send the residual inmates as "guest workers" to the Soviet bloc—close most of the "reeducation camps", take visiting journalists to witness the empty camps and declare to the world that the "reeducation" has been completed, that the "reformed" citizens have "volunteered" their services in the USSR.

With one stone Hanoi will kill three birds: (1) Removing a major irritant between Hanoi's regime and the Western/U.S. governments and public opinion, thus clearing the way for normalization of relations and aid—securing the most vital support of the former anti-war activists; (2) sponge off the Soviet debt, and (3) rid the country of undesirable subversive elements.

Our sources of information are as follows:

Each month, some 800 Vietnamese leave Vietnam by plane through the Orderly Departure program. They hand-carry letters from Vietnam. Since the news broke out in Europe last fall, following the publication of the Economist Foreign Report, alarmed Vietnamese in Paris contacted their friends and relatives in Hanoi to inquire. France has a pro-Communist Vietnamese community and these Vietnamese learned through their contacts in Vietnam of the government's policy regarding those "reeducation camp" inmates. Vietnam is a small world with many divided families. Some Vietnamese Communists in Paris have relatives in "reeducation camps." Sources in Hanoi told them: "The residual reeducation camp inmates are a problem for the government. Keeping them in camps, the human rights people and the journalists would constantly inquire and criticize. Killing them off would earn the government the Pol Pot reputation of barbaric 'blood-bath.' If released they would join the anti-government resistance."

Exiling them to the Soviet bloc seems to be an ideal solution for the government. Hanoi has objected to the charges that reeducation manpower will be used in Eastern Europe. The Soviet Union and her allies would not use the "stubborn reactionaries" for fear of sabotage. It must be pointed out that the workers are shipped after initial training and categorization in Vietnam—together with their cadremen who closely control and supervise their work. They have worked for seven years under the same conditions in reeducation camps.

Slaves never love their masters yet slave labor has been extensively used in the building of the great monuments of history. The building of the Yamal gas pipeline is no exception. It is to be expected that work teams composed of reeducation camp inmates and other unreliable elements will be entrusted with menial work at camp sites—such as digging, cleaning and cutting trees—while more sensitive works will be entrusted to reliable elements.

General census and medical examination:

In a few remote parts of the country, people of both sexes between the ages of 17 and 35 have been subjected to a general census and medical examination. They are divided into two categories. Category A includes persons from proletarian, "progressive" families. They will be drafted for service in the armed forces. Category B includes people with bourgeois or "NGUY" background (NGUY: wicked, degenerated puppets), those the government considers dangerous and unreliable elements. They will be trained in work camps and those who pass will be sent to the Soviet Union.

All the young persons undergoing the census are required to sign a statement "volunteering" their service in the Soviet bloc. The government will use those statements to exonerate itself from charges that the workers are sent against their will. But as everyone knows, the facts of life in Communist countries is that no one can refuse to sign the "volunteer" papers.

Ongoing program of workers in the Soviet bloc:

There has been an ongoing program of Vietnamese workers in the Soviet Union. The majority of the workers are from North Vietnam. They signed up for three years, received some training, and although 60 percent of their salaries are used by the government to pay back debts, their lives are slightly better off than in Vietnam. Their numbers as of September 1981 was about 50,000. The majority work in the Soviet Union—some 10,000 in and around Moscow, several thousands in Siberia and the remaining in other parts of the U.S.S.R. and other East European countries.

The Vietnamese did not protest because of the small number and the relatively voluntary character of most recruitment practices. Many North Vietnamese volunteered to work under that program because even with only 40 percent of their pay, life is still a little better in the Soviet Union than in their own country. There is more food available and the threat of hunger is less.

What alarms the Vietnamese community in the new program is the huge number; 500,000 workers will be sent in five years, reports of the use of concentration camp manpower and all other characteristics of slave labor in frozen Siberia. Most of the inmates in reeducation are originally from the South, where the climate is hot. Years of detention and starvation have taken a toll on their health. If sent to Siberia, it is unlikely that many would survive the rigors of 50° temperature to eventually return home. According to the First Guidebook to the USSR Prisons and Concentration Camps [1], temperature in Siberia ranges from 40° to 60° below zero in the winter. According to the Guidebook, and the Der Spiegel [2], during the past 60 years, some 60 million people have died in Siberian work camps.

Recent information gathered from Vietnam, Thailand, and China on the subject of labor export to the Varsovie Pact Countries reveals that an estimated 16,000 persons have been forcibly sent to the Soviet bloc since the beginning of the new program in the fall of 1981. During the first three months of 1982, two Russian ships, the *Obdorsl* and the *Doudinka*, transported 2,496 workers. Aircraft carrier *Minsk* and mine sweeper *Denskoucht* transported 3,200 persons and unloaded those at the military port of Okhotsk on March 26, 1982.

An East German ship named *Rugen* transported to East Europe 830 workers, bringing the total for the first trimester of 1982 to close to 6,600 persons.

An ad-hoc committee to oppose the deportation was formed in Paris in October 1981, Dr. Tran Van Do is the Committee's Chairman. It has sent appeals to the United Nations and other human rights and humanitarian organizations. The address is: Khanh Anh Pagoda, 14 Avenue Henri Barbusse, 92220 Bagneaux, France. The name is: Ad-Hoc Committee Against the Deportation of Vietnamese Workers to the Soviet Bloc.●

[1] The First Guidebook to the USSR. Shifrin, Avraham. Stephanus, Edition Seewis, 1981.

[2] Der Spiegel. September 28, 1981, page 197.

IDAHO'S FAMOUS STATESMAN—A FORGOTTEN MAN

● Mr. McCLURE. Mr. President, I recently received an article that I feel should be added to the RECORD. The article was written abut the late Senator William E. Borah by Idaho statesman reporter Tim Woodward. The title of the article says much about many famous people, who, even after having mountains, schools, buildings, and towns named after them slip into relative obscurity.

Senator Borah was, and still is, considered one of the most famous of my colleagues from Idaho serving in the Senate from 1907 until his death in 1940. Borah was a truly great statesman, a very respected chairman of the Foreign Relations Committee, and a potential candidate for the Presidency. Yet, many know the name not the contribution. I would like to take a brief moment now to remember one of our past colleagues whose statue, by the way, stands just a few feet outside of this Chamber, and know the name of Borah as one belonging to a truly great man.

I ask that the article entitled "Idaho's Famous Statesman—a Forgotten Man," by Tim Woodward, be printed in the RECORD.

The article follows:

IDAHO'S FAMOUS STATESMEN—A FORGOTTEN MAN

(By Tim Woodward)

It is a sight to stir a florist's heart. From border to border, the grounds of Morris Hill Cemetery are dotted with fresh flowers. There must be thousands of them.

Flags are popular this year, too. Some of the graves have both—flags and flowers Memorial Day is over, but the graves are colorful evidence that most of the people it is intended to honor have not been forgotten.

Not far from the cemetery's eastern boundary is a piece of ground set aside to honor one of Idaho's brightest lights. It is a large, grassy triangle, with roads on each side and shade trees at each corner. Near the center, between two evergreens, are a dark gray headstone and a solitary bouquet. The bouquet is the reason I'm writing this.

Carved in the dark gray marble is a three-word inscription: William Edgar Borah.

Ask people what that name—Borah—means to them. I did, and everyone I questioned said it was the name of a local high school. One said that to him the name had become synonymous with football, for which the high school is well-known. Another speculated that some of the students there might be hard-pressed to identify the man for whom their school is named.

If he is correct, some background is decidely in order William Edgar Borah was only the most famous statesman Idaho has produced. With the exception of Ernest Hemingway, he may have been the most famous Idahoan ever.

William Edgar Borah was elected to the U.S. Senate six times and was considered

one of its greatest orators. He was known as "the Lion of the Senate." (I wonder how many of today's Borah Lions know that.) A Republican, he was respected, and sometimes feared, by presidents of both political parties. In 1936 he lost his own bid for the presidency. He died four years later.

One of the reporters who covered the funeral was John Corlett. The Statesman's former political editor.

"Senator Borah was the one person Idaho was famous for," Corlett recalled. "Ten thousand people passed the bier as he lay in state at the capitol . . . Even the gravedigger wept."

Today it is quiet at the place the gravedigger called "the prettiest spot in the cemetery." The only sounds are those of the ticking sprinklers and the graveyard birds. The senator is buried a few feet away from the grave of his wife, Mary, who died in 1976 at the age of 105. They had no children. No one else shares their grassy triangle, or their sad little bouquet.

Which brings us to the point of our story. On Tuesday evening a woman called me at home to talk about something that happened to her on Memorial Day She said she was decorating some graves at Morris Hill Cemetery when she noticed Sen. Borah's headstone. Until then, she didn't know he was buried there. The thing that really surprised her, though, was that there wasn't a single flower on his grave.

It bothered her so much that she decided to do something about it. She cut some flowers that were growing in her yard, put them in an empty milk carton, and wrapped the carton with aluminum foil. Then she returned and laid the little bouquet on the grave of Idaho's Lion.

"I couldn't believe that no one else had thought to do it," she said. "And I'm not even a Republican."

She wasn't the only one who didn't know where the senator was buried. Dennis Olsen of Idaho Falls didn't know, and he is a Republican. He is chairman of the Republican State Central Committee, to be precise.

"No one should be forgotten, least of all Senator Borah," he said. "I just didn't know that this was the situation, but it's definitely something we ought to be looking into."

Maybe it isn't that important. The world's problems won't be solved by putting flowers on the graves of deceased senators—lions or otherwise. But it's sad, in a way, and a little surprising that so famous a man could be overlooked that way. That's what I thought, at least, until I told the story to Corlett. He wasn't surprised at all.

"As far as I can remember, there has been no effort in all this time to remember him on any particular day," he said. "No one ever arranged for this sort of thing. The gravestone is just there. After his death, he became alsmost a forgotten man."●

WHITE HOUSE—HEINZ CORRESPONDENCE CONCERNING THE EXIMBANK

● Mr. HEINZ. Mr. President, during the last few months I have been debating with the White House the importance of the Export-Import Bank and the need for an adequately funded and aggressive Eximbank in order to defend American exports and preserve—as well as create—American jobs. There are many misconceptions with regard to the Bank and its operations. Hopefully, this debate is serving to clarify some of the issues.

In this correspondence I was pleased to learn that it is the President's intention that the Eximbank "maintain an aggressive position in financing U.S. exports," and that "the administration considers Eximbank to be an important instrument of overall trade policy." My efforts have been directed toward insuring that this wise policy is carried out in practice.

In the weeks ahead I intend to continue this debate, particularly in the form of comprehensive hearings in connection with S. 2600, the Export-Import Bank Restructuring Act of 1982, sponsored by myself and 11 of my colleagues in this body.

Mr. President, I ask that the text of my two letters to the President regarding Eximbank, along with a reply on the behalf of the president by Kenneth M. Duberstein, be included in the RECORD.

COMMITTEE ON BANKING
HOUSING, AND URBAN AFFAIRS,
Washington, D.C., December 18, 1982.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to urge you to reconsider your Administration's policy with respect to the Export-Import Bank. In that regard, there are two important considerations: the costs to our economy of an inadequately funded Bank and the economic benefit to the government of a fully-functioning Bank.

ECONOMIC COSTS OF A WEAK EX-IM

With respect to economic costs, the issue, very simply, is jobs. The Export-Import Bank is a powerful promoter of U.S. exports and thus a significant mechanism for providing employment. What would the unemployment rate be today without that $7 billion export deficit? The Commerce Department has estimated that each $1 billion in lost exports translates into 40,000 lost jobs. Two hundred and eighty thousand more Americans with gainful employment and off of government welfare rolls would have a powerful stimulative effect on the economy.

CASE HISTORY EXAMPLES

Those are gross figures and obviously the Bank cannot bear sole responsibility for our export deficit. Its current policies, however, are making the situation worse than it would otherwise be. Let me suggest several examples:

Earlier this year the Cross Company (Michigan) elected to fill a major contract through its English and German branches, so as to be able to take advantage of official financing unavailable to them in the U.S. due to Eximbank loan authorization limitations. The contract was worth $20 million, which translates into approximately 800 jobs transferred to foreign economies.

A Harris Corporation (Florida) sale to Jordan of $5.5 million was jeopardized by a lack of available Eximbank support. Three hundred and ten man-weeks of work were anticipated for the project.

General Electric lost $15 million of U.S. business with Brazil due to unmatched Japanese financing for installation of an aluminum hot strip rolling mill. That small case resulted in another 600 jobs lost.

Another approximately $23 million of sales by Dresser Industries was lost to foreign competition. Eximbank's reasoning for lack of support: "As you know, we are facing severe budgetary limitations on our Direct Credit Programs." Nine hundred and twenty more jobs were picked up by non-U.S. industries.

The United States holds a major competitive advantage in aerospace industries. That edge is currently in jeopardy, not due to better products, but rather to the lack of available financing at competitive terms. In April, due to its loan limitations, Eximbank had "on hold" cases involving the sale of 12 commercial airliners to different countries. While the U.S. was still on the ground, the European built Airbus flew to the rescue.

Boeing Vertol (Pennsylvania) is about to lose a $56 million sale of helicopters to Norway because the Eximbank offer provided half the coverage and a nearly three percentage point higher rate than the French Aerospatiale offer. One thousand jobs are at stake.

The Eximbank has made a state-by-state breakdown of jobs associated with Eximbank-supported sales. In 1980 a total of 734,084 jobs were involved, nationally. That includes 200 jobs in Colorado, 9,764 in Delaware, 8,264 in Florida, 3,072 in Kansas, 1,600 in Arizona, 82,888 in California, 138,540 in New York, 31,896 in Wisconsin, 21,310 in Pennsylvania, and so on throughout 45 of the 50 states.

PERMANENT JOB LOSSES BY OVERSEAS RELOCATION

In addition to direct job losses, a longer term effect is the number of jobs transferred by U.S. corporations to their overseas operations, never to be heard of again, as it were. The Cross Company case, cited above, is only one example. Unable to obtain competitive financing, U.S. companies are relocating their activities abroad rather than be elbowed out of the market by foreign competition. There, in England, West Germany, and France, these companies can find the competitive export financing that was unavailable to them in the United States. To lose a sale is one thing. To lose an industry is quite another.

As I said in my March 19 letter to you, in order to take advantage of foreign export credit support, U.S. companies are likely to adopt one or more of the following strategies: (1) a shift to foreign procurement for major components of large capital goods; (2) long-term, off-shore subcontractor relationships, particularly in the case of airframe and aircraft engine manufacturers; and, (3) a shift to off-shore facilities for entire projects, which many multinational manufacturing and construction companies already have and more are likely to acquire.

I support the goal of eliminating official export financing subsidies. They are wasteful and counterproductive. If everyone engages in them, no one benefits—except the importers. Inadequate funding of the Eximbank, however, takes us further from achieving that goal by showing our competitors that they can subsidize and profit from it. Meanwhile, the United States loses jobs and further shares of world trade, quite probably for good.

EFFECTS ON THE FEDERAL BUDGET

In my judgment the Office of Management and Budget has compounded its errors with respect to the Eximbank by ignoring the real budgetary impact of a reduction in its authorization. The following table illustrates the long term adverse budgetary impact of a reduction in the Bank's authorization.

BUDGET IMPACT OF $1 BILLION DECLINE IN EXIMBANK LOAN PROGRAM AUTHORIZATION

[Dollars in millions]

Fiscal years	Outlays	Exports	Income	Tax receipts	Budget impact
1982	$-100	$-190	$-247	$-69	$+31
1983	-300	-570	-997	-277	+23
1984	-250	-475	-1,616	-449	-199

As you can see from the above, there is a short-term, favorable impact totalling $54 million for fiscal year 1982 and fiscal year 1983 combined. But in fiscal year 1984, the year by which we are trying to balance the budget, there is a nearly $200 million unfavorable impact on the federal budget. Furthermore, the total unfavorable budget impact for all three years is $145 million.

A 1980 study by the Treasury Department suggested a 70 percent additionality factor for the Bank; that is, 70 percent of the exports financed by the Bank would not have been made without the support of its direct loan program. A reduction in that program leads to exports foregone, and therefore income and subsequently tax revenues, also foregone, not to mention jobs lost.

COST-EFFECTIVENESS

The examples I have mentioned earlier in this letter clearly demonstrates the costs to our economy of our present policy. With respect to direct federal benefits the Eximbank is a particularly cost-effective means for maintaining the competitiveness of U.S. exports while giving us a strong negotiating position to end subsidies. The actual cost to the U.S. Treasury, even in times of high interest rates, is small. Usually, however, the Eximbank is a source of revenue: since 1945 it has returned $1 billion to the Treasury. The billions of dollars in business and jobs generated by Bank-supported exports makes Eximbank an even more powerful indirect source of savings and revenues to U.S. and local governments.

A recent study by the Wharton Econometric Forecasting Associates demonstrates that a typical Eximbank-supported project could bring a positive ratio of return to government of from 9:1 to as much as 33:1 of income compared to budgetary expenditure. Even at the low end of this range, benefits so far outweigh costs that is is hard for me to understand why the Office of Management and Budget and the Bank itself are so reluctant to let the Bank maintain its normal level of activities.

This reluctance has another adverse effect which concerns me—it amounts to a unilateral surrender to our European and Japanese competitors in the growing export credit war.

INTERNATIONAL CREDIT NEGOTIATIONS

The recent agreement within the OECD to increase the minimum interest rate charged to the less developed countries from 7.75 percent to 10 percent represents progress. But at a time when long-term bond rates in the developed world are running 14 percent and more, further action is needed. We cannot afford to relax our efforts at this critical time when our trade competitors—particularly the French—seem ready to address official export credit rates.

Just as a strong defense posture is the best way to approach arms control negotiations, so a demonstrable willingness to counter unfair official export financing will bring about meaningful negotiations for their mutual and equitable reduction.

The U.S, however, has been sending the wrong signals in this war. As our competitors have increased their financing capabilities, Eximbank support levels have been reduced. In the wake of our competitors' agreement to set 10 percent as their minimum interest rate, the Eximbank has raised its rates to the equivalent of 12.5 percent. Actions such as this only signal our competitors that we are not serious about ending export credit subsidies and that we do not understand or appreciate the proper role of the Eximbank.

SOURCES OF ADMINISTRATION HOSTILITY TO EXIMBANK

I suspect that part of the reason for this Administration's hostility to the Bank is the belief of some economists that U.S. trade balances are largely the result of cyclical factors, including changes in the value of the dollar, and that institutions like the Bank play only peripheral roles. That argument, of course, not only ignores the 70 percent additionality finding of the Treasury, but it also ignores disturbing long run trends in our trade balance. From 1970 to 1976 our annual trade deficit averaged $0.9 billion. Since 1977, it has risen to an average of $28.1 billion, a figure which would have been even larger with increased agricultural surpluses.

A look at market share figures tells an equally gloomy story. In the non-European markets that are rapidly increasing in importance, U.S. market share has been falling; for example, in the 1970-79 period: from 18 percent to 14 percent in Indonesia, 32 percent to 18 percent in Brazil, 46 percent to 37 percent in Venezuela, 30 percent to 23 percent in Korea, and 24 percent to 18 percent in Japan. These are rich markets, some of them much closer to home than to our competitors; yet it is we who are failing to compete.

Looking at these numbers a different way, the U.S. share of manufactured exports has declined from an average of 18.7 percent in 1973-76 to an average of 17.4 percent in 1977 through the first half of 1980. Looking at total free world exports, the U.S. share has declined from 13.7 percent in 1973 to 12.1 percent in the first half of 1980, a significant decline despite a modest improvement since the 197[illegible] low of 11.8 percent.

I believe this data illustrates that our economy is undergoing long term structural change which will make it increasingly difficult for us to compete internationally, particularly in the face of growing subsidies by our competitors and proliferating barriers to market entry and investment in the developing world. These problems are the same ones which led to Senate passage of the Export Trading Company Act, the Foreign Corrupt Practices Act amendments, and enactment of changes in the tax treatment of Americans working abroad. You and your Administration supported all these initiatives for the same reasons, indicating clearly that it was time to restore this country's trading ability and make us competitive again. Exactly the same arguments apply to the Eximbank.

POLICY RECONSIDERATION URGED

Mr. President, the facts and logic on this matter are compelling. The economic costs of our policy are clear, as are the benefits of an active Bank. One of the greatest costs is the way it handicaps us in our effort to end the subsidy practices of others. I hope you will reconsider the policies your Administration is pursuing with respect to the Eximbank and our efforts to end export credit subsidies.

With warm regards,
Sincerely,

JOHN HEINZ,
U.S. Senate.

THE WHITE HOUSE,
Washington, April 2, 1982.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HEINZ: The President has asked me to respond further to your letter of December 18 and to assure you that the Administration considers Eximbank to be an important instrument of overall U.S. trade policy. Pursuant to its legislative mandate, Eximbank will continue to maintain an aggressive position in financing U.S. exports. However, like all agencies, Eximbank will do its share to reduce the budget deficits that are projected in the coming years. With a careful targeting of its resources the Bank can still provide effective support for U.S. suppliers competing with their foreign counterparts who are heavily subsidized by their governments.

In each case for which its assistance is requested, the Eximbank will consider such factors as the presence of foreign export credit competition, the degree of technological edge possessed by the U.S. supplier and historical market preferences. In some instances, a financial guarantee may be sufficient or Eximbank financing may be totally unnecessary—as for transactions generally to rich or developed countries or involving older generation aircraft—but in others, Eximbank may have to provide as much as a 75 percent direct loan. While the Bank has had to raise the interest rate on its direct loans recently to preserve the financial soundness of Eximbank, it will increase the competitiveness of its financing where necessary by lengthening the term of repayment.

In your letter, you detailed a number of cases where you suggested that the unavailability of Eximbank financing caused the U.S. supplier to lose the business. I asked the staff at Eximbank to check each of them. In the Harris Corporation case the loss was probably due to noncompetitive Eximbank financing. With regard to the Cross Company case, Eximbank was unable to provide financing because of the moratorium instituted by the previous Board of Directors to enable the present Board to develop its own policies for operating the Bank. In the General Electric case in Brazil, the moratorium also prevented Eximbank from issuing a preliminary commitment for an aluminum rolling mill. The bid was won by the Japanese, and subsequently General Electric was awarded a $5 million contract as a subcontractor with financing to be provided by Japan.

The Bank was unable to identify the exact cases to which the alleged losses of Dresser Industries relate. Regarding the aircraft cases, the Bank's records show that while about twenty aircraft transactions were caught in the moratorium, none has been reported to Eximbank as a loss due to financing. For most of them, either preliminary commitments have been issued by Eximbank or U.S. suppliers have been awarded the bids without Eximbank or U.S. suppliers have been awarded the bids without Eximbank's support. Finally, following an amendment in an outstanding preliminary commitment to increase the amount of the financing to be provided from 42.5 percent to 85 percent (including a 10 percent participation by the supplier with Eximbank's guar-

antee,) Boeing Vertol won the sale of helicopters in Norway.

I would also like to note that the Administration is pleased with the agreement last October to raise minimum interest rates in the Arrangement on Officially Supported Export Credits to a range between 10 percent and 11¼ percent. You will recall that it was reached after Eximbank had raised its own lending rate from 8¾ percent to 10¾ percent and then to 12 percent on non-aircraft cases (with a front end fee of 2 percent of the amount of the Eximbank direct credit.) We believe that the example set by Eximbank in taking such a unilateral action was the major factor behind the rate increases in the Arrangement, and we have pressed for further increases at the meetings of the OECD Credit Group in Paris on March 10-11. The Group will meet again in May to discuss raising interest rates and changing the categories which determine the minimum interest rates applicable to individual countries.

We have several conceptual and technical differences in the way in which you assess the budgetary impact of cutbacks in Eximbank's loan authorizations, as well as the conclusions you have drawn regarding the relationship between Eximbank financing and U.S. jobs, and the decline in the U.S. share of world markets. I have asked the Eximbank staff to discuss these matters in more detail with members of your staff. Notwithstanding these differences, I would like to emphasize again that Eximbank plays an important role in the implementation of the Administration's trade policy, and that it will continue to provide financing so as to enable U.S. exporters to compete effectively for sales throughout the world.

With best wishes,

Sincerely,

KENNETH M. DUBERSTEIN,
Assistant to the President.

U.S. SENATE, COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, D.C., June 8, 1982.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you know, I am an enthusiastic supporter of the Export-Import Bank. It is beneficial for American business, for American labor, for our balance of payments, and has a positive real impact on the Federal budget. My duties as Chairman of the Subcommittee on International Finance and Monetary Policy keep me reasonably well-informed on the Bank's activities and the nature of its programs. I was, therefore, confused by the response on your behalf by Kenneth Duberstein, to my letter to you of December 18, 1981. His reply demonstrated not only a misunderstanding of the Bank's operations and its statutory mandate but also clear misinformation.

Mr. Duberstein refers to strong Administration support for the Bank as "an important instrument of overall U.S. trade policy" and that "pursuant to its legislative mandate, Eximbank will continue to maintain an aggressive position in financing U.S. exports." Yet, it is precisely that strong support for the Bank that I and others in the Congress are trying to generate. We find that support woefully lacking when in the midst of an export credit war budget recommendations come to the Congress that if adopted would result in unilateral disarmament. That support also appears to be lacking when high-ranking officials in your administration make statements about the need to eliminate the Bank and its export support activities.

Moreover, far from continuing an aggressive position, the issue is over whether and when the Bank is going to begin such a policy. Mr. Duberstein admitted that four of the six cases that I submitted to you as examples of inadequate support from the Eximbank were legitimate, one (the Harris Corporation case) due to clearly uncompetitive terms and three (the Cross Company General Electric-Brazil, and aircraft cases) due to insufficient budget authority for the Bank. Of the two remaining cases, the Boeing-Vertol sale finally was won by the U.S., but only after intensive pressure from the Congress caused the Bank to revise its policies and assume the aggressive posture that was necessary and which is required by law. The last case, involving Dresser Industries, Mr. Duberstein was unable to comment on.

The instances of business lost due to an Eximbank that is either unwilling or unable to offer competitive financing for U.S. exports are too numerous to relate in detail, but apparently more examples are necessary to establish the point.

Last year Frederick Electronics lost a sale for telex switching equipment to the Philippines, valued at $2,300,000, when Swiss competitors offered official financing of 85 percent of their product at a rate of 9.5 percent interest over ten years. Eximbank's idea of an aggressive stance was to modify its initially uncompetitive offer of 85 percent direct credit at 13 percent to an offer of 65 percent direct credit at 14 percent interest for five years.

Boeing, whose products involve the direct participation of three thousand subcontractors, lost a sale of six 757 aircraft, with a total value of $226,000,000, to French competition when the Bank indicated that it would only offer to finance 42.5 percent of the sale at 12 percent (plus a 2 percent up front fee) over ten years. The competition won the jobs for their own company by offering to finance 80 percent of the sale at 9.25 percent interest.

In another case last year Boeing lost a sale of two new generation aircraft to Jamaica when the French and friends offered attractive financing for their Airbus. Boeing's request for competitive financing is still pending in the Eximbank, which apparently has not yet caught the spirit of the Caribbean Basin Initiative, nor how such support also supports American industry. That sale was worth $127,000,000.

Combustion Engineering lost a Mexican deal worth $138,977,000 because of uncompetitive financing. The Japanese are now building the fossil power plant because they did not follow Eximbank's pricing leadership and offered 100 percent financing at 8.5 percent interest for 12 years. I wonder how the thousands of Americans who might otherwise have had a job from the sale would evaluate how important and effective a tool for U.S. trade policy the administration views the Eximbank, considering that the Bank sought to defend American commerce with an offer to support only 42.5 percent of the sale at 12 percent (plus a 2 percent up front fee)?

Dresser Industries decided to fill a $13 million order through its subsidiary in France because Eximbank was unable or unwilling to offer competitive financing. Rather than exporting a drilling rig, this aggressive policy of the Eximbank helped to export American jobs.

Dresser lost another sale of $14 million worth of motorgraders. Dresser was unable to obtain Eximbank support, and the commercial credit terms were nearly double the 9½ percent rate available to the Japanese exporters.

There are many more examples to cite, but the point is that the Bank, for all of its claims, has yet to begin to support aggressively U.S. exports. Further, the record of the Administration with regard to the Bank has been exactly the opposite of what your intentions, as indicated by Mr. Duberstein's letter, would appear to be. Without adequate program authority (which does not require a nickel of appropriation) Eximbank will not be able to do its job, and export related industries—which include our aerospace, electronics, machine-tool, and other key security-related industries—will suffer, we will lose more jobs, and America's share of world trade will continue to erode.

This is particularly distressing, considering that our export sector could be one of the most powerful vehicles for job creation in our economy. Between the years 1977 and 1980 jobs related to the export of manufactured products from the U.S. rose by 47 percent, for a total of 1.5 million new jobs. This figure accounted for nearly 30 percent of the total increase in jobs for the entire economy during that period of time. At the end of that period one out of every seven workers in America, engaged in manufacturing, produced goods for export. In 1977 that ratio was one out of every ten.

In my own state of Pennsylvania 59 percent of the net growth in private sector jobs was export-related. That figure was 85 percent for New York and 33 percent for Connecticut, all of which are states that have otherwise been suffering economically.

I renew my plea to you to reconsider your Administration's policies toward the Eximbank. I pledge my continued efforts to ensure that American exporters receive the help that they need against the cutthroat practices of our trade competitors.

These are the concerns that I and my colleagues hope to address by the introduction of the Export-Import Bank Restructuring Act. I have sought an awareness of the vital role that Eximbank must play, in defending U.S. exporters and American jobs, on the part of the nominees to the Bank's Board of Directors. Until I am convinced that these nominees are willing, and will be allowed, to pursue the Bank's statutory mandate to aggressively defend American exports and offer truly competitive financing, it will be difficult for me to support their confirmation by the Senate.

I do appreciate Mr. Duberstein's detailed response, even though I am dissappointed by its contents. As my earlier correspondence on this issue should have made clear I am firm in my intent that the issues associated with the Eximbank should be properly addressed. I plan to again raise these issues with the Administration during the course of comprehensive hearings that I am planning to hold this summer in the International Finance and Monetary Policy Subcommittee on the purpose and policies of the Export-Import Bank.

I look forward to your Administration's support on this issue so vital to our economic well-being.

Sincerely,

JOHN HEINZ.●

THE FUTURE OF TELECOMMUNICATIONS IN AMERICA

● Mr. ABDNOR. Mr. President, during my lifetime I have witnessed the expansion of an industry which has transformed the way our Nation works and plays. The invention of the telephone has dramatically altered the lives of Americans. Even more than the automobile, the telephone has brought people together, virtually eliminating geographic distances and the time it takes for a two-way communication.

This past century has seen the telephone change from an extravagant novelty for the affluent to a commonplace convenience indeed, a necessity, for almost all households in the United States. As the telephone industry emerged and its potential was recognized, the Congress prevailed upon the "American way" and deemed it in the best interest of the country to provide universal basic service at reasonable costs to all who wish to subscribe. To achieve that goal the Congress also saw fit to provide incentives for getting phone service into rural and remote areas. Through the Rural Telephone Administration's action, major portions of the country were included in the national telephone network.

As illustrious as the telecommunications industry's history is, it is apparent that we have only scratched the surface of what lies ahead in the field of providing information from one source to another. The advent of high technology has and will alter not only the method of communication but also the form. Traditional obstacles to obtaining and transmitting information will be removed. A new wave of productivity growth will result, giving a continued boost to our economy and to the standard of living of all Americans.

The Congress continues to deliberate the issues of a changing telecommunications industry. Although I was not directly involved with the legislative efforts of the Commerce Committee, I supported their efforts which resulted in the overwhelming approval of S. 898 in the Senate. However, I am deeply concerned with how Americans are going to be affected by the climate facing the telecommunications industry. I am concerned with the legislative efforts currently underway in the House of Representatives. These efforts challenge the deliberated work of the Department of Justice to divest A.T. & T. of its local phone service companies. It is prudent to question whether the H.R. 5158 approach indeed serves the best interest of the American public and if it truly protects the consumer who relies on the availability of this vital service. I question the wisdom of these efforts.

America has the best telephone communications system in the world. Our technology is being exported in all directions. When it is not purchased, it is imitated. We must take steps to insure that our network remains top-notch. We must give the industry the flexibility it needs to usher in a new era of communication and information transfer. Hundreds of thousands of capable employees have their future jeopardized by the yoke of government intervention in the market. Millions of telephone users stand to forfeit tremendous gains in services made available.

This is not the time to impede the innovative. This is not the time to implement restraints on this highly productive and beneficial industry. Perhaps we all should remember the old yet timeless advice, "if it works, don't fix it."●

AMERICAN SERVICE INDUSTRIES AND THE ECONOMY

● Mr. PRESSLER. Mr. President, as a cosponsor of S. 1233, the Service Industries Development Act, I was very pleased to see an article entitled "The Service Sector" in a recent issue of the Congressional Research Service Review. I shall ask that this article be included in the RECORD immediately after my remarks.

As chairman of the Senate Business, Trade and Tourism Subcommittee, I strongly support the growth and development of services industries. These businesses are diverse in nature and size, many of them small businesses run by families in rural communities. Tourism, communications, transportation, banking, insurance, and education are all included in this definition.

This same diversity may be the cause for the lack of public recognition paid to an increasingly important part of our national economy and international balance of trade. As the article notes, defining "services sector" is difficult; hence, statistics which document its economic impact are also difficult to collect and use as the basis for public policy decisions. I believe that S. 1233 is a good first step to correct this deficiency. S. 1233 directs the Commerce Department to develop a Federal service industries policy for purposes of domestic development and international trade negotiations. The Senate recently passed S. 1233 and it is my sincere hope that the House will act quickly on this measure.

Two statistics which are available should be emphasized. First of all, services surpassed goods production for the first time in 1975 and has steadily increased its percentage of the gross national product since then. Obviously, this is a significant change in the American economy which Congress and the administration should seriously consider as economic and international trade policies are developed. Second, the article notes that employment in the services sector is less susceptible to economic fluctuations. During periods of recession, businesses in the service industries are better able to maintain employment levels and, in some cases, increase these levels. For instance, in 1980, the travel and tourism industry provided nearly one-third of all new jobs. As Congress looks for ways to bolster employment, this aspect of the services industries should be kept in mind.

The U.S. economy has much to gain by a strengthened services sector. Small businesses across the country benefit from Government policy which encourages services growth. I ask the administration and Congress to continue its efforts on this issue.

The article follows:

THE SERVICE SECTOR

(By Julius W. Allen)

One of the great myths of the structure of the American economy today is that the productive output of America is primarily one of the outpouring of steel, automobiles, oil, wheat, and all the other goods that we as a Nation produce and market each year. Ignored or forgotten is the fact that over half of the employment and income of the Nation is directly attributable to services. Services include such personal service, as beauty and barber shops, lodging and eating places, entertainment, and repair services; such business services as banking, insurance, accounting, advertising, and legal services; such distributive services as transportation, communication and wholesale and retail trade; and such social services as education, health care, welfare, and Government.

Two segments of the service sector that often escape notice are the services in international commerce and in the so-called underground economy. Few think of services in connection with international trade, but in fact they are becoming a major component of our commerce with other nations. Services that enter significantly in international trade include travel and tourism, transportation of persons and goods, insurance, banking, and other financial services, film rentals, management fees, and copyright and patent royalties. In some statistical accounts and analyses, services also include foreign investments.

The underground economy consists primarily of various services done for barter or without the reporting of income, frequently to evade payment of income taxes, as well as such illegal activities as gambling, prostitution, and trafficking in drugs. Several experts estimate the size of the underground economy at over $100 billion annually.[1]

THE CONCEPT OF SERVICES

Although the distinction between goods and services might at first glance appear obvious, there are definition and statistical problems that must be recognized. Some experts, for example, consider transportation, communications, and utilities as parts of the service sector, while others consider them part of the goods sector. Further, most firms in goods producing industries have some employees engaged primarily in providing services; whereas, although to a

[1] See: Barry Molesfsky. America's Underground Economy. Report no. 81-181 E. 1981, 42p.

lesser extent, service industries also often provide goods.

The automobile manufacturing industry hires salesmen, designers, advertising and accounting personnel, for example. Restaurants supply food as well as service. Most repair shops will provide both goods and services.

In view of the wide range of activities that are included in the service sector, however defined, generalized conclusions must be drawn with caution. Services include some with exceptionally high productivity and others with very low productivity or productivity which is difficult to measure. Some services, especially business services, are growing fast while others are shrinking or disappearing. A majority of service occupations are relatively poorly paid, but others are among the highest paid in the Nation.

Many individuals have a choice of whether to purchase a good or a service to meet the same, or similar, needs. One can purchase an automobile or use the services of transportation companies, from airlines to taxies. The recreation provided by a purchased television set may be equivalent to that provided by seats in a theater or sports arena. Although increasing incomes generally lead to increases in the purchase of services, in many instances the trend is in the opposite direction.

Domestic service has greatly shrunk, largely as a result of the availability of reasonably priced washing machines, refrigerators and vacuum cleaners. Safety and electric razors have made shaves by a barber a rarity. The high cost of many repair services has spawned a host of "do-it-yourself" products.

One important distinction between goods and services is worth noting in particular. That is the fact that services cannot be stockpiled for later consumption as goods can. As Stanley Hollander recently observed:

"The one thing that tends to be true of all services is their perishability. An unoccupied seat during off-peak hours in an airliner, a barber shop, a college classroom, or a service restaurant cannot be stored to help handle a subsequent peak demand. Consequently, service industry managers often must exert considerable effort to modify supply or demand patterns." [2]

Another characteristic of the service sector worth noting is that employment in the service sector is, in general, much less sensitive to business fluctuations than employment in the goods sector, notably in durable goods.[3] The current recession, for example, finds severe levels of unemployment in automobiles, steel, and construction, but relatively small increases of unemployment in almost all services.

GROWTH OF THE SERVICE SECTOR

Regardless of definition, services have clearly been growing as a factor in the American economy, as the two accompanying charts demonstrate. Chart 1 shows the shift in percentage of civilian employment in the United States among agriculture, industry (mining, construction, manufacturing, transportation, communications, and utilities), and services (wholesale and retail trade, finance, insurance, real estate, other services, and public administration) from 1870 to 1980. In 1870, agriculture was responsible for nearly half of all total employment; by 1980 its share had dwindled to 3 percent. During the same period services grew from 26 percent of all civilian employment in 1870, to 61 percent in 1980.

Chart 2 shows the trend in the contributions of the three components, services, goods, and structures to the gross national product, as measured by the U.S. Department of Commerce, from 1930 to 1980. Using the categorizations of the Department of Commerce, it can be seen that services surpassed goods as a contributor to the GNP in 1975 and have slowly been increasing the gap since that time.

There are many reasons for the growth of employment and output in the service sector. Higher incomes make possible a larger proportion of consumer expenditures on goods and services beyond the basic needs of food, clothing and shelter. Much of this income is spent on such services as medical care, travel, recreation, and education. The technological revolution in electronics and computers has given rise to a wealth of business services that did not exist a few decades ago. The growing complexity of business has also expanded the need for specialized services in such fields as accounting, advertising, marketing, and personnel management.

Increases in crime have led to greater outlays for public police protection as well as private security guards. Medical care, thanks in considerable measure to such government programs as medicare and medicaid, has been expanded to cover broader segments of the population and has increased the extent of medical treatment for many more.

There has been a broad increase in public employment, due in part to growing social insurance and welfare programs, increasing levels of educational achievement, and more emphasis on research and development. The largest increases in public expenditures have occurred at the State and local levels.

Further, at the same time that the demand for the various services just mentioned was rising, there was also a surge in employment of women. And women have tended to concentrate in the service sector. This major influx of women into the labor force was a result of the pressures for more family income as a result of inflation, and of more leisure time.

There are considerable differences of opinion as to the desirability of this shift to services over the years. Some view it as an entirely legitimate expression of changes in consumer preferences and that the acceptance of this change does not require either encouragement or concern.

Others believe that the shift is of such a beneficial nature that a shift in production towards greater reliance on services should be actively encouraged.

Still others see the trend towards more services in a negative way since the evidence suggests to them that services on the average have lower rates of productivity increase than goods industries and, in part as a corollary, they tend to rise in prices more than goods.

In any case, as stated earlier in this article, because the service sector includes such a vast spectrum of activities, conclusions about the sector as a whole may be viewed with some skepticism. Trends of some services will certainly not be applicable to others. It is also true that many, but by no means all, service sector components present serious measurement problems, notably in the areas of units of output and productivity.

PRODUCTIVITY IN THE SERVICE SECTOR

Measurement of productivity has been difficult in many industries, but particularly so in such service industries as education and medicine and some functions of Government. On the other hand in such businesses as telephone communications, measurement of productivity has been as successful as in any part of the goods industries.

Recognizing the limitations of the data, those who have studied productivity trends have found that, where it has been measured, productivity growth in services has tended in recent decades to be somewhat lower than in goods-producing industries, but that the differential has been shrinking. These students of productivity find almost universally that the shift from goods to services has had a very small if not negligible impact on the decline in productivity witnessed in the United States in the past decade.[4]

Part of the reason for lower productivity in the services has been the large movement of inexperienced women and young people into the labor market in the past two decades, the majority of whom went into service industries. As these persons become more experienced and as the number of new entrants into the labor force declines, there is every reason to expect a rise in productivity.

As in its relationship to productivity, the impact of services on inflation is somewhat uncertain, due in part to the broad scope of the service sector. Some services, conspicuously medical services, have increased in price dramatically, but others, such as some computer and communication services have shown little increase or even decreases in their charges. In the aggregate as measured by the consumer price index, retail prices of all commodities rose by 106 percent in the decade from 1970 to 1980 while those of services rose by 122 percent.

Energy costs, however, increased much more, by 237 percent in the same decade. There is reason to believe that the rate of price increase in services is likely to slacken, in part for reasons similar to the expectations that productivity in services will increase. These include new management methods, increased size of operations in many service firms making possible greater economies of scale, less government regulation, increasing availability of technology appropriate to a broad range of service industries, and, where goods are substitutable for services, the ability of consumers to shift to goods if prices of services become excessive.

There is a substantial school of thought holding that U.S. industrial policy should be geared much more toward the support of those parts of the service sector where growth is most promising, rather than on attempting to shore up those goods industries in which the United States is increasingly at a comparative economic disadvantage. The availability of a highly educated labor force, which is adept or can be trained to manipulate complex automated processes and computerized functions, can be expect-

[2] Hollander, Stanley G. Is There a Generic Demand for Services? MSU Business Topics, v. 27, Spring 1979, p. 45.

[3] See: Kevin Winch. Recession in the United States: Economic Effects and Policy Implications. Report no. 80-134 E. July 30, 1980, pp. 113-120.

[4] See in particular: Edward F. Denison. Accounting for Slower Economic Growth: the United States in the 1970s. Washington, Brookings Institution, 1979; and Victor R. Fuchs. The Service Industries and U.S. Economic Growth Since World War II. New York, National Bureau of Economic Research, 1977.

ed to lead to an expansion of output in industries with capital intensive automated processes based on emerging technologies.[5]

POLICY IMPLICATIONS

The growing size and importance of the service sector has important policy implications. A recognition of this importance is a prerequisite of intelligent planning in this area. Education, itself a major service industry, is essential for increasing the skills of individuals in an age of new computer and communications technology that has been variously called a post-industrial, information, or knowledge revolution. Research and development need to be encouraged. The demand for improved and more widespread medical services is not likely to abate, although more cost effective ways of providing medical care are sure to be sought.

Government, as just noted, has a major positive function in relation to the service sector. Its policymakers must also be cognizant of negative impacts which Government can have on the service sector in terms of overregulation, or excessively costly, or inefficient regulation, delays, red tape, and burdensome paperwork.

Some Government regulation has also served to protect certain industries from the prod of more open competition. Finally, the Government can do a great deal to improve its own productivity. Although with the use of more capital equipment and new materials and methods, Government at all levels has substantially raised its productivity, it still has tended to lag behind private enterprise. This lag can be shortened.

Policymakers concerned with the Nation's lagging rate of productivity growth might well note (1) that in the long run, productivity growth depends primarily on the scientific, technological, and managerial advances that result from skills derived from improving educational resources; and, (2) that in the shorter run, the service sector, especially business services, may well be in the forefront of productivity gains for our country.

In a more general sense, the Federal Government's monetary, fiscal, foreign trade, and regulatory policies of course directly affect the Nation's levels of employment and output. As we have seen, this employment and output are increasingly attributable to the service sector.

It is the service industries, notably in the computer and related business services, that are likely to be responsible for the major thrust of economic growth in the decades ahead. A sound public policy will need to recognize the magnitude and diversity of the service sector, if the sector which has become the dominant part of our economy, even though it remains less tangible and visible than the goods sector.

The service sector is a giant coming out of hiding.

[5] See, for example: Drucker, Peter F. The Next American Work Force: Demographics and U.S. Economic Policy. Economic Development Commentary, v. 5, Oct. 1981. p. 3-10.

"FEEDING AT THE PUBLIC TROUGH"

● Mr. ARMSTRONG. Mr. President, I commend to the attention of my colleagues the following paper which was presented recently at the American Association of State Colleges and Universities by Dr. James L. Chapman. Dr. Chapman is president of West Liberty State College. He is a man of great insight and wisdom and his observations regarding the long range interest of higher education, in general and the unique contributions of independent colleges and universities are well worth careful study and consideration.

I ask that it be printed in the RECORD.

The article follows:

FEEDING AT THE PUBLIC TROUGH—THE AUTONOMY THAT INDEPENDENT COLLEGES ESPOUSE IS NEGATED WHEN MUCH OF THEIR SUBSISTENCE COMES FROM THE GOVERNMENT

The long-range interest of higher education, and even more the public interest, demands that the contribution of the independent colleges and universities to the development and progress of our country be recognized.

The independent system has been of significant importance in the history of higher education in America, particularly as a source of innovation. It has led the way in experimentation and curriculum development in undergraduate education. The initial impetus toward graduate education and research stemmed from independent colleges and universities. Without them, our nation would not have the diversity necessary to maintain the pluralism that contributes to a varied and healthy climate in education.

However, maintaining this traditional concept of higher education in the face of mounting financial and enrollment problems will require solutions that are not based on state or federal public support. Although ultimately manifest in the economic arena, the problems facing independent higher education today come not from competition by the public sector but from the independents' own lack of a distinctive purpose and a well-defined justification for their existence.

A close look at the national scene will reveal that the great expansion of public higher education in the past two decades has been mainly in those areas where private colleges were either reluctant or ill prepared to offer services. This is especially true in the case of the two-year programs and vocational training offered at the postsecondary level by community colleges. The purpose of both state and federal policy in this regard has been to expand the opportunities for more Americans, young and old, to participate in postsecondary education.

This has involved provision for institutions within commuting distance for students who cannot afford to live away from home, as well as opportunities for students who do not immediately qualify for admission to many four-year colleges. The community college has also provided quality education and training for those who cannot or do not choose to attend independent institutions.

Therefore, quality education and innovation of delivery systems are no longer limited to the independent sector. If this is the case, then what precisely is the purpose of independent higher education? This may be the key to the problems facing such institutions, as well as the focus for future planning and development.

A major strength of independent colleges in American higher education is based upon the belief that they contribute to the pluralism that makes for a healthy climate in education. Given their independence from government control, such colleges are free to appeal to a particular constituency in an individual and unique manner. Whether they emphasize religious values, provide special programs, or serve a particular race or sex, they offer to their constituencies educational opportunities that public colleges do not provide. They appeal to a special clientele, and many are or have been affiliated with religious organizations. Clearly, to perform their unique functions they must be kept independent of the public sector. Their independence is a necessary condition for the preservation of their birthright, and erosion of that independence would seriously threaten their unique functions.

How is it then that the independent colleges expect to receive direct government assistance and not endanger their cherished birthright? The history of government subsidy is that it is not given without strings attached, and, indeed, it is doubtful that it ever should be. This is no mere bogy of government control. It is a real dilemma that must be faced.

The dilemma is simply this: If the independent colleges are experiencing financial difficulties due to decreasing enrollments, then it well may be they no longer appeal to the particular constituencies for whom they were originally founded. If this is the case, then the very uniqueness that justifies their existence turns out to be unworthy of preservation through either private or public means. Many of out independent colleges should undertake critical self-study to determine if this is not, in fact, their situation.

On the other hand, if there are independent colleges that have not become superfluous anachronisms in our changing society, and they are still performing a desired educational function, then they should very much fear the loss of their independence as they become more nearly semipublic institutions. People in the independent sector, however, state they have few fears in this area since they feel it is a "straw man" argument perpetuated by people in the public sector.

I agree that independent institutions of higher education serve a public purpose. This is a mission, however, that such institutions have chosen for themselves, and is not one that has been forced upon them by state or federal legislatures. The argument is often given by people in the independent sector that the public demands that they perform certain educational functions. This appears to be nothing more than "old whine in new bottles."

There is a significant legal difference between the establishment and support of public and independent institutions of higher education in our country.

Public colleges and universities are established either by means of specific institutions' being called for as constitutional bodies or as a creation of the legislature under a given state code. The end result is that public colleges and universities are legal creations and possessions of particular state government and their missions and operations are controlled by representatives of the public. Most of the funds in support of such institutions are allocated to them by a state legislature as a result of their being a legal entity of the state government.

The parallel situation in the private sector is that independent colleges and universities are established by a body external to the state governance structure. They are chartered as nonprofit, nonstock corporations to provide certain educational services by an appropriate state agency or official, which

gives them legal consent and permission to operate. The possession as well as the mission and control of independent institutions resides with an independent governing body of private citizens.

Irrespective of how the argument is stated or attempts made to disguise it, the end result is that the independent sector wants to feed at the public trough for financial support. It is stated, however, there is a vast difference between public accountability, as a result of public financing, and public control. The receipt of some public funds by independent colleges and universities does not contaminate their independent governance or institutional autonomy. In support of this point, a president of an Ivy League university stated, "We do not want the entire overcoat of public financial support, only the buttons for the coat."

The answer to such an analogy is a simple one. A person who is freezing to death, whether gradually or suddenly, does not desire only buttons, but as much clothing as possible to prevent death from occurring.

In the report "Public Policy in Private Education," edited by David W. Breneman and Chester E. Finn, Jr., The Brookings Institution, Washington, D.C., 1978, it is estimated that "public implicit and explicit support of private higher education in 1973-74 was worth at least $3.4-billion a year. This is equivalent to 45 per cent of all the educational general operating revenues for private colleges and universities in 1973-74." It is apparent that we are no longer talking about some support, but a significant amount of public money going to the private sector. The recent trend is in the direction of greater government subsidy of independent higher education.

Let's return to the coat analogy for a moment. It seems to some observers that people in independent higher education have abandoned the request for buttons and now "buttonhole" state and federal legislators, demanding that a portion of the public funds appropriated to higher education be placed at their disposal.

People in the independent sector of higher education make a legitimate point, since there are those who want colleges with a tradition of serving a particular constituency. They add that one primary reason for interest in independent higher education is that public higher education could not meet the demand without expansion or radical change.

While such a claim for independent higher education is a valid one if we are to maintain a pluralistic system of higher education in our country, unfortunately the homogenization of higher education continues to the extent that there appears to be little difference between the curricular offerings and campus atmosphere of public and private institutions. The very diversity and autonomy that independent colleges espouse as their points of strength are negated when they obtain their subsistence from the public trough. When this occurs, it appears only logical that the outcome of education at the two sectors will be the same. All of higher education will be the lesser for not having maintained the pluralism that has been a point of strength for American higher education.●

NEW YORK TIMES REJECTS B-1B AS TOO COSTLY AND MILITARY UNNECESSARY; URGES STEALTH ACCELERATION

● Mr. LEVIN. Mr. President, last week, I inserted into the RECORD a statement about the great differences between the administration's advertised price tag of $20.5 billion in fiscal 1981 dollars for the B-1B bomber program and more independent Pentagon estimates that this unneeded aircraft could cost a great deal more.

These estimates show that the true cost of the B-1B program should be between $22.5 billion and $26.7 billion in fiscal 1981 dollars. These much higher costs are further demonstration that the B-1B should be canceled in favor of the much more capable Stealth bomber.

The New York Times of June 22, 1982, contains a persuasive editorial presenting this position, Mr. President, and I want to take this opportunity to draw the attention of the Senate to it.

I ask that the editorial be placed in the RECORD at this point:

The editorial follows:

[From the New York Times, June 22, 1982]

SUBSTITUTING STEALTH FOR "STEALTH"

The oldest military game in Washington is pushing the cheap weapons system that proves expensive later—too late to save much by abandoning it. It's rarely admitted but budget "overruns" often stem from initial understatements. Something that looks, smells and sounds like an admission of such stealth has just been extracted from the Pentagon on the B-1 strategic bomber.

After President Reagan announced plans last October to build 100 modified B-1's Defense Secretary Weinberger said the cost would be $20.5 billion. But several members of Congress learned that this estimate, based on Air Force figures, had been challenged as too low by an independent study in the Secretary's own office of Program Analysis and Evaluation.

Yet Mr. Weinberger refuse to let Congress see the study. Only after controversy and subpoena threats was it turned over to the General Accounting Office, which has now briefed Congressional aides.

The study estimated the cost of 100 B-1 bombers at $26.7 billion, 30 percent more than the figure given to Congress. But Mr. Weinberger and his deputy, Frank Carlucci, insisted the bomber fleet could be built for $20.5 billion. A Carlucci memorandum proposed to "save" some $4 billion by short cuts that the study team described as risky, like reducing flight tests from 1,300 to 1,000 hours. An optimistic $800 million was to be saved by contracting for several years out. Some projected modifications were simply not counted; other costs were shifted to different budget lines.

All that is only half the story. These estimates were in fiscal 1981 dollars. At today's prices, the cost in constant dollars is closer to $30 billion and by 1988, adding inflation, it figures to be about $40 billion. And the first squadron of 15 B-1s will not be operational until September, 1986 at best.

Meanwhile, the next generation of strategic bomber, the radar-evading Stealth plane, is progressing faster than previously disclosed. Officials of Northrop, the aircraft's builder, have told Congressmen that a speedup in appropriations would let the Stealth go into operation well before the 1991 target date set by the Air Force. Some predictions see it as early as 1987.

The Air Force contends that the Stealth is untried and may be delayed by foreseen difficulties. But this belt-and-suspenders approach to defense planning, building two new bombers to be secure about having one, can hardly be justified when the cost is so high and money so scarce.

The aging B-52, if necessary, can fill the gap, whether it is one year or five. The late-model B-52H may be able to penetrate Soviet air defenses in most areas until the end of the decade. The older B-52G, now to be equipped with 3,000 cruise missiles, will be effective in a standoff role until the end of the century at least. Calculations by Professor William Kaufmann of M.I.T. show that eliminating the B-1 would decrease by only 4 to 8 percent the number of warheads America could deliver on Soviet targets in a retaliatory strike.

What economy, sense and security require is less stealth in defending the costly B-1 and more speed in producing the Stealth bomber.●

ISRAELI ACTION IN LEBANON

● Mr. LEVIN. Mr. President, I recently saw a column by Conor Cruise O'Brien which appeared in the Boston Globe of June 22, 1982. Mr. O'Brien, former editor of the London Observer and for 5 years Ireland's representative to the Special Political Committee of the United Nations, writes with both passion and perceptiveness about the recent Israeli action in Lebanon. He begins by emphasizing a very simple fact of life in the Middle East. This simple fact of life is one we often tend to ignore, perhaps because if we focused on it the depression which results might push us over some psychic ledge—but it is a fact which is at the very root of the recent tragic events in Lebanon and ought to be at the very core of American policy in the region. That simple fact is that Israel's neighbors are her enemies; and Israel's enemies are not content to defeat her, their interest—their avowed interest—is to destroy her.

Wars are, by their very nature, not humane events. But this war in the Middle East—a war which has been raging since Israel's birth in 1948—goes beyond the normal bounds of inhumanity. Other wars are fought for victory; this war is fought for annihilation. And anyone who seeks to understand Israeli action and Middle East politics has to keep that simple stark fact firmly before them as they try to chart a path through the minefields which literally and figuratively dot the landscape of the Middle East.

Mr. President, I commend Mr. O'Brien's analysis to my colleagues and ask that it appear in the RECORD at this point.

The article follows:

[From the Boston Globe, June 22, 1982]

THE ISRAELIS MUST FIGHT—THE ALTERNATIVE IS THE PEACE OF DEATH

(By Conor Cruise O'Brien)

Mr. Begin made the point that Lebanon is nearer to Israel than the Falkland Islands are to Britain. Another point is that the stakes, in the two conflicts, are of a different order. In the Falkland Islands, what is at stake, on both sides, is national pride. In the Mideast what is at stake, on Israel's side, is survival. If Israel loses, just once, it is gone.

The fearsome efficiency of the Israeli defense forces makes people forget how heavy the odds are, in some vital ways, against the survival of Israel. It is alone, and heavily and increasingly outnumbered, in a bitterly hostile environment.

But in these conditions, you may say, Israel should seek peace, not war. So it should; and so it does. You could have fooled me, I can hear some of you say, with images of recent events before your eyes. It remains true that Israel wants peace, more consciously and needfully than any other nation does. But Israel's neighbors have made it plain to it, from the moment of its birth, that if it wants peace, it has to fight to get it. The only peace it can get, under any other terms, is the peace of death.

Tyre was one of the first places reported fallen. It was the southernmost stronghold of the Palestinian Liberation Army. I was there last September, and I had a conversation there which I shall never forget. I have written about it before; I write about it again now because recent events make it peculiarly apposite.

The man I talked with was a captain in that army. "It's not true," said the captain, "that we want to throw the Jews into the sea." He went on to explain that he had nothing against Jews in Palestine; the sort of Jews that were there in the nineteenth century, before Zionism: quiet, pious Jews, and very few of them. The other Jews, which was most of them, would have to go, but they could go in stages. They could begin by getting out of the West Bank, Gaza and East Jerusalem. After that, they could get out altogether.

That was what the captain meant by not throwing the Jews into the sea.

I find it hard to convey the impact which the captain's words made on me. It wasn't that I hadn't often heard from Palestinians before. I represented Ireland for five years, on the special Political Committee of the United Nations. In those years that was the "Palestine" Committee because "the question of the Palestine refugees" was permanently on its agenda.

So I listened to Palestinians (forming part of various Arab delegations) over many, many hours, both in the committee and in the General Assembly.

I listened to Ahmed Shukairy among others, Yasser Arafat's predecessor, the first chairman of the Palestine Liberation Organization. Shukairy always began his annual address to the plenary session of the Assembly with the words: "I am honored to address the United Nations: all (blank) of them." The number he would give was always "X minus one. "X" being the actual membership of the United Nations on the date in question, and Israel being the minus one.

The United Nations is a theatrical sort of place and Shukairy was a theatrical sort of chap. It was only too easy to fail to take him altogether seriously. With the captain, it was different. There was nothing theatrical about him, and nothing fanatical either. He wasn't talking about Palestine, at a distance of thousands of miles. He was an armed man, in command of other armed men, a few miles from the border of a state which he and his friends were bent on destroying.

And it was only too clear both that he meant every word he said, and that it was generally received doctrine among the people for whom he spoke. Seven or eight of his comrades were with us, in that barrack-room in Tyre, stolidly sipping mint tea.

Everything that the captain said I had heard before, hundreds of times. But it was only when he said these things, in that context, and in that company that their reality came home to me. It was not just what was said that was important; it was the feel of it. The feel of it was simply death to Israel: the recovery of the West Bank and Gaza being a step in the direction of that death.

That is not, of course, how Yasser Arafat has represented matters in conversations with Europeans, Americans and Japanese. But Mr. Arafat is not in control of the PLO even now, and he would not be likely to be in control of any PLO state for very long, if he really means his private and semiprivate intimations of peace with Israel.

That captain of mine is a moderate, after all, as Palestinian exiles go. He is a member of—and spokesman for, in Tyre, until recently—Mr. Arafat's own Fatah, that part of the PLO with which Israel is advised, by so many well-wishers, to reach a compromise. That is a compromise which Israel can move towards only by beginning to die.

The Times of London recently compared the Falklands and the Mideast. Britain's cause is just, the paper suggested, because it is defending the right to self-determination, in the Falklands; Israel's cause is unjust, because it is denying the right of self-determination on the West Bank. There are some defects in that comparison. Self-determination on the Falklands does not threaten the existence of Argentina.

Neither Argentina nor Britain challenges the right of the other to exist. But almost the whole Arab world—including the Palestinians—challenges Israel's right to exist. As long as these conditions prevail, self-determination on the West Bank is seen as increasing the threat to Israel's existence.

When all of Israel's neighbors follow Egypt's example, in accepting Israel's right to existence, and when none of these states any longer harbors armed terrorists pledged to Israel's destruction, then the idea of a Palestinian state will begin to become compatible with Israel's right to existence. It may be that recent events will have the effect of bringing Israel and its neighbors nearer to that point.

Regular readers may notice an unaccustomed element of emotion in the present column. It happens that the denial of Israel's right to exist came fairly close to the writer recently, through the denial of a particular Israeli's right to exist. I was getting ready to leave my home in Dublin, on Friday, June 4, for luncheon engagement in London when I learned from the radio that my journey was no longer necessary. The man I was going to meet, Ambassador Shlomo Argov, had been gunned down in Park Lane.

THE HINCKLEY VERDICT—APPALLING

● Mr. HELMS. Mr. President, like most Americans, I found the Hinckley verdict appalling. It offends the most elementary sense of justice. Clearly, it is indicative of the chaotic state which exists in the administration of criminal justice in the United States today.

Everyone accused of a crime has a right to a fair trial. But the public has a right to be free from the violence of evil men. Protecting the public from such violence is the first duty of any government that claims to be just. We have failed in this regard not only in the Hinckley case but in the countless cases of criminals who are not caught, not prosecuted, not convicted, or not adequately punished for their acts. We must take concrete steps to eliminate the many loopholes in our law through which the guilty now parade.

Mr. President, the modern social engineers who populate the fields of psychiatry and psychology, sociology and the law, seem to have trouble admitting the existence of evil and its role in human affairs. In this they make a critical mistake which is contrary to all the promptings of the human heart and thousands of years of human history. No matter what advances are made in the practice of psychiatry and related fields, there is no escaping the fact that human beings are tempted to do, and in fact commit, evil acts. Evil is not simply insanity or mental illness—although it is certainly involved in both.

In the overwhelming majority of cases, crime results from the free choice of an individual to commit an evil act. The individual is therefore responsible for his conduct, and society has just cause for punishing him. Indeed we do the criminal himself a disservice when we tell him through legally sanctioned psychiatric hocuspocus that he is not responsible for the harm he had done to others. He is responsible, and the law should make that known to him so that he may realize rehabilitation is within his own control.

I am committed to making all necessary changes in Federal criminal law in order to prevent future miscarriages of justice similar to that in the Hinckley case. I am confident that my colleagues in the Senate will do likewise in light of the present tragedy.

Mr. President, George F. Will has written a perceptive column on this matter, and I commend it to the attention of my colleagues as well as the public. Therefore, Mr. President, I ask that "Insanity . . ." by Mr. Will, published in the June 23 edition of the Washington Post, be printed in the RECORD.

The article follows:

[From the Washington Post, Wednesday, June 23, 1982]

INSANITY . . .

(By George F. Will)

The Hinckley verdict illustrates three perversities: the most morally indefensible

crimes are becoming the most legally defendable. The idea of the individual is being obliterated in order to maximize the rights of the individual. And the quest for the chimera of perfect justice is subordinating the social good, including the rule of law, to the quicksilver axioms of a "science" that is long on pretenses and short on testable assertions.

Seated atop a ramshackle scaffolding of superstitions, merrily minting nouns that denote nothing, many psychiatrists are today condescending to the American people, chiding them for not comprehending the intellectual marvelousness of the Hinckley verdict. But the verdict will serve the social good only if it generates disgust with the incompatible marriage of psychiatry and law. To that end, Americans should read "The Killing of Bonnie Garland," Willard Gaylin's mediation on another trial featuring an insanity defense.

Gaylin, a practicing psychiatrist, argues that the premises and purposes of law and psychiatry are in tension. The premise of the law is that the self is autonomous. The premise of phsychiatry is that the self is a cauldron of impulses that determine behavior. The purposes of the law include protecting the social order and expressing its moral sentiments. The purpose of psychology is to explain an individual's behavior. An explanation may facilitate a "cure," but any explanation can be made to seem exculpatory, by diluting to the point of disappearance the idea of responsibility.

The insanity defense is many centuries old, and is indispensable to justice. What is incompatible with justice is the proliferation of categories and gradations of diminished capacity. The old, workable questions were: did the accused know the nature of his act (that he was, for example, shooting a person, not a poltergeist) and did he know it was wrong? Those questions, which do invite psychiatrists' baroque speculations, lead to this conclusion; Hinckley is a very strange, very guilty individual.

Law must assign responsibility. All of psychiatry's permutations of determinism locate "responsibility" somewhere other than with an autonomous "self"—whatever "self" can mean after enough acts and attributes are explained in terms of a yeasty subconscious.

The rule of law requires predictability and regularity treating like cases alike. But a judicial system that is deferential to psychiatric storytellers invites extreme individuation; no two cases can be alike because each defendant is determined by—or perhaps just is—his idiosyncratic jumble of impulses.

Did a killer act in a rage? If so, "he"—whatever pudding of neuroses that pronoun denotes—was sick, did he kill without passion? Even sicker. He shows no remorse? That clinches it: he is no more "guilty" of his behavior than he would be of appendicitis.

It is an old joke: a person kills his parents and demands mercy because he is an orphan. The joke is now the jurisprudence of "compassion." A crime becomes the ground for evading punishment for the crime. The more odious the crime—premeditated ("How inhuman!") or spontaneous ("An irresistible impulse!")—the more "reasonable doubt" there is about the person's sanity at the time.

Today Americans have an admirable but unconsummated desire to see the law express, through commensurate punishment, the doctrine of individual responsibility and the wickedness of political assassination. The law performs an expressive function. It teaches—ineluctably, for good or ill. The Hinckley verdict does not teach the idea of responsibility on which habits of restraint and moderation depend.

Now the absurdity will be compounded. The trial allowed—indeed, required—a jury to pick between numerous flatly incompatible theories spun by credentialed "experts," theories purporting to divine Hinckley's mental state on one day 15 months ago. Now the same wonderful psychiatric "profession" (the word is barely applicable) that produced a cacophony of loopiness in court, and cannot even define its perishable terms, will dazzle the world by predicting Hinckley's future behavior.

Is he dangerous? The trial verdict means the jury thought it had a reasonable doubt about Hinckley's sanity last year. Surely there can be as much uncertainty about his dangerousness. So let him loose—that is the logic of the process.

Some alarmed lawyers propose restricting psychiatric testimony to statements of "fact"—what psychiatrists see or hear. But psychiatrists often are hired to put an acre of embroidery around a pinhead of "fact." So they bandy diagnostic categories that are as evanescent as snowflakes, swapping bald assertions with the serenity of philistines operating far from serious intellectual criteria.

Psychiatric "defense" of the individual often obliterates the individual. The "compassionate" treatment of Hinckley causes him to disappear, leaving only a residue of traits that may or may not be symptoms of this or that "disturbance." Psychiatry as practiced by some of today's itinerant experts-for-hire is this century's alchemy. No, that is unfair to alchemists, who were confused but honest. Some of today's rent-a-psychiatry is charlatanism laced with cynicism.

Much psychiatry is ideology masquerading as medicine. In Aldous Huxley's nightmare of determinism, "Brave New World," when someone commits a crime, the response is: "I did not know he was ill." We are not yet in that mental world, but you can see its suburbs from here.●

SPECIAL MASS FOR U.N.

● Mr. MOYNIHAN. Mr. President, on June 6, 1982, I had the honor of attending the special mass for the U.N. General Assembly's Second Special Session on Disarmament. At the mass, the Reverend Joseph L. Bernardin delivered a most compelling and moving homily on the relationship between papal teaching and the purpose and work of the disarmament conference. In specific, Reverend Bernardin discussed, with great insight, three themes that are of tremendous concern to us all: The challenge posed by the arms race, the necessity of having an international legal and political structure to play the role played by the state in a nation, and the need for an informed, active public opinion both nationally and internationally if the goal of disarmament is to be achieved. I ask that Reverend Bernardin's homily be printed at this point in the RECORD.

The homily follows:

HOMILY FOR THE SPECIAL MASS TO INVOKE GOD'S BLESSING ON THE U.N. GENERAL ASSEMBLY'S SECOND SPECIAL SESSION ON DISARMAMENT

(By Most Reverend Joseph L. Bernardin, D.D.)

Glory to the Father, the Son and the Holy Spirit: to God who is, who was, and who is to come!

Today is Trinity Sunday. Each year on this feast we celebrate and prayerfully reflect on the full revelation of God's life which has been made known to us through the life and ministry of His Son, Jesus Christ. It is Jesus who taught us to call God our Father and who sent the Holy Spirit into the world as the source of God's presence in history. The scripture readings just proclaimed remind us to be confident of God's continuing presence among us and they call us to shape our lives, personally and as nations, according to His design for the world:

This is why you must now know, and fix in your heart, that the Lord is God in the heavens above and on the earth below, and that there is no other. You must keep his statutes and commandments which I enjoin on you today, that you and your children after you may prosper, and that you may have long life on the land which the Lord, you God, is giving you forever. (Dt. 4:39-40)

In our age, marked as it is by amazing advances in knowledge and technology but also threatened by a nuclear war which could destroy civilization as we know it, it is imperative that men and women of all faiths, cultures and nations pursue the works of peace. It is God's will that we do so. It is for this reason that His Eminence, Cardinal Cooke, has invited us to gather here in prayer to mark the opening of the U.N. General Assembly's Second Special Session on Disarmament (SSOD II). In the context of this Eucharist dedicated to the success of the Special Session on Disarmament, I would like to highlight three themes of papal teaching which are directly related to its purpose and work.

The first is the frightening but awesome challenge that the arms race poses for the human community—particularly the nuclear arms race. Every Pope of the nuclear age, from Pius XII through John Paul II, has unequivocally condemned the arms race and urged a redirection of the resources required to support it to the positive task of human development. In spite of the enormous technical complexity of the problems involved in the arms race, the Popes have never doubted that our moral and religious tradition can offer crucial insights and much needed encouragement to those who yearn and work for a world without war. In our age, when the destructive capacity of weaponry has surpassed our ability to imagine the destruction a war would bring, the moral dimension of the nuclear question has taken on a new and profoundly important significance. Pope John Paul II described the situation we face in his moving address at Hiroshima:

"In the past, it was possible to destroy a village, a town, a region, even a country. Now it is the whole planet that has come under threat. This fact should finally compel everyone to face a basic moral consideration: From now on, it is only through a conscious choice and through a deliberate policy that humanity can survive." (Address at Hiroshima, 1981)

This solemn warning and call to develop a deliberate policy of peace was built upon

the foundation established by John Paul II's predecessors. Pope John XXIII's encyclical "Peace on Earth" (1963) was the best known and most often quoted document of his papacy. It made clear that nuclear weapons cannot be treated like other instruments of war because they constitute an entirely new political and moral problem for the human family. John XXIII placed the Catholic Church solidly behind all reasonable efforts to reduce the nuclear stockpiles equally and simultaneously, and to move toward the banning of all nuclear weapons.

Pope Paul VI chose to come directly to the United Nations to plead for peace. In a pontificate marked by hundreds of speeches and thousands of words, the single most remembered sentence was surely his cry at the General Assembly in 1965: "No more war, war never again!"

In different but complementary ways, therefore, John XXIII, Paul VI and John Paul II have called states and nations to reverse the arms race, to promote the works of peace rather than plan for the destruction of the universe. Their plea echoes for the people of our day Jesus' command that we teach the whole world the need to embrace the values He taught us. We must proclaim to all that our human relations must be marked by justice, love and mutual trust if we are to enjoy God's blessing and live in harmony and peace. "Teach them to carry out everything I have commanded you," Jesus told His disciples in today's gospel. "And know that I am with you always, until the end of the world." (Matt. 28:20)

The Popes, however, have not limited themselves merely to warnings against the dangers of war. A second theme that emerges strongly from papal teaching is the consistent call for a legal and political structure for the international community which can play the role the state plays within a nation and which can help cope with the multitude of problems which characterize the interdependence of nations of the world. Pius XII outlined the need for such an authority; John XXIII specified its role in "Peace on Earth."

"Today the universal common good poses problems of worldwide dimensions which cannot be adequately tackled or solved except by the efforts of public authority endowed with a wideness of powers, structure and means of the same proportions: that is, of public authority which is in a position to operate in an effective manner on a worldwide basis. The moral order itself, therefore, demands that such a form of public authority be established." (par. 137)

While not trying to offer a specific design for such an authority, the Popes have clearly sought to encourage the efforts of the United Nations in all its activities. The personal visits of Paul VI and John Paul II, the official messages the Holy See regularly sends to major U.N. Conferences and the presence of the Permanent Observer of the Holy See in New York testify to the particular confidence and hope which the Church places in the work of the United Nations. Pope Paul VI specified this theme in his address to the General Assembly in 1965:

"We might call our message a ratification, a solemn moral ratification of this lofty institution. This message comes from our historical experience. As an 'expert in humanity', we bring to this organization the suffrage of our recent predecessors, that of the entire Catholic episcopate and our own, convinced as we are that this organization represents the obligatory path of modern civilization and of world peace." (Address to the U.N., 1965)

We are all acutely aware, as the Popes have been, of the difficult and dangerous journey between the moral insight that an international authority is needed in the world, and the practical steps necessary to bring it into existence and to make it effective. It is particularly in the field of security policy and arms control or disarmament that severe resistance is encountered. Precisely because such resistance exists, the calling of the two Special Sessions on Disarmament must be regarded as vitally important initiatives by the United Nations. These sessions highlight a point too often denied or disregarded: namely, that the control of the arms race and the prevention of war are a concern of the entire community of states, not just the powerful.

This meeting of the Second Special Session on Disarmament, therefore, is both a sign of hope and a substantial challenge. It is hopeful because it symbolizes the universal concern and desire for peace. It is challenging because the delegates must review and debate all the complex and conflicting questions of disarmament.

Still a third theme of papal teaching will be relevant as the Second Session goes about its work. It is the need for an informed, active public opinion at the international and national levels if the goal of disarmament is ever to be realized. Pope John Paul II has been particularly emphatic about the indispensable role of public opinion as a force for peace in the world. In his 1982 World Day of Peace Message, the Holy Father made explicit the problem which you who are in government service know from experience: namely, that creative policy initiatives for peace require a visible public constituency. The Holy Father called upon all citizens to recognize their responsibility to support courageous initiatives aimed at promoting world peace and to criticize actions which are detrimental to this cause.

The Church at both the international and national levels is particularly well equipped to help a strong consitutency for peace. Here in the United States, the Catholic bishops are presently preparing a pastoral letter on the moral and religious dimensions of the search for peace. We will offer this letter, which will be completed in November, as a contribution toward the formation of the kind of public opinion which is needed if bold steps toward arms control, disarmament and peace are to be taken by our government and others.

In today's second reading, Paul counseled the Christians of Rome to cry out, "Abba!" (that is, Father). They could presume to do so, he said, because now that Christ had redeemed them, they were God's adopted children and heirs of His bountiful spiritual riches and blessings. The invitation to call God "Abba" continues to be extended to you and me and to all the people of our day. We can turn to God as our loving Father with the sure knowledge that, through the Holy Spirit, He will give us the wisdom, strength and courage needed to shape the world community according to His vision of peace—a peace which is rooted in justice, love, and mutual trust.

This morning, in the name of the Church, I call upon God our Father to bless your deliberations as you begin the Second Special Session on Disarmament. Be assured that the momentous issues you will be discussing will be remembered in our daily prayers and will be remembered in our effort to form a public opinion sensitive to the moral dimension of your important task.●

SENATOR THURMOND ADDRESSES NORTH CAROLINA BAR ASSOCIATION

● Mr. HELMS. Mr. President, I have had a dozen or more calls this week from attorneys in North Carolina who were privileged to hear an address this past Saturday by the distinguished President pro tempore of the U.S. Senate, our able colleague STROM THURMOND.

Senator THURMOND on June 19 was the highlight of the North Carolina Bar Association's meeting at Myrtle Beach. In his remarks Senator THURMOND addressed a number of vital matters, and I believe the text of his address will be of great interest to all Senators and others who read the CONGRESSIONAL RECORD.

Needless to say, I am indebted to Senator THURMOND for his kind and generous comment about my able colleague from North Carolina (Mr. EAST) and me. I can assure him that it has been a privilege to serve in the Senate with him for nearly a decade.

Mr. President, I ask that the text of Senator THURMOND's address at Myrtle Beach be printed in the RECORD at the conclusion of my remarks.

The text follows:

REMARKS BY SENATOR STROM THURMOND

Immediate Past President Wells, President Walker, President-Elect Baker, Mr. Head, Distinguished Guests, and Ladies, Judges and Fellow Lawyers:

It is a pleasure to be here today in my home State of South Carolina to address this 84th annual meeting of the North Carolina Bar Association. I hope you have all enjoyed our South Carolina hospitality these past few days.

I want to let you know that it is my privilege to serve in the U.S. Senator with two of the most able Senators in that body—Senator Jesse Helms and Senator John East. Senator Helms has proved himself on many occasions as not only a voice in the Senate for many Americans, but more importantly, willing to stand up for the interests of North Carolina.

Senator East, who serves with me on the Senate Committee on the Judiciary, has also proved himself to be an able lawyer, especially on constitutional issues and Federal/State relationships.

As a Member of the Senate for twenty-eight years, I am frequently characterized as a "conservative" and at odds with liberals in Congress. I am not sure that is always true, but I am reminded of what Will Rogers once said, "I can remember way back when a liberal was one who was generous with his own money.

Today I would like to talk briefly about three subjects that I believe should be of interest to all lawyers—the role of the lawyer in society, proposed reforms in our Federal criminal justice system, and pending legislation affecting our Nation's laws.

ROLE OF LAWYERS IN OUR SOCIETY

As all of you are keenly aware, the legal profession has historically played a major role in this Nation of laws. Attorneys were among the Founding Fathers who framed the Declaration of Independence and the Constitution. Lawyers have a rich tradition

of service at all levels of Government, including interpreting our laws as members of the Federal judiciary.

As Chairman of the Senate Committee on the Judiciary, I have the opportunity to review the records and meet those members of the bar who are chosen by the President to serve on our Federal courts. For the most part, these are extremely competent and able attorneys with excellent credentials. They do a great service to our country by giving up, in many cases, a successful practice to join the Federal bench.

But the legal profession is not without criticism and skepticism among our citizens. Watergate, as much as I believe that should be put behind us, revealed activities by lawyers which in some cases transcended the legal canon of ethics, and in a few cases, the law itself.

Public opinion polls frequently list lawyers way down the line when people are asked the question "which are the most respected professions?" One reason, besides occasional scandals in the newspapers involving members of the legal profession, is the perception that not all segments of our society benefit equally from the services lawyers provide. In other words, the perception is that only the wealthy can afford the high legal fees lawyers charge.

That reminds me of the story of the lawyer who had to have some plumbing work done in his home. After the plumber had finished his work, he presented the lawyer with the bill.

"My goodness," exclaimed the lawyer, "you charge more per hour than I do."

"You know," replied the plumber, "that is what I used to think when I practiced law."

Perhaps legal fees are not the sole reason for many people to hold lawyers in less than high esteem but that is the principal reason. Some time back the American Bar Association published a report of a national survey by the Special Committee to Survey Legal Needs. Some of the findings are interesting. Of the group surveyed: 57 percent to 39 percent agreed that the rich are favored over everyone else by the legal profession; 62 percent to 30 percent agreed that fees charged by lawyers were more than the services are worth; and 56 percent to 38 percent disagreed that lawyers worked as hard for the poor as for the rich.

The study also showed that the profession was generally uninterested in doing anything about the "bad apples" in its ranks. The argument has always been that other lawyers are reluctant to discipline their fellow attorneys.

I believe that these charges are being met in a responsible manner by many State and local bar associations. The bar here in the State of South Carolina has pursued a vigorous program of hearing complaints against members of the bar and taking the the appropriate steps to act on them. Disbarments have risen sharply in the last few years and I think the impact of those proceedings and actions have not been lost on the public.

Another area of criticism of the legal profession has come from no less than the Chief Justice of the Supreme Court of the United States. Chief Justice Burger has stated on several occasions that in his opinion the competency of lawyers now in practice and coming out of the law schools is not up to the standards the American public deserves. I do not need to detail his views here because I know most of you are well aware of them.

Again, State and local bar associations have taken steps to respond to this criticism. Continuing legal education programs have sprouted up throughout the Nation. South Carolina now requires at least 12 hours of continuing legal education a year for members of the State Bar. Other States have adopted similar requirements in an effort to ensure a competent level of attorneys. These efforts are sure to improve the quality of the legal profession in America.

Lawyers are officers of the court, and in that capacity we must not forget our responsibility not only to our clients but also the legal system itself. Each of us swears to uphold the law and conduct ourselves according to the Canon of Professional Responsibility. We must rededicate ourselves to those commitments every day. I am confident that if that is done many of the perceptions held by the public about lawyers will be dispelled.

REFORMS IN CRIMINAL JUSTICE SYSTEM

One of my major efforts as Chairman of the Committee on the Judiciary in the Senate is to make reforms in our criminal justice system. Why is that a priority for me and many others in the United States Senate? Let me tell you why. Reports from the Department of Justice indicate that last year almost one-third of all households in the United States were victimized by crime. There was a crime committed every 2.4 seconds. Violent crimes have the most frightening report with one aggravated assault every 48 seconds, 1 robbery every 56 seconds, 1 forcible rape every 6 minutes, and 1 murder committed every 24 minutes.

Pollster George Gallup and others have found that people today favor stricter and harsher punishments to control the flourishing crime rate. Mr. Gallup suggests that these public feelings "coincide with a sharply rising fear of crime on the part of the American people."

A Newsweek magazine article some months ago reported a survey which the respondents were asked: "How much confidence do you have in the police to protect you from crime?" Forty-two percent of these responding said, "not very much." The question, "How much confidence do you have in the courts to sentence and convict criminals?" was also asked, and fifty-nine percent answered, "not very much." Persons responding to a Gallup poll listed lenient court systems, second only to economic problems, as the major cause of the growing crime rate.

Of course, State and local lawmakers must accept their responsibility to maintain law and order within their jurisdictions. They must take an active role in motivating the members of their communities to become involved in crime prevention. Strong community spirit has proved to be a major deterrent to crime in several areas of the nation.

Two weeks ago, I introduced in the Senate, along with 43 cosponsors, legislation entitled the "Violent Crime and Drug Enforcement Improvements Act of 1982." This bill is a comprehensive approach to this problem and is made up mostly of measures that have already been approved by the Senate Committee on the Judiciary or have been the subject of hearings in the Judiciary Committee. Several of these measures are pending on the Calendar of the Senate. The legislation has the support of the Reagan Administration and is cosponsored by Republicans and Democrats alike.

It is time to stop talking about the crime problem. It is time to address the issue with changes reflecting the best thinking in the criminal justice field. The package is directed primarily at violent crime and drug trafficking which, in many parts of the country, have increased to the point of being beyond the present control of law enforcement. Let me briefly describe some of the major provisions in the bill.

Title I of the bill contains provisions which amend the Bail Reform Act of 1966 to, among other things, (1) permit danger to the community to be considered in determining whether to release a defendant pending trial, or, if release is appropriate, in determining conditions for release; (2) tighten significantly the criteria for post-conviction release pending sentencing and appeal; (3) provide procedure for revocation of release and contempt of court prosecution for committing a crime while on release; (4) provide consecutive sentences for crimes committed on pretrial release; and (5) increase the penalties for bail jumping. It also includes a presumption that a particular individual is a danger to the community if he committed a serious drug trafficking offense or used a firearm in a violent crime.

There are safeguards to ensure that due process rights of individuals are protected. A hearing before a judicial officer is required. The defendant has a right to counsel, to present information and witnesses, to be given written findings or statement of conditions, and to testify in his own behalf.

Title II would require a presentence report to include a "victim impact statement" to advise the judge on this important factor in sentencing the defendant. It would make it a crime, punishable by imprisonment for 6 years or $25,000, or both, to hinder, harm, annoy, or injure any victim or witness who is involved in the criminal justice process. It also makes it a crime to retaliate against a witness or victim after the completion of the criminal justice process.

Title IV amends section 351 and 1751 of title 18, United States Code, to make it a Federal crime to kill, kidnap, or assault certain senior White House officials, a member of the cabinet and his next in command, and a Justice of the Supreme Court.

Title V makes fundamental changes in the sentencing system of current law. The major features include for the first time setting forth the purposes of sentencing and changing the sentencing system to a determinate system, with no parole and limited good time credits. A seven-member sentencing commission would be responsible, subject to review by Congress, for promulgating sentencing guidelines for the courts to use in determining an appropriate sentence. The court must explain the basis for sentences outside the guidelines. The government may appeal a sentence more lenient than the applicable guideline. So-called "safety net" provisions are included to provide, after service of a specified portion of the sentence, an opportunity for review and modification of a long sentence in unusual circumstances.

Title VII contains procedural changes in the law impacting on mentally ill persons in the Federal criminal justice system. One feature of this part of the title closes a loophole in current law by providing a Federal commitment procedure for a dangerous Federal defendant found not guilty by reason of insanity if no State will commit him on other grounds.

Another aspect of this title would replace the current Federal insanity defense with a narrower defense applicable only to those individuals who were so mentally ill that they could not form the mental state required for the crime.

In addition to these provisions, the legislation makes a number of changes in current title 18 provisions such as:

Permit emergency electronic surveillance in life endangering situations;

Strengthen federal juvenile justice provisions;

Extend kidnapping jurisdiction to protect federal officials listed in 18 U.S.C. 1114 if connected with performance of official duties;

Protect the immediate families of certain federal officials from acts of violence perpetrated to coerce action by or retaliate against such official;

Expand the offenses relating to destruction of interstate motor vehicles to include cargo carrying vehicles;

Make it a crime to solicit the commission of a federal crime of violence;

Expand the list of dangerous crimes applicable to felony-murder to include escape, murder, kidnapping, treason, espionage, and sabotage; and

Increase the penalties for distributing controlled substances in or on, or within 1,000 feet of, an elementary or secondary school.

It is my hope this package of tough, anti-crime measures can be enacted this year. Behind the economy, crime is the number one social problem in America. Crime is essentially a State and local problem, but passage of this legislation at the Federal level can send a signal to State and local governments and encourage them to enact similar laws where appropriate.

In addition to this comprehensive anti-crime package, legislation to reinstate capital punishment for certain serious and heinous crimes should be acted on by the Congress. I personally believe capital punishment can be a deterrent to violent crime. There are those who do not share that view, and I respect their opinion and beliefs on the death penalty.

The penalty of death is the only punishment, in my opinion, that even comes close to compensating for trampling on the sanctity of innocent life. As violent crimes grows, the public sentiment increases in favor of the death penalty as a deterrent to crime. Approximately two-thirds of the American people now favor the death penalty for persons convicted of murder.

There is now on the Senate Calendar a bill to impose the death penalty for certain Federal crimes, murder, treason and espionage. This measure should also be considered by the Senate this year.

The entire judicial process must be speeded up. At some point, a decision and judgment must become final. Continued appeals as a means of delaying punishment have clogged the entire court system. By designating a point at which all appeals must end, the judicial system will become more effective. Just recently, Chief Justice Burger in his Year-End Report on the Judiciary, expressed the need for changes in Federal court jurisdiction over collateral review of state court convictions. He said, "The administration of justice in this country is plagued and bogged down with a lack of reasonable finality of judgements in criminal cases." I have already introduced legislation in the Senate to respond to this problem and it is pending before the Senate Committee on the Judiciary.

The so-called exclusionary rule, under which highly relevant evidence is excluded from consideration in a criminal trial because it was obtained through an illegal search and seizure, should also be abolished or modified. It makes little sense to turn the criminal loose as a method of punishment of a police officer for failure to comply with the often technical requirements of the Fourth Amendment laws on search and seizure. We should punish the criminal and at the same time provide a civil and administrative remedy to deal effectively with the erring police officer.

VOTING RIGHTS LEGISLATION

Yesterday the Senate completed action on the Voting Rights extension legislation. Foremost in my mind during consideration of that measure was the need to assure all Americans that the right to register and to vote will continue to be protected against discrimination of any kind.

Throughout consideration of the Legislation I expressed concern over three important aspects of the bill. First, I sought assurance that the proposed changes in Section 2 of the Act would not result in court-ordered establishment of systems of proportional representation by race. Second, I sought the inclusion of a reasonable bailout provision so that jurisdictions subject to the preclearance requirements of Section 5 would have a genuine incentive to rid themselves of any lingering discrimination. Third, I sought a period of extension that is responsive to present conditions.

With respect to the proportional representation issue, I am hopeful that the legislative history will provide some protection against the establishment of electoral systems that will result in proportional representation by race.

OTHER PENDING LEGISLATION

In addition to consideration of Voting Rights legislation, the Congress faces the prospect of action on several of the socalled social issues—abortion, busing, and voluntary prayer in schools. Let my discuss each briefly.

There are two approaches being taken to reverse the 1973 decision of the Supreme Court in the case of *Roe* v. *Wade*, which permits abortion the first 3 months on demand and during the next 3 months when the life of the mother is in danger. One is to pass a bill defining "person" in the Constitution to include an unborn person. The other is to pursue a Constitutional amendment that would permit each State to pass legislation on the question of abortion so long as it were not less restrictive than the Federal law. The Committee has reported S. J. Res. 110, which adopts the latter approach.

With regard to limitations on court-ordered busing, there are again several bills before the Congress. In practice, being only slightly different, they have the objective of either limiting severely, or prohibiting altogether, the use of busing as a means to achieve racial integration. The objective is one that I support. This social experiment has not worked, and in fact, has become a hardship on the families and children of both black and whites. The failure of busing is not a partisan issue. Senators Johnston (D-La) and Biden (D-Del) and Senator Helms (R-N.C.) and many others are outspoken critics of forced busing as a means to achieve racial integration.

Quality education for all our children should be the goal of our government policy. The use of busing ignores that objective and places great emotional and financial strains on the families and communities where it is practiced. I hope the Congress will act favorably on this legislation during the present session.

Finally, in the area of social issues, the Committee may also act on legislation to allow voluntary prayer in schools. We must always recognize the Constitutional requirement to keep Church and State separate, where there is any hint of compulsory action by the Government. The Supreme Court has wrestled with this question only recently. Voluntary prayer in schools does not, in my opinion, violate the principle of separation of Church and State and should be permitted. I have introduced a constitutional amendment to restore voluntary prayer in the schools, which was endorsed by President Reagan last month. Hearings and Senate action may be expected this year.

In addition to these issues, reform of the immigration and refugee laws is a major priority for the Committee and the Senate this year. S. 2222, the Immigration Reform and Control Act, was approved by the Committee last month by a vote of 16 to 1, and will be considered shortly on the Senate floor.

The problems of immigration in general, and refugees coming to America in large numbers in particular have gone on too long without a coherent and clear response. The sudden arrival of more than 125,000 Cubans in April of 1980 only brought national attention to a problem that has plagued south Florida for several years—that of the influx of refugees from Haiti and other Caribbean basin countries which has overwhelmed local jurisdictions in south Florida.

The immigration laws of this Nation need to be changed to respond to the economic pressures in other countries that are pushing increased numbers of foreign nationals to our shores. But we cannot continue to allow refugees and foreign nationals to come to the United States solely for economic reasons. The law is clear—there must be a showing of a fear of persecution because of religious or political beliefs. We can and will do our share, but we cannot possibly take all those who wish to come.

Now, these are just a few of the major issues that the Congress should take action on this year. Adoption of a responsible budget will, of course, be a priority item over the next few weeks.

We in the Congress must act on the budget. Federal spending must be brought under control. President Reagan has made every effort to present a budget that is fair, that preserves the strength of our military, and will start us on the road to a balanced budget. This issue is so important to the future of our country that partisanship must be set aside and every effort applied to achieving agreement on a budget as soon as possible.

In conclusion, I challenge you as members of the bar to take a stand in improving the role of the legal profession in society, to support laws that will lead to the reduction of crimes, and to express yourselves to the Congress on matters that vitally concern you and the Nation.

Let me express my appreciation to President Walker for inviting me to be with you today.●

U.N. HYPOCRISY ON DISARMAMENT

● Mr. QUAYLE. Mr. President, on several occasions I have taken the floor to speak out against the Soviet Union's continuing violations of solemn international treaties covering the use of chemical and biological weapons. This is a subject that should

be widely reported and discussed at all levels of government, not only because of the heinous acts themselves, but because of the significance of Soviet attitudes toward treaty compliance.

It is surprising, therefore, that during these weeks when the United Nations Special Session on Disarmament is in progress, that the Wall Street Journal alone among the press has seen fit to continue to bring this subject before the public eye. On June 7 they published lengthy excerpts from the U.N.'s own report on the matter, and accompanied that with a lead editorial which was highly critical of the U.N. itself for burying the problem. On June 11 the Journal published a third major commentary on the subject. Because of the importance of this matter, and in recognition of the Wall Street Journal's continuing editorial emphasis on this subject, I request that their articles be printed in the RECORD.

The articles follow:

U.N. HYPOCRISY ON DISARMAMENT

The United Nations' Special Session on Disarmament, which opens in New York today, is shaping up as a hypocrisy monumental even by UN standards. The UN has been conducting an official investigation of violations of the most prominent disarmament treaty negotiated under its auspices—the Biological Weapons Convention of 1972. Despite considerable effort to look the other way, the investigators did accumulate an impressive amount of testimony. Now their latest report is being suppressed while delegates give lofty speeches about disarmament.

Elsewhere on this page we reprint extracts from the suppressed report. On its trip to Afghan refugee camps in Pakistan last February, the UN team gathered eyewitness testimony, medical findings and physical evidence pointing directly to Soviet use of chemical weapons, itself a prima facie violation of the Geneva agreements. Many of the symptoms reported correspond to those of "yellow rain" in Laos and Cambodia, which has been identified as a biological toxin violating the 1972 convention.

The General Assembly voted in 1980 to investigate the "yellow rain" reports. After months of foot-dragging, a team was dispatched to Thailand last year to interview refugees from Laos and Cambodia. The team was told of the murderous attacks by "yellow rain," and was given samples—a vial of powder, a contaminated leaf and twig and blood from a victim. Predictably, the UN team's report last November said it could not draw any "final conclusion as to whether or not chemical warfare agents had been used."

Despite a Soviet effort to kill the investigation, the General Assembly voted last December to continue its study for another year, and the team set off in February to interview Afghan refugees in Pakistan. According to the 36-page verbatim transcript of the UN interviews, much of the Afghan testimony mirrors reports about "yellow rain" from the Hmong tribe of Laos. Airplanes, helicopters and artillery shells are used to spray the yellowish or orange powder. The symptoms of victims in Afghanistan and Southeast Asia also match—skin blistering, dizziness, convulsions, bloody vomiting and bloody diarrhea.

These symptoms, especially the profuse bleeding, are distinct signs of poisoning by trichothecene mycotoxins, which are produced by fungus on moldy grains. U.S. government and independent U.S. scientists have identified these mycotixins in "yellow rain" samples from Southeast Asia. Another sample is now being tested by the British.

From the Afghan testimony to the UN, it's also apparent that more than just "yellow rain" is being used by the Soviet Union. Afghan freedom fighters tell of poisoned "dumdum" bullets and flechettes, or steel darts which cause blistering of the skin, swelling of bodies and sometimes death from relatively minor wounds. They speak of "black smoke," which causes incapacitation and often unconsciousness; the victims found by Soviet troops are summarily shot. The Soviets also use gases to kill or drive out people hiding in caves or the underground canal systems, known as the "karez."

The Afghans gave the UN team some samples, including contaminated wheat grains, poisoned bullets and an a Flechette, a fuse from a chemical hand bomb, a gas mask and filter canister and part of a bomb parachute. Afghan leaders said they have more evidence but couldn't retrieve it because of the snow in the mountains in February.

In spite of the risks of gathering such evidence, the UN team doesn't seem to treat it very seriously. For instance, and addendum to the latest report mentions part of the parachute "was applied by means of adhesive tape to the skin at the inside of the upper left arm of a volunteer. The skin was examined after 24 hours. No skin reaction was observed."

Of more consequence is the handling of the "yellow rain" samples from Southeast Asia. Under the supervision of Under Secretary General Viacheslav A. Ustinov of the Soviet Union, the samples sat for months in an unguarded UN freezer. Due to the unnecessary delay, the results of the scientific analysis probably won't be ready before the disarmament session ends next month. Moreover, there is no guarantee that the samples were not tampered with while at the UN.

While the biological weapons investigation is bottled up in the UN bureaucracy, its disarmament conference is shaping up as a circus. Outside the halls there will be a mass demonstration, a concert by rock stars, a civil disobedience campaign and truckloads of petitions dropped at the UN gates. Inside the UN, there will be the usual festivities with anti-Western rhetoric about the "arms race" and "capitalist imperialism."

If the UN were serious about disarmament, and if it had any desire to regain some of its lost integrity, it ought to start by paying some attention to its own investigation—getting the whole report out on the floor, getting the laboratory work done and securing any future evidence. If a "peacekeeping body" can't do this much, there is reason to wonder if serious nations should continue to participate.

CHEMICAL-BIOLOGICAL WARFARE IN AFGHANISTAN

(The UN General Assembly voted last December to extend its investigation, begun in 1980, of allegations about the use of chemical and biological warfare agents by the Soviet Union and its allies in Southeast Asia and Afghanistan. Three members of the UN's expert team, headed by Maj. Gen. Dr. Esmat Ezz of Egypt, along with other UN officials, visited Afghan refugee camps at Peshawar and Quetta in Pakistan from Feb. 8 to Feb. 22 this year. The following are excerpts from the group's 36-page verbatim record of the interviews, which has been obtained by The Wall Street Journal. The interviews were conducted with victims and eyewitnesses of Soviet biochemical warfare attacks in Afghanistan. The UN team does not plan to make its report public until the fall. An editorial on the report also appears.)

Chairman of UN group: We are here representing the United Nations and we are interested in meeting people who were exposed to chemical attack, eyewitnesses and those who might have brought fragments of the ammunitions along with them, and also to speak with medical doctors who might have attended patients exposed to chemical attack.

Gul Badin, leader of Hezb-e-Islami: I welcome you here. You are familiar with the conditions in Afghanistan and with the chemical warfare. We shall provide you with the evidence we have. There are two parties involved in Afghanistan—the Soviet Union and the freedom fighters.

In each division there is one unit which is involved in the chemical warfare. They have used chemical weapons in a number of places where napalm, other weapons and helicopters have not been effective. Initially, they were using dumdum bullets and they have destroyed villages, crops and forests. When the local population feared death from the dumdum bullets, they tried to get protection in the Karez. [A "karez" is an underground water channel by means of which the land to be irrigated can be connected to the base of the source of water. At more or less regular intervals, there are vertical air shafts leading down to the "karez." These underground channels are sometimes used both by Mujahideens and the local population as shelters when the area is under attack.] The Soviets tried to kill them by using chemical weapons in these areas. There have been many people affected by chemical weapons who were treated in Peshawar and they are present now.

Name: Dagarwal Bismilla, brigadier chief commander of Wardak Front

Q. Can you tell us what happened?

A. In late July 1981 at 10 a.m. fierce fighting started. They fired chemical weapons upon us. Many people were injured; the entire body was swollen, there was sneezing and coughing and after the attack people became unconscious and had headaches. We wet a handkerchief and put on our faces to revive ourselves. . . .

Q. Did the diarrhea come straight away?

A. During the retreat about one hour. During the retreat from the first line to the second defense line (4 km) 65 people died from bullet wounds. Their bodies were swollen and had boils on them. When ordered to go to the second line they started vomiting and sneezing and after one hour some died. Those who died were the ones that were not able to retreat. The back line was about 4 km. Many developed diarrhea several hours later, at night. Those who escaped and were fighting, during the night were shot with chemical bullets and their bodies swelled and had boils which developed overnight. . . .

Q. Is there anybody here with you who was affected?

A. Many were affected but they are still fighting in Afghanistan. The Soviet soldiers put on gas masks before the attack. Two masks were captured and are to be sent to the United Nations within one month.

Interview with doctors at Hezb-e-Islami Hospital

Chairman: We are particularly interested in the use of chemical weapons in Afghanistan. If in your dealings with the refugees you have come across any refugees who have been victims of chemical attack, we would like to know.

A. Chemical gas delivered from an airplane produced some black smoke which turned yellow. When inhaled caused asphyxia, laryngeal spasm and unconsciousness. Some died after 24 hours, bodies decomposed and limbs separated from each other when touched. Skin rash, necrotic ulcerations. Americans took pictures of this. Some of the individuals who survived showed necrotic points below the skin, pyogenic fistulae and ulcerations which took months to heal. Perhaps some chemical or biological weapon was responsible for this. . . .

Name: Shah Jahan. (Saw a gas attack but was not personally affected.)

Q. Can you describe the gas attack?

A. It was a helicopter attack—dropped bombs—some burst in the air before reaching the ground like a bag. When it burst there were red and green colors. All the trees, rocks and bushes took that color.

Q. Could you tell the size of the bag?

A. Whosoever was close by would become unconscious. The degree was reduced as the distance progressed. Depending upon the distance, the period of unconsciousness was between four-five hours to 24 hours. They were given i.v. drips right away. If blood pressure was normal, saline was given; if low, glucose was given.

Name: Alif Khan

Q. Have you seen a chemical attack?

A. Saw one in the Spinghar (white) mountain area.

Q. What did you see?

A. There was a gas attack. People wet their turbans and put them to their faces. Some families hid in the cave in the mountain. Attack was by MIG fighters followed by helicopters. An hour later by infantry. Two days later they found everybody in the cave dead. Two men, three women and five children 15 meters inside the cave, dead, swollen but no injuries on their bodies. Some were in a state of stupor. The victims lay in differents positions Many goats were outside and they were all killed. I did not actually see the animals but heard so.

Q. How long have you been working in the hospital?

A. One year and six months.

Q. Have you ever treated cases which were exposed to chemical attack?

A. About 250 patients suffered from neurosis because of the gas attacks. Physical effects lasted a couple of days. Also had mental effects.

Name: Mohammed Sharif

Q. Have you been in any way exposed to chemical attack, eyewitness or just heard about it?

A. Saw and treated patients who suffered from chemical attack. I have never been in a chemical attack—was one or two kilometers away and saw it with binoculars. On one occasion was 250 meters from the place where the bomb burst. I was aware how to deal with it, so I wet my handkerchief and put it to my mouth and then went forward to treat the patients.

Q. Where did the attack occur?

A. A place called Kassimpool in Kandahar. Signal plane attack. Father and son wounded. Son competely burned. Father had a big wound on his thigh, bleeding very profusely. Assumed it was a chemical attack, did not see a wound large enough to cause such bleeding.

Q. Can you remember the date when the attack occurred?

A. April 1981.

Second attack:

Places Arghandab, Nagahar; Munara in Kandahar. In February 1981 something resembling a balloon, 700 mm. diameter was dropped from a helicopter or MIG which burst before it reached the ground. It scattered yellow and pink powder. Received patients who had rashes on the body difficulty in breathing, watery eyes, sneezing and dyspnea. The parts of the body which were exposed were brown. Skin was also itching, heavy vomiting, light diarrhea. Was given hydrocortisone. Could not get them out in the open air because of the bombardment. About 35 people were affected; 17 died—those who were closer to the explosion.

Q. How soon after the attack did they die?

A. Some after six hours, some after eight hours, some next day. Some that developed apistaxis died. Four died on the spot. The flesh came apart like it was burned and smelled like burned flesh.

Q. Was there any evidence of hemorrhaging?

A. One had nose bleeds; most of the trouble was vomiting.

Name: Nur Mohammed

Q. Were you a victim, eyewitness or heard stories about a chemical attack?

A. I have not suffered myself but treated two patients.

Q. Where did you treat these patients?

A. Horban. About three hours after the attack in June 1981.

Q. What was wrong with them?

A. Dyspnea, vomiting, dizziness.

Q. How long have you been a freedom fighter?

A. Two and a half years.

Q. Can you explain what you saw?

A. Something resembling a bag was dropped by a helicopter. Before it reached the ground it burst in the air—it was yellow.

Q. How many bags did it drop?

A. Three.

Q. Did the yellow powder harm the vegetation?

A. The bushes were not burned, but the color was changed. They looked half-dead.

Q. Was the color of the bodies affected?

A. The parts of the body which were exposed were burned. The clothes were not burned.

Q. Was there any secretion from the nose?

A. Nose was running. Eyes were running too. Blisters developed on the exposed skin in seven hours.

Q. Did you notice any smell?

A. Yes, from the clothes—smelled like burning charcoal.

Name: Sultan Jan

The village was surrounded in the night by tanks and troops. In the morning when I awoke I found Russians all around the village. Twelve companions escaped but they did not get very far. I took shelter in the karez; saw liquid poured from a bottle. The gas was green in color. When they poured the liquid and dropped the bottle into the water, the water started bubbling up and making a noise. The water became offensive and I wet a cloth and put to my face. Those not protected vomited. Three people died. The skin got irritated—felt as though needles were going through my body. My feet were in the water and when I took them out there were scratches on them. The water had chemicals. Sometimes I get hot flashes. I started receiving injections and tablets here—still have a bitter taste in my mouth.

Q. When did the attack take place?

A. December 1981 in Qaray.

Q. How soon after the green liquid was poured into the water did your friends die?

A. The ones who were close to the place where they poured the green liquid died.

Name: Khwaja Muhammed.

Helicopters came and dropped a case of gas. Before it reached the ground it exploded (no parachute) at about 1 meter above ground. Gray smoke came out, people were suffocated as if their throats were being caught. Water came from their eyes and head was turning around. They started to vomit ordinarily but then blood came from their mouths and they had diarrhea with bleeding. After five or 10 hours when I awoke I had vomiting, headache and diarrhea. After the bomb exploded when they were exposed to the smoke, my head felt as though it was turning around and my throat felt as though it was being pressed. I do not remember any thing else as I became unconscious. Shortly after evening, I came to and felt like taking a walk but I started vomiting at that time. There was no food in the vomit—blue liquid—and later bleeding.

Q. How many times did you vomit?

A. 20 times.

Q. At what intervals?

A. Between two and five minutes.

Second instance:

In summer 1981—on the border with USSR—one group went into the cave. Russians brought tanks but they were not able to enter the cave so they started drilling. Twenty-five friends were inside the cave. The Russians made a hole and put a pipe into it and pumped something into the cave and then went away from the site. When we went to the cave the pipes were undug and we found the bodies were as if cooked, flesh was very soft and came apart.

Name: Khazak

On Dec. 5, 1981 two forces came to our area in Wardak Province, Tangi region from Logan and Main. When we observed that the forces were too much, we thought we should draw back from our positions just to gain time and to prevent losses. We drew back from the highway to a safe position which was located in the hillsides. They started bombing our fronts. We thought it was just regular bombs and bullets but we felt something extraordinary—jet fighters, helicopter artillery and tanks. There were some bombs which set the hillside on fire. Some of these bombs created smoke—blackish gray or gray and red.

The effect was not sudden, it took a little time but it was hard for me to look at my watch. My head started turning around, eyes and nose running. I went inside and after I woke up I vomited and diarrhea started. Diarrhea was first green liquid then bleeding started. The effects varied from person to person. The smell was like burning rubber; my eyes were irritated also. For 24 hours I was out of order. Three people died, two of whom were my cousins. Their

arms were contracted close to their chest, even when they died liquid was coming out of their noses and blood out of their mouths. Their legs were also in contraction, the bodies were gathered after two days. In the village there were 50 to 60 more bodies, in contracture like my cousins.

Name: Doulat Khan

The second battle happened in an area called Behrana Mukhor, Gazni in January 1982. At that time after heavy resistance by Mujaideen, Russians started shooting automatic cannons. Smoke rose up, Mujahideens vomiteed and had burning in the eyes with tears. Some of them also vomited blood.

In the morning about 10:30 the shooting started and went on until the evening, almost sunset. When the Russians drew back we were able to go and see our friends. The bullets hit the ground and exploded and gas came out. Black smoke rose up and spread fast and covered a vast area. The smell was very bad. Five people died because of the gas; they vomited and lost a lot of blood. The bodies of the ones who died were black. Sixty to 70 other people were affected. Before the battle started, I was watching and I saw all the weapons being put in one place and the positions of the cannons. When the Russians approached our village women and children in the farm went to the tunnels. When the battle was finished we found bodies. The Russians had sprayed chemicals in the karez.

Q. Did you notice any effect on the animals and vegetation?

A. The area where the chemicals were sprayed vegetables turned yellow and dried. Shortly after the chemicals are used the wheat turns black and it becomes yellow and then turns yellow ash.

Q. Was the gas used for a specific area or indiscriminately?

A. It depended on the resistance. If the resistance is hard and it is a key area they use chemical weapons to paralyze the Mujahideens.

Name: Gholan Mohammed

Q. Have you heard anything about chemical weapons or poisonous gases?

A. In December 1980 in Zarkashan in Mogkur, Gazni Province, a very large force of Soviets came to our area. We encircled them at 4 a.m. There were 17 gun ships and three jet fighters bombing us. . . . Twenty-four persons were killed by the bullets, about 40 persons died of gas, 60 persons affected by gas and after two days three died. The doctor in the group helped the Mujahideens. A helicopter was shot down which burst into flames and fell in a valley below.

Q. Did the bomb have a smell?

A. It smelled like the rotten body of some animal. I lost consciousness. I also saw the Russians wearing masks on two occasions.

Q. Did you see the bodies of the dead persons?

A. No I was unconscious.

Q. Did you have any problems with breathing?

A. Yes, I felt like I was being choked.

Name: Moulvi Arsala Rahmani, general commander of Paktika.

We were attacked by tanks and they put small bombs in the karez. In June 1981, 11 Mujahideens took cover in the karez. Everybody was killed. I did not actually see the attack but saw the dead bodies; the flesh on the bodies was very soft. . . . Mujahideens shot down a plane and then a large number of planes came and dropped something which caused severe headache and vomiting among the people. It was a rain of white particles or powder which the planes sprayed from about 500 meters.

Second instance:

Two people were hit by bombs and died. Their clothes were burned; their flesh was soft and rotted. A yellow and bloody discharge came out of the burns. Faces were blackened. An Afghan spy was caught and confessed that the water was being contaminated. When the bombs burst they broke into four clouds and came down slowly. The noise was like a rifle shot; it hit the ground and bounced and caught fire.

Third instance:

In May 1981 a large force of Mujahideens were fighting with the Russians. The Mujahideens were winning and then the Russians launched a gas attack. Many Russians and Mujahideens were killed. The Russians wore masks. A Russian was captured, converted to Islam and told us of the poisons being used and showed us how to use the masks. . . . The Russians are using a rifle which has 40 rounds; the bullets make the victims shout and scream.

Name: Saifullah

I was an eyewitness and was also affected in April 1981 in Mangari. In the morning about 10 o'clock the village was surrounded by the infantry, tanks and helicopters. Bags were dropped from the airplane which burst in the air or ground. It was a dust-colored smoke, my eyes were affected and I could not see.

Q. Did you manage to capture any fragments?

A. It was not possible to start picking up pieces of those things; we are too busy looking after our dead.

Q. Apart from the eyes was any other part of your body affected?

A. Only my eyes. In another instance my heart and body were affected. Those who were close to the attack suffered for one month; those not too close recovered quickly and only had watering eyes.

Second instance:

In October 1981 in a place called Ashaqual, Takm South of Gazni, 30 men were attacked by the Russians. We fought for a while and after running out of ammunition we went into our shelters. The Russians came after us with a pipe 30-40 meters long. They touched a button and a sound like a pistol shot was heard (they carried the pipe coiled up). There are four kinds of gases: (1) causes ashphyxiation (2) pressure on the heart; (3) skin irritation; (4) burning of the skin. When we tried to get out of the wells the Russians shot us. The gas that poisons does not have much of a smell. The one that ashyxiates has a very offensive smell . . . .

The irritation does not last for more than 24 hours. The intention of the enemy is to flush us out so that they can shoot us. The Russians got wise to the Mujahideens using their handkerchiefs so they put something in the water and when we drink the water we become sick. It is offensive, asphyxiates and smells like high explosive.

Name: Mohammed Akram

In June 1980 I was in the karez for two hours. There was a gas attack. The Russians brought a tank to the hole, lowered a pipe into the hole and poured gas. Ten people who where close to the gas died and their bodies were swollen and had nose bleeds. Others had diarrhea, dizziness and nausea. After having yogurt and buttermilk we felt better. Those who were close died within five minutes.

Mrs. Culpepper, from U.S. Consulate:

I interviewed refugees in Thailand during 1976-79 and 1980. The hill tribe refugees were attacked by aircraft dropping powder. No one called it yellow rain; it left a residue on the leaves. In an area called Phubia people experienced nausesa, dizziness, hemorhaging from the mouth and very often death. In 1978 we began hearing stories so we started looking for those which were similar. The best accounts came from women and children. We heard accounts of entire villages being wiped out. We constantly questioned refugees to find out true accounts. Small aircraft dropping some kind of powder mist.

For four months I have been here in Pakistan and have heard similar accounts coming from Afghanis. Aircraft dropping some sort of powder, explosion, black, white and yellow. People experience nausea and dizziness. Some similarity between these and the accounts in Southeast Asia. Attacks in Laos were against entire villages but in Afghanistan strategic places are attacked.

Would the UN test soil from Afghanistan? Perhaps some collection kits could be given to the freedom fighters so that they could obtain some samples.

TIME TO BACK AWAY

Further evidence that the Soviet Union has brazenly violated arms control treaties on chemical and biological warfare now comes from the United Nations. Extracts of unreleased UN interviews with Afghan refugees in Pakistan were printed on these pages Monday. The number and consistency of the reports are deeply impressive, and in Afghanistan no one can doubt that Soviet troops are directly involved.

The Afghan accounts, though, introduce a new puzzle. The reports include clouds of yellow smoke, and symptoms that match those reported in Laos and Cambodia, where biological trichothecene toxins have been identified in samples from attack sites. But in Afghanistan, "yellow rain" is not the persistent theme. Instead, the reports return again and again to rotting flesh.

"Bodies decomposed and limbs separated from each other when touched," one doctor reported. "The flesh came apart like it was burned and smelled like burned flesh," refugees report. "We found the bodies were as if cooked, flesh was very soft and came apart." And, "their flesh was soft and rotted."

What kind of weapon could conceivably cause such dramatic results?

After death bodies normally decompse through autolysis. Each tissue cell contains proteolytic enzymes, which break down proteins to provide energy for the cell. After death the enzymes attack and dissolve the cell wall. Apparently whatever the Soviets are using in Afghanistan vastly speeds this process.

Proteolytic enzymes come in many varieties, each with highly specific effects. The digestive tract relies on several, pepsin being the most important. Another, papain, is extracted from plants and used as meat tenderizer. Some are synthesized and used in detergents. A proteolytic enzyme is produced by the striptococcus bacteria, helping

it to invade cell walls. Others are components of snake venom, where they break down capillary walls and cause internal bleeding.

At this point, one can only speculate about what causes the decomposed bodies reported by the Afghans; no tissues have been collected or analyzed. But both the rapid decomposition of the bodies and the sudden and profuse bleeding reported by the Hmong in Laos could plausibly be explained by a combination of the trichothecene poisons and a proteolytic enzyme to shoot them through the body.

This is close to a standard science-fiction horror. To "StarWars." where weapons burn away flesh and leave bleached bones. To "Raiders of the Lost Ark." which shows faces dissolving into death heads. The cocktail of tricothecenes and proteolytic enzymes is, of course, only a speculation. But at the very least, it raises the question of what else the Russians have cooked up in the laboratories they pledged to dismantle when they signed the Biological Weapons Convention of 1972.

What manner of men rule the Soviet Union? The geriatric generation at the top of the Soviet elite found its formative experience in the great purge trials of the 1930s. Those stamped by Stalin's paranoia are now passing from the scene, but no comforting technocrat is emerging as Brezhnev's putative heir. Instead, the next head of the Soviet Union may well be Uri Andropov, who made his mark suppressing the 1956 Hungarian revolution and served until just the other day as head of the KGB.

Should we be surprised that such men would view the Biological Weapons Convention with utter contempt? Can we suppose they would treat any other arms agreement differently? Can we expect them to negotiate on the basis of mutual interest, or solely to seek opportunities for advantage through evasion and cheating? With Soviet forces dumping chemical weapons on the Afghan resistance, could we justify even coming to a table where the head of the KBG will mock us with homilies of peace?

Under what rationale do we pursue arms talks with the Soviets? What do we hope to achieve? There are essentially three answers: The first and narrowest is that despite Soviet duplicity some useful agreements may be possible where verification permits. The second and broadest is that at some point the character of the Soviet leadership may change, and we should not miss this historic opportunity. The third and, in practice, most powerful is purely political—that we must constantly negotiate to prove our moral purity to ourselves.

The case for a verifiable agreement, never capable of withstanding much scrutiny, lies in tatters after "yellow rain." The notion has been that the Soviets would have an interest in abiding by arms treaties from fear that we would rearm and raise sanctions if they were caught cheating. Yet the Soviets have in fact been caught cheating on the Biological Weapons Convention, and no sanctions have been imposed. The Reagan administration has acknowledged the Soviet violations, but has not even filed a formal protest under procedures established by the 1972 convention and now opens new arms talks. The lack of a U.S. response is an open invitation to similarly blatant violations of other arms control treaties.

In any event, there is no way to achieve verification of the coming generations of weapons. A strategic cruise missile, for example, is 20 feet long. How could we count the Soviet inventory? Even with on-site inspection, how could we know what the Soviets could hide if they behaved the way they have with biological weapons? We may as well face the reality that to ask for adequate verification is to ask that the Soviet Union cease to be a totalitarian society.

The case for a possible change in the Soviet leadership is more important. Soviet economic problems are growing, and there is always some slim possibility of a Deng Xiaoping decision to come to terms with the West. At the moment, though, the more likely reaction to economic crisis would seem to be using the only asset the Soviet Union has, naked military power. With a change in Soviet leadership and growing economic problems, we must focus on the possiblity it may undertake further foreign adventures to divert attention from problems at home.

In any event, we could always start serious negotiations once there was some evidence of a change in the Soviet Union. We thought we saw this in the Khrushchev era, with the de-Stalinization campaign. Indeed, this provided much of the initial impetus for detente and the current round of strategic arms negotiations. But we now know that at the height of detente the Soviets signed the Biological Weapons Convention, and proceeded to produce the very weapons they had promised to forgo. Surely the next time we are entitled to wait for a little evidence of good faith.

That brings us to the political imperatives, which have dominated President Reagan's trip to Europe. He has offered new arms proposals—the "zero option" on European missiles, deep reductions in strategic weapons and now a pullback of ground troops in Europe—and he has expressed his agreement with the "goals" of antinuclear demonstrators. By offering these tokens of good faith, he hopes to mollify the demmonstrators, and no doubt eventually to show that it is the Soviets who block arms agreements.

The cost, though, is yielding the moral high ground. Why should the American President have to prove he has stopped beating his wife? American nuclear forces have been reduced in sheer explosive power, have broken no treaties and have killed no one since the end of World War II. The deaths in Asia from biological weapons are not some best-selling nightmare; they are real, with actual people choking to death in their own blood, with actual bodies rotting overnight.

Rather than plunging deeper into arms talks to mollify protesters, Mr. Reagan should be laying the political groundwork for drawing back from negotiations pending some change in Soviet behavior. His proposals are on the table, and would represent real disarmament. Precisely for that reason no one thinks the Soviets will be truly interested, and the pressures are already building for Mr. Reagan to negotiate with himself.

The central task is to deflate rather than feed the expectation that arms agreements will solve our problems. Why can't simple truths be uttered? The prospect for meaningful agreement with the Soviets is slim to negligible. It's time for our attention to shift from how to achieve an arms agreement to how to build a viable military deterrent. The true outrage to morality is not inanimate lumps of steel and plutonium buried in Montana, but the sordid deaths of Hmong tribesmen and Afghan freedom fighters in Asia.

Our politicians, including Mr. Reagan, shrink from these truths because they fear the public does not want to hear them. They should stop underestimating democracy. Surely electorates at home and abroad can understand this position: When the Soviets are breaking old arms agreements, it's no time to get excited about negotiating new ones.

A PATHOLOGIST'S ANALYSIS OF YELLOW RAIN

(By Bernard M. Wagner, M.D.)

As a result of reports received since 1975, the State Department has concluded that "lethal chemical agents" have been used by Communist forces in Afghanistan and Laos. Further, the State Department notes that the Russians possess such agents and were responsible for their use in Vietnam as well as using them themselves in Afghanistan. The central question concerns the nature of the evidence.

In clinical medicine, decision making frequently depends on "soft" evidence. Population studies, anecdotal reports, deviations from normal, morbidity and mortality statistics and careful evaluation of clinical data all play a role in defining the presence of disease in a community. We teach medical students and resident physicians that the correct diagnosis of a viral infection is either isolation of the virus or demonstrating the host response to the virus. Yet, in practical terms, the diagnosis and treatment of most viral infections proceed without this kind of information.

USED AGAINST PRO-U.S. TRIBES

Population field studies began with the reports by the Hmong tribes of Laos. The tribesmen participated in support of the U.S. against Communist forces in the mountains of central and northern Laos. Hmong refugees streaming into Thailand told of "poison rains" usually yellow but also red, green and blue. The clinical symptoms usually included skin irritation, dizziness, nausea, hematemesis (bloody vomiting) and melena (bloody stools). Individual cases reported a variety of other symptoms, some quite bizarre. However, the Hmong people have multiple dietary and nutritional deficiencies which may modify their response to external poisons. Also, the toxic materials could have been variable in their composition.

The U.S. government in mid-1981 began to test samples from Southeast Asia for the presence of toxins. In August 1981, high levels and combinations of tricothecene toxins were detected in samples of foliage from a village in Cambodia. The sample was from a village that had been attacked by aircraft exploding containers of the brightly colored toxins in the air. Exposed natives developed toxic symptoms and many reportedly died. Samples obtained in the following months from other villages under attack both in Cambodia and in Laos yielded simi-

lar results. Finally, blood samples from victims of a chemical attack revealed tricothecene toxins.

On March 22, 1982, Special Report No. 82, titled "Chemical Warfare in Southeast Asia and Afghanistan," was delivered to Congress by Secretary of State Alexander Haig Jr. This detailed document provided the evidence to establish the fact that chemical toxims, derived from fungi, were used as a form of biological warfare. Tricothecenes are potent, lethal toxins produced by molds growing on a variety of grains. Known as mycotoxins, they have been a health problem for humans and animals in many parts of the world.

The accumulated data, after careful review and scientific scrutiny, lead to one conclusion: Chemical and biological warfare is being conducted by the Soviet Union in Southeast Asia and Afghanistan. What does the civilized world do next?

We need an intensive research effort on the mechanisms of toxicity produced by tricothecenes. This effort must be guided by the assumption: "What if American troops and civilians were exposed to these toxins?" One could take the position that this is a problem for the United Nations or NATO or some other multinational organization. After all, it's not happening to us. This may not be true.

Since February 1981, the U.S. Department of Health and Human Services' Center for Disease Control has been notified of 38 cases of sudden death among Southeast Asian refugees in various parts of the U.S. The highest number of cases was in California. All these sudden deaths were investigated by medical examiners or coroners. Certain common features emerged from the clinical and postmortem studies.

All except one of these refugees were men and all apparently died during sleep. The majority of the deaths, 87%, occurred in Hmong natives from Laos. Available information indicated that they had been in the U.S. from five days to 52 months (average six months) before death. The families of 34 refugees who died were interviewed and this information added to the medical reports.

In this group, 29 deaths were witnessed and occurred between 9:30 p.m. and 7:00 a.m.; 28 persons appeared to be asleep and one was just falling asleep. All were apparently in good health and none had complained of symptoms before going to bed. Witnesses were alerted by unusual respiratory sounds or by a brief groan. All victims were unresponsive when discovered. Paramedical personnel documented ventricular fibrillation in two cases but were unable to resuscitate them.

To date, the results of autopsies and routine toxicology studies have not identified a cause of death in 30 of the 36 cases reviewed by pathologists. A review of nocturnal deaths in young males (20-39 years of age) in an age-matched American population and a statistical analysis of death rates in Laos was done. The estimated rate of sudden, unexpected, nocturnal death among Laotian men ages 25-44 is equal to the sum of the rates of the four major causes of death among U.S. males of the same ages.

Detailed study of all data available suggests that the refugee deaths in the U.S. constitute a distinct syndrome. The syndrome may be defined as follows: Sudden, unexpected deaths without antecedent symptoms occuring during sleep at night in Laotian males who were either from areas where toxin attacks had taken place or who could reasonably be assumed to have passed through such areas in their flight from Southeast Asia.

Given our limited knowledge concerning the effects of tricothecenes in humans, we cannot exclude the possibility that the deaths were indeed related to toxin exposure. Those natives caught in the yellow-rain attacks inhaled the toxins, absorbed them through the skin and probably ingested them as contaminants.

There is serious scientific speculation concerning the potential cardiac toxicity of tricothecene when ingested in small amounts over long periods. The direct effect of those toxins and certain of their metabolities directly on heart muscle is already established. It may be necessary to revise some of our current thinking in cardiology as it concerns primary heart muscle disease. Known as cardiomyopathy, there is one type referred to as "beer-drinkers' cardomyopathy" and thought to be associated with cobalt toxicity. As the toxic actions of mycotoxins become better understood, it now seems possible that "beer-drinkers' cardiomyopathy" may have resulted from contamination with tricothecene toxins.

Mycotoxins are soluble in fats and may be released slowly in the body from "fat depots." There are highly sensitive analytical methods available for the detection of these toxins in body fluids and extracts of tissues. We need to apply sophisticated techniques to microscopic tissue sections in attempting to elucidate the puzzling syndrome of sudden death experienced by the Hmong refugees in the U.S.

ACHIEVING GOAL WITHOUT NUKES

It is clear that the world-wide scientific community must intensify its research efforts concerning the enormous hazard to mankind posed by these lethal toxins.

The threat of limited, controlled, biological warfare is, at least for me, on a scale with nuclear war. With toxins having both acute and delayed effects, an aggressor can achieve his ends without the problems posed by nuclear blasts. Besides, toxins can be delivered in an insidious, almost undetectable manner defying even late recognition of the act. I am convinced that, until proven otherwise, the syndrome described is related to biological warfare.

The current outcry by civilized peoples against nuclear weapons with a demand that they be outlawed must also extend to chemical/biological warfare. Our government, along with all other nations, must find a way to pressure the Soviet Union and its clients into halting this activity. Until then, prudence dictates that we formulate policies to safeguard populations at risk.

A C-B WEAPONS SEARCH IN THE KOREAN WAR

The issue of biological or chemical warfare isn't new. American troops in Korea encountered a new disease during the winter of 1950-51. It was called epidemic hemorrhagic fever, or EHF, and because of significant morbidity and mortality an intensive effort was undertaken to identify an infectious agent.

There was a nagging suspicion that the North Koreans, perhaps the Russians, might be engaged in biological warfare. The suspicion was reinforced because the South Koreans and captured North Koreans were not affected. Reportedly, specially trained troops were even sent behind enemy lines to capture a field hospital and bring back all vaccines in hopes that clues might be found to the mysterious EHF.

But no virus or other microorganism was ever isolated. Only through careful epidemiologic studies was it shown that troops moving through the lowlands and swamps were clearly at greater risk than those on the mountain roads and higher elevations. It was theorized that perhaps EHF was spread by fleas from rats that infested the swamps.

A rat eradication program was undertaken and whenever possible the troops were diverted to higher ground. Although the exact cause of EHF was never established, there was a marked drop of EHF cases. The Korean case demonstrates the difficulty of proving—or disproving—biological warfare even when you have some control over the areas where it might be used. But it also shows that even where the cause of infection can't be positively identified, effective measures can be taken as a result of epidemiologic and other studies to reduce casualties. That lesson needs to be carefully considered in light of the current controversy about "yellow rain."—BMW.●

COMMENTS ON "PEOPLE LIKE US"

● Mr. HELMS. Mr. President, the masthead on the editorial page of the St. Louis Globe Democrat proclaims it "an independent newspaper . . . supporting what it believes to be right and opposing what it believes to be wrong without regards to party politics." It is a pity that some others in the national media do not aspire to the same standard.

Take, for example, the recent CBS News documentary "People Like Us." Mr. President, there is widespread belief that if ever there was a deliberate, biased hatchet job on the Reagan administration, this was it.

A couple from Hendersonville, N.C., Mr. and Mrs. Robert J. Schlag, sent me a copy of an editorial that appeared in the St. Louis Globe-Democrat, regarding this television program. The editorial provides relevant information that was conspicuously missing from the CBS program.

Mr. President, I ask that it be printed in the RECORD at the conclusion of my remarks.

The editorial follows:

CBS REPORT: A STUDY IN ARROGANCE

CBS News which offers a nightly vendetta against the Reagan administration under the heading of "news," has been accused by the White House of slanting a so-called documentary in order to put the president in a bad light.

In the program narrated by Bill Moyers, former press secretary to President Lyndon B. Johnson, three families were portrayed as victims of Reagan administration budget cutbacks. But, according to David R. Gergen, assistant to the president for communications, CBS hit "below the belt" as it misrepresented the facts in all three cases.

CBS showed its arrogance, as well as its bias, when it refused a White House request to buy a half hour of prime time to rebut the alleged twisting of the facts on the

Moyers program, an hour-long special called "People Like Us." CBS deliberately did not include an administration spokesman in the anti-Reagan documentary.

In turning down the White House request, CBS may have been motivated by the fact that President Reagan could have ripped Moyers' charges to shreds.

The CBS propaganda show indicated the administration's budget cuts had:

(1) Caused a cerebral palsy victim's disability payments to be cut off,

(2) Forced a woman to quit her job and return to welfare in order to finance her son's operation;

(3) Caused parents of a comatose girl to commit her to a hospital because they feared a rule change threatened to end any more home visits by a nurse.

Viewers of the show were led to believe that the Reagan administration is a refuge for heartless scoundrels who specialize in making life miserable for the poor and downtrodden.

What actually happened to these three families? Robert Rubin of the Department of Health and Human Services said it was quite different from what was portrayed by Moyers, Rubin said that:

In the first case, it was Congress, not the White House, which ordered stepped up eligibility investigations, and the man who lost his disability benefits in December had failed to go through the entire appeals process.

In the second case, the New Jersey woman was ineligible for Medicaid benefits while she worked—not because of any changes in the federal law, but because she made too much money under New Jersey rules.

In the third case, the mother of an ailing daughter was simply wrong in concluding that revisions in Medicaid rules would force her and her husband to pick up more of the cost of caring for their daughter at home. Rubin said the administration has not cut the home nursing service and is in fact developing a plan to encourage more home health care services.

By giving the unctuous former press secretary of President Johnson free rein on its network to smile like a Cheshire cat while his rattlesnake tongue spews venom at the Reagan administration, and by denying President Reagan's request to buy time to reply to this latest attack, CBS has dropped all pretense of fairness and objectivity. It is good that the White House fired back. Perhaps this will at least alert millions of viewers to the kind of slanted claptrap CBS is offering.●

THE OUTLOOK FOR TEXTILES AND THE ECONOMY: A SPEECH BY JOHN G. MEDLIN, JR.

● Mr. HELMS. Mr. President, the North Carolina Textile Manufacturers Association and the North Carolina Department of Commerce recently sponsored "Textiles 2000," a symposium on the future of the North Carolina textile and apparel industries. John G. Medlin, Jr., president of Wachovia Bank and Trust Co., was a featured speaker at the opening session of the symposium.

Mr. Medlin has unique intellectual and analytical ability to assess vital matters. His address, entitled "Textiles and the Economy," is a superb analysis of the state of the textile and apparel industries today, and assessment of what is to come. It should be read by everyone interested in how the economy is affecting the free enterprise system, how cheap imports are contributing to our unemployment problems, and what the textile and apparel industries will be like in the year 2000.

I strongly urge my colleagues to study Mr. Medlin's speech.

Mr. President, I ask that it be printed in the RECORD at the conclusion of my remarks.

The speech follows:

TEXTILES AND THE ECONOMY

The Planning Committee for the Textiles 2000 Symposium has given me the difficult assignment of providing a general outlook for textiles and the economy. They have asked that I comment particularly on prospects for the industry's future impact on the economy of North Carolina, on capital formation potentials for modernization of production facilities, and on the possibilities of financing for textiles in world markets. For several reasons, this is a rough and possibly hazardous task.

First, I am in the unenviable position of being on the program in the slot after our distinguished Governor Hunt who has the unique ability to cover such complex subjects in an articulate and inspiring manner. Secondly, I am not sure it is safe in these days of high interest rates for a banker to stand unprotected before so many borrowers. Finally, it is with some trepidation that I attempt to forecast developments over the rest of this century when it is not possible to foresee what might happen in the economy over the next year, the next quarter, or even the next month.

Under current uncertain circumstances, about all one can do is review basic forces and trends affecting the textile industry and try to provide an impressionistic picture of future possibilities. Even this is difficult at a time when the nation is in the midst of a fundamental change in direction. That new direction will be in question until the Congress and the Administration agree to a realistic and credible federal budget which results in declining deficits and less borrowing without a big increase in taxes.

To begin, it might be well to briefly review the past and present importance of the textile industry to North Carolina. Prior to the late nineteenth century, the state had an almost entirely agricultural economy. This gradually changed after the Civil War and through the first half of the twentieth century as the textile industry became more concentrated in the region of the nation where most of the cotton fiber was grown and where there was more plentiful production labor. By 1950, the textile industry was by far the largest employer in North Carolina with 231,000 workers which represented 25 percent of total non-agricultural employment and more than half of the 418,000 manufacturing jobs in the state.

Thus, it can be said that the textile industry was largely responsible for the industrialization of our state. It also inspired the creation of at least an equal number of jobs in other sectors such as services, trades, and professions. Textiles provided a large portion of the employment to accommodate the movement from farm to factory as the population grew and mechanization reduced the need for agricultural labor. For several generations, the industry has made it possible for many Tarheels, who otherwise might not have been able to find a job, to have their first opportunity for gainful and meaningful work experience.

Textile industry employment in North Carolina reached a high of 290,000 in December of 1973 around the peak of that expansion cycle. The number fell back to 240,000 by March of 1975 at the trough of the deep recession that followed. This represented a drop of 50,000 jobs, or 17 percent from the peak level. Textile employment has not since recovered to the 1973 record but did gradually rise back to as high as 255,000 in 1979 before the economic malaise of the last three years began to affect the industry.

In April of this year textile employment in North Carolina stood at a recession depressed level of 228,000, or about 10.5 percent under the 1979 figure. The drop thus far in the current cycle indicates more stability for textiles than during the experience of the mid-seventies. This can probably be heavily attributed to better inventory control and increased automation. Despite the improved performance, unemployment in textiles has been running around three to four percentage points above the national jobless rate.

Nevertheless, the textile industry remains the largest and most important in North Carolina. It currently provides nearly 10 percent of the state's non-agricultural jobs and almost 30 percent of manufacturing employment. These figures are made even more impressive when adding the 84,000 people employed in the state by the closely related apparel industry. The importance of North Carolina's employment in textiles and apparel is illustrated by the fact that it exceeds by a good margin the total of all employment in the Raleigh-Durham-Chapel Hill Standard Metropolitan Statistical Area.

Prospects for the future impact of textiles on North Carolina must be viewed in the overall context of the performance and outlook for the industry and the economy nationwide. It should be recalled that business activity in the nation from the mid-sixties through the late seventies received a boost from favorable demographic factors and from strong fiscal and monetary stimulation. The textile and apparel industries in particular benefited from the post-World War II baby boom entering the workforce and becoming full-fledged consumers. This development provided a rapidly growing source of workers and customers to make and buy the industry's products. In addition, large federal budget deficits and strong money supply growth made the overall economy better than underlying fundamentals. Some sales were borrowed from the future.

Consumer market trends in the sixties and seventies were dominated by a flood of change-oriented young people moving into the teenage, college, and early working years. This oversized generation of youthful new consumers was a product of relatively easy times, better educated, and less willing to accept the status quo. They were generally more liberal in political philosophy and more carefree in spending habits and life-

style. Marriage, childbearing, and workforce entry tended to be delayed somewhat. Key words in their vocabularies were "new," "improved," "bold," and "different." Their uniforms were blue jeans and casual attire.

Because of further progression of the post-World War II population bulge, trends during the eighties and nineties in the consumer marketplace will be heavily influenced by a large increase in the number of people who are middle-aged, more mature, less change-oriented, and more traditional in their behavior. They will probably be more conventional in their dress and more conservative in their political philosophies and financial practices. Their vocabularies are likely to emphasize words like "price," "quality," "durability," and "practicality." It might be wise for your product design, production, and marketing strategies to take these important shifts into consideration.

Demographic changes for this decade should, on balance, be quite favorable for textiles although there are some negative factors. A declining birth rate beginning in the early sixties means a gradual reduction in the number of people entering the workforce and becoming wage-earning consumers during the eighties. Annual growth in the labor pool will phase down from about 1.4 percent currently to just under one percent by 1990. This will intensify the competition for workers. Textile and apparel consumption might get a little boost from a slight rise in the birth rate, but total population is expected to grow only at an average rate of slightly under one percent during this decade, down from as high as 1¾ percent during the 1950's.

There is, however, better demographic news for textiles from some other points of view. Of the estimated 21 million population increase projected for the eighties, about 17 million, or 80 percent, will be in the 25-44 age group. This further aging of the post-World War baby boom should mean higher experience and skills levels in the workforce and higher productivity. It should also mean higher income to meet both basic needs and discretionary desires. All segments of textiles and apparel should benefit from the major source of population growth during this decade being in the more prosperous and expansive years of family and consumer life. The above average growth expected in household formations should especially stimulate the demand for home furnishings.

There is also a mixed but hopeful outlook on the national economic scene. The nation is in a transitional period when an attempt is being made to contain excessive growth in federal spending, taxes, and money supply in order to bring inflation and interest rates down and to restore real growth. The turbulence in the economy and financial markets since the late seventies is a result of both the excesses of the past and the effort to gain better control for the future. In the process, the nation's economy, its financial system, and some of its major industries, including housing, automobiles, and to a lesser degree textiles, are undergoing a painful restructuring.

Such historical turning points are usually characterized by the kind of financial instability and economic adversity which have been present since the late seventies. Inflation adjusted gross national product and industrial production are below the levels of late 1979. Relatively high and volatile interest rates as well as a sluggish and erratic economy are likely to exist for some additional time. No one really knows how long these conditions will last or where they will lead. The possibility of a depression is not out of the question. However, it seems more likely that some improvement in fiscal policy is under way, that sustainable progress is being made on inflation, that interest rates will eventually bend downward, and that moderate real economic growth will ultimately emerge.

It is also my feeling that textiles will weather this transitional period and continue to be one of the nation's major industries, although growth may not be as robust as during the better parts of the sixties and seventies. The economy is not likely to have the fiscal and monetary stimulation that made business appear better than it really was at times during the past fifteen years. This should help reduce the amplitude of future business cycles and enable better business planning.

Textile products largely represent basic human needs which tend to increase at least as fast as the rate of population growth. Other factors, such as demographic age structure described earlier, fashion changes, product innovations, and rises in discretionary income and workforce participation rates, especially among women, can cause the rate of growth in textile consumption to increase faster than population. The combination of such fundamental factors should provide a healthy rate of growth for textiles over the foreseeable future, assuming progress is made on national economic problems.

It is estimated that the number of yards of textile products consumed in the U.S. will continue to increase at a rate of at least 1.5 percent during this decade. Add to this unit increase an assumed inflation rate in the area of 6 percent, and you get growth in current dollar terms which could average in the neighborhood of 7 percent to 8 percent during the eighties. Barring economic disaster, the basic demand for textile products should be reasonably good once the current slowdown runs its course.

It is not so much a question of whether there will be a growing market for textile products but whether U.S. producers can maintain a reasonable share of that market. This requires meeting some important challenges. One is to deal politically with the issue of unfair foreign competition. Another is to further improve automation and efficiency to contain costs and better compete with cheap foreign labor. These are two of the greatest obstacles to the future prosperity of North Carolina's textile industry.

The U.S. textile industry sells a major portion of its output to the domestic apparel industry. Apparel imports now hold a 20 percent share of the domestic market. As indicated earlier, the consumption of textile products in the U.S. is growing at a unit rate of about 1.5 percent annually. However, textile and apparel imports have been growing at a rate of about 8 percent per year. Should these uneven rates of growth continue through 1990, the share of our market captured by imports would rise to 40 percent.

This could mean that by the end of this decade U.S. textile production would be 32 percent below its potential level if the domestic and foreign shares of our apparel market remained constant. The overall result could be the loss of over a half million textile and apparel jobs in the U.S. and at least that many more through ripple effects in other areas of employment. North Carolina would stand to lose an many as 75,000 textile and apparel jobs by 1990 and at least an equal number in other sectors.

This is not a forecast but a valid estimate of what could happen if imports are not controlled under reasonable multi-fiber and bilateral trade agreements which provide for an equitable sharing of U.S. textile and apparel market growth between domestic and foreign producers. What is often promoted in the name of free trade is not fair trade. Many subtle and convert tactics such as dumping, manipulating the foreign exchange value of currencies, and subsidizing textile producers are employed by other nations to increase exports, especially to the U.S.

One way to help solve the U.S. import problem is for domestic producers to do a better job in penetrating foreign markets. Many of the textile and apparel products manufactured here offer quality, price, technical, fashion, and other advantages over those made by foreign producers. Stronger efforts should be made to overcome some of the obstacles to supplying the textile needs of other countries, especially those where population and demand is growing faster than ours.

The current strength of the dollar and weakness of other currencies makes our exports more expensive and imports cheaper. Also, economic and political instability around the world make for volatile foreign exchange markets and risky foreign trade. Export opportunities could become more favorable and the threat of foreign imports could be lessened by lower U.S. interest rates and a more moderately valued dollar. Export financing can be expected to be available for creditworthy transactions.

There is every reason to believe that exports can be expanded through more imaginative marketing, harder selling, and simply going to the extra trouble that is often required to successfully deal in foreign markets. It should be noted that there is an estimated $1 trillion floating around the world in the hands of foreigners. The only place these dollars can be spent is in the United States. This enormous foreign purchasing power represents a real opportunity for the textile and apparel industries to minimize the threat of overseas competition.

Also, the textile industry must continue to modernize and take advantage of labor-saving equipment if it is to provide goods which will be cost competitive in domestic and world markets. In recent years the industry has been investing over $1.5 billion annually in capital improvements with nearly one-third of that amount being spent on North Carolina facilities. Capital expenditures of this magnitude or more will need to continue into the future as far as the eye can see. About 20 percent of the investment is to meet government safety and environmental regulations and represents only additional expense with no increase in production capacity of efficiency.

Where will the money come from to meet the continuing need for modernization? The primary source is profits, and it is estimated that the textile industry is reinvesting more than 80 percent of its cash flow in new plant and equipment compared with about 50 percent for all manufacturing. Another source is the attraction of additional equity capital

investment. For most textile companies, this is not a particularly good source since the industry earned only about 10 percent on invested capital last year compared with a 14 percent overall average for manufacturing.

The remaining alternative is to borrow, which is not an attractive option now with the U.S. Treasury preempting nearly half of the funds available in the credit markets and keeping interest rates high. There is not much long-term fixed rate money available at any price due to savers' and investors' uncertainty about the future in general and inflation in particular. Money seems reasonably plentiful, but it tends to be piling up in short-term media which provide yields just as attractive as long-term bonds. It is not possible to finance economic recovery or the reindustrialization of America out of the $200 billion currently in money market funds subject to overnight withdrawal. In more normal times these funds would be deposited in local financial institutions for lending to consumers and businesses in the community or invested in the stock and bond markets.

As a result, many capital projects which require borrowing are simply being deferred because it would not be sound to pay for them with money obtained on a short-term basis. Also, the high cost of money available at fixed interest rates and unpredictable variable rates often causes profitability and return on investment projections to indicate that the project will not pay out within a reasonable time. Until the financial markets improve and interest rates decline, modernization in the textile industry will progress slowly except to the extent that it can be funded out of internal cash flow. For the longer term, however, adequate financing is likely to be available at more tolerable interest rates to those companies which can demonstrate an ability to generate sufficient cash flow to repay it.

Automation and expansion of productive capacity in the textile industry will require more sewer, water, and electrical energy infrastructure. There is reason to question whether the expansion of electrical generation capacity currently on the drawing boards and committed for construction in North Carolina during this decade will be adequate to meet the combined demands of more mechanized textile plants and other increases expected. Also, sewer and water facilities are already strained to the limit in some parts of our state. Care must be taken to avoid such constraints to growth and progress.

While troublesome, there seems to be a reasonable possibility of overcoming the obstacles posed by foreign competition, facilities modernization, and infrastructure limitations if they are attacked in visionary and vigorous ways. If so, I believe the textile industry can be a major source of strength and stability in the North Carolina economy for the remainder of this decade and century. However, foreign competition and additional automation of production are likely to prevent the industry's employment level in the state from again rising above the 225,000 to 250,000 range. During the 1980's it is possible that textile capacity and production in the state could be expanded by as much as one-third while textile employment remains relatively flat or decline slightly.

On the other hand, textile jobs of the future will gradually require higher skills and command higher pay. The proportion of lower skilled workers in textile plants will decline while the need for people with training in mechanics, engineering, electronics, computers, and other technical fields will continue to increase. As the industry becomes less labor-intensive, it should contribute to a rise in per capita income and experience shorter swings between the peaks and troughs of business cycles. These would be healthy developments for the overall North Carolina economy.

This relatively optimistic outlook is by no means assured, and it can come about only through skillful management by textile executives as well as cooperative support from political leaders, the business community, and the general public. There will be enough obstacles for the textile industry to overcome on the national and international scene without any unnecessary ones in North Carolina. It is critical that there be a more visionary and understanding attitude in the state on such matters as the manufacturers inventory tax which makes it more difficult for all of our industry to compete and to preserve jobs, much less increase them.

Educational policy and the allocation of scarce tax dollars in North Carolina must better take into account the skills training needed by our people for meaningful employment by modern industry in general and by more mechanized textile companies in particular. Business management must demonstrate proper human sensitivity and civic responsibility by providing safe working conditions and taking care to preserve our precious environment. However, this can be better accomplished without unnecessarily onerous and expensive government controls and regulations.

In general, there must be a better understanding that political democracy, economic prosperity, personal liberty, and free enterprise are inseparable partners. No one of these desirable goals can be achieved without the other three. In particular, there must be a better appreciation that the well-being of North Carolina over the years ahead depends critically on the success of our textile industry. Anyone who cares about our state's future will pitch in to help its largest employer meet the challenges I have described rather than using it as a whipping boy as some are inclined to do.

If not, textile and apparel employment in North Carolina is likely to drift steadily downward. The risk of losing 50,000 to 75,000 of our textile and apparel jobs to foreign competition during this decade is a very real one. Such a decline along with at least that many more from ripple effects in other sectors could add eight to ten percentage points to the state's unemployment rate. The loss of as many as 150,000 jobs would be unfortunate indeed in a decade when the state already needs to create 500,000 to 600,000 additional jobs to keep unemployment from running at distressing levels.

Even the most successful effort to attract new industry cannot overcome the challenges that would be presented by such a reduction in textile employment. It is so important for us all to work together to avoid in North Carolina the serious problems caused in Michigan by the substantial decline in employment of the automobile industry. The impact on society, business, and government would be devastating. The loss of tax revenue would make the amount collected through the manufacturers inventory tax pale into insignificance. The issues are clear and the priority is urgent if this state's citizens and leaders want to prevent these unpleasant possibilities from developing.●

ORDERS FOR THURSDAY

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the two leaders have been recognized under the standing order, the following Senators be recognized under special order for not to exceed 15 minutes each in this order: Senators COHEN, LEVIN, BUMPERS, and CHILES.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. BAKER. Mr. President, it is anticipated that tomorrow we shall have to deal with a supplemental appropriations bill. I expect we will complete that tomorrow. It is my hope we can complete action for this week tomorrow.

ORDER FOR CERTAIN ACTION DURING RECESS

Mr. BAKER. Mr. President, I understand this has been cleared. I ask unanimous consent that, during the recess of the Senate over until Thursday, June 24, 1982, the Secretary of the Senate be authorized to receive messages from the House, and that the Vice President or the President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I know of no further business to be transacted tonight. I inquire of the minority leader if he has any other matters to come before the Senate tonight.

Mr. ROBERT C. BYRD. No, Mr. President.

Mr. BAKER. Mr. President, knowning that and seeing no other Senator seeking recognition, I now move, in accordance with the previous order, that the Senate stand in recess until 11 a.m. tomorrow.

The motion was agreed to and, at 7:59 p.m., the Senate recessed until tomorrow, June 24, 1982, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 23, 1982:

DEPARTMENT OF COMMERCE

Robert G. Dederick, of Illinois, to be Under Secretary of Commerce for Economic Affairs, new position.

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

Edward Sulzberger, of New York, to be a Member of the Board of Directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1983, vice Patricia K. Ritter, term expired.

SECURITIES AND EXCHANGE COMMISSION

Bevis Longstreth, of New York, to be a Member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1984, vice Philip A. Loomis, Jr., retired.

WITHDRAWALS

Executive nominations withdrawn from the Senate June 23, 1982:

Kenneth E. Moffett, of Maryland, to be Federal Mediation and Conciliation Director, vice Wayne L. Horvitz, resigned, which was sent to the Senate on December 14, 1981.

Kenneth E. Moffett, of Maryland, to be Federal Mediation and Conciliation Director, vice Wayne L. Horvitz, resigned, to which position he was appointed during the last recess of the Senate, which was sent to the Senate on March 8, 1982.

HOUSE OF REPRESENTATIVES—*Wednesday, June 23, 1982*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, from whom comes every good and perfect gift, bless all those who turn to You in prayer. Touch us with the bountiful gifts of Your grace that we will be strengthened to live and work for righteousness and justice. May Your abiding presence give comfort to all who are alone, or weary, or in sorrow, and may Your forgiveness give hope to the troubled and peace to every soul. O God, support us with Your love, guide us by Your spirit, and lead us in the way eternal. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. CORCORAN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CORCORAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 340, nays 34, answered "present" 2, not voting 56, as follows:

[Roll No. 165]

YEAS—340

Addabbo	Benjamin	Burgener
Akaka	Bennett	Burton, Phillip
Albosta	Bereuter	Campbell
Alexander	Bevill	Carman
Anderson	Biaggi	Carney
Andrews	Bingham	Chappie
Annunzio	Bliley	Cheney
Anthony	Boggs	Clausen
Archer	Boner	Clinger
Aspin	Bonker	Coats
Atkinson	Bouquard	Coelho
Badham	Bowen	Coleman
Bailey (MO)	Breaux	Collins (IL)
Bailey (PA)	Brinkley	Collins (TX)
Barnard	Brodhead	Conable
Beard	Brooks	Conte
Bedell	Broomfield	Conyers
Beilenson	Brown (CO)	Corcoran
Benedict	Broyhill	Courter
Coyne, James	Heftel	Napier
Coyne, William	Hendon	Natcher
Craig	Hertel	Neal
Crane, Daniel	Hightower	Nelligan
Crane, Philip	Hiler	Nelson
D'Amours	Hillis	Nichols
Daniel, Dan	Hollenbeck	Nowak
Daniel, R. W.	Holt	O'Brien
Daschle	Hopkins	Oakar
Daub	Horton	Oberstar
Davis	Howard	Obey
de la Garza	Hoyer	Oxley
Deckard	Hubbard	Panetta
Dellums	Huckaby	Parris
DeNardis	Hughes	Pashayan
Dicks	Hunter	Patman
Dingell	Hutto	Patterson
Dixon	Hyde	Paul
Donnelly	Ireland	Pease
Dorgan	Jeffords	Pepper
Dornan	Jeffries	Perkins
Dowdy	Jenkins	Petri
Downey	Jones (NC)	Peyser
Duncan	Jones (OK)	Pickle
Dunn	Jones (TN)	Porter
Dwyer	Kastenmeier	Price
Dymally	Kazen	Pritchard
Early	Kennelly	Pursell
Eckart	Kildee	Quillen
Edgar	Kindness	Rahall
Edwards (AL)	Kogovsek	Railsback
Edwards (CA)	Kramer	Rangel
Edwards (OK)	Lagomarsino	Regula
Emery	Lantos	Reuss
English	Latta	Ritter
Erdahl	Leach	Roberts (KS)
Erlenborn	Leath	Robinson
Evans (DE)	Lee	Rodino
Evans (GA)	Lehman	Roe
Evans (IN)	Leland	Rogers
Fary	Lent	Rostenkowski
Fascell	Levitas	Roth
Fazio	Lewis	Roukema
Fenwick	Livingston	Roybal
Ferraro	Loeffler	Rudd
Fiedler	Long (LA)	Russo
Findley	Long (MD)	Sawyer
Fish	Lott	Scheuer
Flippo	Lowery (CA)	Schulze
Florio	Lujan	Seiberling
Foglietta	Luken	Sensenbrenner
Foley	Lundine	Shamansky
Ford (TN)	Lungren	Shannon
Fowler	Markey	Sharp
Frank	Marlenee	Shaw
Frenzel	Marriott	Shelby
Frost	Martin (IL)	Shumway
Fuqua	Martin (NY)	Shuster
Gaydos	Matsui	Simon
Gephardt	Mattox	Skeen
Gilman	Mavroules	Skelton
Gingrich	Mazzoli	Smith (AL)
Gonzalez	McClory	Smith (NE)
Gore	McCloskey	Smith (NJ)
Gradison	McCollum	Smith (OR)
Gramm	McCurdy	Snowe
Gray	McDonald	Snyder
Gregg	McEwen	Solarz
Grisham	McGrath	Spence
Guarini	McKinney	St Germain
Gunderson	Mica	Stangeland
Hagedorn	Michel	Stanton
Hall (OH)	Miller (CA)	Stark
Hall, Ralph	Mineta	Staton
Hall, Sam	Minish	Stenholm
Hamilton	Mitchell (NY)	Stokes
Hammerschmidt	Moakley	Stratton
Hance	Molinari	Studds
Hansen (ID)	Montgomery	Stump
Hansen (UT)	Moore	Swift
Hartnett	Moorhead	Synar
Hatcher	Morrison	Tauke
Hawkins	Mottl	Tauzin
Heckler	Murtha	Taylor
Hefner	Myers	Thomas
Trible	Whitehurst	Wright
Udall	Whitley	Wyden
Vander Jagt	Whittaker	Wylie
Volkmer	Whitten	Yatron
Walgren	Williams (MT)	Young (FL)
Wampler	Williams (OH)	Young (MO)
Watkins	Winn	Zablocki
Waxman	Wirth	Zeferetti
Weaver	Wolf	
Weber (OH)	Wortley	

NAYS—34

Barnes	Gejdenson	Schroeder
Brown (CA)	Goodling	Solomon
Butler	Jacobs	Vento
Coughlin	Johnston	Walker
Dannemeyer	LeBoutillier	Washington
Derwinski	Lowry (WA)	Weber (MN)
Dickinson	Miller (OH)	White
Dreier	Mitchell (MD)	Wolpe
Emerson	Murphy	Yates
Evans (IA)	Ratchford	Young (AK)
Fields	Roemer	
Forsythe	Sabo	

ANSWERED "PRESENT"—2

Ottinger	Smith (IA)

NOT VOTING—56

Applegate	Fithian	Moffett
AuCoin	Ford (MI)	Mollohan
Bafalis	Fountain	Rhodes
Bethune	Garcia	Richmond
Blanchard	Gibbons	Rinaldo
Boland	Ginn	Roberts (SD)
Bolling	Glickman	Rose
Bonior	Goldwater	Rosenthal
Brown (OH)	Green	Rousselot
Burton, John	Harkin	Santini
Byron	Holland	Savage
Chappell	Kemp	Schneider
Chisholm	LaFalce	Schumer
Clay	Madigan	Siljander
Crockett	Marks	Smith (PA)
Derrick	Martin (NC)	Traxler
Dougherty	McDade	Weiss
Dyson	McHugh	Wilson
Ertel	Mikulski	

□ 1015

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 5930. An act to extend the aviation insurance program for 5 years; and

H.R. 6350. An act to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two 12-hour regularly scheduled tours of duty over a weekend shall be considered to

have worked a full basic workweek, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2457. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia.

PERMISSION FOR COMMITEE ON BANKING, FINANCE AND URBAN AFFAIRS TO HAVE UNTIL 5 P.M., JULY 1, 1982, TO FILE REPORT ON H.R. 6016, BANK EXPORT SERVICES ACT

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs may have until 5 p.m. on July 1, 1982, to file its report on the bill, H.R. 6016, the Bank Export Services Act.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE ON TOMORROW, THURSDAY, JUNE 24, 1982

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries be permitted to sit on tomorrow, Thursday, June 24, 1982, during the 5-minute rule for the purpose of marking up four bills.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. DUNN. Mr. Speaker, reserving the right to object, could the gentleman tell me whether this has been cleared with the ranking minority member?

Mr. BIAGGI. Mr. Speaker, if the gentleman will yield, yes, it has. The gentleman from California (Mr. McCLOSKEY) has been apprised of it.

The SPEAKER. All Members will be seated.

Mr. DUNN. Mr. Speaker, I object.

The SPEAKER. The Chair hears an objection. The required 10 Members not having stood, the Chair hears no objection.

THE WOMEN OF AMERICA WILL NOT LET ERA DIE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, this week is a grim one for ERA supporters. The Florida State Legislature voted on Monday against ratifying the equal rights amendment. Polls have shown that the majority of Floridians support the ERA. This defeat brings home the jolting reality that the democratic process is not working.

That the debate on the ERA has been so lively down to the wire proves that the amendment and the issue are far from its deathbed.

Millions of women and men have worked for the ERA since Alice Paul first introduced it in 1923. It is an issue that touches men and women in all walks of life and in every State of the Union. The amendment guarantees equal rights for men and women.

It has been argued that ratification of the ERA would loosen the moral fabric of America. That it would change lifestyles overnight.

It is 10 years later. Lifestyles have changed and we do not even have an ERA.

Lifestyles change because the country changes. It is precisely because our lifestyles are constantly in flux that we need a constant that will withstand these changes. That is what the ERA is. It is an immovable constant around which our laws must revolve. Unless women are specifically in the Constitution, our status is as stable as the 1929 stock market.

The ERA is an issue that will not die. The women of America will not let it.

ERA MUST BE REINTRODUCED

(Mr. FRANK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANK. Mr. Speaker, I want to join the gentlewoman from Colorado (Mrs. SCHROEDER) in her expression of anger and dismay that the ERA has run into political obstacles that have apparently stopped its ratification temporarily. I join her in expressing our determination to reintroduce the equal rights amendment and to continue the fight until we put the principle of equality for women into the Constitution. This is a fight supported by the large majority of the American people who want the ERA passed.

Mr. Speaker, in the State of Massachusetts we have operated under an equal rights amendment since 1977. None of the horror stories conjured up by the opponents have come true. There has been none of the erosion of family life or moral standards that have been inaccurately imputed to ERA and, in fact, it has had positive effects. For example, it has led to significant changes in our State's property laws which give greater protections to women.

The principle of equality between men and women is one that we still must go a long way to reach. It is essential that we put that principle into our Constitution, and I want to join with the gentlewoman from Colorado, and I hope a large majority of this House, in reintroducing the equal rights amendment. We can and we must continue the fight for equality in the American Constitution and my determination to see that principle established has not diminished.

The ERA has, to be sure, important symbolic value but it really means much more than that. Individual laws deal with specific and often narrow situations. No one statue can deal effectively with the widespread discrimination which still persists against women. Even a bill as comprehensive as the Economic Equity Act, of which I am a cosponsor, cannot serve as a replacement for passage of an amendment to the Constitution.

Mr. Speaker, despite this temporary setback, I am confident that the march for equal rights will continue and will succeed. Should the Congress approve the reintroduced ERA, we will have 7 years to win ratification. We will have time to expose the myths and scare tactics employed by some opponents of the ERA and persuade State legislators that equality for women is a fundamental right which must be recognized in our Constitution.

Progress in equal rights for women has been made. But as long as women earn, on the average, only 59 percent of men's earnings, we cannot say that the progress has been complete. As long as equality for women is not part of the Constitution, we cannot say "equal justice under law," the phrase that appears over the entrance to the Supreme Court, is really true when it comes to women's rights.

ERA IS NOT DEAD

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, here we stand, a week left from the end of the ratification period for the equal rights amendment, still battling the forces of reaction against women. It is a fight that our grandmothers thought they had won when women in America got the right to vote 62 years ago, after a 72-year struggle.

Why are we fighting now? Women are the majority of our people, yet we are treated like a minority. We are, on the average, paid 59 cents for each $1 earned by a man—a gap that has actually widened in the last 20 years.

Women are discriminated against in insurance, pensions, and social security; victimized by sexual harassment and spousal violence. Those of us who choose the life of a homemaker re-

ceive hollow praise but inadequate financial protection from our society.

□ 1230

Every poll ever taken affirms support for the ERA by the vast majority of Americans. The foes of ERA are a minority. If they think that ERA will soon be dead, they are dead wrong.

Mr. Speaker, July 14 marks the day of the beginning of a new battle for equal rights. I ask my colleagues to join me in cosponsoring the reintroduction of that amendment.

DISCHARGE PETITION FILED ON ADMINISTRATIVE RULEMAKING REFORM ACT

(Mr. LEVITAS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, it is with a sense of regret but out of great frustration that I announce this morning that I have filed at the Clerk's desk discharge petition No. 17 for the discharge of H.R. 1776, the Administrative Rulemaking Reform Act, which will provide among other things, for a legislative veto over rules and regulations issued by government agencies.

This bill has over 250 bipartisan cosponsors. More than a majority of the Members of this House had cosponsored this bill by May 27, 1981, over a year ago. The time has come for this House to deal with the entire question of regulatory reform, and it would by my purpose, if we discharge H.R. 1776, to provide that the substance of the comprehensive regulatory reform legislation, H.R. 746, be offered as amendments to H.R. 1776.

Mr. Speaker, the time to act is now. I urge my colleagues to join with me in signing this discharge petition, discharge petition No. 17. It is at the Clerk's desk for Members to sign. The American people will be watching to see who is really interested in controlling the bureaucrats, cutting redtape and reforming the regulatory process.

URGENT SUPPLEMENTAL CONTAINS FUNDS FOR GUARANTEED STUDENT LOANS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, today we are going to be taking up the urgent supplemental. One of the major items in the urgent supplemental that will continue beyond the July 20 date is the guranteed student loan moneys.

Mr. Speaker, we have students all over the country today who are waiting to get forms so they can actually go ahead and apply for these loans. If we do not act in a positive sense today, we will just about have run out of time for these young people who are planning to go to college in September. So I urge the support of this bill and moving ahead with it.

The guaranteed student loan provision will continue throughout the year, and at least we will have launched thousands and thousands of our students on the road to a college education that they are entitled to have and that we in Congress intend for them to have.

Mr. Speaker, I urge the Members to vote "yes" on this urgent supplemental today.

SHARP CRITICISM OF ISRAEL'S INVASION OF LEBANON

(Mr. RAHALL asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, with each day the death toll mounts. The threat of serious disease and the stench of dead bodies have reached epidemic proportions. In the Middle East the question of Israel's invasion of Lebanon can no longer be shunned by this country's policymakers.

Mr. Begin has just visited the President, and we are told that there were no serious reprimands taken by our President to oppose Prime Minister Begin's policies in the Middle East.

Mr. Speaker, there is no question that the Israeli invasion of Lebanon is just that—an invasion. This country's policymakers and those of us throughout this country and in this Congress should begin questioning whether the policies of Menachem Begin are indeed leading to peace in the Middle East and whether they are in the best interests of America's foreign policy concerns.

Mr. Speaker, none of us question the right of every country to defend its territorial boundaries and its sovereignty. Each country has that right, but it is time that we question what is in the best interests of American foreign policy, if we are to continue to send massive amounts of arms to that country.

LEBANON DEVASTATED, WHITE HOUSE DOES NOTHING

(Ms. OAKAR asked and was given permission to address the House for 1 minute.)

Ms. OAKAR. Mr. Speaker, there is a dramatic void of leadership on the part of the President of the United States. The world is witnessing the destruction of a country and its people, the devastation of Lebanon, and the President does nothing. American taxpayers have paid for the equipment used to destroy this country and the President expresses no remorse—no leadership. One expects Secretary Haig to act in the manner he does. He looks for military solutions, not diplomatic solutions.

But, Mr. Speaker, are we not a civilized country which values life? One Israeli life lost, one Palestinian life lost, one Lebanese life lost is one loss too many. But more than 10,000 have died and thousands left homeless. And the President does nothing.

INDUSTRIAL ESPIONAGE IS NOT FAIR TRADE

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, the FBI is to be commended for uncovering what is reported to be the biggest industrial espionage case ever. Yesterday, the Bureau charged 18 men, including a number of high-ranking executives of Hitachi, Ltd. with paying an undercover agent $648,000 to steal technical data on new generation American computers.

The Japanese are fierce competitors and we do not fear competition if it is fair. But industrial espionage is never fair. It belies the Japanese statements in recent months that they are doing all that they can to engage in "fair trade."

Since when is it fair to steal the work product of the American people? Since when is it fair to profit from criminal acts?

I think there is a message here, Mr. Speaker. When it comes to innovation, our honorable trading partners in the Far East will steal everything we have that is not nailed down.

ANNOUNCEMENT OF SPECIAL ORDERS ON ABC'S REPORT ON JOHN EDGAR HOOVER AND THE FBI

(Mr. RUDD asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, on June 3 last, the American Broadcasting Co. provided an hour-long program purporting to report on the life and times of John Edgar Hoover and the FBI. This afternoon, after legislative business, the gentleman from Virginia (Mr. DAN DANIEL) and I will address the House on special orders we have taken to clarify the distortions, half-truths, and other inaccuracies in that report.

HINCKLEY VERDICT POINTS UP DEFICIENCIES IN INSANITY DEFENSE STATUTES

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, the action of a Federal jury in this city day before yesterday points out a great frailty in our judicial system. As the insanity defense statutes are presently written, our courts are simply incapable of dealing with criminals who refuse to take responsibility for their actions and who have the financial resources to hire skilled lawyers and cooperative psychiatrists.

Fifty million Americans watched John Hinckley gun down our President on a Washington street, 50 million Americans saw John Hinckley maim Jim Brady, 50 million Americans witnessed the shootings of police officer Thomas Delahanty and Secret Service agent Tim McCarthy. Now a jury in the Nation's Capital has said forget what you watched, disregard what you witnessed, ignore what you saw—John Hinckley is not guilty.

I am told that when the jury's verdict was read—a verdict which means that a man who shot the President of the United States on national television could possibly be back on the streets in less then 2 months—I am told that John Hinckley gave a great sigh. If John Hinckley sighed, an entire Nation cried.

Where is the justice in this verdict? What do we tell Jim Brady and his wife and family about the punishment his assailant received? How do we protect the lives of police officers and Secret Service agents. How do we protect the President of the United States?

In view of this verdict is it not reasonable to expect that other starry eyed young men will seek fame and fortune—and gain freedom—by attempting to kill the President? Ronald Reagan could have died from the wounds he received at the hands of John Hinckley. If that had been the case would the outcome have been the same? Would the jury's verdict have been any different? Under existing statutes I think not.

The system must be changed. It must be repaired to prevent this kind of outrage. Therefore, I am cosponsoring legislation which limits the ability of a defendent in a criminal trial to plead insanity. I commend this measure to you for your consideration.

THE PLIGHT OF IVAN SVITLYCHNY

(Mr. JAMES K. COYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JAMES K. COYNE. Mr. Speaker, today I rise to express my concern about the health and safety of Ivan Svitlychny, a Ukrainian literary critic and scholar, who was arrested on January 12, 1972, after a long period of harassment by Soviet police. This leader of a group that worked to revive the public and cultural life of the Ukraine in the sixties was sentenced to 7 years in corrective labor colonies and 5 years in internal exile.

Both before Mr. Svitlychny's arrest and during his imprisonment, Mr. Svitlychny wrote poems and made translations. He worked on a dictionary of Ukrainian synonyms and printed collections of verses and songs. This productive and sensitive man, who has done so much for the cultural life of the Ukraine, is now in critical condition in a remote area on the Soviet-Mongolian border.

While serving his 12-year sentence, Mr. Svitlychny has suffered frequent and prolonged illnesses. Most recently, Mr. Svitlychny suffered his second relapse after a massive stroke and an emergency operation to remove a blood clot from his brain. In his current situation, Mr. Svitlychny cannot receive the full and proper medical treatment he desperately needs. I join my colleagues in asking the Soviet Government to immediately release Ivan Svitlychny to allow him to receive adequate medical care. We must do all we can for this dedicated and admirable man of conscience suffering in his harsh world of exile.

CONGRESS SHOULD ESTABLISH DEATH PENALTY FOR PRESIDENTIAL ASSASSINS

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, Americans are outraged and appalled over the Federal jury verdict that John W. Hinckley, Jr., was not guilty by reason of insanity. This decision was agreed to by all 12 jurors and thus an American court of law has acted. While we do not want to act as judges on our court system, some in this country truly believe that the laws for Presidential assassinations are too lenient.

I believe it is therefore vitally important that this Congress send a powerful and specific message across this country that any assassination of the President or Vice President will simply not be tolerated. As the elected Representative of our Nation, the President serves as the true embodiment of our national will and purpose. Any attack on this individual, therefore, is an attack upon all the citizens of this country.

For this reason and in light of the alarming increase in attacks that our Presidents have come under in recent decades, on February 3 of this year, I introduced H.R. 5448, which enables the death penalty to be used as punishment for the assassination of the President or Vice President. While there may be controversy about reestablishing the death penalty across the board, it is my firm belief that its imposition in connection with Presidential or Vice Presidential assassination is absolutely necessary and imperative.

I also believe that it is imperative that the Congress, which enacts the laws of this land, provide an adequate deterrent to any persons involved with the assassination of our country's two highest elected officials. I therefore urge my colleagues to join me and 27 House Members in establishing this deterrent by cosponsoring H.R. 5448 and I will urge the chairman of the Judiciary Committee as well as the chairman of the Subcommittee on Crime to put H.R. 5448 on the front burner by giving it immediate consideration.

TELECOMMUNICATIONS ACT WOULD ENCOURAGE MORE JAPANESE INDUSTRIAL ESPIONAGE

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, today we learned that high-ranking employees of a Japanese electronics company have been charged with industrial espionage, with trying to steal American technology.

In this light, it is ironic that this body may soon have before it a bill that would do the work of these data thieves for them. I speak, of course, of H.R. 5158, the Telecommunications Act. Japan, Inc., is just one of the special interests that would be given technology by this ill-conceived law.

The Bell System, which has been a leader in American technology, providing a great telephone system and providing jobs for Americans, would be required to turn over their patents or license the Japanese to use their patents.

Mr. Speaker, the Bell System has grown strong through technology and innovation. Had it been saddled with the burdens of H.R. 5158, it would not today have the technical data worth stealing.

Let us not undo all the good the Bell network has done for America. Let us not give away our wealth of knowledge. Let us not let foreign agents steal our jobs by action of this Congress.

EXPRESSIONS OF SHOCK OVER HINCKLEY VERDICT

(Mr. MYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS. Mr. Speaker, as has been mentioned before this morning, the Nation was shocked this week and certainly stunned with the Hinckley

verdict. The purpose of criminal law is to protect society from dangerous individuals, be they sane or insane, and also to place a deterrent to possible wrong doing by giving sufficient punishment. This verdict does neither of these. The jury was obviously overwhelmed by the psychiatrists coming from every direction, often with very technical explanations of the condition of Mr. Hinckley. We can defend the jury by saying it did not know what to do, but the problem is in the act itself, the Criminal Code.

Yesterday I offered amendments to change the Federal rules of criminal procedure to do this: To abolish the plea of not guilty by reason of insanity. My amendments would do this: If the defendant chose to use insanity as a defense, the defendant, would have to plead guilty but mentally ill.

The court at that point would order a psychiatric examination. If that examination found the defendant insane, the court would hand down a sentence at that time commensurate to the punishment for the crime committed. The court would not wait for any further delay; but would hand down a sentence. The defendant then would be delivered to the appropriate mental institution or a hospital for treatment. At a future time when the defendant is determined to be sane, that individual would not come back into society, as Mr. Hinckley probably will. The defendant then would have to serve the remainder of the sentence in a penal institution and carry out his prison term.

Mr. Speaker, what we need to do here is take the determination of insanity away from the jury, and second, and most importantly, take these dangerous people off the streets. I hope the Congress will act promptly to correct this very serious flow in the Federal Criminal Code.

TRUTH AND DEPENDABILITY IN THE POLITICAL SYSTEM

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, the American people admire truth and dependability in the political system. The President of the United States made some promises to the American people. He promised the American workers that he would give them a 10-percent tax cut this year. He has defended that. He promised the retired people of this country that he would protect their earned benefits under social security.

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He has defended those promises in spite of the attacks upon him.

And now, the American people will have proof that the President stuck to his commitment. The proof will be the checks of almost 98 million working Americans next month when they get a 10-percent tax cut. And, the proof is going to be in the checks of 36 million Americans when they get their social security checks with a 7.4-percent increase. The American people should look at these checks as the proof of who is doing what, and who is telling the truth. In so doing, they will find Ronald Reagan and the Republicans living up to their promises.

DISMAY OVER REMOVAL OF CONGRESSIONAL TAX PROVISIONS IN URGENT SUPPLEMENTAL BILL

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, I want to express my dismay that the conferees on the urgent supplemental are bringing back a bill which does not include the strict limit on the tax deductions for Washington living expenses of Members of Congress so broadly approved by this House several days ago.

I want to underscore a fact that has been widely recognized in the press: this is an issue that will not go away.

The public must be assured that, when it comes to taxes, there is fundamental equal treatment of everyone in our society—and no special treatment for Members of Congress.

As the workload of Congress has changed over the years and more and more time must be committed in Washington to properly discharge our duties, more and more of our ordinary living expenses become deductible expenses under what has become known as the tax break for Members of Congress. "Ordinary" citizens do not have the privilege of deducting "ordinary living expenses." They rightly protest the tax treatment of Members of Congress as a double standard.

There will shortly be a colloquy between Representative SCHROEDER and the chairman of the Appropriations Committee, Mr. WHITTEN, indicating that the special tax treatment for Members of Congress will be considered in the supplemental appropriations bill for the period after July 20 of this year.

I want to urge in the strongest possible terms the leadership of both parties to recognize the deep current in the public that demands equal tax treatment for all citizens and that the tax break for Members of Congress be undone.

PROPOSED RESCISSION AND DEFERRAL UNDER IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-203)

The SPEAKER pro tempore (Mr. BENNETT) laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, June 23, 1982.)

A CONTINUED FIGHT FOR ERA

(Mrs. HECKLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HECKLER. Mr. Speaker, as an original cosponsor of the ERA in this House, I advise all of my colleagues that Susan B. Anthony's words will forever be true—there will never be another decade of silence on this green Earth until women have equal rights with men. I offer you this paraphrase of Susan B. Anthony's words because I am not daunted by the failure of the ERA to be ratified by June 30. Instead, I am spurred to introduce it again in this House, to get it approved once again by this Congress, and to gain its ratification by the necessary 38 States. On July 14, with some of my colleagues in the Congressional Caucus on Women's Issues, which I cofounded and cochair, I will introduce a bill with these words:

> Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

I urge my colleagues to join me.

URGENT SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR ENDING SEPTEMBER 30, 1982

Mr. WHITTEN. Mr. Speaker, pursuant to the order of the House of yesterday, I call up the bill (H.R. 6645) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text of the bill, H.R. 6645, is as follows:

H.R. 6645

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations (this Act may be cited as the "Urgent Supplemental Appropriations Act, 1982") for the fiscal year ending September 30, 1982, and for other purposes, namely:

TITLE I

CHAPTER I

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

(TRANSFER OF FUNDS)

For an additional amount for "Program administration", $8,742,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $4,259,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $5,623,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DEPARTMENTAL MANAGEMENT

OFFICE OF THE INSPECTOR GENERAL

(TRANSFER OF FUNDS)

From amounts appropriated for fiscal year 1982 for payments to States for Medicaid Fraud Control Units, there is transferred to the Office of Inspector General, Department of Health and Human Services, for necessary expenses, $13,941,000.

DEPARTMENT OF EDUCATION

STUDENT LOAN INSURANCE

For an additional amount under title IV, part B of the Higher Education Act, $1,300,000,000, to remain available until expended.

CHAPTER II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

(INCLUDING TRANSFER OF FUNDS)

Of the amount of authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982 and prior Appropriation Acts, $94,382,000 of contract authority and $4,098,640,000 of budget authority are rescinded: *Provided*, That any balances of authorities made available prior to enactment of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, which are, or become, available for obligation in fiscal year 1982, shall be added to and merged with authority approved in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, and such merged amounts shall be made subject only to terms and conditions of law applicable to authorizations becoming available in fiscal year 1982: *Provided further*, That $190,860,000 of contract authority and $4,098,685,000 of budget authority, shall be used for the public housing program, including $18,960,000 of contract authority for assistance in financing the development or acquisition cost of low-income housing for Indian families, $90,000,000 of contract authority for modernization of existing low-income housing projects, and $1,263,005,000 of budget authority for new construction and substantial rehabilitation as authorized by section 5(c) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c); and $870,969,000 of contract authority and $15,228,518,000 of budget authority shall be used for new construction and substantial rehabilitation and assistance to existing housing units, including amendments for units reserved in prior years, under the lower income housing assistance program (section 8, United States Housing Act of 1937, as amended): *Provided further*, That of the foregoing amounts, $152,715,200 of contract authority and $3,700,000,000 of budget authority shall be for projects under section 8, United States Housing Act of 1937, as amended, the rents for which are approved pursuant to the note governing financing adjustments (46 Fed. Reg. 51903, October 23, 1981) or any published amendment thereto or successor note, except that the Secretary shall include in the determination of the fair market rental a debt service factor reflecting the lesser of 14 per centum, or one-half per centum below the rate of interest on the permanent instrument sold to finance the project, and except that the Agreement to Enter into a Housing Assistance Payments Contract shall not be required to include a provision requiring that construction must be in progress prior to September 1, 1982: *Provided further*, That with respect to newly constructed and substantially rehabilitated projects under section 8, United States Housing Act of 1937, as amended, during 1982, the Secretary shall not impose a percentage or other arbitrary limitation on the cost and rent increases resulting from increased construction cost in exercising the authority to approve cost and rent increases set forth in section 8(1) of such Act: *Provided further*, That none of the merged amounts available for obligation in 1982 shall be subject to the provisions of section 5(c) (2) and (3) and the fourth sentence of section 5(c)(1) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439): *Provided further*, That no funds provided under this or any other Act shall be used to terminate a reservation of contract authority for any project under section 8 of the United States Housing Act of 1937, as amended, on account of the inability of the developer or owner of that project to obtain firm financing, unless such termination occurs no less than twenty-four months following the date of initial reservation of contract authority for such project: *Provided further*, That $74,375,000 of contract authority and $1,750,000,000 of budget authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, shall not become available for obligation until October 1, 1982, and $89,321,727 of the foregoing budget authority shall be for the modernization of 5,073 vacant uninhabitable public housing units, pursuant to section 14 of the United States Housing Act of 1937, as amended, other than section 14(f) of such Act: *Provided further*, That to the extent that the amount of budget authority which is recaptured or deobligated, including budget authority internally transferred by State Housing Finance Development agencies pursuant to 24 C.F.R. part 883.207, does not equal $5,000,000,000 on June 30, 1982, the amounts deferred in the immediately preceding proviso may be used in accordance with, and in addition to, the amounts provided in the third proviso of this paragraph, except that to the extent such amounts are used, an equivalent amount of such recaptured or deobligated contract authority and budget authority, which become available on or after July 1, 1982, through September 30, 1982, if any, shall be deferred until October 1, 1982.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For an additional amount for "Payments for Operation of Low-Income Housing Projects", $198,000,000: *Provided*, That of the total amount available in fiscal year 1982 for "Payments for Operation of Low-Income Housing Projects", $1,215,275,400 shall be made available pro rata solely in accordance with the Performance Funding System (as set forth in 24 C.F.R. part 890, as of February 8, 1982).

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SPECIAL ASSISTANCE FUNCTIONS FUND

For additional gross obligations in fiscal year 1982 for the principal amounts of direct loans made pursuant to section 305 of the National Housing Act, as amended (12 U.S.C. 1720), $150,000,000, notwithstanding section 333(a)(2) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

INDEPENDENT AGENCY

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For necessary expenses to carry out title II of the Federal Water Pollution Control Act, as amended, other than sections 201(m), 205(k), except that for the project authorized by said section the Administrator shall allocate to the State of New York an amount equal to one-third of the total cost from the amount made available under this paragraph to the State of New York, one-third from the amount made available to the State of New Jersey, and one-third from the amounts made available to the remaining States, 206, 208, and 209, $2,400,000,000, including grants for biological treatment facilities to repair or replace small community systems but not to exceed three systems suffering operational problems outside the warranty period where the existing Environmental Protection Agency planned systems have proven to be inoperable by the local municipalities, where determined to be necessary, to remain available until expended: *Provided*, That of such amount, $3,965,426 in additional funds (the amount which was withheld from the State of Kansas by reason of an accounting error by the Federal Government) shall be made available to the State of Kansas: *Provided further*, That nothing herein shall prohibit any project specified in section 201(m) from receiving a grant under section 201(g), in compliance with all relevant procedures under title II of the Federal Water Pollution Control Act, as amended, and paid from funds allotted to the State by section 205 and appropriated by this Act: *Provided further*, That the Administrator, upon application by the Governor of the State of Ohio, with the approval of the Committees on Appropriations, shall before October 1, 1982, commit existing unobligated funds from the State's Wastewater Construction Grant al-

lotments to fund the Solid Waste Energy facility in Akron, Ohio.

CHAPTER III

CIVIL AERONAUTICS BOARD

PAYMENTS TO AIR CARRIERS

For an additional amount for "Payments to air carriers", $28,400,000 to remain available until expended: *Provided*, That $8,242,000 shall be used to liquidate obligations incurred during September 1981, to provide for subsidy payments under 49 U.S.C. 1376 and 1389: *Provided further*, That notwithstanding any other provision of law any funds appropriated for "Payments to air carriers" in this or any other Act which are not obligated by September 30, 1982, shall be available for obligations only for section 419 (49 U.S.C. 1389) subsidies, except for adjustments to section 406 (49 U.S.C. 1376) payments for service provided prior to September 30, 1982.

INTERSTATE COMMERCE COMMISSION

PAYMENTS FOR DIRECTED RAIL SERVICE

For an additional amount for "Payments for directed rail service", $8,000,000, to remain available until expended.

Section 120 of the Rock Island Railroad Transition and Employee Assistance Act is amended—

(1) in subsection (a)—

(A) by striking out "the Rock Island Railroad" the first place it appears and inserting in lieu thereof "any railroad subject to section 77 of the Bankruptcy Act, or subchapter IV of chapter 11 of title 11, United States Code, which has ceased to provide passenger commuter service over any line of the railroad";

(B) by striking out "2-year" and inserting in lieu thereof "3-year"; and

(C) by striking out "Rock Island Railroad" each place it appears (other than the first time it appears) and inserting in lieu thereof "railroad"; and

(2) in subsection (b), by striking out "the Rock Island Railroad" and inserting in lieu thereof "any railroad".

CHAPTER IV

DEPARTMENT OF THE TREASURY

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $81,604,000.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $23,825,000: *Provided*, That no funds made available by this Act or Public Law 97-161 may be used to accomplish or implement any proposed reorganization of the Bureau of Alcohol, Tobacco and Firearms or the transfer of the Bureau's functions, missions, or activities to other agencies within the Department of the Treasury in the fiscal year ending on September 30, 1982: *Provided further*, That no reorganization of the Bureau of Alcohol, Tobacco and Firearms or the transfer of the Bureau's functions, missions, or activities to other agencies within the Department of the Treasury subsequent to September 30, 1982, shall be accomplished or implemented without the specific, express approval of both the House and Senate Committees on Appropriations.

INDEPENDENT AGENCIES

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $4,006,000.

U.S. TAX COURT

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,530,000.

CHAPTER V

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $2,000,000, to remain available until expended.

CHAPTER VI

DEPARTMENT OF AGRICULTURE

FOOD AND NUTRITION SERVICE

FOOD STAMP PROGRAM

For an additional amount for the "Food Stamp Program", $335,000,000.

TITLE II

GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this Act shall remain available for obligation beyond July 20, 1982 unless expressly so provided herein.

The SPEAKER pro tempore. Pursuant to the order of the House of June 22, 1982, the gentleman from Mississippi (Mr. WHITTEN) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 6645, and that I may be permitted to include extraneous and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, recently we passed the urgent supplemental appropriation bill H.R. 5922. It provided for a repeal of the tax break for Washington living expenses for Members, to which was added a limitation on outside income of our colleagues on the other side of the Capitol.

When the conference report on H.R. 5922 was considered in the House on June 16, a motion was offered calling for a repeal of the cost of Washington living expenses and a limitation on outside income. The vote was substantial, I believe 381 to 29.

Yesterday the other body approved the conference report but took exception to amendment 62 which repeals the Members of Washington living expenses tax break and provides for the limitation of 30 percent of salary on outside income.

Mr. Speaker, the Committee on Appropriations reported H.R. 5922—the urgent supplemental appropriations bill on March 23—exactly 3 months ago. We have been trying since that time to provide vitally needed funds for a number of Government programs. That bill has faced considerable obstacles: There was objection from some because it exceeded the amounts in the second budget resolution.

I might add, if the Budget Committee had acted quickly on an amended resolution for 1982—as it indicated last December it would do—we would not have been delayed so long.

After the House finally passed the bill on May 12, the Senate tacked on 65 Senate amendments—some of which were very controversial. In conference, we were able to resolve all but two issues—one being the limit on outside earned income. As I just stated that issue is still in disagreement between the two Houses. But even if that issue were resolved—the bill faces an almost certain veto by the President. He is apparently opposed to that bill because it contains $3 billion for emergency mortgage assistance. Both Houses have expressed their overwhelming support for this program. It is possible a Presidential veto could be overridden in both House and Senate. But in the meantime—it is very likely that several Government agencies would have to begin to furlough employees. Other serious program disruptions could result.

In an effort to keep departments and agencies in operation we bring before the House today a bill, H.R. 6645, containing those activities which are strictly urgent and so far as I know noncontroversial. This is a very unusual appropriations bill. Although it provides $4,524,123,000 in new budget authority, it also rescinds—or returns to the Treasury—$4,098,640,000 of funds previously appropriated. Thus, the net cost to the Government is only $425,483,000. In other words—although this bill provides vitally needed funds for critical Government programs—it is not a budget buster.

My attention has been called to the Coast Guard. The Coast Guard is expected to continue to operate existing stations until the remainder of the original urgent supplemental bill is approved, which must come on or before July 20.

May I say there may be other activities where there may be a need for some shifting around, but the intention here was to include in this bill the most-time-sensitive items that must be included to keep in operation the existing governmental activities.

If there are other activities where we have not foreseen problems, we also intend that they be carried on in such manner, and they are justified to carry on in such manner as may be available to them until such time as the remainder of the items in the urgent supplemental bill (H.R. 5922) are resolved.

Let me repeat that we have activities of several departments and agencies included in H.R. 5922 where the other body and the House are in agreement. They will have to begin furloughs, they will have to close down, with all of the problems that come from that, plus a whole lot of added expenses if funding is not provided immediately. So we have included only the most urgent, noncontroversial items at this time in H.R. 6645 in order to get it passed.

The other body, as I understand it, will accept it, or so I understand. Then the other items that are in the urgent supplemental, H.R. 5922, which the record will show we reported from committee on March 23, will come up and they must come up and be acted on by July 20.

We are not changing our position on any action taken on H.R. 5922.

The House voted overwhelmingly to repeal the tax break for Washington living expenses and we also voted to impose the 30-percent limit on outside earned income for both Houses of Congress.

What I am saying to you is, this is our effort, well considered, well thought out, which includes those activities which must have funds within the next few days. The remainder of the accounts included in H.R. 5922—some of which are very controversial—must be acted on when we get back here on or before July 20.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield to me?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. I could not understand all the gentleman said and wanted a clarification.

Does the proposition the gentleman places before this body today include the noncontroversial item to rescind the tax preference for Members of Congress that was accepted by the House and the other body, so I assume there was no dispute between the parties?

Mr. WHITTEN. Let me say this is an unusual appropriation bill. It appropriates on an urgent basis approximately $4 billion and it rescinds approximately $4 billion.

In my experience here this is about the only time we have had an appropriation bill where some 95 percent of it was financed by rescinding that amount in the bill.

That speaks, I think, for what we have done here.

Mr. FINDLEY. But does it include the item which rescinds the decision of last December in regard to congressional tax privilege?

Mr. WHITTEN. The issue to which the gentleman refers was generated by the Senate amendment to H.R. 5922 No. 62. It was reported from the conference committee in disagreement. A motion to agree—and I stress agree—to the Senate amendment with an amendment limiting outside earned income to 30 percent of salary was adopted in the House by a vote of 381 to 29. When the Senate considered the House action it disagreed to the House's amendment. Therefore, the issue is still unresolved and has been included with the more controversial activities. I stress, however, it is not the repeal of the tax break for Member's Washington living expenses which is controversial. It is that the entire issue—including the outside earned income limit—is unresolved. I might add that because of the one-sided nature of the House vote in favor of the House amendment to the Senate amendment—381 to 29—I did not feel I could back away from the House position and merely include the tax break repeal in the bill I introduced yesterday.

That item will have to be decided along with the emergency mortgage payments program, and other more controversial items on or before July 20.

Mr. FINDLEY. If the gentleman would permit, I am surprised he would use the word "controversial" to describe this provision because it was accepted by the House by an overwhelming margin and by the other body by an overwhelming margin. So why not include it in the proposition now before us?

Mr. WHITTEN. The House amendment included the repeal of the tax break which I opposed from the start. I have introduced legislation for its repeal. But the motion the House approved by a ratio of 13 to 1 added the provision that as part of the same amendment there would be a limitation on outside income of our friends in the other body. Yesterday, the Senate disagreed with the House amendment to the Senate amendment. That remains for consideration and handling on or before July 20.

Mr. FINDLEY. If the gentleman would permit, though, why not retain the noncontroversial part? Of course there is dispute over Senate outside earnings, but there is no dispute on the question of rescinding the decision of last December. So that is why I am troubled that the gentleman has not seen fit to put before us a bill that includes that rescission.

Mr. WHITTEN. We are in no way backing off in the least on the House side. It does keep alive the added part of the amendment on the House side about outside income of our colleagues on the other side of the Capitol.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I would point out there are a number of controversial items that are not included in here but they are things that can await July 20 for resolution.

So noncontroversial is probably not exactly the right word.

Mr. WHITTEN. I agree with my colleague from Iowa.

Mr. SMITH of Iowa. For example, the Department of Commerce very badly needs and must have certainly by July 20 the resolution of some matters that are not included in this bill.

But let me understand: Is the gentleman then going to insist on our position?

Mr. WHITTEN. Absolutely. One reason we bring these items in now is so that we can continue to insist.

Mr. SMITH of Iowa. So then those who are so anxious to preserve the unlimited rights to honorariums, which I very much disagree with, will have another chance to vote if they want to keep those honorariums; is that right?

Mr. WHITTEN. That is right. It keeps the House amendment to Senate amendment No. 62 alive. It will be dealt with on or before July 20. I personally have not changed my mind and I do not know of anyone who has on this side.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

As I understand it, the basis of the bill is that we are not going to extend any of the appropriating we are handling here beyond July 20, with a couple of exceptions that I want to explore with the gentleman? But the idea is that we are going to cut off any appropriations that are in this bill on July 20 to assure this House that the urgent supplemental that was previously before us, with all of the provisions that it had in it, including the tax treatment of Members of Congress will indeed be considered sometime soon after we come back from recess?

Is that a correct assessment?

Mr. WHITTEN. The answer to that is "Yes."

Mr. WALKER. Given that, I think it is important to try to explore here for a moment, if I could, some of the things that may be included in the exception clause which goes beyond July 20, 1982.

Am I correct that on page 3 of the bill the student loan program would in fact be extended beyond the July 20 date?

Mr. WHITTEN. That is correct.

Mr. WALKER. On page 10 of the bill, am I correct that the payments for directed rail service would be extended beyond the date of July 20?

Mr. WHITTEN. That is correct.

Mr. WALKER. On page 12 of the bill, the operations, research, and facilities of NOAA, $2 million, would go

beyond the July 20 date; is that correct?

Mr. WHITTEN. That is correct.

Mr. WALKER. Is there anything else the chairman knows of in the bill other than those items that would go beyond the July 20 date?

Mr. WHITTEN. Funding for the Civil Aeronautics Board on page 9 and for the EPA construction grants program on page 8 would also be available after July 20.

May I comment again on the statement made by my colleague, a member of the committee, a while ago when I inadvertently used the word "controversial"?

What I should have said is we included in H.R. 6645 only those items where there will be a closure, where there will have to be furloughs or other serious disruptions if funding is not provided expeditiously. So many of the other items were not included because they can go over without any resulting ill effects or any disruption of their activities.

□ 1100

Mr. WALKER. If the gentleman will yield further, the provisions to which I have referred, and to which the chairman has just added, I believe, one, would seem to indicate to me that these are programs for which we have made the provisions in the bill in order to assure that separate accounts would not have to be set up.

Mr. WHITTEN. That is correct.

And may I say again that, in most cases, there is an obligation on the part of the Government to keep these activities going. In addition to a need, there is also a commitment in prior legislation.

Mr. WALKER. If the gentleman will yield further, the one point I want to assure myself of is that, as of July 20, though, that while we do have an emergency situation arising with regard to most of the programs included in this bill in that they will not be able to pay their employees, we are in a place of forcing action on that urgent supplemental that we had before us previously. That is what I am trying to get to.

Mr. WHITTEN. That is to give our colleagues a reassurance that we mean to handle those just as quickly as we can. It was suggested that we put the date July 15—that is 3 days after we return—which I did not think would be sufficient time in which to act. So we extended it through the 20th. But the reason for the short limitation is to reassure everybody that we need to move ahead.

Mr. WALKER. I thank the gentleman.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I want to thank the gentleman. I had a conversation with the gentleman before, about how I was distressed that the section repealing the Members' special tax break was not in this supplemental. I understand what the gentleman is saying—he did not want to put anything in there that he thought was ancillary.

Nevertheless, I guess one of my concerns that I wanted to share with the gentleman is that I do not believe this short-term bill you have right now will be vetoed; is that correct?

Mr. WHITTEN. Well, that would be, of course, reading minds; but I understand and hope it has approval all around. I think it is recognized by our colleagues on the other side, and I have been advised that it is recognized at the White House level, that it is necessary that this action be taken to keep these operations going. Those where they can wait until July 20, we have not included. But we have included only those where it is absolutely urgent that we move now.

Mrs. SCHROEDER. If the gentlewoman can be the devil's advocate, one of the problems we have is that we have a bill today that probably will not be vetoed, and we did not put the repeal special tax break in it.

Mr. WHITTEN. I have learned long ago not speak for anybody else, but I have every reason to believe that it will be approved.

Mrs. SCHROEDER. And we have the other bill which we will take up when we come back, the housing bill, which may be vetoed.

Mr. WHITTEN. Of course, I take it that the other bill will be so satisfactory to us that they might sign it. But that would just be guessing.

Mrs. SCHROEDER. If the gentleman will yield further, let us suppose that the worst happens, and they veto that other bill. We will then need another urgent supplemental to carry forward some of the things beyond just the housing. This bill is not just for housing.

Mr. WHITTEN. May I say that in many cases there is an obligation or a commitment, and in many cases there will be an urgent need for continuation of the activities.

Mrs. SCHROEDER. And so my question, then, to the gentleman and for those of us who might be skeptical—would that then that the proper time to put in the repeal of Member's tax break on the next supplemental of the housing bill gets vetoed?

Mr. WHITTEN. The tax break and our position on it stands. But since it would be probably controversial, in view of the attitude of the other body which differs from ours, it will come up when we get back here, but it must come up before July 20. I am sure the gentlewoman and I have not changed our minds. We are for repeal of the tax break for Washington living expenses. The House voted, I think, 381 to 29, so I think the House position is very firm. That is not affected at all, because that still stands. We will have to deal with it on or before July 20, and we expect to stand where we are.

Mrs. SCHROEDER. If the other bill we are delaying on is vetoed, there will still be another vehicle to get this matter in front of the House? I want this issue behind us. Our credibility is being impaired.

Mr. WHITTEN. Well, it is part of the same vehicle. We are just pulling out the urgent parts for 3 weeks, the urgent, urgent part, now, since we have to. The other items will have to be addressed when we returned.

Mrs. SCHROEDER. I thank the gentleman from Mississippi for his explanation.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. YATES. I think that perhaps the record should be clarified to indicate that those of us who voted to repeal the so-called tax break were justified in our attitude because the Senate did in fact reject the Fazio amendment when it came before the Senate, it did in fact refuse to accept the Fazio amendment, so that if the gentleman really wanted to present that bill to the House, he could do so; and that bill could be moving on to the White House in place of this one, could it not, along with the repeal of the tax break?

Mr. WHITTEN. The gentleman, I am sure, was justified in his own mind as to his actions. The rest of us were justified in our minds. But the matter stays in abeyance until on or before July 20, when it will come up.

At this time it would have created delays and probably caused serious program disruptions and furloughs.

Mr. YATES. If the gentleman will yield further, is not the gentleman from Illinois correct in stating that the other body did accept the repeal of the tax break, and that that has the concurrence of both Houses at the present time?

Mr. WHITTEN. That is true regarding the repeal of the tax break. But the House has not changed its position on the outside income limit. The vote was 381 to 29 in favor of the House amendment. I did not feel justified in recommending that we back up just on my say so when I differed with the gentleman's vote. He voted as he saw it; I voted as I saw it. I think that I was right, and he thinks that he was right. But the status quo remains and it stands like it is until we have further action.

Mr. YATES. It is the status quo, and not the status quo of Members.

Mr. WHITTEN. If I understand the meaning of the term.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6645 includes those items that are considered at this point to be the most urgent needs of the Federal Government to keep vital programs operating during the coming month.

This measure does not include every item that I would like to see included, but it does meet the most critical problems, and will give us the opportunity to come back here next month and do a thorough job of passing a supplemental to cover other program items. I assure the gentlelady from Colorado that we do everything in our power to preserve the repeal of the $75-per-day tax deduction for living expenses.

If this bill does not pass more than 8,000 people in the Department of Labor will be furloughed in the next few weeks.

In addition, it is important to note that the Department of Labor has already had to suffer more than 4,000 reductions in force. That Department, in its management operations, is on the verge of being gutted.

At the Inspector General's Office, at the Department of Health and Human Services, all 924 inspectors general will be furloughed for more than 80 percent of the remaining work days this fiscal year. That means there will be no one there to fight waste, fraud and abuse in medicaid, medicare and social security.

Remember, we can lose more money in a single week through abuses in those entitlement programs than we will spend in this entire bill.

GUARANTEED STUDENT LOAN PROGRAM

The bill includes $1.3 billion for the guaranteed student loan program to keep that program functioning at its full level through the remainder of the fiscal year.

More than 1.7 million students will expect to have loans processed between now and the beginning of their school year this fall. If these additional funds are not provided, these students and their families will have their investment in their education seriously jeopardized.

This bill does not include any of the legislative changes proposed by the President. That means that graduate and professional students will continue to be eligible for the program.

This bill does not eliminate the interest subsidy or reduce it as requested by the President. Nor does it double the origination fee charged against loans.

These funds are critical to the continued operation to the guaranteed student loan program. We have a responsibility to see that these funds are available as quickly as possible.

LABOR DEPARTMENT TRANSFERS

The three transfers within the Department of Labor amount to $18.6 million which would be transferred from unobligated and unplanned balances in CETA title II-D fiscal 1981 funds.

They would add no budget authority to appropriations totals.

These transfers are necessary to keep the Employment and Training Administration, the Bureau of Labor Statistics and the Employment Standards Administration operating after May 1.

ETA would have to furlough its entire agency of 2,500 people for 27 days.

ESA would have to furlough 75 percent of all of its personnel for 3 weeks. It has already RIF'ed 215 people.

The Bureau of Labor Statistics would suspend collection and processing of data to support the Consumer Price Index, Producer Price Index and the employment and unemployment statistics.

The Department of Labor has already reduced its work force by more than 4,200 personnel and its overall budget has been reduced by $4.6 billion or 32 percent.

INSPECTOR GENERAL TRANSFER, HHS

The transfer for the Office of Inspector General within the Department of Health and Human Services is absolutely necessary to keep the doors of that agency open and its inspectors operating.

The transfer of $13,941,000 would come from the State medicaid fraud control units account within the Office of Inspector General. That account has an additional $13.9 million that is not needed by the States to run their medicaid fraud control units.

If the transfer is not provided the agency will be forced to announce furloughs of all 924 of its full-time employees and 50 of its part-time employees for 82 days between now and the end of the fiscal year. That amounts to 65 percent of the remaining work year.

The result of that will be that there will be virtually no effort within the Department of Health and Human Services to combat waste, fraud, and abuse during fiscal 1982.

Surely, that is not the intent of this committee—a committee that has always prided itself on attacking fraud, waste, and abuse.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND INDEPENDENT AGENCIES

Chapter II deals with a proposed rescission of $5.9 billion in funds appropriated to the Department of Housing and Urban Development for assisted housing programs, and provides for the long awaited $2.4 billion appropriation to continue the wastewater treatment constuction grants program.

The bill provides for a $4,098 billion rescission and a $1.75 billion deferral of assisted housing funds. Funds remaining available to the Department in fisal year 1982 would be used to provide 9,453 units of public housing and 141,300 units of section 8 including 30,387 units under the section 8 existing program, 15,000 units under the moderate rehab program, 2,764 subrehab units and 22,149 new construction units. Included in these figures are 16,933 units under the section 202 housing for the elderly and handicapped program.

To enable projects already in the section 8 pipeline to go forward, the bill provides a total of $3.7 billion in budget authority to be used for the financial adjustment factor (FAF) and an additional $150 million in mortgage purchase authority to be used by Ginnie Mae for 100 percent section 8 assisted projects.

Additionally the bill provides $198 million in supplemental funding for public housing operating subsidies. This would make a total of $1.35 billion available for public housing operating subsidies in fiscal year 1982.

The bill contains $2.4 billion for EPA's sewage treatment construction grants program.

COMMERCE, JUSTICE, STATE AND JUDICIARY

An additional appropriation of $2 million is provided to continue three weather service activities of the National Oceanic and Atmospheric Administration, as provided in both the House and Senate bills. Of this amount, $927,000 will enable 38 small and part-time weather stations around the country to remain open through Septebmer 30, 1982; $209,000 will extend fruit frost forecast services through the same period; and $836,000 will provide a similar extension for eight weather service forecast offices.

TRANSPORTATION

As regards chapter III, Department of Transportation and related agencies, H.R. 6645 provides for the following: $8 million for the Interstate Commerce Commission's payment for directed rail service program; and $28,400,000 for the Civil Aeronautics Board's payments to air carriers program.

On the issue of the directed rail service administered by the Interstate Commerce Commission, this bill recommends $8 million to pay liabilities of the Federal Government that continue to accrue. The liabilities are based upon the directed rail service performed by the Kansas City Terminal Railway Co., between September 1979 and March 1980 over the lines of the bankrupt Chicago, Rock Island & Pacific Railroad Co. This recommendation is considered to be urgent in light of the fact that funds for the accounting operations will be exhausted in June. The ICC fears that if this operation is temporarily terminated it will permanently lose the skills of 100 of these highly specialized and experienced employees. The ICC has ordered these accounting functions to continue until March 31, 1983.

With regard to the Civil Aeronautics Board's urgent request for funding for its payments to air carriers program, the bill provides for an additional $28,400,000. Of that amount, $8,242,000 is to be used to liquidate obligations incurred in fiscal year 1981. Without this funding, possible 10 or more airlines which receive Federal funding may go bankrupt in the immediate future.

I am, however, upset by the fact that this clean bill does not include the $48 million we had originally included in the urgent supplemental bill for the forgotten branch of the military services—the Coast Guard. As we all know, the Congress continues to burden this already lean branch of the services with additional responsibilities. Currently, the Coast Guard has a diverse mix of missions. Those missions include search and rescue, aids to navigation functions, and icebreaking duties. In addition to these more historic missions, they are responsible for enforcing the laws and treaties of the sea, which includes drug interdiction.

Under the restrictive funding levels in this clean bill, the Coast Guard will be forced to "rob Peter to pay Paul" in a valiant effort to keep open 31 search and rescue stations previously announced for closure, keep in the active fleet seven vessels previously announced for decommissioning, maintain operational vessel traffic systems in Louisiana, California, and New York, and air stations at Savannah, Ga., Puerto Rico, and Los Angeles, Calif., as well as nine aircraft announced for retirement, numerous facilities in Puerto Rico, and the Coast Guard Academy at its current level of operation.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I want to compliment the gentleman from Massachusetts and the committee chairman for working so hard to make sure that these programs are not in jeopardy during the Fourth of July recess, because I know that you cannot do this real rapidly, and I really want to compliment the gentlemen.

My fear has been, as the gentleman so well put it, about the Member's special tax break. I realize the rest of us can be recognized for purposes of debate only, and the rule is a closed one so we cannot amend the bill to include the repeal. I was wondering why it could not be just put in this stopgap legislation, we could put the repeal in and the issue behind us. The Member's special tax breaks have had more lives than a cat. My question is: Are we giving the tax break one more life by not putting it in here today?

Mr. CONTE. That is a good question, a legitimate question.

This bill contains only urgent appropriations. There are no language provisions. You know, we had a big fight on jurisdiction between OSHA and MSHA. We did not put that in here. We did not put any language provisions in here. These are merely urgent, urgent supplementals and I said that if I had been consulted, I would have gone one step further and put the $48 million for the Coast Guard in here, because I think it is vitally needed and it should be in here.

So we kept away from anything that was controversial and anything that had nothing to do with money. If we had put your amendment in or the Proxmire amendment, which repealed the $75-a-day tax credit, then we might have gotten into a fight again here with the $18,000 limitation on Senate outside earned income.

This bill has got to be passed before we go home. If it is not passed before we go home, we have to stay here next week and pass it, because of the 8,000 people whose jobs will be in jeopardy and who will be furloughed or RIF'ed unless we pass this bill.

Mrs. SCHROEDER. If the gentleman will yield further, I guess one of my fears is that the American public is a little tired of hearing excuses on why the tax break has not been repealed, many Members may be RIF'ed on this issue. I appreciate the assurances from the chairman that if the housing bill is vetoed, we are back at ground zero, having to continue with another continuing resolution. If vetoed then the House would take the housing money but, will we be able to put the Members' tax benefit repeal in that bill? I want the repeal in a bill that would not be vetoed. This bill would not so I am upset the repeal is not in this bill.

Mr. CONTE. I would speak only for myself. I would say yes. The House has spoken. The House has spoken very clearly. Mr. DOLE, Mr. ROSTENKOWSKI, and others are going to come out with a bill straightening this thing out, and my best guess would be that you are going to get verifiable deductions, with limitations, and I think that that would be the compromise that will eventually come out. But as far as I am concerned, I will say to the gentlewoman from Colorado that, yes, I think the House has spoken.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to point out that the House and Senate are in agreement about repealing the tax break. It has been voted on, both sides have voted to repeal that, and that will certainly be repealed since we are together.

The House voted 381 to 29 to include the other provision that is the limitation on the Senate outside income. I do not understand people, who with an overwhelming vote of the House, would turn turtle on the matter and yield. With a vote of 381 to 29, personally I do not feel like yielding on that when we have an instruction and that strong a vote. So that is one of the reasons that matter is omitted here. But both sides are in agreement, so that will happen when we have an opportunity to vote on amendment No. 62.

Mr. CONTE. I thank the Chairman.

□ 1115

Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Speaker, I do not oppose this bill, because certainly there are a number of issues which are indeed vitally urgent and in the interest of the Nation. It would be in the form of obstructionism, I suppose, for anybody to oppose this bill from going forward at this late date, particularly in view of the fact that we are going to be going into recess in just a matter of days, if not hours, and that we are going to be away from here for a couple of weeks. But I am genuinely concerned about the fact that $48 million to be appropriated to the Coast Guard in H.R. 5922 is left out of this bill. And more specifically I am concerned that the roughly $17 million which was to be appropriated for the maintenance of various Coast Guard facilities throughout the country, and even more specifically, that the approximately $1½ million which was intended to carry on the activities of the vessel traffic systems in New Orleans, New York, and San Francisco, has virtually been eliminated under this new bill, H.R. 6645.

I want to compliment the distinguished chairman of the Committee on Appropriations, the gentleman from Mississippi (Mr. WHITTEN). He has in his statement indicated that it is his intent that these operations be maintained.

I also want to compliment my good friend from Massachusetts (Mr. CONTE) for his statement that had he had an opportunity to participate in the preparation of this bill, that he would have included this money for the Coast Guard operations.

But the fact is that the bill does not include that money, and I would attempt to seek some sort of assurances that when we come back on this matter on July 20, that money is going to be included, the Coast Guard operations are going to be maintained, and more specifically, that the vessel traffic systems in New Orleans, San Francisco, and New York are going to be maintained.

My good friend, the gentlewoman from New Orleans (Mrs. BOGGS), and I have regularly gone before the Appropriations Committee, of which we are

both members, and we have consistently maintained that while VTS may not be the best system in the world, and it is not foolproof by any means, it is the only vessel safety system we have got. It is the only system that protects the hundreds of thousands of people along the lower Mississippi River Valley from the possibility of disaster, collision, or oil spill or the like, and it is necessary that it be maintained in its barest essential form. Indeed that is all it would be, because it would take 6 months just to gear back up. Since the money was terminated some months ago, it would take them 6 months for them to gear up and become 45 percent effective. It would take at least a year to be fully 100 percent effective. So for every day that goes by that we do not appropriate money for this system, we just lose ground in terms of effectiveness and manpower.

I think the Coast Guard has been most cooperative with us. They have been put off action for at least 6 weeks to 2 months, and have told us consistently that, "OK, you have not appropriated money for us to operate the system now but we understand you are going to, since you told us you will put it in the urgent supplemental. While you pass it, we will try to keep as many of our personnel onboard as we possibly can, without disrupting their lives and our operations, and try to keep them around so that we can gear this facility back up in the near future."

We are stretching out the time, Mr. Speaker. We are really creating a hazardous situation in the Lower Mississippi River Valley, and I would hope that we can get some assurance that this money is going to be back in on July 20.

My friend from New Orleans, the gentlewoman from New Orleans (Mrs. BOGGS) has expressed her concern about this matter, and I would like to yield to her at this time.

Mrs. BOGGS. I thank the gentleman for yielding and for outlining specifically the problems that we face in the area of the lower Mississippi and out into the Gulf of Mexico.

We very much need the VTS system in place. It has been a very cooperative effort on the part of the Coast Guard to say that they will put it back into operation, they will keep it going. But it does take, as the gentleman from Louisiana has pointed out, about 6 months to train people to operate the system efficiently. Also, we are in the throes of having some enhancement of the system and some implementation of a study that was conducted in conjunction with keeping the system in operation and we need the money very urgently to be able to accomplish what the VTS is capable of achieving in the next few months.

I would also like to commend the chairman of the full committee, the gentleman from Mississippi (Mr. WHITTEN), and to commend the gentleman from Massachusetts (Mr. CONTE) for their interest not only in the VTS but in all of the Coast Guard appropriations that are indeed so important to search and rescue, to weather, and so forth.

The SPEAKER pro tempore. The time of the gentleman from Louisiana (Mr. LIVINGSTON) has expired.

Mr. CONTE. Mr. Speaker, I yield 2 additional minutes to the gentleman from Louisiana.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, I take this time to agree with the gentleman about the necessity of funds for the Coast Guard. It was about 5 o'clock yesterday afternoon when I was asked to come up with some solution to get these items taken care of. This is the best approach we could come up with.

May I take this time to point out that one of the things involved has been the absence of a revised budget resolution as promised last December. In February, we were required to get a waiver from the budget resolution on three urgent supplementals. Then on March 23 we reported this bill and ran into the same problem with the budget resolution. I think what we see here is just a slight indication of what we are going to find throughout the rest of this year as we try to live with the budget resolution. I have already learned that the resolution does not provide $5 billion for the Commodity Credit Corporation to continue the operation of essential farm programs. I find every day, something else was overlooked in the budget resolution. So this may just be a little bit of an indication of what we are going to live with for the next fiscal year.

Mr. LIVINGSTON. I sympathize with the problems of the gentleman, and indeed this is a last-minute affair, and the items that were included in this bill are certainly most urgent and most warranted. But as the gentleman has pointed out, there are other matters that have been pending and have been needed for a number of months. It seems that through no fault of the gentleman from Mississippi, who has done an outstanding job of leadership and who has cooperated with us completely on this matter, it seems that we have gotten bogged down—excuse the pun—we have gotten bogged down in the process of legislation. As a result, a lot of very needy programs are slipping through the cracks.

Mr. WHITTEN. I meant to give the gentleman one other assurance, and I can speak only for myself. We have a whole lot of other supplemental requests that have been requested by the administration, some $10 billion in all, although the word urgent has not been used in connection with them, we will have to act on them soon.

Under normal circumstances, and if there had been prompt action taken to make realistic adjustments to the unworkable budget resolution proposed last year for fiscal 1982, we would not be in this difficult position. We have been forced to stop in our tracks on supplementals all year because of the problem of the unrealistic budget resolution we are obliged to live with and the fact that adjustments were not made despite assurances that they would be. In the Appropriations Committee we have done the best we could to take action to avoid or at least minimize disruptions and confusion in the administration of Federal programs threatened by the absence of timely action on the revised budget resolution for this year. In my judgment we should have handled in the House the vast majority of the additional requirements by this point in time. That is what we have done in other years when we did not constantly confront the technical obstacles associated with the unrealistic budget resolution.

The whole situation is regrettable. I support the Budget Act. We need a Budget Committee. But we must not scuttle the committee system and keep us from meeting the needs of the country.

As I said, I believe we can anticipate having more of the same problems in fiscal year 1983, especially with the provision for automatically turning the first budget resolution targets into ceilings without taking another look and without further committee and House action.

Now with respect to the Coast Guard, I certainly agree with my colleague from Massachusetts, the ranking Member on the Republican side, and I am aware of this deep interest in the Coast Guard, and want to assure the gentleman that I will support his actions to restore any additional amount in future supplementals to take care of what may be necessary to properly fund the Coast Guard.

Mr. LIVINGSTON. So, as I understand the gentleman's statement, is it the intent of the chairman of the committee and perhaps the committee itself, to include these funds that the Coast Guard desperately needs in the urgent supplemental request when it comes back to the floor on July 20?

The SPEAKER pro tempore. The time of the gentleman from Louisiana (Mr. LIVINGSTON) has again expired.

Mr. CONTE. Mr. Speaker, I yield 1 additional minute to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. WHITTEN. If the gentleman will yield further, I assure the gentleman I feel just as strongly as he does.

Mr. CONTE. Mr. Speaker, I yield myself 4 minutes.

Had I been consulted, this money for the Coast Guard would have been in here, because the money was not even in the first urgent supplemental until I made the motion in subcommittee to put in money for the Coast Guard. There was nothing in the original supplemental.

There are some of us who serve on those subcommittees that have a feel and know the need for some of these things.

Let me tell the House, I am urging passage of this bill, but very reluctantly because of this item being left out. Of that $48 million, $17.5 million of that would be for 31 search and rescue stations previously proposed for closure and reduction; the second district headquarters in St. Louis, Mo.; the 11th district headquarters in Long Beach, Calif.; the vessel traffic system in Berwick Bay, La., New Orleans, La., San Francisco, Calif., and New York, N.Y.; seven vessels previously announced for decommissioning; air stations at Savannah, Ga., Puerto Rico, Los Angeles, Calif., nine aircraft previously announced for retirement; numerous facilities at Puerto Rico and the Coast Guard Academy at the current rate of operation.

This is really essential, and this is the bind we find ourselves in now because this money was not put in and we were not consulted. It is in the other bill, and you are going to get a veto, so it is going to be months down the line before we are going to be able to take care of the Coast Guard and they are going to suffer for it.

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. I thank the gentleman for yielding.

I have to say that I totally agree with the gentleman. I really reluctantly support this bill as well, because I think that there has been a great oversight, but with the assurances of the gentleman from Mississippi, I hope that we can rectify this problem by July 20. I just hope that the Coast Guard can hold on until then.

Mr. CONTE. I hope so. I am giving my colleagues the facts of life. I see them way down the line. Because you are going to get a veto on that bill, and most likely the veto will be sustained, and the Coast Guard will have to go on another supplemental that is coming up, a vey huge one. All of that is way down the line. Meantime you are going to have to close stations, and you are going to have to do away with some of these traffic systems, and you are going to cut back on the Coast Guard Academy. It breaks my heart.

I hope—and I say it publicly—that the chairman has learned a lesson here, that next time he will call me in his office and say, "Is there anything in this bill that you would like to have." I always cooperate with him 100 percent. But on this it was not until the tail end we went into the Speaker's office to work out the procedure.

Mr. WHITTEN. Mr Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say to the gentleman that he is very forgetful. I stopped over there on the House floor and told him what I was doing.

Mr. CONTE. Yes, the gentleman told me what he was doing but he did not tell me what was in it.

Mr. WHITTEN. I have tried to keep the gentleman informed. I talked with the gentleman within 30 minutes after I was told that we had to come up with something. We have done the best we could. But I did stop and talk to him and the minority leader yesterday afternoon on the House floor and told them what we were doing. The gentleman had ample notice—only about 15 minutes later than I had it.

Mr. CONTE. This bill did not come out of the sky. It was not God who wrote the bill. Somebody wrote the bill and these things are in there. When the gentleman wrote the bill and was sitting there, the gentleman should have at least given me the common courtesy to say, "Look, here is what we are putting in the bill. Is there anything you feel should be in the bill?"

I give the gentleman 100 percent cooperation and will continue to do so, as long as the gentleman plays the cards above the table.

Mr. WHITTEN. The gentleman is one of the finest friends I have ever had. But he would do better if he listened to me because I asked him over in the corner yesterday.

Mr. CONTE. I know what the gentleman asked me. The gentleman said he was going to do this.

● Ms. FERRARO. Mr. Speaker, I rise in support of the bill, and I ask unanimous consent to revise and extend my remarks.

Mr. Speaker, I am very pleased that this bill includes funding for the Bureau of Government Financial Operations. This agency, which is responsible for printing and mailing social security and veterans checks, has been threatened with being closed for lack of funding. The Treasury Department has kept the office open by transferring funds from other accounts, but even that effort would not maintain the BGFO past mid-July.

This crisis was created last year when the President vetoed the continuing appropriations resolution and insisted on further cuts. The money, $81.6 million, that is provided in the bill we are considering today is necessary to replace the funds cut last year.

My concern over the possibility that the President would veto the urgent supplemental we earlier approved and leave the BGFO without funds to pay its employees and carry out its functions led me to introduce, along with Chairman BROOKS of the Committee on Government Operations, a bill to keep the BGFO functioning. The bill, which I hope will now not be necessary, would have given the Treasury Department authority to take whatever steps were necessary to insure that BGFO was able to continue to process benefit checks for social security and veterans benefit recipients.

Again, I am pleased that we are acting now to meet our commitment to the millions of Americans who have earned and are dependent on these benefits. I urge prompt passage of this legislation.●

● Mr. McGRATH. Mr. Speaker, I rise with very mixed emotions to support this supplemental appropriations bill. I support the bill because we are required to vote on what is included in the bill, rather than what we would like to see.

H.R. 6645 contains several key provisions which I consider to be critical. It provides an additional $1.3 billion to meet the Government's obligations under the guaranteed student loan program. It contains $2.4 billion for EPA construction grants which are badly needed by the communities of this Nation. It helps prevent disastrous cutbacks in the office of the HHS Inspector General.

We all know what this clean version does not contain. Besides the elimination of the housing provision, it allows Congress to keep the excessive and ill-advised living allowance tax deduction it granted itself last year.

I very much regret that we appear to have caved in to the other body on this issue. Two weeks ago, this House expressed overwhelmingly its desire to eliminate the tax break. Last week, we further expressed our desire that the other body bring its outside earnings limitation in line with ours. I, for one, do not relish the idea of having to go back to the people I represent and say "Sorry, we were only fooling." We fooled the American people last December, and we apparently are willing to do it again.

Presently pending before the House are numerous bills to eliminate the tax break, and I urge the committee on Ways and Means to act on this legislation at the earliest possible date. There is still time to do right by the American people.●

Mr. CONTE. Mr. Speaker, I reserve the balance of my time.

Mr. WHITTEN. Mr. Speaker, I have no further requests for time.

Mr. CONTE. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. Pursuant to the order of the House of June 22, 1982, the previous question is considered as having been ordered without intervening motion to final passage.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1130

A NEW EQUAL RIGHTS AMENDMENT

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, may I have the attention of the gentlewoman from Colorado (Mrs. SCHROEDER).

The gentlewoman is going to file the extension of the equal rights amendment on July 15, is that right?

Mrs. SCHROEDER. If the gentleman will yield, the equal rights amendment will be reintroduced July 14, 1982.

Mr. CONTE. July 14?

Mrs. SCHROEDER. That is right.

Mr. CONTE. I would like to be included in that.

The gentlewoman knows that I have been with her right from the beginning on this crusade.

Mrs. SCHROEDER. I thank the gentleman from Massachusetts. I know the gentleman has. He has been valiant in the effort to grant women equal rights.

My hope is that we finally get the ERA passed. I keep having a nightmare I am in a nursing home still writing letters to my Congressman about passing the ERA, but I am hoping that this time we really finally get the amendment ratified. It has been a long and hard road and we really appreciate good supporters, such as the gentleman from Massachusetts, who has been so helpful. I am delighted he is not a quitter.

Mr. CONTE. Is this a simple extension? Can the gentlewomen tell us something about it?

Mrs. SCHROEDER. If the gentleman will yield further, what we are going to do is totally reintroduce the ERA. We have decided that it is improper to do another extension at this point. We will have to reintroduce it fresh and begin from square 1. It will then have to go through the different legislatures all over again; but we anticipate States, such as mine which passed it before, will reratify it very rapidly, so we will have a full 7 years to focus on the few States that in prior years did not approve the ERA.

I think that those holdout legislatures are going to change very radically and, hopefully, they will be joining us.

Mr. CONTE. So the gentlewoman will introduce it on July 14, 1982, and then there will be 7 years from that date to accomplish it.

Mrs. SCHROEDER. That is exactly right. It will be 7 years from the date that the ERA passes out of the House and the Senate, so we are encouraging Members of the House and the Senate to cosponsor, so we have as many cosponsors as possible.

The gentleman knows that we need two-thirds on both sides to get the ERA passed, but our hope is that we can get that as rapidly as possible and then begin the ratification process once again.

Mr. CONTE. That is two-thirds of the legislatures?

Mrs. SCHROEDER. That is two-thirds House and Senate and then two-thirds of the State legislatures; so I am very pleased that the gentleman from Massachusetts brought this up. We are looking for cosponsors and I know the gentleman has been so good on this. We hope the gentleman can help us on that side of the aisle in getting cosponsors for the reintroduction of the ERA.

We want to do a massive press conference with both the Senate and the House Members reintroducing it on July 14.

Mr. CONTE. Well, if I am invited, certainly I will be there to join with the gentlewomen, if they will have me.

Mrs. SCHROEDER. If the gentleman will yield further, I am sure his mother will be very proud. She raised him properly.

Mr. CONTE. Well, I thank the gentlewoman very much.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my friend, the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Speaker, I want to commend the gentleman on his courageous commitment. The gentleman is always in the forefront of these very difficult decisions.

Mr. CONTE. Mr. Speaker, on that note, I yield back the balance of my time.

SMALL BUSINESS INNOVATION DEVELOPMENT ACT OF 1981

Mr. LAFALCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4326) to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. LAFALCE).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 2, answered "present" 1, not voting 40, as follows:

[Roll No. 166]

YEAS—389

Addabbo	Crane, Daniel	Gonzalez
Akaka	Crane, Philip	Goodling
Albosta	Crockett	Gore
Alexander	D'Amours	Gradison
Anderson	Daniel, R. W.	Gramm
Andrews	Dannemeyer	Gray
Annunzio	Daschle	Green
Applegate	Daub	Gregg
Archer	Davis	Grisham
Aspin	de la Garza	Guarini
Atkinson	Deckard	Gunderson
AuCoin	Dellums	Hagedorn
Badham	Derrick	Hall (OH)
Bailey (MO)	Derwinski	Hall, Ralph
Bailey (PA)	Dickinson	Hall, Sam
Barnard	Dicks	Hamilton
Barnes	Dixon	Hammerschmidt
Beard	Donnelly	Hance
Bedell	Dorgan	Hansen (ID)
Beilenson	Dornan	Hansen (UT)
Benedict	Dougherty	Harkin
Benjamin	Dowdy	Hatcher
Bennett	Downey	Hawkins
Bereuter	Dreier	Heckler
Bethune	Duncan	Hefner
Bevill	Dunn	Heftel
Biaggi	Dwyer	Hendon
Bingham	Dymally	Hertel
Bliley	Early	Hightower
Boggs	Eckart	Hiler
Boner	Edgar	Hillis
Bonior	Edwards (AL)	Hollenbeck
Bonker	Edwards (CA)	Holt
Bouquard	Edwards (OK)	Hopkins
Bowen	Emerson	Horton
Breaux	Emery	Howard
Brinkley	English	Hoyer
Brodhead	Erdahl	Hubbard
Brooks	Erlenborn	Huckaby
Broomfield	Evans (DE)	Hughes
Brown (CA)	Evans (GA)	Hunter
Brown (CO)	Evans (IA)	Hutto
Broyhill	Evans (IN)	Hyde
Burton, John	Fary	Ireland
Burton, Phillip	Fascell	Jacobs
Butler	Fazio	Jeffords
Byron	Fenwick	Jeffries
Campbell	Ferraro	Jenkins
Carman	Fiedler	Johnston
Carney	Fields	Jones (NC)
Chappell	Findley	Jones (OK)
Chappie	Fish	Jones (TN)
Cheney	Flippo	Kastenmeier
Clausen	Foglietta	Kazen
Clinger	Foley	Kemp
Coats	Ford (TN)	Kennelly
Coelho	Forsythe	Kildee
Coleman	Fountain	Kindness
Collins (IL)	Fowler	Kogovsek
Collins (TX)	Frank	Kramer
Conable	Frost	LaFalce
Conte	Fuqua	Lagomarsino
Conyers	Gaydos	Lantos
Corcoran	Gejdenson	Latta
Coughlin	Gephardt	Leach
Courter	Gilman	Leath
Coyne, James	Gingrich	LeBoutillier
Coyne, William	Glickman	Lee
Craig	Goldwater	Lehman

Leland	Oberstar	Smith (AL)
Lent	Obey	Smith (IA)
Levitas	Oxley	Smith (NE)
Lewis	Panetta	Smith (NJ)
Livingston	Parris	Smith (OR)
Loeffler	Pashayan	Smith (PA)
Long (LA)	Patman	Snowe
Long (MD)	Patterson	Snyder
Lott	Paul	Solarz
Lowery (CA)	Pepper	Spence
Lowry (WA)	Perkins	St Germain
Lujan	Petri	Stangeland
Luken	Peyser	Stanton
Lundine	Pickle	Stark
Lungren	Porter	Staton
Madigan	Price	Stenholm
Markey	Pritchard	Stokes
Marlenee	Pursell	Studds
Marriott	Quillen	Stump
Martin (IL)	Rahall	Synar
Martin (NC)	Railsback	Tauke
Martin (NY)	Rangel	Tauzin
Matsui	Ratchford	Taylor
Mattox	Regula	Thomas
Mavroules	Reuss	Traxler
McCloskey	Rinaldo	Trible
McCollum	Ritter	Udall
McCurdy	Roberts (KS)	Vander Jagt
McDade	Roberts (SD)	Vento
McDonald	Robinson	Volkmer
McEwen	Rodino	Walgren
McHugh	Roe	Walker
Mica	Roemer	Wampler
Michel	Rogers	Washington
Mikulski	Rose	Watkins
Miller (CA)	Rostenkowski	Waxman
Miller (OH)	Roth	Weaver
Mineta	Roukema	Weber (MN)
Minish	Rousselot	Weber (OH)
Mitchell (MD)	Roybal	White
Mitchell (NY)	Rudd	Whitehurst
Moakley	Russo	Whitley
Moffett	Sabo	Whittaker
Molinari	Santini	Whitten
Montgomery	Sawyer	Williams (MT)
Moore	Scheuer	Williams (OH)
Moorhead	Schneider	Winn
Morrison	Schroeder	Wirth
Mottl	Schulze	Wolf
Murphy	Seiberling	Wolpe
Murtha	Sensenbrenner	Wortley
Myers	Shamansky	Wright
Napier	Shannon	Wyden
Natcher	Sharp	Wylie
Neal	Shaw	Yates
Nelligan	Shelby	Yatron
Nelson	Shumway	Young (AK)
Nichols	Shuster	Young (MO)
Nowak	Simon	Zablocki
O'Brien	Skeen	Zeferetti
Oakar	Skelton	

NAYS—2

Stratton	Swift

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—40

Anthony	Fithian	Mollohan
Bafalis	Florio	Pease
Blanchard	Ford (MI)	Rhodes
Boland	Frenzel	Richmond
Bolling	Garcia	Rosenthal
Brown (OH)	Gibbons	Savage
Burgener	Ginn	Schumer
Chisholm	Hartnett	Siljander
Clay	Holland	Solomon
Daniel, Dan	Marks	Weiss
DeNardis	Mazzoli	Wilson
Dingell	McClory	Young (FL)
Dyson	McGrath	
Ertel	McKinney	

□ 1145

Mr. SKELTON changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4326, with Mr. BRODHEAD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, June 22, 1982, pending was an amendment in the nature of a substitute consisting of the text of H.R. 6587, which is considered as an original bill for the purpose of amendment.

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVITAS: Page 11, insert after line 17 the following:

SEC. 5. Effective October 1, 1988, paragraphs (4) through (7) of section 9(b) of the Small Business Act (as added by section 3) and subsections (e) through (k) of section 9 of the Small Business Act (as added by section 4) are repealed.

Mr. LEVITAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. McDADE. Mr. Chairman, reserving the right to object, we do not have copies.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I gave copies to the minority and the majority side yesterday afternoon. However, I will explain it very briefly.

Mr. McDADE. Is it word for word the same as the one we got yesterday?

Mr. LEVITAS. Mr. Chairman, if the gentleman will yield further, it is the one I delivered yesterday afternoon.

Mr. McDADE. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LEVITAS. Mr. Chairman, this amendment provides for a sunset of this legislation after 6 years. I would like to point out that the gentleman from California (Mr. MCCLOSKEY) had intended also to offer a similar sunset amendment and he supports this effort.

The proponents of this legislation have made the point that this is legislation that will prove itself, and I believe 6 years will give adequate time for the entire program to phase in, at which time we can evaluate whether it should be continued or not.

It is for that reason, Mr. Chairman, that I have offered this sunset amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, I seek recognition very briefly to put a question to the gentleman from Georgia.

Our bill has a phase-in period of 5 years. The amendment of the gentleman from Georgia would sunset it after 6 years. Is that correct?

Mr. LEVITAS. If the gentleman will yield, that is correct.

Mr. MITCHELL of Maryland. Generally, I would oppose sunset legislation. However, in light of the fact that the small business community has indicated it is not concerned about a sunset, it feels that it can demonstrate its ability, as of this time, I cannot oppose the gentleman's amendment.

Mr. LEVITAS. I thank the gentleman.

Mr. Chairman, will the gentleman yield further?

Mr. MITCHELL of Maryland. I would be delighted to yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

I do think this is an important bill for a sunset to be attached to. There are some Members of this House who are concerned, generally, about set-asides in many areas; there are also some who consider that this is legislation which ought to be able to prove itself and thereby be renewed if it is necessary, or be terminated if it is not.

So many programs go on and on and on, even after they are no longer needed.

It is for that reason, and in that spirit, that I offer the amendment.

I thank the gentleman very much for his endorsement of it.

Mr. LAFALCE. Mr. Chairman, we have had an opportunity to discuss this with the gentleman from Georgia and the gentleman from California, and we can accept this amendment.

Mr. McDADE. Mr. Chairman, we have no objection to the amendment on this side of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. LEVITAS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. IRELAND

Mr. IRELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. IRELAND: On page 4, line 5, strike ", except" and all after through line 8 and insert in lieu thereof a semicolon.

Mr. IRELAND. Mr. Chairman, I will be brief.

We have had a number of amendments offered to the legislation over the last several days which sought to exempt various agencies and areas. My amendment is the reverse of that. There is an exemption, an effective exemption, in the legislation at the present time which effectively exempts the Agency for International Development from this legislation.

This is brought about by the fact that it allows the Agency for International Development to exclude from its count the funds that they utilize, and in all fairness must utilize, in grants and activities overseas.

The problem with this is that it reduces the threshold below $100 million, and for that reason the law is inoperative as far as this agency is concerned.

In my opinion—and the Foreign Affairs Committee reported without recommendation—this exemption should not be. My amendment does only one thing: It puts the Agency for International Development on the same level as all the other agencies that we have dealt with. There is no area that can use the expertise, the innovation, and the entrepreneurship of the small business community better than the Agency for International Development which, by definition, is working with small groups around the world.

I would support the amendment and move its adoption.

□ 1200

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I reluctantly rise in opposition to the amendment offered by my friend from Florida. What this amendment would do would be to undo what the committee in its wisdom decided to do when it issued a revised bill.

It is clear that those activities of AID which are exempted by the committee bill should be exempted. They are research conducted by international organizations over which the agency has no operational control and research and development conducted by other countries to which grants are made, and obviously those are not appropriate to be included in this legislation.

Now, the amendment of the gentleman from Florida would reverse that and include these activities in the legislation. I submit to the Members that that makes no sense. The gentleman points out that if these are excluded, then the research and development conducted by the AID Agency falls below the $100 million cutoff.

Well, why should not AID be judged by the same standard as every other agency? Those activities which are properly covered by the bill, that is, research and development conducted with U.S. firms in this country, are subject to the same standard. If AID research and development activities conducted in this country go over $100 million, they will be included. If they fall below, they are excluded, and that is the same treatment that is accorded every other agency.

So, on behalf of the Foreign Affairs Committee, and on behalf of the chairman, Mr. ZABLOCKI, I ask the Members to vote no on the Ireland amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. IRELAND).

The question was taken; and on a division (demand by Mr. BINGHAM) there were—ayes 6; noes 8.

Mr. IRELAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: At the end of the bill insert the following new section:

SEC. 6. The Comptroller General shall, not more than five years after the date of enactment of this Act, transmit a report to the senate and the House of Representatives on the implementation of, and nature of research conducted under this Act, including the judgments of the heads of Departments and agencies as to the effect of this Act on research programs.

Mr. McCLOSKEY. Mr. Chairman, this amendment simply gives us a basis for fair consideration of the sunset provision. It causes the GAO to give us an evaluation of performance under this bill a year ahead of the time that Congress must act on the sunset issue.

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I will be glad to yield.

Mr. LaFALCE. Mr. Chairman, the committee has had the opportunity to discuss this with the gentleman from California and review it. We have no objection, and accept it.

Mr. McCLOSKEY. I thank the gentleman.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield.

Mr. McDADE. Mr. Chairman, I want to say to my dear friend from California that we have consulted with him. We think it is a very constructive amendment, as most of his amendments are, except those that apply to this bill. We are delighted to accept this particular one. He has done a fine job at last.

I would like to take a moment of the gentleman's time to thank all those who have worked so diligently to bring this great bill to the House. The Administrator of the Small Business Administration, his Deputy and his most able Director of Congressional Affairs played essential roles in the crafting of this bill and the compromise version which has won the support of this body.

The chairmen of the Small Business Committee and the Oversight Subcommittee deserve recognition as well as the gentlemen from Iowa, the gentleman from Louisiana. On my own side of the aisle I wish to give special thanks and recognition for hours of work and unshakable commitment to the gentleman from Nebraska (Mr. DAUB), the gentleman from Minnesota (Mr. WEBER), the gentleman from Ohio (Mr. WEBER), the gentlewoman from Maine (Mrs. SNOWE), and the gentleman from Ohio (Mr. STANTON) from whose subcommittee the bill was reported.

To my colleagues on the other committees I extend my heartfelt appreciation for their support, their help and their commitment to small business owners throughout the Nation. I thank the gentleman for yielding to me.

Mr. McCLOSKEY. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The amendment was agreed to.

● Mr. WIRTH. Mr. Chairman, I rise in support of H.R. 4326, the Small Business Innovation Development Act. This bill, which is patterned after the highly successful National Science Foundation SBIR program, is designed to tap the vast innovative potential of the Nation's small businesses for Federal research and development activities—a goal which we should clearly be pursuing at a time when our ability to compete in the international economy is dependent upon new ideas and an ability to translate those ideas into innovative products and services.

It is easy, when working on an annual budgetary cycle, to devote most attention to programs which will solve a problem this year, or yield some political benefit next election. But such shortsightedness over a number of years is now threatening our Nation's position as the innovative capital of the world. It is part of the reason I believe we have found ourselves in such difficult economic circumstances.

Politicians often give lip service to small business, evoking nostalgia for the "Mom and Pop" stores all of us are familiar with. But small businesses are anything but an insignificant part of the U.S. economy, whether or not they become big businesses.

In 1970, some 100,000 small businesses were created, while last year the number was half a million. Studies have shown that firms employing 20 or fewer people provide 57 percent of all the private sector jobs in the United States. In a study of 5.6 million businesses nationally between 1969 and 1976, MIT economist David Birch found that 80 percent of the new jobs created were in firms with 100 or fewer employees and two-thirds were in firms with 20 or fewer employees.

Small businesses play an even more important role in my own State of Colorado than the national average indi-

cates: Small businesses account for about 80 percent of private nonfarm employment in the State.

But the importance of small business to our economy exceeds employment figures. small businesses also account for most of the innovation and creativity in our economy. The National Science Foundation found, for example, that small businesses create 24 times as many ideas per research dollar as large firms.

As our Nation's overall economy undergoes a profound structural shift which will increase the importance of small businesses, it is especially critical that they not be frozen out of the market for funds.

For a variety of reasons, small businesses have been neglected in the past by Federal agencies with sizable research and development budgets—a neglect which makes no sense in light of small business' impressive track record as the premier job-creating sector of the economy, as well as the most efficient and innovative sector by far.

I understand the concerns expressed by the university community over a shrinking Federal R. & D. budget, and as is well known, I have been a strong proponent for increased Federal commitment to research and development activities. Many of my ideas are reflected in the science and productivity package which I have sponsored, and which was included in the Democratic budget proposal. I will continue to do everything within my power to expand our commitment to a healthy, productive university scientific base.

However, the fact that we have not yet won the battle for expanded research and development commitments is no reason to put off the effort made in this bill to correct an imperfection in procurement policy which has prevented the United States from taking full advantage of small business' ability to increase our economic productivity and international competitiveness. My two greatest concerns over the original version of the legislation—adequate protection for basic research and the size of the percentage set-aside—are addressed in the Small Business Committee amendment.

I am hopeful that the bill will not only enhance our base of scientific knowledge, but that it will also result in a closer partnership between two of our most vibrant national resources—small business and higher education.●

● Mr. FOUNTAIN. Mr. Chairman, I am satisfied that the intent of this small business innovation bill is good insofar as it seeks to assure small businesses an equal opportunity to compete for Federal research and development expenditures. I concur with this view because most of the businesses in my district are small. I know that small businesses are often denied equal access to Government business because of burdensome Federal paperwork, the cost of complying with complex procurement procedures, and at times the large size of the contracts to be awarded.

While I have consistently supported legislation designed to help small businesses, which represent the backbone of our economy, I cannot support this particular bill because of its serious flaws. One of a number of flaws is the requirement that the set-aside for small business must apply to research grants, as well as to contracts. This is a misguided provision as it applies to the type of basic research supported through grants by the National Institutes of Health, the National Science Foundation, and some other Federal agencies. The purpose of Federal support for basic scientific research is to help generate new knowledge which hopefully will benefit society in the long run, but it does not produce a salable product. Consequently, this type of research does not, and should not, provide a profit for business firms, and, with rare exception, business is not interested in competing for these grants. However, firms in such industries as pharmaceuticals and chemicals have always given their approval to Federal expenditures for basic research since, in the long run, the private sector uses the resulting knowledge in their own applied research and development activities.

Because the research supported through grants by NIH, NSF, and other agencies is not intended to generate a profit for the scientists and institutions that perform this work, these grants should not be included in the set-aside of funds required by H.R. 4326. Unfortunately, the bill does not exempt research grants and, consequently, badly confuses the distinction made by the Congress several years ago between grants and contracts. I strongly approve the objections of facilitating the ability of small business to compete for research and development awards that are intended to accomplish a specified purpose sought by a Federal agency. Indeed, it is my understanding that most of the contracts awarded by NIH do go to small research firms. Unfortunately, the bill before the House would do violence to the research grant concept not only by requiring a set-aside for firms which do not need or even want this money, but it would also mandate a specified process which the Government agencies would have to follow in awarding grants. This would be administratively burdensome, excessively costly, and highly disruptive of the peer review process now followed by NIH and other agencies in awarding grants.

Mr. Chairman, I believe it would be appropriate to apply the concept advocated by this bill to Federal procurement activities, but not to the Federal support of basic research. These are entirely different matters, and they should not be confused. The Federal Government spends many billions of dollars for the procurement of goods and services. Certainly, small businesses should participate in the performance of this work. In fact, the report issued by the Committee on Small Business to accompany H.R. 4326 makes the important point that small high-technology firms are already competing very effectively in our economy when they have innovative products and are operating with high productivity. The report discloses that young technology companies are presently generating most of the new jobs and contributing importantly to our national economy. These small businesses would not be helped by this legislation. To the extent that small businesses are not being accorded a fair opportunity to participate in Federal research and development activities this situation must be remedied. However, I have great fears that the bill before us goes beyond this objective in a manner that would be injurious to other national objectives, such as the support of meritorious basic scientific research. For these reasons, I must reluctantly vote against the bill in its present form.●

● Mr. MINETA. Mr. Chairman, I rise in opposition to the Small Business Innovation Act. Seventy percent of the fundamental scientific and technological discoveries in the United States vital to U.S. productivity and innovation, are a result of basic research conducted in our Nation's universities. Our colleges and universities have always been in the forefront of this Nation's scientific advancements. This important university research and development activity is almost solely dependent on Federal funding.

Last week this House passed a budget that essentially will freeze funding of nonmilitary research and development programs at the fiscal year 1982 level. This action comes on top of cuts made last year in basic research moneys.

H.R. 4326 would further reduce the "pot of money" available to universities and Government research facilities, such as the National Institutes of Health. At a time when U.S. leadership in the international scientific and technological community is being challenged by other countries, we must insure that our basic research facilities are able to continue their vital work.

Small high-technology firms have proved that they are innovative and their contribution to U.S. dominance in the world market cannot be over stated. However, a program to set aside 1.2 percent of our Nation's R. & D. funds is not the only way to assure Government support for product development by these companies.

Tax incentives, for instance, provide business encouragement for product development. The profit motive is another stimulus for small business innovation—one not available to our universities. The American Electronics Association, which represents most of the small innovative companies has urged a "no" vote on this legislation.

I urge my colleagues to do the same.●

● Mr. GOLDWATER. Mr. Chairman, a key element in the industrial success of this country has been the individual—the small businessman. But in the past 2 decades business activity has steadily shifted away from our most innovative and productive small businesses. For the first time, large businesses provide for a greater chunk of our GNP than do small businesses, and if that trend should continue, by the year 2000, large business will account for 50 percent more of our GNP than small business.

The small business sector is the Nation's leading job creator, and the leading source of industrial innovations. The contributions of the small businesses to our economy are very impressive: 97 percent of all firms, 73 percent of all retail sales, 58 percent of nonagricultural employment, and 87 percent of all new jobs. Small firms also produce 24 times as many innovations per research and development dollar as do large companies.

In 1979, the Presidential Committee of Innovation traced the decline in our industrial base to Federal research and development policies. It also stated that the "climate for small business innovation has greatly deteriorated during the past decade." This decline was blamed mostly on the Federal Government by noting that in the area of Federal funding for research and development "the innovative sector of the American economy, small-science and technology-based enterprises, are virtually excluded from effective participation." For example, small businesses received a mere 3.5 percent of the $30 billion the Federal Government spent on research and development in fiscal year 1980. Of the $15 billion in research and development services the Government secured from business in fiscal year 1980, just 70 companies received 80 percent of that total. These funds should be spread among as many individuals and enterprises as possible.

It is not too late for the United States to free itself from the policies that are holding us back. One important step in that direction is H.R. 4326 which would require large Federal agencies with research and development budgets in excess of $100 million to establish small business innovative research programs. This piece of legislation requires no new Federal spending, but merely states that an agency must allocate 1.25 percent of its research and development budget to finance small business research efforts.

Of course, no one likes to advocate the use of set-asides. But in this instance the options are very clear. Unless Federal agencies, which have a tremendous impact on the research and development community, are forced to pay more attention to the most innovative and productive sector of our economy, our productivity and international economic position will continue to erode.●

● Mr. SHELBY. Mr. Chairman, we in Alabama are fortunate to have one of the Nation's foremost biomedical research institutions, the Medical College of the University of Alabama. Many medical advances have resulted from the excellent research done there, much of it funded through NIH. With that in mind, I oppose those provisions of H.R. 4326, the Small Business Innovation Development Act, that would require set-aside of NIH research funds. The adoption of a set-aside in NIH to establish an SBIR program would do severe violence to the principle of open competition that has very successfully governed the research funding decisions of the NIH for many years. This breach of open competition would create a double standard for the awarding of grants and contracts. It is especially inappropriate, now that NIH grant programs are open to all for-profit organizations; now that scientists from the small business sector are being appointed to that agency's peer review bodies; and now that the powerful disincentive against small business participation in Federal grant programs has been eliminated by the 1980 Patent and Trademark Act amendments. Further, NIH's record of awarding contracts, for which small business firms have always been eligible, is excellent. In fiscal year 1981, small firms received 9.2 percent of NIH contract funds.

Research funds should be awarded solely on the merit of proposals, not on the character of the performer institution. This is particularly true when research funds are scarce. The NIH budget is currently so tight that only 39 percent of the grant proposals approved for funding could be supported in fiscal year 1981, and it is estimated that this figure will fall to 27 percent in fiscal year 1983 under the recent budget resolution. Scientists from small business firms are eligible to compete for research funds along with those employed by universities, medical schools, and large corporations. There is absolutely no justification for guaranteeing small firms 1 percent of the NIH R. & D. funds over and above what such firms already receive through the competitive process. Nor is there justification for allowing small firms, if turned down through normal funding competition, to resubmit proposals to a set-aside program. Favored treatment of one sector of the research community can lead nowhere but to waste of funds.

Breaching the principle that Federal funding should be based on merit alone is only one problem with this bill. The other major concern I have is that the SBIR set-aside will result in an unwarranted shift of priorities from basic research to applied research. The proposed SBIR program is clearly geared toward product development. The third phase of the program is specifically designated in the legislation as a commercialization period. This is understandable. Firms have to make profits. But, from the Federal perspective, the acquisition of new knowledge, the soil from which all future innovation will spring, is even more important. Moreover, this activity is not only one the Federal Government is committed to support but also one that will be supported by no other agency than the Federal Government. This proposition to siphon funds from basic research into product development is a classic case of shortsightedness—the same shortsightedness that many major corporations now realize has caused them to lose their competitive edge in world markets.

The supposed protection provided basic research in the Small Business Committee substitute offers little comfort. It still permits basic research funds to be set aside, and operationally it simply is not practical. Inherent definitional problems with the term "basic research" will give agencies substantial latitude to recategorize projects on the basis of the need to meet the set-aside.

In conclusion, the NIH runs the most spectacular biomedical research program in the world. It would be a grave mistake to hamper its ability to prolong lives and improve health by subjecting it to the requirements of this bill.

This bill would result in the diversion of a significant amount of scarce Federal biomedical research funds from important opportunities to increase the health of our people to short-range product developments of limited utility. Moreover, the first of these depends virtually exclusively on Federal support, while small business development efforts have multiple sources of fundings through investments appropriate for commercial projects in this enterpreneurial society. The amendment that would have exempted NIH would have protected an indubitably precious national resource for improving the health of our people from an unjustifiable and rapacious raid.●

● Mr. RATCHFORD. Mr. Chairman, I rise in support of H.R. 4326, the Small Business Innovation Act. Small business is critical to the growth and sta-

bility of our Nation's economy with an average 60 percent of all American jobs generated by firms with 20 or fewer employees, and approximately 50 percent of all jobs created by small business. Importantly as well, over half of all innovations in this country are directly tied to small business. This landmark legislation would earmark a portion of Federal research and development budgets for small businesses—a much needed shot in the arm for the sector of the economy that is perhaps under the greatest strain from the current recession, but upon who's shoulders any recovery must unfold.

Small businesses today are disproportionately impacted by high interest rates and a sluggish economy. Small businesses still receive disparate treatment under our tax codes with 50 percent of their cash flow utilized to pay liscense fees, social security taxes, and other State and local taxes. Small businesses also bear the lion's share of the responsibility for job training with inadequate incentives for them to hire and train skilled workers or to upgrade the skills of existing workers.

The current Federal procurement system hardly treats small business any better. It is anything but an integrated and effective system that seeks to include the vibrant and creative force of small business. Rather it is a hodgepodge of inconsistent statutes and policies that further contribute to their disadvantage. Through two Federal procurement seminars for firms across Connecticut, I have attempted to help small business remove some of the major roadblocks to successful competition for Federal contracts, but much more must be done.

The legislation we consider today though, seeks to remedy another problem that has plagued small business—their inability to secure a fair share of Federal R. & D. funds. The Federal Government funds over half of all R. & D. work in this country each year, yet only a small portion of its $44 billion R. & D. budget goes to small business. This comes despite the fact that the smaller firms have demonstrated, in many instances, a far greater innovative capacity than larger firms.

The bill simply requires Federal agencies with R. & D. budgets greater than $100 million to set aside specific percentages—and these are quite modest—for small businesses, defined as firms with fewer than 500 employees. Affected agencies would also be required to establish a small business innovation research program to encourage small business participation, modeled after a similar program now in place at the National Science Foundation. Further, this measure would require that agencies with R. & D. budget greater than $20 million establish goals for small business participation, and that these goals must not be less than the preceding year.

Mr. Chairman, I urge passage of this important legislation. By increasing the participation of small business in Government R. & D. efforts as envisioned in this bill, we will significantly broaden the competitive base for Federal grants, likely lower costs associated with performance of a grant, spur greater innovative technology, and better disperse Federal funds both geographically and industrially. This represents a critical first step in recognition of the vital role that small business can play in this Nation's future economic growth—a step that we must all take with determination.●

The CHAIRMAN. Are there further amendments? If not, the question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BROOKS) having assumed the chair, Mr. BRODHEAD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4326), to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy, pursuant to House Resolution 501, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. McCLOSKEY. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MCCLOSKEY moves to recommit the bill, H.R. 4326, to the Committee on Small Business.

The SPEAKER pro tempore. Without objection, the previous question is ordered on motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. McCLOSKEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 353, nays 57, not voting 22, as follows:

[Roll No. 167]

YEAS—353

Addabbo	Coyne, James	Gaydos
Akaka	Craig	Gejdenson
Albosta	Crockett	Gibbons
Alexander	D'Amours	Gilman
Anderson	Daniel, R. W.	Gingrich
Annunzio	Daschle	Glickman
Anthony	Daub	Goldwater
Applegate	Davis	Gonzalez
Archer	de la Garza	Goodling
Atkinson	Deckard	Gore
AuCoin	Dellums	Gray
Bailey (MO)	Derrick	Green
Bailey (PA)	Derwinski	Gregg
Barnard	Dicks	Grisham
Barnes	Dixon	Guarini
Beard	Donnelly	Gunderson
Bedell	Dorgan	Hagedorn
Benedict	Dornan	Hall (OH)
Benjamin	Dowdy	Hall, Ralph
Bennett	Downey	Hall, Sam
Bereuter	Dreier	Hamilton
Bethune	Duncan	Hammerschmidt
Bevill	Dunn	Hance
Biaggi	Dwyer	Hansen (UT)
Bingham	Dymally	Harkin
Boggs	Eckart	Hartnett
Boner	Edgar	Hatcher
Bonior	Edwards (CA)	Hawkins
Bonker	Edwards (OK)	Heckler
Bowen	Emerson	Hefner
Breaux	Emery	Heftel
Brinkley	English	Hendon
Brodhead	Erdahl	Hertel
Broomfield	Evans (DE)	Hightower
Brown (CO)	Evans (GA)	Hiler
Broyhill	Evans (IA)	Hillis
Burton, John	Evans (IN)	Hollenbeck
Burton, Phillip	Fary	Holt
Byron	Fascell	Horton
Campbell	Fenwick	Howard
Carman	Ferraro	Hoyer
Carney	Fiedler	Huckaby
Chappell	Fields	Hughes
Chappie	Findley	Hunter
Chisholm	Fish	Hutto
Clausen	Flippo	Hyde
Clinger	Florio	Ireland
Coats	Foglietta	Jeffords
Coelho	Foley	Jeffries
Coleman	Ford (MI)	Jenkins
Collins (IL)	Ford (TN)	Johnston
Collins (TX)	Forsythe	Jones (NC)
Conable	Fowler	Jones (OK)
Conte	Frank	Jones (TN)
Corcoran	Frenzel	Kastenmeier
Courter	Frost	Kazen

Kemp	Murphy	Shuster
Kennelly	Murtha	Simon
Kildee	Myers	Skeen
Kindness	Napier	Skelton
Kogovsek	Natcher	Smith (AL)
Kramer	Neal	Smith (IA)
LaFalce	Nelligan	Smith (NE)
Lagomarsino	Nelson	Smith (NJ)
Latta	Nichols	Smith (OR)
Leach	Nowak	Smith (PA)
Leath	O'Brien	Snowe
LeBoutillier	Oakar	Snyder
Lee	Oberstar	Solarz
Lehman	Ottinger	Solomon
Leland	Oxley	Spence
Lent	Parris	St Germain
Levitas	Pashayan	Stangeland
Lewis	Patman	Stanton
Livingston	Pease	Stark
Loeffler	Pepper	Staton
Long (LA)	Perkins	Stenholm
Long (MD)	Petri	Stokes
Lott	Peyser	Studds
Lowery (CA)	Pickle	Swift
Lowry (WA)	Porter	Synar
Lujan	Price	Tauke
Luken	Pritchard	Tauzin
Lundine	Pursell	Thomas
Lungren	Rahall	Traxler
Madigan	Railsback	Trible
Markey	Rangel	Udall
Marks	Ratchford	Vander Jagt
Marlenee	Regula	Vento
Marriott	Reuss	Volkmer
Martin (IL)	Richmond	Walgren
Martin (NY)	Rinaldo	Walker
Matsui	Ritter	Washington
Mattox	Roberts (KS)	Watkins
Mavroules	Roberts (SD)	Weaver
Mazzoli	Rodino	Weber (MN)
McClory	Roe	Weber (OH)
McCollum	Roemer	White
McCurdy	Rogers	Whitley
McDade	Rose	Whittaker
McEwen	Rosenthal	Whitten
McGrath	Rostenkowski	Williams (MT)
McHugh	Roth	Williams (OH)
McKinney	Roukema	Winn
Mica	Rousselot	Wirth
Michel	Roybal	Wolf
Mikulski	Russo	Wolpe
Miller (CA)	Santini	Wortley
Miller (OH)	Savage	Wright
Minish	Sawyer	Wyden
Mitchell (MD)	Schneider	Wylie
Mitchell (NY)	Schroeder	Yatron
Moakley	Schulze	Young (AK)
Moffett	Seiberling	Young (FL)
Molinari	Shamansky	Young (MO)
Moorhead	Sharp	Zablocki
Morrison	Shaw	Zeferetti
Mottl	Shelby	

NAYS—57

Andrews	Dougherty	Moore
Aspin	Early	Obey
Badham	Edwards (AL)	Patterson
Beilenson	Erlenborn	Paul
Bliley	Fazio	Quillen
Bouquard	Fountain	Robinson
Brooks	Fuqua	Rudd
Brown (CA)	Gephardt	Sabo
Burgener	Gradison	Scheuer
Butler	Gramm	Sensenbrenner
Cheney	Hansen (ID)	Shannon
Conyers	Hopkins	Shumway
Coyne, William	Hubbard	Stratton
Crane, Daniel	Jacobs	Stump
Crane, Philip	Lantos	Taylor
Daniel, Dan	Martin (NC)	Wampler
Dannemeyer	McCloskey	Waxman
Dickinson	McDonald	Whitehurst
Dingell	Mineta	Yates

NOT VOTING—22

Bafalis	Dyson	Panetta
Blanchard	Ertel	Rhodes
Boland	Fithian	Schumer
Bolling	Garcia	Siljander
Brown (OH)	Ginn	Weiss
Clay	Holland	Wilson
Coughlin	Mollohan	
DeNardis	Montgomery	

□ 1215

Messrs. MINETA, LANTOS, and STUMP changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1230

GENERAL LEAVE

Mr. LAFALCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MITCHELL of Maryland. Mr. Speaker, pursuant to the provisions of House Resolution 501, I call up from the Speaker's table the Senate bill (S. 881) to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MITCHELL of Maryland moves to strike out all after the enacting clause of the Senate bill, S. 881, and to insert in lieu thereof the provisions of the bill, H.R. 4326 as passed, as follows:

SECTION 1. This Act may be cited as the "Small Business Innovation Development Act of 1982".

SEC. 2. (a) The Congress finds that—

(1) technological innovation creates jobs, increases productivity, competition, and economic growth, and is a valuable counterforce to inflation and the United States balance-of-payments deficit;

(2) while small business is the principal source of significant innovations in the Nation, the vast majority of federally funded research and development is conducted by large businesses, universities, and Government laboratories; and

(3) small businesses are among the most cost-effective performers of research and development and are particularly capable of developing research and development results into new products.

(b) Therefore, the purposes of the Act are—

(1) to stimulate technological innovation;

(2) to use small business to meet Federal research and development needs;

(3) to foster and encourage participation by minority and disadvantaged persons in technological innovation; and

(4) to increase private sector commercialization innovations derived from Federal research and development.

SEC. 3. Section 9(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(4) to develop and maintain a source file and an information program to assure each qualified and interested small business concern the opportunity to participate in Federal agency small business innovation research programs;

"(5) to coordinate with participating agencies a schedule for release of SBIR solicitations, and to prepare a master release schedule so as to maximize small businesses' opportunities to respond to solicitations;

"(6) to independently survey and monitor the operation of SBIR programs within participating Federal agencies; and

"(7) to report not less than annually to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives on the SBIR programs of the Federal agencies and the Administration's information and monitoring efforts related to the SBIR programs.".

SEC. 4. Section 9 of the Small Business Act is amended by adding at the end thereof the following new subsections:

"(e) For the purpose of this section—

"(1) the term 'extramural budget' means the sum of the total obligations minus amounts obligated for such activities by employees of the agency in or through Government-owned, Government-operated facilities, except that for the Agency for International Development it shall not include amounts obligated solely for general institutional support of international research centers or for grants to foreign countries.

"(2) the term 'Federal agency' means an executive agency as defined in section 105 of title 5, United States Code, or a military department as defined in section 102 of such title, except that it does not include any agency within the Intelligence Community (as the term is defined in section 3.4(f) of Executive Order 12333 or its successor orders).

"(3) the term 'funding agreement' means any contract, grant, or cooperative agreement entered into between any Federal agency and any small business for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government;

"(4) the term 'Small business Innovation Research Program' or 'SBIR' means a program under which a portion of a Federal agency's research or research and development effort is reserved for award to small business concerns through a uniform process having—

"(A) a first phase for determining, insofar as possible, the scientific and technical merit and feasibility of ideas submitted pursuant to SBIR program solicitations;

"(B) a second phase to further develop the proposed ideas to meet the particular program needs, the awarding of which shall take into consideration the scientific and technical merit and feasibility evidenced by the first phase and, where two or more proposals are evaluated as being of approximately equal scientific and technical merit and feasibility, special consideration shall

be given to those proposals that have demonstrated third phase, non-Federal capital commitments; and

"(C) where appropriate, a third phase in which non-Federal capital pursues commercial applications of the research or research and development and which may also involve follow-on non-SBIR funded production contracts with a Federal agency for products or processes intended for use by the United States Government; and

"(5) the term 'research' or 'research and development' means any activity which is (A) a systematic, intensive study directed toward greater knowledge or understanding of the subject studied; (B) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or (C) a systematic application of knowledge toward the production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements.

"(f) Each Federal agency which has an extramural budget or research or research and development in excess of $100,000,000 for fiscal year 1982, or any fiscal year thereafter, shall expend not less than 0.2 per centum of its extramural budget in fiscal year 1983 or in such subsequent fiscal year as the agency has such budget, not less than 0.6 per centum of such budget in the second fiscal year thereafter, not less than 1 per centum of such budget in the third fiscal year thereafter, and not less than 1.25 per centum of such budget in all subsequent fiscal year with small business concerns specifically in conection with a small business innovation research program which meets the requirements of the Small Business Innovation Development Act of 1982 and regulations issued thereunder: *Provided,* That any Federal agency which has an extramural budget for research or research and development in excess of $10,000,000,000 for fiscal year 1982 shall expend not less than 0.1 per centum of its extramural budget in fiscal year 1983, not less than 0.3 per centum of such budget in the second fiscal year thereafter, not less than 0.5 per centum of such budget in the third fiscal year thereafter, not less than 1 per centum of such budget in the fourth fiscal year thereafter, and not less than 1.25 per centum of such budget in all subsequent fiscal years with small business concerns specifically in connection with a small business innovation research program which meets the requirements of the Small Business Innovation Development Act of 1982 and regulations issued thereunder: *Provided further,* That a Federal agency shall not make available for the purpose of meeting the requirements of this subsection an amount of its extramural budget for basic research or research and development which exceeds the percentages specified herein. Funding agreements with small business concerns for research or research and development which result from competitive or single source selections other than under a small business innovation research program shall not be counted as meeting any portion of the percentage requirements of this subsection.

"(2) Amounts appropriated for atomic energy defense programs of the Department of Energy shall for the purposes of paragraph (1) be excluded from the amount of the research or research and development budget of that Department.

"(g) Each Federal agency required by subsection (f) to establish a small business innovation research program shall, in accordance with this Act and regulations issued hereunder—

"(1) unilaterally determine categories of projects to be in its SBIR program;

"(2) issue small business innovation research solicitations in accordance with a schedule determined cooperatively with the Small Business Administration;

"(3) unilaterally receive and evaluate proposals resulting from SBIR proposals;

"(4) unilaterally select awardees for its SBIR funding agreements;

"(5) administer its own SBIR funding agreements (or delegate such administration to another agency);

"(6) make payments to recipients of SBIR funding agreements on the basis of progress toward or completion of the funding agreement requirements; and

"(7) make an annual report on the SBIR program to the Small Business Administration and the Office of Science and Technology Policy.

"(h) In addition to the requirements of subsection (f), each Federal agency which has a budget for research or research and development in excess of $20,000,000 for any fiscal year beginning with fiscal year 1983 or subsequent fiscal year shall establish goals specifically for funding agreements for research or research and development to small business concerns, and no goal established under this subsection shall be less than the percentage of the agency's research or research and development budget expended under funding agreements with small business concerns in the immediately preceding fiscal year.

"(i) Each Federal agency required by this section to have an SBIR program or to establish goals shall report annually to the Small Business Administration the number of awards pursuant to grants, contracts, or cooperative agreements over $10,000 in amount and the dollar value of all such awards, identifying SBIR awards and comparing the number and amount of such awards with awards to other than small business concerns.

"(j) The Small Business Administration, after consultation with the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Science and Technology Policy, and the Intergovernmental Affairs Division of the Office of Management and Budget, shall, within one hundred and twenty days of the enactment of the Small Business Innovation Development Act of 1982, issue policy directives for the general conduct of the SBIR programs within the Federal Government, including providing for—

"(1) simplified, standardized, and timely SBIR solicitations;

"(2) a simplified, standardized funding process which provides for (A) the timely receipt and review of proposals; (B) outside peer review for at least phase two proposals, if appropriate; (C) protection of proprietary information provided in proposals; (D) selection of awardees; (E) retention of rights in data generated in the performance of the contract by the small business concern; (F) transfer of title to property provided by the agency to the small business concern if such a transfer would be more cost effective than recovery of the property by the agency; (G) cost sharing; and (H) cost principles and payment schedules;

"(3) exemptions from the regulations under paragraph (2) if national security or intelligence functions clearly would be jeopardized;

"(4) minimizing regulatory burden associated with participation in the SBIR program for the small business concern which will stimulate the cost-effective conduct of Federal research and development and the likelihood of commercialization of the results of research and development conducted under the SBIR program; and

"(5) simplified, standardized, and timely annual report on the SBIR program to the Small Business Administration and the Office of Science and Technology Policy.

"(k) The Director of the Office of Science and Technology Policy, in consultation with the Federal Coordinating Council for Science, Engineering and Research, shall, in addition to such other responsibilities imposed upon him by the Small Business Innovation Development Act of 1982—

"(1) independently survey and monitor all phases of the implementation and operation of SBIR programs within agencies required to establish an SBIR program, including compliance with the expenditures of funds according to the requirements of subsection (f) of this section; and

"(2) report not less than annually, and at such other times as the Director may deem appropriate, to the Committees on Small Business of the Senate and House or Representatives on all phases of the implementation and operation of SBIR programs within agencies required to establish an SBIR program, together with such recommendations as the Director may deem appropriate.".

SEC. 5. Effective October 1, 1988, paragraphs (4) through (7) of section 9(b) of the Small Business Act (as added by section 3) and subsections (e) through (k) of section 9 of the Small Business Act (as added by section 4) are repealed.

SEC. 6. The Comptroller General shall, not more than five years after the date of enactment of this Act, transmit a report to the Senate and the House of Representatives on the implementation of, and nature of research conducted under this Act, including the judgments of the heads of Departments and agencies as to the effect of this Act on research programs.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 4326) was laid on the table.

PERSONAL EXPLANATION

Mr. DENARDIS. Mr. Speaker, on the rollcall on H.R. 4326, the Small Business Innovation Development Act, I was unavoidably detained at a meeting and unable to cast my vote.

Had I been present I would have voted in the affirmative.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 881, SMALL BUSINESS INNOVATION DEVELOPMENT ACT OF 1981

Mr. LAFALCE. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers, cross-references, and punctuation in

the engrossment of the House amendment to S. 881.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXPRESSION OF THANKS IN CONSIDERATION OF SMALL BUSINESS INNOVATION DEVELOPMENT ACT

(Mr. LAFALCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, I would like to thank some Members of this House for their role in the passage of the Small Business Innovation Research and Development Act. It is difficult for me to enumerate all.

Certainly I want to thank the chairman of the full committee, the gentleman from Maryland (Mr. MITCHELL) the ranking minority member, the gentleman form Pennsylvania (Mr. MCDADE) the ranking minority member of my subcommittee, the gentleman from Ohio (Mr. STANTON); the gentleman from Iowa (Mr. BEDELL); the gentleman from Iowa (Mr. SMITH).

I also want to give special thanks to the staff of the Small Business Committee, both the majority and minority, full committee and my subcommittee.

I also want to thank a tremendous number of small business groups, the National Council for Industrial Innovation, the National Institute of Entrepreneurial Technology, the Chamber of Commerce, the National Small Business Association, Small Business United, the National Federation of Independent Businesses, and others, all of whom were most helpful in bringing about passage of this bill.

I especially want to thank Milt Stewart, former Chief Counsel for Advocacy of the Small Business Administration.

VOTING RIGHTS ACT OF 1965 AMENDMENTS

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3112) to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited at the "Voting Rights Act Amendment of 1982".

SEC. 2. (a) Subsection (a) of section 4 of the Voting Rights Act of 1965 is amended by striking out "seventeen years" each place it appears and inserting in lieu thereof "nineteen years".

(b) Effective on and after August 5, 1984, subsection (a) of section 4 of the Voting Rights Act of 1965 is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "or in any political subdivision of such State (as such subdivision existed on the date such determinations were made with respect to such State), though such determinations were not made with respect to such subdivision as a separate unit," before "or in any political subdivision with respect to which" each place it appears;

(3) by striking out "in an action for a declaratory judgment" the first place it appears and all that follows through "color through the use of such tests or devices have occurred anywhere in the territory of such plaintiff.", and inserting in lieu thereof "issues a declaratory judgment under this section.";

(4) by striking out "in an action for a declaratory judgment" the second place it appears and all that follows through "section 4(f)(2) through the use of tests or devices have occurred anywhere in the territory of such plaintiff.", and inserting in lieu thereof the following:

"issues a declaratory judgment under this section. A declaratory judgment under this section shall issue only if such court determines that during the ten years preceding the filing of the action, and during the pendency of such action—

"(A) no such test or device has been used within such State or political subdivision for the purpose or with the effect of denying or abridging the right to vote on account of race or color or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) in contravention of the guarantees of subsection (f)(2);

"(B) no final judgment of any court of the United States, other than the denial of declaratory judgment under this section, has determined that denials or abridgements of the right to vote on account of race or color have occurred anywhere in the territory of such State or political subdivision or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) that denials or abridgements of the right to vote in contravention of the guarantees of subsection (f)(2) have occurred anywhere in the territory of such State or subdivision and no consent decree, settlement, or agreement has been entered into resulting in any abandonment of a voting practice challenged on such grounds; and no declaratory judgment under this section shall be entered during the pendency of an action commenced before the filing of an action under this section and alleging such denials or abridgements of the right to vote;

"(C) no Federal examiners under this Act have been assigned to such State or political subdivision;

"(D) such State or political subdivision and all governmental units within its territory have complied with section 5 of this Act, including compliance with the requirement that no change covered by section 5 has been enforced without preclearance under section 5, and have repealed all changes covered by section 5 to which the Attorney General has successfully objected or as to which the United States District Court for the District of Columbia has denied a declaratory judgment;

"(E) the Attorney General has not interposed any objection (that has not been overturned by a final judgment of a court) and no declaratory judgment has been denied under section 5, with respect to any submission by or on behalf of the plaintiff or any governmental unit within its territory under section 5, and no such submissions or declaratory judgment actions are pending; and

"(F) such State or political subdivision and all governmental units within its territory—

"(i) have eliminated voting procedures and methods of election which inhibit or dilute equal access to the electoral process;

"(ii) have engaged in constructive efforts to eliminate intimidation and harassment of persons exercising rights protected under this Act; and

"(iii) have engaged in other constructive efforts, such as expanded opportunity for convenient registration and voting for every person of voting age and the appointment of minority persons as election officials throughout the jurisdiction and at all stages of the election and registration process.

"(2) To assist the court in determining whether to issue a declaratory judgment under this subsection, the plaintiff shall present evidence of minority participation, including evidence of the levels of minority group registration and voting, changes in such levels over time, and disparities between minority-group and non-minority-group participation.

"(3) No declaratory judgment shall issue under this subsection with respect to such State or political subdivision if such plaintiff and governmental units within its territory have, during the period beginning ten years before the date the judgment is issued, engaged in violations of any provision of the Constitution or laws of the United States or any State or political subdivision with respect to discrimination in voting on account of race or color or (in the case of a State or subdivision seeking a declaratory judgment under the second sentence of this subsection) is contravention of the guarantees of subsection (f)(2) unless the palintiff establishes that any such violations were trivial, were promptly corrected, and were not repeated.

"(4) The State or political subdivision bringing such action shall publicize the intended commencement and any proposed settlement of such action in the media serving such State or political subdivision and in appropriate United States post offices. Any aggrieved party may as of right intervene at any stage in such action.";

(5) in the second paragraph—

(A) by inserting "(5)" before "An action"; and

(B) by striking out "five" and all that follows through "section 4(f)(2)."; and inserting in lieu threof "ten years after judgment and shall reopen the action upon motion of the Attorney General or any aggrieved person alleging that conduct has occurred which, had that conduct occurred during the ten-year periods referred to in this subsection, would have precluded the issuance of a declaratory judgment under this subsection. The court, upon such reopening, shall vacate the declaratory judgment issued under this section if, after the issuance of such declaratory judgment, a final judgment against the State or subdivision with respect to which such declaratory judgment was issued, or against any governmental unit within that State or subdivision, determines that denials or abridgements of the right to vote on account of race or color have occurred anywhere in the territory of such State or political subdivi-

sion or (in the case of a State or subdivision which sought a declaratory judgment under the second sentence of this subsection) that denials or abridgements of the right to vote in contravention of the guarantees of subsection (f)(2) have occurred anywhere in the territory of such State or subdivision, or if, after the issuance of such declaratory judgment, a consent decree, settlement, or agreement has been entered into resulting in any abandonment of a voting practice challenged on such grounds."; and

(6) by striking out "If the Attorney General" the first place it appears and all that follows through the end of such subsection and inserting in lieu thereof the following:

"(6) If, after two years from the date of the filing of a declaratory judgment under this subsection, no date has been set for a hearing in such action, and that delay has not been the result of an avoidable delay on the part of counsel for any party, the chief judge of the United States District Court for the District of Columbia may request the Judicial Council for the Circuit of the District of Columbia to provide the necessary judicial resources to expedite any action filed under this section. If such resources are unvailable within the circuit, the chief judge shall file a certificate of necessity in accordance with section 292(d) of title 28 of the United States Code.

"(7) The Congress shall reconsider the provisions of this section at the end of the fifteen-year period following the effective date of the amendments made by the Voting Rights Act Amendments of 1982.

"(8) The provisions of this section shall expire at the end of the twenty-five-year period, following the effective date of the amendments made by the Voting Rights Act Amendments of 1982.

"(9) Nothing in this section shall prohibit the Attorney General from consenting to an entry of judgment if based upon a showing of objective and compelling evidence by the plaintiff, and upon investigation, he is satisfied that the State or political subdivision has complied with the requirements of section 4(a)(1). Any aggrieved party may as of right intervene at any stage in such action.".

(c) Section 4(f)(4) of the Voting Rights Act of 1965 is amended by inserting after "unwritten" in the proviso the following: "or in the case of Alaskan Natives and American Indians, if the predominate language is historically unwritten".

(d) Section 203(c) of such Act is amended by inserting after "Natives" in the proviso the following: "and American Indians".

SEC. 3. Section 2 of the Voting Rights Act of 1965 is amended to read as follows:

"SEC. 2. (a) No voting qualification or prerequisite to voting or standard, practice, or procedure shall be imposed or applied by any State or political subdivision in a manner which results in a denial or abridgement of the right of any citizen of the United States to vote on account of race or color, or in contravention of the guarantees set forth in section 4(f)(2), as provided in subsection (b).

"(b) A violation of subsection (a) is established if, based on the totality of circumstances, it is shown that the political processes leading to nomination or election in the State or political subdivision are not equally open to participation by members of a class of citizens protected by subsection (a) in that its members have less opportunity than other members of the electorate to participate in the political process and to elect representatives of their choice. The extent to which members of a protected class have been elected to office in the State or political subdivision is one circumstance which may be considered: *Provided*, That nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.".

SEC. 4. Section 203(b) of the Voting Rights Act of 1965 is amended by striking out "August 6, 1985" and inserting in lieu thereof "August 6, 1992", and the extension made by this section shall apply only to determinations made by the Director of the Census under clause (i) of section 203(b) for members of a single language minority who do not speak or understand English adequately enough to participate in the electoral process when such a determination can be made by the Director of the Census based on the 1980 and subsequent census data.

SEC. 5. Effective January 1, 1984, title II of the Voting Rights Act of 1965 is amended by adding at the end the following section:

"VOTING ASSISTANCE

"SEC. 208. Any voter who requires assistance to vote by reason of blindness, disability, or inability to read or write may be given assistance by a person of the voter's choice, other than the voter's employer or agent of that employer or officer or agent of the voter's union.".

SEC. 6. Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of the enactment of this Act.

Mr. SENSENBRENNER (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. Is there objection to the original request of the gentleman from California,

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, I would ask the chairman of the subcommittee to please explain the purpose of his unanimous-consent request.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, H.R. 3112, as amended, reflects the overwhelming bipartisan support which exists in both Houses of Congress and in the White House not only for the extension of the key provisions of the Voting Rights Act but also for the form which the extension should take.

Basically, the amendments to H.R. 3112 would:

First, continue the act's special provisions, including the preclearance requirement, for 25 years while at the same time maintaining the incentives, adopted earlier by the House, for States and counties to bail out from the preclearance requirement.

Second, require Congress to review the new bailout provisions at the end of 15 years in order to insure that they are used in a fair and effective manner. The special provisions would remain in effect for the full 25 years unless this 15-year review results in the Congress amending the act.

Third, amend section 2 to clarify the basic intent of the section 2 amendment adopted previously by the House.

The amendment is designed to make clear that proof of discriminatory intent is not required to establish a section 2 violation. In fact, the imposition of an intent standard under section 2 has been specifically and decisively rejected by both the House and the Senate.

A new subsection has been added to section 2 codifying the standard set forth in White against Regester, the leading pre-Bolden voting case.

Fourth, retain the House provision for a 7-year extension of the language minority provisions. Two minor changes were made to these provisions.

Fifth, amended H.R. 3112 adds a section 208 to the act providing that voters requiring voting assistance by reason of blindness, disability, or illiteracy may be given such assistance by a person of their own choosing except for their employer or employer's agent or an official or agent of their union. This new section would not be effective until January 1984.

Additional technical amendments are also incorporated in the revised H.R. 3112.

The other body as a whole is to be commended for its deliberative action on this matter. The sponsors of the companion bill in the other body and the author of the main revisions made to that bill are to be particularly applauded for their leadership.

These Members were able to maintain the basic integrity and intent of the House-passed bill while at the same time finding language which more effectively addresses the concern that the results test would lead to proportional representation in every jurisdiction throughout the country and which delineates more specifically the legal standard to be used under section 2.

I urge my colleagues to join me in adopting the revisions that have been made to H.R. 3112 so that we can complete action on one of the most important civil rights bills of this Congress.

Mr. SENSENBRENNER. Mr. Speaker, further reserving the right to object, let me ask the gentleman from California whether he concurs with my interpretation of section 2 of the bill as follows:

Let there be no question then. We are writing into law our understanding of the test in White against Regester. And our understanding is that this looks only to the results of a chal-

lenged law, in the totality of the circumstances—with no requirement of proving purpose. But should the Highest Court in the land—or a majority of the Court—conclude there is a purpose element in White, then the committee nonetheless has drafted a bill that does not incorporate this requirement, and that is the ultimate legislative intent of the bill we are adopting here today.

The bill, of course, has many features, but I would like to emphasize several key points for the consideration of the House.

First, addressing the amendment to section 2, which incorporates the "results" test in place of the "intent" test set out in the plurality opinion in Mobile against Bolden, there is an extensive discussion of how this test is to be applied in the Senate committee report.

The test to be applied against the totality of circumstances as set out in White against Regester and the case law under it. That test does not depend upon any finding or inference of intent, nor does it require—as some have erroneously suggested—a finding that there are barriers to the process of registration and voting themselves. Thus, the problems of discriminatory stating and language difficulties in the White against Regester case are important factors to be considered along with other factors such as racial bloc voting and the other types of factors, but they are not essential prerequisites, if other relevant factors can be shown which in the aggregate add up to the discriminatory result.

Section 2, unlike the bailout procedure added by this bill, will take effect immediately, and will, of course, apply to pending cases in accordance with the well-established principles of *Bradley* v. *City of Richmond,* 416 U.S. 686 (1974) and *United States* v. *Alabama,* 362 U.S. 602 (1980).

Also, it should be clear that section 2 applies in appropriate cases to episodic or one-time practices, not simply to structural situations.

The section 2 standard is not the same as the section 5 standard. This means not only that section 2 is governed by the totality of the circumstances factors, but it also means that the retrogression requirement of Beer against United States does not apply to section 2 cases—although of course, such a retrogression would be relevant evidence in a section 2 case. At the same time, as the report points out, where there is a section 5 submission which is not retrogressive, it would be objected to only if the new practice itself violated the Constitution or amended section 2.

Mr. Speaker, the remedy for any voting right violation must be commensurate with the right that has been violated. For this reason, the courts in correcting section 2 violations are to exercise their traditional equitable powers to implement relief that completely remedies the prior violations or dilution of minority voting strength. Based upon established and accepted concepts of equity and existing case law, the courts have a duty in section 2 cases to provide equal opportunity for minority citizens to participate in the electorate and to select candidates of their choice. They must fully and completely eliminate the prior dilution of the minority voting strength.

Given the existing body of cases clearly establishing these equitable remedial concepts, and given the fact that the amendment to section 2 deals solely with whether or not there has been a substantive violation of voting rights, it is wholly unnecessary to do more in addressing the remedy issue than to advert to the above general precepts. It is unnecessary and beyond the scope of the proposed amendment to section 2 to prescribe any mechanistic or predetermined rules for formulating remedies in cases which necessarily depend upon widely varied proof and local circumstances. The fashioning of remedies must be left to the traditional, equitable powers of the local Federal courts having jurisdiction over particular controversies to determine on the facts of each case a remedy that provides a fair opportunity for minorities to participate in the political process, and fully remedies the violation.

Does the distinguished gentleman from California (Mr. EDWARDS) concur with that interpretation?

Mr. EDWARDS of California. Will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from California.

Mr. EDWARDS of California. The response is that I concur with the statement read by the gentleman from Wisconsin.

Mr. SENSENBRENNER. I certainly thank the gentleman from California for his support of this interpretation.

Further reserving the right to object, will the gentlewoman from Colorado kindly explain the minority language assistance provisions in the bill?

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Mrs. SCHROEDER. I want to explain what transpired on the bilingual provisions in the bill.

It is the committee's understanding that the Senate amendment concerning the provision of bilingual elections under section 203 of the Voting Rights Act is designed to improve upon the method of providing assistance to language minority voters by using updated and accurate census data if and when it is available.

The intention of this amendment is to direct the Census Bureau to more accurately define "single language minority." The amendment asks the Census Bureau to examine the information obtained from the 1980 census with an eye toward using such information to more accurately define "single language minority."

At this point, it is too early to determine to what extent, if any, the English proficiency questions and other 1980 census data can be used in identifying "single language minorities." Thus, the language in the amendment states, "when such a determination can be made," allowing for the time needed by the Bureau in this matter. It should clear, also, that there is to be no change in what areas are covered under section 203 until or unless the Director of the Census finds that we can more accurately target those who need bilingual assistance.

Mr. SENSENBRENNER. I thank the gentlewoman from Colorado for her contribution.

Further reserving the right to object, Mr. Speaker, I yield to the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, today is indeed a great day for all Americans and especially for those citizens who began their march in Alabama and have arrived in the Capitol today to find that there is continued support for the Voting Rights Act in the Congress, I wish to commend every Member of this August body for their diligence in moving this legislation toward final passage.

I was a Member of the House when this historic legislation was enacted in 1965. By then passage of the Voting Rights Act and other important civil rights legislation was a painful acknowledgment by the Congress that the rights embodied in our great Constitution were denied to black Americans and that such extraordinary denials demanded extraordinary remedies.

In subsequent efforts to extend the act, it became clear to all that the right to vote was being denied citizens on the basis of membership in a language minority group as well.

Today, after thorough and careful consideration, we recognize that discrimination in voting continues against persons on the basis of racial or language minority group membership. The bill before us not only prohibits such discrimination but provides for clear guidance to the courts on how violations under this act will be established, sets forth the parties' burdens of proof, and suggests the parameters for effective remedial relief.

I commend our colleagues in the other body for their thorough hearings and deliberations on this legislation. They have adopted in spirit and purpose the bill enacted by this House last October, H.R. 3112. They have further clarified its purpose and provisions. Such clarification is eloquently set forth by the original sponsors of the bill—the Senators of Maryland

and Massachusetts—and the architect of the committee compromise—the Senator from the great State of Kansas.

My special appreciation goes out to the members of the Committee on the Judiciary for its continued leadership in civil rights, and my thanks to each House Member for the support you will give this bill today. Today is truly a great day.

Mr. SENSENBRENNER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. HYDE. Reserving the right to object, Mr. Speaker, I should like to ask the chairman of the subcommittee a question or two.

This procedure which we are going forward under today, which effectively forecloses debate, did the gentleman discuss that with anybody on our side of the aisle?

Mr. EDWARDS of California. If the gentleman will yield, yes.

Mr. HYDE. Would the gentleman tell me with whom he discussed this procedure?

Mr. EDWARDS of California. The gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. HYDE. Oh, I thank the gentleman.

Further reserving the right to object, Mr. Speaker, I would like to ask the gentleman from California about the test which the Senate incorporated in the proposed section 2 of the act. I have read the language, and I believe it comes virtually word for word from page 766 of the Supreme Court's 1973 decision in White against Regester, and I would like to ask the gentleman whether I am correct.

Mr. EDWARDS of California. If the gentleman will yield, the gentleman from Illinois is correct. It comes right out of the Supreme Court's decision in White against Regester.

Mr. HYDE. I thank the gentleman.

Mr. Speaker, I am pleased to see that the Senate and the President have been able to come to a compromise on the 1982 amendments to the Voting Rights Act of 1965. I must say, however, that while I have consistently supported this act, both in 1975 and during the debate on the House floor last fall, I am still troubled by some of the provisions contained in the new bailout mechanism passed by this body and endorsed by the Senate. My fears relating to the unconstitutionality of an open-ended "impossible" bailout have been mollified somewhat by the 25-year ceiling which was placed on the preclearance provisions in the Senate. Given the fact that previous extensions have been for 5 years in 1965, 5 more years in 1970, and 7 years in 1975, a court, probably the Supreme Court, will have to determine if, in light of what many believe to be an inescapable bailout procedure, the 25-year cap imposed by the Senate is constitutionally justifiable.

In addition, many of the apprehensions I expressed in my supplemental views in the House Judiciary Committee report, and some of the concerns which were so articulately outlined by Congressman CALDWELL BUTLER in his dissenting views, remain outstanding.

I am generally pleased, though, by the changes which the Senate made to section 2 of the bill. Under the Senate amendments, the "results" test remains in the statute but, since it has no precursor in the law, it is explained by the adoption of clarifying language. Specifically, the amendments provide that a violation of the results test can be shown by an examination of the totality of the circumstances surrounding the alleged discrimination, and the determination that "the political processes leading to nomination or election in the State or political subdivision are not equally open to participation by members of the class of citizens protected" by the Voting Rights Act. While this language may give the appearance to some of being an "effects" test, and indeed has been marketed as such in some quarters, it has been taken, virtually word for word, from the Supreme Court's 1973 holding in *White* v. *Regester*, 412 U.S. 755, 766, a case which, according to its author, Justice Byron White, underscored the requirement that an "invidious discriminatory purpose [must] be inferred from the totality of facts" to constitute a violation. *Mobile* v. *Bolden*, 466 U.S. 55, 95 (1980).

It is also worth noting that the language adopted in the Senate was suggested during the House debate by the minority (see House hearings, page 2053) but was rejected and, during negotiations for a compromise in which I was intimately involved, no one would consider it. Therefore, it is clear, and I suspect will be clear by a reviewing court, that the language adopted through the Senate compromise is language which was rejected in the House and which, therefore, represents the intent standard articulated by White, not an effects standard as some would suggest.

I regret that this device—asking for unanimous consent to accept the Senate amendments—is being used to foreclose further debate in the House on this most important civil rights issue.

I understand that an agreement to proceed in this manner was arrived at during a meeting with the Democrat majority and the gentleman from Wisconsin (Mr. SENSENBRENNER). I regret this decision as many Members want to be heard on this legislation and they are hereby foreclosed.

In any event, I do support this imperfect legislation as better than no legislation at all. However, I look forward to the Supreme Court's early reconsideration of the issues of constitutionality of a 25-year extension coupled with an impossible bailout for covered jurisdictions. I had hoped for a workable bailout which would provide effective incentives to covered jurisdictions. I am unconvinced that what we have here can meet the test.

The right to vote is the basic civil right of all citizens. Insofar as this bill advances that right I wholeheartedly support it.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. HYDE. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I would like to support the provisions of the Senate amendments to the Voting Rights Act, for I believe they are an improvement over what the House adopted last fall. However, I would like to express my concern over the presence of one word in the definition of "results." The Senate amendment, in proposed section 2(b) of the House bill, states that "results" may be proven by a showing, based on a totality of the circumstances, that the "political processes" leading to "nomination or election" are not "equally open" to participation by members of a "class" protected by the act, and the members of that class have "less opportunity" than other members of the electorate to participate in the political process and to elect representatives of their choice. Throughout the House debate, we were told that the principal aim of the proponents of change in the so-called Mobile intent test was the adoption of a standard of proof identical to that articulated in *White* v. *Regester*, 412 U.S. 755 (1973). This claim persisted throughout the hearing process in the Senate Judiciary Committee. In fact, prominent academicians from both sides of the philosophical aisle, among them Profs. William VanAlstyne, James Blunstein, Irving Younger, Donald Horowitz, George Corcoran, William White, and Abigail Thernstrom, opposed the adoption of the "effects" test clearly embraced by the House language. As a consequence, Senator DOLE and others were able to develop a compromise which clarified the House language and reiterated the precise language of White against Regester, with one very important difference. That is the use of the word "class" in place of the word "group." The latter is the word used by the Supreme Court on page 766 of its opinion in White. If the purpose really is to clarify the law by the adoption of the White test, a goal I do not oppose, why, then, did "group" become "class," a word with clear entitlement connotations? It may be that this is merely a drafting error, and is

indeed a narrowing of a test, especially since blacks are already protected as a "suspect" class under the Constitution.

Second, I wish to once again express my concern for the provisions of title II of the act which continue the bilingual ballot provisions from 1985 until 1992. I have long believed that bilingualism as a policy, however attractive it might be to politicians and an electorate which cannot speak English, will, if carried to its logical conclusion, ultimately result in two societies within one country. We have seen bilingualism intrude into the school system and now it has intruded into the voting booth; under this act, bilingual ballots will be required even if the voter can read and speak English. In the future we will doubtless see other efforts to federally mandate bilingualism throughout the Southwest. In the long term, this can only result in cultural segregation and political alienation, not the traditional assimilation into the mainstream of American society we have come to expect. It is far easier to speak one's own language than it is to learn another, in this case English, and I have no doubt that politicians will play to that preference in soliciting votes, for example, from the Hispanic community in the Southwest and will ultimately participate in the cultural segregation of our society.

Since the bilingual portions of the Voting Rights Act do not expire until 1985, and since the basis for this part of the act is totally distinct from the original 1965 act, it would have been preferable to omit those provisions from the amendments we are now considering.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. HYDE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. FISH. Reserving the right to object, Mr. Speaker, the passage of the Voting Rights Act Extension of 1982 is another significant milestone in our efforts to provide equal rights for all American citizens. The Voting Rights Act is the most successful civil rights legislation ever enacted, and the Congress can be proud today that it has taken the steps necessary to continue providing equal opportunity to vote to all American citizens.

As one of the original sponsors of H.R. 3112, I join my colleagues on the Judiciary Committee in commending the leadership of the other body in working out a meaningful compromise that meets the requirements of our legislation. The defeat of all weakening amendments in the other body indicates the strength of the support of the Voting Rights Act in the Congress.

The changes in H.R. 3112 have been explained in depth by my colleagues from California and Wisconsin, Mr. EDWARDS and Mr. SENSENBRENNER. I congratulate them on their efforts in passing the extension of the Voting Rights Act. I also would like to commend my friends in the leadership conference on civil rights, who have worked diligently and persistently in the past year to make certain that the Voting Rights Act would be extended.

Mr. Speaker, the right to vote is essential to the preservation of our democratic society. The advances made in providing equal opportunity for all Americans to vote since the enactment of the Voting Rights Act of 1965 have been extraordinary—but the Congress has recognized that more needs to be done to achieve true equality. The continuation of preclearance provisions under section 5 indicates congressional concern that discriminatory voting changes by State and local governments that would dilute minority voting opportunities not be made. The bailout provisions of the bill we are voting on today are fair and will enable those jurisdictions which have proven their ability to provide equal opportunity to the polls to get out from under the coverage of the law. Finally, the minority language provisions, extended for another 10 years, will provide further opportunity for those American citizens who speak another language to fully participate in the electoral process.

I would like to add my specific endorsement of language added in the Senate to provide the blind, disabled, and illiterate voters assistance at the polls through and individual of the voter's choice. This represents an advance in providing equal access to the polls for all Americans of which we can all be proud. However, one critical issue remains—insuring that the blind and the disabled can register to vote effectively and can be assured of physical access to the polls. This matter, although not appropriate as an amendment to the Voting Rights Act extension, should be considered carefully by my colleagues in separate legislation which I have introduced to mandate access to registration and polling places for handicapped and elderly voters.

Mr. Speaker, this is a very historic occasion. I have been present on the floor of the House for the 1970 and 1975 extensions of the Voting Rights Act, and I am proud to join my colleagues today for another extension of this critical civil rights legislation. It is matters such as this which makes service in the Congress and on the Judiciary Committee so rewarding.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. FISH. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from California.

Mr. EDWARDS of California. I thank the gentleman for yielding.

Mr. Speaker, I will take just a moment to say that we really could not have enacted this bill and had the success that we had in the House and in the Senate without quite a number of people. The gentleman from Illinois (Mr. HYDE), right from day one, in our hearings, went to great lengths to interrogate the witnesses and came out forthrightly within the first few days of our deliberations for a strong renewal of the Voting Rights Act.

The chairman of the full committee, the gentleman from New Jersey (Mr. RODINO), made his usual massive contribution, as well as the other Members of the subcommittee, the gentleman from Wisconsin (Mr. KASTENMEIER), the gentlewoman from Colorado (Mrs. SCHROEDER), the gentleman from Illinois (Mr. WASHINGTON), the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from California (Mr. LUNGREN).

The gentleman from New York (Mr. FISH) assisted us in massive ways in the final consideration of the bill.

As chairman of the subcommittee, I want to show my gratitude to all of them and to thank them for a job well done.

Mr. RODINO. Mr. Speaker, will the gentleman yield?

Mr. FISH. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from New Jersey (Mr. RODINO), the chairman of the Committee on the Judiciary.

Mr. RODINO. I thank the gentleman from New York for yielding.

Mr. Speaker, I, too, want to rise, as chairman of the committee, and pay a real compliment to the members of the subcommittee, especially the chairman of the subcommittee and the ranking minority member of the subcommittee, the gentleman from Illinois (Mr. HYDE), and the other members.

I specifically want to commend the gentleman from Illinois (Mr. HYDE) the ranking member of the Subcommittee on Civil and Constitutional Rights, who has worked long and hard in order to forge a viable and just extension of the Voting Rights Act. It is due in large measure to his dedication that this long awaited moment has finally come to pass.

I believe their diligence made possible the bringing together of the massive evidence that persuaded the Congress to act in this particular milestone piece of legislation.

I want to also compliment the Members of the other body who acted as architects of the compromise, and I want to particularly compliment each and every Member who participated in bringing to the House of Representatives this kind of legislation that is in keeping with our commitment to a

basic constitutional right to guarantee the right to vote to every black American, to every language minority American, and to all people in these great United States.

Mr. WASHINGTON. Mr. Speaker, will the gentleman yield?

Mr. FISH. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Illinois.

Mr. WASHINGTON. I thank the gentleman for yielding.

Mr. Speaker, I also rise in support of the Senate amendment and to extend my heartfelt thanks to all of the Members delineated by the illustrious chairman of our subcommittee, the gentleman from California (Mr. EDWARDS).

Just one brief remark in reference to section 208. As you may recall, the voter assistance section was added by the House to prohibit assistance in the polling place except for blind voters. The Senate added clarifying language to the section and provided that such assistance will also be available to disabled, blind, or illiterate voters by a person of their choice, not an employer or an agent or union officer.

The whole purpose of this last provision was to prevent fraud and to protect those persons covered by this provision from any harassment.

I again wish to express my support of the revised House bill.

Mr. FISH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. LEVITAS. Reserving the right to object, Mr. Speaker, I do so in order to inquire of the gentleman from California whether there is any portion of this legislation that changes section 5 of the act, of the Voting Rights Act, or changes the tests contained therein. Does it or does it not affect section 5?

Mr. EDWARDS of California. If the gentleman will yield, I believe the gentleman is referring to preclearance, section 5.

Mr. LEVITAS. That is right.

Mr. EDWARDS of California. No change was made.

Mr. LEVITAS. I thank the gentleman.

Further reserving the right to object, I have one further question: Does the legislation contain any numerical percentage of what would constitute a minority district, congressional district?

Mr. EDWARDS of California. If the gentleman will yield, the bill contains no such provision.

Mr. LEVITAS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. LUNGREN. Mr. Speaker, I reserve the right to object.

Mr. Speaker, as a member of the subcommittee I am proud of the fact that we have this bill now before us. I am, however, concerned with the manner in which it is brought forward. This effectively eliminates the possibility of debate on this floor.

I have been shown just today a flier that is being circulated in one of the States of our Union, specifically making reference to four Members on my side of the aisle who supported the Voting Rights Act in its final form as it passed out of this House. However, it identifies them as members of an enemy's list and as hypocrites because they dared to support certain amendments during the consideration of this bill.

The reason I am mentioning this in this context is that when we delay debate or do not allow debate fully on differences of opinion within a consensus goal of Voting Rights Act extension, we allow some misunderstanding and misapprehensions to occur concerning some of our Members. I think it is totally unfair that such political sheets are being passed around identifying some Members as hypocrites just because they may have had differences of opinion with respect to parts of this bill.

There are still differences of opinion with respect to parts of this bill and with interpretations of parts of this bill. I am not wholly satisfied that we have achieved the best vehicle that we could achieve, but such is usually the case with the legislative process.

Nonetheless, I think it is a sad day for America and a sad day for Members of the House of Representatives when they cannot in good conscience dispute certain language within the context of a general consensus without being attacked in such partisan and unfortunate terms as I have seen on one sheet that was passed around the House earlier today.

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In that regard I think we do ourselves a disservice by bringing up the Senate amendment under this procedure, where we do not have an opportunity for all Members to express their differences of opinion, or perhaps to explain why they may have thought slightly different language in a section of the bill would be preferable to what we may have confronting us.

I think the vote that we had in the House when the original bill came through was a strong indication of the overwhelming support for voting rights in this country, whether it be from Republican, Democrat, liberal or conservative perspective or whether it be expressed by somebody from the North, the Midwest, the South, West, or East. I am sorry we brought it up under this procedure with a lack of a rule thereby not allowing us to entertain any meaningful debate.

Mr. Speaker, while I support the Senate amendments to the Voting Rights Act, and intend to vote for them, I am concerned that a number of the problems contained in the bailout provisions have not been addressed, but I am pleased that the White test has been substituted for the so-called effects test endorsed by the House last fall. It is clear from the comments of Justice Byron White, who authored White against Regester, that White represents a type of intent test. Justice White made his views of that test clear by dissenting in Mobile with the claim that:

> A plurality of the Court today agrees with the courts below that maintenance of Mobile's at-large system for election of city commissioners violates the Fourteenth and Fifteenth Amendments *only if it is motivated by a racially discriminatory purpose.* The plurality also apparently reaffirms the vitality of *White* v. *Regester* . . . which established standards for determining whether at-large election systems are unconstitutionally discriminatory. (Italics added.)

The language in the Senate compromise to section 2 clearly incorporates the test found on page 766 of White against Regester, a test which has never been considered, even by its author, as anything less than a type of intent test. Unfortunately, the Mobile decision muddied the waters, and prompted some to suggest that any intent test is impossible to prove. I believe the opposite is true, but the Dole compromise in the Senate has clarified the standard. I therefore support the compromise in the bill, with reservations stated in my supplemental views last fall.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California (Mr. EDWARDS)?

Mr. FOWLER. Mr. Speaker, reserving the right to object, if I may ask the distinguished chairman, is it true that the proposed amendments sent over by the other body do not change in any way section 5 of the current Voting Rights Act?

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. FOWLER. I yield to the gentleman from California.

Mr. EDWARDS of California. That is correct; the preclearance provisions are not changed.

Mr. FOWLER. And I ask that, if that is the case, and I certainly accept the chairman's statement—any pending litigation throughout the land that is under a section 5 challenge and actively being considered by Federal courts could not be affected in any way, shape or form by the adoption of the amendments and the ultimate passage of this act; is that correct?

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California (Mr. EDWARDS)?

Mr. BUTLER. Mr. Speaker, reserving the right to object, the gentleman from Illinois (Mr. WASHINGTON), called our attention to section 208, the voter assistance section of the legislation before us.

I would appreciate the attention of the gentleman from California to ask, first, would the voter assistance sections apply to all elections or just Federal elections?

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from California.

Mr. EDWARDS of California. Will the gentleman repeat the question.

Mr. BUTLER. Does it apply to all elections or just the Federal elections?

Mr. EDWARDS of California. It applies to all elections.

Mr. BUTLER. I thank the gentleman.

We have had some question raised in my State because we already have voter assistance provisions in the Virginia code which does not exactly track what will be in the Federal code. We do gain comfort from the fact that, as I understand it, section 208 will not become effective until January 1, 1984. I would ask the gentleman from California, since there is no record, and there have been no hearings on this issue, if problems do arise, can we be assured that the gentleman's committee will explore these problems in hearings?

Mr. EDWARDS of California. If the gentleman will yield further, I assure the gentleman from Virginia that inasmuch as there were no hearings on this issue, that in the event any problems arise on this section that the subcommittee will hold oversight hearings promptly.

Mr. BUTLER. I thank the gentleman.

Mr. Speaker, the Senate has made substantial improvements in this bill. I still have strong reservations about it, and particularly its impact on my State.

Mr. Speaker, on October 5, the House of Representatives passed legislation, over my strenuous objection, to amend the Voting Rights Act. Since that time, the issues raised by that legislation have been debated at length, both in the Senate and in the press. I am satisfied, at this time, that both sides of the debate have had the opportunity to present their views and it is apparent that the preference of the Congress and the public-at-large is for legislation such as that before us today.

I am disappointed in my own efforts to improve this legislation, and similar efforts made in the other body.

My reservations about this legislation, specifically its treatment of bailout and of section 2, remain strong.

I was author of the first and unsuccessful bailout attempt in 1975. The theory of bailout, then and now, is to provide incentive for compliance with the act by relieving political subdivisions from the yoke of preclearance if they can demonstrate their conformance with the letter and the spirit of the law; and in so doing encouraging localities not in full compliance to special efforts to improve their own performance. This legislation will be an extreme test of that theory. It places a burden on State and local governments which, I believe, will make bailout extremely difficult if not impossible to achieve. Nonetheless, as it still holds out the faint hope of salvation, I am hopeful it will encourage public officials to redouble their efforts to abolish any semblance of voting discrimination within their jurisdiction; I will certainly encourage them to be unrelenting in this regard.

My principle objection to the bailout provision of this legislation, is that the opportunity for bailout can be forfeited or lost for many reasons unrelated to a determination or finding of a purpose to discriminate. For example, bailout may be denied for the following: The appointment of Federal examiners even in the absence of any evidence of discrimination; acceptance of settlement of voting rights litigation to avoid the expense of litigation; inadvertent failure to make timely submissions under section 5; or the interposition by the Department of Justice of an unsubstantiated objection to a proposed change in the voting laws. Bailout can still be denied for failure to make constructive efforts to eliminate discrimination in voting even though there is no finding or evidence of discrimination to begin with; and in addition, political subdivisions seeking bailout must still go through the expense and inconvenience of bringing suit in the District Court of the District of Columbia.

Although this new legislation provides, first for a review of the bailout provision after 15 years, and second, for the bailout provision to expire after 25 years, this is no consolation for what I believe is poorly conceived legislation. In my mind, these provisions fit a pattern of temporary extensions of the special provisions which has characterized Congress previous considerations of the act: in 1970 they were extended 5 years to 1975; in 1975 they were extended 7 years to 1982; and in 1982 they will be extended 25 years to 2007; thus making the total sentence of preclearance, imposed on Virginia and other Southern States, 45 years.

After 17 years of experience with, and progress under, the Voting Rights Act, Congress should have and could have developed legislation as a final response to the problem of voting discrimination. I am indeed disappointed that we have instead chosen to defer the issues we fail to reconcile today to a future Congress.

The principle area of disagreement during Senate debate of the act was the proposed amendment to section 2, concerning the proper standard to determine discrimination in voting rights litigation; otherwise known as the question of intent versus effect. It is unfortunate that this issue passed through the House largely unnoticed. In my view, it is the most significant amendment to the act and I believe the Members of the House would have benefited from a thorough and open debate of the issue.

I remain convinced that intent is the appropriate standard by which to judge voting discrimination. As such, I am not satisfied that the Supreme Court erred in its decision of Mobile against Bolden; nor do I believe that the decision constituted a reversal of previous decisions concerning 14th and 15th amendment claims. However, given the polarity of views in this controversy, a compromise was clearly indicated. I applaud my colleagues in the Senate for their tireless efforts in this regard and believe that the bill before us represents the only possible compromise between the competing views.

The Senate amendment to section 2 is what we might call a qualified results test. Although it differs from the House amendment more cosmetically than substantively, it is apparent that the bill will be accompanied by a legislative history which makes clear the intent of Congress and which puts it on record as rejecting the notion that the objective of the Voting Rights Act is to achieve racially proportional representation or to require electoral quotas. I am hopeful that this record will provide a reliable guide for the administration of the law in the future.

Undoubtedly, amended section 2 will provide greater flexibility in both the Department of Justice and the courts to attack pockets of voter discrimination wherever they may exist. Likewise, it will make it easier for a citizen to successfully challenge the fairness of a voting practice or electoral law. In short, it is an invitation to endless litigation, but as one about to reenter the private sector, any objection I might offer on that basis is clearly suspect.

Of final concern to me is section 208 of the bill which provides for voting assistance to be given to blind, disabled, or illiterate voters. Section 208 states:

> Any voter who requires assistance to vote by reason of blindness, disability, or inability to read or write may be given assistance by a person of the voter's choice, other than the voter's employer or agent of that employer, or officer or agent of the voter's union.

The abuse of voting assistance cannot be taken lightly. In Virginia,

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we have fought long and hard to assure secrecy of the ballot so that each individual may vote his conscience. Those needing assistance are given aid, but by an officer of election under oath to act in accordance with the law.

In my view, the adoption of section 208 will intrude on and weaken the election laws of Virginia, as well as other States which have passed detailed and effective voting assistance laws. Section 208 would permit nearly anyone to enter the booth with a voter qualifying for assistance, thereby presenting an opportunity for fraud and abuse which we do not need.

Although I view it as a very real threat to effective administration of voting laws, no one appears to share this concern and I am disappointed in that.

In the absence of a legislative history or evidence on the record or any expression of legislative intent, who can say whether this applies to Federal elections alone; or all elections; and, if so, by what constitutional authority?

This is but one more example of the generally sloppy legislative draftsmanship that permeates this legislation.

I am influenced to support this legislation, in part, by the shameful experience in the past year of the general assembly of my own State, which on four different occasions declined to yield to the judgment of the Department of Justice as to the discriminatory nature of its legislative redistricting. In light of this action, I cannot stand before you and again boast of Virginia's performance, even though its record of compliance in all other particulars has been exemplary.

The attention which has been given to the present efforts to amend the Voting Rights Act has obscured the fact that the permanent parts of the Voting Rights Act will not expire but will remain in the law. As a result, this legislation has assumed a meaning in the eyes of minority group citizens out of all proportion to its true significance; the Voting Rights Act has become a symbol of Government's ongoing commitment to the interests of minorities.

After 20 years in public office, I am quite comfortable with my own record on civil rights. Likewise, the Republican Party has consistently demonstrated its sensitivity to the concerns of minority group citizens and its commitment to assuring that their constitutional rights are not denied or abridged. I am most anxious that Republicans continue to be identified with that effort.

Nevertheless, I still insist there were better, more effective ways to do this job, and I am indeed disappointed in the choice presented us today.

Mr. BUTLER. Mr. Speaker, I withdraw my reservation of objection.

● Mr. RAILSBACK. Mr. Speaker, as a strong supporter of the Voting Rights Act, I am pleased that the other body has taken action to extend this act, and that today we will have the opportunity to agree to their amendments.

The support that this extension has accumulated during its journey through the legislative process has been tremendous, and it indicates to me that there is a wide-spread consensus that there is still a need for the preclearance provisions of this act.

I am delighted that the substantial progress in giving minorities the right and opportunity to vote brought about since the 1965 enactment of the Voting Rights Act will be continued. I urge my colleagues to join me in agreeing to the amendments made by the other body in order to bring about the prompt enactment of this vital extension of the Voting Rights Act.●

The SPEAKER. Is there objection to the request of the gentleman from California (Mr. EDWARDS)?

There was no objection.

A motion to reconsider was laid on the table.

HUMANITARIAN AID TO LEBANON

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6631) to authorize humanitarian assistance for the people of Lebanon.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. ECKART). Is there objection to the request of the gentleman from Wisconsin?

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, I ask the chairman of our committee to explain the purpose of this legislation.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, this bill, H.R. 6631, to authorize humanitarian assistance for the people of Lebanon, is an urgent measure which deserves—and I am sure will receive—the overwhelming support of the House.

I will not take much of the time of the House to explain H.R. 6631 because its need is obvious and it is a very simple, straightforward bill.

H.R. 6631 is an emergency measure which authorizes $50 million for urgent humanitarian relief, rehabilitation, and reconstruction assistance to the victims of the strife in Lebanon.

We have daily accounts of the fighting in Lebanon and of the suffering of the people who live in Lebanon. We do not have any precise figures, but it is obvious that there have been large numbers of innocent civilians killed and injured, that many have been made homeless, and that there has been extensive damage to homes and facilities in Lebanon.

Lebanon is a small country, with a population of about 3 million. The Lebanese Government has asked for U.N. humanitarian assistance for 300,000 families, some 1.5 million people, which is about half the population of the country.

President Reagan originally asked on June 9 for a $20 million emergency aid authorization for Lebanon. The question immediately arose during committee consideration of the bill whether this was enough, for clearly the amounts needed for humanitarian assistance for relief, rehabilitation, and reconstruction in Lebanon will be far greater.

We decided $50 million is a more realistic figure at this time. This also was the judgment of the Foreign Relations Committee in the other body when that committee considered the measure late last week. We will of course continue to review developments in Lebanon in the event that any further legislation is needed.

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. FINDLEY. Mr. Speaker, reserving the right to object, can the gentleman tell me whether there will be an opportunity for debate?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, it is my understanding that there will be 1 hour for debate and it will be equally divided between myself and the gentleman from Michigan, the ranking Republican Member (Mr. BROOMFIELD).

Mr. FINDLEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin (Mr. ZABLOCKI)?

There was no objection.

The Clerk read the bill, as follows:

H.R. 6631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

SEC. 495J. LEBANON EMERGENCY RELIEF, REHABILITATION, AND RECONSTRUCTION ASSISTANCE.—(a) The Congress recognizes that prompt United States assistance is necessary to alleviate the human suffering and resettlement needs of the innocent victims of recent strife in Lebanon. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for the relief, rehabilitation, and reconstruction needs of such victims. Assistance provided under this section shall emphasize the provision of food, medicine, clothing, shelter, and water supply sys-

tems, and similar efforts to ameliorate the suffering of the people in Lebanon.

"(b) In addition to amounts otherwise available for such purpose, there is authorized to be appropriated to the President $20,000,000 to carry out this section. Amounts appropriated under this subsection are authorized to remain available until expended.

"(c) Assistance under this section shall be furnished in accordance with the policies and general authorities contained in section 491.".

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 9, strike out "$20,000,000" and insert in lieu thereof "$50,000,000".

The committee amendment was agreed to.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Michigan (Mr. BROOMFIELD), for purposes of debate only, and I yield myself such time as I may consume.

Mr. Speaker, at this time may I express appreciation to the leadership on both sides of the aisle for their support in permitting this bill to be brought before the House this afternoon.

Recognition is also due for the fine work done on this bill in a short period of time by the chairman of the Subcommittee on Europe and the Middle East, the gentleman from Indiana (Mr. HAMILTON); the ranking member of the subcommittee, the gentleman from Illinois (Mr. FINDLEY); and to the author of the bill, the gentleman from Connecticut (Mr. GEJDENSON); and the cosponsors, Messrs. ROSENTHAL, MOFFETT, HAMILTON, SHAMANSKY, LANTOS, FINDLEY, Mrs. FENWICK, Mrs. SNOWE, and Mr. GILMAN.

Mr. Speaker, the United States has already provided some assistance to Lebanon. To date, some $5 million has been made available from the existing disaster assistance account at AID and from Public Law 480 humanitarian food shipments, and $10 million has been made available from the State Department's refugee and migration account.

Thus, the total U.S. Government funding available for humanitarian assistance to the victims in Lebanon in fiscal year 1982, including the amount in this bill, would be around $65 million.

Other nations and international organizations are of course making contributions too and have been since the start of the hostilities. The latest rounded figure we have on the donations of others to date is approximately $23 million plus substantial donations in kind.

Mr. Speaker, the need for this emergency legislation is clear from the suffering we are witnessing in Lebanon and the need is now.

I urge overwhelming passage.

Mr. Speaker, I yield such time as he may consume to the chairman of the Subcommittee on Europe and the Middle East, the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Speaker, I rise in strong support of H.R. 6631, a bill to authorize humanitarian assistance for the people of Lebanon and urge my colleagues to support this bill and facilitate its expedited passage.

This legislation which authorizes $50 million in disaster relief, rehabilitation, and reconstruction aid is part of what may be an initial commitment of more than $65 million by the United States to Lebanon. In addition, on June 9, 1982 the President also authorized $5 million in emergency aid, including $2 million from funds of the Office of Disaster Assistance and $3 million in Public Law 480 title II foodstuff. Nearly half of this $2 million disaster aid commitment has already been obligated to support operations of the International Committee of the Red Cross, Catholic Relief Services, and the U.N. Secretary General's Trust Fund for Lebanon. The American Ambassador to Lebanon has also already provided $25,000 from his discretionary account, with most of that money being provided to the American University of Beirut Hospital to support its work to help victims. And last Friday, June 18, discussion began on providing an additional $10 million in emergency assistance.

This initial commitment by the United States has been provided even while the fighting continued and the true dimensions of the human tragedy which has occurred are still largely unknown. There may well be further requests when reconstruction needs are assessed, but Congress should act on this matter now even though the need may be far greater and more assistance may need to be considered at a later date.

The Subcommittee on Europe and the Middle East held a hearing last week to discuss the situation in Lebanon, U.S. policy and this disaster assistance request. Further hearings will be held in the coming weeks on this crisis as more becomes known of the needs. Based on testimony, I am firmly persuaded that these funds are urgently needed and that this money will be used wisely and in support of U.S. foreign policy goals.

Reliable estimates from Lebanon suggest that this fighting has resulted in deaths in the thousands, wounded persons in the tens of thousands and homeless or displaced in the hundreds of thousands. Perhaps over half of Lebanon's population of over 3 million has been affected. Based on our hearing, I can also say that all of the funds will be administered by United States or Lebanese private voluntary organizations, international agencies or the United States or Lebanese Governments. The assistance will be for all victims of this Lebanese crisis without discrimination as to nationality or political or religious affiliation and the aid will not be used so as to support one or another of the Lebanese factions.

Mr. Speaker, I urge adoption of H.R. 6631 to help meet the urgent humanitarian needs of the victims of the fighting in Lebanon.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset I would like to compliment the chairman of our full committee, as well as the chairman of the Subcommittee on Europe and the Middle East, the gentleman from Indiana (Mr. HAMILTON), for their excellent statements in support of this very important bill, H.R. 6631.

Mr. Speaker, I rise to support H.R. 6631 which would provide emergency humanitarian assistance to Lebanon. The $50 million authorized in this bill is in addition to the already announced $15 million that the President has already granted under his emergency authority. The funds in this bill are desperately needed to provide food, shelter, and medical help to tens of thousands of Lebanese civilians. As with almost all military conflicts, it is a recurrent tragedy that the civilian population pays a heavy price. The situation in Lebanon today is no different. Thousands of people have suffered injury in the latest round of fighting. Many more have witnessed the loss of their homes. And whenever death and destruction occur, the problems of disease are not far behind.

The United States has always been one of the first countries to come to the rescue of those in need. Whether the disaster is a result of war, or of natural causes, the United States has recognized its humanitarian obligations. Time and again, U.S. supplies have meant the difference between further suffering or rehabilitation. In Lebanon today our efforts are required again.

Our assistance is needed not only to give immediate help to the civilian population, but by granting assistance at this time, the United States will be helping create a more stable environment in which long-term peace and stability may be achieved in Lebanon. For the better part of a decade, Lebanon has been racked by internal violence. The weak central government has been unable to exercise control over events. Recent developments have changed the political complexion of the country. While the struggle for

power remains intense, the outcome is by no means clear. Our assistance at this crucial juncture may help calm the situation and support those factions that desire a stronger central government favorably disposed toward our objectives in the region.

But regardless of the eventual political outcome, our assistance is needed to bring an end to misery and suffering. Now is the time to act on behalf of the people of Lebanon. I urge quick passage of this measure.

□ 1315

Mr. Speaker, I yield 5 minutes to the ranking member of the Subcommittee on Europe and the Middle East, the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, the human misery in Lebanon is, I am sure, beyond the real comprehension of anyone in this Chamber. We can only imagine from the statistics that have been provided thus far, 10,000 killed, most of them civilians, seems to be the latest most accurate estimate.

The hospital in Beirut, which is part of the American University, performed more than 1,100 amputations in one 24-hour period, and from that we can know that the human misery was not confined to those who lost their lives. The effects of this military operation will be felt and seen for many year to come.

I am glad that this body is acting expeditiously to provide aid to those who have suffered. I commend the leadership of the committee for making this possible; but we have a responsibility that goes far beyond the money we are providing to Lebanon. We have had an unmet responsibility dealing with the use of U.S.-supplied military equipment which was used in the fighting, virtually all the fighting within the State of Lebanon, and the taxpayers of this Nation, the citizens of this Nation, provided at least half the value of the military equipment that was used; so one might say that in a sense we financed the destruction, the human tragedy that occurred in Lebanon, and now today we are financing relief from that very same destruction, a very curious circumstance in which the United States finds itself.

It is as if with one hand we send instruments to kill, and with the other hand extend comfort to those who are bereaved or injured. It must be a very sad prospect for all of us to contemplate our responsibility.

We have a responsibility that we have as yet not met in challenging whether or not the weapons that we helped to finance were used in accordance with law. Several members of the committee that brought this bill forward have asked the administration whether the law has been violated and so far there is no answer, but based on past performance the answer will come at the most that the law may have been violated and there the issue will end.

There is also the question as to whether the personnel bombs, the cluster bombs, which explode just above the surface of the land and send sharp shards for great distances in all directions were used. That has not been settled yet; but the administration is not the only part of the Government that has a responsibility in this regard. Under the law, this body has a responsibility to determine whether or not the law has been violated. It has a process that is set forth in the Arms Control Export Act under which we can raise the question of legality.

We now have pending and soon will consider another bill for aid to the Middle East, including quite a sum for the State of Israel, more weapons, more aid in various forms. During consideration of this Lebanese aid bill, I raised for discussion a possible amendment which would have had the effect of reducing the grant aid to the State of Israel by the same amount of the aid that we are now in this legislation extending to the suffering people of Lebanon.

This seems the very least we should do in trying to bring some semblance of decency and balance to our relationship with this tragedy in Lebanon.

Now, it is not possible under these circumstances today to offer an amendment which would have that effect, but at the earliest opportunity I will either offer an amendment or support an amendment that will reduce by the same amount of our aid to the suffering people of Lebanon the amount of grant aid that will go to the State of Israel.

I will welcome support from my colleagues and I will welcome any comment they might want to make during the discussion of this bill that is now before us.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. FINDLEY. I recognize full well the security problems confronted by the State of Israel. I understand their desire to root out the military equipment in southern Lebanon that could have been the cause of trouble; but at the same time, we have a grave responsibility in these actions ordered by the Prime Minister of Israel because we are the principal supporter of the State of Israel.

I have been appalled at the almost total silence of the administration in the wake of the enormous violence and bloodshed and human misery that has ensued in Lebanon.

The $50 million authorized in this bill will never compensate for the thousands who have died in Lebanon or for the tens of thousands of casualties. It will never begin to rebuild a beautiful country devastated by war. In this most recent Israeli invasion, water and sewer systems, power utilities, homes, and public facilities and buildings have been almost totally destroyed in the southern portion of Lebanon. It is difficult to assess accurately the number of deaths or the level of destruction because the fighting continues. Israel is still shelling west Beirut, including residential areas. In such a massive invasion and in the continued attacks upon the capital city, there is no way that indiscriminate civilian deaths can be avoided.

While I recognize that neither the committee nor the House may accept my suggestion, it does have a certain internal logic given the Israeli use of U.S. arms to devastate Lebanon. For two long Lebanon has been a battleground. It is time to bring to an end this unrelenting tragedy. This $50 million may help but it will not provide a solution. Only U.S. leadership can do this.

It is up to the United States to put an end to the fighting in west Beirut, to tell the Israelis that their indiscriminate shelling of the city including its residential areas is exacting too high a price in civilian lives. We have already hesitated, with tragic results, to tell the Israelis that they have used U.S. arms illegally and that the United States will accordingly terminate its arms aid until Israel is again in compliance with American law.

Ambassador Philip Habib who is now in Beirut attempting to negotiate a disengagement of forces with the separate Lebanese factions, the Syrians, and indirectly with the PLO must be given a chance to succeed. This will involve a withdrawal of Syrian and PLO and Israeli forces. But such a negotiation must be given time to succeed. The killing should not go on even as Habib and the others talk.

There must also be longer term arrangements so that peace and stability will return to Lebanon. Israel should no longer be permitted to strike at will at targets within Lebanon whether or not this involves heavy civilian casualties. And northern Israeli settlements should no longer be subjected to shelling and attack from Lebanon.

To insure that peace and stability of not only Lebanon but of the Middle East as a whole, the United States must push for peace negotiations in the region. Violence solves nothing in the Middle East and the violence now being perpetrated on the Lebanese people will again solve nothing. The United States must throw all its weight behind a political resolution of the conflict in Lebanon which will also involve, of necessity, a negotiated settlement of the Palestinian problem.

Destroying the PLO as a military factor cannot destroy the aspirations of the Palestinian people for a homeland. Until these are met, turmoil and conflict will continue to wreak havoc and destruction in the Middle East. Friends of the United States such as Lebanon, Jordan, and Israel and others will continue to pay a heavy price because an important problem is allowed to fester unresolved. U.S. leadership must involve more than a distribution of funds. It must create a political settlement in the Middle East.

Mr. BROOMFIELD. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 6631, the bill to provide $50 million in emergency assistance to the war-torn nation of Lebanon.

On June 4, 1982, Israel took military action to secure its northern borders. That action, unfortunately, has resulted in civilian casualties as well as in the destruction of much of the country's infrastructure. The $50 million which this bill authorizes is urgently needed to provide food for the hungry, shelter for the homeless, and medical aid for the injured. United States and international voluntary agencies, such as the Catholic Relief Services and the International Committee of the Red Cross have been involved in a massive relief campaign to aid Lebanon. The Red Cross has been active in the evacuation of the wounded from Tyre and Sidon, and has distributed blankets, medical care, and food to civilians. The world food program of the United Nations has made plans to feed thousands of Lebanese citizens for 1 month using wheat flour, powered milk, and vegetable oil.

The additional funds authorized in this bill will be an important and vital contribution to the U.S. effort to help the Lebanese people rebuild their country. As a cosponsor of this legislation, accordingly, I urge all my colleagues to further support its passage.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. MOFFETT), who is one of the principal sponsors of the bill and was instrumental in first calling the urgency of this need to the Members of this House.

Mr. MOFFETT. Mr. Speaker, I want to extend my appreciation to the committee and particularly to the distinguished chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI), and to the distinguished and talented chairman of the subcommittee, the gentleman from Indiana (Mr. HAMILTON).

Mr. Speaker, we frequently see instances of Members in this body who go back to their ethnic roots and at difficult times seek assistance for a variety of concerns: The Greek Americans with Cyprus; the Irish Americans with their concerns about Northern Ireland; Polish Americans, of course, with the recent tragedy in Poland; Italian Americans with the earthquakes in Italy.

There are some of us in this body who are Lebanese Americans, and we are very proud of it. This is a very painful time for us, as I think all of you can understand. Some of us here now went to Lebanon in January of 1980. We came back perhaps not in total agreement with each other on our conclusions.

But what was clear to me and I think to my colleagues was that, after speaking to all representatives of government, all religious leaders, various militia heads, and people on the street, whether they were in the north or in the south, all these Lebanese said to us, "Look, let us solve our own problems. We can do it." I have confidence that the Lebanese people can do it, if all foreign elements leave the country and if everyone is disarmed except the Lebanese Army.

Let us build up the Lebanese Army, take care of the problems on the borders on the south with a legitimate buffer zone and a believable, credible force within that buffer, hopefully the Lebanese Army. And let us give Lebanon back to the Lebanese and hope that we can get two strong, pro-Western allies side by side in that area.

I do not think we should fall into the trap of saying, "If only we could get the Christians"—I happen to be a Christian—"If only we could get the Christians in command, everything would be fine."

That does not work, either. We need to understand that the suffering has hit all Lebanese. It hit the Christians earlier when the Syrians and the PLO were shelling Christian neighborhoods. I have relatives who were killed in those particular episodes, so the suffering has been across the board.

We should not do anything here to contribute to the paralysis and the stalemate in that strife-torn land. We should look to the future and attempt to send a signal to all Lebanese that we would like to see Lebanon rebuilt. We would like to see two pro-Western allies in that area, working together for a meaningful and enduring peace.

Mr. Speaker, I thank the Chair for his diligence and attention to this matter.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. SHAMANSKY).

Mr. SHAMANSKY. Mr. Speaker, I wish to note that the support for this bill in our committee was unanimous. There was no objection voiced. I think it reflects the feeling of all segments of the American community that help be rushed immediately to the people of Lebanon, because without binding the wounds in Lebanon we cannot have peace in that country, a free and independent country, and without a peaceful situation in Lebanon we cannot have peace in the Middle East; so I think this is our initial, but extremely important, effort, to build a peaceful Middle East where each of the peoples can live in freedom and follow their own destinies.

I think we can fairly say to all those who have relatives and friends and a great concern for that area that this may well be the beginning of the kind of cooperation that will bring peace, and, we hope, a happy future for those people. I think this is an important step forward.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts (Mrs. HECKLER).

□ 1330

Mrs. HECKLER. Mr. Speaker, I rise in support of H.R. 6631, which would provide $50 million in U.S. emergency aid for war-ravaged Lebanon.

This bill is an essential humanitarian measure, because it authorizes funds for food, medicine, clothing, shelter, water supplies, and other necessities of life.

For the past 7 years, Lebanese civilians have been caught in the crossfire between opposing forces in the Mideast. Over 100,000 persons have been killed and more than a million displaced. Villages and homes have been destroyed, and the political and social structures devastated. All of this has occurred in a country that was once known as the jewel of the Middle East.

The American people can only feel compassion for these civilians—compassion that must be demonstrated by humanitarian aid to these people.

Prior to the occupation of Lebanon by the PLO and Syrian army in 1976, the country was the only other democracy, besides Israel, in the Middle East. As a nation committed to democracy, to free government, we should not stand passively by but offer our assistance, in terms of humanitarian aid, in the hope of seeing Lebanon rise again as a democracy.

The security of democratic Israel—our strongest ally in the Middle East—has always been a priority of mine. Provocation of Israel by the PLO and Syrian Army has in the past produced massive injuries to Israeli citizens, resulting in the United States offering a helping hand.

The Camp David accords between Israel and Egypt, which this country facilitated, have held out the hope for peace in the Middle East. The implementation of this process must be expedited and true peace achieved for Lebanon as well as for the main participatory nations.

Mr. ZABLOCKI. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Speaker, I thank the chairman for yielding to me, and I certainly want to thank the members of the committee for supplying this aid and in particular the leadership of Chairman ZABLOCKI.

I think it is obviously very important, and I applaud their leadership. However, I do find it ironic that we are suppyling this kind of aid since we have, indeed, been responsible for supplying some of the weapons that were used to kill some 10,000 people, to bomb the cities of Lebanon and leave thousands homeless.

Let us acknowledge right away that the violence is not just on one area's doorstep; I really believe that the violence of the PLO, the internal groups within Lebanon, the presence of the Syrian Army, and certainly the Israelis are all responsible for the bloodshed there.

But let us acknowledge our special responsibility. When we supply these countries with arms, the Soviet Union merely follows our leadership; they supply other nations and the superpowers, indeed, including our country, must take responsibility, personal responsibility, and so should Members of Congress, for the devastation of the Lebanese people and their country; indeed, also, the killing of the people in the Middle East, whether it be Israeli, Palestinian, Lebanese, or Syrian.

Having said that, I hope that we learn our lesson. I hope that we call not only for nuclear disarmament, I hope we call for an arms disarmament. I find it, frankly, subtly hypocritical when I see so many of us calling for nuclear disarmament, and yet we do nothing about the arms disarmament issue. We do nothing about the type of military aid that we give to Israel, El Salvador, and other countries.

We ought not to be using taxpayers' money in that manner. We ought to be using taxpayers' money to preserve life, to improve the condition of human life, not only in our own country, but of the people throughout the world.

The President has certainly lacked leadership on the issue of Lebanon and indeed the Middle East. We must undertake, in terms of our own leadership, two immediate steps, and both may have an influence. There are two priorities:

First, we must use our influence to halt, and to stop the fighting. We can give aid all day long and all the millions and billions that we want to that tiny country, or indeed anywhere in the world, but unless the fighting stops, it is going to be a very, very vicious cycle.

We ought to use our influence to stop the fighting. We ought to use our influence on the Israelis, on the Syrians, on the PLO, to stop the fighting; indeed, to leave the country. Let the country settle its own problems. I really believe if our country quit intruding on the internal affairs of other countries, those countries would be a lot better off.

Second, there is an urgent priority in treating the victims of violence—$50 million is too little and too late.

Mr. ZABLOCKI. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. Mr. Speaker, I want to commend the leadership of the Foreign Affairs Committee for bringing this resolution of humanitarian aid to the floor, both the gentleman from Wisconsin and the gentleman from Indiana, and both ranking minority Members.

We are talking about $50 million in humanitarian aid. Each day the death toll mounts in the country of Lebanon. The threat of disease and the stench of dead bodies has been reaching epidemic proportions. Communities have been cut-off from the bare necessities of life.

Prime Minister Begin was in this country a couple of days ago. He had said that this was not an Israeli invasion into the country of Lebanon, but I believe that it should be termed exactly that, an invasion. There should be no mincing of words with the American people. The initial aim of the military operation of the country of Israel was to establish a 25-mile buffer zone in which the northern borders of Israel would be secure.

Mr. Speaker, none of us have any problems with the desire of any country to want to secure its boundaries, and indeed that was a legitimate goal. We now see that Israel forces have rampaged through the country of Lebanon, killing tens of thousands of innocent civilians, women and children, leaving communities without the bare necessities of life; and, indeed, surrounding the presidential palace in the city of Beirut.

I believe this has gone beyond the original announced goal of Prime Minister Begin. Encounters have been incurred with Syrian forces in the northern valley, the Bekaa Valley of the country of Lebanon. There now appears to be more to that original goal of securing the northern boundaries of Israel.

While we all recognize and should recognize the right of the State of Israel to exist within its internationally recognized boundaries, and while we recognize the right of any country to rid itself of those who would terrorize across their boundaries, I think we ought to realize there is a limit also as to how far the claims of self-defense can be spread.

I know we are not discussing the actions of the military operations of Israel in this resolution; the proper place is during the discussion of arms sales to the country of Israel. But I believe it important that we not sit silent and discuss this $50 million in relief as merely saying, "Now we have washed our hands of it. It is tragic. We have given aid to Lebanon and now let us hope for a brighter future."

We cannot rid ourselves of the problem that easily. It is much like parents who would go about their communities talking about other parents' children, children who have become vandals and delinquents, when one morning they wake up and find one of their own children, one of their own, is delinquent. They, too, sit silent. They try to find a way to buy themselves out of the situation. They cannot control their offspring. Such is the United States-Israel friendship today.

While I commend the committee for bringing this resolution to the floor, and commend them for increasing the amount from $20 million to $50 million, and I realize the total humanitarian aid package of $65 million that the chairman has outlined, I believe it is important that we not just sit back and say, "Look what we did; we provided this relief, and now let us go about and try to build a happier future for all." Such action is similar to the parents of that delinquent child trying to buy their way out of the problem.

It is important that we realize who it is that has their sights on this happy future for Lebanon and what their goals are. And here again let us not let Israel's leadership mince words with the American people.

Mr. Speaker, I urge adoption of this resolution and I urge further speaking on this issue by all parties concerned.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I will be glad to yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I would like to congratulate the gentleman for his statement today, as well as for the statement he presented to the subcommitteee of the Committee on Foreign Affairs just a few days ago. He and the gentlewoman from Ohio (Ms. OAKAR) both appeared and gave eloquent statements. I want to express my appreciation, as a colleague, for the gentleman's eloquence, for his daring and commitment on this. We need to have their continued leadership in order to bring justice to the people of this region.

Mr. RAHALL. I thank the gentleman for his comments.

In conclusion, Mr. Speaker, let me remind my colleagues and members of the Committee on Foreign Affairs that I have pending before that committee a resolution cosponsored by about 10 or 11 of my colleagues that does call for an investigation of the possible violation of the United States arms sales to the country of Israel, in violation of the Export Control Act of 1961. This act, as my colleagues know, prohibits the use of American-supplied

weapons for aggressive purposes, and provides for their use only for defensive purposes.

I would hope also that the committee would act upon this resolution as favorably as it has upon this request for humanitarian aid.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I want to commend the sponsors of this important legislation and the committee for bringing it up so expeditiously, and I want to commend the gentlewoman from Ohio for her remarks, with this addendum: I would hope she would not be so restrictive in her expressions of dismay at who speaks out on this issue. I would suggest there are many prominent leaders in this country, such as the Speaker of the House, such as the minority leader of the Senate, such as many candidates for President, who will be orating in Philadelphia over the weekend. I should think they would make ringing pronouncements on this matter.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. HYDE. Mr. Speaker, it is always a pleasure to yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank my good friend, the gentleman from Illinois, for yielding to me. I agree they should be speaking out, but they are not the President of the United States. The American people expect the President to exercise leadership since it is taxpayers' money used for foreign aid.

Mr. HYDE. They seek to be. I can understand that. They should stake out these positions in advance.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR of Michigan. I thank my colleague from Michigan for yielding to me.

Mr. Speaker, let me at the outset commend the gentleman from Wisconsin (Mr. ZABLOCKI) and also my colleague, the gentleman from Michigan (Mr. BROOMFIELD) for bringing this resolution to the floor.

I would like to associate myself with the remarks of the distinguished gentlewoman from Ohio, and the distinguished gentleman from West Virginia (Mr. RAHALL).

I think they hit the nail on the head when they laid out really what this is all about.

I, of course, like many of you who are friends of Israel, can understand the need to protect the northern borders, but what has happened here has gone way beyond any sense of fairness and any sense of reason.

It seems to me that Mr. RAHALL's call for an investigation into the use of weapons that we have supplied Israel is certainly on target. It seems to me an investigation into our involvement with Israel in this, what I would call, invasion of Labanon is needed. More importantly, I think the expression given to Mr. Begin on his visit here by the distinguished Members of the other body's Foreign Relations Committee was at least one signal that needed to be heard by the people in power in Israel.

I commend those Members of the other body who pressed the Prime Minister on some very important questions relating to the types of weapons that were used and the extent of the invasion of Lebanon.

Mr. ZABLOCKI. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. DYMALLY).

Mr. DYMALLY. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of this measure. Although I do not believe, when one considers the extent of the devastation, that $50 million is adequate. But the silence which has gripped this body and the Nation indeed about this issue inhibited my attempts to amend the measure any further.

I am consoled, however, by the fact that the chairman of the Subcommittee on Europe and the Middle East, the distinguished gentleman from Indiana (Mr. HAMILTON), has given some hint that if there were a need for more funds that he would be disposed to take this matter up.

I believe that this tragedy calls for all of us to carefully examine our sense of priorities. We give more to less noble causes. In this instance, I am compelled to say that I am somewhat disappointed by the silence of this administration, indeed the American public, in giving more aid to Lebanon.

No amount of money can solve the problem of loss of life, loss of property, loss of limbs, loss of sight, the hopelessness which has engulfed a number of people, and the fear which has been instilled in the minds of many young people; young children who are the victims of this bombing.

My heart cries out for the people of Lebanon. There are no words adequate enough to express my sympathy for this great nation, and I hope that this body will see fit to come back here with the same amount of speed to add to this paltry sum for the brave people of Lebanon.

□ 1345

Mr. ZABLOCKI. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, I rise in strong support of this important legislation providing necessary emergency humanitarian assistance to the beleaguered and suffering people of Lebanon.

I first spoke out on behalf of the tragedy in Lebanon on March 31, 1976, at a time when the Christian community of Lebanon was being systematically destroyed both by PLO and Syrian arms; at a time when the world and most people in this country were silent. That tragedy has continued down to today.

Lebanon rendered asunder and its people dying and bleeding. A nation that has been occupied by foreign PLO and Syrian armies for years.

I do not think there is any question that Israel had the absolute right to protect its own citizens from the terrorist attacks and the indiscriminate shelling and rocketing that were coming from Lebanon by terrorist PLO forces there; not at the desire of the Lebanese Government or the Lebanese people, but nevertheless—uncontrollable, uncontrolled—and the occupation forces of Syria were there as well, making certain that the Lebanese Government could not exercise its own sovereign and independent rights. For years the PLO has been sending its terror squads to kill innocent civilians in Israel and elsewhere, always cowardly attacking civilians, never military targets. Those attacks were planned and launched from PLO sanctuaries in Lebanon, just as were the indiscriminate barrages of artillery and rockets fired at civilian settlements in northern Israel.

The attack, by the Israeli forces on the PLO in Lebanon was an absolutely predictable and justifiable situation. Every nation has the right—no—the duty to protect its citizens. It is regrettable that the terrorist organization of the PLO made a point of surrounding itself in civilian enclaves so that in the course of the fighting that occurred there would be tragedy and human suffering and the casualties that we have seen. Hiding behind civilian skirts, with their PLO bases, ammunition dumps, training facilities, headquarters, they made hostages of these innocent civilians and put them at risk. Nevertheless, the tragedy occurred. PLO forces continued to attack Israeli troops from civilian locations even after the Israeli Army had achieved its initial objectives and the Israelis responded and pursued its enemy—the PLO and the Syrians who fired on them.

Now, Mr. Speaker, I hope that we do look to the future. This humanitarian assistance is necessary, but not enough. Perhaps the reality that is now taking place in Lebanon because of Israel's action will lead to a brighter future for the Lebanese people, when all foreign forces, whether it is Syria or the terrorist PLO or the Israeli forces, having accomplished security measures to protect themselves, can all withdraw from Lebanon, where there can be an independent, sovereign Lebanese state, and peace can be restored to the suffering nation.

Mr. Speaker, I commend the chairman of the committee and the ranking minority member for bringing this legislation to the floor. I think it is just a first step to see peace in Lebanon, when all foreign forces withdraw and security arrangements made so that the indiscriminate shelling and terrorist attacks against Israel from Lebanese territory can never occur again and Lebanon can live in peace and join its democratic neighbor in peace.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Speaker, let me at the very outset commend the committee for bringing this humanitarian bill up so expeditiously, as has been attested to already.

My colleagues, I am not here today to point the finger of accusation at anyone. There is enough blame to go around all over the place. There are those who have said that our country is to blame for furnishing certain weapons to Israel; those who have accused Israel of invading Lebanon; those who have accused the PLO of having brought this horrible situation on; those who have accused the Syrians of encouraging that type of destruction in Lebanon. The issue before us right now is, What are we going to do to help alleviate the situation as it now exists? This, I submit to you, my colleagues, is the first step. But more than that, let me commend Ambassador Habib for what he is trying to do and what he, by the grace of God, may be able to accomplish, something that has not been able to be done up until now.

I have taken this floor on several occasions in years past on this very same situation. Lebanon, through no fault of its own, has borne the brunt of all of the anger in the Middle East. That lovely country, which has always been an ally of ours, which even before the formation of the State of Israel has been a democracy—yes, the only democracy in that part of the world—and has been our ally, has been destroyed and has had this tragedy brought upon it through no fault of its own, is a terrible thing to have happened.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 additional minutes to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding to me.

I do get emotional about this subject, because I strongly feel that the Lebanese people should be liberated. Someone has to come to their aid. The PLO is certainly not interested in the best interests of Lebanon. Nor is Syria, which is looking after its own interests. Nor is the Arab world or Israel. Each one of those countries or entities are looking solely after their own interests. My interest today on the floor of this House is the interest, the sole interest, of the country of Lebanon.

It is time, Mr. Speaker, that the PLO, that the Syrians, that the Israelis, that all foreign arms-bearing intruders in Lebanon lay down their arms and turn that country back to its people—Christians, Moslems, Jews—who have given us in the past the greatest example of people being able to live together in peace and harmony. Let us pray that day we will see again and soon.

I do not mean to say that the civilian Palestinians who are there should leave Lebanon, or any other civilian who seeks refuge, but I do say that those who bear arms, who work and live and fight among civilians, should be made to lay down their arms; and those who came into the country as so-called keepers of the peace and who turned out to be the instigators of a lot of this damage, should leave that country and give the country back to its own people.

I hope that this bill gets a unanimous vote.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, while this bill deals entirely with humanitarian aid to Lebanon, we are presently in a circumstance in which I think it is entirely appropriate for some consideration to be given to the question of whether U.S. troops should be sent to Lebanon to be a part of a multinational peacekeeping force there. This idea was advanced by the Prime Minister of Israel when he was here a few days ago, and some would cite our presence in the Sinai as a part of the multinational peacekeeping force there as a precedent for putting U.S. troops in Lebanon.

I supported U.S. participation in the Sinai mission, but I certainly oppose sending U.S. troops to Lebanon unless there is a linkage between that act and definite progress toward self-determination for the people living on the West Bank. Based on what the Prime Minister of Israel said to us just a day or so ago, I see no hope for compromise, and in the absence of such hope for compromise I feel it would be a very unwise act on the part of our Government to have any part of a multinational force in Lebanon. That is a far different situation than pertains in the Sinai.

Now, there may be some elements of the population of Lebanon that welcomed the Israeli forces, but there are others who did not, who resented it, who saw the bloodshed and the human misery caused by the use of U.S.-supplied weapons. To many of those people, the United States is not held in high regard. So, our forces would be entering a rather hostile atmosphere, to say the least. I hope I am expressing more than just my opinion in voicing strong opposition to sending U.S. troops to Lebanon as part of a peacekeeping force.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I rise in strong support of this mite of moral conscience on the part of the Congress with respect to those long-suffering, ravaged and destroyed victims of our confused policies in a manner of speaking, but victims nevertheless. Fifty million dollars at this point can be of little succor, in my opinion. It should be much more, but I certainly rise in strong support of this particular version at this time and at this juncture.

Mr. BROOMFIELD. Mr. Speaker, I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I yield the remaining time on this side to the gentleman from Connecticut (Mr. GEJDENSON).

Mr. GEJDENSON. Mr. Speaker, the speed with which the Foreign Affairs Committee and the full House was able to bring this bill before us today restores a little bit of our faith in what is sometimes a tortuously slow process. But as we sit here and feel somewhat comfortable about acting on legislation for humanitarian aid, I would point out to my colleagues that it makes sense to take a look at America's past inaction, to reflect on the torture and torment that Lebanon has endured. Because the United States is the single most important player on the world scene, whether it be in Latin America or in the Middle East, it is clear that America's actions or inactions have a greater effect on more lives than any other nation on Earth.

Today, on the floor of the House of Representatives, we are beginning to take a look at the problems in Lebanon and the pain those people suffer. The bipartisan support for this measure as well as the expeditious manner in which both the distinguished chairman of the Foreign Affairs Committee and the dedicated chairman of the Europe and Middle East Subcommittee acted is certainly to be commended. They are to be praised for their able shepherding of this legislation providing for the kinds of dollars necessary to help alleviate some of the pain in Lebanon.

Others have acted. We can, for instance, commend the International Red Cross for their swift response to dire need in Lebanon. The American Jewish Joint Distribution Committee has informed me that they are providing $100,000 in humanitarian assistance to Lebanon. Another highly respected organization, the World Council of Churches is moving quickly to aid those in need. As is the Catholic

Relief Services, demonstrating once again their humanitarian concern. In response to the President's appeal for international aid, countries around the world have taken swift action. Italy, France, Finland, and even the tiny country of Bangladesh have rushed to provide food and medical supplies to Lebanon. Those countries set a noble example for others to follow.

I hope that after we are able to act on this request for emergency assistance to those who are injured, to those who are homeless, to those without food, that we move swiftly and responsibly to return Lebanon to the Lebanese people. Lebanon must be permitted to once again thrive as a democracy that can once again stand as an American ally in the region, that can once again stand for democratic principles of freedom and liberty as it did for so many years before other forces brought their violence and terrorism to Lebanon.

That is the root of the problem. If we do not act quickly to see that Lebanon once again belongs to the Lebanese people, that all foreign forces and all foreign armies are removed forever, I have no doubt that we will again be facing this sort of tragedy. The world cannot stand to see such devastation wrought again on this once and beautiful, once peaceful land.

Mr. Speaker, I thank the House for its support of this measure.

The SPEAKER pro tempore. All time has expired.

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the bill and the amendment.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 334, nays 70, not voting 28, as follows:

[Roll No. 168]

YEAS—334

Addabbo
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (PA)
Barnes
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Bliley
Boggs
Bonior
Bonker
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Broyhill
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Chisholm
Clausen
Clinger
Coats
Coelho
Coleman
Collins (IL)
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
Coyne, James
Coyne, William
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Daub
de la Garza
Deckard
Dellums
DeNardis
Derwinski
Dickinson
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Dowdy
Downey
Duncan
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emery
English
Erdahl
Erlenborn
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Findley
Fish
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gilman
Glickman
Gonzalez
Goodling
Gore
Gradison
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Sam
Hamilton
Hance
Harkin
Hawkins
Heckler
Hefner
Hertel
Hightower
Hiler
Hillis
Hollenbeck
Holt
Horton
Howard
Hoyer
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jones (OK)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marks
Marriott
Martin (IL)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Roybal
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Simon
Skeen
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (PA)
Snowe
Snyder
Solarz
Spence
St Germain
Stanton
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Vento
Walgren
Walker
Wampler
Washington
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
White
Whitehurst
Whitley
Whittaker
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)
Zablocki
Zeferetti

NAYS—70

Akaka
Archer
Bailey (MO)
Barnard
Beard
Bethune
Boner
Bouquard
Brown (CO)
Cheney
Collins (TX)
Craig
Crane, Daniel
Crane, Philip
Dannemeyer
Davis
Derrick
Dreier
Dunn
Emerson
Fields
Flippo
Gephardt
Gibbons
Gingrich
Goldwater
Gramm
Hall, Ralph
Hammerschmidt
Hansen (ID)
Hansen (UT)
Hartnett
Hatcher
Heftel
Hendon
Hopkins
Hubbard
Jeffries
Jenkins
Jones (TN)
Kindness
Latta
Livingston
Marlenee
Martin (NC)
McDonald
Miller (OH)
Montgomery
Moore
Moorhead
Patman
Paul
Petri
Roberts (KS)
Roberts (SD)
Roemer
Rudd
Shelby
Shumway
Shuster
Skelton
Smith (AL)
Smith (OR)
Solomon
Stump
Tauzin
Volkmer
Whitten
Young (AK)
Young (MO)

NOT VOTING—28

Blanchard
Boland
Bolling
Bowen
Brown (OH)
Burton, John
Clay
Dicks
Dyson
Ertel
Fithian
Ginn
Grisham
Holland
Johnston
Jones (NC)
Lewis
Martin (NY)
McCollum
Mollohan
Rhodes
Rousselot
Schumer
Siljander
Stangeland
Vander Jagt
Weiss
Wilson

□ 1415

Messrs. COLLINS of Texas, MOORHEAD, ROBERTS of South Dakota, SKELTON, and SHELBY changed their votes from "yea" to "nay."

Mr. CARMAN changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ENERGY CONSERVATION AND POWER OF COMMITTEE ON ENERGY AND COMMERCE TO SIT TODAY DURING 5-MINUTE RULE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Conservation and Power of the Committee on Energy and Commerce be permitted to sit

during the 5-minute rule this afternoon to mark up the nuclear waste legislation presently before us.

The minority has stated to me that it has no objection to this request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXPRESSING SENSE OF CONGRESS COMMEMORATING THAILAND'S BICENTENNIAL

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 98), expressing the sense of Congress on the occasion of Thailand's bicentennial.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, and I shall not object, I would like to have the chairman of the committee explain the purpose of this resolution.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, Senate Concurrent Resolution 98 has been considered and passed by the other body on June 9. The resolution congratulates Thailand and its people on the celebration of the 200th year of the Chakri Dynasty, which is also the bicentennial of the designation of Bangkok as the capital city of Thailand. It notes the long history of friendship and cooperation between the United States and Thailand.

Mr. BROOMFIELD. I am proud to join in commemorating the 200th anniversary of Thailand's Chakri Dynasty. As is well known in the United States, the relations between our two countries have been excellent. The American people consider the Thai people to be true friends. Our friendship has been tested in time of war and in time of economic hardship. It has never been found wanting.

In 1833, the United States signed the Treaty of Amity and Commerce with Thailand. This marked our first treaty with an Asian nation and contributed to an expansion of both relations and understanding between our two countries. Since then, we have shared many common experiences and the bond between us has grown stronger.

Today, our relationship is firm and founded upon a mutual respect for individual freedom. We equally share a desire to bring economic prosperity to our people while retaining our unique national culture and heritage.

I express my warmest congratulations to the people and Government of Thailand in this festive year of celebration of the Rattanakosin Bicentennial.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BEREUTER. Mr. Speaker, reserving the right to object, I would like to fully understand this measure.

In order to do that I am reserving the right to object, but primarily I rise to express my dissatisfaction with the way the last resolution was handled and with the outrageous silence by this body on the destruction and the killing and wounding of innocent people in Lebanon that is taking place.

I think the membership of this body deserved an opportunity to be heard on this matter. Accordingly, proper prior notice that the important resolution on Lebanon was to be debated today should have been provided; this Member believes that the Foreign Affairs Committee leadership should have given such notice to the full House so that the membership would have had an opportunity to participate in this important debate. We were not given that opportunity.

With that statement, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 98

Whereas 1982 marks the two-hundredth anniversary of Thailand's illustrious Chakri Dynasty and the designation of Bangkok as the capital city of Thailand;

Whereas this year has been designated in Thailand as the official year of celebration of the two hundred year historical era of the Chakri Dynasty, the "Rattanakosin" Bicentennial;

Whereas the United States has a long history of friendly relations and close cooperation with Thailand, predating even the signing of the Treaty of Amity and Commerce in the year 1833, the first United States treaty signed with an Asian nation; and

Whereas the United States and Thailand share common goals of preserving national independence and individual freedom and of improving the lives of our respective peoples: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby extends to the Thai nation and all of its people warmest congratulations and best wishes during this festive year of celebration of the Rattanakosin Bicentennial.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, U.S. relations with Thailand have been particularly close and cooperative in the decades since the end of World War II. Our two nations have shared responsibilities for security in Southeast Asia since the early 1950's, and we continue to work jointly for peace and security in that region of the world. Economic relations between Thailand and the United States are also closely strengthened by Thailand's fast pace of economic growth, resulting in increased trade and investment between our countries.

Culturally and educationally, we have also shared much—notably through the U.S. Peace Corps program that, since 1962, has brought nearly 3,000 young American volunteers to Thailand to share their skills and to learn and appreciate the rich cultural heritage of Thailand and the warmth of the Thai people. In addition thousands of Thais have come to the United States to study in our educational institutions.

In view of the longstanding friendly relationship between Thailand and the United States, and the great respect we have for the people of Thailand, it is entirely appropriate that we extend our best wishes to this important national anniversary.

We extend our greetings and congratulations to the Thai royal family, which along with the Buddhist faith, serves as an important source of national inspiration to the Thai people.

Mr. Speaker, I urge the adoption of Senate Concurrent Resolution 98.

Mr. Speaker, I have no further requests for time on this resolution. However, I would suspect the gentleman from Michigan (Mr. BROOMFIELD) would desire to speak to the resolution. Therefore, I would yield one-half of the 1 hour to the gentleman and reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I have no requests for time on the resolution and would ask for a vote.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Concurrent Resolution 98.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the Senate concurrent resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the Senate concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 398, nays 1, answered "present" 2, not voting 31, as follows:

[Roll No. 169]

YEAS—398

Addabbo	Derwinski	Hendon
Akaka	Dickinson	Hertel
Albosta	Dixon	Hightower
Alexander	Donnelly	Hiler
Anderson	Dorgan	Hillis
Andrews	Dornan	Hollenbeck
Annunzio	Dougherty	Holt
Anthony	Dowdy	Hopkins
Applegate	Downey	Howard
Archer	Dreier	Hoyer
Aspin	Duncan	Hubbard
Atkinson	Dunn	Huckaby
AuCoin	Dwyer	Hughes
Badham	Dymally	Hunter
Bafalis	Early	Hutto
Bailey (MO)	Eckart	Hyde
Bailey (PA)	Edgar	Ireland
Barnard	Edwards (AL)	Jacobs
Barnes	Edwards (CA)	Jeffords
Beard	Edwards (OK)	Jeffries
Bedell	Emerson	Jenkins
Beilenson	Emery	Jones (OK)
Benedict	Erdahl	Jones (TN)
Benjamin	Erlenborn	Kastenmeier
Bennett	Evans (DE)	Kazen
Bereuter	Evans (GA)	Kemp
Bethune	Evans (IA)	Kennelly
Bevill	Evans (IN)	Kildee
Biaggi	Fary	Kindness
Bingham	Fascell	Kogovsek
Bliley	Fazio	Kramer
Boggs	Fenwick	LaFalce
Boner	Ferraro	Lagomarsino
Bonior	Fiedler	Lantos
Bonker	Fields	Latta
Bouquard	Findley	Leach
Bowen	Fish	Leath
Breaux	Flippo	LeBoutillier
Brinkley	Florio	Lee
Brodhead	Foglietta	Lehman
Brooks	Foley	Leland
Broomfield	Ford (MI)	Levitas
Brown (CA)	Ford (TN)	Lewis
Brown (CO)	Forsythe	Livingston
Broyhill	Fountain	Loeffler
Burgener	Fowler	Long (LA)
Burton, Phillip	Frank	Long (MD)
Butler	Frenzel	Lott
Byron	Frost	Lowery (CA)
Campbell	Fuqua	Lowry (WA)
Carman	Garcia	Lujan
Carney	Gaydos	Luken
Chappell	Gejdenson	Lundine
Chappie	Gephardt	Lungren
Cheney	Gibbons	Madigan
Chisholm	Gilman	Markey
Clausen	Gingrich	Marks
Clinger	Glickman	Marriott
Coats	Goldwater	Martin (IL)
Coelho	Gonzalez	Martin (NC)
Coleman	Goodling	Martin (NY)
Collins (IL)	Gore	Matsui
Collins (TX)	Gradison	Mattox
Conable	Gramm	Mavroules
Conte	Gray	Mazzoli
Conyers	Green	McClory
Corcoran	Gregg	McCloskey
Coughlin	Grisham	McCurdy
Courter	Guarini	McDade
Coyne, James	Gunderson	McDonald
Craig	Hagedorn	McEwen
Crane, Daniel	Hall (OH)	McGrath
Crane, Philip	Hall, Ralph	McHugh
D'Amours	Hall, Sam	McKinney
Daniel, Dan	Hamilton	Mica
Daniel, R. W.	Hammerschmidt	Michel
Dannemeyer	Hance	Mikulski
Daschle	Hansen (ID)	Miller (CA)
Daub	Hansen (UT)	Miller (OH)
Davis	Harkin	Mineta
de la Garza	Hartnett	Minish
Deckard	Hawkins	Mitchell (NY)
Dellums	Heckler	Moakley
DeNardis	Hefner	Molinari
Derrick	Heftel	Montgomery
Moore	Rodino	Stenholm
Moorhead	Roe	Stokes
Morrison	Roemer	Stratton
Mottl	Rogers	Studds
Murphy	Rose	Stump
Murtha	Rosenthal	Swift
Myers	Rostenkowski	Synar
Napier	Roth	Tauke
Natcher	Roukema	Tauzin
Neal	Rousselot	Taylor
Nelligan	Roybal	Thomas
Nelson	Rudd	Traxler
Nowak	Russo	Trible
O'Brien	Sabo	Udall
Oakar	Santini	Vander Jagt
Oberstar	Sawyer	Vento
Obey	Scheuer	Volkmer
Ottinger	Schneider	Walgren
Oxley	Schroeder	Walker
Panetta	Schulze	Washington
Parris	Seiberling	Watkins
Pashayan	Sensenbrenner	Waxman
Patman	Shamansky	Weaver
Patterson	Shannon	Weber (MN)
Paul	Sharp	Weber (OH)
Pease	Shaw	White
Pepper	Shelby	Whitehurst
Perkins	Shumway	Whitley
Petri	Shuster	Whittaker
Peyser	Simon	Whitten
Pickle	Skeen	Williams (MT)
Porter	Skelton	Williams (OH)
Price	Smith (AL)	Winn
Pritchard	Smith (IA)	Wirth
Pursell	Smith (NE)	Wolf
Quillen	Smith (NJ)	Wolpe
Rahall	Smith (OR)	Wortley
Railsback	Smith (PA)	Wright
Rangel	Snowe	Wyden
Ratchford	Snyder	Wylie
Regula	Solarz	Yates
Reuss	Solomon	Yatron
Richmond	Spence	Young (AK)
Rinaldo	St Germain	Young (FL)
Ritter	Stangeland	Young (MO)
Roberts (KS)	Stanton	Zablocki
Roberts (SD)	Stark	Zeferetti
Robinson	Staton	

NAYS—1

Marlenee

ANSWERED "PRESENT"—2

Mitchell (MD) Savage

NOT VOTING—31

Blanchard	English	Moffett
Boland	Ertel	Mollohan
Bolling	Fithian	Nichols
Brown (OH)	Ginn	Rhodes
Burton, John	Hatcher	Schumer
Clay	Holland	Siljander
Coyne, William	Horton	Wampler
Crockett	Johnston	Weiss
Dicks	Jones (NC)	Wilson
Dingell	Lent	
Dyson	McCollum	

□ 1430

So the Senate concurrent resolution was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXPLANATION OF VOTE

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, I take this time to explain my "present" vote on the last issue. I voted "present," not out of any disrespect of the distinguished chairman or members of the committee, nor out of any disrespect for Thailand. But I think we have reached a point in this House where we are doing just foolish things. To demand a recorded vote, taking up the time of almost 400 Members plus, 15 minutes, at an incredible cost, considering our salaries, I think just does not make sense. I am taking this moment to protest against this kind of procedure.

We respect the nation of Thailand, we respect the committee. But I cannot figure out how it is we pass billion-dollar bills on a voice vote, and then we have to have a recorded vote to recognize Thailand's 100th birthday. It is just not sensible nor logical, and therefore I protested it by voting "present."

REQUEST FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 494, REGARDING PRESIDENTIAL CERTIFICATIONS ON CONDITIONS IN EL SALVADOR

Mr. BARNES. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the joint resolution (H.J. Res. 494) with regard to Presidential certifications on conditions in El Salvador, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. MICHEL. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

THE IMPORTANCE OF CONSIDERATION OF HOUSE JOINT RESOLUTION 494 WITH REGARD TO PRESIDENTIAL CERTIFICATIONS ON CONDITIONS IN EL SALVADOR

(Mr. BARNES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARNES. Mr. Speaker, I have asked for this 1 minute to address the House just to make it clear to our colleagues what has just taken place.

The Subcommittee on Inter-American Affairs reported unanimously and the Foreign Affairs Committee yesterday reported unanimously legislation that would require that the President of the United States certify that the Government of El Salvador is helping to investigate the murders of American citizens, principally, as we know, American religious workers in El Salvador, in order for El Salvador to continue to receive military assistance from the Government of the United States.

Mr. Speaker, to me it is absolutely inconceivable that the minority leader

has objected to the consideration of this legislation by the House this afternoon. It is absolutely extraordinary that the leader of the Republican Party would not permit consideration by the House of this legislation which is considered of great importance to millions of Americans who are concerned about the investigations, that are not taking place adequately, of the murders of American citizens in El Salvador.

□ 1445

EXPLANATION OF OBJECTION TO CONSIDERATION OF HOUSE JOINT RESOLUTION 494

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this 1 minute to respond to the gentleman that when that side begins to inform this side what they are attempting to do then maybe we can agree to the Member's request. But when these things come off the wall with no prior notice to the gentleman from Illinois who is responsible for a few things over here, I have no recourse but to object.

Mr. BARNES. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maryland.

Mr. BARNES. I thank the distinguished minority leader for yielding.

As is the normal practice in these matters, the majority did consult directly with the minority member who is responsible for this. In fact, the ranking minority member of the Subcommittee on Inter-American Affairs was the coauthor of this legislation. He was prepared to participate in the discussion of it on the floor this afternoon. We in the majority assumed that the minority would—in fact we were told they had—cleared this matter with their own leadership. We were prepared to proceed on that basis. There was no effort whatsoever to bring this up without full consultation with the minority. In fact, the minority participated in drafting and authoring this legislation.

Mr. MICHEL. I understand that, but I think there are a few other rules around here that ought to be adhered to and I object to this procedure.

PERMISSION TO INSERT IN CONGRESSIONAL RECORD CORRECTED TABLES UNDER SECTION 302(a) OF CONGRESSIONAL BUDGET ACT AND SECTION 9 OF SENATE CONCURRENT RESOLUTION 92

Mr. PANETTA. Mr. Speaker, I ask unanimous consent to insert in the RECORD tables showing the crosswalk allocations to the House committees under section 302(a) of the Congressional Budget Act and section 9 of Senate Concurrent Resolution 92, as corrected, and ask unanimous consent that these tables be considered as meeting the requirements of section 302(a) of the Budget Act and section 9 of Senate Concurrent Resolution 92.

Mr. Speaker, this has been cleared by the leadership on the minority side.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. LATTA. Mr. Speaker, reserving the right to object, and I shall not object, let me say that the gentleman has cleared this with our side. We have no objection.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The tables referred to follow:

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1982

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
HOUSE APPROPRIATIONS COMMITTEE		
050 National Defense	219.110	188.463
150 International Affairs	15.384	12.379
250 General Science, Space, and Technology	6.999	7.000
270 Energy	4.536	6.196
300 Natural Resources and Environment	12.935	15.451
350 Agriculture	9.575	2.065
370 Commerce and Housing Credit	6.042	3.511
400 Transportation	11.408	21.074
450 Community and Regional Development	6.635	7.803
500 Education, Training, Employment, and Social Services	24.682	28.111
550 Health	41.977	43.130
600 Income Security	54.616	55.774
700 Veterans Benefits and Services	24.082	23.502
750 Administration of Justice	4.526	4.630
800 General Government	8.693	8.533
850 General Purpose Fiscal Assistance	5.278	5.175
900 Interest	(1)	(1)
920 Allowances	2.850	800
950 Undistributed Offsetting Receipts	−25	−25
Committee total	459.303	433.574
HOUSE AGRICULTURE COMMITTEE		
300 Natural Resources and Environment	260	292
350 Agriculture	398	11.808
450 Community and Regional Development	1	518
850 General Purpose Fiscal Assistance	242	242
Committee total	900	12.859
HOUSE ARMED SERVICES COMMITTEE		
050 National Defense	11	8
400 Transportation	(2)	(2)
700 Veterans Benefits and Services	(2)	(2)
850 General Purpose Fiscal Assistance	1	1
Committee total	12	9
HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE		
150 International Affairs	0	−255
370 Commerce and Housing Credit	3.417	249
450 Community and Regional Development	221	179
500 Education, Training, Employment, and Social Services	0	−3
550 Health	0	0
600 Income Security	30	3
700 Veterans Benefits and Services	0	−14
800 General Government	5	5
900 Interest	11	11
Committee total	3.684	173
HOUSE DISTRICT OF COLUMBIA COMMITTEE		
750 Administration of Justice	9	9

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1982—Continued

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
850 General Purpose Fiscal Assistance	80	80
Committee total	89	89
HOUSE EDUCATION AND LABOR COMMITTEE		
500 Education, Training, Employment, and Social Services	15	21
600 Income Security	30	24
Committee total	44	45
HOUSE ENERGY AND COMMERCE COMMITTEE		
300 Natural Resources and Environment	0	(2)
370 Commerce and Housing Credit	28	28
400 Transportation	816	816
550 Health	5	5
600 Income Security	5.356	5.531
850 General Purpose Fiscal Assistance	5	5
Committee total	6.209	6.384
HOUSE FOREIGN AFFAIRS COMMITTEE		
150 International Affairs	13.258	11.169
370 Commerce and Housing Credit	11	11
600 Income Security	433	186
Committee total	13.702	11.365
HOUSE GOVERNMENT OPERATIONS COMMITTEE		
800 General Government	1	(2)
850 General Purpose Fiscal Assistance	4.567	4.567
Committee total	4.568	4.567
HOUSE ADMINISTRATION COMMITTEE		
250 General Science, Space, and Technology	(2)	(2)
500 Education, Training, Employment, and Social Services	6	6
800 General Government	39	1
Committee total	46	8
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE		
270 Energy	280	1
300 Natural Resources and Environment	43	16
450 Community and Regional Development	515	361
800 General Government	(2)	(1)
850 General Purpose Fiscal Assistance	601	604
Committee total	1.439	981
HOUSE JUDICIARY COMMITTEE		
300 Natural Resources and Environment	(2)	(2)
370 Commerce and Housing Credit	22	18
600 Income Security	11	3
750 Administration of Justice	0	5
800 General Government	506	506
Committee total	539	522
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE		
300 Natural Resources and Environment	167	144
370 Commerce and Housing Credit	27	0
400 Transportation	415	59
850 General Purpose Fiscal Assistance	4	4
Committee total	612	89
HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE		
370 Commerce and Housing Credit	11	11
550 Health	0	142
600 Income Security	32.181	19.179
800 General Government	10.702	10.702
Committee total	42.893	29.750
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE		
270 Energy	1.614	1.800
300 Natural Resources and Environment	79	82
400 Transportation	8.691	2
450 Community and Regional Development	5	15
Committee total	10.389	1.895
HOUSE SCIENCE AND TECHNOLOGY COMMITTEE		
250 General Science, Space, and Technology	5	5
270 Energy	5	39
300 Natural Resources and Environment	18	18
370 Commerce and Housing Credit	(2)	(2)

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1982—Continued

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
800 General Government	(2)	(2)
Committee total	29	62
HOUSE VETERANS' AFFAIRS COMMITTEE		
700 Veterans Benefits and Services	1,363	957
Committee total	1,363	957
HOUSE WAYS AND MEANS COMMITTEE		
500 Education, Training, Employment, and Social Services	732	0
550 Health	54,739	48,938
600 Income Security	170,847	176,312
800 General Government	7	7
850 General Purpose Fiscal Assistance	337	337
900 Interest	120,071	120,071
Committee total	346,734	345,656
UNASSIGNED		
050 National Defense	−921	−921
150 International Affairs	−11,893	−11,893
250 General Science, Space, and Technology	−5	−5
270 Engery	−1,635	−1,635
300 Natural Resources and Environment	−3,203	−3,203
350 Agriculture	−73	−73
370 Commerce and Housing Credit	−77	−77
400 Transportation	−530	−530
450 Community and Regional Development	−376	−376
500 Education, Training, Employment, and Social Services	−35	−35
550 Health	−18,221	−18,221
600 Income Security	−6,711	−6,711
700 Veterans Benefits and Services	−645	−645
750 Administration of Justice	−35	−35
800 General Government	−14,754	−14,754
850 General Purpose Fiscal Assistance	−4,715	−4,715
900 Interest	−19,382	−19,382
950 Undistributed Offsetting Receipts	−31,675	−31,675
Committee total	−114,885	−114,885
Grand total	777,672	734,100

[1] Less than negative $500,000.
[2] Less than $500,000.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
HOUSE APPROPRIATIONS COMMITTEE			
Current level:			
050 National defense	16,868	85,995	0
150 International affairs	127	5,341	0
250 General science, space, and technology	0	2,218	0
270 Energy	0	3,042	0
300 Natural resources and environment	14	6,181	0
350 Agriculture	0	419	0
370 Commerce and housing credit	0	335	0
400 Transportation	407	12,296	0
450 Community and regional development	53	5,691	0
500 Education, training, employment, and social services	7,387	18,247	0
550 Health	32,095	39,869	0
600 Income security	29,454	38,230	0
700 Veterans benefits and services	14,279	15,585	0
750 Administration of justice	91	663	0
800 General government	4,759	5,026	0
850 General purpose fiscal assistance	4,567	4,608	0
920 Allowances	0	186	0
Subtotal	110,102	243,933	0
Discretionary appropriations action:			
050 National defense	235,074	126,321	0
150 International affairs	14,128	7,029	0
250 General science, space, and technology	7,800	5,382	0
270 Energy	5,089	2,042	0
300 Natural resources and environment	13,078	8,421	0
350 Agriculture	6,617	1,324	0
370 Commerce and housing credit	3,347	2,320	0
400 Transportation	11,205	8,230	0
450 Community and regional development	6,504	1,126	0
500 Education, training, employment, and social services	18,736	8,016	0
550 Health	8,000	5,794	0
600 Income security	28,469	21,743	0
700 Veterans benefits and services	8,927	7,590	0
750 Administration of justice	4,462	4,009	0
800 General government	4,135	3,757	0
850 General purpose fiscal assistance	642	601	0
920 Allowances	832	834	0
950 Undistributed offsetting receipts	12	12	0
Subtotal	375,394	212,883	0
Discretionary action by other committees:			
050 National Defense	2,362	2,378	0
400 Transportation	4	4	0
500 Education, training, employment, and social services	59	31	0
550 Health	487	640	0
600 Income security	895	863	0
700 Veterans benefits and services	632	578	0
920 Allowances	84	68	0
Subtotal	1,465	1,351	0
Committee total	486,961	458,167	0
HOUSE AGRICULTURE COMMITTEE			
Current level:			
300 Natural resources and environment	297	291	0
350 Agriculture	175	8,299	7,413
450 Community and regional development	1	711	0
850 General purpose fiscal assistance	294	294	294
Subtotal	767	9,595	7,707
Discretionary action:			
300 Natural resources and environment	36	36	0
350 Agriculture	12	912	0
370 Commerce and housing credit	21	21	0
Subtotal	69	969	0
Committee total	698	8,626	7,707
HOUSE ARMED SERVICES COMMITTEE			
Current level:			
050 National Defense	18	27	16,777
850 General purpose fiscal assistance	1	1	0
Subtotal	19	29	16,777
Discretionary action:			
050 National defense	0	0	75
Subtotal	0	0	75
Committee total	19	29	16,702
HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE			
Current level:			
150 International affairs	0	226	0
370 Commerce and housing credit	3,797	948	0
450 Community and regional development	192	155	0
500 Education, training, employment, and social services	0	2	0
600 Income security	25	0	0
700 Veterans benefits and services	0	13	0
800 General government	7	7	0
900 Interest	11	11	0
Subtotal	4,031	879	0
Discretionary action:			
370 Commerce and housing credit	63	758	0
Subtotal	63	758	0
Committee total	3,968	121	0
HOUSE DISTRICT OF COLUMBIA COMMITTEE			
Current level:			
750 Administration of justice	9	9	9
850 General purpose fiscal assistance	86	86	0
Subtotal	95	95	9
Committee total	95	95	9
HOUSE EDUCATION AND LABOR COMMITTEE			
Current Level:			
500 Education, training, employment, and social services	14	13	4,405
600 Income security	37	32	5,489
Subtotal	51	44	9,895
Committee total	51	44	9,895
HOUSE ENERGY AND COMMERCE COMMITTEE			
Current level:			
370 Commerce and housing credit	29	29	0
400 Transportation	122	122	121
550 Health	5	5	14,680
600 Income security	5,723	5,879	5,899
850 General purpose fiscal assistance	6	5	6
Subtotal	5,884	6,040	20,706
Discretionary action:			
270 Energy	360	360	0
300 Natural resources and environment	27	27	0
550 Health	0	0	514
Subtotal	387	387	514
Committee total	5,497	5,653	20,192
HOUSE FOREIGN AFFAIRS COMMITTEE			
Current level:			
150 International affairs	14,309	12,020	0
370 Commerce and housing credit	6	6	0
600 Income security	463	206	206
Subtotal	14,778	12,232	206
Discretionary action:			
600 Income security	0	2	2
Subtotal	0	2	2
Committee total	14,778	12,230	204
HOUSE GOVERNMENT OPERATIONS COMMITTEE			
Current level:			
800 General government	1	0	0
850 General purpose fiscal assistance	4,567	4,567	4,567
Subtotal	4,568	4,567	4,567
Committee total	4,568	4,567	4,567
HOUSE ADMINISTRATION COMMITTEE			
Current level:			
500 Education, training, employment, and social services	7	6	0
800 General government	41	3	69
Subtotal	48	10	69
Committee total	48	10	69
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE			
Current level:			
270 Energy	180	1	0
300 Natural resources and environment	51	21	14
450 Community and regional development	547	412	53
800 General government	1	1	0
850 General purpose fiscal assistance	653	653	653
Subtotal	1,433	1,089	721
Discretionary action:			
300 Natural resources and environment	22	22	0
Subtotal	22	22	0
Committee total	1,411	1,067	721
HOUSE JUDICIARY COMMITTEE			
Current level:			
370 Commerce and housing credit	23	23	0
600 Income security	10	2	2

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
750 Administration of justice	0	−9	91
800 General government	506	506	506
Subtotal	540	523	599
Committee total	540	523	599
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE			
Current level:			
300 Natural resources and environment	180	153	0
370 Commerce and housing credit	29	0	0
400 Transportation	407	−49	336
850 General purpose fiscal assistance	4	4	0
Subtotal	620	108	336
Discretionary action:			
400 Transportation	−150	−150	−4
Subtotal	−150	−150	−4
Committee total	470	−42	332
HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE			
Current level:			
370 Commerce and housing credit	11	11	0
550 Health	0	−268	1,075
600 Income security	34,450	21,065	21,065
800 General government	11,504	11,504	9
Subtotal	45,965	32,312	22,148
Discretionary action:			
600 Income security	0	−374	−374
Subtotal	0	−374	−374
Committee total	45,965	31,938	21,774
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE			
Current level:			
270 Energy	1,622	1,500	0
300 Natural resources and environment	80	83	0
400 Transportation	4,718	−5	71
450 Community and regional development	6	9	0
Subtotal	6,426	1,587	71
Discretionary action:			
300 Natural resources and environment	−370	−370	0
400 Transportation	5,285	0	1
Subtotal	4,915	−370	1
Committee total	11,341	1,217	72
HOUSE SCIENCE AND TECHNOLOGY COMMITTEE			
Current level:			
250 General science, space, and technology	5	5	0
270 Energy	3	9	0
300 Natural resources and environment	20	20	0
Subtotal	29	34	0
Committee total	29	34	0
HOUSE VETERANS AFFAIRS COMMITTEE			
Discretionary action:			
700 Veterans benefits and services	1,469	829	14,707
Subtotal	1,469	829	14,707
Discretionary action:			
700 Veterans benefits and services	−95	−95	632
Subtotal	−95	−95	632
Committee total	1,374	734	15,339
HOUSE WAYS AND MEANS COMMITTEE			
Current level:			
500 Education, training, employment, and social services	790	0	2,845
550 Health	60,981	57,238	57,238
600 Income security	185,729	193,646	211,834
800 General government	8	8	0
850 General purpose fiscal assistance	362	362	362
900 Interest	136,311	136,311	136,311

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Subtotals	384,181	387,565	408,590
Discretionary action:			
550 Health	−515	−3,672	−3,162
600 Income security	0	0	−593
900 Interest	−329	−329	0
920 Allowances	0	0	500
Subtotal	−844	−4,001	−3,255
Committee total	383,337	383,564	405,335
UNASSIGNED			
Current level:			
050 National defense	−756	−756	0
150 International affairs	−12,664	−12,664	0
250 General science, space, and technology	−5	−5	0
270 Energy	−1,734	−1,734	0
300 Natural resources and environment	−3,766	−3,766	0
350 Agriculture	−88	−88	0
370 Commerce and housing credit	−58	−58	0
400 Transportation	−540	−540	0
450 Community and regional development	−403	−403	0
500 Education, training, employment, and social services	−44	−44	0
550 Health	−20,509	−20,509	0
600 Income security	−8,668	−8,668	0
700 Veterans' benefits and services	−652	−652	0
750 Administration of justice	−23	−23	0
800 General government	−16,162	−16,162	0
850 General purpose fiscal assistance	−4,682	−4,682	0
900 Interest	−22,793	−22,793	0
920 Allowances	−2,100	−2,100	0
950 Undistributed offsetting receipts	−43,112	−43,112	−19,062
Subtotal	−138,759	−138,759	−19,062
Committee totals	−138,759	−138,759	−19,062
Total:			
Current level	442,246	562,712	488,045
Discretionary action	380,144	207,106	−3,591
Grand totals	822,390	769,818	484,454

Note: Totals may not add because of rounding.

ALLOCATION OF FEDERAL CREDIT PROGRAM RESPONSIBILITY PURSUANT TO SECTION OF THE PROPOSED CONFERENCE SUBSTITUTE FOR S. CON. RES. 92, FISCAL YEAR 1983

[In millions of dollars]

	New direct loan obligations	New primary guarantee commitments	New secondary guarantee commitments
HOUSE APPROPRIATIONS COMMITTEE			
050 National defense	50	50	
150 International affairs	10,202	12,743	
250 General science, space, and technology	171	171	
270 Energy	7,352	6,400	
300 Natural resources and environment	27		
350 Agriculture	14,265	6,778	
370 Commerce and housing credit	17,650	48,675	68,250
400 Transportation	493	1,056	3
450 Community and regional development	3,415	1,903	
500 Education, training, employment and social services	844	7,250	
550 Health	119	155	
600 Income security	2,029	19,771	
700 Veterans benefits and services	2		
800 General government	43	43	
850 General purpose fiscal assistance	145		
Subtotal, gross activity	56,847	104,995	68,253
Less, Federal financing bank purchase of loan assets	−8,838		
Less, guarantees of direct loans		−26,595	
Committee total	48,009	78,400	68,253
HOUSE BANKING, FINANCE, AND URBAN AFFAIRS COMMITTEE			
370 Commerce and housing credit	5	75	

ALLOCATION OF FEDERAL CREDIT PROGRAM RESPONSIBILITY PURSUANT TO SECTION OF THE PROPOSED CONFERENCE SUBSTITUTE FOR S. CON. RES. 92, FISCAL YEAR 1983—Continued

[In millions of dollars]

	New direct loan obligations	New primary guarantee commitments	New secondary guarantee commitments
Committee total	5	75	
HOUSE DISTRICT OF COLUMBIA COMMITTEE			
850 General purpose fiscal assistance	80		
Committee total	80		
HOUSE EDUCATION AND LABOR COMMITTEE			
600 Income security	3		
Committee total	3		
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE			
270 Energy	5,370	5,289	
400 Transportation	20		
Subtotal, gross activity	5,390	5,289	
Less, Federal financing bank purchase of loan assets	−5,289		
Less, guarantees of direct loans		−5,289	
Committee total	101		
HOUSE VETERANS AFFAIRS COMMITTEE			
700 Veterans benefits and services	1,041	20,934	
Committee total	1,041	20,934	
Grand total	[1] 49,239	[1] 99,409	68,253

[1] These amounts are less than the aggregates in the proposed conference substitute for direct loan obligations and primary loan guarantee commitments because the proposed conference substitute would exempt credit programs administered by the Commodity Credit Corporation from the allocation process.

THE ISSUE OF EL SALVADOR

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I would like to ask the chairman of the subcommittee concerning the question of the resolution on El Salvador that has just been withdrawn. I ask because I have a particular concern. One of my constitutuents, John Sullivan, missing in El Salvador for over 18 months. Mr. Sullivan's case is now being recommended for inclusion among the certification procedures. I seek clarification because the gentlewoman from Ohio has, intimated, suggested that because of the procedural position we are in, we may not in fact be taking up this issue, and the resolution will be in default.

Now my understanding is to the contrary, that the resolution will in due course and under proper procedure with notification come up before this body for full discussion and debate immediately following our recess, is that correct?

Mr. BARNES. Mr. Speaker, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Maryland.

Mr. BARNES. I thank the gentlewoman for yielding.

Let me first say that the resolution was not withdrawn, it was objected to, otherwise it would be presently under consideration.

Mrs. ROUKEMA. Thank you, the resolution under objection.

Mr. BARNES. The gentlewoman is correct that the legislation that we would have brought up, if permitted, does also deal with her constituent, Mr. Sullivan, an American journalist who has been missing in El Salvador, and the legislation related to the investigation of his disappearance as well.

The gentlewoman is correct that there are obviously other procedures under which this legislation can be brought up. As the gentlewoman probably knows, unfortunately those procedures present a time constraint for us. We will have to wait until after the recess in order to bring this matter up under suspension of the rules. That will push us well into July, and as the gentlewoman knows, the next certification date is July 28. In order for this to pass both the House and Senate and be in the law before July 28, we really need to act before the recess. That is why the committee acted very expeditiously, at the gentlewoman's request and at the request of the gentleman from New York. I have been informed by the staff who assisted us here on the floor this afternoon that it was from the minority, an hour and a half ago, that they received the copies of the resolution, not from the majority, but from the minority, that they received copies of this resolution. So the majority has been cooperating with the minority to bring this matter up this afternoon, and I wish that we could prevail upon our colleagues to not persist in this objection to the consideration of this legislation.

APPOINTMENT OF CONFEREES ON H.R. 6133, ENDANGERED SPECIES ACT AMENDMENTS OF 1982

Mr. BREAUX. Mr. Speaker, after diligent consultation with the leadership on this side and the leadership on that side, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6133) to amend the Endangered Species Act of 1973, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. FORSYTHE. Mr. Speaker, reserving the right to object, I ask my chairman to explain the procedure that we are dealing with here.

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Speaker, as the gentleman knows, and I think the Members know, the House passed the endangered species reauthorization by a unanimous vote. The Senate has taken up the legislation and has added some technical amendments to the act. The House would like to go to conference and try to work out the difference. I think we can accomplish it in one meeting and we are merely asking today to appoint the conferees to go to conference.

Mr. FORSYTHE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana? The Chair hears none, and, without objection, appoints the following conferees: Messrs. JONES of North Carolina, BREAUX, STUDDS, BOWEN, SNYDER, FORSYTHE, and EMERY; and

As additional conferees from the Committee on Foreign Affairs: Messrs. BONKER and LEACH of Iowa, solely for consideration of section 4 of the House bill and modifications committed to conference.

There was no objection.

REQUEST FOR PERMISSION TO ADDRESS THE HOUSE FOR 1 MINUTE

Mr. STUDDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. MADIGAN. Mr. Speaker, reserving the right to object.

The SPEAKER pro tempore. The gentleman reserves the right to object to a 1-minute speech?

Mr. MADIGAN. That is correct, Mr. Speaker.

The SPEAKER pro tempore. The gentleman may state his reservation of objection.

Mr. MADIGAN. Mr. Speaker, under my reservation I would inquire of the Chair whether or not there is any other legislative business pending before the House this afternoon, or if we are going to special orders?

The SPEAKER pro tempore. In light of the circumstances in which an earlier piece of legislation had been objected to, the sponsor is entitled to give a 1-minute speech, in which case we will then proceed to the business brought before the House by the Rules Committee, the gentleman from Ohio (Mr. HALL), on a rule relating to other legislation.

Mr. MADIGAN. If there is other legislative business pending, Mr. Speaker, I think we ought to get on with it. Many Members here want to get on with the district schedules that they have and I think that we ought to get on with the legislative business and get it done.

Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

NATIONAL ENERGY EMERGENCY PREPAREDNESS ACT OF 1982

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 510 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 334

Resolved, That upon the adopting of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6337) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider an amendment to said bill printed in the Congressional Record of June 22, 1982, by Representative Marks of Pennsylvania, and all points of order against said amendment for failure to comply with the provisions of clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 6337, it shall be in order to take from the Speaker's table the bill S. 2332, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 6337 as passed by the House.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. HALL) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 510 is an open rule providing for the consideration of H.R. 6337, the National Energy Emergency Preparedness Act of 1982.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce. House Resolution 510 further provides for one motion to recommit.

After the passage of H.R. 6337, the rule makes it in order to take from the Speaker's table the bill S. 2332. It shall then be in order in the House to move to strike out all after the enact-

ing clause of S. 2332 and to insert the provisions contained in H.R. 6337 as passed by the House.

It should also be noted that the resolution makes in order an amendment by Representative MARKS of Pennsylvania which was printed in the CONGRESSIONAL RECORD of June 22, 1982. The rule also waives points of order against this amendment for failure to comply with the provisions of clause 5 of rule XXI.

Mr. Speaker, H.R. 6337 extends the antitrust immunity for U.S. oil company participation in the International Energy Agency through June 30, 1985. The current limited immunity expires on July 1, 1982.

In addition, the bill requires the strategic petroleum reserve to be filled at a rate of 200,000 barrels per day until reserves reach 500 million barrels. The measure further authorizes the use of funds for the procurement of interim storage facilities to accommodate oil in addition to that which can be shipped to permanent storage facilities.

Mr. Speaker, I am not aware of any opposition to the rule on H.R. 6337, and I urge my colleagues to adopt it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Ohio (Mr. HALL) has explained the provisions of the rule. There is an amendment which will be offered by the gentleman from Pennsylvania (Mr. MARKS) when the bill is discussed on the floor allowing the construction of storage tanks above ground. I believe this is a good amendment. It would provide several thousand jobs for boilermakers, steelworkers, and allied trades of this country and provide a ready access for storage purposes.

Mr. Speaker, I have no requests for time. I know of no controversy on the rule itself.

I urge the adoption of the rule and I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SHARP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6337) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. SHARP).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6337, with Mr. HALL of Ohio in the chair.

□ 1500

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Indiana (Mr. SHARP) will be recognized for 30 minutes, and the gentleman from California (Mr. DANNEMEYER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Indiana (Mr. SHARP).

Mr. SHARP. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, we are considering this legislation today for only one reason: The United States remains dependent on foreign oil and vulnerable to an interruption of our supplies. Moreover, we are still not adequately prepared to handle a severe shortage if it occurs.

The United States consumes oil at the rate of 16 million barrels a day, and when the recession ends our consumption may rise to 17 million barrels. Our domestic production, however, is only 10 million barrels per day and is not expected to rise. That leaves a net shortfall of 6 million barrels which must be made up by imports. During recent months our actual imports have been somewhat lower due to a drawdown of inventories by major oil companies, but that only increases the demand for imports at some later date.

Our import dependence is still dangerous. Although non-OPEC countries have increased their production since the OPEC embargo of 1973, and although there is currently excess production capacity within OPEC, a major war in the Mideast or severe political upheaval involving Saudi Arabia could wreak havoc with world supplies. Two current wars, the intractable Arab-Israeli dispute, and the growing threat of an Iranian sponsored Islamic revolution make such an event almost certain; the only question is when. Even another embargo of supplies is conceivable; witness the recommendation last week by Arab oil ministers that OPEC consider using the oil weapon to force withdrawal of Israeli forces from Lebanon.

Because of the high risk of a severe oil crisis, the Congress passed the Standby Petroleum Allocation Act earlier this year. Unfortunately, President Reagan vetoed it. He argued that it might lead to more regulation, that it might discourage private preparation for an oil emergency, and that the increasing amount of oil stored in the Government's strategic petroleum reserve provided the only necessary insurance against a severe shortage.

We disagreed, but the Senate sustained the President's veto, and we remain unprepared. H.R. 6337 is a bipartisan effort to press this administration to better prepare for an emergency. It acknowledges their extreme reluctance to even possess broad discretionary authorities which could result in interference with the marketplace.

Existing law requires the administration to seek to fill the strategic petroleum reserve at a rate of 300,000 barrels per day. Unfortunately, citing capacity constraints and budgetary pressures, the administration has informed Congress that it does not intend to do so. Therefore H.R. 6337 adds a mandate to the existing law. While continuing the requirement that the administration seek to fill the reserve at a rate of 300,000 barrels per day, it mandates a fill rate of 200,000 barrels per day until the reserve holds 500 million barrels. This will require a limited amount of leased interim storage in steel tanks or tankers until permanent storage becomes available. The bill also clarifies the authority to use funds from the off-budget strategic petroleum reserve acquisition account for purposes of leasing interim storage.

The result of this mandate will be that we will reach the interim goal of 500 million barrels in storage approximately 6 months earlier than under the administration's projected schedule. There will be no additional cost over the long run, although the earlier purchase of oil means that about $1.8 billion in additional expenses will occur during the next 3 fiscal years, with offsetting savings in subsequent years. As stated above, the savings will be greater if the price of oil rises faster than currently projected.

It is also worth noting the GAO estimate that each 5 million barrels of oil in storage when a severe crisis hits can prevent $1 billion reduction in GNP.

Other provisions of H.R. 6337 will assist our preparedness for an energy emergency in other ways.

The bill extends the antitrust defense for U.S. oil companies participating in approved activities of the International Energy Agency. This agency coordinates the emergency oil sharing system among the United States and its allies, and the participation of the oil companies and some sharing of their information is essential to the success of the system. All meetings and exchanges of information are conducted with approval and monitoring of the Antitrust Division of the Department of Justice.

Following a 30-day extension passed in late May to allow completion of this legislation, the antitrust defense is scheduled to expire on July 1 of this

year. H.R. 6337 extends the defense to June 30, 1985, the expiration date of the Energy Policy and Conservation Act which established it.

While a large majority of Congress, by passing the Standby Petroleum Allocation Act, expressed their disagreement with the President's arguments about unnecessary regulation and discouraging private preparation, most of us would agree with his emphasis on the importance of the strategic petroleum reserve.

Congress established the reserve and has consistently urged both the Carter and the Reagan administrations to fill it rapidly. After a cessation of purchases due to the 1979 oil crisis and its high oil prices, the Carter administration finally recommended filling the reserve. Late in the term, they greatly accelerated the purchase rate, and the result was a much higher fill rate when the oil arrived in the spring of 1981. The Reagan administration, to its credit, continued a high fill rate throughout 1981, and they have repeatedly cited this performance in their statements of opposition to other forms of preparation. Unfortunately, they are resting on their laurels. The 1982 fill rate and their projections of future fill rates are inadequate. Early this year, when world oil prices were at a relatively low level and we could have been buying oil at a relative bargain, we were buying none.

The reason given for slowing down the filling of the reserve is the limited availability of salt domes for storage. The salt domes can only be expanded at a limited rate, and it is this rate that has determined the administration's proposed rate of oil purchases.

The salt domes capacity constraints need not limit the size of our reserve. The Subcommittee on Fossil and Synthetic Fuels, in a hearing held in March of this year, learned that interim oil storage could be leased for $1 to $3 per barrel per year. According to most projections, this is equal to or less than the expected increases in the price of oil. In other words, the savings achieved by buying the oil before the price rises would pay the additional storage fees. The additional security provided by having a larger reserve sooner is an additional benefit.

H.R. 6337 also provides for the continuation of data collection on the pricing, supply, and distribution of petroleum products on the wholesale and retail level by product category and by State. The availability of such information will be essential to informed government decisionmaking, whether at the State or Federal level, during any oil crisis. Unlike the vetoed Standby Petroleum Allocation Act, however, this bill does not specify the particular data forms by which the data is to be collected. It also recognizes that there is no longer a need for much of the regulatory information previously collected. It is a minimal requirement for the types of information necessary for emergency planning and response.

Finally, the bill calls for the submission to Congress of three reports relating to emergency preparedness. First, by October 30, 1982, the President must submit a report containing a description of the legal authorities available to him to respond to a severe supply interruption and a description of the options he could use to implement these authorities and the likely sequence of their use.

Second, within 1 year of the passage of the bill, the Secretary of Energy must submit a report analyzing the impact on the economy and on consumers of reliance on the free market to allocate and set price for oil during a shortage. Given the administration's expressed intention to rely totally on the free market, the committee felt it would be prudent to have available an analysis of the results of this strategy.

Third, by October 30, 1982, the President must submit a report describing the foreseeable situations which might result in the distribution of oil from the strategic petroleum reserve and alternative strategies for such distribution. The Congress has tried unsuccessfully to obtain an indication of the administration's intentions for the use of the reserve, and this report is an effort to promote and examine the results of a heretofore secret or nonexistent planning process.

Mr. Chairman, following a sequential referral, the Merchant Marine and Fisheries Committee has proposed a clarifying amendment to a limited waiver of the National Environmental Protection Act provisions as they apply to interim storage facilities for the strategic petroleum reserve. I think their clarification is helpful, and I appreciate their assistance and the helpful manner in which it was given.

This bill is the result of a lengthy process. Numerous hearings by the Fossil and Synthetic Fuels Subcommittee last year led to the bill, a good bill, which was ultimately vetoed. Additional hearings this year helped us identify noncontroversial but important parts of that bill while adding useful provisions regarding the strategic petroleum reserve. I believe it is a product worthy of every Member's support, and I urge a vote in favor of passage.

Mr. BROYHILL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the chairman of the committee has given a good description of what this bill does. It has been before us on several occasions.

The bill extends the antitrust defense which is applicable to those U.S. oil companies that voluntarily are participating in the International Oil Sharing Agency.

We have had this issue up before. Unfortunately, we have been unable to work out the differences between the House-passed bills and with the other body.

The bill that we have before us is another try and an attempt to accomplish that goal. In this bill we double the current rate of mandatory fill rate of the strategic petroleum reserve, doubling it from the present 100,000-barrels-per-day fill to 200,000 barrels per day.

At the same time, we retain the goal of a 300,000 barrel-per-day fill rate to be met whenever the President considers that such a rate is fiscally prudent.

I might point out that at the 200,000-barrel-per-day fill rate that is mandated by the bill, that the SPRO, strategic petroleum reserve, will reach the 500-million-barrel level by the end of 1985.

Based on the current demand for OPEC oil imports, this will provide us with more than 250 days of replacement supplies.

I might point out that at the present time we have more than 145 days, worth of OPEC replacement oil in SPRO.

I would point out, in my judgment, that due to the very extraordinary efforts of the administration in pursuing this program and in filling the reserve at rates far in excess of the current 100,000-per-day requirement.

There are other features to this bill. The bill would in addition require the administration to come forward with reports and with various strategies, alternative strategies, for the distribution of these reserves in the event that we should have an energy emergency at some time in the future.

Also, the bill does require the continuation of the collection of certain information on a State-by-State basis of petroleum product pricing and consumption, with those reports being made available to the Congress and to the public.

Mr. Chairman, I urge the committee to approve this legislation. I feel that it is necessary. We feel that it has been amended so as not only take into consideration those concerns that have been expressed in the past, but also to more than adequately take care of the filling up of the strategic petroleum reserve so that we would be ready in the event of an energy emergency.

THE SECRETARY OF ENERGY,
Washington, D.C., June 21, 1982.

Hon. JAMES T. BROYHILL,
Ranking Minority Member, Committee on Energy and Commerce, House of Representatives, Washington, D.C.

DEAR MR. BROYHILL: This letter is intended to clarify the Administration's position concerning section 3 of S. 2332 that would require submission of a new Strategic Petroleum Reserve (SPR) Distribution Plan to Congress.

The Administration's position has been consistent and has not changed. We have no plans to submit a new SPR Distribution

Plan, and we strongly oppose any such requirement. The current SPR Distribution Plan, which became effective November 15, 1979, following Congressional review, details alternative methods for drawing down and distributing SPR oil. This plan allows the President maximum flexibility to draw down the SPR to mitigate severe supply interruptions or fulfill our International Energy Program obligations.

It is the Administration's position that it is neither practical nor prudent to prepare in advance an SPR Distribution Plan with specific predetermined triggers or requirements for rate, amount, or timing of drawdown, or method of oil distribution. Rather, any Distribution Plan should permit maximum flexibility for Reserve use in order to deal with all kinds of disruptions. Also, since it is unlikely that we will know the length and severity of a disruption at the outset, rigid plans to draw down and distribute Reserve oil make little sense. Moreover, if such predetermined triggers or requirements were developed and made public, they could impair effective use of the Reserve.

On the other hand, we recognize the concern of Congress and the public as to how the SPR might be used. For this reason, we have met on a regular basis with Members of Congress and their staffs to keep them advised of the kinds of considerations currently being addressed. We certainly intend to continue our efforts to keep the Congress and the general public fully informed of the various possibilities being considered for the use of the SPR, all of which fit within the overall aegis of the currently-effective SPR plan.

Therefore, the Administration sees no need for a new distribution plan. We strongly urge that such a provision not be added to H.R. 6337 and that section 3 of S. 2332 be deleted if the bill is considered in conference.

Sincerely,

JAMES B. EDWARDS.

Mr. DANNEMEYER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 6337, the National Energy Emergency Preparedness Act of 1982, as reported from the Committee on Energy and Commerce. At the outset I want to commend the gentleman from Indiana (Mr. SHARP), our distinguished subcommittee chairman, for his customary thorough and fair handling of the legislation.

The subcommittee chairman has already summarized the legislation for the benefit of the House. Allow me to elaborate upon a number of the key points raised by the legislation.

First, the bill extends the limited antitrust immunity granted to U.S. oil companies that participate in the information-sharing activities of the International Energy Agency (IEA). The current immunity expires on July 1, 1982. Several times this year the Congress has had to pass short-term extensions of the IEA immunity while tackling other energy issues. This recurring housekeeping matter is not the most efficient use of the scarce legislative time of the Congress. Therefore, H.R. 6337 extends the immunity through the expiration date of the Energy Policy and Conservation Act (EPCA), of which the IEA provision is a part. This date is June 30, 1985.

Section 3 of the bill makes several amendments to the law governing the strategic petroleum reserve. The SPR provisions of the bill, and the overall subject itself, have drawn the most attention. Therefore, I will concentrate my remarks on this area.

Under current law, a minimum daily fill rate of 100,000 barrels of oil or petroleum product is required. The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) contains a provision which states that the President "shall seek to" fill the SPR at an average annual daily rate of 300,000 barrels per day. This provision has been interpreted as a target or a goal.

H.R. 6337, as amended in subcommittee, doubles the minimum fill rate from 100,000 to 200,000 barrels per day. The legislation before the House restates and reaffirms the intent of Congress that the President shall "seek to . . . assure" that an average annual rate of 300,000 barrels per day be undertaken "during periods in which the President considers it fiscally prudent to do so." The 200,000 barrel per day mandatory minimum applies until the SPR contains at least 500 million barrels of oil. The Department of Energy must "seek to continue" activities as needed to maintain a rate of 200,000 barrels per day until the SPR contains 750 million barrels of oil. Again, the 300,000-barrel-per-day rate applies from 500 million barrels until the reserve contains 750 million barrels, when the President determines that it is fiscally prudent to do so. For reference purposes it should be noted that the reserve now contains over 260 million barrels of oil.

It is important for the Congress to consider this issue against the backdrop of what this administration has been doing to aggressively fill the SPR. In terms of the average annual daily fill rate:

	Barrels
1979	63,562
1980	44,109
1981	335,000
1982	222,000

Clearly, these figures speak for themselves.

The aggregate level of the oil in the reserves is also an important indication of the status of our Nation's SPR program. The cumulative inventory at the end of the calendar years below is as follows:

	Million barrels
1977	7
1978	69
1979	92
1980	108
1981	230
1982	295

In the first year of the Reagan administration, the cumulative inventory doubled. The cumulative inventory will have tripled by the end of this calendar year.

The increased protection from a foreign oil disruption provided by the expanded SPR is actually much greater than the increase in the aggregate levels. Our dependence on imported oil, and Arab-OPEC oil in particular, has been declining over the past several years. The days of protection based on our use of Arab-OPEC oil imports, in relation to the level of SPR reserves is as follows:

	Days
1977	2
1978	23
1979	30
1980	42
1981	121
1982	174

This essentially brings us up to date on the status of the SPR. The current problem is that the ability of the Department of Energy to add to the permanent storage facilities on the gulf coast is capacity constrained. In other words, we have filled the reserve up to the available capacity in the salt domes. The process of leaching the salt domes, pumping out the brine, and filling the new caverns is continuing. However, from an engineering and chemistry point of view, the process can only go forward so quickly. For example, the process of drilling and leaching a 12.5-million-barrel cavern in order to hold 10 million barrels of oil can take up to 2 years.

The original administration budget for the SPR for fiscal year 1982 projected a fill rate of 185,000 barrels of oil per day. However, in order to take advantage of the favorable price and supply conditions which have existed in world oil markets of late, the administration purchased and filled additional oil in 1982. This oil, however, took the space of oil which had been planned for fiscal year 1983. Accordingly, the original fiscal year 1983 fill rate of 209,000 barrels per day in permanent storage has been revised downward to 178,000 barrels of oil per day.

In short, absent the 200,000-barrel-per-day minimum rate contained in H.R. 6337, the fill rate for fiscal year 1983 would be 178,000 barrels per day. Since the process of creating new permanent storage capacity cannot be accelerated in time for 1983, adoption of the bill will require some interim or temporary storage. The Department of Energy estimates that the following cumulative interim storage will be needed at the end of each of the following fiscal years:

	Million barrels
1983	8
1984	24
1985	48
1986	46
1987	16

To take care of this interim storage, H.R. 6337 makes it clear that the Department of Energy has the authority to acquire such storage capacity. Specifically, the bill allows up to 10 percent of the oil acquisition account to be used for this purpose.

There are a variety of means of interim storage. While this general subject will be discussed in greater detail during the presentation of the amendment of the gentleman from Pennsylvania (Mr. MARKS), I want to make a few brief observations at this time. The evidence clearly shows that there is sufficient surplus capacity, using existing oil tankers and tank farms, to accommodate the peak interim storage capacity of 48 million barrels. In fact, data contained in a Congressional Budget Office study and a May 21, 1982, letter from the General Accounting Office to Senator BRADLEY, demonstrate that a higher level of interim storage could be handled in existing facilities. In February 1982, the Department of Energy issued a report requesting proposals for short-term storage. Respondents indicated a willingness to provide a total of 215 million barrels in all forms, including foreign locations and foreign tankers. As much as 65 million barrels of domestic tankage might also be available for leasing.

In addition to the IEA extension and the SPR amendments, H.R. 6337 requires the collection of certain State-by-State energy data and the submission of three executive reports to Congress. All of this information will lay the foundation for careful consideration of energy preparedness issues in the future.

Finally, Mr. Chairman, I want to again emphasize the bipartisan consensus manner in which this legislative proposal has been developed. This fact is due to the generosity and sincerity of the gentleman from Indiana (Mr. SHARP). As my colleagues are aware, the House and Senate passed, but the President vetoed, S. 1503, the Standby Petroleum Allocation Act (SPAA). The veto was sustained by the other body.

The failure of the SPAA bill to be enacted into law left a number of outstanding issues for Congress to reconsider. The Subcommittee on Fossil and Synthetic Fuels, and the Committee on Energy and Commerce, forged a proposal free of the divisive matters of the past debate. We avoided the controversial set of price and allocation controls in the previous legislation. When the IEA extension bill was introduced in the other body after the veto of S. 1503, both sides of the aisle in the House studied and reviewed the amendments printed in the Senate by Senators JACKSON and DURENBERGER. We sought to treat the issues raised by their amendments without resorting to the command and control components embodied in their approach of oil contingency planning and a mandatory SPR drawdown plan.

Mr. Chairman, we succeeded with the adoption of H.R. 6337 by unanimous voice votes in subcommittee and full committee after extensive consultations. House passage of the bill as reported, without encumbering amendments, will avoid another battle with the executive branch, and instead move us forward on the path toward energy security. I urge my colleagues to vote "yea" on final passage.

Mr. BROYHILL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LENT).

□ 1510

Mr. LENT. Mr. Chairman, I rise in support of H.R. 6337.

Mr. Chairman, it is my understanding that Senator D'AMATO of New York introduced an amendment to the Senate bill, S. 2332, which requires the Department of Energy to prepare a comprehensive study and report to the Congress no later than December 31, 1982 on the need for establishing a regional petroleum reserve pursuant to section 157 of the Energy Policy and Conservation Act. It is my opinion that there is a great need for such a reserve, and I would ask my colleague, the gentleman from North Carolina, if the House could support a regional petroleum reserve study when H.R. 6337 and S. 2332 are sent to conference. In addition, I would ask that the conferees urge the Department to complete the study before the December deadline and report to the Congress on specific plans to establish a regional petroleum reserve.

Mr. BROYHILL. Will the gentleman yield?

Mr. LENT. I yield to my colleague from North Carolina.

Mr. BROYHILL. The distinguished gentleman from New York, who serves in a leadership position on our committee, has discussed this with me and he has raised a very important point and I certainly want to commend him for his interest in this particular issue.

I certainly recognize there are various regions of the country, the east coast in particular, that would have an interest in this. I know that the east coast, where the population is, obviously, is especially dependent upon supplies of imported oil. I do think that we need to study this issue, but we need to do it carefully and would certainly be inclined to give very careful consideration to an amendment such as that which he has described, not only in his remarks of a few minutes ago, but that which he has described to me in conversation.

I, of course, cannot at this time, without adequate study, answer the overall question of whether or not regional reserves are a good idea for the Nation as a whole. You have to put these reserves where you can, particularly where we are doing it, as the Members know, in geological formations. But I certainly would be glad to join the gentleman from New York in supporting any studies that might be necessary to try to come up with the answers to these particular problems.

Mr. LENT. I thank the gentleman.

Mr. WALKER. Mr. Chairman, will the gentleman yield to me?

Mr. BROYHILL. I would be glad to yield.

First, Mr. Chairman, I yield myself 2 minutes, and then I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding to me.

Mr. Chairman, I was just discussing this with staff, but I want to clarify a matter, if I may, for the record.

The amounts of money that are envisioned in this bill, as I understand it, are in line with the budget resolution which the House and Senate have just finished adopting. Is that correct?

Mr. BROYHILL. That is correct.

Mr. WALKER. Do I also understand that most of the funding for this additional amount of purchase, money which is being funded in terms of outlays, was originally due in 1984-85, and would come into 1983 now, so that the net cost of the program over the long haul is not being increased by this bill?

Mr. BROYHILL. That is my understanding.

One of the concerns, of course, which the administration expresses in opposition to a mandatory faster fill rate is because of the budgetary impact that it might have.

On the other hand, the administration would not oppose a higher fill rate provided that they were able to do it from a prudent budgetary standpoint and also if they had the facilities prepared and ready. They are concerned about the actual waste of money that could occur if the Congress now arbitrarily mandates a much higher fill rate.

I might point out that the fill rate that we have in this bill is higher than that which we have had in the past, and I think it is reasonable, but I would oppose a fill rate higher than that under the present budgetary constraints in which we find ourselves.

Mr. WALKER. I thank the gentleman for the explanation.

Mr. SHARP. Mr. Chairman, if the minority has no more requests for time, neither do I, and I would be happy to yield back the balance of my time.

Mr. BROYHILL. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. I thank the chairman for yielding this time to me.

Mr. Chairman, I just want to rise in support of the bill and yield back the balance of my time.

● Mr. ST GERMAIN. Mr. Chairman, today, the House is scheduled to consider, among other legislative matters, passage of H.R. 6337, a bill to extend certain authorities relating to the international energy program. I again urge my fellow Members to support the purposes of this measure, and to send a message (perhaps best described as a "to whom it may concern") that the United States intends to stand by its commitments to the purposes of a strategic petroleum reserve, and that those commitments are, indeed, as important domestically as they are internationally.

It is in this respect, that I would like to remind my colleagues of the implications and significance of similar actions by the other body only 2 weeks ago. On May 26, by a vote of 51 to 44, the other body approved an increase in the fill rate of the SPR (to 300,000 bbls/day). Existing storage systems cannot readily accomodate that rate of fill, so to offset that condition, the other body adopted, without objection, an amendment directing that a study be submitted to the Congress no later than December 13, 1982, concerning the need for establishing a regional SPR. The study is to examine the economic benefits and the costs of such a regional reserve at various potential locations.

This is a very important addition to the proposed legislation, and one which I believe holds special meaning for residents of the Northeast, the Midwest, our east coast region, and the Ohio Valley. I am equally sure that ultimate provision for some regional reserve along our west coast, and in Hawaii may also, in time, prove an attractive option.

The idea of regionalizing a portion of our national strategic petroleum reserve is not new. Earlier consideration, in 1978, of the merit of such a reserve has already created a track upon which such a study as is called for in the legislation, can proceed. Facilities for location, costs, benefits, user groups and the like can be, and in some cases have been, identified. Other benefits may also surface, as those who will conduct this proposed study undertake their task.

I would urge that, upon passage today of H.R. 6337, that the House conferees bear in mind the increased interest of such regions as the Northeast, the east coast, the Midwest, and the Far West, in having more access to regional reserve systems.

Late last year, I introduced House Joint Resolution 355, requesting that serious discussions be undertaken with the Government of Canada, regarding establishment of a regional strategic petroleum reserve by the United States and Canada. Twenty-one of my fellow Members have thus far joined with me in sponsoring this resolution, and for very good reasons.

First, past and recent events in the Mideast heighten the concern of all of us for future dependable sources of petroleum from the Persian Gulf area, especially for purposes connected with the continued uninterrupted operation of key American industries.

Second, a major concentration of the Western Hemisphere's industrial base is located in the Northeastern and Midwestern States of the United States, as well as the Eastern Provinces of Canada.

Third, any significant disruption of imported petroleum supplies to these areas clearly would pose a critical threat to that concentration of industry and would clearly endanger the national security and economic health of both countries.

Mr. Chairman, on June 22, the Governors of the Northeastern New England States and the Premiers of the Eastern Canadian Maritime Provinces of Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick, and Quebec met and adopted a resolution calling for the establishment of a regional strategic petroleum reserve. Their discussion centered on the major provisions contained in House Joint Resolution 355. I include the resolution on this issue, adopted during the 10th Conference of the Governors and the Provincial Premiers in the RECORD at this point:

REGIONAL PETROLEUM RESERVE

Whereas the New England Governors and Eastern Canadian Premiers adopted a resolution at their Ninth Annual Conference expressing an interest in a Regional Petroleum Reserve; and

Whereas the region continues to be heavily dependent upon imported petroleum and petroleum products; and

Whereas the New England Governors and Eastern Canadian Premiers continue to believe that the creation of a Regional Petroleum Reserve would assist in protecting the region against the most harmful effects of future oil shortages; and

Whereas increased consideration is being given to the use of interim storage facilities for the U.S. Strategic Petroleum Reserve until such time as cavern storage becomes available; and

Whereas following the adoption of the resolution on a Regional Petroleum Reserve, a resolution was introduced in the U.S. Congress supportive of such a reserve; and

Whereas the use of available storage capacity in the region for interim use for the U.S. Strategic Petroleum Reserve would constitute a useful first step toward the creation of a Regional Petroleum Reserve; Therefore it is

Resolved, That: That appropriate authorities of States and Provinces meet to consider the creation of a non-profit regional energy emergency corporation, and the design of a plan for regional purchase, storage, and allocation of crude and refined products in order to provide for the safety and security of the citizens of the region. If the representatives of the Governors and Premiers devise a plan believed to be feasible, they shall report to the conference and such report shall include draft legislation for consideration by the legislative bodies of the several States and Provinces.

The Northeast International Committee on Energy is authorized to continue to develop information on available storage facilities and their costs and to communicate its findings to interested government agencies in the United States and Canada.

The New England Governors and Eastern Canadian Premiers note with approval efforts made at the U.S. federal level to facilitate the mutually advantageous storage of a portion of the Strategic Petroleum Reserve in the region.

The Northeast International Committee on Energy is authorized to continue to monitor developments relating to the creation of a Regional Petroleum Reserve, in general, and the siting within the region of a portion of the Strategic Petroleum Reserve, in particular.

Their resolve calls attention to a very basic fact of life with which they must live:

Their regions are heavily dependent upon imported petroleum.

They are convinced that creation of a regional petroleum reserve would protect them from the harmful effects of future oil shortages.

It is an uncomfortable condition which they firmly believe can be overcome through establishment of closer, more accessible reserve facilities.

Mr. Chairman, I do not believe we should wait upon any further condition of international crisis in order to justify further action on the strategic petroleum reserve. Rather, I would urge that we move ahead toward a more satisfactory resolution. The benefits of a reserve strategy (including that which might embrace the common interests of the United States and Canada, as urged by House Joint Resolution 355) far outweigh the risks of nonaction.

Evidence has already begun to pile up showing that the current glut in oil is disappearing. Just this past week, Mr. J. Erich Evered, Administrator of the U.S. Energy Information Administration, stated that the United States will have to increase its crude oil imports by more than 50 percent between July 1 and December 31 of this year because our inventories have declined so sharply. Once again, we are going to be hit between the eyes by a 2 by 4, in the form of already anticipated price increases by the OPEC. In the past, our surges in demand have had these results. There is no real reason to believe that this time the results will be different.

All the experts on the subject of the SPR are taking pains to avoid suggesting that the United States faces an immediate threat of an oil crisis, yet each expert is quick to remind us that our stocks have continued to drop and are at the lowest level seen at this time of the year for the past 8 to 10 years; and of course, as always, they

are quick to note that a shortage is not necessarily indicated for this winter, if refineries increase their production to 20 percent above last year's level between now and September.

Mr. Chairman, I urge passage of H.R. 6337.

I urge that the House conferees accept the language included in the same measure passed by the other body, calling for the study of regional strategic petroleum reserves.

I urge that that study include the added consideration of a United States-Canadian connection such as is called for in House Joint Resolution 355, as a matter of promoting serious discussion between our two countries, for the future benefit of both.

The leadtime to rebuild badly needed home heating oil stocks is at least 4 or 5 months; and, Mr. Chairman, unless we begin now to do so, the winter of 1982-83 could be more than a cold month or two—for many of us, it could be a "winter of real discontent."

Mr. Chairman, I intend to vote for passage of H.R. 6337, and I urge my colleagues to do so as well.

● Mr. FARY. Mr. Chairman, today I rise in hearty support of the amendment offered by the gentleman from Pennsylvania to H.R. 6337, the National Energy Emergency Preparedness Act of 1982.

I do not think there is any Member in Congress who would question the necessity or importance of the strategic petroleum reserve (SPR) to our Nation's security. SPR was established in the Energy Policy and Conservation Act of 1975 as an essential ingredient of our Nation's plans to achieve greater energy independence. As we know, the successful establishment of the SPR will serve to reduce the potency of the use of oil as a weapon and might even prove to be a worthy deterrent to future oil embargoes.

Given today's uncertain world, I believe we as a nation would be better served by having additional national security insurance in the event of a serious oil disruption. As long as the costs are reasonable, I believe we must buy all of the insurance this Nation can afford.

Therefore, the concept of accelerating the filling of the full 750-million barrel reserve by 1 full year at no additional cost is extremely attractive to me. I urge my colleagues who are concerned about securing the energy independence of this Nation to look with favor upon the notion that the gentleman from Pennsylvania so ably presents. This amendment is consistent with the rate of fill as proposed by the administration. The amendment retains the 200,000-barrel-per-day fill rate. I do not think that we are currently in any position to be backing away from the proposed rate of fill for our reserve. On the contrary, by retaining this daily level we will be sending a message to the American people that this country will not be a hostage to events outside our borders. The maintenance of this level is surely a positive step toward our energy independence.

Mr. Chairman, this amendment will act as a source of new life for the steel industry. I am, and have been, a supporter of labor all of my life. This amendment offers Members of like mind a chance to create jobs and stimulate the economy in a time of near depression. Yes, I believe depression is the word we must choose to describe our economy if we are truthful to ourselves. It is not only the steel industry that is in this bind, as the Members are well-aware.

And so, I submit to this body that we have, here, the opportunity to take a mighty step toward meeting the twin objectives of securing this Nation's energy independence and creating thousands of new jobs for our countrymen and women. I heartily urge my colleagues to recognize the potential gains that the Marks amendment stands for and to support its passage.●

● Mr. FRENZEL. Mr. Chairman, I rise to express my lukewarm support for the National Energy Emergency Petroleum Act, H.R. 6337. I do so with reservations.

The bill's provision to protect U.S. oil companies against antitrust litigation which might result from their involvement with the International Energy Agency is worthwhile and necessary.

In addition, I prefer the 200,000-gallon-per-day fill rate for the strategic petroleum reserve provided in this bill to the 300,000 fill rate provided in the Senate bill. However two provisions stand out as particularly bad policy, unfortunately typical of this committee's work. Allowing 10 percent of the SPR's off-budget purchase account to be used for interim storage facilities is, in my judgment, backdoor budgeting. Funding for the SPR's interim facilities should be made up front and through normal on-budget channels of consideration. I would urge that this provision be deleted by the Senate.

Requiring State-by-State information, as well as several different reports from the executive branch, will unnecessarily increase the paperwork of our already overpaperworked Government. The additional cost of these two information gathering requirements cries for amendment in the other body.

I will reluctantly vote for this bill, but I will urge the Senate to make the necessary changes to clean up a generally untidy bill.●

● Mr. WALGREN. Mr. Chairman, I would like to express my support for Congressman MARKS' amendment to the National Energy Emergency Preparedness Act. The replacement of the proposed Big Hill Salt Dome site with steel tank permanent storage facilities is more consistent with our national goals and present fiscal position.

The Senate has recently passed a version of the National Energy Emergency Preparedness Act that is currently under debate in the House. The Senate bill provides for a strategic petroleum reserve capacity of 750 million barrels of oil, at a daily fill rate of 300,000 barrels per day. The House version, on the other hand, provides for a capacity of 500 million barrels of oil at a daily fill rate of 200,000 barrels of oil per day. Congressman MARKS has proposed an amendment to the House bill that would allow for the utilization of above-ground steel tanks for permanent storage, as opposed to the salt domes presently used. This would allow for an increase of 250 million barrels of oil in the strategic petroleum reserve's total capacity over the 500 million barrels of oil provided for in the House bill, while maintaining a daily fill rate of 200,000 barrels per day.

Our dependence upon Middle Eastern oil is economically and militarily unsound. A 750-million barrel reserve would be a much more desirable objective than the House designed 500-million barrel proposal. However, only with the use of above-ground steel tanks can this be done quickly and in the most cost-effective manner. The use of steel tanks would allow us to retain a 200,000-barrel-per-day fill rate, and therefore accelerate the completion of the strategic petroleum reserve by one year. We could completely eliminate the temporary storage resulting in the Senate bill, and thus save an estimated $2.1 billion. Even if the House were to extend the reserve capacity figure to 750 million barrels, at a daily fill rate of 200,000 barrels, the temporary storage costs would be a still unacceptable $775 million. This saving could be applied to earlier oil acquisition, where we could possibly save even more by purchasing at a lesser price. For the sake of simple fiscal responsibility, we owe it to the American people to implement steel tanks as permanent storage facilities.

Steel tanks are also a more environmentally sound, proven technology. Because they are designed to be an above-ground storage facility, we would not have to undergo any further leaching of the southwest's salt caverns. These tanks can also be placed anywhere in the country, eliminating the handicap of geographic favoritism. Steel tanks have been used by every oil company in America for storage for at least 50 years and are as viable for the strategic petroleum reserve storage purposes as they are for commercial use.

Most importantly, I believe we should take this opportunity to help the workers in two of America's industries, steel and construction. The American Iron and Steel Institute estimates that nearly 8,000 jobs could be created with steel tank usage, which is a needed boost to our economic recovery program and areas like Pittsburgh where the local economy is so dependent on a healthy steel industry.

Congressman MARKS' amendment is good fiscal, economic, and environmental policy. Mr. Chairman, I would like to urge my colleagues to support his amendment.●

● Mr. CORRADA. Mr. Chairman, I rise in strong support of H.R. 6337, the National Energy Emergency Preparedness Act of 1982. This legislation is vital to insure that we are prepared to react quickly and knowingly to a severe petroleum shortage.

I am particularly pleased with the provision in section 5 which requires the President to prepare a number of reports dealing with his legal authority to respond to supply interruptions. In vetoing S. 1503, the Standby Petroleum Allocation Act, President Reagan stated that he has sufficient authority in existing law to deal with an emergency. It is important that the Congress have available a legal memorandum on the laws on which the President is relying upon to be able to analyze and determine whether additional language is required.

In addition, there is a clear need for more planning in relation to the use of the strategic petroleum reserve (SPR). This legislation not only encourages filling the reserve by 300,000 barrels daily, but it mandates that a minimum of 200,000 barrels be put in.

Filling up the reserve, however is only half the job. We need to insure that an adequate and equitable distribution plan is available to meet the needs of the different regions of the country. As stated in the committee report, the analysis to be carried out by the administration should include "a thorough discussion of the regional impacts in areas such as New England, Puerto Rico, Hawaii, and the west coast * * * to insure that the SPR can adequately respond to localized emergencies."

Puerto Rico continues to be one of the areas most vulnerable to a foreign supply interruption. It is necessary that close attention be given to that region as well to the other sensitive regions in the country and I want to urge the administration to begin its analyses as soon as possible.

I also want to endorse and speak in support of the amendment that will be offered by the gentleman from New York (Mr. LENT). His amendment will ask that a feasibility study be conducted on the need for one or more regional storage reserves for the SPR. Similar language has been included in the Senate bill and I exhort my colleagues to approve this amendment.

This comprehensive legislation is needed, and I urge my colleagues to vote in favor of its enactment.●

Mr. BROYHILL. Mr. Chairman, I have no further requests for time.

Mr. SHARP. Mr. Chairman, I yield back the balance of my time for general debate.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 6337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Energy Emergency Preparedness Act of 1982".

SEC. 2. EXTENSION OF CERTAIN INTERNATIONAL ENERGY PROGRAM AUTHORITIES.

Subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "June 1, 1982" and inserting in lieu thereof "June 30, 1985".

SEC. 3. STRATEGIC PETROLEUM RESERVE AMENDMENTS.

(a) REQUIRED RATE FOR FILLING RESERVE.—

(1) IN GENERAL.—Subsection (c) of section 160 of the Energy Policy and Conservation Act (42 U.S.C. 6240(c)) is amended to read as follows:

"(c)(1) The President shall immediately undertake, and thereafter continue (subject to paragraph (2)), petroleum product acquisition, transportation, and injection activities at a level sufficient to assure that the quantity of petroleum products in the Strategic Petroleum Reserve in permanent or interim storage facilities will be increased at an average annual rate of at least 200,000 barrels per day. In addition, the President shall seek to undertake such activities at a level sufficient to assure that such quantities in the Reserve are increased at an average annual rate of at least 300,000 barrels per day during periods in which the President considers if fiscally prudent to do so.

"(2) The requirements in paragraph (1) shall cease to apply when the quantity of petroleum products stored within the Strategic Petroleum Reserve is at least 500,000,000 barrels; except that, until the quantity of petroleum products stored in the Reserve is at least 750,000,000 barrels, the President shall seek to continue petroleum product acquisition, transportation, and injection activities at the appropriate level prescribed under paragraph (1).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect July 1, 1982.

(b) INTERIM STORAGE.—

(1) AUTHORITY FOR IMPLEMENTATION.—Section 159(f) of the Energy Policy and Conservation Act (42 U.S.C. 6239(f)) is amended by striking out "and" at the end of paragraph (3), by striking out the comma at the end of paragraph (4) and inserting "; and" in lieu thereof, and by inserting after paragraph (4) the following new paragraph:

"(5) the storage of petroleum products in interim storage facilities,".

(2) USE OF SPR PETROLEUM ACCOUNT; CONFORMING AMENDMENTS.—(A) Section 167 of the Energy Policy and Conservation Act (95 Stat. 619) is amended by adding at the end thereof the following:

"(e)(1) Except as provided in paragraph (2), nothing in this part shall be construed—

"(A) to limit the Account from being used to meet expenses relating to interim facilities for the storage of petroleum products for the Strategic Petroleum Reserve; and

"(B) to require any amendment to the Strategic Petroleum Reserve Plan prior to the storage of petroleum products in interim storage facilities.

"(2) In any fiscal year, amounts in the Account may not be obligated for expenses relating to interim storage facilities in excess of 10 percent of the total amounts in the Account obligated in such fiscal year. If the amount obligated in any fiscal year for interim storage expenses is less than the amount of the 10-percent limit under the preceding sentence for that fiscal year, then the amount of the 10-percent limit applicable in the following fiscal year shall be increased by the amount by which the limit exceeded the amount obligated for such expenses.

"(f) No action relating to the storage of petroleum products in existing facilities for interim storage in the Reserve shall be deemed to be 'a major Federal action significantly affecting the quality of the human environment' within the meaning of that term as it is used in section 102(2)(C) of the National Environmental Policy Act of 1969. For purposes of this subsection, a facility shall be considered to be an existing facility if it is in existence on July 1, 1982, and is not thereafter modified in any manner which substantially increases the storage capacity of such facility.

"(g) Petroleum products stored in interim storage facilities pursuant to this part shall be considered to be in storage in the Reserve.".

(B) Section 160(e)(4) of such Act (42 U.S.C. 6240(e)(4)) is amended by striking out "crude oil" and inserting in lieu thereof "petroleum product".

SEC. 4. CONTINUATION OF PETROLEUM PRODUCT INFORMATION COLLECTION.

(a) IN GENERAL.—Part A of title V of the Energy Policy and Conservation Act (42 U.S.C. 6381 and following) is amended by adding at the end thereof the following new section:

"PETROLEUM PRODUCT INFORMATION

"SEC. 507. The President or his delegate shall, pursuant to authority otherwise available to the President or his delegate under any other provision of law, collect information on the pricing, supply, and distribution of petroleum products by product category at the wholesale and retail levels, on a State-by-State basis.".

(b) CLERICAL AMENDMENT.—The table of contents for such Act is amended by inserting the following new item after the item relating to section 506:

"Sec. 507. Petroleum product information.".

SEC. 5. REPORTS TO CONGRESS ON PETROLEUM SUPPLY DISRUPTIONS.

(a) DESCRIPTION OF AVAILABLE LEGAL AUTHORITIES AND IMPLEMENTATION.—The President shall prepare and submit to the Congress no later than October 30, 1982, a report containing—

(1) a memorandum of law describing the nature and extent of the authorities available to the President under existing law to respond to a severe energy supply interruption or other substantial reduction in the amount of petroleum products available to the United States, and

(2) a description of the various options the President may use to implement the authorities described under paragraph (1) to respond to such a reduction, including a description of the likely sequence in which such options would be taken.

(b) IMPACT ANALYSIS.—(1) The Secretary of Energy shall analyze the impact on the domestic economy and on consumers in the United States of reliance on market allocation and pricing during any substantial reduction in the amount of petroleum products available to the United States. In making such analysis, the Secretary of Energy may consult with the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Office of Management and Budget, and the heads of other appropriate Federal agencies. Such analysis shall—

(A) examine the equity and efficiency of such reliance,

(B) distinguish between the impacts of such reliance on various categories of business (including small business) and on households of different income levels,

(C) specify the nature and administration of monetary and fiscal policies that would be followed including emergency tax cuts, emergency block grants, and emergency supplements to income maintenance programs, and

(D) describe the likely impact that State and local laws and regulations (including emergency authorities) affecting the distribution of petroleum products would have on the distribution of petroleum products.

Such analysis shall include projections of the effect of the petroleum supply reduction on the price of motor gasoline, home heating oil, and diesel fuel, and on Federal tax revenues, Federal royalty receipts, and State and local tax revenues.

(2) Within one year after the date of the enactment of this Act, the Secretary of Energy shall submit a report to the Congress and the President containing the analysis required by this subsection along with such recommendations as the Secretary of Energy deems appropriate.

(c) STRATEGIC PETROLEUM RESERVE REPORT.—The President shall prepare and transmit to the Congress no later than October 30, 1982, a report containing—

(1) a description of the foreseeable situations (including selective and general embargoes, sabotage, war, act of God, or accident) which could result in a severe energy supply interruption or obligations of the United States arising under the international energy program necessitating distributions from the Strategic Petroleum Reserve, and

(2) a description of the strategy or alternative strategies of distribution which could reasonably be used to respond to each situation described under paragraph (1), together with the theory and justification underlying each such strategy.

The description of each strategy under paragraph (2) shall include an explanation of the methods which could be used to determine the price and distribution of crude oil from the Reserve in any such distribution, and an explanation of the disposition of revenues arising from sales of any such crude oil under the strategy.

(d) MEANING OF TERMS.—As used in this section, the terms "international energy program", "petroleum product", "Reserve", "severe energy supply interruption", and "Strategic Petroleum Reserve" have the meanings given such terms in sections 3 and 152 of the Energy Policy and Conservation Act (42 U.S.C. 6202 and 6232).

Mr. SHARP (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES AMENDMENT

The CHAIRMAN. The Clerk will report the amendment of the Committee on Merchant Marine and Fisheries.

The Clerk read as follows:

Merchant Marine and Fisheries Committee Amendment: Page 4, strike line 20 through line 4 on page 5 and insert the following:

(f)(1) No action relating to the storage of petroleum products in an existing facility for interim storage in the Reserve shall be deemed to be "a major Federal action significantly affecting the quality of the human environment" within the meaning of that term as it is used in Section 102(2)(C) of the National Environmental Policy Act of 1969.

(2) For purposes of this subsection, a facility shall be considered to be an existing facility if it—

"(i) is in existence on July 1, 1982;

"(ii) was constructed in a manner appropriate for the purpose of storing petroleum products; and

"(iii) is not modified after July 1, 1982, in any manner which substantially increases the storage capacity of the facility. Any modification of such facility may not include replacement or reconstruction."

Mr. BREAUX (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BREAUX. Mr. Chairman, H.R. 6337 was sequentially referred to the Merchant Marine and Fisheries Committee because it contained a limited waiver of the National Environment Policy Act. That waiver stated that actions relating to interim storage in existing facilities would not be considered to be "major Federal actions significantly affecting the quality of the human environment" for the purposes of NEPA. Thus, for actions relating to interim storage of strategic petroleum reserve (SPR) oil in existing facilities, an environmental impact statement would not be required.

The Merchant Marine and Fisheries Committee, in the exercise of its jurisdiction, has examined this waiver carefully and concluded that, in this narrow fact situation, such a waiver is warranted for two reasons. First, we believe that purchasing oil for the strategic petroleum reserve when prices are low make good economic sense and is in the national interest. Second, we see no harmful consequences to the environment if all we are doing is placing SPR oil in private facilities that are originally designed to hold petroleum products and that normally hold those products for private industry.

Our amendment would not limit the waiver; it would merely clarify it. We were concerned that facilities not designed to hold oil could fall within the waiver. The amendment specified that only facilities constructed or reconstructed in a manner suitable for the purposes of holding petroleum products would qualify for the waiver. In addition, our committee report makes it clear that the three forms of interim storage envisioned by the Department of Energy—tank farms, ships and privately owned salt domes—could qualify for the waiver. In addition, because of a concern that facilities could be torn down and rebuilt under the guise of modifying them, our amendment states that such modification would not qualify for the waiver.

Mr. Chairman, I want to stress that the committee does not take NEPA waivers lightly. We believe that the National Environment Policy Act is the cornerstone of the structure of laws that protect the environment and that its provisions are necessary to insure that we consider the environmental consequences of Government action. However, as I stated before, the committee feels that, in this narrow factual situation, a waiver of NEPA is warranted.

In addition, because of a concern that facilities could be torn down and rebuilt under the disguise of modifying them, our amendment states that such modification would not qualify for the waiver.

In essence, I would say to the members of the Committee and to this House that we support the legislation and our amendment merely clarifies how the NEPA waiver would be interpreted and I think it makes good sense. It is something that is necessary, and I think the way we do it is in keeping with the sound commitment to a clean environment.

Mr. FORSYTHE. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I would be happy to yield to the gentleman from New Jersey.

Mr. FORSYTHE. Mr. Chairman, I totally agree with the chairman of the subcommittee that this in no way, we hope, impedes the purposes of the waiver, but we do believe that it does help clarify it in terms of its relationship with NEPA and since NEPA is in the jurisdiction of the Subcommittee on Fisheries and Wildlife of the Committee on Merchant Marine and Fisheries, we hope that this amendment will be approved and supported.

I urge my colleagues to adopt the amendment.

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Mr. BREAUX. Mr. Chairman, I would ask support for the amendment.

The CHAIRMAN. The question is on the Merchant Marine and Fisheries Committee amendment.

The Merchant Marine and Fisheries Committee amendment was agreed to.

AMENDMENT OFFERED BY MR. MARKS

Mr. MARKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARKS:

Page 2, strike out line 15 and all that follows down through line 8 on page 3 and insert in lieu thereof the following:

"(c) The President shall immediately undertake, and therefore continue, petroleum products acquisition, transportation, and injection activities at a level sufficient to assure that the quantity of petroleum products in permanent or interim storage facilities in the Strategic Petroleum Reserve is increased at an average annual rate of at least 200,000 barrels per day until the quantity of petroleum products stored within the Strategic Petroleum Reserve is at least 750,000,000 barrels.".

Page 6, after line 3, insert the following new subsection:

(c) PERMANENT NEW TANK STORAGE FACILITIES.—(1) Section 160 of the Energy Policy and Conservation Act (42 U.S.C. 6240) is amended by adding at the end thereof the following new subsection:

"(h)(1) Of the 750,000,000 barrels of petroleum products required to be stored within the Reserve, at least 140,000,000 barrels shall be in permanent storage facilities which consist of new conventional steel tanks.

"(2)(A) Notice of any site selected for a permanent storage facility pursuant to this subsection, and a description of the storage facility to be constructed at such site, shall be submitted to the Congress at least 30 days of continuous session of Congress before acquisition, site preparation, or construction is undertaken with respect to such facility. For purposes of this subparagraph, days of continuous session shall be determined in accordance with section 552(c) of this Act.

"(B) Nothing in this part shall require any amendment to the Strategic Petroleum Reserve Plan prior to the storage of petroleum products in storage facilities pursuant to this subsection.

"(3)(A) It is the policy of the Congress that preference should be given to using available Federal land for sites for storage facilities pursuant to this subsection over using non-Federal land.

"(B) The Secretary may acquire (without charge) custody, control, and other interests in any Federal land held by any Federal officer or employee in any Executive agency if that officer or employee determines that such land could be made available for use as a site for storage facilities under this subsection. Such transfer may be made without regard to any provision of law relating to the disposition of Federal property.".

(2) Effective beginning on the date of the enactment of this Act, all activities relating to the development and use of the Big Hill site, Jefferson County, Texas, as a storage facility for the Strategic Petroleum Reserve shall cease. Funds allocated for such activities for fiscal year 1982 shall be available for activities relating to the acquisition and construction of storage facilities under subsection (h) of section 160 of the Energy Policy and Conservation Act (as added by paragraph (1) of this subsection), without fiscal year limitation.

Mr. MARKS (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MARKS. Mr. Chairman, I would like to enlist the support of those many here on the floor and those few watching their televisions sets in making the strategic petroleum reserve more responsive to the Nation's economic security.

My amendment does two simple things. The first thing it does is to substitute 140 million barrels of above-ground steel storage tanks for 140 million barrels of new underground storage which the Department of Energy anticipates developing. Second, it maintains the language of the committee bill by requiring 200,000 barrels per day of mandated fill. It does not stop at 500 million barrels as the committee bill does, but requires that the 200,000-per-day fill rate be continued until the full 750 million barrels authorized by Congress has been in fact completed.

Under my amendment, we do not waste dollars appropriated for buying oil by paying for temporary storage. The millions of dollars saved by that can be applied, therefore, to oil purchases now, as intended.

As a result of its failure, Mr. Chairman, to develop adequate permanent capacity, the Department of Energy intends on employing numerous interim storage facilities which are anticipated to cost $2.70 per barrel per year, according to the Congressional Budget Office study. Under the terms of the committee bill, Mr. Chairman, the estimated temporary storage cost to reach the 500-million-barrel level will total approximately $100 million. If the Department of Energy filled at the 200,000-barrel-per-day rate to the full 750-million-barrel reserve, temporary storage costs for that would be $774 million. Under the bill passed by the other body, the estimated interim storage costs are $2.18 billion.

On the other hand, construction of above-ground steel tanks virtually eliminates the need for any interim or temporary storage facilities. Under projections worked out by the Corps of Engineers, 80 million barrels of additional oil could be injected into the new above-ground steel tanks through 1985, and another 60 million barrels in 1986. Since interim storage becomes increasingly more expensive the longer the temporary facilities are required, and since the Department of Energy has every intention of replacing the interim facilities with permanent storage facilities, it makes no sense to throw good money after bad by delaying the construction of permanent storage facilities that are not—and I emphasize that—not any more expensive than the underground cavern sites that the Department of Energy intends to employ. If this amendment is adopted, completion of the permanent 750-million-barrel fill will be speeded up by 1 full year, and completion of the permanent storage facilities will be accelerated by 2 full years at less total cost than any other option that we have.

This approach saves between $100 million and $775 million in temporary storage costs. It does not increase permanent storage costs at all, and increases the tax revenues the Government would collect by $392 million over the salt dome approach through the additional employment generated.

Further, such action represents an additional protection against the adverse effects of another petroleum supply interruption. We are only able to withdraw, Mr. Chairman, about 40 percent of our current imported crude oil requirements. We remain extremely vulnerable to another supply interruption, especially if we consider uncertain events of the Middle East at this time.

Based on the information from the Steel Plate Fabricators Association and the American Iron & Steel Institute, this amendment also creates approximately 8,000 to 9,000 jobs in two of the Nation's most depressed industries, those being steel and construction.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. MARKS was allowed to proceed for 3 additional minutes.)

Mr. MARKS. I expect bidding for such a steel construction project to be spirited, thus keeping costs down.

In summary, this amendment does the following:

One, it accelerates the attainment of SPR insurance policy for our Nation's economic security.

Two, it reduces the program costs to the Government to between $100 and $775 million by elimination of temporary storage costs.

Three, it saves additonal millions in projected oil expenditures by purchasing the oil sooner.

Four, it creates approximately 8,000 to 9,000 jobs in the steel and construction industries without increasing storage facility costs.

Five, it provides badly needed stimulus to the Nation's economy.

This is not a special-interest amendment, Mr. Chairman. This amendment deserves, I would hope, your consider-

ation, and hopefully more, your support.

Mr. Chairman, at this time I would like to read a letter I received from the Honorable JOHN DINGELL, chairman of the Committee on Energy and Commerce:

SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS,
Washington, D.C., March 1, 1982.

Hon. MARC LINCOLN MARKS,
Ranking Minority Member, Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, Longworth House Office Building, Washington, D.C.

DEAR MARC: I have read the testimony on the Strategic Petroleum Reserve situation that you intend to present to the Subcommittee on Fossil and Synthetic Fuels tomorrow. I think it is an excellent statement, highlighting as it does our inability to take full advantage of the slack oil market because of storage capacity constraints as well as the potential to accelerate the SPR completion date using steel tank storage.

I strongly agree with your analysis which, I would also point out, is based on bipartisan staff work by the Oversight and Investigations Subcommittee.

I would ask you to put this letter into the hearing record when you testify so as to illustrate my support for your position.

Sincerely

JOHN D. DINGELL,
Chairman, Subcommittee on Oversight and Investigations.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. MARKS. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I thank my colleague from Pennsylvania for yielding. I wish to commend him in the RECORD for the excellent research that he accomplished putting his facts and figures together. I think that his amendment is most apropos today.

Steel in this country, as we all know, is so basic to all economic movement; the production, distribution, and consumption of steel always has been the hallmark of any industrialized nation, the very core of what makes that nation competitive, and what is the basic, fundamental factor in establishing the standard of living we have today.

It governs all things, admittedly, and on that point I would like to go back and say on behalf of steel, it has been under price controls for the last 20 years, and my colleagues know full well that throughout the years every time steel had a necessity as an industry to raise its price in order to take care of production costs and make reasonable profits, they were always questioned and always beaten down, argued down, jawboned down.

□ 1530

That is what occurred, and under those circumstances steel suffered for 20 years. That is the very fundamental reason and explanation of why the steel industry in this country is not competitive. Over the years this Government has been steel's worst enemy.

So I believe this amendment is a well-thought-out amendment. This is the proper time and place for the amendment, and the logic of the amendment is what gives me the impetus to make sure that at this time in the RECORD the gentleman from Erie, Pa. (Mr. MARKS) is commended for his foresight and for taking a reasonable approach.

Mr. Chairman, I deeply urge my colleagues to support this amendment on principle alone.

Mr. MARKS. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. GAYDOS) for his comments. The gentleman is one whose opinion I respect in spite of the fact that he was very flattering to me.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MARKS) has expired.

(On request of Mr. BAILEY of Pennsylvania, and by unanimous consent, Mr. MARKS was allowed to proceed for 2 additional minutes.)

Mr. MARKS. I am happy to yield to the gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY of Pennsylvania. Mr. Chairman, I simply obtained more time for the gentleman so he could explain this matter further to us.

Mr. MARKS. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. BAILEY).

The amendment I am proposing has merit beyond those 8,000 or 9,000 steelworkers it will put back to work. I think perhaps the most serious concern that we all have today is whether or not this country in a time of crisis will be able to supply its economy and its people with the necessary petroleum and petroleum products to keep our economy going.

The situation in the Middle East is tender to say the least. We do not expect it to get much better. But whether it does or does not, we always have the problem of what might happen at any time throughout the world. With this amendment we would have the opportunity of being able to purchase oil at what is now a low price and what will probably be its lowest cost to us ever and to place that oil around the country so that it can be much more easily accessible than in the salt domes. And we will know, absolutely know, what is placed in those steel tanks. Some of the Members have read and heard about the possibilities that some of the fill in the salt domes is not oil at all, and we are investigating that. But that could not happen in the steel tanks.

Mr. Chairman, when the Members consider all those things, I would hope that they would seriously consider voting for this amendment.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. MARKS. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I would like the record to show that this is not a novel approach. When we had the MX missile under consideration, there was meaningful research done along the lines that the gentleman's amendment takes, and that is that the concrete silos from which the MX missile would be launched would be made and constructed of steel. That was advocated and promulgated by the military. They thought that was a good idea.

Steel in the form of a silo would do two things. It is cheaper, and it is much easier to install. And it forms a basis for future use of that steel when and if those silos were discontinued.

Now, when we have the concrete silos, the concrete is destroyed if the missile is discontinued, and that is the end of the matter.

So, Mr. Chairman, I think there is good logic in supporting this amendment. I think it is good thinking. I just wanted to make that point clear to the Members.

Mr. MARKS. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. GAYDOS).

I appreciate his remarks, and I yield back the balance of my time.

Mr. SHARP. Mr. Chairman, I rise in reluctant opposition to the gentleman's amendment.

I say, "reluctant opposition," because I have a great deal of respect for the work of the gentleman from Pennsylvania (Mr. MARKS) in trying to have a strong strategic petroleum reserve which is necessary to our national security, and for his special work with regard to the needs of the steel industry and the steelworkers in this country, which, I think is something all of us should be concerned about.

However, I think we have to recognize at this point that the amendment the gentleman offers represents a major policy change, and that that policy change has really not been thoroughly examined by the several committees of this House that should be examining such a change.

First of all, the amendment was not considered in the Committee on Energy and Commerce at either the subcommittee or full committee level.

Second, the Committee on Appropriations has again ratified the appropriations money for the Big Hill Salt Dome which this amendment seeks to replace.

Third, no examination has been made by the Budget Committee of this amendment, though it will clearly increase the cost of the strategic petroleum reserve over the next several years.

Fourth, it has not been examined by the Committee on Interior and Insular Affairs, which I am sure would be interested in it because some rather

novel uses of the public lands are involved, plus a provision with respect to the transfer of public lands within the Government that frankly has not been examined at any point by the committee.

Mr. MARKS. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I am happy to yield to the gentleman from Pennsylvania.

Mr. MARKS. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, for the gentleman to come to the floor and suggest that the matter was not presented to the committee seems to me to be less than forthright when it was the gentleman who came to me and asked me not to present it to the committee in light of the fact that we were presenting it to the floor. I did the gentleman a favor which he is now turning against me, I think somewhat unfairly, and I think my colleagues ought to know that the only reason that the matter was not presented to the committee at the time was as a result of my accommodating the gentleman.

Mr. SHARP. Mr. Chairman, if the gentleman will allow me to take back my time, there must be a terrible misunderstanding here. My understanding up until just a few days ago was that the amendment that the gentleman was interested in was one that was adopted by the other body, which was to expand the fill rate to 300,000 barrels a day. That was the proposition on which we shared a view.

I became aware of this new amendment only a matter of days ago. Even in our private conversations I had always assumed that we were talking about the amendment of the other body concerning the fill rate. So if there is a confusion, I am sorry about it. That is the proposition I thought we were in agreement on.

Mr. MARKS. Mr. Chairman, I do not imply that it was done deliberately, but I do suggest, in light of what the gentleman now says, that there clearly was some confusion.

Beyond that, may I suggest to the subcommittee chairman, whom I respect greatly, as he knows, that the cost of doing what I am suggesting is less than what it will take to continue the law as it is today and fill more oil in those salt domes in Louisiana. The savings from the temporary storage alone amount to anywhere from $100 million to over $700 million.

So, Mr. Chairman, I suggest to the gentleman that his comment that it would cost more is not correct.

Mr. SHARP. Mr. Chairman. if I may reclaim my time, one of the reasons I think the matter should be examined further is that the gentleman is giving us some data that might be very useful and, frankly, might alter my opinion of the amendment if I could have greater confidence in this alternative. This is not from a lack of confidence in the judgment of the gentleman.

Let me suggest to the gentleman where our information comes from and why I am concerned about this. First of all, the Department of Energy has made a study of this matter and just recently reported that it is substantially more expensive, to the tune of almost $1 billion that it would cost to go to the new steel tanks, as opposed to the salt domes. Frankly, there are those of us who believe their estimates are wrong. Our own subcommittee staff did the best it could in a limited period of time. They estimate a more conservative amount. That estimate, is a more conservative estimate. That estimate states that it would cost $280 million, better than a quarter of a billion dollars in additional expenditures to build steel tanks rather than Big Hill Salt Dome.

Mr. Chairman, this is why I say that I think we are a little premature in the House to make a decision that could have a major budgetary impact. I would hope certainly that the gentleman's figures are correct, but obviously we have gotten some contending information here that I think has not been adequately digested.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. SHARP) has expired.

(By unanimous consent, Mr. SHARP was allowed to proceed for 5 additional minutes.)

Mr. MARKS. Mr. Chairman will the gentleman yield again?

Mr. SHARP. Mr. Chairman if I may complete my statement, after that I will yield to the gentleman.

The cost estimates that we are receiving so far would suggest to us that steel tanks are a good deal more expensive than the development of Big Hill Salt Dome, which is the next item on the agenda of the strategic petroleum reserve.

I think it is very important to recognize that the amendment mandates new steel tanks; that is, we would have to construct new facilities. I think that would be terrific in terms of employment in our country and in our steel industry, but we have available to us a number of partically used tank farms throughout the country. That would certainly be something we would want to look at and determine whether it would be substantially cheaper for us to acquire these to use in terms of storing oil in this country.

So I think in terms of looking at the tax dollar, we would want to make sure just what the extent of that option is for us.

□ 1540

Let me suggest as well that rejection of this amendment does not eliminate the possibility whatsoever of steel tanks to be used. Already it is a possibility under the existing law for the administration to make that determination.

As we know, they have determined salt domes in previous administrations and this administration continues to go with that.

There clearly will be some interim storage. It is authorized under this bill. We will also use steel tanks, but very likely it would not involve construction of new tanks because of the existence of both tankers and tanks on land that are available for us to use.

So I would urge my colleagues that we at this time reject this amendment. I certainly will have a continuing interest in seeing if there is any way that this does begin to make sense.

I might also add there is some contention over the actual jobs at stake in this particular proposal. The gentleman from Pennsylvania (Mr. MARKS) speaks of 8,000 jobs. We are told by the American Iron and Steel Institute that their estimate is about 7,300 man-years of work.

What this boils down to is perhaps 2,000 jobs for the period that this would be under construction.

I think it is very important to realize that many of these jobs are actually in the construction end of the facility itself and not in the steel manufacturing end.

I know that some of the supporters of the amendment are particularly concerned about the steel manufacturing jobs. Probably we are talking about 400 jobs in the area of manufacturing the raw steel.

But let me suggest I am not here to debate certainly against any effort to provide more jobs in this country. We need them.

There is a question we should be asking ourselves. Is this the best way to spend the tax dollars in terms of the reserves? Second, if we want a job stimulus bill, is this the best way for us to spend the tax dollars to create jobs?

Mr. MARKS. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. I thank the gentleman for yielding.

I understand the gentleman's comments. I think he is sincere in his comments.

But I do think it necessary to point out that the facts and figures I have given the gentleman are not based on Department of Energy statements alone, but facts and figures that have been checked and rechecked and rechecked again by the Corps of Engineers who are probably the experts, without question, I do not think anybody would challenge that, in working out these figures.

So when they suggest to us that it will provide 8,000 to 9,000 jobs almost immediately in the steel industry, a

depressed industry, I would suspect that the majority of our colleagues could accept that as such.

In addition, may I suggest to the chairman that the Department of Energy's position on this has always been the same. So we finally began to look into it.

As the gentleman from Michigan (Mr. DINGELL) said in his letter to me, on the bipartisan fashion in our oversight committee and we pressed the Department of Energy, and by golly, they continued to say the only way to go is to stuff that stuff in salt domes down in Louisiana.

But, my goodness, if something should happen and the people up in Boston or Detroit or North Carolina or Iowa, for that matter, need that oil, it is a hell of a lot more secure having it regionalized around the country.

I think that is the only rational approach, rather than to have it stuck in a salt dome or two in Texas or Louisiana.

I just suggest to the chairman, in all due respect, that the facts and figures I have given need be no more concerning, that it costs less, it will give us the greatest defense security, and it will put, in addition to all of these things, the important thing for the defense of the country, it will put 8,000 more steelworkers back to work.

I think when we combine it all it cries out for this amendment.

Mr. SHARP. I respond to the gentleman by saying I think he does us all a service by pushing us to consider this matter, by pushing the administration and others to examine these cost figures. Perhaps steel tanks may be a way that we want to go in the future.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. SHARP) has again expired.

(By unanimous consent Mr. SHARP was allowed to proceed for 1 additional minute.)

Mr. SHARP. But I argue in response to what the gentleman says about regional reserves. First if we are concerned about costs, it is likely we would want to first check out what we know to be available tank farms or partial tank farms that might be used for a regional reserve.

Second, I point out that the cost estimates begin to rise very dramatically on the steel tank proposition, if the tankage is constructed in multiple locations. The minute we expand into a number of smaller sites we find the cost of this proposition going up.

So when we argue for regional dispersal, which may be a good national security or good economic thing to do, it may still be that there is a cheaper way that we want to go. I do not want to foreclose the option the gentleman is talking about because I think we do have responsibility in our committee and others to pursue aggressively the figures the gentleman has come up with.

I really think we would be a little remiss for the taxpayers at this time if we jumped to the conclusion that only steel tanks should be constructed for the last 140 million barrels of the projected 750-million-barrel reserve.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

(At the request of Mr. MARKS and by unanimous consent Mr. SHARP was allowed to proceed for 1 additional minute.)

Mr. MARKS. Would the gentleman yield to me again?

Mr. SHARP. I am happy to yield to the gentleman from Pennsylvania.

Mr. MARKS. I have asked the gentleman to yield only because he brought up a point that I think is worthy to discuss a little further. That is, those people who have been opposed, for whatever the reason, to aboveground steel storage tanks, and particularly down at the DOE where they seem to be locked into this salt dome idea, have used the idea that there may be surplus storage around the country that we do not know about.

We have been at this game many, many years. Believe me, if it were there the Department of Energy would have the figures.

As a matter of fact, we did some research on that and found out that worldwide there are only 42 million tons of surplus floating tanker capacity available in the whole world. So may I suggest to the gentleman that although that excuse has been used and is being used by those opposing this amendment, particularly from down at DOE, that that does not hold oil, does not hold water, under any circumstances.

Mr. SHARP. I regret again that I would have to challenge, in what time I have left, the gentleman's statement. The gentleman may be correct in his figures on floating tanks, tankage, tankers out there in the ocean. What we are talking about are on-land tanks, however, and I believe the gentleman will find that there is a surplus capacity.

Part of that is due to the change in the whole oil market in this country of the last several years as we have begun to alter and conserve the ways in which we use energy in this country.

But we do have on-land tank capacity as well as tankers, and we had testimony in our hearings to that very effect several months ago.

So I think that we again have to drive back to not that we know the final answer here today, but that is our exact problem, we do not know the final answer to all of these costs.

I think we ought to know on a much more solid basis of information before we move with this amendment.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have examined the amendment that has been offered by the gentleman from Pennsylvania (Mr. MARKS). I have a great deal of sympathy for the goals he is trying to achieve, but I must in all good conscience oppose this amendment as it is written.

Having said that, I do not want these remarks, or I do not want the administration to read into these remarks, at least, any intent that the administration should not consider the use of steel tanks for the storage of oil that goes into the strategic petroleum reserve.

I believe the administration not only presently does have the flexibility to use steel tanks but should have that flexibility and should exercise that present authority to utilize steel tanks where it is cost effective.

I am concerned about the language in this amendment that mandates the construction of new tanks and the cancellation, the mandatory cancellation of a project that is already under way called the Big Hill, Texas, project for which I understand several millions of dollars have already been spent.

The gentleman from Indiana (Mr. SHARP), the chairman of the subcommittee, I think has made a very reasonable statement as to why this particular amendment, as drafted, should be defeated.

I am concerned also about language in this bill that would require environmental impact statements on any sites selected. It would bring into play the full application of the national Environmental Protection Act, and that may be in the public interest. But I suspect that when we examine that, we find that that alone would slow down the utilization of these kinds of storage facilities.

□ 1550

If you are going to have a full environmental impact statement on three or four different sites, I think you would find that it would probably slow down the use of steel tanks as storage facility rather than speed it up.

I also point out that there is language in this bill that would provide that the Secretary can acquire control of various Federal lands that are held by other Federal officers and that such transfer may be made without regard to any provision of law relating to the disposition of Federal property.

That means that a number of other committees of the House that have jurisdiction over laws relating to disposition of Federal properties would be

concerned about this and should, by right, be consulted.

So, Mr. Chairman, I would urge that we reject this amendment. At the same time, having said that, I personally want to say to the gentleman from Pennsylvania that I want to work with him and those who are supporters of his amendment, to see if we cannot accomplish the goals that he is trying to accomplish without having to adopt this mandatory approach.

Mr. MARKS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Pennsylvania.

Mr. MARKS. I appreciate the gentleman from North Carolina yielding to me.

I understand what the gentleman from North Carolina is saying. But one of the things the gentleman includes in what he is saying is: Let us wait, as did the chairman, the gentleman from Indiana (Mr. SHARP), and again look at this whole situation.

The danger with that, may I point out, is that to delay only further reduces the potential for cost savings that are available by starting the aboveground new storage now.

In addition to that, I must pose the question as to why would we want to spend at a minumum $2.70 per barrel for temporary storage of the oil when we do not have to.

And I would suggest, most respectfully, to the gentleman from North Carolina, who I understand has a sensitivity to this problem, that we can avoid that, begin to go on our way of storing this oil, this very important oil, in parts of the country that need it most, do it for less money than we can under the law presently.

In addition to that, as a byproduct of that, 8,000 people would be put back to work, not just in Pennsylvania, but some in North Carolina.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. BROYHILL) has expired.

(By unanimous consent, Mr. BROYHILL was allowed to proceed for 1 additional minute.)

Mr. BROYHILL. Mr. Chairman, I thank the gentleman for his remarks, but is is my understanding that the costs that are connected with the construction of field tanks are considerable, and the information, at least, that we have to go on, is the report that did come to our committee from the DOE, in which they maintained that the cost of continuing the project, particularly that he would cancel in Texas, is considerably less than that of constructing new steel tanks. And, also, when you add to it not only the construction costs but also the land acquisition, diking of the tanks, construction in connection with pipelines and pumps to the tanks, and other additional environmental safeguards that are required, all of these cost money. They feel it is less costly to continue with this project which is presently under construction. I include at this point a letter from DOE Secretary Edwards:

THE SECRETARY OF ENERGY,
Washington, D.C., June 23, 1982.

Hon. JAMES T. BROYHILL,
House of Representatives,
Washington, D.C.

DEAR JIM: I am writing to urge you to vote against an amendment to H.R. 6337, the National Energy Emergency Preparedness Act, that will be offered by Mr. Marks during floor consideration this afternoon. While the Administration supports the bill, we strongly object to the language of the Marks amendment mandating the use of steel tanks for Strategic Petroleum Reserve storage.

We agree that steel tank development could be faster than underground storage; however, one cannot assume, with a high degree of certainty, that oil cost savings from steel tank development would offset the added facilities development costs. A major factor in the cost of aboveground storage is site selection. A 140 million barrel steel tank effort, as required by the amendment, would necessitate 3-4 individual sites, and this alone introduces substantial uncertainty in all cost estimates. We are convinced that the abandonment of the currently planned Big Hill Salt Dome site for permanent SPR storage would cost substantially more in the long-term.

Mr. Marks' amendment would remove important management flexibility from the Executive Branch which is charged with the responsibility for implementing the SPR program. We are also concerned with the vulnerability to terrorist attacks or sabotage of aboveground steel tanks as compared to present and planned underground storage, which is less visible and less vulnerable.

For these reasons I hope you will exercise your leadership and vote "no" on the Marks amendment so we can move forward towards passage of this important energy emergency legislation.

Sincerely,

JAMES B. EDWARDS.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Iowa.

Mr. CHAIRMAN. The time of the gentleman from North Carolina (Mr. BROYHILL) has again expired.

(On request of Mr. TAUKE and by unanimous consent, Mr. BROYHILL was allowed to proceed for 2 additional minutes.)

Mr. TAUKE. As the gentleman has pointed out, there are some cost savings by proceeding along the course that we are currently following to fill SPRO.

The information that we have received from the Department of Energy, July 1981, in its "Acceleration Report," indicated that the current steel tank storage facility dollar costs are $12.95 per barrel, if you have a 4-million-barrel facility.

Storage in the Big Hill facility was put at $5.71 per barrel.

More recently, the July 5 issue of Forbes magazine suggested that storage in the salt domes, would cost $2.50 per barrel to mine and 10 cents per barrel annually to maintain.

That compares with steel tanks, which cost $5 or more a barrel to construct, $2.50 to $3 a barrel for attendant pipelines and terminals, and $1.50 to $2 per barrel a year to maintain.

So the costs that you have in maintaining these sites and in constructiong them, in the first place, is much greater, I think, if you use the steel tank storage.

One other point I think should be mentioned—and the gentleman alluded to it—is that if we are going to have temporary storage to try to take advantage of what many perceive to be low oil prices now, then we should be taking advantage of the existing storage capacity that is available in the tankers that are empty, rather than trying to construct new temporary storage to take advantage of current low energy prices.

So I concur with the gentleman's view that this amendment would be costly and not in the best interest of the strategic petroleum reserve in the long term.

Mr. DANNEMEYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to strongly and vigorously oppose the amendment offered by the gentleman from Pennsylvania (Mr. MARKS). The Marks amendment would do two things: First, it would substitute 140 million barrels of permanent storage capacity to be created by the existing Big Hill Dome project in Texas with an equivalent amount of storage capacity in new, aboveground steel tanks on Federal lands; second, the amendment extends the mandatory minimum fill rate from the 500-million-barrel level to the eventual fill level of 750 million barrels.

The Marks amendment should be rejected on procedural, administrative, and substantive policy grounds.

Procedurally, it is important to point out that this amendment was just recently brought to the attention of the House. The gentleman from Pennsylvania did indicate an interest in offering an amendment on the fill rate itself, but did not indicate that he would circumvent the Energy and Commerce Committee, of which he is a member, and bring this complex matter directly to the floor. In addition, the amendment has a direct hearing on the Federal lands policy of the U.S. Government, yet the Interior Committee has not been given a chance to review it. It is true that the Subcommittee on Fossil and Synthetic Fuels held a hearing on this subject in March of this year, an event to which I will return shortly. Nonetheless, the subcommittee's analysis of the steel tank storage option is yet to be resolved. The Department of Energy and

the General Accounting Office continually review SPR program activities.

Administratively, the amendment hamstrings the Department of Energy, which has the responsibility to implement our SPR program, subject to the oversight of the Congress. The amendment curcumvents the flexibility necessary to allow the executive branch and the Congress to evaluate the various options open to us to fill the SPR and make a decision based upon the most technically sound and fiscally prudent approach. A number of questions have been raised about the cost-effectiveness of the steel tank storage approach, which I will elaborate upon in just a few moments. At this point, suffice it to say that at a minimum, the jury is still out on the issue. Many of those, outside of the affected steel industry, who have reached a conclusion have reached a negative one. At best, the gentleman's amendment is ill-timed; at worst, it is ill-conceived.

Substantively, from a policy standpoint, the amendment is also flawed. The amendment seeks to replace the Big Hill Salt Dome project with the steel tank storage system. Yet, the Department of Energy's July 1981 planning report on the SPR estimated the current dollar steel tank storage facility costs at $12.95 per barrel for a 40-million-barrel facility. The "Dear Colleague" letter of the gentleman from Pennsylvania mentioned a figure of $8.50 to $8.70 per barrel. This is only the cost of the actual construction of the steel tanks themselves. A complete facility would include, in addition to the tanks themselves, attendant pipelines and terminals. An excellent article in the July 5, 1982, issue of Forbes magazine puts the cost of these additional facilities at $2.50 to $3 per barrel. Big Hill storage, by contrast, would be only $5.71 per barrel, according to the Energy Department report. In short—and let there be no mistake about it—the adoption of the pending amendment would replace a less expensive permanent storage approach with a much more expensive one. Coming off of the heels of the adoption of a budget resolution conference report with a deficit of $103.9 billion and billions more in "off-budget" spending, of which SPR oil acquisition costs are a part, spending more than is necessary for permanent storage is simply unwise. The Forbes article referred to earlier states that salt dome storage costs $2.50 per barrel to mine and only 10 cents per barrel annually to maintain. Granting the gentleman from Pennsylvania the benefit of the doubt through the use of the lower steel tank construction costs in the Forbes article compared to the Energy Department report he cited, leaves steel tanks as a bad deal. The total cost of steel tanks would be $10 per barrel, while the salt dome project at Big Hill would be $2.60.

The gentleman from Pennsylvania attempts to soften the fiscal impact of his amendment by arguing that use of steel tanks under his amendment would save money in two ways. First, and here I quote from his "Dear Colleague," "it eliminates a cost of $2.18 billion in interim or temporary storage costs that will be incurred if Senate-passed language is adopted, and $99 million in such interim or temporary storage costs under the language of the House bill as reported from committee."

The problem with this statement is as follows: As noted in general debate, the 200,000-barrel-per-day fill rate in H.R. 6337 will require some interim storage. Those interim storage needs will commence in fiscal year 1983 at 8 million barrels cumulative through the year, grow to 24 million barrels at the end of fiscal year 1984, peak at 48 million barrels at the end of fiscal year 1985, drop to 46 million barrels in fiscal year 1986, and drop off to only 16 million barrels in fiscal year 1987 as additional cavern capacity becomes available.

The steel tanks to be constructed by the gentleman's amendment will not be available in time to meet the interim storage requirements of the new, higher fill rate. I am advised that it would take approximately 3 years from the date of funding before new aboveground steel tank facilities would be available for oil fill. I offer the following items in support of this proposition:

The July 1981 Energy Department study on SPR acceleration estimated that if funds were available in October 1981 (fiscal year 1982), fill of new steel tanks could commence in fiscal year 1985.

Estimates provided to the Energy Department by the Chicago Bridge & Iron Co. in December 1981, indicate that if a construction contract had been awarded in January 1982, oil fill of new steel tanks could begin in mid-fiscal year 1985.

April 1982 estimates provided to the Energy Department by the firm, PLT Engineering, indicate that if funding were available in October 1982, initial fill of new steel tanks could commence in fiscal year 1986.

All of this assumes expeditious action on the project. The history of SPR and other Federal projects is replete with examples of delay due to unknown technical problems and external objections. I should point out that the waiver of the National Environmental Policy Act (NEPA) contained in H.R. 6337, applies only to existing facilities; it would not cover the tanks to be constructed pursuant to the gentleman's amendment. Environmental litigation and permit delays could easily set the schedule back a year or more.

Finally, I want to make reference to the letter dated June 22, 1982, from William A. Vaughan, Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness, addressed to the Honorable JAMES T. BROYHILL, the ranking minority member of the Energy and Commerce Committee:

> . . . one cannot assume, with a high degree of certainty, that oil cost savings from steel tank development would offset the added facilities development costs. A major factor in the cost of above ground storage is site selection since pipeline terminal, land acquisition, site preparation and tank foundation costs are all dependent on site location and condition. If the decision were made to accelerate strategic petroleum reserve permanent capacity, there is at least one option . . . an existing salt mine . . . which would cost less than new steel tanks.

In addition, Assistant Secretary Vaughan went on to voice objections to the mandatory nature of the amendment's language and express concerns about the vulnerability of above ground tanks to terrorist attacks or sabotage.

In summary, Mr. Chairman, the amendment should be rejected on several grounds. Procedurally, it circumvents the congressional committee process. Administratively, it denies the executive branch and the Congress the flexibility to examine all of the options on permanent storage—not just above ground steel tanks. Substantively, the amendment's plan for replacing Big Hill with steel tanks will cost more money, potentially delay the fill of the SPR to the ultimate level should delays set in on the steel tank project, and it raises questions about the security of the reserve.

Finally, as a I noted in general debate, this bill is a fine tuned effort at a bipartisan consensus. Adoption of the amendment would threaten the larger purposes served by the bill by complicating its further consideration.

□ 1600

The CHAIRMAN. The time of the gentleman from California (Mr. DANNEMEYER) has expired.

(At the request of Mr. MARKS and by unanimous consent, Mr. DANNYMEYER was allowed to proceed for 2 additional minutes.)

Mr. MARKS. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Pennsylvania.

Mr. MARKS. I thank the gentleman for yielding.

May I say that the gentleman has made some general statements that really, I think, would take too much time to refute at this point. They are refutable very easily. But the one statement that the gentleman makes

that I would appreciate the opportunity of refuting is in the numbers.

The numbers have been cast by the Corps of Engineers in construction with the numbers gotten from the Department of Energy, and they show that the cost of steel tanks, of filling 140 million barrels—that is what we are talking about—is $6.45 a barrel. That is $903 million.

The cost of the salt dome for the same thing at $6.31 is $883. That is $20 million more in that area that it would cost to build the steel tank.

But I call to the gentleman's attention that we would save $100 million in building the steel tanks because you would not have the cost of the temporary storage, so that is an $80 million net benefit to the steel tanks.

In addition to that the Government revenues that would be generated by the steel tanks amount by their figures to $392 million. Now $392 and $80 is $472 million that we would be ahead—ahead if we used the steel tanks under the present legislation.

So in all deference in respect to the gentleman, the figures that he has been given, by whomever he was given them by, certainly the Department of Energy, are not correct.

Mr. DANNEMEYER. I can only respond to the gentleman and note that he is from a portion of the great State of Pennsylvania and represents perhaps the views of the steel industry, which is entirely proper. The figures that I have related to the members of the committee come from a Forbe's article. I do not think they have a bias one way or the other, except to protect the interest of the taxpayers of this country; $10 per barrel above ground in steel tanks is far more costly than $2.60 per barrel in an unfilled salt dome.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

I am not going to take much time. I want to make a statement.

It appears from the record and the debate that there are some real nice questions, that it is not right that we consider because we have done things for so long, that is, storing in the salt domes, that we should continue to do it. I think there has been much evidence and facts developed to the extent that there is much need for the amendment. So I rise in strong support of the amendment as presented.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MARKS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MARKS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 170]

Addabbo	Dellums	Hall, Ralph
Akaka	DeNardis	Hall, Sam
Albosta	Derrick	Hamilton
Anderson	Derwinski	Hammerschmidt
Andrews	Dickinson	Hance
Annunzio	Dingell	Hansen (ID)
Anthony	Dixon	Hansen (UT)
Applegate	Donnelly	Harkin
Aspin	Dorgan	Hartnett
Atkinson	Dornan	Hawkins
AuCoin	Dougherty	Heckler
Badham	Dowdy	Hefner
Bafalis	Downey	Heftel
Bailey (MO)	Dreier	Hendon
Bailey (PA)	Duncan	Hertel
Barnes	Dunn	Hightower
Beard	Dwyer	Hiler
Bedell	Dymally	Hillis
Beilenson	Early	Hollenbeck
Benedict	Eckart	Holt
Benjamin	Edwards (AL)	Hopkins
Bennett	Edwards (CA)	Horton
Bereuter	Edwards (OK)	Howard
Bethune	Emerson	Hoyer
Bevill	Emery	Hubbard
Biaggi	English	Huckaby
Bingham	Erdahl	Hughes
Bliley	Erlenborn	Hunter
Boggs	Evans (DE)	Hutto
Boner	Evans (GA)	Hyde
Bonker	Evans (IA)	Ireland
Bouquard	Evans (IN)	Jacobs
Bowen	Fary	Jeffords
Breaux	Fascell	Jeffries
Brinkley	Fazio	Jenkins
Brodhead	Fenwick	Johnston
Brooks	Ferraro	Jones (OK)
Broomfield	Fiedler	Jones (TN)
Brown (CO)	Fields	Kastenmeier
Broyhill	Findley	Kazen
Burgener	Fish	Kemp
Burton, Phillip	Flippo	Kennelly
Butler	Florio	Kildee
Byron	Foglietta	Kindness
Campbell	Foley	Kogovsek
Carman	Ford (MI)	Kramer
Carney	Ford (TN)	LaFalce
Chappell	Forsythe	Lagomarsino
Chappie	Fountain	Lantos
Cheney	Fowler	Latta
Clausen	Frank	Leach
Clinger	Frenzel	Leath
Coats	Frost	LeBoutillier
Coelho	Fuqua	Lee
Coleman	Garcia	Leland
Collins (IL)	Gaydos	Lent
Collins (TX)	Gejdenson	Levitas
Conable	Gilman	Lewis
Conte	Gingrich	Livingston
Corcoran	Glickman	Loeffler
Coughlin	Goldwater	Long (LA)
Courter	Gonzalez	Long (MD)
Coyne, James	Goodling	Lott
Craig	Gore	Lowery (CA)
Crane, Daniel	Gradison	Lowry (WA)
Crane, Philip	Gramm	Lujan
Daniel, Dan	Gray	Luken
Daniel, R. W.	Green	Lundine
Dannemeyer	Gregg	Lungren
Daschle	Grisham	Madigan
Daub	Guarini	Markey
Davis	Gunderson	Marks
de la Garza	Hagedorn	Marlenee
Deckard	Hall (OH)	Marriott
Martin (NC)	Porter	Solarz
Martin (NY)	Price	Solomon
Matsui	Pritchard	Spence
Mattox	Pursell	St Germain
Mavroules	Quillen	Stanton
Mazzoli	Rahall	Staton
McClory	Railsback	Stenholm
McCollum	Rangel	Stokes
McCurdy	Ratchford	Stratton
McDade	Regula	Studds
McEwen	Reuss	Stump
McGrath	Richmond	Swift
McHugh	Rinaldo	Synar
McKinney	Ritter	Tauke
Mica	Roberts (KS)	Tauzin
Michel	Roberts (SD)	Taylor
Mikulski	Robinson	Thomas
Miller (OH)	Rodino	Traxler
Mineta	Roe	Trible
Minish	Roemer	Udall
Mitchell (MD)	Rogers	Vander Jagt
Mitchell (NY)	Rose	Vento
Moakley	Rosenthal	Volkmer
Molinari	Rostenkowski	Walgren
Montgomery	Roth	Walker
Moore	Roukema	Wampler
Moorhead	Rousselot	Washington
Morrison	Roybal	Watkins
Mottl	Rudd	Waxman
Murphy	Russo	Weaver
Murtha	Sabo	Weber (MN)
Myers	Sawyer	Weber (OH)
Napier	Schneider	White
Natcher	Schroeder	Whitehurst
Neal	Schulze	Whitley
Nelson	Seiberling	Whittaker
Nichols	Sensenbrenner	Whitten
Nowak	Shamansky	Williams (MT)
O'Brien	Shannon	Williams (OH)
Oakar	Sharp	Winn
Oberstar	Shaw	Wirth
Obey	Shelby	Wolf
Ottinger	Shumway	Wolpe
Oxley	Shuster	Wortley
Panetta	Simon	Wright
Parris	Skeen	Wyden
Pashayan	Skelton	Wylie
Patman	Smith (AL)	Yates
Patterson	Smith (IA)	Yatron
Paul	Smith (NE)	Young (FL)
Pease	Smith (NJ)	Young (MO)
Pepper	Smith (OR)	Zablocki
Perkins	Smith (PA)	Zeferetti
Petri	Snowe	
Pickle	Snyder	

□ 1620

The CHAIRMAN. Three hundred and eighty-five Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Pennsylvania (Mr. MARKS) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair reminds the Members that they will have 5 minutes in which to record their votes.

The vote was taken by electronic device, and there were—ayes 110, noes 282, not voting 40, as follows:

[Roll No. 171]

AYES—110

Albosta	Collins (IL)	Eckart
Annunzio	Coughlin	Emery
Applegate	Courter	Erlenborn
Atkinson	Coyne, James	Evans (IN)
Bailey (PA)	Crockett	Fary
Benedict	D'Amours	Fields
Benjamin	Davis	Findley
Bevill	DeNardis	Fish
Biaggi	Dougherty	Flippo
Broomfield	Dunn	Florio
Clinger	Dwyer	Ford (MI)

Frank	Miller (OH)	Rostenkowski
Frost	Mitchell (MD)	Russo
Gaydos	Mitchell (NY)	Sabo
Gilman	Moakley	Schneider
Gonzalez	Mottl	Schulze
Goodling	Murphy	Seiberling
Hall, Sam	Murtha	Sensenbrenner
Heckler	Natcher	Shelby
Hertel	Nichols	Skelton
Hillis	Nowak	Smith (AL)
Hollenbeck	O'Brien	Smith (NJ)
Hubbard	Oakar	Smith (PA)
Jeffords	Oberstar	Solarz
Kennelly	Obey	Solomon
Kindness	Ottinger	Stanton
LaFalce	Pepper	Stokes
Long (MD)	Perkins	Stratton
Luken	Price	Traxler
Lundine	Pursell	Walgren
Madigan	Quillen	Walker
Marks	Rahall	Washington
Martin (IL)	Railsback	Waxman
Martin (NY)	Rinaldo	Williams (OH)
McDade	Ritter	Yatron
McEwen	Rodino	Zablocki
Mikulski	Roe	

NOES—282

Addabbo	Dorgan	Hutto
Akaka	Dornan	Hyde
Anderson	Dowdy	Ireland
Andrews	Downey	Jacobs
Anthony	Dreier	Jeffries
Archer	Duncan	Jenkins
Aspin	Dymally	Johnston
AuCoin	Early	Jones (OK)
Badham	Edwards (AL)	Jones (TN)
Bafalis	Edwards (CA)	Kastenmeier
Bailey (MO)	Edwards (OK)	Kazen
Barnes	Emerson	Kildee
Beard	English	Kogovsek
Bedell	Erdahl	Kramer
Beilenson	Evans (DE)	Lagomarsino
Bennett	Evans (GA)	Lantos
Bereuter	Evans (IA)	Latta
Bethune	Fascell	Leach
Bingham	Fazio	Leath
Bliley	Fenwick	LeBoutillier
Boggs	Ferraro	Lee
Boner	Fiedler	Lehman
Bonker	Foglietta	Leland
Bouquard	Foley	Lent
Bowen	Ford (TN)	Levitas
Breaux	Forsythe	Lewis
Brinkley	Fountain	Livingston
Brodhead	Fowler	Loeffler
Brooks	Frenzel	Long (LA)
Brown (CO)	Fuqua	Lott
Broyhill	Garcia	Lowery (CA)
Burgener	Gejdenson	Lowry (WA)
Burton, Phillip	Gingrich	Lujan
Butler	Glickman	Lungren
Byron	Gore	Markey
Campbell	Gradison	Marlenee
Carman	Gramm	Marriott
Carney	Gray	Martin (NC)
Chappell	Green	Matsui
Chappie	Gregg	Mattox
Cheney	Grisham	Mavroules
Clausen	Guarini	Mazzoli
Coats	Gunderson	McClory
Coelho	Hagedorn	McCloskey
Coleman	Hall (OH)	McCollum
Collins (TX)	Hall, Ralph	McCurdy
Conable	Hamilton	McDonald
Conte	Hammerschmidt	McGrath
Conyers	Hance	McHugh
Corcoran	Hansen (ID)	McKinney
Craig	Hansen (UT)	Mica
Crane, Daniel	Harkin	Michel
Crane, Philip	Hartnett	Miller (CA)
Daniel, Dan	Hawkins	Mineta
Daniel, R. W.	Hefner	Minish
Dannemeyer	Heftel	Molinari
Daschle	Hendon	Montgomery
Daub	Hightower	Moore
de la Garza	Hiler	Moorhead
Deckard	Holt	Morrison
Dellums	Hopkins	Myers
Derrick	Horton	Neal
Derwinski	Howard	Nelson
Dickinson	Hoyer	Oxley
Dingell	Huckaby	Panetta
Dixon	Hughes	Parris
Donnelly	Hunter	Pashayan
Patman	Shamansky	Udall
Patterson	Shannon	Vander Jagt
Paul	Sharp	Vento
Pease	Shaw	Volkmer
Petri	Shumway	Wampler
Pickle	Shuster	Watkins
Pritchard	Simon	Weaver
Rangel	Skeen	Weber (MN)
Ratchford	Smith (IA)	Weber (OH)
Regula	Smith (NE)	White
Reuss	Smith (OR)	Whitehurst
Richmond	Snowe	Whitley
Roberts (KS)	Snyder	Whittaker
Roberts (SD)	Spence	Whitten
Robinson	St Germain	Williams (MT)
Roemer	Stark	Winn
Rogers	Staton	Wirth
Rose	Stenholm	Wolf
Rosenthal	Studds	Wolpe
Roth	Stump	Wortley
Roukema	Swift	Wright
Roybal	Synar	Wyden
Rudd	Tauke	Wylie
Savage	Tauzin	Yates
Sawyer	Taylor	Young (FL)
Scheuer	Thomas	Young (MO)
Schroeder	Trible	Zeferetti

NOT VOTING—40

Alexander	Edgar	Nelligan
Barnard	Ertel	Peyser
Blanchard	Fithian	Porter
Boland	Gephardt	Rhodes
Bolling	Gibbons	Rousselot
Bonior	Ginn	Santini
Brown (CA)	Goldwater	Schumer
Brown (OH)	Hatcher	Siljander
Burton, John	Holland	Stangeland
Chisholm	Jones (NC)	Weiss
Clay	Kemp	Wilson
Coyne, William	Moffett	Young (AK)
Dicks	Mollohan	
Dyson	Napier	

□ 1630

The Clerk announced the following pairs:

On this vote:

Mr. Mollohan for, with Mr. Schumer against.

Messrs. DUNN, STOKES, OBEY, and D'AMOURS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. HEFTEL. Mr. Chairman, I move to strike the requisite number of words.

It is my understanding that under existing law interim storage facilities for crude oil and products can be placed throughout the United States in those areas that are import-dependent and that H.R. 6337 restates that authority.

Mr. SHARP. Mr. Chairman, if the gentleman will yield. Yes, that is correct. Existing law does not limit the possibility that SPR storage, both permanent and interim, can be placed in refinery-dependent areas and import-dependent markets, such as the east coast and Hawaii. H.R. 6337 simply clarifies existing law by providing an explicit authorization for the use of interim storage.

Our committee recognized that prices in the world crude oil markets are relatively low and supplies are ample, so it is an appropriate time to buy oil. In this bill we have strengthened existing law regarding the fill rate and believe that a significant amount of interim storage will be required if the fill rate is to be achieved.

Mr. HEFTEL. I believe that interim storage, particularly if it is placed in import-dependent consuming areas, it is very important to our national security.

Mr. SHARP. I believe that those ideas have a great deal of merit. When our Subcommittee on Fossil and Synthetic Fuels held hearings on the strategic petroleum reserve, we received testimony advocating that we purchase as much oil as possible in light of today's depressed oil prices, accelerate the fill rate, utilize interim storage, and place that storage in import-dependent areas. H.R. 6337 would certainly authorize those actions. In addition, I believe that creation of permanent regional reserves should be very seriously considered by the Department of Energy.

Mr. HEFTEL. Hawaii imports 92 percent of the energy it consumes. If an embargo or shortage were to occur, we would experience servere economic hardship. Accordingly, I also endorse the use of interim storage as authorized by existing law and restated in H.R. 6337. I believe that interim storage should be placed in those areas of the country, Hawaii and the east coast, that are particularly vulnerable to oil disruptions.

Moreover, section 157 of the Energy Policy and Conservation Act requires the establishment of a permanent regional petroleum reserve to serve those areas that are highly dependent on imported petroleum. Hawaii has a great need for a regional reserve to store jet fuel which accounts for one-third of the total energy consumed in the State. Additionally, as the State is dependent on its refineries that must rely on imported crude oil, the State has an even greater need for a regional reserve to store crude oil. A regional reserve containing both product and crude oil would provide for the security of my State and the security of the Nation.

I was particularly pleased to learn of the passage by the Senate of the amendment on the regional petroleum reserve. That amendment, sponsored by Senator D'AMATO, would require the Department of Energy to conduct a study on the need for establishing a regional petroleum reserve. I would urge that the amendment be accepted by the House conferees on this bill.

Additionally, if a study of the regional petroleum reserve is undertaken by DOE, I believe that the study at the very least should include three major elements: First, it should analyze DOE's capability to move oil from the SPR to distant areas such as Hawaii in a timely manner; second, an economic analysis should examine the cost of establishing regional petroleum reserves, including the full costs of

transportation; third, it should consider the availability and cost of shipping during a severe petroleum supply disruption. Finally, I would hope that this study could be completed before December 31, 1982, the date that is mandated in the Senate amendment.

Mr. SHARP. I thank the gentleman from Hawaii. His comments on placement of interim storage in import-dependent areas and on the need for regional petroleum reserves are particularly well taken. I know my colleague from Connecticut is also interested in the issue of regional storage. I would also hope that the House conferees would give every consideration to the Senate amendment which calls for a study of the need for regional petroleum reserves.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 9, after line 18, insert the following new subsection:

"(d) STRATEGIC ALCOHOL FUEL RESERVE REPORT.—The Secretary of Energy shall, in consultation with the Secretary of Agriculture, prepare and transmit to the Congress no later than Decmeber 31, 1982, a comprehensive study of the potential for establishing a Strategic Alcohol Fuel Reserve. Such study shall contain—

(1) an assessment of the priority end uses which could be satisfied by use of alcohol in lieu of petroleum products;

(2) an evaluation of the relative economic benefits of establishing a Strategic Alcohol Fuel Reserve to supplement or supplant a portion of the Strategic Petroleum Reserve including projections of relative costs, impacts on balance of trade, and domestic employment;

(3) an analysis off the projected impact on the cost and operation of agricultural programs administered by the federal government, including but not limited to estimated impacts on prices of domestic agricultural commodities and the cost of storage thereof; and

(4) assessments of alternative storage and distribution options."

And redesignate subsequent subsections accordingly.

Mr. GLICKMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, the intent of this amendment is simple and straightforward. It is to require the Energy Department to look at the potential of establishing a strategic alcohol fuel reserve to supplement or possibly supplant in part the strategic petroleum reserve.

I have several reasons for seeking this study:

First, I have been a strong supporter of SPRO. I am convinced that it is absolutely essential to protect our economy in the event of an oil cutoff. I want to make sure that we do everything we can to fill the SPRO as quickly and at the most reasonable cost we can.

Second, using alcohol to meet our energy reserve requirements could indeed result in overall savings to the Federal Government for a number of reasons that need more precise evaluation. We currently have sizable carryovers of corn and wheat in this country, about 2 billion bushels of corn and over 1 billion bushels of wheat, which create sizable costs to the Government in terms of supporting commodity prices and storage of the carryovers. Those costs could potentially be saved in large part by putting that grain to productive use.

Third, if it is indeed a cost-effective way to go, I would prefer to see us meet as much of our energy needs as we possibly can from domestic resources. Presently, as I understand it, a sizable portion of the petroleum used to fill SPRO has been imported. Those imports stimulate foreign economies when our own economy could certainly stand the boost that many studies have shown would occur with a growing alcohol fuel industry.

And, fourth, rural areas of this country are particularly sensitive to energy shortfalls. In many, many cases, rural areas find themselves at the end of the energy pipeline, and, as we have recognized in the various standby emergency energy plans adopted in recent years, the agricultural sector is particularly vulnerable to being cutoff. Having a reserve of an energy alternative like alcohol which is particularly suited for rural areas would be especially helpful in meeting that priority need.

Domestic alcohol for fuel production is increasing, and we certainly have the raw materials from which it can be produced readily available. Alcohol has been shown to be a particularly attractive fuel which can extend gasoline supplies for transportation uses and boost octane.

I hope my colleagues will see fit to mandate this study. I understand, in response to a request by Senator PERCY of Illinois, that the Department of Energy has taken an initial look at this, but that they feel the study is premature at this point in time. The reasoning for not moving ahead is not valid and is based on information that is out of date. It is definitely not premature to undertake this assessment. In fact, if we do not check it out now, we could very well miss an opportunity to take what appears to be a very logical step to save tax dollars, bolster our farm economy, and enhance our energy security. Adoption of this amendment will let the Energy Department know that we take this option seriously and that it should be carefully analyzed, not discounted out of hand.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, the gentleman's amendment entails no additional cost to the taxpayer. I think it is worthy that the Department examine this important idea and report back to us. Certainly on our side we are glad to accept the amendment.

□ 1640

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am glad to yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, the gentleman has discussed this amendment with the minority side, and we support the study that he is asking for in this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to be offered to this bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore. (Mr. WRIGHT) having assumed the chair, Mr. HALL of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6337) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, and for other purposes, pursuant to House Resolution 510, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Two hundred and sixty-three Members are present, a quorum.

Mr. RUSSO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 396, nays 3, not voting 33, as follows:

[Roll No. 172]

YEAS—396

Addabbo	DeNardis	Hansen (ID)
Akaka	Derrick	Hansen (UT)
Albosta	Derwinski	Harkin
Anderson	Dickinson	Hartnett
Andrews	Dingell	Hawkins
Annunzio	Dixon	Heckler
Anthony	Donnelly	Hefner
Applegate	Dorgan	Heftel
Archer	Dornan	Hendon
Aspin	Dowdy	Hertel
Atkinson	Downey	Hightower
AuCoin	Dreier	Hiler
Badham	Duncan	Hillis
Bafalis	Dunn	Hollenbeck
Bailey (MO)	Dwyer	Holt
Bailey (PA)	Dymally	Hopkins
Barnes	Early	Horton
Beard	Eckart	Howard
Bedell	Edwards (AL)	Hoyer
Beilenson	Edwards (CA)	Hubbard
Benedict	Edwards (OK)	Huckaby
Benjamin	Emerson	Hughes
Bennett	Emery	Hunter
Bereuter	English	Hutto
Bethune	Erdahl	Hyde
Bevill	Erlenborn	Ireland
Biaggi	Evans (DE)	Jacobs
Bingham	Evans (GA)	Jeffords
Bliley	Evans (IA)	Jeffries
Boggs	Evans (IN)	Jenkins
Boner	Fary	Johnston
Bonior	Fascell	Jones (OK)
Bonker	Fazio	Jones (TN)
Bouquard	Fenwick	Kastenmeier
Bowen	Ferraro	Kazen
Breaux	Fiedler	Kemp
Brinkley	Fields	Kennelly
Brodhead	Findley	Kildee
Brooks	Fish	Kindness
Broomfield	Flippo	Kogovsek
Broyhill	Florio	Kramer
Burgener	Foglietta	LaFalce
Burton, Phillip	Foley	Lagomarsino
Butler	Ford (MI)	Lantos
Byron	Ford (TN)	Latta
Campbell	Forsythe	Leach
Carman	Fountain	Leath
Carney	Fowler	LeBoutillier
Chappell	Frank	Lee
Chappie	Frenzel	Lehman
Cheney	Frost	Leland
Chisholm	Fuqua	Lent
Clausen	Garcia	Levitas
Clinger	Gaydos	Lewis
Coats	Gejdenson	Livingston
Coelho	Gephardt	Loeffler
Coleman	Gibbons	Long (LA)
Collins (IL)	Gilman	Long (MD)
Collins (TX)	Gingrich	Lott
Conable	Glickman	Lowery (CA)
Conte	Goldwater	Lowry (WA)
Conyers	Gonzalez	Lujan
Corcoran	Goodling	Luken
Coughlin	Gore	Lundine
Courter	Gradison	Lungren
Coyne, James	Gramm	Madigan
Craig	Gray	Markey
Crane, Daniel	Green	Marks
Crockett	Gregg	Marlenee
D'Amours	Grisham	Marriott
Daniel, Dan	Guarini	Martin (IL)
Daniel, R. W.	Gunderson	Martin (NC)
Dannemeyer	Hagedorn	Martin (NY)
Daschle	Hall (OH)	Matsui
Daub	Hall, Ralph	Mattox
Davis	Hall, Sam	Mavroules
de la Garza	Hamilton	Mazzoli
Deckard	Hammerschmidt	McClory
Dellums	Hance	McCloskey
McCollum	Rahall	Solomon
McCurdy	Railsback	Spence
McDade	Rangel	St Germain
McDonald	Ratchford	Stangeland
McEwen	Regula	Stanton
McGrath	Reuss	Stark
McHugh	Richmond	Staton
McKinney	Rinaldo	Stenholm
Mica	Ritter	Stokes
Michel	Roberts (KS)	Stratton
Mikulski	Roberts (SD)	Studds
Miller (CA)	Robinson	Stump
Miller (OH)	Rodino	Swift
Mineta	Roe	Synar
Minish	Roemer	Tauke
Mitchell (MD)	Rogers	Tauzin
Mitchell (NY)	Rose	Taylor
Moakley	Rosenthal	Thomas
Molinari	Rostenkowski	Trible
Montgomery	Roth	Udall
Moore	Roukema	Vander Jagt
Moorhead	Roybal	Vento
Morrison	Rudd	Volkmer
Mottl	Russo	Walgren
Murphy	Sabo	Walker
Murtha	Santini	Wampler
Myers	Savage	Washington
Napier	Sawyer	Watkins
Natcher	Scheuer	Waxman
Neal	Schneider	Weaver
Nelson	Schroeder	Weber (MN)
Nichols	Schulze	Weber (OH)
Nowak	Seiberling	White
O'Brien	Sensenbrenner	Whitehurst
Oakar	Shamansky	Whitley
Oberstar	Shannon	Whittaker
Obey	Sharp	Whitten
Oxley	Shaw	Williams (MT)
Panetta	Shelby	Williams (OH)
Parris	Shumway	Winn
Pashayan	Shuster	Wirth
Patman	Simon	Wolf
Patterson	Skeen	Wolpe
Pease	Skelton	Wortley
Pepper	Smith (AL)	Wright
Perkins	Smith (IA)	Wyden
Petri	Smith (NE)	Wylie
Pickle	Smith (NJ)	Yates
Porter	Smith (OR)	Yatron
Price	Smith (PA)	Young (FL)
Pritchard	Snowe	Young (MO)
Pursell	Snyder	Zablocki
Quillen	Solarz	Zeferetti

NAYS—3

Brown (CO)	Crane, Philip	Paul

NOT VOTING—33

Alexander	Dougherty	Nelligan
Barnard	Dyson	Ottinger
Blanchard	Edgar	Peyser
Boland	Ertel	Rhodes
Bolling	Fithian	Rousselot
Brown (CA)	Ginn	Schumer
Brown (OH)	Hatcher	Siljander
Burton, John	Holland	Traxler
Clay	Jones (NC)	Weiss
Coyne, William	Moffett	Wilson
Dicks	Mollohan	Young (AK)

□ 1700

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SHARP. Mr. Speaker, pursuant to the provisions of House Resolution 510, I call up from the Speaker's table the Senate bill (S. 2332) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. SHARP

Mr. SHARP. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SHARP moves to strike out all after the enacting clause of the Senate bill, S. 2332, and to insert in lieu thereof the provisions of the bill, H.R. 6337, as passed, as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Energy Emergency Preparedness Act of 1982".

SEC. 2. EXTENSION OF CERTAIN INTERNATIONAL ENERGY PROGRAM AUTHORITIES.

Subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "June 1, 1982" and inserting in lieu thereof "June 30, 1985".

SEC. 3. STRATEGIC PETROLEUM RESERVE AMENDMENTS.

(a) REQUIRED RATE FOR FILLING RESERVE.—

(1) IN GENERAL.—Subsection (c) of section 160 of the Energy Policy and Conservation Act (42 U.S.C. 6240(c)) is amended to read as follows:

"(c)(1) The President shall immediately undertake, and thereafter continue (subject to paragraph (2)), petroleum product acquisition, transportation, and injection activities at a level sufficient to assure that the quantity of petroleum products in the Strategic Petroleum Reserve in permanent or interim storage facilities will be increased at an average annual rate of at least 200,000 barrels per day. In addition, the President shall seek to undertake such activities at a level sufficient to assure that such quantities in the Reserve are increased at an average annual rate of at least 300,000 barrels per day during periods in which the President considers it fiscally prudent to do so.

"(2) The requirements in paragraph (1) shall cease to apply when the quantity of petroleum products stored within the Strategic Petroleum Reserve is at least 500,000,000 barrels; except that, until the quantity of petroleum products stored in the Reserve is at least 750,000,000 barrels, the President shall seek to continue petroleum product acquisition, transportation, and injection activities at the appropriate level prescribed under paragraph (1).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect July 1, 1982.

(b) INTERIM STORAGE.—

(1) AUTHORITY FOR IMPLEMENTATION.—Section 159(f) of the Energy Policy and Conservation Act (42 U.S.C. 6239(f))is amended by striking out "and" at the end of paragraph (3), by striking out the comma at the end of paragraph (4) and inserting "; and" in lieu thereof, and by inserting after paragraph (4) the following new paragraph:

"(5) the storage of petroleum products in interim storage facilities,".

(2) USE OF SPR PETROLEUM ACCOUNT; CONFORMING AMENDMENTS.—(A) Section 167 of the Energy Policy and Conservation Act (95 Stat. 619) is amended by adding at the end thereof the following:

"(e)(1) Except as provided in paragraph (2), nothing in this part shall be construed—

"(A) to limit the Account from being used to meet expenses relating to interim facilities for the storage of petroleum products for the Strategic Petroleum Reserve; and

"(B) to require any amendment to the Strategic Petroleum Reserve Plan prior to

the storage of petroleum products in interim storage facilities.

"(2) In any fiscal year, amounts in the Account may not be obligated for expenses relating to interim storage facilities in excess of 10 percent of the total amounts in the Account obligated in such fiscal year. If the amount obligated in any fiscal year for interim storage expenses is less than the amount of the 10-percent limit under the preceding sentence for that fiscal year, then the amount of the 10-percent limit applicable in the following fiscal year shall be increased by the amount by which the limit exceeded the amount obligated for such expenses.

"(f)(1) No action relating to the storage of petroleum products in an existing facility for interim storage in the Reserve shall be deemed to be 'a major Federal action significantly affecting the quality of the human environment' within the meaning of that term as it is used in section 102(2)(C) of the National Environment Policy Act of 1969.

"(2) For purposes of this subsection, a facility shall be considered to be an existing facility if it—

"(i) is in existence on July 1, 1982;

"(ii) was constructed in a manner appropriate for the purpose of storing petroleum products; and

"(iii) is not modified after July 1, 1982, in any manner which substantially increases the storage capacity of the facility. Any modification of such facility may not include replacement or reconstruction.

"(g) Petroleum products stored in interim storage facilities pursuant to this part shall be considered to be in storage in the Reserve.".

(B) Section 160(e)(4) of such Act (42 U.S.C. 6240(e)(4)) is amended by striking out "crude oil" and inserting in lieu thereof "petroleum product".

SEC. 4. CONTINUATION OF PETROLEUM PRODUCT INFORMATION COLLECTION.

(a) IN GENERAL.—Part A of title V of the Energy Policy and Conservation Act (42 U.S.C. 6381 and following) is amended by adding at the end thereof the following new section:

"PETROLEUM PRODUCT INFORMATION

"SEC. 507. The President or his delegate shall, pursuant to authority otherwise available to the President or his delegate under any other provision of law, collect information on the pricing, supply, and distribution of petroleum products by product category at the wholesale and retail levels, on a State-by-State basis.".

(b) CLERICAL AMENDMENT.—The table of contents for such Act is amended by inserting the following new item after the item relating to section 506:

"Sec. 507. Petroleum product information.".

SEC. 5. REPORTS TO CONGRESS ON PETROLEUM SUPPLY DISRUPTIONS.

(a) DESCRIPTION OF AVAILABLE LEGAL AUTHORITIES AND IMPLEMENTATION.—The President shall prepare and submit to the Congress no later than October 30, 1982, a report containing—

(1) a memorandum of law describing the nature and extent of the authorities available to the President under existing law to respond to a severe energy supply interrruption or other substantial reduction in the amount of petroleum products available to the United States, and

(2) a description of the various options the President may use to implement the authorities described under paragraph (1) to respond to such a reduction, including a description of the likely sequence in which such options would be taken.

(b) IMPACT ANALYSIS.—(1) The Secretary of Energy shall analyze the impact on the domestic economy and on consumers in the United States of reliance on market allocation and pricing during any substantial reduction in the amount of petroleum products available to the United States. In making such analysis, the Secretary of Energy may consult with the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Office of Management and Budget, and the heads of other appropriate Federal agencies. Such analysis shall—

(a) examine the equity and efficiency of such reliance,

(B) distinguish between the impacts of such reliance on various categories of business (including small business) and on households of different income levels,

(C) specify the nature and administration of monetary and fiscal policies that would be followed including emergency tax cuts, emergency block grants, and emergency supplements to income maintenance programs, and

(D) describe the likely impact that State and local laws and regulations (including emergency authorities) affecting the distribution of petroleum products would have on the distribution of petroleum products.

Such analysis shall include projections of the effect of the petroleum supply reduction on the price of motor gasoline, home heating oil, and diesel fuel, and on Federal tax revenues, Federal royalty receipts, and State and local tax revenues.

(2) Within one year after the date of the enactment of this Act, the Secretary of Energy shall submit a report to the Congress and the President containing the analysis required by this subsection along with such recommendations as the Secretary of Energy deems appropriate.

(c) STRATEGIC PETROLEUM RESERVE REPORT.—The President shall prepare and transmit to the Congress no later than October 30, 1982, a report containing—

(1) a description of the foreseeable situations (including selective and general embargoes, sabotage, war, act of God, or accident) which could result in a severe energy supply interruption or obligations of the United States arising under the international energy program necessitating distributions from the Strategic Petroleum Reserve, and

(2) a description of the strategy or alternative strategies of distribution which could reasonably be used to respond to each situation described under paragraph (1), together with the theory and justification underlying each such strategy.

The description of each strategy under paragraph (2) shall include an explanation of the methods which could be used to determine the price and distribution of crude oil from the Reserve in any such distribution, and an explanation of the disposition of revenues arising from sales of any such crude oil under the strategy.

(d) STRATEGIC ALCOHOL FUEL RESERVE REPORT.—The Secretary of Energy shall, in consultation with the Secretary of Agriculture, prepare and transmit to the Congress no later than December 31, 1982, a comprehensive study of the potential for establishing a Strategic Alcohol Fuel Reserve. Such study shall contain—

(1) an assessment of the priority end uses which could be satisfied by use of alcohol in lieu of petroleum products;

(2) an evaluation of the relative economic benefits of establishing a Strategic Alcohol Fuel Reserve to supplement or supplant a portion of the Strategic Petroleum Reserve including projections of relative costs, impacts on balance of trade, and domestic employment;

(3) an analysis of the projected impact on the cost and operation of agricultural programs administered by the Federal Government, including but not limited to estimated impacts on prices of domestic agricultural commodities and the cost of storage thereof; and

(4) assessments of alternative storage and distribution options.

(e) MEANING OF TERMS.—As used in this section, the terms "international energy program", "petroleum product", "Reserve", "severe energy supply interruption", and "Strategic Petroleum Reserve" have the meanings given such terms in section 3 and 152 of the Energy Policy and Conservation Act (42 U.S.C. 6202 and 6232).

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 6337) was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 92) entitled "Concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982."

The message also announced that the Senate agrees to the amendment of the House to the concurrent resolution (S. Con. Res. 92) entitled "Concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WRIGHT). Pursuant to rule XLIX, as a result of the adoption by the House and Senate of Senate Concurrent Resolution 92, as amended, the Chair an-

nounces that House Joint Resolution 519, to provide for a temporary increase in the public debt, and House Joint Resolution 520, to provide for a temporary increase in the public debt limit, have been engrossed and are deemed to have been passed by the House.

The Clerk will notify the Senate of the action of the House.

THE RIGHT TO WORK MUST BE DEFENDED

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BLILEY. Mr. Speaker, I come before this body today to talk about one man's courage, that man is Dan Fouts. Most of you know him as the all-pro quarterback of the San Diego Chargers. Quarterback is a position requiring a lot of courage considering the size of defensive ends these days. However, I did not come to talk about football, I came to talk about constitutional rights, rights that every member of this body has sworn to uphold.

In 1977, Dan Fouts resigned his membership from the National Football League Players Association due to what he characterized as fundamental differences. His separation from the union came into the national spotlight at the end of last season when the players association threatened to strike if Mr. Fouts was not barred from the last game of the season until he paid his union dues. As we all know, a loyal fan paid the dues and a strike was averted.

When Dan Fouts was asked why he refused to capitulate to union blackmail, he said:

I've always felt that one of the most basic of our freedoms is the right to earn a living through our free enterprise system. An essential part of our American heritage is the right to free speech and free association, the right to join or not to join any organization.

Mr. Fouts has shown as much courage off the playing field as on. He has stood up for his rights under the Constitution. It is the duty of this body as the defenders of the Constitution to protect Mr. Fouts and those like him who have been forced to pay union dues or suffer the consequences.

The Richmond News Leader in my hometown recently printed an editorial about Dan Fouts, and I include it for printing in the RECORD at this point:

[From the Richmond Times-Dispatch, May 11, 1982]

DAN FOUTS' STAND

Dan Fouts of the San Diego Chargers is a National Football League quarterback who has shown courage off the field as well as on. He has displayed as much "cool" in the face of pressure from the league's compulsory unionists as he customarily does when dogged by half a ton of prime defensive beef. For his moxie, Mr. Fouts was given the Everett M. Dirksen Award of the National Right to Work Committee at a banquet in Washington last Friday.

Mr. Fouts' off-the-field battle began in 1977 when, because of what he described as "fundamental differences" between himself and the National Football League's Players Association (NFLPA), he resigned his NFLPA membership. In 1978 he paid, under formal protest, the fees the NFLPA charges all NFL players, but since then he has refused to pay these forced union dues.

The NFLPA has not taken kindly to Mr. Fouts' display of independence. Just before the Chargers' final regular-season game last December against the Oakland Raiders, NFLPA chieftain Ed Garvey threatened a players' strike unless Chargers' owner Eugene Klein barred Mr. Fouts from playing until he paid $1,122 in back dues. Both Mr. Klein and Mr. Fouts refused to capitulate to this blackmail, but a Chargers' fan ended that particular crisis by paying the back dues. The issue is sure to rise again, however, because Mr. Fouts, an all-pro quarterback, has vowed not to pay the dues in the future.

Mr. Fouts explained that "I've always felt that one of the most basic of our freedoms is the right to earn a living through our nation's free enterprise system. An essential part of our American heritage is the right of free speech and free association—the right to voluntarily join—or not join—any organization."

Two former Baltimore Colts' greats—quarterback Johnny Unitas and linebacker Mike Curtis—joined the Right to Work Committee in hailing Mr. Fouts' stand. It is encouraging to know that some professional athletes believe that freedom of action means something more profound than just bursting through the secondary unhindered for a touchdown.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The Chair desires at this time to make a further announcement that it is the intention of the Chair to recognize the gentleman from Wisconsin (Mr. ZABLOCKI), the chairman of the Committee on Foreign Affairs, for official business.

The Chair further wishes to advise the Members that there is a possibility of further legislative business today which could relate to action on the supplemental appropriations bill and the Chair would recommend to the Members that, for the time being, at least, awaiting the decision of the other body, the Members should remain available for the possibility of further action on the House floor this evening.

REQUEST FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 494, REGARDING PRESIDENTIAL CERTIFICATION ON CONDITIONS IN EL SALVADOR

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the joint resolution (H.J. Res. 494) with regard to Presidential certifications on conditions in El Salvador, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. GILMAN. Mr. Speaker, I reserve the right to object, and I ask the gentleman from Maryland (Mr. BARNES) if he would explain the measure to us.

Mr. HARTNETT. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. ZABLOCKI. Mr. Speaker, I would hope that the gentleman would withhold his objection. The chairman of the Foreign Affairs Committee would like to explain what we are trying to do.

The SPEAKER pro tempore. Does the gentleman from South Carolina reserve the right to objection?

Mr. HARTNETT. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

STUART H. JOHNSON, JR.

(Mr. KASTENMEIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASTENMEIER. Mr. Speaker, it saddens me to report the death of a friend of many of us who was also a former counsel to the Committee on the Judiciary, Stuart H. Johnson, Jr., on June 12, 1982. Stuart Johnson, who worked for the committee from 1962 until 1966, served the committee well in his capacity as chief counsel to the Antitrust Subcommittee. The breadth and scope of his legal expertise in the fields of antitrust and civil rights were of tremendous value to the committee's deliberations. Many of us on the Judiciary Committee continued over these many years to value Stuart's counsel over a wide range of issues.

But Stuart Johnson's achievements did not end when he left the committee. He was a man committed to his community and his profession. He was chairman of the committee on drafting model rules of evidence for the Federal Bar Association, for which he was awarded a citation by the association. He was active in the Democratic Party on many levels. In 1968, he worked on the McCarthy Presidential campaign.

Stuart remained active until his untimely death. His civic activities were not only partisan. Stuart Johnson was a sensitive and caring man who engaged himself in many endeavors in his community on behalf of causes

which centered on principles of civil rights and civil liberties.

I could list many more accomplishments, but I prefer to pay tribute to Stuart Johnson, the man. His spirit was indomitable; he let no obstacles deter him from his purpose or his goal. The tragic accident which led to his death has robbed us all.

I am sure you join me in expressing sympathy, to his wife Katie and his family in sharing the sorrow of the loss of a friend.

PERSONAL EXPLANATION

Mr. McCOLLUM asked an was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, earlier today I missed the recorded vote and rollcalls on Senate Concurrent Resolution 98, commending Thailand on its bicentennial anniversary, and on H.R. 6631, humanitarian aid to the People of Lebanon. I was unavoidably detained on official business.

Had I been present for those 2 votes, I would have voted "yes" on Senate Concurrent Resolution 98, and "yes" on H.R. 6631.

AUTHORIZING THE SPEAKER TO DECLARE RECESSES ON JUNE 24, 1982

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare recesses at any time on Thursday, June 24, 1982, subject to the call of the Chair.

The SPEAKER pro tempore (Mr. PANETTA). Is there objection to the request of the gentleman from Texas?

Mr. LOTT. Reserving the right to object, Mr. Speaker—and I do not intend to object—I would like to inquire of the distinguished majority leader as to what the schedule will be for the balance of the day and the anticipated schedule for Thursday and the balance of the week.

Mr. WRIGHT. It is expected that, for the balance of the day and for part of tomorrow perhaps, the House may adopt some rules in order that the bills would be ready for our consideration after we return from the home district work period.

Let me just explain to the distinguished minority whip the reason for the request.

The other body has not yet acted upon our shortened supplemental appropriation bill which we sent to them earlier today. It is uncertain what action they may take, whether they may see fit to add additional matter to the legislation and return it to us.

This matter has been discussed with the minority leader, and at this moment I am advised that the minority leader is in consultation with the Speaker with respect to the best way in which to handle this situation in the event the other body might encumber that legislation with extraneous material, in which event the only reasonable thing at the moment is to ask the privilege that the Speaker might declare recesses tomorrow for the purpose of our awaiting a moment of timely action if it should be necessary.

□ 1710

Mr. LOTT. Further reserving the right to object. Then, as I understand it, we do not anticipate any further legislative business today; is that correct?

Mr. WRIGHT. It would be my earnest hope that we would not find it necessary to have any further legislative business today, aside from the adoption of rules. The only exception to that might arise in the event that the Members of the other body, in their wisdom, should see fit to attach extraneous material to the supplemental appropriations bill which we have sent to them, in which event a judgment would be made, jointly, with the leadership on the gentleman's side, along with that on my side, as to how to proceed.

It is conceivable we might decide we wanted to proceed this evening with a very simple and straight forward motion; but that remains to be seen.

Mr. LOTT. If I understand the gentleman correctly, it is possible that we might yet still have further legislative business this afternoon?

Mr. WRIGHT. I thank the gentleman for making that point clear. It is possible and it depends entirely upon circumstances beyond the control of this body.

Mr. LOTT. So all Members will have this information, does the gentleman anticipate that there will be votes on rules tomorrow?

Mr. WRIGHT. The votes on the rules and no other legislative business is anticipated except with the possibility of our having to act once again upon the emergency supplemental appropriations bill.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Further reserving the right to object, I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

There is also the possibility tomorrow that we may have a veto of the urgent supplement, and there may be a vote on whether we override the veto or not.

Mr. WRIGHT. The gentleman, of course, is correct. What he says is exactly right and is in harmony with the earlier comment.

The only other remaining business would have to do with any action that we might find it necessary to take with respect to the urgent supplemental appropriations bill, and beyond that it is impossible to forecast at this moment.

Mr. CONTE. We may be in this predicament: If the President vetoes the bill, if we take it up tonight and he vetoes the bill, and it is sustained by the House, then we are going to have to come in with this urgent supplemental so all these people will not be RIFed and furloughed and we will have a fight maybe coming up on that.

Mr. WRIGHT. I think the gentleman from Massachusetts is exactly correct. We in the House want to behave in a responsible way and a way in which there is not a stoppage of necessary Government activities, and I know that sentiment is shared equally on both sides of this aisle. It is the sentiment of the Republican and Democratic Members alike and, therefore, if it is necesssary for us to stay in session, to fulfill that objective and to perform our duties, rather than being led into an extraneous quarrel about secondary matters, then I think it is necessary for us to leave it possible for us to have this tool available to the leadership tommorrow.

Mr. LOTT. Further reserving the right to object, I believe the gentleman is saying that our fate appears to be in the hands of the lower body, at this time; is that correct?

Mr. WRIGHT. Depending upon the gentleman's perspective.

Mr. CONTE. If the gentleman will yield further, I want to take this opportunity to commend the Democratic leadership for the cooperation that they have shown on this urgent supplemental. A lot of the Members over there submerged their own feelings, which were very, very deep, very, very strong, on the housing bill and the tax credit, and then when it got over to the other body, controlled by my own party, nobody was under control.

Mr. MYERS. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Indiana.

Mr. MYERS. I thank the gentleman for yielding.

The ranking Republican member of the Appropriations Committee has just suggested that we might be working later tonight or tomorrow on a veto of the urgent supplemental appropriations bill.

I am confused a little bit. Is that the urgent supplemental bill that we first took up last March?

Mr. CONTE. If the gentleman will yield, March 23.

Mr. MYERS. Or the one that was conceived last night?

Mr. CONTE. March 23.

Mr. MYERS. That is the first urgent supplemental?

Mr. CONTE. It has had about 15 blood transfusions. It is gasping for its last breath.

Mr. MYERS. I did not know it was still alive. I was surprised to see that it has been resurrected over in the other body.

Mr. CONTE. They have it on an oxygen tank over there right now.

Mr. MYERS. I think it needs more than oxygen.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from California.

Mr. LUNGREN. I thank the gentleman for yielding.

As I understand this request, this is a request for permission for the Speaker tomorrow to have us in recess during periods of time while we are awaiting action from the other body, and since we might have that available time I would like to address a question to the distinguished majority leader.

Would there be any possibility that we might see the rule on a regulation reform bill that was passed out of my Judiciary Committee so many months ago that a colleague of mine from California (Mr. DANIELSON) was still serving here. He has been on the bench in California for a number of months now. I would hope maybe as a memorium to his service that we might be able to consider that.

Is that a possibility?

Mr. WRIGHT. All things are possible to them who have faith.

Mr. LUNGREN. Could the gentleman inform us if it is likely that we might consider that?

There are a lot of people who believe that is fairly urgent and we cannot even see to get the light of day here on that issue.

Mr. WRIGHT. The gentleman would summon forth more faith than the majority leader possesses in order to elicit a responsive likelihood.

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 400, AUTHORIZING CONSTRUCTION OF FRANKLIN DELANO ROOSEVELT MEMORIAL

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 508 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 508

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 400) to authorize and direct the Secretary of the Interior, subject to the supervision and approval of the Franklin Delano Roosevelt Memorial Commission, to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes, and the first reading of the Joint Resolution shall be dispensed with. After general debate, which shall be confined to the joint resolution and shall continue not to exceed one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of House Joint Resolution 400, the Committee on House Administration shall be discharged from the further consideration of Senate Joint Resolution 95, and it shall then be in order to consider said joint resolution in the House.

The SPEAKER pro tempore. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield the usual 30 minutes, for debate only, to my distinguished friend and colleague, the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

□ 1720

Mr. Speaker, House Resolution 508 provides for the consideration of House Joint Resolution 400, authorizing funds to proceed with the construction of a Franklin Delano Roosevelt memorial.

This is a simple, open rule allowing the offering of any germane amendment to the joint resolution when it is read for amendment under the 5-minute rule.

Mr. Speaker, the rule allows 1 hour of general debate, which is to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration. A motion to recommit is also provided.

After passage of House Joint Resolution 400, the Committee on House Administration is to be discharged from further consideration of the Senate companion bill, Senate Joint Resolution 95. It shall then be in order to consider the Senate joint resolution in the House.

Mr. Speaker, the FDR Commission was established in 1955 for the purpose of formulating plans for a permanent memorial to President Franklin Delano Roosevelt in Washington, D.C. The site reserved for the memorial is located on approximately 8⅞ acres of land between Independence Avenue and the Inlet Bridge in West Potomac Park. On September 20, 1979, the Commission on Fine Arts approved a memorial designed created by Architect Lawrence Halperin.

Just to give a bit of history about this matter, Mr. Speaker, since its creation in 1955, the Franklin D. Roosevelt Memorial Commission has striven to erect a memorial to the former President that would be fitting to his great stature. A total of three proposals have been designed and approved by the Commission for serious development and presentation. The first design, approved by the Commission in 1962, was opposed by the Commission on Fine Arts and the Roosevelt family. A revised version failed to meet the approval of the Roosevelt family and was subsequently abandoned. In 1967, the Franklin D. Roosevelt Memorial Commission presented a second design, which was rejected by the Commission on Fine Arts.

Finally now, Mr. Speaker, to the gratification of all of us admirers and friends of President Roosevelt, the third design, unveiled in 1978, was approved by the Franklin D. Roosevelt Memorial Commission, the Commission on Fine Arts, the National Capital Planning Commission, and the Roosevelt family.

Since that time, legislation has been introduced in each Congress to authorize construction of a proposed memorial to President Roosevelt.

During hearings on the subject, no opposition was expressed to the concept of erecting a memorial to President Roosevelt. Misgivings have centered on the proposals for the $46 million alleged cost of the memorial.

Now, I shall show a little bit later that the estimated cost, including some maintenance cost, is $31 million.

I thought it might be of interest to Members to make a comparison between the estimated cost of the Franklin D. Roosevelt Memorial and the Lincoln Memorial, the Washington Monument, and the Jefferson Memorial.

The Lincoln Memorial erected in 1922 cost $3,045,000. In 1981 dollars, that would have been $59,860,000.

The Washington Monument constructed in 1884 cost $1,187,000. In 1981 dollars, that would be $45,260,000.

The Jefferson Memorial in 1944 cost $3 million. In 1981 dollars it would be $37,960,000.

House Joint Resolution 400 authorizes and directs the Secretary of the Interior, subject to the supervision and approval of the Franklin D. Roosevelt Commission, to construct a memorial in accordance with the general design approval in 1979. The memorial will consist of a landscaped garden with a series of garden spaces containing sculptured images and quotations. The garden spaces are to be linked by a series of granite walls.

The joint resolution authorizes such sums as may be necessary to carry out its provisions.

Let me emphasize, this is only an authorizing measure. It does not carry any appropriation.

Let me state further that the joint resolution which we offer here today, that is, which this rule would authorize the House to consider, has already been passed by the Senate without opposition. It passed over there, as I understand it, unanimously, so it comes before the House with the unanimous approval of all those who are expected to have a voice in determining the kind of memorial that the President should have, and we also have the concurrence of the other body.

The Interior Department estimates the cost of construction will be $28,625,000. This construction cost and the annual operating cost for the first 4 years will total some $31 million. As I have pointed out already, that is a smaller amount than either of the three memorials here in our national apital to our former great Presidents cost in terms of 1981 dollars.

The annual maintenance and operation cost, beginning in fiscal year 1986, is estimated to be approximately $1 million.

Mr. Speaker, it has taken 14 years to arrive at a consensus and fitting memorial to our great President, Franklin D. Roosevelt. It is my hope that the House can proceed with rapid consideration of this measure, so that this long desired and worthy memorial can be completed.

Mr. Speaker, I know of no opposition to this rule.

Let me just say in conclusion, this is, as all these memorials have been, considered as a bipartisan resolution. It passed the Rules Committee without any opposing votes. I mentioned already that it passed the other body without anything but unanimity on the part of the Senators. We have unanimity from the Fine Arts Commission, the Memorial Commission and the Roosevelt family.

I can say I believe that it is in the hearts of the American people that Franklin Delano Roosevelt, who has done so much for America and for the cause of freedom in the world, be suitably recognized in our Nation's Capital, this Capital from which he did so much for our Nation and for humanity.

I hope, therefore, that this rule may be adopted and the resolution providing for the memorial of President Roosevelt may be considered by this House.

I yield to the distinguished gentleman from Tennessee.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Florida (Mr. PEPPER) has explained the provisions of the resolution.

I know this is a very happy day for the gentleman, indeed, to present this resolution creating a memorial for Franklin D. Roosevelt.

I saw in a recent issue of People's magazine a picture of the Senator, the gentleman from Florida (Mr. PEPPER) riding with President Roosevelt in his car as a protege of President Roosevelt. As I said, I know this is a happy day for him, indeed.

I notice in the views contained in the report, that President Roosevelt did not desire a monument to him here in Washington, but I understand that the provisions for the monument have been worked out with members of the family.

I realize that we cannot conscientiously oppose a memorial for someone who has served as President of the United States, especially since his terms in office were more than any other President.

On final passage of the measure, we will all make an independent judgment on this particular proposal.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

I am not certain whether it is under the rule that I ought to ask my questions or not, but I am hoping that somebody might be able to answer them.

It seems to me that the House has been voting rather regularly here recently on memorials for Franklin Roosevelt. I am just a little bit confused and I am trying to get my confusion straightened out. It seems to me within just the last couple months in this House that we voted on a memorial of some sort for Franklin Roosevelt.

Last year, I think back in March, we voted for a memorial for Franklin Roosevelt, a Warm Springs living memorial for Franklin Roosevelt.

Now, I realize that since President Reagan has come to office and has warmly praised President Roosevelt on a number of occasions, that we are far more attuned to the contributions that President Roosevelt made, but I am somewhat confused by the number of different memorials that we seem to be getting into the money pipeline here, particularly since I think in the gentleman's remarks he indicated that if we take similar dollars, that we are talking about a memorial here that is as expensive as the Jefferson Memorial was.

□ 1730

Mr. PEPPER. Let me say to the able gentleman from Pennsylvania that two or three different things are involved in the question the gentleman asked.

In the first place, the measure passed relating to Warm Springs was to authorize a study of the feasibility of making some sort of a permanent memorial out of the Warm Springs institution. That was only to authorize a study.

The other thing was, I believe it was last year, the Congress passed a concurrent resolution providing for a joint session of the Congress to commemorate the 100th anniversary of the birth of President Franklin D. Roosevelt. That is the great event that we had in this chamber on the 28th of January of this year.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania (Mr. WALKER).

Mr. PEPPER. Mr. Speaker, will the gentleman yield further?

Mr. WALKER. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, there were many dignitaries from all over the country and the world who attended that ceremony.

Mr. WALKER. I thank the gentleman for that explanation.

What does give me some concern is the fact that it appears as though the commitment that is involved in this particular resolution, which this rule would make in order, may be an extended commitment, if the study that is done of Warm Springs also shows that we need to have funds for that action.

I would simply point out as well that the minority views on this joint resolution did point out something that is somewhat of an anomaly, given President Roosevelt's sense of compassion and sense of fair play with regard to Federal funding, and that is that it would seem odd at the time we are cutting a number of programs affecting the disadvantaged that we would, in turn, authorize money for a $31 million memorial in Washington, D.C.

The minority views on this particular resolution indicated that they thought that while the memorial was certainly a fitting one, that the timing of it, given cutbacks in Federal funding, was rather strange.

Mr. PEPPER. This is the Franklin Delano Roosevelt memorial that the Congress will be called upon to produce, and so far as I know, no other memorial is planned.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no further requests for time and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5831, LENDING LIMITS FOR FARMERS HOME ADMINISTRATION FARM AND RURAL DEVELOPMENT PROGRAMS

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 509 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 509

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5831) to provide lending limits for fiscal year 1983, 1984, and 1985 for programs under the Consolidated Farm and Rural Development Act, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Missiouri (Mr. TAYLOR), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 509 is the rule providing for the consideration of H.R. 5831, to provide lending limits for fiscal years 1983, 1984, and 1985 for programs under the Consolidated Farm and Rural Development Act, and for other purposes. It is a completely open rule, providing 1 hour of general debate with the time to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture.

It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule. All points of order against the substitute for failure to comply with the provisions of clause 7 of rule 16, which prohibits nongermane amendments, and clause 5 of rule 21, which prohibits appropriations in a legislative bill, are waived.

A waiver of clause 7 of rule 16 is necessary as the amendment in the nature of a substitute recommended by the committee on agriculture expands the purpose and coverage of the original bill which only authorized lending limits for fiscal years 1983, 1984, and 1985 for programs under the Consolidated Farm and Rural Development Act.

A waiver of clause 5 of rule 21 is needed as section 1 of the bill authorizes the Secretary of the Department of Agriculture to take already appropriated funds for the purpose of making grants for water and waste disposal facilities.

Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, the bill provides funding authorization levels for fiscal years 1983 through 1985 for the Farmers Home Administration's farm and rural development loan programs and mandates several important changes in the administration of various programs carried out by the FmHA.

Mr. Speaker, I urge my colleagues to adopt House Resolution 509 that we can proceed to the very important consideration of this much needed legislation.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 509 is an open rule under which the House will consider legislation from the Committee on Agriculture that provides lending limits during the next 3 fiscal years for the basic programs of the Farmers Home Administration.

This rule makes in order the Agriculture Committee amendment, now printed in the bill, as an original bill for the purpose of amendment under the 5-minute. In addition, the rule waives clause 7 of rule XVI and clause 5 of rule XXI against the committee substitute. Finally, the rule provides on motion to recommit, with or without instructions.

The waivers provided by this rule are absolutely necessary in order for the House to consider this very important legislation, but I do want to take a moment to explain them.

Mr. Speaker, the first waiver relates to the germaneness of the committee substitute to the bill as introduced. The original bill was very limited in nature, and the Committee on Agriculture held extensive hearings on the need for adequate credit to enable rural America to survive a period of great economic stress before reporting the substitute. The committee substitute is much more comprehensive than the original bill, and thus the waiver is necessary.

The second waiver provided by this rule is necessary because various sections of the committee substitute constitute appropriations in a legislative bill.

Mr. Speaker, I want to mention at this point that there was no controversy about these waivers in the Committee on Rules, in fact we reported this rule by a unanimous voice vote.

Mr. Speaker, before I discuss some of the provisions of H.R. 5831, I also want to take a moment to commend the chairman and ranking Republican member of the Agriculture Committee (Messrs. DE LA GARZA and WAMPLER) and the chairman and ranking Republican member of the Subcommittee on Conservation, Credit and Rural Development (Messrs. JONES of Tennessee and JEFFORDS) for their arduous efforts to bring this bill to the floor for timely consideration. They are to be commended, indeed, the entire Committee on Agriculture is to be congratulated for this legislation.

Mr. Speaker, the lending limits contained in this bill deal with the credit programs of the Farmers Home Administration for farm ownership loans, farm operating loans, rural water and waste disposal and other insured community facilities, rural business and industrial development, and assistance to farmers who become victims of natural disasters.

□ 1740

Mr. Speaker, there is today in this Nation a crisis in agriculture, and I think most of us recognize that the high interest rates have forced many farmers off the farm. There is indeed trauma today on the American family farm. I would just like to point out, Mr. Speaker, that in my judgment the family farms of this Nation form the backbone of America, and if and when that family farm ceases to exist, then the 227 million American people will all suffer because if at that time—if it ever comes—they will no longer be able to get the food that they need.

American consumers use only 16 percent of their disposable income for food and fiber. This has been made possible because of the ingenuity, the productivity, the efficiency and the dedication of the family farmer.

In today's economic conditions I think that the Farmers Home Administration is one of the most important of our agencies. It is certainly the court of last resort for many of our farmers who must look elsewhere for financing. So, I think the Congress cannot remain insensitive to the needs of the family farmers of America today if we are going to continue to produce the food and fiber that has

made this the most abundant Nation on the face of the Earth.

I do not think any entity of the Federal Government has done more for this country and for rural America and, through rural America, for the country than the Farmers Home Administration.

The housing program has been far superior to anything else that we have had, providing houses at low cost to people who otherwise could not afford homes. The recapture, the payment record that the Farmers Home Administration has maintained has been outstanding.

The defaults have been very, very low. Had it not been for the Farmers Home Administration, there are a lot of people who are on the farms today who would not have been there, and they are successful and they have become in normal times completely independent of any further Government borrowing.

Of course, today we know that we have a very difficult situation. I am concerned, being from a rural area, as to who is going to feed this Nation in the future, if we see a continuation of the deterioration of the economic situation on our farms.

I had a friend of mine last week point out to me that he came home from the Army after World War II and he bought the best John Deere tractor he could buy and gave $17.50 for it. He bought a farm and gave $50 an acre for it. He bought gas for that tractor at 10 cents a gallon. He bought fertilizer at $25 a ton. He sold wheat that fall for $2.60 a bushel. Today his son is on that same farm. He bought a tractor, the same horsepower, $37,500 instead of $17.50, fertilizer $225 a ton instead of $25 a ton, diesel $1.12 a gallon versus 10 cents a gallon. He will sell wheat this fall for $2.70 a bushel, 10 cents higher than his father did in 1946.

I think this points out some of the problems of rural America but, it also makes one wonder what is going to happen when that boy is gone from that farm.

At today's interest rates no one can borrow money and produce. We have got people who are there today, and the most optimistic people in the world are farmers. If they can see a little bit of light at the end of the tunnel they will work at it, but there is no way in the world that we are going to keep our agricultural community from becoming a corporate community, and when we do that, no longer will the American people be eating at 13 cents to 14 cents out of disposal income as they are today because of the ingenuity, productivity, and efficiency of the family farm.

It is for these reasons that I wholeheartedly support this rule and support the enactment of this legislation. The Farmers Home Administration, which has a great tradition and has accomplished much to build up agriculture and the family farms of this Nation, that has benefited all 227 million Americans.

Mr. Speaker, I have no further requests for time. I urge adoption of this rule, and I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5540, DEFENSE INDUSTRIAL BASE REVITALIZATION ACT

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 511 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 511

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5540) to amend the Defense Production Act of 1950 to revitalize the defense industrial base of the United States, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one and one-half hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. In lieu of the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in italic in the bill, it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs now printed in boldface roman in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for the purposes of debate only, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 511 provides for the consideration of H.R. 5540, Defense In dustrial Base Revitalization of Act of 1982./ The Rules Committee has granted an open rule providing 1½ hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance, and Urban Affairs. In lieu of the amendment in the nature of a substitute recommended by the Committee on Education and Labor, it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking, Finance, and Urban Affairs as an original bill for purposes of amendment under the 5-minute rule. At the conclusion of the amendment process, the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. Speaker, H.R. 5540 seeks to turn around the shrinking of America's defense industrial base by providing incentives to high-priority small- and medium-sized industries. This will be accomplished through a coordinated two-part program that will provide funds for the modernization of plant equipment in high-priority businesses, and at same time finance a major job training program to train, retrain, and upgrade skills that will be essential in high-priority defense base industries.

Mr. Speaker, I urge my colleagues to support House Resolution 511, so we may proceed to the consideration of H.R. 5540, Defense Industrial Base Revitalization Act.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the rule is self-explanatory. The administration opposes this measure because the subsidies would result in significant additional spending during fiscal years 1983 to 1987, adding to the deficits.

Mr. Speaker, the rule provides for 1½ hour of general debate, and it is open. It provides for the Committee on Banking, Finance and Urban Affairs to have control of the general debate, but since the Committee on Education and Labor has an interest, the additional time will suffice for that committee also.

Mr. Speaker, I have no requests for time. I know of no opposition to the rule. As I say, the administration opposes the measure, and we will make that decision whenever the bill reaches the floor.

Mr. Speaker, I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM HON. JAMES J. HOWARD, CHAIRMAN, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following communication from the Hon. JAMES J. HOWARD, Chairman, Committee on Public Works and Transportation, which was read and, without objection, referred to the Committee on Appropriations.

There was no objection.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, D.C., June 9, 1982.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following projects on May 13, 1982:

REPAIR AND ALTERATIONS

Atlanta, Georgia: U.S. Court of Appeals.

Hato Rey, Puerto Rico: Frederico Degetau Federal Building and U.S. Courthouse (modified).

CONSTRUCTION

New York, New York: U.S. Mission, 799 United National Plaza (modified).

The original and one copy of the authorizing resolutions are enclosed.

Every best wish.

Sincerely,

JAMES J. HOWARD,
Chairman.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that at this point he will recognize Members for special orders without prejudice to returning to the business of the House should it be deemed necessary.

□ 1750
ABC CLOSEUP: "J. EDGAR HOOVER"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. RUDD) is recognized for 60 minutes.

GENERAL LEAVE

Mr. RUDD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include therein extraneous material, on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RUDD. Mr. Speaker, I simply want to take this time to congratulate the distinguished gentleman from Virginia, the Honorable DAN DANIEL, for joining me in a special order to discuss probably the most distinguished irresponsible piece of reporting that I can remember in my lifetime which was carried out on June 3 last by the American Broadcasting Co., in an hour-long program which purported to talk about the former Director of the Federal Bureau of Investigation, J. Edgar Hoover, and the Federal Bureau of Investigation.

Mr. DAN DANIEL. Mr. Speaker, will the gentleman yield?

Mr. RUDD. At this time I would like to yield to my distinguished colleague from Virginia, the Honorable DAN DANIEL.

Mr. DAN DANIEL. Mr. Speaker, I thank the gentleman from Arizona for reserving the time and for allowing me to share in this discussion. It is fitting that he should lead the discussion since he was for many years a distinguished member of the FBI. He served his country honorably and well as he continues to do as a Member of this body.

Mr. Speaker, "In our democracy, those we must always watch most closely are those we entrust to watch over us."

That is a profound statement and one I heartily endorse. I cannot claim authorship of the words. I do not in fact know who the author is, but they were spoken by one Marshall Frady in wrapping up his television assault on J. Edgar Hoover and the FBI.

I do not know how old Mr. Frady is nor do I care. But, I believe it is important to gain a better perspective of our recent history in order to assess the validity of the charges Mr. Frady has made in this diatribe. J. Edgar Hoover became Director of the Federal Bureau of Investigation in the Justice Department in 1924. That was 58 years ago and a period that perhaps fewer than 1 in 10 Americans alive today can ever recall. It was a time when Americans had this quaint idea that crime and criminals should be punished, that no man had the right to take another's life or property. Fools that we were, we had not the appropriate appreciation for those things ABC implies are virtues. We were guilty of such "Main Street rectitudes" as "order, patriotism, discipline."

Why Mr. Hoover himself displayed some rather questionable characteristics according to ABC. Again, going back to the ABC script, he was—and these are dangerous attributes—neat, serious, and that awful word "disciplined."

One wonders how the Republic survived nearly a half century of such terrible qualities.

Surely the man and his times were more complicated than the documentary attempted to show. It was not a simple matter of right and wrong. I believe the network had an obligation to help the viewer understand the mood and "why" of the times. Many of its viewers were probably too young to experience some of the events covered and had only read about them. But for Mr. Hoover and his contemporaries, the events were very real—World War II, the cold war, the Soviet theft of the atomic bomb. To say nothing of Vietnam and the civil rights movement which fueled a turmoil in this country which brought us very close to a civil war.

Thankfully, the scriptwriters at least concede that from the time of Mr. Hoover's appointment agents of the FBI were virtually incorruptible, they were not however as kind to the agency's head. And in their striving for bases for criticism, they sometimes overstepped the bounds of reason. Mr. Hoover, they noted, lived with his mother until he was 43 years old. The year would have been 1938 and the fact that a man continued to live at home if he were unmarried was not so unusual. The writers go to great pains to lay to rest the rumors that Mr. Hoover was a homosexual. This would be rather like my prefacing a statement to you, Mr. Speaker, by pointing out that you are not a crook. An innuendo is not a charge but guilt by inference is not a very good way to develop what one would hope to be an unbiased report to the people.

From the outset, the program made no pretense of taking an evenhanded look into the distinguished career of a remarkable man. I think this was foretold by the press release made prior to the televising of the program, in which it was alleged that the "documentary probes the public image of Hoover as a reassuring symbol of order and security to Americans, and contrasts it with how he juggled statistics and facts about investigations and used his powers to intimidate elected officials and critics—sometimes at the cost of national security."

Precious little of the 60 minutes was devoted to any examination of Mr. Hoover's accomplishments—which were the essence of his public image. Instead, the program's theme was introduced almost immediately and then expanded upon for most of the remaining hour. The theme was the man was obsessed with personal power, an obsession exemplied by his supposed mishandling of the Nazi saboteur case, the Rosenberg spy trial, the Alger Hiss case, supplying information for Senator Joseph McCarthy, his "vendetta" against Martin Luther King illegal wiretaps, blackmail, and his alleged misconduct in the handling of the investigation into President Kennedy's assassination. Apparently, as far as ABC is concerned, J. Edgar Hoover was just no good.

In point of fact, Mr. Hoover was married to his job. He accepted the appointment under the condition that he

would recruit his own people, set his own standards, and run the Bureau in his own way. He recognized that he could not ask for a strong commitment from his subordinates without a total commitment from himself. The Bureau was his life.

The entire program might have been considered strange were it not for the fact that efforts of this kind acquire a legitimacy and work their way into our attitudes and opinions. They achieve, if you will, legitimacy they do not in fact deserve.

Strange it is that the vast majority of those who were interviewed or quoted were either unnamed or vocal anti-FBI and anti-Hoover. In the two instances where this was not the case, former agents Mark Felts and Cartha D. "Deke" DeLoach, their testimony was given short shrift and the viewer was left with the distinct impression that the editor wielded a heavy hand. I do not know Mr. Felts, except by reputation, but have no reason to question his statements. Insofar as Mr. DeLoach is concerned, he is one of the finest individuals I know, a man of total integrity who would under no circumstance lie or distort the truth.

Why was it necessary to downplay the man's undoubted accomplishment and give bare mention to the fact that he built and guided a law enforcement agency that was recognized as the best in the world? A man who devoted his life to the service of his country certainly deserves a fairer shake than was given to him by this portrayal.

Had it not been for J. Edgar Hoover and the FBI in his early years, crimes against property and individuals would have been far greater than they were.

Had it not been for J. Edgar Hoover and the FBI in his later years, subversive forces from within, often guided by ideologies from beyond our border, would have destroyed our country while the flower of America's youth was fighting for her preservation on foreign battlefields.

This effort by ABC cannot be allowed to go unchallenged. It was one of the most biased, vicious, unsubstantiated cases of character assassination it has ever been my misfortune to witness.

Writers need not be of the yellow journalism variety in order to be read and appreciated. An example of another kind comes immediately to mind. Helen DeWar of the Washington Post, with whom I have not always agreed, is as unbiased and complete in her reports as any writer I have ever known. Her continuing efforts on the budget this year, for example, have been of inestimable help to those readers who desire to understand the problem and congressional actions and this includes many Members of Congress as well.

The media rightfully makes the decisions of what events to cover and what not to cover, what to report briefly and what to examine thoroughly. However, I submit to you that it is also the media's obligation to help its audience to understand, to weigh, and to judge. But, it is certainly not the media's function to do the judging for the public. As a prominent attorney said, after viewing this program, "a media predisposed to a subjective point of view is a dangerous force in a free society—to say the least."

"In our democracy those we must always watch most closely are those we entrust to watch over us." This statement should be amended to include those we entrust with providing us the facts.

Mr. Speaker, at this time I include a statement by Mr. W. Donald Stewart.

The statement referred to follows:

ABC CLOSE-UP: "J. EDGAR HOOVER"

(By W. Donald Stewart)

I was part of J. Edgar Hoover's FBI from 1951 to 1965 and am damned proud of every minute I served under Mr. Hoover and in the FBI. My indignation concerning captioned pieces is not only because of your attack on J. Edgar Hoover, but because your attack on him is degrading to the loyal service of thousands of former FBI employees whose patriotism and concern for the upholding of the laws of this country is beyond question.

I was at FBI Headquarters in Washington, D.C. during most of the period your piece vilifies Mr. Hoover, so I can speak to the record with some authority. During my tenure at FBI Headquarters, I was one of the first assigned in the Espionage Section to the Lee Harvey Oswald assassination of President John F. Kennedy. This portion, in particular, of your pieces, suffers from inaccuracy, innuendos and mixing of facts and time frames. This will be addressed later on.

Without question the hatchet job done on J. Edgar Hoover during the evening of June 3, 1982 was the most scurrilous, rankiest piece of video journalism I have ever seen. Nazi Germany propagandists in their best days could not have concocted a more contrived, inflamatory, slanted and unbalanced piece of video garbage than what you have achieved. Undoubtedly, your ABC Special "J. Edgar Hoover" will win you the "U.S.S.R. Award for Television Excellence." What you did to J. Edgar Hoover, whose name was a household word until he died, left me stunned, amazed and at a loss for words—but I can recover!

Hereinafter, I discuss your show piece by piece, but first let me pose some questions. Why did ABC interview all of Mr. Hoover's enemies, excepting Mark Felt and Cartha DeLoach, former FBI Executives? There are approximately 9,000 members of the Association of Former Agents of the Federal Bureau of Investigation, any of whom, like myself, could counter the ABC piece point by point. None were called! No one like myself was asked about the Oswald case from a Headquarters level—yet there are many more former FBI agents more expert and better informed than myself, still living in Washington, D.C.

I now see that from the outset the true intent of ABC's piece was to destroy the public image of J. Edgar Hoover. To make my point, by letter from me, regarding the documentary on the Life & Career of J. Edgar Hoover, dated December 19, 1981, to Mr. Stone Phillips, Close-Up Unit, ABC TV, 7 West 66th Street, New York City, New York, I informed him that I had learned from a newsletter from the Former FBI Association that ABC was soliciting data about J. Edgar Hoover. To that end I sent a copy of a piece I wrote entitled "The Question of FBI Morale" dated January 26, 1979 and published in the CONGRESSIONAL RECORD, page 800, dated February 21, 1979. Therein, I extolled the accomplishments of the FBI from the mid-1930's. It was the FBI who literally cleaned up the legendary gangsters of the late 30's; performed outstanding feats of counterespionage during World War II; coped with the Communist Party in the 1950's; suppressed rising crime and infiltrated Hate Groups, Terrorists Groups and Anti-U.S. Groups and brought those violators to justice as well as others for Civil Rights violations during the 1960's. The public reward for such service was an all out attack on the FBI by the media and liberal members of Capitol Hill, noting that none of these detractors had the courage to come out of the woodwork prior to May 4, 1972, the day J. Edgar Hoover died. Additionally, I informed Mr. Phillips of some warm and compassionate stories about Hoover, known by my wife, who as the FBI Chief Nurse and also served as his personal nurse, prior to his death. By letter dated December 30, 1981, Mr. Eames H. Yates, ABC News Documentaries, in replying for Mr. Phillips, thanked me for my material and informed me that at that time they were putting the show together and had little time left to meet their deadline, hence, my material could not be used.

I strongly feel that the mood for this show had been set from the beginning. The attack of Mr. Hoover and his thousands of present and former associates was in operation long before December of 1981, but let's examine this carefully plotted denigration of one of the most famous Americans of all times and of his loyal followers, both past and present.

OPENING SCENE

The ABC Close-up show of "J. Edgar Hoover" casts its "dye" in the opening part, in that it tells the viewer Hoover was a Secret Police Power, and in so many words "we are going to prove it". The portrayal of the 1930 gangster days and the "clean cut knight" image of FBI agents is done in an off-handed ridiculing manner. Actually, at that time, lawless gangs roamed at will, kidnapping, murdering and robbing. State and local police were ineffective. The FBI was then the country's formidable law enforcement force. It needed an image and Mr. Hoover gave it one.

The next off-handed shot was that it was all Christian, all male, all white. Not so, one of the best known Assistant Directors and one holding the longest tenure in that position for Criminal Activities was Jewish. All Male FBI agents? Yes, because at that time female officers were not very prevalent in law enforcement. All white? Perhaps before my time, but as of 1951 I can recall black agents and certainly many of them prior to Mr. Hoover's death in 1972.

Setting the stage for Hoover's lack of masculinity, ABC notes he lived with his mother until he was 43 years of age. One of my good friends who opened the original case on John Dillinger for car theft was an FBI agent for over 50 years. He died while an agent and never married. His handshake would erase any doubt of his lack of masculinity. Oh yes, he also lived at his mother's

house and had I been sent to Miami, Florida, I too, would have lived at my mother's home here. A little more research would have reflected that among Mr. Hoover's former female companions was one Lela Rogers, the mother of Ginger Rogers, the well-known actress-dancer. Thank you, ABC, for pretending to discount the idea Mr. Hoover was a homosexual after carefully planting the seed! A cheap shot indeed!

DRESS CODE—PUNISHMENT

Imagine spending 30 seconds of the show's time on the story of the boy with the red vest and pimples. The source was William C. Sullivan, my last boss, and an arch foe of Mr. Hoover's, whom Mr. Hoover personally fired. Sullivan's interview concluded that the boy was fired and those who had recommended him were disciplined. My Section Chief was one of the boy's endorsers. He was not removed. I believe a little more unbiased research by ABC would have provided a different ending to this ridiculous event. Mr. Hoover did demand a rigid dress code. No one came to work in the FBI dressed as if they were going to do a day's house work or repair a car. Strange, I recall my college roommate went to work for IBM and they, too, were expected to dress properly.

Quinn Tamm, a former FBI official, was right. Often the punishment for violations was excessive and I, for one, was once the victim—censor, probation and transfer for being unavailable for over the prescribed two hours. It was, in fact, Quinn Tamm who got me "off the hook" with just a letter censor. Believe it or not I was never caught unavailable again. What ABC has ignored is the fact that Hoover, himself, did not prescribe the punishment always. Mostly it was done by his subordinates, thinking they had to be tough. If anyone on the "hook" could get to see Hoover, he was a "cream puff". As was shown, Hoover's nephew was not immune and he left the FBI. Later he became a high ranking official with the Internal Revenue Service—Intelligence Division.

GENERAL TRITE

Patrick Murphy, former New York City Police Commissioner; former Public Safety Director of Washington, D.C.; former head of the Rochester or Buffalo Police Department; but, Thank God, not a former FBI employee, has always been critical of Hoover—envious is more proper. He said the FBI didn't cooperate with local police. On occasion this happened because of the need for close hold on data, but for all practical purposes, we had to be cooperative or be outcast. I once had a bank robbery subject located but had to wait two days to locate the city detectives for them to join the arrest and maintain relations.

The general slur at the FBI often crops up about the FBI's attack on organized crime. Also, why didn't the FBI pursue narcotics peddlers or counterfeiters? The reason is the same for not pursuing organized crime—No Jurisdiction!

WORLD WAR II

Come on ABC, you're really trying hard to tar Mr. Hoover, citing a declassified memo from an Army Major General that Mr. Hoover fumbled when he prematurely caused the arrest of the Nazi saboteurs. The General believed the FBI should have followed them and arrested their contacts. This reminds me of my comment to the Nixon plumber chief, David Young, when he ordered me to undertake an outlandish task. I said, "David you've been watching the late, late television shows again". Well, for the General's belated information, the FBI, at that time, did not have the capability of an all out cross-country surveillance. Also, who would be responsible for any sabotage had any one slipped away and damaged a shipyard? But let's get realistic now. No one in their right mind knows J. Edgar Hoover would have ordered the arrest of the saboteurs without direct authority from President Roosevelt. True, George Dasch turned himself in, but, if the FBI did not round up the other saboteurs, please ABC enlighten me and tell me who did. ABC said other members of the intelligence community were outraged at the apprehension. What other members? There was only the Naval Intelligence Service and Army Intelligence. There was no CIA, etc.

BREAKING OF THE SOVIET CODE

ABC states that a Russian KGB (Committee for State Security) code book was found on the battlefield in Finland during World War II and that the Army Security Agency was able to decipher the Soviet code, but that by the FBI, in arresting the Atomic Spies Julius and Ethel Rosenberg and other Soviet spies, jeopardized future opportunities to monitor KGB activities.

Now, this calls for a little discussion. First of all, there was no KGB during World War II. There was then the NKVD, later the MGB, followed by the MVD. The KGB came to light in March of 1954, but why quibble over mere facts. Secondly, having been assigned to the Espionage Section of the FBI Headquarters in 1956 and later in the "Sovme" (Soviet Message Unit), which worked on old cases to identify World War II spies in the U.S., I can assure you that Soviet Intelligence employed the One-Time Code pad long before the Rosenbergs were arrested. The pad prescribed a code which was only used once and made deciphering practically impossible. The FBI's capability to continually monitor the KGB's code activity was remote.

Thirdly, having run my video tape over at least three times, I fail to see what Mr. Hoover did wrong in arresting the Rosenbergs and other Soviet spies. The resultant 1952 execution of the Rosenbergs certainly had an effect on loosening the tongues of Soviet spies Jack and Myra Soble who were apprehended in January of 1957 and pleaded guilty in April of 1957.

Fourthly, again we deal with either the naivete of ABC or its unwillful distortion of facts when it solely charges Mr. Hoover with the arrest of the Rosenbergs. Any knowledgeable media reporter knows that an arrest of such prominence will have an impact on the USSR and that highest level approval is necessary and, in particular, concurrence from the Department of State.

My final point in this matter is to accuse ABC of most likely taking statements during an interview out of context. I admit, I haven't spoken with Mr. Mark Felt or Mr. Cartha J. DeLoach, but I'd be willing to bet that each made more remarks for the record than ABC decided to use. Now, in the case of Mr. Robert Lamphere, former FBI agent, in his remarks that Mr. Hoover's decision in the handling of the broken Soviet code was not in complete agreement with his (Lanphere's) thinking. As a former espionage supervisor of equal stature to Mr. Lamphere, I, on occasion, did not agree with my superiors' decisions to include Mr. Hoover. However, one realizes later, than there can only be one "captain" on a ship and that as a supervisor many layers below Mr. Hoover, you do not always have all the facts that go into the ultimate decision. How you equated Mr. Lamphere and J. Edgar Hoover on the same level baffles me.

ALGER HISS

First of all, I did not see how you led into this event. Secondly, you select a Georgetown Professor, Alan Weinstein, as your source to tell the ABC viewing audience that the FBI had no major part in the Wittaker Chambers-Alger Hiss case. Come on now, ABC, you have to admit that you did not research this part very well. You probably did not even read the book by Wittaker Chambers which in its introduction offers a dedication to the Special Agent, who was then his case handler and assigned to the Baltimore Field Office at that time.

ABC infers Mr. Hoover and company as practically being a bunch of "do nothings". I wonder if I might enlist your interest in a document I have before me now entitled "Expose of Soviet Espionage, May 1960", prepared by Mr. J. Edgar Hoover, Director, FBI, transmitted by Direction of the Attorney General for use of the Sub-Committee to investigate the Administration of the Internal Security Act and Other Internal Laws of the Committee on the Judiciary U.S. Senate, Eighty-Sixth Congress, Second Session; dated July 2, 1960.

Therein, I believe your "do nothing" FBI version of the Alger Hiss matter is fully rebutted plus there is a detailing of several other high level Soviet espionage exposes by the FBI, for which you failed to give Hoover's FBI any credit.

SENATOR JOSEPH M'CARTHY

McCarthy was a well known witch hunter. Mr. Hoover did not create him or destroy him. According to former FBI Assistant Director, William C. Sullivan, Mr. Hoover gave McCarthy information on suspected communists. I do believe the FBI still has the responsibility to provide data to Capitol Hill. Much ado about nothing.

THE KENNEDY ASSASSINATION—LEE HARVEY OSWALD

Probably ABC's greatest piece of free swinging with data from what seems like authoritative, but unidentified, sources. It was said that intelligence about Oswald was not given to the U.S. Secret Service. Oswald happened to be one of ten thousand "kooks" running around in the U.S. in part thanks to liberal Chief Justice Earl Warren. President Kennedy got shot in the words of one of his top aides, Kenneth O'Donnell, because the decision was made to remove the Secret Service Agent from the back bumper of Kennedy's Presidential car. O'Donnell said "We had our choice between politics and security and we chose politics". The Secret Service was aware there was an air of hostility in Dallas. At that time they had little manpower capability to do much more than surround the President. Oswald was of no threat that the FBI was aware of. He belonged to the Fair Play for Cuba Committee. So did many others. Exactly what did ABC discover that as of November 22, 1963 the FBI could have communicated to the Secret Service about Oswald? His trip to the Soviet Embassy in Mexico was not known at that time and if it had been, what would that have proved? We knew Oswald had given up his American Citizenship and gone to Russia only to return later. All the other non-substantiated garbage resurrected by ABC is used for the purpose of clouding the issue. The business that Hoover did not pass on data to his field agents is ridiculous. First of all, Hoover did not see all the mail

from the CIA or elsewhere, unless the supervisor sends it "up". James Hosty is hardly the best witness to speak to the point of what the Bureau was doing. He, as a field office agent, was far removed from the Bureau. Hosty handled the Oswald matter just as any other agent would have done at the time. In hindsight, he and every other agent, would have done something different.

The statement that Mr. Hoover did not tell the Warren Commission he had disciplined 17 agents is not in the proper context. In the first place, some of my associates were among those disciplined. This was an internal matter. What relevance did it have to the Warren Commission's duties?

The statement that Lee Harvey Oswald was the lone assassin, given to the Warren Commission several days after the FBI got into the case still stands. Who has proven differently?

ABC's assertion about Jack Ruby being Mafia connected is really gratuitous. Ruby was a "nut". His previous acts of violence were well known. He was present in the Dallas Police Station because he gave the local police "free drinks" in his bar where he housed prostitutes. It was never determined that Ruby was Mafia associated.

And now, when ABC attempts to attribute anything to the 1979 House Intelligence Committee of any substance except that they could not prove anything, is laughable. They undertook the Dr. Martin Luther King investigation and the Kennedy Assassination at one time and had no idea where to start. Only because the money ran out did their "circus" come to an end.

DR. MARTIN LUTHER KING, JR.

The $64,000.00 question is why the news media has never struggled very hard to get the FBI files on Dr. Martin Luther King, Jr. made public. They have certainly gone after J. Edgar Hoover.

The only thing ABC really did in its part on Dr. King was to make Mr. Hoover look racially prejudiced. Ramsey Clark, the former non-illustrious Attorney General said Mr. Hoover was racially prejudiced. What did he base this on?

I never did figure how the University Professor David Garrow got into the act. He tried to explain that Sam Levinson was not a communist. What group of papers did he review? At last, however, ABC has finally turned to credible FBI sources—Mark Felt and Cartha J. DeLoach. "Deke" DeLoach advised that Attorney General Robert Kennedy wanted the wire taps on Dr. King. ABC could have made hay with this bit. Why didn't it ask DeLoach for proof? Probably it didn't want to hear the answer or heard it and did not use it. Every wire tap, or electronic surveillance must be initiated at a supervisor's level at FBI Headquarters. It goes through a "wringing out" justification you wouldn't believe and finally is forwarded from Mr. Hoover to the Attorney General for approval. Bobby Kennedy had a cute little trick. He wouldn't initial his approval but would say "O.K.". Later while running for President, he denied knowledge of approving certain wire taps. The memo was resurrected and his fingerprints, I am told, developed on same. Hence, quiet from Bobby.

TERRORISTS

Taking Mr. Hoover to task for inhibiting the activities of terrorists is astounding, but not as much so as the prosecution of former FBI officials, Mark Felt and Edward Miller, and Pat Gray, former Director, for invading the privacy of the weathermen to keep their bombing activities down. There is little regard for the citizens in airports and people on Capitol Hill where terrorists bombs have exploded. Let the terrorists have their freedom, ABC feels.

IMPROPER USE OF FBI FILES

To further denigrate Mr. Hoover and the FBI, the matter of data from FBI files given to Congressmen in favor to defeat their opponent was raised. What hog wash!! The data in FBI files, concerning Congressmen, is 90 per cent from news clippings. Distortion upon distortion and all based on unidentified sources, disgruntled X-FBI agents, or defeated Congressmen or would be Congressmen.

There has been a continual alluding to secret files maintained in Mr. Hoover's office. Probably one on Jane Fonda was kept there. If so, it was kept there to keep it out of the main stream of the general file system, where curious FBI personnel may review it without proper authorization. But why didn't ABC ask Mr. De Loach or Mr. Felt about these files?

ABC, your show was a disgrace. You did a lousy hatchet job on J. Edgar Hoover who served under eight Presidents, each of whom had the perogative of firing him, and sixteen Attorney Generals. He kept watch over the security of this country for 48 years. He must have done some good.

Thank you, Mr. Hoover, from the bottom of my heart and from all the loyal former and present FBI employees for whom I speak, for what you did for your country.

Mr. RUDD. I wish to thank the gentleman from Virginia for his kindly and very responsive and responsible statement on this matter.

Mr. Speaker, I spent 20 years with the Federal Bureau of Investigation as a special agent in different capacities, supervisory and otherwise, most of it abroad. But I have to tell you that I at no time had anything less than the highest respect for Mr. Hoover. I had to deal with him personally from time to time, frequently, as a matter of fact, on my return from abroad for special assignments and for conferences.

But let me just say that Mr. Hoover was the boss and there is no way in the world that any organization, any law enforcement organization or any other organization can have more than one boss. The buck stopped with him.

But in referring to what happened on June 3, 2 weeks ago, the American Broadcasting Co. treated its viewers to a "documentary" on the life and times of the late Director of the Federal Bureau of Investigation, John Edgar Hoover.

As is typical in the current fashion of television broadcasting, this supposedly unbiased view of the career of Director Hoover, which spanned over five decades, was a collection of half-truths and oft-repeated criticisms which have been standard fare for those opposed to him and the Bureau.

□ 1800

This documentary represents what is becoming the genre of broadcast investigative journalism: the courtroom technique, if you will, of interrorgating one witness, then editing his or her comments, and sandwiching them between other hostile comments, out of context. The viewers are never treated to the full facts, nor are they given the full answer. It is, in fact, the camera or the editor acting as the prosecutor and the judge. The jury, we the viewers are not given the chance to see all evidence. We only see what the interviewer wishes us to see. That style is fine for feature length movies, or a cartoon, but not for a documentary about our Federal law enforcement agency and its late Director. The public deserves better.

The charges against Mr. Hoover, as leveled by the American Broadcasting Co. have been heard over and over again and have been leveled by critics of the Federal Bureau of Investigation and Mr. Hoover in other forums previous to that Thursday evening. These accusations typically range from Bureau ineffectiveness, the late Director being a despotic tyrant to charges of civil rights violations and political blackmail. I think that it is important not only for the sake of the late Director, but for the outstanding service that the Federal Bureau of Investigation has given this country, to set the record straight.

The Federal Bureau of Investigation was established in 1908 as the investigative arm of the U.S. Department of Justice. It was called then simply the Bureau of Investigation. At the time, it had the responsibility for investigating violation of certain Federal laws. J. Edgar Hoover was made the Assistant Director of the Bureau of Investigation in 1921. At that time, the Bureau had the reputation of a place of corruption and political intrigue. In one of his first directions as Assistant Director, Mr. Hoover organized a handpicked team of trustworthy agents to investigate terrorism in the deep South which was being perpetrated by a renascent Ku Klux Klan. On the basis of the investigation of one particularly brutal murder, the Bureau was able to turn away many prominent supporters of the Klan. In addition, on the basis of a continuing Bureau investigation, Imperial Kleagel Edward Y. Clarke was indicted on white slavery charges and pleaded guilty. At the same time, under Hoover's orders, the Bureau uncovered the practice of "selling" Black prisoners to local farmers. A subsequent conviction stopped that practice.

The scandals that rocked the Harding administration fully revealed the problems within the Bureau of Investigation. A new Attorney General, Harlan Fiske Stone, had the choice of reforming or dismantling the Federal investigative unit. Judge Stone, as he later became Justice of the Supreme

Court, realized the need to have an active and efficient investigative unit at the Federal level and knew that its choice of leader was critical in order to rid the Bureau of its poor reputation. He chose John Edgar Hoover, who accepted only after he was assured that the Bureau would be free from political pressure, subject only to the Attorney General, and that hiring and personnel decisions would be made only on the basis of merit. Judge Stone and Hoover were determined to create an investigative bureau that would be the model of integrity, and more importantly, an efficient, uncorruptible arm of Justice and the Justice Department. And Director Hoover achieved that end, and it was his promise to do just that before he would accept the responsibility of being Director. The Bureau instituted the policy of hiring only on merit, got rid of all of the political appointees and began the task of becoming the model Federal investigative unit. In the space of 5 years, the bureau had gone from what one writer of the time called a "national disgrace" to, in the words of Justice Stone, a bureau that "the Government can now take pride in . . . instead of feeling obliged to apologize for (it)".

As the Nation entered the Depression, the rate of crime was reaching epidemic proportions. During the Prohibition era, gangsterism flourished. As a result of this climate, and cases such as the Lindburgh kidnapping case, the Bureau's duties were expanded by such laws as the kidnapping and extortion statutes, the Federal Bank Robbery Act, the National Stolen Property Act, and the Anti-racketeering Act, and agent were given authority to carry firearms and make arrests, which they had not previously had. Today that expansion has grown to the point that the Bureau is responsible for investigations dealing with violations of over 170 Federal statutes, including the Civil Rights Act, which were imposed by this Congress on the Bureau.

It was during this period that the Bureau became prominent and the appellation of "G-Man" became popular in the folklore of this period and previously. Many critics point to this as an example of the use of publicity for the Bureau for results that did not warrant such publicity.

It is important to note that such an appellation and the fear aspect that is implicit in that nickname reflected the great strides that the Bureau had made in evolving from a national disgrace to an investigative unit that was given more and more responsibility as it proved itself.

The Federal Bureau of Investigation succeeded in its war against gangsterism and managed to stop such notorious criminals as George "Machine Gun" Kelly, Alvin Karpis, John Dillinger, and the Barker gang.

When war broke out in Europe and it was feared that it would spread to the United States, the Federal Bureau of Investigation assumed another role, that of counterintelligence and intercepting potential saboteurs and espionage agents.

On December 7, when news of the bombing of Pearl Harbor reached the United States, FBI agents were ready and within 24 hours over 1,700 aliens were in custody. To the credit of the dedication and hard work of the Bureau, in cooperation with other intelligence networks, not one single enemy-directed act of sabotage was committed in the United States during World War II.

After the war, the Bureau again had its responsibility enlarged with the passage of the Atomic Energy Act. The Bureau was given the responsibility of safeguarding the secrets of the United States through personnel security checks and surveillance of seditious organizations.

In the early sixties and as the civil rights movement gained ground, the Bureau was in the forefront again of investigation of violence related to that movement.

In the development of the Bureau, one of the most efficient and respected investigative units in the world, Mr. Hoover introduced several concepts unknown in law enforcement. He established the Identification Division in 1924 providing a new concept in identification. Senator Carl Hayden of my own State of Arizona was instrumental in this effort, which entailed an indexed fingerprint chart to help trace criminals. He established the FBI laboratory in 1932 to use the benefits of modern science to aid law enforcement. In 1935, the FBI National Academy was established and remains one of the finest law enforcement education institutions in the world. Its purpose to train worthy law enforcement officers in administration and police work.

As the Bureau has grown, as additional responsibilities were thrown at it, it attracted criticisms. When Director Hoover received assurance that the Bureau would be free of political influence, he kept it that way. He opposed any concept of a national police organization, as has been charged in the program. During the long sessions of the investigation chaired by Senator McCarthy, it was Director Hoover that come out against open publication of FBI security files to protect the innocent from any whispering campaign.

During the early and middle sixties the Bureau and the Director were charged with racism. I find it odd that the charge was leveled because it was the FBI alone that responded to the violence in the early sixties when local law enforcement agenices could not or in some case would not investigate the murders and beating that took place.

□ 1810

The documentary aired by ABC on Director Hoover tries to smear the Bureau and the Director with implied charges of fascism, blackmail, and generally attempting to paint a hard-working, dedicated agency as a closed, tyrannical society bent on destroying the constitutional right it was charged with protecting.

In relating the Bureau's involvement with Dr. Martin Luther King, ABC implies that the Director, out of some racist or puritanical hate for Dr. King, put him under surveillance and tried to prevent him from leading the civil rights movement. ABC patently ignores the fact that while wiretaps were authorized on Dr. King, they were authorized by Attorney General Robert Kennedy, because of Dr. King's association with known Communists and the fear that the Communists would use the civil rights movement to foment other than peaceful change in American society.

The telecast opens with the line that "J. Edgar Hoover, imposed his personal vision on Congress, Presidents, and on millions of Americans" the implied notion is that Mr. Hoover used the threat of supposedly existent files on anyone who would defy him. If, indeed, Mr. Hoover imposed this vision on anything, it was on the Bureau. He took a discredited agency and developed it into the most effective and respected investigative body in the world.

The documentary tries to make a case, from the success of the Bureau in stopping sabotage in World War II as more a public relations creation than a fact. However, it still remains a fact that not one single enemy-directed act of sabotage took place in the United States during the war.

The telecast makes several accusations of the kind that are only fit for cheap irresponsible tabloids. The entire last third of the show is dedicated to examples of Bureau surveillance and the implication is left that they were done in the attempt to gain leverage in the political arena.

Director Hoover was careful since the beginning of his tenure to have a reputable agency that worked to get investigation accepted in court, not thrown out. It is ironic that the method he most despised, innuendo, implications are used against him after his death.

The exercise we saw on ABC is how to kick a dead horse.

His was a vision of protection of the Nation and law he loved. He battled nazism, communism, and the Ku Klux Klan with equal fervor. He introduced comprehensive law enforcement training in America for the first time. He raised the level of law enforcement from that of mere night watchman to a respected profession. More impor-

tantly, he taught us respect for the law.

The best way to sum up Director Hoover is found in the book authored by Ralph De Toledano:

John Edgar Hoover did not wear golden shoes. He was sometimes wrong, many times more right. But he loved America, he believed in America, and he fought for America. For most Americans, that was enough. For those who knew him, that was a beginning.

Mr. Speaker, I have a letter in my hands from our former colleague, Congressman Sam Devine, who is now practicing law here, which I would like to insert in the RECORD at this point. It is a letter directed to Mr. Leonard Goldson, chairman of the American Broadcasting Co. in New York, and takes on the charge with regard to a point made in the ABC network program indicating that Mr. Hoover had been accused of homosexuality. It was never proved and it was reported that he was not. But why mention it in the first place? Congressman Devine addresses that point.

The letter follows:

BRICKER & ECKLER,
Columbus, Ohio, June 8, 1982.

Mr. LEONARD GOLDSON,
Chairman of the Board, American Broadcasting Co., New York, N.Y.

DEAR MR. GOLDSON: This letter is directed to you to express my outrage and revulsion over the hatchet-job your organization perpetrated last Thursday, June 3, on the reputation and memory of J. Edgar Hoover, late Director of the Federal Bureau of Investigation.

Perhaps my point of view has some bias, as a former Agent serving under Mr. Hoover prior to, during and following World War II. But any such bias could not possibly compare with the cowardly, twisted, destructive presentation of Hoover's life and career by ABC.

I doubt if anyone has accused you of being a homosexual, but the mere use of the term in connection with anyone creates a question mark as you well know. It's just like telling a jury to "disregard" after the axe has fallen. Yet you saw fit to damage the former Director, even though your commentator lamely stated, in effect, "there has been no such claim".

I never cease to be amazed at the sudden surge of courage by certain media people, after a subject has passed away and cannot defend himself against untrue, scurrilous, twisted charges. Most of them lacked the guts to take him on when he was alive.

Perhaps Hoover stayed on too long, but that is no reason to destroy his career and rewrite history, particularly when his service to his goverment far outweighed any indiscretions or mistakes in judgment.

You and your network should be ashamed of yourselves, and recognize what a disservice you have done to the millions of TV viewers by your intentional destructive tirade against one of America's great patriots.

I suspect you will receive a number of letters similar to this one, and I trust you will have the integrity to make known the response you receive from viewers.

Sincerely,

SAMUEL L. DEVINE.

Also I would like to insert in the RECORD a telegram from the president of the Former Special Agents of the Federal Bureau of Investigation, of which I am a member, Mr. Joseph Sizoo, for immediate release, which makes counterpoints on the program that was shown.

The telegram follows:

SOCIETY OF FORMER SPECIAL AGENTS OF THE FEDERAL BUREAU OF INVESTIGATION, INC.,
Long Island City, N.Y., June 9, 1982.

The program "ABC News Close-Up: J. Edgar Hoover" on the ABC network on June 3rd was a television vendetta spawned in anti-Mr. Hoover sentiment, founded on a pre-conceived conclusion and fitted out with contents only suited to ABC Close-Up's purpose. Unbalanced and unfair, it would have been more appropriately titled "ABC News Frame-Up."

ABC and the promoters of this charade forfeited creditability by the line-up of predominantly hostile witnesses, by explicitely accusatory pre-program publicity, and the elimination of favorable material regarding Mr. Hoover furnished by friendly sources and members of the Society of Former Special Agents of the FBI. It is unbelievable that an objective one-hour so called "documentary" would contain nothing good or respectable concerning a man who served 48 years in the Nations Capitol under 8 Presidents, 16 Attorneys General and the scrutiny of the Congress and news media and the public.

Surprisingly this show follows closely after the justified criticism of the recent CBS News program aimed at General William C. Westmoreland, "The Uncounted Enemy: a Vietnam Deception." The widely circulated TV Guide charged that program with "an often arbitrary and unfair approach;" "Inaccuracies, distortions, and violations of journalist standards;" and ignoring or declining to air any evidence that did not support its thesis. Certainly these same charges apply to this "ABC News Close-Up: J. Edgar Hoover," a duplicate in the technique of deceitful documentary.

The ABC-News Close-Up staff spent more than a year in the production of this feature. However, the members of this society with pertinent expertise will use a minimum of time in analyzing the false statements and impressions of the program and will then submit a detailed rebuttle to ABC News and the news media in the interest of accuracy and fair play.

We agree with the ABC News Close-Ups concluding statement that, "in our democracy, those we must always watch most closely are those we entrust to watch over us". However, we, along with a large segment of the public, would assuredly add to that statement: "and those in the news media who hold almost unbridled power to mold the minds of the Nation."

JOSEPH A. SIZOO,
President.

Mr. Speaker, I would also like to insert a letter to the editor of the Arizona Republican dated June 12, 1982, which was written by Dr. William Helme, M.D., a Phoenix neurological surgeon and former member of the FBI and who participated in the Nazi saboteurs case in New York.

The article follows:

NETWORK ERRED ON HOOVER TELECAST

EDITOR. Since ABC News provides no forum for thos who might not agree with all their views, it would perhaps further the cause of fairness if you would help correct the inaccuracies in their program about the late Director of the Federal Bureau of Investigation.

I was directly involved in one of the cases they chose to describe and their account of it is demonstrably false. They stated that the Bureau did not apprehend the eight Nazi saboteurs who landed here by submarine in 1942.

A number of FBI agents, including myself, arrested Herbert Haupt and Herman Neubauer on June 27, 1942, and we were surely working under Mr. Hoover. The other six saboteurs were arrested by Bureau Agents in the East. Such gross violation of the truth in one case would tend to make one wonder about the reliability of the other "facts" presented by Marshall Fraby and Patricia Lynch, whose credentials were not listed by ABC.

There is no doubt that Mr. Hoover endevored to publicize the Bureau favorably and, since he was dependent on public appropriations, such tactics were pretty much necessary for success.

The ABC program castigated Mr. Hoover, quoting such patriots as Ramsey Clark, for his views on Martin Luther King. I have no personal knowledge of the Reverend King, but ABC appeared to state that he was probably a habitual adulturer and, if this was true, perhaps most would agree with Mr. Hoover that such propensities tended to disqualify this minister of the gospel as a great moral leader.

With respect to the assassination of John Kennedy, God knows where all the truth lies, but I would not reasonably expect unbiased accounts, as ABC apparently did, from former agents who were disciplined for their handling of the case.

The FBI was a tough organization with many really great men in it and they rewarded ability and punished failure by such elementary methods as cutting salaries or transferring agents to the Butte or Sioux Falls offices—where the winters were cold and the agents in charge were known to be even tougher.

I suspect Mr. Hoover stayed around a bit too long, but it is probably fanciful to conclude that this was because he had something on most everyone in Washington. Many men, including often the nine old men on the Supreme Court, have failed to recognize when they should relinquish power.

WILLIAM HELME, M.D.

PHOENIX.

(Dr. Helme is now a Neurological Surgeon.—Editor.)

Mr. Speaker, also I would like to insert in the RECORD at this point a letter from Cartha DeLoach, former Assistant Director of the FBI, who addressed a letter to Leonard Goldenson, president of the American Broadcasting Co., dated June 9, 1982, in which he makes some comment and, of course, Mr. DeLoach was interviewed on the program.

The letter follows:

GREENWICH, CONN.
June 9, 1982.

MR. LEONARD H. GOLDENSON,
President, American Broadcasting Co, Inc., New York, N.Y.

DEAR LEONARD: We have known each other for many years and, I believe, have always enjoyed a mutual respect and a very good working relationship. This is shown by the fact that I worked with you and your personnel on the highly successful FBI TV series which ran for nine years, and the ABC Sunday afternoon radio commentary in which I served as the official FBI spokesman. Because of this relationship, and because of the false image presented, I am writing to lodge a strong personal protest about the arbitrary and unfair portrayal of the FBI and its former director on ABC television June 3, 1982.

I was appalled and saddened by the fact that this documentary on Mr. Hoover turned out to be what one respected TV reviewer called "Monday morning quarterbacking of the worst type."

When I was approached to cooperate in the preparation of this program, I was assured that it was intended to be an even-handed evaluation of the man and his leadership developed through extensive interviews of Hoover associates and adversaries. Under no circumstances was it to be deliberately designed to denigrate the man or damage the agency he headed for many years. On the basis of that assurance, coupled with the fact that I had been asked by the FBI to agree to be interviewed, I cooperated fully with your people on two separate occasions.

Much to my subsequent dismay, I found that my contribution to the program was reduced to two exceedingly brief appearances, followed immediately by attempts to brand me as a liar through the use of completely uncorroborated rebuttals by two well-known critics of Mr. Hoover and the FBI.

Let me assure you that I never had possession of the King tapes at any time, and if I had, I would never have offered them to either the Washington Post or its subsidiary Newsweek Magazine. I should hope you credit me with better judgment than that! Long ago I became fed up with the whining of a certain former attorney general who constantly complained that he did not know what was going on when he held that position. I think his admissions of his own inadequacies is answer enough to any remarks he may have had on the subject of law enforcement.

If this program was not to be an out-and-out hatchet job from the beginning, please tell me why so much of the hour was devoted to the unverified personal opinions of adversaries who have a history of seizing every opportunity presented to them to destroy Mr. Hoover and weaken the FBI. True, the man had his warts as all of us do, but did that justify using the majority of the hour in downplaying his acomplishments while only grudgingly acknowledging that despite his faults, he built a law enforcement agency that was recognized as the best in the world? To say nothing of the man's lifetime of devotion to the service of his country.

When I agree to help in the preparation of this program, I had hoped it would be a balanced examination and assessement of the man and the agency. Instead, the public was given a rehash of tired old claims of mismanagement of investigations, long ago proven baseless, and slanted explanations of why certain actions were taken coupled with many instances of innuendo and outright distortion. What purpose was served to carp about the fact that he was devoted to his mother, that he never left the United States or that he remained a lifelong bachelor? What sort of reporting makes smarmy reference to the fact that Clyde Tolson was a trusted and devoted aide and then go on to piously assure the audience that Mr. Hoover was never proved to be a homosexual? I hardly think this tripe represents the best in journalistic standards.

The fact that the present FBI director refused to participate in this documentary is a credit to him in spite of the show's apparent attempt to end the hour by intimating that his refusal was an implied criticism of the Hoover administration of the FBI.

It saddens me to admit that the recent slanted CBS attack on the reputation of General William Westmoreland and the ABC distortion of J. Edgar Hoover's distinguished career has led me to agree with the suggestions that television news "safeguards" for fairness and accuracy need tightening, if not wholesale revision.

Sincerely,

C. D. DELOACH.

Mr. Speaker, at this time I would like to yield to my very distinguished colleague, a former member of the Federal Bureau of Investigation, the gentleman from the great State of Ohio, Mr. MIKE OXLEY, for his comments.

Mr. OXLEY. Mr. Speaker, first of all, I would like to thank the gentleman from Virginia (Mr. DAN DANIEL) and the gentleman from Arizona (Mr. RUDD) for providing this time for us to have an opportunity to set the record straight on what I found to be a very slanted and biased report that I happened to see on ABC. Probably the only good news about it was that it was up against the NBA playoff games and a replay of Dallas, and for that we are fortunate that probably very few people had an opportunity to see it in the first place.

But let me just point out, as the gentleman from Arizona (Mr. RUDD) indicated, I am a former member of the FBI and served very proudly under J. Edgar Hoover.

I think all of us who have served in the Bureau have to recognize that he was a human being. Most human beings are prone to error, as all of us are, whether Members of Congress or Presidents or whatever, and some of the mistakes he made obviously all of us recognize internally, all of us had our disagreements with the Director, but as the gentleman from Arizona (Mr. RUDD) pointed out so correctly, he was the boss, he was in charge. Everybody knew he was in charge.

When I first joined the Bureau, when I first applied to the Bureau, the special agent in charge of the Cincinnati office, where I applied, looked across the desk at me and said, "You will be joining, if you are lucky, a paramilitary organization," and that is exactly what the FBI is, it is a paramilitary organization, "at which time you are expected when you are sworn in not only to uphold the Constitution but to live by the rules and regulations that are set by the Director."

That is exactly what I tried to do.

For him to be criticized for that, in my estimation, is totally unfair and certainly not in the best interests of journalism and certainly not in the best interest of the American people when these types of shows are aired for all to see.

I have had an opportunity to peruse some of the editorials that came out after and before, after they were prescreened, comments that were made by various newspapers, and I would like to quote from some of them, if I can, because I think they say it quite well in terms of what the show was all about.

The first one is by a gentleman named Arthur Unger, who writes for the Christian Science Monitor, on June 3, and I quote:

> The conclusion reached by Mr. Frady—"In our democray, those we must watch most closely are those we entrust to watch over us"—is a valid one, whether or not all of the accusations are provable. But in the light of the questioning now going on about the easy opportunity for distortion in TV documentaries one cannot help but wonder if the premise for the show preordained its conclusion.
>
> In any event, "J. Edgar Hoover" is a fascinating piece of advocacy journalism, filled with partly proved accusations and rumors mixed in with seemingly authenticated ones. If its assertions actually prove undeniable, it will long be remembered for daring to tread where so many others have hesitated.

I would simply point out that ABC waited a long 10 years after J. Edgar Hoover was dead before they had the intestinal fortitude to even think about airing the hatchet job that they showed on television a few weeks ago.

Let me quote from another article that appeared in the Atlanta Constitution. This was the morning edition—again on June 3. It is titled "ABC's Portrait of Hoover Is a Hatchet Job." I want to simply quote from part of that:

> It's doubtful that anyone will cry "smear" against ABC for Thursday night's "Close-up" documentary on former FBI director J. Edgar Hoover. Yet the hourlong program—hosted by Marshall Frady and produced by Tom Bywaters—is just as calculated and one-sided a hatchet job as CBS' on Westmoreland.

By the way there is an article in the Minneapolis Star that is entitled, "Hoover Is Cast as a Bad Guy in Savage ABC News Attack."

Another one form the Minneapolis Star Tribune dated June 3, 1982, "ABC Heats Up Tar, Feathers for FBI J. Edgar Hoover," and in that article and I will quote from the end of the article:

> The documentary would have been better if ABC news had either narrowed its focus to new information about Hoover, or ex-

panded the show beyond a single compressed hour of one-sided diatribe. ABC wields a broadsword against Hoover, and it's the wrong weapon.

I think the indications from the reviews that were given in some of the major newspapers in this country is an indication of what at least the print media felt about ABC's attempts at J. Edgar Hoover.

□ 1820

The points that the gentleman from Arizona (Mr. RUDD) made about what Mr. Hoover did with the Bureau are uncontroverted. I think it stands on that record. I am proud of that record that J. Edgar Hoover had with the FBI and I am proud to have served with that organization.

For a news agency to present that type of very, very biased and unfair portrayal, not even attempting to be fair, in my estimation is an outrage to the American public.

I again thank the gentleman from Arizona and the gentleman from Virginia for providing the time to give us an opportunity to set the record straight.

Mr. RUDD. Mr. Speaker, I thank my very distinguished colleague, the gentleman from Ohio, for his statement.

Mr. Speaker, I had come prepared to respond point by point to the charges, the inaccuracies, and the distortions that were made in the ABC program. I will not do that, because the letter from former Special Agent Don Stewart, a friend of mine, a colleague, which Congressman DANIEL put into the RECORD does such an excellent job of a point by point response to all the different areas and points made in the ABC program that I would commend that to my colleagues for reading.

Let me just add that the critics of Mr. Hoover do not care to mention, apparently, his dedication to duty, which is what made the FBI what it was, his refusal to compromise his principles of right, justice, and accurate reporting, which was the backbone of the FBI, and which he expected every agent to perform.

With regard to dress, he wanted his people to look right and he insisted that they do look like people who did not come out of a pasture or something like that without a bath. He insisted that they be acceptable in society.

His critics do not talk about the fact that he raised the standard of law enforcement in the Nation, put a new aspect on law enforcement, gave it respectability.

They do not talk about the National Academy which he founded for the purpose of training not only special agents, but all people in law enforcement who were worthy law enforcement people.

The critics do not say anything about his scientific crime detection techniques which he provided to law enforcement across the land, the FBI lab.

The fact that he fought Communists and Ku Klux Klanners, fascists, equally; but they do not talk about these things.

Mr. Speaker, I hope that future publications and the media techniques that were used in this program will not be used again. It is unfortunate that these people who provided the program only went to his enemies and to the FBI enemies, when they could have also, if they had wanted a fair forum, taken a sampling from the other side of the picture, the people who probably knew more about what went on, and I count myself and my colleague, Congressman MIKE OXLEY, in that category, to ask them what they might have felt about these questions that were put to them.

Mr. Speaker, I yield back the balance of my time.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. FAZIO. Mr. Speaker, I move to take from the Speaker's table the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending Sepember 30, 1982, and for other purposes with the amendment of the Senate attached thereto, recede from the amendment of the House to the amendment of the Senate numbered 62, and concur therein.

The SPEAKER. The Clerk will report Senate amendment No. 62.

The Clerk read as follows:

Senate amendment No. 62: Page 22, after line 18, insert:

SEC. 217. (a) The last sentence of section 162(a) of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by inserting ", but amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of $3,000" after "home".

(b) Paragraph (4) of section 280A(f) of such Code (relating to coordination with section 162(a)(2)) is amended to read as follows:

"(4) COORDINATION WITH SECTION 162(a)(2).—Nothing in this section shall be construed to disallow any deduction allowable under section 162(a)(2) (or any deduction which meets the tests of section 162(a)(2) but is allowable under another provision of this title) by reason of the taxpayer's being away from home in the pursuit of a trade or business (other than the trade or business of renting dwelling units).".

(c) Subsection (a) of section 139 of the Act of October 1, 1981 (95 Stat. 967), is hereby repealed.

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

Mr. FAZIO (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The gentleman from California (Mr. FAZIO) is recognized for 30 minutes.

Mr. FAZIO. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, the hour is late and the need to be responsible has clearly been thrust upon the House. We have a housing crisis in this country that must be addressed. This legislation, which has been agreed to by both bodies in that area, must go forward to whatever fate the President may bring to it.

There has been and continues to be an impasse between the two bodies on the issue of outside income. The House by a vote of 381 to 29 has affirmed its belief that outside income has been abused and that there must be a limitation which will apply to both bodies in the future.

This issue, while being resolved by this decision to recede today, is temporarily in abeyance, but it will be back before both bodies again in the future, until such time as the other body faces its responsibility to enact a statutory limitation which is in accord with the rule which governs the House in limiting our outside earned income to a little over $18,000 a year and consequently also covers them at the same level.

I believe very strongly that Members of this body will insist that at other times during the remainder of this Congress that they have an opportunity to express themselves on this issue, but this is not the time nor the place to be recalcitrant. To take that kind of action would simply impede the process of government and place many individuals in a position of great distress. RIF's and furloughs would occur. Other individuals dependent upon the services of the Federal Government would suffer.

No Member of either party or either body ought to be responsible for that kind of distress. Therefore, Mr. Speaker, it is a decision that I think most Members of this body concur in, that we recede to the Senate on this item at this time.

Mr. Speaker, I have no other requests for time on this side.

The SPEAKER. The gentleman from Massachusetts (Mr. CONTE) is recognized for 30 minutes.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to commend the gentleman from California. He has been like the Rock of Gibraltar throughout this whole debate and in the conferences that we have had with the Senate.

I worked very, very closely with the gentleman on this issue.

It really hurts me that we do have to cave in here tonight, but there is no alternative because of the 8,000 or more employees that will be RIF'ed or furloughed if we do not pass an urgent supplemental before we go home for the Fourth of July; but the gentleman and I did walk over to the other side. We have expressed our interest to the other side how we feel.

We are not waving a white flag here tonight. We are going to pursue this issue right to the end.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding.

The Speaker and those in the Democratic leadership and on our side have gotten together and noting the impasse over in the other body with the skinnied-down supplemental that was sent to them and now embroiled in controversy, have concluded that our best procedure is to call up, as the gentleman has here, the extensive supplemental and simply recede and concur with the Senate amendment which has the limitation back to the old $3,000 figure for Members and send it along down to the President, and in anticipation of a veto because of those items which were in excess of his budget.

It is my understanding that it would take until 8 o'clock in the morning to have the measure enrolled. There is good transportation between the Capitol and Pennsylvania Avenue. I am sure that we could have some response early enough that Members could anticipate a vote either to sustain or override a veto sometime tomorrow, hopefully in the forenoon, in which case then we would if the measure is sustained, the veto is sustained, we would then have to come back again.

It is then on that issue we would have to make a determination and, hopefully, that the other body would see the wisdom in getting something through so that Members who have long planned for their district work period and our Democratic friends with their plans for the weekend could all pursue them without any further delay.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

It seems to me that we are on somewhat of a fast track here and I am not certain that all the Members understand just exactly what we are doing.

Do I understand correctly that we are taking the resolution that came before this House on March 23, I think it was reported out of the gentleman's committee on March 23; we have now revived that urgent-urgent supplemental bill with the provisions as they came from the Senate and that we are going to recede to the Senate on that bill and that we are, therefore, going to send it directly to the White House without having to have further Senate action; is that correct?

□ 1830

Mr. CONTE. The controversy was over amendment No. 62, the so-called Proxmire amendment.

Mr. FAZIO amended that when it came back here after we went to conference to add on a 30-percent limitation on the Senate. The Senate rejected that, disagreed on that amendment. Then today the chairman and I worked out here a clean bill. We sent over a clean bill with no housing in it, none of the $3 billion for the housing stimulus or the Proxmire amendment. When it got over there, Mr. PROXMIRE attached his amendment, Mr. LUGAR attached his amendment. At that point it looked like the Senate was going to go on for a long period of time.

They finally came to the conclusion they should just substitute that whole urgent supplemental that came over here that we amended. So that is where we are. It is going down to the White House. We recede and concur on the Fazio amendment, that is dropped, and the Proxmire amendment is in place and it goes down to the White House.

Mr. WALKER. Mr. Speaker, will the gentleman yield further?

Mr. CONTE. I yield to the gentleman.

Mr. WALKER. I thank the gentleman for yielding.

But the language that we are dealing with is precisely the same language that was in the original urgent-urgent supplemental that was amended by the Senate?

Mr. CONTE. As amended by the Senate, by the Proxmire amendment.

Mr. WALKER. We are not dealing with language adopted by the Senate today?

Mr. CONTE. No.

Mr. WALKER. We are dealing with the language that we had before us previously where the main controversy was, as the gentleman has stated, over amendment 62?

Mr. CONTE. That bill is still in the Senate. It has not come over here yet.

Mr. WALKER. Mr. Speaker, if the gentleman will yield further, then I assume that the President will immediately veto this bill so that we will have the issue of the supplemental back before us some time tomorrow; is that correct?

Mr. CONTE. That is exactly right.

Mr. WALKER. I thank the gentleman.

Mr. CONTE. At that point, the chairman will offer, if the veto is sustained, another bill which we will discuss at a later date and we will have to act on that and the Senate will have to act on that because we still have those urgent-urgent supplementals for those people who will be RIF'ed or furloughed unless we pass the bill before we go home for the Fourth of July.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from Mississippi.

Mr. LOTT. I thank the gentleman for yielding.

Mr. Speaker, I will not draw this out any longer than necessary, but I cannot just sit here without making a couple of observations.

No. 1, I recognize that perhaps at this point this is the only responsible thing that this body can do, and I commend the leadership and the gentleman from the committee, the gentleman from Massachusetts, the gentleman from Mississippi, and the gentleman from California (Mr. FAZIO) for what they have tried to do.

I realize the House did not come into this whole process with clean hands. We doctored, messed around with the urgent supplemental; but I have to take this moment to say how thoroughly disgusted I am with what has been transpiring in the other body this afternoon with regard to taking this urgent supplemental, the clean one that we passed through here, and putting us through these traces again.

It is not just the Proxmire amendment; it is the Lugar; it is the whole danged process. It really goes against my grain that we have to do this, even though I recognize maybe we do not have any alternative. But I just wanted to put on the record my great disappointment at the way this matter has been handled in the other body.

Mr. CONTE. Mr. Speaker, I wish I could say a lot more, but I cannot under the rules of the House.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. FAZIO. I will be glad to yield to the chairman of the committee.

Mr. WHITTEN. I thank the gentleman for yielding to me.

May I say to my colleagues that we discussed this earlier today in connection with the bill, H.R. 6645. I would like to say that the Appropriations Committee reported this bill (H.R. 5922) on March 23, and we have been trying to make these vitally needed funds available since that time.

Also, I would like for the record to show that the Fazio amendment has been discussed here, but involved in it is this matter of deductions for Members' cost-of-living expenses in Washington. The House voted for that part of the Fazio amendment 381 to 29. So there is no question about where the House stands on that particular part.

The part that was objected to on the other side was the fact that included in the House amendment was a limitation on outside earnings of the Senate. Incidentally, I voted against the tax break for Members' Washington living expenses when it passed, anticipating that this problem would arise.

But I want to say that we understand that the situation is such that the only thing for us to do is to go ahead and concur with the Senate. But in going ahead, we took the position, insofar as the increase in expense allowance, we were for repealing that by 381 to 29. The part that has caused the trouble is the limitation on the Senate outside earnings.

I want to make the record clear on that point.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding to me.

I would like to make a correction to the gentleman's statement, and that is that 29 did not vote against that. That 29 was against the Fazio amendment, not the repeal of the other. The other went through on a voice vote. The Fazio amendment was the one that took the recorded vote, and the 29 showed against the Fazio amendment, not against doing away with the Proxmire amendment.

Mr. WHITTEN. The gentleman is correct. The 381-to-29 vote was on Mr. FAZIO's motion which included the outside earnings limitation. But the point I wish to make here is that we are sticking by the position the House took insofar as the expense allowance is concerned; that is, it was repealed in this provision we voted on.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. FAZIO. I will be glad to yield to the gentlelady from Ohio.

Ms. OAKAR. I thank the gentleman for yielding to me.

Mr. Speaker, I want to commend the gentleman for all his efforts, and those of the chairman. I realize this is kind of an 11th hour, so I am going to support this bill.

I would be remiss, however, if I did not ask a question on behalf of my constituents, because we have had several urgent supplemental bills, and we were not included in a former bill which I will not go into.

So I want to ask, for the record, if the $12,150,000 in highway transfer money for the city of Cleveland is included in this particular bill.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. FAZIO. I will be happy to yield to the gentleman from Massachusetts for a response.

Mr. CONTE. It is in this bill that we will be considering. It was not in the bill we considered earlier today.

Ms. OAKAR. Mr. Speaker, I want to thank the gentleman, and all those who are responsible for this, and I support the thrust of what the Members are trying to do here, to act responsibly in passing this bill.

Mr. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. FAZIO. I would be happy to yield to the gentleman from California.

Mr. CLAUSEN. Mr. Speaker, I would like to ask either the gentleman from Massachusetts or the gentleman from California this question just for clarification, and it relates to the housing stimulus package:

Do I understand that the housing stimulus package is included in this supplemental?

Mr. FAZIO. Yes, it is.

Mr. CONTE. $3 billion.

Mr. FAZIO. Mr. Speaker, I yield such time as he may consume to the distinguished majority leader.

Mr. WRIGHT. I thank the gentleman.

I want to compliment the gentleman from Mississippi, the chairman of the committee, and the gentleman from California for the action that they have taken here and for the very responsible attitude displayed on the part of the minority leadership for the statement made here this evening by the minority leader, Mr. MICHEL, and by the assistant minority leader, Mr. LOTT, and for the leadership that has been demonstrated in a very thoroughly bipartisan way by the gentleman from Massachusetts, the ranking minority member.

We are doing the responsible thing. We are demonstrating that we, as a House, are unwilling for the important business of the Nation, the critically necessary things that keep this Government operating, to be snarled and obstructed by a ridiculous legislative entanglement.

We are not going to permit that kind of situation to occur. I think we are demonstrating, further, that we are capable of placing the highest priority on those things which the people of the United States look to us to care for, such as construction of wastewater treatment facilities, before the season for construction is gone, and the availability of student loans, as well as our effort to revive the lagging housing industry.

We are sufficiently dedicated to completing that action that we are willing to lay aside the rather more petty quarrels and disagreements which we may have with Members of the other body over such mundane and less important things as the rates of pay or the levels of outside income for Members of the other body, or the appropriate level of tax deductions which should be made available to Members of Congress.

Those things, after all, are not as important to the Nation as the questions that are involved in this urgent supplemental appropriation bill.

So, commending all those on both sides for the thoroughly responsible manner in which they have come together with the agreement to take this action today, I would like to urge that all of us demonstrate our unanimity in supporting the chairman of our committee.

□ 1840

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. FAZIO. I will be happy to yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, let me see if I understand correctly now. What the gentleman is doing is agreeing in part with the bill and the Proxmire amendment particularly, which repeals the so-called tax break for Members of Congress.

Mr. FAZIO. Let me make it very clear. In agreeing on this motion, as I am sure we will do unanimously, we will affirm the strong belief of the Members of the House that the special without-substantiation tax deduction for Members of Congress, which was set at $75 per day by regulation of the Internal Revenue Service, is inappropriate. We have voted overwhelmingly to that effect on the floor several times over the past 2 weeks, and we are reaffirming that today when we vote for this particular motion. So, there should be no question in the gentleman's mind or in the mind of any other Member that we are making that decision, affirming it again tonight.

Mr. KAZEN. It will be a straight vote on that one proposition without any frills?

Mr. FAZIO. Yes, I think that is eminently clear to everyone here. There is a great reluctance on the part of many of us in the House that in doing so we ignore a real ongoing problem—abuse, I believe—of the privilege of office, and that is an overreliance on outside income sources instead of facing up to the responsibility of setting an adequate salary periodically or a somewhat modest adjustment in the tax liability of Members of Congress based on our requirement to maintain two households. But, we have set that aside, as the majority leader has said, for future consideration. We are acting in accordance with the will of this body, and I think most Members understand that.

Mr. KAZEN. This clears it up. We do get a direct vote, and once we pass this bill as it is presented to us, that part of the Tax Code will be repealed?

Mr. FAZIO. That is correct. If this bill is signed into law by the President, that will take effect upon signature.

Mr. KAZEN. I thank the gentleman.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. FAZIO. I yield to the chairman.

Mr. WHITTEN. Mr. Speaker, may I make the point further that that has been the House position, so we are not changing. We are reaffirming the House position concerning the tax break for Members' Washington living expenses.

Mr. KAZEN. Yes, except that what we did by record vote was the Fazio amendment attached to it. This time we do not have anything to distract from the main issue.

Mr. WHITTEN. That is right.

Mr. FAZIO. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. FAZIO).

The motion was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3816. An act to improve the operation of the Fishermen's Contingency Fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf.

MAKING IN ORDER ON THURSDAY, JUNE 24, 1982, OR ANY DAY THEREAFTER CONSIDERATION OF A BILL MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1982

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it shall be in order tomorrow or any day thereafter to consider in the House, any rule of the House to the contrary notwithstanding, a bill making supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes to be introduced by myself, and that debate be limited to 1 hour, the time to be equally divided between myself and the gentleman from Massachusetts (Mr. CONTE) and that the previous question shall be considered as ordered on the bill to final passage without intervening motion.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. CONTE. Mr. Speaker, reserving the right to object, and I do not intend to object, but I would like to ask the chairman if we can sit down and go over this and determine what is going to go into it before we come to the floor.

Mr. WHITTEN. May I say to my colleague that I certainly intend to, and I was intending to make a direct statement to that effect. Our problem is, the gentleman's and mine and Members of the House, to carry out the procedure that we have planned. We do not know what will be in the veto message. We do not know what it might contain, but before I introduce any bill, I expect to go over it very closely with my colleague from Massachusetts and others and be sure that is one we can agree on. But we do need this waiver at this time so that we can proceed in line with the agreement and understanding we have.

Mr. CONTE. I thank the gentleman.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I appreciate the gentleman yielding under his reservation. May I simply make the observation that I am glad to hear the exchange between the chairman and the ranking member, because I think it is imperative that when we craft that new measure, that it be in the form that we can get a signature and not have to go through the trauma of another veto.

I think the gentleman from Massachusetts will be well advised of those figures that are in excess of the budget presented to us beyond the housing increment. I think most of those items were added in the other body and are unacceptable, in addition to the housing matter which we have all been talking about.

So, I hope that when we do craft that measure here, it will not only bring us back to the $3,000 limitation so far as the Members are concerned, which originated here in the House, but also be in such form that it will not be in excess of the President's request.

Mr. WHITTEN. May I say, I would not wish to go far enough to say that the Congress did not retain for itself the determination of items. But prior to any bill introduction I certainly would confer with my friend from Massachusetts. We have had very little difficulty in getting along through the years. Sometimes we have a difference about the timing, but other than that we have none, so this will be gone over and thoroughly understood.

I would say that we tried to retain in the Congress the item power which we have, which is essential to a proper legislative body.

Mr. CONTE. In answer to the gentleman from Mississippi, I know we can work this out. I have a list of items here, and as I look at them, outside of the Coast Guard, they have all been added by the other body. I think somebody down in the White House is going to have to send a message over there where they have the horses and keep them under control.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield.

Mr. WALKER. Mr. Speaker, I thank the gentleman. Did I understand the gentleman from Mississippi's request that he is requesting permission for a rule tomorrow?

Mr. CONTE. No, for a bill.

Mr. WHITTEN. For consideration tomorrow, which is essential to continue orderly Government operations.

Mr. WALKER. I thought I heard him say a rule tomorrow. I just wanted to find out whether budget waivers were contemplated.

Mr. CONTE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE LATE HONORABLE ALEXANDER PIRNIE

The SPEAKER pro tempore (Mr. RATCHFORD). Under a previous order of the House, the gentleman from New York (Mr. MITCHELL) is recognized for 60 minutes.

GENERAL LEAVE

Mr. MITCHELL of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include therein extraneous material, on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MITCHELL of New York. Mr. Speaker, I have asked for this time to pay special tribute to the late Alexander Pirnie, my friend and predecessor in the House of Representatives. Alexander Pirnie died on Saturday, June 12 of a heart attack. He was buried in a private, family only ceremony on Wednesday, June 16. He was 79 years old.

In his 79 years, Al Pirnie lead a full and productive life. He married a lovely young lady, Mildred, Silvernail, and raised two fine sons, Bruce and Douglas.

Prior to coming to the U.S. House of Representatives, he was a prominent and successful attorney in the city of Utica. His community activities and his sincere commitment to the welfare of his fellow citizens brought him to Congress after the election of 1958.

Al served seven consecutive terms as the Representative of New York State's 32d District before leaving Congress in 1972. During his tenure, he served first as a member of the Agriculture Committee. He later became a member of the Armed Services Com-

mittee and rose to become a ranking member of that panel. In addition, he served as a member of the Republican Policy Committee and the GOP Task Force on Agriculture. He was also named to chair the U.S. delegation to the Interparliamentary Union.

Upon leaving Congress, Al became the president and later chairman of the board of the Duofold Co., of Mohawk, N.Y.

His many friends, constituents, colleagues, and I are deeply saddened by his passing. He was a good friend, a wise adviser and one of the finest men I have ever known—in or out of government.

Al served as a superb role-model for those of us who followed him in elective office. He was always available for those seeking his advice and counsel. He was a highly moral man—a strong leader, an excellent legislator, and a caring representative of his constituency. He loved people. He exemplified the finest attributes of a public servant.

The Herkimer Evening Telegram, which covered his congressional career for 14 years, used these words to record his passing:

A man of leadership and compassion, he will be missed in the Mohawk Valley area. He served well in Congress. He knew the needs of his district and he represented those needs.

A man of few words, Mr. Pirnie used them wisely and when he spoke, people listened.

His leadership is well known. He was cautious until he knew the facts, but he was decisive when it came time to act.

Mr. Pirnie was a gentle, kind man. A giving, warm and compassionate man, who dedicated his life to the betterment of others.

We all should take a lesson from the speech he gave 12 years ago when he said, "Don't tear down our area. Stop complaining and do something about the source of your irritation instead of complaining. We are blessed with many sincere, hard working, dedicated people in each of our communities and, regretfully, they have to share a disproportionate share of the load because most of their neighbors are content to sit back and let someone else do the job."

Al Pirnie lived by those words. He did more than his share, but it was a labor of love—for the Mohawk Valley, his State and his Nation.

I sincerely believe that our Nation is a better place because Al Pirnie lived. He will be missed.

□ 1850

Mr. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of New York. I yield to my friend, the gentleman from California.

Mr. CLAUSEN. Mr. Speaker, I am saddened to hear of the announcement made by the gentleman from New York (Mr. MITCHELL) because Al Pirnie was a very close and a very personal friend of the gentleman from California now speaking.

I can testify and verify all of the comments the gentleman has made with regard to the qualities of the character of Al Pirnie from New York.

I had observed him on so many times of the floor.

How does one come up with words that adequately describe an individual like an Al Pirnie other than to say that he was integrity personified, was one of the most conscientious individuals, had one of the most pleasant personalities.

He had a way of kind of leaning on you, and I see my friend rom New York, SAM STRATTON, on the floor nodding his head in agreement. But Al Pirnie had a way of kind of communicating with you that caused you to want to be helpful to him and his constituents in every form, associated with whatever requests that he might make.

So I am saddened to hear of the news.

But I can tell you this: Al Pirnie made a mark with anyone that had the privilege of serving with him. He made a mark on this Congress that will be remembered by all of us that were privileged to serve with him for a long, long time to come.

So I hope you will take advantage of this opportunity to convey to his family and to his friends in the district that he represented so well that there are many of us who will never, never forget the great gentleman from New York, Al Pirnie.

Mr. MITCHELL of New York. I thank the gentleman for his kind and generous comments. I agree with him wholeheartedly.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. I want to commend my colleague from New York (Mr. MITCHELL) for his comments about our late colleague and also to commend the gentleman from California (Mr. CLAUSEN) for his remarks. Both have been very much to the point and on the beam.

I, too, would join in those remarks as one who was elected at the very same year, the very same election, as Al Pirnie was elected, and came to Congress in the 86th Congress at the same time.

In fact, there were a number of similarities in terms of our area and service between Mr. Pirnie and myself. We both represented communities along the Hudson River which were suffering at the time from signficiant unemployment. We had both served in the military service in World War II, Al Pirnie in the Army and I in the Navy. We were both active in the Masonic Order, Al much more elevated in responsibility and position than I was.

In fact, he was a past potentate of the Shrine in the Utica area. No man can reach that elevated position without being a highly respected individual in the community, one with many friends and many contacts. That is exactly what Al Pirnie was.

He continued his service in the Army Reserve when he was a Member of Congress and I believe that he was promoted during that period to the rank of colonel, which he held until his retirement from the Reserve.

As has already been said by the gentleman from New York and the gentleman from California, Al was a very polite, courteous individual who was most gracious and kind. Certainly the gentleman from California (Mr. CLAUSEN) has summed it up very, very succinctly.

As my friend from New York has already pointed out, Al Pirnie was a very conscientious and very valuable member of the House Armed Services Committee. He was diligent in performing the duties of the committee and, in fact, he was an extremely important member with respect to the NATO organizations.

I can remember a couple of occasions when he and I, who were members of a subcommittee designed to oversee the NATO structure, and headed by our former colleague, the gentleman from Missouri, Mr. Randall, went to Berlin to oversee the situation there.

We went to visit the beginning of the mutual and balanced force reduction talks in Vienna, for example.

Mr. Pirnie was always a diligent Member seeking out any mistakes that might be made and supporting the defense of our country wherever that was involved.

He retired some 10 years ago and was replaced, in fact, by the gentleman in the well, Mr. MITCHELL, who has certainly carried on his job with the same kind of expertise in the same committee.

In fact, Mr. MITCHELL and Mr. Pirnie were both concerned about the future of the major U.S. Air Force base that was located in their district, the Griffiss Air Force Base in Rome, N.Y.

Mr. Pirnie fended off, very successfully, a number of efforts in the Kennedy administration to close that base, along with the Brooklyn Navy Yard and several other bases that were closed.

Of course, the gentleman in the well fought an even more vigorous battle a few years later when that effort was revived. But thanks to the leadership of the gentleman in the well, that major air base survived and we can feel fortunate that it has survived in a day when our air power needs to be increased rather than diminished.

I think it is fair to say that our former colleague, Al Pirnie, in a sense was reluctant to return home. He enjoyed being a Congressman. He recog-

nized the contribution that he was making to the State and to the Nation.

But I think the responsibilities of his family, who are still living in Utica, were perhaps overwhelming in making that decision.

He used to come back almost every year to attend the meetings when the former Members of Congress were here. It was always good to see Al and he always kept close to Congress and to what we were doing here, although he had become engrossed again in his own business and very successfully so.

It was a shock to all of us to read in the press of his passing. But in a sense he probably died the way many of us would like to go, without any lingering illness, with his boots on, continuing to perform his duties and his business of traveling back and forth to the communities that he served.

□ 1900

He went out, certainly, as a soldier and a statesman, and we will indeed miss him in New York and throughout the Mohawk Valley.

I would like to just add, if I might, my own personal sense of unhappiness and loss that his very able and distinguished successor, the gentleman from New York (Mr. MITCHELL), is making the decision to leave the Halls of Congress and to return to the Mohawk Valley. I know that the Mohawk Valley, in which we both live, has a great pull to bring back its native sons; but I wish that it was not quite so strong, in this particular case, or in the particular case of Mr. Pirnie, because both of these gentlemen have received a great deal of expertise in the House and we are going to lose it. We in New York State, already losing five Members of our delegation, can ill afford to spare the experienced leaders that we have developed over the years.

So I just want to say, perhaps a little prematurely, because I am sure the other Members of our delegation will want to pay tribute to our colleague, the gentleman from New York (Mr. MITCHELL), that we are sorry that he is leaving too. He has done an outstanding job, and we are sorry that he will not be with us.

I want to extend to Mrs. Pirnie, Mildred, and to the other members of the Pirnie family, the deep sympathy of the delegation of the House in the loss of this great former colleague of ours.

Mr. MITCHELL of New York. I thank the gentleman for his kind words and his keen and accurate observations about our mutual friend. I know of Al Pirnie's high regard for the gentleman from New York. I want to thank the gentleman, too, for his kind words about me. We will wait for that other special order to expand.

● Mr. DERWINSKI. Mr. Speaker, I wish to join my colleagues in paying a special tribute to an outstanding public servant, our former colleague Alexander Pirnie. Al Pirnie will long be remembered for his personal dignity and his diligent service to the State of New York and to the Nation.

I had the pleasure of knowing Al Pirnie for the years that he served as a Member of Congress. We entered the Congress in the 86th session and up until the time that Al left the House in 1972, I knew him to be a conscientious and hard-working Member, who was truly responsive to the needs of our Nation and of his district. He had all the qualities and talents that are essential to the makeup of an effective legislator, and he handled the demanding responsibilities of his congressional assignments with intelligence and insight.

In addition, I worked closely with Al on a number of international meetings where we both served as U.S. delegates. Al was most effective spokesman for our country as chairman of the U.S. delegation to the Interparliamentary Union.

As a member of the Armed Services Committee, Al was forceful spokesman for national defense and exercised his interest in maintaining a strong defense policy while pursuing fiscal conservatism.

He was wholeheartedly responsive to the needs of our farmers and worked to improve agricultural policy as well as instrumental in initiating programs that have helped make possible the vast productivity of our farms.

The absolute integrity of Al Pirnie, in conjuction with his sensitivity to the needs of others, enabled him to command the respect of all of us in Congress. The country has lost a man of great stature, and we have lost a good friend and a good human being.

My wife, joins me in extending our heartfelt condolences to his wife, Mildred and sons, Bruce and Douglas.●

● Mr. WORTLEY Mr. Speaker, I would like to take this opportunity to pay tribute to a former colleague, Alexander Pirnie, who died June 12.

He was first elected to Congress in 1958 to represent New York's 32d Congressional District. He served seven terms before his retirement in 1972. Al spent much time in Madison County, a county I now have the honor of representing, attending many, many public functions during his tenure as a Congressman. He never forgot his constituents.

In summing up his record of serving others, I would like to quote an editorial from the Canastota Bee-Journal:

> To the best of our knowledge no call for help to Pirnie as a Congressman from a constituent went unanswered. Home district service by this quiet, friendly, concerned man was his stock in trade. . . . This district has been served by excellent representatives in Washington and none was any better than Al Pirnie. We mourn his passing.

I echo those sentiments.●

● Mr. MONTGOMERY. Mr. Speaker, the news of the death of our former colleague, Alexander Pirnie of New York is sad news. He served seven terms in this Chamber before retiring in 1972 and I considered him a personal friend.

I had the privilege of serving with him on the Armed Services Committee. He became the ranking minority member of that committee and was always counted on for great leadership and a firm opinion.

In addition, he was first a member of the House Agriculture Committee and was a member of the GOP Task Force on Agriculture, member of the Republican Policy Committee and was chairman of the U.S. Delegation to the Interparliamentary Union.

Alexander Pirnie was a delightful man and I can say he always had time for everyone, though his schedule was always a busy one.

His service to the 32d Congressional District around Utica, N.Y. from 1958 to 1972 was truly outstanding. In addition, he served with great distinction as president and chairman of the board of the Duofold Co. of Mohawk, N.Y.

I am honored to participate in this memorial to the Honorable Alexander Pirnie and I extend highest regards to his wife Mildred and sons, Bruce and Douglas.

His many accomplishments and contributions to the State of New York and to this Congress will be long remembered.●

● Mr. HORTON. Mr. Speaker, like my fellow colleagues from New York, particularly my good friend, DON MITCHELL, I was saddened to learn of the death of Congressman Pirnie. I first got to know Al Pirnie when I was elected to the House in 1962. During his seven terms in the House, he and I became good friends.

During Al's 14 years in the House, he established a record and level of achievement highly respected by his colleagues. Upon his election to the House in 1958, he served first as a member of the Agriculture Committee followed by service on the House Committee on Armed Services. On the latter, he ultimately became its ranking minority member.

In addition to his committee assignments, Al was a member of the Republican Policy Committee, chairman of the U.S. delegation to the Interparliamentary Union and a member of the GOP Task Force on Agriculture.

From these and other positions, Al made significant and lasting contributions to this body and to the country. I know this must be a difficult time for his wife and two sons. My wife Nancy and I join in extending our sincere condolences to them.●

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable Alexander Pirnie.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

JOBS THROUGH EXPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 15 minutes.

● Mr. ST GERMAIN. Mr. Speaker, unemployment in America has reached levels which have not been seen since the Great Depression. In my own home State—Rhode Island—the unemployment rate has reached 9.9 percent. Forty-six thousand Rhode Islanders are unable to find a job. This situation is largely the result of Reaganomics and the burdens the administration's high interest rate economic policy places on small- and moderate-sized business. As is well known, these enterprises create over 70 percent of all jobs.

It would help most if the Reagan administration and the Federal Reserve would let nominal and real interest rate decline. In addition, however, the profit outlook for small- and moderate-sized firms would be improved significantly if they could successfully sell their products in foreign markets. To be successful exporters, though, these businesses need access to stable investment and credit sources, international marketing and financing expertise, and advanced communication and data processing capabilities. I believe these needs can and will be met in the coming years as export trading companies—ETC's—are established and expanded around the country in response to enactment of H.R. 6016, the Bank Export Services Act introduced by myself and 24 other Banking, Finance, and Urban Affairs Committee members on March 31, 1982.

Today, Mr. Speaker, I am pleased to report the Banking, Finance and Urban Affairs Committee favorably concluded, by an overwhelming vote of 40 to 0, its consideration of the Bank Export Services Act and urge prompt and equally favorable consideration by the full House of Representatives.

The ability of small- and moderate-sized businesses to successfully sell their products in other countries is critically important for America's economic health generally, and in particular to my area of New England. Traditionally, this region has been heavily involved in international trade. The New England Congressional Institute, for example, reports:

In 1980, the six New England States generated over $10 billion in export sales. An estimated 135,000 jobs in New England are a direct result of export sales. When asked to predict the effect of passage of ETC legislation on their companies' receipts in the New England Congressional Institute survey conducted in April, 57 percent of the export trading company respondents estimated an increase of over 25 percent. All of the respondents indicated increases of at least 5 percent. Applying the lowest of those estimates to current export data suggests that *the potential effect of ETC legislation in New England means 500 million dollars earned in export sales, and over 10,000 jobs.* (Emphasis in original.)

The long-standing, inward-looking posture of most U.S. producers contrasts sharply with the tremendous importance and reliance many foreign firms place on exporting. Most U.S. producers devote little or no effort to export promotion. Only 10 percent of U.S. manufacturing firms export. Fewer than 1 percent of these firms account for 80 percent of our exports. Until recently the U.S. market offered sufficient opportunities for the sale of U.S.-produced goods and services. There was little need for a strong export orientation by U.S. firms. The present world economy makes this inwardlooking posture obsolete.

After World War II, the rapid growth in U.S. imports challenged the traditional domestic market share of U.S. producers in many product areas. The U.S. market changed from one dominated by domestic manufacturers to one in which demand was increasingly supplied by low-cost, low-wage foreign suppliers. In addition, the historically rapid growth in population and consumer demands, a hallmark of the U.S. economy in the past, slowed dramatically. Now new markets are needed by many U.S. producers. A Commerce Department survey concluded that about 20,000 U.S. manufacturers and agricultural producers offer goods and services which could be highly competitive abroad. The greatest potential for building America's export capacity lies with the small- and medium-sized firms that have not previously turned their attention to overseas markets.

Despite the Department of Commerce's finding, many small- and medium-sized manufacturers never attempt to export. Some are intimidated by the complexity of exporting. Others cannot afford the higher than normal transactions costs associated with exporting. The establishment of ETC's to promote U.S. exports will facilitate sales of these products overseas. However, as was the case with Japanese ETC's, allowing banking organizations to invest directly in and to own ETC's is crucial if ETC's are going to increase U.S. exports.

Banking organizations can provide services which will make an ETC function more effectively. They can supply the capital and international expertise necessary to allow ETC's to experience the economies of scale necessary to overcome the high fixed costs and the redtap associated with exporting. The existing international communications and data processing systems and financial expertise of large banks can provide additional benefits.

Due to a bank's business contacts, and those of their correspondents with both domestic and foreign businesses, banking organizations are uniquely suited to serve as a bridge between potential exporters and potential importers. Thus, an ETC owned by a banking organization, represents a most efficient method of finding compatible buyers and sellers.

The concerns of many about maintaining the traditional separation of banking and commerce are addressed in H.R. 6016 by allowing only investments by bank holding companies or bankers' banks but not banks themselves. Thus, having an export trading company operate within a bank itself would be precluded, and the existing ample bank holding company and bankers' bank supervisory and regulatory resources of the Federal Reserve System would be available to prevent undue risk taking.

Exporters, manufacturers, and banking organizations are enthusiastic about the export business opportunities this bill will create. In testimony before my Subcommittee on Financial Institutions Alden Anderson, the president of Hospital Trust Corp. in Providence, R.I., said the passage of H.R. 6016, the Bank Export Services Act, will allow Hospital Trust "to make a valuable contribution to the economy of New England and, of course, to Rhode Island."

Mr. Speaker, the action today by the Banking, Finance and Urban Affairs Committee represents a bipartisan effort of the highest order to do something about the lagging situation in U.S. exports and high unemployment. I commend and thank my committee colleagues on both sides of the aisle, and urge the House to follow our example and promptly and affirmatively pass this important legislation.●

ANNIVERSARY OF THE BATTLE OF KOSOVO—JUNE 28

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on June 28, Americans of Serbian descent and Serbs all over the world commemorate the heroism, dedication, and courage of their countrymen who bravely sacrificed their lives at the Battle of Kosovo in 1389, in defense of their religion and their national existence. Actually fought on June 15, but celebrated on June 28 under the Gre-

gorian calendar, the Serbs were defeated in this battle by overpowering Turkish forces.

The Turkish Army, in its efforts to conquer Europe in the 1300's, turned its might toward the Serbs, first defeating them at the Maritsa River in 1371, and then on the Plains of Kosovo in 1389. In the Battle of Kosovo, which marked the fall of an independent Serbian state, the Serbian Czar, Prince Lazar, and the Turkish Sultan, Murad I, were both killed. The Serbian knight, or voyvode, Milosh Obilich, who slew the sultan in his tent, has been immortalized in national songs and legends, along with the battle itself. Although the Serbs lost their valiant struggle to preserve the independence of their nation, the ideals for which they fought remain a part of the Serbian heritage, and these memories are permanently a part of their national consciousness.

The Serbian people lived completely under Turkish domination beginning in 1459, when Serbia became part of the Ottoman Empire. For the next 400 years, the courageous Serbians were harshly ruled by Ottoman overlords who subjected the peasantry to cruel and inhumane treatment. Nevertheless, throughout these years, the Serbian people, through the leadership of the Serbian Orthodox Church, the only national institution not destroyed by the brutal conquerors, were able to maintain a sense of national pride and culture. The weakening of the Turkish Empire in the late 18th and early 19th centuries led to a series of events that enabled Serbia to regain its autonomy in 1830 and its independence as a kingdom in 1882.

At the conclusion of World War I, under the leadership of the Serbian royal dynasty, the Kingdom of Serbs, Croatians, and Slovenians was established. The name of this kingdom was changed to Yugoslavia 11 years later. In 1945, the monarchy was abolished when the Communists invaded and dominated Yugoslavia. Unfortunately, the official observance of the anniversary of the Battle of Kosovo has been banned by the Communist rulers. However, despite this attempt to destroy the national pride of the Serbians, this historic date remains alive in the hearts of Serbs everywhere.

Mr. Speaker, this spirit to overcome tremendous odds in the name of freedom has strengthened the Serbian consciousness, has united the Serbs as a people, and is a vital part of their cultural heritage which has been preserved throughout the centuries. Americans of Serbian descent have made strong and lasting contributions to the strength and greatness of the United States. I am proud to join with the Serbian Americans in the 11th District of Illinois which I am honored to represent, and throughout the Nation, who are commemorating the historic Battle of Kosovo. Their dedication to the ideals of human freedom and human dignity serves as an inspiration and example to the entire world.●

CERTIFICATION OF FUTURE FOREIGN AID TO EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. RATCHFORD) is recognized for 60 minutes.

Mr. RATCHFORD. Mr. Speaker and Members, I know that the hour is late, but I take this special order to address an issue that, frankly, I thought would have been resolved by this House this afternoon. That is the whole issue of certification for future foreign aid to El Salvador.

Now, you know and I know, Mr. Speaker, that at one point this afternoon the gentleman from Maryland rose, as chairman of the Subcommittee on Latin and South America, and attempted to gain unanimous consent to bring to the floor of the House the issue of certification for foreign aid and future foreign aid to the country of El Salvador.

Regrettably, from my point of view and that of other Members who will speak later this evening, there was an objection—within the rules, yes, but an objection which prevents us from debating here today the future of our relationship with El Salvador, the future of foreign aid to El Salvador and the whole issue of where this country is going on the critical issue of human rights and opportunity.

Had we debated this issue this afternoon or, hopefully, when we debate it tomorrow—because certainly it demands our action before we break for the congressional recess—this language would have been presented to the House of Representatives. It reads as follows, and it will come before the House when the issue is brought before us either tomorrow, hopefully, or at some point before the break.

The second certification—

And they are referring to the certification for future foreign assistance—

required under this section may be made only if it includes a determination by the President that the Government of El Salvador (1) has made good faith efforts since the first such certification was made to investigate the murders of those 6 United States citizens and to bring to justice those responsible for those murders; and (2) has taken all reasonable steps to investigate the disappearance of journalist John Sullivan in El Salvador in January of 1981.

Now, I am concerned about this issue as a Member of Congress. I am concerned as a U.S. citizen who sees too great a reliance on our foreign policy on military hardware and not enough concern for human rights and economic development; but I am doubly concerned because one of those murdered, religious worker Jean Donovan, has in my district, in fact, in my home town, Danbury, Conn., the family of her brother. That family, Michael Donovan, her brother, and those of us concerned for human rights in Latin and South America are concerned that in June of 1982 we Members of Congress, Americans all, do not have an answer as to what happened to Jean Donovan, to her coreligious workers and to those murdered—yes, murdered—in El Salvador.

And when did this occur? Not in June of 1982, not in fact in June of 1981. But the date of the murder in question was December 2, 1980. December 2, 1980, Jean Donovan and fellow coreligious workers, American citizens, were murdered in El Salvador. And still, to her family, to her brother Michael Donovan, my constituent, to those of us concerned with what happened and why, no answers. And, in fact, less than that: no person brought to trial, brought to the court of justice, brought to bear for what happened to Jean Donovan and those who were murdered with her in El Salvador. No trial, no answer, no response. And yet today this country apparently is on the verge again of certifying aid to El Salvador and of saying to the world there has been sufficient progress in human rights and opportunities for us to continue assistance to a country that allows to go unanswered since December 2, 1980, the murder of American citizens.

Now, as bad as this is and as troubling as all of this is to me, to those who will speak this evening, I am even troubled more deeply by the fact that the families of these religious workers have been treated in shabby, shabby fashion.

Some of us have seen the movie "Missing" which relates to another Latin American country and the lack of a response or sensitivity or compassion or concern on behalf of our State Department to the families directly involved in the conduct that led there to the death of an American citizen. Well, I am concerned tonight that the families that I speak about, that the American citizens for whom I am concerned and, specifically, the Donovan family, is getting the same treatment as America saw depicted. The same treatment coming from whom? From our State Department.

Michael Donovan in effect has been told, "Forget it, flake off, don't bother us, leave us alone, don't worry about it." And Michael Donovan, sadly, has been ignored by the American State Department since December 2, 1980.

Well, I stand here tonight as his Representative and as a concerned Member of Congress to say that the issue is not going to go away, that the concern on behalf of the Members of Congress is not going to go away, that our opportunity to speak about the

lack of human rights and opportunities in El Salvador and in other countries to whom we provide foreign aid is not going to go away. And, yes, our votes are not going to be provided for a continuation of a foreign policy that emphasizes military hardware, that shows diminishing concern for human rights and opportunities and is willing to continue the status quo in El Salvador, even though it is now June of 1982, and the Donovan family has not received a response.

□ 1910

Hopefully, tomorrow the issue of certification will come back up again. Hopefully, in overwhelming fashion we will say to the world that until there is an answer as to what happened to Jean Donovan and her fellow religious workers, we, the Congress of the United States, are not prepared to certify aid, but if this does not come up I will take the opportunity, together with those of us who care about human rights in El Salvador and throughout the world, to say to Michael Donovan, to say to those who died with her, to say to those murdered in El Salvador, that you shall not be forgotten in the Congress of the United States.

At this time I yield to the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. I thank the gentleman for yielding and I commend him for taking this time.

Mr. Speaker, I also apologize to our colleagues and to the staff of the House for keeping them in session for a few moments at this hour of the night. It ought not to have been necessary. This subject ought to have been debated and ought to have been acted upon by this House earlier today, and it would have been had it not been for a number of objections from the Republican side of the aisle. Because of those objections, which I frankly do not understand, and which leave me incredulous—because of those objections it was impossible not only for this House to act today, but it was impossible for this House to debate or even to have explained to it the substance of the matter which was to have been brought before it and on which we were to have voted.

I say incredulous not at all facetiously. I am genuinely incredulous because there is not nor has there ever been, to my knowledge, a scintilla of partisanship on the issue before us, and because we were precluded by objections from the Republican side earlier today in presenting the issue to the House, it does seem to me to take a few moments of this time to explain to the House and to the American people what it was that we were prevented from voting on by objection by the minority side, and what it was in fact earlier today we were prevented from even describing to the people.

What the gentleman from Maryland, the chairman of the Subcommittee on Inter-American Affairs requested unanimous consent to consider was House Joint Resolution 494, which was authored by myself and the gentleman from New York (Mr. GILMAN), a member of the other side. They were cosponsors on both sides of the aisle of that resolution and it was adopted unanimously by the Subcommittee on Inter-American Affairs and reported unanimously to this House by the House Committee on Foreign Affairs. It was thoroughly bipartisan, therefore, in its authorship and in its sponsorship, and because there is some confusion at this point as to what transpired this afternoon in the House, let me just remind the Members.

Three unanimous-consent requests were made for the consideration of bills. One for a bill from our Committee on Foreign Affairs to provide emergency assistance to Lebanon. No objection was heard and the bill was passed, after lengthy debate and discussion.

One request was made to consider a bill congratulating Thailand on an anniversary of its nationhood. No objection was heard and the bill was adopted. Then a similar request was made to consider House Joint Resolution 494 with respect to conditions on U.S. military assistance to the Government of El Salvador and objection was heard to the consideration of the bill by the minority leader, the gentleman from Illinois (Mr. MICHEL).

I do not have the slightest idea why the gentleman objected, but he did.

At that point the gentleman from Maryland asked unanimous consent to address the House for 1 minute, a routine procedure, to explain or attempt to explain in 1 minute what he had just tried to offer to the House. The gentleman from Illinois, the minority leader requested in his turn to try to explain what his objections were. I requested unanimous consent to address the House for 1 minute, and that request was denied on an objection by the gentleman from Illinois (Mr. MADIGAN).

This is my 10th year in this body and I do not recall in that decade, roughly, a single incident in which the routine courtesy of a request to address the House for 1 minute was objected to by any Member of either party. And I take this occasion to express my disappointment and again my puzzlement that the gentleman from Illinois would object even to an explanation, much les a debate, much less action by this House, on a matter of this significance.

The gentleman will recall that later in the day the chairman of the full Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI), made once again a unanimous-consent request to consider the bill, and this time objection was once again heard on the Republican side—this time by the gentleman from South Carolina (Mr. HARTNETT). Not only that, but in response to a plea from the chairman of the committee that he at least be allowed to explain what he was offering, prior to the objection being lodged, the gentleman insisted on his objection and removed from his feet the chairman of the full Committee on Foreign Affairs.

Now, Mr. Speaker, this procedure is one which I do not understand. I find it difficult to believe that the minority leader and other members of his party who objected have problems with the substance of the legislation, but in this instance timing is essential, and if the gentleman will yield further I am going to explain why that is the case.

The legislation would amend the so-called Bingham-Solarz language which was included in the 1981 foreign aid bill that is now law and which placed a series of conditions on U.S. military aid to the Government of El Salvador. This amendment, which we attempted to consider today, would require that the second Presidential certification, prepared under the statute, include a determination by the President, that since the first certification was made in late January, the Government of El Salvador has made good-faith efforts to investigate the murders of six Americans in El Salvador in late 1980 and early 1981 and to bring to justice those responsible for those murders.

In fact, we amended the legislation once it had been introduced at the request of a Member on the other side, the gentlewoman from New Jersey (Mrs. ROUKEMA) who has a constituent who has disappeared and who is, we fear, the victim of foul play, the free lance journalist John Sullivan, to include a requirement that there be a good-faith investigation into the disappearance of Mr. Sullivan as well.

The legislation is necessary because the Bingham-Solarz language only required a one-time certification concerning these investigations, and because, as the gentleman has pointed out, no one has yet been tried for any of the murders.

The committee approved similar language in an amendment offered by Mr. GILMAN to the supplemental foreign aid bill for fiscal year 1983, but that bill will probably never see the light of day and certainly will not become law, if ever, before next month when the certification must be made by the President.

Both the U.S. Government and the previous Government of El Salvador committed significant amounts of time and resources to the investigation of these crimes, which involved the brutal murders of four American church women in December 1980 and

two U.S. agarian reform workers in January of 1981, and in the same month the disappearance of Mr. Sullivan. Six former members of the Salvadoran National Guard have been indicted for the murder of the church women. No trial date has been scheduled.

The Subcommittee on Inter-American Affairs had received testimony in February of this year which indicated that "A large body of evidence has been compiled in the murders of Michael Hammer and Mark Pearlman, the two U.S. agarian reform workers." Mr. William Doherty of the American Institutes for Free Labor Development told the subcommittee in February that this evidence—

Should lead to the indictment of the murderers, both the civilian intellectual authors of the crime, and the military personnel who actually pulled the trigger.

And Mr. Doherty went on,

We can tell you right now that this evidence implicates high-ranking members of the security forces.

No progress has been made since Mr. Doherty testified to that effect on February 24.

Mr. Speaker, the history of these investigations indicates that pressure from the United States is necessary in order to produce progress of any kind. The legislation we sought to bring before the House today was intended to maintain pressure on the Government of El Salvador to see that justice was done.

Mr. Speaker, timing is critical. Under the law the second determination by the president, the certification, must be made on the 28th of July, next month. That is why we chose the route of bringing before the House this legislation by unanimous consent, so that it could be passed by the House prior to our departure for the Fourth of July recess, in the hopes that the Senate, which will be in session next week, could act on it, that it could be gotten to the President to be signed into law to take effect in time to achieve its purpose, namely, to require the President to make certification during his July process, otherwise the whole thing will be off for another 6 months.

That is why there was an urgency with respect to time. That is why the objection by the gentleman from Illinois, the distinguished minority leader, and the subsequent objection of the gentleman from South Carolina, cast such a pall over the efforts of Members of this House of both parties who tried on so many occasions to bring pressure upon the Government of El Salvador, if it is going to continue to be the recipient of U.S. military assistance in such largesse and increases in generosity of this kind as this administration has requested, at the very least it can make good-faith efforts to bring to justice those guilty of the cold-blooded murder of the American citizens. And I would remind the Members of this House that pending before us at the moment is a request from this administration for more than a doubling of military aid to El Salvador over the levels of the current fiscal year.

So this is a matter of substance. It is a matter of principle. It is a matter in which timing is critical, and it is a matter which, if we are unsuccessful again tomorrow in our request to consider it by unanimous consent, it is a matter whose purpose may well be thwarted altogether by objection lodged initially by the minority leader earlier today and subsequently by another Member on his side of the aisle.

□ 1920

I would close by pleading most particularly with the Republican Members of this House, who are legion, who are in support of or authors of or supporters and sponsors of this legislation and who agree with all of us that under no circumstances should a matter like this be a matter of partisanship, to plead with the leadership of their own side and with the Members of their own side to cease and desist from lodging the objections which have prevented this House to this moment from considering legislation which is of enormous consequence to the American people.

I do not think there has been a subject this year which all of us or any of us have received more urgings for action than this on the part of our constituents. It is utterly nonpartisan and this House, the American people, it seems to me, are done a disservice by the rendering partisan of a subject earlier today which on its merits is as nonpartisan as any I have ever seen in a decade of service in this House.

So it is my fond hope that when the request is renewed tomorrow that there will be no objection on either side of the aisle and that this House will be permitted to proceed with the wishes of its Members overwhelmingly, the wishes of the people whom we represent overwhelmingly, to say unequivocally to the Government of El Salvador that in the event you are to continue to receive aid from us, you are going to show a modicum of respect for human rights for U.S. citizens and for justice in its most elemental form.

I thank the gentleman for yielding.

Mr. RATCHFORD. Mr. Speaker, I thank the gentleman for his incisive comments, for outlining the reasons why action is essential before we break for the Fourth of July recess.

I would hope that tomorrow that plea will be heeded.

At this point I yield to the gentleman from Texas (Mr. LELAND).

Mr. LELAND. Mr. Speaker, I thank the gentleman for yielding. I also thank the gentleman for bringing this most important issue before us, unfortunately in this manner.

I want to join my colleagues in expressing outrage at the way the minority leadership has dealt with House Joint Resolution 494 and the unprecedented discourtesy shown to some of my colleagues on both sides of the aisle who wished to speak to that point for 1 minute.

This bipartisan resolution of the gentleman from Massachusettes (Mr. STUDDS) and the gentleman from New York (Mr. GILMAN) deals with an issue that is extremely important to the Congress and to the American people: The alleged involvement of Salvadoran Government officials in the assassination of American citizens in El Salvador. If we do not clarify this point, we absolutely cannot give aid to the Salvadoran Government.

I really do not understand the objections of the minority to this resolution. It was one of the conditions on military aid to El Salvador that both Houses voted into law last year. It was unanimously marked up by both the Inter-American Affairs Subcommittee and the full Foreign Affairs Committee. It was strongly supported by the minority leaders of both the subcommittee and the full committee, and both minority leaders were prepared to bring it to the floor under a unanimous-consent request.

We have not reached the bottom of this investigation into the assassination of our citizens in El Salvador. All we have seen are delays, excuses, and attempts to place all the blame on five individuals—presumably acting without the knowledge of their superiors.

Neither this Congress nor the American people will buy an attempt to keep this requirement out of the July certification.

There is absolutely no way this Congess can authorize military assistance to El Salvador without the certainty that a full investigation is underway, and that all those implicated in the assassinations will be brought to justice.

I want to commend the gentleman for bringing this most important and urgent matter before us, the Members of this Congress, and also the American people.

I want to also say to the gentleman from Connecticut that he has done us an honor by way of his support of the families and the friends of those who have been murdered in El Salvador at the hands of those who would be insensitive to the human rights and human dignity of those who have fallen.

Mr. RATCHFORD. Well, I thank the gentleman for his concern and I hope that concern will prevail tomorrow and before we recess that we can say to the families of those workers and in my case to Michael Donovan

that the Congress of the United States is concerned enough to pause in bipartisan fashion to say that we will not tolerate this abuse of human rights in El Salvador. Do not come to us seeking aid if you cannot show enough concern to bring those responsible for these horrible acts to trial.

Mr. Speaker, I have no further requests for time.

GENERAL LEAVE

Mr. RATCHFORD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

ARE UNLIMITED EXPENDITURES IN CONGRESSIONAL ELECTIONS PROTECTED BY THE CONSTITUTION?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS), is recognized for 15 minutes.

● Mr. REUSS. Mr. Speaker, the cost of congressional elections is skyrocketing.

A few years ago the average cost of a House campaign was under $100,000. In 1980 House races in suburban districts averaged $197,000, in urban districts $155,000. A number of House contests went over the $1 million mark.

From preliminary indications, House and Senate races in 1982 will be by far the most expensive in history.

This buying of congressional elections is debauching the electoral process. Yet ironically, the Supreme Court has ruled in *Buckley* v. *Valeo*, 424 U.S. 1 (1976) that the first amendment protection against abridging freedom of speech prohibits imposing limits on total election expenditures—by the candidate, his personal committee, his party, political action committees, and independents.

Two respected Members whose terms ceased at the end of the last Congress have eloquently testified to the degradation of the democratic process caused by unlimited campaign expenditures.

Representative Charles A. Vanik of Ohio, who retired at the end of the last Congress has said:

I feel every contribution carries some sort of lien which is an encumbrance on the legislative process. Contributions are rewarded by legislative policy. This is bought and sold.

Today I'm terribly upset by the huge amounts that candidates have to raise. Every night there are seven or eight fundraisers around here—that is Washington lobbyist money they're seeking.

Campaign money has deteriorated the political process, bringing greater politicization to Congress. Politics is now a 50-week affair, and time for the legislative process is encapsulated.

More and more of our people are spending most of their time preserving their own office rather than the institution. There are too many aldermen coming here, and not enough national legislators.

Campaign money causes a kneejerk reaction in some and a legislative course is reversed, just when you think it's all lined up. You are never sure now where a member stands.

Representative Bob Eckhardt of Texas, who was defeated in the 1980 elections, has recently testified:

In 1976, I faced a $300,000 opposition campaign, in the 1978 primary and general elections, about $450,000. In 1980, oil and gas, and their compatriots, launched an $800,000 campaign against me. They made a prudent investment to prevent me from becoming chairman of the fossil fuel subcommittee which I was in line to take. Perhaps my experience teaches that if the stakes are high enough, almost any congressional election can be bought at a price.

Incumbent congressmen are warped by the demagogy used against them. They are corrupted by the need for money to conduct expensive counter campaigns. During their tenure they are diverted from legislative duties by the fear of the next election where they know the short attention span of the voters will be exploited by the professional election strategies and media experts with buzz words, demagogy and outright distortion of fact.

The campaign is not waged between men and women whose human qualities are exposed. It is the role of the election experts to suppress the humanity of the candidate and present a thing of their own manufacture, with patent leather hair and painted smiles, emitting buzz words sandwiched between the dulcet tones of the announcer.

Thus money has de-humanized politics.

It has not always been so. Time was when the basic attitude of the public toward the candidate stemmed from news exposure. A kind of general feeling about the job the incumbent was doing, or the competing abilities of the challenger as reflected in past public service, or his apparent budding talents—these were the things that influenced the voters.

I urge that we "re-humanize" politics. I do not mean that we can bring back the past, nor should we. Nor do I pretend that the evils of present day professional electioneering can be swept away. They will continue to have great force whatever we do. But I think that force can be limited and diluted so that it does not overwhelm the political process.

Our parliamentary system has developed over a thousand years. It has had its ups and downs, but its movement has been toward human happiness, liberty and freedom from want. But I think it is in a decline now because its vital organ, its electoral system, is infected with the virus of money.

Congress should administer the cure, but it will be hard to bring those who have survived in the sick electoral climate to alter an environment in which they have flourished. But if Congress doesn't, eventually the people will. They will force a change—for the better or for the worse.

Well-intentioned attempts are being made to control the money power in congressional elections without infringing on the rule set forth in Buckley against Valeo. One set of bills would control political action committee expenditures. Another would provide for free television, radio, and newspaper space for candidates. Still another would entail multiple campaign funding.

But none is capable, so long as Buckley against Valeo remains, of effectively bringing the money power under control. What is needed is a confirmation of the power of Congress itself to guarantee that elections shall not be bought and sold. And that requires that the Constitution as interpreted by Buckley against Valeo must be amended so as to give Congress the requisite powers.

Freedom of speech is a precious thing. But protecting it does not permit someone to shout "fire" in a crowded theater. Equally, freedom of speech must not be stressed so as to compel democracy to commit suicide by allowing money to govern elections.

With this in mind, I have introduced a simple constitutional amendment, a joint resolution proposing an amendment to the Constitution of the United States relative to unbought elections: "The Congress may enact laws regulating the amounts of contributions and expenditures intended to affect congressional elections."

I am under no illusion that the two-thirds of the Congress and the three-fourths of the States required to adopt the amendment will be easily forthcoming. But placing this amendment before us will dramatize that the buying of elections need not be forever ordained by the Constitution.●

COMPUTER-ASSISTED CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, I am currently seeking cosponsors for H.R. 3970, the Federal Computer Systems Protection Act, which responds to the developing computer-assisted crime problem involving not only Federal agency computers, but also computers of federally insured financial institutions and the computers of businesses engaged in interstate commerce.

H.R. 3970 would make crimes by computer a specific Federal offense. Such crimes now must be prosecuted under other Federal fraud and theft statutes. Prosecutors are currently unable to make effective cases under existing Federal laws because all of the 40 or more statutes that could be applied were designed originally to control other kinds of criminal activity. This bill would give prosecutors a clear-cut basis for prosecuting anyone who steals information from a com-

puter or who alters or destroys information in a computer for personal gain.

This bill would give national scope to the effort to prevent the rapidly increasing criminal activity involving computers which has already reached frightening proportions. The Federal Government as a whole uses more than 10,000 computers. The Department of Defense alone uses more than 3,000 computers which, among other things, disburse approximately $25 billion a year, while the Department of Health and Human Services computers generate some 80 billion dollars worth of checks—such as social security—annually. In the private sector, more than 100,000 full-size computers, and 200,000 minicomputers are currently in use. The vulnerability of these computers to illicit entry and tampering is demonstrated by the fact that there are more than 2 million people in America, including operators, programers, and technicians, who now know a great deal about the strength and weaknesses of computers. Moreover, more than half a million Americans have personal computers in their homes, and there are more than 3 million computer terminals in business offices in the country.

The estimated total annual loss from crimes by computer ranges from $100 million to several hundred million dollars in the United States. This is still a small part of some $40 billion in white-collar crime each year, but computer crime continues to grow. Examples of such crime include the $10.2 million which was transferred by telephone from Security Pacific Bank to a Zurich bank account which was then used to buy $8,145,000 in diamonds from the Soviet Government. An employee at Kelly Air Force Base, in San Antonio, Tex., stole $100,000 in Federal funds which were paid out for aviation fuel that was not purchased. Inmates at Levenworth Prison, who were being trained as computer operators, obtained tax refunds ranging from $600 to $10,000 by determining Internal Revenue Service auditing triggers and submitting false tax returns. The prosecution of a company which stole information from Department of Energy computers was possible only because the information was transmitted from Maryland to Virginia by telephone line.

As the use of computer systems becomes increasingly pervasive in American society, the growth of such crimes becomes increasingly serious. Electronic funds transfer systems are likely to become the future basis of the country's financial and economic systems. Theft and sabotage of these systems could have a profound effect on the economic well-being of every American. The purpose of H.R. 3970 is to provide Federal prosecutors with an effective tool to combat this growing threat to the national economy and to national security.

In order to do this, the bill would impose fines of up to $50,000 or imprisonment up to 5 years, or both for—

. . . whoever uses, or attempts to use, a computer with intent to execute a scheme or artifice to defraud, or to obtain property by false or fraudulent pretenses, representations, or promises, or to embezzle, steal, or knowingly convert to his use or the use of another, shall, if the computer—

(1) is owned by, under contract to, or operated for or on behalf of:

(A) the United States Government; or

(B) a financial institution;

and the prohibited conduct directly involves or affects the computer operation for or on behalf of the United States Government or financial institution; or

(2) operates in, or uses a facility of, interstate commerce.

And for "whoever intentionally and without authorization damages a computer" as described above.

The definition of property in this case means "anything of value, and includes tangible and intangible personal property, information in the form of electronically processed, produced, or stored data, or any electronic data processing representation thereof, and services."

"Computer" means a device that performs logical, arithmetic, and storage functions by electronic manipulation, and includes any property and communication facility directly related to or operating in conjunction with such a device; but does not include an automatic typewriter or typesetter, or any computer designed and manufactured for, and which is used exclusively for routine personal, family, or household purposes including a portable hand-held electronic calculator.

As far as reserved state jurisdiction is concerned, H.R. 3970 states that—

In a case in which Federal jurisdiction over an offense as described in this section exists concurrently with State or local jurisdiction, the existence of Federal jurisdiction does not, in itself, require the exercise of Federal jurisdiction, nor does the initial exercise of Federal jurisdiction preclude its discontinuation.●

ADDRESS OF HON. CLEMENT J. ZABLOCKI BEFORE WISCONSIN AMERICAN VETERANS ANNUAL CONVENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 15 minutes.

● Mr. FASCELL. Mr. Speaker, the distinguished chairman of the Foreign Affairs Committee, the gentleman from Wisconsin (Mr. ZABLOCKI), recently spoke before the Wisconsin American Veterans Annual Convention in Oshkosh, Wis., on a number of foreign policy issues.

Chairman ZABLOCKI's comments on the Middle East, the Falkland Islands dispute, war powers, and nuclear arms control offer an indepth analysis of these issues that deserves careful consideration by all Members of the House. The text of Chairman ZABLOCKI's speech follows:

REMARKS OF HON. CLEMENT J. ZABLOCKI

Mr. Rudd, Mr. Zigmund, members and friends of AMVETS, ladies and gentlemen, it is truly a pleasure and an honor to be back in Wisconsin and to participate in the annual convention of Wisconsin's AMVETS. Three days ago I was in Saudi Arabia to attend the funeral of King Khalid; two days ago I was in New York on disarmament issues; and yesterday, I was in Washington, D.C. Perhaps, therefore, it is fitting that I should end up this week at the "Pioneer Inn" in the very attractive city of Oshkosh, Wisconsin!

One of the reasons I am with you this evening is because I happen to believe that there is no domestic issue before the Congress today of higher priority or relevance than that relating to the status and current fate of the American veteran. The many contributions of veterans to our communities serve as a daily reminder not only of past service to the nation, but also of the invaluable contributions they continue to make to our national life.

Organizations like AMVETS play an important role in keeping veterans issues in the forefront of national concerns. The 31 posts in Wisconsin with over 2,600 active members provide a vital link in the national chain of state chapters. I hope, as members of Wisconsin's AMVETS, you will continue to share your talents and leadership with us.

Like many of the people in this audience, I have heard a good number of "old" war stories in my time. . . . Some, in fact, are so old that they can be repeated today, because the "punch line" has long been forgotten! One of my favorites is about the early days of World War II, when our Armed Forces combined a mass of new recruits with a number of experienced veterans of previous conflicts.

While inspecting such troops, a battalion commander came upon an aging sergeant who, he discovered, displayed among his decorations the World War I victory medal and another medal relating to the Philippine Insurrection! "You have been around for some time, Sergeant," the Commander observed. "Yes, Sir, Colonel," the man replied, "They say I've been around so long that the first time I got gigged was by General Custer for having Buffalo-dung on my arrows."

While we probably do not have such historic backgrounds represented here this evening, this story is not without its relevance—just recently, in testimony before the Congress, a national AMVET official indicated that in less than 20 years, we will have more than 8 million veterans in this country over the age of 65. Those veterans see physicians 50 percent more often than other age groups and their illnesses last twice as long.

Put another way: In less than 20 years, 60 percent of all American men over 65 will be veterans!

This change in veterans' population brought about by the influx of World War II, Korea and Vietnam veterans will create a demand for medical services, extended care and old age assistance far beyond anything the Veterans Administration has ever faced before.

It is my understanding, in fact, that at the national level, AMVETS has targeted geriatrics as among your top priorities. That is

understandable in view of the statistics I have just cited.

At the present time, 15 geriatric centers are authorized by law. However, only 8 are in existence. That means the future of 7 centers is uncertain. When I voted for the authorizing legislation over a Presidential veto in August, 1980, I was hopeful that comprehensive geriatric care, including research, education and clinical centers, would soon be a reality.

However, despite passage of the bill over a Presidential veto, we still do not have 7 centers. With the changing average age of veterans, it is vitally important that we be prepared for the future. My colleagues on the House Veterans Affairs Committee have indicated that they intend to hold hearings on this issue soon; and I intend to do what I can to urge appropriations for geriatric centers, even though the Administration has requested no funding for this purpose.

There are a number of other veterans' issues I would like to mention this evening—including the Administration's proposal to use private contractors at VA Hospitals (The so-called OMB A-76 Issue, which I oppose)—but I would like to turn, instead, in the time I have left—to the realm of foreign affairs. I do so, not only because foreign policy issues are my major preoccupation, as Chairman of the Foreign Affairs Committee—but also because I feel these are issues which are of direct interest and concern to this audience, in particular.

As many of you may know, I have served on the House Committee on Foreign Affairs ever since my first election to the House of Representatives in 1948. This is the oldest standing committee of the House dealing with Foreign Affairs, which traces its origins back to 1775, when it was called the "Committee of Correspondence"—later the "Committee of Secret Correspondence" (although we do not do much in secret anymore). The first chairman of the committee was, in fact, Benjamin Franklin—and although I am indeed a veteran of this distinguished panel, I would just like to add that he was somewhat before my time!

As a long-time committee member, however, and as Chairman since January, 1977, I have seen a lot of people come and go—in both Democratic and Republican Administrations and upon the world stage.

The French have a saying that "the more things change—the more they remain the same". . . That certainly applies to the foreign policy problems which tend to be passed on from one administration to the next and the basic interests which the United States retains, and cannot avoid, as a world power.

That is certainly true of the Middle East today—particularly the dangerously explosive situation in Lebanon, which once again threatens the peace of the entire region. As in the past, this crisis has its origins in the long-unresolved status of the Palestinians residing in that country . . . It is the problem of some 400,000 of them in an alien land, who are continuously armed and supplied from the outside and who are implacably hostile to Israel. Compounding this problem is the presence of Syrian Forces in Lebanon (since 1976), which has the potential for "internationalizing" any serious outbreak of hostilities.

The recently-launched Israeli invasion of Lebanon, which was provoked in part by the constant harassment of Israeli border areas by PLO artillery, has a more far-reaching goal than that originally stated: It is not merely to remove PLO artillery to far north to hit the Galilee, but essentially to destroy the PLO as an organizational force.

Whatever becomes of the PLO in the weeks and months ahead, however, there will always be a "Palestinian problem". Whether or not Yassir Arafat survives or is replaced by more militant radical elements of his splintered and somewhat diffuse organization—some new coalition or entity will eventually resurface to carry on the struggle—with continued assistance from abroad.

The hope that with a shattered PLO Force, the Lebanese can now gain control over the country's destiny is highly unrealistic. It is unlikely that even with Israeli help the Christian Phalangists, the most potentially powerful of the Lebanese factions, could impose its will on the country without provoking a renewed outbreak of civil war—and in the Congress, we are once again faced with problems arising from U.S. aid to Israel, in the form of grants and loans and the direct supply of military equipment, for allegedly "defensive" purposes. To justify Israeli military operations, which have taken Israeli forces to the outskirts of Beirut, as essentially a "defensive" action is an interpretation which tends to stretch the imagination.

These are all questions which must be considered before the United States seriously considers the Israeli proposal to organize and participate in a new multilateral peacekeeping force in Lebanon. There is a considerable difference between the force currently in place in the Sinai and that proposed for Lebanon: In the Sinai, western forces only arrived after a peace had been negotiated. In Lebanon, however, nothing has been settled and no such agreement has been reached.

What is needed, in fact, is Israeli acceptance of some form of autonomy within the original framework of the Camp David Accords for the West Bank and Gaza. This involves more than merely local or communal autonomy under total Israeli hegemony and control. It means, not necessarily the creation of an independent Palestinian state, but certainly more than Israel has been willing to countenance to date.

As in the past, some solution to the Palestinian problem is the sine qua non for a comprehensive peace in the Middle East and there is no avoiding that unmistakable reality. It is a reality, moreover, which has confronted the Nixon, Ford and Carter Administrations—as it now confronts the Reagan Administration.

Another hard reality is that the resort to armed force in local or regional conflicts rarely resolves the underlying problems. As we have seen in recent developments in the South Atlantic, the combination of military action, which tends to generate a momentum of its own, and the adoption of irreconcilable positions by the belligerents can confound even the diplomatic resources of our Department of State or the Secretary General of the United Nations.

With regard to the Falklands, let me emphasize at the outset that there is no doubt in my mind that this crisis was needlessly precipitated by the Argentine Junta. As I stated on the House Floor immediately after the Argentine invasion of the Islands:

"There is an overriding principle at stake here, which transcends all other considerations. It involves the forcible, unprovoked invasion of the territory of one nation by the armed forces of another. It involves a serious matter of precedent: If the United States and the world community condone the forcible acquisition of territory—the boundaries of which may, and I stress the word "may," be based on historic injustice—there is no telling where this process may lead.

"If we wish to maintain some semblance of international order, we cannot afford to acquiesce in the blatant invasion and occupation of one state by another—on the basis of an historic claim."

I am, of course, heartened by the apparent termination of the hostilities on the Falklands without the additional loss of life which a full-scale battle for Port Stanley would have entailed.

Nevertheless, the British now face a difficult dilemma: It will be more difficult than ever to negotiate a more permanent solution with Argentina over these islands, in the light of the blood which has already been shed for their retention.

And to protect the Falklands over the long term will require a considerable, if not prohibitive, strain on the country's financial and military resources—not to mention the effect this could have on Britain's contribution to NATO.

It is my hope that since the military question has now been settled, the United Kingdom will find itself in a position to be magnanimous in victory—leading the way to some form of interim solution (which does not address itself directly to the sovereignty issue), perhaps under temporary United Nations auspices. Such a possibility is not immediately in the offing, however, and clearly it will take time.

If the United States has learned any lesson in this affair it is that in the world as it exists in the 1980's, we can influence events that occur abroad by our official actions and policies, but we will not necessarily be able to determine or control them.

Both of the conflicts I have touched upon this evening, in Lebanon and the South Atlantic, lead me to say a few words about the subject of war in general or more precisely, how we go to war.

Wars, we have learned, are always easier to start than to terminate. The eternal reality of war is that men die, as do many innocent civilians, and the eternal question of war is, "Why"?

As I have already noted, the principal objective of U.S. foreign policy must be to seek solutions to differences by reasoned and rational means of diplomacy and negotiations. But when all such means fail and we are confronted with the unhappy prospect of armed conflict, we should proceed in accordance with the terms prescribed by our founding fathers: as set forth in Article I, Section 8 of the Constitution, only the Congress has the power to declare war.

That is the procedure, but it has not always been the practice. Following World War II and through the decades of the 50's and 60's, a unique combination of events and forces produced an expansion of Presidential power in foreign affairs. The international climate of the cold war, a spiraling arms race, and intermittent regional clashes provided Presidents with great latitude to conduct foreign policy and mobilize and shape public opinion.

During this period, Congress tended to abdicate its powers and responsibilities, and we soon found ourselves enmeshed in the "police action" of Korea and the extended conflict in Vietnam.

In order to restore the balance between the Executive and the Congress in this area, I introduced in the summer of 1970 what was to become known as the "War Powers Act." It took three years of persistent effort

and ultimately the overriding of a Presidential veto before the War Powers Act was enacted into law on November 7, 1973. It was a law which former speaker of the House, Carl Albert described as the most important legislation passed by the Congress in the last decade.

My consistent purpose, as Chief House sponsor of the War Powers legislation, was to reaffirm the constitutionally-mandated authority of Congress to declare war. In the words of the legislation itself, the intent was (quote) ". . . to insure that the collective judgment of both the Congress and the President will apply to the introduction of the United States armed forces into hostilities . . ."

I point to the War Powers Act, with a mixture of pride and humility, as one of my most important foreign policy achievements in the Congress. And I would submit that the act has grown in stature and significance over the nearly 10 years since it was enacted. Above all, it is based on the fundamental principle that the best and most effective foreign policy is one that has the bipartisan support of the Congress and of the American people.

Over the years, the War Powers Act has exercised a prudent, restraining influence on the quick-draw mentality of the past that has rushed us too often into needless conflicts. As we confront the possible future involvement of U.S. Armed Forces in the already proposed peacekeeping force in Lebanon and in other trouble spots of the world, you may be assured that the War Powers Act will continue to guide us with wisdom and restraint.

Finally, let me make a few brief comments about a subject which is very much in the forefront of public discussion these days—it is the subject of arms control.

As you are probably all well aware, I am anything but an advocate of unilateral disarmament. I was, very frankly, uneasy about some of the economies imposed upon the Defense Department budget by the previous administrations, and I welcome and applaud President Reagan's evident determination to upgrade and enhance our overall defense capability.

I also have serious reservations about the so-called "freeze" proposal, which has been suggested by many individuals who are understandably concerned about the proliferation and destructive power of nuclear weapons. This proposal, it seems to me, ignores certain realities, such as the emplacment of SS-20 missiles in Europe which has had the net effect of upsetting the strategic balance. It ignores the relentless build-up of Soviet military power during the past decade, when the United States has demonstrated comparative, and some might say unfortunate, restraint.

In this connection, I was interested to find in Thursday's issue of the New York Times a letter to the Editor from Ms. Rita Freedman, Executive Director of the Social Democrats, USA—the party which claims direct descendancy from the original Socialist Party founded by Eugene Debs and led for many years by Norman Thomas.

I doubt that there are many card-carrying members of "Social Democrats USA" among this audience—at least not enough to establish what we on Capitol Hill call a "working quorum". Nevertheless, I find the following statement from Ms. Freedman's letter revealing and, in fact, quite reflective of my own sentiments on this issue:

"Social Democrats, USA, which advocates mutually balanced, verifiable reductions in nuclear armaments, does not think that the current freeze movement is the way to maintain the peace that all of us desire. One real difficulty is that the clamor for a freeze is addressed to the wrong side. The threat to world peace is not posed by the West, but by the Soviet Union, with its invasion of Afghanistan, its crushing of solidarity in Poland, its emplacement of SS-20 Missiles in Europe—and other aggressive acts."

I find this statement interesting, because it indicates that even among those who might be described as generally on the "left" of our political spectrum, people are thinking twice before jumping blindly on the "freeze" bandwagon. This does not mean, of course, that everyone who supports the freeze movement is necessarily a "far-out radical." On the contrary, many diverse political viewpoints are represented among its advocates—including people whom I respect highly. I only wish to dispel the notion that if one happens to have reservations about the freeze, as I do, one is ipso facto a supporter of unlimited nuclear build-up.

My view is, in fact, quite different. I have always regarded arms control as an integral component of U.S. foreign and defense policy. Strong, balanced, verifiable arms control agreements contribute to U.S. national security in ways that significantly complement direct defense expenditures.

Regrettably, that fact is frequently forgotten or overlooked in the formulation of U.S. foreign policy. What we have too often succumbed to is the temptation to seek security only through the costly procurement of more and more weapons, reinforced by the false belief that only through military hardware do we advance our security interests.

No better example of this unfortunate process can be found than in the case of the Salt II Treaty. Although by no means perfect, this agreement would have reduced the nuclear threat against the United States while preserving key nuclear force options. It was, in fact, infinitely preferable to a "freeze".

For example, it would have required the Soviet Union to reduce 250 nuclear launchers without requiring a U.S. reduction; it would have limited the number of warheads on nuclear missiles to 10 and banned a Soviet Mobile Nuclear Missile, while permitting the continuing development of the U.S. Mobile MX Missile.

In the absence of the Salt II Treaty, we can look forward to several hundred more rather than fewer Soviet nuclear launchers aimed at the United States. We can look forward to the possibility of as many as 30 warheads on a Soviet Nuclear missile instead of 10, and the possibility of a Soviet Mobile Missile which would present serious problems for U.S. military planners. I frankly fail to see how these developments contribute in any way to our security. Particularly when they could have been avoided by the ratification of Salt II.

Above all, I should emphasize, Salt II was never intended to be the "last word" on arms control. The START program initiated by the Reagan Administration, with the goal of reduction as opposed to mere limitation of nuclear weapons—a goal which, incidentally, I strongly endorse—would in no way have been inhibited by the ratification of Salt II. In fact, it might have been encouraged and enhanced.

Fortunately, both sides continue to abide by the control imposed by Salt II. What this suggests is that while criticism of Salt II is politically expedient, Administration policymakers are grudgingly accepting the treaty as the only game in town.

In short, a sound U.S. foreign policy and defense policy involves developing the political will to spend monies to maintain a strong, efficient U.S. defense posture. However, it also requires the political foresight to use non-military policy tools like arms control to keep weapons stockpiles from becoming an end in themselves. While the Reagan Administration seems committed to the need for a military build-up, it will not succeed without an equally strong commitment to arms control.

Now I have probably said enough for one evening on enough subjects. What I have tried to give you are some of my own personal veiws and impressions of an admittedly diverse and complex set of issues. In doing so, I should perhaps give due recognition to the principle that there are at least two sides to every foreign policy position and that every position is subject to some degree of challenge. If you don't believe that statement, you ought to read the mail my office receives daily.

I try to keep an open mind on all such challenges and sometimes I even get talked into changing my position.

Let me just close by saying that I feel very much at home with this audience—and that when you speak to me, either individually or collectively, you will find that I will listen.

Thank you very much.●

M1 ABRAMS TANK COST AND PERFORMANCE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, I have become increasingly concerned about recent allegations and misinformation regarding the cost and performance of one of our critical weapon systems—the M1 Abrams tank. I would like to set the record straight by reviewing the facts concerning the M1 tank's cost and performance.

First, what exactly is the M1 tank? The M1 tank is a four-man, highly mobile and fully tracked combat vehicle with special armor, a large caliber main gun, three secondary armament systems, and a night and day fire control system. The M1 tank is capable of shooting on the move and with its turbine engine is capable of high speeds. It possesses superior agility and mobility when compared to our present M60 tank. The M1 tank was of course designed as a main battle tank to replace the current M60 series tank which has been in inventory almost 25 years. The allegations and misinformation regarding the M1 tank fall into two categories—cost and performance—and I would like to discuss each category.

COST

Regarding the cost of the M1 tank, it is important to note that although cost growth has occurred in the M1 tank program since the original cost estimate was developed 10 years ago in 1972, most of the cost growth—over 90

percent—has been due to inflation. For example, since 1972 the constant dollars hardware unit cost has only increased about 5 percent—from $507,800, to $530,300. The constant dollar cost of $530,300 excludes those cost increases due to program changes, system enhancements, and engineering changes. If you include those changes, the hardware unit cost in constant fiscal year 1972 dollars would be $604,200. The $604,200 in fiscal year 1972 dollars is equivalent to $2.2 million in escalated fiscal year 1988 dollars. The escalated hardware unit cost estimates of $2.2 million include the Office of the Secretary of Defense/Office of Management and Budget inflation estimates through fiscal year 1988. However, expressed in fiscal year 1983 dollars, the hardware unit cost is $1.8 million.

One of the problems in discussing cost is that people frequently try to compare "apples with oranges." For example, comparing the rollaway unit cost—apples—of the M60 with the procurement unit cost—oranges—of the M1 is guaranteed to result in a significantly greater cost difference than comparing rollaway unit cost with rollaway unit cost. In that regard, one should use either hardware unit cost, rollaway unit cost, weapon system unit cost, procurement unit cost or program unit cost as a basis for comparison. The M1 tank often falls victim to this "apples and oranges" syndrome which so frequently plagues the Defense Department's weapons acquisition programs. The following reflects the various categories of unit cost for the M1 tank in escalated fiscal year 1988 dollars.

	Millions
Hardware unit cost (manufacturing, and Government furnished equipment (GFE) and production engineering)	$2.2
Rollaway unit cost (hardware cost and tooling and management overhead)	2.3
Weapon system unit cost (rollaway cost and tools and test equipment and training equipment and other support)	2.5
Procurement unit cost (weapon system cost and initial spares)	2.6
Program unit cost (procurement and RDT&E and military construction)	2.77

Although I would be the first to admit that the M1 tank is expensive, the cost of the M1 tank compares favorably with the cost of tanks with comparable capabilities such as the German Leopard II tank. Further, the cost of the M1 tank compares favorably with the cost of the latest M60 tank—the A3 version. For example, to purchase an M1 tank as it rolls off the production line in fiscal year 1983 would cost about $1.8 million in hardware unit cost, and if we were to buy the M60A3 at the same time it would cost about $1.3 million. This favorable comparison is especially impressive when one considers the survivability features of the M1 tank—advanced armor, low silhouette, high speeds, agility, ability to fire on the move, an advanced automated fire special system, and other features. Therefore, although the M1 tank is expensive, in my judgment, we are getting the biggest bang for the taxpayers' buck by continuing M1 production.

PERFORMANCE

Regarding the allegations concerning the performance of the M1 tank, I have investigated these allegations and quite frankly found them to be at the very least misleading and, in some cases, totally untrue.

They are misleading because many of the problems discussed in recent articles are all problems that were discovered in the early prototype stage—which of course is when you expect to shake the bugs out of a system. It is important to note, however, that of the 22 system performance requirements established 10 years ago in 1972, virtually all but one have been met or exceeded.

Notwithstanding the performance of the M1 tank, it continues to be unfairly indicted. The five most frequently discussed performance problems are in the area of power train durability, maintainability, track durability, fuel consumption, and support equipment requirements. I would like to discuss these allegations and provide a status report on the recent performance of the M1 tank.

POWER TRAIN DURABILITY

The power train durability requirement is for the M1 tank to be capable of traveling 4,000 miles at least 50 percent of the time without a major power train—engine, transmission, and drive train—failure. The most recent tests indicate that the M1 tank can travel 4,000 miles about 48 percent of the time without a power train failure. Therefore, to fully comply with the power train durability objective requires only a 2-percent improvement in performance. Recent design reviews conducted by the Army suggest that the 2 percentage point shortfall should soon disappear and that the M1 may even exceed the 50 percent power train durability objective.

MAINTENANCE

Regarding the maintainability of the M1 tank, the most recent test demonstrated that the M1 tank has exceeded the maintainability performance objectives. The original performance objectives established a requirement for 1.25 hours of maintenance for every hour of operation and the M1 has demonstrated 1.18 hours of maintenance for every hour of tank operation.

TRACK DURABILITY

The track durability objective established for the M1 tank requires that the tank travel at least 2,000 miles without track replacement. Currently, the M1 tank has demonstrated a track life expectancy of 1,056 miles. It has been indicated that it may not be technically feasible to meet the 2,000-mile track durability objective, but the Defense Department is continuing to work to improve the current track's life expectancy and to develop better tank track technology. It is important to note, however, that the metal tracks on the M1 tank are rubber coated primarily to protect road surfaces, and therefore, the 1,056 miles limitation refers to the life expectancy for the rubber coating. During peacetime this rubber coating is clearly necessary, but in a wartime environment protection of road surfaces may not be as critical. Therefore the tank tracks could continue to perform beyond the present 1,056 miles.

FUEL CONSUMPTION

It has been said that the M1 tank can only travel about 120 miles before refueling, compared to 280 miles for the M60A3 tank. This is misleading and is another case of comparing "apples with oranges." First, the M1 tank has demonstrated an average cruising range of 255 miles at 25 miles per hour, and the M60A3 has an average cruising range of 280 miles at a comparable rate of speed. Therefore, on the average, the M60 can cruise about 25 miles farther than the M1, and not the 160 alleged. Second, the 120 miles for the M1 tank refers to the average range under a variety of road conditions and speeds. The M60 tank has a range of 180 miles under comparable road conditions and speeds.

The bottom line is that it is correct that the M1 tank's 1,500-horsepower turbine engine has a 15 percent higher fuel consumption rate than a comparable 1,500-horsepower diesel engine and consumes about twice as much fuel as the 750-horsepower M60 diesel engine. One must remember, however, that the turbine engine in the M1 tank was selected primarily because it has twice the horsepower of the M60 diesel engine and requires about half the space of a 1,500-horsepower diesel engine. This additional horsepower provides the M1 tank with the agility and mobility required to perform its mission.

BULLDOZER SUPPORT REQUIREMENT

It has been said that the M1 needs an armored combat earthmover (ACE) to dig it in. This is not correct. The blade mounted on the current M60 tanks is nothing more then a scrapper used for clearing light rubble, roadblocks and minor obstacles along an armor unit's route of advance. It was never intended, nor had the capability, to dig in fighting positions. This function is currently provided by a commercial type bulldozer transported by a tractor trailer truck. While the ACE will replace this obsolete commercial-

type bulldozer, it will in no way replace the traditional role of the tank's dozer blade. In fact, plans are to equip a limited quantity of M1 tanks with a blade similar to that mounted on the M60, but like the M60 the M1 will not be a bulldozer. Bulldozers must have great traction and, thus it must be capable of exerting significant ground pressures. On the other hand, the M1 tank is designed to minimize ground pressure and to maximize agility and cross-country mobility. Again, the tank is not designed to be a bulldozer, and the bulldozer is not designed to be a tank.

REPLACEMENT FOR THE M1 TANK

Mr. Speaker, the final issue I would like to discuss is the replacement tank for the M1. It has been said that if the Army is already looking for a new tank to replace the M1, why should we continue to produce and deploy the M1? It is true that the Army as part of its combat vehicle technology program is studying future tank designs. This is a normal research and development effort to keep pace with rapidly advancing technology and generally takes 10-15 years after a decision to proceed before it reaches full scale production. It would seem prudent, therefore, to study future tank designs given the time required to develop and deploy major systems. This, however, clearly does not diminish the immediate requirement to deploy the M1 tank to counter the present Soviet tank threat.

Mr. Speaker, I believe it is time to put the allegations regarding the M1 tank behind us and proceed with all deliberate speed to produce and deploy our necessary M1 tank fleet. This is particularly important since our principal adversaries, the Soviet Union, continues to widen the gap in terms of tank production. Did you know that last year alone the Warsaw Pact added about 2,000 T-64/T-72 tanks to its inventory while the United States and its European allies fielded fewer than one-third that number? Did you know that the Soviet Union has over 50,000 tanks to our 11,000? The M1 tank is capable of meeting and defeating currently deployed Soviet tanks, and it is at least comparable to the next generation Soviet T80 tank.

I would urge all of my colleagues to consider these facts and support the continued production of the M1 tank.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. MICHEL), for today, on account of attending an official function with the President of the United States.

Mr. BOLAND (at the request of Mr. WRIGHT), for today, on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. ST GERMAIN, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. RATCHFORD, for 60 minutes, today.
Mr. REUSS, for 15 minutes, today.
Mr. STUDDS, for 60 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. NELSON, for 5 minutes, today.
Mr. FASCELL, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. OXLEY) and to include extraneous matter:)

Mr. LOWERY of California.
Mr. BEREUTER in three instances.
Mr. COATS.
Mr. KEMP.
Mr. SNYDER.
Mr. SENSENBRENNER.
Mr. COLLINS of Texas in two instances.
Mr. LEBOUTILLIER in three instances.
Mr. GRADISON.
Mr. HILLIS.
Mr. MCGRATH.
Mr. EMERY in two instances.
Mr. DERWINSKI in two instances.
Mr. GREGG.
Mr. MCCLORY.
Mr. NELLIGAN.
Mr. MCCLOSKEY.
Mr. BAILEY of Missouri.
Mr. WAMPLER in two instances.
Mr. ROBERTS of South Dakota.
Mr. LAGOMARSINO.
Ms. FIEDLER.
Mr. FIELDS.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. YATES.
Mr. LEVITAS.
Mr. CONYERS.
Mr. SHELBY.
Mr. ROE in three instances.
Mr. EDWARDS of California.
Mr. SIMON in five instances.
Mr. DOWNEY.
Mr. HAMILTON.
Mr. WALGREN in two instances.
Mr. OTTINGER.
Mr. WEISS in 10 instances.
Mr. FARY.
Mr. WON PAT.
Mr. ROYBAL.
Mr. FUQUA.
Mr. ALBOSTA.
Mr. HOYER in two instances.
Mr. SWIFT in two instances.
Mr. KOGOVSEK.
Mr. BINGHAM.
Mr. IRELAND.
Mr. FLORIO.
Mr. PANETTA.
Mrs. SCHROEDER.
Mr. ROSENTHAL.
Mr. HALL of Ohio.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1519. An act to designate certain national wildlife refuge lands.

ADJOURNMENT

Mr. RATCHFORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Thursday, June 24, 1982, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4219. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the proposed conversion of the Servmart function to a commercial contractor at the Naval Supply Center, San Deigo, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4220. A letter from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting notice of the proposed conversion of performance of commercial and industrial-type functions from the Department of Defense personnel to private contractors at Offutt Air Force Base, Nebr., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4221. A letter from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting notice of the proposed conversion of performance of commercial and industrial-type functions from the Department of Defense personnel to private contractors at Grand Forks Air Force Base, N. Dak., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4222. A letter from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting notice of the proposed conversion of performance of commercial and industrial-type functions from the Department of Defense personnel to private contractors at Castle Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4223. A letter from the Secretary of Education, transmitting a study assessing the vocational education programs for Indian tribes and organizations, pursuant provisions of Public Law 94-482 and Public Law 95-40; to the Committee on Education and Labor.

4224. A letter from the Secretary of Commerce, transmitting a draft of proposed leg-

islation to provide for the participation of the United States in the 1984 Louisiana World Exposition to be held in New Orleans, La., and for other purposes; to the Committee on Foreign Affairs.

4225. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Richard H. Ellis, to be U.S. Commissioner, U.S./U.S.S.R. Standing Consultative Commission, with the rank of Ambassador, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

4226. A letter from the Assistant Attorney General for Administration, Department of Justice, transmitting notice of a new records system for the Department of Justice, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4227. A letter from the Secretary of Commerce, transmitting the annual report on the status of marine mammal species and population stocks, pursuant to section 103(f) of the Marine Mammal Protection Act of 1972, as amended; to the Committee on Merchant Marine and Fisheries.

4228. A letter from the Administrator, General Services Administration, transmitting 7 amendments to lease prospectuses and 11 other prospectuses proposing succeeding leases, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4229. A letter from the Assistant Secretary of the Army for Civil Works, transmitting a report on the Kihei flood control study, Hawaii, pursuant to public law; to the Committee on Public Works and Transportation.

4230. A letter from the Assistant Secretary of Energy for Conservation and Renewable Energy, transmitting the annual report from the Interagency Geothermal Coordinating Council on the activities and policies related to geothermal energy, pursuant to section 302(a) of Public Law 93-410, as amended; to the Committee on Science and Technology.

4231. A letter from the Under Secretary of Energy, transmitting the status of actions required by the Uranium Mill Tailings Radiation Control Act of 1978, at Salt Lake City, Utah, and Canonsburg, Pa., pursuant to section 114(a) of Public Law 95-604; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

4232. A letter from the Acting Deputy Assistant Secretary of Defense for Administration, transmitting notice of a computer matching program involving allotment records of the Department of the Army and food stamp and public assistance records of the city of New York, pursuant to provisions of 42 U.S.C. and 7 U.S.C.; jointly, to the Committees on Ways and Means and Agriculture.

4233. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to impose certain eligibility and fiscal limitations in the programs of aid to families with dependent children and supplemental security income, to strengthen the program of child support enforcement, and for other purposes; jointly, to the Committees on Ways and Means, Education and Labor, and Armed Services.

JOINT RESOLUTIONS ON DEBT LIMIT PASSED UNDER RULE XLIX

Under clause 1 of rule XLIX, joint resolutions of the following titles were engrossed and deemed passed:

H.J. Res. 519. Joint resolution to provide for temporary increase in the public debt limit.

H.J. Res. 520. Joint resolution to provided for a temporary increase in the public debt limit.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 6631. A bill to authorize humanitarian assistance for the people of Lebanon; with an amendment (Rept. No. 97-622). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 6417. A bill to amend Public Law 96-432 relating to the U.S. Capitol Grounds; with an amendment (Rept. No. 97-623). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

The Committee on Appropriations discharged from the further consideration of the bill H.R. 6369; referred to the Union Calendar and ordered printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SNYDER:

H.R. 6660. A bill to provide additional revenues for projects relating to fish restoration and management, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. BIAGGI:

H.R. 6661. A bill to amend section 1751 of title 18 of the United States Code to eliminate the insanity defense to prosecutions for the offense of assassination of the President and related offenses; to the Committee on the Judiciary.

By Mr. DOWNEY:

H.R. 6662. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations in the case of charitable contributions of literary, musical, or artistic compositions, or similar property; to the Committee on Ways and Means.

By Mr. EDWARDS of California (for himself and Mr. MCCLORY):

H.R. 6663. A bill to delay the effective date of proposed amendments to rule 4 of the Federal Rules of Civil Procedure; to the Committee on the Judiciary.

By Mr. EMERY:

H.R. 6664. A bill to provide access to trade remedies to small businesses, and for other purposes; to the Committee on Ways and Means.

By Mr. EVANS of Iowa:

H.R. 6665. A bill to amend Section 20 of the Federal Meat Inspection Act, to require that imported meat which is capable of use as human food be labeled at all stages of distribution until preparation for ultimate consumption; to the Committee on Agriculture.

By Mr. FARY (by request):

H.R. 6666. A bill to amend the joint resolution of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building; to the Committee on Public Works and Transportation.

By Mr. FINDLEY:

H.R. 6667. A bill to designate Lincoln's Birthday as a legal public holiday and to provide that, for purposes of pay and leave, Federal employees may select either Lincoln's Birthday or Washington's Birthday as a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. FRANK:

H.R. 6668. A bill to amend the Internal Revenue Code of 1954 to provide that the discharge of home mortgage loans will not be treated as income; to the Committee on Ways and Means.

By Mr. HEFTEL:

H.R. 6669. A bill to amend the Internal Revenue Code of 1954 to include modifications to chlor-alkali electrolytic cells in credit for investment in certain energy property; to the Committee on Ways and Means.

By Mr. HOWARD (for himself and Mr. CLAUSEN) (by request):

H.R. 6670. A bill to revise and extend certain provisions of the Federal Water Pollution Control Act, as amended, for 5 years, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KOGOVSEK:

H.R. 6671. A bill to provide that dams shall not be considered point sources for purposes of the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Mr. MINISH:

H.R. 6672. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $10,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. MYERS:

H.R. 6673. A bill to amend title 18 to limit the insanity defense; to the Committee on the Judiciary.

By Mr. PERKINS (for himself, Mr. PRITCHARD, Mr. LANTOS, and Mr. WIRTH):

H.R. 6674. A bill to authorize a national program of improving the quality of education; to the Committee on Education and Labor.

By Mr. RODINO (for himself and Mr. CONTE):

H.R. 6675. A bill to establish the Christopher Columbus Quincentenary Jubilee Commission; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.R. 6676. A bill to amend the Internal Revenue Code of 1954 and title II of the Social Security Act to provide a full exemption (through credit or refund) from the employees' tax under the Federal Insurance Contributions Act, and an equivalent reduction in the self-employment tax, in the case of individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. WALGREN:

H.R. 6677. A bill to prohibit assistance under the Urban Mass Transportation Act of 1964 for purchasers of capital equipment subsidized in violation of international agreement; to the Committee on Public Works and Transportation.

By Mr. WAMPLER (by request):

H.R. 6678. A bill to clarify and extend the authority of the Secretary of Agriculture to collect fees to cover U.S. Government costs incident to the issuance of phytosanitary certificates with regard to plants and plant products intended for exportation and for the testing, certification, inspection, and quarantine of import and export animals and certain products and materials; to the Committee on Agriculture.

By Mr. WAMPLER (for himself and Mr. BROWN of California):

H.R. 6679. A bill to authorize civil penalties for violations of various laws for preventing the introduction and dissemination of livestock and poultry diseases, plant diseases, and plant pests; to the Committee on Agriculture.

By Mr. WON PAT:

H.R. 6680. A bill to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands to transfer the audit authority and related staff of the offices of the government comptrollers for Guam, the Virgin Islands, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and American Samoa to the Office of Inspector General, Department of the Interior, and for other related purposes; to the Committee on Interior and Insular Affairs.

By Mr. SPENCE (for himself, Mr. HARTNETT, Mr. ALBOSTA, Mr. ATKINSON, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BEARD, Mr. BEVILL, Mr. BIAGGI, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. BRINKLEY, Mr. BRODHEAD, Mr. BROOKS, Mr. BROWN of Ohio, Mr. BROYHILL, Mr. BURGENER, Mr. JOHN L. BURTON, Mr. BUTLER, Mrs. BYRON, Mr. CAMPBELL, Mr. CHAPPELL, Mr. CHAPPIE, Mr. CLAUSEN, Mr. CONTE, Mr. CORRADA, Mr. COURTER, Mr. DAN DANIEL, Mr. DE LA GARZA, Mr. DERRICK, Mr. DICKINSON, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DYSON, Mr. EDGAR, Mr. EMERY, Mr. EVANS of Delaware, Mr. EVANS of Georgia, Mr. FAUNTROY, Mr. FAZIO, Mr. FINDLEY, Mr. FISH, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FORSYTHE, Mr. FOWLER, Mr. GINGRICH, Mr. GINN, Mr. GONZALEZ, Mr. GREGG, Mr. HAMMERSCHMIDT, Mr. HANSEN of Idaho, Mr. HATCHER, Mr. HEFNER, Mr. HEFTEL, Mr. HERTEL, Mr. HOLLAND, Mrs. HOLT, Mr. HOPKINS, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUBBARD, Mr. HUGHES, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. JEFFORDS, Mr. JEFFRIES, Mr. KEMP, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEBOUTILLIER, Mr. LEE, Mr. LENT, Mr. LIVINGSTON, Mr. LONG of Louisiana, Mr. LOTT, Mr. LOWERY of California, Mr. MCCURDY, Mr. MCDADE, Mr. MCDONALD, Mr. MCEWEN, Mr. MATTOX, Mr. MAVROULES, Mr. MAZZOLI, Mr. MONTGOMERY, Mr. MURPHY, Mr. NAPIER, Mr. NEAL, Mr. NICHOLS, Mr. OBERSTAR, Mr. O'BRIEN, Mr. PARRIS, Mr. PAUL, Mr. PEPPER, Mr. PERKINS, Mr. PORTER, Mr. PRICE, Mr. QUILLEN, Mr. RICHMOND, Mr. ROBERTS of Kansas, Mr. ROBERTS of South Dakota, Mr. ROBINSON, Mr. ROE, Mr. ROEMER, Mr. SHELBY, Mr. SHUMWAY, Mr. SKEEN, Mr. SKELTON, Mr. SMITH of Pennsylvania, Mr. STOKES, Mr. STUMP, Mr. TAYLOR, Mr. TRIBLE, Mr. WAMPLER, Mr. WEBER of Ohio, Mr. WHITE, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WINN, Mr. WOLF, Mr. WOLPE, Mr. WON PAT, Mr. WRIGHT, Mr. WYLIE, Mr. ANDERSON, Mr. BENNETT, Mr. BROOMFIELD, Mr. COATS, Mr. CORCORAN, Mr. DANIEL B. CRANE, Mr. DASCHLE, Mr. DAUB, Mr. DOWDY, Mr. DUNCAN, Mr. DYMALLY, Mr. FARY, Mrs. FENWICK, Ms. FIEDLER, Mr. FRENZEL, Mr. GEJDENSON, Mr. GORE, Mr. HANSEN of Utah, Mr. JENKINS, Mr. KAZEN, Mrs. KENNELLY, Mr. LEACH of Iowa, Mr. LOEFFLER, Mr. MCCOLLUM, Mr. MCGRATH, Mr. MARKEY, Mr. MARRIOTT, Mr. MARTIN of North Carolina, Mr. MATSUI, Mr. MICHEL, Ms. MIKULSKI, Mr. MILLER of Ohio, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOORE, Ms. OAKAR, Mr. OXLEY, Mr. PASHAYAN, Mr. PATMAN, Mr. PRITCHARD, Mr. RODINO, Mr. ROGERS, Mr. SANTINI, Mrs. SCHNEIDER, Mr. SHAMANSKY, Mr. SMITH of New Jersey, Mr. SOLARZ, Mr. SUNIA, Mr. SYNAR, Mr. WHITTEN, Mr. ZEFERETTI, Mr. HALL of Ohio, Mr. MOLINARI, Mr. FOLEY, Mr. FRANK, Mr. HUCKABY, Mr. CARNEY, Mr. FOUNTAIN, Mr. ANNUNZIO, Mr. BEREUTER, Mr. BENEDICT, Mr. WORTLEY, Mr. MARKS, Mrs. SMITH of Nebraska, Mrs. BOGGS, Mr. SOLOMON, Mr. BETHUNE, Mr. LEATH of Texas, Mr. BOLAND, Mr. MOORHEAD, Mr. CARMAN, Mr. JONES of North Carolina, Mr. WEAVER, Mr. ANTHONY, Mr. MINETA, Mr. MCCLORY, Mr. MADIGAN, Mr. SILJANDER, Mr. DANNEMEYER, Mr. BADHAM, Mr. RUDD, Mr. JOHNSTON, Mr. ERDAHL, Mr. LUJAN, Mr. GRAMM, Mr. TAUZIN, Mr. HIGHTOWER, Mr. YOUNG of Florida, Mr. ROSENTHAL, Mr. SAM B. HALL, JR., Mr. ROUSSELOT, Mr. FUQUA, Mr. BAFALIS, Mr. ZABLOCKI, and Mr. NELLIGAN):

H.J. Res. 518. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week"; to the Committee on Post Office and Civil Service.

By Mr. ZABLOCKI (for himself, Mr. FASCELL, Mr. ROSENTHAL, Mr. HAMILTON, Mr. BINGHAM, Mr. YATRON, Mr. SOLARZ, Mr. BONKER, Mr. STUDDS, Mr. MICA, Mr. BARNES, Mr. WOLPE, Mr. CROCKETT, Mr. SHAMANSKY, Mr. GEJDENSON, Mr. DYMALLY, Mr. ECKART, Mr. LANTOS, Mr. LEACH, of Iowa, Mr. ERDAHL, and Mr. LEBOUTILLIER):

H.J. Res. 521. Joint resolution calling for a mutual and verifiable freeze on and reductions in nuclear weapons and for approval of the SALT II agreement; to the Committee on Foreign Affairs.

By Mr. ATKINSON (for himself, Mr. LAGOMARSINO, and Mr. FORD of Tennessee):

H.J. Res. 522. Joint resolution designating June 27, 1982, through July 5, 1982, as "We Love America Week"; to the Committee on Post Office and Civil Service.

By Mr. HAMMERSCHMIDT:

H.J. Res. 523. Joint resolution to authorize the erection of a memorial on public grounds in the District of Columbia, or its environs, in honor and commemoration of members of the Armed Forces of the United States who served in the Korean war; to the Committee on House Administration.

By Mr. HERTEL (for himself, Mr. SMITH of New Jersey, Mr. BRODHEAD, Mr. SCHEUER, Mr. FOGLIETTA, Mr. ROE, and Mr. OBERSTAR):

H.J. Res. 524. Joint resolution designating the week beginning September 5, 1982, as "National Adult Day Care Center Week"; to the Committee on Post Office and Civil Service.

By Mr. REUSS:

H.J. Res. 525. Joint resolution proposing an amendment to the Constitution of the United States relative to unbought elections; to the Committee on the Judiciary.

By Mr. SOLOMON (for himself, Mr. NICHOLS, Mr. HORTON, Mr. ANDREWS, Mr. STRATTON, Mr. ROBERT W. DANIEL, JR., Mr. JOHNSTON, Mr. SKEEN, Mr. WAMPLER, Mr. JAMES K. COYNE, Mr. BAILEY of Missouri, Mr. PARRIS, Mr. LAGOMARSINO, Mr. LUNGREN, Mr. THOMAS, Mr. LOTT, Mr. WOLF, Mr. CAMPBELL, Mrs. ROUKEMA, Mr. FISH, Mr. EMERSON, Mr. DAUB, Mr. LEE, Mr. GRISHAM, Mr. MCGRATH, Mr. CARNEY, Mr. DORNAN of California, Mr. FINDLEY, Mr. PAUL, Mr. NAPIER, Mr. ROUSSELOT, Mr. DREIER, Mr. WALKER, Mr. MARRIOTT, Mr. PURSELL, Mrs. SNOWE, Mr. CLAUSEN, Mr. GOLDWATER, Mr. MOLINARI, Mr. MCEWEN, Mr. HANSEN of Idaho, Mr. CRAIG, Mr. KEMP, Mr. DENARDIS, Mr. ROBINSON, Mr. SNYDER, Mr. HAMMERSCHMIDT, Mr. GILMAN, Mr. SAM B. HALL, JR., Mr. BAILEY of Pennsylvania, Mr. GUNDERSON, Mr. OXLEY, Mr. DAVIS, Mr. YOUNG of Florida, Mr. MILLER of Ohio, Mr. KINDNESS, Mr. TAYLOR, Mr. RUDD, Mr. MCCOLLUM, Mr. SHUMWAY, Mr. STANTON of Ohio, Mr. WYLIE, Mr. RITTER, Mr. YOUNG of Alaska, Mr. GREEN, Mr. SMITH of Oregon, Mr. GREGG, Mr. HILLIS, Mrs. FENWICK, Mr. ARCHER, Mr. BROOMFIELD, Mr. VANDER JAGT, Mr. CARMAN, Mr. MARTIN of New York, Mr. ROGERS, Mr. NELLIGAN, Mr. CLINGER, Mr. CONTE, Mr. FORSYTHE, Mr. BEARD, Mr. CHENEY, Mr. SPENCE, Mr. BLILEY, Mr. DAN DANIEL, Ms. FIEDLER, Mr. RAILSBACK, Mr. CORCORAN, Mr. DECKARD, Mr. LOEFFLER, Mr. LIVINGSTON, Mr. WORTLEY, Mr. TAUKE, Mr. PASHAYAN, Mr. EDWARDS of Oklahoma, Mr. BADHAM, Mr. HOPKINS, Mr. HARTNETT, Mr. DOUGHERTY, Mr. EDWARDS of Alabama, Mr. DICKS, Mr. PRITCHARD, Mr. O'BRIEN, Mr. EMERY, Mrs. SMITH of Nebraska, Mr. MICHEL, Mr. ADDABBO, Mr. MCCLOSKEY, Mr. WHITEHURST, Mr. QUILLEN, Mr. BETHUNE, Mr. ROEMER, Mr. STENHOLM, Mr. PICKLE, Mr. WHITE, Mr. LAFALCE, Mr. KAZEN, Mr. LEVITAS, Mr. BENNETT, Mr. MYERS, Mr. HOLLENBECK, Mr. STUMP, Mr. WINN, Mr. WEBER of Minnesota, Mr. BROWN of Colorado, Mr. WILLIAMS of Ohio, Mrs. HECKLER, Mr. MAVROULES, Mr. LOWERY of California, Mr. DINGELL, Mr. HOLLAND, Mr. JENKINS, Mr. EVANS of Georgia, Mr. JEFFRIES, Mr. WEBER of Ohio, Mr. CHAPPIE, Mr. DANNEMEYER, Mr. COURTER, Mr. SMITH of New Jersey, Mr. SILJANDER, Mr. ROTH, Mr. HUNTER, Mr. BIAGGI, Mr. COLLINS of Texas, Mr. BENEDICT, Mr. HILER, Mr. TRIBLE, Mr. MARTIN of North Carolina, Mr. HYDE, Mr.

HENDON, Mr. SMITH of Alabama, Mr. BURGENER, Mr. LEWIS, Mr. HANSEN of Utah, Mr. MORRISON, Mr. COATS, Mr. ROBERTS of Kansas, Mr. LEACH of Iowa, Mr. MADIGAN, Mrs. MARTIN of Illinois, Mr. PORTER, Mr. ANNUNZIO, Mr. ANTHONY, Mr. WATKINS, Mr. BROYHILL, Mr. DUNCAN, Mr. ROBERTS of South Dakota, Mr. ROE, Mr. PEPPER, Mr. SAWYER, Mr. HAGEDORN, Mr. MITCHELL of New York, Mr. LATTA, Mr. McDADE, Mr. ATKINSON, Mr. BEREUTER, Mr. FORD of Tennessee, Mr. VOLKMER, Mr. MURPHY, Mr. McDONALD, Mr. PHILIP M. CRANE, Mr. WHITAKER, Mrs. HOLT, Mr. PETRI, Mr. JEFFORDS, Mr. DANIEL B. CRANE, Mr. STATON of West Virginia, Mr. DICKINSON, Mr. CONABLE, Mr. ERDAHL, Mr. DERWINSKI, Mr. LENT, Mr. STANGELAND, Mr. EVANS of Delaware, Mr. KRAMER, Mr. LEBOUTILLIER, Mr. EVANS of Iowa, Mr. FIELDS, Mr. DUNN, Mr. BRINKLEY, Mr. MONTGOMERY, Mr. FOUNTAIN, Mr. LEATH of Texas, Mr. FLIPPO, Mr. CHAPPELL, Mr. IRELAND, Mr. MINISH, Mr. SIMON, Mr. MINETA, Mrs. BOGGS, Mr. WALGREN, Mr. FOGLIETTA, Mr. BONIOR of Michigan, Mr. DONNELLY, Mr. DASCHLE, Mr. KILDEE, Mr. HEFNER, Mr. WHITLEY, Mr. HATCHER, Mr. HIGHTOWER, Mr. RALPH M. HALL, Mr. McCURDY, Mrs. KENNELLY, Mr. AKAKA, Mr. MAZZOLI, Mr. FAZIO, Mr. BREAUX, Mr. HANCE, Mr. MATSUI, Mrs. SCHNEIDER, and Mr. WON PAT):

H.J. Res. 526. Joint resolution authorizing and requesting the President to issue a proclamation designating the week of August 1, 1982, through August 7, 1982, as "National Purple Heart Week"; to the Committee on Post Office and Civil Service.

By Mr. WALKER:

H.J. Res. 527. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing individual opportunity to all persons; to the Committee on the Judiciary.

By Mr. WIRTH (for himself, Mr. FUQUA, Mr. FLIPPO, Mr. SCHEUER, Mrs. BOUQUARD, Mr. WALGREN, Mr. GLICKMAN, and Mr. GORE):

H. Res. 514. Resolution commemorating July 1, 1982, which is the 25th anniversary of the beginning of the International Geophysical Year and reaffirming the commitment of the House of Representatives to international cooperation in the sciences; jointly, to the Committees on Post Office and Civil Service and Science and Technology.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

422. By the SPEAKER: Memorial of the Legislature of the State of California, relative to banning the manufacture, sale, or possession of explosive bullets; to the Committee on the Judiciary.

423. Also, memorial of the General Assembly of the State of South Carolina, relative to emergency preparedness; jointly, to the Committees on Armed Services and Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of the rule XXII,

Mr. LOTT introduced a bill (H.R. 6681) to remove restrictions on the use of certain real property in Harrison County, Miss., which was referred to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1648: Mr. SAWYER.

H.R. 1918: Mr. SHUSTER.

H.R. 2222: Mr. MURPHY, Mr. WHITE, Mr. SCHUMER, Mr. McEWEN, Mr. DYMALLY, Mr. FUQUA, Mr. BEVILL, Mr. HORTON, Mr. SAM B. HALL, JR., Mr. LOWERY of California, Mr. KINDNESS, Mr. FRANK, Mr. PORTER, Mr. HAGEDORN, Mr. ROE, Mr. BARNES, Mr. STANTON of Ohio, Mr. PERKINS, Mrs. CHISHOLM, Mr. SPENCE, Mr. BUTLER, Mr. EMERY, Mr. MITCHELL of New York, Mr. WOLF, and Mr. DE LA GARZA.

H.R. 2234: Mr. GOODLING.

H.R. 2235: Mr. GOODLING.

H.R. 2794: Mr. GOODLING.

H.R. 3252: Mr. DYMALLY.

H.R. 3526: Mr. PETRI.

H.R. 3970: Mr. BARNARD, Mr. BENNETT, Mr. BEVILL, Mr. DASCHLE, Mr. EVANS of Georgia, Mr. MARRIOTT, Mr. PEPPER, Mr. SUNIA, and Mr. YATRON.

H.R. 4070: Mr. BONIOR of Michigan.

H.R. 4164: Mr. DASCHLE, Mr. MICHEL, Mr. FAUNTROY, Mr. FROST, Mr. LELAND, Mr. BONIOR of Michigan, Mr. GORE, Mr. ALBOSTA, Mr. FRENZEL, Mr. WILLIAMS of Montana, and Mr. FISH.

H.R. 4763: Mr. HANCE.

H.R. 4975: Mr. HAMILTON.

H.R. 5088: Mrs. HECKLER.

H.R. 5543: Mr. EMERY, Mr. HUGHES, Mr. SUNIA, Mr. HEFTEL, Mr. GEJDENSON, Mrs. HOLT, Mr. BROOKS, Mr. CHAPPELL, Mrs. BOUQUARD, Mr. TRIBLE, Mr. LAFALCE, Mr. BARNARD, Mr. LUNDINE, Mr. FOGLIETTA, Mr. DYSON, Mr. OBERSTAR, Mr. DONNELLY, Mr. HUTTO, Mr. DENARDIS, Mr. BENNETT, Mr. BIAGGI, Mrs. SCHNEIDER, Mr. DAVIS, Mr. BONKER, Mr. STUDDS, Mr. MINETA, Mr. EDWARDS of California, Mr. WAXMAN, Mr. ANDERSON, and Mr. GUARINI.

H.R. 5615: Mr. BEVILL, Mr. RAHALL, Mr. CAMPBELL, Mr. TAUKE, and Mr. HOWARD.

H.R. 5717: Mr. HAMMERSCHMIDT, Mr. LAGOMARSINO, Mr. SIMON, and Mr. JEFFORDS.

H.R. 5976: Mr. RICHMOND and Mr. CORRADA.

H.R. 6011: Mr. NICHOLS and Mr. EDWARDS of Alabama.

H.R. 6016: Mr. VENTO and Mr. HOYER.

H.R. 6061: Mr. DREIER.

H.R. 6091: Mr. PHILLIP BURTON, Mr. YATES,, Mr. HORTON, Mr. FISH, Mr. HOYER, Mr. EDWARDS of California, Ms. MIKULSKI, Mr. MINETA, Mr. HATCHER, Mr. SUNIA, Mr. SCHUMER, Mr. ROE, Mr. OTTINGER, Mr. FORD of Tennessee, Mr. LELAND, Mr. MITCHELL of Maryland, Mr. WEISS, Mr. BARNES, Mr. KILDEE, Mrs. COLLINS of Illinois, Mr. CROCKETT, Mr. GRAY, Mr. DWYER, Mr. SAVAGE, Mr. BETHUNE, Mr. DE LUGO, Mr. RODINO, Mr. DONNELLY, Mr. WASHINGTON, Mr. PEPPER, Mr. CAMPBELL, Mr. CONYERS, Mr. JOHN L. BURTON, Mr. DELLUMS, Mr. BENNETT, Mr. CHAPPELL, Mr. BINGHAM, Mr. CLAY, Mrs. BOGGS, Mr. STOKES, Mrs. MARTIN of Illinois, Mr. LOWRY of Washington, Mr. McCURDY, Ms. OAKAR, Mr. FROST, Mr. SCHEUER, Mr. OBERSTAR, Mrs. KENNELLY, Mr. ADDABBO, Mr. MOTTL, Mr. DERRICK, Ms. FERRARO, Mr. HUGHES, Mr. RANGEL, Mr. FOGLIETTA, Mr. NEAL, and Mr. NELSON.

H.R. 6098: Mr. SMITH OF NEW JERSEY, Mr. MOLINARI, and Mr. RATCHFORD.

H.R. 6108: Mr. WOLF.

H.R. 6222: Mr. HANSEN of Idaho.

H.R. 6230: Mr. WEAVER and Mr. ROSENTHAL.

H.R. 6311: Mr. FROST.

H.R. 6325: Mr. BEVILL, Mr. DAN DANIEL, Mr. ERTEL, Mrs. FENWICK, Mr. GARCIA, Mr. HAGEDORN, Mr. JEFFORDS, Mr. LEWIS, Mr. RITTER, Mr. CAMPBELL, Mr. BEARD, Mr. MORRISON, Mrs. MARTIN of Illinois, and Mr. ROE.

H.R. 6369: Mr. FRANK.

H.R. 6429: Mr. HUGHES, Mr. SENSENBRENNER, Mr. FRANK, Mr. D'AMOURS, Mr. ROBERTS of South Dakota, Mr. MORRISON, and Mr. McHUGH.

H.R. 6465: Mr. McKINNEY.

H.R. 6492: Mr. CORRADA, Mr. DANNEMEYER, Mr. FLORIO, Mr. GREGG, Mr. HORTON, Mr. LUKEN, Mr. MARRIOTT, Mr. NEAL, and Mr. RINALDO.

H.R. 6506: Mr. SKEEN, Mr. HANSEN of Idaho, Mr. SMITH of Oregon, Mr. DE LA GARZA, Mr. STUMP, Mr. MORRISON, Mr. COLLINS of Texas, Mr. THOMAS, and Mr. ROEMER.

H.R. 6529: Mr. BUTLER and Mr. MITCHELL of New York.

H.R. 6530: Mr. MORRISON.

H.R. 6538: Mr. CLAUSEN, Mr. GREGG, Mr. FISH, Mr. LUKEN, Mr. RANGEL, Mr. AKAKA, Mr. BEARD, Mr. CAMPBELL, Mr. BOWEN, Mr. BROWN of Colorado, Mr. BROOMFIELD, Mr. DE LA GARZA, Mr. WATKINS, Mr. EMERY, and Mr. GINN.

H.R. 6575: Mr. FARY, Mr. MOLLOHAN, Mr. FRANK, Mr. WYDEN, Mr. RAHALL, Mr. McKINNEY, Mrs. Heckler, and Mr. HUGHES.

H.R. 6577: Mr. YATES, Mr. FOGLIETTA, Mr. FLORIO, Mr. FORSYTHE, Mr. WHITEHURST, Mr. ROBERT W. DANIEL, JR., Mr. ROEMER, and Mr. CORCORAN.

H.R. 6616: Mr. CONTE and Mr. LOWRY of Washington.

H.R. 6617: Mr. MATSUI.

H.J. Res. 144: Mr. LOWERY of California.

H.J. Res. 417: Mr. WEBER of Minnesota, Mr. SMITH of Pennsylvania, Mr. GINGRICH, Mr. SMITH of New Jersey, Mr. KRAMER, Mr. SOLARZ, Mr. GUARINI, Mr. WEBER of Ohio, Mr. LONG of Maryland, Mr. BONIOR of Michigan, Mr. PEPPER, Mr. BROWN of Ohio, Mr. FLORIO, Mr. WOLF, Mr. WASHINGTON, Mr. KOGOVSEK, Mr. EDGAR, Mr. OTTINGER, Mr. MURTHA, Mrs. CHISHOLM, Mr. RATCHFORD, Mr. BARNARD, Mrs. SCHNEIDER, Mr. SANTINI, Mr. FROST, Mr. HOLLENBECK, Mr. GOLDWATER, Mr. PASHAYAN, and Mr. WILLIAM J. COYNE.

H.J. Res. 460: Mr. BROWN of Colorado, Mr. YATES, Mr. GEJDENSON, Mr. HOYER, Mr. RODINO, Mrs. FENWICK, Mr. OBERSTAR, Mr. FRANK, Mr. LEACH of Iowa, Mr. SMITH of New Jersey, Ms. FERRARO, Mr. JACOBS, Mr. BLANCHARD, Mr. ROE, Mr. RICHMOND, Mr. DIXON, Mr. BEVILL, Mr. WOLF, Mr. EDWARDS of California, Mr. FOGLIETTA, Mr. SCHEUER, Mr. RICHMOND, Mr. ROE, Mr. WIRTH, Mr. HYDE, Mrs. HECKLER, Mr. SABO, Mr. BARNARD, Mr. FORSYTHE, Mr. MINETA, Mr. HATCHER, Mr. MAZZOLI, Mr. WINN, Mr. NEAL, Mr. MARKS, Mr. WEISS, Mr. McCLORY, Mr. ROSENTHAL, Mr. MATSUI, Mr. BARNES, Mr. FAUNTROY, and, Mr. MITCHELL of New York.

H.J. Res. 474: Mr. ADDABBO, Mr. AKAKA, Mr. BARNES, Mr. BEDELL, Mr. BENJAMIN, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONKER, Mr. BRODHEAD, Mr. COLLINS, of Texas, Mr. CONTE, Mr. DASCHLE, Mr. DELLUMS, Mr. DICKS, Mr. DYMALLY, Mr. ECKART, Mr. EDGAR, Mr. FAZIO, Mr. FITHIAN, Mr. FOGLIETTA, Mr. FORD of Michigan, Mr. FOWLER, Mr. GARCIA, Mr. GEJDENSON, Mr. GLICKMAN,

Mr. GRAY, Mr. HARKIN, Mr. HAWKINS, Mr. HOWARD, Mr. HOYER, Mrs. KENNELLY, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LELAND, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MCHUGH, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. NOWAK, Mr. OTTINGER, Mr. PATTERSON, Mr. PEASE, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. RUSSO, Mr. SABO, Mr. SAVAGE, Mr. SCHEUER, Mr. SEIBERLING, Mr. SHANNON, Mr. SIMON, Mr. SOLARZ, Mr. STOKES, Mr. STUDDS, Mr. UDALL, Mr. VENTO, Mr. WALGREN, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WIRTH, Mr. WYDEN and Mr. ZEFERETTI.

H.J. Res. 486: Mr. BONIOR of Michigan and Mr. TRAXLER.

H.J. Res. 516: Mr. ANDERSON, Ms. FIEDLER, and Mr. STOKES.

H. Con. Res. 297: Mr. MCKINNEY, Mr. SMITH of Alabama, Mr. ARCHER, Mr. BROOMFIELD, Mr. ERLENBORN, Mr. SHUMWAY, Mr. CHAPPELL, Mr. BRINKLEY, and Mr. PRICE.

H. Con. Res. 343: Mr. FLORIO, Mr. Dannemeyer, and Mr. SOLOMON.

H. Con. Res. 364: Mr. PEPPER, Ms. OAKAR, Mr. DERINSKI, Mr. FORSYTHE, Mr. WINN, Mr. FUQUA, Mr. RICHMOND, Mr. ERTEL, Mr. ROE, Mr. PANETTA, Mr. SMITH of Pennsylvania, Mr. DYMALLY, Mr. FAZIO, Mr. FROST, Mr. PORTER, Mr. FORD of Tennessee, Mr. RAHALL, Mrs. CHISHOLM, Mr. OTTINGER, and Mr. SAM B. HALL, JR.

H. Res. 93: Mr. GOODLING.

H. Res. 167: Mr. DOUGHERTY.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

495. By the SPEAKER: Petition of the Spartanburg Client Council, Spartanburg, S.C., relative to cutbacks in food stamps and other subsidies; to the Committee on Banking, Finance and Urban Affairs.

496. Also, petition of the National Federation of Democratic Women, Washington, D.C., relative to the Native American schools; to the Committee on Education and Labor.

497. Also, petition of the National Federation of Democratic Women, Washington, D.C., relative to the rights of women to private choice in their reproductive lives; to the Committee on Energy and Commerce.

498. Also, petition of the National Federation of Democratic Women, Washington, D.C., relative to simultaneous voting hours in national elections; to the Committee on House Administration.

499. Also, petition of the National Federation of Democratic Women, Washington, D.C., relative to the equal rights amendment, the Voting Rights Extension Act and a rededication to the principles set forth in the preamble to the Constitution; to the Committee on the Judiciary.

500. Also, petition of the National Federation of Democratic Women, Washington, D.C., relative to the Reagan budget; to the Committee on Ways and Means.

501. Also, petition of the National Federation of Democratic Women, Washington, D.C., relative to nuclear weapons; jointly to the Committees on Armed Services and Foreign Affairs.

502. Also, petition of legislative council, Little Rock, Ark., relative to H.R. 4928, H.R. 4929, S. 2105, and S. 2106; jointly, to the Committees on Education and Labor and Ways and Means.

EXTENSIONS OF REMARKS

CONGRESSIONAL TAX BREAK

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. UDALL. Mr. Speaker, a few days ago, I joined with other Members of this body in voting to instruct the conferees to the bill H.R. 5922 to accept an amendment repealing the automatic $75-a-day tax deduction allowed Members for Washington-related living expenses and reinstating the 1952 law allowing Members to deduct up to $3,000 for such expenses.

Prior to that vote, I voted in favor of a procedural motion. It failed. Had it passed, it would have put Members of Congress on an equal footing with other taxpayers. It would have allowed Members of Congress to deduct for tax purposes only those away-from-home living expenses that are reasonable, necessary, and substantiated—the same requirements imposed on all business men and women. I see no reason that Members should be treated as a separate class, distinct from other taxpayers, on this matter. Members of this body are neither first-class nor second-class citizens; we are merely citizens and should be treated accordingly.

In all matters such as these, it is important that Members of Congress deal openly and fairly with the issues. The public resents—and justifiably so—backdoor attempts to adjust the taxation or pay of Members. And the manner in which the Congress last December approved the automatic tax deduction for Members of Congress was just such a backdoor approach. There was no floor discussion of the provision in this body. Nor was there a separate vote. Because of the backdoor means by which this measure was approved, I voluntarily abided by the former limitation and did not take advantage of the automatic $75 a day deduction in filing my 1981 tax return.

There is another, related, issue that concerns me. Congressional pay. For years now, we have allowed the issue of congressional pay to become a political football, setting off a yearly political scramble at authorization and appropriation time. It is time to blow the whistle on this game. Let us set congressional salaries at appropriate levels of purchasing power and freeze them at those levels by automatic cost-of-living adjustments, the same as we do for Federal judges or social security recipients. Since March of 1969, the purchasing power of congressional salaries has decreased by nearly 50 percent. It is neither appropriate nor fair that the purchasing power of congressional salaries should fluctuate so widely over time. Nor should the setting of congressional salaries become an annual game of political hide and seek. Let us restore integrity to the process and respect for the institution by making whatever reforms are necessary.

Maybe if we can depoliticize some of the congressional pay and benefits issues, we can attend more readily to the really critical national issues that confront this Nation, the issues that really impact upon the jobs and incomes of average Americans.●

AMERICAN NIGHTMARE

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. YATES. Mr. Speaker, the relocation and internment of Japanese-Americans by our Government during World War II stands as a dark period in our national history. An old friend from Chicago, John Yoshino, has written a most thoughtful article about that tragic time for the current issue of Loyola magazine. I cannot remember a more compelling presentation of the effects of the internment action on Japanese American families. The need for our Government to provide redress for the wrongs done to these families is made very clear and I ask that the article be included in the RECORD.

AMERICAN NIGHTMARE

(By John Y. Yoshino)

SAN FRANCISCO, December 7, 1941—I was listening to the radio with friends when the news of Japan's attack on Pearl Harbor was broadcast. As quickly as I could I headed for home—across the bay, in Alameda—to await developments.

The Japanese attack, which devastated Pearl Harbor in a crushing military defeat, sparked fear of the Japanese military forces. The sense of alarm escalated, and in the early months of 1942, as the war hysteria gripped the nation, Japanese-Americans became the victims of hate campaigns whipped up by the media.

Military necessity was frequently used as the reason behind a proposition that would soon take concrete form: the wholesale removal of Japanese-Americans—citizens and aliens alike—from the west coast. Possible dangers of espionage and sabotage were also cited, although not a single instance of espionage or sabotage was uncovered. (Documentation that the Japanese-Americans posed no threat was presented by the FBI and US Naval Intelligence after the war.)

Finally, in mid-February of 1942, President Franklin D. Roosevelt, under pressure from the Pacific coast states, signed Executive Order 9066, which put into motion the machinery that put us in concentration camps.

In the next few weeks and months events took place in rapid succession to deprive Japanese-Americans of social, civic, political and economic rights as 110,000 men, women and children were displaced from their homes and taken to temporary assembly centers and then on to the relocation centers inland.

Japanese-Americans were too immature, politically, to do anything to prevent their evacuation and incarceration. Religious and social organizations came to their aid, but these groups were not large or powerful, and their members' voices were drowned out by the anti-Japanese campaign.

As Japanese-Americans had to leave their homes on extremely short notice—a matter of weeks—property has to be sold and disposed of in a hurry, and crops were left unharvested. Many people lost titles to their homes. Several figures have been cited as to the approximate ecomomic losses to Japanese-Americans, but all the figures have been underestimated. It would, indeed, be extremely difficult to place dollar figures on the property losses sustained by Japanese-Americans. Federal Reserve Bank figures estimated conservatively that the Japanese-Americans, in 1941 dollar rates, lost about $400 million. Accumulations of a lifetime were swept away by the government act. Lands, homes, household appliances, garden tools, furniture, automobiles and many other items used in the domestic household were sold at bargain rates, given away or, at the last minute, abandoned. Because of California's anti-alien land laws, which prohibited noncitizens from owning land, many Japanese built houses on rented land. When the evacuation came, the owners of the land in many instances sold these houses, resulting in complete loss to the evacuee.

My family operated a dry cleaning business in Alameda. My father started it in the horse and buggy era; it was a small, family enterprise that we maintained until evacuation. And it was on rental property. When we left for the camp, we just closed the shop and, for all intents and purposes, abandoned the business.

We lived in an old, 2-story frame house on the corner of Lincoln Avenue and Walnut Street. My father had purchased it in the late '30s. The house had many rooms, for the family was large—parents and 10 children. When we left for the camp, I just locked the front door and left the key with the real estate owner in town. He managed the house for us for the duration of the war.

I have said that Japanese-Americans were politically immature. They were also politically naive. Many of us believed, until we got into the buses to be driven to the assembly center, that the U.S. government would not, could not deprive us of our freedom and throw us into concentration camps. I recall a Japanese-American woman, the head nurse of a surgery ward, telling me that she had abiding faith in the United States, and that all of this was some terrible mistake that would not happen. It happened to her,

to me and to thousands of other loyal Americans. What a shock it was and what a rude awakening. We were betrayed by our country.

Japanese-Americans living in the San Francisco Bay area were rounded up and herded into temporary camps—assembly centers. My family and I went to the Tanforan Assembly Center in San Bruno, a few miles south of San Francisco. Tanforan was a race track, and we lived in the stables. I was 32 years old. I was the oldest of 10 children and, as my father had retired from active work several years ago, I was looked upon as the family leader.

After several months at Tanforan, I was assigned to Topaz, a camp in Millard County, central Utah. This place had a gross acreage of 19,900 acres and was declared suitable for agriculture. It was located some 4,700 feet above sea level and about 140 miles south of Salt Lake City. Central Utah Relocation area included land formerly in private ownership as well as state-owned land and public domain. Temperature ranged from about 106 degrees Fahrenheit in the summer to about 30 degrees below zero in the winter months. The first killing frost usually came in late September; the last ones occurred during the latter part of May. Evacuee capacity: 10,000. Evacuee population of Topaz: 8,130.

No one who was put into one of the many assembly centers and, later, the relocation camps, would deny that they were concentration camps. Topaz had this in common with all the rest: it was surrounded by barbed-wire enclosures; armed guards with loaded machine guns stood watch from guard towers over the camp day and night; at night, powerful searchlights were used.

Topaz was an army-style, barrack community built in the desert. As the barracks were constructed in haste, they provided only the barest of accommodations, with little or no protection from the cold wintry blast of the wind or from the intense heat of the summer sun.

Our family of five—mother, father, sister May, brother Paul and I—was assigned a bare room 20 feet by 24 feet. A barrack was made up of four to six such family units. It would be hard to say whether the camp internees suffered most from lack of privacy or from the poor food served in the mess halls. Three of my sisters—Frances, Sue and Aiko—were married and lived in the camp with their families. My brother Joe was also married and lived in Topaz with his wife.

Since we were permitted to take to camp only what we could carry, we lacked the bare essentials for housekeeping. Residents were kept busy going to the dumps to find pieces of scrap lumber to make chairs, tables, other pieces of furniture and partitions. It was amazing to see the skilled handiwork of the residents as they tried to make the bare rooms look like home. Mom made handsewn curtains and drapes from cloth or material mailed into camp by friends and relatives from the outside. My father was a carpenter, as was his father in Kumamato, Japan. He did very little fancy work, but whatever he made stayed together.

Recreation programs were quickly planned and organized to keep the thousands of able-bodied residents actively engaged in sports, social dancing and even sedentary games of chess and goh.

But despite the best efforts of resident camp leaders to promote a productive and satisfying program of activities, many residents were overcome by frustration and loneliness and, in their despair, committed suicide. Many of the old and the infirm, unable to adjust to the harsh environment, suffered greatly and died prematurely.

This was also a period in the lives of camp residents when social disorganization of the family became evident. With the government providing shelter, clothing, medical care and food, fathers were no longer looked upon as the head of the family and children rebelled against their parents. The strict discipline of the Japanese family went out the window. Families rarely ate their meals together. Delinquency problems increased and social workers were hard pressed to deal with the problems.

For as long as I shall live I will not forget the lines of men, women and children standing outside the community mess hall for their thrice daily meals, prepared by the kitchen crew of evacuees. Many times the desert sandstorms swirled down on the people and covered the utensils with fine dust.

Sweeping out sand and scrubbing the floor was an almost daily ritual. A rash of diarrhea would break out and long lines of people would be at the community toilets. Some said it was the alkaline water; others blamed spoiled food. Lack of partitions in the toilet areas caused many people to develop constipation. For obvious reasons, some people found the best time to go to the toilet was 2 or 3 am.

At Topaz I served on the administrator's staff in urging the Japanese-Americans to volunteer for combat duty. Since many camp residents were unalterably opposed to the young men serving in the army because of the way we had been treated by the government, I was in danger of being attacked by some of the camp evacuees. At night when I left our apartment to go to the latrine, my mother stood in our doorway to watch for anyone who might try to surprise me. Feelings ran high among the residents for and against joining the military. We organized block meetings to put on pro-American rallies. Speakers in support of volunteering for the army were frequently threatened with bodily harm.

Many internees stayed in camp for close to four years, until the camps were closed. I left in 1943, when I volunteered for military service, shortly after the U.S. War Department opened recruitment of Japanese-Americans for combat duty. In January, I was trained as a Japanese language specialist at Fort Snelling, Minnesota, and I was selected as a speaker for our graduation exercises. In my speech, I stated that my parents were being held in camp as hostages of the U.S. government. I was heartened by the strong round of applause from my fellow Japanese classmates, indicating their approval to my speech as they, too, had left their loved ones at one of the 10 concentration camps. But I was severely chastised by a high-ranking army general who followed me as a speaker.

In all, more than 150 young and old Japanese-American men from Topaz volunteered to serve in the U.S. Army. The older men—many of whom had served in World War I—felt they had to encourage the young to take a stand rather than vegetate in the camp. In defiance of the anti-American feeling at the relocation center, they volunteered. Many former Topaz residents served in the European campaign with distinction. I went to the Philippines, Okinawa and Japan with U.S. Military Intelligence before returning to the United States in 1945. Two of my brothers, Joe and Paul, volunteered with me in Topaz; my fourth brother, Henry, had previously enlisted at the time the government drafted young men to enlist and train for the army and navy. My mother was a 4-star service mother, with all four of her sons in the U.S. military.

Many years have passed since the closing of the relocation centers. Thousands of the internees have already died. The second generation of Japanese-Americans who shouldered the brunt of the burden in these camps and later in reestablishing themselves back into the communities—whether it was back to the west coast, or to the midwest or the east—are themselves in their seventies and eighties. Rebuilding their lives was not easy for Japanese-Americans after their return from camp. The four years had taken their toll, physically and mentally. Savings were depleted and almost all faced hard times. The 1970 census reported 20 percent of the returnees were below the poverty level.

As we look back, we see that the evacuation and incarceration of Japanese-Americans took place because the citizens of this country allowed the Congress, the Supreme Court and, most importantly, the President of the United States to take this unprecendented action. The evacuation was an act of racial discrimination. German- and Italian-Americans were not similarly rounded up and put away as a group.

The government in the 1950s passed the Evacuation Claims Act to indemnify the losses of Japanese-Americans in the evacuation. It paid what were referred to as "pots and pans" claims at about 10 cents of the dollar. By the time attorney fees were paid to a lawyer who handled the claims, very little was left to the claimants.

After more than 10 years of sobering discussion about redress and reparations, the Congress of the United States, at the urging of Japanese-Americans, in 1981 established a commission to conduct hearings in several cities to evaluate the wartime experiences suffered by the Japanese-Americans in American concentration camps. The final report of the findings of these hearings and recommendations by the commission will be made available to the President and the American people.

Most of us today find it impossible to understand how a democracy could evacuate and imprison its citizens. Yet it happened—a sorry chapter in American history. We who went through it hope and pray it will never happen again.●

GAO CRITICIZES OMB ACTIONS ON FERC BUDGET

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. OTTINGER. Mr. Speaker, the General Accounting Office has written me in response to my request that they review the Office of Management and Budget's request for appropriations for the Federal Energy Regulatory Commission. I have been critical of OMB's attempt to portray the FERC budget request as $32.5 million when the actual request is $92.5 million. (See Extensions of Remarks, May 20, 1982, E2382.) OMB has chosen to

show the budget as a net budget, offsetting the actual request by assumed fee collections. FERC Chairman Butler has been equally critical of this approach in a letter to me dated May 17, 1982. When asked if he agreed with OMB's interpretation of FERC's appropriations request, he responded, "No."

Now, in a June 9, 1982, letter, the GAO joins Chairman Butler and myself in condemning the OMB practice. Calling the appropriations language requested by OMB ambiguous and suffering from vagueness, GAO states flatly, as Chairman Butler did, that it does not agree with OMB's interpretation of the FERC request, and that GAO does "not endorse the approach suggested by OMB."

The debate is not merely academic. The OMB budget gimmickry was adopted as part of the Latta budget which passed the House. The Senate resolution did not adopt the OMB approach. Should the Appropriations Committees follow OMB's approach, the FERC could literally have to cease its regulatory activities.

Until the OMB ceases its constant efforts to hide true expenses associated with the FERC, the FERC budget will be in jeopardy. More importantly, the OMB actions make a mockery of congressional efforts to establish credible budgets. In fiscal year 1982, OMB gimmickry has resulted in a deficit triple that estimated by OMB a year ago, despite enactment of the President's budget. A budget resolution which relies on smoke and mirrors, or "voodoo economics", such as in this case, is not worth the paper it is written on.

The GAO opinion can be obtained through the Energy Conservation and Power Subcommittee.●

THE 26TH ANNIVERSARY OF POZNAN WORKERS REVOLT

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. NELLIGAN. Mr. Speaker, I wish to call to my colleagues' attention that June 28 is the 26th anniversary of the Poznan workers revolt. It was on that day in 1956 that a group of Polish industrial workers rebelled againt tyranny and oppression under the Soviet-backed, Polish Communist leadership in the city of Poznan, Poland, and it is on this day in 1982 that Poles and freedom-loving people all over the world pause and remember those who fought and died in the struggle for freedom.

One person whose name will long be remembered is Wladyslaw Gomulka, who had been a popular party chief until his arrest by authorities in 1951. Gomulka's release in 1956 encouraged the industrial workers of Poznan to stage a general strike. More than 5,000 demonstrators marched through the city, demanding bread and freedom. After scattering rioting in which 53 persons were killed and over 200 wounded, the revolt was suppressed. Partly as a result of these uprisings, Gomulka became first party secretary and instituted a number of reforms.

I stand here now to salute the Polish people who have resisted totalitarian rule in the past and those who continue to fight for freedom and a better way of life today. By recognizing this holiday, we honor both, and we remind not only those currently in power in Poland of our fortitude and determination to resist, but we also send the same message to totalitarian regimes everywhere.●

U.S.S. "NAUTILUS" DESIGNATED NATIONAL HISTORIC LANDMARK AT GROTON, CONN.

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. WON PAT. Mr. Speaker, as a member of the Interior and Insular Affairs Committee, interested in national parks and historic preservation, I am pleased to learn that the submarine U.S.S. *Nautilus* has been designated by the Interior Secretary Jim Watt, as a national historic landmark in the historic shipbuilding town of Groton, Conn.

And, as a member of the Armed Services Committee, whose Guam district formerly contained a Polaris base, I am proud that this first nuclear-powered vessel will be so honored in such a hallowed place.

Again, as a member of the House Armed Services Committee, I am happy that my old friend, Adm. Hyman Rickover, who fathered the nuclear Navy, is being honored after a long and illustrious career in the service of our country.

I am pleased to submit for the RECORD the statement of Interior Secretary Watt upon this proud historic designation:

U.S.S. *Nautilus* to be docked at Groton, Connecticut. U.S.S. *Nautilus* was the world's first nuclear propelled submarine. Her historical significance is fivefold. First, because she could operate submerged for unlimited periods of time, she was independent of the surface and thus was the world's first true submarine. Second, *Nautilus'* nuclear propulsion system is a landmark in the history of engineering, in general, and naval engineering in particular. Third, *Nautilus* demonstrated that nuclear propulsion increased the capabilities of submarines and surface naval vessels. Fourth, *Nautilus* is associated with the career of Admiral Hyman G. Rickover, the "father of the nuclear Navy" and one of the more famous naval figure of this century. Lastly, the nuclear technology develop tp propel *Nautilus* was also applied to the construction of the world's first nuclear electric power station at Shippingport, Pennsylvania.●

FROM ONE HILL TO ANOTHER

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. BAILEY of Missouri. Mr. Speaker, I have become convinced that Missouri has become the national bellwether, the barometer of how things are and how they are going to be.

As I cross my district weekend after weekend, I find a growing antipathy to Government as it was, Government as it is. I find a growing do-it-yourself attitude, a pioneer spirit that provided the spark that made America great, a spirit saying once again, we can tie our own shoes, we can pull ourselves up by our own bootstraps, and if everything is up-to-date it is because we have made it so.

I have never found that feeling so well expressed, as in an editorial column, "View From the Hill," published in the near-legendary Pleasant Hill Times, Pleasant Hill, in Cass County, Mo., a fine newspaper founded in 1901 by Roy T. Cloud, but owned and published today by William S. Hale.

I wish we in the Congress of the United States could follow that same bit of advice expressed in the article, captioned "Public Works."

I ask that the Pleasant Hill Times editorial be included in the RECORD.

The article follows:

VIEW FROM THE HILL

PUBLIC WORKS

A story appeared in the Kansas City paper recently about the mammouth public works projects underway in Harrisonville and the amount of progress it brings to that city.

It should also be said that as many public projects are underway in Pleasant Hill this summer, perhaps more than has ever been done at that time.

The sewer improvement project has begun, the drainage project for the gap and downtown area will soon begin, our annual street improvement is scheduled for next month, and the school will certainly start the recently-voted storm shelter at the middle school.

These projects add up to not only a great deal of money that will be spent in Pleasant Hill this summer but also they represent progress in the community on many fronts.

The old song says that, "Everything's up-to-date in Kansas City," and while that may be true, our own community is also making efforts to itself be up-to-date.●

URGENT NEED FOR EXTENDED UNEMPLOYMENT BENEFITS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. WALGREN. Mr. Speaker, several weeks ago, the Ways and Means Committee reported H.R. 6369, the Federal Supplemental Unemployment Compensation Act of 1982. This bill, if enacted, will provide for an additional 13 weeks of unemployment compensation in States with high unemployment for jobless workers who have exhausted their benefits. Now, more than ever before, the Congress must take quick and immediate action to reduce the suffering induced by the recession.

Since August 1981, the number of unemployed has risen from 7.8 million to 10.3 million in just 10 months. The current unemployment rate is the highest since World War II. Furthermore, the number of individuals unemployed for 15 weeks or longer has increased in the same period from 2.2 million to over 3 million. For these individuals, the need for decisive congressional action is particularly urgent. Without any extension on unemployment compensation, they will be forced to deplete their savings and live in poverty. If the recession continues, many more will suffer from extended unemployment.

What has made the current recession particularly harsh has been its effect on our Nation's basic industries. Many face conditions unexperienced since the 1930's. David Healy, an analyst for the brokerage firm of Drexel Burnham Lambert, Inc., commented recently, "The U.S. economy is in a recession, and the auto industry is in a depression." Hundreds of thousands of auto, steel, and construction workers have been laid off.

Correspondingly, the industrial Northeast-Midwest holds the dubious honor of leading all regions in unemployment. Since President Reagan's inauguration, the unemployment rate has increased from 7.1 percent to 9.4 percent. In Pittsburgh, unemployment is over 11 percent.

It seems clear that the only "trickle-down" effect of Reaganomics has been unemployment and suffering. And it is equally clear that the American public demands immediate action. While the administration and Congress have failed to extend unemployment benefits, cities such as my hometown of Pittsburgh have been forced to raise money through special benefits to provide food for unemployed workers. While I am extremely proud of these efforts, we should all realize that they cannot take the place of Government assistance.

Although H.R. 6369 does not create jobs, it does provide some comfort to these who have experienced prolonged unemployment. It will not allow anyone to receive more than the additional 13 weeks and it includes incentives for recipients of Aid to Families with Dependent Children benefits to find jobs and continue to work.

Mr. Speaker, the pain of unemployment affects the jobless in innumerable ways. Stress, disease, malnutrition, and crime are just a few of the effects of job loss. Though we cannot expect the Federal Government to find jobs for these citizens, we can demand that the Government compensate those who honestly want to work and who suffer from economic conditions over which they have no control.●

TAX EQUITY

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. ROYBAL. Mr. Speaker, as I was looking through the newspaper the other morning, I noticed that the Treasury Department has released a new and very revealing report. According to a study conducted by the Department, almost all households with incomes under $40,000 a year will pay more in taxes in 1982 despite the highly touted 10-percent cut scheduled to go into effect this July. The study states

> Bracket creep due to inflation and social security tax increases * * * wipes out most or all of the personal income tax reductions in the Economic Recovery Tax Act across a wide range of middle income families * * *

This study, conducted by the administration itself, proves what many of us have been saying all along—the chief beneficiaries of President Reagan's tax cut policies are those in the upper-income brackets. Once more, the trickle-down theory rears its head.

Let us take a closer look at these tax policies that were sold as across-the-board relief for all Americans, as well as a sure-fire investment stimulus. The policies fail on both counts, as a simple examination of the figures will show.

Rather than sparking new investment, the Reagan economic program has caused a serious recession, characterized by a decrease of 7 percent in industrial production, sharply reduced new investment, post-World War II record unemployment rates, and a 45-percent rise in business failures.

Rather than providing an "even-handed" tax break to all Americans, the President's policies clearly leave the wealthy sitting pretty at the expense of lower and middle-income families. Taxpayers earning under $10,000 a year will see their tax burden increased by 28 percent over their 1980 levels. In contrast, the tax bill provides the wealthiest citizens with huge tax reductions. For those making over $200,000, the Reagan rate cuts will provide tax reductions of more than $58,000 each over the next 3 years, after fully offsetting tax increases due to bracket creep and social security increases.

And this is just one part of the entire tax package. Other provisions that benefit the rich at the expense of everyone else include:

One. Reducing the maximum tax rate on capital gains to 20 percent—less than the marginal tax rate paid by a wage earner with a family of four making only $15,000.

Two. Eliminating the estate tax on all but three-tenths of 1 percent of all estates, and reducing the top tax rate on the few estates still subject to the tax by almost 30 percent.

Three. Introducing new savings incentives, expanded retirement accounts and tax-free dividend plans for utilities, all of which provide the greater benefits to those with large disposable incomes, while eliminating the incentive that truly benefited all savers—the interest incomes exclusion. Previously, all savers were allowed to exclude their first $200 of interest income from payment of Federal taxes.

Four. Providing massive new depreciation writeoffs benefiting wealthy individual taxpayers as well as corporations.

Obviously, this tax plan does not take into account what has happened to family incomes since the early 1970's. Median family incomes and average hourly earnings have lost ground to inflation on a pretax basis, while the forms of income that translate into wealth for the affluent—the compensation of America's top corporate executives, after-tax corporate profits, and personal income from dividends and interest—all have increased at rates substantially in excess of the rate of inflation.

Even more favored by the President than wealthy individuals are wealthy corporations. The benefits of the tax changes, like the reductions in personal income taxes, are not spread evenly across the business community. About 80 percent of the ACRS cut in corporate taxes will go to the largest 1,700 firms—the top one-tenth of 1 percent of America's businesses.

The Reagan tax act clearly shifts the Federal tax burden from large corporations to individual taxpayers, and among individual taxpayers it shifts the burden from the affluent onto middle and moderate income wage earners. As a result of the tax bill, 85 percent of all Federal tax receipts will come from the personal income tax and the social security payroll tax by 1987.

As Congress begins consideration of various ways to raise the $21 billion in new revenue mandated by the recent budget resolution, we would do well to remember the fate of moderate- to middle-income wage earners under last year's tax bill. Already, these individuals bear a hugely disproportionate share of the American tax burden. Let us not add to that weight. Furthermore, let us not be trapped into seeing the economic picture only as painted in our President's simplistic manner. The goal of a prosperous economy is certainly desirable, but Mr. Reagan's method of achieving prosperity is unquestionably inequitable, and will leave most Americans out in the cold. The Republican Party may pay for its economic miscalculations in November, but if we continue to follow these same tax and spending policies, we will all surely pay in the long run.●

USER FEES

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. WAMPLER. Mr. Speaker, I am today at the request of the U.S. Department of Agriculture introducing legislation which clarifies and extends the Secretary of Agriculture's authority to collect fees covering the U.S. Government costs for the issuance of phytosanitary certificates for plants and plant products intended for exportation and for the testing, certification, inspection, and quarantine of import and export animals and certain products and materials.

This bill would grant the Secretary of Agriculture the authority to prescribe charges to cover, as nearly as practicable, costs incurred by the Federal Government in connection with the inspection, testing, certification, and quarantine of any animals, animal products, or materials imported or intended for export, and in connection with the inspection and certification of plants and plant products intended for export. Such charges will be credited to the current appropriation account from which the expenses are incurred.

Currently, the costs of such procedures are financed by appropriated funds except for the cost of care (including attendants) and feed for imported animals while quarantined in Government-owned or operated import centers. Such fees should be applied consistently throughout the importing and exporting communities.

Although it is recognized that inspections, tests, quarantines, and certifications are mandated by law, and the general public is an ultimate beneficiary because such services help to insure an inexpensive and healthy food supply, it must also be recognized that the importer or exporter is the primary beneficiary of such services. The importation or exportation of these products and materials is not required by law. Rather, the services are performed as a safeguard against the introduction or dissemination of plant and animal pests and diseases. Such services insure a healthy domestic market and a safe, marketable product. They also preserve the integrity of American products abroad. The animals, animal products, plants, and plant products are used for personal pleasure, consumption, or in business enterprises, and such costs can be considered a cost of doing business.

It is expected that this bill could reduce 1983 outlays by approximately $3.6 million. In a time of fiscal restraint, this is a reasonable proposal.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 16, 1982.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith for the consideration of the Congress is a draft bill "To clarify and extend the authority of the Secretary of Agriculture to collect fees to cover United States Government costs incident to the issuance of phytosanitary certificates with regard to plants and plant products intended for exportation; and for the testing, certification, inspection and quarantine of import and export animals and certain products and materials."

The Department of Agriculture recommends that the draft bill be enacted.

The purpose of this draft bill is to allow the Department to prescribe charges for services provided to: (1) exporters requesting phytosanitary certificates for plants and plant products; (2) importers and exporters of animals (including poultry and birds), animal products or materials; and, (3) for cleaning and disinfecting means of conveyances. The draft bill provides that the money collected shall be deposited into the Treasury of the United States and credited to the current appropriations account from which costs are incurred to pay the expense of the Secretary incident to providing such services.

Under present procedures, costs are financed from appropriated funds except for the cost of care (including attendants) and feed for imported animals while quarantined in Government owned or operated import centers. These latter costs are paid from charges collected from the importers and/or exporters and deposited into a trust fund. We believe costs associated with these activities should be borne by the persons who directly benefit from the services provided, and not by the general public.

An identical letter has been sent to the President of the Senate.

Enactment of this bill is consistent with the President's Fiscal Year 1983 budget, and would reduce 1983 outlays by some $3.6 million. The proposal is also consistent with recent General Accounting Office recommendations (see GAO report CED-81-49).

The Office of Management and Budget advises that there is no objection to the presentation of this legislation from the standpoint of the Administration's program.

Sincerely,

JOHN R. BLOCK,
Secretary.●

UKRAINIAN HUMAN RIGHTS AWARENESS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. DERWINSKI. Mr. Speaker, I wish to join with my colleagues in recognizing Ukrainian Human Rights Awareness Week. The first point that I would like to make is that the Ukraine is the largest of the non-Russian Captive Nations in Eastern Europe, not only in territory but also in the number of the non-Russian peoples within the U.S.S.R.

As a result of the consistent persecution and suppression of human rights in the Ukraine, the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords was established in 1976, in Kiev by 10 human rights activists. The purpose of this group is to monitor the Soviet Government's compliance with the human rights provisions of the 1975 Helsinki accords and to inform the citizens of the Ukraine and the world community of any violations. Of the 37 members that joined the group during the past 5 years, the majority have been imprisoned for this activity, while the others are either exiled, expatriated, or under police surveillance.

Ukrainian, as much as any people in the world, cherish freedom and understand the meaning of its loss. This is possibly so because freedom has been denied to them through so much of their history. In this century, the Ukraine has suffered under both Communist and Nazi tyranny. They continue to yearn for freedom as they bear the burden of totalitarianism under the rule of the Kremlin.

Yet the Ukrainian national spirit and the love of freedom remains so strong that the Soviet rulers of this captive nation are unable to completely conquer them; the Ukrainian people are determined to retain their cultural and national identity. Their quest for freedom is still alive although it suffers untold hardship.

It is imperative that the democratic countries of the world assert their opposition to this form of political tyranny and reinforce the work of the Ukrainian Public Group in monitoring the violations of the provisions of the Final Act of the Conference on Security and Cooperation in Europe. Unfortunately, the Soviet Government has repeatedly violated the terms of the act, and further, has obstructed the Ukrainian group's efforts to monitor

violations. It is necessary to remember that the Soviet Union continues to suppress the nationalistic spirit of the non-Russian Republics within the U.S.S.R.

Moreover, the Ukrainian people have a distinct language and literature and deep religious convictions. The Kremlin's policies in the Ukraine include both civil and religious persecution. Among other crimes it has inflicted on the Ukraine, the Soviets have attempted to physically destroy the Ukrainian Christian churches. The Ukrainian Orthodox and Catholic churches have been repressed and almost totally crushed. The Kremlin continues to persecute and suppress the national churches in the Ukraine, and as we are painfully aware, the Soviets have historically denied religious freedom as a means to eradicate nationalism of the Ukrainians and other captive peoples. I introduced House Concurrent Resolution 123, which seeks the resurrection of the Ukrainian Orthodox and Catholic churches in the Ukraine to express U.S. support of the people of the Ukraine who are victimized by the repressive internal policies of the Soviet Government that adversely affects their cultural, political and religious freedoms.

The Ukrainian Public Group sacrificed their own freedoms for the principles of human rights. This special order gives the Ukrainian Helsinki Group added strength to continue resolutely in the human rights struggle. The Soviet repression in a nation of more than 45 million people clearly violates the most basic human freedoms. We must do whatever we can to focus U.S. and world opinion on this fact and provide some small uplift to the spirit of the valiant Ukrainian people and their hope for the future.

I join in expressing my hope that the aspirations of the captive peoples for national independence will once more be restored. We must not let the determined spirit of the captive peoples as represented by the Ukrainian Helsinki Group be broken.●

IN SUPPORT OF PUBLIC LAW 94-142

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. LeBOUTILLIER. Mr. Speaker, on May 17, 1982, the General Assembly of the State of New York enacted Assembly Resolution 930, urging the President and the Congress to maintain current statutory and regulatory provisions regarding the educational rights of handicapped children.

I join strongly with legislators, educators, parents, citizens' groups, and many others, in and out of public life, who share the views stated in this resolution.

On February 4, a large majority of the Members of this body, as well as from the Senate, signed a letter to the President urging him to support the goals stated in Resolution 930.

On June 10, this body gave a clear signal as to how strongly it feels about continuing high-quality Federal involvement in the education of America's handicapped children. In the House-approved Latta substitute, moneys for handicapped education were authorized at $1.1 billion in authority and outlays, which is $100 million over the 1982 level of spending as well as the 1983 Senate proposals.

I am pleased to say that I voted for this increased funding level and will urge my colleagues who are members of the reconciliation conference to ardently press for adoption of the House-passed figures.

The larger issue of future legislative changes concerning Public Law 94-142 will arise later in this Congress, and I wish to add my support to the sentiments expressed by New York's legislators, as stated in Assembly Resolution 930. I commend the text of the resolution to the attention of my colleagues:

STATE OF NEW YORK LEGISLATIVE RESOLUTION ASSEMBLY No. 930

Whereas, Public Law 94-142, the Education for All Children Handicapped Act, made the provision of a free appropriate public education for children with handicapping conditions a matter of national interest; and

Whereas, Significant strides forward have been made since its passage in nineteen hundred seventy-five toward meeting the educational needs of this Nation's handicapped children; and

Whereas, P.L. 94-142 and its implementing regulations have established a vital planning mechanism to ensure that the unique educational needs of handicapped children are met through placement in the least restrictive setting along with the provision of essential related services; and

Whereas, P.L. 94-142 and its implementing regulations have established procedures to protect the rights of handicapped children to a free appropriate public education by providing for parental consent to nondiscriminatory testing, evaluation, and placement, and for procedural safeguards to resolve parental concerns; and

Whereas, It is the sense of this Legislative Body that promoting and securing the free appropriate public education of children with handicapping conditions must remain not only as a matter of national interest, but be recognized as an obligation of the highest priority so as to enable these citizens to enjoy as independent and productive a life as possible; now, therefore, be it

Resolved, That this Legislative Body pause in its deliberations to memorialize the Honorable Ronald W. Reagan, President of the United States, and the Congress of the United States to maintain current statutory and regulatory provisions regarding the educational rights of children with handicapping conditions; and be it further

Resolved, That copies of this Resolution, suitably engrossed, be transmitted to the Honorable Ronald W. Reagan, President of the United States, to the President Pro Tem of the Senate, to the Speaker of the House of Representatives, to each Member of Congress from the State of New York, and to the United States Department of Education's Office of Special Education and Rehabilitative Services.

Adopted in Assembly on May 17, 1982.●

LONG RANGE ECONOMIC PLANNING

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. DOWNEY. Mr. Speaker, it is no secret that our economy is in trouble. We can blame part of our problem on OPEC and part on our military budget and past military adventures. But setting that aside, the fact remains that a major piece of our problem is avoidable but self-created.

Once we were the most economically progressive nation in the world. Now our economic planning is creaky and inadequate, unable to look beyond the next quarter's profits. We are being overtaken by more far-seeing competitors in Japan and Western Europe.

We need to change. A brilliant overview of the problem and the solutions was presented by Mr. Louis H. Pughi as he received the Dowling College Distinguished Citizen Award on June 12, 1982 at Hauppauge, N.Y. So that we may all profit from Mr. Pughi's wisdom, I am inserting his address into the RECORD at this point.

DOWLING COLLEGE DISTINGUISHED CITIZEN AWARD

Thank you Dr. Rudiger.

I am grateful to Dowling College, its trustees, Dr. Meskill, its faculty and the student body for honoring me with the Distinguished Citizen Award. I deem it a privilege to join company with the prior recipients. I would be remiss not to share this award with so many others who have sustained me throughout my life. Heading the list is my wife, Anne, who has been at my side for some 30 years; my son and daughter, Ron and Karen, who have always been in the grand stand rooting for and encouraging me; my many friends and associates, many of whom are here tonight—some from out of state—who have always been supportive. To all of you, friends of Dowling and invited guests, my sincerest appreciation for your support of Dowling College.

In today's world, it is critical that our universities and colleges continue to be a viable source of education and leadership. Over the years, industry and our schools of higher learning have been inter-acting to some extent. However, driven by mutual concerns and problems, we are currently entering a period of even greater interdependency and expanding participation.

Education and industry—partners in Long Island's future—must meet the challenge of the changing technologies as they impact on factory and office environments. Tonight, I will address this particular aspect where I feel there will be a major need for

innovative and strong cooperation. Why is there such a need? The answer is not simple. If we reflect upon recent years, we will realize that we have seen our country's position of economic and technical leadership erode in many areas where for decades we had been the envy of the world. Where at one time we might have had an over-confident air, today that has been replaced by doubts and fears. We are very self-critical, and as a consequence, hesitant, afraid to take action. As a result, we delay progress. We provide answers that in themselves create problems that at times are more onerous than the ones we started out to solve. The results of such shortsighted policies by government, industry, labor, and society are clearly evident today in the automotive, steel, housing, trucking and airline industries, to name a few. Unemployment on a national basis is approximately 10 percent, and in some geographic regions, as high as 15 percent—that is, 1 out of every 6 workers.

Fortunately, there has been a gradual realization in our nation that we must change the way we do business and focus on improving productivity and the quality of products and services. There is an awareness that if we fail to make the necessary investments in skills, technology, and facilities; sensibly control our expenditures; and pragmatically introduce the necessary changes; then, the high expectations of Americans will be stymied in a stumbling economy. I believe the productive potential of our nation can be realized if we focus America's vision toward a long-term anticipatory framework, rather than a short-term reactive one. It is imperative that we take a longer view and plan accordingly, rather than simply counterpunch at each new thrust at our economy.

One aspect of this long-term framework where I believe that industry and academia must and can participate to mutual benefit will result from the technological changes in our factory and office environments. The impact of low-cost computers, distributed computing and microprocessors will be very significant in terms of the way Americans work and live. Robots, with the aid of computers, are already being utilized in many industries. They are performing a variety of tasks. The need to increase productivity in order to remain a viable economic force in the world marketplace is the catalyst that will drive their development and introduction. Another area of change where computer technology, coupled with communications via laser light, teleconferencing, and electronic mail, will have a significant effect on the office of the future. By the end of this decade, the increased dependency on white collar workers—who will constitute approximately 50 percent of the work force—will further complicate matters.

The technological advances in this century, and particularly since the end of World War II, have made all of us aware of the direct and indirect effects associated with technological changes. All too often these impacts do not manifest themselves until they have reached a high level of acceptance within society. This arises because technical problems are addressed from so narrow a perspective that little, if any, attention is given to its social impacts. Underlying our problem is the nature of the kind of phenomena with which we are dealing. It is about change, and most people usually perceive change as threatening. Unfortunately, most futurists do not take this problem into account. They are so eager to implement that they rush headlong into it. By the time diffusion of technology is completed, the control or guidance of its use is extremely difficult. In an effort to have society more readily accept the implementation of these advances, it is important to assess the potential consequences of a technology before it has reached wide-spread development.

The social impact of these technological changes is expected to be dramatic. One should expect a radical restructuring of work, including a devaluation of current work skills and the creation of new ones at an ever increasing rate. This will result in a fundamental change in most workplaces and a painful adjustment for the workers involved. These changes will require employees to retrain large numbers of workers. The nation's education system will have to prepare future workers for functioning in an electronic society. Some recent estimates indicate that some 20 to 40 million people could be affected by factory and office automation. The push to automate is already upgrading many jobs, giving the dirty, dangerous and monotonous tasks to machines. Some workers have been displaced, while others have been required to take jobs as baby sitters for the new machines. The ability of these new systems to measure and monitor human performance is already causing worker/management conflicts.

Clearly, we are entering a transitional period. We must study policy alternatives. In the short term, we need to address the mechanisms for dealing with people who are likely to be burdened by technological changes. We need to examine the options for assisting the employed workers and the new job entrants to adjust to the impending changes in an orderly manner. We need to anticipate the obsolescence of skills and to work out plans now, early in the game, before there is an unmanageable situation.

Educational institutions which now face dwindling enrollments have a fresh challenge. Programs should be geared to meet the needs of a changing society. As technology alters the workplace, education can be one means of staying abreast of new discoveries and developments. Continuing education can prepare adults for career changes or for maintaining and improving present career status. College education programs should be structured so that they will prepare students for entry into the labor market and for multiple careers during a lifetime. We should expand intern programs not only in the technical fields, but also in administration, industrial relations, and behavioral sciences so that students will be better prepared to enter the business world. Our society is complex, and it will become increasingly complicated. Clearly, there is a need for new approaches.

Recognition of the changes should enable government, business, labor and academia to anticipate the problems with greater clarity and to devise effective solutions. American industry has available to it a vast potential resource in the form of a well educated work force. It is a work force that appears in large part to be committed to work and is capable of improved performance, if properly motivated. The new wave of factory and office automation in the United States will raise the productivity of American workers, improve the quality of the product they make and increase the ability of domestic industries to compete with the imports that have eaten away at America's industrial strength. These gains will be realized only if workers and society are convinced that these technological changes will improve their working and personal lives, rather than provide an extremely efficient means of controlling the work level and environment.

How to bring out the best in the American worker will be an increasing challenge not only to American industry but to the nation at large. The challenge that we face is to make the transition a smooth one without sacrificing the vigor and discipline so necessary to the workplace so that, once again, we can become the leading industrial nation in the world.

Thank you.●

SUPPORT RECREATIONAL SPORT FISHING

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. SNYDER. Mr. Speaker, the growth in popularity of sport fishing over the past 25 years has been rather dramatic. Since 1955 the number of licensed anglers has risen from 16.9 million to approximately 28 million today. In all, it is estimated that there are 60 million Americans who fish if we include those who are not required to obtain licenses, that is, adolescent, retired, and saltwater fishermen.

No other single law passed by Congress has been as important to the management and improvement of the Nation's recreational fisheries resources as the Federal Aid in Sport Fish Restoration Act. This law, more commonly referred to as the Dingell-Johnson Act or D-J, provides for a 10-percent manufacturers' excise tax on certain sports fishing equipment. These funds are then allocated on a 3-to-1 matching basis to the States for sport fish restoration and management projects.

Since 1950, American sports fishermen have contributed more than $338 million for fisheries research and enhancement through the D-J program. More than 328 new lakes have been built and 3,672 boating access areas have been constructed, providing access to over 800,000 acres of lakes and over 2,200 miles of rivers and streams. These D-J funds have also been used to improve aquatic habitat, to protect fish from pollution caused by highway construction, water diversion projects and poor logging and farming practices. Through research, State and Federal agencies have developed new management techniques and improved upon old ones.

Although D-J funds unquestionably have been important to State fishery management efforts, revenues are insufficient. Receipts have not kept pace with inflation and budgetary constraints have hindered fishery programs. The latest survey of the States shows a funding shortfall of approximately $127.5 million per year. As an

example of the problem consider that last year D-J collections were only $30.5 million compared to the $122 million collected under Federal aid to wildlife legislation. The problem is highlighted when we remember that three times as many Americans fish as hunt.

Also, the growth in number, skill, and mobility of fishermen has created a great demand on the resource. Fish habitat, like many other types of natural areas, is succumbing more and more rapidly to the pressures of pollution, development, and overuse.

In order to eliminate the funding defficiency I have introduced H.R. 6660 the Fish Restoration Act of 1982. This legislation would place a 10-percent tax on certain fishing equipment currently exempt from tax such as fishing line, hooks, and sinkers and establish a 3-percent tax to be imposed at the manufacturer's level on recreational boats 25 feet and less as well as certain boating equipment including boat trailers, depth finders, and trolling and outboard motors. The tax would not apply to commercial boats, hydroplanes, kayaks, or sailboats.

Mr. Speaker, the legislation which I propose will go a long way toward enhancing sport fishing in that expansion of the Dingell-Johnson program would generate two to three times the current receipts. The States as well as a coalition of sporting, conservation, environmental, and manufacturing groups are in favor of D-J expansion.

Natural and manmade fishing waters are limited and it is only through restoration of existing habitat, creation of additional impoundments, and provision of additional adequate access that greater levels of sport fishing can be achieved. I urge my colleagues to support the bill.●

A TRIBUTE TO MR. MORRIE WAX

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. LOWERY of California. Mr. Speaker, it is with great pleasure that I call attention to one of San Diego's outstanding citizens, Morrie Wax, who recently completed his fourth term as president of the San Diego USO Council, and his 18th year as a board member of that group.

Mr. Wax is, indeed, "Mr. USO" in my home city. Morrie was out front and very instrumental in raising the money and working with the city of San Diego in the construction of a new USO center for the large military population and due to his efforts that facility was opened on September 22, 1970. However, 10 years later, when the city was forced to relocate the USO, once again it was Morrie who took the lead in finding a site, raising the money and supervising the construction of a new USO center. Because of his efforts the new center was dedicated to Mr. Wax upon its opening in 1980.

His terms as president of the USO have been in the years 1970-72 and 1980-82, and for the past 11 years he has initiated the fund drive to finance special holiday dinners and snaks for servicemen and women on Thanksgiving, Hanukkah, and Christmas and throughout those holiday periods. For the past 6 years he has led USO board members in ticket sales for the annual fund-raising party. Lest it be inferred that Morrie had the time and energy for only one civic enterprise, I want to add that he has been actively contributing to other causes through his years of citizenship in San Diego.

Mr. Wax is a native of Utah and joined the Army as an enlisted man in February 1941. He was commissioned a second lieutenant upon graduation from Officers' Candidate School in 1942 and served in Europe in 1944 and 1945, advancing to the rank of captain in the 25th Tank Battalion of the 14th Armored Division. He came to San Diego in 1946 but was recalled to active duty in 1952 and served as a major in Post Command in Camp Cooke, Calif., before returning to San Diego, where founded the San Diego Janitor Supply Co., which he now serves as president.

His wife, Jeannette, and two sons, Charles and David, may take deserved pride in Morrie's accomplishments, which include these activities:

National director of the U.S. Navy League; member of the board of the San Diego Coalition; chairman of the Southern California Committee for Employers Support of the National Guard and Reserves; president, San Diego Council of Navy League, 1977-78; member of the Navy League since 1966; member of Uplifter Club; member, Lodge No. 85 San Diego Masonic Order; member chamber of commerce; past president of Beth Jacob Mens' Club; member of the board, Temple Beth Israel; member, Selective Service Board, 1970-75; chairman, Armed Forces Committee of Jewish Community Center; past member of the board, Jewish Community Center; member 14th Armored Association.

I appreciate this opportunity to commend to you an outstanding citizen, Mr. Morrie Wax.●

BRING BACK BRETTON WOODS FOR LOWER INTEREST RATES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. KEMP. Mr. Speaker, this is a turning point in the debate over monetary policy. During the 1970's the Keynesian scheme of targeting interest rates resulted in progressively worsening inflation and progressively more severe recessions. Yet failure of the current monetarist experiment in targeting the money supply has become so apparent that the Treasury has undertaken a reexamination of the whole monetary policy.

The lead editorial in today's Wall Street Journal gives some good advice:

What the Treasury ought to study is our last successful monetary order, the Bretton Woods system. We tend to forget that, as largely designed by John Maynard Keynes, this was a price-rule system.

Under a price rule, the editorial explains:

The Fed would skip all intermediate measures and target the price level directly, slowing its injections of money if prices rise and speeding them if prices fall.

This would avoid the dangers of both the Keynesian and monetarist prescriptions for monetary policy, which are so apparent in our economy.

I agree that the 1944-71 Bretton Woods system was not perfect, and I believe we can improve upon it. But it was vastly superior to the past 11 years of monetary and financial chaos. I believe the Wall Street Journal's advice is excellent. I commend this excellent article to the attention of my colleagues.

The article follows:

[From the Wall Street Journal, June 22, 1982]

BRING BACK BRETTON WOODS

So the Treasury is studying whether to abolish the independence of the Federal Reserve board, with Under-Secretary Beryl Sprinkel charging infidelity to monetarism. What needs to be understood—most especially by the congressmen who would decide on any Treasury recommendation—is that the implication of Mr. Sprinkel's crusade is not easier money but tighter money.

This point is difficult to comprehend, because it's hard to conceive that anyone would want further tightening just now. Measured by the broad price indexes, price stability has more or less been achieved. Though the indexes may show an upward blip or two, the underlying rate of inflation has clearly subsided. The dollar is setting record high after record high in the foreign exchange markets. Commodity prices are plunging, with gold piercing the $300 level yesterday. And of course, interest rates and unemployment are at postwar highs.

Yet because of some numbers spewing out of a computer somewhere, the monetarist catechism holds that Mr. Volcker is too easy. M1, as currently redefined, is above its target areas. Mr. Sprinkel's pet, the mone-

tary base, has also been growing vigorously. So when he says he wants a "more stable" policy, he can only mean he wants a currently tighter one.

Monetarists will try to obscure this point by talk of "erratic" policy and of leads and lags. The monetary aggregates have indeed been erratic. But the monetarist claim that the current recession was caused or deepened by flatness in M1 last spring and summer would be more plausible if M2 were not above its targets in the same period. As the monetarist St. Louis Fed observed in reviewing the last year, "The most significant question for monetary policymakers in 1981 was which monetary aggregate to control." The problem was not Mr. Volcker, but the aggregates.

These problems are brilliantly outlined in the accompanying speech by Frank E. Morris, president of the Boston Fed. Technological and financial innovation have undermined the traditional distinctions on which monetarism has been based. We are well on our way toward a financial environment so fluid no computer number means much for very long. The issue is how to guide monetary policy in such an uncharted environment.

One answer—Mr. Volcker's answer—is seat-of-the-pants reckoning. This is the theme he returned to in describing his difficulties with aggregates before the Joint Economic Committee last week. "The hard truth is that there inevitably is a critical need for judgment in the conduct of monetary policy." This attitude doesn't disturb us much when the Fed Chairman is Paul Volcker, but we didn't much care for it when the Fed Chairman was G. William Miller. Over the long pull, we're not going to find an unbroken string of philosopher-kings; we need some standard to which the Fed can be held accountable.

If the monetarist standard of M1 has become unworkable just as it gained ascendancy, the Keynesian alternative is to target interest rates. We are sorry to see some of our supply-side friends playing with this fire, for if we have learned anything over the past decade it is that interest-rate targets are a recipe for inflation.

The remaining alternative is a price rule. The Fed would skip all intermediate measures and target the price level directly, slowing its injections of money if prices rise and speeding them if prices fall. As a practical matter the broad price indexes are not reported promptly enough to guide short-run policy, so some especially sensitive price or index of prices would have to be used as a proxy for the general price level.

This is, of course, the classical answer, with the proxy for the price level being the price of gold, or in certain historical periods the price of silver. Some modern economists suggest a basket of commodities as the price proxy, or producer prices. Even if gold were chosen, for simplicity, there are serious questions of how to set the price. In other words, a price rule cannot be instituted overnight, but would require serious study.

The current Treasury study is being surfaced in a mood of desperation—the administration having sold a budget compromise as a cure for high interest rates only to see rates escalate after its victory. As we have been saying throughout the budget fight, a congressional budget resolution is an exercise in cosmetics, and anyone in the financial community who doesn't understand that deserves to lose his shirt. Spending discipline, when and if it actually arrives, will of course help interest rates. But since the high and volatile rates date from the Federal Reserve's procedural reforms in 1979, it certainly would appear that we also have a problem with monetary policy—though the problem may be not too little monetarism but too much.

We certainly do need a study of monetary policy. We do not need an assault by either the Treasury or the supply-siders on Mr. Volcker, who is potentially instrumental in forging a new monetary regime and in any event crucial to managing the transition. We do not need a study plumbing contemporaneous reserve accounting or otherwise scraping the barnacles off monetarism while the whole deck is afire. Nor do we need another recitation of the gold bug argument about paper money being merely a warehouse receipt for gold; the government doesn't need to hold a single ounce of gold to use it as a price-level proxy.

What the Treasury ought to study is our last successful monetary order, the Bretton Woods system. We tend to forget that, as largely designed by John Maynard Keynes, this was a price-rule system. Other nations had the responsibility of fixing their currencies to the dollar. And the U.S. had the responsibility of conducting a monetary policy that would keep the dollar worth 1/35th of an ounce of gold. Price stability, prosperity and reasonable interest rates reigned until the U.S. forsook or forgot its part of the bargain.

Obviously we cannot go back in a day. We may not want to go back exactly. A new international agreement would be at best premature. But given the success of Bretton Woods and the failure of what followed, it can certainly serve as a model for the direction we ought to head. And the first step is a serious look at putting the Fed back on some form of price rule.●

CONGRESSIONAL SALUTE TO HIS HOLINESS PIMEN, PATRIARCH OF MOSCOW AND ALL RUSSIA, ECCLESIASTIC LEADER OF THE RUSSIAN ORTHODOX CHURCH

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. ROE. Mr. Speaker, on Saturday, June 26, the people of my congressional district and State of New Jersey will join with Vicar-Bishop Ireney and the Bishop's Council of the Patriarchal Parishes in the United States, the Right Reverend Dennis Havrilak, pastor, and members of the congregation of SS. Peter-Paul's Russian Orthodox Cathedral of Passaic, N.J., in welcoming and honoring His Holiness Pimen, Patriarch of Moscow and All Russia, esteemed head of the Russian Orthodox Church, the largest and most important religious body in the Soviet Union, on his long-heralded visit to the United States. I know that you and our colleagues here in the Congress will want to join with me in extending warmest greetings and felicitations to His Holiness Pimen, the 14th Patriarch of the Russian Orthodox Church, spiritual leader of 250 million Russian Orthodox faithful.

Mr. Speaker, the faith and devotion of people in a full communion of understanding, ever caring and respecting the individual religious beliefs of his fellow man has been the lifeline of our democracy—ever inspiring our people with hope and urging the individual on to great achievements and purpose in pursuing the fulfillment of his dreams and ambitions. The exemplary leadership and outstanding efforts of our citizens so important to our quality of life are in the vanguard of the American dream and today we join the Russian Orthodox community of our Nation in tribute to His Holiness Pimen whose leadership endeavors in promulgating spiritual guidance, good will, fellowship, and brotherhood in service to God are applauded by all of us in the United States and throughout the world.

Mr. Speaker, it is indeed appropriate that we recognize the most historic occasion of this visit to our country of a highly learned and knowledgeable Patriarch who rose through the hirearchy of ecclesiastical rule and authority in the Soviet Union. His personal commitment, noble deeds, and quality leadership on behalf of the needs of people have truly enriched the lives and destinies of a multitude of people here in America and throughout the world.

His Holiness Pimen was born Serge M. Izvekov on July 23, 1910, in the small textile town of Bogorodsk east of Moscow, the son of an office worker. At the age of 17 he entered a monastery and in 1932 was ordained a priest.

Following his stay at the monastery, he worked in the Moscow area, and for many years was in charge of the church choirs in the capital.

After World War II he was sent on a number of assignments around the country, ranging from the town of Murom in central Russia to the port city of Odessa on the Black Sea. In 1949 he was named head of the famous Pskov-Perchory Monastery and in 1954 was placed in charge of the Trinity-Sergeyev Monastery.

In 1957, he was named Bishop of Odessa and in 1960, Archbishop. The high title of Metropolitan of Leningrad was conferred upon him in 1961 and he was elevated to Metropolitan of Krutitsky and Kolomna in 1963. On June 3, 1971, with centuries-old pomp and majesty, he was enthroned as the new Patriarch of the Russian Orthodox Church—Patriarch of Moscow and All Russia—first among the other bishops who make up the Holy Synod, the church's ruling body.

International Who's Who also notes the following distinguished titles of respect for His Holiness Pimen: Grand Cordon, Order of the Cedar of Leba-

non 1972, Order of St. Sergius of Radonezh (U.S.S.R.) 1979, and Order of Friendship of the Peoples of 1980.

His Holiness Pimen is the fourth Patriarch of the Soviet era. The first was Patriarch Tikhon, who was elected in 1917. In 1943, Patriarch Sergius was elected. He died in 1944 and a year later Patriarch Alexis was chosen. Patriarch Alexis died on April 17, 1970, at the age of 92 and His Holiness Pimen was named temporary Patriarch in 1970.

Mr. Speaker, in his dedication and devotion to the needs of people, His Holiness Pimen has truly enriched the cultural, educational, and religious endeavors of the Soviet Union, the international community, and the quality of life for many, many people here in America.

As the chants of "Axios, Axios," Greek for "He is worthy, he is worthy," resounded through Moscow's Yelokhovsky Cathedral when he was elected Patriarch of Moscow and All Russia so will we join with the congregation of SS. Peter-Paul's Russian Orthodox Cathedral this coming weekend in echoing our deepest respect and esteem for the paternal leader of the Russian Orthodox Church. We do indeed welcome and salute him for his exemplary dedication and sincerity of purpose in his continuing leadership efforts to help strengthen the resolve of a nation of people in service to God and mankind—His Holiness Pimen, Patriarch of Moscow and All Russia.●

THE ABUSE OF THE INSANITY DEFENSE DID NOT START WITH THE HINCKLEY VERDICT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. BIAGGI. Mr. Speaker, many in this Nation are seething with outrage over the verdict of not guilty by reason of insanity rendered in the case involving John Hinckley. This decision represents an abuse of the so-called insanity defense and could result in a man who almost killed the President of the United States and gravely wounded three other persons being free in less than three months.

In the sense that we give the protection of the President's life an important priority in this Nation—so, too, must we extend this protection to include insuring that those who would seek to kill or maim the President be guaranteed swift and certain punishment. Today I have introduced a bill which would bar the insanity defense in any case involving the assassination, attempted assassination, kidnapping, and assault on the President of the United States and his immediate successor. I chose this limited route because I believe such a bill could be passed by Congress this year. I do not share the same optimism with respect to a broader revision in the insanity defense statute.

I would also like to include as part of my statement a most interesting article entitled "The Insanity of the Insanity Defense," by Peter J. Grimes, chairman of the department of criminal justice, Nassau Community College. This article was originally published in November of 1981 but it continues to have great relevance today. I urge my colleagues to review the article carefully to see yet another example of how the abuse of the insanity defense continues to make a mockery of our criminal justice system.

The article follows:

[From the Law Enforcement News, Nov. 9, 1981]

THE INSANITY OF THE INSANITY DEFENSE

(By Peter J. Grimes)

The last time I saw my son alive was July 9, 1980. As I said good night to him, I little knew that 14 hours later he would be dead, the victim of a violent crime, and that within 24 hours my wife and I would be making the funeral arrangements for Michael, who, at 10 years of age, had been intentionally struck down by the driver of an automobile. Dead also would be his best friend, with whom he was playing at the time, and a high school teacher who was enjoying a day of recreation at the county park.

Within days the offender, Robert Kabolowsky, was charged with nine counts of murder and innumerable other charges which accrued during his rampage through Wantagh (N.Y.) County Park. He was remanded to the Nassau County Correctional Center, where he was held without bail to await future court proceedings and the results of psychiatric investigations. Blood tests which had been conducted at a local hospital revealed that at the time of the murders the offender "had a high percentage of THC in his blood . . . THC is the active ingredient in marijuana."

Much to the surprise, shock and horror of my wife, myself and other family members and friends, not to mention the relatives and friends of the other murder victims of this tragedy, the County Court, citing the provisions of the Criminal Procedure Law for the law for the State of New York, held that the offender was "not responsible by reason of mental disease or defect." This plea had been recommended by the Nassau County District Attorney, according to New York State Criminal Procedure Law § 220.15, prior to the County Court's acceptance of the plea. At the pretrial hearing held to determine his responsibility to stand trial, Judge Raymond Cornelius informed Kabolowsky that if he were not prosecuted criminally he would be turned over to the State Department of Mental Health for treatment. The judge then asked the accused if he fully understood these consequences, to which the defendant replied, "Yes, I talked it over with my attorney and parents and feel it is my best defense."

The offender was transferred to a New York psychiatric hospital where he is being treated and from which he will be returned to the court for periodic review. The offender's parents, upon hearing of the outcome of their son's prosecution, were quoted in a local newspaper as saying, "We felt from the very beginning that if there was any justice, it would turn out this way." From the point of view of the victim I can assure the reader that justice has not been served.

In a research report which appeared in the American Journal of Psychiatry in March 1980, Dr. Henry J. Steadman, studying "Insanity Acquittals in New York State, 1965-1978," concluded that "there has been a dramatic increase in the number of insanity acquittals since 1971." In a study of acquittals in the 1970's, A. Siner indicated that in New Jersey those patients acquitted for murder averaged 24.2 months of hospitalization. Based on this data it appears evident that eventual release from a psychiatric hospital will probably take place within a few years.

For years it has been my experience, first as a professor of criminal justice and now as a parent who has experienced the brutal murder of his only son, to witness time and again the abuses of the insanity defense by lawyers and forensic psychiatrists. The underlying problem with the insanity plea, according to New York State Senator Frank Padavan, "is that its successful use always ends in acquittal. The accused is then free of all sanctions except the same requirement for treatment imposed on other mentally ill individuals. Nothing stops the shrewd defendant from wielding the insanity defense, and then once hospitalized, undergoing a 'miracle cure' that leads to freedom."

The argument to amend the insanity defense is not new. In 1964 our present Chief Justice of the United States, Warren E. Burger, indicated that "perhaps we should consider abolishing what is called the 'insanity defense'; the jury would decide within the traditional framework of drawing inferences as to intent from the accused's conduct only whether he committed the overt acts charged. I suggest this not as a new idea but to stimulate a serious debate on the subject."

In an article which appeared in Psychiatric Annals in August 1977, Dr. Abraham L. Halpern elaborated on some of the problems of the insanity defense. Discussing "The Insanity Defense: A Juridical Anacronism," Dr. Halpern stated:

"I have for many years contended that the insanity defense should be abolished. It has degenerated to nothing more than a legalistic ploy in many cases, especially when the defense of justification is not possible. It does nothing to promote justice, damages respect for the law, sustains the sham of the 'battle of the experts' in our courtroom, and needlessly increases the cost of trying and defending allegedly mentally disordered criminals."

According to C. R. Jeffery, "Most lawyers stated they used psychiatric pools that consist of defense-minded psychiatrists. 'If a man doesn't testify the right way he is not hired,' one attorney said. Although lawyers complain about government-biased psychiatrists, they readily admit to making use of defense-biased psychiatrists."

Commenting further on the misuse of the insanity defense German and Singer note, "Frequently, the insanity defense is the result of a plea bargain. Where prosecutors and judges know that an offender will be incarcerated even if not convicted, they are more likely to tolerate, or even encourage, an insanity acquittal, thereby saving themselves both the time involved in full trial, and the risk of the defendant's release if he is not convicted.

Later in his article, Dr. Halpern cites a quotation from Rachlin which points to the insanity defense as a glaring misuse not only of the law, but of psychiatry. It is further noted by Rachlin that "because of the sensationalism generally surrounding a number of uses in which the insanity defense is raised, the public corruption of the mentally ill as being dangerous is fostered. Abolition of the insanity defense would therefore, in part, serve to separate in the public's mind antisocial behavior from psychotic behavior. I would think that this might go a long way toward decreasing community resistance toward discharge of hospitalized patients based on the misconception that mental illness and dangerousness are closely related."

Fortunately there is movement for a viable alternative to the "not-guilty-by-reason-of-insanity" defense. The report of the Attorney General's Task Force on Violent Crime, published in August 1981, has taken a bold step toward revising the insanity defense with its recommendation that "the Attorney General should support or propose legislation that would create an additional verdict in Federal criminal cases of 'guilty, but mentally ill . . .' and establish a Federal commitment procedure for defendants found incompetent to stand trial or not guilty by reason of insanity."

The report goes on to comment that the line between sanity and insanity is not often clear. "Consequently, there are defendants who appear to be suffering from mental illness that may not significantly affect their ability to obey the law. Such a person presents juries with the difficult choice of either making a finding of guilty, even though the jury might feel compassion because of the defendant's mental problems, or not guilty by reason of insanity, even though the person appears able to appreciate the criminal nature of his conduct and conform his conduct to the requirements of the law, notwithstanding the mental illness."

There are presently at least three states—Illinois, Michigan and Indiana—that have developed the alternative verdict of "guilty but mentally ill" to enable juries to respond better to this situation. This alternative has been sponsored in several state legislatures. It has been proposed in the New York State Legislature for the past four years by Senator Padavan, chairman of the Senate Committee on Mental Hygiene and Addiction Control.

The adoption of the "guilty but mentally ill" proposal would enable the jury to "elect a verdict that in essence would not only find the defendant to be in need of treatment, but also guilty of a crime an therefore subject to a prison sentence. The convicted would then be placed in the custody of the corrections system and would receive care from a satellite psychiatric facility. If his illness abates, he still must remain in prison for the rest of his term."

For a little more than one year my wife and I have been without our son, a boy who will always remain ten, whose life was unmercifully snuffed out by an offender who had a depraved disregard for the rights of others, even the right to life. While we must do all we can to prevent crime, we must bring to justice those who commit it. It is clear that the country owes this as a duty to the victims of crime. Legislation such as that proposed in this article will provide innovative inroads so that our criminal justice system will provide justice for all.

Naturally I am personally involved due to my great loss, yet I feel it is my duty as a criminologist to urge all who will listen to help to right this wrong in our criminal justice system. It has been committed against innocent victims in the past and will continue in the future, if we sit on our hands and do nothing.●

UKRAINIAN HUMAN RIGHTS AWARENESS WEEK

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. CONTE. Mr. Speaker, I am pleased to join my colleagues during Ukrainian Human Rights Awareness Week in recognizing the undying love of freedom in the hearts of enslaved Ukrainians.

The history of the Ukraine is as glorious as it is tragic. Its long-suffering people have achieved greatness despite the malevolent influence of powerful neighbors. Perhaps more invading armies have marched over the rich black earth of the Ukraine than over any other land. In fact, today marks the 41st anniversary of the most brutal invasion of all—Hitler's. World War II left the Ukraine in ruins, with millions of its people dead.

Nazi domination of the Ukraine lasted 3 years, but brutal Soviet domination of this country has lasted over 60 years. In 1918 the Ukrainian people made a brave attempt to establish their independence, but the infant Ukrainian Republic was overwhelmed by the Red army a year later. Since then, the Ukrainian people have suffered terrible repression under Soviet rule. But the Soviets have not succeeded in stifling their culture and love of freedom. In recent years Ukrainian national feeling has surfaced again despite KGB brutality.

The Ukrainian Helsinki Group was formed on November 9, 1976, to monitor Soviet compliance in the Ukraine with the human rights provisions of the Helsinki accords. Of the 10 brave Ukrainians who founded this group, and the 37 who eventually were members of it, none are now active. All are in prison or in internal or foreign exile. Mr. Speaker, I would like to take this opportunity to recognize with deep appreciation the courage of these Ukrainians who fought so hard at such risk for their nation and for the freedoms we so often take for granted.

They may have been silenced, but they drew the world's attention to the flame of freedom burning so brightly in the Ukraine. We must not let that flame be extinguished. Fifty million Ukrainians, and all the fine Ukrainian Americans who have made such a large contribution to this country, have not forgotten that we are the symbol of freedom to the entire world. Let us not forget them. I would like to conclude with the words of Mykola Rudenko, a founder of the Ukrainian Helsinki Group now in prison:

From under the thick ice of fettered spirituality another child of Freedom timidly raises its head. Whether it is barbarously destroyed or survives, this depends on you, people of good will.●

CITIZENS ON THE MARCH TO RECLAIM AMERICA

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. CONYERS. Mr. Speaker, the issues that we as a Congress and a country are confronting today are issues that will affect, for generations, the vitality of our American ideal. They are social, economic, and political ideals that give sway only to the Constitution of this land. It is within this Constitution that we find the framework for the emerging Reclaim America movement taking place among the towns and cities of this country. It is a campaign steeped in citizen involvement, grassroots patriotism, and a willingness—a demand—to accept responsibility for the decisions that affect the well-being of our constituents and our country.

Sponsored by National People's Action, Reclaim America is a rallying cry for millions of people who have been economically discriminated against. Millions of people are unemployed, unable to buy homes, unable to afford rent, cannot buy heating fuel, cannot borrow to build neighborhood businesses, cannot keep their family farms, cannot manage health care costs, cannot bring improvements to their communities, and most of all, cannot compete with large banks and large corporations who are making record-breaking profits and are also now getting the benefits of even larger tax breaks.

This crisis has been brought about by antipeople policies coming out of Washington, including artificially high interest rates, artificially high energy costs, and Federal cutbacks in all social service and community development moneys. At the same time we are witnessing an acceleration in defense spending, the threat of nuclear war, tax breaks for big business, and deregulation that benefits corporate America—and an overall shift in priorities to make the rich even richer!

I support National People's Action in their belief that it is going to take a concerted effort by community organizations, unions, churches, peace groups, and all people's organizations to reorder the priorities of corporations and the current administration. National People's Action has begun to work toward such a joint effort by

sponsoring Reclaim America, September 6-14 of this year.

NPA's Reclaim America has begun to schedule rallies, meetings, and other activities in cities across the country for Monday through Thursday, September 6-9. They have set September 10 in Chicago as the first joint Reclaim America action as people from the West, South, and North join with local groups to demonstrate to corporate Chicago the demands of Reclaim America. They will grow in numbers as they head toward Ohio to take their demands to corporate Cleveland. On Sunday, September 12, NPA will hold its 11th national conference in Philadelphia. On Monday, September 13, the movement will take its Reclaim America agenda to the Capitol, where the ranks will swell with people from throughout the Washington, D.C., area, Philadelphia, and the Middle-Atlantic States. On Tuesday, the 14th, joined by New Yorkers and people from New England, NPA will top off Reclaim America Week with a show of strength to corporate America on Wall Street, New York City.

It is within that framework that I am once again reminded of the unique blend of America embodied in Reclaim America and National People's Action. Reclaim America is a coming together of all people who hold this country and its democratic principles to be the responsibility of us all and are more than willing to do their part as Americans to keep it so regardless of race, ethnic heritage, religion, age, or political affiliation.

I want to commend this action, for it embodies the idea of our democracy and the foundation of our Republic. I look forward to participating in NPA's Reclaim America in September and urge you to join me.●

ELIMINATING WASTE IN GOVERNMENT: THE PRIVATE SECTOR JOINS THE FIGHT

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. LeBOUTILLIER. Mr. Speaker, those of us who consistently support reductions in the ever-escalating growth of Federal spending do so largely out of a revulsion for wasteful and out-of-control spending by the Federal Government.

As any businessman knows, elimination of unproductive use of money, unnecessary acquisitions, and useless spending commitments is essential to creating a functional, delivering entity. Government's service delivery role is hampered by obscene waste and an endemic unwillingness to even study the problem, let alone do something to stop it.

Out of the knowledge of the dangers of waste, President Reagan has convened the President's Sector Survey on Cost Control. Under the experienced chairmanship of J. Peter Grace, this commission will survey waste in Government from a broad perspective, and concentrate on reforms for operations and spending in 35 areas of the Federal establishment. The $20 million that will be spent for this massive study will not be taxpayer dollars; the private sector is donating the cost of this enterprise's operations. Nothing, it is said, succeeds like success.

James Nance, staff director for the Survey, gave a few poignant examples of just how much money government consumes, and how many superfluous goods are purchased with it. For instance:

The United States government spends $19,100 each time the average heart beats!

Interest on the national debt costs $190,000 each minute!

The government owns 436,000 automobiles and employs 2.6 million civilians. This means that virtually every civilian employee of the federal government can be riding in a government car at one time!

Gathering horrendous and popularized statistics such as the ones above is not the major purpose of the Survey; suggesting ways to stop the inexorable growth of these numbers is.

I salute the efforts of the responsible corporate leaders in applying their experience at operating effective entities for use by a deeply mishandled Federal Government. Their enlightenment and fresh, uninhibited approach to cost-cutting will slay many sacred cows, and restore this Nation to fiscal health.

"Our Federal Government," Donald Lambro wrote in the mid-1970's, "has become a bloated, extravagant, paternalistic, remote, cluttered, disorganized, inefficient, frivolous, duplicative wasteland." The President's Private Sector Survey on Cost Control certainly has a tall order ahead of them in their quest to rid all of these abuses from the Federal Government—the people's government.●

IN MEMORIAL—DOUG HARVEY

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. FUQUA. Mr. Speaker, last week the Science Committee learned of the death of an exceptional public servant, and a close friend, Doug Harvey. Doug created the industrial energy conservation program at the Department of Energy and managed it for 5 years until 1981. The program was widely recognized as one of the best run, most intelligently organized activities at DOE. It was strongly supported in Congress, by both Houses, both parties, and both authorizing and appropriations committees.

Doug Harvey was, however, more than a competent bureaucrat. He was an innovator who searched for new ways to do things and made them work. He was a scholar whose knowledge of American industry was encyclopedic. He was a dedicated advocate for energy efficiency who extended, maybe overextended himself, to assist Congress in its deliberations on industrial productivity. He testified at hearings, spoke at seminars, wrote position papers, and spent hours in direct conversation explaining the intricacies of industrial processes, management, and financing.

He was, finally, a warm, friendly, humorous man who was admired and loved by those who knew him well.

Doug died last Monday at the age of 53 of a massive and unexpected heart attack. As a tribute to his memory and to the special affection in which he is held by the Energy Development and Applications Subcommittee, I would like to place in the RECORD the following article from the June 23, 1980 Industry Week. It is entitled: "DOE's Different Kind of Bureaucrat," and, although somewhat out of date, captures in a special way the uniqueness of this truly exceptional public servant.

DOE's DIFFERENT KIND OF BUREAUCRAT

When Dr. Gene Frankel, science consultant to the House Energy Development & Applications Subcommittee, came to the nation's capital last January, he faced a classic exercise in Washington homework: reading the reports by the Dept. of Energy (DOE) on the various energy conservation programs it funds.

Predictably, even an educated man such as Dr. Frankel had trouble making sense of the bureaucratic mumbo jumbo.

But as he labored through the voluminous documents, "one program stood out clearly above all the others," he recalls. "It seemed well thought out, intelligent. I could actually understand from the documentation what was going on. It was most unusual—and I could hardly wait to meet the man responsible for it."

The subject of Dr. Frankel's surprise was DOE's industrial energy conservation program. And the man behind it (whom he's since had ample chance to meet) is Douglas G. Harvey, director of the Office of Industrial Programs.

Dr. Frankel's surprise isn't surprising, for Doug Harvey has long been recognized as a distinctly non-typical Washington bureaucrat.

For one thing, the 51-year-old, Rutherford, N.J., native doesn't live in Washington. He and his wife, Delores, maintain their home 45 miles away in Baltimore, a bluecollar, shot-and-a-beer town away from the glitter of Silver Spring cocktail parties and Georgetown boutiques. He travels by car pool to the Baltimore train station and commutes by Amtrak to his job.

For another, he's one federal manager in charge of an industry-related program who had logged extensive time in industry—23 years, in fact. He came to the government from Hittman Associates Inc., a Columbia,

Md., consulting firm, where he headed energy and environmental programs. Before that he was a vice president at Sanders Nuclear Corp., Nashua, N.H., for four years; earlier still he served a lengthy stint at Martin Marietta Corp., including 12 years as manager of its Space Power Systems Div.

He's also a prolific inventor, with 33 patents to his name. They represent a remarkable variety of technologies, ranging from new methods of loading electrons in a thermoelectric generator to a new solvent for tertiary oil recovery to an artificial heart.

He's even an author of two books: "Radioisotope Power Generation" and "Automobile Energy and the Environment."

"Doug's program is relatively free from Congressional sniping," observes Mark O. Decker, director of energy and natural resources at the National Assn. of Manufacturers (NAM). "And that's because he has the support of industry."

This industry support, too, makes the program unusual. Although corporate executives normally recoil at the idea of federal involvement in their businesses, in this case they generally go along with it. Explains Mr. Decker: "They see what Doug is trying to do—setting up an R&D program aimed at the private sector taking over the technology after the government has proved it. This is the type of government involvement perceived by industry as being meaningful and productive."

To be sure, Mr. Harvey's program has its share of critics. Some of them—and they can be found in such diverse quarters as industry itself, Congress the White House Office of Management & Budget, and even within the policy office of DOE—insist that the government has no business giving money to industry to save energy. Industry will conserve anyway, they reason, as a market response to higher prices.

But for every critic who advocates a lesser federal role in industrial energy conservation, there are others who believe the role should be larger.

A firm believer in the market system, Mr. Harvey sees DOE's R&D role as limited. "The role of the federal government with the private sector, especially the industrial end of it, has never been carefully defined or understood," he declares. "Thus, we bend over backwards to prove that the projects we fund will save significant energy, that they will not be pursued expeditiously without federal involvement, and that with federal involvement we can speed their introduction into the marketplace by five or ten years."

To accomplish this, Mr. Harvey has set up explicit criteria to govern which projects his office will fund.

"First," he explains, "we must be able to reasonably predict that if successful, a project will bring a 15 percent return on investment after taxes. Second, to ensure the effectiveness of our investment, we try to determine a project's market penetration in five years and what its costs and benefits will be; we require that a project must save $10 for each $1 invested. Finally, we eliminate any projects that duplicate what the private sector already is doing, or might do."

This last consideration—whether a project will duplicate a technology that the private sector might develop on its own—is the hardest to evaluate. Mr. Harvey's staff must weigh three categories of risk and assess the degree to which each might hold back technology.

First, the staff must examine the technical risks, determining the odds on a project's being technically successful. Second, it must look at the economic risks, asking whether a project's cost is likely to adhere to projections. Finally, it must study the institutional risks, to see whether a project will be blocked by traditional but inefficient practices within an industry. In addition, Mr. Harvey's office must consider whether state and local laws will interfere with a project.

ARRAY OF PROJECTS

A technically trained manager (he holds B.S. and M.S. degrees in chemistry, respectively, from Trinity College and Massachusetts Institute of Technology), Doug Harvey is usually knowledgeable about the projects his office funds. Talking softly and chain-smoking in his cluttered office at DOE's headquarters overlooking Washington's L'Enfant Plaza, he obviously enjoys describing the project's technologies.

About half the projects, he says, relate to generic technologies that will benefit a wide spectrum of industrial processes. One such innovation he's enthusiastic about is a family of advanced, high-temperature waste heat recuperators that will capture about 70% of the waste heat from direct-heat processes.

The other half of the R&D program is geared to process specific technologies aimed at saving energy within specific energy-consuming industries.

In the aluminum industry, for example, Mr. Harvey's office is working with companies to develop a smelter using a wettable cathode, ways of substituting coal for natural gas in remelt operations, and a small-diameter shaft furnace for direct reduction of aluminum.

In textiles, a DOE-developed process for using foam instead of water in textile finishing operations—at an 86% energy saving—already has been adopted by 17 companies.

Overall, the office has received more than 2,000 proposals for projects. Final selections—of both generic and specific-process technologies—traditionally were made in twice-monthly evaluation sessions among Mr. Harvey and his three top aides: W. B. Williams, his deputy; Alan Streb, director of the R&D devision; and Thomas Gross, head of deployment and monitoring.

This informal selection process, however, drew fire for being "too in-house and too incestuous," Mr. Harvey admits, acknowledging that "it's hard to get into a program without some bias." As a result, his office recently set up an advisory committee from the National Academy of Sciences, primarily comprised of industry representatives, to assist on project selection and to review projects at major decision points. Additional evaluation help is provided by the Idaho National Energy Laboratory and other federal laboratories.

Establishment of the advisory committee is hailed by NAM's Mr. Decker: "It reflects the healthy trend we've seen of DOE being more careful in starting projects and then standing behind them. Until now, DOE has tended to focus on the first stage of a project. Now it is getting more deeply into the operational and scale-up stages, which enables business to get a better idea of the potential of projects."

EXPECTING FAILURES

But, Mr. Harvey, who puts heavy emphasis on project evaluation, says his office isn't afraid to scrub projects that aren't proving worthwhile. In one memorable "failure," it killed the funding of a microwave vacuum grain-drying process to replace the conventional process using propane. Although the project worked, he recalls, "it turned out to have a better potential for seed drying—a relatively small energy consumer in the total agricutlural energy picture. It clearly wasn't a role for us, so we got out as judiciously as possible." DOE spent some $700,000 on the project.

Such failures are expected. In fact, Mr. Harvey asserts, "We project that 40% of our projects will fail. But we should have failures. . . . We wouldn't be doing our job if we had no failures, for that would mean we weren't funding risky projects."

Mr. Harvey consistently pounds that message home to members of Congress. Apparently he's been successful. As he observes: "Bureaucrats usually get a lot of criticism for spending money on failures, but we have gotten very little flak." In fact, he says, cooperation from Capitol Hill "has been excellent" in the last two years. "We really haven't had many fights lately."

Much of this Congressional cooperation is due to Mr. Harvey, says Dr. Frankel of the Energy Development and Applications Subcommittee. "Congress generally feels Doug is running a good program and that he ought to be funding an even bigger one. The reception is favorable because of him. He's very articulate in explaining the rationale behind what he's trying to do."

Adds Melvin H. Chiogioji, deputy DOE assistant secretary for local assistance programs and one of Mr. Harvey's longtime colleagues; "The industrial energy conservation program could well have flopped without Doug. He's made it go. He's successfully pointed out to the Hill and to the Administration the advantages of government-industry partnership, and he's been wise in selecting the projects in which the government can best play a role."

NO PAPER PUSHER

Mr. Harvey also has been masterful in obtaining cooperation from industry. "Businessmen like him because he's different from most federal Bureaucrats," remarks Dr. Beno Sternlicht, chairman and technical director of MTI Corp., Latham, N.Y., a firm working with DOE on developing improved industrial heat pumps. "Where other bureaucrats tend to push paper, he wants to see results. He's a firm believer in government and industry being partners rather than adversaries."

Mr. Harvey estimates that his office's R&D activities to date have saved a cumulative 5 trillion Btu of energy. But he admits that the 1985 goal of 1.5 quadrillion Btu (1.5 quads) annually will be difficult to reach. "We'll have to get on a steep ramp to meet that figure, although we have a shot at it," he comments. But he says he's much more "comfortable" about reaching the goal of 5.5 quads annually by the year 2000.

Obviously, Mr. Harvey takes satisfaction in the energy savings his programs are achieving. And despite nearly five years in government, he's still excited about his job. "I find this job perhaps the most interesting I've ever had," he enthuses, "at least in terms of the innovative ideas I deal with."

Yet, he also calls the job "one of the most frustrating" he's ever had. "The ponderous nature of the bureaucracy makes if difficult to get anything done," he laments. "The procurement process takes forever. And in industry I was able to hire people on the spot; here it takes six months or a year for the paperwork to go through, and then a freeze comes on. It's terribly frustrating."

There's one other big difference from industry, he reflects. "There," he says. "I could cut a contract on a handshake."

BUFFER PERIOD

Mr. Harvey has been putting up with the frustrations of government since August 1975 when he left Hittman Associates to develop the industrial conservation programs for the Energy Research & Development Administration, a forrunner of DOE. A year later the responsibility was made a separate operating entity, and he became its director. With DOE's formation in 1977, the function was included with the Industrial Energy Efficiency Program under the Office of Industrial Programs. Mr. Harvey was named to head the office in January 1979.

He credits his long years in industry as being of "invaluable help" in his job. He's also taken pains to hire industry-trained people exclusively for his staff. That policy, he says, "has enabled us to develop rapport and believability over the years" with companies.

Although he can't completely escape the frustrations of his job, Mr. Harvey finds that it helps to play tennis at least one night a week. He also tries to find time for his favorite hobby: fly fishing. Living in Baltimore, too, serves to insulate him somewhat from the Washington rat race. The train ride to and from the capital offers him "a buffer period—a chance to read without the telephones ringing," he says.

Without doubt, though, the frustrations and the long hours will someday cause him to return to private life—to work for another company, to work on more inventions, or to write books.

Observes MTI's Dr. Sternlicht, a longtime friend; "If and when Doug leaves, it will not only be DOE's loss, but also industry's. He is a bright light in the bureaucratic jungle." ●

IN RECOGNITION OF UKRAINIAN HUMAN RIGHTS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. ROE. Mr. Speaker, it is with a great sense of honor that I rise today to salute the brave Ukrainian people on the occasion of Ukrainian Human Rights Awareness Week.

The Ukrainian people were once members of a free and proud nation. But 64 years ago, the Soviet Union, with complete disregard for the sovereignty of the Ukrainian nation, sent its massive forces across that land beginning a brutal repressive campaign against the Ukrainian people that continues today.

January 22, 1918, was a day of glory for Ukrainians when their free and Democratic Parliament, the Rada, declared the nation's independence. But freedom for the Ukrainian National Republic was seen as a serious threat by the Communist forces that had taken control of Russia during the Revolution of 1917. Finally, in 1922, the Communists forcibly took over and the freedom that had been joyously celebrated there came to a sad end.

Mr. Speaker, literally millions of Ukrainians have been systematically slaughtered by a succession of Russian Communist regimes. Ukrainians have been forced over the past 64 years, to leave their homeland and to serve their Russian slave masters in factories and on farms throughout the Soviet Union.

Despite all this turmoil and tragedy, the Ukrainians living in the Soviet Union have somehow managed to maintain both their dignity and their ethnic identity. But there is no question that while Russian control over the Ukraine is brutal and complete, the spirit of the Ukrainian people has never been diminished.

The Soviet ruling elite should take note that while it maintains political control over the Ukraine, it will never be able to obliterate the strong national traditions held by millions of Ukrainians.

Mr. Speaker, the Soviet rape of Afghanistan sent a loud and clear message to freedom-loving people around the world that the Russians will never abandon the use of wanton force to achieve their political objectives.

The U.S. reaction to that invasion was quick and decisive. Among them were the cancellation of vital wheat sales to the Russians and the pulling out of our team from the Moscow Olympics. Another less publicized action was the closing of the U.S. consulate in Kiev, a section of the Ukraine. Unfortunately, that move has proved to be more detrimental to the people of the Ukraine than it has hurt the Russians. That consulate post served as a key communications link between the Ukraine and the West.

As a member of the congressional ad hoc Committee on the Baltic States and the Ukraine, I have sponsored a resolution calling on President Reagan to reopen the U.S. consulate in Kiev.

Mr. Speaker, on behalf of the people of the Eighth Congressional District of New Jersey, I salute the heroic Ukrainian people during Ukrainian Human Rights Awareness Week. May it serve as a hope for all Ukrainians to maintain in their hearts, that with God's help, their self-destiny as a nation may once again become a reality.●

FREEZING THE ARMS RACE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. SIMON. Mr. Speaker, our colleague, JONATHAN BINGHAM, had an article in the May issue of WorldView entitled "Freezing the Arms Race." In addressing the increasing strength of the nuclear freeze movement in the United States, JACK BINGHAM does an excellent job of analyzing the strengths and the weaknesses of present U.S. policy on arms control and the folly of this adminstration's approach to the Soviet Union and international disarmament negotiations.

As an adviser to the U.S. delegation to the U.N. Special Session on Disarmament, I am distressed about this administration's arms control agenda and believe that JACK BINGHAM has put forth a reasonable and worthy point of view in his article. This article also illustrates what a loss the Nation suffers with the announced retirement of JACK BINGHAM. He has been a force for rationality and compassion on the international scene. Unfortunately we have too few such voices. I urge my colleagues to read his article.

JONATHAN BINGHAM ON FREEZING THE ARMS RACE

"People in the long run are going to do more to promote peace than are governments. Indeed, I think that people want peace so much that one of these days governments had better get out of their way and let them have it."

Thus spoke President Eisenhower in 1959.

Today, almost a quarter-century later, the American people are on the "warpath" for peace. According to a mid-March Los Angeles Times/Cable News Network poll, although 55 per cent found the subject of nuclear war so depressing that they did not want to think about it, 57 per cent (vs. 37 per cent) have thought enough about it to want a nuclear weapons freeze. Newsweek found 60 per cent of those polled favoring a freeze, 29 per cent against.

The freeze campaign was organized last year around the simple proposition that the U.S. and USSR should adopt a mutual and verifiable freeze on testing, production, and deployment of nuclear weapons, plus the missiles and aircraft that carry them. This first step would be followed by a negotiated reduction in both powers' nuclear arsenals.

The freeze idea cuts through the miasma of arms control complexities that so easily befuddle experts as well as laypersons. Organizations and prominent individuals from around the nation began to endorse the freeze—labor unions, churches and synagogues, and highly knowledgeable people, such as former CIA Director William Colby, former arms control negotiator Gerald Smith, and that great expert on the Soviet Union, W. Averell Harriman.

In January of this year I was approached by leaders of five or six organizations in my Bronx congressional district asking me to support the freeze. I agreed enthusiastically. There are now twenty thousand individuals collecting petition signatures to force the proposal onto local ballots all over the country. In the capital I joined with Representatives Michael Lowry (D-Wash.), Ed Markey (D-Mass.), Silvio Conte (R-Mass.), Tom Tauke (R-Iowa), and Edwin Forsythe (R-N.J.) in drafting a resolution to put before the Congress. Shortly thereafter, Senators Edward Kennedy (D-Mass.), Mark Hatfield (R-Ore.), Lowell Weicker (R-Conn.), Alan Cranston (D-Cal.), Claiborne Pell (D-R.I.), and Paul Tsongas (D-Mass.) offered a not-too-different version. We all combined on the same resolution, which was

introduced in the Senate on March 10 and in the House the next day. There are now 22 supporters in the Senate and 151 in the House, with more to come.

How did an idea that has been around in different forms for twenty-odd years suddenly begin to move? Ironically, I think the Reagan administration helped get it started by frightening people. This fear is caused in part by loose talk about the need for plans to fight and "win" a nuclear war, together with demands for the largest nuclear buildup in history, and in part by the administration's insensitivity to the real meaning of nuclear holocaust. Edwin Meese, White House counselor, characterizes it as "something that may be undesirable."

To offset such complacency, Physicians for Social Responsibility, with ten thousand members and growing fast, has held seventeen symposia around the country to explain in factual detail why nuclear war would be the ultimate medical catastrophe: Not only would its survivors envy the dead, but the health-care system would be unable to count, much less comfort, those afflicted by injuries which would later claim their lives. And Jonathan Schell wrote a now-famous three-part series in the New Yorker showing that humankind, even all life, might be obliterated by a full-scale nuclear exchange and its subsequent effects.

"The targeters would run out of targets and victims long before they ran out of bombs." Yet the Pentagon war planners—who, after all, are paid to envision the worst of all possible contingencies—have focused on a possible Russian first strike that might cripple our ability to strike back. The Pentagon therefore proposes a staggering increase in spending on a new generation of some 17,000 nuclear warheads, together with the missiles and bombers to deliver them, which would threaten the Russians with the same first strike we fear.

As George Ball, former under secretary of state and erstwhile cold warrior, said in his March 22 testimony in favor of the freeze, it is time for Americans to reject "the contention that we dare negotiate only from what the nuclear pundits call 'strength'—which serves as an excuse for not negotiating at all."

Some critics of the freeze contend that there is no freeze campaign going on in the USSR, so a halt in the arms race will never mutually be agreed to. But Secretary Brezhnev's doctor has been permitted to report in detail on nationwide Soviet television how catastrophic a nuclear exchange would be, and Brezhnev himself has been asking for a variety of freezes.

If this is just rhetoric and bluff on his part, I think we should call him on it and regain the propaganda advantage, which would be useful to us, especially in regard to some of our NATO partners. If it is not a bluff, we should negotiate with him about it. It seems to me that the Reagan administration's knee-jerk and complete rejection of the freeze proposal is a serious mistake. In no way does the freeze undermine the administration's approach to the START talks—the successor, it is hoped, to the unratified SALT II treaty The freeze proposal is not in the form of a bill to be enacted into law; it is merely an advisory, sense-of-Congress resolution. And it does not call for an immediate freeze. It calls for negotiations on the best way to arrive at a verifiable freeze.

In April there will be hearings in the Congress on the freeze proposal. Now is the time for the voice of the people to be heard. It is one of the great things about a democracy that its leaders can be persuaded to change their minds when voters care deeply enough about an issue to do just what the people of the United States are doing now: working together to reduce the peril of nuclear war.●

THE FUTURE OF UNITED STATES/VENEZUELAN RELATIONS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. BARNES. Mr. Speaker, of the many outstanding representatives of the United States that I have met since becoming chairman of the Subcommittee on Inter-American Affairs, one of the finest is our Ambassador to Venezuela, William H. Luers. Bill Luers is leaving Venezuela after 4 years as Ambassador. He will be very difficult to replace.

Bill has shared with me his last speech as Ambassador, in which he reflects on the future of United States-Venezuelan relations. I believe this thoughtful address will be of interest to my colleagues, and I include it in the RECORD at this point:

THE FUTURE OF UNITED STATES-VENEZUELAN RELATIONS—SPEECH TO THE VAAUW BY AMBASSADOR WILLIAM H. LUERS, CARACAS, JUNE 4, 1982

I. INTRODUCTION

This is a difficult speech to give, because it is my last one as Ambassador to Venezuela and because the topic is complicated by recent events. The future of United States-Venezuelan relations would have been much easier to discuss three months ago. I had imagined giving this farewell talk to the VAAUW on the same upbeat note that I have struck during my nearly four years as U.S. Ambassador to this important, dynamic nation. Today our relations are clouded by the conflict in the South Atlantic. I do not intend now to engage the debate over the rights and wrongs of that tragic struggle. The issues are too close to us, the passions are too high, and the justice of the causes is blurred by differing views of history, law, and power.

Today I want to try to look beyond the South Atlantic crisis and try to identify those interests that are likely to be important and binding in United States-Venezuelan relations in the years ahead despite the wounds that our friendship has suffered over the past two months. I plan to address three topics:

What are the principal Venezuelan foreign policy interests?

How does the United States relate to those Venezuelan interests?

And finally what are some new factors that may enter into our relations over the coming decade?

II. VENEZUELA'S INTERESTS

First, I will outline what I have come to understand as the principal interests of Venezuela in the world today. This is not a statement of what I think these interests ought to be, but what I have observed during nearly 15 years of dealing with Venezuelan governments. These are interests that have been articulated in almost identical terms by ad and copei leaders in Government. After participating directly in the visits of three Venezulelan presidents and dozens of ministers to Washington, D.C., and in the visits of one U.S. president, two vice presidents and numerous cabinet officers to Caracas, I have found that the two great Venezuelan political parties sound very much alike when they deal with the United States. No North American official has a closer, more intimate friendship nor more respectful admiration for Venezuelan democracy and its leaders than Bill Luers.

What have been the primary interests of Venezuela during its democratic experience?

First, the promotion of democracy in the hemisphere. The first line of Defense of Venezuela's 24 year old Democracy has been the active support of pluralism and democratic institutions in the region. Venezuela under Bolivar was the first nation in this hemisphere to wage war for the liberation of the continent. And it is the first nation of the hemisphere to place the struggle for democracy above all other means to defend its political system and its national security. Venezuela has waged this peaceful struggle for democracy with the weapons of diplomacy, political encouragement and economic assistance. This Venezuelan activism on behalf of democracy has helped keep alive and restore the democratic process in nations throughout this hemisphere.

Second, Venezuela has given high priority to regional economic integration through its energetic support for the Andean pact, its sponsorship in the founding of the Latin American Economic System (SELA) with headquarters in Caracas, and its efforts to give vitality to the Latin American Energy Development Organization (OLADE) whose new secretary general is a respected Venezuelan energy expert. These organizations have not yet fulfilled the hopes of Venezuela or other Latin American nations, but they offer the potential for greater integration and cooperation. They are examples of Latin American solidarity at work.

Third, Venezuela has taken a special interest in its relations with the nations of the Caribbean. Over the past 15 years particularly, successive Venezuelan Governments have dedicated increasing resources and attention to these island states and sought to welcome them into the hemispheric community. Venezuela's constructive role in engaging Mexico in their oil facility and joining with others in the Caribbean Basin Initiative is further proof of this growing Venezuelan commitment. Venezuela's deep interest in these nations is logical because Venezuela not only shares the Caribbean waters and seabeds with them, but also shares democratic values with most of them. It has a clear desire to promote stable economic and social development in these small often fragile nations that populate the Venezuelan neighborhood.

Fourth, Venezuela has long had an interest in Central America. The strong backing Venezuela gave to our decision to redefine our relations with Panama and the canal was helpful for U.S. relations with the entire region. Now the turmoil and changes in Central America of the past five years have resulted in Venezuelan Governments expanding significantly attention to the economic and institutional development of nations in rapid transition. Despite the gloom that dominated the media over the past year, the situations in Costa Rica, Honduras, El Salvador and even Guatemala are

hopeful—democracy and pluralism may be winning the day against tremendous odds. Venezuela has been a major force in this process and will continue to be.

Fifth, Venezuela has placed OPEC at the center of its foreign policy since it helped found that organization as a means of establishing just returns for Venezuela's principal export. Every Venezuelan Government has taken a leadership role in innovating OPEC policies. Most recently it was Venezuela which took the lead in urging OPEC production restraints to protect the price of petroleum which is vital to the Venezuelan economy. It now appears that these policies have been successful, that OPEC institutions have been strengthened, and that the price of petroleum has been stabilized.

Sixth, and finally, every Venezuelan Democratic Government has sought a good relationship with the United States. This has been logical because the United States is a democracy, because the United States has been Venezuela's major market for petroleum, and because we are the proximate industrialized nation which has long supplied goods, services and educational opportunities to Venezuelans. Venezuela has also sought to affect world affairs through influencing U.S. policies. Since Don Romulo Betancourt first opened Jack Kennedy's eyes to the promise of helping to build democracies and economic growth in this hemisphere, this special Venezuelan access in Washington has contributed immeasurably to the evolution of sound U.S. policies. It is my firm belief that Venezuelan governments have had a greater influence on U.S. policies over the years than we have had on Venezuela. I have absolutely no doubt that in the past year the Government of Venezuela has played a major role in shaping constructive U.S. policies toward Central America and the Caribbean.

These six interests are so deeply imbedded in Venezuela's political, geographic and economic position in the world that they will persist into the foreseeable future. Although other interests may enter the picture, I see nothing in recent events in the south Atlantic that will dramatically change these six principal Venezuelan interests.

III. THE UNITED STATES AND VENEZUELA'S INTERESTS

The United States' interests do not coincide completely with Venezuela's nor should they. We are the most powerful and most over committed Nation on earth. We were the first Nation to break with colonialism, and the first modern democracy. We have intimate ties with almost very corner of the globe because we are a Nation of immigrants, because we have fought in two world wars, and because we believe in the defense of liberty and the rule of law. This complex international network of alliances, friendships and responsibilities reflects multiple national interests that often conflict with one another. The management of U.S. foreign policy involves almost daily selection of tradeoffs—decisions as to which national interest will be damaged the least by a given policy decision. The overriding international commitment of my country is to restrain Soviet power while avoiding world conflagration.

In this setting, let me describe candidly how the United States relates to the six Venezuelan national interests I outlined above.

First, the United States has over the past 20 years become increasingly persuaded of the correctness of Venezuela's policy that the promotion of democracies in this hemisphere is the best defense of our national security. The Latin American criticism that the United States prefers anti-Communist dictatorships may have had some validity in the past but it is not true today. Our closest friends are the democracies. The United States is anti-Communist and will remain so, but we are ever more convinced that the surest way that nations can innoculate themselves against totalitarianism is through strong democratic governments. U.S. policy over the past decade and one-half has been to support the democratic process and we have heard Venezuelan leaders argue this case aggressively in the United States for years—successfully. President Herrera's major message to President Reagan last November was precisely the need to keep faith in the promotion of democracy.

Second, how has the United States reacted to Venezuela's drive toward promoting regional economic integration? From the meeting of Latin American States in Vina Del Mar through the foundation of Olade and Sela, the U.S. has looked with detachment and understanding on these new regional organizations. In the beginning we believed that the Andean pact restrictions would limit the region's capacity to have a dynamic private sector and limit U.S. investment opportunities too severely. Over time the U.S. Government and private sector has adjusted to the Andean pact just as the Andean pact has sought closer relations with us. Three years ago the U.S. Government and private sector began a constructive dialogue with the pact. We have not been critical of either Sela or Alade and have been willing to cooperate with both. We favor regional integration and support those efforts that lead to economic growth in the area.

Third, Venezuela's interest in promoting development in the Caribbean has coincided with U.S. interests. The U.S. has placed greater emphasis on the need for growth in the private sector and in employment. The Venezuelan Government has been more concerned about infrastructure and balance of payments. Yet these differing approaches are complementary, not contradictory. Our fundamental commitment is similar to Venezuela's as is evident in the cooperation that has developed between the United States, Venezuela, and other regional powers of the Nassau group in developing the Caribbean basin initiative.

Fourth, in Central America our interests also coincide closely. Our agreement to support the electoral process in El Salvador and Honduras reflected our common interests. Venezuela and the United States have pursued similar policies in Central America because our analysis of the problems and our commitment to democratic solutions have been virtually identical. Our cooperation was natural and in each of our self interests—not the result of pressure from one side or the other. Although we have differed over how to deal with the Sandinistas, the United States and Venezuela share a common interest in keeping pluralism alive there and in seeing an end to Nicaragua's assistance to subversive activities elsewhere in Central America.

Fifth, it is no secret that OPEC is not one of the most popular international organizations in the United States. It is perceived by North Americans as an organization which has raised petroleum prices to artificially high levels that have strained severely the capacity of the world economies. The United States does not seek dramatic shifts of prices either up or down. Therefore, to the extent that OPEC policies can lead, as Venezuela hopes, to stable and predictable pricing, the United States will be able to deal with OPEC constructively. Moreover, Venezuela's commitment to OPEC has not been an impediment to excellent United States-Venezuelan relations in the past and it will not be in the future.

Sixth, and finally, the United States and Venezuelan bilateral relations have never been seriously troubled. The relations have been based on common objectives and self-interest. Tens of thousands of Americans and Venezuelans share close friendships, and our two governments have worked closely together on a whole range of endeavors—often we agree and often we disagree. I am told that now Venezuela will have to be less idealistic, more pragmatic about the United States. In fifteen years I have not seen much idealism in Venezuelan official dealings with the United States. I have heard Presidents Betancourt, Leoni, Caldera, Perez and Herrera speak about the United States and to U.S. leaders—each one of them has been a hard thinking defender of Venezuelan interests. U.S. leaders have become accustomed to hearing Venezuelans tell them "I am going to speak frankly because we Venezuelans are friends of the United States." We have, as one Venezuelan leader told me recently, developed thick skins. But we have also developed admiration and respect for the forceful democratic leaders of this country. What is important to preserve in the period ahead is that mutual respect. Venezuela, which has the loudest and most dependable democratic voice in this hemisphere, surely does not want to lose the ear of Washington. The United States, for its part, would be less comprehending in our complex dealings with this hemisphere were we to lose the advice of the outspoken leaders of Venezuelan democracy.

IV. LOOKING INTO THE FUTURE

United States-Venezuelan interests will, I believe, continue to coincide. How then do I respond to the dire predictions heard at all levels of Venezuelan society—from serious people, who fear that United States-Venezuelan relations will be profoundly changed for decades by the events of the past two months? Is it believable that this Latin American Venezuelan sense of rejection, impotence, and pain resulting from the U.S. policy toward the South Atlantic conflict will fundamentally change the strong relationship that I have outlined here?

Is it possible that Venezuela will be able to forget the intimate ties of Miranda and Bolivar to the U.S. revolutionary heritage? Will Venezuelans forget the fact that it was the United States that invoked the Monroe Doctrine twice on behalf of Venezuela—to press for a settlement on its border claim against Great Britian and to lift the blockade of La Guaira? My answer is I doubt it, but I am not certain.

This maddening, tragic war between Argentina and Great Britain has raised to the surface many undercurrents and emotional aspects of U.S. relations with Latin America. To name a few.

The unbalanced nature of the Inter-American system that contains a superpower with global commitments. Is the Inter-American system designed to enable the smaller nations of the hemisphere to focus U.S. power and energies on Latin American issues? Or is it a democratic community of sovereign and equal nations determining the course of

events in the new world? Is the major role of the Inter-American system to keep the peace within the hemisphere or to protect it from external aggression. I believe the Inter-American system has and should have all these objectives. The United States is open to proposals on how best to modernize this system which has served so well and in so many ways in the past to maintain the peace in the new world.

The perceptions of history, law, discourse, and the use of language are different in the English and Spanish speaking nations of this hemisphere. While we share a common commitment to liberty, we see the institutions that govern that liberty through different eyes, and we speak of them in different ways. No event has more tragically revealed our misunderstandings of each other than the current conflict in the South Atlantic. We must do better in defining our different ways to each other. Incredibly we in the United States are still ignorant of Latin American realities—and Latin Americans still only vaguely perceive North American values.

The frustrations of the small nations dealing with the large, of new nations dealing with the old, of the weak dealing with the strong, have been poignantly and dramatically focused by this awful war. To understand so well, as I think I do, the anxieties of both sides in this conflict is to realize the terrible injustices of history. It is also to realize the volatility and profound changes that stem from arming national passions in this precarious world. Will the small nations of this hemisphere now devote even more of their resources to defend their interests? Will they seek new alliances or new friends? I think and hope not.

The role of the totalitarian alternative lurks behind all armed conflict. Does this South Atlantic conflict offer new alternatives for the Soviets and Cubans to become a meaningful force in this hemisphere? Does it suggest a strengthening of military rule in some nations that had been moving back to democracy? My belief is that the pain and solidarity that Latin American nations feel together will cause them to emerge from this period with an even stronger sense of independence and purpose. A strengthened Latin America will be a more difficult target for the communists. Latin Americans seek liberty and the democratic process not because of the United States, but because of their own traditions and aspirations.

It is impossible to predict with any certainty in what ways this hemisphere or this world has been changed by the conflict between two western nations. Many States in this hemisphere will re-examine ties of cooperation, trust and national security with other nations—alliances could shift. In the United States, it is still too soon to say whether North American understanding of Latin American realities will be improved or confused—whether attitudes will become more positive or negative about hemispheric relations.

What is clear to me is that there will be even greater need for the Venezuelan-United States dialogue in the future than in the past two and a half decades. I pledge to all Venezuelans that I will stay near to that important discourse between the two democracies that have been such a large part of my personal and professional life. My wife, Wendy, joins me in that pledge.●

OPERATION YOUTH

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. GRADISON. Mr. Speaker, I would like to take this opportunity to recognize an outstanding program—Operation Youth—which took place recently in my district. Operation Youth is a week-long conference during which interested young men and women learn about our system of government.

This year's conference, the 32d edition, was held June 5-12 at Xavier University in Cincinnati, and over 82 selected Ohio high school students participated in the program. The agenda included speeches by leaders in government, education, and the media on topics such as "America's World Affairs," "Science, Energy and Society," and "Freedom and Economics." Forums were then set up so the students could discuss these topics and other current issues. In addition, the students formed political parties and elected officials to a mock municipal government. I am extremely proud to recognize those who were elected to office as well as those who participated in all other aspects of this valuable program.

They are as follows:

Mayor, Paul Darwish, LaSalle High School; vice mayor, Michael York, Colerain High School; city manager, Katy H. Lusheck, Mother of Mercy High School; clerk of council, Michelle Frost, Lima Central Catholic High School; and city council members: Amy Driehaus, Seton High School; Lisa Haney, Seton High School; Tim Haverland, Forest Park High School; Michelle Naegele, St. Ursula Academy; Edwin J. Rigaud III, St. Xavier High School; Andy Russ, Moeller High School; and Michael Vorbroker, Elder High School.

Also participating in the conference were:

Kuy Adamson, Taylor High School; David T. Altenau, Elder High School; Molly Anderson, Loveland High School; Ann E. Bailey, Washington High School; Richard P. Bensman, Minster High School.

Geri Ann Boyle, Lockland High School; Elizabeth A. Brogen, Loveland High School; Christopher J. Buckner, Wyoming High School; John M. Burns, Eaton High School; Trisha D. Calver, Shelby Senior High School.

Brian Clark, Fenwick High School; Diane Conway, O.L.A. High School; Tony Curso, New Richmond High School; Michael T. Daleiden, Loveland High School; David F. Dearworth, Oak Hills High School.

Allison DeGraffenreid, Princeton High School; Thomas Fishburn, Elder High School; Mary C. Foppe, Mother of Mercy High School; Elizabeth F. Forg, Madeira High School; Sandy Fox, Wm. Mason High School.

Andrea Funk, Reading High School; Christopher Gramke, Elder High School; Greg Hart, Greenville High School; Christopher Helmeci, St. John J.S.; Michael Hobbs, Norwood High School.

Dawn Jenkins, Shelby Senior High School; Anita Jones, Aiken Senior High School; Christopher Joos, Southeastern High School; Steve Kemen, Elder High School; Robert Kemper, Elder High School.

Lisa Kohls, St. Ursula Academy; Christopher Kissen, Moeller High School; Ann Kreinbrink, Van Buren High School; Amy Kuhlman, Liberty-Benton High School; Adelaide Lee, Notre Dame Academy.

Joyce Ann Lewis, Van Buren High School; Kimberly S. Marty, Wyoming High School; Sam McAdow, London High School; Othea G. McCoy, Hughes High School; Patty McLoughlin, Rosecrans High School.

Kelly McMahan, Loveland High School; Richard Mere, Moeller High School; Karen Monopole, Norwood High School; Louis R. Morris, Northwest High School; Laura M. Ney, St. Ursula Academy.

Claudia O'Grady, Notre Dame Academy; Joseph Ollier, St. Xavier High School; Beth Osborne, Anderson High School; Eric M. Painter, Madeira High School; Margaret Phelps, Aiken High School.

Gary Pugh, Lima Central Catholic High School; John T. Roelker, Moeller High School; Mark Ruse, Loveland High School; James Saunders, Wyoming High School; Bobbie Ann Saylor, Goshen High School.

Jeff Schoenling, LaSalle High School; Jane Anne Shawley, Defiance High School; Jeane Shupe, Fenwick High School; Thomas Swink, Minster High School; Marsha Telles, Seton High School.

Thomas Thompson, Elder High School; Stephen Tobin, McNicholas High School; John Wagner, Roger Bacon High School; Elizabeth Waldron, Turpin High School; Andrea Walston, Taylor High School.

Tony Walter, Lehman High School; Michael Welch, Elder High School; Matthew Wilhelm, Defiance High School; Glenn Wilson, St. Bernard High School; Melissa Wocher, Western Hills High School; Steven J. Zehler, Talawanda High School.

I would especially like to honor William E. Smith, director of Operation Youth and professor of accounting and finance at Xavier University. His dedication in insuring the success of this program has been unsurpassed. His efforts, as well as those of his staff, enabled over 82 young citizens to gain new insight into the workings of democracy. The staff included: Tom

Gardner, program director; Kevin Bien, chief of staff; Pam Ehrman, Karen Fahlbusch, Bill Maly, and Glen Napolitano, senior staff; Colleen Cullers, Brenda Green, Mary Green, Melissa McDonald, Tom Pommering, and Greg Sertell, junior staff; and Joe Sabato, junior staff administrative assistant.

Mr. Speaker, I am happy to pay tribute to this outstanding and worthwhile program.●

REMARKABLE INEFFICIENCY WINS STAMP OF APPROVAL

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. SENSENBRENNER. Mr. Speaker, when I saw the following editorial by Joe Grimn in the Oakland Press in Pontiac, Mich., I was both amazed and appalled by what it had to say about the Government Printing Office. It is obvious from his revelations that a good housecleaning is in order there, but I find it totally irresponsible and disgusting that Public Printer Danford Sawyer's efforts to save taxpayers millions of dollars by ending many questionable practices at GPO are being fought tooth and nail by the Joint Committee on Printing.

I think the members of the committee should explain to the public why they are failing to act in the public interest by reforming the GPO's operations.

Mr. Grimn's editorial recounts the horror stories only too well, so I will not repeat them, but I believe Danford Sawyer is to be commended for his actions in trying to restore fiscal order to the GPO. It is a shame to think his plans may never come to pass because of the obstructionism of a congressional committee.

I hope my colleagues on this committee will reconsider their position against Mr. Sawyer's planned reforms. I also hope the public will respond to this outrage by writing their Senators and Congressmen demanding that they support Mr. Sawyer's efforts to save us millions of tax dollars.

Thank you, Mr. Speaker.

[From the Oakland (Pontiac, Mich.) Press, May 20, 1982]

REMARKABLE INEFFICIENCY WINS STAMP OF APPROVAL

It is a textbook tale of government waste.

In recent weeks, columnist Donald Lambro has reported on practices in the U.S. Government Printing Office (GPO) that defy belief.

For example:

The federal government pays nearly twice as much to do its own printing as it would pay if private businesses did the work.

The average GPO wage is $11.74 an hour, compared to the $8.39 an hour paid to people doing the same jobs for private business.

On average, GPO employees are paid 22 percent more than their counterparts in the federal government.

Nearly a third of the GPO's 6,200 employees are not even needed. While the rest of the publishing world uses photocomposition, the federal government trains new hirees to operate antiquated linotype machines.

$11 million worth of GPO publications were recently sold for scrap because none of the titles were selling even 50 copies a year.

This week, next week, every week, the equivalent of one tractor-trailer load of published material is hauled into warehouses because the federal government will not pay to mail it out but refuses to turn off the presses.

The story was to have a happy ending, though.

Danford Sawyer, a former advertising executive and now the man in charge of the GPO, planned to gut the waste and inefficiency from his department.

Beginning June 1 and continuing for seven months, he planned to give GPO employees six days off without pay.

To bring employees' salaries in line with the salaries of other federal employees, he planned a 22-percent wage cut.

Although he has not made any firm proposals, Sawyer has hinted he will do something about reducing his surplus of 2,000 employees.

Here was an opportunity to save millions of tax dollars without cutting a single food stamp or welfare payment. Here was a man who was in the position and the frame of mind to do it.

It may never come to be.

The House Joint Committee on Printing stands in the way with a five-paragraph resolution.

The first paragraph notes, "Whereas . . . it has always been the policy of the Joint Committee on Printing... to supervise and conduct government printing business on a cost-effective and efficient basis."

The last paragraph concludes, "... no furloughs, reductions in force or other adverse personnel actions shall be imposed on GPO employees... until a study of the long-range printing needs of the federal government has been conducted...."

Who is on this Joint Committee on Printing that is so reckless with our wallets?

It has five Republican and five Democratic senators or representative who, for the most part, receive heavy contributions from the 22 unions that represent almost all GPO employees. For example Sen. Charles Mathias, R-Md., committee chairman, received $46,000 from GPO unions for his 1980 campaign.

It is likely the committee's authority to tell Sawyer how to do his job will be decided in court—at our expense.

Urge your elected senators, your congressman and the president to pressure the committee to allow Sawyer to do the job we all want him to do.●

CRIMINALS HAVE EASY ACCESS TO BULLETPROOF VESTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. BIAGGI. Mr. Speaker, earlier this year I authored legislation aimed at keeping bulletproof vests out of the hands of criminals.

Specifically, these two bills, H.R. 4978 and H.R. 5559, would place tighter controls on those persons selling and buying bulletproof vests, and would impose tough new penalties for any person caught wearing a bulletproof vest during the commission of a crime.

The need for this legislation is clear. In last year's Nyack, N.Y., Brink's robbery a criminal's vest stopped a police bullet, allowing the robber to return the fire and kill two law enforcement officers. In a morbid twist, the robber was later found to be carrying the defeated police bullet in his pocket, presumably as a souvenir of his "conquest."

In February of this year, one of the FBI's most wanted killers, Joseph "Mad Dog" Sullivan, was arrested wearing a bulletproof vest that had aided him during a murder spree that police think may have resulted in 20 persons dead.

The Justice Department has informed me that bulletproof vests have saved the lives of approximately 400 law enforcement officers during the past decade. Although we have no such statistic for the criminal lives that have been saved by these vests, the evidence we do have indicates that number would also be significant.

Simply stated, police need every possible advantage over the criminal element if they are to succeed in the fight against crime. The soft body armor, which police started using in the mid-1970's, has provided such an advantage. But now that edge is being negated by the fact that criminals have easy access to those very same vests.

To make matters worse, in many cases criminals are wearing vests that are superior to those worn by police. A recent New York Post article quoted two suspected drug dealers arrested in New York City as boasting to police, "Our vests are better than yours." At this time, Mr. Speaker, I wish to insert the New York Post article containing that particular quote.

[From the New York Post, June 14, 1982]

COPS SHOOT TWO IN MACHINE-GUN DUEL

(By Chris Oliver, Charles Lachman and Sam Rosensohn)

Cops battled a machine-gun-toting gang in a bloody duel yesterday after a cocaine deal turned sour near Central Park.

Two suspected drug dealers, wearing bullet proof vests and carrying automatic weapons, were injured by police gunfire as cops converged on a building.

Later, while being booked in the 24th Pct., one of the suspects sneered at police and told them:

"Our vests are better than yours."

Cops at the 24th Pct. said the two suspects, who also carried several sets of handcuffs, had just emerged from the building after they ripped off more than $7500 in cocaine from a dealer inside.

One of the suspects, Harold Morris, 21, from Mount Vernon, allegedly armed with a silencer-equipped Israeli Uzi submachine gun, tried to commandeer two cars to make a getaway.

Despite the threat of a gun barrel, drivers in both cars were able to speed away.

In the chaos, police arriving at the scene chased after one of the vehicles, a late model Datsun driven by 22-year-old Duane Davis.

The innocent witness' car was hit at least five times before he stopped and told police who he was.

Meanwhile, Morris, running down Central Park West, turned and fired his machine gun in the direction of arriving cops, witnesses said.

COKE DEAL ENDS IN BATTLE

"I heard 'tatta, tatta, tatta,'" said Hank Erskine, 41, of 471 Central Park West.

"It was something out of a gangster movie."

None of the bullets hit the cops. Morris was hit in the chest by cops' fire.

The second suspect, Jack Taylor, 21, also of Mt. Vernon, raced across Central Park West and vaulted a stone wall bordering the park.

Cops found him hiding in a gulley near the wall. He was hit once in the thigh.

Nearby, cops found a plastic bag containing 70 grams of cocaine.

The chase for additional suspects then moved to a semi-vacant building at 67 West 107th St., where it was believed at least one of the men was holed up on the roof.

No one was found.

Davis said cops' bullets nearly killed him and a friend, Barbara, riding in the front seat.

"I told her to get down. Just then a bullet went through the windshield and landed exactly in the same spot where she was sitting," he said.●

PRESERVE THE RIGHTS OF THE HANDICAPPED

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. WALGREN. Mr. Speaker, section 504 of the Rehabilitation Act of 1973, known also as the Civil Rights Act for the Disabled, is the major Federal law prohibiting discrimination against handicapped persons. Section 504 guarantees that all disabled individuals have an equal opportunity to participate in programs receiving Federal financial assistance. It is a basic civil rights document for our country's nearly 36 million disabled persons, prohibiting discrimination, exclusion, or denial of benefits against otherwise qualified handicapped individuals. The guidelines and regulations developed under section 504 have been crucial in allowing handicapped citizens to become productive and active members of society.

I understand that the Reagan administration is conducting an intense review of the section 504 guidelines. Various drafts are floating around the bureaucracy that appear to weaken the law under the guise of "streamlining" or "reducing Federal redtape." I am concerned that these proposals would seriously undermine the Federal Government's commitment to equal rights for disabled Americans.

Section 504 has had significant results. For many adults, this legislation has meant jobs, job training, and even transportation. In addition, section 504 has opened the doors to recreational, educational, medical, and dental programs for disabled children and adults.

It is within very recent history that health care programs, foster homes, libraries, museums, parks, and public transportation have been made accessible to the handicapped. In combination with the Education for All Handicapped Children Act, section 504 has opened schools throughout the Nation to handicapped children and youths, and insured that these schools provide appropriate instruction and programs.

For disabled adults, section 504 is particularly crucial because it is virtually the only law that insures protection of their rights. Section 504 mandates equal access to health and dental care, to vocational training, university programs, jobs and recreation supported by Federal funds.

The civil rights protections which have been hard won by the disabled community may be destroyed by the proposed changes. I will work to see that Congress preserves section 504 so that these important protections are not lost in the administration's crusade to "deregulate" and "streamline the bureaucracy."●

BILINGUALISM MAY SERVE TO CHEAT ETHNIC MINORITIES

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. McCLORY. Mr. Speaker, I bring to the attention of the membership an article which appeared this spring in Time magazine. I have long believed that bilingualism is, in the long term, counterproductive for Hispanics and other language minorities in this country, and that distinctions based solely on race or cultural differences create both institutional and self-imposed segregation. The story of Richard Rodriguez is a compelling one, and his experiences with the security of the Hispanic community and with its apprehensions about assimilation into the American mainstream should be instructive to us all. The Time article which appeared in the issue of April 19, 1982, is attached:

TAKING BILINGUALISM TO TASK

In the melting-pot America of legend, plunging straight into the English language in school was a matter of pride and sheer survival. The pain of learning, and of leaving one's immigrant parents behind, was justified as necessary for progress and assimilation. But by the 1970s, prevailing notions about education and ethnicity had changed. It was believed that the cultural heritage of each student should be preserved. Accordingly, new waves of immigrant children, the majority of them Hispanics, were provided with bilingual education, as the Federal Government prodded schools to give them instruction primarily in their own language until they acquired English skills. But many students stayed in such classes for years.

Critics now assail "bilingualism" as expensive, impractical and un-American. None are more eloquent—or surprising—than Richard Rodriguez. A Mexican American by birth who trained as a scholar of Renaissance literature, Rodriguez, 36, is a writer of rare precision and grace. His new book "Hunger of Memory" (Godine; $13.95), is a perceptive and touching memoir about growing up in an immigrant family and about the emotional costs of studying his way to a secure place in the Anglo intellectual hierachy. In the book, Rodriguez bears knowledgeable and compelling witness against America's recent methods of educating the underprivileged, and especially against bilingual education.

Rodriguez, in fact, is his own best case history. "I have been haunted by how my education has made me different," he says. As a "socially disadvantaged" son of Spanish-speaking parents, he entered a Roman Catholic grammar school in Sacramento, Calif., when he was six, speaking barely 50 words of English. By day, in class, he sat silent and unlearning. At night he luxuriated in the warmth and intimacy of his family's Spanish language and the separate, private world of his home. It was only when his teachers finally prevailed on Rodriguez's parents to try speaking English at home that his education began. And so did "the inevitable pain" of growing away from his parents culturally. That process of growth and separation, he insists, is part of all education.

Rodriguez has scant patience with middle-class ethnics, "filled with decadent self-pity," who resist entering the mainstream of American life. Today's bilingual classes, he maintains, keep children "poised at the edge of language too long." Using black English or Spanish in school is crippling because it reduces learning and delays assimilation; hence it reinforces a public form of separateness, a distinction that ultimately keeps minorities in their ghettos. "What I needed to learn in school was that I had the right—and the obligation—to speak the public language of los gringos," writes Rodriguez. "Only when I was able to think of myself as an American, no longer an alien in gringo society, could I seek the rights and opportunities necessary for full public individuality."

"Minority student" is a label that Rodriguez dislikes and regrets having accepted for himself, first at Stanford, then as a graduate student at Columbia. By the time he won a Fulbright scholarship, he was in no way "socially disadvantaged." Yet in 1976, when fellow graduate students were scrounging for teaching jobs, Rodriguez found himself overwhelmed with offers from top universities, not because he was a skillful scholar-teacher—which he was—but simply because he was a member of a racial minority. Disillusioned by what he regarded as the unfairness of academic affirmative-

action policies based solely on race, he turned down all the professorships offered and became a writer. Rodriguez realized that "the policy of affirmative action was never able to distinguish someone like me from a slightly educated Mexican American who lived in a barrio. Worse, affirmative action made me the beneficiary of his condition." Today, he believes, colleges do nonwhite students a disservice by recruiting them without due regard for their preparation or chances to succeed. "The revolutionary demand," Rodriguez writes, would be for "a reform of primary and secondary schools."

Eventually Rodriguez spoke out in favor of the Bakke decision, which upheld a white applicant's complaint against a minority admissions quota at the University of California medical school at Davis. At a time when the Reagan Administration is cutting back funds for bilingual education and backing away from affirmative action, his views take on political significance. He has been quoted and courted by an array of right-wing politicians "for whom," he says, "I would never vote," and called a "brown Uncle Tom" by minority groups. Commenting on "Hunger of Memory," Oral Historian Studs Terkel, a supporter of affirmative action, warns, "I don't want to see the book of an exceptional individual used by others to make a general case." Rodriguez, who now lives simply in a small San Francisco apartment, shares that concern. Says he: "I've always been in favor of affirmative action, but only if class was the criterion rather than race."●

VOICE OF DEMOCRACY CONTEST

HON. JUDD GREGG

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. GREGG. Mr. Speaker, it is with great pleasure that I submit the following speech as it was presented by Ronda Ellen Maxwell in this year's Voice of Democracy contest. Ronda Maxwell, age 16, is a resident of Amherst, N.H., and attends Milford Area Senior High School. She is the daughter of Ralph and Choral Maxwell. Ms. Maxwell was awarded the New Hampshire winner prize in this highly competitive contest that is conducted annually by the Veterans of Foreign Wars and its ladies auxiliary. This eloquently written speech reminds us all that American citizens have both privileges and duties. It brings to light the importance of each individual's contribution to society—the fact that everyone can help strengthen America by working together "in unity with the common bond of patriotism and pride in who we are and what America means to us." Ms. Maxwell's speech certainly provides an inspiring response to the contest theme of "Building America Together," and I am proud to have it represent the State of New Hampshire.

As we are approaching our Nation's birthday, I find it especially appropriate to present these words of one of America's youth.

1981-82 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM, NEW HAMPSHIRE WINNER—RONDA E. MAXWELL

What is the first and most important element in the raising of a monument? It is the construction of a sound foundation. The sturdiness and longevity of any structure depends upon the strength of its foundation in much the same manner as the monument of America has been built upon the sturdy foundation of her heritage—our forefathers, working and toiling as a unified force.

They were great men who committed their lives to implement a new design, and each succeeding generation has contributed its share of designers. These were our Thomas Jeffersons, our Abraham Lincolns, our General Pershings, our Eisenhowers, our Trumans. Can our generation contribute no less?

The guidelines for America were developed through the use of a master blueprint which became the nucleus of the new design. Our blueprint is as essential and valid today as it was then. For of course it is the Constitution of the United States of America, which promises freedom and equality to all Americans. The Pledge of Allegiance incorporates the phrase—"Liberty and justice for all". These are just two of the rights granted to each of us. Liberty was secured when we gained independence from England in 1776, and justice is promised by the Supreme Court and the State and county courts across our land.

Who are the architects today who are responsible for making America a better country? The answer is not the few people who have the actual power, but each and every one of us. You and I—the citizens and inheritants of this living monument.

Each of us, as a citizen of a town or city, must assume responsibility for what happens in our town or city. We, the people of the United States, have the opportunity, unlike people of many other nations, to vote and to have an active hand in town meetings and on the school boards. But, the key words are involvement, commitment, and dedication for young and old alike.

As school students, we can become involved in youth governments, church groups and other similar programs. We can commit ourselves to obeying the laws in our town and by doing so, help establish a smooth and law abiding society. We can dedicate ourselves to seeking fields of education, that together, develop all areas of future American technology.

As adults, there are many areas to become involved in. The occupations of teacher, counselor, politician, lawyer, scientist, minister, law-enforcer, and doctor. The dedication and commitment of our adult community in hospitals, laboratories, schools, churches, and courts, are all active ways to participate in the further growth of our country. Man, woman, or child—black, yellow or white; all of us must press for justice and its achievement, in our own way, no matter what the personal discomfort or cost may be.

So, if the master blueprint is followed and involvement, commitment, and dedication are the way of life for each of us who are Americans, we will have the satisfaction of seeing America become a strong and long-lasting country. And this can only be attained if we work in unity with the common bond of patriotism and pride in who we are and what America means to us.●

THE TONGUE-TIED AMERICAN

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. SIMON. Mr. Speaker, the Alumnus magazine of Southern Illinois University at Edwardsville recently was kind enough to have an article based on my book, "The Tongue-Tied American," which discussed the severe problem we have in this Nation of a foreign language deficiency.

In response to that article, David P. Merrill, an alumnus of the school, wrote about his experiences both as a missionary for the Church of Jesus Christ of Latter Day Saints in Uruguay and some other experiences.

What he has to say makes good sense, and I call it to the attention of my colleagues.

ABOUT LANGUAGE

After one year of college I went to Uruguay for two years where I learned to speak Spanish as a matter of necessity. I lived mainly in small outlying towns and without a knowledge of Spanish it would have been impossible to survive. After I returned to the U.S. in 1971 I tried to keep up my proficiency in the language by taking college classes and seeking out Spanish-speaking friends.

Beginning in 1975, my Air Force job allowed me to travel several times each month to Europe, for three years. My favorite stop was always Madrid because I could wander almost at will throughout the city. If I needed help or directions it was a very easy matter to just ask someone. As a result, I saw more of Madrid than most of my traveling companions who had been going there twice as long as I.

Another frequent stop for me was Frankfurt, West Germany. Although I did not speak German, I did travel into that city and the surrounding towns quite often. However, unlike in Madrid, I always felt I was at the mercy of everyone else. One time that Spanish did prove helpful to me in Germany was when I sought out the local post office with a "German-speaking" American friend. I quickly learned that this friend's German was limited to about 10 words, and although we could both ask, "Where is the post office?" in German, neither of us could understand the directions. In our helpless situation I suddenly spotted a small bank with a sign in the window which said, "Se habla Espanol" (Spanish spoken here). I quickly went inside, asked for the Spanish-speaking teller, and suddenly all the directions to the post office became crystal clear.

Spanish has allowed me to speak to South American immigrants in New Jersey who spoke almost no English, and has made it easier to travel in certain sections of Miami and Los Angeles. I had so much fun on a recent trip to the Ciudad Juarez/El Paso area that I am constantly trying to think of a good excuse to return to Mexico. I have been able to expand a small mail order business in Spanish-speaking countries where all correspondence is in Spanish. Being able to speak Spanish has truly opened up the door to another world.

As far as Americans are concerned, I think the knowledge of another language would be very helpful to them just in being able to better understand English. For most of us, we will rarely, if ever, have occasion to use another language in our travels within the U.S. We have a unique situation in our country where we can travel thousands of miles and never hear anything other than English. Because of that, I can understand the reluctance of many people to belittle the idea of "needing" to learn another language.

On the other hand, as American business expands outside of the U.S., we have a more pressing need to be able to communicate in languages other than English just to keep up with other competitors.

Some friends of mine recently visited Poland and told of their trip to a restaurant one evening. Seated at a large table was a group of Japanese businessmen who spoke Polish among themselves the entire evening, even when the waiters were not within hearing distance. The question was posed as to which group made the more favorable impression that evening, the Japanese businessmen who spoke Polish even when they didn't need to, or the English-speaking Americans. It has been reported that even some of our foreign embassies have no one who can speak the local language. How reliable, then, is our communication with that government?

We would be amazed at how many of our daily products are foreign made. Even some of our red-blooded American cars are composed largely of foreign-made parts from overseas U.S. subsidiaries. We simply can't expect the world to keep catering to us in English.

After World War II, we were the dominant economic power in the world and it was possible to expect other nations to do things our way or not do business with us. That is no longer true. A German business would not prosper very long in the U.S. if it insisted upon doing everything in German. Yet, how often do we go to Germany wanting them to do things in English for our convenience?

The knowledge of foreign languages is an invaluable resource that, by and large, we are neglecting in this country. Not only would such a personal knowledge enrich the nation as a whole, it would also culturally improve our own lives.●

HOUSING SAVINGS ACCOUNT

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. COATS. Mr. Speaker, I have recently introduced legislation to provide an opportunity for a first-time home buyer to establish a tax-deductible housing savings accounts.

The current plight of the American home buyer in 1981 is a story of capital shortage—not enough savings in the economy to meet the financial requirements of industry, government, and households. Consequently, all interest rates, mortgages in particular, have risen to unprecedented levels. Rising prices and historically high interest rates have slammed the door on millions of would-be first-time home buyers and cast a cloud over the American dream of homeownership.

Since home mortgage lending is directly and primarily supported by personal savings, providing direct tax incentives for savings is an extremely important policy measure that Government can take to promote a higher flow of savings in the 1980's. That is why I have introduced H.R. 6607—creating a savings stimulant for the first-time home buyer.

The three main provisions of this bill include: First, tax-deductible contributions; second, tax-free accumulation of interest; and third, a payback provision.

First, tax deductible contributions may be made to the account for 10 years from the date the account is established. The maximum deduction to an account by any and all individuals per year cannot exceed $1,500—$3,000 in the case of a married couple—or 15 percent of the individuals adjusted gross income.

Second, the interest accrued on the housing account accumulates tax-free during this 10-year period.

Third, 1 year after the funds are taken out of the account and used for a downpayment on the purchase of a home, the funds are subject to taxation. The total amount taken out of the account will be divided by 10 and added to an individual's gross income in equal increments over a 10-year period. The payback provision was included in the bill to allow the U.S. Treasury to recapture the revenue loss incurred over the past 11 years.

I believe this bill establishes the necessary savings incentives for individuals to save for a downpayment on their first home. I encourage my colleagues to assist first-time homebuyers by cosponsoring H.R. 6607. Remember, a family's home is much more than shelter. A home signifies the family's accomplishments in life, expresses its personality, establishes its place in the community, and defines the perimeter of its private and personal stake in society.●

THE BUDGET AND THE CONSTITUTION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report of June 23, 1982, into the CONGRESSIONAL RECORD.

The report follows:

THE BUDGET AND THE CONSTITUTION

The desire for a balanced federal budget is a powerful force in our country today. As the budget debate rages on in Washington, this desire has emerged as one of the few points of consensus among members of Congress.

Our budget-balancing record in recent years has not been good. The federal budget has been balanced in only nine of the 51 years since 1930, and our budget process now contains a strong bias toward excessive spending. Partly because of deficits, our national economy is in one of its most sensitive stages since World War II. Record-high interest rates and some 10.3 million workers unemployed nation-wide underscore the severity of the current recession. There is wide agreement in Washington that if a sustained economic recovery is to take place, deficits must be reduced. The bleak economic outlook has persuaded many legislators and citizens that a constitutional remedy is needed to bring federal expenditures into line with revenues. So far, 31 of the necessary 34 state legislatures have petitioned Congress for a constitutional convention to propose an amendment to curtail federal expenditures.

The idea of a constitutional amendment to require a balanced budget is not new; such amendments have surfaced from time to time in past years. Today, however, as budgets have become less subject to direct control, more than 60 balanced-budget amendments have been introduced in Congress. One of these amendments has been approved by a Senate committee and will be studied by a House committee this summer. The proposal, known as H.J. Res. 350, has been formally endorsed by President Reagan and appears to be the one that will receive the attention of Congress this year.

H.J. Res. 350 is not a strict balanced-budget amendment. Rather, it would require that Congress formulate a yearly plan in which outlays did not exceed revenues. A three-fifths vote of each house of Congress would be required to run a deficit, and federal revenues could not increase in any year above the growth in "national income" in the previous year unless special legislation were passed. Also, H.J. Res. 350 contains a provision to ensure that no new unreimbursed costs would be passed on to the states as a result of the amendment. In the event of a declaration of war, Congress could waive all these provisions.

H.J. Res. 350 has some real merit. It demands that Congress at least plan to balance the budget each year, and it functions to limit taxes by formally tying the growth of receipts to the growth of the economy. There are, however, several problems.

First, the provision requiring a three-fifths vote of both houses of Congress before a deficit could be run (the so-called "super majority") could lead to legislative stalemate in years of high unemployment, when a deficit might be used to stimulate the economy or to meet unpredictable spending demands (for example, a natural disaster or an unexpected increase in interest rates). Such a stalemate could depress the economy even further. Sufficient flexibility to respond to current economic conditions should be a central objective of fiscal policy.

Second, the "tax limitation" provision has come under close scrutiny, principally for two reasons. There is deep disagreement among economists as to the advisability of tying the growth of revenues to the growth in national income the year before. Moreover, setting up this relationship could cause severe problems when revenues fall short of those projected for a particular fiscal year; as recent experience shows, this is not an unusual occurrence. If revenues fell below projected levels, increasing them over the limits of the formula would require

passage of legislation by a majority vote in both houses of Congress. This could open up the entire tax structure to debate because Congress would have to decide exactly which taxes to increase in order to raise revenues. In an atmosphere of controversy, the majorities needed to increase receipts might be unachievable, again leading to stalemate on the budget.

Third, H.J. Res. 350 leaves key terms undefined, such as the measure of national income to be used for limiting tax increases and the powers that Congress and the President have to ensure that actual outlays do not exceed the outlays set forth in the yearly budget statement. By leaving such key terms undefined, the sponsors have invited the court interpretation of these terms. The courts, with little expertise in this area, are ill-prepared for the role.

Finally, this constitutional amendment could cause unchecked growth in the number of so-called "off-budget" items. Efforts would be made to redefine the budget, perhaps, for example, by taking social security out of it. Ways can always be found to circumvent a law or a constitutional amendment. Off-budget activities escape the basic control of the current budget process, so they are more likely to run wild.

In recent years we have experienced an erosion of fiscal discipline in the federal budget. If a constitutional amendment can help restore that discipline, then we should support it. We should not, however, hold out the promise that a formula written into the Constitution can balance our national priorities. If we are to achieve lasting budget restraint and lower deficits, Congress and the President must show the discipline to exercise restraint in the yearly budget review. Firm resolve is needed to control budget growth. If the will does not exist, a constitutional amendment will not help. If the will does exist, a constitutional amendment may not be necessary. Certainly an amendment, which could take several years to approve, should not be viewed as a way to solve our immediate budget problems. A balanced-budget amendment, if adopted, should provide room to respond to a national economic emergency or a threat to our national security. The challenge is to draft an amendment which encourages fiscal discipline but does not straight-jacket economic policy.●

THE PLIGHT OF WASHINGTON TREJOS MARTINEZ IN URUGUAY

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. EMERY. Mr. Speaker, on July 2, 1977, Washington Trejos Martinez, a member of the Metallurgists Union, was arrested while waiting for a bus on a street in Montevideo, Uruguay. In 1973, the Uruguayan Government had declared all labor unions to be illegal, and it is strongly suspected that Mr. Trejos' arrest was a direct result of his union association. In 1979, after being tortured, Mr. Trejos was sentenced to 6 years in prison, even though we cannot determine the nature of the charges against him. Mr. Trejos is now serving his term in the infamous Libertad Prison, the site of some truly deplorable human rights abuses. The International Red Cross was permitted to visit the prison last year, but shortly after the visit, the number of deaths and incidences of torture increased.

We do know that, under Uruguayan law, a prisoner is eligible for parole after having served one-half of his sentence. Thus, Mr. Trejos should be eligible for a review of his sentence. I have written to the President of Uruguay and the Uruguayan Ambassador to the United States, urging that the case of Washington Trejos Martinez be reviewed. I would urge my colleagues to do the same, by sending letters to the following addresses:

Exco. Sr. Presidente de la Republiac,
General Gregorio Alvarez,
Case de Gobierno,
Plaza Independencia,
Montevideo, Uruguay.

His Excellency Jorge Pacheco Areco,
Ambassador to the United States,
Embassy of the Republic of Uruguay,
1918 F St. NW.,
Washington, D.C. 20036.●

CIVIL PENALTIES FOR VIOLATIONS OF CERTAIN SO-CALLED ANIMAL QUARANTINE AND PLANT QUARANTINE ACTS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. WAMPLER. Mr. Speaker, today I am joined by Congressman GEORGE BROWN in introducing legislation that would authorize civil penalties to be assessed for violations of various laws aimed at preventing the introduction and dissemination of livestock and poultry diseases, plant diseases, and plant pests. The Secretary of Agriculture would be authorized to impose, administratively, civil money penalties for violations of certain plant and animal quarantine laws, which are administered by the Department of Agriculture's Animal and Plant Health Inspection Service. Currently, these laws are punishable by criminal sanctions and, in some cases, monetary penalties. This legislation retains the sanction of criminal prosecution now provided for in the acts, but would increase the monetary penalties where they already exist, and provide for monetary penalties where none exist.

Criminal sanctions are vital in assuring the enforcement of our laws, but they are sometimes not enough. Criminal prosecution is a lengthy and cumbersome process in an already overburdened judicial system, and sometimes culminates in no prosecution because of a breakdown in the system. While the process proceeds sluggishly, the violator is often free to continue the same practices, and continue to threaten the American agricultural industry. Civil penalties, on the other hand, can be imposed administratively, insuring that the violator will be dealt with in a timely and effective manner. Moreover, a monetary penalty is more real to most individuals and businessmen than a distant and lengthy legal process that can sometimes be overcome. Just the threat of a monetary penalty could discourage some violators, particularly "knowing" violators, from breaking the law. Civil penalties thus become not only an effective enforcement tool, but a potential deterrent as well.

This does not mean that civil penalties will be imposed indiscriminately; cases must be supported by substantial evidence. Such a penalty cannot be imposed without notice and opportunity for a hearing. Appeals are also provided for through judicial review in the U.S. courts of appeals. Nor does it mean that criminal sanctions will not be pursued; that course remains open. The legislation will simply expand the scope of sanctions that can be imposed on violators. It will give the potential offender one less reason to violate the law. If it is financially advantageous to violate the law, it is likely that a violation—at least a knowing violation—will occur. If it is financially prohibitive, violations are less likely to occur.

The animal and plant quarantine laws were originally enacted to protect American agriculture from potentially devastating pests and disease. The cost of effective enforcement of these laws is minimal compared to the cost of combating animal and plant diseases and pests that seriously affect the quality and quantity of the food and fiber produced in the United States. It is the purpose of this legislation to make the enforcement of these important laws more effective.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 16, 1982.

Hon. THOMAS P. O'NEIL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith for the consideration of the Congress is a draft bill "To authorize civil penalties for violations of various laws for preventing the introduction and dissemination of livestock and poultry diseases, plant diseases, and plant pests."

The Department of Agriculture recommends that the draft bill be enacted.

The purpose of the draft bill is to expand the scope of sanctions for violations of certain so-called "Animal Quarantine" and "Plant Quarantine" acts intended to prevent the introduction into the United States and the dissemination within the United States of livestock and poultry diseases and plant diseases and pests.

The draft bill would authorize the Secretary of Agriculture to impose, administratively, civil money penalties for violations, whenever he believes that such penalties are appropriate to effectuate the purposes of the act involved. Provision is made for af-

fording the alleged violator an opportunity for hearing in connection with such action. The acts to be amended now contain no authority for the imposition of civil money penalties. The additional authority will enable the Department to handle many violations more expeditiously, provide greater flexibility in sanctions for more effective enforcement, and insure a greater degree of consistency in the sanctions. The provisions for civil money penalties are consistent with "Recommendation 72-6: Civil Money Penalties as a Sanction" adopted on December 14, 1972, by the Administrative Conference of the United States.

The draft bill retains the sanction of criminal prosecution now provided for in the acts but increases the fines applicable to such violations. The maximum fine for violation of the Act of February 2, 1903, the Act of March 3, 1905, or the Act of July 2, 1962, or the regulations promulgated thereunder, would be raised from $1,000 to $5,000 (21 U.S.C. 122, 127, 134e). The sanction of imprisonment for a period of not more than one year would also be maintained. This accords with the provisions in the Act of May 29, 1884, as amended (21 U.S.C. 117). The maximum fine of $5,000 would be retained in section 6 of the Act of August 30, 1890 (21 U.S.C. 104). However, the maximum period of imprisonment in that section would be reduced from three years to one year, to be in accord with the definition of a misdemeanor prescribed in 18 U.S.C. 1 and to conform to the term of imprisonment prescribed in the other "Animal Quarantine" acts as cited. A maximum fine of $1,000 and imprisonment not exceeding one year would be provided for a knowing violation of section 8 of the 1890 Act (21 U.S.C. 103) for which no penalties are currently provided in the act.

The forfeiture provision of section 6 of the Act of August 30, 1890 (21 U.S.C. 104) would be deleted. The present provision is not applicable to all means of conveyance. This forfeiture authorization has never been used. The administrative officials of the Animal and Plant Health Inspection Service do not view the provision as a practical tool in their disease control and eradication programs and find more practical recourse under other authorizations contained in the Animal Quarantine laws and this bill.

In the Act of May 23, 1957 (7 U.S.C. 150gg) and the Act of August 20, 1912 (7 U.S.C. 163), the maximum fine would be increased from $500 to $5,000 and the provisions for a maximum one year period of imprisonment would be retained. However, knowledge would be specifically required as an element of additional criminal offenses under these two acts. Currently, knowledge is specifically required only for certain offenses under these two acts. The bill also would add to the 1912 Act, provisions for civil and criminal penalties for the knowing unauthorized use of certificates provided for under the act and limit the provisions on alterations, defacing or destroying such certificates to such actions when unauthorized by the Secretary.

The bill would also provide for the imposition of civil and criminal penalties for violation of regulations under the Act of January 31, 1942 (7 U.S.C. 149). Such authority is not presently provided.

This Department believes that the bill, if enacted, would substantially aid in the protection of the livestock and poultry populations, plants and other agricultural interests of this country.

Enactment of the draft bill will result in an estimated additional cost to the Department of approximately $100,000 annually.

Section 102(2)(c) of Public Law 91-190 does not apply. The proposed legislation does not significantly affect the quality of the human environment.

An identical letter has been sent to the President of the Senate.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

JOHN R. BLOCK,
Secretary.●

ISLANDS IN THE STORM: OUR NATIONAL PARKS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. BEREUTER. Mr. Speaker, when most people hear the words "national park," visions of Yellowstone and the Grand Canyon immediately spring to mind. We should not forget, however, that almost 60 percent of our 333 national park system units are cultural and historical sites, such as the Homestead National Monument within my district, Carol Sandburg's home in North Carolina and the Florissant Fossil Beds of Colorado.

These fragile sites suffer equally from the wear and tear of natural forces and the constant onslaught of civilization. Another excellent article by Robert Cahn, which follows, explains in detail the types of threats facing these delicate areas. I hope that my colleagues will read the following and then understand why their support for park service improvement legislation, such as H.R. 5976 which I introduced, is so essential.

The article follows:

CHACO CANYON: PRESERVING A CULTURAL TREASURE

(By Robert Cahn)

One can almost feel the presence of the ancient people who mysteriously departed eight centuries ago from this remote part of New Mexico. Walking about Pueblo Bonito, one of the most significant archaeological sites in the hemisphere, I found myself wondering what life was like in this earliest American "apartment complex," a multistory, 800-room communal dwelling that once housed 1,200 people.

An ancient people—The Anasazi—built a relatively advanced civilization here. They cultivated the land, performed elaborate religious ceremonies in their great kivas, designed and made pottery and textiles, and constructed extensive pueblos using sophisticated masonry and architectural techniques. And without pack animals or wheeled vehicles, they developed a complex trade network connecting as many as 75 outlying communities with a system of roads. Then, at the end of the 12th century, they left without a trace.

In 1907, about 21,000 acres of public land was set aside as Chaco Canyon National Monument to preserve the remnants of this highest point of pre-Columbian pueblo civilization. Chaco's cultural interest, together with its beautiful example of high-plateau, desert terrain, makes it one of the gems in the national park system of the United States.

PARK FACES THREATS FROM WITHIN AND WITHOUT

But like nearly all the National Park Service's cultural and historical sites, as well as its natural areas, Chaco faces threats both from within and without its own boundaries. The 1980 State of the Parks Report ticked off 37 threats to Chaco's resources (the average park had 14), many the effects of current or planned energy development near the park.

The three-mile-wide and nine-mile-long park is surrounded by federally owned land and a Navajo reservation. These were long thought to constitute a protective buffer for the park. Today, however, those lands have become the leading source of trouble for Chaco. The stark reality is that Chaco sits in the midst of the San Juan Basin, which is estimated to have one-fourth of the nation's strippable coal reserves, oil and gas deposits, and one-sixth of the world's uranium supply.

Large-scale strip mining poses special problems. It could accelerate erosion at Chaco and carry toxic wastes into the park. Uranium mining could affect the quality and quantity of the ground water. Considerable amounts of air pollution are already being measured in the park, probably from the Four Corners coal-fired power plants 60 miles away.

The Santa Fe Railroad has plans for building a spur just outside the northern part of the park to transport coal. A new community of 20,000, complete with a 2,000-megawatt coal burning power plant, is on the drawing boards. It would be built 16 miles from the park.

These external threats come at a time of great opportunity for the park. Years of research and exploration have uncovered evidence of more that 75 outlying prehistoric communities spread over 26,000 square miles. The discoveries hold the potential for unlocking many of the intriguing mysteries of the Chaco culture. To protect this heritage, conservationists and the National Park Service two years ago urged expansion of Chaco Canyon National Monument and its designation as a national park.

Late in 1980, Congress passed a law establishing the slightly larger Chaco Culture National Historical Park. This provided minimal protection to 33 of the outlying sites. But no protection was given the land around them, which includes thousands of other archaeological sites.

Inside Chaco's boundaries other problems are readily apparent. A rear wall of Pueblo Bonito sags so badly it has to be supported by two crude wooden braces. The wall could collapse at any moment, but repairs might cost more than $1 million. And they can't even be requested until park officials understand why the wall is collapsing and what can be done about it. But this research would cost money, too, and no funds are available.

EROSION IS CHACO'S MOST URGENT PROBLEM

All around the ruins signs of erosion point to the most urgent threat. Rain water pours from the steep cliffs and box canyons into narrow Chaco Wash. Many of the cottonwood trees planted years ago to reduce erosion are dying out, and the park can't get the money to replace them. The alluvial soils underlying many ruins are affected by "piping," a natural phenomenon that causes

soil to collapse, creating huge subsurface caverns.

Chaco superintendent Walter Herriman worries that the park faces serious damage from the many threats to its resources. Mr. Herriman, a Park Service veteran, who has been nine years in his present post, battles vigorously, often outspokenly, to save Chaco.

He saw visits to the park increase 40 percent between 1980 and 1981, while personnel to take care of the park and its visitors was cut back. The ranger staff is so thin and so busy with other duties, he says, that it is unable to prevent vandalism and theft of artifacts from the ruins. And they rarely get to patrol the outlying areas. While attending to other duties, chief ranger Ken Mabery happened upon a uranium exploration crew just outside the park, which had inadvertently bull-dozed one of the ancient roads. Herriman persuaded the mining company to hire an archaeologist to work with the drilling crew and steer them away from valuable historical sites.

Despite the urgency of its problems, Chaco is not authorized to have a resource management specialist. Erosion control, air pollution monitoring, and wildlife management are done by ranger John Miller. He holds forestry and wildlife management degrees, but his job at Chaco carries only a low-paying technician rating, and he has to fit resource management in among his normal ranger duties.

FUNDS TO COMBAT EROSION MAY BE TOO LITTLE, TOO LATE

Herriman was able to get $60,000 this year to begin erosion control work. But it may be too little, too late. A just-completed engineering study found that four of the park's nine major excavated ruins will be destroyed by erosion unless the park undertakes a multimillion-dollar program to control the entire Chaco watershed.

The Navajo tribe, the State of New Mexico, and several federal agencies are working on a plan to protect the 33 newly discovered outlying sites. But they will not complete the plan for two more years. And the Interior Department may at any time authorize strip mining of coal on the public lands adjoining the park.

"Chaco represents the heritage not only of the American Indians but of our country as a whole," says Herriman. "And we will miss out on understanding an important part of our roots if we let Chaco be harmed. It ought to be preserved for all future Americans to see and understand."

The threats to the resources at Chaco may be unusually severe, but they are not unique. Historical and cultural sites comprise 60 percent of all Park Service units, and many are in immediate need of repair and protection. Independence Hall's bell tower and the Statue of Liberty need rehabilitation; Fort El Morro in San Juan, Puerto Rico, is collapsing from the pounding of the sea; and Tennessee River water is eroding vital sections of Shiloh National Military Park in Tennessee. Vandalism, crime, and misuse are taking their toll on many of the historical sites in urban areas.

MANY CULTURAL RESOURCES YET TO BE INVENTORIED

Are the threats to the cultural areas like Chaco as severe as the threats to natural areas? I put the question to F. Ross Holland, the National Park Service associate director for cultural resources. His answer: "We don't *know* what we are losing. And we don't have the people even to identify all of the probems." I'd heard much the same comment from the stewards of Yellowstone and other natural areas.

Mr. Holland noted that the Park Service estimates it has more than 20,000 historical structures, but only 12,000 have been inventoried. And of the estimated 10 million objects in park collections—which range from the pistol John Wilkes Booth used to shoot President Abraham Lincoln to the suit George Washington wore at his inauguration—fewer than 10 percent have been cataloged.

As the number of historical areas has increased (32 units have been added in the last eight years), the number of trained professionals working with them has remained static. At some sites it has even declined. The Park Service has fewer than 100 historical architects, architectural conservators, and preservation specialists. Of these, only two-thirds are permanent employees. Only 21 qualified "cultural resources management specialists" are at work in the 333 National Park Service units.

Answering a hurried call in February 1981 to identify resource problems in need of immediate budget attention, the Park Service's 10 regional directors proposed 63 cultural projects. The estimated first-year cost for those projects would have been $34.6 million, if all had been fully funded.

THREATS TO NATURAL RESOURCES REMAIN THE PRIME CONCERN

The Park Service regards preservation of cultural resources as important and necessary. But it is the growing threat to natural resources that is especially troublesome. Safeguarding the scenic and natural value of these resources has, after all, been the service's traditional mandate. As evidence of these threats mounts, pressures build on Park Service officials to put increased emphasis on resource management, but the troops are skeptical.

Rangers know that in practice natural resource management gets the short end of the stick. Law enforcement, services to visitors, and maintenance of facilities take most of their time and eat up most of the budget. Every ranger and superintendent I talked with at the annual conference of national park rangers at Squaw Valley, Calif., last October favored reversing priorities. They wanted to make protection of the natural resources No. 1, providing more funds, personnel, and training for this purpose.

In fact, resource management was the theme of this fifth annual "Ranger Rendezvous," attended by 250 rangers and 25 superintendents and park administrators. They came on vacation time and paid their own expenses. For three days they delved into external threats to natural resources, management of endangered species, the problems posed by nonnative species, protection of wilderness, and other issues. National Park Service director Russell Dickenson admitted that park resources were being changed "in ways that, if it continues, will seriously degrade the natural and cultural resources for which we are held accountable." He received a standing ovation for promising to give higher priority to resource management.

MANY RANGERS FEEL BETRAYED BY WATT STATEMENT

The rendezvous participants responded to Interior Secretary James G. Watt's videotaped talk with silence, even though his remarks indicated support for resource protection. Talks with rangers revealed an undercurrent of resentment against the secretary. Many spoke of feeling betrayed by Mr. Watt's statements about the "shameful" state of the national parks. They felt those statements exaggerated the problem of deteriorating park facilities, and drew public attention away from the more serious resource protection issue.

Members of Congress got an earful on the threats to parks' natural and cultural resources early this year during hearings called by Rep. John Seiberling (D) of Ohio. The aim of the hearings was to find out what was being done in response to the 1980 State of the Parks Report, which listed hundreds of threats to park land.

Thurman Trosper of Montana, a former Park Service offical and past president of the Wilderness Society, testified that Glacier National Park is threatened by a planned huge open-pit coal mine just over the border in Canada, proposed gas and oil development on all sides of the park which could disrupt wildlife movement, and by acid rain and second-home development.

ENERGY DEVELOPMENT CALLED A "TIGHTENING NOOSE"

"The noose is tightening around our national parks," said Terri Martin, Utah representative of the National Parks and Conservation Association. She was referring to planned engergy development on public lands adjacent to park areas of the Colorado Plateau—including tar sands extraction within Glen Canyon, strip mining adjacent to Capitol Reef, and a nuclear waste repository one mile from Canyonlands.

My own investigations bear out what these witnesses and others told the committee. Consider two national parks in California. In both cases, there's evidence of threats to the principal resources for which the parks were established.

SEQUOIA AND LASSEN: NATURAL RESOURCES ON THE LINE

At Sequoia National Park, the second oldest national park, scientists discovered in the early 1960s that putting out lightning-caused forest fires, instead of letting them burn out, interfered with the natural cycles that perpetuate the majestic 2,000-to-3,000-year-old giant sequoias, largest of all living objects in the world. Fire removes undergrowth, prepares the soil to germinate new trees and allows them necessary light. Also, if the underbrush remains, it can lead to abnormally hot fires that could penetrate the sequoias' fire-resistant bark, which is impervious to normal fires.

The Sequoia National Park management plan calls for "prescribed" burning in key areas as a preventive measure. But the plan has been hampered by lack of funds and personnel. Most of the $300,000 budgeted for controlled burning in 1981 had to be used to meet general park operating costs.

Sequoia has other resource problems as well: rising amounts of acid rain; nonnative plant species intruding on the natural vegetation; and the constant movement of visitors compacting soils at the lodges and cabins within Giant Forest, which threatens the shallow-rooted sequoias.

CALL TO BEEF UP RESOURCE MANAGEMENT PROGRAMS

Superintendent Boyd Evison says he feels that the park cannot protect its resources adequately until natural science and resource management programs are given more attention.

"One of the greatest needs of our parks is a basic inventory of natural resources, supported by effective computer capabilities, in

order to get an accurate picture of changes," Mr. Evison says.

Although 79,000 of the 107,000 acres in northern California's Lassen Volcanic National Park are officially designated wilderness, the park's most unique resource is its thermal activity. There are hot springs, sulfur works, fumaroles, and steam vents. Lassen Peak, a 10,457-foot-high smoldering mountain, is one of two active volcanoes in the continental United States. Its 1915 eruption was the most recent in the U.S. until Mount St. Helens blew its top.

The chief threat to Lassen's resources is geothermal development on national forest land bordering the park. The U.S. Forest Service wants to grant 57 leases to would-be developers. And the park's single most unique natural phenomenon. Terminal Geyser, has already been compromised. Really a steam vent, it continuously blows water and steam 50 to 75 feet into the air, a spectacular small-scale Old Faithful.

Adjoining the geyser is a 566-acre "inholding"—a privately owned tract that lies within the original park boundaries. The tract could have been purchased for a small sum in 1916 when the park was established, but in those days public funds were not used for direct purchase of land for parks. Parklands were carved out of other public lands or donated by individuals. The family that owned the tract did not offer to donate it. In later years, after federal policy changed to allow the purchase of land for parks, the parcel could still have been bought at a very low price, but it wasn't.

GEOTHERMAL WELL DRILLED NEXT TO GEYSER

In 1962, the owner leased the mineral rights to an oil company, which sank a geothermal test well and then capped it, finding that the well had too little economic potential. Then in 1978, while the Park Service dawdled over a congressionally approved decision to condemn the area. Phillips Petroleum Corporation sent heavy equipment into this semi-wilderness. Within 50 yards of Terminal Geyser they leveled a hillside area the size of a football field, sink a 4,000-foot geothermal test well, and capped it.

Once the damage had been done, the Park Service condemned the land and now will have to pay upwards of $6 million for the property. In time the leveled hillside can be replanted and, fortunately, development was halted before Terminal Geyser was damaged. But it was a close call, and the desecrated site serves as a mute reminder of how quickly a priceless natural resource could be destroyed.

IS WASHINGTON BEING PENNYWISE AND POUND-FOOLISH?

What nearly happened to Terminal Geyser lends ammunition to the national park advocates who insist that it is pennywise and pound foolish not to use the more than $1 billion available for new park land in the Land and Water Conservation Fund to acquire certain lands within congressionally approved park boundaries that are vital to the parks' well-being. Most of the key properties could be paid for with money to spare, out of one year's authorization from the fund—if Secretary Watt's park land acquisition moratorium could be lifted and Congress approved the expenditures.●

BILL TO DELAY EFFECTIVE DATE OF PROPOSED AMENDMENTS TO RULE 4 OF FEDERAL RULES OF CIVIL PROCEDURE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. EDWARDS of California. Mr. Speaker, rule 4 of the Federal Rules of Civil Procedure relates to "Process". On April 28, 1982, the Chief Justice sent to Congress some proposed amendments to this rule. The accompanying draft would postpone the effective date of these amendments to October 1, 1983, or until Congress acts affirmatively on them, whichever is earlier. In the absence of such an enactment the amendments will become effective automatically on August 1, 1982.

Rule 4(c) now provides that "Service of process shall be made by a United States marshal, by his deputy, or by some person specially appointed by the court for that purpose. . . ." It also provides that "Service of process may also be made by a person authorized to serve process in an action brought in courts of general jurisdiction of the State in which the district court is held or in which service is made." In addition to proposing that this rule be amended to authorize service of a summons and complaint "by any person who is not a party and is not less than 18 years of age", the Court eliminates from the rule the provision for service by persons authorized to serve under State law. There is no explanation offered for this change. It is respectfully suggested that the Congress should inquire into the change and satisfy itself that there is good and sufficient reason for departing from a system which keys the Federal court procedure to that of the State in which it is located.

The Court has also proposed a new rule 4(d) providing for service of a summons and complaint by certified or registered mail, with provision for the entry of default judgments. Although an effort is made in the proposed rule to provide otherwise, there is a good possibility of the entry of default judgments against persons who never even knew they were defendants. A congressional hearing on how certified or registered mail, restricted delivery, is handled seems prudent. Many people have had experience with return receipts on which signatures are illegible or clearly not those of the addressees.

In my home State of California process may be served by ordinary mail, accompanied by a notice and acknowlegment of receipt form. In the vast majority of cases the persons sought to be served return the acknowledgments and the cases may proceed to judgment. When there is no such return, personal service is required. This system is in use in the U.S. District Court for the Central District of California and has been characterized by Judge A. Wallace Tashima, writing for his court, as "low cost" and "efficient."

Present rules 4(d)(7) and 4(e) now provide service may be made on certain defendants in the manner prescribed by the law of the State in which the Federal court is held. For some reason, again not suggested in any of the papers submitted to the Congress, the Court has proposed an exception to these provisions—if mail service is used it must comply with the new rule 4(d)(8). Since circumstances vary so differently around the country, New York being so different from Wyoming or Montana, it may well be that a system of service found to be efficient by a State for its people should continue to be available to them even when they litigate in the Federal court.

Before compelling the U.S. District Court for the Central District of California to abandon the mail system for serving process which has been serving the court well, and before compelling other courts throughout the country to abandon whatever systems they have been using effectively, the Congress should explore whether there is merit in a uniform system throughout the United States and if so, whether the uniformity should pertain only when mail service is effected or whether it should pertain however process is served.

It should also be noted that present law, 28 U.S.C. 659(b) provides that "United States marshals shall execute all lawful writs, process and orders issued under the authority of the United States, including those of the courts * * *" The interrelationship between this statute, a mandate of the Congress, and the proposed rule amendments requires some investigation. There is no objection to removing the marshals from the service of private civil process, but it may well be that a statutory amendment is required concomitant with the rules change.

Efforts have been made in past Congresses, and are being made in the current Congress, to amend the statute. The House Judiciary Committee in its report on the Justice Department authorization bill for fiscal 1982 (H. Rept. 97-105) observed that "taking the Justice Department out of the business of serving civil process would have required substantive amendments to title 28, United States Code." Senators THURMOND and BIDEN have introduced S. 2567, an authorization bill for fiscal 1983, in which they have included such an amendment. That

bill has passed the Senate and is pending with the House Committee on the Judiciary. The accompanying draft is keyed to that authorization bill for timing, although it provides that if the Congress acts on the proposed changes to rule 4 earlier, they may be implemented earlier.

In sum, introduction and the prompt enactment of the accompanying bill are urged. Unless this is all accomplished before August 1 of this year, the changes will become effective without the Congress having had an opportunity to inquire into their appropriateness and desirability.●

RESOLUTION COMMEMORATING THE INTERNATIONAL GEOPHYSICAL YEAR

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. WIRTH. Mr. Speaker, today I am introducing a resolution commemorating July 1, 1982, as the 25th anniversary of the beginning of the International Geophysical Year. It is important that the House focus the Nation's attention on the remarkable scientific accomplishments that the International Geophysical Year initiated, and reaffirm its commitment to the continued cooperation of all nations in the pursuit of scientific knowledge that benefits all the people of the world.

The International Geophysical Year began on July 1, 1957, and ended on December 31, 1958, coinciding with what scientists anticipated to be an entire period of solar activity. Sixty-seven nations sent representatives to study aurora and airglow, cosmic rays, geomagnetism, glaciology, gravity, ionospheric physics, longitudes and latitudes, meteorology, nuclear radiation, oceanography, seismology, solar activity, and upper atmospheric studies utilizing rockets and satellite vehicles. The knowledge gained from those studies forms a sparkling legacy from the International Geophysical Year. Improvements we now take for granted, like refined methods of weather prediction, to those whose existence is predicated on the work done 25 years ago, such as space exploration, illustrate the success and continuing benefits of the International Geophysical Year.

Perhaps the highest tribute I can pay to the International Geophysical Year is to describe briefly the state of science and the world prior to July 1, 1957. Before the International Geophysical Year artificial satellites had never been launched; the Antarctic had not been explored; there was no Antarctic Treaty; there was no Test Ban Treaty; there were no world data centers for the storage and sharing of scientific knowledge; there were few international organizations based purely on scientific cooperations. The International Geophysical Year removed all these ideas from paper and turned them into reality. Satellites were launched, new lands were explored. Most importantly, the means for putting the newly discovered knowledge to good use was created.

The impact the International Geophysical Year had on international relations is just as important as the scientific discoveries. The nations of 1957 feared nuclear weapons and sought peace. Both those in Government and in the sciences searched for cooperation, not conflict. This need for cooperation is evident in the writings of Lloyd Berkner, the originator of the International Geophysical Year proposal:

> But most encouraging in all has been the genuine enthusiasm with which the scientists of Earth, and the nations that support them, have embraced this program. Tired of war and dissension, men of all nations have turned to "Mother Earth" for a common effort on which all find it easy to agree.

That the International Geophysical Year filled the need for cooperation is beyond dispute. As Wallace Atwood, one of the participants in the International Geophysical Year, has noted:

> I think it is fair to say that the international significance of the program, as its name bears out, has been of greater significance than even the very important discoveries which have been made. At a time when we are torn asunder by ideological differences and by selfish national attacks upon the freedom we stand for, it is heartening to find that there are some things that people can do together with common amity.

The words I have quoted apply today as well. We still live in a world fearful of nuclear war. In the last few months we have watched an escalation of war, and the conflicts have resulted in the unnecessary killing of many. Yet, as a result of the International Geophysical Year, coexisting with these tensions are functioning organizations of international scientific cooperation. The legacy of the International Geophysical Years lives on.

It is for these reasons that I introduce my resolution to the House of Representatives and urge its speedy passage. Commemorating the International Geophysical Year honors the great achievements that have come before, and reaffirms our Nation's commitment to the peaceful and cooperative use of scientific knowledge, and to a renewed era of international goodwill.

The resolution follows:

H. Res. —

Whereas July 1, 1982, is the twenty-fifth anniversary of the beginning of the International Geophysical Year, and further, the year of 1982 is the fiftieth anniversary of the Second International Polar Year and the one-hundredth anniversary of the First International Polar Year;

Whereas the First and Second International Polar Years established the precedent for the International Geophysical Year, by organizing scientists from as many as 40 countries in a series of studies covering the fields of aerology, astronomy, biology, geology, glaciology, hydrography, meteorology, and oceanography, and involving studies of auroral physics, cosmic rays, aurora borealis, atmospheric electricity, earth currents, geomagnetism, ionospheric physics, latitude and longitude, nacreous clouds, noctilucent clouds, ozone, and radiation, all of which produced a wealth of new data in these areas;

Whereas the International Geophysical Year involved scientists from 67 countries, and brought together the world's most respected scientists with the most modern technological equipment of that time to study aurora and airglow, cosmic rays, geomagnetism, glaciology, gravity, ionospheric physics, longitudes and latitudes, meteorology, nuclear radiation, oceanography, seismology, solar activity, and upper atmospheric studies utilizing rockets and satellite vehicles;

Whereas the studies conducted during the International Geophysical Year produced unprecedented and invaluable information that included many discoveries of major importance;

Whereas the International Geophysical Year advanced the sharing of data and the cooperation of all governments through the creation of the World Data Centers;

Whereas the International Geophysical Year was the largest, most comprehensive, and most successful cooperative program in science ever undertaken;

Whereas the International Geophysical Year brought a new space age to the planet Earth, and launched individual governments into the search of the solar system;

Whereas the International Geophysical Year has had a lasting beneficial impact on cooperative scientific programs, as is evidenced by the creation of cooperative bodies such as the Special Committee on Oceanic Research, the Scientific Committee on Antarctic Research, the International Geophysical Cooperation, the Inter-Union Committee on Contamination by Extraterrestrial Exploration, the Committee on Space Research, Scientific Committee of Solar Terrestrial Physics, and the International World Days Service;

Whereas the International Geophysical Year has had an immeasurable positive impact on the scientific community and the public's understanding of scientific advancements and their importance to society; and

Whereas the efforts of the individual scientists participating in the International Geophysical Year extended beyond their own work and into the international environment, fostering cooperation among nations and a sense of good will and achievement: Now, therefore, be it

Resolved, That the House of Representative commemorates July 1, 1982, which is the twenty-fifth anniversary of the beginning of the International Geophysical Year, and reaffirms the commitment of the House of Representatives to a new, vigorous era of international cooperation in all the sciences.●

EFFECTS OF MILITARY SPENDING ON THE ECONOMY

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. HILLIS. Mr. Speaker, I would like to take a moment to reflect on one of the issues at the heart of the current budget debate. Perhaps more this year than any other in recent history, the House is being asked to examine the effects of military spending on the economy.

Regardless of which budget is finally adopted by this Congress, the 5-year defense plan will call for increased defense spending. While the need to maintain our Nation's security is the primary factor behind the defense budget increases, Congress also has an obligation to provide for a healthy economy. At a time when the economy is in a recession, with high unemployment and interest rates, some argue that increased defense spending is economically and socially wrong.

The unemployed people of this Nation do have a right to question increased defense spending and how it will affect their employment opportunities. In researching this matter, I have come to the conclusion that increased defense spending has a direct and positive effect on the economy of Indiana.

The House Armed Services Committee, on which I sit, recognizes both the need to improve the economy and provide for an adequate military. To insure a better understanding of the effects of increased defense spending on the economy, the committee invited the Director of the Congressional Budget Office, Dr. Alice Rivlin, to testify on the potential effect of the increases.

Dr. Rivlin pointed out that between 1955 and 1962—years in which the economy was considered healthy—defense spending accounted for 8 percent of the Nation's GNP. Under the President's 5-year defense plan, defense spending will increase from 6 percent of the Nation's GNP to 7 percent.

It is obvious to any student of economics that the Nation can easily absorb defense spending levels below 8 percent of our GNP without any adverse effect on the economy. In fact, Dr. Rivlin testified that defense spending stimulates economic activity just as much if not more than other Government spending. In particular, she said that defense spending stimulates the economy more than transfer payments that account for almost 50 percent of the current Federal budget.

It is clear that providing for an adequate defense posture, with the requisite increases in defense spending and improving the economy are not mutually exclusive goals.

I mentioned earlier that I felt defense spending had a beneficial effect on the economy of Indiana. A detailed examination of defense spending in Indiana will illustrate my point. In Indiana, the Department of Defense personnel compensation in fiscal year 1981 totaled $561,916,000. That figure included civilian pay, military active duty pay, Reserve and National Guard pay, and retired military pay. Indiana was 31st in the Nation in total military compensation. California had the highest total compensation, $8,978,933,000 and Vermont the lowest with only $40,424,000. However,the real importance of defense spending in Indiana can be fund in the money paid to contractors who perform a wide variety of services for the Department.

Prime contractors in Indiana receive $1,766,019,000 from the Department of Defense in fiscal year 1981. Indiana was 17th in the Nation in receiving defense contract money. California was first with a total of $17,313,918,000 and Montana was 50th with a total of $49,314,000. There were a total of 765 different contractors in Indiana who did at least 10,000 dollars' worth of business with DOD. In the new Fifth Congressional District, which has Grissom AFB in the center of it, there were 75 separate contractors. Those 75 contractors did 29.5 million dollars' worth of business with the Defense Department.

The entire State benefits from defense contracts. The top 10 counties which received business from the Department are spread throughout the State. Those counties are Marion, $541,079,000; St. Joseph, $414,116,000; Allen, $384,090,000; Lake, $107,518,000; Clark, $98,488,000; Vigo, $26,695,000; Hamilton, $21,017,000; Knox, $14,413,000; Miami, $10,979,000; and Wabash, $10,936,000.

The largest single contractor in Indiana was General Motors doing about 443 million dollars' worth of business. For GM this involves several hundred different contracts for a wide variety of activities.

The point to be made is that increased defense spending is not inconsistent with our efforts to reduce unemployment or bring the economy out of the recession. There are thousands of businesses across the Nation with millions of employees who benefit directly from defense contracts.

In the April 18 South Bend Tribune, Mr. Ray M. Leliaert, Jr., wrote an article entitled "Defense Spending Influx Spurs Michiana Economy." In that article, David Kilk, an economist at Indiana University at South Bend noted that some 9,000 jobs in the South Bend area alone were directly dependent on military spending.

In reviewing the contractors located within the Fifth Congressional District, I estimate that nearly 20,000 people work for companies that did at least 10,000 dollars' worth of business for the Defense Department. While it is difficult to determine how many of those jobs are directly dependent on military spending, the number is certainly significant.

A detailed listing of prime contractors located in the Fifth Congressional District of Indiana is available through my office should anyone desire a copy.●

COLD SHOULDERS FOR ARMS FREEZE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. SIMON. Mr. Speaker, recently Stephen Chapman had a column in the Chicago Tribune with comments on the arms race and the nuclear freeze.

That column says very pointedly what I believe the situation to be, that we are not pursuing arms reduction vigorously.

We are chasing illusions that somehow we can arm ourselves more while the Soviets will not and then we can dominate an arms reduction situation.

I urge my colleagues to read the Stephen Chapman column.

COLD SHOULDER FOR ARMS FREEZE

(By Stephen Chapman)

"Twice in my lifetime, I've seen the world plunged blindly into global war that inflicted untold suffering upon millions of innocent people . . . such a tragedy, which would be rendered even more terrible by the monstrous, inhumane weapons in the world's nuclear arsenals, must never happen again. My goal is to reduce nuclear weapons dramatically, assuring lasting peace and security."

Those uncharacteristic sentences came from the mouth of Ronald Reagan at his press conference last Wednesday. Though at first glance they look like a call for genuine arms control, their only purpose was to rationalize an accelerated arms race.

The President's gesture came only three days after some 23,000 people marched in Washington to support a freeze on nuclear arms by both the United States and the Soviet Union. A freeze is not a flawless approach to arms control. But right now, given the administration's views, it is the only game in town. For all his pious avowals of concern about the danger of nuclear war, Reagan has done more than any other American political figure to derail arms control.

It was Reagan, after all, who led the successful campaign to kill the SALT II agreement. As a candidate, he took the position that a full-scale arms race would be to our advantage, since the Soviets would exhaust their resources long before we exhausted ours. He has requested huge increases in the

military budget, much of it for expensive strategic weapons.

Only politics has forced Reagan to feign an interest in arms control. His administration has continued the talks begun by President Carter to limit tactical nuclear weapons in Europe, but only at the insistence of our NATO allies. He has proposed Strategic Arms Reduction Talks (START) with the Soviets, again mainly to mollify his critics in Europe, but has refused to set a date.

His latest move was to endorse the Jackson-Warner Senate resolution, which calls for a freeze on nuclear arms—after the U.S. has deployed some new weapons. It was drafted as an alternative to the Kennedy-Hatfield resolution, which includes no such qualifications. Reagan's position, put in layman's terms, is that we have to build up our nuclear arsenal before we can begin dismantling it.

Exhibit A against a freeze now is Reagan's claim that the Soviets have "a definite margin or superiority." But there is no persuasive evidence on his side. The Soviets lead in some respects, such as number of delivery vehicles and total megatonnage, but we lead in others, such as number of warheads and survivability of weapons systems. Even such conservative experts as Jeffrey Record, a former defense aide to Sen. Sam Nunn (D., Ga.), say the two sides have established "rough parity."

In only one respect, namely intermediate missiles in Europe, do the Soviets possess a clear advantage. They have deployed 300 SS-20s, while we have yet to deploy our new Pershing II missiles. But that does not leave our NATO allies naked to the enemy. The U.S. can hit Russian targets with nuclear missiles launched from submarines in the North Atlantic or with bombers—or, if necessary, with our own ICBMs.

The administration's other argument is that we have to increase our nuclear arms so the Soviets will have an incentive to negotiate reductions. But the Soviets badly need to reduce the burden weapons production places on their shaky economy. And they are well aware of the United States capacity to gear up its defense industry if it has to—in other words, if the negotiations fail.

Problems like the imbalance in Europe argue against an across-the-board freeze. But whether or not everything should be frozen is irrelevant. What proponents of the freeze really want is tangible steps toward reducing the arsenals of the two sides. A freeze makes for nice slogans, but it is not the real issue. The real issue is whether or not to negotiate arms control with the Soviets.

The whole debate over whether to freeze now or freeze later has an air of fantasy. The administration pretends that a freeze could happen tomorrow, leaving the U.S. stuck with its supposed disadvantages. No one who remembers the negotiations over SALT I and II can take this possibility seriously. Negotiating the terms of a freeze would take years.

In fact, if Reagan wanted genuine arms control, he would have every reason to preempt his critics by requesting immediate negotiations with the Soviets to freeze nuclear arms. He would have plenty of time to pursue the arms buildup he wants, while laying the foundation for the reductions he endorses.

But nothing in Reagan's record suggests the slightest interest in reducing nuclear arms. He and his advisers are still chasing after an impossible victory instead of a realistic peace. In the debate between the freeze movement and the administration, it's not clear that either side has all the answers. But it's easy to see who's serious about arms control.●

MARY LEE WOLFE HONORED BY EMORY UNIVERSITY

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. LEVITAS. Mr. Speaker, I am honored that my alma mater, Emory University of Atlanta, each year gives an award bearing my name to an outstanding student in political science. This year's winner of the Elliott Levitas Award for Outstanding Achievement in Political Science is Mary Lee Wolfe.

I would like to offer my congratulations to Mary Lee for her achievements. I did some checking with Dr. James Larry Taulbee, the director of undergraduate studies in the Department of Political Science at Emory and learned about Mary Lee's performance as a student.

Mary Lee was described as "one of the best students in the department over the past several years." She completed the 4 year B.A./M.A. program in which unusually gifted students have an opportunity to pursue graduate study during their senior year and so earn the master's as well as the bachelor's degree. The selectivity of this program is such that the department has invited only one student from among all majors—approximately 300—during each of the last 3 years. Mary Lee not only completed the program with distinction, but produced a thesis that, in the judgment of her committee, is publishable without revision. To put this accomplishment in perspective, Mary Lee produced a superior piece of work in 8 months, in contrast to the normal 18-24 months that regular M.A. students take to finish. Her thesis probed the genesis of civil defense programs, their place in deterrence theory and their problems in implementation, concluding with what is described as a "discerning critique" of Reagan administration policies in this area.

It is indeed gratifying to hear of such accomplishments. We are fortunate that people such as Mary Lee Wolfe are focusing on the major issues confronting our Nation today. I wish her continued success and know that her efforts will benefit us all.●

WE LOVE AMERICA WEEK

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1982

● Mr. ATKINSON. Mr. Speaker, today we honor the Ukrainian victims of the cold war. The Soviet brutality of this time rivals the victimization of innocent peoples during World War II.

As a Member of Congress, it is a heartfelt honor for me to become the sponsor of Mr. Vasyl Semenovych Stus, another Soviet prisoner of conscience.

One of the finest Ukrainian poets and literary critics of our time, Vasyl Stus was sentenced to 10 years of special regimen labor camp activity and 5 years of exile for alleged "anti-Soviet agitation and propaganda." His crime is to have a heart that yearns for freedom and a mind that will not be subjected to Communist domination. The Communist barbarians would incarcerate this man for his work on behalf of human rights and in fulfilling the Helsinski accords which were signed by the U.S.S.R. and the United States.

Stus' plight is a grave miscarrage of justice. He is being punished for trying to enunciate the age-old freedoms of thought and expression that are God given and no totalitarian regime can ever stop.

It is a privilege to join with my colleagues today in honoring Vasyl Stus and to bring to the public's attention to continuing fight for human rights led by this brave soul. This example is a shining light and we will not forget him, ever.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 22, 1982.

DEAR COLLEAGUE: The Board of Commissioners of Hopewell Township of Beaver County in my home district in Pennsylvania recently proclaimed the period from June 27, 1982 through July 5, 1982 as "We Love America Week."

The Hopewell Township Commissioners feel that in this time of economic uncertainty and increasing criticism of our nation in the international arena, it is of extreme importance that the American people express their pride and patriotic spirit for the United States of America, which for more than 200 years has been the symbol of freedom and justice in the eyes of the free world.

The citizens of Hopewell Township feel—and I heartily concur—that there is no better time than the 4th of July to have the most magnificent and impressive display of American flags and patriotic activities this country has ever known in order to show the world we are proud to be Americans. I am encouraged when, amid the grumbling and complaints, and among those who always seem to be pointing out what they feel is wrong with this country, Americans are stepping forward and celebrating all that is right with America. For this reason I am submitting to the House of Representatives a resolution urging the President to proclaim the period from June 27, 1982

through July 5, 1982 as "We Love America Week," and to urge the President to request that all levels of government across our nation promote "We Love America Week" by flying our nation's flag, and that all citizens participate in the same manner by displaying the flag from their places of residence and places of business.

It is my belief that this effort to show our patriotism and honor our heritage in this week-long celebration of all that our nation represents, has the potential to issue a tremendously powerful statement to each and every nation. The United States of America is the greatest nation in the world. We, its citizens, are proud of this country and are confident that it will rise from this economic crisis as it has risen from every crisis it has ever encountered.

I urge you to sign your name to the attached resolution and in doing so, indicate your deep feeling and faith in America and its people.

Sincerely,

EUGENE V. ATKINSON,
Member of Congress.

Whereas, our townships, cities, counties States, and country are going through trying times with the economy;

Whereas, the Congress in this time of economic uncertainty feels that it is of extreme importance that the people express their pride and patriotic spirit for the United States; and

Whereas, there is no better time than the 4th of July to have the most gigantic display of American flags and patriotic activities to show the world we are proud to be Americans and that we love our country: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period from June 27, 1982, through July 5, 1982, is designated as "We love America Week" and the President is authorized and requested to issue a proclamation calling on all Federal, State, county, and local governments to promote such week by flying flags and banners, and all citizens to participate by flying individual flags at their place of residence, to show our faith that we will survive the economic crisis as we have all other crises in our history.●

TRIBUTE TO THE MAYOR OF NEBRASKA'S CAPITAL CITY

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. BEREUTER. Mr. Speaker, today marks the end of the 1-year term as president of the U.S. Conference of Mayors for the Honorable Helen Boosalis, the mayor of Lincoln, Nebr., the capital city of my State and largest city in my congressional district. As she turns over her job to Mayor Coleman Young of Detroit, I would like to take this opportunity to publicly congratulate Mayor Boosalis and share with my colleagues some of her accomplishments as mayor of Lincoln and president of the Conference of Mayors.

While continuing her fine leadership as mayor of Lincoln, Mayor Boosalis also took her enthusiasm and dedication to her capacity as the chief spokesperson for the Nation's cities. Just as she has been innovative and effective in Lincoln, she brought new ideas to the conference and effectively voiced its views on urban issues.

A member of the President's private sector initiatives task force, the mayor has helped make Lincoln an excellent example of how volunteer efforts can complement tax dollars in providing government services. Her innovative gift catalog helped generate donations of needed equipment and services to the city from private sources.

Mayor Boosalis also has been nationally recognized for her work in historic preservation, a fact which I recently brought to the attention of my colleagues. She created a Conference of Mayors Subcommittee on Historic Preservation, the first involvement of the conference in that area since 1965.

Mayor Boosalis' accomplishments are a source of pride to all Nebraskans and I am proud to have her as a constituent in the First Congressional District. Congratulations, Mayor Helen, on a job well done!●

ENCOURAGING THE PURCHASE OF DOMESTIC STEEL

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. WALGREN. Mr. Speaker, I am introducing today a bill that seeks to deter the domestic mass transit industry from importing capital equipment which has been subsidized by foreign governments. This bill, which is similar to S. 2616, introduced in the Senate by Senator RIEGLE, would prohibit the Secretary of Transportation from furnishing assistance under the Urban Mass Transportation Act of 1964 to mass transit authorities which have purchased equipment sold in violation of international trade agreements designed to prevent governments from unfairly subsidizing their exported products.

The problem of subsidized steel imports is one which this Congress cannot ignore if we are serious about our goal of building a healthy and productive economy. Two recently announced purchases have reinforced in my mind the need for the legislation I am introducing today. In its program to replace wornout subway cars, the New York Metropolitan Transportation Authority (MTA) has contracted to purchase 325 subway cars from Kawasaki Heavy Industries, Ltd., of Japan, and 825 cars from a Canadian company, Bombardier, Inc. The Kawasaki deal, worth $274.5 million, was financed by a $126 million loan from the Japanese Government, with an effective interest rate of 12.25 percent, well below the U.S. prime lending rate. Similarly, the Canadian Government plans to finance the Bombardier deal by loaning New York's MTA 85 percent of the $663 million contract, at the incredibly low interest rate of 9.7 percent.

Partially, because of the attractive finance terms provided by the Canadian and Japanese Governments, MTA did not award the contract to the Budd Co., a U.S.-based firm, even though Budd offered to make the cars for significantly less money. The subway cars, if made by the Budd Co., would consist of approximately 80 percent U.S.-produced steel. The foreign-produced cars would use only about 40 percent American steel. This difference represents a great loss of business to many American specialty steel manufacturers. For example, translated to Allegheny-Ludlum Steel Corp., 13 million dollars' worth of business would be lost, representing 1,000 man-months of employment, $3 million in wages to employees, and over $1 million in tax revenues which would be paid to Federal, State, and local authorities.

MEANS MORE UNEMPLOYMENT

Buying steel products from foreign manufacturers is particularly untimely when unemployment is rampant is this country, and especially in the steel industry. In January 1982, 26.6 percent of all steel shipped in the United States was imported from foreign sources, an alltime high. The U.S. steel industry is currently operating at about 45.4 percent of productive capacity, contributing greatly to the unprecedented overall U.S. unemployment rates we are now experiencing. In the specialty steel industry alone, unemployment has skyrocketed to 25 percent. In Pittsburgh, one-third of all steelworkers are out of work. Throughout the industry, 105,000 workers have been laid off, and another 27,000 are working short workweeks.

The productivity of our domestic steel industry is an urgent matter of national economic and national security policy. The bill that I am proposing today takes steps to clarify and make more consistent our Federal policies relating to steel purchases, not by throwing Federal funds at the steel industry in order to bail it out, but by insuring that Federal funds do not encourage unfair trade practices which violate the spirit of international agreements and put more people out of work. This urgent legislation will incorporate the spirit of the subsidies code of the GATT agreement into Federal policies governing the expenditure of Federal funds, and thus set an example for the domestic mass transit industry to follow when considering future purchases of subsidized imports.

I look forward to working with my colleagues to promptly enact this important piece of legislation.

I am very pleased to learn that the administration has responded quickly to the Canadian Government's unfair finance terms by initiating dispute settlement proceedings provided for in the GATT subsidies code, which will begin with formal consultations in Geneva the week of July 12. I believe that moving quickly like this will send a strong signal to foreign nations that we will insist on fair trade practices. The Reagan administration is to be commended.

Along this line, I would like to share with my colleagues two letters I sent in May protesting the purchase of subway cars from foreign countries.

The letters follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 3, 1982.

Ambassador WILLIAM E. BROCK,
U.S. Special Trade Representative, 600 17th Street NW., Washington, D.C.

DEAR MR. BROCK: I am writing to inquire about the Administration's plans to deal with the Japanese sale of government-subsidized subway cars to the New York City Transit Authority. This sale was reported in the March 19 Wall Street Journal and the April 2 Washington Post. According to the Post article, an unnamed Administration spokesman indicated that "the administration has no plans to take any action in the Kawasaki case."

The rise in steel imports and unemployment in the last two years and the general deterioration of the economy, in my view, demand that the Administration begin tough enforcement of our fair trade laws. As you know, The House Energy and Commerce Subcommittee on Oversight and Investigations, on which I serve, is conducting an in-depth investigation of the problems of the steel industry. In our hearings, we have found that imports are at all-time highs—25% penetration—that the steel industry is currently operating at about 52% of capability, and that there are over 116,000 employees on layoff or short workweeks.

The award of this contract to Kawasaki could set a dangerous precedent. It is well-known that the major attraction to Kawasaki's bid was the Japanese government's offer to provide $126 million in financing at the lower interest rate of 12.25%, while domestic producers must contend with the U.S. prime rate of 16.25%. We cannot expect our industries to compete with foreign subsidization. This kind of policy only encourages foreign countries to saturate the U.S. with subsidized imports that harm domestic industries and jobs.

This contract will particularly adversely affect America's specialty steel industry, which already suffers from an unemployment rate nearing 25%, although it is the most technologically advanced and efficient special metals industry in the world.

I would appreciate knowing what steps the Administration plans to take on the Kawasaki contract, specifically whether you have determined if, subsidization has taken place and what U.S. trade laws and the General Agreements on Tariffs and Trade have been violated. I would hope too that the Administration would take the lead encouraging state and local governments to "Buy American," and that the federal government set an example by purchasing domestically produced steel for federal projects.

I look forward to hearing from you.

Sincerely,

DOUG WALGREN,
Member of Congress.

MAY 12, 1982.

To the New York Delegation:

The New York Metropolitan Transit Authority will soon place an order for 825 new subway cars (a commitment of over one billion dollars representing tens of thousands of months of new employment).

Whether or not this employment goes to a foreign source will largely depend on the weight the transit authority gives to more generous financing terms offered, directly or indirectly, by foreign governments. As you know, this is a controversial indirect subsidy which many believe will trigger "countervailing duties" under the federal trade laws—which would essentially wipe out any advantage that a foreign source may appear to have.

In view of the widespread unemployment in America, and the interest that our public has in investing their dollars in America, I want to respectfully ask you to take every possible step to assure that the New York Transit Authority gives maximum consideration to awarding this contract to American sources.

I appreciate any help you may be able to give in this regard.

Sincerely,

DOUG WALGREN,
Member of Congress.●

THE PAPERWORK REDUCTION ACT OF 1980

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. IRELAND. Mr. Speaker, I would like to bring to the attention of all Members of the Congress what I believe to be a serious threat to the effectiveness of the Paperwork Reduction Act of 1980. The tax compliance bills presently pending in Congress contain an exemption which is unacceptable to the small business community. Under two bills—H.R. 6300 and S 2198—the Paperwork Reduction Act of 1980 would not apply to any rule or regulation promulgated under the Internal Revenue Code or to any information collection request that the Secretary of the Treasury determines to be authorized by the Code or by any rule or regulation.

Many people worked very hard for the 1980 act. This act, along with the Regulatory Flexibility Act, forms what has been called the "Guts" of the Federal regulatory protective barrier for small business. No one worked harder or required such a law more than the Nation's small business community. It has been estimated that as much as 60 percent of all the Federal paperwork burden emanates from the Internal Revenue Service. To exempt them from the act would, in my opinion, practically render the law ineffective.

Our committee has heard time and time again of difficulties encountered by small business in dealing with the IRS. In particular, we have been repeatedly told that the paperwork maze created by the IRS has become almost incomprehensible. If fact, we have even been informed by some certified public accountants that the new withholding tax deposit requirements are so complex that they will not even attempt to advise their clients how they can make timely legal deposits.

In view of all this, I do not believe that a Treasury exemption from the Paperwork Reduction Act of 1980 will be in the public interest. I hope you will join with me in an effort to make sure that such an exemption is not contained in any final tax legislation passed by the Congress.●

THE GALILEE: PEACE AT LAST

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. BINGHAM. Mr. Speaker, 17 days ago the Israeli defense forces moved into Lebanon to end the reign of terror on Israel's northern border. It now appears that Israel's action was successful and that now, at long last, the civilians of the northern Galilee are free to live their lives free of the shelling from beyond the border. The Wall Street Journal of June 23 describes the peace that has now descended on the Galilee. It is essential that any political settlement that ends the Lebanese crisis guarantees that Israel's north remains free of the terrorist menace. I commend Frederick Kempe's Wall Street Journal piece to my colleagues.

[From the Wall Street Journal, June 23, 1982]

IN ISRAEL'S FAR NORTH, THE WAR IN LEBANON MEANS BLESSED PEACE

(By Frederick Kempe)

METULLA, ISRAEL.—The loudspeakers crackle, breaking into the still evening in this northernmost of Israeli villages. But this time the commanding voice doesn't issue the familiar order to take to the bomb shelters. The gunplay it announces tonight is benign: a special showing of "The Godfather, Part II" for soldiers passing through town.

These days, the 300 residents of Metulla don't flinch when the loudspeakers come on. The Israeli march into Lebanon this month has put their homes out of reach of Palestinian terrorist attack for the first time in 12 years. "We have entered a new era," Mayor Yossi Goldberg says with obvious pleasure. "Our lives are starting to bloom. We no longer wander out of the house with the fear that a Katyusha would fall on our heads."

Israel's invasion of Lebanon wreaked vast destruction and death on residents of that troubled land, and yesterday the fighting flared again (see story on page 2). But the

invasion has been a godsend for the 40,000 people of the Galilee panhandle, a thin seven-mile finger of Israel poking northward into southern Lebanon. This part of Israel has been by far the area most punished by infiltrating guerrillas and by bombardment from the Palestinians' Soviet-made Katyusha rocket launchers.

After King Hussein's army drove the guerrillas from Jordan in 1970, they drifted by the thousands to southern Lebanon. Israel's northern border became an open wound, and government efforts to lure more people and capital to the area failed dismally.

BIG PLANS

Mayor Goldberg is laying plans to change that. He wants Metulla, a plateau town founded in 1896 by Baron Edmund Rothschild, to grow into a major tourist center. He has already asked the government to put a bank at the border to cater to Israeli and Lebanese sightseers. And just two weeks after its invasion of Lebanon, the Israeli government is sending experts to Metulla and the rest of the northern panhandle to prepare development plans.

"Until now, business has stunk. Travel offices wouldn't risk bringing people up here," says Reuven Winberg, the 28-year-old manager of the often-empty Sheleg Helevanon hotel. He steps behind the small snack bar and pulls down his jeans to display a right leg bearing three thick white scars. A soft-drink cooler beside him has a deep gash. All resulted when a shell exploded in the front window into a thousand flying shards of glass.

"You don't know what it was like here," says Mayor Goldberg. "We were all so afraid. Mothers would stay two or three days in shelters with their children when they only needed to stay a few hours. I, a mayor, slept with a gun by my bed."

Mr. Winberg, the hotel manager, gestures in the direction of Beaufort castle, the crumbling Crusader fortress on a peak in Lebanon just two miles away. From the outpost the Palestinians had a clear shot at Metulla. "Maybe now the castle will become a tourist attraction," he says.

Three miles south down a winding road lies Qiryat Shemona, the panhandle's largest town with 13,000 residents. Ten years ago, it had 18,000. More than 1,000 homes stand empty. Property prices are one-fifth those elsewhere in Israel.

In April 1974, 19 Israeli men, women and children were killed in a terrorist attack in Qiryat Shemona. Some were hostages who were slain after the government refused their captors' demand to free prisoners. "People wouldn't live here," says Yuval Itai, the manager of the Gigor pantyhose plant, the town's biggest employer.

The factory has sometimes had to close for weeks at a time because of heavy shelling. Other times, workers would periodically emerge from its bomb shelter to keep essential machines going before submerging again. Now, Mr. Itai believes, "we'll get people from the center of the country to live and work here. Now we have a future like anybody else."

Now he may also get along better with his wife. She has long been trying to persuade him to move their family of three boys out of the shells' range.

Qiryat Shemona's mayor, Robert Reuven, runs through his list of development projects like a frustrated salesman who at last has a desirable product. He wants two hotels. He wants to expand the university. He wants to open a technical school and build an electronic-products plant.

But some here aren't so bullish. Elfrieda Federmann, who with her husband owns a dusty roadside restaurant and boarding house, watches as repairmen replace windows shattered by Palestinian shells on the first day of Israel's advance into Lebanon. "I wanted to sell the place long ago," says Mrs. Federmann, a 54-year-old Austrian-born Jew who fled Hitler's armies in 1938. "But who would buy something that could be rubble the next day?"

Mrs. Federmann doesn't plan to wait for Mayor Reuven's bonanza. She only hopes the calm lasts long enough for someone to buy her business.

On a border hill overlooking Metulla to the north and Qiryat Shemona to the west, stands the Kibbutz Misgav Am. It is a barbed-wire-enclosed enclave of pillbox buildings and security-conscious residents. Everything is built of bomb-Shelter-strength reinforced concrete, including the indoor swimming pool. They couldn't risk building the pool outdoors.

Five terrorists infiltrated the kibbutz in 1980 and took over a nursery, killing a man and a two-year-old child. Last year a Katyusha explosion killed a young woman as she walked out of her house. A kibbutz rule has long required male residents to carry a gun at all times.

The people of Misgav Am are grateful for the respite the Israeli invasion of Lebanon has brought them. "Every day now, fewer and fewer people carry their guns," says Rafi Telem, who has spent half his 48 years at the kibbutz.

The 250 people here hope the kibbutz can attract more residents now. "You can't have a good social life in this small community," complains a man called Papo, who manages a ribbon and bandage plant. "When you are a chess player in a community of 1,000, if 1% of the community plays chess, then you have 10 people to play with. Here you must play by yourself."

But Misgav Am is less than euphoric. Like many kibbutzim, it supports Israel's Labor Party, the party out of power, and believes Israel can't finally defuse the Palestinian threat until it reaches a political settlement.

The kibbutz population, now even smaller with many members called to military service, gathered recently at the cafeteria to celebrate the birth of a baby boy. The father, however, was somber. "I hope this gives my boy a better future," said Annon Salzburg. "Everyone here hopes it will be better, but not everyone believes it. I've got a funny feeling the problem with the Palestinians won't be solved this way."●

WELCOMING THE TONG DU CHON DELEGATION

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. PANETTA. Mr. Speaker, on behalf of myself and my colleagues here in the House, I would like to extend a warm welcome to the delegation from the city of Tong Du Chon, South Korea, on the occasion of their visit to their sister city in California, the city of Marina.

Mr. Speaker, the sister city relationship between the cities of Marina and Tong Du Chon is symbolic of the long-time relations between our two countries. With the building of mutual friendships and understanding through the sister city program, we can come to comprehend more fully the languages, cultures, and views of our two peoples. In this manner, we can improve our understanding for one another and expand upon our great friendship.

The sister cities of Tong Du Chon and Marina, Calif., share a common relationship with the Army's 7th Infantry Division. Marina is today, and Tong Du Chon was in years past, the home of this great division. We on the central coast of California are proud to be the home of the 7th Infantry Division today because it represents our Nation's commitment to a strong defense and our desire to defend the fundamental democratic principles which guide our country.

I am sure my colleagues in the Congress share my hope that the dignitaries from Tong Du Chon will enjoy their stay in the United States. Their visit is sure to create one further link in the ties which bind our two nations. I am confident that the sister city relationship between Tong Du Chon and Marina will be a fruitful and productive one.●

CONGRESSIONAL SALUTE TO THE HONORABLE GENE L. BOYLE, JR. OF CLIFTON, N.J., ESTEEMED RESTAURATEUR, COMMUNITY LEADER AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. ROE. Mr. Speaker, on Wednesday, June 30, the residents of Clifton, my congressional district and State of New Jersey will join together in testimony to an esteemed restaurateur, distinguished citizen, community leader, and good friend, the Honorable Gene L. Boyle, Jr. of Clifton, N.J., whose aspirations and success in the mainstream of America's business enterprises does indeed portray a great American success story. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Gene Boyle, his good wife Marge, sons Gene III, Tom and Gary, and daughters Maureen and Sassy as we commemorate a milestone of achievements in their family endeavors.

Mr. Speaker, the pleasure of great personal dedication and always working to the peak of one's ability with sincerity of purpose and determination to fulfill a life dream—that is the success of the opportunity of America—and the mark of our honoree, Gene L.

Boyle, Jr. who will be retiring from a most illustrious career as a highly respected and esteemed restaurateur of national prominence and renown.

With your permission, Mr. Speaker, I would like to insert at this point in our historic journal of Congress, a profile on the life of Gene L. Boyle, Jr. which warmly embraces the quality of his leadership, richness of wisdom and expertise, and the abundance of his caring and dedication that has endeared him to all of us. This brief narrative which eloquently enfolds the real heartbeat and pulse of America—the businessman and his family—and the dream and achievements of Gene Boyle is, as follows:

GENE L. BOYLE, JR.

Born September 2, 1920 in Hazelton, Pa. At the ago of 2, his father, Gene Boyle, Sr., moved the family to Clifton and started in business by running the old Clifton Hotel.

In 1930 Gene Boyle Sr. opened the legendary Gene's Grill on Hoover Ave. in Passaic, while Gene Jr. was distinguishing himself academically, athletically and socially at Passaic High School.

After graduation he joined his father in the business and began what was to become an illustrious career. Shortly thereafter he married his high school sweetheart, the captain of the Passaic High School cheerleaders, the former Marge Tunkel. He then enthusiastically responded to his country's call to arms and served with distinction for 3 years. Over the course of the next 13 years came Gene III, Maureen, Sassy, Tom, and Gary.

In 1949 Gene Boyle, Sr. and Gene Boyle, Jr. opened what was to become for over 34 years the restaurant showplace in New Jersey, entertaining the luminaries in the business, political, sports, entertainment, and social worlds.

Public service also became a major consideration in his life, first as chairman of numerous charitable, religious, and philanthropic organizations; then as a commissioner on the Passaic Valley Water Commission and finally as candidate for the U.S. House of Representatives, Eighth Congressional District.

In short, Gene Boyle, Jr. is a man who epitomizes that person we all strive to be. He has truly achieved the "American Dream" and has become genuinely and universally admired for his untiring devotion and dedication to his family, friends, business, and community.

Mr. Speaker, as we reflect upon the history of our great country and the good deeds of our people who have made our representative democracy second to none among all nations throughout the world, I appreciate the opportunity to call your attention to this distinguished gentleman and seek this national recognition of all of his good deeds. I share the pride of the people of our congressional district and State of New Jersey in the accomplishments of Gene Boyle.

As Gene retires from his career as a restaurateur catering to gourmands with informed and astute discrimination in matters of taste, I am pleased to join with his many, many friends in deep appreciation of all of his good works. Gene Boyle's Restaurant is a landmark in our community, State, and Nation having hosted Presidents and directed by a connoisseur extolling the warmth of inspiration and hope that is ever present in our land of opportunity. We do indeed salute an outstanding restaurateur, distinguished citizen, community leader, and great American—the Honorable Gene L. Boyle, Jr., of Clifton, N.J.●

THE SMALL BUSINESS ACCESS TO TRADE REMEDIES ACT

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. EMERY. Mr. Speaker, today I am introducing the Small Business Access to Trade Remedies Act of 1982, a House counterpart to legislation introduced by WILLIAM S. COHEN, Maine's senior Senator, to aid small U.S. enterprises in obtaining the trade injury remedies to which they are entitled.

Although many of us champion free trade as an ideal, small businesses in all parts of the country are suffering the consequences of foreign trade practices which may be free, but which are certainly not fair. In fact, the only meaningful barriers which do exist often stand between legitimately injured businesses and the import relief programs administered by the U.S. Government. As a result, we are losing countless manufacturing, farming, and fishing jobs in States from Maine to California. This legislation is a first step toward eliminating those barriers and providing our small businesses with the equal access to existing trade remedies they need and deserve.

As many of us know, the profit margins of numerous small businesses have been substantially eroded by unrelenting waves of imports. The Maine potato industry, for example, has watched its market shrink and the volume of Canadian imports grow by over 300 percent since 1977. Many of these foreign products, including Canadian potatoes, are less expensive, not because the supplying country enjoys a comparative advantage in production, but because the country's government offers generous business subsidies, pursues an aggressive export policy, and sanctions the sale of goods in foreign markets at prices well below the actual cost of production. Additionally, although fluctuating exchange rates may be beneficial to some sectors of our economy, many of our regionally concentrated industries ranging from cement manufacturers to mushroom growers simply cannot compete with foreign products enjoying the advantages of a weak and undervalued medium of exchange.

It is true that appropriate channels do exist for the redress of these unfair trade practices. The Trade Act of 1974 established both the section 201 and 301 import relief petitioning procedures, and amendments to the General Agreement on Tariffs and Trade (GATT) adopted in 1979 instituted a new code governing the use of both subsidies and dumping practices by countries whose trade practices are regulated under GATT. Successful petitioning under any of these options can result in the imposition of countervailing duties and other import restrictions. Granted, the guidelines for determining injury need to be rigorous. Unfortunately, even for those small businesses with legitimate grievances, successful resolution of a trade case generally remains elusive.

Prohibitively expensive and time-consuming legal exercises; complicated, incomprehensive, and often irrelevant data requirements; and flaws in injury determination criteria ignoring regional variations in import impact constitute the major problem areas and the barriers to grievance relief. The Small Business Access to Trade Remedies Act addresses these problems in the following manner.

To begin, this legislation would establish a Small Business Trade Access Trust Fund financed with a set percentage of annual customs receipts. Proceeds from the trust fund would be used to create a Small Business Trade Assistance Office in the Department of Commerce whose primary responsibility would be to aid small businesses in preparing for participation in the grievance procedures now on the books. In an effort to help small enterprises defray legal costs, proceeds of the trust fund would also provide the first $50,000 in initial petition costs and 50 percent of costs incurred thereafter. This cost-sharing provision has been designed to discourage the pursuit of frivolous cases while still bringing the cost of an unfair trade practices petition within the financial grasp of most small businesses.

To compensate for the financial, legal, and information-gathering advantages enjoyed by large corporations and major industries in the pursuit of import protection, this legislation directs the ITC to make special allowances for small businesses and to take into consideration the limitations these businesses have with respect to the collection of previously required data. The data required to prove injury under the countervailing duty and antidumping statutes is especially demanding and, in many cases, the only data sufficiently detailed to satisfy the ITC is that belonging to the implicated foreign government. The ITC must introduce an extra degree of pragmatism into existing requirements so that small businesses with limited

resources can at least attempt to prove the extent of their injury and have that attempt at proof recognized as legitimate.

Of equal importance to our small businesses are provisions in this legislation directing the ITC to recognize regionally concentrated instances of import injury and to modify petitioning procedures under section 201 of the Trade Act accordingly. Furthermore, provisions in the bill call for additional emphasis on regional economic conditions and on the availability of alternative job opportunities during petitioning procedures. The legislation also addresses differences in monetary policy by directing the ITC to consider the effect of exchange rates on regional markets. Finally, a fast-track system for perishable commodities would be established in an effort to provide expeditious relief to small farmers suffering the consequences of unfair trade practices. This provision would also allow farmers with import-sensitive crops to better plan future marketing strategies.

I commend my colleague from Maine, Senator COHEN, on this long overdue proposal and I thank him for the opportunity to introduce the Small Business Access to Trade Remedies Act in the U.S. House of Representatives. This legislation simply provides our small business community with the access to fair treatment they deserve in the resolution of unfair and legitimately injurious trade practices.

THE SMALL BUSINESS ACCESS TO TRADE REMEDIES ACT OF 1982—SECTION-BY-SECTION ANALYSIS

SHORT TITLE

Section 1 sets forth the short title of this bill, the Small Business Access to Trade Remedies Act of 1982.

SECTION 2: FINDINGS

Section 2 presents the findings that existing trade remedies are not available to small businesses because of the complexity and expense of filing petitions and the difficulty of documentation; that trade remedies are not available to producers of perishable products because of the length of normal proceedings; and that regional considerations are not given sufficient weight in proceedings under section 201 of the 1974 Trade Act when petitioners are small businesses.

SECTION 3: SMALL BUSINESS TRADE ACCESS TRUST FUND

Section 3 would create a Small Business Trade Access Trust Fund financed by a percentage of customs receipts as may be necessary to carry out the purposes of this section. It is intended that the appropriations process determine the level of funding needed for the functions outlined below.

First, the Commerce Department is directed to establish a Small Business Trade Assistance Office to assist small industries in preparing for participation in any proceedings under our trade laws. To the extent that the existing statutes direct agencies other than the Commerce Department to investigate trade complaints, these agencies are to cooperate with the Office for purposes of section 3 of this Act.

Second, the Office of Small Business Assistance is charged with administering a system of awarding reasonable costs to small business petitioners. Reasonable costs are intended to include such things as attorney's fees, consultant fees, and any expenses incurred in gathering information for a petition. the government would pay the first $50,000 of the petition cost and 50 percent of any costs incurred thereafter. The provision is intended to lessen the expense to the small business petitioner of participating in proceedings related to the administration of the trade laws of the United States. The limitation on the extent to which the Federal government will defray these costs is intended to ensure that a small business petitioner bear some financial responsibility for the action. It is also intended to discourage frivolous claims.

For purposes of section 3, the definition of small business is the same as "small business concern" as defined in section 3 of the Small Business Act or an association whose members are substantially all small business concerns.

SECTION 4: DETERMINATION OF MATERIAL INJURY

Section 4 amends section 771(7) of the Trade Agreements Act of 1979 which contains the definition of material injury. The International Trade Commission is directed to take into account the differing circumstances and resources when the petitioners are small businesses as defined in this Act. This is intended to give industries whose information is not organized to coincide with normal ITC practices an opportunity to substitute information that is available.

SECTION 5: REGIONAL IMPACT

Section 5 is intended to require the President to give more weight to regional economic considerations when a small business files a petition under section 201 of the Trade Act of 1974. The President would be charged with considering the general economic situation of the affected region including employment levels and alternative job opportunities, the impact of exchange rate fluctuations on the region's industries, and the ability of the small industry to adjust by converting to alternative employment lines.

SECTION 6: PERISHABLE PRODUCTS

Section 6 would establish a fast-track system for perishable commodities. The industry would file a petition with the Secretary of Agriculture to request emergency action. The Secretary of Agriculture would then have 14 days to make a determination that there is reason to believe that the imports are a substantial cause of serious injury to the industry. If the determination is favorable, the Secretary would recommend action to the President. If a negative determination is made, the Secretary must publish a rationale for why the petition was denied.

The petitioner may request emergency action under section 6 at any time during the 201 investigation and no such request shall interfere with normal proceedings at the International Trade Commission under section 201. If an industry's circumstances have changed since a denial by the Secretary of Agriculture, the industry may file another request.●

FIRE COMPANY CELEBRATES ITS 75TH ANNIVERSARY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. FLORIO. Mr. Speaker, I would like to congratulate the Barrington Fire Co. on its 75th anniversary which occurred on May 15. The company started with only 10 charter members and a treasury of $73.53, but has grown to meet today's needs thanks to the many fine members who have contributed their time and efforts for no remuneration. Today, the company is composed of approximately 50 men, including the fire police.

The company has grown materially. During the 1920's a motor-driven truck was obtained. The company purchased a 1917 Ford chasis to which a body was attached. In the spirit of cooperation, one of the members painted the assembled vehicle which proved to be one of the first major advancements for the company.

The members of the Barrington Fire Co. have long showered the town with charity. On Christmas Day of 1931, the firemen distributed almost 700 boxes of candy to children with the help of Santa Claus, who rode on the firetruck. In 1970, 3,800 boxes were distributed. To raise additional money, the firemen also sponsor carnivals.

Even more important than charity are the lessons the members try to teach citizens. The company adopted a fire code which has been modified to coincide with the national fire prevention code. The members also present speeches to organizations demonstrating how to avoid and control home fires. Because of the guidance and information they provide, these presentations enjoy wide popularity. The office of the fire marshall makes mercantile, apartment, and industrial inspections at various intervals to further aid in prevention of fire, an aspect of firefighting which is important to the members.

The firefighters of the Barrington Fire Co. have proven to be heroic through times of trouble and strife throughout the century. Not only did the founding members form a beneficial humanitarian organization, but were involved in general civil defense matters during World War II, and even went so far as to invest funds in war bonds. After the war, they were able to form the Barrington Ambulance Association, furthering their original humanitarian intent. They have continually benefited the community with their increasingly high standards. I think they deserve much recognition for their efforts. I wish them a prosperous future and even

more success than they have experienced in the past.●

HOUSE RESOLUTION 506—CALLING ON THE SOVIET UNION TO ALLOW LEV SHAPIRO AND HIS FAMILY TO EMIGRATE

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Ms. FIEDLER. Mr. Speaker, I have introduced House Resolution 506, expressing the sense of the House of Representatives that the Soviet Union should allow Lev Shapiro, his wife, Elizaveta Shapiro, and their child to emigrate and rejoin Mr. Shapiro's parents and other family members in Israel.

The Shapiros are refuseniks. In 1975, they expressed their desire to leave the Soviet Union. From then on, they entered the peculiar half-life of nonpersons in a totalitarian regime. Lev Shapiro has also served a convenient role as a scapegoat. Branded as a traitor, a hooligan, a Zionist in the Soviet press, Lev Shapiro and his family have received the full attention of the KGB, the government informers, the harassers and ideologues, and all the other apparat of the Soviet Union and its party. From this we can only conclude that the masters of that Soviet Union, whose ICBM's are poised to destroy Western civilization, whose thousands upon thousands of tanks stand ready to extend fraternal assistance—one of the most outrageous euphemisms in an outrageous century—to their neighbors are afraid of Lev Shapiro and his family. It would so appear, for the desire for freedom is highly contagious. So they have had to quarantine Lev Shapiro and his family to a tiny apartment in Leningrad.

There, however, the Shapiros do not waste away. They are incubating freedom, writing to people in the United States, even taking risks of inviting visiting Americans to their home—and we know how dangerous it is for any Soviet citizen, let alone a refusenik to extend hospitality to an American. Such people certainly deserve all that we can do to help them achieve their goal.

The plight of the Shapiro family is just one example of the widespread repression inside the Soviet Union. Jewish emigration has slowed to a trickle. The Jewish community, along with the Estonians, Latvians, Lithuanians, Ukrainians, Christians, and other religious and ethnic groups, have been subject to the severest measures seen since the death of Stalin. The Soviets are hoping that the sheer magnitude of this suffering will blind us to the fact that the statistics are made up of individual men and women, like Lev and Elizaveta Shapiro. That is one factor we must never lose sight of in this debate. We must never lose sight of it in our dealings with the Soviet Union. We are not talking about abstract principles and rhetoric, but about people like ourselves.

I have appended the text of House Resolution 506, and I ask your help in passing it and sending the Soviet Union a message that we are watching them, and that we are unceasing in our devotion to the freedom, not only of the Shapiros, but, through them, to all those who suffer in that great "jailhouse of peoples," the Russian Empire.

H. RES. 506

Resolution expressing the sense of the House of Representatives with respect to the Soviet Union's obligations under international law to allow Lev Shapiro, his wife Elizaveta Shapiro, and their child to emigrate to Israel

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all citizens the right to freedom of religion, the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate;

Whereas the Final Act of the Conference on Security and Cooperation in Europe commits the signatory nations to respect individual rights and freedom, specifically the right to emigrate to the country of one's choice to rejoin relatives;

Whereas the Soviet Union is a signatory to the Final Act of the Conference on Security and Cooperation in Europe, has subscribed to the general principles set forth in the Universal Declaration of Human Rights, and has ratified the International Covenant on Civil and Political Rights;

Whereas Lev Shapiro has applied to the Soviet Government for an exit visa for himself and his family on numerous occasions, starting in 1975, to rejoin his parents and other family members currently living in Israel; and

Whereas all of Lev Shapiro's visa applications have been refused and he has been subjected to extensive harassment in response to his desire to exercise his rights guaranteed under international agreements to which the Soviet Union is a party: Now, therefore, be it

Resolved. That it is the sense of the House of Representatives that the President, acting directly or through the Secretary of State, should—

(1) urge the Government of the Soviet Union to grant exit visas to Lev Shapiro, his wife Elizaveta Shapiro, and their child and allow them to emigrate to Israel to rejoin Lev Shapiro's parents and other family members, in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights; and

(2) inform the Government of the Soviet Union that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

SEC. 2. The Clerk of the House of Representatives shall transmit a copy of this resolution to the President with the request that the President further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.●

AMENDMENT TO FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS OF 1972

HON. RAY KOGOVSEK

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. KOGOVSEK. Mr. Speaker, in *National Wildlife Federation* v. *Gorsuch*, 530 F. Supp. 1291 (Jan. 29, 1982), the U.S. District Court for the District of Columbia held that the Environmental Protection Agency (EPA) was required to regulate the discharge from the Nation's more than 2 million dams under the national pollutant discharge elimination system (NPDES) mandated by section 402(a) of the Clean Water Act. The court based its decision on the conclusion that by changing water quality as a result of impoundment, dams "discharge pollutants" within the meaning of sections 502(12) and 301(a) of the act.

It is clear to me that in enacting the Federal Water Pollution Control Act Amendments of 1972, Congress did not intend that water quality effects attributable solely to the impoundment of water be regulated under the NPDES program. Rather, it was Congress intent that such effects would be addressed exclusively through the mechanisms made applicable to nonpoint-source pollution. It was and is the intent of Congress that such water quality effects do not constitute the "discharge of a pollutant" within the meaning of section 502(12) of the act.

As a result, I am introducing an amendment to section 502(12) which is intended to overturn the impact of this recent decision, clarify the intent of Congress, and affirm past interpretation and practice, since enactment of the Federal Water Pollution Control Act amendments, that: First, the release of impounded waters with water quality effects caused solely by the impoundment, or with water quality effects resulting from the method of release do not constitute the "discharge of pollutants" as defined in section 502(12); and second, dams, reservoirs, flow diversion facilities, and other water impoundments are not intended to be subject to the NPDES program.

It is not my intention that this amendment alter or affect other aspects of the existing Clean Water Act programs. Nor is it my intent by this amendment to alter or affect existing requirements associated with the construction of dams under section 404 or with the operation of dams under section 304(f)(2)(F); or to interfere with

the established policy of Congress as expressed in section 101(g) that the authority of each State to allocate quantities of water within its jurisdiction shall not be superseded, abrogated, or otherwise impaired by this act.

However, the court's recent decision not only contradicts what I believe has been the intent of Congress all along, but it also exposes dam operators throughout the country, and particularly in arid Colorado, to lawsuits to halt their continued activity without a permit. This result is totally unacceptable as a matter of public policy and accordingly, I ask my colleagues to join me in urging prompt consideration and passage of this bill.●

HOME TAPING OF AUDIO AND VIDEO WORKS

HON. PATRICA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mrs. SCHROEDER. Mr. Speaker, last week the Supreme Court decided to grant certiorari in the Sony Betamax case. I have been asked by colleagues about the effect of the Supreme Court's action on the congressional effort to provide a comprehensive remedy to the audio and video home taping problem.

I do not think the Court's action will have any significant effect on congressional action on this issue.

Whatever might happen in the Supreme Court, the Betamax case will only resolve the narrow legal question whether taping television programing constitutes copyright infringement. What is not before the Supreme Court is the question of just how to permit home taping of audio and video works while at the same time assuring fair compensation to the creators and copyright owners of those works.

No one in the Congress wants to prevent home taping. But unauthorized taping is today displacing sales of copyrighted audio and video works. It is gutting the creative incentive that has been crucial in the flourishing of one of our greatest national resources—American entertainment.

Record companies, for example, are losing sales of $1 billion annually as a direct result of home taping. The taping industry is the beneficiary of that loss. Its blank tapes are worthless until they capture someone else's song.

Over 100 Members of both the House and Senate support legislation to resolve this situation. We will continue actively to pursue this issue.●

RABBI ABRAHAM HASELKORN—RELIGIOUS AND COMMUNITY LEADER

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. PANETTA. Mr. Speaker, it is with sadness that I report to my colleagues the death of Rabbi Abraham Haselkorn of Salinas, Calif. Rabbi Haselkorn had been a dedicated community leader of Salinas over the past three decades, and his loss is a blow to our area as well as to his family.

Rabbi Haselkorn's continuous activities on behalf of the Salinas community are perhaps exceeded only by the interesting life he led before arriving in that community.

After graduating from New York University and studying at the Harvard Law School, he attended the Jewish Institute of Religion. He was ordained as a rabbi in 1932 by the founder of that institute—and the father of the reform movement in Judaism—Rabbi Stephen S. Wise.

Serving in the U.S. Army in Europe during World War II, Rabbi Haselkorn helped establish an orphanage in France for Jewish children who had survived the Nazi occupation there and he helped set up one of the first displaced persons camps in Austria for other Jewish survivors of the holocaust. He later worked in France as an agent for the Haganah, a group which transported Jews from Europe to what was then Palestine and later became Israel and which served as the Israeli defense force.

Rabbi Haselkorn lived in Israel for several years at various times beginning in 1946. Following his retirement in 1973, he and his wife, Alda, lived there for 3 years before returning to Salinas.

Rabbi Haselkorn was the rabbi of Temple Beth El in Salinas for 20 years, beginning in 1953. His community activities included serving as chairman of the Crusade for Freedom, vice president and board member of the United Crusade, an officer of the Salinas Rotary Club, and secretary of the Monterey County Grand Jury. He was a man who cared deeply both about the Jewish community in Salinas and the welfare of the entire Salinas community, and his work was a tribute to that double commitment.

Rabbi Haselkorn will long be remembered by those who worked with him both at Temple Beth El and in the general community. He was a fine example of a citizen whose primary goal in life was to help others, and for that reason, his wife and family can be very proud even at this sad and difficult time for them. I am sure my colleagues share their sadness, as I do, for the loss of this great community leader.●

SALVADORAN TRAGEDY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. ROSENTHAL. Mr. Speaker, the March 28 elections which resulted in the concentration of power for the extreme right wing elements in El Salvador have proved to be a disaster for the administration's policy of nurturing the democratic center. It is time for Congress to begin to exert some control over our policy toward El Salvador and insist on a cease-fire and a negotiated political solution.

An article published in the Council on Hemispheric Affairs' newsletter, the Washington Report on the Hemisphere, accurately points out that the recent suspension of the land reform program is but one of several incidents aimed at undoing the progress made on all social reforms. This article, entitled "The D'Aubuisson Specter," also reveals the true political character of the president of the constituent assembly, Roberto D'Aubuisson, who now sits in the most powerful position in the new government.

Because of the many broken promises made by the rightists, the great number of Christian Democrats killed since the elections, the increases in tenant evictions, and the continued lack of cooperation in resolving the murders of the four American churchwomen, the time has come for Congress to assert itself. We must pay heed to the example set by the Senate Foreign Relations Committee and immediately cut off military aid to El Salvador.

I urge my colleagues to carefully consider the following article, and to support the only sensible alternative: a complete cutoff of aid to El Salvador until true progress in reforms is achieved.

The article follows:

THE D'AUBUISSON SPECTER

The May 18 suspension of the land reform program in El Salvador by the new Constituent Assembly was a rude awakening for many members of Congress. Senators and representatives who initially hailed the March 28 elections as a triumph for Salvadoran democracy are now facing up to the hard reality of the results of the U.S.-sponsored contest—that the already enfeebled Christian Democrats have been relegated to an all but meaningless opposition role, and government power handed over to the murderous Roberto D'Aubuisson and his ARENA party.

The land reform, or what was left of it, has been one of the main reasons why congressional moderates have so far been willing to support the Reagan administration's requests for continued economic and mili-

tary aid. Its suspension was enough to induce the usually docile Senate Foreign Relations Committee to freeze additional military aid to the Salvadoran government. In contrast, just two weeks earlier the House Foreign Affairs Committee approved a 120 percent increase in such aid to the right-wing regime, pointing to the elections as justification for its actions (see WRH, 6/1/82). Citing the large turnout as a "vote for peace" like an irrefutable litany, administration supporters on the committee seemed to ignore the rightist victory, as if the slogan itself had some magical power to conjure away the specter of D'Aubuisson.

No doubt the Salvadoran Assembly will now temporarily reverse itself on the land reform issue, which will enable President Reagan to certify again on July 27 that progress in that area is still being made. But the affair clearly demonstrated the intentions of the new regime, and confirmed the doubts in skeptical congressional quarters that right-wing extremists could suddenly become reformist democrats by virtue of winning an election.

The administration is likely to face other difficulties if it attempts to repeat the certification charade of last January. Local authorities have suspended charges against two wealthy Salvadorans accused of killing land reform director Jose Rudolfo Viera and two U.S. advisers on Jan. 4, 1981, despite the fact that an eyewitness to the murders identified the two as guilty parties (see WRH, 1/26/82). After 17 months of investigation the FBI has been unable to obtain the fingerprints of two of six confessed suspects in the December 1980 killings of four North American churchwomen. Salvadoran authorities have also failed to fingerprint more than a dozen military men known to have been in the area at the time of the killings, and have thereby prevented the FBI from identifying many sets of prints on the burnt-out van from which the foursome was abducted. Yet the President will have to assert that "good faith efforts" are being made to bring the murderers in the two cases to justice.

There are signs that the freeze on land reform is only the first stage in the rightists' program to undo all progressive programs and militarily defeat the guerrilla forces. The military is gearing up for a major offensive in early June to take advantage of the return of an estimated 1,200 troops from U.S. training installations. The government, meanwhile, has clamped down on local human rights information sources, pressuring the Catholic Church to close the Legal Aid office of the Archdiocese of San Salvador on May 13. The director of the Salvadoran Green Cross, a low-profile relief organization which often cleans up after firefights and massacres and helps citizens to locate missing relatives, was kidnapped from his home on May 20 and held for interrogation by the government.

Embarrassed by the emergence of D'Aubuisson as the leading figure in Salvadoran politics, but convinced that any alternative is better than negotiations with the FDR/FMLN opposition front, the State Department has been scrambling to soften his image as a "pathological killer." The task has been made all the more daunting by the growing interest in his violent past being expressed by a concerned Congress Rep. Pete Stark, (D-Calif.), presented a written request on April 28 to Asst. Secretary of State Thomas Enders for divulgence of the State Department's files on D'Aubuisson. After dodging the request for several weeks, the file was finally surrendered on May 26 in a closed briefing between department officials and members of the House Foreign Affairs Committee.

Committee sources said the file contained information on D'Aubuisson's alleged role in the March 1980 assassination of Archbishop Oscar Romero and a March 1981 attack on the U.S. Embassy in San Salvador. The committee also reviewed the circumstances surrounding the revocation of D'Aubuisson's visa to visit the U.S. in 1980. The State Department said at the time that "his activities would be prejudicial to the public interest and are a danger to the welfare and safety of the United States . . . ." The revocation stemmed from an incident on Salvadoran TV, when D'Aubuisson threatened to cut the throat of then-U.S. Charge d'Affaires James Cheek for "leading El Salvador to Communism."

A growing number of Christian Democrats, trade union officials and reform-minded military officers in El Salvador share skepticism that D'Aubuisson will nurture the democratic process. Leaders of the U.S. supported Salvadoran Communal Union who visited Washington urged the Senate Foreign Relations Committee to freeze all military aid to El Salvador in the wake of the suspension of the land reform. An open letter has been circulated in Salvadoran military barracks which calls for a return to the ideals of the October 1979 coup led by Col. Adolfo Majano. Christian Democrats, many of whose party colleagues have been killed since the March 28 elections, according to Salvadoran sources in Washington, appear to be joining a growing movement of Salvadoran moderates who are finding they have more in common with their countrymen in the opposition than with Mr. D'Aubuisson.

The Reagan administration and the Congress are slowly realizing that Salvadoran oligarchs didn't spend a fortune on ARENA's slick U.S. style campaign to exchange one form of Duarte-ism for another. The new regime is committed to returning the country to the status quo ante October 1979.●

LABELING OF IMPORTED MEAT

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. EVANS of Iowa. Mr. Speaker, I am today introducing legislation to amend section 20 of the Federal Meat Inspection Act to require that imported meat and meat food products be labeled at all stages of distribution until preparation for ultimate consumption. The intent of this legislation is to assure that the consumer is fully aware of the source of the meat being consumed in order to make as informed a choice as practical. The legislation does not impose any new restrictions on imports. It simply requires full disclosure of the source of the meat to be purchased prior to preparation for final consumption.

During debate on the Agriculture and Food Act of 1981, the problems encountered with the cleanliness and wholesomeness of imported meat were discussed in detail. Section 1122 of the conference report provides that all imported carcasses, parts of carcasses, meat, and meat food products of cattle, sheep, swine, goats, horses, mules, or other equines, capable of use as human food shall be subject to the same inspection, sanitary, quality, species verification, and residue standards as are applied to similar products in the United States. Any imported meat which does not meet these standards will not be allowed to enter the United States. Moreover, significantly improved sampling and testing procedures are to be put into place to implement these provisions.

I support these new procedures, Mr. Speaker, but I remain concerned about the ability of the Department of Agriculture to make certain that imported meat reaching the American market is clean and free from contaminants which have been banned in this country. Abroad, the United States has only a handful of inspectors to supervise over 1,000 foreign meat plants. It is unrealistic to expect that this number of inspectors and the amount of testing for pesticides and contaminants can be substantially increased to the level I believe necessary to fully protect both the American consumer and producer.

At this point, I believe honesty is the best, if not the only, policy. Tell the buyer whether his beef is imported or domestic—and let the choice be made there. A national meat labeling law will allow consumers to decide if they wish to purchase foreign meat, meat which the USDA has certainly made an effort to certify as wholesome but which has not been subjected to the stringent standards required of meat produced in the United States: systematic inspection of plants and animals, the banning of harmful pesticides and additives, the removal of products from the market, and punishment of fraud and abuse.

In my view, the simplest and most effective way of protecting the efforts of the American livestock producer and the interest of the American consumer is to provide information of the source of the meat and allow the consumer to make a choice. An informed consumer is the best judge and information is the service this legislation is intended to provide.

Mr. Speaker, I include here the text of this legislation:

H.R. 6665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 20 of the Federal Meat Inspection Act (21 U.S.C. 620) is amended by adding at the end thereof the following new subsection:

"(g)(1) All carcasses, parts of carcasses, meat, and meat food products of livestock which is capable of use as human food (or the packages or containers thereof) shall be labeled as 'imported', 'imported in part', or 'may contain imported meat', as appropri-

ate. This paragraph shall not apply if the meat or meat product (or its package or container) is marked and labeled to show the country of origin as required under regulations issued under subsection (a).

"(2) If a person cuts any carcass, part of a carcass, meat, or meat food products into pieces (or breaks its package or container), other than to prepare it for ultimate consumption, and the carcass, part of a carcass, meat, or meat food product (or its package or container) is marked or labeled under paragraph (1), the person shall mark or affix a label to each of the pieces (or to each of the packages or containers into which it is separated) to provide the information which was so provided before it was cut (or broken).●

THE DEATH OF INFANT DOE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. FIELDS. Mr. Speaker, I place in the RECORD an article that requires no comment.

THE DEATH OF INFANT DOE

(By James Bopp, Jr.)

Infant Doe did not have to die. Ordinary medical treatment and care would have allowed Infant Doe the chance to live his life loved by his parents in a home surrounded by loving, caring people.

Infant Doe never had that chance. He was drugged almost from the moment he was born. One cannot help but wonder. . . .

"Did he cry?"

"Did a kind nurse or doctor even place a pacifier in his mouth in an effort to comfort him?"

"Did he know the consolation of being held in someone's arms . . . or did he die alone?"

His mother, whom we may never know, cared for him, felt his movements and had great hopes for him—while he was inside her womb. But when he was born on Good Friday, April 9th, his parents were overwhelmed with grief, guilt, and hopelessness.

The joyously awaited experience turned into one of catastrophy and profound psychological threat. Infant Doe was born with Down's Syndrome, a condition with varying degrees of mental retardation.

But Infant Doe did not die from Down's Syndrome. Infant Doe died because his parents and his doctor refused to feed him and give him fluid to drink. Infant Doe died from starvation and dehydration.

This little baby suffered from a physical defect which sometimes accompanies Down's Syndrome. The esophagus and windpipe were joined. Feeding by mouth was impossible without surgical correction.

This physical defect is routinely repaired at Riley Children's Hospital in Indianapolis, only sixty miles away. Infant Doe could have been fed intravenously and the operation performed within twenty-four hours. This surgery is ordinary medical treatment with a relatively low complication rate. Infant Doe's prognosis was good.

Feeding by mouth was impossible without this surgery. But it was not this physical defect which killed Infant Doe. The parents, offered the choice by their physician between treatment and no treatment, refused medical care for their son.

The attending physician, the hospital, and several state court judges agreed. Infant Doe would receive no medical care, no food and no liquid.

It took six excruciatingly long days for little Infant Doe to die.

But not everyone agreed with this decision to condemn Infant Doe to death by starvation. A pediatrician, Dr. James Shaeffer, consulted by the parents on possible medical treatment, urged that the child's physical defect be repaired.

Any other child born with such a physical defect would have been rushed to surgery. Infant Doe, because he had Down's Syndrome, was not. Because of his handicap, the parents refused treatment and the judge ruled that the parents had the "right to choose" . . . the right to choose to starve their child until he died.

And there were others who did not agree with their choice.

Bob and Shirley Wright tried desperately to adopt Infant Doe. Bobbi, their three-year-old daughter, is afflicted with Down's Syndrome. When she was born, they too were anguished. But Bobbi has provided them with all the joy—and heartache—of any normal child. Bob and Shirley were willing—no, deeply wanted—to adopt this tiny boy so that he too would know the joys—and sorrows—of life.

Barry Brown also did not agree.

As Prosecutor for Monroe County, Indiana, he filed suit to declare that Infant Doe was neglected, the child, by then, having had no food or drink for three days. He urged the court to allow that normal medical treatment and care be afforded Infant Doe. The judge denied this request.

The Indiana Supreme Court, two days later, refused to alter that decision.

Infant Doe had by then been without food and water for five days. Can we be forgiven if we try to blot from our minds the condition of his poor wasted little body?

The Indiana Supreme Court decision now made the unbelievable story public.

Phones began to ring. People throughout Indiana, and the country, were shocked and appalled as the story spread.

Calls to the Indiana Supreme Court expressed outrage. Calls to public officials of all kinds, including the governor, demanded that something be done. Calls to the prosecutor commended his actions and offered to adopt Infant Doe. I, too, was called. Concerned people throughout the state wanted to know what could be done. The reports were still very sketchy and incomplete.

By that time, I had been contacted by the Wrights. "Can we do anything?" They offered to adopt Infant Doe.

Six hours later I filed a petition with the Monroe County judge to appoint the Wrights guardians of Infant Doe. They promised to keep and care for him. Dr. Shaeffer would arrange medical care. The feeding of Infant Doe would begin. The Wrights would adopt him.

The hearing before the judge on the Wrights' petition began at 5:00 P.M. A strained atmosphere enveloped the court as all but the judge, court personnel and lawyers were excluded.

The press—the people's eyes and ears—was ordered out.

The attorney for Infant Doe's parents defended their right to choose starvation for their tiny son. "But why not allow the Wrights to care for Infant Doe—to feed him, give him medical care?"

"Because," said the parents' lawyer, "Infant Doe is now 'in extremis' . . . . There is no reason to change your order, Judge, since Infant Doe will die anyway."

And then the judge denied the Wrights' petition to make Infant Doe their son.

The tiny baby almost died that afternoon, after the judge had refused temporary feeding. Suffering from severe dehydration, pneumonia and weakened by starvation, Infant Doe stopped breathing. But, miraculously, his brave little heart began to beat again, and he resumed breathing.

Now only one chance remained . . . an appeal to the United States Supreme Court.

Even though Infant Doe's life was measured in only hours, the prosecutor prepared his appeal to the nation's highest court. The appeal had to be presented at 9:00 A.M. Friday, when the Supreme Court offices in Washington opened.

But before the attorneys arrived in Washington, D.C., Infant Doe was dead. Without food, drink, or medical care, the little boy had died at 10:03 P.M., only five hours after the Wrights had been denied the opportunity to adopt him as their third child.

The legal system failed Infant Doe.

The parents, consumed by grief and anguish, chose death for their baby. They deserve our pity and sorrow for the burden they will carry.

The physician, however, should not have failed Infant Doe. Non-treatment is not treatment. Infant Doe was his patient. Doctors are trained to cure, not to kill.

Ominously, the courts also failed Infant Doe. Empowered by the Indiana legislature to protect the young and helpless, the courts ordered that no medical treatment or care be given to this helpless baby. The courts are intended to be the ultimate protectors of the neglected and abused. Instead, they refused to act as Infant Doe slowly starved to death.

I am sorrowed by Infant Doe's death to the bottom of my soul. But I must believe that everything has a purpose.

Infant Doe does not have to die in vain. He is the symbol of those we must protect.

Everyone must be entitled to ordinary medical treatment and nourishment. A child must not be killed because he is handicapped.

We must ensure that Infant Doe died so that others, who are now known only to God, will live.

Since writing this, I have learned that Infant Doe cried for four days.

(This letter was part of a correspondence between NRLC President J. C. Willke and the membership of the National Right to Life Committee.)

(James Bopp, Jr., is an attorney in Terre Haute, Indiana, and represented Bob and Shirley Wright in their attempt to adopt Infant Doe. He is also General Counsel for the National Right to Life Committee.)●

STRIKING AT LABOR VIOLENCE

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, freedom to choose has always been the greatest of our freedoms. When a working man or woman is faced with deciding whether or not to join a labor union, it is absolutely necessary to have that choice made in

a climate of freedom. Violence and intimidation of employees or employers has no place whatsoever in a free system.

This is why it is essential to extend protection of the Hobbs Act to legitimate labor union activities, so as to protect all sides in a labor dispute from threats and violence—by placing representatives of management and labor under Federal jurisdiction should they commit acts of violence in a labor dispute.

Recently, the junior Senator from South Dakota, JAMES ABDNOR, summed up my sentiments precisely in his article, "Striking Out at Union Violence" which appeared in the May 1982 Issue Update of the Senate Republican Conference.

I would ask my colleagues to ponder Senator ABDNOR's words with care and then to join me, Mr. Speaker, in cosponsoring this important protection in the House.

STRIKING OUT AT UNION VIOLENCE

(By Senator James Abdnor)

A State legislator in Kentucky—the sponsor of a right-to-work bill—drew quick reaction as a consequence of his legislation.

According to a Williamsburg, Kentucky, newspaper, this solon was warned that he would be "burned out" if his bill was introduced. Shortly thereafter, a restaurant he partially owned was victimized twice in one night by arson, causing $30,000 damage.

The Garland Coal and Mining Company has been hampered for about a year by a United Mine Workers strike at its Poteau, Oklahoma, mines. Violence has been rampant. Last fall, three union negotiators were shot after leaving a union meeting and, this February, the home of the mining company's chief negotiator was damaged by dynamite bombs.

Collective bargaining, since its inception in this country, has done a lot of good for our nation's workers. However, the two aforementioned incidents are only recent contributions to the stigma of extortion, crime, and violence that has followed the rise in power of organized labor in the United States.

And where, one might ask, is the federal government in this growing problem?

The answer is a textbook case of one branch of government taking actions that spite the efforts of another. In 1945, Congress passed a law, the Hobbs Act, that specifically allowed for federal prosecution of extortion and violence affecting interstate commerce, no matter who committed the crime.

However, the Supreme Court, in its 1973 *U.S.* v. *Enmons* ruling, effectively kept the federal government from applying the Hobbs Act to labor disputes. Specifically, the Court said that threats or acts of violence in the pursuit of "legitimate union objectives" should not be prosecuted as Hobbs Act violations.

While there is a need to protect legitimate union activities, I believe the Supreme Court was wrong in its interpretation of the Hobbs Act. It effectively gave all sides of a labor dispute the right to threaten or commit violence without fear of federal prosecution.

That's why I am urging my colleagues to adopt Senate Bill 2189, authorized by Senator Strom Thurmond (R-SC), that would place representatives of labor and management under federal jurisdiction should they commit acts of violence during a labor dispute.

Although this type of legislation has already aroused vocal opposition from organized labor, unions would have no realistic fear of government harassment from this bill.

If there is one thing business and organized labor can agree on, it is the need to keep America the "land of the free." If Congress takes the proper steps, we can go a long way toward maintaining the right to make a fair and honest living without fearing the loss of property or life.●

WOOD ENERGY MONTH

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. ALBOSTA. Mr. Speaker, September 1982 has been declared Wood Energy Month by the Wood Heating Alliance and the American Forestry Association. Along with my distinguished colleagues: Mr. D'AMOURS of New Hampshire, Mr. EMERY of Maine, Mr. FRANK of Massachusetts, Mr. GEJDENSON of Connecticut, Mr. JEFFORDS of Vermont, Mr. MITCHELL of New York, Ms. SNOWE of Maine, and Mr. WEAVER of Oregon, I am pleased to endorse this declaration.

The Wood Energy Month campaign prepared by the sponsoring groups focuses on the safe use of wood-heating appliances and on the preservation of our wood fuel resources. The sponsors have distributed television and radio announcements urging the public to use our wood fuel resources wisely.

A new study entitled "The Critical Link: Energy and National Security in the 1980's" contends that the United States risks its national security as well as its economic future by assuming the oil crisis is over. Written by Charles Ebinger and Richard Kessler of Georgetown University's Center for Strategic and International Studies, the new work argues that it is shortsighted to build a rapid deployment force to help protect foreign oil supplies while neglecting cheaper and simpler steps domestically.

The use of wood for home heating is a major alternative to oil and natural gas. Industry estimates that about 14 million homeowners presently use wood for all or part of their heating needs. But the rate of installation of wood-burning devices has fallen dramatically in the face of the current oil glut and our general economic crisis.

Homeowners have reduced their efforts to seek alternatives to limited fossil fuels. America is going back to sleep, just as we did after the 1973-74 oil crisis ended. That time, as you know, we were rudely reawakened by the sudden disruption of supply in 1979.

We cannot allow ourselves to be fooled yet a third time. Congress has a responsibility to encourage Americans to continue their movement toward inexpensive, available, renewable fuels such as wood for home heating.

The wood fuel appliance industry is suffering a terrible depression. Many firms are going out of business. Research and development on new, more efficient, cleaner burning, and more convenient appliances has been severely cut back.

We cannot let this go on. We must stand up and be counted on behalf of the wood heating alternative. I urge every Member of Congress to personally endorse the campaign for September as Wood Energy Month.●

AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. BEREUTER. Mr. Speaker, although the House has finally given its approval to a budget resolution, even tougher choices still remain for the 97th Congress and succeeding ones. At question is whether we will opt for continued reductions in the Government's role in the economy or not.

As the Norfolk, Nebr., Daily News recently editorialized, the Government's impact on the economy must be reduced to create economic stability in the future. The wise advice of the News should be kept in mind by all of us as we consider the difficult decisions ahead in the budget and appropriations debates.

A second editorial in the News, "Incomes Not Eroded," also offers us some timely analysis of the positive effects of reducing the rate of inflation.

I insert both editorials in the RECORD at this point:

[From the Norfolk (Nebr.) Daily News, June 12, 1982]

HOUSE COMPROMISE AN ENCOURAGING SIGN

President Reagan's long-range lobbying may have helped, but it was more likely the final realization by most members of his party and some conservative Democrats that the time had come to quit arguing and reach a budget compromise. Whatever the reason, the result was a 219-206 vote Thursday in the House of Representatives in favor of a 1983 budget that puts a $765 million limit on spending, but estimates a $99 billion deficit.

It was virtually the same coalition that agreed to the tax cut and spending package last year which provided the winning margin this week. Rejected was a Democratic budget calling for $784 million in spending and projected a $107.4 billion deficit.

That deficit, should it remain less than $100 billion after the Senate's vote and, more importantly, the subsequent budget decisions to be made during the remainder of this legislative session, would be smaller than feared. It is still much too large for

economic stability unless it is the obvious start of a declining trend in deficits.

Of special importance is that in reaching the compromise, major violence was not done to the centerpiece of the economic policies of the president. That is, the schedule of 10 percent tax reductions over this year and the next has not been changed. Revenue is to be boosted by still unspecified means, but the principle of those tax rate reductions scheduled last year was left in place.

That can eventually lead to sustained, stable economic growth.

There is much to be done to make the new budget outline approved by the House conform with the one passed by the Senate which projects a $115.8 billion deficit. The major requirement that a public strained by the effects of a recession ought to impose is that the differences be made up with spending cuts, not tax increases. It is only by adhering to such policies that the dominance of the public sector in the nation's economic life can be reduced. It has been too-little appreciated that this dominance restricts more opportunities than bureaucracy can create by new spending and taxing programs.

If the nation can weather this recession and still adhere to the thrust of the change in political philosophy which was evident in the 1980 election, then the stage will be set for a new era of growth with less Big Brotherism.

[From the Norfolk (Nebr.) Daily News, May 12, 1982]

INCOMES NOT ERODED

For those fortunate enough to be fully employed and for all those on regular pensions or receiving Social Security payments, the economic news is especially good. Inflation has not eroded their incomes by an appreciable amount in the past five months. Calculated annually, the inflation rate during the period was four-tenths of 1 percent.

Of course, inflation rates translate into different costs to each individual and family. Some have to spend more on energy, less on food or shelter. Homes paid for years ago mean low housing costs today, whatever the current rental rates or new home construction costs may be.

But it remains obvious that a 10 percent increase in wages or benefits in 1982, when inflation was running at a 12 percent rate, had relatively little meaning. A 5 percent raise when inflation is at today's rates offers the possibility for more savings and more discretionary spending.

The insidious tax that inflation imposes has been effectively reduced. Some say that a recession is the price of doing so, and that it is much too high to pay. Inflation doesn't mean good times, though. Good fiscal and monetary policies would not find a recession the device for dealing with inflation. Even if it were the "price," however, there would be merit in paying it. Better to have these economic adjustments made now than postponed until that tragic day when dollars would have had to be hauled to the grocery store in wheelbarrows. The fact that inflation has been reduced sharply provides everyone with a tax cut, and it also sets the stage for sound recovery.●

"WIN—WIN FREE TRADE POLICY"

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. SWIFT. Mr. Speaker, I am finding increasing frustration among Americans about trade policies which leave our country on the short end of the stick.

I have always supported free trade policies. I still support free trade policies. I believe most Members of Congress, most American business, and most American citizens support free trade policies. I believe that we understand clearly how trade restrictions, trade barriers, and other inhibitors of free trade work the best long-term interests of against all nations.

Beyond that, I represent a congressional district which depends heavily on exports. Were the United States to adopt a protectionist trade policy, the people in my area would be among the first to be hurt.

However, I strongly share the frustration I sense among those I represent that our free trade policy appears to be only a one-way street.

Robert W. Galvin, chairman and chief executive officer of Motorola, Inc., spoke on June 2 to the Communications Division of the Electronic Industries Association at a conference in Hyannis, Mass. As head of a major American industry concerned with international trade and a genuinely free trade policy in the world, his remarks are important and thought provoking.

Mr. Galvin notes that Japan has a concerted national program to protect and promote certain industries to the point that they dominate individual industries worldwide.

These policies include establishing a thoroughly protected domestic market. This is done, Mr. Galvin suggests, by the Japanese preventing or discouraging foreign investments most of the time, promoting an explicit or implicit buy Japanese policy, by establishing standards and specifications for imports that discourage foreign suppliers, by subsidizing industrial efforts and, thereby, signaling Japanese investors as to what national priorities are to be supported, by using high tariffs to discourage imports, and by employing nontariff barriers. These are certainly not free trade policies and yet, as Mr. Galvin says, "Free trade will (only) be fair trade if an undistorted market makes the decision in both countries over a period of time."

Mr. Galvin also senses that:

A substantial majority of American and European business leaders believe that Japan has protected and publicly supported its industries too much and too long, and have combined to excessively impose their production and unemployment on the rest of us too much and too long, and that they intend to extend these consequences too much and too long, and this can no longer be tolerated.

Mr. Galvin then goes on to list a number of very specific suggestions as to what can be done to reverse this trend in our trade relations with Japan. They are well worth thinking about.

Some will suggest that these are antifree trade proposals. Let me make two points. The first is stated well by Mr. Galvin himself when he says:

When (the Japanese) finally understand, as they clearly do not yet understand, that the net consequences of following the long path that we have been on will be unnaturally and unnecessarily destructive to their largest foreign market, and that we and they cannot tolerate that, they will adjust.

The second point is that there is growing concern in the United States throughout business and industry, among labor unions, and among citizens who believe we are just being played for a patsy. This is building a political climate in which trade restrictions are virtually inevitable. A rational policy which will signal to the Japanese that we will no longer tolerate their playing the game armed with their own restrictive trade policy while all the rest of the industrialized democracies are supporting free trade.

If I could again quote Mr. Galvin:

If some of us don't speak out further to eliminate this engulfing problem (of Japanese protectionism) before it swells into a national revolution, we will not have done justice to the cause of a win—win trade objective.

What it boils down to is simply this: while it may take two to make a fight it only takes one person to start the conflict. The clear record of Japanese protectionism is obviously provocative. If we respond to that provocation Japan can only say, as the little boy did trying to explain a fist fight, "Mama, it all started when he hit me back."

The Japanese must understand that the United States wants a free trade policy. We have been exceedingly tolerant. Our patience is coming to an end. More and more Members of Congress, such as myself, who are advocates of free trade are fed up with being played for fools. We would like to see some indication from the Japanese that they recognize that, at last, the free ride is over and that they have got to come out from behind their protectionist walls and play the game like the rest of us.

Mr. Speaker, I ask unanimous consent to insert in the RECORD the entirety of Mr. Galvin's speech and I commend it to the study of my colleagues.

REMARKS BY ROBERT W. GALVIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, MOTOROLA INC., COMMUNICATIONS DIVISION, ELECTRONIC INDUSTRIES ASSOCIATION, HYANNIS CONFERENCE, JUNE 2, 1982, HYANNIS, MASS.

This conference focuses on the prospects for the communications business of the electronics industry. Those prospects are a function of everything from technology to public policy, and are interrelated with the destiny of the component businesss that serves it and the computer business it serves. My focus is on our country's trade and investment policy on Japan.

A brief Motorola story will set the stage.

Most of you may be aware that our company has gone public with our commitment to win as we meet Japan's challenge. Ads under that headline, "Meeting Japan's Challenge", address our respect for Japanese competitors. They aim also at countering the myth of some inherent Japanese corporate superiority. We publish experiences. Practices and successes as models for and about companies in our U.S. industry. We demonstrate that our company and local industry invest extensively here and in Japan, engineer for the long term, and practice the basics in thorough and progressive ways. We sign off by noting certain leadership, based on quality and productivity, through employee participation in management.

Hopefully, thoughtful observers of our industry. Most particularly those who influence public policy, believe and appreciate that our companies, Individually, are capable, independent risk-takers reaching out to serve our markets' highest expectations and deserving of respect and support.

Yet, as able as are the hundreds of excellent individual electronic companies in our industry, many represented in this room, the challenge that we face from Japan has a special two part dimension beyond the individual competence of most companies.

It is embodied in:

First, a demonstrated willingness and proven capability by Japan to dominate individual industries worldwide. Second, a concerted national program to protect and promote certain industries to the point where such domination has occurred or is potentially and probably the predictable result.

Japan has action programs ordained in law to intensively rationalize and restructure industries, including the defining of facilities to be installed, the sizing of their production scale, the specialization to be assigned among companies, and the legislating of concerted collaboration between corporations under corporate exemptions from their anti-monopoly law.

How many Americans understand or even know of the series of public laws enacted in Japan starting in 1956 and continuing through Public Law 17 in 1971 and Public Law 84 in 1978—those particularly aimed at our industries—that ordain the actions I just lightly touched on? How many understand these and other laws sanction the establishment of cartels, allow the specifying of favored or limiting standards, provide for concessionary loans under conditions allowing for interest and/or even loan forgiveness, collaboration among companies to fix prices on exports, exhorting companies that don't fit the restructuring plan not to play in the game or upset the scheme.

Can you imagine the nightmare of antitrust difficulties we would be in if our American industry members were to conspire in such manners. Including—just to add one more anti-competitive practice—manufacturers in cartels notifying members of their desire to offer a new product and the others being allowed to comment and influence the implementation.

These policies and concerted actions are supported by the interlocking financial structure of government, banks and manufacturers whose socialized method of financing provides funds on such a low risk basis that one can hardly sense the actions of a free market.

The additional structural policies of Japan then essentially oblige that when capacity is staffed it shall be operated, and the output will be disposed of almost irrespective of the immediate cost burden to their society. The rest of the Japanese system is accustomed to support this objective in the interest of exports, and sees each targeting industry through to a successful conclusion.

Remember the early examples of MITI granting import licenses for low cost sugar to exporters who could use the gain from the resale of sugar at artificially high prices in Japan to offset costs. Even losses in their non-related targeted exports, or the allocation of income from bicycle and horse racing in the amount of a half million dollars annually to just one exporting industry? Theirs is a system, to say the least, that is at variance with our market system.

We'll return to those issues momentarily.

Now let's also review other principal policies and practices that the Japanese have employed over the last quarter of a century vis-a-vis many businesses. Including electronics that reveal Japan as a protected society at home.

1. The Japanese have prevented or discouraged foreign investment most of this time. I was particularly intrigued with the so called Ten Commandments on foreign investment they pronounced in the 1967-73 period. In addition to specifying then that only certain industries were allowed foreign investment, and only up to 50 percent of what effectively would be a start up. Two other of the commandments obliged that foreign investors as a whole should avoid concentrating in any particular industry and foreign investors should cooperate with Japanese competitors to avoid excessive competition.—Interesting! It was around this period that the American electronic investors were setting up—successfully incidently—all over the rest of the world. We might have done just as well in Japan if allowed to and if we were fully welcomed;

2. They have explicitly and implicitly practiced "buy Japanese". They have created a national psychology that views imports as a necessary evil to fuel the industrial sector;

3. They used standards and specifications to discourage foreign suppliers;

4. They used subsidies to underwrite certain industrial development efforts and to signal to the Japanese banks what national priorities are to be supported;

5. They used high tariffs and other forms of customs such as uplifts to discourage imports;

6. They employed other non-tariff barriers including quotas whenever the situation warranted.

In summary, Japan has nursed itself to competence in a privileged sanctuary for twenty-five years. Those distortions protected their home market. How have they orchestrated exports?

Japan's success as a world trader is made possible by its protected home base. Japanese firms acquire their basic capabilities in a "hothouse" environment. Where a prescribed form of competition produces a few strong contenders who then move simultaneously and aggressively into world markets. The protected base provides not only large market volumes on which to realize economies of scale, but also buffers the home market against aggressive pricing.

In the area of high technology we see a particularly threatening new phenomenon where subsidized collaboration enables selected major Japanese firms to acquire state-of-the-art technology while each U.S. firm must primarily solve its own problems. The ability of a special few Japanese firms to simultaneously exploit state-of-the-art technologies acquired through means presumed to be anti-competitive in our country constitutes a grave and unnatural threat to U.S. technology industries.

These practices, plus a tax system inherently providing pricing advantage, and cartelization and other concerted actions that cause emplacement of capacity that combines to serve the lion's share of targeted markets here and elsewhere, demonstrate they are prepared to do what is necessary to pursue their national objectives. Whether or not the means are consistent with free market principles or the international trading rules. They have demonstrated that they press those objectives to the point that groups of their companies do, or potentially could, assume dominant market shares here. This is driving American investors away from opportunities they might otherwise chance.

For the United States, the implications of this concerted effort and historical reality cannot be ignored in terms of its current and carry-over effect on the prospects of the American electronics industry and other targeted high technology sectors.

For sure, the Japanese now possess excellent operating capabilities; the marketplace recognizes Japanese technology, manufacturing and quality competences; their people are talented and work well together; the structure of their society and their culture enhances all of the above. But, it cannot be ignored that these capabilities were only nursed by distortions of world trade and investment rules for a quarter of a century. Had the Japanese permitted market-determined investment and trade, they would not have been left alone to have learned all these competences so soon or so well. Now, with the existence of the acknowledged capabilities, there is some relaxation by them of other now less required barriers to imports. And, for their giving in on the latter, there is a suggestion that all is to be forgiven.

One can sense at this point in the speech each of us moving to one or the other side of the issue. Free traders there. Protectionists there. And fair traders, who and where are they? Well, most of us are not all that far apart. Most of us want free trade, and have wanted it for twenty-five years. Free trade will be fair trade if an undistorted market makes the decisions in both countries over a period of time. Americans haven't wanted protectionism on either side in the electronics industry for these twenty-five years. Some of us thought that the U.S. dispensation to Japan in the early years and the fact that their early rationalization laws were claimed to be short term would mean that all that would shortly disappear. But it didn't. Even today, while the targeting strategy continues unabated, most of the

other distortions and/or their effects prevail.

My sense of the situation is that a substantial majority of American and European business leaders believe that Japan has protected and publicly supported its industries too much and too long, and have combined to excessively impose their production and unemployment on the rest of us too much and too long, and that they intend to extend these consequences too much and too long, and this can no longer be tolerated. If defense against such excesses is to be labeled protectionism. So be it.

I believe that a substantial majority of business leaders in our industry and European industry feel that way privately. Some are restrained to acknowledge so publicly, out of concern for multiple relationships. And, of course, any experienced world trader is concerned that raising these questions and seeking effective solutions may stir up a different or greater problem.

All of us understand that point and I will address it further at the conclusion; but let me say here that the continuance of the status quo, where the practices on the other side are so much of an anathema to our system and country, is intolerable if we desire to preserve the American system based on private ownership and individual direction of the means of production with a strong propensity for the market being the determinant of how business is earned by each company on its own.

For the good of our trade and broader relations with Japan, the issue must be clearly faced and resolved.

So, what should we do?

First, the United States should continue to raise to a level of special attention its trade and investment relations with Japan.

Second, the United States should declare the intent and parameters of its policy regarding trade and investment relations with Japan—in a manner that will impress the Japanese with the certainty that policy will be vigorously and consistently implemented—including the following:

The U.S. does not accept that national industrial policies based on non-market mechanisms should enable any country to assume a dominant position in this country's markets. The U.S. believes that all countries benefit from an open competitive environment that permits market forces to determine success or failure. Those who employ industrial policy to subvert such an environment work against their own long-run interests as well as those of their trading partners.

The government will identify the U.S. industries targeted by Japan.

The government will take any necessary steps to ensure that such U.S. industries are not placed at disadvantage in competing with Japanese firms whose competence and resources derive from the means noted above.

Should Japan adopt and implement substantially free market principles, abandon its target industry policy, and assure that U.S. firms can participate in the Japanese market in a significant way. The U.S. could agree, after a reasonable period of time, to revert to its traditional trade policy posture.

As the above formulation implies, the current U.S. policy of primarily pursuing improved or equivalent access to the Japanese market is an insufficient answer to the problem.

Third, we should reexamine the application of certain antitrust defenses which inequitably favor foreign competitors in our market. This may require a rethinking of the act of state and sovereign compulsion doctrines, which shield foreign producers from antitrust liability here if their anticompetitive conduct is ordained by their national government.

Fourth, we must recast U.S. trade laws to:

Make targeting by foreign industrial policies which has produced demonstrable consequences grounds for relief.

Assign to the government affirmative responsibility to ensure that any part of a competent U.S. industry is not crippled or prevented from maintaining its future competitiveness by such unreasonable or unjustifiable trade practices.

Modify regulation and enforcement policies which have made remedies all but unattainable.

Define shorter time periods for implementing provisional actions.

Permit setting of market share ceilings for the country that targets and bases their practices on non-market mechanisms.

Permit fines or other penalties as well as retroactive application of penalties to recover damages to impaired U.S. industries.

Our antidumping laws should be reexamined with the objective of preventing predatory pricing by foreign suppliers' offerings during the introductory and emerging stages of new high technology.

Our countervailing duty laws should be reexamined with the objective of assuring that the full benefits of foreign subsidies are actionable.

Fifth, the U.S. Government should establish a strong surveillance capability to monitor Japanese and other foreign industrial policies aimed at competitive U.S. industries. The results of such monitoring and analysis of the implications for U.S. industries should be reported regularly to the Congress. The government should initiate actions on its own in cases where there is a significant threat to a U.S. industry.

Finally, the U.S. Government should bring a complaint or series of complaints under appropriate provisions of the GATT against the actions, policies and practices of the Japanese Government that nullify or impair GATT agreements or otherwise are inconsistent with such agreements. The European Community has recently begun such a proceeding. The United States should do so also.

This description of the problem and this prescription for solution is admittedly vigorous; but the trade problem that exists is already of a grand scale and predictably will worsen. We have been tiptoeing around this problem, seeking to resolve it with partial measures at best, and ineffective ones at worst.

I regret having to be one who feels compelled to step forth and risk proposing a vigorous program. Hopefully by doing so, it will allow for all of us to deal with the issue in its full dimensions. I invite my associates in industry to join the issue publicly and hopefully support change.

Inescapably, each of us at first will examine this issue from our legitimate positions of self-interest. There will be those who believe as a matter of free trade ideal that no proposal should be considered. As much as some people may privately hope for a vigorous solution, there will be the special problems of those with investments or sourcing or resale arrangements, who believe that they can benefit at least temporarily from a retention of the status quo. Others may presume that the trade distortions will somehow not touch them. But anyone in the electronics industry who does not think that the bell tolls for them is ignoring the obvious. They, and their suppliers and customers, are all caught in this storm.

But, will enacting these proposals lead to a chain of retaliatory moves elsewhere? I strongly doubt it. One's intuition may suggest that, but in this instance, the counterintuitive is more likely. The rest of the world, as do we, sees the Japan problem as special and serious. Many in that rest of the world—certainly the other developed industrial nations—have already positioned themselves more realistically vis-a-vis Japan. They will note our specific bilateral focus. Ours is likely to be judged a salutory and long overdue action that does not and need not affect significantly other trade relations.

Will the Japanese react? I presume so. But, mostly and eventually I believe they will settle in favorably. When they finally understand, as they clearly do not yet understand, that the net consequences of following the long path we have been on will be unnaturally and unnecessarily destructive to their largest foreign market, and that we and they cannot tolerate that, they will adjust.

I must say we're betting on that, as our company has been and intends to continue to invest our private means there and here to earn further the right to serve a fair share of the Japan market. As well as to retain, as we will, a healthy, privately earned share of our home market. I presume that initially some of our customers there will wonder if these proposals are the statements of a friend. I respectfully suggest they are. For if some of us don't speak out further to eliminate this engulfing problem before it swells into a national revulsion, we will not have done justice to the cause of a win-win trade objective.

In the ad campaign I described in my opening, Motorola speaks of winning as we meet the Japanese challenge. But, as we have amplified to Japan's press, we mean—being successful standing toe-to-toe with any Japanese competitor. We don't mean—"we win. You lose".

Both parties must win—remain viable—remain strong. As a matter of fact, at one and the same time we must be customers, suppliers, licensors, licensees, competitors to each other. Among developed industrial nations that means that each must remain viable and strong. Neither party can trade away or lose its industrial sector for some other.

Japan and the United States must have a win-win, non-dominated, profitable and balanced industrial trade and investment relationship. Serious consideration and implementation of these or similar proposals are essential to restoring confidence in achieving that objective.●

OPPOSITION TO NUCLEAR FREEZE RESOLUTIONS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. LAGOMARSINO. Mr. Speaker, the following is a statement I made in the Foreign Affairs Committee on the question of a nuclear freeze:

A freeze on the production, testing and deployment of nuclear arms would not promote stability or reduce the risk of war. A freeze at current levels would leave the United States in a position of military disadvantage and would prevent us from taking the steps to correct that imbalance.

I daresay that none of my colleagues who have seen the secret Department of Intelligence briefing on the U.S.S.R. vis-a-vis the United States with regard to nuclear and nonnuclear positions would disagree with my statement.

It would give the Soviets little reason to negotiate actual reductions in their nuclear forces. Furthermore, certain elements of the proposal for the freeze would be virtually impossible to verify, leaving us unable to confirm Soviet compliance with the freeze.

My own personal experience in discussions with the Soviets leaves me skeptical about their sincerity in arms reductions. When I visited the Soviet Union in August 1979, I met with members of the Presidium of the Supreme Soviet. I raised the question as to what the Soviets were going to do to reciprocate for the United States having canceled, under President Carter, the B-1 bomber and development of the neutron bomb, having delayed deployment of the Trident II missiles and having canceled an atomic-powered aircraft carrier. I got no immediate response to my question; but later, one of the Soviets stated that the Soviet Union does not believe in "unilateral disarmament." If the Soviets do not intend to reciprocate for those American arms restraint initiatives, then the United States must neither freeze our military capability at an inferior level nor find ourselves negotiating arms reductions from a position of weakness.

You also have to wonder about the Soviets' sincerity on arms control and disarmament when you compare the reactions of our two governments to peace demonstrations. As you know, some 500,000 people demonstrated in New York last Saturday without incident and without interference from our Government, neither local nor federal. In contrast, however, 10 members of the Soviet's 11-member peace movement got thrown in jail for their activities in Moscow.

When Australian Prime Minister Fraser was in the United States in May, he delivered a speech to the Foreign Policy Association in New York on the importance of the Western alliance. Prime Minister Fraser strongly praised President Reagan's initiative in calling for arms reduction talks with the Soviets, but he also emphasized the West should make a serious effort in strengthening its conventional forces in order to reduce the Soviet advantage and to reduce their temptation to exploit that advantage. Prime Minister Fraser added, "It seems to me that it is not unilateral disarmament but such a combination of increased effort in the conventional arms field and serious engagement in nuclear arms control negotiations which offers the best means of reducing the risk of nuclear war."

Prime Minister Fraser also referred to the example of the 1930's and 1940's when there were those who proclaimed a "peace movement" but who ignored the fact that no one wants war. The argument is only between differing views of how peace can best be preserved, and preserved with a respect for human freedom and dignity. Prime Minister Fraser quotes Walter Lippmann, who wrote, in 1943, a commentary called "The Vicious Circle of Pacifism," which bears repeating today:

"In the name of peace, the nation is made weak and unwilling to defend its vital interests. Confronted with the menace of superior force, it then surrenders its vital interests. The pacifist statesmen justify their surrender on the ground, first, that peace is always preferable to war, and second, that because the nation wants peace so much, it is not prepared to wage war. Finally, with its back to the wall, the pacifist nation has to fight nevertheless. But then it fights against a strategically superior enemy; it fights with its own armaments insufficient and with its alliances shattered. . . . The generation which most sincerely and elaborately declared that peace is the supreme end of foreign policy, got not peace, but a most devastating war."

There are two things that concern me about the current antinuclear campaign. One, if the American public should be convinced that nothing is worth the risk of nuclear war, then we would be leaving ourselves open to Soviet nuclear blackmail. Two, if fears about nuclear weapons are translated into a refusal to upgrade and protect our own nuclear weapons from a Soviet strike, we leave ourselves even more vulnerable to a potential Soviet strike.●

DAYTON AND BICYCLING

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. HALL of Ohio. Mr. Speaker, few cities in the Nation can claim a closer involvement with the bicycle than Dayton, Ohio, within my district. That relationship continues this year when the League of American Wheelmen, the national association of bicyclists, holds its annual convention there on July 1 through July 5.

From the beginning of the bicycle's modern history, Daytonians have been building bikes and encouraging their use. When bicycles first became popular in the 1890's, Dayton was an important manufacturing center. Therefore, it was natural that the city became a major producer of bicycles.

Two important bicycle makers of this era later gained fame for another form of transportation: Wilbur and Orville Wright. They manufactured at least two models, both named after early Dayton settlers. Eventually, the brothers gave up their business to build airplanes.

Another company of this period built the "Dayton" bicycle, one of the highest quality bikes of the time. That company later evolved into the Huffy Corp., which today is the largest manufacturer of bicycles in the world.

In 1964, the Miami Valley Regional Bicycle Committee was formed to promote the development of cycling in the Dayton area. The committee, sponsored by the Dayton Area Chamber of Commerce, is nationally known for its successful programs, and its annual bike-a-thon has served as a role model for bike groups all over the country.

Dayton is home to one of the Nation's largest bicycle touring and racing groups, the Dayton Cycling Club, with over 600 members. The city also boasts a chapter of the Wheelmen, an organizaiton dedicated to the restoration and preservation of antique bicycles.

Dayton's River Corridor Bikeway is an outstanding bicycle path stretching more than 24 miles along the scenic Great Miami River. It links downtown with residential areas, parks, meadows, and historic centers.

This year's recipient of the League of American Wheelmen's honored Paul Dudley White Award goes to Dayton native Horace M. Huffman, Jr., grandson of Huffy's founder. Huffman has been termed "the bicycle advocate's advocate" for his leadership role in local and national bicycling organizations.

Dayton can be proud of its many connections with bicycling. Cycling is one of the greatest forms of physical exercise and it is fun for all ages. As an alternative form of transportation, bicycling is energy efficient, quiet, and pollution free.

Here's to many more years of bicycling in Dayton.●

A GRASSROOTS RESPONSE TO AN ECONOMIC SURVEY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. YOUNG of Florida. Mr. Speaker, last month I mailed a questionnaire concerning the economy to each household in the Sixth Congressional District of Pinellas County, Fla., and received an overwhelming response from more than 42,000 constituents who provided me with their views and suggestions.

While this is in no way a scientific survey done by political analysts, the fact is that any time 42,000 people take the time to respond to a request for information, it provides a tremendous grassroots poll that is invaluable in helping me better represent the people I was elected to serve.

Each of the responses to my questionnaire was hand tallied and the results overwhelmingly indicate that the people of Pinellas County strongly believe the Federal budget must be balanced, as 70.4 percent of the respondents said they would support a constitutional amendment requiring a balanced budget. When asked to rate the importance of a balanced Federal budget on a scale of 1 to 10, more than half answered with a 10, saying balanced budget should be our top priority.

It was also very obvious from the return that while my constituents support a balanced budget, they do not believe it should be accomplished through increased taxes. Although 76.5 percent said they would support increased taxes on cigarettes and liquor, 56 percent said they would not support higher gas taxes and 55.7 percent said they would not support increased taxes in general. Instead, they indicated their belief that a balanced budget should be achieved through reductions in Federal spending. For instance, 87.4 percent said they would support reductions in foreign aid programs, 66.7 percent said they would support reductions in spending for social programs, and 51.5 percent said they would support reductions in national defense programs.

It is very interesting to note that on the question of limiting or delaying cost-of-living increases for social security and other retirement programs, the response was evenly divided, as 49.1 percent said they do not support limited or delayed COLA's, while 47.9 percent said they support such limits.

Because I am concerned that the budgetary changes of the past year may have caused unanticipated hardships, I specifically asked how many had personally been adversely affected by the program, and found that 32.8 percent indicated they had been affected. To follow-up on this response, I have been contacting those people who said they were adversely affected to acquire more details about their individual situations to see if they are truly related to the economic recovery program and also to provide assistance when I can to those needing my help.

An interesting note to my findings is that half of those people who said they were adversely affected by the recent economic program also said that President Reagan's program for economic recovery should be given a chance to work, as did 71.8 percent of all those who answered the questionnaire.

Mr. Speaker, the overwhelming response to my questionnaire is further proof that the people of Pinellas County are among the most informed citizens in our Nation, and I want to publicly thank each of the more than 42,000 people who responded to the poll as well as my constituents who helped me tally the results. Since I believe the results of my questionnaire reflect the attitude of Americans throughout our country, I am including the results of my poll in the RECORD for the benefit of my colleagues.

QUESTIONNAIRE RESULTS

	Yes	Percent	No	Percent	No opinion	Percent
1. Would you support a constitutional amendment to require a balanced Federal budget?	28,218	70.4	9,238	23.1	2,618	6.5
2. To help balance the budget, would you support increased taxes?	15,994	38.7	23,040	55.7	2,341	5.7
3. Some have suggested an increased gas tax to be used to either help reduce the deficit or accelerate highway construction and maintenance. Would you support such a tax?	16,090	39.1	22,995	56.0	1,993	4.9
4. Would you support increased taxes on cigarettes and liquor?	32,280	76.5	9,091	21.6	831	1.9
5. Would you support reductions in spending for social programs?	28,065	66.7	12,276	29.2	1,767	4.2
6. Would you support reductions in national defense programs?	21,244	51.5	17,925	43.5	2,054	5.0
7. Would you support limiting or delaying the annual cost-of-living increase for social security and other retirement programs?	19,235	47.9	19,721	49.1	1,187	3.0
8. Would you support reductions in foreign aid programs?	36,554	87.4	4,366	10.4	914	2.2
9. Have you personally been adversely affected by the President's "Program For Economic Recovery"?	13,153	32.8	25,268	63.0	1,685	4.2
10. Would you support the statement, "Give the President's economic program a chance to work?	29,001	71.8	9,292	23.0	2,113	5.2

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SOUTH BAY OBSERVES JEWISH EDUCATION DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. ANDERSON. Mr. Speaker, on Sunday, June 27, 1982, the South Bay will observe "Jewish Education Day." This will be a time when the entire Long Beach-South Bay community will be able to get acquainted with the Jewish community and, in particular, the Jewish educational facilities available in the area.

Chabad of South Bay, a nonprofit education organization dedicated to preserving and increasing the progressive knowledge and development of the Jewish heritage and traditions, and the Spectrum Chemical Manufacturing Corp., of Gardena, Calif., are sponsoring the all-day program.

Of especial interest and importance to the community is the ground breaking and dedication of the new "Paul and Rodica Burg Jewish Learning Center." This modern and progressive educational facility will be completed in mid-September. It will provide the South Bay with a center where young and old can learn together. We can be proud that our community will have such an excellent learning center. I especially want to commend Rabbi Hecht, the director of Chabad of South Bay, and Mr. Paul Burg, the president of Spectrum Chemical Manufacturing Corp., for their dedication to the Jewish community. Their efforts are appreciated by us all in the South Bay area.●

THE RETIREMENT OF COL. THOMAS S. SMITH

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. HOYER. Mr. Speaker, on July 1 of this year, the State of Maryland will lose one of its most outstanding law enforcement officers, Col. Thomas S. Smith, superintendent of the Maryland State Police.

Maryland has been ably served by Colonel Smith's leadership since his appointment in 1970 to superintendent by then Gov. Marvin Mandel. Colonel Smith has the distinction of having been the first career trooper in the State to attain the rank of superintendent. He began service as a trooper in December 1940. Two years later, he joined the investigation and identification bureau as a criminal investigator.

One of the highlights of his 42-year career was his appointment to the U.S. Senate's Kefauver Committee on Organized Crime in 1951. His outstanding work in attempting to rid the State of organized crime resulted in promotion to captain and commander of a special State Police intelligence unit in 1962. Three years later, he was to become major in charge of the investigation and intelligence divisions. At the time of his appointment to superintendent by the Governor, he was completing his second year as lieutenant colonel and chief of operations, heading up all Maryland State Police field forces.

Mr. Speaker, Colonel Smith has contributed exceptional talents to the people of Maryland and the State Police as its superintendent. Projects he has been involved with include the creation of a special narcotics strike force, upgrading of the State Police crime laboratory, and coordination of "sting" operations with Federal authorities.

The State of Maryland has a very fine "Medevac" team—State Police helicopters which provide emergency evacuation of critically injured persons to the shock trauma unit at Baltimore's University Hospital. This, too, was an effort spearheaded by Colonel Smith, serving as one of his first major projects upon investiture as superintendent. Two very special elite corps in the police were established during his tenure—the hostage negotiation unit and the special tactic assault team.

The State of Maryland has seen 100 fewer traffic fatalities this year as compared to the same period last year,

thanks to the colonel's direction of a special statewide crackdown on drunk driving. This is a fine example of how Colonel Smith combined his concern for the well-being of the community with the abilities and expertise of the State Police force.

Although we in the State of Maryland will sorely miss the exemplary work that Colonel Smith performed for the State, we wish him well. As he completes his 42d year of outstanding service, we know that Colonel Smith and his wife, Ginnie, will enjoy this most deserved retirement.●

A STEP TOWARD ENDING THE NUCLEAR ARMS THREAT

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. BONKER. Mr. Speaker, today the House Foreign Affairs Committee took a significant step toward the global peace by adopting the Bingham amendment calling on the world's nuclear powers to pursue a "complete halt to the nuclear arms race."

As a member of the committee and cosponsor of the resolution, I was pleased to cast my vote in favor of the resolution and will actively support its adoption on the House floor.

The resolution calls for a mutual, verifiable freeze and negotiated reductions as the best way to manifest our concerns about the impending threat of nuclear holocaust.

Specifically, the new Bingham resolution states:

That the United States and the Soviet Union should immediately begin the strategic arms reduction talks (START) and that these talks should have the following objectives:

(1) Pursuing a complete halt to the nuclear arms race;

(2) Deciding when and how to achieve a mutual verifiable freeze on the testing, production, and further deployment of warheads, missiles, and other delivery systems;

(3) Giving special attention to destabilizing weapons whose deployment would make such a freeze more difficult to achieve;

(4) Proceeding from this mutual and verifiable freeze, pursuing substantial, equitable, and verifiable reductions through numerical ceilings, annual percentages, or any other equally effective and verifiable means of strengthening strategic stability;

(5) Preserving present limitations and controls on current nuclear weapons and nuclear delivery systems;

(6) Incorporating ongoing negotiations in Geneva on land-based, intermediate-range nuclear missiles into the START negotiations.

The resolution may not have the force of law, but I believe it will help promote the earnest negotiations which are the only means of restricting and reducing burgeoning nuclear stockpiles.

No one can really estimate exactly who is ahead in the nuclear arms race, yet it appears there is a rough equivalence between the super powers, each with a destructive capability to annihilate the other side. The United States has the edge in warheads, accuracy, and, I believe, in invulnerable counterstrike weapons—for example, nuclear submarines—the Soviets have larger missiles and more megatons.

But all the talk about megatons, throw-weights, and missiles obscures the basic object of our nuclear force—to deter nuclear war.

The only alleged justification for nuclear weapons is to prevent their use by the other side. The administration has consistently used this rationale to promote the buildup of our nuclear capability while it pursues the destabilizing and dangerous path of nuclear superiority. As Senator MARK HATFIELD said, "Striving for nuclear superiority is a fraud that has lead this Nation to the edge of an abyss. * * * The Apocalypse is upon us."

Rough equivalence is sufficient; there is nothing to be gained from an attempt to match or exceed the Soviet missile for missile, megaton for megaton.

Once we have an adequate nuclear deterrent force, anything more wastes tax dollars, undermines stability and leads to another senseless round in the arms race. In the words of Winston Churchill, additional nuclear overkill would "only make the rubble bounce," in the event of nuclear war.

A former U.S. President and four-star general, Dwight D. Eisenhower, who understood something about security, said that "money spent for bombs where people are hungry is a threat to national security."

We also cannot ignore the enormous cost of supporting a nuclear arms program at a time when deficit spending is keeping interest rates high and inhibiting economic recovery. Whether it is an MX, missile silos, Trident submarines, or strategic bombers, the arms race is expensive. Incredibly, excluding social security and interest on the Federal debt, military spending comprised fully 50 percent of the President Reagan's original 1983 budget.

In backward logic of strategic nuclear weapons, more is not better. If we move ahead with the new generation of nuclear weapons—the MX, B-1, Pershing missile, and so forth—we will spend hundreds of billions of dollars and, ironically, be less secure than we are today.

Arms control negotiations are the only way to halt this madness. House Joint Resolution 521 is the best way to stimulate meaningful negotiations.

Finally, the movement behind the nuclear freeze and reduction proposal is the product of the public's cry for Congress and our Government to do something about the arms race. In local communities across the Nation, people are saying that enough is enough. They have come to the realistic view that the problem of the arms race is not who is ahead of whom is a particular weapons system; the problem with the arms race is the arms race.

The support for the freeze movement is truly impressive. To date 385 communities in New England and 125 city councils around the country have adopted resolutions. In Washington, the State capital, Olympia, has voted to place a nuclear freeze measure on the ballot and the referendum is being considered by other communities as well.

Congress would be negligent if it did not hear this outpouring of public concern and sentiment. The time has come for us to act. House Joint Resolution 521, which is printed below, is a timely and important expression of the House of Representatives.

H.J. RES. 521

Joint resolution calling for a mutual and verifiable freeze on the reductions in nuclear weapons and for approval of the SALT II agreement

Whereas the greatest challenge facing the Earth is to prevent the occurrence of nuclear war by accident or design;

Whereas the increasing stockpiles of nuclear weapons and nuclear delivery systems by both the United States and the Soviet Union have not strengthened international peace and security but in fact enhance the prospect for mutual destruction;

Whereas on May 9, 1982, President Reagan announced that he had written to Soviet President Brezhnev to propose negotiations to achieve an agreement that significantly reduces the number of nuclear weapons, enhances stability, and opens the way to even more far-reaching steps in the future;

Whereas the SALT II agreement mandates the prompt reduction of Soviet strategic forces by 254 deployable strategic nuclear delivery vehicles; imposes significant restrictions on Soviet multiple-warhead deployable intercontinental ballistic missiles, and on warheads for these missiles, in terms of numbers and throw-weight; prohibits equipment for rapid reload of intercontinental ballistic missile silos; and in these and other verifiable respects improves the ability of the United States strategic forces to carry out their deterrent mission;

Whereas the United States and the Soviet Union have observed the SALT II agreement since its signing;

Whereas adequate verification of compliance has always been an indispensable part of any international arms control agreement, and

Whereas a mutual and verifiable freeze followed by reductions in nuclear weapons and nuclear delivery systems would greatly reduce the risk of nuclear war: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States and the Soviet Union should immediately begin the strategic arms reduction talks (START) and those talks should have the following objectives:

(1) Pursuing a complete halt to the nuclear arms race.

(2) Deciding when and how to achieve a mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems.

(3) Giving special attention to destabilizing weapons whose deployment would make such a freeze more difficult to achieve.

(4) Proceeding from this mutual and verifiable freeze, pursuing substantial, equitable, and verifiable reductions through numerical ceilings, annual percentages, or any other equally effective and verifiable means of strengthening strategic stability.

(5) Preserving present limitations and controls on current nuclear weapons and nuclear delivery systems.

(6) Incorporating ongoing negotiations in Geneva on land-based intermediate-range nuclear missiles into the START negotiations.

In those negotiations, the United States shall make every effort to reach a common position with our North Atlantic Treaty Organization allies on any element of an agreement which would be inconsistent with existing United States commitments to those allies.

SEC. 2. The United States shall promptly approve the SALT II agreement provided adequate verification capabilities are maintained.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 24, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 25

9:30 a.m.
Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the Congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

10:00 a.m.
Judiciary
Security and Terrorism Subcommittee
To continue hearings to review U.S. Attorney General's guidelines on domestic security investigations.
2228 Dirksen Building

2:00 p.m.
Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

JUNE 28

9:30 a.m.
Finance
Business meeting, to resume consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

10:00 a.m.
Energy and Natural Resources
To hold hearings on the nomination of Arthur J. Dellinger, Sr., of California, to be Deputy Inspector General of the Department of Energy.
3110 Dirksen Building

Judiciary
To hold hearings on S. 1256, regulating interstate commerce by protecting the rights of consumers, dealers and end-users.
2228 Dirksen Building

2:00 p.m.
Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Buidling

JUNE 29

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on the national materials and minerals program plan and report to Congress issued by the President on April 5, 1982.
3110 Dirksen Building

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the Congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

Labor and Human Resources
Business meeting, to consider the nominations of William L. Earl, of Florida, Harold R. DeMoss, Jr., of Texas, Clarence V. McKee, of the District of Columbia, Howard H. Dana, Jr., of Maine, William J. Olson, of Virginia, George E. Paras, of California, Robert S. Stubbs II, of Georgia, William F. Harvey, of Indiana, and Annie L. Slaughter, of Missouri, each to be a Member of the Board of Directors of the Legal Services Corporation.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Foreign Relations
To hold hearings on S. 1482, providing a procedure for determining whether a plan for the Federal Government to participate in an international exposition should include construction of a Federal pavillion.
4221 Dirksen Building

Governmental Affairs
To hold oversight hearings on the use of competition in the procurement process of the Department of Defense.
3302 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

11:00 a.m.
Foreign Relations
Business meeting, to consider the nominations of Robert J. Hughes, of Massachusetts, to be an Associate Director of the International Communication Agency, James B. Burnham, of Pennsylvania, to be U.S. Executive Director of the International Bank for Reconstruction and Development, and George Q. Lumsden, Jr., of Maryland, to be Ambassador to the United Arab Emirates, S. Con. Res. 93, urging the Government of the Soviet Union to facilitate the emigration of certain Soviet citizens, proposed Convention with Mexico for the Recovery and Return of Stolen or Embezzled Vehicles and Aircraft (Treaty Doc. No. 97-18), and other pending calendar business.
4221 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fisal year 1983 for foreign assistance programs, focusing on El Salvador.
1114 Dirksen Building

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the Congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

JUNE 30

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 2631, creating a uniform Federal product liability law.
235 Russell Building

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the Congressional budget for fiscal year ending September 30, 1982.
2221, Dirksen Building

Rules and Administration
Business meeting, to consider the nominations of Joan D. Aikens, of Pennsylvania, Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a Member of the Federal Election Commission, and a proposed resolution of regulations and/or rules changes needed to implement television and/or radio coverage of the Senate.
301 Russell Building

Select on Indian Affairs
To hold oversight hearings on indirect cost and contract provisions of the Indian Self-Determination and Education Assistance Act (P.L. 93-638).
5110 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
To hold hearings on the Boulder decision, relating to potential antitrust liabilities for local governments.
2228 Dirksen Building

Veterans' Affairs
To hold oversight hearings to examine certain health care services provided to older veterans.
412 Russell Building

2:00 p.m.
Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

JULY 1

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2631, creating a uniform Federal product liability law.
235 Russell Building

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

10:00 a.m.
Foreign Relations
To hold hearings on S. 1853, authorizing funds for fiscal years 1982 and 1983 for Radio Broadcasting to Cuba, Incorporated.
4221 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 2325, authorizing funds for Federal vocational and adult education programs, and to provide for State and local occupational assistance programs.
4232 Dirksen Building

2:00 p.m.
Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

JULY 2

9:30 a.m.
Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

2:00 p.m.
Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by S. Con. Res. 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

JULY 13

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 2378, increasing the rates of disability compensation for disabled veterans, increasing the rates of dependency and indemnity compensation for surviving spouses and children of veterans, discontinuing duplicative payments to certain veterans, increasing the level of disability required for the payment of dependent's allowances, and providing for cost-saving improvements in veterans' programs.
412 Russell Building

Select on Indian Affairs
To hold hearings on S. 1795, providing for the transfer of certain lands in Arizona between the Hopi and Navajo Indian Tribes.
457 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

2:00 p.m.
Foreign Relations
East Asian and Pacific Affairs Subcommittee
To resume hearings in open and closed session to examine political, economic, and military interest in Southeast Asia.
S-116, Capitol

JULY 14

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2204, promoting interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts.
235 Russell Building

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 2294, providing for the settlement of certain land claims of the Chitimacha Indian Tribe of Louisiana.
6226 Dirksen Building

10:00 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
Employment and Productivity Subcommittee
To hold joint hearings to review employee assistance programs for alcohol and drug abuse problems.
4232 Dirksen Building

JULY 15

10:00 a.m.
Labor and Human Resources
Investigations Subcommittee
To hold hearings to review Federal and State expenditures for the purchase of vaccines for children.
4232 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
Business meeting, to mark up S. 1541, amending the Employee Retirement Income Security Act (ERISA) by simplifying both reporting and disclosure requirements, and the process for employers to provide retirement income to employees, and providing incentives for employers to provide pension benefits to employees.
4232 Dirksen Building

10:00 a.m.
Environment and Public works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

JULY 21

9:30 a.m.
Labor and Human Resources
Labor Subcommitteee
Business meeting, to continue markup of S. 1541, amending the Employee Retirement Income Security Act (ERISA) by simplifying both reporting and disclosure requirements, and the process for employers to provide retirement income to employees, and

providing incentives for employers to provide pension benefits to employees.
4232 Dirksen Building

Select on Indian Affairs
To hold hearings on H.R. 3731, relating to the use of distribution of certain judgment funds awarded by the Indian Claims Commission or the U.S. Court of Claims.
6226 Dirksen Building

10:00 a.m.
Environment and Public Works
Environment Pollution Subcommittee
To hold hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

JULY 22

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 2500, reducing conflicts in the licensing of hydroelectric powerplants and expediting the development of and simplifying the regulation of hydroelectric powerplants.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

JULY 27

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market, focusing on foreign coal ports and the international transportation of coal.
3110 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

JULY 28

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings to discuss alternative means of providing legal services to the poor.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on proposed legislation clarifying certain U.S. Code provisions relating to veterans' employment programs.
412 Russell Building

Select on Indian Affairs
To hold hearings on S. 2153, providing for the distribution of funds awarded the confederated tribes of the Warm Springs Indian Reservation in Oregon by the Indian Claims Commission.
6226 Dirksen Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

2:00 p.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

JULY 29

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on America's role in the world coal export market, focusing on the condition of U.S. coal ports.
3110 Dirksen Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

AUGUST 4

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1405, proposed Carl Albert Congressional Research and Studies Center Endowment Act.
4232 Dirksen Building

AUGUST 5

10:00 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the effects of alcohol and drugs on individuals while driving.
4232 Dirksen Building

AUGUST 11

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 1652, restoring certain lands in Arizona to the Colorado River Indian Reservation to be held in trust by the U.S., S. 2418, permitting the Twentynine Palms Band of Luisena Mission Indians to lease certain trust lands for 99 years, S. 1799 and H.R. 4364, bills providing for the transfer of certain land in Pima County, Arizona to the Pascua Yaqui Indian Tribe, and the substance of H.R. 5916, providing for certain Federal lands to be held in trust for the Ramah Band of the Navajo Indian Tribe.
6226 Dirksen Building

AUGUST 12

9:30 a.m.
Veterans' Affairs
Business meeting, to mark up S. 2378, proposed Veterans' Disability Compensation and Survivors' Benefits Amendments, and proposed legislation clarifying certain U.S. Code provisions relating to veterans' employment programs.
412 Russell Building

SEPTEMBER 21

10:30 a.m.
Veterans' Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

CANCELLATIONS

JUNE 24

9:30 a.m.
Judiciary
Agency Administration Subcommittee
Business meeting, to resume markup of S. 1775, making the Federal Government liable for tort claims and generally the exclusive defendant in all tort suits involving Government employees acting within the scope of their employment.
457 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

SENATE—*Thursday, June 24, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Loving, patient, Father in Heaven, our Nation is in deep trouble. Responsibility for the remedy rests with the present Government. If those who are now in Congress and the White House do not get it together, there is certainly no alternative.

Eternal God, our Founding Fathers laid their lives, their fortunes, and their sacred honor on the line at tremendous risk. And many of them paid the ultimate price for their commitment, but they gave us the greatest Republic in history. Surely, present leadership can do no less.

Grant Heavenly Father, to the President and the Congress, the will, at whatever cost, to respond heroically to the present crisis. Give them courage, wisdom, and strength commensurate to the task and free them from fear of the consequences. In the name of Him who made the ultimate sacrifice for us all. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. GARN. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there are special orders this morning, are there not, for four Senators to be recognized?

The PRESIDENT pro tempore. The majority leader is correct.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the execution of the special orders there be a brief period for the transaction of routine morning business to extend not longer than 30 minutes in length in which Senators may speak for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

URGENT SUPPLEMENTAL APPROPRIATIONS

Mr. BAKER. Mr. President, may I say for the benefit of Senators that it is my expectation that today we will have to deal either with a veto message on the urgent supplemental appropriations bill transmitted this morning from the President of the United States or, in the event the veto is sustained in the House of Representatives, certainly we will have to deal with another supplemental appropriations bill, if and when it is received from the House of Representatives.

I believe there is an order already entered authorizing the leadership to proceed to the consideration of such a supplemental if and when it is received; is that not the case?

The PRESIDENT pro tempore. The majority leader is correct.

Mr. BAKER. I thank the Chair.

Now, Mr. President, what we have then is essentially a requirement that we await further developments. I have talked to the President this morning. It is my understanding that he has talked to the distinguished Senator from Utah (Mr. GARN) and the distinguished Senator from Louisiana (Mr. LUGAR) and others indicating his intention to veto the bill. I would speculate that it has been vetoed by now and the message will shortly reach the House of Representatives.

So, Mr. President, the question is, What can the Senate do, how shall it invest its time between now and the time it must act either on the veto message or on another supplemental?

TOBACCO BILL

I have indicated to the distinguished Senator from North Carolina (Mr. HELMS), the Senator from Kentucky (Mr. HUDDLESTON), and the distinguished Senator from Missouri (Mr. EAGLETON) that, for various reasons, which I will not elaborate at this time, if the Agriculture Committee were to report a tobacco bill to comply with the mandate of the Congress for a noncost program or if it could be reached in some other practical way, I should like to go to that measure today and debate it until we have another supplemental appropriations bill or a veto message, as the case may be.

Those matters are still maturing, and this statement is only for the purpose of advising Senators that that may be the course of action the leadership will choose to follow as the day wears on.

There are other matters that might be dealt with, Mr. President. For instance, I had hoped that we could go to the military construction bill. I am told that we cannot; certain Senators involved with that measure will not be available to manage it today. I had hoped that we might go to the bankruptcy reform bill today, and that is still a possibility, but I am advised that it would be necessary to move the consideration of that measure. I will explore that still further. The leadership will attempt to build a schedule of worthwhile legislative activity for the day while we wait on developments at the White House and from the House of Representatives in respect to the urgent supplemental.

ORDER TO CONVENE AT 9:30 A.M. FRIDAY AND 11 A.M. TUESDAY, JUNE 29, 1982

Mr. BAKER. While I have an opportunity, Mr. President, I ask unanimous consent that when the Senate completes its business today, it either recess or adjourn, depending on the further actions of the Senate, until 9:30 a.m. on tomorrow—by the way, that would be a pro forma session—and at the end of that period it stand in recess or adjournment until 11 a.m. on Tuesday next.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

PROCEDURE ON URGENT SUPPLEMENTAL APPROPRIATIONS

Mr. BUMPERS. Mr. President, while the Senator is meditating, will he yield for a question?

Mr. BAKER. Yes. I yield with no danger that it would interrupt any meditation.

Mr. BUMPERS. I get a lot of my information from the paper. The indication this morning is that the House, as soon as the President vetoes the urgent supplemental, will proceed and attempt to override that veto. I was wondering if the leader has had any communication with the House leadership as to their intention, if they fail to override, to then send the bill that we started to try to consider yesterday afternoon back over to us?

Mr. BAKER. Mr. President, I have not communicated or attempted to communicate with the House leader-

ship this morning. I did talk with the Speaker last evening.

What I am about to say is maybe not the freshest information; it may not even be up to date, but it is my impression that if the veto is sustained in the House, and it very well may be, the House then would originate a new supplemental which might resemble the bill the House sent us originally, or perhaps it might resemble the conference report that was adopted, I suspect, without the housing provision.

However, that has not yet fully been determined, and as soon as the House acts I will try to convey that information to the Senate.

ORDER FOR URGENT SUPPLEMENTAL TO BE RETURNED TO THE CALENDAR

Mr. BAKER. Mr. President, speaking of that, on yesterday we went to the consideration of the debt limit bill which, thankfully, was approved by the Senate last evening. That leaves dangling the supplemental as we have it. Pursuant to the authority granted the majority leader, I now ask that the supplemental (H.R. 6645) that was pending at that time be returned to the calendar where it will reside until and unless it is called up without any change in its status.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I regret that I cannot give the Senate a more detailed schedule, but I am sure Senators understand that we are sort of at the mercy of the House right now, awaiting further developments.

Until I hear from the chairman of the Agriculture Committee that he is or is not ready to proceed on that measure—as well as the Senator from Missouri—and unless and until we hear that we can clear something, such as the bankruptcy reform bill or some other measure, I simply cannot make any more precise announcement.

COMMENDATION TO ARCHIE TINCH AND QUENTIN MONTGOMERY

Mr. BAKER. Mr. President, in just a few years the Senate will mark its bicentennial anniversary. During its almost two centuries of existence, the Senate has developed many traditions in which it takes great pride. One of the most valued is the loyalty of service to the institution demonstrated by so many Members and staff who have worked in these Halls throughout history.

Today, I wish to commend two such individuals, each of whose careers has spanned 30 years of dedicated service to the Senate.

Archie Tinch and Quentin Montgomery are employees of the Senate Library. This is the legislative and reference library established by the Senate in 1871, which operates under the supervision of the Secretary of the Senate. These men represent the fine service that we have come to depend upon from the library as it performs a myriad of tasks for the Senate.

Archie Tinch began his service in November 1951 as chief of the file stacks for the library. A few years later he was promoted to be a library messenger, and in 1958 he succeeded his superior and mentor, Herman Scott, as chief messenger of the library. In that capacity, Mr. Tinch was responsible for both the physical organization and maintenance of the books and other materials acquired by the library and for the services provided by the messenger staff. In 1974 he was again promoted to senior reference assistant, and in 1978 he assumed his present responsibilities as technical services specialist for the library.

Quentin Montgomery began his career in the Senate as a messenger for the Senate Stationery Room in February 1952. Nine years later he transferred to the messenger staff of the Senate Library. In 1974 Mr. Montgomery was promoted to chief messenger in the library to succeed Mr. Tinch, and he continues in these responsibilities at the present time. It is particularly noteworthy that Mr. Montgomery's family represents four generations of service to the Senate, dating back to the beginning of this century; Quentin Montgomery's father and grandfather were employees of the Senate, while his son Dale is currently on the staff of the stationery room.

Mr. President, it gives me great pleasure to pay tribute to both of these gentlemen on behalf of the entire Senate and to express our gratitude for their 30 years of outstanding service. Their example further enriches the traditions of fidelity and loyalty to this institution, and I am honored to join with their fellow employees and with their families and friends in saluting them on this happy occasion.

THE UNITED STATES AND CHINA: REPORT BY THE MAJORITY LEADER

Mr. BAKER. Mr. President, from May 30 through June 10, 1982, I traveled to the People's Republic of China to meet and discuss matters of mutual concern with the Chinese leadership. I ask unanimous consent that the report of my findings be printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I am prepared now to yield my remaining time to any Senator seeking recognition. Before I do so, however, I am told that there is a matter which has been cleared by the distinguished acting minority leader.

NATIONAL ENERGY EMERGENCY PREPAREDNESS ACT OF 1982

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2332.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives.

Resolved, That the bill from the Senate (S. 2332) entitled "An Act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the International Energy Program, to provide for the Nation's energy emergency preparedness, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Energy Emergency Preparedness Act of 1982".

SEC. 2. EXTENSION OF CERTAIN INTERNATIONAL ENERGY PROGRAM AUTHORITIES.

Subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "June 1, 1982" and inserting in lieu thereof "June 30, 1985".

SEC. 3. STRATEGIC PETROLEUM RESERVE AMENDMENTS.

(a) REQUIRED RATE FOR FILLING RESERVE.—

(1) IN GENERAL.—Subsection (c) of section 160 of the Energy Policy and Conservation Act (42 U.S.C. 6240(c)) is amended to read as follows:

"(c)(1) The President shall immediately undertake, and thereafter continue (subject to paragraph (2)), petroleum product acquisition, transportation, and injection activities at a level sufficient to assure that the quantity of petroleum products in the Strategic Petroleum Reserve in permanent of interim storage facilities will be increased at an average annual rate of at least 200,000 barrels per day. In addition, the President shall seek to undertake such activities at a level sufficient to assure that such quantities in the Reserve are increased at an average annual rate of at least 300,000 barrels per day during periods in which the President considers it fiscally prudent to do so.

"(2) The requirements in paragraph (1) shall cease to apply when the quantity of petroleum products stored within the Strategic Petroleum Reserve is at least 500,000,000 barrels; except that, until the quantity of petroleum products stored in the Reserve is at least 750,000,000 barrels, the President shall seek to continue petroleum product acquisition, transportation, and injection activities at the appropriate level prescribed under paragraph (1).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect July 1, 1982.

(b) INTERIM STORAGE.—.

(1) AUTHORITY FOR IMPLEMENTATION.—Section 159(f) of the Energy Policy and Conservation Act (42 U.S.C. 6239(f) is amended by striking out "and" at the end of paragraph (3), by striking out the comma at the end of paragraph (4) and inserting "; and" in lieu

thereof, and by inserting after paragraph (4) the following new paragraph:

"(5) the storage of petroleum products in interim storage facilities,".

(2) USE OF SPR PETROLEUM ACCOUNT; CONFORMING AMENDMENTS.—(A) Section 167 of the Energy Policy and Conservation Act (95 Stat. 619) is amended by adding at the end thereof the following:

"(e)(1) Except as provided in paragraph (2), nothing in this part shall be construed—

"(A) to limit the Account from being used to meet expenses relating to interim facilities for the storage of petroleum products for the Strategic Petroleum Reserve; and

"(B) to require any amendment to the Strategic Petroleum Reserve Plan prior to the storage of petroleum products in interim storage facilities.

"(2) In any fiscal year, amounts in the Account may not be obligated for expenses relating to interim storage facilities in excess of 10 percent of the total amounts in the Account obligated in such fiscal year. If the amount obligated in any fiscal year for interim storage expenses is less than the amount of the 10-percent limit under the preceding sentence for that fiscal year, then the amount of the 10-percent limit applicable in the following fiscal year shall be increased by the amount by which the limit exceeded the amount obligated for such expenses.

"(f)(1) No action relating to the storage of petroleum products in an existing facility for interim storage in the Reserve shall be deemed to be 'a major Federal action significantly affecting the quality of the human environment' within the meaning of that term as it is used in section 102(2)(C) of the National Environmental Policy Act of 1969.

"(2) For purposes of this subsection, a facility shall be considered to be an existing facility if it—

"(i) is in existence on July 1, 1982;

"(ii) was constructed in a manner appropriate for the purpose of storing petroleum products; and

"(iii) is not modified after July 1, 1982, in any manner which substantially increases the storage capacity of the facility. Any modification of such facility may not include replacement or reconstruction.

"(g) Petroleum products stored in interim storage facilities pursuant to this part shall be considered to be in storage in the Reserve.".

(B) Section 160(e)(4) of such Act (42 U.S.C. 6240(e)(4)) is amended by striking out "crude oil" and inserting in lieu thereof "petroleum product".

SEC. 4. CONTINUATION OF PETROLEUM PRODUCT INFORMATION COLLECTION.

(a) IN GENERAL.—Part A of title V of the Energy Policy and Conservation Act (42 U.S.C. 6381 and following) is amended by adding at the end thereof the following new section:

"PETROLEUM PRODUCT INFORMATION

"SEC. 507. The President or his delegate shall, pursuant to authority otherwise available to the President or his delegate under any other provision of law, collect information on the pricing, supply, and distribution of petroleum products by product catagory at the wholesale and retail levels, on a State-by-State basis.".

(b) CLERICAL AMENDMENT.—The table of contents for such Act is amended by inserting the following new item after the item relating to section 506:

"Sec. 507. Petroleum products information.".

SEC. 5. REPORTS TO CONGRESS ON PETROLEUM SUPPLY DISRUPTIONS.

(a) DESCRIPTION OF AVAILABLE LEGAL AUTHORITIES AND IMPLEMENTATION.—The President shall prepare and submit to the Congress no later than October 30, 1982, a report containing—

(1) a memorandum of law describing the nature and extent of the authorities available to the President under existing law to respond to a severe energy supply interruption or other substantial reduction in the amount of petroleum products available to the United States, and

(2) a description of the various options the President may use to implement the authorities described under paragraph (1) to respond to such a reduction, including a description of the likely sequence in which such options would be taken.

(b) IMPACT ANALYSIS.—The Secretary of Energy shall analyze the impact on the domestic economy and on consumers in the United States of reliance on market allocation and pricing during any substantial reduction in the amount of petroleum products available to the United States. In making such analysis, the Secretary of Energy may consult with the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Office of Management and Budget, and the heads of other appropriate Federal agencies. Such analysis shall—

(A) examine the equity and efficiency of such reliance,

(B) distinguish between the impacts of such reliance on various categories of business (including small business) and on households of different income levels,

(C) specify the nature and administration of monetary and fiscal policies that would be followed including emergency tax cuts, emergency block grants, and emergency supplements to income maintenance programs, and

(D) describe the likely impact that State and local laws and regulations (including emergency authorities) affecting the distribution of petroleum products would have on the distribution of petroleum products.

Such analysis shall include projections of the effect of the petroleum supply reduction on the price of motor gasoline, home heating oil, and diesel fuel, and on Federal tax revenues, Federal royalty receipts, and State and local tax revenues.

(2) Within one year after the date of the enactment of this Act, the Secretary of Energy shall submit a report to the Congress and the President containing the analysis required by this subsection along with such recommendations as the Secretary of Energy deems appropriate.

(c) STRATEGIC PETROLEUM RESERVE REPORT.—The President shall prepare and transmit to the Congress no later than October 30, 1982, a report containing—

(1) a description of the foreseeable situations (including selective and general embargoes, sabotage, war, act of God, or accident) which could result in a severe energy supply interruption or obligations of the United States arising under the international energy program necessitating distributions from the Strategic Petroleum Reserve, and

(2) a description of the strategy or alternative strategies of distribution which could reasonably be used to respond to each situation described under paragraph (1), together with the theory and justification underlying each such strategy

The description of each strategy under paragraph (2) shall include an explanation of the methods which could be used to determine the price and distribution of crude oil from the Reserve in any such distribution, and an explanation of the disposition of revenues arising from sales of any such crude oil under the strategy.

(d) STRATEGIC ALCOHOL FUEL RESERVE REPORT.—The Secretary of Energy shall, in consultation with the Secretary of Agriculture, prepare and transmit to the Congress no later than December 31, 1982, a comprehensive study of the potential for establishing a Strategic Alcohol Fuel Reserve. Such study shall contain—

(1) an assessment of the priority end uses which could be satisfied by use of alcohol in lieu of petroleum products;

(2) an evaluation of the relative economic benefits of establishing a Strategic Alcohol Fuel Reserve to supplement or supplant a portion of the Strategic Petroleum Reserve including projections of relative costs, impacts on balance of trade, and domestic employment;

(3) an analysis of the projected impact on the cost and operation of agricultural programs administered by the federal government, including but not limited to estimated impacts on prices of domestic agricultural commodities and the cost of storage thereof; and

(4) assessments of alternative storage and distribution options.

(e) MEANING OF TERMS.—As used in this section, the terms "international energy program", "petroleum product", "Reserve", "severe energy supply interruption", and "Strategic Petroleum Reserve" have the meanings given such terms in sections 3 and 152 of the Energy Policy and Conservation Act (42 U.S.C. 6202 and 6232).

Amend the title so as to read: "An Act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, and for other purposes.".

Mr. BAKER. Mr. President, I move that the Senate disagree to the House amendments and request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Messrs. MCCLURE, WEICKER, DOMENICI, WALLOP, WARNER, JACKSON, JOHNSTON, FORD, and METZENBAUM conferees on the part of the Senate.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. The acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, I will take a minute or two and then yield to the distinguished Senator from Mississippi.

HOW A NUCLEAR WAR COULD BEGIN AND WHAT WE CAN DO ABOUT IT

Mr. PROXMIRE. Mr. President, this morning's New York Times carries a fascinating article by David Shribman on how a nuclear war could begin and what we can do about it. It points out

that terrible wars in the past such as World War I, can begin with a relatively obscure event and move in a matter of minutes to the most catastrophic destruction in human history. As Jerome Wiesner says:

You can think of 100 ways in which nuclear war might start, and it could still start in a thoroughly unpredictable way.

Mr. President, I call attention to this timely article because vital as any nuclear arms limitation agreement on the part of the Soviet Union and the United States is to preventing nuclear war, even if such an agreement should succeed brilliantly, the world might still fall into the terrible abyss of an accidental nuclear catastrophe. The Shribman article analyzes this problem and reports some of the proposals to try to reduce the terrible possibility.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 24, 1982]

EXPERTS FEAR THAT UNPREDICTABLE CHAIN OF EVENTS COULD BRING NUCLEAR WAR

(By David Shribman)

WASHINGTON, JUNE 23.—Time and again the people who are engaged in the grim exercise of speculating how nuclear war might begin allude to the summer of 1914, when the nations of Europe slipped into a world war after a relatively minor incident.

That incident, the shooting of the Archduke Francis Ferdinand of Austria-Hungary in the Bosnian city of Sarajevo, set in motion a series of events that the world's most powerful leaders could not stop, and it has suddenly emerged at the heart of the discussion over the possibility of nuclear war in this age. Military planners, Government officials and foreign policy scholars stress that they do not believe a nuclear war is likely, but many add that they fear that one could grow out of the countless unpredictable events that occur each year.

"You can think of a hundred ways in which nuclear war might start, and it could still start in a thoroughly unpredictable way," said Jerome B. Wiesner, a former Presidential science adviser and an architect of America's air defense system.

DEBATE BECOMING PUBLIC

Until recently such discussion was confined to planners in the Pentagon and the State Department and to a handful of experts in universities and policy institutes. But as the movement for a freeze on nuclear arms has gathered momentum, speculation about the events that might set off a nuclear war has been increasingly conducted publicly.

The question is made even more timely by the 10-week war over the Falkland Islands, in which one party, Britain, possessed nuclear weapons, and by the United Nations disarmament session now under way.

Although both the number of nations with nuclear weapons and the nuclear arsenals have grown since the dawning of the atomic age, the scenarios for nuclear war have changed remarkably little. Planners, strategists and scholars still agree that a nuclear war is most likely to begin in Europe, and even those who speculate that the impetus for war may occur elsewhere believe that the conflict will escalate and spill over to Europe before nuclear weapons are used.

"Europe is still the tinderbox," said Jeremy J. Stone, director of the Federation of American Scientists and a respected figure among strategic thinkers. "That's where all the weapons are, and that's where the confrontation is."

MIGHT START WITH UPRISING

One common scenario begins with a bloody uprising in the Soviet bloc, perhaps in East Germany. Such an uprising, many specialists believe, might lead West German sympathizers to try to aid the uprising.

If, according to this scenario, troops from the North Atlantic Treaty Organization became involved and if either side found itself at a disadvantage, the temptation to use nuclear arms might be irresistible.

"The number of weapons, the variety and the deployment are such that what begins as a conventional conflict is extremely likely to change over into a nuclear conflict," said George B. Kistiakowski, the former head of the explosives division of the Los Alamos Laboratory and science adviser to President Eisenhower. "There is ample reason to worry."

Pentagon officials also speak of the possibility that the Soviet Union might launch a sudden, unprovoked attack if they were to conclude that one planned in great stealth might disarm the United States of its retaliatory force.

FOCUS ON MIDDLE EAST

"There's no way intellectually to say which potential risk of nuclear attack is most likely," Fred C. Ikle, Under Secretary of Defense for Policy, said in an interview.

In recent years, however, increased attention has been focused on the Middle East, which high tensions and a wealth of oil resources make a natural setting for conflict. These scenarios almost always involve Israel, a long-standing American ally and a potential nuclear power; Saudi Arabia, which holds great oil reserves, and Iran, a traditional intersection between East and West.

"Because we do not have comparable conventional capacity in the area, the temptation might be strong to compensate by relying on tactical nuclear weapons," said Marshall D. Shulman, director of the Russian Institute at Columbia University and a Carter Administration specialist in Soviet affairs. "This would breach the firebreak between conventional and nuclear weapons."

Such escalation is at the center of many specialists' worries.

"The concern that seems most to be watched for is the risk of escalation from a local conflict, and particularly if the separation between nuclear and conventional weapons becomes blurred," said Mr. Shulman. "If there is an initial conflict and both sides get involved because their interests are involved, there are neither technical nor political checkpoints in the passage from a conventional military engagement up through battlefield nuclears."

The Reagan Administration's military program is designed in part to build up American ability to engage in conventional warfare and thus to avoid the possibility that conventional forces will be overwhelmed and that military leaders will have no alternative but to turn to the nuclear arsenal.

"We cannot in the short term fix the inadequate sustainability of our forces," Mr. Ikle said. "But we are able to move toward strategic planning that envisages, if needed, a sustained conventional defense."

Some American strategic thinkers believe that Soviet nuclear doctrine depends on beginning a war with a conventional phase. In a monograph published last year, Joseph D. Douglass Jr., a specialist in military strategy, and Amoretta M. Hoeber, now Deputy Assistant Secretary of the Army for Research and Development, maintain that the Warsaw Pact has "considerable reason to prefer transitioning to the use of nuclear weapons during, rather than at the start of, the war."

Other analysts focus on the possibility that a minor power would drag the superpowers into a nuclear war, perhaps in the Middle East. These analysts believe that a "catalytic war" could occur if, for instance, Israel was about to be overrun and threatened to use nuclear weapons against an Arab nation or a number of Arab nations. Then, according to a scenerio offered by Mr. Stone, the head of the scientists' federation, the Soviet Union might threaten to use nuclear weapons against Israel or might make such weapons available to their Arab proxies.

In recent years, moreover, there has been growing concern that with increasingly advanced and accurate missile delivery systems, each side can destroy a very high percentage of the other side's land-based missiles with one strike. "By using a very small percentage of one side's force, there is a high confidence that it can destroy almost all of the other side's land-based missile force," one expert said. "If it looked as if the other side might be thinking of using its nuclear forces, there's incentive to use them first. In a deep political crisis, the existence of these weapons alone would contribute to an intensification of the crisis."

While many of these foreign policy and military experts warn that the greatest danger is from an accident that could grow into a war, there is less agreement over whether a nuclear war is likely to be caused by a technological accident or by miscalculation.

At the heart of nuclear weapons safeguards is the "permissive action link," which provides that a code or a combination of keys, and not just the action of a single individual, is required to launch an attack. "We bend every effort, and hopefully the Soviets bend every effort, to make a technological accident as unlikely as possible," Mr. Ikle said. "For 30 years nuclear weapons have been around, and there never has been an accidental major missile firing. That's an indication of the care that every country that now has nuclear weapons applies to this issue."

Adm. Noel Gayler, director of the National Security Agency in the Nixon Administration and a former commander of American forces in the Pacific added, "I think the safeguards are very good on our side, and I hope they're good on their side."

Many analysts still fear that a nuclear war could begin by miscalculation, however. A number of members of Congress—including Senators Henry M. Jackson, Democrat of Washington; Gary Hart, Democrat of Colorado, and Sam Nunn, Democrat of Georgia—have expressed fears the failure of a computer chip, for instance, might cause one side to believe it is being attacked and might prompt it to false information has been fed into North American Air Defense computers three times, and unclear warning systems have been set off, according to a

specialist, "probably dozens of times over the last 10 years."

Senator Jackson has called for the establishment of a permanent joint American-Soviet communications and information center to supplement the current communications system between the White House and the Kremlin, a teletype system that has become known as the "hotline." This new system would periit senior officiahs of the superpowers to confer quickly and would, Mr. Jackskn said, "provide what could be a literally hife-saving arrangement for instant information exchange and consultation when incidents occurred that could be misinterpreted as harbingers of an imminent nuclear assault by one power against the other."

Many foreign policy specialists believe that the growing tension between the two superpowers adds to the danger that such a miscalculation or a series of incidents or military engagements might lead to nuclear war.

"If something is not done soon to break this degenerative trend," former Secretary of State Edmund S. Muskie said at a meeting of the Council on Foreign Relations this spring, "we and the Soviets may have a serious confrontation not unlike the Cuban missile crisis—but in which the Soviets will vow 'not another humiliation' and our leaders will vow 'no confirmation of a changed balance of power,' with no on-going high-level negotiations, no communication process to fall back on and no political basis for any compromise."

Most analysts believe that whatever the circumstances, the decision to use nuclear weapons would not be taken hastily, even if one of the nations were to conclude that it had to choose between beginning a nuclear war or accepting a collapse of its world position.

"I think that Governments on both sides have thought about this enough so there will be deep consideration," said Mr. Wiesner, the former president of the Massachusetts Institute of Technology. "The people in the front lines today are the women and the children. Every man goes to war this time with his family strapped to his back."

TOTALITARIANISM, TECHNOLOGY, AND UNWANTED MINORITIES

Mr. PROXMIRE. Mr. President, in 1948 the Genocide Convention was born. The convention came into being as a result of man's inhumanity toward man reaching new depths of depravity.

The 1930's and early 1940's saw the union of totalitarian ideology and technological and scientific development. This unholy union resulted in death and destruction for millions in Soviet Russia and Nazi Germany. The powerful grip of the totalitarian state controlled means of mass intimidation and destruction unknown in earlier days, such as the machinegun, armored vehicles, deadly gas, and perverted medical science.

In the 1930's, Stalin ordered the kulak class of Russian peasants liquidated, during his program of agricultural collectivization. Millions were sent to forced labor camps. As an indirect result of Stalin's war for collectivization, the land lay devastated and famine followed. Over one-half the horses, 45 percent of the cattle, and two-thirds of Russia's sheep and goats were slaughtered. Soviet livestock production has not recovered. The consequential human suffering and deprivation defies comprehension.

As a result of World War II developments, the Soviet dictator uprooted the entire Kalmuck nation, exiling it for over a decade from its home, until the Kalmucks were greatly reduced in number.

Like the Soviet Union, Nazi Germany's totalitarian organization of the technology of destruction meant violence and death for unwanted minorities. The horrible consequences of the National Socialist application of technology and science to resolution of political and social issues are still fresh in the world's contemplation of the degradation, starvation, gas chambers, and crematories of Germany's concentration camps.

The Genocide Convention offers effective protection against repetition of such horrors. The convention makes genocide an international punishable crime. Article II defines it, among other things, as killing members of a national, ethnical, racial, or religious group, causing serious bodily or mental harm to members of the group, or deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part, with intent to destroy, in whole or in part, the group as such. Article IV provides for the punishment of persons committing genocide. These provisions are aimed at preventing crimes like those of Stalin and Hitler.

We must act for ratification of the Genocide Convention to ban the repetition of the inhumane acts characterizing the Nazi and Stalinist states. Only then can our great Nation join in truly condemning and preventing the crime of genocide.

Mr. PROXMIRE. Mr. President, I yield the remainder of my time to the distinguished Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Wisconsin.

How much time does the Senator have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 8 minutes and 4 seconds remaining.

Mr. STENNIS. I thank the Chair. I will not take that much time.

INDUSTRIAL DEVELOPMENT BONDS

Mr. STENNIS. Mr. President, my remarks relate to the proposal of the Department of Treasury which would restrict the use of industrial revenue bonds in such a manner that it would virtually destroy the advantages of the industrial revenue bond program as a tool for industrial development and growth.

Mr. President, the emphasis there, all the way through, is on the word "industrial."

In a memorandum from the Department of the Treasury dated January 28, it was recommended that there be a $20 million capital expenditure limit on the use of industrial revenue bonds for any single company on a worldwide basis. Additionally, the Department of the Treasury recommended that no company should be allowed to utilize tax-exempt industrial revenue bonds and accelerated cost-recovery systems in the same project.

Let me point out, Mr. President, that my State of Mississippi was the pioneer in establishing a tax-exempt industrial revenue bond program in order to attract corporate investments and increase new job opportunities in our State. The program began in 1936, under the leadership of the then Governor, the late Hugh White, a highly successful businessman. The program has been a huge success in Mississippi, and it has been handled with the utmost of integrity. Mississippi has reaped huge dividends as a result of utilizing this financial inducement to attract industrial development; and, as a matter of permanent policy, Mississippi has prohibited the use of industrial revenue bonds for purposes other than manufacturing and manufacturing-related projects.

I am satisfied that the Department of the Treasury proposals will put an unwarranted restriction on the use of these industrial bonds, even though they are issued strictly for industrial purposes.

I greatly fear that either of the proposals by the Department of the Treasury, and certainly both combined, would be very damaging to Mississippi and others similarly situated and would severely injure our economic recovery efforts. Imposing a capital expenditure limit on the use of industrial revenue bonds would severely retard economic development in Mississippi as well as any other State that utilizes this financial tool.

Furthermore, the approach of the Department of the Treasury rests on the philosophy that "big is bad." The real issue with regard to industrial revenue bonds is not the size of the corporation which utilizes this financial program for growth and expansion; but, rather, the issue is the misuse of this program for projects which are not manufacturing and manufacturing related. The Treasury Department proposal does not address the real abuses of this program by eliminating commercial shopping centers, fast-food chains, country clubs, and recreational facilities that qualify for this

type of tax-exempt financing in some States. It is my very strong conviction that this is the area where the abuses need to be curbed, not by penalizing those corporate citizens who are most capable of providing new job opportunities for the unemployed and the underemployed of this Nation—particularly at this time.

Here is a program that has stood the test of 46 years, of regularly applied use, under strict laws that do not let it get out of bounds and do not let it be abused, but has restricted it right down the line. Under the program a municipality, county, or other political subdivision, through the process of bonding themselves, can raise the necessary money to induce a legitimate business to come in, with funds provided for the building and the machinery, if necessary, that will set them up.

This process is approved by the courts. I am not particularly blaming the Treasury Department for trying to eliminate the abuses. But, Mr. President, let us not kill the goose that lays the golden egg for these so-called little enterprises, small industries, small undertakings which turn out the very highest quality goods, almost without exception, and which are offering these relatively few jobs, but essential jobs, to the local people because of these added encouraging conditions.

A study has been made in the State of Mississippi that has clearly established that the use of industrial revenue bonds does not result in a loss to the Federal Treasury but rather "pay their own way." In the past 5 years, in the State of Mississippi, the tax-exempt status of industrial revenue bonds cost the Federal Treasury approximately $29 million. However, employees' payroll taxes alone from these same companies which were financed by industrial revenue bonds accounted for $32 million in revenues to the Federal Treasury. This confirms my belief that, when industrial revenue bonds are used exclusively for the creation or expansion of manufacturing operations, they "pay their own way," or very near thereto. In all cases, on the average and in totality, they pay their own way.

To make clear, the counties and municipalities of Mississippi rely on the industrial revenue bond program very greatly. Such bonds are presently issued in 48 States. I understand that the Senate Committee on Finance and the House Committee on Ways and Means are both considering the recommendations of the Department of the Treasury which I have mentioned. I believe that the Treasury approach is both unsound and unwise under the present special conditions. As a realistic and viable alternative to it, I urge that there be considered the approach of restricting industrial revenue bonds to manufacturing and manufacturing-related projects.

Describe the boundary lines just like on a basketball court or football field where the boundary lines are prescribed and play beyond those lines is not permitted.

It would be a severe blow to the economy of Mississippi or any other similarly situated area if the industrial revenue bond program were eliminated or unduly restricted, and I hope that this will not be permitted to happen.

Mr. President, this is a life and death struggle. You can imagine the enormity of the weight of the Federal Treasury coming into a hearing with their ponderous books, figures, and conclusions. It may very well be that they are able to show a loss to the Treasury from the abuses of this idea and concept. However, this is no reason for killing the goose that lays the golden eggs.

Mr. President, I feel that my time is over. I thank the Chair and I thank the Senator from Wisconsin very much for affording me this time.

RECOGNITION OF SENATOR COHEN

The PRESIDING OFFICER. Under the previous order, the Senator from Maine will be recognized for a period not to exceed 15 minutes.

Mr. COHEN. Thank you, Mr. President.

S. 2674—SOCIAL SECURITY DISABILITY AMENDMENTS OF 1982

Mr. COHEN. Mr. President, I am pleased to have Senator LEVIN join me in introducing comprehensive legislation to reform the Social Security Administration's procedures for determining the continued eligibility of individuals who receive disability benefits.

This legislation results from a hearing held by the Senate Oversight of Government Management Subcommittee to discover why truly disabled individuals throughout the country were having their benefits discontinued and their lives disrupted as a result of new reviews of their eligibility.

In 1980, in response to reports that some individuals were receiving benefits, despite being no longer disabled, Congress directed the Social Security Administration to conduct continuing disability investigations—so-called CDI's—of individuals with nonpermanent disabilities every 3 years to insure that only those who were still disabled and unable to work continue to receive benefits.

Unfortunately, the implementation of the law has caused unfairness and injustice to severely disabled people who unexpectedly have had their benefits discontinued. The reviews have created chaos and inflicted pain that Congress neither envisioned nor desired when it enacted what was intended to be a sound management tool.

Between March of 1981 and April of this year, State disability determination units have reviewed more than 430,000 cases sent by the Social Security Administration. Case files are literally overflowing out of boxes in many State offices and have placed unreasonable burdens on many State agencies, particularly in those States where personnel freezes have prevented the hiring of needed staff.

The hardships imposed on disability recipients have been severe. Benefits have been terminated in more than 40 percent of the cases reviewed—far above the 20-percent rate originally predicted by the Social Security Administration. In the State of Maine alone, benefits for more than 1,200 people have been ended since the accelerated review process began, despite the fact that in a number of cases the claimants still appear to be severely disabled and unable to work.

Witnesses at our subcommittee hearing recounted case after case in which a disabled person had lost benefits. A disturbing pattern emerged of misinformation, incomplete medical examinations, inadequately documented reviews, bureaucratic indifference, and erroneous decisions.

Perhaps the most poignant was the testimony of Ethel Kage from Reed City, Mich., whose blind, severely diabetic husband suffered a heart attack and died while appealing the decision that terminated his disability benefits. Mrs. Kage eloquently described her frustration as she attempted to correct the decision that maintained that her ill husband was able to resume work. Sadly, her many inquiries to the Social Security Administration were met with cold indifference—when she was answered at all.

Eventually, after Mr. Kage's death, the Social Security Administration did reverse its earlier decision and retroactively paid benefits for the months from the cessation decision until the date of Mr. Kage's death, but the Kages' doctor believes that it was the stress and worry caused by the loss of his benefits that led to Mr. Kage's fatal heart attack.

If an individual is mistakenly eliminated from the program, as was Mr. Kage, he can appeal this decision, and his chances of eventual reinstatement are good. In fact, administrative law judges, who hear appeals from claimants, are reversing the cessation decision for over 60 percent of the individuals who appeal. But the road to reinstatement is arduous and lengthy, and, in waiting for a final decision, the claimant may be without benefits for many months due to the tremendous backlog of cases. Many individuals have been forced to turn to welfare

since their disability benefits had been their only source of income.

If Congress does not act to remedy this problem, more than 200,000 disabled people will have their benefits terminated only to be reinstated many months later by administrative law judges. The situation is both absurd and cruel. It makes no sense to inflict pain, uncertainty, and financial hardship on disabled workers and then tell them, "Never mind. It was a mistake." It makes no sense to overburden the State agencies and to further clog the appeals process with cases where the individuals clearly remain severely disabled and unable to resume work.

I emphasize that disability benefits are not welfare. A worker earns this insurance through the social security taxes that are deducted each week from his paycheck, and he must have worked a minimum amount of time in order to qualify for those payments. He must also be so disabled that he not only cannot perform the work that he had been doing but cannot engage in any kind of substantial gainful activity which exists not only where he lives in his State, in his county, in his city, but anywhere in the country.

The Federal Government spent more than $17 billion last year to provide benefits to disabled workers, their spouses, and their children. Regular reviews of eligibility are necessary to identify people who are no longer disabled and in need of assistance. It is the manner in which these reviews are being conducted that is faulty, not the principle of review itself. Unless we eliminate from the program those individuals who no longer require assistance, we are certainly going to limit our ability to provide fully for those who do.

Since Congress mandated the periodic reviews but failed to establish specific guidelines for selecting cases and conducting the investigations, I believe that Congress shares a measure of responsibility for the problems that have in fact occurred. That is why Senator LEVIN and I are introducing this legislation today to remedy the problems of the present system by totally revamping it.

First, this bill would shift the burden of proof from the disability recipient to the Government to show that benefits should be discontinued. The initial decision which entitled the individual to benefits would be presumed to be valid. Benefits would not be terminated unless the individual had medically improved or had shown that he could work, or unless the initial decision entitling him to benefits was erroneous or the result of fraud. This change would clear the confusion that shrouds the current process and would make those reviews fairer.

Another provision of our legislation would require uniform standards to be used by all decisionmakers involved in disability determinations. One reason for the discrepancy between the decisions made by the State agencies and the administrative law judges is that different standards are used. State claims examiners rely heavily on the program operating manuals—so-called POM's—which are internal Social Security Administration guidelines that are not published as regulations. The administrative law judges do not use the POM's but instead rely on the statutes, regulations, and court decisions. Our bill would require the same standards—published as regulations and subject to public comment—to be used by all decisionmakers.

To improve the quality of State decisionmaking, lessen the number of appeals, and most important to humanize the system, our legislation would require State agencies to conduct a face-to-face interview with those individuals whose benefits are likely to be terminated. When the State notifies a claimant that, based on the file information, a decision to terminate benefits is likely, our bill would allow the beneficiary 30 days in which to submit any additional information and to request an interview with State personnel. This interview would provide the claims examiners with a much better assessment of the disabled individual's condition and would reassure the claimant that his case is being handled by a person, not a computer.

Because our bill would strengthen the initial decisionmaking at the State level, we would eliminate the reconsideration stage in the appeals process. Currently, the first step in appealing is to request reconsideration by the State agency. In 87 percent of the cases, however, the State agency simply reaffirms its initial decision. Eliminating reconsideration would shorten the length of the appeals process.

Another provision of this legislation would include a definition of pain in the statute. Currently, the Social Security Administration's regulations require the consideration of a claimant's pain in reaching a disability determination. However, the agency recently eliminated the evaluation of pain section from the POM's, which set forth the criteria for disability decisions. To eliminate the confusion that has resulted, our bill includes a carefully constructed definition of pain that would allow its consideration but prevent abuse.

Although the provisions of this bill should substantially reduce the number of people whose benefits are erroneously terminated, there will still be mistakes, as well as disagreements over medical improvement, that will require a hearing before an administrative law judge. Currently benefits are continued for only 2 months after cessation, despite the fact that obtaining a hearing before an administrative law judge may take many months or even a year. Individuals who are reinstated by the administrative law judge receive back benefits, but their checks are not usually resumed for several weeks after the ALJ's decision. One of the witnesses at the subcommittee's hearing, Kathleen Grover, a lawyer from Portland, Maine, told us of a case where a disabled woman was without benefits for 20 months before she was reinstated. In that time, she lost both her house and her car because she had no income. To prevent this needless financial hardship for disabled people who will eventually have their benefits restored, our legislation will continue payments until a hearing is held before an administrative law judge. For beneficiaries who are restored to the program by an ALJ, our bill provides financial protection and the continuation of benefits that they would eventually receive anyway. To control the cost of this provision and to discourage frivolous appeals, our bill would require claimants to repay any benefits received pending the ALJ hearing if the judge upholds the termination decision.

Mr. President, as I listened to Mrs. Kage and the other witnesses at our hearing describing the hardship and heartache that our Government was inflicting, I was reminded of a statement by President Franklin D. Roosevelt:

> Governments can err; Presidents do make mistakes, but the immortal Dante tells us that Divine Justice weighs the sins of the coldblooded and the sins of the warmhearted in a different scale. Better the occasional faults of a Government living in a spirit of charity than the consistent omission of a Government frozen in the ice of its own indifference.

The legislation that we are introducing today is intended to thaw the ice of indifference toward the truly disabled who are wrongfully denied benefits that they are entitled to. Surely, when we are dealing with the most disabled workers in our society, we should take every step, enact every safeguard, to insure that Government does not add another burden to the ones that they already must bear.

Mr. President, because it is going to take time for Congress to consider the comprehensive reform bill we are introducing, Senator LEVIN and I had also drafted an interim solution to the disability problem. This legislation, which we intended to offer last evening as an amendment to the temporary debt ceiling bill, was withdrawn. It was withdrawn under the assurances by the distinguished majority leader, Senator BAKER, that he would lend his support to our efforts to devise a short- as well as a long-term solution to the problems we have described.

I look forward to working with him in the immediate future to provide a just solution to this very serious problem. One aspect of that just solution is in the interim, in the short run, we have to provide a mechanism to continue those payments through the administrative law judges' decisions before we cut off the benefits of those who are in need.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan is now recognized.

SOCIAL SECURITY DISABILITY AMENDMENTS OF 1982

Mr. LEVIN. I thank the Chair.

The legislation I am introducing today with Senator COHEN will alleviate the needless suffering of hundreds of thousands of disabled Americans and their families who are being unjustly ground up by an inequitable system is reviewing disability cases.

I want to thank Senator COHEN for his cosponsorship, for his leadership, for his chairmanship, his distinguished chairmanship, of our oversight Committee on Governmental Affairs which recently held hearings into this matter.

When Congress created the social security disability insurance program, it designed a worker-financed insurance program to protect us all in the times we hope we never see—the times when accidental injury or serious physical or mental disorder prevent us from seeking and keeping a job. The eligibility requirements for this program are very strict and far more so than for other Government disability programs; as a result, this program seeks to serve only the truly and fully disabled.

But sometimes, with time and treatment and good luck, severe injuries do heal, and severe disorders and impairments do abate or improve. And sometimes mistakes are made in assessing disability and ineligible people are allowed onto the rolls. Commonsense tells us, then, that a periodic review of the medical condition of those on disability rolls is necessary, and prudent management should certainly require no less.

It was with this commonsense notion in mind that Congress in 1980 amended title II of the Social Security Act to require that all persons receiving disability benefits (except those permanently disabled) have their eligibility reviewed once every 3 years.

That Congress in 1980 should have been concerned about the management of this program comes as no suprise. The administrative history of the program indicated some structural and managerial failings, all too well documented in critical reports and investigations by the House Ways and Means Committee, the General Accounting Office, the National Commission on Social Security, to name but a few.

Without going into great detail right now, the problems in the program include: Unmanageably large caseloads at all levels; unreasonably long delays in processing cases and in scheduling appeals; conflicting and disparate standards for making disability determinations at the State and appeals level; no managerial standards and procedures for acquiring and evaluating medical evidence. Those are just a few.

The 1980 amendments did more than mandate increased periodic reviews. They also imposed other requirements to improve State management and Federal oversight of the program. These requirements were effective in 1981, but the mandate for increased periodic reviews was not effective until January 1982, so as to allow for adequate staffing and planning for the large increase in case reviews.

When the current Social Security Administration management team assumed responsibility for this program in January 1981, it inherited the list of problems I just outlined and a program which had been managed primarily from crisis to crisis with little recovery between crises. And it also inherited the mandate of all the 1980 amendments.

Rather than waiting until 1982 as the Congress had recommended, the SSA decided to accelerate the periodic review process. In March, 1981, SSA started sending States the first of 357,000 cases to be reviewed by the end of the year, although previously the States had only reviewed 160,000 cases per year, less than half.

In a system which operates smoothly and which suffers no backlogs and delays, this move might have been seen as a good decision by managers eager to meet a congressional mandate. But in a system riddled with case overloads, unreasonable processing and appeals delays, and much confusion between State and Federal decisionmakers, this decision was a very poor and disastrous one—based on an OMB mandate to "tighten administration" and reduce disability payments by $200 million in fiscal year 1982, $500 million in fiscal year 1983, and $700 million in fiscal year 1984. In order to meet those savings goals, the case reviews had to be accelerated to 1981 and the number of cases sent to the States had to be voluminous.

The predictable and resulting overload of cases piled onto an inadequate and troubled process, lengthened delays, increased confusion over the standards for reviewing disability, and lead to hundreds of thousands of erroneous and unjust benefits terminations. The outcry from these results has come from all across the Nation.

After a lengthy and thorough investigation into these complaints, the Senate Governmental Affairs Subcommittee on Oversight held an extensive hearing on May 25 to examine the longstanding problems in the program, the exacerbation of those problems by the voluminous reviews, and the ultimate impact of the reviews on recipients and the people who administer the program. My colleague, Senator COHEN, is the outstanding chairman of that subcommittee. I serve as the ranking minority member.

At that hearing, we heard and received testimony from the Social Security Administration, the General Accounting Office, beneficiaries, administrative law judges, State disability determination offices, disability examiners, and attorneys who daily represent beneficiaries appealing terminations. We also received testimony from groups representing the aged, and the physically and mentally disabled, as well as from many individual doctors who have patients whose benefits have been terminated.

What we learned from what we heard and read was so nightmarish that we were struck by the gravity of the problem, the tragedy of its impact, and the need for comprehensive remedies.

Even normally cool, dry statistics on what has happened speak with rare clarity and passion. In 1979 and 1980, respectively, the SSA reviewed 160,000 cases for continuing eligibility. In 1981, the number rose abruptly, with little warning to State agencies, to 357,000. SSA plans to send 567,000 cases in fiscal year 1982, and 840,000 in fiscal year 1983. I hasten to add that these cases are in addition to the 160,000 cases already reviewed by SSA which will also continue; as a result, the total cases to be reviewed are even more startling; 727,000 in fiscal year 1982 and 1 million in fiscal year 1983.

More disturbing are statistics which reveal that SSA has not been staffed sufficiently to handle the increased workload. State agencies received 233 percent more cases for review by December 1981 than December 1980, and the number of pending cases climbed 368 percent. At the same time, the number of full-time disability examiners in the system only rose 29 percent.

It is no surprise that delays have increased. The average number of cases pending before each administrative law judge (ALJ) was already 128 in 1978; by October 1981 the number had risen to an average of 180 cases pending for each of 700 ALJ's. By as early as the end of August 1981 the number of cases awaiting an ALJ hearing totaled 128,000 and two-thirds of ALJ cases were not being processed within a 165-day time limit previously imposed by a Federal court.

What is most striking is the eventual outcome in the cases reviewed by a system struggling along so desperate-

ly. Between March 1981 and April 1982, SSA reviewed 405,000 cases and nearly half—191,000 or 47 percent were dropped from the rolls, far exceeding the 10 percent estimate made by GAO or even GAO's own 20 percent prediction. The stark tragedy derives from the fact that the terminations are massively unjust. The proof of that is that 67 percent, two-thirds of the appeals to administrative law judges from those terminations result in reversals a year or so later—a 67-percent reversal rate—two-thirds of the people who appeal their cutoff are reinstated by administrative law judges a year later.

The saddest fact of all is that those people who have been unjustly terminated from the rolls suffer without their benefits and accompanying medicare coverage for the duration of the wait for the appeals decision, which can take 9 to 12 months. So, of the 109,000 persons whose benefits were terminated between March 1981, and April 1982, half of those persons will appeal the decision to an ALJ and 67 percent will be reinstated. That means that 36,000 people had to go without needed disability income for anywhere from 9 months to a year—when in fact they never should have been terminated in the first place.

If the present volume of reviews continues without procedural safeguards that means that through 1983, the Social Security Administration will have gone through the costly and unjust effort of terminating and subsequently reinstating 23,200 individuals who deserve to remain on the rolls.

That is the real tragedy—the unnecessary and unjustified suffering of severely disabled people and their dependent families whose benefits are stopped while they wait reinstatement to rolls they never should have been dropped from in the first place.

Why is this happening? Although the increased reviews have exacerbated many problems in the disability program, they did not create the systemic failings which have long existed, through many different administrations. It is those basic inequities and structural weaknesses which allow and perpetuate the anomolous results I have just cited—I stress again that while the reviews have increased the number of injustices and errors and exacerbated the problems, it did not alone cause them.

The problems in the present system for reviewing cases are myriad, but the most prominent and troubling ones are these:

First. SSA terminates benefits without any showing that the disabled person has actually improved medically so that he is no longer disabled, and without any face-to-face contact with the beneficiary.

Second. Beneficiaries are never clearly notified of the gravity of the disability review process or that it could result in termination of benefits.

Third. Cases under review are treated as if they are initial applications; beneficiaries are not informed of the nature of the review, but rather believe that they need only show that their condition remains unchanged or has deteriorated.

Fourth. State agencies follow SSA-issued standard call program operations manual system (POMS) in making disability determinations; these standards often conflict with or ignore Federal court decisions, SSA regulations, and the SSA law.

The problems I have just listed are a culmination of two things: Legislation passed without regard for the impact of such a strong mandate on an overburdened system, and rigid agency interpretation of that mandate without regard for the impact of enormous case reviews on the people who should remain in the program. We all share responsibility for the outcome—it rests equally with the Congress and with the SSA. Assessments of blame are beside the point at this stage; rather we all must work together to remedy a system in shambles and to prevent further injustices in this program.

The legislation we introduce today steamlines and strengthens the procedures for reviewing cases; it establishes standards for reviewing eligibility; it requires uniformity in standards throughout the system; it requires a showing of medical improvement or an error in the initial decision before benefits can be terminated; and provides payment of benefits through the administrative law judge stage.

This legislation, in other words, would alleviate the needless suffering of hundreds of thousands of truly disabled Americans. Mr. President, as much as we do not want people on the disability rolls who do not belong there, we must, with at least equal favor, want to keep truly disabled people on those rolls. That is what this bill will accomplish.

Here is a more detailed summary of what it proposes:

First. Requires that all standards and criteria for disability determinations be promulgated through notice and comment, made a part of Federal regulation, and be considered binding at all levels. Any internal SSA operations instructions would be restricted to operations only and would not further define the Federal regulations.

Second. Requires, in disability reviews, that the Government specifically find, that the person has medically improved to such an extent that the person is no longer disabled, or that the initial finding of eligibility was clearly erroneous based on the standards which were in effect at the time the initial decision was made.

Third. Revises and streamlines the procedure for disability decisions:

State agency informs person in a detailed and clear notice why and how his case will be reviewed, that the review may result in termination of benefits, what the person's responsibilities are, and that it may be advisable to seek legal assistance.

When the State agency makes its initial finding that the benefits should be terminated, notice is sent allowing 30 days in which to present additional information, and informing the person of his or her right to request a face-to-face interview with the disability examiner before the decision is forwarded to SSA's national office for an official determination.

If benefits are then terminated, person would proceed directly to request an ALJ hearing, if done within 60 days; the existing reconsideration stage would be eliminated; only evidence considered at the State level would be admissable at the ALJ level, except medical evidence of deterioration of condition; all other evidence would be remanded to the State level for consideration there, before the ALJ hearing.

Benefits would be continued through the ALJ level.

Fourth. Includes a clear definition of pain and its role in disability decisions.

Fifth. Requires the promulgation of regulations governing the use and purchase of consultative examinations, the weight to be given both evidence from consultative and treating physicians, and ways of monitoring the quality and quantity of consultative examinations.

Mr. President, I ask unanimous consent that a copy of the bill that I am introducing on behalf of myself and Senator COHEN be printed in the RECORD, along with the attached section-by-section analysis of the bill's provisions.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2674

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Disability Amendments of 1982".

TERMINATION OF BENEFITS BASED ON MEDICAL IMPROVEMENT

SEC. 2. (a) Section 223(d) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(7)(A) Except as provided in subparagraph (B), no benefits under this section, and no child's, widower's, or widow's benefit based upon disability, may be terminated on the grounds that the physical or mental impairment on the basis of which such benefit was payable has ceased, did not exist, or is no longer disabling, unless the Secretary makes a finding that there has been a medical improvement in the case of such individ-

ual's impairment such that the individual is no longer under a disability under the standards for disability in effect at the time of such prior decision, or that the prior decision that such individual was under a disability was clearly erroneous under the standards for disability in effect at the time of such prior decision.

"(B) Subparagraph (A) shall not apply in the case of a termination of benefits based upon a finding made in accordance with paragraph (4) that services performed or earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, or to a termination based on a finding of fraud.".

(b) The amendment made by this section shall apply with respect to determinations made on or after the date of the enactment of this Act.

PRE-TERMINATION NOTICE AND RIGHT TO PERSONAL APPEARANCE

SEC. 3. (a) Section 221 of the Social Security Act is amended by redesignating subsections (d), (e), (f), (g), and (i) as subsections (f), (g), (h), (i), and (j), respectively, and by inserting after subsection (c) the following new subsections:

"(d)(1) Any preliminary decision rendered by a State agency (or by the Secretary in the case where disability determinations are made by the Secretary as provided in subsection (i)) with respect to an individual's rights for a payment under this title, including any such decision regarding a new entitlement and any decision regarding termination of or change in an existing entitlement, in the course of which a determination relating to disability or to a period of disability is required and which is in whole or in part unfavorable to such individual shall contain a statement of the case, in understandable language, setting forth a discussion of the evidence, the preliminary decision, the reason or reasons upon which the decision is based, the right of such individual to a review of such decision, including the right to make a personal appearance, as provided in paragraph (2), and the right to submit additional medical evidence prior to such review. Upon request by any such individual, or by a wife, divorced wife, widow, surviving divorced wife, surviving divorced mother, husband, widower, child, or parent, who makes a showing in writing that his or her rights may be prejudiced by such a decision, he or she shall be entitled to a review of such decision, including the right to make a personal appearance, and may submit additional medical evidence for purposes of such review. Any such request must be filed within 30 days after notice of the decision is received by the individual making such request, and any additional medical evidence must be submitted during such 30-day period. Failure to make a timely request for a review under this subsection shall also extinguish the right to a hearing under subsection (e) with respect to the same decision.

"(2) A review required under paragraph (1) shall include a review of medical evidence and mental history available at the time of the initial preliminary decision, shall examine new medical evidence submitted in accordance with paragraph (1), and shall afford such individual the opportunity to make a personal appearance with respect to the case at a place which shall be reasonably accessible to such individual. On the basis of the review carried out under this paragraph the State agency (or the Secretary) may affirm, modify, or reverse the preliminary decision.

"(3)(A) In the case of a preliminary decision to terminate benefits in which a determination relating to disability or to a period of disability was made by a State agency, any review under paragraph (2) relating to disability or to a period of disability shall be made by the State agency, notwithstanding any other provision of law, in any State that notifies the Secretary in writing that it wishes to carry out reviews under this paragraph commencing with such month as the Secretary and the State agree upon, but only if, (i) the Secretary has not found, under subsection (b)(1), that the State agency has substantially failed to carry out reviews under this paragraph in accordance with the applicable provisions of this section or rules issued thereunder, and (ii) the State has not notified the Secretary, under subsection (b)(2), that it does not wish to carry out reviews under this paragraph. If the Secretary once makes the finding described in clause (j) of the preceding sentence, or the State gives the notice referred to in clause (ii) of such sentence, the Secretary may thereafter determine whether (and, if so, beginning with which month and under what conditions) the State may again carry out reviews under this paragraph.

"(B) Any review carried out by a State agency under subparagraph (A) shall be made in accordance with the provisions of this title and regulations prescribed thereunder.

"(4) A decision by the Secretary after review under paragraph (2) in the course of which a decision relating to disability or to a period of disability is required and which is in whole or in part unfavorable to the individual requesting the review shall contain a statement of the case, in understandable language, setting forth a discussion of the evidence, the Secretary's decision, and the reason or reasons upon which the decision is based.

"(5) The Secretary shall prescribe by regulation procedures for review under this subsection of issues other than issues relating to disability or a period of disability.

"(6) No documentary evidence which is submitted on or after the date of a decision made after review under this subsection relating to entitlement to benefits for periods preceding the date of such decision (hereafter in this section referred to as the 'relevant periods') shall be admitted or considered in connection with entitlement to such benefits for such periods, except as provided in subsection (e)(2), unless such evidence relates to the same impairment with respect to which such review was carried out and could not have been available at the time of such review. Nothing in the preceding sentence, subsection (e)(2), or section 202(j)(2), 216(i)(2)(C), or 223(b) shall be construed to permit, prohibit, or otherwise affect the admission or consideration, at or in connection with any proceeding in which a review relating to an individual's entitlement to benefits for particular relevant periods is involved, of evidence relating to such individual's entitlement to benefits for any other period.

"(7) Each individual who requests a review under paragraph (1) shall be informed, orally and in writing, before the review, of the preceding provisions of this subsection, and shall be advised that the individual may wish to retain an attorney or other representative to assist him.

"(e)(1) Upon request by any individual described in subsection (d)(1) who makes a showing in writing that his or her rights may be prejudiced as the result of a decision under this section which has been affirmed after review under subsection (d), the secretary shall give such individual and other individuals described in subsection (d)(1) reasonable notice and opportunity for a hearing with respect to such decision, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing, affirm, modify, or reverse his findings of fact and such decision in accordance with the provisions of this title and regulations thereunder. Any such request with respect to such a decision must be filed within sixty days after notice that such decision has been affirmed after a review under paragraph (2) is received by the individual making such request.

"(2)(A) In any case in which the individual making the request under paragraph (1) or any other individual described in subsection (d)(1) submits to the Secretary, on or after the date of the decision after review under subsection (d) and before the commencement of a hearing under this subsection, additional documentary evidence relating to disability or to a period of disability affecting entitlement to benefits for the relevant periods, which is otherwise prevented by subsection (d)(6) from being admitted or considered in connection with such entitlement, and the individual does not make the election under subparagraph (B)—

"(i) if the determinations made in the course of such decision on review include a determination relating to disability or to a period of disability which was made by a State agency under subsection (d)(2), such additional evidence, together with the evidence considered in reaching such decision, shall be remanded to the State agency for review, or

"(ii) if such determination relating to disability or to a period of disability was made by the Secretary in accordance with subsection (i), such additional evidence, together with the evidence considered in reaching such decision, shall be reviewed by the Secretary.

"(B) An individual who submits additional evidence as described in subparagraph (A) may nevertheless elect that no remand or review occur under subparagraph (A) with respect to such evidence and that such additional evidence be disregarded for purposes of determining entitlement under this subsection. The Secretary shall notify such individual upon submitting such evidence of the provisions of this paragraph and of the election available under this subparagraph and provide such individual with a reasonable period of time within which to make such election before remanding or reviewing such evidence under subparagraph (A).

"(C) The State agency, on remand, or the Secretary, on review, shall consider the record, as supplemented by such additional evidence, in connection with benefits for the relevant periods and shall affirm, modify, or reverse the prior decision relating to disability or to a period of disability. The Secretary shall inform such applicant or other individual of the decision on further review based on determinations made on such remand or in such secretarial review and of the right to request a hearing thereon under this subsection.

"(3) The Secretary shall prescribe by regulation a period of time after hearing decisions under this section during which the Secretary, on his own motion or on the request of the individual requesting the hearing, may undertake a review of such decision. If such decision is not so reviewed, such decision shall be considered the final decision of the Secretary at the end of such

period. If such decision is so reviewed, at the end of any such review the Secretary shall affirm, modify, or reverse the decision and such decision as so affirmed, modified, or reversed shall be considered the final decision of the Secretary. Any such review shall be governed by the requirements of this subsection.".

(b)(1) Section 221(j) (as so redesignated by subsection (a) of this section) is amended by inserting "(1)" after "(j)" and by adding at the end thereof the following new paragraph:

"(2) In any case where the Secretary initiates a review under this subsection of the case of an individual who has been determined to be under a disability, the Secretary shall notify such individual of the nature of the review to be carried out, the possibility that such review could result in the termination of benefits, and the right of the individual to provide medical evidence with respect to such review.".

(2) Section 221(c) of such Act is amended by adding at the end thereof the following new parapraph:

"(4) In any case where the Secretary initiates a review under this subsection of a determination made by a State agency that an individual is under a disability, the Secretary shall notify the individual whose case is to be reviewed of the nature of the review to be carried out and the possibility that such review could result in the termination of benefits.".

(c)(1) Section 202(j)(2) of such Act is amended to read as follows:

"(2) An application for any monthly benefits under this section filed before the first month in which the applicant satisfies the requirements for such benefits shall be deemed a valid application (and shall be deemed to have been filed in such first month) only if the applicant satisfies the requirements for such benefits before the Secretary makes a final decision on the application and—

"(A) no request under section 205 (b) for notice and opportunity for a hearing thereon is made or, if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary), and

"(B) in the case of an applicant with respect to whom disability is required for such benefits under subsection (d) (1) (B) (ii), (e) (1) (B)(ii), or (f) (1) (B) (ii), no request for review under section 221 (d) is made, or if such a request is made, subject to section 221 (d) (6), before a decision on review is made under section 221 (d).".

(2) Section 216 (i) (2) (G) of such Act is amended by striking out "and no request" and all that follows and inserting in lieu thereof the following: "and no request for review under section 221 (d) is made, or if such a request is made, subject to section 221 (d) (6), before a decision on review is made under section 221 (d).".

(3) Section 223 (b) of such Act is amended by striking out "and no request" and all that follows down through the end of the first sentence and inserting in lieu thereof the following: "and no request for review under section 221 (d) is made, or if such a request is made, subject to section 221 (d) (6), before a decision on review is made under section 221 (d).".

(d) Section 205 (b) of the Social Security Act is amended to read as follows:

"(b) (1) The Secretary is directed to make findings of fact and decisions as to the rights of any individual applying for a payment under this title.

"(2) (A) The Secretary may provide for review of such decisions (other than decisions to which subparagraph (B) applies) and shall provide for hearings in accordance with paragraph (3).

"(B) If the determinations required in the course of making any such decision include a determination relating to disability or to a period of disability and such decision is in whole or in part unfavorable to an individual applying for a payment under this title, the Secretary shall provide for review of such decision and for hearings in accordance with section 221.

"(3) Upon request by any individual applying for a payment under this title or upon request by a wife, divorced wife, widow, surviving divorced wife, surviving divorced mother, husband, widower, child, or parent who makes a showing in writing that his or her rights may be prejudiced by any decision the Secretary has rendered (other than a decision to which paragraph (2)(B) applies), he shall give such applicant and such other individual reasonable notice and opportunity for a hearing with respect to such decision, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing, affirm, modify, or reverse his findings of fact and such decision. Any such request with respect to any such determination must be filed within sixty days after notice of the decision is received by the individual making such request.

"(4) The Secretary is further authorized, on his own motion, to hold such hearings and to conduct such investigations and other proceedings as he may deem necessary or proper for the administration of this section, section 221, and the other provisions of this title.

"(5) In the course of any hearing, investigation, or other proceeding referred to in paragraph (4), the Secretary may administer oaths and affirmations, examine witnesses, and receive evidence.

"(6) Evidence may be received at any hearing referred to in paragraph (4) even though inadmissible under rules of evidence applicable to court procedure.

"(7) Subject to the specific provisions and requirements of this Act—

"(A) any hearing held pursuant to this subsection or section 221(e) shall be conducted on the record and shall be subject to sections 554 through 557 of title 5, United States Code, and any decision made by the Secretary after such a hearing shall constitute an 'adjudication' within the meaning of section 551(7) of such title; and

"(B) the Secretary, in accordance with section 3105 of title 5, United States Code, shall appoint administrative law judges who, in any case in which authority to conduct hearings under this subsection or section 221(e) is delegated by the Secretary, shall conduct such hearings, issue decisions after such hearings, and perform such other functions and duties described in sections 554 and 557 of such title as are applicable to such hearings.".

(e) Section 221 of such Act is further amended—

(1) in subsecton (b)(1), by inserting "under subsection (a)(1) or reviews under subsection (d)" after "disability determinations" the first place it appears, and by inserting before the period the following: "or the disability reviews referred to in subsection (d)(2) (as the case may be)";

(2) in subsection (b)(2), by inserting "or reviews under subsection (d)(2) (as the case may be)" after "subsection (a)(1)" the first place it appears, and by inserting before the period in the last sentence the following: "or the disability reviews referred to in subsection (d)(2) (as the case may be)";

(3) in subsection (b)(3)(A), by inserting "under subsection (a) or review function under subsection (d)" after "function", and by inserting "under subsection (a) or review process under subsection (d) (as the case may be)" after "process";

(4) in subsection (b)(3)(B), by inserting "under subsection (a) or review function under subsection (c)" after "function", and by inserting "under subsection (a) or review process under subsection (d) (as the case may be)" after "process";

(5) in subsection (f) (as redesignated by subsection (a)), by inserting "(1)" before "Any", by striking out "subsection (a), (b), (c), or (g)" and inserting in lieu thereof "subsection (b)", and by adding at the end thereof the following new paragraph:

"(2) Any individual who requests a hearing under subsection (e) and who is dissatisfied with the Secretary's final decision after hearing shall be entitled to judicial review of such decision as is provided in section 205(g).";

(6) in subsection (g) (as redesignated by subsection (a)), by striking out "under this section" and inserting in lieu thereof "or review under subsection (d)(2)", by inserting "or reviews under subsection (d)(2), as the case may be" after "under subsection (a)(1)" the second place it appears, and by striking out "subsection (f)" and inserting in lieu thereof "subsection (h)";

(7) in subsection (i) (as redesignated by subsection (a)), by inserting "or reviews under subsection (d)(2)" after "subsection (a)(1)", by inserting "under subsection (a)(1) or reviews under subsection (d)(2)" after "disability determinations" the second place it appears, by inserting after "guidelines," the following: "in the case of disability determinations under subsection (d) to which paragraph (5) thereof does not apply,", by inserting "under subsection (a) or reviews under subsection (d)" after "disability determinations" the third place it appears, by inserting "or the reviews referred to in subsection (c) (as the case may be)" after "in subsection (a)", and by adding at the end thereof the following new sentence: "In the case of a review by the Secretary of a decision to terminate benefits, any disability determination made by the Secretary under this subsection in the course of such review shall be made after opportunity to make a personal appearance as provided in subsection (d)(2).."; and

(8) in subsection (j) (as redesignated by subsection (a)), by adding at the end thereof the following new sentence: "An individual who makes a showing in writing that his or her rights may be prejudiced by a determination under this subsection with respect to continuing eligibility shall be entitled to a review and a hearing to the same extent and in the same manner as provided under subsections (d) and (e).".

(f)(1) Except as provided in paragraph (2), the amendments made by this section shall apply with respect to requests for reviews of decisions by the Secretary of Health and Human Services filed after the date of the enactment of this Act.

(2)(A) Section 221(d)(3) of the Social Security Act, as amended by subsection (a) of this section, shall apply only with respect to requests (for reviews of decisions by the Secretary) filed—

(i) after the last day of the sixth month beginning after the date of the enactment of this Act, or

(ii) with respect to reviews (relating to disability or to periods of disability) to be made by a State agency in any State which notifies the Secretary in writing that it wishes to carry out reviews under such section 221(d)(3) prior to the seventh month beginning after the date of the enactment of this Act, on or after the first day of such month (after the month in which this Act is enacted and prior to the seventh month beginning after the date of the enactment of this Act) as may be specified in such notice.

For purposes of such section 221 (d) (3), each State shall initially notify the Secretary in writing that it wishes to carry out reviews under such section (specifying the month with which it wishes to commence carrying out such reviews), or shall notify the Secretary in writing that it does not wish to carry out such reviews, no later than the last day of the sixth month beginning after the date of the enactment of this Act; and any State which has not so notified the Secretary by such date, shall be deemed for all the purposes of section 221 of the Social Security Act to have notified the Secretary in writing (as of that date) that it does not wish to carry out such reviews.

(B) During any period during which the provisions of section 221(c)(3) of the Social Security Act are not yet in effect in any State, and prior to the seventh month beginning after the date of the enactment of this Act, State agencies shall continue to provide for reconsideration of disability cases under title II of the Social Security Act in the same manner as required on the date of the enactment of this Act.

CONTINUED PAYMENT OF DISABILITY BENEFITS DURING APPEAL

SEC. 4. (a) Section 223 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Continued Payment of Disability Benefits During Appeal

"(C)(1) In any case where—

"(A) an individual is a recipient of disability insurance benefits, or child's, widow's or widower's insurance benefits bases on disability,

"(B) the physical or mental impairment on the basis of which such benefits are payable is found to have ceased, not to have existed, or to no longer be disabiling, and as a consequence such individual is determined not to be entitled to such benefits, and

"(C) a timely request for a hearing with respect to the determination, that he is not so entitled is made under section 221(e),

such individual may elect (in such manner and form and within such time as the Secretary shall by regulations prescribe) to have the payment of such benefits, and the payment of any other benefits under this Act based on such individual's wages and self-employment income (including benefits under title XVIII), continued for an additional period beginning with the first month for which (under such determination) such benefits are no longer otherwise payable and ending with the month preceding the month in which a decision is made after opportunity for such a hearing.

"(2) If an individual elects to have the payment of his benefits continued for an additional period under paragraph (1) pending a hearing, and the decision after opportunity for such hearing affirms the determination that he is not entitled to such benefits, any benefits paid under this title pursuant to such election (for months in such additional period) shall be considered overpayments for all purposes of this title."

(b) The amendment made by subsection (a) shall apply with respect to determinations (that individuals are not entitled to benefits) which are made on or after the date of the enactment of this Act.

UNIFORM STANDARDS FOR DISABILITY DETERMINATIONS

SEC. 5. Section 221 of the Social Security Act (as amended by section 3 of this Act) is further amended by adding at the end thereof the following new subsection:

"(k)(1) The Secretary shall provide by regulation that uniform standards shall be applied at all levels of determination, review, and adjudication in determining whether individuals are under disabilities as defined in section 216(i) or 223(d), and that such standards are in accordance with the provisions of this title and regulations thereunder.

"(2) Regulations promulgated under paragraph (1) shall include procedures for the use and purchase of consultative medical examinations, the weight to be given such consultative examinations, the weight to be given medical examinations by a treating physician or other treating health care provider, and methods for monitoring the quality and quantity of such consultative examinations.

"(3) Regulations promulgated under paragraph (1) shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.".

TERMINATION DATE FOR DISABILITY BENEFITS

SEC. 6. (a) Section 223 (a)(1) of the Social Security Act is amended—

(1) in the first sentence, by inserting "as defined in paragraph (3)" after "termination month"; and

(2) by striking out the second sentence.

(b) Section 223 (a) of such Act is amended by adding at the end thereof the following new paragraph:

"(3)(A) Except as otherwise provided in this paragraph, the termination month for any individual shall be the third month following the month in which such individual's disability ceases.

"(B) In the case of an individual who has a period of trial work which ends as determined by application of section 222 (c)(4)(A), the termination month shall be the earlier of—

"(i) the third month following the earliest month after the end of such period of trial work with respect to which such individual is determined to no longer be suffering from a disabling physical or mental impairment; or

"(ii) the third month following the earliest month in which such individual engages or is determined able to engage in substantial gainful activity but in no event earlier than the first month occurring after the 15 months following such period of trial work in which he engages or is determined able to engage in substantial gainful activity.

"(C)(i) Except as provided in clause (ii), in any case where a benefit under this section, or a child's, widow's, or widower's benefit based on disability, is terminated on the grounds that the physical or mental impairment on the basis of which such benefit was payable has ceased, did not exist, or is no longer disabling, the termination month shall be the month in which a decision affirming such termination has been initially made after a review in accordance with section 221(d)(2), or the month in which the time for requesting such an initial review has expired and no review was requested.

"(ii) Clause (i) shall not apply in the case of any termination of benefits based upon a finding made in accordance with subsection (c)(4) that services performed or earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, or to a termination based upon a finding of fraud.".

(c) The amendments made by subsections (a) and (b) shall apply with respect to determinations made on or after the date of the enactment of this Act.

EVALUATION OF PAIN

SEC. 7. (a) Section 223(d)(5) of the Social Security Act is amended by inserting after the first sentence the following new sentence: "An individual's statement as to pain or other symptoms shall not alone be conclusive evidence of disability as defined in this section; there must be medical signs and findings, established by medically acceptable clinical or laboratory diagnostic techniques, which show the existence of a medical condition that could reasonably be expected to produce the pain or other symptoms alleged and which, when considered with all evidence required to be furnished under this paragraph (including statements of the individual as to the intensity and persistence of such pain or other symptoms which may reasonably be accepted as consistent with the medical signs and findings), would lead to a conclusion that the individual is under a disability.".

(b) The amendment made by subsection (a) shall apply with respect to determinations of disability made on or after the date of the enactment of this Act.

SECTION-BY-SECTION ANALYSIS OF LEVIN-COHEN "DISABILITY AMENDMENTS OF 1982"

Section 1. Title—"Disability Amendments of 1982."

Section 2. Termination of Benefits Based on Medical Improvement:

(a) Disability benefits shall not be terminated on basis of cessation of original mental or physical impairment, or that it is no longer disabled unless SSA finds that there has been medical improvement to the extent that the person is no longer disabled under the standards in effect at the time of the original disability determination.

(b) The above section does not apply in the case where termination of benefits is based on a finding that the individual is engaged in substantial gainful activity, or to a determination based on a finding of fraud.

(c) Effective at enactment of Act.

Section 3. Pre-Termination Notice and Right to Personal Appearance:

(d)(1) Any preliminary decision reached by state agency is communicated to beneficiary in a notice which includes a clear statement of the case, in understandable language, setting forth a discussion of the evidence, the preliminary decision, the reasons upon which it is based, the right of the individual to have the state agency review the decision after the beneficiary has submitted additional medical evidence, and that the beneficiary has a right to request a face-to-face interview with the state agency, if requested within 30 days of the preliminary decision.

Failure to request a review here will extinguish the right to request an ALJ hearing.

(2) The review by the state agency shall include a review of medical evidence and medical history and shall afford the individual an opportunity to make a personal appearance, if requested. After this review, the state agency may affirm, modify, or reverse its preliminary decision.

(3)(A) Conforming language regarding state authority to conduct such reviews for Secretary.

(3)(B) Reviews must be made according to regulations.

(4) If review is unfavorable to individual, SSA provides a notice which sets forth a discussion of the evidence, the decision, and the reasons upon which it was based.

(5) Evidence not submitted in time for this review is not later admissible unless it could not have been available at the time.

(6) SSA shall prescribe by regulation procedures for review of issues other than issues relating to disability.

(7) Each person who requests a review by the state agency shall be informed orally and in writing that evidence not submitted at the time will not later be admissable and shall be advised that the individual may wish to retain an attorney or other representative to assist him.

(e)(1) Upon request, individual or affected person may request an ALJ hearing if filed within 60 days.

(2)(A) Any additional evidence submitted here which was not considered by the state agency in its review will be remanded to the state agency for consideration and another review which considers that evidence along with original evidence.

(2)(B) The individual may elect not to have the new evidence sent back on remand, but may elect to go to ALJ review on the evidence available at the time of the original state review.

(2)(C) If the individual elects to remand the evidence to the state agency for another review, the state agency is authorized to affirm, modify, or reverse its original decision. After that decision, the individual is so informed and notified of his right to still seek an ALJ hearing.

(3) Preserves Secretary's authority to conduct own motion review or review at individual's request—Appeals Council authority.

(b)(1) amendments to Section 221(j). Any review by SSA of an individual's continuing disability shall be preceded by a notice to the individual explaining the nature of the review, the possibility that such review could result in termination of benefits, and the individual's right to provide medical evidence.

(2) amendments to Section 221(c). Applies similar notice requirement to Secretary's own motion reviews of case (omitting right to provide medical evidence).

(c)-(d) Applies similar notice and state agency procedures to initial applications. Details nature of ALJ hearing for both initial denials and terminations—same as under current procedures.

(e) conforming language amendments. Restatement of individual's right to seek judicial review if dissatisfied with agency decision.

(f)(1) New procedures effective after date of enactment with respect to requests for reviews of decisions made after that date.

(2) Except six month period for putting new procedures in place, and to allow for state election to perform continue to perform disability function for SSA. Consistent with existing language of state agency acceptance. In the interim, existing procedures continues to operate.

Section 4. Continued Payment of Disability Benefits During Appeal:

(c)(1) Where the state agency's final decision is to terminate benefits and where the individual has requested an ALJ hearing, the individual may elect to have his benefits continued to end the month preceding the ALJ decision.

(2) If the individual's benefits are terminated after ALJ review, the benefits paid during that period are treated as overpayments.

Section 5. Uniform Standards for Disability Determinations:

(1) Uniform standards and requirements required at all levels of decisionmaking, and must be in accordance with statute.

(2) Regulations regarding the purchase and use of consultative examinations must be promulgated.

(3) Uniform standards and requirements must be embodied in Federal regulations which have gone through APA notice and comment procedures.

Section 6. Termination Date for Disability Benefits: Conforming amendments to reflect change in times for decisions.

Section 7. Evaluation of Pain: Establishes a definition of pain and its role in reaching disability determinations, to be applied at all levels.

Mr. LEVIN. Mr. President, I thank the Chair and the Senator from Maine.

RECOGNITION OF SENATOR BUMPERS

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas (Mr. BUMPERS) is now recognized for a period not to exceed 15 minutes.

POWDER RIVER BASIN FEDERAL COAL SALE

Mr. BUMPERS. Mr. President, this morning I was supposed to have testified before the House Subcommittee on Mines and Mining regarding the recent sale of Federal coal in the Powder River Basin in Wyoming and Montana. But I believe there are several features of that sale that ought to be brought to the immediate attention of my colleagues, so I have decided to use the Senate as my forum rather than the House subcommittee.

On May 18, I wrote the Secretary of the Interior James Watt to express my concern about his decision to lease such a large amount of coal in the Powder River basin and also about the procedures used in offering the tracts for lease.

Mr. President, I ask unanimous consent that the letter I sent to the Secretary be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ENERGY AND
NATURAL RESOURCES,
Washington, D.C., May 18, 1982.

Hon. JAMES G. WATT,
Secretary, Department of the Interior, 18th and C Streets NW., Washington, D.C.

DEAR SECRETARY WATT: I am writing to express several concerns about the Department of the Interior's recent Powder River Basin federal coal lease sale, and to ask that you not issue the leases until several questions regarding the sale can be resolved.

First, I have strong reservations about the Department's decision to offer for lease 1.6 billion tons of federal coal in the Powder River Basin. Particularly since more than 9 billion tons of federal coal are already under lease in the area, and since the market for coal reserves is slack, I do not understand the rationale behind offering additional tracts for lease at this time. The low bids received and the lack of bidders for several tracts suggest that the offerings far exceeded demand for the resource.

I am also very concerned about the sale procedures used in the Powder River Basin sale and recent allegations that minimum acceptable bid data may have been seen by industry representatives before the sale. The Department's decision to publish entry level bids that were $42 million less than the original estimates of minimum acceptable bids is made more disturbing by the evidence that industry representatives, state officials, and private individuals obtained confidential information.

Because of the size of the Powder River Basin sale and the seriousness of these charges, I do not believe that the leases should be issued until a full investigation of the sale can be held and any questions regarding the sale procedures can be resolved. I hope that such an investigation will be conducted internally by the Interior Department, and also that the appropriate Congressional committees will examine the sale.

Specifically, I would appreciate your providing me with answers to the following questions:

(1) What was the basis for offering an additional 1.6 billion tons of federal coal for lease in the Powder River Basin, when 9 billion tons of coal have already been leased in the area?

(2) The assessment of federal coal leases recently released by the Office of Technology Assessment concluded that there is at least the potential for continued high overcapacity of leased coal in the Powder River Basin. This calculation did not include the additional coal sold on April 18. Does the Department of the Interior have data that refutes this conclusion?

(3) Does the Department feel that the results of the Powder River Basin sale indicate that the demand for the coal justified such a large sale?

(4) How do the bids received for the Powder River Basin tracts compare with prices paid for comparable non-federal coal reserves in the area?

(5) Does the Department plan to accept all of the bids offered for the tracts that received bids?

(6) Prior to the Powder River Basin sale, how did the Department determine fair market value for federal coal tracts? Please describe the sale procedures used in previous sales.

(7) How is fair market value being determined for the Powder River Basin tracts? How does this differ from the former procedure?

(8) Why did the Department of the Interior decide to abandon its usual method of determining fair market value and setting minimum acceptable bids before the sale, instead set "entry level bids" and determine fair market value of the bids after the sale?

(9) Why did the Department decide to change its usual sale procedures just before the largest federal coal sale in history?

(10) How were the "entry level bids" for the Powder River Basin tracts established?

(11) According to recent reports in Inside Energy and the Washington Post, the Department's original estimates of minimum acceptable bids were seen by industry and

state representatives before the sale notice, and these minimum bids were then discarded in favor of entry level bids set at a lower amount. Does the Department have an informal practice of soliciting comments on the minimum acceptable bids from industry prior to sales?

(12) Did comments from industry or other parties influence the Department's decision to publish the lower entry level bids instead of following the usual coal sale procedures?

(13) In a March 16, 1982, memorandum to the Interior Department's Deputy Chief for Onshore Minerals Management, Dwayne E. Hull, Minerals Manager for the North Central Region, states: "It has been confirmed . . . that our (minimum acceptable bid) values have been distributed by unknown parties . . . and are in the hands of some industry, state and private individuals . . . our fear is, the sale procedures may be compromised."

What action did the Interior Department take after learning that this confidential information may have been distributed before the sale?

I hope you will agree that the Powder River Basin leases should not be immediately issued. Surely there is no urgent need to issue the long-term leases when so much federal coal is already available for production in the area. Since the Department plans to offer an additional 5 billion tons of federal coal for lease within the next year, it is important that both the Department and the Congress be satisfied with the procedures used as well as the results of the sale.

Thank you for your cooperation in this matter.

Sincerely,

DALE BUMPERS.

Mr. BUMPERS. Mr. President, I asked the Secretary to refrain from issuing those leases until Congress could be satisfied that the sale had been properly conducted. To date, I have not had a response from the Secretary.

So I was pleased that the House subcommittee had decided to hold the hearings, and I hope the appropriate Senate committees will also hold hearings to determine whether we really need to accelerate the leasing of our Federal coal at a time when the demand for coal in this country is especially slack.

The Powder River Basin coal sale, which was held April 28, was the largest Federal coal sale in history. Nearly 1.6 billion tons were offered for lease and more than $54 million in bonus bids were collected by the Department of the Interior. The Secretary has repeatedly said that this sale was a tremendous success.

I am here speaking this morning because I strongly disagree with the Secretary. And here are three very valid reasons why I disagree with him:

First, the Department's decision, just a few weeks before the sale, to change its usual sale procedures; second, the possibility that the industry representatives who were bidding on the coal were involved in the decision to change the bidding procedures; and, third, the tremendous amount of coal that was offered for lease.

Mr. President, in 1976 we passed the Federal coal leasing amendments to insure that the Government received fair market value for its coal. Subsequently, the Interior Department's coal leasing program required that the value of coal tracts would be determined before the tracts were leased; in other words, the Department would set what it determined to be fair market value of the coal before people were invited to bid on it. Bids for the tracts that did not equal at least what the Interior Department had said was the fair market value, or the "minimum acceptable bid," were rejected. The system was straightforward, it was effective, and it was fair.

Conforming to this procedure, the Interior Department initially took steps to determine the fair market value of the Powder River Basin tracts before the sale. But just before the April 28 sale date, the Department suddenly decided to abandon the usual procedure of determining the minimum acceptable bids before the sale. Instead, the Department chose to publish "entry level bids," and to determine only after the bids were received if those bids met the law's requirement that coal be sold only at the fair market value.

Now listen to these figures: The entry level bids were published in the Federal Register on April 1 before this sale on April 28. Those entry level bids totaled $52.2 million.

Mr. President, that is $42,200,000 less than the Department's original estimates of the value of those tracts.

Before the sale, Interior Department officials admitted that this approach would allow the bidding to affect their decisions regarding the value of the tracts. Apparently it did, because the Department has chosen to accept all but one of those bids which were way under the fair market value as originally determined by the Interior Department, itself.

That means, Mr. President, we are letting those coal tracts go for these bids that were 42 percent less than the Department had said they were worth. Only one of the 11 bids was rejected.

Given the 42-percent difference in the Department's original estimates of the value of the tracts and the bids that the Department plans to accept, I think it is important that the Secretary and the Department justify to the Congress their reasons for changing the bidding procedures at such a late hour.

To my knowledge, no serious objections to the previously used procedure have ever been raised. It was working fine. So I do not understand why the Interior Department decided to discard those procedures in favor of an experimental approach just a few weeks before the largest coal sale in history.

The second matter that concerns me, Mr. President, is the evidence that preliminary estimates of the value of the tracts were reviewed before the sale by the very people who were going to bid on those tracts. The information has always been considered strictly confidential. Yet numerous industry and Department officials have claimed that industry representatives saw these figures before the sale.

In a March 26 memorandum, Interior's regional minerals manager stated, "It has been confirmed * * * that our minimum acceptable bid values have been distributed to unknown parties * * * and are in the hands of some industry, State, and private individuals * * *."

The memorandum goes on to say, "Our fear is that the sale procedures may be compromised."

Well, Interior's abrupt decision to lower the minimum bid total from $94.7 million to $52.2 million certainly raises a serious question about industry involvement in the bidding procedures. The Department has repeatedly denied that comments from industry influenced its decision to lower the minimum bids. Nevertheless, I think these allegations are serious. We are talking about $42.2 million.

Mr. President, the use of experimental bidding procedures and the possibility of inappropriate industry involvement in determining how much companies will have to bid for coal is sufficient reason for the Congress to look at this sale very closely. But I am even more concerned about why we are leasing 1.6 billion tons of coal when the demand is low, and when billions of tons of Federal coal are already under lease and not being developed.

A recent study of the Federal coal leasing program conducted by the Office of Technology Assessment concluded that there are nearly 16.5 billion tons of Federal coal already under lease, and another 6 billion tons may be subject to preferential, noncompetitive lease applications.

Mr. President, at recent rates of production we already have a 200-year supply of coal under lease. So the question, for Mr. Watt is: Why are we leasing another 1,600,000,000 tons? And why is the Interior Department proposing to lease another 5 billion tons in the next year?

In the Powder River Basin alone, 9 billion tons have already been leased, and of this total, 3.3 billion tons are so far from being developed that no mining plans have even been submitted to Interior. OTA found that the potential for continued high overcapacity in the Powder River Basin will exist well into the 1990's. But despite these figures, the Interior Department chose to offer to lease an additional 1,600,000,000 tons.

Surely, there is no urgent need to lease significant additional amounts of Federal coal under these circumstances. The low bids received and lack of bidders for several tracts in the Powder River Basin sale strongly suggest that additional leasing is highly inappropriate.

Think about this—with coal selling for $25 or $30 a ton, the average bid for that 1,600,000,000 tons in the Powder River Basin was 3.5 cents per ton; 4 of the 11 tracts that received bids brought less than 1 penny a ton.

Why even offer coal for sale if you are going to accept bids of a penny a ton? When the average bid for the Powder River Basin coal is compared to recent prices paid for coal in transactions between private parties, it is clear that the Government is really a very weak player in the coal market. A study prepared for OTA found that recent prices paid for coal in private transactions where the Government was not involved—have ranged from 18 cents per ton to $1.66 per ton. But the U.S. Government is letting coal tracts for seven one-hundredths of 1 penny.

Another review of the Powder River Basin sale concluded that "The recent lease sale appears to have returned to the pre-1966 era when companies were able to obtain Federal coal reserves at minimal cost, and with little concern for competition from others. The Department of Interior would be foolish to accept any of the high bids in the recent lease sale, except perhaps Amax's bid for the Little Rawhide Creek tract."

I would certainly have to agree.

Mr. President, I ask unanimous consent that a table showing the bidders, the tracks, the entry level bid, the bid per acre, the total amount of the bid and the amount bid per ton be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RESULTS OF THE POWDER RIVER REGIONAL COAL LEASE SALE, APR. 28, 1982, CHEYENNE, WYO.

Tract name	Bidder(s)	Acres	Million tons	Entry level bid	Bid per acre	Total bid	Amount per ton (cents)
Little Rawhide Creek (Wyoming)	Meadowlark Farms (AMAX)	530	90.0	[1] $13,600	$14,000.00	$7,420,000.00	8.2
Spring Creek (Montana)	No bids	659	35.0	[1] 4,200			
Spring Draw (Wyoming)	Shell Oil Co	3,687	323.0	[1] 7,000	7,025.00	25,901,175.00	8.0
North Decker (Montana)	No bids	1,431	66.0	[1] 2,300			
Rocky Butte (Wyoming)	Texas Energy Services/Northwest Mutual Life	4,856	445.0	[1] 2,300	2,300.00	11,168,800.00	2.5
Duck Nest Creek (Wyoming)	Meadowlark Farms (AMAX)	1,154	143.0	[1] 3,100	3,125.00	3,606,250.00	2.5
Keeline (Wyoming)	Rosebud Coal Sales (NERCO)	3,238	170.0	[1] 25	498.00	1,612,524.00	9
	Neil Butte Co [2]				[2] 500.00	[2] 1,619,000.00	
Coal Creek (Montana)	Coal Creek Mining Co	1,033	60.0	[1] 25	330.00	340,890.00	58
	Wesco Resources [2]				[2] 340.00	351,220.00	
Colstrip A & B (Montana)	Western Energy (Montana Power Co.)	1,633	58.5	[1] 25	25.50	41,641.50	.07
Colstrip D (Montana)	do	2,250	43.5	[1] 25	25.50	57,375.00	1.3
Colstrip C (Montana)	do	893	18.9	[1] 25	25.50	22,771.50	1.2
West Decker (Montana)	Montana Royalty Co. (NERCO) [2]	40	5.0	[1] 25	[2] 500.00	[2] 20,000.00	.4
	Neil Butte Co				490.00	19,600.00	
Cook Mountain (Montana)	Thermal Energy (Washington Energy Co.)	2,096	178.0	[3] 2.5	[3] 2.5	4,450,000.00	2.5
Toal						54,658,000.00	[4] 3.56

[1] In dollars per acre.
[2] Apparent high bidder.
[3] Cents per ton.
[4] Cents per ton average bonus bid.

Mr. BUMPERS. Eight of the thirteen tracts offered had only one bidder and two tracts had no bidders. I cannot believe that the energy resources of this country are being managed in such a haphazard and sloppy, if not possibly fraudulent, manner.

When the coal leasing amendments passed in 1976, the Congress believed that coal would thereafter be leased for production, rather than speculation. But the Interior Department has changed the previous policy of leasing coal to meet the demand for production to a policy of leasing to meet industry's demands for reserves.

Nobody feels stronger about making this country energy independent than me, or about the importance of our domestic coal reserves in achieving energy independence. I am not saying that we ought to withhold the coal reserves needed for production. But when 16.5 billion tons of undeveloped coal are under lease and not being developed, and another 6 billion tons may soon be leased noncompetitively, I do not see any compelling reason to lease additional reserves.

I certainly do not understand why the Secretary of the Interior insists on giving away the Federal coal resources which belong to every citizen of this country, at literally bargain prices.

Coal production is not likely to suffer if additional reserves are not leased immediately, but the Federal Treasury will suffer if we flood a soft market with 20-year Federal coal leases.

I hope that the procedural questions surrounding the Powder River basin sale will not divert the Senate's attention from this issue. The Department's plans to hold additional major coal sales next year make it necessary that any questions regarding the sale procedures used in the Powder River basin sale be resolved. I have not heard from the Secretary. I believe that the Department has a responsibility to convince the Congress that proceeding with such an ambitious leasing program is in the best interest of the public, and not only that of the coal industry.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is recognized for a period not to exceed 15 minutes.

CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, I stand before the Senate today to once again remind my fellow colleagues of the serious crime problem that our Nation is facing, and to encourage the Senate, in the strongest terms possible, to act on anticrime legislation. For the past month, Senator NUNN and I have come to the Senate floor every day to stress the need for the Senate to confront this issue. We have delivered these messages because we are concerned that, with only a short time remaining in this session, the Senate will fail to address crime fighting legislation. It would be disastrous if this happened. The American public is crying out in frustration for changes in our criminal justice system that will help us to combat crime. I do not think that we meet our duty to them if we fail to heed their call.

Mr. President, at this point we have two major anticrime bills pending on the Senate Calendar. First, there is S. 2543, the package proposal that Senator NUNN and I introduced back on May 19. S. 2543 contains reforms in bail bond laws, habeas corpus procedures, sentencing for large scale marihuana traffickers, and Federal laws re-

garding contract murders. These are all areas which deserve attention. Senator NUNN and I have 17 additional cosponsors for this legislation. Then, there is S. 2572, the proposal introduced by the chairman and ranking minority member of the Senate Judiciary Committee, Senator THURMOND and Senator BIDEN. S. 2572 is also a package proposal which includes a number of significant reforms, such as victim protection and criminal forfeiture. Senator NUNN and I cosponsor and strongly support this legislation as well. There are some 50 cosponsors of this legislation.

The point here is that these two proposals can be called up at any time. Both of them have been on the calendar for almost a month now. I want to keep this thought fresh in my colleague's minds. I realize that the Senate has a full agenda of other issues which need to be considered. I do not think, however, that we can afford to put the crime problem on the back burner.

To emphasize the need for crime fighting legislation, I have been telling stories of the types of felons and criminal activities which my bill, S. 2543, would address. Today, I want to tell about a fugitive by the name of Julio DeParis; his story demonstrates the need to pass the bail bond reforms included in S. 2543.

DeParis is a 24-old native of Colombia who was arrested in Miami on November 11, 1980, for drug trafficking. He was in the country illegally at the time. At the time of his arrest DeParis had in his possession 260 pounds of cocaine. This quantity has an estimated street value of approximately $12 million. I think you can tell from this figure that DeParis was no small fry in the drug world. In fact, drug enforcement administration agents had already linked DeParis with a trafficking ring which was responsible for importing and distributing mass quantities of cocaine throughout the United States. Needless to say, D.E.A. agents were pleased to apprehend him; he was a link which might have led them to the rest of the ring. Unfortunately, this was not to be the case.

After the arrest, bail for DeParis was initially set at $5 million. Mr. President, that is not an unreasonable amount for a person who is part of a major drug trafficking ring and who had $12 million worth of cocaine in his possession. However, DeParis' lawyers were able to get his bail reduced, first to $750,000 and then to $400,000. Upon arranging for this lower sum, DeParis posted the required amount, walked out of jail, and he has not been seen since. DeParis is now listed as a fugitive. I might add that police believe him to be armed and very dangerous.

Mr. President, this case presents a clear example of where our bail bond laws simply have not worked when it comes to drug traffickers. With the enormous profits, drug traffickers are able to use bail as their ticket to freedom. In south Florida alone, Mr. DeParis joins some 300 cases of such fugitives. We have to put a stop to this revolving door which puts felons back on the streets.

Title 2 of S. 2543 addresses the issue of bail bond reform, particularly in regard to drug traffickers who have been arrested. It reverses the normal presumption that a person arrested on drug charges will go free on bail if that person falls into one of several categories. One of those categories covers illegal aliens. For such persons, bail would not be available unless the person arrested could show special reasons justifying release on bail prior to trial. If this provision were in place today, Julio DeParis might still be in Federal custody. After all, DeParis is an illegal alien.

Mr. President, we are all familiar with the link between drugs and crime. Every time we allow shortcomings in our present laws to put drug smugglers who have been arrested back into the street, we allow people like Julio DeParis to continue their criminal activities. We can change the law and make sure that people like DeParis are put behind bars where they belong. Both S. 2543 and S. 2572 contain bail reform provisions as well as other provisions aimed at fighting crime. We can fight crime by passing these bills. But only as few as 46 days remain in this session. Unless we act soon, we shall lose the chance to fight crime.

Mr. President, I yield to the Senator from Georgia.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Georgia is recognized.

Mr. NUNN. I thank my colleague from Florida.

Mr. President, today, as for the last month, two strong pieces of anticrime legislation remain pending on the Senate Calendar. The Congress hesitates to act to defend the American public from the lawlessness which daily plunders our society. By contrast, the criminal underworld is not so reluctant to act, and act boldly, to defend itself from law enforcement efforts that are made.

Threats, extortion, violence—none is too drastic a weapon to use against the criminal justice system. Consider the case of Richard Cloud, a private investigator who was brutally shot to death in the doorway if his Tampa, Fla., home on October 23, 1975. Cloud had been well known and feared in criminal circles, both as a private investigator and earlier as a Tampa police officer. At the time of his death, he was working closely with the Tampa U.S. attorney's office in preparation for the trial of a Federal counterfeiting case where he was to be a principal Government witness. He had not yet been subpenaed at the time of his death. Althouth not employed as a Federal law enforcement officer, Cloud had spent many hours without pay assisting Federal authorities in numerous major criminal investigations over the preceding 5 years.

Outraged by Cloud's death and suspecting a connection to the pending counterfeiting case, Federal authorities were at first frustrated by the lack of suitable Federal statutes under which to proceed. Since he was not technically a protected Federal law enforcement officer nor a subpenaed Federal witness, Federal obstruction of justice statutes did not specifically cover Cloud's murder. Murder alone, of course, was beyond the reach of Federal statutes. Federal authorities turned to the complex Racketeer-Influenced and Corrupt Organizations Act (RICO) in the hope that the evidence would establish the murder as but part of a pattern of racketeering activity.

Although it was very difficult, the evidence proved precisely that, but only after expending a year's worth of investigative efforts and resources by both Federal and State authorities. The massive investigation required the full-time participation of some 25 Federal agents throughout the year, supplemented by part-time and State assistance. The FBI; the Bureau of Alcohol, Tobacco, and Firearms; the Drug Enforcement Administration; the Secret Service; the Florida Department of Law Enforcement; the homicide division of the Tampa Police Department; and the Hillsborough County Sheriff's Office all contributed investigative manpower in the case. Federal prosecutive resources were jointly supplied by the U.S. attorney's office and the Justice Department's Organized Crime Strike Force.

As a result, 14 individuals, including numerous known organized crime members and associates, were indicted on Federal charges, including RICO. The indictment described a pattern of racketeering encompassing contract murder, bombing, narcotics, counterfeiting, and robbery. Cloud had been only one of five individuals on whom murder contracts had been issued, two of which were Federal prosecutors. In these cases, murder attempts had been made via automobile bombings. Two individuals were injured as a result, though Cloud was the only person actually killed. After a 6-week trial, nine individuals were convicted and two acquitted. Two individuals had pled guilty prior to trial; one, the driver of the getaway car in Cloud's murder, testified as the Government's chief witness. The man who pulled the trigger on Richard Cloud hanged himself in jail prior to the Federal trial, but after pleading guilty to State charges.

One defendant remained a fugitive at the time of trial. Subsequently apprehended by Federal authorities, he killed himself in jail just prior to his scheduled trial.

By passage of the Crime Control Act of 1982, sponsored by Senator CHILES, myself, and others, Congress can vastly improve the range of statutory tools available to prosecute cases such as Richard Cloud's murder. In such complex investigations, the State must be able to depend on the unfettered assistance of Federal law enforcement resources. Our bill extends Federal obstruction-of-justice statutes to cover potential witnesses and informants, not protected by currrent law. It specifically designates contract murder or murder for hire as a Federal criminal offense. The Federal prosecutors in the Cloud case will tell you that, had these statutory offenses been available to them, the investigation and trial of the case would have been much simpler and required far less expenditure of investigative resources. By enacting these proposals, we can give Federal authorities the investigative jurisdiction needed to fully and effectively confront organized criminal activity as well as the threats and violence which they will unquestionably encounter in doing so.

Mr. President, I yield back the remainder of the time of the Senator from Florida.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, which will last no longer than 30 minutes, during which Senators may speak for 5 minutes each.

In my capacity as a Senator from the State of Washington, I suggest the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUMANITARIAN ASSISTANCE FOR THE PEOPLE OF LEBANON AUTHORIZATION

Mr. PERCY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 6631, a bill to authorize humanitarian assistance for the people of Lebanon.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6631) to authorize humanitarian assistance to the people of Lebanon.

There being no objection, the Senate proceeded to consider the bill.

Mr. PERCY. Mr. President, I understand that Senator PELL, who has worked closely with me as ranking minority member of the Foreign Relations Committee, is on his way and should be in the Chamber momentarily. I must return immediately to a hearing we are conducting on the reorganization of the Energy Department for the administration.

The bill we are introducing this morning offers us a chance to help alleviate the human suffering of thousands of people in Lebanon. Three times in less than a decade that troubled country has seen its citizens killed, wounded, and made homeless by civil strife and military actions. The human costs and physical damage caused by the current military activities in Lebanon appear to be the worst to date.

This bill authorizes $50 million in fiscal year 1982 funds to help with relief, rehabilitation, and reconstruction efforts in Lebanon. Yesterday the House of Representatives passed this legislation by a vote of 334 to 70. The Senate Committee on Foreign Relations had prepared its own legislation, which offered several additions to the House bill which I believe were quite useful. However, in order to expedite passage of legislation to help start the funds flowing to Lebanon, my colleagues and I have agreed to substitute the House-passed bill for our own.

The administration has only requested an additional $20 million at this time. But that $20 million was designed to meet immediate relief and rehabilitation efforts. The committee believed that we should provide adequate funds to help start with reconstruction programs as well, assuming all immediate relief efforts can be met. Following the internal violence in 1975-76, the United States provided around $75 million in assistance in the fiscal years 1976-78. That is around $120 million in current dollars. Therefore, I believe that the $50 million is clearly a conservative estimate of what the long-range needs for U.S. help will be.

I should note that we will try to take care of the committee's additional provisions in other ways. One amendment had provided for a series of reports on our assistance programs in Lebanon. These reports would assure that Congress would receive adequate information on how relief efforts were progressing and give us advance notice as to whether there would be future needs for additional U.S. assistance. It is my understanding that Chairman ZABLOCKI has kindly agreed to send Secretary Haig a letter indicating that the House of Representatives would likely have supported that provision in a conference and requesting him to treat that provision as if it had passed. Senator ZORINSKY had introduced an amendment expanding the authority of the President to transfer funds from other assistance accounts into the disaster assistance account in emergencies such as we face in Lebanon. I believe that amendment can be considered when the 1983 foreign aid bill comes to the floor.

Mr. President, the bill was unanimously supported by the Foreign Relations Committee in our meeting yesterday.

I urge my colleagues to pass this provision by a wide margin. This is a time when the Lebanese need both our moral and financial support. This legislation goes a long way toward providing both.

As we have decided to support the House bill in order to expedite the legislative process, there will not be a committee report on our own bill. Therefore, on behalf of Senator PELL and myself, I wish to introduce into the RECORD a set of comments which reflect concerns of the committee. These remarks will help establish the legislative record.

I ask unanimous consent to have them printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE COMMENTS

The Committee is greatly concerned at the loss of life and the human suffering in Lebanon. Reliable information on casualties and the level of destruction may not be available for some time. In fact, while the Committee was meeting on June 21 and 23, the violence still continued in Beirut. Nevertheless, it appears that several thousand civilians have been killed and wounded, and tens of thousands have been affected in some manner by the fighting. Many who have fled from high risk areas are temporarily without shelter, and many others have had their homes destroyed or severely damaged.

Under current circumstances, it is clearly impossible to make very precise estimates as to the ultimate costs involved to meet immediate relief needs in Lebanon and to provide future rehabilitation and reconstruction when the fighting ceases. However, it would appear that damage to housing and infrastructure will prove to be greater than that which resulted from the armed clashes in 1975-76. At that time the United States provided approximately $75 million in economic assistance to Lebanon in fiscal years 1976-78. That would amount to $120 million in 1982 dollars.

The Administration has already committed $5 million in existing resources in Lebanon—$3 million from PL 480 Title II Food for Peace funds and $2 million from the AID Disaster Assistance Account. The President intends to obtain an additional $10 million from reprogramming additional funds. The Committee is concerned that these funds, with an additional $20 million requested in the supplemental, will still be well below an equitable U.S. share in helping to meet relief, rehabilitation, and reconstruction requirements in Lebanon. The Committee therefore decided to authorize $50 million in fiscal year 1982 funds for these purposes.

The Committee believes that first priority for use of these funds should be to meet immediate human needs—food, medicine, shelter, and water. It recognizes that in many cases this will require rehabilitation of some infrastructure. Water and sewer systems must be put back in working order to avoid typhoid, cholera, dysentery. Generators and electrical systems must be restored so that water pumps can operate. Transport systems must at least be in sufficient repairs to allow food and other emergency supplies to enter Lebanon and reach those in need. However, the Committee certainly would not want to see any situation where priority were given to buildings over people. Allocation of funds for relief should not be delayed while plans are being formulated for rehabilitation and reconstruction.

The Committee agreed to authorize a larger sum of money than requested by the Administration so as to assure that all immediate relief requirements could be met as soon as possible. However, as the emphasis on the activity in Lebanon shifts from relief and rehabilitation to reconstruction, the Committee will wish to monitor the type of programs entered into by AID quite closely. This is a major reason for the reporting requirements which the Committee desires.

The Committee recognizes that the President has the authority under section 492(b) of the Foreign Assistance Act to transfer funds from the economic assistance accounts to the disaster assistance account. Later appropriations could reimburse the accounts from which funds were taken. Should AID use up available funds for relief efforts before the Congress acts on this legislation, the Committee would urge the President to use that authority.

It is the hope of the Committee, however, that Congress will act expeditiously to pass an authorizations bill and a companion appropriations bill, so that use of such reprogramming authority will not prove to be necessary. Such a transfer would occur late in fiscal 1982, and could disrupt plans for projects in a number of countries in the Caribbean, Sub-saharan Africa, and South Asia. Unnecessary administrative costs could be incurred in delaying projects on ice or even breaking current contracts. As at least $20 million is likely to be made available for immediate relief efforts without use of this programming authority, the Committee believes it should be possible for the Congress to act before reprogramming is needed.

The Committee applaudes the commitments given by the Administration witnesses to channel as much assistance as possible through private and voluntary agencies. Several of these agencies have experience and resources in the area, and are conducting programs or gearing up to do so. The Committee would also encourage support of UNICEF's activities in the relief effort, which are already underway.

Mr. PERCY. Mr. President, before yielding to my distinguished colleague, I would like to just comment on the tragedy that unfolds before us. Lebanon is undergoing one of the most tragic events that has happened in our current history. It is a country that has been torn apart by all kinds of factions.

Suffering and misery have been inflicted on tens of thousands of homeless, and thousands of casualties have occurred. We do not know precisely the number of casualties, frankly. We see various estimates. Yet here we see, on the one hand, U.S. arms being used and, on the other hand, we are immediately, on an emergency basis, adopting a program of $50 million for humanitarian assistance and help, to assist those who have been injured or displaced.

I hope and trust that the policy of the administration is that we not further the fighting, that we not have an invasion, a takeover by armed forces moving into the city of Beirut to spread the conflict and the disaster. I trust that U.S. policy is further that we resort now to diplomacy, that we go back and recede to the target goals and lines that the Israelis themselves established and said they would adhere to. We must work strenuously now to exercise our leadership and move together with those in the Arab world who want peace, and Israel, to find a basis, together with the Government of Lebanon, for working for and finding a peaceful solution to this tragic problem before more lives are lost.

Prime Minister Begin once described to me that, as he lay on his bed with an injury, he could visualize the thousands of deaths the Israelis had suffered as a result of war and the tens of thousands of wounded.

I feel certain he must be able then to commiserate with the innocent people who have nothing to do with this conflict and are just caught in the crossfire.

We ought to do everything we can to help avoid further loss of life. I do not know what the ultimate cost will be and what portion and share the United States will feel morally obligated to participate in or will feel we must help, along with other countries. But it is a tragic course on which we are moving. Certainly we have a duty and a responsibility to move on this bill now. I again commend the bipartisan humanitarian sense always shown by my distinguished colleague, Senator PELL from Rhode Island, the ranking minority member on the Committee on Foreign Relations, who is a humanitarian and who has seen the need to move with swiftness and dispatch, fully supporting on a bipartisan basis not only the $20 million the administration has asked for but a higher level of $50 million which we feel is essential, and will join with me in the report language for comments endorsed now by the chairman of the House Committee on Foreign Affairs, that will call for reports to keep us abreast of the expenditure of those funds and the nature and extent of the damage.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I join with our excellent chairman, the Senator from Illinois, in urging our colleagues to give swift passage to H.R. 6631, the emergency aid authorization for Lebanon.

When our committee met to consider the administration's request for $20 million for emergency assistance, Senator TSONGAS and I introduced an amendment which increased the authorization from $20 million to $50 million. I am glad to say the amendment was accepted by the committee unanimously.

As the Senate begins its consideration of the House-passed measure, I am pleased to note that the bill contains the higher amount for relief and rehabilitation assistance in Lebanon.

Mr. President, I take particular interest in this legislation because I was in Lebanon a scant 48 hours before this current round of fighting began. In fact, I was in southern Lebanon, in Tyre, which was the center of the military activity that shortly followed. The reports I have received of the destruction of lives and property sadden me dreadfully.

In a sense, the tragedy of Lebanon represents the failure of the international community to forge a modus vivendi that could be acceptable to Israel and her neighbors. We can only hope the current conflict which rages on just as we speak here this afternoon might ultimately produce a Lebanon that is controlled by the Lebanese themselves, not controlled by the PLO or by the Syrians or by the Israelis but by the Lebanese themselves.

In the interim we must move forward with this emergency legislation which will allow our Government to provide food, shelter, and medical supplies through private voluntary organizations such as the Catholic Relief Services, and through international organizations such as the International Red Cross and UNICEF.

There may be disputes concerning the numbers of wounded, the numbers of homeless, and the numbers of dead, but surely there can be no doubt that the need is immediate. We must act now to insure that there is no delay in providing humanitarian assistance for Lebanon.

Mr. PERCY. Mr. President, I thank my distinguished colleague for his comments.

LEBANON, ISRAEL, AND THE MIDDLE EAST

Mr. MITCHELL. Mr. President, I rise in support of the resolution which provides for humanitarian assistance to the suffering people of Lebanon.

I believe it an appropriate time to make some additional comments regarding that situation and the necessity for action, to not only care for those who have been injured, made homeless, and lost their property, but to see to it that the same circumstances do not occur with respect to others.

Mr. President, the agony of Lebanon continues.

It must end. It is a standing reproach to the civilized world that this Nation has been militarily occupied for 7 years with no protest, no action, and virtually no concern about the devastating impact of foreign occupation on the lives of the Lebanese people and the fabric of what was recently the only democratic society in the Arab world.

By coincidence, several days ago Members of the Senate and House commemorated Captive Nations Day, which marks Soviet domination of the three Baltic republics. The annual congressional remarks on Captive Nations Day are an offering to the ghost of Western policy: That policy which claims as its principle that national borders cannot be permanently changed by force. Who remembers the captive nations today?

For 7 years Lebanon has been just such another small nation, also conveniently forgotten by Western civilization. Lebanon's plight has evoked ritual denunciation and little else.

Today, because it has been invaded, and only because it has been invaded, there is no need to ask who remembers Lebanon.

But our commonsense ought to have told us that we could not ignore festering wounds in the fabric of international society and expect them to vanish. And our common humanity ought to have told us that allowing a defenseless nation to become the staging ground for foreign military ambitions was not only politically foolish, but morally wrong. Yet, Lebanon and her people have occupied in the Middle East much the position that the captive nations occupy in Eastern Europe—a convenient propaganda vehicle, a platform for speeches, and an excuse to do nothing.

The world has been content to allow Lebanon to be the cockpit for the smoldering conflicts in the Middle East. We have given lipservice to the integrity of the country, but we have turned a blind eye to the reality. Some 30,000 Syrian troops have occupied the northern section of the nation, policing the capital of Beirut and giving tangible form to Syrian expansionist goals. Also 15,000 to 20,000 Palestinians have used southern Lebanon as a staging ground to turn themselves from guerrilla fighters and terrorists into a military force in their own right. Private armies have sprung up in western Beirut among the different Moslem groups there. Private Christian militias have been aided by Israel in the south and have maintained themselves to the north of the capital.

We should not be surprised that this unstable edifice of forces has now been unbalanced.

There was nothing inevitable about the Israeli assault on Lebanese territory. But the inherent instability that was allowed to persist for so long contained within itself the fissures of its own collapse.

This is not a recent development. It is not a situation we confront for the first time this month. It is a situation and a condition which began with the Jordanian expulsion of the PLO in 1970, accelerated in the devastating civil war of 1975, and has been a fait accompli since 1976. For 7 years our world has tacitly chosen to ignore it. We have chosen to maintain the fiction of an independent Lebanese nation. What we have almost permitted to occur is the virtual dismemberment by force of a nation which was once the pride of the Eastern Mediterranean, a center of culture, of civilization, and of prosperity.

I am deeply distressed at the human suffering that has followed in the wake of this war. The thousands of lives lost, the thousands of civilians wounded, the homes destroyed, the businesses and workplaces ruined—surely these are proof, if further proof were needed, of the senseless destruction of war.

I grieve for the dead and dying innocent men, women, and children of Lebanon, as well as for the casualties among the combatants.

The nations of the world must, surely, recognize that the futility and the horror of war cannot continue to be ignored just because the destruction lands on someone else's home, or kills someone else's children.

The agony that Lebanon endured for the last decade was a man-made trauma, not a natural disaster. It was human action and human will which allowed some to gaze on the mountains of Lebanon and see an enlargement of their political power. It was human failure that let the rest of us look on the destruction of a society and see a geopolitical safety valve.

When will we cease to treat other people's lives as defenses against our lack of political will? Are we to tell the people of Lebanon today that their plight is the result of political, geographic forces over which we have no control? Will we use the deaths of Lebanese people and the destruction of Lebanese homes as another counter in the never-ending big power struggle?

Or will we, this time, try to resolve the conflict so as to prevent future conflicts?

I believe the choice is ours to make. I do not believe geographical or political or historical forces must inevitably compel people to slaughter each other. I do not accept that outcome.

It is a curious reflection on the realities of our world that in this war, the major powers are little better than bystanders. Our Nation has insisted on the Israeli acceptance of a cease-fire. We have insisted that Beirut not be invaded. The Soviets have sent a general to Damascus to confer with their Syrian allies, and they have claimed the usual generous interpretation of Soviet border interests in a note to the Israelis.

It is clear that the Soviets are setting the stage, in traditional fashion, to shore up their prestige among the Arabs, to reassure the PLO that its source of arms will not dry up, and to maintain the fiction that Israel is the only threat to peace in the Middle East.

The danger, in my view, is that if we permit diplomacy-as-usual to reassert itself in settling the outcome, we may emerge with nothing but a reversion to a modified status quo ante—a buffer zone to protect the Galilee, no meaningful reduction in the Syrian presence, and no meaningful strengthening of a viable Lebanese authority either. Such an outcome will spell the beginning of the next war as clearly as the civil war of 1975 laid the groundwork for this one.

But we have, as well, an opportunity to work for and achieve a different outcome—the revival and reestablishment of a truly independent and democratic Lebanon, with full control over her own territory, with full control over her duly authorized armed forces, and without the destabilizing presence of professional terrorists in her countryside towns. Such an outcome would bolster the cause of Middle East peace. It is the goal toward which we should direct our efforts.

What is needed is a cease-fire, a real cease-fire. The fighting, the killing of innocent civilians, the destruction of property must end. There then must be the final withdrawal of all foreign troops from Lebanese soil—Syrian troops, PLO troops, and Israeli troops alike, without distinction. No nation can live or should be asked to live with what is, in effect, an occupation army within its borders. The fiction of an Arab deterrent force must end and the Syrians must return to Syria.

Israel must abide by her stated commitment that she covets no Lebanese territory and withdraw to her own borders. The ultimate Israeli goal of secure borders, recognized and respected by her neighbors—a goal which the United States supports, a goal which I support—cannot be achieved in a climate of violence, mistrust, and destruction. Israel's ultimate political security cannot be assured by war.

The PLO cannot remain in Lebanon. No nation should have to play unwilling host to hundreds of thousands of people who have no allegiance to its authority, and who brook no interference with their goals and tactics.

This administration has said it will make international terrorism one of the central aspects of its foreign policy. Lebanon has been the unwilling host of the world's largest terrorist training camps for years. If our concern about international terrorism is

to be expressed in practice, the elimination of such an enclave is essential. Terrorism seeks to win wars on battlefields made of innocent people. It is not now and has never been a legitimate or just way to pursue either a military or political goal. It is long past time that we ceased to abide by the fiction that demands backed by terrorist actions have any claim on the international community.

I want to see an end to the diplomatic fictions which have allowed Lebanon to be dismembered and, now, invaded.

I demand for the Lebanese people the same right to peaceful existence that Israel has presented to the world for three decades, the same right to independence and self-determination that the Palestinians claim for themselves, the same peace that every Arab nation has claimed as its goal, the same freedom and justice that all peoples the world over long for.

It is an outrage that a nation whose goal and practice has been to live at peace with others should herself become the battleground for the wars of others.

There must be a successful diplomatic effort to reinstate a soverign, independent, and democratic Lebanon in the wake of the ruins. I welcome the initiative of President Sarkis in seeking to set the groundwork for such an outcome with the Commission on National Salvation. No final battle for political power or ultimate control over Lebanon can be won or will be won while the nation is occupied by three foreign armies. But Lebanese national leaders of all groups should seize the current opening to forge again the balance and the accommodations that once made Lebanon an oasis of peace and prosperity in the Middle East.

It would be tragic if the violence and dissension of foreign occupation were now to erode the Lebanese ability to recreate their nation. It would be an invitation to foreign influence, yet again, and a disheartening loss of the tolerance and spirit that infused Lebanese society and set an example to the rest of the Middle East in the past decade.

For this one time, the leaders of Lebanon, the leaders of other nations, and the people of the world ought to look directly at and recognize the human casualties of war. The maimed children of Beirut, the dead children of Sidon, the orphaned children of Tyre, who are now homeless—none of them had any hand in creating the situation that has led to their death, injury, and destruction.

None of the people lying bleeding and dying in Lebanese hospitals today are of less value than the political leaders who will soon help determine their ultimate fate. It is time, and well past time, that the political leaders of the contending parties as well as those of the international community recognized that reality.

If the world's political leaders cannot see their own homes and their own families and their own children mirrored in the ruins of Lebanese towns, Lebanese villages, dead and dying Lebanese children, they will forfeit their claim to their positions and to the allegiance of the people who are doing the bleeding and the dying.

As an American of Lebanese descent, Mr. President, I urge in the strongest possible terms that we not miss this opportunity to work for a restoration of stability in Lebanon, and a beginning to the end of that small nation's agony.

If ever an opportunity existed to do the right thing it is now. And if ever an opportunity existed to demonstrate, in practice as well as with rhetoric, our support for peaceful resolutions to conflicts, this is it. The United States and the free world have everything to gain and nothing to lose by vigorously and imaginatively seizing this chance to restore to the free world a nation which intransigence, hatred, and violence has almost destroyed.

AID TO LEBANON

● Mr. KENNEDY. Mr. President, today the Senate is considering an urgent authorization of $50 million in emergency relief and humanitarian assistance for Lebanon. Americans all across our country are shocked by yet another tragic outbreak of fighting in the Middle East. And as happens all too often, it is the innocent who have suffered most. Today it is Lebanon which has paid the heaviest price for failure to find a just and lasting peace in the Middle East.

Reports reaching us indicate that hundreds of thousands of people have been killed, wounded, or displaced by the most recent fighting. Families are shattered and divided. As a result of the intensity of the fighting there has been massive destruction. Towns have been razed; whole villages were destroyed. Farms and fields have been ravaged. For many Lebanese their homes are only memories. Throughout the area of the fighting the basic infrastructure that supports life is gone. Water, electricity, sanitation, roads, bridges, hospitals—all are destroyed. The plight of those who remain alive is critical.

Mr. President, there is no question as to the urgency of this humanitarian assistance to the people of Lebanon. The needs of tens of thousands of wounded and homeless cannot be ignored, and the cries for help from those attempting to provide emergency assistance must not go unanswered.

Already, the International Committee of the Red Cross in Geneva has issued an urgent appeal for over $20 million—to which only $4 million in cash or kind have been received to date. In addition, the private voluntary and church agencies, who are helping people on all sides of the Lebanese conflict, have totally inadequate resources to meet massive medical and relief needs.

Under the terms of section 491 of the Foreign Assistance Act, I urge the administration to allocate a substantial portion of the funds authorized by this bill to support the work of these agencies, especially the private American voluntary agencies, such as Catholic Relief Services and Church World Service, and to support the other international and humanitarian agencies working in Lebanon—especially the ICRC and the American University of Beirut's hospital. These agencies are literally on the firing line, and in direct contact with the people in need, and their programs must be supported by this legislation.

Mr. President, approval of this assistance implements the policy toward Lebanon which I introduced in the Senate last year and which was incorporated into law in the International Security and Development Cooperation Act of 1981. Section 715(5) of that act calls for "generous international support for relief, rehabilitation and humanitarian assistance for Lebanon • • •" Last year, the Congress approved my amendment to allocate $5 million in humanitarian aid to Lebanon. I am very pleased that the Senate has now moved rapidly to provide this additional assistance, so badly needed at this time.

Unquestionably, the events of recent weeks highlight the urgent need to provide humanitarian assistance; but, even more importantly, these events underscore the compelling need to reach a comprehensive and permanent peace in the Middle East. Last week I spoke on this question and I would like to reiterate today that there is a new moment of opportunity in the Middle East to restore to Lebanon and to the Lebanese people their independence, sovereignty and territorial integrity. It is the moment to implement the entire policy on Lebanon which was set forth last fall in law.

Let me read section 715:

LEBANON

SEC. 715. It is the sense of the Congress that the Government of the United States should continue to support diplomatic efforts to resolve the current crisis in Lebanon, and to pursue a comprehensive and coordinated policy in Lebanon guided by the following principles:

(1) maintenance of an effective cease-fire throughout Lebanon;

(2) resolution of the issue of the Syrian missiles deployed in Lebanon;

(3) freedom, security, and opportunity for the Christian and all other Lebanese communities, including the Moslem, Druze, Armenian, and Jewish communities in Lebanon;

(4) reaffirmation of the historic United States-Lebanon relationship and strengthening the longstanding commitment of the United States to the independence, sovereignty, and territorial integrity of Lebanon, without partition, free from terrorism and violence, and free to determine its future without Soviet or other outside interference;

(5) generous international support for relief, rehabilitation, and humanitarian assistance for Lebanon, particularly for those Lebanese citizens who have suffered from the terrorism and violence of recent events;

(6) restoration of Lebanon's sovereignty free from outside domination or occupation; and

(7) support for a free and open national election.

I urge the administration to press ahead for reconciliation between the various Lebanese factions. I hope all Lebanese will join together to restore the authority of the central government so it can once again assume responsibility for security throughout Lebanon, and so Lebanon can once again assume its traditional place as home for all communities—Christian, Moslem, Jews, and Druze. The world needs a free, secure, democratic and prosperous Lebanon, with close ties to the West, and I hope that later this year we will see Lebanese democracy very much alive as the Lebanese people go through the process of electing a new President.

I urge the administration to press for the withdrawal of all forces from Lebanon. The Government of Israel has made clear that it desires not one inch of Lebanese territory, and I welcome this assurance. The Syrians who sent forces into Lebanon 6 years ago, ostensibly to restore peace, have in fact been an occupation force and have undermined the Constitution of Lebanon, and intimidated both its government and its people. I need only mention how this so-called peace force almost leveled the Christian city of Zahle. It was the Syrian introduction of SAM missiles into Lebanon last year that led them to heightened tension and a new round of fighting in Lebanon. All Syrian forces must be withdrawn from Lebanon in accordance with the Lebanese Government request.

The PLO must be disarmed and the "State Within a State" dismantled. Never again should Lebanon be a base for terrorism and murder. Never again should the Government of Lebanon be intimidated by an organization such as the PLO which was a guest in the country.

In closing, I would like to emphasize again that now is the time to restore Lebanon to its proper place as a truly independent and sovereign state free from outside occupation and interference. We must use all our available resources in this important effort. We must stand by our Lebanese friends in this dark hour—to help them meet the critical humanitarian problems that now exist—and we must stand with them in their efforts to rebuild a new, free and prosperous Lebanon. And our ultimate goal must be a true and enduring peace for all who live in the Middle East.●

AID TO LEBANON

Mr. MOYNIHAN. Mr. President, I rise in support of the legislation now before the Senate. The pending bill would authorize $50 million in humanitarian relief assistance for the people of Lebanon in addition to $15 million the administration has announced it will reprogram from other areas.

I commend the members of the Foreign Relations Committee for their prompt action and I urge unanimous passage of this legislation, that we may supply immediate disaster aid to the victims of the conflict now raging in Lebanon.

Since 1975, when Lebanon was overrun by the Syrian Armed Forces, following in the path of the PLO, that democratic, pro-Western nation has been torn asunder. The life of the Lebanese people has been disrupted as have few in the world in recent years.

The time is long past for the United States to assume a leading role in the reconstruction of a pluralist, democratic Lebanon—free of all foreign occupation.

At the time when we could have had greatest effect, in 1975, this country was still reluctant to engage in the defense of its interests abroad. I was ambassador to the United Nations when Lebanon began to come apart. Accordingly, it was my sad duty to have to tell the Lebanese ambassador the United States would not be able to do anything for his country—despite the utter violation of the sovereignty and liberty of a kindred democracy.

Recent tragic events have presented us with new opportunities to build peace in the region, even as we restore democracy and stability to Lebanon.

Humanitarian assistance is the first step—and I trust the Congress and the President will expedite implementation of the aid program—but is is only the first step.

Let us hope we shall muster the courage to follow through to successive measures necessary for the reconstruction of Lebanon.

Mr. SPECTER. Mr. President, I rise today to support the authorization for $50 million in disaster relief to the people of Lebanon.

The recent fighting in Lebanon has exacted a great toll on Lebanon's civilian population. It has been most unfortunate for the people of Lebanon that the PLO and Syrian forces have occupied Lebanon and that Israel found it necessary to drive out the terrorists who were attacking Israelis living near the Lebanese border.

This aid, so desperately needed, will enable the Lebanese people to receive medical aid and food as well as insure the restoration of essential services and the normalization of daily life. Hopefully, this assistance will be a first step to peace in Lebanon and the reestablishment of Lebanon's sovereignty.

The people of Lebanon have suffered under the threat of foreign domination; over 60 percent of the country has been occupied by PLO and Syrian forces. Without a stable, viable government, the Lebanese people have been unable to resist foreign intervention. In 1970, after King Hussein expelled the PLO from Jordan, the Lebanese were too weak to resist them. In 1975, Syria sent troops into Lebanon and bloody civil war ensued—killing thousands and leaving the small country in ruins. Lebanon has never fully recovered from this devastation.

Already, the Jewish Joint Distribution Committee, the International Red Cross, the World Council of Churches, and the Catholic Relief Services have begun to assist the Lebanese people.

The debate on U.S. policy in the Middle East will be detailed and extended and I realize that foreign aid may not be popular at a time of fiscal austerity here at home. The American people, I believe, will generously offer this disaster assistance to the people of Lebanon who are in such dire need. It is my view, however, that these funds must not be redirected from other places of need, particularly the allocated foreign assistance funds necessary for the survival of Israel, our only democratic ally in the Middle East.

The bipartisan nature of the support for this humanitarian assistance to Lebanon reflects the American commitment to the assistance of people in need.

Mr. PERCY. Mr. President, before asking for adoption I want to clarify one particular point. There is a great distinction in all of our minds between the PLO, which is in part a terrorist organization, and the civilian casualties that have occurred. This legislation is in support of the civilians living in Lebanon who have suffered the tragedy of a war in which they really were not themselves involved and which they had no part of. War often takes unintended victims, and they can be aided by this legislation.

Mr. President, I ask for third reading of H.R. 6631.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The PRESIDING OFFICER. Is there further debate? If not, the question is, Shall the bill pass?

The bill (H.R. 6631) was passed.

Mr. PERCY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, it is my information that the House has not yet acted on the supplemental appropriation veto message or on a subsequent bill.

That is still the prime business of the Senate for today and, therefore, we must await further action by the House.

It is still my intention at some point—not now, but at some point after conferring with Senator HELMS, Senator HUDDLESTON, Senator EAGLETON, and others—to ask the Senate to turn to the consideration of an agriculture bill dealing with tobacco. Once again, I am not doing that now, I am simply putting Senators on notice that later I will.

EXTENSION OF TIME FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, since it appears there is nothing else cleared for action at this time, I ask unanimous consent that the time for the transaction of routine morning business be extended to not past the hour of 2:30 p.m. in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COHEN). Without objection, it is so ordered.

QUORUM CALL

Mr. STEVENS. Mr. President, I ask that each of the cloakrooms advise their Members that we are about to be honored with a visit by distinguished members of the European Parliament. I ask for a live quorum call and ask that it go rapidly.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 37 Leg.]

Biden	Lugar	Stevens
Boschwitz	Mattingly	
Cohen	Pressler	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The bill clerk resumed the call of the roll, and the following Senators entered the Chamber and answered to their names:

Abdnor	Goldwater	McClure
Andrews	Gorton	Melcher
Baker	Grassley	Murkowski
Brady	Hatfield	Nickles
Burdick	Hawkins	Pell
Byrd, Harry F., Jr.	Heflin	Percy
	Helms	Quayle
Cochran	Hollings	Sarbanes
D'Amato	Huddleston	Sasser
DeConcini	Inouye	Schmitt
Dixon	Jackson	Simpson
Dodd	Jepsen	Specter
Domenici	Johnston	Stafford
Eagleton	Laxalt	Stennis
East	Mathias	Thurmond
Garn	Matsunaga	Warner

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Missouri (Mr. DANFORTH), the Senator from Alabama (Mr. DENTON), the Senator from Kansas (Mr. DOLE), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Utah (Mr. HATCH), the Senator from California (Mr. HAYAKAWA), the Senator from Pennsylvania (Mr. HEINZ), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Wisconsin (Mr. KASTEN), the Senator from Oregon (Mr. PACKWOOD), the Senator from Delaware (Mr. ROTH), the Senator from New Hampshire (Mr. RUDMAN), the Senator from Idaho (Mr. SYMMS), the Senator from Texas (Mr. TOWER), the Senator from Wyoming (Mr. WALLOP), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. INOUYE. I announce that the Senator from Montana (Mr. BAUCUS), the Senator from Texas (Mr. BENTSEN), the Senator from Oklahoma (Mr. BOREN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Arkansas (Mr. BUMPERS), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Michigan (Mr. LEVIN), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maine (Mr. MITCHELL), the Senator from New York (Mr. MOYNIHAN), the Senator from Georgia (Mr. NUNN), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Arkansas (Mr. PRYOR), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Michigan (Mr. RIEGLE), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Florida (Mr. CHILES) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VISIT TO THE SENATE BY MEMBERS OF THE EUROPEAN PARLIAMENT

Mr. STEVENS. Mr. President, we were honored today with the presence of a distinguished delegation from the European Parliament. As Senators are aware, the Members of Parliament are elected from the Member States of the European Community. Those who are visiting with us today are Members of the first European Parliament to be selected in a direct popular election.

I should note that one of the most significant of the responsibilities of the Parliament is the consideration of the European Community's budget. It is my understanding that their consideration of their budget is every bit as energetic and confrontational as our own, and I suspect we have much in common on the issue.

I thank the Members of the Senate who came to the floor to welcome these visitors to our Chamber. I trust that their visit here and in the House of Representatives has been a constructive and useful experience for both the European Parliament and Congress.

Mr. President, on behalf of the majority leader, I ask unanimous consent that the names of the Members of the delegation from the European Parliament be printed in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

GUESTS, DELEGATION FROM THE EUROPEAN PARLIAMENT

Mrs. Eva Gredal, Chairman (Socialist, Denmark).

Mr. Vincenzo Glummarra, First Vice-Chairman (European People's Party, Italy).

Mr. Rene Piquet, Second Vice Chairman (Communist, France).

Mrs. Simone Veil (Liberal, France).

Mr. Ernest Glinne (Chairman, Socialist Group, Belgium).

Mr. Mario Zagari (Socialist, Italy).

Mr. Erwin Lange (Socialist, Germany).

Mr. Jacques Moreau (Socialist, France).

Mr. Efstratios Papaefstratiou (European People's Party, Greece).

Mr. Niels Haagerup (Liberal, Denmark).

Mr. Harry Notenboom (European People's Party, Netherlands).
Lord Bethell (European Democrat, United Kingdom).
Mr. Wolfgang Schall (European People's Party, Germany).
Mrs. Louise Moreau (European People's Party, France).
Mr. Sergio Segre (Communist, Italy).
Mr. Alan Tyrell (European Democrat, United Kingom).
Mr. Leonidas Lagakos (Socialist, Greece).
Mr. Roland Boyes (Socialist, United Kingdom).
Mr. Karl von Wogau (European People's Party, Germany).
Mr. Michael Welsh (European Democrat, United Kingom).
Mr. Fritz Gautier (Socialist, Germany).
Miss Sile de Valera (European Progressive Democrat, Ireland).
Mr. Roland De Kergorlay, Head of the Delegation of the Commission of European Community.
Mr. Theo Junker, Head of Division, Secretariat of Interparliamentary Delegations.
Mr. Denis Corboy, Director of Information, Delegation of the Commission of the European Communities.
Mr. Gerard Laprat, Secretary-General, Communist Party Group.
Mr. Simon Lunn, Adviser, Office of the President of the European Parliament.
Mr. James Spence, Principal Administrator, Secretariat of Interparliamentary Delegations.
Mr. Chris Piening, Administrator, Secretariat of Interparliamentary Delegations.
Mr. Jim Talbot, Public Affairs, Delegation of the Commission of the European Community.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BRADY). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GOLDWATER). Without objection, it is so ordered.

AMVETS ON VOLUNTARY PRAYER

Mr. HELMS. Mr. President, there has been a great deal of hot air, and very little substance, in the rhetoric against a statute restoring voluntary prayer to the public schools. Congress has ample explicit power to withdraw prayer cases from the jurisdiction of the Federal courts, including the Supreme Court, notwithstanding the cries now emanating from the lawyers' lobbyists.

Gabriel P. Brinsky, national service and legislative director of AMVETS, has recently made a significant contribution to the debate on this matter. Published in the May 20, 1982, issue of the Stars and Stripes, Mr. Brinsky's article emphasizes that prayer in the schools is nothing more and nothing less than bedrock American tradition.

Among other things, Mr. Brinsky says,

Prayers belong in schools. It is Americana. So let there be wailing and gnashing of teeth. Let the venomous sophistry flow. Let new invectives be invented to condemn it. For in spite of all the opponents' arguments, one thing is certain: none can deny the self-evident, compelling truth: There is no evil in prayer.

Mr. Brinsky is right, and as a representative of AMVETS he should be given consideration by my colleagues in the Senate. Therefore, Mr. President, I ask unanimous consent that "As We See It: Prayer" by Gabriel P. Brinsky appearing in the May 20, 1982 edition of the Stars and Stripes be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Stars and Stripes, the National Tribune, May 20, 1982]

AS WE SEE IT—PRAYER

The Helms Senate Amendment would have restored voluntary prayer in the public schools. It got nowhere and is still floundering in Committee. Chances are that it won't go anywhere. Logically and innocently one might ask: And why not? Is not 80% of the population in favor of school prayer?

True, give or take a few percentage points. So, if the great majority of the population in a democracy wants it, what's the hold-up?

Well, sometimes the democratic processes do not percolate as intended. A minority on occasion can prevail by utilizing the very mechanism which is meant to insure the will of the majority. For example, the constitution is invoked by the opponents to argue against the legislation to restore voluntary prayer. They claim such legislation would be unconstitutional.

Whether in reality it would be unconstitutional matters not. The opponents are not imbued with constitutional provisions. It merely serves as a convenient ploy.

So to obtain prayer in schools, the President of the United States proposed a constitutional amendment to overcome the objection. Immediately his announcement was greeted by facetious allegations that he was proposing prayer as a solution to unemployment.

In a more valid view, it is alleged that the mere fact that a prayer is said in a school, it becomes a state's prayer and therefore becomes the state's religion.

Taking this reasoning in inverse order, since states cannot have religions, being inanimate entities, it follows that they do not have adopted prayers. Therefore, any prayers in schools can only be universal supplications to the Diety.

But prayers in school provide no allowance for minority beliefs, goes the argument. When an entire class and the teacher recite a prayer, no thought is given as to how uncomfortable the minority children must feel. Often they will do what the teacher expects them to do. This, they insist, is tantamount to religious intimidation.

The fallacy in this argument is that it presupposes all children are dolts who are incapable of independent thought or freedom of action. Not so. If it were true, then more the reason to exert guidance evidently solely needed. And what better example could be provided than acknowledging our faith in the Supreme Being? It has sustained our country during trying times and has helped to make it what it is today, the greatest nation on earth.

It is also argued that you cannot "sanitize" a prayer to the point that it can be everyone's prayer. The Washington Post Newspaper, in a recent editorial, suggested that the state should stay out of the "business" of deciding whose God and "which prayers are suitable for our children."

Well, if we consider prayer as a "business," then the ground rules for debate must be changed. For business is a competitive enterprise while prayer is not.

It is true that prayer cannot be "sanitized" in the sense that prayer must be strictly a private matter between the communicator and his Maker. But to pay homage to one's Creator is a concept which readily lends itself to universal adoration. Thus, should any part of the supplication offend for whatever the reason, that portion of the prayer can be individually "sanitized" by the simple expediency of silence, or, if preferred, a sotto voce substitution of preference.

Prayers belong in schools. It is Americana. So let there be wailing and gnashing of teeth. Let the venomous sophistry flow. Let new invectives be invented to condemn it.

For in spite of all the opponents arguments, one thing is certain; none can deny the self-evident, compelling truth: There is no evil in prayer.

SHE DIDN'T SAY IT

Mr. HELMS. Mr. President, on May 21, in comments concerning the budget resolution, I mentioned a memorandum which I had understood to have been sent in 1979 from the Director of the Congressional Budget Office, Alice Rivlin, to then Budget Committee chairman, Senator Muskie. In fact, the memorandum to which I referred was sent from the then majority staff director, Mr. John McEvoy, to Chairman Muskie quoting Miss Rivlin.

My comments concerning the budget resolution were to the effect that the Congressional Budget Office reportedly had a prejudice against classical or supplyside economics—which, in a recent letter, Miss Rivlin denies. Moreover, I have learned that Miss Rivlin denied the accuracy of that quotation at the time that it became public knowledge.

Mr. President, I ask unanimous consent that a letter from Miss Rivlin setting forth her position and a copy of the McEvoy memorandum be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 2, 1982.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: In your floor speech of May 21, you inadvertently perpetuated a story that has no basis in fact. You refer to memorandum from me to Senator Muskie describing supply-side critics to CBO as a "right wing claque." You suggest I probably meant "clique."

There never was such a memorandum from me to anyone. I never used either

phrase in this context. The phrase was attributed to me by a Muskie staffer, but as the record shows, I emphatically denied both the phrase and the idea itself (see attached letter to Senator Muskie of April 15, 1980).

CBO uses a variety of econometric models representing different views of how the economy works. We have particularly sought supply-side models and have been using the Evans model which was explicitly designed to be a supplyside model. We have always welcomed all views concerning our methods and projections and continue to do so.

In order to correct this misrepresentation of my views, I would greatly appreciate your willingness to insert this letter into the Congressional Record.

With best wishes,

Sincerely,

ALICE M. RIVLIN, *Director.*

Enclosure.

MEMORANDUM

To: Senator Muskie.
From: John McEvoy.
Date: October 4, 1979.
Subject: Orrin G. Hatch—Request for oversight hearings.

Senators Hatch and Armstrong wrote you recently asking for hearings on CBO's economic forecasting models. Hatch—and Hayakawa before him (they have had the same budget committee staff person)—have conducted one-man campaigns against the validity of CBO's economic projections on the ground that the commercial forecasting models CBO uses do not adequately reflect the economy, particularly as it responds to federal stimulus.[1] Today a second letter arrived from Hatch, renewing the request for hearings on the basis of a meeting he had with Alice last week. He would like to have those hearings in connection with the legislative hearings scheduled for the end of this month on the legislative bills which have been referred to the Budget Committee.

I have discussed this issue with the minority, with our staff, and with Alice Rivlin. Alice doesn't really want to have hearings and would like us to put Hatch off somehow. She says—and Susan Lepper supports her in this—that the critics of the models CBO uses for forecasting are an extreme right-wing claque who should not be given an audience, lest it legitimize their views and give Hatch a forum which ought to be denied him if we could.

If we are to hold hearings, Alice believes that they should involve noted economists telling the Committee that Hatch's witnesses are wrong. Thus, the hearings might be structured in a panel form in which Hatch's witnesses and the pro-CBO witnesses appear on the same panel. Two days might be required to effectively use that format.

I have mixed feelings about the Hatch request. I am tempted to have him off on this tangent, which few people know or care about outside the economics profession, rather than to leave him with time to become engaged with something that might be more serious, and while I would ordinarily think that a request by a member of the Committee should be given most serious consideration, Hatch consistently puts himself beyond the pale by his attitude and accusations, such as the Barron's article which you have seen.

On balance, I do not see how we can deny Hatch the hearing without giving him still another cause of complaint about the Committee and a chance to allege that we are covering up CBO's deficiencies. And so I recommend that the hearing be held.

But I do not believe that the hearing should be held in conjunction with the legislative hearings scheduled for the end of this month. Those hearings already will use three or four days. The addition of Hatch's hearing might extend these hearings to four or six days. Moreover, what Hatch wants is oversight in nature and should be considered in a broader context in connection with this Committee's responsibility to oversee the operations of CBO generally.

Another aspect of Hatch's behavior which is objectional is his consistent pursuit of Senator Bellmon, including planting articles in the Oklahoma press criticizing the budget process and Senator Bellmon's role in it. Recently, "Harper's" printed an article critical of the budget process and especially critical of Bellmon for his cooperation with you. Incidentally, it praises Senators Hatch and Armstrong, singling out Hatch as a particularly valiant member of the Committee and virtually identifying him as a major contributor to the article. Bob Boyd reported this morning that the article was given to members of the Oklahoma press by the Hatch staff member who is paid by this Committee.

Given Hatch's and Armstrong's juniority on the minority, the fact that they vote in Committee and on the floor against the Budget Resolution, and Hatch's vindictive campaign against the process and Senator Bellmon, I think the least we can do is require that any request for hearings be acquiesced in by Senator Bellmon before you accede to it.

Therefore, I suggest you send Hatch (with copy to Armstrong) the attached letter.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENDING THE EXPIRATION DATE OF SECTION 252 OF THE ENERGY POLICY AND CONSERVATION ACT

Mr. McCLURE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be discharged from further consideration of S. 2651, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2651) to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceed to consider the bill.

UP AMENDMENT NO. 1043

Mr. McCLURE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 1043.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1 strike "June 30, 1985" and insert in lieu thereof "August 1, 1982".

Mr. McCLURE. Mr. President, this matter has been cleared on both sides of the aisle. It would temporarily extend the antitrust exemption for participating in the International Energy Agency deliberations. This would permit us the time to complete the action on the conference, the conferees for which were appointed this morning in the Senate and this afternoon in the other body.

Mr. President, this amendment would substitute August 1, 1982, for the date of June 30, 1985, included in the introduced bill, and thereby extend the authority in section 252 from an additional 30 days until August 1. This short 30-day extension will allow, hopefully, the additional time to complete action on S. 2332 and its companion legislation on energy emergency preparedness in the other body, which already contains a longer term extension and related preparedness provisions.

Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 1043) was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

[1] Contrary to Hatch's frequent assumptions, there is no "CBO model." CBO uses the commercially available models such as DRI (Data Resources Institute) operated by Otto Eckstein for its work, just as so most other forecasters. The deficiencies, if any, in the "CBO model" are endemic to all of the frequently used economic forecasting models.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2651

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 252(j) of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking "July 1, 1982" and inserting in its place "August 1, 1982".

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUDDLESTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NO NET COST TOBACCO PROGRAM ACT OF 1982—H.R. 6590

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I am about to state a unanimous-consent request in respect to the consideration of H.R. 6590, the so-called tobacco bill, which I believe has been cleared with all the principal parties at interest, and which I will state now for the consideration of all Senators.

I ask unanimous consent that at 10 a.m. on Wednesday, July 14, 1982, the Senate proceed to the consideration of H.R. 6590, the tobacco bill, under the following time agreement:

Two hours on the bill, to be equally divided between the chairman of the Agriculture Committee and the ranking minority member, or their designees; 40 minutes on all amendments, with the exception of 1 hour equally divided on each of three amendments by Senator EAGLETON—floor sweeping, sunset of price support, support price adjustment; 20 minutes on any debatable motions, appeals or points of order, if submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. QUAYLE. Mr. President, reserving the right to object, I do not have any problem, except with the last part—that the agreement be in the usual form.

As the majority leader knows, I have been looking for a vehicle to discuss a sugar amendment that I have offered. Looking at the legislative agenda ahead and having been foreclosed on the short debt limit bill last night, with the understanding that we would find another vehicle, this certainly looks like an appropriate vehicle to discuss the sugar amendment.

If the last part can be accommodated to discuss the sugar amendment, I will not have any objection, or perhaps we can work out something else.

I put this off at one time at the request of the majority leader, and I do reserve the right to object, unless we can work out something that would accommodate the Senator from Indiana.

What I am trying to do is to have a discussion before the Senate on the sugar problem. We have import quotas now that are disastrous, and I think it should be discussed by the Senate separately.

Mr. BAKER. Mr. President, the chairman of the Agriculture Committee is here, and perhaps he can suggest a vehicle that is agriculture-related which we could call up as a vehicle.

The other thing that occurs to me is that, as the Senator knows, I have announced repeatedly that when we return from the recess, I intend to call up the constitutional amendment on the balanced budget. I assume that that would not be a suitable vehicle. But as soon as possible after that, which would be almost immediately, I would call up the second debt limit, assuming that it has been reported by the Finance Committee, and I think it will be. That debt limit would not be unavailable. I assume that it would be reported by the Finance Committee in such a way that it would be amendable and not subject to any restriction. I have asked the chairman of the Finance Committee to report it as a separate, freestanding measure. I am speaking of the debt limit extension.

I understand the concern of the Senator from Indiana, but I think the second debt limit is going to be pretty much contemporaneous with the consideration of this bill. Indeed, with this time limitation, I suppose that on the 14th, the Senator will not be more than a few days ahead of the second debt limit—not very many days. So I suggest the possibility of the second debt limit.

Mr. QUAYLE. I wonder whether the majority leader would speculate when the second debt limit might be passed in the House of Representatives with all the ornaments that the Senate desires to put on it—and that goes precisely to my point.

I am looking for a viable vehicle, and this is very viable, since it passed the House of Representatives very quickly. It will pass the Senate in due time. I think it is a good bill, and I am prepared to vote for the bill, but I also would like to have a discussion of my amendment. Maybe I will be defeated. There is a chance we may be defeated.

If, when we come back from the recess on July 14, I see the momentum going my way for the sugar amendment, I do not want to be foreclosed.

This comes from the Agriculture Committee; it is an agriculture issue, I see the majority leader nodding his head in tacit agreement.

Mr. BAKER. I admire the tenacity of the Senator from Indiana.

At this point, I yield to the Senator from North Carolina, who is the chairman of that committee, for any suggestions he may have.

Mr. HELMS. Mr. President, will the majority leader consent to a quorum call?

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, is the Senator from North Carolina correct in his understanding that the distinguished majority leader has propounded a unanimous-consent request?

The PRESIDING OFFICER. The Senator is correct.

Mr. EAGLETON. Mr. President, reserving the right to object—and I will not object—may I proceed?

The PRESIDING OFFICER. The Senator from Missouri.

Mr. EAGLETON. Mr. President, this past Monday the House passed H.R. 6590, known as the "No Net Cost Tobacco Program Act of 1982." That legislation makes strides toward addressing the concerns some of us have had regarding the tobacco price support program.

The proponents of the tobacco price support program in the House shoved this legislation through markup before the Subcommittee on Tobacco and Peanuts, the full Agriculture Committee, as well as the floor of the House, on what politely could be called a fast track. Since the bill was brought to the floor under suspension of the rules, amendments were not in order. It is important to note for my colleagues that the bill was not formally finalized until immediately preceding its going to the floor.

H.R. 6590 does at least lean in the right direction. It establishes what is essentially a checkoff system, whereby tobacco producers contribute to a fund which would be used to offset losses the Government might incur in carrying out the tobacco price support program for the 1982 and subsequent crop years. This legislation authorizes the sale of tobacco allotments and requires that many nonproducers dispose of their allotments. In addition, it provides the Secretary of Agriculture with some very modest flexibility in establishing tobacco price support levels when he determines that a certain grade of tobacco is in excess supply.

Unfortunately, Mr. President, H.R. 6590 does not go far enough to fully benefit either the taxpayer or tobacco producers. As of April 30, the Federal Government had almost $600 million tied up in Flue-cured tobacco stocks alone. My colleagues and the public should recognize that the Commodity Credit Corporation counts these stocks as net assets even though they know full well that at current market prices these stocks cannot be sold to recoup the Government's investment in them. Therefore, the determination of what actually should be considered a loss to the Government and what is instead an asset that does nothing more than lies around and rots in some warehouse somewhere is left up to a faceless Government accountant. This bill fails to address this problem.

The bill would still provide for price support levels at approximately 150 percent of the cost of producing tobacco, far higher than the price protection provided any other crop. At this level, it is clear U.S. tobacco would continue to lose to the competition both in the world and domestic markets. Beyond this consideration, however, it appears that the minor changes made in the price support mechanism may very well jeopardize the "no net cost" aspects of this bill. In his report to the Congress entitled "Recommendations of the Secretary of Agriculture for Achieving a No Net Cost Tobacco Program" transmitted in January of 1982, the Secretary indicated the following:

> To ensure a no net cost tobacco program, the Secretary must have discretion to adjust price support levels for the various kinds of tobacco. Adjustment of the support levels could be accomplished in a number of ways. Various alternatives are being examined, including more market-oriented approaches.

To my knowledge, the Secretary has yet to transmit any formal legislative proposals to the Congress to address this.

The bill fails to address the abuse that exists in the sale of floor sweepings by tobacco warehousemen as discussed by the General Accounting Office in its recent review of the program. Since I believe, as most of my colleagues do, that we should not miss any opportunity to correct abuses in Federal programs, this issue needs to be addressed.

The bill fails to include warehousemen who market tobacco through the floor-sweepings program in the fee system to which producers and allotment holders are both subjected. Although this may have been a simple oversight, I believe if we are to establish a fee system, let us make sure everyone is covered by it that should be.

Although the bill takes some steps toward addressing the problem of abuse of the allotment leasing provisions, I do not believe it goes far enough. It does not address the problem of doctors, lawyers, and other nonfarmers who own burley allotments, who live off the farm, and who have no interest in the farm except to collect lease payments. This needs to be addressed.

As I have outlined, modifications in H.R. 6590 are necessary. With ample time to debate these issues and to give them the full public airing open debate would provide, I think we can get a satisfactory bill passed. However, because this bill has had only cursory almost instantaneous review by the Senate Agriculture Committee, because we do not yet know what the position of the Department of Agriculture is on this legislation, and because we may not be afforded another opportunity to fully discuss the tobacco price support program in the near future, I believe it is encumbent upon the full Senate to take the time necessary to completely explore the implications of this legislation before passing it.

Mr. President, let me add one other thought: This bill, as I stated at the outset of my prepared remarks, does make some substantial changes in the tobacco program, but it was being raced through the Congress at almost a record pace. Only last Thursday, a week ago today, it emerged from the House Agriculture Committee. On Monday it was considered under suspension of the House rules without any debate, discussion, or rollcall votes. Tuesday was the first opportunity we had to look at the bill, and here we are at 4:20 p.m. on Thursday.

In my judgment, time was not adequate to debate, discuss, and to rationally proceed on a series of substantive amendments in this sort of pellmell rush atmosphere. That is why I and other Members of the Senate were very concerned with the pace with which it was rolling through the Senate.

The bill was referred to the Senate Agriculture Committee last night. In the markup at the Agriculture Committee—held sometime before noon today—Senator BOSCHWITZ from Minnesota, for example, expressed his reservations about such an instantaneous, hasty rush to complete this bill since it deals with one of the most controversial of America's agricultural programs.

However, I think we have now overcome that rush, rush, rush atmosphere. The unanimous-consent request, as previously propounded by the Senate majority leader, satisfies me entirely; gives us ample time to prepare for an intelligent, meaningful debate on this issue, and thus I will not interpose any objection to the Senator's request.

Mr. BAKER. I thank the Senator from Missouri, and I am very grateful for his consideration of this agreement. The agreement would provide for a logical and methodical consideration of this matter, and ample time for Senators to address the issue.

I understand the Senator from Indiana has questions he wishes to address in this respect before the Chair puts the request.

Mr. QUAYLE. Mr. President, I have reserved the right to object to the unanimous-consent request propounded by the distinguished majority leader. I will not object, but I do want to state for the record that, after consultation with the majority leader, the distinguished chairman of the Agriculture Committee, and the distinguished ranking member of the Agriculture Committee and myself, we will proceed with this under the unanimous-consent arrangement.

Furthermore, it was understood that we would work together to accommodate the request of the Senator from Indiana to find a viable vehicle to have a debate on the floor of the U.S. Senate and a vote on the sugar amendment that the Senator from Massachusetts, Senator TSONGAS, and I have proposed. I accept that, though I would prefer to do it, perhaps, on this bill, because I know the urgency and the nature of it and I am also certain that it is going to go somewhere and it is going to be concluded.

But I do not want to be disruptive. I am willing to recede to the desires of the chairman and the majority leader with the understanding that the accommodation will be forthcoming. I will be working with the Senators to meet that understanding in the future. I withdraw the reservation of objection.

Mr. BAKER. Mr. President, I thank the Senator from Indiana for withdrawing his reservation of objection. In conversation with the chairman and the ranking member of the committee and the Senator from Indiana, it is my understanding that an effort will be made to find an agriculture-related bill to which this could be added and I am perfectly happy to call up the measure and to do so as promptly as we can arrange it or, in the alternative, of course, the Senator has the right to offer that to some other bill as it may come along, including the second debt limit.

Mr. BAKER. Mr. President, I yield to the junior Senator from North Carolina.

Mr. EAST. Mr. President, I would simply like to express my gratitude to all the people involved in working out this unanimous-consent agreement, including the distinguished Senator from Missouri, the chairman of the Agriculture Committee, and the great help that the majority leader, as always, has rendered in trying to move legislation through, and also, as the distinguished Senator from Virginia has indicated, we thank the able and

distinguished Senator from Indiana for his willingness to assist us in letting us move on with the debate and discussion on this measure after we return. One final comment that goes without saying is the great contribution of the most distinguished and able ranking member of the Agriculture Committee, Senator HUDDLESTON, who is always a great pleasure to work with.

Mr. President, for the information of Senators, I am advised that the other body is now close to completion on the rollcall vote in respect to a supplemental appropriation bill. It is my expectation that that measure will reach the Senate within the next 30 minutes or so. I intend to ask the Senate to turn to the consideration of that bill as soon as it is received from the House.

Mr. President, I yield the floor.

Mr. HELMS. Mr. President, I am sure the distinguished Senator from Missouri understands that Senator HUDDLESTON and I would much have preferred that there not be the great haste to which he referred. The fact of the matter is that the Senator from Kentucky and the Senator from North Carolina and others interested in this legislation were hemmed in by time constraints not of our own making. They relate to the opening of the marketing season for the Flue-cured markets.

But I share his dismay that we were put in a position of having to act on this legislation as quickly as we have.

Mr. President, Senators will recall that during consideration of the farm bill last year several amendments were offered which were designed to make changes in the tobacco program. We were mandated to do various things. Now, because tobacco is not a part of the quadrennial farm bill and because we did not have an opportunity to make a comprehensive review of what might best be done to most effectively modify the program or satisfy the criticisms of it, it was our feeling that the Senate should turn back those amendments.

I am gratified that Senators took us at our word that we would initiate a careful review and come back at a later time to make adjustments to satisfy the most pressing concerns Senators have about the tobacco program.

Now, we have kept faith with that pledge.

In the course of the past year Senators and Members of the House of Representatives from tobacco States have engaged in a detailed and thorough process of evaluating the tobacco program. Almost a score of hearings were held in tobacco States, and every segment of the tobacco family was involved in making recommendations as to how we could adjust the program in a substantive way that would still retain the small family farm structure of the tobacco economy.

In the debate last year, Senators expressed concern that there might be a subsidy to tobacco farmers in the operation of the tobacco program. Senators noted that the opportunity for U.S. tobacco farmers to meet the challenge of the world markets was being eroded by a lack of price competition caused by a price support formula that resulted in U.S. leaf being overpriced. And, there was criticism that too few of the allotments were in the hands of actual tobacco growers, resulting in the introduction of middlemen who benefited in too great a degree from the ability to lease and transfer quota they owned to farmers who did not.

Mr. President, I believe that the debate last year served a very useful purpose for all concerned. First, it established the parameters of concern that Senators who are well-disposed toward farmers in general have. Second, it caused tobacco farmers throughout the United States to realize that the Congress intends that the tobacco program be modernized and updated. Third, it established the conditions by which it is possible for those of us from tobacco States to be able to bring that kind of legislation to the Congress without fear that the entire program will be scrapped and the livelihoods of hundreds of thousands of our people thrown into jeopardy.

Also, I believe last year's debate was something of a watershed in the Senate's understanding of two essential points about the tobacco program. First, there is no tobacco subsidy. Our program has worked out to be virtually cost free over the past decade—principally because of the quota production controls which keep supply in line with demand.

Second, there is an appreciation for the fact that the tobacco program does not mitigate against those who would further the issues involved with smoking and health. I believe the Congress—or at least most of us in the Congress—now appreciate how the production controls inherent in the tobacco program actually mitigate in favor of those concerned about the health issues.

So, there has been a lot of water under the bridge since last year, and I am pleased to report to the Senate that we have made the adjustments suggested by critics during the farm bill debate.

The House of Representatives has passed a bill which will make the adjustments, and it is now before us. It passed the House without opposition, under the Suspension Calendar. The fact that it passed without opposition in the House is very significant because it demonstrates that we have effectively answered the challenge presented to us last year.

Before I discuss the detail of just what this measure accomplishes, let me emphasize how important it is that the Senate act with dispatch to pass this bill immediately.

Timing is crucial because the Flue-cured marketing season begins the first week in July. If we cannot pass the bill this week, the practical effect is that the changes in the program to assure there will be no losses in the operation of the program, the price support formula adjustments, and the new restrictions on leasing and holding of allotments and quota will be delayed until the 1983 crop.

It has not been without difficulty that we have persuaded our tobacco farmers that the changes the Congress intends we make be made as soon as possible. Many of them would have had us put off the day of reckoning indefinitely; but, we proceeded on the grounds that it is in everyone's interest for us to make the necessary adjustments at the earliest possible time—and for the 1982 crop.

As the House is scheduled to go into recess on June 24—until July 12—it is just essential that we handle this matter right now. Delay would be as unnecessary as it would be undesirable. It would mean that the changes our farmers are ready to have imposed on them could be put off a year. The consequences of that would be to simply continue the status quo that our most ardent critics have expressed concern about, and it would serve no useful purpose for anyone.

I know that the timing is unusual, and that the Senate has a right to expect thorough consideration of these program adjustments.

It is my understanding that the chairman of the House Agriculture Subcommittee on Tobacco and Peanuts has assured that there will be full hearings on the subject before the end of next session, and I will be pleased to cooperate in that same fashion as well.

But the bottom line is that we must ask the indulgence of the Senate to accept this House-passed bill without delay.

If our year's work is to come to fruition in time to take effect for the 1982 crop. Our farmers are ready for it, our critics want it, and now is the time to do it.

The bill passed the House Monday, and was received in the Senate about 5 p.m. last evening. The Senate Committee on Agriculture, Nutrition, and Forestry reported it from committee at about 12:15 this afternoon—following a 30-minute committee meeting on the subject. The House-passed bill was reported with committee amendments designed to strengthen the no-loss fund collection procedures and to make certain technical and conforming changes.

Mr. President, the provisions of the legislation now before us are explained in a detailed summary of the bill which I have available for any Senator

who wishes to review it, and which I ask unanimous consent be printed at the conclusion of my remarks, along with the text of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. The principal provisions, however—as well as their rationale—are as follows:

First, the bill establishes a no-loss fund in each of the tobacco associations to assure that the Commodity Credit Corporation will sustain no losses from the price support program. I must say that there is no other farm commodity program—and there are 13 of them—in which the farmers have such an arrangement with the Government. But, our tobacco farmers recognize that many Members of Congress feel the program ought to be operated without losses, and want that themselves.

Second, the bill provides that the price support formula may be adjusted downward by the Secretary when he ascertains that certain grades of tobacco are not competitively priced. This is designed to assure that CCC outlays will be reduced. That is accomplished by assuring that less tobacco will go into loan stocks. Also, this will make the tobacco more competitively priced, so that U.S. farmers can sell more of our leaf in the growing world markets.

Third, in an effort to remove one of the more troublesome problems farmers have faced, we shall eliminate what is called fall leasing of Flue-cured tobacco quotas. This is designed to eliminate speculation in the leasing of tobacco quotas and makes it more desirable for a person to sell a quota or allotment they do not intend to farm themselves. Also, this measure will serve to reduce the quota leasing rates—which should put an end to the concern so many have about the "feudal" exploitation of tobacco farmers by those allotment holders who speculate in the leasing of quotas.

Fourth, entities which are not primarily engaged in farming and all persons who are not possessed of sufficient tillable tobacco acreage must sell their allotment to active producers no later than December 1, 1983, or forfeit it.

Fifth, as has already been alluded to, Flue-cured tobacco allotments may be sold by willing sellers to farmers. This will move the tobacco quota into the hands of farmers, serving to further reduce leasing costs, cause the program to be more farmer oriented and less allotment holder oriented. Yet, persons who are presently possessed of allotments and who want to continue leasing to active producers may continue to do so. This will assure that the "rug is not pulled" from anyone who has come to depend upon their tobacco allotment for their retirement or whatever.

Sixth, the bill makes a technical change to bring established yields of Flue-cured tobacco in line with actual production capabilities. This will substantially reduce demand for leased poundage. Thereby helping to reduce leasing costs. Over the years farmers have increased their production yields per acre, and consequently can produce more poundage per acre than they could when the last adjustment was made.

This adjustment every 5 years will serve to keep the acreage allotments in relationship to the poundage quotas, diminishing the excess tobacco available at harvesttime. It was this excess tobacco—grown within the allotment, but in excess of the quota—that was causing farmers to have to scurry about trying to lease in additional poundage if they had an exceptionally good crop.

In short, Mr. President, the package of changes we urge the Senate to adopt will assure that there are no losses for the Government and the taxpayers in the operation of the tobacco program; they will assure that the tobacco will become more competitive with that grown in world markets. This will not create one bit more tobacco, but will assure that U.S. farmers do not continue to lose their markets. And the bill will substantially modify the lease and transfer and sale arrangements Flue-cured farmers may make, so as to move the allotments and quotas into the hands of actual producers.

I know of no opposition to achieving these goals, and the timeliness of the issue is upon us.

EXHIBIT 1

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY, BRIEF EXPLANATION OF H.R. 6590, JUNE 22, 1982

H.R. 6590, as passed by the House of Representatives, would amend the Agricultural Act of 1949 and the Agricultural Adjustment Act of 1938 as they generally relate, respectively, to the price support program for all kinds of quota tobacco and the acreage allotment and quota program for tobacco.

TITLE I—TOBACCO PRICE SUPPORT PROGRAM

No net cost tobacco fund

H.R. 6590, as passed, as it affects the tobacco price support program for the 1982 and subsequent crops—

(1) provides for the program to be carried out by the Commodity Credit Corporation (the Corporation) through producer-owned cooperative marketing associations that make price support advances to producers under loan agreements with the Corporation;

(2) requires each association to establish a separate capital fund to consist of contributions made by producers of the kind of quota tobacco handled by the association and, with respect to the association handling Flue-cured tobacco, by those who, for the 1983 and subsequent crops, lease allotments or quotas to other persons. The fund is to be used exclusively to achieve the objective of the bill—the operation of the tobacco price support program at no net cost to the taxpayer, other than administrative costs common to the operation of support programs for all commodities;

(3) requires producers, as a condition of eligibility for price support, to make contributions, with respect to all quota tobacco marketed by them, to the fund of the association which makes price support advances available to them. For the 1983 and subsequent crops, producers of Burley tobacco, as a condition of price support eligibility, would have to agree to make contributions in each marketing year of any 3-year period in which marketing quotas are in effect;

(4) requires persons who lease Flue-cured tobacco allotments or quotas to other persons for the 1983 and subsequent crops to make contributions, at the same rate as producers, to the fund of the association which handles such tobacco;

(5) provides that the contributions shall be made in amounts determined by the association and approved by the Secretary, and directs that such approval may be given only if the proposed amounts of contributions will result in a fund sufficient to reimburse the Corporation for any losses that may be suffered under its loan agreements with the association;

(6) requires each association to issue capital stock or certificates or retain certificates to persons who contribute to the association's fund;

(7) permits an association to invest monies in the fund but requires that earnings on investments be included in the fund;

(8) provides that any net gains from the sale of any crop of loan collateral tobacco of an association will be retained by the Corporation for (a) application against any losses it sustains on other crops of the association's loan tobacco, or (b) reducing outstanding balances on any loan made by the Corporation to the association;

(9) permits the Secretary to release to the association for use for other purposes, or in the case of Burley tobacco for distribution to members of the association, any net gains or amounts in the fund which exceed amounts the Secretary determines necessary to achieve the program's "no net cost" objective;

(10) authorizes the Secretary to terminate a loan agreement with, or make no additional funds available to, an association if the association does not comply with the requirements imposed by the bill, in which event the Secretary would make price support available through other means to producers who used the association; and

(11) provides for the disposition of net gains and monies in the fund of any association which ceases to operate.

Adjustment of price support level of tobacco

H.R. 6590 also—

(1) authorizes the Secretary to reduce the support rate that would otherwise apply to any eligible grade of any kind of tobacco that is in excess supply, so long as the support rates for all eligible grades of a kind of tobacco average out to a level (a) that reflects not less than 65 percent of any increase in the support level for such kind of tobacco otherwise required by law, or (b) if there is no increase in the support level for such kind of tobacco, that is not less than the support level for such kind of tobacco established under existing law; and

(2) with respect only to an eligible grade of Flue-cured tobacco with the Secretary determines would otherwise have an excessive support rate, authorizes the Secretary to designate the grade as "excessively priced".

With respect to any grade so designated, the Secretary is directed, with the prior approval of the association and after prior consultation with associations for other major kinds of quota tobacco, to give producers the option of marketing such grade at a special auction. If a producer elects such option, the producer's tobacco of such grade will be ineligible for price support, will not count against the producer's marketing quota, but will be deducted from any undermarketings which the producer may carry forward to use the next year. With respect only to ineligible grades of Flue-cured tobacco, a producer may, with the prior approval of the association, market such grades at the special auction, with the provisions referred to above applying with respect to marketing quotas and undermarketings. For any crop, a producer may not market, at the special auction, a quantity of tobacco in excess of 10 percent of the quota for the farm.

TITLE II—FLUE-CURED TOBACCO ACREAGE ALLOTMENT AND MARKETING QUOTA PROGRAM

Allotment and marketing quota program

H.R. 6590, as it affects the Flue-cured tobacco acreage allotment and marketing quota program—

(1) prohibits fall leasing of allotments or quotas, except in the case of disasters, in which event fall leases may be made to owners or operators of farms in an adjoining county in the same State;

(2) requires that agreements for the lease of allotments or quotas be exclusively between the lessor and the lessee, or an agent who regularly represents the lessor or lessee in business transactions unrelated to tobacco, and prohibits subleasing;

(3) requires the lessor and lessee of an allotment or quota to certify that applicable requirements have been met and if a knowingly false statement is made, makes the lessee ineligible for price support and provides for reduction of the lessor's allotment or quota;

(4) limits the total allotment for any farm, after transfer thereto of allotment by lease or sale, to 50 percent of the acreage of tillable cropland on the farm;

(5) defines "tillable cropland" as cleared land that can be planted to crops without unusual preparation;

(6) permits the sale of allotments or quotas, but only to persons who are active tobacco producers within the same county;

(7) defines "active tobacco producer" as a person who shares in the risk of producing tobacco in at least one of the three preceding years and generally provides that a person shall be considered to have shared in such risk if (A) the person's investment in the production of a crop is not less that 20 percent of the proceeds of the crop, (B) the amount of the return on investment is dependent solely on the sale price of the crop, and (C) none of such return is received before the crop is sold;

(8) requires any person who purchases an allotment or quota and fails to share in the risk of producing tobacco under such allotment or quota, to sell the allotment or quota within 18 months from July 1 of the year the crop is planted.

(9) requires any person who purchases an allotment or quota and disposes of such a quantity of tillable cropland that the acreage allotment exceeds 50 percent of the tillable cropland on the farm either to take action to eliminate the excess or have it forfeited;

(10) requires entities such as governments, public utilities, educational or religious institutions (but not individuals) which are not significantly involved in the management of land for agricultual purposes, to sell their Flue-cured tobacco allotments or quotas by December 1, 1983, or have them forfeited;

(11) requires any person (including entities) to sell by December 1, 1983, or have forfeited any Flue-cured tobacco allotment which exceeds 50 percent of the farm's tillable cropland; and

(12) requires adjustment of the national average yield goal for Flue-cured tobacco to be made in 1983, and at five-year intervals thereafter, to the past five years' moving national average yield, and requires adjustment in 1983 and every 5 years thereafter of Flue-cured farm acreage allotments to the past 5 years' moving county average yield per acre based on actual yields, or, if not available, other appropriate data;

Nonquota tobacco grown in quota areas

H.R. 6590 also exempts, from the provision of law requiring that nonquota tobacco of any kind grown in quota areas be subject to quotas, nonquota tobacco produced in an area in which the total acreage allotments for quota tobacco are less then 20 acres. Producers of such nonquota tobacco would not be eligible to vote in the first referendum on such nonquota tobacco conducted after enactment of the bill.

TITLE III—MISCELLANEOUS PROVISIONS RELATING TO BURLEY AND OTHER KINDS OF TOBACCO

Marketing assessments for Burley tobacco

H.R. 6590, as it relates to the 1982 and subsequent crops of Burley tobacco—

(1) requires the Secretary, at the request of a Burley marketing association, and authorizes the Secretary, if he determines the capital fund established by an association for Burley tobacco will be inadequate to cover the Corporation's losses under loan agreements with that Burley association, to continue to make price support available through the Burley association and to establish a separate Burley account within the Corporation to consist of marketing assessments made by producers of Burley tobacco. The Burley account would supplant the capital account established by a Burley association under title I of the bill and would be used exclusively to ensure that the Corporation suffers no loss in carrying out its loan agreements with the Burley association;

(2) requires producers of Burley tobacco, as a condition of eligibility for price support, to pay to the Corporation with respect to all Burley tobacco marketed by them marketing assessments for deposit in the Burley account;

(3) provides that the marketing assessments shall be determined by the Secretary, and adjusted from time to time, in consultation with a Burley association. The assessments are to be in an amount sufficient to provide a Burley account adequate to reimburse the Corporation for any losses that may be suffered under its loan agreements with the Burley association;

(4) provides for collection of the assessments from the person who acquires the Burley tobacco and from a warehouseman or agent, if marketed through a warehouse or other agent;

(5) authorizes the Secretary to suspend the payment and collection of marketing assessments if the amount in the Burley account, and net gains from the sale of Burley loan collateral tobacco, exceed the amounts necessary to achieve the no cost purposes of the bill;

(6) provides for the disposition of net gains and monies in the Burley account established for any Burley association that ceases to operate; and

(7) provides that net gains from the sale of any crop of loan collateral tobacco of a Burley association will be handled the same as if the association had established a capital account.

Mandatory sale of Burley tobacco allotments and quotas

H.R. 6590, as it affects the Burley tobacco acreage allotment and marketing quota program, requires entities such as governments, public utilities, educational or religious institutions (but not individuals) which are not significantly involved in the management of land for agricultural purposes, to sell their Burley tobacco allotments or marketing quotas by December 1, 1983, or have them forfeited.

Poundage quotas for dark air-cured and fire-cured tobaccos

H.R. 6590 would provide for 1983, and in subsequent years as the Secretary determines there may be sufficient interest, but not more frequently than every 3 years, that producers of dark air-cured tobacco (types 35 and 36) and fire-cured tobacco (types 22 and 23), would be given the opportunity in a referendum to choose whether they favor or oppose establishment of farm marketing quotas on a poundage basis (instead of an acreage allotment program). If more than 50 percent of those voting in the referendum favor a poundage control program, marketing quotas would be established on a poundage basis for the next three marketing years. Acreage would be converted to pounds on the basis of individual farm yields for the four highest years during 1978-1982, or the most recent four-year period. No farm would be permitted to have an average yield in excess of 3,000 pounds for converting acreage allotments to poundage quotas. Other technical changes are made to effect these changes.

Modification of leasing of poundage quotas

H.R. 6590 increases the maximum amount of Burley tobacco that may be leased from 15,000 to 30,000 pounds, and establishes a limit of 15,000 pounds on the amount of dark air-cured tobacco and fire-cured tobacco that may be leased.

S. 6590

(Omit the part in black brackets and insert the part printed in italic.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "No Net Cost Tobacco Program Act of 1982".

FINDINGS

SEC. 2. Congress finds that—

(1) in order to implement the intent of Congress, as expressed in the Agriculture and Food Act of 1981, that the tobacco price support and production adjustment program be carried out at no net cost to the taxpayer, other than administrative expenses common to the operation of all price support programs, it is necessary that producers of quota tobacco share equitably in helping to eliminate losses which may be incurred in carrying out the program;

(2) producers of quota tobacco should be required, as a condition of receiving the benefits of price support for their tobacco, to contribute to a capital account to be estab-

lished by each producer-owned marketing association through which price support advances are made available to producers; and

(3) the account so established should be used by the associations exclusively for the purpose of achieving a no net cost tobacco program.

TITLE I—MODIFICATION OF TOBACCO PRICE SUPPORT PROGRAM

PRODUCER CONTRIBUTIONS TO NO NET COST TOBACCO FUND

SEC. 101. Effective for the 1982 and subsequent crops of tobacco, the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended by inserting, following section 106, a new section 106A as follows:

"PRODUCER CONTRIBUTIONS TO NO NET COST TOBACCO FUND

"SEC. 106A. (a) As used in the section—

"(1) the term 'association' means a producer-owned cooperative marketing association which has entered into a loan agreement with the Corporation to make price support available to producers;

"(2) the term 'Corporation' means the Commodity Credit Corporation, an agency and instrumentality of the United States within the Department of Agriculture through which the Secretary makes price support available to producers;

"(3) the term 'Fund' means the capital account to be established within each association, which account shall be known as the 'No Net Cost Tobacco Fund';

"(4) the term 'to market' means to dispose of quota tobacco by voluntary or involuntary sale, barter, exchange, gift inter vivos, or consigning the tobacco to an association for a price support advance;

"(5) the term 'net gains' means the amount by which total proceeds obtained from the sale by an association of a crop of quota tobacco pledged to the Corporation for price support loan exceeds the principal amount of the price support loan made by the Corporation to the association on such crop, plus interest and charges; and

"(6) the term 'quota tobacco' means any kind of tobacco for which marketing quotas are in effect or for which marketing quotas are not disapproved by producers.

"(b) The Secretary may carry out the tobacco price support program through the Corporation and shall, except as otherwise provided by this section, continue to make price support available to producers through loans to associations that, under agreements with the Corporation, agree to make loan advances to producers.

"(c) Each association shall establish within the association a Fund. The Fund shall be comprised of amounts contributed by producer-members as provided in subsection (d).

"(d) The Secretary shall—

"(1) require—

"(A) that—

"(i) as a condition of eligibility for price support, each producer of each kind of quota tobacco (other than Burley quota tobacco with respect to the 1983 and subsequent crops) shall agree, with respect to all such kind of quota tobacco marketed by the producer from a farm, to contribute to the appropriate association, for deposit in the association's Fund, an amount determined from time to time by the association with the approval of the Secretary; and

"(ii) as a condition of eligibility for price support for any marketing year of any three-year period for which marketing quotas are in effect (other than the period applicable to the 1982 crop), each producer of Burley quota tobacco shall agree, not later than a date established by the Secretary preceding the beginning of the first marketing year of such three-year period (or, in the case of a producer of Burley quota tobacco on a new farm or a producer of Burley quota tobacco succeeding another producer on a farm, before the beginning of the marketing year in which such new producer or such successor producer will first market Burley quota tobacco from the farm involved), to contribute in each of the marketing years in such three-year period (or, in the case of such new producer or such successor producer, any remaining marketing year in such three-year period), with respect to all Burley quota tobacco marketed by the producer, to the appropriate association, for deposit in the association's Fund, an amount determined from time to time by the association with the approval of the Secretary; and

"(B) that, upon making a contribution under subparagraph (A)—

"(i) in the case of quota tobacco marketed other than by consignment to an association for a price support advance, the producer shall receive from the association capital stock or, if the association does not issue such stock, a capital certificate having a par value or face amount, respectively, equal to the contribution; and

"(ii) in the case of quota tobacco consigned by the producer to an association for a price support advance, the producer shall receive from the association a qualified per unit retain certificate, as defined in section 1388(h) of the Internal Revenue Code, having a face amount equal to the amount of the contribution and representing an interest in the association's Fund.

The Secretary shall approve the amount of the contributions determined by an association from time to time under this paragraph only if the Secretary determines that such amount will result in accumulation of a Fund adequate to reimburse the Corporation for any net losses which the Corporation may sustain under its loan agreements with the association, based on reasonable estimates of the amounts which the Corporation will lend to the association under such agreements and the proceeds which will be realized from the sales of tobacco which are pledged to the Corporation by the association as security for loans;

"(2) effective for the 1983 and subsequent crops, require that each owner and operator of any farm who, in conformity with the provisions of subtitle B, part I, of the Agricultural Adjustment Act of 1938, leases all or any part of an acreage allotment or marketing quota for Flue-cured tobacco to make contributions, for deposit into the Fund established by the association which, under a loan agreement with the Corporation, makes price support available to producers of Flue-cured tobacco. The amount of such contribution for the quantity of tobacco of each crop represented by such lease shall be the same amount as the contribution for producers of Flue-cured tobacco of such crop determined and approved under paragraph (1). The Secretary shall require that such association, upon receiving such contribution, issue to such owner and operator capital stock or, if the association does not issue such stock, a capital certificate having a par value or face amount, respectively, equal to the contribution;

"(3) require that the Fund established by each association shall be kept and maintained separate from all other accounts of the association and shall be used exclusively, as prescribed by the Secretary, for the purpose of ensuring, insofar as practicable, that the Corporation, under its loan agreements with the association with respect to 1982 and subsequent crops of quota tobacco, will suffer no net losses (including, but not limited to, recovery of the amount of loans extended to cover the overhead costs of the association), after any net gains are applied to net losses of the corporation under paragraph (5);

"(4) permit an association to invest the monies in the Fund in such manner as the Secretary may approve, and require that the interest or other earnings on such investment shall become a part of the Fund;

"(5) require that loan agreements between the Corporation and the association provide that the Corporation shall retain the net gains from each of the 1982 and subsequent crops of tobacco pledged by the association as security for price support loans, and that such net gains will be used for the purpose of (A) offsetting any losses sustained by the Corporation under its loan agreements with the association for any of the 1982 and subsequent crops of loan tobacco, or (B) reducing the outstanding balance of any price support loan made by the Corporation to the association under such agreements for 1982 and subsequent crops of tobacco, or for both such purposes; and

"(6) provide, in loan agreements between the Corporation and an association, that if the Secretary determines that the amount in the Fund or the net gains referred to in paragraph (5) exceed the amounts necessary for the purposes specified in this section, such excess (A) in the case of an association making price support available to producers of quota tobacco other than Burley tobacco, will be released to the association by the Corporation and may be devoted to other purposes by the association, and (B) in the case of an association making price support available to producers of Burley quota tobacco, will be released to the association by the Corporation and may be distributed, as determined by the association, to the producer-members of the association as a capital distribution or net gain distribution.

"(e) If any association which has entered into a loan agreement with the Corporation with respect to 1982 or subsequent crops of quota tobacco fails or refuses to comply with the provisions of this section, the regulations issued by the Secretary thereunder, or the terms of such agreement, the Secretary may terminate such agreement or provide that no additional loan funds may be made available thereunder to the association. In such event, the Secretary shall make price support available to producers of the kind or kinds of tobacco, the price of which had been supported through loans to such association, through such other means as are authorized by this Act or the Commodity Credit Corporation Charter Act.

"(f) If, under subsection (e), a loan agreement with an association is terminated, or if an association having a loan agreement with the Corporation is dissolved, merges with another association, or otherwise ceases to operate, the Fund or the net gains referred to in subsection (d)(5) shall be applied or disposed of in such manner as the Secretary may approve or prescribe, except that they shall, to the extent necessary, first be applied or used for the purposes therefor prescribed in this section.

"(g) The Secretary shall issue regulations necessary to carry out the provisions of this section.".

ADJUSTMENT OF PRICE SUPPORT LEVEL OF TOBACCO

SEC. 102. Effective for the 1982 and subsequent crops of tobacco, section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended by adding at the end thereof new subsections (d) and (e) as follows:

"(d) Notwithstanding the provisions of section 403, if the Secretary determines that the supply of any grade of any kind of tobacco of a crop for which marketing quotas are in effect or are not disapproved by producers will likely be excessive, the Secretary, after prior consultation with the association through which price support for the grade and kind of tobacco is made available to producers, may reduce the support rate which would otherwise be established for such grade of tobacco after taking into consideration the effect such reduction may have on the supply and price of other grades of other kinds of quota tobacco: *Provided*, That the weighted average of the support rates for all eligible grades of such kind of tobacco shall, after such reduction, reflect not less than (1) 65 per centum of the increase in the support level for such kind of tobacco which would otherwise be established under this section, if the support level therefor is higher then the support level for the preceding crop, or (2) the support level for such kind of tobacco established under this section, if the support level therefor is not higher than the support level for the preceding crop. In determining whether the supply of any grade of any kind of tobacco of a crop will be excessive, the Secretary shall take into consideration the domestic supply, including domestic inventories, the amount of such tobacco pledged as security for price support loans, and anticipated domestic and export demand, based on the maturity, uniformity and stalk position of such tobacco.

"(e) If the Secretary determines that, notwithstanding the adjustments in the support price made under subsection (d), the support rate of any eligible grade of Flue-cured tobacco of a crop for which marketing quotas are in effect or are not disapproved by producers will likely be excessive under current market conditions, the Secretary, after prior approval of the association through which price support for Flue-cured tobacco is made available to producers and after prior consultation with any other association through which price support for any other major quota kind of tobacco is made available to producers, may designate such grade of tobacco as 'excessively priced'. If a grade of tobacco is so designated, the Secretary shall provide producers the option of marketing such grade of tobacco only at a special auction to be provided for by the Secretary. If a producer elects such option, the producer's tobacco of such grade shall be ineligible for price support. With prior approval of the association, producers of ineligible grades of Flue-cured tobacco may also market such grades at the special auction provided for by the Secretary. Any tobacco which is marketed at such special auction shall, notwithstanding any other provision of law, not be considered marketed for purposes of marketing or poundage quotas and penalties under subtitle B, part I, of the Agricultural Adjustment Act of 1938: *Provided*, That a quantity of tobacco equal to the quantity marketed at such special auction shall be deducted from any undermarketings for purposes of such subtitle. In determining whether the support rate for any eligible grade of Flue-cured tobacco of a crop will likely be excessive, the Secretary shall take into consideration the domestic supply, including domestic inventories, the amount of such tobacco pledged as security for price support loans, and anticipated domestic and export demand, based on the maturity, uniformity and stalk position of such tobacco. For purposes of this subsection, no producer may market at the special auction a quantity of tobacco of any crop in excess of 10 per centum of the farm marketing quota.".

PENALTIES FOR MARKETING TOBACCO IN EXCESS OF MARKETING QUOTA AND FOR MARKETING CERTAIN TOBACCO THAT IS NOT ELIGIBLE FOR PRICE SUPPORT

SEC. 103. Effective for the 1983 and subsequent crops of tobacco, section 314 of the Agricultural Adjustment Act of 1938 is amended by amending the first sentence of subsection (a) to read as follows: "The marketing of (1) any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced, or (2) any kind of tobacco that is not eligible for price support under the Agricultural Act of 1949 because a producer on the farm has not agreed to make contributions or pay assessments to the No Net Cost Tobacco Fund or the No Net Cost Burley Tobacco Account as required by sections 106A(d)(1) and 106B(d)(1) of that Act, if marketing quotas for that kind of tobacco are in effect, shall be subject to a penalty of 75 per centum of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year.".

TITLE II—MODIFICATION OF FLUE-CURED TOBACCO MARKETING QUOTA SYSTEM

LEASE AND SALE OF FLUE-CURED TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS

SEC. 201. (a) Section 316(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(a)) is amended by—

(1) inserting "(1)" after "(a)";

(2) inserting "shall permit the owner of any farm to which a Flue-cured tobacco acreage allotment or quota is assigned under this Act and" after "program.";

(3) inserting "Flue-cured," after "Burley,";

(4) inserting a comma before "to lease";

(5) adding at the end thereof the following new paragraph:

"(2)(A) No lease of any Flue-cured tobacco allotment or quota assigned to a farm may be filed under subsection (c) of this section after June 15 of the crop year specified in such lease, except that the Secretary may allow a lease to be so filed after June 15 of such crop year if the Secretary determines that, as a result of flood, hail, wind, tornado, or other natural disaster—

"(i) the county in which such farm is located has suffered a loss of not less than 10 per centum of the acreage of Flue-cured tobacco planted for harvest in such crop year;

"(ii) the lessor involved has suffered a loss of not less than 10 per centum of the acreage of Flue-cured tobacco planted for harvest on such farm in such crop year; and

"(iii) such lease will not impair the effective operation of the tobacco marketing quota or price support program.

If the Secretary makes such determination, then the Secretary may permit the lessor to lease all or any part of such allotment or quota to any other owner or operator of a farm in *the same county or in* an adjoining county within the same State for use in such [adjoining] county on a farm having a current Flue-cured tobacco allotment or quota. If permitted, such lease and transfer shall not be effective until a copy of such lease and a written statement described in subsection (c) of this section are filed with and determined by the county committee of such [adjoining] county to be in compliance with the provisions of this section.

"(B) No agreement or arrangement may be made in connection with the making of any lease with respect to any Flue-cured tobacco allotment or quota under paragraph (1) of this subsection except—

"(i) between the lessor and lessee; or

"(ii) between the lessor or lessee and any attorney, trustee, bank, or other agent or representative, who regularly represents the lessor or lessee, as the case may be, in business transactions unrelated to the production or marketing of tobacco.

"(C) No sublease or other transfer of such allotment or quota may be made by such lessee during the period of such lease."; and

(6) amending the section heading for such section to read as follows:

"LEASE OR SALE OF ACREAGE ALLOTMENTS".

(b) Section 316(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(c)) is amended by—

(1) in the first sentence—

(A) inserting "or sale and transfer" after "lease and transfer"; and

(B) striking out "such lease" and inserting in lieu thereof "the lease or sale agreement, as the case may be,";

(2) striking out the second sentence and inserting in lieu thereof the following: "In the case of a lease and transfer of any Flue-cured tobacco allotment or quota for use with respect to any crop, such lease shall not be effective until, in addition to a copy of such lease, the lessor and lessee involved each file with such county committee a written statement certifying such compliance. If, after notice and an opportunity for a hearing, such county committee determines that such lessee knowingly made a false statement in such written statement, then such lessee shall be ineligible for price support for such crop under the Agricultural Act of 1949 with respect to the poundage of tobacco produced under such allotment or quota or, if such determination is made after such lessee received such price support, the Secretary, taking into consideration the recommendation of such county committee and the amount of such poundage, shall reduce appropriately the poundage for which such lessee may receive price support with respect to the crop first marketed after such determination is made. If, after notice and an opportunity for a hearing, such county committee determines that such lessor knowingly made a false statement in such written statement, then the Flue-cured allotment or quota next established for the farm of such lessor shall be reduced by that percentage which the leased allotment or quota was of the respective Flue-cured marketing quota. Notice of any determination made by a county committee under the preceding provisions shall be mailed, as soon as practicable, to the lessee or the lessor involved. If such lessee or such lessor is dissatisfied with such determination, then such lessee or such lessor may request, within fifteen days after notice of such determination is so mailed, a review of such determination by a local review committee under section 363 of this Act."; and

(3) in the third sentence (as in effect before the amendment made by paragraph (2)) by—

(A) inserting "by lease or sale" after "transferred"; and

(B) striking out "lease and".

(c) Section 316(e) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(e)) is amended by—

(1) inserting "(1)" after "(e)";

(2) inserting "or sale" after "lease";

(3) inserting "or, in the case of Flue-cured tobacco, of the acreage of tillable cropland (as defined in paragraph (2)) in the farm" before the colon; and

(4) adding at the end thereof the following new paragraph:

"(2) For purposes of this section, the term 'tillable cropland' means cleared land that can be planted to crops without unusual cultivation or other preparation.".

(d) Section 316 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b) is amended by striking out subsections (g), (h), and (i) and inserting in lieu thereof the following new subsections:

"(g)(1) The Secretary shall permit the owner of any farm to which a Flue-cured tobacco allotment or quota is assigned to sell all or any part of such allotment or quota to any person who is an active Flue-cured tobacco producer for use on another farm in the same county. For purposes of this section, the term 'active Flue-cured tobacco producer' means any person who shared in the risk of producing a crop of Flue-cured tobacco in not less than one of the three years preceding the year involved.

"(2) For purposes of this section, a person shall be considered to have shared in the risk of producing a crop of Flue-cured tobacco if—

"(A) the investment of such person in the production of such crop is not less than 20 per centum of the proceeds of the sale of such crop;

"(B) the amount of such person's return on such investment is dependent solely on the sale price of such crop; and

"(C) such person may not receive any of such return before the sale of such crop.

Any person who owns any Flue-cured tobacco allotment or quota and leases such allotment or quota to another person for use in producing a crop shall be considered to have shared in the risk of producing such crop if, under the terms of such lease, subparagraphs (B) and (C) of this paragraph are satisfied with regard to such owner.

"(h)(1) Any person who—

"(A) acquires any Flue-cured tobacco acreage allotment or quota by purchase under subsection (g) of this section; and

"(B) with respect to any crop of Flue-cured tobacco planted after the date of such acquisition, fails to share in the risk of producing tobacco under such allotment or quota in the manner specified in subsection (g)(2) of this section;

shall sell such allotment or quota before the expiration of the eighteen-month period beginning on July 1 of the year in which such crop is planted, or such allotment or quota shall be subject to forfeiture under the procedure specified in paragraph (3) of this subsection.

"(2) Any person who—

"(A) acquires any Flue-cured tobacco acreage allotment or quota by purchase under subsection (g) of this section; and

"(B) disposes of an acreage of tillable cropland (as defined in subsection (e)(2) of this section) which results in the total acreage of Flue-cured tobacco allotted to such person's farm exceeding 50 per centum of the tillable cropland owned by such person;

shall, before July 1 of the year after the year of such disposal, take steps which will result in the total acreage of Flue-cured tobacco allotted to such farm not exceeding 50 per centum of the tillable cropland owned by such person. If such person fails to take such steps, then any such excess allotment or quota shall be subject to forfeiture under the procedure specified in paragraph (3) of this subsection.

"(3)(A) If, after notice and an opportunity for a hearing, the appropriate county committee determines that any person knowingly failed to comply with paragraph (1) or (2) of this subsection, then such person shall forfeit to the Secretary the allotment or quota specified in such paragraph. Any allotment or quota so forfeited shall be reallocated by such county committee for use by active Flue-cured tobacco producers (as defined in subsection (g)(1) of this section) in the county involved.

"(B) Notice of such determination shall be mailed, as soon as practicable, to such person. If such person is dissatisfied with such determination, then such person may request, within fifteen days after notice of such determination is so mailed, a review of such determination by a local review committee under section 363 of this Act.".

MANDATORY SALE OF CERTAIN FLUE-CURED TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS HELD BEFORE ENACTMENT

SEC. 202. The Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) is amended by inserting after section 316, a new section 316A, as follows:

"MANDATORY SALE OF CERTAIN FLUE-CURED TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS

"SEC. 316A. (a) Any person (including, but not limited to, any governmental entity, public utility, educational institution, or religious institution, but not including any individual) which, on the date of the enactment of this section—

"(1) owns a farm for which a Flue-cured acreage allotment or marketing quota is established under this Act; and

"(2) is not significantly involved in the management or use of land for agricultural purposes;

shall sell such allotment or quota in accordance with section 316(g) of this Act not later than December 1, 1983, or shall forfeit such allotment or quota under the procedure specified in subsection (c).

"(b) Any person (including, but not limited to, any governmental entity, public utility, educational institution, or religious institution) who, on December 1, 1983, owns a farm for which the total acreage allotted for the production of Flue-cured tobacco under this Act exceeds 50 per centum of such farm's tillable cropland, as defined in section 316(e)(2) of this Act, shall forfeit any acreage allotment or marketing quota representing the excess under the procedure specified in subsection (c).

"(c)(1) If, after notice and an opportunity for a hearing, the appropriate county committee determines that any person knowingly failed to comply with subsection (a) or (b), then the allotment or quota specified in such subsection shall be forfeited and shall be reallocated in the manner provided for in section 316(h)(3)(A) of this Act.

"(2) Notice of such determination shall be mailed, as soon as practicable, to such person. If such person is dissatisfied with such determination, then such person, within fifteen days after notice of such determination is so mailed, may request review of such determination under section 363 of this Act.".

PERIODIC ADJUSTMENT OF YIELD FACTOR FOR FLUE-CURED ACREAGE-POUNDAGE QUOTAS

SEC. 203. Section 317(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c) is amended by—

(1) adding at the end of paragraph (2) the following: "Notwithstanding the preceding sentence, in 1983, and at five-year intervals thereafter, the national average yield goal for Flue-cured tobacco shall be adjusted by the Secretary to the past five years' moving national average yield."; [and]

(2) adding at the end of paragraph (4) the following: "Notwithstanding the preceding provisions of this subsection, in 1983, and at five-year intervals thereafter, farm acreage allotments for Flue-cured tobacco for farms in each county shall be adjusted by the Secretary to reflect the increases or decreases in the past five years' moving county average yield per acre, as determined by the Secretary on the basis of actual yields of farms in the county, or, if such information is not available, on such other data on yields as the Secretary may deem [appropriate.".] *appropriate."; and*

(3) adding at the end of paragraph (6)(A) the following: "Notwithstanding the preceding provisions of this subsection, in 1983 and at five-year intervals thereafter, preliminary farm yields for Flue-cured tobacco farms in each county shall be adjusted by the Secretary by the reciprocal of the factor computed in paragraph (4) of this subsection to adjust farm acreage allotments to reflect increases or decreases in the past five years' moving county average yields.".

EXEMPTION OF CERTAIN NONQUOTA TOBACCO FROM QUOTA RESTRICTIONS

SEC. 204. Section 320(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314f(b)) is amended by—

(1) striking out in paragraph (3) "and" at the end thereof;

(2) striking out in paragraph (4) the period at the end thereof and inserting in lieu thereof "; and"; and

(3) adding at the end thereof the following new paragraph:

"(5) tobacco when it is nonquota tobacco and produced in a quota area in which the total of the acreage allotments for quota tobacco established for farms is less than twenty acres. Notwithstanding the provisions of section 312(c) of this Act, producers of such nonquota tobacco shall not be eligible to vote in the first referendum for such nonquota tobacco conducted by the Secretary under such section after the effective date of this paragraph.".

CONFORMING AMENDMENTS

SEC. 205. (a) The fifth sentence of section 317(f) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c(f)) is amended by inserting "and sold" after "leased".

(b) Section 703 of the Food and Agriculture Act of 1965 (7 U.S.C. 1316) is amended by—

(1) striking out "lease and" each place it appears;

(2) striking out "lessee" each place it appears and inserting in lieu thereof "transferee";

(3) striking out "lessor" each place it appears and inserting in lieu thereof "transferor"; and

(4) striking out "leased" each place it appears and inserting in lieu thereof "transferred".

EFFECTIVE DATE

SEC. 206. (a) Except as provided in subsection (b), this title shall take effect on the date of the enactment of this Act.

(b) The amendments made by this title shall not apply to any lease of a Flue-cured tobacco acreage allotment or marketing quota entered into under the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) before the date of the enactment of this Act.

TITLE III—MISCELLANEOUS PROVISIONS RELATING TO BURLEY TOBACCO AND OTHER KINDS OF TOBACCO

MARKETING ASSESSMENTS TO NO NET COST BURLEY TOBACCO ACCOUNT

SEC. 301. Effective for the 1982 and subsequent crops of tobacco, the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended by inserting, following section 106A (as added by section 101 of this Act), a new section 106B as follows:

"MARKETING ASSESSMENTS TO NO NET COST BURLEY TOBACCO ACCOUNT

"SEC. 106B. (a) As used in this section—

"(1) the term 'Burley association' means a producer-owned cooperative marketing association which has entered into a loan agreement with the Corporation to make price support available to producers of Burley tobacco;

"(2) the term 'Burley Account' means an account established by and in the Corporation for a Burley association, which account shall be known as the 'No Net Cost Burley Tobacco Account';

"(3) the term 'to market' means to dispose of Burley tobacco by voluntary or involuntary sale, barter, exchange, gift inter vivos, or consigning the Burley tobacco to a Burley association for a price support advance;

"(4) the term 'net gains' means the amount by which total proceeds obtained from the sale by a Burley association of a crop of Burley tobacco pledged to the Corporation for price support loan exceeds the principal amount of the price support loan made by the Corporation to the Burley association on such crop, plus interest and charges;

"(5) the term 'Burley tobacco' means Burley tobacco, as defined in section 301(b)(15) of the Agricultural Adjustment Act of 1938, for which marketing quotas are in effect or for which marketing quotas are not disapproved by producers;

"(6) the term 'area', when used in connection with a Burley association, means the general geographical area in which farms of the producer-members of such Burley association are located, as determined by the Secretary; and

"(7) the term 'Corporation' shall have the meaning given to it in section 106A(a)(2).

"(b) Notwithstanding section 106A, the Secretary shall, upon the request of any Burley association, and may, if the Secretary determines, after consultation with such Burley association, that the accumulation of the No Net Cost Tobacco Fund for such Burley association under section 106A is, and is likely to remain, inadequate to reimburse the Corporation for net losses which the Corporation sustains under its loan agreement with such Burley association—

"(1) continue to make price support available to Burley producers through such Burley association in accordance with loan agreements entered into between the Corporation and such Burley association; and

"(2) establish and maintain in accordance with this section a No Net Cost Burley Tobacco Account for such Burley association in lieu of the No Net Cost Tobacco Fund established within such Burley association under section 106A.

"(c)(1) Any Burley Account established for a Burley association under subsection (b)(2) shall be established within the Corporation and shall be comprised of amounts paid by producers under subsection (d).

"(2) Upon the establishment of a Burley Account for a Burley association, any amount in the No Net Cost Tobacco Fund established within such Burley association under section 106A shall be applied or disposed of in such manner as the Secretary may approve or prescribe, except that such amount shall, to the extent necessary, first be applied or used for the purposes therefor prescribed in such section.

"(d)(1) If a Burley Account is established for a Burley association under subsection (b)(2), then the Secretary shall require (in lieu of any requirement under section 106A(d)(1)) that each producer of Burley tobacco whose farm is within such Burley association's area shall, as a condition of eligibility for price support, agree, with respect to all Burley tobacco marketed by the producer from the farm, to pay to the Corporation, for deposit in such Burley association's Burley Account, marketing assessments as determined under paragraph (2) and collected under paragraph (3).

"(2) For purposes of paragraph (1), the Secretary shall determine and adjust from time to time, in consultation with such Burley association, the amount of a marketing assessment which shall be imposed, as a condition of eligibility for price support, on each pound of Burley tobacco marketed by a producer from a farm within such Burley association's area. Such amount shall be equal to an amount which, when collected, will result in an accumulation of a Burley Account for such Burley association adequate to reimburse the Corporation for any net losses which the Corporation may sustain under its loan agreements with such Burley association, based on reasonable estimates of the amounts which the Corporation will lend to such Burley association under such agreements and the proceeds which will be realized from the sales of Burley tobacco which are pledged to the Corporation by such Burley association as security for loans.

"(3)(A) Except as provided in subparagraph (B), any marketing assessment to be paid by a producer under paragraph (1) shall be collected from the person who acquired the Burley tobacco involved from such producer but an amount equal to such assessment may be deducted by the purchaser from the price paid to such producer in case such Burley tobacco is marketed by sale.

"(B) If Burley tobacco is marketed by a producer through a warehouseman or other agent, then such assessment shall be collected from such warehouseman or agent who may deduct an amount equal to such assessment from the price paid to the producer. If Burley tobacco is marketed by a producer directly to any person outside the United States, such assessment shall be collected from the producer.

"(e) Amounts deposited in a Burley Account established for a Burley association shall be used by the Secretary for the purpose of ensuring, insofar as practicable, that the Corporation under its loan agreements with such Burley association will suffer, with respect to the crop involved, no net losses (including, but not limited to, recovery of the amount of loans extended to cover the overhead costs of the Burley association), after any net gains are applied to net losses of the Corporation pursuant to subsection (h).

"(f) The Secretary shall provide, in any loan agreement between the Corporation and a Burley association for which a Burley Account has been established under subsection (b)(2), that if the Secretary determines that the amount in such Burley Account or the net gains referred to in subsection (h) exceed the amounts necessary for the purposes of this section, then the Secretary, in consultation with such Burley association, may suspend the payment and collection of marketing assessments under this section upon terms and conditions established by the Secretary.

"(g) With respect to any Burley association for which a Burley Account is established under subsection (b)(2), if a loan agreement between the Corporation and such Burley association is terminated, if such Burley association is dissolved or merges with another Burley association, or if such Burley Account terminates by operation of law, then amounts in such Burley Account and the net gains referred to in subsection (h) shall be applied to or disposed of in such manner as the Secretary may prescribe, except that they shall, to the extent necessary, first be applied to or used for the purposes therefor prescribed in this section.

"(h) The provisions of section 106A(d)(5) relating to net gains shall apply to any loan agreement between a Burley association and the Corporation entered into upon or after the establishment of a Burley Account for such Burley association under subsection (b)(2).

"(i) The Secretary shall issue regulations necessary to carry out provisions of this section.".

MANDATORY SALE OF CERTAIN BURLEY TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS HELD BEFORE ENACTMENT

SEC. 302. (a) The Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) is amended by adding after section 316A (as added by section 202 of this Act), a new section 316B, as follows:

"MANDATORY SALE OF CERTAIN BURLEY TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS

"SEC. 316B. (a) Any person (including, but not limited to, any governmental entity, public utility, educational institution, or religious institution, but not including any individual) which, on the date of the enactment of this section—

"(1) owns a farm for which a Burley tobacco acreage allotment or marketing quota is established under this Act; and

"(2) is not significantly involved in the management or use of land for agricultural purposes;

shall sell, not later than December 1, 1983, such allotment or quota to an active Burley tobacco producer, as defined by the Secretary, for use on another farm in the same county or shall forfeit such allotment or quota under the procedure specified in subsection (b).

"(b)(1) If, after notice and an opportunity for a hearing, the county committee of the county referred to in subsection (a) determines that any person knowingly failed to comply with such subsection, then the allotment or quota specified in such subsection shall be forfeited and shall be reallocated by

such county committee to other active Burley tobacco producers, as defined by the Secretary, for use in such county.

"(2) Notice of such determination shall be mailed, as soon as practicable, to such person. If such person is dissatisfied with such determination, then such person may request, within fifteen days after notice of such determination is so mailed, a review of such determination by a local review committee under section 363 of this Act.".

POUNDAGE QUOTAS FOR DARK AIR-CURED TOBACCO AND FOR FIRE-CURED TOBACCO; MODIFICATION OF LEASING OF POUNDAGE QUOTAS FOR BURLEY TOBACCO

SEC. 303. (a) Section 301(b)(15) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(15)) is amended by striking out the period at the end thereof and inserting in lieu thereof ": *And provided further*, That for purposes of section 319 of this title, types 22 and 23, fire-cured tobacco shall be treated as one 'kind of tobacco'.".

(b) Section 319(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(b)) is amended by—

(1) in the first sentence, inserting "for burley tobacco" after "in effect";

(2) in the second sentence—

(A) inserting "for burley tobacco" after "basis"; and

(B) inserting "for burley tobacco" after "in effect";

(3) in the fourth sentence, striking out "such kind of" and inserting in lieu thereof "burley";

(4) in the proviso to the fifth sentence, inserting "for burley tobacco" after "determined"; and

(5) striking out the subsection designation "(b)".

(c) Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended by inserting before subsection (c) the following new subsection:

"(b) Notwithstanding any other provision of law, the Secretary shall, not later than February 1, 1983, proclaim national marketing quotas for dark air-cured tobacco and for fire-cured tobacco, types 22 and 23 (hereinafter in this section referred to as 'fire-cured tobacco') for the [two] *three* marketing years beginning October 1, 1983, and determine and announce the amount of the marketing quota for dark air-cured and for fire-cured tobacco for the marketing year beginning October 1, 1983, as provided in this section. Within thirty days following such proclamation, the Secretary shall conduct a referendum of the farmers engaged in the production of the 1982 crop of each of such kinds of tobacco to determine whether they favor or oppose the establishment of farm marketing quotas on a poundage basis for such kind of tobacco as provided in this section for the three marketing years beginning October 1, 1983, in lieu of quotas on an acreage basis in effect for the two marketing years beginning October 1, 1983. If the Secretary determines that one-half or more of the farmers voting in such referendum approve marketing quotas on a poundage basis for such kind of tobacco, then marketing quotas as provided in this section shall be in effect for such kind of tobacco for the three marketing years beginning October 1, 1983, and marketing quotas on an acreage basis shall cease to be in effect for such kind of tobacco for the two marketing years beginning on October 1, 1983. If marketing quotas on a poundage basis are not approved for such kind of tobacco by at least one-half of the farmers voting in such referendum, then quotas on an acreage basis shall be in effect for such kind of tobacco for the two marketing years beginning October 1, 1983.

"If marketing quotas on an acreage basis are in effect for any such kind of tobacco, if, for a period of not less than three marketing years, a referendum has not been held under this section to determine whether producers of such kind of tobacco favor marketing quotas on a poundage basis for such kind of tobacco, and if the Secretary, after conducting public hearings in the area in which such kind of tobacco is produced, ascertains that producers and other interested persons favor marketing quotas on a poundage basis for such kind of tobacco, then the Secretary shall, at the time of the next announcement of the amount of the national marketing quota, announce national marketing quotas for the next three succeeding marketing years under this section. Within thirty days of such proclamation, the Secretary shall conduct a referendum of farmers engaged in the production of the most recent crop of such kind of tobacco to determine whether they favor the establishment of marketing quotas on a poundage basis for such kind of tobacco as provided in this section for the next three succeeding marketing years. If the Secretary determines that more than one-half of the farmers voting in such referendum approve marketing quotas on a poundage basis under this section, then quotas on that basis shall be in effect for the next three succeeding marketing years and the marketing quotas on an acreage or acreage poundage basis shall cease to be in effect at the beginning of such three-year period. If marketing quotas on a poundage basis are not approved by more than one-half of the farmers voting in such referendum, then the marketing quotas on an acreage basis shall continue in effect as theretofore proclaimed under this Act.

"The Secretary shall determine and announce, not later than the February 1 preceding the second and third marketing years of any three-year period for which marketing quotas on a poundage basis are in effect for any such kind of tobacco under this section, the amount of the national marketing quota for such kind of tobacco for each of such years. If marketing quotas on a poundage basis have been made effective for such kind of tobacco under this section, then the Secretary shall, not later than February 1 of the last of three consecutive marketing years for which marketing quotas are in effect for such kind of tobacco under this section, proclaim a national marketing quota for such kind of tobacco for the next three succeeding marketing years as provided in this section. The Secretary shall conduct extensive hearings in the area in which such kind of tobacco is produced to ascertain whether producers favor marketing quotas on an acreage basis or on a poundage basis and shall proclaim the quota on the basis he determines most producers of such kind of tobacco favor. Within thirty days following such proclamation, the Secretary shall conduct a referendum in accordance with section 312(c) of the Act. If more than one-half of the farmers voting in such referendum oppose the national marketing quotas, then the Secretary shall announce the results and no marketing quotas or price support shall be in effect for such kind of tobacco and the national marketing quota so proclaimed shall not be in effect for the next three succeeding marketing years. Thereafter the provisions of section 312 of the Act *shall* apply: *Provided*, That the national marketing quota and farm marketing quotas for such kind of tobacco shall be determined for such kind of tobacco as provided in this section.".

(d) Section 319(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(c)) is amended by—

(1) in the first sentence—

(A) striking out "burley tobacco" and inserting in lieu thereof "any kind of tobacco for which poundage quotas may be established"; and

(B) inserting "of such kind of tobacco" after "amount" the first place it appears;

(2) in the second sentence, striking out "Any" and inserting in lieu thereof "With respect to burley tobacco, any"; and

(3) in the third sentence—

(A) inserting "for a kind of tobacco" after "in effect";

(B) inserting "with respect to such kind of tobacco" after "reserve" the first place it appears;

(C) inserting "for such kind of tobacco" after "quota" the first place it appears; and

(D) striking out "per centum of the" and inserting in lieu thereof "per centum of such".

(e) Section 319(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(d)) is amended by—

(1) in the first sentence—

(A) inserting "for a kind of tobacco" after "proclaimed";

(B) striking out "a burley tobacco acreage allotment" and inserting in lieu thereof "an acreage allotment for such kind of tobacco"; and

(C) inserting ", in the case of burley tobacco, and October 1, 1982, in the case of dark air-cured tobacco and fire-cured tobacco" after "1970"; and

(2) in the second sentence—

(A) inserting ", in the case of burley tobacco, and the 1978 crop year, in the case of dark air-cured tobacco and fire-cured tobacco" after "crop year";

(B) striking out "burley tobacco" the first place it appears and inserting in lieu thereof "the kind of tobacco involved";

(C) striking out "burley tobacco" in each of the second, third, fourth, and fifth places it appears and inserting in lieu thereof "such kind of tobacco"; and

(D) striking out the period at the end thereof and inserting in lieu thereof ", in the case of burley tobacco, and three thousand pounds per acre, in the case of dark air-cured tobacco and fire-cured tobacco: *And provided further*, That, when a marketing quota program for dark air-cured tobacco or for fire-cured tobacco is first established under this section, farm yields so determined with respect to dark air-cured tobacco or fire-cured tobacco, as the case may be, shall be adjusted proportionately so that the weighted average of such farm yields is equal to the national average yield goal for dark air-cured tobacco or fire-cured tobacco, as the case may be.".

(f) Section 319(e) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(e)) is amended by—

(1) inserting after the first sentence the following: "A preliminary farm marketing quota shall be determined for each farm for which a dark air-cured tobacco or fire-cured tobacco acreage allotment was established for the marketing year beginning October 1, 1982, by multiplying the farm yield determined under such subsection by the farm acreage allotment (prior to any such reduction) established for such farm for the marketing year beginning October 1, 1982.";

(2) in the third sentence (as in effect before the amendment made by paragraph (1)), striking out "burley tobacco marketing quotas" and inserting in lieu thereof "marketing quotas for the kind of tobacco involved"; and

(3) in the sixth sentence (as in effect before the amendment made by paragraph (1))—

(A) striking out "burley tobacco experience of the farm operator" and inserting in lieu thereof "experience of the farm operator with respect to the kind of tobacco involved"; and

(B) striking out "production of burley tobacco" each place it appears and inserting in lieu thereof "production of such kind of tobacco".

(g) The first sentence of section 319(f) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(f)) is amended by—

(1) inserting "for any kind of tobacco" after "in effect"; and

(2) striking out "burley tobacco" and inserting in lieu thereof "such kind of tobacco".

(h) Section 319(g) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(g)) is amended by—

(1) inserting "for any kind of tobacco" after "in effect";

(2) striking out "burley tobacco" and inserting in lieu thereof "such kind of tobacco"; and

(3) in the third proviso—

(A) striking out "fifteen thousand pounds" and inserting in lieu thereof "thirty thousand pounds"; and

[(B) inserting "with respect to burley tobacco and not more than fifteen thousand pounds may be leased and transferred to any farm under this section with respect to any other kind of tobacco" after "section".]

(B) inserting "with respect to burley tobacco" after "section".

(i) Section 319(i) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(i)) is amended by—

(1) in the proviso to paragraph (1), striking out "burley tobacco" and inserting in lieu thereof "the kind of tobacco involved"; and

(2) in paragraph (3), inserting "with respect to burley tobacco" after "in effect".

(j) The section heading for section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1313e) is amended to read as follows:

"FARM POUNDAGE QUOTAS FOR CERTAIN KINDS OF TOBACCO"

Mr. HUDDLESTON. Mr. President, I commend the Senator from North Carolina, the Senator from Missouri, the Senator from Indiana, and the majority leader, of course, for assisting in working out the arrangement that is included in the unanimous consent request. But let me say just a few words about why we are here at all with this particular piece of legislation.

We are not here at the volition of the distinguished Senator from North Carolina, the chairman of the Agriculture Committee of the Senate, nor of this Senator from Kentucky, the ranking minority member, the two of us representing the two largest tobacco producing States in the United States. We are not here offering this bill on our behalf, because this could well be termed an antitobacco program bill. This is a bill that imposes upon the tobacco farmers of this country an additional cost.

We are here because of the mandate from the Congress of the United States. Last year, in the consideration of the omnibus farm bill, Congress adopted an amendment that required certain things. The Secretary of Agriculture was required to take such administrative action as he could within the law to eliminate any possible cost of the tobacco price support program to the taxpayers. Having done that, if that did not assure that there would be no cost, the Secretary was to suggest and prepare for Congress legislation that would accomplish that purpose.

Mr. President, I might say that maybe it is a matter of semantics or a technicality but, as of this moment, in my judgment, that mandate has been accomplished. If the Senate wants to delay this measure for the rest of the year or not consider it at all or allow it to be defeated, then the tobacco farmers of Kentucky, Indiana, Missouri, North Carolina, and all of the other States will not have to make the contribution that is going to be necessary to make sure that this is a no-cost program.

The only point I am making is that we are trying to comply with what Congress told us to do. And by "us" I mean those who represent tobacco States and those farmers in those States who participate in the growing and marketing of tobacco.

It has been a good-faith effort. It has been an effort that has encompassed a good amount of soul searching, a good amount of willingness to sacrifice, to make changes, to accept costs that are imposed on no other commodity growers in the country.

The Senator from North Carolina and his colleague held a number of hearings in the State of North Carolina. As ranking minority member of the Agriculture Committee, I attended some of those hearings. I held four hearings in the State of Kentucky, and, as chairman of the Agriculture Committee, the distinguished Senator from North Carolina attended one of those.

Members of the House of Representatives did likewise.

The issue was considered from every angle. There was a willingness among the tobacco growers of this country to assume the responsibility of bearing any possible cost to the taxpayer for the tobacco price support program. They were willing to make the changes necessary to pay out of their pockets, from the meager income that they are able to secure from the growing of this very labor-intensive crop, so that the taxpayers of the United States would not be obligated for any losses that might occur.

There was a thought, too, along the way that, since this was going to be necessary, perhaps there were some other aspects of the program that might be addressed. Some of those who criticize it for this reason or that reason perhaps could be satisfied that the effort would be made to eliminate some of those objections, too.

So this process continued right up until very recently when the bill was presented in the House, passed, and sent to the Senate.

Between the time of the hearings and the time of the introduction of the legislation, there were hundreds of hours in meetings by individuals from all parts of the tobacco industry—growers, warehousemen, manufacturers, exporters. They all came together numerous times. Tobacco, like all other products, and certainly like agriculture, itself, is not monolithic. All the interests are not the same. There are conflicts.

But to the best of our ability and to the best of the ability of all those participating, those conflicting interests were addressed as well as they could possibly be.

The speed with which the legislation has moved after being introduced in the House certainly is noteworthy, and obviously is such that it would attract some attention. But as the distinguished chairman of the Agriculture Committee has pointed out, time is of the essence because of the selling season of certain types of tobacco, that generally referred to as Flue-cured tobacco, not because of anything that the Senator from North Carolina or I or, as far as I know, anyone else in this Chamber is interested in accomplishing. There certainly has not been any effort on any of our parts to hide anything from other Members. As a matter of fact, I think the distinguished Senator from Missouri may recall that I have at least on one occasion mentioned to him that this process was in progress and that we were moving toward some legislative proposals to accomplish the objective. I have done the same with other Members of the body.

The interpretation of the Secretary of Agriculture is that the 1982 crop is a crop which has to be under the no-cost requirement. The 1982 crop of Flue-cured tobacco goes on the market early next month, according to the schedule.

If the tobacco co-ops are to be liable for any possible loss resulting from that crop, then they ought to have the opportunity to put in place the mechanism which will provide the reserve fund that helps them discharge that obligation. So it is somewhat important that they be able to begin to assess the growers on the basis of the legislation as the market gets underway.

We, of course, have several recourses, perhaps. We could modify the

legislation and take out the 1982 crop altogether, moving forward to 1983, eliminating both the obligation and the revenue for those years. That may be the only way to go, unless this legislation is enacted expeditiously so that the implementing machinery can be put into place in time to cover the Flue-cured situation.

I just point these things out to indicate to the body that there are realistic reasons for moving with as much dispatch as we possibly can on this particular legislation. In view of the fact that we are here just simply trying to comply with the mandate of the Congress—and not trying to do something on behalf of or in favor of or of special benefit to the tobacco growers of the country—it seems reasonable to expect that some dispatch would be acceptable. However, I recognize that the distinguished Senator from Missouri has been a long observer of the tobacco program and has had a number of ideas over the years of how he believes the program could be improved. He is entitled, of course, to have an opportunity to present his amendments in a reasonable and timely fashion. We do not fault him for that at this point.

I just want to indicate that time is of the essence, even when we come back and address this again after the recess. It will be important that we get into place as quickly as possible the kind of mechanism that will accomplish what we are trying to do here. All I have said about this product and eliminating the cost to the Government, should, I think, be prefaced by the fact that of all of the agricultural programs that the Congress in all of its wisdom has been able to create since the beginning of time, none has been as effective or as helpful to the small farmers of the United States. None has been as cheap to the Federal Government as this particular program. Tobacco itself, as I am reminded, has been extremely profitable to the Federal Government.

The taxing jurisdictions of this country—State, local, and Federal—receive three times as much money from tobacco as that farmer out there who spends virtually a full year, who takes the risks regarding the weather, who makes the investment in a highly labor-intensive crop. He gets one-third as much as the total government for the production of his crop. The Federal Government gets about $2 billion and all taxing jurisdictions get about $6 billion. The farmer gets about $2 billion for growing his crop.

I hope that when we return we will move with dispatch and give prompt consideration to all amendments that may be offered. I hope we are not confronted with further efforts to be punitive to the tobacco industry or the tobacco growers, thousands of whom are small farmers. In my State of Kentucky—and I just drove through it Sunday, as a matter of fact, down through part of my State—tobacco has been set out for a week or two and it is just beginning to grow. You will see little patches. The average size of a tobacco base in the State of Kentucky is approximately an acre and a half. That is not a lot of land. But it makes all the difference in the world to the small farmer. It means the difference many times whether he can stay on the farm or has to go off, whether he can send his children to school or not, and a number of other things. It is a critically economic situation as far as the hundreds of thousands of small tobacco growers throughout the country are concerned.

I thank the Chair.

Mr. HELMS. Will the Senator yield?

Mr. HUDDLESTON. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I compliment my distinguished colleague from Kentucky on his statement. I want to add that no chairman of a committtee could hope for a better ranking minority member than the distinguished Senator from Kentucky.

I think we have waded through what appeared at one time to be a fairly treacherous swamp and I believe it can be resolved now with reasonable satisfaction to all concerned. I did want to compliment my friend (Mr. HUDDLESTON) for the great job he has done.

Of course, I pay my respects and offer my gratitude to the distinguished majority leader, who is always, always so helpful in resolving matters of this kind.

I say further to my friend from Kentucky that today, I was approached by a newspaperman from Kentucky. I think the Senator may want to hear this. He asked me if I thought Senator HUDDLESTON was an effective Senator. I hope that, assuming I shall be quoted correctly, the Senator will be pleased with my response. I thank the Senator for the privilege of working with him and for his effectiveness.

Mr. President, I further thank the Senator from Missouri. TOM EAGLETON is a man of strong convictions. There are times we do not agree but never, with one possible exception, I might say, have we ever disagreed in anything but an agreeable manner. I admire the Senator from Missouri. He is my friend and I am his. I thank him for helping us work out this unanimous-consent agreement.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. The unanimous-consent agreement is in the usual form; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. I thank the Chair.

I yield the floor.

Mr. EAST. Mr. President, I support the No Net Cost Tobacco Program Act of 1982.

I support the tobacco price support loan program and the hundreds of thousands of small family farmers who depend on this program for their very existence.

I defended this same issue last fall during debate on the farm bill, and I could talk again of the same figures—but you have heard all of them. Tobacco is a principal cash crop on 276,000 farms in the 22 States. Tobacco brings in more than $6 billion in excise taxes to Federal, State, and local governments. Tobacco exports contribute over $2 billion to the U.S. balance of payments. I could go on and on, but many of my distinguished colleagues have already given these numbers for the record.

Last December an amendment was passed in the House requiring the tobacco program to be operated in such a manner as to result in no net cost to the taxpayer, other than the normal costs associated with the administration of all commodity programs. The vote was 412 to 0. I believe this margin told the supporters of the tobacco program that Congress meant business when they said we had to come up with a "no-cost" tobacco program.

We have been doing just that. Senators and Congressmen from the tobacco States, both Democrats and Republicans, have been working to fine tune the tobacco program and address the issues raised by our critics last year.

There were three main areas of concern that come out of the debates. Those were: one, that the program be operated at no cost to the Government; two, that price support levels be adjusted to make U.S. tobacco more competitive on the world market; and three, that the allotments should be placed in the hands of the growers.

Mr. President, I contend that we have been working to come up with legislation that would address these three main issues. Our legislation goes much farther than any of the proposals last fall, and that fact alone should satisfy our critics.

We have been working on a package, and I shall discuss it briefly. We are proposing a farmer assessment program that would build up a fund to insure against future losses in the tobacco program. The figures we have been talking about would accumulate around $30 million a year for Flue-cured tobacco alone. I think this is a positive indication when the farmers are willing to assess themselves to finance their own program. We have also been working on an adjustment in the price support levels, with greater reductions than were proposed in prior legislation. I believe this will accomplish the goal of keeping our tobacco competitive on the world market. Fi-

nally, we have been seeking ways to move the allotments in a fair and equitable manner into the hands of the growers. We are proposing two ways to do this. First, any person not possessing sufficient tillable cropland would be required to sell their allotment to a grower. This would take care of the utility companies, tree farms, municipalities, housing developments, and so forth. Second, any allotment owner desiring to sell his allotment to an active grower would be permitted to do so. Both of these methods would gradually shift the allotments from the nongrowing allotment owners into the hands of the active growers.

Mr. President, I would like to take just a minute to discuss a report recently released by the General Accounting Office (GAO) entitled "Tobacco Program's Production Rights and Effects on Competition" (CED-82-70). Among other things, the GAO concluded that only 12 percent of the Flue-cured owners grew their own quotas. This implied that the remaining 88 percent leased their quota to someone else who grew it.

I contend that these figures do not accurately indicate what is actually happening, and I offer as proof a letter from John J. Cooper, State executive director of the North Carolina State ASCS Office. I shall ask unanimous consent that this letter be printed in the RECORD. This data is only for North Carolina, but I believe it is still fairly indicative of lease and transfer statistics for all Flue-cured States.

These figures show that 64 percent of the farms in North Carolina transfer some or all of their tobacco quota to other farms, but the amount transferred amounts to only 41 percent of the total poundage quota. This study also indicates that while only 36 percent of the farms actually grow tobacco, the original basic quota on these farms accounts for 59 percent of the total poundage quota. This means that this 59 percent was not involved in the lease and transfer transactions to another farm, and that it was grown of the farm that it was originally assigned to.

Mr. President, I do not seek to criticize GAO, but merely to point out that some of the data can be interpreted differently, depending on what point one is trying to make.

Tobacco is a controversial topic, but we have attempted to take the controversy and the politics out of it. We are earnestly attempting to solve our own problems. I feel that we have addressed the questions raised by our critics. I urge my colleagues to at least give us a chance to implement this no-cost tobacco program that we were mandated by Congress to come up with.

I ask my colleagues, support on this legislation.

I ask unanimous consent that the letter I referred to be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTH CAROLING STATE ASCS OFFICE,
Raleigh, N.C., May 11, 1982.

Hon. JOHN EAST,
U.S. Senator, Dirksen Office Building, Washington, D.C.

DEAR SENATOR EAST: There has been much publicity in the news media about the tobacco program and especially the lease and transfer provision. The publicity centered around a report by GAO and contained some questionable statistics.

I thought you might be interested in the information below which shows the actual lease and transfer data.

NORTH CAROLINA 1981 FLUE-CURED TOBACCO DATA

	Number farms	Percent	Acreage allotment	Percent	Poundage quota	Percent
Total F-C tobacco	116,851		378,311		715,518,596	
Transfer from farm (some or all)	75,100	64	165,610	44	296,237,867	41
Farms receiving quota	27,662	24	212,701	56	419,280,729	59
No lease and transfer	14,089	12				
Producing tobacco	43,183	37	353,873			

Please advise if we may be of further assistance.

Sincerely,

JOHN J. COOPER,
State Executive Director.

Mr. EAST. Mr. President, I have already made comments thanking all the parties involved for the great work they have done. I should like to underscore the excellent remarks just made by the distinguished Senator from Kentucky. I think they are most appropriate and on target, and I would not attempt to improve upon them. Again, I indicate my public appreciation to all of the Senators involved who have worked so closely on this matter, including the three distinguished Senators here on the floor with me—the Senator from Missouri, the Senator from Kentucky, and my distinguished colleague from North Carolina.

I must say for the people in my State, in South Carolina, in Kentucky, in all the States, that they accepted it with fairly good grace. Today you find many who think that we have played a good deal of havoc, and I am reminded of one man in my State who said, "Now, what kind of agreement is this? Is this an oral agreement or a written agreement?" I said, "Well, at this point it is oral." And he said, almost like Sam Goldwyn, who was a master of malapropism, "Well, an oral agreement ain't worth the paper it's written on."

Anyway, here we are and we have an agreement. I want to pay my respects again to the Senator from Missouri and to my friend from Kentucky.

I thank the Senator for yielding.

Mr. EAGLETON. I have just a few comments. I thank my colleagues from North Carolina and Kentucky. I am glad that this matter, at least so far as timing and consideration, has been amicably resolved. Just a comment or two, if I may.

As to the mandate that the Congress was under, Senator HUDDLESTON referred to that in his remarks. Yes, there was a mandate. But as all of us know, the mandate was not to consider this bill, in essence, in almost a 48-hour timeframe. I repeat: House passage, under suspension of the rules on Monday, printed in the CONGRESSIONAL RECORD and on Senators' desks on Tuesday; then to be asked to pass such a substantive matter as this on Wednesday or Thursday.

Mr. HUDDLESTON. Will the Senator yield?

Mr. EAGLETON. Yes; I yield.

Mr. HUDDLESTON. The House of Representatives right now is passing a bill which involves maybe a hundred thousand times as much money as we are talking about here and within 15 minutes, not 48 hours or 72 hours, we are going to be voting on it here, on the floor of the Senate.

Mr. EAGLETON. Precisely.

Mr. HUDDLESTON. Sometimes speed, expedition, is not only necessary but highly desirable.

Mr. EAGLETON. That is precisely correct, Mr. President. The bill the Senator from Kentucky is referring to, by the way, has been ping-ponged back and forth between the House and the Senate heaven knows how many times.

The PRESIDING OFFICER. If the Senator will yield, the Chair observes that the bill is on the way back.

Mr. EAGLETON. And the final pong is coming this way shortly.

Mr. HUDDLESTON. But is has changed every time.

Mr. EAGLETON. I suppose we are here to entertain the distinguished Presiding Officer so he does not pass

his time in boredom. The urgent supplemental appropriations bill has not only been considered, it has been overconsidered. H.R. 6590 that we are here to talk about today has been underconsidered or not properly considered.

Also, we have a fine example of the charm of my two colleagues who head up the Senate Committee on Agriculture. They are charming and gracious and they make a remarkable team. Tears almost came to my eyes as I envisioned the team of Senators HUDDLESTON and HELMS holding those vigorous field hearings. Where did they hold them, Mr. President? In North Carolina and Kentucky. My, what a dangerous place to be holding hearings about a tobacco program. That is almost as if the Senate Foreign Relations Committee went to Tel Aviv to hold hearings on whether we should give military aid to Israel.

Did the Agriculture Committee hold any hearings in Washington so that the consumers, people who are concerned about the health effects of tobacco, might find it convenient to testify? No, they went to truly the most safe and secure zones in the country to hold these field hearings.

But I respect them, I admire them. They are two remarkable advocates of their cause.

Senator LONG, of Louisiana, was here just a few moments ago on the floor. I wish he had stayed because, as he likes to tell stories about his uncle, Earl Long, I was going to tell him that I had an Uncle Earl, too. I remember old Earl Eagleton shortly before he passed away at the age of 98. He looked up to me and I think his almost parting remarks were, "Tom, beware of tobacco State Senators bearing gifts."

Mr. HUDDLESTON. Mr. President, the Senator from Missouri, as he is often wont to be, is not only entertaining and gracious, but he makes his point very effectively. The only trouble with the point he has made is that it has no relationship to reality.

Senator EAGLETON's point about the Israelis talking about peace in Lebanon and Tel Aviv is just the opposite of what the Senator from North Carolina and I did in taking tobacco hearings into our States for this particular kind of legislation. As stated at the beginning, we were not there to tell them that we had some legislation for them that was going to put more money in their pockets, or going to make it easier for them to operate. We were there to tell them the opposite.

We said "We have to tell you about some legislation that is going to cost you some money and we want you to think about it. It is going to change the way you are doing business. It is going to add increased burdens on you. It is going to affect possibly what you can do with this valuable asset, a tobacco base, sometime in the future."

So it was not exactly like the Foreign Relations Committee talking to the Israelis in Tel Aviv, but much more like their talking to them in Beirut or some other hostile capital.

Sure, as a matter of fact, that very question was discussed. We thought about whether we should risk going out into the tobacco-growing areas of rural North Carolina or rural Kentucky or have it up here in Washington, where only two or three people could come and testify. Do you know what kind of crowds we had; 700 or 800 or a 1,000 people, all of them with a direct personal interest in what was going on. They all were being told that what is being proposed and what we are having to do because of the mandate—to enact legislation that is going to cost them money, take money out of their pockets.

Mr. HELMS. If the Senator will yield, I know he will agree with me that at times, in Kentucky and in North Carolina, when both Senator HUDDLESTON and I were in those States in hearings, I was worrying about that old business of shooting the messenger for bringing bad news. It was not the easiest thing in the world, I say to Senator EAGLETON, to go down there to say to our people, "we have to revise this tobacco program."

● Mr. MATTINGLY. Is it your understanding that the new program established to help farmers market tobacco which is created under this bill would eliminate all Government exposure to possible losses on the crop loan program because it calls for the growers themselves to assume that risk in the future?

Mr. EAST. That is correct. For any producer to be eligible for a crop loan, he must agree to an assessment of several cents per pound. This money will be held in a common fund and used to reimburse Commodity Credit Corporation for any loan losses. Should losses for any one year exceed assets of the fund, the next year's assessment would be increased to pay the remainder.

Mr. MATTINGLY. Many of our colleagues have expressed a concern about programs which restrict the right to grow certain crops through a Government-created "franchise" called an acreage allotment. How does this bill affect present owners of this "franchise" to grow tobacco and how will any changes help the actual producer of the crop?

Mr. EAST. This legislation takes a much-needed step in removing many of the inequities which have evolved in the system since its inception over 40 years ago. Most farmers are good businessmen who realize that they must sell their product in the marketplace at a competitive price. In recent years the quality and the quantity of tobacco grown by other countries has made it essential that our American growers improve efficiency and keep costs to a minimum. The cost of leasing or renting the "franchise" to grow tobacco has steadily increased and this bill would act to help lower that cost by eliminating the speculation and brokering aspects, while also promoting and encouraging the orderly transfer of these "franchises" into the hands of the actual tobacco grower, thus eliminating his need to make lease or rental payments. The bill also authorizes the Secretary of Agriculture to reduce crop loan levels and to permit special auctions of nonloan tobacco. Both of these features will improve the American growers' competitiveness on the world market.

Mr. MATTINGLY. Is it not also correct that the provisions of this measure will require the immediate transfer of any allotment currently owned by private, public, or governmental entities directly into the hands of other persons who are actively engaged in growing the crop?

Mr. EAST. This is true. Corporations, cities, airport boards, and the like who presently own these "franchises" and who do not presently engage in actual farming of any type will be required to transfer these directly to the growers instead of charging for leases or rentals year after year. Further, anyone who acquires an allotment must use it or lose it in the future. He must maintain an investment of at least 20 percent in the cost of producing the crop.

Mr. MATTINGLY. What about those individuals who do not immediately lose the allotment? How does this new program treat them?

Mr. EAST. I mentioned earlier that this bill provides an incentive for the present, individual "franchise" owner who does not produce tobacco to transfer the right to an active grower. Beginning in 1983 these persons will be required to contribute to the no-loss loan fund just as the farmer who actually grows and sells the crop. This, in conjunction with elimination of speculative fall leasing and of brokering of allotments, will encourage the nonproducer to sell an actual grower.

Mr. MATTINGLY. One final areas we should address is the status of the no-loss loan fund itself. Am I to understand that the stabilization associations who will collect and hold these moneys will not be taxed on such sums, but that any increase earned through interest or otherwise investing fund moneys would be taxable just like any other business profit?

Mr. EAST. That is correct.●

Mr. WARNER. Mr. President, I wish to express my appreciation to the distinguished Senator from Indiana for his cooperation in working this out and to compliment the distinguished Senator from North Carolina and the Senator from Kentucky. I have been

involved in this and I appreciate the opportunity to see things work out.

Mr. President, I rise in support of this legislation, H.R. 6590, amendments to the tobacco program that meet the mandate of the Congress that the tobacco program be operated at no cost to the Government.

This year the House and Senate Agriculture Committees have held 10 hearings to receive testimony about how the program could be changed to insure a no-cost program and to address the problem discussed in the recent GAO report by the Comptroller General.

In my opinion, this legislation is an honest effort to meet all these concerns.

The Congress and the GAO were concerned with the cost to Government. This legislation establishes a no-loss fund in each tobacco association to insure that CCC will sustain no losses from the price-support program.

The GAO is concerned that our tobacco, due to increased cost, is becoming less competitive in the world market. Mr. President, the tobacco farmer is also concerned with this problem, and this legislation provides that the price support formula may be adjusted downward by up to 35 percent of the present formula. This is for two reasons:

First, to reduce the CCC outlays in the amount of price support loans;

Second, to help make U.S. tobacco more competitive in world trade.

The GAO was concerned about the costs of leasing allotments and the ownership of allotments by nonfarmers. The farmers were also concerned and this legislation provides that:

First, entities such as corporations, cities, airports, public utilities, and so forth, which are not possessed of sufficient tillable tobacco acreage must sell their allotment to active producers;

Second, fall leasing of tobacco quotas shall no longer be allowed. This is designed to eliminate speculation in the leasing of quotas and make it more desirable for a person to sell a quota or allotment they do not intend to farm themselves. Also it will serve to reduce leasing rates;

Third, tobacco allotments may be sold by willing sellers to active producers. This will move tobacco quotas into the hands of farmers, serving to further reduce leasing costs;

Fourth, make a technical change to bring established yields in line with actual production capabilities. This will substantially reduce demand for leased poundage, thereby helping to reduce leasing costs.

Mr. President, this legislation is the result of an honest effort by the tobacco farmers to amend the program to meet the desires of this Congress. The farmers are to be congratulated for this effort, and I believe that we should give them our support and pass this bill.

I believe this bill will answer the concerns of the General Accounting Office, that it answers the intent of Congress as expressed in the Agriculture and Food Act of 1981, that the tobacco price support and production adjustment program be carried out at no net cost to the taxpayer.

For these reasons, I urge my colleagues to support this legislation.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? Without objection, it is so ordered.

Mr. BAKER. The request has been granted?

The PRESIDING OFFICER. It is all settled.

Mr. BAKER. I thank the Chair.

The text of the agreement follows:

Ordered, That at 10:00 a.m. on Wednesday, July 14, 1982, the Senate proceed to the consideration of H.R. 6590, a bill to provide for the operation of the tobacco price support and production adjustment program in such a manner as to result in no net cost to taxpayers, to limit increases in the support price for tobacco, and for other purposes, and that debate on any amendment shall be limited to 40 minutes (except three amendments to be offered by the Senator from Missouri (Mr. Eagleton) relative to floor sweeping, sunset of price support, and support price adjustment, respectively, on each of which there shall be 1 hour), to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motions, appeals, or points of order which are submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from North Carolina (Mr. Helms) and the Senator from Kentucky (Mr. Huddleston), or their designees: *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

URGENT SUPPLEMENTAL APPROPRIATIONS (H.R. 5922)

Mr. MITCHELL. Mr. President, on Monday the Senate passed the conference report on H.R. 5922, the urgent supplemental appropriations bill. I joined the majority of my colleagues in supporting that measure and want to state the reasons for my vote.

This legislation contains necessary funding for a number of programs that are vital to the State of Maine and the Nation. Many of these programs were drastically reduced last year. This bill will prevent the most severe effects which were not anticipated at that time.

Of special note are the provisions of the bill relating to housing. First, the bill includes $3 billion for the emergency mortgage interest reduction payments program. This new program is aimed at creating jobs and stimulating the construction of single family housing. It comes at a time when the housing and timber industries are devastated by high interest rates and the resultant decline in construction.

The conferees reduced the total amount of funds for this program by $2 billion from the $5 billion level in the Senate bill, thus reducing available program funds. Of that, $2.5 billion is earmarked for mortgages on homes built between the date of enactment and November 30, 1983, $400 million is for homes on which construction began within 1 year prior to the date of enactment and which will be substantially completed by November 30, 1983, and $100 million is for payments to high-cost areas.

I support Senator LUGAR's measure as modified by House-Senate conferees. It should provide some 150,000 jobs in construction and related development and 150,000 jobs in other industries. Further, the Government will derive revenue form this proposal in the form of income and social security taxes from those who go back to work.

I hope the President will not veto the bill because of this provision. It is a modest attempt to revive the economy. And it is all the construction and timber industries will get. For in the last 2 years, Federal housing progams have been cut back more than any other area of the budget. This very bill rescinds $4 billion in housing subsidies and defers another $1.75 million. This means that many section 8 projects in may State, projects that have been on the drawing boards for some time, will not be built or rehabilitated and that many low-income persons will not be served. And the few units of subsidy available this year are not being given to the States through a fair share allocation but through the discretionary reserve of the Secretary of Housing and Urban Development (HUD), making the competition for available dollars severe and without a rational method of distribution.

A third major provision in the housing area is the $198 million for public housing operating subsidies to be added to the $1.15 billion in regular fiscal year appropriations. The bill requires HUD to allocate 90 percent of the total amount of funds according to the Performance Funding System (PFS) formula, leaving the administration no discretion as to the manner of fund distribution.

This action is necessary because of HUD's track record in public housing, one characterized by failure to distribute in a timely manner operating subsidies appropriated in the 1981 supplemental appropriations bill and in the regular 1982 HUD appropriations bill. Public housing authorities have had to resort to litigation to obtain funds appropriated for them by Congress, an extreme step never contemplated by this body, and one which speaks ill of the administration.

The funds to be allocated according to PFS and the utility adjustments should bring public housing authorities up to 98 percent of the funding required under the PFS formula.

I am pleased the conferees have taken this action. Public housing authorities in Maine and across the country have had to live with strained budgets in the last few years as the amount of Federal subsidies needed has been underestimated. HUD's failure to distribute operating subsidies last year only exacerbated an already difficult situation. I hope the Department will act promptly to implement the related provisions in this bill.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I observe the presence of a messenger from the House of Representatives at the door seeking entry, and I yield for that purpose.

The PRESIDING OFFICER. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

At 4:59 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House has passed the following bill, with an amendment:

S. 881. An act to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy.

The message also announced that the House insists on its amendments to the bill (S. 2332) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes, disagreed to by the Senate, agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. DINGELL, Mr. SHARP, Mr. MOFFETT, Mr. BROYHILL, and Mr. DANNEMEYER as managers of the conference on the part of the House; and as additional managers solely for the consideration of section 167(f) of the Energy Policy and Conservation Act, as added by section 3(b)(2)(A) of the House amendment and modifications committed to conference: Mr. BREAUX and Mr. FORSYTHE.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6682. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

Mr. BAKER. Mr. President, it is my intention to ask the Senate to proceed to the consideration of H.R. 6682 almost immediately. I am awaiting the arrival of the minority leader, who I understand is on the way to the floor.

In the meantime, Senators who may be listening in their offices should be on notice that this is the supplemental appropriation bill vetoed by the President. It is the so-called fat bill. It is my understanding that it contains everything except the Lugar amendment, the housing amendment.

We have gone over this ground time and again, and it is my hope that if the matter is laid before the Senate, we will proceed to debate it for a minimal length of time and pass it, perhaps even on a voice vote.

I see no point in prolonging the matter, and I am prepared, as soon as the managers are prepared, to proceed to the consideration of this matter.

While we put people in place in order to accomplish that purpose, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, it is so ordered.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. BAKER. Mr. President, as I indicated earlier, we have now received the bill from the House, H.R. 6682, which is an urgent supplemental appropriations bill passed by that body after the President's veto was sustained in the House of Representatives.

Mr. President, I ask that the Chair now lay before the Senate H.R. 6682.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 6682) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

The Senate proceeded to consider the bill.

Mr. BAKER. Mr. President, I will yield the floor almost immediately in favor of the distinguished manager of the bill. The managers I see are here, and I assume they are prepared to proceed.

Mr. President, this is the so-called fat bill. It has everything in it that was adopted by the House of Representatives and the Senate previously except the housing amendment, the Lugar amendment.

I do not know of any reason why we should debate this at length. Indeed, as far as the leadership on this side is concerned, I am prepared to have the shortest type of statement and go directly to a vote. I am even prepared to have a voice vote if that is the will of the Senate.

Mr. President, I yield the floor.

Mr. HATFIELD. Mr. President, the leader has indicated briefly what the bill constitutes. There is nothing further I need to say about it.

It will be acted upon I am hopeful affirmatively and to get it to the White House for action as quickly as possible.

Mr. GARN. Mr. President, the legislative history of the provision contained in this bill is quite complex and, therefore, deserves some clarification. The genesis of the HUD-Independent Agencies provisions in chapter II are derived from the conference agreement on H.R. 5922 as specified in House Report 97-605. The legislative history leading up to the conference agreement can be found in House Report 97-469 and Senater Report 97-402 and the ensuing discussions on the floor of the respective bodies. I also call my colleagues' attention to the remarks in the CONGRESSIONAL RECORD on pages S7181 to S7203 at the time the conference report on H.R. 5922 was debated in the Senate. It is clear that the prior legislative history surrounding the provision currently in H.R. 6682 must be traced back to these sources in order that our action here today be fully understood. I am raising these issues because I have detected a lack of interest on the part of certain executive branch agencies in the congressional intent behind various legislative provisions. I can assure my colleagues that this Senator will not condone an attitude of disregard for the intent of the law—whether or not I personally agree with that particular provision of law.

Mr. President, just for the sake of reducing the paperwork burden on some of these legislative historians, I would like to reiterate some of the intent behind the more complex provision contained in chapter II.

ASSISTED HOUSING

Mr. President, the estimated commitments contained on pages 9 through 13 of House Report 97-605 include actual commitments the Department has entered into since the revised rescission proposal expired on

April 26 as well as those commitments the committee expected the Department to make in 1982. However, the actual commitments contained in the tables reflect action taken through June 2, 1982. Since then the committee has received additional correspondence indicating that other commitments have been made. To the extent that additional commitments exceed those reported through June 2, 1982, the Department should provide for such commitments by decreasing the estimate contained in the tables for both section 8 and non-Indian public housing units.

Mr. President, I ask to insert in the RECORD a table comparing the number of housing units remaining after the rescission with several other base lines.

The table follows:

FISCAL YEAR 1982—ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

	Units				
	Public Law 97-101	Pending request	House	Senate	Conference action
Use of authority—Public housing:					
Recaptures	NA	NA	NA	NA	NA
New	16,000	150	16,000	150	3,293
Rehabilitation	4,000		4,000	4,000	3,000
Indians	4,000	160	4,000	4,000	3,160
Amendments	NA	NA	NA	NA	NA
Lease adjustments	NA	NA	NA	NA	NA
Modernization	NA	NA	NA	NA	NA
Subtotal, public housing	24,000	310	24,000	8,150	9,453
Use of authority—Sec. 8:					
Recaptures	NA	NA	NA	NA	NA
New construction:					
Sec. 202	15,200	14,929	14,929	14,929	14,929
HFDA	13,000				
FmHA	4,000				
Other:		5,009	5,009	5,009	7,220
Insured	3,290				
Noninsured	366				
Subtotal, new	35,856	19,938	19,938	19,938	22,149
Substantial rehabilitation:					
Sec. 202	2,000	2,004	2,004	2,004	2,004
HFDA	4,000				
Other:					
Insured	1,871	560	560	560	760
Noninsured	208				
Subtotal, substantial rehabilitation	8,079	2,564	2,564	2,564	2,764
Moderate rehabilitation:					
Moderate rehabilitation	8,909	720	8,909	8,909	5,000
Property disposition	10,000	10,000	10,000	10,000	10,000
PHA fees	NA	NA	NA	NA	NA
Subtotal, moderate rehabilitation	18,909	10,720	18,909	18,909	15,000
Existing:					
Regular	30,387	2,385	30,387	2,385	30,387
Conversions:					
Sec. 23	5,000	5,000	5,000	5,000	5,000
Rent supplement/RAP	20,000	173,000	60,000	60,000	60,000
Loan management	NA	5,000	5,000	5,000	5,000
5-yr opt-outs	NA	1,000	1,000		1,000
PHA fees	NA	NA	NA	NA	NA
Subtotal, existing	55,387	186,385	101,387	72,385	101,389
Total:					
Sec. 8	118,231	219,607	142,798	113,796	141,300
All programs [1]	142,231	219,917	166,798	121,946	150,753

[1] The following table summarizes the net change in number of units assisted under the 4 programs included above.

	Units				
	Public Law 97-101	Pending request	House	Senate	Conference
Program level	142,231	219,917	166,798	121,946	150,753
Less deobligations	NA	−64,000	−44,136	−44,136	−44,136
Net program level	142,231	155,917	122,662	77,810	106,617
Less conversions	−25,000	−178,000	−65,000	−65,000	−65,000
Net change in number of units assisted	117,231	−22,083	57,662	12,810	41,617

Note: In addition the Senate proposal would defer authority into 1983 to add additional units and would provide for the modernization of vacant uninhabitable public housing units as follows:

	1983
Sec. 202	6,000
Indians	3,000
Modernization	(5,073)
Total	9,000

Mr. GARN. The bill also contains $198 million for fiscal year 1982 public housing operating subsidies in addition to the $1,152,306,000 provided in Public Law 97-101. The bill includes a provision requiring HUD to allocate $1,215,275,400 solely on the basis of the performance funding system (PFS) in such a manner as to assure that each public housing authority receives an equal percentage of its PFS requirement. After this allocation of these funds, the remaining $135,084,600 shall be allocated in such a manner as to encourage energy conservation in accordance with the agreements reached between the public housing authorities and the Department. The conferees have adopted this approach in order to assure that each public housing agency gets a minimum allocation under PFS that they can count on—currently estimated to be 88 percent of PFS.

The conferees on H.R. 5922 were concerned that the Department would not recapture sufficient budget authority to fund the financial adjustment and the cost amendments at the levels necessary in order to buy out the pipeline. Consequently, $1,750,000,000 of fiscal year 1982 funds are designated for FAF and cost amendments in the event that recaptures fell short of the $5 billion level assumed in the conference agreement. The bill includes language requiring this $1,750,000,000 to be merged with the existing recaptures on June 30, 1982, and to be available for supporting FAF and cost amendments. To the extent that the aggregate amount—recaptures plus the $1,750,000,000—exceed the $5 billion assumed, the bill provides that such excess amounts would be deferred for use in fiscal year 1983 in accordance with the provisions of future appropriations acts.

EPA

Mr. President, the bill earmarks $7,000,000 from the Hazardous Response Trust Fund for the Department of Health and Human Services to carry out its Superfund activities. Of this amount, $5,000,000 would be used for continuing staff support at the Department and $2,000,000 for discretionary activities such as health inspections at specific hazardous waste sites.

With these additional funds, the Department will be able to devote more resources to training of State personnel, the purchase of needed lab equipment and other high-priority areas.

NASA

The bill includes a provision establishing minimum amounts to be applied to National Aeronautics and Space Administration programs other than the Space Shuttle. These minimums include $15,400,000 for work on a 30/20 gigahertz test satellite and $264,800,000 for aeronautics research.

Funds for a mission to retrieve and repair the solar maximum scientific satellite presently in orbit are made contingent on the Department of Defense bearing half of the cost of this mission. Based on information requested and received from NASA, the conferees on H.R. 5922 have established $6,600,000 as a minimum amount for DOD to fund. Under this funding level, DOD would be expected to transfer approximately $2,000,000 to NASA in fiscal year 1982, $3,600,000 in fiscal year 1983, and $1,000,000 in fiscal year 1984.

Within the Space Shuttle program, the provision directs NASA to continue preparation of the Centaur for use in the planetary program. It is the clear intent of Congress that all work on lower energy upper stages—the inertial upper stages—for the Galileo and Solar Polar missions be terminated.

The bill also requires NASA to make such funds as necessary to prepare PAD 39-B at the Kennedy Space Center for use by January 1, 1986. If Shuttle schedule or cost would be adversely affected by application of fiscal year 1982 appropriations as specified in the provision, the bill language directs the Administrator of NASA to submit a request to the Appropriations Committees for authority to apply up to $50,000,000 in unobligated balances in the "Construction of Facilities" or the "Research and Program Management" accounts to the Shuttle.

Mr. PROXMIRE. Mr. President, it is with the greatest reluctance that I announce my decision to vote against this urgent supplemental bill. H.R. 6682 as passed by the House is identical to H.R. 5922 except that it does not contain the housing stimulus program. Although this represents a saving of $3 billion in budget authority it is an illusory saving since the bulk of this $3 billion would be paid back to the Government upon the sale of the housing this appropriation would stimulate. In addition hundreds of thousands of jobs would be created, producing a very substantial increase in tax revenues.

But although this revenue-producing housing stimulus program has been stricken from the bill a number of other budget add-ons remain. In fact the bill provides $1.35 billion more than the President has requested. This is just too much of an add-on for this Senator to support a scant 24 hours after the Senate passed a budget resolution calling for substantial spending cutbacks.

On the other hand I understand that the House is also sending us a stripped-down bill including only a very few of the most urgent items contained in H.R. 6682. If the bill before us today is passed by the Senate and vetoed by the President, I will vote for the stripped-down bill which, as I understand it, contains the Proxmire business tax deduction ceiling of $3,000. We can then get on with the vital job of holding the line against excessive Federal spending by withstanding wherever possible the many attractive but deficit-producing budget add-ons that have made it impossible for me to vote for the pending measure.

LABOR-HHS-EDUCATION ITEMS IN NEW URGENT SUPPLEMENTAL

Mr. SCHMITT. Mr. President, I am pleased that the House has passed a new supplemental that retains all the Senate priorities agreed to by the conferees on the vetoed measure, for items under the jurisdiction of the Labor, Health and Human Services, and Education Appropriations Subcommittee.

This bill includes additional funding for summer youth jobs, older workers, community health centers, maternal and child health, nursing research, work incentives, administration of Pell grant assistance, student loan insurance, the ACTION agency, and the Corporation for Public Broadcasting. It also contains funds to prevent furloughs of thousands of Federal workers.

Furthermore, the bill includes provisions preventing efforts to disrupt the Public Health Service Commissioned Corps, language to even out cutbacks in certain higher education student assistance programs, and an amendment to provide for the proper classification of potash mines. It also corrects an error in reconciliation that prevents funding rural health projects, and provides for the Government to carry out its obligations to labs and centers under the National Institute of Education.

Mr. President, these are important matters already agreed to by the Congress. I urge adoption of this new supplemental.

Mr. HATFIELD. Mr. President, I move the adoption of the bill and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on third reading and passage of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BAKER (after having voted in the negative). Mr. President, I wish to announce that I have a live pair on this vote with the Senator from Penn-

sylvania (Mr. HEINZ). If he were present and voting he would vote "yea." I have voted "nay." I therefore withdraw my vote.

Mr. BAKER. I announce that the Senator from Utah (Mr. HATCH), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Alaska (Mr. STEVENS), the Senator from Idaho (Mr. SYMMS), and the Senator from Wyoming (Mr. WALLOP), are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Ohio (Mr. METZENBAUM), are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who have not voted?

The result was announced—yeas 59, nays 26, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—59

Abdnor	Exon	Murkowski
Andrews	Ford	Packwood
Baucus	Gorton	Pell
Bentsen	Hatfield	Pressler
Biden	Hawkins	Pryor
Boren	Heflin	Quayle
Bradley	Hollings	Randolph
Burdick	Huddleston	Riegle
Byrd, Robert C.	Inouye	Roth
Chafee	Jackson	Sarbanes
Chiles	Laxalt	Sasser
Cochran	Leahy	Schmitt
Cohen	Levin	Specter
D'Amato	Long	Stafford
Danforth	Lugar	Stennis
DeConcini	Mathias	Tower
Dixon	Matsunaga	Tsongas
Dodd	Melcher	Weicker
Durenberger	Mitchell	Zorinsky
Eagleton	Moynihan	

NAYS—26

Armstrong	Garn	Mattingly
Boschwitz	Goldwater	Nickles
Brady	Grassley	Nunn
Byrd, Harry F., Jr.	Hayakawa	Percy
	Helms	Proxmire
Denton	Humphrey	Rudman
Dole	Jepsen	Simpson
Domenici	Kassebaum	Thurmond
East	Kasten	Warner

PRESENT AND GIVING A LIVE PAIR AS PREVIOUSLY RECORDED:

Baker, against

NOT VOTING—14

Bumpers	Hatch	Metzenbaum
Cannon	Heinz	Stevens
Cranston	Johnston	Symms
Glenn	Kennedy	Wallop
Hart	McClure	

So the bill (H.R. 6682) was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NO FURTHER VOTES TODAY

Mr. BAKER. Mr. President, there will be no more votes this evening.

ORDER FOR RECESS OF THE SENATE FROM TOMORROW UNTIL TUESDAY, JUNE 29, AT 11 A.M.

Mr. BAKER. Mr. President, we previously had orders entered to provide for a recess or adjournment over until a pro forma session of the Senate on tomorrow and then over until 11 o'clock on Tuesday. I ask unanimous consent that that order be changed so that it reads "recess" and not "recess or adjournment."

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, there are a number of wrapup items I am told could be attended to. I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not past the hour of 6:15 p.m., in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAKING THE GRADE

Mr. NUNN. Mr. President, last month the Atlanta Weekly magazine published an article by Eugene H. Methvin entitled, "Making the Grade."

"Making the Grade" details the rise of the University of Georgia to the top ranks of higher education in the United States during the past 15 years. At a time when education at all levels in the United States faces unprecedented challenges, this article offers encouragement to students, parents, and educators. Through foresight and careful, long-range planning, the University of Georgia has grown and prospered through a period of significant economic, demographic, and educational changes.

As the author points out, the success of the University of Georgia can be attributed to a number of academic and political leaders, including President Fred Davison, former chancellor of the board of regents, George Simpson, former Gov. Carl Sanders, and many others. This success has been the product of a cooperative effort that has consistently aimed at achieving excellence in the State university system.

Mr. President, Gene Methvin, the author of this article, is a native Georgian and a graduate of the University of Georgia. He has drawn on his deep personal knowledge of the State and its leaders in writing this perceptive and insightful article. He has also retained his objectivity while providing a detailed and thorough analysis of higher education in Georgia.

I recommend this article to my colleagues as an outstanding example of the success that can be achieved in education with dedicated and talented leadership. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAKING THE GRADE

(By Eugene H. Methvin)

Sometimes a farmer will keep a "brag patch," a piece of land on which he lavishes extra fertilizer and chemicals and cultivation, so that when a neighbor drops by he can point to a particularly lusty green field or heavy snowburst of cotton or high tonnage of peanuts, and brag.

Fifteen years ago Georgia's political and opinion leaders developed a consensus to make the University of Georgia into a real "brag patch" of state education and push it into the top tier of universities throughout the nation. The decision set into motion a series of revolutions that raged throughout the university system and Georgia's political heirarchy for most of the next decade. But the result is a university in Athens whose merit is recognized nationally.

The transformation began in the late 1960's, when the university went through the greatest expansion in its history. The nation, in its early 1960's "Sputnik response," had poured billions of dollars into higher education and research. Yet little of the money trickled to the South, and congressional investigators found an embarrassing explanation. The money was following the brains, and research talent was simply not found in any great concentration in the Southland, except in North Carolina's "research triangle" of Durham, Chapel Hill and Raleigh.

Governor Carl Sanders set out to change the situation. He named a "blue-ribbon" commission, chaired by Griffin Daily News publisher Quimby Melton, that declared that graduate education and research should have "highest priority" in the state's future higher education effort.

Sanders keynoted his campaign for an improvement in the University of Georgia's status with a speech at the school's 1965 commencement: "The time is near at hand," he said, "when the University of Georgia will become one of the nation's leading institutions. I have dreamed of the day when scholars would refer to Athens in the way they refer to great centers of learning. That day is near at hand. . . ."

The governor, regents and legislators were determined to make the university the "capstone institution" or "flagship" of the university system. The regents, on the recommendation of UGA President O. C. Aderhold, hired George Simpson, a top-echelon research administrator with the National Aeronautics and Space Administration, to be chancellor, chief executive of the university system. They gave Simpson a broad charter, and a promise of powerful support from the legislature.

In the General Assembly, in 1966, was a new kind of legislator, people who had not held office before the U.S. Supreme Court's

knocking down of the old county unit system with its courthouse machine dominance. They included people like Jimmy Carter and Paul Broun.

That year the legislature, enjoying an unprecedented gush of income from a prospering state economy, gave higher education a 72-percent boost in its share of state tax revenues, up to 15.3 percent. The new prosperity made it possible for the first time in years for the regents to give UGA the full dollar share to which it was entitled under the complex formula used to divide the university system's money among its 33 institutions, a formula based on numbers of students. Athens got a whopping 25-percent increase in a single year, up to 37.5 percent of the state's total higher education spending, a peak never equaled before or since.

With the money, Aderhold was able to hire 419 new faculty members, a 50-percent increase in a single year. Within 18 months the faculty doubled. It was a bad time for academic head-hunting. Colleges were shuddering under the postwar baby boom and were hiring anybody with a sheepskin. Aderhold hired hurriedly and sometimes carelessly, he frankly confided, because he feared the legislature might change heart and take back his newfound riches. As a result, while Aderhold got some excellent people, he also got some sour apples who are still causing bellyaches in Athens. But Aderhold did not get to see the revolution through. He retired the next year, mortally ill with cancer.

Simpson recommended, and the regents confirmed, a man named Fred Davison as the new UGA president in 1967. Davison, a former dean of the School of Veterinary Medicine at the university, had demonstrated a talent and tase for administration and research management. In 1966 Simpson has chosen Davison to be his vice-chancellor. Now, in 1967, Davison, a University of Georgia graduate, became the president of his old alma mater.

In large measure, Simpson was the true new president and young Davison his surrogate-in-residence. A brilliant man, Simpson was also a domineering one. Today, 15 years later, a wiser and sadder Davison looks back on his departure from the regents' office in Atlanta and recalls that Simpson told him: "I hate to see you go over to Athens, because I know it means we'll end up enemies." It was a prophetic pronouncement, though at the time Davison could not see or accept its logic.

Davison returned in 1967 to an Athens exploding not only with a doubling faculty but also a student body of 15,000, up a third in three years. The school faced severe growing pains, none worse than in the internal governing and promotion procedures. Aderhold, his dean of faculties, and his business officer had largely run the university by themselves, as a sort of feudal fiefdom. That worked well in a sleepy provincial school but was hardly suited to a large modern university. It had a "good old boy" promotion system, based on the ranking of the departmental dukes and barons in the king's court.

With Simpson's backing and tutelage, Davison replaced the rigid centralized administration with the kind of decentralized system used at other major institutions, in which the faculty organizes into committees at the school and college level and makes decisions on budgets, promotions and policy. He installed a promotions system based on performance. In this task he named as his swordbearer and, when necessary, executioner, William Pelletier. A researcher and administrator, Pelletier had built up the chemistry department's research program and installed a first-rate teacher evaluation program relying on both student and peer critiques. Davison made Pelletier his "provost," a kind of deputy president.

Davison and Pelletier went through grueling, endless committee meetings to develop a set of formal guidelines for promotions that put a damper on cronyism and stressed thorough documentation of a candidate's teaching, research and service contributions. In the process, they disrupted a lot of power balances, and the new faculty committees turned down a lot of deans' and department heads' recommendations. The old lions of the faculty viewed the new committees as a threat to their "old boy" connections and status.

Academic institutions are notorious for the persistence, intensity and pettiness of their intrigues and power struggles. Academic politics is the most vicious kind, runs an old maxim, because the stakes are so small. Davison's experience proved that Athens was no exception to the rule. At the very time students were growing quiet again after the rebellions of the 1960's, Georgians were treated to the specticle of their premier university's faculty taking up arms and rushing rebelliously to the barricades. The journalism faculty voted a "no confidence" resolution in their dean, who later resigned. (He had recommended zero raises for 10 faculty members.) The Student Government Association, egged on by some faculty members, entered a no-confidence vote in Davison and called upon the regents to get rid of him. Polls by the senate of the College of Arts and Sciences and the American Association of University Professors among the faculty expressed disapproval of Davison.

Davison's top aide, Pelletier, became a casualty of the campus combat in 1976. As one friendly but detached observer described him, "He was brilliant, but he got along with people like the Ayatollah does." Eventually faculty animosities grew so intense that the oldest of the old lions, the retired and revered Dean of Men, William Tate, called a press conference and denounced Pelletier. Davison yielded, abolished Pelletier's post of provost and returned him to his research in the Chemistry Department. But the system Pelletier installed is still in place and working well.

Chancellor Simpson, Davison's mentor in the early years, became a casualty, too. He ran into a revolution among the regents, a revolution against his imperious manner and ways.

The Board of Regents is composed of 15 people appointed by the governor to staggered seven-year terms. Thus, until Georgians suspended the one-term limit for governors to reelect George Busbee in 1978, no governor could appoint a majority of regents until late in his tenure.

The General Assembly annually gives the regents a huge lump sum, currently $850 million, and allows them to apportion it among the 33 state institutions. So it is the regents, not the politicians, who decide such matters as where to locate junior colleges and how much money to allot them. Thus the regents form a buffer between the sectional interests of legislators and the state's schools.

Chancellor Simpson, who fancied himself a master politician, insisted upon monopolizing the university system's relations with the General Assembly. He did the horsetrading with powerful committee chairmen and others looking for favors, pork-barrel projects for their districts and appointments for family, friends and supporters. He formed a fast alliance with House Speaker George L. Smith of Swainsboro, who was the dominant figure in Georgia politics after the legislature elected Lester Maddox to the governorship in 1967.

With Speaker Smith's death in 1972, Simpson lost his great legislative ally, and with the Carter and Busbee governorships he began to confront a whole new set of younger regents who were ambitious to play a more active role. Moreover, after several years on the job in Athens, and as the man on the spot, Davison was calling his own game at UGA. Davison, in his early years, had done Simpson's bidding and enjoyed Simpson's backing. But as the rumpus in Athens had grown, Simpson had begun to back away. More and more, the two were at odds. In 1976, encouraged by some of the regents, Davison simply told Simpson no on a matter of little significance, and the two split.

Simpson was determined to run the show in Athens from Atlanta and he set out to have Davison's head, according to regents and others involved. He came tantalizingly close. At a board meeting in Athens in 1977, as the regents went into secret session to try to "hash out" the conflict between the two men, one Davison supporter tallied eight or nine votes among the 15 for firing Davison if it came to a showdown. But they managed to avoid a vote for the moment by setting up a mediation subcommittee, with former board chairman Charles Harris of Ocilla as head referee. Thus they avoided a blood sacrifice at a time when public support was badly needed for hiking student academic standards and faculty salaries.

In May 1979, Simpson found himself embroiled in further dispute. The regents rebelled against his insistence on making policies and decisions without consultation. Governor Busbee, who had appointed 10 of the 15 regents, tried to mediate. He worked out a written agreement delineating the board's policymaking prerogatives and Simpson's duty to carry out those policies. But at the last minute Simpson refused to sign. So, despite the strong objections of Busbee, the regents fired their "Iron Chancellor."

For many, his departure was lamentable. "Simpson was the best thing that ever happened to higher education in Georgia," says Harris. "He was tough and hard and made people perform. I fought with him until I got gray hairs all over, but I loved him for his firmness and for what he accomplished for Georgia's children."

Throughout this conflict, as Uncle Remus would say, Davison, "he lay low." But after the ouster, he took one action that advertised his determination to be master in his own house. He fired the graduate school dean, Hardy Edwards, who had been a Simpson partisan. Edwards appealed, but the regents concluded he had been disloyal to his president and hence fair game for academic beheading.

Soon the regents made a serious mistake of their own that almost brought on another revolution, this time by the state legislators against the regents themselves. Determined to end "bossism," they instructed the new chancellor, Dr. Vernon Crawford, an able and experienced administrator recruited from Georgia Tech, to leave dealing with the General Assembly to them.

The legislators thus had no power broker with whom they could "wheel and deal," as

they had with Simpson. So in last summer's special session to draft a new state constitution, Representative Culver Kidd of Milledgeville and other representatives launched a move to remodel the Board of Regents. They proposed cutting the number from 15 to 10, letting legislators select most of them, and cutting their terms from seven to four years. They talked about ending the lump-sum appropriation and doing the apportioning of funds themselves. With last-minute help from Governor Busbee, the regents persuaded the General Assembly to leave the board as was. They subsequently countermanded their "hands-off" order and have instructed Chancellor Crawford to seek a happy medium between Simpson's past monopolization and their own anarchic fumbling of relations with the legislators.

Today the University of Georgia's preeminence in the state and reputation around the nation are well established—a tribute to the success of Governor Sanders' initiative and the efforts of all those who guided the revolution in Athens. The University of Georgia now has 2,000 faculty and 5,000 staff members, and last fall it enrolled an all-time high of 23,198 full-time students. It has the largest freshman class ever, 3,449. A crop of 4,319 graduate students comprised the largest grad group ever. Georgia State University is second in size with 13,449 plus 7,500 part-timers, and Georgia Tech has 11,726. For the last decade UGA has granted nearly 200 doctorate degrees annually, up from seven granted in 1961.

Georgia's taxpayers shell out about $115 million of the university's total budget of $225 million. The students provide less than nine percent and the rest comes from research grants brought in by the faculty or from alumni contributions. UGA won the 1981 award as the outstanding public university in the nation for sustained performance in its annual alumni fund giving; the award is given yearly by the U.S. Steel Foundation and Council for Advancement and Support of Education. UGA was eighth among all universities in total corporate support, raising $11 million. Thus, for every dollar the taxpayers invest, the university faculty, students and alumni raise a matching dollar.

Last year the research budget passed $60 million, and the university ranked, according to the National Science Foundation, 34th in the nation in 1980 in total research spending. The faculty brings in over $20 million of that money from federal and private granting organizations where they must win it in direct competition with other outstanding faculties. Three faculty members are on the National Academy of Sciences: Eugene Odum, who has been instrumental in advancing the science of ecology; Norman Giles, the geneticist; and Glenn Burton, the agronomist.

In the past eight years, five national bodies have published studies listing what they judged to be the nation's top research universities. Their studies were based on factual data, not on opinion or on popularity polls. Only 28 universities appear on all five of these lists—and the University of Georgia is one of them. It is one of only three universities in the Southeast included in all five lists—the others being Duke University and the University of North Carolina at Chapel Hill.

Last fall 220 National Merit and Achievement scholars enrolled in Athens. The university has consistently ranked in the top 29 of all U.S. universities, public and private, in attracting these elite youngsters. Georgia Tech, incidentally, has done even better; it stood number two or three in 1978-80. Both schools also stand near the top in the number of full scholarships they give National Merit and Achievement scholars.

The UGA student body, as a whole, measures up very well, too. In the mid-1970's, when national Scholastic Aptitude Test scores for entering freshmen were in a steady decline nationally, those of UGA's entering freshmen were rising, and have continued to rise ever since. Today their average score is 1,000, compared to the national average of 890.

The development of an outstanding student body is the result of a farsighted but politically unpopular decision made by Davison, Chancellor George Simpson and the regents in the late 1960's. They agreed to put a ceiling on the size of the student body in Athens, holding total enrollment to about 22,000, and freshman admissions to about 2,500 each fall. Athens was to be the capstone of the university system, the graduate teaching and research center, whose mission was to strive for quality above quantity.

This policy, which was stretched to allow this year's record enrollment, has meant that a lot of Georgia parents have been told their youngsters cannot get into the University of Georgia because their grades are too low. One legislator whose son was turned away from the law school groused, "I don't see why we need such a blankety-blank fine law school. It was good enough for me and I don't see why it isn't good enough for my son." The man had to send his son to a law school at a neighboring state university.

However, as a result of this policy, while many other states' universities that ballooned with the postwar "baby boom" are caught in the difficult process of "managing decline," as Fred Davison describes it, UGA, having established itself as a magnet school, is still trying to restrain growth and improve quality.

Today the regents and Davison and UGA face a new challenge. Demands of other schools threaten to undermine UGA's priority position within the university system. The last time Georgians elected a governor, Marietta boosters exacted a pledge from candidate Busbee to promote Kennesaw Junior College to senior college status, which he did in 1978. This year Georgia Southern College boosters want university status for their Statesboro school. Not to be outdone, Valdosta State and West Georgia boosters have formally applied for upgrading, too. And Georgia State University won a close vote to create its own law school, another million-dollar-a-year demand on the budget. The General Assembly bowed to black constituents in Atlanta and middle Georgia boosters and voted $1.5 million each to the new medical schools at Mercer University and Morris Brown College, cash that must inevitably siphon off support from UGA.

Fred Davison does not view these developments with equanimity. Last summer he told the Georgia Press Association, "There has been some talk about a university for south Georgia. But I say the people of south Georgia already have a university. So do the people of east Georgia and west Georgia and middle Georgia and north Georgia. There is one top-quality university for all the people of this state and that is the University of Georgia. And the state can afford only one such quality institution."

RETIREMENT OF SECRETARY PHIL ALAMPI

Mr. BRADLEY. Mr. President, with deep pride I rise today to call to the attention of my colleagues the extraordinary public service of Dr. Phillip Alampi, the secretary of agriculture of the State of New Jersey. If Phil Alampi made no other contribution, his length of service alone would be worthy of note because he has served as New Jersey's secretary of agriculture for 26 years, longer than any other cabinet member in the history of the State.

During those 26 years the New Jersey Department of Agriculture has had a number of important accomplishments. The division of dairy industry has maintained a stable milk industry with prices which are among the lowest in the Nation. The division of rural resources has worked to retain precious farmlands through both soil conservation and farmland preservation programs. The division of animal health has controlled and eradicated a number of animal diseases, from bovine tuberculosis to horse swamp fever. The division of plant industry has boosted seed production and eliminated harmful plant pests. The division of markets has developed new agricultural products in New Jersey and promoted established ones. Whether it be poultry or peaches, asparagus or apples, soybeans or sweet potatoes, New Jersey agriculture is not only surviving, but it is actually thriving despite enormous economic and environmental difficulties.

The New Jersey Department of Agriculture has accomplished much under Phil Alampi's guidance, but to fully appreciate his contribution to agriculture, you must do more than review the activities of the department—you must talk to the people of New Jersey who have worked with Phil Alampi.

Ask the cranberry growers. Ask the poultry farmers. Ask the nurserymen. Ask the thoroughbred breeders. Ask the vegetable growers. Ask any of the men and women who make New Jersey the "Garden State" and they will tell you of Phil Alampi's contribution as secretary of agriculture.

In addition, turn to the young men and women who will be the farmers of the future. Ask them who has been indispensable in his support for the many agricultural programs at Rutgers, the State University of New Jersey, and they will tell you "Phil Alampi." Ask New Jersey's Future Farmers of America and the 4-H members who has supported their programs and inspired their members, and they will tell you "Phil Alampi." His contribution to agricultural education in New Jersey will help both the farmers of today and the generations to come.

Phil Alampi has served his State well in his official capacity as secretary of agriculture, but he has also not forgotten to serve his community. He has served as president of the National Association of State Departments of Agriculture and he has also served as a Boy Scout merit badge counselor. He has served as chairman of the State soil conservation committee and he has also served as the State brotherhood chairman of the National Conference of Christians and Jews. All in all, Phil Alampi has served as president for 36 different organizations and has received nearly 100 service awards in recent years. Throughout his extraordinary career he has served his State, his community, and he has raised a wonderful family.

At the end of this month Phillip Alampi will retire as New Jersey's Secretary of Agriculture. In thousands of ways Secretary Alampi has touched the lives of New Jerseyites through his important public service. Though he may be retiring from his official position as a member of the Governor's cabinet, I have no doubt that Phil Alampi will continue his noteworthy contributions to his friends, the people of New Jersey.

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

ENROLLED BILL SIGNED

Under the authority of the order of the Senate of June 23, 1982, the Secretary of the Senate, on June 24, 1982, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bill:

H.R. 5922. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

Under the authority of the order of the Senate of June 23, 1982, the enrolled bill was signed on June 24, 1982 by the president pro tempore (Mr. THURMOND).

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 11:21 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 1482. A act for the relief of Christina Boltz Sidders; and

H.R. 3863. An act to amend the Poultry Inspection Act to increase the number of turkeys which may be slaughtered and processed without inspection under such act, and for other purposes.

The enrolled bills were subsequently signed by the Vice President.

At 11:54 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 5879. An act to amend chapter 2 of title IV of the Immigration and Nationality Act to extend for 1 year the authorization of appropriations for refugee assistance, and for other purposes;

H.R. 6631. An act to authorize humanitarian assistance for the people of Lebanon; and

H.J. Res. 518. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week".

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 1:50 p.m., a message from the House of Representatives, announced that the Speaker has signed the following enrolled bill and joint resolutions:

H.R. 3112. An act to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes;

H.J. Res. 230. Joint resolution imploring the Union of Soviet Socialist Republics to allow Dr. Semyon Gluzman and his family to emigrate to Israel; and

H.J. Res. 519. Joint resolution to provide for a temporary increase in the public debt limit.

The enrolled bill and joint resolutions were subsequently signed by the Vice President.

At 2:47 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House having proceeded to reconsider the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, returned by the President of the United States with his objections; that the bill do not pass, two-thirds of the House of Representatives not agreeing to pass the same.

At 4:59 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House has passed the following bill, with an amendment:

S. 881. An act to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy.

The message also announced that the House insists on its amendments to the bill (S. 2332) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the International Energy Program, to provide for the Nation's energy emergency preparedness, and for other purposes, disagreed to by the Senate, agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. DINGELL, Mr. SHARP, Mr. MOFFETT, Mr. BROYHILL, and Mr. DANNEMEYER as managers of the conference on the part of the House; and as additional managers solely for the consideration of section 167(f) of the Energy Policy and Conservation Act, as added by section 3(b)(2)(A) of the House amendment and modifications committed to conference: Mr. BREAUX and Mr. FORSYTHE.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6682. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

HOUSE BILL REFERRED

The following bill was read twice, and referred as indicated:

H.R. 5879. An act to amend chapter 2 of title IV of the Immigration and Nationality Act to extend for 1 year the authorization of appropriations for refugee assistance, and for other purposes; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-973. A resolution adopted by the House of Representatives of the State of Michigan; to the Committee on Appropriations:

"RESOLUTION

"Whereas, The tragedy of child abuse is far too prevalent in our society. It is anticipated that this year 4,000 babies will be beaten to death. This cold fact is even more frightening when one considers that funding for the highly effective National Center on Child Abuse and Neglect is being drastically cut. Last year's funding came to $22.9 million. This year it will be $16.2 million, a reduction of $6.7 million. Next year the amount will be further reduced to $4.6 million in grants to the states with any other federal funding becoming "discretionary"; and

"Whereas, We cannot afford to allow children to be mistreated, abused, and even killed. The health of our society depends largely on how we treat one another and, by this standard, the facts of child abuse show us to be sadly deficient as a people. We must affirm the rights of all to humane treatment and reaffirm commitments already made to conquer the ills of child abuse. The National Center on Child Abuse and Neglect offers one excellent way in which we can achieve these laudable goals. We cannot permit it to languish and die and thus remove this superb hope for abused children, none of whom should ever have to suffer in a land that honors the rights of all to "life, liberty, and the pursuit of happiness"; now, therefore, be it

"Resolved by the House of Representatives, That the Congress of the United States and the President of the United States be memorialized to maintain current funding for the National Center on Child Abuse and Neglect; and be it further

"Resolved, that a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Michigan delegation to

the Congress of the United States, and the President of the United States."

POM-974. A resolution adopted by the House of Representatives of the State of Oklahoma; to the Committee on Armed Services:

"RESOLUTION

"Whereas, the State of Oklahoma is celebrating its seventy-fifth year of statehood; and

"Whereas, in the past, ships have been named for the State of Oklahoma and have served this nation with distinction and bravery; and

"Whereas, there are no longer any commissioned ships named in honor of the State of Oklahoma; and

"Whereas, the year 1982 has been officially designated as Oklahoma's Diamond Jubilee and would be an appropriate time for such recognition.

"Now, Therefore, be it Resolved by the House of Representatives of the 2nd session of the 38th Oklahoma Legislature:

"Section 1. The Legislature of this state hereby memorializes the Congress of the United States to direct that a capital ship of the line, specifically an aircraft carrier, frigate, missile cruiser, destroyer or submarine, be named the USS Oklahoma in honor of Oklahoma's Diamond Jubilee.

"Section 2. Copies of this Resolution shall be distributed to the Clerk of the United States House of Representatives, the Secretary of the United States Senate and the Oklahoma Congressional Delegation.

"Adopted by the House of Representatives the 26th day of May, 1982."

POM-975. A joint resolution adopted by the Legislature of the State of California; to the Committee on Banking, Housing, and Urban Affairs:

"SENATE JOINT RESOLUTION No. 30

"Whereas, The Veterans' Farm and Home Purchase ("Cal-Vet") program of California has, for many years, successfully assisted California veterans in the acquisition of farms and homes in recognition and gratitude for their sacrifices on behalf of this state and the nation during periods of armed conflict; and

"Whereas, The administration of this program requires the sale of state general obligation bonds to permit the acquisition of farms and homes for purchase by veterans, who then repay the bonds through their amortization contracts; and

"Whereas, In carrying out this program, there is often a lengthy delay between the selection and approval of a farm or home and the availability of permanent Cal-Vet financing due to such things as the demands upon the program and the difficulty of marketing Cal-Vet bonds in an unstable and inflationary market; and

"Whereas, This situation makes it necessary for a Cal-Vet purchaser to arrange for interim financing for an indefinite duration pending the availability of Cal-Vet funds, frequently, in recent experience, for periods in excess of two years; and

"Whereas, The federal Mortgage Subsidy Bond Tax Act of 1980 (P.L. 96-499) provides that the proceeds of qualified veterans' mortgage bonds cannot be used to acquire or replace, that is, refinance, existing loans, except for construction period loans, bridge loans, or similar temporary interim financing, and recent Internal Revenue Service regulations interpreting this act (46 F.R. 34311, July 1, 1981) restrict qualifying temporary interim financing to only that financing having a term of two years or less; and

"Whereas, The intent of Congress, as expressed in its reports on the act, was that programs using tax exempt bonds for mortgage funds for veterans should be permitted to continue; and

"Whereas, This arbitrary and unduly restrictive interpretation by the Internal Revenue Service will be to frustrate that intent and render impossible the funding of most Cal-Vet applications due to the impossibility of meeting this two-year requirement in many cases, and, in addition, these regulations are retroactive to Cal-Vet applications presently pending; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, that the President and Congress of the United States are respectfully memorialized to enact legislation to amend the Mortgage Subsidy Bond Tax Act of 1980 (P.L. 96-499) as necessary to permit interim financing of any duration obtained by a veteran purchaser under the Veterans' Farm and Home Purchase ("Cal-Vet") program of California to qualify under that act for refinancing under Cal-Vet, and to undertake these necessary changes on an urgency basis due to the fact that thousands of Cal-Vet purchasers are directly affected by these restrictive and unreasonable regulations; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

POM-976. A petition from the delegation of State Legislators from New York City urging Congress not to implement a proposal which would deny Federal funds to municipalities that enforce rent control laws; to the Committee on Banking, Housing, and Urban Affairs.

POM-977. A petition from a citizen of Lancaster, Calif., supporting passage of S. 6, to return America's currency to the gold standard; to the Committee on Banking, Housing, and Urban Affairs.

POM-978. A resolution adopted by the House of Representatives of the State of Michigan; to the Committee on Commerce, Science, and Transportation.

"RESOLUTION

"Whereas, Discharged members of the Professional Air Traffic Controllers Organization (PATCO) have suffered extreme hardships, and further prolonging that hardship would serve no constructive purpose; and

"Whereas, The union representing PATCO members has been de-certified and has subsequently filed for bankruptcy; and

"Whereas, The aviation industry's economic loss and the inconvenience to airline customers will continue until the air traffic controller system is re-built; and

"Whereas, The system will take years to re-build, and the hiring and training of new air traffic controllers will only be accomplished at an exorbitant cost at a time of unprecedented national deficit; and

"Whereas, Skilled and qualified professionals who formerly belonged to the now-defunct PATCO union have expressed a willingness and desire to return to their former jobs. Now is the time for understanding and compassion; now, therefore, be it

"Resolved by the House of Representatives, That members of this legislative body hereby memorialize the Congress of the United States to take steps to reinstate former members of the Professional Air Traffic Controllers Organization; and be it further

"Resolved, That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Michigan Congressional delegation.

"Adopted by the House of Representatives, May 27, 1982"

POM-979. A resolution adopted by the Texas and Southwestern Cattle Raisers Association supporting the protection of private lands from federal control; to the Committee on Energy and Natural Resources.

POM-980. A resolution adopted by the North Idaho Chamber of Commerce supporting specifc amendments to water quality laws to assure that the best management practices will once again insure compliance with the State's water quality standards; to the Committee on Environment and Public Works.

POM-981. A resolution adopted by the City Council of McKeesport, Pa., supporting the imposition of steel import limitations as provided for under the provisions of the Trade Act of 1974; to the Committee on Finance.

POM-982. A petition from a citizen of Santa Rosa, Calif., regarding congressional tax breaks and the extension of those tax breaks to all business travelers; to the Committee on Finance.

POM-983. A resolution adopted by the Steel Valley School Board of Directors of Munhall, Pa., concerning massive layoffs due to unfair dumping of foreign steel; to the Committee on Finance.

POM-984. A resolution adopted by the Board of Commissioners of Beaver County, Pa., urging Congress to impose steel import limitations for both carbon and speciality steels under the provisions of the Trade Act of 1974; to the Committee on Finance.

POM-985. A resolution adopted by the Common Council of Hammond, Ind., supporting the imposition of steel limitations under the provisions of the Trade Act of 1974; to the Committee on Finance.

POM-986. A resolution adopted by the Legislative Council of the State of Arkansas; to the Committee on Finance, and the Committee on Labor and Human Resources, jointly, pursuant to the order of February 11, 1982:

"RESOLUTION

"Whereas, legislation proposing the enactment of 'The Public Employee Pension Plan Reporting and Accounting Act of 1982' has been introduced in the Congress of the United States in the form of H.R. 4928 and H.R. 4929 (Senate companion Bills S2105 and 2106); and

"Whereas, federal regulation of this State's public-supported state and local pension systems would increase administrative costs and drain away funds that would otherwise be used to pay benefits; and

"Whereas, federal regulation of state and local public pension systems in Arkansas would slow the initial payment of claims and benefits by imposing federal regulations on procedures, while making the records of the individual members open to public scrutiny; and

"Whereas, the various boards of trustees established to administer the state-supported public retirement and pension plans in

this State are required to maintain the actuarial soundness and prudent investment of the trust funds entrusted to their care; and

"Whereas, the Arkansas retirement laws already provide for disclosure to participants and annuitants under public retirement and pension plans in this State and impose stringent requirements for investment of retirement funds on a prudent basis by the various boards of trustees charged with the administration of such plans, and require that funds received by such boards of trustees be held in trust for retirement and pension plan participants and annuitants, and prohibit diversion of the funds of such systems for other purposes; and

"Whereas, Arkansas statewide public pension plans are in sound acturial condition and are subject to annual acturial evaluation; and

"Whereas, studies of public pension plans made by the federal government show that the great majority of public employees in the United States are covered by sound pension systems but that federal pension systems (even including Social Security) have extremely high unfunded liabilities; and

"Whereas, the proposed legislation would:

"(1) preempt state laws and constitutional provisions which impose strict fiduciary responsibility on public retirement and pension plan trustees;

"(2) make possible the promulgation of federal rules or enactment of future amendments that would, having preempted state protection, permit or require social investing by public funds at the expense of retirement system participants and annuitants;

"(3) impose increased costs and burdens on public retirement systems through its reporting requirements, benefit application procedure requirements, and other provisions that would divert funds from these plans which would otherwise be used to pay benefits;

"(4) permit excessive federal control over state retirement and pension plans through its almost open-ended authority for the Secretary of Labor to issue regulations to accomplish the purposes of the Act;

"(5) make the federal courts the primary interpreter of state pension laws;

"(6) encourage frivolous personal lawsuits against pension fund trustees and advisors that will discourage their uncompensated service to public employees;

"(7) enterfere with the responsibility of boards of trustees as established in state statutes for actuarial projections and benefit cost estimates to the state legislature; and

"Whereas, the proposed federal legislation poses a serious usurpation of the sovereign powers of the state and local governments which were reserved to them under the Separation of Powers provision of the Constitution of the United States; and

"Whereas, such federal legislation infringes upon the inherent right of state and local governments to use their own judgment and discretion in establishing state and local employment, wage and employee benefit standards commensurate with the public funds appropriated therefor and available in the state and local governments for such purposes;

"Now therefore, be it resolved by the Legislative Council of the State of Arkansas:

"That the Arkansas Legislative Council, acting in behalf of the Arkansas General Assembly, respectfully declares its opposition to the passage of the proposed Public Employees Pension Plan Reporting and Accounting Act of 1982 or any other similar Act or variation thereof. Be it further resolved:

"That copies of this Resolution shall be furnished to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to all members of the Arkansas Congressional Delegation, with the request that this Resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States. Be it further resolved:

"That the members of the Arkansas Congressional Delegation are urged to use the full influence of their office in opposing the further consideration or enactment of this or similar legislation as being contrary to the interests of the government of the State of Arkansas and its local political subdivisions and of the federal system."

POM-987. A resolution adopted by the House of Representatives of the Legislature of the State of Texas; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, pursuant to the order of February 11, 1982:

"RESOLUTION

"Whereas, Legislation to enact the Public Employee Retirement Income Security Act has once again been introduced in the Congress of the United States in the form of HR 4928 and HR 4929 (Senate companion bills, S 2105 and S 2106); and

"Whereas, Federal regulation of this state's public pension systems would increase administrative costs, draining away funds that would otherwise be used to pay benefits; and

"Whereas, Federal regulation of this state's public pension system would slow the initial payment of claims and benefits by imposing federal promulgations on procedures, while making the records of individual members open to public scrutiny; and

"Whereas, The State Pension Review Board already supervises the state's public pension plans, insuring their actuarial soundness and prudent investments; and

"Whereas, Texas law already provides for disclosure by these pension plans to their participants and annuitants and for reports by these plans to the State Pension Review Board; and

"Whereas, Article XVI, Section 67, of the Constitution of Texas protects the interests of participants and annuitants of public pension plans by requiring that pension investments be made prudently by pension trustees considering both probable income and safety of capital, by requiring that such funds be held in trust for pension participants and annuitants, by prohibiting diversion of the fund for other purposes, and by requiring that benefits be funded on an actuarially sound basis; and

"Whereas, Texas' statewide public pension plans are in sound actuarial condition; and

"Whereas, The Texas Open Records Act makes information maintained by public pension plans, other than information in individual member files, available to the public as well as to any government entity that wishes to investigate the conduct of their affairs; and

"Whereas, Studies of public pension plans commissioned by the federal government show that the great majority of public employees in the United States are covered by sound pension systems built that federal pension systems (even excluding Social Security) have extremely high unfunded liabilities; and

"Whereas, There is considerable pressure, especially in areas of the nation that are suffering economic hard times, to use public pension funds belonging to the public employees to bail out financially troubled governments and industries with "social" investments made at a lower than appropriate rate of return or posing an excessive risk to the capital of the funds; and

"Whereas, Passage of HR 4929 (S 2106) could prompt the Internal Revenue Service to impose a greater tax liability on death benefits, an income tax on employees for the state contribution, and a tax on investment earnings, drastically cutting the amounts available for benefits; and

"Whereas, The proposed legislation would:

"(1) prempt state laws and constitutional provisons which impose strict fuduciary responsibilities on public pension trustees in Texas and provide other valuable protection to public pension participants and annuitants;

"(2) make possible the promulgation of federal rules or enactment of future amendments that would, having preempted state protections, permit or require social investing by public funds at the expense of retirement system participants and annuitants;

"(3) impose increased costs and burdens on public retirement systems through its reporting requirements, benefit application procedure requirements, and other provisions that will divert funds from these plans that would otherwise be used to pay benefits;

"(4) permit extensive federal control over state pension plans through its almost open-ended authority for the secretary of labor to issue regulations to accomplish the purposes of the Act;

"(5) make the federal courts the primary interpreter of state pension laws;

"(6) encourage frivolous personal lawsuits against pension fund trustees and advisors that will discourage their uncompensated service to public employees; and

"(7) interfere with the responsibility of boards of trustees as established in state statutes and constitutional provisions for actuarial projections and benefit cost estimates to the state legislature; and

"Whereas, The provision for exempting a state from this legislation: (1) applies essentially to the reporting and disclosure sections of the legislation and would not exempt Texas pension participants from the preemption of its statutory constitutional protections; (2) cannot assure Texas of exemption because of the unknown requirements of the federal regulations regarding reporting and disclosure, especially with respect to information made confidential by Texas law; and (3) give the governor of a state power to exempt a state only in accordance with regulations issued by the secretary of labor and subject to the power of the secretary of labor to revoke the exemption; and

"Whereas, Any attempt presently to permit or require social investing of Texas public funds would require a constitutional amendment to be voted on by the people but, if this federal legislation were enacted, such social investing could be permitted or required by federal regulations or a quiet, unobtrusive amendment of federal law; and

"Whereas, In a policy statement adopted at the National Conference of State Legislatures' (NCSL) annual meeting in 1981, the NCSL resolved that "the Public Employee Retirement Income Security Act and any similar proposals be opposed as a serious usurpation of the sovereign power of the

state and local governments"; now, therefore, be it

Resolved by the House of Representatives, That the 67th Legislative of the State of Texas, 2nd Called Session, hereby declare opposition to passage of the Public Employee Retirement Income Security Act in any version; and, be it further

"Resolved, That the Texas Secretary of State forward official copies of this resolution to the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to all members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States; and, be it further

"Resolved, That the Texas Secretary of State forward official copies of this resolution to the legislatures of the other states with the request that they join this state in opposing the passage of any version of the Public Employee Retirement Income Security Act."

POM-988. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Finance:

RESOLUTION

"Whereas, The severity of the current national recession has had a devastating impact on almost every sector of our economy, with the housing industry being one of the major casualties. This has led to the unemployment of countless individuals connected with the housing industry, including construction workers and members of the skilled trades as well as people in associated industries, including lumber and materials supply; and

"Whereas, Any improvement in our nation's economy will necessarily be hampered without a corresponding improvement in the housing industry. In view of the lack of any foreseeable decrease in mortgage rates, moreover, swift and strong remedial action on the part of the federal government is called for; now, therefore, be it

"Resovled by the House of Representatives (the Senate concurring). That the members of the Michigan Legislature hereby memorialize the Congress and the President of the United States to take immediate action to provide relief to the housing industry by providing first-time home buyers a credit against their federal income taxes of up to $5400 on the purchase of a home between May 1, 1982, and May 1, 1983, as well as by providing mortgage lenders a credit against their federal income taxes of up to $5400 on any home mortgage loans they make between May 1, 1982, and May 1, 1983,; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and to the members of the Michigan congressional delegation."

POM-989. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Finance:

RESOLUTION

"We, your Memorialists, the House of Representatives and Senate of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, We believe that appropriate trade agreements will benefit both American producers and consumers by putting needed competition back in certain industries, while finding additional markets for commodities that we produce in surplus in industries that have demonstrated their ability to increase worker productivity; and

"Whereas, The Western states of the United States have a demonstrated ability to produce in surplus abundance many agricultural and forest products at costs which are competitive in almost any foreign market; and

"Whereas, Escalating costs of domestic transportation, and other factors continue to reduce the capability of Western states to develop and expand domestic markets for their major commodities, inhibiting expansion of production and reducing employment and economic potential; and

"Whereas, The export of agricultural and forest products has been a major factor in helping achieve a positive balance of payments in our foreign trade program, and there is great potential for the development of additional foreign markets in Far East nations; and

"Whereas, Notwithstanding the lack of competitive status because of low productivity in the steel industry, or the declining markets and production in the United States automobile industry, the greatest measure of protection for the American consumer is and has always been active competition between various suppliers, not increased trade barriers, tariffs, quotas and protectionism;

"Now, therefore, Your memorialists respectfully pray that the President, the Cabinet, the Administration and the Congress take action to negotiate trade agreements with Far East nations that take into account both our productivty strength and our shortcomings, with recognition that two-way international trade must be mutually beneficial to all parties. We further pray that such agreements recognize our ability to produce vast surpluses of agricultural and forest products that other nations may buy, with our agreement to reduce barriers to the trade in the products those countries have the greatest ability to produce.

"Be it resolved, That copies of this Memorial be immediately transmitted to the Honorable Ronald Reagan, President of the United States, the Secretary of State, the Secretary of Commerce, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the States of Washington, Oregon, and California.

POM-990. A resolution adopted by the Senate of the State of Alaska; to the Committee on Foreign Relations:

RESOLUTION

"Whereas salmon is the mainstay of the Alaskan fishing industry; and

"Whereas the United Kingdom has been a major importer of Alaska canned salmon; and

"Whereas the United Kingdom has imposed an embargo on Alaska canned salmon to protect the health of British citizens; and

"Whereas, since the embargo was imposed, the State of Alaska has passed legislation that will insure the wholesomeness and quality of Alaska canned salmon; and

"Whereas the continued embargo by the United Kingdom will not further the goal of assuring the wholesomeness of Alaska canned salmon;

"Be it resolved that the Alaska Senate respectfully requests Congress and the President to urge the United Kingdom to lift its embargo of Alaska canned salmon.

POM-991. A resolution adopted by the Board of County Commissioners of Broward County, Fla. urging the United States and the Union of Soviet Socialist Republics to pursue a complete halt to the nuclear weapons race; to the Committee on Foreign Relations.

POM-992. A petition from a citizen of New York, N.Y urging an end to nuclear war and the arms control race; to the Committee on Foreign Relations.

POM-993. A resolution adopted by the City Council of Trenton, N.J. urging the Congress of the United States, through the New Jersey Congressional Delegation, to limit the nuclear arms race with the Soviet Union; to the Committee on Foreign Relations.

POM-994. A resolution adopted by the City Council of University City, Missouri urging the Congress to enter into a bilateral nuclear weapons freeze with the Soviet Union; to the Committee on Foreign Relations.

POM-995. A resolution adopted by the City Council of Calumet City, Ill. urging the Congress to enter into a bilateral nuclear weapon freeze with the Soviet Union; to the Committee on Foreign Relations.

POM-996. A resolution adopted by the Board of Commissioners of the City of Dothan, Ala. supporting the President's proposed constitutional amendment to allow for prayer to be offered in public schools and institutions; to the Committee on the Judiciary.

POM-997. A concurrent resolution adopted by the General Assembly of the State of Delaware; to the Committee on the Judiciary:

RESOLUTION

"Whereas, Section 1 of the Constitution of the United States gives the federal courts judicial rather than legislative power; and

"Whereas, judicial activism of the federal courts related to school prayer, and busing have exceeded the bounds of judicial power; and

"Whereas, matters related to school prayer and busing are policy decisions for state legislatures and state courts; and

"Whereas, the workload of the federal courts has almost doubled in the last ten years; and

"Whereas, the increased workload prompted each of the nine Justices of the Supreme Court to request in June 1978 that the Congress of the United States reduce the jurisdiction of the Supreme Court; and

"Whereas, Article III of the Constitution grants the Congress complete discretionary authority to change the appellate jurisdiction of the Supreme Court; and

"Whereas, Congress has often exercised its power to change and regulate the appellate jurisdiction of the Supreme Court.

"Now, therefore:

"Be it resolved, That the House of Representatives of the 131st General Assembly of the State of Delaware, the Senate concurring therein, respectfully urges the Congress to enact legislation to remove cases involving public school prayer and forced busing to achieve integration from the appellate jurisdiction of the Supreme Court and the original jurisdiction of district courts;

"Be it further resolved, That a copy of this Resolution be forwarded to the President of

the United States and to each Member of the Congress of the United States."

POM-998. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary:

RESOLUTION

"Whereas, A type of ammunition has been developed and made available, known as the KTW bullet, which will penetrate the combined thickness of four bulletproof vests of the kind used by the President and other officials and policemen; and

"Whereas, These bullets have no legitimate value and threaten the lives of all law enforcement agents and are referred to as "killer bullet"; and

"Whereas, Law enforcement agencies themselves do not use such bullets because they endanger the lives of innocent people who might accidentally be hit by stray or ricocheting bullets; and

"Whereas, These bullets are potentially available to any citizen in any state; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to enact legislation banning the manufacturing, sale, importation and possession of all bullets which are designed or manufactured primarily for the purpose of penetrating metal or armor; and be it further.

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-999. A resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary:

RESOLUTION

"Whereas, A type of ammunition has been manufactured and offered for sale known as the KTW bullet which will penetrate the combined density of more than four bulletproof vests used as standard equipment by the United States Secret Service and the California State Police; and

"Whereas, these bullets which have no redeeming value and threaten the lives of all law enforcement agents are referred to as 'Police killer' Bullets; and

"Whereas, Law enforcement agencies themselves do not use such bullets because they endanger the lives of innocent people who might accidentally be hit by such stray or ricocheting bullets; and

"Whereas, The federal government has outlawed 'explosive' bullets which are far less dangerous than the KTW bullet which will penetrate the bodies of several human beings before stopping; now, therefore, be it

"Resolved by the Assembly of the State of California, That the Members hereby urge the Legislature of every state and the United States Congress to enact legislation banning the manufacturing, sale, or possession of such bullets; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit a suitably prepared copy of this resolution to each member of the California Congressional Delegation and to the presiding officer of each legislative House of each state and enclose copies of any pertinent bill which has passed or is pending in the California Legislature."

POM-1000. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Labor and Human Resources:

RESOLUTION

"Whereas, The world today is increasingly troubled by international strife; and

"Whereas, Relatively recent technological advances have enabled international conflicts to have potentially disastrous consequences for all humankind; and

"Whereas, The resolution of conflicts, whether personal, local, national, or international, can best be accomplished by the use of trained personnel; and

"Whereas, The advances made in the disciplines of psychology, psychiatry, and all manner of behavioral science make it practical to train people to mediate explosive situations effectively in accordance with proven techniques. Formal teaching of such skills could bring a new means of responding to the crises which seems to be ever present; and

"Whereas, The systematic use of trained personnel in the resolution of international conflicts could save this nation and others countless billions of dollars and untold human suffering; now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Michigan Legislature urges the United States Congress to establish a National Academy of Peace and Conflict Resolution dedicated to training persons in peaceful conflict resolution techniques and their patriotic duty to defend their country when diplomacy and other non-violent methods of conflict resolution have failed; and be it further

"Resolved, That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and to the members of the Michigan congressional delegation."

POM-1001. A resolution adopted by the Alameda County Commission on the Status of Women supporting retention of vitality of Title IX as it was originally written; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, with amendments:

S. 1739. A bill to amend the Military Personnel and Civilian Employees' Claims Act of 1964 to increase from $15,000 to $25,000 the maximum amount that the United States may pay in settlement of a claim under that Act (Rept. No. 97-482).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

H.R. 6590. An act to provide for the operation of the tobacco price support and production adjustment program in such a manner as to result in no net cost to taxpayers, to limit increases in the support price for tobacco, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEVIN (for himself, Mr. COHEN, and Mr. KASTEN):

S. 2674. A bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes; to the Committee on Finance.

By Mr. PERCY (by request):

S. 2675. A bill to authorize the Secretary of State to reimburse State and local governments for providing extraordinary protection with respect to foreign consular posts located in the United States outside the metropolitan area of the District of Columbia; to the Committee on Foreign Relations.

By Mr. DODD (for himself and Mr. COCHRAN):

S. 2676. A bill to establish a National Hostel System Plan, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. McCLURE (by request):

S. 2677. A bill to amend title I of the Reclamation Project Authorization Act of 1972 (Public Law 92-514; 86 Stat. 964) as amended by Public Law 96-375 (94 Stat. 1507); to the Committee on Energy and Natural Resources.

By Mr. NUNN (for himself, Mr. CHILES, and Mr. RANDOLPH):

S. 2678. A bill to amend title 18 to establish an insanity defense, to establish a verdict of not guilty only by reason of insanity and for other purposes; to the Committee on the Judiciary.

By Mr. DURENBERGER:

S. 2679. A bill to add representatives of town officials to the membership of the Advisory Commission on Intergovernmental Relations; to the Committee on Governmental Affairs.

By Mr. EAST:

S.J. Res. 205. Joint resolution to designate September 1982 as "National Sewing Month."; to the Committee on the Judiciary.

By Mr. BENTSEN:

S.J. Res. 206. Joint resolution entitled "The Flat Rate Income Tax Resolution"; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. NUNN:

S. Res. 419. Resolution authorizing the reprinting of the committee print entitled "NATO: Can the Alliance Be Saved?"; to the Committee on Rules and Administration.

By Mr. ARMSTRONG (for himself, Mrs. HAWKINS, Mr. THURMOND, Mr. MATTINGLY, Mr. HELMS, Mr. SYMMS, and Mr. KASTEN):

S. Con. Res. 109. Concurrent resolution expressing the sense of the Congress that legislation should be passed in order to make the Government Printing Office more cost-effective and efficient; to the Committee on Governmental Affairs.

By Mr. TSONGAS (for himself, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. MOYNIHAN, Mr. D'AMATO, Mr. LEVIN, Mr. DODD, Mr. SARBANES, Mr. INOUYE, and Mr. CRANSTON):

S. Con. Res. 110. Concurrent resolution expressing the sense of the Congress respecting the Secretary of State's recommending continuing extended voluntary departure status for Ethiopian nationals in the United States; to the Committee on the Judiciary.

By Mr. JEPSEN:

S. Con. Res. 111. Concurrent resolution to express the sense of the Congress that the National Endowment for Soil and Water Conservation shall be and is hereby endorsed by the U.S. Congress; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN (for himself, Mr. COHEN, and Mr. KASTEN):

S. 2674. A bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes; to the Committee on Finance.

(The remarks of Mr. COHEN and Mr. LEVIN on this legislation and the text of the legislation appear earlier in today's RECORD.)

By Mr. PERCY (by request):

S. 2675. A bill to authorize the Secretary of State to reimburse State and local governments for providing extraordinary protection with respect to foreign consular posts located in the United States outside the metropolitan area of the District of Columbia; to the Committee on Foreign Relations.

REIMBURSEMENT FOR PROTECTION OF CONSULAR POSTS

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to authorize the Secretary of State to reimburse State and local governments for providing extraordinary protection with respect to foreign consular posts located in the United States outside the metropolitan area of the District of Columbia.

This legislation has been requested by the Department of State and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis of the bill and the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated June 10, 1982.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2675

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. It is the intent of Congress that the protection of foreign consular posts and officials located in the United States outside the metropolitan area of the District of Columbia remains the responsibility of State and local governments. But the Congress also recognizes that there are instances of extraordinary protective need when Federal assistance is appropriate, and this act will permit such assistance.

SEC. 2. Whenever the Secretary of State finds it necessary in order to meet United States obligations under the Vienna Convention on Consular Relations, the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, and any other international law or convention to which the United States is a party, he is authorized to request the assistance of State and local governments other than those in the metropolitan area of the District of Columbia in the performance of the following security functions and, in cases of extraordinary need, to reimburse those governments for reasonable expenses associated with:

(a) fixed guards posts at any consular premises or the residences of any consular officers within their jurisdiction, and

(b) protective security details and other extraordinary functions relating to protection of consular premises and officers within their jurisdiction.

In any case in which the State or local government cannot accede to such request for assistance because of a lack of manpower, the Secretary of State is authorized to procure security services notwithstanding any other provision of law of the United States normally applicable to the acquisition of such services, provided that those performing such services are duly authorized to do so in the jurisdiction in question.

SEC. 3. For purposes of this Act,

(a) "Consular premises" means the buildings or parts of buildings and the land ancillary thereto, irrespective of ownership, used exclusively for the purposes of a consulate-general, consulate, vice-consulate or consular agency of a foreign government within the United States;

(b) "Consular officer" means any person entrusted with the exercise of consular functions within the United States and duly notified in that capacity to the Department of State.

SEC. 4. The Secretary of State may issue such regulations as he deems appropriate to carry out the purposes of this Act.

SEC. 5. In addition to funds otherwise available, there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act for the fiscal year ending on September 30, 1982, and for each succeeding fiscal year.

SECTION-BY-SECTION ANALYSIS

Section 1. This Section states the Congressional intent to reaffirm the historical and constitutional policy of the Federal Government that the several states are responsible for assuring the equal protection of the law to every person within their jurisdiction. This responsibility includes foreign diplomatic and consular personnel. This Section also states that Congress recognizes that the obligations accepted by the Federal Government in the Vienna Convention on Consular Relations sometime impose a heavy burden on the several states and that there are instances of extraordinary protective need when Federal assistance to the states is appropriate. Under 3 USC 202, the Uniformed Division of the Secret Service is responsible for the protection of diplomatic premises within the metropolitan area of the District of Columbia.

Section 2. This section sets out the basic authority of the Secretary of State to request the assistance of state and local governments, other than those in the metropolitan area of the District of Columbia, in the performance of certain enumerated security functions for consular offices. The Secretary is authorized to request this assistance when, in his judgment, it is necessary in order to meet the obligations of the United States under the Vienna Convention on Consular Relations (21 UST 77, TIAS 6820, April 24, 1963), the Convention on the Prevention of Punishment of Crimes Against Internationally Protected Persons, commonly known as the "New York Convention" (28 UST 1975, TIAS 8532, February 20, 1977), and any other international law or convention to which the United States is a party.

It is the expectation of the Congress, as expressed in Section 1, that state and local governments will continue to carry out this responsibility and to bear the cost of this protection. However, this Section also provides that when the Secretary of State has determined that state and local governments have an extraordinary need for financial assistance in order to carry out these responsibilities, the Secretary is authorized to reimburse those governments for reasonable expenses associated with that protection. If the state or local government cannot accede to such a request for assistance because of a lack of manpower, the Secretary is authorized, as a last resort, to procure security services notwithstanding any other provisions of law normally applicable to the acquisition of such services. This section also provides that any private security firm hired by the Secretary under this authority must be duly authorized to perform such services in the jurisdiction in question.

Section 2 also defines the type of assistance which the Secretary is authorized to request, and for which he is authorized to reimburse or procure the services of a private firm. Those are defined as (a) "fixed guard posts at any consular premises or the residences of any consular officers, and (b) "protective security details and other extraordinary functions relating to the protection of consular premises and officers." In practice this will mean two principal things: first, stationary uniformed guards outside the entrance to consular premises and the residence of any consular officials, and secondly, security details to accompany consular officials, while traveling or any other situation requiring protection. Subparagraph b also provides for protection in "other extraordinary functions relating to the protection of consular premises and officers."

It is important to understand that this authority is limited to consular premises outside the metropolitan area of the District of Columbia. Therefore, it will not apply to missions to the United Nations nor to traveling foreign dignitaries. Recent attacks on Turkish consular officials in the United States demonstrate the clear need to protect consular officials.

Section 3. This Section defines "consular premises" and "consular officers" in accordance with the normally accepted definitions under international law.

Section 4. This Section authorizes the Secretary of State to issue the necessary administrative regulations to carry out the law. It is the intention of the Secretary of State to adopt regulations requiring that, prior to reimbursing state and local governments, agreement will have been reached in each case between the Department and the state and local government as to the nature of the services to be provided and as to the total cost. This will provide an effective cost control on expenditures under this authority.

Section 5. This Section authorizes appropriations to carry out the purpose of the Act for Fiscal Year 1982 and subsequent fiscal years.

DEPARTMENT OF STATE,
Washington, D.C., June 10, 1982.

Hon. GEORGE BUSH,
President of the Senate.

DEAR MR. PRESIDENT: Enclosed for your consideration and appropriate reference is a legislative proposal to amend Title 22 of the United States Code by adding a new Section 2691 which authorizes the Secretary of State to reimburse state and local governments for providing extraordinary protection to foreign consular posts located in the United States outside the metropolitan area of the District of Columbia.

This proposal is designed primarily to meet United States obligations under the Vienna Convention on Consular Relations, the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, and other international laws and conventions. In essence the legislation would permit the Secretary of State to request urgently extraordinary protective services specified in the proposed legislation for foreign consular personnel from state and local police jurisdictions and agree to pay for such services. It would permit the Secretary to contract for such services from private firms if, at the time the services were needed, state and local authorities were unable to respond. The Secretary is also authorized to adopt regulations implementing this section and it is the intention of the Secretary to require in those regulations that state and local governments may be reimbursed only when there has been a prior agreement as to the type of services to be provided and as to the total cost. This will provide an effective cost control mechanism.

The proposed legislation would not in any way change the constitutional responsibility of states to provide equal protection of the law to all persons within their jurisdiction. It would recognize that there are occasionally extraordinary circumstances in meeting the responsibility for the protection of foreign consular personnel when Federal assistance is appropriate and authorize the Secretary of State to determine when such circumstances exist and to provide Federal assistance. The Congress has already recognized that such extraordinary protection is needed in the cases of the Diplomatic Corps in the metropolitan area of Washington and in New York City and approved legislation to meet the need.

The Office of Management and Budget has advised that there is no objection to the presentation of this legislative proposal to the Congress and that its enactment would be consistent with the Administration's objectives.

With cordial regards,
Sincerely,

POWELL A. MOORE,
Assistant Secretary for Congressional Relations.●

By Mr. DODD (for himself and Mr. COCHRAN):

S. 2676. A bill to establish a national hostel system plan, and for other purposes; to the Committee on Energy and Natural Resources.

NATIONAL HOSTEL SYSTEM

Mr. DODD. Mr. President, today I am introducing a bill to plan for the development of a national hostel system. I am pleased to have Senator COCHRAN join me as a cosponsor of National Hostel System Plan Act of 1982.

Mr. President, everyone has heard of the dormitory-style European hostel, famous for providing millions of travelers with inexpensive, overnight housing on a first-come, first-served basis. Hostels through Europe have given many visitors opportunities they might otherwise not have had to tour cities and countryside of world renown. Moreover, hostel accommodation is structured so as to encourage a visitor to meet and get to know others from many different nations and backgrounds. In so doing, hosteling fosters invaluable bonds of friendship and camaderie between individuals and among nations.

Like their European counterparts, hostels in this country allow people of all ages to enjoy our great national monuments, parks, and historic cities. Yet tourists both from home and abroad have a complaint about U.S. hostels: They are simply too few and too far between. Whereas visitors to Europe have over 5,000 hostels to choose from in arranging overnight stays, visitors in our country have no more than 280.

Mr. President, we are the only nation in the world with hostels that do not receive some form of governmental recognition or assistance. At present, American Youth Hostels, Inc., a private, nonprofit organization, stands alone in having established a procedure for developing and managing a network of hostels here at home.

This legislation would direct the Secretary of the Interior, working with other Federal agencies and American Youth Hostels, Inc., to draft a national plan for guiding the development and management of hostels. Such a plan would outline ways to encourage businesses and private, nonprofit organizations to operate new hostels, while identifying the role different levels of government might play in encouraging such efforts.

This plan would also assess the present and future demand for hosteling within the United States, listing possible geographic locations ideally suited for expanding existing hostels and building new ones. Finally, the plan would evaluate resources which could be used to establish a hostel system, including vacant buildings on Federal lands that might be converted into hostels and youth employment programs that might provide the labor for such conversions.

The National Hostel System Plan Act would not authorize the expenditure of any additional funds. Rather, it would better direct the use of resources which are now available in order to establish a wider network of hostels within the United States from which all travelers could potentially benefit.

By encouraging the further development of our own hostel system, this legislation would give Americans and foreign visitors alike greater access to our cities and wilderness areas. At present, travelers can bicycle along Connecticut lakes, visit museums in Philadelphia, hike in a Georgia forest, and beachcomb along the Pacific coast, while staying in nearby hostels.

Hostels have become even more important given the rapidly escalating cost of travel in these difficult economic times. Without the inexpensive accommodation offered by hostels, many would not be able to afford some of the trips I just outlined above.

Mr. President, in considering this legislation, it is important to remember that hostels serve everyone. Senior citizens and teenagers have equal opportunity to take advantage of hostel accommodations, as do individual travelers and families. Hostels also accommodate handicapped groups, making trips possible to places as diverse as the Colorado Rockies and Boston.

The concept of a national hostel system has always received strong bipartisan support in Congress and the executive branch.

In closing, I would like to remind my colleagues of something Franklin Roosevelt once said:

> From the time I was nine until I was seventeen I spent most of my holidays bicycling on the continent. This was the best education I ever had; far better than schools. The more one circulates in his travels the better citizen he becomes not only for his own country, but of the world.

I urge my colleagues to join with me in sponsoring this bill to provide young and old alike with the opportunity to gain the kind of education Roosevelt referred to via U.S. hostels. Further developing our hostels will allow those at home and abroad to "see America first." The result can only be increased understanding, cultural awareness, and good will for all.

Mr. President, I ask unanimous consent that a copy of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2676

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Hostel System Plan Act of 1982".

SEC. 2. (a) The Congress finds that—

(1) hostels provide inexpensive overnight accommodations for bicyclists, hikers, canoeists, and other travelers of all ages;

(2) hostels offer a practical means to facilitate visits to, and enhance the enjoyment of, our Nation's scenic and outdoor recreation resources, historic features and cultural achievements in both rural and highly developed areas of the United States;

(3) for more than sixty years, travelers throughout the world have enjoyed and appreciated the value of hostels;

(4) forty-nine foreign countries have hostel systems which receive various forms of governmental assistance;

(5) no Federal programs exist to support the development of a system of hostels in the United States; and

(6) only one national, nonprofit organization, "American Youth Hostels, Incorporated", the United States representative to the International Youth Hostel Federation, has established a procedure for the development and management of a national system of hostels.

(b) It is the purpose of this Act to provide for the preparation of a National Hostel System Plan—

(1) to guide the development and implementation of a national hostel system,

(2) to encourage the development of hostels by Federal, State, and local governmental agencies, private, nonprofit organizations, and private business, and

(3) to encourage the operation of hostel by private, nonprofit organizations, and businesses.

SEC. 3. (a) The Secretary of the Interior, through the National Park Service, and working in full consultation with the Chief of the Forest Service of the Department of Agriculture, American Youth Hostels, Incorporated, and other interested groups, shall develop and transmit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, a National Hostel System Plan. The Plan shall be completed no later than two complete fiscal years following the effective date of this Act. The Plan, as a minimum, shall include—

(1) a comprehensive statement of objectives and purposes for a national hostel system to be developed under the Plan;

(2) a nationwide inventory of existing privately and publicly owned or operated hostels, with assessments of positive and negative features of their location and current operation which is designed to improve planning for additional hostels, and to examine how existing hostels might be incorporated into a national system;

(3) a survey and an assessment of the current and potential market demand for hosteling in the United States;

(4) an assessment of the current and potential travel and facility-use customs of Americans and their likely proclivity to utilize a hostel system;

(5) a discussion of the types of areas and specific geographic locations throughout the Nation which appear to be conducive to and practical for the location of hostels in both the short-range and long-range future;

(6) a discussion of the types of facilities which appear to offer practical solutions to the provision of hostels, such as new construction and the renovation and adaptation of existing facilities and structures;

(7) an analysis of the possible options for private and public financing of the construction, renovation, adaptation, and operation of public and private nonprofit hostels;

(8) a thorough evaluation of the feasibility and suitability of using the resources available through appropriate youth employment or conservation programs for developing elements of a national hostel system;

(9) an evaluation of various approaches for the optimum administration and coordination of a national hostel system;

(10) the identification of future roles and functions for all levels of government, affected organizations, and the private sector in the development and operation of a national hostel system;

(11) the exploration of possibilities of affiliating and coordinating efforts with national and international organizations with similar objectives, such as the American Youth Hostels, Incorporated, the YMCA, the YWCA, the International Youth Hostel Federation, and the Federation of International Youth Travel Organizations;

(12) minimum facility and operational standards for hostels, taking into consideration the internationally established standards of the International Youth Hostel Federation;

(13) consideration of the routes of existing or planned national, State, interstate, or local bicycling, riding, and hiking trails and routes of recreational water travel, to include subsystems linking urban areas with Federal, State, and local lands and facilities administered for recreation or other leisure time activities;

(14) priorities for the adaptation of suitable existing structures into hostels, where practicable, including structures which are listed on, or are eligible for listing on, the National Register of Historic Places; and

(15) an inventory of existing structures on Federal lands administered by the Forest Service and the National Park Service, which are potentially suitable for use as hostels and the use of which for such purposes would not be inconsistent with written management plans and objectives. A similar inventory shall be conducted on all other federally owned lands, where practicable.

(b) The Secretary shall provide for full public participation as a part of the development of the Plan.

(c) Every six months after the effective date of this Act until the Plan is submitted to the appropriate committees of the Congress, the Secretary with the cooperation of participation organizations shall submit to such committees a brief and comprehensive written status report on the progress being made toward the completion of the Plan.

(d)(1) The Secretary shall publish notice in the Federal Register of the availability to the public, for review and comment, of the proposed Plan. Sixty calendar days shall be permitted for such public review and comment period.

(2) Within sixty days after the completion of the review procedures set forth in paragraph (1) of this subsection, the Secretary shall incorporate into the Plan such comments and recommendations as the Secretary deems appropriate. The Secretary shall submit the Plan, concurrently with the public's comments and recommendations, to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate.

SEC. 4. (a) The Secretary may enter into contracts and cooperative agreements for such technical and professional services and expertise as he deems necessary and appropriate to assist in the preparation of the Plan.

(b) At the request of the Secretary, the head of any Federal agency shall detail to the Secretary, such personnel of that agency as may be necessary to assist the Secretary in preparation of the Plan.

SEC. 5. Effective not later than four years after the effective date of this Act, the Secretary shall ensure that each Statewide Comprehensive Outdoor Recreation Plan, developed pursuant to the provisions of the Land and Water Conservation Fund Act, addresses the issue of the location and development of hostels in a manner consistent with the Plan developed pursuant to section 3 of this Act.

SEC. 6. (a) Nothing in this Act or in any other provision of Federal law, or in any rule or regulation prescribed under Federal law, shall be construed to prohibit the operator of any hostel to which this Act applies from imposing reduced fees to any person based upon such person's membership in American Youth Hostels, Incorporated, or an international affiliate thereof.

(b) Nothing in this Act shall be construed to require (or permit) the development of hostels on federally owned or controlled lands in a manner inconsistent with otherwise applicable provisions of law, rules, regulations, or written management objectives and plans.

(c) Each department and agency of the Federal Government shall cooperate to the fullest extent possible with the Secretary in supplying information, data, and other assistance in furtherance of the purposes of this Act.

SEC. 7. For purposes of this Act, the term—

(1) "hostel" means an inexpensive, supervised overnight facility, whose standards at a minimum, comply with the standards of the International Youth Hostel Federation. Such term includes the land upon which such a facility is situated;

(2) "local government" means any city, county, town, township, parish, village, or other political subdivision of a State which is a general purpose unit of local government. Such term also includes any special park and recreation district authorized under State law;

(3) "Plan" means the National Hostel System Plan;

(4) "private nonprofit organization" means an organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code;

(5) "Secretary" means the Secretary of the Interior;

(6) "State" means any State of the United States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands; and

(7) "structure" means a building, barn, cabin, cottage, or any other facility which is suitable for use as a hostel.

SEC. 8. (a) Effective October 1, 1983, there is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) Notwithstanding any other provision of this Act, the authority to enter into contracts, to incur obligations, or to make pay-

ments under this Act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

By Mr. McCLURE (by request):

S. 2677. A bill to amend title I of the Reclamation Project Authorization Act of 1972 (Public Law 92-514; 86 Stat. 964) as amended by Public Law 96-375 (94 Stat. 1507); to the Committee on Energy and Natural Resources.

AMENDMENT OF RECLAMATION PROJECT AUTHORIZATION ACT

● Mr. McCLURE. Mr. President, at the request of the administration I am introducing legislation to amend title I of the Reclamation Project Act of 1972. I ask unanimous consent that the letter of May 17, 1982, from Assistant Secretary of the Interior Garrey E. Carruthers, transmitting the draft bill to the Congress and a copy of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 17, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill reauthorizing the Closed Basin Division, San Luis Valley Project, Colorado, to provide for a revised mitigation plan. The revised plan is necessary as a result of changed conditions since project authorization. It is also less expensive than the authorized plan and will reduce the project cost by over one million dollars, while still providing for appropriate project mitigation. The revised plan is attached.

We recommend that the bill be referred to the appropriate Committee for consideration and enacted.

The Closed Basin Division was authorized for construction by Public Law 92-514, dated October 20, 1972, and was based on the plan presented in the Secretary's Feasibility Report dated July 1963 and a May 1970 Reevaluation Statement, both of which were printed in House Document No. 91-369. Advance planning studies were initiated in fiscal year 1976 and the Definite Plan Report was approved on November 16, 1979. The project as reauthorized by Public Law 96-375, dated October 3, 1980, provided for: (1) an increased cost ceiling; (2) modification of project plans as shown in the November 16, 1979, Definite Plan Report; and (3) a limited decrease in water level in irrigation and domestic wells outside the project boundary to 2 feet. Construction activities were initiated in fiscal year 1980.

The division is located in the northern part of the San Luis Valley in south-central Colorado in Alamosa and Saguache Counties in a topographic basin called the Closed Basin, north of the towns of Alamosa and Monte Vista. The San Luis Valley is in the uppermost part of the great valley of the Rio Grande. The Closed Basin has a surface area of 2,840 square miles and the basin flows in recent history are confined to the basin and do not drain to the Rio Grande.

The primary purpose of the project is to deliver water to the Rio Grande to assist the State of Colorado in meeting its commitments for water deliveries to the States of New Mexico and Texas under the Rio Grande Compact of 1939 and to assist the United States in meeting its commitments to Mexico under the Rio Grande Convention of 1906. The revised fish and wildlife plan provides for: (1) deliveries of water to the Alamosa National Wildlife Refuge (NWR) and Blanca Wildlife Habitat Area (WHA); (2) establishment of Russell Lakes Waterfowl Management Area (WMA); (3) stabilization of the water level of San Luis Lake at about 890 surface acres; (4) development of recreational facilities at San Luis Lake; and (5) fish and wildlife enhancement. Additional artesian water rights acquired with the proposed mitigation lands will be utilized in the mitigation water supply. The project, utilizing water pumped from an unconfined ground-water aquifer in the Closed Basin, will deliver water through a conveyance channel to the Rio Grande. The ground water being pumped presently is being lost through evaporative processes. The project is being developed in stages over a 10-year period. Water production information from each stage will be used to determine well field designs and yield projections for the following stage. An average of about 100,600 acre-feet per year is the pumped yield objective of which approximately 5,300 acre-feet will be delivered to Alamosa NWR and about 95,300 acre-feet less evaporation and seepage losses will annually be delivered to the Rio Grande.

The Closed Basin Division, as originally described in House Document 91-369 (1970) and the initial authorizing legislation (Public Law 92-514), is a water resource project that has undergone considerable alteration in project features. These changes, as presented in the project Definite Plan Report, November 1979, include: deletion of 12 miles of the Rio Grande channel rectification, deletion of the annual salvage of 15,200 acre-feet of surface water, deletion of the east side conveyance channel, deletion of the connecting channel between the conveyance channel and San Luis Lake, rerouting of the conveyance channel through Alamosa NWR, deletion of the conveyance channel collection system which would have collected surface water outflows from Mishak Lake, the proposed development of the San Luis Lake's State Wildlife Area, and the development of the Blanca WHA by the Bureau of Land Management. Additional studies have indicated that surface inflows in the wetland areas within division boundaries are being reduced due to changes in agricultural irrigation methodologies in the San Luis Valley.

As originally planned, an estimated 66,000 to 104,000 acre-feet of ground water would be pumped annually with 100,600 acre-feet per year being a reasonable project yield objective. Approximately 5,300 acre-feet per year of that pumpage would be delivered to Alamosa NWR, and 95,300 acre-feet less evaporation and seepage losses would be delivered to the Rio Grande. The original project provided for stablizing water levels in San Luis Lake at about 890 surface acres, for developing recreational facilities at San Luis Lake, and for fish and wildlife enhancement. That plan also included the 13,800 acre-feet Mishak NWR which was to be provided with 12,500 acre-feet of water annually. Total lands within the project boundaries including Mishak NWR would have been 138,500 acres.

At the time the 1980 reauthorization was accomplished, changes in the mitigation were still being studied. These additional studies have been conducted to more adequately determine the effects of the project on wetlands, vegetation, and wildlife including the necessary mitigation and/or enhancement. Results from these various studies have been utilized in the development of the revised plan for mitigation and/or enhancement of project effects. One major change is in seasonally flooded wetlands. The 1969 Fish and Wildlife Service (FWS) Coordination Act Report indicated that about 100,000 acres of seasonally flooded wetlands would be adversely affected by construction and operation of the project. Recent studies have shown that only about 43,000 acres of wetlands now exist within project boundaries and that about 8,500 acres will be affected with project development and operation.

The revised mitigation and/or enhancement plan provides for the acquisition, development, and management of the Russell Lakes WMA as a replacement for the previously authorized Mishak NWR. Since the project was first developed, surface water inflows to the Mishak NWR area have been reduced to as little as 500 acre-feet through more efficient upstream use. This is considerably less than the 12,500 acre-feet required. Deliveries of water to sustain the Mishak NWR would need to be supplied by pumping ground water. Since these pumped waters cannot be replaced and would result in a decrease in total water delivered to the Rio Grande, a viable refuge cannot be justified. The proposed Russell Lakes WMA will contain approximately 4,600 acres of land of which about 3,100 are presently under private ownership. The proposed 13,800-acre Mishak NWR would have required the acquisition of private ownerships totaling over 9,000 acres.

Alamosa NWR will receive 5,300 acre-feet of water annually and Blanca WHA will receive about 1,100 acre-feet of water per year. Of the 6,400 acre-feet 5,300 acre-feet will be diverted from the project conveyance channel and 1,100 acre-feet will be obtained through acquisition of water right purchased from willing sellers within project boundaries. A 2,040-acre tract of land known as the Emperious Estate is available at the present time for purchase from a willing seller. Sufficient flows from existing wells with adjudicated water rights occur on these lands to provide a large portion of the 1,100 acre-feet of water needed for project mitigation. Flows from these wells could be reduced without jeopardizing the total livestock grazing and wildlife resource value of these lands.

San Luis Lake will be stabilized at about 890 surface acres with a flow-through water system. The wetland and terrestrial vegetation and wildlife habitat affected by the project will be replaced. Waterfowl production losses due to wetland losses resulting from the project will not only be replaced but will be enhanced through wetland replacement by more than 10,000 ducks per year. The San Luis Lake State Management area and the recreation facilities at San Luis Lake will be developed subject to Public Law 89-72 contractual agreements. Warm and cold water fisheries at San Luis Lake and in the project conveyance channel may be established as enhancement features of the project.

The original mitigation plan which included the Mishak NWR would have a January 1981 cost of about $8,350,000. The revised mitigation plan which includes the Russell Lakes WMA instead of Mishak NWR will result in a substantial cost reduction, in excess of $1 million, to the American taxpayer. The revised mitigation plan is con-

sistent with the Administration's policy to reduce spending.

The Office of Management and Budget has no objection to the transmittal of the draft legislation.

Sincerely,

GARREY E. CARRUTHERS,
Assistant Secretary.

S. 2677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to provide for establishment of the Russell Lakes Waterfowl Management Area as a replacement for the authorized Mishak National Wildlife Refuge and for other purposes, Title I of Public Law 92-514 (86 Stat. 964), as amended by Public Law 96-375 (94 Stat. 1507), is further amended as follows:

(1) In section 101(a), by deleting the phrase "establishing the Mishak National Wildlife Refuge and furnishing a water supply for the operation of the Mishak National Wildlife Refuge and the Alamosa National Wildlife Refuge and for conservation and development of other fish and wildlife resources" and inserting in lieu thereof "establishing the Russell Lakes Waterfowl Management Area and furnishing a partial water supply for the operation of the Blanca Wildlife Habitat Area and Alamosa National Wildlife Refuge essentially as shown in the Fish and Wildlife Plan dated June 1981".

(2) In section 101(a), by inserting the phrase "and as modified by the plans essentially as shown in the Fish and Wildlife Plan dated June 1981" before the proviso.

(3) In section 102(b), by deleting the last five words "the construction of the project" and inserting in lieu thereof "operation of each stage of the project".

(4) By deleting section 104(b)(2) and inserting in lieu thereof:

"(2) To maintain the Alamosa National Wildlife Refuge and the Blanca Wildlife Habitat Area: *Provided,* That the amount of project salvaged water delivered from the conveyance channel to the Alamosa National Wildlife Refuge and the Blanca Wildlife Habitat Area shall not exceed five thousand three hundred acre-feet annually.".

(5) In section, 105 by deleting "project plan" and inserting in lieu thereof "Fish and Wildlife Plan dated June 1981".

(6) In section 105, by deleting the phrase "restricted to easements and rights-of-way in order to minimize the removal of land from local tax rolls." and inserting in lieu thereof "acquired by easements in order to minimize the removal of land from local tax rolls. Lands required for permanent project facilities shall be acquired by fee title.".●

By Mr. NUNN (for himself, Mr. CHILES, and Mr. RANDOLPH):

S. 2678. A bill to amend title 18 to establish an insanity defense, to establish a verdict of not guilty only by reason of insanity and for other purposes; to the Committee on the Judiciary.

THE INSANITY DEFENSE ACT OF 1982

Mr. NUNN. Mr. President, during the last few days, John Hinckley's acquittal has rapidly focused the public eye on the glaring deficiencies in the American legal system's treatment of the insanity defense. We, in that case, have watched a long parade of complex and confusing psychiatric testimony before a lay jury. We have, in the days following the trial, heard jurors accuse our "system" of failing miserably in formulating the question of insanity versus criminal responsibility. Finally, we have been astonished to learn that the Federal system does not generally provide for the automatic institutional commitment of individuals like Hinckley who are acquitted of violent crime by reason of insanity.

I am today introducing the Insanity Defense Act of 1982 which provides a straightforward and commonsense approach to the question of insanity at the time of the offense. Essentially, the bill does three things: First, establishes uniformity in the insanity defense for all Federal criminal prosecutions; second, places the burden of proving such a defense on the defendant; and third, provides for the institutional commitment of individuals acquitted by reason of insanity. The evidence amply demonstrates that each of those revisions is long overdue in our criminal justice system.

Although insanity as a negation of criminal intent has been recognized as a defense to criminal charges since early common law, no statute uniformly defines what constitutes insanity as a defense in Federal prosecutions. As a result, the courts have taken it upon themselves to define insanity, resulting in a hodgepodge of Federal insanity defenses varying from jurisdiction to jurisdiction.

This rule, greatly expanded by United States against Brawner, was used in the Hinckley case. Such disparity in the definition of criminal conduct is confusing and unfair to both the public and criminal defendants alike.

Probably the oldest and most widely used definition of insanity stems from the old English rule in M'Naghten's case. It determines insanity by asking whether the accused was laboring under such a defect of reason or disease of the mind so as not to know the nature and quality of the act he was doing; or if he did know it, that he did not know what he was doing was wrong. Some jurisdictions have altered M'Naghten by adding the alternative test of whether the defendant was acting under an "irresistible impulse". The so-called Durham rule, originating in the District of Columbia District, is among the broadest, finding no criminal responsibility where the defendant acted as a result of mental disease or defect, regardless of his knowledge of right or wrong.

The bill I introduce today would end the current disparity in the meaning of "insanity" within the Federal criminal justice system. In all Federal criminal prosecutions, we would return to the M'Naghten definition as the standard for the insanity defense. A defendant would not be criminally responsible for his acts if as a result of mental disease or defect, he lacked the ability to understand the nature and quality of his act; or as a result of mental disease or defect, he lacked the ability to distinguish right and wrong in respect to the act.

We are all aware of the seemingly endless litany of psychiatric testimony and evidence produced in the Hinckley case. We are also aware of what must certainly have been the incredibly confusing nature of much of that testimony to the jury. One juror has since openly discussed the fact that while the Government could not prove Hinckley sane neither could the defense prove Hinckley insane. Yet, under the law, the jury was required to acquit. My bill specifically provides that the burden shall be on the defendant to prove insanity as a defense to the criminal charges. This will prevent attempts to use the insanity defense as a confusing smokescreen by which to frustrate the criminal justice system.

By providing for a special verdict of "not guilty by reason of insanity" and accompanying commitment procedures, my bill addresses what is certainly the most glaring inequity in our current treatment of the insanity defense: The absence of any Federal requirement that a defendant acquitted as insane be institutionally committed. Title 18 provides only for institutional commitment pending trial of individuals found incompetent at the time of trial or of Federal prisoners found incompetent after sentence. Due to the particular system in place within the District of Columbia, Hinckley was not set free immediately upon his acquittal. In the federal system on the whole, however, such procedures are not the rule. In several Federal jurisdictions, for example, a Federal defendant acquitted by reason of insanity remains free unless State authorities move to commit him. Amazingly, Federal law does not require what one would consider the very minimum required to insure the public's safety.

My bill would guarantee that a defendant, acquitted by reason of insanity, would be committed to an appropriate institution until such time as he is no longer a danger to the community. Certainly this is the least that we, as a responsible Congress, can do to insure the public safety. Insanity, since the days of early common law, has been a proper defense to criminal charges. The legislative proposals which I offer today do not change that tradition. Rather, they serve only to place the insanity defense in its proper perspective, with due regard given to both the integrity and credibility of our judicial system and the safety and security of the public.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

Mr. CHILES. Mr. President, I am happy to join with the distinguished Senator from Georgia in introducing this bill to establish clear guidelines for the proper use of the insanity defense in Federal criminal proceedings. The effect of these proposals will assure that defendants in the Federal courts will bear a higher degree of accountability for their criminal acts.

As we all know, earlier this week, John Hinckley was able to rely on the insanity defense to get acquitted of the attempted murder of the President, and the wounding of three other people. I believe that the public outrage which the Hinckley case has generated is well-founded. I was dismayed by the result in the Hinckley case, too. Of course, it is impossible to second guess the jury's decision, especially since we did not have the opportunity to hear all of the testimony the jury heard. Nevertheless, there were several aspects of the case which I found very troubling. First, it seemed unreasonable for the prosecution to be expected to prove, beyond a reasonable doubt, that Hinckley was sane. Hinckley was the person who was using the defense, and it would make sense for him to have to bear the burden of proving the defense. Second, the standard used in determining whether Hinckley was legally insane or not seemed too broad. As I understand it, the court applied the so-called irresistible-impulse test, which focuses on the defendant's ability to control his action. Had a stricter test been used, one which focused on whether the defendant understood in his mind that what he was doing was wrong, perhaps the case would have turned out differently. Finally, it is worth noting that, as I understand it, the District of Columbia is the only Federal jurisdiction that has a mandatory commitment requirement for someone who, like Hinckley, successfully beats a conviction by offering the insanity defense. In other Federal jurisdictions, in all likelihood, Hinckley could have simply walked out of the court room and onto the streets.

Mr. President, Congress cannot change the result of the Hinckley trial. However, it can take action to make sure that our Federal courts do not follow rules which lead to these kinds of results in the future. We can do that by changing the insanity rules for the Federal courts, so that the test at trial focuses more on whether the defendant understood what he was doing. To allow a person to avoid conviction for a violent crime simply because the Government is unable to prove, beyond a reasonable doubt, that the person was able to control actions that he knew were wrong is simply not acceptable to me.

The bill we are introducing today makes three specific reforms in the insanity defense in the Federal courts. First, the bill would mandate the use of the so-called M'Naghten rule, the traditional test and the strictest test used to determine legal insanity. The M'Naghten rule focuses on the defendant's state of mind at the time he commits the crime. It basically requires that the defendant, at the time of the crime, lacked the ability to know that his actions were wrong or to understand the nature of his action. In other words, it would be irrelevant if the defendant knew his acts were wrong, but was unable to control them. He would be guilty. Instead, the test looks to whether the defendant was suffering from some sort of delusion which prevented him from understanding that his acts were wrong in the eyes of society.

The second reform would simply specify that the defendant, at trial, would always carry the burden of proving that, at the time of the crime, he was in fact legally insane. Today once a defendant puts forward some evidence of insanity, the Government is forced to prove that the defendant is sane. This bill simply keeps the burden of proof with the defendant. This shift in the burden of proof seems necessary, Mr. President, to avoid creating the situation in which the Government must prove, beyond a reasonable doubt, that a defendant was sane. The person trying to show that he was insane should be the one who has to prove it.

The third and final reform focuses on what happens to persons who are determined to be innocent by reason of insanity. As I mentioned earlier, in most Federal jurisdictions, such persons are not required to be committed to a mental institution. This bill provides for automatic commitment of any person who is declared legally insane. That person would be required to be held in a mental institution until it could be established that he no longer was insane or dangerous to society. Otherwise, as is the case under current law, we run the risk of putting dangerous people back on the street.

To a victim of a violent crime, I am sure that it makes little difference that the person who attacked him was legally insane or was legally sane. The wounds are the same, the harm is the same, and the damage is the same. Moreover, to society, the fact that a person like John Hinckley is able to avoid justice is yet another example of the inability of our courts to carry out justice by holding persons responsible for acts that they know are crimes.

It is yet another shortcoming in our criminal justice system which needs to be reformed. Senator NUNN and I have come to the Senate floor every day for the last month to emphasize our belief that prompt action on reforms in our criminal justice system ought to be a top priority for the Senate. The Senate already has two comprehensive anticrime bills on the Senate Calendar: S. 2543, which Senator NUNN and I introduced, and S. 2572, which Senator THURMOND and Senator BIDEN introduced and we sponsored. We need to call those bills off the calendar and act on them promptly. And in doing so, we need to act on reforms to the insanity defense. There are several insanity reform proposals now before the Senate; in fact, S. 2572 contains such a proposal. By acting on those proposals, and on the one we introduce today, we can try to make sure that, in the future, the insanity defense will be properly applied. Proper application of the insanity defense means that persons who understand that they are committing crimes are held accountable for those crimes, and that persons who are determined to be legally insane are institutionalized for as long as they pose any threat to society.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Insanity Defense Act of 1982".

SEC. 1. Chapter 313 of Title 18, United States Code, is amended by adding the following sections:

"SECTION 4249. INSANITY AT THE TIME OF THE OFFENSE.

"(a) INSANITY DEFENSE.—It is a defense to a criminal prosecution under any Federal statute that a defendant, as a result of mental disease or defect, lacked (1) the ability to understand the nature and quality of the act, or (2) the ability to distinguish right and wrong in respect to the act.

"(b) In any criminal prosecution, the burden of proving insanity shall rest with the defendant.

"(c) SPECIAL VERDICT.—If the issue of insanity is raised by notice as provided by rule 12.2 of the Federal Rules of Criminal Procedure on motion of the defendant or by the attorney for the government, or on the court's own motion, the jury shall be instructed to find, or, in the event of a nonjury trial, the court shall find, the defendant:

"(1) guilty;

"(2) not guilty; or

"(3) not guilty only by reason of insanity.

"SECTION 4250. DETERMINATION OF THE EXISTENCE OF INSANITY AT THE TIME OF THE OFFENSE.

"(a) Upon the filing of a notice, as provided in rule 12.2 of the Federal Rules of Criminal Procedure, the court, upon motion by the attorney for the government, may order that a psychiatric examination of the defendant be conducted, and that a psychiatric report be filed with the court pursuant to Section 4252 (a) and (b).

"SECTION 4251. HOSPITALIZATION OF A PERSON FOUND NOT GUILTY ONLY BY REASON OF INSANITY.

"(a) If a person is found not guilty only by reason of insanity, the court shall order a

hearing to determine whether the person is presently suffering from a mental disease or defect as a result of which his release would create a substantial danger to himself, to another person, or to the property of another person. Prior to the date of the hearing, the court may order that a psychiatric examination of the defendant be conducted, and that a psychiatric report be filed with the court, pursuant to the provisions of Section 4252 (a) and (b).

"(b) HEARING.—The hearing shall be conducted pursuant to the provisions of Section 4252(c).

"(c) DETERMINATION AND DISPOSITION.—If, after the hearing, the court finds by a preponderance of the evidence that the defendant is presently suffering from a mental disease or defect as a result of which his release would create a substantial danger to himself, another person, or the property of another and that he should be committed to a mental hospital for custody, care, or treatment, the court shall commit the defendant to the custody of the Attorney General. The Attorney General shall hospitalize the defendant for treatment in a suitable mental hospital, or in another suitable facility designated by the court as suitable.

"(d) DISCHARGE FROM MENTAL HOSPITAL OR OTHER SUITABLE FACILITY.—When the director of the facility to which the defendant is committed pursuant to subsection (c) determines that the defendant has recovered from his mental disease or defect to such an extent that the defendant is no longer in need of custody, care or treatment, the director shall promptly file a certificate to that effect with the clerk of the court which ordered the commitment. The clerk shall send a copy of the certificate to the defendant's counsel and to the attorney for the government. If, after a hearing, the court determines by a preponderance of the evidence that the defendant has recovered from his mental disease or defect and no longer poses a danger to himself, another person or the property of another, the defendant shall be ordered discharged from such facility.

"SECTION 4252. GENERAL PROVISIONS.

"(a) PSYCHIATRIC EXAMINATIONS.—A psychiatric examination ordered pursuant to this chapter shall be conducted by at least two licensed or certified psychiatrists, clinical psychologists or medical doctors, or, if the court finds it appropriate, by additional examiners. Such examiners shall be:

"(1) designated by the court if the examination is ordered under section 4244; or

"(2) designated by the court, and shall include one examiner selected by the defendant, if the examination is ordered under section 4251.

"For the purposes of such examination, the court may commit the person for a reasonable period not to exceed sixty days, in order to conduct such examination, to the custody of the Attorney General for placement in a mental hospital or other suitable facility. Unless impracticable, the examination shall be conducted in a suitable facility closest to the court. The director of the facility may apply for a reasonable extension not exceeding thirty days, upon a showing of good cause that additional time is needed to observe and evaluate the defendant.

"(b) PSYCHIATRIC REPORTS.—A psychiatric report ordered pursuant to this title shall be prepared by the examiners designated, shall be filed with the court with copies provided to the counsel for the defendant and to the attorney for the government, and shall include:

"(1) the person's history and present symptoms;

"(2) a description of the psychological, medical or other tests employed and their results;

"(3) the examiners' findings; and

"(4) the examiners' opinions as to diagnosis, prognosis, and—

"(A) if the examination was ordered under section 4250, whether the person was insane at the time of the offense charged;

"(B) if the examination was ordered under section 4251(a), whether the person is currently suffering from a mental disease or defect which would create a danger to the person, to another person, or to the property of another; or

"(C) if the examination was ordered under section 4244, whether the person is currently suffering from mental imcompetency such that he is unable to understand the proceedings against him or properly assist in his own defense.

"(c) HEARING.—At a hearing ordered pursuant to this chapter the person whose mental condition is the subject of the hearing shall be represented by counsel and, if he is financially unable to obtain adequate representation, counsel shall be appointed for him. The person shall be afforded the opportunity to testify, to present evidence, to subpoena witnesses and to confront and cross-examine witnesses who appear at the hearing.

"(d) ADMISSIBILITY OF A DEFENDANT'S STATEMENT AT TRIAL.—A statement made by a defendant during the course of an examination conducted pursuant to this chapter is not admissible as evidence against him in any criminal proceeding, but is admissible on the issue of whether or not he suffers from a mental disease or defect.

"(e) HABEAS CORPUS.—Nothing contained in this chapter precludes a person committed under this chapter from establishing by writ of habeas corpus the illegality of his detention.

"(f) AUTHORITY OF THE ATTORNEY GENERAL.—The Attorney General may contract with a State, a locality or a private agency for the confinement, hospitalization, care or treatment of, or the provision of services to, a person committed to his custody under this chapter.".

SEC. 2. Section 4244 of Title 18, United States Code, is amended by deleting all after "his mental condition," and adding the following: "by at least two licensed or certified psychiatrists, clinical psychologists or medical doctors, who shall report to the court. For the purpose of the examination the court may order the accused committed pursuant to Section 4251 of this chapter. If the report of the examiners indicates a present insanity or such mental incompetency in the accused, the court shall hold a hearing, upon due notice, pursuant to Section 4252(c). A finding by the court that the accused is mentally competent to stand trial shall in no way prejudice the accused in a plea of insanity as a defense to the crime charged, and such finding shall not be introduced in evidence or that issue nor otherwise be brought to the notice of the jury.".

SEC. 3. Chapter 313 of Title 18, United States Code, is amended by redesignating sections 4251 through 4255 as sections 4261 through 4265, respectively.

By Mr. EAST:

S.J. Res. 205. Joint resolution to designate September 1982 as "National Sewing Month"; to the Committee on the Judiciary.

NATIONAL SEWNG MONTH

● Mr. EAST. Mr. President, the State of North Carolina is one of the Nation's leaders in textile manufacturing. Many of our citizens work in textile mills, fabric centers, and sewing shops, or otherwise participate in the day-to-day buying and selling of sewing items.

Today, Mr. President, I am proud to introduce a joint resolution that will designate this coming September as "National Sewing Month." I am pleased to join with my colleague on the House side, Congressman BILL BONER of Tennessee, who has introduced a similar resolution in the House of Representatives, House Joint Resolution 492.

This September, sewing enthusiasts from across the country will celebrate National Sewing Month, sponsored by the American Home Sewing Association. The American Home Sewing Association represents over 500 member companies: manufacturers, retailers, wholesalers, and service businesses from the equipment, fiber, pattern, fabric, textile and notion sectors.

I understand that National Sewing Month is an industrywide promotion effort designed to increase home sewing interest, consumer sewing education, and family sewing participation by stimulating consumers across the country with a universal sewing theme. The unprecedented industry-wide program is the first step toward a long-range goal of revitalizing the sewing spirit in America. In addition, various national organizations have been sent ideas for special community home sewing programs to commence this September and to continue throughout the year. Interested parties, which include home economics teachers, 4-H clubs, Girl Scouts, American sewing guilds, Future Homemakers of America, and others, will join in this sewing awareness effort.

Mr. President, the industry promotion effort devoted to National Sewing Month is not confined to the groups and associations I have mentioned in my remarks. Well over 90 million Americans sew at home: 50 million citizens have the basic skills to do small item or mend-type sewing at home and 40 million citizens sew at least part of their wardrobe—with many of these making home furnishing items as well. Home sewers also make sport accessories, arts/crafts handiwork and energy saving items.

I believe that the sewing industry has contributed significantly to the economic life of the Nation. This sector of the economy generates over $3.5 billion in sales annually and involves millions of dollars of capital invested in plants, factories, machinery, and equipment. The industry directly employs thousands of people in the manufacturing, wholesale, retail, and service sectors, not to mention the

thousands involved in sewing as teachers, mechanics, truck drivers, contractors, store owners, and others. Throughout the Nation, millions of Americans of all ages and all walks of life visit local fabric and sewing shops to pursue their interest in sewing.

I have always been a strong supporter of the family and believe that home sewing enourages close-knit family units. For generations, the fundamentals of sewing have been learned in the context of the family and in the home economics classes of local schools. For most, home sewing remains home and family oriented. But for others, the skills thus acquired have been carried over into the world of work. Unnumbered careers in fashion, retail merchandising, interior design, pattern making and textile design—to say nothing of the tens of thousands who have found employment in the garment industry—have been launched in a seventh or eighth grade home economics sewing class where the challenge, excitements, and eventually the pride of making one's own clothes led to a lifetime occupation.

Mr. President, at this time I wish to recognize the contribution made by the American Home Sewing Association to the sewing industry, and to congratulate the officers of the association on all they have done for the industry, the American consumer and our economy. The officers include Leonard Ennis, executive vice president, Harold Cooper, chairman of the board, Leona Rocha, president, Sal Alcina, president-elect, David Colin, vice president finance, Doris Katz, vice president membership, Earle Angstadt, Jr., vice president education affairs, Thomas Sullivan, Jr., vice president government relations, Patrick McGinty, vice president industry expansion, David Schoenfarber, vice president member services and Alan Sorrell, vice president shows and conventions.

I hope that the House and my colleagues in the Senate will consider and pass a National Sewing Month resolution and encourage President Ronald Reagan to join with the industry and the Congress in designating September 1982 as National Sewing Month.●

By Mr. BENTSEN:

S.J. Res. 206. A joint resolution entitled "The Flat Rate Income Tax Resolution"; to the Committee on Finance.

FLAT RATE TAX SYSTEM

● Mr. BENTSEN. The resolution I am introducing now Mr. President, proposes that the Senate, and hopefully the full Congress, take a step today toward the development of a fair, efficient, and simple Federal income tax system—perhaps one largely constructed around a flat rate structure.

I do not think I need to dwell at length on the characteristics of our present income tax system. We have loaded that system down by asking it to do too many things at once. We depend on it to raise Government revenues. We depend on it to carry the brunt of a discretionary and active fiscal policy. And, we depend on it to achieve a bewildering variety of social objectives, as well, ranging from good health care to economically healthy public charities. We do not need to look very far to realize that our tax system cannot achieve all those objectives simultaneously—there are too many strings pulling in opposite directions.

In fact, it is doubtful whether the mind of man is capable of conjuring up any tax system able to satisfy the contradictory and conflicting objectives we now expect to be attained by the Federal income tax.

Because of these conflicting objectives, no one is really satisfied with the end results of our income tax system, either. It is perhaps held in the lowest esteem of any Federal activity. It is not fair; it is not efficient; it does not achieve many of its intended social objectives; it does not treat all income in a like manner; it discourages saving and investment through bracket creep; it encourages the wasteful use of scarce capital in dubious tax shelters; and it is complex—so complex that a privileged class of lawyers and accountants, not unlike ancient Druid religious men, have emerged in Washington, dedicated solely to the study, nurturing, and worship of subtitle A of chapter 1 of the Internal Revenue Code of 1954.

The complexity of the present tax system is almost legendary. I suspect, in fact, that a scarce handful—if that—of Senators and Congressmen now complete their own income tax returns.

It is easy to criticize the hodgepodge which now passes for our tax system. The far harder chore is to come up with a fair, efficient, and workable alternative to the present system—especially when we begin with 535 definitions of the terms "fair and efficient."

FLAT RATE TAX SYSTEM

Yet, pressure is growing both here in Congress and across our country for reform of the Federal income tax system. It is welcomed pressure as far as I am concerned, and long overdue as well. A number of commentators and prominent economists from one end of the political spectrum to the other—from Hoover Institute experts and William F. Buckley to Joseph Pechman of Brookings—have called for a simpler and fairer income tax system, one constructed around the concept of a flat tax rate for most individuals.

A number of Members of this body to their credit—and here I refer especially to Senators DECONCINI, GRASSLEY, QUAYLE, SYMMS, HELMS, BRADLEY, and GOLDWATER—have proposed or supported legislation sympathetic to a simple and fair flat rate tax system.

These calls cannot be ignored by individual Members or in particular by members of the Finance Committee who must constantly be alert to options for improving our income tax system. But just as we should not ignore these calls, we cannot expect to eliminate inequalities and completely overhaul our income tax system overnight. It took 35 Congresses almost 70 years to pile section upon section; to reconstruct a fair and simple system cannot be done overnight. We face an enormous job in creating anew a fair, simple, and efficient tax system—and one the Congress is not sufficiently armed now to successfully complete in a timely fashion. We must arm ourselves with facts before attempting to weigh the advantages of moving to a new system of income taxation—a step I am certainly inclined to support now. For example, no one here, at the IRS, or at the Treasury knows what the true effective tax rate is for different income classes because data on tax-exempt income is not now available. The pattern of Government transfer payments to individuals, for another example, is simply not known either.

Yet, that type of date—very basic information on who earns what—is critical to the design and implementation of any new tax system.

TREASURY ANALYSIS

To fill that gap, my joint resolution being introduced now instructs the Secretary of the Treasury to conduct a comprehensive review of alternatives to the current income tax system, and to propose at least three new systems for Congress to review—simple and fair tax systems featuring a flat tax rate structure.

What I want the Treasury to do is conduct the type of thorough, comprehensive analysis it did back in 1975 under Treasury Secretary William Simon. The fruit of that effort—an effort involving some 30 man-years—was the publication entitled, "Blueprints for Basic Tax Reform."

Now, I am not proposing that 30 man-years be devoted to the flat rate tax system analysis called for in my resolution, but it is certainly reasonable for, perhaps, a third of that effort to be devoted to this exercise—a not unreasonable demand in light of the great importance I believe should be attached to this effort.

Let me add that I do not want Treasury to dawdle in preparing this report; my resolution gives them a short fuse—just 6 months—to report back to Congress.

STUDY POINTS OF REFERENCE

Among the many factors I want explored in this report by Treasury are:

The impact on savings and investment of lower marginal tax rates;

Realistic estimates of how much income generated in the underground economy could be picked up with a flat rate tax system;

Alternative techniques outside the tax system for encouraging the many desirable national goals promoted in the present tax system;

Whether the experience in Hong Kong and elsewhere with relatively flat income tax rates holds useful lessons for this country;

Whether farmers, corporations, partnerships, and trusts should be treated differently than individuals for tax purposes;

How dividend and capital gains income, or income earned abroad, might best be treated.

There are many other facets of this analysis, as well. For that reason, my resolution instructs the Treasury Secretary to consult closely and frequently with the Finance and Ways and Means Committees during the course of the analysis.

Let me make one other point, Mr. President. According to news reports quoting the Director of OMB, the President is interested in the flat tax rate concept and may even propose some movement in that direction next January with his fiscal year 1984 budget. That news attaches, I believe, a special urgency to the analysis which I propose now be conducted by the Treasury Department—an analysis which will be a great value to Congress as well as the administration—and one which should notably aid our efforts here to intelligently evaluate any administration's proposal in an informed and timely fashion.

I encourage Members of the Senate to join in support of my joint resolution and urge its prompt attention by the Finance Committee.

Mr. President, I ask unanimous consent for my Senate Joint Resolution entitled, "The Flat Rate Income Tax Resolution of 1982" to be printed at this point in my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 206

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas, the Federal income tax has evolved from a simple system designed to raise taxes efficiently and fairly to one which is excessively cumbersome;

Whereas, the Federal income tax system imposes higher taxes on individuals in an unintended fashion as a result of inflation, to the detriment of savings, investment, and a national commitment to raising living standards through increased productivity;

Whereas, a great number of exceptions designed to achieve national social or economic goals have become part of the Federal tax system since 1913, and require review to ascertain whether those goals can be met more efficently without reliance on the tax system;

Whereas, a substantial underground economy has developed in part due to the complexity and high marginal rates of the Federal individual income tax system; and

Whereas, a thorough and comprehensive review of the Federal income tax system is needed to assist Congress in designing a fair, efficient, and equitable income tax system. Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall review and propose for consideration by the Congress at least three alternative Federal income tax systems, which shall be simple in design, comprehensive in coverage, and contain flat rate tax structures, such proposals to be submitted no later than six months from the date of enactment of this Resolution. The Secretary shall consult closely and frequently with the Senate Finance Committee and the Ways and Means Committee of the House of Representatives in the course of preparing the proposed tax systems.●

ADDITIONAL COSPONSORS

S. 1018

At the request of Mr. CHAFEE, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1018, a bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 1444

At the request of Mr. THURMOND, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 1444, a bill to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes.

S. 1698

At the request of Mr. DENTON, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1698, a bill to amend the Immigration and Nationality Act to provide preferential treatment in the admission of certain children of U.S. Armed Forces personnel.

S. 2000

At the request of Mr. DOLE, the Senator from Louisiana (Mr. LONG), the Senator from Illinois (Mr. PERCY), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2174

At the request of Mr. THURMOND, the Senator from South Dakota (Mr. ABDNOR), the Senator from Oklahoma (Mr. BOREN), and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 2174, a bill to recognize the organization known as American Ex-Prisoners of War.

S. 2281

At the request of Mr. DANFORTH, the Senator from Ohio (Mr. GLENN) and the Senator from Colorado (Mr. HART), were added as cosponsors of S. 2281, a bill to amend the Internal Revenue Code of 1954 to encourage contributions of computers and other sophisticated technological equipment to elementary and secondary schools.

S. 2397

At the request of Mr. ROTH, the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 2397, a bill to require (1) the enactment of special legislation to continue the expenditure or obligation of funds on any major civil acquisition initiated after January 1, 1982, whenever the cost of such acquisition has increased or, on the basis of estimates, will increase over the initial estimate when the project was justified to the Congress by 25 per centum or more, and (2) reporting of status information on all major civil acquisitions.

S. 2413

At the request of Mr. LONG, the Senator from Rhode Island (Mr. CHAFEE), the Senator from Vermont (Mr. STAFFORD), and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of S. 2413, a bill to delete the provisions of the Internal Revenue Code of 1954 which treat Members of Congress separately with respect to living expense deductions.

S. 2425

At the request of Mr. ROTH, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2425, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds, to make tax-exempt bonds available for certain residential rental property, and for other purposes.

S. 2436

At the request of Mr. WARNER, the Senator from Maryland (Mr. MATHIAS), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Indiana (Mr. LUGAR), the Senator from South Carolina (Mr. THURMOND), the Senator from Kansas (Mr. DOLE), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from New York (Mr. MOYNIHAN), the Senator from Ohio (Mr. METZENBAUM), the Senator from Montana (Mr. BAUCUS), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 2436, a bill to designate the Mary McLeod Bethune "Council House" in Washington, D.C., as a national historic site, and for other purposes.

S. 2544

At the request of Mr. COHEN, the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. STAFFORD), and the Senator from Mississippi (Mr. COCHRAN) were added as co-

sponsors of S. 2544, a bill to provide access to trade remedies to small business, and for other purposes.

S. 2565

At the request of Mr. NUNN, the Senator from Nebraska (Mr. ZORINSKY), the Senator from Arizona (Mr. DECONCINI), the Senator from Oklahoma (Mr. BOREN), the Senator from Texas (Mr. BENTSEN), the Senator from Louisiana (Mr. LONG), and the Senator from Mississippi (Mr. STENNIS) were added as cosponsors of S. 2565, a bill to amend the Internal Revenue Code of 1954 to provide for the disclosure of returns and return information for use in criminal investigations, and for other purposes.

S. 2572

At the request of Mr. THURMOND, the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 2572, a bill to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes.

S. 2610

At the request of Mr. CHAFEE, the Senator from Vermont (Mr. LEAHY), the Senator from Montana (Mr. MELCHER), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 2610, a bill to delay Treasury regulations on the debt-equity issue.

S. 2622

At the request of Mr. DANFORTH, the Senator from Maine (Mr. MITCHELL), the Senator from Idaho (Mr. SYMMS), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 2622, a bill relating to the tax treatment of long-term contracts with respect to taxable years beginning after December 31, 1982.

S. 2674

At the request of Mr. COHEN, the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 2674, a bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes.

SENATE JOINT RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 190

At the request of Mr. BURDICK, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Joint Resolution 190, a joint resolution to authorize and request the President to designate "National Family Week."

SENATE CONCURRENT RESOLUTION 109—CONCURRENT RESOLUTION RELATING TO THE GOVERNMENT PRINTING OFFICE

Mr. ARMSTRONG (for himself, Mrs. HAWKINS, Mr. THURMOND, Mr. MATTINGLY, Mr. HELMS, Mr. SYMMS, and Mr. KASTEN) submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 109

Whereas the Government Printing Office currently employs more than 6,200 persons, making it the largest legislative branch agency, and the Congress has appropriated over $84,000,000 to pay for Congressional printing and binding in fiscal year 1982;

Whereas the General Accounting Office issued reports in 1976 and 1982 indicating that the wages of Government Printing Office craft and industrial workers substantially exceeded, by as much as 28.8%, the wages of other workers doing similar jobs in other agencies of the Federal Government;

Whereas annual personnel costs exceed $160,000,000, and comprise approximately 80% of in-house printing costs at the Government Printing Office, while a 1981 Printing Industries of America ratio study indicates that personnel costs in private sector printing plants normally comprise 40-50% of in-house printing costs;

Whereas the Public Printer of the United States, Danford L. Sawyer, Jr., indicates that random samples show that cost of printing done in the Government Printing Office exceeds, by an average of 100%, the cost of procuring those same jobs from the low-bidder in the private sector, primarily because of the high wage costs at the Government Printing Office;

Whereas the Public Printer has instituted a hiring freeze, eliminated unnecessary overtime, requested "early out" retirement authority from the Office of Personnel Management (annual savings of approximately $19,000,000), proposed bringing the wages of the Government Printing Office craft and industrial workers into parity with the rest of the Federal Government (annual savings of approximately $18,000,000), and rescinded a 16% printing rate increase for fiscal year 1982 (annual savings of approximately $10,700,000); and

Whereas the Congress supports these efforts to lower the cost to the taxpayer of Government printing, and recognizes that legislation is necessary to make the Government Printing Office more cost-effective and efficient: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that legislation should be proposed and enacted which achieves the following goals:

(1) The establishment of parity between the wages, salaries, and compensation of all Government Printing Office workers with the wages, salaries, and compensation of other Federal employees performing the same or similar tasks;

(2) The fixing of wages of all Government Printing Office employees in accordance with the prevailing wage rate system applicable to Federal employees in the Executive Branch; and,

(3) A thorough clarification of the relationship between the Joint Committee on Printing and the Government Printing Office, strengthening the Public Printer's ability "to take charge and manage" without in any way infringing on the Joint Committee on Printing's oversight responsibilities.

SENATE CONCURRENT RESOLUTION 110—CONCURRENT RESOLUTION RELATING TO DEPARTURE OF CERTAIN ALIENS

Mr. TSONGAS (for himself, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. MOYNIHAN, Mr. D'AMATO, Mr. LEVIN, Mr. DODD, Mr. SARBANES, Mr. INOUYE, and Mr. CRANSTON) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 110

Whereas the United States has been a source of refuge for individuals fleeing political persecution, communism, and government terror and abuse;

Whereas since the 1974 overthrow of the Ethiopian Government, its military regime has become closely aligned with the Soviet Union and has engaged in gross violations of the human rights of its citizens through mass arrests, summary executions, indefinite detention, torture, disappearances, and absolute government control over speech, religion, assembly, media, and trade unions;

Whereas as a consequence of this the United States extended voluntary departure status to Ethiopians living in the United States so that they would not be required to return home to face possible interrogation, imprisonment, torture, or execution;

Whereas it is estimated that at least 15,000 Ethiopians are presently in the United States in such status;

Whereas in August 1981, the Department of State abruptly recommended termination of this extended voluntary departure program without public discussion or comment;

Whereas those Ethiopians who have lived in the United States for several years fear return to their country where they may well encounter persecution because of previous and outspoken opposition to their government's ill treatment of their countrymen and because of their residence in the United States; and

Whereas the forced return of Ethiopians would run counter to our stated national concern and commitment for other groups and individuals who have fled communism and persecution: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) Ethiopians who have resided in the United States for a substantial period of time should not be forced to return to Ethiopia to face an uncertain future because of their opposition to political persecution and oppression,

(2) prompt resolution of this issue is important to allay the legitimate fears of those Ethiopians who might be subjected to persecution by their government if they are forced to return, and

(3) the Secretary of State should recommend to the Attorney General that extended voluntary departure status continue

to be granted to all Ethiopian nationals who have continuously resided in the United States since before January 1, 1980.

● Mr. TSONGAS. Mr. President, I am pleased today to submit a concurrent resolution concerning the plight of Ethiopian nationals living in this country, and I am pleased to name as original cosponsors Senators KASSEBAUM, KENNEDY, MOYNIHAN, D'AMATO, LEVIN, SARBANES, INOUYE, and CRANSTON.

Thousands of Ethiopians residing today in the United States on extended voluntary departure status face deportation. In August 1981, the State Department ruled that conditions in Ethiopia had stabilized sufficiently to discontinue protection of Ethiopian nationals seeking asylum in the United States. The State Department has recently begun to reconsider this ruling. Significant evidence from reputable international agencies and refugees fleeing Ethiopia has placed previous characterizations of Ethiopian stability in a different light.

The pattern of violence wrought by the current Ethiopian regime is well-documented. From 1974 to 1978, through a program known as the Red Terror, the Dergue executed more than 30,000 Ethiopians for political reasons, imprisoned tens of thousands and, according to U.N. Ambassador Jeane Kirkpatrick, murdered some 5,000 grade school, high school, and university students.

Since the days of the Red Terror, Ethiopia has substantially improved its human rights record, and since 1978 the means of the Dergue's control have altered. The regime has moderated its ideological commitment to violent revolutionary change. Now entrenched in urban centers, the Dergue has transferred its political, ethnic, and religious persecution to rural areas. The repression, while more subtle than the gunfire in the streets during the Red Terror, has been harsh nonetheless.

An August 1981 report by the Anti-Slavery Society of London concluded that 45,000 persons were recruited to work in forced labor camps in rural areas. According to official Ethiopian reports, 1,626 persons died in these camps. Outside estimates put the number of deaths much higher. Persecution of Falasha Jews, Protestants, and ethnic Oromo and Anuak have continued and, in some areas, intensified during the last 4 years. Clergymen have been arrested and imprisoned. A document recently smuggled into the United States by the archbishop of the Ethiopian Orthodox Church details the Dergue's systematic effort to eliminate the antirevolutionary elements of church activities. In another recent development, the Ethiopian Government is reported to have sprayed flammable chemicals in an Oromo-populated area killing 2,000 and uprooting many more.

Today, uncertainty and fear pervade the Ethiopian community. Most Ethiopians facing possible deportation believe they will face some sort of persecution upon return to their country. While Ethiopians on voluntary departure status are entitled to apply for political asylum, in 1981, only 13 percent of the applicants were accepted. Many refuse to apply for fear that their relatives in Ethiopia may suffer as a result. Others lack the documents to prove their case because of the absence of any real communications between the United States and Ethiopia.

We cannot in good conscience place the burden of proof on those risking execution or imprisonment. The human costs of miscalculation require an immediate extension of voluntary departure status until Ethiopian nationals can safely return home.

I am encouraged by the State Department's recent reevaluation of the status of Ethiopian nationals residing in the United States. We must continue, however, to respond carefully and creatively to the legitimate fears of these Ethiopians. To do otherwise would make a mockery of our long-standing commitment to human rights.

As a former Peace Corps volunteer in Ethiopia from 1962-64, I personally experienced the benefit of good relations between Ethiopia and the United States, and I am especially sensitive to the plight of Ethiopians in this country. I look forward to further improvement of the conditions in Ethiopia allowing for an atmosphere which will welcome the return of all Ethiopians.

Mr. President, I ask unanimous consent that two articles from the New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HYPOCRISY WINS AGAIN

(By Anthony Lewis)

BOSTON, January 3.—Last Oct. 2 Jeane Kirkpatrick, United States Ambassador to the United Nations, spoke in the U.N. General Assembly about what she called the "savagery" of the Marxist regime in Ethiopia. In graphic terms she denounced assaults on human rights that have occurred since Col. Mengistu Haile Mariam took over in the revolution of 1974.

"It is estimated that some 30,000 persons in Ethiopia were summarily executed for political reasons between 1974 and 1978," Mrs. Kirkpatrick said, crediting Amnesty International as the source of the figure.

"Twelve-year-old children were among those immersed in hot oil, sexually tortured or flung out of windows and left to die in the street."

The outrages were continuing, Ambassador Kirkpatrick charged.

"There are at least 300 to 400 arrests every week in Addis Ababa alone," she said. "Many of those arrested simply disappear and are presumed excuted. . . ."

Powerful words. But at about the same time Mrs. Kirkpatrick spoke them, Reagan Administration officials were preparing action to send the 20,000 or 30,000 Ethiopian refugees in this country back to Ethiopia

The action was taken by the Justice Department's Immigration and Naturalization Service. In the Boston area, a letter signed by the District Director, Paul E. McKinnon, went individually to Ethiopian refugees on Oct. 30. I have a copy and it says:

"Dear ———:

"This is to inform you that because of the stabilization of conditions in Ethiopia, your voluntary departure status in the United States is being revoked.

"You are being granted until Nov. 30, 1981, to depart the United States voluntarily. You should notify this office on or before Nov. 19, 1981, of the travel arrangements you have made. If you fail to depart as directed above, consideration will be given to the institution of deportation proceedings."

According to one arm of the Reagan Administration, then, conditions in Ethiopia are "savage." According to another, they are "stabilized"—so amiable, in fact, that we give refugees from the Mengistu regime a month to go voluntarily or face deportation to Ethiopa.

The letter added that a refugee could seek relief under a provision of law helping aliens who would face death or imprisonment at home for political reasons. But the legal burden of proof is heavy in such cases, and authorities have indicated that few of the Ethiopian refugees would be able to meet it.

It is always hard for an individual, except a politically prominent one, to prove that he will be tortured or killed or persecuted by a tyrannical regime. But there is every reason in common sense for the Ethiopian refugees here to expect trouble if they return home now. They are Westernized, highly educated, many of them children of officials in the Haile Selassie Government overthrown by Col. Mengistu.

There is a particular political callousness in the move against these refugees. In the Haile Selassie days the United States regarded Ethiopia as one of its best friends in Africa. Since the revolution the U.S. has stopped aid and shown sympathy for Ethiopia's traditional enemy, Somalia, even when Somalia tried to seize Ethiopian territory by force.

Some think American antagonism to the Mengistu regime has made matters worse. U.S. refusal to deliver arms that had been paid for when Somalia attacked certainly encouraged Ethiopia to turn to the Soviet Union and to invite Cuban troops in. But whatever the wisdom of our political attitude toward Col. Mengistu, it is utterly inconsistent with the decision to expel the Ethiopian refugees.

The episode can be seen as one more example of lack of coordination in the Reagan Administration's foreign policy, this time one that not only embarrasses us but has immediate human consequences. But it signifies something more, I think.

This is an Administration that bristles with talk about the cruelties of Communism. When it comes to invective about the Soviet Union and its friends, few can beat Jeane Kirkpatrick or Alexander Haig, or for that matter Ronald Reagan. But the same Administration has shown itself in many ways insensitive to human suffering.

Again and again the Reagan people have tried to undo American efforts to alleviate the cruelties of right-wing tyrannies. It fiercely resisted Congressional moves to

continue human-rights conditions on aid to such murderous Governments as those of Guatemala and Argentina. It has said nothing audible about the Turkish military Government's demand for the death penalty in a pending prosecution of 52 trade union leaders.

But the two-faced treatment of Ethiopia and Ethiopian refugees is an especially glaring case. It adds a cynical note to the message broadcast to the world by President Reagan on New Year's Day: "Our hearts go out to those who suffer oppression."

[From the New York Times, Apr. 20, 1982]

DON'T DEPORT ETHIOPIANS

(By Jason Clay)

CAMBRIDGE, MASS.—The Immigration and Naturalization Service last fall began to notify thousands of Ethiopians on voluntary-departure status that unless they left the country before Nov. 30, deportation proceedings would begin. The change in policy, the Service said, resulted from "stabilization of conditions" in Ethiopia. That assessment, the State Department's, is not shared by the refugees, who claim they risk persecution because of political and religious beliefs and ethnic origins.

So far, no Ethiopians have been deported. They have been organizing to resist the order. According to the Ethiopian Committee on Immigration, a private organization, they can seek alternative status through asylum, marriage, enrollment as students, or claims of extreme hardship.

On Feb. 16, two Ethiopians trying to escape forced deportation from neighboring Djibouti, to the east, jumped from a moving train to their deaths. They were among 500 refugees on the train. For these refugees, risking death was preferable to conditions they faced in Ethiopia.

The United States acknowledges that 30,000 people were executed in Ethiopia for political reasons between 1974 and 1978. If "stabilization" implies an end to political killings since then, no evidence supports this claim. People suspected of association with particular political parties were jailed, tortured, and, in many cases, executed by the Amharas, one of the many distinct ethnic groups, who have emerged as the politically dominant minority and who control the junta. Violence did not end in 1979; it was merely redirected toward ethnic groups in rural and border zones—areas economically and strategically important to the junta.

The Anuak, a small group that occupied fertile lands in western Ethiopia along the border with the Sudan, were decimated while being forcibly relocated. The Government then successfully applied to the European Economic Commission for funds to colonize these lands, now termed "uninhabited."

Oromo—more than half of Ethiopia's population—have also been removed from some of their lands to make way for settlers from Amhara provinces. This has resulted in charges of chemical warfare by refugees from recently cleared valleys in central Ethiopia. Reuters, Vart Land (a Scandinavian missionary magazine), and Oromo refugees have all reported the use of chemicals in raids against the Oromo, in one case killing 2,000, and displacing 20,000 more in March 1981.

State Department officials say they cannot vefify reports of chemical warfare although an Ethiopian Air Force defector, now in America, confirms that chemicals have been used. Refugees can provide ample evidence of gross violations of human rights against the Oromo, Anuak, Falasha (Ethiopia's black Jews), Eritreans, and Tigrians—ethnic groups who together total 80 percent of Ethiopia's population.

Refugees in the United States and in counties neighboring Ethiopia claim that they will be imprisoned and forcibly "re-educated" if they return, even though Ethiopia has promised them money, employment, and amnesty. According to refugees, after three to six months in prison-like camps, many are placed in forced labor programs.

Last August, the Anti-Slavery Society of London reported that many returned refugees were forced to work in agriculture. Of 45,000 people "recruited" for one sesame harvest, Ethiopian Government records show that 1,628 died; witnesses put the figure at 4,000 to 6,000. At the time of the harvest, Sudanese officials reported an influx of 15,000 refugees from these agricultural camps. Many previously had returned voluntarily to Ethiopia from the Sudan.

In February, military and security police in Djibouti began to round up thousands of refugees in the capital; since then 681 were deported to Ethiopia. At least 75 had Djibouti refugee-identification numbers and were recognized by the United Nations High Commissioner for Refugees, and six had been accepted for resettlement in the United States. Deportation of refugees violates the immunity afforded by registration. American officials acknowledged this forced deportation when the six were reported missing from United States language and cultural-orientation classes in Djibouti.

Shortly after this deportation, according to word-of-mouth reports from Ethiopia, hundreds of refugees were imprisoned in Dire Dawa, the largest city near Djibouti. They have since disappeared.

Nevertheless, the State Department argues that Ethiopian refugees on voluntary-departure status should not have this status renewed. In light of the junta's record, before deporting even one Ethiopian, the Immigration and Naturalization Service must ask what has become of those who have returned voluntarily or been forcibly repatriated. Anything short of an intensive review will leave the United States open to accusations that its immigration policy is little more than a set of capricious criteria tinged with racism.●

SENATE CONCURRENT RESOLUTION 111—CONCURRENT RESOLUTION RELATING TO THE NATIONAL ENDOWMENT FOR SOIL AND WATER CONSERVATION

Mr. JEPSEN submitted the following concurrent resolution which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. CON. RES. 111

Whereas, there is a clear and present danger threatening both our water supplies and our food and fiber production base;

Whereas, that danger is being created by massive soil erosion and related problems;

Whereas, soil and water conservation is best carried out as a partnership between the private and public sectors;

Whereas, a National Endowment for Soil and Water Conservation would help speed voluntary conservation action on the land and would effectively complement present programs as well as newer soil and water conservation techniques;

Whereas, the Endowment will complement—not duplicate—existing public and private soil and water conservation program, policies, and activities;

Whereas, the Endowment could coordinate its programs with existing governmental and private efforts; and,

Whereas, Endowment funds could be used in efforts including cost-sharing payments to landowners who carry out needed conservation practices, loans and grants for installing and maintaining conservation measures, special studies and educational workshops. Now therefore be it

Resolved, That it is the sense of the Congress that the National Endowment for Soil and Water Conservation shall be and is hereby endorsed by the United States Congress.

Mr. JEPSEN. Mr. President, new approaches need to be devised to finance conservation that will avoid increasing the tax burden on people. The National Endowment for Soil and Water Conservation is such an innovation. It can provide a nucleus for the private sector to make a contribution toward financing soil and water conservation. I believe the endowment concept is an idea whose time has come. For this reason, I am submitting a sense of Congress resolution calling attention to the efforts and the goals of this privately funded, nonpolitical, nonprofit organization.

SENATE RESOLUTION 419—RESOLUTION AUTHORIZING THE PRINTING OF A CERTAIN REPORT

Mr. NUNN submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 419

Resolved, That there shall be reprinted for the use of the Committee on Armed Services two thousand copies of its committee print, entitled "NATO: Can the Alliance Be Saved?", a report of Senator Sam Nunn to the Committee on Armed Services, May 13, 1982.

AMENDMENTS SUBMITTED FOR PRINTING

IMMIGRATION REFORM AND CONTROL ACT

AMENDMENT NO. 1905

(Ordered to be printed and lie on the table.)

Mr. GRASSLEY (for himself, Mr. THURMOND, Mr. HUDDLESTON, Mr. LAXALT, Mr. EAST, and Mr. HEFLIN) submitted the following amendment intended to be proposed by them to the bill (S. 2222) to revise and reform the Immigration and Nationality Act, and for other purposes.

● Mr. GRASSLEY. Mr. President, the amendment I am introducing today to S. 2222, the Immigration Reform and

Control Act, provides for local law enforcement agency assistance in the area of immigration. I offered a similar amendment to S. 2222 which was adopted in the Immigration Subcommittee. It authorized the Attorney General of the United States to enter into agreements with local law enforcement agencies so that such agencies could assist the U.S. Immigration Service in the extremely difficult task of regaining control over immigration. Though the proposal was removed from the bill in the full committee markup, clear support was demonstrated by the 7-10 vote (this vote was on an initial draft which did not include some specific language requiring training, time limits, notice and comment, and certification of need. It has since been revised to include these things).

In proposing interagency cooperation for immigration control this amendment proposes nothing new. There has always been some degree of cooperation between all agencies engaged in law enforcement. In fact, immigration officers and law enforcement officers at the State, county, and municipal level have often cooperated effectively in enforcing immigration law, even though this has been on an ad hoc basis, varying from State to State, district to district, and from official to official. A recent Arizona Federal district court case held that local officials do have the authority to enforce the Federal immigration laws, see *Gonzales* v. *City of Peoria, Arizona* CIV 78-6181, D. Ariz., (filed April 19, 1982). This authority originates primarily from State law. However as the Supreme Court noted in *Testa* v. *Katt* 330 U.S. 386, 389-91 (1947) there is historical precedent for delegating such authority to the States:

> The first Congress that convened after the Constitution was adopted conferred jurisdiction upon the state courts to enforce important federal civil laws, and succeeding Congresses conferred on the states jurisdiction over federal crimes and actions for penalties and forfeitures.
>
> Enforcement of federal laws by state courts did not go unchallenged. Violent public controversies existed throughout the first part of the Nineteenth Century until the 1860's concerning the extent of the unconstitutional supremacy of the Federal Government. During that period there were instances in which this Court and state courts broadly questioned the power and duty of state courts to exercise their jurisdiction to enforce United States civil and penal statutes or the power of the Federal Government to require them to do so. But after the fundamental issues over the extent of federal supremacy had been resolved by war, this Court took occasion in 1876 to review the phase of the controversy concerning the relationship of state courts to the Federal Government. *Claflin* v. *Houseman*, 93 U.S. 130. The opinion of a unanimous court in that case was strongly buttressed by historic references and persuasive reasoning. It repudiated the assumption that federal laws can be considered by the states as though they were laws emanating from a foreign sovereign. Its teaching is that the Constitution and laws passed pursuant to it are the supreme laws of the land, binding alike upon states, courts, and the people, "any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."

It is clearly constitutional for the Federal Government to enlist local cooperation in the area of immigration control. My bill merely requires appropriate training if the local agencies assist INS, something which is presently occurring informally however without safeguards which proper training would provide.

Not only is the delegation of enforcement powers constitutional, there is definitely a legitimate State interest in the area of immigration control which should be appropriately addressed through local assistance. Though the Supreme Court recently indicated that, absent congressional policy, State action limiting access to free education to only those demonstrating legal residence is a denial of equal protection, the Court stated that illegal immigration is indeed a State concern.

> As we recognize in *DeCanas* v. *Bica* 424 U.S. 351 (1976), the States do have some authority to act with respect to illegal aliens, at least where such action mirrors federal objectives and furthers a legitimate state goal. 424 U.S. at 361. see *Pyler* v. *Doe*, slip opinion 80-1538.

The Court continued in a footnote,

> Although the State has no direct interest in controlling entry into this country, that interest being one reserved by the Constitution to the Federal Government, unchecked unlawful migration might impair the State's economy generally, or the State's ability to provide some important service. Despite the exclusive federal control of this Nation's borders, we cannot conclude that the States are without any power to deter the influx of persons entering the United States against Federal law, and whose numbers might have a discernible impact on traditional state concerns. See *DeCanas* v. *Bica*, supra. 424 U.S., at 354-356.

I submit that local law enforcement assistance is not only constitutional but an appropriate policy in furtherance of protecting these legitimate State concerns.

The need for such legislation is demonstrated by a specific incident which took place at Fort McCoy, Wis. Fort McCoy was a resettlement center for Cuban entrants who arrived in the 1980 Mariel boatlift. The Wisconsin State attorney general issued an opinion that State and local law enforcement officials would be subject to lawsuits for false arrest and imprisonment if they assisted INS during the period the fort was used in this manner. The opinion relied on Griffin Bell's directive that only INS had the power to enforce the immigration laws. This directive is still in effect though the informal INS policy seems to defy it as indicated by a recent sweep which took place in North Carolina where a number of local deputies assisted INS in the apprehension of illegal aliens. The need for this assistance was demonstrated to me personally during my January visit to El Paso where I observed the tremendous burden placed upon our Border Patrol in trying to control that area.

Plainly what is really needed is to put interagency cooperation in the enforcing of immigration laws on a firm statutory basis not subject to the interpretative whims of various administration officials. In this respect, this amendment could be a major step in establishing a uniform system of immigration control while protecting the legitimate rights of aliens.

I firmly believe that the extent and nature of interagency cooperation can be carefully circumscribed in model agreements that would provide elaborate safeguards for civil rights and constitutional procedures.

Specifically, the amendment provides that the agreement must contain a finding that the INS is unable to adequately enforce the immigration laws, making outside assistance necessary. The additional requirements of public notice and comment and a 1-year time limitation on the agreement will insure that assistance is invoked only when and where it is needed.

Moreover, graduate level police academy training courses can be devised to put this cooperation on the highest professional basis. No sensitive and sophisticated training now exists. With this type of training the ability of local law enforcement officials to assist the INS in a fair, humanitarian and sensitive fashion would be greatly enhanced.

The Select Commission on Immigration and Refugee Policy recommended that an immigration enforcement system be in place before major immigration reforms, such as amnesty or employer sanctions, were passed into law and I fully agree with those recommendations. In that the administration does not plan for a significant increase in immigration enforcement personnel, interagency cooperation is needed now as we move to implement the new provisions of S. 2222.

Without consistent cooperation from local law enforcement agencies the Immigration Service cannot effectively enforce immigration laws within the United States. The Border Patrol associations, both active and retired, along with the National Sheriffs Association and the Fraternal Order of Police firmly support this amendment. It is time we attempt to solve this problem with appropriate legislation.

I ask unanimous consent that some letters of support be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE FRATERNAL ORDER OF RETIRED BORDER PATROL OFFICERS,
Vienna, Va., May 14, 1982.

Hon. CHARLES GRASSLEY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR GRASSLEY: This is to express the appreciation of the Fraternal Order of Retired Border Patrol Officers for your recent, most worthy contributions on behalf of immigration reform. Our members are especially impressed with your proposed amendment to S. 2222, which would authorize agreements with state and local law enforcement agencies, enabling them to cooperate with INS in the amelioration of illegal alien controls.

The Bell directive of 1978 was the coup de grace to an already overwhelmed immigration enforcement program. Loss of the carefully nurtured liaison with thousands of dedicated lawmen throughout the country left the meager forces of INS foundering in an unbelievable morass of job seeking, poverty plagued, illegal entrants. We applaud your recognition and legislative action in this regard.

It is our belief that agreements under your amendment, carefully couched to safeguard civil rights and constitutional considerations, can be sufficiently effective as to treble the efficiency of INS interior controls. Combined with other salient features of S. 2222, this could well mean the release of several million jobs for deserving unemployed Americans; it could significantly reduce the extent burden on state and local medical and other welfare facilities; and it could prove something of a hedge, if, indeed, mass amnesty were to come to pass as currently delineated in the bill.

Our sincere thanks,

GORDON J. MACDONALD,
Secretary.

NATIONAL BORDER PATROL COUNCIL,
May 11, 1982.

Hon. ALAN K. SIMPSON,
U.S. Senate,
Dirksen Senate Office Building
Washington, D.C.

DEAR SENATOR SIMPSON: This organization, representing Border Patrol employees nationwide, enthusiastically supports and requests your favorable consideration of the amendment to Section 401 of S. 2222 offered by Senator Grassley.

The amendment, which would allow the Attorney General to enter into cooperative agreements with state and local law enforcement agencies for assistance in enforcing the immigration laws, can be a valuable tool in high traffic locations and areas where Border Patrol and other INS enforcement personnel are spread thin. Rather than being a new and radical proposal, the amendment would only allow formalization and strict control of what was a common practice prior to the June 23, 1978 issuance of then Attorney General Griffin Bell's policy memo prohibiting the involvement of state and local law enforcement officials.

Having worked for the past fourteen years on the sparsely staffed northern border, where stations are often hundreds of miles apart, I can attest to the invaluable assistance rendered by knowledgeable and highly motivated officers of state and local agencies prior to establishment of the 1978 policy. It was not at all unusual for the New York State Police and/or the local Sheriff's Department to provide vehicles and two to eight officers to assist one or two Border Patrol Agents in surrounding large migrant labor camps containing known illegals in remote agricultural areas. State and local officers were also given informal training in the basics of immigration laws and documents for their guidance in dealing with suspects during the course of their normal duties when Border Patrol Agents were not in the area. Where an effective liaison program was conducted, these agencies were enthusiastic in providing all types of assistance, including access to their informants, detention facilities and other resources.

The following aspects should be addressed in deliberation on this legislation and in subsequently structuring said cooperative agreements:

1. Provision for a limited (2 to 4 hours) protective custody solely to prevent flight, pending in-depth questioning by a USI&NS enforcement officer;

2. Training in the basics of immigration laws and documents;

3. Federal assumption of liability when state and local officers are operating within the scope of their authority while assisting in enforcement of the immigration laws.

While state and local law enforcement officials will not have the full authority, extensive training and experience of a Border Patrol Agent of INS Criminal Investigator in enforcing the highly complex and specialized immigration laws, they are capable of effectively supplementing I&NS efforts. Past experience has shown this type of cooperation to be a useful tool in immobilizing prime suspects until they can be questioned by an Immigration Officer qualified to determine the alien's status.

Thank your for your consideration and for your continuing leadership in formulating an effective immigration policy.

Sincerely,

RICHARD L. BEVANS,
President.

GRAND LODGE,
FRATERNAL ORDER OF POLICE,
Baltimore, Md., June 7, 1982.

Hon. CHARLES GRASSLEY,
U.S. Senate,
Russell Building,
Washington, D.C.

DEAR SENATOR GRASSLEY: Your amendment to the Simpson-Mazzoli, Immigration Reform Bill, H.R. 5872; S. 2222, that would authorize interagency cooperation on immigration control has much merit and we sincerely thank you for recognizing that cooperation between agencies is definitely lacking. We are sure you are aware of the directive issued by Attorney General Griffin Bell on June 23, 1978, and still in effect, that excludes and/or discourages most forms of cooperation between agencies. Quite naturally this had quite an effect in undermining what cooperation there was. We feel sure that your amendment will correct the position that we presently find ourselves in. More cooperation between agencies is needed in order that we can do our job without going through a lot of red tape and wasting much needed time and money that could be channeled to other projects.

The Fraternal Order of Police consisting of over 162,000 members from Federal, State and local law enforcement throughout our nation come out in support of your amendment and strongly urge the Judiciary Committee to also vote in favor of this needed legislation.

Sincerely,

VINCE MCGOLDRICK.●

AMENDMENT AND EXTENSION OF CERTAIN HOUSING PROGRAMS

AMENDMENT NO. 1906

(Ordered to be printed and to lie on the table.)

Mr. COCHRAN (for himself, Mr. CRANSTON, Mr. ANDREWS, Mr. EAST, Mr. SASSER, Mr. HUDDLESTON, Mr. EAGLETON, Mr. JEPSEN, Mr. STENNIS, Mr. RIEGLE, Mr. LEAHY, Mr. SARBANES, Mr. GRASSLEY, Mr. DIXON, Mr. STAFFORD, Mr. PRESSLER, Mr. ABDNOR, Mrs. HAWKINS, Mr. PROXMIRE Mr. COHEN, Mr. INOUYE, Mr. BURDICK, Mr. HEFLIN, Mr. JOHNSTON, Mr. FORD, Mr. ZORINSKY, Mr. THURMOND, and Mr. BAUCUS) submitted an amendment intended to be proposed by them to the bill (S. 2607) to amend and extend certain Federal laws relating to housing, community, and neighborhood development, and related programs, and for other purposes.

Mr. COCHRAN. Mr. President, today I am pleased that 26 colleagues are joining Senator CRANSTON and me in submitting an amendment to title V of S. 2607. Title V of S. 2607 would replace current rural housing programs administered by the Farmers Home Administration with a block grant to the States. Our amendment would essentially reauthorize existing programs at the 1982 levels with some selected reductions. Farmers Home rural housing programs were created because private industry did not meet the needs of rural areas. It is our belief that rural America has problems and needs separate and distinct from those of more urban areas. Therefore, it is necessary to continue housing programs in order to service the rural populace.

For over 30 years FmHA has provided rural people of all kinds—the farmer, the elderly person, the farmworker—with needed housing assistance. Currently about 400,000 households own units financed by FmHA. Overall FmHA has financed 1.64 million units of single-family housing. The average annual income of these families is about $10,500. About 255,000 households—over 30 percent of which are elderly, live in FmHA financed rental housing. Almost 40,000 elderly households have received FmHA grants to repair and weatherize their homes.

Farmers Home programs operate as a supplement to credit available from private lenders, not in competition with them. In fact, they often compliment each other because in many cases rural people do not have adequate access to credit. There are fewer lending institutions and the institutions that are present have fewer assets per capital available for lending. Even if the rural community has a savings and loan institution, rural resi-

dents often do not have the means to pay for homes at conventional rates.

One of the advantages of Farmers Home is that it has approximately 2,000 officers in over 3,000 counties across the country to provide services to rural residents. These offices mean that they have a tremendous outreach capability which is a vital asset to the rural communities. They are the only system in the country equipped to dispense housing credit in every rural locality.

It is our belief that rural housing is a national problem. The Federal Government should provide leadership for devising strategies and providing adequate resources to combat this problem. We propose that in order to meet this obligation, we should reauthorize FmHA housing programs at a level slightly below the fiscal year 1982 appropriation level. In doing so, our amendment targets assistance to the worst housed and poorest households. At the same time, propose increasing the tenants' contributions to the housing costs.

While the effort to use a block grant program for rural housing is in line with the efforts being made in urban areas, even the President's Commission on Housing recognized that rural housing problems are unique. The Commission pointed out that rural areas have a higher incidence of substandard housing, and the necessary institutions for mortgage financing, construction and maintenance are few or nonexistent.

There are numerous problems with a block grant for rural housing. The States will be forced to contend with the increased burden of administation. In many cases a new State bureaucracy will have to be set up to administer the block grant program and few, if any, States could offer the kinds of services offered by the network of Farmers Home offices. States cannot afford to duplicate FmHA services nor can they afford to provide 10 percent matching funds as required under title V of S. 2607.

Administrative problems created by title V of S. 2607 will also affect FmHA since they would have to maintain existing contracts while trying to cope with the block grant program. Under this bill, if a State does not choose to participate in the block grant program, then FmHA would have to handle that State's program or contract the program out. The bill also requires congressional approval of all FmHA housing program rules and regulations. If enacted, this provision would become the 13th law or rule FmHA must follow when issuing regulations, making the process excessively slow and complex. Instead of diminishing the effectiveness of FmHA to provide housing assistance to rural areas, I believe that we should work to improve the current programs they administer.

The block grant proposal would eliminate the treatment of housing loans as investments thereby classifying them as budget liabilities. Presently sales of loan notes and other security instruments held by FmHA can be counted as sales of Government-owned assets. The result of disallowing this practice would be an addition of an estimated $2.75 billion as direct outlays in the Federal budget. This would all but prohibit any rural housing program in fiscal year 1983.

I believe, as do my colleagues from both sides of the aisle, that FmHA has worked well. While FmHA may be improved, it should not be dismantled hastily. To fulfill our obligation to rural America, I urge your support for the amendment to reauthorize FmHA at a reduced fiscal year 1982 level.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Beginning with page 110, line 13, strike out through page 149, line 18, and insert in lieu thereof the following:

TITLE V—RURAL HOUSING AUTHORIZATIONS

SEC. 501. Section 513 of the Housing Act of 1949 is amended—

(1) by striking out "$3,700,600,000 with respect to the fiscal year ending September 30, 1982" in subsection (a) and inserting in lieu thereof "$3,400,600,000 with respect to the fiscal year ending September 30, 1983";

(2) by striking out "and" at the end of subsection (a)(3), by striking out the period at the end of subsection (a)(4) and inserting in lieu thereof "; and", and by adding at the end of subsection (a) the following new paragraphs:

"(5) not more than $100,000,000 of such amount so approved for such fiscal year shall be available for loans under section 502 that are not assisted under section 521 (a)(1)(B); and

"(6) not more than $940,000,000 of such amount so approved for such fiscal year shall be available for loans under section 515.";

(3) by striking out "September 30, 1982" each place it appears in subsection (b) and inserting in lieu thereof "September 30, 1983";

(4) by striking out "$50,000,000" and "$25,000,000" in subsection (b)(2) and inserting in lieu thereof "$39,000,000" and "$15,000,000" respectively; and

(5) by striking out "$25,000,000" in subsection (b)(3) and inserting in lieu thereof "$13,750,000".

EXTENSIONS

SEC. 502. (a) The following provisions of title V of the Housing Act of 1949 are amended by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1983":

(1) Section 515(b)(5).

(2) Section 517(a)(1).

(3) Section 521(a)(2)(D).

(b)(1) Section 523(f) of such Act is amended—

(A) by striking out "$5,000,000 for the fiscal year ending September 30, 1982" in the first sentence and inserting in lieu thereof "$15,000,000 for the fiscal year ending September 30, 1983"; and

(B) by striking out "September 30, 1982" in the second sentence and inserting in lieu thereof "September 30, 1983".

(2) Section 523(g) of such Act is amended by striking out "$3,000,000 for fiscal year 1982" and inserting in lieu thereof "$2,000,000 for fiscal year 1983".

DIRECT AND INSURED LOAN AMENDMENTS

SEC. 503. Section 515 of the Housing Act of 1949 is amended—

(1) in subsection (b)—

(A) by striking out "and" at the end of clause (5);

(B) by striking out the period at the end of clause (6) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following:

"(7) loans may be made to owner-tenants who are otherwise eligible under this section to purchase and convert single-family residences to rental units of two or more dwellings.";

(2) by adding at the end of subsection (c) the following new sentence: "The Secretary shall not promulgate rules which prohibit or discourage the rehabilitation or purchase of existing buildings for the purpose of providing housing which is otherwise economical in cost and operation."; and

(3) by inserting ", including section 502 units held in inventory," after "existing housing" in subsection (d)(4).

TARGETING

SEC. 504. (a) Section 517(o) of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(3) In order to carry out the purpose of paragraph (2), the Secretary shall issue rules to become effective not later than 180 days after the date of enactment of this paragraph, which shall assure, to the extent practicable, that assistance under this title is provided to applicants most in need. In this regard, such rules shall provide that applications for assistance from households with the lowest incomes and most severe housing problems receive priority consideration for assistance. In determining which applications demonstrate the most severe housing problems, the Secretary shall consider evidence of structural defects in the applicant's dwelling, lack of complete or adequate plumbing, the extent of overcrowding, the existence of hazards to health or safety, and the number of persons to be assisted. Applications should be periodically ranked and those that demonstrate the greatest need processed first, except that any application for assistance pursuant to section 501(a)(4) of this title shall be processed when it is received.".

(b) Section 521(a)(2)(D) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "Of such rental assistance authority which is approved in appropriations Acts for fiscal year 1983, the Secretary shall utilize at least $173,000,000 to provide assistance on behalf of tenants of newly constructed or substantially rehabilitated housing and related facilities for which assistance is provided with respect to such fiscal year under sections 514 and 515.".

TENANT CONTRIBUTIONS

SEC. 505. Section 521(a)(2)(A) of the Housing Act of 1949 is amended by striking out "25 per centum of income." and inserting in lieu thereof "the highest of (i) 30 per

centum of the family's monthly adjusted income, (ii) 10 per centum of the family's monthly income; or (iii) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing cost, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated. Any rent or contribution of any recipient shall not increase as a result of this section or any other provision of Federal law or regulation by more than 10 per centum during any 12-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law, or regulation.".

IMMIGRATION REFORM AND CONTROL ACT OF 1982

AMENDMENTS NO. 1907 AND 1908

(Ordered to be printed and lie on the table.)

Mr. HAYAKAWA submitted an amendment intended to be proposed by him to the bill (S. 2222) to revise and reform the Immigration and Nationality Act, and for other purposes.

Mr. HAYAKAWA. Mr. President, the Senate will soon be considering S. 2222, the Immigration Reform and Control Act of 1982. I rise today to discuss to amendments that I will be offering, amendments to make the measure more realistic, more workable and more compatible with the social and economic realities of the Western United States.

My first amendment, the agricultural guestworker program is designed to deal effectively with the inevitable flow of transitory agricultural workers into and out of our Nation. In our Southwestern States agriculture depends on alien workers for more than 50 percent of the work force during harvest periods. For the most part these workers are driven to our country by difficult, if not impossible, economic conditions in their homeland. Their intent is solely to earn money and return home to improve the lives of their families. For them, this migration is a matter of survival. For their employers, their availability is also a matter of survival.

Over one-third of our Nation's fruit and vegetables come from California. Crops such as peaches, grapes, lettuce and tomatoes are very, very labor intensive. With perishable crops such as these, time is of the essence. Farmers do not have the luxury of delaying harvest. When the crop is ripe, it must be harvested and moved to the market immediately. For example, the raisin harvest in just one county, Fresno, requires in excess of 75,000 workers in a brief period of a few weeks. The local labor force is totally inadequate to meet the farmers' needs. Labor must be imported and in most cases, the workers are illegal aliens from Mexico.

The H-2 temporary worker program will not work in the West. S. 2222 is fatally flawed by its reliance on this cumbersome, slow and complicated program. The agricultural guestworker program that I am proposing will meet the needs of Western agriculture. It is oriented to free market labor conditions, it is efficient, and the Federal overhead required to operate it will be minimal. My program will also satisfy the public's concern by assuring that the workers will return to their home country when there services are no longer needed.

The second amendment I will be offering will place a requirement on the Immigration and Naturalization Service to obtain a search warrant prior to entering a farm or other agricultural operation. This amendment is fair and reasonable. It enjoys the support of a wide diversity of organizations, from the American Farm Bureau Federation to the League of United Latin American Citizens.

Mr. President, at this point I request unanimous consent to have printed in the RECORD two "Dear Colleague" letters which I have recently circulated. The first deals with the agricultural guestworker program, and contains a letter, a memo on the inadequacies of the H-2 program, and the exact language of the program that I will be offering on the floor. The second deals with my proposal to require search warrants before the INS enters a farm or other agricultural operation.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 15, 1982.

DEAR COLLEAGUE: As you know, the Senate will soon be considering S. 2222, The Immigration Reform and Control Act of 1982. This letter is to inform you of an amendment that I intend to offer on the Floor. Your cosponsorship is welcomed and would be heartily appreciated by farmers in the Western United States.

My amendment provides for an Agricultural Guest Worker Program and is designed to complement the H-2, temporary worker program which is currently a part of S. 2222. The inclusion of the H-2 program by the Committee is based on the clear recognition that a need exists in our nation for temporary alien workers, workers to take jobs which domestic workers refuse.

However, H-2 as it is currently proposed, will be of little or no use to agricultural employers in the West. Our employment patterns are different, our farming practices are different, and our labor needs simply cannot be compared to those of employers who have historically utilized the H-2 program.

I have included a copy of a memorandum which I sent to the Judiciary Committee detailing the problems with the H-2 program. I trust that upon review of this document you will recognize that indeed, an Agricultural Guest Worker Program is *essential.*

Briefly, my amendment calls for the Attorney General and the Secretaries of Labor and Agriculture to establish regulations for the admission of temporary workers. The Attorney General would establish numerical limits on the issuance of nonimmigrant visas, which would allow workers into the U.S. for up to 180 days per year. As opposed to the "Bracero like" approach of the H-2 program, workers would not be bound to work for a specific employer. However, guest workers would be prohibited from specific work sites if employees or employers demonstrate that aliens will displace available, qualified and willing domestic workers. As an inducement for the workers to return home, my amendment provides for the return to the worker of the Social Security taxes they have paid and the contributions the employer has made in their behalf. The money would be returned in the country of origin and only if the temporary worker complied with the requirements of the program.

For greater detail I have included my Agricultural Guest Worker amendment. If you wish to join as a cosponsor, please inform myself or Jason Peltier of my staff at x43841.

Sincerely,

S. I. HAYAKAWA.

MEMORANDUM

To: Senate Judiciary Committee.
From: S.I. Hayakawa.
Re: Immigration law reform.

I. PROBLEMS WITH S. 2222 (SIMPSON)/THE WESTERN PERSPECTIVE

1. The measure fails to meet the labor market needs of Western agriculture.

A. Farmers in the West currently rely on illegal aliens to make up in excess of 50 percent of their workforce.

B. Western agriculture has legitimately grown to rely on the services of alien workers. At the same time they have been unable to attract domestic workers to do farm work, primarily for two reasons; 1) The work is hard and the pay relatively low, especially when compared to income from welfare, food stamps, etc., and; 2) The seasonal demand for large numbers of workers is highly variable, job tenure brief, and potential for advancement minimal within the realm of agricultural employment.

2. S. 2222 is based on the belief that the legalization (amnesty) provision and the H-2, temporary worker program will satisfy those employers who currently rely on illegal aliens to make up their workforce.

A. Legalization will only take care of urban illegals who are employed year-round and have been in the U.S. continually.

B. Legalization may be of temporary benefit to agriculture but:

1. Once legalized, rural workers will migrate to cities where year/round employment is available.

2. Most of the illegals working in agriculture are migrants. They come to the U.S. for only a few months out of the year, thus, they will not qualify for permanent resident status. More significantly, they have little or no desire to stay in the U.S., their hearts, their families and their allegiance remain in Mexico.

3. The H-2, temporary worker program has been available for several years but has been of little help to agriculture.

A. H-2 has brought in only about 13,000 agricultural workers a year, the bulk of which have gone to the sugar cane fields of Florida and the apple groves of New York.

B. Simply in terms of complying with the Department of Labor rules and regulations, the program has been very expensive to deal with . . . a red tape nightmare . . . a lawyers dream.

4. The H-2 program simply cannot be transferred to the West.

A. Western farmers demand large numbers of workers for relatively short periods of time. The workers must have the freedom to move from employer to employer, from crop to crop, and from county to county. Problem: H-2 workers are contracted to work with a single employer (or association of employers) and transferring H-2 workers between employers is cumbersome. The lack of freedom for workers is not only impractical, it is abusive of their basic rights and of their integrity.

B. It is difficult to predict actual dates of need and numbers of workers required because of weather and market variability. The long lead time required for the application process is onerous. And the requirement that workers be guaranteed pay for ¾ of the contract period is a tremendous liability for farmers.

C. The short harvest season for many of the labor intensive, highly perishable crops grown in the West results in employers demanding large numbers of workers for short periods of time (less than one month). Such brief employment makes the requirements that employers provide transportation from the country of origin, housing and food impossible to justify.

D. The certification process which requires a finding that there are insufficient numbers of domestic workers available and willing to work is complicated, costly and time consuming. In addition, the institutional bias of the Department of Labor is difficult to deal with.

E. The adverse wage effect considerations of the H-2 program will artificially drive up the prevailing wages in farm communities.

5. The employer sanctions for hiring illegal aliens are unacceptable.

A. Given the tremendous reliance of farmers on illegal aliens and lacking a workable program to bring alien workers into the country on a temporary basis—we must oppose sanctions. They will punish farmers for something which is beyond their control. Realistically, without an ample supply of alien workers, farmers will have no choice but to hire whomever is available. The alternative of allowing their crops to go unharvested is unthinkable.

6. The push factors which compel Mexican workers northward cannot be legislated away. The bill is based on the faulty assumption that by taking away the opportunity to work, the flow of illegals will be stopped.

A. There are major structural problems with the Mexican economy. 45 to 55 percent of the working age population is unemployed or underemployed. The recent 40 percent devaluation of the Peso makes dollar earnings more attractive than ever.

B. The population of Mexico is over 70 million and will double by the year 2000. The working age population is growing at 600 to 800 thousand a year and, at best, only about 450 thousand new jobs are likely to be created each year.

C. Given the above considerations, Mexican Nationals will have no choice but to come to the U.S. in search of jobs, jobs which will pay them up to ten times the amount they would earn at home for the same work.

D. S. 2222 will simply drive them further underground; false identifiers will abound and illegal aliens will continue to be a subclass within our society.

7. One of the driving assumptions of the bill is that the H-2 program is transitory and ultimately we must end our dependence on alien workers.

A. This assumption is faulty. We will rely on alien workers as long as we have such generous relief programs for those people who would most likely take the low paying, low status jobs that aliens most often take. The incentives to not work are simply too great and the alternative, hard work, is undesirable.

B. Not only will aliens do work for which it is near impossible to get domestic workers to do . . . they are harder workers and more reliable. This is simply because their motivation to work comes from their desire to earn money to support their families back home. While the motivation of many domestics is to show up for work in order to satisfy welfare requirements.

C. Demographers tell us that there will be a labor shortage in the Southwest by the year 2000. Especially in the "undesirable", physically demanding, manual occupations.

II. WHAT SHOULD BE DONE TO IMPROVE S. 2222 (SIMPSON)

1. An agricultural guest worker component must be added to the bill.

A. Western agriculture needs a relatively free flowing, flexible labor supply.

B. The current labor supply system works well, is efficient and is mutually agreeable to both employers and employees. However, the current system is illegal.

C. We need to legalize, regularize and direct, to a limited extent, the flow of temporary workers into and out of our country.

D. Farmers have adequately demonstrated that the domestic workforce is unwilling to perform, and meet the needs of the agricultural employers. Thus, the guest workers will not displace domestics.

E. The SIH proposal has a provision for excluding guest workers from a given worksite if it can be demonstrated that domestics are being displaced.

F. An agricultural guest worker proposal is compatable with the H-2 program. H-2 will continue to be of importance to the East coast.

G. The authorization for guestworkers to seek employment only in agriculture, combined with employer sanctions, should keep the temporary workers from moving into cities and competing with unemployed domestics.

U.S. SENATE,
Washington, D.C., June 16, 1982.

DEAR COLLEAGUE: I recently introduced a bill (S. 2507) to require a properly executed warrant before an officer or employee of the Immigration and Naturalization Service (INS) may enter a farm or other agricultural operation.

I intend to propose this measure as an amendment when S. 2222. The Immigration Reform and Control Act of 1982, reaches the Senate Floor. Cosponsors of S. 2507 include Senators Cranston, Goldwater, Hawkins, Helms, Laxalt, McClure, Pressler, Schmitt, Symms, and Tower.

Currently the INS must obtain a warrant prior to entering any place of business excepting farms and ranches. I contend that farmers are entitled to the same standard of protection that other businessmen in our Nation enjoy.

INS statistics show us that 8 percent of the illegal aliens employed in the United States are working in agriculture. However, almost fifty percent of the undocumented alien workers apprehended are in agriculture. These figures reflect a bias in the enforcement activities of the INS. They demonstrate that the INS is enforcing the law by going to the industry in which it is the simplest and most cost effective to carry out the law.

The Border Patrol argues that because agricultural lands are "open fields" they are beyond the scope of protection of the Fourth Amendment. Their agents need not obtain consent, a search warrant, or show probable cause that some criminal activity is occurring prior to entering a farmer's fields. In short, Border Patrol agents enter agricultural lands at will to search for undocumented workers. However, unlike traditional "open fields" cases where law enforcement officers see the so-called "fruit of the crime", the only thing the Border Patrol witnesses are human beings working in the field. It is not until they illegally enter the field that an illegal versus legal status can be determined.

My amendment does not establish any special protection for farmers. It merely guarantees them the same rights and protections enjoyed by every other employer in our Nation. Likewise, the agricultural workers will be protected from the antagonism of impulsive interrogation by the INS.

The employer sanctions contained in S. 2222 make this change in law more important now than ever before. If you wish to join me as a cosponsor of this amendment, please inform myself or Jason Peltier of my staff at x43841.

Sincerely,

S. I. HAYAKAWA.

Mr. President, we have some tough decisions ahead of us. We also have a rare opportunity to address a problem of epidemic proportions. I trust my colleagues will give my amendments full consideration. It is also my heartfelt hope that we can act in a responsible and realistic manner on this issue of great social and economic import to the people of our great land.

Mr. President, I ask unanimous consent that the two amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1907—Providing for Agricultural Guest Worker Program

Insert the following section after the existing section 211 and renumber the subsequent sections accordingly.

AGRICULTURAL GUEST WORKERS

SEC. 212. (a) Section 101(a)(15) (8 U.S.C. 1101(a)(15)), as amended by section 205(b) of this Act, is further amended by striking out "or" at the end of subparagraph (M), by striking out the period at the end of subparagraph (N) and inserting in lieu thereof "; or", and by adding at the end the following new subparagraph:

"(O) an alien having a residence in Mexico which he has no intention of abandoning who is a national of Mexico and is coming to the United States for a period not to exceed 180 days in any calendar year to perform temporary services or labor.".

(b) Section 214 (8 U.S.C. 1184) is amended by adding at the end the following new subsection:

"(e)(1)(A) The Attorney General, the Secretary of Agriculture, the Secretary of Labor, and the Secretary of State, shall by regulation establish a program (hereinafter in this subsection referred to as 'the pro-

gram') for the admission into the United States of nonimmigrants described in section 101(a)(15)(O). The program shall include the imposition of monthly and annual numerical limitations, established under paragraph (2), on the issuance of nonimmigrant visas for such nonimmigrants. These visas shall be made available subject to such limitations to aliens described in section 101(a)(15)(O) in the chronological order in which the aliens submit applications for such visas.

"(B) Except as provided pursuant to paragraph (3)—

"(i) aliens shall not be required to obtain any petition from any prospective employer within the United States in order to obtain a nonimmigrant visa under the program, and

"(ii) such a nonimmigrant visa shall not limit the geographical area within which an alien may be employed.

"(2) The Attorney General shall establish monthly and annual numerical limitations on the issuance of nonimmigrant visas to aliens described in section 101(a)(15)(M), based on the number of seasonal or cyclical agricultural workers sought by employers in the United States. In establishing such numerical limitations, the Attorney General also shall consider historical employment needs in the United States, the availability of domestic workers, and the projected labor needs of prospective employers. The Attorney General shall consult with the Secretary of Agriculture, and the Secretary of Labor in establishing numerical limitations under this paragraph.

"(3) The Attorney General, on the request of the Secretary of Labor, and the Secretary of Agriculture, shall impose a restriction on the employment of aliens described in section 101(a)(15)(M) who are issued nonimmigrant visas under the program which prohibits the aliens from accepting employment provided by a specific employer or at a specific site if such employer, or employees of such employer or at such site, demonstrate to the Secretary of Labor, and the Secretary of Agriculture, that the aliens will displace available, qualified, and willing domestic workers. The Secretary of Labor, and the Secretary of Agriculture, shall establish a procedure for such employer and such employees to request, and the criteria for the imposition of, any restriction under this paragraph.

"(4) Any alien described in section 101(a)(15)(M) who obtains a nonimmigrant visa under the program and who violates—

"(A) any restriction with respect to the period of time for which the alien is allowed to remain in the United States, or

"(B) any restriction imposed under paragraph (3), shall be ineligible to obtain a nonimmigrant visa under the program during the 5-year period beginning on the date such violation occurs. Any alien who enters the United States unlawfully after the date the program becomes effective, is ineligible to obtain a nonimmigrant visa under the program during the 10-year period beginning on the date such entry occurred.

"(5)(A) The Secretary of State is authorized to take such steps as may be necessary in order to expand and establish consulates of the United States in Mexico in order to implement the program.

"(B) The Secretary of State shall cooperate with representatives of the Government of Mexico in order to insure that residents of Mexico are made aware of the nature and operation of the program.

"(C) The Secretary of Labor shall insure, to the extent practicable, that aliens who are nationals of Mexico and who reside in the United States are informed of the nature and operation of the program.

"(6) The Attorney General, the Secretary of Agriculture, and the Secretary of Labor, shall report to Congress semiannually regarding the program. Each such report shall include a statement of the number of nonimmigrant visas issued under the program, an evaluation of the effectiveness of the program, a description of any problems related to the enforcement of the program, and any recommendations for legislation relating to the program.".

(c) Section 245(c) (8 U.S.C. 1255(c)) is amended—

(1) by striking out "or" before "(3)", and

(2) by inserting "; or (4) any alien admitted as a nonimmigrant under section 101(a)(15)(O)" before the period at the end.

(d) It is the sense of Congress that the President should negotiate with representatives of the Government of Mexico to establish an advisory commission to consult with and advise the Attorney General regarding the regulations to be promulgated, and the monthly and annual numerical limitations to be established, under the program established under section 214(c) of the Immigration and Nationality Act.

(e)(1) Section 202 of the Social Security Act (42 U.S.C. 402) is amended by adding at the end thereof the following new subsection:

"LUMP-SUM BENEFITS FOR CERTAIN NONIMMIGRANT MEXICAN WORKERS

"(x)(1) Upon the return to Mexico of an alien described in section 101(a)(15)(O) of the Immigration and Nationality Act after the performance of temporary services or labor in the United States under the program established under section 214(e) of such Act, an amount equal to the sum of—

"(A) the taxes imposed under section 3101 of the Internal Revenue Code of 1954 on the income of such alien consisting of remuneration for the performance of such services or labor, and

"(B) the excise taxes imposed under section 3111 of such Code on the employer or employers of such alien with respect to having such alien in their employ pursuant to such program,

shall be paid in a lump sum to such alien if it is demonstrated to the satisfaction of the Attorney General either in an application for such benefit filed after his return or by certification under paragraph (3), that he has not violated any restriction referred to in section 214(e)(4) of the Immigration and Nationality Act and has no intention of abandoning his residence in Mexico.

"(2) An application by an alien for a benefit under this subsection may be made only at the consulate of the United States in Mexico which is nearest the residence in Mexico of such alien, and payment of such benefit may be made to such alien only at such consulate.

"(3) The Secretary of State and the Secretary of the Treasury shall each, upon written request of the Attorney General make certification to the Attorney General with respect to any matter, determinable for the Attorney General by the Secretary of State or the Secretary of the Treasury, as the case may be, under this subsection, which the Attorney General finds necessary in administering this subsection.".

(2) Section 210(b) of such Act (42 U.S.C. 410(b)) is amended—

(A) in paragraph (19), by striking out "or,";

(B) in paragraph (20), by striking out "individuals."

and inserting in lieu thereof "individuals; or"; and

(C) by adding at the end thereof the following new paragraph:

"(21) Temporary service or labor performed by an alien described in section 101(a)(15)(O) of the Immigration and Nationality Act in the United States under the program established under section 214(e) of such Act.".

Purpose: To require a properly executed warrant before an officer or employee of the Immigration and Naturalization Service may enter a farm or other agricultural operation.

At the appropriate place add the following:

SEC. 111. (c) Section 287 (8 U.S.C. 1357) is amended by adding at the end thereof the following:

"(d) Notwithstanding any other provision of this section, other than paragraph (3) subsection (a), an officer or employee of the Service may not enter onto the premises of a farm or other agricultural operation without a properly executed warrant.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Public Lands and Reserved Water to consider S. 1999, to amend the act to provide for the establishment of the Wolf Trap Farm Park in Fairfax County, Va., and for other purposes; and S. 2436, to designate the Mary McLeod Bethune Council House in Washington, D.C., as a national historic site and for other purposes. The hearing will be held on Friday, July 2, beginning at 9 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Public Lands and Reserved Water, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Tony Bevinetto of the subcommittee staff at 224-5161.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that the field hearing in Honolulu, Hawaii, previoulsy scheduled for Monday, July 5 and Tuesday, July 6 has been postponed and will be rescheduled at a later date. The hearing was with regard to the regional reserve for the strategic petroleum reserve, the potential for coal usage and coal exports in Hawaii, and the geothermal potential in Hawaii.

For further information regarding this hearing you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-4236.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Agriculture Committee be authorized to meet during the session of the Senate at 11:30 a.m. on Thursday, June 24, to consider pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Finance Committee be authorized to meet during the session of the Senate on Friday, June 25, to hold a markup on the spending and tax reconciliation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Finance Committee be authorized to meet during the session of the Senate on Thursday, June 24, to hold a markup on the spending and tax reconciliation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Finance Committee be authorized to meet during the session of the Senate on Monday, June 28, to hold a markup on the spending and tax reconciliation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Finance Committee be authorized to meet during the session of the Senate on Tuesday, June 29, to hold a markup on the spending and tax reconciliation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Finance Committee be authorized to meet during the session of the Senate on Wednesday, June 30, to hold a markup on the spending and tax reconciliation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SUGGESTIONS TO IMPROVE WORK OF SENATE

● Mr. GOLDWATER. Mr. President, all Members of the Senate received a communication recently from our esteemed colleague, Senator MATHIAS, asking for suggestions as to how the work of the Senate might be improved. On my recent trip to Taiwan, having a few moments on my hands, I dictated by first reaction to that request, and so that my colleagues might have an idea of what my thinking is in this regard, I ask that a copy of the letter be printed in the RECORD.

The letter follows:

JUNE 4, 1982.

Hon. CHARLES MCC. MATHIAS,
U.S. Senate,
Washington, D.C.

DEAR MAC: This is being dictated on my recent visit to Taipei, Taiwan and I will add to it as other thoughts come to me. I am addressing it to you so you can transmit it to Senators Pearson and Ribicoff.

First, let me thank you and congratulate you on having Jim Pearson and Abe Ribicoff study ways that the Senate might better its production, the quantity of its production, and the dependability of the quality and the procedures. It certainly is long overdue.

Now, I will start by saying that possibly I am prejudiced, having served in the Senate as long as anyone there with the possible exception of two or three others. So, if my remarks carry you back through the years and give you an idea they are coming from an older man, somewhat prejudiced, that is probably the case.

Let me start by suggesting that we limit the number of bills that each Senator can introduce, including the number of amendments that each Senator can introduce during the course of a session. Following that, I would decide on some way to extremely limit the number of roll call votes. Possibly, you may want to go back to the days when the Majority or Minority leader had to hold up his hand before a roll call might be considered.

When I think that, during my first Congress, we had less than 200 votes and now we probably run over a thousand in every session, it leads me to believe that this is one of the great sources of poor performance and poor quality of legislation we are turning out.

When we have to literally spend entire days on the Floor of the Senate just to attend roll call votes, Committee work goes out the window. None of us attend all of the Committees that we should attend or are required to attend by virtue of our being members of them. I think this one single factor, the roll call votes, contribute as much as any other factor to the poor way the Senate is being run.

Now, getting back to the Floor, we have far too many staff assistants sitting on that Floor all day long. There are times when there are more AAs on the Floor than there are members of the Senate. I can assure you that, years ago, this was not allowed. In fact, I can remember when AAs were not even allowed to come on the Floor and if a Senator desired to participate in debate, he had better know the subject himself and not depend on some Edgar Bergen sitting by him and shoving the words and thoughts into his mouth. I would seriously consider eliminating all assistants but, if this cannot be done, at least limit it to one and limit the appearance on the Floor to the time that the particular subject that is called for is being discussed.

The unusual commotion and confusion caused by Senators filling the well of the Senate during votes must be eliminated. I think a suggestion made by Senator Randolph is a good one, that each Senator must speak behind his desk and not be allowed in the well at all.

Another problem that comes up, is what are we voting on. Well, that is something you fellows are going to have to come to grips with. We never used to have this when we didn't have so darn many votes, but maybe we can solve it by printing, before the vote, a sheet that would be placed on each Senator's desk that would allow him to make up his mind how to vote.

On top of that, another great source of confusion is the large number of lobbyists who inhabit the halls by the elevators and the Floor for every vote so they can tell their Senators how to vote. This should be taken care of if not eliminated.

I would also eliminate most of the recesses that we now have and substitute in their place a monthly period of three to five days when we could visit our homes and keep up with our constituents. I would seriously consider starting the year off with one day a week to participate in legislation on the Floor. Then, as the spring comes on, increasing that to two, then to three, and as summer approaches, we might consider everyday on the Floor to keep the legislation on the calendar moving and to allow us to have time to give proper attention to legislation in the committees.

With best wishes,

BARRY GOLDWATER.●

BOSTON GLOBE ON EL SALVADOR

● Mr. KENNEDY. Mr. President, I would like to alert my colleagues to an important editorial on El Salvador which appeared earlier this month in the Boston Globe. In the past few weeks, our attention has been drawn to renewed violence in the Middle East and the cessation of hostilities in the South Atlantic. During this time, however, the poitical situation in El Salvador has deteriorated. The new regime in El Salvador has virtually abandoned promised land reforms, has sought to isolate and even threatened to eliminate the Christian Democratic Party, and has allowed for an upsurge of right-wing violence in the streets and countryside.

The new Salvadoran Government has failed to fulfill any hopes in El Salvador, the United States, or elsewhere that after the March elections there might be an improvement in the situation in El Salvador. Instead, we are witnessing a return to the strong-arm tactics and repressive military policies of the past. Once again, it is the people of El Salvador who suffer.

The Boston Globe outlines policy alternatives facing Congress regarding El Salvador. I agree that the Congress must express its strongest displeasure with the unacceptable direction that Government is taking and end all military aid to El Salvador unless a genuine effort is made to negotiate a political solution to the tragic conflict in that country. Mr. President, I recommend the Globe's editorial of June 5

to my colleagues and request that it be printed in full at this point in the RECORD.

The editorial follows:

AS EL SALVADOR UNRAVELS

Little noticed alongside the photogenic Falklands war, the gangrene of political decay has been deepening in El Salvador.

Evidence has been accumulating that the closely-watched elections two months ago have not moved the country closer to either the peace or democracy as the Reagan Administration had predicted. In recent days there has even been a report of fraud in the vote counting, aimed at boosting the "turnout" to make the results seem more impressive on the international scene.

The ruling right-wing coalition headed by Maj. Roberto d'Aubuisson has pushed the centrist Christian Democrats aside, gutted the land redistribution program and sent a subtle signal to the security forces and death squads that it's OK to start killing again. Confident that the Reagan Administration will support them, no matter what they do, they are moving blithely toward self-destruction.

The regime may rot to the point that the ingroup flees the country to rejoin pre-positioned bank accounts in Miami, Guatemala City and a dozen other favorite havens. The tragedy is that thousands more people will die and tens of thousands will be driven deeper into revolutionary anger.

It is important to note that the leftist guerrillas have little to do with what is going on at present. In a reversal of their aggressive tactics leading up to the elections, which had alienated many Salvadorans, the guerrillas have been lying low for the most part. They may be waiting for the regime to discredit itself and unravel on its own.

Meanwhile, the Foreign Relations Committee of the U.S. Senate, to its credit, has taken a stand. Angered by the rolling back of the land redistribution program—the *sine qua non* of any effort to win support in the countryside—the committee recently voted 12-0 to slash $100 million in military aid. The committee debate was laced with frustration.

"It's tragic," said Sen. Paul Tsongas. "We can't back down. We've got to see this as a watershed. To a large extent the history of El Salvador is being written right here in this committee."

"You guys have got to do something," Sen. Christopher Dodd (D-Conn.) implored one member of a State Department delegation that tried to persuade the senators to postpone their decision. "You guys have got to go down there. . . ."

It's hard at this point to see what American emissaries to Salvador can do. Two days ago, a right-wing group denounced U.S. Ambassador Deane Hinton in a newspaper ad, accusing him of "abusing our hospitality." Hinton had merely been warning that political attitudes in the United States will not tolerate a suspension of land reform. That was too much for the Salvadoran right. "You overstep authority as ambassador, acting like a colonial ruler," the group charged in the ad. The Salvadoran regime has reportedly even cabled the State Department asking that Hinton be removed.

U.S. leverage over the situation in El Salvador is limited. There is no easy way to force-feed moderation.

The self-righteous rightists behind the newspaper ad and the alleged telegram apparently don't understand that Americans also are fed up with today's Salvadoran norm. That norm includes the shootings, the beheadings of Christian Democrats; the prolonged shielding of killers of archbishops, American nuns and Dutch journalists; the terrorizing of moderates who venture into the fringe of political activity, such as the head of the Green Cross ambulance corps kidnaped and accused of leftist sympathies last week; and the endless rapes, machete murders and shootings of defenseless civilians all over, in slum and country hamlet.

If there is hope in Salvador, it almost certainly lies outside the present government. There are rumblings that young army officers are planning a coup, to be followed with a new coalition government linking Christian Democrats and moderates among the guerrillas.

For the moment, Congress and the State Department must maintain pressure on the present Salvadoran regime. This will be a rough and thankless process, less carrot than stick, but until policies emerge that deserve American backing, it is the only available course.●

BUT WE NEED CHEMICAL WEAPONS

● Mr. WARNER. Mr. President, on May 29, 1982, the Washington Post published an excellent letter by my distinguished colleague from Utah, Senator JAKE GARN, which clarified his position concerning the need for the United States to maintain a credible chemical retaliatory stockpile and the importance of binary munitions to insuring the effectiveness of that stockpile. Senator GARN's letter, written in response to a column by Mary McGrory, sets the record straight in a most helpful way; and, reflects views consistent with the testimony by the Armed Services Committee during hearings on the fiscal year 1983 authorization bill. I commend Senator GARN's response to Ms. McGrory's article to the attention of my colleagues and ask that it be printed in the RECORD at this point.

The letter follows:

[From the Washington Post, May 29, 1982]

BUT WE NEED CHEMICAL WEAPONS

In The Post on May 6, my name and views were associated with the debate on chemical weapons in two separate references. I would, therefore, like to clarify my position on this critical national security issue.

As to the characterization of me by Mary McGrory as "an anything goes zealot on national security," it suffices to say that, considering the source, I accept the remark as an unintentional compliment.

With respect to the substance of the debate, my position is the United States should proceed with the production of binary chemical munitions as one element of a balance security policy involving efforts to upgrade our defensive chemical warfare equipment and training and a concerted effort to negotiate a complete and verifiable ban on the development, production and stockpiling of chemical weapons.

While I would argue that the overall state of our existing stockpile is good, one cannot ignore the facts that less than 10 percent of that stockpile is in munitions with some military utility and that signs of physical deterioration have been identified. The production of binary chemical munitions will increase the military value of our stockpile, thereby significantly improving its deterrent characteristics. Production of a modern chemical deterrent will also give us greater flexibility in demilitarizing those antiquated elements of our existing stockpile.

How many of us would consider it fair if we were forced to fight an opponent with our hands and feet bound? Yet this is exactly what is being proposed by those who ask our soldiers to rely solely on protective clothing to guard against Soviet use of chemical weapons. I have talked to the men and women of our armed forces who would have to operate in these extremely bulky, confining and uncomfortable protective suits and masks. Without an ability to force the other side into similar protective gear as a consequence of a U.S. retaliatory strike, our forces would be operating at a severe and unnecessary disadvantage; this is a judgment that is vigorously endorsed by our troops in Europe.

While one sometimes hears the charge that the United States is about to spend billions of dollars in producing chemical weapons, thereby igniting a new aspect of the arms race and depriving other defense and nondefense programs of needed revenue, the fact is that only a small part of chemical warfare expenditures will go for retaliatory weapons. The Reagan chemical warfare deterrent program during the period of fiscal year 1983-87 is projected to cost between $6 billion and $7 billion. Expenditures for defensive equipment will account for about two-thirds of this amount. The remaining funds will be used to produce binary munitions and provide demilitarization facilities to deal with obsolete stocks.

Both the United States and the Soviet Union are parties to the 1925 Geneva Protocol and the 1975 Biological and Toxin Weapons Convention. Unfortunately, that has not stopped the Soviets and their surrogates from using biological toxic weapons against the defenseless peoples of Afghanistan, Laos and Cambodia. This merely underscores the necessity that any agreement seeking to ban the development, production and stockpiling of chemical weapons be confidently verifiable. This is, however, exactly the issue on which U.S. efforts to negotiate with the Soviets have faltered. Nonetheless, the United States continues to work through the U.N. Committee on Disarmament to seek a comprehensive and verifiable agreement with respect to chemical weapons.

JAKE GARN,
(A U.S. Senator from Utah.)●

A TURNING POINT IN U.S. FOREIGN POLICY

● Mr. KASTEN. Mr. President, President Reagan's decisive restrictions on American equipment and technology are a great sign for American foreign policy. The President displayed shrewd political leadership by overriding the shortsighted request made by his advisers and our NATO allies, and holding firm to his principles. I welcome this an a new era of strong, rational Presidential initiative.

The lead editorial in yesterday's Wall Street Journal, entitled "Turning

Point?" relates directly to this new initiative. The editorial accurately discusses the precarious credit network the Soviet pipelines would create. The Europeans and the Japanese seem to be blinded by the prospects of a short-term recessionary rescue. But President Reagan has shown he will not compromise on democracy.

I believe it is important to note the recent developments in Poland. For the past few months, the Polish authorities have publicly defended their first round of political purges. Now they are trying to silence their academic institutions. I am saddened by this most recent attempt at sociological efficiency in Poland at the expense of free minds. I believe only continued economic pressure from the entire free world will force Poland and the Soviet Union to yield to expanded economic, sociological, and educational freedoms.

Mr. President, I ask that the Wall Street Journal editorial "Turning Point?" and the Washington Post article entitled "Polish Official Outlines Plan for Political Purge at Universities" be printed in the RECORD at this point.

The articles follow:

[From the Wall Street Journal, June 23, 1982]

TURNING POINT?

President Reagan's decision to further restrict the use of American equipment and technology in the Siberia-to-Europe gas pipeline suggests a welcome turning point has been reached on the foreign policy front. Somewhere along the line, Mr. Reagan has decided to let Reagan be Reagan.

The pipeline decision is significant for several reasons. It will delay and might even kill a project that would leave our West European allies more vulnerable than ever to political and financial pressures by the Soviets. And it shows that Mr. Reagan can take the heat; many of his top advisers wanted him to pull his punch on the grounds that the pipeline project was already too far along to risk confrontations with our allies.

The impression of a turning point is buttressed by other events of recent days. There was the president's extraordinary three-hour meeting with Prime Minister Begin on Monday, which took place over the hand-wringing advice of aides who still don't seem able to distinguish between friends and foes. Mr. Begin received no blank checks, but Mr. Reagan made it clear he has his eyes fixed firmly on the main ball: the effort to reestablish Lebanon as a secure, independent nation, free of a Soviet-armed PLO army that terrorizes fellow Arabs as well as Israelis. The same aides who sought to undercut the meeting are now calling it one of the most important of the Reagan administration.

And last week the president resisted the usual ritual of telling the U.N. what it wanted to hear and delivered a forthright speech denouncing Soviet aggression. By implication he even accused the U.N. of hypocrisy for self-righteously posturing about disarmament at a time when it refuses to deal seriously with Soviet violations of existing arms treaties on chemical and biological weapons. It was a refreshing change from several decades of presidential apologetics.

In fairness, Mr. Reagan's lieutenants have on occasion been doing their bit. Secretary of State Haig, for example, pierced the usual veil of intelligence community secrecy the other day to disclose Soviet weapons tests that confirm, if any confirming was needed, that the Soviets take seriously the idea of fighting and winning a nuclear war.

The sequence of the Soviet missile test was as revealing as it was chilling: First, a shot into space intended to blind our intelligence satellites, then a rapid firing of ballistic missiles presumably targeted on our retaliatory forces and lastly a barrage of antimissile missiles to destroy any retaliatory forces that survived and were launched in return. Not a scenario that would indicate the Soviet generals have heard about Foreign Minister Gromyko's no-first-use propaganda.

But the pipeline decision went beyond rhetoric. Mr. Reagan knew he would be criticized for it, and he has been. Among other things, the French and Germans are claiming it violates understandings reached at the Versailles summit. U.S. pre-summit negotiators may have given someone cause to believe there was an "understanding," but there is no evidence in the final communique that the president himself gave in on the pipeline deal. And for that matter, understandings that were even more explicit didn't seem to mean much to the French, who shortly afterward made it clear that they don't intend to observe the communique's "limits" on credit to the East Bloc.

The Soviets have been playing a brilliant game in Western Europe. By holding out the lure of juicy contracts and seemingly low-priced gas, they have played one European country off against another and wangled nearly 100% financing at below-market rates for their credit-starved economy. Western European politicians, eager to stave off recession by whatever means possible and protect their own jobs, played along with Moscow, pretending that detente hadn't gone up in flames as a result of Afghanistan and Poland.

But once Moscow had Europe on the hook, it would be back for evermore credit to prop up its failing economy. The debtor would wind up owning the bank—as the case of Poland so vividly shows. For Mr. Reagan to have turned a blind eye to the drift of things would have been to allow the continuation of an already-failed strategy and risk even more serious divisions in the alliance in the future.

So Mr. Reagan was right to blow the whistle on this particular game, since our allies neither could nor would do so themselves. That is what leadership of an alliance is all about. And Mr. Reagan showed that when it comes to decision time, in foreign affairs as well as domestic affairs, he can cut through the fog on important issues and stick to the principles for which he was elected.

[From the Washington Post, June 23, 1982]

POLISH OFFICIAL OUTLINES PLAN FOR POLITICAL PURGE AT UNIVERSITIES

(By Victoria Pope)

WARSAW.—For the first time since the imposition of martial law, Polish authorities today spelled out a planned purge of the nation's universities that would dismiss teachers on political as well as scholarly grounds.

Poland's minister of science, higher education and technology, Benon Miskiewicz, told journalists that a process of "verification" in the universities would soon begin that would look into the "ethical, moral and sociopolitical attitudes" of university professors.

He stressed that teachers of poor academic standing would be the first to be fired but said university personnel also could face dismissal because of political views. It would be "difficult," he said, for the authorities to tolerate a professor who is against the system.

"There is no place for them," he said.

Miskiewicz's comments marked the first time the government has acknowledged that the mechanism for a political purge of university staff is in place. Special "verification" questionnaires were sent out to the academic community after the imposition of martial law last Dec. 13, and a majority of recipients have now returned the forms, indicating that the review would soon be under way, according to university sources.

The issue of a purge campaign, or "ideological verification," has been the subject of numerous articles in the state-controlled press. But not since the dismissal of the rector of Warsaw University, Henryk Samsonowicz, in mid-April has the government so clearly signaled its wish to cleanse the nation's universities of backers of the independent trade union Solidarity and other activists.

Samsonowicz, a Solidarity supporter who was democratically elected under the liberal university code adopted during the Solidarity era was said to have lost his position in part because he challenged authorities on their right to dismiss outspoken faculty members.

To date, only a purge of journalists has taken place in any organized campaign, but diplomatic observers have long expected the university community—a bastion of opinion makers and intellectual leaders—to be the next target.

Western diplomats in Warsaw said the official announcement today reflected government anxiety over the part university students have played in keeping activism alive in the six months since martial law was declared. The universities were centers of ferment during the 16 months of Solidarity activity and, because of the homogeneity of university life, have remained organized and politically involved.

Alluding to the criteria that the authorities will use to test a professor's worth, Miskiewicz referred to the teacher's role of "shaping youth" and said that, for example, professors who were "against the Polish constitution" would not provide the proper tutelage.

Miskiewicz, the rector of Poznan University until August 1981, said that a curriculum of orthodox Marxism-Leninism in the political sciences would again be compulsory for university students. These requirements were dropped last year under pressure from young Solidarity activists.●

BUSINESS PRACTICES AND RECORDS SIMPLIFICATION ACT SUPPORTED BY ROBERT STRAUSS

● Mr. CHAFEE. Mr. President, during the course of the hearings on S. 708, the Business Practices and Records Simplification Act, amending the Foreign Corrupt Practices Act it became clear that there was strong bipartisan support for amending the act. For example, Ambassador Robert Strauss, who held the position of Special Trade

Representative during the Carter administration, submitted a letter to the Banking Committee indicating his support for S. 708. Mr. President, I ask that the letter from Ambassador Strauss be inserted in the RECORD.

The letter follows:

AKIN, GUMP, STRAUSS,
HAUER & FELD,
Washington, D.C., July 22, 1981.

Hon. JOHN H. CHAFEE,
U.S. Senate, Committee on Banking, Housing, and Urban Affairs, Washington, D.C.

DEAR SENATOR CHAFEE: Thank you for inviting me to testify before the Banking, Housing and Urban Affairs Committee of the Senate regarding S. 708, a bill to amend the Foreign Corrupt Practices Act of 1977. I regret that my absence from Washington makes it impossible for me to appear before the Subcommittee, but I appreciate an opportunity to make a few general comments on S. 708 by this letter.

In my judgment, the Foreign Corrupt Practices Act of 1977 reflected the serious concern of Congress and the American people over the bribery of foreign officials by United States businesses. The thrust of the bill was and is laudable, but the statute created almost as many problems as it solved because of its ambiguities. It seems to me the bill before the Subcommittee would strike an appropriate balance between removing ambiguity from the statute, while preserving the desirable goals of the original Act and maintaining an appropriate enforcement mechansim to deter unlawful payments to foreign officials.

The accounting provisions of the Act, for example, will benefit from several provisions of S. 708. The addition of a materiality standard should ease the understandable anxiety of business persons who feared that inadvertent errors can expose them to liability. Materiality, a familiar concept in securities law, should provide a firmer ground for corporate policymaking regarding books, records and accounts. As I interpret it, S. 708 also allows for a cost-benefit analysis in internal controls of authorization and recording of transactions. This modification significantly diminishes the potentially harsh effect of the current statute, which appears to require absolute accuracy in recordkeeping regardless of cost. Similarly, the reinstatement of the "knowingly" language of the original Senate version of the Act is a reasonable clarification of liability for falsifying records or failing to maintain adequate internal controls. The current statute seemed to impose almost limitless liability on American parent corporations for the conduct of their foreign subsidiaries. S. 708 allows for a conclusive presumption of the company's compliance with the statute upon proof of its good faith effort to police the accounting controls of its subsidiaries. This alteration sets a realistic goal and should encourage corporations to exert meaningful influence over their foreign subsidiaries.

The bill's proposed changes in the Act's anti-bribery provisions make two particularly valuable improvements. First, the ambiguity inherent in the Act's definition of "foreign official" is removed by the elimination of the "ministerial or clerical duties" qualification. S. 708 employs a clear, common-sense definition of "foreign official." Perhaps the most significant portion of S. 708 is proposed section 104. The section prohibits payments whose object is to influence a foreign official "to act or make a decision in his official capacity . . . in violation of the recipient's legal duty as a public servant." In other words, the laws of the recipient's country will govern the lawfulness of the payment. This provision is more realistic and objective than the prohibition in the current Act. The present law can produce the anomalous result of making criminal under U.S. law an act which is neither unethical or unlawful under the practice and laws of a foreign country. By outlining more clearly the limits of proper business conduct abroad, S. 708 should provide better guidance to American companies while maintaining the imperative prohibitions on corrupt business practices.

Finally, the bill would change the current review procedure by safeguarding from disclosure under the Freedom of Information Act the information submitted to the Justice Department for the purpose of securing an opinion regarding compliance. Nor may the information be used for a purpose other than issuing an opinion. These provisions should further the aims of the law by encouraging more companies to use the review procedure, free from the fear of disclosure or further prosecution.

The Foreign Corrupt Practices Act of 1977 was an important achievement, for it demonstrated congressional resolve to eliminate bribery of foreign officials by American businesses. Because I believe that S. 708 would further that goal by clarifying the language of the law and imposing strict yet reasonable prohibitions on corrupt business practices abroad, I support the passage of the bill. I'm sure that with the passing of a few more years we will find that some of the continuing reform undertaken in this legislation will also need review and alteration as you and your colleagues continue in a responsible way to achieve the goals we all desire.

With best regards,

ROBERT S. STRAUSS.●

CONSCIENCE DAY FOR EL SALVADOR IN CONCORD

● Mr. KENNEDY. Mr. President, on April 25, concerned citizens in Massachusetts met in Concord to hold a Conscience Day for the victims of human and political rights violations in El Salvador. The event was sponsored by Amnesty International and 15 other religious and community organizations, and was attended by over 300 people. Events such as this demonstrate that Americans are aware of the human suffering in El Salvador and are deeply concerned about our Government's policies that support repressive regimes which foster violence and death and violate the rights and freedoms of their citizens. In recognition of the concerns of the particpants, I ask that the Concord Conscience Day statement be printed at this point in the RECORD.

The statement follows:

CONCORD CONSCIENCE DAY STATEMENT

This is a Service of Mourning for the innocent victims of torture, murder and massacre in El Salvador. Here in Concord, the birthplace of American freedom, we can do no less than gather to bear this public witness.

We come from differing religious and ethical backgrounds, but on the issue of violence in El Salvador we speak with one voice of profound indignation.

We affirm human dignity as the fundamental right of every man, woman and child without exception.

We deplore the imprisonment, torture and death visited upon the people of El Salvador.

We oppose violence from all quarters, but especially from governments.

We call upon our government to stop our involvement in violence in El Salvador, and to speak out strongly in favor of every person's right to live in freedom.●

IDAHO POTATO PEELERS SET RECORD

● Mr. McCLURE. Mr. President, Idaho has always been famous for its potato growing, but now five Idaho men may have set the world's record in potato peeling. The Twin Falls team peeled 500 pounds of potatoes in 30 minutes beating the previous record set in England of 425 pounds in 45 minutes. No fingers were lost in accomplishing this feat, though three men suffered cuts on their hands. This record will be submitted to the Guinness Book of World Records.

I ask that the Times-News article be printed in the RECORD.

The article follows:

TWIN FALLS.—The world record for potato peeling may have been brought to Idaho on Thursday, as a five-man team sliced through 500 pounds of potatoes in 30 minutes.

The existing record, set last year by a team in England, was 425 pounds peeled in 45 minutes. News of the Twin Falls feat will be submitted to the Guinness Book of World Records.

When this attempt to break the record was over, team members found all fingers present and accounted for, though three of them had cuts on their hands.

For the record, potatoes must be peeled with ordinary kitchen knives. When peeled, the spuds must weigh eight ounces or more and must meet "institutional cookery standards."

In assaulting the world record, the peelers took full advantage of this admittedly vague standard.

The potatoes they used were large, so peelers could remove generous amounts of potato along with the peel while still keeping the finished product above the eight-ounce minimum. Large potatoes also meant that fewer potatoes had to be peeled before the record was broken.

Organizers of the potato-peeling team said their research showed no provision in the rules for weighing the peeled product—the record is apparently based only on the starting weight of the potatoes peeled.

Team captain Tim Obenchain of Twin Falls started peeling each potato by making fast cuts at the ends, sometimes cutting off almost a third of the potato. Then he would remove thick slices of potato and peel with lengthwise strokes.

"I knew I should have been a doctor," he said.

"This is a combination of potato peeling and slicing," said team member Blaine Breckon of Nampa.

David Whiteley of Twin Falls, when asked how he prepared for the event, said he did no training. "If you train at all, you overtrain," he said.

Other members of the peeling team were Jack Warberg, and Armour Anderson, both of Twin Falls.

C. L. "Foggie" Fisher of Kimberly worked harder than the peelers as a one-man crew keeping buckets of potatoes filled at the feet of each peeler and collecting the peeled products.

"They told me I'd only have to peel a bucket, but they kept filling it up," Breckon said during the peeling.

The peelers were all Rotary Club members and their record attempt was the first event of their district convention, which will be held in Twin Falls through Saturday.

The peeled potatoes were given to the Canyon Springs Inn, the site of the record attempt. Where they will be turned into mashed potatoes.●

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress received advance notification of proposed arms sales under that act in excess of $50 million, or in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications have been received.

Interested Senators may inquire as to the details of these preliminary notifications at the office of the Committee on Foreign Relations, room 4229, Dirksen Building.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 21, 1982.
In reply refer to: I-01804/82ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country for major defense equipment tentatively estimated to cost in excess of $14 million.

Sincerely,

WALTER B. LIGON,
Acting Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 21, 1982.
In reply refer to: I-01599/82ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an East Asian country tentatively estimated to cost in excess of $50 million.

Sincerely,

WALTER B. LIGON,
Acting Director.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, 4229 of the Dirksen Building.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 21, 1982.
In reply refer to: I-02309/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-69 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost $48 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

WALTER B. LIGON,
Acting Director.

TRANSMITTED NO. 82-69

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: United Kingdom.

(ii) Total estimated value:

	Million
Major defense equipment [1]	$28
Other	20
Total	48

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Three Vulcan-Phalanx MK 15 MOD 2 Close-In Weapon Systems with 60,000 rounds of ammunition and logistical support.

(iv) Military department: Navy (LCK).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 Report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 21 June 1982.

POLICY JUSTIFICATION

UNITED KINGDOM—VULCAN-PHALANX CLOSE-IN WEAPON SYSTEMS

The Government of the United Kingdom has requested the purchase of three Vulcan-Phalanx MK 15 MOD 2 Close-In Weapon Systems (CIWS) with 60,000 rounds of ammunition and logistical support at an estimated cost of $48 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the United Kingdom; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

This is a follow-on to a previous sale of one CIWS system to the UK at an MDE cost of $9.4 million. These three additional CIWS systems would significantly enhance the close-in AAW capability of UK ships. The UK has the military assets to utilize these systems effectively.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the General Dynamics Corporation of Pomona, California.

A total of four personnel (three USG and one contractor representative) will be required in the United Kingdom during the installation of these systems. Installation of the requested material is projected to occur during the July-September 1982 time frame.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

TRIBUTE TO DR. ROBERT J. KIBBEE

● Mr. MOYNIHAN. Mr. President, it is with deep sadness and a sense of great personal loss that I rise today to pay tribute to Dr. Robert J. Kibbee, who passed away in New York City last week.

Dr. Kibbee served as chancellor of the City University of New York for over a decade, having assumed that

post in 1971. Under his leadership, City University overcame significant obstacles, many of them financial, and although required to abandon its free tuition policy, maintained its commitment to insuring that those desiring access to higher education would have such an opportunity.

Dr. Kibbee was born on Staten Island. He attended Xavier High School in Manhattan and received his bachelor's degree at Fordham University. Dr. Kibbee served in the Armed Forces. He received his master's doctoral degrees from the University of Chicago. Dr. Kibbee's entire career was devoted to higher education. He held a variety of administrative positions at institutions of higher education across the country, and served as an educational adviser in Pakistan, where he helped redesign that country's education system.

Perhaps the best tribute to Dr. Kibbee's tenure as chancellor of the City University of New York, is the fact that thousands of New York City residents were able, largely due to the efforts and spirit of Dr. Kibbee, to avail themselves of the opportunity to pursue higher education. His death is a loss not only to the university, the city of New York, and the State, but to higher education.

Mr wife Elizabeth and I extend our deepest sympathy to his wife, Margaret, and his three children, Robert Jr., Douglas, and Katherine.

Mr. President I ask that a recent New York Times article about Dr. Kibbee appear in the RECORD following my remarks.

The article follows:

ROBERT J. KIBBEE, CHANCELLOR OF CITY UNIVERSITY FOR MORE THAN A DECADE, DIES AT 60

(By Gene I. Maeroff)

Dr. Robert J. Kibbee, the chancellor of the City University of New York, died at his home in Manhattan Wednesday night at the age of 60. His death, after a long illness, came two weeks before he was to retire from the post he had held for more than a decade.

The university's trustees had been scheduled to choose his successor within the next few days.

Dr. Kibbee's tenure as chancellor of the country's third largest university coincided with one of the most painful eras of the institution, which was set up in 1961 through the amalgamation of the New York City's various publicly supported colleges.

The second year of the policy of open admissions, under which the City University admitted all city high school graduates who applied, was beginning when he took over the leadership in 1971 from Dr. Albert H. Bowker, who became chancellor of the University of California at Berkeley.

DEFENDED OPEN ADMISSIONS

Dr. Kibbee, who had acquired most of his experience at selective private institutions, repeatedly had to defend the City University from critics. They charged that the university's academic quality was being diluted to absorb thousands of inadequately prepared freshmen in an institution that had maintained rigorous entrance requirements.

"Over the years, we have come to identify quality in a college not by whom it serves but by how many students it excludes," he said recently in defense of open admissions. "Let us not be a sacred priesthood protecting the temple, but rather the fulfillers of dreams."

Dr. Kibbee remained cool during the many crises that followed.

DOING "THE BEST YOU CAN"

"You start from the point that you think you know what you are trying to do," he said. "You do the best you can and recognize that everything is not going to happen the way you want it to happen. There is always tomorrow, and you shouldn't look on every setback as a disaster."

The 1970's proved to be a difficult decade for all of American higher education, and Dr. Kibbee had to guide the City University through financial difficulties. He frequently was called upon to arbitrate conflicts over budget reductions.

A 10 percent reduction in the institution's $550 million budget during the 1975-76 academic year set the stage for a lengthy drama. Several campuses of the 20-unit system were threatened with extinction, the institution's suppliers were not paid and the entire university finally closed for two weeks in May, just as final examinations were approaching.

RENEGING ON A COMMITMENT

To Dr. Kibbee, the worst part of the crisis was having to dismiss more than 1,000 faculty members who had been awarded new contracts six months earlier.

"We had a commitment to them and then we reneged," he said several years later. "It just wasn't fair, but the financial problem didn't allow any other solution."

The price of getting the university reopened was the abandonment of its free-tuition policy. Dr. Kibbee successfully resisted proposals for a takeover by the State University of New York and did not shy away from political infighting when he thought it necessary.

"He never wavered from his great and passionate commitment that insuring access to a higher education is a social and economic imperative of our society," Governor Carey said yesterday.

During the middle and late 1970's, Dr. Kibbee found himself increasingly honing skills more characteristic of a politician than of a scholar.

He was confronted by a Board of Higher Education whose members often appeared to subordinate academic needs to political considerations, and he found the appointment of presidents for the university's various campuses to be a matter of keen interest to elected officeholders.

In April 1981, Dr. Kibbee announced that he would retire from the chancellorship in June 1982, giving the trustees 14 months to find his successor. Although he had undergone cranial surgery several months earlier, he said his health was not a factor in his decision.

"I'm not as active and agile as when I came here, but I'm 10 years older," he said.

MORE THAN JUST ACADEMICS

Dr. Kibbee was a pragmatist who resisted efforts to cast his role as chancellor in philosophical terms.

"It's always nice to think of yourself as the academic chieftain of an intellectually oriented body," he said. "But it costs money and takes buildings and equipment to have a university. This is the responsibility of the chief executive, and if you're not willing to accept it, then you should stay out of this business."

Opponents were often bemused and frustrated by his seemingly bland approach. The only signals that Dr. Kibbee, a rumpled six-footer, ever seemed to give of his perturbance were a few extra puffs on his omnipresent pipe.

Even when his independence provoked both the Governor and the Mayor to seek his ouster, Dr. Kibbee remained taciturn, accepting criticism in silence or, at most, delivering a dry witticism, his

"If you can live long enough, you will outlast your critics," he said.

A lack of effusiveness, however, did not mean Dr. Kibbee was insensitive. He held fierce loyalties, was quick to voice compassion and was always among the first to commiserate with colleagues with personal problems.

Dr. Kibbee's background may have helped develop empathy.

He was born on Aug. 19, 1921, on Staten Island, and his parents separated when he was a small boy. He carried both the blessing and the burden of growing up as the son of a famous father, Guy Kibbee, the actor.

SERVED IN ANTIAIRCRAFT UNIT

His mother moved the family to Manhattan's West Side. He attended Xavier High School and earned a bachelor's degree at Fordham University, where the show-business connections through his father won him a reputation for being able to get his friends into concerts by the popular big bands.

He entered the Army after his graduation from Fordham in 1943 and was serving in an antiaircraft unit in the Philippines when World War II ended.

After his discharge, Dr. Kibbee attended the University of Chicago, getting a master's degree in 1947 in educational administration. His involvement in a long study of higher education in Arkansas led to an appointment as a dean at Southern State College there.

In 1955, he moved to Drake University in Iowa as dean of students. He also resumed his studies at the University of Chicago, earning a doctorate in higher educational administration in 1957.

BECAME ADVISER IN PAKISTAN

Dr. Kibbee left Drake the following year to represent the University of Chicago as an educational adviser in Pakistan. The job expanded to a three-year assignment and included membership on a committee that redesigned that country's educational system.

He returned to the United States in 1961, joining the Carnegie Institute of Technology in Pittsburgh as assistant to the president, John C. Warner, whom he had known as one of the other consultants in Pakistan. In 1965, Dr. Kibbee was promoted to vice president and continued in a similar position after a merger that created Carnegie-Mellon University.

Dr. Kibbee was a surprise choice to head the City University, an institution unlike any he had been associated with previously.

Despite the public exposure in the $69,100-a-year position, he maintained a private personal life, and few of those who worked closely with him were aware of his interest in the ballet or his enjoyment of an occasional round of golf.

Dr. Kibbee took the initiative on one of the few occasions that his personal life became public. In 1973, he sent letters to

each campus president in the City University and to the members of the Board of Higher Education, telling of his separation from his wife, the former Katherine Kirk.

He remarried in the spring of 1980, to Margaret Rockwitz, a faculty member at Kingsborough Community College in Brooklyn.

The marriage took place while Dr. Kibbee was convalescing from surgery. He returned to work that spring, but a year later still looked drawn and never seemed to regain his former vigor.

In a commencement address last week, Dr. Kibbee counseled the graduating class at Brooklyn College to be humble and compassionate and to "temper your judgments to the limit of your knowledge."

He did not appear at the ceremonies because of his declining health, and his address was read to the 2,900 graduates by Jerald Posman, a vice chancellor.

Dr. Kibbee, stressing to the graduates that the only advantage he had over them was longevity, said that "what I have learned by living is that there is too much arrogance, simplemindedness and indifference in the world."

In addition to his wife, Dr. Kibbee is survived by two sons, Robert Jr. of Ithaca, N.Y., and Douglas of Bowling Green, Ky., and a daughter, Katherine Paterson of London.

Viewing hours will be today from 10 A.M. to 9 P.M. and tomorrow from 9 to 11:30 A.M. at the Frank E. Campbell Funeral Chapel, Madison Avenue and 81st Street. There will be a funeral mass tomorrow at 1 P.M. at St. Ignatius Loyola Roman Catholic Church, Park Avenue and 84th Street.●

THE DAIRY STABILIZATION ACT

● Mr. BOREN. Mr. President, on May 27, I joined nine other Senators in sponsoring S. 2587, the Dairy Stabilization Act.

The Dairy Stabilization Act was developed with the unified support of our Nation's dairy farmers, working through the National Milk Producers Federation. It represents a sound plan to bring U.S. dairy production back into balance with consumption.

The most attractive part of this proposal is that it would reduce the Government's responsibility for operating the dairy program. In fiscal year 1983, this proposal would result in a savings of $1.3 billion.

Yesterday, I voted against the conference committee report on the budget because I believe it did not reduce deficits enough. In order to reduce the deficit and move toward a balanced budget, all programs must meet strict budgetary scrutiny. At the same time, we must keep intact those programs which are vital to the well-being of the Nation. Such a program is the dairy program. Granted, this program has gotten out-of-hand in the past few years, and it is now necessary to revise the program in a way that will more properly balance supply with demand. In doing so, we are all aware that we must decrease Federal Government expenditures in the dairy program.

The Dairy Stabilization Act provides us with an opportunity to accomplish these goals. Through enactment of this legislation, we will reduce Federal Government expenditures in fiscal year 1983 by $1.3 billion. Further, it limits Government spending to $792 million in fiscal year 1983 in this program and provides that the dairy farmers themselves must finance everything above that amount.

This legislation gives dairymen a positive incentive to reduce production for reduction in milk marketings below year-earlier levels. It also would retain a reasonable basis for planning and minimum price insurance our dairy farm families need to stay in business. If enacted, this legislation would guarantee that the future dairy needs of American consumers will be met at reasonable prices.

A very important aspect of this proposal is the two-tier pricing system which gives dairy farmers the supported price on milk for which there is commercial demand and a much lower price on surplus milk. This will give our dairy farmers the incentive to not "overproduce," and, as we all know, overproduction—surplus—is the reason we are in the present situation. This system will not penalize the farmers who reduce their production; rather, it will penalize only those who increase their production.

The administration's proposal, the Emergency Dairy Adjustment Act, S. 2533, centers on a cut in the Government support level for milk as a solution. The Dairy Stabilization Act is preferable legislation.

The administration's proposal is punishment that would serve no constructive purpose. A straight price cut in the short-run would only make current milk surpluses worse by forcing many dairymen to increase production to counter cash-flow pressures. Over the long run, the administration's proposal would jeopardize America's milk productive capacity by forcing to many dairy families out of business. This, in turn, would not assure that the dairy needs of our consumers would be met.

The Dairy Stabilization Act will meet the demands and goals; in particular, this proposal will cost the Government $408 million less in fiscal year 1983 than the administration's proposal, using the administration's own cost estimates. Our proposal will also provide the most expedient solution to the problem we face. Even Secretary Block admitted this when, in reference to the Dairy Stabilization Act, he said, "I would admit that the program you have recommended provides for the quickest correction to the problem that exists. There is absolutely no question about it."

I would urge all of my colleagues to carefully review the various dairy proposals and would hope that all my colleagues would join in this effort to provide a quick, equitable solution to the problem of dairy surpluses and the excessive costs of the dairy program.●

REGIONALIZATION OF THE STRATEGIC PETROLEUM RESERVE

● Mr. D'AMATO. Mr. President, on May 26, 1982, the Senate adopted my amendment to S. 2332, cosponsored by Senators HAWKINS, MURKOWSKI, and PERCY, which would require, no later than December 31, 1982, a comprehensive study of the need for establishing a regional petroleum reserve pursuant to section 157 of the Energy Policy and Conservation Act.

I strongly believe that it is in the interest of our Nation's energy security that there be regional reserve locations in those areas of the country most dependent on imported oil. Clearly, New York and the rest of the Northeast relies on imported oil for its energy needs to a greater extent than any other area in the United States.

A new report by the Congressional Research Service illustrates the vulnerability of the east coast to an oil shortage. The study asserts that:

Given the critical dependence of PADD I—Petroleum Administration for Defense District which includes Rhode Island, Maine, Massachusetts, Vermont, New Hampshire, Connecticut, New York, Pennsylvania, New Jersey, Maryland, District of Columbia, Delaware, West Virginia, North Carolina, South Carolina, Georgia, and Florida—upon outside sources of supply, it would appear that there remains a notable case to be made for regional storage in PADD I—or more aggressive anticipatory preparedness policies undertaken by the industrial sector and other private sector oil consumers likely to be adversely affected during a significant shortage.

This study is a timely one, and I ask that it appear in the RECORD.

The study follows:

REGIONALIZATION OF THE STRATEGIC PETROLEUM RESERVE: HISTORY, GENERAL OBSERVATIONS AND ANALYSIS OF PADD I VULNERABILITY

SUMMARY

The Energy Security Act (Public Law 96-294) established a minimum fill rate for the Strategic Petroleum Reserve (SPR) of 100,000 b/d, which must be administered by the Department of Energy independent of crude oil prices or market conditions. Later enactments, notably the Omnibus Budget Reconcilation Act of 1981 (Public Law 97-35) required the Administration to "seek" to fill the SPR at a rate of 300,000 b/d, but allowed the Administration some latitude in its procurement policy.

In the fiscal year 1983 budget, the Administration has proposed a deferral in the projected expansion of the SPR which implies a fill rate during the next several fiscal years roughly half that of the 300,000 b/d directive in Public Law 97-35. Consequently, Congress is weighing the establishment of a higher, unconditional minimum fill rate for the SPR. The fill rates proposed in recent House and Senate legislation would necessi-

tate the purchase or lease of interim storage facilities because the rates would exhaust available permanent storage. The prospect of securing interim storage, which would not necessarily be based in the Gulf Region where permanent SPR storage facilities are located, has renewed interest in regionalization of the SPR.

In March 1978, the Department of Energy had recommended establishment of a Regional Petroleum Reserve (RPR) for the East Coast, but the suspension of SPR fill during 1979 and most of 1980 deferred study and development of an RPR program. An examination of crude and petroleum product flow into the East Coast suggests that the Eastern coastal states (PADD I) might continue to be particularly vulnerable during shortages.

However, the Administration does not appear to be disposed to accelerate construction of permanent Gulf Coast facilities—or to support regionalization of the SPR—arguing that the effect of additional outlays on the budget outweighs the national security advantages of accelerating SPR fill by a couple of years. This, coupled with the Administration's blunt message that the private sector should assume a share of the cost and responsibility for energy emergency preparedness, suggest that regionalization of the SPR would, for the foreseeable future, require a Congressional initiative.

INTRODUCTION

On May 26, 1982, the Senate passed S. 2332, a vehicle intended initially to provide for the extension of international energy program authorities, but which included further provisions pertaining to Federal energy emergency preparedness and the Strategic Petroleum Reserve (SPR). One amendment adopted on the floor of the Senate would require, no later than December 31, 1982: "A comprehensive study of the need for establishing a Regional Petroleum Reserve pursuant to section 157 of the Energy Policy and Conservation Act. Such study shall examine the economic benefits and costs of such a Reserve at various potential locations."

Regionalization of the SPR is hardly a new concept. The Energy Policy and Conservation Act (Public Law 94-163), which created the Reserve, required that the SPR Plan provide for establishment and maintenance of a Regional Petroleum Reserve in, or in ready access to Federal Energy Administration (FEA) regions that imported 20 percent or more of its refined product during the 24-month period prior to the computation.[1] The law also states that the SPR should be designed to assure that "to the maximum extent practicable, that each noncontiguous area of the United States which does not have overland access to domestic crude oil production has its component of the [SPR] within its respective territory."[2]

The Federal Energy Administration found in its calculations that FEA regions 1 through 4 were sufficiently dependent upon product imports to meet the criteria for establishment of a Regional Petroleum Reserve. As is shown by the map on the next page, FEA regions 1-4 essentially encompass the East Coast, closely approximating what is also termed as Petroleum Administration for Defense District (PADD) I.

Nonetheless, FEA concluded that establishment of a Regional Petroleum Reserve to service FEA regions 1-4 and noncontiguous areas of the country was not necessary at that time. The agency argued: "Storage of crude oil in large centralized facilities in the Gulf Coast would provide a Reserve that would be readily accessible to regions 1 through 4, and would effectively meet the crude oil, residual oil and refined product needs of those Regions as well as all other Regions of the country. . .without delaying or otherwise adversely affecting fulfillment of the purpose of the [Regional Petroleum Reserve]. FEA has also determined that it would not be practicable or necessary to store a portion of the Reserve in the noncontiguous areas of the country. Storage of crude oil in centralized facilities in the Gulf Coast area would permit ready and nondiscriminatory protection for the noncontiguous areas."[3]

These conclusions did not violate the letter of the law. The language in EPCA provided for regionalization of the Reserve in noncontiguous areas "to the maximum extent practicable," and that substitution might be made for volumes in the RPR if necessary for "economy, efficiency, or for other reasons," and if it would not frustrate the objectives of the RPR.[4]

Subsequently, in March 1978, the SPR plan was amended to provide for product storage for the East Coast. The Department of Energy described the FEA's earlier conclusions as "still essentially valid," but noted that "some desirable additional flexibility can be provided by product storage." This was because DOE had observed that the industrial sector did not necessarily maintain adequate levels of stocks in reserve, and was uncertain that refineries in the Carribean could provide adequate supplies of residual oil in a timely fashion.[5]

The Plan amendment was intended to provide for storage of 20 million barrels of residual fuel oil. Potential sites had been identified along the East Coast of Canada and along the Gulf Coast, to be subject to further study and discussions with the Canadian Government. These sites were to be low-cost underground facilities, estimated to be no more costly than the salt cavern facilities used for the SPR itself.[6] This last finding—namely, that it would not be significantly more expensive to create regional storage—seemed key to the Department's support for creating regional product storage. The agency noted: "Because the SPR is an insurance program against interruption risks, it is appropriate to buy some protection against these uncertainties and risks, if such insurance can be purchased at approximately the same cost as storage of crude oil in Gulf Coast salt domes. A 20 MMB product reserve would be able to respond to a number of potential problems. . . ."[7]

In the 1980 Annual Report, DOE reported that plans for regionalization of the Reserve had been expanded to include Hawaii (2.3 million barrels of crude and 700,000 barrels of kerosene) and Puerto Rico (800,000 barrels of crude and 500,000 barrels of unfinished naptha). The agency indicated that regionalization would be "contingent" upon availability of funding from the Windfall Profits Tax, and that an amendment to the SPR Plan would be submitted to Congress after the proposed tax were enacted.[8] President Carter suspended purchases for the Reserve in November 1978, citing difficulty of securing supply in the wake of the Iranian revolution, and in some hope that any move to ease demand in spot markets would moderate the spiraling effect on prices. There were modest increases to the SPR after spring 1980 and no further additions after August 1979 until fill was resumed in September 1980 pursuant to the Energy Security Act (Public Law 96-294). The curtailment of fill was accompanied by delays in facilities development, and a decision to defer regionalization. The 1981 Annual Report had nothing to say on regionalization other than: "There has been no formal funding of a specific Regional and Noncontiguous Petroleum Reserve program if fiscal year 1980 or fiscal year 1981 and decisions regarding the Regional and Noncontiguous Petroleum Reserves have been deferred."[9]

There is no allusion to the regionalization program in the 1982 report.[10]

RENEWED INTEREST IN REGIONALIZATION OF THE SPR

On March 24, 1982, the Senate failed to override President Reagan's veto of the proposed Standby Petroleum Allocation Act of 1982 (S. 1503), which would have established new standby contingency price and allocation control authorities. The defeat of that legislation, and Congressional uneasiness over the absence of explicit Federal energy emergency plans, has focused attention on the SPR as the nation's principal bulwark against the effects of a petroleum supply interruption.

In its budget request for fiscal year 1983, the Administration proposed a deferral in development of Phase III storage facilities, effectively postponing completion of a 750 billion barrel reserve until 1990. Projected expansion of the Reserve had implied a fill rate of 189,000 b/d during fiscal year 1982-89; with the proposed deferral, the fill rate has been projected by the General Accounting Office to average closer to 168,000 b/d during fiscal year 1982-90.[11]

[1] Even though the Federal Energy Administration has long since disappeared, EPCA retains the concept of the FEA regions for purposes of the SPR. A map showing the FEA regions appears on page 3 of this report.

[2] Sec. 154(d).

[3] U.S. Congress. House. Strategic Petroleum Reserve Plan. Communication from the Administrator, Federal Energy Administration, transmitting the Strategic Petroleum Reserve Plan, pursuant to Section 154(b) of the Energy Policy and Conservation Act (Public Law 94-163). 95th Congress, 1st session, H. Doc. No. 95-12, p. 96.

[4] EPCA, Sec. 154(d) and Sec. 157(c).

[5] U.S. Department of Energy. Assistant Secretary for Resource Applications. Strategic Petroleum Reserve Office. Expansion of the Strategic Petroleum Reserve: Amendment No. 2, Energy Action DOE No. 1. DOE/RA-0032/2, p. 5-6, 33.

[6] Ibid., p. 33. A resolution (H.J. Res. 355) has been introduced in the 97th Congress by Rep. St Germain which would direct the Secretaries of State and Energy to begin discussions with Canadian officials on establishing a joint strategic petroleum reserve. Comment has been requested of DOE, DOD and the State Department.

[7] Ibid., p. 38.

[8] U.S. Department of Energy. Assistant Secretary for Resource Applications. Deputy Assistant Secretary for Strategic Petroleum Reserve. Strategic Petroleum Reserve: Annual Report. February 16, 1980: p. 43.

[9] U.S. Department of Energy. Strategic Petroleum Reserve: Annual Report. February 16, 1981: p. 16.

[10] U.S. Department of Energy. Strategic Petroleum Reserve: Annual Report. February 16, 1982.

[11] U.S. Congress. Senate. Committee on Energy and Natural Resources. Report together with additional and minority views to accompany S. 2332. S. Rept. No. 97-393: p. 14.

The implied rate of expansion and fill rate of the SPR has seemed inadequate to some Members of Congress because of (1) the relative stability in oil markets at present of both price and supply; (2) the likelihood that the prevailing stability may be conditional and not necessarily a trend to be presumed upon; (3) the importance of the SPR in U.S. energy emergency preparedness policy in the absence of broader, explicitly articulate preparedness plans; and (4) the administration's seeming non-urgency in the face of legislative directives indicating the preference of the Congress for a more agressive fill of the Reserve.[12]

The Energy Security Act (Public Law 96-294), enacted in June 1980, had established an unconditional minimum fill rate for the Reserve of 100,000 b/d. In the Department of Interior and Related Agencies Appropriations (Public Law 96-514), enacted in December 1980, Congress required the President to "seek to fill" the Reserve at 300,000 b/d to fully utilize appropriated funds, subject to price and market factors. The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) specifically amended the SPR enabling legislation (EPCA, Public Law 94-163) to incorporate the 300,000 b/d target. That language required the President to "immediately seek to undertake and thereafter continue . . . crude oil acquisition, transportation, and injection activities . . . at an average annual rate of at least 300,000 barrels per day."

Congress is presently considering legislation which would dispense with the latitude afforded by the language enacted in Public Law 97-35. A Senate bill, S. 2332, passed on May 26, 1981 (88-7), would require the President to "immediately undertake, and thereafter continue . . . activities at a level sufficient to assure that" petroleum acquired for permanent or interim SPR storage average 300,000 b/d until the Reserve reaches 500 million barrels; thereafter, the Administration could exercise the same discretion allowed by Public Law 97-35 in filling the last third of the Reserve's planned 750 million barrel capacity. A bill being considered in the House, H.R. 6337, would raise the unconditional minimum fill rate to 200,000 b/d until the Reserve reached 500 million barrels.[13]

Both these bills would require a fill rate that would outstrip projected additions to permanent SPR capacity, and imply the need to secure interim storage, whether in the form of auxiliary tanker storage or inland capacity. Both House and Senate proposals authorize expenditures from the off-budget SPR account for acquisition of interim storage facilities. Estimates of the volume of interim storage capacity and its costs vary. The Administration has supported the House proposal, arguing that the additional outlays and budgetary impact of the Senate proposal dwarf national security arguments for accelerating achievement of a 500 million barrel Reserve by 1984 rather than 1986.[14] Estimates of the costs of tanker storage have varied widely, ranging between $1.20-$3.00 bbl/yr. Depending upon market conditions, outright purchase of tankers might entail the least outlay of funds. In a July 1981 internal document, the Department of Energy concluded that above-ground steel tanks were the most costly means of accelerating SPR expansion in "real dollar costs," but that if one assumes accelerating acquisition costs, above-ground interim storage could be less expensive than expansion or creation of new solution-mined sites, and by permitting speedier fill, would—independent of cost considerations—enhance the national security value of the Reserve at an earlier date.

The prospect of having to secure interim storage which would not necessarily be based in the Gulf Region where the permanent SPR storage facilities are located has renewed interest in regionalization of the SPR. If it should be necessary to purchase or lease interim or auxiliary facilities, are there distinct advantages to basing these facilities in one location in preference to another?

THE CASE OF PADD I [15]

Congressional testimony continues to convey concern that the East and West Coasts may bear disproportionate burdens during shortages because the SPR is not connected to all regions by direct pipeline, and crude and product supplies are not maintained close to the refineries or markets of some areas.[16] Others continue to perceive, as did the Department of Energy in 1978, a need for regional storage for the East Coast, which, in contrast to the West Coast, has little indigenous production and is highly dependent upon imports to satisfy demand.[17]

Existing and projected sites for Strategic Petroleum Reserve facilities and terminals are located along the Gulf Coast, in Texas, Lousiana and Mississippi where there is a concentration of refining capacity, crude and product pipelines. Along the West Coast, there are concentrations of refining capacity in and near to San Francisco and Los Angeles, and in the south central portion of California. Major crude pipelines in California run North-South roughly 75 miles inland, but originate at the San Francisco Bay. There are other crude pipelines originating from the Coast, one near San Luis Obispo, and others at Oxnard (approximately 60 miles up the coast from Los Angeles) as well as in the vicinity of Los Angeles-Long Beach.[18]

Refining capacity is also concentrated in Puget Sound in Washington State which services Alaskan and imported crudes. Construction of the Northern Tier pipeline, stalled pending the outcome of litigation in progress, which would originate from Puget Sound, would open additional possibilities, either enhancing the appeal of an auxiliary SPR in the Pacific Northwest, or making possible creation of an above-ground reserve in the Williston Basin in North Dakota. In contrast, the East Coast offers few options as the only significant concentration of refineries and product pipelines is off the Delaware Bay, with a lesser group in the northern New Jersey area.

In the absence of an operational Northern Tier pipeline, it would seem of greater utility to create a regional Reserve to service the East Coast than it would the West Coast. Statistics on the flow of oil into and from the two coasts compiled by the Department of Energy suggest why this might be so. The accompanying table summarizes monthly data for calendar year 1981 for PADD I, essentially the East Coast, and PADD V, essentially the West Coast.[19]

The table does not provide a barrel-for-barrel accounting; indeed, DOE tables often include a category of "unaccounted for" oil in order to balance oil flow statistics. But the figures do portray a picture, and reveal that PADD V has significantly less crude imports than PADD I, and has a significant volume of indigenous production. Some petroleum, virtually all crude, moves from PADD V via the Panama Canal to PADDs I and III. Meanwhile, PADD I is far more dependent upon crude and product imports, and receives a significant volume of product from PADD III, and a little from PADD II.[20] Given the critical dependence of PADD I upon outside sources of supply, it would appear that there remains a notable case to be made for regional storage in PADD I—or more aggressive anticipatory preparedness policies undertaken by the industrial sector and other private sector oil consumers likely to be adversely affected during a significant shortage. Absent construction of the Northern Tier Pipeline, the West Coast, because of its production capacity, does not appear to require a Regional Petroleum Reserve.

PROSPECTS FOR REGIONALIZATION

The Administration has not advocated regionalization of the SPR, and would presumably accelerate construction of Gulf Coast SPR facilities before it would support construction or lease of permanent or interim facilities elsewhere in the Nation. The Administration proposes to do neither, and as has already been noted, has proposed deferring completion of a 750 million barrel reserve, previously projected for fiscal year 1989, to fiscal year 1990.

The regionalization issue captures all the dynamics of past emergency preparedness policy debates. At hearings held before the Senate Energy and Natural Resources Committee on May 6, 1982, DOE Assistant Secretary William Vaughn testified that the Administration's current SPR policy is "sound, particularly in light of the constraints in

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[12] See debate on S. 2332: U.S. Congress. Congressional Record, daily edition, Vol. 128, No. 66. Wednesday, May 29, 1982: p. S6046-81; S6095-99.

[13] The Senate report on S. 2332 is cited in full on the previous page. See also: U.S. Congress. House. Committee on Energy and Commerce. National Energy Emergency Preparedness Act of 1982. Report to accompany H.R. 6337. H. Rept. No. 97-585, Part I: p. 7.

[14] For detailed discussions, analysis and estimates of the costs of interim storage, see (1) the committee reports cited above; (2) U.S. Library of Congress. Congressional Research Service. The Feasibility of Using Tankers as Interim Strategic Petroleum Storage. Kaufman, Alvin. Bamberger, Robert. Bowen, Alva M., Jr. Nelson, Karen K. May 28, 1982. 18 p; (3) Strategic Petroleum Reserve Office. Strategic Planning and Analysis Division. Strategic Petroleum Reserve Acceleration: Report to the Secretary. July 1981: p. III-3.

[15] Portions of the following section are adapted from: Kaufman, et al., op. cit., p. 14-18.

[16] Testimony of the Saltville Underground Storage Company before the Senate Committee on Energy and Mineral Resources, March 25, 1982.

[17] See, for example, the prepared testimony of the Independent Fuel Terminal Operators Association for the hearing cited above: p. 4-5.

[18] A number of helpful maps showing where crude and product pipelines, refineries and other facilities are to be found appear in: International Petroleum Encyclopedia: 1981. PennWell Publishing Co., Tulsa, Oklahoma, 1981.

[19] PADD I consist of Rhode Island, Maine, Massachusetts, Vermont, New Hampshire, Connecticut, New York, Pennsylvania, New Jersey, Maryland, District of Columbia, Delaware, West Virginia, Virginia, North Carolina, South Carolina, Georgia and Florida. PADD V consists of Arizona, Nevada, Washington, Oregon, California, Alaska and Hawaii.

[20] The table does not show the breakdown of crude and product movements between specific PADDs, but this data, too, is available in the Monthly Petroleum Statement (DOE/EIA 0109), published for 1981 by the Energy Information Administration and recently superseded by the Petroleum Supply Monthly (DOE/EIA 0109).

the President's budget and permanent storage limitations."

Regionalization of the SPR is not unlike shopping for insurance. Insurance is costly, and how much coverage one is willing to purchase depends upon the likelihood and severity of perceived catastrophe, balanced against one's ability to afford protection. But it also depends upon the extent to which it is presumed that those with greater ability to afford insurance should pay to insure those with less, but presumably some, means to insure themselves. Estimates by CRS of the costs of interim tanker storage to support a 300,000 b/d fill rate until the SPR would reach 750 million barrels vary between $1.2-$2.9 billion.[21] The General Accounting Office (GAO) estimated that the costs of interim storage to maintain a fill rate of 300,000 b/d until the Reserve reached 500 million barrels would range between $700 million and $1.1 billion through fiscal year 1986.[22]

The Administration's message to the private sector has been blunt: that the Government will not bear alone the costs of assuring to private users a reliable or "equitable" source of petroleum supply during severe shortages. One may make a case for the particular vulnerability of the East Coast, but that case may recommend the undertaking of private sector initiatives for building industrial reserves just as it might Federal initiative for a Regional Petroleum Reserve. The Federal Government would be the only body which could sensibly establish and coordinate a shared auxiliary supply, but the Administration appears to believe, if it is indeed worthwhile to have as much petroleum in as many places as possible, that the private sector should be seeking to fill or to create its own decentralized supply, and not wholly rely upon the Federal Government.

If so, it does not seem likely that the Administration will support the cause of regionalization of the Strategic Petroleum Reserve. Formal regionalization of the SPR, as conceived in the authorities enacted in the Energy Policy and Conservation Act would, for the foreseeable future, doubtless require a Congressional initiative.

APPROXIMATE SUPPLY AND DISPOSITION OF PETROLEUM, PADD's I AND V (1981)

[In thousands of barrels]

1981	PADD I							PADD V							Exports [6]
	Crude import	Product import	Net receipts [1] (crude and products)	Field production [2]	Withdrawal from stocks [3]	Implied supply available [4]	Product supplied [5]	Crude import	Product import	Net receipts [1] (crude and products)	Field production [2]	Withdrawal from stocks [3]	Implied supply available [4]	Product supplied [5]	
January	41,634	44,565	101,670	5,724	28,172	221,765	221,544	11,315	1,058	−6,527	82,031	−1,213	86,664	74,528	10,731
February	38,710	38,780	88,934	5,058	−1,905	169,577	170,324	10,427	950	−6,619	74,595	6,812	86,165	67,846	7,740
March	46,576	32,212	87,054	5,285	972	172,099	166,962	5,865	1,032	−6,191	82,557	580	83,843	70,877	11,466
April	38,223	26,100	75,292	5,074	795	145,484	142,687	8,929	1,439	−9,471	79,868	579	81,344	68,498	10,377
May	31,911	29,809	82,181	4,984	−4,214	144,671	143,592	7,891	2,989	−9,044	82,918	2,022	86,776	71,203	11,349
June	33,603	25,914	77,882	4,823	5,379	147,601	144,434	11,543	2,934	−7,714	82,319	−6,545	82,537	75,955	5,738
July	37,771	30,855	76,335	4,651	2,013	151,625	149,458	9,911	2,170	−5,239	84,209	3	91,054	76,530	9,788
August	37,926	29,361	70,609	4,272	−6,459	135,709	138,266	8,985	2,603	−3,577	84,182	3,640	95,833	78,663	8,865
September	37,523	30,452	82,956	4,463	−14,059	141,335	140,499	10,408	3,157	−10,675	81,797	1,876	86,563	71,548	10,573
October	35,584	28,502	83,040	4,515	−5,718	145,923	152,026	9,869	2,278	−10,580	84,187	294	86,048	76,446	9,965
November	31,153	30,609	80,178	4,420	−4,956	141,404	149,959	6,487	1,817	−9,978	81,947	−2,401	77,872	70,664	11,865
December	34,777	33,893	90,913	4,455	13,393	177,431	183,665	7,253	2,486	−12,349	85,003	−2,171	80,222	72,010	9,309

[1] Net receipts represents the net movements of crude oil and petroleum products by pipeline, tanker, and barge into, and out of each PADD district. Interdistrict movements of crude by tanker and barge are reflected in these numbers. interdistrict movements of crude by pipeline are not recorded and are generally captured in a statistical category called "Unaccounted for crude oil" which is not included here.

[2] Includes crude oil produced on leases, natural gas liquids production at natural gas processing plants and new supply of other hydrocarbons and alcohol.

[3] Withdrawals are shown by a "plus" sign and additions to stocks are designated by a "minus" sign.

[4] This figure is an approximation of available supply, and included as a convenience to demonstrate the rough balance between supply from the sources identified in the chart, and product supplied (implied consumption).

[5] Product supplied equals field production plus refinery production plus imports (plus stock withdrawals or minus stock additions) plus crude oil used directly plus net receipts minus refinery inputs minus exports.

[6] Exports of crude oil are prohibited under normal circumstances. Some crude oil is shipped to Canada in exchange on a barrel-per-barrel basis (principally from PADD II). Shipments of crude to Puerto Rico and the Virgin Islands are not prohibited because these territories are U.S. possessions. Most of the imports from PADD V fall into this latter category, and are included in the table to show a better balance between products supplied and implied supply available. Exports from PADD I are insignificant.

Source: U.S. Department of Energy, Energy Information Administration. Monthly Petroleum Statement (DOE/EIA-0109), June to December 1981, table 24. Data for months January to June all appear in the June 1981 issue. The Monthly Petroleum Statement has been superseded by the new Petroleum Supply Monthly in which PADD-specific data appears in Detailed Statistics, tables 5-10. Some of the data has been combined and some categories omitted as inessential to this analysis. ●

THE SUPREME COURT'S ILLEGAL ALIEN DECISION

● Mr. EAST. Mr. President, I wish to bring to the attention of the Senate a column by George F. Will which appeared in the June 20 edition of the Washington Post. Entitled "A Toll On The Constitution," the column underscores the Supreme Court's ever deepening inroads into the policymaking prerogatives of the legislative branch.

Mr. Will's piece focuses on the recent 5 to 4 decision that declared unconstitutional a Texas law which denies school district funds for the education of children of illegal aliens. As the author points out:

The court says, in effect, children who have no right to be in the State have right to free public education.

Like Mr. Will, I can find no constitutional basis for such a decision. Once again, the Court has taken it upon itself to mandate social legislation. In my reading of the Constitution, I find no such role assigned to them. Mr. Will concludes by saying:

The majority's ruling may have spared America social costs that are easier to calculate than the toll such rulings take against the integrity of the Constitution and the responsibility of political institutions. The majority opinion is a result in search of reasons. It settles for political rather than constitutional reasons.

I urge all Members of the Senate to read this enlightening article, and ask that it be printed in the RECORD.

The article follows:

A TOLL ON THE CONSTITUTION

(By George F. Will)

Bounding, like a polar bear on an ice floe, from one unstable perch to another, the Supreme Court has decreed, 5-4, the unconstitutionality of a Texas law that denies school districts funds for educating children of illegal aliens, and authorizes the districts to deny admission to, or charge tuition for, such children. Justice Lewis Powell, concurring, says Congress "has not provided effective leadership in dealing with this [illegal immigration] problem." But the court's stab at providing more "effective leadership" than the political branches of government is problematic.

The majority probably does not—indeed, hardly can—know what it has done. The principle, if any, in this result-oriented decision is of uncertain sweep. The result, reversing Texas policy, may be sound social policy, but the opinion is dubious constitutional law.

The Constitution says no state may "deny to any person within its jurisdiction the equal protection of the laws." This does not mean that a state cannot treat different classes of persons differently. According to previous constructions, the equal protection clause requires discriminations to be rationally related to a state's substantial goals. Furthermore, there is especially strict scrutiny of discriminations that involve "fundamental rights" or a "suspect class." What counts as a suspect class varies, sometimes with political fashion, but, basically, such a class consists of a vulnerable minority that has historically suffered irrational discrimination.

Joined by Justices Powell, Blackmun, Marshall and Stevens, Justice Brennan refrains from arguing that free education is a

[21] Congressional Research Service. Kaufman et al., op. cit., p. 10-13.

[22] U.S. General Accounting Office. Feasibility and Cost of Interim Storage for the Strategic Petroleum (EMD-82-95). Appearing in: U.S. Congressional record, daily edition: Wednesday, May 26, 1982: S6055-6059.

"fundamental right." But, he says, "neither is it merely some government 'benefit' indistinguishable from other forms of social welfare legislation." Brennan means education is important. This is true, but its constitutional significance is obscure, and leaves unclear whether, say, states must now provide all welfare benefits to illegal aliens. Do food and medical care fall in Brennan's new territory between "fundamental rights" and mere "benefits"?

Brennan could better have argued simply that immigration policy is a federal responsibility. Instead, his basic argument against Texas is this:

The federal government lacks the ability to slow substantially the flow of illegal immigrants. Many will become permanent residents. Texas' law is not an "effective" deterrent. And it might produce a permanent underclass of uneducated, unemployable residents more costly than is the education of illegal immigrants' children. Besides it is unjust (Brennan is not a stickler for distinguishing between things unjust and things unconstitutional) to try to influence parents' decisions by burdening children.

Joined in the minority by Justices O'Connor, Rehnquist and White, Chief Justice Burger says that were he a legislator, compassionate and cost-benefit considerations would cause him to oppose the Texas law. But in making the point that policy arguments do not determine constitutional questions, he goes too far, calling Texas' policy "senseless." Were that true, the law would be unconstitutional because its discrimination would not be rationally related to an important state objective. Burger actually argues otherwise.

The issue, he says, is whether when allocating finite resources, a state has legitimate reason to differentiate between those who are and are not lawfully within the state. The majority, having admitted that illegal aliens are not a "suspect class" and that free education is not a "fundamental right," has, Burger believes, rested its decision on political judgments. For example, it asserts that denial of free education is an "ineffective" deterrent to illegal entry, or that savings as a result of the law would not "necessarily" improve education in Texas.

Burger argues that Texas has a right to reason that a denial of an important benefit is likely to have some deterrent effect on potential illegal immigrants. Burger wonders if the majority ruling means that illegal aliens cannot be barred from Medicare and Medicaid unless it can be shown that barring them would improve medical care for others.

The court has hitherto held that states can admit "bona fide residents" to schools on a preferential tuition basis. Yet now the court says states cannot charge illegal aliens a special tuition. The court says, in effect, children who have no right to be in the state have a right to free public education. Burger says: "I assume no member of the court would challenge Texas' right to charge tuition to students residing across the border in Louisiana who seek to attend the nearest school in Texas."

The majority's ruling may have spared America social costs that are easier to calculate than the toll such rulings take against the integrity of the Constitution and the responsibility of political institutions. The majority opinion is a result in search of reasons. It settles for political rather than constitutional reasons.●

89-059 O-86-37 (Pt. 11)

THE BUDGET AND NURSING HOME INSPECTIONS

● Mr. PRYOR. Mr. President, on Tuesday, June 15, I introduced Senate Resolution 411, which expresses the sense of the Senate that changes not be implemented in the survey and certification requirements for health care facilities participating in medicare and medicaid programs. These changes were earlier proposed by Secretary of Health and Human Services, Richard Schweiker, on May 24.

I introduced this resolution because I feared that any relaxation of current licensing and inspection standards would be an open invitation to the types of abuses so rampant in the 1960's and 1970's.

But relaxation of the regulations now governing nursing homes and other health care facilities is not the only impending threat to residents. Budget cuts in the Federal share of money for nursing homes inspections have already meant that some States have had to curtail their surveillance and inspections of nursing homes by as much as 65 percent. And further reductions are planned as part of the fiscal 1983 budget.

Mr. President, the National Citizens' Coalition for Nursing Home Reform has developed estimates on the impact of proposed budget changes which every Member of Congress should find no less than alarming. I ask that the Citizens' Coalition synopsis be printed in the RECORD.

The synopsis follows:

IMPACT OF ELIMINATION OF SPECIAL MATCHING RATES ON MEDICAID SURVEY AND CERTIFICATION PROGRAM

The Federal Government currently matches states' expenditures for salary, travel, and training costs incurred as part of their Medicaid survey and certification program at a level of 75 percent.

The Administration's fiscal year 1983 budget proposal of $31.8 million for Medicaid survey and certification is based on current law. As the chart below illustrates, total combined outlays under current law will be $45.6 million for this program.

[In millions of dollars]

	State outlays	Federal outlays	Combined outlays
Salaries, travel, and training	9.0	27.0	36.0
Other	4.8	4.8	9.6
Total	13.8	31.8	45.6

The proposal to eliminate the special matching rate will cause all cost incurred by the States under this program to be reimbursed at a 50 percent level, shifting a $9 million burden from the Federal Government to the States.

This will not affect total national outlays if States are able to double their salary, travel, and training budgets for survey and certification activities. If States can double their expenditures, outlays would look like this:

Total State outlays, $22.8 million.

Total Federal outlays, $22.8 million.

Total combined outlays, $45.6 million.

It may be more reasonable to assume, however, that States will either maintain spending at the level they had budgeted for fiscal year 1983 (that is, $13.8 million) or actually reduce spending because of budgetary and economic pressures.

If States spend what they had budgeted to spend for 1983, total combined outlays will be only $27.6 million, as illustrated below:

Total State outlays, $13.8 million.

Total Federal outlays, $13.8 million.

Total combined outlays, $27.6 million.

If States spend 10 percent less than what they had budgeted for 1983—a likely occurrence—total combined outlays will be only $24.8 million, as illustrated below:

Total State outlays, $12.4 million.

Total Federal outlays, $12.4 million.

Total combined outlays, $24.8 million. $24.8 million represents a reduction of nearly 50 percent from total combined outlays envisioned under the Administration's proposals. More importantly, it represents only 37 percent of the actual costs needed to perform the minimum number of surveys mandated by law. According to an official of the Health Care Financing Administration (HCFA), $66.4 million is required for a "fully funded budget" to implement current law. This figure is detailed on an accompanying page.

For more information, please contact the National Citizens Coalition for Nursing Home Reform (NCCNHR), 797-8227; ask for Bob Wainess or Elma Griesel.

JANUARY 1982 SURVEY OF STATE AGENCIES IMPACT OF FEDERAL BUDGET CUTS ON NURSING HOMES

SUMMARY

Twenty-eight out of the twenty-nine States responding have experienced cuts due to a reduction in Federal funds for the survey and certification program which enforces the standards of care for nursing homes.

Only six States have seen an increase in State funds to make up for part of this loss.

Every State agency except Indiana responded that it has lost staff, and in the case of all but four States, agencies have had to lay off surveyors to absorb the cuts in funds.

State agency loss of personnel ranged from 15 to 50 percent with one State losing all of its full-time personnel.

Twenty-four States have had to make program changes in response to the budget cuts and subsequent personnel loss. Of these, seventeen now conduct surveys less frequently, many on a less than annual basis.

Eleven States have shortened their surveys.

Five States named Life Safety Code (fire safety) evaluations as a main area for reduction in survey emphasis.

These statements are taken from, "Survey of State Agencies: Impact of Federal Policy Changes and Budget Cuts on Nursing Homes," National Citizens Coalition for Nursing Home Reform, March, 1982. For more information or a complete copy of this survey, please contact Barbara Frank or Elma Griesel, NCCNHR, 797-8227.

IMPACT OF FEDERAL BUDGET CUTS ON SELECTED STATES' MEDICAID AND MEDICARE SURVEY AND CERTIFICATION AGENCIES [1]

KANSAS

Department of Health & Environment has "laid off several people."

Will "seriously jeopardize" the ability of the State to conduct survey and certification activities.

OREGON

Survey and Certification staff reduced from 42 to 27 since October, 1981.

Has lost "nearly half" of long term care survey and certification staff.

DELAWARE

Lost two professional staff; two support staff.

Cut back on hospital, home health, and other facility survey activities.

MISSOURI

Reduced support staff significantly.

RHODE ISLAND

Survey and certification staff cut from 37 to 30.

PENNSYLVANIA

Lost 31 positions: 24 percent of Long Term Care survey staff.

WYOMING

Cut four professional, one support staff.

MINNESOTA

Cut 2 supervisors; 4 supervisors.

IDAHO

Budget reduced 54 percent in 1981.

Survey and certification staff reduced from 22 in 1980 to 10.5 today.

IOWA

Lost one-third of survey staff over past 2 years.

TEXAS

Forty inspectors laid off: reduction of 25 percent.

HAWAII

Has lost one surveyor; may lose fire inspector and pharmacy consultant.

"Few if any follow-up visits" are now being performed on facilities with deficiencies.

MONTANA

Surveyor staff cut by 50 percent.

NEW JERSEY

Lost 10 surveyor positions.

MAINE

Lost the only two full time surveyor positions.

COLORADO

Lost 38 percent of funding over last 2 years.

Lost 38 percent of surveyor staff (40 staff last year; 25 this year).

BUDGET INFORMATION FOR THE MEDICARE AND MEDICAID SURVEY AND CERTIFICATION PROGRAMS

(Information compiled by the National Citizens' Coalition for Nursing Home Reform, June 1982.)

These programs are important to help assure that beneficiaries receive the services offered by facilities and to help assure that tax dollars are expended efficiently and effectively.

According to information we have received from the Health Care Financing Administration, and particularly from State survey and certification agencies,the program is in serious jeopardy because of budget cuts, as indicated below:

[In millions of dollars]

	Medicare	Medicaid
1981	29.760[1]	36.140
1982	13.581[2]	31.837
1983[3]	31.162	31.800

[1] This amount was actually cut substantially, crippling the state survey programs in 1981-82. (Most states combine their Medicare-Medicaid survey programs.)

[2] HCFA—HHS requested a $9 million increase May 18, 1982. The Subcommittee on Labor, Health and Human Services and Education Appropriations turned down this request, although Chairman William H. Natcher expressed that the Subcommittee "is sympathetic and potentially supportive of increased Federal support for nursing home inspections."

NCCNHR has been advised that HCFA is now finalizing this request (through HHS, then OMB) for $4 million (as compared to the $9 million.) This $4 million is needed for distribution to the states for program needs for this fiscal year ending 10-1. The money would be reprogrammed.

[3] 1983 budget. HCFA is asking the Secretary, then OMB, to approve $31 million which is much more than the President's budget request of $18,700,000 for Medicare for 1983.

ACTUAL BUDGET NEEDS FOR 1983

HCFA staff estimates on what would constitute a "fully-funded budget" to implement current survey and certification regulations. Budget figures given to NCCNHR June 1982.

Projected budget for 1983 (based on actual costs for Nation):

	Average survey cost	Millions
Title 18—Medicare:		
5,100 skilled nursing facilities	$3,200	$16.32
1,550 hospitals (non-JCAH)	5,400	8.37
3,350 home health care agencies	2,156	7.22
1,200 renal dialysis	2,156	2.58
3,500 clinical laboratories	2,156	7.55
3,600 others (portable X-ray labs, oral health clinics, PT, etc.)	2,256	7.76
Total		49.96
Title 19—Medicaid:		
2,580 skilled nursing facilities	3,200	8.0
11,200 intermediate care	4,200	47.0
1,215 ICF-MR facilities	4,200	5.1
Total		60.4
Plus 10 percent for followup costs—total medicaid		66.4

Note.—Total needed: Medicine ($54.8) plus medicaid ($66.4) = $121.2 million.

This $121.2 million for monitoring/certification activities is extremely small when compared to the $50 billion spent for both Medicare and Medicare programs (1979 statistics).

It is important to note that these survey/certification programs monitor care and service delivery in a wide variety of facilities; furthermore, the services provided by these facilities and programs potentially benefit approximately 25 million elderly persons. (24 million elderly persons covered by Medicare plus approximately 1.2 million persons in Medicaid-certified facilities.)

Furthermore, drastic cuts have been made in the staffs of regional offices of HCFA. These offices have the responsibility to perform "validation" surveys of state surveys and surveys conducted by the Joint Commission on the Accreditation of Hospitals. A recent internal report by HCFA points out that loss of 27 Commissioned Corps staff in eight regions has led to a 39 percent cut in the total number of surveyors performing full-time direct Federal Surveys. According to the report, these cuts "would seriously jeopardize the continuation of responsible monitoring surveys" by the regional offices. In addition, the national office of HCFA has received cuts in staff and more cuts are projected. Federal oversight activities will definitely be diminished. (A copy of this report is available from the NCCNHR office, 797-8227. Ask for Barbara Frank, Elma Griesel or Bob Wainess.)●

[1] Based on mailed questionnaires and telephone interviews, January—June, 1982.

COLORADO GREETS BAVARIA

● Mr. ARMSTRONG. Mr. President, today marks the opening in Erlangen, West Germany of a 3-month cultural exchange program between the states of Bavaria and Colorado. A delegation of Colorado business, educational, cultural, and political leaders is in Erlangen today to participate in the opening ceremonies.

This interesting, privately organized program is designed to foster closer personal and business relationships with our friends in southern Germany, and I would like to call the attention of my colleagues to this significant exchange.

In addition to Colorado State officials, the group of Coloradans includes George M. Wallace and Carl A. Worthington, president and vice president of Intercontinental Alliance. The alliance is a nonprofit organization with headquarters in Boulder, Colo., and is cosponsoring the exchange program.

This program will feature exhibits and programs on Colorado history, culture, art, geography, and industry. Receptions and special seminars are also planned. The exhibits begin their Bavarian tour today and will visit three more cities before ending in Munich this October. Next summer, a similar tour of Bavarian exhibits and dignitaries will visit Colorado.

The idea for the exchange was conceived by Worthington, a Boulder architect and planner, and by Wallace, the chief operational officer of the Denver Technological Center. The Intercontinental Alliance was founded last year to promote the exchange and is headed by Laurel Zakovich, a Denver real estate broker and educator.

The first group of Coloradans to visit Bavaria will spend one to two weeks there. Another 150 Coloradans will travel to Germany later this summer and fall to take part in seminars on urban planning, medicine, transportation, education, investments, technology and the arts.

Large photo murals depicting Colorado scenes will be displayed, along with western and Indian art, rodeo exhibits and cowboy memorabilia. The Nancy Spanier Dance Theater of Colorado will perform and two films will be shown: the full-length Indian movie "The Windwalker" and a John Denver film. Additional exhibits will be added to the program during the summer.

Other members of the first Colorado delegation to Bavaria include Bruce Shepard of Colorado Springs, regional

administrator of the U.S. Department of Housing and Urban Development; Frank Mullen, founder of Urban Education 2000 and chairman of Futures Foundation; Merle Carpenter, president of Otero Savings; Irene Rawlings, project coordinator for Intercontinental Alliance and writer on art, travel and historic preservation, and Louise Singleton, coordinator of Project Colorado and the Governor's front range project.

Also included in the delegation will be Ruth Hoffman, professor of mathematics at the University of Denver; Pauline Hodges, associate professor in language arts at Colorado State University; Dr. Firmon Hardenbergh, founder of the Rocky Mountain Eye Foundaton; Dr. William Halseth, assistant clinical professor of surgery at the University of Colorado Medical Center; Dierk Ladendorff, a Boulder real estate developer and international investment counselor, and Robert Gehler, city attorney for Commerce City, Brighton, and Lafayette.

In addition to Erlangen and Munich, the Colorado exhibit will visit the Bavarian cities of Regensburg, Augsburg, and Garmisch-Partenkirchen. The exhibit will stay for approximately 2 weeks in each city except Munich, where it will stay for 1 month.

The "Colorado greets Bavaria" program is being funded through private donations and approximately $250,000 pledged by the state of Bavaria. Bavaria is also providing choice exhibit halls and other support services. The Society of Intercontinental Contacts in Munich is cosponsoring the program.●

NASA'S SPACE STATION

● Mr. RIEGLE. Mr. President, yesterday, James M. Beggs, the Administrator of NASA, addressed the Detroit Economic Club and Detroit Engineering Society at their regular breakfast session.

During his remarks, Mr. Beggs made some very enlightening comments about the future of the United States in outer space. In particular, he focused on his proposal for our Nation's next major space effort—a permanent manned space station.

I feel it is very appropriate that Mr. Beggs would come to Detroit, a city whose name is synonymous with some of the most significant advances in technology, to highlight his major technological proposal.

Mr. President, I ask that the full text of Mr. Beggs' speech be printed in the RECORD.

The text follows:

REMARKS: DETROIT ECONOMIC CLUB AND DETROIT ENGINEERING SOCIETY

Thank you.———, Honored Guests, Ladies and Gentlemen:

I am honored to appear before this distinguished audience in this important forum. The Economic Club of Detroit and the Engineering Society of Detroit are making an important contribution to the public by promoting greater awareness of national issues, and in a wider sense, a broader understanding of our complex problems in this increasingly interdependent world.

George Santayana once said: "Those who cannot remember the past are condemned to repeat it."

This is as true today as it has been throughout our history. Because we have learned from the past we have maintained the forward thrust of our young civilization. Indeed, young people are often the first to recognize this fact.

A few years ago a professor at the Wharton School of Finance tried an exercise to promote more crisp and concise expression among his students. He asked them to sum up in two words the outstanding characteristics of American society. What, in other words, has made us tick as a Nation?

The best answer came from a young woman. Her two words were "we advance."

The key to that advancement, I believe, lies in the fact that we have a continuing urge to chart new paths and to explore the unknown. And that is the hallmark of any great nation.

That instinct drove Lewis and Clark to press across the uncharted continent. It guided Admirals Peary and Byrd to the icy wastes of the Poles. It drove Lindbergh alone non-stop across the Atlantic and sustained 12 Americans as they walked on the Moon.

The compulsion to know the unknown built our Nation. It impelled the pioneers to extend our frontiers across the wilderness to the Pacific. It was the compelling reason behind the "Yankee ingenuity" that increased our commerce and world trade. It moved our businessmen and our farmers to apply new technology to raise the productivity of our farms, factories and transportation systems. It challenged our leaders to develop dynamic new corporate, labor and governmental institutions. And it spurred the creativity of our scientists and engineers so that today, we lead, and are indeed, envied by the rest of the world in science and technology.

It is clear that if we ever lose this urge to know the unknown, we would no longer be a great Nation. We must continue to advance the frontiers of knowledge. Nowhere is that challenge greater than in the continuing exploration of the last frontier—that of space.

Increasing our knowledge of the near-earth environment, the solar system and the Universe will eventually help us to unlock the puzzle of why and how we came to be and what our future destiny might be. The spectacular photos of Saturn and the data returned from the remarkable journeys of the Voyager spacecraft have already taught us more about that planet than we knew from centuries of recorded observations. Moreover, in space there are real resources and opportunities for commercialization and industrialization. And space holds the promise of eventual human habitation on a permanent basis.

At NASA we are stretching our horizons to encompass all of these mighty challenges.

In the short lifetime of my agency, which stretches back only 24 years, we have come from an aeronautical base into a magnificent new era of space transportation with the Space Shuttle. This world's first reusable space vehicle, will give us routine, reliable and economical access to and from lower earth orbit and will provide the first step to similar access to geosynchronous orbit, lunar orbit and beyond, to the true exploration of the Solar System itself. Its three test flights have proved that the concept is extremely sound. We are expecting to learn more about the Shuttle and its capabilities in its last test flight in just four days. And in November of this year it will begin operational service as the true workhorse of space transportation.

We are proud of the successful performance of this remarkable aerospacecraft and look forward to the time when it will demonstrate its versatility to the utmost—as a launch vehicle, as a spacecraft, as a base for scientific research, as a transport for commercial spacecraft, as a repair facility for satellites in trouble, and as the provider of routine roundtrip transportation to and from space.

Needless to say, we are also heartened by public backing for the Shuttle program. A recent Associated Press/NBC News poll indicated that 60 per cent of the public believe the Shuttle is a good investment for America. Other polls tell us that 40% of the public think that the United States should be spending more on the space program. This is the greatest public support in the history of the agency—higher even than in the halcyon Apollo years, when we were very popular.

To me this support means two things. The first is that Americans are becoming increasingly aware of how crucial a vigorous high technology program is in keeping us ahead of our competitors in Space. The second is that there is a growing realization that the national investment in the type of research and development that NASA does so well is more than worth it. The payoffs include new industries, new jobs, new products, new knowledge and a new spirit of national pride. Indeed, many have argued that the single transfer of NASA-developed communications satellite technology alone could suffice as payoff for our entire expenditures on the space program to date.

I am pleased that President Reagan and his Administration fully understand how important our work is to the Nation. Even in these times of budget austerity, Administration support is strong. It resulted in a request for an eleven percent increase in real-year dollars over last year in NASA's Fiscal 1983 budget. This means that the Administration is committed to bringing the Shuttle to full operational capability and will support progress in all NASA major program areas.

In a few years a fleet of at least four Shuttles will be flying routinely to and from space, ferrying into orbit commercial, scientific and national security payloads. The Shuttle has given us a head start in the commercialization, utilization and exploration of space. But as we look to the future, we must begin to secure that leadership in space through the end of the century and beyond. The way to do this is to set a fruitful new direction for the Space program, one which would make the best use of the Shuttle's capabilities. And the time to do it is now.

I believe that our next logical step is to establish a permanent manned presence in low-earth orbit. This can be done by developing a manned space station. At NASA we have begun to focus on that goal. We think that such a station could be built and placed in orbit by 1990. It would be small at first, assembled in orbit with modules carried to space by the Shuttle. Once there, the station would make a vital contribution to our Nation's future, by opening new vistas of science and technology, new possibilities for

commercial applications of space, and new opportunities to enhance economic security and the national defense.

To many, the idea of a space station may seem a bit farfetched, and esoteric science fiction fantasy that could only be realized centuries from now. But they forget that once before the United States developed and launched a space station, although one not designed for a permanent presence in orbit. It was called Skylab and it was launched almost ten years ago, in May of 1973.

Skylab served as home for nine astronauts during its active life of 1½ years in orbit. On three separate occasions, men lived and worked in this United States space station, for periods of 28, 58 and 84 days. Skylab not only demonstrated that humans could function comfortably and effectively in space for extended periods, but it showed how important man is to our activities in space. On several occasions astronauts had to perform critical repairs on the spacecraft, both internally and externally. Indeed, the Skylab program nearly failed on its launch day but a skilled flight crew was able to rig an emergency thermal protection system and then two astronauts went outside the spacecraft to release a stuck solar array. These repairs permitted the mission to continue as originally planned.

Skylab also demonstrated the utility of an orbiting scientific laboratory. Its eight different solar telescopes greatly increased our knowledge of the sun, the stars and the galaxies; its earth sensing instruments revealed data about our earth otherwise unobtainable.

Now that we have the Space Shuttle, we owe it to the Nation to make optimum use of this new capability of routine and reliable access to and from space. What better way to make full and complete use of the Shuttle than to develop a manned space station in orbit tended and supplied by the Columbia and her sister ships?

In fact, the Shuttle program originally was conceived to include a space station. More than a decade ago a total system was envisaged in which the Shuttle would transport payloads routinely to such a station. Today we see the Station functioning in many roles. It would serve as a scientific laboratory, and as a space operations facility for assembling, resupplying and servicing satellites, and launching spacecraft to higher orbit. And, of course it would play a role in national defense.

No doubt the Australians will be glad to hear that this time the station would have a reboost capability and controlled deorbit mechanism to enable it to stay in space for as long as we want it there.

There is much to do and much to learn in space—much that we would like to do and would be able to do with a space station. With a permanent human presence in orbit, we will much more effectively support those instruments which will probe further and further in space in our quest to more thoroughly understand our universe. We would look down, and, through the technology of remote sensing, improve our understanding of our own earth, the natural resources it possesses and the impact of man upon those resources. With a space station, we would find it easier and more economical to launch planetary probes to study the surface chemistry of Mars and the geology of Venus. This knowledge would give us a much better idea of how all the terrestrial planets evolved from the solar nebula so that we might more accurately chart the course of Earth's future evolution.

The space station would serve as the assembly point for manned or unmanned missions to Mars and for probes to the asteroids and comets, which scientists believe contain a chemical record of the evolutionary phases of the solar system. With the station, ultimately, we could send to the nearby planets unmanned probes which could be programmed to return samples of planetary surfaces. Analysis of these samples would help us better to understand why life evolved on Earth and probably no where else in the solar system.

There are exciting and important opportunities, too in commercial applications research in a space station.

Commercial applications of space technology, such as materials processing development and communications satellites, hold promise of development into markets far beyond those we see today. And many will see their origins in a space station of the type we have in mind. The span of these commercial possibilities is limited only by the boundaries of our imagination. And these boundaries would be vastly expanded by the experience we will gain from early use of the space station.

The development of a space station would also open new opportunities for international cooperation in space. Indeed, a space station could be the logical catalyst for a great new international cooperative venture for the Free World. It could serve to focus the intense interest and capabilities in space that our allies in Europe and this continent as well as in Japan already have. And it could provide a mutually beneficial cooperative project to cement Free World ties.

We already have a long history of international cooperative ventures in space stemming from the 1958 National Aeronautics and Space Act, which created NASA. Already we have more than 1,000 agreements with over 100 nations covering the full range of cooperative activities. Among the most visible of these are the $100 million Canadian-built Remote Manipulator System. The essential remote arm of the Shuttle; and the $1 billion European-built Spacelab, an orbiting laboratory which will be launched next year in the Shuttle's cargo bay.

An international cooperative effort on a space station would continue to link other countries' space programs to the Shuttle, strengthening the overall space program of the United States.

But as you and I know, there are many who would decry a new program of expansion into space. They would argue that we cannot afford to apply our limited resources to such goals as space stations and the like. The problems we face on Earth, they say, must come first; and never mind the planets and the stars. They will always be there.

I would remind these nay-sayers of the lessons of history. Since 1957 when Sputnik first shocked the United States into a space program, we have not been alone in space. Today although we still lead the world in space technology, and the Shuttle gives us perhaps a decade of breathing space to maintain that leadership, we have been joined by many nations and we now face growing and serious competition in space.

That competition comes not only from our friends in Europe and Japan, but from the Soviet Union, which has repeatedly stated its intention to construct a permanently manned orbital facility.

Although many tend to debunk Soviet technology and accomplishments in space, the Russians already have demonstrated an impressive operational space station capability. Their Salyut 6, presently unmanned, was launched in 1977, and was home to five main crews and eleven visiting crews from Eastern Europe, Cuba and Vietnam. Indeed, the Vietnamese cosmonaut who flew abroad Salyut 6 has more flight time in space than our second Columbia crew—Joe Engle and Dick Truly—combined. Salyut was resupplied periodically by the unmanned Progress spacecraft, and impressive technological achievement. And its crews were busily engaged not only in military activities, but such civil functions as remote sensing, materials processing, space biology and medicine, astronomy and astrophysics.

The Soviets recently launched Salyut 7, to replace Salyut 6. Salyut 7 is now occupied by cosmonauts and has been reported to represent a larger, more sophisticated system that would move the Soviet Union another step forward in its quest for dominance in near-earth space. It is imperative that the United States and the Free World meet that challenge effectively and soon.

To Paraphrase Shakespeare, if "we do not take the current when it serves," we will "lose our ventures." I believe the current serves us well now. The door to space has been opened and it could no more be slammed shut than could the doors opened by Gutenberg's printing press, Galileo's telescope, Fulton's steam engine or the Wright Brothers first flight. And that door leads inevitably to the extension of the human environment into space.

Three factors make a space station a logical step in mankind's inevitable evolution into a space-faring civilization.

The first factor is that the station would build on the capability of the Shuttle to exploit the human presence in space effectively and economically. It would represent a major step towards the goal of true exploitation of the opportunities which space provides for improving our nation's position in the world and for improving the quality of life for all mankind.

The second factor is utility. The space station would give us a place to do important, indeed, essential work in the areas of space science and exploration, technology development, space applications and national security. Space, we now know, is not just a place to visit. It is a place to work.

The third factor is one less tangible, but equally important. As a highly visible permanent United States presence in space, a space station would serve to enhance national pride at home and national prestige abroad. The Shuttle has done this for us today. The Space Station can do it for us tomorrow.

More than two hundred years ago, when our Nation was founded, we were weak in arms, poor in goods, but rich in spirit. Thomas Jefferson was able to say then after he drafted the Declaration of Independence that "we act not just for ourselves alone, but for the whole human race."

Today, the United States is strong in arms and rich in goods and still rich in spirit. We have built a magnificent new Space Transportation System. It holds unlimited opportunities for reinvigorating our economy, inspiring our youth, amassing new scientific knowledge, strengthening our defense and enhancing our national pride and prestige.

And we have an opportunity to act again, not just for ourselves, but for the whole human race.

Thank you.●

PROFESSIONAL RADICALS

● Mr. EAST. Mr. President, the recent demonstrations at the United Nations Second Special Session on Disarmament have attracted wide attention in the media. What has not attracted very much attention is the role of Communist Party and Communist Party front groups in the planning and conduct of some of these demonstrations. The accompanying article from Human Events, June 26, 1982, by Julia Ferguson entitled "Professional Radicals Stage Big Show at United Nations" exposes this activity, which I believe has deceived both many supporters and participants in the demonstrations as well as many observers and sympathizers with the goals of peace and disarmament.

I commend Miss Ferguson's article to my colleagues and to all Americans who wish to learn the truth about the real participants, goals, and events at these recent demonstrations, and I request that the article be printed in the RECORD.

The article follows:

PROFESSIONAL RADICALS STAGE BIG SHOW AT UNITED NATIONS

(By Julia Ferguson)

UNITED NATIONS, N.Y.—Shortly before President Reagan's hard-hitting address to the United Nations Second Special Session on Disarmament (SSD-II) last week, a Communist observer from a key U.N. non-governmental organization—who undoubtedly did not expect such tough talk from the President—was overheard telling his East German companion, "This is our victory; we made Reagan concede to the power of our movement and come to the SSD."

That was not an idle boast. The SSD-II is a Moscow-organized and orchestrated event and is a major ploy in the Soviet peace offensive to extract major arms concessions from the United States.

According to Michael Myerson, an identified leader of the Communist Party, U.S.A. (CPUSA), writing last March in his role as executive director of the U.S. Peace Council (USPC), "this SSD-II comes at the urging of the Non-Aligned Movement and the Socialist countries."

But Myerson's comment was not news to analysts of Soviet covert action against the United States. The USPC, the American adjunct of the Soviet-controlled World Peace Council, and its allies had been planning for this June's "peace" demonstration for many months.

At one level, there would be speeches and meetings at the U.S. to apply international diplomatic pressure for United States arms concessions and at another level, there would be mass marches, conferences and local meetings to generate media coverage and provide the illusion of genuine grassroots opposition to U.S. national defense policies.

Myerson admitted that it was the Soviet bloc ("Socialist countries") and their Third World allies in the so-called "Non-Aligned Movement"—led by Castro's Cuba—which made SSD-II a major operation. And it is equally clear that the World Peace Council was instrumental in focusing attention on the disarmament conference through its influence in the groups that put on the massive "March for a Nuclear Freeze and Disarmament" parade and rally held on June 12 in New York City.

The March showed that the radical left is back in business in a big way, that the professional organizers who did their on-the-job training organizing anti-Vietnam protests to support Hanoi have not lost their touch.

Planning for the June 12 parade, which began at the U.N. and ended in a Central Park rally, commenced a year ago. By the spring of 1981, such veteran anti-Vietnam organizers as Cora Weiss, Sid Peck, Norma Becker, David McReynolds and Paul Mayers, were setting up meetings to plan disarmament activities around SSD-II.

The major outreach to activist left groups commenced with a meeting in New York on Oct. 6, 1981, of 40 representatives of disarmament groups, many with WPC ties.

According to a new study by the Western Goals Foundation of Alexandria, Va., The War Called Peace: The Soviet Peace Offensive, "the leadership role was taken by representatives of CPUSA [Communist Party, U.S.A.] fronts, the U.S. affiliates of international Soviet fronts, and of groups that have close ties with Soviet fronts."

These were identified as including the U.S. Peace Council (USPC), Christian Peace Conference (CPC), Clergy and Laity Concerned (CALCO), American Friends Service Committee (AFSC), Fellowship of Reconciliation (FOR), War Resisters League (WRL) and Women's International League for Peace and Freedom (WILPF). And within a matter of days, the Communist Party, U.S.A., itself was overtly involved in helping to arrange the June 12 demonstration.

During the Vietnam protests, many non-revolutionaries were "turned off" by the presence of militant, street-fighting Marxist-Leninist groups who sought out battles with police. Even then, leaders of the Communist-dominated anti-Vietnam coalitions like New Mobe and the People's Coalition for Peace and Justice (PCPJ) tried to segregate the overtly violence oriented revolutionaries into separate contingents in marches while accepting their aid and presence in the heart of the protest movement. This was the case again on June 12.

Contingents of religious and church groups, New England regional delegations and children were insulated from the large number of Marxist-Leninist parties and from the support groups for Soviet-sponsored terrorists, including the Palestine Liberation Organization (PLO), Irish Republican Army (IRA), South West Africa People's Organization (SWAPO), African National Congress (ANC) of South Africa, the New People's Army in the Philippines, and Farabundo Marti National Liberation Front of El Salvador.

But the terrorist "national liberation movements" and their U.S. support groups were entirely welcome in the "peace" march. Spokesmen for several armed terrorist groups, including the ANC, FMLN, Puerto Rican independence movement, and American Indian Movement addressed either the Central Park rally or spoke from the stage erected in First Avenue past which the march moved.

The presence of so many religious-related groups requires a closer look.

A numbr of the key organizing groups presented themselves as quasi-religious pacifists. But the WRL, which is closely associated with the World Peace Council, has backed virtually every armed domestic and foreign Marxist revolutionary movement that has surfaced in the past 15 years. When the Soviet army marched into Afghanistan two years ago, the leader of the WILPF called it "understandable" considering the "Soviet interest in having close relations with a neighboring country with which it shares a 2,000-mile border."

CALC, spawned by the National Council of Churches, saw the international movement to stop U.S. aid to South Vietnam as a "struggle against American imperialism and exploitation in just about every corner of the world" and defined its task as joining those who "hate the corporate power which the United States presently represents." CALC has been central in bringing religious groups into the campaign to turn over El Salvador to the FMLN terrorists through a cut-off of U.S. aid.

And a leader of the AFSC, in a pamphlet continuously offered for sale for the past decade, excused the terrorist violence by "national liberation movements" as reaction against the "violence of the status quo" which it defined in the broadest possible terms as the "agony" of those who "in varying degrees suffer hunger, poverty, illhealth, lack of education, non-acceptance by their fellow man [and is] compounded of slights and insults, of rampant injustice, of exploitation, of police brutality, of a thousand indignities from dawn to dusk and through the night."

Can it be surprising that they also take virtually identical positions on the "myth" of the Soviet threat? There is little discernible difference between the statements of these groups who organized the June 12 march and the statement of Michael Myerson, the CPUSA official who heads the USPC, that "the main threat to world peace is the U.S. military industrial machine."

The CPUSA reserved to itself and its fronts the position from which to make the final, anti-pacifist statement in the disarmament parade. Following the red Communist party banner, the wide blue and white U.S. Peace Council banner, and the pastel multicolored signs of Women for Racial and Economic Equality (WREE) came some 50 surviving Veterans of the Abraham Lincoln Brigade marching in a column of three and carried in vehicles.

Perhaps the most honest banners in the parade were those that appeared among the overtly revolutionary contingents proclaiming, "Disarm America and Defend World Socialism."

The march past the United Nations was skillfully staged to capture the maximum media attention. Leading the parade was a weird procession marching to the clatter of stilts and the eerie chimes, trumpets, gongs and bells tolled by hundreds of costumed volunteers working with the radical Bread and Puppet Theater. The theater folk manipulated puppet demons, fiery dragons and papier mache monsters of evil capitalists, bankers and generals carrying placards reading "Soviet threat," "window of vulnerability" and so forth, each threatening to incinerate the world's innocents—children, farmers and their donkeys, desert herdsmen and their camels, deer, birds and fish.

Trade union contingents marched and were seized on by the television cameras as examples of the depth of working men and women's opposition to the Reagan Administration's efforts to modernize U.S. defenses. But a closer look showed that the unions were the customary CPUSA-controlled and influenced groups like District 65 (now part of the UAW), District 1199 Hospital Workers, and some more recent allies like William Winpisinger's International Associa-

tion of Machinists and Aerospace Workers (IAM), and Victor Gotbaum's District Council 37, American Federation of State, County and Municipal Employees (AFSCME).

Smaller groups carrying union posters aften turned out to be cadres of the Socialist Workers Party (SWP), International Socialists (IS), CPUSA and other radical organizations.

The large number of groups from Catholic religious orders, Protestant churches, and quasi-religious bodies, demonstrated how effectively the left has been in making inroads in the liberal and mainstream religious communities. Moral and ethical responsibilities to look behind the surface of the evidence, to weigh actions as well as words from gun-toting guerrilla "reformers," and to oppose injustice even with force appeared not to have ever crossed the many bland, smiling faces marching for U.S. disarmament.

Two days later, Flag Day to most Americans, protest groups trained and organized by the June 14 Civil Disobedience Campaign, in which the radical War Registers League played a dominant role, assembled at designated assembly points. Precisely at 8 a.m., they made coordinated moves on the U.N. Missions of the United States, Great Britain, France, Peoples Republic of China and the Soviet Union. But some targets were "more equal" than others.

Police made 1,036 arrests at the U.S. Mission, but only 278 at the Soviet Mission. At the U.S. Mission, several incidents were witnessed in which demonstrators grabbed the ankles of police officers to trip them and one case in which a demonstrator crawling under police barricades struck an officer in the face when blocked. No such incidents were reported at the Soviet Mission.

The television and print media exhibited dogged determination to avoid mentioning participation of revolutionary organizations or the radical anti-defense leanings of the leaders of the June 12 and June 14 protests.

Absent was any mass media information that the "nuclear weapons freeze" would preserve the Soviet Union's strategic superiority and nail open America's "window of vulnerability" to a Soviet surprise strike and to nuclear blackmail by Moscow.

Equally absent from the mass media (with an excellent and notable exception the Wall Street Journal's op-ed page article by Dorothy Rabinowitz) was the digging into the political positions of the June 12 and June 14 organizers which would have exposed their radical view that the U.S. is the chief threat to peace and freedon in the world and that the Soviet Union and its camp followers are the allies of peace.

Keeping the disarmament pressure on President Reagan and Congress is now the goal. The Mobilization for Survival (MFS) disarmament and anti-nuclear coalition—a key part of the rally—may soon by supplanted by a new group called the Federation for Progress (FP). Meetings are scheduled for July 30-August 1 in New York to build a broader coalition with labor and civil rights groups to attack the defense budget through demands for increased social spending.

Stating that "Reagan's deep budget cuts and ominous war drive, which bleed human services to death and pump up an already bloated Pentagon, has forced us all to band together," the FP appeared after issuing a "National Call to Form a Coalition Opposed to the Reagan Administration." Its signers include veteran friends of Hanoi like Don Luce and Sid Lens, veteran CPUSA organizer Anne Braden, George Wald, William Kunstler, Philip Berrigan, Communist Workers party leader Nelson Johnson, Georgia State Sen. Julian Bond, and Congressman Ron Dellums (D.-Calif.) and Parren Mitchell (D.-Md.).

The pattern appears clear: When the U.S. is led by a weak administration dedicated to appeasing the Soviet Union, the U.S. left is quiet or supportive. When a President appears with a more determined effort to thwart Soviet world plans, the U.S. left suddenly revives with overtly pro-Moscow Communists visibly in the lead.

Clearly the demonstrations of June 12 and June 14 were not culminations of radical efforts, but merely the report of the starter's gun.●

AUTOMATIC INCREASES IN BENEFITS

● Mr. DOMENICI. Mr. President, after the Senate's recent examination of the budget for the coming fiscal year, most Senators are aware that many Federal programs contain automatic increases in benefits. Recipients of social security, supplemental security income, and railroad retirement benefits, for instance, are scheduled to receive a full 7.4 percent cost-of-living increase in July 1982.

Most Senators, too, are well aware that these automatic increases in benefits are far larger than the increases in other sectors of the economy or the increases in other parts of the budget. Social security benefits, to cite one example, increased 205 percent during the last 12 years. Civil service retirement benefits, which are also increased automatically, rose 176 percent over these years. Both types of benefits increased faster than prices, for the Consumer Price Index rose 149 percent in this period—and this figure probably overstates the inflation experienced by most Americans. Furthermore, these benefits increased significantly more than the average worker's paycheck, which rose only 121 percent in the 12 years.

The Members of the Senate are aware of these facts, I believe, so I will not belabor the point. But this distinguished body may not be aware of the impact that automatically rising benefits have on small businesses. I recently received a moving letter from a small businessman in Albuquerque named Lloyd McKee, who explains in some detail his concerns about these benefit programs.

I will let the letter speak for itself, for I think it aptly communicates his indignation at a Government that has let benefits get virtually out of control while giving too little attention to the problems of small businesses. Lloyd McKee does not ask for a new Government program, or another subsidy, or a special tax preference. All he asks is that our Federal Government be run in a business-like manner so that he can run his business in the same way. He is eager to hire more people and to do his part to get the economy rolling again. And he is not alone. I know there are thousands of such individuals in every major city in this country, and I hope this Congress will hear their voices and understand their anguish.

I ask that the letter be printed at this point in the RECORD.

The letter follows:

LLOYD MCKEE MOTORS, INC.,
Albuquerque, N. Mex., May 14, 1982.

Mr. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
Washington, D.C.

DEAR MR. O'NEILL. I try to follow the "Battle of the Budget" as well as I can through newspapers, periodicals, radio and television broadcasts and I am concerned about the attitude that seems to prevail among many of our legislators about the 45 million people covered by Federal Benefit Programs. While this concern is very commendable on your part, it is also very conveniently self serving.

However, unless you begin to think about those of us who work to pay these programs, you are going to kill the goose that pays the taxes to support them. Incidentally, these automatic increases amount to unearned income and is total contrary to the concept of the "Windfall" taxes you levied on businesses.

A year ago we had 102 employees, today we have 87 and none of us who are left have had an increase in our income.

It is incomprehensible to know why you think the 45 million people who are recipients of Federal Benefit Programs are entitled to automatic increases—try to explain to automobile, rubber, airline, etc. workers how you justify such a policy. For example, military retirees have an increse of 8.7% in 1982 over 1981. Why? We work for the same money and many are not even working at all. Millions of us served our time in the military service of our country and only ask for the opportunity to work. Much less have automatic increases.

Food stamp recipients have had an increase of 11.5% in 1982 over 1981. Why? The cost of food is down this year from last. Social Security recipients have had an increase of 7.4%. Why? I understand that many of these recipients have paid into the fund, but so have I for 35 years. Not only do I not get the benefit of any increase, I have to pay more into the Social Security fund. And you have spent all the money we have paid into the fund. Send me back my money and at todays high interest rates, I can invest it in savings and be sure that I too will someday be able to get my money back.

The same principle applies to most of the other Federal Benefit Programs. (Disabled coal miners, Railroad retirement, Supplemental security income, Veterans pensions, Federal Civilian retirees.)

To pay for these programs, the Federal Government is borrowing about one third of all the monies available in the total money market. As small a business as we are, we can't compete with the interest rates you are willing to pay with our tax dollars.

Run the government in a business-like manner for the benefit of those who are paying, not to assure yourself of a job with all its tax benefits. We'll rehire people, buy more cars so the manufacturers can hire more people, the insurance agent will sell more insurance, the finance company will fi-

nance more cars and hire more people, and the Federal Programs will benefit because more people will be paying taxes, which we are willing to pay at current rates, (no decreases) as long as you cut spending.

Respectfully,

LLOYD W. MCKEE,
President.●

MAGNETIC FUSION ENERGY

● Mr. HAYAKAWA. Mr. President, I am pleased to join Senator DANFORTH in introducing Senate Joint Resolution 202 calling for the United States to reaffirm its commitment to the expeditious development of magnetic fusion energy. As an original cosponsor of the Magnetic Fusion Energy Engineering Act of 1980, I continue to support the development of fusion which, unlike oil or gas, is an inexhaustible source of energy. While I endorse the administration's efforts to reduce the Federal Government's budget, I also know that moneys allocated to the research and development of fusion energy today could very likely save us much more money in the future.

The 1980 Magnetic Fusion Energy Engineering Act set a goal to build and successfully operate a magnetic fusion demonstration facility before the end of this century. This is possible, provided we devote funds to make the transition from fusion science to fusion technology and development.

Mr. President, nuclear fusion is free of some of the drawbacks of the various alternative sources of energy. Our oil supply is running out. Coal burned in too great a quantity can be hazardous, heating up the atmosphere by the so-called greenhouse effect. Fusion plants, on the other hand, which will probably be fired in large part by hydrogen obtained from water, will have the potential to produce the vast amounts of electrical energy needed for world consumption.

Some critics contend that fusion will not be useful for 50 or even 70 years. This sort of unwarranted pessimism can easily become a self-fulfilling prophecy. If this Nation does not fund fusion research, we will never develop fusion. A future without the freedom from energy strangulation which fusion can provide, may well be bleak. But the scientific community's outlook is the reverse of this. The community is ready to make the transition from the experimental to the reactor phase. Scientists and engineers have the technology, the organizations and the expertise in the appropriate disciplines to make that transition smoothly.

Because of the potential which fusion energy holds, not only for this country, but for the entire world, I strongly urge my colleagues to join me in supporting Senate Joint Resolution 202.●

UNITED STATES-CANADA AVIATION BILATERAL TALKS

● Mrs. KASSEBAUM. The Governments of the United States and Canada have been engaged for a prolonged period in negotiating a revised civil aviation agreement. Although the current agreement is seriously imbalanced in favor of the Canadian carriers, the U.S. Government has been wholly unsuccessful in achieving a more equitable arrangement. I am particularly disturbed to note that the Canadian Government has for some time refused to negotiate a new all-cargo arrangement enabling its carrier to maintain an effective monopoly on freighter services between the two countries.

Meetings between the two Governments are now being held in Ottawa. It is my hope that at those meetings the Governments of the United States and Canada will rectify at least the most serious deficiencies in the current situation to reestablish a more balanced relationship without the need to resort to retaliatory actions. If the Canadian Government remains intransigent, however, I trust that our Government is prepared to take immediate steps, such as denunciation of the nonscheduled agreement that currently governs charter services, to redress the current imbalance and protect the economic interest of our consumers and our air carriers.●

CONGRESSIONAL REGULATION OF THE JURISDICTION OF THE SUPREME COURT

● Mr. EAST. Mr. President, as my colleagues are well aware, the U.S. Supreme Court in recent years has assumed a role far beyond that which many believe to be proper within the system of checks and balances established by the Constitution. More controversial, however, is the question of what this body should do to rectify the situation. Among several options is congressional regulation of Supreme Court jurisdiction so as to remove from the Court the power to decide certain classes of cases. A recent article in the American Bar Association Journal by Carl A. Anderson, counselor to the Under Secretary of the Department of Health and Human Services, demonstrates the broad extent of this option. Mr. Anderson observes that "A growing number of Members of Congress share Professor Wechsler's view that the plan of the Constitution is for Congress to 'decide from time to time how far the Federal judicial institution should be used.'" This article should prove instructive to advocates of judicial supremacy who argue that Congress is powerless to respond to judicial policymaking when it is undertaken in the guise of interpreting the Constitution.

I ask that this article be printed in full in the RECORD at the conclusion of my remarks.

The article follows:

[From the American Bar Association Journal, June 1982]

THE GOVERNMENT OF COURTS: THE POWER OF CONGRESS UNDER ARTICLE III

(By Carl A. Anderson)

The American Bar Association has had a consistent position with regard to proposals that Congress exercise its authority under Article III, Section 2, of the Constitution, to limit the appellate jurisdiction of the Supreme Court. The House of Delegates in 1950 approved a resolution urging an amendment to the Constitution establishing in the Supreme Court appellate jurisdiction in all cases aising under the Constitution, both as to law and fact. Since then the House of Delegates on several occasions has passed resolutions in opposition to legislation removing Supreme Court appellate jurisdiction in certain cases. There may be good reasons for the A.B.A. to continue its traditional stance of opposing legislative initiatives to implement the exceptions clause, but those reasons must be grounded in practical considerations regarding specific legislation, for the authority of the Congress to determine the Supreme Court's appellate jurisdiction is simply beyond dispute.

Article III, Section 2, of the Constitution provides that the "Supreme Court shall have appellate jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make." As Prof. William Van Alstyne noted in 15 Arizona Law Review 229 (1973), the dependency of the Supreme Court's appellate jurisdiction on the action of Congress was acknowledged early in our constitutional history by the Court in opinions that constituted an "unwavering line" through five chief justices: Oliver Ellsworth, John Marshall, Roger B. Taney, Salmon P. Chase, and Morrison Waite.

Most instructive on the issue of the intent of the framers of the exceptions clause is the work of Oliver Ellsworth. As a member of the Constitutional Convention's Committee on Detail, he helped draft the exceptions clause. As a member of Congress, he was the principal author of the Judiciary Act of 1789. And as chief justice, he first interpreted the exceptions clause in *Wiscart v. D'Auchy*, 3 Dallas 321 (1796), to affirm the broad power of Congress under it. Rejecting arguments that the Supreme Court should itself be the final arbiter of the extent of its appellate power, he wrote: "Here, then, is the ground, and the only ground, on which we can sustain an appeal. If Congress has provided no rule to regulate our proceedings, we cannot exercise an appellate jurisdiction; and if the rule is provided, we cannot depart from it."

Equally important are John Marshall's remarks in 1788 before the Virginia ratifying convention: "What is the meaning of the term 'exceptions'? Does it not mean an alteration and diminution? Congress is empowered to make exceptions to the appellate jurisdiction, as to law and fact, of the Supreme Court. These exceptions certainly go as far as the legislature may think proper for the interest and liberty of the people."

Later as chief justice in *United States v. More*, 3 Cranch 159 (1805), Marshall affirmed Ellsworth's principle and made clear that the exceptions clause would permit

Congress to make exceptions to the Court's appellate jurisdiction over an important class of cases based on their subject matter: "[A]n affirmative description of its [this Court's] powers must be understood as a regulation, under the Constitution, prohibiting the exercise of other powers than those described." In More the Court held it could not exercise appellate jurisdiction in criminal cases since Congress had failed to grant it that jurisdiction expressly.

During the intervening years the Court repeatedly recognized the authority of Congress to limit the appellate jurisdiction of the Court—*Durousseau* v. *United States*, 6 Cranch 307 (1810); *Barry* v. *Mercein*, 5 How. 103 (1847); and *Daniels* v. *Railroad Company*, 3 Wall. 250 (1865). The following observation from Daniels is illustrative: "It is for Congress to determine how far, within the limits of the capacity of this court to take, appellate jurisdiction shall be given, and when conferred, it can be exercised only to the extent and in the matter prescribed by law. In these respects it is wholly the creature of legislation."

Even Justice Joseph Story, who was repeatedly critical of congressional action under Article III, wrote in his Commentaries on the Constitution that the exceptions clause was intended "to enable Congress to regulate and restrain the appellate power, as the public interests, might from time to time, require."

It was against this backdrop that the Court first considered the constitutionality of an act of Congress specifically creating an exception to its appellate jurisdiction. Ex parte McCardle, 7 Wall. 506 (1868), involved a Mississippi newspaper editor's appeal, under an 1867 amendment to the Judiciary Act of 1789, for a writ of habeas corpus. Three days after arguments on the merit of McCardle's appeal were made before the Court, Congress repealed the 1867 law, fearing that the Court's decision would declare unconstitutional the Military Reconstruction Act of 1867. More than a year later the Surpreme Court announced its unanimous decision. Observing that it was "hardly possible to imagine a plainer instance of positive exception." Chief Justice Chase concluded: "We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this court is given by express words."

Despite the Court's decision in McCardle—and, more important, despite the fact that it was part of an unbroken judicial interpretation of Article III—some people have cast doubt on the authority of Congress under the exceptions clause. Prof. Henry M. Hart, Jr., for example, proposed in 66 Harvard Law Review 1362 (1953) that the activity of Congress under the exceptions clause "must not be such as will destroy the essential role of the Supreme Court in the constitutional plan." The basic difficulty with this essential role test was recognized by Professor Hart himself when he observed that the Supreme Court has never "done or said anything" to indicate it would adopt his view.

But there is, or ought to be, a more fundamental question: Just what is the constitutional plan to which Professor Hart adverts? His argument neglected to provide an answer, except to say that in the "scheme" of the Constitution the state courts are the "primary guarantors" of constitutional rights.

The "constitutional plan" embodied in Article III is essentially a compromise between two very different views of the role of federal judicial power. Prof. Paul Bator observed in testimony before a Senate subcommittee last year: "The essence of that compromise was an agreement that the question of access to the lower federal courts as a way of assuring the effectiveness of federal law should not be constituted as a matter of constitutional principle, but rather, should be left a matter of political and legislative judgment to be made from time to time in the light of particular circumstances."

The power of Congress to define entirely the jurisdiction of lower federal courts is well settled. Writing for the Court in Lockerty V. Phillips, 319 U.S. 182 (1943), Chief Justice Stone stated: "Article III left Congress free to establish inferior federal courts or not as it thought appropriate. It could have declined to create any such courts, leaving suitors to the remedies afforded by state courts with such appellate review by this Court as Congress might prescribe." Justice Harlan in *Glidden Company* v. *Zdanok*, 370 U.S. 530 (1962), observed: "The great constitutional compromise that resulted in agreement upon Article III, Section 1, authorized but did not obligate Congress to create inferior federal courts." More recently, in 1973, Justice White, in *Palmore* v. *United States*, 411 U.S. 389, maintained that the "decision with respect to inferior federal courts, as well as the task of defining their jurisdiction, was left to the discretion of Congress."

It is little wonder that the Supreme Court specifically upheld the power of Congress to withdraw, through the Norris-LaGuardia Act of 1932, federal court jurisdiction to issue injunctions in labor disputes. *Lauf* v. *E. G. Shinner & Company*, 303 U.S. 323 (1938). In the context of 149 years of constitutional history, it could hardly have done otherwise.

It cannot be assumed that the framers of the Constitution isolated their careful consideration and drafting of the exceptions clause from the broader issue of the role of Congress in shaping the exercise of the federal judicial power. To the contrary, the broad power of Congress to establish exceptions and regulations to the appellate jurisdiction of the Supreme Court would appear to be a necessary function related to its power respecting the establishment of inferior federal courts.

RECENT STATEMENTS REINFORCE A BROAD INTERPRETATION

Prof. Herbert Wechsler concluded in 65 Columbia Law Review 1001 (1965):

"There is, to be sure, a school of thought that argues that 'exceptions' has a narrow meaning, not including cases that have constitutional dimension; or that the supremacy clause or the due process clause of the Fifth Amendment would be violated by an alteration of the jurisdiction motivated by hostility to the decisions of the Court. I see no basis for this view and think it antithetical to the plan of the Constitution for the courts—which was quite simply that the Congress would decide from time to time how far the federal judicial institution should be used within the limits of the federal judicial power; or stated differently, how far judicial jurisdiction should be left to the state courts, bound as they are by the Constitution."

Relatively recent statements by members of the Supreme Court reinforce a broad interpretation of congressional power under Article III. In *National Mutual Insurance Company* v. *Tidewater Transfer Company*, 337 U.S. 582 (1949), Justice Frankfurter, dissenting, observed that "Congress need not establish inferior courts; Congress need not grant the full scope of jurisdiction which it is empowered to vest in them; Congress need not give this Court any appellate power; it may withdraw appellate jurisdiction once conferred and it may do so even while a case is sub judice."

Also in 1949 Justice Roberts, writing in 35 American Bar Association Journal 1, proposed an amendment to the Constitution to vitiate the exceptions clause power of Congress, declaring, "I do not see any reason why Congress cannot, if it elects to do so, take away entirely the appellate jurisdiction of the Supreme Court of the United States over state supreme court decisions." Justice Roberts was appalled at that prospect, but he did not doubt its possibility.

In *Glidden* Justice Harlan, in an opinion joined by Justices Brennan and Stewart, affirmed *McCardle*: "Congress has consistently with that article [Article III] withdrawn the jurisdiction of this Court to proceed with a case then sub judice. *Ex parte McCardle*; its power can be no less when dealing with an inferior court." In his dissenting opinion Justice Douglas objected to this acceptance of *McCardle*. "There is a serious question," Douglas wrote, "whether the *McCardle* case could command a majority view today." While this statement is cited sometimes to cast doubt on *McCardle*'s continued vitality, it is just as frequently overlooked that by 1968 Justice Douglas had changed his mind. In *Flast* v. *Cohen* he maintained: "As respects our appellate jurisdiction, Congress may largely fashion it as Congress desires by reason of the express provisions of Section 2, Article III. See *Ex parte McCardle*. . . ." 392 U.S. 83, 109 (1968).

The simple incantation of the phrases "supremacy clause" or "equal protection clause" should be insufficient to resolve the constitutional question of legislation enacted under the authority of the exceptions clause unless, of course, it is supposed that uniformity is the supreme constitutional mandate, in which case the matter then is settled by definition. Is the supremacy clause or equal protection of the law violated by a congressional decision to permit state supreme courts to be the courts of final appeal regarding state statutes and executive actions on a particular subject?

In this context it is instructive to consider S. 481, introduced in the 97th Congress by Jesse Helms and John East. Of all the current proposals for congressional exercise of the exceptions clause, this is by far the most formidable. An earlier version was twice passed by the Senate during the previous Congress, and congressional observers consider it likely that by one parliamentary procedure or another the legislation again will be brought to the Senate floor this year. It therefore can be considered the paradigm, for good or ill, of the exceptions process.

It provides, in part, that:

"[T]he Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any state statute, ordinance, rule, regulation, or any part thereof, or arising out of any act interpreting, applying, or enforcing a state statute, ordinance, rule or regulation, which relates to voluntary prayers in public schools and public buildings.

"For purposes of this section, the term 'voluntary prayer' shall not include any prayer composed by an official or employee of a state or local governmental agency."

S. 481 does not attempt either to "overturn" or to "freeze into the Constitution" the Supreme Court's opinion in *Engel* v. *Vitale*, 370 U.S. 421 (1962), striking down the New York State Board of Regents' prayer. Government authorized prayers would remain within the Court's purview. The Court, however, would be prohibited from extending its past holdings to strike down a state practice in which students are permitted to recite prayers they themselves had composed or selected.

Nor would S. 481 affect the power of federal courts to protect individual rights related to the free exercise of religion. Allegations of coercion could still be heard and relief from involuntary activities could still be sought in federal court. S. 481 would effect only a realignment between the federal and state governments respecting the establishment clause and then only in regard to a single issue: voluntary prayer. It can hardly be argued that uniformity of state practice concerning this issue was part of the "constitutional plan" intended by the framers of the First Amendment, especially since five of the states that ratified the Constitution had established, tax-supported churches at the time. Prof. Raoul Berger has written that this legislation "merely seeks to restore self-rule to the states with respect to school prayers—an autonomy reserved to the states from the very beginning." 1980 Wisconsin Law Review 801.

The question is not whether we approve that particular bill or others patterned after it. The issue is whether that sort of legislation would be a valid exercise of the exceptions clause. Everything indicates that it would be. Everything, that is, except the unwillingness of some people to accept any limitations on the authority of the Supreme Court.

The Court's preservators have been more protective than the Court itself. No Supreme Court decision has concluded that the language of the exceptions clause means anything less than it says—that Congress possesses plenary power to make exceptions to and regulations of the appellate jurisdiction of the Supreme Court. Nor has any decision of the Court sought to amend Article III by providing that "notwithstanding the provisions of Section 2, Congress shall make no exceptions to the appellate jurisdiction of the Supreme Court which affects the Court's ability to enforce the equal protection of the laws, or preserve the supremacy of its own decisions, or protect its essential role in the constitutional plan."

The Court has recognized the authority of Congress in an unbroken line of opinions, of which McCardle was one consistent part. McCardle may be old, but as recently as 1962 it was found by the Court in Glidden still to be good law. The historical fact that this power has been infrequently used does not mean it has ceased to exist. There is no constitutional doctrine of atrophy.

Congressional power under the exceptions clause is itself an important aspect of the constitutional plan for the Supreme Court designed in Article III. When the Court acts, in the words of Prof. Wallace Mendelson, "to impose extraconstitutional policies upon the community under the guise of interpretation," the Court highlights the wisdom of the founding fathers in reserving those issues to the states. Rather than resolving difficult legislative problems, judicial intervention into abortion, busing, school prayer, as well as other subjects, has inflamed public debate and seriously altered American electoral demographics during the decades of the 1970s and 1980s.

Prof. Louis Lusky has observed that the Court's new role rests on the "assertion of the power to revise the Constitution, bypassing the cumbersome amendment procedure prescribed by Article V," and on the "repudiation of the limits on judicial review that are implicit in the orthodox doctrine of *Marbury* v. *Madison*," 6 Hastings Constitutional Law Quarterly 403 (1979). As Professor Hart suggested in his article, the question of congressional power under the exceptions clause is related to the role of the Supreme Court in the constitutional plan, and that, as Prof. Henry Abraham observed, "is not a question of judicial institutional capacity; it is rather one of judicial constitutional legitimacy."

In the February, 1982, issue of this Journal (page 159), Robert W. Meserve argues that the limitations on congressional power under the exceptions clause are so encompassing that one is left with the distinct impression that Congress may act to make only the most noncontroversial, technical amendments of the Court's jurisdiction. The article, however, fails to explain why, if this is so, the Court itself has used the broadest language in describing congressional power, or why defenders of the Court's prerogatives of no less stature than John Marshall viewed the provision as empowering Congress to diminish the jurisdiction of the Court as far as necessary to protect the "liberty of the people."

The article maintains that Congress "does not have authority . . . to deny the only remedy utimately effective to right constitutional wrongs." Why this is so is not entirely clear. Section 5 of the 14th Amendment provides that "Congress shall have power to enforce, by appropriate legislation, the provisions of this article." Professor Berger's book, Government By Judiciary, demonstrates adeptly that the authors of the 14th Amendment were not confident of the Court's ability to enforce the amendment. As Justice Brennan maintained in *United States* v. *Guest*, 383 U.S. 745 (1966), "the primary purpose of the amendment was to augment the power of Congress, not the judiciary."

It would seem reasonable that this enforcement power would include at the very least the power to determine what is an adequate or proper federal remedy. The fact that state and federal court judges may disagree over the utility of a certain remedy in particular circumstances would appear to violate the Constitution no more than the fact that federal judges may and often do disagree over the proper remedy when considering the same set of circumstances.

United States v. *Klein*, 13 Wall. 128 (1871), is cited in the Meserve article to indicate "that the court will not allow legislation to undermine the fundamental judicial protection of individual rights." This broad interpretation is accurate only in the sense that *Klein* stands for the proposition that the court will not allow Congress to use the exceptions clause to alter the proceedings of the court in favor of a particular class of parties.

In *Klein* the Court for the first and only time invalidated legislation enacted under the exceptions clause. Klein sought indemnification for property seized during the Civil War, in reliance on prior Supreme Court and Court of Claims decisions that a presidential pardon would make him eligible for recovery. While the case was pending before Court, Congress amended the Judicial Expenses Act of 1871 to provide that presidential pardons, like the one Klein had received, were not to be considered sufficient proof of loyalty to enable recovery. The act also provided that the facts recited in the pardon would be conclusive evidence of disloyalty, and at that point the jurisdiction of the court should cease, and the suit must be dismissed.

After recounting this would-be effect of the statute on a judicial proceeding, Chief Justice Chase asked, "What is this but to prescribe a rule for the decision of a cause in a particular way?" The Court struck down the statute as an impermissible invasion of the judicial process to attempt to determine the outcome of litigation in favor of a particular class of litigants. The Court said, "It seems to us that this is not an exercise of the acknowledged power of Congress to make exceptions and prescribe regulations to the appellate power."

It has been suggested that this decision somewhat contradicts or casts doubt on *McCardle*. The Court in *Klein*, however, did not see it that way. It again affirmed a broad power of Congress under the exceptions clause:

"Undoubtedly the legislature has complete control over the organization and existence of that court [the Court of Claims] and may confer or withhold the right of appeal from its decisions. And if this act did nothing more, it would be our duty to give it effect. If it simply denied the right of appeal in a particular class of cases, there could be no doubt that it must be regarded as an exercise of the power of Congress to make 'such exceptions from the appellate jurisdiction' as should seem to it expedient."

A RULE FOR GOVERNMENT OF COURTS AND LEGISLATURE

Ten years after Klein, the Court in The 'Francis Wright', 105 U.S. 381 (1881), upheld a congressional limitation of its jurisdiction in admiralty cases to questions of law. Chief Justice Waite wrote that "while the appellate power of this court under the Constitution extends to all cases within the judicial power of the United States, actual jurisdiction under the power is confined within such limits as Congress sees fit to prescribe. . . . What those powers shall be, and to what extent they shall be exercised, are, and always have been, proper subjects of legislative control."

The Meserve article also argues that "remedy-curtailing legislation puts unfair pressure on state judges." Because they are subject to election, state judges may be put to the "great temptation" of having to choose between their duty to enforce the Constitution and their judicial careers. If this is so, the question arises: Is it not already true today whenever state judges are called on to reach a decision that may be unpopular? This is an astounding argument. One hardly knows whether it shows less faith in the democratic process or in the state judiciaries.

In light of the clear intentions of those who framed Article III and with an eye to the unbroken chain of Supreme Court decisions over 186 years affirming the literal meaning of that article, it is no wonder that so many members of Congress view the Court's decisions on the controversial subjects of abortion, busing, and school prayer as symptomatic of a self-articulated and overextended role for the federal judiciary. A growing number of members of Congress share Professor Wechsler's view that the plan of the Constitution is for Congress to "decide from time to time how far the federal judicial institution should be used." Hear-

ings before the Senate Judiciary Committee during the 97th Congress on legislative restraints on the judiciary indicate that in the minds of some senators the time for a re-examination of the proper role of the federal judiciary may be rapidly approaching.

The possibility of congressional exercise of its authority under the exceptions clause may be enhanced by the current political environment. Under the Reagan administration there has been a historic change of direction in the federal government, and not just in terms of the national budget. The relationship between Washington and the states appears to be in the process of redefinition, and the outcome is far from clear at this point.

As the Congress acts to redress the eroded administrative prerogatives of the states, the climate likely will become more favorable for re-examining the relationship between state and national judiciaries. If that happens, one can argue that the use of congressional authority under the exceptions clause would not be the best solution to problems involving the federal judiciary, but one cannot credibly contend that the authority does not exist.

In exercising this power, Congress should heed the advice of Chief Justice Marshall to provide exceptions that "go as far as the legislature may think proper for the interest and liberty of the people." In firmly establishing congressional power under the exceptions clause and in providing a solid foundation for judicial review, Marshall fully appreciated what he wrote in *Marbury v. Madison:* "The framers of the Constitution contemplated that instrument as a rule for the government of courts, as well as of the legislature."

(Carl A. Anderson, a former legislative assistant to Senator Helms, is now counselor to the undersecretary of the Department of Health and Human Services. Responsibility for the views expressed is that of the author and not the department.) ●

LETTER FROM WEST AFRICA

● Mr. HAYAKAWA. Mr. President, my friendship with Warren Robbins, the Director of the National Museum of African Art, dates back some 30 years when I became interested in the art of West Africa. Over the years I have come to learn a great deal about Africa through her art which, to quote Warren, expresses the African's "innate sense of beauty." African art has not only been a major element of Africa's religious, political, and cultural heritage, but has also influenced Western World artists including Pablo Picasso, with its mystic and timeless qualities.

Recently Warren returned from a 7-week journey through the West African countries of the Cameroon, Senegal, Liberia, Sierra Leone, Niger, Ghana, Nigeria, and the Ivory Coast. In his travelog Warren makes several observations offering an insight about the close relationship between art and politics. And that is why I believe, specifically, in the importance of one unique program of the Smithsonian Institution. It is a part of an international cooperation with these African countries to establish a museum system providing for art to be returned to its place of origin. A strong museum system in these countries not only insures the safekeeping of art for future generations but allows for touring exhibits in which Americans—and for that matter, people worldwide—can share in a taste of African culture. And often it is by sharing in one another's culture that we begin to understand and communicate.

Warren has not only expended much personal effort in developing a museum system in West Africa, but he has also been involved in the repatriation of art which has been removed from Africa. In fact, during this trip he was honored for his assistance in the repatriation of the prized Afo-A-Kom statue to Cameroon in 1973.

Mr. President, I commend to my colleagues his letter from West Africa for its insight into the cultural and political value of African art and ask that it be printed in the RECORD.

The letter follows:

LETTER FROM WEST AFRICA TO FRIENDS AND COLLEAGUES FROM WARREN ROBBINS, FOUNDING DIRECTOR, NATIONAL MUSEUM OF AFRICAN ART—JANUARY-FEBRUARY 1982

DEAR FRIENDS: I finally made my long intended journey to Africa—one of the most moving and fast moving experiences of my life—seven countries in just under seven weeks. I had decided not to mail out the usual postcard to all those friends and colleagues to whom I wanted to send greetings, but instead to write a brief travelogue to send upon my return.

All told, I traveled some 29,600 miles in a not very economical itinerary necessitated by program scheduling possibilities at the various American Embassies which hosted my visits. Thus I began in Cameroon some 3,000 miles south of Senegal which I had passed through on my way there only to have to double back to as the second stop of my trip. Thence to Liberia, Sierra Leone, Niger (Ivory Coast twice briefly in transit to and from Niger), Ghana and Nigeria.

After having been involved in the repatriation of the sacred Afo-A-Kom statue to Cameroon in 1973, I returned there this time to something of a hero's welcome. My visit was preceded by newspaper reports of my coming and by a video cassette recording produced by the VOA in which Renee Poussaint discussed with me the subject of "The African Heritage at the Smithsonian". The half-hour program was seen by almost everyone who had a TV set in this single network country and Renee did an excellent job as an interviewer, to illuminate the growing recognition in America of the importance of African art, the goals and activities of the Museum, and my own ideas and ideals in having established, now by Congressional Act, a National Museum under the Smithsonian. Very well received, the program provided a high recognition factor for me, also in the several other countries where it was shown in either English or French versions. In Cameroon there were two half-hour radio interviews as part of many hours discussion of traditional culture occasioned by my visit.

In the eight years since the Afo-A-Kom statue was returned to the Fon (King) of the Kom people in his mountain (Shangri-la like) compound, the central government of Cameroon, largely Moslem, has come to recognize the importance to the nation-building process of reawakening interest in traditional culture and preserving art works as manifestations of it. They are even putting out a journal on traditional culture (to be called Afo-A-Kom) for the introductory issue of which they have asked me to do an article. As further evidence of the government's support, it is providing funds for the building of a proper shrine edifice at Kom. Originally the government had not wanted the statue to go back to Kom where it would enhance the authority of the regional leader and undermine detribalization efforts in behalf of strong central authority. Fortunately we insisted and the ultimate significance of America's return of the Afo-A-Kom statue lays not so much in its particular circumstances, as in the fact that our action spurred on a modern African government toward recognition of the importance of preserving such art, previously all but overlooked (and sometimes swept under the rug as a vestige of the erroneously understood "primitive" past) in the rapid process of modernization.

Following two days of meetings and programs in the capital city (including a lecture at the American Cultural Center on "The Impact of Africa on Modern Culture"), I rented a car (brand new four wheel drive, air conditioned Toyota, maiden voyage) and driver and, accompanied by a representative of the Cultural Ministry (who had studied for eleven years in America—MA, Art History, Michigan State) set out on a trip through the beautiful Cameroon Highlands—as beautiful an area as one could find in the world—to call upon the Fons of Kom, Bafut, Bali, Babanki and the Sultan (because he's Moslem in contrast to the others) of Foumban. There are 17 of these regional kingdoms, the rulers of which are very much like European feudal lords of yore, but subordinate now to the central government of Cameroon and, like the Pope, as Stalin pointed out, with no divisions. But they still have a great deal of socio-political authority among their people and continue to be greatly revered.

I was awaited at Kom by the Fon and about 70 of the leaders of his 90,000 population realm. In a special ceremony I was inducted into the Chua Kom, the seven man inner council of the Fon, and accordingly robed to indicate my status as a "noble of the realm". We stayed overnight in the King's compound—an adventure in itself too intricate to describe here, but which I will write about in an article I am preparing for publication, "African Odyssey: Travel and Travail in the Bright Continent".

From Cameroon, I proceeded to Senegal where for a week I was a guest of the new president, Abdou Diouf, successor of Senegal's beloved first president Leopold Senghor (who had visited the Museum on three separate occasions during his visits to America). In Senegal I visited all of the principal cultural institutions: the National Museum of African Art, one of the best in Africa; the Mudre Afrique Dance School which combines classical training with African rhythm and movement—they danced in Washington several years ago under our Museum's auspices; the 8,000 student University of Dakar where I lectured; the tapestry workshop at Thies where spectacular weavings are made in the typical warm colors of Africa and with traditional African themes. We displayed about 30 such tapestries in an exhibition in the Museum in 1980. They are certainly on a par with those from the world renowned French tapestry

workshop at Aubusson. For these rich cultural resources, Senegal, as Africa's leading intellectual force can be justly proud. I also visited the fortress island of Goree in the Harbor of Dakar from which hundreds of thousands of slaves were shipped to America. Standing in the bare shell and unfinished rooms of this old building, it is difficult to conceive of the inhuman treatment of fellow human beings by Europeans and Americans as it was described by the Curator who was also quick to point out the complicity of African slave traders themselves without whom there would have been no slave trade.

Next came Liberia, where valiant but difficult efforts are being made by cultural officials to compete for government attention in order to establish a proper museum system. They need much help and responded warmly to the interest of our Museum that my presence in Liberia represented.

I must say that in each of the countries visited, I was extemely impressed by the high calibre of American representatives—Public Affairs Officers and Cultural Attachés of the International Communications Agency (formerly, and to become again USIA). They were all very supportive in their direct efforts to strengthen indigenous African cultural institutions. A group of highly knowledgeable, dedicated foreign service officers, with very few exceptions.

Sierra Leone proved to be a most charming country, if like Liberia, Senegal and other countries, suffering severe economic hardships (Cameroon, like Ivory Coast, steadily building prosperity, however). There I was privileged to call upon President Siakka Stevens who had visited the Museum on the occasion of our Sierra Leone exhibition in 1976 and also had the National Dance Company of Sierra Leone perform in my honor at a lovely dinner party tendered by Ambassador Theresa Healy. I had seen the group some years ago when it performed in Washington. To President Stevens, I presented a bottle of I.W. Harpers in the spirit of Harry S. Truman who once had said, "A little libation now and then is a good thing." The President accepted it in the same spirit and I had made a small in-road in the scotch monopoly on the drinking tastes of contemporary Africans.

The two things that struck me the most about Africa was the abounding beauty, not only of its natural environment but of its people and their great warmth, gentleness and genuine friendliness. I felt this everywhere I went, even in areas such as Ghana where increasing political differences with America are to be anticipated.

Each country was different in topography and color—the lush forest green of the coastal countries; the red earth of Cameroon, from the clay of which all of the village houses are built; the omnipresent desert brown of Niger and areas of Senegal. A sense of color is everywhere in Africa, particularly in the village market, striking in the very bright stripes and patterns of mattresses piled high out of doors, in the terry cloth robes and towels, in the blankets and wall hangings woven in intricate patterns on hand looms, and in the clothing of the people which is radiant and variegated. African women particularly have an elegance in their clothes (and carriage) that is not to be fully appreciated until one encounters it in their home culture. Coming out of a modest, thatched roofed, farm house, will emerge—on her way to work in the fields—a woman in full length dress of rich pattern and color, with an elegance that would not be seen in this country other than at a reception or other dressy evening function. But there she is doing her farming, and her dress is not out of place. How one looks is important in Africa where people have an innate sense of beauty.

In Niger, a largely desert country, French influence is pronounced, as it is in Senegal, Ivory Coast and a goodly portion of Cameroon. But less so then Moslem culture which, having been in Africa for centuries, is perhaps the strongest characteristic—beyond indigenous African cultural patterns—to be perceived there. (For touring Europeans, in which category Africans include Americans, French culture is to be directly experienced in the string of first class hotels that the French have built all over Africa, in several of which I stayed. Thus, except for the hassle (literally) of transportation, travel in Africa need not involve too much travail. I recommend the experience if you don't find hot weather debilitating.)

Ghana was a sad experience for one such as I, who has had a particular affinity for that country and culture from the time of my very first acquaintance with Ghanaians and with the art of the area. Choosing to take political and economic paths (allying themselves with Libya) unlike those of other countries which, though struggling, are making some headway toward modern viability, Ghana, with its industry stagnating, seems to be heading back toward subsistence farming, its national mind most recently filled with the paranoid idea (announced over the government radio) that invasion by the United States, England and Nigeria was imminent! Such is the need for external enemies as a means of keeping the people's minds off their plight and such is the plight of this country which had so much potential.

In Nigeria, where there is plenty of (oil) money to finance the push to modernity, we find superhighways, high-rise buildings, port facilities and automobiles, far beyond the country's capacity to absorb them—at least in Lagos, a city trebled in size since independence, vainly and erratically trying to gain control of its too rapid development. Its problems seem almost insurmountable.

In the city of Ife, a couple of hours away by superhighway, we find a university of 12,000 students, with the most modern building—an entire full blown campus that emerged in 1968 and has since been added to. Ife, where very significant 11th to 13th century terracottas and bronzes have been discovered during the last several decades, gives a hint of many more archeological discoveries to come, that will lead toward the reconstruction of both the history of Africa and our ideas and misconceptions concerning it.

The government of Nigeria has developed the most advanced museum system anywhere to be found in Africa. The National Museum in Lagos has a collection of some 12,000 objects in its reserves and displays outstanding examples reflecting "2,000 Years of Nigerian Art". A taste of this collection Americans have had from the touring exhibit of that name that was shown at the Corcoran with the Museum's co-sponsorship.

But aside from Nigeria, Senegal and Niger which has a remarkable, Smithsonian-in-miniature (a combination museum of indigenous culture, archeology, paleontology and a zoo), the museum situation in West Africa is deplorable, making all the talk of repatriation of objects that one hears in Africa utterly meaningless at this stage of the game. There is little or no control, security, proper systems of conservation and display; very few trained staff, no general code of museum ethics; and given the urgent priorities of material development, little money to devote to the development of museum systems in each country.

The Museum of African Art, in keeping with long range Smithsonian policies for international cooperation in the preservation of the human heritage, hopes to develop in the coming years on-going working relationships with certain of the museums in Africa, involving both the exchange of personnel and of art for loan exhibitions. The Smithsonian hopes thereby to help strengthen indigenous African efforts to foster the preservation of Africa's cultural patrimony.

The American Ambassadors themselves in each of the countries I visited showed much interest in such initiative and are ready to support them in any way possible. Ambassadors Hume Horan in Cameroon, Charles Bray in Senegal, William Swing in Liberia, Theresa Healy in Sierra Leone, Nancy Rawls in Ivory Coast and Tom Smith in Ghana (our Ambassadors to Niger and Nigeria were not at Post) as well as Public Affairs and Cultural Officers all hosted dinners or luncheons on the occasion of my visits to give me the opportunity to become better acquainted with the leading cultural and academic people in their countries, and they with me. The exchanges were most fruitful, strengthening bonds of trust for future working relationships.

In the couse of my trip I lectured frequently not only to general audiences at American Cultural Centers and students at universities, but to groups of cultural officials and museum professional staffs (75 in Ghana, 25 in Nigeria, 40 in Liberia, smaller seminars in Cameroon, Niger and elsewhere). Embassy officials also set up opportunities for me to meet with key government officials at all levels who welcomed America's proferred opportunities for intermuseum cooperation. The response to my remarks was uniformly positive even though Africans are extremely troubled about the problem of repatriation of objects removed from Africa during the last centuries. The facts of the matter are however, that if such objects had not been removed (by whomever and whether legitimately or illegitimately) they simply would not exist today. And today, with the few exceptions noted above, there are no properly secure Museum systems for such objects if they were returned. Having been responsible for the return of two important objects to Africa when the circumstances warranted it, I could speak from a position of some credibility. The long range responsibility to assemble and return representative collections of traditional African Art to Africa remains a question to be resolved in the future.

This brief report, though perhaps better than a postcard, hardly does justice to the many rich insights, ideas and impressions I have gained from my trip. Nevertheless I close, with best—if slightly belated—wishes from Africa.

With much appreciation of your friendship and support these past years, I look forward to seeing each of you personally before too long, as opportunities present themselves.●

OBSERVATIONS OF ALASKA

● Mr. MURKOWSKI. Mr. President, Alaska is as unfamiliar to many Americans as is Outer Mongolia. Myths and misperceptions about my home State abound. For years people thought that Alaska was a frozen wasteland whose inhabitants lived in igloos and used dogsleds. With the discovery of significant amounts of oil in Alaska, the old misperceptions have been replaced by new ones. The newest misperception is that Alaskans are rolling in enormous amounts of oil wealth. Nothing could be farther from the truth. When Alaska was being considered for statehood, Members of Congress were concerned that Alaska did not have the economic and resource base to be a viable State. With the current influx of oil revenues, that is starting to change for the better. These oil revenues, however, are needed to remedy longstanding social and economic problems in the State.

For example, Alaska has less than half the national average of hospital beds per capita. The State has 0.64 nursing home beds per 100,000 persons, compared to the national average of 4.89. Seventeen percent of Alaska's homes are substandard or overcrowded, as opposed to a national average of 7.7 percent. The U.S. Environmental Protection Agency estimated in 1980 that it would require per capita expenditures of $783 to bring Alaska's publicly owned sewage treatment works up to secondary treatment standards. The national average per capita cost was $128, and no other State had per capita costs over $300. Alaska shares the dubious honor with Mississippi of having the fewest physicians per 100,000 residents—78. This compares with a national average of 163 per 100,000 residents. Less than 1 percent of Alaska's area is accessible by road.

I am encouraged that members of the national press are starting to recognize Alaska's problems as well as its greatness. An article by Richard Reeves, a nationally syndicated columnist, recently came to my attention. Mr. Reeves has been traveling in my State. His article points out the contrast between Alaska's oil potential, and its serious economic and social needs. I encourage my colleagues to read this article. Mr. President, I ask that Mr. Reeves' article be printed in full at this point in the RECORD.

The article follows:

[From the Anchorage (Alaska) Daily News, May 26, 1982]

ALASKA: AN OIL-RICH, AMERICANIZED, THIRD WORLD COUNTRY

(By Richard Reeves)

JUNEAU.—"People in the Lower 48 think we're ripping them off, I know that," said Gov. Jay Hammond. "They don't understand that we have enormous needs here. Poverty here is worse than in Appalachia. Have you seen Bethel?"

Yes, I had. When I was there, in Western Alaska 300 miles from Russia, I had to keep reminding myself that I was in the United States.

"People think we want gold-plated plumbing," Hammond said as we talked about his state's oil profits. "But a lot of places in Alaska don't even have outhouses."

I know, I said, I saw. In Bethel and a lot of other places they use buckets. "Honey pots." The ground, under a few inches of dusty roads and small building lots laid over mushy tundra, is frozen solid all year long.

In Bethel, white Americans and Eskimos are paying several hundred dollars a month to live in the barge containers that bring supplies up from Seattle. The steel boxes—8 feet by 12 feet by 24 feet—have windows and doors cut into them and are plunked down on 55-gallon oil drums. That's housing in the seventh-largest community (population 10,671) in Alaska.

There are no roads into or out of Bethel. It can only be reached by plane—Anchorage is more than 400 miles away—or by boat after the Kuskokwim River thaws in May.

That is the thing to remember about our largest, coldest state: Alaska has no roads.

With the exception of Anchorage and Fairbanks, there is no way to get from one place to another without an airplane. That is why more than 10,000 of the 400,000 people in the state are licensed pilots.

Alaska is a developing country. It is not really the last American frontier—they are watching "The Dukes of Hazzard" in Bethel and villages up the river—as much as it is an oil-rich Americanized Third World country.

Alaska even has the xenophobic and some of the xenophobic laws of the Third World. On construction projects employing more than 10 people, 95 percent of the employees must be Alaska residents. And, under a law now being challenged before the U.S. Supreme Court, millions of dollars of the state's oil revenues would be divided among residents on the basis of how long they have lived in the state. (The constitutional challenge is based on the premise that the rights of Americans are rooted in more fundamental concepts than how long people have lived at their current addresses.)

The oil money—Alaska produces one-eighth of American oil—has distorted national perceptions of the state and Alaskans' perception of themselves and their own reality. Folks up here, most of whom live in relatively prosperous and stereotypical American places like Anchorage, have eliminated the state income tax and other taxes to live off oil revenues and oil taxes.

"Too many Alaskans have been seduced into believing the oil money will keep coming in forever," said Hammond, a conservative and conservationist Republican who opposes tax breaks for development and would like to keep the state something like the wild place he came to as a bush pilot 35 years ago. "I was against eliminating taxes and becoming dependent on oil. Inevitably, the oil will run out or there will be a change in the pricing structure."

"We could have a catastrophe here," said Hammond, who will leave office at the end of the year after two terms.

Alaska, Hammond seems to understand quite well, is not as rich and blessed as many other Alaskans believe it is. Like any developing country with one great rich resource, it must visualize the day when that resource is gone or worthless.

If it doesn't, the whole state will have an economy like Bethel's—that poor place produces about $10 million a year from its one industry, fishing, and gets $16 million a year in aid from Juneau and $27 million a year from Washington. The perception of wealth, ironically, could one day turn Alaska into a true welfare state.●

INTERNATIONAL LINER SHIPPING POLICY

● Mr. PACKWOOD. Mr. President, the administration has recently announced the first phase of its maritime promotional policy, much of which I heartily support. At the same time, a number of international regulatory issues which have a significant impact on the U.S. merchant marine and domestic commerce generally, remain to be settled. In the coming weeks, the Department of Transportation and the State Department will continue to discuss with foreign nations how these problems may be resolved.

Even while we in Congress are streamlining the Federal role in the ocean shipping industry, others are moving to restrict competition, to artificially allocate cargoes, to replace economic decisions with social and political mandates, and free enterprise with bureaucracy. I am talking about the United Nations Code of Liner Conduct and certain unilateral reservations of cargo by developing nations. Less worrisome, but of some concern, are indications of increased regulation by the European Economic Community. I am opposed to the UNCTAD code. It will hurt shippers, carriers, and ultimately consumers who would pay for the higher transportation costs of imports. I am opposed to cargo reservation schemes if they render our exports noncompetitive. As I stated recently, as an alternative to the UNCTAD code we can and should begin to carefully craft bilateral agreements with individual trading partners. In this way, the United States can best protect the interests of our importers, exporters, consumers, and the health of our merchant marine.●

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, if no other Senator seeks recognition at this time, I am prepared to proceed with a number of routine matters that have been called to my attention.

Is the Senator from West Virginia, the minority leader, prepared to do so?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I have a number of requests to make. I believe they have all been cleared with the distinguished minority leader. I will state them now for his consideration and for that of the Senate.

ORDER FOR STAR PRINT—S. 2664

Mr. BAKER. Mr. President, I ask unanimous consent that S. 2664 be

star printed to reflect the following change, which I send to the desk.

There being no objection, the bill was ordered to be star printed, as follows:

S. 2664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title III of the Congressional Budget Act of 1974 is amended by inserting after section 301 the following new section:

"LIMITATIONS ON TOTAL BUDGET OUTLAYS

"SEC. 301A. (a) IN GENERAL.—For any fiscal year beginning after September 30, 1982, the amount of total budget outlays set forth in any concurrent resolution on the budget may not exceed an amount equal to the greater of—

"(1) the difference between—

"(A) an amount which bears the same relationship to the gross national product of the United States at the close of such fiscal year as the total budget outlays for the preceding fiscal year bears to the gross national product of the United States at the close of such preceding fiscal year, and

"(B) an amount which is equal to one percent of the gross national product for such fiscal year; or

"(2) 18 percent of the gross national product for such fiscal year.

"(b) For purposes of this section, the gross national product shall be estimated by the Director of the Congressional Budget Office and reported by the Director, from time to time, to the Committees on the Budget of the House of Representatives and the Senate.".

(b) Unless two-thirds of the whole number of both Houses of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law.

(c) Section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item section 301 the following new item:

"Sec. 301A. Limitations on total budget outlays.".

ENDANGERED SPECIES ACT

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 6133.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendments of the Senate to the bill (H.R. 6133) entitled "An Act to amend the Endangered Species Act of 1973", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. Jones of North Carolina, Mr. Breaux, Mr. Studds, Mr. Bowen, Mr. Snyder, Mr. Forsythe, and Mr. Emery be the managers of the conference on the part of the House; and as additional managers solely for consideration of section 4 of the House bill and modifications committed to conference: Mr. Bonker and Mr. Leach.

Mr. BAKER. Mr. President, I move that the Senate agree to the House request for a conference and that the Chair be authorized to appoint conferees on behalf of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. STAFFORD, Mr. CHAFEE, Mr. GORTON, Mr. RANDOLPH, and Mr. MITCHELL conferees on the part of the Senate.

ORDER FOR STAR PRINT—H.R. 5890

Mr. BAKER. Mr. President, due to a printing error at the Government Printing Office, I ask unanimous consent that H.R. 5890 be star printed to reflect the following change which I send to the desk:

The change is as follows:

Beginning on line 13, after the word "acquisition", insert "$110 million".

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL NCO/PETTY OFFICER WEEK

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed now to the consideration of House Joint Resolution 518, designating National NCO/Petty Officer Week.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The assistant legislative clerk read as follows:

A House Joint Resolution (H.J. Res. 518) to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week".

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read the first and second times by title.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being on objection, the joint resolution (H.J. Res. 518) was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. BAKER. I move to reconsider the vote by which the joint resolution was agreed to, Mr. President.

Mr. THURMOND. I move to lay that motion on the table, Mr. President.

The motion to lay on the table was agreed to.

ORDER FOR CERTAIN ACTION DURING RECESS

Mr. BAKER. Mr. President, I ask unanimous consent that, until Tuesday, June 29, 1982 at 11 a.m., the Secretary of the Senate be authorized to receive messages from the President of the United States or the House of Representatives, that they be appropriately referred, and that the Vice President, the President pro tempore, or the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PRO FORMA SESSION TOMORROW

Mr. BAKER. Previously, I announced, Mr. President, that tomorrow, there would be a pro forma session of the Senate. In order to fully implement that, I ask unanimous consent that when the Senate concludes its business today, it recess until 9:30 a.m., tomorrow, Friday, June 25, 1982; and that immediately upon convening on said day, the Presiding Officer shall, without the transaction of any business or debate, declare the Senate recessed until 11 a.m., on Tuesday next, June 29, 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 2240

Mr. BAKER. Mr. President, on the flexitime measure, I ask unanimous consent that when the Senate turns to the consideration of S. 2240, a bill to authorize the Federal Government's use of flexible and compressed work schedules for its employees, but not before Tuesday, June 29, 1982, the bill be considered under the following time agreement:

To be 30 minutes on the bill equally divided between Senators STEVENS and EAGLETON, or their designees; 1 hour on an amendment to be offered by the Senator from Colorado (Mr. ARMSTRONG) to the Walsh-Healy Act, and the Contract Work Hours and Safety Standards Act; 30 minutes on a perfecting amendment to be offered by the Senator from Massachusetts (Mr. KENNEDY) to the Armstrong amendment; two committee amendments to be offered and debated out of the time allotted on the bill; that no other amendments in the first or second degree be in order; 5 minutes on any debatable motions, appeals or points of order, if so submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 2240, a bill to authorize the Federal Government's use of flexible and compressed work schedules for its employees, but not before Tuesday, June 29, 1982, debate on an amendment to be offered by the Senator from Colorado (Mr. Armstrong) relative to the Walsh-Healy Act and the Contract Work Hours and Safety Standards Act shall be limited to 1 hour, to be equally divided and controlled, debate on a perfecting amendment to be offered by the Senator from Massachusetts (Mr. Kennedy) to the Armstrong amendment shall be limited to 30 minutes, to be equally divided and controlled, debate on two committee

amendments which shall be offered shall be debated out of the time allotted on the bill, with no other amendments in the first and second degree to be in order, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 5 minutes, to be equally divided and controlled: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the Senator from Alaska (Mr. Stevens) and the Senator from Missouri (Mr. Eagleton): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered further, That no amendment not germane be received.

CALENDAR

Mr. BAKER. Mr. President, there are certain bills on the calendar. If the Senator from California will permit me to finish this wrapup, then I shall be pleased to yield the floor.

Mr. HAYAKAWA. Indeed, I am pleased to do that, Mr. President.

Mr. BAKER. Mr. President, there are certain bills on the calendar today that are cleared for action on this side by unanimous consent. That is Calendar Order Nos. 578, 680, 685, 686, and 687. I inquire of the minority leader if he is in a position to clear part or all of those measures for action by unanimous consent on his side.

Mr. ROBERT C. BYRD. Mr. President, all items named by the majority leader are cleared on this side.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate may proceed to consider the items just identified.

The PRESIDING OFFICER. Without objection, it is so ordered.

MARITIME PROGRAMS OF THE DEPARTMENT OF TRANSPORTATION

The Senate proceeded to consider the bill (S. 2336) to authorize appropriations for fiscal year 1983 for certain maritime programs of the Department of Transportation, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment, to strike out all after the enacting clause, and insert the following:

That funds are authorized to be appropriated for certain maritime programs of the Department of Transportation for the fiscal year 1983, as follows:

(1) for payment of obligations incurred for operating differential subsidy, not to exceed $454,010,000;

(2) for expenses necessary for research and development activities, not to exceed $16,800,000;

(3) for expenses necessary for operations and training activities, not to exceed $71,013,000, including not to exceed—

(a) $6,516,000 for reserve fleet expenses;

(b) $29,607,000 for maritime education and training expenses, including not to exceed $17,251,000 for maritime training at the Merchant Marine Academy maintained under section 1303 of the Merchant Marine Act, 1936, as amended, $10,668,000 for financial assistance to State maritime academies assisted under section 1304 of the Act, and $1,688,000 for expenses necessary for additional training provided under section 1305 of the Act; and

(c) $34,890,000 for other operations and training expenses.

SEC. 2. Section 615 of the Merchant Marine Act, 1936 (46 U.S.C. 1185), is amended to read as follows:

SEC. 615. Notwithstanding any other provision of this Act, prior to October 1, 1984, an operator receiving or applying for operating differential subsidy under this title may construct, reconstruct, or acquire its vessels of over five thousand deadweight tons outside the United States. Any vessel constructed, reconstructed, or acquired in accordance with this section or section 1610 of Public Law 97-35 and any vessel otherwise constructed, reconstructed, or acquired outside of the United States and documented under the laws of the United States prior to October 1, 1984, shall be deemed to have been United States built for the purposes of this title, section 901(b) of this Act, and section 5(7) of the Port and Tanker Safety Act of 1978 (46 U.S.C. 391a(7)).".

SEC. 3. Section 1103(f) of the Merchant Marine Act, 1936 (46 U.S.C. 1273(f)), is amended by adding at the end thereof the following new sentence: "No additional limitations may be imposed on new commitments to guarantee loans for any fiscal year, except in such amounts as established in advance in annual authorization Acts.".

SEC. 4. The Secretary of Transportation shall not enter into new commitments to guarantee loans under section 1103(f) of the Merchant Marine Act, 1936 (46 U.S.C. 1273(f) in an amount greater than $2,250,000 during fiscal year 1983, 1984, and 1985: Provided, That not more than $850,000,000 may be committed in any one of those years.

SEC. 5. (a) Section 1104(a)(3) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1274(a)(3)), is amended by inserting after the word "Fund" the words ", or for which related obligations were accelerated and paid by the Secretary,".

(b) Section 1104(h) of such Act (46 U.S.C. 1274(h)) is amended by inserting after the word "acceleration" the word ", assumption,".

(c) The first sentence of section 1105(a) of such Act (46 U.S.C. 1275(a)) is amended by inserting after the word "demand" the following: "(unless the Secretary shall, upon such terms as may in his discretion be provided in the obligations or agreements relating thereto, prior to such demand, in his discretion, have assumed the obligor's rights and duties under said obligations and agreements and shall have made any payments in default)".

(d) Section 1105(b) of such Act (46 U.S.C. 1275(b)) is amended to read as follows:

"(b) In the event of a default under a mortgage, loan agreement, or other security agreement between the obligor and the Secretary, the Secretary may (upon such terms as may in his discretion be provided in the obligations or agreements relating thereto), at his option and discretion—

"(1) notify the obligee or his agent of such default and the assumption by the Secretary of the obligor's rights and duties under said obligation and agreements relating thereto and make any payment in default; or

"(2) notify the obligee or his agent of such default and the obligee or his agent shall have the right to demand at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than 60 days from the date of such notice, payment by the Secretary of the unpaid principal amount of said obligation and the unpaid interest thereon. Within such period as may be specified in the guarantee or related agreements, but not later than 30 days from the date of such demand, the Secretary shall promptly pay to the obligee or his agent the unpaid principal amount of said obligation and unpaid interest thereon to the date of payment.

The validity of the guarantee of an obligation made by the Secretary under this title shall be unaffected and such guarantee shall remain in full force and effect notwithstanding any assumption of such obligation by the Secretary pursuant to subsections (a) and (b) of this section.".

(e) The first sentence of section 1105(c) of such Act (46 U.S.C. 1275(c)) is amended by inserting after the word "payment" the words "or assumption" and by inserting after "Secretary", the first time it appears, the words ", in his discretion.".

SEC. 6. Section 362(b)(7) of title 11, United States Code, is amended to read as follows:

"(7) under subsection (a) of this section, of the commencement of any action by—

"(A) the Secretary of Housing and Urban Development to foreclose a mortgage or deed of trust in any case in which the mortgage or deed of trust held by the Secretary is insured or was formerly insured under the National Housing Act and covers property, or combinations of property, consisting of five or more living units; or

"(B) the Secretary of Transportation to foreclose a mortgage on a vessel or vessels pursuant to the Ship Mortgage Act, 1920, as amended, held by said Secretary under the provisions of sections 1101-1110 or section 207 of the Merchant Marine Act, 1936, as amended; or".

SEC. 7. Commencing with fiscal year 1983, appropriation of funds to carry out the laws administered by the Federal Maritime Commission shall be subject to annual authorization.

SEC. 8. Funds are authorized to be appropriated in the amount of $11,650,000 for the use of the Federal Maritime Commission for the fiscal year 1983.

SEC. 9. Section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883), is amended by adding the following new sentence at the end thereof: "For the purposes of this section, after December 31, 1983, or until such time as an incineration vessel has been constructed in the United States and documented as a vessel of the United States, whichever occurs later, the transportation of hazardous waste, as defined in section 1004(5) of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6903(5)), from a point in the United States for the purpose of the incineration at sea of that waste shall be deemed to be transportation by water of merchandise between points in the United

States: *Provided, however,* That the provisions of this sentence shall not apply to such transportation when performed by an ocean incineration vessel, or a replacement to such vessel in case of maritime casualty owned by or under construction for a citizen of the United States on May 1, 1982. Such vessels shall meet all current Coast Guard and Environmental Protection Agency standards with respect to ocean incineration. The term 'citizen of the United States' means a corporation wholly owned by such a citizen as defined in sections 2(a) and 2(b) of the Shipping Act 1916 (46 U.S.C. 802 (a) and b)).".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. I move to reconsider the vote by which the bill passed, Mr. President.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WILLIAM R. COTTER FEDERAL BUILDING

The Senate proceeded to consider the bill (H.R. 4569) to designate the U.S. Post Office Building in Hartford, Conn., as the "William R. Cotter Federal Building".

Mr. WEICKER. Mr. President, Oliver Wendell Holmes, Jr., once said in speaking of his duty to his Nation that:

> ... the best service we can do for our country ... (is) to hammer out as compact and solid a piece of work as one can, to make it first rate, and to leave it unadvertised.

To the best of his ability this was the dictum that governed the performance of William R. Cotter, who until his death this past September, served as Congressman from the First District in Connecticut.

Bill Cotter was responsible for hammering out a good deal of solid legislation, which although first rate, was not pursued by Bill Cotter out of any desire for fame or glory on his part, but rather for the benefit of his constituents. Bill Cotter worked quietly, but efficiently, and his loss was mourned by not only those he represented, but more importantly by those who admired the way he got things done.

Mr. President, I have spoken before on the need, in this era of partisan political posturing, to commemorate those who were able to rise above the mean. Bill Cotter was such a man, and I am pleased that we now have the opportunity to memorialize him by passing H.R. 4569 a bill which would name the U.S. Post Office in Hartford, Conn., the William R. Cotter Federal Building.

I urge my colleagues to support this bill, and I would like to express my gratitude to Senator STEVENS for his efforts in this regard.

The bill was ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL RESPIRATORY THERAPY WEEK

The joint resolution (S.J. Res. 193) designating the week of November 7 through November 13, 1982, as "National Respiratory Therapy Week", was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 193

Whereas respiratory therapy is recognized as one of the most modern and progressive segments of the health care delivery system in the United States;

Whereas there are over eighty thousand respiratory therapy practitioners in the Nation who are making an important contribution to the delivery of quality health care;

Whereas respiratory therapists are involved with therapeutic and life-sustaining cardiopulmonary care to patients suffering from lung and associated heart disorders; and

Whereas in recent years the field of respiratory therapy has expanded to include postoperative pulmonary care, education, research, pulmonary testing, pulmonary rehabilitation, and neonatal-pediatric specialties: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 7 through November 13, 1982, is designated as "National Respiratory Therapy Week" and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such week with appropriate activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSENT OF CONGRESS TO AN INTERSTATE COMPACT

The bill (H.R. 4903) granting the consent of the Congress to an interstate compact between the States of Mississippi and Louisiana establishing a commission to study the feasibility of rapid rail transit service between the two States, was considered, order to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LUPUS AWARENESS WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 183) to authorize and request the President to issue a proclamation designating October 25, 1982, as "Lupus Awareness Week," which had been reported from the Committee on the Judiciary with amendments, as follows:

On page 2, line 2, strike "19", and insert "17";

On page 2, line 2, strike "25", and insert "23";

So as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 17 through October 23, 1982, as "Lupus Awareness Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activites.

Mr. SPECTER. Mr. President, today the Senate is considering Senate Joint Resolution 183, a joint resolution to designate October 17 through October 25, 1982, as "Lupus Awareness Week." I urge my colleagues to vote for passage of this resolution.

Most people are not familiar with lupus, neither the seriousness nor incidence of the disease. Unfortunately, it is little known mainly because even now its diagnosis is difficult and sometimes uncertain.

Lupus is classified as a rheumatic disease and is usually considered a chronic, systemic, inflammatory disease that affects the connective tissue common to all organs. The seriousness of lupus varies greatly from very mild to life threatening and depends on the parts of the body affected. It may affect only the skin in some people; in others it may affect virtually any organ in the body, including the skin, joints, kidneys, brains, lungs, heart, blood, and immune system. Lupus afflicts 50,000 new patients every year. The cause of the disease remains unknown.

The lack of awareness on the part of the general public and, in some cases, even on the part of the medical profession, creates a major problem as the disease is often misdiagnosed or diagnosed too late, when the damage to the patient is irreversible.

It is my sincere desire and belief that a proclamation such as this will greatly stimulate medical activity on lupus research and will help increase the Nation's consciousness of this debilitating disease.

The amendment were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

"Joint resolution to authorize and request the President to issue a proclamation designating October 17 through October 23, 1982, as "Lupus Awareness Week".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, there are certain items on today's Executive Calendar that are cleared on this side, and I ask the minority leader if he is in a position to consider any or all of the following: item No. 798 under Federal Home Loan Bank Board; 799 under New Reports, Department of Commerce; 800 and 801 under Federal Council on the Aging; and three items, being 802, 803, and 804, on page 4 under the Judiciary.

Mr. ROBERT C. BYRD. Mr. President, the nominations have been cleared on this side.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering the nominations.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The nominations will be stated.

The nominations considered and confirmed en bloc are as follows:

FEDERAL HOME LOAN BANK BOARD

James Jay Jackson, of Texas, to be a Member of the Federal Home Loan Bank Board for the term of four years expiring June 30, 1986. (Reappointment)

[NEW REPORTS]

DEPARTMENT OF COMMERCE

Guy W. Fiske, of Virginia, to be Deputy Secretary of Commerce.

FEDERAL COUNCIL ON THE AGING

Adelaide Attard, of New York, to be a Member of the Federal Council on the Aging for a term expiring June 5, 1985. (Reappointment)

Charlotte W. Conable, of New York, to be a Member of the Federal Council on the Aging for a term expiring June 5, 1985. (Reappointment)

THE JUDICIARY

John P. Moore, of Colorado, to be United States District Judge for the District of Colorado.

Thomas Penfield Jackson, of the District of Columbia, to be United States District Judge for the District of Columbia.

Henry A. Mentz, Jr., of Louisiana, to be United States District Judge for the Eastern District of Louisiana.

NOMINATION OF GUY W. FISKE, DEPUTY SECRETARY, DEPARTMENT OF COMMERCE

Mr. WARNER. Mr. President, Mr. Fiske will bring to this position many years of management skills from the private sector and his recent experience as Under Secretary of the Department of Energy, the Chief Operating Officer of that Department.

At Energy his management responsibilities included a budget of some $12 billion, 14,000 Government employees and 130,000 contractural employees. His management expertise and thorough working knowledge of the Department of Energy programs will be of great assistance to Secretary Baldrige; particularly at this time as the Senate is considering the President's proposed Department of Energy reorganization legislation. This bill will transfer a majority of Department of Energy programs to the Department of Commerce.

Prior to Government service with this administration, Mr. Fiske held high-level executive management positions with the General Electric Co., International Telephone & Telegraph Corp., and General Dynamics. His 30 years of top management and day-to-day operations of these domestic and international corporations make him uniquely well qualified for the position of Deputy Secretary of Commerce.

I commend Mr. Fiske for his willingness to set aside his distinguished career in the private sector to serve in these significant positions with the Federal Government. He is committed to the President's programs—and in making them work.

I urge prompt and positive action on his nomination in the U.S. Senate today.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, I express my gratitude to the minority leader for his cooperation in managing a very respectably-sized legislative calendar and executive nominations.

Today has been a big day, in the sense that we have dealt with important legislation. I must say I am constrained to report that I believe the President of the United States will veto the bill we have just passed. If that occurs, as I expect, then it is my anticipation that the House of Representatives will transmit to us another supplemental appropriations bill on Monday.

Provision has been made, has it not, for the Senate to receive on Monday?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

In any event, it would not be possible for us to act until Tuesday. The Senate will convene at 11 o'clock on Tuesday, and Senators then should be on notice that I expect we will be called upon to deal with another supplemental appropriations bill on Tuesday, together with other matters which I described earlier in the day and on yesterday.

Mr. President, I have no further business to transact, and I yield now so that the Senator from California may seek the floor.

Mr. President, I ask unanimous consent, with the concurrence of the minority leader, that when the Senator from California completes his remarks, the Chair automatically place the Senate in recess, under the order previously entered, until 9:30 a.m. tomorrow, for the pro forma session, as provided for by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. BAKER. I thank all Senators, and I thank the Senator from California for permitting me to make that arrangement.

(The remarks of Mr. HAYAKAWA at this point in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the order previously entered, the Senate stands in recess.

Thereupon, at 6:02 p.m., the Senate recessed until tomorrow, Friday, June 25, 1982, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 24, 1982:

FEDERAL COUNCIL ON THE AGING

Adelaide Attard, of New York, to be a Member of the Federal Council on the Aging for a term expiring June 5, 1985.

Charlotte W. Conable, of New York, to be a Member of the Federal Council on the Aging for a term expiring June 5, 1985.

DEPARTMENT OF COMMERCE

Guy W. Fiske, of Virginia, to be Deputy Secretary of Commerce.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify

before any duly constituted committee of the Senate.

THE JUDICIARY

John P. Moore, of Colorado, to be U.S. district judge for the district of Colorado.

Thomas Penfield Jackson, of the District of Columbia, to be U.S. district judge for the District of Columbia.

Henry A. Mentz, Jr., of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

FEDERAL HOME LOAN BANK BOARD

James Jay Jackson, of Texas, to be a member of the Federal Home Loan Bank Board for the term of 4 years expiring June 30, 1986.

HOUSE OF REPRESENTATIVES—*Thursday, June 24, 1982*

The House met at 10 a.m.

Rabbi Eugene H. Levy, Congregation Beth El, Tyler, Tex., offered the following prayer:

Our God and Creator, we, gathered here this morning, thank You for implanting the idea of justice and righteousness within us. We ask You to be with us as we attempt to express these ideas in our lives.

Help each of us to determine Your will for us. In so doing, inspire us to search our various traditions—extracting from them the shared love for our fellow brothers and sisters here, and around the world.

Kindle within each of us the passion for righteousness and peace. May we be open to the thoughts and beliefs of others.

And may we—by our thoughts and actions—hasten the time when corruption and evil will cease, and justice will be established in all the Earth. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GREGG. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GREGG. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 331, nays 34, answered "present" 2, not voting 65, as follows:

[Roll No. 173]

YEAS—331

Akaka	Bailey (MO)	Bingham
Albosta	Bailey (PA)	Bliley
Anderson	Beard	Boggs
Andrews	Bedell	Boland
Annunzio	Beilenson	Boner
Anthony	Benjamin	Bonior
Aspin	Bennett	Bonker
Atkinson	Bereuter	Bouquard
AuCoin	Bethune	Bowen
Badham	Bevill	Breaux
Bafalis	Biaggi	Brinkley
Brodhead	Gregg	Mitchell (NY)
Brooks	Grisham	Moakley
Broomfield	Guarini	Montgomery
Brown (CO)	Gunderson	Moore
Broyhill	Hagedorn	Moorhead
Burgener	Hall (OH)	Morrison
Burton, Phillip	Hall, Ralph	Mottl
Byron	Hall, Sam	Murphy
Campbell	Hamilton	Murtha
Carman	Hammerschmidt	Myers
Carney	Hance	Napier
Chappie	Hansen (ID)	Natcher
Cheney	Hansen (UT)	Neal
Clausen	Hawkins	Nelligan
Clinger	Heckler	Nelson
Coelho	Hefner	Nichols
Coleman	Hendon	Nowak
Collins (IL)	Hertel	O'Brien
Collins (TX)	Hightower	Oakar
Conable	Hiler	Oberstar
Conte	Hillis	Obey
Corcoran	Hollenbeck	Oxley
Courter	Holt	Panetta
Coyne, James	Hopkins	Parris
Coyne, William	Horton	Pashayan
Craig	Howard	Patman
Crane, Daniel	Hubbard	Patterson
Crane, Philip	Huckaby	Paul
D'Amours	Hughes	Pease
Daniel, Dan	Hunter	Pepper
Daniel, R. W.	Hyde	Perkins
Daschle	Jeffords	Petri
Davis	Jeffries	Peyser
de la Garza	Jenkins	Pickle
Deckard	Jones (OK)	Porter
DeNardis	Jones (TN)	Price
Derwinski	Kastenmeier	Pritchard
Dicks	Kazen	Pursell
Dingell	Kennelly	Quillen
Dixon	Kildee	Rahall
Donnelly	Kindness	Railsback
Dougherty	Kogovsek	Rangel
Dowdy	Kramer	Regula
Downey	LaFalce	Reuss
Duncan	Lagomarsino	Rinaldo
Dunn	Lantos	Ritter
Dwyer	Latta	Roberts (KS)
Dymally	Leath	Robinson
Early	Lee	Roe
Eckart	Leland	Rogers
Edwards (AL)	Lent	Rosenthal
Edwards (OK)	Levitas	Rostenkowski
Emery	Lewis	Roth
English	Livingston	Roukema
Erdahl	Loeffler	Roybal
Erlenborn	Long (LA)	Rudd
Evans (DE)	Lott	Russo
Fary	Lowry (WA)	Sawyer
Fascell	Lujan	Scheuer
Fazio	Luken	Schneider
Fenwick	Lundine	Schulze
Ferraro	Lungren	Seiberling
Fiedler	Madigan	Sensenbrenner
Fish	Markey	Shamansky
Fithian	Marks	Shannon
Flippo	Marlenee	Sharp
Florio	Marriott	Shaw
Foglietta	Martin (NC)	Shumway
Foley	Martin (NY)	Shuster
Fowler	Matsui	Simon
Frank	Mattox	Skeen
Frenzel	Mavroules	Skelton
Frost	Mazzoli	Smith (IA)
Fuqua	McClory	Smith (NE)
Gaydos	McCloskey	Smith (NJ)
Gephardt	McCollum	Smith (PA)
Gibbons	McCurdy	Snowe
Gilman	McDade	Snyder
Gingrich	McDonald	Spence
Glickman	McEwen	St Germain
Gonzalez	McHugh	Stangeland
Gore	Mikulski	Stanton
Gradison	Miller (CA)	Stark
Gramm	Mineta	Staton
Green	Minish	Stenholm
Stokes	Walgren	Wirth
Stratton	Wampler	Wolf
Studds	Watkins	Wolpe
Swift	Waxman	Wortley
Synar	Weaver	Wright
Tauke	Weber (MN)	Wyden
Tauzin	Weber (OH)	Wylie
Taylor	Weiss	Yates
Thomas	White	Yatron
Traxler	Whitehurst	Young (FL)
Trible	Whitley	Young (MO)
Udall	Whittaker	Zablocki
Vander Jagt	Whitten	Zeferetti
Vento	Williams (MT)	
Volkmer	Williams (OH)	

NAYS—34

Archer	Evans (IA)	Ratchford
Barnes	Fields	Roberts (SD)
Brown (CA)	Gejdenson	Roemer
Butler	Goodling	Rousselot
Coats	Harkin	Sabo
Coughlin	Hartnett	Schroeder
Dannemeyer	Hoyer	Smith (AL)
Daub	Jacobs	Smith (OR)
Dickinson	Johnston	Solomon
Dornan	LeBoutillier	Walker
Dreier	McGrath	
Emerson	Miller (OH)	

ANSWERED "PRESENT"—2

Mica	Ottinger

NOT VOTING—65

Addabbo	Evans (IN)	McKinney
Alexander	Findley	Michel
Applegate	Ford (MI)	Mitchell (MD)
Barnard	Ford (TN)	Moffett
Benedict	Forsythe	Molinari
Blanchard	Fountain	Mollohan
Bolling	Garcia	Rhodes
Brown (OH)	Ginn	Richmond
Burton, John	Goldwater	Rodino
Chappell	Gray	Rose
Chisholm	Hatcher	Santini
Clay	Heftel	Savage
Conyers	Holland	Schumer
Crockett	Hutto	Shelby
Dellums	Ireland	Siljander
Derrick	Jones (NC)	Solarz
Dorgan	Kemp	Stump
Dyson	Leach	Washington
Edgar	Lehman	Wilson
Edwards (CA)	Long (MD)	Winn
Ertel	Lowery (CA)	Young (AK)
Evans (GA)	Martin (IL)	

□ 1015

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 519. Joint resolution to provide for a temporary increase in the public debt limit.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2494. An act to authorize support for an ongoing program of water resources research; and

S Con. Res. 100. Concurrent resolution expressing the sense of the Congress that pending steel unfair trade practice cases be vigorously pursued and promptly concluded.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill earlier today:

H.R. 5922. Making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

RABBI EUGENE LEVY

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

The SPEAKER. The Chair wishes to inform the Members that our visiting Chaplain this morning is the cousin of the distinguished gentleman from Texas (Mr. FROST).

The Chair recognizes the gentleman from Texas.

Mr. FROST. Mr. Speaker, it is an honor to introduce my cousin and good friend, Rabbi Eugene Levy, who served as our guest chaplain today.

Rabbi Levy is with the Temple Beth-El in Tyler, Tex., and was formerly the director of the Hillel Foundation at the University of Oklahoma at Norman. He is a graduate of the University of Texas and of the Hebrew Union College of Cincinnati where he received his rabbinical degree.

Rabbi Levy grew up in San Antonio, Tex., where as a young man, he served as the president of the Texas-Oklahoma Federation of Temple Youth. Now living in Tyler with his wife, Bobbi, and their two children, Rabbi Levy has continued his active involvement in Tyler's civic affairs.

Because he has been my close friend for so many years, I take extra pride in introducing him to my friends and colleagues in the House.

RABBI EUGENE LEVY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, I follow my distinguished associate and colleague from the Dallas area, Congressman FROST, in welcoming Rabbi Levy, who gave us and offered the prayer as the guest chaplain.

Because of the fact that this distinguished family, both the Frost family as well the Levy family and their immediate forebears, have played a very important role in the development of the district I have the honor of representing, the city of San Antonio, culturally, socially, economically, the names Frost, Cohen, and Levy are outstanding.

In my own family, when my parents came from Mexico in the category of refugees, actually, and in the early dim years of my childhood, the earliest memory I have is accompanying my mother and my aunt to English and citizenship class intruction offered by the Jewish Federation of Women, the only organization anywhere that took any interest in trying to help the immigrant group. At that time the U.S. Immigration officials did everything they could to prevent people like my relatives from becoming citizens. The Frost family was in the forefront of the efforts of the San Antonio Federation of Jewish Women, who had their headquarters on Poplar Street and where English and citizenship instructions were imparted.

VETO OVERRIDE NECESSARY TO SAVE FOREST PRODUCTS INDUSTRY

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, our Nation's economy is in very serious trouble. In the Pacific Northwest, unemployment has reached 13 percent, and in some counties in the State of Washington unemployment today is at 30 percent. The forest products industry is devastated, and yet we hear today that David Stockman is drafting a veto message for the President for the housing initiative that was passed by this Congress by a vote of 349–55.

The President says the housing bill will increase the deficit. This bill, by the way, pays for itself, and I will tell the Members why we have large deficits today. It is because unemployment has gone from 7 to 9.5 percent in the last 9 months, and every time unemployment goes up 1 percent, the Federal Government loses $25 billion in revenues, and we must pay $5 billion to take care of the unemployed.

That 2.5-percent increase in unemployment means that the deficit is increased by $75 billion. The best way to reduce the deficit is to get people back to work, and that is what this housing bill will do.

CONGRESS URGED TO LEAD FIGHT FOR EQUAL RIGHTS FOR WOMEN

(Mr. LEHMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN. Mr. Speaker, as a Floridian, I was particularly disappointed by the failure of the Florida Legislature earlier this week to ratify the equal rights amendment. I had hoped, that if our State had ratified the amendment, it would have encouraged at least two other States to do likewise before the amendment expires on June 30.

Those of us who believe strongly in equal rights for women cannot let this setback dissuade us from our purpose. Next month, I will join with other members of the Congressional Caucus for Women's Issues in reintroducing the equal rights amendment. I will work for its passage by the Congress and for its ratification by the States.

Equal rights for women is too important to be put on the back burner. I urge all my colleagues to show the country that the Congress will lead the fight for equal rights. I urge you to support the equal rights amendment when it is reintroduced on July 14.

REPUBLICANS URGED TO VOTE TO OVERRIDE VETO

(Mr. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATTERSON. Mr. Speaker, yesterday this House sent to the President of the United States the urgent supplemental appropriation, including the housing stimulus program. Strong rumor has it this morning that David Stockman has already drafted a veto message, and when the President arises, if he signs that veto message, then we will vote to either override, or sustain the veto.

Let me remind my colleagues in the House that 349 of them voted for the housing stimulus and only 55 against it, a 7 to 1 vote. As recently as yesterday 74 Members of the Senate voted for the housing stimulus—a 3 to 1 vote.

If the President vetoes the housing stimulus bill, our President is asking Republican Members to fall on your swords. He is not asking you to fight a good battle. Let me tell you, if you fall on that sword, then November will be a lot easier for my side of the aisle. But in the interest of the health of the American economy and the bipartisan nature of this housing economic stimulus and the desperate need for recovery of the housing industry, I urge you to stand up and vote as you did previously, 349 strong, to override the veto.

□ 1030

OUR FIRST RESPONSIBILITIES BEGIN AT HOME

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute.)

Mr. BONER of Tennessee. Mr. Speaker, yesterday the House of Representatives passed a bill authorizing

$50 million in aid to Lebanon. I was 1 of 70 Members who voted against that bill, and as I voted and realized I was in the minority, I stood back in the corner and I could not help but realize that 2 weeks ago many of those Members who were voting for this legislation stood on the floor of the House and said they wanted to support a budget that would cut back on medicare for our elderly, that would do away with many parts of the medicaid program that go to many of our poor, and that would cut back on the child nutrition for our youth.

Mr. Speaker, I believe our first responsibility should be to the American citizens and not to those people 2,000 or 3,000 miles away.

SQUELCHING A RUMOR ON THE VETO MESSAGE

(Mr. JACOBS asked and was given permission to address the House for 1 minute.)

Mr. JACOBS. Mr. Speaker, there is no truth to the rumor that the veto message will be sent up on 5 by 7 cards.

Mr. Speaker, I yield back the balance of my time.

THE CRITICAL VOTE ON THE VETO OVERRIDE

(Mr. PEYSER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, in my area in New York, the building trades are presently at a 40-percent unemployment level. I do not know how it is in other sections of the country. My understanding is that it is nearly equal to that everywhere.

When this veto message comes up, if it does come up, we will be voting on whether we put these people back to work and whether we give young people, middle-aged people, and old people in this country a change to buy a home.

I think the issue is very clear. The Congress, both Republicans and Democrats, has overwhelmingly voted to say, yes, we believe the construction trades and the building industry are critical and we have to go ahead and help the people of our country, and start lowering unemployment.

Well, Mr. Speaker, the vote is coming up, and I think the people of the country are going to clearly watch how everyone votes on this override.

LEGISLATION TO ALLOW A THIRD VERDICT CHOICE IN INSANITY PLEAS

(Mr. HERTEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERTEL. Mr. Speaker, the first duty of our Government is to protect its citizens. When we look at the Hinckley verdict we see that a man who is mentally ill and who has shot the President might at a later time be released on the streets, I think it is time that we do something about it.

In Michigan 6 years ago, we passed a law which gives a third choice for the jury. The choices are guilty, not guilty, and guilty but mentally ill. That allows the judge and jury to give the person a direct sentence at a fixed number of years up to life. That person would be incarcerated for that period and would receive the proper care, but if the person were found later to be cured, he would still not be released on the streets. In this case of Hinckley and in other cases they are in fact given the opportunity possibly to commit the act again. It is important that people get proper treatment and it is especially important that the public's right of protection is recognized. We need no further studies. We do need a concrete law that keeps dangerous people off our streets.

Mr. Speaker, this bill will be introduced soon. It has already been upheld by the Michigan State Supreme Court. I thank the Members for their cosponsorship and their interest, and we will be glad to answer any questions they might have.

LEGISLATION ON EL SALVADOR CERTIFICATIONS DELAYED AS A RESULT OF MINORITY OBJECTIONS

(Mr. STUDDS asked and was given permission to address the House for 1 minute.)

Mr. STUDDS. Mr. Speaker, the Members will recall that yesterday, on two separate occasions, unanimous consent was requested, once by the chairman of the Subcommittee on Inter-American Affairs, and once by the chairman of the full Committee on Foreign Affairs, for this House to consider legislation offered by myself and the gentleman from New York (Mr. GILMAN) to require the President to certify that if U.S. military assistance to El Salvador is to continue, there must be a good faith investigation into the murders of American nuns and American field workers and free lance journalist John Sullivan.

Objection was heard, unfortunately, initially by the minority leader and subsequently by another Member of the House on the minority side.

I frankly do not understand why that was done because this has never been a partisan issue.

I take this time to tell the Members that, despite the assurance I gave in special orders last night that the request would be renewed again this morning, it will not be renewed today because I am informed by the gentleman from Maryland that the objectors on the minority side have been instructed to object to the request once again, so that now the subject cannot come to the floor until after the July 4 recess.

Mr. Speaker, we will do our best after the recess to do this in a timely fashion, but timing is criticial at this point, and these Republican objections may have made it impossible for us to enact this legislation in time to require the necessary certification regarding the murders of U.S. citizens.

DISCHARGE PETITION FOR THE ADMINISTRATIVE RULEMAKING REFORM ACT

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, since we are talking about veto messages, there is another message about veto that I would like to get across. I am talking about the congressional veto bill to let the elected Congress review and if necessary, veto rules issued by unelected bureaucrats.

I have filed discharge petition No. 17 at the Clerk's desk seeking to discharge H.R. 1776, the Administrative Rulemaking Reform Act, which over 250 Members of this House of both parties have cosponsored. It is important legislation. It was introduced in February 1981. A majority of the Members of this House cosponsored it well over a year ago, and still it has not been brought up for action on the floor of this House.

Mr. Speaker, this is the way in which we in Congress elected by the people can regain control over the bureaucracy so that the laws—called administrative rules—that are made will be accounted for by the people who are elected, not by the people who are not elected. I urge my colleagues to go down to the Clerk's desk and sign discharge petition No. 17.

THE LINK BETWEEN INFLATION AND INTEREST RATES

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, a week ago last Tuesday, Federal Reserve Chairman Volcker appeared before the Joint Economic Committee. At that appearance he declined to make any statements, that he would move to change the basic policies of the Federal Reserve, which have been in place since 1979. No indication that will force down interest rates.

It is time, Mr. Speaker, that we, in this body, take positive steps to im-

press upon Mr. Volcker that he must change his policies.

Inflation is down, we are doing our best to limit Federal spending yet interest rates remain high. What has happened with the relationship between inflation and interest rates? From 1969 to 1979 the gap between the prime interest rate and the basic inflation rate averaged 1.96 percent. In 1981, it widened to 9.77 percent. And, in the first quarter of this year it was 13 percent.

I believe that there must be a link between inflation and interest rates and I have introduced legislation to link the two. My bill, H.R. 6512, would return us to the close relationship between interest rates and inflation that we had from 1969 to 1979. The bill would say that the Federal Government cannot borrow at rates of more than 2 percent over the Consumer Price Index. The consumer could not be charged rates to exceed 5 percent of the CPI. The legislation also includes language to phase in the program over a period of time.

If my bill were in effect today, the Government could not borrow at more than 8.6 percent and consumers could not be charged interest rates at more than 11.6 percent.

Not only would this legislation force the Government to live within its means, it would also prove to be a stimulant to our economy and to potential homeowners, car buyers, and small businesses.

If you share my thoughts about the relationship between inflation and interest rates, and if you share my sense of urgency to send Mr. Volcker a message, I urge you to cosponsor my bill, H.R. 6512.

AN ALTERNATIVE VERDICT IN CASES INVOLVING INSANITY PLEAS

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, if nothing else, the outrageous verdict of not guilty by reason of insanity against John Hinckley, attempted assassin of President Reagan, has proven that the insanity defense is a rich man's defense. It proved any criminal rich enough to bring in batteries of psychiatrist and other experts could confuse a lay jury enough to escape punishment appropriate to his crime.

As a remedy to this inequity, some of my colleagues are suggesting we eliminate insanity as a defense altogether, while others are calling for shifting the burden of proving the insanity of the accused from the prosecution to the defense. Mr. Speaker, I believe there is a better answer: to allow a verdict of guilty but insane.

I have introduced legislation which provides that one who has committed the offense charged, but who is also judged to be insane, shall receive a provisional sentence to be served either under hospitalization or, upon recovering his sanity, in a correctional facility, just as any other sane offender would.

Under this system, for example, John Hinckley would be hospitalized until declared sane, then transferred to serve out the rest of his sentence at a prison facility. Such a verdict alternative would discourage rich defendants from waging an insanity defense, for they would know from the start they would be risking a full sentence at one institution or another.

As much as we need to protect the rights of the accused, we also need to protect society from being victimized by rich or clever defendants twisting the law to their own ends. We need a guilty but insane verdict option, or more John Hinckley type outrages will happen again.

Thank you, Mr. Speaker.

SEC CHAIRMAN JOHN SHAD

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, John Shad became the Chairman of the Securities and Exchange Commission a little over a year ago. I think it is appropriate to bring to the attention of the House a number of his accomplishments during his first year he has been in Washington. It is a progressive step forward for our Government to have leadership with deep experience, excellent education and sound commonsense. I am proud we have John Shad as Chairman of the SEC, as I have worked closely with him in my working as ranking member on the Securities Committee.

SEC insider trading and corporate fraud cases, the national market system and the simplification of the Commission's rules, have been widely reported. It is not generally known that Shad's fellow Commissioners have unanimously supported him on the following important legislative and other initiatives.

Pending legislation initiated by Shad includes the jurisdictional accord between the SEC and the Commodity Futures Trading Commission, repeal of the Public Utility Holding Company Act, and modification of the Foreign Corrupt Practices Act. His most ambitious proposal is a 1-year bipartisan task force to make recommendations to Congress for a major overhaul of the financial service industries' regulatory structures. He has also proposed the formation of a self-regulatory organization for the investment company industry.

Within months after taking office, Shad and Philip McBride Johnson, Chairman of the Commodity Futures Trading Commission, worked out an accord which resolved a 7-year turf battle between these two agencies. Essentially, they proposed that the SEC have jurisdiction over financial options and the CFTC over financial futures. The two Commissions unanimously concurred. Codification of the accord has been approved by the Senate Banking and Agriculture Committees. It is presently pending before House committees. It will permit the SEC to authorize new financial instruments, including options on Treasury and GNMA bonds, which have been endorsed by the Treasury, the Federal Reserve Board and the housing, securities and banking industries.

At Shad's initiative, repeal of the Public Utility Holding Company Act of 1935, which the SEC administers, is also pending before Congress. Shad says,

> The principal purposes of the Act—simplification or elimination of the multi-tiered electric and gas holding companies—were accomplished over 20 years ago. However, 12 major utility systems, which generate 20 percent of the nation's electricity and distribute 8 percent of our natural gas, are still subject to the Act. They are required to obtain prior SEC approval of their financing, acquisition and intrasystem transactions. The Act also inhibits such activities by some 90 exempt holding companies, for fear of becoming subject to the Act. None of the nation's other utility holding companies—which include telephone, pipeline, transportation, communication, sewage and other industries—are subject to comparable SEC regulations or inhibitions.
>
> Over the past several years, there has been a serious deterioration in the financial condition of the electric and has utilities. They are no longer the glamorous industries they were in the 1920s. Neither their image nor their economics will support multi-tiered holding companies. If the Act is repealed, they will continue to be subject to the anti-trust laws and the SEC disclosure and reporting requirements; and their utility subsidiaries will continue to be subject to the Federal Energy Regulatory Commission's and the 50 states' pervasive rate and other regulations.

Shad's most ambitious proposal is to establish a one-year bipartisan task force to "rationalize and simplify the regulatory structures of the securities, banking, savings and loan and insurance industries." He says,

> The laws that govern these industries were spawned half a century ago in the depths of the depression. They addressed a different era and different problems than those the nation confront today. Our present regulatory structures are based on historical industry classifications, but proliferating new financial products and services (such as the money market funds) and major mergers and acquisitions have bridged the traditional gaps between these industries. Banks, insurance companies, savings and loan associations and others are entering the securities industry. Securities firms have acquired insurance companies,

mortgage banking, financing and other concerns and the list goes on.

Regulatory overlaps and conflicts have also multiplied. Over 100 state and federal agencies now exercise jurisdiction over aspects of just our securities markets. In some instances, jurisdictional conflicts have bottlenecked new products; and in others, competitive advantages are determined by regulatory pigeonholes, rather than by the quality or utility of products. In the final analysis, investors, depositors and policyholders bear the costs and suffer the consequences of excessive and outmoded regulations.

Shad believes in "regulation by functional activities, rather than by historical industry labels; consolidation of overlapping and duplicative regulatory activities; and the reduction of excessive and conflicting regulations within and between agencies".

Both Democratic and Republican Members of Congress have reacted favorably to the concept, and representatives of the industries involved have endorsed it in Senate hearings. Shad is in continuing discussions with key members of the administration and Congress.

He has also proposed modifications of the Foreign Corrupt Practices Act which would remove ambiguities and relieve burdens on industry; and the formation of a self-regulatory organization for the investment company industry, similar to the SRO's which surveil the securities industry and the accounting profession, under the SEC's oversight.

Following several years of effort by the SEC staff, the Commission also unanimously adopted earlier this year, new rules and procedures which integrate corporations' registration and reporting requirements. Shad says,

These new rules and procedures telescope corporations' registration and reporting time and expenses and afford them greater flexibility in structuring and timing public financings, without compromising investor protections or the full disclosure of material information to the public.

At 58, Shad's qualifications for his job include 33 years on Wall Street, where he rose from a securities analyst to vice chairman of the E. F. Hutton Group, the Nation's second largest integrated investment banking and brokerage complex, which includes insurance, finance and other companies. He initiated Hutton's investment banking activities in 1963, which grew rapidly under his direction into a multi-billion-dollar annual volume of corporate financings, mergers, and acquisitions. He has also personally assisted scores of companies in consummating billions of dollars of financings and acquisitions. Over the years, he has served on the boards of directors of 17 publicly owned companies, ranging from securities, insurance and investment companies to multinational industrial concerns.

ON PRESIDENT REAGAN'S WOULD-BE ASSASSIN, INSANITY DEFENSE SHOULD BE ELIMINATED

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, revisionist historians have attempted to explain the American Revolution as a demonstration of greed on the part of certain well-to-do colonists.

Of course, the truth is the American Revolution was an armed protest against injustice. We Americans put great store by justice. We think all people ought to be treated fairly. And where there is injustice, our sense of fair play is offended.

The acquittal of John Hinckley on the grounds of insanity has offended the American sense of justice and fair play.

We are treated to a constant barrage of editorials, articles and television commentary complaining about the lawlessness of the people of the United States. Sociologists blame poverty, lack of opportunity, broken families for the increase in criminal activity. Statistically, one out of every three American citizens will become a crime victim within the next 12 months.

Certainly our unwillingness to punish those who break the law is an incentive for others to break the law.

When a young man from a wealthy family with a privileged background can attempt to assassinate the President of the United States and almost succeed, can inflict devastating wounds on the members of the President's party, and then escape the consequences of his act by pleading insanity, we must admit the American so-called justice system is woefully deficient.

The assassins of Anwar Sadat were promptly brought to trial, convicted and punished. The assassin who attempted to kill the Pope was promptly brought to trial and punished. Here in the United States, the man who shot President Reagan in front of a television camera was able to employ enough high priced lawyers to delay his trial for 15 months. And then those same high-priced lawyers persuaded the jury to believe that Hinckley was insane at the time and not responsible for his actions.

Who can say this verdict will not encourage some other love-sick boy to attempt to gain notoriety by assassinating a public official?

In my opinion, the delay in bringing Hinckley to trial was inexcusable and the verdict is unacceptable.

This was no sudden impulsive act. There was ample evidence to show that Hinckley bought a gun, practiced with the gun, stalked his quarry, positioned himself to shoot the President, and knew what he was doing. Hinckley is no blithering idiot. He is a bright, calculating misanthrope who plotted and planned his act.

We must eliminate insanity as a defense. Some States have done so. If the accused is found guilty as charged and then insane, they are sent to a mental institution and punishment is deferred until they recover their sanity.

The wealthy defendant can always find a psychiatrist who will give the testimony the defense is seeking. And because insanity requires subjective judgment, experts can honestly disagree. But the law is flawed when it permits a John W. Hinckley to go unpunished—possibly to be released from some mental institution in 3 months or 6 months.

LET THE CREDIT CONTROL ACT EXPIRE

(Mr. STANTON of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANTON of Ohio. Mr. Speaker, next week, while most of us are home for the district work period, a mischievous piece of legislation will expire without much fanfare. I am referring to the Credit Control Act of 1969, which the Congress voted overwhelmingly to terminate on June 30 of this year.

Our only experience with credit controls under this act came in the second quarter of 1980, and that experience proved to be an unmitigated disaster. Here are the facts:

During the short, 4-month period in which credit controls were in force, more than 1.5 million jobs were lost. General unemployment rose by 1½ percentage points, while unemployment among black and other minority workers climbed even higher, well over 2 full percentage points.

The sharp decline in real economic growth in the second quarter of 1980, which coincides with the period of credit controls, stands in distinct contrast to the positive changes during the remaining quarters of that year. The almost 10 percentage point decline in our gross national product (GNP) in the second quarter was the worst on record since the 1930's.

Credit controls failed to benefit those industries which they were supposed to help. Agriculture, housing, autos, and retail business already were vulnerable, and with the advent of such controls these industries went into a real tailspin.

Credit controls merely deal with symptoms, not with the root causes of the economic problems that affect us. As a result, the 1980 controls had no lasting effect on either inflation or interest rates. Once the controls were lifted, both the Consumer Price Index

(CPI) and short-term interest rates skyrocketed to their previous levels and soared beyond.

Mr. Speaker, there is nothing whatsoever in the record to suggest—nor are there other reasons for expecting—that this kind of legislation will serve us better or will be administered differently in the future. Former Federal Reserve Chairman Arthur Burns has stated that such powers grant the Federal Reserve dictatorial powers over the economy and he was right. Heavy-handed tinkering with our Nation's credit markets will only give us more of the same disappointing results.

In this regard, I find it highly curious that many of the Federal Reserve's severest critics want to turn around and make the very same Federal Reserve the supreme provider and arbiter of all credit in this country. Such benevolence we can ill afford, and I am confident that the Federal Reserve would be the first to agree.

In closing, let me say that I am sure that my colleagues who want to extend and amend the Credit Control Act are well-intentioned. We should not, however, resort to such artificial controls as an excuse to avoid or postpone the very real economic problems which confront us today. It would be easy to pass an extension of this act and go home and tell our constituents that interest rates will decline as a result. But that, Mr. Speaker, would only be another false promise.

Extending this useless act will not result in lower interest rates. Rather, the solution lies in restoring the Government's credibility that it is serious about reducing inflation and the further lowering of interest rates. This means that we must enact a strong program of credible budgetary restraint and adhere to a sound monetary policy which does not lose sight of the need for discipline to reduce interest rates.

WAGE LEVELS AT THE GOVERNMENT PRINTING OFFICE

(Mr. JOHNSTON was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, I think very few Members of this body are aware of the fact that wage levels at the Government Printing Office are not subject to the rules and the regulations of the Civil Service Commission. This is only true in the Government Printing Office here in Washington, D.C.; in the regional offices they must comply with the civil service law.

Our Public Printer, Dan Sawyer, has brought to the attention of this body that wage levels are 22 percent higher in the Government Printing Office than in the civil service ranks generally and 40 percent higher than in private industry. He is trying to do something about it.

Senator ARMSTRONG has introduced in the other body a resolution, expressing their concern. I have introduced House Concurrent Resolution 366, indicating that this body supports our Public Printer's efforts to bring wage levels into line.

Mr. Speaker, the Government Printing Office is the highest single cost in the operation of the Congress of the United States. If we do not require them to control their expenses, how can we ask the American people to cut back on theirs?

MAXIMUM FUNDING NEEDED FOR THE HANDICAPPED

(Mr. DENARDIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENARDIS. Mr. Speaker, I want to take this opportunity to express my continuing commitment to the handicapped people of this Nation. Public Law 94-142, and the Rehabilitation Act of 1973 are the two most important laws ever passed affecting the handicapped. Public Law 94-142, the education for all handicapped children, is the guarantee that we have written into law that children with disabilities will have equal educational opportunities. Prior to the passage of the law in 1975, there simply was no such guarantee. As a member of the Education and Labor Committee I fully intend to work as hard as I can to achieve the maximum funding available for this important function, and I am pleased that we have passed a budget resolution which assumes a funding level of $1.1 billion; an increase of $50 million. We simply cannot afford to back away from our commitment to handicapped education at this time.

Of equal interest and concern to me at this time are current efforts by the Department of Justice and the Office of Management and budget to redraft section 504 regulations prohibiting discrimination against handicapped persons by programs receiving Federal financial assistance. The civil rights of the disabled cannot be compromised by efforts to either reduce Government regulation, or base such regulation on a cost-benefit basis. I have written to the Vice President, the Office of Management and Budget and the Justice Department expressing my strong opposition to any moves in this direction. I am convinced that any alterations in section 504 regulations are the responsibility of Congress, and I for one would oppose any changes at this time.

□ 1045

REPRESENTATIVE SHAW INTRODUCES LEGISLATION TO CHANGE LAW WITH REGARD TO INSANITY PLEA

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, the outrage of this country has been expressed over the verdict in the Hinckley trial by this House, by prior speakers, and by the filing of various bills both at the Federal level and at the State Houses across this country.

I have this morning filed such a bill which would allow a jury or the trier of fact to find a defendant guilty but mentally ill.

This would have, had it been part of the United States Code during the trial of John Hinckley, allowed the jury and the judge to have so found the defendant, Hinckley, guilty but mentally ill and I believe would have avoided what I consider to be a month-long charade in the form of a constant parade of expert witnesses.

This type of legislation is vitally needed. I invite every Member of this House to review the various bills that have been filed and to add their name to at least one as a cosponsor.

MORE BAILOUTS CONTINUE TO DESTROY THE ECONOMY

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, we have heard some fascinating arguments on the House floor this morning. The argument went that we ought to bail out one industry by destroying the totality of the economy. But that is not really an unusual argument for the Democratic Party to be making.

They have spent 40 years destroying the economy with programs just like the one they would have us vote for here today.

The President is trying to reverse 40 years of mismanagement of this economy. A vote in favor of overriding his anticipated veto today is a vote to make that job just so much tougher, if not impossible.

Those who gave us massive deficits, high interest and crippling unemployment now want more of the same and they will be voting to override the President's anticipated veto of the housing bailout bill.

PRESIDENT REAGAN HAS KEPT HIS PROMISES

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, often in politics there is a wide gap between promise and performance.

In a matter of days the American people will see an exception to the generally held notion that politicians do not keep their promises. In less than a week millions of working men and women, all across America, will receive a reduction in their income taxes.

In addition, over 36 million Americans who are presently retired will receive an increase, not a decrease, in their social security benefits that they have earned.

These were promises made by President Reagan and the Republicans during the 1980 campaign and these were promises and are promises that are being kept.

A NEED FOR REVIEW OF SITUATION IN LEBANON BY THE CONGRESS

(Mr. PRITCHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRITCHARD. Mr. Speaker, the situation in Lebanon and the rest of the Middle East demands a thorough and open review by the Congress, and I am pleased that Chairman ZABLOCKI is planning to hold hearings before the Committee on Foreign Relations in the near future. With a few notable exceptions, Congress has reacted to reports of devastation, heavy civilian casualties, and widespread destruction with thunderous silence. It is odd indeed that we in the House can rightfully become so exercised over theats to the endangered snail darter, but then apparently accept wanton death and destruction with only a slight murmer.

Serious questions have been raised by the fighting in Lebanon, not the least of which is for Congress, perhaps for the first time, to find out precisely what the legal obligations and responsibilities are, both to the United States and our allies, when we sell or give weapons to a foreign country. The time has come for Congress to clearly understand the terms under which we sell or give arms to a foreign country, and, more importantly perhaps, the time has come for Congress to decide whether we have the courage and conviction to enforce the terms.

ADMINISTRATION'S SILENCE ENCOURAGES DEATH AND DESTRUCTION

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, one of the greatest sins during the Nazi era was silence.

This administration has been silent about the thousands killed in El Salvador, silent about the deaths of the American missionaries and the other Americans who were killed needlessly, silent about the massacre in Lebanon.

By their silence they give the green light to massacre of people throughout the world.

TRAGEDY IN LEBANON

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, I have wrestled with these words for several weeks and have not been able to find the right combination. I probably will not find the right combination today. But my conscience prevents me from passing up this opportunity to say something about the tragedy in Lebanon.

Mr. Speaker, I am greatly dismayed and distressed by the wanton carnage and killing, the destruction which is taking place in Lebanon, the thousands upon thousands of people who are being killed and murdered in that misadventure.

I am dismayed further, Mr. Speaker, by reports, and I hope they are false, reports of the fact that humanitarian aid, food aid, medical assistance, are being prevented from being delivered to the poor victims of this terrible tragedy.

I think it should be especially evident to the people of Israel that there is no way to kill an idea with bombs and bullets and napalm. You cannot kill an idea; you cannot kill a cause.

I would hope and pray that the nation of Israel, in the humanitarian tradition for which it has been known for many years, would cease and desist from this terrible destruction and try to solve these problems diplomatically.

POLITICAL EXPEDIENCY IN THE WIND IN EL SALVADOR

(Mr. LELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LELAND. Mr. Speaker, I heard two disturbing news reports this morning. CBS News says that 10 American military personnel have been observed in combat operations in El Salvador. The State Department denies it. I hope they are telling the truth. We have been down that path before—the wrong country, the wrong ally, the wrong intentions and a secretive attempt to delude the American people.

I also heard this morning that the Reagan administration is preparing to indict 175 young men for failure to register with Selective Service. I detect the odor of political expediency in the wind today. Their indictments, if they are forthcoming, will be called a "necessary example" to other young men.

I hope those indictments are evidence only of a broad concern for our national defense; that they have no plans for these young men who have registered. And I suggest that if they truly do not have such plans, they will be able to demonstrate that they do not by assuring the American people that we are not clandestinely involved in military action in El Salvador and by proceeding with justice and compassion, rather than with political righteousness, in the matter of those 175 young men who have not registered.

BAILOUT OF SOUTHERN CALIFORNIA SURFBOARD INDUSTRY

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, a little later today, we are going to discuss something that has been attached to the housing bailout bill.

Yesterday, a Member tried to have a steel bailout amendment adopted.

I just ask: When we have so many economic difficulties, where will this simplistic approach end?

I have a small industry in my district in which we build surfboards. I just wonder if we ought not to do something for them.

I have a very simple proposal: Buy 10 billion surfboards, hollow them out, pour petroleum into them, seal them, and then put them offshore. We will then have a floating strategic petroleum reserve.

I hope all of my colleagues understand how this is absolutely consistent with the housing bailout and the steel bailout. I certainly will await the calls from your offices as you jump on board this very consistent and worthy cause to help us get out of the difficulties we have right now in the surfing industry in southern California.

OVERRIDING PRESIDENT'S VETO WORST THING FOR HOUSING INDUSTRY

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, sometime later this morning, we are going to be given an opportunity to vote in favor or against sustaining the President's veto with regard to the urgent supplemental.

I urge my colleagues to perceive any type of attempt to override the President's veto as the best thing we can do for the housing industry.

I think, very frankly, it is the worst thing we could do to the housing industry in the Northeast.

People are talking about bailouts. I think it is important to bail out consumers. It is important to bail out the economy of this country.

We often talk about signals. After failing to pass a sound budget various times in this House we are thinking in terms of overriding the President at a time when he is attempting to impose some measure of fiscal discipline—something we are unwilling to do.

What type of signal is an override going to be to the financial markets? What type of signal is it going to be to taxpayers? What type of signal is it going to be to the savers of this country who are charged with the responsibility of creating the necessary capital for that housing industry?

EDUCATIONAL OPPORTUNITY AND EQUITY ACT OF 1982

(Mr. GRADISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRADISON. Mr. Speaker, I have long felt that it is essential for this country to maintain diversity, competition, and freedom of choice in our educational system. This belief has led me to be a leading advocate of tuition tax credits in each of the last three Congresses. Today, I am reiterating my strong support for tuition tax credit legislation by introducing the Educational Opportunity and Equity Act of 1982, President Reagan's tuition tax credit proposal.

With the introduction of this bill, I hope to rekindle the debate about this important concept so that all the issues are adequately aired and a path paved for quick enactment of tuition tax credit legislation. Of particular concern to me is that the tax credits do not go to parents who send their children to schools which discriminate on the basis of race. I look forward to hearing the views of all interested parties and plan to study in detail just how best to proceed in this complex and difficult area.

Mr. Speaker, I applaud the President for his vital work on this important issue and I believe wholeheartedly that, with his leadership the success that has eluded supporters of tuition tax credits is not far off.

STATUS OF PROXMIRE AMENDMENT IF VETO IS SUSTAINED

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I have been asked by many Members on our side of the aisle if the President's veto on the urgent supplemental, which we should have up here shortly, is sustained, what is the status of the so-called Proxmire amendment?

I want to assure the Members of the House it is no longer the Proxmire amendment. It is now the Whitten-Conte amendment. It will be in the new urgent supplemental, bringing us back to the status quo with the $3,000 expense limitation.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. LUNGREN. With this new urgent, urgent, urgent supplemental you plan to bring before us, if we do have a sustaining of the President's veto, will this new urgent supplemental have within it money for the Coast Guard that was inadvertently left out yesterday?

Mr. CONTE. Definitely. It will have $48 million for the Coast Guard.

Mr. LUNGREN. I thank the gentleman.

Mr. MYERS. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Indiana.

Mr. MYERS. Why do we not just go ahead with this urgent, urgent, urgent—however many urgents I do not know—supplemental appropriation bill? Why wait for the veto that we know is coming?

Yesterday we came forth with what we felt was a clean bill to expedite the very important business of the Government and the country. Why do we not start right now and not wait for the veto?

If it should be signed for some reason, we have only wasted a little bit of time but we can save a lot of time by starting with the urgent appropriation bill right this morning before the veto gets here.

Mr. CONTE. Unfortunately, I have no control over that.

Mr. MYERS. Who does?

PERSONAL EXPLANATION

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I rise for a personal explanation.

Yesterday I was absent and missed a number of recorded votes. I was absent for personal reasons. I was attending the high school graduation exercises of my son Stephen.

If I had been present, I would have voted "yea" on all of the recorded votes from 165 through 172, with the exception of 170 which was a quorum call.

I ask unanimous consent that this statement be reflected in the permanent printed RECORD.

The SPEAKER pro tempore. Without objection, the gentleman's statement will appear in the RECORD.

NATIONAL NCO/PETTY OFFICER WEEK

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 518) to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentlewoman from Ohio?

Mr. SPENCE. Mr. Speaker, reserving the right to object, and I shall not object, but I take this time to explain the resolution.

I am the principal sponsor. We have 225 consponsors. This resolution is bipartisan in nature. It sets aside next week, the 28th of June, to honor all of our petty officers and noncomissioned officers, past and present, who mean so much to our military.

I ask that it be passed unanimously.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 518

Whereas the noncommissioned officers and petty officers of the Army, Air Force, and Marine Corps and the petty officers of the Navy and the Coast Guard have been regarded as the backbone of the Armed Forces of the United States for more than two hundred years;

Whereas noncommissioned officers and petty officers continue to be the recruiters, trainers, and noncommissioned leaders of the men and women who join the Armed Forces of the United States;

Whereas the noncommissioned officers' and petty officers' spirit and devotion to duty is epitomized in the long list of recipients of the Medal of Honor and other decorations of personal valor;

Whereas noncommissioned officers and petty officers have made great sacrifices during their service to this Nation;

Whereas the recent shortage of such officers serving on active duty has highlighted their value to the Nation and its military forces; and

Whereas it is fitting and proper to recognize the significant contributions made by all noncommissioned officers and petty officers of the Armed Forces of the United States to the freedom and defense of this Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week commencing with the fourth Monday in June 1982 is designated as "National NCO/Petty Officer Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups and organizations to set aside that week to honor past and

present noncommissioned officers and petty officers of the Armed Forces of the United States in an appropriate manner.

The joint resolution was ordered to be engrossed and read a third time, was read a third time and passed, and a motion to reconsider was laid on the table.

□ 1100

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of Wednesday, June 23, 1982, the House will stand in recess subject to the call of the Chair.

Accordingly (at 11 o'clock a.m.) the House stood in recess subject to the call of the Chair.

□ 1145

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 11 o'clock and 50 minutes a.m.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 2332) entitled "An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLURE, Mr. WEICKER, Mr. DOMENICI, Mr. WALLOP, Mr. WARNER, Mr. JACKSON, Mr. JOHNSTON, Mr. FORD, and Mr. METZENBAUM be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1409. An act to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-204)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

Today, I am returning to the House of Representatives, without my approval, H.R. 5922, an act providing supplemental appropriations for several Federal programs in urgent need of additional funds in Fiscal Year 1982. Unfortunately, in addition to providing the urgent supplemental appropriations requested by the Administration, the Congress has added other unrequested, non-urgent funds that would increase the 1983 deficit by $1.3 billion and would add at least $5 billion to Federal spending in the next few years. The bill also establishes a housing subsidy program that sets a bad precedent for other Federal programs. For these reasons, I cannot approve this legislation. I urge the Congress to act quickly to send me a clean bill for signature containing only those items urgently needed to continue 1982 activities.

I share the heartfelt Congressional concerns about the particular problems confronting the housing industry. But we will not promote a housing recovery by going even deeper in debt. More red ink spending will only make the housing recession worse.

It is my belief this bill will do little to increase construction of new housing; most of the aid will go for homes that would be built and purchased anyway. The bill does not increase available financing, but shifts funds to housing that would otherwise be used by, and create jobs in, other sectors of the economy. My concern also is that the bill would add to the Federal deficit and generate upward pressures on interest rates—aggravating the very situation it seeks to help.

Furthermore, we cannot justify singling out one industry for special relief. The recession and high interest rates have created hardship and unemployment for farmers, small businesses, the thrift industry, automobile manufacturers and dealers and many others. This Government must convince a skeptical country—the business community, taxpayers, investors and workers—that lasting recovery is a fundamental commitment that will not be derailed by a return to excessive Federal spending and borrowing.

My administration has taken a number of steps to remove tax, regulatory and administrative burdens on housing finance and construction. We have proposed legislation to extend Federal Housing Administration insurance to a number of innovative mortgage financing instruments to encourage private market use of these flexible instruments. We have removed regulatory restrictions limiting the use of pension funds in mortgage credit markets. We have provided an additional $3.4 billion of subsidized housing funds in 1982 to allow up to 70,000 additional units of new rental housing for low income households to begin construction this summer. We are revising our regulations on the use of tax exempt financing for housing to allow States and localities to use this financing vehicle to the full extent authorized by the Congress.

More fundamentally, we have established a long-term program designed to provide incentives and to create conditions for sustained non-inflationary economic recovery. That recovery is getting underway. Housing permits have risen in six of the last seven months and are now 31 percent above their October low. Housing starts rose by 22 percent in May and are 27 percent above their October low. The key to sustaining this upturn is lower interest rates. This, in turn, depends on public confidence that the Congress will control Federal spending and reduce Federal deficits—thus leaving an adequate supply of funds for housing and business investment.

In addition to the housing proposal, there are several other provisions in this act that I urge the Congress to delete. The urgent supplemental legislation is the first significant spending measure in this session of Congress. It is essential that this act be a clear example of the willingness of the Congress to join with me in holding the line and establishing meaningful control over all Federal spending programs. I must ask that supplemental appropriations in excess of the proposals I have indicated to be urgent requests be pared back to the maximum extent feasible. Some of these unrequested supplemental funds include:

—$150 million for the GNMA special assistance function ("tandem") program;

—$62 million for the postal service;

—$58 million for the WIN program; and

—other unrequested funds for Federal aid to highways, flood control programs of the Corps of Engineers, and a number of smaller HHS programs.

The bill also includes several undesirable language provisions restricting, in varying degrees, the executive

branch from exercising its authority to allocate funds appropriated by Congress. The most notable among these are:

—language mandating the modernization of 5,073 public housing units, extending the time period for completion of the construction of certain HUD subsidized housing projects to 24 months, and precluding HUD from applying cost containment procedures to such projects.

—language mandating minimum spending levels for certain NASA programs that will severely disrupt two important scientific missions and lead to the waste of more than $150 million; and

—language mandating new construction on starts for the Soil Conservation Service.

Therefore, I am returning H.R. 5922 without approval and urge the Congress to enact immediately a 1982 supplemental appropriations bill that addresses only those items I have indicated need urgent attention and excludes these objectionable additions. I look forward to prompt Congressional action on a revised bill which will assure continuity in the operations of Federal agencies and be consistent with continued progress toward economic recovery.

RONALD REAGAN.

THE WHITE HOUSE, *June 24, 1982.*

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN) for 1 hour.

Mr. WHITTEN. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts (Mr. CONTE) the ranking minority member of the Appropriations Committee, pending which I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the veto message of the President on H.R. 5922, making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, and that I may include extraneous matter and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the veto we have today points up a situation which I think is far more serious than politics, far more serious than Democrats or Republicans. This country has been heading downhill financially for quite some time, and unfortunately in their efforts to keep money in balance as determined by some economists they have forgotten about maintaining the real wealth of our country. We do have a rich country with serious financial problems. These problems we should solve but not by letting our country, which is our real wealth, "go to pot."

□ 1200

All that we have been hearing and reading about in balanced budgets is a figure on a piece of paper, which may be the best we can do. But the assumptions and projections have been so much in error that I think I should take a little time to point out that this Congress has been very cooperative with the executive branch.

At the request of the President last year, the Committee on Appropriations recommended and the Congress approved a rescission of $14.3 billion out of a request of $15.1 billion. Later we were asked to go along with a 10-percent cut, which the Congress did on our recommendation, and then we were asked to cut an additional 12 percent. We cut it 7 percent and got the signatures of our colleagues on the Republican side in the Senate, and nobody objected over here. Most of them signed the bill.

What I am saying is that we have gone along with reductions in appropriations far beyond what any Congress has ever done in the past. We agreed with efforts being made to scale down expenditures. We have taken some criticism about the deficit, but let me point out why the deficit exists to a great degree.

It was recommended—and Congress went along—that we return about $30 billion in windfall profit tax. It was insisted that the recipients of that money would expand their operations and would explore for oil. Instead, the record shows that in practically all cases they either bought other companies, or invested the money in certificates of deposit.

Another thing which was done which greatly contributes to our present situation was to provide that those real big moneymakers would not pay into the Treasury the money that was due under the original tax act, but allowed them to buy up tax credits in order to avoid paying money into the Treasury. This is confirmed by the testimony of Secretary of the Treasury Regan before our committee. Now today, in order to make up those billions in lost money to the Treasury, the budget resolution directs a tax increase of $20,900,000,000 in fiscal year 1983.

Mr. Speaker, I think it is time for me to point out some of the things here at which I think we need to look. It is one thing to have a balanced budget, and the country has been sold on the necessity for a balanced budget, even though it be only figures that have been drawn together by the Congressional Budget Office which tries to project ahead 2, 3, and 4 years. Their past record has not been too good, yet they are about as good guessers about future years as anyone else.

The point is that we must have the balance at a high enough level to meet essential needs while servicing the national debt.

A balanced budget of itself means little unless it is at that level.

It was said some years ago that Ethiopia was the only country with a balanced budget—it did not owe a dollar—and it did not have one either.

But let me say that in the process of balancing the budget by dealing with money, they have the need to stabilize our money. We need a balanced budget for stability in business, but we need to distinguish between money and wealth. In the process they have cut down on dredging the small harbors and reducing soil conservation by two-thirds. They have not had a new start in necessary public works in 2 years, nor have they supplied the needed water systems for the cities of this country in 2 years. Every thing that protects or develops the real wealth of the country itself is being cut back to cause figures on paper to look good. That is what frightens me. I have a book in front of me written by William Manchester, "A History of the Period, 1932 to 1972." He points out that just preceding the terrible depression years of the 1930's the then President insisted on tight money and, as someone has said, the high interest rates we have today. I would like to insert two quotes for your consideration:

One of his (Hoover) first acts as President had been to persuade the Federal Reserve Board to tighten credit (on page 24).

The harder times became, the greater Hoover's faith in business became. He reduced individual and corporate income taxes, thereby narrowing the government's tax base at a time when it desperately needed every ounce of revenue (on page 25).

It is not as simple as it sounds, but there is some truth in it, that the interest rate is the rent you pay for the other fellow's money. If the money is short, it follows that interest rates are high.

Our committee and I, acting on behalf of the Appropriations Committee, a few weeks ago asked the General Accounting Office—and I will put the letter in the RECORD at the end of my remarks, including the reply from the GAO—to look into the Federal Reserve System's operation and look into the problems of the housing industry so we could see the other side of the picture. I think I can say that since we

started that, the Governor of the Federal Reserve System is talking a little bit, or thinking a little bit, or studying a little bit, about whether maybe his program or his policies might be causing the trouble, the same trouble we had preceding the depression of some years ago. Reduction of interest rates is a must if we are to get straightened out. I have met with Chairman Volcker a number of times. Federal Reserve takes the view it is almost beyond inspection. On this, we have the General Accounting Office making an investigation.

Mr. Speaker, I do not know what else we can do on the Appropriations Committee. We have tried to cooperate every way in the world we could. We have acted responsibly everytime we have been requested to act.

This bill was first reported by the committee on March 23. We have been ready to get it through the Congress ever since then. Yesterday, trying to keep this veto from affecting many departments and agencies that otherwise might close, I asked Congress to go along with us—and you did—to pass a temporary bill that provided for those things that faced interruptions and closures of activities. We passed it through this body, but unfortunately, in the other body they did not pass it.

Let me describe something else, if I may. When I was a youngster just 21 years of age, I was in the Mississippi Legislature at a time when you could not buy a sack of flour on the credit of my State or your State. Unemployment was rampant throughout the country. The situation was absolutely hopeless to many, many thousands of Americans. You could drive 100 miles in any direction from my hometown and you would be lucky to find one piece of land that was owned by the fellow who lived there. It was mortgaged right and left. And so it was all over the country.

What preceded that? Tight money. They also said, let the local folks look after the problems, keep the Federal Government out of it, stop public works.

You cannot save your way into handling the debt you presently owe from past actions. You have to produce. Let me say that we need some recognition of the fact that we need productive jobs.

Let me tell the Members what the difference is. This year we are cutting out jobs. We are now paying $24 billion in unemployment compensation and it is increasing every week. Just think if those people were working, it would not be a drain on the Treasury; we would have them paying taxes instead of receiving unemployment compensation and we would have the results of the production that they would yield.

I say that we need a complete reversal and we need somebody to get the attention of the President's closest adviser, from all accounts his leading adviser, Mr. Stockman, Director of the Office of Management and Budget and have him realize the difference between money and wealth.

May I point out, too, that the Committee on Appropriations is hamstrung by the so-called budget that we passed. They forgot to put in $5 billion for the Commodity Credit Corporation that is so essential if we are going to keep farmers operating. The budget resolution also provides that all the bills we passed from our Appropriations Committee may have to lay on the Speaker's desk rather than procede to the President for signature, they cannot be enrolled until the Budget Committee acts on a new resolution. The budget resolution we are operating under was put together in one day, and they cannot explain what it is now or what it does now. Not only that, but all the Budget Committee has to do is not meet again and those target figures that were pulled out of the sky will be permanent ceilings—automatically in October.

I saw a headline the other day about some competition between me and one of the budget leaders for power. I am trying to get you to take your responsibility and quit putting it all on us because we have more than we can do.

So I say to the Members that in this area, as we read this bill, it is far more than whether this House has its way. Involved is a policy of your Government. I want to help the President, but you are heading down the wrong road when you try to make the figures look good on a piece of paper if you do it at the expense of letting your country go down the drain. And, unfortunately, the money we are saving here is not going toward paying the debt; it is going to increase military spending, which is far different from defense. Today the military already has $141,000,000,000 unspent and $43,000,000,000 not even obligated—yet our saving from other programs go to further spending.

I wish that some of you would read the hearings and the investigation we have just had of the Defense Department which shows how much waste is involved.

It is going, too, toward an increase in foreign aid. It is not going to the places it is said to be going. Here in foreign aid we have $17,000,000,000 unspent and $8,000,000,000 unobligated.

I leave with the Members the thought that what we have got to do is get somebody in the executive branch to realize the difference between money and wealth. We let our wealth, the soil go to sea—it is erosion. We let our timber stands go down, we cut down on highway maintenance, we give the problem back to the States for financing.

I ask the Members to just think of the progress we have made since we had Federal programs. In recent years it was nothing like it was when we passed the sales tax in my area.

I will say this in addition, because I do not want to take up too much time: Involved here is the principle of whether we are going to help big corporations by forgiving their tax or by letting them have tax credits. Are we going to run our country by letting them keep billions of dollars to buy up other companies? Or are we going back and put people to work at a productive level, where we will have the results of their production instead of paying them unemployment compensation?

Mr. Speaker, the issue is well drawn here, and I hope that we may have Mr. Stockman, who seems to be the last word on economic advice, to please read another book on economics.

Mr. Speaker, I would also like to mention that in this vetoed bill was the provision dealing with the mine safety question for sand and gravel. I understand from some of my colleagues that progress is being made on this issue in separate legislation that would provide some relief for the nonmining States, so that this critical problem can be resolved.

Under the previous order of the House, I wish to insert at this point in the RECORD, the letters to the General Accounting Office of which I spoke earlier.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES, COMMITTEE ON APPROPRIATIONS,
Washington, D.C., April 26, 1982.

Hon. CHARLES A. BOWSHER,
Comptroller General,
U.S. General Accounting Office,
Washington, D.C.

DEAR MR. BOWSHER: The Committee is very concerned with the continuing recession. Though there are many industries and factors involved, there are two areas of major importance to the Nation's economic health. They are the protracted recession in the housing industry and the effect that monetary and fiscal policies are having on interest rates. This Committee's jurisdiction includes many programs which impact on these subjects.

The housing industry has been in a recession for more than three years. On an annual basis, housing starts have totaled less than 1,000,000 for seven consecutive months. Most analysts agree that the housing industry is experiencing its most difficult conditions since World War II. It has been estimated that 200,000 firms related to building and supplying the Nation's housing have failed in recent years. Hundreds of thousands of construction jobs have been lost. The effect on basic industries such as lumber has been devastating in certain areas of the country, particularly in the Pacific Northwest and the South.

The fiscal and monetary policies undertaken by the Government, including the Federal Reserve System, have not been successful in reducing interest rates to levels which will stimulate the economy. The re-

strictive monetary strategy espoused by the Federal Reserve System has apparently retained a tightened credit policy to the extent that many corporations and individuals have been unable to obtain capital for needed expansion, and the Federal Reserve does not appear willing to try any other approach as has been necessary in other recessions and even in the great disastrous Depression of the 1930's.

Accordingly, the Committee requests that the General Accounting Office conduct two comprehensive reviews. The first should assess existing Federal policies relating to home construction. The review should include suggestions of ways in which the Nation's housing industry could be revived, contributing to the overall economic recovery. Special emphasis should be devoted to proposals which will aid the logging of timber and the lumber industry. The second review should be a thorough analysis of the Nation's monetary and fiscal policies with suggestions for change. Special attention should be placed on the effect of the restrictive monetary policy of the Federal Reserve System on present and future economic growth.

It is anticipated that in the conduct of both reviews with suggestions, the General Accounting Office will be expected to obtain the views of experts in industry and educational institutions. In addition, to the extent permitted by law, executive agencies will be expected to provide such assistance as may be available and required to complete the studies and plans. Both reviews and specific plans should be completed no later than August 31, 1982 and transmitted to the Committee.

On a separate but related subject, the Committee is calling on the Department of Agriculture to develop a plan to protect and restore the basic national wealth represented by hundreds of millions of productive acres being destroyed or threatened by certain infestations. These matters are of critical importance to our present and future economic strength and the Committee appreciates your continued cooperation.

Sincerely,

JAMIE WHITTEN,
Chairman.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., May 11, 1982.

Hon. JAMIE WHITTEN,
Chairman, Committee on Appropriations, House of Representatives

DEAR MR. CHAIRMAN: We have received your letter dated April 26, 1982, requesting that the General Accounting Office undertake two reviews. One is an assessment of existing Federal policies relating to home construction, to include suggestions of ways in which the Nation's housing industry could be revived. The second review relates to the monetary and fiscal policies of the Federal Government, also with suggestions for change.

We are defining a proposed approach to these two reviews and expect to be able to meet with you or members of your staff in the near future to outline how we can assist the Committee. In particular, we have noted the required completion date of August 31, 1982.

Sincerely yours,

CHARLES A. BOWSHER,
Comptroller General of the United States.

The SPEAKER. The Chair will state that the gentleman from Mississippi (Mr. WHITTEN) has consumed 11 minutes.

Mr. CONTE. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. STANTON) for the purposes of debate only.

Mr. STANTON of Ohio. Mr. Speaker, we should make it clear—and I think it is to all of us—that the primary reason for the President's vetoing this bill is the housing subsidy that is in this legislation. All of us are familiar with it, and I think two-thirds of the House were for a housing subsidy some 6 weeks ago. Basically and fundamentally, this was a bill out of our committee by the gentleman from California (Mr. PATTERSON) on that side of the aisle and the gentleman from Ohio (Mr. WYLIE) on this side of the aisle.

It was fundamentally a $1 billion bill. The bill stated that the commitments for this $1 billion should be made by December 1, 1982.

Mr. Speaker, this bill before us is not the subsidy bill we had before. We have never voted on this bill, and what we have now is a $3 billion bill.

Mr. Speaker, what we have first is an overkill in the amount of money for the following reasons: All the conference report did was to state that only by increasing by 1 month, we were going to disperse $2.5 billion; the commitment had to be made or had to be contracted out by January 1, 1983. I think this is physically impossible to do.

Second, Mr. Speaker, we, for some unknown reason, give this responsibility for this subsidy to the Government National Mortgage Association. And who are these great people?

Well, they are great people, Mr. Speaker, but they are an organization within HUD of 56 individuals. They in turn have to farm this out to what we would call Freddie Mac, a simipublic organization. There is no way possible technically that this bill could be adopted within the time frame in which the well-meaning conference report came back.

So, Mr. Speaker, when we do hesitate to vote and we do stop to think about subsidies and the homebuilders and the rest of it, let me make clear that certainly they want and certainly can use all the help from Government and private enterprise or anybody else they can get to help this industry. But what we have, Mr. Speaker, here today is something different. It is a badly drafted subsidy bill.

The bill that we had before the House and which we voted for was much more practical in the amount of money that was invested.

Mr. Speaker, this subsidy bill may be worse than doing nothing at all for the homebuilders.

What we will do, Mr. Speaker, is bailout some of homebuilders with the $450 million that was voted for existing homes, and this will definitely help those particular recipients. But for the $2.5 billion that we have to commit for new construction homes, let me point out that many do not exist on the drawing boards in many cases and not a nail has been driven yet.

Mr. Speaker, to spend this kind of money and commit it, as the bill says, by January 1, 1983, is being unfair to the taxpayer. So I would hope that the Members would sustain the veto.

□ 1215

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding.

Mr. Speaker, if we vote to override this veto, what we will be doing will be clearly irresponsible. There are no new jobs that are contained in a $3 billion bailout of the housing industry.

For every job that might be produced by that provision the same number of jobs will be lost because the economy will be further devastated with higher interest rates resulting from higher deficits.

So there are no new jobs in this bill.

What we have is an example of the same old philosophy that we can spend ourselves to prosperity. Look around you, my colleagues. The economic devastation that you see around you is a result of trying to have the Federal Government spend our way to prosperity. It cannot be done. It will not be done by this bill.

Yet the same folks who produced this economic disaster are criticizing the results and proposing more of the same.

The only explanation is, Mr. Speaker, that they have developed a John Hinckley defense; namely, that what we do is clearly irresponsible and unacceptable but do not expect us to accept the blame for the result.

Mr. WHITTEN. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, I want to point out we have no assurance that a new, stripped-down bill will pass the Senate without first being loaded down with additional amendments the President would object to.

Yesterday we passed a bill that was stripped down even more than the one the President indicated he would accept and it got bogged down in the other body. The same thing may happen again today. Also, we have no assurance what the President would sign, even though he requested most of the items in this bill and some that were not included.

We have some agencies in this Government that need money by the end

of the month or they are going to be in real trouble with furloughs and expensive shifting of personal.

I also mention the 38 weather stations. Any Member that votes to sustain this veto, of course, is voting that they do not want to keep the weather stations open.

The only way that we can be assured that the agencies are going to stay open, that these services are going to be provided, is to vote to override the veto today.

I fully agree with others who say that employment problems are very serious in this country and we need some constructive action now. But the only way we can be assured that we can accomplish those objectives the vast majority that both Republicans and Democrats voted for is to vote to override the veto.

Mr. CONTE. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS. Mr. Speaker, I somewhat agree with the previous speaker, our colleague on the Appropriations Committee, the gentleman from Iowa (Mr. SMITH) except that I come to a different conclusion.

I quite agree with the speaker that just preceded me that we are here now through no fault of our own. It is the other body that put us in this posture where we are today, caught between them and the President.

I compliment the chairman of our Appropriations Committee, the gentleman from Mississippi (Mr. WHITTEN), and the ranking member from Massachusetts (Mr. CONTE). Yesterday they made every attempt to reconcile the differences with the President by sending a clean bill over to the other body.

But some of the Members there, for political reasons, obviously, introduced this stuff that has been objectionable to the President.

I do not think we are going to override the veto. They threw it back to us yesterday leaving us with no choice but to send it down to the White House for signature.

Now it is back here through no fault of our own.

I think the only choice we have today, if we are going to expedite this and not bog the thing down further, is to vote to sustain the President. Then immediately come in with a clean bill pretty similar to what we passed yesterday, and put it back in the other court, back in the other body.

Either they can fish or cut bait, or go home and campaign.

I am afraid the way we are approaching right here today is that we have a lot of hard work ahead of us this year. This is just the first hurdle that we are going to have to pass.

We now have a budget in place, opening up so that we can now bring our appropriations bill to the floor. But if we are going to make every one of those political here in this Chamber and not attend to the people's business it is going to be a long, very hot summer.

It is high time that we attend to the public's business here; do what is right for the country, do what is possible, and then leave our campaigning and our politicking for weekends when we are back home in our own districts.

Let us do what is right here today, and let us start doing what is right to get this business over, to get the people's business completed.

Mr. HAGEDORN. Mr. Speaker, will the gentleman yield?

Mr. MYERS. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. I want to commend the gentleman from Indiana on his statesmanlike statement. I think he has hit the nail on the head.

I think what the gentleman has described here is exactly what we are facing. If we do not face up to it right now and deal with it we are going to be going through this process for months ahead, all through this campaign season.

The country does not need prolonged agony in this political debate but, more importantly, solutions.

I believe solutions are by restrained spending. That is what our President is trying to do. I think we owe him the support and the effort.

I think more importantly we owe the American people a chance to bring about economic recovery in the private sector and not more of the same programs that took this Nation down the primrose path of high inflation, double-digit interest rates.

What we are now proposing to do today is more of the same as we have done over past decades that has put us right in this position. It is heaping disaster on disaster.

I urge that we sustain the President's veto.

Mr. MYERS. I thank the gentleman for his comments and completely concur that the public is fed up to here with us bickering.

Let us get on, let us quit politicking here in this Chamber and the other. Let us do that back home. There is plenty of time between now and election to do that back home.

Mr. EMERSON. Mr. Speaker, will the gentleman yield?

Mr. MYERS. I yield to the gentleman from Missouri.

Mr. EMERSON. I want to associate myself with the remarks of the gentleman from Indiana, who is a man of great commonsense and a very good friend of the interests of southeast Missouri. He has been there; he knows our problems, and he understands them. He is also a great American who has a wonderful grasp of national problems, and a finely tuned sense of when the line gets drawn. I appreciate the comments of the gentleman from Indiana because he is a sensitive and highly responsible legislator, a senior legislator here with whom it is a privilege to be associated. He gives as always an independent perspective, never geared to partisan tones, but truly independent in the national interest.

I am going to vote to sustain the President's veto of the so-called urgent supplemental appropriations bill because it is $6.4 billion in excess of actual budget requirements. There is just no way we are ever going to get Federal spending under control if we continue to vote bills out of Congress that so far exceed actual requirements.

This is a difficult vote. One of the major provisions of the bill—and one of the major reasons for the President's veto—is $3 billion in assistance for the housing industry. While this program is very attractive, it is simply too far in excess of the original $1 billion program that I supported and that was passed by the House.

We must take steps to stimulate the housing industry, but fueling the fires of high interest rates and inflation by spending an additional $2 billion that we do not have is not the answer. I have sponsored legislation to provide interest subsidies for homebuyers—and to do so in such a way that does not "bust the budget." This, and other more responsible approaches, are possible; and I will continue to press hard for passage of a housing program. However, I cannot support a measure that requires adding billions of dollars to an already unacceptable deficit.

The No. 1 problem facing this country's economy is high interest rates and the need to keep inflation under control, and the greatest thing Congress can do toward that end is to act responsibly to bring spending under control.

Mr. CONTE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. GRAMM).

Mr. GRAMM. Mr. Speaker, it is easy to be fiscally responsible when you are talking about abstract budgets that do not bind any one particular program that may be popular in your district.

It is easy to be fiscally responsible when you are voting on programs you do not support anyway.

But it is very difficult to be fiscally responsible on very popular programs.

We have come today to a critical vote in this Congress on whether or not we are going to hold the line on spending on a program that is popular and that is aimed at a cause that we all support.

Many Members of the House voted for a one-time, $1 billion, fiscal year 1982 stimulus program for housing. They believed that we could pump capital into the housing industry to

get us over this hump where the thrifts are caught in a bind, where their cost of money has risen and they have mortgages out at low interest rates, where houses are sitting empty.

But that is not what we are voting on today on this veto. We are voting on a 5-year, $3 billion bailout program.

I think it is important, Mr. Speaker, that Members recognize that we in Congress cannot create capital. The Government cannot create capital.

This $3 billion is $3 billion we are going to have to go out and borrow. That is $3 billion more of Government absorption of private capital for competition with would-be investors and would-be homeowners, to pump money into the housing industry, a subsidy that is poorly targeted, a subsidy that will cost mammoth amounts in terms of trying to create jobs in the housing industry, and a subsidy that is likely to be felt after the recession is gone.

Surely we do not believe, we do not hope that 5 years from now we will still be in a recession. But if we do not sustain this veto, this program will be on the books 5 years from now.

I think it is important to note that the problem is interest rates, not subsidies. If we want to help the American economy, if we want to help housing, then we ought to sustain the President's veto, keep pressure on Federal spending.

A 1 percentage point decline in interest rates will build 350,000 new homes. It will do it without diverting money by the Government.

So I think we are sown to a critical decision. I am going to vote to sustain the President's veto because this kind of quick-fix program, based on the long-term program to take capital out of the private sector, to divert it to one industry, will not deal with our problems, will not lower interest rates, and will not revitalize America.

So as popular as the housing program may be, it is not the housing program on which this House is on record, and I urge that we sustain the veto.

Mr. WHITTEN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I have listened to the gentleman from Texas (Mr. GRAMM) a number of times.

We all have theories about economics. The error, as I see it, in his theory is that he thinks we can save our way into handling the debt we have from previous actions.

Someone has said if you put 100 economists in a room and two them agree, then they have reached a composite judgment, but the other 98 would probably disagree just to be different.

I have heard these arguments before but we have to produce to get out of our problem. I want to point out that the point of productive jobs was left out. If we do not produce to keep income up and money coming in, we cannot cut down because we do not have anything to cut.

Mr. Speaker, I yield 4 minutes to the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Speaker, I thank the gentleman for yielding.

I urge my colleagues to override this mistaken veto.

Someone has said that this is an argument over spending. Someone has said that this is a $3 billion budget argument.

Let me tell my colleagues this is not a $3 billion budget argument. The President is saying on the one hand that we cannot afford at a time of the deepest, most severe recession since the Great Depression itself to invest, my friends, not spend, but invest $3 billion to create some jobs, to build some houses, to put some carpenters back to work, electricians back to work, and to make small business people who are builders profitable again. He is saying we cannot afford that.

But do my colleagues know what else his budget calls for? Listen to this. Over the next 5 years, he wants to spend $4.2 billion in civil defense bomb shelters and civil defense evacuation plans in the mistaken thought that somehow that is going to save the country in the event of a nuclear war.

I have to ask my colleagues: Where do we want to invest our money? That is the question.

Do we want to invest in the bomb shelters, as the President wants us to do, or do we want to invest in the real shelter for real people in America in real homes?

The gentleman from Ohio said that housing is the issue today. You bet your bottom dollar housing is the issue.

The choice that every Member of this House has to make on this side of the aisle or the other side of the aisle: Who do we represent? Do we represent a White House that has this unique approach to housing, expressed in the words of David Stockman who said, and I quote:

> The problem with the American economy over the last two decades is that housing has spunged up too much productive capital at the expense of more productive things.

Do we support the President on that? Do we support the White House in this concept of what homeownership and housing construction means to our country's economy?

If you agree by all means vote to sustain this veto.

But if you believe otherwise, if you believe that the people who are saying they are in pain because they are out of work, if you believe that you want to represent those people who say "give us some help so that we can survive until the economic recovery comes through—if you represent them, then you must vote to override this veto.

This is not a bailout of a single industry. This is a life preserver for a cluster of construction industries which have led this Nation out of every recession since World War II.

Given the fact that this is the deepest, most vicious recession since World War II, dare we fail to throw out this life preserver to keep at least a faint heartbeat alive within the industry?

I say to my colleagues on both sides of this aisle, this is the people's business. No one made this partisan except the people at the White House who have an antihousing bias.

But in the next few moments, Democrats and Republicans together can say "Mr. President, you are wrong here. You are wrong on this one. We will support you again on the next one, but you are wrong on this one. We want to save what remains of a devastated housing industry."

□ 1230

Mr. HEFTEL. Mr. Speaker, will the gentleman yield?

Mr. AUCOIN. I yield to my good friend, the gentleman from Hawaii.

Mr. HEFTEL. We should keep in mind that we will only spend money as a result of this legislation if the President's economic program fails to bring down interest rates. If we believe interest rates will come down to normalcy, then this is not even an expenditure. It is a stopgap.

Mr. AUCOIN. The gentleman is absolutely right. The gentleman knows, and I think my colleagues also know, that for the $3 billion that this investment represents, more than $3 billion comes back to the Treasury out of the income created from the jobs that will be produced under this plan. Now, that is just smart for the Treasury, it is smart for the unemployed, and it is smart for America.

I urge an override on this veto.

Mr. CONTE. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN of North Carolina. Mr. Speaker, I voted for the original House version of the Patterson bill to fund a billion dollars to subsidize interest rates for purchasers of some new houses. I cannot, however, vote to override the President's veto of the $3 billion 5-year subsidy.

When the earlier version was before the House, the prospect was dim that any budget controls would be enacted. It was not clear that anything would be done to lower market interest rates. Consequently, even though I preferred alternate legislation to help all segments of the depressed housing industry, I voted for Patterson-Lugar as the only vehicle available to put some relief program in place.

What has changed?

For one thing, we have now adopted the budget resolution. Any positive message it might convey to reassure credit markets would be seriously counteracted by this conflicting message. It would say "disregard any appearance of spending restraint, because here is a new program to spend more, not less." The precedent would cause them to anticipate similar subsidies for steel, autos, small business, farms, and any other hard-pressed industry.

Second, a recent survey of my constituents disclosed strong opposition (70 percent versus 27 percent) against "a Government subsidy to reduce future home mortgage interest rates."

Third, there is the veto itself, and the strong leadership stand taken by President Reagan, not just against this new housing subsidy, but against any effort to expand Government spending during this critical struggle to get control of raging budget deficits. If he loses this overall struggle, it is not likely that interest will come down or that inflation rates will stay down.

The veto does put a bright spotlight of attention on the housing construction subsidy, far out of proportion to its own cost. To override this veto would destroy any confidence in the markets that Congress will work with President Reagan to bring interest rates down—for everybody.

If prospective home buyer's are also faced with fear of losing their own jobs because of high market interest that their employers cannot afford, are they likely to buy a new home, even at a favorable rate? I doubt it. They will not want to risk taking on a mortgage that would be foreclosed if their own employers go under.

I wish we could assist housing and every hard-pressed industry. But if this step triggers higher market rates, it will do more harm than good even for the housing industry.

If ever we are going to get serious about fiscal responsibility, it is time to get serious. It is time to get responsible.

Mr. BETHUNE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of North Carolina. I yield to the gentleman from Arkansas.

Mr. BETHUNE. I thank the gentleman for yielding.

Mr. Speaker, I just wanted to expand on the gentleman's point that this would open the door for other bailouts.

There is legislation lurking out there in the wings right now. One, a rule was granted yesterday for a bill to amend the Defense Production Act, to spend $5 billion over the next 5 years to leverage loans up to $40 billion or $50 billion for those hard-pressed, defense-related industries. It is out there, and it is coming.

Mr. MARTIN of North Carolina. I thank the gentleman for his comments.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. DUNN).

● Mr. DUNN. Mr. Speaker, I take the floor today to urge my colleagues on both sides of the aisle to override the President's veto.

The housing industry, unlike some of the other industries in our Nation—the steel industry, the automobile industry—is not an industry beset with very complicated long-range problems. It only has one problem, and that problem is interest rates.

Had this body, and the Senate had the will and the fortitude to vote for much lower deficits than the $104 billion, the young home-buying American public of this country would not need any sort of bailout program.

But since Congress has not done this, since the administration has signed off on a $104 billion deficit, interest rates will not go down immediately. The housing industry needs lower interest rates. The housing industry has the ability to lead this Nation out of the recession. It is a very near-term, it is a very quick-term industry. In 90 days you can put up a new house. It does not have the problem of competition. There is no lack of buyer demand. It has only one problem, interest rates.

I urge the Members to override the President on this particular vote.●

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Speaker, the President says that the reason he is vetoing this bill is because it will add to the deficit.

I strongly disagree with this conclusion. The reason the deficit has jumped to over $100 billion is unemployment. When unemployment goes up, we lose revenues. Every time unemployment goes up 1 percent, we lose $25 billion in revenues, and must pay $5 billion to care for the unemployed. This is the reason we have big deficits—revenue loss because of unemployment.

This bill has a recapture provision that will get this money back. We need to stimulate the economy and to move out of recession. Housing has always led the economy out of prior recessions. The fastest way to reduce the deficits is to put the American people back to work. Unemployment takes a tragic toll on people's physical and mental health as well. Alcoholism, drug abuse, ulcers, child abuse, and family problems are all caused by prolonged unemployment.

If you care about jobs, if you care about the fate of the unemployed, if you favor economic recovery, then vote to override this veto.

● Mr. FRENZEL. Mr. Speaker, I shall vote to sustain the President's veto of the urgent supplemental appropriations bill.

The controversy, and the veto, concentrates on the $3 billion housing industry bailout. That is the most glaring defect, not only because it is ruinous to the budget, but because it would set a budget-busting precedent which would be even more ruinous.

There are plenty of other flaws in the bill too. The President asked for a modest amount of extra money for essential services. The Appropriations Committee responded by giving him more than he wanted. It funded all of its pet projects, some in contravention of last year's conciliation bill.

These additional flaws are sufficient to cause a veto. The $3 billion housing add on only makes a bad bill worse.

The President did well to veto the bill. This body would do well to sustain that veto.●

● Mr. MOORE. Mr. Speaker, the urgent supplemental appropriations bill passed by the House on May 12 by voice vote has been returned to us with almost $3 billion more in current year spending tacked onto it. This represents an increase of nearly 50 percent over the level passed by the House.

I supported the initial work of the House in identification of purposes and amounts requiring urgent fiscal attention. There is much in this conference report that similarly is worthy of support. Unfortunately, there is also nearly $3 billion in this conference report that works against fiscal discipline necessary to keep the present year deficit under control. For this reason, I oppose the conference report to accompany H.R. 5922 and voted to sustain the President's veto of it.

I voted for the $1 billion authorization and appropriation for mortgage interest subsidies when initially passed by the House on May 11 and 12, respectively. That sum has now tripled to $3 billion and this feature alone contributes most to the increased costs of this conference report. None of this is budgeted for the current fiscal year and each tax dollar spent adds directly to the current year Federal deficit and borrowing, resulting in interest rates staying high.

The most meaningful and lasting aid Congress can give to the Housing industry is to reduce the deficit, keep it down, and prevent Government borrowing from crowding out private borrowing. Then interest rates will fall and inventories of unsold homes will dwindle.

There is also $1.3 billion in this conference report not in accord with the administration's supplemental appropriations request. This situation circumvents fiscal discipline as well by in-

creasing the total unbudgeted figure to $4.3 billion. I could and did support a $1 billion addition, but a $4.3 billion total increase is simply too much. In addition, the President sought $7.8 billion in current funding recovery but the conference report allowed only $5.7 billion in such rescissions. Thus, this measure falls short of the President's objectives by a total of $6.4 billion. It failed to meet uniform and basic fiscal tests Congress approved in writing a budget last year and again in our budget work just completed. It was vetoed and the President's veto has now been sustained. Let us now work to write a bill more along the lines of fiscal and deficit restraint. It will be the best medicine for recovery of the housing industry and the Nation.●

Mr. CONTE. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. MICHEL), the distinguished minority leader.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker and my colleagues, I obviously rise in support of the President's veto of this measure and urge that Members vote to sustain the President's veto.

If anyone still has a doubt about the need to sustain the President's veto, I urge that you read the reaction of Wall Street to our budget resolution, as reported in this morning's paper.

Wall Street executives are quoted as believing Congress will not come close to making the spending cuts we have called for in our budget resolution. The result has been a renewed fear of inflation and another upward jump in interest rates.

Now, frankly, I guess I am getting a little bit tired of the Monday morning quarterbacking. The press has a way of making things happen by saying they will happen. The fact is that we are going to be under close observation throughout the remainder of the year as to whether we are really serious about making the spending cuts necessary to bring down the deficit.

This veto is the first test of our seriousness. It exceeds the budget request of the President by a whopping $4.3 billion in budget authority. Even more important, these increases will add over $1.1 billion to our 1983 outlays.

It is an open question as to whether these spending increases are allowed in our budget resolution, but I submit that we had better act now to hold the line or else it will be Katy bar the door regarding all those future appropriation bills that we will be considering later this year.

The biggest single culprit obviously is the housing bailout provision. We came out of the House, as has been alluded to several times here, with a $1 billion program, and we end up with a $3 billion program. In my view, even that original House version was a poor solution to the problem. I would have preferred the Evans-Corcoran approach, which would have shifted funds from the synfuels program and would have established more reasonable eligibility and interest rates. Then we still have the opportunity to explore the approach suggested by the gentleman from Michigan (Mr. SILJANDER), to take advantage of pension resources.

The President's message referred to other increases over his request beyond the housing figure. Just to mention a few.

Refugees, $23 million; maternal and child health, $24 million; community health centers, $34 million; WIN, $58 million; CETA, $63 million; Corporation for Public Broadcasting, of all things, at this time, $24 million. For what reason? Each and every one of us probably increased our private contributions to that program. Not necessarily governmental infusion, but private people doing what they feel necessary. Highways, $91 million; public works projects, $40 million; Postal Service, $62 million.

All these items represent the beginning of efforts to undermine the steps we took last year to try and establish some control over spending. What kind of signal does that send out, when right out of the box, in the very first week after adoption of the budget by both Houses, we come to bust it all up by overriding the President's veto of this kind of measure? We have made an initial commitment to fiscal constraint. We have taken the first step in that direction with the adoption of the budget. It is time now, it seems, to me, to take the second step.

One last point here for those Members who may have heartburn over the fact that notwithstanding the billions of dollars, they have got to override because there is a repeal of that tax preference for Members of Congress. Now, if this is sustained, like we hope it will be, why, I am advised by our good friends Mr. WHITTEN and Mr. CONTE that they will come out of their committee with one that goes back to the old $3,000 limitation; so that will be an academic question in your consideration of your vote on sustaining the President's veto here, and I hope all Members will take that into account.

Mr. WHITTEN. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Speaker, I would remind my good friend, the minority leader, that I signed the conference report and I am on the Budget Committee, but it is very interesting that one of the things that sent the bad signal to Wall Street are these assumptions: 1982, 12 percent interest rates; 1983, 10.7 percent; 1984, 8.8 percent; 1985, 6.9 percent.

It was not the housing bill that sent the bad signals to Wall Street. We signed a conference report and voted on a budget that we knew had some bad numbers in it.

Second, when it was debated on this House floor, one of the contentions was that there was not room in this budget for a housing bill. Mr. MICHEL, Mr. LATTA, and Mr. GRAMM said, "Oh, there is plenty of room in here for a housing bill." Granted, it is not the same as the so-called Lugar bill, but the Members of the House were assured there was room in this budget for a housing bill.

So we are kind of talking out of both sides of out mouths, and I think the people ought to know where the signals are being sent and what the debate was when we were considering the budget on the floor of this House as it applied to housing legislation.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I shall vote to sustain the veto, and I inform my colleagues who are of like mind that that would be a no vote.

And then, Mr. Speaker, I have met with the chairman of the Appropriations Committee this morning, and we will then submit a bill to the House which will be, in essence, the conference report on H.R. 5922, with the exception of the $3 billion for the housing bill.

I have had a lot of questions, and, as the minority leader said, a lot of people have heartburn over the tax credit matter. This will be included in the bill. It will be restoring for income tax purposes the $3,000 deductible from your income taxes, where we were before there was a change in the law. In other words, we will be repealing the $75 a day which Members could have deducted or the $50 a day the Members could have deducted. That will be wiped out. And it will no longer be called the Proxmire amendment. It will be called the Whitten-Conte amendment. We will go back to the old law of $3,000 deductible. Everyone should be happy about that.

Mr. COLEMAN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Missouri.

Mr. COLEMAN. The rest of your bill will basically be the same as we had before, but the housing issue will be carved out; is that correct?

Mr. CONTE. That is absolutely correct. The maternal child health care, the community service employment for older Americans, the health resources, the WIN, the Public Broadcasting, the student loan insurance, all of those things will be back here, the exact same bill that this House passed and that the conference passed.

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Mr. COLEMAN. And we will have an opportunity to vote on that immediately if this veto is not sustained; is that correct?

Mr. CONTE. Absolutely right; I have worked very closely with the chairman on that.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. Yes; go ahead.

Mr. SMITH of Iowa. Is there any assurance the President would sign that bill?

Mr. CONTE. No; there is no assurance the President will. I want to be very fair about it. If the gentleman will read his veto, message, the President is opposed to some of the things that were in the conference report, the public broadcasting, the WIN program; there is a whole list of them. If Members will read the veto message, they will see that; but as one individual who cosponsored this new bill with the chairman, if he does veto it, he loses my support. I am supporting his veto now. I want to sustain the President and knock out the housing provision.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. LAGOMARSINO. Does the new bill, the one that will come up if we sustain the veto, contain funds for the weather stations?

Mr. CONTE. It certainly does, $2 million for the weather stations, including the one in Nebraska for the gentlewoman from Nebraska (Mrs. SMITH).

Mr. LAGOMARSINO. How about for the Coast Guard?

Mr. CONTE. The Coast Guard, there is $48 million for the Coast Guard.

Mr. LAGOMARSINO. Mr. Speaker, I commend the gentleman and I hope that the veto will be sustained.

Mr. CONTE. So, Mr. Speaker, I hope that this will be sustained and we will move very quickly in here today to bring up the other bill. As I say, it will contain everything that was in the conference report except the $3 billion for the House stimulus provision and then when we go over to the Senate, I have conferred with the chairman of the Appropriations Committee across the aisle. He is agreeable to this bill.

I think we can get this thing over with before midafternoon.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Mississippi.

Mr. LOTT. One question, if I might, just to make it absolutely clear. A vote to sustain the veto——

Mr. CONTE. Is a "no" vote.

Mr. LOTT. Would be a "no" vote.

I thank the gentleman very much.

Mr. CONTE. A vote to sustain the veto is a "no" vote.

Mr. COLEMAN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. COLEMAN. If the gentleman from Massachusetts would yield to the gentleman from California (Mr. PATTERSON), there is information being circulated that due to the broad subsidy eligibility, that most of the 243,000 estimated units that would be built from the housing section of this bill would come from inventory or units that would be built anyway and only about 32,000 would be genuine additional starts.

I wonder if the gentleman from California could address that question.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. PATTERSON. I thank the gentleman for yielding and I would be delighted to address that question.

I am very sorry that such misinformation is being disseminated. The bill very specifically provides that of the $3 billion housing subsidy, $2.5 billion is for new construction housing; $400 million is for existing inventory and so the information that the gentleman has been supplied cannot in fact be accurate.

Mr. WHITTEN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. Mr. Speaker, first of all, I want to thank the chairman of the Appropriations Committee for his kindness in yielding to me, a nonmember of the committee, on the basis that I am one of the two original authors of the housing stimulus part of the bill which the President has now vetoed.

I was somewhat amazed when I heard assurances from the other side of the aisle that this bill minus the housing stimulus will be sent back to the President * * * yet we do not know if he will sign it * * * but he might.

If you want a sure thing, vote to override the President's veto. Vote "yes" in order to enact the emergency housing construction stimulus program now!

This emergency program must be enacted now for the simple reason that recession is here and recovery is no where near! Interest rates remain at unacceptably high levels and will increase even further as the President's own deficits borrow 56 percent of all available credit in the last half of this year.

Additionally, we must enact this program because it is the only game in town. It is the only antirecession job-generating initiative this Congress will have the chance to pass this year. We must act now to stem the rising tide of bankruptcies and unemployment and help these people out of the category of tax-users and back into the category of taxpayers.

While both Chambers of the Congress have determined that this program is essential, the President continues to argue, "Wait-and-see * * * Give my program more time to work * * *" We have given it time. And it is not working. We cannot wait any longer. In all votes up to today, the Congress has made clear that it is now time to act. Just yesterday, the Senate voted 70-27 to insist on this housing program. The House voted 343-67 on May 12 to add this provision to the urgent supplemental in the first place. In just 100 days from the date the program was introduced, the House and Senate have reached agreement and sent this program to the President.

But, the President continues to ask us to wait. Maybe the President can wait. Maybe he can wait until 1984. Maybe some of the Members of the other body can wait—those who are not concerned about the problems of the American people.

But, we must ask ourselves whether we can wait. Can those whom we represent wait?

Can the out-of-work construction worker wait until 1984?

Can the small builder or supplier who is faced with financial ruin this year wait until 1984?

Can the young couple who is ready to buy a home, wait until 1984?

Finally, ask yourself, is it possible that the President listens too much to "economic wizards" like David Stockman? Is it possible that he listens too much to the very man who brought us the Trojan Horse tax cut, the biggest deficit in our Nation's history, and these high interest rates and that he does not listen enough to the American people?

All of us are faced with an unfortunate dilemma. None of us enjoys being forced to say that our President—Democrat or Republican—is wrong. But he is wrong. Those of you Members in this Chamber on the Republican side are faced with an especially uncomfortable dilemma: Will you support your President—the leader of your party? Or, does your allegiance lie with your constituents, the American people? To put it even more clearly: Is your vote determined by the President's request, or is it based upon the merits of the legislation as it affects those you represent?

It seems that the choice is clear:

Will you support the President when his programs are failing?

Will you support the President when he fails to note that there are two sides to the economy—both supply and demand side? Or—

Will you support this urgently needed stimulus program—a program

which will stimulate the construction of over 200,000 new homes, create over 350,000 new jobs, generate $2.5 billion in tax revenues—thus paying for itself? Do you not believe that jobs, homeownership, and $25 billion in new economic activity generated through a program which pays for itself is worth the investment of our Nation's funds?

I believe this program is a sound investment; 343 House Members voted for this investment May 12; 74 Senators voted for this investment just yesterday. But, the President, however, still has not gotten the message.

Remember, though, that this is the same President who:

First, proposed a $40 billion cut in the social security program.

Second, opposed the Voting Rights Act extension, until we passed it.

Third, opposes a nuclear freeze.

Fourth, submitted the most unbalanced budget of any President, ever!

Oh, the people will hardly note, nor long remember what we say here today—but in November, the people will remember what you did here today!

We simply must not go along with a President who denies $3 billion in loans to stimulate housing but at the same time insists upon wasting $4.2 billion on useless bomb shelters.

Mr. CONTE. Mr. Speaker, I yield 1 minute to my friend, the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Speaker, would my friend, the gentleman from California, be kind enough on this additional minute I just helped us both get to answer a question?

Mr. PATTERSON. I would be delighted to.

Mr. BURGENER. We are both deeply concerned with housing which is in a depression, not a recession, but a depression, we know that.

In one of the three counties I am privileged to represent, San Diego County, we have 7,000 units completed, unsold, single family, and condominiums. Could the gentleman tell me what the $3½ billion would do for those 7,000 units?

Mr. PATTERSON. Well, if the gentleman will yield, there is $400 million in the bill that would go for existing inventory.

The primary purpose of the bill is an economic stimulus and so $2.5 billion will be for new construction. We have concentrated so long on the supply side that we now need to focus the demand side because our economy involves both. We have an oversupply of housing in some areas because the demand is not there due to the fact that people cannot afford to buy at the high interest rates which the stimulus bill will help address by reducing interest rates.

Mr. BURGENER. I thank the gentleman.

Mr. CONTE. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I would like to point out to some Members the possibility of a direct clash with the White House over a veto is a new thing. Look back under the previous 4 years with Mr. Carter when there was a veto, the Congress did not challenge that veto as a general rule. That just made political sense.

We now have a situation where this President has decided in his good judgment a veto is necessary. That places the heat where it should be right before us. If we meant what most of us have said over the past 3 or 4 months about the need to bring under discipline some of the spending, then we have to recognize the awesome responsibility of the President. There is not anything at this point that is particularly political. We have one President at a time. It is his responsibility and if in his good judgment this bill demolished some of the other things he called upon us to do, the veto logically followed, and I think quite logically we should sustain that veto.

Mr. MARTIN of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman.

Mr. MARTIN of North Carolina. I think it is worth observing in the colloquy between our two colleagues from California, if there are 7,000 existing houses in inventory just in San Diego County, at $100,000 that would use up $700 million of the $400 million.

Mr. DERWINSKI. Whenever you hear two Californians, that means confusion.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, obviously the veto was occasioned by the housing stimulus funding in this particular bill. In the original bill, as the Members of the House know, a billion dollars was provided, partially to take care of the housing inventory. Some 74,000, housing units would have been assisted by the House version.

The Senate bill provided $5 billion. When we went to conference, the Senate would not budge. Finally, we reached an agreement at $3 billion whereby we would provide $2.5 billion for new construction, $400 million to buy out inventory, and $100 million for units in high cost areas.

This is not a bailout for the housing industry. The bill contains a repayment provision for the assistance provided. Because of the equity generated through appreciation and through the monthly payments, all this money will be paid back in time. It is not a bailout for the housing industry.

I submit, Mr. Speaker, that the President has been misinformed on this particular bill.

Someone said that the housing industry is now improving, that the number of housing units is increasing. They are increasing imperceptibly and slowly. As a matter of fact, single-family homes are being constructed at the rate of approximately 500,000 units a year, the lowest number in years.

So, Mr. Speaker, if we want to provide any stimulus to the housing industry, if we want to really provide jobs, we can do it by voting to override this veto. We will provide 262,000 new units and we will be providing jobs for between 400,000 to 500,000 unemployed in the housing industry. The housing industry now is perhaps in the worst economic morass it has ever been in, only followed by the automobile industry and perhaps by the steel industry. Mr. Speaker, the President has been misadvised. I think we ought to override the veto. We will do the right thing and supply the number of jobs that the housing stimulus bill provides—some 500,000 employed workers.

Mr. CONTE. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, I know that we have short memories in this House at times. We just passed a budget and now we are talking about a bill that is going to bust whatever budget constraints we had; but I hope Members would have a memory long enough to recall the distinguished former chairman of the Budget Committee, Mr. GIAIMO, who had a comment to make on our exercise to go through the budget several weeks ago. He basically said that we had failed in our effort; then he said about the housing bailout that we originally passed here, "how irresponsible." That is not someone looking to be reelected next year. That is the distinguished former chairman for the Budget Committee saying that the real problem is how high the interest rates are.

How do you get the interest rates down? You bring the size of the deficit down.

But what are we about to do? We are going to pass something that is going to add $3 billion to the deficit in the short run. How irresponsible.

How irresponsible can we be? Who are we fooling? We are only fooling ourselves. We are not fooling the American people out there. If in 1 week we pass a budget in which we say we are going to bring spending under control and the next week we go along and pass this bailout bill, we are fooling no one except ourselves. Let us vote "no."

Mr. CONTE. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. I thank the gentleman for yielding 30 seconds.

I neglected to make my point. I would like to make it now.

I am informed that in the bailout bill, $400 million would be available nationally for refinancing. We need for refinancing in my city alone some $700 million. This housing measure would not do any good.

□ 1300

Mr. MYERS. Mr. Speaker, if the gentleman will yield, what we have been hearing this morning is, we have been giving medicine for the housing industry; it has not worked. So instead of trying a different medicine, let us give them more of the same. Well, it might be fatal.

Mr. PATTERSON. Mr. Speaker, if the gentleman will yield, does the gentleman want an answer?

The SPEAKER. The gentleman from Mississippi (Mr. WHITTEN) has 4 minutes remaining. The gentleman from Massachusetts (Mr. CONTE) has no time remaining.

Mr. WHITTEN. Mr. Speaker, I yield the remaining time to our majority leader.

Mr. WRIGHT. Mr. Speaker, some of this debate reminds me of that poem by G. K. Chesterton, who wrote:

The Christian Social Union here
Was very much annoyed.
It seems there was some duty
Which we never should avoid.
So we sang a lot of hymns
To help the unemployed.

That is brought to my mind also by the veto message of the President. In effect, the President says, "Oh, we are for housing; we are just not for doing anything about it. Oh, we are for low interest rates; we are just not for doing anything about it. Oh, we are against unemployment; we are just not for doing anything about it."

He says: "We have established a program for economic recovery and the key is lower interest rates."

I wonder where the President has been. Has someone failed to awaken him? Did he not awaken last week when it was revealed that the inflation rate has gone up in the past month to an annualized rate of 12 percent? Does he not know that unemployment has risen to a presently estimated 10 percent?

There is a brand new phenomenon in the United States. This is his so-called recovery program. He got everything he demanded from Congress last year. Congress caved in, genuflected and kissed his ring and gave him everything he demanded.

Here is the result: Double-digit inflation, double-digit unemployment, and double-digit interest rates, all at the same time.

Those are the results of the President's so-called recovery program of doing nothing. That is his program, for the Government to do nothing. "Rail against it, blame others, sing hymns to help the unemployed."

We are tired of singing hymns. We know that the unemployed are not helped merely by singing hymns; they are helped if members will do what we had the courage to do the first time. I am not talking of those 43 of you on the Republican side who voted "no" the first time; but I am talking to those 135 of you who saw merit in this proposal on May 11. This is the same program, identically the same program. You cannot hide from that fact. It is the same thing. You voted for it once.

Do you think the situation is different? Fine. Try to tell that—try to tell that to your unemployed workers. Go home and tell them why on May 11 you thought it was a good idea, but now you do not. Explain to them that when the President, in his regal majesty, told you that you could not vote for it, you bowed the knee and decided that you were elected to serve his will. Explain that it is not your duty to serve the people who need houses, the people who cannot pay $900 monthly payments on a house that they could have bought for $440 monthly payments just a few years ago.

Tell them you do not serve those people who cannot afford these high interest rates; tell them you do not serve those small businesses which are failing at the highest rate since the depth of the depression; tell them you do not serve those 20 percent of the people in the construction trades who are out of work; tell them you do not accept any responsibility for those young couples who cannot afford to buy homes.

Whom do you serve? Do you serve the will of the President? Is that whom you were sworn to serve? Or were you sworn to support your own convictions? If the latter be true, perhaps you can explain why your convictions have changed.

The statement that the high interest rates is the culprit is true. There is no question about that. But the idea that we can bring interest rates down by just doing nothing but shrinking the domestic government and giving big tax cuts to the wealthy, is not true. Secretary Regan, himself, confessed in last Sunday's newspaper that this approach is not working.

So the question is: Whom do you serve? If you served the people when you voted for the housing initiative on May 11, you will serve the people today by voting "aye" on the motion to override the veto.

Mr. WHITTEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be by the yeas and nays.

Members will record their votes by electronic device.

The vote was taken by electronic device, and there were—yeas 253, nays 151, not voting 28, as follows:

[Roll No. 174]

YEAS—253

Addabbo	Frost	Parris
Akaka	Gaydos	Patman
Albosta	Gejdenson	Patterson
Alexander	Gephardt	Pease
Anderson	Gilman	Pepper
Andrews	Glickman	Perkins
Annunzio	Gore	Peyser
Anthony	Grisham	Price
Applegate	Guarini	Pritchard
Aspin	Gunderson	Rahall
Atkinson	Hall (OH)	Rangel
AuCoin	Hall, Ralph	Ratchford
Bailey (PA)	Hall, Sam	Reuss
Barnes	Hamilton	Richmond
Bedell	Hammerschmidt	Rinaldo
Beilenson	Harkin	Rodino
Benjamin	Hawkins	Roe
Bevill	Heckler	Rose
Biaggi	Hefner	Rosenthal
Bingham	Heftel	Rostenkowski
Boggs	Hendon	Roth
Boland	Hertel	Roybal
Bonior	Hightower	Russo
Bonker	Hollenbeck	Sabo
Bouquard	Hopkins	Santini
Bowen	Horton	Scheuer
Brinkley	Howard	Schneider
Brodhead	Hoyer	Schroeder
Brooks	Hubbard	Schulze
Broomfield	Huckaby	Seiberling
Brown (CA)	Jacobs	Shamansky
Burton, John	Jenkins	Shannon
Burton, Phillip	Jones (OK)	Sharp
Byron	Jones (TN)	Shelby
Chisholm	Kastenmeier	Simon
Clausen	Kazen	Skelton
Coelho	Kennelly	Smith (IA)
Coleman	Kildee	Smith (NJ)
Collins (IL)	Kogovsek	Smith (OR)
Conyers	Kramer	Smith (PA)
Coyne, James	LaFalce	Snowe
Coyne, William	Lantos	Solarz
D'Amours	Leach	St Germain
Daschle	Lehman	Stark
Davis	Leland	Staton
de la Garza	Levitas	Stokes
Deckard	Long (LA)	Stratton
Dellums	Long (MD)	Studds
DeNardis	Lowry (WA)	Swift
Derrick	Luken	Synar
Dicks	Lundine	Tauke
Dingell	Markey	Tauzin
Dixon	Marks	Traxler
Donnelly	Marriott	Trible
Dorgan	Matsui	Udall
Dougherty	Mattox	Vander Jagt
Dowdy	Mavroules	Vento
Downey	Mazzoli	Volkmer
Duncan	McDade	Walgren
Dunn	McHugh	Wampler
Dwyer	McKinney	Washington
Dymally	Mica	Watkins
Dyson	Mikulski	Waxman
Early	Miller (CA)	Weaver
Eckart	Mineta	Weiss
Edwards (CA)	Minish	White
Emery	Mitchell (MD)	Whitehurst
Evans (IN)	Mitchell (NY)	Whitley
Fary	Moakley	Whitten
Fascell	Morrison	Williams (MT)
Fazio	Mottl	Williams (OH)
Ferraro	Murphy	Winn
Fiedler	Murtha	Wirth
Findley	Napier	Wolf
Fish	Natcher	Wolpe
Fithian	Neal	Wright
Flippo	Nelligan	Wyden
Florio	Nelson	Wylie
Foglietta	Nichols	Yates
Foley	Nowak	Yatron
Ford (MI)	Oakar	Young (MO)
Ford (TN)	Oberstar	Zablocki
Fountain	Obey	Zeferetti
Fowler	Ottinger	
Frank	Panetta	

NAYS—151

Archer	Frenzel	McGrath
Badham	Fuqua	Michel
Bafalis	Gibbons	Miller (OH)
Bailey (MO)	Gingrich	Montgomery
Beard	Goldwater	Moore
Bennett	Gonzalez	Moorhead
Bereuter	Goodling	Myers
Bethune	Gradison	O'Brien
Bliley	Gramm	Oxley
Breaux	Green	Pashayan
Brown (CO)	Gregg	Paul
Broyhill	Hagedorn	Petri
Burgener	Hance	Pickle
Butler	Hansen (ID)	Porter
Campbell	Hansen (UT)	Pursell
Carman	Hartnett	Quillen
Carney	Hiler	Railsback
Chappell	Hillis	Regula
Chappie	Holt	Ritter
Cheney	Hughes	Roberts (KS)
Clinger	Hunter	Roberts (SD)
Coats	Hyde	Robinson
Collins (TX)	Ireland	Roemer
Conable	Jeffords	Rogers
Conte	Jeffries	Roukema
Corcoran	Johnston	Rousselot
Coughlin	Kemp	Rudd
Courter	Kindness	Sawyer
Craig	Lagomarsino	Sensenbrenner
Crane, Daniel	Latta	Shaw
Crane, Philip	Leath	Shumway
Daniel, Dan	LeBoutillier	Shuster
Daniel, R. W.	Lee	Skeen
Dannemeyer	Lent	Smith (AL)
Daub	Lewis	Smith (NE)
Derwinski	Livingston	Snyder
Dickinson	Loeffler	Solomon
Dornan	Lott	Spence
Dreier	Lowery (CA)	Stangeland
Edwards (AL)	Lujan	Stanton
Edwards (OK)	Lungren	Stenholm
Emerson	Madigan	Taylor
English	Martin (IL)	Thomas
Erdahl	Martin (NC)	Walker
Erlenborn	Martin (NY)	Weber (MN)
Evans (DE)	McClory	Weber (OH)
Evans (GA)	McCloskey	Whittaker
Evans (IA)	McCollum	Wortley
Fenwick	McCurdy	Young (FL)
Fields	McDonald	
Forsythe	McEwen	

NOT VOTING—28

Barnard	Garcia	Mollohan
Benedict	Ginn	Rhodes
Blanchard	Gray	Savage
Bolling	Hatcher	Schumer
Boner	Holland	Siljander
Brown (OH)	Hutto	Stump
Clay	Jones (NC)	Wilson
Crockett	Marlenee	Young (AK)
Edgar	Moffett	
Ertel	Molinari	

□ 1320

The Clerk announced the following pairs:

On this vote:

Mr. Moffett and Mr. Marlenee for, with Mr. Rhodes against.

Mr. DORNAN of California changed his vote from "yea" to "nay."

So, two-thirds not having voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The message and the bill are referred to the Committee on Appropriations.

The Clerk will notify the Senate of the action of the House.

LEGISLATIVE PROGRAM

The SPEAKER. The Chair at this time thinks it is wise for the leadership on both sides of the aisle, the gentleman from Texas (Mr. WRIGHT) and the gentleman from Illinois (Mr. MICHEL), along with the gentleman from Mississippi (Mr. WHITTEN), to have a dialog under the 1-minute rule as to where the House stands at this particular time.

The Chair recognizes the majority leader for 1 minute.

Mr. WRIGHT. Mr. Speaker, the House has just voted to sustain the veto of the President of this urgent supplemental appropriations bill.

It has been represented to us by the ranking minority Member that the next bill, which I assume the gentleman from Mississippi, the chairman of our committee, is prepared to introduce and call up at this time under a unanimous-consent request given to him yesterday, will be the identical bill which the President vetoed, with the single and sole exception being that the housing initiative will be left out of it.

Is that correct? May I ask that question of the chairman of our committee?

Mr. WHITTEN. Mr. Speaker, that is correct.

Mr. WRIGHT. Now, Mr. Speaker, may I ask the distinguished gentleman from Massachusetts (Mr. CONTE), who first informed the House of that, has he had communication with the other body, or does he have reason to believe that they will accept that bill?

Mr. CONTE. Yes, I have, Mr. Speaker. I spoke with the chairman of the Appropriations Committee on the phone this morning. We discussed this bill and what they felt they wanted in the Senate in this bill, and we agreed that if the chairman filed the conference bill, the bill that came out of the conference, they would accept it in the Senate.

The SPEAKER. The Chair would ask the gentleman if he has any agreement with the White House as to what will happen if that bill is presented to the President?

Mr. CONTE. Mr. Speaker, I did talk with Mr. Stockman this morning on the same general subject. He was opposed to some of the items in here that came out of conference because they went over the President's budget, but he did note give me any indication whatsoever that there would be a veto.

The SPEAKER. The Chair will ask the same question of the minority leader.

Mr. MICHEL. Mr. Speaker, we note that in the President's veto message he alluded to some other items in this supplemental beyond the housing provision which were cause for concern and which were not really all that urgent. I alluded to some of them during the course of my remarks.

I would have much preferred that we would have had a bill come out of our House committee with no more than what the House Members felt had to be added over and above the President's budget request, as distinguished from what I consider to be exorbitant add-ons by the other body.

So I do not have an answer to the Speaker's question specifically, a direct answer as to whether or not this bill would be amenable to the President if it passed in the form he vetoed but simply minus the housing provision.

Mr. WRIGHT. Mr. Speaker, may I proceed?

The SPEAKER. If the majority leader will allow the Chair, it appears that, knowing a veto was coming, I say to the Republican leader, your party speaks of including everything in the next bill that you could; perhaps in order to sustain the veto. Now, if that next bill is going to be vetoed, the Chair does not see the sense of bringing it to the floor.

The House could go into recess, and the bill could be redrafted to take certain items out. What is the sense of going through the charade of passing a bill when you as the leader do not know, although you should know, whether the President is going to veto it or not?

This is only fairness. The House is on the eve of a recess that has been planned, and many of the Members out there have hired cottages for their children to go home to. I do not think it is a fair thing to do, just to pass legislation like this because you have satisfied everybody on your side. The minority may want those items in the bill, but you have not given us an assurance that the President will approve it. Because you have not, the House ought to go into recess, and the committee, which has the right under yesterday's agreement to bring out a bill, ought to come back when those assurances can be given.

Mr. MICHEL. The Speaker has made a point, and maybe he has made part of my point, too.

RECESS

The SPEAKER. The House is in recess until the hour of 2:30 p.m.

Accordingly (at 1 o'clock and 30 minutes p.m.) the House stood in recess until 2:30 o'clock p.m.

□ 1430

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 30 minutes p.m.

REQUEST FOR CONSIDERATION OF H.R. 6683, ENERGY POLICY AND CONSERVATION ACT AMENDMENTS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6683) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. CORCORAN. Mr. Speaker, reserving the right to object, I reserve the right to object in order to inquire of the chairman of our committee whether or not this simple extension has been cleared with the senior Republican on the committee.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CORCORAN. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, my good friend, the senior Republican on the committee, stands before the gentleman.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. CORCORAN. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Speaker, I have explicitly told the chairman I object to this procedure.

Mr. Speaker, I object.

The SPEAKER. Objection is heard.

APPOINTMENT OF CONFEREES ON S. 2332, ENERGY POLICY AND CONSERVATION ACT AMENDMENTS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2332) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program to provide for the Nation's energy emergency preparedness, and for other purposes, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. CORCORAN. Mr. Speaker, reserving the right to object, I take this time in order for the chairman to explain what he proposes to do.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CORCORAN. I yield to the gentleman from Michigan.

Mr. DINGELL. This is the alternative procedure to get an extension of the International Energy Agency antitrust exemptions into law.

The distinguished ranking minority member of the Committee on Energy and Commerce (Mr. BROYHILL) is headed for the cloakroom right this minute. He could comment beyond this, but as I understand his position he does not object to this and prefers that we should go to conference with the other body on this matter.

I understand that comports with the administration's position.

Mr. CORCORAN. Mr. Speaker, continuing my reservation, it is my understanding that the purpose of this action is in order to proceed with the appointment of conferees; is that not correct?

Mr. DINGELL. The gentleman is correct. This enables the House to proceed toward the appointment of conferees and toward a resolution of the controversies which exist with regard to this bill.

Mr. CORCORAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlemen from Michigan? The Chair hears none, and appoints the following conferees: Messrs. DINGELL, SHARP, MOFFETT, BROYHILL, and DANNEMEYER; and as additional conferees, solely for consideration of section 167(f) of the Energy Policy and Conservation Act, as added by section 3(b)(2)(A) of the House amendment, and modifications committed to conference, Mr. BREAUX and Mr. FORSYTHE.

RECESS

The SPEAKER. The Chair declares a recess, subject to the call of the Chair. Members will receive a 10-minute notification.

Accordingly (at 2 o'clock and 35 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1540

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock and 42 minutes p.m.

URGENT SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR ENDING SEPTEMBER 30, 1982

Mr. WHITTEN. Mr. Speaker, I introduce the bill (H.R. 6682) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, and ask for its immediate consideration pursuant to the order of the House of yesterday.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

H.R. 6682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations (this Act may be cited as the "Urgent Supplemental Appropriations Act, 1982") for the fiscal year ending September 30, 1982, and for other purposes, namely:

TITLE I

CHAPTER I

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

(TRANSFER OF FUNDS)

For an additional amount for "Program administration", $8,742,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

EMPLOYMENT AND TRAINING ASSISTANCE

For an additional amount for the Summer Youth Program under part C of title IV of the Comprehensive Employment and Training Act, $63,000,000.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

For an additional amount for "Community service employment for older Americans", $210,572,000, of which $168,457,600 shall be for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of the Older Americans Act of 1965, as amended, and $42,114,400 shall be for grants to States under paragraph (3) of section 506(a) of said Act.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $4,259,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $5,623,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

For an additional amount for "Health Services", $60,080,000, of which $3,500,000 shall be used to provide twelve months of transitional funding for those University Affiliated Facilities previously funded under section 502(a) of the Social Security Act or predecessor legislation (title V of the Social Security Act as in effect prior to the enactment of the Maternal and Child Health Services Block Grant), but for which termination of such funding has been announced during fiscal year 1982.

HEALTH RESOURCES ADMINISTRATION

HEALTH RESOURCES

For an additional amount for "Health Resources", $1,000,000, which shall be available for nursing research grants.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

WORK INCENTIVES

For an additional amount for "Work incentives", $57,621,000.

DEPARTMENTAL MANAGEMENT

OFFICE OF THE INSPECTOR GENERAL

(TRANSFER OF FUNDS)

From amounts appropriated for fiscal year 1982 for payments to States for Medicaid Fraud Control Units, there is transferred to the Office of Inspector General, Department of Health and Human Services, for necessary expenses, $13,941,000.

SOCIAL SECURITY ADMINISTRATION

REFUGEE AND ENTRANT ASSISTANCE

For an additional amount for "Refugee and Entrant assistance", $23,340,000, to be available only to reimburse States which by reason of court order, State statute or regulation, or other administrative restraint could not implement the change in regulations published on March 12, 1982, for refugee assistance and domestic assistance for Cuban and Haitian entrants.

DEPARTMENT OF EDUCATION

STUDENT LOAN INSURANCE

For an additional amount under title IV, part B of the Higher Education Act, $1,300,000,000, to remain available until expended.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $5,650,000.

RELATED AGENCIES

ACTION

OPERATING EXPENSES, DOMESTIC PROGRAMS

For an additional amount for "Operating expenses, domestic programs", under the provisions of the Domestic Volunteer Service Act of 1973, as amended (Public Law 93-113, as amended, 42 U.S.C. section 4951 et seq.) $2,000,000.

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

For an additional amount for payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934 as amended, an amount which shall be available within limitations specified by said Act, for the fiscal year 1984, $24,400,000: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, and similar forms of entertainment for Government officials or employees. *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity excluding from participation in, denying the benefits of, or discriminating against any person on the basis of race, color, national orgin, religion, or sex.

PRESIDENT'S COMMISSION FOR THE STUDY OF ETHICAL PROBLEMS IN MEDICINE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $309,000.

CHAPTER II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

Of the amount of authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982 and prior Appropriation Acts, $94,382,000 of contract authority and $4,098,640,000 of budget authority are rescinded: *Provided*, That any balances of authorities made available prior to enactment of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, which are, or become, available for obligation in fiscal year 1982, shall be added to and merged with the authority approved in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, and such merged amounts shall be made subject only to terms and conditions of law applicable to authorizations becoming available in fiscal year 1982: *Provided further*, That $190,860,000 of contract authority and $4,098,685,000 of budget authority, shall be used for the public housing program, including $18,960,000 of contract authority for assistance in financing the development or acquisition cost of low-income housing for Indian families, $90,000,000 of contract authority for modernization of existing low-income housing projects, and $1,263,005,000 of budget authority for new construction and substantial rehabilitation as authorized by section 5(c) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c); and $870,969,000 of contract authority and $15,228,518,000 of budget authority shall be used for new construction and substantial rehabilitation and assistance to existing housing units, including amendments for units reserved in prior years, under the lower-income housing assistance program (section 8, United States Housing Act of 1937, as amended): *Provided further*, That of the foregoing amounts, $152,715,200 of contract authority and $3,700,000,000 of budget authority shall be for projects under section 8, United States Housing Act of 1937, as amended, the rents for which are approved pursuant to the note governing financing adjustments (46 Fed. Reg. 51903, October 23, 1981) or any published amendment thereto or successor note, except that the Secretary shall include in the determination of the fair market rental a debt service factor reflecting the lesser of (A) 14 percent or (B)(i) where the rate of interest on the permanent instrument sold to finance the project is 12 percent or less, such rate of interest or (ii) where the rate of interest on the permanent instrument sold to finance the project is more than 12 percent, one-half percent below such rate of interest but not less than 12 percent, and except that the Agreement to Enter into a Housing Assistance Payments Contract shall not be required to include a provision requiring that construction must be in progress prior to October 1, 1982: *Provided further*, That with respect to newly constructed and substantially rehabilitated projects under section 8, United States Housing Act of 1937, as amended, during 1982, the Secretary shall not impose a percentage or other arbitrary limitation on the cost and rent increases resulting from increased construction cost in exercising the authority to approve cost and rent increases set forth in section 8(1) of such Act: *Provided further*, That none of the merged amounts available for obligation in 1982 shall be subject to the provisions of section 5(c) (2) and (3) and the fourth sentence of section 5(c)(1) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439): *Provided further*, That no funds provided under this or any other Act shall be used to terminate a reservation of contract authority for any project under section 8 of the United States Housing Act of 1937, as amended, on account of the inability of the developer or owner of that project to obtain firm financing, unless such termination occurs no less than twenty four months following the date of initial reservation of contract authority for such project: *Provided further*, That $74,375,000 of contract authority and $1,750,000,000 of budget authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, shall not become available for obligation until October 1, 1982, and $89,321,727 of the foregoing budget authority shall be for the modernization of 5,073 vacant uninhabitable public housing units, pursuant to section 14 of the United States Housing Act of 1937, as amended, other than section 14(f) of such Act: *Provided further*, That to the extent that the amount of budget authority which is recaptured or deobligated, including budget authority internally transferred by State Housing Finance Development agencies pursuant to 24 C.F.R. part 883.207, does not equal $5,000,000,000 on June 30, 1982, the amounts deferred in the immediately preceding proviso may be used in accordance with, and in addition to, the amounts provided in the third proviso of this paragraph, except that to the extent such amounts are used, an equivalent amount of such recaptured or deobligated contract authority and budget authority, which become available on or after July 1, 1982 through September 30, 1982, if any, shall be deferred until October 1, 1982.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For an additional amount for "Payments for Operation of Low-Income Housing Projects", $198,000,000: *Provided*, That of the total amount available in fiscal year 1982 for "Payments for Operation of Low-Income Housing Projects", $1,215,275,400 shall be made available pro rata solely in accordance with the Performance Funding System (as set forth in 24 C.F.R. part 890, as of February 8, 1982).

RENT SUPPLEMENT

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), is further reduced in fiscal year 1982 by not more than $3,340,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SPECIAL ASSISTANCE FUNCTIONS FUND

For additional gross obligations in fiscal year 1982 for the principal amounts of direct loans made pursuant to section 305 of the National Housing Act, as amended (12 U.S.C. 1720), $150,000,000, notwithstanding section 333(a)(2) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For necessary expenses to carry out title II of the Federal Water Pollution Control Act, as amended, other than sections 201(m), 205(k), except that for the project authorized by said section the Administrator shall allocate to the State of New York an amount equal to one-third of the total cost from the amount made available under

this paragraph to the State of New York, one-third from the amount made available to the State of New Jersey, and one-third from the amounts made available to the remaining States, 206, 208, and 209, $2,400,000,000, including grants for biological treatment facilities to repair or replace small community systems but not to exceed three systems suffering operational problems outside the warranty period where the existing Environmental Protection Agency planned systems have proven to be inoperable by the local municipalities, where determined to be necessary, to remain available until expended: *Provided*, That of such amount, $3,965,426 in additional funds (the amount which was withheld from the State of Kansas by reason of an accounting error by the Federal Government) shall be made available to the State of Kansas: *Provided further*, That nothing herein shall prohibit any project specified in section 201(m) from receiving a grant under section 201(g), in compliance with all relevant procedures under title II of the Federal Water Pollution Control Act, as amended, and paid from funds allotted to the State by section 205 and appropriated by this Act: *Provided further*, That the Administrator, upon application by the Governor of the State of Ohio, with the approval of the Committees on Appropriations, shall before October 1, 1982, commit existing unobligated funds from the State's Wastewater Construction Grant allotments to fund the Solid Waste Energy facility in Akron, Ohio.

HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, $5,000,000 shall be made available to the Department of Health and Human Services, upon enactment, and up to an additional $2,000,000 may be made available by the Administrator to the Department for the performance of specific activities in accordance with section 111(c)(4) of Public Law 96-510, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. Management of all funds made available to the Department shall be consistent with the responsibilities of the trustee of the fund, as outlined in section 223(b) of the Act.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

Notwithstanding any other provision of this or any other Act, of the funds appropriated under the heading, "National Aeronautics and Space Administration, Research and Development" in Public Law 97-101, not less than the amounts hereinafter set forth shall be made available for the purposes specified: $31,200,000 for expendable launch vehicles; $323,500,000 for physics and astronomy (including $40,000,000 for Shuttle-Spacelab payloads); $205,000,000 for planetary exploration (including $1,700,000 for the mid-level facility in Hawaii); $39,500,000 for life sciences; $328,200,000 for space applications (including $2,300,000 for the search and rescue program, $5,000,000 for technology transfer, $6,000,000 for upper atmospheric research satellite experiments, $16,200,000 for Shuttle-Spacelab payloads, and $15,400,000 for a 30/20 gigahertz test satellite); $8,000,000 for technology utilization; $264,800,000 for aeronautical research and technology; $111,000,000 for space research and technology; and $402,100,000 for tracking and data acquisition: *Provided*, That of the funds available for the Space Shuttle, including space flight operations, not less than $80,000,000 shall be made available for design, development and procurement of liquid hydrogen-liquid oxygen (Centaur) upper stages for use in launching the Galileo and Solar Polar spacecraft in 1986: *Provided further*, That no funds may be obligated for other upper stages, including kick stages, for the Galileo and Solar Polar spacecraft after the enactment of this Act except for work performed prior to the effective date of this Act, together with liability for termination: *Provided further*, That no funds appropriated in this or any other Act may be obligated for a Solar Maximum repair/retrieval mission until the Secretary of the Air Force enters into an agreement with the Administrator to reimburse the National Aeronautics and Space Administration 50 per centum of the costs of such mission (exclusive of the costs attributable solely to equipment for the Solar Maximum spacecraft and to equipment capable of reuse): *Provide further*, That upon request by the Administrator of the National Aeronautics and Space Administration and approval by the Committees on Appropriations not to exceed $50,000,000 from the unobligated balances of funds appropriated under the heading "National Aeronautics and Space Administration, Construction of facilities" or "National Aeronautics and Space Administration, Research and program management" in Public Law 97-101 and Public Law 96-526 shall be available for the Space Shuttle, including space flight operations: *Provided further*, That the Administrator makes sufficient funds available to assure that a second Space Shuttle launch pad at the Kennedy Space Center, Florida, is operational by January 1, 1986.

ADMINISTRATIVE PROVISION

Limitations in section 501(40) of title V of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, are amended as follows: The limitations on the Department of Housing and Urban Development's Office of the Assistant Secretary for Legislation and Congressional Relations are increased from 26 full-time permanent positions and 27 staff years to 31 full-time permanent positions and 33.5 staff years, the limitation on the National Aeronautics and Space Administration's Office of the Comptroller is increased from 150 full-time permanent positions to 161 full-time permanent positions, the limitation on the National Aeronautics and Space Administration's Office of External Relations is increased from 120 full-time permanent positions to 125 full-time permanent positions, excluding those positions allocated for Technology Utilization activities, and the limitation on the Veterans Administration's Office of Planning and Program Evaluation is increased from $1,500,000 to $2,300,000.

CHAPTER III

DEPARTMENT OF TRANSPORTATION

COAST GUARD

OPERATING EXPENSES

For an additional amount for "Operating expenses", $48,000,000, to remain available until expended.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the deferral of $216,520,000 as reported by the Comptroller General in his message of March 25, 1982.

FEDERAL HIGHWAY ADMINISTRATION

INTERSTATE TRANSFER GRANTS—HIGHWAYS

For an additional amount for "Interstate transfer grants—highways", $12,150,000, to remain available until expended.

FEDERAL-AID HIGHWAY PROGRAM

Section 3(a) of the Federal-Aid Highway Act of 1981 is amended by striking the period at the end of the first sentence and by inserting the following: "plus, (a) an additional amount not to exceed $53,000,000 in obligation authority which the Secretary shall allocate to the States in order to increase such total obligation limitation, so that the reduction of any State's final obligation limitation is held to 15 per centum of the tentative limitation issued by the Secretary on October 1, 1981; and (b) an additional amount not to exceed $38,000,000 in obligation authority to carry out section 310(d)(3) of Public Law 97-102.".

NATIONAL SCENIC AND RECREATIONAL HIGHWAY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

Any amounts previously authorized to be derived from the Highway Trust Fund for payment of obligations in carrying out the provisions of 23 U.S.C. 148 are to be transferred to and administered under the appropriation "Federal-aid highways".

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Section 303(d) of the Rail Passenger Service Act, 45 U.S.C. 543(d), is amended by changing the period at the end thereof to a semicolon and adding the following: "except that the holding of securities issued by a railroad shall not be deemed to be violative of this prohibition: *Provided*, That the officer who holds such securities recuses himself from any decisions which bear directly on such railroad, and makes full public disclosure of such holdings.".

RELATED AGENCIES

CIVIL AERONAUTICS BOARD

PAYMENTS TO AIR CARRIERS

For an additional amount for "Payments to air carriers", $28,400,000 to remain available until expended: *Provided*, That $8,242,000 shall be used to liquidate obligations incurred during September 1981, to provide for subsidy payments under 49 U.S.C. 1376 and 1389: *Provided further*, That notwithstanding any other provision of law any funds appropriated for "Payments to air carriers" in this or any other Act which are not obligated by September 30, 1982, shall be available for obligations only for section 419 (49 U.S.C. 1389) subsidies, except for adjustments to section 406 (49 U.S.C. 1376) payments for service provided prior to September 30, 1982.

INTERSTATE COMMERCE COMMISSION

PAYMENTS FOR DIRECTED RAIL SERVICE

For an additional amount for "Payments for directed rail service", $8,000,000, to remain available until expended.

Section 120 of the Rock Island Railroad Transition and Employee Assistance Act is amended—

(1) in subsection (a)—

(A) by striking out "the Rock Island Railroad" the first place it appears and inserting in lieu thereof "any railroad subject to section 77 of the Bankruptcy Act, or subchapter IV of chapter 11 of title 11, United States Code, which has ceased to provide

passenger commuter service over any line of the railroad";

(B) by striking out "2-year" and inserting in lieu thereof "3-year"; and

(C) by striking out "Rock Island Railroad" each place it appears (other than the first time it appears) and inserting in lieu thereof "railroad"; and

(2) in subsection (b), by striking out "the Rock Island Railroad" and inserting in lieu thereof "any railroad".

CHAPTER IV

DEPARTMENT OF THE TREASURY

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $81,604,000.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $23,825,000: *Provided*, That no funds made available by this Act or Public Law 97-161 may be used to accomplish or implement any proposed reorganization of the Bureau of Alcohol, Tobacco and Firearms or the transfer of the Bureau's functions, missions, or activities to other agencies within the Department of the Treasury in the fiscal year ending on September 30, 1982: *Provided further*, That no reorganization of the Bureau of Alcohol, Tobacco and Firearms or the transfer of the Bureau's functions, missions, or activities to other agencies within the Department of the Treasury subsequent to September 30, 1982, shall be accomplished or implemented without the specific, express approval of both the House and Senate Committees on Appropriations.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $14,865,000, of which $8,000,000 shall be used for salaries, expenses, equipment, and other related expenses for Operation Exodus.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $2,700,000, of which $1,100,000 for repairs, alterations, expansion, minor construction, and other related facility renovations at the Beltsville, Maryland, Secret Service Training Center shall remain available until expended, and $1,600,000 for the costs of construction and installation of a White House Complex Security System shall remain available until expended: *Provided*, That the United States Secret Service Training Facility in Beltsville, Maryland, shall hereafter be known and designated as the "James J. Rowley Secret Service Training Center". Any reference to such training facility in any law, regulation, document, record, or other paper of the United States shall be deemed a reference to it as the James J. Rowley Secret Service Training Center.

U.S. POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For an additional amount for payment to the Postal Service Fund for revenue forgone on free and reduced rates of mail, pursuant to 39 U.S.C. 2401(c), $62,000,000: *Provided*, That notwithstanding any other provision of law, the Postal Service shall use these funds promptly to revise the adjustment to preferred rates made pursuant to section 108 of Public Law 97-92 so that all mail covered by the 16-year phasing schedule established pursuant to section 3626 of title 39, United States Code, shall benefit from step 13 on such schedule through September 30, 1982. This provision shall take effect ten days after enactment of this Act.

Effective October 1, 1982, section 1723 of the Omnibus Reconciliation Act, Public Law 97-35, is amended by striking out "(a)" before "Notwithstanding" in subsection (a) and by striking out subsection (b).

INDEPENDENT AGENCIES

GENERAL SERVICES ADMINISTRATION

NATIONAL ARCHIVES AND RECORDS SERVICE

OPERATING EXPENSES

For an additional amount for "Operating expenses", $6,500,000, of which $1,500,000 for allocations and grants for historical publications and records shall remain available until expended.

OFFICE OF INSPECTOR GENERAL

For an additional amount for "Office of Inspector General", $500,000.

FEDERAL BUILDING FUND

Notwithstanding the provision immediately following the repairs and improvements line item projects under the heading "General Services Administration, Federal buildings fund, Limitations on availability of revenue" in H.R. 4121 as passed by the House and in H.R. 4121 as reported by the Senate on September 22, 1981, funds presently available for repairs and alterations nonprospectus projects shall be used to initiate the design and related work required to begin the repairs and alterations of the U.S. Court of Appeals building, Atlanta, Georgia.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $4,006,000.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $238,000.

U.S. TAX COURT

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,530,000.

CHAPTER V

DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $3,171,000.

ECONOMIC DEVELOPMENT ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $3,500,000 to be derived by transfer from the Economic Development Revolving Fund.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $2,000,000, to remain available until expended.

RELATED AGENCIES

INTERNATIONAL COMMUNICATION AGENCY

ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

Appropriations made available under this heading for fiscal year 1982 may be used for lease of real property for periods of up to twenty-five years in Africa, Asia, the Caribbean area, and Europe.

CHAPTER VI

DEPARTMENT OF AGRICULTURE

FOOD AND NUTRITION SERVICE

FOOD STAMP PROGRAM

For an additional amount for the "Food Stamp Program", $1,006,616,000.

CHAPTER VII

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for "Flood Control and Coastal Emergencies", $40,000,000, to remain available until expended: *Provided*, That $18,000,000 of the funds provided shall be for flood control measures and features on the Cowlitz and Toutle Rivers in the State of Washington.

TITLE II

GENERAL PROVISIONS

SEC. 201. Any institution of higher education specifically cited in the conference report on the Education Amendments of 1980 (report numbered 96-1337) as a unique institution which the conference committee for that legislation intended to be recognized as a developing institution eligible to apply for funds under title III of the Higher Education Act of 1965, shall be treated as an eligible institution for such purpose for fiscal year 1982, notwithstanding section 322(a)(2)(A) of such Act.

SEC. 202. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 203. Notwithstanding any other provision of law, none of the funds provided for International Organizations and Programs in Public Law 97-121, the Foreign Assistance and Related Programs Appropriation Act for Fiscal Year 1982, shall be available for the United States proportionate share for any programs for the Palestine Liberation Organization, the South West Africa Peoples Organization, or Cuba.

SEC. 204. No funds appropriated or otherwise made available for fiscal year 1982 shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Federal Mine Safety and Health Act of 1977 on any State or political subdivision thereof. Notwithstanding section 101(a)(3) of Public Law 97-92 or any similar or comparable provision of any other law, during fiscal year 1982 the Mine Safety and Health Administration shall have the same enforcement authorities vested in such Administration on September 30, 1981.

SEC. 205. Effective upon enactment of this Act and for the remainder of fiscal year 1982, notwithstanding any other provision of law, no funds may be paid out of the Treasury of the United States or out of any fund of a Government corporation to any private individual or corporation in satisfaction of any assurance agreement or payment guarantee or other form of loan guarantee entered into by any agency or corporation in satisfaction of any assurance agreement or payment guarantee or other form of loan guarantee entered into by any agency or corporation of the United States Government with respect to loans made and credits extended to the Polish People's Republic, unless the Polish People's Republic has been declared to be in default of its debt to such individual or corporation or unless the President has provided a monthly written report to the Speaker of the House of

Representatives and the President of the Senate explaining the manner in which the national interest of the United States has been served by any payments during the previous month under loan guarantee or credit assurance agreement with respect to loans made or credits extended to the Polish People's Republic in the absence of a declaration of default.

SEC. 206. Notwithstanding any other provision of law, the amounts appropriated for fiscal year 1982 under Public Law 97-51 (as amended by Public Law 97-85) and Public Law 97-92 (as amended by Public Law 97-161) for purposes of section 340 of the Public Health Service Act shall be available for funding grants and contracts under such section in areas that are not urbanized areas and in urbanized areas.

SEC. 208. Notwithstanding any other provision of this Act, any other Act, or section 413D of the Higher Education Act of 1965, the Secretary shall apportion the sums appropriated pursuant to section 413A(b) of the Higher Education Act of 1965 for the fiscal year 1982 among the States so that each State's apportionment in the fiscal year 1981 bears to the total amount appropriated pursuant to secton 413A(b) for the fiscal year: *Provided.* That the Secretary shall allocate sums to institutions in each State notwithstanding section 413D(b)(1)(B)(ii)(I) of the Higher Education Act of 1965.

SEC. 209. Notwithstanding any other provision of this Act, any other Act, or section 442 of the Higher Education Act of 1965, the Secretary shall allot the sums appropriated pursuant to section 441 of the Higher Education Act of 1965 for the fiscal year 1982 among Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the States (including the District of Columbia and the Commonwealth of Puerto Rico) so that the allotment of Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and each State (including the District of Columbia and the Commonwealth of Puerto Rico) bears the same ratio to the amount appropriated as the allotment of Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and each State (including the District of Columbia and the Commonwealth of Puerto Rico) for that fiscal year 1981 bears to the total amount appropriated pursuant to section 441 for that fiscal year: *Provided,* That the Secretary shall allocate sums to institutions in each jurisdiction notwithstanding the second sentence of section 446(a) of the Higher Education Act of 1965.

SEC. 210. The Secretary of Education and the Director of the National Institute of Education shall not terminate any long-term special institutional agreement (or any other grant agreement or contract which incorporates by reference such long-term special institutional agreement) which—

(1) was entered into under section 405(f) of the General Education Provisions Act, relating to laboratories and centers, and

(2) is in effect on the date of enactment of this Act,

prior to the original completion date established by such long-term special institutional agreement (or any other grant agreement or contract which incorporates by reference such long-term special institutional agreement).

SEC. 211. (a) The Secretary of Agriculture shall initiate construction on not less than fifteen new projects under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.) during fiscal year 1982.

(b) Any project proposed for construction pursuant to the Act referred to in subsection (a) and submitted to the Director of the Office of Management and Budget for review shall be deemed to be approved by the Director unless disapproved by him within ninety days after submission.

SEC. 212. (a) Subsection (a) of section 112 of the Act of December 15, 1981 (95 Stat. 1194), is amended by inserting after "in connection with a qualified issue" the following: ", except to the extent such funds are used in connection with the consideration or granting of an exemption from the application of such revenue ruling or regulation under proposed income tax regulation section 1.103-7(b)(6)(ii) or any similar statute or regulation".

(b) Subsection (d) of section 112 of the Act of December 15, 1981 (95 Stat. 1196), is amended to read as follows:

"(d) It is the sense of the Congress that after August 23, 1981, the Secretary of the Treasury or his delegate, in all cases, should enforce any revenue ruling or regulation described in paragraph (1) or (2) of subsection (a) in a manner consistent with the provisions of this section. Nothing in the preceding sentence shall prevent the Secretary of the Treasury or his delegate from granting or considering an exemption from the application of such a revenue ruling or regulation under proposed income tax regulation section 1.103-7(b)(6)(ii) or any similar statute or regulation.".

SEC. 214. Notwithstanding any provision of this or any other Act, none of the funds appropriated for the Department of Labor, Mine Safety and Health Administration, shall be used to classify a mine in the potash industry as gassy based upon air samples containing concentrations of methane gas, unless such classification standard has been adopted through formal rulemaking on or after November 5, 1981.

SEC. 215. None of the funds provided in this or any other Act shall be used to implement an apportionment and staffing plan to specifically phase down the Public Health Service Commissioned Corps.

SEC. 216. The Department of Agriculture, U.S. Forest Service, within available funds, shall expend not less than $1,000,000 for research on the cyclocrane concept of a lighter-than-air heavy lift vehicle for use in logging operations.

SEC. 217. (a) The last sentence of section 162(a) of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by inserting ", but amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of $3,000" after "home".

(b) Paragraph (4) of section 280A(f) of such Code (relating to coordination with section 162(a)(2)) is amended to read as follows:

"(4) Coordination with section 162(a)(2).—Nothing in this section shall be construed to disallow any deduction allowable under section 162(a)(2) (or any deduction which meets the tests of section 162(a)(2) but is allowable under another provision of this title) by reason of the taxpayer's being away from home in the pursuit of a trade or business (other than the trade or business of renting dwelling units).".

(c) Subsection (a) of section 139 of the Act of October 1, 1981 (95 Stat. 967), is hereby repealed.

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 218. For an additional amount for National Guard Personnel, Army, such amount as is necessary to make 850 man-days available to the Kentucky Army National Guard to implement and operate the Medical Assistance to Safety and Traffic program in Kentucky through August 1, 1982, to be derived by transfer from Operations and Maintenance, Army National Guard.

SEC. 219. (a) None of the funds which are made available by this or any other Act shall be used to study, plan, or implement the termination of the operation of the Southwestern Indian Polytechnic Institute located in Albuquerque, New Mexico, in fiscal year 1982.

(b) The Secretary of the Interior shall use funds made available to the Department of the Interior under the Act of December 23, 1981 (95 Stat. 1391), to operate Southwestern Indian Polytechnic Institute through fiscal year 1982.

SEC. 220. Nothwithstanding the provisions of section 4(b) of the Federal-Aid Highway Act of 1981, and section 102(c) of the Federal-Aid Highway Act of 1976, the Secretary may approve the use of interstate construction funds authorized by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, on projects for resurfacing, restoring, rehabilitating, and reconstructing the Interstate System in accordance with the provisions of 23 U.S.C. 119, or for those purposes for which funds apportioned under 23 U.S.C. 104(b) (1), (2), and (6) may be expended, in a State which received no more than one-half of 1 per centum of the total apportionment under 23 U.S.C. 104(b)(5)(A) for the fiscal year ending September 30, 1983, where necessary in order to fully utilize funds apportioned under 23 U.S.C. 104(b)(5)(A) through the fiscal year ending September 30, 1982, but within the obligational limitation established by section 3 of the Federal-Aid Highway Act of 1981.

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that the bill be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The gentleman from Mississippi (Mr. WHITTEN) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognized the gentleman from Mississippi (Mr. WHITTEN).

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 6682, making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, and that I may include extraneous and tabular material.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this bill is a continuation of what we have been trying to

do for some time. We reported the vetoed bill, H.R. 5922, on March 23 and, for one reason or another, the vitally needed funds have still not been made available. We have reached the point now, that if we do not resolve our differences with our friends on the other side of the Capitol and at the White House very soon, many departments and agencies will begin having to let people go and let work go undone that is badly needed. In other words, to keep the Government in business we must provide funding quickly.

We tried the original bill, H.R. 5922, and then we tried the short bill, H.R. 6645; neither has been signed. What we bring you now is the conference agreement on the original bill that passed the House, H.R. 5922, which we have added the so-called Proxmire amendment, which repeals the changes in the expense allowance for Members of Congress and puts it back like it originally was.

It also eliminates the $3 billion item for mortgage subsidies for housing, which was the principal point that was made in the veto message.

It retains to the Congress the other items which represented the feelings of the Members of Congress, which are relatively minor, so far as the total amount of money is concerned.

We are the people's branch of the Government, the House of Representatives, where we are elected every 2 years—where, if people are dissatisfied, they can make changes. Are we going to discharge our obligation to the people of the country, or are we going to, in view of the fact that somebody may not like what we do, may send word they might veto or might not—and we have been sent no such word—the question is, Are we going to do what we believe to be right and what we believe is in line with the failure to override the Presidential veto?

So I say to you that what we are approving here again is the provision that repeals the changes that were made in the tax status for Members. And may I say that those changes originated on the Senate side. I was on the conference and voted against it at that time. All of us have agreed to put the repeal in here, which will be about the third time we repealed it, the others not having gotten through and not having a Presidential signature.

This bill does not contain the $3 billion emergency mortgage assistance program which was the principal reason for the veto of H.R. 5922. Although the vote was 266 to 106, still we failed to override. So we omit that objection.

We also have put the provision that the House Members believe in on this tax credit, put it back as the original law was by this repeal.

So I do not know that I need to discuss the matter further. Let me point out that this bill appropriates $5.9 billion and rescinds $5.7 billion.

All of the items in this bill are urgent and vitally needed, and they are coming mighty late. It has reached the point where some action is going to have to be made, and it is going to have to be signed by the President, or else quite a number of agencies and departments doing essential work for the Government will have to close or take other action in the way of furloughing employees and cutting back on essential services.

So without further ado, I would like for us to limit our debate, since we understand fully what is in here—I hope I have explained it—and we might get on with the bill. That is all I have to say at this time, Mr. Speaker.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are bringing to you today one more attempt to reach a compromise on urgent supplemental appropriations for fiscal year 1982. The history of this bill, and indeed the history of this entire process, has been one of great frustration. The administration has refused to compromise. The other body has refused to compromise. After 3 months, a lengthy conference with the Senate, and the passage of a clean supplemental in the House yesterday, we were still unable to reach a compromise that would be acceptable both to the administration, and the other body.

But we cannot give up. We must face our responsibilities, and try once again. The bill before the House today was agreed upon by myself, and the chariman of the committee, and represents our best judgment on the next step toward a compromise bill.

The bill before you is the conference agreement on H.R. 5922, the first urgent supplemental, but without the $3 billion for housing stimulus, and includes the Conte-Whitten amendment, which reimposes the $3,000 limit on tax deductions for Members' living expenses.

I will provide for the record a more detailed description of the individual provisions of the bill. For the moment, I will simply outline for my colleagues those items in the conference agreement which are retained in this bill.

In the Department of Labor, we include the three transfers requested by the administration plus $63 million for the summer youth program and $210 million for community service employment for older Americans.

In the Department of Health and Human Services, we include $60 million for maternal and child health services, and community mental health centers, $1 million for nursing research grants, $57 million for work incentives, $13 million for the Office of Inspector General, by transfer, and $23 million for refugee assistance.

In the Department of Education we include the full $1.3 billion for student loans, $5.6 million for salaries and expenses. $2 million is included for ACTION, and $24.4 million for the Corporation of Public Broadcasting.

In the housing chapter we include the rescissions which were approved by the conferees, $150 million for the special assistance functions of the Government National Mortgage Association, $2.4 billion for waste treatment construction grants, and a number of individual program allocations for the National Aeronautics and Space Administration.

In the Transportation chapter we include $48 million for the Coast Guard, $12 million for Interstate Transfer Grants, $91 million for Federal Aid Highways, $28 million for the Civil Aeronautics Board, and $8 million for the Interstate Commerce Commission for payments for directed rail service.

In the Treasury chapter we include $81.6 million for social security mailing costs, $23.8 million for the Bureau of Alcohol, Tobacco, and Firearms, $14.8 million for the U.S. Customs Service, $2.7 million for the U.S. Secret Service, $62 million for a payment to the Postal Service Fund, $6.5 million for the National Archives and Records Service, $4 million for the Merit Systems Protection Board, and $1.5 million for the U.S. Tax Court.

In the Commerce chapter we include $3 million for general administration in the Department of Commerce, $3.5 million for EDA, and $2 million for the National Oceanic and Atmospheric Administration.

For the Department of Agriculture we appropriate $1 billion for the food stamp program, and for the Corps of Engineers we appropriate $40 million for flood control and coastal emergencies.

All of the general provisions agreed to by the conferees, including amendment No. 62 as agreed to by the Senate and accepted by the House are included in the bill now under consideration by the House.

This includes:

The Conte-Whitten amendment which restores the $3,000 limit on tax deductions for Members' living expenses.

The conference language dealing with the jurisdiction and enforcement authorities of MSHA and OSHA.

The conference language on loans to Poland and the conference language on industrial revenue bonds.

I have every reason to think this bill will be acceptable to the other body. I cannot assure the House that it will be acceptable to the administration. We have eliminated the housing subsidy appropriation of $3 billion, which was clearly the most objectionable item from the point of view of the administration. However, based on estimates

provided by the Office of Management and Budget on June 11 of this year, the bill is still $1.3 billion over the President's budget estimates for supplementals, and $1.7 billion over the President's estimates, counting both supplemental and other appropriations, and rescissions.

Under these circumstances, I cannot assure the House that the bill before you is acceptable to the administration. I can say that in the absence of any compromise position from the administration, that my own personal judgment lead me and the chairman to bring before the House a bill containing those items which had been agreed to by the conferees, and by the House and the Senate, eliminating only those provisions which were clearly the most objectionable to the administration.

The House has acted responsibly. The first supplemental was mangled by the other body, and has been vetoed. The second supplemental was also mangled by the other body. We see no willingness to compromise by the other body. There is no willingness to compromise on the part of the administration. What we get from the administration is endless tables and lists which spell out items that must be deleted. This approach is the exact opposite of the process of legislative compromise as I understand it, and in the absence of a willingness to compromise, the chairman and I can only act on our best judgment and recommend this bill to you. I will support it and I urge you to do likewise.

DEPARTMENT OF COMMERCE

If this urgent supplemental is not enacted, the Secretary of Commerce will be forced to furlough 1,060 full-time permanent employees, or 91 percent of the staff in the Office of the Secretary. All personnel with the exception of the 14 Presidential appointees paid by the General Administration account and 100 other personnel whose functions represent minimum legal requirements would be furloughed.

The practical effects of such a widespread furlough are:

The Inspector General would cease all criminal and investigative work, jeopardizing prosecutorial work in progress and the recovery of Government funds. All audits and work related to fraud, waste, and abuse would cease with a cost to taxpayers of millions of dollars.

The General Counsel would halt all work, leaving the Department without the ability to provide counsel to departmental officials and participate in active litigation. This is particularly important in the area of countervailing duty and antidumping cases, where the interests of American industry are being protected from unfair foreign competition.

The management functions of the Department would shut down, simply shut down. The oversight of the Department's budget execution would not be performed, giving rise to potential violations of law. Central functions performed by the Office of the Secretary for all Commerce bureaus would stop, leaving bureaus in some cases without the ability to pay bills when due, thereby losing early payment discounts and engendering potential lawsuits against the Government on the grounds of willful neglect of payment. Also lost would be the opportunity to pursue the department-wide consolidation of payroll, personnel and administrative payments, thereby losing the opportunity to save $1.4 million in the last quarter of fiscal year 1982 alone. This would stop in its tracks a commendable effort by the Secretary of Commerce to bring some order to this perennially chaotic department.

Departmentwide liaison activities with the business community, the general public and the Congress would be terminated.

Administrative services to protect Federal property and records would end, jeopardizing valuable assets and irreplaceable and sensitive information.

Collectively, these actions would disrupt the entire operations of many bureaus, bringing to a halt to virtually all activities in the Department of Commerce. We cannot allow this to happen. The responsible vote is in favor of this bill and in favor of the $3.1 million it contains to keep the programs of the Department of Commerce operating. It is a small amount of money, but it will have a heck of an impact if we do not approve it.

ECONOMIC DEVELOPMENT ADMINISTRATION

The bill includes a transfer of $3.5 million for salaries and expenses to the Economic Development Administration to allow EDA to avoid shutting its doors completely the third week in July. A total of 470 EDA personnel responsible for the administration of programs in the field, including the management of its loan portfolio would be furloughed at that time if this bill is not enacted. Testimony before the committee indicated an alarming rate of potential defaults, 40 percent in EDA lending activities. This investment in the form of a transfer of existing resources is critical if this popular agency is to continue operations.

WEATHER STATIONS

An additional appropriation of $2,000,000 is provided to continue three weather service activities of the National Oceanic and Atmospheric Administration. Of this amount, $927,000 will enable 38 small and part-time weather stations around the country to remain open through September 30, 1982, including that famous one in Valentine, Nebr.; $209,000 will extend fruit frost forecast services through the same period; and $836,000 will provide a similar extension for eight weather service forecast offices.

INTERNATIONAL COMMUNICATION AGENCY

The bill also includes language allowing the International Communication Agency to secure leases of real property for up to 25 years in Africa, Asia, the Caribbean, and Europe. Such leases are authorized subject to specific language hereby included in an appropriations act. The property involved is used for Voice of America transmitting facilities. The administration supports the inclusion of this language.

MEMBERS TAX DEDUCTION

The bill includes language, now the Whitten-Conte amendment, reinstating the 30-year-old limitation on Members' tax deductions for Washington living expenses to $3,000. It is in here. It is part of what you vote for when you vote overwhelmingly for this bill.

In one vote, you can wipe out action taken late last year in the first continuing resolution, the third continuing resolution, and the black lung bill which allowed the Internal Revenue Service to permit deductions of up to $75 a day for our living expenses while in Washington, away from our home districts.

In one vote, you can delight the distinguished members of the press, who reported this issue with such precision and understanding from their position above us in the gallery.

In one vote, you can be as holy and as pure as the Members of the other body in standing up for principle. Unfortunately, this one vote will not put you on an equal footing with those Members in terms of total congressionally related compensation, but that is another matter for another time. There is still room, incidentally, on my bill which would equalize the treatment of House and Senate Members on the issue of outside income. I have nearly 200 cosponsors now; let us make it a majority.

Even though I am now cosponsoring the reinstatement of this outdated limitation in order to get a bill that can pass the Senate and hopefully be signed by the President, I will support efforts by the Ways and Means Committee and the Senate Finance Committee to come up with a fairer tax treatment for Members of Congress. The question is whether the position of Members of Congress shall be treated equally under our tax laws as business people, farmers, and everyone else, including members of the press. I say yes, and it is time for us to do it openly and proudly. Equal treatment under the law is our national heritage; it should not be denied merely because a person is an elected Member of Congress.

FOREIGN OPERATIONS

The bill includes a general provision which prohibits the use of funds appropriated for U.S. voluntary contributions to the United Nations to be used for the U.S. proportionate share for any programs for the Palestine Liberation Organization, Cuba, or the Southwest Africa Peoples Organization (SWAPO).

The language restricting the use of U.S. funds for the PLO is a political exercise only; no voluntary contribution programs of the U.S. funded any programs for the PLO in fiscal year 1981, and none is expected to do so in fiscal year 1982. Assessed contributions, which are appropriated in Commerce, Justice, State Appropriations Act, not the act cited in this language, are used for the PLO; however, U.S. assessed contributions are restricted from being used for the PLO by Public Law 96-60 and Public Law 96-68, and similar provisions which are expected to be adopted as part of the State Department authorization bill now in conference, S. 1193.

In regard to Cuba, the effect of the restriction in fiscal year 1982 is unknown; U.N. agencies are still in the process of planning their calendar year 1982 programs. In 1981, Cuba received program assistance from UNICEF, the world food program, nonsafeguard programs from the International Atomic Energy Agency, and the U.N. environment program. Because of a restriction in effect under the fiscal year 1981 continuing resolution, U.S. contributions were withheld for our proportionate share for programs in Cuba and for the Southwest Africa Peoples Organization in the amount of approximately $500,000.

While the dollar impact of this provision in fiscal 1982 is unclear, it will probably require a renegotiation of U.S. pledges to the various U.N. agencies. The administration has no objection to this language.

The bill also includes language requiring that the Polish People's Republic must be declared in default before payments are made by the U.S. Government for loans owed by Poland, unless the President reports monthly to Congress that such payments are in the U.S. national interest. This provision, which shall be in force through the end of fiscal year 1982, affects payments made through the Commodity Credit Corporation on loan guarantees.

CHAPTER II.—HUD AND INDEPENDENT AGENCIES

The HUD and independent agencies chapter of this bill includes the same provisions as agreed to in the conference report on H.R. 5922 except for the $3 billion housing stimulus program. Thus, the provisions in this bill include the $4.098 billion assisted housing rescission and supplementals of $198 million and $150 million for public housing operating subsidies and the Ginnie Mae tandem program respectively.

It also includes the $2.4 billion appropriation for EPA's waste water treatment construction grants program. Although this $2.4 billion is being included in a supplemental bill, these moneys are not really a supplemental appropriation but rather are the total fiscal year 1982 appropriation for this program because no funds were included in our regular fiscal year 1982 bill enacted in December pending final action by the Congress on the program's reauthorization. Thus, hundreds of projects in communities across the country have been put on hold awaiting this long promised appropriation. These sewer grant projects are not only environmentally important but they also represent jobs for thousands of construction workers. And, as has been mentioned before, each month of delay is estimated to increase project costs by two-thirds of 1 percent.

The bill we are introducing here includes items agreed on in conference with the Senate for Labor, Health, and Human Services, and Education.

Included in this package are the transfers for the Department of Labor that will keep more than 8,000 employees from being furloughed in the next 2 weeks.

In addition, there are included the funds for the Inspector General's office at HHS so that all 924 Inspector Generals are not laid off in the next couple weeks.

Also covered in this bill is the $1.3 billion for the guaranteed student loan program to keep it functioning through the remainder of the fiscal year.

Also under education is the $5.6 million for program administration of the Pell grant program. Those funds will help to avoid as many as 3,000 furloughs in the Department of Education that are scheduled to take place on July 15.

The community service employment program for older Americans is also covered by this measure. Included is $210 million to make sure that that program will operate at its fiscal 1981 level throughout the current year.

In Health and Human Services the conference agreement amounts are included for community health centers, maternal and child health and university affiliated facilities and nursing research. Likewise, the $23.3 million for refugee assistance is provided.

Finally, under HHS there is $57.6 million for the work incentives program that was agreed on in conference with the Senate.

Let me note as well that the Corporation for Public Broadcasting funds totaling $24.4 million are included here as well.

So, I think you can see that within the Labor-HHS-Education chapter we have included all of those items that this House and the other body agreed on in conference.

CHAPTER III.—TRANSPORTATION

As regards Chapter III, Department of Transportation and Related Agencies, the bill provides for the following: $48,000,000 for the Coast Guard's operating expenses; disapproval of a deferral in the amount of $216,520,000 for the Coast Guard's acquisition, construction and improvement account; $12,150,000 for Interstate Transfer Grants-Highways for a project in Cleveland, Ohio; an increase of $91,000,000 on the Federal-aid highway limitation on obligations for highway projects and emergency bridge projects; $28,400,000 for the Civil Aeronautics Board's payments to air carriers program; and $8,000,000 for the Interstate Commerce Commission's payments for directed rail service program.

I firmly believe that the Coast Guard—our forgotten branch of the military services—urgently requires this $48,000,000 for its operating account. As we all know, the Congress continues to burden this already lean branch of the services with additional responsibilities. While doing so, not only have we failed to fund the applicable accounts at an appropriate rate, but, in fact, have reduced these critical levels of funding. Currently, the Coast Guard has a diverse mix of missions. Those missions include search and rescue missions, aids to navigation functions, and icebreaking duties. In addition to these more historic missions, they are responsible for enforcing the laws and treaties of the sea, which includes drug interdiction.

The Coast Guard is, indeed, a military service. It has a military readiness mission to perform. In time of war, it is part of the Navy and operates directly under the Chief of Naval Operations. In sum, the Guard is a multimission agency which performs its duties with a lean budget.

Mr. Speaker, but for the fact that the authorization ceiling for the Coast Guard only permits this $48,000,000 supplemental appropriation, I would have recommended even more. In fact, the chairman of the Merchant Marine and Fisheries Committee recently testified that the Coast Guard easily could utilize an additional $192,000,000 for fiscal year 1982.

The $48,000,000 in this bill for the Guard includes $30,500,000 for legislatively mandated increases in sea pay, fuel costs and other required operations.

The bill also provides another $17,500,000 to continue the operation of the following facilities:

First, 31 search and rescue stations previously proposed for closure or reduction;

Second, the Second district headquarters in St. Louis, Mo., and the 11th district headquarters in Long Beach, Calif.;

Third, vessel traffic systems in Berwick Bay, La.; New Orleans, La.; San Francisco, Calif.; and New York, N.Y.;

Fourth, seven vessels previously announced for decommissioning;

Fifth, air stations at Savannah, Ga.; Puerto Rico; and Los Angeles, Calif.;

Sixth, nine aircraft previously announced for retirement, substitution or reduction;

Seventh, numerous facilities in Puerto Rico; and eighth, the Coast Guard Academy at the current rate of operation.

On the matter of the Interstate Transfer Grants—Highways, there exists an urgent need to fund a highway project in Cleveland, Ohio. The urgency exists because the State's match of approximately $2,000,000 will lapse soon without this Federal grant of $12,150,000.

On the issue of the Directed Rail Service administrated by the Interstate Commerce Commission, this bill recommends $8,000,000 to pay liabilities of the Federal Government that continue to accrue. The liabilities are based upon the directed rail service performed by the Kansas City Terminal Railway Co. between September 1979 and March 1980 over the lines of the bankrupt Chicago, Rock Island & Pacific Railroad Co.

This funding is considered to be urgent in light of the fact that funds for the accounting operations will be exhausted in June. The ICC fears that if this operation is temporarily terminated it will permanently lose the skills of 100 of these highly specialized and experienced employees. The ICC has ordered these accounting functions to continue until March 31, 1983.

With regard to the Civil Aeronautics Board's urgent request for funding for its payments to air carriers program, the bill provides for an additional $28,400,000. Without this funding, possibly 10 or more airlines receiving Federal assistance may go bankrupt in the immediate future.

CHAPTER VII.—DEPARTMENT OF DEFENSE, CIVIL

The bill provides $40,000,000 for the Corps of Engineers—Civil, flood control and coastal emergencies account. It is urgently needed to finance flood energency, preparation, flood fighting and rescue operations, and repair of flood control and shore protection works; $18,000,000 of the total $40,000,000 supplemental appropriation will be targeted for flood control measures on two rivers in the State of Washington required as a result of the eruptions of Mount Saint Helens in May 1980 and subsequent eruptions.

TRANSPORTATION—FACT SHEET

Coast Guard—$48,000,000.

$30.5 million—Sea pay, fuel costs, drug interdiction; $17.5 million—31 search and rescue stations; four vessel traffic systems (two in Louisiana); Second District Headquarters in St. Louis, Mo., and 11th District in Long Beach, Calif.; seven vessels previously announced for decommissioning; three air stations—Georgia, Puerto Rico, and California; nine aircraft; numerous facilities in Puerto Rico; and Coast Guard Academy ($1.5 million).

Interstate transfer grants—Highways—$12,150,000.

Without this Federal grant, the State's match of approximately $2,000,000 will lapse soon for this project in Cleveland, Ohio.

Interstate Commerce Commission—$8,000,000.

This funding is to pay liabilities of the Federal Government based upon "directed rail service" performed by the Kansas City Terminal Railway Co. over the lines of the bankrupt Chicago, Rock Island & Pacific Railroad Co. Without this funding, the ICC will lose the skills of 100 highly specialized accounting employees.

Civil Aeronautics Board—$28,400,000.

Without this funding for the air carrier payments program, possibly 10 airlines may go bankrupt in immediate future.

Department of Defense, Civil—Corps of Engineers—$22,000,000.

Urgently needed to finance flood emergency, preparation, flood fighting and rescue operations, and repair of flood control and shore protection works due to recent rains/floods in this country.

Mount Saint Helens—$18,000,000.

Flood control work on two rivers in the State of Washington.

□ 1550

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I thank the gentleman for yielding.

I really want to thank the gentleman in the well and the gentleman from Mississippi (Mr. WHITTEN) for doing amendment No. 62.

Mr. Speaker, I rise in support of the emergency bill before us. This bill contains the complete text of the Proxmire-Schroeder amendment to repeal the special tax break we voted for ourselves last year.

Under the legislation before us, each Member of Congress will be able to deduct up to $3,000 in business-related living expenses in Washington, D.C. The ability to deduct $75 a day automatically and without substantiation will be taken away. No longer will Members be able to depreciate their Washington homes as ordinary and necessary business expenses. Rather, we will return to the preexisting law.

We must wipe the slate clean on this issue. We got ourselves in trouble over this tax break for two reasons.

First, the change in the tax law was made in a secretive and hasty manner. It was tucked away in three bills on which amendments were not permitted. Even if we were not trying to pull a fast one, it certainly looked that way to outside observers. It even looked that way to many Members of Congress who were not able to catch a glimpse of the locomotive as it roared by.

Second, the tax treatment of Members of Congress created was exorbitantly generous. Under the Internal Revenue Service's interpretation of the law, Members could deduct nearly $20,000 of income, or one-third of their salaries, as business expenses without bothering to substantiate the claim. While other taxpayers might approve of some liberalization of the tax treatment of Members, the change we made was outrageous.

Before we can move to adjust the tax treatment of Members of Congress, however, we must undo the damage we did last year to the integrity of this institution. We must return to ground zero before building something new. And, when we do try to rewrite the tax law governing Members of Congress, we have an obligation to do it in an open, public, and responsible manner, with full hearings and the opportunity for floor debate. Some around here believe that stealth is the only way to pass benefits for Members of Congress. I say that, if we can justify the change, we can make it in the light of day. If we cannot justify it, we should not try to pass it.

The bill before us can go a long way toward rebuilding public confidence in the Congress.

Mr. SABO. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I would be glad to yield to my good friend.

Mr. SABO. Mr. Speaker, I am curious if the gentleman can tell me, is what we call the major accomplishment of this session, the Fazio amendment, a part of this bill?

Mr. CONTE. I am sorry to say that the Fazio amendment is not part of this bill, but let me say that we are not quitting. We have a bill in the hopper, and I again direct the attention of my colleagues to sign that bill. We have about 190 cosponsors. Let us get over 218. We are not stopping.

We are looking very, very closely this year, the gentleman from California (Mr. FAZIO) and myself, at that Senate appropriation bill. All that waste and fat and abuse of American taxpayers' money will be taken out of that bill.

Mr. FAZIO. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I would be glad to yield.

Mr. FAZIO. First of all, I would like to thank the bulldog from the Berk-

shires for his ongoing assistance in this area.

I have been assured by the leadership on both sides that this is a priority for the remaining part of this session of Congress and with the continuing enthusiasm of the gentlemen from Massachusetts and their support, I think we can continue to raise the public consciousness on this issue and prevail eventually.

I thank the gentleman for yielding.

Mr. CONTE. Mr. Speaker, again I want to thank the gentleman. The gentleman can rest assured that he has my undying support and that of my entire staff as we peruse that budget.

I do not want to take any more time of the House. This is exactly the same bill that this House voted on with everything in it except the $3 billion of money for the housing stimulus and the Conte-Whitten amendment which limits tax deduction for Members' living expenses.

Mr. Speaker, I yield back the balance of my time.

● Mr. FRENZEL. Mr. Speaker, the urgent supplemental appropriation was too large when it left the House. It got fatter in the Senate. Even without the housing bailout, thankfully removed by the power of Presidential veto, it is too high.

Just because we have removed a superoutrageous feature, there is no reason to support the merely outrageous appropriations which remain.

This House should vote only for urgent items requested by the President. We should reject all the favorite spending whims inserted by our Appropriations Committee.

We can save many millions by voting "no." That is why I shall do so.●

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill.

The SPEAKER. Pursuant to the order of the House of yesterday, the previous question is considered as ordered on the bill to final passage.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CONTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 267, nays 106, not voting 59, as follows:

[Roll No. 175]

YEAS—267

Akaka	Ford (TN)	Ottinger
Albosta	Fountain	Panetta
Alexander	Fowler	Parris
Andrews	Frank	Patman
Annunzio	Frost	Pease
Applegate	Gaydos	Pepper
Aspin	Gejdenson	Perkins
Atkinson	Gephardt	Petri
AuCoin	Gilman	Peyser
Bailey (PA)	Gingrich	Pickle
Barnes	Glickman	Price
Beard	Gore	Pritchard
Bedell	Green	Pursell
Beilenson	Guarini	Rahall
Benjamin	Gunderson	Rangel
Bereuter	Hall (OH)	Ratchford
Bevill	Hall, Ralph	Regula
Bingham	Hall, Sam	Reuss
Boggs	Hamilton	Rinaldo
Boland	Hammerschmidt	Roberts (SD)
Bonior	Hance	Rodino
Bouquard	Hansen (UT)	Roe
Bowen	Harkin	Rogers
Breaux	Hawkins	Rose
Brinkley	Heckler	Rosenthal
Brooks	Hefner	Rostenkowski
Brown (CA)	Hendon	Roth
Brown (CO)	Hertel	Roukema
Burton, Phillip	Hightower	Roybal
Byron	Hollenbeck	Russo
Carney	Hopkins	Sabo
Chisholm	Horton	Sawyer
Clausen	Howard	Scheuer
Clinger	Hoyer	Schneider
Coelho	Huckaby	Schroeder
Coleman	Hughes	Seiberling
Collins (IL)	Hutto	Sensenbrenner
Conte	Jacobs	Shamansky
Conyers	Jeffords	Shannon
Courter	Jenkins	Shaw
Coyne, James	Jones (OK)	Shelby
Coyne, William	Jones (TN)	Simon
D'Amours	Kastenmeier	Skelton
Daschle	Kazen	Smith (IA)
Daub	Kennelly	Smith (NE)
Davis	Kildee	Smith (NJ)
de la Garza	Kogovsek	Smith (PA)
Deckard	Kramer	Snowe
Dellums	LaFalce	Solarz
DeNardis	Lantos	St Germain
Derrick	Leach	Stangeland
Dicks	Lee	Stanton
Dixon	Lehman	Stark
Donnelly	Leland	Stokes
Dorgan	Lent	Stratton
Dougherty	Levitas	Studds
Dowdy	Livingston	Swift
Downey	Long (LA)	Synar
Duncan	Long (MD)	Tauke
Dunn	Markey	Trible
Dwyer	Marriott	Udall
Dymally	Matsui	Vander Jagt
Dyson	Mattox	Vento
Early	Mavroules	Volkmer
Eckart	Mazzoli	Walgren
Edwards (CA)	McClory	Walker
Emerson	McCurdy	Wampler
Emery	McGrath	Washington
English	McHugh	Watkins
Erdahl	McKinney	Weaver
Evans (DE)	Mica	Weber (OH)
Evans (GA)	Mikulski	Weiss
Evans (IA)	Miller (CA)	White
Evans (IN)	Miller (OH)	Whitehurst
Fary	Mineta	Whittaker
Fascell	Minish	Whitten
Fazio	Mitchell (NY)	Williams (MT)
Fenwick	Moakley	Williams (OH)
Ferraro	Morrison	Winn
Fiedler	Murphy	Wirth
Fields	Murtha	Wolf
Findley	Napier	Wolpe
Fish	Natcher	Wortley
Fithian	Neal	Wright
Flippo	Nelligan	Wyden
Florio	Nichols	Wylie
Foglietta	Oakar	Yates
Foley	Oberstar	Young (MO)
Ford (MI)	Obey	Zablocki

NAYS—106

Anderson	Archer	Badham
Bafalis	Gradison	Montgomery
Bailey (MO)	Gramm	Moore
Bennett	Gregg	Moorhead
Bethune	Hagedorn	Myers
Bliley	Hansen (ID)	O'Brien
Brodhead	Hartnett	Oxley
Broomfield	Heftel	Pashayan
Broyhill	Hiler	Patterson
Burgener	Hillis	Paul
Butler	Holt	Porter
Campbell	Hubbard	Railsback
Carman	Hunter	Ritter
Chappell	Hyde	Roberts (KS)
Chappie	Ireland	Robinson
Coats	Jeffries	Roemer
Collins (TX)	Kemp	Rousselot
Conable	Kindness	Rudd
Coughlin	Lagomarsino	Schulze
Craig	Latta	Shumway
Crane, Daniel	LeBoutillier	Shuster
Crane, Philip	Lewis	Skeen
Daniel, Dan	Loeffler	Smith (AL)
Daniel, R. W.	Lott	Smith (OR)
Dannemeyer	Lowery (CA)	Snyder
Dornan	Lujan	Solomon
Dreier	Luken	Spence
Edwards (AL)	Lungren	Staton
Edwards (OK)	Madigan	Stenholm
Erlenborn	Martin (IL)	Tauzin
Ertel	Martin (NC)	Taylor
Forsythe	McCloskey	Thomas
Frenzel	McCollum	Weber (MN)
Gibbons	McDonald	Young (FL)
Gonzalez	McEwen	
Goodling	Michel	

NOT VOTING—59

Addabbo	Garcia	Motti
Anthony	Ginn	Nelson
Barnard	Goldwater	Nowak
Benedict	Gray	Quillen
Biaggi	Grisham	Rhodes
Blanchard	Hatcher	Richmond
Bolling	Holland	Santini
Boner	Johnston	Savage
Bonker	Jones (NC)	Schumer
Brown (OH)	Leath	Sharp
Burton, John	Lowry (WA)	Siljander
Cheney	Lundine	Stump
Clay	Marks	Traxler
Corcoran	Marlenee	Waxman
Crockett	Martin (NY)	Whitley
Derwinski	McDade	Wilson
Dickinson	Mitchell (MD)	Yatron
Dingell	Moffett	Young (AK)
Edgar	Molinari	Zeferetti
Fuqua	Mollohan	

□ 1610

The Clerk announced the following pairs:

On this vote:

Mr. Motti for, with Mr. Rhodes against.

Mr. McDade for, with Mr. Johnston against.

Mr. Young of Alaska for, with Mr. Grisham against.

Mr. Corcoran for, with Mr. Goldwater against.

Messrs. GOODLING, PORTER, McCLOSKEY, JAMES K. COYNE, MARTIN of North Carolina, and LAGOMARSINO changed their votes from "yea" to "nay."

Messrs. ERDAHL, JAMES K. COYNE, and LIVINGSTON changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MAKING IN ORDER ON TODAY CONSIDERATION OF A BILL MAKING URGENT SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1982

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it shall be in order today to consider in the House, any rule of the House to the contrary notwithstanding, a bill making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, to be introduced by myself, and that debate be limited to 1 hour, the time to be equally divided between myself and the gentleman from Massachusetts (Mr. CONTE) and that the previous question shall be considered as ordered on the bill to final passage without intervening motion.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 6631. An act to authorize humanitarian assistance for the people of Lebanon.

The message also announced that the Senate had passed a bill of the following title in which the concurrence of the House is requested:

S. 2651. An act to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

URGENT SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR ENDING SEPTEMBER 30, 1982

Mr. WHITTEN. Mr. Speaker, I call up the bill (H.R. 6685) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, and, pursuant to the order of the House of today, I ask for its immediate consideration.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

H.R. 6685

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated to supply supplemental appropriations (this Act may be cited as the "Urgent Supplemental Appropriations Act, 1982") for the fiscal year ending September 30, 1982, and for other purposes, namely:

TITLE I

CHAPTER I

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

(TRANSFER OF FUNDS)

For an additional amount for "Program administration", $8,742,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $4,259,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses, $5,623,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DEPARTMENTAL MANAGEMENT

OFFICE OF THE INSPECTOR GENERAL

(TRANSFER OF FUNDS)

From amounts appropriated for fiscal year 1982 for payments to States for Medicaid Fraud Control Units, there is transferred to the Office of Inspector General, Department of Health and Human Services, for necessary expenses, $13,941,000.

DEPARTMENT OF EDUCATION

STUDENT LOAN INSURANCE

For an additional amount under title IV, part B of the Higher Education Act, $1,300,000,000, to remain available until expended.

CHAPTER II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

(INCLUDING TRANSFER OF FUNDS)

Of the amount of authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982 and prior Appropriation Acts, $94,382,000 of contract authority and $4,098,640,000 of budget authority are rescinded: *Provided,* That any balances of authorities made available prior to enactment of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, which are, or become, available for obligation in fiscal year 1982, shall be added to and merged with the authority approved in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, and such merged amounts shall be made subject only to terms and conditions of law applicable to authorizations becoming available in fiscal year 1982: *Provided further,* That $190,860,000 of contract authority and $4,098,685,000 of budget authority, shall be used for the public housing program, including $18,960,000 of contract authority for assistance in financing the development or acquisition cost of low-income housing for Indian families, $90,000,000 of contract authority for modernization of existing low-income housing projects, and $1,263,005,000 of budget authority for new construction and substantial rehabilitation as authorized by section 5(c) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c); and $870,969,000 of contract authority and $15,228,518,000 of budget authority shall be used for new construction and substantial rehabilitation and assistance to existing housing units, including amendments for units reserved in prior years, under the lower income housing assistance program (section 8, United States Housing Act of 1937, as amended): *Provided further,* That of the foregoing amounts, $152,715,200 of contract authority and $3,700,000,000 of budget authority shall be for projects under section 8, United States Housing Act of 1937 as amended, the rents for which are approved pursuant to the note governing financing adjustments (46 Fed. Reg. 51903, October 23, 1981) or any published amendment thereto or successor note, except that the Secretary shall include in the determination of the fair market rental a debt service factor reflecting the lesser or 14 per centum, or one-half per centum below the rate of interest on the permanent instrument sold to finance the project, and except that the Agreement to Enter into a Housing Assistance Payments Contract shall not be required to include a provision requiring the construction must be in progress prior to September 1, 1982: *Provided further,* That with respect to newly constructed and substantially rehabilitated projects under section 8, United States Housing Act of 1937, as amended during 1982, the Secretary shall not impose a percentage or other arbitrary limitation on the cost and rent increases resulting from increased construction cost in exercising the authority to approve cost and rent increases set forth in section 8(1) of such Act: *Provided further,* That none of the merged amounts available for obligation in 1982 shall be subject to the provisions of section 5(c) (2) and (3) and the fourth sentence of section 5(c)(1) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439): *Provided further,* That no funds provided under this or any other Act shall be used to terminate a reservation of contract authority for any project under section 8 of the United States Housing Act of 1937, as amended, on account of the inability of the developer or owner of that project to obtain firm financing, unless such termination occurs no less than twenty-four months following the date of initial reservation of contract authority for such project: *Provided further,* That $74,375,000 of contract authority and $1,750,000,000 of budget authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, shall not become available for obligation until October 1, 1982, and $89,321,727 of the foregoing budget authority shall be for the modernization of 5,073 vacant uninhabitable public housing units, pursuant to section 14 of the United States Housing Act of 1937, as amended, other than section 14(f) of such Act: *Provided further,* That to the extent that the amount of budget authority which is recaptured or deobligated, including budget authority internally transferred by State Housing Finance Development agencies pursuant to 24 C.F.R. part 883.207, does

not equal $5,000,000,000 on June 30, 1982, the amounts deferred in the immediately preceding proviso may be used in accordance with, and in addition to, the amounts provided in the third proviso of this paragraph, except that to the extent such amounts are used, an equivalent amount of such recaptured or deobligated contract authority and budget authority, which become available on or after July 1, 1982, through September 30, 1982, if any, shall be deferred until October 1, 1982.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For an additional amount for "Payments for Operation of Low-Income Housing Projects", $198,000,000: *Provided*, That of the total amount available in fiscal year 1982 for "Payments for Operation of Low-Income Housing Projects", $1,215,275,400 shall be made available pro rata solely in accordance with the Performance Funding System (as set forth in 24 C.F.R. part 890, as of February 8, 1982).

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SPECIAL ASSISTANCE FUNCTIONS FUND

For additional gross obligations in final year 1982 for the principal amounts of direct loans made pursuant to section 305 of the National Housing Act, as amended (12 U.S.C. 1720), $150,000,000, notwithstanding section 333(a)(2) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

INDEPENDENT AGENCY

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For necessary expenses to carry out title II of the Federal Water Pollution Control Act, as amended, other than sections 201(m), 205(k), except that for the project authorized by said section the Administrator shall allocate to the State of New York an amount equal to one-third of the total cost from the amount made available under this paragraph to the State of New York, one-third from the amount made available to the State of New Jersey, and one-third from the amounts made available to the remaining States, 206, 208, and 209, $2,400,000,000, including grants for biological treatment facilities to repair or replace small community systems but not to exceed three systems suffering operational problems outside the warranty period where the existing Environmental Protection Agency planned systems have proven to be inoperable by the local municipalities, where determined to be necessary, to remain available until expended: *Provided*, That of such amount, $3,965,426 in additional funds (the amount which was withheld from the State of Kansas by reason of an accounting error by the Federal Government) shall be made available to the State of Kansas: *Provided further*, That nothing herein shall prohibit any project specified in section 201(m) from receiving a grant under section 201(g), in compliance with all relevant procedures under title II of the Federal Water Pollution Control Act, as amended, and paid from funds allotted to the State by section 205 and appropriated by this Act: *Provided further*, That the Administrator, upon application by the Governor of the State of Ohio, with the approval of the Committees on Appropriations, shall before October 1, 1982, commit existing unobligated funds from the State's Wastewater Construction Grant allotments to fund the Solid Waste Energy facility in Akron, Ohio.

CHAPTER III

CIVIL AERONAUTICS BOARD

PAYMENTS TO AIR CARRIERS

For an additional amount for "Payments to air carriers", $28,400,000 to remain available until expended: *Provided*, That $8,242,000 shall be used to liquidate obligations incurred during September 1981, to provide for subsidy payments under 49 U.S.C. 1376 and 1389: *Provided further*, That notwithstanding any other provision of law any funds appropriated for "Payments to air carriers" in this or any other Act which are not obligated by September 30, 1982, shall be available for obligations only for section 419 (49 U.S.C. 1389) subsidies, except for adjustments to section 406 (49 U.S.C. 1376) payments for service provided prior to September 30, 1982.

INTERSTATE COMMERCE COMMISSION

PAYMENTS FOR DIRECTED RAIL SERVICE

For an additional amount for "Payments for directed rail service", $8,000,000, to remain available until expended.

Section 120 of the Rock Island Railroad Transition and Employee Assistance Act is amended—

(1) in subsection (a)—

(A) by striking out "the Rock Island Railroad" the first place it appears and inserting in lieu thereof "any railroad subject to section 77 of the Bankruptcy Act, or subchapter IV of chapter 11 of title 11, United States Code, which has ceased to provide passenger commuter service over any line of the railroad";

(B) by striking out "2-year" and inserting in lieu thereof "3-year"; and

(C) by striking out "Rock Island Railroad" each place it appears (other than the first time it appears) and inserting in lieu thereof "railroad"; and

(2) in subsection (b), by striking out "the Rock Island Railroad" and inserting in lieu thereof "any railroad".

CHAPTER IV

DEPARTMENT OF THE TREASURY

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $81,604,000.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $23,825,000: *Provided*, That no funds made available by this Act or Public Law 97-161 may be used to accomplish or implement any proposed reorganization of the Bureau of Alcohol, Tobacco and Firearms or the transfer of the Bureau's functions, missions, or activities to other agencies within the Department of the Treasury in the fiscal year ending on September 30, 1982: *Provided further*, That no reorganization of the Bureau of Alcohol, Tobacco and Firearms or the transfer of the Bureau's functions, missions, or activities to other agencies within the Department of the Treasury subsequent to September 30, 1982, shall be accomplished or implemented without the specific, express approval of both the House and Senate Committees on Appropriations.

INDEPENDENT AGENCIES

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $4,006,000.

U.S. TAX COURT

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,530,000.

CHAPTER V

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $2,000,000, to remain available until expended.

CHAPTER VI

DEPARTMENT OF AGRICULTURE

FOOD AND NUTRITION SERVICE

FOOD STAMP PROGRAM

For an additional amount for the "Food Stamp Program", $335,000,000.

TITLE II

GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this Act shall remain available for obligation beyond July 20, 1982 unless expressly so provided herein.

SEC. 202. (a) The last sentence of section 162(a) of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by inserting ", but amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of $3,000" after "home".

(b) Paragraph (4) of section 280A(f) of such Code (relating to coordination with section 162(a)(2)) is amended to read as follows:

"(4) COORDINATION WITH SECTION 162(a)(2).—Nothing in this section shall be construed to disallow any deduction allowable under section 162(a)(2) (or any deduction which meets the tests of section 162(a)(2) but is allowable under another provision of this title) by reason of the taxpayer's being away from home in the pursuit of a trade or business (other than the trade or business of renting dwelling units).".

(c) Subsection (a) of section 139 of the Act of October 1, 1981 (95 Stat. 967), is hereby repealed.

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the bill be dispensed with, and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The gentleman from Mississippi (Mr. WHITTEN) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 6685, making urgent supplemen-

tal appropriations for the fiscal year ending September 30, 1982, and for other purposes, and that I may include extraneous and tabular material.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, this is an unusual proceeding, but what this does is, it would repass the so-called skinny bill as someone referred to it, that we passed the other day through the House. It ran into trouble on the other side of the Capitol and we are trying to fix their mistakes. As you recall, yesterday's bill and this one rescinds approximately $4 billion and appropriates approximately $4 billion—truly an unprecedented event.

This bill has the provision repealing the change in the law on tax credits and returns to the old law, the so-called Proxmire amendment. Other than that, it is exactly what we passed the other day, which is intended to let these agencies which face a real and acute emergency operate until July 20.

The purpose of this procedure is that since we are uncertain as to what may happen to the major bill we just passed, which should be agreed to by the other body, we wanted to provide for orderly government. I understand they will agree on it but I do not know what will happen at the White House. But, it will leave the House in a position where we have acted responsibly by providing for the continuation of Government activities.

□ 1620

I repeat, Mr. Speaker, that on those matters that were of some concern yesterday such as the Coast Guard, and other critical needs that we mentioned, they have every reason to know that they can and should continue to operate until July 20.

So in a nutshell, Mr. Speaker, that is what this bill is.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

I would just like clarification on one point so that everyone understands it and so anyone who is going to administer this will understand it.

In the student loan insurance area, it says: "For an additional amount under title IV, part B of the Higher Education Act, $1.3 billion, to remain available until expended."

Now, it also says at the end of the act that "No part of any appropriation contained in this Act shall remain available for obligation beyond July 20, 1982, unless expressly so provided herein."

Is it the chairman's clear understanding that the language, "$1.3 billion, to remain available until expended," means it is not at all impacted by the July 20 date? In other words, once we pass this bill, the $1.3 billion is for the year or until expended?

Mr. WHITTEN. Mr. Speaker, that is my understanding of it. I have checked it, and that is the meaning of the language. That is the commitment we have made as a government.

Mr. PEYSER. Mr. Speaker, I thank the chairman of the committee for his information.

Mr. WHITTEN. Mr. Speaker, I repeat again that this bill, as did the one we just voted on, does repeal the increase in tax deductions for Members of Congress. So in both of these bills we go back to the original law and strike out the changes that were made on the other side of the Capitol. I repeat that because many people are concerned about it.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, let me ask, is this the same bill that we passed yesterday by voice vote?

Mr. WHITTEN. Yes, it is, except for the Proxmire provision. This just has the change. It returns to the old law and does not carry the additional tax deduction language that was added.

Mr. KAZEN. I understand that. That is a plus for it. But yesterday we passed one that was stripped down, and this is the same bill that already passed the House?

Mr. WHITTEN. Except for not having the other language.

Mr. KAZEN. Mr. Speaker, I thank the gentleman for his explanation.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before the House is exactly the same as the clean urgent supplemental that passed the House yesterday except that it includes language reimposing the $3,000 limit on tax deductions for Members' living expenses.

In the way of urgent supplemental appropriations it includes the three transfers for the Department of Labor, a transfer for the Office of Inspector General in Health and Human Services, and $1.3 billion for guaranteed student loans.

It also includes $4.1 billion in housing rescissions, $198 million for low income housing projects, $150 million for GNMA, $2.4 billion for waste water construction grants, $28.4 million for the Civil Aeronautics Board, $81.6 million for Social Security mailing costs, $23.8 million for the Bureau of Alcohol, Tobacco, and Firearms, $4 million for the Merit Systems Protection Board, $1.5 million for U.S. Tax Court, $2 million for weather stations, $335 million for food stamps.

We are bringing this bill to the House as an insurance measure in case the bill just passed is vetoed.

I urge its adoption.

● Mr. FRENZEL. Mr. Speaker, in H.R. 6685, another urgent supplemental appropriations bill, the Appropriations Committee has finally given us what the President asked for.

It is my understanding that this bill costs the taxpayers about $1.3 billion compared to the last urgent supplemental appropriation we passed a few minutes ago.

This is the supplemental we should have passed in the first place. I shall support it.●

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill.

The SPEAKER. Pursuant to the order of the House of today, the previous question is considered as having been ordered on the bill to final passage.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CONTE. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 342, nays 25, not voting 65, as follows:

[Roll No. 176]

YEAS—342

Akaka	Carman	Eckart
Albosta	Carney	Edwards (AL)
Alexander	Chappell	Edwards (CA)
Anderson	Chappie	Edwards (OK)
Andrews	Chisholm	Emerson
Annunzio	Clausen	Emery
Applegate	Coats	English
Archer	Coleman	Erdahl
Aspin	Collins (IL)	Erlenborn
Atkinson	Conable	Evans (DE)
Badham	Coughlin	Evans (GA)
Bafalis	Courter	Evans (IA)
Bailey (MO)	Coyne, James	Evans (IN)
Bailey (PA)	Coyne, William	Fary
Barnes	Craig	Fascell
Beard	D'Amours	Fazio
Bedell	Daniel, Dan	Ferraro
Beilenson	Daniel, R. W.	Fiedler
Benjamin	Dannemeyer	Fields
Bennett	Daschle	Findley
Bereuter	Daub	Fish
Bethune	Davis	Fithian
Bevill	de la Garza	Flippo
Bingham	Deckard	Florio
Bliley	Dellums	Foglietta
Boggs	DeNardis	Foley
Boland	Derrick	Ford (MI)
Bonior	Dicks	Ford (TN)
Bouquard	Dixon	Forsythe
Bowen	Donnelly	Fountain
Breaux	Dorgan	Fowler
Brinkley	Dornan	Frenzel
Brooks	Dowdy	Frost
Brown (CA)	Downey	Gaydos
Brown (CO)	Dreier	Gejdenson
Broyhill	Duncan	Gephardt
Burgener	Dunn	Gibbons
Burton, Phillip	Dwyer	Gingrich
Butler	Dymally	Glickman
Byron	Dyson	Goodling
Campbell	Early	Gore

Gradison	Martin (NC)	Rudd
Gramm	Matsui	Russo
Green	Mattox	Sabo
Gregg	Mavroules	Sawyer
Guarini	Mazzoli	Scheuer
Gunderson	McClory	Schneider
Hagedorn	McCloskey	Schroeder
Hall (OH)	McCollum	Seiberling
Hall, Ralph	McCurdy	Sensenbrenner
Hall, Sam	McEwen	Shamansky
Hamilton	McGrath	Shannon
Hammerschmidt	McHugh	Sharp
Hance	McKinney	Shaw
Hansen (ID)	Mica	Shelby
Hansen (UT)	Michel	Shumway
Hartnett	Mikulski	Shuster
Hawkins	Miller (CA)	Simon
Hefner	Miller (OH)	Skeen
Heftel	Mineta	Skelton
Hendon	Minish	Smith (AL)
Hertel	Montgomery	Smith (IA)
Hightower	Moore	Smith (NE)
Hiler	Moorhead	Smith (NJ)
Hillis	Morrison	Smith (PA)
Hollenbeck	Murphy	Snyder
Holt	Murtha	Solarz
Hopkins	Myers	Solomon
Howard	Napier	Spence
Hoyer	Natcher	St Germain
Hubbard	Neal	Stangeland
Huckaby	Nelligan	Stanton
Hughes	Nichols	Stark
Hunter	O'Brien	Staton
Hutto	Oakar	Stenholm
Hyde	Oberstar	Stokes
Ireland	Obey	Studds
Jacobs	Ottinger	Swift
Jeffries	Oxley	Tauzin
Jenkins	Panetta	Taylor
Jones (OK)	Parris	Thomas
Jones (TN)	Pashayan	Trible
Kastenmeier	Patman	Udall
Kazen	Patterson	Vander Jagt
Kemp	Pease	Vento
Kennelly	Pepper	Volkmer
Kildee	Perkins	Walgren
Kindness	Petri	Walker
Kogovsek	Peyser	Wampler
Kramer	Pickle	Washington
LaFalce	Porter	Watkins
Lagomarsino	Price	Waxman
Lantos	Pritchard	Weaver
Latta	Rahall	Weber (MN)
Leach	Railsback	Weber (OH)
LeBoutillier	Rangel	Weiss
Lee	Ratchford	White
Lehman	Regula	Whitehurst
Leland	Reuss	Whittaker
Lent	Rinaldo	Whitten
Levitas	Ritter	Williams (MT)
Lewis	Roberts (KS)	Williams (OH)
Livingston	Roberts (SD)	Winn
Loeffler	Robinson	Wirth
Long (LA)	Rodino	Wolf
Long (MD)	Roe	Wolpe
Lott	Roemer	Wortley
Lowery (CA)	Rogers	Wright
Lujan	Rose	Wyden
Lungren	Rosenthal	Wylie
Madigan	Rostenkowski	Yates
Markey	Roth	Young (FL)
Marriott	Rousselot	Young (MO)
Martin (IL)	Roybal	Zablocki

NAYS—25

AuCoin	Dougherty	McDonald
Brodhead	Ertel	Mitchell (NY)
Broomfield	Fenwick	Paul
Clinger	Gilman	Pursell
Collins (TX)	Gonzalez	Roukema
Conte	Heckler	Smith (OR)
Conyers	Horton	Snowe
Crane, Daniel	Jeffords	
Crane, Philip	Luken	

NOT VOTING—65

Addabbo	Brown (OH)	Dingell
Anthony	Burton, John	Edgar
Barnard	Cheney	Frank
Benedict	Clay	Fuqua
Biaggi	Coelho	Garcia
Blanchard	Corcoran	Ginn
Bolling	Crockett	Goldwater
Boner	Derwinski	Gray
Bonker	Dickinson	Grisham
Harkin	Moakley	Schumer
Hatcher	Moffett	Siljander
Holland	Molinari	Stratton
Johnston	Mollohan	Stump
Jones (NC)	Mottl	Synar
Leath	Nelson	Tauke
Lowry (WA)	Nowak	Traxler
Lundine	Quillen	Whitley
Marks	Rhodes	Wilson
Marlenee	Richmond	Yatron
Martin (NY)	Santini	Young (AK)
McDade	Savage	Zeferetti
Mitchell (MD)	Schulze	

□ 1630

Mr. CLINGER changed his vote from "yea" to "nay."

Mr. DANNEMEYER changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I ask to proceed for 1 minute for the purpose of inquiring of the distinguished majority leader the program for the balance of today and what might happen while we are in recess or adjournment, and then when we come back, hopefully on July 13.

Mr. WRIGHT. Will the minority leader yield?

Mr. MICHEL. I yield to the gentleman.

Mr. WRIGHT. The only remaining business today and for the remainder of this week would be the consideration of unanimous-consent requests for bills that would not be objected to.

The gentleman from Louisiana has one and there is one we have agreed to consider to designate National Purple Heart Week.

That is all I have knowledge of. No other legislative business of any type will be brought up.

Those things would be entertained immediately following our colloquy and such requests as would follow that.

Mr. MICHEL. Before the gentleman proceeds, I have been advising Members that there probably will not be any further rollcall votes.

Mr. WRIGHT. That is correct. There will be no further rollcalls.

The plan is only to take up things by unanimous consent. There will be only a couple of those.

That is it for this week.

We would come in for pro forma session on Monday, not for the purpose of transacting any business.

We have now passed two bills, as the gentleman knows. I trust all Members understand. We have a fat bill and a skinny bill.

We did the fat bill because the Members of the other body indicated that they would fatten up any skinny bill we sent. We did a skinny bill because the President has given us reason to believe that he will veto any fat bill we send him.

Therefore, we are giving the choice to the other body and the President, and if they wish to quarrel about it the quarrel is between them.

We will have no further need, therefore, to be in session to transact business.

I will ask unanimous consent for the procedures necessary in the event the other body sends a fat bill to the President and he vetoes it. That request would be that any action of the House would be postponed until the 13th day of July, which will be the Tuesday of the week when we would return from the home district work period.

Therefore, for practical purposes, save and except for pro forma sessions, we may expect, upon leaving here today, that we will not entertain any further legislative business until Monday, July 12.

□ 1640

On that day we will have six or seven suspensions, but we will postpone any votes on those suspensions until the following day, Tuesday, the 13th.

We will also take up under a rule which permits 1 hour of general debate an authorization of the Franklin Delano Roosevelt Memorial, but we will only have general debate. We will not act on it. We will have no votes on it.

On Tuesday we would complete consideration of that legislation, take any votes on suspensions that had been postponed from the day before and, in the event there were any necessity for us to act upon a Presidential veto, we would consider it on that day.

On Wednesday and the balance of the week, we meet at 10 o'clock. We hope to take up and proceed to complete the bill, H.R. 5540, the Defense Industrial Base Revitalization Act. That will be considered under a 1½-hour open rule.

Any further program would have to be announced later.

Mr. MICHEL. I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JULY 14, 1982

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, July 14, 1982.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT OF THE HOUSE AND THE SENATE UNTIL MONDAY, JULY 12, 1982

Mr. WRIGHT. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 367) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 367

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns beginning on any day between Monday, June 28, 1982, to and including Friday, July 2, 1982, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, and that when the Senate adjourns on Thursday, July 1, 1982, or Friday, July 2, 1982, pursuant to a motion made by the majority leader in accordance with this resolution, they stand adjourned until 12 o'clock meridian on Monday, July 12, 1982.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT TO MONDAY, JUNE 28, 1982

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATIONAL PURPLE HEART WEEK

Mr. WRIGHT. Mr. Speaker, upon the direction of the Committee on Post Office and Civil Service, I ask unanimous consent that that committee be discharged from further consideration of the joint resolution (H.J. Res. 526) authorizing and requesting the President to issue a proclamation designating the week of August 1, 1982, through August 7, 1982, as "National Purple Heart Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SOLOMON. Reserving the right to object, Mr. Speaker—and I will not object—I just want to thank the majority leader for allowing this resolution to come on the floor today.

Mr. Speaker, August 7 of this year marks the 200th anniversary of the establishment of the Purple Heart Medal by Gen. George Washington. I have before the House a resolution to honor the thousands and thousands of valiant Purple Heart recipients who have sacrificed life and limb while defending our great Nation. My resolution designates the week of August 1 through August 7, 1982, as "National Purple Heart Week."

Mr. Speaker, those who have been awarded the Purple Heart Medal have earned the Nation's oldest military decoration. The Purple Heart was revitalized in 1932 by President Herbert Hoover on the 200th anniversary of the birth of George Washington, and the Military Order of the Purple Heart was congressionally chartered that same year.

The Purple Heart is unique in many ways. It is commonly referred to as the first military decoration ever to be awarded to the common soldier—the enlisted man. Equally important, our Purple Heart recipients are bound together by a single common thread, they have sustained an enemy-inflicted wound in combat, and the medal is also awarded posthumously to the next of kin of personnel killed or having died of wounds received in combat action. The Military Order of the Purple Heart is the only congressionally chartered veterans organization composed solely of combat-wounded veterans.

Mr. Speaker, as part of our ongoing program of revitalizing our Nation's defense posture, I strongly believe an essential element of a strong national defense attitude involves the proper commemoration of past sacrifices in the fight to keep America free. The resolution before the House at this time, to honor our Purple Heart recipients, is one important aspect of our continuing national patriotic awareness. I urge its immediate adoption by this body.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. NICHOLS. Mr. Speaker, reserving the right to object, I rise in support of the resolution offered by the gentleman from New York, and request permission to revise and extend my remarks.

Two hundred years ago this August 7, Gen. George Washington issued orders establishing the Purple Heart Medal. Since then numerous Americans have sacrificed their well-being in defending our Nation against an armed enemy and, in doing so, have distinguished themselves beyond the call of duty.

Numerous veterans who have been awarded the Purple Heart are jobless because of their war wounds, yet they have made significant contributions to the national security and welfare of every American.

Therefore, in conjunction of the 50th anniversary of the Military Order of the Purple Heart, I would urge my colleagues in joining our effort in asking that President Reagan declare August 1 through 7, 1982, as "National Purple Heart Week," honoring the combat-wounded veterans of our Nation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 526

Whereas countless valiant Americans have been wounded in combat while defending our great Nation against armed enemies and have received the Purple Heart Medal in recognition of their sacrifices for our country; and

Whereas, through this service to our Nation and because of the nature of their injuries, these Purple Heart recipients will bear their battle wounds for life; and

Whereas August 7, 19b". marks the two hundredth anniversary of General George Washington's order first establishing the Purple Heart Medal; and

Whereas it is most appropriate that this special group of veterans be recognized for their outstanding contributions to our national security and welfare in this special anniversary year: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of August 1, 1982, through August 7, 1982, as "National Purple Heart Week" in recognition of the countless contributions our combat wounded Purple Heart recipients have made to the security and welfare of the United States, and calling upon all government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAINTAIN THE FEDERAL RESERVE'S INDEPENDENCE

(Mr. STANTON of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANTON of Ohio. Mr. Speaker, I have been greatly troubled re-

cently by numerous proposals to limit the independence of the Federal Reserve. From the perspective of 18 years of service in the Congress, I can say with conviction that the last thing we need—just as we stand on the threshold of economic recovery—is to tamper with the Federal Reserve, which on the whole, has served this Nation well.

It was not long ago that the late Wright Patman, a former chairman of the House Banking Committee, launched a campaign to get Congress to assume more detailed direction over the conduct of monetary policy. There have been many others who called for legislation to reduce the Federal Reserve's freedom at times when the economy fared poorly. Bills specifying monetary growth targets, proposals to pressure the Federal Reserve by indirection to speed up the money supply, legislation to make the Board Chairman's term coterminous with that of the President, suggestions to abolish the Federal Open Market Committee, and initiatives to subject the Federal Reserve System to a GAO audit or to the appropriations process, are just a sampling of the ill-conceived "reforms" that have been floated by Members of both parties.

When this issue flared up once before several years ago, former Federal Reserve Board Chairman Arthur Burns cautioned us in these words:

> Congress has not only protected the Federal Reserve System from the influence of the executive branch; it also has seen fit to give the System a good deal of protection from transitory political pressures emanating from Congress itself.

It is understandable if politicians are tempted to cast the Federal Reserve in the role of a scapegoat. But, if that temptation is not resisted, we will all be worse off for it. Senator Carter Glass and the other framers of the Federal Reserve Act knew what they were doing nearly 70 years when they insisted on sheltering the Federal Reserve from the shifting political winds. The Congress should not be in the business now of directing our Nation's central bank to do whatever is popular today or whatever may produce the most votes tomorrow.

Let us not take lightly the tough job that the Federal Reserve has in today's economic climate. If it restrains the growth of the money supply to fight inflation and lower interest rates, it is accused of callous disregard for recession and unemployment. If, on the other hand, it overshoots its monetary targets even temporarily, the markets conclude that the Federal Reserve has caved in to political pressure and that we are back on another binge of inflation and rising interest rates. As a result, the Federal Reserve finds itself between the proverbial rock and a hard place in the discharge of its primary responsibility which is, let us remember, the achievement and preservation of a sound currency whose growth is consistent with the best possible growth of the economy.

Mr. Speaker, by anyone's measure we have made excellent progress in reducing inflation from its double-digit levels which caused much suffering during the 1970's and which utimately led to the recessions of 1980 and the one that afflicts us currently. As of May of this year the Consumer Price Index rose only 3.7 percent over the previous 3-month period, and the Producer Price Index was flat during the same period, showing no increase whatsoever. This is a dramatic change from the painfully high rates of increase we experienced only a year ago.

Furthermore, and contrary to popular perception interest rates, too, have come down. The Federal funds rate, which hit a 1981 high of 19.10 percent during the month of June of that year, has declined to 14.24 percent as of June 18 this year. Three-month Treasury bills, which recorded a 1981 high of 16.29 percent in May a year ago, were quoted at 12.96 percent this past June 18. The prime rate, which held consistently at 20.5 percent during July–September last year, currently stands at 16.5 percent. To be sure, long-term rates are still about where they were, and indeed all interest rates are far too high. But, if they have not declined further, it is in no small measure due to the skepticism of some people in the financial community who persistently have questioned the resolve of this Government to stick to its guns.

The proposals bruited about the Congress and the stories coming from the administration can only lend credence to this skepticism and thus contribute to the very uncertainty which is keeping interest rates at a record spread above the current rate of inflation. Those who propose tinkering with the money management of the Nation had better pause and ask themselves whether they are part of the problem or part of the solution.

If history teaches anything, it shows that inflation is triggered by an excessive growth of the money supply. Thus, the remedy calls for appropriate and consistent restraint in the growth of money and credit over the longer term to achieve the goal of sustainable economic growth at stable prices. To accomplish this, it is essential that we, the Congress, enact a credible budget and—more than that—that we stand fast when appropriation bills are considered on the floor. The matching of our budget resolutions with legislative deeds is the only way I know in which we can assist the Federal Reserve to lower interest rates on a permanent basis.

We finally are receiving increasingly solid evidence that this recession has bottomed out and that we can look forward to an economic recovery which has eluded us too long. It would be tragic if political opportunism led us to tinker with our Nation's central bank in ways that would destroy our credibility and, consequently abort or weaken the expected business revival. I close, therefore, Mr. Speaker by restating with all the force at my command that I intend to fight vigorously against any attempt to deprive the Federal Reserve of the freedom of action it needs for the proper discharge of the responsibilities wisely entrusted to it by our predecessors in 1913.

FISHERMEN'S CONTINGENCY FUND AMENDMENTS

Mr. BREAUX. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3816) to improve the operation of the fishermen's contingency fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf, concur in Senate amendments Nos. 2 through 5, and concur in Senate amendment No. 1 with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments and the House amendment to Senate amendment No. 1, as follows:

Senate amendments: Page 3, strike out lines 13 to 17, inclusive and insert: "The total amount in the Fund that is collected under subsection (B) may at no time exceed $2,000,000; and the total amount in the Fund which is attributable to revenue received under paragraph (3) or recovered by the Secretary under section 405(h)(3) shall be expended prior to amounts collected under subsection (b). Not more than 8 percent of the total amount in the Fund may be expended in any fiscal year for paying the administrative and personnel expenses referred to in paragraph (2)(A).".

Page 7, strike out lines 6 to 12, inclusive, and insert:

(3) by amending paragraph (3) to read as follows: "there was no record on the latest nautical charts or Notice to Mariners in effect at least 15 days prior to the date such damages were sustained that such material, equipment, tool, container, or other item existed where such damages occurred, except that in the case of damages caused by a pipeline, the presumption established by this section shall obtain whether or not there was any such record of the pipeline on the damage date; and".

Page 9, strike out all after line 7 down to the including "determination." in line 14, and insert:

"(C) If a petition for review of an initial determination is timely filed under subparagraph (A), the Secretary shall allow the petitioner 30 days after the day on which the petition is received to submit written or oral evidence relating to the initial determination. The Secretary shall then undertake such review and, on the basis of such review, issue a final determination no later than the 60th day after the day on which the Secretary received the petition for review of an initial determination.

Page 11, strike out lines 20 to 25, inclusive and insert:

(a) Section 407 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1847) is repealed.

(b) The table of contents of the Outer Continental Shelf Lands Amendments of 1978 is amended by striking:

"1847. Survey of obstructions on the Outer Continental Shelf.".

Page 14, after line 3, insert:

SEC. 10. GOVERNING INTERNATIONAL FISHERY AGREEMENTS.

(a) Section 2 of the Fishery Conservation Zone Transition Act (16 U.S.C. 1823 note) is amended—

(1) by inserting "(a)" immediately before "Notwithstanding"; and

(2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding such section 203—

"(1) the governing international fishery agreement referred to in subsection (a)(5), as extended until July 1, 1983 pursuant to the Diplomatic Notes referred to in the message to the Congress from the President of the United States dated May 11, 1982, is hereby approved by the Congress as a governing international fishery agreement for the purposes of such Act of 1976;

"(2) the governing international fishery agreement between the American Institute in Taiwan and the Coordination Council for North American Affairs, as contained in the message to the House of Representatives and the Senate from the Secretary of State dated June 15, 1982, is hereby approved by the Congress as a governing international fishery agreement for the purposes of the Act of 1976; and

"(3) the governing international fishery agreement referred to in subsection (a)(6), as extended until July 1, 1983 pursuant to the Diplomatic Notes referred to in the message to the Congress from the President of the United States dated June 21, 1982, is hereby approved by the Congress as a governing international fishery agreement for the purposes of such Act of 1976.

Each such governing international fishery agreement shall enter into force and effect with respect to the United States on July 1, 1982."

(b) Notwithstanding any provision of the Act entitled "An Act for the conservation and management of the fisheries, and for other purposes", dated April 13, 1976 (16 U.S.C. 1801 et seq.), the governing international fishery agreements referred to in section 2(a) (9) and (10) of the Fishery Conservation Zone Transition Act shall be extended, and shall be in force and effect with respect to the United States, for the period of time ending on—

(1) the deadline for completion of Congressional review, pursuant to section 203(a) of such 1976 Act, of any new governing international fishery agreement signed, on or before July 31, 1982, by the United States and the respective foreign government that is a party to the agreement in question; or

(2) July 31, 1982, if the United States and the respective foreign government that is a party to the agreement in question fail to sign a new governing international fishery agreement on or before that date.

House amendment to Senate amendment No. 1: In the matter proposed to be inserted by Senate amendment number 1, strike out "405(h)(3)" and insert in lieu thereof "405(h)(2)"; and at the end of Senate amendment number 1 insert the following:

On Page 3, line 12 of the bill strike out "405(h)(3)" and insert in lieu thereof "405(h)(2)".

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. FORSYTHE. Mr. Speaker, reserving the right to object—and I will not object—I do so for the purpose of giving the Chairman an opportunity to explain just what we are doing.

Mr. BREAUX. If the gentleman will yield, Mr. Speaker, the bill before us H.R. 3816 makes amendments to the fishermen's contingency fund. It was originally passed by the House on December 15, 1981, after receiving unanimous approval from the Merchant Marine and Fisheries Committee. As we explained when the bill passed the House in December, the thrust of this legislation is to provide a more assured means by which U.S. fishermen will receive reimbursement for gear and vessel damage caused by OCS oil and gas exploration and development activities. The source of this compensation is an assessment levied against offshore oil and gas lessees. The program, originally enacted as part of the 1978 Outer Continental Shelf Lands Act Amendments, has not worked and the bill is intended to correct the deficiencies in the existing program. The other body, which acted on this bill today, made three essentially technical amendments to the House passed version.

The first change clarifies the upper limits of assessments that can be levied against such oil and gas lessees. The second clarifies the procedures by which the Secretary of Commerce will handle appeals from initial determinations concerning a fisherman's claim's validity. The third provision deletes the requirement in the House bill that the National Ocean Survey conduct a complete assessment and mapping of all existing OCS obstructions to fishermen. This last change has been deemed appropriate given the fact that the Congress has never appropriated the resources necessary for this survey to be done.

Finally, the Senate added provisions which must be approved by the Congress before July 1 of this year, if we are going to allow the fishing efforts of several foreign nations in our fishery conservation zone (FCZ) to continue after that date. Likewise, valuable joint ventures between U.S. harvesters and foreign fish processors would be disrupted.

As the Members will recall, the Fishery Conservation and Management Act permits foreign fishing in the U.S. FCZ only if the foreign nation involved is party to a governing international fishery agreement (GIFA) with the United States. Several of these GIFA's expire on July 1. Due to changes in U.S. fishery law enacted by the last Congress, these GIFA's require substantial renegotiation. While the State Department has worked diligently to conclude those negotiations and to present us with new GIFA's that comply with the modified U.S. fishing laws, the mechanics of translation, signature and formal presentation, in combination with the scheduled July 4 recess, necessitates our acting to extend the existing GIFA's for a short period of time. This short extension is the thrust of the Senate amendments and have been approved by the relevant committees in both bodies. The legislation also approves three GIFA's that have been completely renegotiated and formally submitted to the Congress as required by the FCMA.

Therefore, I urge the House to pass H.R. 3816, as amended by the Senate.

Mr. FORSYTHE. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. KILDEE). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORSYTHE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL MIDNIGHT, TUESDAY, JUNE 29, 1982, TO FILE REPORT ON H.R. 5543

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight, Tuesday, June 29, 1982, to file a report on H.R. 5543, the Ocean and Coastal Resources Management and Development Block Grant Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3973

Mr. WEBER of Minnesota. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 3973.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WEBER of Minnesota. Mr. Speaker, today I have withdrawn my cosponsorship of H.R. 3973. I believe this bill, if enacted, would unacceptably increase the investigatory and enforcement powers of the U.S. Postal Service and permit unwarranted infringements on individual liberties. Because the bill has garnered nearly 300 cosponsors in the House, I am under the impression that many of my colleagues feel that the Postal Service truly needs this additional enforcement authority.

While I do not think there should be any disagreement over the need to curb blatantly fraudulent moneymaking schemes through the mails, a line should be drawn—as the attached articles indicate—to prevent postal investigators from aggressively interfering with, or closing a commercial enterprise merely because it has been deemed not to adhere to the prevailing body of scientific opinion—whatever they have determined that to be. While this may be a gray area which these administrators would like to exercise control over, I am of the strong opinion that the first amendment to the Constitution clearly upholds an individual's inalienable right to freedom of expression—a right which the Federal Government may not broach except under gravest of circumstances.

After examining some of these recent cases which the Postal Service has pursued, I cannot find any overriding or compelling national interest which would warrant such vigorous prosecution of, for example, a health food advocate. Other groups have been on the alert to the implications of the bill as well, including the Association of American Publishers, the National Health Federation, and syndicated columnist James J. Kilpatrick—two of whose articles I have attached for the RECORD.

While certain improvements in the Postal Service's investigatory authority may be in order, its present scope is both excessive and vague. It is a bill that should be sent back to the drawing board.

MAIL COPS HAVE LOST MARBLES

(By James J. Kilpatrick)

WASHINGTON.—Things never change. There was DMSO, and there was Laetrile, and now the government is breathing heavily upon a 42-page booklet called "Stale Food vs. Fresh Food." The Postal Service has effectively banned the booklet from the United States mail. The Postal Service has lost its mind.

This is the story. Twelve or 13 years ago, a fellow down in Pascagoula, Miss., name of Ford, came up with the notion that a diet of natural vegetables, properly cooked, would keep the old arteries clean. He wrote a booklet about his diet, and he began advertising his booklet for sale by mail, $4.40 a copy plus 60 cents postage. "Makes a fine gift. Order extra copies for your friends."

It is not disputed that his ad accurately described the contents of the booklet. This exciting booklet, said the ad, tells how "you can now enjoy many of the rich and tasty foods denied you by the old humbug cholesterol diets while your own natural blood flow washes your arteries clean. It tells which familiar foods to eat and which to avoid."

Pretty subversive stuff, eh? The Postal Service thought so. In February of last year, postal inspectors pounced upon this Mississippi apostle of broccoli and brussel sprouts and charged him with—hold your breath—"engaging in the conduct of a scheme or device to obtain money or property through the mail by means of materially false representations in violation of 39 U.S.C. 3005."

After a flurry of motions and counter-motions, this lunacy came on for trial before an administrative law judge, name of Bernstein, who found the author guilty as charged. On appeal to a judicial officer, name of Cohen, the awful verdict last month was affirmed. It now is forbidden to buy this sinister work through the mail.

Why is this? It is not because the ad misrepresented the booklet. It is because "the representations of the booklet were unproven and contrary to the weight of informed medical and scientific opinion."

Two medical doctors testified in the hearings before Judge Bernstein. The government had a young professor of internal medicine, name of Murray, who propounded the establishment view. The appeals judge came down on the side of Murray.

In the name of Benjamin Franklin, doesn't the Postal Service have better things to do with its time and money? If the defendant in this case had offered to ship adulterated beans by mail, it would have been a different matter. But he wasn't selling beans. He was selling an idea. He was selling a little book.

I had supposed in my innocence that we had a Constitution, and that the First Amendment to that Constitution protected a right to the free expression of ideas, and that only some truly compelling national interest would permit the suppression of a book. Was any such compelling interest present in this case? Balderdash!

Who knows whether today's theories about cholesterol will yield to next year's theories on therapy by spinach? Let the winds of doctrine blow! That was Milton's cry 300 years ago. It's still a great idea.

IMPROVING THE OLD SEX LIFE

(By James J. Kilpatrick)

WASHINGTON.—A little sleeper of a bill, having to do with functions of the U.S. Postal Service, is snoozing lightly on Capitol Hill. Let me disturb its slumber long enough to suggest that the measure provides a handy example of what a fundamental dispute between liberals and conservatives is all about.

The dispute is about power and about the proper role of government in a free society. As a general proposition, liberals believe that the powers of the state should be large, and that government has a duty to protect its people from the consequences of their folly. Conservatives, by contrast, tend to believe that the powers of the state should be limited, and that freeborn Americans have a right to be foolish if they please.

Constant readers may recall that several weeks ago I wrote a column about a fellow by the name of Ford, down in Mississippi, who ran afoul of the Postal Service. Ford was selling a mail-order book in which he advocated a diet of natural vegetables as a way of keeping arteries clean. The Postal Service asserted that such a notion is contrary to the best medical evidence; therefore the book could not be sold by mail. Ford's heretical work has been effectively suppressed.

That column produced a lively mail. A couple of doctors wrote in to say that uneducated quacks had no right of free speech to sell their useless nostrums. One of my editors contended that government must protect gullible old folks from wasting their limited resources on pills and panaceas. On the other hand, several salty fellows insisted that, by damn, if they wanted to take a flier on a five-buck book, it was their own business.

A similar case is now pending in the U.S. Supreme Court on a petition for review. This case involves Athens Products, Ltd., a mail-order house that sells various health products through a bimonthly magazine called "Soma." Among the products are vitamin and mineral supplements that "will help you improve your sexual performance and confidence." Another product will "improve your memory." Yet another will "measurably raise intelligence." The Postal Service does not contend that the products are dangerous or contaminated. The Postal Service contends simply that the products won't do a thing for a customer's sex life or his memory either. The company now labors for survival under a stop order that prevents it from receiving mail.

Back to the little sleeper of a bill: Rep. Claude Pepper of Florida and Sen. John Heinz of Pennsylvania have sponsored identical proposals to vest the Postal Service with sweeping new powers in this whole area. Under their bill, the Postal Service could impose new "civil penalties" up to $10,000 a day on persons or companies found in violation of a stop order. In a court proceeding to recover such assessments, "the validity, amount and appropriateness of such penalty shall not be subject to review." The bill would authorize the Postal Service not only to stop distribution of banned products by mail, but also by "any instrumentality of interstate commerce."

What about all this? My thought is that in a free society, courts, congressmen and bureaucrats ought to consider the infinite sorts and conditions of mankind. Somewhere in this broad land there may well be a man who believes in "Euzinc-D," really believes in it, has confidence that it will make him a better lover. Much of the healing art depends precisely upon such confidence. Who is the U.S. Postal Service to say him nay?

In cases of palpable fraud, of course the Postal Service should have power to act. The mail-order operator who advertises a 5-pound fruitcake and knowingly sends a 2-pound product merits no defense. But where the sums of money are small and the supposed benefits are subjective, I submit that the power, might and majesty of the United States government ought to be put to better uses than to hound a vegetarian author or to put a vitamin salesman out of business. In a free country, the right to spend our own money embraces a right to waste it if we choose.

□ 1650

ISRAEL SHOULD SHARE IN RELIEF FUND FOR LEBANON

(Mr. DAN DANIEL asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, yesterday, the House approved a resolution providing a $50,000,000 relief fund for the suffering people of Lebanon. The need for assistance is obvious and that we make it available is consistent with this country's history of compassion.

Still, it is troubling to me that once again we are called upon to look the other way when authorizing additional expenditures just because it is for a worthy cause. Fifty million dollars has to come from somewhere, and I believe that the most appropriate source would be from funds normally provided to Israel.

I can understand the desire and the necessity for the creation of a buffer zone to prevent the shelling of Israeli settlements along the Lebanon border.

I have always been a supporter of Israel—and shall continue to be. However, it is the opinion of this Member that the bombing and shelling by Israel has been excessive and should not be rewarded by the U.S. taxpayer.

ANTITRUST IMMUNITY TO U.S. OIL COMPANIES

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, I rise to address the House on the subject of the limited antitrust immunity granted to U.S. oil companies to cover participation in the International Energy Agency. This provision of the Energy Policy and Conservation Act expires on July 1, 1982, unless extended by Congress before the recess.

Yesterday, the House extended the antitrust defense through June 30, 1985, when it passed H.R. 6337. Unfortunately, the other body chose to disagree to the House amendments to the Senate and requested a conference. House and Senate conferees were appointed earlier today. The controversy over the many issues in the legislation will not permit an agreement before the scheduled recess later today.

The Senate has passed yet another 30-day extension of the IEA provision. This would be the third extension already in 1982. There are those in the Congress and in the executive branch who are concerned about the lapsing of the IEA defense absent an extension. Mr. BROYHILL and I asked the minority staff of the Energy and Commerce Committee to prepare a memorandum of law, which I am inserting in the RECORD. It concludes that normal operations of the IEA would not be affected by a lapse in the antitrust provision. It is true, however, that there might be a problem should an oil supply disruption occur during the recess of Congress.

I urge the other body to either accept the House-passed bill with the extension through 1985, or send us a bill with a 9-month extension that would settle this issue for the balance of the 97th Congress. We can then get on with resolving the major differences between the Houses on H.R. 6337.

The memorandum of law follows:

EVALUATION

(The impact of a lapse in the limited antitrust defense provided in section 252 of the Energy Policy and Conservation Act for U.S. oil companies participating in the international energy agency program)

BACKGROUND

The International Energy Agency (IEA) was established in 1974 by multilateral agreement among 16 countries. Currently 21 countries participate, including all the OECD countries except France, Finland and Iceland. The International Energy Program (IEP) established by the IEA and adopted by executive agreement in the United States sets out the basic blueprint for IEA planning and response to oil supply disruptions.

The IEP and the ancillary emergency management procedures that have been adopted by the IEA rely heavily upon petroleum industry assistance in the event of an emergency. The major industry group participating in IEA planning and programs is the Industry Supply Advisory Group, which is comprised of international oil supply and transportation experts from twenty U.S. and foreign-based oil companies. Other industry working groups are the Industry Advisory Board (IAB) which meets to assist the IEA in developing allocation plans and emergency data sharing systems needed to implement them and the Industry Working Party (IWP) which meets to consider routine data collection and dissemination.

Each month, 48 U.S. and foreign petroleum companies submit confidential reports covering that month, the two succeeding and the two previous months. Four basic types of information are contained in these reports:

(1) exports from each participating country by country of destination;

(2) imports into each participating country by country of origin;

(3) inventories in each participating country; and

(4) production in each participating country.

Based on this information, the IEA Secretariat is in a position to establish IEP allocation figures for participating countries. These allocation figures could then be implemented if a "triggering" oil supply disruption should occur; in other words, if the Secretariat determined that forecast oil supplies will fall below historic consumption by 7 percent or more.

The various industry advisory groups meet periodically with IEA officials to discuss planning and world oil developments. A series of these meetings was held in June. None is scheduled for July or August, months during which IEA activity has traditionally been low.

ROLE OF THE EPCA ANTITRUST DEFENSE

All U.S. oil company activity taken in support of the IEA has been undertaken at the request of the U.S. Government. Congress sought to facilitate this company participation by providing in Section 252(f) of the Energy Policy and Conservation Act a limited antitrust defense for actions required to implement the allocation and information provisions of the IEP. This defense does not extend to acts taken with an objective of injuring competition and the Attorney General and the Federal Trade Commission are required to exercise continuing oversight over all industry involvement in the IEP.

The FTC testified in February 1981 before the Fossil and Synthetic Fuels Subcommittee of the Energy and Commerce Committee that the two most "antitrust sensitive" activities which are or may be performed by oil companies participating in the IEP are allocation of crude oil supplies in the event that the IEP is triggered by an oil supply emergency and participation in industry group advisory meetings. The FTC reasoned that agreements to buy, sell or divert cargoes of petroleum made between companies in order to carry out the IEP allocation plan during a crisis may be "somewhat analogous" to market division agreements which have been held by the courts to be violative of antitrust laws. Industry advisory group meetings could be deemed to be in furtherance of an agreement in violation of the antitrust laws, especially if the information discussed would enable the companies to adjust their supply or pricing decisions to reflect those of other companies, thus raising their collective revenues.

At the same time, the FTC testified that certain oil company activities related to the IEP could probably continue in the absence of the EPCA antitrust immunity. Since the monthly reports submitted by the oil companies are confidential and the data revealed in those reports is not disclosed to other companies in company-specific form, the FTC concluded that the submission of those reports has no anti-competitive effects and could continue. Indeed, in a letter written December 18, 1980, to Senator Charles H. Percy, Acting Deputy Energy Secretary Lynn R. Coleman stated that the antitrust defense "appears to be limited to the emergency context" and thus does not cover the routine, monthly data submissions by U.S. oil companies. Thus, those submissions should be unaffected by the lapse or presence of the EPCA antitrust defense.

It should also be noted that Section 254 of EPCA establishes alternative procedures for transmittal of data to the IEA. Under Section 254, the DOE could collect the data directly from the companies and transmit that data to the IEA.

In addition, "bilateral" consultations between the IEA Secretariat and representatives of a single oil company raise no antitrust concerns. So long as the IEA secretariat does not disclose one company's data to other companies, such bilateral consultations should be unaffected by the lapse of the limited antitrust defense provided in EPCA.

CONCLUSION

Considering that industry meetings were completed in June and that the submission of confidential data by the companies is not an activity which raises antitrust problems, the temporary lapse of the EPCA antitrust immunity should not impare or disrupt the routine operation of the International Energy Agency. Should an oil supply disruption occur before the antitrust defense is extended, the Congress could quickly enact a temporary extension of the immunity to protect oil companies from any repercus-

sions resulting from activity taken to carry out the IEA allocation program.

(Prepared by: Linda Stuntz, Associate Minority Counsel, Energy & Commerce Committee.)

A TRIBUTE TO ADM. THOMAS B. HAYWARD

(Mr. DOUGHERTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGHERTY. Mr. Speaker, I think it is appropriate to call to the attention of the House that on June 30 of this week Adm. Thomas B. Hayward, the Chief of Naval Operations, will be retiring from duty.

Admiral Hayward has served as CNO since July 1, 1978.

Mr. Speaker, I served as a member of the Sea Power Subcommittee of the House Armed Services Committee for the past 4 years. During that time I have had an opportunity to get to know Admiral Hayward quite well. He has been a strong advocate of a first-class Navy. He has been very considerate at times when we have perhaps disagreed in ways we thought the Navy should go.

I think it is appropriate, Mr. Speaker, that at a time when a man is retiring after distinguished service and outstanding performance of duty that we in this body should publicly recognize such service.

Too often, Mr. Speaker, some Members of this House choose to make absurd comments about the service of the generals and admirals in the Armed Forces of the United States.

Admiral Hayward has rendered exceptional service to our country since graduating from Annapolis. He has served as Chief of Naval Operations during an extremely difficult period of time; but for his good fortune and ours he has seen our Navy through to the dawn of better years.

I want to publicly thank Admiral Hayward for his service to our Nation. I want to wish him Godspeed and every good fortune in his future life.

INTRODUCTION OF A BILL PROVIDING FOR THE DEVELOPMENT OF A NATIONAL HOSTEL SYSTEM PLAN

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I am today introducing a bill which provides for the development of a national hostel system plan, an initiative which will tremendously enhance the travel and recreational opportunities available to our Nation's young people, primarily through private sector run hostels.

Traveling through and around the country by the use of hostels for overnight accommodations is well institutionalized in Europe. Beginning about 60 years ago, the idea has now spread to 49 different countries of the world.

The very successful hostel systems developed by other nations have provided a very wholesome opportunity for millions of people, and particularly for the young, to learn more about, understand and appreciate the world around them. The hostel experience provides for an expansion of friendships, and often for healthful exercise through travel by hiking, bicycling and other means of self-locomotion.

The United States is one of the countries which does have a developing number of hostels, but our system is much less advanced and less satisfactory than it should be. The bill I am introducing today provides for the Secretary of the Interior to work in close cooperation with the private sector and the related youth hostel and recreational associations. These groups would work with the Secretary to investigate the opportunity and the need for, and to coordinate the development of a plan for, an expanded system of hostels in the United States.

Mr. Speaker, while this bill does not authorize a grant program, a bill quite similar to this one passed the House last Congress; it failed to receive action by the other body. As the bill is less complex and does not authorize grants I would hope that it might be enacted this year.

We need to closely scrutinize the benefits of an expansion of the hosteling idea in the United States. The plan to be developed under the provisions of this bill would assist us to do that. Therefore, I would hope and expect that this idea would find considerable support from my colleagues in the House.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speeches today by the gentleman from Oklahoma (Mr. ENGLISH), the gentleman from California (Mr. DIXON), and the gentleman from Indiana (Mr. FITHIAN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

BUDGET DEFICITS AND HIGH INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 60 minutes.

Mr. PAUL. Mr. Speaker, every day someone talks about Congress sending a message to the financial markets. A favorable budget they claim, will lower interest rates; a huge deficit will immediately raise rates. Some have been so bold as to claim that a $100 billion deficit is the cutoff; $100 billion or less will lower rates, more than $100 billion will raise them. There is a general acceptance in Congress that big deficits and high interest rates are directly and absolutely related. Yet many economists, both monetarists and supply-siders, influential in the administration claim there is no relationship whatsoever. Their point is that if deficits are not monetized—if new money is not created to finance the debt—inflation, an increase in the money supply, will not occur, and interest rates will eventually return to the levels of real interest rates, historically 3 to 5 percent.

There is some truth in what they say. If no monetization of the Federal debt occurs, reasons to inflate would be significantly reduced, but not eliminated. The Federal Reserve can always inject new money into the market for the needs of business. In the early stages of an inflationary destruction of a currency, this injection distorts interest rates by artificially lowering them, and as one would expect, it stimulates business, resulting in the "boom" part of the business cycle that is welcomed by nearly everyone.

Great harm is done by those who emphasize, as an isolated fact, that deficits per se are not inflationary and do not cause high interest rates. They downplay and rationalize deficits and actually claim at times that deficits "don't matter." The tragedy is that this reassurance is coming from fiscally conservative legislators and economists. This prompts little dedication to eliminating the deficits—since they join ranks with the Keynesian liberals who never believed deficits were all that bad anyway. Talking about debt in relation to the percent of gross national product continues to reassure them that it is all reasonable. However, since it is not really fashionable to ignore proponents of a balanced budget, it is tempting to delay the hard task of making unpopular cuts in the budget and put it off for a while longer. Taxes are unpopular, yet spending programs—welfare and warfare—are demanded by the powerful special interests. A great deal more inflation of the money supply has its shortcomings, and since even staunch liberals agree that excessive money creation can get out of hand, the political gimmick is to spend now and to pay later with an "expanding economy" and "revenue enhancements."

This is a miraculous solution; low taxes, big spending, big deficits, no inflation, and an expanding economic base all leading to adequate revenues to the Government to eliminate the

deficits, next year or next generation. It sounds like a chain letter scheme, and the odds of it working are about the same. Huge deficits were to be expected given the current advisers to the administration, not a balanced budget. Nothing else could have occurred under the circumstances. This does not reflect a lack of commitment on the part of the administration to reduce Government spending and debt sometime in the future, but the technical plan is faulty in that they are not facing up to reality. Since facing reality is painful, deficit spending is the easy way out, and since such deficits are justified by intellectuals, they gain tacit acceptance. Through huge deficits, the military budget can be expanded massively and financed, and no real cuts in the domestic programs need occur. The President has never deceived us. He has always explained his program was to "slow" growth of domestic programs, not to cut or repeal them.

Deficits do matter, even if they are not inflationary or cause high interest rates. In reality, the odds are that they will be monetized. New money will be created to pay them, and the market is correct in anticipating that happening. Already this year the M_1 portion of the money supply has grown at a rate of over 9 percent.

Let us assume that some of our wild spending programs and the subsequent deficits they cause are financed by higher revenues gained by economic growth as is hoped. Should this be reassuring? I do not believe so. Not only is it bad to pay for programs with the deceitful practice of inflation, it is nearly as evil to take the revenue from an expanding economy. The Government programs are generally bad and serve no useful purpose. For the most part they harm the economy, both because they take funds from the private sector and also because Federal economic planning ends up doing the opposite of what was intended. The programs should be rejected on principle, and we should never justify their continuance by claiming they are beneficial and then hope that later revenues will pay for them.

MONEY QUALITY AND INTEREST RATES

It is true that deficits do play a part in establishing interest rates, and for several reasons. They can cause "crowding out." When the Government borrows large sums, there is less for private borrowers, and this helps to push interest rates up. If the deficit is monetized; that is, the Federal Reserve creates more money to finance the debt, this further devalues the dollar and prompts an increase in the inflation premium built into the market-determined interest rate. Even an "easy" money policy cannot overcome this factor in the latter stages of an inflationary destruction of a currency.

But with this recognition that deficits are very important and indirectly play a significant role in setting interest rates, it is a bit naive to think that the exact magnitude of this year's deficit will be crucial in establishing a trend. A $75 billion rather than a $100 billion deficit is just not going to make that much of a difference. True, the absence of a deficit would certainly cut down on the "crowding out" but it still does not address the subject of the quality of money and the trust factor that affects the interest rate. Today the risk—or trust factor—is most important reason that interest rates remain higher than "they should be." Even if the Congress miraculously passed a balanced budget resolution, it is doubtful it would be enough to restore confidence and trust, nor would it be enough to give our money high quality. For this reason interest rates would probably remain high.

The quantity of money is obviously important. Overexpansion of the supply will reduce the value of each unit. The monetarists, followers of Milton Friedman, emphasize this fact but fail to recognize that money of quality, such as gold, is quite different from fiat paper money. With a truly convertible currency, one that people can trust, the risk factor is essentially eliminated. While adjusting huge deficits to being somewhat less than huge, we do not even address the subject of quality. As a matter of fact, it does the opposite. It gets everyone concentrating on the size of the deficit as the key factor.

Other than very temporary dips in interest rates, we can expect rates on the long term trend to break the previous peak of 21½ percent. While increasing the supply may lower rates for a short time, it will not instill trust—it will serve to further destroy trust and quickly raise rates. With money of quality, trust is restored, and the restraints are automatic and reassuring. When Congress cuts back on spending, this will also help, but, more important, deficits will no longer be monetized if gold is money.

High interest rates cannot be talked down. They are a reflection of a "sick" currency, and budget deficits are only indirectly involved. The inflationary system we have lived with for 50 years has been used to fund both welfare and warfare without direct taxation. Budgetary adjustments will not be enough. Off-budget financing and guaranteed loans, all part of the system of our inflation, need to be overhauled or repealed. A complete change in the nature of the monetary unit must occur if the interest rate is to return to historical levels. This, of course, cannot be done unless the people end their love affair with Big Government so that on- and off-budget deficits are eliminated and guaranteed loan programs are stopped.

It is only out of frustration and lack of understanding that Congress chants about modestly reducing the deficit and "sending a message to Wall Street." Even if Wall Street were fooled and rates dipped a bit, the decline would be very temporary, for the factor of the quality of money is ignored.

Everyone recognizes real rates of interest should be 5 percent or less and that price increases as measured by the Consumer Price Index are now 5 percent, and all they can say is that current interest rates are "higher than they should be" because the deficit is so large. But to be more specific, it is because our money is not convertible into anything of real value that a "risk" premium is added to interest rates. That is why the rates are staying high. The removal of this premium will occur when the dollar is a convertible currency and the people become convinced that the size and scope of Government will be reduced. The latter would also restore trust, since it would remove any pressure to raise tax rates immediately and also would discourage any scheme to "enhance revenue" either immediately or out of hoped for future production. Only after this is recognized and the proper steps are taken will we see interest rates returning to levels where real economic growth can occur. The capital markets will not be revived until that time.

For years it has been argued that "high interest rates are inflationary," claiming they are the cause rather than a symptom of inflation. And yet today with record high, real, interest rates our current price increases are minimal. One needs to understand the nature of money to understand this "discrepancy."

In the early stages of inflation, interest rates are "lower than they should be" by mathematical calculation, and now they are "higher than they should be." The explanation given by the free market economists, who reject mathematical determination of value, gives us the answer. Only in understanding that interest rates and prices are set subjectively in the marketplace and that the quality of the trust in money are key elements in their determination do we get a full explanation of why interest rates remain high.

High interest rates can never be seen as the cause of our problems. They are the symptoms of a faltering currency. They are not the result of a budgetary impasse. Without incorporating an understanding of the nature of money into the debate over the cause of persistent high interest rates, progress cannot be achieved.

But monetary policy alone, even with an understanding of money with respect to its quality as well as its

quantity, cannot repeal all the legislative gimmicks of the past 50 years that have served the special interests. Whether it is food stamps, medicare, "Ex-Im," synfuels, farm subsidies, or manufacture of weapons we will never use, all special interests will have to be cut off. It must be recognized that devaluing a currency is a deceitful technique for financing the welfare-warfare state. The welfare is of both the rich man's and the poor man's variety, and the warfare expenditure is frequently for the benefit of arms manufacturers, Communist dictators, and fascist dictators. Rarely, if ever, does any of this spending serve the general welfare of this Nation—economically or militarily speaking.

In the end, the philosophy of intervention must be challenged and replaced with the philosophy of limited government and honest money. Nothing short of this will restore confidence. The world survived on a shaky Bretton-Woods system from 1945 to 1971 because, in a limited way, the dollar was almost "as good as gold" recognizing it still had some quality to it. As it became more obvious to the world that it was no longer "as good as gold," the system broke down, as many predicted it would even at its inception. Today there is no currency "as good as gold" and the inflation of all currencies continues. Restoration of a sound system is no easy task, and no government today is leading the way. Giving lipservice to talk of balanced budgets and claiming it is an achievement to have a deficit of $100 billion because the deficit could have been $180 billion is hardly reassuring. Much more must be done. As important as a balanced budget is, concentration on the deficit's relative size and its hoped for effect on interest rates is nothing more than confused and diversionary political activity. Until it is understood that money must be of good quality and that when good quality is lacking, its lacking for the precise purpose of financing Government expenditures that taxpayers would not otherwise finance—the problem of high interest rates and huge deficits will continue.

The modern day conservative economists' rationalization for deficits is the culprit behind our budgetary mess. They have gotten the administration off the hook; it no longer presses for an immediately balanced budget; this, they say, can come later. The current acceptance of the deficit is not accidental, and it is not just coincidental that we now have economists justifying deficits from the conservative viewpoint.

It is quite true that eliminating the deficit involves a change in attitude about Government. Many Americans are demanding this. Yet, Washington remains insensitive to it. The elite who work on the Potomac have put up stiff resistance and the special interests continue to reinforce the need for "business as usual" to continue. Where the liberal resorted to inflating the money supply to pay for Big Government—realizing high taxes would not be welcome, the new gimmick has been to devise a way to pay all these programs out of "future productivity" without explanation. Either way you look at it, it looks like we are planning to pay later for what we want today. We are counting our chicks before they are hatched. Certainly higher taxes would not be welcomed by the taxpayer, and repeal of the welfare programs—for both the rich and the poor—will not endear the politician to the "king-makers." But paying for all of this out of future productivity represents only a slight variation of the old philosophy of inflation allowing the "tax" to paid for through higher prices: Either way, it is hoped that current programs will be paid for out of future earnings.

Any way you look at it, it allows Government intervention in our lives and in the economy to remain the same. Even if miraculously the welfare-warfare state were sufficiently financed out of future productivity, the evil of the program would persist. An interventionist foreign policy and domestic economic intervention would not be less harmful just because someone devised an underhanded way to continue them and to pay for them. The truth is, though, that the payment will not come out of productivity: It will be "paid for" by more transfer of wealth through the inflationary process and through coercive taxation. By pursuing these measures, productivity will decrease, not increase, due to the malinvestment, high interest rates, and excessive debt, making it even more difficult to finance Big Government without causing financial collapse.

We cannot solve our serious economic and political problems with gimmicks. A change in ideology is required. Conservative justification of deficits is a great danger. And it is the conservative economists who have helped to justify the recent budgets, and they have done a great disservice to the Nation.

Without support and encouragement from the intellectual community, the proposed $100 billion deficit and $211 billion increase in the national debt ceiling would never have been proposed by the administration. This hardly can be the way to restore trust in Government and in the money. This contradicts everything the President said prior to taking office. The tragedy, of course, is that now deficits are tolerated and justified by an imaginative scheme, popularized by supply-side economists. "Don't pay the bills today; don't inflate; pay the bills out of future earnings." This allows the real problem to be pushed under the rug. The issue of Big Government is still the key issue. The claim that social programs need not be repealed, their rate of growth need only be altered downward—until the liberals return to office—also permits massive military expenditues to increase without finding a way to pay for them immediately. The problem of the budget will not be found in the accounting department; it can only be found in the philosophy department. When we change our attitude on the role of Government in our lives, economy, and foreign policy, the solution to the budgetary crises will be automatic.

The problem of high interest rates will never be solved when seen as a budgetary problem. Interest rates are a monetary phenomenon, not budgetary. Monetary policy is a reflection of the political-economic system of the Nation. A free society has limited Government, a free market, commodity money, and low interest rates. A planned society has interventionism and paper money. The paper is the creation of the elite who do the planning, but can never raise the revenue to pursue the social and military programs for lack of public appeal. They must then be financed with inflation—money creation—and this, in due time, destroys confidence, depreciates the currency, and brings us high interest rates—an inevitable and predictable consequence. The daily fluctuation of interest rates is set subjectively in the market and reflects the attitudes and expectations of millions of people. Although trends are absolute and results are ultimately predictable, the rapidity of the rise and the intensity of the high interest rates are varible and unpredictable.

Until we come to understand the relationship of budgetary deficits to philosphy, we can never expect to change interest rates by accounting modifications in the budget. It is vital we see the connection of high interest rates to the nature of the monetary unit. If not we will not solve the problem of inflation and its close ally—high interest rates.

□ 1710

SMALL BUSINESS INNOVATION DEVELOPMENT ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, yesterday, the House completed consideration of H.R. 4326, the Small Business Innovation Development Act of 1981. As a supporter of this bill, I was especially pleased that the House Small Business Committee reduced the percentage earmarked for small business innovation research (SBIR) programs in Federal agencies from 3 percent in

the original version to 1¼ percent in the final version of the bill. This reduction in the mandatory set-aside will bring about a better balance with respect to the economic realities of free enterprise and competitive bidding practices. Although I favored two amendments which would have had the effect of exempting the very sensitive Department of Defense and the Department of Energy atomic energy defense programs as well as all health-related research conducted under the Department of Health and Human Services from the scope of the bill, I opposed the so-called Science and Technology Committee amendment, which would have completely destroyed the concept of the legislation.

This legislation represents the best available vehicle for assuring that small firms with innovation capabilities get a fairer share of Federal research and development dollars.●

COMPUTER-ASSISTED CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, I am currently seeking cosponsors for H.R. 3970, the Federal Computer Systems Protection Act, which responds to the developing computer-assisted crime problem involving not only Federal agency computers, but also computers of federally insured financial institutions and the computers of businesses engaged in interstate commerce.

H.R. 3970 would make crimes by computer a specific Federal offense. Such crimes now must be prosecuted under other Federal fraud and theft statutes. Prosecutors are currently unable to make effective cases under existing Federal laws because all of the 40 or more statutes that could be applied were designed originally to control other kinds of criminal activity. This bill would give prosecutors a clear-cut basis for prosecuting anyone who steals information from a computer or who alters or destroys information in a computer for personal gain.

This bill would give national scope to the effort to prevent the rapidly increasing criminal activity involving computers which has already reached frightening proportions. The Federal Government as a whole uses more than 10,000 computers. The Department of Defense alone uses more than 3,000 computers which, among other things, disburse approximately $25 billion a year, while the Department of Health and Human Services computers generate some 80 billion dollars' worth of checks—such as social security—annually. In the private sector, more than 100,000 full-size computers, and 200,000 minicomputers are currently in use. The vulnerability of these computers to illicit entry and tampering is demonstrated by the fact that there are more than 2 million people in America, including operators, programers, and technicians, who now know a great deal about the strength and weaknesses of computers. Moreover, more than half a million Americans have personal computers in their homes, and there are more than 3 million computer terminals in business offices in the country.

The estimated total annual loss from crimes by computer ranges from $100 million to several hundred million dollars in the United States. This is still a small part of some $40 billion in white-collar crime each year, but computer crime continues to grow. Examples of such crime include the $10.2 million which was transferred by telephone from Security Pacific Bank to a Zurich bank account which was then used to buy $8,145,000 in diamonds from the Soviet Government. An employee at Kelly Air Force Base, in San Antonio, Tex., stole $100,000 in Federal funds which were paid out for aviation fuel that was not purchased. Inmates at Leavenworth Prison, who were being trained as computer operators, obtained tax refunds ranging from $600 to $10,000 by determining Internal Revenue Service auditing triggers and submitting false tax returns. The prosecution of a company which stole information from Department of Energy computers was possible only because the information was transmitted from Maryland to Virginia by telephone line.

As the use of computer systems becomes increasingly pervasive in American society, the growth of such crimes becomes increasingly serious. Electronic funds transfer systems are likely to become the future basis of the country's financial and economic systems. Theft and sabotage of these systems could have a profound effect on the economic well-being of every American. The purpose of H.R. 3970 is to provide Federal prosecutors with an effective tool to combat this growing threat to the national economy and to national security.

In order to do this, the bill would impose fines of up to $50,000 or imprisonment up to 5 years, or both for—

Whoever uses, or attempts to use, a computer with intent to execute a scheme or artifice to defraud, or to obtain property by false or fraudulent pretenses, representations, or promises, or to embezzle, steal, or knowingly convert to his use or the use of another, shall, if the computer—

(1) is owned by, under contract to, or operated for or on behalf of:

(A) the United States Government; or

(B) a financial institution;

and the prohibited conduct directly involves or affects the computer operation for or on behalf of the United States Government or financial institution; or

(2) operates in, or uses a facility of, interstate commerce.

And for "whoever intentionally and without authorization damages a computer" as described above.

The definition of a financial institution includes:

(A) a bank with deposits insured by the Federal Deposit Corporation;

(B) a member of the Federal Reserve including any Federal Reserve Bank;

(C) an institution with accounts insured by the Federal Savings and Loan Insurance Corporation;

(D) a credit union with accounts insured by the National Credit Union Administration;

(E) a member of the Federal home loan bank systems and any home loan bank;

(F) a member or business insured by the Securities Investor Protection Corporation; and

(G) a broker-dealer registered with the Securities and Exchange Commission pursuant to section 15 of the Securities and Exchange Act of 1934.

The definition of property in this case means—

Anything of value, and includes tangible and intangible personal property, information in the form of electronically processed, produced, or stored data, or any electronic data processing representation thereof, and services.

"Computer" means a device that performs logical, arithmetic, and storage functions by electronic manipulation, and includes any property and communication facility directly related to or operating in conjunction with such a device; but does not include an automatic typewriter or typesetter, or any computer designed and manufactured for, and which is used exclusively for routine personal, family, or household purposes including a portable hand-held electronic calculator.

As far as reserved State jurisdiction is concerned, H.R. 3970 states that—

In a case in which Federal jurisdiction over an offense as described in this section exists concurrently with State or local jurisdiction, the existence of Federal jurisdiction does not, in itself, require the exercise of Federal jurisdiction, nor does the initial exercise of Federal jurisdiction preclude its discontinuation.●

FAIR REDUCTION-IN-FORCE PRACTICES ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, I am today introducing the Fair Reduction-in-Force Practices Act of 1982. How the Federal Government reduces the size of its work force, and how it fires its employees, has for many months been a subject of intense discussion and controversy. The Federal Government service task force, a legislative service organization of House and Senate Members from both parties, has for the last 14 months observed reductions in force and their consequences as closely as any group in Government. The task force has surveyed agency RIF's, has worked with

personnel professionals in the field to develop information about RIF regulations, has worked closely with employee representatives and professional associations on efforts to mitigate the impact of RIF, and has, on several occasions, alerted congressional committees when RIF appeared to impinge upon congressional prerogatives.

Based upon this firsthand experience, the task force, which I chair, concluded that RIF's had transformed one of the most highly skilled and dedicated work forces in the world into a corps of job seekers. Deflection of employee effort from agency work to self-preservation adds to the Federal deficit and enhances the impression that the Federal Government is out of control. Office of Personnel Management Director Donald J. Devine has called RIF "a costly, disruptive way to cut Government spending and personnel."

RIF procedures employed by the Federal Government and Federal agencies are both cumbersome and complex. Not surprisingly, the number of employees who have endured this process in its entirety and who have been fired by the Federal Government since April 1981—when the administration's work force reduction program began has been characterized by some analysts as "smaller than anticipated," Twelve thousand Federal employees have been fired by the Federal Government. This number represents those employees who, despite their best efforts, could not find other jobs within the Federal Government before the ax fell. OPM estimates that up to four times the number of employees fired were literally forced out of Government by the RIF process; some retired and some quit.

This means, Mr. Speaker, that well over half of the Federal agencies have had direct experience with RIF. A number approaching 50,000 employees—many times the number of employees actually RIF'ed—have, at one time or another over the last 14 months, been told that they had reason to fear they would become a RIF victim.

RIF's, therefore, are not a small problem. We cannot undo the damage wrought by RIF by simply by changing the rules by which employees are RIF'ed. The Office of Personnel Management's solution to the problem calls for rearranging the order in which RIF'ed employes are discharged from service. In fact, abandoning seniority systems and veterans' preference merely invites various factions to join in bitter struggles to block such reforms.

In the private sector, economic necessity is teaching labor and management to reason together. Management, forced to conserve human as well as capital resources, recognizes its vested interest in the experience and training of its employees. Employees realize that their survival directly depends upon the company's fate. As a result, agreements which a short time ago seemed impossible in industries with long histories of labor-management hostilities, have in fact been hammered out.

The Federal Government is the Nation's single largest employer. But, unhappily, it is also one of the Nation's most unbusiness like employers. RIF has been applied throughout Government in a spirit of confrontation and employees have responded, naturally, as a group under attack. The General Accounting Office warns that this state-of-siege mentality must inevitably drain Federal productivity and engender horrendous cost overruns.

The Fair Reduction-in-Force Practices Act of 1982, provides a comprehensive and reasonable alternative to the manner in which the administrative branch seeks to implement its policy changes. It seems patently unfair to subject employees who have built their careers in Federal service to continued employment in which their contribution is discouraged, and high-level performance is rewarded by demotion or firing. Orderly transitions must accomodate changes in policy direction and the integrity of fully mandated programs must be preserved.

The bill I am introducing today, along with over 20 original cosponsors from both sides of the aisle, requires agencies—together with employees bargaining representatives—to explore cost-effective alternatives to RIF. The object of the exercise is to enable the parties to reach an agreement that either avoids RIF or mitigates its consequences to the satisfaction of all parties.

When the parties agree that no reductions in force will occur, both the agency and the employees will be discharged from further responsibilities under the bill. However, if a RIF continues to appear necessary, the agency must seek a certification from the Office of Personnel Management and the General Accounting Office that the parties have complied with the requirements of the legislation.

To facilitate the determination, agencies will report on the conduct of negotiations to GAO and OPM, and employee representatives, including representatives of supervisory and managerial associations recognized by the agency, may have their comments included in the agency report. Without such certification from both OPM and GAO, the agency may not conduct a RIF.

Negotiations and agreements will also focus on the elimination of waste and inefficiency. Agencies are instructed by the bill to develop labor-management initiatives to route out waste and inefficiency in a manner that harnesses employees' desire to preserve their jobs and management's desire to resolve their need to achieve savings equitably. Working together, labor and management can squeeze the fat out of government without killing the patient or harming the public.

The benefits to the workplace of adopting this approach should be plain. RIF rumors will be replaced by a steady flow of hard information to employees. Employees, for the first time, will be able to directly influence the level to which their interests are safeguarded. Employee attentions will be shifted from efforts to bail out of the agency and toward efforts to provide more efficient and higher quality services and materials to the public.

Members should understand, however, that this legislation does not put a moratorium or a ban on firing Federal employees. It does not render management impotent to steer an agency's course through policy changes. Utilization of the mechanisms outlined in this bill, however, should result in fewer separations from agencies.

In those instances in which RIF's are indeed unavoidable, the bill provides for the first Government-wide system for placing Federal employees in Government jobs. Expanding placement opportunities enables Government to stabilize the work force and reestablish job security as a magnet for attracting talented, career-minded individuals into Federal service. The bill would require OPM to match employees who satisfy minimum qualifications to vacancies that exist in Government on the basis of occupational category. Priority would be given to placing employees in jobs that do not force them to relocate or undergo major changes.

Mr. Speaker, the principal Federal employee unions have demonstrated their eagerness to take the steps outlined in this legislation. Employee representatives recognize that if agencies fail to perform, if we cannot, together, streamline Federal expenditures to make Government more efficient in these perilous economic times, Federal employees will continue to pay a terrible price. Employee representatives also realize that their counterparts in the private sector are learning to speak the language of conciliation and cooperation that they must learn to speak.

Therefore, Mr. Speaker, the legislation which I am introducing today provides the Federal Government with the means to participate in what may become a new era in labor-management relations, an era in which necessity begets opportunity and creativity overcomes fear and prejudice. The Fair RIF Practices Act of 1982 will enable the Federal Government to put its house in order and its business on a businesslike basis.

A section-by-section summary of the legislation is available at the Federal Government service task force, House Annex No. 2, room H2301.

THE 25TH ANNIVERSARY OF MEMPHIS STATE UNIVERSITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Tennessee. Mr. Speaker, I would like to share with you, and with my distinguished colleagues, the occasion of the 25th anniversary of Memphis State University, located in my home district of Memphis, Tenn. Memphis State, a coeducational State university, has enjoyed a long and prosperous history since its founding. It began in 1912 under the name of West Tennessee State Normal School. In 1925, it became a senior college, operating primarily to educate teachers. The school assumed the name of Memphis State College in 1941, when its liberal arts curriculim was expanded. Twenty-five years ago, on July 1, 1957, the Tennessee State Legislature granted the college university status, and since that date, Memphis State University has continued to grow and to play a vital role in the Memphis community

Under the able leadership of Dr. Cecil Humphreys, who became president in 1959, Memphis State University expanded to its present size, incorporating four undergraduate colleges, the school of law, the graduate school, and the divisions of public service and continuing education. The university now boasts an enrollment of 20,000 students from 50 States and 59 foreign countries. The campus spreads over 1,100 acres and includes over 100 buildings.

Throughout the past 25 years, Memphis State has made invaluable contributions to the Memphis community. Many prominent Memphians, including bank presidents, corporate executives, media personalities, sports stars, and a variety of professionals, are united in a common allegiance to Memphis State, their alma mater.

Memphis State University has played a vital role in the development of the Memphis business community. Its excellent educational facilities have aided the community in attracting industry and supporting the local economy. Its bureau of business and economic research furnishes midsouth businesses and industry with information and studies which facilitate their economic growth. The college of business also offers assistance to small businesses in the community.

Memphians are proud of their southern heritage, and Memphis State has contributed greatly to the appreciation of southern folklife. It operates the Chucalissa Indian village and Museum, which receives 100,000 visitors annually. It also houses the university Mississippi Valley collection, a depository of local historical artifacts.

Memphis is internationally renowned for its prominent musicians, and Memphis State has worked diligently to promote this heritage. The university's new college of communications and fine arts offers recording facilities to local artists. Memphis State also sponsors an annual jazz festival and a salute to Memphis music, honoring artists who have contributed their talents to the Memphis music industry. Memphis artist B. B. King will be honored by this year's program.

Over the years, Memphis State has led the field in many areas of scholarly accomplishment and academic achievements. Recently, the university has attained a national, and even international, perspective. It has invited guest scholars to give lectures, promoted the international aspects of the economy, and funded research projects which have united scientists and humanists through exchange programs.

Memphis State also offers community services to the handicapped and unemployed. Its speech and hearing center helps citizens of all ages with speech and hearing disorders. Courses are offered at local hospitals and this year, the university is establishing new programs for handicapped citizens who cannot reach the campus.

Similarly, the Memphis State Legal Clinic offers legal assistance to a great number of low income or unemployed citizens.

In addition to these community services, Memphis State University recently came to the limelight once again, because of its excellent basketball team. This year Memphians faithfully flocked to watch forward Keith Lee and the entire Memphis State basketball team consistently trounce its opponents. The Memphis community is proud of the fact that the team made it to the regional playoffs.

I look forward to another 25 years of accomplishments from this fine university, and I know my colleagues will join with me in congratulating President Thomas Carpenter, the Tennessee State board of regents, and the Memphis State University family on a quarter of a century of academic excellence and community service.●

PROMOTING REFUGEE SELF-SUFFICIENCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. MAZZOLI) is recognized for 5 minutes.

● Mr. MAZZOLI. Mr. Speaker, on Tuesday of this week the House, by a vote of 357 to 58, passed H.R. 5879, the Refugee Assistance Amendments of 1982. The passage of this important legislation represented the exercise of sound judgment and good sense. I commend my colleagues for giving the measure such overwhelming support.

Although H.R. 5879 serves the important function of reauthorizing appropriations for the resettlement of refugees in the United States, it is more than simply a reauthorization bill. The bill includes a number of provisions which, when read together, establish a single policy goal—the reduction of welfare dependency on the part of refugees.

One such provision deals with refugees who are students. Under the bill, full time students at institutions of higher learning would be ineligible for assistance under that program known as refugee cash assistance. This provision parallels a provision in the Omnibus Budget Reconciliation Act of 1981, which tightened student eligiblity requirements under the aid to families with dependent children program.

In tracing the genesis of the welfare eligibility restrictions in H.R. 5879, one will find that it was spawned not so much out of our desire to parallel the AFDC rules as it was out of our need to respond to frequent complaints—principally from California officials and taxpayers—that refugees attending college full time were subsidizing their education with refugee cash assistance.

The provision in question was added to H.R. 5879 during subcommittee markup on May 5, 1982. Two weeks later, the Office of Refugee Resettlement at HHS issued an action transmittal which substantially incorporated the cash eligibility tightening provision in H.R. 5879.

Reducing refugee welfare dependency has been a main objective of my Subcommittee on Immigration, Refugees, and International Law during this Congress. The subcommittee has explored this problem with witness after witness, at hearing after hearing, most recently, at a hearing on April 22 of this year. I am gratified that the administration has finally gotten the message that Congress will not tolerate exorbitant refugee dependency rates and that every effort must be made to reduce them immediately, if the refugee program is to be preserved.

On behalf of the Subcommittee on Immigration, Refugees, and International Law, I wish to commend the Office of Refugee Resettlement (ORR) and especially its Director, Philip Hawkes, for responding to the subcommittee's concern in such a timely and responsible manner. In the months ahead, I and the rest of the subcommittee will work closely with ORR and Mr. Hawkes to continue the essential task of reducing refugee welfare dependency rates.

In this regard, I urge not only the Office of Refugee Resettlement, but also the State Department, which contracts with those voluntary agencies which actually resettle refugees, to move forward with a refugee placement policy that builds from the proposed interim placement policy issued several months ago by ORR to incorporate the placement guidelines contained in H.R. 5879, as passed by the House.●

□ 1720

IMPEACHMENT OF PAUL VOLCKER, NO. 3

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, today, as I did earlier this week on Tuesday, I continue the process known as "The Impeachment of Paul Volcker, No. 3." On this occasion I will first set out a little summation.

As I have said repeatedly, the introduction of my resolution for the impeachment of Paul Volcker, the chairman of the Federal Reserve Board, will take place, and a separate resolution with respect to the members of the Open Market Committee, which means the entire board plus the five private bankers who are part of the Open Market Committee, will be dealt with in case it is necessary after we have completed the presentation of the effort in behalf of the impeachment of Paul Volcker.

As I have also said before, I fully realize and have been aware of the fact that the introduction of this type of resolution—and this is the first time in the history of the Congress and since the adoption of the Federal Reserve Board Act of 1913 that such a thing has occurred—has received dismissal; there has been a summary dismissal of this effort as being something not in full serious intent and purposefully initiated, but rather, as some gesture suspected by most as being a flamboyant or bombastic effort perhaps to attract publicity or something of that sort.

This week, on Tuesday, I mentioned that one of the principal reasons for the introduction of that resolution, plus the three bills having to do with the reform and the restructuring of the Federal Reserve Board, was in order to insure that it becomes accountable to the people. We are not talking about its being accountable to us as individual Members of Congress or to the President but to the people of this country. And that is what we are all about. We must never forget that we are here only because we are the temporary agents of the people. Paul Volcker is a hand-picked, appointed fiduciary and fiscal agent of the U.S. Treasury. This is his sole official capacity and power—as an agent. And since when, even in the oldest traditions and precedents of the common law, much less the statutory law, and even in those precedents of American jurisprudence, is an agent ever anything but subservient to the principal whom he serves as agent?

Yet, as I have said, the Chairmen of the Federal Reserve Board, this one and past ones, act and continue to behave as if they are free-wheeling, independent, autonomous agents.

This is like what was once said by John Adams about George Washington when he said, "There is that tall Virginian, booted, spurred, and ready to ride on the hapless backs of mankind." In other words, he was alluding to the fact that George Washington was charged at that time with being arrogant, and he thought perhaps if the American people did not look out, he would want to be a king. History shows us how groundless that fear and charge was.

Nevertheless, Mr. Volcker acts as he were God-ordained and as if he were "booted, spurred, and ready to ride the hapless backs" of the American people.

The Federal Reserve Board, as a fiscal agent of the U.S. Treasury, in effect has arrogated to itself the power of formulating all of the laws governing the issuance of credit and making the complete determination of the monetary and fiscal matters of this Government, this country, and this people. Certainly, even in the beginning, with the Continental Congresses, the first Congress in 1789 and all the subsequent Congresses, such a principle has never been visualized or accepted, even in any kind of a tacit way. Only through dereliction of duty or abdication of trust in both the case of the executive branch and the legislative branch has this been suffered to pass, a situation where the American people are being crucified and businesses and enterprises and initiatives are being crucified on this altar of extortion and usurious and high interest rates.

We can ponder and debate and argue all about what causes interest rates. That is fine. But as long as the principal that has the power admits to that power, boasts of that power, and avows that power to determine the level of interest rates, I do not care whose theory is advanced, that matter has to be addressed.

The Federal Reserve cannot be allowed to have it both ways; the President cannot be allowed to let the Federal Reserve have it both ways; the Congress cannot be allowed to let the Federal Reserve have it both ways. The Federal Reserve says on the one hand that it does control interest rates through its monetary policies, and by the fact that, through its open market mechanism, it can determine the fate of any governmental administration by the setting in secret of the Treasury bill rates and other paper of the Government, its I O U's and the like, it has the power and anybody who has that power has the power to make or destroy an administration. And the means and the wherewithal is through this high-interest rate that no country in the history of mankind has been able to tolerate.

As I have pointed out, mankind has had to construct laws limiting that tendency toward usury since 700 years before Christ. And here in the United States of all places, I, for one, never dreamed it would happen, and neither did my great predecessor leaders in the Congress who have addressed themselves to this subject matter since Thomas Jefferson and down to Wright Patman, that equally great American and Texan, who battled to the death what he could see was forming as the biggest threat, "greater," as Jefferson said, "Than the threat of any standing army." And that threat was those interest rates.

The idea that such a thing as a 21½-percent interest rate would in effect be legalized in this country is just so unbelievable to me at this time that I can hardly admit that it has happened, and that we would have a plain, ordinary businessman having to be crucified on that cross of usury, because if he simply wants to obtain a loan or line of credit to get his inventory of stock for his business, he is having to pay over 16 and 17 percent now.

There is no country in the world now and at any point in history that could long remain economically intact with that kind of an imposition of such gross injustice.

So I have summarized and finally this week arrived at the second specific article or subitem of specific impeachable offenses, as fully defined in precedents as well as in the written provision of article II, section 4, of the Constitution. And I have been specific enough after I have explained and summarized the general language and the general thrust or the gravamen of the charge that I am raising.

I am in dead earnest. I am serious. I am fully aware of the gravity and the seriousness of the charges. I am fully respectful of the name and reputation of any human being, and I would not, with any kind of motive impelled by any kind of ambition, ever willfully smudge or attempt to smudge the reputation or name of any human being. But I have never hesitated, ever since being charged with the responsibility of a public elective office, to expose, when brought to my attention and having the responsibility to act, those areas that need to be exposed, no matter how powerful the individual or

how dangerous it is politically to expose.

□ 1730

I have not hesitated, locally, on the State level, and when I was in the State senate, and up here in the Congress, so that hopefully by now the seriousness of the purpose and intent, the lateness of the hour for the Congress to try to do something, because to me it does no good to say well, I am exposing this or that for the first time if we do not bring relief to the American people.

What the American citizen wants to know is: What are you all doing? Why can the Congress not do something about these interest rates, about these problems that are besetting us and killing our enterprise and our initiative?

They want to hear the theory. It is very difficult to explain that that simple request cannot be either simply explained or resolved. It is going to have to take a lot of work to do that which we should have done 20 years ago.

So by the introduction last year of these articles or resolutions of impeachment it was my hope that at least I could receive the benefit of a respectful consideration by the committee that has jurisdiction, the House Committee on the Judiciary.

Being denied that, I then took the only recourse, because these legislative procedural matters in this case of this resolution are privileged. We have, thank goodness, under the rules of the House, access to consideration by the full House without the impediment over structure of the refusal of a committee to entertain a subject matter.

I fully intend to do that.

But the burden it placed on me was to come before this forum and come before the bar of the House and lay out the case which actually should be done by the committee that has jurisdiction and has the competency, has the staff, and has the budget, which I do not and must perforce do myself unaided and alone.

But I am charged with knowledge. I do belong to the committee that has a responsibility along the lines of the financial, monetary, and fiscal matters of this country. Therefore, I feel impelled. Otherwise I could not look myself in the eye if I remained silent, though charged with the knowledge that I am.

So today, as a third subarticle or item 3 I bring forth what I will eventually redraft in proper language and enumerate them in this forum, as I am today, as part of the general articles; the first article of impeachment of Paul Volcker with the three specific subitems.

I gave you No. 1 last week. I gave you No. 2 last Tuesday. No. 1 being that wrongfully and acting amiss said Paul Volcker did meet in secret in the State of Florida with one Walter Wriston and others, unknown to me, Walter Wriston being the big head of the First City National of New York, the powerful international bank, giant goliath; and one Texas billionaire tycoon, Hunt, Bunker Hunt, who was engaged in that pursuit of cornering the silver market, the most speculative area in human economic existence, the gold and silver market, the most controlled markets by the speculators known to human man.

You cannot win. It is like going to the roulette table and thinking you can outfox the house. It is the same way here.

Mr. Bunker Hunt thought he could corner the silver market which, incidentally, has become susceptible to speculation ever since the abolition of the silver transactions tax which I singlehandedly opposed 18 years ago in the Banking Committee. Nobody would listen.

THE ROLE OF RURAL ELECTRIFICATION ADMINISTRATION SHOULD BE ENHANCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, today Congressman ED JONES and I are introducing a resolution which expresses the sense of the House of Representatives that Federal agencies should pay special attention to the needs of rural America when taking any action which would affect the development and financing of rural telephone service. This resolution should reacquaint Federal agencies with what Mr. JONES and I have always believed is a key responsibility.

Mr. Speaker, I grew up in a small town in western Oklahoma—Cordell, Okla., to be precise. My roots are there. My home is there. I know first hand that the preservation and development of rural America is vital to this country.

Rural America is the keystone of our society and economy. It is one of the most productive segments of the economy. The natural resources which are the building blocks of industry and the agricultural products which are the building blocks of human life both come from the sparsely populated expanses of our Nation. Agriculture is the single most important sector of our exports; virtually every positive trade balance in U.S. history has been the product of the agricultural sector.

The key to preserving the vitality of rural America is assuring a reasonable quality of life for the millions of Americans who live in the countryside and small towns across the Nation. We do not want to see repeated in this country what has happened in many other places around the world—conditions in rural areas so much worse than those in the cities that the young, the educated and the talented leave the countryside.

We cannot let that happen here. Oklahoma would be poorer. Tennessee would be poorer. The Nation would be poorer.

We must, as a government and a people, continue to assure that the social and economic development of rural America keeps pace with the rest of our society. Rural America must share equally in the benefits and bounties of new technologies and new developments in American society.

Modern communications have proven one of the most vital links keeping those who live in remote, sparsely settled areas part of the mainstream of American society. We must maintain those communications links. We must make sure that the benefits of the new communications technologies and services are shared by all Americans, rural as well as urban.

That is not an easy task. Providing telephone service to rural America costs more, a good deal more. The difficulties of mountains and desert and forests and distance are not overcome cheaply. And we face growing problems with the financing of rural services.

We are in a time of turmoil. The communications industry in this country is evolving rapidly under the pressures of new technology and developing competition. As chairman of the Government Information and Individual Rights Subcommittee of the Committee on Government Operations, with its oversight jurisdiction of the information and communications functions of the Federal Government, I have become acquainted with some of the changes occurring in communications. I have heard testimony about the pressures on local service and the increases in local rates. In particular, I have heard about the lack of attention paid to the needs of rural telephone service.

We have had a lack of attention to rural telephone service before. Between 1920 and 1949, the number of rural households served by telephones declined by several percentage points; at the same time, telephone service was expanding rapidly in our Nation's cities. Only with the Rural Electrification Act Amendments of 1949 did the concept of universal telephone service begin to be realized for rural America.

The financing and stewardship of the Rural Electrification Administration has been the critical element in the development and expansion of rural telephone service. The REA must continue that work and, in this time of change, lead other agencies in preserving the gains of the past and

assuring continued development in the future.

This resolution will send a clear message to te REA and other agencies. I urge my colleagues in the House to join with Mr. JONES and me in securing the rapid passage of this resolution.

The text of the resolution follows:

H. RES. 516

Resolution expessing the sense of the House of Representatives that the role of the Rural Electrification Administration should be enhanced to assure that Federal agencies consider the needs of rural America in establishing policies which affect telephone service in rural America

Whereas the Congress, in enacting the rural telephone loan program in the Rural Electrification Act of 1936, established a policy of special concern and attention for the needs of rural America regarding telephone service;

Whereas there are unique capitalization and service requirements applicable to the provision of rural telephone service which are reflected in the provisions of the Rural Electrification Act of 1936 and the policies and programs of the Rural Electrification Administration; and

Whereas there is a continuing need for the Federal Government to give special attention to the capitalization and financing needs of telephone service in rural areas and provide the greatest practicable support to the rural telephone financing programs administered by the Rural Electrification Administration: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the Administrator of the Rural Electrification Administration should establish policies and guidelines which will assure that Federal agencies consider the needs of rural America in connection with granting loans, prescribing rules, and establishing policies which affect the capitalization and other financial requirements of telephone service in rural America as established under the Rural Electrification Act of 1936; and,

(2) such Federal agencies should act consistent with all policies and guidelines established pursuant to paragraph (1) and should consult on a routine basis with the Administrator of the Rural Electrification Administration and with State agencies which administer rural development and rural telephone service programs when such Federal agencies are granting loans, prescribing rules, and establishing policies which affect the capitalization and other financial requirements of telephone service in rural America.●

● Mr. JONES of Tennessee. Mr. Speaker, today I join with Congressman GLENN ENGLISH in introducing a resolution which expresses the sense of this House that Federal agencies should pay special attention to the needs of rural America when taking actions which affect the development and financing of rural telephone service.

I believe that this resolution is vital. In this time of change for the U.S. communications industry, the needs of the millions of Americans who live scattered across the countryside could be ignored. It is all too easy to lose the small voices in the whirlwind of change sweeping through the world of telecommunications.

Even when the world was slower paced, the needs of rural America were ignored—in the 1930's and 1940's. The modern communications services which are critical in drawing this Nation together were not shared with the small towns and the countryside. America was poorer for that.

As chairman of the subcommittee of the Agriculture Committee which oversees rural telephone financing, I am pleased to say that amendments to the Rural Electrification Act in 1949 remedied that problem. The 1949 legislation authorized Federal financing of rural telecommunications through the Rural Electrification Administration.

The reasons that that legislation was enacted in 1949 remain valid today. First, large telephone companies serving cities and suburban areas consider high-cost; low-density rural areas unattractive investments. Second, small rural companies are simply unable to raise the capital for necessary development and expansion in the ordinary commercial markets.

Without the Federal assistance provided through the REA, the congressional policy of universal telephone service enunciated in other laws would never have been realized.

REA provides financing through three related programs: The Rural Telephone Bank, The insured telephone loan program, and the guaranteed loan program. Administration of these has given the REA a unique understanding of the needs and problems of rural telephone service. As it has assured the development of rural telephone service in the past, REA must redouble its efforts to assure the preservation and expansion of them in the future.

The resolution Mr. ENGLISH and I have introduced makes sure that the needs of rural America will get the attention they deserve. The Administrator of REA is charged with employing that agency's experience to develop policies and guidelines which will make sure that special attention is paid to the needs of rural America by the agencies of the Federal Government as they sort out the regulatory and policy changes demanded by the communications revolution.

I ask all of the Members of the House to join with Mr. ENGLISH and me in securing the speedy passage of this resolution.●

THE ERA WILL PREVAIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, on June 30, the first stage of the fight to enact the equal rights amendment will come to a close. I say the first stage because those of us committed to equality of rights under the law regardless of sex will not abandon the fight.

There are scores of us in the Congress prepared to reintroduce the equal rights amendment and work for what can only be described as a totally just and long overdue amendment to our Constitution.

The fact is that the Nation overwhelmingly supports the equal rights amendment. Over 75 percent of the American people support equality of rights under the law for women. These people will not be quieted.

At some point in our history I am certain we will look back and find it almost beyond comprehension that in 1982 we were still debating whether the women of this country—more than one-half of our population—should be treated equally under the law. Those future generations will surely wonder at the narrowmindedness of a few in power in States across the country who managed to keep women as second-class citizens. They will surely question how this could happen in a country that has touted to the world its history of freedom, equality, and virtually unlimited opportunity.

Mr. Speaker, we will make certain that that will not be the final note in the history books. We will win this fight. We will ultimately prevail. We will finally give truth to the statement that helped found our Nation—that all people in this country are created equal. History has shown time and again that with patience and perseverence justice finally wins the day. So, too, will the ERA.●

CLEAN AIR WORKING GROUP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. SHELBY) is recognized for 5 minutes.

● Mr. SHELBY. Mr. Speaker, as a member of both the full Energy and Commerce Committee and the Subcommittee on Health and the Environment, I know how difficult it is to evaluate and vote on amendments to the Clean Air Act. The issues are important and complex. It is equally important that we identify and discount passionate but unfounded rhetoric.

The Clean Air Working Group sent all Members of Congress a letter dated June 22, 1982, addressing this issue. I commend this letter to the attention of all Members and include it for printing in the RECORD:

THE CLEAN AIR WORKING GROUP,
Washington, D.C., June 22, 1982.

To Members of Congress: The Clean Air Working Group is a broad-based coalition of over 100 business and trade organizations supporting reform of the Clean Air Act this year. We support amendments to the Act that are a matter of public record complete with justification and documentation. The

purpose of this letter is to call to your attention a series of unwarranted actions by certain environmental organizations which appear to be designed to mislead both the general public and the Congress.

The latest in a long series of irresponsible and inflammatory public statements and news releases was issued recently by the National Audubon Society. A study and accompanying press release accused the Congress and the Administration of proposing to weaken the Clean Air Act in a manner that could result in 2,000 excess deaths each year west of the Mississippi. EPA reviewed the study and concluded that the assumptions and methodology used in this report are not supportable. An EPA official characterized the study's conclusions as absurd and as simply ridiculous. It is regrettable that the respected Audubon Society apparently is abandoning its history of responsible contributions to environmental policy-making in favor of politically-motivated rhetoric.

This is not an isolated incident. Several weeks ago, the National Clean Air Coalition issued a report citing over 300 industrial facilities for discharging "hazardous pollutants." An analysis of these allegations revealed that many of these facilities had been closed for years, or had never produced the materials referred to in the reports, or had ceased producing the materials years ago. When confronted with these facts, the Coalition admitted that they had used a three-year-old study done for EPA by a consultant who had made these estimates from data that were even more out of date. Apparently no effort had been made to verify the data before issuing the defamatory press release. To my knowledge, they have not publicly retracted errors brought to their attention by the owners of facilities wrongfully cited in their report.

In a recent fund-raising letter, the Natural Resources Defense Council stated, "this year alone, more people will die from air pollution-related deaths than will die in automobile accidents." The letter makes no reference to evidence in support of such a statement. The fact is that prominent scientists have published in formation that contradicts this conclusion.

The National Clean Air Coalition has viciously attacked the sponsors of H.R. 5252 and reported that this bill would jeopardize public health. Not once did they inform the public that H.R. 5252 would retain every ambient air quality standard—standards which are explicitly designed to protect susceptible members of the population from *any* adverse health effect with an added margin of safety. Other statements in their attack were specifically rebutted in a press advisory.

A Sierra Club fund-raising letter and a more recent letter from The Wilderness Society both use extreme rhetoric and unfair characterization to finance their ongoing clean air lobby and grassroots efforts. Obviously, the environmental community will continue, perhaps intensify, their efforts to defeat H.R. 5252. We urge you to consider their statements—past and future—carefully.

We conclude that certain environmental organizations have undertaken a deliberate campaign to frighten the American public and the Congress and to inhibit a fair debate of amendments to the Clean Air Act. We urge you not to be deceived by these tactics. Americans want clean air but they also want jobs and economic development. That is the debate—how to update the Act to insure continuation of a decade of progress in air quality improvements without interfering with economic development in the '80s.

The Clean Air Act can be simplified and streamlined to provide new job opportunities and economic growth and accommodate energy and strategic mineral development without sacrificing air quality. We urge you to support sensible reform of the Clean Air Act and to discount the passionate but unfunded rhetoric of some environmental organizations.

Sincerely,

EARL W. MALLICK,
Chairman.●

RESOLUTION SEEKS HALT TO DEPORTATION OF ETHIOPIAN REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DIXON) is recognized for 15 minutes.

● Mr. DIXON. Mr. Speaker, today, along with JACK KEMP and 55 of our colleagues in the House, I am introducing a sense of the Congress resolution concerning Ethiopian refugees.

This resolution is also to be introduced in the Senate today by PAUL TSONGAS and NANCY KASSEBAUM, with sponsorship by Senators CRANSTON, MOYNIHAN, LEVIN, and KENNEDY.

This resolution addresses the immediate threat to Ethiopians, urging the Secretary of State to revise his Department's policy in order to halt deportation proceedings that could affect up to 15,000 Ethiopians now in the United States.

Following the Marxist revolution in Ethiopia and its regime's blatant violence and religious and political persecution, beginning in 1977 extended voluntary departure was granted, allowing Ethiopians here in the United States to remain indefinitely.

The return of these individuals would have exposed them to certain persecution for their political and religious beliefs. In August of 1981, without public discussion or comment, the Department of State determined that the turmoil within Ethiopia had stabilized to a considerable degree, and therefore recommended the cancellation by INS of the extended voluntary departure program.

Notices for Ethiopians to appear at deportation proceedings were issued, and a great fear rose up across the country by individuals, and their friends and families of an imminent return to a country without individual rights, and where the government has proclaimed retribution against those alleged to have spoken ill of the current government.

While Government sponsored killings and disappearances have ebbed from their height during the red terror of 1979, by no stretch of one's imagination should the United States foreceably repatriate individuals to this government.

This resolution asks the Secretary to reassess conditions and potential threat to these individuals and revise the Department's recommendation accordingly. It specifically asks that extended voluntary departure be continued for all Ethiopians who have continuously resided in the United States since before January 1, 1980.

This distinction reflects current legislative proposals for amnesty included in immigration reform, as well as the change in the Ethiopian Government's procedure for issuing visas to the United States since 1980, the Mengistu government must approve all visas. We therefore recognize that those individuals who have come here with Government sanction should be expected to justify a claim for asylum.

One of the reasons we seek continuation of extended voluntary departure pending a permanent solution is that many members of the America's Ethiopian community have been here since the midseventies. It is difficult for many to prove asylum claims. There are no published hit lists from the Ethiopian Government, and exchange of information between our nations is limited. Consequently, it has often been difficult to document the certain danger such individuals would face if returned. The Ethiopian committee will illustrate instances where valid claims have been so rejected.

I can report that in recent days there has been a constant dialog with senior officials at the State Department who share our concern, and yesterday evening I was advised that actions almost identical to those called for in our resolution may be sought from the Justice Department and INS in the next few days.

I welcome their recognition that efforts to deport Ethiopians would be a mistake of tragic proportions. The administration deserves credit for its willingness to reassess the matter. It is our strongest hope that the Justice Department will then act favorably on such recommendations to bring this threat to a halt.

Until such action occurs though, Congressman KEMP, and Senators TSONGAS and KASSEBAUM remain wholeheartedly committed to prompt congressional action on this resolution to put Congress on concern against any action against these Ethiopians.

It should be recognized that even continuation of extended voluntary departure is but a temporary solution to the dilemma faced by Ethiopians in the United States. There is question as to whether the pending proposals for amnesty under Mazzoli-Simpson are applicable to Ethiopians who have been on extended voluntary departure since before 1980.

I requested an analysis from the Library of Congress which indicated that Ethiopians who remained in the

United States under this program would be eligible for amnesty, since extended voluntary departure is not legal status but merely a delay of deportation. Language contradicting this view has since been included by Senator SIMPSON to his committee's report, stating that such individuals would not receive amnesty.

The latter view creates the untenable situation where those Ethiopians who registered with INS following expiration of visas would remain deportable, while those who failed to report because of common knowledge that Ethiopians were not being returned would benefit from amnesty.

I am working with Senator TSONGAS, Congressman KEMP, and others to bring about a permanent legislative solution, establishing the applicability of any amnesty program to Ethiopians. This is our foremost and final objective.

While criticism of the recommendations which led to this crisis have been restrained, it is only because the facts speak to eloquently for themselves. The Ethiopian community not only fears return, but also the complicated procedures for asylum which they feel flag them as visible critics of the Mengistu regime and subject relatives in Ethiopia to possible harassment or greater danger. These people have shown presence and patience in the pursuit of justice through the proper channels.

● Mr. KEMP. Mr. Speaker, I am very pleased to be joining my good friend and colleague, JULIAN DIXON, in introducing a resolution which urges the Secretary of State to allow Ethiopian exiles to remain in the United States.

Our main purpose in proposing this resolution was to bring the desperate plight of Ethiopian exiles to the attention of the State Department. Here I feel we have succeeded. Recent talks with high-level State Department officials have given me confidence that we will soon see significant steps to relieve the threat of deportation now facing thousands of Ethiopians. I have been pleased by the State Department's response to our appeal, and look forward to seeing this problem resolved very soon.

There is little doubt that the Marxist regime of Colonel Mengistu is one of the most barbaric in the world. Since the revolution of 1974 the Ethiopian people have faced widespread torture, political and religious persecution, and even government-sponsored slave labor. Thousands of Ethiopians, including young children, have been tortured or killed in prison camps—the Ethiopian Government has actually raised revenues by selling victims' bodies back to their families. Political parties, labor unions, and churches have all been smashed by the regime.

As a result of this widespread persecution, thousands of Ethiopians fled to the United States; many others, who were already studying or visiting here, chose to stay. Rather than encourage them to seek political asylum, the U.S. Government granted these Ethiopian exiles "temporary extended departure status." This policy allowed them to stay, but did not lead to permanent residence status.

In August 1981, the automatic policy of granting temporary extended departure status was revoked, and thousands of Ethiopians received notice that they would be deported. These individuals believe very strongly that they would be imprisoned or killed by the regime if they returned. They point to proclamation 214 of 1981, published in the official Ethiopian press, which announces sentences ranging from 5 years to death for persons who had left the country illegally. Ties to the United States, open opposition to the regime in Ethiopia, and religious beliefs also endanger many of these Ethiopians.

What our resolution recommends is that the Secretary restore the temporary extended departure status for those Ethiopians who have been in the country since before 1980, until such time as final passage of an immigration bill gives them the opportunity to become permanent residents. We also want to urge that the State Department and the Immigration and Naturalization Service give sympathetic consideration to Ethiopian applications for asylum, and especially that they take into greater consideration the difficulty many Ethiopians who have resided several years in this country have in providing direct, documented evidence of personal persecution, and the dangers they would face upon returning to their homeland.●

● Mr. GOODLING. Mr. Speaker, the gentleman from California (Mr. DIXON) is today introducing a resolution asking the Secretary of State to recommend to the Attorney General that extended voluntary departure status continue to be granted to all Ethiopian nationals who have continuously resided in the United States since before January 1, 1980. I am a cosponsor and supporter of this resolution because it seeks to alter a recent decision by the Immigration and Naturalization Service which could have a grave impact on many Ethiopians now living in the United States. INS has ruled that as a result of a "stabilization of conditions" in Ethiopia, thousands of Ethiopians currently residing in the United States are now subject to deportation unless they can show evidence that repatriation to Ethiopia would result in their persecution.

Following the 1974 revolution in Ethiopia, 30,000 men, women, and children were executed for political reasons. Tens of thousands were imprisoned, or exiled, as the military government under the leadership of Lt. Col. Mengistu Haile Marian, sought to consolidate its control over the country. The 1977-78 "Red Terror" campaign during which much of this carnage occurred was one of the paramount human rights tragedies to have befallen the African continent in this century. As a result of these events a substantial number of Ethiopians fled to the United States. The Mengistu government remains in power today. While there are signs that the human rights situation has improved as the government has succeeded in tightening its grip over many elements of Ethiopian society, continued abuses have been reported. In its most recent annual report, Amnesty International states that "the pattern of large-scale and often prolonged political imprisonment under harsh conditions, torture, and summary executions, has persisted through most of the country." Furthermore, the 1981 annual human rights report submitted by the U.S. Department of State estimates the number of political prisoners at over 10,000, and cites as grounds for detention "suspicion of support for one of the former political parties or ethnic groups opposing" the government.

It is clear that for many who fled Ethiopia during the latter part of the 1970's, it would be potentially dangerous to return to their country. The Department of State argues that should an Ethiopian in the United States show a well-founded fear of persecution, he or she would be granted political asylum under ordinary procedures. Given the less than perfect relations between the United States and Ethiopia, however, and the coresponding lack of information exchange, it would seem difficult if not impossible to obtain an accurate reading of how the Mengistu government would treat many of the Ethiopians who may now be deported from the United States. This is clearly not an ordinary situation calling for standard INS political asylum procedures. I urge my colleagues to support the resolution introduced by the gentleman from California (Mr. DIXON).●

VIOLENCE CONTROL ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 30 minutes.

Mr. STOKES. Mr. Speaker, on November 19, 1981, I introduced a bill, H.R. 5057, entitled "The Violence Control Act of 1982" for consideration as a study bill. Several of my colleagues in the House were cosponsors of that legislation.

The bill was an extensive document and dealt with the increasingly frequent violent acts against public offi-

cials. Among the bill's provisions were specific guidelines for dealing with the issue of offenders with mental disease or defect. The recent verdict in the John Hinckley case has focused public attention on the issue of mentally diseased offenders. Because of that factor, I believe this body must begin to address this issue. H.R. 5057 can provide a framework for that dialog.

Nothing I say today is meant as a statement on the outcome of that judicial proceeding involving John Hinckley, Jr. I do not question Judge Parker's instructions nor the jury's verdict. In fact, I feel that the jury reached the only possible verdict in light of the current law on the subject. Indeed, they are to be commended for upholding our judicial system in the face of severe pressure.

Although I do not question the judicial proceeding, I do question the law upon which that proceeding was based. As I stated on November 19, while the personnel and administration of American justice have been left to others, our job is to guarantee that procedural and substantive law are the best that can be fashioned.

Mr. Speaker, I stand before you today to ask and insist that we get on with that job, particularly in the area of mentally diseased offenders and the controversial insanity defense.

The Federal procedure and substantive law on the issue of insanity is far from the best that can be fashioned. The Hinckley trial is proof of that fact. Examination of the Hinckley case brings into focus three trouble areas in particular.

The first area concerns the definition of insanity. Congress has never spoken on the determination of when a person is legally insane so that he may be excused from the objective culpability of his acts. The Supreme Court also has never defined legal insanity. Furthermore, case law offers only a confused conglomeration of catch phrases like "knowledge of right from wrong," "product of mental disease or defect," and "irresistible impulse."

Thus reigns the battle of the expert witnesses. The test used in most Federal circuits as defined by the American Law Institute and stated in the Brauner case is whether the accused lacked substantial capacity to appreciate the wrongfulness of his acts and could no longer control his conduct.

I question the validity of this definition, its clarity, and its application. I suggest that Congress must speak out definitively on the exact meaning of insanity. Thereby, we will effectively rescue the judicial system from the legal morass that has developed over the past century.

The second trouble area concerns the commitment process that follows a verdict of not guilty by reason of insanity. As I pointed out in my statement on November 19, no provision exists in current Federal law authorizing a Federal judge to commit a person found not guilty by reason of insanity.

Let me explain the implications of this grave omission in the law. Had John Hinckley shot President Reagan in any Federal district in the country other than the District of Columbia, he would have walked out of the courtroom on Monday a free man. Only the District of Columbia has a provision authorizing mandatory commitment for treatment and therapy. I commented on this as being incredible in November and I find it still to be incredible and intolerable today as I fully realize its implications.

To remedy this omission, I included in my bill, H.R. 5057, a title containing provisions relating to mental disease. Specifically, in section 3413, my bill provides for the mandatory hospitalization of a person acquitted by reason of insanity. This provision would eliminate the possibility of future John Hinckleys choosing their forum and walking free. I emphasize here, Mr. Speaker, that only fate prevented that from happening this time.

All State jurisdictions contain such a provision. In addition, Michigan, Indiana, Illinois, and Georgia have statutes creating a verdict of guilty but mentally ill. Such a verdict was recommended by the Attorney General's task force on violent crimes to be created at the Federal level as well. Two dozen other States are currently considering bills to create a similar verdict. Indeed, one State, Idaho, has abolished the insanity defense altogether. I do not necessarily support these measures but I merely recommend them as study measures to the House Judiciary Committee who, I am sure, will give them thoughtful and careful consideration as to their efficacy.

The third problem area, while not directly related to the insanity defense, is brought to the forefront by the Hinckley case. Mr. Speaker, according to a recent examination of the subject, 50 percent of people found not guilty by reason of insanity and committed to St. Elizabeth's are released within the 4½ years. If John Hinckley stays in St. Elizabeth's just the average time, he will have ample time to publish a few articles or even write a book. He is certainly able to grant interviews and, upon his release, he will be able to appear on talk shows or even join the lecture circuit. It is conceivable, it is perhaps even inevitable that John Hinckley may profit economically from his crime. It is certainly tragic. However, this tragedy would be lessened somewhat if his victims could receive a share of those profits.

As chairman of the House Select Committee on Assassinations, I heard testimony to the effect that efforts were made to prevent the widow of Dr Martin Luther King, Jr., from obtaining access to the funds James Earl Ray hoped to realize from selling his story to the media. My colleagues and I sought to prevent this reprehensible conduct by including section 211 in our bill. This provision, which was recommended by the Select Committee on Assassinations, would create a trust to be funded by the proceeds of any contract made by the accused relating to his crime. The victims of his crime would have opportunity to sue for a share of the funds. Any remaining funds would be turned over to the accused person. In this manner, victims would be compensated to the extent their attacker profits from his crime. This trust procedure is particularly suited to situations such as the Hinckley case where someone injures several people and is acquitted so that the issue of his civil responsibility will have to be tried again in a civil proceeding. A trust provides an excellent solution to this dilemma.

Mr. Speaker, I have spoken at some length on these trouble areas in the procedural and substantive law. I have stated that our job must be to guarantee that procedural and substantive law are the best fashioned by creative men and women. Mr. Speaker, I suggest that we get to work.

□ 1740

FIFRA: SECTION 24(a)—A REASONABLE AND REALISTIC APPROACH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 15 minutes.

● Mr. FITHIAN. Mr. Speaker, I rise today to speak about section 24(a) of H.R. 5203, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) which will soon come to the House floor.

Beginning in the spring of 1981, the Subcommittee on Department Operations, Research, and Foreign Agriculture has given significant and careful attention to amendments to FIFRA. On April 27 of this year, the subcommittee voted out this legislation. The House Agriculture Committee passed this legislation on May 6.

I would like to take this opportunity to discuss section 24(a) and the problem with State authority. This compromise language will move toward eliminating the two basic problems that now exist, that is, long registration delays and unnecessary data generation requests. Such excessive State regulation will increasingly impose economic hardship upon the pesticide industry and deprive consumers of safe and effective pesticides needed to control pests which disrupt our economy and reduce the quality of our lives.

While the compromise leaves intact the State's authority to regulate the sale or use of a pesticide, it also establishes an orderly procedure for reasonable data requests and timely registration by the States.

Since the passage of the 1978 FIFRA amendments, I have frequently admonished the chemical and pesticide industry to work out their own internal disagreements and put forth a plan upon which they could agree. During this period of time the National Agricultural Chemical Association, the Pesticide Producers Association, and the Chemical Specialties Manufacturers Association have reached a compromise agreement on the three major sections of H.R. 5203: sections 3, 10, and 24(a). Having worked on this legislation for more than 7 years now, I am pleased that the chemical and pesticide industry have agreed on these critical sections.

On section 24(a) specifically, these three trade associations are supported by the National Pest Control Association, International Sanitary Supply Association, National Forest Products Association, and the Southern Agricultural Chemical Association.

In addition to the support of various segments of industry, many California organizations support changes in section 24(a), including the California Farm Bureau Federation, California Forest Protective Association, Western Growers Association, and the Agricultural Council of California. About 25 members of the Rural Caucus of the California legislature signed a letter supporting changes in section 24(a). Recognizing the numerous registration problems in the State of California, these California based groups and organizations representing rural and agricultural interests strongly feel that something must be done to increase the availability of sale and effective pesticides needed to control pests which disrupt our economy and reduce the quality of our lives. Many of these California agricultural groups find that their members are at an economic disadvantage since they can not obtain pesticides that farmers in other States can secure. Something must be done to correct this situation, and the adoption of section 24(a) of H.R. 5203 will, I believe, resolve the present problem.

The major farm organization, American Farm Bureau Federation, has taken a position not to oppose this provision. Other groups such as National Farmers Organization and Farmers Union have remained neutral on section 24(a).

Section 24(a) of H.R. 5203 is opposed by the State of California, the National Association of State Departments of Agriculture, and some environmental and labor organizations. The EPA is reluctant to assume these additional responsibilities.

Over the course of the last 12 months, the opponents of section 24(a) have refused to discuss or negotiate any changes to this section, largely because they were opposed to any and all changes. Despite this rigid and inflexible position, the subcommittee and its staff worked out what, I believe, is a workable and reasonable compromise on section 24(a) that leaves intact the State's authority to regulate the sale and use of a pesticide, but also establishes an orderly procedure for reasonable data requests and timely registration by the States.

This compromise was strongly supported by the subcommittee which approved it by a 7 to 2 vote. In the full Agriculture Committee, there was no attempt to delete or modify section 24(a) largely because of the tremendous support on both sides of the aisle. The full committee then passed the bill out by a voice vote.

I would respectfully urge my colleagues on both sides of the aisle to support this much needed legislation which presents a reasonable and realistic approach to removing the long registration delays and eliminating the unnecessary State data requests. I would urge your support of section 24(a) of FIFRA.

● Mr. CHAPPIE. Mr. Speaker, I rise today to speak about section 11 of H.R. 5203, a bill to amend the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) which will soon come to the House floor.

Beginning in the spring of 1981, the Subcommittee on Department Operations, Research and Foreign Agriculture has given significant and careful attention to amendments to FIFRA. On April 27 of this year, the subcommittee voted out this legislation. The House Agriculture Committee passed the legislation on May 6.

I would like to take this opportunity to discuss section 11 of this bill which would amend the current FIFRA section 24(a) and the reasons giving rise to this particular amendment.

Since FIFRA is a very technical and far-reaching piece of legislation, it is necessary in order to understand the issue here to comprehend two basic premises: First, the pesticide industry regulated by EPA under FIFRA is a very broad chemical industry encompassing not only agricultural pesticides but such common chemicals as household disinfectants and sanitizers, and home, lawn and garden insecticides; and second, that all of these products prior to sale must first obtain an EPA Federal registration which subjects each product to Federal requirements to insure safety effectiveness.

In addition to these Federal requirements, the present section 24(a) of FIFRA permits the State to regulate the sale and use of pesticides within the borders of each particular State. Most States in fulfilling this responsibility have imposed a similar registration requirement like that of the Federal EPA accompanied by fees for each registration application; such fees used to administer and enforce the State pesticide program. Thus, in effect, a manufacturer wishing to market a pesticide must, for all practical purposes, obtain two registrations, the Federal EPA and the individual State for which the product is intended to be marketed.

Pesticide manufacturers recognize that a State may have special concerns relating to the use of a pesticide in that particular State caused by a variety of legitimate concerns such as geography, worker safety, rainfall, or other environmental concerns generally unique to that particular State. In the past, where a State has expressed these concerns prior to granting a registration, the manufacturer/applicant and the State regulatory officials would discuss the issue and, in some cases, the manufacturer would generate additional data beyond that required by EPA to satisfy the State's concern that the pesticide was safe and effective for its intended uses in that particular State. These State requests for generation of additional data beyond the Federal requirements were, however, selective and not imposed on the industry as a whole on an across-the-board basis. Moreover, the registration system in the States is generally only valid for 1 year. Thus, a State's timely processing of registration applications is critical, particularly in view of seasonal demands for pesticide products.

Unfortunately, problems in the regulatory administration of the registration procedures in at least one State and legislation introduced in several other States have crippled or threatened to cripple legitimate pesticide manufacturers' ability to sell their products even though the products have received a Federal registration from the Environmental Protection Agency. The registration process in California for at least the last 2 years has resulted in a direct bar of the sale of needed pesticides within the State, because that State's registration process in some instances has taken close to 2 years to complete. The State has imposed severe additional data generation requirements, virtually across the board to all manufacturers rather than on a selective basis with the resultant effect that firms who have a Federal registration and State registrations in virtually every other State cannot sell their products in the State of California. The issue raised by the section 24(a) amendment is not one of a State's right to regulate but merely the issue of whether the Congress of the United States should exercise its prerogative to set legitimate criteria

for the fair and speedy processing of State registration applications.

The problem highlighted by the situation in California is not a new one. The pesticide industry has testified on numerous occasions within the past 2 years advising the Congress of the stifling and unreasonable regulations imposed by the State of California. The industry has attempted to work within the framework of the State regulatory system since 1979 to modify data requirements and other unreasonable regulatory burdens. On September 5, 1979, at a hearing held before the State of California Department of Food and Agriculture concerning proposed changes in regulations pertaining to economic poisons, the industry warned that the regulations imposed by the State were geared to agricultural-type products without taking into consideration the other significant segments of the pesticide industry, namely home, lawn and garden insecticides as well as disinfectants and sanitizers. Those comments which I have incorporated here as appendix I also brought to the forefront at that early date the question of generation of data required by States and particularly duplicative data requests. This early submission forebodingly warned of the consequences which would follow if California registration procedures for registrations were not fair and equitable:

> The debate as to the authority under section 24(a) of the States will increase and will culminate either in legal challenges or in additional attempts to amend the Federal act if States impose requirements so contrary to those of the Federal levels so as to make it impossible for manufacturers to market products on a regional or national basis.[1]

When the State issued its final revised registration requirements in virtually the same form as proposed, the industry sought to secure legislative changes in the State legislature. When these efforts were unsuccessful, the industry filed suit in the U.S. District Court for the Eastern District of California (NACA against Rominger). This litigation is still pending but has been temporarily set aside, awaiting developments of this Congress with respect to this issue. Subsequent to the filing of the suit, the industry has continued to attempt to modify the current pesticide registration procedures through dialogs with the State of California Department of Food and Agriculture officials, participation in administrative rulemaking and finally by diligent and painstaking efforts to amend the Federal statute to correct the burdensome and unnecessary data requests imposed by the State of California to mandate a reasonable time for the processing of all State registration applications and to head off numerous similar problems which have already arisen in State legislative bills already introduced.

[1] Statement of the Chemical Specialties Manufacturers Association before the State of California Department of Food and Agriculture concerning Proposed Changes in Regulations Pertaining to Economic Poisons, September 5, 1979, pages 6-7.

EXISTING CALIFORNIA REGISTRATION PROBLEMS UNDER CURRENT FIFRA SECTION 24(a)

Testimony elicited at four hearings of the Subcommittee on Department Operations, Research and Foreign Agriculture has clearly established the fact that problems exist in California with respect to the registration of pesticides and that legislation has indeed been introduced in other State legislatures which threaten to further dismantle the Federal and State registration scheme mandated by this Congress in passing the FIFRA pesticide legislation. Set forth below in summary form are a number of these problems:

First. In 1981 and early 1982, the State of California indicated that no problem existed in their registration process. Now California comes before the Congress to say that the State has now resolved these nonexistent problems.

Second. California is requiring virtually all applicants for State registration to develop new data and undergo additional review at the State level on the same products already registered by EPA at the Federal level.

Third. In a letter from Mr. Richard Rominger, California director of CDFA, to House subcommittee chairman, Congessman GEORGE BROWN, dated July 13, 1981, he stated that:

> About 85 percent of the applications for California registrations are subject to data requirements beyond those of EPA.

In spring, 1982, the State of California is still asking for additional data beyond that required for a Federal registration on 80 to 85 percent of all applications.

Fourth. In requesting this additional data, the State is not citing any factual reason or purpose for its request, and continues to use a series of form letters to request additional data from applicants.

Fifth. On products that should be routinely registered or re-registered, such as a logo change, a name change, a fragrance change, or color change or "me-too" products previously registered in California, the State is requesting additional data.

Sixth. In making requests for additional data, California has not taken into account the difference in concept and usage between various classes of pesticides and differences in environmental risk and the appropriate data for evaluating such risk between agricultural and non-agricultural pesticides.

Seventh. California continues to require all applicants for registrations to submit summaries of data submitted to EPA. While this appears to be a reasonable requirement on the surface, it is actually impossible for companies to satisfy, especially small firms. Under the Federal data compensation system, a registrant may satisfy data requirements by referencing previously submitted information, even where that material was produced by another company. The second registrant therefore may be relying on test results and summaries which it has not seen, but which it knows satisfy EPA's concerns over the safety of the product. This material is not available to the registrant when it applies to CDFA, and so it cannot satisfy the requirement for summaries.

Eighth. California has refused to separate registration applications into two stacks, one for alleged toxic materials or new active ingredients or new uses of old products or new products not previously registered in the State, and a second for products that could be routinely registered or re-registered such as a logo or name change, or a change in fragrance or color additive, or "me-too" products. The California registration process will remain clogged until the State alters its present system which treats all products in the same manner, without designing scientific priorities.

Ninth. Although California law requires registration of pesticide products in 60 days, industry has experienced delays of between 1 and 2 years. California says that it has solved its manpower problem and that the current registration backlog has been or will be resolved by July 1, 1982. There is no evidence that California can catch up.

POTENTIAL PROBLEMS WHICH WILL ARISE IN OTHER STATES WITHOUT CLEAR FEDERAL GUIDANCE TO STATES WITH RESPECT TO THE REGISTRATION PROCESSES

Testimony at the DORFA hearings clearly established that it is not necessary to create 50 "little EPA's" to effectively stifle interstate commerce in the production and marketing of pesticides. In fact, four or five major States with large markets could effectively disrupt national marketing and advertising programs by imposing additional data requirements beyond those of the EPA.

The record shows that other States have attempted to expand their pesticide programs to exceed or at least duplicate the Federal requirements. In addition, there is ample evidence which indicates that even townships and cities are considering the imposition of regulation of pesticides. These substate regulatory requirements will further disrupt the manufacture and marketing of valuable pesticides needed for agriculture and to improve the quality of our lives. Other States which have attempted to expand their pesticide programs to exceed or dupli-

cate Federal requirements are as follows:

New York has attempted to require environmental impact statements prior to registration.

Massachusetts would require submission of duplicate EPA data or generation of additional data.

Maine has attempted a third category of restricted products.

West Virginia would require notification of adjacent land owners, including absentees, of pesticide application.

Oregon would extend pesticide regulatory authority to substate levels of government.

New Jersey consideration of a model ordinance which would permit cities, townships, and so forth, to require permits, posting of signs, notification of adjoining property owners, and other restrictions prior to spraying of even household aerosol pesticide products.

These documented problems amply illustrate that this Congress should take corrective action to insure that requests for additional data by States are necessary, legitimate, and reasonable. Moreover, simple fairness dictates a reasonable time for processing State registration applications. The section 24(a) amendment to H.R. 5203 will accomplish these goals. Accordingly, I respectfully urge my colleagues to support this needed amendment to section 24(a) of FIFRA.●

● Mr. THOMAS. Mr. Speaker, I rise today to speak in favor of section 24(a) of H.R. 5203, a bill to amend the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), which will shortly be considered on the House floor.

In early 1981, the Subcommittee on Department Operations, Research, and Foreign Agriculture began a careful examination of FIFRA and concluded that certain changes were needed in addition to reauthorizing the law. After a year of extensive deliberation with the pesticide industry, environmental groups, and Federal and State officials, the subcommittee voted out H.R. 5203. This bill reflected the many compromises that were developed. On May 6, 1982, the full House Agriculture Committee reported the bill with some modifications.

As you know, FIFRA requires that the EPA review the health and safety data of many pesticide products that are used in our homes, in commercial industry and agriculture, and classify these products as to their intended uses. Ultimately, EPA registers these products, which then allows them to be sold in interstate commerce. In addition to this Federal registration, FIFRA gives the States broad authority to require similar review and registration of products. Every State now has some form of yearly registration program for products covered under FIFRA.

The pesticide industry has worked closely with every State to insure a workable registration program. In recent years a problem has developed. The section 24(a) language contained in H.R. 5203 is designed to address that problem in a reasonable and equitable manner.

Certain States have begun to require registrants to submit additional data to support their registrations. This is data over and above that which the Federal EPA requires for registration. In the absence of some legitimate special local concern, their additional data requirements place an undue burden on companies which already have Federal permission to market their products, and have received similar clearances from other States.

There are many problems that are created when a State imposes unnecessary and unreasonable registration data requirements. In a State like California, registration delays have taken as long as 15 and 24 months, thus companies are denied the opportunity to market their products. Even though a product is registered at the Federal level and in many States, delays in only one State can be very costly. Many times a company will miss a growing season, and in a State like California, which utilizes some 25 percent of the pesticides in the Nation, the losses can be staggering.

In addition to the excessive delays, some States like California are requesting additional data above and beyond what is required to register the same product at the Federal level EPA. Frequently the State does not demonstrate the need or the reason for the additional data or requests inappropriate data. Changes in the test data requirements sometimes occur in midstream, resulting in altered or increased data requirements for registration. Inconsistent review of applications has compelled applicants to comply with different and often contradictory requirements to obtain similar or identical State registrations.

There are many economic consequences of unnecessary and unreasonable state regulations. Competition is effectively stymied. Manufacturers are effectively prevented from getting their products on the market because they are locked out. Consumers and users are denied safe as well as useful and effective pesticide products. Farmers in one State are put at a competitive disadvantage because they do not have available the same pesticides that are available to other farmers in neighboring States. Some California companies are permitted to sell their products to other States, but cannot market them in California.

There is also a major impact on the national distribution channels because a company cannot sell in California or some other State. National advertising programs are disrupted if a compnay cannot sell or market its product in California or another major market. This is all due to a single delayed registration and in some cases, results from something as harmless as a change of a logo or name change.

My colleague, the gentleman from California (Mr. COELHO) and I are preparing a "Dear colleague" expressing our support for the section 24(a) amendments now found in H.R. 5203. As representatives of some of the Nation's most productive agricultural regions, we are acutely aware of the need for both safe pesticides and reasonable registration processes. In sharing my thoughts on this important issue, I invite my colleagues to add their signatures to the letter the gentleman from California and I are circulating and urge them to support H.R. 5203's secton 24(a) amendments when the bill comes to the floor.●

FIFRA: SECTION 24 (A) AND EPA

PART I: PRECEDENTS FOR EPA REVIEW

● Mr. FITHIAN. Mr. Speaker, I rise today to speak about the EPA review that has been included in section 11 of H.R. 5203, which amends section 24(a) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and which will come to the House floor after the July district work period.

During the last year and one half of discussion in the subcommittee of Department Operations, Research, and Foreign Agriculture (DORFA) of the Agriculture Committee, many proposals were advanced to resolve the registration problems that exist in California and that now threaten to spread to other States. The subcommittee, adopted and the full committee approved, the proposal that is presently in H.R. 5203 concerning section 24(a).

This compromise amendment is built around EPA oversight of the State's data request when such requests are made based on special local concerns or upon a State's belief that additional data beyond that required by EPA should be generated. The compromise retains the present state authority to regulate sale or use of pesticides, but imposes the following standards for State review and requested generation of data.

First, in the case of special local concerns pertaining either to an increased risk or any unreasonable adverse effect on the environment or reduced efficacy of the pesticide within the State, the State may require additional data but must give the applicant written notice and justification for doing so. For nonagricultural pesticides, the State's request for special local concern data is subject to EPA review and subject to overruling or modification upon a finding that the State's request is arbitrary or capricious. State requests for additional agricultural use data based upon a spe-

cial local concern are not reviewable by EPA.

Second, a State's request for data which does not come within the realm of special local concern data is reviewable by EPA for both agricultural and nonagricultural products. EPA may disapprove a data request upon a finding by the Administrator that the request is "arbitrary or capricious or that there is no reasonable basis for making use of the data in connection with a State determination as to registration or approval of the pesticide." In general, products in this category are to be granted registrations pending further review.

In essence, the EPA review is targeted for nonagricultural products, like toilet bowl cleaners, household disinfectants, and other home, lawn and garden products, where the State has expressed a special local concern and for both agricultural and nonagricultural products where the requests for data which do not come within the realm of special local concern. This limited EPA overview is a practical and realistic solution to the present registration problems at the State level.

Those who oppose the EPA overview in section 24(a) frequently suggest that it will establish a precedent for Federal action that will impede State pesticide regulation and hinder a State's ability to conduct its program. I would respectfully ask these opponents of section 24(a) to reread FIFRA, especially the three existing provisions for EPA overview presently in the statute. These provisions established the historical and legal precedent for including an EPA overview in section 24(a). I would like to take a moment to examine these three precedents.

First, under the provisions of section 24(c), a State is permitted to provide registration for additional uses of federally registered pesticides for distribution and use within the State to meet special local needs. The EPA Administrator retains the authority to review these State registrations and disapprove them within a 90-day period. The Administrator is given further authority to immediately disapprove any registration that is inconsistent with the Federal Food, Drug, and Cosmetic Act or if the pesticide represents "an imminent hazard."

Second, under section 27, dealing with State enforcement of State pesticide use regulations, the EPA may respond to a complaint within a State if the State has not responded to it within 30 days; thus the Administrator has the authority to supercede the authority of the State. In addition, if the Administrator determines that the State enforcement programs remain inadequate, the Administrator may "rescind, in whole or in part, the State's primary enforcement responsibility for pesticide use violations." Consequently, the Administrator was given the responsibility to review State enforcement actions and, if necessary, take over the State programs.

Third, under the provisions of section 18, the Administrator "may exempt any Federal or State agency from any provisions of this act if he determines that emergency conditions exist which require such exemption." This provision clearly demonstrates another instance where the Administrator has the authority to review State agency actions.

In each precedent, an overview role may be exercised by the Administrator of EPA. It is surprising that opponents have objected to an EPA overview function incorporated in the amendment to section 24(a). It is even more surprising when one considers the fact that the overview required by sections 24(c), 27, and 18 involve consideration of the merits of the State decision, always including scientific appraisal of the factual data and often including risk-benefit evaluation, while the proposed EPA overdetermine if the State request for additional data is arbitrary or capricious.

Finally, Mr. Speaker, objections of the opponents to the EPA overview in section 24(a), become astonishing because, these opponents have endorsed in H.R. 5203 section 12, an amendment that would give the Secretary of Labor, an overview in employee discrimination disputes pertaining to specific administrative actions under FIFRA. I am not discussing the merits of this provision. I am simply saying, Mr. Speaker, that providing a precedent setting overview authority in FIFRA to the Secretary of Labor and opposing an overview authority to the EPA Administrator who not only has total authority for FIFRA and has existing overview authority under sections 18, 24(c) and section 27 of FIFRA flies in the face of logic and sound law.

I would respectfully urge my colleagues in the House to support section 11 of H.R. 5203 which amends section 24(a) of FIFRA.

PART II: ITS IMPACT ON EPA

Mr. Speaker, I rise today to speak about section 24(a) of H.R. 5203, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) which will soon come to the House floor.

Beginning in the spring of 1981, the Subcommittee on Department Operations, Research, and Foreign Agriculture has given significant and careful attention to amendments to FIFRA. On April 27 of this year, the subcommittee voted out this legislation. The House Agriculture Committee passed this legislation by voice vote on May 6.

I would like to take this opportunity to discuss section 24(a) and the problem with State authority. The most important and most critical provision of this section provides for an EPA overview of a State's request for additional data: First, in the review of a State's special local concern for nonagricultural products; and second, for the nonspecial local concern for both agricultural and nonagricultural products.

It has been argued by opponents of section 24(a) that this amendment would saddle EPA with numerous data reviews, would spawn new litigation, and would create yet another layer of bureaucracy. This description, however, does not hold up under careful scrutiny.

The EPA will not be heavily burdened with industry requests for their review of State data requests, and there will not be an inordinate amount of time spent on these requests.

First, there is no EPA overview, and hence, no EPA involvement in the area that the States have shown concern the most special local concerns for agricultural products. Since there is no EPA overview, the State is free to prohibit sale, require additional data, and impose other requirements it feels are necessary to assure that the pesticide will be safe and effective under the unique conditions existing within a particular State.

During the lengthy hearings in 1981 and 1982 conducted by the subcommittee of Department Operations, Research, and Foreign Agriculture, chaired by Congressman GEORGE BROWN, some examples of misuse or abuse of pesticides in the agricultural areas was heard by the subcommittee. Section 24(a) was fashioned deliberately to take into consideration the testimony of these witnesses. Consequently, pesticides utilized in commercial agricultural areas in which the State has a special concern, were exempted from an EPA overview.

Second, the number of EPA reviews of nonagricultural products such as disinfectants and sanitizers will be minimal. The utilization of a household product is much the same in San Francisco as it is in Chicago, Dallas, Miami, Washington, D.C., New York or Boston. It is difficult to envision a special local concern for a nonagricultural product. It is even more difficult to envision a special local concern for a name change, or a logo change, or a fragrance change, or a color change. The provisions of section 24(a) are essentially designed to encourage the State to have an understandable reason for requesting additional data, and it is unlikely that the State will frivolously request such data for these circumstances.

Third, if a special local concern is expressed by the State, the EPA would act merely to insure that a data request is not arbitrary or capricious as in the case of California which has requested additional data on 80 to 85

percent of all registrations. If the EPA Administrator agreed with the State's request for additional data, the Administrator could rightly request that the Federal EPA registration be supplemented with this data. If such a general use, nonagricultural product does have a problem in California, it would likely have a problem in other States as well, and companies will want to resolve these problems as quickly as possible.

Fourth, there will be no State requests or EPA reviews of requests for existing data since the State will be able to routinely obtain these materials from the EPA, and there are no provisions for an EPA overview.

Fifth, in areas that are not subject to a State's special local concern, there should be few State data requests. Since the State has not expressed a deep interest in these products and that their concern was not elevated to a special local concern, it is unlikely that there will be many additional data requests by the State in this general use. The purpose of this provision is merely to direct that the States have a reason for requesting the additional data.

Sixth, where a State does not request additional data from a registrant, this new language, in section 24(a) of H.R. 5203 would not have an effect. Since most States do not request additional data, they would not be affected.

Seventh, one further point with regard to potential lawsuits involving EPA: The only time that a decision by EPA is reviewable in court is when that EPA decision overrules or modifies a State's special local concern data request. Such suit, it should be emphasized, can be initiated only by the State, not industry.

Forecasts of numerous data reviews by EPA are, therefore, greatly exaggerated. Where there are few data reviews, it follows there will be no major increase in the Agency's administrative costs, the number of lawsuits or bureaucratic involvement.

The passage of H.R. 5203, and its section 24(a) dealing with State authority, will, I believe, have the effect of increasing the availability of safe and effective pesticides for the farmer, the housewife, and the consumer. I would respectfully urge my colleagues in the House to support section 24(a) of H.R. 5203.●

● Mr. WAMPLER. Mr. Speaker, I rise today to speak about H.R. 5203, a bill which would amend, among other sections, section 24(a) of the Federal Insecticide, Fungicide, and Rhodenticide Act (FIFRA) and which will soon come to the House floor.

The Subcommittee on Department Operations, Research, and Foreign Agriculture, after devoting about 1 year to the development of amendments to FIFRA, voted in favor of H.R. 5203. On May 6 of this year, the House Agriculture Committee by voice vote approved this legislation.

I wish to discuss the question of States' rights. I will show that States' rights are in no way infringed by the 24(a) amendment and that they should therefore not be allowed to become an issue in our consideration of this legislation.

I consider myself to be second to none as a supporter of States' rights. I believe that my record in the Congress will reflect that and I submit that my position on this bill does not detract from my long history of support of States' rights when it comes to Federal-State relations. Therefore, I ask your consideration of my views on this issue as it relates to the amendment of section 24(a) of the FIFRA Act.

When FIFRA was amended in 1972, the House created the present authority for the 50 States to implement this Federal law at the State level. Since 1972, section 24(a) has read:

(a) A State may regulate the sale or use of any federally registered pesticide or device in the State, but only if and to the extent the regulation does not permit any sale or use prohibited by this Act.

Thus Congress provided the authority for each State to regulate the sale and the use of each pesticide registered on the Federal level by EPA. Congress earlier had made it unlawful to sell or use a pesticide in this country unless that pesticide was registered by EPA.

Therefore, Federal registration was made a precondition for State registration.

Three exceptions were provided. One exception, contained in section 24(c), permits a State to provide registration for additional uses of federally registered pesticides for distribution and use within that State to meet special local needs. However, such a State registration is reviewable and subject to cancellation by EPA within a 90-day period. The second exception was included in section 27 entitled "Failure by the State to assure enforcement of State pesticide use regulations." The EPA Administrator was granted the power to act on any complaint or "rescind, in whole or in part, the State's primary enforcement responsibility for pesticide use violation." The Administrator was also given emergency power to overrule a State. The third exception, contained in section 18, permits the Administrator of EPA to exempt any Federal or State agency from any provision of FIFRA if he determines that an emergency exists.

In each exception, it will be noted, an overview role is to be exercised by the Administrator of EPA. It is, therefore, puzzling and surprising that the administration has opposed the EPA overview function incorporated in the amendment to section 24(a). It is even more surprising when one considers the fact that the overviews required by sections 24(c), 27 and 18 involve consideration of the merits of the State decision, including always scientific appraisal of the factual data and often risk-benefit evaluation, while the proposed EPA overview in the section 24(a) amendment requires no more than that the EPA Administrator determine if the State request for additional data is arbitrary or capricious.

Mr. Speaker, without this amendment to section 24(a) there is no reason a State already requesting data in an arbitrary or capricious way would not continue to do so. This must not be permitted. Government, neither Federal nor State. should be allowed to implement the law arbitrarily or capriciously. Such government is costly and wasteful. State government should not be permitted to operate according to their own agenda without the need to be reasonable and without the need to adhere to some scientific guidelines or requirements. The products the States review for registration are products that have already undergone substantial review before registration by EPA, taking sometimes many years to complete. If each State imposes it own set of data requirement after EPA has established national scientific standards and required the registrant to supply data, why then is there a need for a Federal agency? Furthermore, the individual State lack sufficient resources in manpower, scientific expertise and funds to properly and effectively evaluate each product submitted for registration.

Registrants submitting data in compliance with EPA standards spend thousands to millions of dollars to provide the information EPA requires for registration. Having obtained Federal registration, these registrants must then apply for registration in each State where the product will be sold or used. State registrations with rare exception are valid for only 1 year and must be renewed annually. As things stand, the registrant could encounter different testing requirements in each State. Of course, one would not anticipate all 50 States to act so unreasonably. But it would not be necessary for more than a few States to act arbitrarily or capriciously to create serious problems for registrants and, ultimately, to increase the costs of pesticides to all those using them.

Most pesticides are marketed interstate and marketing programs are based on national distribution. When a State imposes unreasonable data requests and prevents a company from marketing its product in that State, distribution networks are severely affected. As the product cannot legally be sold or used in that State, separate shipping procedures must be utilized for such products. If this occurs for

different products in different States, companies will be faced with a difficult, if not an impossible, task of distributing their products. There would be no acceptable objection to this situation if there were sound reasons for a State preventing the sale or use based on specific data needs prior to registration. But should interstate commerce be adversely affected by arbitrary or capricious requests? The answer is obviously no.

The amendment to section 24(a) would only prevent arbitrary or capricious data requests from being imposed on a State by State basis. Reasonable data requests may continue to be imposed by each State and, as I indicated at the outset, the States retain the exact authority currently granted by FIFRA to prohibit or restrict the sale or use of any pesticide within their borders. Thus States' rights are maintained as they currently exist. The amendment to section 24(a) only adds a procedure, applicable to only certain pesticide uses, that would allow a State's request for data to be reviewed by EPA and then only if the applicant believes that request to be arbitrary or capricious. If the applicant does not raise such a question when a State requests data, then this amendment would not be implemented. There are States where data is rarely requested and only on a reasonable basis. The amendment would not affect these States.

During the past few years, a serious problem involving unreasonable data requests has evolved in the State of California, and legislation has passed or has been introduced in other States that would permit a similar potential for unreasonable requests for data. The signals are clearly before us. A solution is necessary now. We cannot wait until this problem is out of hand. We cannot wait until agriculture and commerce are severely affected. H.R. 5203 provides a reasonable and workable solution. A solution that has resulted from compromise. And, again, this compromise does not weaken the States' rightful authority.

If this amendment to section 24(a) is not enacted, each State could not only make individual data requests but set different standards and protocols for satisfying those data requests. There would result not only a wasteful duplication of effort but also differing results based on different tests. Does it not make better sense, as well as better government, to have one agency with the necessary expertise to coordinate such requests and, based on the national and indeed international body of knowledge, judge if a request for data is reasonable on the one hand, or aribitrary or capricious on the other? Is it not more sensible to have a single agency that is concerned with national needs to provide guidance to the States on testing standards and protocols so that there will be a uniformity in our scientific data bank that can be evaluated on the same national basis? This agency does exist. It was created by Congress over a decade ago to provide national authority and expertise on environmental matters, including the sale and use of pesticides and the national standards on which the registration of the pesticides are based.

The Environmental Protection Agency has, since its inception, set national standards. It has been given the staff to do the job. If we permit each State to set different standards for data collection we will undermine the EPA. To permit different scientific standards to be imposed State by State will result in scientific confusion. And if the only recourse a company has is to argue its case in State courts, with different scientific standards in each State, then legal confusion will result as well. Should we permit this to happen, those who will also suffer will be those who use the products affected and benefit from these uses.

The individual States, by authority granted in FIFRA, can regulate the sale and use of pesticides more restrictively than the EPA. The proposed amendment to section 24(a) would not change this authority. The real issue the amendment to section 24(a) addresses is uniformity and reasonableness in the basis for decisionmaking.

I urge you to separate the issues carefully. The amendment to section 24(a) of FIFRA maintains precisely the same authority the States now have. At all times, the State maintains the upper hand. The State is not preempted from regulating the sale or use of a pesticide within the State. The State may deny a registration at any time without explanation. The State may ban a product at any time. The State may cancel a product already registered. The State may prevent any product from being timely registered in 60 or 120 days by rejecting the registration. At every step, the State maintains the final authority, as it rightly should, to act to protect the health and safety of its citizens. In short, if a State does not request data it can act in any manner it chooses and its independence of action is unaffected. Only when it makes a request for data, scientific data, is there imposed a procedure to guard against arbitrary or capricious actions.

I urge you to support the amendment to section 24(a) as contained in H.R. 5203 in order to strengthen our national standards, not to weaken them; to strengthen our scientific decisionmaking, not to weaken it; and to provide a uniform system under which commerce can operate efficiently to the benefit of all.●

● Mr. STENHOLM. Mr. Speaker, I rise today to speak about section 24(a) of H.R. 5203, a bill to amend the Federal Insecticide, Fungicide, and Rhodenticide Act (FIFRA) which will soon come to the House floor.

Beginning in the spring of 1981, the Subcommittee on Department Operations, Research, and Foreign Agriculture has given significant and careful attention to amendments to FIFRA. On April 27 of this year, the subcommittee voted out this legislation. The House Agriculture Committee passed this legislation on May 6.

I would like to take this opportunity to discuss section 24(a) and its importance for the chemical pesticide industry, for farmers, as well as home, lawn, garden, industrial and institutional users, and indeed governmental users. This critically needed legislation will correct a wrong that presently exists in the law, and which, if not rectified, threatens to grow and spread across this country.

I believe that section 24(a) is important for the following reasons:

First, it will move toward eliminating the two basic problems that now exist; that is, long registration delays and unnecessary data generation requests by State agencies.

Second, the legislation will establish an orderly procedure for reasonable data requests and timely registration by the States.

Third, it will establish an EPA review of a State's request for special local concern data for nonagricultural products (but not agricultural products.) The EPA may overrule or modify a State's request upon a finding that the State's request is arbitrary or capricious.

Fourth, this bill would establish an orderly registration procedure at the State level, thus permitting pesticides to be marketed and allowing the consuming public to avail themselves of these products.

Fifth, the legislation will end the inequities that presently exit between States, and put all farmers and users on the same competitive basis. Farmers in one State would then be able to to obtain the same pesticides that are available in other States, thus the citrus fruit grower in California, Texas, Florida, and other States would enjoy the same opportunities.

Sixth, it will assist manufacturers in establishing national marketing and advertising programs for all States while providing useful and effective pesticides to consumers and users.

Seventh, it will remove some of the ecomonic hardships placed upon the pesticide industry and allow consumers and users to obtain safe and effective pesticides needed to control pests which disrupt our economy and our food supply, and reduce the quality of our lives.

Eighth, it will neither preempt the State's authority nor prohibit a State

from banning a product or denying a registration. The amendment does not infringe on a state's right to regulate the sale or use of a pesticide.

Thus, H.R. 5203 and section 24(a) represents a reasonable and workable compromise that presents a equtiable solution to the complex situation.

The importance of the 1982 FIFRA amendments and section 24(a) cannot be overstated. It is critically important that the Congress address the current problems within the FIFRA legislation and provide solutions that will stand the test of time. I would respectfully urge my colleagues in the House to support section 24(a) of H.R. 5203, and approve these much needed changes in the FIFRA legislation.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BOLAND) is recognized for 15 minutes.

● Mr. BOLAND. Mr. Speaker, yesterday I was granted a leave of absence to attend the funeral of one of my closest friends. My attendance at that funeral necessitated my missing a number of recorded votes in the House. Had I been present, I would have voted in the following manner on those rollcalls:

Roll No. 165 (on approving the Journal); "aye."

Roll No. 166 (on resolving into committee for the further consideration of H.R. 4326); "aye."

Roll No. 167 (on passage of H.R. 4326, the Small Business Innovation Development Act); "aye."

Roll No. 168 (on passage of H.R. 6631, to authorize humanitarian assistance for the people of Lebanon); "aye."

Roll No. 169 (on passage of Senate Concurrent Resolution 98, congratulating Thailand on the occasion of its bicentennial); "aye."

Roll No. 170 (on the Marks amendment to H.R. 6337); "aye."

Roll No. 172 (on passage of H.R. 6337, the National Energy Policy and Conservation Act of 1982); "aye."●

I feel particularly strongly, Mr. Speaker, about the need to provide the kind of humanitarian assistance to the people of Lebanon authorized in H.R. 6331. The civilian population in Lebanon has paid, and is paying, a terrible price in the current fighting. Thousands of innocent people have been killed or wounded in the crossfire between Israeli, Syrian, and Palestinian forces. The number of homes and businesses which have been damaged or destroyed may not be accurately known for weeks. There is a tremendous need for short-term relief, in the form of medical supplies, food, and shelter, and for long-term relief, in the form of reconstruction and rehabilitation assistance. The United States has already provided $15 million in emergency assistance, an action which I strongly support, and H.R. 6331 will provide an additional $50 million. It may be necessary to do more, but I believe it is absolutely essential that we take the steps necessary to reduce the level of suffering now being experienced by the Lebanese people.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LOWRY of Washington (at the request of Mr. WRIGHT), after 3 p.m. today, on account of illness.

Mr. HUTTO (at the request of Mr. WRIGHT), for today, on account of a family medical emergency.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DOUGHERTY) to revise and extend their remarks and include extraneous material:)

Mr. PAUL, for 60 minutes, today.
Mr. BEREUTER, for 5 minutes, today.
Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. NELSON, for 5 minutes, today.
Mr. BARNES, for 5 minutes, today.
Mr. FORD of Tennessee, for 5 minutes, today.
Mr. MAZZOLI, for 5 minutes, today.
Mr. GORE, for 10 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. ENGLISH, for 5 minutes, today.
Mr. KASTENMEIER, for 5 minutes, today.
Mr. SHELBY, for 5 minutes, today.
Mr. DIXON, for 15 minutes, today.
Mr. STOKES, for 30 minutes, today.
Mr. FITHIAN, for 15 minutes, today.
Mr. BOLAND, for 10 minutes, today.
Mr. ALEXANDER, for 60 minutes, on July 14.
Mrs. SCHROEDER, for 60 minutes, on July 14.
Mr. EDGAR, for 60 minutes, on July 14.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DOUGHERTY) and to include extraneous matter:

Mr. BUTLER.
Mr. LUNGREN.
Mr. COATS.
Mr. BENEDICT.
Mr. MCGRATH.
Mr. RUDD.
Mr. PASHAYAN.
Mr. BEREUTER.
Mr. BROWN of Ohio.
Mr. DANNEMEYER in two instances.
Mr. LEBOUTILLIER.
Mr. WOLF.
Mr. CONTE in three instances.
Mr. WEBER of Minnesota.
Mr. MARRIOTT.
Mr. HOPKINS.
Mr. JOHNSTON.
Mr. GREEN.
Mr. GOODLING in four instances.
Mr. BEARD.
Mr. PAUL in three instances.
Mr. SCHULZE.
Mrs. HOLT.
Mr. DICKINSON.
Mr. KEMP in three instances.
Mr. GILMAN in two instances.
Mr. VANDER JAGT in two instances.
Mr. GINGRICH.
Mr. CONABLE.
Mr. HYDE.
Mr. NAPIER in two instances.
Mr. HANSEN of Idaho in two instances.
Mr. STANTON of Ohio.
Mr. THOMAS.
Mr. EVANS of Iowa.
Mr. PHILIP M. CRANE.
Mr. MILLER of Ohio.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. LUNDINE in two instances.
Mr. HUBBARD in two instances.
Mr. VENTO in three instances.
Mr. GORE.
Mr. ZABLOCKI.
Mr. ROSENTHAL.
Mr. DE LA GARZA.
Mr. MILLER of California.
Mr. FAZIO.
Mrs. BOUQUARD in two instances.
Mr. LOWRY of Washington.
Mr. BENJAMIN.
Mr. FLORIO.
Mr. OTTINGER in three instances.
Mr. WIRTH in two instances.
Mr. SCHUMER
Mr. LELAND.
Mr. CHAPPELL.
Mr. WALGREN.
Mr. ROSE.
Mr. MCDONALD in five instances.
Mr. SOLARZ in two instances.
Mr. DAN DANIEL.
Mr. FITHIAN.
Mr. DOWNEY.
Mr. WEISS in 10 instances.
Ms. OAKAR.
Mr. OBERSTAR.
Mr. SIMON.
Mr. DASCHLE.
Mr. BENNETT.
Mr. GUARINI.

SENATE BILL AND CONCURRENT RESOLUTION

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1409. An act to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

S. Con. Res. 100. Concurrent resolution expressing the sense of the Congress that pending steel unfair trade practice cases be vigorously pursued and promptly concluded; to the Committee on Ways and Means.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1482. An act for the relief of Christina Boltz Sidders;

H.R. 3112. An act to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes;

H.R. 3863. An act to amend the Poultry Inspection Act to increase the number of turkeys which may be slaughtered and processed without inspection under such act, and for other purposes;

H.R. 5922. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes;

H.J. Res. 320. Joint resolution imploring the Union of Soviet Socialist Republics to allow Doctor Semyon Gluzman and his family to emigrate to Israel; and

H.J. Res. 519. Joint resolution to provide for a temporary increase in the public debt limit.

BILL PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 5922. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

ADJOURNMENT

Mr. STOKES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p.m.), under its previous order, the House adjourned until Monday, June 28, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4234. A letter from the Acting Deputy Assistant Secretary for Logistics, Department of the Air Force, transmitting notice of the proposed conversion to contractor performance of the refuse collection function at MacDill Air Force Base, Fla., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4235. A letter from the Secretary of the Treasury, transmitting the annual report on the economic viability of depository institutions for the period ended March 31, 1982, pursuant to section 206 of Public Law 96-221; to the Committee on Banking, Finance and Urban Affairs.

4236. A letter from the Comptroller General of the United States, transmitting a report which disclaims an opinion on whether the Pension Benefit Guaranty Corporation's financial statements present fairly its financial condition for the fiscal year ended September 30, 1980 (AFMD-82-42, June 23, 1982); jointly, to the Committees on Government Operations, Education and Labor, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6308. A bill to insure rail safety, provide for the preservation of rail service, transfer responsibility for the Northeast corridor improvement project to Amtrak, and for other purposes; with an amendment (Rept. No. 97-571, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. HUGHES: Committee on the Judiciary. H.R. 5228. A bill to amend title 18 of the United States Code to implement the Convention on the Physical Protection of Nuclear Material, and for other purposes; with an amendment (Rept. No. 97-624). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 6159. A bill to establish a program under the coordination of the Office of Science and Technology Policy for improving the use of risk analysis by those Federal agencies concerned with regulatory decisions related to the protection of human life, health, and the environment; with an amendment (Rept. No. 97-625). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follow:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 6156. A bill to clarify the jurisdiction of the Securities and Exchange Commission and the definition of security, and for other purposes; with an amendment. Referred to the Committee on Agriculture for a period ending not later than July 30, 1982, for consideration of such provisions of the bill and the amendment as fall within its jurisdiction pursuant to clause 1(a), rule X (Rept. No. 97-626, Pt. I). Ordered to be printed.

Mr. HUGHES: Committee on the Judiciary. H.R. 6046. A bill to amend title 18 of the United States Code with respect to extradition, and for other purposes; with an amendment. Referred to the Committee on Foreign Affairs for a period ending not later than July 30, 1982, for consideration of such provisions of the bill and the amendment as fall within its jurisdiction pursuant to clause 1(i), rule X (Rept. No. 97-627, Pt. I). Ordered to be printed.

SUBSEQUENT ACTION ON BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

Consideration of the bill H.R. 5427 by the Committee on Energy and Commerce extended for an additional period ending not later than July 13, 1982.

Consideration of the bill H.R. 6113 by the Committee on Public Works and Transportation extended for an additional period ending not later than August 1, 1982.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WHITTEN (for himself and Mr. CONTE):

H.R. 6682. A bill making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes. Considered and passed.

By Mr. SHARP:

H.R. 6683. A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program; to the Committee on Energy and Commerce.

By Mr. RUSSO (for himself, Mr. SHANNON, Mr. BAILEY of Pennsylvania, Mr. FRENZEL, Mr. NOWAK, and Mr. MARRIOTT):

H.R. 6684. A bill to delay Treasury regulations on the debt-equity issue; to the Committee on Ways and Means.

By Mr. WHITTEN:

H.R. 6685. A bill making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes. Considered and passed.

By Mr. ARCHER:

H.R. 6686. A bill to allow the President an item veto in appropriations bills; to the Committee on the Judiciary.

By Mr. BAILEY of Pennsylvania:

H.R. 6687. A bill to prohibit any person from exporting from the United States any currency directly or indirectly to any person in Vietnam; to the Committee on Foreign Affairs.

By Mr. BARNES (for himself, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. DYSON, Mr. FAUNTROY, Mr. FAZIO, Mr. FRANK, Mr. GRACIA, Mr. HOWARD, Mr. HOYER, Mr. KILDEE, Mr. LUNDINE, Mr. MATSUI, Ms. MIKULSKI, Mr. MINETA, Mr. OBERSTAR, Mr. OTTINGER, Mr. PARRIS, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr.

SCHUMER, Mr. TRIBLE, Mr. WHITEHURST, Mr. WIRTH, Mr. WOLF, Mr. WON PAT, Mr. DELLUMS, Mr. DIXON, Mr. LONG of Maryland, Mr. LOWRY of Washington, Mr. STOKES, and Mr. VENTO):

H.R. 6688. A bill to amend title 5, United States Code, to provide that a reduction in force may not be conducted until certain alternative measures have been exhausted; to insure the cost effectiveness of those alternative measures and of any measures taken in conducting a reduction in force; to safeguard against unnecessary disruption, productivity loss, and harm to labor-management relations due to a reduction in force; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BEARD:

H.R. 6689. A bill to amend the Internal Revenue Code of 1954 to provide certain tax incentives for individuals and businesses in depressed rural areas, and for other purposes; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. BEREUTER (for himself, Mr. SEIBERLING, and Mr. PHILLIP BURTON):

H.R. 6690. A bill to establish a national hostel system plan, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BUTLER (for himself, Mr. KASTENMEIER, Mr. RAILSBACK, Mrs. SCHROEDER, and Mr. KINDNESS):

H.R. 6691. A bill to eliminate diversity of citizenship as a basis of jurisdiction of Federal district courts; to the Committee on the Judiciary.

By Mr. CONABLE:

H.R. 6692. A bill to amend the Internal Revenue Code of 1954 to extend tax-exempt status to organizations providing dependent care for the purpose of enabling individuals to be gainfully employed; to the Committee on Ways and Means.

By Mr. CONTE (for himself, Mr. MAVROULES, Mr. FRANK, and Mr. GEJDENSON):

H.R. 6693. A bill to amend section 103(b)(6) of the Internal Revenue Code with respect to the exemption from the industrial development bond provisions for certain small issues; to the Committee on Ways and Means.

By Mr. DANNEMEYER:

H.R. 6694. A bill to amend the Internal Revenue Code of 1954 to deny tax-exempt status to provide schools with racially discriminatory policies and to require the Secretary of the Treasury to obtain a judicial finding of racial discrimination before terminating or denying tax-exempt status to private schools on the grounds of racial discrimination; to the Committee on Ways and Means.

By Mr. DAVIS (for himself, Mr. BLANCHARD, Mr. TRAXLER, and Mr. SAWYER):

H.R. 6695. A bill to restrict the jurisdiction of the Corps of Engineers to regulate certain activities in any body of water which is located entirely in one State and is considered navigable solely on the basis of historical use in interstate commerce; to the Committee on Public Works and Transportation.

By Mr. DELLUMS (for himself, Mr. JOHN L. BURTON, Mrs. CHISHOLM, Mr. CONYERS, Mr. DYMALLY, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. KASTENMEIER, Mr. LELAND, Mr. MITCHELL of Maryland, Mr. RANGEL, Mr. ROYBAL, Mr. SAVAGE, Mr. STOKES, and Mr. WEAVER):

H.R. 6696. A bill to authorize appropriations for procurement, for research, development, test, and evaluation, and for operation and maintenance for the military functions of the Department of Defense for fiscal year 1983, to prescribe personnel strengths for that fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. DELLUMS (for himself, Mr. FAUNTROY, and Mr. MCKINNEY):

H.R. 6697. A bill to amend the District of Columbia Stadium Act of 1957 to require the Secretary of the Interior to convey to the government of the District of Columbia all right, title, and interest to the Robert F. Kennedy Memorial Stadium vested in the United States; to the Committee on the District of Columbia.

By Ms. FIEDLER (for herself and Mr. MARRIOTT):

H.R. 6698. A bill to amend the Internal Revenue Code of 1954 to make funds available to the small business community; to the Committee on Ways and Means.

By Mr. FLORIO:

H.R. 6699. A bill to amend the Solid Waste Disposal Act with respect to the recycling of hazardous waste; to the Committee on Energy and Commerce.

By Mr. FORD of Tennessee (for himself, Mr. VANDER JAGT, Mr. HOLLAND, Mr. JENKINS, Mr. DOWNEY, Mr. HEFTEL, Mr. FOWLER, Mr. GUARINI, Mr. SHANNON, Mr. HANCE, Mr. MATSUI, Mr. BAILEY of Pennsylvania, Mr. ANTHONY, Mr. DUNCAN, Mr. BAFALIS, Mr. GRADISON, and Mr. LOTT):

H.R. 6700. A bill to amend the Internal Revenue Code of 1954 to extend the targeted jobs credit, to treat certain individuals who have exhausted their rights to unemployment benefits as members of a targeted group, and for other purposes; to the Committee on Ways and Means.

By Mr. GRADISON (for himself, Mr. BIAGGI, Mr. COUGHLIN, Mr. DOUGHERTY, Mr. LUKEN, Mr. SOLOMON, Mr. MOLINARI, Mr. ROUSSELOT, Mr. HYDE, Mr. LIVINGSTON, Mr. GEPHARDT, Mr. NELLIGAN, Mr. LUNGREN, Mrs. HOLT, Mr. FORSYTHE, AND Mr. SNYDER):

H.R. 6701. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. HERTEL:

H.R. 6702. A bill to amend title 18 of the United States Code to provide for a possible verdict of guilty but mentally ill in Federal criminal cases; to the Committee on the Judiciary.

By Mr. HOPKINS:

H.R. 6703. A bill to amend title 11, United States Code, to provide that claims of governmental units arising from dischargeable educational loans shall have priority and that educational loans which are not dischargeable under chapter 7 of such title shall not be dischargeable under chapter 13 of such title, and to amend the Internal Revenue Code of 1954 to provide for the collection of defaulted Federal student loans from income tax refunds; jointly, to the Committees on the Judiciary and Ways and Means.

By Mrs. KENNELLY:

H.R. 6704. A bill to provide additional transitional authority to issue mortgage subsidy bonds; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 6705. A bill to repeal the State preemption clause in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; to the Committee on Energy and Commerce.

By Mr. LAFALCE:

H.R. 6706. A bill to amend the Internal Revenue Code of 1954 by striking out the provision which grants Members of Congress special treatment with respect to living expense deductions; to the Committee on Ways and Means.

By Mr. MARRIOTT (for himself, Mr. FIELDS, and Mr. WON PAT):

H.R. 6707. A bill to amend the Internal Revenue Code of 1954 to exempt from the crude oil windfall profit tax any oil from royalties or other economic interests held by the United States; to the Committee on Ways and Means.

By Mr. MARTIN of North Carolina:

H.R. 6708. A bill to amend the Internal Revenue Code of 1954 to permit foreign pension plans to invest in the United States on a nontaxable basis for residential housing financing and investment purposes; to the Committee on Ways and Means.

By Mr. MCEWEN:

H.R. 6709. A bill to modify the insanity defense in the Federal courts; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 6710. A bill to prohibit conduct injurious to transportation markets, and for related purposes; jointly, to the Committees on Public Works and Transportation and the Judiciary.

H.R. 6711. A bill to prohibit conduct injurious to transportation markets, and for related purposes; jointly, to the Committees on Public Works and Transportation, Energy and Commerce, Merchant Marine and Fisheries, and the Judiciary.

H.R. 6712. A bill to repeal the Interstate Commerce Act (49 U.S.C. 10101 et seq.), to prohibit conduct injurious to transportation markets, and for related purposes; jointly, to the Committees on Public Works and Transportation, Energy and Commerce, and the Judiciary.

H.R. 6713. A bill to repeal the Interstate Commerce Act (49 U.S.C. 10101 et seq.), to prohibit conduct injurious to transportation markets, and for related purposes; jointly, to the Committees on Public Works and Transportation, Energy and Commerce, and the Judiciary.

By Mr. PARRIS:

H.R. 6714. A bill to amend title 5, United States Code, to provide permanent authorization for Federal agencies to use flexible and compressed employee work schedules; to the Committee on Post Office and Civil Service.

By Mr. SCHULZE:

H.R. 6715. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax for the cost of certain forms of business insurance for new business activities in designated Caribbean countries; to the Committee on Ways and Means.

By Mr. SENSENBRENNER (for himself, Mr. PARRIS, Mr. CLAUSEN, Mr. PETRI, Mr. GUNDERSON, Mr. ROTH, Mr. RUDD, and Mr. MAZZOLI):

H.R. 6716. A bill to modify the insanity defense in the Federal courts; to the Committee on the Judiciary.

By Mr. SHAW:

H.R. 6717. A bill to amend chapter 227 of title 18, United States Code, to provide for a sentence of guilty but mentally ill; to the Committee on the Judiciary.

By Mr. SILJANDER:

H.R. 6718. A bill to amend title 18 to limit the insanity defense and to establish a ver-

dict of guilty but insane; to the Committee on the Judiciary.

By Mr. SPENCE:

H.R. 6719. A bill to amend the act authorizing the establishment of the Congaree Swamp National Monument to provide that at such time as the principal visitors center at such monument is established, such center shall be designated as the "Harry R. E. Hampton Visitors Center"; to the Committee on Interior and Insular Affairs.

By Mr. STANTON of Ohio (by request):

H.R. 6720. A bill to authorize the formation of a bank securities affiliate to deal in, underwrite and purchase Government and municipal securities, to sponsor and manage investment companies and underwrite the securities thereof, or to authorize bank holding companies to engage in activities of a financial nature, insurance underwriting and brokerage, real estate development or brokerage, to amend section 23A of the Federal Reserve Act, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. STARK:

H.R. 6721. A bill to amend the Internal Revenue code of 1954 to permit the tax-free rollover of certain benefits received by law enforcement officers and firefighters on separation from service by increasing the limitations on the deduction for retirement savings; to the Committee on Ways and Means.

By Mr. WORTLEY:

H.R. 6722. A bill to amend title 18 of the United States Code to provide for the distribution of moneys received as a result of the commission of an offense; to the Committee on the Judiciary.

By Mr. WYDEN:

H.R. 6723. A bill to amend the Internal Revenue Code of 1954 to expand the credit for university research, to provide a credit for equipment sharing, and to expand the deduction for contributions of research equipment and service contracts to universities; to the Committee on Ways and Means.

By Mr. ARCHER:

H.J. Res. 528. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriation bills; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.J. Res. 529. Joint resolution proposing an amendment to the Constitution of the United States to provide that equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex; to the Committee on the Judiciary.

By Mr. GREGG:

H.J. Res. 530. Joint resolution designating the week beginning September 12, 1982, as "National Housekeepers Week"; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H.J. Res. 531. Joint resolution to provide for the designation of the week beginning on October 24, 1982, as "National Parkinson's Disease Week"; to the Committee on Post Office and Civil Service.

By Mr. DIXON (for himself, Mr. KEMP, Mr. GOODLING, Mrs. CHISHOLM, Mr. ANDREWS, Mr. BARNES, Mr. BEDELL, Mr. BENJAMIN, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. COUGHLIN, Mr. DERWINSKI, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DYMALLY, Mr. ERDAHL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Mr. FISH, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FOWLER, Mr. FRANK, Mr. FROST, Mr. GARCIA, Mr. GILMAN, Mr. GRAY, Mr. HARKIN, Mr. HAWKINS, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LEWIS, Mr. LIVINGSTON, Mr. LOWRY of Washington, Mr. MATSUI, Mr. MCHUGH, Mr. MCKINNEY, Mr. MILLER of California, Mr. MOAKLEY, Mr. MOFFETT, Mr. OBERSTAR, Mr. OBEY, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. PEPPER, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SABO, Mrs. SCHROEDER, Mr. SCHUMER, Mrs. SNOWE, Mr. STARK, Mr. WAXMAN, Mr. WEISS, Mr. WILSON, and Mr. YATES):

H. Con. Res. 368. Concurrent resolution expressing the sense of the Congress respecting the Secretary of State's recommending continuing extended voluntary departure status for Ethiopian nationals in the United States; to the Committee on the Judiciary.

By Mr. JONES of Tennessee (for himself and Mr. JEFFORDS):

H. Con. Res. 369. Concurrent resolution expressing the sense of Congress endorsing the National Endownment for soil and water conservation; to the Committee on Agriculture.

By Mr. SANTINI:

H. Con. Res. 370. Concurrent resolution to commend the State of Israel's compliance with the Camp David accords; to the Committee on Foreign Affairs.

By Mr. DORNAN of California:

H. Res. 515. Resolution expressing the sense of the House of Representatives concerning the right to life of handicapped infants; jointly to the Committees on Energy and Commerce and the Judiciary.

By Mr. ENGLISH (for himself, and Mr. JONES of Tennessee):

H. Res. 516. Resolution expressing the sense of the House of Representatives that the role of the Rural Electrification Administration should be enhanced to assure that Federal agencies consider the needs of rural America in establishing policies which affect telephone service in rural America; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. JONES of Oklahoma introduced a bill (H.R. 6724) to provide for the reinstatement and validation of U.S. oil and gas lease NM-A26947 (Oklahoma); which was referred to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 116: Mr. DICKINSON, Mr. MATSUI, Mr. HARTNETT, Mr. NAPIER, and Mr. YATRON.

H.R. 808: Mr. DAUB, Mr. ARCHER, Ms. MIKULSKI, Mr. HARKIN, Mr. KOGOVSEK, Mr. MITCHELL of New York, Mrs. BOUQUARD, Mr. WILLIAM J. COYNE, Mr. GONZALEZ, Mr. PARRIS, Mr. CONTE, Mr. JEFFORDS, Mr. STANTON of Ohio, Mr. WORTLEY, Mr. CARNEY, Mrs. MARTIN of Illinois, Mr. ERLENBORN, Mr. PHILIP M. CRANE, Mr. PETRI, Mr. CHENEY, Mr. CONABLE, Mr. ROUSSELOT, Mr. DREIER, Mr. GEPHARDT, Mr. SHANNON, Mr. CLAUSEN, Mr. ANNUNZIO, Mr. WYLIE, Mrs. SCHNEIDER, Mr. ASPIN, Mr. CLINGER, Mr. EVANS of Delaware, Mr. FITHIAN, Mr. GRADISON, Mr. HILLIS, Mr. HOYER, Mr. DUNN, Mr. LENT, Mr. DYMALLY, Mr. LOWERY of California, Mr. LEWIS, Mr. LUJAN, Mr. ST GERMAIN, Mr. ROYBAL, Mr. SOLOMON, Mr. SENSENBRENNER, Mr. SPENCE, Mr. KINDNESS, Ms. FERRARO, Mrs. SMITH of Nebraska, Mr. BROOMFIELD, Mrs. BOGGS, Mr. FLORIO, Mr. KEMP, and Mr. GREGG.

H.R. 1454: Mr. PANETTA, Mr. SEIBERLING, Mr. HEFTEL, Mr. SHANNON, Mr. WILLIAM J. COYNE, Mr. AKAKA, and Mr. WASHINGTON.

H.R. 2007: Mr. JACOBS.

H.R. 2222: Mr. ANDERSON, Mr. BAFALIS, Mr. OTTINGER, Mr. ROBERTS of South Dakota, Mr. CORRADA, Mr. DAN DANIEL, Mr. GINGRICH, and Mr. BURGENER.

H.R. 2322: Mr. TAYLOR.

H.R. 2372: Mr. SKELTON, Mr. MCHUGH, Mr. MATSUI, Mr. LUKEN, and Mr. CHAPPELL.

H.R. 2445: Mr. HOWARD.

H.R. 2832: Mrs. HOLT.

H.R. 3397: Mr. KILDEE.

H.R. 3722: Mr. DOUGHERTY, Mr. FORD of Michigan, Mr. HATCHER, Mr. DAVIS, Mr. DECKARD, Mr. IRELAND, Mr. JAMES K. COYNE Mr. BETHUNE, Mr. ROEMER, Mr. HUBBARD, Mr. SENSENBRENNER, Mr. HILLIS, Mr. MARTIN of New York, and Mr. CHAPPIE.

H.R. 3760: Mr. ENGLISH and Mr. MITCHELL of Maryland.

H.R. 4011: Mr. BONER of Tennessee.

H.R. 4786: Mr. KAZEN.

H.R. 5180: Mr. LUKEN, Mr. MARLENEE, Mr. ROYBAL, Mr. LAGOMARSINO, Mr. BIAGGI, Mr. CHAPPIE, and Mr. STANGELAND.

H.R. 5440: Mr. LEACH of Iowa.

H.R. 5448: Mr. ROUSSELOT and Mr. SMITH of Oregon.

H.R. 5457: Mr. ALBOSTA.

H.R. 5702: Mr. IRELAND.

H.R. 5752: Mr. JACOBS, Mr. SMITH of Iowa, and Mr. BOLAND.

H.R. 5900: Mr. JAMES K. COYNE.

H.R. 6018: Mr. OBERSTAR.

H.R. 6049: Mr. TRIBLE.

H.R. 6050: Mr. TRIBLE.

H.R. 6051: Mr. TRIBLE.

H.R. 6054: Mr. NEAL.

H.R. 6091: Mr. DOWDY and Mr. RICHMOND.

H.R. 6182: Mr. WON PAT, Mrs. CHISHOLM, Mr. ROSENTHAL, Mr. FAUNTROY, Mr. MURPHY, Mr. CLAY, Mr. CROCKETT, Mr. EDGAR, Mr. SAVAGE, Mr. WEISS, Mr. BEDELL, Mr. PEPPER, Mr. SUNIA, Mr. ALBOSTA, Mr. AUCOIN, Mr. RANGEL, Mr. MITCHELL of Maryland, Mr. OBERSTAR, and Mr. HARKIN.

H.R. 6257: Mr. WEISS, Mr. EDGAR, Mr. WEAVER, Ms. FERRARO, Mr. GUARINI, Mr. PEASE, and Mr. OBERSTAR.

H.R. 6311: Mr. LOWERY of California, Mr. FISH, and Mr. ANTHONY.

H.R. 6347: Mr. NOWAK, Mr. ROE, Mr. RAHALL, Mr. CONTE, Mr. EMERY, Mr. FORD of Tennessee, Mr. WON PAT, Mr. EDWARDS of Oklahoma, Mr. BLILEY, Mr. OTTINGER, and Mr. LOWRY of Washington.

H.R. 6348: Mr. FRENZEL, Mr. BAILEY of Missouri, Mr. KEMP, Mr. HORTON, Mr. EMERSON, Mr. ERTEL, Mr. ARCHER, Mr. HUCKABY, Mr. BOWEN, and Mr. HARTNETT.

H.R. 6373: Mr. FORD of Tennessee, Mr. WORTLEY, Mr. ROEMER, Mr. PORTER, Mr. BROYHILL, Mr. SUNIA, Mr. HYDE, Mr. LAGOMARSINO, Mr. DANNEMEYER, Mr. MCCLORY, Mr. HAGEDORN, Mr. MYERS, Mrs. HOLT, Mr. KINDNESS, Mr. MITCHELL of New York, Mr. STANGELAND, Mr. EMERSON, Mr. WOLF, Mr. FRENZEL, Mr. TRIBLE, Mr. LEBOUTILLIER, Mr. FORSYTHE, Mr. MCKINNEY, Mr. WHITEHURST, Mr. WINN, Mr. FISH, Mr. SOLOMON, and Mr. COURTER.

H.R. 6391: Mr. RANGEL and Mr. OTTINGER.

H.R. 6467: Mr. RAILSBACK, Mr. IRELAND, Mr. WASHINGTON, Mr. BAILEY of Pennsylva-

nia, Mr. MOLLOHAN, Mr. RAHALL, Mr. ROSTENKOWSKI, and Mr. ATKINSON.

H.R. 6469: Mr. FAZIO, Mr. CHAPPIE, and Mr. SHUMWAY.

H.R. 6477: Mr. BOWEN.

H.R. 6483: Mr. DWYER, Mr. FLORIO, Mr. FORSYTHE, Mr. HUGHES, Mr. MINISH, Mr. SMITH of New Jersey, Mr. BEARD, Mr. SHELBY, Mr. EDGAR, Mr. SUNIA, Mr. DE LA GARZA, Mr. ERTEL, Mr. DUNCAN, Mr. BIAGGI, Mr. MYERS, Mr. CLINGER, Mr. BARNARD, Mr. ALBOSTA, Mr. GORE, Mr. HANSEN of Idaho, Mr. ZEFERETTI, and Mr. HENDON.

H.R. 6510: Mr. BUTLER, Mrs. FENWICK, Mrs. HOLT, Mr. STANTON of Ohio, Mr. WEBER of Ohio, and Mr. FORSYTHE.

H.R. 6529: Mr. MINISH, Mr. DENARDIS, Mr. OTTINGER, and Mr. FITHIAN.

H.R. 6538: Mr. FINDLEY, Mr. FIELDS, Mr. FORD of Tennessee, Mr. HOYER, Mr. LENT, Mr. MCDONALD, Mr. MARTIN of North Carolina, Mrs. KENNELLY, and Mr. MAVROULES.

H.R. 6573: Mr. DREIER, Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. JEFFRIES, Mr. MCCLORY, Mr. PORTER, Mr. STANTON of Ohio, Mr. WALKER, Mr. WHITEHURST, Mr. WOLF, Mr. BAFALIS, and Mr. SOLOMON.

H.R. 6576: Mr. ANNUNZIO, Mr. BARNES, Mr. CHAPPELL, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. DWYER, Mr. FAZIO, Mr. GIBBONS, Mr. GORE, Mr. HENDON, Mr. HERTEL, Mr. JACOBS, Mr. JEFFORDS, Mr. JONES of North Carolina, Mr. MINISH, Mr. SAVAGE, Mr. SIMON, Mr. SKELTON, Mrs. SMITH of Nebraska, Mr. SOLOMON, Mr. STARK, Mr. STENHOLM, Mr. SUNIA, and Mr. WOLF.

H.R. 6591: Mr. BEDELL and Mrs. MARTIN of Illinois.

H.R. 6623: Mrs. CHISHOLM and Mr. SMITH of Pennsylvania.

H.J. Res. 93: Mr. RICHMOND.

H.J. Res. 323: Mr. BLILEY, Mr. GREGG, and Mr. RATCHFORD.

H.J. Res. 350: Mr. HIGHTOWER, Mr. VOLKMER, Mr. JACOBS, Mr. SHUSTER, Mr. ROSE, Mr. DASCHLE, Mr. BUTLER, and Mr. WAMPLER.

H.J. Res. 355: Mr. ANNUNZIO, Mr. ANDREWS, Mr. D'AMOURS, Mr. RATCHFORD, Mrs. KENNELLY, Mr. FAUNTROY, Mr. SEIBERLING, Mr. JEFFORDS, Mr. WRIGHT, Mr. REUSS, and Mr. RICHMOND.

H.J. Res. 417: Mrs. HECKLER, Mr. HILER, Mr. NELLIGAN, Mr. SHANNON, Mr. MICHEL, and Mr. LELAND.

H.J. Res. 455: Mr. EMERSON, Mr. JEFFRIES, Mr. GORE, Mrs. COLLINS of Illinois, Mr. BONER of Tennessee, Mr. ANTHONY, Mr. JONES of Tennessee, Mr. WALKER, Mr. DIXON, Mr. RHODES, Mr. CONABLE, Mr. LOWERY of California, Mr. STARK, Mr. WATKINS, Mrs. KENNELLY, Mr. STUMP, Mr. GREGG, Mr. CHAPPIE, Mr. FAZIO, Mr. PANETTA, Mr. ROSTENKOWSKI, Mr. VANDER JAGT, and Mr. ANDERSON.

H.J. Res. 456: Mrs. FENWICK, Mr. LEATH of Texas, Mr. HOWARD, Mr. PASHAYAN, Mr. WHITTAKER, Mr. ALBOSTA, Mr. COELHO, and Mr. LOWRY of Washington.

H.J. Res. 493: Mr. JOHNSTON, Mr. EMERSON, Mr. EVANS of Georgia, Mr. DAUB, Mr. SHELBY, Mr. HILLIS, Mr. SPENCE, Mr. HUBBARD, Mr. JEFFRIES, Mrs. SMITH of Nebraska, Mr. SOLOMON, Mr. GREGG, and Mr. GINGRICH.

H.J. Res. 516: Mr. DENARDIS and Mr. FORD of Michigan.

H. Con. Res. 139: Mr. HANSEN of Idaho, Mr. PEPPER, Mr. FORD of Tennessee, Mr. FOLEY, and Mr. WYDEN.

H. Con. Res. 263: Mr. HYDE, Mrs. MARTIN of Illinois, Mr. BAILEY of Pennsylvania, Mr. BUTLER, Mr. CHAPPELL, Mr. MCCLORY, and Mr. ROBERT W. DANIEL, JR.

H. Con. Res. 297: Mr. BEREUTER.

H. Con. Res. 355: Mr. MOFFETT, Mr. COELHO, Mr. ECKART, Mr. EDWARDS of California, Mr. YATES, Mr. FISH, Mrs. KENNELLY, Mr. ROSENTHAL, Mr. BLANCHARD, Mr. WON PAT, Mr. NELSON, and Mr. PEYSER.

H. Con. Res. 366: Mr. MICHEL, Mr. LATTA, Mr. BROYHILL, Mr. TAYLOR, Mr. MONTGOMERY, Mr. MOLINARI, Mr. MCGRATH, Mr. SILJANDER, Mr. SMITH of Oregon, Mr. SKEEN, Mr. SHAW, Mr. DICKINSON, Mr. SENSENBRENNER, Mr. BEARD, Mr. SPENCE, Mr. STANTON, Ms. FIEDLER, Mr. DANNEMEYER, Mr. BAFALIS, Mr. BADHAM, Mr. BAILEY of Missouri, Mr. BUTLER, Mr. CARMAN, Mr. DERWINSKI, Mr. DUNN, Mr. ERLENBORN, Mr. EVANS of Iowa, Mr. GILMAN, Mr. HAGEDORN, Mr. HYDE, Mr. JEFFRIES, Mr. LAGOMARSINO, Mr. MARRIOTT, Mr. MCCOLLUM, Mr. MOORE, Mr. MOORHEAD, Mr. MILLER of Ohio, Mr. ROBINSON, Mr. RUDD, Mr. SCHULZE, Mr. SHUMWAY, Mr. PORTER, and Mr. PASHAYAN.

H. Res. 126: Mr. KILDEE, Mr. UDALL, Mr. MARKEY, and Mr. YATES.

H. Res. 153: Mr. OBERSTAR.

H. Res. 367: Mr. RINALDO and Mr. RAILSBACK.

H. Res. 406: Mr. SMITH of New Jersey.

H. Res. 421: Mr. ANDERSON, Mr. BENNETT, Mr. BEVILL, Mr. BROWN of California, Mr. CHAPPELL, Mr. ERTEL, Mr. HORTON, Mr. HUBBARD, Mr. MAVROULES, Mr. MOTTL, Mr. RAHALL, Mr. RODINO, Mr. WOLF, Mr. WON PAT, Mr. MCKINNEY, Mrs. SCHNEIDER, Mr. VENTO, Mr. MCHUGH, and Mr. DOUGHERTY.

H. Res. 450: Mr. JENKINS.

H. Res. 463: Mr. VENTO, Mr. RATCHFORD, Mr. GUARINI, Mr. LUNDINE, Mr. DWYER, Ms. MIKULSKI, Mr. KILDEE, and Mr. GORE.

H. Res. 466: Mr. OXLEY, Mr. BROYHILL, Mrs. HOLT, Mr. DENARDIS, Mr. FORSYTHE, Mr. JAMES K. COYNE, Mr. MOLINARI, Mr. EMERSON, Mr. BENEDICT, Mr. P'.ILEY, Mr. RITTER, Mr. COATS, Mr. CRAIG, Mr. WHITTAKER, Mr. TAUKE, Mr. KINDNESS, Mr. NAPIER, Mr. LEACH of Iowa, Mr. HARTNETT, Mr. MITCHELL of New York, Mr. WEBER of Ohio, Mr. MARRIOTT, Mr. BAFALIS, Mr. MCCOLLUM, and Mr. WILLIAMS of Ohio.

H. Res. 483: Mr. JEFFRIES, Mr. SMITH of Oregon, Mr. SENSENBRENNER, Mr. PORTER, Mr. ROBERT W. DANIEL, JR., Mr. PASHAYAN, Mr. HILER, Mr. MCCLOSKEY, Mr. BUTLER, and Mr. FRENZEL.

H. Res. 486: Ms. FERRARO, Mr. CONYERS, Mr. FISH, Mr. VENTO, Mr. STOKES, and Mr. SCHEUER.

H. Res. 513: Mr. FISH, Mr. SMITH of New Jersey, Mr. BAILEY of Pennsylvania, Mr. DREIER, Mr. MOAKLEY, Mr. FORSYTHE, Mr. ROE, Mr. FARY, Mr. CONTE, Mr. DWYER, Mr. FAZIO, Mr. DINGELL, Mr. FORD of Tennessee, Mr. PEPPER, and Mr. BLANCHARD.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3973: Mr. WEBER of Minnesota.

EXTENSIONS OF REMARKS

BREZHNEV'S REASON FOR URGING NO FIRST USE OF WEAPONS

HON. ELDON RUDD
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. RUDD. Mr. Speaker, I noticed that late last week, the Soviet Foreign Minister said before the United Nations that Soviet President Brezhnev has pledged not to be the first to use nuclear weapons in any conflict.

Those who took serious this pledge by Moscow should beware. For if history tells us something, it shows that when the Soviets renounce any sort of agression, you had better become alarmed.

Just the other day, our Secretary of State informed us that Moscow is engaging in an unprecedented level of nuclear weapons testing at the same time it was publicly saying it would never start a nuclear war.

At the same time, we all know what the NATO alliance has said all along about the no first-use proposal—that it would be tantamount to making free Europe open for conventional aggression by the vastly superior Communist land forces.

We are also witnessing continued buildup of the Soviet's SS-20 and other offensive weapons aimed at Europe.

The free world should be concerned whenever it hears words of peace from the international Communist camp.

[From the Washington Post, June 21, 1982]

SOVIET MISSILE TEST: SCENARIO FOR WAR

(By Michael Getler)

American intelligence analysts say a burst of Soviet missile test firings last week follows closely the sequence of events that would unfold during a nuclear war, with the first shot meant to knock out U.S. intelligence-gathering satellites.

Secretary of State Alexander M. Haig Jr. disclosed the series of Soviet tests in an unusual news conference statement in New York Saturday. Haig claimed the strategic weapons tests were "integrated" and "unprecedented in their scope."

Although the Soviets have conducted tests of their missile arsenal before, experienced analysts here say such tests are rare. What really "dazzled" U.S. experts this time, as one source put it, was the inclusion of the antisatellite tests, probably for the first time, into a large-scale exercise.

The exercise followed the initial antisatellite shot with rapid firings of other land- and submarine-based missiles and then defensive missiles.

Sources said the Soviets have probably held about six of the large-scale test exercises over the last 15 years in which they go through the sequence of events that could unfold in a nuclear war, but that none of these previous episodes was as extensive as this one.

Defense Secretary Caspar W. Weinberger, asked yesterday on "This Week with David Brinkley" (ABC, WJLA) if he agreed with the assessment that the tests "looked like a scenario for fighting a nuclear war," replied: "Yes, I agree. . . .

"This is just another piece of evidence displaying the fact that they believe that a nuclear war can be fought and can be won."

Weinberger suggested that the Soviets might have intended the tests to "send out a signal," but other sources suggested that such exercises are probably not meant to impress Americans, who can observe them using satellite technology. Rather, they said, the tests are more likely meant to demonstrate to the Soviet hierarchy whether their systems work, at least in carefully planned exercises.

Haig said the exercise included tests of an antisatellite weapon, two test launchings of land-based intercontinental-range missiles, one launching from a missile submarine, one launching of a land-based intermediate-range missile and two launchings of antiballistic missiles meant to shoot down incoming enemy missiles.

Haig volunteered no further details or assessments, and he did not accuse the Soviets of violating any previous arms control agreement. Rather, he appeared to want to use this normally highly classified information to counter any public perceptions that Moscow was more intent on arms control than Washington and to counter any public relations gains the Soviet Union may have made at the United Nations disarmament conference last week.

Soviet Foreign Minister Andrei A. Gromyko had relayed to the United Nations last Tuesday a pledge by Soviet President Leonid I. Brezhnev that Moscow would not be the first to use atomic weapons in any conflict.

"Such activity," Haig said of the Soviet tests, "belies by specific actions the words put forth to the world audience here this week."

Haig's news conference statement Saturday came after two days of private meetings with Gromyko in New York, but Haig said he did not bring up the missile tests in the private meetings because much of the information was still being analyzed. Sources here say the Soviet test firings, which did not involve any totally new weapons, took place within "a very few hours" last Thursday or Friday.

The first shot was the antisatellite weapon, which normally would be used to knock out American reconnaissance satellites trying to spot and warn against Soviet attack.

Then came what specialists call a "ripple firing" of land- and submarine-based missiles. A ripple firing normally means firing more than one missile in rapid succession, aimed at dealing a knockout blow to American land-based missiles or other military targets.

This was followed quickly by launching of the antimissile missiles, simulating the attempt by Soviet defenses to shoot down any American missiles that survived an initial attack and were trying to counterattack against targets in the Soviet Union.

Sources say the Soviets tend to have these full-blown exercises every two to four years, but usually the antisatellite tests are separate.

Normally, specialists say, the satellite to be used as a target is fired into space and the antisatellite weapon is fired at it several days later. This time the Soviets apparently fired at the target satellite soon after it was launched, on its first or second orbit, and quickly followed up with the rest of the offensive and defensive tests.

Because of the extent of these exercises, they are normally planned far in advance, U.S. experts believe, and are normally held in June or July when the weather is reasonably good.

Thus, some analysts do not believe that the current tests were meant to be any specific signal to Washington growing out of recent events, such as the U.N. disarmament conference or the fighting in the Middle East or South Atlantic.

The United States also conducts occasional test launchings of both land- and submarine-based missiles, but does not have an antisatellite weapon or an antiballistic missile in service.

[From the Washington Post, June 20, 1982]

A-ARMS TESTS BY SOVIETS UP, HAIG CHARGES

(By John M. Goshko)

NEW YORK, June 19.—Secretary of State Alexander M. Haig Jr. today accused Moscow of engaging in an "unprecedented" level of nuclear weapons testing at the same time it was publicly proclaiming its willingness to control such arms.

Haig, who had just completed two days of talks with Soviet Foreign Minister Andrei A. Gromyko, told a news conference that the United States has assembled evidence showing that Soviet testing activity last week was "significant in scope and integration of activity."

The Soviet activity, he said, included an antisatellite test, launching of two ground-based intercontinental ballistic missiles, launches of a submarine-based missile and a medium-range SS20 missile and two tests of antiballistic missiles.

"Such activity belies by specific actions the words put forth to the world audience here this week," Haig contended, referring to Gromyko's promise in a speech last Tuesday to the U.N. General Assembly's special session on disarmament that the Soviet Union will not use nuclear weapons first in any conflicts with other countries.

Under questioning, Haig conceded that he had not raised the U.S. charges during the 9¼ hours of meetings that he held with Gromyko over the past two days. He said much of the information was not available to him while the talks were under way and that it had been analyzed and made ready for release shortly before the start of his news conference.

Saying he thought it was important to get the information out immediately, Haig added: "It shows a level of interest, skill and activity [on the part of the Soviets] that is a matter of concern."

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

He refused to give any further details about the Soviet tests, except to say that no nuclear explosions had been involved. He also conceded that there were no indications that the Soviets had violated any international agreements on nuclear weapons testing.

President Reagan had outlined a tough approach to U.S.-Soviet relations in his speech to the disarmament conference Thursday. Haig, in effect, repeated Reagan's challenge for the Soviet Union to demonstrate its desire for improved relations through actions rather than words.

"There is no doubt about President Reagan's desire to put U.S.-Soviet relations on a stable, long-term basis," Haig said. "But this cannot be achieved without a Soviet willingness to conduct its international affairs with responsibility and restraint."

He added: "It's clearly and squarely up to the Soviets to determine what kind of relations they want to have with the United States."

His words continued the hard-line approach toward Moscow that has been evident the past week in such moves as Reagan's tough talk before the U.N. and the president's decision Friday not to ease his ban on the sale by American companies of oil and gas equipment to the Soviet Union.

This hard line appears to be related, at least in part, to the U.S.-Soviet negotiations on strategic arms reductions scheduled to start in Geneva June 29. Washington and Moscow have been engaging in an exchange of proposals aimed at winning the support of world opinion for their respective bargaining positions.

This maneuvering for position undoubtedly was what prompted the Soviet pledge to renounce first use of nuclear weapons. It also caused Reagan in his appearance at the United Nations to repeat a proposal, originally made last month at Eureka College in Illinois, for deep cuts in the ground-based strategic missile arsenals of both countries.

Haig, challenging the Soviet Union to pick up Reagan's proposals and negotiate seriously, called them "a carefully integrated and thought-through approach to arms control." For that reason, he contended, the U.S. plan "stands in sharp contrast to cosmetics" such as the first-use reunification idea put forward by the Soviets.

The United States and its North Atlantic Treaty Organization allies repeatedly have refused to renounce the West's nuclear first-strike capability because they contend it would make Western Europe vulnerable to attack by conventional Soviet forces.

Haig dodged questions about the possibility of a summit between Reagan and the Soviet President Leonid I. Brezhnev by saying that "the president will comment on that in the months ahead."

Although the summit idea originally was put forward by Reagan, senior administration officials are known to have become considerably cooler to that idea and have said privately that a summit does not appear to be in the offing at this time.

Haig repeated the U.S. contention that any summit must be well prepared and offer the likelihood of a positive outcome. The United States and the Soviet Union "agree that summitry for summitry's sake is to be avoided," he said.

Despite the general toughness of his remarks, the secretary characterized his sessions with Gromyko as "full, frank and useful." Noting that this was his third round of talks with Gromyko since the Reagan administration came into office, Haig stressed that such meetings can only benefit understanding between the two superpowers.

In addition to the broad issues of U.S.-Soviet relations and arms control, Haig said he and Gromyko had discussed the full range of global problems in which the two countries have an interest. He refused, however, to elaborate, and said that he and Gromyko had agreed not to discuss the specifics of their conversations on regional problems.

In regard to the crisis in Lebanon, Haig said the Soviets remained "concerned and cautious," but he would go no further in describing possible Soviet responses to the conflict there.

As to the United States, Haig said the administration is continuing to do everything possible to bring about a cease-fire and a long-range solution to the Lebanon situation, but he added that "while these activities are under way, it would be counterproductive to be too specific."

[From the Washington Post, June 16, 1982]

SOVIET CHIEF RENOUNCES FIRST USE OF A-WEAPONS

(By John M. Goshko)

UNITED NATIONS, June 15.—Soviet President Leonid I. Brezhnev promised today that the Soviet Union will not use nuclear weapons first in any conflicts with other nations, and he challenged the United States to give the world the same pledge about its nuclear arsenal.

Brezhnev's dramatic move was revealed by Soviet Foreign Minister Andrei Gromyko in addressing the U.N. General Assembly's special five-week session here on disarmament.

Gromyko prefaced his speech by reading a message from Brezhnev, and drew a great roar of sustained applause from the delegates when he quoted the Soviet leader as saying:

"The Union of Soviet Socialist Republics assumes an obligation not to be the first to use nuclear weapons.

"This obligation shall become effective immediately, at the moment it is made public from the rostrum of the U.N. General Assembly."

The Soviets have proposed many times that all nuclear powers give up first use of their nuclear weapons, and they have made partial gestures in this direction before. For example, at the last disarmament conference here in 1978 Gromyko pledged that his country would never use nuclear weapons against countries which renounce their production or acquisition and do not keep them within their territory.

However, the pledge today appeared to go further than any past Soviet initiatives, and Moscow's U.N. ambassador, Oleg Troyanovsky, told reporters after Gromyko's speech, "As a solemn undertaking, unilateral on our part, this is the first time it has been announced." The move marks the latest Communist thrust in the fencing between Moscow and Washington as they try to marshal support before the resumption of talks on reduction of strategic arms in Geneva on June 29.

Each side has been trying to pressure the other into accepting its views of what the negotiations should cover. They have tried simultaneously to win backing and defuse criticism from the growing body of sentiment in Europe and this country for nuclear disarmament.

In language clearly aimed at putting the United States on the spot before world opinion, the Brezhnev message said the Soviet Union would go ahead with its pledge even though the United States and its allies "make no secret of the fact that not only does their military doctrine not rule out the possibility of the first use of nuclear weapons; it is actually based on this premise."

That charge seems intended to put President Reagan on the defensive in advance of his address to the disarmament session on Thursday. Reagan is expected to repeat his call, made originally on May 9 at Eureka College in Illinois, for both sides to make deep cuts in their arsenals of ground-based missiles.

These are the backbone of the Soviet Union's strategic or long-range nuclear forces, and the Reagan proposals have been rejected by Moscow, most notably in a May 18 speech by Brezhnev, who charged that they were designed to guarantee U.S. "military superiority" over his country.

Today, Brezhnev struck back by calling on the United States and those of its North Atlantic Treaty Organization allies that possess nuclear weapons to make a concession that Reagan administration officials contend would give the Soviets a big advantage over the West.

The United States consistently has rejected past Soviet calls to renounce the first use of nuclear weapons on grounds that it would permit Moscow to use its superior conventional military forces against Western Europe without fear of retaliation from the U.S. "nuclear umbrella."

On April 6, Secretary of State Alexander M. Haig Jr. said that for the United States to give up the first-strike option "would be tantamount to making Europe safe for conventional aggression" and would force the West "to maintain conventional forces at least at the level of the Soviet Union and its Warsaw pact allies."

The Brezhnev message argued that "the world has the right to expect that the decision of the Soviet Union will be followed by reciprocal steps on the part of the other nuclear states."

If the other nuclear powers assume an equally precise and clear obligation not to be the first to use nuclear weapons, that would be tantamount in practice to a ban on nuclear weapons altogether, the Brezhnev message contends.

The message also renewed Soviet calls, which have been rejected by the United States, for a freeze on the nuclear arsenals of both sides "as a first step toward their reduction."

And it said the Soviet Union is "prepared to agree without delay on the complete prohibition of chemical weapons and destruction of their stockpiles."

U.S. officials here publicly sought to downgrade the significance of the Soviet move as a propaganda ploy and a slightly new variation on an old theme. Kenneth Adelman, deputy head of the U.S. mission here, said the statement "was well rehearsed and we've heard it so often that it has a tiresome air to it all."

In his speech, Gromyko spent most of his time detailing disarmament proposals that Moscow has made earlier. He also literally skipped around the world criticizing what he called aggressive U.S. behavior.

In discussing the Middle East, Gromyko sharply attacked what he called Israel's "slaughter" of the Palestinian people in Lebanon. But, while he said that "Israeli troops should be immediately withdrawn from Lebanon," he avoided attaching the term "unconditionally." This was seen here as a sign of continuing moderation and caution by Moscow in opposing Israel's asser-

tions that it will not withdraw from Lebanon until arrangements are made to protect it from attack by Palestinian fighters supported by the Soviets.●

APPROVAL OF MRS. THATCHER'S HANDLING OF THE FALKLANDS CRISIS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. GOODLING. Mr. Speaker, I would like to voice my approval for the actions taken by British Prime Minister Margaret Thatcher during and now after the recent crisis over the Falklands. Mrs. Thatcher's resolve in this issue, rooted in the principles of international law, stands as an example to the entire free world. In acting as she did, the Prime Minister defended not only the sovereign integrity of the United Kingdom, but also of the United States and the entire free world. By her decisive action, Mrs. Thatcher has prevented the Argentines from setting an ominous precedent under which any country in the world could act on any territorial claims it might have on any other country, regardless of the basis or lack thereof for the claims. Might has been shown not to be right.

In victory, Mrs. Thatcher has also shown herself to be generous, returning most of the captured Argentines without delay. Indeed, she seems to have been more willing to allow them to return home than their own Government was willing to accept them back. Neither has she called for any indemnity payments, although the Argentine aggression has sorely tried the British budget. In fact, all that she wants is for the Falklanders, or Kelpers as they call themselves, to live as they wish under the kind of government they want. And they have shown themselves as clearly wanting to remain under British jurisdiction.

Mrs. Thatcher has struck a great victory not just for the United Kingdom but more importantly for the law. She has shown that aggression does not go ignored and unpunished, and has been consistent in her defense of those two most important principles of international law: Sovereign integrity and a people's right to self-determination. We should all applaud Mrs. Thatcher, and be proud to have such a great leader of such a great country as our closest ally.●

LET US SOLVE GPO'S PROBLEMS TOGETHER

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mrs. HOLT. Mr. Speaker, there are currently some rather severe problems, confrontations, and negotiations occurring at the Government Printing Office. I have been visited by almost 200 of the loyal employees at GPO, and I have met with the Public Printer, to discuss possible solutions and to clearly identify management's goals. Amid the rampant rumors and personal challenges there are some legitimate points which must be addressed.

The contract under which GPO employees work has expired, and negotiations have broken off. The Joint Committee on Printing is now involved with trying to reach an acceptable compromise. Concurrently, the Public Printer has announced proposed furloughs, the first of which was postponed and the second is to occur July 6, 1982. There has been mention of proposed RIF's, and it has been indicated to me that morale at GPO is nonexistent.

In response to these problems, and in an effort to facilitate better relations between labor, GPO management, and the Congress, I was joined by my colleagues Mr. PARRIS and Mr. WOLF, both of Virginia, in writing to the Public Printer to express our deep concern. We certainly support efforts to eliminate waste and the cost of waste at the Government Printing Office; however, we demand that these goals be reached through joint effort of labor and management, and that general human compassion be more than evident.

Here is the text of our letter to the Public Printer, Mr. Sawyer:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 1982.

Mr. DANFORD L. SAWYER,
Public Printer, U.S. Government Printing Office, Washington, D.C.

DEAR MR. SAWYER: We are deeply concerned and continue to oppose current policies which have precipitated increased contracting out, potential furloughs, and an impasse in contract negotiations. We are particularly distressed by your analysis of the financial situation at GPO, which could lead to a reduction-in-force of 800 employees.

The employees at the Government Printing Office have been able to produce an excellent product while working under severe time constraints and changing management philosophies. We do not want to see any occurrence which would jeopardize the careers of these men and women and the financial security of their families.

We believe management's proposal to furlough, RIF, and reduce pay by 22 percent is counter-productive policy. We urge you to reexamine both GPO's financial condition and the long term goals of the organization. There must be a solution to these problems which will not adversely affect your employees. We are confident your management expertise and experience can be drawn upon to devise a compromise acceptable to GPO management, labor and the Congress.

Sincerely,

MARJORIE S. HOLT,
STANFORD PARRIS,
FRANK R. WOLF,
Members of Congress.●

A TRAVESTY OF JUSTICE—ILLEGAL ALIENS HAVE RIGHTS, BUT AMERICAN TAXPAYERS DO NOT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. PAUL. Mr. Speaker, on June 15, the U.S. Supreme Court upheld a lower court decision and ruled that Texas taxpayers have an obligation to pay for the education of illegal aliens. There have been many poor decisions in the history of the Supreme Court, but I believe this ruling is among the very worst. Without doubt, this ruling sets one of the most dangerous precedents in the history of the Court.

The very idea that Texas taxpayers have a duty to provide a free public education to illegal aliens is both outrageous and ludicrous. Parents who are in America illegally may demand a free education for their children, but in no way at all do they have a right to one.

Unfortunately, this kind of attitude—that the ability to demand something somehow gives one a right to it—is pervasive in Washington today. According to many politicians—and, apparently, the Supreme Court, too—people may legitimately claim a right to welfare, a right to subsidized housing, a right to free medical care—in short, a right to just about anything they can think of to demand.

Yet none of these are really rights at all. They are nothing more than baseless demands, and they deserve to be treated as such.

It also amazes me that the cause of our immigration problems continues to elude so many. By offering all these free benefits—legal services, medical care, food stamps, and so forth—we are actually enticing immigrants to come to America. Our huge giveaway programs have predictably spawned an avalanche of aliens. And until we stop the giveaways, no INS budget will be large enough, and no border guard patrol pervasive enough, to stem the steady flow across our borders.

And why should the welfare monster stop growing now? This ruling by the Court all but invites illegal aliens—through the taxpayer-supported Legal Services Corporation, no doubt—to demand still more free services. The

prospect of a free education—bilingual, as well—will lure still more immigrants to the new free world. June 15 truly was a dark day for the American taxpayers.

Discouraging as the situation seems, however, there is hope for a solution. The immigration problem can be solved, if Congress has the strength of will to do so. Moreover, the solution is a relatively simple one. We in Congress have created these overgrown welfare programs, and we have the power to cut them down to size. The welfare paradise does not have to last forever.

I have introduced a bill, H.R. 5610, to make U.S. citizenship an eligibility requirement for receiving any benefits provided by the Federal Government. I believe Congress should pass this bill immediately and that the State legislature should then do the same thing at the State level. I firmly believe this one action—ending the huge bonanza we provide to immigrants—would alone solve 90 percent of our immigration problems.

As to the constitutionality of such a law, I believe any reasonable person can see the wisdom—and the equity, and the sensibleness—of this approach. Why should any law-abiding taxpayer have to give up his hard-earned money to support someone who is not even in this country legally? This is the welfare state in its most invidious form. And surely nothing is more contrary to the intent and spirit of the Founding Fathers and our Nation's founding principles than this peculiar perversion of the law, this ever-increasing abuse of the American people and their rights.

We in Congress have a duty to end this abuse. We must expose and denounce this terrible fraud, and establish once and for all that immigrants have no sort of legitimate claim to money rightfully earned by American citizens.

Until we are ready to take this stand, however, no other solution to the immigration problem—whether it be greater INS appropriations, a beefed-up border guard, a national identification card, or barbed wire borders—will be successful.●

ALPHA SIGMA PHI FRATERNITY

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. WOLF. Mr. Speaker, I wanted to bring my colleagues up to date on the progress being made by the fraternity, Alpha Sigma Phi. Alpha Sigma Phi is having an impact on the character development of thousands of individuals as well as in terms of expansion of both programs and chapters.

Meeting these opportunities has resulted in an organization that is doing more for and with its members probably than at any time in its history. This unparalleled activity has resulted in an expanding role for the memorial fund of Alpha Sigma Phi and for the fraternity's alumni.

As evidence of the ideals and principles that Alpha Sigma Phi represents, I ask that the article titled, "Educational Foundation To Seek $2 Million" be inserted at this point in the RECORD.

EDUCATIONAL FOUNDATION TO SEEK $2 MILLION

Alpha Sigma Phi Memorial Fund, for the first time since it was formed in 1945, is undertaking a major capital campaign.

Trustees of the Fund have developed a program requiring a drive to raise a $2 million endowment. Its goal, they say, is to bring the resources of the tax-exempt educational foundation up to the level needed to carry out its mission.

That mission—to underwrite the charitable and educational purposes of Alpha Sigma Phi—is unchanged. But the needs of todays undergraduate student have grown. "The single most identifiable need of today's student is that of leadership and character development," says Robert M. Sheehan, Jr., Executive Director of Alpha Sigma Phi Fraternity. "Our society has been rocked by tumultuous change over the past twenty years which is greatly affecting this country. The breakdown of American family life, the declining role of the church in our everyday lives, and the "liberalization" most universities have had to allow are key changes which further emphasize this great need."

The campaign has been named the Third Founding, recognizing its importnace. Alpha Sigma Phi was founded in 1845 at Yale. The work of Wayne Musgrave and Edwin Waterbury in the early part of this century in making the Fraternity a major national organizaton is spoken of as the Second Founding.

"Alpha Sigma Phi has become the College of Character on campuses across America," says Robert E. Miller, Memorial Fund chairman and a former Grand Senior President.

"The impact on thousands of young men's lives by the Fraternity is increasingly one of aiding personal growth, guiding the development of morals and values. Only in the Fraternity are tody's students finding the opportunity to grow in that manner, and to develop the leadership skills America will need tomorrow. Now more than ever we are a vital educational institution," he adds.

The funding sought will go toward six educational and leadership development goals:

Endow the work of three traveling chapter leadership consultants.

Endow the Fraternity's national leadership conference.

Endow an annual series of regional leadership training workshops.

Endow a leadership director position, a professional to work in character-developing areas.

Endow four graduate fellowships.

Endow 44 scholarships to help worthy students who are finding other avenues closed for continuing their education.

Campaign committees will be established in major cities to contact Alpha Sigma Phi alumni. Members will be asked to support the effort in addition to their regular donations to the annual Loyalty Fund which underwrites part of the Fraternity's operating costs.

City campaigns will be completed in one or two cities at a time before the Campaign moves on to other locations.

Tax-deductible pledges, bequests, insurance policies, or real property contributions will become part of an endowment. Only earnings from contributions will be utilized for the vital programs. An investment advisory committee will be formed to work with professional financial counsel so that the corpus is protected and productive.

How do you measure $2 million worth of brotherhood? In terms of thousands of young lives given a chance to be better men. It's an investment in the future of Alpha Sigma Phi and in America.●

TRIBUTE TO CRAWFORD "CRAWDAD" CHAMBERS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to honor a man about whom I have talked before in this Hall. He is Mr. Crawford "Crawdad" Chambers. My remarks today are filled with sadness because Crawdad, as he is known to his friends, passed away last week. He was 84 years old.

I have talked about Crawdad before as a way of sharing with my colleagues the spirit of a man whose love of God and his fellowman made him an admired and loved man among those who met him. The local newspaper in his hometown of Paris, Tenn., recently noted in an article about him that he was an ambassador of life, and I cannot think of a more appropriate description of him.

Just recently, on June 10, the entire city of Paris turned out for Crawdad Chambers Day. It was a day that honored him but more importantly celebrated the unique stature of a man who poured out his heart for those with whom he came into contract. I want to insert in the RECORD the newspaper story and editorial that followed that celebration.

Crawford Chambers' death will leave a great void in Paris, Tenn., but his memory and the example he set for all of us in his daily life will live forever. I want to express my deep sympathy to his wife and family and let them know of the great admiration I had for Crawdad as a man who expressed his love for his fellowman in the little things we all take for granted in this life.

CONGRATULATIONS, CRAWDAD

Wednesday was Crawford Chambers Day in Paris and it was a complete success. The big Elks dining room was jammed with those who came to the luncheon to honor Crawford, his wife, Lauralee and his daughter, Nancy Chambers Rushing.

"Crawdad" Chambers is a unique individual in our community. He has given of himself to nearly every worthy enterprise that has come along in his adult life, and he is loved and respected by many.

It was "his day" in Paris Wednesday and the town turned out to show its appreciation for Crawford Chambers, who was 84 years young last January.

To Crawford Chambers we join in wishing many more years of health and happiness and look forward to seeing him again presiding over his familiar location at the popcorn machine on the square's west side. Congratulations, Crawdad.

[From the Paris (Tenn.) Post-Intelligencer, June 10, 1982]

"CRAWDAD" HONORED BY HOST OF FRIENDS AT LUNCHEON ROAST

(By Betty Caldwell)

Wednesday was definitely Crawford "Crawdad" Chambers' day. A luncheon drew 225 who came to honor this unique man of 84 whose love of his God, fellowman, community and country has made him an ambassador of life.

They were all there—city officials, politicians, business and professional leaders. But most important were the ordinary people whose names are known only to their inner circle and Crawdad: the little children who came to honor the "popcorn man," his World War II Seabee buddies who paid tribute to "Pappy," and his many friends of every age who were there because they love and admire this man whose small stature overflows with a heart filled with genuine love.

It was an emotional day. Crawdad's friends are not used to seeing this active man confined to a wheelchair, but when he stood up straight, with his wife and his doctor by his side, he was joined by every person in the Elk's Lodge dining room who rose and gave him an ovation.

Gayle Griffith, president of the Paris-Henry County Chamber of Commerce, sponsors of the event, said the tribute was overdue. He presented Crawdad with two autograph books, given by the Paris Business and Professional Women, filled with names of the people present. He also gave Crawdad a large bound volume holding cards and letters from friends from across the United States. The book was prepared by Cindy Snyder, a member of the Chamber committee.

In presenting Crawdad with a plaque, Master of Ceremonies Bill Looney said he was part of everybody's childhood, adult years and old age. The plaque was from the Chamber committee and all Paris and Henry County citizens to their "No. 1 ambassador."

A number of monetary gifts and awards were heaped on the smiling Crawdad who accepted them with humility, sprinkled with the touch of humor for which he is known.

Charles Orr, minister of education and Crawdad's Sunday school teacher at First Baptist Church, said "when Crawdad is absent from Sunday school, a spirit is missing." Orr gave him a check from the Men's Bible Class. In the invocation given by Crawdad's minister, the Rev. Thomas Walker, a note was made of the special qualities that have endeared Crawdad to so many throughout the years.

In presenting the Marquis de Paris, Mayor Bill Culley said of all the awards he has presented since becoming mayor, this award was one he really had his heart in and it was a day that made him feel humble.

"All the words are understated on this proclamation," said County Executive Jim Farmer before reading the bill that proclaimed June 9, 1982, as Crawford Chambers Day. "There are no mere words to describe Crawdad Chambers," Farmer said.

Farmer also presented a bill from House Speaker Ned Ray McWherter making Crawdad an honorary member of the Tennessee House of Representatives, and a proclamation from Gov. Lamar Alexander honoring Crawdad for the outstanding service he has performed for his city, county, state and country.

Full honorary membership in the Paris-Henry County Jaycees and a check from the club were given to Crawdad by Landy Clary, club president. Clary said it would be hard to explain what Crawdad has meant to the promotion of the World's Biggest Fish Fry and to all events where his popcorn machine and bright smile could help in their success.

A check drawn on the Commercial Bank from the donations made in his name was given to Crawdad by Sam McCampbell, an executive vice president of the bank. Another check, given to Crawford by Looney, was a gift from the First Trust and Savings Bank.

Crawdad has been a man of many talents and much energy. His energy has been diminished recently by knee surgery and medical complications, but his outgoing personality and optimism have never suffered.

As his wife of many years, Lauralee, his daughter, Nancy Rushing of Meridian, Miss., and his friends who came to "roast" him were introduced, Crawdad could not resist inserting amusing off-side quips.

However, there were no quips when he thanked everyone who came to the luncheon and gave the credit for his being alive to his doctor, David E. Blaylock of Murray.

Blaylock said he could not take the credit as "it was Crawford's divine faith in the Lord."

Old friends Ray Pitt, Dick Shofner, Buck Christopher, Clem Krider, Paul Veazey, Clifton Humphreys, Bumpus Brasewell and Bernis Beard "socked" it to Crawdad during the roast.

Pitt said a person can talk to Crawdad five minutes and become so mixed up "you don't know whether you are cutting salad or climbing a persimmon tree."

Shofner said Crawdad can break more ice at a party than a man with an ice pick. He added that Crawdad actually stored his popcorn in a bank vault to keep the mice from getting in it.

"Crawford never claimed he came over on the Mayflower," said Krider, "but if he had, he would have known everyone by his first name and all his family by the time it had landed."

Veazey recalled the years when Crawdad owned the Triangle Cafe where he and other young men in Paris vied for the opportunity to work for "the slave driver" to make as much as 25 cents and sometimes 50 cents an hour. He recalled that the Triangle was the first place to bring "shuck" cream to Paris. Shuck cream, explained Veazey, was the forerunner to the product now served at Dairy Queen and other restaurants.

Former members of Crawford's old Seabee outfit, Van Montague, Dr. I. M. Bilsky, and Don Donegan, recalled a number of humorous tales concerning Crawdad, as did Rainey Reynolds.

Dr. Bilsky said, "Pappy, as we called him because he was the oldest man in age but the youngest in energy, was the doer in every detail.

"In the islands he organized a baseball team, a hobby shop and a boxing team. Although, he wasn't a medical corpsman, he never failed to attend younger men on marches whose feet became blistered.

Before he left the Hawaiian island, he knew everybody from the governor to the fishermen. He got the governor to have a Tennessee Day, complete with barbecue. Over 4,000 Tennessee service men attended the party in Honolulu. He was and is a person that has always thought about others."

Duncan summed up the feelings of all who know Crawdad. He said, "If you could spend friendship and love, Crawford would be a millionaire."

Members of the Chamber's committee who planned the event were Chamber Executive George Richardson, Bryant Williams, Thomas Walker, Bobby Jelks, Danny Nelson, Bill McCutcheon, Frank Mason and Cindy Synder.●

U.S. TOBACCO EXPORTS TO JAPAN

HON. EUGENE JOHNSTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. JOHNSTON. Mr. Speaker, Japan is the fourth largest cigarette market in the world, and yet it is one of the most closed to U.S. manufacturers. The entire cigarette market is controlled by the Japanese Tobacco and Salt Corp., a government operated monopoly. All production, distribution, marketing, and advertising rules are solely in the hands of the monopoly. The monopoly restricts U.S. brands to 1.4 percent of their $10 billion market. The Japanese Tobacco and Salt Corp. has also seen fit to restrict their production solely for domestic consumption. At the same time, they have exhibited an excellent example of Japanese restrictive trade actions through a wide range of nontariff barriers and by restricting investment in Japan, virtually leaving no manufacturing capability for foreign producers.

The Japanese Government, in the second package of market-opening measures unveiled late last month, included an increase in the number of tobacco retailers selling U.S. cigarettes, but failed to include tobacco tariff reduction. Although a great deal of trade concessions had been promised by the Japanese, the package still left many questions unanswered. In order for the U.S. brands to be competitive in the Japanese market, the four issues—tariff, marketing, advertising, and distribution restrictions—confronting the tobacco industry must be addressed as a package.

The monopoly stringently controls the retail distribution of imported cigarettes. In the recent agreement, they increased the number of retail

distributors selling imported cigarettes from 20,000 to 70,000 by the end of fiscal 1982, and allowed a provision permitting all tobacco shops wishing to handle imported products to sell foreign cigarettes by the end of fiscal 1985. Mr. Speaker, this may sound as if the Japanese are aiding the United States; however, there are over 250,000 cigarette distributors in Japan and the monopoly failed to say how they plan to implement this or when it may take effect. The new agreement actually may prohibit our tobacco from being marketed in the same manner as Japanese cigarettes until the spring of 1986.

The most important issue, however, is a reduction in the tariff Japan imposed on imported cigarettes. The Japanese have been unwilling to discuss the tariff issue since they reduced their tariff from 90 to 35 percent in 1980. It is interesting to point out that the reduction in tariff was intended to increase U.S. cigarette sales in the Japanese market, but the decrease only resulted in a 10 yen per pack decrease in the retail price of U.S. exports in Japan. U.S. cigarettes still sell for a 100 yen per pack premium over domestic brands, or in other works, more than 55 percent. For U.S. cigarettes the tariff is what makes the imported brands sell for more than 55 percent of all Japanese brands and the landed price of American cigarettes in Japan. After imposition of the tariff, U.S. brands are subjected to various distribution charges, plus a 56-percent tax, which has a multiplier effect bringing the effective tariff rate to 103 percent.

No justification for the imposition of this tariff exists. Often comparisons are made with the European Community's tariff rate of 90 percent; however, it is not mentioned that the European countries allow in-country manufacturing by the foreign cigarette companies or duty-free imports from one European Community country to another. Yet, Japan refuses to follow the European Community's example and actually allow in-country manufacturing of U.S. cigarettes.

If this tariff is not eliminated, the gap in the retail price between Japanese and American cigarettes will further widen and our bilateral trade deficit will continue to grow. I would like to point out that if the U.S. tobacco manufacturers were permitted to reach their potential in Japan, based on performance in comparable markets, they could be expected to reach $1 to $2 billion in exports each year.

Mr. Speaker, new measures unveiled last month still fail to provide equality between our two countries. I believe it is reasonable to allow the U.S. tobacco industry to do in Japan what the Japanese Tobacco and Salt Corporation is allowed to do in our country. The United States and Japan are expected to conduct further negotiations centering on the tobacco tariff imposed by Japan. I understand that Japan intends to reject our demands for a tariff cut. I cannot urge this Congress enough to express their opposition to the Japanese tariff restrictions imposed on American cigarettes and to demand equality in trade between our two nations.●

A STAGE FOR ALL KINDS OF ACTORS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. GOODLING. Mr. Speaker, I would like to bring the following article to the attention of my colleagues for their perusal and amusement. The particular point I would like to emphasize is the author's challenge to those of us who feel comfortable in dismissing an opinion if it is one given by a former actor. However, I have often sat before committees in which testimony has been submitted by actors on such topics as El Salvador, nuclear war, and so forth, and invited here by my colleagues on the other side of the aisle. The article follows:

[From the American Spectator, July 1982]

ONE FAT THESPIAN

(By R. Emmett Tyrrell, Jr.)

I have long considered those who disparage our President for his Hollywood roots supremely obtuse. Every American pol is, au fond, an artist in false face, or he is no pol at all. An aspiring statesman might be brave, bold, and brilliant. He might also be abounding in Christian charity and all the desiderata glorified by the masters of your local mental health association, but unless he can actually demonstrate these personal treasures he might as well be a sausage.

Last month Ronald Reagan was not the only actor sitting in the ornate President's Room of the Senate discussing a budget compromise. There was also the Hon. Thomas P. (Tip) O'Neill, who, had he not been engaged in the political arts lo these last four decades, might very well have become a Shakespearean player of the first rank. What a rumpled and roisterous Falstaff he would make! Trim him down, crossgarter him and he would give you a splendid Malvolio; and with suitable alterations he is the constable Dogberry! Watching him profess his solicitude for the poor and the lame and the halt reminds the theatergoer that here is one of the great greasepaint moralizers of all time.

The illustrious Speaker acts as though the Reagan Administration is thrusting orphans and cripples into the cold. He laments the cruelties of the Administration's budget cuts. He does not reveal that the budget for fiscal 1983 is $38.1 billion more rotund than fiscal 1982; or that the budget for fiscal 1982 will probably expand in real terms by at least five percent over fiscal 1981 with the growth in non-defense spending roaring along, gouging a record 17.4 percent of the GNP, up from 15.9 percent in fiscal 1979.

He does not reveal that the Reagan Administration is cutting only the rate of budgetary growth that he and his spendthrift colleagues built into the budget by passing idiotic laws that enjoin the government to pay more and higher benefits whether the funds are available or not and whether the taxpayers have approved or not.

He pretends to be totally ignorant of one of Washington's most appalling realities, namely, that the growth of the federal budget is wholly out of control, insulated from the will of the American people by a praetorian guard of liberal Democrats and old-time pork-barrelers who have no intention of cutting it back.

With great flourishes of emotion the illustrious Speaker is explaining how he has saved the little fellow from the Reagan budget cuts. He is not explaining that he also wants to deny the little fellow the pleasure of the third round of the Reagan tax cuts. Even with the present round of Reagan tax cuts, taxes went up 15.8 percent in the last calendar year. But the Speaker wants more tax revenue and he wants it from the very same little fellow whom he claims to protect.

Bear in mind that the Democratic leadership through the Brodhead Amendment has already lowered the top tax rate on the highest personal incomes from 70 percent to 50 percent. As Congressman Jack Kemp is pointing out, the Reagan cuts will merely preserve a tax cut for the ordinary American, the fellow earning less than $60,000. Only a player of consummate skill could claim as the Speaker did last month that this final Reagan tax cut is a "program of giving billion-dollar tax cuts to the rich."

Yet the Speaker's most breathtaking bit of theater is his insistence that he wanted a budget compromise. Actually, all the accommodation came from the President, backing off on his tax policies and his budget cuts and his defense increases. The entitlement programs were hardly touched. All the Hon. O'Neill will agree to is more spending and heavier taxes. If the President does not yield, the Speaker will gladly sit back and watch the economy stumble along until the fall elections when he will blame the economy on the President and hope for more Democratic seats. Then he can return to his age-old policies of inflating the currency, buying off more votes, and allowing taxes to rise.●

TRIBUTE TO WRIGHT STATE UNIVERSITY SCHOOL OF PROFESSIONAL PSYCHOLOGY

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. BROWN of Ohio. Mr. Speaker, I would like to note that Friday, June 11, 1982, marked an auspicious occasion, the graduation of the charter class of the School of Professional Psychology of Wright State University, Dayton, Ohio.

This school was created by an act of the Ohio General Assembly in 1977, for the purpose of educating and training doctors of psychology. On Friday, its first such group of students graduated from a program accredited

by the American Psychological Association.

I take personal pleasure in recognizing the accomplishments of the school of professional psychology, and wish to congratulate the Ohio General Assembly for its wisdom and foresight in establishing the only such program in the State of Ohio.

I wish, further, to note the diligent personal efforts and achievements of its dean, Ronald E. Fox; its associate deans, Allan G. Barclay and Russell J. Bent; and of its faculty and students.

Finally, I am confident that the graduates of this school will go forth and serve the citizens of the State of Ohio well, and will make significant contributions to the science and profession of psychology.

As a Representative from the State of Ohio, the Buckeye State, I commend this program to the eyes and attention of my distinguished colleagues in this Congress of the United States.●

UNCLE CHUMP FOOTS BIGGER NATO BILL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. PAUL. Mr. Speaker, back in 1978 the NATO "partners" agreed that in order to avoid falling further behind the Warsaw Pact in military strength it would be necessary for each country to increase its defense expenditures by at least 3 percent a year, in real terms. True to form, only the United States, plus Canada and tiny Luxembourg, have lived up to their promises. The Europeans have failed to meet the targets, as the following chart shows, and the result is that the American taxpayers are footing a bigger defense bill for the wealthy Europeans: $130 billion is what we will fork over for European defenses next year. Try explaining that to your constituents.

[From the Economist, June 12, 1982]

REAL INCREASES IN DEFENSE SPENDING (PERCENT)

	1979	1980	1981	1978–81
Luxembourg	3.5	16.3	6.7	28.4
Canada [2]	0.4	5.7	4.4	10.8
United States	2.4	3.1	4.3	10.1
NATO target	3.0	3.0	3.0	9.3
West Germany [2]	1.7	2.9	3.4	8.2
Britain	2.9	3.5	0.5	7.0
France	3.5	3.4	0	7.0
Holland [2]	3.0	2.9	−0.4	5.6
Norway [2]	2.6	2.8	−0.3	5.2
Belgium	1.0	2.3	−2.2	1.0
Denmark	−0.2	0.7	0.2	0.7
Italy	2.6	−7.7	−6.8	−11.7
Turkey [1]	na	na	21.9	na
Greece	na	na	6.8	na
Portugal	na	na	1.6	na

[1] Approximation. Turkey's inflation is so high that precise calculations of defense inflation are impractical.

[2] These countries do not calculate a separate rate of defence inflation. Therefore a more broadly based index, which tends to understate defence inflation, has been used. So the true increases are probably lower than the figures suggest.

Are the Europeans proverty stricken? Hardly. Germany, France, Belgium, Holland, and Norway are all wealthier per capita than America. Western Europe's combined GNP now come to over $3 trillion, which is more than ours here in the United States. The world is not what it was in 1945—we no longer have a monopoly on wealth or power. Why do they not let the Europeans subsidize us for a while?

Our huge subsidies to the Europeans do one thing only: they allow the Europeans to play around with socialist programs and to bolster their industries. Heavily taxed American companies operate at a competitive disadvantage as a result. How long will we let this go on? Does the defense of Europe matter more to us than it does to the Europeans?

There is only one solution—threats and partial pullouts would be inadequate—we must give the Europeans the full responsibility for defending themselves. We cannot go on shouldering this tremendous burden, and we have no reason to continue to jeopardize our own continued peace and security. Let us terminate these "entangling alliances" which impede our own security and threaten us with bankruptcy and involvement in a nuclear war.

I urge my colleagues to cosponsor House Joint Resolution 508. Additional information on this resolution appears in the RECORD of June 9, pages 13059-13062.

HOUSE JOINT RESOLUTION 508

To provide for the complete, orderly withdrawal of American military forces, and our nuclear protection, from Europe and Japan.

Whereas, the nations of Western Europe and Japan have populations and wealth which make them fully capable of providing for their own defenses without American subsidies; and,

Whereas, these nations have, for many years, existed in a state of unnatural, unjustified, and unsustainable military dependence upon the United States, at huge cost to the American taxpayers, and with consequent competitive disadvantages for American businesses; and,

Whereas, the United States is committed to the first use of nuclear weapons because of our obligations in Europe, and is also the target of thousands of Soviet nuclear warheads because of these same obligations, and our 350,000 troops in Europe are also vulnerable; and

Whereas, we have expended huge sums of money on military subsidies to these nations at a time when we ourselves are vulnerable and in need of protection, when our resources should be devoted to advanced defensive technologies, especially in space, and when overall federal spending must be drastically reduced; Now, therefore, be it

Resolved, That notwithstanding any other provision of the law, the President shall immediately begin a phased and orderly withdrawal of all U.S. military forces from Europe and Japan, to be completed not more than four years after the date of enactment of this resolution. These forces, once withdrawn, are to be stationed in positions to defend the territorial United States, or disbanded.

Eight years after the enactment of this resolution, the protection provided by American nuclear forces, wherever stationed, will no longer be extended to the nations of Western Europe and Japan, or to any other foreign country.●

ISLANDS IN THE STORM: OUR NATIONAL PARKS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. BEREUTER. Mr. Speaker, earlier this week, the Public Lands and National Parks Subcommittee held hearings on four bills designed to promote preservation of the natural and cultural resources of our national park system.

I hope that my colleagues from major metropolitan areas would pay particular attention to these hearings. As the following article by Robert Cahn demonstrates, our new urban parks are facing a difficult challenge in their efforts to provide recreational opportunities to tens of millions of urban dwellers. I would hope that those who represent areas which benefit from the presence of these parks would come forward quickly to assist them in fulfilling their important mission.

NEW URBAN PARKS FACE A FIGHT TO SURVIVE

A year ago things were looking bleak for superintendent Bob Chandler. The 150,000 acres of beaches, mountains, hills, and canyons he was trying to preserve for the recreation of 10 million nearby Americans were in jeopardy.

In 1978 Congress had directed that this natural area, not yet swallowed up by southern California's urban sprawl, somehow be welded into the national park system. A combination of land purchase and protection agreements would be the means. The hoped-for result: a new park, the Santa Monica Mountains National Recreation Area, embracing both publicly and privately owned lands.

But in 1981 the effort was suddenly cast into limbo. The newly appointed secretary of the interior, James G. Watt, clamped a freeze on all National Park Service land acquisition funds. The new secretary also stated publicly: "I do not believe the national park system should run urban parks."

For superintendent Chandler, the freezing of acquisition funds put a roadblock in the way of purchasing several key parcels of land needed to hold the new park together. His public defense of the park and criticism of Watt's action as short-sighted brought a verbal reprimand from Washington. Meanwhile, morale at the park reached rock bottom. Staffers felt they had little communication from regional and national offices. "It's like we don't exist," said one.

Today the gloom has lifted. Chandler is optimistic that Santa Monica Mountains will not only survive but will come to be regarded as one of the outstanding units of the national park system. Santa Monica received $6 million when Congress overruled

Watt's total moratorium on land acquisition and restored part of the 1981 appropriation Watt had cut off. By spring of 1982, Santa Monica Mountains National Recreation Area was a viable, though far from complete, part of the national park system. It had an expert staff working to protect its resources, and rangers helping to provide recreational opportunities for increasing numbers of visitors. The small portion of the area now owned by the Park Service recorded more than 395,000 visits last year, not counting the 7 million people who pass through the area or the 29 million who use the state beaches and other public areas of the park. Even Secretary Watt appeared to have changed his tune. When asked by a reporter if he supported funding to complete the acquisition of lands for the Santa Monica area, Watt replied, "Yes, but not now."

Over the past 20 years, developers and real estate interests have relentlessly promoted unlimited urbanization of this area. But conservation groups and public-spirited citizens have worked to protect, within the national park system, what was left of the Santa Monica Mountains' natural value. The result is a tenuous, albeit effective, series of working arrangements between the Park Service and the other public and private owners of the land. These give a measure of protection to the nation's largest, relatively undisturbed example of a coastal Mediterranean ecosystem.

On a map, the Santa Monica Mountains National Recreation Area looks like a heavily gerrymandered political district. Its borders abound with bulges and narrow strips that exclude populated areas. From Point Mugu State Park on the west, running east along the entire mountain range for 47 miles, to the Hollywood Freeway, the park includes rugged 3,000-foot ridgetops, steep hillsides swathed in chaparral, manzanita, sage, and wildflowers, 44 miles of beaches, canyons of dry, golden grasses dotted with 400-year-old California live oaks and valley oaks, and streams lined with willows and sycamores. Bobcats, deer, coyotes, and a few mountain lions are among the 60 species of mammals in the area. Some 240 kinds of birds populate the park, and one area Cheeseboro Canyon, is reported to have the largest number of nesting sites for birds of prey, per acre, in the country.

MANY LOCAL RESIDENTS FAVOR PRESERVATION

The existence of so much natural land in the midst of 10.5 million people is due partly to action taken by local voters. Over a number of years they set aside many state, county, and city parks and water district lands. Other key factors in preserving the natural quality of the land: the large numbers of private camps and recreational facilities in the area; an ownership pattern in western Los Angeles County dominated by large private ranches; the topography, with its steep, slide-prone slopes and extreme fire danger in some areas. And, fortunately, most of the people who have purchased tracts in the area have maintained the land's natural features, and have become advocates of preservation.

Establishing the new park has required all the negotiating and planning skills that Chandler, a 23-year Park Service veteran, could muster. Starting from scratch 3½ years ago, he first had to acquire enough land to form a nucleus of Park Service ownership. At the same time, he had to work out cooperative arrangements for managing private lands in ways compatible with the purposes of the national recreation area. Natural resources had to be protected from the threats within and adjacent to the park. Recreation opportunities had to be developed. And all of this in a period of budget austerity throughout the National Park Service.

Chandler has been able to purchase only 6,000 acres of the 43,000 sought in the original plan. The land cost $37 million, and the figure would have been higher had not several tracts been donated. In one case, the nonprofit Trust for Public Land saved the park more then $2 million by taking an option on 1,800 acres in Cheeseboro Canyon and holding it until the park had the money to but it at a bargain price.

With land prices escalating, the Park Service estimates it may now cost four times the originally authorized $155 million to make all of the planned acquisitions. "When some people question whether we can have a viable recreation area for $155 million, my response is that we can, by relying more heavily on less-than-fee acquisition, and by depending on donations and good land-use planning by local agencies to preserve a lot of what we have," says Chandler. "But we still need to acquire some of the most sensitive resource areas and some sites needed for recreation activities. The principal thing is to preserve the character of the mountains without acquiring everything," he adds.

REPORT SPECIFIED OVER 50 THREATS TO THE PARK

No matter how much land can ultimately be purchased, Chandler faces an ongoing challenge: how to protect the park's natural values. With Greater Los Angeles pressing in and 40,000 people living within park borders, it is little wonder that the staff identified 53 distinct threats in the Park Service's 1980 State of the Parks Report. That was the fifth highest total among the 333 Park Service units. Air and water pollution, toxic chemicals, noise, threats to wildlife, destruction of habitat, livestock grazing, wildland fires, land development, roads, vandalism, and erosion lead the list. Projected oil leasing could also harm the park.

With an eye to these threats, Chandler has put more permanent resource managers on his staff than rangers. He recruited Dave Ochsner, formerly chief resource manager of Grand Canyon, to head the staff. Paul Rose, an expert hydrologist from Everglades National Park, directs the monitoring and gathering of basic data about the park's natural resources. Bob Plantrich, a forester and controlled-burning expert from Sequoia, and Kheryn Klubniken, a marine biologist specializing in environmental pollution compliance, are also on the staff.

In its first three years the park has already developed a more complete inventory of plants and wildlife, including data on their condition, than Yellowstone has gathered in its 110 years. This information is being computerized to make it easier for park officials to detect dangers to resources. With the help of the US Geological Survey, the park has launched a program to monitor water quality and quantity in the 10 watersheds of the Santa Monica range.

Brush fires are a recurrent threat. So Chandler and his resource managers have had to sell local citizens on the need for controlled burning of hillside chaparral. Two such burns have been completed successfully and more are planned.

Building an appreciation of the park's recreational potential is another task Chandler has tackled. Last year, the park staff helped schools and community groups conduct environmental education field trips in the recreation area. Some 40,000 children participated, most of them from inner-city neighborhoods. A recent "Springtime in the Santa Monicas" program brought 26,000 visitors to the area to take part in cross-country runs, wildflower walks, bird watching, and astronomy programs.

THE PARK SERVICE'S NEW INVOLVEMENT IN URBAN AMERICA

The Santa Monica Mountains park is part of a recent phenomenon that has been a subject of controversy both within the National Park Service and outside of it. Over the space of six years (1972-78), the service was pushed to extend itself to cover a whole new involvement in urban America.

The Nixon administration's "Parks for the People" campaign—turning surplus federal properties into local parks—provided the basic concept. And with help from New York and San Francisco-area members of Congress, the Gateway and Golden Gate National Recreation Areas were authorized in 1972. In both cases, a number of federally owned natural and cultural sites, not significant enough by themselves to be in the national park system, were lumped together. The Park Service, which had formed a National Capital and Urban Park Affairs Division in 1970, liberalized its interpretation of "national significance" to include providing recreation for city residents unable to get to distant national parks.

NEW YORK CITY HAPPY TO DONATE RIIS BEACH

New York Mayor John V. Lindsay donated the popular city-owned Jacob Riis Beach, a financial albatross the city was only too pleased to unload. Environmental leaders in California, who had long sought national park status for the Marin County headlands and other areas near San Francisco, advocated the Golden Gate park. Some national park purists objected to what they considered a compromise of standards. But the conservation movement as a whole was interested in meeting some of the needs of inner-city dwellers and joined in support for Gateway and Golden Gate.

Many congressmen and senators soon wanted national recreation areas in their bailiwicks, and at one point the Park Service had some 40 areas under consideration because of congressional requests. Only four more were approved by Congress, however: Cuyahoga National Recreation Area (between Cleveland and Akron, Ohio) in 1974, Chattahoochee River National Recreation Area (Atlanta), Jean LaFitte National Historical Park and Preserve (New Orleans), and Santa Monica in 1978. The National Park System Advisory Board, which advises the secretary of the interior, opposed all four.

After Gateway and Golden Gate, the Park Service, which had never really wanted the urban areas, opposed Cuyahoga, Chattahoochee River, Jean LaFitte, and Santa Monica Mountains. These and some of the other units added to the system in the last 10 years were anathema to some Park Service veterans loyal to the Yosemite-Yellowstone-Grand Canyon tradition of great scenic national parks. They felt the new units were not of national significance and compromised the high standards of the service. And they saw staffs being plucked from the old-line units and sent off to the new areas. Many rangers, eager to work in wilderness surroundings, chafed at being sent to an urban park.

Congress, quick to authorize the new parks, was not so quick to appropriate ade-

quate funds for operating them. Nor did cost-conscious interior secretaries, beset by other priorities, press for the needed appropriations. Since staffing levels are determined for the most part by number of visitors rather than size of the park, the urban parks put a new strain on Park Service manpower. For example, Gateway, with only 26,000 acres, now has 53 percent more permanent employees than Yellowstone with its 2.2 million acres, since Gateway records four times as many visits.

Each of the national recreation areas I visited, however, is protecting valuable pieces of natural landscape and important historic sites, while providing recreation for people unable to travel to the larger, more famous national parks. And for many of the visitors, the experience may serve as an introduction to the national park system, whetting their interest in someday getting to the large, distant national parks such as Yellowstone or Grand Canyon.

BIRD WATCHING, FISHING, HISTORICAL LANDMARKS

Gateway National Recreation Area, for instance, is far more than a tangled mass of humanity on Riis Beach, as critics sometimes portray it. The Sandy Hook unit in New Jersey is a small national park in itself, with rugged beaches, havens for many species of birds, the unique 200-acre Holly Forest, historic Fort Hancock, and well-used fishing beaches. The Breezy Point unit, which includes Jacob Riis Beach and Park, also has Fort-Tilden, another historical landmark, plus a popular fishing area at the point. The Jamaica Bay unit is highlighted by the 9,100-acre wildlife refuge with seven miles of trails, two large ponds, and marshlands and bay for sighting some of the 318 species of birds known to use the area.

And other features of the park serve great numbers of people: Canarsie Pier, for example, where senior citizens gather daily, and Floyd Bennett Field with its Ecology Village set amid a grove of young pine trees. For many innercity teachers and schoolchildren, an overnight camping experience here provides a first encounter with the outdoors. A major failure of Gateway is the lack of easy public transportation to any of the units, and, particularly, the absence of the ferry system contemplated in original plans for the park.

Across the continent, the other "gateway," Golden Gate National Recreation Area, is also a collection of distinct natural and historic sites. It claims to be "the largest urban park in the world," with 68 square miles of land and water and 28 miles of coastline. Golden Gate has the highest visitation—19 million in 1981—of all 333 national park system units. Some visits, however, may only last long enough to take in the view at such popular spots as Lands End or Cliff House.

No place in the park is more than an hour's drive from downtown San Francisco or Oakland. The area offers breathtaking scenery and a variety of recreation—hiking in redwood groves, boating, fishing, swimming, camping, or visiting historic areas such as Alcatraz Island.

Without the national recreation area, much of the land would by now probably be lost to housing and commercial development. More than 17,000 acres have been purchased since 1972 through the Land and Water Conservation Fund at a cost of $52 million.

The Cuyahoga Valley National Recreation Area in Ohio, like Santa Monica Mountains, protects a large, still undeveloped chunk of land. It is parklike, pastoral land squeezed between the urban centers of Cleveland and Akron. The strip following the Cuyahoga River for 20 miles offers many kinds of recreation. It has ecological significance, too, as an outstanding example of a merger of eastern and northern forest plant species with those of the western plains.

6,000 ACRES STILL NEEDED TO COMPLETE PLAN FOR PARK

Cuyahoga's historical and archaeological treasures include some 250 historic buildings and 45 prehistoric mounds of the Adena and Hopewell cultures (300 B.C. to A.D. 600) waiting to be excavated. And the old Ohio and Erie Canal, with hiking and cycling along the towpath trail, has historic, scenic, and recreational values. The 32,000 acres of the national recreation area take in seven already established local parks; the National Park Service has purchased, or has protective easements for, 12,000 acres. But 6,000 more acres still need protection.

Until Cuyahoga was established in 1974, a regional federation of 87 groups had been trying in vain to save the area from urban encroachment.

As successful as these urban parks may be, at least in the minds of people living in surrounding metropolitan areas, critics still hold that they lack national significance, drain off Park Service staff and funding, and should be managed by states or municipalities. When the latter idea was floated during the early days of the Reagan administration, the governors of Ohio and California and New York members of Congress expressed anger at even the suggestion.

Watt told a reporter last year that deauthorization of some national recreation areas "needs to be done." But he added: "I don't know if we have the political leadership to do it, the courage to do it now." However, leaked confidential memos from Watt's assistant secretary for fish and wildlife and parks, G. Ray Arnett, to National Park Service director Russell Dickenson showed that this move was being seriously considered. One memo asked for research on areas created by Congress over the objection of the Park Service, with first attention given to Santa Monica. The other asked Dickenson for research "on the procedure for divestiture of the Santa Monica Mountains NRA" and for similar research on Cuyahoga.

Ohio Rep. John Seiberling, who led the 1974 legislative campaign to pass the Cuyahoga bill, argues that protecting only the great natural parks is elitist.

"We need to take care of the people who can't afford to go the long distances and give them a high-quality park experience," he says. "Also, having parks near the people saves energy. No other part of government except the National Park Service has the capability of providing this high type of recreation on the needed scale, and of doing it well."

Most Americans have accepted the concept of an evolving national park system that allows for parks in urban areas—as well as historic sites, lakeshores, seashores, wild rivers, trails, military parks, and cultural parks—as a people's need expands.

Freeman Tilden, author of many books on national parks and a consultant to four Park Service directors, believed that every one of the areas could justly be called a national park. "The naming is several," he wrote, "but the purpose and effect is that of a full representation of the American story—of the earth we live upon, of the races who lived here before the white man came, of the great struggle for possession of the continent, of the winning of the Republic, and finally of our own political and social life."●

TRIBUTE TO THE LATE REPRESENTATIVE ALEXANDER PIRNIE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. GILMAN. Mr. Speaker, it was with a real sense of loss that I learned of the untimely death of our good friend and former colleague, the gentleman from New York, Alexander Pirnie.

Congressman Pirnie was an exemplory Member of the House. His integrity, his conscientious performance and his work on the floor of the House conveyed Al's ability to effectively communicate with his colleagues. When he participated in debate, Al Pirnie's statements stemmed from a heart full of compassion and concern for his fellow citizens. He was an effective proponent of his point of view in committee, working constructively with Members from both sides of the aisle. As the ranking minority member of the Armed Services Committee, his leadership and direction provided for balanced bipartisan decisionmaking. His leadership role continued for Al after he retired from the Congress in 1972. It was then that Al returned to New York to strengthen his commitment to community activities and local commerce as the president and later chairman of the board of a successful Mohawk, N.Y. concern.

Although I did not have the opportunity to serve in the same Congress with Al, I came to know Al and considered him a close friend. His work within the House as a leading Republican and his work as a member of the Republican Policy Committee served as a record of admirable congressional performance and embodied the finest attributes of a public servant's duty to his constituents.

I join my colleagues in extending my deepest sympathies to Mildred Pirnie and their two sons, Bruce and Douglas, and hope that they will be comforted by the fact that Al was so superb in his life's work—his devoted public service.●

EEC SUBSIDIES

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. PASHAYAN. Mr. Speaker, on behalf of myself and Congressmen

COELHO and THOMAS I should like to call to the attention of all Members who challenge the subsidy programs being developed and practiced by the European Community that during this upcoming district work period one of the many pending cases will be heard by an international tribunal.

In this case it is the U.S. raisin, peach, canned pear, and canned fruit cocktail industries. They are today confronted with an economic crisis directly attributable to the unlawful and unfair trading practices of the European Economic Community (EEC). The damage our industries are being forced to sustain is intolerable not only because of its immediate adverse effect on the U.S. economy, but also because of what it portends for other agricultural industries which trade with the EEC.

In what we consider a clear violation of the rules of international trade, the EEC has adopted a subsidy scheme for canned fruits and raisins which gives a substantial competitive advantage to Community producers and provides an inordinate stimulus to EEC production. The impact of this scheme on our industries is alarming. Thus far in the 1981-82 marketing year, U.S. exports of canned peaches to the EEC are down 70 percent over last season; canned fruit cocktail exports have decreased 34 percent; and raisin exports have fallen approximately 40 percent. As few new contracts are being executed, our shipments are expected to drop even further. In contrast, U.S. exports of these commodities to other destinations have remained almost constant.

These staggering export losses resulting from the EEC's unjustifiable trade practices impact on more than the immediate industries involved. The U.S. Treasury, our labor force, and the general public are also being adversely affected.

Thus, the United States finds itself once again being victimized by EEC agricultural policies. In other areas of our agricultural sector—such as the grain, sugar, poultry, beef, and veal industries—we have seen similar economic losses resulting from EEC subsidies. And we have every indication that the European Community intends to broaden the reach of its subsidy practices, meaning even greater economic loss to the United States in the future.

In our view, the economic burden being thrust upon us by EEC agricultural pricing practices—typified by their processing scheme for canned fruits and raisins—is unlawful and unacceptable. In effect, the United States is being required to pay part of the cost of the EEC's common agricultural policy. Our farmers are being forced to reduce their income in order that the income of European farmers can be increased. Given the depressed state of our farm economy, we are in no position to provide such assistance.

All of us who represent agricultural industries which export to the EEC must urge the administration to put an end to the unjustifiable and ever-growing burden caused by EEC subsidies. Since the private sector cannot represent itself to foreign governments, these unlawful trade practices can only be eliminated through vigorous opposition from U.S. officials.

In the case of canned fruit and raisins, we are gratified that our Government has sought to fight the EEC's subsidies through the dispute settlement procedures established under the General Agreement on Tariffs and Trade. The first dispute settlement hearing of this case will be held in early July. As we all have a vital stake in seeing that EEC subsidies are eliminated, we must implore U.S. officials to devote every effort to achieving a successful resolution of the case. The preservation of the rules of international trade and the economic well-being of many may well depend on its favorable outcome.●

EMPLOYEE OWNERSHIP: A GROWING PHENOMENON

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. LUNDINE. Mr. Speaker, the following article from a recent issue of Inc. magazine gives a useful summary of the status of employee ownership initiatives in America:

The article follows:

[From the Inc. magazine, April 1982]

EMPLOYEE OWNERSHIP: A CAPITAL IDEA

EMPLOYEE STOCK OWNERSHIP PLANS OFFER YOU ACCESS TO A NEW GROUP OF INVESTORS—YOUR WORKERS

(By Doran Howitt)

One day in 1975, Jack Lamp, president of Arrow Metal Products Co., an East Palo Alto, Calif., sheet metal fabricating shop, was complaining to his lawyer about the company's employee profit-sharing plan. Lamp had installed the plan five years earlier in order to share with its employees the firm's success. But as in so many small companies, though Arrow was profitable, cash was tight. Lamp usually found himself taking out a loan to make the annual profit-sharing contribution.

He would have preferred not to borrow. Lamp had to guarantee all the company's loans personally. And besides, he says, "It wasn't like borrowing to invest in new equipment. It wasn't making any money." But suspending the contributions was out of the question: That would shake his workers' morale.

His lawyer made a suggestion: Why not look into a new kind of employee trust plan allowed under a recently enacted federal law? He was referring to Employee Stock Ownership Plans (ESOPs), sanctioned by the Employee Retirement Income Security Act (ERISA) of 1974. An ESOP allows a company to make trust fund contributions in its own stock as well as in cash. That way, the money stays right in the company itself, instead of being handed over to a bank's trust department, never to be seen again.

It looked complicated, so Lamp contacted John D. Menke, a San Francisco lawyer who had recently opened a firm to specialize in ESOPs. For $5,000—today it would cost more—Menke made Arrow Metal one of the first companies to take advantage of the law.

As it turned out, Arrow's ESOP accomplished much more for the company—and for Jack Lamp—than just relieving the profit-sharing cash pinch. It helped meet the capital needs of the growing, privately owned company.

"Since we founded our ESOP, we haven't had to borrow any money at all," says Lamp. "Our capital expenditures since then have totaled about $1 million, and the ESOP has funded most of that." The company's sales now stand at about $1.8 million a year, up from $150,000 when Lamp bought the firm and rescued it from failure in 1968.

Arrow now has 25 employees, all of whom have benefited from the ESOP, too. Under the former profit-sharing plan, coming up with a cash contribution of about 8% of payroll annually was a strain for the company. Now Arrow contributes stock worth up to 15% of its $620,000 payroll each year. (Contribution amounts are, as in profit sharing discretionary.) The value of a share, as determined by an independent appraiser, has risen from $4.22 in 1975 to $10 today.

As they would in a pension plan, Arrow employees usually leave their allotment in the trust until they retire (though early withdrawals are possible under some circumstances). Then they "put" the stock to the company or to the trust—that is, sell their shares back at fair market value. Thus the company ultimately does hand them cash—and perhaps much more than the shares were worth in the first place, if the company has prospered and the shares have appreciated in value.

Arrow gets use of their cash in the meantime. The company also takes a standard tax deduction on the value of every share given to the trust, up to 15% of payroll. Thus by raising contributions from 8% of payroll (all it could afford when it was pumping in cash) to about 15% now, Arrow gained a tidy sum through deductions. Since the company pays tax at the full 46% corporate rate, each dollar's worth of stock contributed earns 46¢ in cash for the business.

There's a catch for Jack Lamp, as readers undoubtedly have noticed. In order to give the ESOP stock, the company issues new shares. That dilutes Lamp's ownership. Arrow's employees now own about 38 percent of the company. The typical ESOP firm is 20 percent to 30 percent employee-owned after five years, notes Menke.

But dilution doesn't deprive Lamp of his control of the corporation. Through a trustee he appoints, he directs the way the ESOP votes its shares. "Having the ESOP eventually become majority stockholder doesn't bother me as long as voting rights aren't involved," he says.

And dilution can carry a shiny silver lining: It creates a convenient "in-house" market for Arrow's shares. This permits Lamp occasionally to cash out some of his equity in the company—on terms vastly more favorable than the Internal Revenue Service otherwise allows. Last year, for example, Lamp sold 9,000 of his 80,000 shares to the ESOP for $10 a share. Where did the

trust get the money? From the company—in the form of an ESOP contribution (for this purpose it gives cash, rather than the usual stock, to the trust). Arrow took a corporate tax deduction on the transaction, and Lamp paid personal taxes at the capital gains rate.

Compare that to what would occur, under IRS rules, if Lamp had tried to cash in those shares by selling them back to the company directly. The company would have had to redeem them with after-tax dollars, and the IRS would have called it a "constructive dividend," making Lamp liable for taxes at the regular income rate. Thus the company would forgo a deduction worth 46 percent, and Lamp would have to pay up to 50 percent in income tax rather than 20 percent in capital gains tax. That adds up to an additional 76 percent penalty on the same transaction, at maximum rates.

Owners of small, closely held companies usually find no other reasonable means of redeeming shares of stock, unless they want to sell the whole company (the IRS offers very favorable tax treatment for that).

"It helped me diversify my own portfolio," says Lamp. "Who else could I sell shares to, except perhaps a friend? This isn't a high-technology glamour industry." According to several ESOP consultants, in fact, this ability to get cash out of the business is the most common reason for installing ESOPs among privately held companies. Publicly held companies can install ESOPs, too, though if there's an active market in a firm's stock, an "in house" market is unnecessary.

According to current estimates, about 5,000 American companies have adopted ESOPs since they were first sanctioned in 1974. Small, privately held firms make up the overwhelming majority. Menke estimates that 80% have between 50 and 150 employees. He figures that another 100,000 firms are likely ESOP candidates.

The primary crusaders for ESOP financing are a handful of specialists working in small law or financial consulting firms. Says William F. Quirk, Jr., a financial analyst with Kelso & Co., one of the country's main ESOP organizations: "The ESOP is the Rodney Dangerfield of corporate finance. It don't get no respect."

Financial consultant James A. ("Jack") Warren, president of the firm he calls ESOP Inc., of Mountain View, Calif., points out the advantages of ESOP financing: "Frequently, when you go to your banker, he'll say, 'I'll lend you so much money based on such-and-such a net worth of your business.' If you ask, 'How do I qualify for more?' the banker will say, 'Increase your net worth.' Well, there are only two ways to do that: one, from after-tax earnings, or two, sell some more stock.

"The trouble with the first option is that, in a closely held company, the name of the game is not to maximize after-tax earnings, but to minimize reported earnings—and thus taxes on them—and maximize cash flow for the growth of the business. That leaves the second option. And who the hell is going to buy stock in this little company, other than the officers and employees?"

ESOPs were slipped into ERISA at the behest of Sen. Russell B. Long (D-La.), who had adopted the ideas of the ESOP's inventor, lawyer-philosopher Louis O. Kelso. Neither Long nor Kelso envisioned the ESOP as simply a tax dodge. Kelso was thinking along the lines of liberating mankind from toil and poverty. (See "Louis Kelso's ESOP Crusade," page 43.) If workers were turned into part-time capitalists, he theorized, they would acquire some of the wealth that now seems to accrue to too few in society. The idea appealed to Long, son of populist politician Huey Long.

Though the majority of ESOP advisers concentrate on selling its tax and financial advantages, they don't forget to mention that it's also good for the workers. The more profitable a company, the more its stock appreciates; and the higher it goes, the more the workers gain. As employees acquire more of a stake in their company, so the theory goes, they become more conscientious and more productive, knowing that their own income depends partly on the company's profitability. And by working better and harder, they make it more likely that the company will, in fact, be successful. "People have an almost innate need to own," says Menke.

Many companies entering into an ESOP doubt that it will stir the employees much, Menke says, but some of them are pleasantly surprised. ESOP attorney Jack Curtis, partner in the Washington, D.C., firm McQuaid, Ludwig, Bedford & Curtis, warns, however, that simply turning workers into owners on paper won't suffice. They have to feel like owners.

"I don't know of a single company that has mounted an effective communication program about its ESOP," Curtis says. "The idea is to get employees and management all working on the same side. The reason it doesn't work is lack of understanding of the ESOP and lack of repeated communication about it." An effective communication effort, he suggests, might include a yearly presentation, perhaps a film, on how the company is doing, monthly newsletters with stories about other ESOPs, and question-and-answer sessions about them.

Art Parrish, president of Parrish Power Products Inc. of Toledo, Ohio, believes in ESOPs as a way to motivate employees. "If you buy a car, you treat it differently because it's yours," he says. "The work ethic is damn near dead. Giving a man a piece of the pie revives it.

"In many companies, the management's attitude is, 'What the hell can we get out of them?' I've been an employee most of my life, and I know what it feels like to be conned."

Seven years ago, Parrish decided he didn't want to be "conned" any more. He and four others started their own company, and they installed an ESOP at the very start. Today the company manufactures and sells more than $4 million a year worth of industrial drive shafts, universal joints, and related products. The 18 employees who joined after them now own approximately a third of the company, about the same as the five founders. Outside investors hold the rest.

Tom Jahns, a machine operator at Parrish Power, compares his job now with the several years he spent working for Chrysler Corp. "At Chrysler," he says, "you would just come and put in your eight hours a day. To have people with that attitude here would tear the whole place apart. You've got to earn your way here—and be part of it—or you'll ruin it for everybody."

Terry Bishop, a materials control manager, describes one of the ways that the ESOP affects productivity: "We've got guys in shipping and receiving who come back and say, 'I spent so-and-so many dollars on lumber. Did you realize it costs so much to pack stuff the way we're doing it?' "

"ESOP companies tend on the whole to be better managed companies," says John Menke. "They're run by people who are already pretty enlightened. They probably wouldn't be interested in employee ownership otherwise."

But ESOPs have received a lot of bad press. For example, an ESOP trust saved South Bend Lathe Inc. of South Bend, Ind., from extinction by bying it out, with government help, in 1975. In summer 1980, employees went on strike—even though they supposedly own the place. The dispute made headlines, but despite the worker-management friction, the company has been prospering.

Then there's Rath Packing Co. of Waterloo, Iowa, which has had an ESOP for about two years. It has been afflicted by worker-management animosity as well as by adverse economic conditions in the meat-packing industry. The Wall Street Journal told all about it last December under the page 1 headline "Gripes of Rath."

ESOPs probably don't deserve the reputation that these incidents have created. But ESOPs do hold pitfalls—lots of them. Adopting an ESOP shouldn't be done lightly. Today's miscalculation could mean tomorrow's disgruntled employees, negative cash flow, lawsuits, IRS audits, and worse.

For example, setting a value for shares of a privately held company is extremely tricky. The Internal Revenue Service and the Department of Labor keep a sharp eye out. The government doesn't want the company or major stockholders selling shares to employees at inflated prices. And when employees cash out, it wants them to receive a fair settlement.

A public company's stock, of course, is worth whatever the stock market says it is—no more, no less—at least in the eyes of the tax collector. When no market exists, on the other hand, almost anything goes. Says ESOP attorney Norman G. Kurland, president of a Washington, D.C., consulting firm, "Appraisal of a small business's stock is more of an art than a science. You could hire six different appraisers and get six different judgments."

Art or science, it's imperative to hire a totally independent appraiser, and accept his decision. An ESOP company needs to do that once a year. This won't guarantee the acquiescence of IRS agents, but it will keep their suspicions in check. The Research Institute of America, a New York consulting organization, said in a study of ESOPs: "Too often, appraisers are selected who are too ready to please management instead of the IRS. They should be highly qualified, totally independent from other professionals servicing the firm, and have no other business or financial involvement with the company."

What if, several years hence, the appraiser decides the stock is suddenly worth less than it was before? If this is the case then employees lose money, at least on paper. They're liable to feel cheated, and may seek legal redress, How would you feel if your pension plan invested 100% of its assets in a small, risky company, only to see its value drop by, say, 25% or 50%?

The answer is that an ESOP is not a retirement plan. Says Ronald L. Ludwig, also of McQuaid, Ludwig, Bedford & Curtis, "The purpose of an ESOP is to put employees in a position of ownership. Risk is one of the characteristics of ownership. You trade the security of a traditional pension plan for the opportunity of significant capital appreciation."

According to the Internal Revenue Service, an ESOP is a "tool of corporate finance." A true pension or profit-sharing

plan, under ERISA's "prudent man" rule, must diversify its assets for safety. In order to make ESOP's legal, ERISA exempts them from diversification.

ERISA, though, does not allow the company's board of directors to ignore the prudent man rule entirely. For example, if they know that the valuation will probably decline in the future, then they'd be acting imprudently to invest any more ESOP money in the company. To do so would open them to an employee lawsuit charging breach of fiduciary responsibility.

Some companies have a traditional pension plan as well as an ESOP. With two plans, the IRS allows a maximum tax deduction of 25% of payroll, rather than 15% for an ESOP alone. Hunter Associates Laboratory Inc. of Reston, Va., which has 107 employees, has contributed 10% to 15% of its payroll each year to an ESOP, and another 10% to a pension plan. "That spreads the risk a little," says Philip S. Hunter, president.

In the best of all possible worlds, the company grows, its ESOP accumulates a generous block of shares, and the stock rises in value each year. Ultimately employees retire; their stock is "distributed" to them with the right to sell it back to the company at the current fair price. The company then must come up with the cash. (Technically, companies usually contribute the necessary cash to the ESOP trust, which in turn buys the shares. That gives the company a tax deduction on the transaction. Publicly held companies, of course, needn't be concerned about repurchases because employees can sell their shares in the marketplace.)

"That repurchase liability often sneaks up on companies," says Jack Warren. "It's a potential time bomb. If you got three or four employees who are going to be the biggest accounts, and they're all 55 or older, then you're going to have a pretty big repurchase liability in a fairly short time."

Ironically, the more successful a company—and thus the faster its stock appreciates—the bigger the surprise it could receive. More valuable shares mean it costs more to buy them back. The opposite is dangerous, too: The repurchases could squeeze the company's cash flow if earnings don't rise as fast as anticipated. Or in an economic downturn, if the company has to lay off workers, it may find itself facing a big repurchase liability when it can least afford it. "There have been some horror stories in this area," Warren says.

There's no way to eliminate all the dangers. Warren urges companies to go to a financial consultant for a "what if" computer simulation of how the ESOP will affect their future cash flow. And no matter what a company's present circumstances, he urges writing into an ESOP the maximum legal flexibility regarding cash-out provisions.

At Parrish Power, for example, if a worker quits, is fired, or is laid off, the company reserves the legal right to dole out repurchase money in installments for up to 10 years, though in principle it promises to make best efforts to cash out the worker's vested shares immediately. When a worker retires, a company legally can stretch out its repurchase obligation over five years, if its ESOP agreement so specifies.

At Hunter Labs, says Philip Hunter, "you can expect some time to pass" before a skilled employee who quits can get his money out. "I don't want to bankroll any competitors," he says. He tells of another company where an employee took his ESOP cash and used it to set up a competing firm. On the other hand, he remarks, "We wouldn't want to carry such a person's shares on our books indefinitely. That way, he would benefit from the continuing appreciation without having contributed anything to the company to earn it."

Writing long cash-out delays into a company's ESOP rules can water down the plan's incentive effect. "You can promise people anything, but until they see it they're not convinced," says Hunter. To convince Arrow Metal employees that their ESOP is real, Jack Lamp lets them withdraw up to one-half of their vested amount every five years, according to a formula sanctioned by the IRS.

The success of an ESOP in motivating employees may depend on whether the plan lets them vote as regular shareholders. ERISA requires that stockholder ballots be "passed through" to employees only for votes requiring a super-majority—such as two-thirds or three-fourths—under that state's corporation laws. This generally involves such issues as merger or sale of the company. For standard business, such as electing directors and hiring management, the employees' shares may be controlled by the non-ESOP shareholders.

"Employees shouldn't worry about voting rights," says Jack Lamp. "Lots of investments don't carry voting rights."

Employees, however, may be happier when their shares confer full stockholder's rights. R.O. Christiansen, formerly professor of management and finance at the St. Cloud State University College of Business in Minnesota, studied the impact of ESOPs on employee morale in 97 firms and concluded that "passing through voting rights . . . was the . . . most important factor." He attributed his findings in part to "the democratic ethic which is pervasive in our society."

Owners' worries about losing control of their companies if voting rights are passed through may be unfounded, according to William Quirk of Kelso & Co. "In companies with significant ESOP ownership, in which voting rights have been passed through to employees, employees have voted much more consistently and heavily in favor of management proposals than have outside shareholders," he says.

Currently, some companies are worried that Congress could start fiddling again with the rules on voting, as it did in recent years. Says Jack Curtis, "They're afraid of being required to go through SEC-type registration of their shares, file proxy material, and so forth."

The law regarding ESOPs, in fact, is still evolving. Several significant changes were introduced by the 1981 Economic Recovery Tax Act, such as an additional tax credit of one-half of 1% of payroll, if that amount is contributed to an ESOP. For a worker earning $20,000, that's a $100 gift from the federal government; it comes dollar-for-dollar out of tax money. (The required ESOP contribution may come over and above the normal deduction of 15% of payroll.) Workers can collect it only if their employers establish an ESOP—which is just what Senator Long had in mind.

The 1981 tax law also expands the deduction for something called a "leveraged ESOP." That's when an ESOP borrows money, using it to purchase company stock. (The company itself usually must guarantee the loan.) The ESOP repays the loan out of the company's tax-deductible cash contributions. Among other uses, this technique can help buy out a major shareholder quickly—thus transferring ownership to the employees just as fast.

As a way to encourage employee ownership, the new law introduces a special incentive for leveraging an ESOP: It raises the maximum deduction in such cases to 25% of payroll. For nonleveraged ESOPs, the maximum stays at 15%.

Other ESOP legislation is in the works. Senator Long has the Finance Committee working on several. For example, one would allow companies to take deductions on dividends paid to an ESOP. Currently, dividends must come out of after-tax earnings.

If Senator Long has his way, the ESOP as a technique of corporate finance won't be a Rodney Dangerfield for long.●

THE FALKLANDS AND LEBANON

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. DASCHLE. Mr. Speaker, there are many lessons to be learned from the recent fighting in the Falklands and Lebanon. I thought the following article was very informative in this respect and I wish to bring it to the attention of my colleagues:

[From the Christian Science Monitor, June 22, 1982]

WHOSE GUNS ARE BEST?

(By Joseph Harsch)

Americans have had a heavy diet for a long time of how super are Soviet weapons. It has made a super argument for the super weapons budget Ronald Reagan campaigned for in 1980 and has been supporting since reaching the White House. It has given some Americans an inferiority complex about their armed forces, and has also frightened a good many in the process.

Well. No one in his right mind doubts that the Soviets have been building one of the world's fullest arsenals of weapons of all kinds at a high speed ever since they were outgunned during the Cuban missile crisis and faced down by superior American armaments.

But, what seems to me to be some healthy perspective has been cast on the question by two recent events.

The first occurred during recent hearings May 11 before the U.S. Senate Armed Services Committee. The Senators were talking about all things military with Gen. John W. Vessey Jr. who is to take over on July 1 as the new chairman of the U.S. Joint Chiefs of Staff. After a routine amount of the routine talk about Soviet weapons Sen. Carl Levin, a Democrat from Michigan, asked the general whether he would be willing to trade American armed forces for Soviet armed forces.

General Vessey replied that there were some categories where he would like to have the U.S. get as many weapons as the Soviets. Specifically he would like more intercontinental ballistic missiles (ICBMs) and more nuclear "throw weight" with his missiles.

"But overall,"said General Vessey, "would I trade with General Ogarkow [Soviet Chief of General Staff]? Not on your life."

The past two weeks have provided us with another check on the relative merits of

Soviet versus U.S. weapons. The Israeli invasion of Lebanon was carried out largely with U.S. weapons. When the Israelis came up against the Syrians it was a clear test of U.S. versus Soviet weapons. The Syrians have mostly Soviet weapons, and some of the latest and best at that.

The testing was short, sharp and decisive. The American weapons won every time. US planes were superior to Soviet planes. US tanks won out over Soviet tanks. Perhaps most surprising to a lot of watchers was the sudden elimination of Soviet surface-to-air missile (SAM) batteries.

It was done with a new American weapon which has not yet been officially described but is said to be able to run down a radar beam and hit the control radar which goes with any SAM battery. Observers reported seeing something suddently take out a whole SAM battery.

SAM batteries used by the Syrians are said to have been a mix of Soviet SAM 2, SAM 3, and SAM 6 units. The SAMs were the bane of US pilots during the Vietnam war. Many an American plane was brought down by them. If soviet SAMs are now obsolete, it means that NATO air forces have gained a greatly improved capacity to penetrate Soviet air defense composed largely of the same weapons.

The Syrians are well provided with some of the latest and best Soviet tanks. Their inventory includes 400 of Moscow's newest tank, the medium T-72 which carries a 125mm gun, the largest caliber gun currently mounted on any tank. Most tanks carry the 120mm gun. The Israelis claim to have knocked out nine of the T-72 Syrian tanks. The Syrians admitted to the loss of 83 tanks without specifying which kind.

Probably the most interesting to the weaponeers of the great powers was the testing of US vs. Soviet fighter planes. The Soviet fighter force at home consists of 1,300 MIG 23s and 400 MIG 21s. The MIG 23 is obviously the main fighter plane in the Soviet arsenal. The Syrians sent up into a single air battle against the Israelis a total of some 60 of these two types. The Israelis claim to have shot down almost all of them. They claim a total of 90 Syrian MIGs brought down during the fighting. They say they lost none of their own planes. They were using American F-15, F-16, and F-4 planes.

There are reasons apart from quality of equipment to explain some of the Israeli success. Israeli pilots and ground troops are highly trained, probably more so than Syrians although Syrian pilots are supposed to have the best training the Soviets can provide. Israelis may be more highly motivated. Israeli tactics may be better than Soviet tactics as used by Syrians.

But the essential fact remains that in the Middle East fighting American weapons enjoyed decisive technological superiority over Soviet weapons.

The above does not prove that US weapons will continue to retain a technological advantage. The Soviets are usually quick to catch up when they find themselves behind in any type of weapon. But it does justify the conclusion that the US is not lagging behind the Soviets in modern weaponry.●

TAX-EXEMPT STATUS FOR DEPENDENT CARE CENTERS

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. CONABLE. Mr. Speaker, I am introducing a bill today intended to make it easier for nonprofit dependent care centers to qualify for tax-exempt status provided that they are organized to care for children of working parents and that there is general public access to their services.

This provision is part of H.R. 1894 which I introduced in February, 1981. A major part of that bill provided the basis for expanding the dependent care tax credit in last year's Economic Recovery Tax Act (ERTA). Even though the hearings held by the Ways and Means Committee last summer on the issues surrounding dependent care and taxes included several witnesses who pointed out their difficulties with regard to tax-exempt status, this item was overlooked when ERTA was enacted. I am reintroducing this provision with the hope that this loose end can be dealt with during the remainder of the 97th Congress.

In a number of communities, groups are organizing before- and after-school supervision for children of working parents. Others are organizing centers linked to networks of child care homes so that the supply of affordable, noninstitutional infant care can be expanded. Both these developments are a recognition that dependent care is not a problem involving only children in the 3 to 6 age range. Women are returning to work often only a few weeks after their child's birth, necessitating good quality, reliable infant care. When a child reaches school age, child care problems do not disappear, they only become more complicated by the necessity of coordinating care before school, after school, on holidays, and sick days. The disturbing number of so-called latchkey children reflect, at least in part, the difficulty parents have in making care arrangements for their school age children.

Organizations caring for infants and school-age children, as well as organizations of a more traditional nature such as summer day camps and play schools have had problems in qualifying for tax-exempt status under section 501(c)(3) of the tax code. Without tax-exempt status, it is difficult for these fledgling efforts to solicit the charitable contributions they often need to meet start up and operational costs.

To qualify for tax-exempt status, these innovative organizations must show that they were organized and operated exclusively for educational or charitable purposes. An after-school or infant-care organization has difficulty in demonstrating its curriculum to the satisfaction of the IRS. Children who have been in the classroom all day do not need more of the same. If the organization admits that it is simply providing a safe, clean place where the children can have a snack, do their homework, enjoy free play, or other unstructured activities until their parents return from work, it will not qualify for tax-exempt status. If an organization caring for very young infants can convince the IRS that its curriculum consists of sensory/cognitive development, gross motor development, and fine motor development instead of letting babies play with toys, crawl, and learn to feed themselves, it just might qualify for tax-exempt status, as indeed an infant school on the west coast succeeded in doing. But this is far fetched. I do not believe that organizations providing the very legitimate service of dependent care for the children of working parents should have to go through such contortions to qualify for the tax-exempt status they need to get started and often to survive financially.

My bill provides that the term "educational purposes" in the sections of the code dealing with tax-exempt status will be defined as including nonresidential care of individuals if substantially all of the dependent care provided by the organization is for the purpose of enabling individuals to be gainfully employed and if the services provided by the organization are available to the general public. The revenue impact of this change is expected to be minimal.●

A NEED FOR REFORM IN OUR CRIMINAL JUSTICE SYSTEM

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. GOODLING. Mr. Speaker, one day I opened a letter from one of my constituents, and contained within it was a photograph of a beautiful, glowing baby boy with big, bright blue eyes and rosy cheeks. His name was Jason Myers, and he was 3½ weeks old.

His father sent me the picture because, due to an accident caused by a drunk driver, Jason only lived to be 5 weeks of age.

His grieving father wrote:

It seems like this world . . . has no justice anymore. They just don't punish the criminal anymore. This accident happened April 9, 1981, which (at the time) was more than nine months ago, but . . . the man who killed Jason is still driving a car, even though he was charged with driving while under the influence of alcohol or other intoxicants, and driving on the wrong side of the highway, and also charged with homicide by a vehicle.

The man charged with Jason's death had been involved in accidents before hitting Myers. After this particular event, while both Mr. Myers and his wife required medical treatment for 6 months, the man who could not resist the urge to have "just one more" had one tooth knocked loose, and he kept his driver's license.

A license to kill another little boy like Jason.

In the John Hinckley case, there has been a strong public outcry for reform in our judicial system—especially those laws relating to the use of the insanity defense. My constituents were calling me the very next morning after the verdict of not guilty by reason of insanity, expressing their dissatisfaction with the outcome of the trial.

Truly, it seems absurd that one who stalked and wounded the highest elected official in our country—as well as several others—could be out on the street in 6 months, free once again to seek public recognition through whatever means possible, while someone convicted of a much lesser, nonviolent crime, such as unarmed robbery, remains in prison to serve out his term. I am not saying that lesser crimes should not be punished. I only use this example to point out one of the major problems in our judicial system.

Mr. Speaker, it would seem to me that the burden of proof in the Hinckley trial was misplaced. It was not up to the defense to prove that John Hinckley was insane when he attacked our President, but on the prosecutors to prove that he was sane. And, I question just how much we can count on the testimony of psychiatrists when determining the mental and emotional state of a defendant when he commits a crime. As we saw in this instance, the testimony and the diagnosis varied immensely.

Mr. Speaker, I feel we must find a better solution. We cannot allow individuals such as John Hinckley to commit crimes, use the insanity defense to his best advantage, and return to society in a limited period of time. If psychiatrists disagreed on his mental state at the time of the shooting, would they not also disagree as to his condition at the time of his release. Must we take the chance that they are wrong.

My colleagues might argue that drunk driving is a case for the State highway and justice departments, and that the John Hinckley case is a matter for the courts. Well, I would disagree. We were sent to this Chamber to make laws for all the people—the President, the President's press secretary, and young Jason Myers. If the laws we have promulgated serve the needs of the guilty and not the innocent, if they protect the criminal and leave the victim vulnerable, then we have created an imbalance in the American system of laws and that imbalance needs to be changed.

I ask that my colleagues in the Judiciary Committee act as swiftly as possible to study the matter and give this body the necessary changes to the laws.●

YOUNG ARTISTS COMPETITION

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. MATSUI. Mr. Speaker, I would like to congratulate the participants in the young artists competition I sponsored recently in my district with the Sacramento Metropolitan Arts Commission. The competition was part of a contest organized by the congressional arts caucus to recognize outstanding young artists throughout the country. I am proud to have been part of this highly successful project, which has recognized the fine talent and creativity of Sacramento students and students throughout the Nation.

First prize in my contest was won by Vincente Golveo of San Juan High School. His untitled charcoal drawing will be displayed later this month in one of the corridors leading to the U.S. Capitol.

A second prize, awarded by Mayor Phil Isenberg of Sacramento, went to Scott Howe of La Sierra High School. Scott's work will be displayed in city hall.

Other participants, each of whom won the competition at their individual schools, are also due special recognition. They are: Tony Miller of American Legion High School; Lisa J'Nai-Farrell of Argonaut High School; Christopher Bode of C. K. McClatchy High School; Jeff Bruno of Cordova High School; Steve Smith of El Camino High School; Kris Thomas of Elk Grove High School; Valerie Gervin of Encina High School; Rich Lewallyn of Foothill High School; Stacy Carnes of Galt Joint Union High School; Frank Paullin of Highlands High School; Rene Villa of John F. Kennedy High School; Celeste Varney of Loretto High School; Mary Donahue of Mercy High School; Mike Benny of Mira Loma High School; Kattie Hammer of Sacramento Country Day School; Jody Damiani of Sacramento High School; Alexandria Baldwin of Scaramento Waldorf High School; Wendy Lewis of St. Francis High School; and a student group from Rio Americano High School.

Success of the competition was due in large part to the assistance provided by the Sacramento Metropolitan Arts Commission and its executive director, Bill Moskin. Their efforts were outstanding.

In addition, I appreciated the work of Ms. Stella Kakavas of the California Arts Council. It was also a pleasure to work with Mayor Isenberg and his staff in developing the special mayor's award.

This contest has been a wonderful opportunity to recognize and appreciate the work of our young artists. It is my hope that through this and future competitions we will be able to encourage young people in their creative development and foster greater community awareness of the cultural importance of artistic endeavors.●

REPRESENTATIVE MARRIOTT'S BILL TO AMEND THE WINDFALL PROFIT TAX ACT

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. MARRIOTT. Mr. Speaker, the Windfall Profit Tax Act places a burden on the Federal Government and the States that was probably never intended by Congress. Under the act, the United States is considered to be a producer of crude oil subject to the tax as a result of its royalty interest in Federal onshore and offshore oil and gas leases. When the U.S. Mineral Management Service (MMS) collects royalty from these leases, it must then calculate the windfall profit tax and pay it as if it were a taxpayer independent of the Federal Government. In essence, the Federal Government is taxing the Federal Government—without a doubt, one of the most wasteful results of the Windfall Profit Tax Act. Not only is it costly to the Federal Government, but it results in taking revenue away from the States as well.

Let me describe in more detail what currently happens to the royalty the United States collects from Federal oil and gas leases. The royalties from Federal offshore oil and gas leases are, by law, deposited in miscellaneous receipts of the U.S. Treasury. But before that happens, the MMS must do all the paperwork for paying the windfall profit tax on that revenue to the Internal Revenue Service which ultimately is deposited in the same place—the U.S. Treasury—an obviously costly and wasteful routine which serves no purpose.

Under Federal onshore oil and gas leases, the disposition of the royalty revenue is different. The MMS collects the royalty, pays the windfall profit tax to the IRS, and then the remainder is distributed, by law, 50 percent to the State within which the leased lands are located—except Alaska, which gets 90 percent—40 percent to the Reclamation Fund, and 10 percent to miscellaneous receipts of the U.S. Treasury. The States in which Federal oil and gas leases exist are, through the Windfall Profit Tax Act, receiving

less of the share Congress allocated to them in the Mineral Leasing Act because the windfall profit tax comes off the top of the Federal royalty revenue.

As a result of these considerations, I am proposing a short and simply worded bill which will eliminate the windfall profit tax from the Federal income derived from Federal oil and gas leases. Specifically, the bill amends the Internal Revenue Code to exempt from the windfall profits tax any crude oil from an economic interest held by the United States. Not only will the States benefit from the measure, but the Federal Government will as well by the elimination of one more layer of unnecessary red tape.●

IN MEMORY OF ALEXANDER PIRNIE

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1982

● Mr. DE LA GARZA. Mr. Speaker, I was saddened at the recent death of my friend and former colleague in the House, Alexander Pirnie. Although we came from distant parts of the country, he from upstate New York and me from south Texas, we shared many interests in common.

When he first came to Congress in 1959, Alexander Pirnie served on the Agriculture Committee. Although he was no longer on the committee when I came to Washington 6 years later, I know he retained a strong interest in it.

We also shared a strong interest in the work of the Interparliamentary Union. He served our country well as chairman of the U.S. delegation to the IPU while I was an eager and interested newcomer.

On a more personal note, I now use the office in the Longworth Building which Mr. Pirnie vacated when he retired from these Halls a decade ago. I remember he came back to visit once and stopped by the office. He commented that I had given it the flavor of south Texas.

Mr. Speaker, I join with my colleagues today in paying my respects to our former colleague and extend my deepest sympathy to his family. He was a good man and I know he will be missed.●

IMPORTANT BUDGET DECISIONS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. HUBBARD. Mr. Speaker, as we prepare for the next phase of the process to adopt spending levels for fiscal year 1983, I want to share with my colleagues a letter that I received from Nowell Bingham, senior minister of the Broadway United Methodist Church in Paducah, Ky. He asks that we do not put our financial recovery on the backs of those who are hurting the most. The Reverend Bingham's letter follows:

Hon. CARROLL HUBBARD, JR.,
House of Representatives,
Washington, D.C.

DEAR MR. HUBBARD: You will be participating in making some very important budget decisions during this session of Congress. These decisions will not only affect the lives of millions of Americans but set the policy of our government in regard to human need for years to come. Can we, as a nation, abandon the poor, the disabled, the older citizen while spending larger and larger amounts on instruments on death and destruction? Please do not give your support to the President's budget proposals. Please do not approve a budget that puts our financial recovery on the backs of those who are hurting the most. Stand up for the traditional principles of the Democratic Party. Speak on behalf of the little man or woman who cannot speak for themselves.

Sincerely,

NOWELL BINGHAM.

ENDING THE AMERICAN PROTECTORATE OF EUROPE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. PAUL. Mr. Speaker, the following article from the July issue of Harper's is must reading. Ronald Steel has produced a tour de force.

Our military commitments to Europe will cost us $130 billion next year: This is a burden which the Europeans are fully capable of handling themselves. What is more, these commitments jeopardize our own security, and threaten to embroil us in a war that would soon become a nuclear holocaust. Indeed, it is our foreign policy commitments, rather than the mere existence of weapons, which threaten our own peace, and the survival of mankind. The NATO debate deserves at least as much attention as the "nuclear freeze" movement. The "freeze" advocates have missed the obvious point that we can renounce the first-use of nuclear weapons only after we are out of the business of defending Europe and other foreign countries.

I urge my colleagues to consider this issue carefully. If you agree with Steel's argument, please cosponsor House Joint Resolution 508, which would initiate a phased, orderly, and total withdrawal of American military forces from Europe and Japan. More information, and the text of the resolution, can be found in the RECORD of June 9, pages 13059-13062.

ENDING THE AMERICAN PROTECTORATE OF EUROPE

(By Ronald Steel)

WHY WE SHOULD DISSOLVE NATO AND BRING HOME OUR TROOPS

For nearly thirty-five years the alliance with western Europe has been the cornerstone of American foreign policy. It formally joins us to societies with which we share a cultural heritage, a political tradition, and an economic network. Even without the military framework of NATO, we would be very close to the nations of western Europe. But the military link is what gives the relationship a unique meaning.

Yet the striking deterioration of the American economy, the enormous cost of global military commitments, and the mounting dangers of our present nuclear strategy all require us to reexamine our system of alliances, especially our military relationship with western Europe.

That relationship grew out of very special circumstances. The terrible destruction of Europe's last civil war brought about the collapse of the great European empires: France, Britain, and Germany. Russia alone emerged as a major European power, gravely wounded by the war, but intent on carving a sphere of infuence in the states that the West had set up a generation earlier as a *cordon sanitaire* against Bolshevism. Between 1945 and 1948, though, that sphere of infuence was transformed—through a process of events historians have argued about ever since—into a satellite empire.

The Atlantic alliance was created primarily in response to the Soviet Union's assertion of control over eastern Europe. There were good reasons for apprehension that the Russians, perhaps in conjunction with European communist parties, might try to expand their empire westward through force or subversion. The governments of western Europe seemed weak and demoralized. They looked to the United States for help—both economic help, in the form of dollar infusions, and military help, in the form of defense promises.

American officials were eager to respond. Caught up in the flush of the great victory over Germany and Japan, exhilarated by a sense of mission that had been frustrated since the disappointments following World War I, and seeing themselves as the protectors and even inheritors of Europe, American leaders eagerly embraced their new self-assigned responsibilities.

At the heart of the postwar stratagems was the problem of Germany. Defeated, occupied by armies that were quickly changing from allies to rivals, Germany was a prize of incalculable value in what was perceived to be the emerging struggle for Europe. Neither the Americans nor the Russians could allow this prize to fall into the hands of the other. The struggle for Germany became central to the struggle for Europe. The Americans created a West German state from the western occupation zones, and the Russians built a state of their own in the east. Those states became incorporated into their rival alliances. They still are. The alliances subsequently came not only to reflect the division of Europe but to sustain it.

The United States offered protection to West Germany and its neighbors at a time when those nations were very weak. The purpose of the alliance, as described to Congress at the time by Secretary of State Dean Acheson, was to provide a shield behind which the Europeans—temporarily relieved

of the burden of creating a strong defense force—would be able to rebuild their economies. To provide psychological support during this period of dependency, and to relieve the Europeans of the need to divert resources from recovery to weapons, the United States agreed to maintain a large number of soldiers in western Europe.

It was never anticipated—at least by the Senate that ratified the North Atlantic treaty in 1949—that an American army would remain in western Europe for decades. Indeed, Acheson specifically reassured a concerned Sen. Robert Taft that the Truman administration had no such intentions. Perhaps he meant it. But events, as well as opportunities, have a way of overtaking intentions. The United States has not only remained in Europe far longer than the founders of the alliance anticipated, but has transformed a temporary protectorship into an immutable principle of its foreign policy.

There may be persuasive reasons for this principle, but in assessing them, it is worth keeping the original purposes of NATO in mind. Only then will we be able to distinguish between a habit and a need, and to determine whether an alliance formed under very different circumstances remains a valid expression of American interests today.

Certainly, conditions have changed dramatically since the formation of NATO. The war-weakened nations of western Europe have not only restored their economies, but some have attained for their citizens standards of living higher than our own. The United States, by the same token, no longer enjoys the enormous trade surpluses of the early postwar years. Indeed, those surpluses have turned into massive balance-of-payments deficits.

Where the problem was once to spend as many dollars as possible to stimulate the world economy, more recently it has been to prevent the international economic system from foundering in a flood of paper dollars churned out by a profligate Treasury. Thus on an economic level the alliance has been completely transformed, and the imbalance of resources that originally inspired it no longer exists. Indeed, in some respects the Europeans are better able to pay the costs of defense than are the Americans.

At the military level, the situation is also very different. The United States made its pledge to defend western Europe at a time when it enjoyed vast nuclear superiority over the Soviet Union. The pledge was persuasive because it seemed to involve relatively few risks. We could assure the Soviets of destruction of their society should they attack western Europe, without ourselves suffering retaliation in kind. A deterrent so one-sided seemed virtually foolproof and cost-free.

That situation, it hardly seems necessary to underline, no longer exists. Today we are in a position of rough nuclear parity with the Soviet Union. Each nation has the power to destroy the other. A war fought at such a level of destruction is truly beyond rational objective. But such a war is very possible, and indeed becoming increasingly likely as nuclear arsenals continue to grow and military planners abandon the deceptively reassuring theories of deterrence for so-called "limited" nuclear options—in other words, nuclear war.

This change of conditions transforms the nature of the American guarantee to western Europe. Europeans have legitimate reason to question whether any American president would deliberately risk the nuclear devastation of the United States in response to, let us say, a Soviet move across the East German frontier, or perhaps an outbreak of fighting between the two Germanys. To assuage European anxieties over the credibility of "massive retaliation," American strategists in the Kennedy administration two decades ago posited a theory they called "flexible response." They installed smaller tactical or "battlefield" nuclear weapons in Europe, both to reassure the Europeans about nuclear deterrence and to compensate for the fact that the Soviets had a bigger army than the west Europeans were willing to assemble.

But the new strategy did not allay European fears. The so-called battlefield nuclear weapons—many thousands of which have been deployed in western Europe, with thousands more to come under the Reagan administration's plan—are more powerful than the bombs that destroyed Hiroshima and Nagasaki. "Flexible response" is no more satisfactory an answer for Europe than "massive retaliation" was. Under either doctrine Europe might become a nuclear battlefield, and the decision was not in European hands. As General de Gaulle said in 1963, "No one in America can say if, where, how, or to what extent American nuclear weapons would be employed to defend Europe." What was true then is no less true today.

The current debate over the first use of so-called battlefield nuclear weapons on the Continent dramatizes long-standing European anxieties and the inherent conflict between American and European interests. For the most part the NATO allies, and particularly the Germans, are opposed to renouncing first use. This may seem an anomaly. If such weapons were ever used, they would utterly destroy Germany, and probably most of western Europe as well. The simple laws of survival would seem to dictate that all nations pledge not to be the first to use such weapons.

But Europeans understandably do not want to think that nuclear weapons might be used, any more than Americans do, or for that matter Russians. They prefer to focus on deterrence: that is, to believe that the mere threat to use atomic weapons will dissuade the Russians from launching any kind of war, nuclear or conventional. In addition, if the West were to renounce first use, the Europeans would have to build a conventional army capable of balancing that of the Russians. They could certainly do this, for they have both the manpower and the means. The population of western Europe is larger than that of the Warsaw Pact countries, including the Soviet Union, and its wealth is far greater.

But the Europeans do not want to spend the money that would be involved. It would mean diverting resources from the civilian economy to the military. It would mean higher taxes, a lessened ability to compete in world markets, and a somewhat lower standard of living. Naturally, politicians are loath to ask such sacrifices of voters. This would not bring them popularity or win them elections. They would prefer, quite reasonably, to cross their fingers, hope for the best, and rely on the terrible, though intangible, threat of deterrence and on American protection.

This is the main reason why they insist that the United States keep an army on the Continent. They do not want to fill the gap themselves, which they would have to do if the Americans left, and they want to keep the American nuclear guarantee credible. If enough GIs are there, the Europeans reason, the United States will immediately be drawn into any European war. The GIs are, in other words, hostages to NATO's nuclear strategy. This is what they have always been. This is why their presence is sacrosanct to the Europeans.

Why so many GIs? Why 350,000, plus an equal number of dependents, as there are today? No special reason other than that they are already there, and any effort to withdraw them would have a symbolic significance. If there were, say, a million American soldiers in western Europe, that would be the magic figure, and anything less would be considered folly. The point is that there is no correct number. It is mostly symbolic: a symbol of commitment. Withdrawal could signal that the United States might not automatically and immediately be drawn into a war on the Continent.

A strategy designed to assure the Europeans' feelings and provide a rationale for their military dependence also holds great dangers for them. It means they are basing their defense on weapons that will destroy them if ever used. Yet the decision on their use is outside their control. This is a problem inherent in the structure of NATO. For the most part, they have tried to evade the problem by pretending it does not exist. They have been encouraged in this effort by American officials, resistant to a more self-reliant Europe responsible for its own defense and diplomacy.

Only General de Gaulle two decades ago had the temerity to point out that the emperor had no clothes. Only the French listened to him, and as a result, France today has an independent military force, including its own deterrent, and an independent foreign policy. By offering the means for Europe to become responsible for its defense, de Gaulle was pursuing the original intentions of NATO. This infuriated American officials, particularly during the Kennedy administration, for by then they had come to enjoy their protectorate over Europe. They did not want to lose it, despite the costs and risks it involved.

Ironically, France is considered the most responsible American ally in Europe today. De Gaulle, though he was pilloried by American officials in his time, understood that self-reliance breeds respect. If he had lived long enough, he would have seen his analysis respected by those who denigrated him.

The passing of de Gaulle, and his failure to achieve his vision of a Europe "from the Atlantic to the Urals," pushed the problem of Europe off the American foreign policy agenda, but it did nothing to resolve the problem. The current strategy of reliance on front-line "battlefield" nuclear weapons poses great dangers for the United States as well as for Europe. It means that the outbreak of hostilities on the central front, however, it may be initiated, could rapidly degenerate, through a series of steps which no one could accurately foresee or guard against, into a full-scale nuclear war that would destroy the United States as a nation. Never before has an alliance involved such risks. When the United States came to the aid of the European democracies in 1917 and 1941 it risked something, but never its survival. Atomic weapons have raised the stakes of alliances without having changed their terms.

To be sure, it must be a supreme objective of American diplomacy to prevent western Europe from falling into Soviet hands. It is an even greater European objective. But the methods best designed to achieve such an

objective are not self-evident. Some involve terrible costs and risks, and others, fewer. Deterrence is not a science. It is a hope and at best a gamble. Much of it is merely wishful thinking and even self-deception. No one knows what would happen if nuclear weapons were ever used in battle. No one knows whether a "limited" nuclear war could ever be stopped before all the participants were destroyed. That is why it is an American interest to avoid being the first to use nuclear weapons, whether in Europe or anywhere else.

The problem is to get the Europeans to understand this. For very good reasons they resist doing so. They do not want to pay for larger conventional forces, even though they could if they wanted to. They prefer to rely on a strategy that, however dangerous and even irrational, has worked so far. This in itself becomes a reason for continuing the game—a game sometimes compared to chess, but more like Russian roulette.

If the Europeans do not want to make this effort, they must be helped. But here we confront a further anomaly. American officials do not want to help them. They do not want to reduce Europe's reliance on nuclear weapons—indeed they are insisting that the Europeans accept thousands more such weapons on their soil, including long-range weapons capable of striking the Soviet Union directly. Nor do they want to decrease the American military presence on the Continent.

Why not? Because the troops and the nuclear dependence seem to offer some leverage over the Europeans. If the NATO allies built a large conventional army and assumed the full cost of their own defense, they would demand responsibility for it. There is no reason for them to take on the costs without gaining the benefits. Yet this would mean the United States would lose some degree of control over its allies, just as it lost control over France when de Gaulle pulled his military units out of NATO.

The issue is control. But how much does "control" mean? In the past it meant a lot. In economic matters, the Europeans were supportive to the point of compliance. Throughout the 1960s they accepted an ever-mounting pile of paper dollars as though they were based on a solid, stable currency. In so doing, they helped to finance both the Vietnam war and the Great Society. But this system collapsed in the early 1970s under the sheer weight of inflation-weakened dollars, and with it went most of the advantages of what the Europeans called U.S. "dollar hegemony."

Political hegemony, for its part, has never lived up to its billing. The Europeans have followed the American lead when it suited them, and stayed on the sidelines when it did not—as in the Korean and Vietnam wars, and our recent peace efforts in the Middle East. Though Europeans may be militarily dependent on the United States, most of them go their own way on such issues as Central America, trade with the Soviet bloc, Afghanistan, Poland, and the Arab-Israeli quarrel. They may or may not be right in their judgments. But "hegemony" should have more tangible rewards—considering that in fiscal 1981 the estimated cost of U.S. forces devoted directly or indirectly to the defense of western Europe was $81 billion. Removing and decommissioning six of the present ten U.S. divisions assigned to NATO would result in an estimated annual saving of $30 billion.

The real benefits of the NATO alliance, it would seem, are not economic or political but psychological. American officials are accustomed to thinking globally. They like to speak for, as well as to, western Europe, to define America's greatness in terms of its ability to orchestrate a global network of alliances, protectorates, and dependencies. Any lessening of that control seems to involve a reduction of status and power. This is particularly difficult for an administration obsessed with military power, which is now intent on recapturing an absolute military superiority over the Soviets as the means to implement its diplomacy.

Such a goal was far more feasible in the past than it is today—a fact that makes so much of the Reaganite policy, both foreign and domestic, seem an exercise in nostalgia. America's share of world production has declined from 50 percent in 1945 to only 20 percent today—and, if current trends continue, will decline to only 10 percent by the end of this decade. Yet the administration is pursuing a foreign policy based on conditions of the late 1940s, when the U.S. held a virtual monopoly on wealth and on military power.

That outdated policy has been hard to change, since its force rests more on psychology than statistics. Only the Reagan budget, with its enormous increases for the military at the expense of social programs and the living standard of most Americans, has brought home the true cost of trying to maintain a dated relationship with our allies and a policy of military engagement throughout the third world.

The time has come to draw to a close a historically necessary, but now outdated and undesirable, military relationship with Europe. The United States no longer has the means to be the defender of Europe and to quell social discontent in the entire noncommunist world. Nor are the advantages of trying to do so self-evident. Our own society is suffering the effects of a bloated and self-aggrandizing foreign policy that is sacrificing the welfare of the American people to grandiose and unrealizable foreign objectives. The purpose of NATO, it is well to recall, was not that the United States should maintain a permanent protectorate over Europe, but that it should temporarily stand guard while the Europeans restored their economies and developed the means to defend themselves.

Shortly after leaving office, Dwight Eisenhower said: "For eight years in the White House I believed that a reduction of American strength in Europe should be initiated as soon as the European economies were restored. I believe the time has now come for withdrawing some of those troops." That was twenty years ago.

For a long time it was both self-flattering and useful to be the generous protector of a defenseless Europe. But the baby in swaddling clothes is now a 200-pound adolescent, and the United States no longer has the economic surplus to do for others what for a long time they have been capable of doing for themselves.●

NUCLEAR FREEZE RESOLUTION

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. LOWRY of Washington. Mr. Speaker, the past year has seen a growing recognition of the dangers of the nuclear arms race. Throughout the United States, people are speaking out in support of efforts to end this dangerous contest. They realize that, far from adding to our security, the creation of new nuclear weapons actually makes us less secure. The prevention of nuclear war is the proper concern of every American, and I am extremely pleased that this serious matter is beginning to receive the attention it should have.

I would like to bring two statements on the arms race to the attention of this body. One is by the board of directors of the Office of Catholic Charities of the Archdiocese of Seattle. The other is by the city council of Kent, Wash., a city in my district. I applaud these statements and the work of the many people who helped to make them possible. I commend them to the Members' attention.

RESOLUTION No. 964

A resolution of the City Council of the City of Kent, Washington, in support of the movement to halt the nuclear arms race.

Whereas, at the request of interested citizens, the City Council of the City of Kent, State of Washington, United States of America, did in regular meeting assembled, on the 19th day of April, 1982, hear the concerns of such citizens as to the danger of continued proliferation of nuclear weapons by various countries in the world; and

Whereas, those views expressed were seeking action by the City Council in the following resolution: Now, therefore, be it hereby *Resolved*, That:

(1) To improve national and international security, the United States and the Soviet Union should stop the nuclear arms race. Specifically, they should adopt a mutual freeze on testing, production and deployment of nuclear weapons and of missiles and new aircraft designed primarily to deliver nuclear weapons. This is an essential, verifiable first step toward lessening the risk of nuclear war and reducing existing nuclear arsenals.

(2) That this resolution be communicated by the Mayor of the City of Kent immediately to the President of the United States, Ronald Reagan, and to each member of the delegation of the State of Washington to the U.S. House of Representatives and to each Senator representing the State of Washington in the United States Senate.

Adopted this 19th day of April, 1982 by the City Council, City of Kent.

NUCLEAR FREEZE RESOLUTION

By the Board of Directors of the Office of Catholic Charities, Archdiocese of Seattle—We believe:

With the 1971 World Synod of Bishops that "the arms race is a threat to humankind's highest good, which is life; it makes poor peoples and individuals yet more miserable while making richer those already powerful; it creates a continuous danger of conflagration, and in the case of nuclear arms, it threatens to destroy all life from the face of the earth."

With Pope John Paul II that our future depends on humanity's making a moral about-face if we are to avoid nuclear annihilation;

With Archbishop Hunthausen that because of the nuclear arms race the very existence of humanity is at stake, and that our

true security lies not in possessing a vast arsenal of nuclear weapons, but in our trust in the loving care of God who gives and sustains life;

With the Gospel that we are called as children of God to be peacemakers and to follow Jesus even if it means taking up our cross or losing our lives. Therefore:

We, the members of the Justice and Peace Committee of the Board of Catholic Charities, endorse the following proposal for a nuclear freeze as a first step in stopping the arms race:

To improve national and international security, the United States and the Soviet Union should stop the nuclear arms race. Specifically, they should adopt a mutual freeze on the testing, production, and deployment of nuclear weapons, and of missiles and new aircraft designed primarily to deliver nuclear weapons. This is an essential, verifiable first step toward lessening the risk of nuclear war, and reducing nuclear arsenals.

April 20, 1982.●

THE NUCLEAR FREEZE

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. LUNGREN. Mr. Speaker, on June 29, American negotiators will face Soviet negotiators in Geneva, Switzerland, with a mandate for verifiable, bilateral reductions in strategic weapons. The President's START and Zero Option proposals offer a realistic answer to the complex issue of arms control. They are not a final blueprint; they are the opening offer in a long negotiation process that will lead to further offers and counteroffers. They will deal with the most destabilizing elements of the arsenals, leaving for later the less dangerous ones. They will include talks on verifying each country's compliance. They are the most comprehensive proposals ever laid out by a U.S. President.

All who are truly concerned with preventing a nuclear war must welcome the current interest in this issue. The polls, debates and editorials all over the country show that the people of this Nation want a reduction in nuclear arms.

These debates arise with particular emotion now because of the growing movement to freeze or to outlaw nuclear weapons. Of course, we are all interested in prohibiting the use of nuclear weapons. The difference between those who support the freeze and those who support reduction is simply a matter of tactics.

However, if a freeze were to lock any country into a military disadvantage, greater international instability could result instead of the desired peaceful objectives. Discretion and prudence are therefore essential elements of any equitable and verifiable arms control negotiations.

A brochure prepared by the U.S. Department of State that explores the idea of a nuclear freeze has come to my attention. It answers many questions about the freeze proposal. To be aware of the currents and motivations behind the freeze is important. The overriding objective in any arms negotiations must be bilateral, verifiable reductions in nuclear arms.

Because of the importance of this issue, I commend the following brochure to the attention of my colleagues:

THE NUCLEAR FREEZE

In recent months, a proposal for a U.S.-Soviet nuclear weapons freeze has attracted widespread attention. A resolution supporting such a freeze has been submitted to Congress, and versions have been placed on the November ballot in several states. While the wording of different versions varies, and some call for eventual reductions in arms levels, the basic idea is this:

The President should immediately propose that the United States and the Soviet Union adopt a mutual freeze on the testing, production, and deployment of nuclear weapons and missiles and new aircraft designed primarily to deliver nuclear weapons, subject to strict verification.

The U.S. Government recognizes that the proposal represents the best of intentions: to reduce the likelihood of nuclear war and encourage more rapid progress in a critical and exceptionally complex area of arms control. We all share these objectives. But, after carefully reviewing the proposal, we have concluded that a freeze at existing nuclear levels would have adverse implications for international security and stability and would frustrate attempts to achieve the goal on which we all agree: the negotiation of substantial reductions in the nuclear arsenals of both sides.

WHAT KIND OF ARMS CONTROL AGREEMENTS DO WE SEEK?

Four principles underlie the U.S. approach to arms control. We seek agreements that:

Produce significant reductions in the arsenals of both sides;

Result in equal levels of arms on both sides, since an unequal agreement, like an unequal balance of forces, can encourage coercion or aggression;

Are verifiable, because when our national security is at stake, agreements cannot be based upon trust alone; and

Enhance U.S. and allied security and reduce the risk of war, because arms control is not an end in itself but an important means toward securing peace and international stability.

These four principles were highlighted by the President in his speech of November 18, 1981. They are the foundation for the U.S. position in the current Geneva negotiations between the United States and the U.S.S.R. on intermediate-range nuclear forces (INF). They also form the basis for our approach to strategic arms negotiations with the Soviet Union, negotiations we will call START—Strategic Arms Reduction Talks.

WHAT ARE THE DRAWBACKS OF A FREEZE PROPOSAL?

While the Administration shares the genuine and deeply felt convictions that have given rise to the freeze proposal, we believe the proposal does not constitute sound defense or effective arms control policy, and thus we cannot support the freeze itself. A freeze would be dangerous to security, stability, and the cause of peace for the following reasons:

A freeze at existing levels would lock the United States and our allies into a position of military disadvantage and vulnerability. The freeze would prevent us from correcting existing dangerous deficiencies in our nuclear forces caused by the sustained Soviet buildup. The substantial improvements in the Soviet force of intercontinental ballistic missiles (ICBMs), for example, have given the Soviet Union the means to destroy a large part of our ICBM force. In addition, there are about 600 Soviet intermediate-range nuclear missiles capable of striking our NATO allies. These missiles are not offset by any comparable U.S. systems. In this case, a freeze would prevent us from restoring the balance.

A freeze is not good enough. We do not want to cap deployments at current levels; we want significant reductions in the nuclear arms of both sides, reductions that will lead to a stable military balance. The United States has already offered a bold new arms control initiative at the negotiations in Geneva on land-based intermediate-range nuclear missiles. We proposed a "zero option" under which the United States would cancel the planned deployment of Pershing II missiles and ground-launched cruise missiles in exchange for the elimination of comparable Soviet intermediate-range nuclear missiles. Our objective in negotiating strategic arms control agreements is also to achieve significant reductions.

A freeze would make significant arms control more difficult. The Soviets would have little incentive to agree to reductions in strategic and intermediate-range nuclear arms if they knew they could simply freeze the existing military situation. This has already been demonstrated in the area of intermediate-range forces, where the U.S.S.R. initially refused our offers to negotiate while steadily deploying some 300 SS-20 missile systems. The Soviets agreed to come to the negotiating table only when it became clear that we and our NATO allies were determined to take steps to counter those SS-20 deployments.

A freeze would cast serious doubt on American leadership of the NATO alliance. In 1979, in the face of continuing Soviet deployments, the members of the alliance agreed to begin deployment in 1983 of U.S. Pershing II and ground-launched cruise missiles and to seek a U.S.-U.S.S.R. arms control agreement to reduce intermediate-range nuclear forces. A freeze now would, in effect, be a unilateral decision by the United States to withdraw from this joint allied undertaking.

A freeze on all testing, production, and deployment of nuclear weapons would include important elements that cannot be verified. The practical result is that the United States would live up to a freeze in all its aspects, while there would be considerable doubt that the Soviets would also live up to it. We simply cannot afford to base our national security on trust of the Soviets.

A FREEZE AND THE SOVIET BUILDUP

During the past decade, the Soviet Union has mounted a sustained buildup across the entire range of its nuclear forces. Soviet modernization efforts have far outstripped ours, particularly in the development and deployment of intercontinental ballistic missiles, which now pose a major threat to a large part of our land-based ICBM force. In the last 10 years, the Soviets introduced an unprecedented array of new strategic weap-

ons into their arsenals, including the SS-17, SS-18, and SS-19 ICBMs, the Typhoon and Delta submarines and several new types of submarine-launched missiles, and the Backfire bomber. During this same period, the United States exercised restraint and only introduced the Trident missile and submarine and the cruise missile.

This trend has been harmful to the security interests of the United States and its allies and to global stability. It is not just a question of numbers. As their military capability has grown, the Soviets have increasingly resorted to the use of military force directly, or through proxies such as Cuba, to intervene in areas farther and farther from their borders. The increased assertiveness of Soviet behavior—the invasion of Afghanistan, pressure on Poland, support for insurgency in Central America—reflects growing Soviet confidence in their military capabilities.

ICBMs. Since 1972, the Soviets have developed and deployed at least 10 different variants of three new types of ICBMs. In the same period, the United States deployed no new types of ICBMs and only one variant of the existing Minuteman. In 1986, we plan to begin deployment of the MX, the first new U.S. intercontinental ballastic missile in 16 years.

Sea-Based Forces. The commissioning of the first U.S. Trident submarine in 1982 marked the end of a 15-year period during which the United States did not build any new ballistic missle-firing submarines. In this same period, the U.S.S.R. added over 60 missile-firing submarines in four new or improved classes. The Soviets are now deploying two new types of missile submarines—the Typhoon and the Delta III—while we are building only the Trident.

Bombers. When the first B-1 bomber becomes operational in 1985, it will have been nearly a quarter of a century since the last U.S. heavy bomber was produced. In contrast, the Soviets have produced more than 250 modern Backfire bombers that have inherent intercontinental capabilities. The Soviets also have improved their large air defense system designed to counter our bomber force. A freeze would not constrain these Soviet air defenses.

The chart on pages 4 and 5 compares the introduction of new strategic weapons by the United States and the U.S.S.R. and shows the momentum of the Soviet buildup over the last decade. As the chart shows, the Soviets introduced 12 new or improved nuclear weapons systems, while the United States only introduced three, and they upgraded or expanded every area of their nuclear arsenal.

[This chart does not appear in the RECORD]

Moreover, in most significant measures used to judge strategic forces—total number of systems, total number of ballistic missiles, total destructive potential—the Soviets now surpass the United States. Soon they could equal and surpass us in number of warheads, the one area where the United States has traditionally had an advantage.

The President entered office with a mandate to correct these trends. The modernization program he announced in October 1981 is designed to restore the strategic balance and prevent nuclear war. In so doing, it will give the Soviet Union a strong incentive to negotiate with us to achieve genuine arms reductions.

CONCLUSION

The Reagan Administration is committed to equitable and verifiable arms control aimed at substantial reductions in military forces. While the freeze proposal reflects the desire of people everywhere to reduce the threat of nuclear war, it would not promote reductions, equality or verifiability. Rather, it would accomplish the opposite. A freeze at existing levels would lock in existing nuclear inequalities while making further progress in arms control difficult, if not impossible. For these reasons, our goal in arms control must be the negotiation of substantial reductions in the nuclear arsenals of both sides. We can do better than a freeze.●

IN HONOR OF COL. ANTHONY J. BURSHNICK

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. FAZIO. Mr. Speaker, Members of the House of Representatives: Col. Anthony J. Burshnick, brigadier general selectee, has just assumed his duties as commandant of cadets at the U.S. Air Force Academy. Those of us fortunate enough to know Tony, and those of us who recognize the importance of insuring the highest level of academic achievement and personal excellence at our military academies, will salute the Air Force's decision to assign Colonel Burshnick to this post.

Many of you no doubt remember Tony from his days as an Air Force liaison officer for the House. During that time, he assisted Members and their staffs in understanding Air Force issues and in resolving constituent problems. His knowledge of the Air Force, his understanding of congressional operations and his outgoing and extremely personable manner made him very popular with Members and staff alike.

I had not yet been elected to Congress when Colonel Burshnick served as a liaison officer. I did however have the good fortune to meet him in July 1980 when he was assigned to Travis Air Force Base as commander of the 60th Military Airlift Wing.

As the Member of Congress who has the privilege of representing Travis, the most outstanding military airlift command base in the world, I have worked closely with Tony on a wide range of issues over the past 2 years. During his tour of duty as a wing commander of the 22d Air Force, he has proven himself time and again to be an exceptional leader.

Colonel Burshnick is a credit to his family, his service, and his nation. We shall miss him in California, but wish him, his wife Karen and their daughter Kristine, and son Joseph the very best in Colorado Springs.●

THE ELECTRIC UTILITY'S DILEMMA—RECOGNIZING CONSERVATION AS A TRANSPARENT EXCUSE

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mrs. BOUQUARD. Mr. Speaker, electric utilities in this country are canceling planned powerplants as they attempt to minimize all capital expenditures. The ramifications of this capital minimization strategy are higher electricity costs for consumers, fewer jobs in industry compounded by a growing work force, a migration of industry away from traditional growth regions, a less dependable supply of electricity enhancing the prospects for forced outages, more dependence on petroleum imports, and fewer tax dollars because of a depression of GNP growth.

Solutions to this major problem do, nevertheless, exist and must be considered by Congress. Their implementation, however, will not be easy. We Members must "bite the bullet" and enact the critically needed reforms.

We should strive to minimize licensing delays and excessive regulation both for nuclear and coal plants. Such reforms will result in increased productivity and decreased cost to consumers.

We should encourage the States to form compacts relating to the regional regulation of utilities. In this way, a more efficient planning process and utilization of production capabilities will help to lower costs to consumers, improve electric supply reliability, improve utility rate regulation, and promote the national security.

Most important of all, we must make every effort to lower interest rates. Double digit interest rates are sapping the strength of our industrial capability and are at the root of most of our economic problems

Other reforms may also be necessary as explained in an excellent article from the May-June issue of the Harvard Business Review by Peter Navarro. It is entitled "Our Stake in the Electric Utility's Dilemma." I have added a subtitle to it: "Recognizing Conservation as a Transparent Excuse." Please read it and see why. Because of its length, I have excerpted what I consider to be the most salient points and have included it for your convenience.

The article follows:

THE ELECTRIC UTILITY'S DILEMMA—RECOGNIZING CONSERVATION AS A TRANSPARENT EXCUSE

(By Peter Navarro)

Today's electric utility executives are caught between a regulatory mandate, which requires them to provide reliable

"least cost" electricity in whatever quantities customers demand, and a fiduciary responsibility to stockholders, who expect them to provide a reasonable return on investment while avoiding unnecessary risks.

To meet the projected demand for electricity over the next decade, even taking energy conservation into account, utility executives would have to spend more than $300 billion for new power plants just to keep the lights on and the economy growing. They would also have to spend another $50 billion on measures such as coal conversion to displace prohibitively expensive petroleum consumption in existing power plants. But prevented by regulation from earning a return on new investment equal to their soaring cost of capital, these executives are hard pressed to justify, in financial terms, spending a single additional dollar on new power plants or petroleum displacement.

When capital costs and energy prices were low, utility expansion heightened economies of scale and lowered the average cost of a unit of electricity. Because the industry's regulators and their rate-making apparatus were slow to adjust, the utilities were allowed to capture a large part of these cost reductions in the form of higher profits. Under post-embargo conditions of sustained inflation, however, expansion tends to raise not reduce, the average cost of electricity. With this reversal in cost structure, the carrot of regulatory "lag" has turned into a big stick that prevents utilities from earning a reasonable return on their investment. At the same time, of course, the industry's mandate to provide least-cost, reliable service still remains in force and with it the obligation to add new facilities both to replace worn-out plants and to meet tomorrow's demand.

The magnitude of this obligation is staggering. Prior to the embargo, electricity demand grew at a swift annual pace of roughly 7 percent; for the rest of this decade, most forecasters project a demand growth of only 3 percent annually. Even so, to meet future requirements with adequate reserve margins, the utility industry will have to build—again a conservative estimate—roughly 150,000 megawatts of new capacity which is the equivalent of about 150 new coal or nuclear power plants. Expert opinion puts the price tag of this new capacity at roughly $300 billion in constant 1981 dollars. This equals some $488 to $778 billion in nominal, or current dollars, assuming an inflation rate of between 5 percent and 10 percent over the next ten years.

But this is not all. Electric utilities consume more than one million barrels per day (mb/d) of oil and the equivalent of 1.5 mb/d of natural gas—or more than one-third of all U.S. petroleum imports. At current oil prices and if natural gas prices were deregulated, either under the Reagan plan or indirectly through the FERC, at least two-thirds of this oil- and gas-fired capacity is uneconomical and should be replaced by, or converted to, coal-burning or nuclear facilities that are cheaper to operate and fuel. Thus, to meet the least-cost requirement of their regulatory mandate, utility executives must supplement a $300 billion construction budget with an additional $50 billion of investment to displace on-line petroleum-based capacity.

However cogent the arguments for an extensive program of capital spending, the responsibilities of these executives to their shareholders suggest an opposite course of action. Here the obligation of management is to maximize the value of individual utilities without exposing them to undue risks—that is, to earn a sufficiently fair and reasonable return on stockholders' equity to attract additional capital. Unfortunately, in today's regulatory environment, it has become increasingly difficult for utility executives to discharge this obligation.

Their problem is distressingly simple: rising energy and capital costs, regulatory lag, and a regulatory trend toward "proconsumer" rate suppression have made it virtually impossible for private utilities to earn a rate of return equal to their current cost of capital. The statistics are revealing. In 1980, the average realized return in the utility industry was only 12 percent, which at the 1980 inflation rate translates into a real return on investment of only 1.8 percent—a figure far below the return available to investors elsewhere. It is not surprising, therefore, that the industry's average market-to-book ratio has fallen from a robust 1.43 in 1970 to an anemic .78 today. Nor is it surprising that its pre-1973 bond ratings of AAA and AA have fallen to A and BBB levels, which at today's bond yields add some 150 basis points to the industry's average cost of capital.

These statistics show the seriousness of the problem utility managers face. But the problem goes beyond the external scarcity of capital; the managers themselves are "capital averse" in that they are unwilling to go to the capital markets to finance the investment in new plant and petroleum displacement that would best serve the long-term interests of both rate payers and the nation as a whole.

This capital aversion is neither stubbornness nor irrationality. When the company's market-to-book ratio is well below one, selling new common stock to raise equity capital dilutes the equity of existing stockholders. No prudent executive would lightly risk the welfare or the wrath of stockholders. Indeed, traditionally docile shareholders have begun to stand up in the courts and at shareholder meetings to challenge such sales of new equity as an irresponsible dilution of their own holdings.

The bond market offers an equally gloomy prospect for capital formation. Because regulation has failed to allow utilities a fair rate of return, the industry's average coverage ratio, which measures the ability to service debt obligations out of cash flow, has since the late 1960s fallen from more than 3.5 to a perilously low 2.0. With so reduced a coverage ratio, utility managers face a double whammy: a new bond issue often reduces a utility's coverage ratio still further, heightening the probability either of default on the new obligation or of violation of existing indenture requirements; Wall Street normally responds to such a situation by again lowering the utility's bond rating, which of course drives up its cost of capital another notch.

A STRATEGY OF CAPITAL MINIMIZATION

The risks of going to the capital markets, then, are immense, and the rewards are minimal. Put bluntly, under current conditions only altruism or patriotism can justify an ambitious investment program, and either would have to be weighed against the risk of impoverishing shareholders and bankrupting the company.

Caught between regulatory mandate and responsibility to stockholders, most utility executives have adopted a strategy of capital minimization. Indeed, their offices are knee-deep in the litter of canceled stock and bond sales, and dust collects on plans for new power plants and the conversion of older facilities to coal. The North American Electric Reliability Council reports that over half of the nation's new coal and nuclear plant capacity scheduled for 1979 through 1988 has been delayed an average of almost 20 months and that two-thirds of the on-line plants that can economically be converted to coal still burn oil at the rate of more than 400,000 barrels per day. Together these delays could boost petroleum consumption during the 1980s by up to 2.2 billion barrels at a cost to rate payers of billions of dollars.

In public, most utility executives defend their capital minimization strategy by arguing that conservation and reduced load growth have made new power plants unnecessary; in private, they admit the financial considerations. The utility industry is not noted for its candor, but the few bold leaders who have been willing to speak openly speak with a single voice.

One of them, Justin Moore, Virginia Electric Power Company's chief executive officer, recently canceled a $2 billion nuclear plant because his company simply could not afford to build it, even through the new plant would have saved rate payers money and the nation oil. Another, Lelan F. Sillin, Jr., CEO of Northeast Utilities, has repeatedly announced that until his utility can earn a fair rate of return on new investment, he will not sell new stock to finance either the completion of Millstone III (a 1,200-megawatt nuclear unit) or a number of coal-conversion projects. A third, Gordon Corey, retired vice chairman of Commonwealth Edison and the acknowledged "grand old man" of the industry, has often said that electric utilities cannot serve the public interest unless regulators provide them with the necessary financial incentives to carry out needed plant construction and coal conversion.

IMPLICATIONS FOR RATE PAYERS

The absence of such regulatory relief inevitably means higher rates for less reliable service because of the "Petroleum penalty" that a strategy of capital minimization imposes on consumers. In the Northeast, for example, which depends on oil for roughly 60 percent of its electricity, more than 4,000 megawatts of oil capacity could be economically converted to coal at a cost of $1.34 billion. The payback to rate payers would be very quick, and total savings could amount to $5.2 billion. Hence, every year that utility executives delay their conversion plans defers these savings and thus penalizes consumers.

In fact, in any oil-dependent area, every gigawatt of new nonpetroleum capacity (the average size of one new coal or nuclear plant) that displaces petroleum consumption reduces that consumption by some 25,000 barrels per day. The potential benefits to rate payers are quite large. Boston Edison estimated that its recently canceled Pilgrim II nuclear plant would have displaced $442 million in fuel costs in its first year of operation and saved rate payers $44 million—even taking into account a required rate increase of $398 million.[4]

More troubling, perhaps, than the loss of such fuel-related savings is the threat posed by capital minimization to the security of future elecricity supply. Pilgrim II had been scheduled to come on line in 1989. For its first four years of operation, it was primarily to displace oil-based capacity; from 1993 on, however, continued load growth would have drawn its capacity away from oil dis-

placement and toward meeting new electricity demand. Now Boston Edison is planning to import Canadian Power as the "second best" way to meet that future demand, but the Canadian connection is neither cheap nor certain. Canada's National Energy Board (NEB) has declared that the price of its electricity must be linked to the price of oil—even if that electricity is generated from low-cost nuclear or hydro power. Worse still, NEB's "Canada First" policy requires it to sell only surplus power, which although currently plentiful may well have evaporated by the time Boston Edison needs it.

We need not wait until the 1990s for the light to dim. In the Pacific Northwest, reserve margins have sunk below 20 percent and outages have already occurred. And in Colorado, reserve margins are negative, power must be imported from other states, and brownouts are likely as early as 1984.

IMPLICATIONS FOR U.S. INDUSTRY

Actual electricity shortages will, of course immediately reduce both production and employment in the many industries dependent on an abundant supply of electricity. Much as industrial users of natural gas were the first to be denied supplies during the severe gas shortages of the 1970s, industrial users of electricity will be the first to be cut off when power runs low—sacrificial victims at the political altar of keeping consumers (read "voters") warm. The specter of potential shortages, however, asserts itself only indirectly.

This latter concern shows up, for example, in decisions on plant location, capacity expansion, and power supply. Given the tenuous supply situation in California, some high-tech companies in Silicon Valley may choose to migrate to, say, New Mexico, where electricity supply, as well as the regulatory climate, is much more favorable. By the same token, aluminum producers in the Pacific Northwest may forgo domestic expansion in favor of building new production facilities abroad. Concern over potential shortages may even force some companies to build their own generating capacity, even though doing so will drain capital from more productive forms of investment and test the limits of managerial competence.

Perhaps the most harmful effect prospective shortages can have is to persuade executives to reduce the application of electricity-intensive innovations in their companies, for such applications are essential to real growth in productivity and income. Successful modernization of the American steel industry, for example, depends on the electric-arc furnace, which greatly reduces ore-handling costs, economizes on coal resources, and provides a more precise method of metal fabrication. The renaissance of the auto industry rests in large part on time- and labor-saving devices like robots, which feed greedily on electricity. The bulk of energy-saving and productivity-enhancing technologies—computers, telecommunications systems, and word-processing equipment—are electricity intensive.

IMPLICATIONS FOR NATIONAL POLICY

Beyond its influence on a host of individual "micro" decisions at the company level, a strategy of capital minimization also has "macro" consequences for national energy and economic policies. For one thing, it raises petroleum imports both directly and indirectly—first by ruling out investments in petroleum displacement and then by creating uncertainty over supply that in turn prompts other industries to postpone or forgo investments in energy-efficient, but electricity-intensive, technologies. For another, by making supply shortages more likely, capital minimization threatens to curtail production and thus both slow growth in GNP and boost unemployment.

In fact, because of the often-observed link between growth in GNP and level of electricity demand, many researchers believe that GNP cannot grow at a rate much higher than the rate of increase in electricity supply. If these researchers are right, the Reagan administration's program for economic recovery will inevitably run aground on the shoals of inadequate electricity supply. Although current projections indicate that, as best, supply will increase at a rate no higher than 1 percent to 2 percent over the next decade, the Reagan plan assumes a rate of real GNP growth between 4 percent and 5 percent. If utility capacity is the locomotive of the American economy, a strategy of capital minimization dooms the economy to stagnation.

THE GOVERNMENT'S ROLE

Because of the harmful effects of capital minimization on national energy and economic policies, the federal government should swiftly reduce the licensing delays and excessive regulation that, by adding billions of dollars to the industry's costs, have significantly contributed to its financial problems. A year's delay in licensing a nuclear plant, for example, adds $150 million to the plant's cost and up to $300 million per year for replacement power. Similarly, a provision of the 1977 Clean Air Act amendments requiring utilities to use scrubbers on all new coal plants even if the plants could meet existing sulphur dioxide emission standards more cheaply by burning low-sulphur coal will by itself add $4 billion to $6 billion to the industry's construction budget through 1990.

The federal government should also encourage new power plant construction and coal conversion, particularly when such investment helps reduce foreign oil imports. In fact, that was the purpose behind both the Carter administration's ill-fated "oil backout bill" and the more modest efforts of the Reagan administration to add several sweeteners for electric utilities, such as accelerated depreciation of utility plants, to the Economic Recovery Tax Act of 1981.

Although Reagan's tax subsidies will help the industry, their potential contribution to its capital requirements represents a mere drop in a $350 billion bucket. Indeed, because of their poor earnings performance and their liberal use of investment tax credits, electric utilities paid just over $1 billion in federal taxes in 1980. Hence, even reducing that liability to zero would provide only a miniscule fraction of the industry's capital needs. Moreover, overreliance on tax concessions or other direct subsidies like grants, loans, loan guarantees, and tax-free bonds runs the double risk of rewarding state regulatory failure and introducing economic distortions into the industry's construction decisions.

Another responsibility of the federal government is to monitor the increasingly tenuous balance between the supply and demand of electricity and the progress utilities are making toward oil displacement. Taking on such a role would provide warning of a crisis and, equally important, would show state governments that Washington stood ready to intervene if they did not enact needed regulations. In fact, the mere threat of nationalizing utility regulation under the FERC might be enough to prompt state PUCs to act on their own.

FERC, however, has neither the resources nor staff to handle such massive new responsibilities. Worse, its indifferent reputation as a regulatory agency (it takes up to two years to process a rate case) reduces its effectiveness as a deterrent to foot-dragging by the states. Thus the federal government must quickly set its own regulatory house in order and turn FERC from an inefficient bureaucracy into an innovative agency constantly alert to the real problems of the utilities. As part of its housecleaning, the government should also amend the Public Utility Reform and Policy Act of 1978 to encourage states to allow construction work in process in the rate base, normalize tax benefits, and limit regulatory lag by statute to a maximum of, say, six months, as Massachusetts has done.

Further, in preference to nationalizing utility regulation, Washington might instead regionalize it. Regionalization of the regulatory apparatus more accurately reflects industry dynamics: utilities usually furnish electricity on an interstate basis and organize themselves into regional power pools that minimize costs through power sharing. The federal government would coordinate things but leave primary responsibility in the hands of regional commissions whose members were appointed by the states.

Finally, Washington must follow a program of fiscal and monetary restraint, balance the federal budget, and curb inflation. Lowering inflation would reduce the industry's need for ever-higher rates of return and would thus take some of the consumer heat off the PUC's. It is, after all, far easier politically for a PUC to lower a utility's allowed ROE to 12 percent when inflation is 6 percent than to raise the allowed ROE to 15 percent if inflation is running at 12 percent.●

CONDEMNATION OF THE LATEST MIDDLE EAST CONFLICT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday June 24, 1982

● Mr. GOODLING. Mr. Speaker, the modern state of Israel has led a dangerous existence since its birth in 1948. The current conflict in Lebanon is the latest in the string of battles the Israelis have fought to legitimize their place as a sovereign country in the war-torn Middle East. This fight, however, seems to have gone beyond Israel's avowed purspose to clear southern lebanon of Palestinian guerrillas, thus guaranteeing the safety of their citizens near the northern border. In their zealous drive to the outskirts of Beirut, the Israelis have relentlessly violated the rights of the Lebanese people in order to pursue the Palestinians.

The southern portion of Lebanon now appears to be cleared of the Palestinian threat to northern Israel. The Israelis must now evacuate Lebanon, and return this country, which has suffered so much in the face of the

conflicts of others, to its citizens. Israel's continued presence in Lebanon can now be regarded as nothing more than out-and-out aggression against the Lebanese people, something the United States, as a protector of the democratic rights of all peoples, simply cannot tolerate. I call on Prime Minister Begin to remove Israeli troops from Lebanon immediately, in the name of the peace which we have been seeking for so long to bring to the Middle East.●

TIME FOR A NUCLEAR WEAPONS FREEZE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an excellent letter to the editor which recently appeared in the Citizen Register of Ossining, N.Y., written by Mr. Iving Lerner. Mr. Lerner strongly argues for a nuclear weapons freeze, and points out the irrational basis for expanding our nuclear arsenals when the Soviet Union and the United States already have the capability to destroy each other several times over.

As Mr. Lerner notes in his essay:

This suicidal numbers game both countries are playing with each other is sheer lunacy. Any alternative to sitting down and negotiating nuclear disarmament is unthinkable. We may have the right to risk our lives, but do we have the right to risk the lives of our children's children and their children's children?

I commend Mr. Lerner's important essay to the attention of my colleagues:

TIME FOR NUCLEAR WEAPONS FREEZE

Mary McGrory's column of March 24 on the testimony of the Hiroshima survivors at a Senate hearing on the Kennedy-Hatfield nuclear freeze resolution ought to be required reading for every American: "She saw a B29 go by, and then a flash. She felt something on her face. She put her hands up, and 'my hands went right through my face . . . I felt as if I had lost all the bones in my body. I saw a man without feet, walking on his ankles. I passed out.' "

The column left me with mixed feelings of compassion, guilt, fear and resolve. I could not help but wonder whether Reagan administration hawks might not construe this testimony as proof that a "limited" nuclear war is possible. After all, these witnesses did survive. How many of them were able to function and how soon after the bomb was dropped, and how many could survive today and help fight a "limited" war, remains questionable. Perhaps it would be useful, in considering the feasibility of a "survivable" nuclear war, to review the following points:

1. The Hiroshima bomb, equal to 20,000 tons of TNT, killed 100,000 of the city's 245,000 people. Two-thirds of the buildings within city limits were destroyed. Ten thousand of the wounded sought help in the city's largest hospitals; it had six doctors and 10 nurses left.

2. An article in the New England Journal of Medicine describes some of the effects of a hypothetical nuclear attack on a city of 3.5 million. A 20-megaton bomb, 1,000 times more powerful than the Hiroshima bomb, would level all buildings within a four-mile radius. Approximately 2.2 million people would be killed. Radiation sickness, disorientation, destruction of transportation, food distribution facilities, water supplies, etc., would leave survivors in no condition to carry on a "limited" war, nuclear or otherwise. Civil Defense shelters would become either prisons or incinerators.

3. It is estimated that 200 nuclear warheads could wipe out all of the cities in the U.S. or the Soviet Union. Both countries now possess more than 50,000 such warheads in rough parity. President Reagan proposes to increase our arsenal by 17,000 warheads. The Russians will undoubtedly follow suit.

4. A first strike by either side that could wipe out the other would indeed limit a nuclear war, but is, or ought to be, unthinkable. The after-effects of such a strike would pose long-range threats to the health and survival of the rest of the world, including the country that delivered it. Aside from that, how many of us would like to live with the knowledge that we killed 1 million people, Russians or otherwise?

This suicidal numbers game both countries are playing with each other is sheer lunacy. Any alternative to sitting down and negotiating nuclear disarmament is unthinkable. We may have the right to risk our lives, but do we have the right to risk the lives of our children's children and their children's children?

The decision to build these stockpiles of destruction was made by relatively few people, fewer there than here. It is not likely they will change course on their own. It is likely the pressures of mass protest will force such a change. The Geneva talks attest to that, as does the Kennedy-Hatfield resolution. A mutual freeze is the idea whose time has come. I urge everyone to sign the petitions to our legislators in support of such a freeze. If 1 million Americans sign, even the Russian people will hear about it. And then, who knows?—Irving Lerner Harrison.●

HAZARDOUS WASTE RECYCLING

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. FLORIO. Mr. Speaker, today I am introducing a package of amendments to the Resource Conservation and Recovery Act (RCRA). The amendments address several legitimate concerns that have been raised regarding two provisions of H.R. 6307, the Resource Conservation and Recovery Act Reauthorization of 1982, which was unanimously adopted by the Energy and Commerce Committee on May 11, 1982, House Report 97-570. These provisions relate to recycling generally, section 11, and the burning of hazardous waste in boilers, which is a specific form of hazardous waste recycling, section 6. It is my intention to offer the amendments in the bill being introduced today during floor consideration of H.R. 6307.

Section 11 of H.R. 6307 is amended to clarify that all forms of recycling need not be regulated; rather, only those as may be necessary to protect public health and the environment. In addition, the amendment stipulates that only recycled hazardous wastes, which are listed or identified under section 3001 of RCRA, are subject to regulation.

Section 6 of H.R. 6307 is similarly amended to require that only hazardous wastes listed or identified under 3001 and which are burned, blended, or distributed as a fuel are subject to notification and potential regulation under this section. Section 6 is also amended to require that persons who blend, distribute, or burn mixtures of used oil and hazardous wastes also will be subject to the notification requirement of section 6.

Neither of these provisions in original or amended form establish new authority for the agency in this area. Rather, they affirmatively direct the agency to exercise existing authority and thereby expeditiously address the numerous public health and environmental damage incidents that have resulted from improper recycling of hazardous wastes.

Nearly one-third of the imminent hazard cases that have been brought under section 7003 of RCRA, and 13 of 115 priority Superfund sites are the result of improper recycling practices. Regarding the burning of hazardous waste in boilers, it is estimated that up to 20 million metric tons of hazardous wastes per year go unregulated by being burned in boilers for purposes of energy recovery. Twenty million metric tons represents roughly one-half of the total amount of hazardous wastes that are currently regulated under RCRA. Boilers frequently do not achieve the same level of destruction efficiency as hazardous waste incinerators, which must be capable of destroying hazardous wastes with an efficiency of 99.99 percent. If these 20 million metric tons of hazardous wastes were burned in boilers with a 97-percent destruction efficiency, national emissions of hazardous wastes would be 300 times higher than if these same wastes were burned in a RCRA-permitted incinerator with a destruction efficiency of 99.99 percent.

In addition to the potential health hazards of inefficient hazardous waste burning and emission, numerous cases of fuel oils being adulterated with hazardous wastes have been documented, particularly in the States of New York, New Jersey, and Pennsylvania. The practice of mixing hazardous wastes with either virgin or used oil endangers the health of the consumer, frequently provides less than the expected Btu value of the fuel, and re-

sults in accelerated corrosion of the boiler in which the fuel is being burned.

When conducted properly, recycling can be the preferable method of hazardous waste management, resulting in ultimate benefit to the recycler and the environment. It is the intention of these amendments to control the practice of recycling as may be necessary to protect public health and the environment, and thereby create a positive climate for recycling practices that are consistent with such protection.●

TRIBUTE TO PHILIP A. LOOMIS, JR.

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. WIRTH. Mr. Speaker, Philip A. Loomis, Jr., who took his oath of office as Commissioner of the Securities and Exchange Commission on August 3, 1971, will retire this month. Mr. Loomis has served this Nation with great distinction for more than 30 years and is recognized as one of the foremost authorities in the field of securities law.

Prior to his appointment to the Commission, he was General Counsel. In that capacity, he successfully argued every case in which he appeared before the Supreme Court of the United States.

A career employee of the Securities and Exchange Commission, Mr. Loomis first served as a consultant to the staff in 1954. After a short period as a consultant, Mr. Loomis was appointed Associate Director of the Division of Trading and Exchanges in 1955, and later that year he was named Director. In 1963 he was named General Counsel to the Commission and served in that capacity until his appointment to the Commission in 1971. During Mr. Loomis' service as a member of the staff, he made major contributions toward passage of important securities legislation, principally the 1960 amendments to the Investment Advisers Act of 1940, the Securities Act Amendments of 1964 and the Securities Investor Protection Act of 1970.

In the course of his career at the Commission, Mr. Loomis has been cited often for distinguished service. In 1964 he received the National Civil Service League Career Award, followed in 1966 by the SEC Distinguished Service Award and in 1971 the Federal Bar Association's Justice Tom C. Clark Award.

Mr. Loomis was born in Colorado Springs, Colo., June 11, 1915. He received his A.B. degree with highest honors from Princeton University in 1938 and his LL.B. degree cum laude from Yale Law School.

Mr. Loomis was admitted to the California Bar in 1941 and the Supreme Court Bar in 1955. He practiced law with the Los Angeles firm of O'Melveny & Myers in 1941 and from 1946 to 1954. From 1942 to 1944 he was an attorney with the Office of Price Administration and served as associate counsel for Northrop Aircraft, Inc. (now Northrop Corp.) from 1944 to 1946.

As chairman of the subcommittee having jurisdiction over the Federal securities laws, I would like to express my appreciation for the dedicated service rendered by Mr. Loomis over the years, and for the legacy he leaves those of us who will be concerned with the securities laws and the American capital markets in future years.●

IS THE UNITED STATES READY FOR UNISPACE '82

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. GINGRICH. Mr. Speaker, this weekend, America's Space Shuttle Columbia is scheduled for its fourth and final flight. After that, it will go operational, and once again the United States is left without a "next step" to focus our space effort. Many ideas have been discussed, to be sure, most notably the development of a "permanent manned presence in space," but no commitments made as yet.

According to a recent Office of Technology study, the lack of stronger public and private efforts will cause the United States to—

Lose its preeminence in space applications during the 1980's. Both technological and commerical leadership are at stake. The U.S. leadership positions will depend not only or even primarily on spending more money, but on effectively allocating our technical, financial, and institutional resources to meet international competition.

In other words, our Nation's newborn space enterprise—a baby compared to our older steel and auto industries—may soon fall behind the Europeans and Japanese. We will have lost our lead because we did not have the foresight to make a sound economic investment in our future—and because we thought Apollo was a circus stunt, rather than the first step along the road to freedom, hope, and opportunity.

And what are our economic and military competitors doing while we flounder in our sea of indecisions? They are accelerating their pace, of course. And they are painstakingly preparing for the United Nation's Second Conference on the Peaceful Uses of Outer Space this August in Vienna (Unispace '82). Quite ready to play the political hardball which is the essence of U.N. conferences, the Soviets, Europeans, and others are going to the conference with coherent national space strategies.

We, on the other hand, are not. If the pattern of recent years holds true, we will cling to our naive hope that the conference will be a nonpolitical international exposition of space technologies, rather than a staged attack on the United States by the jackal representatives of puny dictatorships.

But if the U.S. delegation took with it a fraction of the political savoir faire of this House, we could win the war of ideas. An active selling of our Nation's unchallenged record of technology transfer and international cooperation with Third World and other nations would totally preempt the two-faced haranguing of the Soviets and their puppet client states.

I am introducing into the RECORD today an excellent article by Ben Bova, the editorial director of Omni magazine, on the Unispace '82 Conference and related space activities of the Soviet Union. Bova has one of the clearest and most dynamic visions of how and why our Nation must take the "high road" into space, and I strongly commend his article to my colleagues.

SOVIET SPACE OFFENSIVE

(By Ben Bova)

The year is 1983. The U.S. space shuttle Challenger is in orbit on its first test flight. Its sister ship Columbia, is being checked out at Kennedy Space Flight Center in preparation for its sixth mission.

Disaster strikes without warning: A pair of explosions rip through Challenger, destroying the rocket engines at its tail and blowing off the barn-door hatches of the payload bay. The ship tumbles wildly until its two-man crew grimly brings it back under control. The astronauts are alive and unharmed except for some bruises. But Challenger is crippled and unable to return safely to Earth.

Suddenly Moscow broadcasts an electrifying message: "In keeping with the terms of the 1972 Convention on Rescue of Cosmonauts, the Soviet Union has dispatched a rescue mission to the damaged American private spacecraft Challenger."

The world watches worriedly as cosmonauts in two Soyuz-T spacecraft reach Challenger and return the Americans safely to Earth. Inside the Soviet Union.

The media are already buzzing with stories leaked from Washington that Challenger was destroyed not by an accident but by Soviet missiles fired from a satellite.

Then Moscow makes a new announcement: The American astronauts are safe, but they will not be returned to the United States until some comprehensive agreements about outer space are signed. After all, Moscow asserts, everyone knows that these astronauts are military officers whose mission in space was to spy on the USSR and steal Soviet reconnaissance satellites.

The military calls it "taking the high ground." Diplomats refer to it as "seizing the initiative." Whichever you prefer, the Soviet Union has launched a major diplomatic and military offensive against the American space program, and particularly against the space shuttles. The foregoing

scenario could soon come true. Two critical elements of such a crisis are already falling into place:

The more obvious is a dramatic advance in Soviet space weaponry. The U.S. government has not officially confirmed reports that the Soviet satellite Cosmos 1267 carries missiles capable of destroying other satellites. But privately some Reagan Administration sources concede that stories leaked in Aviation Week magazine last autumn are true: Cosmos 1267 is an orbital battle station that might well down an American shuttle.

The other element, no less dangerous, is diplomatic. Next month (August 9-22) the United Nations will convene its Unispace 82 conference in Vienna. It promises to turn the city of political intrigue into the site of a propaganda circus.

The Russians, it seems, hope to convince the Third World, and as much of Europe and the Western Hemisphere as possible, that the U.S. space program is no more than a tool of Pentagon strategy and that the space shuttle is exclusively a military vehicle. If they can accomplish that, they may force the United States to limit its space explorations drastically. At the very least the Russians can then justify their own systematic militarization of space.

Soviet engineers have been working on space weaponry for years. The 1963 Nuclear Test Ban Treaty prohibits placing nuclear weapons in space, and the 1967 Outer Space Treaty bars placing "weapons of mass destruction" in orbit and building military bases on the moon. Both the United States and the Soviet Union have ratified these treaties. But, as James Oberg, a frequent contributor to Omni and the author of Red Star in Orbit (Random House), says, "Ten years ago Soviet space engineers . . . flight-tested a vehicle for carrying nuclear warheads into orbit and back. Western observers called it the FOBS [fractional-orbit-bombardment system]. . . . Since the system as tested never made a complete pass around the Earth, some U.S Government space lawyers haggled that the payload was not really 'in orbit' and hence was not a violation of the . . . Outer Space Treaty."

For the past 15 years the Russians also have been testing a "hunter-killer" antisatellite system. It consists of a simple bomb maneuvered into orbit alongside its intended victim. When the bomb explodes, shrapnel riddles its target like a shotgun blast. This hunter-killer system was the first active weapon ever put in orbit. So far as is known, it has been used to date only in tests against Soviet target satellites. Some observers have theorized, however, that the Soviet A-sat may have been responsible for the mysterious disappearance of an RCA communications satellite in early December 1979.

No treaty prohibits placing such weapons of pinpoint destruction in orbit. In fact, spurred by the Soviet threat, the U.S. Air Force is developing an antisatellite weapon to be carried by an F-15 fighter and fired into space like an antiaircraft missile. Both the U.S.S.R. and the United States are working on such high-energy-beam weapons as lasers and particle-beam weapons as lasers and particle-beam accelerators.

Beam weapons and missiles such as those reportedly carried by Cosmos 1267 are ostensibly designed to attack only other satellites or rocket boosters. But such weapons might eventually become powerful and accurate enough to attack targets on the ground.

While the Russians' work on space weapons is well established, their political campaign is relatively new. It required a rapid about-face in Soviet policy. When President Carter's representatives at the SALT II talks several years ago proposed to ban all weapons from space, the Soviet negotiators refused even to consider the idea. They quickly abandoned this stance when they realized that the shuttle would be a success.

Soviet news coverage of Columbia's first flight, in April 1981, reflected the tactical change. Soviet news reports never mentioned the shuttle's size, weight, and orbit. Instead, article after article drummed on the military nature of the shuttle and its planned missions.

Red Star, the official newspaper of the Red Army, declared that "Pentagon [officials] are gleefully rubbing their hands. After all . . . the Pentagon sees the shuttle in the role of an omnipotent and insatiable space pirate."

A few days after Columbia's first flight, Soviet President Leonid Brezhnev piously prayed, "May the shoreless cosmic ocean be pure and free of weapons of any kind."

And in May 1981 General Alexei A. Leonov, chief of the Soviet cosmonaut corps, declared in a speech in Ulan Bator, Outer Mongolia, that a satellite has the right to fly over the territory of another nation only for peaceful purposes. Leonov, the first man to walk in space and the commander of the Russian half of the joint Apollo-Soyuz mission in 1975, implied that military satellites are fair game for Soviet antisatellite weapons.

The new Soviet line became clear in August 1981, when the Soviet delegation to the United Nations called for a total ban on all weapons in space. They referred specifically to the American antisatellite system as a violation of the principle that space should be free of all weapons. They also described the space shuttle as a weapon.

Soviet diplomacy scored heavily at the September 1981 meeting of the International Astronautical Federation, in Rome. At the sessions sponsored by the International Institute of Space Law, the Soviet delegation gave a series of papers outlining their policies and characterizing the U.S. space program as strictly a military operation.

B. G. Dudakov, a ranking Soviet space lawyer, prepared a paper that spelled out his country's position:

"American strategists' plans as regards handling other states' satellites in orbit can be characterized as piratic in essence. It seems as though some people are striving for the 'laurels' of such notorious sea-pirates of the past as John Hawkins, Francis Drake, and Walter Railey [sic]."

Dudakov himself missed the meeting, a fate that often befalls Russians who wish to travel outside the Soviet Union. But his paper carried on for him: "Without the consent of the state holding jurisdiction over the space object in orbit, not a single state is permitted either to investigate using its own spacecraft the satellites of other states, or to get too close to them, violating a certain distance limit. . . ."

The Russians had drawn a line: No one could touch their satellites, inspect them, or even get within an unspecified distance of them. They apparently feared—or wanted others to believe—that the space shuttle would be used to inspect or dismantle their satellites, or even to snatch them from orbit.

The Russians underscored this line with several other fascinating points. At the same meeting Dr. Vladlen S. Vereshchetin, a member of the Soviet Academy of Sciences' branch on law, called for a program to strengthen and codify international space law. Among the new issues that Vereshchetin raised was the idea of setting up an international agency to oversee the rescue of astronauts and cosmonauts in distress and their return to their home countries. Ominously he also said that military astronauts might not be returned as quickly as civilians.

Arthur M. Dula, a Houston attorney who specializes in space law and who is the chairman of the American Bar Association's Section of Science and Technology, notes that it was the Russians who originally insisted that rescued cosmonauts be returned immediately—even if they ask for political asylum in the rescuers' nation. This provision at the Russians insistence was written into the 1972 accord on the rescue and return of astronauts.

The new position suggests that a military astronaut might not be treated as a civilian would, that he might even be detained. On the surface this hardly seems to the Soviet Union's advantage. Their cosmonauts are military officers, there are far fewer civilians in the cosmonaut corps than among American astronauts. But in the wonderland of international politics and Soviet propaganda, the Russians can picture space ventures in any way that suits them. Their flights, manned by members of the Red Army, can be defined as peaceful and nonmilitary, while any American space mission, even those flown solely by civilian astronauts, can be designated military in purpose.

"The consistent Russian theme," Dula says, "has been either to forbid or to impede private enterprise in space." Now, he worries, after defining the shuttle as a dangerous weapon, the Russians "are ready to justify the use of military force against the shuttle."

How much of a military threat is the shuttle? According to astronaut John Young, not much. "The space shuttle is not a military weapon, any more than a truck is a military weapon," says *Columbia's* first command pilot. "The shuttle is a truck. You can put lots of different things into it."

About one third of all shuttle flights planned through 1986 will carry Defense Department payloads. Most are communications and reconnaissance satellites, the Department of Defense has no plans to launch armed satellites. Congress and the White House are debating whether to begin work on a laser "battle station" in orbit—an idea recently endorsed by the General Accounting Office—but such exotic weaponry seems to be at least a full decade away.

Yet astronaut Young is convinced that space will eventually become a military arena. Men in a space station, he points out, could watch earthly battles and make decisions without delay. Ground-based planners must have vast amounts of satellite data relayed to the ground, then send their orders back to communications satellites for transmission—a slow and difficult process.

This possibility alone is enough to spur the Soviet campaign against the shuttle. The next round will come at Unispace 82. As usual, the United States is far behind in its preparations—in this case because it was not until the last moment that our government decided to attend the conference at all.

The purpose of the conference is to promote the use of space technology, primarily for the benefit of the Third World. Those

nations have already pushed the Moon Treaty, the Law of the Sea Treaty, and other preparations for "a new world economic order." Their goal is to gain the benefits of technology developed in the industrialized nations—by international fiat rather than free trade. Unispace 82 is just one further step in this direction.

One Third World aim is to establish a U.N. agency to monitor—and govern—all space activities. At the Vienna conference the Third World countries want to explore such political issues as the militarization of space, ownership of the geosynchronous orbit, and control of data from Landsats and other observation satellites.

Dr. Jerry Grey, who in January was appointed a deputy secretary-general for the conference, observes that "these U.N. conferences are political in nature, not technical." Yet at previous meetings the United States has limited itself almost exclusively to technical presentations. As a result, both the U.S.S.R. and the Third World have scored important political and propaganda victories at America's expense.

Because of this, it might be tempting to view America's early decision to boycott the Vienna conference as a wise refusal to join in an attack on its own national interests. In fact, the cause was simple politics. With, perhaps, some masterful orchestration from the Soviet Union.

In the U.N. hierarchy, responsibility for Unispace 82 falls to the director of the Outer Space Affairs Division of the Committee on the Peaceful Uses of Outer Space. When Unispace 82 was first put on the U.N. calendar, the division's head was Lubos Perek, of Czechoslovakia. His deputy was Marvin Robinson, an American.

Perek's five-year term was up in May 1981, and, according to normal U.N. procedures, he would have been succeeded by his deputy. But the Russians claimed that they had a verbal agreement with the United States to replace Perek with another Czech. They nominated Victor Kopal. The United States denied any agreement and opposed the Russian idea the U.N. positions should be "hereditary," that a position held by a Czech must always go to another Czech.

Kurt Waldheim was then running for reelection as U.N. secretary-general, and he wanted votes, not enemies. He refused to decide the matter. As the impasse deepened, the United States announced that it would not attend Unispace 82 unless a satisfactory decision was reached.

By December 31, Waldheim's bid for reelection was dead, and he finally appointed Robinson acting chief of the Outer Space Affairs Division. The American will become the full-fledged head of the division on the day that Unispace 82 convenes. Kopal will be his deputy.

Secretary of State Alexander Haig then decided that the United States will attend Unispace 82 after all. NASA Administrator James E. Beggs will lead the American delegation.

Attorney Dula is anything but optimistic that the United States will fare better in Vienna than in previous conferences. For one thing, the United States agreed to attend only at the last moment. Its representatives have been forced to squeeze two years of preparation into less than eight months. Dr. Grey has high praise for Ken Pederson, NASA's director of international affairs, and his assistant, James Morrison. They are, he says, "doing a fantastic job" in getting ready for the meeting on such short notice. Yet it remains an enormous task to be accomplished in haste.

But Dula's real concern is that the American emissaries simply are not prepared for an attack on the U.S. space program. As Grey sees it, the Russians have been far from hostile in the United Nations. "Their position in this conference is roughly the same as ours," he believes. "Both nations oppose more U.N. bureaucracy." East-bloc industrial nations as well as the West, he says, prefer agreements between individual nations to the U.N. machinery that the Third World wants to create.

Yet conflicts between East and West are far more frequent than attempts to seek common goals. The story of the NGOs—nongovernmental organizations—at the Vienna meeting is a case in point. At U.N. conferences, not only national delegations but private, nonprofit groups are invited to air their views. Their presence has long embarrassed delegations from countries in which organizations are either government-sponsored or prohibited. Unispace 82 nearly had to do without these private participants.

David Webb, an activist who founded the Campaign for Space Political Action Committee, worked hard to get American NGOs into the Vienna conference. When it appeared that the United States would not be represented at all, he formed a group called U.S. Space 82 as a rallying point for private American participants. In November 1981 the United Nations made him chairman of all NGO activities at the Unispace conference.

Neither the world body nor the participating nations have been willing to contribute money to support the NGO effort, however. Webb sees Soviet interference at work. "The Soviet bloc did not want NGOs at the conference in the first place," he says. "There are no NGOs in the Soviet system; everything is state-sponsored. They are very worried about NGOs, because it is the one area they cannot control."

As a result, all NGOs at the Vienna conference will be supported by voluntary donations. Webb has organized day-long seminars on space and the environment, remote sensing, communications, education, private enterprise in space, space transportation, and energy from space.

The NGOs will also devote a day to the demilitarization of space. Considered too hot to handle by the governmental delegates, space demilitarization was deliberately left off the agenda at the U.N. conference on disarmament, held in New York City in May 1981. Vienna is the only place where the subject will be discussed in an international forum.

As the Vienna conference approaches, Soviet planners can view their work with satisfaction. By branding the U.S. space shuttle a tool of military "piracy," they have undercut one of America's most spectacular achievements. They have delayed American preparations for Unispace 82 and have crippled participation by the NGOs. They have prepared world opinion for the idea that the entire U.S. space effort is a military program and that peace-loving Russians have the right to destroy the satellites of other nations—including the manned shuttle—in order to protect their own. Most ominous of all, they may well have missiles aboard Cosmos 1267 capable of carrying out that threat.

The United States, with no weapons in orbit, is in the position of defending its intentions and trying to explain to the world that the shuttle is not a military weapon. It is not. But it may be a military target.●

BANK OF AMERICA IN GUATEMALA

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. LELAND. Mr. Speaker, I am inserting in the CONGRESSIONAL RECORD the second part of a report by Alan Nairn of the Council of Hemispheric Affairs on the activities of the U.S. financial sector in Guatemala. The first part of this report appeared in the record on June 16, 1982. I hope my colleagues will take the time to study this valuable report.

THE BOA IN GUATEMALA

The Bank of America is also a prominent member of the American Chamber of Commerce in Guatemala (Am Cham), itself a tainted institution which represents some 200 U.S. firms and has also lobbied extensively in Washington to renew U.S. military aid to Guatemala. Such assistance was terminated in 1977 in compliance with congressionally mandated human rights laws. Last fall, Am Cham presented Congress with a shopping list of weapons and ammunition it was requesting on behalf of the Guatemalan military.

Am Cham has been represented in congressional hearings by Edward Carrette, who turned down Gen. Lucas' request to be the Guatemalan ambassador to Washington on the grounds that he would be more effective speaking as a private citizen. When Guatemala ran an eight-page full color spread in *Time* promoting investment and tourism, Am Cham financed part of the cost. When a prominent human rights organization sent its February 1981 report documenting the coordination of "death squads" by the Guatemalan government to Am Cham asking it to express its concern to the authorities, Am Cham declined. Instead, it continued insisting to Congress that the Guatemalan government should not be chastised for the multitide of charges of repression.

In April 1980, Am Cham's president at the time, Thomas Mooney, delivered a speech to corporate executives in New York in which he outlined different approaches to dealing with political dissidence in Guatemala and Latin America in general:

"The (Carter) State Department opposed the use of violance as a weapon to subdue the leftist-oriented groups which seek to depose Guatemala's government. It is, above all, opposed to non-official exercise of violence. Spokesmen for the Department of State feel that privately controlled and financed "death squads" only serve to incite the people against the established order and motivate them to support the communists. There is another point of view that contends that the only feasible way is to destroy it quickly. Argentina and Chile are demonstrated as nations which used this approach with considerable effectiveness and have gone on to become among Latin America's most stable and successful countries."

In word and deed, Am Cham has indicated its support for the latter course. When 37 university students and peasants peacefully occupied the Spanish Embassy in Guatemala City on January 31, 1980, to bring international attention to alleged atrocities being

committed by the army against Indian communities, security forces immediately surrounded the premises, invaded the building in defiance of the Spanish ambassador's orders, and instigated a fire in which all of the protesters and two high-ranking Guatemalan officials perished. When an article in Time subsequently conferred blame for the tragedy on the security forces, Mooney himself penned an angry letter in which he denounced the protesters as "terrorists" who received their just desserts. The letter totally ignored the fact that the invasion was in flagrant violation of international laws guaranteeing the territorial integrity of embassies and was directly contradicted by the Spanish ambassador's version of what had happened.

The BOA's record of economic, political and military ties to one of the world's most notorious regimes and its lobbying efforts that paralleled those of Am Cham, were the subject of Audrey Smock's inquiries and John Fauvre's concern. Smock was writing on behalf of six religious organizations which hold stock in Bank of America and wanted more information on the bank's role in Guatemala. When Fauvre responded without detailed information and instead asserted that the bank's Guatemalan activities were consistent with its policy of "avoiding involvement, or even the appearance of involvement, in the local political process," the religious investors decided to file a stockholder resolution requesting a full report to all the bank's shareholders.

The prospect of a public confrontation on Guatemala at the bank's annual meeting inspired a high-powered campaign to dissuade the religious investors from proceeding with their resolution. "We've rarely seen a corporation which has acted so threatened by a stockholder resolution," says Robert Morris of the Interfaith Center on Corporate Responsibility (ICCR). "The Bank of America corporate secretary even tried to intimidate one of the religious investors by asking that they seriously consider what would happen to their representatives in Guatemala should the stockholder action be made public." (Morris adds that, the bank's warnings notwithstanding, none of the six groups currently have personnel in Guatemala).

The Churches persisted in seeking a disclosure in spite of such pressure. BOA responded by petitioning the Securities and Exchange Commission (SEC) to strike the resolution from the annual meeting agenda on the grounds that the bank would produce a report on its own without submitting the matter to public debate. The investors reacted cautiously.

"We would like to be encouraged," says Morris, "but we've already had a long exchange of letters and calls and they have yet to give us any factual detail, so we have to seriously question whether they'll provide a full disclosure."

Regardless of how the SEC rules on the technicalities of including the resolution in the printed agenda, the religious groups have decided to raise the issue at the Bank's annual meeting and in public forums around the country. Smock compares the Bank of America's position to that of banks which lend to the apartheid government of South Africa. "The underlying issue is the propriety of the largest bank in the nation reputedly having such strong political ties with the most brutal regime in Latin America."●

DINNER OF THE COUNCIL ON HUMAN UNDERSTANDING, HOLYOKE, MASS.

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. CONTE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

REMARKS OF THE HONORABLE SILVIO O. CONTE AT DINNER OF THE COUNCIL ON HUMAN UNDERSTANDING, HOLYOKE, MASS., JUNE 20, 1982

Good evening, ladies and gentlemen. It's a real pleasure to be with you to share in the glory of the accomplishments of the man we are honoring tonight.

You know, it would be easy for me to talk about Bill Dwight if he were just a newspaperman. I could call on H. L. Mencken for a few good dry quotes on the joys of journalism, or cite Bill's achievements and awards garnered in his tenure at the Transcript and other newspapers. Or, I could talk about Bill the politician—the alderman, the county commissioner, and national convention delegate—or, Bill the businessman, or Bill the educator.

But, in discussing any of these topics, anything I could say would surely fall short as true reflection of this man and his life's works. It is at times like these that I really wish I were a great poet or orator. But even if I possessed the gifts of Milton or Webster, I know that I would not be able to find the words to capture the spirit of this man, to describe his commitment and contributions, and convey the warm affection and admiration we all hold toward him.

In addition, of course, the best way to praise a truly deserving person is to be completely objective, and I find it next to impossible to be objective about Bill. From a personal aspect, he has been a close and valued friend to me for as many years as I can remember. From a professional standpoint, he has been a reliable mentor, and an invaluable source of strength, support and advice.

No, I cannot be objective about this man because my admiration for him is simply too strong to permit objectivity. This is why this very special award from the Council on Human Understanding is not just appropriate; it could go to no other man.

True human understanding stems from only one action—caring—and Bill Dwight knows how to care better than anyone else I know. His employees, his business associates, his family, and his community have all been touched by his actions and strengthened by his commitment to them. His support has been steadfast through Holyoke's good and bad times as he has worked to make this city and the Connecticut River Valley a decent place to call home.

The responsibility that Bill has matled over the years has been awesome. The newspaper is the lifeblood of the community. Its pages are filled with events that chronicle people's lives; each edition is an important chapter in the biography of the community. And, to outsiders, the newspaper is the symbol of the community's identity.

The Transcript-Telegram, with its ubiquitous Oracle and notorious Safety Valve has always been the people's paper. And, behind every story and editorial was the guiding hand of Bill Dwight. He never took his responsibility as biographer of Holyoke lightly, and was appreciated for his attention to accuracy and fairness in every story. For the people of Holyoke whose world view boundaries were set by the Transcript, Bill was relentless in assuring that there was a balance in his news, and that the stories were concise and thought-provoking.

As President of the American Newpaper Publishers Association and jurist for the Pulitzer Prizes, Bill used the standards he had set here in Holyoke to bring prestige and honor to journalism on a national level. And, at a time when public skepticism in many of our institutions including the press is mounting, we can all take great solace in knowing that anyone in the news business touched by Bill Dwight has come away both wiser and more appreciative of the values necessary to be truly successful in the news business.

Perhaps on the most fitting illustrations of Bill's philosophy as a newsman comes from one of his former reporters, who wrote the following about him on his retirement:

"Perhaps the most important thing he taught me was to learn to ask myself, "What are the people talking about today?" There may have been a war going on across the world, but if we were deluged with rain or snow here, or if the thermometer soared to astronomic heights, that's what area people would be talking about and wanted to read about."

If Bill had taught this to just one person, he would have more than fulfilled his commitment to the community. But just imagine in his years at the paper how many he taught to care, how many he taught to listen.

No matter what our own individual failings are, I think we all have a deep and abiding respect for human concern, especially when its virtues are embodied in a man who has the will and the talent to make these virtues a part of everyday life. I think we can all agree that no one has done more than Bill Dwight to prove that human concern and newspaper publishing are allies rather, than adversaries. He has done this in his roles as educator, business leader, community leader, and—fortunately for all of us—he has done it in Holyoke.

Well, I've wasted a lot of words trying to say something that need not be said because it is so sincerely felt: Thank you, Bill. Thank you for making us a part of your life and beneficiaries of your good works. Than you for caring, and for showing us how to care.●

POUND RIDGE, N.Y., TOWN BOARD SPEAKS OUT FOR NUCLEAR FREEZE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an extract from the minutes of the Pound Ridge, N.Y., Town Board meeting held on May 13, 1982. I am delighted that the town board has expressed its support for a mutual and verifiable freeze on the testing, production, and deployment of nuclear weapons.

I applaud Supervisor Gerald B. Gould and the Pound Ridge Town Board for this important statement, and commend it to the attention of my colleagues.

The extract follows:

EXTRACT FROM MINUTES OF TOWN BOARD MEETING, TOWN OF POUND RIDGE

Whereas A nuclear war, even fought on a "limited" scale, would result in disease and death for millions of American and Soviet citizens and ensuing political, economic and social collapse of both nations, and

Whereas the United States and the Soviet Union now possess nuclear weapons sufficient to destroy each other many times over and to end life on earth as we know it; and

Whereas the United and the Soviet Union have now begun the most massive nuclear weapons build-up in history, which will add thousands of new and deadly first-strike nuclear weapons to the current arsenals at a cost of hundreds of billions of dollars to the American and Soviet people; and

Whereas the future of our nation, and of all civilization, may depend upon the ability of the government of the United States and the government of the Soviet Union to reach an agreement by which they would jointly freeze, then swiftly reduce their nuclear arsenals,

Now: Therefore, in the interest of national, and international security, be it

Resolved, That the Town Board of the Town of Pound Ridge calls upon the President of the United States to propose to leaders of the Soviet Union that together, both countries adopt an immediate, mutual freeze on the testing, production and deployment of nuclear weapons, and of missiles and new aircraft designed primarily to deliver nuclear weapons, as an essential verifiable first step toward lessening the risk of nuclear war and reducing the nuclear arsenals of both nations; and be it

Further resolved, That a copy of this resolution be transmitted to our elected officials at the local, state and federal levels and that they be asked to endorse it.

Vote of the Board: Ayes: 3 (Pearl L. Glassman, Gerald B. Gould, James Trippe); Nays: 1 (Marguerite R. Wiess).●

EMPLOYEE OWNERSHIP: ENCOURAGING TRENDS

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. LUNDINE. Mr. Speaker, in the past few weeks, several excellent articles have appeared in the popular press on the subject of employee stock ownership plans (ESOP's) and employee-owned businesses. I am reprinting these in today's CONGRESSIONAL RECORD and I commend them to my colleagues' attention for two reasons. First, employee ownership is a useful innovation which responds to some of the major economic problems—in such areas as labor productivity and capital formation—which face American firms today. Second, the House will soon be voting on legislation which will establish, for the first time, a Federal program of direct assistance to employee ownership initiatives, particularly in those communities where plant shutdowns are imminent. H.R. 6100, which was recently reported to the full House by the Public Works Committee and the Banking Committee provides Federal support—through the Commerce Department—for local development initiatives. This function has been served up until now by programs under the Economic Development Administration (EDA), which expires at the end of this fiscal year.

The first of these articles appeared recently in the Washington Post; it describes some special ESOP cases where employees actually own a majority interest in the business. Such examples illustrate how employee ownership can create a strong commitment among workers to the profitability of a firm, especially in those cases where its survival is at stake. Corey Rosen, director of the National Center for Employee Ownership, and an expert in this area, notes in the Post article that, "buyouts by desperate workers to save failing plants are about 2 or 3 percent of all ESOP's." Yet, because such cases test the full potential of the concept and can provide a crucial boost to distressed communities, total worker ownership ventures may be the most important examples of ESOP's.

The second article describes perhaps the most far-reaching employee ownership initiative in America today: The 1979 worker buyout of the Rath Packing Co. in Waterloo, Iowa. There, employees have not only undertaken to salvage their jobs in the severely troubled meatpacking industry, but also to increase the level of employee participation in structuring plant operations. Although the new employee owners have largely retained the original management, worker input is now important; "action research teams" have suggested everything from new products to innovations in the work process. This article, published in the Philadelphia Inquirer, is particularly important since it helps correct some of the false impressions created by an extremely biased account of the Rath case recently printed in the Wall Street Journal.

Finally, an article in the April issue of Inc. magazine provides a good assessment of the status of employee ownership in the United States today. This overview captures some of the problems as well as advantages of the sudden growth of ESOP's. I would particularly call attention to the comment of one executive, cited in this article, to the effect that, "Having the ESOP eventually become majority stockholder [in my company] doesn't bother me as long as voting rights are not involved." This situation may not bother Mr. Lamp, but it does concern many others, especially employees. Frankly, I do not believe that workers should be denied the voice in company management that rightfully corresponds to their share of ownership in the company. Recent experiences with some notable employee ownership cases—such as the South Bend Lathe Co. in Indiana—illustrate the pitfalls of this arrangement. I would point out that the employee ownership provisions of H.R. 6100, which I helped shape, prohibit the Commerce Department from assisting employee ownership plans where voting rights are not included in the transfer of stock to a firm's workers.

The Washington Post and Philadelphia Inquirer articles follow. The article from Inc. magazine appears elsewhere in today's RECORD.

[From the Washington Post, Mar. 8, 1982]

FIRMS OWNED BY EMPLOYEES MULTIPLYING

(By Thomas W. Lippman)

At the new Bilbo Baggins Restaurant in Old Town Alexandria, the name isn't the only thing that's unusual. The employees have agreed to shell out $2,000 apiece for the privilege of working there.

What they are buying is not just jobs as waitress or dishwasher, it's stock in the company. If Bilbo Baggins succeeds and if they stay on, they will begin within a year to supplement their wages and tips with a steadily increasing share of ownership in the establishment. If the restaurant fails, they get their money back and Hugh McGee's grand plan goes out the window.

McGee, a 31-year-old restaurant designer and consultant who studied employee motivation in a Dale Carnegie course, says he is committed to creating a restaurant where the workers will be full participants in planning, decision-making and earnings, and will develop long-term loyalty to the business.

"If this works in the restaurant business, it will work anywhere," McGee Said. "And we want to make our plan a prototype for the industry."

With his plan for worker ownership at Bilbo Baggins, McGee has joined a growing list of businesses in the Washington area that are owned by their employees or give their workers blocks of stock in place of cash bonuses or pension plans. Nationwide, stock-bonuses plans are said to be the fastest-growing form of employee benefit and incentive plan.

The scope and the form of employee stock ownership vary greatly, as do the motives of the corporations setting up the plans. Some firms are owned entirely by their workers; others give out relatively small allotments of nonvoting stock as a limited form of incentive bonus. In the aggregate, the stock-transfer plans represent a growing phenomenon in which more than 2 million workers have acquired a share of the ownership of the companies that employ them.

In the Washington area, the list of firms that have transferred full or partial ownership to workers through stock bonuses or reduced-price purchases ranges from such large corporations as the Bureau of National Affairs and MCI Communications to small, privately held companies such as Allied Plywood in Alexandria and Northern Virginia Steel Co. in Springfield.

The newest and smallest is Bilbo Baggins, a whimsical establishment on Queen Street named for a character in J. R. R. Tolkien's Hobbit stories who liked to eat six meals a day. Prices are modest, furnishings are

simple and the entire enterprise was started on a shoestring, but as McGee said in an interview, "we don't want to be slick. Old Town is full of slick places. We just want this to be a friendly place where folds in the neighborhood can sit and enjoy themselves."

It is also a place where the workers participate in hiring and firing, switch back and forth from kitchen to dining room to stave off tedium, and are required to sing or play a muscial instrument so they can help entertain the customers.

McGee is an heir to the social and economic theories of Louis O. Kelso, a San Franciso lawyer-economist who is generally credited with devising the Employe Stock Ownership Plan, or ESOP, as a means for diversifying the sources and ownership of corporate capital. Kelso's long-time disciple, Arlington attorney Norman Kurland, prepared the employe-ownership plan to be implemented at Bilbo Baggins.

Under that plan, McGee and his partner, Michael Armellino, the chef, will gradually reduce their ownership and increase that of the staff. They won 200 shares each, and the corporation owns the other 600 shares. Each employe has agreed to put up $2,000, either in cash or through salary withholding for a year, to buy 10 shares of stock, two from each of the partners and six from the corporation.

Then, if the restaurant makes money, the workers will acquire additional shares through an ESOP, a bonus system approved by the Internal Revenue Service that gives the workers a stake in the company while allowing the corporation to deduct its contributions to the ESOP from its corporate tax liability. If a company is not profitable, there may be no contribution to the ESOP, but that is one of the reasons for establishing a stock bonus plan—motivation of the workers to increase production and efficiency.

McGee said the restaurant business, with a high degree of employe turnover, does not lend itself to worker enthusiasm or long-term commitment. But a resutaurant owned by its employes could be different. "In the bathroom," he said, "a waiter walks out after using it. An owner wipes the sink."

He said it was possible to structure the ESOP at Bilbo Baggins so that he and Armellino could retain effective control but "I don't intend to. Running a restaurant is not what I want to do. It's too hard, it takes too much out of you. I'm in it only because I saw the opportunity to set up a good ESOP. If the concept works we can package it for the restaurant industry."

The ESOP was almost unknown a decade ago. Encouraged by tax legislation promoted by such supporters as Sen. Russell Long (D-La.), a vigorous supporter of employe ownership, ESOPs now exist in about 5,000 corporations, ranging from Fortune 500 giants to tiny, obscure firms like Bilbo Baggins.

There are actually two kinds of ESOPs, with infinite variations possible on both depending on the circumstances of the company involved. One kind consists of donations of stock to employes by a corporation as a form of bonus or benefit. This is commonly used by the owners of small, private firms to enable the employes who helped them build the company to keep it going after the founder retires, but it is also used in large, publicly traded firms to reward and motivate workers.

The other, known as a leveraged ESOP, consists of sale of stock by a corporation to an ESOP trust. The trust borrows money and buys stock for the employes, and the corporation repays the loan over time. The advantage to the workers is that they acquire stock at no cost to them. The advantage to the corporation of selling stock through a leveraged ESOP, as opposed to conventional borrowing, is that it can deduct not only the interest on the loan but also the principal from its tax liability.

The leveraged ESOP is used either to raise new capital for expansion or to enable workers at a failing corporation to buy all or parts of it. This kind of worker buyout of plants that would otherwise be closed has attracted the most attention to ESOP plans, but it is actually rare.

According to Corey Rosen, director of the National Center for Employe Ownership, "buyouts by desparate workers to save failing plants are about 2 or 3 percent of all ESOPs. Most are set up in profitable, ongoing companies as an employe benefit."

The ESOP is perhaps the most common method of transferring stock to rank-and-file employes, but it is not the only method. Many corporations have been sold outright to their workers or offer other forms of stock acquisition, such as discount purchase options. Washington-area firms with substantial employe stock plans include:

MCI Communications Corp., the fast-growing telecommunications firm. MCI's 3,000 employes own about 1.6 million of the company's 47 million shares, and their holdings are worth about $52 million, according to Vice President William Conway. MCI has several stock plans, including discount purchase and an ESOP; last year, Conway said, MCI's contributions to the bonus plan amounted to 13 percent of the annual payroll.

"In a company like MCI," he said, "you want everybody pulling in the same direction. We compete every day with the biggest company in the world—AT&T—and you want to make sure the workers and the chairman of the board are on the same side."

Northern Virginia Steel, where founder Bernard Steinberg got Kurland to set up an ESOP that would gradually transfer his holdings to the 75 employes. Like many small firms, the company had no pension plan, and the workers faced the prospect of having the company either close or be swallowed up by a conglomerate once Steinberg left. Under the ESOP, the stock is transferred to the workers, and it is shielded from taxation.

Allied Plywood, which is in a similar situation as founder-owner Edward Sanders approaches retirement. The corporation makes annual tax-deductible contributions to the ESOP trust, which uses the money to buy Sanders' stock. The 22 employes now own about 60 percent of the shares. Robert Shaw, vice president, said that "if Ed wanted to get out some other way, we couldn't keep the company going, we would lose out. This way we know we will have a job." Allied's workers are said to be tripling their wages through their stock acquisitions and monthly bonus payments.

Wright-Gardner Insurance Co., a Hagerstown brokerage with 35 employes whose chairman, Fred Wright, is an enthusiastic booster of ESOP. "It's the most exciting thing that's ever happened on the American scene," he said. "It's a fantastic, incredible thing to do—imagine what your attitude would be if your company would do the same thing for you."

He said that in the 46 years since he started selling insurance, "the equity has just continued to accumulate. The employes play a large part in that, but they only get their salary. It isn't exactly fair." With the ESOP, he said, "the agency improves, the workers get their share, and I get my share. It's a lot of fun working in that atmosphere."

Science Applications Inc., a California-based high-technology consulting firm that has its own high-rise office tower in McLean. About 85 percent of SAI's 7 million shares are owned by employes, either through company-subsidized stock purchase or through SAI's ESOP, and all shares are voting shares, according to vice-president Michael Higgings.

The employes can buy and sell their stock through an in-house stock brokerage that conforms to Securities and Exchange Commission requirements and is registered in every state where SAI has an office, Higgins said.

Bureau of National Affairs Inc., a specialty publisher with 1,400 employes. All BNA stock is owned by present or retired employes, company president William Beltz said, and has been since the late publisher and columnist David Lawrence sold it to them in 1947.

The Consumers United Group, a Washington-based insurance, mutual fund and consumer-service organization that limits its profits to an annual maximum of 5 percent and is committed to "guaranteed continuous employment," without layoffs, for its workers. According to president Robert Freeman, the employes own half the shares, and "the best is set aside for the cooperatives and associations that support the ideals and philosophy of the group."

When The Washington Star folded last summer, a last-minute effort was made to save it through the formation of a leveraged ESOP, but, according to ESOP experts such as Kurland, it was doomed to fail because the liabilities were too great and the time too short. Rosen, director of the National Center for Employe Ownership, said he knows of no firm in the Washington area that has used a leveraged ESOP to turn a failing enterprise over to employes, but some well-known companies have used that method elsewhere.

The Rath Packing Co.'s plant in Waterloo, Iowa, the South Bend Lathe factory in South Bend, Ind., and most recent, General Motors' Hyatt Bearing Plant in Clark, N.J., were saved from shutdowns by worker buyouts. South Bend Lathe, ironically, was hit by a strike in 1980 as the owners, in effect, picketed themselves in a dispute with the management they had installed, a development that shocked the ESOP fraternity.

"There is no reason why, just because a company is employe-owned, basic worker-management relationships are necessarily going to change," Rosen said. A worker-owned company, he said, is like a democratic political system, in which "theoretically there is no distinction between governors and governed but in reality there is. Democracy works by setting parameters, which means some people aren't going to like the decisions that get made."

The hope of improved worker-management relations in fact, is only one reason for setting up an ESOP or other stock-transfer plan. It can also be done to raise low-cost capital, encourage productivity, reward loyal workers, unload unprofitable subsidiaries, save money on taxes or, as Kurland put it, "keep control of the company in friendly hands."

Political personalities as different as Long and Ronald Reagan have praised the worker-ownership concept as an appropriate way to spread the benefits of the nation's economy around within the framework of the free-enterprise system.

Critics, however, have raised several objections. They argue that the tax incentives for ESOPs, which were expanded by the 1981 tax act, amount to a taxpayer subsidy to profitable private corporations. They say ESOPs can be inflationary, because if leveraged they increase debt and if treaty as additional compensation for employes they have to be recouped in price increases. And they say that ESOPs in publicly traded companies, which give stock to workers without making them pay for it, dilute the value of the holdings of stockholders who bought their shares.

Supporters such as Long, who has often used his influence on the Senate Finance Committee to expand the tax benefits of ESOPs, argue that the long-range benefits to society from expanded worker ownership outweigh the problems.

"The overwhelming majority of workers do not feel that an increase in productivity does them any good," Long said last year. "They feel that it is something for the other guy—for the guy who owns the plant . . . If we are going to make a great majority of Americans feel that they are being benefited by these tax advantages and by these efforts to make big investments in plant and equipment, then we are going to have to find a way to see to it that the rank and file have a chance to own some of it and participate. That's what employe stock ownership plans are all about."

[From the Philadelphia Inquirer, Mar. 14, 1982]

RATH WORKERS GO WHOLE HOG AT OWNING FIRM

(By Jan Schaffer)

WATERLOO, IOWA.—At first Martin Johnson voted against it. He presumed it was just another ruse to get the workers to make concessions to the company.

"I have to admit now, I think I was wrong," said Johnson, 58, a maintenance man for the last 28 years at the Rath Packing Co. here.

Week by week over the three years since that vote by members of Johnson's union. Johnson and about 2,000 of his co-workers have been methodically buying Rath, a pork-processing plant and the second-largest employer in this Corn Belt town.

By the end of next month each of those workers—hog killers, pressers, smokers, packers—will have invested about $7,000 worth of salary and benefits in the company, the only employer most of them have ever known.

And they will have achieved their goal: the purchase of 1.8 million shares of Rath stock, making them the official owners of 60 percent of the plant and trail-breakers for a rapidly emerging philosophy of worker capitalism.

Here at Rath, workers are attempting to mold a new partnership that will reinvigorate the company and save their jobs. Workers and managers from across the nation are watching the Waterloo experiment to see if it holds answers to the critical problems currently plaguing American business.

No sooner did the evolution toward worker ownership begin than things started to change at this staid 91-year-old Midwestern operation, where, make no mistake about it, labor was labor and management was management.

Slowly alas, almost painstakingly so at times, Rath Packing Co., one of the largest companies ever to be bought out by its employees and the first company to have a buy-out initiated by a union, is discovering the true meaning of employee ownership.

Ever so gingerly, its workers and managers have been trying to unlearn the art of being adversaries and figure out instead how to work together to salvage a company they have pulled from the brink of bankruptcy, only to have it still hovering perilously close to the edge.

Now even Johnson, a burly pessimist with a crushed crew cut is a convert to the idea of employee ownership. "People are more willing to produce now than they were in the past," he notices.

In that process, one thing has become clear: no longer are Rath employees satisfied with simply owning the company—they want an ever-increasing say in running it as well.

"We're writing a new book here," said the company's new president and chief excutive officer, Herbert S. Epstein, 55, a former Detroit brewer with horn-rimmed glasses and bushy hair who was intrigued by the challenge at Rath. "Right now it's unpublished."

The only question now is whether the company can buy enough time to survive.

"The two things that can really hurt us is if the price of hogs goes up and interest rates go up," said Lyle Taylor, president of Local P-46 of the United Food and Commercial Workers Union, who proposed the buy out. Because it had been considered a high-risk operation, the company has had to borrow money at interest rates as high as 5 percent above the prime rate.

Epstein figures he has two more years to make a go of the faltering pork operation, which last year sustained a $9.5 million loss. The company attributed the loss primarily to a shortage of hogs, which made them more expensive, and a slump, induced by the economy, in the demand for pork products, which depressed wholesale prices.

However, Epstein concedes, "The loss might have been greater if the company had not been owned by the employees."

For the fiscal year's first quarter, ended Dec. 31, productivity improved by 6 percent, sales of processed pork increased by 20 percent and absenteeism fell by about 40 percent, Epstein said. The company posted $21,000 in net earnings for the quarter.

The real crunch, however, will come in September. At that time the company must contribute at least $5 million into its' employee pension fund, which through the tolerance of the Internal Revenue Service is already underfunded by about $26 million.

"I think the moment of truth will come in September when that payment is due," said Charles Mueller, the union's chief steward.

So far the IRS has waived many of the pension payments to allow the company time to regroup and possibly use some of its money for capital improvements.

"If they come down too hard on us they will kill the goose that lays the golden egg," Epstein said.

The idea of having union workers buy out the company was hatched in March 1979, when Rath's lenders balked at loaning the meat packer any more money. The company had suffered $22 million in net losses for the previous five fiscal years that ended Sept. 29. 1979.

Without help, it was clear that the company would close. The effect would be devastating on Waterloo and Cedar Falls, total population 110,000 wholesale farming communities where the local television ads for high-octane energy pitch hog feed, not gasoline. Only one company in the area employs more people than Rath—the John Deere tractor plant, with 15,000 workers.

If Rath closed, the ripple effect would throw about 10,500 people out of jobs and the area's economy would lose $1.7 million, the Blackhawk County Economic Development Committee Inc. estimated.

When the company began approaching the union for concessions, Taylor, the union's burly farmer-president, saw a buy-out as the answer. It would give the company working capital, but the union would get something in return—stock and a voice in operations.

The employees voted to have $20 a week deducted from their paychecks to purchase 10 shares of company stock that had been authorized, but not issued, and to defer vacation time and some sick days.

Those measures were assigned a dollar value, about $17 million, and used as leverage to secure a $4.5 million federal loan for capital improvements. Meanwhile, the company received a $3 million federal grant for working capital.

But there were some kinks in the process: Eight members of the union sued, challenging the union's right to deduct money from their pay checks. Their suit was unsuccessful, but it held up the federal loan for several months.

Two candidates for new chief executive officer of the company died, one in a plane crash and one of a heart attack, before the company hired Epstein.

It took three tries for the union to devise the kind of stock trust it wanted in order to purchase the shares. Now the stock must be held in the trust for five years after which individual employees can cash in their shares.

"That was the longest we could put on it," Taylor said. If we could have, we would have put * * *, thus preventing members from cashing in their stock right away.

A key question facing the union now is whether to continue payroll deductions after all the stock is issued next month. Those deductions would be used to establish a fund to pay employees who wanted to cash in their shares of stock so that the trust would not have to sell its shares, thus diluting the union's controlling interest in the company.

But more importantly, with some degree of foresight that was unusual at the time, the union insisted on giving employees the right to participate in running the company. The trust passes to the employees themselves the voting rights on the stock instead of leaving it to the 17 member board of directors, 11 of whom were named by the employees.

The union also hired consultants early on to set up "action research teams" where employees could suggest improvements. It was a move designed to make those suggestions more palatable to a crusty management that dreaded employee ownership of their company but had little choice.

"I'd have done some things differently if I'd a known what I know now," Taylor said. "I'd have set it up so we'd have more input into the management of the company as far as day-to-day control."

As the employees increasingly begin to think of themselves as not just the workers but the owners, too, they have been press-

ing for more of a voice in the company's operations.

"Rath has changed a lot in the last couple of years, said consultant Christopher Meek, a research associate at Cornell University. When the employees first took over, they said in videotaped interviews that their top priority was getting a new president. In tapes of recent interviews, they are more concerned about having a say in the company, Meek said.

The union buy-out met with resistance from Rath's management from the very start. It was a resistance aggravated by a tense labor history going back to a 1948 strike in which a non-striker was killed by a picket.

"I recognized that one of my very primary responsibilities was to try to break down the old adversarial climate." Epstein said. "There was a group of people in our supervisory cadre who found it very hard to accept the concept of worker ownership—particularly when it was thrown up to them—"Well, you're really working for us now because we own the plant," Epstein said.

Last fall he organized a series of meetings with all of the plant's employees, in which he outlined the company's financial condition and explained the dire need to increase productivity. Since then, production has increased markedly in some units in the hog kill, for example, where workers once killed 750 hogs an hour they now kill 825, according to Mueller, the union steward.

The company, at the urging of its employees, has also marketed a new product that it hopes will enable it to compete with the boxed meat now prepared by the growing giant of the meatpacking industry, Iowa Beef Processors Inc.

Where Rath used to sell whole pork loins to retailers, who would cut it into chops and ribs and package it in the stores, now the company is coming out with its own retail cuts of fresh pork—choice tenderloins and hams—which sell at a higher markup and are labeled with the well-known Rath Blackhawk label.

And in an innovative move the fresh pork unit is run by the workers themselves, without any supervisors. Every worker in the unit can run any of the jobs, so there is complete interchangeability.

Worker input has also resulted in several improvements:

When Arnold Schatz, who drives an electric truck, pointed out that the ruts in the floor of the storage room were catching the runners of his truck, requiring at least two men at times to lift it out of the holes when it was loaded with pork bellies, the company spent about $40,000 to install a new floor in the room.

When workers noted that some loading dock employees were getting overtime while others didn't have enough work to do and were being paid for the minimum guaranteed time, they suggested merging the units. It will mean a saving of $250,000 a year.

"I care more than I did before, I got to be honest with you," said Schatz, 49, who has worked at Rath for 30 years.●

EDUCATION SAVINGS ACCOUNT

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. COATS. Mr. Speaker, each stage of our life is marked by very distinct goals. In our youths, we anticipate furthering our education to develop necessary intellectual skills for future job employment. As a young adult, we look forward to buying our first home. And in our later years, we hope to enjoy a financially secure retirement.

To insure that these goals become realities, however, we must plan for the future. We have already seen the positive response of the country to Individual Retirement Accounts (IRA's). I think the same IRA tax incentives and principles could be applied to education and housing.

For this reason, I have introduced legislation to allow individuals to deduct contributions to a savings trust account established to cover postsecondary educational expenses. Contributions and earnings from the trust account accumulate tax-free until the account ceases or funds are withdrawn for noneducational purposes.

The maximum contribution which can be deducted in 1 year is $1,000. Upon graduation from high school, a student has until his 27th birthday to use any or all of the funds for higher educational expenses. Remaining funds can be placed in another education savings account, distributed to an eligible educational institution, or made taxable to the contributor.

To minimize the revenue loss, my legislation requires that funds taken out of the account for educational purposes will be subject to taxation beginning after the student's 27th birthday. The total amount withdrawn for education will be divided by 10 and added to the student's gross income in equal increments over a 10-year period.

I think my colleagues will readily appreciate the merits of H.R. 6608 and the many individuals who could benefit from its enactment. Taxpayers are encouraged to think about the financial requirements of higher education and by planning, benefit from a tax deduction and the creation of a tax-free savings account. The student is insured of meeting the cost of educational expenses. The overall economy benefits from the increased availability of savings dollars. And finally, the Nation gains from this educational investment in our future leaders.●

IN SUPPORT OF ISRAEL AND HER SURVIVAL AS A SOVEREIGN NATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. BIAGGI. Mr. Speaker, for the past 34 years, the modern nation of Israel has existed. Ours was the first Nation to extend to the new State of Israel full diplomatic recognition. Throughout these 34 years Israel has been forced to fight several major wars for her survival and won them but still lives in constant fear and apprehension of hostile forces bent upon her destruction.

One such organization is the Palestine Liberation Organization whose primary goal is to destroy the sovereign State of Israel. They have manifested this through hundreds of acts of terrorism from the Olympics in Munich to last month's ambush and mortal wounding of Israel's Ambassador to Great Britain.

The PLO has been using if not abusing the country of Lebanon in their quest to eliminate Israel. They have positioned themselves in various locations in this nation and pose regular threats to the physical security of Israel.

In response and only in response to the threat caused by the PLO in Lebanon did Israel on June 5 launch "Operation Peace for the Galilee." This action followed not only the assassination attempt on Ambassador Argov but also the bombardment of some 23 Israeli villages and Kibbutzin by the PLO which resulted in tens of millions of dollars in damages and civilian casualties.

The fundamental goal of the Israeli operation was to secure Lebanon's political and territorial integrity as well as their own by driving the PLO back beyond a 25-mile range which in turn is beyond the range of PLO rockets used to shell Israel and kill her women and children. In order to secure this "security zone" it was essential for Israel to destroy PLO bases, headquarters, and supply routes to the north. It was never Israel's intention to acquire any new territory rather their goal was to develop a special buffer zone for the continued protection and security of Israel.

From the outset—Israel publicly and privately sought to avoid war with Syria. Israel stated they would not precipitate a conflict with Syria unless they were provoked or fired upon. The fighting between Syria and Israel began when Syrian helicopters taking advantage of air cover provided by SAM missiles in the Bekaa Valley attacked Israeli troops causing substantial casualties. Israel was forced to strike back and in a series of brilliant military actions they managed to destroy the entire Syrian surface-to-air missile system in the Bekaa Valley. Very shortly thereafter a cease fire between Israel and Syria was put into effect and with certain limited exceptions has been honored.

I am deeply concerned over what appears to be an erosion of support in this Nation for Israel as a result of her actions in Lebanon. Today there are genuine fears in the Jewish community that the United States might in fact

turn against Israel or reduce our traditional levels of support. Voices are raised—Israel has gone too far this time—some have even charged that Israel's actions in Lebanon constitute an illegal use of U.S. arms. Clearly this is false as U.S. arms can be used by nations in self-defense and Israel's movements into Lebanon were clearly defensive in nature. The concerns I mentioned were heightened by the less than cordial response which Prime Minister Begin encountered during his meetings in Washington.

I find it a most appropriate time for this administration and the Congress to reaffirm three decades of U.S. foreign policy which has been based on full and unwavering support of Israel. I would remind those whose voices are in opposition to Israel that what they are doing in Lebanon is nothing more than any nation would do if their survival were at stake. The PLO in addition to its reign of terror against members of Israel's diplomatic corps also was responsible for more than 100 violations of the U.S. arranged "cessation of hostilities" between the PLO and Israel of July 1981.

It is apparent to me and Prime Minister Begin has constantly asserted to this position that Israel is not to occupy Lebanon—and in fact they would prefer an independent Lebanon free of PLO infestation and Syrian supervision. The precise area of land she pursues is that limited 25- to 40-mile parcel which would constitute the buffer zone to protect her citizens.

Many of us in this House regret the high number of casualties on all sides of this dispute especially among the innocent people of Lebanon. I supported legislation overwhelmingly approved today providing $50 million in humanitarian assistance to Lebanon. However it should be noted that Israel prior to many of their military actions over Lebanon did in fact every precaution was taken to alert the citizenry in heavily populated areas near Beirut that military actions were pending. Israeli airplanes dropped thousands of leaflets advising people to evacuate and sound trucks were sent to alert them. It should be noted that in the course of taking these precautions to protect the innocent citizens of Lebanon—Israeli soldiers incurred casualties.

In my judgment there is ample justification for the actions taken by Israel in Lebanon. The escalation of the conflict came about not because of Israel but due to the PLO and Syria forging a cooperative force of violence against Israel and Israel was acting in a manner of self-defense.

As we evaluate our Nation's current policy with respect to Israel we must do so by blending history with the contemporary. Israel throughout her 34-year history has served as one of our staunchest allies and it is given fact of modern history that a strong and sovereign Israel is the key to a secure Middle East from the U.S. perspective.

Put in another context—this is not the time for our support of Israel to waver. Her strategic value to us is as strong as ever and should never be taken for granted. The United States through its years of providing military aid and through the brilliant and historic Camp David agreements has endorsed a policy which says a balanced and peaceful Middle East requires a secure and strong Israel. That is what we have helped to establish and must maintain, and what we must preserve not only for our own national security but to insure the sovereignty and freedom of Israel.

I find myself with feelings of great anger over the United Nations and their largely negative role in this and every other Middle Eastern crisis of the past decade. Just within the short time that this crisis in Lebanon has been ongoing—the United States was forced to veto a Security Council resolution calling for the imposition of sanctions against Israel for their actions in Lebanon. Further pressure continues to build for an emergency meeting of the U.N. Security Council to debate this issue and clearly no one who follows the United Nations believes that an objective debate involving Israel could ever be held under the auspices of the United Nations.

What is most disturbing to me are the ongoing efforts to advance a resolution calling for the expulsion of Israel from the United Nations. I have cosponsored legislation which I am pleased to note did pass the House which would pull us out of the U.N. if they were to in fact expel Israel. At the present time we provide the United Nations not only with a home in our Nation but also with about 25 percent of their operating budget—almost twice the 13 percent provided by the Soviets. I would hope that with this leverage we would be able to keep the U.N. from continuing their anti-Israel campaign of recent years.

On June 13 I had the distinct honor to be the guest speaker at a special meeting of the Bronx region of Hadassah—the venerable and highly respected Jewish organization which just observed its 70th birthday. On this occasion I spoke on the Lebanon crisis and the need for our Nation to maintain full support for Israel. In these days of difficulty for Israel let us not take the road of expediency and be critical of Israel for her actions. Simply put there are no nice set of rules in the battle of survival. Israel is waged in one of these battles and we must recognize it as such and work with Israel to guarantee her continued sovereignty and security for her good as well as our own.●

JOSEPH DE MELLO HONORED AT RETIREMENT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. MILLER of California. Mr. Speaker, on June 30, 1982, Joseph DeMello, will retire from the Contra Costa County Superintendent of Schools Office after 29 years of dedicated service to the education of delinquent youth.

Joe was one of four teachers who, in 1953, initiated educational services to incarcerated youth of Costra Costa County. He has been the major force in the growth and expansion of that program into the system of court schools that now serve over 8,000 students annually. In 1979 he implemented an adult education program in three sheriff's facilities at the main jail, work furlough and Clayton Rehabilitation Center. He has been a wonderful example of diligent and creative leadership and an inspiration for administrators and teachers alike.

Joe and his wife Dorothy have three children and three grandchildren. He likes to spend his free time hunting and fishing with his hunting dogs. During this time in the wilderness he captures the beauty as a wild life artist. He is a member of the Audubon Society, California Waterfowl Association, Ducks Unlimited, and National Wildlife Federation.

I join Joe's many friends and admirers in tribute to his dedication and outstanding contributions to our young people. He leaves a legacy and a record that are hard to match.●

HUMAN RIGHTS AND FOREIGN POLICY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. ROSENTHAL. Mr. Speaker, as we see concern for human rights fade into the deep background of this administration's foreign policy, there is no better time to remind ourselves of the commitment to human rights we have made in the past, and the possibilities we have to renew that commitment in the future.

On April 22, 1982, Mr. Morris B. Abrams, a widely respected authority on human rights in foreign policy, testified before a joint meeting of the House Foreign Affairs Subcommittees on Human Rights and International Organizations and on International Operations. Part of his testimony deals with his experience as an adviser to President Carter.

I believe that my colleagues will take great interest in the portion of his testimony that follows, which is excerpted from his forthcoming autobiography, "The Day Is Short."

Mr. Abrams' testimony follows:

During the 1976 campaign I had urged Carter to distinguish himself from Gerald Ford in significant ways, specifically by making a commitment to international human rights. In October 1976, at the New York Hilton, I handed him a memorandum which said, "Urge you announce that one of your first acts would be speech on the subject to the United Nations General Assembly." I described the UN as being in "shambles and disarray—to use one of your favorite descriptions: 'It is a disgrace,'" referring to the absurd voting patterns in the United Nations General Assembly and its outrageous assertion in 1975 that "Zionism is Racism."

I urged Carter to advocate use of America's record in domestic human rights as a foreign policy asset and as a challenge to the rest of the world to live up to standards of the Declaration of Human Rights, trumpeting our liberty and creativity, inviting criticism, and pointedly reserving to ourselves the right to criticize others, friend and foe alike. If, I argued, the world understands that America's devotion to human rights is a part of our tradition, we can brandish human rights principles without endangering alliances vital to our national security. Some governments, I added, may regard our dedication to freedom as quirky, but our example and a little coercion could filter through the borders of oppressive states and eventually improve somewhat the lot of the afflicted.

In early 1977, President Carter, . . . went before the United Nations General Assembly and outlined initiatives which later became his international human rights policy. This redounded to the credit of the United States and certainly lifted the hope, if not the condition, of the oppressed throughout the world. At last we had proclaimed our serious commitment to human rights on an international scale. He had articulated the principle that under the UN charter the rights of citizens of any country were not to be considered strictly a domestic concern. As I had put it a decade earlier in the Human Rights Commission of the United Nations, no state since the adoption of the Universal Declaration of Human Rights has a sovereign right to torture its own citizens.

While I listened to Carter that night at the UN, I realized that the deployment of this issue in foreign affairs would require extraordinary sophistication. Distinctions would have to be made in dealing with countries that are open to the press and those that are not. A vast police state may give the appearance of a peaceful society, while an open democracy is often seen as turbulent. I was very aware that any flaw in internal Israeli affairs would receive worldwide attention, whereas the most medieval conditions in other states of the Third World would as likely go ignored or even excused.

Since our allies were more receptive to the Western press, we would have to be careful not to hold friends more severely accountable than enemies.

Finally, since a nation's foreign policy has as its primary goal the protection of its sovereignty, its positions will inevitably be tainted with expediency and never wholly altruistic.

I could not have dreamed that the implementation of so sensitive and delicate a program would be placed in the hands of those totally inexperienced in foreign affairs and I was dumbfounded, for example, when a newly created post of Assistant Secretary of State for Human Rights was bestowed upon one Pat Derian, a civil rights activist from Mississippi whose dedication, though laudable, hardly qualified her for the sophisticated complexities of international human rights. The Carter administration commendably brought strong pressures on the USSR to abide by the human rights terms of the Helsinki Accords; on the other hand, it harried autocratic governments where we might have some diplomatic leverage to bring about reforms, though affecting scarcely, if at all, infinitely more despotic and intractable regimes. Carter's policy, for example, made it virtually impossible for us to continue our support of the Pahlavi regime in Iran, even after reforms had been initiated by American prodding. Instead, that country was delivered into the hands of a fanatic, lawless Ayatollah hopelessly beyond reasoning or influence. An admittedly despotic monarchy which was nevertheless susceptible to a degree of American persuasion was overthrown by an even more despotic theocracy, venemously hostile to Western interests.

Carter deserves credit, in maintaining that conscience must be quickened in the international arena through consistent proclamation of human rights even when it antagonizes allies. A case in point was America's intervention in the freeing of Jacobo Timerman from an Argentine prison. Yet such effective, moral, and timely acts must not be escalated into campaigns to alienate nonhostile regimes that might yet be responsive to diplomatic pressure after years of destabilizing internal terrorism, of the right or left. This is particularly true when the insurgents already in the wings are anti-American, antidemocratic, and even at best, unpredictable.●

ZOA WESTCHESTER REGION SPEAKS OUT FOR ISRAEL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an important statement by the Zionist Organization of America, Westchester Region, concerning the recent situation in Lebanon. I commend Dr. John M. Lowe and Arnold Spicehandler, president and executive director, respectively of the ZOA Westchester Region, and the many members of this important organization for speaking out so forcefully on behalf of Israel.

As I have stated many times, the terrorist PLO simply cannot use Lebanon as a base for warfare against Israel. The PLO had utilized the cease-fire negotiated by the Reagan administration last July to engage in a massive arms buildup. Terrorist activity had dramatically increased and the cease-fire was broken on numerous occasions by the PLO. The Israelis acted in Lebanon to put an end to the incredible military might of the terrorist PLO, and to bring peace to Israeli citizens.

As the ZOA statement notes, Israel "seeks to rid itself, and the entire international community of the suffering from the terrorist plague which has been led by the PLO."

I commend this statement to the attention of my colleagues:

ZIONIST ORGANIZATION OF AMERICA

The PLO and other terrorist factions are doing what they can with a campaign of systematic terror and assassination (not only of Jews but of moderate Palestinians) to make peaceful coexistence impossible. Egypt and Israel have entered into peaceful coexistence. Hundreds of thousands of Arabs are full-fledged Israeli citizens. Every Israeli administration has offered to negotiate for peace—but they have been rebuffed.

The recent Israeli campaign to clear out reinforced PLO military bases (re-supplied by the Soviets, Libyans, Syrians and Saudies) is an attempt to remove the threat from Israeli civilians who "live under the gun" of random artillery and rocket attacks launched by PLO terrorists who claim "sanctuary" in dismembered Lebanon. The pretext of Lebanese sovereignty is but a hoax; Lebanon has been gobbled up by the Syrians and the PLO. What Israel seeks to accomplish is to rid the area which can wreck havoc on the northern civilian centers of Israel of the threat of terror, devastation and killing imposed by the PLO who feel they can attack Israelis anywhere in the world, or in Israel, and yet cry "sanctuary!" in Lebanon.

The attempt on the life of Shlomo Argov, a peaceful negotiator, an ambassabor, was the culmination of continued terrorist activities against Israel. Since 1969 the-PLO has perpetrated 46 terrorist attacks against Israeli diplomats, assassinated five of them, and has held others as hostages in their embassies. The terrorist groups have utilized the period of the cease-fire to re-establish and expand their bases. All this has one purpose: to direct military terror against the civilian population of Israel—anywhere in the world.

Israel has repeatedly announced that she will honor the cessation of hostilities in Lebanon, provided the PLO will adhere to it on all fronts. The PLO claims the right to kill Israelis anywhere in the world; they have acted accordingly.

Now the Israelis, in self-defense, have acted to rid themselves of massive artillery fire from Katyusha rockets. The Israeli action does not threaten Lebanese "sovereignty". It seeks to rid itself, and the entire international community of the suffering from the terrorist plague which has been led by the PLO.

We urge all to speak out in behalf of Israel's rightful concern for self-preservation, and to strongly condemn the PLO, and those who support it, for the continued campaign of terror against civilians.●

THE BANKRUPTCY OF BANNING PLUTONIUM

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mrs. BOUQUARD. Mr. Speaker, recently there have been some misguided congressional efforts which suggest that the United States ought to ban permanently nuclear reprocessing or otherwise stated, the production of plutonium. This is the result of some unfortunately, hastily considered rationales.

The legitimacy of such unilateral withdrawal from the nuclear option was ably refuted by the 66-nation study initiated by President Carter in 1977 and concluded in early 1980. These nations, including the United States, found that foregoing reprocessing did not offer substantial nonproliferation advantages.

It should be noted that there are proliferation threats to not reprocessing spent fuel. In fact, what better way to remove the threat of diversion than by burning the plutonium to produce useful energy? Today we have available for use the technology to reprocess spent fuel in such a way that it renders the plutonium totally unsuitable for use in a weapon.

If we leave plutonium in spent fuel without reprocessing, we may be increasing the potential threat of diversion from hundreds of temporary storage locations. Spent fuel may become an attractive target to be raided for its plutonium content. Indeed, the technology of the future may enhance the likelihood of this prospect, whereas, burning the plutonium now effectively removes it as a potential weapons material later.

When the United States enacted the Nuclear Non-Proliferation Act of 1978, we attempted to turn the clock back by unilateral action. However, what we actually accomplished was to encourage nuclear proliferation by driving the rest of the world toward self-sufficiency in nuclear fuel cycle technology.

What can we expect to accomplish by unilateral action except further isolation of the United States from the rest of the world? We no longer have the exclusive rights on nuclear technology. The United States must regain its reputation as a reliable supplier to be in a position to discourage other countries from developing their own nuclear fuel cycle facilities. Our only rational approach is to work with nations desiring nuclear technology to create multinational fuel cycle facilities, so that we can influence what other countries may or may not develop and at the same time encourage effective safeguards.

I urge you not to be persuaded by these well-meaning, but misguided attempts to further handicap our commercial nuclear industry and unwittingly drive the world toward a proliferation of suppliers for sensitive and nonsafeguarded technologies. The proposals to ban permanently reprocessing and plutonium production were proven bankrupt by the counterproductive results of the Carter policy and they remain bankrupt today.●

JOSEPH C. WHEELER

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. ZABLOCKI. Mr. Speaker, the U.S. Government is extremely fortunate in having among its ranks many dedicated and talented professionals who are willing to devote their careers to the service of our country. One who deserves special tribute is Joseph C. Wheeler, who is resigning from the Agency for International Development at the end of this month after an outstanding career.

Joe Wheeler has been with AID and its predecessors for some 31 years, literally since the early days of post-World War II foreign assistance programs. His final post with AID has been as Deputy Administrator, the top position in the Agency open to career officers. His Foreign Service rank is that of Career Minister, the highest ever achieved by an AID career officer.

Joe Wheeler joined the then Technical Cooperation Administration—which administered the Point Four program—in 1951 after completing graduate work at the Harvard Graduate School of Administration. During the 1950's he held positions of increasing responsibility on various Washington desks and gained specialization in the Middle East area.

His first overseas position with AID was as head of the U.S. AID Mission to Jordan in 1965–67. He was in Jordan when the 6-day war broke out, and the American Ambassador asked him to remain with a handful of other U.S. officials to take on key duties.

His next assignment abroad was a particularly eventful one, as chief to the U.S. aid mission in Pakistan over an 8-year period, 1969–77. During this period the U.S. assistance program was put to particularly severe tests in coping both with natural disasters such as tidal waves and floods, and manmade turbulence including the breakaway of East Pakistan and war between Pakistan and India. Throughout this assignment he enhanced his reputation as a hard-working officer with sound judgment, optimism, interest in the development of the country to which he was assigned, and possessor of a fine sense of humor.

More recently his service has again been in Washington. In 1977–79 he was AID's Assistant Administrator for the Near East, which included supervision over some of AID's most important programs including large-scale assistance to Egypt. In 1980 he was promoted to Deputy Administrator.

Joe Wheeler has not only received AID's highest award, the Distinguished Honor Award, but he enjoys an unusual popularity among his professional colleagues at the same time that he has served in management positions. They appreciate not only his sound professionalism, but also the kindness and consideration with which he treats his associates.

When he submitted his resignation, he received the following letter from the President which I am pleased to place in the RECORD:

JUNE 1, 1982.

DEAR MR. WHEELER: It is with a feeling of pride and gratitude for your long service to the country that I accept your resignation as Deputy Administrator of the Agency for International Development effective June 30, 1982.

AID, during your tenure, has been a pioneer in the business of development. It can be credited with playing a major role in the elimination of smallpox and in reducing the occurrence of many other diseases. As an early supporter of the agricultural research which developed "miracle" rice and wheat, AID has not only dramatically boosted grain output in Asia, but also contributed much to our own growth in production here at home. I have heard of your personal involvement and success in Pakistan where the wheat crop has nearly doubled as a result of the program you developed with the Pakistan Government.

These are but a few examples of the accomplishments which you and your colleagues have achieved during the past three decades. We are grateful for your truly outstanding leadership and unusual dedication in helping to make it possible. You have served many Presidents but always one country. God speed in your new endeavors.

Sincerely,

RONALD REAGAN.●

CURBING THE HIGH DEFAULT IN THE STUDENT LOAN PROGRAMS

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. HOPKINS. Mr. Speaker, I would like to take this opportunity to tell you about a piece of legislation I am introducing today aimed at curing the high default rate which exists in the student loan programs. I believe these programs are extremely important to the brain power of this Nation, however, I cannot see any reason why there should be a massive problem of default on repayment of these loans.

I strongly believe student loan programs are important because they allow many people to attend school who otherwise would not have an opportunity to obtain an education. At the same time, I believe the people who agree at the outset to the terms of the loan have an obligation to repay them. Loans are an investment in our country's brain bank. They are made under reasonable terms, with more than fair interest rates and repayment grace time, still there is abuse and this abuse must be stopped.

My legislation is directed at individuals who try and take advantage of the system—those former students who have already entered the default status. This bill will not punish States and schools with good repayment records, such as Kentucky which has one of the lowest default rates in the Nation, 2.3 percent. Let me give you one example of the default problem as reported by GAO—there are 6,000 doctors who have defaulted on $5.2 million in outstanding loans.

This problem must be stopped. I support the goals of the student loan programs, as reflected in my student aid bill, but with the cost of the GSL program alone as high as it is—$3 billion and climbing—it is important that we look for savings, particularly in areas which do not deny access to students.

My legislation allows the IRS, with proper notification from the Department of Education, to withhold the amount of the owing loan from their IRS refund check. It also amends the bankruptcy code in two ways: The first being to prohibit GSL's from being discharged under chapter 13 bankruptcies. Instead it requires the borrower to make prorated payments on those loans as they do on other non-Federal loans.

The second way it amends the bankruptcy code is to make certain student loans priority loans—meaning they will have to be repaid 100 percent.

Again, let me say I support the goals of the student loan program, but believe it is important we stop abuse and look for savings. This bill will make more money available for students who need it now. Borrowers should not be allowed to take advantage of the generous nature of the American taxpayer.●

THE BOEING 747 IS EXPENSIVE TO OPERATE AND ALSO AWKWARD

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. McDONALD. Mr. Speaker, a retired Air Force chief master sergeant, who retired with 23 years service, 13 of which were spent in the Military Airlift Command, has furnished me with some figures on comparative fuel costs for operating the C-5A aircraft versus the B-747, configured as the National Emergency Airborne Command Post or NECAP as it is called. Based upon official Air Force figures it shows the following:

	C-5A	B-747 (configured as E-4A or NECAP)
Gallons of fuel per flight hour	3,340	4,186
Fuel	$4,375	$5,484

The above calculation is based upon fuel costing $1.31 per gallon. It should be pointed out that this particular B-747 is carrying something less than a third of its lift capacity. Fully loaded, the disparity would be considerably more.

As for operating the B-747, it does not do so well in carrying troops as the Atlanta Constitution of June 22, 1982, reported. For the lack of a proper size stairway, at the point of destination, the troops could not be unloaded from the B-747, which required the soldiers to fly to another airport and take a 2½-hour bus ride.

The news item follows:

LOCKHEED GRINNING OVER BOEING DILEMMA

[By John Maynard]

Boeing advocates in the congressional battle over rebuilding America's military airlift fleet might have a difficult time convincing some 400 members of the Puerto Rican National Guard that the Boeing 747 is a better buy than the Lockheed-Georgia built C-5 Galaxy.

The Boeing Co. side, which has already persuaded the Senate to buy the 747 instead of new C-5s to be built in Marietta, faces the embarrassment of having to explain to House members how a 747 couldn't unload the guardsmen at the Augusta airport last weekend.

Lockheed-Georgia Co. officials are already spreading the tale around Washington of how the Military Airlift Command chartered a 747 from TransAmerica Corp. to move the guardsmen from San Juan to Fort Gordon near Augusta. The 747, however, could not fly directly to Augusta because the airport there has no stairway for the 747, which sits 16 feet off the ground.

"A guy could break an ankle jumping from that height," a Lockheed-Georgia spokesman said Monday.

When the chartered 747 landed in Atlanta on Saturday afternoon, it parked at the Lockheed terminal and was met by eight chartered Greyhound buses. The buses then ferried the soliders on a 2½-hour drive to Fort Gordon, where they were scheduled to begin two weeks of summer training exercises with the 67th Signal Battalion.

A Lockheed-Georgia spokesman noted that a single C-5 could have carried six of the buses from San Juan to Augusta.

The Military Airlift command said it chartered a 747 because that was the most economical aircraft to move such a large group.

"But we couldn't fly into Augusta because the plane requires a great deal of support equipment, especially people moving equipment," said Lt. Lorrie Kropp of MAC.

"We tend to try to move people by contract. We like to keep the military aircraft to move equipment," she said.

The travel arrangements for the return trip of the Puerto Rican guardsmen on July 3 have not been made yet, Lt. Kropp said.●

TAX EXEMPTIONS FOR PRIVATE RELIGIOUS SCHOOLS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. DANNEMEYER. Mr. Speaker, the storm over tax exemptions for private religious schools has calmed since the Supreme Court has decided to hear the Bob Jones University case. It is my estimation, however, that when our society confronts issues of great import, the proper institution to set policy is Congress, which represents the voice of the people it represents. We are lawmakers and, after considering an issue as thoroughly and deeply as possible, taking into consideration as many facets as our deliberations define, we need to write the law with clearly defined intent. Judges should not become legislators by default. Today, I am introducing legislation to amend the IRS Code to make clear what private actions violate Federal civil rights policies to such an extent that the Government must deny a tax exemption.

At the same time, my bill clarifies the law to avoid compromising what is perhaps the most cherished of all our freedoms, the right of all people to practice their religious beliefs without subjecting them to Government scrutiny and making them accord with the current Federal orthodoxy or face the prospect of going out of business. Specifically, the legislation which I am proposing includes the following provisions: (1) Private, nonreligious schools that are found to discriminate on the basis of race will not be tax exempt; (2) the Government would have to have a declaratory judgement from the courts in order to make a ruling; (3) religious schools are given first amendment protection. Racially discriminatory policy does not include policies of religious schools that (a) limit their enrollment to students of their own religious organization or only to students who adhere to their religious belief system and (b) have policies or programs in the school which are required by any sincerely held religious belief.

Because of the fundamental importance of this matter and the complexity of the issues at stake, thoughtful and informed debate is crucial. In my estimation, both Congress and the media have misrepresented the applicable law and the issues at stake in the question of tax exemptions for private

schools. Critics of reform have made essentially two kinds of misrepresentations. First, they have suggested that the only religious schools threatened by the IRS regulations on 501(c)(3) were white-flight schools that use religion as cloak for racism. Second, they have asserted that both Congress and the Supreme Court had mandated application of these regulations, and that the IRS regulations are a clear articulation of the law. I hope to set the record straight.

This fall, the Supreme Court will have its first real chance to examine the IRS regulations in the Bob Jones University case. A roster of the organizations that filed amicus curiae briefs or petitions urging reversal in that case alone is enough to dispel the notion that only white-flight schools opposed the regulations * * * the National Association of Evangelicals, the American Baptist Churches in the U.S.A., the United Presbyterian Church in the U.S.A., the Church of God, the National Committee for Amish Religious Freedom, the Church of God in Christ, Mennonite * * * to name a few. The simple truth of the matter is that the organizations that run religious schools adversely affected by the IRS regulations are not the simple white-flight schools they are so often portrayed to be. Overbroad IRS regulation has in fact threatened a huge number of religious schools of every denomination, and faith. In recent years, with the advent of what many parents view as conscious hostility toward religion and religious values in the public schools, religious parents, in increasing numbers, have been removing their children from public schools and placing them in newly created or expanded religious schools.

Several articles and studies refute the popular equation of "Christian" schools and white-flight schools. In 1979, William Lloyd Turner published a doctoral dissertation on this issue at the University of Wisconsin, Madison, entitled, "Reasons for Enrollment in Religious Schools." Later, writing for the February 1980 issue of Phi Delta Kappa, with Virginia Davis Norden, professor of law and higher education, Turner summarized the results of his study in an article entitled, "More Than Segregation Academies." He found that while some of the Kentucky schools appeared to have profited by widespread opposition to racial integration, similar growth of fundamentalist schools in rural Wisconsin, where integration was not a factor, indicated that Christian education was a national, not a regional, phenomenon. Turner noted that Christian schools in both States appeared not to attract students from a cross section of the community. Instead, parents who enrolled their children in these schools tended to come from churches of the sponsoring denomination or from churches holding similar doctrinal positions. Even more significantly, the percentage of students in the two fundamentalist schools who were subject to busing during the current school term was smaller than the percentage of such students in the general population. Turner found that only 1 of the 68 families surveyed in the Louisville fundamentalist schools was using the nonpublic schools as a haven to avoid busing for 1 year.

The schools surveyed were geographically distant and had differing cultural backgrounds, two in Louisville, Ky. and one in Madison, Wis. In both cities, however, fundamentalist parents gave the same reasons for withdrawing their children from public schools: (1) poor academic quality of public education; (2) lack of discipline in public schools and; (3) lack of Christian foundations.

In both communities the respondents did oppose interracial marriage but, Turner concluded, the real motivation for founding and maintaining the schools appeared to be the belief held by many evangelical Protestants that public schools now espouse a philosophy that is completely secular, perhaps even antireligious.

Peter Skerry, who for 17 days during February 1979, visited Christian schools scattered across the central Piedmont region of North Carolina, reached similar conclusions which he set forth in an article in the fall 1980 issue of Public Interest entitled, "Christian Schools Versus the IRS." His conclusion from his experiences was that the effort to reduce the emergence of these schools to a matter of racism is a gross oversimplification. He described the religious orientation of those largely independent Baptist schools and how they are run by the same officers of those of the sponsoring church. Generally, too poor to hire sufficient outside help, they rely on parental initiative and sacrifice to keep both the church and its school ministry functioning. Parents not only pay what for them is a budget-straining tuition, they work in the schools often serving as teacher aids, secretaries, cafeteria workers, or bus drivers. Skerry then summarized the reasons why these parents rejected the public school system:

> When asked specifically why they reject the public schools, parents make it clear they need the Christian schools as much as the schools need them. Most frequently cited is the Supreme Court's 1962 school-prayer ban. A few parents mention a recent controversy over the singing of Christmas carols in public school assemblies. Many complain of the virtual disappearance of the pledge of allegiance from their public schools. A few are troubled by sex education. Such changes are seen by fundamentalist parents as direct assaults on God and country, the pillars of their universe.

According to Skerry, none of the schools he visited displayed the least evidence that racist doctrines are taught. All had open admissions policies and in several schools black children were enrolled. He contrasted with the Christian schools the segregation academies that appeared in response to the first Southern desegregation orders and that were supported by direct tuition grants, textbooks, and transportation supplied by the States. The Christian schools, by contrast, exist solely through the voluntary efforts of the congregation that supports them, and are part not of resistance to desegregation but of a general resurgence of conservative and fundamentalist churches throughout the country.

The unprecedented movement to found religious private schools in the past decades has been accompanied by a growing number of lawsuits testing the Government's right to regulate or impose standards on religious schools in a multitude of areas including curriculum, labor relations, unemployment insurance, and zoning.

Perhaps no controversy has received so much attention, however, as that involving the proposed guidelines that were supposed to determine "whether certain private schools have racially discriminatory policies as to students and therefore are not qualified for tax exemption under the Internal Revenue Code." The guidelines stated:

> A prime facie case of racial discrimination by a school arises from evidence that the school (1) was formed or substantially expanded at or about the time of desegregation of the public schools, and (2) has an insignificant number of minority students. In such a case, the school has the burden of clearly and convincingly rebutting this prima facie case of racial discrimination by showing that it has undertaken affirmative steps to secure minority students. Mere denial of a discriminatory purpose is insufficient.

The IRS went on to define "an insignificant number of minority students" as "less than 20 percent of the percentage of the minority school age population in the community served by the school." Schools against which such a prima facie case had been established would lose not only their exemption from Federal taxes, but of more crucial importance, the right of individual donors to deduct charitable contributions to the schools from their Federal income taxes. With these regulations the IRS proposed to remove tax exemption not after detailed inquiry and formal proceedings, but through summary administrative action triggered by an arbitrarily established quota. Assuming in advance the guilt of these schools, the agency placed the full burden on the schools to prove innocence of discrimination. Small and struggling institutions like those described by Peter Skerry would have been forced "not only to undergo the expense of litigation, but to do so

while deprived of the special tax status on which their existence substantially depends. In brief, these proposals posed a mortal threat to Christian schools."

The furor these guidelines raised compelled the IRS to hold hearings in Washington in December of 1978. The agency received over 120,000 letters of protest, as one agency official put it "more than we've ever received on any other proposal."

In response, the IRS in February 1979 issued "revised proposed guidelines." These softened the more abrasive aspects of the original guidelines, but the fundamental thrust remained. The agency still assumed the guilt of schools not meeting its affirmative action quotas. The revised guidelines offered six examples of the kind of affirmative steps reviewable schools would need to take to regain their special tax status: first, active and vigorous minority recruitment programs; second, tuition wavers, scholarships, or other financial assistance to minority students; third, recruitment and employment of minority teachers and other professional staff; fourth, minority members on the board or other governing body of the school; fifth, special minority-oriented curricular; and sixth, participation with integrated schools in sports, music, and other events and activities.

Even these revised guidelines created a program of Government oversight that burdened many more institutions than those that were clearly guilty of racial discrimination. Perhaps the most egregious requirement was the requirement that schools give financial assistance to minority students. As Skerry pointed out in his article, the families who send their children to Christian schools are of modest means and the schools themselves live a hand-to-mouth existence relying on tuition payments to cover operating expenses. Requiring such schools to award such financial aid would be tantamount to requiring them to close down. How effective such an assistance program would be even if it were economically feasible, would moreover be open to question. The Nation's traditional preparatory schools which can afford to offer significant amount of aid have been able to attract only enough black students to account for 4 percent of their total enrollment.

Also misguided is the requirement that Christian schools recruit minority teachers. Academic qualifications are of secondary importance to the schools. Their first concern is that the teachers believe in accordance with the congregation's doctrinal statement. Most of these schools furthermore, adopt a principle of separation that requires teachers to reject such worldly habits as tobacco, alcohol, drugs, card playing, gambling, dancing, coed swimming, listening to rock music, going to movies, and in some cases, watching television. The typical salary in the schools Skerry visited was around $6,000 for the academic year, easily half of public school salaries. Not only that, the schools offer their faculty no benefits such as medical or life insurance or retirement plans. It seems highly doubtful that many educated minority teachers would consent to the stricture Christian schools place on their staff or would accept the low salaries these institutions offer.

It was, however, not just the intrusiveness of these regulations that so disturbed the many groups that protested the IRS's proposed regulations. The courts and the IRS justified this set of regulations of government power not on explicit standards set forth in the Internal Revenue Code itself, but on the grounds of a broad public policy against racial discrimination that amounted to a sort of Federal common law.

Religious groups and churches, even those not involved in the Christian school movement, saw in this application of public policy by a Federal agency an alarming right to analyze religious bodies periodically in the light of the continuously evolving standards of public policy, but as public morality changed it could constantly reassess the legitimacy of religious beliefs. Many churches and religious bodies perceived that it might well be only a matter of time before the right to deny exemptions to institutions that refused to ordain women or that refused to admit practicing homosexuals or other groups now clamoring for recognition. Congress responded to the controversy over the proposed revenue procedures by acting to prevent the IRS from enforcing its proposed regulations and from devising any additional procedures for enforcing its policy of denying tax-exempt status to racially discriminatory private schools. The Dornan amendment to the 1980 Appropriations Act, provided that the funds appropriated could not be used to formulate to carry out any * * * procedure, guideline * * * or measure which would cause the loss of tax-exempt status to private, religious, or church-operated schools under section 501(c)(3) of the Internal Revenue Code of 1954 unless in effect prior to August 22, 1978. A legal analysis and history of the public policy rationale that gave rise to all this controversy confirms that the courts and the IRS were advancing a novel and radical reinterpretation of existing law.

Prior to 1970, the IRS generally granted exemptions to all private schools under 26 U.S.C. section 501(c)(3) which includes among exempt organizations:

> Corporations and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes. . . .

Litigation, however, spurred the IRS to change this position. In the case of Green against Connally, black parents and school children in Mississippi sucessfully petitioned for an order enjoining the IRS from granting charitable nonprofit status to racially discriminatory schools in that State. In 1970, the month after a three-judge district court granted a preliminary injunction, the IRS announced that it would no longer accord tax-exempt status under section 501 to private schools maintaining racially discriminatory policies, and that it would not continue to treat gifts to such schools as deductible contributions under section 170 of the Internal Revenue Code.

In 1971, despite the change in the IRS's postion the district court in Green granted the plaintiffs judgment on the merits, both declaratory relief and a permanent injunction. It was the opinion the court filed at this juncture that set out the novel public policy rationale that has raised so much controversy. In this opinion, the court argued that organizations seeking exemption as educational institutions within the meaning of section 501(c)(3) must meet the tests of being charitable in the common law sense. Since the common law places strict requirements on charitable trusts, this legal sleight-of-hand opened educational institutions to a new world of regulations. Under the common law, courts may enforce only those charitable trusts that are beneficial to the community as a whole. All such trusts, furthermore, are subject to the requirement that they may not be illegal or contrary to public policy. By analogy to this principle, argued the Court in Green, all organizations seeking tax exemptions under 501(c)(3) should be subject to "Federal public policy." As evidence that there existed a national public policy against support for segregated education, the court then cited the provisions of the Civil Rights Act of 1964.

Although the principle parties to the suit in Green had essentially come to agreement, the matter was nevertheless appealed to the Supreme Court. The Supreme Court summarily affirmed the case without a written opinion. The law is clear that when the Supreme Court makes such a summary affirmance of a decision, it is not endorsing the reasoning of the lower court.

Later, in the case of Bob Jones University against Simon, the Supreme Court itself carefully explained that it had affirmed the decision in Green solely because the case was no longer a truly adversary controversy when it reached the Supreme Court:

The question of whether a segregative private school qualified under Section 501(c)(3) has not received plenary review in this Court and we do not reach that question today. Such schools have been held not to qualify under Section 501(c)(3) in Green against Connally . . . the Court's affirmance in Green lacks the precedential weight of a case involving a truly adversary controversy.

Although the order in Green concerned only nonreligious Mississippi schools, the IRS in response to this case soon adopted nationwide procedures that began adversely to affect religious institutions and that culminated in the August 1978 proposed regulations. The holding in Green requiring that exempt organizations also meet public policy requirements would create a broad new area for Federal oversight of private organizations. As the Court in Green, quoting from Professor Bogert, argued:

The courts should be left free to apply the standards of the time. What is charitable in one generation may be noncharitable in a later age, and vice versa. Ideas regarding social benefit and public good change from century to century, and vary in different communities.

This broad assertion by the Federal Government of its right to use public good as a criteria for an ongoing analysis of all private tax-exempt organizations, including churches, is what has alarmed so many. The legislative history of section 501(c)(3), however, reveals a total absence of any intent on the part of Congress to deny tax-exempt status to religious institutions that do not comply with Federal policy.

The exemptions from taxation now contained in section 501(c)(3) originated as a part of the Tariff Act of 1894. That original statutory provision stated:

Nothing herein contained shall apply to corporations, companies, or associations organized and conducted solely for charitable, religious or educational purposes.

There is no indication that Congress incorporated or had reference to a common law of charitable trusts in enacting this corporate income tax statute. Further, even at this beginning point, Congress clearly distinguished religious and educational corporations from charitable corporations.

After the ratification of the 16th amendment, Congress passed the Tariff Act of 1913. Section II G(a) exempted from income tax:

Any corporation or association organized and operated exclusively for religious, charitable, scientific, or educational purposes, no part of the net income of which inures to the benefit of any private stockholders or individual.

Again, the Congress separated religious and educational organizations from charitable organizations. There is no indication that Congress had any reference to a common law of charitable trusts. In subsequent Revenue Acts, Congress continued to broaden the list of exempt purposes. In the Revenue Acts of 1918, and 1921, Congress maintained the distinction between charitable and other types of organizations. The Internal Revenue Service itself was sensitive to this distinction and, in 1923, flatly stated:

It seems obvious that the intent must have been to use the word "charitable" in its more restricted and common meaning and not to include either religious, scientific, literary, educational, civic or social welfare organizations. Otherwise, the word "charitable" would have been used by itself as an all-inclusive term. . . .

This substantially contemporaneous construction of the tax exemption provisions of the Code accords precisely with the plain wording of the statute, and directly contradicts the construction given it by the court in the Green case.

In enacting section 101(6) of the Internal Revenue Code of 1939, Congress continued to exempt from taxation the identical categories of organizations that had been exempt from taxation under previous Revenue Acts. During the 15 years in which the 1939 Code remained in effect, the IRS issued three sets of regulations, each of which defined the term "charitable" to mean relief of poverty.

Section 501(c)(3) of the Internal Revenue Code of 1954 continued to exempt the same categories of organizations that had been exempt from taxation under the 1939 Code.

The position advanced by the court in Green was thus clearly not a substantially contemporaneous construction of the statute by those presumed to be aware of congressional intent. It was simply one of recent vintage which has never been endorsed by the Congress. It is certainly not an articulation of what the law presently is.

We in Congress need to face the question of what the law on tax exemptions should be. Some have called for broad regulation in this area because they argue that tax exemptions are really a form of subsidy and that, because of tax exemptions, taxpayers are required to fund the unacceptable practices and beliefs of the offending tax exempt organization. In this country, however, we have always recognized the fundamental difference between tax exemptions and direct government exemptions, unlike subsidies, foster private initiative:

It has often been asserted, that to exempt an institution from taxation is the same thing as to grant it money directly from the public treasury. This statement is sophistical and fallacious . . . the exemption method fosters the public virtues of self-respect and reliance; the grant method leads straight to an abject dependence upon the superior power—Government.

In our day the U.S. Supreme Court in Walz against Tax Commission, the Court pointed to the true nature of tax exemption by noting that in refraining from taxation, "Government does not transfer a part of its revenue to churches, but simply abstains from demanding that the church support the State."

Tax exemptions differ from subsidies in several fundamental respects. Tax exemption conveys no money whatever to an organization. All it does is permit the full value of contributions made to an organization to go to the purposes that voluntary contributors intended without diversion to the Government. Further, no one is compelled by tax exemption to support an organization, as they would be by an appropriation of tax moneys, whether an organization flourishes or fails thus depends upon its appeal to contributions rather than upon the vote of legislators dispersing funds raised by taxing the public at large.

To argue that tax exemptions are Government subsidies is to assume that all money in the country belongs to the Government unless the Government decides to leave it in private hands. That assumption is a totalitarian one. An assumption that would undermine the fabric of the Constitution and the American concept of private property. In American jurisprudence at least, tax exemptions and Government grants are simply not the same thing.

It may well be, moreover, that Congress, as a practical matter, could not deny tax exemptions to religous organizations without violating the free exercise and establishment clauses of the first amendment. As the Supreme Court indicated, our law gives tax exemptions to religious organizations because tax exemptions provide an indispensible bulwark against official manipulation of religious practices:

A proper respect for both the Free Exercise and the establishment Clauses compels the State to pursue a course of 'neutrality' toward religion . . . if taxation was regarded as a form of 'hostility' toward religion, 'exemption constitute(d) a reasonable and balanced attempt to guard against those dangers.'

The IRS regulations promulgated under section 501(c)(3) violated both the free exercise and the establishment clauses. They would have allowed the IRS to continue expanding the beliefs not only of white-flight schools, but also of religious groups in the light of continuously evolving standards of public policy. In the United States against Ballard, Justice Douglas delineates conduct that is impermissible under the first amendment:

Man's relation to his God was made no concern of the State. He was granted the right to worship as he pleased and to answer to no man for the verity of his religious views. The religious views espoused by respondents might seem incredible, if not preposterous, to most people. But if those doctrines are subject to trial before a jury charged with finding their truth or falsity, then the same can be done with the reli-

gious beliefs of any sect. When the triers of fact undertake that task, they enter a forbidden domain. The First Amendment does not select any one group or any one type of religion for preferred treatment. It puts them all in the same position.

Standards like those the IRS imposed violate the establishment clause in a number of ways. In the first place, they require that religious bodies adhere to a governmental standard of religious practice, or else be taxed. They create a superior regime of official orthodoxy to which the doctrines of various denominations are subordinate and to which churches are encouraged to conform. Second, such regulations give distinct and substantial official tax preference to those religions that do conform their practices to the standard. Finally, they enmesh the Government in excessive entanglements with religious bodies unless these bodies are willing to forego tax-exempt status. Such regulations place grave administrative burdens not only on white-flight schools but on those groups whose admission policies accord with Federal standards. Under the old IRS regulations various publicity, recordkeeping, and filing mandates threatened to engulf small religious institutions in administrative expenses. They all had to prove their freedom from discrimination in a wide number of areas that included school charters and bylaws, all publications and advertisements, admissions, facilities, programs, administration of educational policies, athletics and scholarship and loan programs. The burden of proving nondiscrimination in all these areas overwhelmed many institutions that had no intention of practicing racism. They were faced with a Hobson's choice: Be taxed, or become entangled with the Government in matters intimately related to religious belief and practice.

Religious institutions should not be subjected to this kind of governmental inquisition. The IRS regulations are not a minor affair but a grave threat to our Constitution and laws. To quote Madison in his memorial and remonstrance against religious assessments:

. . . It is proper to take alarm at the first experiment with our liberties . . . The freemen of America did not wait until usurped power had strengthened itself by exercise, and entangled the question in precedent. They saw all the consequences in the principle, and they avoided the consequences by denying the principle.●

DON WEST, PRESERVER OF APPALACHIAN CULTURE

HON. CLEVE BENEDICT

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. BENEDICT. Mr. Speaker, the heritage of a rich culture thrives in Appalachia. I take this opportunity to commend Don West of West Virginia for his contribution to our heritage.

A true friend to the preservation of Appalachian culture, Don West demonstrates a mountaineer's deep sense of pride in transmitting the Appalachian culture from one generation to the next.

Not only is 78-year-old Don an inspirational poet who captures the emotions of a proud people, he has also mastered the skills of sharecropper, congregational minister, and teacher.

After years of saving, Don and his wife Constance purchased 600 acres in Summers County, W. Va., and began building, with mostly volunteer labor, an Appalachian studies center. The Appalachian South Folklike Center today provides a 3-month summer camp and study program for students on a complete scholarship basis.

Mr. West says the program is designed to develop increased awareness of our special mountain culture.

A graduate of Vanderbilt University in 1930, Don is a true humanitarian and remarkable individual. The West Virginia Arts and Humanities Commission has presented Don and the Appalachian South Folklife Center with numerous grants and awards to assist artists, musicians, and craftsmen in festivals and events at the center.

He continues to lecture at colleges and universities throughout the Nation.

Mr. Speaker, I want to commend Don West for his concern for a land of mountains, music, and poetry—Don's poetic description of Appalachia. I hope he will continue to be a spokesman on behalf of a historic, eventful, and richly significant culture.●

MAKE AN INFORMED CHOICE ON THE HOUSING ASSISTANCE PROGRAM

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. DASCHLE. Mr. Speaker, for the past several months many of us have been attempting to bring to this Congress attention the devastating impact deficits fueled interest rates are having on the homebuilding industry. Apparently, enough Members on both sides of the aisle took this message to heart long enough to temporarily put aside their partisanship and vote for a modest interest subsidy program to assist new home buyers.

However, even this timid first action is now threatened by the specter of an administration veto. To those Members who believe they have done their bit for housing, and can now feel free to walk away from this problem to support a Presidential veto under the protective cloak of party loyalty, I would make a suggestion. Read the following estimate of the future prospects of the homebuilding industry, prepared by the chief economist of the National Association of Home Builders. If you want to drive remaining homebuilders completely out of business, support the veto. If you want to flip-flop on your previous commitment to the homebuilders and home buyers of this country, support the veto. If you want to drive construction unemployment, already near the 20-percent figure, up even further, support the veto. If you want a continuation of the Reagan recession, support the veto.

On the other hand, if you want to have the courage of your convictions, and if you want to honor the commitments you made when you initially voted to help home buyers, and if you put individual integrity above party loyalty, vote to override the veto. To help in an informed choice, I insert the following article from the June 1982 Economic News Notes for the Building Industry be reprinted in its entirety.

HOUSING OUTLOOK

OVERVIEW

We had hoped by now to have substantially lower interest rates and an improvement in housing. Instead, interest rates have hardly moved and new homes sales have dropped to the lowest level on record.

The monthly Builders Economic Council (BEC) survey shows a continuation of depressed sales as well as depressing comments from builders. Many are wondering how much longer they can survive. Builders must try to find solace in the fact that 1983 will be better—and they must try to hang on in 1982.

That is not much consolation for a lot of builders, but we are in the midst of a bad situation that is not getting any better, and the only means of survival is to accept these circumstances and act accordingly.

The most promising prospect for the building industry is the emergency housing stimulus program. Such legislation could result in 200,000 new units that would not have been started otherwise. There might also be increased activity from efforts to push units through the HUD pipeline.

We still expect interest rates to decline during 1982, with the prime rate dropping to the 12-13 percent level and the FHA rate falling to 13.5 percent. And we believe that Congress will settle the budget question in such a way as to restore some confidence in the money markets and bring rates down. Nonetheless, it seems unlikely that all of these expectations will make any major impact on sales or starts this year. To raise the current annual rate of 900,000 starts to a level of 1.1 million starts would certainly make the Washington policy-makers feel better, but it would do little to solve our liquidity problem. Sales must improve substantially—and soon—in order to stabilize prices, pay for the overhead, and start providing builders with some after-tax profits.

CURRENT HOUSING FACTS

April housing starts dropped to a seasonally adjusted annual rate of 881,000, 32 percent below the rate of 1.3 million units registered in April 1981. Since last August, housing starts have been less than one mil-

lion units; the average annual rate for this period was 899,000, the lowest level for a lengthly period since 1945.

Building permits were under one million units for the eleventh consecutive month, with an average of only 839,000 per month.

However March and April permits started to edge up ever so sligthly and reached 871,000 units. This number will now support a starts level of 950,000-880,000 in the coming months.

Statistically, this suggest a bottoming out of the market and gives us a basis for some hope of a slight improvement later this year.

New housing sales, however, sank to a new low. The April sales rate was the lowest on record at 315,000, down 15 percent from the revised March figure of 372,000. Before August, there had been only nine instances since the Census Bureau began the sales series in 1963 in which the seasonally adjusted sales had dipped below 400,000. The rate has been below 400,000 for eight of the past nine months.

Existing home sales hit the lowest rate in ten years, declining in April to 1.9 million units. The April rate was 53 percent below the November 1979 peak when the existing sales rate stood at 4.06 million.

Unemployment in construction in May was significantly higher than in the depressed market of one year ago: 990,000 wage and salary workers were out of jobs compared to 823,000 last May, The construction unemployment rate was 18.8 percent compared to 15.7 percent a year earlier. The number of unemployed in construction increased nearly 9 percent between March and April, and the April 1982 figure (1,011,000) is the highest unemployment figure on record.

Preliminary information from our May Builders Economic council (BEC) survey shows the same discouraging results as we have seen during the past two years.

However, it is not the data from these monthy surveys which make such an enormous impression on us—it is the discouraging comments made by the builder respondents. One after another says that he cannot survive much longer, and there seems to be little hope unless interest rates drop.

HOUSING FORECAST

If all interest rates decline, with prime dropping to 13 percent in the last quarter of 1983, housing starts would increase to 1.13 million units in 1982 and to 1.40 million units in 1983.

If all inerest rates decline during this summer, with prime dropping from 16 percent to 14.75 percent, but then rising again in the last quarter to 17.50 percent and continuing to rise in 1983, it will mean that we will have only 1.09 million housing starts in 1982 and a decline to 997,000 starts in 1983.

Of course, it is difficult to predict what housing might do under a scenario of increased interest rates because nobody can accurately predict the corresponding impact on lending intermediaries such as the thrifts or what impact the bankruptcies of a large number of firms might have on the psychology and/or ability of builders to stay in the construction business—not to mention the impact on people who want to buy houses.

In any case, we must face the fact that for the balance of this year there will be, at best, minimal improvement.●

TRIBUTE TO PAUL CALLUS

HON. M. CALDWELL BUTLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. BUTLER. Mr. Speaker, the war in the Falkland Islands was brought to us in detail through daily reports in the print and broadcast media. But for most Americans it remained a distant war, fought in a land thousands of miles from the United States by soldiers unknown to us.

For a family in Salem, Va. however, the Falklands war was brought home tragically. The British husband of a constituent of mine was killed in late May when bombs struck and sank the HMS *Coventry* off the coast of the Falklands.

We are told by his father-in-law, that this young man, Paul Callus, was an enthusiastic friend of our Commonwealth of Virginia. He had met his future wife, Cindy Callus, in August 1979, when his ship put into port in Charleston. They were married December 27, 1980. The couple had planned to make Salem, Va. their home at the conclusion of Mr. Callus's naval commitment in 1984. He had looked forward to life in Virginia, approved of its conservative principles, and would have been an outstanding and productive citizen. It is quite unfortunate that these plans were not to be carried out.

I appreciate the opportunity to share these brief comments with my colleagues as a tribute to this young man and his loved ones.●

RETURN STEELWORKERS TO THEIR JOBS—AN IMPORTANT JULY 4 TARGET

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. BENJAMIN. Mr. Speaker, the House Steel Caucus met with representatives from the Job Action Committee (JAC) of the tri-State area of Pennsylvania, Ohio, and West Virginia. The representatives were Milan Kosanovich, Crucible Stainless and Alloy Division; Richard Fink, District 20, United Steelworkers; and Mayor Martin Schulte, Midland, Pa.

The JAC was established to develop conditions in Midland which would persuade Colt Industries to reconsider its plan to terminate operations at the Crucible plant or to attract potential buyers for the facility. The JAC has been extremely aggressive in its resolution of the problems of the depressed specialty steel industry, particularly those of Crucible-Midland. Equally important, they reflect wisdom, prudence, and practicality in their assessment and approach to steel import problems.

The JAC representatives were accompanied by other workers who delivered 80,000 petitions signed by citizens of Ohio, Pennsylvania, Indiana, Washington, Illinois, and Michigan. Petitions are also being forwarded from New Jersey, Colorado, and California. Please call the Steel Caucus (x58792) to review or respond to these petitions.

The Steel Caucus has also received another 250,000 petitions from the Concerned Wives of Laid-Off Steelworkers, Inc., now available for inspection through the office of Congressman DOUG APPLEGATE.

The essence of the petitions and countless other messages to the Steel Caucus is a plea for a workable steel trade law. These Americans are not asking for food stamps and other types of welfare—they are asking for the opportunity to return to work and again become productive elements of society.

Related pleas from the Specialty Steel Industry, the Steel Service Center Institute, the Ferroalloy Industry, J. & L. Steel Corp., and the concerned wives group since April of this year advocate quantitative restrictions on the flood of steel imports.

I have introduced quota legislation (H.R. 6505) with the support of 75 of our colleagues. We hope to improve and reintroduce the bill after the Fourth of July district work period and have asked the Trade Subcommittee to arrange for hearings as soon thereafter as possible.

The JAC comments, which follow, explain the need for Congress to devise a workable, simple and limited plan that will prevent the absolute demise of the American steel industry and return Americans to their workplace. We hope that the House Trade Subcommittee will respond. After all, isn't that what the Fourth of July is all about?

The material follows:

MILAN KOSANOVICH, COCHAIRMAN OF THE STEERING COMMITTEE

(A). What is the J.A.C.?

(1) A volunteer coalition of labor, management, government, business and a concerned populace dedicated to saving jobs, utilizing the principle of self-help, and united by the common bond of being victims of the unfair trade practices common to the specialty steel industry.

(B). Milan Kosanovich, J.A.C. Co-Chairman, Age 38, B.S., M.S., MBA., 17 years experience and a recognized authority in the production of stainless steel facing unemployment after 112 years of service over 3 generations to Crucible Steel.

Why am I facing unemployment?

A. antiquated equipment?

B. unskilled workforce?

C. outmoded processing techniques?

None of the above:

A. Our plant is very modern, in full EPA compliance, containing the newest ultra-high powered equipment in the world, historically a leader in developing new grades and processing techniques.

(C). Two problems in our plant:

(1) Only one that we can solve, excessive man-hours per ton. I have every reason to believe that management and the union have demonstrated the ability to solve this problem through diligent negotiations to reduce man-hours per ton by 21% through the elimination of unnecessary jobs. The cost savings in labor costs coupled with dramatic increases in energy efficiency, improved productivity and a host of other cost reduction measures were not enough to keep Colt from selling our plant.

(2). The second problem you must solve is with unfair competition. It is obvious because of our dependence on foreign raw materials that we can never adopt an isolationist attitude and we are unafraid of fair foreign competition. We cannot, however, deal with classic, text-book secondary marketing of competitors subsidized by their governments who now expect to realize a profit from their sales in the United States.

D. Let us deal with factor market economics:

(1) Specialty steels, particularly stainless steel, inherently utilize a high percentage of alloying elements. It is noteworthy that the world price for these elements is particularly stable and do not exist naturally in Japan or the European continent to any appreciable amount. Therefore, material costs, exclusive of iron, are the same for each of us as we are scrap exporters. It can be argued that transportation costs make the iron unit cost higher for our foreign competitors.

Direct Material Cost Advantage to the U.S. 40-50=total cost.

(2) Energy costs either as a function of number/kilowatt-hour, or dollar/gallon, or dollar/cubic foot allow for a strong energy cost savings for U.S. plants. However, energy efficiency can overcome this advantage, but with the advent of A.O.D.'s and continuous casters at Crucible, Eastern, Armco, Allegheny Ludlum, etc., the probability of extra energy efficiencies by foreign competition is negated by unit price.

Energy Costs advantage—U.S.—20 percent total cost.

(3) Indirect material costs which include items like refractures, lubricants, lime, rolling oils, pickling acids, etc. give the U.S. producers a clear superiority both on the basis of unit consumpiton and unit price.

Indirect material cost advantage to the U.S. 10-15 percent total cost.

(4) Labor cost which can be 20 percent of the total cost yield the foreign competitor an advantage due to the hourly wage differential, but the man-hour efficiency often claimed by foreign competitors can be a misnomer. We do not compile similar statistics in every case (i.e., contracting out maintenance work which is not included in their man-hour/ton statictics).

Labor costs advantage to competition.

(5) Shipping costs are obvious and most certainly give the domestic producer an edge.

E. What then gives the foreign competition the ability to sell at drastically reduced costs? Is it superproductivity? Technological advances?

These myths need to be exposed once and for all. Mr. Frank and I have traveled extensively in Europe examining technology, hardware and software, and I can report to you that particularly in the production of stainless steels, there is little, if any, demonstrated superiority. I have traveled to Japan also, and in fairness, must report that, in general, there is some higher degree of sophistication than currently exists in Europe, but not every plant is a sleek new, prototype steel mill. Responsible people in government should not equate the plight of the specialty steel industry to antiquated equipment, or to outdated technology. I submit that the specialty steel state of the art is competitive with any fair competition and capable of solving its problems and continuing to improve if a reasonable climate and stable environment can be introduced.

F. Responsibility of the Steel Caucus:

Support a common piece of legislation that provides quotas based on an easily measured economic indicator and provides for a quarterly review. (Could be tied to unemployment in the specialty steel industry, last quarter demand, and last quarter production).

The legislation should impose the risk of immediate contingent penalties for violations. One such penalty suggested is to suspend future imports for the next two reporting periods for any violators. This mechanism may allow the domestic industry a partial recoup of their losses.

The legislation must insure that the price/cost relationship requirement for normal profit is not disrupted by selling below cost.

The Caucus must also help in educating other people, namely in the Administration and in Congress.

RICHARD FINK, UNITED STEELWORKERS DISTRICT 20 REPRESENTATIVE

We from Labor are pleased to have an opportunity to talk with you today. We are not here to give you a great deal of facts and figures—you are no doubt well saturated with them by now. You have received them from Specialty Steel companies and from the United Steelworkers of America. We have come here to make our request, individually and collectively for the life of the Crucible plant in Midland, Pennsylvania, and all specialty steel plants in the United States. We come here on behalf of the communities whose very existence depend on those plants. But most of all, we come here today on behalf of human beings who will suffer untold misery if foreign imports are permitted to continue devastating the industry.

There are those in Government and in the business world who view our efforts as meddling in the exercise of free trade. We believe we are instead defending the men and women we represent and their neighbors in the communities in which they live. I am not going to—as I said before—recite the effects of foreign imports in tonnage or monetary figures. Instead I would simply point out to you the human factor. Many of our members have served this country in the armed forces in wars to protect this nation, and now they turn to this nation and ask for protection—protection for their jobs—their families—their right to the pursuit of happiness.

We, in Midland are fortunate because we have a chance—now that Universal Cyclops has given its' intention to purchase the plant. We, as a union, will do our part to make their demonstration of faith in the plant and in our members the beginning of a successful, profitable association.

But all of our efforts may prove to be in vain if this problem of unfair foreign competition is not solved. We believe that Government can be a link in the chain of recovery and we insist that it must. We believe that a chain is only as strong as its weakest link and we suggest that at the moment, Government is that weak link.

The recent findings of the Administration that some European Steel producers are government subsidized drew this headline in the Weirton Daily Times (Weirton, W. Va.) "Steel Findings Minor Victory Against Imports." While we are thankful for any such findings, we realize that the recent ones do not affect our products.

The time to heed the need of people than each of here today represent is now! We cannot wait for more evaluation—for more investigation—for court cases—for charges.

We need your help now to assure us that our own efforts will not be in vain. It's time now to pass legislation that will give us a fighting chance to succeed in Midland and elsewhere in the Specialty Steel industry.

We believe that our members and the people in our communities deserve that chance. You can give it to us by preparing and supporting and passing legislation to that effect. We ask that you put your collective heads together and come up with a bill that answers our problem and can be passed. We do not look at this as a political issue. We look at it as an issue concerning human beings who, in our opinion, otherwise face severe trauma and deprivation.

The sole issue is whether we can—whether you can put this human concern first and give it your immediate attention. Time is running out and it's up to you to stop the clock. If you do your thing—we'll do ours. Our members are the finest steelworkers in the world and they deserve the chance to survive.

The policy of the United States Government today is one of encouragement of free world trade. Historically and philosophically, there is sound basis in the theory of free trade, under our present economic system, capitalism. We must be willing to take our chances in a competitive environment. We are not here to argue a case against free trade.

We do not desire a policy of "protectionism," quotas or tariffs. Tariffs tend to make industries lethargic and less adaptable to change. What we seek is to practice our craft—steelmaking—on an equal footing with all other competitors. However, at present, United States steelmakers are placing their products on the open market in competition with steel which has been subsidized by: England by $533 a ton, France by $300 a ton, Italy by $290 a ton, Belgium by $178 a ton, and West Germany by $120 a ton.

Some of our NATO allies have nationalized their steel companies, and guarantee full employment to their work force. In order to achieve this they may resort to dumping their surplus on the world market, i.e., the United States.

Import penetration is up sharply, from 11.6 percent in the first quarter of 1980 to 21.1 percent in the last quarter of 1981. To be specific, steel plate has increased by 634 percent, stainless rod by 161 percent and alloy tool steel by 75 percent. Stainless sheet and strip imports from Great Britain increased 1359 percent during this period; from France, 115 percent. British stainless plate imports increased 960 percent. Italian bar imports 419 percent and French bar imports 196 percent. It was during this period of time that Crucible Steel, Midland plant, went from a profit-making entity to one

which began to lose money. I realize this is not the only reason; however, the implication is clear. The injury is obvious.

Dumping is not free trade—subsidized trade is not free trade. We do not ask for tariffs or protectionism as defined by the administration. Rather, what we need is a real environment of freedom in which industries such as specialty steels can function competitively.

By allowing subsidized foreign steel, the Administration is actually opposing free trade since we are really protecting marginal and inefficient foreign steel producers from the realities of free trade. We can therefore say a subsidy is a form of tariff in reverse, and dumping a form of protectionism in reverse; the effect is the same: Thousands of American jobs are lost in the name of "free trade."

We are asking for a mechanism to remove the barrier of these reverse tariffs—subsidies—that are as damaging to our domestic steel industries, and in progression, our local and tri-state economics, as any actual named tariff would be.●

TO CREATE JOBS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. VANDER JAGT. Mr. Speaker, legislation has been introduced today to extend the targeted jobs tax credit program for a 5-year period. I am pleased to have had the opportunity to work closely with the distinguished chairman of the Subcommittee on Public Assistance and Unemployment Compensation, Mr. FORD, in drafting this bill which he has introduced with a bipartisan group of cosponsors from the Ways and Means Committee. Similar legislation was recently introduced in the Senate by a bipartisan majority of the Finance Committee.

The targeted jobs tax credit provides an excellent incentive for workers to be hired in productive, private sector jobs. Employers who hire individuals from any of several categories of target groups can get a credit against income tax of one-half of first year wages—up to $6,000 per employee—and one-fourth of second-year wages. Thus, an employer can potentially receive a tax credit for up to $4,500 for hiring an individual from one of the targeted groups. This method of targeting directs the incentive to disadvantaged, difficult-to-employ individuals, and helps get them into the private work force where they can stand on their own and contribute to society and not have to rely on Government assistance programs. In this period of high unemployment and limited Government resources, the TJTC is an important mechanism for putting more people to work in tax-generating private sector jobs, without the need for an elaborate and costly bureaucracy.

Our bill adds an important provision to expand eligible TJTC groups to include unemployed workers who have either exhausted their extended unemployment compensation benefits, or have exhausted regular unemployment compensation benefits and are eligible for trade readjustment allowances. These new groups would be brought into the program for only a limited period—those whose benefits expire in 1982 or 1983—to focus on this period of high unemployment, which has made it very difficult for even workers with substantial experience to reenter the work forced. Our approach of linking TJTC eligibility to extended unemployment compensation benefits and trade readjustment allowances automatically targets the incentive to unemployed workers from trade-impacted industries and high unemployment States.

The targeted jobs tax credit was enacted in 1978, and was extended for 1 year in the 1981 Economic Recovery Tax Act (ERTA). The program, frankly, had an uncertain start as employers were not familiar with the new incentive and its administration was far from ideal. Short-term extensions, such as the single year in ERTA, have tended to discourage business groups from putting together a program to take full advantage of the TJTC. It is our hope that a 5-year extension will enable employers, particularly small businesses, to become informed about the TJTC, and incorporate it into their hiring practices.

The existing TJTC focuses on nine target groups, and offers opportunity to those who are economically disadvantaged or lacking the basic skills or experience necessary to compete effectively in the job market. Potential employers pass over people from these backgrounds, making the TJTC important in lowering the barriers for them to become productive workers. Current TJTC groups include: Vocational rehabilitation referrals (physical or mental), economically disadvantaged youth (between 18 and 25), economically disadvantaged Vietnam veterans, supplemental security income recipients, general assistance (welfare) recipients, economically disadvantaged ex-convicts, cooperative education students, terminated CETA employees, and work incentive employees.

While not structurally unemployed to the degree of the current TJTC eligible groups, the unemployed workers we would make eligible in our bill currently face many of the same problems. In high-unemployment States that would be eligible for extended unemployment compensation benefits, it is very difficult for laid-off workers to find a new job as few employers are expanding their work force—and in fact most are cutting back due to the severe economic slump. Workers displaced from jobs in industries hurt by foreign imports also face significant problems in reentering the work force. Unfortunately, the trade adjustment program has generally consisted of cash benefits, with little emphasis on retraining needs to give workers skills that can be used in other industries. The TJTC could be very useful in providing employers with a direct cash incentive to hire trade-displaced workers who have not succeeded in finding employment in the normal adjustment period covered by regular unemployment compensation benefits. The TJTC could help offset the retraining costs incurred by new employers, which could be particularly helpful in light of the limited retraining assistance currently available from the Government. From my position on the Trade Subcommittee which reviews the trade adjustment program, I recognize the tremendous need for retraining efforts to help displaced workers, and I feel the TJTC could help expand opportunities in new industries for trade-related unemployed.

Language has been included in the bill to prevent employers from firing a worker and immediately rehiring the same person in order to take advantage of the TJTC. To improve administration, State employment agencies which have responsibility for certifying individuals' eligibility for the TJTC could delegate that certification responsibility to other nonprofit organizations who work with the targeted groups. We recognize that other improvements in administration could be made to expedite the certification process and reduce problems for employers and we hope that suggestions will be explored as the TJTC extension is considered this year.

The bill also repeals the restriction that vocational education students be economically disadvantaged in order to be eligible for the TJTC. This restriction was added in last year's Economic Recovery Tax Act, and has proved to be a barrier to the participation of vocational education students in the TJTC. Students who would qualify as economically disadvantaged under the current law simply do not wish to be certified as such in order for their employer to receive the TJTC. All vocational education students, the majority of whom are actually educationally or economically disadvantaged, would be eligible for the TJTC under our bill.

I feel that the targeted jobs tax credit could be a very effective tool to put people to work in the private sector, and deserves a multiyear extension as soon as possible so businesses can aggressively utilize it. The TJTC is particularly important in providing hope and opportunity for several categories of disadvantaged individuals who might otherwise have little optimism they will be able to escape their poverty and unemployment. And perhaps best of all, the TJTC puts people

to work in private business, where they can become productive, taxpaying workers.

I want to thank my colleague from Tennessee, Mr. FORD, for his cooperation and support in this legislative effort. I also commend the several other colleagues from the Ways and Means Committee who join us today as original cosponsors of this target jobs tax credit extension and I look forward to action on the issue in the committee.●

AS THE BUFFALOES KEEP FALLING

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. OBEY. Mr. Speaker, hardly a day goes by when we do not learn of another significant business failure. We will hear of many more until the Federal Government tightens its fiscal policy and loosens its monetary policy.

The Milwaukee Journal recently published one of the most thoughtful editorials I have seen this year on the subject of the economy. I commend it to every Member.

AS THE BUFFALOES KEEP FALLING

American business leaders are facing economic travail with a strange docility. It recalls an eerie scene from "The Last Hunt," an old movie about the killing of wild buffaloes.

The scene was unusually vivid because it was real, filmed during the actual thinning of a herd by conservation officers and then spliced into the fictional story line. Each time a rifleman felled one of the shaggy, hulking beasts, the others nearby would continue grazing as if nothing had happened.

In economic terms, that is approximately the way many business people are responding as they watch one company after another succumb to high interest rates, declining sales, bankruptcy.

Of course, unlike buffaloes, the business leaders at least notice the conspicuous manifestations of trouble, even if they fail to realize they can do something about it. They are keenly aware that a dream many of them embraced in 1981—President Reagan's promise of rapid economic growth fueled by his "supply side" tax cuts—has given way to an economic nightmare.

Instead of the business expansion that was supposed to result from the generous investment incentives in the tax legislation, the country has witnessed a sharp contraction of business activity and the highest rate of unemployment and of business failures since the Great Depression.

Even now, when forecasters talk cautiously of an upturn in the months ahead, the predictions are based more on the "demand side" effects of the July 1 personal-income-tax cut and the increase in Social Security benefits than on any substantial "supply side" investing by industrialists. Thus, the recovery may prove to be puny, spotty and brief.

Data Resources Inc., a respected private research firm, now projects that business investment will represent a smaller fraction of the gross national product during Reagan's present term than it did during Jimmy Carter's four years. Even some high administration officials are quoted as admitting off the record that Reagan's Economic Recovery Program may never live up to its name unless important changes are made.

The immediate bottleneck is high interest rates, aggravated by the huge deficits inherent in a contradictory fiscal policy that slashes taxes and greatly increases military spending while failing to come to grips with the rapidly rising cost of Social Security and other middle-class entitlement programs. And the chief obstacle to corrective action is the president himself.

Granted, many congressmen also are reluctant to do what is necessary, but we believe a bipartisan solution would be possible if Reagan would alter his own position and take a proper leadership role. That's where the business leaders come in.

They, perhaps more than any other major group, are in a position to influence Reagan, for he displays an almost reverent respect for the wisdom and genius of the business world. Yet, while business leaders have been quick to upbraid Congress for its failure to control deficits, they have been remarkably easy on the president.

For a time, it looked as if major business groups would press him to throttle back on his prodigious military spending and to call for significant restraint of middle-class entitlements. Some groups even appeared ready to demand significant restoration of revenue sources. But the movement largely collapsed when Reagan stood his ground.

However, there is still an opportunity for business leaders to be effective—if they will unite behind the bipartisan efforts of five former Treasury secretaries and former Commerce Secretary Peter Peterson. The six men, whose service spans the last five administrations, think a less reckless fiscal policy is imperative. Moreover, they reject the Reagan contention that social programs can take the brunt of budget cuts.

The cause would be helped greatly if several top members of the Reagan team would resign and join the campaign. There are signs that many, perhaps most, of the president's economic policy advisers see the need for change but cannot pry him loose from his simplistic economic theology. The honorable course under such conditions is to quit and then speak out candidly.

What about it Murray Weidenbaum, David Stockman, Donald Regan? You'd be in good company.●

THE TOBACCO PRICE SUPPORT PROGRAM

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. ROSE. Mr. Speaker, many of my colleagues and constituents have asked me to explain the changes enacted when the House of Representatives agreed to the legislation providing for a "no net cost" tobacco program.

The following material should be useful both with respect to the hearings which were held on the tobacco program, and with the most important changes agreed to by the House:

SUMMARY OF HEARINGS HELD ON THE TOBACCO PROGRAM

As a result of an amendment offered to the Agriculture and Food Act of 1981 by Congressman Foley of Washington requiring that the Tobacco Price Support Program operate at "no net cost" to the American taxpayer, the Tobacco and Peanuts Subcommittee, chaired by Congressman Charlie Rose, held hearings throughout the tobacco producing regions to ascertain the changes necessary in order for the program to operate at "no net cost."

A total of ten hearings were held in North Carolina, South Carolina, Virginia, Georgia, and Kentucky. The first hearing held in Fairmount, N.C., afforded the U.S. Department of Agriculture the opportunity to testify on the Secretary of Agriculture's recommendations, mandated as a result of the Agriculture and Food Act of 1981.

There were over 200 witnesses at the ten hearings, including all major farm groups and organizations concerned with the operation of the Tobacco Price Support Program, such as the American Farm Bureau Federation, the respective Farm Bureaus from each of the tobacco producing states, the Departments of Agriculture from major tobacco producing states, Flue-cured Cooperative Stabilization Association, Tobacco Associates, Tobacco Growers Associations, the N.C. Grange, the Leaf Tobacco Exporters Association, major state universities involved in tobacco research and the tobacco program, public officials from major tobacco producing areas, the Burley Producers Marketing Cooperative, the Burley Auction Warehouse Association, Bright Leaf Warehouse Association, the Burley Farmers Advisory Council, Extension Services from N.C., Georgia, Kentucky, and South Carolina, Burley Tobacco Growers Cooperative Association, South Carolina Warehouse Association, Pee Dee Warehouse Association, South Carolina Grange, Association of Agricultural Bankers, the Burley and Dark Leaf Tobacco Export Association, the Burley Leaf Tobacco Dealers Association, the Burley Stabilization Cooperative Association.

In particular, farmer participation was high, and testimony was heard from many individuals involved in various stages of the production and sale of tobacco, including both actual growers and individuals who did not grow but own tobacco allotments.

At the first hearing, the Department of Agriculture recommended two administrative and legislative changes; the administrative changes being within the existing powers of the Department and not requiring any further legislative mandate. The two legislative changes included (1) the establishment of a fee which would be collected from every producer marketing tobacco. This fee would be used to offset losses to the Commodity Credit Corporation arising from the operation of the Tobacco Price Support Loan Program, and (2) the authorization for the Secretary of Agriculture to adjust, under certain circumstances, price support levels for the various kinds of tobacco. The Secretary requested further discretion to adjust price support levels to compensate for changing economic and marketing conditions.

The general consensus of the witnesses was overwhelming support for the institution of a "no net cost" program. Various proposals were offered by many individuals and groups which enlarged on the theme offered by the Department of Agriculture at

the first hearing. While the mechanisms advocated for the achievement of a no net cost program varied widely depending on the orientation for the specific group, the consensus on the desirability of achieving a "no net cost" program was high.

Other suggestions made by the witnesses included proposals to strengthen the program and address criticism made during the debate on the Agriculture and Food Act of 1981. These issues included maintaining price support programs, allowing sale of allotments and requiring nonfarm corporations to dispose of allotments. Most witnesses, in addition to discussing the desirability and feasibility of instituting a "no net cost" program, mentioned ideas they had with respect to changes which could be made in the program in order to strengthen program operations, and address the issue of tobacco allotment ownership.

From the extensive testimony, the Subcommittee culled the major recommendations and incorporated them into the provisions of H.R. 6590 which seeks to accomplish the implementation of a "no net cost" program by (1) requiring producers as a condition for price support eligibility to contribute to a fund to operate the Tobacco Price Support Program; (2) providing the Secretary of Agriculture with authority to adjust the price support level for tobacco; (3) eliminate fall leasing and the elimination of the middleman structure in spring leasing for flue-cured tobacco; (4) making provisions for the sale of flue-cured tobacco quotas and allotments to active tobacco growers, and (5) providing for the periodic adjustment of the national yield factor for flue-cured tobacco.

SUMMARY OF CHANGES

Producer fund to operate the tobacco price support program

Under current law, there is no provision to require that losses suffered by CCC will ever be paid back. Loans are made on a nonrecourse basis. Currently, principal is repaid first, with interest being paid with remaining funds. If proceeds from the sale of loan tobacco are inadequate to repay the loan, CCC bears the loss.

The establishment of a capital fund by producer associations will insure that all loans, including interest and principal, will be paid back in full. Beginning with the 1982 crop, the Secretary will require each producer of any kind of quota tobacco, as a condition for price support eligibility, to contribute to the fund for all tobacco marketed either through trade or loan channels. Beginning in 1983, allotment holders who lease Flue-cured allotments or quotas to others will also be required to contribute to the fund. While the rate of contribution will be established by the associations, the Secretary will approve the rate only if the Secretary finds that it will result in inadequate resources to achieve the bill's "no net cost" objective. And in addition, any net gains from the sale of loan tobacco will be retained by CCC for application against any losses CCC may incur on loan tobacco.

H.R. 6590 addresses the goal expressed in the Agriculture and Food Act of 1981—the achievement of a no cost tobacco program to the American taxpayer.

Adjustment of price support level

Under current law, the support price of tobacco reflects the increasing costs of production. The bill gives the Secretary added flexibility in setting support levels. It permits the Secretary to adjust the support levels on different grades according to market conditions, so long as these levels average out to a level for any kind of tobacco which reflects not less than 65 percent of any increase in the level otherwise required by law. In other words, the Secretary would be in a position to reduce by up to 35 percent any increase in the support level. On the other hand, should the support price for any crop decrease, producers would have to absorb the full reduction.

Special auction

The bill authorizes the Secretary, with respect to grades of eligible Flue-cured tobacco which the Secretary determines would have a support level which is excessive in light of market conditions, to furnish producers an option to market such tobacco at a special auction. The tobacco of producers who take advantage of the option would be ineligible for price support and thus would be marketed at the auction at whatever price it might bring. Further, ineligible grades of Flue-cured tobacco could also be marketed at the special auction. Any tobacco marketed at such auction would not be counted against the producer's marketing quota but it would be deducted from any undermarketings which might otherwise be carried forward by the producer for use in the subsequent year. Importantly, implementation of the special auction approach for either overpriced eligible grades or for ineligible grades of tobacco would be subject to approval of the association which makes price support available to producers of Flue-cured tobacco.

These provisions of the bill would make it possible for certain low quality domestic tobacco to compete in the marketplace with foreign leaf of comparable quality which is being imported in significant quantities. Under present law, if a producer's entire quota is taken up by higher quality tobacco, the producer may have no avenue but to throw away low-grade or ineligible leaf. Under the approach of the bill, such tobacco not only could be marketed, to the benefit of growers, but could be made available at a price which would permit it to supplant imports of similar quality tobacco.

The provision requiring grower association approval of the new mechanism is significant. It would give the association special protection against possible competiton with its own stocks of loan tobacco by low-grade or undesirable qualities of leaf. While this safeguard protects existing association stocks of loan tobacco, it also provides protection against a situation under which the marketing of low-grade tobacco at special auction could cause closely related grades to come under price support and accumulate in association inventories.

Elimination of fall leasing

The elimination of fall leasing of Flue-cured allotments and quotas mandated by the bill will signficantly reduce the cost of production. This practice is abolished, except in the case of natural disasters. Fall leasing in the past has been the subject of much criticism because of the possibility of speculation it furnishes and the effect "middlemen have in the process of leasing. These factors have contributed significantly to the increase in the cost of production.

Also addressed is the problem of "middlemen" in spring leasing. Subleasing will be precluded and "middlemen" will not be allowed to participate in lease transactions.

Sale of quotas and allotments

Under the bill, corporations, public utilities, government bodies and similar entities will be prohibited from owning Flue-cured allotments, unless they are significantly involved in the management or use of agricultural land. They will be forced to sell their allotments by December 1983 or forfeit them.

Further, any person having a Flue-cured tobacco allotment that exceeds twice tillable land on the person's farm must sell the excess allotment. Sufficient tillable land is defined in the bill as cleared land capable of cultivation without unusual preparation; no Flue-cured allotment may exceed 50 percent of such tillable acreage. A person not having sufficient tillable land has these alternatives—acquire more land; sell the excess allotment to an active grower; or, upon failure to do either, forfeit the excess allotment for reallocation within the county.

These provisions of this bill will encourage the reallocation of the Flue-cured tobacco allotment back to those individuals actually doing the farming. For the younger farmer, it will provide a heretofore unavailable opportunity to participate in the farming of tobacco. But only people who are active tobacco producers can purchase a tobacco allotment. This provision, which will place the allotment back on the farm of the active grower, directly addresses a major criticism levied against the concept of tobacco allotments. In addition, once a producer or farmer has bought an allotment, he either must grow it, share in the risk of growing it, or sell it to an active tobacco grower.

Periodic adjustment of the national yield factor

The bill provides that the national yield factor for Flue-cured tobacco would be required to be reassessed every five years based on the past five years moving average yield, with adjustments in individual farms based on yield history.

This provision recognizes that farmers are capable of producing more tobacco on a given acreage than they have in the past. This provision would bring up-to-date the acreage poundage ratio and make it in line with current yields.

Because of the advances in agricultural research and technology, producers of tobacco are able to obtain larger yields on an acre of tobacco. Therefore, maintaining a constant allotment may result in growers producing on that acreage a quantity of tobacco that exceeds their marketing quotas. It is, therefore, desirable to provide for adjustments on a five-year moving average for these yield factors.

Nonquota tobacco grown in quota areas

The Food and Agriculture Act of 1981 contained a provision which, with some exceptions, made any nonquota tobacco grown in a quota area subject to marketing quotas. In the State of Pennsylvania there are allotments totalling less than 20 acres for a kind of quota tobacco. As a result, any nonquota tobacco, including Maryland (type 32) tobacco, grown in Pennsylvania is subject to the quotas applicable to the quota kind of tobacco. An amendment contained in H.R. 6590 would add to the exemptions now appearing in the statute an additional exemption for nonquota tobacco produced in a quota area in which no more than 20 acres of quota tobacco are planted for harvest in the marketing year to which quotas apply. The result of the amendment would be that Pennsylvania would no longer be considered, for purposes of this provision, a quota area so long as less than 20 acres of quota tobacco are planted for harvest there. Therefore, growers of Maryland (type 32)

tobacco in Pennsylvania could continue to produce such tobacco in the State free from penalty as they have done in the past.●

SCIENCE AND TECHNOLOGY AND THE HANDICAPPED

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. WALGREN. Mr. Speaker, I would like to call my colleagues attention to an article appearing in the July 1982 issue of the magazine Discover entitled, "An Impossible Bike Ride." The article describes a research program being conducted to enable people paralyzed by spinal cord injuries to exercise their muscles by electrical stimulation from a computer and actually ride a modified bicycle. The ultimate goal of the scientists involved in the project is to make it possible for the paralyzed to walk again with the aid of computers.

Mr. Speaker, this project is an excellent example of the wonders that science and technology can accomplish for the handicapped through research, and it is testimony to the need for further research.

I ask that this article be printed in the RECORD.

The material follows:

AN IMPOSSIBLE BIKE RIDE

(By Denise Grady)

COMPUTERS THAT FLEX PARALYZED MUSCLES WILL GIVE THE HANDICAPPED NEW WAYS TO EXERCISE AND GET AROUND

When Greg Kramer was 15 years old, he dived off a stepladder into a shallow swimming pool and hit bottom so hard that he broke his neck. Permanent damage to his spinal cord left his arms and legs paralyzed. He regained some use of his arms during the year after the accident, but his legs remained completely paralyzed.

Yet in May, five years after the accident, Kramer was at Wright State University in Dayton, performing a feat that his doctors would have called impossible—he was pedaling a bicycle. He felt like an athlete, even though it was no ordinary bike ride: his feet were strapped to the pedals of a stationary bike, his legs were supported by braces, and it was a computer, not his brain, that supplied the electrical signals directing his muscles to move. More significant is the fact that the strength to move those pedals was all Kramer's. Given the proper instructions, his paralyzed muscles proved capable of cranking away at the equivalent of more than twelves miles an hour—uphill.

Within months, say the three scientists who designed this bold experiment, Kramer and others like him, equipped with special bikes, leg braces, and miniature computers, may be able to cycle around outdoors as part of an experimental program at Wright State. Still others will be riding in wheelchairs electronically adapted for propulsion by paralyzed muscles. These developments are the unexpected offshoots of a 13-year-old research program with an extraordinarily ambitious goal: to enable people paralyzed by spinal injuries to walk again, with the aid of computers (Discover, May 1981).

Some 400,000 Americans are paralyzed as a result of spinal injuries. The researchers, physiologists Jerrold Petrofsky, 34, and Roger Glaser, 38, and physician Chandler Phillips, 39, have no unrealistic ideas about curing them, but they do think that some measures of physical activity and independence can be restored. In most cases of paralysis caused by spinal injuries, the brain and limbs are left undamaged; only the connection between them—the nerve fibers that transmit the brain's commands—is broken. Because a damaged or severed spinal cord cannot be repaired, the Wright-State trio think that the answer lies in engineering, a discipline familiar to each of them. Both Petrofsky and Phillips have degrees in engineering, and Glaser at one time worked in that field. They all tinker with electronic gadgetry, and they operate ham radios and fly airplanes together.

Thirteen years ago, it occurred to Petrofsky that perhaps he could restore some movement to paralyzed limbs by connecting them directly to a substitute brain—a computer programmed to generate the same pattern of electrical signals as that emitted by the brain when a person wants to move. Petrofsky realized that this would require highly skillful engineering; taking just one step involves the use of scores of muscles and the firing of thousands of nerve cells. The computer would also have to act on signals returning from the limbs, just as the brain receives information about the position of a limb—that a foot has touched the ground, for example—and modifies its commands accordingly.

Experimenting first with cats, Petrofsky got encouraging results: his computer produced fairly smooth, coordinated movement of several muscles in a paralyzed leg. He then began a painstaking analysis of nerve impulses and muscle movement in healthy human beings, so that he and Phillips, a crack mathematician, could translate the information into a computer program. The computer would then reproduce the original pattern of impulses. But years of work lay ahead before a paralyzed person, through computers and electronic circuitry, could order his legs to work.

Then, last September, a single conversation altered the course of the whole project. At a think tank on paralysis research, another scientist suggested to Petrofsky that the Wright State team had already produced something useful. Why not put the computer programs into service right away, to exercise paralyzed muscles? It was a radical idea. "Even among rehabilitation specialists," says Glaser, "the attitude tends to be 'Once paralyzed, always paralyzed—so why even bother trying to build up their muscles?' " In fact, more physical activity might alleviate some of the health problems associated with paralysis: poor circulation, cardiovascular disease, the atrophy of muscles, and the loss of calcium from bones, which become vulnerable to fractures.

Petrofsky was intrigued by the idea. Not only could it help his experimental subjects, but it might also yield information about the physiological changes caused by paralysis. Soon after returning to Dayton, he designed an exercise chair in which a paralyzed person, with electrical stimulation from the computer, could work out by lifting weights with his legs.

By late February the chair was ready. First to try it was Jeff Housch, 23, a Wright State student paralyzed by a diving accident seven years ago. Housch could not feel the electrical stimulation, even though the shocks ranged from 70 to 170 volts, strong enough to cause real pain in someone with no spinal injury. At the first few signals, his leg merely twitched. That was familiar to Housch; like most paralyzed people, he suffers from muscle spasms.

Then Petrofsky punched a few numbers on his computer keyboard, and Housch's foot slowly rose until his leg straightened at the knee, held steady, and smoothly lowered. Housch was amazed. Even Petrofsky was surprised at the degree of control already achieved by the computer. Housch began working out for 15 minutes a day, two or three times a week. At first he could lift only eight pounds, but within two weeks his strength had trebled, and his muscle spasms, which had been severe enough to require drug treatment, began to disappear.

Encouraged, Petrofsky decided to rig up a stationary bicycle for Housch. That seemed a bit too ambitious to Glaser, who began working on something he considered more practical: a wheelchair that could be operated by electrically stimulated leg muscles. But the bicycle was ready first, and Housch was eager to try it. One May afternoon the scientists pasted electrodes to the skin of his hips, thighs, and calves to stimulate eleven muscles in each leg. They took an electrocardiogram, measured his pulse, blood pressure, and temperature, and slipped a brace onto each leg (both for support and to provide information to the computer through electronic devices that sense the positions of the hip, knee, and ankle). Helping Housch onto the bicycle, they strapped his feet to the pedals. An electric eye reported the pedals' position to the computer.

Housch stared in wonder as his legs, for the first time in seven years, began to push the pedals of a bicycle. The motion was crude, a little jerky—his muscles were weak, the computer program needed refining, and only eleven muscles were involved (normally it takes about twenty to produce a graceful, coordinated movement). But he was cycling nonetheless, and he continued to do so for several minutes at seven miles an hour.

The next subject was Greg Kramer, who proved even stronger than Housch. That was not the only surprise. Within minutes, something happened that, according to Petrofsky, left the scientists "totally shocked." Kramer broke into a sweat and became winded, and his blood pressure and heart rate shot up. In a quadriplegic, such a response was remarkable. This is because the spinal injury has cut off the nerves that relay information from the leg muscles to the central nervous system, which controls breathing and heart rate. How, then, did Kramer's system sense his exertion? Lactic acid and other chemicals produced in exercising muscles are known to influence the central nervous system, but biologists have debated the extent of that influence. What happened to Kramer indicates that the role of the chemicals is more important than many researchers had thought.

None of the Wright State researchers had expected such rapid progress in their program. "Greg could be riding a bike around outside today," says the usually conservative Glaser. "All he needs is the package: a few computer chips and the bike." The system envisioned by the team will use a large tricycle (paralyzed people could not balance two-wheelers). The computer will be controlled by movements of the hands or arms. Each user will have his own computer program, because muscle strength and the degree of paralysis vary. One important component will be a fatigue meter, which

will serve the same function as a gasoline gauge on a car. By measuring the delay between stimulation and muscle contraction, it will warn the rider (who may not sense his fatigue) when his muscles are running out of energy.

The tricycle will not be available commercially for some time. The computer program needs work—it still does not run properly unless Petrofsky makes fine adustments at the controls while his subject cycles. Moreover, the team assembled almost all its equipment from odds and ends; eventually, Wright State will have to consult a private company about producing a streamlined system in which the computer will be the size of a pocket calculator.

Glaser's pedal-operated wheelchair has also proved to be a success, and it, too, will be marketed. To use it, a person straps his feet to a pair of foot pedals nearly parallel to the floor; as his muscles are stimulated electrically, his feet slide forward and backward, first one, and then the other, moving the pedals. This movement is translated into rotation of the wheels.

More enthusiastic about these inventions than the scientists are the people waiting to use them. As word spreads among the disabled at Wright State—the school attracts many of them, because the campus was designed to be totally accessible to the handicapped—more and more students in wheelchairs appear at the lab, hoping to take part in the experiments.

Much as Petrofsky, Phillips, and Glaser might like to race ahead, they must proceed slowly, because most paralyzed people are quite frail. Their muscles have atrophied, their bones have thinned, and they often lack the sensation of pain that would warn them of injuries. If they do get hurt, they heal slowly and with a heightened risk of infection, because they lack the muscular contractions that normally aid blood circulation. A few days after a session on the bike, Jeff Housch woke up with a bruised and swollen foot. He could not tell when he had hurt himself—it may not have been on the bicycle—and x-rays were necessary to make sure no bones had been broken. Although a fracture could be serious, Housch and Kramer say that the hope of independence makes the risk worth taking.

To help prevent injuries, Barth Green, a Miami doctor who is working with the Wright State team, is trying to determine the best exercise for building up muscles in people who are paralyzed. He is also using a CT scanner and other sophisticated techniques to find out whether exercise can help restore calcium to bones that have thinned.

In the meantime, the Ohio team is working away at the electronics: smoothing out the program and shrinking the computer. They are also studying the effects of vigorous exercise on the paralyzed, and are planning animal tests to pave the way for an implantable set of electrodes. This will allow direct contact with the motor nerves that activate muscles, making it possible to administer smaller, less painful shocks. The system could then be used by people who have retained some sensation in paralyzed limbs. The animal studies are needed to perfect surgical techniques for implantation and to identify the materials that will best be tolerated by the body. An intermediate step, says Petrofsky, might be to sew the electrodes to a garment similar to a pair of tights, which would eliminate the messy, half-hour job of pasting electrodes to the skin.

For Petrofsky, Phillips, and Glaser, the ultimate goal is to make it possible for the paralyzed to walk. They will use equipment similar to the components already in use with the bicycle: computer, electrodes, and leg braces. The system will be controlled entirely by the person wearing it. In its first versions, it may be activated by hand. Eventually, perhaps, it will be controlled through an implanted microprocessor that detects the characteristic abdominal twitches that occur when someone decides to walk, and sends appropriate electrical signals to the leg muscles. The trickiest problem will be to achieve balance. This will require a compact, economical gyroscope that will feed the computer information it needs to keep the person from toppling over. Even without this development, Petrofsky expects that within six months the computer will enable one of his paralyzed students to stand up with the aid of a walker. Fully independent walking may be years off.

Despite all the work ahead, the scientists have no doubt that they will succeed. Indeed, with their exercise chair, modified wheelchair, and bicycle, they have already achieved a notable success by proving that paralyzed muscles can work.●

PUBLIC SUPPORT FOR BALANCED BUDGET AMENDMENT IS CONFIRMED

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. DANNEMEYER. Mr. Speaker, on June 21, 1982, I directed my colleagues' attention to a public opinion survey conducted by Market Opinion Research for the National Tax Limitation Committee. (See page H3714.) Today, I rise to offer additional evidence of the public's support for a constitutional amendment to balance the budget.

Confirmation of the sentiment reported earlier comes in the form of a survey by the highly respected Gallup Poll organization. The Princeton, N.J., firm recently asked a representative sample of persons the following question: A proposed amendment to the Constitution would require Congress to approve a balanced Federal budget each year. Government spending would have to be limited to no more than expected revenues, unless a three-fifths majority of Congress voted to spend more than expected revenue. Would you favor or oppose this amendment to the Constitution?

Of those who knew about this proposal—and 66 percent of those polled were familiar with it—fully 74 percent favored it and only 17 percent opposed it. To my colleagues on the other side of the aisle, where only 55 Members, or 23 percent of the majority party, have cosponsored the balanced budget amendment resolution, I would point out that 67 percent of the Democrats surveyed also favored the amendment. In fact, all political and demographic subgroups favored the amendment by overwhelming numbers.

The House must act on House Joint Resolution 350 as soon as possible. I urge my colleagues to cosponsor this vital resolution.

Mr. Speaker, I would like to insert the full text of the article at this point in the RECORD.

[From the Springfield Daily News, June 14, 1982]

GALLUP POLL: BALANCED BUDGET AMENDMENT BACKED

PRINCETON, N.J.—While Congress tosses the unresolved 1983 federal budget around like a hot potato, the electorate is unequivocal in its support for an amendment to the U.S. Constitution that would mandate a balanced federal budget each year.

In the latest Gallup survey, 74 percent of Americans who are familiar with the proposal favor a constitutional amendment requiring Congress to spend no more than expected revenues unless overridden by a three-fifths' majority of its members. Opposition to the amendment is expressed by only one person in six (17 percent).

The survey, conducted two weeks after President Reagan announced his backing for such a amendment, finds majority support in every population group, including Democrats. Republicans voted for the proposal by an overwhelming 7-to-1 margin.

President Reagan undoubtedly expressed the mood of the electorate when he said, in urging the enactment of a balanced budget amendment, "Government will have to do what each of us does with our own family budgets—spend no more than we can afford." The president added that "only a constitutional amendment will do the trick. We've tried the carrot and it failed. With the stick of a balanced budget amendment, we can stop government's squandering, overtaxing ways and save our economy."

Increasing taxes on cigarettes and liquor is the choice of 70 percent of the public as a way of reducing the prospective budget deficit, followed by postponing the tax cuts scheduled for this year and next year (44 percent), reducing military spending (43 percent) and reducing spending for social programs (40 percent). Little backing is found for increased taxes on gasoline, favored by only 19 percent.

There is a strong political cast to the relative appeal of these deficit-reducing measures, with further cuts in social programs far more palatable to Republicans (59 percent) than to Democrats (30 percent). On the other hand, cuts in defense spending are more attractive to Democrats (44 percent) than to Republicans (36 percent).

Following are the questions asked and the findings in table form:

"Have you heard or read about the proposal for a constitutional amendment which would require the federal government to balance the national budget each year?"

Those who answered affirmatively (66 percent nationally) were then asked:

"A proposed amendment to the Constitution would require Congress to approve a balanced federal budget each year. Government spending would have to be limited to no more than expected revenues, unless a three-fifths' majority of Congress voted to spend more than expected revenue. Would you favor or oppose this amendment to the Constitution?"

As shown below, there has been little change in the public's views since this question was asked last year:

CONSTITUTIONAL AMENDMENT TO BALANCE FEDERAL BUDGET

[Based on aware group in percent]

	Favor	Oppose	No opinion
May 14 to 17	74	17	9
September 1981	73	19	8
April 1981	70	22	8

The table below shows heavy backing for the proposed amendment in all major population groups, with Republicans and those approving of President Reagan's performance in office expressing the strongest support.

CONSTITUTIONAL AMENDMENT TO BALANCE FEDERAL BUDGET

[Based on aware group in percent]

	Favor	Oppose	No opinion
National	74	17	9
Republicans	83	12	5
Democrats	67	21	12
Independents	76	18	6
College	75	19	6
High school	74	15	11
Grade school	70	23	7
Family income:			
$15,000 up	78	16	6
Under $15,000	66	20	14
Approve of Reagan	81	14	5
Disapprove of Reagan	66	22	12

The following questions were also asked:

"Which of these do you favor as ways of reducing the federal budget deficit: Reduce military spending? Reduce spending for social programs? Postpone the tax cuts scheduled for this year and next year? Increase the tax on gasoline? Increase the tax on cigarettes and liquor?"

The results reported today are based on in-person interviews with 1,557 adults, 18 and over, of whom 1,063 comprise the "aware" group, conducted in more than 300 scientifically-selected locations across the nation during the period May 14-17.

For results based on the total sample, one can say with 95 percent confidence that the error attributable to sampling and other random effects could be three percentage points in either direction. For results based on the aware group, the error would be four percentage points.●

VETERANS' HEALTH CARE, TRAINING, AND SMALL BUSINESS LOAN ACT OF 1981

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. DASCHLE. Mr. Speaker, since the passage last year of Public Law 97-72, the Veterans' Health Care, Training, and Small Business Loan Act of 1981, we have once again been subjected to foot dragging and a lack of proper implementation of the law on the part of the Veterans' Administration. One portion of this law extends the eligibility period for veterans seeking to utilize on the job or vocational training benefits. Though this extension was supposed to assist over 39,000 veterans in the first year, the VA has drafted eligibility guidelines so strict that fewer than 600 veterans have been declared eligible in the first 6 months of the eligibility period. Another portion of the law authorized a small business loan program to be administered by the Veterans' Administration. Unfortunately, no request for funding was made and the VA has only now begun to draft guidelines for this program.

On June 17, several members of the Vietnam Veterans in Congress Caucus testified on these issues before the Veteran's Affairs Subcommittee on Education, Training, and Employment. As such, I would like to have Congressman TOM HARKIN's statement before the subcommittee reprinted in the CONGRESSIONAL RECORD for the benefit of my colleagues:

STATEMENT BY U.S. REPRESENTATIVE TOM HARKIN

Mr. Chairman, last year the Congress enacted a piece of legislation which provided benefits and opportunities to an important group of Americans—Vietnam era and disabled veterans. Public Law 97-72, the Veterans' Health Care, Training, and Small Business Loan Act of 1981, contained two especially important provisions: (1) establishing the Small Business Loan program, providing up to $200,000 in loans to Vietnam and disabled veterans, totaling $25 million over 5 years; and (2) extending the delimitation period 2 years for employment assistance under the G.I. Bill, totaling $142 million.

These two programs provide excellent and much-needed opportunities for veterans. Yet the Administration refused to request funding for Public Law 97-72, the Veterans' Administration has yet to issue regulations for the Small Business Loan program, and the restrictions the VA has placed on employment assistance are so tight that very few veterans are actually eligible.

Indeed, since both of the programs are "sunsetted," the continued procrastination of the Administration and the VA may only serve to wipe out any assistance that could have been given. The course the Administration has taken on this issue is a clear sign of its intention to ignore veterans.

And many veterans are feeling ignored. In March of this year, 750,000 Vietnam veterans were unemployed, an astounding 47% increase from 1981. With an unemployment rate of 9.9%, which is 14% higher than the jobless rate of their non-veteran peers, Vietnam veterans are feeling the economic crunch harder than many. The need for programs such as those contained in Public Law 97-72 is quite apparent, yet the Government has seemingly chosen to turn its back on those who gave so much for their country. As a veteran of the Vietnam era, I cannot stand by and watch my peers stopped before they even get a chance to start on the road to economic recovery. We must turn around and squarely face our responsibility to these people.

The Small Business Loan program would assist veterans in new enterprises of their own, an admirable effort in these hard times. Yet the VA does not want to "tempt" veterans into starting new businesses through such a program, because of the state of the economy. But, according to the law, each applicant must be deemed worthy of credit before receiving the loan, thereby assuring the Veterans' Administration that each particular case has a good chance of success.

Then why the delay? This country was built by inventive, ingenious entrepreneurs, and is kept viable in the marketplace by small business. If we, as the Administration suggests, fail to properly encourage economic development through such means as small business loans to veterans, who is going to do it? The attitude of despair and hopelessness shared by many veterans will only be deepened if we deny our own people the chance for prosperity.

One of my constitutents, who has just opened a new business and is interested in assistance under the Small Business Loan program, has a suggestion of some merit for the VA regarding its concern over new businesses in the current economic climate. He suggests that each loan recipient be required to have a certain amount of background knowledge or education (possibly 3 to 5 years) about the particular area of business he or she is about to enter. Thus, applicants who do not "know the business" before starting out would not qualify for the loans, and only those with that knowledge, who would then have the best chance of surviving, would be eligible to receive funding under Public Law 97-72.

Although eligibility for employment assistance, through on-the-job training or vocational or secondary education, was extended until January 1, 1984, the regulations set by the VA have made it extremely difficult for veterans to qualify. In my home state of Iowa, only 4 applications out of 85 were accepted for employment assistance in the first quarter of the year. It appears that the intent the Congress had for this program—to help employable veterans obtain an education and a job—has been lost.

The status of these programs proves that this is yet another case where the Administration is only giving lip service to those who truly need the government's help. The Administration says we ought to be concerned about jobless Americans; yet they refuse to support a program which would provide jobs, stimulate the economy, and, at the very least, instill hope and confidence among so many of our veterans.

By refusing to request funds for the Small Business Loan program, the Administration effectively limits the number of small businesses which could have existed. With fewer small businesses in operation, big business has a better chance to increase its powerhold on the nation's economy.

We have already lost valuable time—6 of the 60 months for the Small Business Loan program, and 6 of the 24 months for employment assistance—in providing these opportunities to veterans. It is high time the Administration and the VA accepted their duty and responsibility in executing this law which the Congress has passed.

I join with my colleagues in denouncing the Administration's and the VA's handling of these programs, and express my highest expectations that their inaction will be reversed as soon as possible. We can do no less for the veterans of this nation.●

VIGIL FOR SOVIET JEWRY

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. McGRATH. Mr. Speaker, I appreciate this opportunity to participate in the Congressional Vigil for Soviet Jewry. Today in a Soviet prison camp, Alexsei Murzhenko and Yuri Fiodorov continue to serve sentences imposed over 10 years ago at the infamous Leningrad trails. Their crime was the desire to escape persecution and oppression used by the Soviet Government to crush the spirits of those who yearn for the freedom to practice their faith and observe ethnic and cultural traditions.

Fiodorov and Murzhenko surely knew the fate that awaited them if their plan to escape failed. Both men had already spent time in Soviet camps for so-called antistate activities. Yet the chance to build a new life in the freedom protected outside the Soviet block was worth the risk inherent in any attempt to circumvent the will of the Communist police state. Fiodorov and Murzhenko were joined in the attempt by several Jewish citizens—all victims of repeated government harassment.

The courage displayed by these two men was exemplified in Alexsei Murzhenko's testimony at his trial. When given the opportunity to address the court, he first made a plea for mercy on behalf of two friends who faced death sentences for their part in the escape attempt. He was sentenced to 14 years and Yuri Fiodorov received a 15-year term. Both men began serving their sentences in 1970, and their health has deteriorated seriously in the inhuman conditions of the Soviet camp.

Once again, I wish to call upon my colleagues to redouble all efforts to help Fiodorov, Murzhenko, and thousands of others who are trapped in the Soviet Union, unable to exercise their rights under the Helsinki accords to emigrate to a nation of their choice.

I would also like to thank those who have cosponsored House Resolution 398, which calls upon the Soviets to release Fiodorov and Murzhenko. I have now received favorable comment from the State Department on House Resolution 398, and I wish to express my appreciation to the gentleman from Wisconsin, Chairman ZABLOCKI, for his assistance in this effort.●

NEW YORK AND BEYOND: THE DEMAND FOR A NUCLEAR FREEZE

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. SCHUMER. Mr. Speaker, 1 out of every 250 Americans took to the streets of New York City last weekend to demand an immediate freeze on the nuclear arms race. This was the largest single political demonstration in our history, and it proves without any question that the nuclear freeze movement is a potent force in American politics.

Less than a year and a half since a Republican President and Senate swept into office on a platform calling for "the position of military superiority that the American people demand," the true feelings of the American people are again being heard. Americans from all walks of life are speaking up and saying "no" to an uncontrolled arms race, "no" to the construction of every weapons system that Pentagon planners ever dreamed up, and "no" to the military's looting of the Federal budget. The nuclear freeze movement has succeeded in shattering the false claims about the nuclear balance which helped elect the President and which destroyed the SALT II treaty. Now that we have begun to see through the empty slogans about nuclear weapons that dominated the last political campaign, we must resume the search for effective ways to break out of the dangerous spiral toward nuclear war.

When the House considers the Department of Defense authorization bill—which contains a sweeping program for nuclear weapons construction—the people who rallied in Central Park and their supporters across the country will be watching to see how each of us votes on nuclear weapons programs. It is not enough for us to simply lend our names to the call for a bilateral arms freeze and then go ahead and authorize funds for an unrestrained nuclear arms buildup. If we truly wish to demonstrate our sincerity about disarmament, we must cancel those weapons programs which will add billions to the Federal deficit but nothing to our security. We must abandon the excessive defense spending that is the cornerstone of the administration's budget program.

When the defense bill is debated on the floor, we will hear that we should continue to fund every nuclear weapons program that has been requested so that the President will have "bargaining chips" to trade in at the negotiating table. I remind my colleagues, however, that the pattern set by past weapons programs belies this logic. Every nuclear weapon added to the U.S. arsenal in the last 15 years—from MIRV'd warheads to cruise missiles—has originally been justified as a bargaining chip; yet no new weapons program, once underway, has ever been halted by an arms control agreement. This pattern can only result in further increases in nuclear weaponry, greater danger of nuclear war, and more marches in the streets; it can only be prevented by an immediate, mutual freeze on the testing, production, and deployment of nuclear weapons.

During the defense debate, some Members of the House will argue that, despite the largest deficit in our history and the worst recession since the Depression, we cannot trim the Pentagon's budget increase by more than 1 or 2 percent. There is even less economic justification for this argument than there is military justification. The Joint Economic Committee concluded that the defense buildup will be "so rapid it will undermine both our economic and military goals if it is not slowed down." Even the President's own Council of Economic Advisors admits that the Reagan military budget of $1.6 trillion over the next 5 years will have "adverse economic effects." The Reagan program robs the budget of human needs to feed the Pentagon. The funds to be spent on just one unneeded military program—the B-1 bomber—could replace or repair the defective bridges across our country, which are a potent symbol of our economic problems. Viewed in this context, the nuclear freeze movement is not only calling for a safer nuclear weapons policy, it is also making a very important point about strengthening our national economy.

In closing, I would like to make a brief point about the relationship between public opinion and foreign policy. During the Central Park rally, the Secretary of Defense, Casper Weinberger, remarked that foreign policy will not be made in the streets. His statement was reminiscent of the lines that we used to hear during the Vietnam war, when the administration knew that it did not have the support of the people. This is a dangerous position for the administration to adopt. On an issue with as direct an impact on our well-being as the nuclear arms race, the public will not long stand for obfuscation and deception. The Nation's patience will not be as great as it was during the Vietnam war, and the consequences of official insensitivity, exacerbated by a sputtering economy, are likely to be more severe. The nuclear freeze movement is far too important for the administration, and my colleagues, not to fully embrace.●

DONOVAN'S BATTLE—LEGAL OR POLITICAL?

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. HANSEN of Idaho. Mr. Speaker, in view of the current controversy surrounding Secretary of Labor Ray Donovan, I would like to submit for the record the following article from the Wall Street Journal of June 23, 1982, which speaks for itself.

[From the Wall Street Journal, June 23, 1982]

DONOVAN'S RIDE

President Reagan has been in politics long enough to know that it's bad form to chuck a loyal aide off the sled just to appease the baying pack. Hence, he has stood by Labor Secretary Donovan pending the outcome of a special prosecutor's investigation into the secretary's alleged former contacts with organized crime figures.

In this he has support from a lot of people who have wondered at the unseemly haste of Senate Democrats in wanting to get Mr. Donovan removed before the prosecutor reports later this month. Mr. Donovan, for his part, issued a tough statement Monday accusing the senators of engaging in a "wonderland school of justice that stands for judgment now, trial later."

We ourselves don't know what, if anything, Mr. Donovan may have been guilty of and we're certainly willing to wait a few more days to see what the prosecutor has learned. It could be, for example, that Mr. Donovan's only serious crime has been to take an ax to the Labor Department's budget, lopping off some of those nice subsidies that went to labor unions for "training programs" and other forms of community action. That is a very serious offense in Teddy Kennedy's court and the chambers of the AFL-CIO. But one man's crime is another man's reform and some of us have felt for years that taxpayer money should not be doled out quite so generously and blatantly to build political support as was the case in the preceding administration.

Mr. Reagan has a good means readily at hand for testing just what it is that has troubled the Senate Democrats. He can name, right now, a successor to Mr. Donovan to step in if it is found necessary or desirable for the Secretary to step down. Several possibilities come to mind.

Archie McCardle, the former International Harvester chief executive who was brought to grief in part by the UAW, would no doubt welcome a chance to put his hard-won knowledge of the workings of organized labor to public use. Surely there must also be some former executive of J.P. Stevens who could bring a similar experience background to the job should Mr. McCardle not be willing to take it on. The California Farm Bureau could probably come up with an able nominee from among the growers who know the problems of Cesar Chavez and the Teamsters.

If Mr. Reagan puts forth some such name and the 46 Senate Democrats still want Mr. Donavan to step aside, we'll know that there is nothing on their minds other than a desire to do their duty to God and country.●

CHRISTOPHER COLUMBUS SUITE

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. CHAPPELL. Mr. Speaker, on June 6, 1982, the Navy Band Orlando performed the world premier of "Christopher Columbus Suite," a new composition by Prof. Charles T. Gabriele, composer emeritus of the U.S. Naval Academy Band and resident of the Fourth Congressional District of Florida.

Prior to retiring in Florida, Professor Gabriele was composer-in-resident of the Naval Academy Band from 1976 to 1981. During this time he devoted much effort to composing patriotic music, pieces which include the "John Paul Jones March" and the "Vietnam Veterans March." Certainly, the fourth district is fortunate, indeed, to have Professor Gabriele as a resident and neighbor. He has continued to compose and has, in fact, dedicated his latest piece entitled "Christopher Columbus Suite" to Lt. Cmdr. John R. Bledsoe, USN, and the Navy Band Orlando. This highly spirited work contains a group of musical pieces depicting the natives that Columbus encountered upon his arrival on our shores and has become an instant favorite of the Navy Band Orlando.

While Navy Band Orlando's primary role is to provide support for the Naval Training Center located in Orlando, they frequently play for a variety of military ceremonies and civilian community functions as well, performing an average of 650 concerts annually. Although the band only has 36 members, they are highly trained and dedicated musicians who perform the full range of military band music, stage band, concert band, and chamber ensembles. Their hard work is certainly appreciated by the people of Florida and we look forward to their continued contributions to the local communities of our State.●

THE FAIR REDUCTION-IN-FORCE PRACTICES ACT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. WIRTH. Mr. Speaker, Federal employees are being made the scapegoat by this administration for the Nation's economic ills. Dedicated, professional public servants are being told they are surplus goods and are being cast off wholesale as though they were ballast.

Certainly the burden of cutting Federal spending and getting the economy back on track must be fairly shared, and waste in Government must be ferreted out from all corners. But massive and thoughtless reductions in force which the administration is pursuing only serve to demoralize employees and have a harmful effect on productivity.

That is why I am pleased to be an original cosponsor of the "Fair Reduction-in-Force Practices Act of 1982" which is being introduced today. This is the most important piece of legislation dealing with Federal employees we have had the opportunity to consider this session. It is designed to slow down the rush to RIF employees and to encourage agencies to find other ways of achieving needed cost savings first. It would add some important fairness and protection to the process of reductions in force. It would insure that Federal employees are treated like the valuable public servants they are, rather than like abstract ways to meet a bottom line.

The Fair Reduction-in-Force Practices Act has a number of important provisions. It would:

Require agencies to examine ways to save money, like reducing travel, overhead and voluntary personnel cost reductions before instituting a RIF.

Once the agency determines a RIF is necessary, it requires an agency to begin a bargaining process, enabling employee representatives to utilize their knowledge of, and experience with, the work situation by bringing proposals on how to cut costs to the bargaining table.

Before a RIF could be put into effect, employee representatives could also suggest agency-wide furloughs, which while not an appealing prospect, are preferable to RIF's in many cases.

If the agency and employee representatives could not reach an agreement on how to achieve the cost savings within 45 days, either party could declare an impasse, and call for binding arbitration by the Federal Mediation and Conciliation Service.

Prior to RIF's occurring, both the General Accounting Office and the Office of Personnel Management would have to certify the action, based on reports describing the efforts taken and cost-benefit analyses of the cost-reduction methods tested.

If RIF's do go into effect, the legislation would provide a variety of safeguards to provide that employees are given every consideration for employment in positions in other agencies.

In short, this legislation would insure that the wholesale rush to RIF would be replaced by careful consideration of other ways to achieve cost savings. I commend the Federal Government Service Task Force, on which I serve, for its leadership in crafting this legislation, which will be even more important if the budget resolu-

tion which passed the House Tuesday is enacted. The budget is a formula for more RIF's, and the safeguards this legislation provides will make sure that other ways of achieving cost savings are given full consideration first.

RIF's are not the only way that Federal employees and retirees are under attack by this administration, which seems to be pursuing policies based on the ideology that everything that Government does is bad, and therefore everyone who works for, or has worked for the Government, is bad.

Proposals were made this year, and passed by the Senate in May to give Federal employees no raise at all for 1983—a pay cut after inflation of about 7 percent. In that framework, the 4-percent raise granted by the House and Senate conferees seems almost generous. Earlier, an amendment to the 1983 budget passed with my support to give Federal employees a 5-percent raise, and I supported an amendment which would have raised it to 7 percent. But those budgets were ultimately voted down.

Federal retirees, too, have been under nearly constant attack by this administration. I supported cost-of-living increases on the floor for a higher COLA for Federal employees next year than either the Senate or the administration proposed. And the bipartisan coalition budget I proposed with moderate colleagues from both sides of the political aisle would not have frozen or reduced annuities for Federal retirees. Unlike many of the other budget proposals put forth this year, it did not discriminate against Federal retirees covered by programs other than social security. By not asking any retirees covered under Federal programs to see their hard work and years of service go down the inflation tube, our budget proposal emphasized again we must be fair in setting the blueprint for our Nation that a budget represents. Now that Congress has decided to wait to address social security reform until after the President's Bipartisan Commission makes its recommendations to Congress later this year, I argued that we should wait until then to examine whether changes need to be made in other Federal retirement programs as well.

In short, I do not share either the administration's notion that everything about Government is bad, nor do I endorse its policies which imply that all Government workers are bad. Rather, our Government and our country will be far better off when we realize people are the most important asset we have working for us. Committed, dedicated Government employees, who believe in what they are doing and who are not RIF'ed or furloughed by the tens of thousands, can contribute to a more efficient effective Government. Employees who are not threatened with layoffs and the devastation this can breed in these times of higher unemployment than at any time since the Great Depression can make our Government and our Nation a more productive place.

I will do what I can to make sure the Fair Reduction-in-Force Practices Act of 1982 and other ways of protecting Federal employees become law.●

STRATEGIC RAW MATERIALS

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. DICKINSON. Mr. Speaker, I would like to share with my colleagues a talk given by Congressman ELWOOD HILLIS on strategic raw materials at the 20th meeting between members of the European Parliament and Members of the U.S. Congress on June 23. The European Parliament is composed of the directly elected representatives of the 10-member States of the European Community (EEC).

His remarks provide substantial food for thought in these days of discussion of the industrial base for our defense industries.

REMARKS OF CONGRESSMAN ELWOOD HILLIS

It is a great pleasure to meet with this distinguished group of representatives from our neighboring countries in Europe for this interparliamentary exchange.

I have been assigned the subject of Strategic Raw Materials. In order to discuss this subject we need to review the history of the United States' efforts to be reasonably self-sufficient in Strategic Raw Materials. We need to review U.S. Policy about these materials and to discuss the concern of Congress about self-sufficiency. And, to complete the picture, we need to discuss what Congress and the Administration are thinking and doing about the strategic materials problems.

HISTORY

Interest in the stockpiling of strategic and critical materials developed during the 1920's and 1930's as a result of the lessons learned about material shortages in World War I and the threat of war in Asia and Europe which became evident in the late 1930's.

The first legislative measure creating a strategic materials reserve was incorporated into the Naval Appropriations Act of 1937, which authorized the Secretary of the Navy to purchase $3.5 million of strategic and critical materials.

In 1939, the Strategic and Critical Materials Stockpiling Act of 1939 (Public Law 76-117) was passed. The Act designated strategic stockpile items including basic industrial raw materials for military equipment and their supporting industries. One hundred million dollars was authorized, but only $70 million was appropriated before the outbreak of World War II. The war prevented establishment of a stockpile since materials were utilized directly for the country's massive industrial expansion and military production.

Following the end of World War II, the Strategic and Critical Materials Stockpiling Act of 1946 (Public Law 79-520) was passed. A target of $2.1 billion for the stockpile was established with plans to procure materials over 5 years at the rate of $360 million per year. ($300 million of materials was transferred from wartime stocks of federal agencies, principally from the Reconstruction Finance Corporation.) However, the first year request was cut to $250 million by the Bureau of the Budget and then by Congress to $100 million. By 1950, the value of the stockpile had nevertheless increased to a value of $1.6 billion. The Korean War and the U.S. partial mobilization impacted significantly on funding for the stockpile. Congress appropriated $2.9 billion from 1950 to 1951 for stockpile purchases.

As part of the Korean War mobilization, the Congress also passed the Defense Production Act (Public Law 81-774) which authorized the government to divert scarce resources into the production of military weapons and other essential programs. The President was given power to issue priorities and allocations of materials, buy and sell materials, and offer incentives to expand production. The Act provided for most of the acquired materials to be sold to private industry or to the Munitions Board for the stockpile. By December 31, 1962, a total of $3.5 billion had been spent for acquisitions of materials using DPA authority.

The Congress passed the Agricultural Trade Development and Assistance Act of 1954 (Public Law 83-480) and the Agriculture Act of 1956 (Public Law 84-540). This legislation provided for the barter of deteriorating surplus agricultural commodities in exchange for foreign strategic and critical materials.

During the Eisenhower, Kennedy, Johnson, and Nixon administrations; the assumptions governing military and industrial preparedness were often modified. For example, stockpile goals were reduced after assumptions about the length of a potential U.S. war emergency were reduced from 5 years to 3 years to 1 year based on the belief that nuclear war would be swift and decisive and eliminate any protracted conventional conflict. As a result, billions in stockpile sales were used to reduce budget deficits and to hold down materials prices as an antiinflation device.

To illustrate, the fluctuation of goals for cobalt are tabulated below for the period 1944 to present:

(In millions of pounds)

1944	11,600
1949	40,000
June 1950	74,000
November:	
1950	71,000
1954	95,710
1955	129,000
1958	81,400
1959	19,000
1964	42,000
1969	38,200
1973	11,945
October 1976	85,415
May 1980 to present	85,400

In the fall of 1976, President Ford announced a new stockpile policy, basing goals for commodities to be stockpiled again on a 3-year contingency. However, before this policy was implemented, President Carter declared a moratorium on stockpile activity and ordered a review of stockpile policy. In September of 1977, President Carter reaffirmed the Ford stockpile policy and directed that priority to be given to the NATO wartime contingency.

In 1979, the Congress passed the Strategic and Critical Materials Stockpile Revision Act of 1979 (Public Law 96-41). The Act created a National Defense Stockpile by combining Supplemental Stockpile and the Defense Production Act inventory. It limited the use of stockpile material to common defense purposes only; prohibited stockpile sales as a means of controlling or influencing commodity prices or to produce receipts for budget purposes; included a provision to stabilize stockpile goals; directed that the stockpile goals be based on a 3-year contingency; and, provided for more efficient operation and management of the stockpile.

As of May 28, 1982, the National Defense Stockpile was valued at $11 billion and was composed of 61 family groups and individual materials. However, $3.8 billion of the stockpile is considered excess including 137.5 million ounces of silver and 190,000 long tons of tin. These two materials alone are valued at about $3.6 billion.

The currently approved stockpile goal is $17.5 billion. Of the present $11 billion inventory, $7.2 billion is held for stockpile goals. Consequently, to meet the goals, $10.3 billion would have to be expended. However, $3.8 billion of excess materials could be sold leaving $6.5 billion to be covered by appropriations, barter or some other means.

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) authorized the sale of $2.1 billion of excess materials including 105.5 million ounces of silver. However, the General Services Administration was able to sell only 2 million ounces before the sale was halted by an amendment to the fiscal year 1982 Defense Appropriations Act pending a Presidential reexamination of the national defense requirements for silver. Despite the authorization to sell $2.1 billion of excess material the Administration requested only $120 million appropriation authority for the purchase of critically needed materials. It is evident that the commitment to purchase is significantly less than the commitment to sell.

ADMINISTRATION STATEMENT OF POLICY

On April 5, 1982 President Reagan issued his National Materials and Minerals Policy Statement. In the statement the President said "it is the policy of this administration to decrease America's minerals vulnerability by taking positive action that will promote our national security, help insure a healthy and vigorous economy, create American jobs, and protect America's natural resources and environment.

In the policy statement, the Administration reaffirms key elements of stockpile policy, and I quote:

"1. That the stockpile should be sufficient to meet the military, industrial, and essential civilian needs for the first three years of a war. . . ."

"2. That the war scenario shall be consistent with the scenarios being developed by the Emergency Mobilization Preparedness Board. . . ."

"3. That goals reflect detailed assumptions regarding changes in a wartime civil economy, wartime foreign trade patterns, shipping losses, wartime political and economic stability of foreign nations, and alternate foreign and domestic production levels for stockpile materials. . . ."

In addition, "the Administration will expeditiously dispose of those stockpile materials held in excess of goals and acquire additional materials through the appropriations process." Two other mechanisms for acquiring materials—exchange and barter—are endorsed.

The Administration's policy is to "rely primarily on the strategic stockpile as the primary means of providing for national defense objectives."

CONGRESSIONAL CONCERNS

There was a time when the U.S. produced more raw materials than it consumed. Since 1950 our raw materials situation has deteriorated drastically and in terms of mineral self-sufficiency, the U.S. is now a have-not nation. Much of the world's production and reserves of a number of our critical materials are located in two areas of the world, Siberia and Southern Africa. These two areas contain 99 percent of the world's reserves of platinum group metals; 98 percent of the world's manganese ore; 97 percent of the world's vanadium; 96 percent of the world's chrome; 87 percent of the world's diamonds; 60 percent of the world's vermiculite; and 50 percent of the world's florspar, iron ore, asbestos, and uranium. Zaire and Zambia now provide 65 percent of the world's cobalt.

Secretary of State Alexander M. Haig, Jr., when he was president and chief operating officer of United Technologies, told a Congressional committee that the Soviet Union aims to deny U.S. and Western access to Third World raw materials. He warned that should future trends, especially in Southern Africa, result in an alignment with Moscow of this critical resource area, then the USSR would control as much as 90 percent of several key minerals for which no substitutes have been developed. General Haig further stated:

"As one assesses the recent step-up of Soviet proxy activity in the Third World—in Angola, Ethiopia, Southern Yemen, Southeast Asia, Central America, the Caribbean, and the unprecedented invasion of Afghanistan by regular Soviet forces—then one can only conclude that the era of the 'resource war' has arrived."

Secretary of the Interior James G. Watt recently predicted that "just as energy was the extreme problem of the 70s, so minerals are going to be the problem of the 80s."

Central Intelligence Director William J. Casey, in an address before the Chamber of Commerce of the U.S., warned of the subtle Soviet policy of trying to deny the U.S. and its allies access to major sources of strategic minerals, chiefly in Southern Africa.

The respected American Geological Institute, a body representing 50,000 geologists, bluntly stated: "Without manganese, chromium, platinum and cobalt, there can be no automobiles, no airplanes, no jet engines, no satellites, and no sophisticated weapons—not even home appliances."

And finally, President Reagan, giving the weight of his Administration, said: "It is now widely recognized that our nation is vulnerable to sudden shortages in basic raw materials."

In assessing this strategic minerals vulnerability, more than just the U.S. situation must be considered. Our major allies, NATO (EEC) and Japan, are even more dependent upon imports for vital minerals than we are. On the other hand, Russia and its allies are virtually self-sufficient as a result of a long pursued policy of developing world-wide reserves, supplies, and markets of a whole range of raw materials to achieve economic and political goals. The on-going Soviet energy-mineral resources strategy is exemplified by Leonid Brezhnev's quote to Siad Barre, President of Somolia. "Our aim is to gain control of the two great treasure houses on which the West depends: The energy treasure house of the Persian Gulf and the mineral treasure house of Central and Southern Africa."

The U.S. and its allies dependence on imports of critical raw materials creates a dangerous breach in our nation's defense and political alliances.

These raw materials issues are a monumental challenge to the Congress, the Department of Defense, the defense industry and the civilian economy, and they will be important agenda items for the Congress during the 1980s. In closing I should note that there is a long list of legislation that has been proposed by various members of congress to improve the minerals position of the United States. Attached is a list of pending stockpile legislation that may be of interest to you.

Thank you. It has been my pleasure to speak with you this morning on this topic which is just as important to the European Economic Community as it is to the United States.●

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SALT II RATIFICATION

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. DOWNEY. Mr. Speaker, in an act of unprecedented statesmanship the Foreign Affairs Committee, with majority support on both sides of the aisle, has recommended ratification of SALT II. Prompt ratification, that is.

I insert in the RECORD at this point the very cogent remarks by Chairman ZABLOCKI on the subject. I hope everyone will ponder them carefully.

EXPLANATION BY CHAIRMAN ZABLOCKI OF HIS AMENDMENT STIPULATING THAT "THE UNITED STATES SHALL PROMPTLY APPROVE THE SALT II AGREEMENT"

In offering this amendment, it is useful to recall the significant limitations, controls, and reductions that will result from U.S. ratification of SALT II:

(1) the Soviets will have to reduce their operational missiles or bombers by 250 systems which is 10 percent of their existing operational nuclear forces. By contrast, no existing operational U.S. forces will have to be reduced since the United States is presently under the SALT ceiling of 2,250.

Without ratification of SALT II, the Soviets could retain these 250 systems or replace them with more capable systems.

Without ratification of SALT II, the Soviets could have as many as 3,000 launchers or ⅓ more (750 missiles or bombers) than the SALT II limit of 2,250.

(2) Both sides are banned from flight testing or deploying new types of ICBM's, with the exception of one new type of ICBM for each side.

(3) Under SALT II, the Soviets can deploy a maximum of 820 launchers of MIRV intercontinental ballistic missiles which the Reagan administration has properly identified as the most threatening weapons to U.S. national security. Far from legitimizing this amount, SALT II sets a verifiable limit on it. Furthermore, under SALT II, both sides have already agreed that further arms control negotiations (be they called SALT III or START I) should include further reductions in the numbers of these most threatening weapons.

Without SALT II, it is estimated that the Soviets would have more than 920 such weapons by 1985 or 100 more than authorized under SALT II limits.

(4) SALT II prohibits the development, testing, and deployment of rapid reload systems.

Without SALT II, the Soviets could continue their efforts to develop a rapid reload system that could ultimately enable the Soviets to fire and reload an ICBM silo before that silo can be destroyed by a U.S. cruise missile or bomber-carried weapons.

(5) SALT II establishes limits on Soviet deployed launchers, warheads, and throw-weight thereby making it possible for the United States to reduce uncertainty in our own long-range strategic force planning.

(6) SALT II also makes some significant contributions to assuring adequate verification of its provisions:

(a) SALT II prohibits impeding with national technical means of verification;

(b) SALT II bans the electronic coding of intelligence related to the agreement;

(c) SALT II establishes agreed upon counting rules that increases our confidence in determining whether a particular Soviets missile in a silo has one or more than one warhead;

(d) As part of the SALT II agreement, the Soviets have agreed for the first time to provide figures on their own offensive forces;

(e) Ratification of SALT II would guarantee regular U.S.-Soviet Union exchanges of information and continued compliance with its provisions through the Standing Consultative Commission.

Finally, ratification of SALT II would allow us, if necessary, to carry out possible nuclear modernization efforts proposed by the Reagan administration last year. Ratification of SALT II would also permit us to join our allies in pursuing agreed upon elements of modernizing NATO's theater nuclear forces.

As the President himself indicated in his Memorial Day speech, the administration is and pledges to continue abiding by SALT II just as if it were ratified as long as the Soviet Union does likewise. The administration realizes that not a single weapons system in their proposed five-year plan is inconsistent with SALT II. In fact, the plan looks as if it were drafted with ratification of SALT II in mind.

As you assess these many contributions of SALT ratification to our national security interests, we should also consider the following points:

No amount of weapon stockpiling by the United States can cause reductions in the number of Soviet launchers aimed at the United States—only SALT ratification can do this NOW.

No amount of research and development can place limitations on Soviet warheads and throwweight—only SALT ratification can do this NOW.

No amount of weapon testing can reduce the tensions, cost, and instability of the strategic arms race—only SALT ratification can do this NOW.

Ratification of SALT—backed by a strong national defense—is our best insurance against the risk of nuclear war. It is the best available baseline (which has already been negotiated with and agreed to by the Soviets) to begin the START negotiations on June 29th that will hopefully lead to even greater reductions in the nuclear arsenals of the two superpowers.

Finally, the amendment provides a bipartisan endorsement of the President's recent efforts to help bring about progress in arms control through initiation of the START talks. The amendment therefore reinforces the President's arms control initiatives and is fully consistent with it.●

OTTO SILHA: SETTING A BOLD COURSE FOR PRIVATE SECTOR SERVICE TO THE COMMUNITY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. KEMP. Mr. Speaker, Otto A. Silha, chairman of the board of the Minneapolis Star & Tribune Co. and my very good friend, has been a superb leader in the effort to bring private sector energy and talent into the fight to create new jobs and hope in America's inner city.

As one of the founders of City Ventures, Inc., Otto Silha has long had a vision of how American business can spur economic growth in areas that long have known only decay and despair. In a May 18 speech in Minneapolis on the subject of "Response and Responsibility—the New Corporate Role in Community Affairs," he outlined the strategy private businesses can follow in reaching out to their communities. Because Otto Silha, City Venture, and the Minneapolis Star & Tribune Co. have had real successes in this area, I want to commend this speech to the attention of my colleagues.

The speech follows:

STATEMENT OF OTTO A. SILHA, CHAIRMAN OF THE BOARD, MINNEAPOLIS STAR & TRIBUNE CO.

I'm glad to be here this afternoon. I'm not sure about the timing for your keynote—between a 3-hour bus ride and cocktails. you can bet I won't do what Jeanne Kirkpatrick, our Ambassador to the U.N., did at the annual meeting of the Associated Press in San Francisco last month. She had been asked by three different people to talk for 20 minutes. She gave a 50-minute lecture. I'll stick to my 20-minute deadline.

Let me recognize first the significance of the two co-sponsoring groups bringing you together here this week. The cooperative interplay of the public affairs and public relations officers of U.S. business has never been more important than it is today. I would only wish that if you conclude this conference is successful, you might convene the next one with your Chief Executive Officers joining you. The urgency of the private sector agenda on the issues you are discussing, in my opinion, calls for two action-considerations:

(1) Strategic planning to develop large-scale programs to deal with emerging private-public sector problems.

(2) Some sort of summit conference of the kind your two sponsoring groups might encourage.

Legend has it that the grandmother of Eddie Rickenbacker, the famous flier, said to him, "If you must be a pilot, be safe—fly slowly and close to the ground." Well, Eddie never followed that advice either in scoring his famous victories as a wartime fighter pilot nor later in his high-flying aviation career. My thoughts for the day on the theme of this conference would be to follow Rickenbacher's example, disregard, whenever prudent, the totally safe, low-flying course, and strike out more boldly in the public affairs and public relations programs you direct for your companies.

Today and tomorrow you're seeing and hearing the wonders of Minneapolis and the Twin Cities—the remarkable existence in one urban center, one state, of energizing, activating privately inspired forces and institutions:

The Five Percent Club (now with 62 members), Citizens League, Minneapolis Downtown Council, Minnesota Business Partnership, City Venture Corporation, the Upper Midwest Council, Minnesota Capital Fund, Spring Hill Conference Center, Public Service Options, Minnesota Wellspring, Minnesota Co-operation Office, the University's Humphrey Institute, the Greater Minneapolis Metropolitan Housing Corporation, Minnesota Project on Corporate Responsibility—All these in addition to the foundations, very active church organizations, environmental groups and last, but not least, the private corporations themselves.

In that regard, as an example, here are a few details on my own company, a medium-size media organization, newspaper dominated, with revenues last year of $238 million.

We have general guidelines for our contributions and community involvement program.

We believe that grants by Minneapolis Star & Tribune Company to programs and projects which help improve the communities in which we operate, contribute both to the Company's well-being and to the advantage of our shareholders, employees and customers. We view corporate citizenship as an important management responsibility, a responsibility which—in benefiting the community—assists in achievement of the Company's long-term goals. Quality of life in the communities in which we are located is essential to profitability of our operating divisions.

Through its Corporate Contributions Program, MST has made grants totaling approximately 5% of its pre-tax operating earnings for more than 30 years (25 years before the Five Percent Club) in support of community institutions and organizations. Included are annual contributions to the Minneapolis Star & Tribune Foundation, an additional funding source.

Just as important, management strongly encourages active participation by its employees to assist funded organizations and institutions in planning and implementing their programs and projects.

Some newspapers, mainly in larger cities, choose to remain aloof from the community. We believe the newspaper publisher historically has helped build his town. We continue that practice, controversial though it sometimes proves to be, especially when our editors are allowed to disagree with their owner's position on a community development issue.

Our company concentrates its efforts in those areas in which its management believes positive impact on the quality of community life can most effectively be realized. In particular, emphasis is given to support of programs which stress improvement of urban life and which, in so doing, are sometimes ahead of the conventional wisdom.

Last August we announced that MST—soon to be CMC—and its subsidiary compa-

nies and related foundations, in the previous fiscal year had made contributions of $1.2 million to 160 organizations. It was the fifth consecutive year in which such contributions had exceeded a million dollars.

I thought it was a pretty big story—especially for a company that ranks about 750 in the Fortune 1000—but it received little attention at home or even in the trade press.

The figures remind me to make another point, however. Our earnings in the last two fiscal years are down and so our contributions are reduced and they will be for a year or so. A company has to have good profits to play a lead role in demonstrating corporate responsibility. A company that isn't financially strong can't even consider picking up any slack for underfunded government programs.

Before leaving MST, I'd like to point to another reason for the Minneapolis success story.

Dayton-Hudson is the only major retailing corporation I know of contributing 5 percent; General Mills has one of the most aggressive contribution programs among food companies; Northwestern Bancorporation and First Bank System would rank high in percentage giving among financial institutions and Cowles Media Company's recent million dollar level would rank at or near the top of newspaper firms.

Each company and its leaders have stimulated or inspired the others. Each has taken the lead role on one or another of the vital projects—The Urban Coalition, the Symphony and its Orchestra Hall, Elliott Park neighborhood project, the Guthrie Theater, the Minnesota Business Partnership, Whittier neighborhood, the new downtown stadium. And so we have here a record which some point to as a national model for responsible corporate philanthropy and community involvement.

The record, however, is surely not perfect. There have been two noble failures which I regard as critical, principally because they were the boldest, most far-reaching enterprises.

One was the Cedar-Riverside project, a major planned development on the Mississippi River between the University and downtown Minneapolis. It was designated by the Federal government as a "new town in town," the only one in the U.S. The project was blocked midstream on the issue of high density at the very time when most experts were discovering that higher urban density will be necessary to solve our long-range energy, people-movement and urban service cost problems. Also, most successful near-downtown developments across the country testify that many citizens of all economic levels prefer the advantages of higher density living.

The other Minneapolis failure was City Venture's Urban East project—70 acres between Cedar-Riverside and downtown. City Venture, a for-profit corporation with 14 stockholders led by Control Data, sought to organize and facilitate the creation of small businesses and jobs for minority residents, bringing together the public and private sectors and the community. Control Data built its $10,000,000 Business and Technology Center which was to be the focal point of the area, but the project collapsed, primarily because of community resistance.

Both of these undertakings floundered, in my opinion, principally because of two fundamental shortcomings: a lack of firm, creative political leadership and because the management of the projects did not understand how to execute the necessarily complex process of dealing with the needs and desires of the people in the community.

Obviously, my explanation is oversimplified, and others may have different opinions, but my hope is that the experience on these major projects may lead to success here and elsewhere in the future.

For the next six minutes, let's look ahead.

I note several references to strategy and strategic planning in the workshop topics. I believe the real challenge in public affairs is to be anticipatory, to identify the rising social forces that will shape future values, problems and opportunities.

Let me mention in passing a few of the issues I think will be challenging for both public and private sector leadership:

The shelter needs of this country are fast approaching crisis. About 90 percent of the population can't afford to purchase any kind of housing, old or new.

Immigration, legal and illegal, is projected to continue at a very high rate. As an extreme example, it is now estimated that by 1990 California's population will be 60 percent Black and Chicano. Consider the impact on the workforce and on white middle class management.

By 1990 the number of women between the ages of 25 and 54 projected to be in the workforce will exceed the number of women in that age group alive in 1970. Providing flexible policies and practices that fit the needs of those women and minorities will require creative, strategic planning.

Financing of government operations at all levels will remain a major problem for the foreseeable future. The prevention of public bankruptcies will require strong cooperation on all fronts. Governmental units will more than ever need private business experience to achieve greater efficiences, and effectiveness.

What sort of project might illustrate one possible bolder, strategic public-private sector approach to monumental problems?

Three weeks ago I heard the most recent pair of astronauts—Jack R. Lousma and C. Gordon Fullerton—report on their Columbia mission. It was dramatic, with films, and their concluding statement was something to the effect that the overall objective of our space program is to improve the quality of life here on earth.

Now, I'm a strong supporter of the space program, from the beginning, but I think its relationship to national security is vastly more important than the teflon pan fallout to our problems here on terra firma.

The corporate and industrial community has been the backbone of the hardware and software of the space program. Recall that the whole project was launched in 1960 when President Kennedy set a goal of "a man on the moon by 1970"—10 years and we did it. Midway in that period, in 1965, there was launched in Minnesota a project to build an experimental city for the United States.

With strong support from corporations, foundations, the federal government and the Minnesota Legislature, this leading-edge research and development project produced dozens of concepts that have been used piecemeal, though the total program lacked priority attention in the turbulent 1970's. The mission: to demonstrate in everyday life many of the possible improvements that would make living and working in an urban center more pleasant, safer, less expensive and more productive. As one member of the Experimental City national steering committee said, "You don't have to invent anything. All you have to do is assemble the ideas and systems in a place where you could start fresh and have the freedom to show what can be done."

Why shouldn't an experimental, environmental city for the United States have priority at least equal to our Space Program? We are one of the few countries in the world which does not have one or more experimental cities.

What might be some results of an experimental, environmental, energy-efficient new city:

We would demonstrate new building materials, new labor codes, new systems, new living patterns which would be usable as we rebuild our old cities in the years ahead.

We would demonstrate the insanity of continuing to use 18 parts of water to one part of toilet waste, then spending billions to try to repurify the water, instead of a chemically-aided disposal system.

We would demonstrate the value of enclosing greater areas of our city—beyond shopping centers and skyways—and demonstrate the utility of more underground construction. Think what this would mean for cold weather and hot weather cities.

We could also demonstrate new ways of financing infra-structures and paying for public services. Imagine a successful city that paid dividends instead of collecting taxes.

The Experimental City project is in the holding pattern. Much of the preliminary work has been done. Now I think it's time for the first big U.S. private-public project since the space program.

I opened with Eddie Rickenbacker's grandmother. . . . I'll close with Mark Twain, who once said: "Always do the right thing. You'll gratify some people and astonish the rest."

I hope your forthcoming two days here will, in the months and years ahead, lead to policies and actions which are both gratifying to some and astonishing to others.●

A SAFE ENVIRONMENT: THE BOTTOM LINE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. VENTO. Mr. Speaker, during the decades of the 1960's and 1970's, Americans gained a crucial awareness of the need for sound energy and environmental policies. This awareness was often the result of hard learned, painful experiences. As a country, we have suffered through the frustrations of long gaslines and rapidly escalating utility bills; we have seen the degradation of our streams and the fouling of our air; we have learned the dangers of the uncontrolled disposal of hazardous wastes.

As these vexing energy and environmental problems came to light, Congress was called upon to provide leadership and direction. The response was the enactment of such major legislation as the Clean Air Act, the Endangered Species Act, the Energy Security Act, and the Clean Water Act, as well as the creation of the superfund program.

As we enter the 1980's and the era of the Reagan administration, the momentum which spurred national action in the energy and environmental fields has noticeably diminished. Lulled by the present short-term energy surplus, the administration has continuously espoused policies which leave our energy security at the mercy of the OPEC-dominated marketplace that is in no way "free." Now big business and OPEC decide what is good for America's energy security and the motivating factor is profits, not energy independence.

Environmental protection has become a term which carries no substance for the present administration. Cost-benefit analysis is being used as the overriding criterion in determining the need for environmental protections. This administration is crassly placing a dollar value on the health and safety of the American people as well as on the protection of our environment. Air pollution, water pollution, and the safe disposal of hazardous wastes are overwhelming problems which must be considered by Congress as quickly and efficiently as possible. It is difficult to work within the framework of an administration that wrongly assumes that environmental protection is synonymous with stunting economic growth.

The folly of such narrow, shortsighted policies is evident in the budget priorities advanced by the Reagan administration. In presenting his 1983 budget to the Nation last February, the President continued his policy of shortchanging legitimate energy and environmental needs. Not only does the Reagan budget cut back crucial energy and environment programs so the money can be redistributed to pet administration projects, it also attempts to use the budget process to enact major policy changes and circumvent existing laws.

The administration has ignored the American people's solid support for a clean environment and strong environmental laws. The Environmental Protection Agency (EPA) was created to be a watchdog to maintain the quality of our environment. The goal of this agency has been to develop reasonable guidelines to protect our water, air, and the land itself, and to insure that those guidelines are met. Under the EPA, we have made significant progress. Rivers, including the Mississippi, are becoming cleaner. The air in our cities is clearer. Wilderness areas, such as the BWCA, are protected. We are implementing sound waste disposal programs. Cities are receiving adequate assistance for sewage disposal. Through the superfund legislation, we are finally getting a handle on the problem of abandoned waste dump sites. Yet, despite these successes, the administration has proposed that the Environmental Protection Agency be cut in half.

The most substantial reductions are in research and development. These cuts would have an especially damaging effect on the EPA's essential energy, air, water, and drinking water programs. For example, it is my understanding that the administration has proposed the cutoff of funds to the National Academy of Sciences for research on acid rain. For an administration that continually cries for more and more research on acid rain and uses the lack of adequate data as an excuse for many unsolved problems, it is indeed ironic that such essential research programs are being cut so drastically.

Acid rain is an issue which should be addressed in the Clean Air Act. A House resolution I introduced last year, H. Res. 252, would place the House of Representatives on record in favor of maintaining a strong and effective Clean Air Act. My resolution also calls for new, effective amendments to control pollutants which cause acid rain, and to regulate hazardous toxic pollutants; 121 of my colleagues have cosponsored my resolution in a bipartisan show of strength. It is fully endorsed by the Clean Air Coalition. Yet, despite this widespread support and growing public demands for action on acid rain, the administration is backing other legislation. H.R. 5252, the bill backed by industry and the administration, fails to address the acid rain or toxic pollutant problems and, in fact, weakens our existing clean air law.

Under the administration's proposals, existing air quality programs would be slashed by 16 percent, reducing grants to States and hindering essential research.

The administration budget would force EPA to reduce water quality programs 22 percent by cutting back on procedures and requirements for permits and reducing research on such important projects as waste water treatment programs.

It is estimated that there are at least 20,000 hazardous waste facilities now operating in this country as well as countless sites which have been abandoned or remain unknown. In an effort to deal with the problem of toxic waste dumps, President Carter established landfill regulations to control dumping of toxic substances. With this administration's substantial cuts in enforcement staff and research funding, it will be impossible for EPA to adequately deal with the increasing threats posed by toxic chemicals.

The superfund program, designed by Congress to establish a $1.6 billion fund for the cleanup of abandoned hazardous waste sites, has not yet been fully implemented. Even though this program has been in effect for a year and a half, the administration has only released about $40 million. At the current rate, the program cannot hope to reach our goal of cleaning up abandoned waste sites across the Nation.

EPA is intent on turning over its environmental responsibilities to the States, even though State governments are financially unprepared to accept any additional burdens. A recent survey conducted by the Natural Resources Council revealed that 44 States expect a reduction in funding this year and that 34 of these States say they cannot carry out any additional responsibilities.

All of these cuts add up to significant delays in preparing our Nation for the onslaught of pollution expected in the years to come. Retreating from the gains we have made would be a grave mistake resulting in serious long-term implications.

Throughout my 6 years in Congress, I have worked to protect our environment from existing and future pollution problems. We have made significant progress. The creation of the Interagency Task Force on Acid Precipitation, the result of legislation I cosponsored, was a breakthrough in terms of pinpointing congressional concern about the pervasive acid rain problem. Passage of the superfund legislation to clean up hazardous waste sites, which I supported, was another important step toward a cleaner, safer environment. The current fight for a strong Clean Air Act has resulted in stronger public support for a safe and healthy environment.

Perhaps no issue has generated more concern for land resource protection than the question of whether to allow oil and gas leasing in wilderness areas. Since assuming office, Secretary of the Interior Watt and the Reagan administration have embarked on an expedited policy of processing and approving lease applications in these fragile areas. This action was taken despite the fact that there are already over 100 million acres of Federal land under lease for oil and mineral development. There is such a glut that, according to GAO estimates, 75 to 80 percent of all leases end their primary term of 10 years with no development or even a submission of a plan for development. At the Interior Committee hearing I held in St. Paul, and at other hearings around the country, the vast majority of citizens expressed support for protecting wilderness areas from oil and gas leasing. I support legislation, now under consideration, to provide permanent protection for wilderness areas.

The United States was the first country to set up a national park system, and the American people have always had a special concern for these "national treasures." Unfortunately, we are now seeing a reversal of nation-

al policy for our national parks. Secretary Watt has proposed a moratorium on any further purchase of congressionally authorized national parkland, leaving the parks vulnerable to undesired development. He has deemphasized and shut out the popular urban park program. For the past 2 years, he has requested no money for historic preservation, hindering attempts to protect our cultural heritage and resources.

Within the Interior Department, the Secretary of the Interior is given wide authority in carrying out resource management and protection activities. That authority has, in the past, been used to balance resource development with adequate land protections. Under this administration, the balance has shifted to maximize resource development. In almost every case where it is a question of protection or resource development, this administration has sided with development, regardless of the serious environmental impacts. The Interior Committee has opposed this policy and has worked to reimpose a careful balance. No one disputes the need for resource development, but careful planning and implementation will prevent this development from coming at the expense of our environment.

The shortsightedness of the administration is not limited to environmental concerns. For energy programs, the Reagan administration's fiscal year 1983 budget would terminate solar, other renewable energy, and energy conservation. At the same time, little or no cuts in nuclear energy programs are proposed. It is important to note that the Department of Energy finances nuclear weapons development. Cuts made in energy research programs are, in reality, a shifting of funds from energy development to nuclear weapons development. Under the Reagan plan, more than 56 percent of the Department of Energy's budget would be for nuclear weapons.

The impact of such shifts in budget priorities should not be underestimated. Even though energy conservation measures have had the most direct impact in reducing our energy dependence, the administration would reduce energy conservation programs to less than a fifth of their previous funding levels. The weatherization program is a prime example. Money spent here has lessened the demand for fuel assistance and in most cases reaped energy savings exceeding what was spent in a short time. In Ramsey County alone, over 4,600 homes have been weatherized since this program began, lowering energy consumption in these homes by more than 25 percent. Despite the proven benefits of such an energy program, the Reagan administration has proposed no funding for further weatherization efforts.

The energy crunch of the 1970's taught us that supplies of oil and natural gas are limited. Realizing this, Congress acted to stimulate the development of solar, geothermal, biomass, and wind power technologies. Through this Federal leadership, major advances have been made in these technologies. As a result, consumers are becoming convinced of the feasibility and energy-saving value of these alternative energy resources. Most noticeable have been the advances made in solar power. Title V of the Energy Security Act of 1980, legislation on which I worked extensively, created the Solar Energy and Energy Conservation Bank. It provides money to leverage renewable energy and conservation loans and grants to middle-income Americans for their home improvements. Since taking office, the Reagan administration has opposed this program and has again proposed no funding for the bank this year.

The Reagan administration has abandoned all semblance of a rational energy policy. Energy program reductions seem to be based solely on laissez-faire philosophy. There is no preparation for any future energy emergency. Indeed, the President vetoed the standby Petroleum Allocation Act which would have given him discretionary authority to insure the orderly allocation of oil supplies during emergency shortages. The administration has given little or no consideration to a program's effectiveness or who would suffer in a program's absence. A sound energy policy is one that involves Government, business, and individual consumers working together toward common goals. To abdicate the Federal role is to doom any national energy policy to failure.

Mr. Speaker, in the absence of a positive administration response to our environmental and energy problems, Congress must provide the leadership this Nation needs. The Federal Government must maintain its commitment to necessary energy and environmental programs. I will continue to work for positive environmental legislation and I will fight any efforts to retreat from the significant progress we have already made.●

IN DEFENSE OF THE PUBLIC PRINTER

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. PHILIP M. CRANE. Mr. Speaker, there is a classic challenge going on in Washington these days that I would like to point out to you for serious consideration. I am speaking of President Ronald Reagan's battle to make the Federal Government less costly and of some bureaucrats who want to continue the sinecure which exists at some places in the Federal Government. I would like to refer to an article by Phyllis Schlafly printed recently in the Washington Times.

The Government Printing Office has been making headlines lately because the Public Printer, Danford L. Sawyer, Jr., a successful Florida businessman appointed by the President, is trying to make the Government Printing Office more cost efficient and less wasteful of the taxpayers' money.

Attorney Schlafly discusses the 6 days of furlough for all GPO employees which the Public Printer needs to use to bring down the huge deficit that will come about if the furloughing does not take place, and I quote, "Since some 9 million Americans are currently furloughed indefinitely, it doesn't seem unreasonable for some Government employees to take 6 days without pay, especially when the 6 days are spread over 7 months and tied to periods when the GPO printing plant will be shut down for lack of work," with Congress not in session.

There are other reasons for GPO employees to, "Bite the bullet during this recession, as so many other U.S. workers have to do," continues Attorney Schlafly, "the average hourly earnings of GPO craft employees are $11.78 per hour as compared to $8.39 in the printing industry as a whole, with compositors receiving $14.35 per hour, but private sector compositors receive $11.91. GPO employees get an average wage of $25,000 per year, more even than their counterparts in other Federal departments."

This makes the work done by the GPO cost about twice as much as it would if it were printed in the private sector.

Attorney Schlafly continues, "when printer Sawyer started to implement his cost savings, the unions that represent the GPO employees ran to their friends in Congress and got the congressional Joint Committee on Printing to pass a resolution on May 11 forbidding Mr. Sawyer to impose any furloughs, reductions in force, or other adverse personnel actions. The committee did not bother to consult with Mr. Sawyer before passing this resolution."

Mr. Sawyer says he believes the resolution might be illegal because it amounts to a committee resolution attempting to contravene two congressional statutes, the civil service reform action of 1978 and title 44 U.S. Code.

The newspaper article from which I am quoting goes on to say, "others have challenged the propriety of the committee action because of an alleged 'incestuous' relationship between the Joint Committee and the GPO unions. The joint committee has wage-setting authority and the unions

make heavy campaign contributions to the Congressmen on the committee."

Mr. Sawyer has already taken other action, such as cutting down on the abuse of overtime to the tune of $500,000 to $900,000 per month, reduced the number of employees with a hiring freeze, attrition and has also requested early retirement authority for those who want it. He thinks the work force can be reduced by another 800 to 2,000 without any reduction in workload.

In addition, the sales program for the Documents Division, which is mandated to operate at least on a break-even basis, has gone from a $20 million deficit during the last 3 years to earning $2 million in the first 4 months of 1982 under Mr. Sawyer's direction.

The article ends with, "when private businesses experience a decline in orders and an excess of personnel, they reduce employees or they go bankrupt. When the Government Printing Office experiences these problems, it should not be permitted to load its deficits onto the taxpayers."●

RECOGNIZING GENOCIDE DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1982

● Mr. GILMAN. Mr. Speaker, I rise in support of this special order in recognition of Genocide Day and I welcome this opportunity for joining my colleagues and freedom-loving people everywhere in expressing my dismay over the violations of human rights suffered by the citizens of Estonia, Latvia, and Lithuania.

Despite the guarantee of free thought, religion, and emigration that has been included in the Soviet Constitution and in several of the U.S.S.R.'s international agreements, the Soviet Union has consistently attempted to obliterate the linguistic, ethnic, and religious identities of the Balts. We have gathered, time after time, to express our concern over Soviet repression of religions and cultural freedom. But this is not just an issue which concerns the Balts—it is rather an issue which affects members of all faiths and backgrounds within the Soviet Union. This is an issue of liberty and of justice—principles which are integral parts of mankind's very existence.

As Americans, we are joined in our commitment to these basic principles which have been so blatantly violated by the Soviet Union. We cannot, we must not, let this issue be buried. We must persist in renewed efforts to encourage the Soviet Union to comply with internationally accepted human rights standards and to recognize the rights of the independent citizens of the Baltic States.

Despite 42 years of Soviet tyranny against the peoples of Estonia, Latvia, and Lithuania, the Soviets have failed in their efforts to squelch the freedom-loving spirit of the Balts, who unwaveringly resist the attempted annihilation of their linguistic, ethnic, and religious identities. Bearing ever in mind the human tragedy of a people struggling against foreign oppression, I urge my colleagues and the American citizenry to support the commemorations wholeheartedly.●

WHAT MAKES A GREAT MAN

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. NAPIER. Mr. Speaker, generations have pondered the timeless question, "What makes a man great?" Why are there men and why are there men who defy mortality and become "men among men?" What makes a Washington, a Lincoln, an F. D. Roosevelt?

South Carolina too, has borne and nurtured a legend, a man who not only evokes a fervor of respect and admiration among his fellow man in the Palmetto State but a man known throughout our Nation as a man among men. A symbol of national pride, this man is one of the few individuals who attains greatness, and particularly, who lives to see the fruits of his labor blossom during his lifetime. The man I pay tribute to is none other than Senator STROM THURMOND.

Senator THURMOND is a great statesman in the eyes of many people. I speak highly of him because I know him as a leader and as a friend. During my early career, he was my role model when I had the opportunity to serve as chief legislative assistant on the Senator's staff. And in the years since, he has remained an inspiration for me.

Many records have been set by this great legislator, but perhaps one of the most outstanding accomplishments was one he achieved through no single deed but rather because of the culmination of landmarks he has reached during his lifetime. On January 7, 1982, Senator THURMOND became the first living public official to ever be inducted into the South Carolina Hall of Fame.

So that this momentous occasion shall not go without the recognition it so wholeheartedly deserves, I now share with my colleagues the remarks which were issued upon Senator THURMOND's induction ceremony.

REMARKS OF VICE PRESIDENT GEORGE BUSH AT THE CEREMONY INDUCTING SENATOR STROM THURMOND (R-SC) INTO THE SOUTH CAROLINA HALL OF FAME, MYRTLE BEACH CONVENTION CENTER, MYRTLE BEACH, S.C., JANUARY 7, 1982, 10:30 A.M.

It would be hard or even impossible to compress the details and the accomplishments of Senator Thurmond's seventy-nine years into fifteen minutes.

If I were to cover them adequately, it would take, I guess, about twenty-four hours and eighteen minutes, give or take a few minutes, which is, you will recall, the length of one of the Senator's speeches on the floor of the United States Senate. I believe—you can argue with me later, Strom—it will go in the record books as the longest speech in the history of that august body. Battling for principle, I might add. I have heard the Senator speak in public a number of times. He speaks with that force and passion peculiar to the South, peculiar indeed to South Carolina—a state that has provided America with some of its great oratorical moments. In that, as in so many other ways, Strom Thurmond is a true native son of South Carolina.

This might be an appropriate place to say that Strom is not working alone for South Carolina in Washington. I mentioned some of the dignitaries that are here. Many are not, for other reasons of conflict. But one that does a beautiful job for this state helping the Senator every step of the way, is Nancy Thurmond, who is with us here today, too.

One of the great pleasures of the Vice Presidency is that, as President of the Senate, I have the chance to observe the Senator in action. As Chairman of the Judiciary Committee, he sets a hectic, active pace. He takes very seriously his duties as President Pro Tempore of the Senate. He opens the session every morning. And we greet each other in the corridor as "Mr. President"—which, I must confess, gives us both a certain kind of thrill. Of course, as President Pro Tempore of the Senate, Senator Thurmond is third in line in the order of Presidential succession after me and just before Al Haig. I hope that arrangement is all right with Al.

Those of us who have run for President naturally feel a kindred spirit. Aside from that, Strom and I have something else in common. We both engaged in battle with Ralph Yarborough. I, in the polls, he in hand-to-hand combat. I lost. Strom won. Politically, though, what we have most in common is a deep respect, admiration, for the President of the United States and the objectives of the President of the United States.

Senator Thurmond was fighting for federalism long before that was a popular theory. He saw the problem with too much power being assigned to Washington long before many of us had that in our sights. He had this radical belief that the people of South Carolina might be better able to help others in South Carolina than the Federal government in Washington, D.C. And now Democrats, Republicans, Independents, Liberals, Conservatives, and others give credence to that fundamental principle of federalism that Strom Thurmond pioneered.

He is, as you know, a man of great flair and impeccable political instinct. During the 1980 Presidential primaries, John Connally and Ronald Reagan appeared together at a joint press conference here in South Carolina with the Senator. Just before the ques-

tions began, Strom whipped a bright green Sherlock Holmes hat out of his pocket and put it on his head. Rather startled, Thurmond staffers asked him why on earth he did it. The Senator explained that when you are going to do a press conference with two stars you have got to stand out. And I understand that when he attended this year's Orange Bowl game, where he watched Clemson do its superior number over Nebraska to win the National Championship, he wore a pair of orange and white Pierre Cardin shoes with tiger paws, no less. That Strom was able to convince Pierre Cardin to come up with those shoes is one of the mysteries of our time. But then, anyone who has been as successful as this Senator in fighting for a strong national defense surely can win over Pierre Cardin.

He recently directed that all of his papers be donated to his beloved Clemson—27 years so far of Senatorial history, the record of his life, and his various careers as a farmer, educator, lawyer, judge, soldier, governor, and statesman. I should probably not call him a statesman, because it is said that once they start calling you that, you are finished. And Strom Thurmond is far from finished. He is not old enough even to be a grandfather. You know their youngest child is the age of our oldest grandson.

There is another facet of Strom Thurmond—quieter side, perhaps, a less known facet, perhaps, but one that relates to what he has done to help young people get an education. In Washington recently, he raised about a quarter of a million dollars at just one event to help those who need help in getting an education. Today, his induction into the South Carolina Hall of Fame is not the culmination of a remarkable life in our time, but an expression of love and honor for the people of this state from a public servant who has a lot of important work left to do.

His inexhaustible reserves of grace, principle, and energy will, I am confident, carry him through many more years of public service for which South Carolina and the United States are grateful beyond my ability of expression.

Thank you very, very much for allowing me to participate.

REMARKS BY MR. ROBERT PRYOR, PRESIDENT OF THE SOUTH CAROLINA HALL OF FAME

Senator Thurmond, a grateful state is honored today to present you, on behalf of the Board of Trustees of the South Carolina Hall of Fame, for induction into this Hall in recognition of all that you have done for our state and our nation.

RESPONSE OF SENATOR THURMOND

Mr. Vice President, Secretary Edwards, Congressman Spence, Congressman Campbell, Congressman Napier, Mrs. Hartnett, Mayor Ficken, Mayor Saleeby, Mr. Pryor, Mr. Hirsch, Members of the Board of Trustees of the Hall of Fame, Dr. Compton, Mr. Shafto, Mr. Workman, Dr. Atchley, Gen. Akers, Col. Nevers, and other Distinguished Guests, Members of My Family, Ladies and Gentlemen:

It is a great honor and a very humbling experience for me to be inducted into the South Carolina Hall of Fame. I would like to express my appreciation to the Board of Trustees of the Hall of Fame for according me this honor.

To all of the people who have been involved with this ceremony, I extend heartfelt gratitude. To the able and busy Vice President, I extend a special thanks for taking time out of his arduous schedule to participate in this ceremony. His presence here today is a personal favor to me, which I exceedingly appreciate; however, it is more than that—it is a tribute to the entire State of South Carolina to have the second highest officer in our land present on this auspicious occasion. The Hall of Fame is really a memorial to this State and the noble qualities which she passes to her citizens. Of course, we are pleased that the Vice President has taken this opportunity to renew his roots here in South Carolina, where the people hold him in such high esteem, along with President Reagan.

As I gave thought to the honor of being selected to join those outstanding South Carolinians who had previously been chosen for the Hall of Fame, I reviewed again their lives and accomplishments. I realized that, although each one of them had many desirable qualities and notable achievements, a common thread runs through all their lives. This significant and shared quality is concern for others.

Each person now in the Hall of Fame has brought pride to our great State and to our Nation because of beneficial and distinguished service to humanity—whether it was helping to win or preserve independence for our new Nation, or redefining American democracy in our Republic and under our Constitution, or making scientific breakthroughs to elevate mankind.

It is most appropriate that persons like these have been honored because I have always felt that service to mankind is one of the distinguishing characteristics of a life well spent. This principle of public service has long been a hallmark of South Carolinians. The history of our State is replete with examples of those who have given unselfishly of themselves in service to others.

Throughout my life, I, too, have attempted to live by the principle of helping others. Now, to be selected to join the distinguished members of the Hall of Fame is one of the greatest honors that has ever been bestowed on this country boy who was born in the red clay hills of Edgefield County. It is especially meaningful to me to be inducted today along with James F. Byrnes, who was a true public servant in the finest tradition of that term.

The Book of Proverbs (18:12) contains these words, "Before honor is humility." The honor of joining this select group of South Carolinians, in the presence of my family and friends, is a most humbling experience. There can be no greater honor for a public servant than to have his efforts deemed worthy by the people who have chosen him to serve them and for whom he has the greatest respect.

On this occasion of my induction into the Hall of Fame, I reaffirm my commitment to this principle of service to others and pledge to you that I shall continue, to the best of my ability, to serve the public and my fellowman with dedication and integrity, so as to bring honor to the finest State in the Nation—yours and mine—South Carolina.

ADDRESS BY SENATOR STROM THURMOND (R-SC) AT THE SOUTH CAROLINA HALL OF FAME LUNCHEON, MYRTLE BEACH CONVENTION CENTER, MYRTLE BEACH, S.C., JANUARY 7, 1982, 12:30 P.M.

Mayor Ficken, Mayor Saleeby, Mr. Pryor, Mr. Hirsch, Members of the Board of Trustees of the Hall of Fame, Dr. Compton, Mr. Shafto, Mr. Workman, Dr. Atchley, Mr. Lee, Gen. Akers, Col. Nevers, and other Distinguished Guests, Members of My Family, Ladies and Gentlemen:

Earlier today, I had the opportunity to express my gratitude to all of those who have been involved with these induction ceremonies. This is certainly one of the greatest honors that I have ever received, and I am glad that all of you could be here to share in this event.

I hope that you will permit me to take a few moments this afternoon to discuss something which I feel is very important. I would like to speak to you briefly about the rich heritage of South Carolina and the need to pass along an appreciation of her history of future generations.

The Roman orator Cicero once wrote, "To be ignorant of what happened before you were born is to be ever a child. For what is man's lifetime unless the memory of past events is woven with those of earlier times." This directive to respect and learn from the past is one which the citizens of this State have long obeyed. We, as South Carolinians, have a special sense of history. From childhood, each of us has been steeped in the heritage of our State. We have an ingrained knowledge of the contributions which our State has made to the development of this Nation.

As we have studied history, we have delighted in the exploits of Francis Marion, the "Swamp Fox," and in the courage exhibited by Thomas W. Sumter, the "Gamecock." We recall the crucial battles of King's Mountain, Cowpens, Eutaw Springs, Camden, Ninety-Six, Sullivan's Island and others, and the significant part they played in turning apparent defeat into victory for the colonists and paving the way for Cornwallis' surrender at Yorktown. We have relived the great debates of the last century, when the opposing sides were led by two of our own, Andrew Jackson and John C. Calhoun; and when one of our own, the profound Robert Y. Hayne, clashed with the distinguished Daniel Webster. We have admired the unyielding devotion and patriotism of Wade Hampton, and we have felt personally involved in the leadership role of James F. Byrnes. Today, we view the accomplishments of South Carolinians like astronaut Charles Duke with a sense of shared pride.

Generations of South Carolinians have gained a knowledge of our State from parents and teachers, and have had their understanding of that history broadened by the works of noted historians like David Duncan Wallace and Mary Simms Oliphant. But we South Carolinians have learned more than facts, dates and names; we have also been imbued with a deep sense of tradition. Tradition is the living fabric of history, the binding which reaches from our forebears through us to our children. Yes, South Carolinians are traditionalists, but this does not mean that our ideas are mired in the past. Instead, it means that we are devoted to those great principles of patriotism, integrity, duty and compassion, which have stood the test of time.

Because we have been so fortunate to receive this legacy, we must do all that we can to preserve the historical values of our State. As you may know, I recently donated my public papers and memorabilia to my alma mater, Clemson University. Although several institutions outside South Carolina had expressed interest in these papers, I felt that it was important that these materials be accessible to the people of this State, because they are the product of my efforts to serve them. I believe that Clemson is firmly committed to using these materials in a manner that will benefit the people of

South Carolina, and I hope that these papers will contribute to a heightened interest in the history of our State.

Of course, this audience is vividly aware of history and the need to pass its lessons to future generations. All of those associated with the Hall of Fame and the members of the Historical Districts are to be commended for their efforts to encourage an appreciation of our history. I hope that you will never lose your enthusiasm for preserving the rich history of our State or your zeal for propelling us to even greater attainments in the years ahead.

I know that all of you here today will join me in a rededication to preserving the heritage of South Carolina and to fulfilling the historical role destiny holds for her. If we are successful in passing on our heritage and aspirations, future generations of South Carolinians will display the same patriotism, integrity, and compassion possessed by those distinguished inductees of this Hall of Fame whom I am honored to join today.●

CONFUSION CITED IN DIETARY GUIDELINES

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. EVANS of Iowa. Mr. Speaker, both producers and consumers are expressing concern and frustration over the June 16 release of a report by the National Academy of Sciences relating to dietary recommendations.

It appears the report is based on something other than recent scientific data.

Yesterday the House Agriculture Committee's Subcommittee on Department Operations, Research and Foreign Agriculture, on which I am privileged to serve, held a joint hearing with a subcommittee of the Committee on Science and Technology. It was the first of what I suspect and hope will be a series of hearings to look into the questions raised by this latest report.

One of the most respected meat industry groups in the Nation, the American Meat Institute, has written to Secretaries Block and Schweiker apprising them of seemingly conflicting statements by the National Academy of Sciences on the topic of food safety. I am enclosing with these remarks a copy of that letter which is signed by Manly Molpus, president of the American Meat Institute.

The letter follows:

AMERICAN MEAT INSTITUTE,
Washington, D.C., June 18, 1982.

Mr. JOHN R. BLOCK,
Secretary, Department of Agriculture,

Mr. RICHARD S. SCHWEIKER,
Secretary, Department of Health and Human Services, Washington, D.C.

DEAR MR. SECRETARY: Because of your leadership role in the development of this country's health and nutrition policies, we thought it crucial that you be made aware of the publication this week of a National Academy of Sciences committee report linking diet and cancer.

This report is likely to mislead the American public by making specific dietary recommendations that are inconsistent with conclusions of other NAS committees. It is ironic that this committee's recommendations are based not on independent scientific research but represent, instead, merely a summary of current information on diet and nutrition, much of which information formed the basis for the earlier, contrary NAS reports.

The recent NAS report, Diet, Nutrition and Cancer, embodies "Interim Guidelines" recommending, among other things, that Americans eat less food high in saturated and unsaturated fats (including, for example, fatty cuts of meat), and eat very little salt-cured, salt-pickled and smoked foods (including, for example, sausages, ham, bacon, bologna and hot dogs). The "Interim Guidelines" draw profound conclusions with respect to the potential relationship of the consumption of fats and nitrites to the incidence of cancer. This is notwithstanding of the committee's own concession, indeed disclaimer, that "there are not enough data to specify what percentage of cancer risks can be attributed to diet or how much improved diets might lower these risks."

Contrary to the bold conclusions of this information-gathering committee, both the National Research Council and the Food and Nutrition Board of the National Academy of Sciences, having engaged in extensive scientific research regarding the potential health implications of fat and nitrite consumption, have published statements in total disagreement with this week's announcement. The Food and Nutrition Board, which has served as the major source of nutrition leadership in the United States since 1941, reported in 1980 that ". . . in the absence of evidence of a causal relationship between the macronutrients of the diet (such as protein and fat) and cancer, there is no basis for making recommendations to modify the proportions of these macronutrients in the American diet at this time."

Further, a 1981 National Academy of Sciences study on nitrite, "The Health Effects of Nitrate, Nitrite, and N-Nitroso Compounds," requested by your Departments, revealed that the greatest source of dietary nitrites is vegetables, with cured meats containing much less, and that cured meats account for "only a small proportion of the total exposure to nitrosamines," and that "the elimination of nitrite from meat would have little impact on human health." Yet, this week's report strongly endorses increased vegetable consumption and decreased consumption of processed meats.

We are concerned that a committee clothed with the credibility of the National Academy of Sciences would make unequivocal and drastic dietary recommendations on the basis of worn or inconclusive evidence which only adds to consumer confusion and uncertainty.

We wanted you to be aware of the diverse opinions held by the scientific community and our belief that the report in no way represents a consensus of scientific thought and should not be reflected in any government dietary policies.

Sincerely,

C. MANLY MOLPUS,
President.●

WHO NEEDS A LIBRARY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. SIMON. Mr. Speaker, a library is essential for every community. In my district is a small community called Makanda, and there is a mimeographed publication there edited by John Nannie which contains an excellent editorial, "Who Needs a Library?"

Included in that editorial is this sentence:

If one child in this town, male or female, picks up a book and is inspired by that book to become a doctor, scientist, or jurist, then that is reason enough to keep the library open.

I heartily concur. And the efforts of those in this administration and elsewhere who want to save money by closing libraries simply do not understand the importance that such inspiration can be.

The article follows:

WHO NEEDS A LIBRARY?

Give me one good reason why Makanda should have a library. Does anyone use the library? Dolly Colson has spent a lot of time in the library just in case someone did come in . . . to ask directions to the park or something. After all, this is Makanda, who in Makanda reads? Do you? Do your children? Did you know that there is a library in Makanda?

Well, Makanda does have a library and a few people do use it. Mrs. Dolly Colson has volunteered a lot of her time to the library to keep it open. The sad truth here is that Mrs. Colson has a family to care for and she cannot continue to devote all of her time to the library. She needs some help. Mrs. Elaine Ross has volunteered to help her, but she too has a family to care for and more help is needed. If you have a few hours a week you can spare, then how about lending these ladies a hand at the library.

The Shawnee Library System, from whom we borrow books, does not continue forever in useless endeavors. In short, if we don't use it we lose it.

Never mind giving me one good reason for keeping the library open—I shall give you one. If one child in this town, male or female, picks up a book and is inspired by that book to become a doctor, scientist, or jurist, then that is reason enough to keep the library open.

Give Dolly Colson or Elaine Ross a call and volunteer to help. If you can't help—at least let them know you care.●

PROFESSIONAL ETHICS: A LAW STUDENT'S VIEWS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. KEMP. Mr. Speaker, all of us have at some point faced the challenge of choosing between honesty and our own interest. One of my

former staffers, Bernd Heinze, who is now editor in chief of the Temple University School of Law legal magazine, the Journal, has written a moving editorial which takes a law student's view of this problem.

His editorial tells the actual story of a student at the Temple University School of Law who turned himself in after receiving a higher grade on his transcript than he had actually received on the final exam. As Bernd Heinze very rightly argues, "It is our personal sense of morality which dictates to us the precepts of public reason, and teaches us to act according to the rules of our own judgment and not to behave inconsistently with our own sense of integrity and personal pride."

I commend this excellent and insightful editorial to the attention of my colleagues.

The article follows:

LAW SCHOOL ETHICS

As law students, we often discuss ethical questions and resolve hypotheticals primarily from an adversarial point of view. Our future roles as staunch advocates for our client's position must have a foundation of justifiable considerations made within the letter, and hopefully the spirit of the Code of Professional Responsibility.

Such debates are useful in that they allow us to better appreciate the strengths of one another's arguments, and for the reason that such important matters should not have to be considered initially when one encounters an ethical problem in practice. We are fortunate in that the law school Honor Code, as well as the introduction to Trial Advocacy and Professional Responsibility courses, provide guidance in approaching these dilemmas. Most professors will at one time or another also pose such hypotheticals, which impress upon us the importance of comporting ourselves honestly and ethically at all times.

As students, we have an additional obligation to teach ourselves that the ethical divide, the so called "murky line between right and wrong," is never to be overstepped. And that if we are to err, then we must err on the side of doing what our consciences tell us is right. Former Lawyering Process Instructor Alfred A. Porro, Jr. once explained, in unmistakably strong terms that "a lawyer's own standards of morality, integrity and honesty must be greater than those codified in the Code of Ethics." in light of the "disappearance" of law texts and notebooks within the school during the past year, one wonders what we are teaching ourselves. Typically, one hears of such reports and despairs. After all, we are to be lawyers, entrusted with the community's confidence and the lives and property of our clients.

Recently, however, we heard the story of a student who had to deal with the ethical problem of an ambiguity in a grade he had received. The outcome gave us a feeling not of despair, but of encouragement. The student received a copy of his official transcript, and noticed that the grade was one letter higher than that recorded on the exam, which he had seen earlier. The student approached the professor to resolve the dilemma and was told that the transcript was wrong—the lower grade was correct, and the transcript was changed. Had he not come forward, the error would not have been discovered.

It would probably not be far fetched to predict, that confronted with the same problem, a number of us would have let the error go unnoticed and would have resolved the dispute to our own benefit. There are, after all, many occasions in law school where following tireless hours of effort we still manage to miss grasping ahold of the elusive "brass ring." Should not arbitrary errors in our favor be overlooked to counterbalance the presumed wrongs?

In answering this question, let us state two important, yet often forgotten truths: In our attendance at law school, we have been afforded the opportunity to learn the tools of a trade that will allow us to shape and thereby further public policy. This experience is certain to yield immeasurable benefits to us all one day, and we should proceed through these years with honesty and integrity if we are to enhance the public's perception of the legal profession. Further, an imprudent act by one member of a group unfortunately has the effect of casting a dark shadow upon *every* member of that group.

Secondly, like the student and his grade, we must remember that ethical questions must be answered, first and foremost, from within the higher standard of our own consciences—and only thereafter with guidance from the written rules.

Most importantly, the obligation which we owe to our profession, our colleagues and the community which we will one day serve, may be transcended only by the obligation which we owe to ourselves. For if one falters in the execution of this commitment, the short term gain one may feel is far outweighed by the long term loss that will replace it sometime in the future. Eventually, we must all answer for our indiscretions.

In our ordered society, there is no right without a parallel duty. It is our personal sense of morality which dictates to us the precepts of public reason, and teaches us to act according to the rules of our own judgment and not to behave inconsistently with our own sense of integrity and personal pride.●

THE EFFECTS OF FEDERAL BUDGET CUTS ON THE ELDERLY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. VENTO. Mr. Speaker, on Monday, June 21, I had the privilege of chairing a field hearing of the Subcommittee on Human Services of the House Select Committee on Aging in Minneapolis. The subcommittee traveled to Minneapolis in order to hear from mayors attending the 50th annual convention of the U.S. Conference of Mayors about the effect of Federal budget cuts on city services for the elderly. What we heard was very disturbing. Programs for the elderly are suffering from the Reagan budget cuts, and our Nation's senior citizens are worried about their future.

Because two-thirds of our Nation's senior citizens live in urban areas, the Nation's mayors are in one of the best positions to inform Congress about the impacts of Federal cuts and administrative changes on the elderly. The mayors, like other officials in local government, understand well the effect of funding cuts on people because they administer and oversee the local programs which deliver the needed services. We develop the policy vehicles here in Washington, but the mayors are in charge where the rubber meets the road.

At the U.S.C.M. Convention in Minneapolis, the subcommittee heard testimony from 10 mayors, representing both large and small cities from across the country. While local conditions differ in each city represented, and some cities are coping with Federal cuts better than others, the mayors were united on the message they asked us to bring back to Washington: Federal budget cuts are hurting services for the elderly, and any further social program cuts in the fiscal year 1983 budget will greatly increase the difficulty senior citizens face.

The Subcommittee on Human Services heard from three panels of mayors. The first panel was made up of U.S. Conference of Mayors leaders including the current president, Mayor Helen Boosalis of Lincoln, Nebr., and the chairman of the subcommittee on aging, Mayor Robert Buhai of Highland Park, Ill. The U.S.C.M. leaders gave the subcommittee an overview of the difficulties cities face in trying to meet a growing demand for elderly services with substantially diminished Federal funding. They reported that cities, despite many cases of innovative management initiatives, are being forced to cut elderly services. Cities are not making up for lost Federal funds through increased State, county, or city spending. The U.S.C.M. leaders also urged the subcommittee to examine ways to allow local government officials to become more involved in decisions on local programs.

The second panel consisted of mayors representing San Antonio, Nashville, Phoenix, Toledo, and Schenectady, N.Y. These mayors reviewed the situation facing the elderly population in their own communities and tried to give the subcommittee an idea of actions they were taking to meet seniors' needs more efficiently. From the testimony presented, it was obvious that each city faces unique problems of its own which help shape its response to Federal budget cuts. For example, Toledo and Schenectady are both medium-sized cities in the Nation's industrial belt which have been plagued by exceptionally high unemployment. High unemployment has caused local tax revenues to shrink, thus adding to the effects of cuts in Federal spending. In Toledo, neither the city, State, nor local private sector

is in a position to increase outlays to make up for Federal budget cuts.

In San Antonio, according to Mayor Henry Cisneros, there is a rapidly growing minority elderly population, largely women, whose income resources are insufficient to meet basic needs. Thus, the city is under great pressure to expand support services needed to maintain the elderly in their later years. The Federal budget cuts are crippling San Antonio's efforts to help its own people.

Even in Phoenix, one of the fastest growing and most prosperous cities of the Sunbelt, Federal budget cuts have resulted in reduced services. While Phoenix has had the resources to cope better than most other cities, Mayor Margaret Hance noted that local agencies are at "bare bones budgets" and said serious problems will result if there are further Federal cutbacks. She noted Phoenix's problems have been exacerbated by a senior population which grew 44 percent between 1970 and 1980.

The final panel testifying before the subcommittee was made up of Mayor George Latimer of St. Paul, Mayor Don Fraser of Minneapolis, Jane Whiteside of the metropolitan council, Ann Long of the Wilder Foundation, and Daphne Krause of the Minneapolis Age and Opportunity Center. Mayors Fraser and Latimer directed their comments to the growing senior population in the Twin Cities area and explained for the subcommittee some of the difficult reductions that have been made locally as a result of less Federal support. These include: Cutting subsidies for special senior fares on MTC buses; eliminating security guards in senior high rises; and reducing nursing services. Jane Whiteside, who directs Twin Cities area aging programs for the metropolitan council, strongly criticized the Reagan administration's reduction in title XX social service funds in particular. Title XX funds are used at the discretion of the State to fund a variety of social programs for the elderly. She said further Federal cuts could undermine the strong public-private relationship that now exists in the delivery of Twin Cities aging services and cripple the active volunteer network.

Daphne Krause and Ann Long, both of whom represent nonprofit service delivery and advocacy groups, put the budget cut problems into human terms. Daphne Krause told the subcommittee that "the elderly are scared and are losing faith in the Federal Government's commitment to provide assistance, particularly for health care." She criticized the Reagan administration for floating trial balloons and attempting to hide its true intentions. She said that if the Reagan administration wants to cut benefits to the elderly, "then they should be open and accountable * * * and stop saying it won't hurt the elderly, because it will and has." Ann Long echoed these sentiments and noted that "while voluntarism is the Wilder Foundation's lifeblood, in no way can it be seen as a quick fix for budgetary problems. Federal money is also essential."

I think the Subcommittee on Human Services was very fortunate to have the opportunity to look in depth at the effect of Federal budget cuts on elderly services in the Twin Cities. We are blessed with one of the most comprehensive and sophisticated systems of senior social services in the Nation. Our services are also run by capable and caring professionals who have the best interests of the people they serve at heart. I know that the testimony we received from the Twin Cities panel will be of great help to the subcommittee.

THE AGING COMMITTEE SURVEY

In conjunction with the field hearing at the U.S. Conference of Mayors Convention, the House Aging Committee also conducted a survey of 105 cities nationwide on the effects of budget cuts on city programs for the elderly. I had the opportunity to release the results of this important survey at the hearing in Minneapolis.

The results of the Aging Committee Survey are revealing. For most of us who serve on the committee, they only confirmed what we already expected was happening. Most importantly, the survey results show that cities are indeed feeling the effect of Federal social program cuts. Almost three-quarters—72 percent—of those cities responding to the survey, which was conducted in May, reported that budget cuts have had a significant impact on services for the elderly.

The survey also gave us an idea of what local services to the elderly are most effected in Federal funding cuts. Unfortunately, the programs hardest hit appear to be those which allow the elderly to maintain a modest degree of self-sufficiency. Three-quarters of the cities surveyed noted that senior housing programs, transportation and social services, and employment opportunities programs were being curtailed or cut back.

The survey results indicate that cities are not adjusting easily to significant losses of Federal funds. Less than 10 percent of the cities surveyed said that other funds, private or otherwise, had become available to make up for losses in programs like senior housing, senior employment, or health services. In fact, cities responding to our survey indicated that not only are they not making up for losses of Federal funds, many are also losing other support. Three-quarters of the cities reported losses of State funds, and one-half indicated losses of city or county funds.

St. Paul and Minneapolis were among the cities covered in the Aging Committee survey. Both cities said Federal cuts have had a significant impact, and both listed senior housing, transportation, legal services, and senior employment as the hardest hit programs. Neither city indicated success in making up for lost Federal funds through increased appropriations of State, county, or city revenues.

I have enclosed for the RECORD a short summary of the Aging Committee findings:

HIGHLIGHTS OF NATIONWIDE SURVEY OF CITIES ON THE IMPACT OF BUDGET CUTS ON URBAN ELDERLY

In May of 1982, the Subcommittee on Human Services of the House Select Committee on Aging commissioned a nationwide opinion survey of 105 cities in order to assess the impact of Federal budget cuts on city services for the elderly.

The survey results show that federal budget cuts and administrative changes have hurt city services for the elderly: 72 percent reported budget cuts have had a significant impact; 14 percent reported a minor impact; and 11 percent felt that it was too early to determine the full impact.

The cities indicated that the impact of cuts has been felt most in programs that allow the elderly to maintain a modest degree of self-sufficiency.

Three quarters of the cities reported a significant impact on: Senior housing programs; transportation services; social services; and employment opportunities programs.

One-half of the cities reported federal budget cuts had forced reductions in: Legal services; in-home care programs; nutrition programs; and weatherization programs.

In trying to assess the demand for senior housing and the ability of cities to respond to that demand, the subcommittee found that: Senior demand for public housing has risen over the past year in one-half of the cities; 60 percent of the cities said that senior housing programs are being curtailed or will be cut back; the average waiting list for units in public senior citizen buildings exceeds available units by a factor of at least 2:1; and in New York City, according to written testimony submitted by Mayor Ed Koch, "the average waiting list for public housing is 18 years, and the current vacancy rate for low and middle income private housing is 2.1 percent."

In trying to assess other funding sources for elderly programs, the survey revealed that local senior programs are also being hurt by cuts in state, county, city and other public funds: three-quarters of the cities reported significant reduction in state funds; over one-half experienced cuts in city funds; nearly 45 percent lost county funds; and over one-third had budget cuts from other public funding sources.

Cities are not finding other sources of funding to replace federal money lost through budget cuts: Only 5 percent of cities have found other funds for either senior employment and legal services programs; less than 10 percent of the cities indicated success in making up federal cuts in health services, housing or crime and safety programs; and cities had the greatest success in making up federal cuts in the in-home services area.

The Aging Committee survey confirms what most of us already knew.

The Reagan administration's radical economic agenda, with its dramatic shift from social programs to defense, is hitting home. Local services for the elderly are emerging as one of the early casualties because neither States, cities, nor private sector sources have been able to take up the slack the way Ronald Reagan and David Stockman assured us they would.

The Reagan economic program has put a double whammy on America's urban elderly. It has always been tough to be elderly and live in America on a fixed income. But now, with the Reagan budget cuts, if you're both old and reliant on city services, it's going to be doubly tough. Without the Federal commitment to assist the cities, local senior services are going to be cut back further or in some cases eliminated.

The irony of Federal budget cuts in programs affecting the elderly is that they are occurring at a time when America's older population is dramatically increasing. In 1900, only 3 million or 4 percent of the country's population was over 65. By 1950, the number quadrupled and represented 8 percent of the total. In 1980, census figures showed 24 million elderly Americans representing 11 percent of our population. Thus, while the total U.S. population has grown threefold since 1900, the elderly population has grown eightfold.

The demand for special social programs to meet the needs of America's senior citizens is great, and is growing rapidly as our country's population continues to age. I think it is unfair and unrealistic for the Federal Government to turn its back on this growing need. The aging of America is a national concern and it should be addressed through distinctly national policies.

What the Reagan budget cuts really mean is that the Federal Government is turning its back on the needs of the elderly. The Reagan administration is asking us to walk away from the Federal commitment to senior citizens first made by Franklin Roosevelt and expanded on by every President since. The administration wants us to abdicate the responsibility we have assumed since the 1930's and, in a series of bold strokes, shift the burden of support to local governments which are not in a position to give senior programs the necessary financial support.

Congress should not renege on its commitment to support the social programs which allow the elderly to maintain an adequate standard of living and remain modestly independent. We must maintain support for social security, a time-tested program which provides the major source of income for America's elderly today. We must fight to prevent further administration cuts in essential health-care benefits under medicare. Congress must continue to play a progressive role in helping cities and States fund the social services which allow senior citizens to live their twilight years in dignity.

I intend to continue doing all I can to insure that Congress upholds its commitments to Older Americans.●

CARIBBEAN BASIN INVESTMENT INCENTIVE ACT

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. SCHULZE. Mr. Speaker, a major deterrent to investment in many developing nations is the danger of loss of investment due to changed political conditions and other risks not normally encountered in developed, stable, industrialized nations.

Today I am introducing H.R. 6715, the Caribbean Basin Investment Incentive Act. The bill will provide for a credit against Federal income tax equal to 30 percent of the premiums paid by an investor for qualifying insurance related to a new investment in the Caribbean area.

The kinds of insurance that would qualify would include expropriation insurance, inconvertibility insurance, war damage and other political risk insurance, and currency exchange rate fluctuation insurance.

I believe that the American Government, through this tax incentive, can stimulate investment in the Caribbean. Jobs will be created, and the standard of living of our neighbors to the south will improve. Political stability will be a natural byproduct.

I solicit the cosponsorship of my colleagues.●

CORPORATE TAX LEASING LITTLE HELP FOR SMALL BUSINESS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. SEIBERLING. Mr. Speaker, now that the budget resolution has been adopted and mandates action by the tax writing committees to increase Federal revenues, it seems to me that another hard look should be taken at some of the more costly features of President Reagan's tax act to see if they are really producing the results which they were supposed to achieve.

It is becoming clear that one of the most costly, wasteful, and least productive of the Reagan tax revisions is corporate tax leasing, whereby firms with insufficient revenue to fully utilize the investment tax credits and other tax incentives for industry are able to sell their tax breaks to other companies. The concept was of questionable validity even as applied to big business. Now it is apparent that it provides hardly any benefit to small business, and that small businesses that sold their tax breaks got far less than the big sellers.

The Washington Post for June 15, contained a story by Thomas B. Edsall highlighting the results of a 48-page study by the Congressional Joint Committee on Taxation containing some very interesting conclusions. Among them are the following:

First. Although corporate tax sales were designed to help beleaguered firms, such highly profitable industries as petroleum and chemicals are among the major beneficiaries of the legislation.

Second. The revenue losses to the U.S. Treasury are estimated to be $29.5 billion through 1986.

Third. Tax leasing can even be used by foreign corporations and governments that pay no U.S. taxes, even though the aim was to encourage investment in the United States.

The joint committee also found that tax leasing makes it possible for companies to make investments that they would otherwise not make because the profits would be inadequate. This diverts capital from investments that are economically justified to ones that are not, and thereby actually reduces economic growth.

Mr. Speaker, I have introduced a bill which would repeal corporate tax leasing and replace it with a refundable investment tax credit, so that to the extent that corporate earnings are insufficient to get the full benefit of the tax credit, the corporation would receive a tax refund equal to the unused balance of the tax credit. This avoids giving huge windfalls to companies that do not make the actual investment and at the same time provides that the same credit will be available to companies large and small without paying a premium to companies whose only investment is "buying" the tax credit.

The full text of the Washington Post article follows these remarks:

[From the Washington Post, June 15, 1982]

CORPORATE TAX LEASING CALLED LITTLE HELP FOR SMALL BUSINESSES

(By Thomas B. Edsall)

Corporate tax leasing, one of the most controversial sections of the 1981 tax act, provides hardly any benefit to small business, and those that sold their tax breaks got far less than big sellers, according to a study by the Joint Committee on Taxation.

The 48-page analysis released yesterday in preparation for reconsideration in Congress of the leasing provisions made these points:

Some highly profitable and taxpaying companies, particularly those producing oil and coal, are selling their tax breaks on new investments to be able to capitalize on other

tax provisions, particularly percentage depletion and intangible drilling-cost deductions. Although corporate tax sales were designed to help beleaguered firms, such highly profitable industries as petroleum and chemicals are among the major beneficiaries of the legislation.

The revenue losses will be higher than originally anticipated by the Treasury Department. Last year, the Treasury estimated that corporate tax sales through leases would result in the loss of $26.9 billion through 1986. The Joint Committee contended the figure would be $29.5 billion.

Exemptions in the law allow the benefits of corporate tax leasing to be used by foreign corporations and governments that pay no U.S. taxes, despite the fact that the goal was to encourage domestic investment—in effect, a subsidy.

The key argument in favor of corporate tax leasing is that it would create a "level playing field," eliminating tax advantages available to profit-making companies that are unavailable to companies that pay no taxes. If a firm pays no taxes, accelerated depreciation and investment-tax-credit benefits are useless.

The Joint Committee found that for firms that expect to pay taxes in the near future, this argument has some validity. For the firm expecting to pay no taxes for a long time, however, the ability to sell useless tax breaks makes it possible to make investments that, for other companies, would be rejected because the profits would be inadequate.

The nontaxable firm can pay $100 to buy assets expected to return as little as $88 and still earn its 10 percent rate of return [from the sale of tax benefits]. To the extent that capital is diverted from assets that will earn $110 [the amount required to justify an investment for a profitable company] to ones that will earn only $88, economic growth will suffer, the committee staff said:

The conclusion that small businesses do not benefit from corporate tax leasing can be drawn from figures describing the "efficiency" of different-sized transactions.

Tax sales on assets worth $100,000 or less amounted to just 6 percent of the total volume. In addition, for the companies selling the tax breaks on these assets, 61.7 cents was returned on the dollar, while the companies buying the tax breaks got 33.9 cents and middlemen got 4.4 cents.●

HOUSE JOINT RESOLUTION 494

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Ms. OAKAR. Mr. Speaker, the Members of the House should be in no doubt about what happened here yesterday afternoon. We have seen the direct hand of the administration in an attempt to cover up, derail, and sabotage the bipartisan efforts of the House and the American people to see justice done in the case of the six American citizens brutally murdered in El Salvador. They know well that the second certification for military aid to El Salvador is in jeopardy. They know well that the American people, not to mention the friends and relatives of the slain Americans, are no longer fooled by the assurances of this administration that "progress" is being made. And they know well that delay might eliminate this requirement from consideration in the next certification. Let us not be in doubt about what is going on. This administration would prefer that these dead bodies and the secrets they hold remain buried.

Last December, after a full year of delays, evasions, and political tennis between El Salvador and our State Department, this House, in desperation, attached strict certification requirements to renewed military aid to El Salvador. By this time it had become clear to the American people that we also bore responsibility for the continuing violence in El Salvador, for a policy which increased the power of the military/security forces over their own population, and which tolerated a political climate in which even innocent Americans as well as Salvadoran civilians, could be indiscriminately tortured and killed. Among the original requirements for certification was a stipulation requiring evidence of progress in the investigation of these murders. In spite of much proof to the contrary, the President's January certification arrogantly asserted that progress had been made.

It is an outrage to the intent of this legislation and to the conscience of this Congress that 18 months have gone by and the killers of the four churchwomen, who have been identified and held in custody since April of 1981, have not yet been put on trial. Nor has anyone investigated beyond these five men in order to ascertain the involvement of higher officers and other individuals in this horrendous crime. Most of the commanding officers of the guardsmen in custody have not been interrogated, one of whom is now living in the United States. The relentless efforts of the families of the murdered women to obtain documents pertinent to the case have met with denials and delays. There has not been one more shred of explanation for this atrocity since the guardsmen were taken into custody in April of 1981. There has been no trial, nor has the case been certified for trial. My office, and the families as well, have continually submitted unanswered questions and provided information to the State Department, the FBI, and the Government of El Salvador. Again, we have met with delays, evasions, denials.

It is unconscionable that the Members of this Congress would return to their districts with this resolution yet to be voted on. We ask that all Members of conscience and integrity bring House Joint Resolution 494 speedily to the floor of both Houses after the recess. We have an obligation to the American people to renew the certification requirements concerning these wanton murders.

When the foreign assistance legislation was first passed, no one anticipated that by July of 1982, we would still have no action. House Joint Resolution 494 was passed unanimously by the Inter-American Subcommittee and the Full House Committee on Foreign Affairs. It represents the most "unfinished business" before the House this year. Remember, it all began on this floor in December of 1980.

The urgency of this matter should be clear from the direction events are taking in El Salvador today. Indeed, certain elements in El Salvador who are responsible for the continued violence have taken note from our "wait-and-see" attitude and have drenched that country in more blood. Roberto D'Aubussion, the leader of the Constituent Assembly, has recently proposed an "amnesty law" which would, in effect, exonerate all military and civilian personnel who have been guilty of such crimes. This possibility is an outrage against our good faith as a government and against the Salvadoran people—over 30,000 of whom have died as the American missionaries and the labor workers died.

Let me insert in the RECORD today a story about these women, two of whom were constituents of mine. The story, from the Cleveland Plain Dealer, serves to remind us all of who these women were and why they died. In the eyes of many Americans, the bodies of these four simple and brave women, tossed in a roadside ditch, have become the touchstone of the credibility not only of the Government of El Salvador, but of our own national honor.

FAMILIES OF SLAIN CHURCHWOMEN STILL ARE PUT ON HOLD BY GOVERNMENT

(By Amos A. Kermisch)

WASHINGTON.—For nearly a year the families of four churchwomen slain in El Salvador have been denied government records that might provide details of the killings and information about U.S. and Salvadoran efforts to solve the killings.

Working through the Lawyers' Committee for International Human Rights in New York, the families have been seeking documents under the Freedom of Information Act from the State Department, the CIA, the FBI and the Defense Intelligence Agency (DIA).

The CIA, in a letter to the committee, demanded proof of death, the women's obituaries and certification of the relationship of the family members making the request. A CIA spokesman said the department mistakenly responded to the families with a routine form letter and an apology has since been made.

The DIA said it had four documents in its possession. It released two—newspaper clippings—and would not release the others.

The slain women were lay missionary Jean M. Donovan and Ursuline Sister Dorothy L. Kazel, both of Greater Cleveland, and Maryknoll Sisters Ita Ford and Maura Clarke of New York City. Five former Salvadoran national guardsmen have been

charged in the slayings but no trial date has been set.

The families' greatest effort has gone into obtaining copies of 108 documents the State Department contends should be protected largely in the interests of national defense and foreign policy.

Michael R. Donovan of Danbury, Conn., the brother of slain lay missionary Jean M. Donovan, said he believes the documents will show "the State Department has not pursued the investigation in the manner that it should have pursued it. The release of these documents would result in criticism to the State Department, the administration and the government of El Salvador."

Representative Mary Rose Oakar, D-20, of Cleveland, and 89 other congressmen sent letters to the four government agencies, saying "requests for cooperation from U.S. agencies in this matter have been met with incredible delays and unresponsiveness."

"The families of these gallant women have already experienced the trauma of having their loved ones brutally murdered in El Salvador. For U.S. agencies to be dragging their feet in complying with the law is not only a remarkably inhumane way to conduct their business but is also a violation of the spirit of the Freedom of Information Act."

The House Foreign Affairs subcommittee on inter-American affairs has also demanded the State Department documents, but in most cases has been refused.

The Lawyers' Committee, a non-profit organization which helps those needing legal services in the area of international human rights law, first filed a request with the State Department for all documents relating to the deaths of the churchwomen on June 29, 1981.

It was not until Dec. 23, 1981, that the department released 90 of 207 pertinent documents. Another nine documents were released after portions were deleted.

A State Department official questioned about the families' demands for the documents had no comment.

The Lawyers' Committee has appealed the denial to the State Department. The next step is a lawsuit, a committee spokesman said.

LORD, HOW LONG?—WALKING IN FAITH WITH THE SALVADORANS

(By Amos Kermisch)

". . . One who is committed to the poor must meet the same fate as the poor, and in El Salvador we know what the fate of the poor signifies: to be captive, to be tortured—and to be found dead."

—Archbishop Oscar A. Romero.

They knew what was at risk—their very lives—yet the four churchwomen chose to remain in El Salvador in spite of the danger and the fear that was sometimes palpable in the hot tropical air.

There was Jean Donovan, 27, who had all the benefits of middle-class America: a master's degree in business administration from Case Western Reserve University, a high-paying job with a prestige Cleveland accounting firm and an apartment on the Gold Coast.

But she gave it up and signed a three-year contract with the Cleveland Catholic Diocese to work as a lay missionary in El Salvador, only to have a close friend murdered in front of her home in the coastal town of La Libertad.

She once asked a friend, Mary Frances Ehlinger, who works at St. Monica's Church in Garfield Heights, "How do I explain doing something that doesn't make sense?"

"She felt she had to do this," Ehlinger said. "She definitely had this spirit."

There was Ursuline Sister Dorothy Kazel, who could have come home to Cleveland the year before, but volunteered to stay on to fill a vacancy.

There were Maryknoll Sisters Ita Ford and Maura Clarke. Ford had pondered why she was saved when the jeep she was riding in was swamped by a flash flood that killed another nun. Clarke was a 17-year veteran of missionary work in Nicaragua who shuddered at the almost daily inhumanity and murder.

Three of them had faced gunfire and bombs at the funeral for Archbishop Romero in March 1980 when a crowd of 50,000 panicked and at least 40 people died.

On Dec. 2, 1980, the four were shot to death on a lonely dirt road. Their bodies were exhumed on Dec. 4, from an unmarked common grave in a remote area 35 miles east of San Salvador. Five Salvadoran National Guardsmen are awaiting trial for the killings.

The murders touched off an international furor and an ongoing debate in Congress. For a short time the United States cut off aid to El Salvador. Congress last year tied the continuation of military aid to a good faith effort by El Salvador to solve the killings.

From letters and tape recordings sent to friends—many of which until now have remained private—and from interviews with those close to the churchwomen, The Plain Dealer has pieced together some of the events—and the emotions—that touched the women during the last months of their lives.

If things had been just a bit different, Kazel, 41, would not have been in El Salvador on that terrible Dec. 2, 1980. She had served her five years and was expecting to return to Cleveland but agreed to remain.

Her partner for five years in El Salvador, Sister Martha Owen, returned in 1979 and is now a teacher at the Urban Community School in Cleveland. Kazel then teamed up with Donovan, but stayed in contact with Owen, sending tape recordings back and forth as well as letters.

Only 12 days before the Oct. 15, 1979, bloodless coup overthrowing the regime of Gen. Carlos Romero, Kazel wrote Owen: "We talked quite a bit today about what happens if something begins. And most of us feel we would want to stay here. Now this depends on what happens—if there is a way we can help—like run a refugee center or something. We wouldn't just want to run out on the people . . .

"Anyway, Al (Father Al Winters, who runs the Cleveland diocese missionary program) thinks people we love should understand how we feel—in case something happens—so he and the bishop don't have to yank us out of there unnecessarily . . . Anyway, my beloved friend, just know how I feel and 'treasure it in your heart.' If a day comes where others will have to understand please explain it for me."

The churchwomen's religious and humanitarian work was often dangerous and difficult. The nuns ran food distribution programs, and Kazel, slight and weighing less than 130 pounds—she was sometimes called birdlegs by her friends—often could be seen lugging 50-pound sacks of flour and rice.

But it was the women's trips to help refugees reach camps that were the most dangerous. One priest said the women always got permission from the local military commander, but that commander's authority meant little and could be superseded by authorities with other military organizations.

On Oct. 22, 1980, less than six weeks before her death, Kazel met a group of guerrillas. It was at the end of a dirt track in the mountains on a bright, clear day. Kazel and several volunteers had traveled by truck and jeep for nearly three hours, sometimes creeping along the sides of mountains, to reach this desolate spot.

Eight days earlier National Guardsmen had attacked there, torching homes, and leaving 55 people homeless, 45 of them children. Kazel and the volunteers planned to take them to a refugee camp.

"Going in, it was very, very quiet," Kazel later said in a tape recording sent to Owen: "There was like nobody around. It was very, very still. We walked maybe about 8, 10 minutes and we came upon this cluster of a couple of houses. . . .

"The first people I saw were these two guys with rifles . . . They're like Daniel Boone. This is worse than rinky-dink cowboys and Indians. It's like Indians against the U.S. Marines today. I don't know how these guys are going to win this war.

". . . The men all had rifles or pistols, but the rifles were like overgrown BB guns. I just wonder how this is all going to turn out . . .

"The people are really, really dear. Most of them have had their houses burned. This one lady . . . maybe in the late 20s had a 6-day-old baby. Her husband had been killed in . . . Santa Ana about Sept. 11, or so, she said. She's got three other kids and this little baby boy that was born to her . . .

"She rode with us in the jeep . . . Then we had this other boy with us who was bronchital. We dropped him in Santa Ana and . . . he was going to take the train to go home. He was going to stay with his mother awhile and then he would go back . . . and fight . . .

"You know my heart just aches for these people. When I see what they've got to work with and they're really hoping to win. I just don't know how the guys think they're going to do it when we're (the United States) giving them (the military junta) money for . . . communications equipment and huge trucks and stuff so that they can get up there easier to kill these guys . . ."

The dirt road where a man and a woman had been shot was a world away from Cleveland. Donovan was riding her bicycle when she saw them, she told Kazel who relayed the story in a tape recording to Owen.

"She stopped and I guess the guy had been shot in the stomach. He was really kind of weak while she was there. The girl, the lady had been shot in the leg. They asked her if she was from the church. The guy gave her his last confession. He might have died because he was just sort of laying there.

"She said wait and I'll go get (help) . . . She is heading back (to get help) and . . . she sees a truckload of soldiers going back down the road . . . She went back to check out the people. She says they weren't there. She says she got off the bike, she looked around, walked around . . . where she had talked to them and where she had told them to wait, and they were completely gone. So we don't know if they (the soldiers) picked them up or if they just finished them off and threw them into a hidden area or what. She says it's the strangest thing. It really just shook her up badly.

". . . The lady could probably survive. She was just shot in the leg. You can have a larger bullet in your leg and keep maneuvering. Of course the guy with his entrails all hanging out wasn't going to get very far.

Isn't it spooky? We don't really know what happened. They were there and they were gone . . . Those are the type of things that are still going on. People are being killed all over . . . "

Death came closer to Donovan and Kazel at 10:30 on Sunday, July 6, 1980. It came in the form of three unknown men and a brutal slaying in front of their home in La Libertad.

Working at the church in La Libertad where Kazel and Donovan were headquartered were two young men. Carlos Antonio Gonzalez, an orphan who had been unofficially adopted by the parish priest, Father Paul Schindler, and Oscar Armando Arevilo, the sacristan.

Arevilo, 24, who worked in the church's youth programs, often spent long hours with Donovan. Some of her friends felt a romance was developing between the two, others said there was just a close friendship.

Donovan wrote Rita Dowd-Mikolajczyk, a Cleveland friend: ". . . Mexico City was good except for the fact that I had started getting interested in a fellow in the Port (La Libertad). Remember you had asked me about that and I hedged but did say I had met someone. Well, I wasn't saying much because I was getting flak from Dorothy (Kazel) and Paul (Schindler). Paul because he (Arevilo) had been set to go into the seminary . . . and decided against it . . . and Dorothy because he (Arevilo) had a kid with a girl that lived in his mother's house about two years ago.

"So I was trying to deal with all this and falling in love with him (Arevilo). Well, that's over now but I'm certainly not going to recover for a long, long time.

"He and Paul's adopted son, Carlos, were assassinated in front of my house at 10:30 p.m., three Sundays ago by three unidentified men, one with a pistol. He shot Armando in the head . . . and then Carlos. Armando was on the ground yelling for help so he put the gun on his mouth and shot him two times. They both died. Carlos on the way to the hospital. Right at the moment, I'm still numb. One hell of a way to break up. I must say, you said that you had gotten your imagination back, well, I have developed a new sense—I cry at everything. Particularly movies, no matter what it is about."

Perhaps it was simply fate or maybe it portended things to come that Sister Ita Ford, 40, arrived in El Salvador on March 30, 1980, the day Archbishop Romero was buried.

Six days earlier as he was celebrating mass in the chapel at the Divine Providence Hospital, a Catholic medical center for terminal cancer patients in San Salvador, Archbishop Romero was gunned down.

It was because of Romero and his call for basic social reforms that Ford and Sister Cala Piette had left their post in Bandera, a suburb of Santiago, Chile.

The two had worked together in Chile and responded when Romero asked for help in El Salvador where thousands of families were being displaced by civil war.

Ford, who grew up in an Irish-Catholic family in Brooklyn, N.Y., told her mother in a letter on April 2, 1980: ". . . I have all sorts of reaction—from feeling robbed of not having had the opportunity to know Mons. Romero (we're to work in his diocese)—to horror at the paranioa and fear of the right and their brutality, to wonder at the gospel message and the impact for acceptance or rejection that it has on people, to feeling with the poor of Salvador and their loss of someone whom they knew cared for them."

Ford and Piette worked for the Emergency Committee in Chalatenango, a town near the Honduras border. The committee's purpose was to aid refugees by transporting them to refugee centers, provide food and medical supplies and to collect information on human rights violations.

In a letter written on June 1, 1980, Ford said, "I don't know if it is in spite of, or because of the horror, terror, evil, confusion, lawlessness—but I do know that it is right to be here . . . and . . . that the answers to the questions will come when they are needed, to walk in faith one day at a time with Salvadorans along a road filled with obstacles, detours and sometimes washouts . . ."

On a rainy Aug. 22, 1980, Ford and Piette helped secure the release of a prisoner and were taking him home. As they were driving across the El Zapote River near Chalatenango a flash flood crashed through the ravine, swamping their jeep. Ford was pushed by Piette through a side window and managed to grab a tree root and pull herself from the river. Piette drowned.

The incident, which was to haunt Ford, led to a new partnership with Sister Maura Clarke, 50, who also had answered Romero's call for help and had been in El Salvador only a few weeks.

Clarke wrote on Nov. 20, 1980, ". . . Being here with Ita . . . is a great blessing and privilege. She is such a testimony with her having accepted death very peacefully and without fear and then being saved. What is hard for her now is the question why was I saved and this dear friend (Piette) taken."

In that same letter Clarke said "My fear of death is being challenged constantly as children, lovely young girls, old people are being shot and some cut up with machetes and bodies thrown by the road and people prohibited from burying them . . . One cried out: Lord, how long? And then too what creeps into my mind is the little fear or big, that when it touches me very personally will I be faithful . . . I keep saying to Him, 'I want to trust, I want to believe . . .'"

In a letter a month earlier, Clarke said: "There are so many deaths everywhere that it is incredible. A family of seven were machine-gunned to death in a nearby little town last week. It is a daily thing—death and bodies being found everywhere and many, because no one can touch them until they are seen by a coroner, are decomposed and attacked by animals . . . The work that we are trying to do is to help the refugees—bringing them to safe shelters and getting food to different places where it is desperately needed."

Ford too dealt with death. In a letter to her sister, Irene Sullivan, of Brooklyn, Ford said: "You say you don't want anything to happen to me. I'd prefer it that way myself—but I don't see that we have control over the forces of madness, and if you choose to enter into other people's suffering, or love others, you at least have to consent in some way to the possible consequences."

On the evening of Dec. 1, 1980, Maryknoll sisters from Panama, Nicaragua and El Salvador were bringing their annual meeting in Managua, Nicaragua, to a close.

It was Ford who read the quotation from Archbishop Romero:

". . . One who is committed to the poor must meet the same fate as the poor . . ."

Twenty-four hours later Ford and Clarke were met at the San Salvador airport by Kazel and Donovan and went on to their fate on the lonely dirt road.●

THE PLIGHT OF YURIY SHUKHEVYCH

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. HYDE. Mr. Speaker, one of the most tragic cases of Soviet oppression involves the brave Ukrainian, Yuriy Shukhevych, who recently celebrated his 47th birthday in a Soviet prison.

The Ukrainian Weekly, in a recent editorial, discussed the plight of Mr. Shukhevych, and have succinctly capsulized his experiences from the age of 14. I am pleased to share this article with my colleagues. I hope my colleagues will join me in writing to President Brezhnev and Ambassador Dobrynin to protest Mr. Shukhevych's prolonged imprisonment.

[From the Ukrainian Weekly, Mar. 22, 1981]

A CASE WITHOUT PRECEDENT

On March 28, Yuriy Shukhevych will "celebrate" his 47th birthday in a Soviet prison in Christopol. Of these 47 years, he has spent 29 in Soviet bondage, thus "devoting" a shocking 61.7 percent of his life to sitting in prison.

The case of Mr. Shukhevych is matched by no other—no, not even in the history of that well-known "paragon of social justice" and "protector of freedom," the Soviet Union.

You see, Mr. Shukhevych committed no crime. His was the "misfortune" to be born the son of Gen. Roman Shukhevych (also known by his pseudonym Taras Chuprynka), the commander-in-chief of the Ukrainian Insurgent Army (UPA) that fought against Soviet Russian and Nazi German invaders of Ukraine and against the Polish Communist regime, chairman of the Ukrainian Supreme Liberation Council and leader of the Organization of Ukrainian Nationalists.

A highly trained military officer who headed the leading nationalist resistance force in Ukraine and who firmly believed that well-trained and well-armed Ukrainian forces were the key to attaining Ukrainian independence, Gen. Shukhevych was purely perceived by the Soviets as a clear and present threat to their power. And rightly so, since a large part of the Ukrainian countryside, in fact, was in the hands of the UP guerrillas before the end of World War II.

In 1943—long before the Helsinki Accords and Jimmy Carter gave the principle of human rights its chic—the UPA fought for both human and national rights under the precept "Svoboda nasrodam, svoboda liudyni" (Freedom for nations, freedom for individuals). The political program of the UPA plainly stated that the force sought an independent Ukrainian state and the national independence of other captive peoples. It also upheld the freedoms of speech, press, assembly and religion, and equal rights for all national minorities. Small wonder, then, that in 1944 the UPA included Ukrainian political elements of all types

and members representing other nationalities of the USSR.

Because of his father's prominent role in Ukraine's independence struggle, 14-year-old Yuriy was arrested in August 1948 by Soviet authorities and sentenced to 10 years' imprisonment. No charges were ever filed against the teenager.

Even after Gen. Shukhevych was killed on March 5, 1950, in a skirmish with MVD (Security police) troops, Yuriy was kept imprisoned. In a fit of "humanity," the Soviets did dangle freedom before the eyes of young Mr. Shukhevych—all he had to do to go free was renounce his father and condemn the resistance movement he headed. Yuriy declined the offer.

After serving eight years, Mr. Shukhevych was released in spring 1956 on the grounds that he had been imprisoned while still a minor. That fall Soviet officials changed their minds and forced him to complete the 10-year term, because, after all, as the prosecutor general argued, "he is the son of a nationalist leader."

On the day of his scheduled release in August 1958, Mr. Shukhevych, at 24 a veteran of the Soviet penal system, was rearrested and this time charged with anti-Soviet agitation and propaganda. Needless to say he was found guilty. The sentence: another 10 years of imprisonment. And still he declined to renounce his father.

At age 34, after he was released and exiled from Ukraine, Mr. Shukhevych settled in Nalchyk, in the northern Caucasus. In February 1972 he was arrested for the third time and sentenced that following September to a third term of 10 years' imprisonment to be followed by five years of internal exile. The charge was the by-now-familiar "anti-Soviet agitation and propaganda," this time leveled as a result of memoirs that Mr. Shukhevych had written about his previous imprisonment.

While serving this latest term, Mr. Shukhevych not only renounced his Soviet citizenship, he incurred the further wrath of Soviet authorities by announcing in January 1979 that he had joined the Ukrainian Helsinki Group.

What the Shukhevych case clearly demonstrates is that three Soviet bosses—Stalin, Khrurshchev and Brezhnev—failed to realize that in trying to break this son of a Ukrainian hero, they were actually creating another hero—as staunch and courageous a patriot and as unyieldingly principled as his father. Young Shukhevych became yet another boomerang, to use Valentyn Moroz's words, thrown by the Soviet system. ("You hurled a stone at every spark of life on the Ukrainian horizon and every stone became a boomerang: It returned and struck you! . . . every act of repression will boomerang.")

What will happen in 1987 when Mr. Shukhevych is due to complete his term of imprisonment and exile in anyone's guess. But the Ukrainian community cannot wait until then to see how the Kremlin leadership will decide to treat this man who has followed in his father's footsteps to become a human-and national-rights defender in his own right.

We must act now on behalf of Yuriy Shukhevych who is at once our brother, the son of a prominent national hero, and himself a hero.●

TUITION TAX CREDITS—PROVIDING EDUCATION AND EQUITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. BIAGGI. Mr. Speaker, today I am pleased to join my colleague from Ohio (Mr. GRADISON) as an original sponsor of the "The Educational Opportunity and Equity Act of 1982"—simply put, an act to provide much-needed and long-overdue tax relief to parents of children in nonpublic schools.

As a senior member of the House Education and Labor Committee, I know that this issue is not new to this body. It is one which has been extensively discussed and debated—yet one which has never become law. I believe that this year, and in this session, those of us who are advocates of tuition tax credits, have cause for profound optimism for we have a President and an administration which supports tuition tax credits for parents of children at elementary and secondary educational levels. This support is an acknowledgement of the pluralism that exists in our educational system today—a pluralism which has given us strength and diversity as a nation.

President Reagan is to be commended for his initiation of this bipartisan legislative proposal. This tuition tax credit legislation has been endorsed by a host of organizations which have a direct interest in fostering educational opportunity and choice for our young people. Groups as diverse as the U.S. Catholic Conference to the Knights of Columbus to Agudath Israel have lent their stamp of approval to this bill. I believe that Democrats and Republicans—working together—will form an important coalition which will transcend party lines and place us into posture which we all support—the best possible education for our children. Tuition tax credits will allow us to do just that.

I fully reject the notion that this legislation—or anything similar to it is a direct attack on our public schools in this Nation. Clearly, we are justifiably proud of these schools which offer free educational opportunity to all children. As New York's senior member of the Education and Labor Committee and a representative of the second largest school district in the Nation—New York City—my legislation record is second to none when it has come to advocacy for educational programs for our public schools. Understanding that our Federal education programs are primarily targeted toward public schools, I have been an original cosponsor of such major programs as title I, vocational education, handicapped education, ethnic heritage studies—and a host of others. I have worked vigorously for adequate funding for these programs and have remained highly supportive of both their goals as well as the populations—largely disadvantaged—which they serve.

Tuition tax credits will allow us to provide a modest tax break for parents of children in private schools—parents who have made, in many cases, large financial sacrifices to send their children to nonpublic schools. It is targeted to those families most in need—those with income below $50,000—and is phased out for those with incomes between $50,000 and $75,000. The amount of credit a taxpayer may claim for each child in any taxable year is $100 for tax year 1983, $300 in 1984 and $500 for every tax year 1985 and beyond.

The myth that this legislation will only benefit rich families must—and can be dispelled. My own district in the Bronx initiated a campaign in support of tax credits which resulted in 70,000 letters pouring into my office from families who wanted this legislation adopted. These families—and their children—are almost all lower and middle class working citizens—citizens whose annual income is well below $20,000 per year. It is high time that we gave this family—the taxpayer who makes the greatest sacrifices and receives the smallest gains in return—some modest return for their hard work and financial sacrifice.

Mr. Speaker, I hope that our colleagues from both sides—Democrats and Republicans alike, will join us in this effort. We acknowledge that our task will be difficult for no one can remain blind to the economic situation that we find ourselves in today. However, this legislation marks an important first step in the deliberations on this issue which await us.

Mr. Speaker, I commend all those who have worked hard on this legislation and have brought us to this point. For the benefit of my colleagues, I wish to insert an explanation of the Gradison-Biaggi bipartisan tuition tax credit bill and hope that they will join us.

The explanation follows:

EXPLANATION OF BIPARTISAN TUITION TAX CREDIT BILL

The Administration's bill would allow an individual taxpayer to take a credit against income tax in an amount up to 50 percent of the qualifying tuition expenses paid by the taxpayer in a taxable year. Qualifying tuition expenses are expenses paid for tuition and fees to send certain dependents under the age of 20 full-time to private elementary or secondary schools. Qualifying tuition expenses do not include amounts paid for books, supplies, equipment, meals, lodging, transportation, or personal expenses, or for education below the first-grade level or above the twelfth-grade level.

The credit is allowed only for expenses paid with respect to students for whom the taxpayer is allowed a dependency exemp-

tion and who bear any of the following relationships to the taxpayer: children and descendants; stepchildren; siblings, stepbrothers, and stepsisters; nieces and nephews; and members of the taxpayer's household, other than the taxpayer's spouse, whose principal place of abode is the taxpayer's home. To be allowed a dependency exemption, the taxpayer must provide more than half of the student's support for the calendar year in which the taxpayer's year begins, and except for the taxpayer's children and stepchildren, the student must have less gross income than the amount of the exemption.

The amount of the credit that is allowable for the taxable year with respect to a student is subject to two limits. First, the maximum amount of credit that may be claimed by the taxpayer for each student in any taxable year is $100 for the taxpayer's first taxable year beginning on or after January 1, 1983, $300 for the first taxable year beginning on or after January 1, 1984, and $500 for taxable years beginning on or after January 1, 1985.

Second, the maximum amount of credit per student is reduced as the taxpayer's adjusted gross income increases over $50,000 and is phased out entirely for taxpayers with adjusted gross incomes of $75.000 and over. For their first taxable year beginning on or after January 1, 1983, the $100 per student maximum credit is reduced by .4 percent of the taxpayer's adjusted gross income over $50,000; for the first taxable year beginning after January 1, 1984, the $300 per student maximum credit is reduced by 1.2 percent of the taxpayer's adjusted gross income over $50,000; and for taxable years beginning on or after January 1, 1985, the $500 per student maximum credit is reduced by 2.0 percent of the taxpayer's adjusted gross income over $50,000.

The amount of tuition expense for which a taxpayer is allowed a credit does not include expenses that are paid by scholarships and other educational aid that are not includable in the taxpayer's or in the student's income. If the scholarship is paid directly to the school and the school sends a tuition bill to the taxpayer that is net of the scholarship, the taxpayer is not deemed to have been paid the scholarship; the scholarship is excluded from the computation of tuition expense altogether.

A school with respect to which credits are allowable must provide a full-time elementary or secondary school program and must be a private, not-for-profit, day or residential school.

In addition, the school must be exempt from taxation under section 501(a) as an organization described in section 501(c)(3). Church-operated schools shall, pursuant to section 508(c), continue to be exempt from the provisions of section 508(a) and (b). The fact that credits are claimed for payments to a church-operated school shall not serve as a basis for imposing any new requirement on such schools in this regard.

The bill contains strong provisions to ensure that no credits will be permitted for amounts paid to schools that follow racially discriminatory policies.

A tax credit cannot be claimed unless the school is a tax exempt organization under section 501(c)(3). The bill also creates a new layer of protections above and beyond the 501(c)(3) requirement. In order for tuition expenses to be eligible for the credit, the school must annually file with the Secretary a statement under the penalties of perjury that it has not followed a racially discriminatory policy. In addition the Attorney General of the United States, upon petition by an individual who claims to have been discriminated against by a school under a racially discriminatory policy, may seek a declaratory judgment in a United States district court in which the school is located that the school follows a racially discriminatory policy. If a final judgment is entered that the school follows a racially discriminatory policy, tuition tax credits are disallowed for that year in which the complaint is filed by the Attorney General and the two succeeding calendar years. The disallowance does not take effect until all parties have exhausted their rights to appeal the declaratory judgment.

The proposal defines a racially discriminatory policy as a policy under which a school refuses, on account of race: to admit applicants as students; to admit students to the rights, privileges, programs and activities generally made available to students by the school; or to allow students to participate in its scholarship, loan, athletic or other programs. A racially discriminatory policy does not include the failure by a school to pursue or achieve any racial quota, proportion, or representation among its students.

The proposal is effective for tuition expenses paid after December 31, 1982, in taxable years beginning after that date.●

THE BANK HOLDING COMPANY DEREGULATION ACT OF 1982

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. STANTON of Ohio. Mr. Speaker, at the request of the administration, I am pleased to introduce the Bank Holding Company Deregulation Act of 1982. This legislation is designed to provide a framework within which banks, and eventually all depository institutions, may participate in the rapidly evolving market for financial services.

Although most of the major banking legislation enacted during the 1930's remains in force, structural changes affecting the financial services industry, have blurred the traditional statutory distinctions among financial institutions. A convergence of economic, social, technological, and political forces is responsible for these changes, and the process is irreversible.

One of the most significant examples of the increasing degree of overlap among traditionally separate industries occurs between the banking and securities industries. New products and services developed by securities firms have included money market funds and cash management accounts which have many bank-like features. Securities firms and retail chains have begun to offer some very attractive financial services nationwide which banks are not permitted to offer at all. Banks, on the other hand, have increased their participation in the private placement market, sponsored closed-end investment companies, and announced plans to engage more actively in the brokerage of securities to the general public.

As these activities increase, the need to insure that such undertakings remain in the public's best interest will also grow. We need to insure that no industry has significant regulatory advantages over others and that a proper legal structure is in place to facilitate the orderly evolution of the financial services industry.

The administration's proposed legislation will authorize banks to engage in nondepository financial businesses, such as the underwriting of municipal revenue bonds and the management of commingled agency accounts, through an affiliate of a bank holding company. Since the enactment of the Bank Holding Company Act of 1956, the bank holding company has served as a means of realizing the benefits which result from increased competition among financial institutions, while at the same time allaying the concerns surrounding the need for regulatory equality and sound banking practices.

I wish to make several specific points with regard to my personal views on this legislation. These views are based on my 18 years of experience as a member of the House Banking Committee, during which time I had the opportunity to participate in the consideration of the last major amendments to the Bank Holding Company Act in 1970.

I believe that the policy of separating banking from commerce, which is embodied in the Glass-Steagall Act, has been a sound one. Its purpose is to insure that when commercial enterprises seek credit from banks, they can get an objective determination, free of the conflicts which would arise if banks had to choose between funding their own commercial activities and those of their customers or if customers had to accept a credit service in order to avail themselves of a commercial service. Still, while we have worked diligently to separate banking from commerce, we have not succeeded in separating commerce from banking. A related set of issues arises because of the fact that banks are insured depository institutions. There are legitimate concerns that nonbanking activities might engender undue risk for the bank and that as insured institutions, banks might have an advantage over their uninsured competitors.

However, given the recent developments in financial markets which I have described, there is a case to be made that the risk to the banking system might be greater if banks are not permitted to meet their competition from nonbanking financial institutions. The bank holding company device may be an appropriate mechanism to provide whatever safeguards are needed to place commercial banks

and securities firms on an equal regulatory footing.

The bill which I am introducing today at the request of the administration is identical to S. 2094, which was recently introduced in the other body by Chairman GARN. It represents the administration's views regarding the conditions under which banks should be permitted to conduct securities activities. My introduction of the bill is not meant to constitute an endorsement, but I do believe that it deserves serious consideration in a timely manner. I am sure that members of both the banking and securities industries will offer extensive comments and suggestions, and I look forward to receiving these with an open mind.

The text of the Bank Holding Company Deregulation Act of 1982, as introduced by Senator GARN on May 5, 1982, can be found on pages S4562-S4565 of the CONGRESSIONAL RECORD of that date, and a section-by-section analysis follows on pages S4565-S4568.

As I previously stated Mr. Speaker, this bill is being introduced out of courtesy and at the request of the administration. I personally would want to see some major changes made in this legislation that I will address at a later time.●

THIS IS WHAT AMERICA IS ALL ABOUT

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. VANDER JAGT. Mr. Speaker, a few days ago a recent newspaper article in the Muskegon Chronicle, Muskegon, Mich., was brought to my attention. The headline for the article was entitled "Print Center Owner Practices 'Volunteerism.' "

I just wanted to bring to the attention of all my colleagues an extremely outstanding gesture and activity by Gene Logan, owner of the Sir Speedy Printing Center in Muskegon. In a word, Mr. Speaker, Mr. Logan has volunteered to print 25 copies of any résumé free of charge to anyone unemployed and actively looking for work.

Mr. Logan, in explaining his very unique and outstanding service, commented, "I believe we shouldn't rely on government and this is my contribution."

I know all of us here take our hats off to this fine gentleman, and I am delighted that the Muskegon Chronicle saw fit to publicize this very special contribution. The entire article follows:

[From the Muskegon Chronicle, May 15, 1982]

PRINT CENTER OWNER PRACTICES "VOLUNTEERISM"

(By David Kolb)

These are tough times. And Gene Logan wants to help make them a little less tough.

"I'm just trying to help out the public and get the economy moving again," says Logan, owner of the Sir Speedy Printing Center, 820 Pine.

How? By giving away something for nothing, that's how.

Beginning right now and lasting until the end of the month, Logan will print 25 copies of any camera-ready resume free of charge to anyone "unemployed and actively looking for work."

"I believe we shouldn't rely on government and this is my contribution," Logan said. "I think the economy is going to be very strong very shortly and there are going to be a lot of jobs available when that happens. The first step to having a good job is to have a good resume and so I want to have people prepared when the time comes."

Logan, who describes himself as a staunch Republican who believes in President Reagan's economic recovery blueprint, admits his free printing services will have no effect on Muskegon's nearly 18 percent unemployment rate.

"It will probably have absolutely no effect, but if I set an example for other businesses that have an influence on the job market then I'm helping the people get the economy started again," Logan said.

The way Logan sees it, printing more resumes will have a "boomerang" effect.

"I use more paper, which in a small way, increases the paper demand, increases the paper salesman's commission. He orders more paper, paper demand grows, the supplier buys more paper and on and on down the line until it ultimately reaches into the growing of more trees. It's a mushroom effect," he said.

And Logan has done his part to decrease the unemployment rate. He has hired an additional worker, increasing his labor pool from three to four.

So if you want to take advantage of Logan's economic soup kitchen offerings, drop into the shop at 820 Pine or call 726-3238 for more details.

The offer stands until May 31.●

LESSONS FROM THE FALKLANDS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. BENNETT. Mr. Speaker, I include in the RECORD the following important article from Navy Times, June 14, written by Marine Gen. John Hittle, also able former Assistant Secretary of the Navy:

The article follows:

[From the Navy Times, June 14, 1982]

LEARNING LESSONS IN THE FALKLANDS

(By Brig. Gen. J. D. Hittle, USMC (Ret.)

As the British-Argentine struggle for air and sea superiority intensifies, some lessons are being learned. They should be well heeded by U.S. defense officials, because such lessons come rarely and at a high price in lives and material.

Here are some of the things that the tragic conflict in the distant reaches of the South Atlantic are telling us:

Sea warfare requires surface ships. The sinking of Argentina's Belgrano and the British destroyers and frigates do not, as some self-annointed soothsayers claim, sound the death knell of surface combatants. Rather, the combat losses point up weaknesses that should be avoided and strengths that should be sought.

In the first place, war is not a tennis match. When the shooting starts, ships are sunk, men die, planes go down in flames. That anyone was surprised by casualties in the Falklands is a measure of the lack of realism with which too many viewed the tragic British-Argentine march toward war as something out of Gilbert and Sullivan.

Once the guns open fire, the torpedos start their runs, and the bombs are released, attrition begins to take its toll. The side that prevails is the one that has enough left to control the objective area.

What must also be realized is that two basic considerations are involved in ship survival: vulnerability and survivability. In a real sense, everything that gets into combat is susceptible to attack; that is vulnerability. The crucial factor is not vulnerability but, rather, survivability. Careful attention must be given to improving survivability. This may well mean major design changes to protect against today's subsonic and tomorrow's generation of supersonic missiles.

In the Falklands actions, the ships sunk were lightly or almost unarmored. Belgrano was a pre-World War II light, armored cruiser. Armor was sacrificed for gunpower and speed. The British ships were destroyers and frigates, types that have little or no armor.

In World War II, the destroyer types combined high vulnerability with low survivability. They suffered relatively heavy losses. Because they have important missions of anti-submarine defense, air defense and convoying, losses were expected, and replacements made up for the low survivability characteristics. But, not so in the Falklands. Under the Thatcher-Nott policy of cutting conventional naval power, replacements were hard to come by. They came from further reductions in already too thin naval protection elsewhere.

The lesson is this: Not *fewer* surface ships, *more*. But, make sure they are designed against the threat of the next generation of supersonic missiles.

Even present-day destroyers and frigates can have improved survivability. The sacrifice of metal for protection to reduce weight can be carried too far. The fragile aluminum in the superstructure of the Sheffield is an example. The lesson: replace aluminum with steel wherever practicable.

CARRIERS

The Falklands war is strong testimony in favor of big carriers. British naval power is handicapped by the lack of the kind of carriers the United States is operating and building.

What the Royal Navy is using in a power projection and a fleet defense role in the Falklands are two carriers—Hermes and Invincible—that are small and specialized. They were intended for NATO antisubmarine missions, and carry a relatively small number of helicopters and Harrier jump jets. The latter are remarkable airplanes for ASW and advanced-base operations. But its current version has relatively limited time in the air between refuelings. As attack air-

craft, they do not have the range and load of the kind of attack planes the U.S. Navy flies off its big carriers.

If the Royal Navy had one carrier in the Falklands like those of the United States, the entire course of the Falklands actions would be drastically different. Fleet air defense would be more distant, more dense and more effective, and the British landing force would have close air support vastly heavier than what Hermes and Invincible can now provide. This translates into fewer ships lost, less casualties and a more effective amphibious landing operation.

NAVAL AIRCRAFT

The truism that carriers should stay as far as practical from enemy air bases and still do their job is again underlined in the Falklands. Distance from the enemy bases increases the defensive capability of the carrier by making the enemy fly farther to attack the carrier. This places, as the Argentines well know, heavy operational burdens on their aircraft which, because they have been operating on the fringes of their endurance, have had difficulty getting at the carriers.

By the same token, the British, not wanting to get caught by Argentine land-based aircraft, keep as far from the mainland as they can and still put the limited-range Harriers over the fleet and also give some close air support for the landing force.

So, both the British and Argentines would benefit by having attack aircraft that can fly farther and carry larger loads at longer distances. This points up the need to emphasize attack aircraft that can deliver heavy loads at long ranges. Again, the example of the Argentine air force: it is operating at close to maximum distance. This cuts, or prevents loiter time, deliberate target selection, approach maneuvers and fuel-consuming evasive action. The result is reduced attack effectiveness and heavier losses.

Just imagine how different the war would be if the Falklands were 100 miles closer to the mainland. Both the British and Argentine air operations have again demonstrated that for naval attack aircraft, there is no substitute for range and load.

MISSILES

The Falkland action has demonstrated the important role of both offensive and defensive missiles. Unquestionably, missiles will continue to heavily influence future design and tactics of surface ships. Missile technology, like other major weapons systems, will advance on a broad front with continuing improvements in both offense and defense.

The lesson from the Falklands is the importance of missiles and the need for adequate combat supplies of them. There should be an accelerated program for supersonic missiles with vastly increased range, speed and effectiveness, and especially high angle drive characteristics because, as some experts predict, these will be the next generation of missiles.

BATTLESHIPS

One of the most serious deficiencies of the Royal Navy in the Falklands is the lack of armored ships that can take hits and not only survive, but also continue to fight. There is no ship that fills this requirement better than the New Jersey-class battleships the U.S. Navy is taking out of mothballs and putting to sea. If the British had a ship like New Jersey in the Falklands operation, avoidable war would long ago be over.

These big, tough, fast ships are at the opposite end of the survivability scale for the frigates and destroyers that Britain has lost to Argentine smart missiles and bombs. With 16 inches of armor belt in the hull and their armored protection in the superstructure, they can survive heavy damage and remain operational.

As an example, Washington, a then-new World War II battleship with much the same armor and guns, but 100 feet shorter than New Jersey, was attached early in the war to the British Home Fleet at Scapa Flow. A major Mission was protection of the Murmansk convoys.

During an operation off the Norwegian coast, a British Tribal class destroyer was sunk ahead of Washington. The destroyer's depth charges had been armed for a sub attack and they went off directly under Washington. The battleship absorbed the blasts that would have severely damaged or sunk a lesser armored ship. The tough hull took only minor damage; so minor that speed was maintained, and Washington continued normal operations with the Home Fleet in the North Sea and Arctic waters until recalled to the United States months later for reassignment to the Pacific.

But armor isn't the only thing the New Jersey type has that the British lack in the Falklands: big guns for bombardment of enemy positions ashore and for gunfire support of the landing force.

In terms of range and projectile size, there is little relationship between New Jersey's 16-inch guns and the few 4.5-inch naval guns the British have been using against Falkland positions. New Jersey could stand off 20 miles and deliver nine tons per salvo with pinpoint accuracy. No wonder some of the strongest U.S. advocates of the battleships are U.S. Marines, who would be the direct beneficiaries of their gun power.

In terms of naval gunfire support requirements in amphibious operations, what the British have, both in numbers and caliber, is ridiculously small. The result is that the landing force is condemned to fight without the kind of life-saving naval gunfire support that the Royal Marines and paratroopers need and deserve.

In battle, this quickly translates into casualties in the landing force. Unfortunately, the U.S. Navy also has a gun gap. But with the activation of the four Iowa-class battleships, our gun gap will be at least partially plugged.

Also, the battleships, with their vast deck areas, provide a big sea-going platform for anti-ship and anti-air missiles. Such ships would have added tremendously to fleet air defenses in the Falklands. So another big lesson being signaled from the Falklands is "get the battleships to sea."

UNDERSEA WARFARE

High among the Falklands lessons is the continued importance of submarine forces. The British subs sank Belgrano, and so far have effectively bottled up Argentine surface units. This points to the need to continue improving submarine attack capabilities and, conversely, anti-submarine technology and tactics.

AMPHIBIOUS FORCES

There is in the Falklands another demonstration of the towering requirement for Marine amphibious forces. The professional performance of the Royal Marines has been a saving factor for the British Falklands operation. Without the Royal Marines, the fleet commander would not have had landing force specialists, and there is a good probability there wouldn't have been a landing.

The paradox is that the Royal Marines, which are so indispensible to the Thatcher government's Falkland war effort, were, just about a year ago, reportedly scheduled by Prime Minister Thatcher and Defense Minister Nott, for disbandment. They were saved at almost the last minute by civilian navy head Keith Speed's public opposition to the Thatcher-Nott scheme to cut back drastically in conventional naval forces and eliminate the Royal Marines. He saved, British sources say, the Marines. But, as the sorry story unfolded, Thatcher fired him for his opposition.

In summation, the air and sea combat in the Falklands is providing important lessons for the United States. Among them, we need more ships, not less; heed the missile threat and design ships to meet that threat; get the four New Jersey-class battleships out of mothballs and at sea; keep building big carriers and put planes on them that are built to carry big loads long distances; go supersonic in offensive and defensive naval missiles; enhance ASW capabilities, and assure the maintenance of a large modern-equipped Marine Corps.

In other words, keep enlarging and improving our nation's seapower, not only for today, but also for tomorrow.●

THE PRESENT AND FUTURE OF ALCOHOL FUEL

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. DASCHLE. Mr. Speaker, present and anticipated future demand for ethanol for use as a motor fuel was recently reviewed for the Congressional Alcohol Fuels Caucus by Mr. Daniel C. Greer and Mr. Walter J. Kulakowski. Contrary to reports of declining alcohol fuel popularity and use, the sale of ethanol has increased and is expected to increase substantially in the future as alcohol fuel plants now under construction become operational.

Mr. Greer serves as vice president of Ashland Development, a subsidiary of Ashland Oil, and is a member of the South Point Ethanol Committee which is responsible for the development of the 60 million gallon per year ethanol plant now under construction at South Point, Ohio. Mr. Kulakowski is director of Ethanol Marketing, Energy Venture Analysis, Inc. Earlier this year Mr. Greer and Mr. Kulakowski made a similar presentation to the annual meeting of the National Petroleum Refiners Association which was entitled, "Use of Ethyl Alcohol as an Octane Booster." On the subject of current ethanol use, Greer and Kulakowski reported:

Fuel ethanol sales have increased dramatically throughout 1981, despite both widespread "obituaries" for gasohol by the media and a slumping gasoline market. Sale of ethanol-gasoline blends in September 1981 reached a record 69 million gallons.

This rate accounts for approximately 70 percent of today's fermentation ethanol capacity. If demand for beverage and industrial alcohol is also considered, fermentation alcohol is presently overly committed. Compared to refining and chemical capacity utilization rates, ethanol's performance is quite respectable for a "dead" industry.

The truth is that the ethanol industry is alive and growing. The recent completion of 68 million gallons per year capacity in the Midwest should increase ethanol-enhanced fuel sales dramatically. The most recent tabulation of planned or operational fermentation ethanol producers shows over 10 million gallons per year. By 1983, it is expected that at least 328 million gallons of capacity, not including small producers, will be on-line. This amount represents a tripling of today's aggregate capacity and will ensure product availability and a competitive market. Other facilities which received initial government funding approval but have not started construction total 420 million gallons of potential capacity. The current strength of fuel ethanol demand in conjunction with this growing supply promises to boost fuel ethanol to a prominent position in the gasoline marketplace. Further, the long-term price stability of corn (the major ethanol feedstock) relative to that of petroleum is likely to improve ethanol's competitiveness in the future.

Press reports predicting the demise of gasohol have been based on a misinterpretation of terminology and market trends. Because the name "gasohol" has been largely replaced by terms such as "super unleaded with ethanol," many recent reports have incorrectly linked the obsolescence of the name to that of the product. A second misconception is that poor market penetration of fuel ethanol in several states not offering alcohol tax incentives is evidence of widespread consumer dissatisfaction. Actually, fuel ethanol distributors have simply shifted marketing priorities toward the 19 states currently offering alcohol incentives—with remarkable success.

Mr. Speaker, when informed of the reports of his demise, Mark Twain responded by saying, "The reports of my death have been greatly exaggerated." The erroneous reports of the demise of the emerging alcohol fuel industry in our Nation have likewise been greatly exaggerated.●

AMERICA'S TECHNOLOGY

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. NAPIER. Mr. Speaker, our Nation today is clearly established throughout the world as the forerunner in technology, leadership, business, industry, and many other areas. The reason for these tremendous successes is a principle our forefathers founded this Nation upon and their predecessors have continued to pursue—developing potential.

This country is a pacesetter because of the resources which have been tapped and the many opportunities which yet await discovery. Such potential is accessible around every corner in our great land. This valid concept could not be exemplified any truer than in the Pee Dee region and in Hartsville, S.C.

I share with many other people a great pride in this important coastal area, so-named the Pee Dee region because it includes the area which surrounds the Great Pee Dee and the Little Pee Dee Rivers. The land has nurtured generations of hard-working South Carolinians dedicated to their cause of building a better tomorrow for their children, people who have made the most of the opportunities available.

Hartsville, S.C., which lies in the Pee Dee region, is a city of possibilities. It is a progressive center of agricultural, industrial, educational, historical, and commercial activity. It is a city whose residents long ago recognized its potential, set goals, and worked to make them realities.

I recently heard an excellent commentary by Dianne Chinnes, executive vice president of the Greater Hartsville Chamber of Commerce. It makes an interesting and excellent statement about the pioneer spirit borne in the early inhabitants of the area and which has prospered in the future generations of the residents of Hartsville. I want to share those comments with my colleagues so that you may have a better understanding of this area which has made such a special contribution to the Sixth District and to our Nation.

COMMENTARY—GREATER HARTSVILLE CHAMBER OF COMMERCE

"Never judge a man by what he has done, but by what he is going to do!"

Someone gave me this advice years ago when I was just in my teens. How foolish, I thought then. How can I judge anyone by what he will do? Judgments are made on performance, I thought, not on potential. Experience has proven me wrong. The wise man also judges potential.

I remember my younger brother had a childhood friend called "Skinny." When they were 10 years old everyone in our neighborhood could lick "Skinny" and often did. I met Skinny again when he was 23 and he was 6'4" and 230 pounds, and I hoped he would not remember how poorly my brother had treated him when he was 10.

Over 100 years ago, a man refused to buy a 400 acre farm for $10 an acre. This farm is now downtown Tulsa, Oklahoma.

In 1809, when America was preparing for its second war with Great Britain, Tom and Nancy had a baby boy with prospects of the child being nothing more than a backwoods farmer. The child was born in a log cabin and they named him Abraham Lincoln.

In 1905, when Teddy Roosevelt was trust busting and preparing to build the Panama Canal, a 26 year old Jewish German youth, an examiner in the Swiss Patent Office, submitted a paper to a German scientific journal on the theory of relativity and another on the famous equation $E=mc^2$. His name was Albert Einstein.

Who would have guessed that Captain Thomas E. Hart's farm on the edge of Black Creek would develop into a busy, prosperous, progressive, city named Hartsville?

All of these examples illustrate an important point—that people and places develop their potential, not because of what they had been but because of what they could be. Abraham Lincoln did not become President because he was born in a log cabin and Hartsville did not become a thriving community by accident.

We wonder what Hartsville will be like 100 years from now? I wonder about Hemingway and Johnsonville, and which our grandchildren, great grandchildren, neices, and nephews will be its leaders, its bankers, its pastors, its teachers, its industrialists? Communities and enterprises, like people, grow and develop when they realize their possibilities and work toward the future instead of living in the past. Communities and enterprises, like people, become dormant and fail when they exercise their egos more than their brains.

Our community has a great past and a great future. It is up to all of us to use the abilities and powers we possess to continue the growth of our community, to make it what we believe it can be.

The Pee Dee Region of South Carolina is what it is today and its people are what we are because our forefathers had the insight to judge our communities and the people by what they could be.●

FATHER'S DAY AND THE EQUAL RIGHTS AMENDMENT

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. OBERSTAR. Mr. Speaker, the majority of the American people support the equal rights amendment. A majority of the American people live in States which have ratified the amendment. Whether or not three more States ratify the equal rights amendment in the next 8 days, the concept of the amendment will survive and the fight to incorporate protection of women's rights into the Constitution will continue.

Last Sunday was Father's Day. As the father of three daughters, I have a strong personal interest in insuring equality under the law for the women of future generations. The Sunday New York Times, however, pointed out in an excellent editorial that there's "Something for Dad in the Constitution." I would like to share this editorial with my colleagues, with other fathers, with mothers, and with those who are not parents and include it in the RECORD.

[From the New York Times, June 20, 1982]

SOMETHING FOR DAD IN THE CONSTITUTION

New fathers whose working wives don't get pregnancy leaves or maternity benefits are victims of discrimination against women. Divorced fathers in states where the mother automatically gets custody of "a child of tender years" are victims, too. Grandfathers suffer from sex discrimination in states where widows never get credit, for inheritance purposes, for their "homemaker" contributions to the family estate. Discrimination against one sex usually hits both.

Which is why fathers—and men in general—would benefit from an Equal Rights Amendment. They would share the dividends that would follow from improving the official status of women. As with the civil rights revolution, the favored class (whites then, males now) gains from social justice.

E.R.A. supporters ruefully agree that in the 10 years of effort to win ratification, the amendment has had many mothers but too few fathers. That decade ends 10 days from now, three states short of adoption. Two-thirds of the public supports E.R.A. Yet some women, entertaining vague and even false fears, helped to stall the amendment. So did the men who jammed key state legislative committees.

The battle may now be lost; it will surely start again. More women will see less of a threat in government's recognition of their equality. More women will want equal pay for equal work. More women will contribute funds and political skills to the cause. Father's Day 1982 is a fit time to hope that more men, recognizing the cause to be universal, will also make it theirs.●

MANACLING THE COURTS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. SEIBERLING. Mr. Speaker, it is disturbing to learn that more than 30 bills have been introduced in Congress to curtail the judicial and remedial powers of the Federal courts in constitutional cases. These bills focus on the social agenda of the so-called Moral Majority, that is prayer in schools, abortion, and methods of achieving school desegregation.

In an article in the Philadelphia Inquirer for May 20, Robert M. Landis, retiring president of the Pennsylvania Bar Association, writes that this is

> The gravest threat to the independence of the federal judiciary and to the principle of separation of powers since the court-packing plan of 1937.

Mr. Landis also quotes from a recent address by Fred W. Friendly concerning the threat some of these bills pose to the freedom of the press. Mr. Friendly correctly recognizes that "once the floodgates are opened, all of our liberties and rights can be placed in jeopardy. * * *"

Mr. Speaker, it is important that Members of Congress, who are themselves sworn to uphold and defend the Constitution, realize the grave threat posed by such legislation, which would jeopardize the long-term interests of the country in an effort to solve passing issues.

The full text of Mr. Landis' article follows these remarks:

MANACLING THE COURTS

(By Robert M. Landis)

For more than a year the 97th Congress has had before it more than 30 bills designed to curtail the jurisdictional and remedial powers of the federal courts in federal constitutional cases. These court-stripping bills focus on the social agenda of the Moral Majority: prayer in public buildings, abortion, and methods of achieving school desegregation.

Their sponsors bluntly proclaim their purpose to "be a healthful corrective to further excesses of the Supreme Court." In the last 45 years there have been many attempts in the Congress to "overrule" decisions of the Supreme Court by limiting the federal courts' jurisdiction.

Between 1953 and 1968 over 60 bills were introduced in Congress to eliminate jurisdiction of the federal courts over a variety of subjects, generated by popular resentment of Supreme Court decisions. All of them died under stalwart resistance within the Congress and its own sense of prudential forebearance.

But the array of legislation now before the Congress, inspired, as Sen. Orrin Hatch (R. Utah) declares, by "substantial constituencies" who oppose particular constitutional rulings on school prayer, busing and abortion, is the gravest threat to the independence of the federal judiciary and to the principle of separation of powers since the court-packing plan of 1937.

Although influential lawyers' organizations like the American Bar Association and the American College of Trial Lawyers have mounted an imposing campaign in opposition, until two weeks ago the U.S. attorney general and the Department of Justice have been sitting on the sidelines.

Finally, in companion letters to the chairmen of the Senate and House Judiciary committees, the attorney general has raised a constitutional and policy warning against limiting the jurisdiction of the Supreme Court in circumstances that would "threaten its core functions." At the same time, he has implied tentative approval of the busing provisions in the so-called "Neighborhood School Act of 1982," the Senate-passed rider to the Department of Justice appropriation bill for 1982 fiscal year. Meanwhile, the President has formally proposed an organized school prayer constitutional amendment.

All last summer and into the fall a parade of constitutional scholars, theologians, doctors and sociologists echoed thundering passages from the framers of the Constitution, the historic justices, the medical journals, and from the Moral Majority. Some of them advocate facile experimentation with statutory court-stripping; others found this abhorrent. Some of them thought Congress could do anything it wanted to do with the jurisdiction of the lower federal courts and even of the Supreme Court; others found its power restricted by external and internal limits of the Constitution.

If there was any consensus at all it was on two points: that in the end the federal courts would have to decide the constitutionality of this legislation; and that the senators were treading on treacherous grounds of social policy as they ventured over this constitutional terrain.

This is not a time for scholarly debate. The peril of abstract debate on questions of constitutional power is that it leads nowhere. It is time now to look hard at the principles at risk in this elemental struggle.

The policy reasons for resisting this legislation are compelling.

First, the proposals seek to circumvent the established amendment procedures with their extraordinary safeguards for changing the provisions of the Constitution.

Second, the premise of the legislation is pernicious, that state courts and state judges will be less hospitable to existing constitutional precedent and more likely to respond to popular notions of constitutional rights because they are more accountable to the people who elect them. This was Hatch's cynical observation on the debate on the Neighborhood School Act: "This bill does not restrict in any way the authority of state courts to enforce the Constitution as they wish . . ."

Third, transient and vagrant interpretations of constitutional law would spread among the 50 states without the unifying influence of one Supreme Court exercising its traditional powers under Article III, undergirded by the Supremacy Clause of Article IV.

Finally, and most alarmingly, once let loose upon unpopular interpretations of constitutional rights, this congressional process of jurisdictional gerrymandering may not be contained.

This was the portent that brought Fred W. Friendly into the battle on the side of the courts to sound an alarm of peril to the press. Recently he told the Pennsylvania Bar Association: "The public and the media must be made aware that once the floodgates are opened, all of our liberties and rights can be placed in jeopardy . . . this means that the First Amendment may also be subject to congressional mutation."

Members of the Conference of State Chief Justices, meeting in Williamsburg not long ago, declared their grave concern over this legislation. By unanimous resolution, they warned the politicians that if they were looking to the state courts for expedient rulings on constitutional rights, they had better look again because these courts are bound by the same Constitution that the U.S. Supreme Court interprets.

Tampering with the core functions of the Supreme Court as a political expedient to satisfy popular opposition to its decisions is a treacherous legislative experiment. It challenges the spirit of the Constitution. Its legitimacy is suspect. Its invitation to vagrant, disparate, constitutional interpretations among the high courts of the 50 states could fragment the integrity of the Constitution.

We need not pause over the quibbling and paltering of medical experts and theologians about that transient moment when life worthy of constitutional protection begins. Nor need we pause to applaud the gathering array of leaders who have risen to denounce this legislative incursion into the judicial process. But responsible citizens should not stand silent while Congress fashions constitutional remedies in the transient image of what an imagined popular majority would like them to be, or reduces the Constitution to what those in power would like it to mean.

If there is one thing worse than being wise after the event, it is being courageous after the danger is past.●

A LETTER TO DAVID STOCKMAN

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. SIMON. Mr. Speaker, last month I sent a letter to David Stockman, signed by 30 of my colleagues, expressing our concern over the disso-

lution of the Statistical Policy Branch of the Office of Information and Regulatory Affairs at OMB. I believe that this policy change represents a serious blow to the Federal statistics system.

Our decentralized system, involving over 100 Federal offices, collects and analyzes data of national importance, including business activities, employment patterns, agricultural production, inflation rates, and health indicators. This information is critical for effective and sound decisionmaking in both the public and private sectors. Our system has worked well in the past because we have had a central branch in OMB which coordinates the myriad statistical activities of the Federal Government. It is this coordinating branch—the Statistical Policy Branch—which was abolished on Friday, April 23.

The administration's explanation of the changes in statistical policy has not reassured me. Mr. Stockman replied to my questions during a House Budget Committee hearing on May 5 and Mr. Christopher DeMuth, the Administrator of the Office of Information and Regulatory Affairs gave a written reply. They acknowledge reorganization as well as reduction of statistical staff, but they maintain that the coordination of the Federal statistical system will not be impaired. I remain concerned that this reorganization will seriously hinder the Federal statistical system. I am even more concerned that we no longer have a Director of the Statistical Policy Branch, since there is no longer a branch as such. This Director used to be regarded as the chief statistician of the United States.

Therefore, the United States has no official leader who will represent our Nation in international deliberation and cooperation in statistical projects.

My concerns are echoed in the following letter to Mr. Stockman from Dr. William Kruskal, dean of the division of social sciences at the University of Chicago, and currently, president of the American Statistical Association. I insert the full letter for the RECORD, not only because its author is eminently qualified to evaluate the Federal statistics system, but also because he has so eloquently described the value of a statistical coordinating branch.

THE UNIVERSITY OF CHICAGO,
DIVISION OF THE SOCIAL SCIENCES,
Chicago, Ill., May 17, 1982.

Mr. DAVID A. STOCKMAN,
Director, Office of Management and Budget, Washington, D.C.

DEAR MR. STOCKMAN: I write to express dismay at the disestablishment of the Statistical Policy Branch in OMB's Office of Information and Regulatory Affairs. In my view, as statistician and citizen, the central statistical presence in the Executive Office of the President should be greatly strengthened so that it fulfils its proper national function of maintaining and improving the quality of federal statistics. To disestablish the statistical center is to move exactly in the opposite direction, and that, together with cuts in statistical budgets, almost ensures a decline in statistical quality. I hope that there may be reconsideration of what appear to be sharply reduced resources for statistics in the federal government.

The perspectives from which I view federal statistics are several. First, as a faculty member with administrative responsibilities at the University of Chicago, I see colleagues throughout the University using federal statistics in their research and teaching: economic studies of productivity, demographic studies of fertility, surveys of public and private education, medical investigations, studies of prisons and criminal justice, etc., etc. I could go on indefinitely. Nor is it only a matter of research and teaching; in its planning and self-examinations, the University draws information from federal statistical sources.

The same, of course, is true of all other institutions of advanced learning, of school boards and other local groups, of most large corporate bodies, and of other organizations . . . including government itself. It is all too easy not to notice the statistical sea that supports our thought and actions. If that sea loses its buoyancy, it may take a long time to regain the lost support.

Second, my views are influenced by membership on the 1970–71 President's Commission on Federal Statistics, appointed by President Nixon. The Chairman and Vice Chairman of the Commission were W. Allen Wallis and Frederick Mosteller. In its report, the Commission gave favorable grades to the major federal statistical agencies (including the Bureau of the Census and the Bureau of Labor Statistics) but deplored the highly uneven quality of other statistical work. A great deal of federal statistical activity takes place outside the traditional statistical agencies, and the Commission found much of that activity unsatisfactory; a basic recommendation was improvement via a central statistical office.

I also served on the more recent Federal Statistical System Project—part of the President's Reorganization Project—a thorough study directed by James T. Bonnen. After examining many alternatives, the study group saw no alternative to a vigorous statistical presence in the Executive Office of the President. Questions about federal statistics are not partisan issues; they cut across party, region, and philosophical background.

Third, I currently serve as President of the American Statistical Association, a professional society that has been both friend and critic of federal statistics since the Association's start almost a century and a half ago. Indeed, colleagues from the Association had recently talked with your coworker Christopher DeMuth in an attempt to help him find a suitable new director for OMB's statistical Branch; it was a puzzling surprise to learn of the Branch's sudden abolition. We hope that there may be a real renewal of central support for federal statistics.

A central statistical group can and should do many things: coordination among agencies in terms of standard definitions (urban area, poverty, income, weapon reliability, labor force membership, etc.), helping to maintain high standards of professional integrity, facilitating career lines for able young people, ensuring transfer among agencies of new design or analytical develpments, and so on. Much can be said to describe and exemplify those important functions. Most important, to my mind, and most encompassing, is understanding the accuracy of statistical programs. That includes concern for allocation of accuracy-related resources, for example, allocation between control of random errors (via sample size or structure) and the investigation of systematic errors (e.g., confused basic concepts, some kinds of nonresponse, understatement of income or other quantities, arbitrary omission of unsatisfactory cases, etc.). When I write of accuracy, I am not thinking of small refinements in the second decimal place, but rather of understanding and avoiding significant confusions and errors in the statistical underpinnings of central national debates.

Only a central office with substantial resources and presidential support can act intelligently, consistenly, and powerfully on such problems. Without such action, we may expect inevitable degradation of, and loss of trust in, federal statistics. Indeed the federal establishment itself—executive, legislative, and judicial—relies on federal statistics for its own planning, evaluation, and retrospection; your own Office must be a heavy user of federal statistics. It seems to me directly in the self-interest of OMB, and hence of the nation at large, to have an effective central statistical group constantly working toward better information for your own evaluations and decisions.

Christopher DeMuth kindly sent me descriptions of the recent changes. In many ways the goals expressed in his mailing are consistent with the goals I and other statisticians emphasize, but the abolishment of the Branch, the subsumption of its functions into an information and regulatory division, and the reassignment of individuals all point to the effective suspension of the basic functions for a central statistical office.

Others, I know, are writing you about legislative requirements for OMB's statistical office, about coordination and standardization, about the effectiveness of the central group in those past years when it had real resources, about the permanent loss for future knowledge of information not collected now, and so on. All of those are parts of what seems to me central: understanding and improving the accuracy of federal statistics.

Sincerely yours,

WILLIAM KRUSKAL.●

THE PUBLICATION OF "FISHING IN THE NATION'S CAPITAL"

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. CONTE. Mr. Speaker, I would like to take a moment today to remind my fellow Members of the Congress that just a decade ago the Potomac River, flowing through the Nation's Capital, was characterized by floating algae mats, dead fish, and a stench. Today, thanks to a massive cleanup effort, the Potomac River has recovered and a wide variety of sport fish have returned to the river. Unfortunately, there is a lingering mistrust of the Potomac's water quality and the edibility of its fish, therefore, the Po-

tomac River is an underutilized resource.

As an avid fisherman, I am especially proud that such progress has been made on the Potomac and that I have been able to distribute to my colleagues a copy of the report, "Fishing in the Nation's Capital," which outlines a strategy for reintroducing fishing to the Metropolitan Washington area including portions of Maryland and northern Virginia.

More importantly, however, the report could serve as an example throughout the country. The report focuses on "close to home" recreation and is a success story about a badly polluted river. Also, it is a comprehensive documentation of public needs from information and educational programs to physical construction. I am also pleased to note that it focuses on youth involvement in the relaxing, inexpensive, and rewarding sport of fishing. Finally, the report promotes economic development of the metropolitan community and recognizes the need for public and private sectors to work together in planning and implementation of projects designed to restore sport fishing on the Potomac.

The report was prepared by the Fishing Commission of the Washington Area Waterfront Action Group, one of eight committees of a unique, unfunded, nonprofit—Government, industry, community—organization dedicated to enhancing use and development of the Potomac waterfront area.

In the coming months, two interesting events will be taking place under the auspices of the Fishing Committee and a quartet of community sponsors. They are the TV 7 Youth Fishing Clinic, on July 31 in Constitution Gardens on the Mall, and the TV 7 Fishing Derby, August 27 through September 6, along the Potomac River between beltway bridges.

Thank you.●

TWO HEROES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. SIMON. Mr. Speaker, when the American hostages were caught in Iran, two people in particular played an important role in rescuing them and became heroes to the American public: the Foreign Minister of Algeria, the Honorable Mohammed Seddick Benyahia, one of the most impressive persons I have met in my years in public life, and the Ambassador from Algeria to the United States, the Honorable Redha Malek. Tragically, Mr. Benyahia lost his life in a plane crash and this Nation never properly paid tribute to his great work. And now the Ambassador from Algeria will be leaving for his next assignment. Let the record show that there are many Americans who are grateful to him, who are grateful to Algeria for that country's leadership, and who have a warm feeling of friendship to Algeria. We wish Ambassador Malek the very best in his new assignment. He has served Algeria well, and he has served the cause of humanity well.●

EEC RAISIN SUBSIDIES MUST BE ELIMINATED

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. THOMAS. Mr. Speaker, U.S. raisin producers are confronted today with a serious economic crisis directly attributable to the unfair trading practices of the Eruopean Economic Community (EEC). With willful indifference to its trade commitments, the Community has been subsidizing its raisin growers, allowing them to undercut U.S. raisin prices by a substantial margin. As a result, U.S. raisin exports to both the Community and third country markets have been seriously eroded.

Since the institution of raisin subsidies in September of 1981, our total raisin sales to the EEC have dropped by 41 percent over the previous season. But these dire trend data do not tell the whole story. Most of our export sales involve obligations under old contracts; virtually no new contracts are being executed for the sale of U.S. raisins to the EEC. Further, because these subsidies have intensified competition among nonmember suppliers for other world outlets, the U.S. industry has also begun to experience trade displacement in third country markets.

Of course, the damage resulting from the EEC raisin subsidies is not confined to the U.S. raisin industry. The U.S. Treasury, our labor force, and indeed the general public is also harmed.

Today, more than ever, the United States can ill-afford to stand idly by and watch this economic damage occur. In recognition of this, the current administration has sought to challenge the EEC's practices in a dispute settlement proceeding before a GATT panel. I applaud this effort and implore our Government officials to invest every possible effort in the upcoming dispute settlement. If our complaint is upheld by the panel, the President must quickly exercise this power to obtain an elimination of these subsidies. Any delay would mean even greater economic loss to the U.S. raisin industry and to the Nation at large.●

THE REAGAN ADMINISTRATION'S "CATCH-22" ON ENVIRONMENTAL POLICY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. BONKER. Mr. Speaker, this year marks the 10th anniversary of the Stockholm Conference on the Human Environment. At the U.N. environment program's special session in commemoration of the occasion, more than 100 countries renewed their commitment to resolving global environmental problems through cooperative efforts. But the United States was not among them.

One of the tenets of the Reagan administration's international environmental policy is that the available scientific evidence does not at this time justify concrete actions to address such problems as acid rain. Such data is required before the United States can become committed to international action. It is ironic then that the administration has slashed funding for the types of scientific research and monitoring that are so urgently needed in the environmental field.

Mr. Speaker, I wish to submit for the record an editorial that appeared in the Washington Post on June 24, 1982, entitled "State of the Environment 1982." The editorial discusses the Reagan administration's catch-22 on environmental policy and scientific research.

The article follows:

[From the Washington Post, June 24, 1982]

STATE OF THE ENVIRONMENT 1982

Breaking with a 34-year tradition, the staunchly nonpartisan and usually recalcitrant Conservation Foundation, an environmental research group, leaped into the fray against the Reagan administration's environmental and resource policies last week. It was prompted to take action last year by the apparent discontinuation of the reports on environmental trends that had been published annually during the past decade by the White House Council on Environmental Quality. Neither the 1981 nor 1982 White House report has yet appeared, but CEQ says that they will be published. The Conservation Foundation decided to fill the gap with an analysis of its own.

Having reviewed the principal achievements and failures of the past decade and decisions taken during the past 18 months, the report concludes that "Without question, the Reagan administration has introduced a fundamental discontinuity into national resource and environmental policy." In the foundation's view, the new policies have broken a bipartisan consensus that supported a decade of extraordinary legislative and executive activity in the areas of environmental protection, pollution control and natural resource management.

In very broad terms, the report—called "State of the Environment 1982"—finds that during the 1970s substantial success was achieved in "traditional" pollution con-

trol efforts, such as those for clean air and water. In some cases, the success meant fewer emissions; in others, it meant laws that kept things from getting worse during a decade of substantial economic and population growth. Concerning more recently recognized problems, such as hazardous wastes and toxic chemicals, only a few preliminary steps have been taken. Some newly emerging problems, such as soil erosion and acid rain, are still getting worse.

In most respects, it is too early to measure the direct impact of the present administration's new approach. However, in its most valuable sections, the report zeroes in on one already measurable impact—the loss of crucial information. It documents disproportionate cutbacks in scientific research, in monitoring, in the provision of information to the public and in resource management and planning. For example, the Environmental Protection Agency's research budget has been cut by twice as much as total nondefense research. Within the departments of Interior and Agriculture, mineral and timber development budgets and funds for road construction are way up, while those for such things as soil, water and wildlife habitat management and collection of data on the state of natural systems are consistently way down.

Because of these changes, the Conservation Foundation concludes, "the information base for environmental policy, always weak, is likely to be even weaker in the future." More even than in the past, that means decisions based on ideology or guesswork—a prescription for bad decisions and expensive mistakes.●

LEBANON

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. DAN DANIEL. Mr. Speaker, yesterday, the House approved a resolution providing a $50 million relief fund for the suffering people of Lebanon. The need for assistance is obvious and that we make it available is consistent with this country's history of compassion.

Still, it is troubling to me that once again we are called upon to look the other way when authorizing additional expenditures just because it is for a worthy cause; $50 million has to come from somewhere, and I believe that the most appropriate source would be from funds normally provided to Israel.

I can understand the desire and the necessity for the creation of a buffer zone to prevent the shelling of Israeli settlements along the Lebanon border.

I have always been a supporter of Israel—and shall continue to be. However, it is the opinion of this Member that the bombing and shelling by Israel has been excessive and should not be rewarded by the U.S. taxpayer.●

A TRIBUTE TO ADM. R. H. HILLENKOETTER

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. GUARINI. Mr. Speaker, a fine and distinguished public servant who resided in my district for many years is being buried today.

Adm. Roscoe H. Hillenkoetter, who gave his life to the service of our country, earned the admiration of all who ever had the privilege of meeting him.

The first CIA Director of the United States, he commanded a ship which was bombed at Pearl Harbor. He also served as commander of the U.S.S. *Missouri.*

For the RECORD I am introducing a copy of his obituary from the Jersey Journal, June 21, 1982:

ADM. R. H. HILLENKOETTER, FORMER CIA HEAD, DIES

Services will be held Thursday in the chapel of Arlington National Cemetery in Virginia for Roscoe H. Hillenkoetter, 85, of Weehawken, a retired admiral and a former CIA director, who died Friday in Mount Sinai Hospital, Manhattan, following a brief illness.

Hillenkoetter, a native of St. Louis, had been graduated from Annapolis in 1922. While in the academy he was a pitcher on the school baseball team.

Ned Stuhr, a retired Navy Reserve lieutenant commander, commented, "I've known the admiral for nearly 30 years and will always remember how warm and extremely intellectual he was. He was a natural leader * * * people didn't mind having Roscoe in charge."

When Hillenkoetter retired from the Navy in 1962 he had achieved the rank of Vice Admiral Inspector General.

Following World War II, the 25-year resident of Weehawken had been assigned as a Navy attaché to William Bullitt, ambassador to Ireland and Russia.

On December 7, 1941, when the Japanese attacked Pearl Harbor, the commanding officer of the USS *West Virginia* was killed. Hillenkoetter was immediately thrust into the position of executive officer of the battleship. He continued a short while before going to Washington to work with President Franklin D. Roosevelt under Admiral Chester Nimitz.

In the late 1940's President Harry Truman asked Hillenkoetter to form and become the first director of the Central Intelligence Agency.

During the Korean War he served as the commander of cruisers. Following the war, Hillenkoetter came back to serve as the commandant of the Third Naval District Headquarters, New York City. The headquarters covered New Jersey, New York and Connecticut.

The secretary of the Navy later appointed Hillenkoetter inspector general.

"Roscoe was the John Wayne type * * * tall, thin," continued Stuhr. "Macho, yet sensitive, he was a great pleasure to be around and I'll miss him a lot."

Hillenkoetter was also a board member of the Hegeman-Harris Co., New York City, and was the president of the American Banner Steamship Co., New York City.

The Frank Campbell Funeral Home, 81st Street near Madison Avenue, Manhattan, is in charge of the arrangements.

Always loyal to his men, Admiral Hillenkoetter left his sick bed last December 7 to attend the 40th anniversary ceremonies of the attack on Pearl Harbor.

I am sure my colleagues want to join in a heartfelt salute to Admiral Hillenkoetter and extend condolences to his family.●

THE HINCKLEY VERDICT

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. MILLER of Ohio. Mr. Speaker, the verdict of a District of Columbia jury that found John W. Hinckley, Jr., not guilty of attempting to assassinate President Reagan because he was legally insane at the time is a gross miscarriage of justice. The fact that Mr. Hinckley has been confined to St. Elizabeth's Mental Institution for a short period of time and then could be released to commit another terrible crime illustrates why the law-abiding citizens of this country are so cynical and disturbed about our judicial system.

Reliance on psychiatric opinion in the courtroom and the use of the insanity defense has had a corrupting effect on the legal system and the administration of justice. An opinion is not a fact merely because it is held by a doctor; there can be no expert testimony where there is no agreed upon body of knowledge.

The insanity defense, in effect, means that a person who commits a crime cannot be held legally responsible for his action. This is a ridiculous and dangerous concept that is being used with increased frequency. Laws are written to curb the vices of men. Society must hold criminals responsible for their actions if civilization is to be protected from the John Hinckleys of the world.

Mr. Speaker, the law has been abused and it is sure to be abused by others. We must make certain that the criminal justice system punishes those who knowingly commit a crime and restore the faith of the American people in their legal system.●

ROMANIA'S MFN TRADING STATUS NEEDS REVIEWING

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1982

● Mr. SOLARZ. Mr. Speaker, a few weeks ago 121 Members of the House

of Representatives sent a letter to President Reagan expressing our concern, in light of MFN trading status renewal, with the Romanian Government's failure to improve its repressive policies, particularly in refusing to allow its citizens to freely emigrate.

I would like to share with my colleagues, particularly those who joined in this effort, the response I recently received from the White House.

THE WHITE HOUSE,
Washington, June 18, 1982.

Hon. STEPHEN J. SOLARZ,
House of Representatives,
Washington, D.C.

DEAR MR. SOLARZ: The President has asked me to thank you for your letter of June 11, conveying your concern, and that of 121 of your House colleagues, on the extension of Most Favored Nation trading status for Romania.

We appreciated receiving your statement on this matter, and the President has been giving his personal attention to the serious concerns which you and your colleagues have raised. As stated in his June 2 announcement, the President waived the prohibition of MFN renewal for Romania this year only after carefully weighing all factors within the context of the satisfactory state of overall U.S.-Romanian relations. However, the President intends to inform the Romanian Government that unless a noticeable improvement in its emigration procedures takes place and the rate of Jewish emigration to Israel increases significantly, Romania's MFN renewal for 1983 will be in serious jeopardy.

Thank you again for contacting us on this important issue.

With best wishes,

Sincerely,

KENNETH M. DUBERSTEIN,
Assistant to the President.●

SENATE—*Friday, June 25, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. The Senate will come to order.

Under the previous order the Senate stands in recess until Tuesday, June 29, 1982, at 11 a.m.

RECESS UNTIL 11 A.M., TUESDAY, JUNE 29, 1982

Thereupon (at 9 o'clock, 30 minutes and 10 seconds a.m.) the Senate recessed until Tuesday, June 29, 1982, at 11 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HOUSE OF REPRESENTATIVES—*Monday, June 28, 1982*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
June 25, 1982.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, June 28, 1982.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend Dr. Lee B. Sheaffer, Aldersgate United Methodist Church, Alexandria, Va., offered the following prayer:

Our Heavenly Father, who has so lavishly blessed this Nation. Make us humble and sensitive to Your will. Keep us ever aware that the good things we enjoy have come from You and that You loan them to us.

Impress upon our smugness the knowledge that we are not owners or rulers, but stewards and servants; remind us, lest we become filled with conceit, that one day an accountability will be required of us.

Sanctify our love of nation and our love of people, that our boasting may be turned into humility and our pride into a ministry to every person and to every need.

Guide our Congress and our national leaders as they enable today's people to live with freedom, happiness, responsibility, and with the opportunity for growth and development.

Help us to make this God's own nation by helping us to live like God's own people. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles.

H.R. 4569. An act to designate the U.S. Post Office Building in Hartford, Conn., as the "William R. Cotter Federal Building";

H.R. 4903 An act granting the consent of the Congress to an interstate compact between the States of Mississippi and Louisiana establishing a commission to study the feasibility of rapid rail transit service between the two States; and

H.J. Res. 518. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6133) entitled "An act to amend the Endangered Species Act of 1973," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STAFFORD, Mr. CHAFEE, Mr. GORTON, Mr. RANDOLPH, and Mr. MITCHELL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 183. Joint resolution to authorize and request the President to issue a proclamation designating October 17 through October 23, 1982, as "Lupus Awareness Week."

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *June 28, 1982.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, the Clerk received at 6:05 p.m. on Thursday, June 24, 1982, the following message from the Secretary of the Senate: That the Senate passed without amendment H.R. 6682.

With kind regards, I am,
Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Friday, June 25, 1982:

H.R. 6631. An act to authorize humanitarian assistance for the people of Lebanon; and

H.R. 6682. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *June 28, 1982.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 1:50 p.m. on Friday, June 25, 1982 and said to contain H.R. 6682, an Act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, and a veto message thereon.

With kind regards, I am,
Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. No. 97-205)

The SPEAKER pro tempore. Laid before the House the following veto message from the President of the United States:

To the House of Representatives:

Today, I have the extremely disappointing task of again returning to the Congress, without my signature, a bill providing supplemental appropriations for several Federal programs in need of additional funds in Fiscal Year 1982. I use the word "again" because H.R. 6682, like its predecessor H.R. 5922, contains excessive and unrequested budget authority totalling nearly $1 billion. For this reason, I cannot approve this legislation.

A key to lasting economic recovery is to bring interest rates down and keep them down. We can only do that by convincing skeptical markets that this Government has the will to control Federal spending and borrowing across the board. The American people need deeds, not just promises, to be convinced deficits will be reduced.

I regret that this revised urgent supplemental still does not do the job. Therefore, I am returning H.R. 6682 without approval and urge the Congress to enact immediately a 1982 supplemental appropriations bill that addresses only those items I have indi-

cated need urgent attention. Again, I look forward to prompt Congressional action on a revised bill that will assure continuity in the operations of Federal agencies and be consistent with continued progress toward economic recovery.

RONALD REAGAN.

THE WHITE HOUSE, *June 25, 1982.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

The Chair recognizes the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that further consideration of the veto message on the bill H.R. 6682 be postponed until Tuesday, July 13, 1982.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MAKING IN ORDER AUTHORIZATION FOR THE SPEAKER OR SPEAKER PRO TEMPORE TO DECLARE RECESSES AT ANY TIME ON TUESDAY NEXT AND WEDNESDAY NEXT

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker or Speaker pro tempore to declare recesses at any time on Tuesday, June 29, 1982, subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. BENNETT. Mr. Speaker, reserving the right to objection, there are some Members of Congress who have tried to make a point of not missing any votes, and the Chair is looking at one of them.

I was in my hometown this morning, and I am here for this session. I am going back to a meeting tonight in Jacksonville. I do not want to have to do that every day if I can help it, so I am making this inquiry: Is there some way in which a Member who would like to keep his voting record going and not miss any votes can be assured that there is any security in what we are doing? In other words, if we have a message, we could have a vote anytime you wanted to have a vote. I just do not want to make it hard for the leadership, but there are Members who do like to keep a good voting record and who also have tremendous responsibilities back home. There will probably be 500 people at the meeting I am going to attend tonight, and there will be another meeting tomorrow night in my hometown. Of course, I can fulfill my responsibilities by going back and forth on a plane, but I am wondering whether or not something can be done to accommodate the Members?

The SPEAKER pro tempore. The Chair would respond to the gentleman from Florida (Mr. BENNETT) by saying that that is the very purpose indeed of the recess authority, so that Members may be given adequate notification in the event it were necessary for them to be called back.

If the Speaker or the Chair has the right, as the request of the gentleman from Michigan (Mr. KILDEE) would grant, to declare recesses, then that serves to protect Members from being expected to vote on some highly privileged motion, and that might conceivably otherwise occur.

The Chair would just say in regard to the present situation that if the other body would simply accept the third version of the supplemental appropriations bill which we have sent to them and send it on to the President, we have reason to believe that the President would sign that document and there would be no further occasion for us to be in session. Even if the President, in some extreme possession of rigidity, were to veto that third document as it is in its present form, it seems improbable that the House would come back into session, but if the Senate, in its wisdom, were to add extraneous subjects and extraneous appropriations over which we in the House would have no control, then conceivably we might have to come back.

However, the Chair would advise the gentleman that in any such contingency Members would be given ample and adequate notice.

Mr. BENNETT. I thank the Chair.

Mr. Speaker, I have one other small point, and that is that I have seen this done before, so I presume it is sufficiently possible in this parliamentary situation for it to happen again. If some Member, for some reason of umbrage or other unhappiness, should call on the Chair to put some kind of a question to a record vote, I have seen the Chair on occasion say that the Member was not recognized for that purpose. So I presume the Chair would attempt to protect, even in those kinds of situations, Members who are trying to keep their voting records perfect. The Chair would make the effort anyway, I would assume.

The SPEAKER pro tempore. The Chair would certainly want to protect not only the gentleman from Florida (Mr. BENNETT) but all other Members who would simply wish to be protected in a situation of that kind, and the Chair would suggest that, unless the rules of the House required otherwise, such action would be taken and the Chair would exercise its right to declare recesses rather than to recognize Members for mischievous or extraneous motions.

Mr. BENNETT. I thank the Chair, and, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KILDEE. Mr. Speaker, I wish to modify my unanimous-consent request to include also, in case of that contingency, Wednesday, June 30, 1982.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. WOLF. Mr. Speaker, reserving the right to object, I might say that the Republican leadership is in concert with the desire of the Democratic leadership to protect the rights of all Members, so I see no problem with the gentleman's request.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. Both unanimous consent requests are agreed to.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, due to official business I was not present for rollcall 175 and rollcall 176. Had I been present I would have voted "yes" on both of these votes making urgent supplemental appropriations.●

ISRAEL AS BULLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CROCKETT) is recognized for 5 minutes.

● Mr. CROCKETT. Mr. Speaker, in this morning's edition of the Washington Post, columnist William Raspberry presents an excellent portrait of U.S. involvement in the invasion of Lebanon by Israel, and our continuing involvement in the Israeli military aggression against their neighbors. His analysis, as usual, provides strong argument against continued flaunting of diversion from our stated national intentions, and I commend the article to the attention of my colleagues:

[From the Washington Post, June 28, 1982]

ISRAEL AS BULLY

(By William Raspberry)

America's behavior toward Israel reminds me of the attitude of many mothers toward the savagery of their violence-prone kids. True, Israel may have behaved excessively in Lebanon, our officials tell us. But we have to understand that it has been picked on by bullies: deprived of security, disadvantaged by the fact of its existence in a sea of hostile neighbors and psychologically dam-

aged by the Holocaust. Deep down, Israel always was a good boy.

And America's boy. The same America that finds it too costly to care for its homegrown hungry, jobless, uneducated and hopeless finds it not at all inconvenient to underwrite Israel's domestic and military budget to the tune of some $3 billion a year—$1,000 per man, woman and child in the whole country.

Not all the money we give Israel looks like a gift. Some two-thirds of it is accounted for, officially, as "sales" of military supplies and equipment. But as Thomas Stauffer of the Harvard Center of Middle East Studies noted in the Christian Science Monitor last December, there is less to the sales than meets the eye.

For example: "In fiscal 1980, $1 billion worth of foreign military sales were authorized for Israel's account. Immediately following the 'sale,' however, $500 million of the loan was canceled and the residual $500 million was added to the $7-plus billion the State Department estimates that Israel now owes the U.S. government. This debt involves grace periods of up to 10 years prior to any repayment. . . . [Israel] can service this debt only in the formal sense that installments are paid when due but are in fact funded through new U.S. aid each year."

There are other bookkeeping tricks, including military procurement contracts and grants, that we use to keep the Israeli economy—and the Israeli military machine—afloat.

The point is not that this country shouldn't be helping Israel, which, after all, has been an important ally. The point is that we had better recognize—as the rest of the world already does—that we cannot supply Israel's war machine or underwrite its bellicose policies without buying into its bellicosity.

Those were American planes and missiles and tanks that smashed into Lebanon, leaving thousands of dead and maimed civilians, women and babies, in their wake. At some point we will have to get beyond cheering that the Israeli invasion has proved the superiority of U.S. armaments over the Soviet-supplied arms that were unable to repel the blitz; get over our secret elation that the Palestine Liberation Organization has been reduced to impotence; and deal with the fact that weapons, supplied by us on the hard understanding that they will be used only for defensive purposes, have been used to slaughter innocents who were no threat to Israel.

Maybe Israel always was a good boy whose only desire was for peace. But the American interest in a peace that results from accommodations between Israel and its neighbors is very different from the peace Israel is trying to purchase through the elimination of its enemy.

And for all the carnage our money and weaponry made possible, Israel's bloody course will not produce either peace for itself or justice for the Palestinians. Even accepting that the PLO is a terrorist organization committed to Israel's annihilation, the PLO is not synonymous with the Palestinian people whose homelessness Israel seems not to care about, though that is the principal source of the ceaseless unrest in that part of the world.

It would be hard enough to justify the invasion and continuing occupation of Lebanon if there were reason to believe that Israel, having vanquished the PLO, now intends to do justice to the Palestinians. It is impossible to justify it when it seems clear that the real object of the blood bath is to kill the Palestinians' dream of nationhood.

Israel, America's good boy, initially described its invasion of Lebanon as retaliation for the shooting, in London, of the Israeli ambassador to England. Then we were told the purpose was to clear a 25-mile zone in southern Lebanon in order to push the PLO out of rocket range of Israel. Now the purpose appears to be the conquest of pitiful Lebanon and the extermination of the PLO.

Maybe America, in the role of anguished mother, cannot persuade its violence-bent good boy from pursuing his bloody course. But she can at least stop furnishing the kid guns.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KILDEE) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 munutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. NELSON, for 5 minutes today.
Mr. CROCKETT, or 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WOLF) and to include extraneous matter:)

Mr. MITCHELL of New York in two instances.
Mr. BADHAM.
Mr. CORCORAN in two instances.
Mrs. HECKLER.
Mr. WOLF.
Mr. SMITH of Alabama.

(The following Members (at the request of Mr. KILDEE) and to include extraneous matter:)

Mr. RODINO.
Mr. FRANK.
Mr. ANDERSON in 10 instances.
Mr. GONZALES in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. BARNES.
Mr. MAZZOLI.
Mr. EDWARDS of California.
Mr. MILLER of California.
Mr. PATTERSON in two instances.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 183. Joint resolution to authorize and request the President to issue a proclamation designating October 17 through October 23, 1982, as "Lupus Awareness Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6631. An act to authorize humanitarian assistance for the people of Lebanon; and

H.R. 6682. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

ADJOURNMENT

Mr. KILDEE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 15 minutes), the House adjourned until tomorrow, Tuesday, June 29, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4237. A letter from the Under Secretary of the Treasury for Monetary Affairs, transmitting a draft of proposed legislation repealing the requirements that the amount of U.S. notes outstanding at any time remain fixed; to the Committee on Banking, Finance and Urban Affairs.

4238. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-199, "Medical Equipment Sales Tax Exemption Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4239. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-204, "Statehood Convention Procedural Amendments Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4240. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-200, "Proprietary School Regulations Amendment Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4241. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-201, "District of Columbia Solid Waste Disposal Fee Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4242. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-202, "District of Columbia Weighing and Measuring Equipment Inspection Charge Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4243. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-203, "Hotel Occupancy Tax Increase Act of 1982," pursuant to section

602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4244. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-205, "Closing of Public Alleys in Square 37 Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4245. A letter from the Secretary of Commerce, transmitting the annual report of the Secretary for the fiscal year ending September 30, 1981; jointly, to the Committees on Energy and Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII,

Mr. STARK introduced a bill (H.R. 6725) to amend the Internal Revenue Code of 1954 to reduce the tax incentives for corporate take overs; which was referred to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. PEYSER, Mr. SCHUMER, and Mr. GREEN.

H.R. 565: Mr. ZABLOCKI.

H.R. 3970: Mr. BROOMFIELD, Mr. BRODHEAD, Mr. LEHMAN, and Mr. FORSYTHE.

H.R. 5147: Mr. BUTLER.

H.R. 5543: Mr. MOFFETT, Mrs. KENNELLY, and Mr. RATCHFORD.

H.R. 6061: Mr. COURTER.

H.R. 6142: Mr. STANGELAND and Mr. EVANS of Georgia.

H.R. 6526: Mr. FAZIO, Mr. WILSON, Mr. WORTLEY, Mr. FORD of Michigan, Mr. FRANK, Mr. MITCHELL of Maryland, Mr. MCGRATH, Ms. FERRARO, Mr. HUTTO, Mr. KILDEE, Mr. EMERSON, Mr. COELHO, Mr. DOUGHERTY, Mr. SIMON, Mr. WHITE, Mr. FISH, and Mr. WHITLEY.

H.R. 6527: Mr. FAZIO, Mr. WILSON, Mr. WORTLEY, Mr. FORD of Michigan, Mr. FRANK, Mr. MITCHELL of Maryland, Mr. MCGRATH, Mr. LOWRY of Washington, Ms. FERRARO, Mr. HUTTO, Mr. EMERSON, Mr. COELHO, Mr. DOUGHERTY, Mr. SIMON, Mr. WHITE, Mrs. COLLINS of Illinois, and Mr. MOAKLEY.

H.J. Res. 499: Mr. KEMP, Mr. NELSON, Mr. PETRI, Mr. STATON of West Virginia, Mr. WILSON, Mr. CHENEY, Mr. GINGRICH, Mr. CLAUSEN, Mr. MCCOLLUM, Mr. LAGOMARSINO, Mr. ASPIN, Mr. HORTON, Mr. HAGEDORN, Mr. YOUNG of Missouri, Mr. MITCHELL of New York, Mr. MCKINNEY, Mr. FRENZEL, Mr. HYDE, Mr. GREGG, Mr. SHAW, and Mr. YOUNG of Florida.

H. Con. Res. 354: Mr. STOKES, Mr. HERTEL, and Mr. SIMON.

H. Res. 229: Ms. FERRARO.

EXTENSIONS OF REMARKS

ARLINGTON SCHOOLS CONSIDER TB CHANGES

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. MAZZOLI. Mr. Speaker, the United States continues to be by far the most generous country in the world in the resettlement of refugees. Just recently, we admitted the 600,000th Indochinese refugee since the fall of Saigon in 1975, a tribute to our country's humanitarian spirit. And last week, this House overwhelmingly passed the Refugee Assistance Amendments of 1982, H.R. 5879, a bill to extend the refugee programs for 1 additional year.

Unfortunately, the refugee resettlement efforts in recent years have been far from successful. Though we continue to admit large numbers—an estimated 100,000 refugees this fiscal year alone—our efforts at placing them in jobs and making sure they are healthy have been less than sterling.

A full 70 percent of the refugees admitted within the last 3 years are on welfare. Tuberculosis and other diseases are much too common among the refugees. State and local governments, even in their compassionate decisions to accept refugees, are growing more and more frustrated with these failures in the resettlement program.

The bill we passed last week which was developed by my Subcommittee on Immigration, Refugees, and International Law, will take some major steps toward reducing these resettlement problems. The bill directs refugees toward jobs and away from welfare. It increases coordination between the Federal Government and the voluntary agencies, on one hand, which admit and place the refugees, and the State and local governments on the other hand which have to live with the consequences of these admission decisions. And it provides more funding for training refugees in English and other basic work skills and for local governments which must deal with the health impacts of arriving refugees.

Recently, the General Accounting Office provided by subcommittee with preliminary results of a study it is doing at my request on refugee resettlement. While I do not wish to create any unnecessary concern, the report points out that health problems among refugees are substantial. Tuberculosis rates are often 20 times higher among refugees than among the general population.

Fortunately, our excellent public health system has been able to deal with this potentially serious danger, but not without some costs. There are dollar costs, because treatment and monitoring of refugees—and those with whom they come in contact—is expensive. The new refugee bill provides $14 million to local governments for health screening and medical treatment. There are also human costs, for when a tubercular refugee comes in contact with an American citizen threatening the health of that citizen, a pattern of resentment develops that is good for no one.

Refugees deserve our compassion. They are and will continue to be positive contributors to our society. However, we must also be aware of their problems, and must be sure that while we are being soft hearted and generous in our admissions policy, we are being hard headed and pracitcal in our resettlement efforts.

A recent article in the Washington Post outlined some of the difficulties in Arlington County, Va., arising form tuberculosis health problems among refugees. This piece underlines my belief that the Federal Government should be unwilling to admit refugees until they have been treated abroad for tuberculosis and are rendered totally noninfectious. In the months ahead, as my subcommittee continues its oversight of the refugee program, we will be watching this health issue very closely.

For the benefit of my colleagues, I am including a copy of the Washington Post article at the conclusion of my remarks.

[From the Washington Post, June 23, 1982]

ARLINGTON SCHOOLS CONSIDER TB CHANGES

(By Shobhana Kanal)

A tuberculosis case reported last month at an Arlington County school has prompted health officials there to consider changes in the county tuberculosis control program, but officials say the case at Key Elementary School in no way indicates an epidemic.

Dr. Marjorie Hughes, chief of child health for Arlington, said the case does not suggest a sudden increase in the incidence of tuberculosis, but rather that "our surveillance has not been as tight as it should be."

So far, Hughes said, health officials have not decided the specific changes that will be made in the county's tuberculosis control program.

All 597 students at Key were tested for tuberculosis after a school employe was found to have the disease last month. Of those tested, 93 showed positive reactions. A positive reaction to the TB skin test indicates the presence of the tuberculosis germ, but does not necessarily mean the person has an active and communicable case of TB. All but one of the 93 key students have undergone chest X-rays, and none appears to have active TB, Hughes said.

Hughes said health officials decided to test the Key students even though the employe's disease probably was not contagious. "It was highly unlikely that he could have infected anyone, but we don't take that chance," she said.

Hughes said the situation at Key is not unique, and that active TB cases occasionally have been discovered in county schools. "Every now and then an employe or a student turns up with active TB, and then we go in and test everyone in the school," she said. "In none of the cases over the years . . . have we found a second [active] case tracked back to the first."

Tuberculosis became a primary concern of Arlington health officials in 1975, with the first major influx of Indochinese refugees.

Tuberculosis presented a serious problem in refugee transit camps in Indochina, where crowded conditions and the poor health of many refugees may have contributed to a TB rate that sometimes went as high as 475 cases per 100,000 people, said Dr. Raymond Schwartz, chief of health services in Arlington. Although all refugees were to have been screened for TB before entering the United States, some cases went undetected because children were not always routinely tested in the transit camps, he said.

In 1975, the number of TB cases in Arlington jumped from 14-16 new cases per 100,000 people in previous years to 25 per 100,000. In 1981, there were 77 new cases per 100,000 people. The disease primarily has been a problem among refugees, Schwartz said, while the incidence among native residents has remained stable. A slightly lower rate of new cases is expected this year because fewer refugees are coming to Arlington, he said.

The Arlington situation contrasts with that in Fairfax. Although the rate recently has increased slightly, it still is lower than it was 10 years ago, said Dr. Fred Payne, assistant director of health for Fairfax.

In Alexandria, which also has had fewer refugees than Arlington, TB is a greater problem among native residents than among immigrants, said Dr. Anne Albertson, director of public health for the county. Health officials there said the TB rate has increased recently, although exact numbers are not currently available.

Schwartz said he feels Arlington has had success in dealing with the disease, primarily because of the county's TB control program and the drugs now available to treat the disease.

"We have had concern about tuberculosis from the time of the first inmigration, but we feel it is very thoroughly and very adequately contained," he said.

Early in 1975, Arlington health officials began a program to screen immigrants for tuberculosis. Now, as immigrants arrive from Indochina, Afghanistan and other parts of the world, health officials and volunteers attempt to locate them and refer them to the public health service's TB clinic for testing. In addition, the county makes

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

an intensive effort to keep track of people being treated for the disease.

In addition, the county schools have a voluntary TB testing program for eighth grade students, and about 85 percent of the students take the test each year, Schwartz said.●

BRAILLE INSTITUTE DESERVING OF HONOR

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. PATTERSON. Mr. Speaker, I invite my colleagues to join me in recognizing the accomplishments of the Braille Institute of Orange County. The institute, established in Los Angeles in 1919 and in Orange County in 1971, was founded in order to serve the various needs of blind residents of all ages. It provides specialized programs for the specific needs of youth, seniors, and others. Such programs include library services as well as recreational programs.

The Second Annual Downhill Derby exemplifies the institute's principal goal of successfully integrating blind persons into the mainstream of society through active participation and teamwork. Held on June 26, this version of the traditional old-fashioned Soap Box Derby involved legally blind youth as drivers and those totally blind as passengers.

I am delighted that so many participated in this worthwhile event. The large number of participants consisted of the youth who were competing and local service groups, businesses, and the Orange County Soap Box Derby Association who acted as sponsors for the event. Within the past year, volunteers have devoted to the institute a total of 19,401 hours. The bulk of these were contributed by the membership of the institute's advisory committee, and its board of directors' executive committee. The entire operation is funded through generous donations, wills, and bequests from the community.

If left untapped, the full potential of the blind would remain unrealized. By serving at least 500 blind adults and 160 youth annually, the Orange County institute develops their talents, abilities, and strengths, and thus benefits the whole of society. Mr. Speaker, it is my pleasure to honor the Braille Institute of Orange County for its 10½ years of dedicated service to the entire community.●

SALUTE TO HOSPITAL VOLUNTEERS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. RODINO. Mr. Speaker, I would like to share with my colleagues an article from the Newark Star-Ledger of June 24, 1982, which calls attention to the work of a special group of people: the volunteers of Irvington General Hospital. They have been indispensible in aiding the operation of this facility, the oldest municipal acute care center in New Jersey.

Forty-six of the volunteers, cited for combined service of 52,000 hours over the years, were honored at a special luncheon at the hospital on June 18, 1982. It is a record which demonstrates outstanding service to their community, and I extend our congratulations in recognition of their work. The article follows:

IRVINGTON HOSPITAL SALUTES VOLUNTEERS

(By Dorine F. Gilman)

Forty-six volunteers at Irvington General Hospital were cited at a special luncheon and presentation for "outstanding dedication and service to the institution."

The volunteers were lauded for their combined service of more than 52,000 hours to the hospital over the years.

Among them were Mrs. Ann Cuccuzzella and Mrs. Edith Krueger for 7,000 hours and Mrs. Martha Goodman and Mrs. Rosella Klebosis for 5,000 hours. Mrs Goodman recently was named "Volunteer of the Year for the State of New Jersey" by the Retired Senior Volunteer Program.

Presenting the awards were Louis Ditzel, hospital administrator, Irvington Mayor-elect Anthony Blasi; John Alati, hospital board chairman, and Donald Hendrickson, hospital board vice chairman.

Mrs. Althea Mahon, hospital director of volunteers, coordinated the event.

Ditzel explained:

"This is our special tribute to those volunteers who dedicated themselves to our hospital. We plan to make this an annual event in order to recognize them. They do a tremendous job."

Alati hailed the volunteers as "playing a critical role in responding to patient needs and in assisting the hospital in minimizing the delivery of health costs."

Also on hand were Mrs. Della Pollack, hospital secretary; Vincent Foti, Jr., treasurer; and Father Smalley of St. Paul the Apostle Church, Irvington.

"It is a very difficult thing today to operate a hospital in the state with the limited financial resources available," Ditzel said. "We should extend our deepest gratitude to our volunteers for making our task at the hospital a little easier. We have 146 volunteers whom we count on during the year to help us with our daily hospital routines. Our hospital is a 157-bed institution and is considered the oldest municipal acute care center in the state with a charter that dates back to 1924.

"Along with our volunteers are our auxiliary members who do outstanding jobs for us. Over the past 50 years, the auxiliary has realized more than $1.5 million. We are in the planning stages for a 50-year anniversary party for our auxiliary to be held this summer," added Ditzel.●

PENTECOSTALS IN MOSCOW EMBASSY DENIED EXIT VISAS AFTER 4 YEARS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. FRANK. Mr. Speaker, the Soviet Union is still refusing to grant the Pentecostals residing in the basement of the U.S. Embassy and their families exit visas after 4 years.

On June 27, 1978, eight members of the Vashchenko and Chymkhalov families traveled to the U.S. Embassy in Moscow to inquire about U.S. immigration procedures. As observant Pentecostalists, the two families were unable to practice their religion and remain in the Soviet Union at the same time. One of the eight, John Vashchenko, was forcibly detained from entering the Embassy by the KGB, in spite of the fact that they had permission to visit the U.S. Embassy. John Vashchenko was beaten, and returned to his Siberian home. The seven Pentecostals, after consultation with their families in Siberia, decided to remain in the Embassy out of fear for their lives. All seven remained there until January 1982, when Lidiya Vashchenko had to be hospitalized because of a hunger strike she endured to dramatize their request to emigrate. She has now returned to Siberia in accordance with the technical requirements of Soviet law to apply for the appropriate exit visas for herself and the Vashchenko and Chymkhalov families. Unfortunately, the Soviet Union has not carried out their end of the bargain; she continues to wait for word from Soviet emigration officials.

I recently received an "open letter to the West" from Liubov Vashchenko on the occasion of their 4th year in the U.S. Embassy. In it, she thanks the Congress for the recent passage of House Concurrent Resolution 100 and urges us to continue to make it known to the Soviet Union that the refusal of the Soviet Government to allow the Vashchenko and Chymkhalov families to emigrate will have a detrimental effect on United States-Soviet relations.

The letter follows:

Moscow, U.S.S.R.,
EMBASSY OF THE UNITED STATES,
June 10, 1982.

Open letter to people in the West.

On the occasion of another anniversary, the fourth one, of our stay in the American Embassy in Moscow, please allow me, in the name of my whole family, to thank all those in the West, both individuals and Govern-

ments, who have been trying to get permission for us to leave this country.

We are especially grateful to those of the American government who introduced and support Resolution 100 in the House of Representatives and Bill 312 in Senate that would grant us residence here and allow us to apply for American citizenship 5 years from the date we first came to the Embassy. We consider the Resolution and the Bill as an assurance of the American government that they accept my family for permanent residence in their country which the Soviets wanted us to have when they sent us to the Embassy in 1975.

We thank God and those who early this year made, through the article in Parade magazine, our story and desire to leave the Soviet Union widely known, those readers of Parade who sent letters of protest to the Soviet and American governments on our behalf, and those who sent telegrams, letters and cards to us during the time of crisis when my sister, Lida, and my mother, Augustina, went on a hunger strike, and those who helped us during Lida's hospitalization last January.

Many of you have been tirelessly and persistantly supporting us in the right of emigration which my family has been trying to obtain for the past 22 years. We have made many different attempts to get permission from the Soviet government to leave the U.S.S.R. but the Soviets continue to keep us here and tell the children in Chernogorsk that our parents must come to them first.

Does not the fact that Lida has returned to Chernogorsk and her request to allow her emigrate has still been refused by the Soviets, tell the American government that it is not possible to trust the Soviets? All along they have said to them that if we go back to Chernogorsk, our applications for emigration would be considered.

Now the Soviets do not want to accept Lida's papers, do not want to give her forms, do not want even to talk to her but take her and the other children out of the Offices when they come to talk to the authorities. If sometime they talk to the children they joke and lie. Lida is old enough to make decision herself to stay or to leave this country. Why does she need her parents to be back before her request for emigration is considered?

We think that both governments, the Soviet and American, have handled our case carelessly. One constantly deceives, the other does not take any serious action to pressure the Soviets and make them tell the truth and act accordingly.

We think that the American government also wants us to go back to Chernogorsk because the only words we have heard from them is that they would allow us to leave this country directly from the Embassy only if the Soviets will give us permission first. But how can the Soviets give us the permission if, as Senator Percy told us during his visit in the end of November 1980, we would give him a written pledge that we would go back to Chernogorsk, then, he would ask permission for our emigration the next day in talks with high Soviet government officials. This policy remains until this day.

We are turning to you all to please ask the American government to talk with the Soviets about permission for us to emigrate much more seriously and ask them to work together with the Soviets in order to find a positive solution for all, us and both governments so that we could leave the Soviet Union safely and soon.

We gave the pledge to both governments that as soon as we would be assured that our eleven children together with Lida are out of the Soviet Union and we had an assurence from the Soviets that the four of us will not be persecuted but reunited with them in the West in the shortest time, we will leave the American Embassy.

We also would like to ask you to please ask the Soviet Ambassadors in your countries and those who come to you from the Soviet Union for conferences and demonstrations in order to talk about peace, trade and so on what price there is on the earth that we can pay to the Soviets to accept our renunciation of their citizenship and allow us to emigrate? If the price of money that was pre-established by the Soviet government is payed to them by us, if interments in prisons, work camps and psychiatric hospitals were spent by us, if thousands of our appeals which would make volumes were during the 22 years sent to them, if our hunger strikes and demonstrations with posters that expressed our long-time request to Brezhnev and his government still are not enough for the Soviets to permit us to leave the serfdom, what price do they wish us to pay?

We do not support this thought of Mayakovsky, one of the greatest Soviet poets, "Read and be envious, I am a citizen of the Soviet Union." But we consider it a disgrace that we are citizens of the atheistic serfdom in this country.

Thank you very much.

Sincerely,

LIUBOV

(For the Vashchenko family).●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. CORCORAN. Mr. Speaker, due to a previous commitment, I was unable to be present and voting on two items during the House session last Thursday. I was paired for and would have voted for passage of H.R. 6682, making urgent supplemental appropriations for the fiscal year September 30, 1982. This bill contained the conference agreement reached in H.R. 5922, which the President vetoed and the House sustained, except that it did not include the budget-busting $3 billion housing stimulus which the President and many of us in the House opposed. It also included the Conte-Whitten amendment, which reimposes the $3,000 limit on tax deductions for Member's living expenses and thereby repeals the 1981 law which allowed for the $75 per day deduction among other provisions.

I also would have voted for passage of H.R. 6685, which was the same supplemental appropriations bill the House passed by voice vote on Wednesday with the addition of the provisions which reimposes the $3,000 limit on tax deductions for Member's living expenses and repeals the law passed in 1981.●

LITTLE LEAGUE, BUILDING THE LEADERS OF THE FUTURE

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. PATTERSON. Mr. Speaker, on the occasion of the celebration of our Nations 206th birthday, the California National Guard is hosting a three-league competition of little leagues at the Los Alamitos Air Station. The coordinator for this event is the town and country bank of Seal Beach. Baseball is indeed a truly American sport, and it seems acutely appropriate that this competition take place on Independence Day.

Mr. Speaker, in these times of domestic unrest and rising cynicism about the traditional family, I am pleased to have this opportunity to share this occasion with over 1,500 families in the 38th Congressional District of California. I believe that Independence Day is the time to reflect on what is right in America, instead of belaboring that which is wrong. America's strength has always been its families. If today's celebration is any indication of the strength of the American family, then I believe we need to seriously examine the current negative theories common among social scientists.

Mr. Speaker, let us recognize the positive contribution of the parents, the coaches, and the sponsors of the Los Alamitos Baseball League, the Los Alamitos Pony-Colt League, and Saint Hedwig's Little League toward the growth and development of our youth. This contribution of the many volunteers, the sponsors, the coaches, and most of all the parents, can never be fully recognized. It is an investment in the future, let me extend to each of them my sincere appreciation for your efforts on behalf of all the residents of the 38th Congressional District.

As the leaders of tomorrow, it is the youth who will carry the banner of freedom onto the next generation and for all time. Mr. Speaker, on this most special of national holidays, let us recognize not only the great men and women of this Nation, but salute the common man—from the patriot of Lexington and Concord, to the citizen of today—without whom America could never be a great land and a symbol of freedom and democracy throughout the world.●

NIAGARA ENGINE CO. NO. 6

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. MITCHELL of New York. Mr. Speaker, it is with great pride that I bring the attention of my colleagues to the 150th anniversary of Niagara Engine Co. No. 6 of the Schoharie Fire Department. Organized in 1832, this distinguished band of firefighters has served and protected the citizens of Schoharie, N.Y. and surrounding communities for a century and half.

This year, Niagara Engine Co. No. 6 will celebrate its anniversary in a series of events throughout the year. The celebration began with the annual banquet and election of officers on April 17. Soon, on July 8, 9 and 10, the company will conduct a 3-day event ending with a parade on the 10th. To culminate the 150th anniversary celebration, the company plans a dinner on October 16.

It is certainly most appropriate that this historic event be celebrated in such grand fashion. Beyond providing essential fire protection services for 150 years, the officers and volunteers of Niagara Engine Co. No. 6 have gone to great lengths to preserve the tradition of firefighting. Their endeavors have allowed us the important opportunity to reflect upon our own history and the vital nature of community service. All members of the company—past, present and future—can be proud of the excellent tradition of service that Niagara Engine Co. No. 6 exemplifies.

It should also be noted that among Schoharie's efforts to retain the history of its firefighters is its preservation of America's first fire engine, the Deluge No. 1 of 1731, which is on display in the Old Stone Fort Museum of Schoharie.

I hope my colleagues in the House of Representatives will join me in congratulating the officers and volunteers of Niagara Engine Co. No. 6 of the Schoharie Fire Department on their 150th anniversary.●

AAA 80TH ANNIVERSARY

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. WOLF. Mr. Speaker, this year the American Automobile Association, the Nation's oldest and largest federation of carowners, commemorates its 80th anniversary.

The association was founded in 1902 by pioneer automobilists to safeguard motorists' interests and to aid in the development of better roads and services to automobile owners.

The task was not easy in 1902 because the Nation had approximately 23,000 cars compared with 17 million horses. AAA's membership was less than 1,000 in the early days growing to 10,000 by 1910. Today, AAA, with more than 22 million members in 180 affiliated motor clubs, has nearly 1,000 offices in the United States and Canada. It is also one of the largest travel organizations in the world.

Although AAA is known best for delivering emergency road service—answering more than 15½ million road service calls in 1981 alone—the association has been a pioneer in developing public service programs on drunk driver education and rehabilitation, energy conservation, pedestrian safety and travel.

The School Safety Patrol movement, organized on a national scale by AAA in the early 1920's, today involves more than 1 million patrol members protecting the lives of 30 million children on their way to and from school. Each year several safety patrol members are recognized for acts of exceptional judgment and courage in dangerous traffic situations and are awarded the School Safety Patrol Lifesaving Medal.

In 1935 AAA pioneered the concept of high school driver education, developing teacher training programs and test equipment. Today, driver education courses are taught in 17,000 U.S. high schools and AAA's "Sportsmanlike Driving" is the most widely used textbook in the field.

During the Arab oil embargo in 1973-74, AAA provided accurate information on gasoline prices, availability and station operating hours throughout the Nation. Weekly AAA fuel gauge reports became an authoritative source responding to requests from industry, government, and the traveling public.

Although gasoline shortages no longer threaten motorists for the time being, AAA continues to monitor gasoline prices during peak holiday travel weekends.

The organization—which, as early as 1916, urged adoption of the first Federal aid bill for highways—was instrumental in obtaining passage of the 1956 Federal Aid Highway Act for construction of the Interstate Highway System—the most ambitious public works program in this Nation's history. The more than 40,000 miles of roadway on the Interstate Highway System is unequaled anywhere in the world. AAA continues to work at Federal, State, and local levels for passage of sound and sensible legislation affecting mobility.

Eighty years of growth and development have not changed the fundamental principles of AAA. Then, as now, the motoring federation's main objectives have been to:

Provide quality services of direct benefit to members;

Protect the rights and safety of motor vehicle users;

Improve the public highway system;

Promote the exchange of consumer information useful to motorists and other travelers.

For 80 years, the American Automobile Association has advocated measures promoting safe and enjoyable travel for motorists and the traveling public. I am certain, Mr. Speaker, that this commitment will continue.●

ART IS FLOURISHING IN THE FALL RIVER JEWISH HOME FOR THE AGED

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mrs. HECKLER. Mr. Speaker, I would like to share with my colleagues a story about a program in a Fall River, Mass., nursing home located in my congressional district, which has revealed to us new talents.

At the Fall River Jewish Home for the Aged, residents are taking art lessons and creating beautiful pieces of work. Under the guidance and encouragement of a dedicated volunteer, Mrs. Evelyn Lowenstein and executive director Burton Lipsky, artists: John Horridge, Marie Lowenstein, Morris Swerling, and Martha Wallace (all residents of the nursing home) have created over 22 works. They have even had a formal exhibition hosted by the Greater Fall River Art Association. The artists ranging in age from 70 to 93 have each found their own style, some painting with bright, bold colors, others with fine, delicate brush strokes. What each has discovered is that it is never too late to learn something new or perhaps it is never too late to find those talents that are in each of us.

Mrs. Lowenstein initiated the painting classes, because "people in nursing homes should have as meaningful a life as possible." This is what she and the others involved in this program have accomplished; to bring new meaning, through art, to the lives of people who live there and then to share it with all of us.

I have said on this very floor of the House of Representatives that the elderly are one of this Nation's most valuable resources and in this program, we can see that those people who live in nursing homes have much to offer. The Fall River Jewish Home for th Aged should be commended for the enjoyment they are bringing to their residents and I hope this good work will spread to many other communities.●

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LEBANON

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. SMITH of Alabama. Mr. Speaker, I am pleased to comply with a request by the Birmingham Jewish Federation that I commend to the attention of my colleagues an expression of support for Lebanon's freedom and sovereignty and Israel's inherent right of self-defense which appeared in the Birmingham News on June 13, 1982. The statement was agreed to by Dr. Padgett Cope, pastor for the Ruhama Baptist Church; Dr. Milton Grafman, rabbi emeritus, Temple Emanu-El; Mrs. Phyllis Weinstein, chairman, Jewish Community Relations Committee; Dr. Jimmy Harper, National Conference of Christians and Jews; and Allen Harika, American Lebanese League.

The statement follows:

We, the undersigned leaders of our respective organizations and communities, express our support for the Israeli military operation in Lebanon. We are in sympathy with the objectives of the Israeli government, which are as follow:

1. To restore the territorial integrity of Lebanon, and free Christians in Lebanon from the tyranny and terrorism of the PLO and occupying Syrian Army.

2. To ensure that the people of southern Lebanon and northern Israel can lead their lives free from the murderous threats of terrorist rockets and political hatred.

3. To demonstrate to the world that the Israeli people and Christians of Lebanon are allies, committed to live together as neighbors in an atmosphere of peace and tranquility.

4. To prevent Syria from annexing Lebanon to create a Moslem-dominated greater Syria.

The blame for the tragic loss of innocent life rests squarely on the shoulders of the PLO. Had the terrorists not located their headquarters and military camps within civilian population centers, the story could have been different.

We call for an end to all fighting if the above objectives can be ensured. We pray that the tragic cycle of Middle East violence and bloodshed will soon come to an end, and Jews and Arabs can live together in peace, harmony and dignity.●

TRIBUTE TO BARBARA CROSS, SAN FRANCISCO FOUNDATION AWARD RECIPIENT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. MILLER of California. Mr. Speaker, I rise today to congratulate Barbara Cross, the director of the Community Health Center in West Contra Costa County of my district, for receiving the prestigeous award of the San Francisco Foundation. This award is made to a person who has awareness of a community problem involving conflicting interests, and who has met the challenge of this situation and who has been instrumental in bringing about mutual understanding and cooperation in an effective or innovative way.

I wish to bring this to the attention of my colleagues to celebrate the constructive forces in our communities. This is particularly pleasing because this award was made the same day that the House of Representatives adopted and sent to the President the extension of critical enforcement sections of the 1965 Voting Rights Act.

Efforts to face racial or religious discrimination or violence in a professional manner, as Barbara Cross has done, can be a positive message throughout our country that concerned citizens can work together for constructive changes. To strongly show that racial violence is unacceptable in any community can be a uniting force which expresses the compassion due to the victims of senseless crimes and hatred and serve as a deterrent aimed to eradicate this kind of injustice.

I would like to include for my colleagues an article printed June 24, 1982, from the Contra Costa Independent about Barbara Cross:

THE WOMAN WHO LED THE RACISM FIGHT

(By John Adams)

RICHMOND.—A tireless mental health director who acted quickly when racial violence flared in West County has won a prestigious $2,500 award from the San Francisco Foundation.

Barbara Cross, head of the West Contra Costa Community Mental Health Center, didn't waste time when cases of racial violence against two black families shocked the community nearly two years ago.

From her experience of 24 years in the mental health field she knew the dangers of such outbreaks of hatred. She immediately called a community meeting to discuss the attacks against the Tara Hills and El Sobrante families.

Recalling the pressures of those troubled days, Mrs. Cross said, "We expected maybe 50 people and planned to meet at the library. It turned out that 500 people, from all races and ethnic groups, young and old, and from a cross-section of socioeconomic backgrounds, came and we had to move to a large auditorium."

From that first meeting grew the Coalition Against Racial Violence (CARV).

She said CARV included members of unions, churches, community groups and just plain citizens. What began as a spontaneous response to help two of three embattled minority families evolved into a growing awareness that the racial tensions and problems of the area were much larger than the random manifestations that had occurred to that date.

Through the efforts of CARV and Mrs. Cross, the state Fair Employment and Housing Commission visited Richmond and held three days of hearings in October 1981 to investigate the racial, ethnic and religious conflicts here.

The commission's report, issued in March, concluded that racism, historically a problem in West County, persists today and that government and law enforcement agencies are ill-prepared to deal with it.

"The commission's report corroborated what citizens had been saying," said Mrs. Cross. "There weren't any surprises, but it gave us credibility."

Richmond Unified school board member Don Lau, who nominated Mrs. Cross for the San Francisco Foundation Award, said it was her commitment that stirred him.

"Barbara's keen awareness and foresight," he said, "coupled with her long history of work with children and adolescents has led her to a strong commitment toward a future of non-violence and mutual understanding that in all aspects of social inequity, if we work together around a common pursuit, all things are possible."

The Foundation felt much the same after reviewing her nomination for the award.

"Barbara Cross had demonstrated that she is a formidable opponent to racial and religious violence and intimidation," said Frank D. Tatums Jr., chairman of the Foundation's awards committee. "Her work has paved the way for community residents and agencies to work with appropriate authorities in a cooperative effort to eradicate the turmoil of the area and to strive for an improved quality of life."

CARV is now working with local shools to develop channels toward better understanding between students, and has also formed a Law Enforcement Task Force.

"Our role," said Mrs. Cross, "is to make sure that the commission's recommendations are followed not just as a watch dog, but by offering our services as mental health workers to help bring about some kind of constructive action."

Mrs. Cross will be honored today from 5-7 p.m. at the Nevin Community Center, Sixth Street and Nevin Avenue in Richmond. An awards ceremony is set for 6 p.m.

The San Francisco Foundation Award is made annually to a person who has awareness of a community problem involving conflicting interests who has met the challenge of this situation and who has been instrumental in bringing about mutual understanding and cooperation in an effective or innovative way.

What does Mrs. Cross see in the future?

"I'm thinking we have just begun, and there's a lot left to be done," she said. "We want to reach more people—people we have not touched yet."●

THE 1982 ANNUAL DISTRICT QUESTIONNAIRE

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. CORCORAN. Mr. Speaker, having just completed tabulating my sixth annual 15th District questionnaire results, I was very pleased with, and appreciative of, the more than 10,000 responses I received from my constituents. The results, which I include below, are most interesting and helpful as I seek to represent the views of the residents of northcentral Illinois in the House of Representatives.

When asked the question, What seems to be a reasonable time to allow for the President's economic program to produce significant results?—71 percent responded by saying two or three years will be needed for the economic disaster inherited by President Reagan from the previous administration to be turned into an economic plus predicated on a reduction in the growth of Federal Government spending, reduction in income tax rates for individuals and businesses, and maintenance of a strong defense posture. Sixty-two percent of the respondents to my questionnaire, sent out in late April, characterize the President's handling of domestic policy as excellent or good; 57 percent say that his handling of foreign policy is excellent or good.

The top priorities in 1982 of the Federal Government should be reducing Government spending first (27 percent), reducing unemployment (20 percent), and balancing the Federal budget (15 percent). In the past, "inflation" which received a 13-percent mention this time, and "reducing taxes," described as the top priority by only 3 percent of those responding this year, lead the way as the two biggest concerns of my constituents. You can draw from this the conclusion that much progress has been made in these two important areas during 1981 and recently with the adoption of the bipartisan recovery budget. Inflation is running at nearly 3 percent on an annual basis and tax rates will be reduced by another 10 percent on July 1, followed by another 10 percent reduction on July 1, 1983. Tax rates were reduced by 5 percent on October 1, 1981.

I include the results of this questionnaire for my collegues at this point:

CONGRESSMAN TOM CORCORAN'S 1982 QUESTIONNAIRE

(Tabulation of the more than 10,000 responses)

1. Nuclear energy accounts for nearly 11 per cent of the nation's electrical energy supply. Do you believe that nuclear power should be utilized more, less, or the same in the production of electricity in the United States in the future? (1981 Results: More, 55.6 percent; less. 24.1 percent same, 14.4 percent don't know, 5.9 percent.)

A. More, 47 percent. B. Less, 30 percent. C. Same, 17 percent. D. Don't know, 7 percent.

2. Effective July 1, 1982, tax rates for individuals will have been reduced 15 percent as a result of legislation passed by the Congress in 1981. What will you do with the money that you receive from the cut?

A. Invest it in stocks and/or bonds, 16 percent. C. Spend it, 33 percent. B. Put the money in a bank or savings and loan, 40 percent. D. Don't know, 11 percent.

3. What do you think is a reasonable time to allow for the President's economic program to produce significant results?

A. Immediately, 4 percent. B. 6 months, 7 percent. C. 1 year, 17 percent. D. 2 years, 34 percent. E. 3 years, 37 percent. F. Don't know, 2 percent.

4. As far as domestic policy is concerned, how do you rate the job President Reagan is doing?

A. Excellent, 25 percent. B Good, 37 percent. C. Fair, 19 percent. D. Poor, 18 percent.

5. As far as foreign policy is concerned, how do you rate the job President Reagan is doing?

A. Excellent, 17 percent. B. Good, 40 percent. C. Fair, 26 percent. D. Poor, 17 percent.

6. Do you approve or disapprove of the way Congress is handling its job?

A. Approve, 9 percent. B. Disapprove, 78 percent. C. Don't know, 13 percent.

7. As you may know, the government has a number of goals which it would like to fulfill, such as reducing inflation, reducing umemployment and maintaining a strong defense. If you had to choose the top priority of the federal government during 1982, which one of the following would you choose?

A. Reducing inflation, 13 percent. B. Reducing unemployment, 20 percent. C. Reducing taxes, 3 percent. D. Maintaining a strong defense, 9 percent. E. Reducing government spending 27 percent. F. Reducing interest rates, 14 percent. G. Balancing the federal budget, 15 percent. H. Don't know, 0 percent.

8. The United Nations was established in 1945 to promote and maintain world peace and cooperation, and 157 nations are now members. The U.S. pays about 25 percent of the U.N. budget each year. Which of the following most closely reflects your opinion about U.S. participation in the U.N.?

A. The U.N. is effective at promoting peace, and the U.S. should maintain its membership and support, 8 percent.

B. The U.N. is not as effective as it once was, but the U.S. should remain a member, 22 percent.

C. The U.S. should reduce its financial support of the U.N. but remain a member, 59 percent.

D. The U.S. should withdraw from the U.N., 10 percent.

E. Don't know, 2 percent.

9.Do you believe that public assistance programs and other government-related program concerns would be more efficently run at the state and local levels?

A. Yes, 68 percent. B. No, 22 percent. C. Don't know, 10 percent.●

THE COMMONSENSE APPROACH TO CANCER

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1982

● Mr. MITCHELL of New York. Mr. Speaker, one of my constituents has some novel views on the cause of cancer. Though, as he suggests, "at first you might think this idea preposterous," I felt I should bring his observations to the attention of my colleagues.

The article follows:

THE COMMONSENSE APPROACH TO CANCER

1. The constant growth of new cells, and dying of the old ones is a normal process of the human and animal bodies.

2. All cells have a positively charged nucleus, and for each positive charge on that nucleus, carries a corresponding Electron—negatively charged—circulating around the nucleus.

3. The nucleus is the material necessary for growth and reproduction. This is the same material that is positively charged in the Cell.

4. Man has developed Electricity to the extent where he can change its form to a Positive Beam for a sundry of uses, such as communication, detection (radar), heating of food, etc., with micro-waves.

5. Electrically—opposites attract each other—this is the key.

6. These positive beams (see #4) are bombarding everything in sight, including the masses of people of the World. Commonsense tells me that the Electrons in the cells of our Bodies are being attacked by this foreign ingredient, nullifying their effectiveness.

7. This constant bombardment of the Electrons puts the very fragile positive-negative balance of the Bodies cells out of kilter electrically.

8. If the negative charge of the cell is destroyed, the positive nucleus has nothing to do but grow and reproduce. What is Cancer?

9. Man has also discovered chemicals that can destroy the positive-negative balance of cells, so the seed will not germinate, the food will not spoil, etc.

10. Man has proliferated this chemical bombardment to the extent where 85% of the water in the U.S.A. is toxic. With F.D.A.'s blessing!

11. Man is on such a chemical-synthetic binge, that he is allowing his Body to be chemically bombarded from the three (3) basic essentials necessary for his existence. The Air, water, and Soil.

12. If the water we drink, the food we eat, and the air we breathe is more positive electrically, then these very things necessary for our existence are having a traumatic effect on the health of each of us. The Electrons of our cells are weakened, and over a period of time, fail to function properly. The counter-balance of positive-negative is critical.

13. The Earth is negatively charged—and Man has changed it to a positive effect on Human and Animal alike. With the approval of the F.D.A. This Government Agency should get the Golden Fleece Award.

THERE ARE FOUR STEPS TO CONTROL CANCER

1. Stop the above.

2. Negatively charge the air he breathes (neg-ions).

3. Negatively charge the water and food he eats.

4. Negatively charge his body and cancerous growth with electricity at least twice daily. The medical profession will be amazed at the results.

DONALD W. SCHENCK.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 29, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

June 30

9:30 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 2631, creating a uniform Federal product liability law.
235 Russell Building

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by Senate Concurrent Resolution 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

Judiciary
Criminal Law Subcommittee
To resume hearings on S. 818, S. 1558, S. 1106, and S. 2658, bills limiting the insanity defense, establishing a Federal criminal verdict of "not guilty only by reason of insanity," and establishing procedures for dealing with defendants obtaining such a verdict.
4232 Dirksen Building

Rules and Administration
Business meeting, to consider the nominations of Joan D. Aikens, of Pennsylvania, Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a member of the Federal Election Commission, and a proposed resolution of regulations and/or rules changes needed to implement television and/or radio coverage of the Senate.
301 Russell Building

Select on Indian Affairs
To hold oversight hearings on indirect cost and contract provisions of the Indian Self-Determination and Education Assistance Act (Public Law 93-638).
5110 Dirksen Building

10:00 a.m.

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
Business meeting, to consider proposed supplemental appropriations for fiscal year ending September 30, 1982, for those programs which fall within the jurisdiction of the Subcommittee.
S-146, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to continue markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

Judiciary
To hold hearings on the Boulder decision, relating to potential antitrust liabilities for local governments.
2228 Dirksen Building

Veterans Affairs
To hold oversight hearings to examine certain health care services provided to older veterans.
412 Russell Building

2:00 p.m.

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by Senate Concurrent Resolution 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

3:00 p.m.

Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

JULY 1

9:30 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2631, creating a uniform Federal product liability law.
235 Russell Building

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by Senate Concurrent Resolution 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

Judiciary
Juvenile Justice Subcommittee
To hold hearings to explore the problems of runaway youths.
2228 Dirksen Building

10:00 a.m.

Environment and Public Works
Business meeting, to continue markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

Foreign Relations
To hold hearings on S. 1853, authorizing funds for fiscal year 1982 and 1983 for Radio Broadcasting to Cuba, Incorporated.
4221 Dirksen Building

*Judiciary
Business meeting to consider pending calendar business.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 2325, authorizing funds for Federal vocational and adult education programs, and to provide for State and local occupational assistance programs.
4232 Dirksen Building

2:00 p.m.

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by Senate Concurrent Resolution 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

JULY 2

9:00 a.m.

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 1999, providing for the establishment of the Wolf Trap Farm Park in Fairfax County, Va., and S. 2436, designating the Mary McLeod Bethune Council House in Washington, D.C., as a national historic site.
3110 Dirksen Building

9:30 a.m.

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by Senate Concurrent Resolution 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

Joint Economic
To hold hearings on the employment/unemployment situation for June.
2128 Rayburn Building

2:00 p.m.

Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by Senate Concurrent Resolution 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

JULY 13

9:30 a.m.

Veterans Affairs
To hold hearings on S. 2378, increasing the rates of disability compensation for disabled veterans, increasing the rates of dependency and indemnity compensation for surviving spouses and children of veterans, discontinuing duplicative payments to certain veterans, increasing the level of disability required for the payment of dependent's allowances, and providing for cost-saving improvements in veterans' programs.
412 Russell Building

Select on Indian Affairs
To hold hearings on S. 1795, providing for the transfer of certain lands in Arizona between the Hopi and Navajo Indian Tribes.
457 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building
2:00 p.m.
Foreign Relations East Asian and Pacific Affairs Subcommittee
To resume hearings in open and closed session to examine political, economic, and military interest in Southeast Asia.
S-116, Capitol

JULY 14

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 2294, providing for the settlement of certain land claims of the Chitimacha Indian Tribe of Louisiana.
6226 Dirksen Building
10:00 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
Employment and Productivity Subcommittee
To hold joint hearings to review employee assistance programs for alcohol and drug abuse problems.
4232 Dirksen Building

JULY 15

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2204, promoting interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts.
235 Russell Building
10:00 a.m.
Labor and Human Resources
Investigations and General Oversight Subcommitte
To hold hearings to review Federal and State expenditures for the purchase of children's vaccines.
4232 Dirksen Building
Veterans Affairs
Business meeting, to mark up S. 2379, requiring veterans to pay a funding fee on guaranteed home loans, and certain provisions of S. 2378, proposed Veterans' Disability Compensation and Survivors' Benefits Amendments, relating to cost-savings improvements in veterans' programs, and other related measures.
412 Russell Building

JULY 20

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
Business meeting, to mark up S. 1541, amending the Employee Retirement Income Security Act (ERISA) by simplifying both reporting and disclosure requirements, and the process for employers to provide retirement income to employees, and providing incentives for employers to provide pension benefits to employees.
4232 Dirksen Building
10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

JULY 21

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
Business meeting, to continue markup of S. 1541, amending the Employee Retirement Income Security Act (ERISA) by simplifying both reporting and disclosure requirements, and the process for employers to provide retirement income to employees, and providing incentives for employers to provide pension benefits to employees.
4232 Dirksen Building
Select on Indian Affairs
To hold hearings on H.R. 3731, relating to the use of distribution of certain judgment funds awarded by the Indian Claims Commission or the U.S. Court of Claims.
6226 Dirksen Building
10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building
10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 2500, reducing conflicts in the licensing of hydroelectric powerplants and expediting the development of and simplifying the regulation of hydroelectric powerplants.
3110 Dirksen Building
Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

JULY 27

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market, focusing on foreign coal ports and the international transportation of coal.
3110 Dirksen Building
10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

JULY 28

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings to discuss alternative means of providing legal services to the poor.
4232 Dirksen Building
Veterans' Affairs
To hold hearings on proposed legislation clarifying certain United States Code provisions relating to veterans' employment programs.
412 Russell Building
Select on Indian Affairs
To hold hearings on S. 2153, providing for the distribution of funds awarded the confederated tribes of the Warm Springs Indian Reservation in Oregon by the Indian Claims Commission.
6226 Dirksen Building
10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Environment and Public Works
Environmental Pollution Subcommittee
To resume hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building
2:00 p.m.
Environment and Public Work
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

JULY 29

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on America's role in the world coal export market, focusing on the condition of U.S. coal ports.
3110 Dirksen Building
10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

AUGUST 4

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1405, proposed Carl Albert Congressional Research and Studies Center Endowment Act.
4232 Dirksen Building

10:00 a.m.

AUGUST 5

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the effects of alcohol and drugs on individuals while driving.
4232 Dirksen Building

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 1652, restoring certain lands in Arizona to the Colorado River Indian Reservation to be held in trust by the United States, S. 2418, permitting the Twenty-nine Palms Band of Luisena Mission Indians to lease certain trust lands for 99 years, S. 1799 and H.R. 4364, bills providing for the transfer of certain land in Pima County, Ariz., to the Pascua Yaqui Indian Tribe, and the substance of H.R. 5916, providing for certain Federal lands to be held in trust for the Ramah Band of the Navajo Indian Tribe.
6226 Dirksen Building

AUGUST 12

9:30 a.m.
Veterans, Affairs
Business meeting, to mark up S. 2378, proposed Veterans' Disability Compensation and Survivors' Benefits Amendments, and proposed legislation clarifying certain United States Code provisions relating to veterans' employment programs.
412 Russell Building

SEPTEMBER 21

10:30 a.m.
Veterans, Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

HOUSE OF REPRESENTATIVES—*Tuesday, June 29, 1982*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. ALEXANDER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
June 25, 1982.

I hereby designate the Honorable BILL ALEXANDER to act as Speaker pro tempore on Tuesday, June 29, 1982.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend Duane H. Carlson, St. Mark's Lutheran Church, Springfield, Va., offered the following prayer:

Almighty God, bless our land with honest industry, truthful education, and honorable way of life. Save us from violence, discord, and confusion; from pride and arrogance. Defend our liberties and give those whom we have entrusted with the authority of Government the spirit of wisdom that there might be justice and peace in our land. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 2336. An act to authorize appropriations for fiscal year 1983 for certain maritime programs of the Department of Transportation, and for other purposes; and

S.J. Res. 193. Joint resolution designating the week of November 7 through November 13, 1982, as "National Respiratory Therapy Week."

ELECTION OF HON. WILLIAM NATCHER AS SPEAKER PRO TEMPORE DURING THE ABSENCE OF THE SPEAKER

Mr. BOWEN. Mr. Speaker, I offer a privileged resolution (H. Res. 517) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 517

Resolved, That Honorable William H. Natcher, a Representative from the State of Kentucky, be, and he is hereby, elected Speaker pro tempore during any absence of the Speaker, such authority to continue not later than July 2, 1982.

Resolved, That the President and the Senate be notified by the Clerk of the election of the Honorable William H. Natcher as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF HON. WILLIAM H. NATCHER AS SPEAKER PRO TEMPORE DURING THE ABSENCE OF THE SPEAKER

The SPEAKER pro tempore (Mr. ALEXANDER). Will the gentleman from Kentucky (Mr. NATCHER) proceed to take the chair?

Mr. NATCHER assumed the chair and took the oath of office administered to him by the gentleman from Arkansas (Mr. ALEXANDER).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KILDEE) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WOLF) and to include extraneous matter:)

Mr. BAILEY of Missouri.

Mr. CONTE.

(The following Members (at the request of Mr. KILDEE) and to include extraneous matter:)

Mr. EDWARDS of California.

Mr. SUNIA.

Mr. BINGHAM.

Mr. ROSTENKOWSKI.

Mr. SWIFT.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 193. Joint resolution designating the week of November 7 through November 13, 1982, as "National Respiratory Therapy Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H.R. 4569. An act to designate the U.S. Post Office Building in Hartford, Conn., as the "William R. Cotter Federal Building";

H.R. 4903. An act granting the consent of the Congress to an interstate compact between the States of Mississippi and Louisiana establishing a commission to study the feasibility of rapid rail transit service between the two States; and

H.J. Res. 518. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week."

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the committee on House Administration, reported that that committee did on June 25, 1982, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.J. Res. 519. An act to provide for a temporary increase in the public debt limit;

H.R. 3863. An act to amend the Poultry Products Inspection Act to increase the number of turkeys which may be slaughtered and processed without inspection under such act, and for other purposes;

H.R. 1482. An act for the relief of Christina Boltz Sidders;

H.R. 3112. An act to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes;

H.J. Res. 230. An act imploring the Union of Soviet Socialist Republics to allow Dr. Semyon Gluzman and his family to emigrate to Israel;

H.R. 6682. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; and

H.R. 6631. An act to authorize humanitarian assistance for the people of Lebanon.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ADJOURNMENT

Mr. KILDEE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 6 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 30, 1982, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4246. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the decision to convert to contractor performance the guard services at Fort Benning, Ga., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4247. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the proposed conversion to contractor performance of the data transcription/data entry function at the Naval Shipyard, Charleston, S.C., pursuant to section 502(b) of Public Law 93-342; to the Committee on Armed Services.

4248. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the proposed conversion of the custodial function at the Public Works Center, San Diego, Calif., to a commercial contractor, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4249. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-206, "Redevelopment Land Agency Disposition Review Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4250. A letter from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting the 10th report of the Attorney General on the voluntary agreement and plan of action to implement the international energy program, pursuant to section 202(i) of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

4251. A letter from the Secretary of Commerce, transmitting notice of various additional foreign policy controls being placed on exports to Libya, pursuant to section 6(e) of the Export Administration Act; to the Committee on Foreign Affairs.

4252. A letter from the Attorney-Advisor for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

4253. A letter from the Administrator, General Services Administration, transmitting the third and final report, covering fiscal year 1981, on the general causes and purposes of travel in agencies spending more than $5 million annually on the transportation of people, certain cost data, and inefficient travel practices, pursuant to section 3 of Public Law 96-346; to the Committee on Government Operations.

4254. A letter from the Chairman, Merit Systems Protection Board, transmitting the 1981 annual report on the Board's activities under the Government in Sunshine Act, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4255. A letter from the Director of Congressional and Public Affairs, Federal Energy Regulatory Commission, transmitting a report of the Commission's activities under the Government in Sunshine Act during the calendar year 1981, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4256. A letter from the Comptroller General of the United States, transmitting, the audit of report of the U.S. Army nonappropriated fund employee retirement plan for fiscal year 1980; to the Committee on Government Operations.

4257. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1981 on the activities of the Guam development fund, pursuant to section 6 of Public Law 90-601; to the Committee on Interior and Insular Affairs.

4258. A letter from the Special Prosecutor, Department of Justice, transmitting a report on the prosecutor's investigation of the allegations made against Secretary of Labor Raymond J. Donovan, pursuant to 28 U.S.C. 595(a); to the Committee on the Judiciary.

4259. A letter from the Secretary of the Interior, transmitting a report on the Department's activities under the Government in Sunshine Act, pursuant to 5 U.S.C. 552b(j); to the Committee on Post Office and Civil Service.

4260. A letter from the Fiscal Assistant Secretary, Department of the Treasury, transmitting the first annual report on the financial condition and results of the operations of the Inland Waterways Trust Fund, pursuant to section 203(c) of Public Law 95-502; to the Committee on Ways and Means.

4261. A letter from the Secretary of Health and Human Services, transmitting annual reports covering fiscal year 1981 on actions taken to recruit and train Indians to qualify for positions subject to preference under Indian preference laws, and on actions taken by non-Indian employees of the Indian Health Service in other Federal positions, pursuant to section 2 (d) and (e)(2), respectively, of Public Law 96-135; jointly, to the Committees, on Interior and Insular Affairs and Post Office and Civil Service.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII,

Mr. VOLKMER introduced a bill (H.R. 6726) to establish the plea of guilty but insane; which was referred to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

424. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to the chairman of the Private Sector Survey on Cost Control; to the Committee on Interior and Insular Affairs.

425. Also, memorial of the Legislature of the State of South Carolina, relative to House Resolution 367; to the Committee on Post Office and Civil Service.

426. Also, memorial of the Senate Legislature of the State of Michigan, relative to imposing iron ore and copper import limitations; to the Committee on Ways and Means.

427. Also, memorial of the Legislature of the State of California, relative to marital property; jointly, to the Committees on Armed Services, Post Office and Civil Service, and Ways and Means.

428. Also, memorial of the Legislature of the State of California, relative to the clean-up of Three Mile Island; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

429. Also, memorial of the Senate Legislature of the State of Michigan, relative to the fuel import limitation provision contained in the Nuclear Regulatory Commission authorization bill, H.R. 2330; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. McCLORY introduced a bill (H.R. 6727) for the relief of Shu-Ah-tsai Wei, her husband, Yen Wei, and their sons, Teh-fu Wei and Teh-huei Wei; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6073: Mr. RAILSBACK.

H.R. 6347: Mr. ZABLOCKI, Mrs. KENNELLY, Mr. EDGAR, Mr. HERTEL, and Mr. DOUGHERTY.

PETITIONS, ETC.

Under clause 1 of rule XXII,

503. The SPEAKER presented a petition of the Pima County Board of Supervisors, Tucson, Ariz., relative to the Southern Arizona Water Rights Settlement Act; which was referred to the Committee on Interior and Insular Affairs.

SENATE—*Tuesday, June 29, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Our Father who art in Heaven, we worry so much and pray so little. Someone has said facetiously, "Why pray when you can worry?" But in our hearts we know that is not funny. The Bible is filled with encouragement to pray: Abraham, Moses, Joshua, Gideon, and David prayed. The prophets of Israel prayed. Jesus prayed often and taught his disciples to pray. Forgive us Lord for our prayerlessness, which really indicates that we take neither Thee nor the Bible seriously.

We are reminded by the practical and pragmatic Apostle, James, "You have not because you ask not." Help us, Lord, to realize the terrible poverty we impose upon ourselves by failing to pray. Help us to understand that nothing in our lives is too small or unimportant to Thee, that the God who "knows when a sparrow falls" knows all about each of us. Help us to acknowledge our need of Thee, dear Lord. Teach us to pray. In Jesus' name. Amen

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REMEMBERING

Mr. BAKER. Mr. President, weeks will turn into months, and months will turn into years, but one never forgets another. This week's poem, "Remembering," is by Rainer Maria Rilke, and was translated by Richard S. Jones. I ask unanimous consent that the poem be printed in the CONGRESSIONAL RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

REMEMBERING

And you wait, expecting the one
who can make your life infinite, grow—;
the mighty, the uncommon,
the awakening of stone,
the depths to be fathomed below.

Now dusk descends on the bookcase,
on the volumes in brown and gold;
you remember the lands you have travelled through,
the pictures, the garments of women
that were lost a long time ago.

And you suddenly know: I was here!
You jump up and before you stands clear—
the anguish, the form, and the prayer
of a lost and irrevocable year.

—By Rainer Maria Rilke.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I believe there is a messenger at the door seeking admission with a message from the House of Representatives. I yield for that purpose.

MESSAGE FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill and joint resolution in which it requests the concurrence of the Senate:

H.R. 6685. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; and

H.J Res. 526. Joint resolution authorizing and requesting the President to issue a proclamation designating the week of August 1, 1982, through August 7, 1982, as "National Purple Heart Week".

THE SENATE SCHEDULE

Mr. BAKER. Mr. President, I might say for the benefit of Senators that there is quite a schedule of business that must be transacted by the Senate before we adopt an adjournment resolution and go out for the Fourth of July recess at the end of this week.

To begin with, the message just received from the House of Representatives is the supplemental appropriations bill. I hope to have something further to say about that measure in the next little while. But Senators should be on notice that it is the intention of the leadership to proceed to the consideration of the supplemental appropriations bill some time today.

Mr. President, in addition to that, there are a number of other items that it is hoped can be reached beginning today:

The reclamation bill, the flexitime bill, together with two House messages which are here, one on S. 881, dealing with a small business matter, and H.R. 3816, the House message on fisheries.

In addition, it is hoped that a time agreement can be reached on military construction, S. 2586, perhaps for consideration on tomorrow, Wednesday, and the Bankruptcy Reform Act, S. 2000, on which it is also hoped that a time limitation can be reached.

There are a number of other matters, for instance, the Bahai community resolution, Senate Concurrent Resolution 73, which it is anticipated will not take more than a few moments and which will probably be taken up, schedule permitting, some time between 12 and 2 p.m. on tomorrow; an intelligence bill, S. 2487, which I wish to take up on Wednesday, June 30, which also should not take more than 10 minutes or thereabouts and which might be taken up shortly before noon on Wednesday, June 30; a shipping act, S. 1593, on which it is hoped that we can gain a time agreement and it is anticipated that the consideration of that measure should take less than an hour and if we can get that time agreement we will take it up some time Wednesday afternoon.

On Thursday there are other matters, including the crime package which has been reported by the Judiciary Committee and perhaps other measures that I have not yet mentioned.

Mr. President, clearly the most important item to deal with is the supplemental appropriations bill which is now before the Senate once more in the form of a bill from the House of Representatives just received, and I repeat I will have a further announcement to make on how we will proceed and at what point a little later, but it is anticipated that we will turn to that measure reasonably soon and in any event during the day today.

Mr. President, I will begin once again to negotiate with Senators on the reclamation bill. It is my hope that we can lay it before the Senate some time today.

There is another matter that may be dealt with under a time agreement and that is the flexitime bill, but I will reserve judgment on when we find time for that measure.

At the moment Senators should be on notice that after the expiration of time for the two leaders under the standing order and a brief period for

the transaction of routine morning business, which I will provide, I will try to go to the reclamation bill and find time during the day today to go to flexitime if possible.

ORDER RESERVING LEADERSHIP TIME

Mr. BAKER. Mr. President, I ask unanimous consent that the time remaining to the two leaders under the standing order be reserved for their use at any time during this calendar day.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business now to extend not past the hour of 12 noon in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There is now a period for the transaction of routine morning business.

The Senator from South Carolina is recognized.

REPORT OF THE SPECIAL PROSECUTOR IN THE MATTER OF RAYMOND J. DONOVAN

Mr. THURMOND. Mr. President, I rise today to comment briefly on the report of the Special Prosecutor concerning the various allegations of wrongdoing which have been leveled against Secretary of Labor Raymond J. Donovan.

After an exhaustive investigation, spanning almost 6 months, the Special Prosecutor, Leon Silverman, released the report of his findings in this matter yesterday. This report, covering more than 700 pages not including appendices, concludes that "there was insufficient credible evidence to warrant a prosecution of Secreatary Donovan on any charge." The report goes on to note that the grand jury, which had heard the vast bulk of the testimony and other evidence presented in support of the allegations, declined to indict the Secretary on any of the charges it considered.

I have not yet had sufficient opportunity to study the report in detail, and it is my intention to review it carefully. It is apparent, however, that Special Prosecutor Silverman has been especially diligent in the discharge of his duties, and I believe he should be commended on the manner in which he and his assistants conducted this investigation. From a quick review of his report, I was impressed that no allegation of impropriety appeared to have escaped his scrutiny, and that all were thoroughly investigated.

In light of this, I am pleased by his findings and particularly his conclusion that no prosecution is warranted or could successfully be maintained against Secretary Donovan under the evidence presented. With the submission of this report, I would hope that the long ordeal of personal tribulation Mr. Donovan has suffered will be at an end. At the very least, the report suggests that it is time for those in Congress and the media who have led the vehement attack on the Secretary to discontinue their agitation on this matter.

Mr. President, I ask unanimous consent that the general summary of the results of the investigation by the Special Prosecutor be printed in the RECORD immediately following my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

PART TWO: RESULTS OF INVESTIGATION

GENERAL SUMMARY

In accordance with the December 29 Order, the Special Prosecutor's investigation (the "investigation") initially focused on the Prudenti's allegation. Exhaustive efforts were undertaken in the search for any corroboration, testimonial or documentary, for the assertion of the source of the allegation, Mario Montuoro. As Section IV of this Report reflects, no such corroboration was forthcoming from any source. It is the conclusion of the Special Prosecutor that there is insufficient credible evidence upon which to base a prosecution of Secretary Donovan with respect to the Prudenti's allegation. The grand jury so concluded on June 8, 1982, when it unanimously returned a no true bill with respect to that allegation.

In addition to the Prudenti's allegation, other allegations were presented by Montuoro and others. Pursuant to decretal paragraph 3 of the December 29 Order, the Special Prosecutor investigated all such allegations. Each of the additional allegations made by Montuoro, however, related to alleged wrongdoing which, Montuoro acknowledged, did not necessarily involve Secretary Donovan. Montuoro presented no facts implicating the Secretary. The Special Prosecutor's investigation of those additional Montuoro allegations led to the conclusion that there was no evidence linking Secretary Donovan to any of the alleged wrongdoing. The grand jury declined on June 18, 1982, to indict the Secretary for any offense with respect to his testimony before the grand jury concerning the additional Montuoro allegations.

However, the investigation revealed evidence corroborating one of the Montuoro allegations—that there were so-called "no-show" employees on one of Schiavone Construction Company's New York City construction projects. Moreover, in the view of the Special Prosecutor, there is evidence that perjury was committed before the Special Prosecutor's grand jury with respect to the no-show allegation. However, because that perjury was not committed by Secretary Donovan, and because it did not involve or implicate the Secretary or any other person covered by the Ethics in Government Act, the Special Prosecutor determined to refer that matter to the Department of Justice for further action.

Aside from Montuoro, a number of other sources, many of them anonymous, alleged that Secretary Donovan was in one fashion or another connected to reputed organized crime figures. More than two dozen organized crime ties were alleged, many of them by more than one source. Extensive investigation produced insufficient credible evidence upon which to base any prosecution that the Secretary was untruthful in his denials, either before the Senate Labor Committee or the grand jury, of any and all such associations. The Special Prosecutor concluded that, despite the disturbing number of such allegations, a prosecution would not be warranted. On June 18 and 22, 1982, the grand jury unanimously returned a no true bill with respect to all organized crime allegations put before it.

Shortly after the Special Prosecutor's appointment, there surfaced in the media an allegation that Secretary Donovan had in 1978 made an illegal payoff to a union leader in connection with the Trib, a short-lived New York City newspaper. Some months later, an anonymous source made a similar allegation. The Special Prosecutor's investigation disclosed that the anonymous source's charge was unsupported. The investigation also produced no evidence that any illegal payoff had in fact been made. In the absence of sufficient credible evidence that Secretary Donovan testified falsely before the grand jury concerning the Trib, the Special Prosecutor concluded that no prosecution was warranted. The grand jury unanimously voted not to indict the Secretary with respect to that allegation on June 18, 1982.

As a result of information that came to the Special Prosecutor during the investigation, the Special Prosecutor also investigated to determine whether Secretary Donovan had committed any violations of the Federal Elections Campaign Act of 1971 in connection with the Secretary's campaign efforts on behalf of Ronald Reagan during the Presidential campaign of 1979-1980. A detailed investigation into the Secretary's, and Schiavone Construction Company's, campaign activities produced no evidence of violations sufficient under the established guidelines of the Department of Justice to warrant the recommendation of a criminal prosecution. In conformance with DOJ policy, the matter is being referred to the Federal Election Commission to determine whether any action within its jurisdiction is appropriate.

Three other allegations of Taft-Hartley Act violations were also investigated by the Special Prosecutor. In two of the three cases, there was no evidence that any such violation had occurred. The third case did not involve the payment of money to any union officials but, rather, the entertainment of union officials at Fiddler's Elbow Country Club, a Schiavone Construction Company subsidiary. Although an arguable, technical violation may have been committed, the Special Prosecutor determined that no prosecution was appropriate under settled Department of Justice prosecutive guidelines.

The Special Prosecutor also investigated an allegation that the Secretary was involved in certain improprieties on New Jersey Turnpike Authority projects. The al-

legation included a charge that Mr. Donovan received inside information from the Turnpike Authority's Executive Director. The investigation revealed no evidence of any bid-rigging, provision or receipt of inside information or any other wrongdoing on the part of Secretary Donovan, and the Special Prosecutor determined that no prosecution was warranted. On June 18, 1982, the grand jury voted unanimously not to indict Secretary Donovan on that charge.

In sum there was insufficient credible evidence to warrant a prosecution of Secretary Donovan on any charge. The grand jury declined to indict the Secretary with respect to every allegation it considered. The Special Prosecutor concludes that no prosecution of the Secretary, on any of the allegations investigated, is warranted or could successfully be maintained.

CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, for over a month now, I have come to the floor of the Senate every day to speak out on crime, and on the need for the Senate to act promptly on anticrime legislation. We need to act soon in order to put the weight of the Federal Government behind efforts to stop the flow of drugs into the United States, and to make our communities safe once again. We have the opportunity to act on either one of two crime-fighting bills which are on the Senate Calendar. The first one, S. 2543, is a bill that Senator NUNN and I introduced back on May 19. The second one, S. 2572, is a bill that Senator THURMOND and Senator BIDEN, the chairman and ranking minority member of the Senate Judiciary Committee, introduced just before Memorial Day. Each one of these bills has broad support. S. 2543 has 17 additional cosponsors, and S. 2572 has over 50 cosponsors, including Senator NUNN and myself. The support for both of these measures indicates that there is a consensus in the Senate for action on crime-fighting bills. We have the opportunity make the promise of anticrime legislation a reality if we move quickly to pass these proposals.

One essential step that we must take if we are to fight crime effectively is to do something about the traffic in illegal drugs. We have come to see the link between drugs and crime, especially violent crime, and to understand that fighting crime means stopping the illegal drug traffic. It is no secret that my home State of Florida has become the gateway for an invasion of foreign drugs, and that Miami has become an international center for narcotics financing. But what may be less well known is that my home State of Florida has also become a center for domestically grown marihuana, and the size and scope of Florida's domestic marihuana industry is staggering. Mr. President, I am not talking about the college student who grows a marihuana plant in his backyard. I am talking about large-scale, well-organized growing operations which produce multi-million-dollar crops every year.

The bulk of this year's domestic marihuana crop is already in the ground in Florida, with harvest expected sometime later this summer. According to estimates made by law enforcement officials, this year's crop could yield as much as $400 million worth of marihuana. This figure, if accurate, would make marihuana cultivation Florida's second largest agricultural industry, behind only the citrus crop. The area around Gainesville seems to be the center of the illegal marihuana growing industry. One Gainesville attorney, a man who was formerly a narcotics agent with the local police force, estimates that there are 50 to 60 major growers within an easy drive of Gainesville, in rural areas in Dixie, Levy and Gilcrest Counties. The size of these operations can be understood by the fact that in one bust this year, 1,400 plants, with a value of a quarter million dollars, were seized. All of the marihuana is high potency quality that sells for upwards of $100 an ounce, and it is carefully cultivated and guarded. In Florida last year, more than 51,000 marihuana plants were seized, with a value placed at $43 million, in law enforcement operations. Those operations resulted in the discovery of 155 marihuana fields and the arrest of 68 persons. Yet, despite this record, Florida law enforcement officials feel that they are only scratching the surface. According to Jim Sewell of Florida's Department of Law Enforcement, "we probably, if we were lucky, got 10 percent of the plants. I think that is indicative that we are talking about the tip of the iceberg."

Mr. President, I believe that we in the Senate can do something to stop this drug trafficking situation, and eliminate the cultivation of marihuana. Last year, the Senate passed a bill that removed the restriction which prevented the United States from using foreign assistance funds for crop eradication programs overseas. The State of Florida is now considering using crop eradication programs to wipe out domestically grown marihuana, a move which I fully support. However, we cannot and should not expect one State, acting by itself, to be able to curb the illegal cultivation of marihuana. The Federal Government must get involved as well. As far as I am concerned, one major reason for the growth in the domestic drug cultivation is the fact that the Federal Government has shown little inclination to get involved in the war against drug trafficking. Federal penalties for large-scale marihuana trafficking were no more than a slap on the hand until 2 years ago, when they were tripled. And today, the Federal penalty for smuggling marihuana is only 5 years. Moreover, drug arrests all too frequently result in the capture of the middleman, and not of the money men who are at the top of the operation. That has certainly been the case for marihuana growing arrests in Florida, according to State law enforcement officials. Our lack of action has created an atmosphere in which people believe that they can get away with drug trafficking:

> The Federal Government is not involved, and even if you are caught and convicted, you end up serving only a short time in jail.

We can change that attitude, Mr. President, but only if we are willing to pass these anticrime proposals. By doing that, we can increase penalties for drug smugglers, and we can use improved forfeiture provisions to seize the assets of persons arrested on drug charges, thereby immobilizing drug trafficking rings. Most importantly, we can set an example for our State legislatures, and send a message to the American people that Congress is committed to fighting illegal drug trafficking. We can do all of this, Mr. President, but only if we act promptly. There are as few as 45 days left in this session of Congress, however, and unless we move quickly we will lose the opportunity and the momentum. Drug trafficking, and the crime that it creates, is a problem we can do something about. But unless we act promptly, we will lose this opportunity.

Mr. President, I understand the distinguished majority leader mentioned on the floor in his time this morning the possibility of scheduling the omnibus crime bill on Thursday and seeing about the possibility of working out a time agreement. I want to say that that is certainly good news to the Senator from Florida and I know it will be to the Senator from Georgia as well. It is something that we have been urging over these last 4 weeks and now beginning the fifth week.

I think nothing would be better than if we could take up this package before we adjourn for the July recess. So I congratulate the majority leader and urge him to continue his move in this regard. I hope that we will be able to see this legislation scheduled this week.

TITLE II—BAIL REFORM

● Mr. NUNN. Mr. President, on June 16, 1982, a 24-year-old Washington, D.C., area man was arrested on charges of selling heroin after an incident in which he allegedly used a 3-year-old girl to hold his drugs.

According to police, Michael Eugene Harley was arrested in Southeast Washington following a drug transaction with an undercover agent. Police said the child was outside an apartment building when the agent approached. Police said the transaction concluded when Harley allegedly re-

trieved a quantity of heroin from the child's pants pocket.

Police said tests showed the child had more than $400 in heroin in her pocket at the time of the arrest.

Authorities reported that the suspect, Michael Eugene Harley, allegedly had been involved in other criminal violations. At the time of this offense, Harley was on bail in connection with a second degree murder charge and a narcotics charge.

The Harley case demonstrates the need for legislation to effect bail reform in our criminal justice system. Under the present bail system, it is too easy for violators to gain freedom while their cases progress. All too often suspects are released from custody and allowed to engage in criminal pursuits. Too frequently these suspects on bail constitute a danger to their communities.

The eighth amendment to the Constitution forbids the imposition of excessive bail. Conversely, the Constitution makes no explicit reference to a "right to bail."

There is no absolute entitlement to freedom from incarceration pending trial. But there is an overriding limitation of conditions deemed necessary to insure a defendant's appearance for trial and sentencing.

Over the years, the practice of imposing money bail developed. This practice became established firmly in legal tradition. The theory was that a financial deterrent to flight would assure the defendant's presence in judicial proceedings.

But the law does not take into account the possibility—or, indeed, the likelihood—that the defendant on bail might be associated with another alleged violation. Accordingly, there is no provision specifically authorizing denial bail for noncapital offenses. Nor is there a provision which specifically authorizes "danger to the community" as a consideration in the determination of whether or not a suspect should be released on bail.

In certain instances, the only effective method of insuring that the community's safety be protected is no bail. Title II of the Crime Control Act of 1982, which Senator CHILES and I introduced, recognizes that fact by providing for the denial of bail in cases in which, in the judgment of the court, the defendant is likely to engage in criminal behavior.

The American criminal justice system is based on the premise that a suspect is innocent until proven guilty. I support that premise. However, we must also take into account the rights of the community. Society has a right to expect that law enforcement will detain persons suspected of wrongdoing, and that they will be set free only when there is a reasonable assurance that they will not be involved in future crimes. The principle of bail must be maintained. That is why it is important that we take steps to assure this principle is not violated. There should be limits on bail. Our courts should have the right—they should be obliged—to deny bail to persons who are deemed to pose a threat to the community. Commonsense dictates that the bail reform provisions of title II of the Crime Control Act of 1982 be passed into law.●

Mr. CHILES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HIGHER INTEREST RATES POSSIBLE BECAUSE OF SOARING DEFICITS

Mr. PROXMIRE. Mr. President, all of us are aware that one of the most serious problems that confronts our economy is high interest rates. If ever we have had a recession caused by one factor, it is this one, and that one factor is high interest rates. In spite of the fact that we have a big need for housing, automobiles, and many other things, people simply cannot put it together because you cannot buy a house with the cash which most people have in their hands and with the income they receive. They have to finance it on credit. They cannot get the credit because interest rates are too high to make it possible.

The same thing is true of automobiles as it is for homes and many other areas.

On Sunday, the New York Times published an article entitled "The Coming Flood of Treasury Debt." That is one of the most alarming articles I have read in a long time, because our capital markets centered in Wall Street are the best in the world and the most sensitive, and also I think often the most thoughtful and intelligent in response to Government policies.

This article in the New York Times reports:

And Wall Street is bracing for even tougher times ahead. Come July, the onslaught begins when the United States Government starts to flood the market with record new borrowings, prompted in large measure by the need to finance the growing Federal deficits. The Treasury says it plans $15.5 billion in new borrowings during the July-September quarter and declines to project further. But on Wall Street, it is taken for granted that there will be more—much more. By conservative estimates, Uncle Sam will be borrowing some $60 billion before the year is out, and some estimates run to $100 billion or more.

Borrowings of that magnitude would be the largest money-raising the Federal Government has ever attempted in a six-month period, and Wall Street sees this coming tide as the wave that almost certainly will keep interest rates at their present painful levels, if not push them even higher.

No less an oracle than Henry Kaufman, the Salomon Brothers' economist who has sent the credit markets into a skid on the strength of his dire interest rate predictions, frets that the huge Government borrowing will push rates up to the highs of last year, when 30-year Government bonds reached nearly 16 percent and AAA corporate utility bonds changed hands at 18 percent. Today, those same Government bonds are trading near 15 percent, and corporates are around 16.5 percent.

Such awesome Federal borrowings cannot help but keep interest rates at sky-high levels and further damage the economy. Henry Kaufman is quoted as saying, "The financial markets will make room for the large volume of Government financing at the expense of draining the vitality from the economy." Some Wall Streeters are even discussing the possibility of a financial crisis.

Mr. President, less than a week has passed since Congress agreed to the first budget resolution, which was supposed to have convinced the Nation's money markets that Congress was serious about controlling the deficit. But those markets are plainly more impressed by the impending flood of debt than they are by paper cuts in the budget 2 or 3 years from now. The first budget resolution has not done the job. Interest rates will remain high as will unemployment. Congress must do more to reduce Federal spending and borrowing.

Mr. President, I ask unanimous consent that the New York Times article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE COMING FLOOD OF TREASURY DEBT

(By Leslie Wayne)

These past weeks have rattled the nation's credit markets, where the United States Government and American industry turn for money. Bond prices have skidded to yearly lows, and interest rates remain stubbornly high. The number of bids at the most recent Treasury auction shrank by a fourth, a disquieting sign of things out of joint. High interest rates have long since driven corporate borrowers from the long-term bond market, and the highly publicized collapse of Drysdale Government Securities, a small, over-ambitious player in Government bonds, has caused nervous investors to become even more skittish.

And Wall Street is bracing for even tougher times ahead. Come July, the onslaught begins when the United States Government starts to flood the market with record new borrowings, prompted in large measure by the need to finance the growing Federal deficits. The Treasury says it plans $15.5 billion in new borrowings during the July-September quarter and declines to project further. But on Wall Street, it is taken for granted that there will be more—much more. By conservative estimates, Uncle Sam will be borrowing some $60 billion before

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"In the financial markets," Mr. Kaufman said in a recent speech, "it's become a matter of how high interest rates will then be driven. In the economy, the question becomes, 'how serious will be the casualties?'

"The financial markets will make room for the large volume of Government financing," he added in an interview, although in his view this will come "at the expense of draining the vitality from the economy."

Such talk is enough to keep even the most hardened bond traders on edge.

"You've got a market which is questioning almost everything; it's a plain nervous atmosphere," said Edwin S. Myers Jr., who heads corporate bond trading for Merrill Lynch & Company. "This isn't a time for panic, but it is for caution and prudence. The markets are controlled by emotions as much as anything else. We're aware it will be difficult for the market to absorb all that borrowing."

The events of the past few weeks have done little to spare these emotions. The collapse of Drysdale Securities, a relatively tiny firm that became overextended and could not meet certain payments, touched off a new concern over credit risks. As a result, many of the smaller bond dealers have found it more difficult to finance their holdings. They have stopped buying Government issues, further contracting demand and forcing the Treasury to offer more attractive yields to sell its offerings. Inasmuch as all rates are tied to what the Government, the safest credit risk, is paying, the entire market has been affected.

Some signs of Drysdale's impact came at the most recent auction of two-year Treasury notes, when bids totaling only $9 billion were submitted. A similar auction last May drew bids totaling $13.3 billion. Not only did the scant number of bidders shake the markets, but also the day after the notes were issued, at an attractive yield of 14.43 percent, they sank in value by $8 for each $1,000 note.

"There's already been tremendous losses from those notes," said Maria Florini Ramirez, senior money market economist at Merrill Lynch. "You've got a thin, volatile market and a psychology that's basically negative."

While there are many explanations for why interest rates remain so high, at some point the credit markets are reducible to relatively simple concepts of supply and demand. When the markets are crowded with borrowers trying to raise money, sellers must drop their prices (and thereby offer higher yields) in order to sell their bonds. As a result, the debt securities that people already own also drop in value, because anyone selling such bonds would have to match the new, more attractive yields available on new issues.

Thus when there are fewer buyers of bonds, prices naturally fall. One effect of the Drysdale episode was to reduce the buyers' ranks. But Drysdale is by no means the entire story. Buyers for all types of securities have been disappearing. Institutional investors, which provided the bulk of the buying, have sustained heavy losses in their bond portfolios and are investing only in short-term securities, if at all.

"The amount of money available is shrinking; certainly the cash flow going into longterm bonds has shrunk significantly," said Eric P. Sheinberg, a partner at Goldman, Sachs & Company. "With the losses that institutional investors have had with long-term bonds, the question is whether there is really money available for long-term debt that could be issued in the future."

Similarly, Joseph Bench, fixed income economist with Shearson/American Express, explained that "the reason there aren't more people willing to put money out at those yields is because they've already made a bet at a lower yield and seen that virtually everything in their portfolio is at a loss." In 1970, he said, a 9 percent yield looked attractive; in 1974, it was 12 percent. "We've seen a constant ratcheting up of interest rates over time that has left these portfolios far under water," he said.

There are many perverse elements to this situation. Oddly, the high interest rates come as inflation is easing, and as the nation tries to pull out of the recession that began last year.

Traditional economics states that recessions are a way of bringing down interest rates, because corporate borrowings generally decrease when the economy is poor. But that has not happened. Despite the recession—indeed in part because of the recession, which has sapped profits—the demand for money remains high, and the nation is plagued by the twin troubles of high interest rates and a recession.

Even the promising economic statistics released last week indicating that the recession may be ending, hasn't lessened Wall Street's fears of worse times ahead.

"We can't worry about last year's problem of inflation. We have much bigger problems right now," Mr. Bench of Shearson said. In his view, unless interest rates are brought down quickly, the entire financial system is at risk. "The problem is very serious and we can't ignore it," he said. "Given that many companies are into the banks for lots and lots of money, they'll have to get some interest rate relief soon or they will have a tough time making it."

Some have not made it. Last week, more businesses failed than in any single week since the Depression, exceeding the mark set just the week before. What happens on Wall Street is inexorably tied to what happens in the offices of corporate America. The high long-term rates have all but closed long-term borrowings as a way for business to raise cash, preventing them from fixing their interest costs at a set rate over a long-time period. Instead, businesses are being forced to borrow short term—less than a year—leaving them vulnerable if rates shoot up again when they need to refinance.

Short-term borrowings are being used by many companies just to stay alive—to pay taxes, to finance working capital and to repay past borrowings. But this is self-defeating: As the recession eats into revenues, businesses are forced to borrow more, which increases their costs and makes them even weaker.

"Businesses have tigthened their belt to the point that they barely exist," said David Jones, an economist at Aubrey G. Lanston & Company, a Government securities dealer. "Businesses can't borrow in the disorderly and high-cost bond market. They are being crowded out by the Government. The only AAA-rated credit that is borrowing is the Federal Government. Business has been forced out of the bond market and has to rely on short term. The trouble is that if you borrow short, you have to run just to stay in place."

In the first six months of 1982, businesses borrowed about $21 billion in short-term loans from commercial banks and issued about $6 billion in commercial paper, promissory notes that must be paid back within nine months. And this is costly borrowing. Bank borrowings are generally pegged to the prime rate, now 16.5 percent, with many businesses paying rates several points above prime.

As most recessions near an end, rates typically drop and business "locks in" these low rates by issuing corporate bonds to finance its recovery—spending the money on such things as hiring employees, expanding operations and building inventories.

This recession, however, is different. Business entered the 1981 recession last summer only a few months after emerging from the previous one. Inflation was high and corporate balance sheets had large amounts of debts. Many businesses were geared to operating in an inflationary environment and had borrowed heavily to expand on the assumption that this debt would be paid off with cheaper dollars. They bet on inflation continuing high. And the Federal tax system favored such borrowing because the tax deductibility of interest payments cut borrowing costs in half.

But the rules of the game have changed. Inflation has fallen sharply—so the bet has turned sour. The Reagan Administration has lightened the tax burden on corporations, making the tax break on interest payments less potent. Debt has become less desirable.

Economists question whether any economic recovery can survive in the face of the huge Government demand for money. They theorize that the combination of Treasury borrowings and any recovery-induced business borrowings could push rates to even higher levels, causing the economic recovery to falter.

"We see the economy going into a sluggish setting next year," said Mr. Kaufman. "High interest rates will choke off an economic recovery and force corporations to cut back even more in their capital outlays. We won't have the boom from capital outlays by business that all of us would prefer. This kind of environment is a sputter-and-spurt economy."

"We just don't see the recovery being sustained," said Charles Lieberman, an economist at Morgan Stanley. "Some companies are so highly leveraged, whether they can pay enough debt to survive the difficult period ahead is highly uncertain."

Indeed, there are those who see no way out of the dilemma without a financial crisis. "We're not in a recession, we're in the early stages of a depression," said Raymond T. Dalio, president of Bridgewater Associates, an economic consulting firm. "A depression is a self-feeding liquidity crisis—it's a cash-flow squeeze that occurs when the

economy turns down, inventories are being sold, borrowings increased and liquidity reduced."

There are many who blame the predicament on President Reagan, whose stimulative tax cuts, they say, forced the Federal Reserve into a toughter stance on monetary policy to curtail inflation. But others say the problem has much deeper roots.

The deregulation of the rates banks may pay for funds has lead to a general upward drift in what banks pay and charge for money. They pass their higher costs along to borrowers. In addition, the 1979 decision by the Federal Reserve Board to focus principally on managing the growth of the nation's money supply—cash and demand deposits at banks—rather than monitoring interest rates has resulted in much greater fluctuation in those rates. As a result, investors now demand higher returns to compensate for the risk of this volatility.

"Like cheap energy, the days of cheap money are over," said James Toffey, a managing director and head of the taxable fixed-income department at the First Boston Corporation. "Before the saver was taken advantage of, and the borrower had a license to steal. With deregulation of interest rates, money is a commodity and its price is set by the laws of supply and demand, not by artifical restraints."

In past recessions, the Federal Reserve Board has eased the supply of money to lower interest rates and get the economy moving. But the Fed has firmly rejected that course. It believes that limiting the growth in the money supply is the only way to bring down inflation and, in the long run, interest rates: But economists say that this restrictive policy and the large deficit-induced borrowings means that business will bear the brunt.

There is, indeed, little consensus among economists on the way out of this dilemma. Some call for the Fed to be less monetarist, others call for a reduction in the Federal deficit. Some say it is too late, others call on business to pay off its short-term debt the moment it can. Some say Congress should exert more control over the Fed; others that relief will come only through the suffering of business. But, in all cases, there is little optimism over the days ahead.

SALT NEGOTIATION VETERANS PLUMB THE POTENTIAL "START" MEMORIES AND EXPECTATIONS OF GENEVA

Mr. PROXMIRE. Mr. President, today the United States begins the strategic arms reduction talks in Geneva. These talks, which carry the acronym START, are the beginning of a hopeful new round of discussions with the Soviet Union which have one very significant difference from the SALT talks of the past decade. The emphasis should remain unalterably on this difference—arms reductions rather than limitations.

An article by Leslie H. Gelb in the New York Times of Sunday, June 27, offers some interesting perspectives on the talks. This article, "SALT Negotiation Veterans Plumb the Potential 'START', Memories and Expectations of Geneva," collects the advice of the four men who were the principal representatives of the United States at the SALT talks along with that of Malcolm Toon, a former U.S. Ambassador to the Soviet Union. The article offers the collection of advice from these distinguished, experienced negotiators to Edward L. Rowny, our chief START negotiator.

Mr. President, rather than to quote the entire article, I offer the following salient pieces of wisdom from these experienced advisers.

Each of the five put a strong emphasis on the same observation—that these negotiations are being sincerely entered into by both sides because of their own self-interests. Either side has much to gain from their success.

Another point was common in the recommendations of all but one of these experts. Only Paul Warnke suggested that success is not far off. All others suggested that President Reagan, Mr. Rowny and the American public be patient—very patient. The reasons for this expectation were varied, but the consensus was overwhelming.

Gerald C. Smith, our first SALT negotiator (1969-72) suggested that the U.S. poor history of failing to ratify the SALT II and two nuclear testing limitation treaties was a definite deterrent to immediate success. It would take time for the Soviets to become convinced of our sincerity so that we could come out with a ratified treaty.

Our second chief negotiator, U. Alexis Johnson (1972-77) added that the United States must make it clear that these negotiations are considered so important that they would be totally independent of all other aspects of our relations with the Soviets. Mr. Johnson believes that the SALT negotiations were tainted by overtones of their effect on and by other aspects of the two nations' relations. The negotiations must continue not only at the level of the negotiators but also at those of the Secretary of State/Foreign Minister as well as the Presidents of the two nations.

Paul Warnke, our chief negotiator from 1977 to 1979 breaks rank with the other advisers on the patience issue by stating, "The American public ought to expect very prompt results. The fact of the matter is that the elements of a further agreement are now quite visible and unless progress is made, it'll demonstrate that one or the other side is not trying." The remainder of his advice stresses that the United States should build upon past negotiations' achievements rather than trying to "reinvent the wheel." He advises that the United States should try to negotiate directly and avoid trying to involve the press. Progress cannot be made if the talks appear to be a media blitz.

Our last SALT negotiator, Ralph Earle II (1978-80), recommends that the U.S. negotiation team be prepared to be involved in great detail, especially on definitions and verification procedures. Above all, the resulting agreement must be verifiable.

Finally, former Ambassador Toon (1976-79) encourages Mr. Rowny to expect compromise. It is the only way the Soviets negotiate. He also recommends that Mr. Rowny use a staff which is thoroughly familiar with the Soviets, their likes and dislikes, and some knowledge of their language. It is vitally important that they can get along with each other.

Mr. President, my conslusion from the compilation of all this wisdom and expertise is that we have good things to look forward to—if we constantly keep in mind the importance and need for our objective of arms reductions and are aware of what is necessary to attain it. However, we must still be aware, as Ambassador Toon admonished, these negotiations are going to be much more complex than SALT II. We should all handle our expectations accordingly.

Mr. President, I ask unanimous consent that the article by Leslie Gelb be printed in the RECORD in its entirety.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SALT NEGOTIATION VETERANS PLUMB THE POTENTIAL "START" MEMORIES AND EXPECTATIONS OF GENEVA

The process that used to be called the Strategic Arms Limitation Talks began in 1969 and will resume Tuesday under the acronym START, for strategic arms reduction talks. The chief American negotiator in Geneva will be Edward L. Rowny, a retired Army lieutenant general who represented the Joint Chiefs of Staff at the SALT talks from 1973 to 1979 but resigned as representative because he believed the SALT II treaty would leave the United States strategically inferior to the Soviet Union.

Mr. Rowny is presumably more at home with Ronald Reagan's position on strategic arms, which the President put forward in May in a speech at Eureka College. He proposed deep reductions in American and Soviet forces to a ceiling of 5,000 warheads on no more than 850 missiles. Of the warheads, no more than half could be deployed on land-based missiles.

Mr. Reagan's speech did not take the steam out of the antinuclear movement. The House Foreign Affairs Committee last week called for a "mutual and verifiable freeze" on the production and deployment of nuclear weapons by the Soviet Union and the United States.

Mr. Rowny calls such freeze proposals "just a bummer from a negotiator's point of view." He said, "It hurts to have someone looking over my shoulder, believing this will have an impact." He also argued that freezing forces now would lock "inequalities into position."

Edward M. Kennedy, Democrat of Massachusetts and sponsor of a freeze resolution in the Senate, has called Mr. Reagan's deep-cut plan "voodo arms control," contending that it is really aimed at a large buildup of American forces.

The Russians have rejected the Reagan plan, arguing that it would restrict the land-based forces in which they excel but not the

submarine-based warheads in which the United States has the edge. At the United Nations session on disarmament last week, Soviet Foreign Minister Andrei A. Gromyko reiterated the rejection but offered no counterposition, saying, "We will wait and see how the talks progress." Mr. Rowny said he was convinced the Russians sincerely wanted an arms agreement and an overall reduction in tensions with the West.

In advance of the talks, Leslie H. Gelb, the national security correspondent of The New York Times, spoke separately with all of the previous chief strategic arms negotiators—Gerard C. Smith, chief negotiator from 1969 to 1972; U. Alexis Johnson, 1973-77; Paul C. Warnke, 1977-78; and Ralph Earle 2d, 1978-80. He also spoke with Malcolm Toon, a participant in much of the negotiating as Ambassador to Moscow from 1976 to 1979. Each discussed what he would tell President Reagan, General Rowny and the American public about the opportunities for and obstacles to progress.

GERARD C. SMITH

President Reagan should try to keep mentally as flexible as possible and in the first part of the negotiation, at least, not insist too much on the opening position that he announced at Eureka College.

General Rowny should realize that he's doing business with human begins, not demons, and that the Soviets have as much of an interest in preserving the existence of this planet as he and the Administration.

I would expect them (the American public) to keep their expectations quite moderate, because the United States has not proved to be a very reliable negotiating partner.

We have three agreements (SALT II and two agreements limiting nuclear testing) we have negotiated with the Soviet Union in the field of arms control which have not been ratified.

So I think a period of time has to pass where it will be seen that we are seriously engaged in a negotiation that we plan to convert into an agreement of which we plan to get Congressional endorsement. This process will take a great deal of time.

U. ALEXIS JOHNSON

My suggestion would be to divorce the Start negotiations from other aspects of our relations with the Soviets.

In the past, the SALT talks were prejudiced and also were given a false posture by tying them to other aspects of our relations.

To my mind, our strategic negotiations with the Soviets need not and should not be tied to détente, to whether you trust the Soviets or don't trust the Soviets, whether you like Soviets or don't. These talks have to be based upon the hard-headed self-interest of both countries.

I would tell General Rowny to be very, very patient; not to issue ultimata but to explore all possibilities; not to concede points too readily; not to be put off by Soviet ultimata or demands, but to slowly go at it in a methodical and patient way, seeking to find areas in which agreement can be achieved.

The important decisions, of course, are not made at the negotiators' level. The negotiators have to act as the mouthpieces for their two governments.

Three stages of negotiations

There are going to have to be three stages at these negotiations. The first is the chiefs of states, the Brezhnev-Reagan level. The next is the Secretary of State and Foreign Minister level. And the next are the negotiators in Geneva.

It's the job of the negotiators to translate into the language of international agreement the agreements in principle that have been arrived at at the higher level and, in the course of that, to clarify and identify those areas of differences which have not been decided, to decide them at their level or, if they can't kick them on the next level.

I do not feel it's possible to achieve an agreement between the two countries which will cause this problem of nuclear weapons to go away. The best that can be done is to continue to discuss it. When opportunities arise for agreements, then make those agreements as more or less routine, rather than trying to treat them as being of transcendental importance. Because I do not think that we are going to achieve any agreements of transcendental importance.

We're dealing with a fast-moving situation with regard to the forces of the two countries, and we cannot freeze this at any single point. But we can help reduce the danger of the accidental nuclear war, and we can reduce the danger of nuclear blackmail from the other side.

PAUL C. WARNKE

I would advise President Reagan to recognize that he has to build on what has already been accomplished; otherwise there is no chance that he can get where he wants to go. Unless he can preserve the elements that have already been agreed to and put in place, he'll be trying to reinvent the wheel. And as a consequence, technology, proliferation of warheads and so forth will get so far ahead of him that he can't get to his proposed reductions.

I would also try not to conduct the negotiations in speeches or the press; neither side is going to be able to make progress if they try to conduct the talks as a media blitz.

One thing General Rowny clearly has to do is to establish his credibility with the Soviets. If he just flexes his muscles, he's going to find that they are very obdurate and it'll be a self-fulfilling prophecy that both sides will flex their muscles and nothing will get done.

The American public ought to expect very prompt results. The fact of the matter is that the elements of a further agreement are now quite visible and unless progress is made, it'll demonstrate that one or the other side is not trying.

I'm quite convinced that the Soviets are serious about wanting to have nuclear arms control for their own selfish purposes.

It is as yet to be determined whether or not the Reagan Administration is similarly serious.

RALPH EARLE II

The President's got to take into account Soviet perceptions of our approach. The fact that we consider the land-based missiles the most destabilizing may be well justified, but from the Soviet point of view they are the systems with which the Soviets do their best and have their greatest concentrations. We've got to keep that in mind when we talk about deep cuts, particularly in land-based ICBM's.

Of course, Rowny has been there so I'm sure he has his own views on the actual conduct of the talks in Geneva.

But the principal thing I counsel is patience and firmness—the realization that the Soviet bureaucracy is slow-moving and you're not going to accomplish an awful lot in a hurry. They are thorough, they're not going to have the wool pulled over their eyes.

In order to have a good agreement, you've got to have a lot of what Lloyd Cutler (counsel to President Carter) calls boilerplate in terms of definitions and verification procedures. These have to be done by people who are working full-time on the negotiations and who can get into the minutiae of the subject matter.

The question of sincerity

Summits, or mini-summits, between the foreign ministers are (also) helpful because there's slightly greater flexibility, and also an opportunity to sound out the other side on what may be forthcoming in the future.

Based on what I understand the Administration position to be, I don't think the American people ought to expect very much very soon. We've staked out an ingoing position which, at least publicly, the Soviets have already rejected. Undoubtedly they will have their own positions and it'll take a long time for those positions to be fully articulated and made clear to the other side.

I've always said you can trust the Soviets to the extent that they will follow their own self-interest, as any nation-state should. Therefore, we ought to treat them as being sincere in their efforts to get an agreement, at the same time making sure, at least from our point of view, that whatever agreement we get is adequately verifiable.

MALCOLM TOON

Mr. Reagan should understand that whether it's on arms control matters or anything else of any substance, the nature of a negotiation with the Soviet Union is basically one of compromise. Therefore, while Mr. Reagan may feel that his position may be ideal, it's not going to be acceptable to the Soviets.

I would give General Rowny the same sort of advice. You cannot stick to a maximal position and then hope to have a successful outcome.

Secondly, I would hope—I hope that he's already done this sort of thing—that he would staff his delegation with people that are not only knowledgeable in arms control matters, but also have a good feel for the Soviets, have some knowledge of the language, have an ability to get along with these people. I think that's terribly important.

You ought to know precisely where you can give way and where you must stand firm. This requires, of course, a very sound understanding of our position and what's required in order to maintain the health of our defense posture.

This is going to be a much more complex negotiation than SALT II. We should be prepared to sit at the negotiating table for at least two or three years. Nonetheless, if we show the necessary perseverance, understanding of the problems involved, we can wind up with an agreement which we can live with and which will be acceptable to the other side.

I say that primarily because I think both sides have a real genuine interest in arriving at a successful outcome.

DISCRIMINATION AT HOME AND ABROAD

Mr. PROXMIRE. Mr. President, on June 19 and 20, the National Anti-Klan Network sponsored its third annual conference in Atlanta entitled "Strategies To Counter the KKK." The conference focused on local responses to Klan activities. As horrifying and distant as Klan activities may

seem to us, they still occur with startling frequency. During the last several months, Klan activities, ranging from roadblocks to cross burnings, were reported in at least 21 States.

Our Government has made great efforts to minimize and abolish such discriminatory activities through civil rights legislation. The Senate has consistently worked toward stopping the inequities and terror imposed on many southern blacks. Although we have not eliminated prejudice and discrimination completely, domestic laws since the 1960's have worked toward this end on a symbolic as well as on a practical level.

Mr. President, it is an embarrassment that the United States has not extended its domestic concerns for minorities to the international sphere by ratifying the Genocide Convention. It is one of the most fundamental and humane treaties of our times. It would make criminal the systematic destruction in whole or in part of a national, ethnical, racial, or religious group. This treaty should not be controversial, because it simply condemns those individuals or governments who practice the heinous crime of genocide.

Like the activities of the Klan, genocide is still practiced in some parts of the world. We must join the 86 other countries who have ratified the Genocide Convention to symbolize and express our mutual disgust and condemnation for those persons practicing genocide.

Although the Klan has not been completely abolished, their activities have diminished, in part because of domestic civil rights legislation. By ratifying the Genocide Convention, the United States could participate in the international effort to diminish genocidal activities in the world. The United States has always been a leader in protecting the rights of minorities and should continue to be leaders by ratifying the Genocide Convention. The Anti-Klan Conference serves as an example of U.S. ingenuity and support for checking and curbing discrimination against minorities.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair.

THE FLAT RATE TAX ACT OF 1982

Mr. HELMS. Mr. President, on March 15, I introduced S. 2200 to provide for a 10-percent flat-rate tax on income. I did so after reaching a conclusion contrary to what appears to be the accepted economic wisdom among politicians and economists in this city.

I am convinced that the solution to our current economic problems—and most of the economic problems around the world—lies in the adoption of policies that will foster growth and prosperity. I do not believe that burdening the American worker with higher taxes will promote more output or production; nor do I believe that debasing the currency or arbitrarily manipulating its quantity will create the type of confidence that is necessary to encourage citizens to increase savings and investment, or to engage in long-term financial commitments.

Furthermore, Mr. President, I believe that the free market remains the most productive and efficient economic system. To allow that system to function as it should and to provide for tax equity and income prosperity, I propose that Congress adopt a 10-percent flat-rate income tax.

Such a new tax system would dramatically lower marginal tax rates and, by abolishing all loopholes and preferential tax treatment, allow the free market to allocate our resources to their most productive and profitable uses.

A 10-percent flat-rate tax will accomplish the following goals: First, it will promote growth by increasing incentive for work, investment, and production through lower marginal rates. Second, it will lead to a more efficient allocation of resources by providing neutrality with respect to the markets' allocation of resources. Third, it is calculated to raise the same level of revenue as our present tax system—even if we assume that it does not ignite immediate economic growth. In fact, it is likely to raise more revenues immediately by bringing wealth out of tax shelters and the underground economy, and channeling it into taxable and more productive economic activity.

Fourth, it will simplify the income tax system and enhance its fairness and equitability. The taxpayer will be able to fill income tax forms on the back of a postcard and we can put an end to the deadweight economic cost of our $64 billion dollar tax-avoidance industry.

THE PRINCIPLES OF JUST TAXATION

Andrew Mellon was the Secretary of the Treasury during the 1920's—a period of expansion in output and employment unprecedented in American history. He initiated a series of tax cuts beginning in 1922—reducing the top rate from 73 percent to 25 percent in 4 years—which resulted in actual tax payments by the rich rising by nearly 200 percent. The Mellon tax cuts raised the total share of taxes paid in the top bracket from 27 to 63 percent and lifted revenues by 58 percent.

In his book, "Taxation: The People's Business," Andrew Mellon gave a persuasive definition of the proper role of a good tax system:

> The problem of the Government is to fix rates which will bring in a maximum amount of revenue to the Treasury and at the same time bear not too heavily of the taxpayer or on business enterprises. A sound tax policy must take into consideration three factors. It must produce sufficient revenue for the Government; it must lessen, so far as possible, the burden of taxation of those least able to bear it; and it must also remove those influences which might retard the continued steady development of business and industry on which, in the last analysis, so much of our prosperity depends.
>
> Furthermore, a permanent tax system should be designed not merely for one or two years nor for the effect it may have on any given class of taxpayers, but should be worked out with regard to conditions over a long period and with a view to its ultimate effect on the prosperity of the country as a whole * * *.
>
> I have never viewed taxation as a means of rewarding one class of taxpayers or punishing another. If such a point of view ever controls our public policy, the traditions of freedom, justice and equality of opportunity, which are the distinguishing characteristics of our American civilization, will have disappeared and in their place we shall have class legislation with all its attendant evils. The man who seeks to perpetuate prejudice and class hatred is doing America an ill service. In attempting to promote or defeat legislation by arraying one class of taxpayers against another, he shows a complete misconception of those principles of equality on which the country was founded.
>
> Any man of energy and initiative in this country can get what he wants out of life. But when that initiative is crippled by legislation or by a tax system which denies him the right to receive a reasonable share of his earnings, then he will no longer exert himself and the country will be deprived of the energy on which its continued greatness depends.

Mr. President, I believe a 10-percent flat-rate income tax would move our tax system closer to the principles laid down by Secretary Mellon.

RAISING REVENUE

Mellon said that the tax system must "bring in a maximum amount of revenue" and at the same time "bear not too heavily on the taxpayer." My proposal is guaranteed to bring in the same amount of revenue that is now collected by the personal income tax, even if there is no resultant increase in economic activity.

Studies conducted by Alvin Rabuska and Robert E. Hall of the Hoover Institution, Michael Evans of Evans Economics, Joseph Pechman of the Brookings Institution, and Edward Moscovitz of Data Resources, Inc., and a survey by the Library of Congress all agree that a flat-rate income tax, at a relatively low rate, can provide levels of revenue similar to what is presently collected. I arrived at the figure of 10-percent by taking the total personal income from the national income accounts for 1976, and simply dividing that figure by the number of taxpayers. My exact calculation was 10.2 percent. This tax rate would generate nearly the same amount of revenue as was actually generated by the income tax that year—even without adding the increased revenue that can be an-

ticipated from economic growth or resurfaced underground activity.

While I am not committed to the concept of a 10-percent rate, I think that it is a reasonable proposal and a good point from which to begin the debate on tax reform. In addition, the metaphor that my colleague in the House of Representatives, Representative PHIL CRANE, used when he spoke in favor of a 10-percent flat-rate income tax was a good one. He said: "The Bible notes that man owes a tithe of his earnings to God. Caesar should ask no more."

The reason that the flat-rate tax would not lead to revenue loss is that it would significantly broaden the tax base by closing loopholes and ending exemptions, except for a $2,000 basic individual exemption. At present, only about 70 percent of total income is taxable.

More importantly, however, my proposal will reduce the Government's "wedge" between buyer and seller in economic transactions and thereby increase incentives by lowering all marginal rates to 10 percent. It will fall indiscriminately on all forms of income, thus allowing the free market to allocate resources to their most efficient uses.

THE UNDERGROUND ECONOMY

The lower marginal rates will draw economic activity out of the underground economy and into taxable economic activity. Our total GNP was something like $3 trillion last year; IRS estimates indicate that the underground economy represents well over 10 percent of GNP—some estimates place it as high as 20 percent—and that figure is rapidly increasing. The "tax gap"—the total amount of unpaid income taxes in the economy—approached $100 billion last year and, according to economist Michael Evans, has almost doubled over the past decade.

Evans notes:

The reasons for this steadily increasing proportion are not hard to fathom. When the average American family paid a top marginal tax rate of perhaps 20 percent, tax avoidance was something for the rich, or perhaps those whose ethics were in need of some improvement. However, as many of the same (middle class) families now find themselves in the 40 and 50 percent bracket, the world looks somewhat different. Even if middle-income taxpayers do not know all the details, they are well aware of the fact that the "rich," through tax shelters, are paying a far smaller proportion of their income in taxes than are those with average incomes derived from wages and salaries.

The strong sense of injustice thus engendered has already led to the beginning of a breakdown in the efficacy of the entire tax system—a feeling of cynicism which is reinforced by the breakdown of other pillars of society, particularly the often whimsical and random nature of criminal justice. Once the foundations of civil and criminal justice are perceived by the average citizen to have eroded, the self-imposed constraint to pay one's taxes disappears, leaving in its wake a new morality which considers tax cheating an acceptable societal game which benefits the majority of the population. Just as prohibition was unenforceable during the 1920's, so, too, tax compliance runs the very strong risk of becoming an endangered species if our tax code continues in its present form.

The results are not a very pretty picture for those who claim that our tax system still works well.

Mr. President, I believe that most of the people who utilize the underground economy are citizens who have been driven underground by oppressive taxation and an overly complex tax system. I submit that most people would gladly agree to be taxed at a 10-percent rate.

When one adds to this underground economic activity all the legal forms of tax avoidance—shelters, preferences, exemptions, et cetera—the result is that for every dollar paid in individual income taxes, 57 cents is not paid, according to an Evans Economics study. We could increase revenues by countless billions from resurfaced underground economic activity alone, if we adopted a 10-percent flat-rate income tax.

THE EFFECTS OF TODAY'S TAX

The next issues to consider are the economic effects of a flat-rate tax. The effects of closing the numerous loopholes and complexities in our present Tax Code—there are some 6,000 pages of Tax Code regulations—will stimulate economic growth. If those existing tax regulations are abolished, this, along with the general unburdening of taxpayers, will result in savings, effort, and investment channeling into more productive and more taxable activity.

The present tax system attempts to accomplish socially oriented policy objectives by structurally channeling income and investment into so called desirable activities. This has resulted in a misallocation of resources and an erosion of the taxable base has eroded as money is channeled into nontaxable activity or driven underground by excessively high progressive taxation.

Byzantine tax regulations that are used to influence society's allocation of resources make the system somewhat less progressive—but in a highly inefficient way. Because of the adverse effect on economic growth of the current system, it has created problems which are far more serious and more numerous than the problems that it was supposed to solve. Our present tax system is the ugly stepchild of the Congress and advocates of special interest legislation.

So nonsensical are the structural impediments to enterprise built into our present tax system that, for taxpayers who today face marginal rates of 50-percent—and this applies to an increasing number of people—saving a dollar in taxes is worth twice as much as earning an additional dollar.

For example, a person who is in the 50-percent tax bracket and wishes to earn extra income in his spare time will face a choice between using that time to engage in productive and profitable economic activity, or concocting schemes on how to avoid paying taxes on income that he has already earned, by finding loopholes or other avenues of tax evasion. For every additional dollar that he earns in the productive economy the Government will confiscate 50 cents; but he will be able to keep every dollar on which he succeeds in avoiding paying taxes. Thus a dollar's worth of tax avoidance will yield him a dollar; while a dollar's worth of productive economic activity will yield him half that amount. The consequences of this situation are perverse and, from an economic standpoint, catastrophic.

Nobel laureate economist Milton Friedman has said that "there are cuts in tax rates that would add promptly to government revenue . . . by taking advantage of the mammoth wedge between the cost of taxes to the taxpayer and the revenue that the government obtains from these taxes." At lower tax rates we will bring this wealth into the taxable economy.

Let us speculate as to what our economy stands to gain when executives and investors—and just plain middle-class folks as well—can stop spending their time and money seeking ways of avoiding taxation. These valuable and talented people will be able to get back to the important task of producing goods and services for our economy.

The wealthy will pay more taxes when all of their incomes become taxable, even at a much lower rate. When loopholes and tax preferences are closed an marginal rates reduced, the wealthy will put their assets into productive activity. Highly progressive tax rates do not redistribute income: they change the relative prices of work, leisure, savings and consumption. Progressive taxation drives taxpayers away from entrepreneurial investment in the taxable economy. The formation of new enterprises requires disposable personal income, and that is what high personal tax rates wring out of the system.

I think that George Gilder stated the case against highly progressive tax rates in a most elegant and persuasive manner:

The paradox of progressivity, * * * is that the poor suffer most when others are prevented from efficiently getting, keeping, and reinvesting wealth. For example, British enactment of the highest and most progressive rates during the forties ended up by increasing the payments of the poor by nearly four times more than the payments of the rich. The American tax cuts of the 1920's, on the other hand—reducing the top rate from 73 to 25 percent in four years—increased the actual tax payments of the rich by nearly 200 percent, raised the share of total taxes paid in the top bracket from 27

to 63 percent, and lifted revenues by 58 percent. The less dramatic Kennedy-Johnson tax cuts of 1964 and 1965 raised revenues in the brackets above $100,000 by 80 percent, while the persistent tax cut policy in Japan has resulted in notably narrow gaps in earnings between rich and poor.

Highly progressive tax rates do not redistribute incomes; they redistribute taxpayers: from taxable to untaxable activities; from domestic investment to foreign currency plays; from offices and factories to golf courses, fox hunts, and tropical beaches; from documented business to underground barter and cash exchanges; from productive professions to excess financial intermediation and finagling; from active enterprise to socially fruitless but lucrative litigation.

Mr. President, not only will the rich pay more under a 10-percent flat-rate income tax, but we can also expect that more rich people will accurately report their entire incomes. Milton Friedman has pointed out that in 1929, when there was a 24-percent marginal tax rate, 15,000 people reported taxable income above $100,000. By 1979, per capita income had increased tenfold and population increased by 80 percent; thus, the 1929 equivalent for 1979 would have been 27,000 people reporting taxable incomes above $1 million. In fact, less than 1,785 people reported having earned this amount. The difference, of course, is that the $1 million earner in 1979 faced 70-percent marginal rates, as opposed to the 24-percent marginal rate faced by the $100,000 earner in 1929.

SIMPLE TAX FORMS

Furthermore, if we simplify our tax system so that every American can fill out his or her income tax literally on the back of a post card, we will put an end to the huge and burdensome tax avoidance industry. The complexities of our Tax Codes are mind-boggling—nearly 52 percent of the 1040 forms and 16.9 percent of the "simple" 1040A were filled out with professional assistance in 1981, and even then over half of the itemized returns contained mistakes—according to the IRS. This complexity is especially unfair to those who cannot afford to pay for the services of a professional tax accountant.

A former Commissioner of the IRS has written that the complexities of income tax filing requirements were "beyond the comprehension of a large portion of the adult population." Scholars in our finest universities devote years of study just to achieving an understanding of our tax system. As a former businessman and a person who considers himself conscientious, I can testify that much of the Tax Code is certainly beyond my comprehension.

Louise Brown, who is a member of the IRS Commissioners Advisory Group, has said that "the present tax system works against 85 percent of all individual taxpayers." She said she felt it "remarkable (that) taxpayers have not yet subverted the system in a substantial way considering how badly most of them have been treated."

A Brookings Institution study found that the private sector's cost in meeting Tax Code regulations is 20 times higher than the Government's outlay in promulgating and enforcing them. This means that in 1980, since the IRS budget equaled $4.3 billion (and 70 percent of Federal tax receipts are from personal income) the direct costs to taxpayers in complying with the tax codes was $60 billion.

It is no wonder that people are losing faith in their Government. There is something Orwellian about a government that subjects its citizens to rules that are too complex for them to understand. As one shrewd commentator has observed, "How can you obey a law when you cannot understand it? The courts tell you that ignorance of the law is no excuse. Catch 22." The IRS today is a "big brother," a force that, to many people, acts mysteriously, arbitrarily, and, often, viciously. Perhaps ominously, too, the IRS represents a taxpayer's most intimate tie to his Government.

ECONOMIC GROWTH

Mr. President, another point raised by Andrew Mellon was that the tax system "must also remove those influences which might retard the continued steady development of business and industry." The evidence is overwhelming that the adoption of a simple 10-percent flat-rate tax will fuel economic growth and bring windfall revenues into Government coffers.

A flat-rate tax will lower marginal tax rates for all Americans and put an end to inflation-induced bracket creep. Our prejudicial treatment of savings will be ended and it will again pay to invest in America's future.

Michael Evans performed an econometric computer analysis of the effects on work and saving if we adopted a 17-percent flat-rate income tax. He estimated that work effort would increase by 3.3 percent, and savings and investment would increase by $64 billion per year. This would raise the productive capacity of the economy by about 5 percent, which would generate approximately $150 billion additional GNP at 1981 levels. If my 10 percent flat-rate tax were adopted, these effects would be even more dramatic (presumably Evans used a different base year than we did for making his calculations).

At present, America has the lowest savings rate of any major industrialized country, and our economic growth has come to a virtual standstill. I was personally surprised to find that Americans have been net disinvestors in corporate equities for 18 of the past 19 years. The crux of our problem, as Milton Friedman has written, is that "we are paying people not to work. We have been taxing them if they worked. We have been inducing them to put their assets in nonproductive forms * * * the only reason we have done as well as we have is because of the ingenuity which people have displayed in avoiding taxes and regulations." Clearly we cannot long survive as an economic power with policies like these.

Mr. President, by advocating this major tax revision I am not recommending more Government intervention to channel resources into yet another loophole in an already overly complex Tax Code. I do not think we need another tax preference to foster savings or reduce consumption. To the contrary, what we need to do is to allow the market to operate freely, without State intervention. In a free-market economy wealth is gained by serving the needs and desires of others; under our present tax system wealth is often gained by avoiding taxation by undertaking activities that benefit others less than would those selected by a free market. By establishing a flat-rate tax on all sources of income the Government would interfere minimally with the flow of economic activity. Reasoned analysis suggests that this is the only way that we can retain a high level of sound, productive, and economically efficient allocation of savings and investment.

A BALANCED BUDGET

Economist Michael Evans estimates that, as a result of economic growth and resurfaced underground activity, the Government will collect an additional $40 billion in revenue if we adopt a 10-percent flat-rate income tax. He also says that a flat-rate tax is the only hope that we have for balancing the Federal budget. The reason, he says, is very simple: Our present tax system has eroded the tax base to such an extent that an increase in GNP will only be partially reflected in increased Government revenues. Our tax base today covers roughly two-thirds of total income: according to Michael Evans, myriad loopholes, deductions, and preferential treatment exempt some $700 billion in income from taxation annually. Since marginal rates are so high, much of any newly created wealth would be channeled into tax loopholes and the underground economy. With a 10-percent flat-rate tax the Government will surely collect a greater share of the increased productivity.

As Paul Craig Roberts pointed out in a recent Wall Street Journal editorial: "(The flat-rate tax) is a solution that would provide the revenue needed to balance the budget the President submitted and inject far more incentives into the economy than the present tax cuts provide."

EQUITY

Mellon said that a tax system should "lessen, so far as possible, the burden

of taxation on those least able to bear it." Under my proposed flat-rate tax, as I have already explained, the rich will pay more than is currently the case. In addition, my proposal provides for a $2,000 basic exemption for all dependents, which means that a family of four, for example, would not pay any tax on their first $8,000 of earnings; but thereafter they would pay 10 percent on each additional dollar earned. My proposal will also bring horizontal equity to our income tax system. All members of the same income class will shoulder the same tax burden.

BIPARTISAN ISSUE

Our present tax system is unworkable and intolerable. The need for a complete overhaul of the system should be obvious to everyone—the problem is not solved by piecemeal reform, which can only add to the confusion and inefficiency. We should wipe the slate clean of tax preferences, deductions, exemptions, exclusions, and all other complicating factors. We must take the philosophical stand that the flat-rate across-the-board tax rate is the only possible solution to our tax system's inequities and inefficiencies. If we adopted a 10-percent flat-rate tax we will collect more revenue and fuel economic growth. There is nothing mysterious about why it will work.

I hope that members of both political parties will support this proposal. A flat-rate tax is not an inherently partisan issue quite simply because economic growth and a balanced budget are not partisan issues. We must conceptually separate the revenue collection from the expenditure sides of fiscal policy. As Republicans and Democrats, we can disagree on the matter of Government spending priorities. But a tax system that encourages thrift and enterprise is in the interest of all Americans.

There is no longer any significant academic support for our income tax system. Classical liberal and conservative economists like Milton Friedman, F. A. Hayek, and Arthur Laffer have long opposed our inefficient and contradictory income tax system. Now even socialists and others on the left have admitted that the system is unjustifiable. Nobel laureate economist James Tobin has said that "neither rational argumentals" nor "empirical inquiry" can justify our present tax system. Ralph Nader has said that he has been advocating the flat-rate tax for 10 year: He adds, "our present tax system is a monstrosity." Even Lester Thurow lashed out against our tax system: "* * * The present tax system can only create progressivity by reducing output. The division of the economic pie is made more equal by making everyone's slice smaller." Thurow said that the existing tax system raises "serious questions about the adequacy * * * of using income taxes to control the distribution of wealth."

Personally, I think that Michael Evans—who, by the way, is not a socialist—summed up the issue succinctly when he said that he was "convinced that such a tax would do more to solve the current problems of the economy than any other legislation which could be introduced." Indeed, one can almost wax rhapsodic about the virtues of the flat-rate tax, as did Paul Craig Roberts, who envisioned "a world free of bracket creep, tax indexing, high interest rates, capital shortages, marriage penalties, and penalties for success. Imagine," he said, "the end of the underground economy and the improvements in capital efficiency that would result from eliminating the numerous distortions in the Tax Code. Not least of all, imagine being able to quickly and easily prepare your own income tax form."

Some will undoubtedly argue that our income tax system ought to be progressive. Well, with a $2,000 basic exemption it is progressive, even though the marginal rates do not rise with income. The poor will pay a lower percentage of their earnings than the wealthy, because their exemptions will total a proportionately larger share of their incomes.

But the ultimate argument in favor of a less progressive tax system than now exists must rest on the twin pillars of equity and efficiency. I have gone some length to explain why a flat-rate tax is the most economically efficient system. I also think that it is the fairest system. I agree with former Secretary of the Treasury William Simon's position, opposing "progressive taxation because of the philosophical conviction that people are deserving of the fruits of their labor and the economic judgment that progression wreaks havoc on economic efficiency."

Several economists have suggested that we ought to concentrate on business tax cuts rather than personal tax reduction. Naturally I would heartily support any efforts to end the double taxation of corporate income. I myself have been examining various proposals for ending corporate taxation altogether, and replacing it with a consumption tax, or initiating a comprehensive system which would tax all income at its source. But I believe that personal tax reduction and simplification is most important, because it is by the labor of individuals that the whole economic system maintains itself and grows. George Gilder, a man who understands the human factor in economics, has given us an excellent argument for concentrating on personal income tax reduction:

(There is) * * * a dogged incomprehension of the sources of wealth and the causes of poverty. There remains a persistent dream, as tenacious as it is debilitating on both the left and the right, that somehow the world can find a way to have capitalism without capitalists; that the nation can become rich while confiscating individual incomes and subsidizing corporations.

The source of wealth, however, is quite simple: creative men with money. The cause of poverty is similarly clear: divesting creative individuals of financial power * * *. The key is individual, not corporate or collective, wealth * * *. It is disposable personal wealth and savings which finance the new businesses which grow fastest. When wealth is not personal and disposable, it tends to be sterile.

Mr. President, I am not going to repeat my opinion about Government spending—that issue is not directly pertinent to the need for adopting a flat-rate income tax. However, it should be noted that a flat-rate income tax should cause Government spending to decline. Since every 1-percent increase in unemployment raises the Government deficit by $25 billion—through a combination of entitlement program increases and lost income tax revenue—the stimulative effects of a flat-rate tax will reduce unemployment—thereby reducing entitlement expenditures while simultaneously increasing Government income tax revenues.

Furthermore, Mr. President, if, as many people believe, although I do not, Government deficits cause interest rates to rise, then the balanced budget—which can only be achieved by either a flat-rate tax or drastic spending reductions—will cause interest rates to fall. The interest on the national debt will likewise fall: For every percentage drop in interest rates, Government interest payments will fall by $10 billion. Moreover, the end of special income tax deductions for various interest payments will tend to cause interest rates to fall, by reducing the incentive to buy on credit.

It is clear that we cannot continue to support our present level of Government spending by increasing taxes. That would surely cause more unemployment—hence, automatically more expenditure—and a declining income base—deficits are not the cause, but are rather the consequence, of bad economic policies. The so-called Reagan tax cuts will only prevent the present tax rates from going even higher, by inflation-induced bracket creep: they do not fundamentally improve the situation. There is one way to correct an unjust and inefficient tax system—enact a 10-percent, flat-rate income tax. The hard-fought progress that we have made against inflation, in the final analysis, can be secured only if it is combined with the recovery of economic growth. Prosperity is the only cure for recession.

Mr. President, I ask unanimous consent that my bill (S. 2200) be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Flat Rate Tax Act of 1982".

SEC. 2. 10 PERCENT INCOME TAX RATE FOR ALL INDIVIDUALS.

Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed on individuals) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"There is hereby imposed on the gross income of each individual (including an estate and trust) for each taxable year a tax equal to 10 percent of such gross income."

SEC. 3. REPEAL OF ALL SPECIAL DEDUCTIONS, CREDITS, AND EXCLUSIONS FROM INCOME FOR INDIVIDUALS OTHER THAN $2,000 DEDUCTION FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Chapter 1 of the Internal Revenue Code of 1954 is amended by striking out all specific exclusions from gross income, all deductions, and all credits against income tax to the extent related to the computation of individual income tax liability.

(b) ALLOWANCE OF $2,000 DEDUCTION FOR PERSONAL EXEMPTIONS.—

(1) SUBSECTION (a) NOT TO APPLY.—Subsection (a) shall not apply to the deductions allowed by section 151 (relating to deductions for personal exemptions).

(2) DEDUCTION INCREASED TO $2,000.—

(A) IN GENERAL.—Subsection (f) of section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions), as amended by section 104 of the Economic Recovery Tax Act of 1981, is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "$2,000".

(B) TECHNICAL AMENDMENT.—Subsection (e) of section 104 of the Economic Recovery Tax Act of 1981 is amended to read as follows:

"(e) EFFECTIVE DATES.—

"(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1984.

"(2) SUBSECTIONS (c) AND (d).—The amendments made by subsections (c) and (d) shall apply to taxable years beginning after December 31, 1982."

SEC 4. EFFECTIVE DATE, ETC.

(a) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after December 31, 1982.

(b) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than ninety days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

TALES OF TAX WASTE

Mr. HELMS. Mr. President, one of my more eloquent friends commented the other day that the Federal budget is "awash in a sea of red ink. Our national economy is in danger of going under for the third time."

He wrote:

Yet while millions of Americans are manning the lifeboats, seeking desperately to stay afloat on the high waves of high interest, the boys in the band play on in the ballroom of the Titanic. And there are those on board whose only counsel remains: Don't rock the boat.

I voted against the so-called budget compromise because if failed the test in moving toward a solution of the economic problems plaguing the American people.

Mr. President, there are problems that lie beyond the realm of tax and spend in the twilight zone of tax and waste. Tales of tax and waste cross my desk daily, and I am sure the desks of all other Senators as well. Indeed, because they are so much an everyday occurrence, I am afraid we run the risk of becoming inured to the growing peril of national collapse.

Let me share one example in the form of an insightful letter from a constituent, Dr. James Privette of Kinston, N.C. I ask unanimous consent that Dr. Privette's letter, and the article that he enclosed from the Kinston Free Press, be printed in the RECORD at the conclusion of my remarks. This letter is representative of scores I have received on just this one example of abuse of the American taxpayer in what one North Carolinian described as taxation for titillation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JAMES A. PRIVETTE, D.D.S., P.A.
Kinston, N.C., June 10, 1982.

Hon. JESSE HELMS,
U.S. Senate, Washington, D.C.

DEAR SENATOR: I am enclosing an article which appeared in the Kinston Free Press on Thursday, June 10, 1982. This article says a lot about some of the reasons we have such huge federal deficits. As you are well aware, such things as this are what create problems and make people very resentful and question any sort of government programs. From all reports that I hear from people who work in the Federal Government, and I have some very close friends and relatives, the sort of fraud and waste that goes on is astronomical.

I thought you just might like to see this if you have not seen it already.

Sincerely,

JAMES A. PRIVETTE, D.D.S.

SBA LOAN FINANCES SEX SHOWS

NEW YORK.—"Seven Live Bedroom Acts . . . Sex Fantasy Club," blares the marquee of New York City's biggest sex emporium—an X-rated operation the federal government helped finance.

What's more, the Small Business Administration was unaware that its 1977 loan of $65,000 at 9 percent interest was helping a business that once had been shut down by police, officials said Wednesday.

"We're absolutely furious," said the Rev. Robert Rappleyea, pastor of Holy Cross Church. "A lot of people who run decent businesses around here can't get loans."

William Gold, president of the investment company that arranged the loan to Show World Center Inc., said the SBA had approved a similar loan to a pornographic theater in Miami Beach.

"We were told it was OK as long as it wasn't creating a nuisance," Gold said.

But months before Show World received the loan in 1977, it had been raided by police and briefly shut down. Since then, its employees repeatedly have been arrested on obscenity charges, authorities said.

With live sex shows, films, peep shows, sexual aids and pornographic magazines and books, the center's three floors have "every kind of sex you could want," 24 hours a day, said Inspector Emil Ciccotelli of the police public morals squad.

Rita Irick, a spokeswoman for the SBA, said the loan was made by several private investment companies, including Gold's, which received the money from the agency.

The SBA learned of Show World's true business only after its auditors visited Times Square in 1980. It came to light this week in a Wall Street Journal report on the loan program.

The SBA bars loans to gambling operations, Ms. Irick said, but noted that Show World was a legal business. She and other officials said that withdrawing the loan might have raised First Amendment issues.

The agency reports an overall default rate of 6.9 percent on its loans, but the center paid off its loan ahead of schedule, she said.

An employee of the center said owner Richard Basciano was not available for comment. But Basciano's lawyer has said that Show World used the money only to renovate offices in the building.

Opponents of sex-related businesses in Times Square attacked the loan.

"I was shocked, especially at a time when the federal government is cutting subsidies to people who really need them," said Carl Weisbrod, head of a city task force to clean up Times Square. He called the loan "wildly inappropriate."

Once the center of American show business, Times Square is now dominated by more than 60 sex-related businesses.

"The issue is not whether it (the loan) is technically legal," Weisbrod said. "It's whether it's wise to see taxpayers' money spent on this kind of thing."

Asked to estimate profits earned by operations like Show World, Ciccotelli said, "You couldn't begin to say. . . . They're open all the time, and people are constantly flowing in and out. It wouldn't take you long to see the kind of money they're making.

"We can't shut them down because of the First Amendment, so we charge them with a number of individual acts of obscenity. But the fines average around $100. The penalties are not prohibitive."

Mr. HELMS. Mr. President, I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until 1 p.m. today.

There being no objection, the Senate, at 11:50 a.m., recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GORTON).

The PRESIDING OFFICER. The Senator from Idaho is recognized.

EXTENSION OF TIME FOR PERIOD FOR ROUTINE MORNING BUSINESS

Mr. McCLURE. Mr. President, I ask unanimous consent that the period for routine morning business be extended to not later than 1:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming is recognized.

RESEARCH AND DEVELOPMENT TAX PLANNING ACT OF 1982

Mr. WALLOP. Mr. President, on March 23, I was joined by four or my distinguished colleagues, Senator DANFORTH of Missouri, Senator D'AMATO of New York, Senator GLENN of Ohio, and Senator BRADLEY of New Jersey in introducing S. 2256, the Research and Development Tax Planning Act of 1982.

Our bill is designed to reinvigorate lagging technological innovation in the United States by making permanent two important—but temporary—provisions of the Economic Recovery Tax Act of 1981: First, the 25-percent tax credit for increases in R. & D. activities over current expenditures, now scheduled to expire at the end of 1985; and second, a 2-year suspension of IRS Regulations 1.861-8, which deal with allocation of U.S. R. & D. costs to foreign-source income.

Both of these important provisions were given unacceptably short "sunset" dates. Their brief time frames allow no certainty for businesses in tax planning nor in making decisions on funding the kind of costly, long-range R. & D. that is the key to American competitiveness in world marketplaces.

The stimulative effect of the 25-percent R. & D. tax credit is selfevident. Less well understood in the need to remedy the negative impact of IRS Regulations 1.861-8. These regulations constitute a serious disincentive to R. & D. investment in the United States by requiring U.S. Corporations to allocate a substantial part of their domestic R. & D. expenditures against foreign-source income. The net result is to decrease a company's taxable foreign/source income, as computed for U.S. tax purposes, and increase its taxable U.S. income. This amounts to double taxation of corporate income, since the taxes paid to foreign governments cannot be adequately credited againt U.S. taxes on the same earnings.

Because of its deep concern over the detrimental effects of these regulations, Congress acted in 1981 to suspend the regulations for 2 years and directed the Treasury Department to study their impact on R. & D. investment in the United States. But, Mr. President, despite our good intentions, the 2-year suspension has only created uncertainty in the minds of corporate executives at the very time when positive, aggressive, investment decisions are vitally needed to shake our Nation loose from its technological and economic slump. The danger is that many R. & D. investments by U.S. companies will be made overseas, costing U.S. scientists and technicians job opportunities and further eroding the Nation's technological leadership position.

The IRS 1.861-8 regulations should be eliminated permanently, and this is borne out by a new, thorough, and cogent study by the highly respected Institute for Research on the Economics of Taxation (IRET). This careful analysis concludes that the regulations are "a selective tax" imposed on multinational corporations that perform R. & D. in the United States, and that the regulations "do more harm than good."

Mr. President, it is important for all of us to have a full understanding of this important national economic issue, and I ask unanimous consent that IRET's excellent study, "Research and Development at Home or Abroad? The Economics of IRS Regulations 1.861-8," be printed immediately following my remarks.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

[Institute for Research on the Economics of Taxation, Economic Report No. 9, Mar. 17, 1982]

RESEARCH AND DEVELOPMENT AT HOME OR ABROAD? THE ECONOMICS OF IRS REGULATIONS 1.861-8

(Mai Nguyen Woo, Ph. D., Research Associate)

INTRODUCTION

Few would deny that Research and Development (R & D) is vital to the American ecomomy. R & D improves productivity and is essential to the creation of new products and jobs—all top priority items for the decade ahead. Yet industrial R & D, like every other aspect of the private economy, is strongly influenced by the tax system. And policymakers have generally come to recognize that the best tax system is one that is most neutral, distorting economic choices as little as possible, and allowing the market to allocate resources to their most productive uses. The current policy emphasis on tax neutrality is of interest and importance.

Also of interest is the parallel concern of tax legislators over the current level of research and development (R & D) activities. The Economic Recovery Tax Act of 1981 has provided particular incentives for research and experimentation, to encourage the private sector to undertake more R & D projects. At the same time, it is possible that sections 861 through 863 of the Internal Revenue Code are inhibiting to such efforts. Moreover, another instance of the distortionary nature of income taxation has its origin in these very same sections of the Tax Code.

OVERVIEW

Sections 861, 862, and 863 require corporations to allocate expenses, losses, and other deductions between domestic and foreign sources of income. One type of deduction involves outlays for research and development (R & D), although the expenses are entirely incurred in the U.S. by corporations engaging in international business. These corporations must allocate a portion of their domestic R & D expenses to their foreign-source income. Because they are incurred in the U.S., foreign tax authorities usually do not allow deductions for these expenses; the Internal Revenue Service, in effect, denies U.S. corporations with foreign-source income any tax deduction for a part of their domestic R & D expenses.

The Regulations 1.861-8 detailing the methods for assigning R & D expenses to foreign-source income were issued by the Internal Revenue Service and became effective in 1977. Under the Economic Recovery Tax Act of 1981, they were suspended for 2 years pending a Treasury study; permanent suspension would require further legislation by 1984.

This IRET report examines the regulations for neutrality and efficiency in taxation. First, we give a general picture of and selected facts about Research and Development, and then offer a simplified exposition of the interaction between Regulations 1.861-8 and the foreign tax credit limitation provision. This interaction affects the after-tax rate of return, or the equivalent discount rate, to domestic R & D investment of U.S. corporations with international sales.

Then we move to a theoretical analysis of the economic costs generated by the regulations. They result in non-neutral taxation of the returns to domestic R & D investment (a) of two types of corporations: those with international sales and those without, and (b) in two types of locations: in the U. S. and abroad. The resulting misallocation of R & D resources is undesirable, although unintended. We also briefly consider the question: Do Regulations 1.861-8 partially thwart the current tax policy of stimulating R & D activities, especially domestic, to enhance national productivity and international competitiveness?

Next, an investigation into the costs and revenue yield of Regulations 1.861-8 reveals that their total economic and administrative costs probably exceed the revenue collected by the Treasury.

Finally, a search into the rationale behind Regulations 1.861-8 shows that they represent a misguided attempt to match domestic R & D expenses against current foreign-source income. Regulations 1.861-8 serve no useful purpose, other than as a mindless application of one of the principles of pure (but hypothetical) income taxation. This principle dictates that expenses be matched with the appropriate sources of income for tax purposes.

DEFINING RESEARCH AND DEVELOPMENT

The National Science Foundation defines "research" as a "systematic and intensive study directed toward a fuller knowledge of

Footnotes at end of article.

the subject studied." [1] Industries perform research with the hope of discovering new knowledge that will be useful in developing a new product, service, process, or technique, or in leading to a significant improvement of an existing product or process. Basic research is usually undertaken without a specific practical application in view, whereas applied research is undertaken to determine methods or ways of achieving some specific and predetermined objectives.

"Development" is "the systematic use of scientific knowledge directed toward the production of useful materials, devices, systems, methods, or processes." [2] Industries spend resources for this translation of research findings into a plan for a new product or process, whether for sale or use. For instance, "development" includes the conceptual formulation, design, and testing of product alternatives, the construction of prototypes, and the operation of pilot plants. It does not include market research or market testing activities, or routine alterations to existing products.

Some examples of R & D activities [3] are:

Technical creation of computer software, including its pure conceptual mathematical aspects.

Design of tools, jigs, molds, and dyes involving new technology.

Engineering activities required to advance the design of a product to the point that it meets specific functional and economic requirements, and is ready for manufacture.

In 1980, the United States spent more than $60 billion on R & D, or about 2.3 percent of its Gross National Product.[4] When compared to the proportion of resources devoted to civilian R & D (defined as total R & D expenditures minus government funds for defense and space R & D), both West Germany and Japan surpass the U.S. In the period 1965-1975, civilian R & D as a percent of GNP increased from 1.34 percent to 1.5 percent in the U.S., from 1.53 percent to 2.2 percent in West Germany,and from 1.53 percent to 1.91 percent in Japan.[5]

Table 1 shows that industrial R & D has grown from 32 percent of total U.S. R & D in 1965 to about 47 percent in 1980. During the 1975-80 period, about 3.6 percent of business R & D funds were allocated to basic research, 22 percent of applied research, and 74.4 percent to development. Table 2 shows that the producers of certain industrial goods—machinery, electrical equipment and communication, motor vehicles and transportation equipment, chemicals and allied products—led the field in R & D expenditures in 1978.

WHAT CONSTITUTES AN R & D EXPENDITURE FOR TAX PURPOSES?

To help in alleviating the definitional ambiguity inherent in R & D, the Financial Accounting Standards Board (FASB) has issued optional guidelines spelling out what specifically is an R & D expenditure. Five main categories of R & D expenses were identified:

TABLE 1.—U.S. RESEARCH AND DEVELOPMENT EXPENDITURES

[Dollar amounts in millions]

Year	U.S. total R. & D.[1]		Industry R. & D.[2]				
			Total		Percentage of total		
	Current	In 1972 dollars	In current dollars	Percent total United States	Basic research	Applied research	Development
1965	$20,044	$26,914	$6,445	32.15	6.3	25.1	68.6
1975	35,256	27,888	15,582	44.2	3.7	22.1	74.2
1976	38,960	29,165	17,436	44.75	3.6	22.4	73.9
1977	43,013	30,316	19,407	45.12	3.6	22.3	74.1
1978	48,286	31,756	22,098	45.76	3.6	22.0	74.4
1979	54,296	32,823	25,150	46.32	3.6	21.9	74.5
1980	60,375	33,264	28,300	46.87	3.6	21.9	74.5

[1] Total R. & D. includes basic research, applied research, and development funding by the Federal Government, industry, universities, and colleges and their associated federally funded R. & D. centers, and other nonprofit institutions.
[2] Total expenses on R. & D. by industry with private industry funds. This is directly relevant to the subject of this report on regulations sec. 1.861-8.

Sources: U.S. Department of Commerce, Bureau of the Census, "Statistical Abstract of the United States, 1980," 101st edition. (a) Table No. 1063, Research and Development (R. & D.) Funds, by performance sector and source: 1965 to 1980, p. 624. National Science Foundation, "National Patterns of Science and Technology Resources," 1981, tables 1 through 4, pp. 21 to 24.

TABLE 2.—INDUSTRIAL R. & D. EXPENDITURES, BY INDUSTRY

[In millions of dollars]

	1977	1978
1. Machinery	3,391	3,875
2. Electrical equipment and communication	3,238	3,769
3. Motor vehicles, transportation equipment	2,887	3,333
4. Chemicals and allied products	2,956	3,232
5. Aircraft and missiles	1,563	1,863
6. Professional and scientific instruments	1,313	1,529
7. Petroleum refining and extraction	842	952
8. Primary metals	507	518
9. Fabricated metal products	349	360
10. All others	2,361	2,667
Total	19,407	22,098

Source: U.S. Department of Commerce, Bureau of the Census, "Statistical Abstract of the United States 1980," 101st edition. Table No. 1067—Funds for Performance of Industrial Research and Development, by industry, 1965 to 1978, and by sources of funds, 1977 and 1978, p. 626.

(1) Facilities, materials, and equipment: Their costs are capitalized as tangible assets, the depreciation of which constitues R & D expenses. However, if the assets are acquired or constructed for a particular R & D project and have no alternative future uses (thus, no separate economic values), their full cost is an R & D expense.

(2) Intangibles purchased from others: Their costs are capitalized as intangible assets, the amortization of which constitutes R & D expenses. However, the same rule above concerning alternative future uses applies here.

(3) Personnel: The costs of personnel (wages, salaries, benefits) are R & D expenses.

(4) Contract Services: The costs of services rendered by others to a business in connection with an R & D project, including R & D conducted by others on behalf of the business, are R & D expenes.

(5) Indirect Costs: A reasonable allocation of general and administrative costs is accepted as R & D expenses.

In actual practice, however, this FASB list for accounting purposes may vary widely from acceptable tax categories for Section 174 of the Internal Revenue Code.

R & D AND TAX RULES

Current tax laws allow corporate taxpayers to deduct their entire R & D expenses during a fiscal year against their current income. All annual R & D expenses incurred in the U.S. are deductible from current domestic income if the taxpayer has no foreign-source income. For U.S.-based multinationals, some portion of "not definitely allocable" domestic expenses (for instance, on R & D performed exclusively in the domestic location), must be matched against foreign income. In 1977, Regulations 1.861-8 were issued to detail methods of assigning R & D expenses to foreign-source income. R & D expenses incurred solely to meet U.S. government mandates, and those made jointly with a foreign entitiy where a bona-fide cost-sharing agreement exist are exempt from these apportionment rules.

In general, corporate taxpayers may select one of two methods of dividing R & D expenses between domestic and foreign-source income: the Sales Method, or the Gross-to-Gross Method. However, the Gross-to-Gross Method cannot be used if it yields an amount of R & D expenses allocable to foreign income that is less than one half of the amount arrived at by the Sales Method.

The Gross-to-Gross Method allows a corporation to apportion its annual R & D expenses between the current domestic and foreign income on the basis of gross income. ("Gross Income" is defined as the annual sum of dividends, rents, royalties, and gross profits. The latter usually represents the difference between gross receipts and the costs of goods sold.)

Under the Sales Method, corporations first assign an "exclusive apportionment" of 30 percent of R & D expenses spent in the U.S. solely to their domestic income. (This 30 percent became effective in 1979; it was 40 percent in 1978 and 50 percent in 1977.) The remaining R & D expenses are divided between domestic and foreign-source income on the basis of their domestic and foreign sales in 2-digit (or broader) Standard Industrial Classification (SIC) product categories. Table 3 in lines 1 to 3, provides a numerical example of these alternative allocation rules.

Consider the AAA Corporation and its foreign subsidiary in 1980. It receives a gross income of $70,000 from $100,000 worth of

[1] Footnotes at end of article.

sales in the U.S., and $10,000 gross income from $50,000 of sales abroad. For tax computation purposes, AAA must allocate the $10,000 R & D expenses incurred in the U.S. between its domestic and foreign-source income, first using the Sales Method. Under the 30 percent exclusive apportionment rule, $3,000 of the total R & D expenses is applicable against domestic income; the remaining $7,000 is divided on the basis of the ratios of domestic sales and of foreign sales to worldwide sales, 100,000÷150,000 and 50,000÷150,000 respectively. Line 3 of Table 3 shows that $2,333 of R & D is allocated to the foreign-source income under the Sales Method.

Next, AAA uses the Gross-to-Gross Method to allocate $1,250 of R & D to foreign-source income on the basis of gross income ratios of $10,000÷$80,000 of this case (see line 3b). Since this $1,250 is greater than one half of $2,333 arrived at under the Sales Method, AAA is allowed to use the Gross-to-Gross Method.

INTERACTION BETWEEN REGULATIONS 1.861-8 AND THE FOREIGN TAX CREDIT LIMITATION

Because they must comply simultaneously with Sections 861-863 and with Section 904 of the Tax Code, U.S.-based multinationals are faced with a higher-than-statutory effective worldwide income tax rate. This is because the IRS requires these corporations to compute their U.S. gross tax liability on the basis of their worldwide income, allowing a credit for taxes paid to foreign authorities.

TABLE 3.—RESEARCH AND DEVELOPMENT: TAX COMPUTATION METHODS; CONSIDER THE AAA CORPORATION WHICH HAS A FOREIGN SUBSIDIARY IN 1980

[Amounts in thousands of U.S. dollars]

	United States	Foreign	Worldwide
1. Sales	$100,000	$50,000	$150,000
2. Gross income	70,000	10,000	80,000
3. R. & D. expenses incurred in the United States must be allocated between domestic and foreign source income under:			
(a) The sales method:			
Exclusive apportionment	3,000		
Remainder (on the sales ratio)	4,667	2,333	
Total	7,667	2,333	
(b) The gross-to-gross method: Allocation on basis of income since $1,250 ½ ($2,333); this formula may be chosen by AAA	8,750	1,250	10,000
4. Taxable income by source line (2) minus line (3b)	61,250	8,750	70,000
5. Gross U.S. tax on worldwide income (46 percent)			32,200
6. Actual tax paid to foreign authorities (46 percent)		4,600	
7. Creditable tax limited to: Line (5) multiplied by foreign taxable income divided by worldwide taxable incomes or 32,200 multiplied by 8,750 divided by 70,000 equals 4,025			4,025
8. U.S. tax liability: Line (5) minus line (7)	28,175		
9. Effective worldwide tax: Line (6) plus line (8)			32,775
10. Effective worldwide tax rate: Line (9) divided by line (4) (percent)			46.82

Note: For illustrative purposes, table 3 was built on hypothetical sales (1), and gross income (2) figures. Note that gross income from a subsidiary generally means net dividends distributed to the U.S. parent; in contrast, gross income of the U.S. parent means gross profits; i.e., sales minus costs of goods sold. Line (6) assumes that foreign authorities tax corporations at the same rate, 46 percent, as the United States, in order to isolate the interaction between the regulations 1-861-8 and the foreign tax credit limitation. For simplicity, taxable income (4) is arrived at, abstract from many deductions other than R. & D. expenses.

However, Section 904 puts a limit on the foreign tax credit: It cannot exceed the amount arrived at by applying the U.S. tax rate to foreign taxable income. But Regulations 1-861-8 reduce this taxable foreign-source income by the portion of R & D expenses assigned to it.

Most often, foreign tax authorities deny any deduction for R & D expenses incurred in the U.S. Thus, the foreign tax actually paid by U.S.-based multinational operations turns out to be larger than the foreign tax credit recognized by the IRS. In other words, the U.S. tax credit and the tax actually paid to the foreign governments are different: The credit is smaller in part because the IRS falsely "assumes" that foreign governments allow corporations to deduct R & D expenditures from income.

Again, Table 3 illustrates this situation. Corporation AAA now can deduct $8,750 of R & D against its $70,000 U.S. gross income to get $61,250 of taxable domestic income. The same procedure yields $8,750 of taxable foreign income (see line 4). Line 5 shows that the gross U.S. tax at 46 percent is computed on AAA's worldwide taxable income of $70,000=($80,000 −$10,000 R & D). Against this gross U.S. tax of $32,200, only $4,025 of the $4,600 foreign tax actually paid is creditable. Line 7 shows the formula for the foreign tax credit limit which is the product of gross U.S. tax on worldwide income multiplied by foreign taxable income divided by worldwide taxable income.

Line 9 shows an effective worldwide tax liability of $32,775 for AAA; its effective worldwide tax rate of 46.82 percent exceeds the maximum 46 percent statutory rate for corporations in the U.S.

The result: The above tax rules effectively raise the costs of domestic R & D projects for U.S. corporations engaging in international business.

UNDESIRABLE ECONOMIC CONSEQUENCES

As explained above, the R. & D. allocation rules interact with the foreign tax-credit limitation provision to push the effective total income tax rate above the statutory rate for certain U.S. corporations (that engage in international sales) and not for others. This tax "premium" can be viewed as a "selective tax" imposed on multinational corporations that locate some R. & D. activities in the U.S. Holding all else constant, the size of this tax "premium" changes in the same direction as (a) the level of domestic R. & D. expenses incurred by each multinational corporation, and (b) the size of its foreign-source income. When the latter variable is held fixed, an annual increase in the multinational's domestic R. & D. expenses leads to a larger allocation of R. & D. to its current foreign-source income, and thus to a higher effective cost of domestic R. & D. When the amount of R. & D. expenses is fixed, an increase in the multinational's repatriated income will mean that a larger share of R. & D. will be allocated to it. The result: A higher effective cost of R. & D. for the corporation.

In this situation, if nothing else is different, the affected multinational corporation can respond in several ways in order to minimize its total cost of doing business.

In the short run (when business plans and R. & D. projects cannot be altered), the corporation can simply refrain from repatriating some of its current foreign income. This tax-saving action may contribute to a distortion of the U.S. balance of payments, and to some extent, the value of the U.S. currency.

In the medium run, the corporation may, if it is feasible, move some on-going domestic R. & D. activities to its foreign locations. In Table 3, line 2-4 indicate that if the foreign income can be reduced by $1,250 of "new" R. & D. expenses (from $10,000 to $8,750), the foreign tax actually paid will decline to $4,025, and the full amount will be creditable against U.S. taxes, in line with the foreign tax credit limitation, shown on line 7.

In the long run however, multinational firms must incorporate the selective tax resulting from Regulations 1.861-8 into their economic calculations, on the basis of which they will decide whether or not to go ahead with any new domestic R. & D. projects. In order to understand the full impact of the "selective tax," one must ask how decisions about R. & D. are made.

WHY IS A PARTICULAR R & D PROJECT UNDERTAKEN?

A corporation decides on an R & D project on the basis of economic facts and expectations. According to an expert on R & D, "A typical long-term R & D project has at best a one-third probability of success, and will require a steady infusion of funds before generating any return."[6] When that return finally materializes, it must be sufficient to cover the actual R & D outlays (including the estimated "selective tax" due to Regulations 1.861-8) and more.

Consider the case presented by Dr. J. W. Schultz[7] of Sterling Forest Labs at INCO, Lmtd., during the Tax Foundation Seminar on March 25, 1981 in Washington, D.C.: an R & D project requires a total of 20 years, with 16 years of R & D costing $1 million a year, and with 4 years to build a plan costing $50 million. Assume that the project is the one of three that pans out, and that the resulting product has a 15 year market life and reaches its full earning potential in the sixth year. Because the expected earnings and expenses stagger in over a period of time in the future, they must be discounted back to the present when executive decisions are made.

Thus, for this project to be undertaken the present value of the earnings it generates must be greater than the present value of the R & D outlays, including the forgone return to those R & D funds had they been placed in the next best alternative investment. The discount rate includes (a) a standard real after-tax rate of return, (b) premiums for the expected rate of inflation, (c) some degree of risk, and (d) an effective tax rate. The assumptions adopted prior to the Economic Recovery Tax Act of 1981 are a 15 percent discount rate, 10 percent investment tax credit, and 14-year depreciation on plant and equipment. The cash earnings before taxes must be over $90 million to justify the above project; $74 million of this is required to recoup the R & D expenses. For every five years of added research time, the level of cash earnings must double to justify the project at the 15 percent discount rate.

The point is that this discount rate rises as multinational corporations anticipate an increase in their worldwide tax rate because of Regulations 1.861-8. A bias has thus been introduced against some domestic R & D projects that are desirable to society, and to the corporation—at least prior to the imposition of this "selective tax." Under Regulations 1.861-8, these very same projects are still desirable to society, but are not undertaken by the corporation. If all other determining factors are favorable abroad, the corporation will consider the alternative of placing these R & D projects overseas. Thus, this expected "selective tax" burden can distort the multinational corporations' R & D investment decisions—what project they will undertake as well as where they

will undertake it—causing an inefficient use of R & D resources in the American economy.

This "selective tax" also affects certain domestic corporations when they consider entering the foreign markets. They are deterred from making international sales in any year when their expected net-of-tax earnings from foreign sources do not exceed the additional U.S. tax liability. Again, society would have gained from the more efficient use of domestic R & D results, had the tax wedge not distorted the economic choice of these corporations. The U.S. economy pays a price in lost opportunities for increases in employment and productivity.

WHAT CATEGORIES OF R & D INVESTMENT ARE LIKELY TO BE MOVED ABROAD?

The "selective tax" imposed via Regulations 1.861-8 on domestic R & D interferes with the locational decisions of U.S. multinational corporations. But in addition to all the economic requirements explained above for an R & D project to be undertaken, a U.S.-based multinational corporation generally has specific commercial reasons for creating R & D units overseas.

In an extensive survey, Robert C. Ronstadt[8] described a particular evolutionary pattern of foreign R & D investments made by U.S. firms: First, small R & D investments are made in technical services laboratories in order to help transfer U.S. technology. Later, these R & D units expand into organizations seeking to develop new and improved products. Again, given the proper preconditions, these R & D activities may expand further to develop new products and processes for simultaneous manufacture in several major world markets. Ronstadt also classified the R & D units created overseas by U.S. firms according to their initial purpose:

(1) Transfer Technology Units are established abroad to help certain foreign subsidiaries transfer manufacturing technology from the U.S. parent, while providing related technical services to foreign customers.

(2) Indigenous Technology Units are created to develop new and improved products expressly for foreign markets.

(3) Global Technology Units develop new products and processes for application in major world markets.

(4) Corporate Technology Units generate new technology of a long-term or exploratory nature expressly for the corporate parent.

Ronstadt indicated that most foreign R & D investements in 1974 belonged to the first two categories,[9] and that they made U.S. corporations more competitive in foreign and domestic markets than they would have been if they had performed these R & D operations *only* in the U.S.

It is obvious, then, that the impact of the "selective tax" falls on the foreign R & D investments in the last two categories. This means that when the U.S. corporations, affected by the higher effective cost of performing domestic R & D projects under Regulations 1.861-8, consider the foreign location for these projects, there will be more Global Technology and Corporate Technology Units being created abroad.

The existing literature on R & D appears to favor the conclusion that such a shift of corporate and global technological R & D from the U.S. to other nations does not in general benefit the home economy. Moreover, foreign authorities and politicians tend to tinker with new technological discoveries by these overseas R & D units, subjecting them to opportunistic laws and arbitrary regulations.

The ultimate policy issue is whether it is in the U.S. interest to encourage, even unintentionally via the tax rules of income allocation, the migration of American corporate and global technology R & D units to foreign countries. The corollary is another policy issue. Besides migration, the tax rules also result in providing a competitive edge to foreign-owned high technology companies. This may be the real ultimate consequence and irony of the Regulations 1.861-8.

TOTAL COSTS REGULATIONS 1.861-8 EXCEED THEIR REVENUE YIELD

So far, the focus has been on the non-neutral nature of the interaction between these allocation rules and the foreign tax credit limitation provision. The ensuing distortions of R & D decisions are clear and increasingly costly. However, tax rules are often devised simply to yeild revenue to the government, and such trade-offs between this necessity and inefficiency may be justified if the tax rules generate more revenue than costs. Unfortunately, evidence suggests that this is not the case for Regulations 1.861-8. In her latest study, Anita Benvignati concluded:

"(1) In total, additional tax revenues received by the Treasury Department in 1977 and 1978 as the result of Regulations 1.861-8 have been minimal.

"(2) On an individual-firm basis, the immediate tax effect of Regulation 1.861-8 has been, in the some instances, much more substantial, since a rather small, though growing fraction of corporate taxpayers have actually paid additional taxes."[10]

The Benvignati study was based on tax return information filed by an original sample of 65 technology-intensive, U.S.-based multinational corporations for the years 1976, 1977, and 1978. The selected corporations were in general a) highly committed to domestic R & D activities; b) extensively multinational in production as well as marketing, and c) very large in overall firm size. The sample covered an estimated 51 percent of total domestic R & D expenditures funded by all U.S. companies. The revenue collected under the regulations from the sample firms was $60 million in 1976, $41 million in 1977, and $91 million in 1978. Thus it is safe to put the total 1978 revenue yield of Regulations 1.861-8 under $200 million, an amount most likely dwarfed by (a) their economic costs in lost job opportunities and lost potential productivity and (b) substantial compliance costs due to their extreme complexity. Both the IRS and the taxpayers retain specialists to assure proper compliance to these regulations. Court cases are often filed over their ambiguous application and definition. Experts from the U.S Treasury, meanwhile, have conceded that there has been little enforcement of Regulations 1.861-8, and that any resulting revenue collection probably has been negligible.

Note, however, that the years 1977 and 1978 constitute a phase-in period for these Regulations; it is not really until 1979 that a fair determination can be made of their revenue impact. Even if their total revenue yield turns out to be minimal, the Regulations still inflict considerable tax-induced distortions of R & D investment decisions on some firms.

As it became evident that Regulations 1.861-8 generated greater total costs, hidden and nominal, relative to revenue yield, one must ask, what were the other justifications offered for their issuance, and are the justifications still acceptable in the current tax system?

REGULATIONS 1.861-8; TO BE OR NOT TO BE?

Let us begin by examining the rationale advanced in defense of the extremely complicated R & D allocation rules.

(1) The "exclusive apportionment": 30 percent of R & D expenses incurred in the U.S. is assigned to domestic income under the Sales Method. The return to domestic R & D is higher in the domestic market than in foreign markets, the reasoning goes, because (a) any category of products marketed abroad is likely to be more limited in selection than that marketed at home, and (b) new products and processes are often introduced in foreign markets later than in the domestic market.

The 30 percent is arbitrarily determined; some newly published studies have found it to be too low. Anita Benvignati reported that ". . . three different industry studies suggest the official percentage for the exclusive apportionment of U.S.-source income should be, at a minimum 35 percent,"[11] and that it should be higher for internationally inexperienced firms than for mature multinationals, and higher for process-type technology than for product-type technology.

(2) The Sales Method allows the corporate taxpayer to break R & D expenditures down into two-digit Standard Industrial Classification categories. This in effect recognizes that it makes sense only for closely related sales to enter the apportionment formula. Yet, this 2 digit SIC rule is "far too inflexible . . . if the goal is to achieve the 'best' matching of income to expenses. Many corporations are likely to find the restriction unnatural for their particular operation and method of accounting."[12]

(3) A mechanical limit which is put on the use of the Gross-to-Gross Method as described in Table 3, line 3b, recognizes the fact that it often results in a smaller allocation of R & D expenses to foreign-source income than the Sales Method when foreign operations are conducted through a foreign subsidiary rather than a branch. Gross income from a subsidiary means only dividends distributed to the U.S. parent, net of the subsidiary's depreciation, interest expenses, advertising cost, etc. By contrast, gross income of the U.S. parent means gross profits, i.e., sales minus cost of goods sold.

As in the examples presented above, various reasons are advanced to support the complexity and arbitrariness of Regulations 1.861-8, only to be torn down by critics. However, a more powerful argument against these allocation rules lies in the nature of R & D. Research and Development activities can only result, potentially, in a stream of future income. But the 861 allocation rules incorrectly match current R & D expenses against current income; a proper application of the tax principle of matching domestic R & D expenses with foreign income would require that this later be the present value of *future* foreign-source income.

Despite the "potential" nature of R & D investments, "The U.S. Treasury reasoned that these types of expenses (R & D), while incurred exclusively or predominantly in the domestic location, were still likely to benefit foreign income to some extent; therefore, some portion of the deduction of these expenses should be made against foreign income and not exclusively against domestic income, for purposes of meeting certain operative sections of the U.S. Tax Code."[13]

At the fundamental level, this explanation suggests that Regulations 1.861-8 aim at matching R & D expenses to sources of income, in accordance with the statute based on the principles of income taxation. One interpretation is that R & D benefits the business, whether domestic or foreign, of a corporation; therefore R & D expenses must be so allocated for the sake of consistency in using the income base for taxation.

This might make sense if our actual tax system were built on a comprehensive income base. But nothing is further from reality: Under present laws, income from certain types of labor and investment is tax-exempt or tax-preferred, while income from other types of work and investment are fully taxed. Students of taxation [14] feel that the current system is a hybrid between a consumption tax (which exempts saving from income) and an income tax.

The distortions of economic choices under the present tax system are already known to be serious; there is no need—or justification—for the even greater misallocation of R & D resources caused by Regulations 1.861-8. Over the long run, the potential damage to the productive capacity of the U.S. economy is considerable.

CONCLUSION

Many a participant in the debate whether or not to repeal Regulations 1.861-8 emerges convinced that the allocation rules do more harm than good, and that their permanent suspension is in order. These regulations yield the U.S. Treasury only a minimal amount of revenue, and suffer from serious flaws. They are:

(1) an administrative nightmare for both tax-collectors and taxpayers.

(2) non-neutral in their economic impact, such that the affected firms' decisions regarding R & D projects and their choice between domestic and foreign locations for R & D activities are seriously distorted, to the detriment of the U.S. economy.

(3) an undesirable and incorrect attempt to match domestic R & D expenses to current foreign-sources income, and finally,

(4) an unacceptable interpretation of the statute, since the present tax system is hybrid in nature and is no longer based exclusively on an income base.

These are considerable problems. Moreover, the U.S. should remove any impediment to domestic R & D activities, especially financial burdens imposed by tax rules. This is necessary and timely as our leading competitors and trade partners concern themselves with encouragement of their domestic R & D. No other country known to tax experts burdens its national firms with tax rules similar to Regulations 1.861-8. As a result foreign-owned firms, operating in the same countries as the U.S. firms, enjoy a competitive edge precisely because of these regulations.

FOOTNOTES

[1] *Statistical Abstract of the U.S.*, 101st ed., U.S. Department of Commerce Bureau of the Census, Washington, D.C., 1980, p. 621.

[2] Ibid.

[3] "Accounting for Research and Development Costs, *Statement of Financial Accounting Standards*, No. 2, Paragraph 9, Financial Accounting Standards Board, Stamford, Conn., 1974.

[4] *National Patterns of Science and Technology Resources: 1981*, National Science Foundation, Government Printing Office, Washington, D.C., 1981, p. 1.

[5] *Federal Tax Policy News*, Vol. 5, No. 5, Tax Foundation, Washington, D.C., June 5, 1981, p. 1.

[6] Ibid., p. 1.

[7] Ibid., p. 2.

[8] Robert C. Ronstadt, "International R & D: The Establishment and Evolution of Research and Development Abroad by Seven U.S. Multinationals," *Journal of International Business Studies*, Vol. 9, Spring/Summer 1978, pp. 7-24.

[9] Ibid., *"Exhibit 5:* R & D Investments Abroad Classified by their Primary Purpose," p. 16.

[10] Anita M. Benvignati, "The Effects of Regulation 1.861-8," *Impact of American Tax Policy on the Level and Location of Industrial Research and Development*, Department of Commerce, Foreign Business Practice Division, Office of International Services, Washington, D.C., October 1981, p. 2.

[11] Ibid., p. 13.

[12] Anita M. Benvignati, "The Tax Treatment of Research and Development (R & D) Expenditures by Multinational Corporations: The Impact of Regulations, 1.861-8," Office of Tax Analysis, U.S. Treasury, Paper 43, December 1980, p. 10.

[13] Ibid., p. 2.

[14] David Bradford, *The Economics of Tax Policy toward Savings*, NBER Reprint No. 141, National Bureau of Economic Research, Cambridge, Mass., 1981, pp. 11-68; Mai N. Woo, "Taxation, Savings, and Labor Supply: Theory and Evidence of Distortion," *Essays in Supply Side Economics*, David G. Raboy, ed., IRET/Heritage Foundation, Washington, D.C., 1982, pp. 119-150.

Mr. WALLOP. Mr. President, I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call to roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY MEMBERS OF THE HOUSE OF COMMONS SELECT COMMITTEE ON DEFENCE OF THE UNITED KINGDOM

Mr. TOWER. Mr. President, we are delighted to welcome today for the second exchange the members of the Defence Committee of the House of Commons from the United Kingdom.

This is the second joint meeting that the Armed Services Committee of the U.S. Senate has held with the Defence Committee of the House of Commons. These have been very useful meetings and very fine exchange of ideas.

We have been involved in some discussions this morning and will be further involved this afternoon.

I introduce our distinguished guests to the Senate. They are: Sir Timothy Kitson, the chairman of the Defence Committee; Sir John Anthony Langford-Holt; Mr. Michael Marshall; Rt. Hon. James Gregor Mackenzie; Sir Patrick Wall; and Mr. James Anthony Dunn.

RECESS

Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes so that we can greet these very distinguished guests.

There being no objection, the Senate at 1:22 p.m. recessed until 1:25 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GORTON).

Mr. MCCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVIL SERVICE RETIREMENT REFORM

Mr. MATHIAS. Mr. President, today I would like to call Senators' attention to an important article written by the distinguished Senator from Alaska (Mr. STEVENS) for the Federal Times. He has focused on an issue sure to cause lively debate in both Houses of Congress. That is, civil service retirement reform, and a major proposal to be introduced later this month which would overhaul the Federal pension system.

As chairman of the Governmental Affairs Subcommittee on Civil Service, the Senator has worked endless hours hammering out a bill that would be agreeable to both the civil servants and the administration. That is no small task, and the importance of this legislation cannot be underestimated.

In the recent past, each fiscal year has brought with it changes in Federal retirement policy. We must work to achieve some certainty and reliability in the civil service retirement program. Senator STEVENS has worked diligently toward that goal and has set forth a balanced argument for his legislation in this article.

I believe his statement is worthy of the attention and serious consideration of each of my colleagues in the Senate. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Federal Times, May 31, 1982]

REFORM CIVIL SERVICE RETIREMENT TO CUT COSTS, IMPROVE BENEFITS

(By Senator TED STEVENS)

Retirement spells drastic changes for individuals and families. Prior to retirement an employee makes many decisions affecting his future. The most important questions are what will he do; when will he retire; and, how much income will be needed to meet his needs.

Unlike 25 years ago, today an employer must offer a retirement plan to attract quality employees. A good pension plan offers answers to questions on a reasonable retire-

ment age and sufficient income level. To determine these and other specifics, an employer must consider a number of factors. These include what can be profitably offered; what benefits are needed to be competitive; how much employee turnover is desirable; what age range is needed or desirable what age range is needed or desirable for the work involved; and, what must be done to meet requirements of the 1974 Employee Retirement Income Security Act.

The federal government as an employer, however, is faced with different circumstances. The government's provision of a secure retirement for its workers is counterbalanced by its responsiveness to the taxpayers. While employee benefits in a business are constrained by the profit margin, similar benefits in government employment are constrained by the public's willingness to pay.

The government has a responsibility to both groups to provide a good yet affordable retirement plan. The current civil service retirement system is clearly lacking in both respects. It is an expensive plan which rewards a few at the expense of many.

The Congressional Budget Office reports that annual outlays of civil service pensions are $17.3 billion and will rise to $30.1 billion in 1986. Total retirement costs constitute 36.7 percent of the federal payroll, of which 29.5 percent are government contributions. Typical private sector plans cost 22.7 percent of payroll. Yet these high costs reflect benefit payments to a relatively small group of people.

Studies show that about 25 percent of new federal hires remain in government until retirement. The remaining 75 percent either withdraw their pension contributions upon resignation with little or no interest accrual or they remain vested in the system to receive a marginally smaller pension on reaching retirement age. Hence, the exorbitant costs of the current system result from the relatively few who take advantage of it.

I am convinced the costs of the system can be significantly reduced while redistributing the benefits to profit the most. To do this equitably, I will introduce legislation later this year to set up a new retirement system to mandatorily cover all federal workers hired after the date of enactment. Current government employees will have the option to elect coverage under it. This plan, the Civil Service Pension Reform Act of 1982, will dramatically change the pension system for federal workers.

In order to make the system comparable with retirement programs in private industry, social security will be the foundation on which changes will be made. Social security coverage will be extended to all new federal workers. The public will no longer have reason to single out federal workers as insulated from pension concerns. All will be treated equally here. Yet, even to the federal worker, social security benefits far outweight the liabilities.

The basic pension plan, which will be offered in addition to Social Security, will involve defined contributions provided by the government and invested in the private sector. One's pension will depend upon the accumulation of his contributions plus its investment earnings. Private investment provides a variety of heretofore unavailable options. Individual employees will now participate in investment decisions. When an employee feels his account is sufficiently large to support him, he can retire at anytime.

Most federal employees will actually benefit from this change. Actuarial estimates reveal that employees at all income levels who work a full career (age 65 with 40 years of service) will receive greater net replacement of their income after taxes than under the current system. The new system will provide workers with pension portability between government and the private sector, now nonexistent. An employee may leave after five years, taking accumulated earnings and social security credit.

This option heralds a new flexibility for federal employees. Retirement benefits will no longer direct the decisions of mid-career workers who are considering other job opportunities. The retirement plan will continue to reward full career federal employees while freeing part-career workers to move in and out of private industry.

Additionally, unfunded liabilities and spiralling government costs will be problems of the past. The system will be fully funded. The government's costs will be fixed. A substantial cost savings will be realized over the current system, reducing costs to the taxpayer by about 20 percent.

These savings will come in two areas. First, social security coverage precludes the generation of windfall benefits to those who work in covered employment for short spans. And second, those who take advantage of the current system by retiring with minimum age and service eligibility will no longer receive benefits commensurate with present procedures.

Admittedly, the concepts contained in the bill are somewhat revolutionary vis-a-vis the current system. Such retirement plans are relatively common in private industry, however. The following describes the bill's general provisions:

All federal and postal workers hired after the bill is enacted would be covered by the new retirement program.

Current employees could elect coverage under the system.

The government will "buy" current retirement credits from those workers who elect coverage in the new system. The new amount will be placed in the employee's account in the new system. Two options would be offered. Current retirement contributions will be matched by the government with the total increased by a 5 percent interest factor compounded for the number of years' service. Or, the worker will be entitled to the present value of his accumulated benefits adjusted by a 6 percent inflation factor.

The first tier of the new system will be social security. Federal workers will pay the same social security taxes as everyone else and receive the same benefits. The government will pay the employer tax and its payroll contribution into the social security trust fund.

The second tier will be a defined contribution plan. The government will contribute to an employee's account 9 percent of the first $20,000 in salary (adjusted annually) and 16 percent for every dollar thereafter. This is a government contribution plan, requiring no employee match.

The third tier will be a voluntary thrift plan, with the worker contributing any amount he wishes. The government will match 100 percent of the employee's contribution up to 3 percent salary.

A worker will vest in the new system after five years of government service. This includes newly-hired employees and current workers who transfer into the new program. After five years in government, an employee may leave with the entire amount in his retirement account, including government contributions plus interest. On the other hand, he may elect to draw an actuarily-adjusted annuity or he may defer drawing on the account until later.

An entirely new pension fund will be established. All government contributions to an employee's account in the fund will be invested in special issues of the Treasury for the employee's first five years of participation. The employee's contributions to the thrift plan will be available to him for private sector investment beginning the second year. After an employee's fifth year, all new government contributions will be available for private investment.

A new sick leave and disability system will be set up. Each worker will be granted seven days of non-accumulating annual sick leave. Illnesses or injuries necessitating longer leave will trigger short-term accident and illness insurance. Such insurance will be preceded by a short waiting period and application for such payments must be accompanied by medical documentation. Depending on one's length of service and duration of his absence, an employee will receive 100 percent, 80 percent, or 60 percent of his gross pay.

The unfunded liability of the current system is amortized over a 40-year period of payments from the general treasury. All agencies will pay the full cost of the employees remaining in the current system.

The retirement system will inevitably be changed. The question now is, "Will we do something new in the future while living up to our commitments of the past?" or "Are we simply going to watch the current system be emasculated year after year?"

A JULY FOURTH SALUTE TO VIETNAM WAR VETERANS

Mr. MATHIAS. Mr. President, when we broke ground on the Mall for the Vietnam Veterans Memorial a few months ago, we brought an end to the long, often disheartening struggle America's Vietnam war veterans have faced in gaining the Nation's attention for the hardship, heroism, and sacrifice they endured.

The veterans of Vietnam, like the war they fought, have had to face stubborn resistance nearly every inch of the way. Only now have we begun to recognize them as authentic American heroes. Establishing the Vietnam Memorial here in Washington is their first milestone. But only when they take their place next to the men and women who fought and served in all of America's wars will they finally achieve their rightful place of honor.

We have an opportunity this Fourth of July to help them take another step toward the realization of this goal.

I would like to call attention to the special ceremonies which will take place in the city of Baltimore on July 4, to honor the veterans of the Vietnam war. I would also like to commend these ceremonies to all Americans as a way to pay tribute to the hundreds of thousands of our fellow citizens who served our country during the Vietnam era.

Several weeks ago the mayor of Baltimore, William Donald Schaefer, and

members of the Baltimore business community decided to honor Vietnam war veterans at a special ceremony and festival on July 4, as part of the city's Independence Day observance. The celebration is being cosponsored by the citizens of Baltimore in connection with the Baltimore Vietnam Veterans Leadership Program, Inc. The Fourth of July was chosen because of the symbolism of Independence Day and because on that patriotic holiday Americans everywhere express pride in our country. Fort Smallwood, a city-owned park located in Anne Arundel County, Md., on the Chesapeake Bay was chosen as the site for the festival because it is a natural picnic area, has space and facilities for a festival, and can accommodate a large crowd. Moreover, it honors a great American, the Maryland Revolutionary War hero, Gen. William Smallwood.

While the salute primarily recognizes and honors Vietnam veterans, it is not only for veterans, but for all members of the community who wish to recognize and share in pride of service to our country. The festival will include events ranging from a parade and family games and performances by numerous bands and stage groups to brief military honors recognizing the 1,178 servicemen from Maryland—410 of them from Baltimore—who gave their lives in Vietnam.

Both private businesses and individuals have donated time, money, and facilities in a communitywide effort to make the salute a success. Numerous veterans organizations have also joined this unprecedented effort on behalf of our Vietnam veterans.

The time is now right for this salute. Most Vietnam veterans have long held a real sense of pride in the service they performed in a difficult time in our history. However, they have not had an opportunity to express their pride, nor has it been a subject of significant media attention. It has taken us 10 to 15 years to separate the concepts of a bitter, unpopular, and divisive war from our thoughts about the Americans who fought in that war.

The Maryland salute makes no political statement about the war. Instead, it recognizes that we must separate our individual thoughts about the pros and cons of that war from our recognition of the service and sacrifice made by the young men and women who fought or served during the Vietnam war.

As far as I know, the salute in Baltimore is unique. I believe it can provide an inspiration for all Americans to help heal the wounds remaining from Vietnam and to honor a generation of brave Americans on our national Independence Day in the years ahead.

EXTENSION OF TIME FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended to not past the hour of 2 o'clock under the same terms and conditions as heretofore ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDINC OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LUGAR). Without objection, it is so ordered.

Mr. BAKER. Will the Senator permit me to interject for a moment?

Mr. DANFORTH. Certainly.

Mr. BAKER. Mr. President, I ask unanimous consent that the time for morning business be extended not past 2:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Missouri is recognized.

THE HITACHI-MITSUBISHI CASE

Mr. DANFORTH. Mr. President, I wish to express my outrage about alleged attempts by employees of certain Japanese high-technology firms to obtain proprietary information and data belonging to IBM. IBM is the world leader in computers and other high-technology products, and while I applaud competition I deplore theft as a means to enhance competitiveness.

What makes the recent case all the more deplorable is the fact that the Japanese firms involved are themselves highly respected—class competitors in a highly competitive industry. As the U.S.-trade deficit with Japan in high-technology products would indicate, these companies have no need to resort to underhanded methods of gaining a competitive edge.

As details of the Hitachi-Mitsubishi case become public, the extent of the criminal act will become clear. Certainly, there will be questions raised about the adequacy of our ability and the ability of our companies to safeguard industrial secrets—whether from economic competitors or from nations who wish us ill. At this juncture, however, two things are clear:

First, it is imperative that the U.S. Government pursue this case vigorously and to the limit of the law. Such deplorable criminal activities and their perpetrators must be brought to justice.

Second, although this case involves industrial espionage—a criminal offense rather than a political or trade issue per se—it is obvious that many American companies remain extremely competitive, particularly in the areas such as computers and other high-technology products.

In this regard, it is more evident than ever that we must, as a Government, do all that we can to obtain the elimination of foreign barriers that unfairly restrict competitive U.S. exports and investment.

ANNE WORSHAM RICHARDSON

Mr. THURMOND. Mr. President, one of the world's famous painters of birds and animals is Anne Worsham Richardson of Charleston, S.C. She is recognized as a truly great artist and her works have been exhibited in centers of art throughout this country and Europe.

In addition to her talents with color and the esthetic forms of life in nature, Anne Worsham Richardson is also a person of charm and distinction. She enjoys not only the recognition of the art community, at large, but is highly honored in her own hometown.

She is—quite aside from her painting skills—a naturalist who understands and loves the birds and animals which she paints. From the Birds I View Gallery which she and her husband, John Peter Paszek, operate together, she carries on her work and maintains her wide contacts in the community.

Mr. President, in the May/June issue of PortSouth, the magazine of coastal South Carolina and Georgia, an excellent article by Melanie Gause Harris was written about this distinguished lady, entitled "Profile: Anne Worsham Richardson, Every Day a Celebration." Because this account draws such a clear image of this outstanding practitioner of the arts, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANNE WORSHAM RICHARDSON

EVERY DAY A CELEBRATION

(By Melanie Gause Harris)

When Anne Worsham Richardson met me at the door of her home on the Ashley River, she was wearing a neat red tailored blazer and blue skirt with a feminine blouse accented by a gold pin. Her clothes typified the unique combination of maturity and girlishness that I was soon to discover in her personality. Dark hair and a tall womanly figure did not betray her vulnerability. Her formal living room was dominated by blues, but her original bird painting gave it the odd blend of vibrancy and tranquility that distinguished it from any room I have ever visited. We sat down in two blue and white wing chairs beside a tea table and talked about her beginnings as an artist in Turbeville, South Carolina.

She lived in the country with her parents and six brothers and sisters. Not only could she read and write before the age of four, she was also already known as the family artist. In a third grade class, her teacher brought in pine cones and tree branches for students to draw. They were allowed to study other pictures but never to copy: "But even in the third grade I was already past copying anybody else's picture. That's why I don't like to use photographs now. I'd rather use live animals." She began portrait painting at the age of twelve when she was able to "get a likeness of anything that blinked."

One of the problems that she encountered as a portrait artist was the client who would see one of her portraits and say, "I want mine painted exactly like you did hers." She told me a story about the last portrait that she did:

"The lady brought a dress in. She didn't want to dress and sit there for me. She was nervous and wanted to do some errands. She hung the dress up on the screen in my studio and said, 'Just paint the dress on me, dear. I have to go.' That was the last commission I took, because I just got exasperated with it . . . Another lady brought hands that she cut out of a magazine and said, 'Paint these hands on me. These are the hands I want. Don't paint my hands'. . . I was young . . . I wasn't strong enough to tell them, well I'm not going to do it that way."

Maybe this lack of spontaneity in people is what makes animals and birds so facinating to Ms. Richardson. As she explains, "The vitality of birds is so striking and so fantastic. They are about the most alive things I know, because they move so fast and have so much beauty. If you put them down on paper, you try to get some of that vitality across to the viewer, and that way I hope that I can excite them a little bit about living, too."

As we talked about her love for the country, birds, and animals, she became interested in showing me her bird sanctuary. When she took me to the glass door of her studio and asked me if I could see any animals, I almost said, "No," before I noticed the young deer who was camouflaged by the marsh grass at the edge of the fenced in back yard. She identified him as Fawnzie II, the second deer she and her husband have raised. In a month Fawnzie will be g ing to live at the Brookgreen Gardens Deer Park. Until that time he will sleep on the kitchen floor at night, and be studied and pampered by the artist and her husband, John Peter, in the daytime. She has already begun a painting of Fawnzie, who is fascinated with his reflection on the sketch pad. Later in the afternoon, as I watched Fawnzie recline on the kitchen floor, she explained: "You always know that you have a very wild creature in the house and you can't provoke it in any way that would arouse that wildness."

After seeing Fawnzie, we visited the bird hospital where I saw several birds missing at least one wing who would live out their lives here protected and fed. Most of the birds serve as models for Ms. Richardson's paintings.

There were other birds including a great horned owl which she nursed back to health after he was hit by a car. She has tried to set him free, but he refuses to leave. In another wing of the screened-in bird hospital, there were many blue jays, the most interesting of which was able to talk, "Come on, Chi, Chi," Ms. Richardson chirped. "Come on," the bird repeated. Like the great owl, she has given Chi Chi a clean bill of health and sent him on his way, but he always returns to his home on the marsh.

As we walked back into the house, the phone began to ring. Someone was calling to see if Ms. Richardson would be willing to help catch a Muscovy duck that was messing up a patio. She patiently explained the best way to catch a duck and offered to come and get the bird when it was captured. The phone rang frequently during my visit. I was surprised that she received these calls regularly, but more surprised at her reaction to them. She smiled, "I was the middle of seven children, remember. Interruptions don" bother me."

I expected someone with so much talent to guard her time, but Ms. Richardson is a complete person who sees time spent lecturing, advising others about caring for wounded creatures, dancing, and entertaining as time well spent. She and John try to see someone each day at teatime. "Having guests is our hobby," she announced with pleasure. When John invites twenty-two people over for dinner and tells her the night before, she is not shaken. John discovered that the officers of some NATO ships were in town and had not visited any Charleston homes before they were to leave the following weekend, so he invited the captain of every ship to dinner for the next evening. Then Ms. Richardson invited other guests who had visited the countries each ship represented. "To bring them all together," each foreign guest was asked to sing a folk song from his country. This worked beautifully until John had to gently restrain a German captain from singing all twenty-two verses of a lusty lay.

If the humble are blessed, then one can understand why the events in Ms. Richardson's life have been "magical." She is a charming combination of confidence and humility. The numerous awards presented to her and the attention she has been given have not tainted her. When I accused her of humility, she denied it saying that she knew her capabilities. Yet she has a sense of wonder at the response people have had to her and her work.

She relished an invitation to exhibit her paintings in the German castle of Prince Ferdinand, became friends with the prince and has since entertained him in her home. While in Germany she was treated as if she were royalty and introduced as the Queen of American Bird Painting. When the suggestion was made to her that royalty may not accept a commoner, she answered, "I'm not a commoner! I am an American." Though she recognizes that she has been treated very well in America, she acknowledges that artists are shown a greater measure of respect in Europe.

In 1975 she was the guest of President Ford in the Oval Office, but she was equally enthusiastic about having been honored in the small town of Turbeville with Anne Worsham Richardson Day. With childlike joy and appreciation, she remembers how the entire Manning Police Department escorted her about town. This capability of remaining girlish and innocent after being entertained by presidents and princes makes her life seem enchanted.

In 1969 she was invited by NASA to represent South Carolina at the launch of Apollo II. At a luncheon at Cape Kennedy, she was seated next to the director of the California State Museum in Los Angeles. That meeting resulted in two large and successful exhibits for Ms. Richardson and in another meeting that changed her life. While in California, she asked for a field guide to escort her on an expedition and was told to "be in the coffee shop in the morning with your boots and binoculars." She was a little apprehensive that her guide might be one of the naturalists from the museum "with a matte beard who had not changed his clothes in two weeks." She laughed, "Some of the naturalists were very natural, too natural. It turned out to be a very shiny-faced fellow with a foreign accent, Johannes Peter Paszek. He was such a good field guide, I married him two years later." Now they live each day together to the fullest. They entertain, she paints, and he frames her work. Together they operate the Birds I View Gallery on Church Street where her paintings are always on display.

From another important person in her life—her aunt Jean Chandler who is 92—she learned something about living in the present.

"My aunt and I both know how to live every day with a little ceremony. If you don't have a ceremony for every day, where's the day going to get celebrated . . . I always live in the moment . . . I always try to appreciate everything around me. I know people who daydreamed and wished for, would live all year for a trip they were going to have and not live the time everyday. I try to live everyday. I do something that I like to do everyday, fill in the spaces of my soul so that I can give out to other people."

We have all seen those who have substance without any style, and those who are all style without any substance. Anne Worsham Richardson combines talent creativity, and sensitivity with style or, as she calls it, "ceremony." I knew as we finished our teatime together that I had been a part of that day's ceremony, entertained with the same grace with which she entertained princes.

PRESIDENT COMMENDED FOR HIS LEADERSHIP IN ESTABLISHING A VIABLE EMERGENCY PREPAREDNESS AND CIVIL DEFENSE PROGRAM

Mr. THURMOND. Mr. President, I rise to share with my colleagues a concurrent resolution, H. 3929 enacted by the General Assembly of South Carolina. This resolution commends President Reagan for the initiative he has taken in presenting to Congress a 7-year plan for emergency preparedness and civil defense programs. In addition, the concurrent resolution of the South Carolina General Assembly urges Congress to support the President's program and to direct that this program move forward as quickly as possible.

I join the South Carolina Legislature in commending the President for his thorough plan, and in urging Congress to support it. With this plan, our country will have for the first time a cohesive effort to redress the shortfalls of civil defense, and emergency prepardness.

I want to take this opportunity to remind my colleagues that as part of his 7-year plan for civil defense, the

President requested the authorization for $252.34 milllion for fiscal year 1983. As you all know, the Senate Appropriations Committee decided to hold civil defense spending growth down to the 5-percent level, and approved a spending level of only $144.53 million for the coming fiscal year. The House Armed Services Committee, on the other hand, decided to fully approve the President's request.

Therefore the Senate will have another opportunity in the near future to help the President redress this shortfall when this matter is taken up in conference. There, I intend to work to insure that the House-Senate compromise will constitute significant movement in that direction. I urge the Senate to join me in this effort to support the President's program.

Mr. President, in order to share with the Senate the concurrent resolution of the South Carolina Legislature, I ask unanimous consent on behalf of Senator HOLLINGS and myself that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION

Whereas, United States Public Law 920, as amended, and Presidential Directive 41, express the intent of this nation's leadership to save lives and mitigate the effects of disasters or emergencies, natural or man-made, including acts of war, by comprehensive emergency management; and

Whereas, the President has presented to the Congress a seven year plan to initiate a viable emergency preparedness program; and

Whereas, both peacetime and wartime emergency operations concepts for response and recovery are reflected in the plan, thereby establishing a dual use system to benefit all citizens who must cope with these multiple and complex human problems; and

Whereas, the Congress of the United States shares in the responsibility to protect the public from all hazards, both today and in the future. Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

That the General Assembly of South Carolina hereby commends the President of the United States for his leadership in this vital effort and for his proposal to increase the level of funding commitment so as to fully implement the program in a credible and timely fashion.

Be it further resolved that Congress is memorialized to support the President's seven year plan, fund his request as submitted, and direct this program to move forward as quickly as possible so that the United States may progress toward a truly effective comprehensive emergency management program.

Be it further resolved that copies of this resolution be forwarded to the President of the United States, to each member of the South Carolina Congressional Delegation, the Senate of the United States, and the House of Representatives of the United States.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WASHINGTON COMMISSION FOR THE HUMANITIES

Mr. GORTON. Mr. President, the State of Washington is fortunate in having a community of individuals who are dedicated to the preservation and continuation of the arts and humantities in the State. These individuals, through the Washington Commission for the Humanities, have sponsored and encouraged programs in the humanities which reached more than 338,000 people in person, and over 7 million people on radio, television and via the news media. The individuals who work in the humanities, and the millions of people whose lives are touched, however briefly, by their work, can testify to the value of these programs in enhancing people's understanding of themselves, of the issues which are important in their lives, and of past peoples and cultures.

I would like to commend the activities of the Washington Commission for the Humanities, and I invite my colleagues to join me in saluting those individuals who have worked so hard on the many projects which the commission sponsored this year.

Mr. President, I ask unanimous consent that an excerpt from the commission's annual report, which more fully illustrates the range of its work in Washington State, be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows

In America today, are we in danger of succumbing to similar isolation? Educational horizons are narrowing as more and more young people seek training for specific trades and professions. Life is so complex, work and family so exhausting, that it is hard enough to keep up with one's own world; there is little time or space to understand what people are thinking and why they live the way they live in other societies.

If we cannot get to know our own neighbors, how can we hope to understand and appreciate the world of our ancestors, of the fathers and mothers of this country? Primetime television promotes the exploits of fantasy characters dreamed up by TV programmers who are racing to succeed in the ratings war. With these one-dimensional images flashing before us, it is hard to make the effort to understand complex figures and issues suggested by novelists, poets, philosophers, or historians. Even television news collapses revolutions, disasters, economic recessions, and wars into three-minute "action stories."

At the Washington Commission for the Humanities, we believe that it is important, in fact necessary, for people in this country to open their minds and look beyond their own personal experiences to the rest of the world, past and present. In order to broaden our sense of who and what we are, we must learn more about human thought and culture. Whether we learn through the study of history, or through the study of other traditions, or through reading novels and poetry, we learn how to function by looking at others. We learn political and social principles which we can then choose to apply (or reject) in our own lives.

• • • It is the purpose of the Washington Commission for the Humanities to foster public use and understanding of the humanities through a series of programs that benefit the people of Washington State.

Congress has defined the humanities as the study of certain fields of knowledge. These fields include "languages, both modern and classical; linguistics; literature; history; jurisprudence; philosophy; archeology; comparative religion; ethics; the history, criticism, and theory of the arts; and [some] aspects of the social sciences • • •."

Organized in 1973, the Washington Commission for the Humanities is a private, nonprofit corporation funded by the National Endowment for the Humanities and by private contributors. To achieve its purpose, the Commission makes grants to non-profit groups for public programs in the humanities; the Commission also directs its own public activities in the humanities.

The range of projects funded by the Washington Commission for the Humanities in 1981 was far-reaching: Thurston County sponsored a forum about aging. The Seattle Art Museum offered an exhibit, lectures, and films on Hindu religion and art. The Watcom County Library in Bellingham discussed with its users the role of the library in making the humanities available to the public. Several projects focused on literature: Western Washington University used a mini-grant to offer a telecourse on Washington folklore; The Conservatory Theatre Company produced a series on theatrical literature from the 1930's followed by panel discussions about the social, political, and economic times of the 1930's compared to the conditions in 1981. Washington State University developed a readers' theatre production based on letters, diaries, and oral histories of Eastern Washington women. The Yakima Valley Museum and Historical Association sponsored a film which could only be produced in Yakima: a local look at the late Supreme Court Justice William O. Douglas, contrasting some of his major judicial decisions with the attitudes of the community in which he grew up.

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Those various activities • • • all offer members of the public opportunities to learn about worlds outside their own.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, in a few moments I will propound a unanimous-consent request with respect to proceeding to the consideration of the urgent supplemental appropriations bill.

Before I do so, may I say that I had announced earlier that I had hoped to go to the reclamation bill today. Indeed, an effort had been made earlier during this day to arrive at a plan for debate either on that measure or on the motion to proceed to the consideration of that measure, as the case might be.

But, in the course of time, it appeared likely that some sort of arrangement could be worked out that would deal not only with the reclamation bill, or at least scheduling and perhaps a time limitation in respect thereto, but also to the sequence for considering the urgent supplemental appropriations bill, which is at the desk, and also the reclamation bill. That arrangement would make it possible to perform on the commitment I have made a.y number of times that we should proceed to the consideration of a constitutional amendment dealing with the balanced budget when we return on July 12 and certain other matters.

So, we have invested a good amount of time, a good part of this day, in trying to work out that sequence of events. I think it will probably come into being. I think that I will be in a position later today to propound a unanimous-consent request which will deal not only with the urgent supplemental but also with the reclamation bill and the constitutional amendment on the balanced budget with respect to timing and certain other matters. I say that so Members will know that there have been active negotiations involving many Senators over the period of the last several hours and that I am optimistic that such an arrangement will come about.

(Mr. KASTEN assumed the chair.)

Mr. McCLURE. Will the Senator yield?

Mr. BAKER. Yes, I yield.

Mr. McCLURE. I thank him for his efforts to bring the reclamation bill before this body today. Even had we been successful in getting it before the body today, it certainly would have been my expectation that we would set it aside so that we could move with respect to the urgent supplemental. I, too, hope that we will achieve the agreement which the leader referred to with respect to the sequence and time considerations on that bill and hope that by the time we finish the urgent supplemental today we will be able to announce that agreement so that everyone will know that.

I thank the majority leader and the minority leader. I also extend my appreciation to the Senator from Alaska (Mr. STEVENS) who cooperated on another matter in that regard, and several others, too.

Mr. BAKER. I thank the Senator from Idaho. He has been most considerate in this matter of trying to arrange a schedule not only for this week but for the weeks after we return from the July 4 recess.

Since there are still a few bases to touch on that generally comprehensive agreement, I believe that it is in the best interest of the Senate that we now proceed to the consideration of the urgent supplemental, which request has been cleared with the distinguished minority leader. I see the acting minority leader is here.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that the Chair lay before the Senate H.R. 6685, which is at the desk, the urgent supplemental appropriations bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6685) an act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice and the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

UP AMENDMENT NO. 1044

(Purpose: Amendment in the nature of a substitute to the urgent supplemental appropriations bill to permit the orderly continued operation of the Federal Government)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an unprinted amendment numbered 1044.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all following the enacting clause and insert in lieu thereof the following: That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations (this Act may be cited as the "Urgent Supplemental Appropriations Act, 1982") for the fiscal year ending September 30, 1982, and for other purposes, namely:

TITLE I

CHAPTER I

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

(TRANSFER OF FUNDS)

For an additional amount for "Program administration", $8,742,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $4,259,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $5,623,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance".

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

For an additional amount for "Health Service", $60,080,000, of which $3,500,000 shall be used to provide twelve months of transitional funding for those University Affiliated Facilities previously funded under section 502(a) of the Social Security Act or predecessor legislation (title V of the Social Security Act as in effect prior to the enactment of the Maternal and Child Health Services Block Grant), but for which termination of such funding has been announced during fiscal year 1982.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

WORK INCENTIVES

For an additional amount for "Work incentives", $57,621,000.

DEPARTMENTAL MANAGEMENT

OFFICE OF THE INSPECTOR GENERAL

(TRANSFER OF FUNDS)

From amounts appropriated for fiscal year 1982 for payments to States for Medicaid Fraud Control Units, there is transferred to the Office of Inspector General, Department of Health and Human Services, for necessary expenses, $13,941,000.

DEPARTMENT OF EDUCATION

STUDENT LOAN INSURANCE

For an additional amount under title IV, part B of the Higher Education Act, $1,300,000,000, to remain available until expended.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $5,650,000.

RELATED AGENCIES

ACTION

OPERATING EXPENSES, DOMESTIC PROGRAMS

For an additional amount for "Operating expenses, domestic programs", under the provisions of the Domestic Volunteer Service Act of 1973, as amended (Public Law 93-

113, as amended, 42 U.S.C. section 4951 et seq.), $2,000,000.

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

For an additional amount for payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934 as amended, an amount which shall be available within limitations specified by said Act, for the fiscal year 1984, $24,400,000: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, and similiar forms of entertainment for Government officials or employees: *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity excluding from participation in, denying the benefits of, or discriminating against any person on the basis of race, color, national origin, religion, or sex.

PRESIDENT'S COMMISSION FOR THE STUDY OF ETHICAL PROBLEMS IN MEDICINE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $309,000.

CHAPTER II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

Of the amount of authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982 and prior Appropriation Acts, $94,382,000 of contract authority and $4,098,640,000 of budget authority are rescinded: *Provided*, That any balances of authorities made available prior to enactment of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, which are, or become, available for obligation in fiscal year 1982, shall be added to and merged with the authority approved in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, and such merged amounts shall be made subject only to terms and conditions of law applicable to authorizations becoming available in fiscal year 1982: *Provided further*, That $190,860,000 of contract authority and $4,098,685,000 of budget authority, shall be used for the public housing program, including $18,960,000 of contract authority for assistance in financing the development or acquisition cost of low-income housing for Indian families, $90,000,000 of contract authority for modernization of existing low-income housing projects, and $1,263,005,000 of budget authority for new construction and substantial rehabilitation as authorized by section 5(c) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c); and $870,969,000 of contract authority and $15,228,518,000 of budget authority shall be used for new construction and substantial rehabilitation and assistance to existing housing units, including amendments for units reserved in prior years, under the lower-income housing assistance program (section 8, United States Housing Act of 1937, as amended): *Provided further*, That of the foregoing amounts, $152,715,200 of contract authority and $3,700,000,000 of budget authority shall be for projects under section 8, United States Housing Act of 1937, as amended, the rents for which are approved pursuant to the note governing financing adjustments (46 Fed. Reg. 51903, October 23, 1981) or any published amendment thereto or successor note, except that the Secretary shall include in the determination of the fair market rental a debt service factor reflecting the lesser of (A) 14 percent or (B)(i) where the rate of interest on the permanent instrument sold to finance the project is 12 percent or less, such rate of interest or (ii) where the rate of interest on the permanent instrument sold to finance the project is more than 12 percent, one-half percent below such rate of interest but not less than 12 percent, and except that the Agreement to Enter into a Housing Assistance Payments Contract shall not be required to include a provision requiring that construction must be in progress prior to October 1, 1982: *Provided further*, That with respect to newly constructed and substantially rehabilitated projects under section 8, United States Housing Act of 1937, as amended, during 1982, the Secretary shall not impose a percentage or other arbitrary limitation on the cost and rent increases resulting from increased construction cost in exercising the authority to approve cost and rent increases set forth in section 8(1) of such Act: *Provided further*, That none of the merged amounts available for obligation in 1982 shall be subject to the provisions of section 5(c) (2) and (3) and the fourth sentence of section 5(c)(1) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439): *Provided further*, That no funds provided under this or any other Act shall be used to terminate a reservation of contract authority for any project under section 8 of the United States Housing Act of 1937, as amended, on account of the inability of the developer or owner of that project to obtain firm financing, unless such termination occurs no less than twenty four months following the date of initial reservation of contract authority for such project: *Provided further*, That $74,375,000 of contract authority and $1,750,000,000 of budget authority provided under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, shall not become available for obligation until October 1, 1982, and $89,321,727 of the foregoing budget authority shall be for the modernization of 5,073 vacant uninhabitable public housing units, pursuant to section 14 of the United States Housing Act of 1937, as amended, other than section 14(f) of such Act: *Provided further*, That to the extent that the amount of budget authority which is recaptured or deobligated, including budget authority internally transferred by State Housing Finance Development agencies pursuant to 24 C.F.R. part 883.207, does not equal $5,000,000,000 on June 30, 1982, the amounts deferred in the immediately preceding proviso may be used in accordance with, and in addition to, the amounts provided in the third proviso of this paragraph, except that to the extent such amounts are used, an equivalent amount of such recaptured or deobligated contract authority and budget authority, which become available on or after July 1, 1982 through September 30, 1982, if any, shall be deferred until October 1, 1982.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For an additional amount for "Payments for Operation of Low-Income Housing Projects", $198,000,000: *Provided*, That of the total amount available in fiscal year 1982 for "Payments for Operation of Low-Income Housing Projects", $1,215,275,400 shall be made available pro rata solely in accordance with the Performance Funding System (as set forth in 24 C.F.R. part 890, as of February 8, 1982).

RENT SUPPLEMENT

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), is further reduced in fiscal year 1982 by not more than $3,340,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For necessary expenses to carry out title II of the Federal Water Pollution Control Act, as amended, other than sections 201(m), 205(k), except that for the project authorized by said section the Administrator shall allocate to the State of New York an amount equal to one-third of the total cost from the amount made available under this paragraph to the State of New York, one-third from the amount made available to the State of New Jersey, and one-third from the amounts made available to the remaining States, 206, 208, and 209, $2,400,000,000, including grants for biological treatment facilities to repair or replace small community systems but not to exceed three systems suffering operational problems outside the warranty period where the existing Environmental Protection Agency planned systems have proven to be inoperable by the local municipalities, where determined to be necessary, to remain available until expended: *Provided*, That of such amount, $3,965,426 in additional funds (the amount which was withheld from the State of Kansas by reason of an accounting error by the Federal Government) shall be made available to the State of Kansas: *Provided further*, That nothing herein shall prohibit any project specified in section 201(m) from receiving a grant under section 201(g), in compliance with all relevant procedures under title II of the Federal Water Pollution Control Act, as amended, and paid from funds allotted to the State by section 205 and appropriated by this Act: *Provided further*, That the Administrator, upon application by the Governor of the State of Ohio, with the approval of the Committees on Appropriations, shall before October 1, 1982, commit existing unobligated funds from the State's Wastewater Construction Grant allotments to fund the Solid Waste Energy facility in Akron, Ohio.

HAZARDOUS SUBSTANCES RESPONSE TRUST FUND

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, $5,000,000 shall be made available to the Department of Health and Human Services, upon enactment and up to an additional $2,000,000 may be made available by the Administrator to the Department for the performance of specific activities in accordance with section 111(c)(4) of Public Law 96-510, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. Management of all funds made available to the Department shall be consistent with the responsibilities

of the trustee of the fund, as outlined in section 223(b) of the Act.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

Notwithstanding any other provision of this or any other Act, of the funds appropriated under the heading, "National Aeronautics and Space Administration, Research and development" in Public Law 97-101, not less than the amounts hereinafter set forth shall be made available for the purposes specified: $31,200,000 for expendable launch vehicles; $323,500,000 for physics and astronomy (including $40,000,000 for Shuttle-Spacelab payloads); $205,000,000 for planetary exploration (including $1,700,000 for the mid-level facility in Hawaii); $39,500,000 for life sciences; $328,200,000 for space applications (including $2,300,000 for the search and rescue program, $5,000,000 for technology transfer, $6,000,000 for upper atmospheric research satellite experiments, $16,200,000 for Shuttle-Spacelab payloads, and $15,400,000 for a 30/20 gigahertz test satellite); $8,000,000 for technology utilization; $264,800,000 for aeronautical research and technology; $111,000,000 for space research and technology; and $402,100,000 for tracking and data acquisition: *Provided*, That of the funds available for the Space Shuttle, including space flight operations, not less than $80,000,000 shall be made available for design, development and procurement of liquid hydrogen-liquid oxygen (Centaur) upper stages for use in launching the Galileo and Solar Polar spacecraft in 1986: *Provided further*, That no funds may be obligated for other upper stages, including kick stages, for the Galileo and Solar Polar spacecraft after the enactment of this Act except for work performed prior to the effective date of this Act, together with liability for termination: *Provided further*, That no funds appropriated in this or any other Act may be obligated for a Solar Maximum repair/retrieval mission until the Secretary of the Air Force enters into an agreement with the Administrator to reimburse the National Aeronautics and Space Administration 50 per centum of the costs of such mission (exclusive of the costs attributable solely to equipment for the Solar Maximum spacecraft and to equipment capable of reuse): *Provided further*, That upon request by the Administrator of the National Aeronautics and Space Administration and approval by the Committees on Appropriations not to exceed $50,000,000 from the unobligated balances of funds appropriated under the heading "National Aeronautics and Space Administration, Construction of facilities" or "National Aeronautics and Space Administration, Research and program management" in Public Law 97-101 and Public Law 96-526 shall be available for the Space Shuttle, including space flight operations: *Provided further*, That the Administrator makes sufficient funds available to assure that a second Space Shuttle launch pad at the Kennedy Space Center, Florida, is operational by January 1, 1986.

ADMINISTRATIVE PROVISION

Limitations in section 501(40) of title V of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, are amended as follows: The limitations on the Department of Housing and Urban Development's Office of the Assistant Secretary for Legislation and Congressional Relations are increased from 26 full-time permanent positions and 27 staff years to 31 full-time permanent positions and 33.5 staff years, the limitation on the National Aeronautics and Space Administration's Office of the Comptroller is increased from 150 full-time permanent positions to 161 full-time permanent positions, the limitation on the National Aeronautics and Space Administration's Office of External Relations is increased from 120 full-time permanent positions to 125 full-time permanent positions, excluding those positions allocated for Technology Utilization activities, and the limitation on the Veterans Administration's Office of Planning and Program Evaluation is increased from $1,500,000 to $2,300,000.

CHAPTER III

DEPARTMENT OF TRANSPORTATION

COAST GUARD

OPERATING EXPENSES

For an additional amount for "Operating expenses", $17,500,000, to remain available until expended.

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAY PROGRAM

Section 3(a) of the Federal-Aid Highway Act of 1981 is amended by striking the period at the end of the first sentence and by inserting the following: "plus, an additional amount not to exceed $19,000,000 in obligation authority to carry out section 310(d)(3) of Public Law 97-102".

NATIONAL SCENIC AND RECREATIONAL HIGHWAY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

Any amounts previously authorized to be derived from the Highway Trust Fund for payment of obligations in carrying out the provisions of 23 U.S.C. 148 are to be transferred to and administered under the appropriation "Federal-aid highways".

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Section 303(d) of the Rail Passenger Service Act, 45 U.S.C. 543(d), is amended by changing the period at the end thereof to a semicolon and adding the following: "except that the holding of securities issued by a railroad shall not be deemed to be violative of this prohibition: *Provided*, That the officer who holds such securities recuses himself from any decisions which bear directly on such railroad, and makes full public disclosure of such holding.".

RELATED AGENCIES

CIVIL AERONAUTICS BOARD

PAYMENTS TO AIR CARRIERS

For an additional amount for "Payments to air carriers" $28,400,000 to remain available until expended: *Provided*, That $8,242,000 shall be used to liquidate obligations incurred during September 1981, to provide for subsidy payments under 49 U.S.C. 1376 and 1389: *Provided further*, That notwithstanding any other provision of law any funds appropriated for "Payments to air carriers" in this or any other Act which are not obligated by September 30, 1982, shall be available for obligations only for section 419 (49 U.S.C. 1389) subsidies, except for adjustments to section 406 (49 U.S.C. 1376) payments for service provided prior to September 30, 1982.

INTERSTATE COMMERCE COMMISSION

PAYMENTS FOR DIRECTED RAIL SERVICE

For an additional amount for "Payments for directed rail service", $8,000,000, to remain available until expended.

Section 120 of the Rock Island Railroad Transition and Employee Assistance Act is amended—

(1) in subsection (a)—

(A) by striking out "the Rock Island Railroad" the first place it appears and inserting in lieu thereof "any railroad subject to section 77 of the Bankruptcy Act, or subchapter IV of chapter 11 of title 11, United States Code, which has ceased to provide passenger commuter service over any line of the railroad";

(B) by striking out "2-year" and inserting in lieu thereof "3-year"; and

(C) by striking out "Rock Island Railroad" each place it appears (other than the first time it appears) and inserting in lieu thereof "railroad"; and

(2) in subsection (b), by striking out "the Rock Island Railroad" and inserting in lieu thereof "any railroad".

CHAPTER IV

DEPARTMENT OF THE TREASURY

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses",

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $23,825,000: *Provided*, That no funds made available by this act or Public Law 97-161 may be used to accomplish or implement any proposed reorganization of the Bureau of Alcohol, Tobacco and Firearms or the transfer of the Bureau's functions, missions, or activities to other agencies within the Department of the Treasury in the fiscal year ending on September 30, 1982: *Provided further*, That no reorganization of the Bureau of Alcohol, Tobacco and Firearms or the transfer of the functions, missions, or activities to other agencies within the Department of the Treasury subsequent to September 30, 1982, shall be accomplished or implemented without the specific, express approval of both the House and Senate Committees on Appropriations.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $14,865,000, of which $8,000,000 shall be used for salaries, expenses, equipment, and other related expenses for Operation Exodus.

INDEPENDENT AGENCIES

GENERAL SERVICES ADMINISTRATION

OFFICE OF INSPECTOR GENERAL

For an additional amount of "Office of Inspector General", $500,000.

FEDERAL BUILDINGS FUND

Notwithstanding the provision immediately following the repairs and improvements line item projects under the heading "General Services Administration, Federal buildings fund, Limitations on availability of revenue" in H.R. 4121 as passed by the House and in H.R. 4121 as reported by the Senate on September 22, 1981, funds presently available for repairs and alterations nonprospectus projects shall be used to initiate the design and related work required to begin the repairs and alterations of the U.S.Court of Appeals building, Atlanta, Georgia.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $4,006,000.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $238,000.

U.S. TAX COURT

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,530,000.

CHAPTER V

DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $3,171,000.

ECONOMIC DEVELOPMENT ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $3,500,000 to be derived by transfer from the Economic Development Revolving Fund.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH AND FACILITIES

For an additional amount for "Operations, research, and facilities", $2,000,000, to remain available until expended.

RELATED AGENCIES

INTERNATIONAL COMMUNICATION AGENCY

ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

Appropriations made available under this heading for fiscal year 1982 may be used for lease of real property for periods of up to twenty-five years in Africa, Asia, the Caribbean area, and Europe.

CHAPTER VI

DEPARTMENT OF AGRICULTURE

FOOD AND NUTRITION SERVICE

FOOD STAMP PROGRAM

For an additional amount for the "Food Stamp Program", $1,006,616,000.

CHAPTER VII

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for "Flood Control and Coastal Emergencies", $40,000,000, to remain available until expended: *Provided*, That $18,000,000 of the funds provided shall be for flood control measures and features on the Cowlitz and Toutle Rivers in the State of Washington.

TITLE II

GENERAL PROVISIONS

SEC. 201. Any institution of higher educaton specifically cited in the conference report on the Education Amendments of 1980 (report numbered 96-1337) as a unique institution which the conference committee for that legislation intended to be recognized as a developing institution eligible to apply for funds under title III of the Higher Education Act of 1965, shall be treated as an eligible institution for such purpose for fiscal year 1982, notwithstanding section 322(a)(2)(A) of such Act.

SEC. 202. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 203. Notwithstanding any other provision of law, none of the funds provided for International Organizations and Programs in Public Law 97-121, the Foreign Assistance and Related Programs Appropriation Act for Fiscal Year 1982, shall be available for the United States proportionate share for any programs for the Palestine Liberation Organization, the South West Africa Peoples Organization, or Cuba.

SEC. 204. No funds appropriated or otherwise made available for fiscal year 1982 shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Federal Mine Safety and Health Act of 1977 on any State or political subdivision thereof. Notwithstanding section 101(a)(3) of Public Law 97-92 or any similar or comparable provision of any other law, during fiscal year 1982 the Mine Safety and Health Administration shall have the same enforcement authorities vested in such Administration on September 30, 1981.

SEC. 205. Effective upon enactment of this Act and for the remainder of fiscal year 1982, notwithstanding any other provision of law, no funds may be paid out of the Treasury of the United States or out of any fund of a Government corporation to any private individual or corporation in satisfaction of any assurance agreement or payment guarantee or other form of loan guarantee entered into by any agency or corporation of the United States Government with respect to loans made and credits extended to the Polish People's Republic, unless the Polish People's Republic has been declared to be in default of its debt to such individual or corporation or unless the President has provided a monthly written report to the Speaker of the House of Representatives and the President of the Senate explaining the manner in which the national interest of the United States has been served by any payments during the previous month under loan guarantee or credit assurance agreement with respect to loans made or credit extended to the Polish People's Republic in the absence of a declaration of default.

SEC. 206. Notwithstanding any other provision of law, the amounts appropriated for fiscal year 1982 under Public Law 97-51 (as amended by Public Law 97-85) and Public Law 97-92 (as amended by Public Law 97-161) for purposes of section 340 of the Public Health Service Act shall be available for funding grants and contracts under such section in areas that are not urbanized areas and in urbanized areas.

SEC. 207. Notwithstanding any other provision of this Act, any other Act, or section 413D of the Higher Education Act of 1965, the Secretary shall apportion the sums appropriated pursuant to section 413A(b) of the Higher Education Act of 1965 for the fiscal year 1982 among the States so that each State's apportionment bears the same ratio to the total amount appropriated as that State's apportionment in the fiscal year 1981 bears to the total amount appropriated pursuant to section 413A(b) for that fiscal year: *Provided*, That the Secretary shall allocate sums to institutions in each State notwithstanding section 413D(b)(1)(B)(ii)(I) of the Higher Education Act of 1965.

SEC. 208. Notwithstanding any other provision of this Act, any other Act, or section 442 of the Higher Education Act of 1965, the Secretary shall allot the sums appropriated pursuant to section 441 of the Higher Education Act of 1965 for the fiscal year 1982 among Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the States (including the District of Columbia and the Commonwealth of Puerto Rico) so that the allotment of Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and each State (including the District of Columbia and the Commonwealth of Puerto Rico) bears the same ratio to the amount appropriated as the allotment of Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgina Islands, and each State (including the District of Columbia and the Commonwealth of Puerto Rico) for the fiscal year 1981 bears to the total amount appropriated pursuant to section 441 for that fiscal year: *Provided*, That the Secretary shall allocate sums to institutions in each jurisdiction notwithstanding the second sentence of section 446(a) of the Higher Education Act of 1965.

SEC. 209. The Secretary of Education and the Director of the National Institute of Education shall not terminate any long-term special institutional agreement (or any other grant agreement or contract which incorporates by reference such long-term special institutional agreement) which—

(1) was entered into under section 405(f) of the General Education Provisions Act, relating to laboratories and centers, and

(2) is in effect on the date of enactment of this Act.

Prior to the original completion date established by such long-term special institutional agreement (or any other grant agreement or contract which incorporates by reference such long-term special institutional agreement).

SEC. 210. (a) The Secretary of Agriculture shall initiate construction on not less than fifteen new projects under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.) during fiscal year 1982.

(b) Any project proposed for construction pursuant to the Act referred to in subsection (a) and submitted to the Director of the Office of Management and Budget for review shall be deemed to be approved by the Director unless disapproved by him within ninety days after submission.

SEC. 211. (a) Subsection (a) of section 112 of the Act of December 15, 1981 (95 Stat. 1194), is amended by inserting after "in connection with a qualified issue" the following: ", except to the extent such funds are used in connection with the consideration or granting of an exemption from the application of such revenue ruling or regulation under proposed income tax regulation section 1.103-7(b)(6)(ii) or any similar statute or regulation".

(b) Subsection (d) of section 112 of the Act of December 15, 1981 (95 Stat. 1196), is amended to read as follows:

"(d) It is the sense of the Congress that after August 23, 1981, the Secretary of the Treasury or his delegate, in all cases, should enforce any revenue ruling or regulation described in paragraph (1) or (2) of subsection (a) in a manner consistent with the provisions of this section. Nothing in the preceding sentence shall prevent the Secretary of the Treasury or his delegate from granting or considering an exemption from the application of such a revenue ruling or regulation under proposed income tax regulation section 1.103-7(b)(6)(ii) or any similar statute or regulation.".

SEC. 212. Not withstanding any provision of this or any other Act, none of the funds appropriated for the Department of Labor,

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Mine Safety and Health Administration, shall be used to classify a mine in the potash industry as gassy based upon air samples containing concentrations of methane gas, unless such classification standard has been adopted through formal rulemaking on or after November 5, 1981.

SEC. 213. None of the funds provided in this or any other Act shall be used to implement an apportionment and staffing plan to specifically phase down the Public Health Service Commissioned Corps.

SEC. 214. The Department of Agriculture, U.S. Forest Service, within available funds, shall expend not less than $1,000,000 for research on the cyclocrane concept of a lighter-than-air heavy lift vehicle for use in logging operations.

SEC. 215. (a) The last sentence of section 162(a) of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by inserting ", but amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of $3,000" after "home".

(b) Paragraph (4) of section 280A(f) of such Code (relating to coordination with section 162(a)(2)) is amended to read as follows:

"(4) COORDINATION WITH SECTION 162(a)(2).—Nothing in this section shall be construed to disallow any deduction allowable under section 162(a)(2) (or any deduction which meets the tests of section 162(a)(2) but is allowable under another provision of this title) by reason of the taxpayer's being away from home in the pursuit of a trade or business (other than the trade or business or renting dwelling units).".

(c) Subsection (a) of section 139 of the Act of October 1, 1981 (95 Stat. 967), is hereby repealed.

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 216. For an additional amount for National Guard Personnel, Army, such amount as is necessary to make 850 man-days available to the Kentucky Army National Guard to implement and operate the Medical Assistance to Safety and Traffic program in Kentucky through August 1, 1982, to be derived by transfer from Operations and Maintenance, Army National Guard.

SEC. 217. (a) None of the funds which are made available by this or any other Act shall be used to study, plan, or implement the termination of the operation of the Southwestern Indian Polytechnic Institute located in Albuquerque, New Mexico, in fiscal year 1982.

(b) The Secretary of the Interior shall use funds made available to the Department of the Interior under the Act of December 23, 1981 (95 Stat. 1391), to operate Southwestern Indian Polytechnic Institute through fiscal year 1982.

SEC. 218. Notwithstanding the provisions of section 4(b) of the Federal-Aid Highway Act of 1981, and section 102(c) of the Federal-Aid Highway Act of 1976, the Secretary may approve the use of interstate construction funds authorized by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, on projects for resurfacing, restoring, rehabilitating, and reconstructing the Interstate System in accordance with the provisions of 23 U.S.C. 119, or for those purposes for which funds apportioned under 23 U.S.C. 104(b) (1), (2), and (6) may be expended, in a State which received no more than one-half of 1 per centum of the total apportionment under 23 U.S.C. 104(b)(5)(A) for the fiscal year ending September 30, 1983, where necessary in order to fully utilize funds apportioned under 23 U.S.C. 104(b)(5)(A) through the fiscal year ending September 30, 1982, but within the obligational limitation established by section 3 of the Federal-Aid Highway Act of 1981.

Mr. HATFIELD. Mr. President, I would like to just very briefly give a resume of where we are and what we hope to accomplish. We have passed the urgent supplemental No. 1, which was vetoed by the President. We have passed the urgent supplemental No. 2, which was vetoed by the President. The House has sent us over the urgent supplemental No. 3, commonly referred to as the skinny supplemental because it was greatly reduced from supplemental No. 1 and supplemental No. 2. I recall for the Senate that the major difference between supplemental No. 1 and urgent supplemental No. 2 was that we deleted the Lugar housing amendment in supplemental No. 2, which was a figure of about $3 billion.

Now we come up with an effort to resolve this difference with the White House, and, Mr. President, I think that a number of people like myself and others had assumed that the urgent supplemental No. 3, commonly referred to as the skinny supplemental or the stripped down supplemental, would be signed by the President because of the modified figure.

When I asked Mr. Stockman to come to the Senate Appropriations Office this morning to deal with the administration eyeball to eyeball, I learned very much to my amazement that Mr. Stockman conveyed to me his expectation to advise the President to veto supplemental No. 3 if the Senate acted upon it and sent it down to the White House. He gave various reasons.

He indicated to me that, therefore, we had to start from a basic building of a supplemental in a joint effort with both the House as well as both sides of the aisle and also with the White House. So for a major part of the morning hour, Mr. Stockman and I worked out—and I take full responsibility for those who may not be pleased with the product—what would be a compromise. On finishing that compromise, I asked Mr. Stockman to provide for me a letter of intent as it related to the options before the Senate. That is, a letter of intent of what his counsel would be to the President on the third supplemental passed by the House and pending before the Senate, and what his advice to the President would be relating to the compromise.

In order to make the record complete, I would like to read into the RECORD the response from Mr. Stockman which I received shortly after noon addressed to me as chairman of the Appropriations Committee. This is dated June 29, 1982.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., June 29, 1982.

Hon. MARK O. HATFIELD,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: You have requested my comments on H.R. 6685 and on your proposals to amend this version of the Urgent Supplemental Appropriations bill for fiscal year 1982.

With respect to H.R. 6685, I would not recommend to the President that he sign the bill if the Congress were to pass it because:

It does not provide the funds identified by the Administration as being urgently required to maintain necessary agency operations.

By providing additional supplemental funds for other programs, it adds $350 million to the amount requested by the President.

It provides insufficient budget authority even for those programs included in it by making them available only until July 20, 1982. This is a too short, unworkable period.

On balance, the compromise bill that you have proposed represents a substantial improvement to H.R. 6685.

It reduces substantially the $994 million that the recently vetoed larger urgent supplemental bill, H.R. 6682, would have added to the President's request.

It eliminates the unworkably short date of July 20, 1982 and appropriates funds for the remainder of the fiscal year.

It restores H.R. 6682's rescission of $1.6 billion in budget authority for subsidized housing and thereby will contribute significantly to the reduction of future outlays.

Overall, the proposed compromise provides needed budget restraint in future years.

This compromise bill is largely what the Administration requested—an urgent supplemental bill that is substantially free of extraneous provisions. Were it to be approved by the Congress in the form proposed without additional amendments or unrequested funding, I would recommend to the President that he sign it.

Sincerely,

DAVID A. STOCKMAN,
Director.

Mr. President, basically, let me use the so-called skinny urgent supplemental that we have pending before us, passed by the House of Representatives before they recessed for the July 4 holiday, to indicate how it compares to the so-called compromise bill that I worked out this morning with the Director of the Office of Management and Budget, have presented to the Appropriations Committee of the Senate, and had a general assent from the committee for passing this bill, a bipartisan assent from both sides of our committee membership.

First of all, we have, as was indicated in Mr. Stockman's letter, moved the date to be inclusive of the remaining period of this fiscal year. In other words, we moved the July 20 date and indicated that it will be September 30.

No. 2, we took the rescission of $1.6 billion for subsidized rental housing that had been included in the supple-

mental No. 1, that had been included in the supplemental No. 2, but in the third supplemental that rescission was not incorporated. So we reincorporated the $1.6 billion of rescisssion moneys on subsidized housing.

No. 1, we took from the House version, the No. 3 version, the $150 million in Ginnie Mae funding. We removed that House amendment.

What we did also was incorporate all of the bill language. In other words, the agreements had been worked out from the Senate and the House subcommittees on MSHA, OSHA, these others—Polish war debt. We include all of that bill language in this compromise package.

The next thing we did was add to this the two urgent requests of the White House that were not included in the so-called skinny or third version of the House supplemental. That was the administration's request for administrative funds to fund the administration of the Departments of Commerce and Education. Mr. President, those are the basics that we have modified between the third House supplemental and this compromise package.

In addition, we added back to the vehicle now pending through this amendment, the third version of the House, the following funds. I am going to read these slowly in case anyone wants to ask questions. If they will make a note, I would like to wait until I get through the entire list to answer questions.

We added the full funding for the food stamp program, which is a total of $1 billion. We added health services for the Health Service Administration—maternal and child health care, community health centers, university-affiliated facilities. That was a total of $60 million.

We added the work incentive program, which was a total of $57.6 million.

As I indicated, we added the request of the administration for the Department of Education administration of $5.6 million. We added $2 million to fund the Action program at a higher level.

We added the moneys for the Corporation for Public Broadcasting, $24.4 million.

We added the President's Commission on Medical Ethics, $309,000. That is an item, by the way, from the administration.

We added $17.5 million for the Coast Guard. The budget request was $30.5 million, but we had enacted a $48 million figure, and now we are at this level in this compromise, $17.5 billion. These are figures that we feel are meaningful and that can allow the Coast Guard to function, at least, at a reasonable level pending further action.

For the Customs Service, we added $14.8 million. That is a partial request.

For the Federal aid highways, we added $19 million. To put that into some kind of framework, that was down from $91 million that we had in originally.

For the GSA Inspectors General, we added back $500,000. That is part of a request.

For the Merit Systems Protection Board Special Counsel, $238,000; again a partial request.

For the Commerce Department, general administration—this was a request of the administration—$3.1 million.

For the EDA salaries and expenses, $3.5 million.

For the Corps of Engineers emergency dredging program, $40 million.

Mr. President, that, in effect, in outlays represents $390 million in budget authority.

Let me indicate some of the things that are not in the compromise package, which I know is of interest to many Senators. Let me say that in going over these many items with Mr. Stockman, I tried to keep in mind the various Senate amendments that had been offered and adopted by the Senate, either in conference or directly by the Senate commmittee and on the floor. I very desperately attempted to make a broad-based incorporation to cover as many bases as possible with Senators who had many deep commitments and interests in these subjects. Obviously, I could not include all of them.

I must say that what I did include and what I did delete in the compromise with Mr. Stockman was strickly a judgment call on the part of one person. I am not suggestion that, because I think this is a good package and I think I am right, I believe that anyone who disagrees is wrong. I merely wanted to make it very clear that we cover as broad a base as possible.

We do not have included in this the employment and training amendment, which was a total of $63 million. This was a summer job program, commonly referred to.

It did not include the community services for older Americans, which was a committee amendment of $211 million. It did not include the $1 million for health services for nurses programs.

It did not include the $23 million for refugee programs.

It did not include, as I indicated before, the GNMA program of $150 million. But we did retain the $198 million for low-income housing.

It does not include the interstate transfer grants that were included by the House for $12 million.

It did not include the U.S. Secret Secret Service committee amendment of $3 million. It did not include the payment to Postal Services of $62 million. It did not include the National Archives addition of $6.5 million.

It did not include the Lugar amendment, of course, of $3 billion, or the initial Lugart amendment of $5 billion.

Let me indicate one additional factor that may have some bearing on the action we take on this particular vehicle. Mr. Stockman asked if agreeing to this package in a sense would mean simply that he was delaying the action the Senate would take on the regular supplemental that was coming down the track, that we expect to have before the Senate Appropriations Committee, perhaps within a short time after the Fourth of July recess. He said he did not want to agree to this if it meant we were only delaying those actions in order to put them onto the regular supplemental.

I assured Mr. Stockman that I felt there were at least two—namely, the Postal Service amendment offered by the Senator from North Dakota (Mr. BURDICK) and the refugee supplemental of $23 million offered by the Senator from Florida (Mr. CHILES) and others—because those problems would not go away. Therefore, where we might not include them in the urgent supplemental, there would be, in all likelihood, that issue raised on the regular supplemental after the recess. I want the Senators to know that I in no way inhibited or set into a position of prejudice these amendments in which they have this deep concern.

I did indicate to Mr. Stockman that I would do my level best to hold the general overall figure of the regular supplemental down, that I did not want him to believe that we were playing games any more than we wanted them to play games with us; that when the regular supplemental came along, I would certainly give every effort I could as one person, with one vote—that is all I have—in terms of trying to stay within the overall target figures; but in no way did I set into jeopardy any of the amendments that are not included in this urgent supplemental as far as the bias or any other jeopardy they might be placed in to be considered under the regular supplemental.

Again, when I look at the options that we have before us, we have sent two supplementals down to the White House. The President has demonstrated that he has enough clout to get a veto of both of them sustained and, in turn, give us a clear statement here—through Mr. Stockman, at least—that the third supplemental passed by the House would not be acceptable.

Mr. President, I want to make it amply clear that I do not care whether it is Ronald Reagan in the White House or whether it is Jimmy Carter or whether it is a Republican or a Democrat. I do not believe that the U.S. Congress should be rolled over or become a rubberstamp for any President any more than I believe the

Senate should play dead and merely take as the final product anything that passes the House. I think we have the system and the institution to consider, and that is that we are a coequal branch of Government. We are part of the legislative process and, more importantly, we are the appropriating process primarily and the President plays a secondary role to the primary role played by the Congress.

Now, we could have adopted this House-passed bill very easily, but bear in mind it does not include but one Senate amendment, and it very neatly obliterated all the other Senate amendments. I feel very strongly that the ultimate product that we send to the President to be considered for either approval or disapproval ought to be the composite work of both Chambers.

This compromise package in a sense represents that kind of a product. It is not everything the House wants; it is not everything the Senate wants, but it is one that the President has indicated he will sign. It is more than what the President requested. Therefore, we are not playing dead for the President as the Chief Executive of the executive branch of Government to roll over us as members of the legislative branch of Government, because we have incorporated here not only dollars that are beyond the President's request but dollars that will ultimately have to be asked for by the President. My view is let us not play games with American people by going through two or three steps of appropriating a supplemental when we know ultimately what we have to appropriate in the long run. Let us put it right up front, and that is what we have done in the Senate amendments.

I feel that it meets my criteria at least as one Member of the Senate, and I only speak as one Member, when I say that it incorporates views of the House, views of the Senate, amendments offered by Democrats in the Senate, amendments offered by Republicans in the Senate. It includes requests made by the President and requests not made by the President. It includes rescissions asked for by the President and rescissions not asked for by the President. It includes all of these various components of an appropriation measure that represents the broadest base possible to develop under the exigencies of the time.

Again, I want to state this just as a matter of fact, not in any way to indicate a threat or that we have reached a place where we are dealing with fiats and not legislation. I am fully persuaded that if we in any way change the overall general total figure of this bill we are not going to get a Presidential signature.

I believe in all of my efforts at least that I have pushed as far as I can to accommodate all of the Senate amendments that were in supplemental I and supplemental II but bear in mind none of which, except for the Proxmire amendment, were in supplemental III passed by the House.

I think, therefore, as one of the managers of the bill I have to resist offers of amendments and suggest to Senators that without bias or prejudice they withhold their efforts to amend this bill, to consider those matters before the regular supplemental that we will have shortly after the fourth of July recess.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I am very concerned about this procedure. I have great admiration for the manager of the bill, the chairman of the Appropriations Committee (Mr. HATFIELD). I think he has done an extraordinarily thoughtful and careful job of trying to work something out that would be acceptable to the President and also acceptable to the Senate and hopefully acceptable to the House.

On the other hand, I do think that there are problems before us. This is the third supplemental appropriation bill this body has taken up within the last 6 days. I cannot remember a time when we have acted on so many versions with so many vetoes coming right together.

On Wednesday, June 23, we considered H.R. 6645. That was a measure that passed the House with the same provisions as those contained in the pending legislation with a notable exception—H.R. 6645 did not contain language restoring the $3,000 ceiling on Members' business expense tax deduction. The bill before us today includes that provision. H.R. 6645 was derailed when it became clear that the Senate was going to add a series of amendments that would pretty much conform the bill to H.R. 4922, an urgent supplemental that was pending before the House.

Rather than waiting to receive an amended version of H.R. 6645, the House decided to approve H.R. 5922 and sent it on to the President. As we all know, that bill was vetoed. Then on the following day, June 24, we took up H.R. 6682. That version of the supplemental contained all of the provisions of the vetoed bill except for a $3 billion housing stimulus initiative. But it provided the President with $1.35 billion more in budget authority than he requested and was also vetoed.

Now, that bill had passed the House originally by 267 to 106, and it was no surprise when the House failed to act to pass it over his veto.

At any rate, here we are again today with another urgent supplemental which has been dramatically stripped down, which passed the House by 342 to 25. In other words, it passed the house 12 to 1. The opposition was obviously nominal, and I think there is some question as to whether, if we pass it, the President would veto it, since he is a realist, and if he did veto it the House would sustain his veto. Maybe this body would have a different view, maybe not.

It is true, as the manager of the bill has pointed out, this still provides the President with substantially more budget authority than he has requested.

The chairman of the Appropriations Committee (Mr. HATFIELD) has given us a fourth version and a version that incorporates the amendments that the Senate very much wanted to have enacted. H.R. 6685, as amended, would exceed the President's budget request by about $687 million, which is about twice as much as the bill, as amended, would have exceeded in budget authority, and $169 million in outlays.

There is a reason for that, and that is because we have a food stamp matter here that undoubtedly is sort of begging the question. Nevertheless, the fact is that this bill would exceed the President's request in both budget authority and in outlays.

Mr. HATFIELD. Will the Senator yield at that point?

Mr. PROXMIRE. Yes.

Mr. HATFIELD. Will the Senator not agree that what he has done is he has scored $322 million there of guaranteed student loan funds that are entitlements, that are really not scored in terms of the appropriated funds? So that we are really at $390 million, not $600 million, because the figure that the Senator used there of over $600 million really includes $322 million of entitlements.

Mr. PROXMIRE. May I say to my friend that I am using the table which the committee has supplied which has at the top "Budget Authority Appropriations Presidential Request $4.5 Billion, H.R. 6685 With Amendment 5.287 billion," and the net figure, which is a $687 million difference.

Mr. HATFIELD. Yes, but that sheet does not spell it out in detail. What that first figure does include is $322 million in guaranteed student loan funds which are entitlements and really, therefore, are not scored in terms of comparing it to the overage from the President's request.

Mr. SCHMITT. Will the Senator from Wisconsin yield?

Mr. HATFIELD. Mr. Stockman made very clear to me this morning again that that is not scored in that way so we are really at $390 million.

Mr. PROXMIRE. I understand the difference, and I am very grateful to the chairman for explaining it. However, the figure here is $687 million. I think that the chairman has made a

proper explanation of the reason for the difference.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SCHMITT. I would substantiate that. We have worked it out with the administration—speaking now as chairman of the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies—that the entitlement amount is the higher value, the $1.3 billion.

Mr. PROXMIRE. In outlays, however, the effect would be $169 million over the President's figure, and that is about the way it would score out.

Mr. HATFIELD. That is correct.

Mr. PROXMIRE. A large portion of this increase is accounted for by an unbudgeted $198 million for public housing operating subsidies, $60 million for health services, $57 million for the work incentive program.

However, the bill also includes funds that are vitally needed for the continuous operation of parts of the Federal establishment. For example, it includes salary money for thousands of Federal workers who either have been or will have to be furloughed if the dollars are not provided. It appropriates a whopping $2.4 billion for waste treatment construction grants, funds that will give the hard-hit construction industry a shot in the arm, but funds which must be provided soon if they are to be used productively before the end of the current construction season.

I sympathize with the position of the Senator from Oregon, and I would like to support him. My only problem is the position in which we put the House. They have passed this overwhelmingly, by a vote of 382 to 25, or something like that. It was by a smashing margin.

Now we seem to be coming back with a version that is different, and they may feel that they are put in the position—since they are out now and would have to come back in order to act—that if they accept this, they would be rubber stamping the President. He has vetoed them twice.

We have come up with a skinny bill they have passed by 12 to 1. They indicated in the House colloquy, which I have just read, that they anticipated that the President would sign this. It is not perfect, but it comes closer than the previous initiatives.

Under the circumstances, I can understand why they might feel that they are being put into an unfortunate position in which the President is insisting on virtually everything.

Mr. HATFIELD. Mr. President, I appreciate the Senator's remarks.

I respond by saying that I am concerned with the other Chamber and its position. We have tried to keep the other body informed all along the way in the steps we have taken; in fact, we have submitted to them copies of this.

I have talked on the telephone with Chairman WHITTEN, the chairman of the House Appropriations Committee, indicating to him how we were trying to extricate ourselves from this situation. I am not here to report any commitment he made, because he had to have time to look it over and meditate upon it.

However, I say to the Senator from Wisconsin that I think another institutional issue at stake here is that the general public does not necessarily perceive the intricacies of our procedures. They see, in effect, a badminton court with the supplemental as the shuttle-cock being batted back and forth between the House and the Senate, then down to the White House, and back up to the Hill; and they do not delineate necessarily between appropriation bills and supplementals and budget resolutions, and so forth.

On my recent weekend at home, I found that a lot of people are really a little less than pleased with the performance of Congress and the White House, and the Government in general, in not reaching conclusions and resolving these issues.

I am not sure that the record we have made is one we want to remember. However, as the Senator from Wisconsin has indicated, within 1 week we have had vetos on two separate supplementals; and I think I have a fairly good statement here that would indicate a third veto on a third House-passed supplemental.

We need not go through that particular exercise if we see fit to adopt a proposal that has been at least committed to by the Chief Adviser to the President as one that would be acceptable.

The ranking minority member of the committee has indicated that we have had these add-ons from the Senate side, and we have reduced the House version by one amendment. In other words, yes, we had a House version with only one Senate amendment, and we have added back some other Senate amendments and deducted one of the House amendments to develop some kind of balance.

I feel, therefore, that we are serving the institution by trying to solve this as soon as possible.

I am not an expert in the House rules, but I understand that the House is coming back in pro forma session. If the House leadership should determine, after talking with various Members of their body, that it was acceptable, they could pass this in the House of Representatives under a pro forma circumstance. If the House chose not to do so, the House then would have to consider returning to the Hill, returning from their recess.

The ball is now in our court. The ball is in the Senate court, with this third House measure. If we should choose to pass it and send it to the White House, let us bear in mind that before the House could act upon it, we would be almost at the end of that supplemental date. That is the July 20 date, and the House does not return from recess until the 12th or 13th, and we are right up again.

So, even if the House should choose to override—let us say that the House, by that big margin, chose to override the President's veto on the third supplemental—we are right up against the July 20 date. Where would we be, going back to a fourth supplemental, or by that time hoping everything could hold together by baling wire until we could get the regular supplemental down the track?

I think we have put ourselves in a very untenable position. By trying to consider such a vehicle—even if we agree with all its components or it had a deadline or a lifetime of July 20—I find it most difficult, as chairman of the Appropriations Committee, to make logic out of how we can deal with these issues with that July 20 date and a veto facing us on that vehicle—according to Mr. Stockman's letter, at least—and then coming back on the 12th or 13th of July.

Again, I think we have put the institution in jeopardy further with respect to public esteem and public understanding of the mystery of our procedures.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. SCHMITT. Mr. President, I wish to underscore the remarks of the Senator from Oregon and to compliment him on his analysis of the situation. He had done a remarkable job of protecting the interests of all the institutions—the House, the Senate, and the White House—in coming to this compromise with the administration.

Also, he illustrates what the House should know—that there are limits to how much the Senate can accept from the other body.

So I think the chairman has done exactly the right thing. It is a good balance. There are a number of items that I and members of my subcommittee would like to have seen included. We will be dealing with those matters in the context of a regular supplemental bill, and I anticipate that some accommodation can be made at that time.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield to the Senator from North Dakota.%147.9

Mr. BURDICK. I thank the Senator from Oregon.

Mr. President, as Senators know, the Senate has twice passed urgent supple-

mental appropriations bills each of which included $62 million to roll back postal rates for nonprofit mailers to 1981 levels. Unfortunately, the President chose to veto both of these bills and to single out the postal rate amendment as a provision to which he took particular exception. The President's position on this matter is somewhat incongruous since he is a leading advocate of having many of the same private charitable and nonprofit groups who would benefit from this subsidy pick up the financial burden for Federal social programs that are being cut back by his administration. In addition, the amendment also changes current law so that third class mailers will not have to absorb in the future the entire shortfall between what the Postal Service needs for revenue forgone and what the Congress actually appropriates.

The absence of the postal rate provision in H.R. 6685 should not be interpreted as a lack of concern by the Congress about these rates. I fully intend to offer the same amendment which was part of H.R. 5922 and H.R. 6882 to a subsequent supplemental fiscal year 1982 appropriations bill which I understand will be considered by the Senate in the very near future. Since I am told that the inclusion of the postal rate amendment in H.R. 6685 along with other amendments would result in a third veto by the President, I do not want to jeopardize the absolutely urgent items in this bill such as funds to mail checks to social security recipients. However, my colleagues should be aware that this issue is very much alive and that it is of tremendous importance to religious, agricultural, educational, and veterans organizations throughout the country. The Senate has committed itself to assist these groups with their dramatically rising mailing rates, and that commitment shall not be forgotten.

Mr. HATFIELD. Mr. President, I thank the Senator from North Dakota because the Senator waged one of the most intense battles we had in the Appropriations Committee session on this supplemental on behalf of the Postal Service problem. I know that the Postal Service owes him a great debt of gratitude for that battle.

Later on, in fact, what started out to be an adversarial relationship between the Senator from North Dakota and the Senator from Alaska (Mr. STEVENS) turned into a joint effort and Senator STEVENS indicated to me today at an earlier meeting that he was going to stand with the Senator from North Dakota on that matter. He, in our committee meeting, made that issue.

I do feel that the Senator from North Dakota has seen the difficulty we are in, collectively, and how we possibly could extricate ourselves from it at this time. As indicated earlier, I said to Mr. Stockman directly, using the name of the Senator from North Dakota, Senator QUENTIN BURDICK, that he was not going to feel any more than I felt or anyone else that this issue is going to go away, that Senator BURDICK would not let it go away, and that we had to face up to that down the road on that regular supplemental.

So the OMB is alerted to this and, as I indicated earlier, without bias, without prejudice, our committee is going to consider that in the regular supplemental, and I am very grateful for the cooperation of trying to get this situation settled now on this particular vehicle that the Senator has refrained from offering that substitute.

Mr. STEVENS. Mr. President, the constant changing of postal rates for the nonprofit ratepayer, whether second, third, or fourth class, makes no sense whatsoever. This yo-yoing of rates, as I call it, has concerned me for some time because of the problems it is causing mailers. Because of this fact, some mailers are even considering alternative means of delivering their messages other than through the U.S. mail.

The U.S. mail is the most efficient form of communication nonprofit mailers can use. But, if the rates are going to be constantly moving up and down, the added expense and frustration of dealing with such inconsistent rates will ultimately drive mailers away. It would be a tragedy, both for the Postal Service and more importantly for the mailers themselves if this should happen. The Postal Service should be the most economically efficient means of communicating with the American people.

I feel very strongly that the $62 million that was contained in H.R. 5922 should be added to a supplemental appropriations bill, but not necessarily this one. I intend to cosponsor and fully support that amendment, at the appropriate time for its consideration. There is always an element of risk in passing up an opportunity to add an amendment to a bill such as H.R. 6685. However, in deference to the sponsors of various components of this bill, which are absolutely essential, I, too, will refrain from pursuing our amendment of this time.

Even if successful, the timeframe covered by H.R. 6685 is rather short and, in fact, if passed would cause rates to drop and then go back up again if for some reason the third supplemental fails. I know the Postal Service does not want the administrative nightmare of restructuring rates for a 2- or 3-week period and I do not believe the mailers want that either.

I have checked with some of the Washington representatives of nonprofit third class mailers and they have affirmed they do not relish the prospect of lower rates for a few weeks if it means the possibility of a dramatic increase a short time later. It would cost the affected mailers more in administrative costs than they would save by a lower postal rate for a short period of time.

Mr. HATFIELD. I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, I publicly thank the very distinguished and able chairman of the Appropriations Committee for explaining to the Senate what is being proposed here.

But before we proceed there is a question or two on my mind that was raised further by the Senator from Wisconsin, the ranking minority member on the Appropriations Committee. A major concern that I have here is that as we seem to proceed with all kinds of legislation we have a 51st Member of the Senate without portfolio in the name of Mr. Stockman who seems to sit in on almost all of the deliberations we have on either the Budget Committee or the Appropriations Committee. I publicly object to that.

I certainly think that it is entirely appropiate for any Member of the Senate or any Member of the House of Representatives to check with the Director of the Office of Management and Budget with regard to their views which supposedly are the President's views with the possible exception of articles in the Atlantic Monthly. But I do object to the fact that time and time again I see the Director of the Office of Management and Budget flittering about as if he were a Member of Congress. He is not a Member of Congress and, I think, if we are going to start to protect our bodies here as I know that the chairman of the Appropriations Committee and others are very sincere in doing, it is about time that we put the Director of the Office of Management and Budget, whoever he is, under any administration, back over where he belongs. It may be that he came over at the invitation of the chairman of the Appropriations Committee, and if that indeed is the case then it might be that my remarks might be out of line. But it seems to me that wherever we go on appropriations to the Appropriations Committee or the limit on overall appropriations in a Budget Committee, Mr. Stockman seems to play an all-too-prominent role that should be, it seems to me, reserved to the elected Members of the House of Representatives and the Senate.

So I just ask my distinguished friend and colleague from Oregon: Was Stockman there at the invitation of the Senator from Oregon?

Mr. HATFIELD. Yes, he was.

Mr. EXON. And the Senator felt that the suggestions that he had made were not different from the role that he played over on the House of Repre-

sentatives when not one but three emergency supplemental appropriations came through?

Mr. HATFIELD. I say to the Senator from Nebraska I do not know what role Mr. Stockman played on the House side. But I do want to say this: This is the first time Mr. Stockman has been in my office during this whole period in which we have been dealing on the question of the supplemental. In fact, I have not talked to Mr. Stockman until this morning. I have seen Mr. Stockman in leadership meetings over at the White House. We have said good morning and that is about it. I have not discussed one policy matter and I have not discussed one appropriations matter with Mr. Stockman until this morning. He came to the office at my request because it seemed to me that since he was the President's chief budget adviser and that we had already gone through two vetoes, and I was assuming that we might pass the skinny one and get by with it, I thought it was time that we tried at least to resolve the differences on an eyeball-to-eyeball basis rather than through the veto stamp and the public press.

It seemed to me we had reached a point where we had to establish a little bit of communication.

But I say to the Senator I could not agree with him more in terms of this being an independent coequal branch of Government. I made those remarks early on in my own statement. But I also recognize the mixing of powers. There is the separation but there is the mixing of powers. We cannot avoid the role of the President. That is part of the constitutional process.

It does seem to me when we have reached what appears to be an impasse between two branches of Government, the legislative and executive, that in times past, since I have been in the Senate at least, we have sought a solution through some kind of an eyeball-to-eyeball meeting with the President. I have been with members of delegations of the Senate that have gone downtown to the White House and said to the President where we were in an impasse situation on a policy or an issue of an appropriation, how can we work it out? And so this is really in line with that procedure.

But as far as anytime in this session dealing with this particular supplemental question, this is the first time I have spoken to Mr. Stockman. It is the first time he has spoken to me about an issue and he came at my request.

Very frankly I kind of regretted this morning after we finally got this finished that maybe I should have called him earlier not because he is a 51st Member of the Senate, no, but because I know that he plays an important role in how the President is going to respond to the product that we finally develop and send down to the White House.

I do not find that we have to have an adversarial relationship in order to maintain the separation of powers. But by the same token I do say again that I think this is more of a product of the two sessions of the two Houses of Congress and we prevailed.

Issue after issue that we added back here from the Senate side of Senate amendments were initially opposed by Mr. Stockman and especially those in the welfare areas, such as maternal and child care, the work incentive programs, the ACTION programs, and so forth.

But this discussion with Mr. Stockman was no laying down and playing dead. We prevailed. I do not say this in an effort to brag, to boast, that I have done battle with Mr. Stockman and won, but I did win, I think, some very significant arguments and debates and discussions with him in order to get his commitment, so to speak, to advise the President to sign the bill.

Talking to Senator LEAHY, who has very great feeling about the $60 million for maternal and child health care, and talking to others who have feelings over different amendments, Democrats, as I say, and Republicans, these Senate amendments were all well-battled and well-fought and incorporated in our product, and here they are still in this compromise product.

Mr. EXON. I thank the chairman of the Appropriations Committee.

I would just like to add, though, it seems to me that we keep running up against deadlines. We do indeed have eyeball-to-eyeball confrontation with the White House every time we are about to go on recess.

It seems to me if the White House were in true good faith—as I would like to believe they are—then they would have been making suggestions to the House of Representatives before they went home. I think all here understand there was a high probability that the first emergency supplemental would be vetoed; there was a belief that the second emergency supplemental might be signed.

I would say to my friend from Oregon I believe almost everyone in the House of Representatives believed before they went home that the backup third emergency supplemental that was sent over here would be one that could be agreed to and signed by the President of the United States, and then they went about their business.

If we are talking about protecting the prerogatives of both the House of Representatives and the Senate, I think we should realize and recognize that taking the action that we are about to take here, what we are doing is extending from July 20 to what, some time in September—we are making some rather major changes in all of this, it seems to me, and I would only suggest that maybe it is the only possible compromise change that could be worked out so that everyone could have the majority of their wills protected.

I would only say I hope in the future we would not be putting off these important decisions until the last hour of the last day before we leave for recess. Since the Senator from Oregon has been here a lot longer than this Senator, I suppose it is old hat. But it seems to me bad government that almost every time we are about to go on recess we are here usually until the wee hours of the morning coming up against some kind of a deadline, and I suggest that is not adequately protecting the prerogatives either of the House or of the Senate or, for that matter, the President, because the will of one is being played off against the other.

I would simply say I hope we would be able to plan a little bit better in the future. I am not saying this as indicating in any way that the distinguished chairman of the Appropriations Committee has not leaned over backward, as he always has, to bring this about. But I say to the leadership of the House, the leadership of the Senate, the minorities in both of these bodies, that indeed if we want to carry out the duties we are assigned under the Constitution that we should do that in a more orderly fashion than it seems to this Senator we ordinarily do.

I yield the floor.

Mr. HATFIELD. Mr. President, I would like to associate myself with the remarks, the last observations, of the Senator from Nebraska.

I want to assure the Senator there is no time when I feel more frustrated in my whole legislative career than when I find under these deadlines that, as the chairman of the Appropriations Committee, I have to present to the Senate these decisions.

I think if we are careful in our observations, we will have to admit that some of them are of our own making, some of them are of the other body's making. How many times have they finalized something, sent it over to us, recessed, and here we are with a few hours against the clock to take it or leave it because if we did not take it, then we are guilty of stopping the Government?

How many times has the White House said to us, "If we do not get this action done by such and such date, we will have to RIF so many employees and bring the Government to a halt"?

At other times, when we have piggybacked nongermane issues that are so emotional, such as abortion, such as school prayer, and such as busing on an appropriation measure, and during which we have bogged down the whole appropriations process, for 5 months

on one occasion, how many times have we done that?

So you look at the whole picture and you see it is caused sometimes by our own failure to recognize the orderly procedure by which appropriations should move; sometimes we are facing legal deadlines, that is, deadlines that are set in by law. How many times have we faced the debt ceiling limitation problem against a midnight hour, and appropriations decisions as well?

So I want to tell the Senator I hope he will join, and I will join with him, if he has some ideas of how we can prevent this and be able to exercise the appropriations process in a business-like, orderly, calm, nonhurried way.

I tried to do that by taking the abortion issue off the appropriation bill in committee, but found the Senate floor had decided it should be on it, so they put it back on after a long debate.

So I have tried different tactics and have not been successful. Therefore, I welcome suggestions and recommendations.

Mr. EXON. Mr. President, will the Senator yield for one last question?

Mr. HATFIELD. I would be happy to.

Mr. EXON. I say to my friend from Oregon quite frequently we agree, and here we agree once again, and I thank him for his statements.

I am convinced that people do not understand and become very impatient with what they see as a ball being batted back and forth, and all too frequently they are right in thinking it is for political reasons of one type or another.

The question I would like to pose to my friend from Oregon is: Does he think the Founding Fathers envisioned this kind of government?

Mr. HATFIELD. I think the Founding Fathers envisioned a government with a Congress that would meet in January and get home for spring planting because they have completed their work.

I do not think the Founding Fathers ever envisioned the invention of air-conditioning. Perhaps that was one of the inventions that has done the most to prolong congressional sessions. Maybe without air-conditioning we would have gone out earlier, or when we got to the situation of where we became a more urban society we would not be going home to do the spring planting.

No, I do not think the Founding Fathers ever envisioned a year-round session in which we find ourselves with the complexities of government increased, but also with the increased complexities of society.

But we have to deal with them here. As the Senator knows, we cannot turn the clock back. But, at the same time, I hope we can see the necessity for major reform in our own procedures, rules, and regulations in order to expedite and do the people's business in a more orderly fashion.

The PRESIDING OFFICER (Mr. D'AMATO). The Senator from Arkansas.

Mr. PRYOR. Mr. President, I had not planned to participate in a discussion with the distinguished chairman of the Appropriations Committee and my very good friend from Nebraska, Senator EXON. But I just thought that it would be interesting to note that this Senate recently passed a resolution establishing the Commission. This Commission will be chaired by two former distinguished colleagues of ours, Senator Pearson from Kansas and Senator Ribicoff from Connecticut.

These two former Senators, who have wide and deserved respect from all Members of this body, are going to look at ways and means by which we might make this body more efficient.

I assume both of my colleagues engaged in this discussion this afternoon are like myself. When we go home on the weekends or over the Fourth of July recess, as we are all about to do in the next several days, the people out there in the country are going to be angry. They are going to be mad, but they are not necessarily just going to be mad at the President or at Senator EXON or Senator HATFIELD or Senator PRYOR; they are going to be mad at us as an institution.

I think that there is a growing resentment about us as an institution not being able to find a way to conduct our business.

I remember just a few days ago in this body—and I use this only as an example—we had, as I recall, the Voting Rights Act on the floor. We started, I think, on Friday or possibly on Monday, and we sat and we sat and we sat. We had maybe one or two little votes, maybe on a commemorative medal or two, or something of that nature. I think we also had a vote to instruct the Sergeant at Arms to call us to the floor.

Finally, on Thursday at 4 o'clock, we started voting on whether or not to proceed to final discussion and vote on the Voting Rights Act. We went until 2 o'clock. We came back the next day at 9 o'clock.

I do not mean to be critical of the leadership of the majority leader or the minority leader. I believe this problem lies within the system itself, which is inadequate. It is sick. And I am not saying that the problem lies entirely within the Budget Act, which was intended to reform this institution and make us do our business on time. But I am inclined to believe right now that we are going to have to place some restrictions upon ourselves, upon this body and upon the Congress as an institution.

For example, at the right time, I may propose an amendment to the Budget Act. I think the Budget Act—and the distinguished Senator, my friend from Nebraska, is a very fine member of the Budget Committee; I am not a member—I think that the Budget Act calls for us to have the first budget resolution out by May 15. It is my opinion that we should restrict ourselves and say if we do not have that budget resolution out and passed by May 15, then the Congress may do no further business until we have that budget resolution out.

Now some of you may say, "Well, that is drastic. We cannot do anything like that. That would be putting us in a straitjacket." Well, very honestly, I think we have to be in a straitjacket. The two great Senators on this floor are both former Governors of States, and I imagine that in our respective States we have a restriction as to the number of days that the legislative body can be in session. I think that we ought to consider something like that for the Congress of the United States. It may be worthwhile to consider a limitation on how many days we could have so that we would have an incentive to get our business done on time.

Once again, I apologize for breaking in. I just wanted to add those few comments. I hope that we can act with favor upon former Senator Ribicoff and Senator Pearson's work and cooperate with them and give them meaningful suggestions for possible changes in our way of doing business.

Mr. HATFIELD. Mr. President, I thank the Senator from Arkansas. I was going to make an observation that until the Senator from New York just arrived, it was very interesting that this particular discussion was occurring, this particular colloquy today, between three former Governors. I think it also adds to the frustration for those who have been charged in their public careers with that kind of administrative role, because in that role there are not people to share that responsibility. You are there, you are one person, and you are the executive of that State. You have to take the action, and you have to meet those deadlines, and you have to meet those constitutional requirements.

I know, probably like all the rest of us, that the Senator from Nebraska had a little difficulty adjusting to this new format of political life, as we all did when we moved from that executive role into a legislative role.

I will also say to the Senator from Arkansas that, as a former Governor, I am very hopeful that we can move ahead. I was very hopeful that we could take some of the recommendations of the Culver Commission. Former Senator John Culver from Iowa headed up a commission that had many excellent recommendations to reform the housekeeping functions and the mechanics of this body. But,

like too many studies on reform, the studies are made, reported, and filed, and that is the last you hear of them.

The PRESIDING OFFICER. The question is on the continuing resolution.

Mr. HATFIELD. Mr. President, I believe the Senator from Massachusetts has an amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

UP AMENDMENT NO. 1045

(Purpose: To provide an additional $63,000,000 for the Summer Youth Program.)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 1045 to the Hatfield unprinted amendment numbered 1044.

At the appropriate place, insert the following:

SUMMER YOUTH PROGRAM

For an aditional amount for the Summer Youth Program under part C of title IV of the Comprehensive Employment and Training Act, $63,000,000 to remain available until expended.

Mr. KENNEDY. Mr. President, I will not take a great deal of time on this particular amendment. The material is familiar to not only the members of the Appropriations Committee but to all the Senate.

Mr. President, I rise to offer this amendment to restore $63 million to the summer youth employment program. This is the same amendment this body overwhelmingly accepted on three previous occasions.

The urgent supplemental we are now considering protects the jobs and paychecks of Federal workers in a number of agencies. I support this request but I believe there is not more urgent need than to provide jobs for unemployed young people this summer.

In his very first budget the President included the summer jobs program in his famous safety net. He asked for $766 million to provide jobs for almost 800,000 teenagers from poor families. That budget would have assured the same number of jobs this summer as were funded in 1981.

But as the deficits grew larger, the President decided to cut into his social safety net. He cut back on summer jobs with the promise that his cuts would revive the economy and create new jobs in the private sector.

But now almost 9 months later schools have closed for the summer, 3.4 million more young people are entering the labor market and we are faced with the highest unemployment in 40 years. President Reagan was wrong. The cuts did not revive the economy. They did not create new jobs. Over 10 million Amerians cannot find work.

I serve as a member of the Joint Economic Committee, and I have attended virtually every one of our monthly hearings when the unemployment figures come in from the Bureau of Labor Statistics. They tell the story about the increasing numbers of unemployed. The fact is that there are 3 million more unemployed Americans today than there were some 15 months ago.

What we have seen during the analysis of those figures, Mr. President, is that there has been a very significant growth in unemployment among teenagers in our society. And this has been particularly true not only in the cities of this country, but also in many of the rural areas.

Unemployment for teenagers 16 to 19 years old has reached 23 percent. Two million teenagers who want jobs cannot find them. One out of every two black teens cannot find work.

The mayors of this Nation, I think by and large, have developed effective programs in the summer youth program. As a member of the Labor and Human Resources Committee that has oversight on those programs, we have had a number of hearings which demonstrate that. Those mayors have developed, over a considerable period of time, effective programs to channel the energies and the idealism of young people in the cities to productive and useful work. But the need is particularly great at this time.

The U.S. Conference of Mayors just completed a survey of 125 cities across the country which documents the crisis many communities are facing this summer:

Three out of four cities report overall youth unemployment between 11 and 33 percent.

Three out of four cities report unemployment among minority teens between 21 and 60 percent.

Funding cuts for summer jobs are as high as 50 percent in some cities.

Over half the cities surveyed expect these cuts to result in an increase in juvenile crime.

In many cities the private sector has acted to meet this crisis with money and with jobs. These efforts are to be praised.

But they are not enough to fill the gap created by cuts in the Federal budget and skyrocketing unemployment. Without the additional funds voted today, there would be 3,000 fewer jobs in Boston, 5,000 fewer jobs in Baltimore, and 6,000 fewer jobs in New York City. Every other city in the country is experiencing the same shortfall.

Mr. President, this is an important issue. I know that the chairman of the Appropriations Committee and our ranking minority member of the Appropriations Committee are familiar with this program. At another time they were willing to accept this amendment. I do not question their own personal concerns about the need for providing these kinds of opportunities for young people in this country, but I think it is imperative, Mr. President, to address this issue and to have the Senate vote on it.

I have not offered an amendment to restore the full amount of the President's request, although that was my initial amendment. This is the amount that was previously accepted by the Senate, and included in the two bills we recently sent to the President.

This seems to me to be the bare minimum necessary to address this issue, Mr. President.

I am also mindful, Mr. President, that we run into a difficult parliamentary situation because of the situation in the House and the threat of the veto. But I do think, Mr. President, that is not going to be a powerful argument to many of the young people this summer and to their parents who are going to find that there is little hope for their future when they try to find a job so that they can meet their responsibilities to themselves, to their families, and to their communities.

That is why I believe we must restore $63 million for this program and give 63,000 young people a chance to learn and earn this summer. These teenagers should not be forced to bear the brunt of Reagan's recession. These young people cannot wait.

I urge my colleagues to support this amendment.

I ask unamimous consent that an editorial from the Washington Post of June 26, 1982, and an editorial from the New York Times, dated June 25, 1982, be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 26, 1982]

MORE SUMMER JOBS

One small item in the "urgent" supplemental appropriation bills vetoed by President Reagan would have partially restored cuts in the youth summer jobs program. The president was right to resist the $3 billion bail-out for the housing industry that was riding on the bill, but the modest increase in summer jobs could have helped relieve the smoldering problem of record levels of youth unemployment in many cities this summer.

The summer jobs program was originally sanctified as one of President Reagan's "safety net" programs that was not to be tampered with. Even so, it lost about 50,000 jobs last year and is due to lose 140,000 more this summer. That leaves the total at about three-quarters of its 1980 level. The president's budget for next year would eliminate the program altogether—although localities could divert money from training programs to pay for it. The supplemental bill passed by the Senate would restore about 63,000 jobs—not enough, but better than no help at all.

With unemployment at the highest level since the end of the Depression, this is a tough time for workers of all ages. But the situation of low-income youths—especially blacks—is disastrous. Last month, one out of two black teen-agers seeking work couldn't find it. That was before summer vacation swelled the ranks of job seekers.

It would be nice if the private sector could fill the gap. But even when times were better, recent estimates suggest that four out of five youths who were eligible for the summer jobs program, but for whom there were no jobs, couldn't find even short-term jobs in the private sector. With the economy now providing well over a million fewer jobs for teenagers than it did in 1979, the need for government help is greater than ever.

The effort to improve the quality of summer job programs needs to be continued. Any additional jobs should be targeted on areas where youth unemployment is especially high. But as Congress considers its next moves on the supplemental appropriation, it should remember that, even unimproved, the program is a good investment.

[From the New York Times, June 25, 1982]

THE MESSAGE OF GRAVESEND

"It was a bunch of kids hanging on a corner getting drunk," one neighbor speculates. "These guys were probably passing by and maybe somebody shouted 'nigger,' and the words went back and forth. Then the punches came. It happens."

But it was clearly outrageous, and it is up to the city's criminal justice agencies to make that clear after the killing of one black transit worker and the beating of two others by white hoodlums in the Brooklyn neighborhood of Gravesend. And other city officials should pay close attention to a larger message.

The median income in the white working-class neighborhood is $23,000. But for people at the bottom of the scale, particularly the young, life has become difficult in recent years. Some churches no longer have funds for recreation facilities. A summer camp that provided jobs for white and black teen-agers has closed. Two years ago the community had more than 1,000 CETA and Summer Youth Employment jobs; this year there are 50.

Thus it is that residents of the area complain about "troublesome" young people along Avenue X, where the killing took place. Idle teen-agers gather to drink beer, use drugs and create a subculture that also attracts those attending school or holding jobs. The subculture is apparently infected with racism; Tuesday's incident was not the first with a racial cast.

The police deserve credit for moving quickly to investigate suspects and make arrests. But the idleness and joblessness of youth all over the city are larger, equally urgent problems. The message of the ugly brutality in Gravesend may be that after the cuts in programs that kept young people constructively busy, summer trouble can start anywhere.

Mr. HATFIELD. Mr. President, there is nothing that would please me more than to accept the amendment of the Senator from Massachusetts, but I think the Senator understands the parliamentary situation. We have provided, for instance, in the continuing resolution 675,000 slots. The Senator would add $68 million which would bring it up to 735,000. We accepted the Senator's amendment on a prior occasion. It went to conference and we held it in conference, bringing it back in the supplemental.

But the Senator realizes, too, that we are in this kind of a timeframe: Even if we accepted this amendment, even against the threat of a Presidential veto, we do not know what the House will do, if they will adopt this in a pro forma or not. I am hoping they will. If they do not, we are down to July 12 before we can act upon it if the House should decide to amend it further or not take it as we produced it.

I think we are in a situation where we have added back a number of very important programs which the Senator from Massachusetts supports, I know, such as the child and maternal care, work incentive programs, low-cost housing programs. I would hate to put those in jeopardy with a Presidential veto by adding another $68 million. As I indicated earlier, I just do not think we can get the commitment that we now have in writing for Presidential signature. It does not do the project any good to raise false expectations by adopting an amendment of this kind and then only face a Presidential veto.

On that basis, unless there is someone else who wants to be heard on this subject, I would be forced to move——

Mr. KENNEDY. Will the Senator yield?

Mr. HATFIELD [continuing]. I yield.

Mr. KENNEDY. I applaud the fact that the Senator has added a number of items onto this legislation which I strongly support, and I commend the committee for doing it, such as funds for health services and the work incentive program. But it does seem to me on this list we have also added $40 million for the Corps of Engineers and $15 million for the Customs Service.

I am a great admirer of the Corps of Engineers. They run the Cape Cod Canal very effectively and efficiently, and we have other programs and projects in my own State which the people of my State have benefited from. I am sure there are important reasons why that $65 million was added for the Corps of Engineers and the Customs Service. But why could those items not be deferred for a period of time? There may be very good answers for that, but it just seems to me, Mr. President, this is the last train that is leaving the station for summer jobs for youth. We have added a number of items here. We do not know what the action is going to be by the President or by the House on these 10 or 12 different items. I must say that looking over the list I think, in all respects, the summer jobs program certainly ranks with the highest priorities that have been added here.

As I say, I am not interested in delaying the Senate. Both the chairman of the Appropriations Committee and the ranking minority member have always been typically courteous in considering amendments I have offered in the past, and they are again today, but I would hope that we could still have this accepted.

Mr. HATFIELD. Mr. President, I very reluctantly move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to lay on the table the amendment of the Senator from Massachusetts. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Florida (Mrs. HAWKINS), the Senator from California (Mr. HAYAKAWA), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Vermont (Mr. STAFFORD), are necessarily absent.

I also announce that the Senator from Georgia (Mr. MATTINGLY), is absent due to illness.

I further announce that, if present and voting, the Senator from California (Mr. HAYAKAWA), the Senator from Georgia (Mr. MATTINGLY), and the Senator from Wyoming (Mr. SIMPSON), would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. METZENBAUM) and the Senator from Massachusetts (Mr. TSONGAS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 37, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—55

Abdnor	Exon	Nickles
Andrews	Garn	Nunn
Armstrong	Goldwater	Packwood
Baker	Gorton	Percy
Boren	Grassley	Proxmire
Boschwitz	Hatch	Pryor
Brady	Hatfield	Quayle
Byrd, Harry F., Jr.	Heflin	Roth
Chafee	Helms	Rudman
Cochran	Humphrey	Schmitt
D'Amato	Jepsen	Stennis
Danforth	Johnston	Stevens
DeConcini	Kassebaum	Symms
Denton	Kasten	Thurmond
Dixon	Laxalt	Tower
Dole	Leahy	Wallop
Domenici	Lugar	Warner
East	McClure	Zorinsky
	Murkowski	

NAYS—37

Baucus	Bumpers	Chiles
Bentsen	Burdick	Cohen
Biden	Byrd, Robert C.	Cranston
Bradley	Cannon	Dodd

Durenberger	Jackson	Pell
Eagleton	Kennedy	Randolph
Ford	Levin	Riegle
Glenn	Long	Sarbanes
Hart	Mathias	Sasser
Heinz	Matsunaga	Specter
Hollings	Melcher	Weicker
Huddleston	Mitchell	
Inouye	Moynihan	

NOT VOTING—8

Hawkins	Metzenbaum	Stafford
Hayakawa	Pressler	Tsongas
Mattingly	Simpson	

So the motion to lay on the table Mr. KENNEDY's amendment (UP No. 1045) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1046

Mr. RIEGLE. Mr. President, I have an amendment at the desk, and I ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

Mr. HATFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will come to order, please. The clerk will suspend until the Senate comes to order. Those Senators wishing to converse will please retire to the cloakrooms. Otherwise, we will not proceed.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE) proposes an unprinted amendment numbered 1046 to the Hatfield unprinted amendment numbered 1044.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end, add the following:

EMERGENCY MORTGAGE INTEREST REDUCTION PAYMENTS

For emergency mortgage interest reduction payments, $3,000,000,000, of which $2,500,000,000 shall be available for use in connection with mortgages or loans involving dwellings referred to in section (g)(3)(A), not more than $400,000,000 shall be available for use in connection with mortgages or loans involving dwellings referred to in section (g)(3)(B), and $100,000,000 shall be available for assistance payments with respect to that portion of the principal obligation of mortgages or loans assisted under this heading which exceeds $77,625, to remain available until expended. Such amount shall be made available under the terms and conditions of the following paragraphs:

(a) For the purpose of assisting middle and lower income families in acquiring a home, a manufactured home, or membership in a cooperative association operating a housing project or in substantially rehabilitating a home or a unit in a cooperative housing project, the Secretary of Housing and Urban Development, hereafter referred to as the Secretary, is authorized through the Government National Mortgage Association, to make and to contract to make periodic interest reduction payments on behalf of such families. Such assistance shall be accomplished through payments to mortgagees and lenders or their transferees holding mortgages and loans meeting the requirements of this heading.

(b) The Secretary may not enter into any contract to make emergency home mortgage interest reduction payments under this heading during any month unless the Federal Home Loan Bank Board's home mortgage interest rate index for conventional home mortgage loans closed, based on the moving average for the most recent two-month period, exceeds 12.5 per centum per annum.

(c) To be eligible for emergency interest reduction payments under this heading, the first mortgage or loan secured by the property, manufactured home, or shares in a cooperative must meet the requirements of or be insured under section (g).

(d) Assistant payments under this heading may be made over a period of not to exceed five years with respect to any mortgage.

(e) The amount of all emergency interest reduction payments made under this heading shall constitute a second lien on the property or shares with respect to which the payments are made and shall be repayable—

(1) when the property is sold;

(2) when the property ceases to be the principal residence of the mortgagor or borrower;

(3) upon any other disposition of the property specified in regulations of the Secretary; or

(4) upon the refinancing of the first mortgage or loan on the property or shares,

except that the amount repaid may not exceed 60 per centum of the homeowner's net equity, as determined by the Secretary.

(f) The amount of the emergency mortgage interest reduction payments with respect to any mortgage or loan shall be an amount not exceeding the lesser of—

(1) the difference between the amount of the monthly payment for principal and interest which the mortgagor or borrower is obligated to pay under the mortgage or loan the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage or loan were to bear interest at the rate of 11 per centum per annum; and

(2) the difference between the amount of the monthly payment for principal and interest which the mortgagor or borrower is obligated to pay under the mortgage or loan, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage or loan were to bear interest at a rate four percentage points less than the rate specified in the mortgage or loan.

(g) Notwithstanding any other provision of law, the Secretary may assist or may insure a mortgage or loan which shall—

(1) be executed by a mortgagor or borrower whose total family income did not exceed $30,000 during the year preceding the application for the mortgage or loan and who intends to occupy the property as a principal residence, except that the Secretary may increase the limitation contained in this paragraph by such amount as the Secretary determines to be necessary to enable mortgagors and borrowers to qualify for increased principal amounts established by the Secretary pursuant to paragraph (2);

(2) have a principal obligation not to exceed $67,500 except that the Secretary may establish increased principal amounts not to exceed the maximum principal obligation insurable in the area pursuant to section 203(b)(2) of the National Housing Act;

(3) involve a one- to four-family dwelling the construction, substantial rehabilitation, or manufacture of which (A) commenced on or after the date of enactment of this section heading and was substantially completed by November 30, 1983, or (B) commenced no earlier than one year prior to the date of enactment of this heading and was substantially completed by November 30, 1983, and which has never been sold other than to the mortgagor;

(4) provide for complete amortization over a period of not to exceed thirty years, but provide that (A) the mortgage or loan payment shall be adjusted for the second, third, fourth, fifth, and sixth years of the mortgage or loan by increasing the payment required during each such year by 0.75 per centum of the original principal obligation, and (B) the amount of the increase will be applied to reduce the principal obligation;

(5) provide, after the sixth year, for equal monthly payments in the same amount as the amount required in the sixth year, but only for the period necessary to pay off the remaining principal obligation;

(6) have been accompanied by disclosures of the scheduled adjustments in the monthly payment and of the requirements of section (e);

(7) be originated by a mortgagee or lender who is responsible and able to service the mortgage or loan properly;

(8) in the case of a manufactured home loan, comply with the regulations issued under section 501(c) of the Depository Institutions Deregulation and Monetary Control Act of 1980; and

(9) bear interest and contain such other terms and conditions as the Secretary may prescribe.

(h) The Secretary shall allocate the amount available to carry out this program among the States on the basis of a formula so that—

(1) one-third of such amount is allocated on the basis of the ratio of the population of each State to the population of all States;

(2) one-third of such amount is allocated on the basis of the percentage decline in one- to four-family housing starts, measured from 1978 to 1981, of each State relative to the percentage decline for all States; and

(3) one-third of such amount is allocated on the basis of the ratio of each State's number of unemployed persons for the most recent three-month period for which data are available prior to the allocation to the number of unemployed persons for all States for such three-month period.

(i) Any mortgage insured or assisted under this heading shall be eligible for purchase by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(j)(1) The Secretary shall assure that the amounts allocated pursuant to subsection (h) are made available in a manner which maximizes participation by eligible lenders and borrowers.

(2) The Secretary shall maximize timely utilization of authority under this heading by limiting the time within which a firm commitment may be issued to ninety days after the commitment (other than a firm commitment) is made.

(3) Notwithstanding any other provision of law, the Secretary shall issue final regu-

lations, make allocations, and begin to issue commitments pursuant to this heading not later than thirty days after the enactment of this Act.

(k) The funds provided under this heading shall remain available for commitment until January 1, 1983.

Mr. RIEGLE. Mr. President, if I may have the attention of the Senators, I think we can dispose of this item rather quickly.

The amendment I have sent to the desk is the emergency housing assistance amendment, the package that was put together by Senator LUGAR and me and others, on a bipartisan basis, and which was approved in the conference committee. It would provide emergency help to homebuilders and to people who want to buy homes in this country.

The amendment would add $3 billion to the urgent supplemental to provide interest reduction for home mortgages. The issue is not new. We have discussed repeatedly on the floor of the Senate the need for this legislation.

The language in the amendment includes the provisions agreed to by the House and Senate conferees. The House and Senate passed a similar measure by overwhelming numbers when it was introduced earlier. Unfortunately, the President has rejected this vital stimulus measure.

In the words of Senator LUGAR the last time we considered this matter, "The amendment is imperative if we are going to come out of the recession this year." I strongly agree with that statement.

This amendment would provide more than 483,000 new jobs. It would assist 210,000 units with reduced interest rate loans. It would generate approximately $1.45 billion in Federal, State, and local taxes.

Upon resale of a buyer-assisted home, the Federal Government would get its money back. So there are no losers in this proposal; everyone comes out ahead. It generates jobs and new tax revenues, helps homebuilders and home buyers, and the Federal investment is fully recovered.

Mr. President, this is a vital amendment. My amendment is in the form of an amendment to the Hatfield substitute.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. Mr. President, very reluctantly, I rise at this time to move to table the amendment of the Senator from Michigan, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Michigan. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Florida (Mrs. HAWKINS), the Senator from California (Mr. HAYAKAWA), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I also announce that the Senator from Georgia (Mr. MATTINGLY) is absent due to illness.

I further announce that if present and voting, the Senator from California (Mr. HAYAKAWA), the Senator from Georgia (Mr. MATTINGLY), and the Senator from Wyoming (Mr. SIMPSON) would each vote yea.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. METZENBAUM), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

The PRESIDING OFFICER (Mr. DENTON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 48, nays 44, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—48

Abdnor	East	Murkowski
Andrews	Garn	Nickles
Armstrong	Goldwater	Percy
Baker	Gorton	Quayle
Boschwitz	Grassley	Roth
Brady	Hart	Rudman
Byrd, Harry F., Jr.	Hatch	Schmitt
	Hatfield	Specter
Chafee	Helms	Stennis
Cochran	Humphrey	Stevens
Cohen	Jepsen	Symms
D'Amato	Johnston	Thurmond
Danforth	Kassebaum	Tower
Denton	Laxalt	Wallop
Dole	Long	Warner
Domenici	Mathias	
Durenberger	McClure	

NAYS—44

Baucus	Exon	Melcher
Bentsen	Ford	Mitchell
Biden	Glenn	Moynihan
Boren	Heflin	Nunn
Bradley	Heinz	Packwood
Bumpers	Hollings	Pell
Burdick	Huddleston	Proxmire
Byrd, Robert C.	Inouye	Pryor
Cannon	Jackson	Randolph
Chiles	Kasten	Riegle
Cranston	Kennedy	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Weicker
Dodd	Lugar	Zorinsky
Eagleton	Matsunaga	

NOT VOTING—8

Hawkins	Metzenbaum	Stafford
Hayakawa	Pressler	Tsongas
Mattingly	Simpson	

So the motion to table Mr. RIEGLE's amendment (UP No. 1046) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HATFIELD. Mr. President, so far as I know, I know of no other amendments, and I am ready to go to third reading and complete action on this bill at this time. I am not aware of any other amendments. So, therefore, I would ask for third reading.

Mr. PROXMIRE. Mr. President, before we act on the Hatfield amendment, let me just say a very quick word. Once again I commend the Senator from Oregon on a very skillful handling of this. But let me point out that the bill before us that passed the House, in the first place it passed by 342 to 25; in the second place, when it passed, one of the leading Republicans in the House said this:

> The Appropriations Committee has finally given us what the President asked for. It is my understanding that this bill costs the taxpayer about $1.3 billion compared to the last urgent supplemental we passed a few minutes ago.

SILVIO CONTE, who handled this bill for the Republicans in the House, said:

> We are bringing this bill to the House as an insurance measure in case the bill just passed is vetoed.
>
> I urge its adoption.

Now the distinguished chairman of the Appropriations Committee said that the head of the Office of Management and Budget, Mr. Stockman, has said he would advise the President to veto that bill. So instead we modify the bill, come forward with amendments which the House may not accept, which may tie us up further. For that reason, Mr. President, I am very reluctant to support the amendment, support the bill on final passage. But I think Members of the Senate should be aware of the fact that when this bill passed the House the best assurance we could get from the Republicans was that it would be signed by the President. It passed by, as I say, 12 to 1. Now we are offering a complete change in the bill because it did not quite dot all the i's or cross all the t's that the President wanted. I think we are knuckling under, and I regret that.

Mr. HATFIELD. Mr. President, I asked for third reading, but I was in error parliamentarily. The amendment is the issue which, I believe, we have to dispose of.

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. Mr. President, before we take a final vote on this—are we on time here?

Mr. HATFIELD. No.

Mr. BUMPERS. The Senate knows that from time to time I have offered an amendment dealing with which oc-

cupational safety group would have control over sand and gravel, river dredging, and so on.

The Senate has voted on that a number of times and has expressed its clear intent that the Occupational Safety and Health Administration have jurisdiction over sand and gravel and rock quarries and everything except surface coal mining and deep coal mining.

I think the die is cast here. There is language in this bill, in the Hatfield amendment, there is language in there, put in by Congressman MURTHA in the House, which effectively puts those operations, those mining operations, back under the Mine Safety and Health Administration.

The only reason I arise to speak about this is to let the Senate know, and to put them on notice, that even though I am not going to consume the Senate's time this afternoon on this issue and force people to vote to table something that they really would not want to table, I just want them to know that this is like a fight with your wife, where you win a battle, but the ballgame is not over.

I do not want everyone to assume we are not going to face up to it again. I will offer it again through the first appropriate vehicle coming through.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. BUMPERS. Yes.

Mr. HATFIELD. The Senator knows I have supported his position on this question many times in the Appropriations Committee.

We, in the substitute, only adopted the language that came out of the conference. It was in supplemental No. 1 and No. 2. I will continue to welcome that issue before our regular supplemental that comes up after the July recess.

Mr. BUMPERS. I thank the Senator very much.

Mr. NUNN. Mr. President, will the Senator from Oregon yield for a question, perhaps the Senator from Wisconsin, if I could have his attention? I am not sure I heard all the remarks the Senator from Wisconsin made. Will the Senator from Oregon inform the Senator from Georgia if his bill is a bill that is likely to be signed by the President or is it likely to be vetoed, and whether this bill does exceed the President's budget or the Budget Committee resolution?

Mr. HATFIELD. When we opened the issue this afternoon I read a letter into the RECORD signed by Mr. David Stockman as a result of the negotiations that occurred this morning, in which Mr. Stockman at that time then in writing indicated he will advise the President to sign this substitute. He will advise the President to veto the third supplemental sent over to us by the House. But with the substitute he will advise the President to sign.

Mr. NUNN. Does that mean this bill is within the Budget Committee resolution as passed, finally passed?

Mr. HATFIELD. Yes.

Mr. NUNN. And within the President's budget also?

Mr. HATFIELD. This is over the President's request by $390 million.

Mr. NUNN. But it will be signed?

Mr. HATFIELD. But it will be signed.

Mr. NUNN. I thank the Senator.

UP AMENDMENT NO. 1044

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment (UP No. 1044) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

● Mr. GARN. Mr. President, the legislative history of the provision contained in this bill is quite complex and, therefore, deserves some clarification. The genesis of the HUD-independent agencies provisions in chapter II are derived from the conference agreement on H.R. 5922 as specified in House report 97-605. The legislative history leading up to the conference agreement can be found in House report 97-469 and Senate report 97-402 and the ensuing discussions on the floor of the respective bodies. I also call my colleagues' attention to the remarks in the CONGRESSIONAL RECORD on pages S7195 to S7198 at the time the conference report on H.R. 5922 was debated in the Senate. It is clear that the prior legislative history surrounding the provision currently in H.R. 6685 must be traced back to these sources in order that our action here today be fully understood. I an raising these issues because I have detected a lack of interest on the part of certain executive branch agencies in the congressional intent behind various legislative provisions. As I indicated in an earlier statement, this Senator will not condone an attitude of disregard for the intent of the law—whether or not I personally agree with that particular provision of law.

Mr. President, just for the sake of clarity, I would like to reiterate some of the intent behind the more complex provision contained in chapter II.

ASSISTED HOUSING

Mr. President, the estimated commitments contained on pages 9 through 13 of House report 97-605 include actual commitments the Department has entered into since the revised rescission proposal expired on April 26 as well as those commitments the committee expected the Department to make in 1982. However, the actual commitments contained in the tables reflect action taken through June 2, 1982. Since then the committee has received additional correspondence indicating that other commitments have been made. To the extent that additional commitments exceed those reported through June 2, 1982, the Department should provide for such commitments by decreasing the estimate contained in the tables for both section 8 and non-Indian public housing units.

The bill also contains $198 million for fiscal year 1982 public housing operating subsidies in addition to the $1,152,306,000 provided in Public Law 97-101. The bill includes a provision requiring HUD to allocate $1,215,275,400 solely on the basis of the performance funding system (PFS) in such a manner as to assure that each public housing authority receives an equal percentage of its PFS requirement. After this allocation of these funds, the remaining $135,084,600 shall be allocated in such a manner as to encourage energy conservation in accordance with the agreements reached between the public housing authorities and the Department. The conferees have adopted this approach in order to assure that each public housing agency gets a minimum allocation under PFS that they can count on (currently estimated to be 88 percent of PFS). The conferees expect HUD to make the $1,215,275,400 available immediately and make the remaining $135,084,600 available within 30 days.

The conferees on H.R. 5922 were concerned that the Department would not recapture sufficient budget authority to fund the financial adjustment and the cost amendments at the levels necessary in order to "buy out" the pipeline. Consequently, $1,750,000,000 of fiscal year 1982 funds are designated for FAF and cost amendments in the event that recaptures fall short of the $5 billion level assumed in the conference agreement. The bill includes language requiring this $1,750,000,000 to be merged with the existing recaptures on June 30, 1982, and to be available for supporting FAF and cost amendments. To the extent that the aggregate amount—recaptures plus the $1,750,000,000—exceed the $5 billion assumed, the bill provides that such excess amounts would be deferred for use in fiscal year 1983 in accordance with the provisions of future appropriations acts.

EPA

Mr. President, the bill earmarks $7,000,000 from the hazardous response trust fund for the Department of Health and Human Services to carryout its Superfund activities. Of this amount, $5,000,000 would be used for continuing staff support at the Department and $2,000,000 for discretionary activities such as health inspections at specific hazardous waste sites.

With these additional funds, the Department will be able to devote more resources to training of State personnel, the purchase of needed lab equipment and other high priority areas.

NASA

The bill includes a provision establishing minimum amounts to be applied to National Aeronautics and Space Administration programs other than the Space Shuttle. These minimums include: $15,400,000 for work on a 30/20 gigahertz test satellite and $264,800,000 for aeronautics research.

Funds for a mission to retrieve and repair the solar maximum scientific satellite presently in orbit are made contingent on the Department of Defense bearing half of the cost of this mission. Based on information requested and received from NASA, the conferees on H.R. 5922 established $6,600,000 as a minimum amount for DOD to fund. Under this funding level, DOD would be expected to transfer approximately $2,000,000 to NASA in fiscal year 1982, $3,600,000 in fiscal year 1983 and $1,000,000 in fiscal year 1984.

Within the Space Shuttle program, the provision directs NASA to continue preparation of the Centaur for use in the planetary program. It is the clear intent of Congress that all work on lower energy upper stages—the inertial upper stages—for the Galileo and Solar Polar missions be terminated.

The bill also requires NASA to make such funds as necessary to prepare Pad 39-B at the Kennedy Space Center for use by January 1, 1986. If Shuttle schedule or cost would be adversely affected by application of fiscal year 1982 appropriations as specified in the provision, the bill language directs the Administrator of NASA to submit a request to the Appropriations Committees for authority to apply up to $50,000,000 in unobligated balances in the construction of facilities or the research and program management accounts to the Shuttle.

Mr. President, I ask to insert in the RECORD a table comparing the various version of the urgent supplemental in terms of the provisions contained in chapter II.

The table follows:

COMPARISON OF HUD PROVISIONS CONTAINED IN VARIOUS VERSIONS OF THE URGENT SUPPLEMENTAL

[In billions of dollars]

Provision	Urgent supplemental				
	H.R. 5922 as passed in Senate	H.R. 5922 Conference Report (vetoed)	H.R. 6682 (fat bill vetoed)	H.R. 6685 as passed in House (skinny bill)	H.R. 6685 with proposed Senate amendment
1. Assisted housing—Rescission	−5.885	−4.98	−.098	−4.098	−4.098
2. PHA operating subsidies	(.254)	.198	.198	[1].198	.198
3. Rent supplemental—Rescission	−1.579	−1.579	−1.579	NA	−1.579
4. GNMA	NA	.150	.150	[1].150	NA
5. Housing stimulus bill	5.120	3.000	NA	NA	NA
6. EPA construction grants and earmarkings	2.400	2.400	2.400	2.400	2.400
7. Transfer to HHS from superfund	Language	Language	Language	NA	Lanugage
8. NASA operating plan	Language	Language	Language	NA	Language
9. Administrative provisions—Personnel	Language	Language	Language	NA	Language
Total BA (including rescissions)	+.056	+.071	−2.929	−1.350	−3.079

[1] Funds could not be obligated due to the July 20 expiration date of the bill.●

The PRESIDING OFFICER. If there be no further amendments, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. HATFIELD. Mr. President, to clarify congressional intent, I would like to state that the directives of the conference report and the statement of the managers on H.R. 5922 (H. Rept. 97-605) do apply to those items contained in my amendment.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H.R. 6685), as amended, was passed.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, there will be no more rollcall votes tonight.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not past the hour of 6:30 p.m. in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL BUSINESSES AND THE BANKS

Mr. KENNEDY. Mr. President, as many of my colleagues know, small business is a very important sector of our economy. In the past 5 years, small companies have generated over 80 percent of new jobs in the United States. A National Science Foundation study has revealed that small businesses are many times more innovative per research and development dollar than medium- or large-sized companies.

Unfortunately, Federal economic policies have discriminated against this most vital part of the American economy. For example, over 80 percent of the benefits of the current depreciation rules go to the top 1,700 firms. Of the over $91.1 billion in Federal research and development contracts, only 23 percent go to small firms—despite the small business record of fewer cost overruns, closer compliance with completion dates, and higher quality of work. And most important, today's high interest rates have an especially severe impact on small firms which have greater cash flow problems and fewer alternative sources of financing than their larger counterparts.

Over a year ago, I formed a small business advisory task force to keep me abreast of the concerns of the small business community. This is a group of approximately 20 presidents and executives of small firms, and represents virtually all sectors of the small business community in my own State of Massachusetts. In the regular meetings we have had, they have provided me with expert advice from the small business perspective, and have shared with me their concerns about current legislation and policies of the present administration. I have found their advice and expertise invaluable, and I strongly recommend that my colleagues form similar advisory groups in their own States.

At our most recent meeting, many of the task force members spoke about their difficulties in obtaining credit from commercial banks. They told of banks refusing to handle loans to small firms, of interest rates that are two to three points higher than those paid by their larger competitors, and of the disappearance of the smaller banks with which they had developed longstanding and close professional relationships.

In sum, they stated that high interest rates are bad enough, but that the

current loan policies, of many banks are making it next to impossible to survive.

Frank Romano, the president of Agawam Creative Marketing Associates of Rowley, Mass., and chairman of my advisory task force, provided me with an interesting and revealing New York Times article on this subject at our last meeting. It describes the credit problems facing small businesses, and the efforts some banks are making to adapt their services to smaller business clients. I urge all of my colleagues to read it carefully.

Mr. President, I ask unanimous consent that a New York Times article of April 25, "How the Banks Are Squeezing Small Business," be inserted in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE BANKS ARE SQUEEZING SMALL BUSINESS

(By Robert A. Bennett)

Many of the country's small businesses are recounting experiences similar to that of Utility Industries of Somerdale, N.J.

"If we borrow, it's two or three percentage points above the prime rate, while big companies borrow well below the prime," said Wiley J. Pickett, owner of the $500,000-a-year company, which makes devices to pull cables through conduits. "Not that I'm complaining about what big business gets. It's what small business doesn't get," Mr. Pickett added.

Then there's the kind of experience of another small company, Accurate Inventory Services in New York recounts. The company, which does inventory accounting for client retailers, had been doing business with the Chase Manhattan Bank for almost 20 years. But then Chase told the company to take its business elsewhere.

"They said they couldn't make enough money on a $25,000 loan," said Arnold S. Gerber, the Accurate Inventory's president. "They made no bones about it, they literally told me to go to another bank," Mr. Gerber said.

The Government says that of the 11 million businesses in the United states, 10.8 million are categorized as small, with fewer than 500 employees. They are called the backbone of the American economy, with good reason.

According to the Small Business Administration, these companies have generated more than half of the new product and service innovations developed since World War II. In addition, they employ about 50 million people, or half the nation's work force. Most of them rely on the nation's banks to provide them with the means to grow and the funds to ease them through the shoals of the ecomomy's cycles.

Of late, many of these companies have found those relationships becoming increasingly uncomfortable. The banks have been charging small business higher interest rates than big business. They have been raising the fees they charge for their services far beyond the general rise of prices. And some banks have been turning their backs on their small-business customers of many years.

What's more, many small banks, themselves small businesses, are being gobbled up by bigger banks. As a result, the banks have been shedding the personal relationships that gave a small bank confidence in its borrowers.

The banks, for their part, say they have little choice. They note that many small banks have been forced to merge into larger banks because their costs were running far ahead of their small-town fees. At the same time, the small banks' own cost of money—what they pay on their deposits—has been soaring to keep deposits from fleeing town to high-yield money market funds and the like. No longer, therefore, can a small bank and a small business remain insulated from economic trends beyond their local community.

For their part, the banks say that dealing with small business is more time consuming, more costly and riskier than dealing with a General Electric or I.B.M. Banks contend they must either charge enough to cover their costs to make a profit, or shun business with small companies entirely, and different banks have taken different courses. The Bankers Trust Company, for example, has nearly stooped dealing with very small enterprises—mom and pop stores and the like. Others, by contrast, have geared up for this kind of business and are eagerly courting it.

"It's a very profitable marketplace for us," said Robert I. Lipp, senior executive vice president of the Chemical Bank, which has been particularly aggressive in seeking the business of small companies.

Courted or not, the credit situation at many small companies appears to be nearing a critical point—and for some bankrupt businesses, that point already has been reached. The fear, according to Milton D. Stewart, editor of Inc., a magazine for small business and head of the Small Business Administration under President Carter, is that the number of small-company bankruptcies will continue to soar as a result of the recession and high interest rates. New businesses have been forming at a healthy rate in recent years—but they have been collapsing at record rates as well.

According to the Small Business Administration, only about one out of every three new companies with fewer than 20 workers survive more than four years, and fewer than one out of 10 survive a decade.

"Small business needs credit in place of equity," Mr. Stewart said, "How far can you stretch the rubber band?"

High interest rates are a major problem, but a greater problem is the mere availability of credit, Mr. Stewart continued. And this problem is getting worse as small banks, which account for two-thirds of all credit to small business, are being swallowed by bigger banks.

To the average small-businessman, the situation is confusing as well as difficult. He sees one bank raising rates and wooing him, and another pushing him out the door.

Jackie Kleiner, for example, an attorney in Atlanta who is suing several banks on behalf of small businesses, claims that by raising their fees "banks are showing they don't want these customers." But Mr. Kleiner also accuses the banks of charging small concerns so much that "the small-business community is subsidizing the big-business community."

Interviews with small companies around the United States turned up numerous complaints, but banks, citing the confidentiality of their relationships, usually would not discuss their relations with specific customers.

Many of the businessmen interviewed said that money isn't everything, even when it comes to banking. Often, a businessman's relationship with his bank takes on a personal tone, making the small-businessmen reluctant to switch accounts.

Paul Heerema, chairman of the Heerema Company, a food-equipment distribution and refrigeration business in Haledon, N.J., recalled how his relationship changed after his local bank was taken over by a bigger bank—which he won't name, he said, because "I owe them money."

"It's not like it used to be," Mr. Heerema said. "We've just become a number," he said. "It's very impersonal. The people who make the decisions are 20 miles away."

The Heerema Company has sales of between $4 million and $5 million a year, and usually has about $30,000 in credit outstanding, paying a rate of one to one and a half percentage points above prime. "It has been worse in the past," he said.

In dealing with big banks, small-businessmen complain of a lack of understanding. William H. Kelly, president of Bank and Office Interiors Inc. of Seattle, contends that the failure of the Seattle-First National Bank to comprehend his business was the reason his company switched its business to the First Interstate Bank of Washington.

Citing a study by the Stanford Research Institute, Mr. Kelly contended that his industry was rapidly expanding and changing. "We no longer can be a mom-and-pop type operation," he said. His company now has annual sales of about $20 million, and has been growing at a yearly rate of 15 to 20 percent, Mr. Kelly said.

At the same time, Mr. Kelly added, the basic character of his business is changing. The price of the employee work stations that he sells has soared to about $3,500 per unit, from only $500 to $700 five years ago. "That means we need more credit," he said.

Seattle-First National was unwilling to finance "what was mainly our in-process inventory," Mr. Kelly continued. Thus, he moved the company's account. Now, Mr. Kelly added, his credit needs are met—at one and a half percentage points above prime.

Mr. Pickett of Utility Industries, like many other small-business men, contends that "banks will only lend when you don't need it."

One of Mr. pickett's biggest complaints is the difficulty he has in getting short-term loans so that he can get large discounts on materials by paying early. Too often, he said, his bank will not go along.

Mr. Pickett said he might consider going to an accounts-receivable or factoring company, which would lend against the security of either the goods produced or the purchasers' promises to pay. But he said such companies charge interest rates and fees that are so high they wipe out any potential benefits. Even with their high rates, banks still offer the lowest rates available to small business.

Meanwhile, bankers contend that it often takes a lot more time and effort to determine the creditworthiness of a small business than of a major corporation, and that often a lot more paperwork is involved, especially if the loan is guaranteed by the Small Business Administration.

In addition, the income earned on a small-business loan, even at a high rate, is tiny compared with that earned on a big loan. For example, if the prime rate is 16½ percent, and a bank makes a $50 million loan to a major company at two percentage points below the prime, the bank's annual gross annual income from that loan would be

$7.25 million. But the gross income from a $100,000 loan at three percentage points above the prime would be only $19,500. Assuming that the cost of funds to the banks was 2½ percentage points below the prime, the net pretax yield to the bank on the big loan would have been $250,000, and on the small loan, $5,500. Yet, it might have taken more time and substantially more risk to make the $100,000 loan than it did to make the $50 million loan.

At the same time, banks are finding that the cost of services as well as loans have been rising, and, contend they have not been charging enough for nonlending services. Thus, there have been sharp increases in many fees.

Citibank is typical. Over the last three years, it has doubled many of the fees it charges the smallest of its business borrowers. If a company deposits a check in its Citibank account and the check bounces, Citibank charges the company $3, up from $1.50 three years ago. Similarly, it has doubled the charge for a stop-payment order, to $6 from $3; it has doubled the fee for each night deposit, to $1 from 50 cents; it has increased the penalty for overdrawn accounts to $7 from $5, and it has raised the price for each roll of wrapped coins to 10 cents, from 6 cents—a high price for retailers, for example, that do a heavy cash business.

But a company may not have to pay any such fees if it can maintain a high enough balance in its checking account. At Citibank, as long as a business keeps at least $1,000 on deposit, it gets a 15-cent credit for each $100, up from 10 cents in 1979. Thus, if the company's balance is large enough, it would not have to pay any direct fees for the services it uses.

The deposits are useful to banks because they are interest-free, and banks can make substantial profits by reinvesting them.

Without such balances, small companies, the banks contend, are expensive to service and the cost of servicing them has to be met either with interest-free balances or direct fees.

It appears that a major problem in the relationships between small-businessmen and their bankers is that these entrepreneurs do not fit easily into the corporate modes established by the banks. Banks like to set up neat categories so that they can mass produce financial services.

The banks expect them to maintain records similar to those of major corporations—a practice that most small-businessmen say they cannot do. What they want are personal relationships in which the banker understands the basics of the business.

Some banks in trying to build their small-business divisions, seem to be doing just the opposite of what the small-businessmen say they need.

Carl Gustavson, senior vice president in charge of Chase Manhattan's community bank division, said that last year the bank set up a special unit to deal with loan applications from small businesses. The applications are gathered at branches and sent to the special unit for approval.

"We recognize that small companies don't have the same kind of financial statement that big corporations do and that's why we set up the special unit, to concentrate our expertise," Mr. Gustavson said. But by moving the loan-application-approval process beyond the branches, it also separates the function from the businessman. Those banks that have efficiently greared up their small-business activities are enthusiastic about the field because, done properly, it can be more lucrative than lending to bigger companies with more bargaining power.

More than most banks, Chemical seems to have adjusted to the needs of small businesses.

"It all depends on personal relationships at the branch level," said Mr. Lipp. "It's a very personal sell."

Unlike most other large banks, Chemical's branch managers have the authority to make loans of up to $100,000 and they are paid bonuses for generating such business.

According to Mr. Lipp, this policy has more than doubled its small-business checking account deposits over the last five years, to $1.3 billion, from $600 million. If Chemical invested that extra $700 million of interest-free deposits at prime, now 16½ percent, it would increase the bank's pretax earnings by more than $115 million—significant even for the $45 billion institution.

FRANKLIN D. ROOSEVELT DAY AT THE UNITED NATIONS

Mr. MOYNIHAN. Mr. President, in this year, the centennial anniversary of the birth of President Franklin D. Roosevelt, it is altogether appropriate that the United Nations General Assembly should have held a special session on disarmament, as it did earlier this month.

Franklin Roosevelt, as much as any individual, was responsible for the creation of the United Nations. He himself thought of the name. And the deterioration of the institutions of the U.N. over the years is nothing so much as a measure of how far we have fallen below the standards of civility and accomplishment in world affairs personified by Franklin Roosevelt.

Though there has often been good reason to forget, the principal purpose of the United Nations envisioned by President Roosevelt was to secure a lasting peace in the world consistent with protection of the "four freedoms" for which he asserted Americans would always be willing to fight.

Roosevelt listed those four freedoms in his state of the Union address to Congress on January 6, 1941, during the dark days before the United States entered the Second World War. The President's purpose on that day was to explain why the United States would support, through the provision of material and ammunition, the war efforts of the democracies in Europe against the totalitarian powers then embarked upon a campaign to conquer the free world.

President Roosevelt said:

We look forward to a world founded upon four essential human freedoms . . .

The first is freedom of speech and expression—everywhere in the world.

The second is freedom of every person to worship God in his own way—everywhere in the world.

The third is freedom from want . . . everywhere in the world.

The fourth is freedom from fear—which, translated into world terms, means a worldwide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor—anywhere in the world.

Mr. President, it is today more urgent than ever that we commit ourselves to securing Franklin Roosevelt's fourth freedom—freedom from fear—through prompt and responsible action to halt and reverse the arms race. The Congress is now considering several resolutions urging immediate action by the principal superpowers; an early resolution of this debate is imperative.

During the United Nations General Assembly's special session on disarmament earlier this month, President Roosevelt's extraordinary vision and accomplishment were commemorated in ceremonies in New York City.

Representing the Senate was a Member distinguished not only by his customary eloquence but by his tireless work in recent months in support of the nuclear freeze resolution he has introduced in the Senate. I refer, of course, to the senior Senator from Massachusetts (Mr. KENNEDY).

Few Senators have addressed this, the most urgent issue of our generation, with the insight that characterizes Senator KENNEDY's remarks of June 16. Few are capable of the concerted and farsighted effort that Senator KENNEDY has undertaken—mobilizing large numbers of people to speak out forcefully and responsibly about the arms race, persuading his colleagues in the Senate to support his resolution.

Mr. President, I ask unanimous consent that the remarks of Senator KENNEDY on the occasion of Franklin D. Roosevelt Day at the United Nations be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR EDWARD M. KENNEDY

I am honored to be with you today, as we commemorate Franklin Roosevelt and the lasting peace he dreamed of during the last World War. And I am also honored to be here at the United Nations where human beings still can strive for that peace which will permit us all to be more truly human.

Too often now, cynics take the too easy and fashionable course of disdaining the United Nations. So first of all, let me make clear my deep admiration for the devoted men and women who surmount difficultly and frustration to carry forward the noble work of the U.N. Charter—"to strengthen universal peace" and "to promote human rights and fundamental freedoms for all."

And I am proud to be introduced on this occasion by someone whose public life has proclaimed those ideals—and who has proved anew that public service can be a noble profession. Arthur Goldberg has been dauntless and tireless in the cause of international order and of social justice. As Secretary of Labor, as Justice of the Supreme Court, as Ambassador to the United Nations, and as a watchman on the walls of freedom and a guardian of the human rights provisions of the Helsinki Pact,

Arthur Goldberg sustained the rule of law by deep conviction, tempered it by rich humanity, and turned it into an instrument of progress.

And I am happy to join the FDR Centennial Commission, the United Nations Association, and the Ralph Bunche Institute in paying this tribute to Franklin Roosevelt. There could be no more fitting or proper place to recall one of the great individuals in the history of our century and our world than at the headquarters of the organization that is one of his great legacies to the world—the organization indeed to which he personally gave the name of the United Nations. And we are grateful to Arthur Schlesinger, one of America's most brilliant historians, for his service on this occasion and as Chairman of the Roosevelt Centennial Commission. He is my friend—and the friend of millions who may never know his name, but who will live better lives because of his life. All the world is in his debt.

Let me acknowledge three men who have a special role on this special day—the son of President Roosevelt who was so very close to my brother, President Kennedy, Franklin D. Roosevelt, Jr.; an American Ambassador of eloquence and grace who treated the U.N. as a place for negotiation rather than a forum for invective, Ambassador Henry Cabot Lodge; and Lord Philip Noel Baker, who has done so much to build international institutions and the hope for nuclear disarmament.

Franklin Roosevelt understood that world order was a good deal more than a matter of putting benevolent words on paper. As he had mobilized new people and new ideas in the battle against the Great Depression, so even before Pearl Harbor he summoned creative minds to plan a strategy and a system of peace.

In the Four Freedoms of 1941, he set the goals for which all of us still reach; he refreshed the spirit of a war-weary world and defined the moral foundation of a world without war.

He had no illusion that the task, would be easy or that success would be instant. He warned repeatedly against exaggerated expectations. He left us this advice: "Perfectionism no less than isolationism or imperialism or power politics may obstruct the path to international peace." But he was determined to keep moving, to open the path wider, to see through the surrounding darkness to the guiding star of our ideals.

In the often shadowed years since the San Francisco Conference in 1945, we have learned too much about the frustrations and failures of international organization. We have learned too well the truth of Lord Caradon's observation that, "There is nothing essentially wrong with the United Nations—except perhaps its members."

Indeed, the United Nations has been the victim of the perfectionists who have contributed so generously to the imperfections of this organization. Some of them cannot abide the realities of power—and say that every dream of the U.N. must be immediately achieved. Their bloc-voting offers us merely an automatic and often irrelevant majority. Others see only their own self-righteous side—and tell us, in effect, that all the dreams of the U.N. have already died. They provide merely the psychic satisfaction of smug despair.

We are here today to say that the central dream of the United Nations must never die.

We are here today to renew Franklin Roosevelt's dream of a world free from fear—which means, in his words, "A worldwide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor anywhere in the world."

And when we come here to plead the cause of peace, we do not stand alone. With us stand hundreds of millions from every country and continent and the hopes and hearts of all the earth. Leaders may hold back, but people everywhere are speaking out against a nuclear arms race that could threaten the survival of the human race. In 1982 the earth itself is an endangered species—and its inhabitants are more fearful than ever before in human history.

But with that fear has come a new movement, a new momentum, a new yearning for peace.

In our own country, the voters of California have gathered more than 750,000 signatures in record time to put a nuclear freeze resolution on the November ballot. Last week in this city, one of the largest assemblies of human beings in history marched and cheered and sang and called out to the powers of this planet—"Freeze now."

Japanese delegations have brought petitions to the United Nations with hundreds of thousands of signatures, all asking for disarmament. The victims of the first nuclear war plead that it must be the last such war ever to be waged.

And this week, in the center of Moscow, eleven Soviet citizens sought to meet in an apartment and to form an independent group that could press the Soviet government for arms control. Suddenly the apartment was sealed off and for now the leader of the group has disappeared. But no secret police force can seal off the idea of arms control, or make the ideal of peace disappear. For the movement now sweeping across the world knows no national boundary—and we must not permit it to be expunged or exploited by any totalitarian ideology.

Together, the United States and the Soviet Union now possess the equivalent of one million Hiroshima bombs. This stockpile equals four tons of T.N.T. for every man, woman, and child presently living on this planet. The two great powers are bristling with weapons that could kill more people, burn more buildings, and sack more cities, than in all the conflicts from the beginning of history. Despite all our bombs and all our missiles, we stand essentially defenseless upon a stage on which the human drama could be closed in the flashing of a fireball.

It is impossible to describe the pain of the individual dying, but we can predict the extent of the incredible devastation. And even if everyone did not perish, what kind of world would the survivors possess? They would find themselves in a different, deeper, and darker age than the one which descended on Europe fifteen hundred years ago. Then the oldest centers of Western civilization, although damaged, also endured. When human beings began to see through the darkness, they looked for light and for the recovery of collective memory to Rome, Athens, and vast manuscript collections in monasteries across the continent. Much of ancient art and sculpture was recovered. The Renaissance did not recreate the human heritage, but reawakened to it. This time, when men and women in the Northern Hemisphere, if they win the struggle for survival at all, and look for the light of the past, where will they turn? The greatest scientific libraries and centers will be gone. The art of the Louvre, the Vatican, and the Metropolitan will be ashes. In a sense Venice, which has withstood the assaults of the Adriatic Sea for a millenium, but would be vaporized in a moment, symbolizes our powerlessness before the bomb. And Jerusalem, where a few stones have stood stone upon stone since before the time of Christ, would become a bleak moonscape.

An elementary physics book would be priceless scientifically. Indeed, it might be impossible for most surviving communities in America, Europe, or the Soviet Union, to understand anything more advanced. The human remnant in those nations would not have to reinvent the wheel, but they would be forced to recreate even the most elementary technology of the twentieth century. Much of the accumulated achievements of human spirit and talent would be lost.

Perhaps it is too generous to speak of our society surviving a nuclear war in a form that resembles a caricature of medieval times. Nuclear war may or may not threaten the death of the world, but it would so diminish the human condition that those who lived on would be forced back beyond any recognizable past. The future would be theirs; but in time, the living would envy the dead their chance, now lost for immeasurable years, to know what it meant to be fully human.

And the world's fear does not end with the weapons that might now end the world. In the near future, the United States intends to deploy the MX and Cruise missiles, the B-1 and Stealth Bombers, the Trident II and the Pershing II. The Soviet Union intends to increase its arsenal of nuclear annihilation, with follow-on weapons to the SS-18 and SS-20 missiles, the Backfire Bomber and more advanced strategic submarines.

Let no one doubt the futility of this fatal competition. Neither the United States nor the Soviet Union will ever permit the other to secure nuclear superiority. Each nation will match the other, bomb for bomb, missile for missile, step for step on an accelerating treadmill that finally will carry us across the nuclear brink.

Balanced precariously at the edge of that brink, where the stark choice may be existence or extinction, the two great powers at long last must spend less time preparing for a nuclear war and more time preventing one. Arms control postures are no substitute for arms control policies. As we enter into START negotiations, we must remember the lessons of history; we must renounce the pursuit of the phantom of nuclear advantage and we must free our diplomacy from the dangerous myth that more megatons mean better bargaining chips. I reject the absurd theory that we can have fewer nuclear bombs tomorrow only if we build more nuclear bombs today.

The greatest challenge of our time—and perhaps of all time—is the effort to stop the arms race, and then to run it in reverse.

To start with, we must cease treating the possibility of a nuclear exchange as an acceptable option. Recently, we read of a high official of our own National Security Council placidly and calmly prophesying a 40 per cent probability of such a conflict. And a Deputy Under-Secretary of Defense has said that all we need to survive is a shovel to dig a hole, a door and a pile of dirt to put on top and hold off the fallout. Too many war game theorists here and in the Soviet Union are making plans for a winnable nuclear war. Perhaps they should remember, even if only for a moment, that while they will be safe in a protected bunker, inside a moun-

tain and behind steel doors, the rest of the world will be dying.

As an American, I believe in a national defense second to none, sufficient to deter any attack from any adversary. But I also believe that we must preserve and protect a world which may soon be only a second away from nothingness.

So I have given and shall continue to give my voice and my support for an immediate, comprehensive nuclear weapons freeze as the first essential step towards nuclear arms control. The freeze I favor is not unilateral disarmament; it depends on mutual action by the United States and the Soviet Union. Our freeze is not based on trust by one nation for another, but on full and effective verification, so that any violation can be detected and dealt with.

Without such a freeze, the world will have to wait even longer to live free from fear. But a freeze will avoid the endless and irresolvable debate about who is ahead and who is behind. It will maintain the existing state of essential equivalence, in which Moscow and Washington both can destroy the other's nation many times over. Too often in the past, calls for reductions in nuclear arms have been ineffective, because during the very period of negotiations massive arms build-ups have occurred on both sides. Only a freeze can prevent that.

Without such a freeze, proliferation will become a problem without a solution. American and Soviet appeals against the spread of the bomb tend to fall on cynical ears so long as the superpowers multiply their megatons. A freeze can contain the Soviet-American arms race—and then change the attitudes of the world.

It can create the moral authority to deal with the gathering disaster of proliferation. It can deprive aspiring nuclear powers of the too ready excuse that they have every right to acquire a bomb, so long as present nuclear powers are feverishly adding to their own arsenals.

Many delegations to this Special Session of the United Nations—including the Representatives of India, Mexico and China, to name only three—have joined the global call to freeze the nuclear arms race. Resolutions for a freeze are being introduced into the legislatures of Australia, Canada, India, Jamaica, Kenya, New Zealand, Nigeria, and the European community. The citizens of the world are saying: "Enough is enough." For they know too well and too painfully that the world in an arms race is also a world impoverished. For America, that arms race cripples our capacity to do anything else. Today we are cutting immunization for children in order to finance the weapons that may someday kill them. Every new shelter for a missile means fewer homes for our families. Every new warhead guidance system that can read enemy defenses means more schools where students will not learn to read. Every new escalation that could mean death at an early age across the earth also darkens the golden years of our senior citizens now.

The world now lavishes more than $500 billion a year on the engines and instruments of death and destruction. Nuclear weaponry alone consumes a hundred billion of those dollars. Without a nuclear weapons freeze, we can never achieve Franklin Roosevelt's other dream of a world where there is freedom from want.

In closing, let me recall that collective security was the first principle of the United Nations. But in spite of the emptiness of any notion of superiority in the nuclear age, the standard of security has become: Who can lead in the arms race? And as long as security is measured in terms of arms competition, and not arms control, it can never be collective. In the four years between the first and second special sessions on disarmament, world military expenditures have exceeded $1.6 trillion. In the same four years, governments have sat at bargaining tables to negotiate limits on every phase of military power—only to agree to disagree, only to walk away from the bargaining table with a renewed commitment to run the arms race and to try to run the adversary into the ground.

But I have seen what a risk we run—for I have stood at the first ground zero of the atomic age. I have talked to the survivors of that holocaust in Hiroshima. They speak of a blinding light, a burning wind, the cries of the injured, heard but not heeded. Any anyone who stands in that spot must resolve to do all that can be done to see to it that this shall never happen again.

Today we stand, and all the world stands with us, at our own ground zero. So let us resolve that this atomic age shall not be succeeded by a second Stone Age. Here at the United Nations, and each in our own nation, let us resolve, in the words of Tennyson (to) "ring out a slowly dying cause—and ancient forms of party strife, ring out the thousand wars of old, ring in the thousand years of peace."

FORMER SENATE PAGE JOHN GARDNER PREPARES OUTSTANDING RESEARCH PAPER AT HARVARD UNIVERSITY

Mr. EAGLETON. Mr. President, we sometimes lose track of our Senate pages and what they have gone on to accomplish. John Gardner was a Senate page in 1977 and 1978, and is now a student at Harvard University.

Earlier this year, John wrote a paper for one of his Harvard courses which I think is of such extraordinary quality that I want to share it with my colleagues.

Mr. President, I ask unanimous consent that the text of John Gardner's research paper be printed in full in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

CONSERVATISM AND REFORM: THE POLITICAL EMERGENCE AND TRANSFORMATION OF WOODROW WILSON AS THE PRESIDENT OF PRINCETON, 1902-10

If one wished to make an intensive study of the American scene in the first decade of the Twentieth Century, he could find no community more articulate than that of Princeton. Everything was there, dramatized in little. The theme was ancient: a nation growing rich and beginning to abandon its democratic ideals is startled and confused when a man of vision and power challenges the new gods and makes the situation clear by telling the truth about it.—Ray Stannard Baker, 1925.

Here's to Wilson, king divine!
He rules this place along with Fine.
We fear that he'll soon leave this town
And try for Teddy Roosevelt's crown.—Princeton Faculty Song, 1908—John S. Gardner, January 11, 1982.

The years 1902-1910 marked a transition in the life of Woodrow Wilson as they did in the nation as a whole. The young and popular McCormick Professor of Political Jurisprudence[1] was suddenly elected President of Princeton University in June 1902. Although he had previously been active in University affairs, he had never had experience in the more practical, especially economic, aspect of university administration. Moreover, Wilson, who was widely regarded as an articulate if staunch conservative, was expected to undertake an ambitious program of reform.

For Princeton in 1902 badly needed reform. The transition from the College of New Jersey to Princeton University had not been easy; the question of the Graduate College haunted Wilson's presidency, and the future expansion of the University was uncertain. A general decline in academic standards had accompanied the dramatic rise in the importance of the eating clubs in the University's social life. The question of one's "clubability" dominated the first two years at Princeton; after the "bicker," many who failed to gain admission felt isolated, and many who joined clubs regarded them as almost more important than the University itself. A benefactor remarked that "Princeton was a delightfully aristocratic place,"[2] while in the view of Wilson and many younger faculty, the situation threatened the fabric of social life and the sense of community at Princeton. Such was the university Woodrow Wilson inherited.

Yet how could a conservative, especially one trained in political theory, justify such sweeping reform as Wilson was expected to advocate? First, Wilson's reputation for conservatism was based on his analyses of American history and government, most notably his strong dislike of Bryan-style populism and his adherence, partly sectional and partly theoretical, to the Democratic party.[3] In University matters, Wilson and the younger faculty were reformers, intent on maintaining high academic standards and a sense of social democracy they believed to be necessary in an academic situation.

Second, and more important, Wilson as a political theorist had developed a conception of the idea of reform. He based his beliefs on law, reform, and the effects of change on his study of history rather than a blind attachment to tradition. It must be remembered that Wilson spoke the language of political theory; not until he bagan to consider political office did he begin to use the language of practical politics with its looser use of terms. Significantly, the word "conservative" had a different meaning for Wilson. As expressed on many occasions, most clearly in "Conservatism: True and False" (1907), Wilson's conservatism was greatly influenced by Burke—"The true conservatism consists in reexamining old principles, seeking such a reformulation of them as will adapt them to the circumstances of a new time."[4]

Wilson was not a reactionary, nor did he cling to traditions that had outlived their purpose. Rather his political philosophy emphasized "the reign of law"[5] and the organic unity of society, including the importance of a sense of community. Later, his philosophy included an increasing number of Jeffersonian elements.[6] Wilson added to this an idea particularly oriented towards universities—for the community to flourish and the centrality of academics to remain, a

Footnotes at end.

sense of social equality (based on the common pursuit of academic goals) and democracy were necessary.

The background of Wilson's philosophical journey to this point is quite complex and cannot be described here in great detail. Wilson's Southern Presbyterian background was of course important; Professor Craig has demonstrated how the Rev. James McCosh, President of Princeton during Wilson's undergraduate years, influenced the student's philosophical method and belief,[7] and Wilson's own studies contributed to his intellectual development.[8] Nonetheless, a Burkean influence is clear throughout his writings; for instance, in a letter to H. S. McClure, dated 9 April 1910, concerning the establishment of a new political party: "Theoretically . . . the formation of a new party is very desirable indeed, but . . . there is an inestimable advantage in working upon definite historical foundations. . . ." Nevertheless, Wilson remained open to the idea of reform.

As a historian and political philosopher, Wilson's twin emphases (often reappearing under different names) were "historical foundations" and proper "principles." This background Wilson carried with him all through his tenure as president of Princeton; it provides a key to his actions not to be equalled until the reawakening of his "political consciousness."[9] In the midst of the Graduate College controversy, Wilson declared that the real issue was the ideals and not the location of the Graduate School; West's goals "are not those of Princeton University, and they are radically wrong. . . . A graduate school based on these ideals cannot succeed."[10]

The first major reforms of Wilson's presidency were solely academic. He had the responsibility to transform Princeton into a major university, and to that end he asked for $12,500,000 for, among other things, the building of the Graduate College, improvement of the School of Science, and a natural history museum.[11] The reorganization of the Faculty in 1902–1904 (merging the School of Science with the rest of the Faculty, establishing academic departments, and requiring undergraduate concentration) and the adoption of the preceptorial system in 1905 were meant only to strengthen Princeton academically; although there is some evidence that Wilson conceived of academic reforms as part of a general reform program, nothing in them either shows or led to great changes in Wilson's political thought. It should be noted that in this, Wilson's first attempt at administration, he succeeded admirably. Only in that the adoption and great success of these reforms brought him public recognition and acclaim was there anything that influenced his later political development.[12]

By 1906, the situation regarding membership in the upperclass clubs had become so deletrious to the spirit and life of the University that Wilson was required to act. Since the University did little to provide housing or eating facilities for its students, Wilson could not force the abolition of the clubs, which were in any case independent of University control. So he chose a middle course—to use the existing resources of the clubs (and existing dormitories) and form them into complete residential "quadrangles" of 100–150 students each. This was to become the nucleus of Wilson's next major reform program.

From the start, there were two main thrusts to this proposal, the academic side and the social side. On the academic side, this was a remedy to Wilson's fear that "the sideshows are swallowing up the main circus";[13] like the perceptorial system, this reform was designed to increase academic standards and emphasize the academic rather than the social aspects of University life. Wilson was seriously concerned that the University could become "only an artistic setting for life on Prospect Avenue."[14]

On the social side, nearly everyone connected with Princeton agreed that the club system needed reform. In this sense, the quad plan was an attempt to restore to Princeton social democracy, "this sense of close comradeship among the undergraduates"[15] that Wilson valued so highly. In describing Princeton as an ideal university, Wilson wrote that "Democracy, the absence of social distinction, the treatment of every man according to his merits . . . is the essence of such a place, its most cherished characteristic."[16] The resulting struggle began to take on greater significance for Wilson in this social sense, for he always wanted to restore "this community feeling and action"[17] to Priceton.[18] It was in this sense also that the public viewed the controversy, increasing Wilson's public reputation as an educational and now as a social reformer.

Since the quad plan fight took place after George Harvey's "nomination" of Wilson in 1906 for US President (and the resulting public discussion of the suggestion), public perception of the situation became important, and it is conceivable that Wilson understood the importance of that perception, although at that time he did not consider the prospect of high office likely.[19] This does not imply that Wilson tailored his actions to effect desired public response. As J. Duncan Spaeth wrote of him, "Ethics always had priority over economics in his practical politics."[20] Presumably the same held true for politics as well.[21]

Aside from national media attention, the Quad Plan had another national aspect as well. Similar problems existed at Harvard, Wisconsin, and Columbia, and it thus potentially represented "a problem of fundamental significance . . . for the whole way of American life,"[22] for "the dangers which threatened the national democratic tradition could not be adequately met . . . by people whose training had taken place among undemocratic surroundings of luxury and privilege."[23] This fact provides the basis for the national significance of Wilson's proposal. Not incidentally, this increased Wilson's national prestige after he had begun to be considered for high office.

The Quad Plan failed. The Board of Trustees voted on 17 October 1907 to rescind their previous tentative approval of Wilson's proposal. Personally, this was a terrible failure and disappointment to him.[24] Politically, however, it was, if anything, a boon. The country had supported Wilson and reacted angrily to this demonstration of the power of social privilege. The defeat of the Quad Plan marks the first specific instance of Wilson's connecting events in Princeton with political events in the country at large. Although the reaction was neither immediate nor wholly connected (for Wilson had already become increasingly aware of the economic and social problems of his day), he recognized more the dangers of social privilege and became more sure of his faith in a natural social democracy. In a sense, he took the situation at Princeton as representative of the country at large. Slowly, such ideas began to be reflected in his speeches. He had always believed in the proper spirit of Princeton; its defeat exposed him to a parallel decline in national life and custom.

One major source of opposition to the Quad Plan was its tendency, had it been adopted, to divert funds and attention away from the plan for a Graduate College, which had lain virtually dormant since its inception in 1896. The dean of the Graduate School, Andrew F. West, was growing impatient, and he enlisted the help of his friend and Princeton trustee, former US President Grover Cleveland, to hasten work on the Graduate College program. After the defeat of the Quad Plan, the Graduate School issue came to a head when the University accepted a bequest of $250,000 from a Mrs. Swann to build a residential graduate college on University property. Construction did not begin immediately, however, and Dean West obtained the use of the estate "Merwick" for the graduate students.

This had the natural (and to Wilson, undesirable) effect of removing the graduate students from regular contact with the undergraduates. This question of separation from or inspiration to undergraduate life became, indirectly, the focus of the Graduate College controversy at Princeton. In May 1909, the soap magnate William C. Proctor offered Princeton $500,000 for a graudate college, provided it be built apart from the center of the university: "I have visited and examined the proposed site at Prospect, and beg to say, that in my opinion, it is not suitable for such a College." In this he was possibly influenced by West, whose report he had read.

Wilson felt bound to comply by the terms of the Swann bequest; thus he could not in any case consent to the building of the Graduate College apart from what was the University in 1906. Even at this important point in his career, he would not compromise his duty to achieve a political aim or receive half a million dollars. Also important were two other factors—first, that Wilson supported the principle (which he later claimed was also West's original ideal)[25] that the Graduate College be built at the center of the university, to encourage the two student bodies to mingle; second, Wilson strongly felt that the acceptance of the Proctor offer would jeopardize the independence of the University. Wilson wrote "I cannot accede to the acceptance of gifts which take the educational policy of the university out of the hands of the trustees and faculty, and permit it to be determined by those who give money."[26]

Of the first point, the importance of principle, it must be said that this was one aspect of his political character which did not change from his political emergency at Princeton. Wilson wrote to Robert Garrett, a Trustee and Wilson supporter, that "The graduate establishement on the Golf Links cannot succeed";[27] in other words. Wilson's principles for the Graduate College could never be realized by the selection of that location.

Like the Quad Plan, the Graduate College controversy caused a great division among the Trustees. To Wilson and his supporters, the Proctor offer demonstrated the "dangerous power of wealth."[28] It seemed as though this wealth was now threatening Princeton, hiterto remote and independent. To prevent the acceptance of the Proctor offer, Wilson went on a speaking tour, as he did when U.S. President, this time to forestall the election of Adrian H. Joline to the Board of Trustees and carry his case directly to the alumni. Wilson was able, temporar-

ily, to control the Trustees, and he persuaded them to reject the offer. This rejection once more put Princeton and its president into the national spotlight. As Winkler reports, "Wilson was hailed as the counterpart, in the colleges, of Theodore Roosevelt."[29] Once again, the media attention heightened Wilson's political reputation.[30] In addition, "There can be little doubt that this sharpened appreciation of the power of money led him to pay more attention to the expansion of big business going on in the world outside and its destruction of the traditional Jeffersonian society of small men."[31] Wilson himself had been again transformed by this sudden realization; the reform political views that had been fermenting in him dramatically expanded into a full consideration of the Progressive outlook, and he began to criticize big business harshly in his speeches. In a philosophical sense, perhaps the most natural sense in which to analyze Woodrow Wilson, the "conversion" to Progressivism was complete.

Yet the complete story of Woodrow Wilson's conversion to Progressivism cannot be told without reference to his growing political awareness and others' perceptions of his potential for high office. On February 3, 1906, at the Lotos Club dinner in New York, editor George Harvey made his famous "nomination" of Wilson for President of the United States. Wilson wrote that "it was most delightful to have such thoughts uttered about me,"[32] but he did not seem to take Harvey seriously, for he later wrote "I believe I think it slighter . . . than you do." He continued: ". . . still less do I deem myself a suitable person to be President."[33]

Harvey had attended Wilson's inauguration in 1902 and was deeply struck by him. After the Lotos Club dinner, Harvey published his speech and quite a bit of editorial reaction. Harvey declared that "[Wilson] stands for everything that is sound and progressive."[34] Wilson's main attractions to Harvey, however, were that he appeared to be conservative and, as a Southerner, might be able to unify the party. In short, he was a practical alternative to William Jennings Bryan. Wilson seems to have realized this and always tried to steer a middle ground between Bryan and the extreme conservatives. Finally, after a long attempt, made more complex by the situation at Princeton, Harvey finally persuaded Wilson to accept the Democratic nomination for Governor of New Jersey in 1910.

It was Bryan's more radical approach to reform, not the reforms themselves, that upset Wilson. On the other hand, Bliss Perry, a professor at Princeton during Wilson's presidency, offers a different reason for Wilson's disagreements with President Theodore Roosevelt: "His [Wilson's] driving force would brook no opposition. . . . The two men were too much alike to get along together without friction."[35] This, the tariff question, perhaps also Roosevelt's approach to reform, and general political expediency seem to explain Wilson's opposition to Roosevelt, which does not conflict with his emergence as a Progressive.

All during this time, however, Harvey had been writing Wilson, encouraging him to enter politics and trying to make him think politically. Wilson accepted at least the latter piece of advice and began to speak out on questions of national importance. This process was increased, of course, by developments at Princeton which brought him public attention, raising anew the question of his entry into politics. This in turn brought more opportunities to give speeches. So Wilson's political mind was active during this time, prompted orginally by Colonel Harvey but encouraged by the ramifications of events at Princeton which showed him clearly the need for Progressive-like reform. Wilson gradually became politically conscious, but he rarely if ever forced his views to conform with prevailing public sentiment. Rather, it was events at Princeton that forced modifications of his political opinions.

In addition to examining the Progressive aspects of his major addresses, it is useful to review some specific issues on which Wilson took a stand before his political transformation.

First among these was the issue of Prohibition. Wilson with his strong conception of the individual even in modern society, believed in individual rights; "[h]e believed in men following their own consciences in such matters, rather than in having provocative restrictions imposed on them from without."[36] On this issue, however, there was also a practical side, for he said "If local option passes, every undergraduate in Princeton will have a corkscrew."[37]

Second, as a loyal Democrat, Wilson strongly supported free trade. His views are well expressed in an article, "The Tariff Make Believe," published in October 1909, in which he wrote: "Here in a protective tariff, are the entrenchments of Special Privilege."[38] Further, he wrote privately, "I need not tell you of my strong sympathy with the cause of tariff reform."[39]

Wilson was undoubtedly aware of the "paradox" of Progessivism—that by attempting to democratize, simplify, and increase the efficiency of government through "scientific managers," the Progressives were in fact reducing the direct participation of citizens in government. On the whole, he considered the ends worth the means, however, and the "paradox" did not bother him. In fact, he was faced with a similar situation at Princeton; on tour in the West to promote his Graduate College program he once asked "Unless you give me complete authority how can I make Princeton a democratic college?"[40] Similarly, in his advocacy of the "short ballot," Wilson pointed out that "The methods by which we have sought to establish popular control have, however, really destroyed it."[41] Wilson's goals, typically Progressive, were "efficiency in governmental administration and direct and intelligent control by the people." The political machines, however, have taken advantage of the confusion of the present ballot system to confuse and thus control the voter. Recognizing the "paradox," he proposes a solution: that a city council "should be elected by districts" to allow more public influence over nominations and effect a truly democratic reform.[42]

Thus the Progressive philosophy into which Wilson gradually emerged both reflected his experience at Princeton and came as a result of outside influences such as Colonel Harvey. In most instances, though, his later philosophy is basically a natural outgrowth of his earlier philosophy.

One of Wilson's most fundamental and significant beliefs with regard to university policy was that a university should serve the state. This is reflected clearly in the very title of his Inaugural Address, "Princeton in the Nation's Service." Earlier, in his Sesquicentennial address, he had stated that universities cannot "stand aloof from the practical world" and defined "the law of conservatism" as "a law of progress." Now, he extended the concept of service and duty so ingrained in his background. "In planning for Princeton . . . we are planning for the country. The service of institutions of learning is not private but public."[43] By this, Wilson had opened the door further to public-spirited reform; Princeton was to become a great university by serving the nation.[44] Much later, he would write: "We must seek, by common counsel, to make her [Princeton], in small, what we should wish the country to be . . . a school of pure democracy . . . a place in which men are bidden . . . to serve the country without regard to class or private interest."[45] This aspect of Wilson's Progressive character, this conception of a university, had changed little during his tenure as President of Princeton University.

Yet in other ways his attitude towards Princeton had changed. The Equitable Life Insurance scandal of 1906 forced the resignations of two Trustees and brought again the sense of the danger of wealth.[46] Moreover, Wilson was not a sectarian in his government of the university.[47] More important, Wilson recognized the physical location of Princeton and its effect on his thought. Princeton may be isolated, but its "individuality" separates it from state universities.[48] In any event, Princeton was not so remote that the evils of society did not penetrate there, but the influence of the town's location and status forced Wilson to concentrate, by virtue of his great familiarity with the subject, on promoting reform from the top.

Yet there were also more specific expressions of his political philosophy in the political arena that bore the stamp of his long association with Princeton. For instance, Wilson's attitude towards public service and sense of duty influenced him strongly to enter politics.[49] Further, the religious Wilson believed that "the chief end of man is to keep his soul untouched from corrupt influences and to see that his fellow men hear the truth from his lips."[50] To President Wilson, Progressivism was natural if it could embrace the moral basis of his philosophy and raise the nation to a higher plane in that respect. Lewis states that " . . . he believed with all his heart in equality of opportunity." Craig concludes that one of the most natural reasons for Wilson's conversion was that he "saw that Princeton and other American universities of his time . . . were not producing the dedicated leaders necessary to the preservation of the nation's democracy."[51] Finally, Wilson directly links events in Princeton with events in the outside world at least once, in Chicago on 12 May 1910: "Neither business corporation nor university can any longer regard itself in any sense a private undertaking. . . ."[52]

From all these influences, Wilson's political thought expanded into a full Progressivism, although it always approached Progressivism from an originally conservative point of view. To quote Bragdon, Wilson was "a Progressive with the brakes on"[53] and not a Populist like Bryan.

For Wilson, then, the proper approach to reform was that of law as opposed to "a reign of discretion and individual judgment on the part of governmental officials."[54] Though he was a Progressive, Wilson still saw the need for minimal government and pointed out that "There's law enough now to get at most of the transactions we complain of, if the courts will but read the older principles of the law in the light of new transactions. . . ."[55] Wilson's training as a lawyer gave him hope that this course would succeed, and one cannot doubt his

sincerity from his deliberate tone and his recording of economic abuses. Since "The whole history of liberty . . . has been a struggle for . . . embodiments of rights in law," it is the only acceptable solution. In addition, he is comforted that "The leadership of lawyers at least meant a repeated reexamination of principle and precedent."[56]

Specifically, by late 1907, Wilson had charged that "Our two tasks are to break up monopolies and rediscover the individual in all matters of legal responsibility."[57] In his twin addresses "The Government and Business" the next spring,[58] he had identified more specific abuses—monopolies, "the manipulation of securities and the use of trust funds," railways (which Wilson admits "are specially open to regulation upon the more old-fashioned principles of government"), "predatory wealth," and "unfair competition," to name a few. Moreover, he had already considered the feasibility of governmental regulation and was often opposing it, in part because commissions could not stop "one of the radical abuses of our time, namely the manipulation of values."[59] Wilson also opposed the late nineteenth-century idea that the Fourteenth Amendment could be used to protect corporations.

Wilson's conclusion is clear: "No wise and conscientious man defends the inequitable methods of modern business."[60] As a true Progressive, he searches for methods of eliminating these practices; his conservative background merely directs him to one possible solution. Punishment is sure, for since "The corporation itself never fails to find the really responsible official in its own processes of discipline," for its own private purposes, it can do so for public purposes.

Such is the Progressivism of Woodrow Wilson. It is a far cry from the educational reforms of the early days of the presidency, but that is because Wilson did more than simply build upon that foundation; he added a new dimension, related to but not wholly connected with events at Princeton. Yet despite its conservative background, none can seriously call it a false Progressivism. Wilson proceeds even further in his zeal for reform, so that by the 1910 campaign, he can satisfy New Jersey Progressives with his support of (among other ideas) regulation of utility rates, a corrupt practices act, workmen's compensation, and his independence of party bosses.[61] In his Inaugural Address as Governor of New Jersey in 1911, Wilson summed up his support for Progressivism by saying: "The air has in recent months cleared amazingly about us, and thousands * * * have lifted their eyes to look about them * * *." In short, "A new economic society has sprung up, and we must effect a new set of adjustments."[62]

On 20 October 1911, Theodore Roosevelt wrote to Dr. John Finney, who had been offered the presidency of Princeton as Wilson's successor: "There is no more important position in this country, outside of the position of President and Chief Justice, than that of president of a great university, if only that president is the right type of man."[63] Woodrow Wilson clearly was the right president for Princeton. His innovative reforms transformed a small college into one of America's premier universities.

As Wilson shaped Princeton, so Princeton shaped Wilson.[64] The very experience of administration gave him a familiarity with economics and practical politics that prepared him for his future public service. It was at Princeton, too, that Wilson's political ambition was rekindled and promoted. Having achieved national prominence as a historian, writer, educational reformer, and president of a great university, it was natural that he should be considered for high office. His representation of the South, the wide circulation of his writings, and above all the public perception of him as a progressive leader gave him the public recognition and admiration necessary for high elective office. Finally, his presidency of Princeton transformed him: he developed new conceptions of government and became more aware of the general need for reform.

The timing of Wilson's presidency was fortuitous—in 1910 Wilson could wholeheartedly advocate Progressive reforms; not only had his experience at Princeton changed his view of the economic and social structures of society, but also, in a sense, the country was prepared for Progressive reform in a Wilsonian manner, as opposed to the simple desire for change Wilson had criticized earlier. Wilson often viewed Progressivism as a restoration. He advocated, as Professor Craig writes, "the kind of reform, at once conservative and progressive, that consists in the restoration to greatness."[65]

So it was that Wilson and Princeton influenced each other. The complete story of that influence may never be told, for Wilson had spent nearly half his life at Princeton, and thus the influence extended to nearly every area of his life. Suffice it to say that Wilson entered Princeton as its President fully cognizant of his task and the new feeling; in his Inaugural, he declared "A new age is before us in which, it would seem, we must lead the world."[66] He left eight years later greatly changed by his years as President and prepared for the public service tasks that awaited him. Had there been no presidency of Princeton, had he not been elected suddenly on that day in June 1902, it is probable to say that he would never have been elected President of the United States.

Here's to Woodrow, once our king!
To Lewis he didn't do a thing.
The nation's service is his text;
We'll see him in the White House next.—
Princeton Faculty Song, 1911 or 1912.

FOOTNOTES

[1] *Narrative*, p. 1.
[2] Winkler, chapter 5.
[3] Wilson had voted the Gold Democrat ticket in 1896.
[4] *Conservatism: True and False*, 1907.
[5] *The Government and Business*, 14 March 1908.
[6] J. Duncan Spaeth, in "Woodrow Wilson as I Knew Him and View Him Now," in Harper, *et al.*
[7] Craig, *Woodrow Wilson at Princeton*.
[8] To analyze these factors in brief, Wilson's Southern background certainly included a conservatism inherited from Democratic party tradition; his Presbyterian background is especially relevant in his ideas on law and young Woodrow's listening to the proceedings while his father was a Clerk of the Southern Presbyterian denomination. In addition, in his Baccalaureate Address of June 1910, he said: "But you have never in fact left off the influence of home, have you? You can never leave off. Those impressions are indelible."
[9] Link, *The Road to the White House*, chapter IV.
[10] Ibid, p. 70. The graduate college controversy thus became a personal issue because of the ideals Dean West represented.
[11] Baker, *Life and Letters*, p. 146.
[12] It is interesting to note, however, that in explaining the preceptorial system to the students on 15 April 1905, Wilson said the preceptors would be "companionable" and "clubable." Further, "If their qualities as gentlemen and scholars conflict, the former will win them the place." From Fried, Albert, ed.; *A Day of Dedication;* (New York: The Macmillan Company, 1965).
[13] This was a common phrase of Wilson's.
[14] Link, *Road*, p. 47.
[15] Introduction by Wilson to Williams, John Rogers; *The Handbook of Princeton;* (New York: The Grafton Press, 1905), p. xvi. Dated March 27, 1905.
[16] Ibid.
[17] Ibid.
[18] As Winkler writes, "His enemies became the enemies of Princeton, *ergo* of *democracy*" (p. 92). In addition, Wilson believed that the Quad Plan would be a useful social reform: "I should say that poor men could attend Princeton . . . more easily and with greater advantage than formerly, partly because they can in part pay for their board and because the men who are under the present arrangement excluded from the clubs . . . will have the full advantage of university life and associations." (Letter to Howard Armstrong.)
[19] Letter from Wilson to Harvey, 16 December 1906.
[20] Spaeth in Harper, *et al.;* p. 74.
[21] Kerney in *The Political Education of Woodrow Wilson*, takes a more cynical view, emphasizing Wilson's long association with Harvey and Sen. Smith's role in Wilson's political emergence. While Kerney offers some fascinating insights into New Jersey politics, his case seems somewhat superficial and overinfluenced by his knowledge of the political machine. See especially Kerney, p. xi-xii.
[22] Hugh-Jones, p. 91.
[23] Ibid.
[24] It meant, practically, the loss of the friendship of John Grier Hibben, Wilson's closest friend and successor as President of Princeton.
[25] Letter from Wilson to M. Taylor Pyne, 25 December 1909. Quoted in Baker, p. 315–318.
[26] As quoted in Winkler, p. 93.
[27] Letter from Wilson to Robert Garrett, 25 December 1909. This letter is in many respects similar to that which Wilson wrote Moses Taylor Pyne the same day.
[28] Hugh-Jones, p. 94.
[29] Winkler, p. 93.
[30] Ibid.
[31] Hugh-Jones, p. 101.
[32] Letter from Wilson to Harvey, 3 February 1906.
[33] Letter from Wilson to Harvey, 16 December 1906.
[34] *Harper's Weekly*, 10 March 1906, p. 324. In the same issue was this editorial reaction from the Baltimore "Sun": "George Harvey nominates President Woodrow Wilson, of Princeton, for President of the United States. This might stop Harvard from getting all the big offices."
[35] Perry in Link, *Woodrow Wilson: A Profile;* p. 43.
[36] Lewis, *Woodrow Wilson of Princeton.*
[37] Quoted in Lewis.
[38] The *North American Review*, October 1909. From Baker, *College and State*, p. 128.
[39] Wilson to Louis Ehrich, 18 June 1909.
[40] Quoted in Winkler, p. 94.
[41] "Address by Woodrow Wilson at the Banquet of the Advocates of the Short Ballot," 21 January 1910. From Wilson typewritten manuscript in Princeton University Library.
[42] Wilson in his Baccalaureate Address of 12 June 1910 again demonstrated his awareness of this "paradox:" "Perhaps not so many individuals are of significance as formerly, but the individuals who do tell tell more tremendously, wield a greater moral choice . . . ." (From typewritten manuscript in Princeton University Library.)
[43] Quoted in Baker, *College and State*, Volume I, p. 273.
[44] The chief glory of a university is the leadership of the nation in things that attach to the highest ambition that nations can set themselves, those deeds which lift nations into the atmosphere of things that are permanent and do not fade from generation to generation." (Link, *Road*, p. 44.)
[45] Address to the Chicago alumni, 12 May 1910.
[46] Bragdon, p. 296.
[47] Bragdon, p. 299.
[48] Bragdon, p. 309.
[49] Letter from Wilson to Harvey, 14 July 1910.
[50] Quoted in Link, *Road;* p. 59.
[51] Craig, p. 3.
[52] Address to the Chicago alumni, 12 May 1910.
[53] Bragdon, p. 387.
[54] "The Government and Business," 14 March 1908.
[55] Ibid.
[56] "The Lawyer and the Community," address to the American Bar Association, 31 August 1910, Chattanooga, Tenn.
[57] "Ideals of Public Life," 16 November 1907.
[58] 14 March and 3 April 1908.

[59] "The Government and Business," 14 March 1908.

[60] Ibid.

[61] Letter from Wilson to George L. Record, 24 Oct. 1910. Published in the Trenton *True American* 26 October 1910. (From Cronon.)

[62] Quoted in Baker, *College and State;* pp. 270 and 293.

[63] Letter from Theodore Roosevelt to Dr. John Finney, 20 October 1911, in Princeton University Library.

[64] "Princeton, situated between the North and South, was a singularly effective platform for the exposition of his views. Moreover, a post which possessed both power and initiative, with no checks and balances and where a failure of leadership produced . . . a change of leader, answered Wilson's main concept in the field of government." (Hugh-Jones, p. 87).

[65] Craig, p. 14.

[66] Quoted in Baker, *College and State;* Volume I, p. 461.

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REAGANOMICS—CHAPTER II

Mr. EAGLETON. Mr. President, on September 15, 1981, I placed into the CONGRESSIONAL RECORD at page S9629, a series of quotes from conservative economists and conservative financial experts on the shortcomings of Reaganomics. In the intervening 9 months, the apprehensions of these economists and financial experts have been proven to be justified. Their gloomy predictions have been accurate.

Mr. President, I ask unanimous consent that a collection of additional quotations from conservative economists and financial experts, which quotations have been made since September 15, 1981, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Henry Kaufman, (Senior Economist at Salomon Brothers):

"We must regard it as an achievement if our economy continues to sputter and spurt, (lurching from recession to recovery, but with a sustained period of economic growth or lower inflation and interest rates). To expect more would be downright unrealistic." ("Kaufman: Reagan Policies Will Do More Harm," *The Washington Post,* October 13, 1981).

"Our financial markets are more fragile than at any time since the end of World War II. I believe that today's policies don't sufficiently limit the possibility of straying into unnecessary economic tragedy." (Kaufman, testimony before the House Budget Committee, March 16, 1982).

"We're in an unusual time, not in an ordinary cyclical period. We're in a time when our economy has become fragile. We must do things that are extraordinary. We must do things that are difficult, and that in some respects are painful." Kaufman's prescription: Cancel the July, 1983 tax cut, rescind indexing of taxes, and suspend all government cost-of-living increases. ("Interest Rates May Rise Again, Kaufman says," *The Washington Post,* May 10, 1982).

"The key rigidity in the budget imbalance stems from the revenue loss due to tax reductions contained in The Economic Recovery Act of 1981. This loss totals $92 billion in fiscal 1983. Therefore, the path back to fiscal stability will be cumbersome—and painful for all." (Kaufman *(Memorandum to Portfolio Managers,* "Observations on the New Projections for the 1983 U.S. Federal Budget", February 10, 1982).

Edward Yardeni, (Economist at E. F. Hutton):

"I don't want to start a panic or alarm people. . . I think there is a 30 percent chance of a depression occurring. . . This is a very atypical recession . . . financial pressures are growing and Washington policymakers are amazingly complacent about the problem." ("Are We Heading Into a Depression?", *The Washington Post,* Feburary 28, 1982).

Paul Criag Roberts, (Former Reagan Administration Official, Assistant Secretary for Economic Policy at Treasury):

"On the fiscal side the Administration and the Congress, in an attempt to keep tax revenues high and balance the budget, delayed and scaled back the personal tax cuts. Instead of the 20% tax reduction that was intended by January, 1982, there was 5% and it was overtaken by bracket creep. Consequently, there was a deflationary monetary policy and no tax cut, which guaranteed a recession and large budget deficits. If the government now responds to the budget deficits with more of the policies that produced them, it might push the economy from recession to depression." ("Is a Depression Brewing?", *The Wall Street Journal,* March 3, 1982).

James D. McKevitt, (Washington Representative of the National Federation of Independent Businesses):

"It's never been so bad. (Small businesses) are dropping like flies." ("Are We Heading Into a Depression?", *The Washington Post,* February 28, 1982).

Allen Sinai, (Economist at Data Resources Inc.):

If interest rates rise again, industries such as housing, autos, and airlines "would not have recovered sufficiently. The third recession in three years would probably be strike three." ("The Depression Syndrome," *Newsweek,* March 8, 1982).

"The U.S. economy, since 1980, has gone through an unprecedented business cycle downturn for the post-World War II period. Three years of recession are threatening the viability of a large chunk of corporate America. There is virtually nothing in the data coming out now to indicate any meaningful recovery." (Sinai, DRI, "Profits Off 17.5% for First Quarter", *New York Times,* May 26, 1982).

David M. Jones, (Economist at Aubrey G. Lanston, a Wall Street government securities dealer.):

"The vulnerability to bankruptcy is much more widespread among businesses in this recession than earlier periods. This is a unique characteristic. Businesses of all sizes are subject to the same critical financial strains, mainly in excessive dependence on short-term debt." ("The Surge in Business Failures", *New York Times,* November 15, 1981).

William C. Dunkelberg, (Chief Economist for the National Federation of Independent Businesses.):

"Our people think the situation is really bad. They keep hanging on and hanging on and keep borrowing money and thinking 'This has to stop and turn around,' but it hasn't." ("Business Failures Accelerate", *Kansas City Times,* April 19, 1982).

Norman Robertson, (Chief economist for Mellon Bank.):

"If we don't do something about these deficits and the present course of the Fed, interest rates are likely to stay high and very volatile. That would retard the type of expenditures that the tax cuts are designed to encourage." ("Why Business Won't Invest", *The New York Times,* January 31, 1982).

Paul C. Harmon, (Chief economist for Armco Inc., steel products, machinery and financial services company.):

"Several years from now, the early 1980s will be seen in retrospect as a long period of economic erosion interrupted by short bursts of recovery." ("Business Leaders Begin to Express Skepticism About Reaganomics", *Wall Street Journal,* January 29, 1981).

Irving Shapiro, (Recently retired CEO of DuPont):

"Businessmen are fundamentally Republicans. They persuaded themselves to back a new Republican administration 100 percent. Their uneasiness spilled over when they saw the latest budget proposals (and the big deficits they contained)." ("Big Business Moving to Get Off The Bandwagon of Reaganomics." *The Washington Post,* March 29, 1982).

Rudolph Penner, (American Enterprise Institute.):

"The possibility of Thatcherization of the U.S. economy has become very high." ("Reagan's Dilemma: Spending to Outpace Revenue Indefinitely," *The Washington Post,* January 18, 1982).

"Unless some action is taken on the outlay side more dramatic than any in history, I see no way of decreasing the deficit to levels below $100 billion without extremely disruptive and inefficient tax increases." (Penner, *The AEI Economist* "The 1983 Budget", March, 1982).

Otto Eckstein, (Data Resources Inc.):

"So long as the Administration does not face up to the budget problem, rates which govern housing and business' fixed investment activity will remain in a range which seriously retards otherwise healthy recoveries for these sectors." (*New York Times,* "National Economic Survey", January 10, 1982).

Theodore F. Brophy, (CEO of General Telephone & Electronics, Corp. and an officer of the Business Roundtable.):

"Our economy is in the throes of a recession accompanied by inordinately high interest rates, and now is facing the prospect of large future budget deficits. The Business Roundtable is deeply concerned about the size of projected deficits and believes that, unless promptly dealt with, they will encourage continued high interest rates and slow economic recovery and growth." ("Big Business Moving to Get Off the Bandwagon of Reaganomics." *The Washington Post,* March 29, 1982).

Treasury-Secretary Regan:

"We're in a very steep recession at this point and the economy is dead in the water." (ABC Interview on "Good Morning America," April 15, 1982).

Alan Greenspan, (Former Chairman of the Council of Economic Advisors under President Nixon):

The chance that a sharp new downturn could reach crisis proportions "used to be one in a hundred. Now it's one in five or ten." ("The Depression Syndrome," *Newsweek,* March 8, 1982).

"(The odds for) no significant recovery this year are one in three." ("Reagan's Dilemma: Spending to Outpace Revenue Indefinitely," *Washington Post,* January 18, 1982).

Business Roundtable: We are "deeply concerned by continued high interest rates and the size of the projected deficits for 1983, 1984, and 1985 and do not believe they are adequately addressed . . . . The deficits cannot be addressed adequately without major permanent spending cuts including cuts in the indexed entitlement programs and a slowing of the defense build-up. Without a sharp drop in interest rates, no reasonable recovery will be seen before the fourth quarter. . . . We believe that interest rates and the projected deficits are interrelated . . . ." (The Business Roundtable, membership is comprised of the chief executives of 196 major corporations). ("Corporate Executives Break With Reagan", *The Washington Post,* March 4, 1982).

The Conference Board: "The latest Reagan budget, submitted to Congress on February 8, is the first postwar budget ever to be in structural disequilibrium. This means that an extension of this budget program without any further legislative changes would generate steadily increasing federal budget deficits for years to come. (By contrast, past budget programs, when extrapolated in this way, would always produce first declining deficits, and then surpluses, for outlaying years)." (Published in *Economic Policy Issues;* "The 1983 Reagan Budget: Can Equilibrium Be Restored?", March, 1982).

MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of June 24, 1982, the Secretary of the Senate, on June 28, 1982, received a message from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on June 28, 1982, are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of June 24, 1982, the Secretary of the Senate, on June 25, 1982, received a message from the House of Representatives announcing that the House agrees to the amendments of the Senate numbered 2, 3, 4, and 5 to the bill (H.R. 3816) to improve the operation of the Fishermen's Contingency Fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf; and that the House agrees to the amendment of the Senate numbered 1 to the bill, with amendments, in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 367. Concurrent resolution providing for an adjournment of the House from any day between June 28 and July 2, 1982, and an adjournment of the Senate from July 1 or July 2 until July 12, 1982.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

H.R. 6631. An act to authorize humanitarian assistance for the people of Lebanon; and

H.R. 6682. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

Under the authority of the order of the Senate of June 24, 1982, the enrolled bills were signed by the Vice President on June 25, 1982, during the recess of the Senate.

MESSAGES FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill and joint resolution in which it requests the concurrence of the Senate:

H.R. 6685. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; and

H.J. Res. 526. Joint resolution authorizing and requesting the President to issue a proclamation designating the week of August 1, 1982, through August 7, 1982, as "National Purple Heart Week".

At 1:11 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House has agreed to the following resolution:

H. Res. 512. A resolution electing the Honorable William H. Natcher as Speaker pro tempore during any absence of the Speaker until not later than July 2, 1982.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker pro tempore has signed the following enrolled bills and joint resolution:

H.R. 4569. An act to designate the United States Post Office Building in Hartford, Connecticut, as the "William R. Cotter Federal Building";

H.R. 4903. An act granting the consent of the Congress to an interstate compact between the States of Mississippi and Louisiana establishing a commission to study the feasibility of rapid rail transit service between the two States; and

H.J. Res. 518. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week".

The enrolled bills and joint resolution were subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE JOINT RESOLUTION REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 526. Joint resolution authorizing and requesting the President to issue a proclamation designating the week of August 1, 1982, through August 7, 1982, as "National Purple Heart Week"; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3757. A communication from the Deputy Assistant Secretary of the Air Force for Logistics transmitting, pursuant to law, a report on a decision made to convert the transient aircraft services function at Offutt Air Force Base, Nebr., to performance under contract; to the Committee on Armed Services.

EC-3758. A communication from the Deputy Assistant Secretary of the Air Force for Logistics transmitting, pursuant to law, a decision made to convert the transient aircraft services function at Castle Air Force

Base, Calif., to performance under contract; to the Committee on Armed Services.

EC-3759. A communication from the Deputy Assistant Secretary of the Air Force for Logistics transmitting, pursuant to law, a report on a decision made to convert the transient aircraft services function at Grand Forks Air Force Base, N. Dak., to performance under contract; to the Committee on Armed Services.

EC-3760. A communication from the Assistant Secretary of the Navy for Shipbuilding and Logistics transmitting, pursuant to law, a report on a decision made to convert the servmart function at the Naval Supply Center, San Diego, Calif., to performance under contract; to the Committee on Armed Services.

EC-3761. A communication from the Deputy Secretary of the Treasury transmitting a draft of proposed legislation to authorize appropriations for the Bureau of the Mint; to the Committee on Banking, Housing, and Urban Affairs.

EC-3762. A communication from the Secretary of Commerce transmitting, pursuant to law, the annual report of the Department on the administration of the Marine Mammal Protection Act; to the Committee on Commerce, Science, and Transportation.

EC-3763. A communication from Assistant Attorney General for Administration transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3764. A communication from the Director of the National Institute of Corrections transmitting, pursuant to law, the Sixth Annual Report of the Institute on Corrections; to the Committee on the Judiciary.

EC-3765. A communication from the Director of the Congressional Budget Office transmitting a report entitled "How Changes in Fiscal Policy Affect the Budget: The Feedback Issue"; to the Committee on the Budget.

EC-3766. A communication from the Secretary of Commerce transmiting a draft of proposed legislation to provide for U.S. participation in the 1984 Louisiana World Exposition, New Orleans, La.; to the Committee on Foreign Relations.

EC-3767. A communication from the Chairperson of the U.S. Architectural and Transportation Barriers Compliance Board transmitting, pursuant to law, the annual report of the Board for fiscal year 1980; to the Committee on Environment and Public Works.

EC-3768. A communication from the Director of the Congressional Budget Office transmitting a report entitled "The Interstate Highway System: Issues and Options"; to the Committee on Environment and Pubic Works.

EC-3769. A communication from the President of the United States transmitting a draft of proposed legislation to provide tax relief for parents who choose to send their children to nonpublic schools; to the Committee on Finance.

EC-3770. A communication from the Executive Director of the U.S. Naval Sea Cadet Corps transmitting, pursuant to law, the annual audit report of the Corps for the fiscal year ending March 31, 1982; to the Committee on the Judiciary.

EC-3771. A communication from the Acting Deputy Assistant Secretary of the Air Force for Logistics transmitting, pursuant to law, a report on a decision made to convert the base refuse collection function at MacDill Air Force Base, Fla., to performance under contract; to the Committee on Armed Services.

EC-3772. A communication from Secretary of the Treasury transmitting, pursuant to law, the annual report on the activities of the Depository Institutions Deregulation Committee and the Viability of Depository Institutions; to the Committee on Banking, Housing, and Urban Affairs.

EC-3773. A communication from Secretary of Commerce transmitting, pursuant to law, a report on additional foreign policy controls relative to use by Libya of U.S.-origin goods and technology; to the Committee on Banking, Housing, and Urban Affairs.

EC-3774. A communication from the Under Secretary of the Treasury for Monetary Affairs transmitting a draft of proposed legislation to repeal the requirements fixing the amount of outstanding U.S. notes; to the Committee on Banking, Housing, and Urban Affairs.

EC-3775. A communication from the Administrator of the National Aeronautics and Space Administration transmitting, pursuant to law, a report on the planned use of certain research and development funds to participate in the construction of the permanent Mid-Level Facility on Mauna Kea, Hawaii; to the Committee on Commerce, Science, and Transportation.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

D. Bruce Merrifield, of Connecticut, to be an Assistant Secretary of Commerce.

(The above nomination was reported from the Committee on Commerce, Science, and Transportation, with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. TOWER, from the Committee on Armed Services:

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: Lt. Gen. Walter D. Druen, U.S. Air Force (age 55), for appointment to the grade of lieutenant general on the retired list; Maj. Gen. Jack Neil Merritt, U.S. Army, to be lieutenant general; Lt. Gen. Edward J. Bronars, U.S. Marine Corps. (age 55), for appointment to the grade of lieutenant general on the retired list; Maj. Gen. Joseph T. Palastra, Jr., U.S. Army, to be lieutenant general; in the Army there are 54 appointments to the grade of brigadier general (list begins with Lewis A. Mologne); and Chaplain (Brig. Gen.) Patrick J. Hessian, U.S. Army, to be Chief of Chaplains, U.S. Army. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, in addition, in the Naval Reserve there are 290 permanent promotions to the grade of captain (list begins with Robert L. Albin, Jr.); in the Navy there are 817 permanent promotions to the grade of lieutenant commander (list begins with Gregory H. Adkisson); in the Air Force there are 3 permanent promotions to the grade of major (list begins with George W. Brown); in the Regular and Reserve of the Air Force there are 32 appointments to the grade of colonel and below (list begins with Thomas D. Webster); in the Air Force National Guard there are 24 promotions into the Reserves to the grade of lieutenant colonel (list begins with William U. Cattelle); and in the Regular and Reserve of the Air Force there are 34 appointments/permanent promotions to the grade of lieutenant colonel (list begins with Joseph Aisner). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of June 17 and June 22, 1982, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND (for himself, Mr. BIDEN, Mr. BAKER, Mr. LAXALT, Mr. HATCH, Mr. CHILES, Mr. DECONCINI, Mr. DOLE, Mrs. HAWKINS, Mr. NUNN, Mr. PELL, Mr. SIMPSON, Mr. ZORINSKY, Mr. STEVENS, Mr. MATTINGLY, Mr. HARRY F. BYRD, JR., Mr. ANDREWS, Mr. SASSER, Mr. GRASSLEY, Mr. HEFLIN, Mr. NICKLES, Mr. HOLLINGS, Mr. BAUCUS, Mr. BUMPERS, Mr. SCHMITT, Mr. HEINZ, Mr. DOMENICI, Mr. SYMMS, Mr. RUDMAN, Mr. D'AMATO, and Mr. GOLDWATER):

S. 2572. A bill to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes; read twice and placed on the calendar.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GARN:

S. 2680. A bill to provide for the reinstatement of U.S. oil and gas lease applications numbered U-26485, and U-26505; to the Committee on Energy and Natural Resources.

By Mr. GARN (for himself and Mr. HATCH):

S. 2681. A bill to provide for the reinstatement and validation of U.S. oil and gas lease

numbered U-14654; to the Committee on Energy and Natural Resources.

By Mr. THURMOND:

S. 2682. A bill to designate the building known as the Federal Building and U.S. Courthouse in Greenville, S.C., as the "Clement F. Haynesworth, Jr., Federal Building"; to the Committee on Environment and Public Works.

By Mr. HUMPHREY:

S. 2683. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project for modification of Portsmouth Harbor and the Piscataqua River Basin in Maine and New Hampshire; to the Committee on Environmental and Public Works.

By Mr. BAKER (for Mr. HAYAKAWA):

S. 2684. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita project, California, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. EAST, Mr. CHAFEE, Mr. DANFORTH, Mr. WALLOP, Mr. ROTH, Mr. GRASSLEY, Mr. PERCY, Mr. BRADLEY, Mr. DURENBERGER, and Mr. MATHIAS):

S. 2685. A bill to implement the Nairobi Protocol to the Florence Agreement on the Importation of Educational, Scientific, and Cultural Materials, and for other purposes; to the Committee on Finance.

By Mr. DANFORTH:

S. 2686. A bill entitled the "Alternative Minimum Tax Act"; to the Committee on Finance.

S. 2687. A bill to change the tax treatment of partial liquidations and of certain distributions of appreciated property; to the Committee on Finance.

S. 2688. A bill to amend the Internal Revenue Code of 1954 to treat a corporation issuing stock in satisfaction of a debt in certain circumstances as having income from the discharge of indebtedness; to the Committee on Finance.

S. 2689. A bill to amend the Internal Revenue Code of 1954 to treat the acquisition by certain corporations of their own stock or that of an affiliate as a distribution of property to the corporation's remaining shareholders; to the Committee on Finance.

By Mr. DANFORTH (for himself and Mr. SYMMS):

S. 2690. A bill relating to the tax treatment of long-term contracts with respect to taxable years beginning after December 31, 1982; to the Committee on Finance.

By Mr. GORTON (for himself, Mr. PACKWOOD, Mr. PELL, and Mr. CHAFEE):

S. 2691. A bill to reform the regulation of sailing school vessels; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH:

S. 2692. A bill to suspend until January 1, 1987, the column 1 rate of duty on certain small toy and novelty items; to the Committee on Finance.

By Mr. SCHMITT:

S. 2693. A bill to provide for the minting of the American Eagle gold coin pursuant to article I, section 8 of the Constitution of the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DECONCINI:

S. 2694. A bill to direct the Secretary of Agriculture to convey certain property to the Miami Area Unified School District Number 40, Miami, Arizona; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. DENTON, Mr. INOUYE, Mr. MATSUNAGA, Mr. MELCHER, and Mr. THURMOND):

S.J. Res. 207. Joint resolution to authorize and request the President to designate the week of August 1, 1982, through August 7, 1982 as "National Purple Heart Week"; to the Committee on the Judiciary.

By Mr. GLENN (for himself, Mr. PELL, Mr. DODD, Mr. BRADLEY, Mr. MOYNIHAN, Mr. ZORINKSY, and Mr. TSONGAS):

S.J. Res. 208. Joint resolution with regard to Presidential certifications on conditions in El Salvador; to the Committee on Foreign Relations.

By Mr. LEVIN:

S.J. Res. 209. Joint resolution designating the week beginning September 5, 1982, as "National Adult Day Care Center Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAKER (for himself and Mr. ROBERT C. BYRD):

S. Res. 420. Resolution to authorize production of documents and testimony by a former Senate employee and representation by the Senate Legal Counsel in Impro Products, Inc. against John B. Herrick, et al; considered and agreed to.

S. Res. 421. Resolution to direct the Senate Legal Counsel to defend the Senate in Consumers Union of the United States, Inc., et al. against Federal Trade Commission, et al; considered and agreed to.

S. Res. 422. Resolution to direct the Senate Legal Counsel to appear as amicus curiae in Peter Kiewit Sons' Co. against U.S. Army Corps of Engineers, et al; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2682. A bill to designate the building known as the Federal building and U.S. courthouse in Greenville, S.C., as the "Clement F. Haynsworth, Jr., Federal Building"; to the Committee on Environment and Public Works.

CLEMENT F. HAYNSWORTH, JR. FEDERAL BUILDING

Mr. THURMOND. Mr. President, today I am introducing legislation which will designate the Federal building and U.S. courthouse located in Greenville, S.C., as the "Clement F. Haynsworth, Jr., Federal Building," in honor of the great American jurist, Judge Clement F. Haynsworth, Jr.

Born in Greenville on October 30, 1912, Judge Haynsworth is the descendant of a succession of prominent Greenville attorneys. He graduated summa cum laude from Furman University, where he also distinguished himself in extracurricular activities. He attended Harvard Law School and, upon graduation, returned to Greenville to practice law.

In 1957, Judge Haynsworth was appointed to the U.S. Court of Appeals for the Fourth Judicial Circuit. In 1964, he became the chief judge of that circuit, a position he held until this past year, when he assumed senior status. During his 17 years as chief judge, Judge Haynsworth guided the court through many complex and controversial cases, always displaying a thorough knowledge and evenhanded application of the law, as well as gentlemanly courtesy to his colleagues on the bench and the lawyers who appeared before him.

In 1969, President Nixon nominated Judge Haynsworth to be an Associate Justice of the U.S. Supreme Court. Unfortunately for both Judge Haynsworth and our Nation, a partisan political challenge to his nomination was mounted in the Senate and it was rejected, not because of any defect in his character or capability, but as a result of unsubstantiated claims and innuendo.

Mr. President, I have had the pleasure of knowing Judge Haynsworth and his family for a long number of years. In fact, Judge Haynsworth appeared before me as a young attorney when I was a circuit court judge. I can think of no more appropriate honor for this body to bestow on this outstanding American than to name the building for him in which he has maintained his office throughout his judicial career. Due recognition of his long list of distinguished achievements and his many contributions to both the law and his community justify this building bearing his name. Mr. President, I ask unanimous consent that this bill be printed in the RECORD immediately following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building at 300 East Washington Street, in Greenville, South Carolina, known as the Federal Building and United States Courthouse, hereafter shall be known and designated as the "Clement F. Haynsworth, Jr., Federal Building." Any reference in any law, regulation, document, record, map, or other paper of the United States to this building hereby is deemed to be a reference to the "Clement F. Haynsworth, Jr., Federal Building."

By Mr. HUMPHREY:

S. 2683. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project for modification of Portsmouth Harbor and Piscataqua River Basin in Maine and New Hampshire; to the Committee on Environment and Public Works.

MODIFICATION OF CERTAIN WATER PROJECTS

● Mr. HUMPHREY. Mr. President, today I am introducing legislation which would authorize construction

funding for modification of Portsmouth Harbor and the Piscataqua River Basin. Study of this project was authorized in 1970 and the Crops of Engineers have worked extensively on it. I propose to authorize funding for the widening of two areas in the harbor: One, a sorely needed turning basin in the vicinity of the Maine/New Hampshire Bridge and the other area, a channel off the coast of the Portsmouth Naval Shipyard.

Portsmouth Harbor is unique. It is a Northeastern port that never freezes in the winter due to the swift flow of current. Current which has been known to approach 7 knots provides a virtually maintenance-free harbor and yet, on the other hand, makes navigation through its narrow, winding channels extremely difficult for large tankers. The difficulty arises when a tanker enters the harbor channel, negotiates the turns, is cleared for passage under the Maine/New Hampshire Bridge and either misses the precise angle for passage or experiences loss of power due to current. Such an event would cause the tanker to be forced to abort passage under the bridge. Similarly, a malfunction in the lift mechanism of the bridge could require a ship to abort. In Portsmouth Harbor, the large tankers cannot abort because there is little or no room for them to turn. Currents could easily sweep these troubled vessels into the facade of the interstate bridge. I am thankful to report Portsmouth has not yet suffered a major tragedy due primarily to the expertise and grim determination of its harbor pilots but the dangers and risks are omnipresent.

The Maine/New Hampshire Bridge Authority has expressed serious concern to me over the rapidly diminishing safety margin in the harbor as modern economic demands require larger tankers to pass under the interstate bridge. The Bridge Authority characterizes the present situation as "very critical." Mounting risks have caused them to seek alternative solutions. Fenders were placed on the tower piers to fortify and protect the bridge. Unfortunately, this was not a workable interim solution since technical piloting problems were increased beyond a comfortable risk level. The need to provide an adequate turning radius to protect the interstate bridge from serious damage and to protect all harbor interests from a major spill continues to be essential.

The Bridge Authority reports of discussions with the commander of the Portsmouth Naval Shipyard and Pentagon officials concerning continued rail access to the shipyard. A rail spur connecting tracks on the lower level of the Maine-New Hampshire Bridge is used by the Navy to transport heavy nuclear submarine components and nuclear fuels across the bridge and into the shipyard. Pentagon officials have advised the Bridge Authority that rail access to the shipyard is imperative to military mobilization. Damage to the bridge could seriously affect rail access to the shipyard and, clearly, Portsmouth cannot afford a major accident which could otherwise be avoided by construction of an adequate turning basin to accommodate modern tankers.

Portsmouth has been patient as have other Northeastern water projects. It has taken 12 years for the final draft to be completed. The increasing hazards have been averted by restricting vessel size and traffic. Portsmouth doesn't want to wait another 12 years to have a modern, safe harbor.

I have been in contact with the Defense Logistics Agency. The Defense Fuel Supply Center, a primary level field activity of the Defense Logistics Agency, encourages support of channel improvements to Portsmouth. The Defense Fuel Supply Center manages a fuel terminal which supplies Pease Air Force Base. The fuel terminal currently receives its fuel by barge. This system could be upgraded, enhancing the Defense Fuel Supply's transportation posture if improvements were undertaken.

The estimated cost of this project is approximately $20 million. The cost/benefit ratio comports with administration guidelines. The project could be completed in 3 years with little or no residual maintenance costs. An approved dredging disposal site has been located without environmental objection. Citizens from Maine, Vermont, Massachusetts, and New Hampshire rely upon or benefit from fuel oil and propane deliveries to Portsmouth Harbor. The continued economic vitality of the Portsmouth-Kittery area is dependent upon a harbor that can support modern shipping needs. I urge my colleagues' support to provide construction funding for this project.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2683

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Army, acting through the Chief of Engineers, is hereby directed to construct, in accordance with the plans and recommendations set forth in the Draft Report of the Division Engineer, dated January 1982, the project for modification of Portsmouth Harbor and the Piscataqua River Basin in Maine and New Hampshire. Such construction shall be carried out so as to provide for:

(1) widening from 400 feet to 550 feet, the channel in the vicinity of Goat Island for a length of approximately 1300 feet; and

(2) widening the turning basin between Badger's Island and the Maine/New Hampshire Bridge from 600 feet to 1000 feet.

(b) In carrying out such construction in accordance with such plans and recommendations contained in such report, the Secretary of the Army is authorized to make such modifications as he may deem advisable.●

By Mr. BAKER (for Mr. HAYAKAWA):

S. 2684. A bill to authorize the Secretary of the Interior to construction, operate, and maintain the Santa Margarita project, California, and for other purposes; to the Committee on Energy and Natural Resources.

SANTA MARGARITA PROJECT

● Mr. HAYAKAWA. Mr. President, today I am introducing legislation authorizing the Santa Margarita project in San Diego County, Calif. A similar bill was introduced in the House of Representatives by Representative BURGENER. This legislation will not only make use of the water from the Santa Margarita River which presently flows into the Pacific Ocean, but it will also provide for flood control and water storage for the community of Fallbrook and the Camp Pendleton Marine Corps Base.

Originally authorized by Congress in 1954, this project came to a halt because of litigation between the Federal Government and the Fallbrook Public Utility District. Following 15 years of litigation over water rights, the Fallbrook Public Utility District and Federal Government agreed to prepare a project feasibility report. Conducted by the Bureau of Reclamation, the report calls for a two-dam project implementing the water apportionment agreement. The Bureau has concluded that the proposed project facilities are technically and economically feasible.

The Fallbrook Public Utility District relies almost entirely on imported water obtained through the county water authority and metropolitan water district aqueduct systems. In the event of a severe shortage of imported water, the economic survival of the 16,000 Fallbrook residents could be seriously hampered. Known for its citrus and avocado products, the area uses about 80 percent of its present water supply for irrigation purposes, and the remaining 20 percent for municipal use. According to projections made by the State of California, Fallbrook's population is expected to increase.

The administration's defense program calls for additional training activities and units at Camp Pendleton. A review of the base's water supply capacity indicates that it will not be able to support this planned increase after 1986. The base presently relies upon underground water as its sole source of water supply. The Santa Margarita project facilities will provide an alternate source of water supply for the Marine Corps base at Camp Pendleton, the U.S. Naval Hospital and the Naval Weapons Station, Fallbrook Annex.

The Santa Margarita project consists of two dams, one located at Camp Pendleton and the other upstream on the Santa Margarita River in Fallbrook. A conveyance line from each reservoir would reach into the service areas and recreational facilities also would be established.

Mr. President, the residents of Fallbrook and those at the Camp Pendleton Marine Corps Base have gone for too long without a stable supply of water. Present supplies will be reduced in 1985 when the central Arizona project commences and California loses some of its present water rights. It makes sense to use a local water source instead of having to rely on imported water. As the population grows, so does the demand to make the maximum use of all available sources. I respectfully request your favorable consideration of this legislation.●

By Mr. DOLE (for himself, Mr. EAST, Mr. CHAFEE, Mr. DANFORTH, Mr. WALLOP, Mr. ROTH, Mr. GRASSLEY, Mr. PERCY, Mr. BRADLEY, Mr. DURENBERGER, and Mr. MATHIAS):

S. 2685. A bill to implement the Nairobi protocol to the Florence Agreement on the Importation of Educational, Scientific, and Cultural Materials, and for other purposes; to the Committee on Finance.

EDUCATIONAL, SCIENTIFIC, AND CULTURAL MATERIALS IMPORTATION ACT OF 1982

● Mr. DOLE. Mr. President, I introduce today a bill to implement the Nairobi protocol to the Florence Agreement, an existing trade agreement that provides for duty-free trade in certain educational, scientific, and cultural materials. I am pleased that Senators EAST, CHAFEE, DANFORTH, WALLOP, ROTH, GRASSLEY, MATHIAS, BRADLEY, DURENBERGER, and PERCY join me in cosponsoring this legislation. Because the Nairobi protocol (1) expands the Florence Agreement in an important way—to include articles specifically designed to benefit the handicapped; (2) will contribute to increased U.S. exports; and (3) will contribute to greater international understanding by facilitating increased exchanges of ideas, I urge my fellow Members to join us in supporting the bill.

THE FLORENCE AGREEMENT

The Florence Agreement provides for duty-free trade among its approximately 90 adherents in specified categories of articles. These categories are: (1) books, publications, and documents; (2) works of art and collector's pieces; (3) visual and auditory materials; (4) scientific instruments and apparatus; and (5) articles for the blind. Some limitations are applicable. For example, some of the covered materials must first be approved by the importing country's authorities, or must be imported for the benefit of specific institutions.

The United Nations Educational, Scientific, and Cultural Organization (UNESCO) opened the Florence Agreement for signature in 1950. Following passage of the Educational, Scientific, and Cultural Material Importation Act of 1966, the United States adopted the agreement. We have apparently enjoyed a favorable balance of trade in the covered items since that time.

THE NAIROBI PROTOCOL

The Nairobi protocol, open for signature since 1977, broadens the scope of the Florence Agreement by removing some of its restrictions, and by expanding it to cover technologically new articles and previously uncovered works of art, films, and so forth. For example, audiovisual material will be placed on the same footing as books. Scientific maps and charts and wood mosaics are among the new items covered.

Most importantly, Mr. President, the protocol embraces one major new category of items: "All materials specifically designed for the education, employment and social advancement of physically or mentally handicapped persons * * *." The Florence Agreement is limited to articles for the blind insofar as it specifically addresses the needs of handicapped persons. Thus, not only will the protocol liberalize coverage of materials for the blind that are provided duty-free treatment, it will newly benefit all handicapped persons, without regard to the source of their affliction.

I regret that the protocol allows signatories to restrict duty-free treatment to articles imported by specific institutions—those servicing the handicapped—and to articles that are not equivalent to domestically produced ones. The implementing legislation I propose today is not so restrictive, and I hope other countries take the same course in this regard. I understand that the European communities are doing so. Nothing in the protocol bars this liberalized treatment.

The Committee on Foreign Relations, following the leadership of Chairman PERCY and Senator MATHIAS, favorably reported the protocol on May 21 in Executive Report No. 97-53, and recommended that the Senate give its advice and consent. I urge my colleagues to accept that committee's recommendations.

RECIPROCITY IN IMPLEMENTATION

I call my colleagues' attention to the process, reflected in this bill, by which the United States intends to put the Nairobi protocol into effect. Some U.S. producers of articles covered by the protocol may be concerned that they will become subject to new duty-free competition at home without significant new opportunities abroad. On the other hand, consumer beneficiaries of the protocol prefer to see immediate implementation of the tariff cuts. The implementing legislation meets both concerns.

The protocol will not become effective as to the United States until the instrument of U.S. ratification is deposited with UNESCO. This is so even though our domestic ratification procedures are completed. In this case, the President will withhold deposit of the ratification instrument until he determines that adequate reciprocal duty-free treatment will be provided by other countries. Section 2 of the bill thus provides that duty-free treatment will not be proclaimed permanently until the President proclaims that the protocol should come into force.

Section 3, however, requires the President to proclaim duty-free treatment for articles for the blind and handicapped for the next 2½ years. It further provides authority for the President to proclaim such treatment for the same period if he finds it to be in the national interest. Any such proclamations will expire at the end of the period. The administration believes this time should be sufficient to insure that adequate reciprocity is achieved among signatories to the protocol.

As a final feature of the implementing legislation, I wish to note the limited safeguards provision included in section 4 of the bill. Under that provision, the President may, on a most-favored-nation basis, restore existing tariff rates for articles, the import of which he determines has a significant adverse impact on a domestic industry producing a like or competitive article, and which are not covered by either the Florence Agreement or Nairobi protocol. This special relief is limited to articles not covered by commitments in those agreements. Because this country is offering somewhat broader coverage than those agreements require, the additional streamlined safeguard protection is appropriate. Of course, normal safeguard relief available under section 201 of the Trade Act of 1974 will remain unaffected by this bill or protocol, as recognized by paragraph 18 of the protocol.

Mr. President, I believe the administration has found a prudent way to provide to handicapped persons the benefits of the Nairobi protocol, while insuring that U.S. producers' interests are protected. Like the Florence Agreement, I expect the protocol to contribute favorably to U.S. trade while benefiting worthy persons and institutions. Finally, I believe that, contrary to the fear symbolized by the Iron Curtain, we should embrace the free exchange of ideas and cultural products as an essential ingredient of international understanding and peace. I thus urge my colleagues to join me in support of this bill.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1.—This section merely sets forth the title and purpose of the bill, and states that amendments or repeals of current law made by the bill refer to the Tariff Schedules of the United States. The Florence Agreement (TIAS 6129, 17 UST 1835), referred to in subsection (b), was implemented domestically by the Educational, Scientific, and Cultural Material Importation Act of 1965.

Section 2.—This section provides the effective date for permanent duty-free treatment accorded the articles described in sections 5-8. After receiving the advice and consent of the Senate, the President can bring the treaty into force for the United States by depositing the instrument of ratification pursuant to the terms of the Protocol. In this case the President will withhold deposit of the instrument until he is satisfied that other major signatories are implementing the protocol on a reciprocal basis. After deposit, the President is authorized by this section to proclaim the designated tariff adjustment on a permanent basis.

Section 3.—Section 3(a) requires the President to proclaim, within 30 days of enactment, the duty free treatment of articles for the blind and handicapped provided in section 8. This treatment would expire after two and one-half years, except that it may be proclaimed permanently during that period pursuant to section 2 and subsection (c) of this section. Section 3(b) allows, but does not require, similar temporary proclamations for the other covered articles. It authorizes the President to proclaim such treatment if he deems it to be in the national interest. Temporary proclamations made pursuant to either subsection may be modified under the provisions of section 4, relating to injury to domestic industries.

Section 4.—This section provides a special safeguard relief mechanism for domestic industries that may suffer significant adverse impacts from certain imported articles rendered duty-free by the Act. It is intended to apply to scientific tools or apparatus and articles for the blind and handicapped that are not covered by the Florence Agreement or Nairobi Protocol, as the United States is not obligated to accord duty-free status to such non-covered articles. An affirmative determination by the President under this section will result in a return of the duty-rate applicable to the affected item to the normal rate. Subsection (b) authorizes the President to restore duty-free treatment if the injury is eliminated. Subsection (c) requires the President to receive the views of the public and Government agencies before taking action under either subsections (a) of (b).

Normal safeguard relief, as provided in section 201 of the Trade Act of 1974, will remain available for all articles covered by this Act.

Section 5.—This section sets forth the items in the Tariff Schedules relating to books, publications, and documents for which the President may proclaim duty-free treatment pursuant to sections 2 and 3. Section 5 would create a new TSUS item 270.90 that would encompass catalogs of visual and auditory materials of an educational, scientific, or cultural character; a new item 273.52 relating to architectural, engineering, and other drawings; and a new item 274.55 relating to illustrations and proofs needed for producing books. Existing MFN rates of duty applicable to these articles range from 0 to 3.7 percent ad valorem.

Section 6.—Section 6 would extend duty-free treatment to various visual and auditory materials including films, mircrofiche, and sound recordings. It further would extend such treatment to other visual and auditory materials, and models and charts, used for educational purposes or of a educational, scientific, or cultural character. New TSUS items 274.67, 724.07, 724.22, and 870.35 would be created to cover these articles. Existing MFN rates of duty applicable to these articles range from 9 to 5.3 percent ad valorem.

Section 7.—This section would provide for duty-free treatment of tools used in connection with certain articles already accorded such treatment. These letter articles are instruments and apparatus imported for nonprofit, educational or scientific institutions, for which there are no domestically-manufactured equivalents. Because the specific tools cannot be identified, existing rates cannot be pinpointed. Trade in these items is thought to be negligible, however.

Section 8.—This section would provide duty-free treatment of articles specially designed or adapted for the use or benefit of the blind or other physically or mentally handicapped persons. Many articles for the blind, and some for the handicapped, already are entitled to duty-free entry under TSUS items 825.00, 826.10, and 826.20. This section would expand coverage to include additional items for the blind and to encompass most articles specifically intended for the handicapped. The existing MFN rates of duty applicable to these articles range from 0 to 8.4 percent ad valorem.●

By Mr. DANFORTH:

S. 2686. A bill entitled the "Alternative Minimum Tax Act"; to the Committee on Finance.

ALTERNATIVE MINIMUM TAX ACT

● Mr. DANFORTH. Mr. President, I am today introducing a bill which I believe is fundamental to the preservation of our voluntary income tax system. The IRS recently reported that for 1981, nearly 10,000 tax returns were filed showing expanded income in excess of $50,000 on which no income tax was paid. Looking at 1978 IRS statistics, over 5 percent of taxpayers with adjusted gross income in excess of $200,000 had an effective tax rate of less than 20 percent.

Mr. President, it seems to me that at a time when there is talk of repealing next year's tax cuts (over 50 percent of which go to taxpayers with income between $20,000 and $50,000) and at a time when bracket creep and increased social security taxes are taking a bigger tax bite from the middle-income taxpayer, it is not too much to ask that those individuals with enormous incomes pay 20 percent in Federal income taxes, regardless of their ability to find tax shelters which keep their regular tax burden well below that rate.

The bill I am introducing is designed to make sure that the Treasury collects at least a minimum amount from individuals who use tax shelters in such magnitude that they are able to reduce their income taxes to an insignificant level. Under my bill, the current individual minimum tax system would be made more effective by expanding the minimum tax base. In addition, some simplification would result, because both the current "alternative" minimum tax and the current "add-on" minimum tax would be consolidated, so that affected taxpayers would be required to make only one additional computation, rather than two, as under current law.

Under this proposal, the revised alternative minimum tax would apply to an individual only when it exceeds his regular income tax. The tax is structured so that it will affect only those taxpayers who pay an insignificant amount of income taxes. The staff of the Joint Committee on Taxation estimates that this proposal will affect less than 1 percent of all taxpayers in 1983. In no circumstance would it affect middle income (or even wealthy) taxpayers who do not make excessive use of tax shelters to avoid paying their fair share of taxes.

For example, in 1982 a married couple with no dependents, salary of $30,000, and itemized deductions of 23 percent of income, would pay a regular tax of about $4,000. This couple would be affected by the new minimum tax only if, in addition to the $30,000 salary, they had other income of more than $40,000 on which no tax was paid because it was sheltered by tax preferences.

On the other hand, if the couple had salary and other income of $250,000, and were able, through tax preferences, to reduce their taxable income to $50,000, they would pay a regular tax of about $13,000, an effective rate of only 5 percent. Under this bill, they would pay a minimum tax of $41,000, an effective rate of 16 percent.

The alternative minimum tax base would be calculated in a manner similar to that of current law. An individual's adjusted gross income would be increased by his tax preference items for the year, and from that, he would be allowed to deduct certain items to arrive at his minimum taxable income.

The first $30,000 (for married taxpayers filing joint—$15,000 for married filing separate and $20,000 for single) would be exempt. The next $30,000 ($15,000 and $20,000, respectively) would be taxed at 10 percent, and the excess at 20 percent. If the tax thus computed exceeds the individual's regular tax for the year, he pays the minimum tax; otherwise he would simply pay the regular tax.

The items of tax preference to be added to adjusted gross income are:

First, deduction for two-earner married couple,

Second, excess depreciation or ACRS deductions,

Third, excess percentage depletion,

Fourth, excess intangibles,

Fifth, excess deductions for certain mining exploration costs, development expenditures, circulation expenditures, soil and water conservation expenditures, and R & D expenditures,

Sixth, the capital gains exclusion,

Seventh, deductions for motor carrier operating rights,

Eighth, interest and dividend exclusions, and

Ninth, interest on tax exempt obligations.

The deductions which would be allowed are:

First, medical expenses and casualty losses to the extent they exceed an expanded floor,

Second, charitable contributions,

Third, interest for principal residence and other interest to the extent of investment income,

Fourth, net operating losses adjusted for tax preference items.

Mr. President, I expect that many wealthy individuals who might be affected by this proposal will come to our offices to protest, claiming that all of these items of tax preference were made available to taxpayers only because Congress at various times has decided that to do so is in the better interest of our economy. I would like to emphasize that this bill is not intended to dilute the benefits our economy enjoys because of these provisions; rather, it simply dilutes the benefits to those individuals who take excessive advantage of these provisions for the purpose of avoiding the payment of a fair share of taxes.

Our system of voluntary compliance in reporting and paying income tax is unique in the world, and it is a tribute to the principles of freedom on which our country was founded. But the system is showing early signs of trouble. When the middle-income American sees wealthy individuals paying lower taxes than he is, he begins to question the wisdom of continuing to voluntarily comply with the system. I cannot say that I blame him. I believe this bill will help eliminate this problem. I hope my colleagues will agree and pass this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2686

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT OF 1954 CODE

(a) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. ALTERNATIVE MINIMUM TAX AMENDMENT: REPEAL OF "ADD ON" MINIMUM TAX FOR INDIVIDUALS.

(a) Section 55 of the Internal Revenue Code of 1954 is amended to read as follows:

"SEC. 55. ALTERNATIVE MINIMUM TAX FOR TAXPAYERS OTHER THAN CORPORATIONS.

"(a) ALTERNATIVE MINIMUM TAX IMPOSED.—

In the case of a married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, or a surviving spouse (as defined in Section 2(a)), if—"(1) an amount equal to the sum of—

"(A) 10 percent of so much of the alternative minimum taxable income as exceeds $30,000 but not exceed $60,000, plus

"(B) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000, or

"(2) in the case of an individual who is not a married individual (as defined in section 143), or a surviving spouse (as defined in section 2(a)), if an amount equal to the sum of—

"(A) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000 but does not exceed $40,000, plus

"(B) 20 percent of so much of the alternative minimum taxable income as exceeds $40,000, or,

"(3) in the case of a married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013, if an amount equal to the sum of—

"(A) 10 percent of so much of the alternative minimum taxable income as exceeds $15,000 but does not exceed $30,000, plus

"(B) 20 percent of so much of the alternative minimum taxable income as exceeds $30,000,

exceeds the regular tax for the taxable year, then there is imposed (in addition to all other taxes imposed by this title) a tax equal to the amount of such excess.

"(b) DEFINITIONS.—For purposes of this section—

"(1) ALTERNATIVE MINIMUM TAXABLE INCOME.—The term 'alternative minimum taxable income' means adjusted gross income (determined without regard to any deduction under section 172)—

"(A) increased by an amount equal to the sum of the items of tax preference (as defined in subsection (d)),

"(B) reduced by any amount included in income under section 667, and

"(C) reduced by an amount equal to the sum of minimum tax deductions (as defined in subsection (e)). For purposes of this subparagraph (C), a deduction shall not be taken into account to the extent such deduction may be carried to another year.

"(2) REGULAR TAX.—The term 'regular tax' means the taxes imposed by this chapter for the taxable year (computed without regard to this section and without regard to the taxes imposed by sections 72(m)(5)(B), 402(e), 408(f), 409(c), and 667(b)) reduced by the sum of the credits allowable under subpart A of part IV of this subchapter (other than under sections 31, 39, and 43). For purposes of this paragraph, the amount of the credits allowable under such subpart shall be determined without regard to this section.

"(c) CREDITS.—

"(1) IN GENERAL.—For purposes of determining any credit allowable under subpart A of part IV of this chapter (other than the foreign tax credit allowed under section 33(a)), the tax imposed by this section shall not be treated as a tax imposed by this chapter.

"(2) FOREIGN TAX CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—

"(A) DETERMINATION OF FOREIGN TAX CREDIT.—The total amount of the foreign tax credit which can be taken against the tax imposed by subsection (a) shall be determined under subpart A of part III of subchapter N (sec. 901 and following).

"(B) SECTION 904(a) LIMITATIONS.—For purposes of the determination provided by subparagraph (A), the limitation of section 904(a) shall be an amount equal to the same proportion of the sum of the tax imposed by subsection (a) against which such credit is taken and the regular tax as—

"(i) the taxpayer's alternative minimum taxable income from sources without the United States (but not in excess of the taxpayer's entire alternative minimum taxable income), bears to

"(ii) his entire alternative minimum taxable income. For such purpose, the amount of the limitation of section 904(a) shall not exceed the tax imposed by subsection (a).

"(C) DEFINITION OF ALTERNATIVE MINIMUM TAXABLE INCOME FROM SOURCES WITHOUT THE UNITED STATES.—For purposes of subparagraph (B), the term 'alternative minimum taxable income from sources without the United States' means the items of gross income from sources without the United States adjusted as provided in subparagraph (A), (B), and (C) of section 55(b)(1) (taking into account in such adjustment only items described in such subparagraphs which are properly attributable to items of gross income from sources without the United States).

"(D) SPECIAL RULE FOR APPLYING SECTION 904(c).—In determining the amount of foreign taxes paid or accrued during the taxable year which may be deemed to be paid or accrued in a preceding or succeeding taxable year under section 904(c)—

"(i) the limitation of section 904(a) shall be increased by the amount of the limitation determined under subparagraph (B), and

"(ii) any increase under paragraph (2)(A) shall be taken into account.

"(3) CARRYOVER AND CARRYBACK OF CERTAIN CREDITS.—For purposes of computing the amount of any carryover or carryback of the credits allowable under subpart A of part IV, the taxpayer shall be treated as having been allowed credits against tax imposed by this chapter for any taxable year for which a tax is imposed by subsection (a) equal to the amount of such credit which would have been allowed for such taxable year if the tax imposed by this chapter had been equal to the excess of—

"(A) the tax imposed by this chapter (determined without regard to section 55), over

"(B) the tax imposed by section 55.

"(d) ITEMS OF TAX PREFERENCE.—For purposes of this section, the items of tax preference are—

"(1) DEDUCTIONS FOR TWO-EARNER MARRIED COUPLES.—An amount equal to the deduction allowable for the taxable year to a two-earner married couple under section 221.

"(2) ACCELERATED DEPRECIATION ON REAL PROPERTY.—With respect to each section 1250 property (as defined in section 1250(c)) which is not recovery property, the amount by which the deduction allowable for the taxable year for exhaustion, wear and tear, obsolescence, or amortization exceeds the

depreciation deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life (determined without regard to section 167(k)) for which the taxpayer has held the property.

"(3) ACCELERATED DEPRECIATION ON LEASED PERSONAL PROPERTY.—With respect to each item of section 1245 property (as defined in section 1245(a) (3)) which is not recovery property, and which is subject to a lease, the amount by which—

"(A) the deduction allowable for the taxable year for depreciation or amortization, exceeds

"(B) the deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property

For purposes of subparagraph (B), useful life shall be determined as if section 167(m)(1) (relating to asset depreciation range) did not include the last sentence thereof.

"(4) ACCELERATED COST RECOVERY DEDUCTION.—

"(A) IN GENERAL.—With respect to each recovery property (other than 15-year real property) the amount (if any) by which the deduction allowed under section 168(a) (or sec. 167(a) in the case of property described in sec. 167(k)) for the taxable year exceeds the deduction which would have been allowable for the taxable year had the property been depreciated using the straight line method (with a half-year convention and without regard to salvage value) and a recovery period determined in accordance with the following table:

In the case of:	*The recovery period is:*
3-year property.	Same as used for regular tax.
5-year property with a present class life (as defined in section 168(g)(2) of:	
8 years or less.	Same as used for regular tax.
Over 8 but less than 14 years.	7 years.
Over 14 years.	10 years.
10-year property.	10 years.
15-year public utility property.	15 years.
15-year real property.	25 years.

"(B) SUBPARAGRAPH (A) INAPPLICABLE WHERE LARGER RECOVERY PERIODS APPLY.—If pursuant to section 168(b)(3) or 168(f)(2), the recovery period for any property is longer than the recovery period for such property set forth in subparagraph (a), subparagraph (a) shall not apply to such property.

"(C) DEFINITIONS.—For purposes of this paragraph, the terms '3-year property', '5-year property', '10-year property', '15-year public utility property', '15-year real property', and 'recovery property', shall have the same meanings given such terms under section 168.

"(5) DEPLETION.—With respect to each property (as defined in section 614), the excess of the deduction for depletion allowable under section 611 for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year.)

"(6) INTANGIBLE DRILLING COSTS.—

"(A) IN GENERAL.—With respect to all oil, gas, and geothermal properties of the taxpayer, the amount of the excess intangible drilling costs arising in the taxable year.

"(B) EXCESS INTANGIBLE DRILLING COSTS.—For purposes of subparagraph (A), the amount of the excess intangible drilling costs arising in the taxable year is the excess of—

"(i) the intangible drilling and development costs described in section 263(c) paid or incurred in connection with oil, gas, and geothermal wells (other than costs incurred in drilling a non-productive well) allowable under this chapter for the taxable year, over

"(ii) the amount which would have been allowable for the taxable year if such costs had been capitalized and straight line recovery of intangibles (as defined in subsection (f)) had been used with respect to such costs.

"(C) PARAGRAPH APPLIED SEPARATELY WITH RESPECT TO GEOTHERMAL PROPERTIES AND OIL AND GAS PROPERTIES.—This paragraph shall be applied separately with respect to—

"(i) all oil and gas properties which are not described in clause (ii), and

"(ii) all properties which are geothermal deposits (as defined in section 613(e)(3)).

"(7) CERTAIN EXPENDITURES WHICH MAY BE TREATED AS NOT CHARGEABLE TO A CAPITAL ACCOUNT.—With respect to any of the following expenditures, the excess of such expenditure over the amount which would have been allowable for the taxable year had such expenditure been capitalized and amortized on a straight line basis over a period of 120 months, beginning with the month the expenditures are incurred.

"(A) CERTAIN MINING EXPLORATION COSTS.—Any expenditure for which an election is made under section 617(a),

"(B) CIRCULATION EXPENDITURES.—Any expenditure which is deductible under section 173 and for which an election to charge such expenditure to a capital account has not been made,

"(C) SOIL AND WATER CONSERVATION EXPENDITURES.—Any expenditure which is treated under section 175(a) as not chargeable to a capital account, and

"(D) RESEARCH AND EXPERIMENTAL EXPENDITURES.—Any expenditure incurred by a taxpayer who has adopted the accounting method described in section 174(a) which treats such expenditures as not chargeable to a capital account.

"(E) DEVELOPMENT EXPENDITURES.—Any expenditure described by section 616(a) for which the taxpayer has not made an election under section 616(b)

"(8) CAPITAL GAINS.—An amount equal to the net capital gain deduction for the taxable year determined under section 1202.

"(9) AMORTIZATION OF MOTOR CARRIER OPERATING RIGHTS.—An amount equal to the deduction allowable for the taxable year under section 266(a) of Public Law 97-34, the Economic Recovery Tax Act of 1981.

"(10) DIVIDENDS EXCLUSION.—The amount of dividends excluded from gross income for the taxable year under section 116 or 305(e).

"(11) INTEREST EXCLUSION.—The amount of interest excluded from gross income for the taxable year under section 128.

"(12) TAX-EXEMPT INTEREST.—With respect to interest which is excluded from income for the taxable year under section 103(a), the amount attributable to bonds and obligations issued after December 31, 1982.

"(e) MINIMUM TAX DEDUCTIONS.—For purposes of this section, minimum tax deductions are—

"(1) MEDICAL EXPENSE AND CASUALTY LOSS DEDUCTIONS.—

"(A) Subject to the limitation in subparagraph (B), the sum of

"(i) the amount of the deduction allowable for medical expenses for the taxable year under section 213 (determined without regard to the 3 percent of adjusted gross income limitation) and

"(ii) the amount of the deduction allowable for casualty losses for the taxable year under section 165(c)(3).

"(B) For purposes of this section, the amount determined under subparagraph (A) shall be treated as a minimum tax deduction only to the extent it exceeds 15 percent of alternative minimum taxable income determined before minimum tax deductions.

"(2) CHARITABLE CONTRIBUTION DEDUCTIONS.—The amount of the deduction allowable for the taxable year for charitable contributions under section 170.

"(3) INTEREST EXPENSE.—

"(A) Interest expense for the taxable year on debt incurred in the acquisition of or improvement of a principal residence if such debt is secured by a mortgage on such residence. For this purpose, improvement of a principal residence includes only improvements which are real property, and

"(B) Other interest expense to the extent of investment income.

"(4) NET OPERATING LOSSES.—The net operating loss deduction allowable for the taxable year under section 172—

"(A) IN GENERAL.—The net operating loss deduction allowable for the taxable year under section 172, except that such deduction—

"(i) in the case of taxable years ending after December 31, 1982, section 172(b)(2) shall be applied by substituting 'alternative minimum taxable income' for 'taxable income' each place it appears, and

"(ii) the net operating loss (within the meaning of section 172(c)) for any loss year shall be adjusted as provided in subparagraph (B).

"(B) ADJUSTMENTS TO NET OPERATING LOSS COMPUTATION.—

"(i) POST-1982 LOSS YEARS.—In the case of a loss year ending after December 31, 1982, the net operating loss for such year under section 172(c) shall be reduced by the sum of the amount of tax preference items arising in such year and the amount of nonbusiness deductions which were allowable under section 172(d) and which were not minimum tax deductions for the taxable year.

"(ii) PRE-1983 YEARS.—In the case of loss years ending before January 1, 1983, the amount of the net operating loss which may be carried over to taxable years ending after December 31, 1982, for purposes of subparagraph (A), shall be equal to the amount which may be carried from the loss year to the first taxable year of the taxpayer ending after December 31, 1982.

"(f) STRAIGHT LINE RECOVERY OF INTANGIBLES DEFINED.—For purposes of paragraph (6) of subsection (d)—

"(1) IN GENERAL.—The term 'straight line recovery of intangibles,' when used with respect to intangible drilling and development costs for any well, means (except in the case of an election under paragraph (2)) ratable amortization of such cost over the 120-month period beginning with the month in which production from such well begins.

"(2) ELECTION.—If the taxpayer elects, at such time and in such manner as the Secretary may by regulations prescribe, with respect to the intangible drilling and development costs for any well, the term 'straight line recovery of intangibles' means any method which would be permitted for pur-

poses of determining cost depletion with respect to such well and which is selected by the taxpayer for purposes of subsection (a)(11)."

(b) "ADD ON" MINIMUM TAX.—Section 56 is amended by inserting "a corporation" in place of "every person" in section 56(a).

(c) REPORTING OF INTEREST ON CERTAIN GOVERNMENTAL OBLIGATIONS.—

(1) Paragraph (1) of section 6049(b) is amended by:

(A) deleting, at the end of subparagraph (D), the word "and",

(B) deleting the period at the end of subparagraph (E), and inserting "; and", and

(C) adding at the end of paragraph (1), new subparagraph (F) to read as follows:

"(F) interest on obligations described in section 103(a) (relating to interest on certain governmental obligations), which are issued after December 31, 1982."

(2) Subparagraph (A) of section 6049(b)(2) is amended to read as follows:

"(A) interest on obligations described in section 103(a) relating to interest on certain governmental obligations, which are issued before January 1, 1983."

(d) SPECIAL ELECTION.—The Secretary shall prescribe regulations under which, for taxable years in which an individual would, but for this subsection, be subject to the tax imposed by section 55(a) (as amended by this Act) such individual may elect, with respect to any or all expenditures described in section 55(d)(6) or (d)(7) (as amended by this Act) which are incurred during the taxable year, to treat such expenditures as chargeable to a capital account. Such election, if made, must be for the total amount of the expenditure paid or incurred during the taxable year for which the election is made. The effect of such election shall be that, for purposes of this Title, no deduction shall be allowed for such expenditure for the taxable year in excess of the amount which would be allowable if the amount treated as chargeable to a capital account were amortized on a straight line basis over a period of 120 months, beginning with the month the expenditure is incurred; in addition, no amount of such expenditure shall be treated as an item of tax preference by such individual for the taxable year. An election under this subsection shall not affect the individual's treatment of any expenditure in a subsequent taxable year.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—

The amendments made by this section shall apply to taxable years ending after December 31, 1982.

(2) APPLICATION OF PRIOR LAW.—The amendments made by this section to section 56(a) shall not apply to items of tax preference arising in taxable years ending before January 1, 1983.●

By Mr. DANFORTH:

S. 2687. A bill to change the tax treatment of partial liquidations and of certain distributions of appreciated property; to the Committee on Finance.

EQUITABLE CORPORATION TAX BENEFITS

● Mr. DANFORTH. Mr. President, I am introducing a bill today which is designed to assure that corporations, in taking over other corporations, may not enjoy extraordinary tax benefits as a result of the takeover. This change to current law is necessary both to further the basic concept of an equitable tax law that all similarly situated taxpayers be taxed on an equivalent basis, and to discourage the use of scarce investment capital to finance tax-motivated mergers.

This bill also changes a provision of current law which allows a corporation, through indirect methods, to, in effect sell assets and recognize no gain, even if it is not liquidating. For example, under current law, if corporation S owns all the stock of Sub T and corporation B wishes to buy the stock of T, if S sells the stock to B for cash, S would recognize gain. However, if, instead, B contributes the cash to S in exchange for S stock, and S then redeems B's new interest in S by distributing the T stock, S recognizes no income. This bill would require that S recognize the income regardless of how the transaction is structured.

This bill was introduced in the House by Representative FORTNEY STARK, whose leadership on this matter I would like to recognize.

Mr. President, I ask unanimous concent that the text of the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2687

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—CHANGES IN TAX TREATMENT OF PARTIAL LIQUIDATIONS AND OF CERTAIN DISTRIBUTIONS OF APPRECIATED PROPERTY

SEC. 101. PARTIAL LIQUIDATIONS.

(a) SECTION 331 (WHICH PROVIDES CAPITAL GAIN OR LOSS TREATMENT FOR SHAREHOLDERS IN LIQUIDATIONS) LIMITED TO COMPLETE LIQUIDATIONS.—Subsection (a) of section 331 (relating to gain or loss to shareholders in corporate liquidations) is amended to read as follows:

"(a) DISTRIBUTIONS IN COMPLETE LIQUIDATION TREATED AS EXCHANGES.—Amounts received by a shareholder in a distribution in complete liquidation of a corporation shall be treated as in full payment in exchange for the stock."

(b) SECTION 336 (WHICH PROVIDES NONRECOGNITION OF GAIN AND LOSS ON DISTRIBUTIONS BY LIQUIDATING CORPORATION) LIMITED TO COMPLETE LIQUIDATIONS.—Subsection (a) of section 336 (relating to distributions of property in liquidation) is amended by striking out "partial or complete liquidation" and inserting in lieu thereof "complete liquidation."

(c) CERTAIN DISTRIBUTIONS TO NONCORPORATE SHAREHOLDERS WHICH QUALIFY AS PARTIAL LIQUIDATIONS UNDER EXISTING LAW TREATED AS REDEMPTIONS.—Section 302 (relating to distributions in redemption of stock) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) REDEMPTIONS FROM NONCORPORATE SHAREHOLDERS WHICH ARE ATTRIBUTABLE TO TERMINATION OR DISTRIBUTION OF BUSINESS.—

"(1) IN GENERAL.—For purposes of this section, a redemption of stock held by a shareholder who is not a corporation shall be treated as not essentially equivalent to a dividend if the requirements of subparagraphs (A) and (B) of this paragraph are met:

"(A) The redemption is attributable to the distributing corporation's ceasing to conduct, or consists of the assets of a qualified trade or business.

"(B) Immediately after the redemption the distributing corporation is actively engaged in the conduct of a qualified trade or business.

"(2) QUALIFIED TRADE OR BUSINESS.—For purposes of paragraph (1), the term 'qualified trade or business' means any trade or business which—

"(A) was actively conducted throughout the 5-year period ending on the date of the redemption, and

"(B) was not acquired by the corporation within such period in a transaction in which gain or loss was recognized in whole or in part.

"(3) REDEMPTION MAY BE PRO RATA.—Whether or not a redemption meets the requirements of subparagraphs (A) and (B) of paragraph (1) shall be determined without regard to whether or not the redemption is pro rata with respect to all of the shareholders of the corporation."

(d) DEFINITION AND SPECIAL RULE.—Section 346 (defining partial liquidation) is amended to read as follows:

"SEC. 346. DEFINITION AND SPECIAL RULE.

"(a) COMPLETE LIQUIDATION.—For purposes of this subchapter, a distribution shall be treated as in complete liquidation of a corporation if the distribution is 1 of a series of distributions in redemption of all of the stock of the corporation pursuant to a plan.

"(b) TRANSACTIONS WHICH MIGHT REACH SAME RESULT AS PARTIAL LIQUIDATIONS.—The Secretary shall prescribe such regulations as may be necessary to ensure that the purposes of subsections (a) and (b) of section 101 of the Corporate Takeover Tax Act of 1982 repealing the special tax treatment for partial liquidations may not be circumvented through the use of sections 355, 351, 337, or any other provision of law or regulations (including the consolidated return regulations)."

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking out "partial or complete liquidation" and inserting in lieu thereof "complete liquidation".

(A) Subsection (b) of section 331 (relating to nonapplication of section 301).

(B) Subsection (a) of section 334 (relating to basis of property received in liquidations).

(C) Paragraph (1) of section 336(b) (relating to distributions of LIFO inventory).

(D) Paragraph (2) of section 341(a) (relating to collapsible corporations).

(2)(A) The heading and table of sections for subpart D of part II of subchapter C of chapter 1 is amended to read as follows:

"Subpart D—Definition and Special Rule.

"Sec. 346. Definition and special rule."

(B) The table of subparts for such part II is amended by amending the item relating to subpart D to read as follows:

"Subpart D. Definition and Special Rule."

SEC. 102. DISTRIBUTION OF APPRECIATED PROPERTY IN REDEMPTION OF STOCK.

(a) IN GENERAL.—Paragraph (2) of section 311(d) (relating to recognition of gain on distribution of appreciated property in re-

demption of stock) is amended by striking out subparagraphs (A), (B), (C), and (G).

(b) CONFORMING AMENDMENTS.—Paragraph (2) of section 311(d) is amended—

(1) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (A), (B), and (C), respectively,

(2) by adding "and" at the end of subparagraph (B) (as so redesignated), and

(3) by striking out "; and" at the end of subparagraph (C) (as so redesignated) and inserting in lieu thereof a period.

SEC. 103. EFFECTIVE DATE.

The amendments made by this title shall apply to distributions after August 31, 1982.

TITLE II—CERTAIN STOCK PURCHASES TREATED AS ASSET PURCHASES

SEC. 201. CERTAIN STOCK PRUCHASES TREATED AS ASSET PURCHASES.

(a) GENERAL RULE.—Subpart B of part II of subchapter C of chapter 1 (relating to effects on corporation) is amended by adding at the end thereof the following new section:

"SEC. 338. CERTAIN STOCK PURCHASES TREATED AS ASSET ACQUISITIONS.

"(a) GENERAL RULE.—For purposes of this title, if a purchasing corporation makes an election under this section (or is treated under subsection (d) as having made such an election) then in the case of any qualified stock purchase, the target corporation—

"(1) shall be treated as having sold all of its assets on the acquisition date in a single transaction to which section 337 applies, and

"(2) immediately after such sale, shall be treated as a new corporation which purchased all of the assets referred to in paragraph (1).

"(b) PRICE AT WHICH DEEMED SALE MADE.—For purposes of subsection (a), the assets of the target corporation shall be treated as sold (and purchased) at an amount equal to—

"(1) the basis of the purchasing corporation's stock in the target corporation on whichever of the following days such basis is greater—

"(A) the acquisition date, or

"(B) the last day of the 12-month acquisition period,

"(2) properly adjusted under regulations prescribed by the Secretary for liabilities of the target corporation and other relevant items.

Such amount shall be allocated among the assets of the target corporation under regulations prescribed by the Secretary.

(c) PURCHASING CORPORATION; TARGET CORPORATION; QUALIFIED STOCK PURCHASE.—For purposes of this section—

"(1) PURCHASING CORPORATION.—The term 'purchasing corporation' means any corporation which makes a qualified stock purchase of stock of another corporation.

"(2) TARGET CORPORATION.—The term 'target corporation' means any corporation the stock of which is acquired by another corporation in a qualified stock purchase.

"(3) QUALIFIED STOCK PURCHASE.—The term 'qualified stock purchase' means any transaction or series of transactions in which stock of 1 corporation possesssing—

"(A) at least 80 percent of the total combined voting power of all classes of stock entitled to vote, and

"(B) at least 80 percent of the total number of shares of all other classes of stock (except nonvoting stock which is limited and preferred as to dividends),

is acquired by another corporation by purchase during the 12-month acquisition period.

"(d) DEEMED ELECTION WHERE PURCHASING CORPORATION ACQUIRES ASSET OF TARGET CORPORATION.—

"(1) IN GENERAL.—A purchasing corporation shall be treated as having made an election under this section with respect to any target corporation if, at any time during the consistency period, it acquires any asset of the target corporation (or a target affiliate).

"(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to any acquisition by the purchasing corporation if—

"(A) such acquisition is pursuant to a sale by the target corporation (or the target affiliate) in the ordinary course of its trade or business, or

"(B) the basis of the property acquired is determined (in whole or in part) by reference to the adjusted basis of such property in the hands of the person from whom acquired.

"(3) ANTI-AVOIDANCE RULE.—Whenever necessary to carry out the purposes of this subsection and subsection (e), the Secretary may treat stock acquisitions which are pursuant to a plan and which meet the 80 percent requirements of subparagraphs (A) and (B) of subsection (c)(3) as qualified stock purchases.

"(e) CONSISTENCY REQUIRED FOR ALL STOCK ACQUISITIONS FROM SAME AFFILIATED GROUP.—

"(1) IN GENERAL.—If a purchasing corporation makes qualified stock purchases with respect to the target corporation and 1 or more target affiliates during any consistency period, then (except as otherwise provided in subsection (d))—

"(A) any election under this section with respect to the first such purchase shall apply to each other such purchase, and

"(B) no election may be made under this section with respect to the second or subsequent such purchase if such an election was not made with respect to the first such purchase.

"(2) ASSET PURCHASE TREATED AS STOCK PURCHASE.—

"(A) IN GENERAL.—For purposes of paragraph (1), the acquisition by the purchasing corporation of any asset of another corporation shall be treated as a qualified stock purchase with respect to which an election under this section was made.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to any acquisition described in subsection (d)(2).

"(f) ELECTION.—

"(1) WHEN MADE.—Except as otherwise provided in regulations, an election under this section shall be made not later than 75 days after the acquisition date.

"(2) MANNER.—An election by the purchasing corporation under this section shall be made in such manner as the Secretary shall by regulations prescribe.

"(3) ELECTION IRREVOCABLE.—An election by a purchasing corporation under this section, once made, shall be irrevocable.

"(g) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) 12-MONTH ACQUISITION PERIOD.—The term '12-month acquisition period' means the 12-month period beginning with the earlier of—

"(A) the date of the first acquisition by purchase of stock included in a qualified stock purchase, or

"(B) if any of such stock was acquired in an acquisition which was a purchase within the meaning of subparagraph (B) of paragraph (3), the date on which the purchasing corporation is first considered under section 318(a) as owning stock owned by the corporation from which such acquisition was made.

"(2) ACQUISITION DATE.—The term 'acquisition date' means, with respect to any corporation, the first day on which there is a qualified stock purchase with respect to the stock of such corporation.

"(3) PURCHASE.—

"(A) IN GENERAL.—The term 'purchase' means any acquisition of stock, but only if—

"(i) the basis of the stock in the hands of the purchasing corporation is not determined (I) in whole or in part by reference to the adjusted basis of such stock in the hands of the person from whom acquired, or (II) under section 1014(a) (relating to property acquired from a decedent),

"(ii) the stock is not acquired in an exchange to which section 351 applies, and

"(iii) the stock is not acquired from a person the ownership of whose stock would, under section 318(a), be attributed to the person acquiring such stock.

"(B) DEEMED PURCHASE OF STOCK OF SUBSIDIARIES.—If stock in a corporation is acquired by purchase (within the meaning of subparagraph (A)), and, as a result of such acquisition, the purchasing corporation is treated (by reason of section 318(a)) as owning stock in a 3rd corporation, the purchasing corporation shall be treated as having purchased such stock in such 3rd corporation. The purchasing corporation shall not be treated as acquiring stock in the 3rd corporation by reason of the preceding sentence before the first day on which the purchasing corporation is considered under section 318(a) as owning such stock.

"(4) CONSISTENCY PERIOD.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'consistency period' means the period consisting of—

"(i) the 1-year period before the beginning of the 12-month acquisition period for the target corporation,

"(ii) such acquisition period (up to and including the acquisition date), and

"(iii) the 1-year period beginning on the day after the acquisition date.

"(B) EXTENSION WHERE THERE IS PLAN.—The period referred to in subparagraph (A) shall also include any period during which there was in effect a plan to make a qualified stock purchase plus 1 or more other qualified stock purchases (or asset acquisitions described in subsection (d)) with respect to the target corporation or any target affiliate.

"(5) AFFILIATED GROUP.—The term 'affiliated group' has the meaning given to such term by section 1504(a) (determined without regard to the exceptions contained in section 1504(b)).

"(6) TARGET AFFILIATE.—A corporation shall be treated as a target affiliate of the target corporation if each of such corporations was, at any time during the 18-month period ending on its acquisition date, a member of an affiliated group which had the same common parent.

"(7) ACQUISITIONS BY PURCHASING CORPORATION INCLUDE ACQUISITIONS BY CORPORATIONS AFFILIATED WITH PURCHASING CORPORATION.—Except as otherwise provided in regulations, an acquisition of stock or assets by any member of an affiliated group which includes a purchasing corporation shall be treated as made by the purchasing corporation.

"(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be neces-

sary to ensure that the purposes of this section to require consistency of treatment of stock and asset purchases with respect to a target corporation and its target affiliates (whether by treating all of them as stock purchases or as asset purchases) may not be circumvented through the use of any provision of law or regulations (including the consolidated return regulations)."

(b) REPEAL OF SECTION 334(b)(2).—Subsection (b) of section 334 (relating to limitation of subsidiary) is amended to read as follows:

"(b) LIQUIDATION OF SUBSIDIARY.—

"(1) DISTRIBUTION IN COMPLETE LIQUIDATION.—If property is received by a corporation in a distribution in a complete liquidation to which section 332(a) applies, the basis of the property in the hands of the distributee shall be the same as it would be in the hands of the transferor.

"(2) TRANSFERS TO WHICH SECTION 332(c) APPLIES.—If property is received by a corporation in a transfer to which section 332(c) applies, the basis of the property in the hands of the transferee shall be the same as it would be in the hands of the transferor.

"(3) DISTRIBUTEE DEFINED.—For purposes of this subsection, the term 'distributee' means only the corporation which meets the 80-percent stock ownership requirements specified in section 332(b)."

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (E) of section 168(e)(4) (relating to liquidation of subsidiary, etc.) is amended by adding at the end thereof the following new sentence: "A similar rule shall apply in the case of a deemed liquidation under section 338."

(2) Clause (i) of section 168(f)(10)(B) is amended by striking out "section 334(b)(2)" and inserting in lieu thereof "section 334(b)(2) or 338".

(3) Paragraph (4) of section 318(b) is amended to read as follows:

"(4) section 338(c)(3)(B) (relating to purchase of stock from subsidiaries, etc.);".

(4) Paragraph (2) of section 336(b) is amended by striking out "334(b)(1)" each place it appears and inserting in lieu thereof "334(b)".

(5) Paragraph (2) of section 337(c) (relating to liquidations to which section 332 applies) is amended to read as follows:

"(2) LIQUIDATIONS TO WHICH SECTION 332 APPLIES.—In the case of any sale or exchange following the adoption of a plan of complete liquidation, if section 332 applies with respect to such liquidation, this section shall not apply."

(6) Paragraph (1) of section 381(a) is amended by striking out ", except in a case in which the basis of the assets distributed is determined under section 334(b)(2)".

(7) Subparagraph (B) of section 617(h)(2) is amended by inserting "338," after "334(b),".

(8) The table of sections for subpart B of part II of subchapter C of chapter 1 is amended by adding at the end thereof the following:

"Sec. 338. Certain stock purchases treated as asset acquisitions."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any target corporation (within the meaning of section 338 of the Internal Revenue Code of 1954 as added by this section) with respect to which the acquisition date (within the meaning of such section) occurs after August 31, 1982.●

By Mr. DANFORTH:

S. 2688. A bill to amend the Internal Revenue Code of 1954 to treat a corporation issuing stock in satisfaction of a debt in certain circumstances as having income from the discharge of indebtedness; to the Committee on Finance.

BANKRUPTCY TAX COORDINATION

● Mr. DANFORTH. Mr. President, I am introducing a bill today which is designed to prevent tax avoidance by better coordinating the treatment of discharged debt at the corporate level with treatment at the creditor level.

Under present law, as amended by the Bankruptcy Tax Act of 1980, Public Law 96-589, a solvent corporation which issues its stock in satisfaction of a debt suffers no tax consequences, even if the value of the stock is significantly less than the amount of debt it satisfies, and even though there may be tax consequences to the creditor on the transaction.

For example, assume that a corporation issues stock worth $600 in satisfaction of an outstanding security, such as a bond with a principal amount of $1,000 which was issued for $1,000 cash. The corporation would recognize no income and have no other tax consequences. Similarly, the creditor, pursuant to section 354, would generally recognize no loss on the exchange, nor would the creditor generally have taken any deduction for a partially worthless debt. Thus, here, both sides of the transaction are treated equivalently.

However, assume that a corporate debtor had issued a security with a principal amount of $1,000 in exchange for $1,000 cash. Assume further that the original creditor subsequently sells the security to an unrelated third party for $600, recognizing a $400 loss, and the corporation then issues $600 worth of its stock to the third party in satisfaction of the security. Here, as in the above example, current law requires neither party to the exchange to recognize gain or loss on the transaction. This is so, even though the original creditor has recognized a $400 loss, and may even have used the third party solely for the purpose of recognizing the loss.

Now assume that a corporation borrows $1,000 on a short-term note, and subsequently issues $600 worth of its stock in satisfaction of the note. Under current law, the creditor recognizes a $400 loss, but the corporation neither recognizes income nor must reduce tax attributes. Current law does require that any gain on subsequent sale of the stock must be recaptured as ordinary income to the extent of prior deductions taken against the creditor's ordinary income. However, if the stock is never sold, or is not sold at a gain, the transaction is never balanced.

In each situation, the substance of the transaction is the same as if the debtor corporation had issued its stock for cash, then used the proceeds to retire the debt. Looking at each transaction independently, the issuance of the stock for cash should not result in tax consequences to either party. However, to the extent the principal amount of the debt exceeds the proceeds used to retire the debt, there should be income recognition by the corporation and loss recognition by the creditor.

Thus, the bill, in effect, treats the satisfaction of debt with stock as if the corporation had, in fact, issued the stock for cash and used the proceeds to retire the debt. Under the bill, in all three examples, the creditor would recognize a $400 loss, and the corporation would recognize $400 of income from discharge of indebtedness. The provisions of the bill would be effective for stock issued after date of enactment.

This bill will not discourage distressed corporations from attempting to reorganize rather than liquidate, since it will not affect insolvent corporations or those which are in bankruptcy.

Mr. President, as a result of skyrocketing interest rates, many corporations have, in recent months, experienced a dramatic drop in the value of their outstanding debt. Naturally, to many the prospect of satisfying that debt at its discounted value, using stock of the corporation, is very attractive. But under current law, creditors are reluctant to go along with such a plan because it does not allow them to recognize the loss they have realized. So, corporations with good tax advice have made arrangements with third parties, such as brokerage firms, to have the third party acquire all the outstanding debt for cash (which results in loss recognition to the creditor), followed by an exchange of stock for the debt the third party has so acquired. Current law requires no income recognition by the corporation.

I believe this bill is necessary to the prevention of tax avoidance. I ask unanimous consent that the text of the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2688

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (e) of section 108 of the Internal Revenue Code of 1954 (relating to income from discharge of indebtedness) is amended by adding at the end thereof the following new paragraph:

"(10) INDEBTEDNESS SATISFIED BY CORPORATION'S STOCK.—Notwithstanding any other provision of this title, for purposes of determining income of the debtor from discharge of indebtedness, if a debtor corporation transfers its stock to a creditor in satisfaction of its indebtedness, such corporation shall be treated as have satisfied the indebtedness with an amount of money equal to

the fair market value of the stock. Except as otherwise provided in paragraph (8), the preceding sentence shall not apply to a debtor in a title 11 case or when the debtor is insolvent.

(b) Subparagraph (A) of section 354(a)(2) of the Internal Revenue Code of 1954 is amended to read as follows:

"(2) LIMITATIONS.—

"(A) EXCESS PRINCIPAL AMOUNT.—Paragraph (1) shall not apply—

"(i) if the principal amount of any such securities received exceeds the principal amount of any such securities surrendered,

"(ii) if any such securities are received and no such securities are surrendered, or

"(iii) to the extent the principal amount of any such securities surrendered exceeds the fair market value of any such stock received."

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to stock issued after date of enactment.●

By Mr. DANFORTH:

S. 2689. A bill to amend the Internal Revenue Code of 1954 to treat the acquisition by certain corporations of their own stock or that of an affiliate as a distribution of property to the corporation's remaining shareholders; to the Committee on Finance.

CORPORATION STOCK PURCHASES

● Mr. DANFORTH. Mr. President, the bill I am introducing today deals with the treatment of certain corporations and their shareholders when the corporation purchases its own stock. I am introducing this bill because of my concern with what seems to be an increasingly common use of corporate capital.

A year ago, many in Congress were in the midst of a bidding war trying to outdo each other in providing incentives to corporations to invest in new plant and equipment, with the hope that we were going to see a wave of reindustrialization and increased productivity. Instead, investment in new plant and equipment and R. & D. has actually decreased in the last year.

Where are corporations putting their funds? Many of them are using their capital to reacquire their own outstanding stock—Treasury stock. The reason we are seeing so much of this, of course, is that in this economy, the stock of many corporations is undervalued compared to the value of the underlying assets. By acquiring their stock on the open market, the corporations explain to their shareholders, the value of their remaining shares will be enhanced.

It seems to me that this attitude, though perhaps partly a reaction to the recession, has also contributed to the severity and persistence of the recession.

Mr. President, last year we used a carrot in an attempt to encourage new business investment, and it has been generally ignored. I think it would be appropriate now to add a stick to the package. My bill, while not prohibiting the use of corporate capital to purchase Treasury stock, is intended to discourage doing so by treating the purchases as distributions of property to the remaining shareholders.

Under this bill, purchases of stock of a publicly traded corporation will be treated as a distribution of property to those who are shareholders as of the first day of the calendar quarter following the quarter in which the purchase is made. The shareholders are treated as having received, then reinvested, the property by allowing them to increase the basis in their stock by the amount of the deemed distribution.

The bill would generally be effective for purchases taking place after the date the bill is enacted. It would not apply to purchases made pursuant to a tender offer which is outstanding on that date; however, the bill will apply to purchases made pursuant to such a tender offer if, but for an extension granted after that date, it would not have been outstanding on the date of the purchase.

Mr. President, this bill is designed to discourage corporate use of funds which I consider irresponsible. It is my hope that a majority of my colleagues will agree and pass this bill into law.

I ask unanimous consent that the text of the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2689

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 317 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(c) CERTAIN REDEMPTIONS TREATED AS DISTRIBUTIONS.—

"(1) GENERAL RULE.—For purposes of this part, all purchases of stock of a publicly traded corporation by that publicly traded corporation or its affiliate during a calendar quarter shall be treated as a distribution of property to the shareholders of the publicly traded corporation on the first day of the subsequent calendar quarter in an amount equal to the total consideration paid for the purchase of such stock.

"(2) DEFINITIONS.—For purposes of this subsection:

"(A) Publicly traded corporation.—The term 'publicly traded corporation' means any corporation whose stock is traded on a stock exchange or in an over-the-counter market at any time during a calendar quarter.

"(B) AFFILIATE.—The term 'affiliate' shall mean any corporation which is a member of a controlled group of corporations (within the meaning of sec. 1563) which includes the publicly traded corporation.

"(C) PURCHASE.—The term 'purchase' shall have the same meaning as under section 334(b)(3)."

SEC. 2. Section 1016(a) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"(25) for amounts treated as distributions of property pursuant to section 317(c)."

SEC. 3. EFFECTIVE DATE.—

(a) IN GENERAL.—The amendments made by this bill shall apply to purchases taking place after date of enactment.

(b) TRANSITIONAL RULE.—The amendments made by this bill shall not apply to any purchase pursuant to a tender offer which is outstanding on date of enactment, not including any extensions of such tender offer made after such date.●

By Mr. DANFORTH (for himself and Mr. SYMMS):

S. 2690. A bill relating to the tax treatment of long-term contracts with respect to taxable years beginning after December 31, 1982; to the Committee on Finance.

LONG-TERM CONTRACT TAXES

● Mr. DANFORTH. Mr. President, I am introducing a bill today intended to help eliminate the possibility for abuse in the use of the completed contract method of accounting. This bill is similar to S. 2622, which I introduced on June 10.

However, this bill, and the description attached, makes clear that the purpose of this proposal is to eliminate the potential abuses in this method. The Treasury Department is expected to prescribe regulations designed to accomplish this purpose in three general areas: severance and aggregation of several agreements; contact completion; and earnings and profits determination.

I ask unanimous consent that the text of the bill and the technical description be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2690

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 451 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(f) LONG-TERM CONTRACTS.—

"(1) IN GENERAL.—Income from a long-term contract may be included in gross income in accordance with the percentage of completion method, the completed contract method, or any other method which clearly reflects income. For purposes of this subsection, the term 'long-term contract' means any building, installation, construction, or manufacturing contract which is not completed within the taxable year in which it is entered into and which, in the case of a manufacturing contract, involves the manufacture of (A) unique items of a type which is not normally carried in finished goods inventory of the taxpayer, or (B) items which normally require more than 12 calendar months to complete (regardless of the duration of the actual contract).

"(2) COMPLETED CONTRACT METHOD.—The following rules shall apply in the case of a taxpayer utilizing the completed contract method of accounting for long term contracts:

"(A) SEVERANCE AND AGGREGATION OF AGREEMENT.—A single agreement shall be—

"(i) severed for treatment as more than one contract, or

"(ii) aggregated with other agreements for treatment of the aggregation as one contract, to the extent necessary to clearly reflect income. The determination of whether severance or aggregation is necessary shall be made on the basis of all the facts and circumstances of each case.

"(B) CONTRACT COMPLETION.—A contract shall be considered completed when all the items being built, installed, constructed or manufactured pursuant to such contract have been finally completed and finally accepted. Failure to complete contract requirements with respect to spare parts (other than spare parts which constitute a material portion of the contract), or to complete contract requirements other than building, installation, construction, or manufacturing requirements, will not be treated as preventing such final completion and final acceptance.

"(C) CONTRACT COSTS.—(i) Direct material costs, direct labor costs, and indirect costs (except as otherwise provided in (ii)) shall be treated as costs of the contract to the extent that such costs are incident to and necessary for the performance of the contract.

"(ii) No indirect costs listed in Treasury Regulation section 1.451-3(d)(5)(iii) (as in effect on January 1, 1982) shall be treated as allocable to a long term contract."

(b) EARNINGS AND PROFITS.—Section 312 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(m) EFFECT OF USE OF THE COMPLETED CONTRACT METHOD.—The Secretary shall prescribe regulations under which the earnings and profits of a corporation which uses the completed contract method of accounting for long term contracts under section 451(f) shall be determined.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2) below, the amendments made by this Act shall apply to taxable years beginning after December 31, 1982, and any regulations prescribed by the Secretary under this Act shall also be effective for taxable years beginning after December 31, 1982.

(2) TRANSITIONAL RULE.—With respect to long term contracts entered into on or before (date provisions are reported by the Finance Committee), a taxpayer required to change its method of accounting for any item pursuant to the provisions of this Act, shall be permitted to treat such change as a change in method of accounting for purposes of section 481.

DESCRIPTION

CURRENT LAW

Under present law, taxpayers may, pursuant to regulation, elect to use either the completed contract method of accounting or the percentage of completion method of accounting for long term contracts, that is, contracts that extend beyond a single tax year. Common examples of such contracts are those for the construction of buildings, highways, or dams, or the manufacture of aircraft, ships, or heavy industrial machinery.

Under the percentage of completion method, that portion of estimated income realized from a long term contract that corresponds to the percentage of the entire contract completed during the taxable year is included in gross income for that year. Expenses are deducted as incurred. Under the completed contract method, income derived from long term contracts is not reported on an estimated basis, but is recognized for tax purposes only in the taxable year in which the contract is completed, even though payments are received throughout the course of the contract. The contractor's deductions for all costs properly allocable to a long term contract (contract costs) are also deferred until the taxable year in which the contract is completed. Costs not properly allocable to a long term contract (period costs), are deducted in the year incurred.

Also under current law, contractors are permitted to use the cash or accrual method of accounting for their long term contracts. This bill is not intended to change the availability of these methods where, under the circumstances, they clearly reflect the income of the contractor.

REASONS FOR CHANGE

The completed contract method is an appropriate method of accounting in the proper circumstances. However, legislation is necessary to deal with problems that have arisen in the use of the method by some taxpayers. Specifically, deferral of completion of a contract for tax purposes (and thus deferral in reporting the income) has occurred in some cases, as follows: (1) incidental obligations requiring a substantial period of time to complete have been included in a long-term contract; (2) certain reorder or change order agreements have been treated as part of an original contract; (3) one contract has been used to encompass several projects with little or no business relationship; or (4) other such techniques have been used to defer the payment of taxes.

DESCRIPTION OF THE PROVISION

A new subsection (f) is added to Section 451 of the Internal Revenue Code of 1954 to confirm legislatively the general validity of the percentage of completion method of accounting and the completed contract method of accounting for long term contracts. The validity of these methods has previously been specifically recognized solely in Treasury regulations. In addition, in the instance of the completed contract method, this new subsection will specify standards which will permit the Secretary to prescribe regulations to deal with the problems which have arisen in the use of the method.

Paragraph (1) of the new subsection provides that income from a long term contract may, as under current law, be included in gross income in accordance with the percentage of completion method, the completed contract method, or any other method which clearly reflects income, and defines the term "long term contract" in accordance with the provisions of the current regulations. In general, the term is intended to apply to building, installation, construction or manufacturing contracts which are not completed within the taxable year in which they are entered into and which do not involve manufacture of inventory items. This paragraph is not intended to change present law determination of when a contract is considered to be a long term contract for income tax purposes. Thus, for example, a contract to manufacture 15,000 folding chairs which take three days each to manufacture would not be a long term contract even though it takes more than twelve calendar months to complete the contract. On the other hand, a contract to produce, over a period of five years, one hundred high altitude airplanes specifically designed for the needs of the customer and not normally carried in the taxpayer's inventory, would qualify for the completed contract method.

Paragraph (2) sets forth general rules which apply in the case of a taxpayer utilizing the completed contract method of accounting. It is contemplated that the Secretary will prescribe regulations to implement those standards.

Subparagraph (A) of Paragraph (2) deals with the question of when one agreement may be severed into separate contracts, or several agreements may be aggregated into one contract, for purposes of determining when a contract is completed for tax purposes. Under the bill, severance of a single agreement will result if, taking into account all the facts and circumstances of each case, severance is necessary to clearly reflect income. Several agreements would be aggregated under the same circumstances.

It is intended that the Secretary will prescribe regulations under this subparagraph which will prevent the abuses which may arise in the implementation of current regulations (Reg. sec. 1.451-3(e)). These potential abuses are described by Treasury in its General and Technical Explanations of Tax Revisions and Improved Collection and Enforcement Proposals, released February 26, 1982. Specifically, in item 3 of the Technical Explanation of the completed contract proposals, Treasury states that the current regulation, "is intended to apply when, for instance, a taxpayer prices two or more agreements using average costs and the costs of initial production are higher than the costs of later production. However, some taxpayers have interpreted this regulation to apply to two or more independently priced contracts provided that the taxpayer anticipated future contracts at the time the first contract was entered into."

Generally, one agreement will not be treated as several contracts unless such agreement (1) contemplates separate delivery or separate acceptance of portions of the subject matter of the contract, or (2) unless there is no business purpose for entering into one agreement rather than several agreements. (However, separate delivery or separate acceptance of portions of the subject matter of the contract does not necessarily require severing of a contract.)

Generally, several agreements will not be aggregated unless the several agreements would be treated as one contract under customary commercial practice in a taxpayer's trade or business or unless there is no business purpose for entering into several agreements rather than one agreement.

In addition, in determining whether an agreement should be severed or aggregated, it is expected that the following factors, among others, will be taken into account:

(1) whether separate units under the contract are priced independently, that is, whether the taxpayer would have entered into a separate agreement containing the terms agreed upon but for the taxpayer's entering into the other agreement, and

(2) whether a single agreement has been amended by supplemental agreement or extended by the exercise of an option to increase the number of units to be supplied. (In which case, such modifications may be treated as a separate contract or several separate contracts.) If, under all the facts and circumstances, the subject matter of the original agreement and the subject matter of the modification are priced independently, as described above, such modification will ordinarily be treated as a separate contract.

Example: Y, a calendar year shipbuilder using the completed contract method of accounting, enters into two contracts at about

the same time during 1983 with M. These contracts are the product of a single negotiation. Under each contract, the taxpayer is to construct for M a submarine of the same class. Although the specifications for each submarine are similar, it is anticipated that, since the taxpayer has never constructed this class of submarine before, the costs incurred in constructing the first submarine (to be delivered in 1984) will be substantially greater than the costs incurred in constructing the second (to be delivered in 1985). If the contracts are treated as separate contracts, it is estimated that the first contract would result in little or no gain, while the second contract would result in substantial profits. It is unlikely that Y would have entered into the first contract without also entering into the second contract. In these circumstances, the two contracts must be treated as one contract for purposes of the completed contract method.

Subparagraph (B) or Paragraph (2) confirms the rule of the present regulations that a long term contract shall be considered completed when final completion and acceptance have occurred with respect to the building, installation, construction, or manufacturing requirements of the contract. In order to prevent a taxpayer from holding contracts open by reason of provisions which are secondary to such requirements but which require substantial periods of time to complete, it is contemplated that the Secretary by regulation will prescribe standards for determining when a contract is deemed to be completed for purposes of the completed contract method. Thus, it is anticipated that the regulations issued pursuant to this subparagraph will reflect present law, except that (1) a contract will be considered completed without regard to possible bonuses for the taxpayer depending on the performance of the contract subject matter after initial acceptance by the purchaser, and (2) a contract will be considered complete without regard to obligations such as to provide spare parts or to supervise installation or assembly of the subject matter of the contract, when such obligations are merely incidental, i.e., the obligation does not represent so much of the contract price that it would make it impossible to determine whether a profit or loss will ultimately be realized on the contract.

In no circumstance could a taxpayer delay the completion of a contract for the principal purpose of deferring federal income tax.

Subparagraph (C) of Paragraph (2) codifies the rule of the current Treasury regulations (Treasury Regulation Sec. 1.451-3(d)(5)(iii)) with respect to determining what costs are properly allocable to a long term contract in the case of a taxpayer utilizing the completed contract method. This provision recognizes the detailed review of the question of cost allocation undertaken by the Treasury during the years 1970-1976 in connection with the promulgation of regulations relating to the completed contract method of accounting and adopts the result of that review as the proper test of cost allocation. This is effected by "freezing" the categories of non-allocable indirect cost, as determined by the Treasury and reflected in the regulations, as of January 1, 1982.

In addition to these changes, the bill authorizes the Secretary to prescribe regulations for determining the effect on earnings and profits of the use of the completed contract method. Over the last few years, a few companies using the completed contract method have been able to pay tax-free dividends to their shareholders because, under current law, the earnings and profits of a corporation are not affected by contracts which are not yet completed. It is expected that the regulations will solve this problem.

EFFECTIVE DATE

The provisions of this bill will be effective for taxable years beginning after December 31, 1982, and it is anticipated that any regulations prescribed by the Secretary will also be effective for years beginning after December 31, 1982. However, taxpayers required to change their method of accounting for any item pursuant to regulations prescribed under the authority of this bill will be permitted to treat such change as a change in method of accounting for purposes of section 481. However, to the extent a portion of any adjustment has not been taken into account, and which is attributable to a contract which would have been completed during a taxable year without regard to the provisions of this Act, such portion shall be taken into account in that taxable year. In any case, the income must be reported no later than the taxable year in which it would have been reported but for the provisions of this bill.●

By Mr. GORTON (for himself, Mr. PACKWOOD, Mr. PELL, and Mr. CHAFEE):

S. 2691. A bill to reform the regulation of sailing school vessels; to the Committee on Commerce, Science, and Transportation.

SAILING SCHOOL VESSELS ACT OF 1982

Mr. GORTON. Mr. President, the bill I am introducing directs the Coast Guard to promulgate regulations suited to the unique characteristics of sailing school vessels. Sailing school ships are operated by nonprofit educational institutions for the exclusive purpose of teaching students a variety of maritime-related subjects, including oceanography, marine biology, navigation, and vessel operations. The bill amends 46 U.S.C. 390 to include sailing school ships within a broad category of small passenger and small freight carrying vessels, for which the Coast Guard already has regulatory authority.

This bill will encourage the operation of sailing school ships and promote knowledge of the ocean and appreciation of our maritime heritage. Sailing school ships should be treated distinctly from vessels operated commercially to carry cargo or passengers when owned or chartered by nonprofit, tax-exempt educational institutions and used by the people aboard specifically for educational activities. The operation of sailing school ships has been severely restricted by the lack of appropriate classification of sailing school ships and their students under present laws and regulations.

Federal inspection regulations do not provide for sailing school ships. Passenger vessel regulations are designed to provide for the safety of passengers unfamiliar with the operation of the vessel, rather than of students who are aboard for instruction in the operation of the vessel. Sailing vessels often cannot comply with construction requirements which are designed for motorized, steel passenger vessels. Although regulations applicable to small passenger vessels are to some extent compatible with the operation of sailing vessels of under 100 gross tons, many sailing school ships are larger than 100 gross tons and, therefore, are governed by regulations applicable to larger passenger vessels and not appropriate for sailing school ships.

Under the provisions of the legislation, the Coast Guard would be required to issue final regulations within 1 year to provide as necessary for the design, construction, alteration or repair of sailing school vessels and for their operation, including manning requirements and qualifications of crew. It is anticipated that many of these regulations will be similar to those now applied to small passenger-carrying and small freight-carrying vessels. More specific regulations might, however, be necessary in areas including vessel stability, compartmentation, and utility systems, where sailing ships may differ significantly from the other vessel types.

There are numerous well-built historic and classic wooden sailboats that this country should insure are maintained, used, and appreciated. These vessels need gainful employment to be maintained and survive. Many are perfectly suited for use as sailing school ships. Rather than render them obsolete for all but maritime museums, the Coast Guard should devise a well-tailored set of rules that will assure their continued utilization, consistent with basic safety.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sailing School Vessels Act of 1982".

SEC. 2. Sections 1, 2, 3, 4, and 5 of the Act of May 10, 1956, are hereby amended to read as follows:

"SECTION 1. When used in this Act, unless the context requires otherwise:

"(a) The term 'passenger' means every person carried onboard a vessel other than—

"(1) the owner or his representative;

"(2) the master and bona fide members of the crew engaged in the business of the vessel who have contributed no consideration for their carriage and who are paid for their services;

"(3) any employee of the owner of the vessel engaged in the business of the owner, except when the vessel is operating under bareboat charter;

"(4) any employee of the bareboat charterer of the vessel engaged in the business of the bareboat charter;

"(5) any guest onboard a vessel which is being used exclusively for pleasure purposes who has not contributed any consideration,

either directly or indirectly, for his carriage; or

"(6) any person on board a vessel documented and used for tugboat or towboat service of fifty gross tons or more who has not contributed any consideration, directly or indirectly, for his carriage; or

"(7) any sailing school instructor or sailing school student or any guest on board a sailing school vessel.

"(b) The term 'passenger-carrying vessel' means any vessel which carries more than six passengers, and which is—

"(1) propelled in whole or in part by steam or by any form of mechanical or electrical power and is of less than one hundred gross tons;

"(2) propelled by sail and is of seven hundred gross tons or less; or

"(3) non-self-propelled and is of one hundred gross tons or less; except any public vessel of the United States or of any foreign state, or any lifeboat forming part of a vessel's lifesaving equipment.

The term includes domestic vessels operating on the navigable waters of the United States, or on the high seas outside of those waters and within the normal operating range of the vessel, and foreign vessels departing from a port of the United States.

"(c) The term 'International Convention for the Safety of Life at Sea' means the 'International Convention for Safety of Life at Sea, 1948' or any similar convention which comes into force and effect after ratification by the United States Senate.

"(d) The term 'Secretary' means the Secretary of the department in which the Coast Guard is operating.

"(e) The term 'freight-carrying vessel' means a vessel which carries freight for hire, is propelled by machinery, and is above fifteen gross tons and less than one hundred gross tons. The term does not include vessels propelled by machinery other than steam and engaged in fishing as a regular business, or vessels of foreign registry.

"(f) The term 'sailing instruction' means teaching, research, and practical experience in the operation of vessels propelled primarily by wind power and may include any subjects related thereto and to the sea, including but not limited to seamanship, navigation, oceanography, other nautical and marine sciences, and maritime history and literature.

"(g) The term 'sailing school vessel' means a vessel of less than five hundred gross tons is principally equipped for propulsion by sails, whether or not such vessel has any auxiliary mechanical means of propulsion, is owned or demise chartered and operated by an organization which is described in section 501(c)(3) of the Internal Revenue Code of 1954 and is exempt from tax under section 501(a) of such Code, as now or hereafter amended, or by any State or political subdivision thereof, during such times as such vessel is operated by such organization exclusively for the purpose of sailing instruction. For the purpose of this subsection, 'auxiliary means of propulsion' means mechanical propulsion equipment not exceeding four horsepower for each displacement ton of the vessel.

"(h) The term 'sailing school instructor' means any person who is aboard a sailing vessel for the purpose of furnishing sailing instruction. Such term does not include any operator or member of the crew of such a vessel who is among those required to be aboard the vessel to meet requirements established under section 3.

"(i) The term 'sailing school student' means any person who is aboard a sailing school vessel for the purpose of receiving sailing instruction.

"SEC. 2. (a) The Secretary shall, at least once every three years, cause to be inspected each passenger-carrying vessel, each freight-carrying vessel and each sailing school vessel and shall satisfy himself that every such vessel—

"(1) is of a structure suitable for the service in which it is to be employed;

"(2) is equipped with the proper appliances for lifesaving and fire protection in accordance with applicable laws, or rules and regulations prescribed by him;

"(3) has suitable accommodations for passengers, crew, sailing school students and sailing school instructors; and

"(4) is in a condition to warrant the belief that it may be used, operated, and navigated with safety to life in the proposed service and that all applicable requirements of marine safety statutes and regulations thereunder are faithfully complied with.

"(b) The Secretary may prescribe reasonable fees or charges for any inspection made and any certificate, license, or permit issued pursuant to this Act or the rules and regulations established hereunder.

"SEC. 3. In order to secure effective provision against hazard to life created by passenger-carrying vessels, freight-carrying vessels and sailing school vessels and to carry out in the most effective manner the provisions of this Act, the Secretary shall prescribe such rules and regulations as may be necessary with respect to design, construction, alteration, or repair of such vessels, including the superstructures, hulls, accommodations for passengers, crew, sailing school students, and sailing school instructors; fittings, equipment, appliances, propulsive machinery, auxiliary machinery, and boilers; with respect to all materials used in construction, alteration, or repair of such vessels including the fire prevention and fire retardant characteristics of such materials; with respect to the operation of such vessels, including the waters in which they may be navigated and the number of passengers, sailing school students, and sailing school instructors which they may carry; with respect to the requirements of the manning of such vessels and the duties and qualifications of the operators and crews thereof; and with respect to the inspection of any or all the foregoing.

"SEC. 4. (a) No passenger-carrying vessel, freight-carrying vessel, or sailing school vessel shall be operated or navigated until a certificate of inspection in such form as may be prescribed by the regulations promulgated by the Secretary under the authority of this Act has been issued to the vessel indicating that the vessel is in compliance with the provisions of said sections, and the rules and regulations established hereunder; except that when a foreign passenger-carrying vessel, freight-carrying vessel, or sailing school vessel belongs to a nation which is signatory to the International Convention for Safety of Life at Sea, a valid safety certificate issued to the vessel pursuant to the Convention may be accepted in lieu of the required certificate of inspection.

"(b) Any passenger-carrying vessel, freight-carrying vessel, or sailing school vessel to which a valid certificate of inspection has been issued pursuant to this section shall during the tenure of the certificate be in full compliance with the terms of the certificate.

"SEC. 5. Any owner, master, or person in charge of any vessel subject to this act who violates the provisions of said sections, or the rules and regulations established hereunder, shall be liable to the United States in a penalty of not more than $1,000 for each such violation, for which sum the passenger-carrying vessel, freight-carrying vessel, or sailing school vessel shall be liable and may be seized and proceeded against by way of liable in any district court of the United States having jurisdiction of the violation.".

SEC. 3. Sailing school students and sailing school instructors shall not be considered to be seamen under the provisions of titles 52 and 53 of the Revised Statutes of the United States and any Act amendatory thereof or supplementary thereto, or for the purposes of the maritime law doctrines of maintenance and cure or warrenty of seaworthiness.

SEC. 4. Each owner or charterer of a school vessel shall maintain evidence of his or her financial responsibility to meet any liability incurred for death or injury to sailing school students or sailing school instructors on voyages aboard the vessel, in an amount not less than $50,000 for each student or instructor. Such financial responsibility may be evidenced by policies of insurance or other adequate financial resources.

SEC. 5. A sailing school vessel shall not be deemed to be a merchant vessel or engaged in trade or commerce.

SEC. 6. (a) The Secretary shall not later than one year after the enactment of this Act prescribe rules and regulations necessary to carry out the provisions of this Act. Such rules and regulations shall reflect the specialized nature of sailing school vessel operations, and the character, design, and construction of vessels operating as sailing school ships.

(b) This Act shall take effect one year after enacted.

By Mr. DANFORTH:

S. 2692. A bill to suspend until January 1, 1987, the column 1 rate of duty on certain small toy and novelty items; to the Committee on Finance.

SUSPENSION OF DUTY ON CERTAIN TOY AND NOVELTY ITEMS

● Mr. DANFORTH. Mr. President, today I am introducing legislation which would suspend the tariffs imposed on imports of small toys and charms valued at 15 cents or less that are used in vending machines.

Importers of small toys and novelty items—primarily from Hong Kong and Taiwan—currently pay duties ranging from 7.7 percent to 22 percent. The American industry, consisting of vendors of machines and contents, is comprised entirely of small business, geographically disbursed throughout the United States.

To my knowledge, there is no American industry which produces the imported small toys and novelty items vended in the machines other than dice—which are exempt from the provisions of this bill. Such an industry did exist at the time the tariffs were enacted but has long since been replaced by imported merchandise. Thus, the original purpose of the tariffs is no longer served.

The American companies involved are centralized in some of the States suffering most from declining industry

and high unemployment, and in many cases employ individuals who are handicapped or who are otherwise hard pressed to find work.

American vendors of machines and contents have been particularly hard hit by inflation. This is because the machines are limited to 1-cent, 5-cent, 10-cent, or 25-cent applications and cannot be altered without great expense. Thus, the only way the industry can cope with inflation is to construct new machines, a significant capital expense, or reduce the quantity of product vended.

By one estimate, the entire American industry, including sales of bulk vending machines and product by manufacturers and distributors, amounts to less than $100 million annually in the United States. Assuming an average duty of 10 percent, which may be high, the total revenue loss would be in the range of $1 million—resulting from tariffs that offer no protection to American producers.

Mr. President, there are few things left in this country that a child can purchase with a penny, and 1-cent sales still account for 20 to 30 percent of the total revenue of this industry. We would be doing a favor to children around the country by enacting this bill into law.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"912.20	Articles provided for in parts 5D and 5E of schedule 7 (except balloons, marbles, dice, and die-cast vehicles), valued not over five cents per unit; and jewelry provided for in part 6A of schedule 7 (except parts), valued not over 1.6 cents per piece.	Free.....	No change...	On or before 12/31/86".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on and after the 15th day after the date of the enactment of this Act.●

By Mr. SCHMITT:

S. 2693. A bill to provide for the minting of the American Eagle gold coin pursuant to article I, section 8 of the Constitution of the United States; to the Committee on Banking, Housing, and Urban Affairs.

AMERICAN EAGLE GOLD COIN ACT OF 1982

● Mr. SCHMITT. Mr. President, today I am reintroducing the American Eagle Gold Coin Act of 1982. This measure is identical to S. 2330, a bill I introduced earlier this year, except for the tax treatment of the American eagle coin. S. 2330 would have exempted the American eagle coin from capital gains tax. The bill I am introducing today is silent with respect to taxes.

It is my hope that the Banking Committee will hold hearings in the near future on this bill. It is also my hope that the Senate Finance Committee will begin action on S. 2330 which has been referred to them. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2693

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "American Eagle Gold Coin Act of 1982".

AUTHORIZATION FOR MINING

SEC. 2. (a) The Secretary of the Treasury shall mint gold coins which shall be referred to as "American Eagles", and which shall be minted as provided in this Act in accordance with the following specifications:

(1) An "Eagle", having a gold content of one fine troy ounce and a diameter of 1.28 inches;

(2) A "Half Eagle", having a gold content of one-half fine troy ounce and a diameter of 1.06 inches;

(3) A "Quarter Eagle", having a gold content of one-quarter fine troy ounce and a diameter of 0.87 inch; and

(4) A "Tenth Eagle", having a gold content of one-tenth fine troy ounce and a diameter of 0.65 inch.

(b) Coins minted under this Act shall be of a fineness of nine hundred parts per one thousand of pure gold and one hundred parts per one thousand of alloy. Coins shall not be struck from ingots which deviate from the standard contained in this subsection by more than one part per thousand.

(c) Coins minted under this Act shall bear—

(1) on the obverse side, the design of the 1908 double eagle, together with inscriptions specifying the gold content and the year of minting;

(2) on the reverse side, the reverse of the Great Seal of the United States; and

(3) have reeded edges.

(d) The Secretary of the Treasury may mint the American Eagle coins authorized by this Act in the weights and sizes set forth in subsection (a) of this section, in such quantities as he determines to be necessary to meet public demand.

(e) Except as provided in section 5, not more than twenty million fine troy ounces of gold may be used for coins authorized by this Act.

(f) Notwithstanding section 102 of the Coinage Act of 1965 (31 U.S.C. 392) coins minted under this Act shall not be legal tender for public debts, public charges, taxes, duties, or dues. Nothing in this subsection shall prevent the use of such coin for the payment of private debts.

DELIVERY AND MARKETING

SEC. 3. (a) Coins minted under the authority of this Act shall be delivered to banks and other institutions and retailers for distribution and sale to the public, pursuant to rules and regulations of the Secretary of the Treasury.

(b) The Secretary of the Treasury shall begin delivery of the one-ounce American Eagle coins authorized by this Act, not later than January 1, 1984, and delivery of the one-half, one-quarter, and one-tenth-ounce not later than January 1, 1985.

PRICE

SEC. 4. (a) Coins authorized by this Act shall be sold to the public in accordance with section 3 of this Act, at a price to be determined daily by the Secretary of the Treasury, according to their relative weight of gold, equal to the price of gold bullion sold on the Commodity Exchange, Incorporated, New York, at 4 o'clock postmeridian on the previous business day, plus an amount determined by the Secretary to pay for the minting, delivering, and distribution expenses of the coins, and all other related expenses.

(b) The Secretary of the Treasury shall have the power to—

(1) adjust the seigniorage charge on the sale of all coins authorized by this Act to finance the expenses for minting, delivering, and distributing such coins, and

(2) regulate or suspend the quantity of coins made available for distribution or suspend sales of coins authorized by this Act, as he deems necessary to avoid manipulation of gold prices or coins prices.

EXCHANGE OR BULLION FOR COINS

Sec. 5. (a) Any owner of gold bullion may deposit such gold in any mint of the United States designated by the Secretary for such purpose and receive in exchange for its relative weight of gold content an equal weight of gold in American Eagle coins, less an amount to be determined by the Secretary of the Treasury to be equal to the charge established pursuant to section 4(a) and any other related expenses.

(b) All gold bullion deposited in any United States mint pursuant to subsection (a) of this section shall be available for the minting of American Eagle coins. Any coin minted pursuant to this subsection shall not be included in the total troy ounces of gold authorized in section 2(e).

(c) The Secretary may prescribe such regulations as may be necessary to carry out this section, including regulations specifying charges for assay and other related expenses.●

By Mr. DECONCINI:

S. 2694. A bill to direct the Secretary of Agriculture to convey certain property to the Miami Area Unified School District No. 40, Miami, Ariz.; to the Committee on Energy and Natural Resources.

MIAMI SCHOOL DISTRICT LAND CONVEYANCE

Mr. DECONCINI. Mr. President, the bill I am introducing today is relatively simple, yet vitally important to the residents of Roosevelt, Ariz. and the Miami Unified School District.

The small community of Roosevelt, Ariz., is part of the Miami Area School District. The district provides educational benefits to many surrounding communities, some of which, like Roosevelt, are quite a distance from the district's public school facilities. While this arrangement has well served the

needs of area residents for some time, the increased population growth in one of the outlying communities, Roosevelt, has prompted the need to take a serious look at location a grade school closer to the community itself. Roosevelt is encompassed by the Tonto National Forest and as a consequence, there is limited private land available to build a school for approximately 70 elementary students. This legislation would transfer title of a rather small parcel of land from the U.S. Forest Service to the Miami Area Unified School District for such a school.

Mr. President, the Forest Service has had extensive discussions with school district officials and have agreed to make the land in question, approximately 5 acres, available to house a public school for grades K through four. Presently, Roosevelt students are required to commute nearly 2 hours each day on winding, mountainous roads from Roosevelt Lake to Miami. Not only does this arduous journey fail to satisfy health and safety needs for the students, but it denies the young students the benefits of attending a school in their own home community.

Inasmuch as the school district owns a portable building which would be erected on the acquired site, the Federal Government could immediately accommodate local needs through this simple land conveyance without placing a further financial strain on this relatively modest public jurisdiction.

Mr. President, I am aware that there is existing authority under which the Forest Service can make land conveyances of this type. However, current statutes require compensation by land or cash, at fair market value. Although this requirement is eminently fair and necessary in some circumstances, I believe there are certain conditions that deserve special consideration by the Congress. This is one of those cases. This particular parcel of land is not currently being used by the National Forest Service for any significant purpose. And, needless to say, the town of Roosevelt's tax base is not large enough to purchase this land at current market prices.

Mr. President, I believe this action would typify the model relationship between a Federal agency and a local entity. The superintendent of the Miami Unified Area School District, Mr. Lawrence P. Lemons, and other members of the governing board will welcome an opportunity to present their concerns directly to the committee members and I would hope that hearings would be held and action be taken on this bill as expeditiously as possible.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2694

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey, by quitclaim deed and without consideration, to the Miami Area Unified School District Number 40, Miami, Arizona, all right, title, and interest of the United States in and to the following described land:

That portion of section 2, unsurveyed, T. 3 N., R. 12 E., G&SRB&M, described as follows:

Starting at a point of origin which is the northern edge of FDR No. 446 at its junction with the west boundary of Roosevelt Lake Estates, traverse on a true bearing of N 6° 54'E for 660 ft.; then along a true bearing of N 83° 06'W for 330 ft.; then along a true bearing of S 6° 54'W for 660 ft.; then along a true bearing of S 83° 06'E for 330 ft. back to the starting point, located in Tonto National Forest, Gila County, Arizona, and comprising approximately five acres.

By Mr. DOLE (for himself, Mr. DENTON, Mr. INOUYE, Mr. MATSUNAGA, Mr. MELCHER, and Mr. THURMOND):

S.J. Res. 207. Joint resolution to authorize and request the President to designate the week of August 1, 1982, through August 7, 1982, as "National Purple Heart Week"; to the Committee on the Judiciary.

NATIONAL PURPLE HEART WEEK

● Mr. DOLE. Mr. President, today I am introducing a joint resolution to designate the week August 1, 1982, through August 7, 1982, as "National Purple Heart Week." Five other Members who like myself were unlucky enough to earn this award join me as cosponsors for the resolution. It is appropriate that we disignate this particular week to honor the holders of the Purple Heart Award, because it will be 200 years ago, on August 7, 1782, that Gen. George Washington, commanding the Continental Army of the Colonies, established the first decoration to be awarded to American fighting men. That award was the badge of military merit, and was intended only for award to enlisted soldiers at the time. The award fell into disuse, and it was not until 1932 that the U.S. Army established the Purple Heart Award as a direct descendant of the older award. The Purple Heart is a very democratic award, it goes to any member serving with the Armed Forces of the United States who is killed or wounded in action. You cannot earn it in the Pentagon, no matter how useful or difficult the staff work may be, you must earn it the hard way in combat against an enemy of the United States.

The military order of the Purple Heart, which has requested that I introduce this resolution, was chartered by the Congress on August 26, 1932. So it is also appropriate that we help that organization celebrate the 50th anniversary of its service to wounded veterans by recognizing the particular sacrifice that wounded veterans have made in the defense of the United States. We should also note that the criteria for award of the Purple Heart includes injuries inflicted on prisoners of war by their captors. It is appropriate that we take the time to honor the wounded veterans of this Nation for their sacrifices. Some will carry a visible reminder of that sacrifice with them for the rest of their lives. Others, less fortunate, are paralyzed and will spend their lives denied the simple pleasures of rising each morning to greet the new day. I urge my colleagues to join me in this effort to proclaim August 1, 1982, through August 7, 1982, as "National Purple Heart Week."●

Mr. GLENN (for himself, Mr. PELL, Mr. DODD, Mr. BRADLEY, Mr. MOYNIHAN, Mr. ZORINSKY, and Mr. TSONGAS):

Senate Joint Resolution 208. Joint resolution with regard to Presidential certifications on conditions in El Salvador; to the Committee on Foreign Relations.

PRESIDENTIAL CERTIFICATION OF CONDITIONS IN EL SALVADOR

Mr. GLENN. Mr. President, last year Congress conditioned the continuation of U.S. aid to El Salvador on that Government's progress on a number of important issues. That progress is to be certified to the Congress by the President every 6 months. One of the most visible and personal issues in our relationship with El Salvador is the unresolved investigation of the murders of six American citizens. Present law requires that the President certify, only in his first certification, that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six U.S. citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders. Mr. President, I believe we all hoped that these cases would have been thoroughly investigated and those responsible brought to justice by this time. Unfortunately, as far as I am aware, no significant progress has been made on any of those cases since the Presidential certification in January of this year. I believe that the brutal murders of the Americans, four churchwomen and two agricultural experts, should not be allowed to drop from our consciousness nor be downrated in the context of our bilateral relationship with El Salvador. Thus I am introducing this joint resolution which will require that progress on the investigation of the Americans' murders be included in the second Presidential certification. This lan-

guage has already been unanimously approved by the House Foreign Affairs Committee. We must insure that the Government of El Salvador is aware that this issue remains one of intense interest among Americans.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

S.J. RES. 208

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 728(e) of the International Security and Development Cooperation Act of 1981 is amended by adding at the end thereof the following: "The second certification required under this section may be made only if it includes a determination by the President that the Government of El Salvador (1) has made good faith efforts since the first such certification was made to investigate the murders of those six United States citizens and to bring to justice those responsible for those murders, and (2) has taken all reasonable steps to investigate the disappearance of journalist John Sullivan in El Salvador in January 1981.".

By Mr. LEVIN:

S.J. Res. 209. Joint resolution designating the week beginning September 5, 1982, as "National Adult Day Care Center Week"; to the Committee on the Judiciary.

NATIONAL ADULT DAY CARE CENTER WEEK

● Mr. LEVIN. Mr. President, today I am introducing a joint resolution designating the week beginning September 5, 1982, as "National Adult Day Care Center Week." The joint resolution has already been introduced in the House of Representatives by my colleague from Michigan, Congressman HERTEL.

There are approximately 800 adult day care centers in the Nation today which provide the elderly with support services, such as routine medical tests and referrals, nutritional education, and an opportunity for interaction with other persons in the community. Most of the centers are nonprofit organizations which charge according to the person's ability to pay. These centers also provide assistance to families who are seeking ways to keep their relatives out of long-term care facilities, but who are unable to provide round-the-clock help in the home.

Mr. President, this joint resolution is needed in order to draw attention to the safe and positive alternative to institutionalization which day care centers can provide. Utilization of daytime services for the elderly is cost-efficient but more importantly, adult day care provides the Nation's elderly with an opportunity to maintain their independence and self-esteem by remaining in their own homes for as long as is possible.

I urge Members of the Senate to join me in supporting this joint resolution and I ask unanimous consent that a January 18, 1982, Time magazine article on adult day care by printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time Magazine, Jan. 18, 1982]

DAY CARE CENTERS FOR THE OLD

A year ago, Charles Crandall, 73, was spending most of his days staring at the walls of his San Francisco apartment, subsisting on solitary meals eaten out of cans. Crippled by a childhood bout with polio and suffering from heart disease, he seemed destined for a nursing home. Had that been his fate, he says, "I don't think I would be living now." Instead, California social services agencies enrolled him in a new kind of program for the elderly that allowed him to continue living in his own home. Three days a week, from 10 a.m to 3 in the afternoon, Crandall goes to a day care center for adults. There, nurses monitor his health, a physical therapist provides him with exercises, a nutritionist plans his lunch and friends keep him interested in the world. Together, says Crandall, "they give me the incentive to live."

Adult day care centers are, for a growing number of Americans, a happy solution to the problems posed by infirmity and old age. For people like Crandall, who are disabled but not in need of full-time nursing care, they fill the vital gap between neighborhood senior citizen centers, which are generally not equipped for the handicapped, and dreaded institutionalization. For families of the infirm elderly they offer welcome relief from the strain of providing full-time care for an ailing relative at home and from the guilt that often comes from banishing that person to a nursing home, perhaps prematurely. (An estimated 25 percent of nursing home residents do not need to be there.) "Our goal," says Jacqueline Falk, a day care administrator in Chicago, "is to keep people living in the community for as long as possible, with independence and dignity."

Though England has had "day hospitals" since the 1950s, they are a relatively recent innovation in the U.S. Adult day care centers grew out of disillusionment with nursing homes, many of which are known for rising costs, all but endless waiting lists and neglect of patients. In 1974 the Department of Health, Education and Welfare added an incentive by agreeing to channel Medicaid funds toward programs designed to take the place of nursing homes. Massachusetts, California and Georgia led the way. Within four years some 275 adult day care facilities had been established. Today there are about 800 such centers in 44 states and Puerto Rico.

The centers are diverse. Basically, there are two types: adult day "health" centers, where the focus is on providing medical services such as physical and speech therapy; and "social" day care centers, which stress social and recreational activities, though they too may have nurses and therapists on staff. Costs range from $11.82 a day, at one notably inexpensive center in Lincoln, Neb., to $50, with additional charges where transportation is provided. Patients typically spend two or three days a week in day care. Nursing homes, by contrast, charge an average $30 to $40 a day, some as much as $70—seven days a week.

Day care centers have been set up in converted nightclubs (the On Lok Senior Health Services in San Francisco) and in revamped American Legion posts (Post No. 426 in Yucaipa, Calif.), in church basements and converted warehouses. The services they provide are equally diverse. The Burke Rehabilitation Center in White Plains, N.Y., offers two highly specialized programs: one for elderly survivors of stroke, heart attack and other debilitating diseases ($26 a day plus $16 for ambulette service) and a second program for people with moderate to severe senility ($53 a day). Says John Panella, coordinator of both programs: "Many of these people have been rejected by standard senior centers." Notes Burke Director of Psychiatry Dr. James Haycox: "Demented patients form tight bonds, have good friendships. The program keeps them out of bed, dressed, groomed and responding to people."

Some centers accept adults of all ages. The Sister Kenny Institute in Minneapolis is willing to consider those 18 or older, mobile with the aid of just one person, mentally alert, able to feed themselves, continent of bowel and bladder. A number of centers specialize in patients who need rehabilitation rather than long-term care. Patients at the Georgia Infirmary, Inc., in Savannah, for example, attend therapy classes for seven to 14 weeks, at a cost ranging from $350 to $2,000 a month. Most have been disabled by strokes, arthritis, diabetes or neurological injuries, yet 70 percent "can live functionally independent lives," says Program Director Hunter Hurst Jr.

Almost all centers have to struggle to make ends meet. Most operate on a nonprofit basis and offer their service on a sliding fee scale according to ability to pay. Few private medical insurance companies will provide coverage, and with only a fraction of patients paying the full cost, the difference usually has to be patched together from a variety of sources, including private donations and United Way. Medicaid money, long a mainstay for nursing homes, is available for day care, but only for health-oriented facilities meeting stringent medical requirements. Some federal funds are also available under Title XX of the Social Security Act, but under the Reagan Administration, the total has been cut nearly 25 percent.

All this is especially worrisome to the old, to people like Laurette Dunthy, 73, of San Francisco. Partly paralyzed and confined to a wheelchair, she was at first reluctant to try a day care center at all. Soon she found she loved it, made close friends and even won an award for poetry. "It's like having a family all over again," she says. But her daughter Grace Ann Gaskill adds: "All along there has been this uncertainty. Every year they didn't know if they were going to be funded for the next."●

ADDITIONAL COSPONSORS

S. 1018

At the request of Mr. CHAFEE, the Senator from New Jersey (Mr. BRADY), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Illinois (Mr. DIXON), the Senator from Missouri (Mr. DANFORTH), the Senator from Tennessee (Mr. SASSER), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 1018, a bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 1256

At the request of Mr. EXON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1256, a bill to regulate interstate commerce by protecting the rights of consumers, dealers, and end-users.

S. 1354

At the request of Mr. BRADLEY, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 1354, a bill to provide standby authority to deal with petroleum supply disruptions, and for other purposes.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the Senator from Connecticut (Mr. WEICKER) be added as a cosponsor of the bill, S. 1354, effective April 5, 1982. It may also be noted that the Senator from Connecticut has been a supporter of the bill since April 2, 1982.

S. 1450

At the request of Mr. CANNON, the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 1450, a bill to provide for the continued deregulation of the Nation's airlines, and for other purposes.

S. 1550

At the request of Mr. HELMS, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 1550, a bill to amend the Federal Election Campaign Act to prohibit the use of compulsory union dues for political purposes.

S. 2043

At the request of Mr. HUMPHREY, the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 2043, a bill to amend title 18, United States Code, to provide criminal penalties for the mailing of identification documents bearing a false birthdate.

S. 2061

At the request of Mr. MOYNIHAN, the Senator from Washington (Mr. JACKSON), the Senator from Connecticut (Mr. DODD), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2061, a bill to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public and Indian lands, and for other purposes.

S. 2150

At the request of Mr. LEVIN, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 2150, a bill to amend the Social Security Act to provide that the amount of any unnegotiated social security check shall be returned to the trust fund from which the check was issued.

S. 2159

At the request of Mr. DANFORTH, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 2159, a bill to amend the Bankruptcy Act to provide that judgement debts resulting from a liability which is based on driving while intoxicated shall not be discharged.

S. 2225

At the request of Mr. BAUCUS, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 2225, a bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain items.

S. 2240

At the request of Mr. STEVENS, the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 2240, a bill to amend title 5, United States Code, to provide permanent authorization for Federal agencies to use flexible and compressed employee work schedules.

S. 2261

At the request of Mr. PRESSLER, the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 2261, a bill to authorize funds for the U.S. Travel and Tourism Administration for fiscal year 1983.

S. 2330

At the request of Mr. SCHMITT, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 2330, a bill to provide for the minting of the American Eagle gold coin pursuant to article I, section 8 of the Constitution of the United States.

S. 2369

At the request of Mr. DOLE, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 2369, a bill to amend the Internal Revenue Act of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes.

S. 2419

At the request of Mr. DECONCINI, the Senator from Texas (Mr. TOWER), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2419, a bill to amend title 28, United States Code, regarding venue, and for other purposes.

S. 2422

At the request of Mr. INOUYE, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 2422, a bill to provide for equitable sharing by the spouses of qualifying Central Intelligence Agency officers in benefits paid by the Central Intelligence Agency Retirement and Disability System.

S. 2425

At the request of Mr. ROTH, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2425, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds, to make tax-exempt bonds available for certain residential rental property, and for other purposes.

S. 2529

At the request of Mr. COHEN, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 2529, a bill to establish objective criteria and procedures for closing and consolidating weather stations.

S. 2548

At the request of Mr. HUMPHREY, the Senator from North Carolina (Mr. EAST), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2548, a bill to amend the Occupational Safety and Health Act of 1970 to specify the necessity of a warrant when the owner, operator, or agent in charge of any workplace refuses entry, and for other purposes.

S. 2562

At the request of Mr. ROTH, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of S. 2562, a bill to transfer the functions of the Department of Energy to other agencies, to maintain continuity in vital programs and relationships, to recognize the Federal Energy Regulatory Commission as a separate independent regulatory agency, and for other purposes.

S. 2572

At the request of Mr. KENNEDY, his name was withdrawn as a cosponsor of S. 2572, a bill to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes.

S. 2585

At the request of Mr. CRANSTON, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 2585, a bill to provide that the Armed Forces shall pay benefits to surviving spouses and dependent children of certain members of the Armed Forces who die from service-connected disabilities in the amounts that would have been provided under the Social Security Act for amendments made by the Omnibus Budget Reconciliation Act of 1981.

S. 2598

At the request of Mr. MCCLURE, the Senator from New Mexico (Mr. DOMENICI), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 2598, a bill to provide for the disposal of silver from the National Defense stockpile through the issuance of silver coins.

S. 2603

At the request of Mr. ROBERT C. BYRD, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 2603, a bill to amend the Trade Act of 1974 to insure fair trade opportunities, and for other purposes.

S. 2610

At the request of Mr. CHAFEE, the Senator from Alaska (Mr. STEVENS), and the Senator from Utah (Mr. GARN) were added as cosponsors of S.

2610, a bill to delay Treasury regulations on the debt-equity issue.

S. 2625

At the request of Mr. ROTH, the Senator from Minnesota (Mr. DURENBERGER), was added as a cosponsor of S. 2625, a bill to amend the Federal Property and Administrative Services Act of 1949 to make Federal surplus property more accessible to local emergency preparedness and volunteer firefighting organizations and to authorize and direct the Federal Emergency Management Agency to recommend available Federal surplus to the Administrator of the General Services Administration for transfer to such organizations and for other purposes.

S. 2658

At the request of Mr. SPECTER, the Senator from West Virginia (Mr. ROBERT C. BYRD) was added as a cosponsor of S. 2658, a bill to amend title 18 to delimit the insanity defense, and for other purposes.

SENATE JOINT RESOLUTION 175

At the request of Mr. KASTEN, the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Oklahoma (Mr. BOREN) were added as cosponsors of Senate Joint Resolution, 175, a joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week."

SENATE JOINT RESOLUTION 178

At the request of Mr. HATCH, the Senator from Nevada (Mr. LAXALT), was added as a cosponsor of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week."

SENATE RESOLUTION 355

At the request of Mr. DECONCINI, the Senator from Hawaii (Mr. INOUYE), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Mississippi (Mr. STENNIS) were added as cosponsors of Senate Resolution 355, a resolution expressing the sense of the Senate with respect to the need to continue Federal funding for energy conservation and renewable energy resources.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. McCLURE. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, June 29, at 10 a.m., to hold an oversight hearing on the use of competition in the procurement process in the Department of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr.McCLURE. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate at 2 p.m. on Tuesday, June 29, to consider S. 1482, a bill regarding Federal participation in international expositions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate at 3 p.m. on Tuesday, June 29, to consider the United Nations Industrial Development Organization Treaty, 97-19.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. McCLURE. Mr. President, I ask unanimous consent that the Intelligence Committee be authorized to meet during the session of the Senate at 2 p.m. on Tuesday, June 29, to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that the Intelligence Committee be authorized to meet during the session of the Senate at 3 p.m. on Wednesday, June 30, to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TUITION TAX CREDITS

● Mr. MATTINGLY. Mr. President, on April 25, 1982, President Reagan announced his intention to seek legislation which would provide tuition tax credits for those attending private elementary and secondary schools. On June 23, such a bill was introduced on behalf of the administration by the distinguished chairman of the Finance Committee.

At this time in our Nation's history—a time of serious economic trouble—we should be seeking ways to close tax loopholes, not to open them. I am astounded that on the very day the U.S. Senate approved a budget which contains a budget deficit conservatively estimated at $104 billion, that we would be asked to consider legislation which would add even more to the red ink. The President vetoed the urgent supplemental appropriations bill on the basis that it will increase budget deficits yet he is asking Congress to adopt tuition tax credit legislation which will have the same effect.

It is estimated that the tuition tax credit bill will cost $1.5 billion a year by 1987. Where is the reason and common sense in this? It is unfair to the American people.

Regardless of any constitutional arguments for or against tuition tax credits and the harm such credits would do to public education, this measure is preposterous.●

PREVENTION OF HEAT STRESS AMONG THE ELDERLY

● Mr. CHILES. Mr. President, during the last few years the effects of extremes in temperature on older Americans—both cold and heat—have been well documented. While a vigorous campaign has been mounted during the past couple of winters to provide information on the consequences of cold stress (hypothermia), very little educational activity has yet been undertaken on the even more serious effects of heat stress (hyperthermia).

There is very strong evidence that the effects of heat stress among the elderly can be even more life threatening, to more people, than exposure to cold. Even mild heat waves can kill if proper precautions are not taken by the elderly and others who suffer from circulatory problems. Prolonged heat waves in recent summers have dramatically brought this to public attention with documented reports of thousands of heat-related deaths.

I have been working with an organization called the Center for Environmental Physiology to develop and distribute educational materials on heat stress, and I would like to have printed in the RECORD a copy of a factsheet developed by the center which provides the most current information available on the threat of heat stress to older Americans. The main point of this factsheet is the prevention of heat-related illness rather than treatment of verious Medical problems such as heat exhaustion and heat stroke.

Arrangements are now being made to have this factsheet distributed by the Administration on Aging and the ACTION agency through local area agencies on aging, senior nutrition sites, and older American volunteer program sites throughout the country. As we are now entering deep summer, I think that this factsheet will be useful for all my colleagues who might want to give it an even wider distribution within their own States.

The factsheet follows:

A MESSAGE FOR OLDER ADULTS: HOT WEATHER SPELLS DANGER

HEAT STRESS

Heat is a killer. Most of the victims are elderly. Hot weather can place a dangerous strain on your body, especially your heart. If the burden is too great, heat can make you very sick or even kill you.

FACTS ABOUT THE HEAT

Temperatures above 90°F can be very dangerous, especially when the humidity is also high. Crowded living conditions increase this danger.

Your body needs time to adjust to hot weather. A sudden increase in temperature, especially in the early summer, is particularly dangerous because your body is unprepared for the strain.

It doesn't take a "Killer Heat Wave" to kill you. If you are feeling hot and uncomfortable, take steps to avoid heat stress.

Heat stress can cause many medical problems including heat exhaustion, heat stroke, heart failure and stroke. Proper precautions can make you more comfortable, prevent illness and even save your life.

WATCH YOUR STEP

Your chances of getting sick in hot weather are increased by: A Weak or Damaged Heart, Hypertension, Problems with Circulation, Diabetes, A Previous Stroke, Overweight, Infection of Fever, Diarrhea, Drinking Alcoholic Beverages, Skin Diseases or Sunburn Which May Reduce Sweating.

DRUGS

Many prescription drugs can make you much more vulnerable to the heat. If you take medicine for high blood pressure, nervousness, depression, poor circulation or sleeping, check with your doctor or pharmacist for advice.

EARLY WARNING SIGNS

Heat stress can cause physical and mental changes. These changes are warning signs that your body is in danger.

Some changes are more dangerous than others. Most people feel hot and uncomfortable during hot weather, and many notice a lack of energy or loss of appetite. These are mild signs, and unless they last a long time, there is no need to be alarmed.

Other signs are more serious. If you experience any of these serious signs during hot weather call your doctor or seek other medical help.

SERIOUS SIGNS

Dizziness, rapid heartbeat, diarrhea, nausea, throbbing headache, dry skin (no sweating), chest pain, great weakness, mental changes, breathing problems, vomiting, cramps.

Pay attention to the Early Warning Signs of heat illness. Heat stress can be fatal, and the Serious Signs mean that you are losing the battle.

KEEPING YOUR COOL IN THE HEAT

Keep cool. Spend as much time as you can in cooler surroundings, such as a cooler room in your home, an air conditioned shopping mall, senior center, public library or movie.

Air conditioning can provide lifesaving relief from heat stress, especially if you have a medical condition like heart disease.

Cooling with fans. Fans can draw cool air into your home at night or help to provide good indoor air circulatien during the day. Air movement reduces heat stresss by helping to remove extra body heat. (When it is extremely hot, a fan may cause you to gain body heat by blowing very hot air over your body.)

Baths and showers. Cool baths or showers (with water temperature around 75F) provide amazing relief from the heat. Cool water removes extra body heat 25 times faster than cool air.

Clothing. Wear as little as possible when you are at home. Lightweight, light colored, loose fitting clothing is more comfortable in hot weather. Cotton is very comfortable. Wear a hat or use a parasol or umbrella to protect your head and neck when you are outdoors.

Drink often. In hot weather, your body needs more water. Don't wait until you are thirsty, because your body needs more fluid than thirst will indicate. By the time you feel thirsty you may already be dangerously low on water.

Drink often and in reasonable amounts. Don't try to drink a lot of coffee or tea. They are alright in moderation, but water is your best bet.

If you have a disease, a medical condition, or a problem with body water balance, check with your doctor for advice on how much water you should drink in hot weater.

Slow down. Take it easy, especially at the start of hot weather when your body is less prepared for the heat. Physical activity produces body heat.

Watch what you eat. Avoid hot foods and heavy meals. They add heat to your body. Try using your stove less. Cook your meals during the cooler part of the day.

Watch salt use. Check with your doctor before you increase the amount of salt or potassium in your diet. Do not take "salt tablets" without your doctor's permission.

Avoid alcohol. Alcohol interferes with your body's fight against heat stress. It can put a strain on your heart.●

CONGRATULATIONS TO RSVP VOLUNTEERS OF VOLUSIA COUNTY

● Mr. CHILES. Mr. President, the Retired Senior Volunteer Program (RSVP) in Daytona Beach, Fla., directed by Patricia Cleland, recently honored 556 volunteers who have contributed a total of 103,609 hours in 1981-82. Mrs. Wayne Mixon, the Lieutenant Governor's wife, presented plaques to three volunteers with the highest number of hours for the year. I direct the Senate's attention to these three women who have contributed over 2,000 hours to the community. Beatrice Wolf from New Smyrna leads a sewing group that makes quilts and ditty bags for the veteran's hospital; Mary Wilson works for the Library for the Blind, Council on Aging, and the United Way; and Susann Frierson, volunteer administrator for the Volusia Hearing Society, tests thousands of school children for hearing impairment.

The fine work and willing spirit of these volunteers is appreciated. Senior volunteers provide valuable service across America, and are especially needed during times of severe budget restraint when other Government social service programs are cut back. Older Americans have knowledge, experience, and expertise that can be well utilized by the community.

I am sure my colleagues in the Senate will join me in extending congratulations and best wishes to the 556 RSVP volunteers of Volusia County.●

A RENEWAL OF COMMITMENT TO HELP THE VASHCHENKOS AND CHMYKHOLOVS

● Mr. LEVIN. Mr. President, 2 days ago, on Sunday the 27th, six Pentecostalist Christians observed the fourth anniversary of their stay in the American Embassy in Moscow. Separated for 4 years and by 3,000 miles from other family members, the six members of the Vashchenko and Chmykhalov families remain in sparse basement quarters ultimately because they are not free to practice their religion in the Soviet Union, nor are they free to emigrate to another country where their religious practices would be respected. Today, it is appropriate that we who enjoy the fruits of a freedom-loving nation, pay homage to these six Pentecostalists who share our love of fundamental human freedoms and have held fast to their desire to exercise these freedoms against onerous odds.

Events leading to the Vashchenkos' and Chmykhalovs' visit to the Embassy began in 1962 when the families decided to chart their lives in a new direction—out of persecution in the Soviet Union and into the freedom of the West. Explicitly following the letter of Soviet law, the families pursued their emigration course. Years and years of repeated applications and journeys to emigration offices did not win the cherished exit visas, rather they were countered with stepped up harassment and brutality.

Sixteen years later, in 1978, eight member of the two families traveled to the American Embassy in Moscow at the invitation of Embassy officials. They went seeking emigration advice, not asylum. But because a young boy in their party was dragged away and severely beaten by Soviet guards before ever entering the Embassy, the others decided they must remain there for their own safety. They became known to the world as the "Siberian Seven" as their plight was publicized and Western nations rallied to their cause.

Despite efforts to precipitate the granting of exit visas, including our own legislative efforts, the Soviets belligerently refuse to allow the Vashchenkos and Chmykhalovs to leave. The Soviets adamantly insist that in order to emigrate, they must return to their native town, Chernogorsk, and file yet another application. To protest Soviet refusal to allow them to emigrate, Lidiya and Augustina Vashchenko went on a hunger strike in late December 1981. Lidiya was so weakened that she was removed to Moscow's Botkin Hospital. Upon her recovery, Lidiya did indeed return to Chernogorsk and joined her brothers and sisters in filing countless applications and paying numerous processing fees.

Lidiya met the Soviets' demand by returning to Chernogorsk, but they have not fulfilled their commitment. We had not expected that a nation which has not honored commitments made in the Universal Declaration of Human Rights and the Helsinki Final Act would honor a commitment to an individual, but we had hoped it might.

Since Lidiya's return to Chernogorsk, all hopes for an immediate resolution to this problem have been stymied by the Soviets. After several months of offering them empty promises and false information, the Soviets officially denied them their exit visas. Their situation grows bleaker daily—they have been subjected to increasing police harassment and brutality, the family members are not permitted to work, and they have been reduced to picking over garbage to feed themselves. Lidiya now has committed herself to another hunger strike to refocus Soviet and world attention on their desperate situation.

The Vashchenkks and Chimykhalovs are paying dearly for holding steadfastly to their desire to live, work, and pray freely in a nation that respects human rights They have expended every ounce of energy to that end, and we ought to stand stalwartly at their side Beseeching us to persevere in our efforts to help them, Liubkv Vashchenko wrote about the importance of continuing the struggle in an open letter to the West on the occasion of their fourth anniversay in the Embassy

We are turning to you all to please ask the American government to talk with the Soviets about permissikn for us to emigrate much more seriously and ask them to work together with the Soviets in order to find a positive solution for all, us and both governments so that we could leave the Soviet Union safely and soon.

I ask that excerpts from the text of this letter be printed in the RECORD.

Mr. President, at what is possibly the nadir of a tortuious emigration journey, it is especially important that we not only honor the Vashchenkos and Chmykholovs today, but that we renew our commitment to help them in every possible way.

The letters follow:

MOSCOW. U.S.S.R..
EMBASSY OF THE U.S.,
June 14, 1982.

DEAR SENATOR LEVIN. First, I would like to thank you very much for the work that you have done for my family in order to get permission from the Soviet government for us to leave this country during the past 4 years.

I would like to ask you in the name of my whole family to please continue the work until we will be allowed to leave the Soviet Union and will be set free in some non-Communist country in the West. Thank you very much.

I am enclosing with this note a letter written for the 4th anniversary of our stay in the American Embassy. We hope that the fifth one we will celebrate together with our whole family somewhere in a free country in the West.

Thank you very much again for everything you have done for us.

Sincerely,

LIUBOV VASHCHENKO,
For my family also.

P.S. Thank you for the information of the Hearings of the bill 312 that took place in the November of last year that you sent to me.

MOSCOW, U.S.S.R.,
EMBASSY OF THE U.S.,
June 10, 1982.

Open Letter to people in the West.

On the occasion of another anniversary, the fourth one, of our stay in the American Embassy in Moscow, please allow me, in the name of my whole family, to thank all those in the West, both individuals and Governments, who have been trying to get permission for us to leave this country.

We are especially grateful to those of the American government who introduced and support Resolution 100 in the House of Representatives and bill 312 in Senate that would grant us residence here and allow us to apply for American citizenship 5 years from the date we first came to the Embassy. We consider the Resolution and the bill as an assurance of the American government that they accept my family for permanent residence in their country which the Soviets wanted us to have when they sent us to the Embassy in 1975.

We thank God and those who early this year made, through the article in Parade magazine, our story and desire to leave the Soviet Union widely known, those readers of Parade who sent letters of protest to the Soviet and American governments on our behalf, and those who sent telegrams, letters and cards to us during the time of crisis when my sister, Lida, and my mother, Augustina, went on a hunger strike, and those who helped us during Lida's hospitalization last January.

Many of you have been tirelessly and persistently supporting us in the right of emigration which my family has been trying to obtain for the past 22 years. We have made many different attempts to get permission from the Soviet government to leave the USSR but the Soviets continue to keep us here and tell the children in Chernogorsk that our parents must come to them first.

Does not the fact that Lida has returned to Chernogorsk and her request to allow her emigrate has still been refused by the Soviets, tell the American government that it is not possible to trust the Soviets? All along they have said to them that if we go back to Chernogorsk, our applications for emigration would be considered.

Now the Soviets do not want to accept Lida's papers, do not want to give her forms, do not want even to talk to her but take her and the other children out of the Offices when they come to talk to the authorities. If sometime they talk to the children they joke and lie. Lida is old enough to make decision herself to stay or to leave this country. Why does she need her parents to be back before her request for emigration is considered?

We are turning to you all to please ask the American government to talk with the Soviets about permission for us to emigrate much more seriously and ask them to work together with the Soviets in order to find a positive solution for all, us and both governments so that we could leave the Soviet Union safely and soon.

We gave the pledge to both governments that as soon as we would be assured that our eleven children together with Lida are out of the Soviet Union and we had an assurance from the Soviets that the four of us will not be persecuted but reunited with them in the West in the shortest time, we will leave the American Embassy.

We also would like to ask you to please ask the Soviet Ambassadors in your countries and those who come to you from the Soviet Union for conferences and demonstrations in order to talk about peace, trade and so on what price there is on the earth that we can pay to the Soviets to accept our renunciation of their citizenship and allow us to emigrate? If the price of money that was pre-established by the Soviet government is payed to them by us, if interments in prisons, work camps and psychiatric hospitals were spent by us, if thousands of our appeals which would make volumes were during the 22 years sent to them, if our hunger strikes and demonstrations with posters that expressed our long-time request to Brezhnev and his government still are not enough for the Soviets to permit us to leave the serfdom, what price do they wish us to pay?

We do not support this thought of Mayakovsky, one of the greatest Soviet poet, "Read and be envious, I am a citizen of the Soviet Union." But we consider it a disgrace that we are citizens of the atheistic serfdom in this country.

Thank you very much.

Sincerely,

LIUBOV,
For the Vashchenko family.●

DEFENSE SPENDING

● Mr. TOWER. Mr. President, the debate over how we should spend our limited defense resources continues to be a vigorous one. There are those who would have us change dramatically our current approach toward equipping and manning our military forces, while others insist with equal certainty that the current approach is the one most likely to deter aggression or, if necessary, prevail in conflict.

Some would have us build fewer tanks and armored vehicles in favor of lighter, more maneuverable weapons. Others argue in favor of smaller ships which could be built in greater numbers than our current shipbuilding plan permits. And there are those who believe that very small, technologically simple and inexpensive fighter aircraft could be built that would be a match for the Soviet Air Force.

As the chairman of the Senate Armed Services Committee I not only support this debate, I encourage it. But I encourage it only so long as the participants are well-informed and well-intentioned, for at stake in this debate is the defense posture of the United States—a matter not to be left to the hands of the misinformed and inexperienced.

Over the past year, a group known as the Military Reform Caucus has offered several proposals aimed at improving the capabilities or our military forces. I believe some of their ideas

have merit; I disagree strongly with others.

Another group—also vitally interested in maintaining our Nation's defense posture—has responded to the Army-related proposals of the Reform Caucus. This group, the Association of the United States Army (AUSA), is comprised of individuals remarkably well-qualified to discuss these issues. They are men and women with distinguished military, academic, and industrial backgrounds who share a wealth of knowledge and experience in land warfare.

I strongly encourage those who are interested in hearing both sides of this debate to read this informed response, which I submit for the RECORD.

The material follows:

ISSUES IMPACTING ON THE LAND FORCES OF THE UNITED STATES

THE MILITARY REFORM CAUCUS—A DISCUSSION OF THE ISSUES THEY HAVE RAISED

The need for a coherent national strategy is universally accepted. Everyone concerned with national security wants the best defense possible for the least amount of money. We want a well managed defense establishment, able to arrive at decisions that are in the best interest of the nation and with no commitment to any but those best interests. We, the Association of the United States Army, hew to these principles, and we are confident that those who identify themselves as the Military Reform Caucus do the same.

The caucus has said that its goal of creating fighting forces that can win depends on the achievement of two qualities it maintains our forces now lack: a high state of personnel and material effectiveness and readiness; and the ability to adapt to changing threats and to take advantage of new tactics and technology.

It would be difficult to gainsay a premise that approaches as close to the military's own goals as does this one. It is a citation of what armed forces are all about and what they should be expected to do. So, it is not the premise upon which the caucus is based that causes concern, but the basis and accuracy of many of its initiatives and specific charges of shortfall.

Far more than simple differences of opinion are involved here. Statements in the name of the caucus have sometimes been less than constructive. This is particularly unfortunate because almost every member of the caucus has worked in the past to strengthen our defense posture. The existence of elements of truth in almost all of the group's major points of issue lends credibility to the overall thrust. Unfortunately, many of the supporting sub-issues are based on misinformation.

The alacrity with which much of the U.S. news medis seize upon caucus accusations as gospel has perpetuated damaging, frequently incorrect information that is difficult to eradicate from the public consciousness. We propose here to address some of the misinformation about programs of the United States Army which have been set forth by the caucus and given wide publicity in the media.

What the caucus is recommending

The caucus has listed several "initiatives." They cover subjects ranging from training, through personnel management, budgeting, research and development, to specific weapons systems.

The enclosed papers provide a summary of the issues, an assessment of the accuracy of their premises, and the facts relating to those caucus initiatives which are found wanting.

M-1 TANK

Point

The M-1 costs too much.

Counterpoint

Most reports on M-1 costs are wrong or misleading. The fact is that there has been excellent cost control during the M-1 program. When development began in 1972, Congress accepted a unit production cost of $507,800 in 1972 dollars. Today, even with substantial pre-planned product improvement (120mm gun, improved armor and better chemical, biological and nuclear protection), the unit production cost of the tank in 1972 dollars is $604,200.

The unit hardware cost of the M-1 is currently about one-third more than that of a M-60A3, not two or three times as expensive as often mistakenly alleged.

Or, as the *London Economist* has pointed out, the ratio of the cost of the remarkably agile and speedy M-1 to a modern fighter aircraft is essentially the same as the ratio between the costs of tanks and fighter aircraft which existed in World War II.

In short, although the M-1 is more expensive than the M-60A3, it is markedly superior, possessing a combat edge over current Soviet tanks which the M-60A3 lacks and providing our soldiers an ability to fight effectively and win outnumbered on a modern battlefield.

Point

The M-1's unprecedented breakdown rates will cause it to be the slowest tank in the world—in real battlefield situations.

Counterpoint

There has been no "unprecedented breakdown rate." The M-1 is in fact the fastest and most agile tank in the world today.

Although it has only been in production a year, it has already achieved 350 mean miles between failure (MMBF), appreciably better than the 320 MMBF goal.

In comparison, after 12 years of production, the M60 attained a rate of 242 MMBF. Today, after 20 years of production and continuous product improvement, it has only attained a rate of 407 MMBF.

Point

The M-1 track pad wears out too quickly.

Counterpoint

It is true that track life remains a problem in peacetime operations.

With twice the power of the M60 tank and continued employment on road and cross-country at much higher speeds, the M-1 track wears out sooner than that of the M60. The current track pads, which were designed to last for 2000 miles, are wearing out in somewhat more than 1000 miles. A solution to this problem has not been found within the current state of the art of track manufacturing.

It should be understood that this is strictly a peacetime problem. The M-1 tracks are rubber-coated to protect road surfaces and are replaced when the rubber coating is worn to the metal track. In combat this would not be a consideration and the steel track would continue to be serviceable for many additional miles.

Point

The M-1's turbine engine is easily detected because it emits a very strong infrared signature.

Counterpoint

Thermal detection is such that all tanks, turbine or diesel powered, are readily detectable. Visually, however, the M-1 turbine exhaust is not detectable while the distinctive visible exhaust plume of the M60 and other diesel powered tanks is readily detectable, particularly when accelerating.

Point

The turbine exhaust is a target for heat-seeking missiles.

Counterpoint

If the Soviets were to employ a heat-seeking—and they do not appear to have one now—anti-tank missile, it would be able to home on diesel engine tanks as well as the turbine powered M-1. This is a potential threat to all combat vehicles, not just the M-1.

Point

The hot turbine engine prevents operations in dry woods due to danger of fire.

Counterpoint

Not true. In over 200,000 miles of testing, much of it cross-country through dry grass and woods, the M-1 has not started a fire. The allegation apparently attempts to present a problem where none exists because the M-1 categorically can operate in dry grass and wooded terrain.

Point

The M-1 tank turbine engine to a gas "guzzler" using more fuel than the M60 tank.

Counterpoint

True, but it should be no surprise to anyone that a 1500 hp engine will use more fuel than a 750 hp engine. The Army has understood from the beginning that the M-1 would consume more fuel than the M60 but is willing to pay that price to gain the spectacular improvements in speed and battlefield agility, mobility and shock power which come with doubling the horsepower.

The added fuel consumption is a reasonable tradeoff for the M-1's greatly improved capabilities.

Point

Although the Army is aware of many problems with the M-1 tank, it has refused to do the testing necessary to determine their real severity.

Counterpoint

This allegation is categorically untrue. In fact, the M-1 has been tested more than any other U.S. tank. Crew safety and survivability have been paramount throughout the development production process.

While no tank is invulnerable, the following special features of the M-1, which enhance crew survivability, have been thoroughly tested:

Compartmentalization of fuel and ammunition in areas away from the crew.

Ammo compartments with blow-off panels which, if a fire is started or ammo is struck by enemy fire, permit the force of an explosion to be vented to the outside, away from the crew compartment.

An automatic fire detection and suppression system.

During testing the M-1 has been shot at or blown up in every conceivable way, using both Soviet and U.S. ammunition.

Test results confirm that crew survivability far exceeds that of the M60.

Point

. . . large numbers of American tankers are likely to die unnecessarily due to M-1's highly flammable hydraulic fluid.

Counterpoint

This is not true.

Fire retardant hydraulic fluid was adopted for use in the M60 tank as a result of the 1973 Arab/Israeli War experience. It has a much higher flame ignition temperature than earlier fluids, and it reduces significantly the possibility of hydraulic fluid fire in the crew compartment.

The M-1 uses the identical fluid. Its hydraulic lines and connectors have been strengthened to reduce the possibility of rupture, and an automatic fire detection/suppression system using Halon gas to smother fires has made the M-1 much more fire safe than previous U.S. tanks. These were included in the M-1 design specifically to minimize casualties from fire.

Point

The M-1's side and rear armor is thinner than that on the M60.

Counterpoint

The M-1's special armor is totally different and vastly superior to M60 armor.

Live fire tests against M-1 armor and components have shown that the M-1 provides far superior armor protection overall for both vehicle and crew, with at least equal protection from all aspects.

Point

The M-1's machine guns are incapable of protecting it against infantry attack.

Counterpoint

False.

The M-1 has three machine guns, one more than the two on the M60.

All machine guns on the M-1 can be trained to fire in close proximity to the vehicle. M-1 machine guns cover a 360 degree field of fire.

M-2 FIGHTING VEHICLE

Point

Cancel the M-2/M-3 armored fighting vehicle and upgrade the M-113.

Counterpoint

This action would seriously degrade the modern Army's tank/infantry team's fighting capability because the two vehicles are not comparable. As its name implies, the M-2 is a fighting vehicle from which the mechanized infantry squad will fight. The M-113 is an armored personnel carrier capable only of transporting the squad. The M-2 is designed to counter the Soviet BMP infantry fighting vehicle and its stabilized 25mm cannon will defeat it. In addition, it provides an armor-protected, anti-tank capability with its lethal TOW anti-tank missiles.

The M-2 permits its troops to sustain their mobility even after they are engaged, rather than forcing them to dismount to fight, and it serves as a base of fire when the tactical situation so indicates.

Similarly, the M-3 Cavalry Fighting Vehicle provides the armored cavalry scout squad unmatched effectiveness, superior firepower and mobility, and greatly increased staying power in performing the variety of critically important combat missions assigned to armored cavalry elements on the modern battlefield.

Addendum: What do you get by "upgrading the M-113"? You get a heavier, more costly "battlefield taxi" that can do little more than move people from one place to another. It could not suppress concealed enemy infantry nor contribute to the battle against massed tanks and BMPs—the threat currently invisioned.

Point

The M-2 does not carry a full squad.

Counterpoint

This is not true.

The M-2 carries a full, 9-man mechanized infantry squad (a crew of 3 plus 6 riflemen).

This smaller squad is able to execute normal fire and maneuver tactics using the crew-served firepower of the M-2 to establish a base of fire while the riflemen maneuver to secure their objective.

This use of the M-2's superior mobility and firepower to conserve manpower is fully in accord with the Army's traditional efforts to use its equipment and firepower to save lives on the battlefield.

Point

The M-2 costs ten times more than the M-113 it replaces.

Counterpoint

It is true that the early production costs of the M-2 are significantly higher than M-113 costs after 20 years of production. However, comparing them is like comparing apples and oranges for the two vehicles are not comparable either in terms of capability or mission. The M-113 is little more than a "battlefield taxi." The current unit rollaway cost of the M-113, after almost 70,000 vehicles have been produced, is about $164,000. Early production models of the M-2, when less than 50 have been produced, cost $1.5 million; increased production experience and higher production rates will bring this cost down substantially.

Point

The M-2 delivers infantrymen too fatigued and too disoriented to fight.

Counterpoint

Absolutely untrue; the facts are quite to the contrary.

The M-2's superior suspension system provides a much smoother ride than any other IFV or APC. Unlike the fully enclosed M-113, the M-2's vision blocks enable its infantrymen to maintain their orientation when "buttoned up" even while the vehicle is moving.

Finally, its contour seating and space, adequate for the 95th percentile solder,[1] also act to reduce fatigue and maintain the mechanized soldier's fitness and readiness to fight.

Point

The M-2 has proven even less reliable than the M-1, which it must accompany.

Counterpoint

This is not true.

Like the M-1, the M-2 is exceeding its mean miles between failure goals. The M-2 was designed with the anticipation of an initial Mean-Miles-Between-Failure (MMBF) of 230. During production testing the M-2 achieved an MMBF of 325 (41 percent higher than predicted). Operational models are demonstrating 240 MMBF. This is expected to improve as the vehicle matures.

[1] The 95th percentile soldier describes the physical attributes of height, weight, etc. of 95 percent of the soldiers who might be riding in the M-2. This is the criterion against which all Army weapons and equipment are designed.

Point

The M-2's aluminum armor is highly flammable and explosion-amplifying.

Counterpoint

The M-2 was never designed to withstand a hit by a primary anti-tank round. Both the M-2 and the M-113 incorporate aluminum armor to reduce weight. It was never expected nor intended that either could withstand a direct hit from either a kinetic or chemical energy primary AT round. At calibers currently in use, there is no significant difference between equal thickness of steel or aluminim armor in terms of flammability when hit by the same kind of round. (For the aluminum armor to have an "explosion-amplifying" effect, it would have to be hit by a warhead of 150mm or larger.)

READINESS/TRAINING

Point

Designate various types of combat units (Infantry, Armor and Artillery Battalions, fighter and attack squadrons and major ships) as "high readiness" units.

Counterpoint

Such a program is in being. Units are listed according to mission or Latest Arrival Date in combat theater. "High Priority Units" include:

Forward Deployed;

Immediate Deploying (82d Abn, Ranger Bns);

Early Deploying (D to D+30); and

Selected units/activities with missions of comparable importance.

Point

These units be required to maintain high readiness and activity levels, and supplied with whatever level of O&M support needed to attain such levels.

Counterpoint

"High Priority" Army units are now required to maintain appropriate levels of readiness and are provided the necessary resources to do so, within the overall availability of such resources.

Point

Maintain careful accounting of O&M support required.

Counterpoint

Army accounting system moving in direction of fully documenting O&M costs.

Point

In some categories designate two high readiness units, one from active forces and one Guard/Reserve to allow competitive organizational structures to maximize efficiency.

Counterpoint

Active Army has the training and time to devote to organization testing.

Organization standardization is essential to full compatibility of Active/Reserve units; training, supply, spare parts, mission capability.

Point

Double funds for field training for each service, including the National Guard and Reserve, providing the service agrees to increase exercise time and to use added funds exclusively for free-play, force-on-force exercises.

Counterpoint

One can hardly object to the goal of this initiative which is to develop and enhance our soldiers' and their leaders' confidence in their ability to operate, fight and win under field combat conditions. As stated, however,

the initiative is simplistic. It must be recognized that free-play, force-on-force exercises are very expensive, not only in dollars but in equipment and other resources committed. The levels of support for the various costs which are chargeable to training must, therefore, be carefully balanced to capitalize on the synergistic effects of properly integrated and structured training. It is by no means clear that doubling funds for field training and limiting their use, as proposed, would achieve the objective sought.

Certainly, additional funds for training, properly allocated and used, will improve Army preparedness. However, how they should be allocated among the various claimants—

Between individual (basic, advanced, NCO, officer) and unit training;

Between in-garrison training (using training devices and simulators) and field exercises (including costs of transportation, ammunition, repair parts, combat rations);

Between small and large unit exercises; and

Between one- and two-sided exercises (with the latter's much greater demands for umpires, etc.)

is less clear.

Nor can training dollars alone solve the Army's training needs. Current Army initiatives, to provide more and better qualified NCOs and to reduce turbulence in units, are attacking the two principal factors currently constraining training.

Since FY 80, Army funds for Institutional and Unit Training have increased 70 and 40 percent rspectively. The National Training Center has been established and is operating to provide, at the battalion and brigade level, the type of two-sided, free-play exercises sought. What may be needed, if affordable, are more of the large-scale, two-sided maneuvers which were so largely responsible, in World War II, for teaching our officers and their staffs how to command and maneuver large troop formations of the type that will be required to conduct a conventional campaign against Soviet/Warsaw Pact forces in Europe.

In any event, if additional training funds are made available, they should not a priori be limited to the use specified in this initiative. The relative priority of such use should be carefully measured against other training areas requiring improvement and the funds applied to those several areas which, in combination, offer the greatest return in increased preparedness.

Point

Require that, in future defense budgets, funds for Operations and Maintenance increase as much, in percentage terms, as funds for procurement.

Variant: Require a report to accompany the FY 1984 defense budget detailing how much additional funding would be required to increase Operations and Maintenance at the same rate as procurement, and the effects on readiness of failing to provide equal percentage increases.

Counterpoint

This is a noteworthy attempt to provide support to an area of vital importance which has historically lacked a constituency at decision making levels in the services, OSD, OMB and the Congress. As might be expected in an area as complex and inclusive as "Operations and Maintenance," however, it oversimplifies and, consequently, needs to be targeted more discretely. In other words, it is a proposal with great merit, if limited in its application to the primary area of concern.

To achieve that aim, one must first identify the various diverse activities funded from the O&M appropriation, clearly differentiating those which are directly related to the procurement accounts form those which are not. These latter, which include operation of the training base, institutional training, unit training and transportation, post, camp and station support activities, long-haul communications, etc., should be eliminated from further consideration as not pertinent to the objective of this initiative.

The remaining O&M funded activities which do bear a direct relationship to the procurement account include: management (in part), procurement offices inventory and maintenance control activities, supply and maintenance depots and activities, transportation, Care of Supplies in Storage and Backlog of Maintenance & Repair (where applicable).

Counterpoint

Even though the Army O&MA appropriation has grown less rapidly than those of the other services of DoD as a whole over the past 3-4 years, the growth which has occurred has been primarily in the non-procurement related activities. The procurement related accounts have been essentially static and, in fact, may have actually declined in constant dollars from fiscal year 1978-80. The adverse effect on the quality of procurement actions, initially, and on readiness ultimately can be measured.

The Budget is intended to request resources from the Congress in a balanced and complementary package. The Army has been responsive to Congressional requests for information and analysis in support of the budget. Information as described in the Variant, and its discussion in public hearings, would be useful in gaining Congressional and public support for the need for these funds in light of their essential contribution to a strong, ready and prepared Army. It would provide the Army an opportunity, heretofore unavaihable, to demonstrate that its O&MA budget request is an integral component of the total resources needed by the Army to accomplish its assigned missions.

Point

Institute a continuing program for field testing foreign weapons of advanced simple technology.

Fund $30M per year for realistic, live-fire tests of the full range of promising foreign inproduction weapons, starting with light AT weapons and light AA weapons on towed mounts.

Intent is for weapons showing dramatically superior performance to be licensed for U.S. production.

Counterpoint

This is an attractive proposition particularly for those questioning the Army's ability to determine its own military needs and to write equipment and weapons systems requirements that describe them. However, like so many attractive propositions, it is based on false, or at best highly dubious, premises. And the underlying return sought is less than clear.

In the first place, the inference that the Army does not have an ongoing, continuing program for testing foreign weapons is clearly unfounded. In fact, as part of its DoD-pacing efforts to Rationalize, Standardize and make Interoperable (RSI) its weapons with those of our allies, there are currently 17 foreign weapons systems and items of equipment under test by the Army Test and Evaluation Command.

Second, the pejorative reference to the "NIH Syndrome" constituting a powerful block to the testing of such weapons is further refuted by the fact that the Army has already adopted for its use 12 such foreign-developed systems since 1977. When one considers that these include the main armament and the primary secondary weapon of the M-1 Main Battle Tank, the Squad Automatic Weapon with which every infantry squad will be armed, and the principal infantry indirect fire weapon, the 81mm mortar, one is impelled to ask what other major army in the world is willing to rely on foreign sources for so many weapons systems of such critical importance to its maneuver arms. It should not go unremarked either that, in almost every case, the Army's decisions to adopt these systems have been challenged usually in the Congress.

Thirdly, the assertion that foreign weapons systems of certain types are "notably superior" to U.S. weapons is just that: an assertion.

Many are still paper proposals with no hardware available; others achieve "superiority" in one characteristic only by accepting inferiority in another characteristic of greater importance to the U.S. Army (e.g., safety); still others just do not meet the Army's tactical or doctrinal needs.

The initiative does propose to fund for the live-fire tests against combat-configured targets which it seeks. Such tests are highly expensive, both in dollars and equipment. When these are in short supply, it is patently wasteful to test weapons that do not meet the Army's doctrinal or operational needs.

Nor is the stated intent that "weapons showing dramatically superior performance" be "licensed for U.S. production" either easy or inexpensive, as our efforts to produce the ROLAND air defense missile system have shown.

In sum, a program similar to that proposed by this initiative has been ongoing for several years. The Army has adopted Many of the foreign systems tested, and rejected others. It deserves continued support and funding, with due care exercised to insure that systems selected for test do, in fact, offer the potential to fill an established U.S. Army requirement. The decision as to where and how a system, once adopted, is produced should not be legislated but left to the Army to determine, on a case-for-case basis.

OFFICER MANAGEMENT

(NOTE: Charts A and B are not shown in the RECORD.)

Point

Reduce size of officer corps, especially in field and general officer grades.

"Excessive" number of general officers is a "well recognized problem."

Counterpoint

Authorized Army General Officer strength decreased from 521 to 412 since 1968.

Emphasis on joint/combined operations, coordination with other nations, and non-DoD assignments requires more, not less. Army has 75 validated General Officer requirements which are filled by Colonels.

With exception of FRG, ratio of U.S. General Officers to troops is smaller than all NATO countries. (Chart A)

A U.S. General Officer commands/manages greater military resources than General Officers of other NATO countries. (Chart B)

REDUCE TURBULENCE

Point

Same problem exists in field grades, e.g., 1,521 Marine Corps LTC, but only 84 battalions, the traditional command for a LTC.

Counterpoint

Requirements for experience, represented by field grade officers, are to be found in many diverse areas in addition to troop command: training base, procurement activities, joint and service staffs, international activities, national guard and reserve advisors, research and development, ROTC instructors, surgeons, medical and dental specialists, etc.

Meaningful promotion opportunities, with increased responsibilities, are required to attract capable young Americans to the profession of soldiering under the demanding training/duty schedules now kept.

Point

Up-or-out promotion policy detrimental to professionalism. Not uncommon in foreign armies for officer to spend most of career commanding a company.

Counterpoint

Retention of individuals not deemed capable of performing at next higher rank reduces opportunities of younger and potentially more capable officers to gain mid-grade experience.

Current law permits selective retention of Captains (to 20 YOS) and Majors (to 25 YOS) in shortage skills.

Up-or-out policies based on mobilization and combat experiences during World War II, Korea and Vietnam (required relief of over-age and physically incapable officers).

Point

Pay based on years of service rather than grade, to permit termination of up-or-out policy.

Counterpoint

Encourages complacency.

Discourages acceptance of added responsibility.

Unnecessary if up-or-out policy retained.

Point

Unit cohesion one of the most important components of combat effectiveness.

Counterpoint

Agree. Army has identified turbulence as a major enemy of readiness.

Point

U.S. Army has the highest rate of personnel turbulence among major armies.

Counterpoint

Possibly correct.

43 percent of the U.S. Army is deployed overseas based on national policy.

Major European Armies are not similarly deployed.

Professional development (schooling) of soldiers essential for ready force. Requires movement to schools.

Imbalance of weapons systems (more of a particular type overseas than in the U.S.) requires relatively short tours in U.S. before reassignment overseas.

Point

Army retention rate remains low.

Counterpoint

Retention did decline from fiscal year 1975 peak to fiscal year 1980, when rate reversed.

Overall fiscal year 1981 rates returned to fiscal year 1975 level.

First term retention in fiscal year 1981 highest in Army history.

Point

Centralized personnel bureaucracy has few initiatives to support Army's COHORT program.

Counterpoint

Army Regimental System, with repeated assignments for cohesion, is being developed.

Personnel management systems are being specifically reoriented to support COHORT and Regimental System.

Point

Link Personnel Turbulence (Reduction) to PCS funding

Counterpoint

Moves for accessions/separation are fixed.

Overseas stationing is matter of national policy.

Rotational (PCS) moves are a function of overseas requirements and tour lengths. Longer tours are detrimental to morale, particularly that of first term soldiers.

Point

Reduce PCS funding 10 percent annually ($100m) until turbulence rate is no higher than that of most turbulent European Army.

Counterpoint

50 percent of turbulence is at the unit level and not related to PCS moves.

Would require:

Increasing tour length;

Reduction of overseas strength levels;

Mission change to equate to European (NATO) Army missions/deployments; and

Common definition of "turbulence" and how to measure it.

CONGRESSIONAL DEMANDS

Point

Reporting demands generated by centralization reduce commander's time to devote to his troops and his unit.

Counterpoint

Of a Congressional nature, only Congressional constituent inquiries can be identified as adding to a commander's administrative workload. The impact of such inquiries is obvious without initiation of a study. Additionally, there is little reason to expect that such a study, if conducted, would recommend elimination or reduction of responsiveness to constituent inquiries.

Point

A Congressionally sponsored study to identify the magnitude of Congressional demands at the unit level would demonstrate to field commanders the willingness of the reformers to look internally as well as at the Services.

Counterpoint

The Army has already undertaken study of the administrative workload of commanders, and has taken positive measures to minimize and to streamline the administrative workload of units. The imposition of yet another such study places an unnecessary administrative demand on commanders who would be obliged to participate.

M-16 RIFLE

Point

Correct the continuing unreliability of the M-16 rifle and prevent ordnance Corps attempts to further degrade its lethality.

Counterpoint

The inference that the M-16 rifle is unreliable is not true, nor is the claimed high reliability of the AR-15. In fact, as demonstrated by tests in 1963, the AR-15 reliability (4.0 malfunctions/1000 rounds) was below that of the then-standard M-14 7.62mm rifle. On the other hand, the malfunction rate of the current M16A1 rifle (1 in 2000 rounds) compares favorably with records of M-14 reliability. There is, accordingly, no "continuing unreliability" to correct.

Nor is the "Ordnance Corps" attempting to "further degrade" the lethality of the M-16. It is true that NATO, after extensive testing, has adopted as NATO standard a new, heavier Belgian 63-grain bullet which requires a new 1 turn in 7" barrel twist in order to achieve greater stabilized penetration at increased ranges. Although the Marine Corps intends to procure this heavier bullet and the M16E1 rifle, which includes the 1 turn in 7" barrel twist, the Army currently has no program to do so.

It has, however, type classified the heavier bullet as standard for use in the newly adopted squad automatic weapon (which is also of Belgian design).

ULTRA-LIGHT BATTALION

Point

Balance between tanks and infantry could change dramatically if infantry could move faster and more invisibly than tanks over terrain impassable to tanks.

Counterpoint

Maneuver is only one facet of equation; firepower must be included.

In terrain impassable to tanks, any mobility means—including foot—would give infantry advantage.

Point

Modern light trail motorcycle makes above possible.

Counterpoint

Noise/dust created by any substantial number of trail bikes makes movement difficult to conceal.

Command/control problems associated with 700+ bikers.

For combat, bikes must be left some distance from contact, under guard. Guards reduce combat power. Unlike horse, trucks and helicopters, bikes cannot be brought forward, but riders must return to bike park which increases reaction time.

Single rider creates bike recovery problem when casualties occur.

Trail bikes efficiency decreased by extremes of weather—snow and mud.

Deadlined vehicle means deadlined soldier.

Point

Opposition from Army armor interests relegates motorcycle to scout/courier duties.

Counterpoint

Infantry mobility and combat effectiveness is the responsibility of infantrymen.

Point

Test two competitive approaches (USMC/ArNG) to ultra-mobile infantry battalion against tank, mechanized infantry and straight leg infantry units in a minimum of 6 field exercises.

Counterpoint

Active Army is charged with organizational development. Army, in its High Technology Test Bed unit (9th Infantry Division) is currently evaluating concepts for light infantry maneuver.

An ArNG unit (with one two week field training period and 48 drills per year) does not have the training time necessary to de-

velop the organization, train the personnel and perform the needed tests.

Point

This initiative would do more to institutionalize maneuver warfare within U.S. land forces than any other proposal.

Counterpoint

The Army and Marines both recognize need for maneuver, coupled with firepower, as essential to successful combat. The use of helicopter mobility by both services; use of armored personnel carriers; development of infantry fighting vehicles, and current tests by the 9th Infantry Division are indicative of this recognition.

NON-MRC INITIATIVES

Point

Helicopters cannot effectively fight tanks.

Counterpoint

Tanks are vulnerable to a number of modes of attack. In less than three weeks of the Arab-Israeli War in 1973, almost ⅓ of the armor on both sides was destroyed.

The Army's TOW and HELLFIRE Missiles have both proved to be effective tank killers.

Using the "nap-of-the-earth" flying technique, a helicopter need only expose itself briefly to fire at a tank. The AH-64 can even launch the HELLFIRE then pass guidance to a ground controller.

AH-64 has demonstrated its ability to kill tanks 50 to 80 percent more efficiently than current AH-1S aircraft, and at almost three times the range.

The AH-64 can move about the battlefield to the point of greatest need and operate in darkness and inclement weather.

In free-form exercises with the German Army almost ten years ago, using helicopters far less capable than the AH-64, there were 20 tank "kills" by helicopter for every helicopter shot down.

Point

Helicopters cannot survive in a sophisticated environment.

Counterpoint

The AH-64 has demonstrated its ability to take multiple hits from the type of heavy machine gun/light cannon it would most likely encounter on the battlefield.

It is equipped with detection devices to warn the crew of enemy radar, infrared or laser activity.

The longer range of the AH-64's weapons permits it to stand off, outside range of most enemy weapons, and strike its targets.

"Nap-of-the-earth" flying techjiques will minimize exposure.

The more modern, tougher UH-60 helicopter would have reduced Vietnam combat losses of UH-1s by 85 percent. The AH-64 is even less vulnerable than the UH-60.

While Vietnam was admittedly not the same environment as might be found in a NATO-Warsaw Pact battle, the 1st Air Cavalry Division had one helicopter hit per 275 combat flying hours and one helicopter shot down per 4,494 hours.

Perhaps the most intense anti-helicopter campaign by the North Vietnamese occurred during Operation LAM SON 719 in early 1971. The North Vietnamese employed strong concentrations of heavy machine guns and light cannon against a force of UH-1s. The UH-1s flew 42,800 sorties. Only 107 UH-1s were lost—one per 476 sorties.

Point

"Nap-of-the-earth" flying is too difficult, particularly at speeds of 100 mph or greater.

Counterpoint

"Nap-of-the-earth" flying maximizes the helicopter's ability to use terrain folds, treelines and man-made objects for concealment. U.S. helicopter pilots are trained to adjust their speed to suit the terrain. They can hover in place, move forward or backward at speeds of five miles per hour or less or, when a suitable avenue is available, approach the target area at full speed.

This flying technique is an extension of the soldier's traditional use of terrain to the best possible advantage.

Point

The Air Force A-10 close-support aircraft is armed with a 30mm cannon using depleted uranium projectiles for engaging armor. The AH-64 cannot carry this kind of cannon.

Counterpoint

The AH-64 is armed with a 30mm cannon. Using this weapon, the AH-64 can engage light armored vehicles at a range of 3,000 meters.

Point

At about $15 million per aircraft, the AH-64 is too expensive.

Counterpoint

In evaluating cost, it is important that one first define clearly what are included in the costs in question and then determine whether the item's value to the Army system is commensurate with its costs, however stated.

In this case, the $15M/aircraft is the overall program cost, including not only hardware production costs, but also costs for R&D, repair parts, tooling, support and inflation incurred through the life of the program, divided by the 446 aircraft the Army is currently programmed to buy. If the Army succeeds, as it expects, in producing more than 446 aircraft for the total sum currently programmed, the unit program cost will be reduced proportionately.

In evaluating the AH-64's value to the Army, one must recognize that it is an indispensable member of the combined arms team, including tactical air, on which the Army relies to deter Soviet conventional attack. It is equally at home in the plains of Central Europe and the deserts of the Middle East.

Convinced that the unique capabilities provided by the AH-64 (day/night, all weather tank killing with superior mobility, agility and survivability) are worth the price recently agreed upon by the Army and the Hughes Helicopter Company, both the Army and the Defense Systems Acquisition Review Council have approved production and are hopeful that the Congress will support that decision.●

OLYMPIC PIONEER TRAIL

● Mr. BAUCUS. Mr. President, last week I offered a proposal for a historic run across the continent to kick off the 1984 Summer Olympics in Los Angeles, Calif.

The "Olympic Pioneer Trail," as I propose to call this route, is based upon the theme of "Retracing the Historic Steps of the Westward Pioneers."

Assuming approximately 2 months running time, the torch carriers would begin their 4,500-mile-long trek in late May. From Washington to Cumberland, Md., the carriers would run along the Chesapeake and Ohio Canal on the Potomac Heritage Trail. From here, the runners would follow the Cumberland Road or as it is also known, the National Pike, to its terminal in St. Louis. The torch carriers would continue their route on the Lewis and Clark Trail all the way to Astoria, Oreg. Finally, the runners would veer south and run along Highway 101, the Coastal Highway to Los Angeles.

I feel this is an excellent route not only because it follows historic pathways, but because it offers a route through some of America's most scenic lands and pristine environments.

Because of the northerly direction of this path, the Olympic Pioneer Trail will lead runners through climatically pleasant regions that will not induce either hypothermia or heat exhaustion. Rather, this run will occur at a time where temperatures would be quite conducive to running.

The geographic variations offered by this trek, which traverses 16 States, is also a definite plus. The Olympic Pioneer Trail provides the torch carriers a variety of distinct geographical regions. Ranging from the Atlantic coastal plains, to the Columbia Gorge, the Olympic Pioneer Trail would cross through the Appalachian peaks, the Mississippi Valley, the Great Plains, and the Rocky Mountains. This trail encompasses all.

I have been running for more than 15 years. I have run five marathons, as well as logging thousands of miles training. The torch run is perfect for achieving the image that we, as Americans, want to project and stand for. Running is a sport that fosters intestinal fortitude, discipline, grace, and unequivocally, a sense of progressiveness.

The journey of the Olympic Torch has always been a formidable event. To the first Olympians, the flame was solely to honor the Greek god Zeus. Through the centuries it also has come to represent the honor of the athletes. It has come to represent the honor of those countries participating in the Olympics, and this time it will come to represent the honor, pride, and reputation of the United States.

It is my intent to submit a daily record for the next 16 days to describe the trek through each State. I will begin next week by portraying the State of Maryland; its history, its landscape, and its people. I will continue to elaborate on one State a day until I conclude with California.

I urge my colleagues to support my plan.●

MEXICAN GUEST WORKERS

● Mr. SCHMITT. Mr. President, I would like to call attention to an important interview of Senator S. I. HAYAKAWA that appeared recently in the

Washington Times newspaper. Senator HAYAKAWA talked about the problems of immigration and how a guest worker program could help reduce the flow of illegal aliens from Mexico, ease tensions along the border, and improve relations with Mexico. My good friend from California made some interesting points during the interview which I hope our colleagues will keep in mind when the Senate considers the Immigration Reform and Control Act of 1982. I ask that the entire text of Senator HAYAKAWA's interview be printed in the RECORD at this point.

The article referred to follows:

HAYAKAWA: MEXICAN GUEST WORKERS FILL NEED

(The U.S. Senate will soon consider the Immigration Reform and Control Act of 1982. Sen. S. I. HAYAKAWA, R.-Calif., believes that the omission in the legislation of a Mexican guest workers proposal he has advocated seriously limits U.S. ability to deal realistically with illegal Mexicans. In the following interview with Washington Times, correspondent Jeffrey St. John, the former president of San Francisco State College discusses the problem of immigration from a historical and cultural viewpoint and why his Mexican Guest Worker proposal can help the U.S. consumer at the supermarket and help the agricultural economy of the country.)

Q. Why have you taken such strong exception to the Reagan administration-supported Immigration and Control Act of 1982?

A. The bill does not address the immigration problems of the entire nation. By omitting the necessary proposals for a Guest Worker program, it will not adequately meet the needs and interests of the Southwestern states. Our needs, particularly in agriculture, are for large number for workers for very short periods of time—say, 200 peach pickers for two weeks.

Q. The Reagan administration last year proposed a Guest Worker program but limited the number to 50,000. What is wrong with that number of Mexican workers?

A. The administration proposed stiff penalties against employers who knowingly hire illegal aliens. Sanctions are necessary to encourage participation in a Guest Worker program, but they must be accompanied by a legal work force large enough to meet employers' needs. For example, over 100,000 people are needed to harvest the raisin crop alone in Fresno County within a few short weeks. That is only one of hundreds of crops that are grown in our 50 states.

California farmers write to me continuously describing labor shortages for a multitude of crops. We need a program large enough to provide legal workers for the jobs that are currently held by undocumented workers. If we use the figures generally accepted by the administration, we could be talking about an undocumented work force of several million.

Q. The proposal to allow large numbers of Mexicans into the United States to work in agriculture and service industries has provoked emotional reactions. One argument is that with the current domestic economic problems and unemployment at an all-time high, it will take jobs away from Americans. Fact or fiction?

A. The important thing to remember about Hispanic workers is that we need them desperately from an economic point of view. We have an enormous class of people in this country who are accustomed to very, very generous welfare, food stamps, Medicare and other benefits. The amount for many of these people is up to $15,000 to $17,000 a year. You can get all this without having to work. Now to work in the hot sun, breaking your back, stooping over, taking care of strawberry and boysenberry crops, and climbing trees to harvest fruits and nuts is just damn hard work. A lot of Americans just don't want to do that.

Q. What about the additional argument that many of these Mexican workers will come here and load up the welfare rolls and bring their families into the United States, and eventually place a terrible burden on the entire system?

A. Some of them might. But there is worthwhile evidence that most of these people come here and work for a short time and then want to return by Christmas time, or Easter. We should not forget that Mexico is a vibrant culture, its people have their religious and family loyalties to their home, villages and to families. Most of them don't have the urge to stay, they just want to come here for a little while and return because their roots are in some little Mexican village where they enjoy social status, their families, grandpa, grandma and uncles have their roots. They want to come here to make more money than they can make back home for a little while and they want to go back.

Q. Can you count solely on this factor of ties to family and home?

A. We can work out a system whereby there's a reward for going back. Last year I proposed as part of a Guest Worker program a $500 bond when a legal Mexican worker is permitted to come into the country. When he returns he gets back the bond, with interest. I would like to see a Guest Worker program that legalizes a stay for up to six months. If they go back within the alloted time, they will be allowed to come back year after year and provide valuable services. We could then keep growing strawberries, boysenberries, olives and other important crops consumers need and want. Guest workers would be subject to certain kinds of taxation on income and social security. And if they go back home within the six-month period they would be given it back in cash. I haven't proposed this as law. But it provides an idea, the kind of incentives we could offer to assure their return.

Question. In all the public discussion on the Mexican illegal aliens, we rarely see much understanding of Mexico's culture and its people.

Answer. It seems to me to understand Mexicans at all you have to understand the importance they place on family, very intense love of religion to the work ethic. You can see this by the Mexicans who have come here to stay and prospered. They are very loyal family people in Los Angeles and elsewhere. Nothing remarkable about this, it has happened throughout American history.

Question. But we at one time welcomed immigrants to these shores. What has happended to the idea inscribed on the Statue of Liberty: "Give me your tired, your poor your huddled masses yearning to be free"? Has America's attitude changed toward immigration?

Answer. The change is far from complete. We have been among all the nations of the world the most generous. We have, for example, accepted refugees from war-torn parts of the world: The boat people from Vietnam, the Cambodians. We have been very generous. We have allocated educational and health programs for them limited amounts of welfare help for them while they have struggled to get on their feet.

Question. Is this rising resentment and hostility directed exclusively toward Mexicans and Hispanics?

A. Hostility has been there all along. I remember when I was running for the U.S. Senate back in 1975, I used to hear terrible, terrible remarks about illegal Mexicans coming over the border in San Diego. Many of the people who were saying these terrible things were hiring Mexican help. But this is not confined exclusively to Hispanics. Orientals faced the problem going back to the gold mining days of the 1840s. If you want to talk about the problems faced by Orientals, you had the 1882 Chinese Exclusion Act, the 1924 Japanese Exclusion Act.

Q. Was this historical exclusion not racism?

A. Surely. Except the word "racism" didn't exist at the time. The term used was "Yellow Peril."

Q. Can you, therefore, make a connection between the current hostility towards Hispanics or illegal Mexican aliens and what took place in the earlier part of this century and in the last century?

A. No. I think there is a completely separate movement. At the time that you had this enormous wave of hostility against the Orientals, Chinese or Japanese, we were welcoming immigrants by the millions from Europe. There was a concern about immigrants, especially if they were Oriental. My father told me that there was an anti-Japanese riot in Vancouver, British Columbia, the day I was born.

We have always had an ambivalent attitude about immigration. You had in the 1840s and 1850s hordes of Irish coming to this country to escape the potato famine. At that time there was enormous propaganda about the Irish—they were said to be ignorant, naturally given to drunkenness, lazy and uneducable. The idea in the 1850s that the United States would have an Irishman as president was unthinkable. But as we know, John F. Kennedy of Boston did become president.

Q. You said recently that if they arrested all the illegal aliens in Southern California the restaurants, hotels and motels would have to shut down. In this regard, if you have a shortage of labor for agriculture in the Southwest, what impact does the problem have on the nation's food chain?

A. It's a very, very serious matter. When have you last seen white asparagus? You don't see it. It's labor intensive. You keep asparagus from getting green by going over the rows and rows almost daily as they push up and you cover them with earth and it stays white. It's damn hard work and takes an awful lot of labor.

You have the same problems with harvesting olives. Five hundred illegal aliens were shipped off to Mexico from San Mateo County and we got a distress call saying the olives were ripe and would be ruined if not harvested.

There's a lot of people on welfare and a lot of people registered with the Department of Employment Development. A few of them came out to see how hard it is to pick olives and resigned after half a day. The rest wouldn't even come out to see what the job is like. And this is true all over the state of California.

Q. Are you saying that welfare encourages the steady flow of illegal Mexican aliens?

A. Yes. And so long as there is wide economic disparity between the United States and Mexico we will have millions crossing the border to find jobs in the fields, factories and homes in the United States. If we closed the border completely, an impossible task, Mexico would become a pressure cooker filled with unemployed hungry people. Mexico is counting on us to provide some release for those who cannot find work within the Mexican economy. Any money they bring back helps their economy. We also provide a valuable training ground for the Mexican—the skills learned in the United States can be taken home and taught to others.

It's important for us to establish a legal framework for Mexican labor in this country in order to harmonize the use of such workers, to prevent abuse by smugglers and unscrupulous employers to reduce the flow of illegal immigrants.

It's important for us to maintain a friendly open relationship with Mexico. The migration of Mexican nationals has been a sore spot for both countries. I think my Guest Workers program will help solve the problem, ease tensions on the Western Hemisphere and improve relations with Mexico.●

THE DISTINGUISHED DR. JANET NORWOOD

● Mr. SARBANES. Mr. President, the Bureau of Labor Statistics serves a vital if sometimes overlooked function in the Government and in the economy. The BLS, as it is known, is charged with compiling the wide range of economic statistics which document and reflect national economic trends and help to determine important policy and budget decisions.

The responsibility for guiding the work of the BLS and maintaining its very high standards lies with its Commissioner, Dr. Janet Norwood. Appointed Commissioner in 1979, Dr. Norwood has been with the BLS since 1963. She is a distinguished public servant who commands the admiration and respect of her colleagues, and of Members of Congress of both parties, not only for her competence but for her strict and skillful nonpartisanship. Her frequent testimony before the Joint Economic Committee is invariably marked by a sure knowledge of statistics, and a perceptive analysis of their significance. Faced with serious budget reductions that have already meant a 12-percent reduction in staff and will require a further 4-percent reduction in June, Dr. Norwood has sought above all to maintain the superior quality of BLS statistical programs.

Mr. President, on May 24 the New York Times published a working profile of Dr. Norwood. I ask that the article be printed in the RECORD:

The article follows:

[From the New York Times, May 24, 1982]

MAKING LABOR STATISTICS MAKE SENSE—WORKING PROFILE: DR. JANET L. NORWOOD

(By Seth S. King)

WASHINGTON, May 23.—In the first week of any month that Congress is in session, Janet L. Norwood, the Commissioner of Labor Statistics, appears before the Joint Economic Committee to report how many people were working the month before and how many were not and to explain why.

Within minutes, the senators and representatives present pounce on her findings to see who can make the most political capital of them.

The committee members whose party is not in the White House try to make the bad news look as bad as possible; those in power try to make the good news appear even better. And both sides try to get Dr. Norwood to agree with them.

Since she is the Presidentially appointed holder of a traditionally nonpolitical job, it is seldom easy to get her to do this, although she doesn't blame the Congressmen for trying.

"I find it a stimulating challenge," Dr. Norwood said recently. "There are always a variety of innovative senators and representatives who raise questions that I have to be very careful to answer in a completely objective framework. But the joint committee provides an open place where both political parties can play the game and ask any question they want and get a straight answer."

MIXED INDICATORS

Since January, Dr. Norwood has been able to provide each side with something to deplore or applaud.

Last month the steadily rising rate of unemployment hit its highest level in 40 years, and the Democrats had the pleasure of blaming President Reagan's economic policies for 10.3 million people being out of work.

But the Producer and Consumer Price Indexes, two other important economic indicators that the 1,900 economists and statisticians in the Bureau of Labor Statistics compile each month, have been rising very slowly as inflation has receded. In March consumer prices actually declined for the first time in 17 years, and last Friday Dr. Norwood told the committee that April's rise of only two-tenths of a percentage point confirmed that the over-the-year increase in this vital index was lower than at any time since early 1978. So the Republicans could say that Mr. Reagan's economic policies had broken the back of inflation.

Even so, Dr. Norwood's continuing problem, like that of her predecessors, is that the straight answers are not always what everybody wants to hear. So, in the 18 years that she has worked in the bureau, including the last three years, when she has served as director, somebody has been trying to change the way the figures are compiled.

In his second term, President Nixon kept pressuring the bureau to stress the good news about employment rather than the bad news about unemployment.

With the inflation rate rising almost every month, the Carter Administration frequently demanded changes in the way the Consumer Price Index was compiled, contending the housing factor distorted the true price levels.

The labor organizations want Dr. Norwood to include among the unemployed those forced to work only part time and those who have given up trying to find a job.

Conservatives, including Mr. Reagan, think the unemployment figures should not include housewives and teen-agers who do not need to work to keep a family solvent.

SEASONAL INFLUENCE CITED

Most recently, the President has taken to citing the bureau's unadjusted unemployment and employment figures, which have been more to his liking than the seasonally adjusted ones.

Dr. Norwood fields this question with the dexterity she has displayed on many of the others.

"It's important to note the unadjusted figures," she said. "But we have an economy that consistently reacts to certain seasonal changes, like the unusual and limited rise in employment at Christmas or the thousands of youngsters who suddenly start looking for jobs in June when school ends and get counted as unemployed in that month's figures."

If these swings were not adjusted, Dr. Norwood, said, they would distort the trends.

She is wondering now whether the President will favor the unadjusted or the seasonally adjusted figures for June. "Our records for years have shown that from May to June there is a jump of more than a million in the number unemployed," she said. "But you wouldn't want to go before the joint committee and say 'Hey, this recovery has stopped.' You'd want to say, 'This sort of thing happens every June.' "

Except for a few years when, as she says, she was "off the labor market" producing two sons, Dr. Norwood, 58 years old, has been entangled with numbers and their meanings. She earned advanced degrees in economics from Tufts University and taught economics at Wellesley and Tufts. While living abroad with her husband, a Foreign Service officer, she did research and wrote about international trade. She started with the Bureau of Labor Statistics as a specialist in international law and came up through the ranks.

This year Dr. Norwood has had another numbers problem. Last year the bureau, like most other agencies, had to cut its staff by 12 percent, and a further cut, of 4 percent, is scheduled for this summer.

"As a result of the first cut, we've had to eliminate or reduce 19 statistical programs we were doing," Dr. Norwood said. "We do still have the major programs on employment and prices and productivity. And I think the Administration agrees that any further cuts in our staff would be too much. But if they insist on them, we'll have to start furloughing more people, and our reports won't be as thorough and they'll probably be late each month."

Asked if she ever feels like the messenger who is killed for bringing the bad news, Dr. Norwood said: "Well, sometimes. But I've learned it's one of the roles Commissioners of Labor Statistics must fill. I'm only the 10th commissioner in nearly a hundred years. The others managed all right, and I think I'll manage, too."●

THE SMITHSONIAN'S ESKIMO EXHIBIT EXTRAORDINAIRE

● Mr. MURKOWSKI. Mr. President, "Inua: Spirit World of the Bering Sea Eskimo," an exhibition of Eskimo art and artifacts recently opened at the Smithsonian's National Museum of Natural History/National Museum of Man. This exhibition came about largely because of the efforts of my distinguished senior colleague, Senator STEVENS, and his late wife, Ann.

They had long worked to urge the Smithsonian to show its Bering Sea Eskimo artifacts, which are the largest and most comprehensive collection of its nature in existence. I encourage all my colleagues to take time to view this beautiful exhibition which illustrates the rich cultural heritage of Alaska.

Mr. President, for the benefit of my colleagues who wish to further acquaint themselves with this exhibit, I ask that a pertinent article which appeared in today's Washington Post be printed at this point in the RECORD.

The article follows:

[From the Washington Post, June 29, 1982]

ESKIMO EXTRAORDINAIRE

(By Jo Ann Lewis)

After a century in a Smithsonian attic, the world's largest and most important collection of Eskimo art and artifacts finally has come to light in a revealing new show at the National Museum of Natural History/National Museum of Man.

Titled "Inua: Spirit World of the Bering Sea Eskimo," it includes some 600 ivory carvings, bowls, baskets, clothing and carved tools and hunting and fishing implements used by the Bering Sea Eskimos of Alaska between 1877 and 1881, shortly after the United States acquired the territory. Brimming with beautiful objects—from tiny carved ivory needle boxes in the form of a seal to large, scary spirit masks carved from wood—this large, didactic show offers a rare slice of Eskimo life and art as it existed before the white man's incursion.

It also dispels a persistent stereotype: All Eskimos didn't—and don't—live in igloos and subsist on whales.

As it happens, whales bypassed the Bering Sea Eskimos on their way further north to the Polar regions, leaving the people of this Alaskan coastal marshland to live off the abundant fish, birds and mammals available in the delta between the Yukon and Kuskokwim rivers. And the 18th century Russian fur traders had left the area more or less intact, making it an especially rich place for ethnographic study back in the 1870s.

It was a fact that did not escape the Smithsonian's farseeing assistant secretary, Spencer F. Baird. When a brilliant, 22-year-old naturalist named Edward W. Nelson (1855-1934) approached him seeking employment in 1877, Baird quickly sent him off to gather weather data at an Army Signal Service weather station in the village of St. Michael, on Norton Sound. He also asked him to gather objects that would yield information about the culture of these Yupik-speaking Eskimos, whose cultural tradition turned out to be wholly distinct from that of the Inupik-speaking Eskimos to the north—one of the show's most salient points.

Starting with $250 during the first year, Nelson spent four years collecting (by barter or purchase) some 10,000 objects—so many, in fact, that he became something of a local joke among the Eskimos, who called him "the man who buys good-for-nothing things." That good-for-nothing collection—now priceless—provided the lode from which this exhibition was selected by Smithsonian curator William W. Fitzhugh and his assistant, Susan Kaplan. The exhibition came about with the help of interest and prodding from Sen. Ted Stevens (R-Alaska) and his late wife Ann.

The show sets out to recreate the world Nelson found when he went to the arctic in 1877. Several of his marvelous early photographs of Eskimo villages, with their wood and sod houses (they lived above ground in summer, halfway below in winter) have been blown up to serve as backdrops in the succession of halls. The exhibition provides superb examples of the various tools (darts, harpoons, lances, braining-stones) employed in gathering food and skins, the objects used in the home (beautiful bentwood bowls made from driftwood) and ingenious parkas and boots of fur and gutskin which have never been bettered by the designers who continue to be inspired by them. Though the highly sophisticated bentwood objects come as a surprise in the context of Eskimo art, the fine baskets—made from the ample grasses of this marshy area—are even more startling in their finesse.

The women seem to have been the tanners, tailors, seamstresses and furriers; the men—who spent at least part of their time in a separate men's house—the carvers of ivory tools, amulets, delicate needle cases, thimbles and hair ornaments, as well as the decorated wooden bowls used in food service. The men also made the scary and wonderful masks that expressed the spirits or "inua" that these Eskimos believed existed in every living thing. This belief pervaded every aspect of their lives, and reference to such spirits can be seen in nearly every object in the show.

There are, for example, wooden sun visors (to prevent snow-blindness), carved in the form of ravens, referring to the creation myth in which the Raven-god first saw man and pushed his beak to the top of his head, revealing a human face. Such witty interchanges also can be seen in several toothy masks that teeter between the human and animal worlds. Some masks have hands protruding from their sides, the holes at the center symbolizing the belief that some of the animals must be allowed to escape to ensure the species' survival.

Accompanying the exhibition is an extraordinary catalogue—the first real study of the Bering Sea Eskimos—written by the show's curators, and published by the Smithsonian. Designed by Alex Castro, with excellent photographs and superb text, the book is a subsidized steal at $12.50. The exhibition, which ends with a section on contemporary Eskimo art (some of which is for sale), continues through 1982.●

BOB BRASTRUP—MONTANA'S MR. WHEAT

● Mr. BAUCUS. Mr. President, I was saddened by the news last week that Bob Brastrup had passed away. Bob was not only a close personal friend and a dedicated family man, but was known in Montana as "Mr. Wheat." Bob served as the chief executive officer of the Montana Wheat Research and Marketing Committee since its inception in 1967.

Bob experienced many changes in agriculture in his lifetime and was responsible for much of the progress made in wheat production and marketing in Montana.

Bob could see the future clearly. He entertained dozens of foreign trade teams interested in buying Montana wheat. His knowledge and understanding of wheat marketing always impressed these foreign visitors. Bob knew that Montana grain growers would have to look to foreign markets to complement the strides they have made in production. His advice and guidance will continue to benefit Montana wheat producers for a long time to come.

Bob's dedication to the wheat industry in Montana was surpassed only by his dedication to his family. In their 39 years together, Bob and his wife, Verna, raised 11 children and have 18 grandchildren.

I have personally relied on Bob's expert advice over the years as have many in Montana's agricultural community. My condolences go to his family. Bob will be missed by us all.●

SECRETARY OF LABOR DONOVAN

● Mr. MURKOWSKI. Mr. President, I know that I am joined by my colleagues in a sense of relief regarding the conclusion of the lengthy investigation into the activities of Secretary of Labor, Raymond Donovan.

Yesterday, the special prosecutor appointed to investigate the various allegations of wrongdoing attributed to the Secretary, concluded that there was insufficient evidence to warrant prosecution on any of these charges. The conclusion was reached after a 6-month investigation by the special prosecutor and a Federal grand jury. A 700-page report issued by the special prosecutor detailing this investigation is now just being read and analyzed. At this early date, it appears that this effort was thorough and hard hitting and should dispel the clouds of innuendo and faceless charges which have been hurled at the Secretary.

Public service is often a burden for those who take time off from a busy private career. The added ordeal which Secretary Donovan has had to cope for the past year is enough to discourage many capable individuals from accepting or continuing in Government posts. It is, therefore, Mr. President, with some admiration that we note that Mr. Donovan chose to see the matter through until its conclusion.

Mr. President, Mr. Donovan has brought much experience and expertise to the Department of Labor. It is our hope that he can now resume his full-time attention to the important task of running the Department without the diversion of fending off the nearly weekly revelations of loose charges and rumors.●

BUSINESS ACCOUNTING AND FOREIGN TRADE SIMPLIFICATION ACT, S. 708

● Mr. CHAFEE. Mr. President, the ambiguities in the Foreign Corrupt

Practices Act continue to burden U.S. companies trying to take advantage of legitimate business opportunities overseas. The companies operating overseas are in the best position to explain the difficulties created by the Foreign Corrupt Practices Act in its current form. In expressing their support for my bill to amend the Foreign Corrupt Practices Act, the American Chambers of Commerce in Latin America explained the ways in which the act makes it difficult for their members to do business in Latin America.

Mr. President, I ask that the statement of the American Chambers of Commerce in Latin America made before the Senate Banking Committee on May 21, 1981, be printed in the RECORD.

The statement follows:

STATEMENT OF THE ASSOCIATION OF AMERICAN CHAMBERS OF COMMERCE IN LATIN AMERICA

My name is Alexander Perry Jr., I come before you today on behalf of AACCLA, the Association of American Chambers of Commerce in Latin America and the Caribbean area, representing 18 American chambers of commerce whose underlying memberships comprise well over 17,000 American and local companies and businessmen located throughout the hemisphere.

Since its founding 14 years ago, AACCLA's growth has kept pace with the dramatic increase of the U.S. economic stake in Latin America. During this period, U.S. direct investment there has burgeoned from $10 to over $37 billion while U.S. exports have more than quintupled to over $25 billion annually.

Given the significance of these economic flows to inter-American economic development, and the prominent role that AACCLA members play in hemispheric trade and investment, our board of directors has adopted a number of policy positions on issues affecting American companies operating in the region including the following one on the FCPA:

AACCLA does not condone corrupt business practices in any form. AACCLA supports the prevailing practice of U.S. firms operating abroad of conducting their activities in accordance with the legal requirements of host countries.

The Foreign Corrupt Practices Act of 1977, however, creates the situtation where U.S. businessmen are prohibited from engaging in certain practices that are freely pursued by our trading competitors. In administering this act, the Justice Department and the SEC should take cognizance of the compeitive disadvantages created and should provide needed elements of certainty.

In the meantime, AACCLA calls for renewed multilateral efforts by the administration to conclude an international agreement which would adopt and enforce realistic standards to be applied in international trade and investment and procedures to curtail corrupt practices. Such an international agreement should ensure that action would be taken against those who solicit or accept payments as well as those who offer or make them.

In the fervor of the post-Vietnam period, U.S. business has been saddled with a crippling variety of trade restrictions designed to enforce the observance of human rights, curb extortion and bribery abroad, protect the environment and effect a host of other single issue social objectives.

Although it is impossible to calculate accurately the annual loss of exports and job because of the use of trade obstacles, a U.S. Government interagency working group on export disincentives, in a draft report, estimated a minimum loss of $1 billion in 1979 due to the FCPA.

As a businessman with 37 years of experience in Latin America, which now buys two-fifths of all U.S. exports to the developing world, I can attest that we have little success trying to impose our standards on sovereign nations.

Businessmen want to compete on an equal basis with other world traders. We know the limits to imposing ethno-centric political fashions on other peoples through the medium of commerce. Trade is a crucial source of capital and domestic employment. Either we compete abroad or pay the price at home.

With respect to the issue of bribery in business, this is not the first time that extensive investigations have been carried out. After World War I, the FTC had approximately 1,000 cases that they pursued actively pertaining to purchasing for that war effort in the United States and abroad, but in the end no punitive action was taken. The placing of the blame is difficult and in most cases the initiative of the approach could not or was not identified. Where a case did or does exist, there are two parties with the initiative more guilty than the other. I can assure you that no one in business likes to see someone else gain at one's expense.

American business does not condone bribery because, the cost is lost profit. Furthermore, as we are probably the most ethical of our international competitors, we take issue with the implications of present law where it applies to the word bribery.

The foreign corrupt practices act as it is presently written is confusing and, as stated previously, it is one of the disincentives to exports—exports which are so necessary at this moment—to counter the high trade deficits of over $100 billion suffered by the United States over the last 4 years. This high trade deficit directly affects the value of the dollar abroad, the international monetary system, inflation in the United States and, more in particular, employment for American labor. As a part of the problem, we feel that the present law must be clarified and the realities of the international business environment taken into account. In this respect, the present law does not take into account the fact that American companies operating internationally must conduct themselves in accordance with accepted standards of business behavior. If they don't adhere to these rules of the game, it will be difficult, if not impossible to effectively compete in the world marketplace.

For example, the following types of business conduct are standard operating procedures: (A) Lunches, dinners or some form of entertainment usually at a minimal cost to the business, and can be classified as attention; (B) trips to the manufacturing facilities of the bidder. These can be classified as technical; and (C) gifts of value either at the time of contact, yearend or after the business is closed. Costs are widely varied but usually are related to the size of the business.

What are our international competitors doing that has permitted two of them to surpass us in merchandise trade exports within the last several years? They make ample use of the business lunch, dinner, or entertainment approach to all clients. Trips to the head offices or manufacturing facilities are widely used to bring the proposed client into close touch with their own companies. Gifts either at time of contact or at yearend are standard approaches but not on the expensive side.

Under the present law, American management and managers of overseas operations are also held responsible for their agents actions. There are many cases of firms where they might have hundreds of agents in a country who are dealing at the provincial or municipal levels of government. What they do is beyond our control, particularly where they might be selling many products of which the manufacturer's product is only one of many being sold or negotiated. In other cases, an agent may be so deeply involved with governments at a certain level to get future of other business. This in itself can be classified as good business or under the law as a possible bribe.

For these reasons, AACCLA supports those provisions in S. 708 which would: (1) Make business payments legal under the laws of a foreign country not subject to sanctions under U.S. law; (2) put the burden of proof on the U.S. Government to show that a company authorized an illicit payment; (3) establish the requirement that for a payment to be illicit under U.S. law it must be shown that such payment was intended "for the purpose of getting the foreign official to act in violation of the recipient's legal duty as a public servant"; (4) allow courtesy gifts and incidental payments which are very common in many Latin American countries during product presentations and/or marketing activities; and (5) urge the Department of Justice to provide timely guidance to potential exporters and small exporters.

Although prospects for an international agreement on business practices are not good, bilateral and multilateral agreements among the largest possible number of industrialized and developing countries would establish standards of ethical and equitable conduct for international business, provided that these same standards would apply to competing businesses, and establish a mechanism to resolve the diplomatic, commercial, and legal problems associated with such practices.

Our recommendations are for a simplification of the law so that normal business practices can be met in the countries in which we operate.

In simplifying and clarifying present law, we expect to have the disincentives removed from this area of foreign trade, yet maintain the principles that we believe in.

Limits and parameters should be clarified so that we know where we stand and that these do not be carried down to impossible levels of control.

Thank you.●

C-5 AIRCRAFT VERSUS THE BOEING 747

● Mr. GOLDWATER. Mr. President, recently, I have been reading a lot of pros and cons about the C-5 aircraft versus the Boeing 747. These articles have appeared in everything from prestigious aviation magazines, national newspapers, and other printed material, and I just want to get one small

comment in that everyone seems to overlook.

There is no way in the world that an Abrams M-1 tank can be put into the fuselage of a 747 unless the 747 receives complete, and I repeat, complete aerodynamic restructuring. If the floor is removed, a tank could be put in, but if the floor is removed, you have removed most of the main strength of aeronautical construction of the aircraft and it must be completely rebuilt. Let those backers of the 747 explain how much that will cost the taxpayers.●

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 10 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR CHILES

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order that the distinguished Senator from Florida (Mr. CHILES) be recognized on special order for not to exceed 15 minutes.

ORDER FOR RECESS UNTIL 9:45 A.M.

Mr. BAKER. Mr. President, I am advised that the distinguished Senator from Arkansas (Mr. PRYOR) wishes a special order on tomorrow morning. I ask unanimous consent that the time for the convening of the Senate be changed to 9:45 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PRYOR

Mr. BAKER. Mr. President, I ask that a special order in favor of the distinguished Senator from Arkansas (Mr. PRYOR) be added so that he may be recognized immediately after the Senator from Florida (Mr. CHILES).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the execution of the special order that there be a brief period for the transaction of routine morning business to extend not past the hour of 10:40 a.m. in which Senators may speak for not more than 2 minutes.

The PRESIDING OFFICER. Without objection, it is ordered.

S. 2487

Mr. BAKER. Mr. President, on tomorrow it will be my hope that the Senate can proceed to the consideration of Calendar Order No. 683, S. 2487, the intelligence authorization bill. I have been advised that will take no more than about 10 minutes, and I hope that the staff on both sides might see if that measure can be cleared. I will not now ask for unanimous consent to proceed to that matter but rather, Mr. President, I hope we can take care of this small item as soon as we convene tomorrow.

FLEXITIME LEGISLATION

It is my hope, Mr. President, that we can proceed to the consideration of the flexitime bill tomorrow. I may say it would not be the intention of the leadership to ask the Senate to proceed to the consideration of that measure before 11:15 a.m. tomorrow because of scheduling complications of certain Senators.

S. 2586—MILITARY CONSTRUCTION BILL

Mr. President, in addition to that, I am told that we have the military construction bill, S. 2586, that we may be able to consider. Certain agreements have been arrived at now which limit the items that will be considered by way of amendment, and I am advised that it may be possible on tomorrow to get a time limitation on the military construction bill that will be generally agreeable and may be granted by unanimous consent.

Mr. President, if I could have order in the Senate for a moment, I have one other request.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Does the Senator from Indiana wish me to yield?

Mr. QUAYLE. Yes. I would like to propound an inquiry about S. 2036, the job training bill. It was reported out of committee unanimously a few weeks ago. I have been in consultation with the ranking minority leader, Senator KENNEDY, to try to ascertain if there are any amendments. There are a couple of minor amendments as of this date. I do not know of any substantive amendments that could be offered, though they could be offered. I wondered if the majority leader might give me an indication if we could schedule this yet tomorrow. I had hoped to have had it brought up today. I know of no objections. I wonder if we might even try to work out a time agreement. If not, to go ahead and bring up this major piece of legislation where really all the compromise was handled in the committee.

Mr. BAKER. Mr. President, I will say to my friend that it is my intention to turn to the consideration of the jobs bill of which he speaks sometime this week. It is possible that we might reach it tomorrow, especially if we can get a fairly short time limitation. I hope the Senator from Indiana and others who are deeply interested in this matter would explore that possibility yet today and early in the morning. If we do not reach it tomorrow, it would be my intention to ask the Senate to turn to that bill and the bus deregulation bill on Thursday.

Mr. QUAYLE. I thank the majority leader.

Mr. SARBANES. Does the majority leader have the schedule for the remainder of the week?

Mr. BAKER. Yes, Mr. President, I indicated earlier that I had hoped we could get an overall composite unanimous-consent agreement that would make certain provisions for the reclamation bill, which I had hoped to reach today, and certain other matters. Assuming that that request is granted, I say to my friend from Maryland, it would be my intention to ask the Senate to go to the flexitime bill and the military construction bill tomorrow, and the jobs bill and the bus deregulation bill on Thursday. That assumes that we can make appropriate arrangements for debate and disposition of the reclamation bill.

This would be a good point, Mr. President, to ask the distinguished minority leader if he can consider at this time a composite unanimous-consent agreement that I have referred to a number of times during the course of our conversations today.

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. BAKER. Yes; I yield.

Mr. THURMOND. I am just wondering if it is going to be possible to try and pass the crime control package this week?

Mr. BAKER. Mr. President, I announced this morning when we first convened that I hoped we could do the crime package bill this week. I would very much like to do it. I urge the chairman of the Judiciary Committee and the Senator from Florida, who has such a deep interest in this matter, to see if we can arrange a unanimous-consent agreement on time limitation. I assure them I will do my dead level best to get it scheduled for either Wednesday or Thursday of this week.

Mr. THURMOND. I thank the Senator.

Mr. STENNIS. Mr. President, if the Senator will yield, can the majority leader speak to the possibility of having the constitutional amendment concerning the balanced budget? It is on the list of possibilities, I understand.

Mr. BAKER. Mr. President, it is my firm intention to ask the Senate to debate that issue. I recognize, of course, that it is a controversial issue and will take some time. It would be my present intention to try to reach that bill on the day we return from the Fourth of July recess.

Mr. STENNIS. I thank the Senator.

Mr. BAKER. Mr. President, so that I can confer with the minority leader for a moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT FOR THE WEEK OF JULY 12, 1982

Mr. BAKER. Mr. President, the unanimous-consent request that I am about to put is a fairly complex request and of several parts. Staffs on both sides of the aisle have spent a good part of this day consulting with Senators, both Republican and Democratic Senators, trying to put this request in shape so that it might be considered by all Members. It has been constructed carefully and I urge Senators to listen to it in detail. I will state it now for the consideration of the minority leader and, of course, for all Senators.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. President, first, I ask unanimous consent that on Monday, July 12, 1982, that the Senate proceed to the consideration of calendar order No. 193, Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution calling for a balanced budget.

TOBACCO BILL

Mr. President, also, by a unanimous-consent agreement entered into on June 24, 1982, the Senate will proceed to the consideration of Calendar Order No. 694, H.R. 6590, the tobacco bill, at 10 a.m. on Wednesday, July 14, 1982.

RECLAMATION BILL

Further, I ask unanimous consent that following the conclusion of the tobacco bill, that the Senate proceed to the consideration of Calendar Order No. 533, S. 1867, the reclamation bill, under the following time agreement: 3 hours on the bill equally divided between the chairman of the Energy Committee and the ranking minority member, or their designees; 3 hours on an amendment to be offered by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Indiana (Mr. LUGAR) dealing with acreage limitation and modified definition of full cost recovery; 2 hours on an amendment to be offered by the Senator from Arkansas (Mr. BUMPERS) dealing with competitive oil and gas leasing; 1 hour on all amendments in the first degree; 30 minutes on all amendments in the second degree; 20 minutes on any debatable motions, appeals, or points of order, if so submitted to the Senate, and that the agreement be in the usual form.

Further, I ask that following the conclusion of the reclamation bill that the Senate return to the consideration of Senate Joint Resolution 58, if that measure has not previously been disposed of.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

The text of the agreement follows:

Ordered, That following the disposition of H.R. 6590 (Order No. 694), the Senate proceed to the consideration of S. 1867 (Order No. 533), a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation law, as amended and supplemented, and for other purposes, and that debate on any amendment in the first degree be limited to one hour (except an amendment to be offered by the Senator from Wisconsin (Mr. PROXMIRE), for himself and the Senator from Indiana (Mr. LUGAR), relative to acreage limitation and modified definition of fuel cost recovery, on which there shall be three hours, and an amendment to be offered by the Senator from Arkansas (Mr. BUMPERS), relative to competitive oil and gas leasing, on which there shall be two hours), to be equally divided and controlled; debate on any amendment in the second degree shall be limited to thirty minutes, to be equally divided and controlled; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to twenty minutes: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to three hours, to be equally divided and controlled, respectively, by the Senator from Idaho (Mr. MCCLURE) and the Senator from Washington (Mr. JACKSON), or their designees: *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered further, That following the disposition of S. 1867, the Senate resume consideration of Senate Joint Resolution 58, if not previously disposed of.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I have one other request to make in respect to the consideration of Senate Joint Resolution 58. There is also one other clearance process that I have to complete on my side of the aisle. If the Senator from West Virginia, the minority leader (Mr. ROBERT C. BYRD) does not mind, I shall now ask unanimous consent that the time for the transaction of routine morning business be extended until not past the hour of 6:45 p.m., so I may have an opportunity to explore that matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SENATE JOINT RESOLUTION 58

Mr. BAKER. Mr. President, there is one other request I would like to make in respect to the schedule of the Senate, especially in connection with Calendar Order No. 193, Senate Joint Resolution 58, which will be laid down on July 12.

I ask unanimous consent that, during the Senate's consideration of Calendar No. 193, Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution calling for a balanced budget, no amendments dealing with additional constitutional amendments on topics not related to the balanced budget be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That on Monday, July 12, 1982, the Senate proceed to the consideration of Senate Joint Resolution 58 (Order No. 193), a joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures, and that no amendments dealing with additional constitutional amendments on topics not related to a balanced budget be in order.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have consulted with the minority leader. There are a number of routine matters to be dealt with at this time by unanimous consent. I assure the minority leader that no other business will be transacted except those which he and I have conferred on and which have been cleared for action. Immediately after that, I intend to ask the Senate to recess until tomorrow.

AUTHORIZATION FOR PRODUCTION OF DOCUMENTS AND TESTIMONY AND REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. BAKER. Mr. President, I send to the desk a resolution on behalf of myself and the distinguished minority leader (Mr. ROBERT C. BYRD) and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 420) to authorize production of documents and testimony by a former Senate employee and representation by the Senate Legal Counsel in Impro Product, Inc. v. John B. Herrick, et al.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

The preamble was agreed to.

The resolution (S. Res. 420), with its preamble, reads as follows:

S. RES. 420

Whereas, in the case of Impro Products, Inc. v. John B. Herrick, et al., Civil Action No. 78-235-2, pending in the United States district court for the southern district of Iowa, Carol Forbes, a former employee of the Senate has been subpoenaed to testify and produce documents at a deposition;

Whereas, the subpoena may require testimony about, and the production of documents relating to, the employment of Carol Forbes by the Senate;

Whereas, pursuant to section 704(a)(2) of the Ethics in Government Act of 1978 (2 U.S.C. 288c(a)(2) (Supp. IV 1980)) the Senate may direct its Counsel to defend Senate employees with respect to any subpoena directed to them in their official capacity;

Whereas, by the privileges of the Senate of the United States and rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the Judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony of an employee of the Senate is needful for use in any court for the promotion of justice and, further, that such testimony may involve communications, conversations, and matters related to the official business of the Senate, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Carol Forbes in connection with her testimony and production of documents in the case of Impro Products, Inc. v. John B. Herrick, et al., insofar as her testimony and the documents which have been subpoenaed relate to her employment at the Senate.

SEC. 2. Carrol Forbes is authorized to testify and produce documents in the case of Impro Products, Inc. v. John B. Herrick, et al., except concerning matters which the Senate Legal Counsel or his representative determines are privileged from disclosure.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MCCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DIRECTION OF SENATE COUNSEL TO DEFEND THE SENATE—SENATE RESOLUTION 421

Mr. BAKER. Mr. President, I send a resolution to the desk for myself and the distinguished minority leader (Mr. ROBERT C. BYRD) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 421) to direct the Senate Legal Counsel to defend the Senate in Consumers Union of U.S., Inc., et al. v. the Federal Trade Commission, et al.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, the Senate and the House agreed last month to Senate Concurrent Resolution 60, a resolution to disapprove a trade regulation rule of the Federal Trade Commission on the sale of used motor vehicles. In response, the Consumers Union of U.S., Inc. has brought an action in the U.S. District Court for the District of Columbia to invalidate the legislative review provision of section 21 of the Federal Trade Commission Improvements Act of 1980.

The complaint names the Federal Trade Commission, the Senate, and the House as defendants. The case was brought under the special procedure for judicial review established by section 21 of the Federal Trade Commission Improvements Act of 1980. Under that procedure, any interested party may bring an action in the district court to construe the constitutionality of the legislative review provision of section 21. The law provides that the district court shall certify all questions of the constitutionality of the section the U.S. court of appeals, which shall hear the matter sitting en banc. The statute also provides for an appeal directly to the Supreme Court after the decision of the court of appeals.

The Senate has previously directed the Senate legal counsel to intervene in the name of the Senate in several pending actions concerning the constitutionality of procedures for legislative review. The resolution would direct the Senate legal counsel to defend the Senate in the case brought under the Federal Trade Commission Improvements Act of 1980.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 421) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 421

Whereas, in the case of Consumers Union of U.S., Inc., et al. v. Federal Trade Commission, et al., No. 82-1512, pending in the United States District Court for the District of Columbia, the constitutionality of the legislative review provision of section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1 (Supp. IV 1980)), has been challenged;

Whereas, the complaint in this action names the United States Senate as a party defendant;

Whereas, the Senate ordinarily may not be named as a party defendant in litigation;

Whereas, the Senate has intervened in previous cases in which the constitutionality of a legislative review provision was challenged, owing to the special nature of those cases;

Whereas, pursuant to section 703(a) and 704(a) of the Ethics in Government Act of 1978 (2 U.S.C. 288b(a) and 288c(a) (Supp. IV 1980)), the Senate may direct its counsel to defend the Senate in legal actions in which the Senate is made a party defendant: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent the United States Senate in Consumers Union of U.S., Inc., et al. v. Federal Trade Commission, et al.

Mr. BAKER. I move to reconsider the vote by which the resolution was agreed to.

Mr. MCCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DIRECTION OF SENATE LEGAL COUNSEL TO APPEAR AS AMICUS CURIAE

Mr. BAKER. Mr. President, I send a resolution to the desk for myself and the distinguished minority leader (Mr. ROBERT C. BYRD) and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A Senate resolution (S. Res. 422) to direct the Senate Legal Counsel to appear as amicus curiae in *Peter Kiewit Sons' Co.* v. *U.S. Army Corps of Engineers, et al.*

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, the Committee on Governmental Affairs has requested that the Senate Legal Counsel be authorized to file a brief amicus curiae in the case of Peter Kiewit Sons' Co. against U.S. Army Corps of Engineers, which is now on appeal to the U.S. Court of Appeals for the District of Columbia Circuit. The committee considered the matter at an open business meeting on June 17, 1982, and voted to direct its chairman (Mr. ROTH), and its ranking minority member (Mr. EAGLETON), to make the request. In their communication to the joint leadership group, Senators ROTH and EAGLETON expressed the concern of the committee that the decision of the district court in this case could have a chilling effect on the legitimate exercise of congressional oversight activities. This resolution would direct the Senate Legal Counsel to appear as amicus curiae in the name of the committee.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 422) was agreed to.

The preamble was agreed to.

The resolution (S. Res. 422) with its preamble, reads as follows:

S. RES. 422

Whereas, in the case of *Peter Kiewit Sons' Co.* v. *U.S. Army Corps of Engineers, et al.*, No. 82-1461, pending in the United States Court of Appeals for the District of Columbia Circuit, the question of the proper role of congressional oversight of the executive branch has been placed in issue;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978 (2 U.S.C. §§ 288b(c), 288e(a), and 2881(a) (Supp. IV 1980)), the Senate may direct its Counsel to appear as amicus curiae in the name of a committee of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue;

Whereas, the Committee on Governmental Affairs has requested that the Senate Legal Counsel be authorized to prepare a brief amicus curiae in this case; Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to appear as amicus curiae in the name of the Committee on Governmental Affairs in *Peter Kiewit Sons' Co.* v. *U.S. Army Corps of Engineers, et al.*

Mr. BAKER. I move to reconsider the vote by which the resolution was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SMALL BUSINESS INNOVATION DEVELOPMENT ACT OF 1982

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 881.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 881) entitled "An Act to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. This Act may be cited as the "Small Business Innovation Development Act of 1982".

SEC. 2. (a) The Congress finds that—

(1) technological innovation creates jobs, increases productivity, competition, and economic growth, and is a valuable counterforce to inflation and the United States balance-of-payments deficit;

(2) while small business is the principal source of significant innovations in the Nation, the vast majority of federally funded research and development is conducted by large businesses, universities, and Government laboratories; and

(3) small businesses are among the most cost-effective performers of research and development and are particularly capable of developing research and development results into new products.

(b) Therefore, the purposes of the Act are—

(1) to stimulate technological innovation;

(2) to use small business to meet Federal research and development needs;

(3) to foster and encourage participation by minority and disadvantaged persons in technological innovation; and

(4) to increase private sector commercialization innovations derived from Federal research and development.

SEC. 3. Section 9(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(4) to develop and maintain a source file and an information program to assure each qualified and interested small business concern the opportunity to participate in Federal agency small business innovation research programs;

"(5) to coordinate with participating agencies a schedule for release of SBIR solicitations, and to prepare a master release schedule so as to maximize small businesses' opportunities to respond to solicitations;

"(6) to independently survey and monitor the operation of SBIR programs within participating Federal agencies; and

"(7) to report not less than annually to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives on the SBIR programs of the Federal agencies and the Administration's information and monitoring efforts related to the SBIR programs.".

SEC. 4. Section 9 of the Small Business Act is amended by adding at the end the following new subsections:

"(e) For the purpose of this section—

"(1) the term 'extramural budget' means the sum of the total obligations minus amounts obligated for such activities by employees of the agency in or through Government-owned, Government-operated facilities, except that for the Agency for International Development it shall not include amounts obligated solely for general institutional support of international research centers or for grants to foreign countries;

"(2) the term 'Federal agency' means an executive agency as defined in section 105 of title 5, United States Code, or a military department as defined in section 102 of such title, except that it does not include any agency within the Intelligence Community (as the term is defined in section 3.4(f) of Executive Order 12333 or its successor orders);

"(3) the term 'funding agreement' means any contract, grant, or cooperative agreement entered into between any Federal agency and any small business for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Govenment;

"(4) the term 'Small Business Innovation Research Program' or 'SBIR' means a program under which a portion of a Federal agency's research or research and development effort is reserved for award to small business concerns through a uniform process having—

"(A) a first phase for determining, insofar as possible, the scientific and technical merit and feasibility of ideas submitted pursuant to SBIR program solicitations;

"(B) a second phase to further develop the proposed ideas to meet the particular program needs, the awarding of which shall take into consideration the scientific and technical merit and feasibility evidence by the first phase and, where two or more proposals are evaluated as being of approximately equal scientific and technical merit and feasibility, special consideration shall be given to those proposals that have demonstrated third phase, non-Federal capital commitments; and

"(C) where appropriate, a third phase in which non-Federal capital pursues commercial applications of the research or research and development and which may also involve follow-on non-SBIR funded production contracts with a Federal agency for products or processes intended for use by the United States Government; and

"(5) the term 'research' or 'research and development' means any activity which is (A) a systematic, intensive study directed toward greater knowledge or understanding of the subject studied: (B) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or (C) a systematic application of knowledge toward the production of useful materials devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements.

"(f)(1) Each Federal agency which has an extramural budget for research or research and development in excess of $100,000,000 for fiscal year 1982, or any fiscal year thereafter, shall expend not less than 0.2 per centum of its extramural budget in fiscal year 1983 or in such subsequent fiscal year as the agency has such budget, not less than 0.6 per centum of such budget in the second fiscal year thereafter, not less than 1 per centum of such budget in the third fiscal year thereafter, and not less than 1.25 per centum of such budget in all subsequent fiscal years with small business concerns specifically in connection with a small business innovation research program which meets the requirements of the Small Business Innovation Development Act of 1982 and regulations issued thereunder: *Provided*, That any Federal agency which has an extramural budget for research or research and development in excess of $10,000,000,000 for fiscal year 1982 shall expend not less than 0.1 per centum of its extramural budget in fiscal year 1983, not less than 0.3 per centum of such budget in the second fiscal year thereafter, not less than 0.5 percentum of such budget in the third fiscal year thereafter, not less than 1 per centum of such budget in the fourth fiscal year thereafter, and not less than 1.25 per centum of such budget in all subsequent fiscal years with small business concerns specifically in connection with a small business innovation research program which meets the requirements of the Small Business Innovation Development Act of 1982 and regulations issued thereunder: *Provided further*, That a Federal agency shall not make available for the purpose of meeting the requirements of this subsection an amount of its extramural budget for basic research or research and development which exceeds the percentages specified herein. Funding agreements with small business concerns for research or research and development which result from competitive or single source selections other than under a small business innovation research program shall not be counted as meeting any portion of the percentage requirements of this subsection.

"(2) Amounts appropriated for atomic energy defense programs of the Department of Energy shall for the purposes of paragraph (1) be excluded from the amount of the research or research and development budget of that Department.

"(g) Each Federal agency required by subsection (f) to establish a small business innovation research program shall, in accordance with this Act and regulations issued hereunder—

"(1) unilaterally determine cateories of projects to be in its SBIR program;

"(2) issue small business innovation research solicitations in accordance with a schedule determined cooperatively with the Small Business Administration;

"(3) unilaterally receive and evaluate proposals resulting from SBIR proposals;

"(4) unilaterally select awardees for its SBIR funding agreements;

"(5) administer its own SBIR funding agreements (or delegate such administration to another agency);

"(6) make payments to recipients of SBIR funding agreements on the basis of progress toward or completion of the funding agreement requirements; and

"(7) make an annual report on the SBIR program to the Small Business Administration and the Office of Science and Technology Policy.

"(h) In addition to the requirements of (f), each Federal agency which has a budget for research or research and development in excess of $20,000,000 for any fiscal year beginning with fiscal year 1983 or subsequent fiscal year shall establish goals specifically for funding agreements for research or research and development to small business concerns, and no goal established under this subsection shall be less than the percentage of the agency's research or research and development budget expended under funding agreements with small business concerns in the immediately preceding fiscal year.

"(i) Each Federal agency required by this section to have an SBIR program or to establish goals shall report annually to the Small Business Administration the number of awards pursuant to grants, contracts, or cooperative agreements over $10,000 in amount and the dollar value of all such awards, identifying SBIR awards and comparing the number and amount of such awards with awards to other than small business concerns.

"(j) The Small Business Administration, after consultation with the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Science and Technology Policy, and the Intergovernmental Affairs Division of the Office of Management and Budget, shall, within one hundred and twenty days of the enactment of the Small Business Innovation Development Act of 1982, issue policy directives for the general conduct of the SBIR programs within the Federal Government, including providing for—

"(1) simplified, standardized, and timely SBIR solicitations;

"(2) a simplified, standardized funding process which provides for (A) the timely receipt and review of proposals; (B) outside peer review for at least phase two proposals, if appropriate; (C) protection of proprietary information provided in proposals; (D) selection of awardees; (E) retention of rights in data generated in the performance of the contract by the small business concern; (F) transfer of title to property provided by the agency to the small business concern if such a transfer would be more cost effective than recovery of the property by the agency; (G) cost sharing; and (H) cost principles and payment schedules;

"(3) exemptions from the regulations under paragraph (2) if national security or intelligence functions clearly would be jeopardized;

"(4) minimizing regulatory burden associated with participation in the SBIR program for the small business concern which will stimulate the cost-effective conduct of Federal research and development and the likelihood of commercialization of the results of research and development conducted under the SBIR program; and

"(5) simplified, standardized, and timely annual report on the SBIR program to the Small Business Administration and the Office of Science and Technology Policy.

"(k) The Director of the Office of Science and Technology Policy, in consultation with the Federal Coordinating Council for Science, Engineering and Research, shall, in addition to such other responsibilities imposed upon him by the Small Business Innovation Development Act of 1982—

"(1) independently survey and monitor all phases of the implementation and operation of SBIR programs within agencies required to establish an SBIR program, including compliance with the expenditures of funds according to the requirements of subsection (f) of this section; and

"(2) report not less than annually, and at such other times as the Director may deem appropriate, to the Committees on Small Business of the Senate and the House of Representatives on all phases of the implementation and operation of SBIR programs within agencies required to establish an SBIR program, together with such recommendations as the Director may deem appropriate.".

SEC. 5. Effective October 1, 1988, paragraphs (4) through (7) of section 9(b) of the Small Business Act (as added by section 3) and subsections (e) through (k) of section 9 of the Small Business Act (as added by section 4) are repealed.

SEC. 6. The Comptroller General shall, not more than five years after the date of enactment of this Act, transmit a report to the Senate and the House of Representatives on the implementation of, and nature of research conducted under this Act, including the judgments of the heads of Departments and agencies as to the effect of this Act on research programs.

● Mr. RUDMAN. Mr. President, I am, of course, delighted that the Senate today has the opportunity to accept the House amendments to S. 881, the Small Business Innovation Development Act. Though a reasoned approach and with the hard work of many people in the House of Representatives, the original House companion measure, H.R. 4326, was conformed in most respects to the original provisions of S. 881 as approved by the Senate. The differences are of such an insignificant nature to the overall thrust of the legislation that the Senate is able to accept them. Indeed, some of the changes made by the House of Representatives, in my view, are a further refinement of S. 881 and thus improve the legislation which will become law.

Notwithstanding the sense of accomplishment that all of us who have worked for this legislation feel today, I am compelled to point out that the job is just beginning. This law will require hard work by all those involved with it. It will require the same rigorous administration by involved agencies that has made the National Science Foundation SBIR program a resounding success. It will require rigorous oversight from congressional committees. It will require a certain restructuring, already underway, in university attitudes toward the involvement of private enterprise in the research process. Finally, it will require the hard work of the small business community to insure that this increased access to Government R. & D. funds produces the good and competitive results we expect and will demand. This will all work to the national good if those involved apply themselves with diligence.

Ours is a mature economy: one which supports itself not on the raw wealth of its land or on the low cost of its labor force (as with developing nations) but one which thrives on increased production brought about primarily through technological advances. The U.S.S.R. is a prime example of a country rich in cheap labor and natural resources which has, at best, a struggling economy. In contrast, Japan, among those nations poorest in natural resources and land area, leads the world in GNP growth. That growth has been achieved by capitalizing on new ideas, many of which are taken directly from the United States. I believe that Senate bill 881 is a step in the right direction, a step which will greatly enhance our ability to produce the technological advances that are critical to our continued economic well-being and ability to compete in world markets. It is a beginning that we can all celebrate, but one which also requires our pledge of hard work in the future. I pledge my continued efforts so long as I am involved in the process, and I urge others to do likewise.●

● Mr. WEICKER. Mr. President, 15 months ago, on April 7, 1981, as chairman of the Small Business Committee, I introduced, along with my very able colleague, (Mr. RUDMAN), S. 881, the Small Business Innovation Research Act.

Since that time, the Senate Small Business Committee has held 5 days of hearings and reported an amended bill to the Senate where it passed on December 8 by a vote of 90 to 0.

The sailing was not so smooth on the House side. Seven House committees sought jurisdiction of companion legislation, H.R. 4326, and a series of hearings was conducted by most of these committees. All seven committees reported out a different version of the measure. The House Small Business Committee subsequently introduced a clean bill, H.R. 6587, which, after extensive debate on the House floor, passed Wednesday, June 23 by a vote of 353 to 57. This may well be the most deliberated small business bill in the past decade.

I strongly urge the Senate to accept the House-passed version of S. 881. While there are some discrepancies between the House and Senate versions

of this legislation, H.R. 6587 is much closer to S. 881 than H.R. 4326 was as originally introduced. The bill which passed requires a funding level for small business innovation research (SBIR) programs of 1.25 percent in contrast to the 3 percent prescribed in H.R. 4326.

This funding level is far more compatible with the Senate bill's 1 percent requirement. H.R. 6587 also conforms more to the Senate version in that it exempts intramural research from the research base upon which the 1.25 percent is applied. In addition, unlike H.R. 4326, H.R. 6587 includes a provision which places a 1.25 percent cap on the amount that can be taken from an agency's basic research funds. This is comparable to the 1 percent restriction imposed in the Senate bill.

Passage of the Small Business Innovation Act is long overdue. In study after study after study, small firms have been shown to be the most innovative segment of our economy. Yet Federal R. & D. grants have persistently favored large firms. With the passage of this legislation, however, small firms will finally be able to demonstrate their superior innovative ability to those responsible for Federal research as well as to society at large.

If ever there was a time when new ideas and new ways of doing things were needed, that time is now. The small business innovation bill provides a unique opportunity to tap the creative and entrepreneurial spirit of small businesses that has made this Nation great.

Mr. President, I take this opportunity again to commend Senator RUDMAN for his superb handling of this legislation. Without his enthusiastic advocacy and relentless commitment to the final passage of this legislation, S. 881 would never have come this far.●

● Mr. HUDDLESTON. Mr. President, I shall support the motion to concur in the House amendment. The need for this legislation has been well documented during the past 4 years.

I believe the Nation may be missing a significant opportunity to increase the quality of our lives by continuing to restrain the small business community from full participation in the Government's research and development efforts where practicable. The small business innovation research (SBIR) programs that will be established under this legislation will utilize a small portion of the significant amount of research and development dollars available in the largest departments and agencies to stimulate the innovative potential of the small, for profit sector.

Mr. President, we know this program can work in most agencies. The National Science Foundation has been under a statutory mandate to implement a program for the last several years—and it has done so aggressively, and with very positive results. The Department of Defense recognized the value of formally increasing small business participation in its research efforts, and administratively established its own small business research program.

The General Accounting Office has examined the NSF program, and found it a well-run program accomplishing the statutory purposes. The private sector financial community has joined in to support the NSF award winners, contributing significant venture capital to these projects.

Despite the proven success of the SBIR program to date, and my confidence in its future potential in the agencies that will be covered by the House amendment, I believe the House was correct in their judgment to specifically exclude the intelligence community from the application of this legislation. My concern is not that small business is not capable of adequately performing the research needed by the intelligence community because they are now actively participating. Rather, I am concerned that the imposition of the SBIR process, and the requirement for even summary disclosures of research efforts, may provide unnecessary opportunities to compromise the highly classified research works that are carried out by the intelligence community.

Mr. President, Senators RUDMAN, WEICKER, NUNN, and TSONGAS, in particular, deserve a great deal of credit for bringing this legislation to the floor, and for agreeing to the House amendment so that the bill can be sent to the President for his approval.

I can assure my colleagues on this side of the aisle that the prime elements of the legislation which we, on the Senate Small Business Committee, developed and reported last year, and that the Senate overwhelmingly adopted in December, are fully retained in the House amendment. The legislation is right on target with the sixth top and the highest ranking nontax recommendation of the 1980 White House Conference on Small Business. The efforts of the Senate Small Business Committee to fashion an appropriate role for small business in innovation and the Federal research and development effort, which originated in 1978 under the leadership of our former chairman, Gaylord Nelson, is one major step closer to coming to completion.●

● Mr. NUNN. Mr. President, I shall support the motion to concur in the House amendment to the Senate-passed bill, S. 881, the Small Business Innovation Development Act of 1982.

I want to pay particular praise to my good friend, the junior Senator from New Hampshire (Mr. RUDMAN). It is largely because of his personal and persistent efforts that we have been successful over the last 15 months in overcoming every procedural roadblock to divert us from moving forward with this important legislation.

The chairman of this committee, Senator WEICKER, is also entitled to praise for providing the leadership and support for this legislation, not only in committee, but within the Congress.

On our side, many Senators have had a longstanding interest and activism for this legislation. Both Senators from Massachusetts, Mr. KENNEDY and Mr. TSONGAS, have contributed significantly to the formulation of the initial small business innovation research programs, as well as the Senator from Michigan (Mr. LEVIN) and the Senator from Kentucky (Mr. HUDDLESTON).

The ability of our society to innovate, and to introduce commercially successful new products, services, and processes is a key to the stability and growth of our economy.

Today, in particular, our society is faced with many technological challenges. In the past, we, as a nation, have looked to the small business sector to provide us with the ideas and inventions that have significantly contributed to the quality of American life.

Small business has developed an impressive record in this regard. I am sure my colleagues are well aware of this record, and it has been described fully and thoroughly in both the Senate and House committee reports on this legislation. Suffice it to say, study after study has empirically demonstrated that small business is most likely to produce the major innovations in this country, and most likely to bring them to the stage of commercialization sooner than large business. Yet, for some reason, this sector has been virtually shut out from the Federal Government's research and development efforts. This bill will reverse that trend.

Mr. President, the appropriate role of the Federal Government in stimulating innovation and technology is not a new issue for the Congress, or the executive branch. In fact, clear and convincing evidence of the potential for innovation and technology dates to the 1967 blue-ribbon Commerce Department study—the so-called "Charpie Report."

In May 1978, President Carter initiated a domestic policy review to review and identify appropriate Government actions in connection with innovation. Shortly thereafter, in August 1978, the House and Senate Small Business Committees, under the leadership of former Senators Nelson and McIntyre, and former Congressman Breckinridge, conducted joint hearings on the President's review. During the governmentwide innovation review in 1978, the Small Business Administration, under the leadership of Milt Stewart, the Chief Counsel for Advocacy,

brought together three task forces to consider the small business aspects of the innovation question, and to make specific recommendations to the President and Congress.

The task force issued its report in July 1979, and presented their findings to the Senate Small Business Committee at hearings in August 1979. With the task force recommendations, coupled with the work done by our committee previously, the distinguished former chairman of this committee, Senator Nelson, introduced S. 1860, the "Small Business Innovation Act of 1979." Similar legislation was introduced in the House.

In January 1980, at the White House Conference on Small Business, the delegates specifically voted in favor of the enactment of S. 1860, the only legislation endorsed by specific bill number. Although the Senate Small Business Committee favorably reported this legislation, the Senate did not complete action prior to the sine die adjournment of the 96th Congress.

Mr. President, I am pleased to say that, in this Congress, the work which we initiated in the Small Business Committee many years ago is a step closer to completion.

There are differences between the version the Senate debated and passed unanimously by a vote of 90 to zero last December, and the amendment which the House agreed to Wednesday by an overwhelming vote of 353 to 57. But frankly, these differences, such as in the phasing-in of the small business innovation research program in the civilian or defense agencies, are acceptable. The sunset provision offered by my colleague from Georgia (Mr. LEVITAS) will make it clear that the congressional intent is to make sure that the program works, or the program will be terminated.

The President has personally endorsed the Senate-passed version of this legislation, and I am confident that he will sign this version as well. In fact, in the President's Report on the "State of Small Business," he noted that the Government has gradually concentrated its purchases in larger firms and universities. The President called upon the Congress to pass S. 881 for his signature this year. If the Senate concurs with the House amendment today, as I hope it would, we will be able to have the bill on the President's desk for his approval.

Mr. President, in conclusion, the Senate has before it a good bill. The bill is good for small business; it is good for the research and development needs of this Government, and it is good for the Nation.

I urge my colleagues to support the motion to concur in the House amendment to S. 881, and to clear this bill for the President today.●

● Mr. KENNEDY. Mr. President, today's passage of the Small Business Innovation legislation by the Senate will be an important step for the long-term health of our Nation's economy. For the Commonwealth of Massachusetts, it will mean substantial new growth for the high tech sector.

Several of my colleagues deserve special praise for their efforts on this bill. Senator RUDMAN, its principal sponsor, was extremely effective in moving this bill through Congress. Senator WEICKER and Senator NUNN lent their considerable assistance as leaders in Congress for small business concerns.

The United States no longer leads the world in innovation and high technology. For a decade, we have permitted our commitment to research and development to wane, and today we are paying the price in more than just a loss of pride. Japan and West Germany are leading us in the world marketplace and where we are handing out pink slips, they are creating new jobs.

This bill will improve our Nation's R. & D. efforts, so vital to the health of our economy. It will encourage the Nation's most creative businesses—small innovative companies—to carry out research and development and market the results in the private sector. It will create a unique partnership between the Federal Government and private industry to make the most of Federal R. & D. dollars and to expand the Nation's R. & D. effort.

This bill broadens the successful National Science Foundation small business innovation research program—a program I am proud to have helped establish with legislation I introduced in 1975. If the performance of Massachusetts firms in the NSF program is any indication, today's action could well result in a significant infusion of capital targeted to the State's small business high tech sector. The Commonwealth would receive $75 million a year in new Federal funds after the legislation in phased in. Together with the private sector funds it would attract, total new investment would approach $1 billion.

In the 1980's, we must find new and creative ways to meet our economic challenges. The Small Business Innovation initiative is an important new effort and new idea, and I commend my colleagues for their action.●

● Mr. GLENN. Mr. President, I support S. 881, the Small Business Development Act of 1982. This bill is very similar to the Senate version of the Small Business Innovation Research Act of 1981, which the Senate passed last December by a vote of 97 to 0. Although the House version differs in some respects from the bill we passed in the Senate, I believe it merits our strong support. In particular, I am pleased to note that it still contains a reporting requirement similar to the one called for by my floor amendment to S. 881. I believe it is vitally important that we protect this country's efforts in basic research, and it is my hope that the GAO's report will thoroughly assess the impact this program has on our basic research.

Mr. President, with this bill, Congress can take yet another step in meeting the recommendations set forth 2 years ago by the White House Conference on Small Business. It is a good bill—one that I urge my colleagues to support and the President to sign.●

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion to concur was agreed to.

Mr. RUDMAN. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPERATION OF FISHERMEN'S CONTINGENCY FUND

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3816.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate Numbered 2, 3, 4, and 5 to the bill (H.R. 3816) entitled "An Act to improve the operation of the Fishermen's Contingency Fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf.".

Resolved, That the House agree to the amendment of the Senate Numbered 1 to the aforesaid bill with amendments as follows:

In the matter proposed to be inserted, strike out "405(h)(3)" and insert "405(h)(2)".

On page 3, line 12, of the House engrossed bill, strike out "405(h)(3)" and insert "405(h)(2)".

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the Senate agreed to concur in the House amendments to H.R. 3816.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROGRAM

Mr. BAKER. Mr. President, when the Senate completes its business today, it will stand in recess until 9:45 a.m. tomorrow. After the recognition

of the two leaders under the standing order, two Senators will be recognized on special orders of not to exceed 15 minutes each. Thereafter, there will be a brief period for the transaction of routine morning business to extend not past 10:40 a.m. in which Senators may speak for not more than 2 minutes each.

After that, Mr. President, it is the intention of the leadership to ask the Senate to proceed to the consideration of a number of measures, including perhaps the intelligence authorization bill, Calendar Order 683, S. 2487, if the same is cleared for action by the time the Senate is prepared to turn to the consideration of legislative business; S. 2240, the flexitime bill, but no later than 11:15 a.m. on tomorrow, and perhaps S. 2586, the military construction bill, on which it is hoped a unanimous-consent agreement limiting time for debate and the nature of amendments may be entered into.

Mr. President, on Thursday next it is hoped that the Senate can turn to the consideration of the jobs bill, or the bus deregulation bill, and hopefully the crime package reported by the Senate Judiciary Committee.

It is the hope of the leadership, Mr. President, that the Senate can complete its business on Thursday and stand in adjournment pursuant to the terms of an adjournment resolution which I understand has been passed by the House of Representatives.

That resolution, as I believe it is drafted and adopted by the House, provides for the adjournment of the Senate on either July 1 or July 2. It is the devout wish of the leadership that July 1 will be the date when we complete the necessary business of the Senate.

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is no further business to come before the Senate, and I see no Senator seeking recognition, I move in accordance with the order previously entered that the Senate stand in recess until 9:45 a.m. tomorrow.

The motion was agreed to and, at 6:39 p.m., the Senate recessed until Wednesday, June 30, 1982, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate June 28, 1982, under authority of the order of the Senate of June 24, 1982:

DEPARTMENT OF STATE

Robert Werner Duemling, of California, a Career Member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Suriname.

Rutherford M. Poats, of Virginia, for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Eli S. Jacobs, of California, to be a Member of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency, vice Thomas John Watson, Jr., resigned.

THE JUDICIARY

Richard A. Gadbois, Jr., of California, to be U.S. district judge for the central district of California, vice Irving Hill, retired.

IN THE ARMY

Chaplain (brigadier general) Patrick John Hessian, [redacted] U.S. Army, to be assigned as Chief of Chaplains, U.S. Army, under the provisions of title 10, United States Code, section 3036.

EXTENSIONS OF REMARKS

CRISIS AT THE GPO

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1982

● Mr. BARNES. Mr. Speaker, the relationship of the Public Printer, Danford Sawyer, Jr., with both the Joint Committee on Printing and his own employees at the Government Printing Office (GPO) has been steadily deteriorating for some time. Mr. Sawyer has attacked GPO's employees, arguing that they are both overpaid and inefficient.

When Mr. Sawyer testified before the Senate at his confirmation hearings, he spoke of his admiration for GPO employees, who produced high-caliber work under difficult working conditions and extraordinary time pressures. Among his other comments were the following:

I think the quality of the operation is excellent. * * * Frankly I stand in awe of their ability to produce.

The CONGRESSIONAL RECORD in itself in one evening is a feat, but to also produce the Register and the extraordinary number of bills and reports and what have you that are also produced is quite a feat.

The production staff and other supporting departments in the Government Printing Office are of extremely high caliber. * * * The work produced is on a time schedule that is almost miraculous.

Mr. Sawyer also spoke of his willingness to work out agreements with union representatives in an atmosphere of cooperation, and he spoke of working in harmony with the Joint Committee on Printing.

But since taking office, the Public Printer has created a state-of-siege mentality at GPO and has also succeeded in angering Congress by refusing to recognize our policy-setting power over the agency.

Mr. Sawyer has indicated he will institute furloughs of GPO employees, the legality of which is being challenged in Federal court, and he has also refused to bargain with union representatives over wages. He has offered the union instead a final wage proposal that would reduce employee wages by 22 percent over the next 3 years. He has not acknowledged the May 1982 resolution by the Joint Committee on Printing which directs him to abandon plans for furloughing GPO employees until a long-range study of printing needs for the Federal Government and Congress can be evaluated.

Mr. Speaker, I cannot help but wonder what happened to the conciliatory and cooperative attitude Mr. Sawyer displayed such a short time ago. His inflexible and combative stance on many issues has hampered the work of the agency. His policies threaten to interrupt the crucial services which the GPO provides to Congress and the rest of the Government and the public generally.

I would like to call the attention of my colleagues to other aspects of the situation at GPO. Mr. Sawyer has claimed that salaries of GPO craft workers exceed the salaries of their counterparts in the private sector. Union spokesmen and the staff of our own Joint Committee on Printing argue that the private sector salary figures are distorted because they include, among other things, wages paid to nonunion private-sector workers.

Mr. Sawyer says he has been advised by GPO's General Counsel of his right to furlough GPO employees under the Civil Service Reform Act of 1978. The American Law Division of the Library of Congress has concluded just the opposite, that the Public Printer does not have unilateral authority to alter the existing workweek of agency personnel.

Mr. Sawyer has also been seeking congressional support for his actions outside the Joint Committee on Printing, which he has said he hopes will be abolished.

I urge my colleagues to follow the situation at the Government Printing Office closely. The controversy caused by Mr. Sawyer's behavior must be resolved quickly, and if it is not we must be ready to act to reassert congressional authority over the agency.●

AUB—BRIDGE OF UNDERSTANDING

HON. SILVIO O. CONTE

OF MASSACHUETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1982

● Mr. CONTE. Mr. Speaker, events of recent days in Lebanon once again have reminded us how important it is to maintain a bridge of understanding between the United States and the Middle East. The problems which confront that region of the world are immense, and they often appear intractable. Most nations of the Middle East nonetheless look in one way or another to the United States to help find a solution, even while distrust of our motives there is pervasive. This state of affairs underscores the invaluable role played by a unique institution—the American University of Beirut—in assuring that the dialog between the Arab world and ourselves continues.

AUB has provided a link between East and West for the past 116 years, and, its day-in-day-out service to the region has made it a trusted American presence. Its long-time commitment to an American liberal arts education has been instrumental in introducing Western ideas and values to the Middle East, while it simultaneously has served to integrate the best of Arab culture with our own traditions. The universal respect this has engendered enables the university to continue its operations untouched in war-torn Lebanon. I think my colleagues can agree that this is an example of America at its best and a link to the Middle East which we can ill afford to lose. Unfortunately, events in Lebanon have placed AUB in financial jeopardy, and this institution must have support from her friends both here and in the Middle East to see her through troubled times.

An informative article about AUB's historic role and her present difficulties appeared in the June 3, 1982 edition of the Wall Street Journal. I am certain my colleagues will find it timely to learn more about this important American institution, and I ask that it be printed at this point in the RECORD.

[From The Wall Street Journal, June 3, 1982]

AMERICAN UNIVERSITY OF BEIRUT IS AN OASIS IN A NATION AT WAR: DUBBED "GUERRILLA U." IN SEVENTIES, ALMA MATER OF STATESMEN HAS BIG FUNDING PROBLEM

(By David Ignatius)

BEIRUT.—Entering the gates of the American University of Beirut is like waking up from a bad dream: The snipers and car bombs that afflict the rest of the Lebanese captial give way to a campus of quiet academic buildings and palm and cypress trees on 73 acres that slope down to the Mediterranean.

Founded in 1866 by a Protestant missionary from Vermont, the university functions today in a modern heart of darkness. Kidnapping and assassination have become a way of life in this city during the past seven years of Lebanon's intermittent civil war. The university has avoided the devastation of the rest of the city by remaining friends with all the feuding factions. But its officials have watched the national slide toward anarchy as if they were observing a favorite pupil going mad.

The university, known here as AUB, dreamed a generation ago that its liberal-arts education would help establish democracy and tolerance in Lebanon and the rest of the Arab world. Today, in a city ruled by guns, AUB has a less-ambitious goal: survival as a free university.

Conversations with the faculty make clear that this struggle isn't easy. Munthir Ku-

zayli, director of the AUB hospital, treats patients even when local fighting blocks supplies of oxygen, sutures and syringes to the institution, located near the campus but not inside its walls. But he drew the line recently, and refuse to provide emergency care for five days, after one of Beirut's armed gangs started shooting in the emergency room.

STOICAL ATTITUDE

Professors have adopted a stoical attitude: Elie Salem, the dean of the faculty of arts and sciences, says he decided long ago to forget about bombings, on the theory that he will never hear the explosion that actually kills him. The chairman of the chemistry department, Maklouf Haddadine, says he resolved to stay here and continue teaching because "you can't run away faster than a bullet."

"Everybody in Lebanon has been in a state of shell shock for the last seven years, and this takes its toll," says Malcolm Kerr, AUB's newly appointed president. The 50-year-old Mr. Kerr was born in Beirut—his father taught at AUB—and he received a master's degree in Arab studies from AUB before getting his Ph.D. at the Johns Hopkins School of International Studies. He will be moving to Beirut this June with his wife and child from his present post as a professor at the University of California at Los Angeles. He doesn't seem worried. "I've been impressed by the durability of the place," he says.

Indeed, despite Lebanon's troubles, AUB's student enrollment has risen steadily in recent years. The current total of about 4,850 compares with 2,269 in the 1957-58 academic year and 3,491 in the 1967-68 academic year and is just slightly below the target of about 5,000 set in early 1975, before the civil war began.

SIGNIFICANT CHANGES

The war, however, has wrought significant changes. Today, roughly 70% of the AUB's students are from Lebanon (including Palestinians living in Lebanon), compared with a prewar average of 55%. And the faculty of 485 is substantially smaller than the 800 positions that the university a few years ago thought would be necessary to support the current student population.

AUB students these days, unlike the campus radicals of 10 years ago, seem grateful for the refuge the university provides from Lebanon's tormented politics. "The students have learned their lesson," says Radwan Mawlawi, AUB's director of information. "They have become more serious, taking care of their studies before anything else."

Students gathered in the campus quadrangle, dressed mostly in jeans and T-shirts, don't seem very different from their American counterparts. Jawad Saba, a Lebanese senior majoring in engineering and editor of the yearbook, discusses his plans for getting a well-paying job in Saudi Arabia after he graduates. Imad Hannoun, a Palestinian senior, talks eagerly about going on to the California Institute of Technology next for graduate study. (AUB itself has 38 graduate programs, mostly offering master's degrees, in subjects ranging from English literature to electrical engineering.)

"The typical AUB student is interested in eating, sleeping, studying, watching TV at night, seeing his girlfriend every day and going to the movies twice a week," says Omar Tuffahah, a 23-year-old senior.

There are a few political posters on the campus walls. But they are overshadowed by a banner proclaiming: "Excite your molecules. Have an explosive reaction at the chemistry department dance."

AUB today is a far cry from the stern idealism of its founder, Daniel Bliss. He hoped to build a bridge between East and West, guiding the Arab world toward American values and—if possible—the Protestant religion.

The university dropped its religious mission after some early battles, including a strike by Moslem students who refused to sing hymns in chapel. But the goal of spreading American values was implicit in the university's charter, which remains in effect: Teaching would be in English; the university would be owned and supervised by a board of trustees in New York; and degrees would be awarded under a license granted by the New York State Board of Regents.

For decades, the AUB ethic pervaded the Middle East. Students flocked here from Saudi Arabia, Bahrain, Syria and Lebanon for an American-style education. Many of them returned home to become presidents, prime ministers and cabinet officials. An AUB catalog boasts that in 1945, at the first session of the United Nations in San Francisco, 19 of the signers of the U.N. charter were AUB graduates.

At AUB, "We were breast-fed the milk of freedom," says Saeb Salem, an AUB graduate and former prime minister of Lebanon. "It was at this American institution," he told a recent AUB gathering, "that we learned of this freedom which urged us to oppose imperialism and imperialists."

In those heady days, the university took pride in its reputation as the center of an "Arab awakening." The "imperialists," at that time, were Britain and France, and many of AUB's leading graduates—such as Charles Malik, class of 1927 and former president of the U.N. General Assembly—were strongly pro-American.

But in the 1960s, the radicalism of AUB students began to assume an anti-American tone, largely because of Arab anger at U.S. support for Israel. The symbol of that new mood was George Habash, a Palestinian who graduated from the AUB medical school in 1951 and went on to found the terrorist "Popular Front for the Liberation of Palestine." By 1970, student strikes and demonstrations regularly halted classes, and an American news magazine was calling AUB "Guerrilla U."

As Arab politics became more radical and polarized, AUB found that its liberal approach to education had few defenders. The late King Faisal of Saudi Arabia attacked the university as "the worst center for spreading communism" in the Middle East. At the other extreme, a Palestinian terrorist named Leilah Khaled, who studied here in 1961, contended that AUB was an "intellectual graveyard" that "only excelled in producing CIA spies and ministers."

Perhaps inevitably, a university that had tried to bridge East and West discovered that it was losing friends on both sides.

The U.S. government, which for years viewed AUB as an investment in a stable and friendly Mideast, became disenchanted with its radical aura. Contributions from the U.S. Agency for International Development, which accounted for 45% of AUB's budget in 1971, slipped gradually toward this year's meager level of 7%.

Arab governments, meanwhile, became increasingly wary of supporting anything that was explicitly "American." Contributions from the many AUB graduates working in the oil-rich Persian Gulf increased. But they failed to offset the decline in U.S. support, leaving AUB with a deficit estimated this year at about $3 million.

"Like any poor university, we need money," says Suliman Olayan, a prominent Saudi businessman who is a member of the AUB board of trustees. AUB officials say they haven't any choice but to keep pushing for contributions from both the gulf countries and the U.S. "This isn't purely an American or an Arab institution," says the new president, Mr. Kerr. "It's ours and it's theirs, and it has to be supported by all sides."

The cruelest blow to AUB's hopes came here in Lebanon, which once exemplified the university's ideal of Arab democracy. The civil war that began in 1975 turned the country into an arena for both Arab-Israeli conflict and inter-Arab rivalries. Suddenly, AUB graduates were joining militias associated with the various political groups, religious sects and ruling families of Lebanon and seeking to kill each other.

The university's response to the Lebanese war was to retrench as an educational institution. The faculty went for months on half pay. Professors at the medical school slept at the university hospital for weeks on end. And by pressing ahead with classes despite the fighting, AUB managed to complete the 1975-76 academic year on schedule. Degrees have been awarded regularly every year since then.

In a message to the faculty last year, Dean Salem summarized the hardships AUB has faced since 1975:

"Consider the problem of the professor whose landlord wants to evict him in order to benefit from new rent, whose car has been stolen, whose telephone has been illegally disconnected, whose elevator stopped five years ago, whose apartment is without water, whose electricity is regularly cut, whose children travel a precarious route to school—and consider the magnitude of the distraction that has been imposed on him by the war.

"In the face of uncertainty," Dean Salem concluded, "we are free, either to despair and let this university slide to its doom, or to affirm our fundamental trust in its continuity."●

EVANS AND NOVAK DESCRIBE LIFE UNDER THE PLO

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1982

● Mr. BINGHAM. Mr. Speaker, I am growing a little tired of newspaper reports which attack the Israeli move into Lebanon without any reference to the years of PLO occupation of Lebanon that preceded it. It is one thing to decry the loss of life in Lebanon but it is quite another to imply that things were better before the Israelis moved in. In fact, things were terrible in Lebanon well before June 5. The PLO had virtually ended Lebanese sovereignty and had terrorized the people of Lebanon, Moslems as well as Christians.

The Washington Post columnists Evans and Novak describe what it was like to live under PLO occupation.

Their column of June 25 must be read. I might add that Rowland Evans and Robert Novak are hardly known for their pro-Israel bias.

[From the Washington Post, June 25, 1982]

THE PLO AS AN OCCUPYING POWER

(By Roland Evans and Robert Novak)

SIDON, LEBANON.—Israel's accusation that the PLO was a rogue elephant whose arms and swagger created resentment and fear in Lebanon's largest cities was no fabrication.

That becomes clearer as the initial shock of the Israeli invasion dissipates and the Lebanese, picking up the threads of life, start talking.

The PLO was born out of Israel's statehood in Palestine and its later occupation of the West Bank and Gaza, creating generations of refugees. Once incorruptible, its extraordinary success in accumulating arms and money despite political failure to retrieve part of its land has made the PLO itself an occupying power—a power without responsibility.

The ambition of the PLO—Palestinian self-determination on the West Bank—remains an exemplary cause that President Reagan may soon decide needs redemption. But the PLO's methods of attaining it in Lebanese cities we visited up to Beirut tend to support Israel's claim that the PLO has become permeated by thugs and adventurers.

"The worst elements in the PLO took over from the best," a Christian Lebanese surgeon told us in Sidon. A whiff of decaying flesh was in the air from bodies rotting under tons of debris bulldozed off the main streets.

We encountered the surgeon by chance. We asked him how the people of Sidon like the Israeli invaders. His answer: "If you want to know, come to my farm and see."

The farm, on a strategic hilltop overlooking the harbor, had been taken over without negotiation, compensation or advance notice by local PLO commanders in 1974. The house was littered with the refuse of six years—filthy uniforms, broken chairs, slogans on the walls. That was the least of it. Two small barns were packed with munitions, guns, dynamite, detonators, even made-in America helmets still in their crates.

Hidden in the orchard were two heavy artillery pieces. In a shed in the pigpen were dozens of unopened cartons of hand grenades. The wreckage of 12 automobiles, said by the surgeon-farmer to have been "requisitioned" by the PLO down in the city, littered the front yard.

"You ask how do we like the Israelis," the doctor said. "Now you can see. Compared to the hell we have had in Lebanon, the Israelis are brothers."

While the PLO occupied and ravaged his farm, the surgeon-farmer lived in a small downtown apartment. But for the 60,000 Lebanese in Sidon (a population that had swelled with 240,000 Palestinian refugees by the time the Israeli army arrived), surviving the PLO was another kind of hell.

A young teacher told us about it. A Shi'ite Moslem, she had lost an uncle killed in the Israeli invasion. Her brother was being held by the Israelis. That would seem to be reason for anger, but there was none. "We have not been able to keep our schools open," she told us. The PLO toughs made classrooms too dangerous. Girls were molested. Schools shut down.

With her were three other young Lebanese: a Maronite Christian, a Shi'ite Moslem and a Sunni Moslem. Each in turn told a similar story: an apartment taken over by the PLO, car stolen, thievery in town up by a recorded 5,000 percent, vineyard and orchards ruined.

Israeli soldiers were conspicuous everywhere in Tyre and Sidon on our June 22 visit. They represented a totality of military power inconceivable to the only people contiguous to the Jewish state never—until June 6—invaded by the might of Israel.

Yet, in the two cities of Tyre and Sidon, there is reason to take seriously the Israeli estimate of Lebanese casualties: a total of 250 killed and less than 1,000 wounded.

Perhaps those low casualties had some impact on the Lebanese when the shooting stopped. Perhaps the final outcome in Beirut will change opinions even here. But that seemed unlikely.

More probable in the aftermath of the Lebanese invasion is this: the PLO is justly accused of a grave disservice to the people who took it in here and to the people it represents. To itself, the disservice is greatest of all.●

TRIBUTE TO EDWARD HODGES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1982

● Mr. EDWARDS of California. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues the outstanding work being done by a dedicated teacher in my district. An unselfish, dedicated, challenging and intelligent educator adds immeasurably to the wealth of our Nation. What such a teacher gives to the students will be returned to our society tenfold.

Mr. Edward Hodges is a science teacher at Herbert Hoover Junior High School in San Jose, Calif. He is a demanding teacher, expecting and getting high caliber work from his students. In his spare time he is the sponsor of the Hoover Hiking Club and the Hoover Bicycle Club. He gives hundreds of hours each year to both of these organizations. On alternating years he trains and conditions his seventh and eighth graders for a trip completely paid for by the students. Recycling and paper collection provide some of the expense money.

He has taken the students to Alaska, Death Valley, the Emigrant Gap and various other places. The team leaders are past students who participated in hiking trips and who are now in high school and college. This year he took his seventh and eighth grade boys and girls on a 7-day hike of 62 miles recreating the Donner Party's trail from Reno to Emigrant Gap. Each student had various conditioning tests throughout the year that he or she had to pass. They had books to read that dealt with the Donner Party's ordeal and many conditioning hikes were required to be elibible for the final backpacking hike.

Being 13 or 14 years old in today's society is very tough in and of itself. "Hodge" offers his students a challenge that will help prepare them for the challenges they will face in the years ahead.

It has been my pleasure to have recently spoken with some of the students who went on the Donner Trail trip. Mr. Hodges dedication has opened new horizons for these young people. They are sure of themselves; they know they can do the hard task; they will succeed.

Thank you, Mr. Hodges. We are all in your debt.●

TO MEMORIALIZE LEONARD YANDALL

HON. FOFO I. F. SUNIA

OF SAMOA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1982

● Mr. SUNIA. Mr. Speaker, one of the most highly respected residents of the territory of American Samoa passed away recently and I rise today to call attention to his achievements.

Public service is seldom the backdrop for heroism but this is not the case of Leonard Yandall—also known by his traditional chief's title, Seigafolava. As an American and a Samoan, he deserves a place among the unsung heroes who have served long and difficult years in the service of the U.S. Government. Mr. Yandall retired from his government post as territorial treasurer after 42 years of faithful and selfless service.

"Len," as we called him, never went to high school. His training consisted of attendance at the local elementary schools and eventual graduation from the Catholic Brothers School which, because of the time, stopped at grade nine. Despite these obstacles, Len rose to become one of the first Samoans to hold a legitimate position as a government administrator.

From his first job as a stockboy in the local supply depots, Len began to acquire and nurture what came to be a highly disciplined and acute mastery of the intricacies of the local government. It is a true testament to his heroic achievement that he moved from such a lowly position to control over the entire administrative services system of the Government of American Samoa. That he accomplished this at a time when few local Samoans were in positions of power is further proof of his heroic mettle.

President Reagan encourages the spirit of voluntarism in the 1980's. It should be noted that in 1977 Len provided the kind of sterling example of selfless voluntarism that the President describes. At the time, he volunteered to resume his government position on a temporary basis for free until a suit-

able permanent replacement could be found. I think it can honestly be said that Len loved the government for which he worked and wanted nothing more for it than the condition of excellence which he always pursued in everything he did.

Len's selflessness was an example to many young Samoans who found themselves in government service. When I returned home after college and received an appointment to Governor Coleman's office, Len was one of the most valuable resources that I could rely on for help or to rescue me from the complicated traps of public policy. He knew the operation of the government like the palm of his hand, and he was always ready and willing to extend this hand to teach new employees.

Len Yandall left a substantial reputation behind—one that, I doubt, will easily be matched or forgotten. He also leaves behind a loving wife, Sea, and a family of 17 children and 22 grandchildren, most of whom continue to reside in American Samoa. Six members of the family have decided to emulate their father's exemplary model through their service in the Armed Forces.

Little can be said in this short period of time that can do adequate justice to the accomplishment of one hero who did so much for so long in the service of his people. It is my own personal hope and prayer that our current crop of American Samoans in public service will be able to come half as close to the degree of excellence that we learned to expect from Len Yandall. That, in itself, will be quite a great distance.●

WOMEN'S RIGHTS

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1982

● Mr. SWIFT. Mr. Speaker, 200 years ago Thomas Jefferson wrote and this Nation adopted as the declaration of its independence from Great Britain these words:

We hold these truths to be self-evident, that all Men are created equal, that they are endowed by their creator with certain inalienable rights.

The words are so clear, so plain in their meaning, so definite.

Yet we fought a bloody civil war before the word "man" meant black men as well as white men. And we fought for years before the word "man" meant "woman" in regard to voting rights. Today, in law, women's rights are much more secure. But, today, it is still not in our Constitution to underline precisely what Thomas Jefferson said so long ago.

One must ponder the power of the concept of equality that so many fight so hard and so long to prevent others from having it—or to avoid accepting it. What a threat equality must be to some who are advantaged. What a fearful responsibility it must seem to some who do not have it. So powerful is it that some men and women thoughout the land have carved little footnotes in history for themselves, footnotes reserved for those who distinguished themselves by opposing the extension of human justice.

But, they will be only footnotes. The chapter will be about women and men whose efforts expanded liberty and opportunity and justice for all by fighting to assure it for American women. After all—the extension of freedom anywhere strengthens us all. The work has not been in vain and it is not yet finished.●

PAST PUTS FUTURE IN PERSPECTIVE

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1982

● Mr. BAILEY of Missouri. Mr. Speaker, I am not a philosopher, but once in a while some of the homespun philosophy that makes Missouri the greatest place in the world to live creeps into my thoughts.

Down in my native Ozarks, the town of Eldon is planning its 100th birthday, September 11-18. Eldon is in the middle of the agricultural belt, but most of its citizens are proud to say it is a Bible-belt town.

A few days ago, a news-photo team of Lauren Schepker and Don Cadorette of the Jefferson City News-Tribune, took a precelebration visit to Eldon and came up with a most enterprising and thought-provoking story about Eldon and its people.

In that story, Schepker quotes Herb Harvey, one of the remaining members of one of the city's founding families, it is the churches which have kept the town alive. "We have a good number of beautiful and worthy churches who cooperate to help the town. It is not like the different churches compete against each other."

What a beautiful message. I hear Sunbelt against Frostbelt, I hear North against South, East against West, cotton against corn, wheat against rice, milk against imports—and then I hear the cry, "I Love New York." All in all, it does not seem to speak of cooperation and pulling together and I wonder, Mr. Speaker, if there is not a message there for all of us as we meet together to solve our budget problems, to solve our economic differences, just working together.

As I read that beautiful story about Eldon, I cannot help but think, let the dead past bury its dead. Some say cemeteries are not very cheerful places, but out in Eldon our cemeteries adjoin our churches, and we go forth to worship, as we do so, we see the graves of our dead and remember what they worked and strived for.

It is then we are reminded of I Corinthians 15: 52: *"For there will be a trumpet blast from the sky and all the Christians who have died will suddenly come alive, with new bodies that will never, never die; and then we who are still alive shall suddenly have new bodies, too."*

There may be no trumpet blast in Eldon September 11-18, but Eldon will come alive again in celebration for what it was—100 years—but it will come alive again to what is and what will be.

I invite all you who love New York, Washington and the rest of this great Nation, come to Eldon in September, see the beautiful autumnal foliage, hear our rippling streams and watch our sunsets. There is no place, this side of heaven, more beautiful than the lake country of Missouri—and now I think I know the reason why, its cooperation and living together, concerned with each other's problems, each other's lives.

With pleasure, I invite you to Eldon, where "Its first 100 years have been characterized by ups and downs, but residents see a proud heritage and a bright future." And, I invite you to read Schepker and Cadorette's story of a proud city.

I submit the article for the RECORD:

[From the Jefferson City News & Tribune, May 16, 1982]

ELDON

(By Lauren Schepker)

An old railroad track running through Eldon is like blood running through veins for many of the town's residents. It was the railroad which brought Eldon to life. And even though the train doesn't stop there anymore, hope of getting it back has kept the town's 5,000 residents on track.

As Eldon marks its centennial this year, residents are looking back on the town's history, and for many, the railroad tells the story. A centennial logo designed by a high school student depicts a locomotive, a church, a school and a factory. The centennial motto reads, "Born with the railroad, developed as a gateway to the Ozarks, growing with industry, tourism and agriculture, Eldon—a great way of life."

BORN WITH THE RAILROAD

In the winter of 1881, Missouri Pacific began surveying the Eldon area for the possiblity of putting in a railroad. Residents of the area, wanting to guarantee the railroad would come through, formed the Eldon Town Company to secure the right of way.

A member of the company, George Riley Weeks, donated 40 acres for a railroad depot. That 40 acres became the basis for the town. Weeks filed the plat on March 15, 1882, and Eldon was born.

"The railroad was our link to civilization," says Tina Raynor, executive director of Eldon Centennial Inc. Miss Raynor, a native of Eldon, recently returned to the town

after four years of college at Warrensburg. As director of the centennial corporation, she is compiling a book of the town's history.

Originally, the depot was to be built on Grand Avenue, then known as Upper Eldon, according to Miss Raynor. But when the tracks were laid and the train came through, the grade was too steep, and the train would not stop there. Instead, it rolled back down the hill, and where it stopped, the depot was built, she says. It burned to the ground in 1886, and later was rebuilt.

"In 1903, the Rock Island Railroad came through and made Eldon," Miss Raynor says explaining the line ran two daily trains through the town. Another founding father, Bob Harvey, donated the land for the railroad and depot. "Rock Island built a big, beautiful depot, but it also burned down," she adds.

Despite two fires which destroyed two railroad depots and cyclones which tore through churches and homes, first generation Eldon residents preserved. The depots, churches and homes were rebuilt.

"Tragic things kept happening, but they kept building things back up. A lot of towns just die out when things like that happen, but Eldon didn't," Miss Raynor said.

Hurt by commercial air travel and interstate highways, both of Eldon's railroads eventually reached the end of the line. Missouri Pacific stopped operating through Eldon in 1962 and Rock Island pulled out in 1980, but the town has not forgotten the railroads.

"it's kind of sad. Here we are celebrating our 100th birthday, born as a railroad town, and there is no railroad now," Miss Raynor says. "The railroad hurt us very badly. It is the people who have kept Eldon alive. We have a tradition of not giving up."

DEVELOPED AS A GATEWAY TO THE OZARKS, GROWING WITH INDUSTRY, TOURSIM AND AGRICULTURE

Since the early days, Eldon residents have lived up to that tradition. In the 1930's, when the railroads still were thriving, the town got an additional boost when Union Electric built the Bagnall Dam. "Eldon became a boom town," Miss Raynor says. "People came from all over to work on the dam."

Supportive industries sprang up, and in the 1940's Eldon was the home of 14 factories. When the dam was completed, many of the industries moved on, but some have survived, and new factories have located in Eldon. "Our industrial sector has been through some ups and downs over the years, but we have stabilized now," Miss Raynor says.

Agriculture has played an important part in keeping Eldon alive, with dairy farms dotting the out-lying area. "Agriculture has been wonderful," says Herb Harvey, grandmarshal of the centennial celebration. "We are right in the middle of the agriculture belt."

The Harveys are one of Eldon's founding families, and Herb Harvey is one of the few remaining family members. His grandfather founded Eldon Lumber and Hardware, which is now in its 94th year of operation. His great-uncle was Bob Harvey, who founded the Bank of Eldon—now Mercantile Bank—and donated the land for the Rock Island. Two other great-uncles were lifelong farmers.

Eldon is not only in the middle of the agriculture belt, some say it's a Bible belt town. Harvey says the churches have kept the town alive. "We have a good number of beautiful and worthy churches who cooperate to help the town," he says. "It's not like the diferent churches compete against each other."

ELDON—A GREAT WAY OF LIFE

Like Miss Raynor, Harvey returned to his hometown after stints in the service and college. "Why? If you knew the people like I do—and I know just about all of them—you would understand. I never saw anyplace else I would want to live," he says.

The school system, strength of churches and healthy economy make Eldon a great place to live, according to Harvey. "We have everything you're looking for," he says simply, "and the finest and friendliest people."

Don Pittrich is not a native of Eldon, but his love of the town matches Miss Raynor's and Harvey's. As principal of the elementary school, he has contact with both children and adults. "This is a very progressive town. People are really working towards providing the services the citizens need."

Pittrich moved to Eldon in 1960, and doesn't plan to leave. "It's home. It's a good place to live. If I didn't think that, I wouldn't be raising my kids here."

Like many towns its size, Eldon has a hard time keeping its young people. While some, like Miss Raynor and Harvey, have returned after college, some find the town holds limited career opportunities. "This job was tailor-made for me. If it hadn't been for this job, there wouldn't have been anything for me to do here," says Miss Raynor, who holds a degree in public relations.

Retaining young people might be a problem, Pittrich admits. "With the declining economy, people might want to stay. We have to come up with a job structure for them."

Eldon's 100th birthday is giving the town a boost, Miss Raynor says. Studying the past, she says, has put the future into perspective. Hopefully, the railroads will be a part of that future.

"We are working really hard to get the railroads back," she says, explaining residents of the town are lobbying senators and representatives on the governor's task force to revitalize railroads across the state. Miss Raynor hopes the centennial celebration will encourage more Eldon residents to get involved. "Every town needs a boost, and this is Eldon's big boost."

Miss Raynor also hopes her book will encourage young people to stay in Eldon. "I didn't really appreciate Eldon until I started doing research for the book. When I look back at all the wonderful things that have happened in our history, it makes me proud. We have a very honorable heritage in Eldon.

"I want to say to young people that there is nothing dishonorable about living in a small town. The air is clean, the people are great. I have seen the big city, and this is better."

ELDON SCHEDULES CENTENNIAL EVENTS

In observance of its centennial, Eldon is having a birthday party, and all of the town's friends and neighbors are invited to attend the festivities. Eldon Centennial Inc., a group formed to coordinate activities for the celebration, has planned a week of parades, entertainment and displays beginning Sept. 11.

Tentative plans for the week-long birthday party include:

Saturday, Sept. 11 will be Parade and Coronation Day. The official opening day of the centennial celebration will offer a parade, antique car show, craft show, Kangaraoo Kourt, coronation of Miss Eldon Centennial and three dances featuring big band, country western and rock music.

Sunday, Sept. 12 is Sunday-Go-To-Meeting-Day. Featured will be an old-time basket dinner, a communal church choir performance, an old-fashioned worship service in the park with Gospel singing, and a fire department competition.

Monday, Sept. 13 is Centennial Belle Day, and will feature the opening of the street carnival and history of Eldon pageant, as well as a ladies luncheon.

Tuesday, Sept. 14 is Veterans and Old Timers Day. Activities for the day will include a farmers market, military parade and drill, and an ice cream social featuring an old-fashioned band concert and medicine show. The pageant will continue.

Wednesday, Sept. 15 is Eldon, Born With the Railroad Day. Highlighting the day's events will be a train display and "something big." According to Tina Raynor, executive director of Eldon Centennial Inc., plans for the "something big" are tentative and will be announced when they are confirmed.

Thursday, Sept. 16 is Growing With Agriculture and Industry Day. A parade and display of new and old farm machinery will be featured, and agriculture contests will be held. The pageant will conclude.

Friday, Sept. 17 is Citizens Tomorrow, 100 Years In the Future Day. Included in the day's events are a magic show, a buffalo barbecue, a blue grass festival and folk dancing.

Saturday, Sept. 18 is Governors Day, and will feature a pancake breakfast and pancake eating contest, a ham and bean dinner, dedication of a time capsule, auction of a centennial mural and the first issue of the centennial book. The week will conclude with a centennial ball.●

HOUSE OF REPRESENTATIVES—*Wednesday, June 30, 1982*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. NATCHER).

Rev. Charles Mallon, permanent deacon, Holy Family Church, Mitchellville, Md., offered the following prayer:

Blessed is he who considers the poor, the Lord delivers him in the day of trouble; the Lord protects him and keeps him alive; he is called blessed in the land; Thou dost not give him up to the will of his enemies.—Psalm 41: 1-2.

Father, we thank You for the birth of this Nation and the spirit of independence that brought forth many peoples with sufficient faith to form this new concept in government.

And we recognize that we are a nation under Your direction and that we are united by our common hope of life, liberty, and the pursuit of justice.

Father, we ask You to continue to arm this Nation with Your spiritual strength and to give us both religious and civil leaders who are faithful to this, our common goal.

We ask this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to the bill of the Senate of the following title:

S. 881. An act to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate numbered 1 to the bill of the following title:

H.R. 3816. An act to improve the operation of the fishermen's contingency fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON TODAY

The SPEAKER pro tempore. Without objection, the business in order under the Calendar Wednesday rule is dispensed with for today.

There was no objection.

REQUEST FOR ADJOURNMENT, MOTION WITHDRAWN

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I have a motion.

Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The gentleman will withhold for just 1 minute.

Does the gentleman from California (Mr. LEWIS) seek recognition.

Mr. LEWIS. Reserving the right to object, Mr. Speaker——

Mr. DINGELL. Mr. Speaker, I withdraw the motion.

The SPEAKER pro tempore. The Chair would like to advise the gentleman from California (Mr. LEWIS) that there is no unanimous-consent request pending before the House.

Does the gentleman from California (Mr. LEWIS) seek recognition to proceed for 1 minute?

Mr. DINGELL. Mr. Speaker, I will ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Without objection, the gentleman from Michigan (Mr. DINGELL) is recognized.

There was no objection.

ORDER OF BUSINESS

(Mr. DINGELL asked and was given permission to address the House for 1 minute.)

Mr. LEWIS. Mr. Speaker, if the gentleman will yield, I wonder if the gentleman from Michigan (Mr. DINGELL) would clarify for the House his intention under this request?

Mr. DINGELL. Mr. Speaker, the gentleman from Michigan is not altogether clear as to exactly what the leadership intends. I believe the decision is being made as to whether or not we will adjourn or whether we will recess, and that is a matter on which I am not prepared to report either to my good friend, the gentleman from California, or the House.

Mr. LEWIS. Mr. Speaker, the gentleman from California is not exactly clear, either. I would be glad to go in the back room and have a cup of coffee with the gentleman, and we could discuss it.

I would suggest that this side would be very comfortable with adjourning until tomorrow.

Mr. DINGELL. Mr. Speaker, I have just been advised by a member of the majority staff that it is the intention of the leadership to adjourn until 10 tomorrow.

Mr. LEWIS. Mr. Speaker, we have no objection to that.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Member (at the request of Mr. LEWIS) and to include extraneous matter:)

Mr. MCKINNEY.

(The following Members (at the request of Mr. DINGELL) and to include extraneous matter:)

Mr. WAXMAN.

Mr. BARNES.

Mr. STARK.

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H.R. 3816. An act to improve the operation of the fishermen's contingency fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did, on June 29, 1982, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 4569. An act to designate the U.S. Post Office Building in Hartford, Conn., as the "William R. Cotter Federal Building";

H.R. 4903. An act granting the consent of the Congress to an interstate compact between the States of Mississippi and Louisiana establishing a commission to study the feasibility of rapid rail transit service between the two States; and

H.J. Res. 518. An act to designate the week commencing with the fourth Monday

in June 1982 as "National NCO/Petty Officer Week."

ADJOURNMENT

Mr. DINGELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 5 minutes a.m.), the House adjourned until tomorrow, Thursday, July 1, 1982, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4262. A letter from the Acting Deputy Assistant Secretary (Logistics), Department of the Air Force, transmitting notice of the proposed conversion to contractor performance of the transient aircraft maintenance function at Tinker Air Force Base, Okla., pursuant to section 502(b) of Public Law 93-342; to the Committee on Armed Services.

4263. A letter from the Acting Deputy Assistant Secretary (Logistics), Department of the Air Force transmitting notice of the proposed conversion to contractor performance of the food services mess attendant function at North Truro Air Force Station, Mass., pursuant to section 502(b) of Public Law 93-342; to the Committee on Armed Services.

4264. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during May 1982 to Communist countries, pursuant to section 2(b)(2) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on June 24, 1982, the following report was filed on June 29, 1982]

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries: H.R. 5543. A bill to establish an Ocean and Coastal Resources Management and Development Fund and to require the Secretary of Commerce to provide to coastal States national ocean and resources management and development block grants from sums in the fund; with amendments (Rept. No. 97-628). Referred to the Committee of the Whole House on the State of the Union.

MEMORIALS

Under clause 4 of rule XXII.

430. The SPEAKER presented a memorial by the Governor of the State of Washington, relative to legislation proposed by the five States that comprise the Northwest Low-Level Waste Compact Committee; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1711: Mr. WEISS.
H.R. 6461: Mr. TRIBLE.
H. Con. Res. 327: Mr. EDGAR.

PETITIONS, ETC.

Under clause 1 of rule XXII.

504. The SPEAKER presented a petition of the County Board of Itasca County, Minn., relative to bilateral nuclear arms freeze; which was referred jointly to the Committees on Armed Services and Foreign Affairs.

SENATE—*Wednesday, June 30, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Our Father in Heaven, we live so much of our lives as though we were animals. We pay so much attention to the physical, so little to the spiritual. We provide the best food for our bodies and feed our souls on rubbish. We clothe our bodies with fine garments and subject our minds to garbage. We stuff the flesh and starve the spirit, then wonder why there is so little joy, so much depression. We take pills for highs and lows when we could be energized by Thy Holy Spirit and relaxed in Thy gracious love and care.

Help us to realize, dear Lord, that we are God hungry and nothing else will satisfy. "Thou hast made us for Thyself O Lord, and our hearts are restless until they repose in Thee." Forgive us, kind Father, for indulging the flesh and forsaking the spirit. Renew us to live like children of God, through Jesus Christ, the Lord. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF TIME FOR SPEECHES DURING TRANSACTION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, I understand that an order has been entered for the transaction of routine morning business, not to extend beyond 10:40 this morning, with speeches therein not to exceed 2 minutes each. Am I correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. STEVENS. Mr. President, I ask unanimous consent that speeches during the transaction of morning business not exceed 5 minutes each.

The PRESIDING OFFICER (Mr. GARN). Without objection, it is so ordered.

THE NATIONAL DEBT

Mr. STEVENS. Mr. President, a subject that continues to concern us all is the amount of the national debt, which is now around $1.08 trillion. A trillion dollars is an amount that is difficult to comprehend in conventional measurements, but in practical terms a trillion dollars would buy more than 75 percent of the Nation's single family homes. A trillion dollars, if given away at the rate of $4 million a day since the birth of Christ, would not yet be depleted.

The question has to be asked, Can a debt so huge eventually be paid off? I think it can, Mr. President, and we must start searching for ways to do so. It is not just the size of the debt, but the complications and impact that amount has on our economy. The June 14, 1982, edition of the U.S. News & World Report features an article on the national debt by Monroe Karmin and Robert Morse of the magazine's economic unit. This is one of the best articles I have read on the subject, and I highly recommend it to all Members of the Senate.

Mr. President, I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN NATIONAL DEBT GETS OUT OF CONTROL—

(Note.—Now more than 1 trillion dollars and climbing, Uncle Sam's mountain of IOU's is affecting the budget, interest rates and recovery prospects.)

As the President and Congress dig in for new budget battles, the mammoth national debt is casting a long shadow over the economy's future.

The Reagan administration quietly asked Congress in late May to raise the debt ceiling to a record 1.275 trillion dollars. Unless the ceiling is lifted, the Treasury warned, it will not be able to borrow enough money to pay all the government's bills that will be coming due on June 30.

This Gargantuan debt is important for reasons beyond serving as a measure of federal profligacy. It threatens to—

Crowd out other borrowers from the money market, meaning that some corporations, state and local governments and others in need of capital won't be able to get it.

Keep interest rates high or push them even higher, thereby jeopardizing the expected economic recovery and sabotaging company plans to invest in new plant and equipment.

Make it even more difficult, by increasing the budget's interest costs, for the government to close its deficits and control the debt.

The immensity of the problem is shown by the nearly continuous growth of the public debt in the past 50 years. After the IOU's built up during the Depression years of the 1930s and then World War II, debt mushroomed following the war. From 258.7 billion dollars in 1945, accumulated red ink rose 43 percent, to 370.1 billion at the end of 1970.

Then it exploded, crossing the 1-trillion-dollar mark in October, 1981. Now, Treasury officials are estimating that the debt will exceed the current 1.08-trillion-dollar limit before June 30. In all, the government has balanced its budget only once in the past 22 years.

When Washington finances this debt, it competes with corporate and other borrowers for credit in the private markets. Thus, the need to finance bigger and bigger deficits sops up available funds, squeezes other borrowers out of the market and tends to make money more expensive for everybody—including the government. Washington's share of the credit market is expanding rapidly. The U.S. News & World Report Economic Unit estimates that Uncle Sam's share of available domestic credit will reach a record 52 percent in the 1982 fiscal year, ending September 30. In comparison, the federal share averaged 25.4 percent during the 1970s, up from only 16.7 percent in the 1960s.

REAGAN'S DEFICITS

This huge federal credit need is dictated, in large part, by President Reagan's proposal to pile up huge new deficits, projected at well over 100 billion in each of the 1982 and 1983 fiscal years.

Beyond that, the federal establishment engages in a vast amount of borrowing that doesn't show up in the conventional budget. This includes debt incurred—directly or through loan guarantees by an array of federal agencies and government-sponsored enterprises—that isn't figured into the deficit.

Examples: The Postal Service, the Export-Import Bank, the Tennessee Valley Authority, the Rural Electrification Administration, the Veterans Administration, the Federal Housing Administration, the Federal Home Loan Bank Board, the Federal National Mortgage Association, the farm-credit system, the Student Loan Marketing Association and many others.

Over all, the amount of money to be raised under federal auspices is estimated by the Reagan administration at more than 200 billion dollars in each of the fiscal years in 1982 and 1983.

Experts outside the administration, however, say the total could climb to 250 billion or more in 1983 if the President and Congress fail to resolve their budget impasse. That would be more than double the 123.5 billion dollars of federal borrowing as recently as 1980, almost four times the 64.8

billion in 1975 and nearly 15 times the 16.7 billion borrowed in 1970.

This mounting competition from Uncle Sam for available credit means that only better-quality corporations, state and local governments and other borrowers will be able to raise funds. Smaller and, often, newer businesses will be crowded out.

What's more, those that can get funds will have to pay high interest rates, a specter that haunts Wall Street. Financial experts fret that an added heavy federal credit demand will, at best, keep today's high rates from falling much and, at worst, push them higher. That could stunt or abort the expected recovery.

High interest costs also are making it extremely expensive for corporations to go ahead with plans to step up their investments in job-creating new factories—a key goal of the Reagan economic program.

The Reagan administration argues that heavy federal borrowing need not keep interest rates high. The Treasury expects the supply of investment capital to expand as the President's tax-cut program stimulates savings.

Even though this year's personal-tax cut of 10 percent won't take effect until July 1, early evidence shows that savings may have increased a bit in the wake of last year's tax cuts for business and individuals.

The personal-savings rate, at 4.6 percent of disposable income in the first quarter of 1981 when Reagan assumed office, increased to 5.5 percent in the first quarter of this year. But the Economic Unit says that rise is not nearly enough to make the administration's wishes come true. It estimates that the personal-savings rate will have to reach the 8 to 10 percent range in order to provide the additional funds needed to finance the government's enlarged borrowing needs.

Unless a budget accord is arranged, therefore, the size of the federal debt will continue to weigh heavily on the economy. One result will be that the government will have to pay more for the money it borrows.

INTEREST INCREASE

The administration estimates that in fiscal 1983 federal interest payments will total close to 134 billion dollars, or 17.5 percent of budget expenditures. That's a sharp jump from the 13 percent in 1980 and the 9.9 percent in 1970.

The rising cost of the debt, in turn, makes it more difficult for the government to balance its books and means that the Treasury has to borrow more frequently at expensive interest rates to pay off maturing debt.

In recent years, the increase in the cost of the debt has far outdistanced the growth in total federal spending. By the end of 1982, interest payments will have risen 500 percent since 1970, compared with a 272 percent climb in spending in the same years.

Viewed in another way, interest on the debt will hit a record 3.8 percent of the nation's total output of goods and services this year, almost double the 2 percent ratio of 1970.

Ownership of the national debt is changing, too. Foreign investors have acquired a larger share, mainly because of the investment of surplus funds by oil-rich countries of the Mideast during the energy crisis of the 1970s. Since 1970, foreign ownership of the outstanding federal debt has soared from 3.8 percent to 13.4 percent at the end of February.

Individuals own about 13.8 percent of the national debt, about half of which is savings bonds. But because the popular series E and EE bonds have a yield of just 9 percent, people are cashing in more than they are buying. To stanch the losses, the Treasury asked Congress to O.K. a variable rate for the bonds that would allow savers to earn closer to market yields.

Holders of the debt also include state and local governments, which buy federal securities for investment of surplus funds, and the central government itself, using extra money in Social Security and other funds.

The outlook now is for Congress to lift the ceiling in order to keep the government running, though lawmakers know a debt extending to 13 digits poses a grave danger for the economy.

RESERVATION OF MAJORITY LEADER'S TIME

Mr. STEVENS. Mr. President, I reserve the remainder of the majority leader's time.

FUNDING FOR THE CORPORATION FOR PUBLIC BROADCASTING

Mr. BAKER. Mr. President, I call to the attention of my colleagues an article by Tom Shales which appeared in the June 25 edition of the Washington Post. Mr. Shales has written an insightful and propitious analysis of efforts to deal with funding for the Corporation for Public Broadcasting. Through the efforts of the distinguished assistant majority leader, Senator STEVENS, and under the leadership of Senate Appropriations Committee chairman, Senator HATFIELD, it appears at this time that an additional $24.4 million in funding will be restored to the CPB.

I ask unanimous consent that the text of Mr. Shales' article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AIR TIGHT BUDGET CRUNCH PROMPTS PBS TO CUT BACK

(By Tom Shales)

Public television has had dozens of eleventh hours. Now the bell tolls for it again. As representatives from 290 public TV stations convene here through Saturday for their annual membership meeting, they know they are facing Dust Bowl days, the worst financial crunch in public TV history.

As if to turn this story into even more of a cliffhanger, public TV has been bounced around again this week on Capitol Hill and by the White House. Sen. Ted Stevens (R-Alaska) introduced an amendment to restore $24.4 million in funding for fiscal 1984 that had been carved away by the House. But the appropriation for the Corporation for Public Broadcasting (CPB) was part of a catch-all "urgent supplemental" bill that the White House vetoed yesterday.

Public broadcasting was not mentioned in the veto message, however, and so a revised version of the urgent supplemental, with the public broadcasting appropriation intact, was expected to be approved quickly by both the Congress and the White House. That's the good news. The bad news is that even with Stevens' $24 million restored, federal funding for public broadcasting is still off 25 percent from fiscal '82 levels. Public broadcasting is going to have to tighten its belt to such an extent that its voice may change octaves.

And viewers of public television are going to see the results on their screens as early as this fall. Lawrence K. Grossman, president of the Public Broadcasting Service (PBS), is expected to announce at today's session at the Hyatt Crystal City Hotel in Arlington that starting in October PBS will cut back the number of hours it "feeds" programs to member stations. Saturday nights will go totally "dark," so that local stations will have to fill the time themselves. Feeds of repeat programs will be cut in half; if stations want to repeat shows, they will have to tape them themselves, at their expense.

While PBS stations will be repeating the popular six-part series "Tinker, Tailor, Soldier, Spy" next season, they won't be airing the sequel, "Smiley's People." It went to a higher bidder—commercial TV—and will be syndicated nationally to stations, including WDCA-TV in Washington, by Operation Prime Time. The new pay-cable service called The Entertainment Channel—available to only a tiny fraction of the viewing country, but generously financed with Rockefeller and RCA money—now gets first choice of programs from England's BBC that formerly turned up first on public TV.

Many local PBS stations are in financial straits so dire that they make previous crises look like bonanzas. KCET-TV in Los Angeles has laid off 77 employes since Jan. 1, reduced its own production to a virtual zero and is now renting out its, production facilities; yesterday, Regis Philbin's cable health show was taped there. KCET even loses hefty sums on "The Dial," a program guide scheme by a four-station cooperative that was supposed to make, or at least save, money. At WNET in New York president John Jay Iselin recently announced that times were so tough he was voluntarily taking a $5,000 cut in his annual salary, to which a spokesman for another public TV station responded, "Yeah—down to a measly $100,000."

Some stations may have "dark" nights of their own soon, Grossman says, and there is the possibility that smaller stations, dependent on state funds that have also been severely cut, may go dark altogether.

(Washington's WETA-TV, however, is not in any kind of peril. In fact, it will finish the current fiscal year with a $150,000 surplus, according to station president Ward Chamberlin.)

At their meeting, PBS stations will be exploring ways to weather the storm. But when it comes to alternate financing, Grossman thinks most alternatives have already been tried. The private sector has not come roaring through with money to make up for Uncle Sam's fit of parsimony. Grossman says task force after task force has come to the conclusion that the federal government will have to continue to be the principal source of funding.

"This is going to be a very hard, tough, lean period," Grossman says. "We are going to try to make it as unnoticeable to the public as possible."

Grossman may also reveal, at today's session, plans for a PBS link with a major private satellite firm that would distribute PBS programs over a new pay-cable TV channel. Existing "cultural" cable networks like CBS Cable, Bravo and ARTS are all sinking fast into deficits, but Grossman thinks that's because they are advertiser-supported, not paid for by cable subscribers.

"It's a very risky, uncertain business," Grossman concedes. "But there's a definite market for it. There is a loyal, passionate but very small audience for a pay-cable service like this. We think we have a good opportunity in the field."

Grossman says the point of the service would be not to make money for PBS but to help finance new productions. The programs would be seen first on the pay-cable service and, later, free to viewers of PBS stations. The proposal to go forward with this plan, if Grossman actually introduces it, would have to be approved on Sunday by the PBS board. One public broadcaster calls the plan "dead," but Grossman says he thinks it still has possibilities. He will survey the "landscape of the new technologies" at this afternoon's session.

What will not be unveiled, Grossman says, is a dramatic plan for raising more money. "People are awakening to the reality that there's no magic," Grossman says glumly. "No life-saving new vaccine will be announced by me." Still, he thinks there is room for optimism, that "the pendulum is starting to swing back the other way." Public TV stations are getting better ratings than ever, arguably presenting more notable programming than ever, and during the most recent fund-raising drive took in more than $28 million, nearly a 9 percent increase over the previous drive.

Grossman does not blame the Reagan administration for public television's woes. "Budget cutting on non-defense areas is its prime target and I can understand that," he says, "but whether Carter or Reagan or what's-his-name, Anderson, had won, I think the mood of the country was that everybody in the public sector was going to be cut."

How much worse things will get for public TV is open to speculation, but for now, and despite public TV's history of panic and fiscal catastrophe, the crisis is real. They're crying wolf, but the wolf is right there at the door.

TALKS ON REDUCING STRATEGIC NUCLEAR WEAPONS BEGIN

Mr. BAKER. Mr. President, yesterday, the United States and the Soviet Union began talks aimed at reducing strategic nuclear weapons. The meeting was the first on strategic weapons in more than 3 years between the two countries, and is an important step in reducing the risk of nuclear war.

At the beginning of the session yesterday, chief American negotiator, Edward L. Rowny read a letter from President Reagan which addresses the President's concerns on a topic of vital importance to every citizen on this planet. "As the two leading nuclear powers in the world," wrote President Reagan, "the United States and the Soviet Union are trustees for humanity in the great task of ending the menace of nuclear arsenals and transforming them into instruments underwriting peace."

I ask unanimous consent that the text of the President's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TEXT OF LETTER BY THE PRESIDENT TO THE HONORABLE EDWARD L. ROWNY, CHAIRMAN, U.S. START DELEGATION

THE WHITE HOUSE,
June 29, 1982.

DEAR AMBASSADOR ROWNY: You are about to undertake one of the most important tasks of our age—the negotiation of an effective and equitable strategic arms reduction agreement. Your efforts in this endeavor are vital to the citizens of the United States and the Soviet Union, and to all mankind.

Despite more than a decade of intensive negotiations, nuclear weapons continue to accumulate, and the strategic relationship between the Soviet Union and the United States has steadily become less stable. A major reason for this has been the massive buildup of the Soviet Union's ballistic missile force over the past 15 years.

An historic opportunity now exists for both the United States and the Soviet Union to reverse this process, and to reduce substantially both the numbers and the destructive potential of nuclear forces. Such reductions to equal levels must immediately focus on the most destabilizing elements of the strategic balance if we are to promptly enhance deterrence and stability and thereby reduce the risk of nuclear war. Further, the achievement of this goal should greatly reduce the nuclear anxiety that has become such a conspicuous feature of public concern throughout the world.

I do not underestimate the monumental nature of the task of effectively reducing forces. But while the task is formidable, the importance of undertaking these negotiations is fully appreciated by the American and, I believe, by the Soviet people. We must learn from the shortcomings of earlier efforts for, as you are well aware, the American people will not accept an agreement unless it is equal and verifiable, and contributes to stability.

The proposals you take to Geneva represent a practical, phased plan which will protect the legitimate security interests of both sides. It is designed to enhance deterrence and to achieve stability by reducing nuclear forces on both sides to equal levels in a verifiable manner. Its provisions significantly reduce the forces of both the Soviet Union and the United States and, therefore, contain benefits for both sides, as well as for the rest of the world.

I know that you and your delegation will present these proposals clearly and persuasively, along with the fundamental considerations that lie behind them. And, I want the Soviet delegation to know that concerns and proposals put forward by them will be given careful consideration by us. For our part, the United States is ready to move forward rapidly toward an agreement reducing strategic nuclear arms, and I am confident that if our efforts are met with the same seriousness of purpose by the Soviet Union, we can seize the historic opportunity that lies before us.

As the two leading nuclear powers in the world, the United States and the Soviet Union are trustees for humanity in the great task of ending the menace of nuclear arsenals and transforming them into instruments underwriting peace. I am convinced that this can be done if both nations fully accept the principle that the only legitimate function of nuclear arms is to deter aggression.

I wish you Godspeed in your efforts, and assure you that these negotiations will have personal attention.

Sincerely,

RONALD REAGAN.

NUCLEAR ARMS NEGOTIATIONS DWARF ALL OTHER ISSUES

Mr. PROXMIRE. Mr. President, the arms control talks that began yesterday at Geneva dwarf any other problem or issue that will come before the Congress this year. For us in the Senate to debate economic or social issues seems trivial and irrelevant when we consider the immense, the overwhelming importance of these negotiations between the United States and the Soviet Union, negotiations that literally involve the survival of mankind on this Earth. Everything we stand for, every last fragment of our civilization, could disappear forever in a nuclear war between this country and the Soviet Union.

We may stand on the brink of the most momentous success or failure in our history. Under our Constitution, this body, the U.S. Senate, can and will play a vital part in affirming or denying any agreement that our President through his negotiators, may reach with the Soviet Union. So we have an obligation to follow these negotiations as fully and conscientiously as we can.

Mr. President, our foreign policy has served this country best when it has been nonpartisan or bipartisan. In the nearly 25 years I have been in this body Republican Presidents have been supported by Democratic Senators and Representatives, and vice versa, on the really vital issues, with occasional serious exceptions.

At this time, all of us, Democrats and Republicans, must wish President Reagan and his chief negotiator, General Rowny, the very best wishes for success, and for an agreement that can begin the long road toward truly effective arms control and the end of the terrible threat of a nuclear holocaust.

Mr. President, Gerard Smith had an article on the op-ed page of yesterday's New York Times, and I should like to read the concluding few sentences of that article. He says:

> No man chosen to be head of his Government and state can remain indifferent to the possibility of a special place in history that would be reserved for the statesman and peacemaker who succeeded in curbing the nuclear arms race and opening the way to disarmament.
>
> President Reagan seems ideally placed to negotiate and assure full Congressional support for any agreement that results from this round of strategic arms talks. He is said to be deeply and personally committed to making a success of Start. The country should give him every chance to do so.

Mr. President, Gerard Smith was our chief negotiator in strategic arms limitation talks with the Soviet Union

from 1969 to 1972, so he is an expert. He knows whereof he speaks, and I think he speaks words of wisdom and words that all of us, in both parties, can endorse enthusiastically.

Mr. President, I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 29, 1982]

TOWARD ARMS CONTROL

(By Gerard Smith)

WASHINGTON.—One can only hope that the formal opening of arms limitation talks between the two superpowers in Geneva today will bring to an end the public posturing and the global propaganda that has marred the debate over nuclear weapons. I do not entirely endorse President Reagan's proposals, which may destabilize the arms race, but it may not be too late to turn what has been a largely polemical exercise into real negotiations.

However, it would be hard to underestimate the damage that the Administration already has done to itself. The key to arms control is patient and private diplomacy, and in choosing to reject this at the beginning, Mr. Reagan placed himself under a great handicap that could only sow confusion abroad and invite cynicism at home.

Not the least of his problems is that there is a growing number of Americans who believe that there is some quick fix to the nuclear dilemma. Anyone who has participated in arms negotiations knows that there is no such thing. But the Administration's reluctance to move on the issue created a profound sense of national impatience, which is not the best atmosphere in which to conduct complex diplomacy.

Words—even more than deeds—have contributed to the mess. Republican campaign rhetoric called for rearming the nation and regaining military superiority. Loose statements suggesting that a nuclear war could be "limited" to Europe offended our allies and helped accelerate the growth of a grassroots antinuclear movement in Europe. These pressures, which European governments could not ignore, eventually persuaded the Administration to begin talks in Geneva on theater nuclear weapons and to offer a plan, the so-called zero option, under which our proposed deployment of Pershing 2 and cruise missiles in Europe would be abandoned if the Soviet Union would scrap missiles now targeted on Western Europe. But it is difficult to see any positive outcome to these talks unless they are tied to some broader limitation on strategic arms.

The Administration soon began to notice that it had a problem at home as well. Adm. Hyman G. Rickover, the founding father of America's nuclear navy and a redoubtable old warrior, warned that we were spending too much on defense, that we probably would blow up the human race and that disarmament was an urgent necessity. A Congressional resolution calling for a freeze on nuclear weapons has gained considerable support, despite arguments that it would be difficult to verify and could only come after long, complicated negotiations.

For a time, the Administration continued to resist, arguing that serious, comprehensive talks should be linked to better Soviet conduct in Poland, Afghanistan and elsewhere, as well as an improvement in the United States' military posture. But the pressures proved too great. With the European summit meeting fast approaching, the Administration (not without fierce bureaucratic infighting) abandoned the idea of linkage, telescoped its negotiating schedule and got to work on some comprehensive proposals. Theses were announced to the graduating seniors of Eureka College, in Illinois—and to the world—on May 9.

Mr. Reagan's willingness to address the nuclear issue, however tardy it may have been, was welcome. But rhetorical excesses continue to raise questions about the Administration's common sense and, worse, its credibility. One puzzling, perhaps pernicious statement, was the President's surprising assertion that the United States is now in an inferior strategic position. I believe that almost all American (and, I suspect, Soviet) experts would disagree. Somehow, while being in a position of parity, we have managed to convince many that we are in second place. That specter will be felt at the negotiating table and it is not likely to increase our bargaining power. Until now, negotiations had been based on the assumption that a situation of parity existed between the two parties. It will take some doing to arrive at arrangements that correct a balance now alleged to be out of equilibrium.

Meanwhile, as reflected in the President's bellicose speeches to the British Parliament and the United Nations, the Administration has declared psychological and economic war on the Soviet Union even as it tries to regain the offensive on the issues of peace and arms control. Sending such confusing and even contradictory signals cannot help but complicate the very difficult task of trying to manage the strategic balance.

What are we to make of the proposals themselves?

Their stated purpose is to imbility" of the strategic balance. But it is not at all clear that the proposals would accomplish this purpose, especially since during the years that the President himself admits may be necessary to negotiate a new arms control agreement the United States presumably would be building missile systems that would threaten the Soviet Union's missiles even more than our existing weapons do.

Put briefly, the proposals envision a two-step process.

In Phase I, both countries would reduce the total number of warheads on their ballistic missiles to equal levels at least one-third below the present number—to about 5,000 warheads each. Not more than half of these warheads could be placed on land-based missiles, the rest on submarines. These reductions would take place as soon as possible.

In Phase II, sometime in the future, we would seek equal ceilings on other kinds of strategic weapon systems (these other systems are undefined) and on ballistic missile payloads—in both cases, ceilings lower than current American levels. Cruise missiles and bombers would also eventually be limited equitably.

To these proposals the President added sensible words about our willingness to listen to any Soviet counter-proposals and about not ruling out the control of any weapon systems. In his words, "Everything is on the table." We also promise not to undercut SALT II as long as the Russians don't.

The Soviet Union's reaction was predictably unenthusiastic. The American proposals, it said, were unfair: They would reduce systems central to Soviet security while having less impact on American weaponry. Three-fourths of the Soviet Union's nuclear power, Moscow said, rests in its intercontinental ballistic missile force, which Mr. Reagan would sharply reduce, but only one-fourth of the American strategic forces are land-based. Moreover, Moscow claimed, the proposals would put off to an uncertain future control over American weapon systems of most concern to Moscow: bombers and cruise missiles.

What the Russians fear is that the Eureka proposals would allow for the development of new weapons that could only result in a less stable strategic balance. President Reagan's proposals aim at ending the escalating spiral toward more and more dangerous weapons, as well as reducing the risk that in a deep crisis either side might feel so vulnerable to surprise attack that it would strike first. But, in fact, his plan would leave dangerous loopholes that would allow both countries to sprint ahead in the use of more sophisticated technology.

The proposals would not limit the number of warheads on each Soviet missile and as a result would allow the Russians to simply target the smaller number of American missiles that would be deployed once Phase I reductions had gone into effect. It is therefore hard to see how the Eureka plan would allay concerns that our ICBM's are unduly vulnerable to Soviet surprise attack. The Administration's response to this criticism is that the anticipated threat of increased Soviet warheads on each missile is based on merely "hypothetical ratios." Coming from a Government that has mounted a continuing campaign using hypothetical ratios to convince the public that our ICBM's are vulnerable, this defense sounds curious indeed.

The Eureka proposals would also allow American advances that can only seem unsettling to strategic planners in Moscow. The Russians would be asked to reduce the number of their ICBM's but we would be free to increase the number of warheads per missile, by deploying the MX, aimed at the Soviet Union's reduced ICBM force. It is hard to see how this would lead to a more stable situation, and it seems worth pointing out that SALT II would not have permitted this to happen.

Indeed, the most prudent course now would be to ratify SALT II and, with its ceilings nailed down, move on to reductions—reductions that in addition to setting lower overall levels for missiles and warheads would also limit the number of warheads each missile can contain. But that ratification seems politically impossible. The Administration continues to call SALT II fatally flawed and dead, yet says we will not undercut SALT II as long as the Russians don't. But the proposed MX missile deployment plan called Dense Pack would not be consistent with SALT II—and may not even be consistent with the 1972 treaty sharply limiting antiballistic missiles.

Already Administration officials are saying that not every proviso of SALT II need be lived up to! This is a dilemma that the Administration will soon have to resolve. What is needed, in the meantime, to prevent the development of new, destabilizing weapons is an interim freeze on all strategic nuclear systems. Failing that, further destabilization might be prevented by a Congressional resolution endorsing SALT II or firmly holding the Administration to its promise not to undercut that pact. Certainly the prospects for reaching a new agreement will be somewhat brighter if the Administration and Congress decide not to

deploy the MX in a way that would be inconsistent with SALT II. Better still would be a decision to modernize our missile force in some other way—perhaps to shift a larger part of it to sea.

The arms control process has a dynamic of its own, and these gloomy prospects of destabilization may be dispelled if Mr. Reagan can put aside public posturing and pursue Start negotiations in earnest. No man chosen to be head of his Government and state can remain indifferent to the possibility of a special place in history that would be reserved for the statesman and peacemaker who succeeded in curbing the nuclear arms race and opening the way to disarmament.

President Reagan seems ideally placed to negotiate and assure full Congressional support for any agreement that results from this round of strategic arms talks. He is said to be deeply and personally committed to making a success of Start. The country should give him every chance to do so.

(Gerard Smith was chief negotiator in strategic arms limitation talks with the Soviet Union from 1969 to 1972.)

MISINFORMATION ON GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on Tuesday, June 22, I received a book written by Robert W. Lee entitled "The United Nation's Conspiracy." This book which was sent to me by the John Birch Society, devotes 4 pages to criticizing the Genocide Convention. Mr. Lee's attack on this very important human rights agreement is a classic example of a distorted and unfounded argument. I should like to take some time to clear up his misguided and outdated accusations.

Article II of the Genocide Treaty is the foundation on which the author attempts to construct his assertions. This article lists the specific acts which would be termed genocide and thus made an international crime. Mr. Lee asserts that the act of killing members of a group could be considered genocide and he uses as an example the death of a Black Panther at the hands of a policeman. This is wrong. By citing only the specific acts which qualify as genocide, Mr. Lee has conveniently overlooked the most vital language of article II. For these acts must be committed with the intent to destroy, in whole or in part, a national, ethnical, racial, or religious group. Mr. President, it seems as if I cannot stress this point enough. The intent to destroy such a group must be present. It is clear that the example Mr. Lee gives is not done with such intent. This is not genocide under the obvious terms of the treaty. Genocide is exactly what is stated in the convention and not what others may misconstrue it to be.

Mr. Lee goes further to say that the act of "causing serious bodily or mental harm to members of the group," could be meant to include criticism of Communists or Nazis. The Foreign Relations Committee has made it clear that "mental harm" means a permanent impairment of mental faculties. In fact, the committee has made it very clear that the convention does not apply to racial slurs, insults, or even discrimination. During the 1950 hearings, then Under Secretary of State Dean Rusk testified that the convention "does not aim at the violent expression of prejudice which is directed against individual members of a group." Taken in this context, Mr. Lee's criticism cannot be given serious consideration.

Mr. President, I will continue to rebut these inexcusable misconceptions directed at this great convention of profound moral principle.

RESERVATION OF MINORITY LEADER'S TIME

Mr. PROXMIRE. Mr. President, I reserve the remainder of the minority leader's time for his later use.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Under the previous order, the Senator from Florida (Mr. CHILES) is recognized for not to exceed 15 minutes.

CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, over 1 month ago, Senator NUNN and I introduced S. 2543, the Crime Control Act of 1982. S. 2543 is a package of anticrime proposals that would make changes in our criminal laws, changes that would improve the Federal Government's ability to fight organized crime, improve our bail and sentencing laws, especially as they apply to drug traffickers, and eliminate unnecessary appeals in our criminal justice system. Every day since the introduction of S. 2543, Senator NUNN and I have come to the floor of the Senate to speak out on crime and on the need for the Senate to act promptly on anticrime legislation. The Senate has an opportunity to act, Mr. President, because we were able to have S. 2543 placed directly on the Senate Calendar.

Just before Memorial Day, Senator THURMOND and Senator BIDEN, the chairman and ranking member of the Senate Judiciary Committee, also introduced a crime-fighting proposal, S. 2572. It, too, was placed directly onto the Senate Calendar, and could be called up for consideration at any time. Senator NUNN and I were original cosponsors of that bill.

So, today, we have two crime-fighting bills on the calendar. Both of these bills have broad-based support here in the Senate. S. 2543 has been cosponsored by a total of 17 other Senators, and over 50 Senators have signed on as cosponsors of S. 2572. While all this support is encouraging to those of us who want to pass tough crime-fighting legislation, there is still reason for concern. As few as 44 days remain in this session of the Senate, and many other issues remain before us. Unless the Senate acts promptly on crime-fighting legislation, we will lose this opportunity to show our concern and our determination to fight crime.

One of the most important areas of the law which needs to be reformed is the question of appeals in criminal cases. One of the fundamental principles of our system of justice is that, at some point, there must be finality of judgment. A case must come to a close. In criminal cases, this notion of finality does not carry the same weight as it does in other cases, because we want to make sure that any person convicted of a crime had a fair trial. However, our system was never intended to totally abolish this notion of finality of a judgment in our criminal system. Nevertheless, today, the Federal habeas corpus statutes are used by persons convicted in a State trial to challenge their convictions time and time again, often on purely technical grounds, for years and even decades after the original trial took place.

One case in my State of Florida, the case of Hanna against Wainwright, shows how convicts are able to use the habeas corpus laws to relitigate issues already fairly decided in the State courts. It underscores the need for greater finality in our criminal justice system.

In 1970, Hanna was convicted in State court on charges of simple and aggravated assault. His conviction was affirmed on appeal in the State court system, and his subsequent appeal to the Florida Supreme Court was denied. Then, in 1976, Hanna began to file Federal habeas corpus appeals. His first habeas petition claimed that the State prosecutor had made an improper comment during trial. The Federal court denied this appeal. He then filed another appeal, on the same grounds. This appeal was also denied. Then he filed a third habeas appeal in the Federal courts. This appeal was denied, too, but only after the Federal court made a full-scale determination of the merits of his case. Finally, he filed a fourth habeas petition, and claimed that the lawyer he had retained in his original trial had been ineffective. This fourth claim was also considered on its merits by the Federal courts, even though the issue already had been fully raised and decided on another one of the appeals that Hanna had filed earlier in the State court. Nevertheless, the current Federal habeas corpus laws allowed the issue to be decided one more time. Hanna ended up losing this final appeal, but not before the State attorney's office and the Federal court went through hours and hours of work. Finally, and

most important, it is worth noting that none of Hanna's claims went to the issue of whether he was guilty or innocent.

Mr. President, title 4 of S. 2543 reforms our Federal habeas corpus laws, to eliminate repetitive and frivolous appeals of issues already decided in full and fair State court proceedings. Had it been in effect, Hanna's claims could have been dismissed without having a full-scale determination of issues which had already been decided in the State court. The system would have produced finality, not expensive relitigation.

Recently, Florida Supreme Court Justice Ben Overton called on people to get Congress to end what he called "unreasonable, unconscionable, and unexplainable delays in the criminal justice system." He specifically called for revisions in the Federal habeas corpus laws. Justice Overton went on to say:

> You should know that there are at least 10 different possible court proceedings that can be held in a criminal case before it is final, whether or not it is a capital case where a death penalty is imposed, or a non-capital felony case. The cost of these multiple proceedings cannot be calculated. But the cost to the credibility of the courts may be fatal.

Mr. President, we have a chance to reform our criminal justice system to eliminate unnecessary appeals, and to give more finality to full and fair State court convictions. We can do that if we pass the reforms set forth in title 4 of S. 2543. However, time continues to run out, and unless we act now, we will lose an opportunity to restore the credibility of our criminal justice system in the eyes of the public.

Mr. President, I was delighted to hear the majority leader speak in the last several days in which he has said he feels it is necessary that the Senate take up, debate and, hopefully, pass a package of anticrime bills.

I understand there is now working in the Senate a unanimous-consent agreement that will give us the opportunity and, hopefully, those bills can even be taken up this week. I think it is essential that we do that as quickly as we can, and I hope we will be able to do it before the recess.

I know the distinguished chairman of the Senate Judiciary Committee (Mr. THURMOND) has certainly been moving on this, trying to get these bills taken up, as is also the ranking member on the minority side, Senator BIDEN from Delaware.

Senator NUNN and I certainly urge that we see these bills taken up and that they be taken up in the most speedy way that they can.

Mr. President, I now yield to the distinguished Senator from Georgia.

CRIME CONTROL ACT OF 1982, TITLE III—SENTENCING

Mr. NUNN. I thank my colleague from Florida.

Mr. President, I again stand before my colleagues today in an effort to reiterate the ever-increasing concern over crime in the United States. Day after day, the American people are confronted with the tragedy and dangers of organized drug trafficking. Narcotics offenders continue to be a serious and widespread problem which consumes months of investigative work and scarce resources by our law enforcement agencies. Once these officials have gathered and obtained sufficient evidence to indict and convict narcotics dealers, it appears that all too often, these valid efforts are of little value or wasted. Wasted in the sense that judges and parole boards are overly lenient in imposing the sentence the criminal is expected to serve. After so much Federal enforcement efforts have been utilized to track down and curtail such vital drug traffickers, past legislative measures have been unable to combat this growing problem. Again, in the context of this issue, I, along with Senator CHILES, call the Senate's attention to the support of the Crime Control Act of 1982.

Title III of this act is a step in the right direction with regard to the concept of sentencing these criminals to the proper amount of time to be served for their wrongdoing. Effective sentencing will aid in preventing repeated offenders from so easily and swiftly returning to their normal life of crime.

On February 4, 1981, Anthony Todisco was sentenced to 30 years in jail, with a 10-year special parole term. The district court judge recommended that Todisco serve at least 15 years of the jail term before release. Todisco was the leader of one of the largest heroin distribution rings operating in the United States, and was alleged to be the major supplier of heroin for the eastern seaboard.

Todisco's codefendant, Anthony Vallone, who was sentenced to 20 years in jail, also received a 10-year special parole term. The judge recommended that Vallone serve at least 10 years of his designated sentence. The third defendant, John Campopiano, received a 15-year prison term, with the recommendation that half of his term be served.

The most important, and most disturbing element in this case, is that Campopiano was previously sentenced to a 35-year term, which included 20 years for narcotics conviction, and 15 years for paying off a detective to murder a witness and U.S. marshals. As violent crime grows, criminals, like Campopiano, have become blatant in their contempt and disrespect for our criminal justice system. Despite the violent nature of his offense, Campopiano only served 6 years of the 35-year sentence prior to his release on special parole. Major heroin trafficking, bribing, and orders and contracts to murder resulted only in a 6-year sentence.

Mr. President, title III of the Crime Control Act of 1982 is directed at increasing the penalties for these large-scale narcotics distributors, importers and smugglers. The law must enforce strict penalties against professional criminals like Campopiano. Campopiano's parole after a 6-year term is a mockery of our criminal justice system. How many times must a felon commit a crime before our laws are geared to correct and eradicate these continuous and threatening acts of violent crime? These increased penalties will make it more difficult for violent offenders, like Campopiano, to persuade the parole board to grant lesser sentences. The sentencing provisions in title III of the Crime Control Act of 1982 register a clear directive for strict and effective penalties in cases of violent offenders as well as major narcotics traffickers.

Continuous offenders do not deserve the opportunity to serve a mere fraction of their sentences, then regain their freedom, only to return to a life of crime. Today, the United States is threatened and terrorized with so much violent crime that our criminal justice system fails seriously by not guaranteeing that criminals serve proper penalties. S. 2543 creates enhanced penalties for career criminals in order to insure a safe society to those who abide by its democratic philosophy. The time is past due for S. 2543. The American people want and deserve legislation of this caliber, so that we all can "stamp out" the violent and organized crime that daily terrorizes the American public. I ask the Senate to give this strong anti-crime legislation the urgent attention which it deserves.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR PRYOR

The PRESIDING OFFICER (Mr. RUDMAN). Under the previous order, the Senator from Arkansas (Mr. PRYOR) is now recognized for not to exceed 15 minutes.

THE OFFENSES OF DEFENSE LOBBYING

Mr. PRYOR. Mr. President, for some time now I have attempted to bring to the attention of the Senate my concern over contractors in the Department of Defense and other departments who charge against Government contracts their expenses for lobbying activities. I have also been concerned that, contrary to a clear prohibition against such activity, Defense Department officials lobby Congress in support not only of particular pro-

grams, but also in support of products manufactured by defense contractors.

To this end, I proposed an amendment to the fiscal year 1982 defense appropriations bill which the Senate approved. But it was dropped in conference. I then proposed S. 1969, a bill which would apply a prohibition on the use of appropriated funds for lobbying purposes, not only to Defense but to all departments.

It was therefore disturbing, though not surprising, to read press reports about the military-industrial complex and its efforts on behalf of the C-5 airplane. Through a sophisticated, computerized plan to influence the votes of Members of Congress on a multibillion-dollar program, a lobbying team composed of Defense Department personnel and the staff of a giant defense contractor and its subcontractors used resources provided by taxpayers to the Federal Treasury.

I can think of no better demonstration of the need for congressional hearings and legislation than these actions. No matter whether one favors the C-5 program or not, I think we can all be outraged that tax dollars are being used in this manner. What is, in fact, most disturbing of all is that this situation, bad as it is, reflects a way of life for the military-industrial complex. It is a way of life that needs to be ended. A strong defense requires tax dollars, but those dollars should be used for weapons and not political pressure.

Defense programs are perceived by the average taxpayer in this country as an alien landscape of strange and exotic dimensions. But this is not true for everyone. The fact is that contractors, who have so much impact on our defense posture, know exactly what is going on. They know because they are involved not only in producing weapons but also in policy, planning, and programing of those weapons and the procurement of those weapons.

Procurement by the Department of Defense has grown so much over the last 20 years that today even a single contract might be worth a billion dollars. During this time, the defense contractor has come to realize the importance of an office in Washington. While the major function of these offices in the 1950's was to provide information and monitor legislation, today's office emphasizes one concern—political pressure. It may be defined as "government relations," or "public affairs," but the application of pressure and influence has become the cornerstone to a contractor's success.

Pressure is aimed at both the Congress and the executive branch of Government. Designed to follow issues of importance to the contractor, it seeks to shape legislation, procurement, and appropriations decisions. Pressure also involves political strategy ranging from grassroots efforts and campaign contributions to direct contact with key figures in the Nation's Capital.

No one questions the right to lobby, Mr. President. There is a real advantage in having necessary information readily available, along with an interpretation of complex issues and professional advice on technical matters. This legitimate activity is guaranteed by the Constitution and appropriate costs are justifiably tax deductible.

The problem is that many of these expenses can by paid for by the public—not once, but twice—in the initial cost and later in the tax deduction. What is more, the taxpayer may pick up the tab for lobbying expenses of companies that fail to get the contract, thus inflating the price of these weapons systems.

It should be noted that the Department of Defense responded last year to the visibility of this issue, and I believe the Department should be commended for its efforts. Secretary Weinberger, on October 9, 1981, directed that the defense acquisition regulations be amended to prohibit the practice of contractors charging lobbying expenses against Government contracts.

I have also been led to believe that further revision to this regulation is being made to require that only a congressional request, in writing, will suffice as an exception to this general prohibition. As revised, this regulation could be an excellent first step and interim response to this problem. But even this response is less than adequate to resolve the issue. As written, this regulation is defective in two respects:

First, the regulation prohibits defense contractors from charging their lobbying expenses against Government contracts only where the lobbying activity is intended to influence legislation for the "procurement of specific supplies or services." All too often the issue before the Congress does not relate to "procurement of specific supplies or services," but rather focuses on a strategic decision or choice among alternatives directly related to fulfilling the military needs of a particular service or DOD as a whole. Issues such as whether we proceed with the B-1 bomber, the MX missile, or other weapon systems still on the drawing board, should not be subject to a different standard simply because they have not reached a production stage.

A second defect in this regulation is the substantive difference between a defense regulation and a prohibition expressed in statute. One must be subject to legislative consideration before the prohibition is removed, while the other can as easily be removed as it was established.

In addition to these defects, the C-5 experience raises real questions about whether this regulation is being enforced.

Mr. President, I believe it is imperative that the Congress express its voice on this matter. There is no reason for taxpayers to subsidize lobbying in any area of Government, especially when cuts are being made in many programs across the board. Debate over issues should be determined by which company sports the most impressive Washington office, uses the best computer, or generates the greatest amount of political pressure.

Mr. President, I ask unanimous consent that two recent news articles on the C-5 matter be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, June 22, 1982]

DESPITE LAW, AIR FORCE LOBBYING FOR LOCKHEED JET

(By Frank Greve)

WASHINGTON.—Air Force generals, barred by law from lobbying, are working hand-in-glove with the Lockheed Corp. on behalf of an aircraft the Air Force and Lockheed want Congress to buy.

A heretofore secret 96-page joint lobbying plan outlines a step-by-step strategy that gives a rare inside look at the way the Pentagon and a giant defense contractor combine to try to work their will on Congress.

That Air Force-Lockheed lobbying strategy includes lining up other defense contractors to support Lockheed and the Air Force. The leaked document also contains evidence suggesting strongly that the Air Force has coached and planted sympathetic uniformed witnesses in congressional hearings while muzzling or bypassing unsympathetic ones.

The issue is whether the government should buy 50 huge C-5 cargo aircraft from Lockheed for $98 million each or 48 smaller Boeing 747 freighters at $58 million each. Boeing, based in Seattle, contends its deal would be $6 billion cheaper over 20 years of operation. Lockheed, based in Burbank, Calif., and the Air Force challenge Boeing's claim about what would be saved. They also argue that only the C-5 is big enough for speedy airlift of tanks and artillery.

By law, no Air Force money can be used "to influence in any manner a member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress." That portion of the law, which carries a penalty of up to $500 in fines and a year's imprisonment, has not been enforced since it was enacted in 1948.

Indeed, several former Defense Department appointees characterized the Lockheed-Air Force campaign as lobbying as usual.

According to the lobbying plan, Lockheed and Air Force lobbyists for the C-5 have met almost daily since mid-May to coordinate their efforts and orchestrate the actions of subcontractors and congressmen committed to their plan.

On May 13 the Senate voted 60-39 in favor of the Boeing 747, so lobbying concentrates on the House, where a vote on the rival airplanes is expected during the second week of July.

Congressmen who back the C-5 do so, in part, with letters drafted by the Air Force

to their colleagues, signed by the congressmen. Rep. DAN DANIEL (D., Va.) chairman of the House Armed Services Committee's subcommittee on military preparedness, has used at least one such Air Force-drafted letter.

Another, described in the lobbying plan as a "soft-sell" letter, awaits distribution. "Attempts to have non-defense committee chairmen sign letter," is the assignment given to the Air Force Legislative Liaison Office by a lobbying team of top Air Force officers and Lockheed officials.

In a 27-page segment of the lobbying plan, called "C-5B Team Actions," the campaign is tersely outlined step by step. On May 26, for example, the Air Force agreed to "energize all military associations and obtain leadership and 'back home' support." Each service has such an interest lobby; the Air Force Association, for example, says it has 160,000 members.

On the same day, Air Force members of the C-5B Team agreed to "prepare paper and [congressional hearing] witnesses to highlight that Boeing's computer scenario is an isolated case study." The Boeing study had shown its 747 to have loading capabilities equal to the C-5B's for deployment to Southwest Asia.

To keep Air Force witnesses from making mistakes in congressional testimony, they were to be grilled in advance by a C-5B Team "Murder Board" composed of Air Force staffers armed with hostile questions, the plan shows.

Apparently there was some concern about testimony by the head of the Air Force's Military Airlift Command, who had strongly favored a third cargo plane, McDonnell Douglas Corp.'s C-17. "Need Gen. Jim Allen testimony to be strong on C-5 and no 747 prepared statement doesn't cover," reads the Air Force's June 14 instruction to itself in the plan.

Deciphered, that meant Allen was to make no comments on the 747 that had not been approved in advance by the Air Force.

Allen testified before the House Armed Services Committee on June 15 without reference to the 747. On that same day, Rep. Daniel called upon Lt. Col. Paul Godfrey from the hearing audience; Godfrey lauded the C-5B's ability to take off and land without a paved runway. A C-5 crew also was called from the audience by Rep. Jack Brinkley (D., Ga.), a pro-Lockheed congressman, to tell how easily the big plane could be loaded.

Godfrey had been flown in from California and planted in the audience by the Air Force, according to the C-5B Team document. The C-5 crew was part of an Air Force C-5 demonstration conducted for Congress last week at nearby Andrews Air Force Base, Md.

Air Force contractors also appear to have had arms twisted. On June 1, for example, the Air Force began wondering what to do about lobbying by contractors who supply both Boeing and Lockheed.

"Consider ways to obtain support of [Department of Defense] position from prime contractors and subcontractors," the document states. It named four who do business with both sides: E-Systems Inc. and Vought Corp., both of Dallas; Northrop Corp. of Los Angeles, and Pratt & Whitney Aircraft Group, a subsidiary of United Technologies of Hartford, Conn.

Col. Larry Shreve, associate director of the Air Force's Legislative Liaison Office, defended the energy of the lobbying effort. "If we didn't, the administration would have some claim to say we weren't doing our job," said Shreve. Similar campaigns are involved on all major procurements, he said.

The persuasion campaign on the C-5B, Shreve added, came only after a "very objective analysts" by the Air Force, which concluded that it was superior to the 747 for airlift purposes. "Once that decision was made, we are not objective. We make every effort to sell Congress that the administration's decision is the right one," said Shreve.

According to Shreve, the service's Legislative Liaison Office acts only in response to congressional inquiries. "We do not solicit them to my knowledge," he said. But the lobbying plan shows otherwise: the Air Force initiating dozens of meetings with congressmen and key aides to "obtain support."

Wally Raabe, a spokesman for Lockheed's Washington office, said the C-5B effort deals with a "Defense Department program involving a Lockheed product and we are vigorously supporting it." The campaign is intended "to make sure that congressmen and their staffs have accurate information on the issues involved—particularly in view of the vast amount of misinformation and distortion which this issue has generated."

Lockheed's general assignment has been to orchestrate lobbying from elsewhere in the aviation industry. It managed, for example, "to dissuade the ATA [Airline Transport Association] as a body from lobbying for 747," according to the plan.

Lockheed board chairman Roy A. Anderson also took on the task of neutralizing those airlines that own surplus 747 aircraft. Under one variant of the Boeing proposal, these planes could be refurbished and sold to the Defense Department at a considerable saving. Many already haul freight and passengers for the Pentagon.

In a letter to the board chairman of one such airline, World Airways Inc., Anderson warned that the 747 plan "could adversely impact airline revenues from government contracts." Whether Anderson was merely pointing out a fact—or hinting that the Air Force's displeasure might be costly to incur—could not be determined.

Lockheed lobbyists also appeared to be in charge of most direct congressional appeals. "Have Andy Young [the mayor of Atlanta and former U.S. ambassador to the United Nations] work caucus," was one Lockheed assignment. Young appeared in Washington June 17 to lobby the Black Caucus in Congress for the C-5B, which would be built at Lockheed's plant in Marietta, Ga.

Young paid his own airfare and expenses, according to his press spokesman.

Lobbyists for Boeing and its subcontractors have been about as numerous as Lockheed's, according to several Capitol Hill aides. Both manufacturers badly need the business. Boeing's surprise victory in the Senate followed a campaign by Sen. Henry M. Jackson (D., Wash.). Jackson, for example, reportedly threatened to withdraw future presidential campaign support from Sen. Edward M. Kennedy (D., Mass.) if Kennedy wouldn't vote for the Seattle-based company. Kennedy voted with Jackson.

Boeing, for its part, may have scored a public-relations coup. The Lockheed-Air Force documents were leaked by the Washington-based Project on Military Procurement, a public-interest group interested in military reform. The organization favors the 747. Its director, Dina Rasor, declined comment when asked if the documents had come via Boeing.

The larger segment of the lobbying plan, a 69-page "Congressional Contact Tally" shared by Lockheed and the Air Force, outlines in great detail the lobbying of each House member.

Former Transportation Secretary William T. Coleman Jr., for example, apparently has been assigned to contact several undecided representatives. Coleman's Washington law firm, O'Melveny & Meyers, represents Lockheed here.

Coleman is out of the country and could not be reached for comment.

Lockheed's many subcontractors also have assignments to sell congressmen on the C-5B. To lobbyists for General Dynamics Corp. of St. Louis, for example, fell the assignment to "work on (Sen. Carl Levin) (D., Mich.) and ask him to work on liberals."

Levin supports the C-5B, but an aide said he did so because of "its military capabilities." "We haven't been approached by General Dynamics, to my knowledge," the aide said.

Leaders of Defense-related congressional committees rate the most attention, according to the lobbying plan. The plan noted that Rep. Joseph P. Addabbo, chairman of the defense appropriations subcommittee, has received "one on one" sales pitches from Deputy Defense Secretary Frank Carlucci and Air Force Secretary Verne Orr.

Lockheed Corp. President Lawrence O. Kitchen and executives of Colt Industries and General Dynamics also visited Addabbo. They rate him undecided and note, "More work to swing."

[From the Boston Globe, June 22, 1982]

LOCKHEED'S BATTLE FOR A PLANE: AN INSIDE VIEW

(By Fred Kaplan)

WASHINGTON.—Three to four times each week, a dozen men meet in a Pentagon office to coordinate an intense lobbying and information campaign designed to protect an $8.2-billion weapons contract for the Lockheed Corp. that Congress is threatening to take away.

Calling themselves the C-5B Group—named after the Lockheed cargo-transport plane for whose cause they do battle—the men include Maj. Gen. Kelly Burke, Air Force deputy chief of staff for research, development and acquisition; Lloyd Moseman, Air Force deputy assistant secretary for logistics; a gaggle of generals, colonels and majors who work for Burke, the Air Force chief of staff or the Air Force legislative liaison office; and Richard Cook, Washington vice president of Lockheed. Before each meeting, copies of computer printouts listing all the actions taken by the C-5B Group, as well as up-to-date revisions and status reports, are handed out.

One such printout, covering actions taken up to June 14, was leaked by a Pentagon source to the Project on Military Procurement, a nonprofit research group in Washington that monitors weapons systems. The group provided a copy to the Globe.

The printout offers an unusually detailed glimpse of the way corporate executives work in tandem with military officers and political officials to shape policy and the spending of billions of taxpayers' dollars—in short, a documentary portrait of the day-to-day operations of what Dwight Eisenhower once called "the military-industrial complex."

President Ronald Reagan's fiscal 1983 budget contained $800 million to start production of the C-5B—a successor to Lockheed's C5A, an airplane of the '60s prone to dozens of troubles, including a $2-billion

cost overrun, wings that cracked after 2000 hours of flight and chronic breakdowns.

On May 13, Sen. Henry Jackson—with a lot of help from the Boeing Corp. in his home state, Washington—convinced a majority of senators that a modified version of Boeing's 747 wide-bodied commercial aircraft could do the job that needed to be done, and far more efficiently than the C-5. The Senate voted to take the C-5 out of the budget and to fund the 747 instead. Lockheed was in trouble.

The C-5B Group appears to have been formed shortly after the Senate vote, with a determination to keep the airplane alive in the House of Representatives.

The Group met three times the week of May 24, four times the week of May 31, three times the week after that, four times the following week, and at least once the week of June 14—the last date recorded on The Globe's copy of the computer printout.

In 12 days of meetings, the C-5B Group initiated 79 "Actions" to help save Lockheed in the House.

On May 24, the Group directed the Air Force: "Provide firm Sec Def [Secretary of Defense] position to two House Committees plus appropriate Key House leadership." That same day, Lockheed gave a draft of a letter supporting the C-5 to the Air Force. On June 2, according to the printout, the Air Force sent the draft to Secretary of Defense Caspar Weinberger. On June 4, Weinberger signed the Lockheed-drafted letter. On June 7 it was sent to Rep. Melvin Price (D-Ill.), William Dickinson (R-Ala.), Jamie Whitten (D-Miss.), Joseph Addabbo (D-N.Y.) and Don Edwards (D-Calif.)—all key members of the Armed Services or Appropriations Committee—and Robert Michel of Illinois, minority leader of the House.

On May 26, the group directed the Air Force and the office of the Secretary of Defense to get the support of House committee chairmen who normally have nothing to do with the defense budget—adding that such a tactic was used in selling the B-1 bomber.

In follow-up action, the Air Force drafted a "'soft-sell' Dear Colleague" letter and tried to get chairmen to sign it. "Dear Colleague" letters are frequently sent from one congressman to several others to request support of a bill.

Military officers are barred by law from lobbying, and by law, no appropriated government funds can be used "to influence in any matter a member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress." That portion of the law, which carries a penalty of a $500 fine or a year's imprisonment or both, has not been enforced since it was passed in 1948.

Other actions listed in the computer printout have the Air Force, the Pentagon and Lockheed composing questions and answers—"Q & A preparation"—to be used by friendly members in congressional hearings.

Asked about such incidents, an Air Force spokesman responded, "The Air Force has a responsibility to provide facts to support the Administration's decision. We selected the C-5 after a lot of study. A congressman asks for data and we provide it to him. That's part of our responsibility."

However, sometimes it seems that the Air Force prompts a congressman to ask for the data in the first place. When Rep. Norm Dicks (D-Wash.) sent a letter to colleagues arguing that the 747 was superior to the C-5B, the C-5B Group directed Lockheed to find some congressman "to request comments from AF [Air Force] on Dicks' letter."

In the status report on this action, it was noted that on June 3, Lockheed got Rep. G. V. (Sonny) Montgomery (D-Miss.) to put in the request. The next day, "AF response" was reported "in work." On June 11: "Draft prepared." On June 14, Lockheed was ordered: "Get AF ltr [letter] to Sonny Montgomery—responding to Dicks' point—distributed to members."

Told of the Montgomery case, the Air Force spokesman said, "Well, that is not the norm, but it probably isn't the exception, either."

The C-5B group attempted to get other defense contractors in on the lobbying act. On June 1, the Air Force and the Defense Department were directed to "consider ways to obtain support of DOD [Department of Defense] position [on support of C-5] from prime contractors and subcontractors like E-Systems, Vought, Northrop and P&W [Pratt and Whitney]."

A few days earlier, on May 25, the Air Force and Defense Department were told to "energize all military association and obtain leadership and 'back home' support." This endeavor partly fell through, however, when Air Force legislative liaison officers reported, "issue too split by contractors"—some were willing to go with Lockheed, but others had too much to gain from a Boeing win.

Nonetheless, D. C. Jones, president of Lockheed Missiles & Space Co., sent a telegram, copies of which The Globe has obtained, to major airline companies June 6 at the direction of the C-5B Group.

The C-5B Group has tried to attract not only hawkish supporters in Congress, but liberal doves as well. On May 25, the group decided that Lockheed should get Andrew Young, the mayor of Atlanta, who commands enormous respect among liberals, to "work [the Congressional Black] Caucus."

The C-5B would be built in Lockheed's plant in Georgia and provide an estimated 8500 jobs in the state.

Mayor Young's office confirmed that he was in Washington last Thursday, trying to persuade members of the House Black Caucus to vote for the C-5B. A press aide says that he was there for other reasons, as well, and that Lockheed did not pay Young's travel expenses.

On June 11, the group decided to ask General Dynamics, which manufactures the C-5's tail, to "work on [Sen. Carl] Levin (D-Mich.) and ask him to work on liberals. Also work Rep. [Morris] Udall (D-Ariz.)." Aides to Levin and Udall said no such contact had been made. In the C-5B Group computer printout, the space next to "Status" on this action was left blank as of June 14, suggesting that a contact had yet to be made.

A larger printout reveals that corporate political action committees, or PACs, are also being used in the campaign. Several California congressmen, including Republicans Robert Dornan and Barry Goldwater Jr., are said to be "PAC-wired." Beside many legislators names various corporate PACs are cited under the column, "Contractor Contacts."

The White House has also come under the C-5B Group's purview. "Further Action" for Rep. Tom Loeffler (R-Texas) includes "Coord. with White House Leg. Staff." Rep. Michel is slated to get "President Call and Sen. [Howard] Baker Call." Rep. Guy Vander Jagt (R-Mich.) will also receive "White House & House GOP leader contacts."

The printout notes that Michel's and Vander Jagt's positions on the C-5 are undecided or unknown.

The C-5B Group—a joint military-industrial operation—directed a governmentwide lobbying effort to keep the C-5 in action. On May 26, it directed Lockheed: "Work specific assignments to get member to member commitments in HAC, HASC [House Appropriations and House Armed Services committees] and other members."

Lockheed was also to "Get major subcontractors on board and working." The status update listed beneath this action reads: "Closed. Working hard."

Also on May 26, the group decided to "Maintain database and coordination on contacts and commitment for a tally count and further actions." On June 1 it was reported that Lockheed had put a "computer database in place."

Although there is a federal prohibition against using government funds for lobbying, Don Simon, a lawyer with Common Cause, in Washington, pointed out that the statute in question "has never ever been enforced." It's all "a very murky area," he said, with vague definitions of "lobbying" and a legislative history that provides little guidance for clarification or enforcement.

In many ways, the C-5B Group is little different from the normal range of activities pursued by defense contractors and their government allies in pursuit of large contracts. However suspicious and possibly illegal many of these actions may be, they represent the way Washington often works.

One Pentagon analyst who was shown the printouts believes the C-5B Group has gone beyond normal bounds, especially when they got the Air Force to compose the "Dear Colleague" letter for congressmen. "This is one seedy step farther than they've gone before," he said.

Another Pentagon official familiar with the printouts (but not their source) pointed to the C-5B Group's efforts to pressure other contractors and the entire airline industry. "It's unusually intense," he says. "I've never seen one handled quite this way."

Most unusual about the C-5B Group, he noted, is the thoroughness of the records of their actions and the fact that these records have now been exposed. "This is the military-industrial complex at work," he said, "stark naked, self-revealed and self-identified."

S. 2695—FEDERAL PROCUREMENT IMPROVEMENT ACT OF 1982

Mr. PRYOR. Mr. President, I am today introducing legislation aimed at correcting an expensive and chronic abuse of Government procurement; namely, the lack of effective and meaningful competition in the procurement of goods and services. This occurs despite the fact that several studies have shown that competition can reduce the price of goods and services by as much as 25 to 30 percent.

Last fall, the Committee on Governmental Affairs, under the leadership of Senator BILL ROTH, completed a series of hearings on the defense acquisition process. Throughout those hearings witness after witness, as well as members of the committee, lamented the absence of competition in DOD procurement.

This legislation translates those concerns into concrete action not only for DOD, but all agencies and departments. Simply put, it would require each executive agency head to establish full-time advocates for competition to assure that no opportunities for obtaining competition are neglected, and require that a policy regarding dual sourcing be developed.

Using the Department of Defense as an example is enlightening. DOD uses formal advertising and negotiation as the two basic procedures for purchasing goods and services. The Armed Services Procurement Act of 1947 requires DOD to procure by formal advertising whenever it is feasible and practical. According to the act, when a procurement is formally advertised, contracting officers should award the resultant contract without negotiation to the responsive and responsible bidder whose bid will be most advantageous to the Government, price and other factors considered.

The 1947 act also establishes 17 exceptions to the use of formal advertising, which provide DOD contracting officers with the authority to negotiate.

In fact, these 17 exceptions to the bid process, Mr. President, really offer enough exceptions through which it is possible to drive not one but three Mack trucks.

Generally, contracting officers must develop written justifications supporting a decision to negotiate rather than to formally advertise.

While formal advertising always involves price competition, negotiated awards may be either competitive or noncompetitive. In cases where formal advertising is neither feasible nor practical, contracting officers may negotiate with two or more qualified suppliers for first, the best price or second, the best design and/or technology within acceptable price range. In the first instance, the negotiated award is referred to as "competitively negotiated" since more than one potential supplier is involved. If negotiations are conducted with only a single supplier, however, the award is noncompetitive and is commonly referred to as "sole source."

Of particular concern to me is the fact that recent changes in Defense Department reports on procurement make it more difficult to determine how much competition is taking place.

According to a General Accounting Office study released March 8, 1982, DOD testified before the Senate Armed Services Committee that competition in procurement has reached 69 percent of DOD purchases. Unfortunately, when GAO analyzed the statistics, real competition was found to be less than 41 percent. DOD has simply changed the categories, included nonmilitary awards never previously included in the charts, moved some noncompetitive procurement subcategories over to the competitive side of the chart, and omitted some noncompetitive procurements.

While everyone should applaud higher percentages of competitive procurement, DOD must be encouraged to do so by awarding more contracts through competition not by changing the classification system. Indeed such manipulation of the figures can only discourage those of us in the Congress and among the taxpaying public who look forward to savings through real competition.

We can be certain, based on long experience, that the lack of meaningful price competition contributes mightily to a procurement environment conducive to rapid cost escalation. As of April 1982, for instance, the Federal cost growth from initial Congressional Budget estimates had escalated 132 percent in the Department of Defense. Procurement authorities agree that much of this escalation is attributable to the monopoly position of sole-source suppliers, where there is little incentive to hold down costs. Given the administration's call for a military budget that, net of inflation, will total nearly $300 billion by 1985, we can only expect cost escalation and overruns to continue unless action is taken to inject meaningful competition into defense procurement.

I recognize that there are circumstances under which true competition is impractical and an agency or department may have no alternative to sole-source procurement. For example, as a result of the 1973 oil embargo and the Federal Government's fuel allocation system, DOD had to negotiate most of its fuel purchases noncompetitively. Thus, its competitive fuel procurements dropped from 90 percent of fuel obligations in 1972 to only 45 percent in 1978.

Nevertheless, there is ample evidence that all agencies are missing legitimate opportunities for maximizing price competition and not fully exploring competitive alternatives.

In its July 29, 1981, report, the General Accounting Office pointed out that when a proposed procurement appears to be noncompetitive the contracting officer is responsible not only for assuring that competition is not feasible, but also for taking actions to avoid subsequent noncompetitive procurements. In short, noncompetitive buying should occur only when all attempts to obtain competition have failed. Both the GAO and the Office of Federal Procurement Policy have reported, however, that competitive opportunities are being missed because:

First, procurement officials lack or do not take the time to develop purchase descriptions needed to invite competitive bids.

Second, product specifications are written too restrictively and exceed minimum needs.

Third, contracting officers acquiesce to the specific procurement requests of headquarters, technical personnel, or end-users without performing market analyses to determine whether alternative suppliers exist.

Fourth, sole-source contracts are awarded in response to unsolicited proposals without justification as to why the goods or services could not be obtained competitively.

In addition to these reasons for missing competitive opportunities, I believe that DOD and civilian agencies are not taking fullest advantage of opportunities to dual source procurements. Under dual sourcing, annual buys of a given weapon system or piece of equipment are split between two suppliers, based on the quality and cost of their performances in prior years. By cultivating two sources, dual sourcing increases competition, thereby providing suppliers with an incentive to control costs. A recent study of procurements for which DOD used dual sourcing showed that unit costs were reduced by an average of 30 percent as a result of the incentives that competition provides.

Dual sourcing also helps to broaden the production base. This is an important benefit considering the erosion of the defense industrial base in recent years and the magnitude of the administration's proposed increases in defense spending. According to the Congressional Budget Office and other authorities, the defense buildup is likely to percipitate substantial inflation in defense costs, given the comparatively limited production base over which procurement dollars can be spread.

As I noted earlier, much of the defense procurement dollar, and I suspect a large percentage of the civilian procurement dollar, is represented by sole-source follow-on awards. It is this type of procurement which I think is particularly ripe for dual sourcing. Evidence of the potential advantages of dual sourcing was noted in the April 17, 1982, National Journal where it was reported that DOD had reached agreement with General Dynamics and McDonnell Douglas for dual sourcing arrangement to provide the Tomahawk—a tactical cruise missile. Under the agreement each firm is guaranteed at least 30 percent of the DOD Tomahawk purchases each year, but will compete with each other for the remaining 40 percent of component sales.

Mr. President, I recognize that dual sourcing may not be effective under all conditions. One must carefully analyze and weigh the additional investment needed to secure a second source of supply against the potential price reductions that competition can bring.

But dual or multiple sourcing is standard commercial practice in the private sector. The Federal Government has not fully explored dual sourcing opportunities in its procurement programs, and this fact is borne out by the complete lack of official policy or guidance to assist contract officials in exploring this possibility. In fact, to a large extent, dual sourcing is discouraged by the very fact that procurement statutes and regulations are silent on when and if dual sourcing should be considered, and what the relevant criteria and guidelines are.

Mr. President, this legislation would assure that the Executive branch is committed to increased competition and no longer ignores or overlooks competitive opportunities.

First, it requires all agencies to establish and report to the Congress a policy on the use of dual sourcing, including the conditions under which an analysis of the cost and benefit of dual sourcing should be performed by contracting officials and the methodology of the analysis. It also requires the various agencies to identify those procurement programs for which dual sourcing is currently employed.

Second, the bill requires the head of each agency and department to appoint at each of its major procurement offices an individual to serve as a full-time advocate for competition. While present regulations in theory make each contracting officer responsible for maximizing competition, the sad reality is that there is no clear responsibility and accountability for competition and contracting officers are acquiescing to the sole-source procurement requests of headquarters, technical personnel, or end-users. The advocates correct this condition by assuring that opportunities for competition are not lost or foreclosed by restrictive need statements, unnecessarily detailed specifications, poor procurement planning, or by arbitrary agency action.

In conclusion, Mr. President, let me emphasize that an effective procurement system—one which assures that we have the equipment and services we need, when we need them, where we need them, and at a cost we can afford—is critical to our Government's functions. This bill makes procurement more efficient and effective because it commits the various agencies to concrete action for increasing competition in procurement spending.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Federal Procurement Improvement Act of 1982".

SEC. 2. For the purposes of this Act—

(1) the term "dual source procurement" means the competitive procurement by a purchasing and contracting office of identical property or services from each of two or more sources, in which the largest share of the procurement is given to the source that provides the property or performs the service in most cost-efficient manner and that has an acceptable performance record;

(2) the term "executive agency" has the same meaning as provided in section 4(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 403 (a));

(3) the term "advertising" includes advertising, as provided in section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253), and formal advertising, within the meaning provided in section 2302(3) of title 10, United States Code; and

(4) the term "negotiating" includes negotiating without advertising under section 302(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252(c)), and negotiating within the meaning provided in section 2302 (2) of title 12, United States Code.

SEC. 3. (a)(1) Except as provided in subsection (c), there is established in each purchasing and contracting office of each executive agency an advocate for competition.

(2) Each head of an executive agency shall—

(A) designate one officer or employee of each purchasing and contracting office to serve as the advocate for competition;

(B) relieve such officer or employee of all duties and responsibilities other than the duties and responsibilities of the advocate for competition; and

(C) provide such officer or employee with such staff or assistance as may be necessary to carry out the duties and responsibilities of the advocate for competition.

(b)(1) The advocate for competition shall promote competition in the procurement of property and services.

(2) The advocate for competition shall—

(A) review the purchasing and contracting activities of his office;

(B) identify and report to the head of the office—

(i) opportunities to achieve competition on the basis of price in the purchases and contracts of the office;

(ii) solicitations and proposed solicitations which include unnecessarily detailed specifications or unnecessarily restrictive statements of need which may reduce competition in the procurement activities of the office; and

(iii) any other condition or action which has the effect of unnecessarily restricting competition in the procurement actions of the office; and

(C) prepare and transmit to the head of the executive agency an annual report describing his activities under this section.

(c) This section shall not apply in any fiscal year to any purchasing and contracting office which, during the preceding fiscal year, made purchases of and entered into contracts for property and services of a total amount which does not exceed $25,000,000.

SEC. 4. (a) Not later than 120 days after the date of enactment of this Act, the head of each executive agency shall transmit to the Committees on Governmental Affairs of the Senate and Government Operations of the House of Representatives a report including the information specified in subsection (b). Not later than March 31 of the year after the year in which the report required by the preceding sentence is transmitted, and annually thereafter, the head of each executive agency shall transmit to such committees a report including the information specified in subsection (b) with respect to the fiscal year preceding the year in which the report is transmitted.

(b) Each report transmitted under subsection (a) shall include—

(1) with respect to each executive agency, the number and total dollar value of purchases of and contracts for property or services awarded during the preceding fiscal year after—

(A) formal advertising;

(B) negotiating with more than one prospective source of property or services and evaluating the proposals for purchase or contract on the basis of price and factors relating to price;

(C) negotiating with more than one prospective source of property or services and evaluating the proposals for purchase or contract on the basis of design or technical factors and not on the basis of price;

(D) negotiating with only one prospective source of property or services which has not previously provided to such executive agency the type of property or services being procured, and evaluating any proposal for purchase or contract submitted by such source on the basis of price, design, or technical factors; and

(E) negotiating with only one prospective source for property or services of the same kind as such source has provided under a prior contract awarded by such department under circumstances described in subclause (A), (B), (C), or (D);

(2) a detailed statement of the policy of each executive agency with respect to the use of dual source procurement to purchase or contract for property or services, including a description of—

(A) the circumstances under which the contracting officers of the executive agency are required to analyze the benefits and costs of using dual source procurement to purchase or contract for property or services; and

(B) the methodology such contracting officers are required to use in analyzing such benefits and costs; (3) a list of all dual source procurements the executive agency makes or intends to make during that fiscal year;

(4) a specific description of all actions that the head of the executive agency intends to take during that fiscal year to—

(A) increase competition for contracts with the executive agency on the basis of price; and

(B) reduce the number and dollar value of contracts negotiated by the executive agency with only one source; and

(5) a summary of the activities and accomplishments of the advocate for competition of the executive agency.

SEC. 5. The Administrator for Federal Procurement Policy shall promulgate regulations governing the use of dual source procurement by all executive agencies.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond the hour of 10:40 a.m., with Senators being allowed to speak therein for not more than 5 minutes each.

The Chair, in his capacity as a Senator from New Hampshire, suggests the absence of a quorum. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that there be entered special orders for the recognition of Senators BAKER, STEVENS, PACKWOOD, and TSONGAS for not to exceed 15 minutes each on Thursday, July 1.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT CARD ON WILLIAM FRENCH SMITH

Mr. THURMOND. Mr. President, as chairman of the Committee on the Judiciary, it is my responsibility to be aware of the activities of the Department of Justice. Close contact with the Department is dictated both by the oversight responsibility of the committee and by the very nature of those matters falling within the jurisdictional authority of the committee.

Over the past 18 months, I have come to know and genuinely admire Attorney General William French Smith. He is a man of great depth who, although preferring to work quietly behind the scenes, has the courage and integrity to make his voice heard when circumstances dictate. I have found him to be a pillar of reliability and strength in the Reagan Cabinet.

The position of Attorney General requires the services of an individual who is not only an excellent, highly regarded lawyer but also one who possesses the ability to successfully manage one of the largest agencies of the Federal Government.

Believing Attorney General Smith to be one of the best Attorneys General in memory, I was pleased to note an article entitled "A Report Card on William French Smith," written by Steven Brill, which appears in the July 1982 issue of the American Lawyer.

Mr. President, while I would not agree with every conclusion reached by the author of the article, I do heartily concur in his assessment that William French Smith is the most effective Attorneys General in recent history. I ask unanimous consent that the article be printed in its entirety in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REPORT CARD ON WILLIAM FRENCH SMITH

(By Steven Brill)

Publicly, William French Smith's demeanor ranges from reserved to stern. Publicly, Smith is a poor, even listless speaker with little exciting to say. Publicly, Smith is cautious, a non-leader who refused for 16 months to take a stand on the obvious unconstitutionality of legislation to limit Supreme Court jurisdiction. Publicly, he is invisible to most of the people who work for him. Publicly, he seems to be exactly as New York Times columnist Anthony Lewis described him on January 28 in a piece entitled "Mr. Zero Goes to Washington"—a "Rodeo Drive [Beverly Hills] Warren Harding."

After all, when Lewis wrote that column, Smith's Justice Department had just turned the previously settled question of tax exemptions for racist private schools into a debacle of policy reversal and re-reversal. The talk of the D.C. cocktail circuit was that Smith was not in control of his department and that his deputy, Edward Schmults, was the real power at Justice. The attorney general appeared to be fulfilling the lack of promise he had shown a year before at his confirmation hearings, where he had testified that he did not feel qualified to answer the elementary questions put to him about antitrust law, about searches of newsrooms ("The name [*Zurcher* v. *Stanford Daily*] is very familiar, [but] I can't tell you in what context"), about legislative vetoes, and about civil rights policy (including the constitutionality of federal aid to segregated *state*-run institutions). All he seemed to offer was his record as a labor lawyer of less-than-world renown at Los Angeles's Gibson, Dunn & Crutcher and his status as a Reagan friend and fundraiser. In short, Lewis's epithet seems altogether reasonable.

But it is way off the mark. A closer look at what's going on at the Justice Department suggests that Smith is anything but Mr. Zero.

The 64-year-old attorney general has more than overcome what some say was a slow start and what he says was a necessary period of gearing up. For better or for worse, Smith has in his own quiet way become the most effective attorney general to serve since an equally unprepared Robert Kennedy was named to the post in 1960.

I use five criteria in judging the effectiveness of an attorney general: (1) ability and willingness to manage the Justice Department mega-bureaucracy, in order to get hold of key decisions and steer them in accordance with the president's policies; (2) ability, nonetheless, to be independent of the White House or any other political interference having to do with the attorney general's job as impartial law enforcer; (3) the quality of the legal product the attorney general and his staff produce; (4) the quality of the judges and U.S. attorneys he advises the president to appoint; and (5) his ability and willingness to be a leader in fulfilling his vision of the American ideal of justice for all.

In the first three categories, Smith is clearly a winner, and a surprise winner at that, given the way many seem ready to share Lewis's assessment. In the fourth category, judicial selection, his otherwise good record has been marred by a wholesale neglect of black America. In the fifth category, standing for justice, Smith is a failure; perhaps as part of a strategy to maximize his effectiveness in some of the other categories, he has shied away whenever he could from taking positions and articulating a broad vision—in short, from leading the country as the nation's top justice enforcer.

Beyond the question of Smith's effectiveness, there is the question of the effect of that effectiveness. To those who view antitrust enforcement as having become counterproductive in an age in which the country needs big, tough companies to compete in the world market with the German and Japanese giants, Smith is a savior. To those concerned about the conglomeratization of America, he is a threat. To those who think the rights of the law-abiding have been lost to needless concern for the rights of criminals, he is a welcome relief; to those with a slippery-slope view of the need to be ever vigilant about police or prosecutorial abuse, he is a clear and present danger. To those who view themselves as innocent defendants in an overreaching fight for civil rights, he is a long overdue hero; to those who see themselves as plaintiffs or amici in that fight, he is a disaster, unsurpassed even in the Nixon era.

Smith will read that last paragraph and blanch. He shies away from that kind of confrontational, your-side-or-my-side view of politics. A corporate lawyer, not litigator, of 36 years, his instinct is to get things done by characterizing that which separates him from the guy on the other side of the table as narrowly as possible, always emphasizing the common ground. It is a professional instinct that matches his personality. Smith is a "nice guy," a man who doesn't take himself so seriously that he can't be civil, even affable, to those who oppose him.

Even a facetious statement by a friend of Smith's triggers that accommodating urge. Referring to the Reagan administration's hard line against the striking air traffic controllers, a policy Smith masterminded, Jerome Byrne, a Gibson, Dunn partner who worked with Smith on labor matters for clients that included the breweries and utilities of southern California, says, "I suspect the PATCO strike was like a Walter Mitty situation for him. All your career you have to tell management clients that 'no. You can't fire the —— on strike.' And then you wake up one day and find that your client is the president and the workers are barred from striking, and you fire 'em. It must've been a great thrill."

NO PROSELYTIZER

Sitting in a hardwood chair in front of his desk, his dark suit matching the image he projects in the press while his unforced smile and frequent quips contradict it, Smith laughs off Byrne's suggestion, saying that PATCO was "an interesting situation" but that it was an exception, that normally the "right to strike is as important in the economic arena as the right of free speech" is in the political arena. He will not be trapped by a reporter, or anyone else, into extending PATCO into a broader management-versus-labor debate.

And so it is with all the issues Smith confronts; his rhetoric is the non-rhetoric of a corporate lawyer for whom debates over abstract principle are counterproductive indulgences. Thus, the differences between the Smith position on the Freedom of Information Act and the position of most of the press, which through various editors' and publishers' groups has attacked Smith's proposed reforms as a cynical assault on open government, are characterized by Smith and his aides as mere differences over how to make the information act work better; and the fierce criticism by civil rights groups of Smith's retreats on busing and affirmative

action are termed by Smith as "differences in remedies, not rights." Smith is happy to leave speechifying on broad principles to Cabinet members such as Secretary of the Interior James Watt (a right-wing litigator-activist), who consequently attracts rabid opposition that transcends any single decision he makes.

The Smith approach works: his department's dramatic policy reversals—such as putting illegally immigrating Haitians in detention camps or severely restricting the government's cooperativeness under the Freedom of Information Act via a simple change in litigation procedure—have been achieved without the angry widespread opposition one might have expected.

However practical, Smith's non-confrontational nature seems real, born of real tolerance. "At the firm Bill was no proselytizer," says Byrne. Despite long association with President Reagan as a patron and supporter through the sixties and seventies, Smith's service as chairman of the firm committee responsible for deciding on political contributions is recalled by Gibson, Dunn lawyers as having been determinedly bipartisan. "We gave to Democrats as well as Republicans," says one partner. "And he only solicited his good friends privately for Reagan while encouraging everyone, Democrats and Republicans, to get actively involved with campaigns they believed in."

In offering an example of what most friends cite as Smith's best quality—"his sound judgment" in advising clients—Byrne recalls another instance of Smith's lack of ideological hang-ups. "Eighteen years ago in a result of the free speech movement at Berkeley, the board of regents asked me to head a commission to investigate unrest in the California university system. Before I took the job, I consulted Bill, who sat down with me and told me how he thought I should position myself in order to gain maximum independence—what title I should ask for, how I should draft my charter, et cetera. . . . I consider his advice to have been crucial to the way I was able to do the investigation and the report."

Byrne was, and is, a liberal-leaning Democrat, and Smith's advice helped assure the independent authority Byrne needed to issue a report rebutting right-wing allegations that the Berkeley demonstrations had been part of a communist conspiracy and calling for liberal reforms at the university.

It is no surprise, then, that over the years Smith has become a friend of Paul Ziffren, the veteran entertainment lawyer who has been one of the key activists in the state Democratic party for more than two decades. "We met when he was speaking somewhere for Eisenhower in 1952 and I was appearing for Stevenson," recalls Ziffren, who in 1979 was lured by Smith into merging his firm into Gibson, Dunn. "I liked him because in all the debating we did, he never lost sight of the fact that maybe, just maybe, his opponent might be right—that his opponent isn't necessarily stupid or subversive or ignorant." "Bill has his own strong beliefs," notes Byrne, "which I characterize as the New England conservative. [The Harvard Law-educated, New Hampshire-born Smith is descended from a wealthy Boston family.] He's a man who wants government to leave people alone."

Yet Byrne adds, "I'd be surprised if Bill believed in or wanted to waste time with some of the New Right's agenda—you know, like a constitutional amendment against abortion. He's too practical to get involved in that, and it goes against his beliefs that government should leave you alone."

Smith is also too practical, or too timid, to respond directly to his former partner's suggestion that he might disagree with his president on abortion or anything else; he's happy to talk about his belief that the "smallest unit possible should make decisions, not big government," but when asked if the smallest unit appropriate for abortion decisions isn't the family or the woman involved rather than Congress passing amendments, he says, "I don't want to get into the question of abortion."

Such taciturn loyalty doesn't surprise Byrne, who concludes that "Bill is preeminently the quintessential private lawyer, always working quietly behind the scenes for someone else. His whole demeanor is that of a private lawyer, totally self-effacing. . . . I kidded him after the election," Byrne continues, "that he should hold out for secretary of state becasue most presidents are really their own secretaries of state and, so, the secretary should be self-effacing, whereas as attorney general you're in the department that's supposed to be the most independent of the White House. There [at Justice] you're largely your own client, and you have to be a spokesman for yourself and develop your own program."

GETTING COMFORTABLE

Initially, Smith did not enjoy that out-front role. "The beginning was a very difficult time," Smith recalls. "It was like taking over a new corporation and having to hire all new executives. . . . There was also the problem of moving, of filling out tax forms, and of filling out all those financial disclosure forms of the Ethics in Government Act, which, if you didn't have that recorder on, I'd refer to with a few expletives."

He might also have thrown in a few expletives for how the press treated him during those first months. It was a time when his efforts to master his job and put his team in place—"a goal-oriented time when you don't stand on the rooftops and shout about how great you are," he says—led to stories that Ronald Reagan's kitchen cabinet friend and personal attorney was a figurehead whose major activity was appearing with his wife at various social events, including a party attended by the ever-investigated Frank Sinatra, for which Smith was pilloried in two New York Times columns by William Safire.

"Bill called me the day after the first Safire column," recalls one of Smith's friends at Gibson, Dunn. "He told me he had run into Safire at a party the night the column appeared and really told him off. I told him he'd made a mistake, that Safire would just write another column, which he did. It really stung Bill.

"But by December," the same friend adds, "Bill came back and had dinner with a bunch of us at the firm and told us that he now was enjoying meeting with reporters—that he liked being out there on his own with them." The same friend notes that "whereas in the beginning Bill would tell us how the job had all these things he's never really thought about, like immigration, drug enforcement, prisons—'I have all these goddamn prisons to worry about,' he complained once—he now seemed to like those areas. . . . He'll stay all four years," the close friend concludes, "unless Reagan appoints him to a Supreme Court vacancy, which I think Bill wants and will get."

FUNNEL VISION

Smith's way of running his 54,000-employee, 4,300-lawyer department is radically different from that of his most recent predecessors, Edward Levi and Griffin Bell. (Benjamin Civiletti's caretaker year following Bell's departure in 1979 is distinctive only for the way he insulated himself with 12 special assistants and was thoroughly discredited in the Billy Carter investigation.) Think of Levi as a professor, Bell as a judge, and Smith as a large law firm's senior corporate partner, and the differences become clear and explainable.

Levi, the former University of Chicago law school dean and university president, was professorially detached from much of what went on in his department. He devoted himself to pondering a small number of key projects, most notably guidelines for the reform of intelligence agencies. His deputy, Harold Tyler, Jr., ran most of everything else, using morning meetings of the top staff to coordinate things. Smith himself chairs such meetings, which 13 top aides attend.

Bell was known for his quick, judge-like rulings. Says Kevin Rooney, who has served as assistant attorney general for administration and head of the Justice Department Management Division under both Bell and Smith, "Bell was inclined to give his views and let everyone scurry around trying to dissuade him if they wanted to. But Smith is more likely to wait—to have issues raised to him by the staff after they've worked on it."

The best way to understand how these issues get staffed is to think of a funnel standing on its base, with Smith, in the style of a senior corporate partner, at the top dealing with the outside client, distributing assignments to the staff, and approving and putting final touches on the product that the staff produces.

Other than Smith, the only people at the top of the funnel are Edward Schmults, 51, the deputy attorney general, and Kenneth Starr, 36, Smith's counselor.

Schmults was a deputy White House counsel and Treasury Department general counsel in the Ford administration. Before and after his Washington stint, he was a partner at Wall Street's White & Case. A large man, Schmults is tough, direct. His politics are conservative.

Starr ("Heavy Hitters," *AL*, May) was a young partner in the Gibson, Dunn Washington office who impressed Smith so much with his volunteer work on the transition team that he quickly became the new attorney general's closest aide. A former Warren Burger clerk, Starr is friendly, intensely loyal, and nice (in an un-phony way) to everyone he deals with. He is the kind of avid conservative who infuriates liberals by refusing to show the mean, selfish side that liberals suspect motivates all those on the right.

Starr sifts all of Smith's mail and sits in on most of his meetings. He still finds time to handle his own projects, such as the investigation of Sandra O'Connor's record and the preparation for her confirmation testimony (which featured about as many noncommittal answers as Smith offered in his own bout with the senators).

Just below Smith, Schmults, and Starr in the funnel are the 11 top aides who attend the daily 8:45 a.m. meetings (see photo, page 32). The meetings last about half an hour. They are informal; people don't hesitate to call Smith "Bill" or to joke about negative stories in the press. But they're also quick and crisp, a tone pushed by Schmults, who always seems to think they last too long.

One rung below this group are the assistant attorney generals in charge of the department's various litigating divisions: Tax,

Civil Rights, Civil, Criminal, Antitrust, and Land and Natural Resources, plus the heads of the Justice subagencies such as the U.S. Marshals Service, Immigration and Naturalization, the Bureau of Prisons, and the FBI.

Among those division chiefs there are no clinkers, no obviously unqualified patronage choices. Rather, most are qualified, if unspectacular, Republican lawyers. For example, J. Paul McGrath, the head of the Civil Division, is an accomplished "big case" trial lawyer who left a partnership at New York's Dewey, Ballantine, Bushby, Palmer & Wood; he wanted a change of pace, and a partner at the firm was able to get him an interview with Schmults.

Smith has a regular monthly meeting with the top staff of each of these divisions and agencies. Half the time he goes to the division's office and asks the assistant or director in charge to invite a larger group of a dozen or so division staff members. Otherwise the meetings are in his office or in the A.G.'s conference room and involve a smaller group from the division.

Schmults, Starr, and an assistant or two of Smith's or Schmults's sit in on all of the meetings. The division chiefs prepare an agenda and usually a background paper for each meeting; Smith invariably studies them beforehand. He is a careful, voracious reader—a fact appreciated by his own staff and his White House colleagues. "He is exceptionally well prepared at Cabinet and other meetings," says White House counsel Fred Fielding. "He is not someone who can't talk without a staff member next to him ready to chime in."

Between those regular division meetings Schmults will meet more frequently for an hour or two with the division chiefs to go over specific problems; and Associate Attorney General Rudolph Giuliani, and often Schmults, will meet regularly with the field agencies. In addition, Schmults approves all federal government settlements of civil cases amounting to payouts of $750,000 or more; he is also in charge of all sensitive congressional correspondence, and he must approve all letters that are drafted for the attorney general's signature.

From that description it sounds as if Schmults is doing more of the real work, an impression bolstered by the pounds of briefing memos and action reports that are forever piled up on his desk and by the fact that Schmults's daily schedule is almost always more crowded than Smith's. But that's not the whole story.

First there are the Cabinet meetings and Cabinet council meetings that Smith must attend at the White House, which add up to three or four sessions a week. Smith sits (alone, without staff) on four Cabinet councils, involving natural resources and the environment, economic policy and trade, human resources, and legal policy, which he chairs.

Also, Smith has made it a point to convene weekly meetings of a judicial selection committee. In making their choices, Smith and his people have almost completely overlooked black America; only one of 59 judicial choices and none of 80 U.S. attorney picks has been black. This gaping oversight aside, Smith—as he did when he advised Governor Ronald Reagan informally on judges in California—has selected generally qualified people, often despite senatorial pressure to the contrary. (The only bad choices I could find out of 45 district judge appointments were John Shabaz in Wisconsin and the wholly inexperienced Clyde Hamilton in South Carolina, who is a former aide and hometown neighbor of Judiciary Committee chairman Strom Thurmond.)

Despite these kinds of scheduled sessions, Smith's calendar is, indeed, lighter than it could be, for he has fashioned an efficient system for finding out about, and getting deeply involved in, the department's most important work; and he deliberately leaves flexibility in his schedule to allow him to plunge into such areas as they arise.

"Bill has a good feel for when to step in and when not to," says Giuliani. Thus, Carol Dinkins, the assistant attorney general in charge of the Land and Natural Resources Division, who is generally considered Smith's best division chief, finds Smith's management style "just the way I like it. It's not intrusive, but it's involved.

"If I have a particular matter that I know needs his attention, I can just call and get on his calendar for fifteen minutes or a half hour, because he keeps his schedule flexible," says Dinkins, a former Vinson & Elkins partner who, like most assistant A.G.'s, was recruited in a procedure that included a long interview with Schmults, then a meeting with Smith attended by Starr, who had briefed Smith to be sure to ask Dinkins what she felt about what big business interests see as the problem of environmental groups not being challenged for standing by the government when the filed *amicus* briefs.

Smith has pushed Dinkins to follow up on that standing question, which she has, much to the consternation of environmental groups. And on this and other issues Smith and Dinkins have led a turnaround in government environmental litigation policy, tilting it sharply toward business interests. Nonetheless, Dinkins is no fanatic, and she has frequently clashed with extremist Interior Secretary Watt and his Interior Department lawyers over how far the government can go in various cases. Smith has backed her effectively. "If I know I'm going over to talk to Secretary Watt, I want to be able to say, 'I've spoken to the attorney general about this, and he concurs,'" she says. "If you need the A.G., he's available. If you need him to call someone or go see someone for you, he does it. And when you meet with him, if you ask him to prepare by reading something in advance, he always does it, so you're not wasting your time with him going over what he's supposed to have read."

F. Daniel Frost, The Gibson, Dunn management committee chairman who became a senior partner with Smith in 1962, notes that when lawyers get out of law school "they're generalists. Then they become specialists. As you get to be a senior partner, you become a generalist again. You let others do the specialized work while you deal with clients."

In Smith's case the specialty was labor, and union lawyers who remember his bargaining-talk days describe him as cool, determined, efficient, but neither the most bullheaded nor the most skillful adversary they faced. Later, as a senior partner working "for a client such as Reagan or the Irvine Ranch [the giant southern California real estate complex], Bill was the contact man," recalls Byrne. "He was not the kind of partner who billed a lot of hours doing legal work. He was more involved in client development through his business and community activities outside the office."

Smith was, in fact, so frequently away from the office and so disinclined to spend time getting to know people when he was there that most associates and many partners hardly knew him. "We used to kid Bill about how aloof he was," says Frost.

For all his accessibility to his department heads and his contact with handfuls of their subordinates at regularly scheduled meetings, Smith's aloofness at Justice is as noticeable as it was at Gibson, Dunn. Larry Simms, who has worked as an assistant in the Office of Legal Counsel since Griffin Bell's days, says that "Smith works with a much more tightly knit group of people and draws less on the career folks than either of his two predecessors. Bell and Civiletti tended to go down further into the bureaucracy in terms of meeting with people and relying on advice."

Thus, Simms notes, "I've had much less contact with Smith as a special assistant in this office than I had as a staff attorney here under Bell. I'd go to every meeting with John Harmon [the predecessor to Theodore Olson, Smith's Office of Legal Counsel chief] and Bell. Ted [Olson] seldom if ever takes anyone. And that's not his predilection; it's the A.G.'s. . . . Within two weeks after Ben Civiletti took over, he just popped into my office. Things like that have a tremendously positive effect. But Smith is just not that kind of person, and there's no use in him faking it."

Management Division chief Rooney concedes that while he admires the "unprecedented way" Smith involved himself in Rooney's budget process last year "in order to really learn this department," Smith's aloofness costs him some morale-boosting opportunities.

But Rooney also notes that the attorney general's more efficient staffing system provides some compensating gains. "Civiletti had thirteen assistants, and his associate A. G. [John] Shenefield had about twelve," he recalls. "So whenever any division chief tried to call Civiletti or Shenefield, you'd get a call back from one of these little aides. You'd get disgusted. You'd stop bothering Smith's staff and Schmults's staff are small. And they help you get to the guy rather than block you."

THE SMITH AGENDA

All this smart, methodical staffing and unrelenting homework add up to an attorney general who has been personally involved—in formal policy meetings, in ad hoc strategy sessions, in document drafting, in congressional lobbying—in as impressive an array of Justice Department policy and legislative initiatives as has ever been attempted in such a short time: proposed changes in the Foreign Corrupt Practices Act (which will help businesses compete legitimately or spread ugly-American corruption, depending on one's view); changes in the Freedom of Information Act; stepped-up efforts to go after delinquent recipients of student loans; immigration reform; reform of criminal law and procedure; reorganization of the drug enforcement apparatus; a reversal of environmental litigation policy; sharp modification of antitrust policy (allowing almost any vertical merger); a proposed end to the post-Watergate Special Prosecutors Act, an action that would give back to the Justice Department jurisdiction over investigations of the president and his top aides; and a turnaround in how the civil rights laws are enforced.

Three areas—immigration, crime (including drug enforcement), and civil rights—have most occupied Smith personally, and they seem to be his highest-priority issues. What he has done in each area illustrates the extent of his effectiveness as a manager

and policy maker, as well as his limits as a problem solver, as a law enforcer, and as the leader of the federal agency charged with providing justice.

BORDERLINE JUSTICE

However else people disagree on what to do about those who sneak their way into the American dream, there is little disagreement that our country has lost control of its borders. More immigrants entered the United States in 1980 than in any other year, including the years between 1880 and 1921 that covered the nation's great immigration tides; and most entered illegally. To his credit, Smith quickly perceived immigration as the most pressing problem facing his department. "Bill got so involved in it so early on that I was able to stay out of it almost completely," says Schmults.

Working with Starr and then-special assistant David Hiller, Smith (who read nearly as much on the subject as the staffers) developed a long-overdue comprehensive immigration legislative and enforcement plan, parts of which have already been implemented.

There is much to criticize about it. The enforcement package includes the unprecedented incarceration of newly arrived illegal immigrants—a policy that keeps illegal boat people from melting into the community prior to their exclusion or deportation hearings and presumably deters their countrymen back home.

The Justice Department-sponsored but legally questionably high seas interdiction by the Coast Guard of Haitian refugee boats is also a deterrent, and one that probably saves a lot of drownings. Yet because the overwhelming majority of the new arrivals are black Haitians, rather than previously welcomed, or tolerated, Soviet Jews, Cubans, or Nicaraguans, the incarcerations without hearings have the appearance, if not the reality, of racism and are certainly hardhearted if not inhumane.

As on-top-of-things as Smith tries to be, he has yet to visit one his Immigration and Naturalizations Service's "detention centers" that house the Haitians. True, by bringing in Bureau of Prisons personnel to help at the centers, conditions there have improved, but a surprise visit by Smith to any of the centers—I went to the one in Miami and have talked to lawyers who have been to the others—might make him more hesitant about breezily emphasizing to me and other reporters how much better things are at these barbed-wire mockeries to the Statue of Liberty.

Underpinning the detention policy is the effort by Smith and his people to deny the Haitians status as political refugees, though many can show histories of political persecution and can make a good case they will be tortured or executed by the brutal right-wing Haitian regime if they are sent back. Nicaraguans fleeing the left-wing Sandinist government have faced no such opposition, a distinction that Giuliani attributes to the timing of the policy, which came after the Nicaraguans had fled.

That anti-Haitian policy was initially enforced last summer by several weeks of exclusion hearings in the Immigration and Naturalization Service's kangaroo courts. The hearings were so devoid of due process—the Haitians' handful of lawyers were often expected to cover several hearings at once, and the judges were plainly one-sided—that a federal judge enjoined their continuation pending improvements.

The Smith legislative package is more defensible. Its amnesty for illegal immigrants who have been here for more than ten years, combined with long-overdue though still relatively mild sanctions against employers who hire undocumented aliens, makes good sense.

The American Civil Liberties Union has criticized the employer sanctions (while not praising Smith's refusal to propose ACLU-dreaded, but often-suggested, worker identity cards) because, the ACLU says, punishing employers for hiring illegal aliens will make them more reluctant to hire all foreigners for fear that some might be illegal. This is an absurd position, roughly equivalent to opposing child labor laws because employers will be afraid to hire young-looking workers. But the ACLU is on firmer ground in opposing the Smith administration's recent raids on workplaces suspected of harboring large numbers of illegal aliens. There were clumsy, abusive police actions that violated rights and accomplished nothing other than to provide a reminder of how far the Immigration and Naturalization Service needs to go to become a competent, lawful organization.

Nonetheless, Smith deserves credit for putting together a specific, comprehensive proposal—one that has gained bipartisan support and now seems likely to fare well in Congress in the form of a modified bill sponsored by Democratic Representative Romano Mazzoli and Republican Senator Alan Simpson—and for getting more involved in this neglected crisis than any attorney general in history.

CRIME AND DRUGS

In the area of crime, including drug law enforcement, Smith has relied more on his aides—principally Giuliani and his assistant Jeffrey Harris, both former prosecutors. Two months after taking office, Smith appointed a special task force (chaired by former Attorney General Bell and Illinois Governor James Thompson) to study how the federal government could help fight violent crime. He made sure he could control it by mandating that it complete its work within six months *and* that it be staffed by Harris rather than outsiders hired by the task force members. This makes the Smith violence task force either an example of effective governing or fraudulent governing, depending on how cynically one views the substantive role of such blue-ribbon panels.

"We had a blueprint of what we wanted them to come up with going into it, and that's how they came out," says Harris, who adds that he wrote the agenda for each task force meeting, scheduled its witnesses, and drafted the final report. The result was a series of recommendations that had the drama and credibility of the deliberations of a bipartisan, big-name panel but which was the Smith Justice Department's crime plan.

Thus far, the Reagan administration has accepted all but two of the panel's recommendations, either proposing them to Congress (such as bail reform and limits in the exclusionary rule in federal cases) or implementing them by executive action (such as the transfer of excess federal property to states for use as prisons, the empaneling of crime-fighting coordinating councils in all 94 judicial districts, chaired by the local U.S. attorneys, and a system of trading federal and state prosecutors so that one can practice in the other's courts if his expertise is needed).

One of the crime proposals the White House has not supported is a $2-billion federal prison-building program. The program has been rejected as too expensive. Similarly, despite all of Smith's and President Reagan's supposed concern for crime fighting, Smith has presided over the elimination of grants to state and local governments for anticrime, drug abuse, and juvenile justice programs.

Even ignoring the scripted nature of the panel's deliberations, it's arguable that its work was mostly insignificant. Other than gun control (the other proposal of the task force that the Reagan administration has not supported), there is little that the federal government can do about street crime anyway. Bail reform, a federal death penalty, or modification of the exclusionary rule in federal cases is largely irrelevant. On the other hand, the coordinating councils do seem like a good idea; federal and local law enforcement officials I talked with in several cities say they are helping, albeit mostly intangibly, to redirect and coordinate priorities. And the yet-to-be-acted-on gun control proposal, which Smith says he is still studying but which Giuliani and Harris say they favor, has at least resulted in the White House staff, which, like the President, opposes gun control, not pushing Justice to support an NRA effort to weaken the federal gun law. (However, the White House, in the person of presidential counselor Edwin Meese, III, has backed the NRA proposal.)

As for drug enforcement, Smith, again relying on Giuliani and Harris, has truly accomplished something.

For years the federal Drug Enforcement Administration (DEA) has been a model of incompetence and corruption. In fact DEA is such a disaster that the one possible solution for salvaging it—merging it with the FBI—has been resisted by the FBI for fear that a merger would destroy the FBI pedigree of relative honesty and effectiveness.

Harris, who has known Giuliani since they both worked in the U.S. attorney's office in New York in the early 1970s, explains that he and his friend had a better idea. "Rudy and I decided ten years ago that we had the plan for the perfect federal drug agency," he says. The plan included a strategy of skillful bureaucratic sidestepping in which DEA, as Harris explains, "would be under the FBI's supervision and combined with the FBI in certain respects but not merged. That way you don't have to worry about [the two agencies' different] civil service standards. And you use the FBI's technical expertise and organized-crime intelligence, plus the DEA's street smarts when it comes to drugs."

In June that combination was announced after, in Harris's words, "the A.G. had spent hours going over it with us, modifying it, learning it so he could present it to [FBI Director William] Webster." As important as the new structure was the fact that Giuliani and Harris suggested that Smith appoint Francis "Bud" Mullen, a widely respected assistant FBI director, to run DEA under Webster. "Mullen is the best thing ever to happen to DEA," says one big-city U.S. attorney. "He's smart, shrewd, tough, and the best possible way to link DEA with the FBI."

A problem one might have expected in Smith's making crime and crime-related topics a high personal priority and in his appointing the young, high-profile Giuliani and Harris to help him is that he might run into some interference from the president's most influential aide, counselor Meese. Meese is a former prosecutor. And he is more a cops-and-robbers enthusiast than Smith, Giuliani and Harris combined. So when Meese convinced Smith to appoint his close friend and old boss from the Alameda

County prosecutor's office, D. Lowell Jensen, as head of the Criminal Division, there were fears at Justice that Jensen would serve as Meese's eyes and ears and influence wedge.

That hasn't happened. True, Meese and some of his White House loyalists are not fond of Giuliani and have tried to undercut him by badmouthing him to the press and opposing the violence task force's moderate gun control proposal. And Meese, as blunt-talking a crime buff as they come, has caused Smith some trouble with his occasional outbursts on law and order. (Aficionados of how to sidestep a question should write the Justice Department for a transcript of the press conference at which Smith was grilled about whether he agreed with Meese's statement that the ACLU is a lobbying organization for criminals.) But Jensen has genially accepted a nonpolicy-making role as coordinator of specific criminal investigations, a role that is clearly subordinate to Giuliani's, and Meese has respected Smith's turf.

"Sure there's some tension between Ed and Bill," says a presidential assistant. "But Ed respects the fact that Bill's relationship with the president is that of a peer, not an aide-de-camp, the way Ed's is. That's probably why," the assistant continues, "Ed and the rest of us go through Schmults if we really want to push anything on Justice."

Although no one can cite an instance of Schmults undercutting Smith to serve Meese, there is general agreement around the Justice Department and the White House that Schmults is an ambitious man, eager to preserve and enhance his relationship with Meese.

According to White House counsel Fred Fielding, "I have an agreement in writing with the A.G. that any White House contact about investigations of any kind will go through him or Schmults. But other than that, I'd say we're a bit more relaxed [about contact with the White House] than the prior administration was," adds Fielding, referring to Griffin Bell's post-Watergate insistence on treating the Justice Department as if the entire building was as off limits to the White House as his old judicial chambers might have been. In addition to Schmults, a number of Justice aides such as Starr, special assistant F. Henry Habicht II, Olson, or Legal Policy head Jonathan Rose are in frequent contact with Fielding, with Michael Uhlmann, the domestic policy staffer in charge of legal policy, and with their respective staffs.

Early on in the administration there were charges by Justice lawyers in the Criminal Division that a foreign bribery case against Lockheed had been improperly sidetracked by White House pressure. Yet the dropping of the Lockheed case, on closer look, seems to have been a legitimate exercise of prosecutorial discretion; and so far, there is no evidence that the kind of contact between an executive agency and the seat of executive power that Smith and his aides freely engage in has corrupted anyone or any decision—unless one views political input into policy decisions by agents of the elected chief executive as corruption.

CIVIL RIGHTS: NO ADVOCATE

That is exactly how civil rights leaders characterize the way Smith and his staff have decided civil rights issues. In February a group of civil rights organizations, called the Leadership Conference on Civil Rights and chaired by NAACP executive director Benjamin Hooks, issued a blistering report on the Smith Justice Department, charging "unlawful and improper activity," "undue political influence," and "corruption of the legal process."

A key example the civil rights leaders used was the position taken by the Justice Department in an unusual busing case then pending in the Supreme Court. The case involved a busing plan enacted voluntarily by the Seattle, Washington, school district with the support of local government, civic, and business leaders. After the plan had gone into effect, the state of Washington's voters approved a referendum forbidding busing. The school district and the city of Seattle then sued in federal court claiming that the referendum and its enforcement violated the Fourteenth Amendment because, they asserted, it was state action directed solely at depriving people of their civil right to integrated education. Both the federal district court and the court of appeals agreed and declared the prohibition unconstitutional. In both instances the United States, through the Carter/Bell Justice Department's Civil Rights Division, filed *amicus* briefs supporting the school district and opposing the referendum. But when the case went to the Supreme Court, the Reagan administration reversed the government's position and filed a brief supporting the state.

The civil rights groups discovered that prior to the government's change of position state attorney general Ken Eikenberry, who had been a Reagan campaign organizer in the state, had written a letter to Republican party chairman Richard Richards and to Lyn Nofziger, then the White House key political coordinator, saying: "I would prevail on you to use your good offices and do whatever possible to make sure that the analysis of this case and the decision about the position of the United States be made by personnel in the . . . Justice Department . . . who are sympathetic to the policies and goals of the administration of President Reagan rather than the administration of President Carter." Nofziger in turn sent a memo with a copy of Eikenberry's letter to Meese, Smith, Schmults, and William Bradford Reynolds, the new chief of Smith's Civil Rights Division, saying: "Surely, if we are going to change the direction of this country, mandatory school busing is a good place to make changes—as I thought we would do because I thought that was what the President wanted. . . . I do hope we can give Mr. Eikenberry's problems a careful look."

Replying to the civil rights leaders' charges that Nofziger's memo constituted gross political corruption, Smith says that the Eikenberry letter and the Nofziger memo "had no effect, no influence whatsoever."

In fact, sources familiar with how the Seattle case was handled at Justice say that the Nofziger memo triggered both Schmults and Reynolds to inquire about the case and then to order a reversal of the government's position. Yet it's an irrelevant debate. What's wrong with "political interference" in the decision about how and whether to file this kind of amicus brief? Surely the civil rights groups would not be charging corruption if the year were 1985 and they were lobbying President Edward Kennedy's Justice Department for a reversal of a Reagan position in an amicus brief.

What is relevent is that the Smith Justice Department's position on the Seattle case seems to betray hypocrisy that can only be explained by antipathy to the cause of school integration.

Ask Smith-who can cite facts and the lower court decisions in the Seattle case more knowledgeably than civil rights chief Reynolds—to explain his political philosophy, and he says that "at the core" is his belief that "the smallest unit of government that can make a decision should be making that decision." Why, then, would he support the state of Washington's effort to block busing in Seattle when the city of Seattle and its school district have voluntarily decided on a busing plan?

Because, Smith replies, there are exceptions: "We happen to think that busing doesn't work and hasn't worked."

The record in the Seattle case is that busing has worked; the schools are integrated, and there has not been the "white flight" from public schools that busing opponents often try to cite as the reason for their opposition.

Smith and his staff bridle at any reference to their "antipathy" to the cause of integration. Smith has skillfully refused to cede any such ground, preferring that the issues be narrowed to questions of practicality. "Busing is a discredited remedy," Smith says. "It has nothing to do do with rights."

In a speech this spring defending his civil rights record, Smith amplified that point: "They [civil rights leaders] have chosen to brand a debate over remedies as a difference over rights. Clearly, we have been in the process of evaluating the means by which government has sought to promote equality of opportunity. . . . Just as clearly, we have found some of these means ineffective. And we are, therefore, seeking new ways to promote and ensure the right of equal justice under law."

Smith has yet to articulate any such new remedies; besides, in Seattle, as elsewhere, the effectiveness of the remedy has not been questioned. The courts and the local government have found that busing works. The opposition has consisted mostly of white parents who do not want their children bused just for integration or who simply do not want their children going to school with blacks.

Thus, what Smith and company are debating, but not admitting to be debating, is, at a minimum, the principle of whether children should be bused even if it is effective but inconvenient, or, at a maximum, the principle of whether a * * * Rights. Civil Rights Division chief Reynolds declared that the Smith Justice Department's civil rights record is one "in which the administration understandably takes considerable pride." He cited a collection of statistics regarding pending cases to rebut the civil rights groups' charges—numbers, he asserted, that easily match the Carter administration's effort in its first year.

The numbers of civil rights cases pursued by the Smith Justice Department are, indeed, about even in many respects with those of the prior administration. It is the remedies that Reynolds seeks that are different.

In school desegregation cases, Smith and Reynolds have decided to ignore Supreme Court, court of appeals, and district court decisions that busing is often a necessary evil. The Justice Department now seeks only voluntary school transfers, never forced busing, as a remedy for segregated school systems.

Even the formerly discarded "separate but equal" defense to segregation seems to have been revived: in a March speech billed by his staff as a major civil rights statement, Smith, referring to possible new suits

against segregated school systems, declared in March, "We have also begun investigation in three cases to determine if the quality of education offered to predominantly black schools was intentionally and illegally inferior to that offered to predominantly white schools." In the same speech, Smith advanced the long-discredited (if ever creditable) legal theory that *Brown* v. *Board of Education* has to do only with the personal interest of the plaintiff in admission to an integrated school, not with what he called "racial balance within the schools." Taking an equivalent position, Reynolds has defended the government's retreat to a voluntary integration plan for the segregated Chicago school system by making the plainly anti-lawful statement that "any students who want to have an integrated education ought to have it, but if there are students out there who do not want an integrated education, we should not be compelling them to get on a bus to have one."

Similarly, in job discrimination cases, Reynolds has stated that he thinks the Supreme Court's *Weber* opinion allowing a voluntary affirmative action program that set aside half the spaces for blacks in a job training program was "wrongly decided" and, therefore, that his agency will no longer seek programs with specific minority hiring goals, let alone quotas, when it gets involved in a job discrimination case. That is, he has decided to ignore settled law.

"We seek to get help for the individual who has been discriminated against," Smith explained to me, "not the group the individual happens to be in." To those who believe that racial discrimination must be fought—and proved, and compensated for—case by case, plaintiff by plaintiff, that makes sense. To those (including most sitting federal judges, Republican and Democrat) who look to the job discrimination laws to help correct years of discrimination against blacks or women with more sweeping remedies once discrimination has been found, it is wholly unsatisfactory.

Civil Rights Division chief Reynolds was recently denounced by Representative Don Edwards, chairman of the Civil and Constitutional Rights Subcommittee of the House Judiciary Committee, for "international, deliberate backsliding" and for directing a "wholesale uprooting of civil rights enforcement by the administration." Asked to explain that strong language, Catherine Leroy, Edwards's chief counsel, says, "It's Reynolds's job to seek the strongest remedies possible. If you went to your lawyer and he said, 'We can probably get this remedy because the courts have done it before, but I think it's too strong, so I won't seek it,' you'd fire him. Reynolds and the Justice Department are supposed to be the lawyer for those protected by the civil rights laws. He's not."

That should come as no surprise to anyone who knows the 1980 election results. "I think it's true that we don't see our role as enforcing civil rights for any particular group or groups," says White House legal policy presidential aide Michael Uhlmann. "That may explain the differences we have with the civil rights groups."

So, at best, what the civil rights adherents have in Reynolds—a 40-year-old former litigation partner at Shaw, Pittman, Potts & Trowbridge in D.C., a conservative Republican with no experience in civil rights law and a man who, in direct contradiction to Leroy's definition, says he "wasn't put here to please any particular group"—is a disinterested, neutral party anxious to please his bosses. At worst they have an opponent. Under no circumstances do they have an *advocate*.

Nor should civil rights leaders and the dozens of the now-disgruntled career lawyers who staff the Civil Rights Division have expected that the attorney general would be their advocate. Smith's only involvement in civil rights prior to taking office was co-signing a 1968 Supreme Court brief on behalf of a group of realtors who wanted the federal Open Housing Act struck down as unconstitutional. (Typically, the Smith brief deplored racial discrimination but simply objected to the means used by the law to combat it.)

It should be no surprise, then, that Smith took a cautious, lawyer-like ten months to decide his position on the extension of the Voting Rights Act. Then, this February, trying as he always does to downplay differences, he proclaimed his support for extending the act exactly as is. That sounds progressive enough until one recalls that at the same time he strongly opposed changes in the act voted 23-1 by the House Judiciary Committee—changes which would simply have brought the act back to where it was in 1980 before a statutory interpretation by the Supreme Court severely weakened its enforceability.

When the White House staff later convinced Reagan to back the House-proposed changes in the act, Smith listened to Reynolds, the supposed civil rights enforcer, who persuaded Smith to go directly to the president. (Reagan, who continues to count Smith among his closest friends, took Smith's advice and reversed the White House position. But ultimately the administration, bowing to pressure from congressional Republicans, agreed to a compromise tilted strongly toward the Judiciary Committee version.)

Smith was similarly influenced by Reynolds in the administration's most notorious civil rights backstep: the reversal by the Justice Department of federal policy on tax exemptions for racist private schools. The Supreme Court had already decided in favor of the IRS not being allowed to give such exemptions, but the Court had taken *certiorari* in the 1981-1982 term to decide whether schools (Bob Jones University and Goldsboro Christian Schools) that discriminated by race because of alleged religious beliefs should be included in the prohibition on exemptions.

Schmults recalls that he and Reynolds "red-flagged" the Supreme Court brief that had been drafted supporting the government's 12-year-old position that the IRS could not give tax exemptions to racist schools. "We urged that the department take another look at it," Schmults says. And Reynolds, along with special assistant Charles Cooper, then wrote the pro-tax-exemption brief. Reynolds had to write it—because Lawrence Wallace, who as deputy solicitor general was handling the case after Solicitor General Rex Lee was disqualified, held firm to his position against tax exemptions and declined to write the Justice Department brief taking the new position.

As a piece of legal writing and scholarship, Reynolds's brief pales in comparison with the usually excellent work turned out in the Smith Justice Department by the solicitor general's office and by the Office of Legal Counsel. Examples of the department's more typical, better product include the letters to Congress, drafted by Office of Legal Counsel head Olson and his staff and finally released in May, which questioned the constitutionality of proposals to strip the Supreme Court of jurisdiction over school prayer and opined that eliminating the high court's or the Justice Department's authority to push busing plans would raise constitutional questions.

Like Wallace, Olson opposed the Reynolds-Schmults position on tax exemptions. At a meeting Smith convened two days before he made the decision, Olson and Wallace argued forcefully against the policy reversal. On the morning the decision was announced Olson gave Smith a memo trying to turn the attorney general around, in which he politely said the Reynolds's written work, especially his analysis of relevant legislative history, was hogwash. Smith stuck with the Reynolds view.

MOTIVES DON'T MATTER

It is important to note that deputy solicitor Wallace was allowed to make his dissent from the Reynolds tax exemption brief public and that he has not been the victim of reprisals from Smith or anyone else. Nor has Olson shown any reluctance to discuss his difference with Smith.

Thus, there is an advantage in Smith's insistence that he is not a bad guy, or racist, simply because he believes in what he calls different *means* than others believe in to achieve racial equality: for the same reason, he isn't inclined to see the other side as bad guys either.

In fact, Smith's expectations that the civil rights debate not turn into a good-guys-versus-bad-guys fight may be legitimate. Smith, Reynolds, Schmults, Starr, and the others do not seem to be the mean-spirited types whom one could comfortably call ideologues or racists. A more likely explanation for their civil rights policies, which will doubtless be pernicious in effect regardless of motivation, is that these policy-makers came from a world in which achievement has been so available to them that they find it hard to believe that blacks, women, and other minorities won't start achieving, too, now that society and the law doesn't countenance discrimination against them. In that world, affirmative action, or busing, or an onerous voting rights bill, or even getting the IRS involved in judging the values of private schools would, indeed, be counterproductive overkill.

Yet their motives aren't really important. Smith is right in his instinct for defusing debates by veering away from questions of principle, which imply unanswerable and divisive questions of motive, such as racism. For what *is* important is not Smith's and staff's motives but the simple fact that they are not civil rights advocates eager to push for strong remedies. What *is* important is that theirs is a world in which other concerns—such as the disruption caused by busing, or the red tape and lawyering necessitated by strong voting rights or job discrimination remedies—weigh more heavily than they do in the world of those who lost the 1980 election.

Similarly, what is important is that William French Smith and his Justice Department worry more about government and corporate privacy and the cost to the government of a freedom of information act than they do about open government, more about judicial restraint and curbing crime than they do about the rights of defendants, more about preserving our borders than they do about the plight of Haitians.

And what is undeniably true is that they're good at what they do. To paraphrase one of Smith's predecessors, John

Mitchell: watch what they do, not what they say.

ITEM VETO ON APPROPRIATIONS MEASURES

Mr. DIXON. Mr. President, yesterday, for the fourth time, we dealt with an urgent supplemental appropriations bill. The President has vetoed the first and second versions of the bill. So another version, one I hope can be adopted, has now been sent the House.

I am a relative newcomer to the Senate, but I am informed that the procedural maze that this bill has gone through is not at all unique in the Senate's history. All too often in the past, as I understand it, we have found ourselves in the situation that we are in today—a situation that makes a mockery of the Senate's reputation as the world's greatest deliberative body.

Once again, major parts of the Government and major Government activities are on the brink. Unless we are today more successful than we were on our previous attempts, thousands of employees of the Department of Labor and other Government departments will have to be furloughed, operation of the guaranteed student loan program will be disrupted, and and it is even possible that there will be disruption of the social security system, causing checks to be issued late. Unfortunately, this is in no way a complete summary of the damage that our failure to complete action on the urgent supplemental has caused; there are numerous other problems in addition to those I have mentioned.

Forcing major parts of Government to the edge of disaster does not reflect well on either the Congress or the President. I am aware of how we got to where we are today, as I am sure all here are, but I defy anyone to explain it to the country in a manner that does not make us all look rather foolish.

I do not believe the country understands how we get ourselves in such a mess, and I cannot say that I blame them. We simply have to find a way to conduct business that does not again force us through the Byzantine procedures that this urgent supplemental measure has been through.

Mr. President, I believe we must find a better way to resolve these conflicts, and I think the Illinois constitution may provide a possible solution. Illinois, which adopted a new constitution in 1970, provides the Governor with an item veto on appropriations measures.

This provision enables him to reduce or strike individual items within appropriations bills. He is not forced to either sign a bill with many elements he finds disagreeable, or to veto a measure with many essential and worthy provisions in it. In short, he has another choice. He is able to exercise his authority in a targeted way. He is not limited to a blunderbuss veto.

However, the provision also attempts to protect the power of the legislative branch, in order to insure that the balance of powers between the branches that is at the heart of our system of government is not upset.

The Illinois constitution provides that the legislature can override an item veto by a majority vote, although like the U.S. Constitution, it requires an extraordinary majority to override the veto of a bill. Lowering the margin necessary to override the veto effectively acts as a counterbalance to the executive's item veto power.

I think this approach has much to recommend it, and that it should be seriously reviewed at the national level. For that reason, I am developing, and will soon introduce, a joint resolution embodying the Illinois approach. If that approach were the law of the land now, conflicts like the one over the housing stimulus package would not have to jeopardize other, unrelated, operations of Government.

I do not claim that this is a new idea. The first Federal item veto proposal was introduced over 100 years ago, and over 140 proposals have been introduced since. Forty-three States have item veto provisions in their constitutions and many of them date back to the Civil War era and before.

I do believe, however, that in view of the serious budget problems facing us, this is an idea that needs to be examined seriously at the Federal level.

It is commonly acknowledged that the Federal budget is out of control. The budget process is becoming more and more difficult and is threatening to break down altogether.

In desperation, 60 Senators have cosponsored a constitutional amendment to mandate a balanced budget. A balanced budget is clearly an objective which we all support. However, it is not enough to mandate an objective. We must be sure that the tools are available to carry out that objective in a reasonable and equitable manner.

Mr. President, I think an item veto provision would be a powerful tool, and one that would help make it possible for Congress and the President, acting together, to budget in a fiscally sound manner.

It would help prevent the practice of "logrolling" which has become so prevalent. It would help to focus national debate on those areas which are truly at issue, without hurting all the innocent bystanders as we do today. It would make consideration of issues where there was a conflict more orderly and expeditious, without creating the kinds of parliamentary tangles we have witnessed in the course of the consideration of the pending urgent supplemental bill.

I make no claim that the Illinois example provides the definitive solution to the budget problems facing us. Other States use other variations on the item veto theme; and there are, I am sure, numerous other approaches that could be used. I do think, however, that this idea deserves serious consideration, and that it is time to begin looking at these proposals in a serious way. My proposal is an attempt to begin that review. I hope my colleagues will agree that this is an area that needs close attention. I solicit their help and support.

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there further morning business?

The PRESIDING OFFICER. There appears to be no further morning business.

Without objection, morning business is now concluded.

RECESS UNTIL 11:30 A.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until 11:30 a.m., at which time we will lay down the flexitime bill.

The PRESIDING OFFICER. Is the Senator asking unanimous consent that it automatically be laid down?

Mr. STEVENS. No. I am just announcing that that is what we will do.

There being no objection, the Senate, at 10:44, recessed until 11:30 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. NICKLES).

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to exceed 10 minutes, in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Delaware.

THE DELAWARE LEGISLATURE URGES NUCLEAR ARMS CONTROL

Mr. BIDEN. Mr. President, the American people, as we have all come to know in recent months, want to halt and reverse the nuclear arms race. They want our Nation to remain strong, but they recognize that we can be strong and can also reduce the danger of nuclear war by a mutual and verifiable cessation in the buildup of those terrifying weapons.

I believe that this emerging American constituency for arms control,

which draws support from all portions of our political spectrum, is having positive and favorable effects on U.S. military policy and diplomacy as well as on our relations with our allies. The current administration has shifted from its early disparaging attitude toward any arms control to the initiation of major negotiations of far-reaching proposals.

I believe and I hope that they are sincere. I believe that once they have sat down at the table, which they have begun to do today, the need for arms control for the purpose of preserving humanity and also for our immediate and continued strategic interests will become more and more apparent. That is why I am so hopeful that we will, in fact, end up with an accord.

One recent expression of the widespread support for effective nuclear arms control came—to my surprise, I might add—when both houses of the Delaware General Assembly—the Democratic-controlled Senate and the Republican-controlled House of Representatives—approved a concurrent resolution urging the President to propose to the Soviet Union mutual agreement "to immediately halt the testing, production and further deployment of all nuclear weapons, missiles and delivery systems in a way that can be checked and verified by both sides."

Mr. President, I said that came as a surprise to me. That is not quite true. It came as a shock to me. My conservative legislature, a border State, all Republicans and all Democrats—if I am not mistaken, it was totally unanimous in both Houses. I see a Delawarean on the floor. I think he would be surprised to know that those downstate Democrats and downstate Republicans voted unanimously for a freeze and asked their congressional delegation to support a freeze.

I happen to think a freeze is not the best way to go. I happen to think that what this really is is an expression of a sentiment that we must do something about arms control. I do not think a freeze is a negotiable document or, as a document, a negotiating instrument.

The point I want to make here, Mr. President, is that the Delaware State Legislature, not a group of 1968 hippies from Haight-Ashbury, came along and said they want their Republican Senator ROTH, their Democratic Senator BIDEN, and their Republican Congressman EVANS to vote for a freeze. Unanimously, they came forward with that.

I was not as surprised when the Wilmington City Council said that several months earlier. But for the Delaware State Legislature to say it—those of you who are familiar with the politics of my State and the politics of border States generally, I think, really should sit up and take notice of what is really happening here.

Mr. President, it would be an understatement to say that I welcome the action by our Delaware Legislature, for I believe that our national security can be enhanced by the negotiation and ratification of tight limits and stabilizing reductions in nuclear weaponry. I ask unanimous consent that the full text of the general assembly's resolution—the 131st Delaware General Assembly—be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION No. 170

Whereas, there is a substantial and growing danger of nuclear war between the United States and the Soviet Union which would result in millions of deaths of the people in Delaware and throughout the nation; and

Whereas, the United States and the Soviet Union already possess nuclear weapons in an amount equal to 2½ tons of TNT for each person on earth, enough warheads to destroy civilization as we know it; and

Whereas, in the 1980's the United States and the Soviet Union are planning a massive nuclear weapons buildup which will increase the danger of nuclear war; and

Whereas, there is no effective civil defense in the event of a nuclear war; and

Whereas, security necessarily includes the economic and social well-being of citizens; and

Whereas, stopping the buildup of these weapons on both sides is a critical first step towards lessening the risk of nuclear war: Now, therefore be it

Resolved by the members of the House of Representatives and the Senate of the 131st General Assembly of Delaware, That the President of the United States is hereby urged to propose to the Government of the Soviet Union that both countries agree to immediately halt the testing, production and further deployment of all nuclear weapons, missiles and delivery systems in a way that can be checked and verified by both sides: be it further

Resolved that appropriately backed copies of this resolution be sent to members of Delaware's congressional delegation.

Mr. BIDEN. Let me further say on this point, Mr. President, if I have any time left, that I really believe that we who hold public office at high levels—in Congress, governorships, and in the executve branch of this Government—operate at our own peril if we do not understand one thing that is happening. This is another example of the American people leading their leaders. The American people understand better than we understand that there is a need for a commonsense approach to dealing with what they understand may be the thing that can end the existence of the human race as we know it today.

A poll that my colleague (Mr. ROTH) conducts on a yearly basis recently was published by my colleague. It showed, to my amazement—maybe this is reflecting that I do not know my State as well as I thought I did. This poll showed that, out of a registered number of voters of about 300,000 in the State; 13,000 responded in writing to my senior colleague.

He asked them "What do you think the probability of a nuclear war in your lifetime is?" He had four categories, if my memory serves me. One said very likely, one said likely, and it went on down the line.

The very likely and likely added up to 54 percent of the people of my State—54 percent of the people of my State who answered that poll.

I agree this is not a scientific poll in the sense that Mr. Caddell or Wirthlin or any of them in the polling business would consider it, but 13,000 people responded out of a registered total of eligible voters of 300,000 in my State; 13,000 wrote back and more than half of them said that in their lifetime, they believe, there will be a nuclear war.

I think they understand something pretty clearly: If we keep building weapons and not agreeing, not talking, we in fact are likely to have it become a self-fulfilling prophecy.

Mr. President, I sincerely appreciate the majority whip's giving me this time. To conclude, I think the American people want very badly for us to be strong. I think there is a consensus that we need to build up our military, particularly conventional, capability. I think there is an overwhelming consensus that you cannot trust the Russians, nor should you trust the Russians. I believe there is an overwhelming view that says that there is not a compatibility between the Soviet system and our system. I believe the vast majority of the American people rightly perceive the Soviet Union as a threat.

Having said all that, it is not the least bit inconsistent for them also to say, "But, in our mutual interest, we should deal with the people we do not trust, we do not like, we think are bad for our interests when, in fact, we can do it in a way that is verifiable and in a way that meets both of our concerns; that is, the annihilation of humanity."

But we in the Senate, in the 10 years I have been here, talk about those things as if they are mutually exclusive. My friends on the left stand up and say, not only must we have arms control, but we do not need any bigger military. My friends on the right stand up and say, we need a bigger military and we need more missiles and we cannot have any agreement with the Russians, because no matter how tight the agreement is, you cannot trust them anyway.

But the American people have said where we should be. The American people say, build up our military, be credible and tough and strong, second to no one in the world. But negotiate on the issue of nuclear weapons.

I make a prediction, Mr. President, that my colleagues will arrive at that

conclusion very shortly. When I say shortly, I mean within the year. Because this is where the American people are—and the American people are right.

I end by saying if we trusted the basic good judgment of the American people a little bit more, we would all be a little bit better off.

Mr. President, I should like to switch to a second subject, if my colleague will yield me another 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED CUTS IN SOCIAL SECURITY

Mr. BIDEN. Mr. President, the media is full of stories about proposed cuts and proposals relating to the social security system. On almost a weekly basis—I guess I have had 14 thus far this year—on Monday night I have a town meeting. The most people that have ever shown up at the town meetings are 600 and as few as 100, somewhere on the average of 200. As I said, I think I have had 14 or 15 since the middle of January. Social security is a big issue. We in the Senate spend many hours debating the issue, and we are scaring the living devil out of the American people about the solvency of the system, what is going to happen to the system.

While it is proper, Mr. President, for proposed social security cuts to receive a great deal of attention and publicity; I am afraid all that attention has obscured yet another cut which could have an equally devastating effect on seniors. I am referring, Mr. President, to the Budget Committee's proposal to slash $23.5 billion from the medicare program over the next 3 years.

Among other changes in law, this proposed savings would be achieved through the institution of a 6-percent copayment in fiscal year 1983, an 8-percent copayment in fiscal year 1984, and a 9-percent copayment in fiscal year 1985. These copayments would be charged against medicare part A, that is, the cost of hospitalization. Currently, the patient pays a $256 deductible against the first day's cost, with medicare picking up the tab for days 2 to 60.

If this proposal is enacted into law, Mr. President, it will mean that a medicare patient would be forced to pay $116.34 per week—after the deductible—for the average hospital room in Delaware, as opposed to no fee today. In fiscal year 1984, assuming a 5-percent increase in the cost of a hospital room, the charge would be $165.36/week, again as opposed to no fee today. In fiscal year 1985, assuming another 5-percent jump in hospital costs, the additional charge would rise to $192.15 per week.

To bring this proposal into even clearer perspective, Mr. President, a 60-day hospital stay for a medicare patient under current law costs that patient $256 in out-of-pocket expenses. If this proposal is approved, that stay will cost $1,287.87 in fiscal year 1983, $1,743.48 in fiscal year 1984 and $1,972.80 in fiscal year 1985.

When he first heard of the magnitude of the proposed medicare cuts, John Muldoon—who is president of the Association of Delaware Hospitals—called my office to express his view that the proposal is "unrealistic." I go a step beyond that characterization, Mr. President. I believe this proposal represents a callous attempt to cut costs in order to hide the failure of the administration's economic program.

How are we to expect seniors to cope with this attempt to balance the budget on their backs? Let us remember that, although the CPI actually went down last month, the health care portion of the index jumped by 12 percent.

Let us also remember, Mr. President, that this generation of seniors has made its sacrifice. They have been through the Great Depression. They have been through three and, in some cases, four wars. They have worked to bring the country out of numerous recessions.

Yes, they are willing to do more. Each senior I speak to expresses his or her willingness to do their part to help get America's economy back on track. But they are not willing to have the budget balanced on their backs. Mr. President, we must reject the Budget Committee's medicare cut.

Mr. President, I once again thank the Senator from Alaska for giving me this time, and I yield the floor.

PRIVILEGE OF THE FLOOR—S. 2240

Mr. STEVENS. Mr. President, I ask unanimous consent that when S. 2240 is being considered by the Senate, Ira Shapiro, Marcia McCord, Michael Forscey, Gerald Lindrew, and Ed Jayne be permitted access to the floor during all proceedings.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business has concluded.

Mr. STEVENS. Mr. President, I am awaiting the arrival of the distinguished minority leader so that we can proceed to the consideration of S. 2240. I suggest the absence of a quorum until he arrives.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL EMPLOYEES FLEXIBLE AND COMPRESSED WORK SCHEDULES ACT OF 1982

Mr. STEVENS. Mr. President, I ask unanimous consent that the Chair lay before the Senate S. 2240, Calendar No. 518, the flexitime bill.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

A bill (S. 2240) to amend Title V, United States Code, to provide permanent authorization for Federal agencies to use flexible and compressed employee work schedules.

Without objection, the Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs with amendments, as follows:

On page 4, after line 2, insert the following:

"(8) 'collective bargaining', 'collective bargaining agreement', and 'exclusive representative' have the same meanings given such terms—

"(A) by section 7103(a)(12), (8), and (16) of this title, respectively, in the case of any unit covered by chapter 71 of this title; and

"(B) in the case of any other unit, by the corresponding provisions applicable under the personnel system covering this unit.".

On page 9, strike line 11, through and including line 20, and insert the following:

"(b) Any employee who is on a flexible schedule program under section 6122 of this title and who is no longer subject to such a program shall be paid at such employee's then current rate of basic pay for—

"(1) in the case of a full-time employee, not more than 24 credit hours accumulated by such employee, or

"(2) in the case of a part-time employee, the number of credit hours (not excess of one-fourth of the hours in such employee's biweekly basic work requirement) accumulated by such employee.".

On page 13, strike line 3, through and including page 14, line 2, and insert the following:

"§ 6130. Application of programs in the case of collective bargaining agreements

"(a)(1) In the case of employees in a unit represented by an exclusive representative, any flexible or compressed work schedule, and the establishment and termination of any such schedule, shall be subject to the provisions of this subchapter and the terms of a collective bargaining agreement between the agency and the exclusive representative.

"(2) Employees within a unit represented by an exclusive representative shall not be included within any program under this subchapter except to the extent expressly

provided under a collective bargaining agreement between the agency and the exclusive representative.

"(b) An agency may not participate in a flexible or compressed schedule program under a collective bargaining agreement which contains premium pay provisions which are inconsistent with the provisions of section 6123 or 6128 of this title, as applicable.".

On page 14, strike line 22, through and including page 16, line 21, and insert the following:

"(a) Notwithstanding the preceding provisions of this subchapter or any collective bargaining agreement and subject to subsection (c) of this section, if the head of an agency finds that a particular flexible or compressed schedule under this subchapter has had or would have an adverse agency impact, the agency shall promptly determine not to—

"(1) establish such schedule; or

"(2) continue such schedule, if the schedule has already been established.

"(b) For purposes of this section, 'adverse agency impact' means—

"(1) a reduction of the productivity of the agency;

"(2) a diminished level of services furnished to the public by the agency; or

"(3) an increase in the cost of agency operations.

"(c)(1) This subsection shall apply in the case of any schedule covering employees in a unit represented by an exclusive representative.

"(2)(A) If an agency and an exclusive representative reach an impasse in collective bargaining with respect to an agency determination under subsection (a)(1) not to establish a flexible or compressed schedule, the impasse shall be presented to the Federal Service Impasses Panel (hereinafter in this section referred to as the 'Panel').

"(B) The Panel shall promptly consider any case presented under subparagraph (A), and shall take final action in favor of the agency's determination if the finding on which it is based is supported by evidence that the schedule is likely to cause an adverse agency impact.

"(3)(A) If an agency and an exclusive representative have entered into a collective bargaining agreement providing for use of a flexible or compressed schedule under this subchapter and the head of the agency determines under subsection (a)(2) to terminate a flexible or compressed schedule, the agency may reopen the agreement to seek termination of the schedule involved.

"(B) If the agency and exclusive representative reach an impasse in collective bargaining with respect to terminating such schedule, the impasse shall be presented to the Panel.

"(C) The Panel shall promptly consider any case presented under subparagraph (B), and shall rule on such impasse not later than 60 days after the date the Panel is presented the impasse. The Panel shall take final action in favor of the agency's determination to terminate a schedule if the finding on which the determination is based is supported by evidence that the schedule has caused an adverse agency impact.

"(D) Any such schedule may not be terminated until—

"(i) the agreement covering such schedule is renegotiated or expires or terminates pursuant to the terms of that agreement; or

"(ii) the date of the Panel's final decision, if an impasse arose in the reopening of the agreement under subparagraph (A) of this paragraph.

"(d) This section shall not apply with respect to flexible schedules that may be established without regard to the authority provided under this subchapter.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Federal Employees Flexible and Compressed Work Schedules Act of 1982".

SEC. 2. (a) Chapter 61 of title 5, United States Code, is amended—

(1) by inserting before section 6101 the following:

"SUBCHAPTER I—GENERAL PROVISIONS";

and

(2) by adding at the end thereof the following new subchapter:

"SUBCHAPTER II—FLEXIBLE AND COMPRESSED WORK SCHEDULES

"§ 6120. Purpose

"The Congress finds that the use of flexible and compressed work schedules has the potential to improve productivity in the Federal Government and provide greater service to the public.

"§ 6121. Definitions

"For purposes of this subchapter—

"(1) 'agency' means any Executive agency, any military department, and Library of Congress;

"(2) 'employee' has the meaning given it by section 2105 of this title;

"(3) 'basic work requirement' means the number of hours, excluding overtime hours, which an employee is required to work or is required to account for by leave or otherwise;

"(4) 'credit hours' means any hours, within a flexible schedule established under section 6122 of this title, which are in excess of an employee's basic work requirement and which the employee elects to work so as to vary the length of a workweek or a workday;

"(5) 'compressed schedule' means—

"(A) in the case of a full-time employee, an 80-hour biweekly basic work requirement which is scheduled for less than 10 workdays, and

"(B) in the case of a part-time employee, a biweekly basic work requirement of less than 80 hours which is scheduled for less than 10 workdays;

"(6) 'overtime hours', when used with respect to flexible schedule programs under sections 6122 through 6126 of this title, means all hours in excess 8 hours in a day or 40 hours in a week which are officially ordered in advance, but does not include credit hours; and

"(7) 'overtime hour', when used with respect to compressed schedule programs under sections 6127 and 6128 of this title, means any hours in excess of those specified hours which constitute the compressed schedule.

"(8) 'collective bargaining', 'collective bargaining agreement', and 'exclusive representative' have the same meanings given such terms—

"(A) by section 7103(a) (12), (8) and (16) of this title, respectively, in the case of any unit covered by chapter 71 of this title; and

"(B) in the case of any other unit, by the corresponding provisions applicable under the personnel system covering this unit.

"§ Flexible schedules; agencies authorized to use

"(a) Notwithstanding section 6101 of this title, each agency may establish, in accordance with this subchapter, programs which allow the use of flexible schedules which include—

"(1) designated hours and days during which an employee on such a schedule must be present for work; and

"(2) designated hours during which an employee on such a schedule may elect the time of such employee's arrival at and departure from work, solely for such purpose or, if and to the extent permitted, for the purpose of accumulating credit hours to reduce the length of the workweek or another workday.

An election by an employee referred to in paragraph (2) shall be subject to limitations generally prescribed to ensure that the duties and requirements of the employee's position are fulfilled.

"(b) Notwithstanding any other provision of this subchapter, but subject to the terms of any written agreement referred to in section 6130(a) of this title, if the head of an agency determines that any organization within the agency which is participating in a program under subsection (a) is being substantially disrupted in carrying out its functions or is incurring additional costs because of such participation, such agency head may—

"(1) restrict the employees' choice of arrival and departure time,

"(2) restrict the use of credit hours, or

"(3) exclude from such program any employee or group of employees.

"§ 6123. Flexible schedules; computation of premium pay

"(a) For purposes of determining compensation for overtime hours in the case of an employee participating in a program under section 6122 of this title—

"(1) the head of an agency may, on request of the employee, grant the employee compensatory time off in lieu of payment for such overtime hours, whether or not irregular or occasional in nature and notwithstanding the provisions of sections 5542(a), 5543(a)(1), 5544(a), and 5550 of this title, section 4107(e)(5) of title 38, section 7 of the Fair Labor Standards Act (29 U.S.C. 207), or any other provision of law; or

"(2) the employee shall be compensated for such overtime hours in accordance with such provisions, as applicable.

"(b) Nothwithstanding the provisions of law referred to in subsection (a)(1) of this section, an employee shall not be entitled to be compensated for credit hours worked except to the extent authorized under section 6126 of this title or to the extent such employee is allowed to have such hours taken into account with respect to the employee's basic work requirement.

"(c)(1) Notwithstanding section 5545(a) of this title, premium pay for nightwork will not be paid to an employee otherwise subject to such section solely because the employee elects to work credit hours, or elects a time of arrival or departure, at a time of day for which such premium pay is otherwise authorized, except that—

"(A) if an employee is on a flexible schedule under which—

"(i) the number of hours during which such employee must be present for work, plus

"(ii) the number of hours during which such employee may elect to work credit

hours or elect the time of arrival at and departure from work,

which occur outside of the nightwork hours designated in or under such section 5545(a) total less than 8 hours, such premium pay shall be paid for those hours which, when combined with such total, do not exceed 8 hours, and

"(B) if an employee is on a flexible schedule under which the hours that such employee must be present for work include any hours designated in or under such section 5545(a), such premium pay shall be paid for such hours so designated.

"(2) Notwithstanding section 5343(f) of this title, and section 4107(e)(2) of title 38, night differential will not be paid to any employee otherwise subject to either of such sections, solely because such employee elects to work credit hours, or elects a time of arrival or departure, at a time of day for which night differential is otherwise authorized, except that such differential shall be paid to an employee on a flexible schedule under this subchapter—

"(A) in the case of an employee subject to subsection (f) of such section 5343, for which all or a majority of the hours of such schedule for any day fall between the hours specified in such subsection, or

"(B) in the case of an employee subject to subsection (e)(2) of such section 4107, for which 4 hours of such schedule fall between the hours specified in such subsection.

"§ 6124. Flexible schedules; holidays

"Notwithstanding sections 6103 and 6104 of this title, if any employee on a flexible schedule under section 6122 of this title is relieved or prevented from working on a day designated as a holiday by Federal statute or Executive order, such employee is entitled to pay with respect to that day for 8 hours (or, in the case of a part-time employee, an appropriate portion of the employee's biweekly basic work requirement as determined under regulations prescribed by the Office of Personnel Management).

"§ 6125. Flexible schedules; time-recording devices

"Notwithstanding section 6106 of this title, the Office of Personnel Management or any agency may use recording clocks as part of programs under section 6122 of this title, and the Bureau of Engraving and Printing may use recording clocks to record time and attendance of employees of such Bureau without regard to whether the use of recording clocks is part of a program under section 6122 of this title.

"§ 6126. Flexible schedules; credit hours; accumulation and compensation

"(a) Subject to any limitation prescribed by the Office of Personnel Management or the agency, a full-time employee on a flexible schedule can accumulate not more than 24 credit hours, and a part-time employee can accumulate not more than one-fourth of the hours in such employee's biweekly basic work requirement, for carryover from a biweekly pay period to a succeeding biweekly pay period for credit to the basic work requirement for such period.

"(b) Any employee who is on a flexible schedule program under section 6122 of this title and who is no longer subject to such a program shall be paid at such employee's then current rate of basic pay for—

"(1) in the case of a full-time employee, not more than 24 credit hours accumulated by such employee, or

"(2) in the case of a part-time employee, the number of credit hours (not excess of one-fourth of the hours in such employee's biweekly basic work requirement) accumulated by such employee.".

"§ 6127. Compressed schedules; agencies authorized to use

"(a) Notwithstanding section 6101 of this title, each agency may establish programs which use a 4-day workweek or other compressed schedule.

"(b)(1) An employee in a unit with respect to which an organization of Government employees has not been accorded exclusive recognition shall not be required to participate in any program under subsection (a) unless a majority of the employees in such unit who, but for this paragraph, would be included in such program have voted to be so included.

"(2) Upon written request to any agency by an employee, the agency, if it determines that participation in a program under subsection (a) would impose a personal hardship on such employee, shall—

"(A) except such employee from such program; or

"(B) reassign such employee to the first position within the agency—

"(i) which becomes vacant after such determination,

"(ii) which is not included within such program,

"(iii) for which such employee is qualified, and

"(iv) which is acceptable to the employee.

A determination by an agency under this paragraph shall be made not later than 10 days after the day on which a written request for such determination is received by the agency.

"§ 6128. Compressed schedules; computation of premium pay

"(a) the provisions of sections 5542(a), 5544(a), and 5550(2) of this title, section 4107(e)(5) of title 38, section 7 of the Fair Labor Standards Act (29 U.S.C. 207), or any other law, which relate to premium pay for overtime work, shall not apply to the hours which constitute a compressed schedule.

"(b) In the case of any full-time employee, hours worked in excess of the compressed schedule shall be overtime hours and shall be paid for as provided by the applicable provisions referred to in subsection (a) of this section. In the case of any part-time employee on a compressed schedule, overtime pay shall begin to be paid after the same number of hours of work after which a full-time employee on a similar schedule would begin to receive overtime pay.

"(c) Notwithstanding section 5544(a), 5546(a), or 5550(1) of this title, or any other applicable provision of law, in the case of any full-time employee on a compressed schedule who performs work (other than overtime work) on a tour of duty for any workday a part of which is performed on a Sunday, such employee is entitled to pay for work performed during the entire tour of duty at the rate of such employee's basic pay, plus premium pay at a rate equal to 25 percent of such basic pay rate.

"(d) Notwithstanding section 5546(b) of this title, an employee on a compressed scheduled who performs work on a holiday designated by Federal statute or Executive order is entitled to pay at the rate of such employee's basic pay, plus premium pay at a rate equal to such basic rate, for such work which is not in excess of the basic work requirement of such employee for such day. For hours worked on such a holiday in excess of the basic work requirements for such day, the employee is entitled to premium pay in accordance with the provisions of section 5542(a) or 5544(a) of this title, as applicable, or the provisions of section 7 of the Fair Labor Standards Act (29 U.S.C. 207) whichever provisions are more beneficial to the employee.

"§ 6129. Administration of leave and retirement provisions

"For purposes of administering sections 6303(a), 6304, 6307 (a) and (c), 6323, 6326, and 8339(m) of this title, in the case of an employee who is in any program under this subchapter, references to a day or workday (or to multiples or parts thereof) contained in such sections shall be considered to be references to 8 hours (or to the respective multiples or parts thereof).

"§ 6130. Application of programs in the case of collective bargaining agreements

"(a)(1) In case of employees in a unit represented by an exclusive representative, any flexible or compressed work schedule, and the establishment and termination of any such schedule, shall be subject to the provisions of this subchapter and the terms of a collective bargaining agreement between the agency and the exclusive representative.

"(2) Employees within a unit represented by an exclusive representative shall not be included within any program under this subchapter except to the extent expressly provided under a collective bargaining agreement between the agency and the exclusive representative.

"(b) An agency may not participate in a flexible or compressed schedule program under a collective bargaining agreement which contains premium pay provisions which are inconsistent with the provisions of sections 6123 or 6128 of this title, as applicable.".

§ 6131. Criteria and review

"(a) Notwithstanding the preceding provisions of this subchapter or any collective bargaining agreement and subject to subsection (c) of this section, if the head of an agency finds that a particular flexible or compressed schedule under this subchapter has had or would have an adverse agency impact, the agency shall promptly determine not to—

"(1) establish such schedule; or

"(2) continue such schedule, if the schedule has already been established.

"(b) For purposes of this section, 'adverse agency impact' means—

"(1) a reduction of the productivity of the agency;

"(2) a diminished level of services furnished to the public by the agency; or

"(3) an increase in the cost of agency operations.

"(c)(1) This subsection shall apply in the case of any schedule covering employees in a unit represented by an exclusive representative.

"(2)(A) If an agency and an exclusive representative reach an impasse in collective bargaining with respect to an agency determination under subsection (a)(1) not to establish a flexible or compressed schedule, the impasse shall be presented to the Federal Service Impasses Panel (hereinafter in this section referred to as the 'Panel').

"(B) The Panel shall promptly consider any case presented under subparagraph (A), and shall take final action in favor of the agency's determination if the finding on which it is based is supported by evidence that the schedule is likely to cause an adverse agency impact.

"(3)(A) If an agency and an exclusive representative have entered into a collective

bargaining agreement providing for use of a flexible or compressed schedule under this subchapter and the head of the agency determines under subsection (a)(2) to terminate a flexible or compressed schedule, the agency may reopen the agreement to seek termination of the schedule involved.

"(B) If the agency and exclusive representative reach an impasse in collective bargaining with respect to terminating such schedule, the impasse shall be presented to the Panel.

"(C) The Panel shall promptly consider any case presented under subparagraph (B), and shall rule on such impasse not later than 60 days after the date the Panel is presented the impasse. The Panel shall take final action in favor of the agency's determination to terminate a schedule if the finding on which the determination is based is supported by evidence that the schedule has caused an adverse agency impact.

"(D) Any such schedule may not be terminated until—

"(i) the agreement covering such schedule is renegotiated or expires or terminates pursuant to the terms of that agreement; or

"(ii) the date of the Panel's final decision, if an impasse arose in the reopening of the agreement under subparagraph (A) of this paragraph.

"(d) This section shall not apply with respect to flexible schedules that may be established without regard to the authority provided under this subchapter.".

"§ 6132. Prohibition of coercion

"(a) An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with—

"(1) such employee's rights under sections 6122 through 6126 of this title to elect a time of arrival or departure, to work or not to work credit hours, or to request or not to request compensatory time off in lieu of payment for overtime hours; or

"(2) such employee's right under section 6127(b)(1) of this title to vote whether or not to be included within a compressed schedule program or such employee's right to request an agency determination under section 6127(b)(2) of this title.

"(b) For the purpose of subsection (a), the term 'intimidate, threaten, or coerce' includes, but is not limited to, promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or effecting or threatening to effect any reprisal (such as deprivation of appointment, promotion, compensation).

"§ 6133. Regulations; technical assistance; program review

"(a) The Office of Personnel Management shall prescribe regulations necessary for the administration of the programs established under this subchapter.

"(b)(1) The Office shall provide educational material, and technical aids and assistance, for use by an agency in connection with establishing and maintaining programs under this subchapter.

"(2) In order to provide the most effective materials, aids, and assistance under paragraph (1), the Office shall conduct periodic reviews of programs established by agencies under this subchapter particularly insofar as such programs may affect–

"(A) the efficiency of Government operations;

"(B) mass transit facilities and traffic;

"(C) levels of energy consumption;

"(D) service to the public;

"(E) increased opportunities for full-time and part-time employment; and

"(F) employees' job satisfaction and nonworklife.

"(c) With respect to employees in the Library of Congress, the authority granted to the Office of Personnel Management under this subchapter shall be exercised by the Librarian of Congress.".

(b) The table of sections at the beginning of such chapter is amended—

(1) by inserting before the item relating to section 6101 the following:

"SUBCHAPTER I—GENERAL PROVISIONS";

and

(2) by adding at the end thereof the following:

"SUBCHAPTER II—FLEXIBLE AND COMPRESSED WORK SCHEDULES

"Sec.
"6120. Purpose.
"6121. Definitions.
"6122. Flexible schedules; agencies authorized to use.
"6123. Flexible schedules; computation of premium pay.
"6124. Flexible schedules; holidays.
"6125. Flexible schedules; time-recording devices.
"6126. Flexible schedules; credit hours; accumulation and compensation.
"6127. Compressed schedules; agencies authorized to use.
"6128. Compressed schedules; computation of premium pay.
"6129. Administration of leave and retirement provisions.
"6130. Application of programs in the case of negotiated contracts.
"6131. Criteria and review.
"6132. Prohibition of coercion.
"6133. Regulations; technical assistance; program review."

SEC. 3. Section 3401(2) of title 5, United States Code, is amended by inserting "(or 32 to 64 hours during a biweekly pay period in the case of a flexible or compressed work schedule under subchapter II of chapter 61 of this title)" after "week".

SEC. 4. Each flexible or compressed work schedule established by any agency under the Federal Employees Flexible and Compressed Work Schedules Act of 1978 (5 U.S.C. 6101 note) in existence on the date of enactment of this Act shall be continued by the agency concerned subject to the review of such schedule by the agency within 90 days after the date of enactment of this Act and such further action as the agency shall take under the second sentence of this section. If, in reviewing the schedule, the agency determines that the schedule has reduced the productivity of the agency or the level of services to the public or has increased the cost of the agency operations, the agency shall, notwithstanding any provision of a negotiated agreement, immediately terminate such schedule and such termination shall not be subject to negotiation or to administrative review (except as the President may provide) or to judicial review.

SEC. 5. The amendments made by this Act shall not be in effect after three years after the date of the enactment of this Act.

Mr. STEVENS. Mr. President, there is a time agreement on this bill, is there not? Will the Chair state that agreement?

The PRESIDING OFFICER. The Senator is correct.

The Chair is advised that when the Senate proceeds to the consideration of S. 2240, a bill to authorize the Federal Government's use of flexible and compressed work schedules for its employees, but not before Tuesday, June 29, 1982, debate on an amendment to be offered by the Senator from Colorado (Mr. ARMSTRONG) relative to the Walsh-Healy Act and the Contract Work Hours and Safety Standards Act shall be limited to 1 hour, to be equally divided and controlled, debate on a perfecting amendment to be offered by the Senator from Massachusetts (Mr. KENNEDY) to the Armstrong amendment shall be limited to 30 minutes, to be equally divided and controlled, debated on two committee amendments which shall be offered shall be debated out of the time allotted on the bill, with no other amendments in the first and second degree to be in order, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 5 minutes to be equally divided and controlled. Provided, that in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Mr. STEVENS. I thank the Chair.

Mr. President, I yield myself such time as I need to pursue an opening statement and some committee amendments.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STEVENS. I yield.

Mr. ROBERT C. BYRD. I designate Mr. EAGLETON to control the time under my control.

Mr. STEVENS. I thank the minority leader. I am delighted to be able to work once again with my good friend from Missouri.

Mr. President, when we passed S. 2254, which continued the Government's alternative work schedules experiments for 4 months, I said we would continue to work on a compromise bill to authorize an alternative work schedules program. With the help of some Members in the House, S. 2240 with an amendment is that compromise.

S. 2240 authorizes alternative work schedules for 3 years. Programs established under Public Law 95-390, the experimental program, can be reauthorized under this act. Management of each such program must review the program within 90 days of enactment. If they determine the program reduced productivity, reduced the level of service to the public, or increased agency costs, the agency must immediately terminate that schedule regardless of any contract provision. That decision is not negotiable or reviewable.

Programs started subsequent to enactment, including those replacing terminated schedules, are fully negotia-

ble where a unit is represented by an exclusive bargaining agent. Agency management is free not to institute a schedule if they can provide evidence that one of the aforementioned negative factors is likely to occur. If the exclusive bargaining agent disagrees, the impasse will be presented to the Federal Service Impasses Panel with the burden of proof on agency management.

Once a negotiated new program is in effect, an agreement may be reopened by management to seek termination if it determines that one of the previously mentioned negative factors has resulted from the program. If no agreement is reached on termination, the impasse will be presented to the Federal Service Impasses Panel. The panel must rule in 60 days. It must rule in favor of the agency if it determines that productivity declined, service to the public diminished or cost increased as a result of the program.

Mr. President, in order to conform this bill to a recently introduced House bill, I intend to offer an amendment to more fully clarify the intent of an agency's unilateral right to terminate an experimental schedule and its subsequent responsibilities. This amendment requires that prior to the termination of an experimental schedule an agency must certify that the termination of such a schedule and reintroduction of a more traditional schedule will not increase costs. Administrative cost resulting from the transition from one schedule to another are not to be considered in making the cost determination.

Second, this amendment clarifies that an agency which terminates an experimental schedule must negotiate in good faith on any new schedule proposed by an exclusive representative of that agency's unit. This applies to those agencies where there are either agreements containing a provision for alternative work schedules or agreements for such schedules that are in existence on the date of enactment of this legislation.

I intend to move the adoption of those amendments after the statement of the distinguished Senator from Missouri.

Finally, Mr. President, I will also ask adoption of a technical amendment that clarifies a minor budgetary problem. A provision in the bill authorizing the Bureau of Engraving and Printing to use time clocks will under this amendment not be effective until October 1, 1982, and that authority would also be made permanent.

Mr. President, at this time I am happy to yield to my good friend from Missouri if he has a statement to make.

Mr. EAGLETON. Mr. President, in 1978, Congress enacted the Federal Employees Flexible and Compressed Work Schedules Act, Public Law 95-350, better known as the flexitime legislation. The legislation required the Office of Personnel Management (OPM) to establish a program to conduct a carefully controlled 3-year experiment throughout the Federal Government with various work schedules which were alternatives to the traditional 8-hour day, 40-hour week.

Stated simply, the basic goal of that legislation was to assess whether the promising trend in the private sector toward alternatives to the traditional 8-hour day could work effectively in the Federal Government. in 1978, when I chaired hearings on the original flexitime legislation, there was already an impressive volume of evidence that private companies which had experimented with flexible scheduling and alternatives to the traditional work day and week were extremely enthusiastic about it. Employees were generally very excited about their newly-found flexibility; it was proving to be particularly beneficial to families with children where both parents worked, enabling the parents to spend substantially more time with their children. Employers generally reported that after an initial adjustment, the change to more flexible scheduling did not make management more difficult; in fact, the improved employee morale led to increased productivity and more than offset any difficulties which resulted from administrative inconvenience.

In my view, the potential benefits from flexible work hours for family life—the chance to ease the dilemma for parents who wanted to spend more time with their children but also either wanted to work or found it necessary financially to work—alone justified the Federal Government's experiment with flexible and compressed work schedules. From the private sector studies, it was evident that a range of other potential benefits could result as well: Everything from lengthened hours of service to the taxpayers; less congested traffic patterns; possible reductions in energy consumption in cases where the 4-day week proved viable. At the same time, the evidence suggested that not all experiments with flexible new schedules produced the desired results. I remember several cases in which workers switched to a 4-day, 10-hour schedule, found it to be exhausting, and opted to return to the 5-day week. But the overall evidence certainly justified a careful experiment to measure the benefits and costs of more flexible scheduling and to assess systematically the circumstances where it would work and those where it would not.

As the committee report on this legislation described, the experiment with alternative work schedules has been generally successful. OPM's final report to the President found that the program was, in most cases, beneficial to the public and the employees themselves. The committee report summarizes the OPM findings in this way:

> The benefits of these schedules to employees were overwhelming. Working parents could structure their work schedules to best attend to their children's needs. Appointments outside of the office could be more easily scheduled without the necessity of taking sick or annual leave. Travel times to and from the office were reduced. Employees generally had a greater degree of control over their work lives which provided them with more time to devote to non-work activities.
>
> The benefits of these schedules to government, when utilized in a proper fashion, were also significant. Hours of service to the public increased. Tardiness and absenteeism of employees were reduced. Energy consumption in buildings decreased. General productivity was enhanced.
>
> On the other hand, improper use of alternative work schedules did have some serious repercussions. In some cases, productivity and work performance declined. Service to the public was delayed and hindered. Workers were unavailable when needed. Costs increased.

I agree with the botton line assessment in the committee report: "the result of the experimental program showed that the use of alternative work schedules can be beneficial to all concerned when the schedules were used properly." However, the interests of the Federal employees are obviously not the sole concern; the most important consideration is the quality of the service provided to the public and insuring that a change to flexible work schedules does not harm that service in any way.

S. 2240 established the Federal Government's use of flexible and compressed work schedules on a permanent basis. In fashioning the legislation, Senator STEVENS has gone to great lengths to accommodate two potentially conflicting concerns: The rights of employees represented by labor unions to bargain collectively over vital workplace issues—and the nature of work schedules is obviously such an issue—and the responsibility of management to exercise some judgment that flexible or varied work schedules are not appropriate in certain situations or that there may be situations where a flexible work schedule is having an unanticipated adverse effect on Government service. In my view, S. 2240 establishes a framework which protects the needs and prerogatives of both the Federal managers and the employees and their representatives. Management has the authority to make an initial determination that a particular schedule, if initiated, will have an adverse effect in an agency. In cases where a particular schedule is already in effect, management is granted a limited right to reopen an agreement to seek termination of a schedule which management believes is having an adverse effect. In either case, however, once the initial

management decision is made, management can go no further unilaterally. Where initiating a flexible schedule is at issue, full negotiation on all aspects of an alternative work schedule must occur. Where terminating an existing schedule is the question, once the agreement is reopened, the termination of a schedule is fully negotiable. If the parties reach an impasse in either case, the issue must be resolved by the Federal Service Impasses Panel.

It is no secret that the flexitime program has been the subject of rather stormy controversy which prevented timely passage of permanent legislation which the 3-year experiment concluded in March. I commend Senator STEVENS for the time he has devoted to this legislation and the compromise he has crafted between viewpoints that at onetime seemed almost irreconcilable. Only a person with a deep commitment to the interests of Federal workers and an understanding of management's concerns could have produced this result. While the ultimate outcome for this legislation is by no means assured, without Senator STEVEN's extraordinary work, we would not be on the floor today. I know of no person who has done more over the years to protect the interests of the Federal employees and the quality of the Civil Service than Senator STEVENS.

S. 2240 provides a framework for successful continuation of flexible work schedules on a permanent basis; it does not provide a guarantee. In the testimony taken in 1978 in connection with the original flexitime legislation, one point came through with particular clarity: Flexible work schedules are obviously a boon to employees. To succeed, however, they require management which is capable and adaptable, and willing to tolerate some initial adjustment period because it cares about the morale of its employees and recognizes the long-term benefits which can result in terms of productivity.

That approach to management has often been sadly lacking in the last 18 months. The Federal civil service has taken a terrific beating at the hands of an administration which often seems intent on demoralizing Federal workers, degrading the importance of their work, and driving them into a private sector which, in the current recession, is not exactly ripe with opportunities. This administration's war on Federal employees goes far beyond what is necessary to cut the Federal budget. It is an ideological vendetta stemming from the philosophy that the Federal Government should be permanently weakened because Government is not an essential instrument for discharging responsibilities to the public or fulfilling our collective aspirations as a society.

Without much confidence, I hope that the administration will use the passage of this legislation as a moment to reconsider their dangerous and short-sighted view of the Federal civil service. If President Reagan, Dr. Devine, and others are too committed to their philosophy to reconsider its consequences, I hope that they will make a sincere attempt to implement this legislation effectively. In a period of RIF's and furloughs, pay caps and benefit cuts, flexible and compressed work schedules have been one of the very few bright spots for Government workers. With effective management, this program can continue to benefit the taxpayers well.

Mr. STEVENS. Mr. President, I am most grateful to the Senator from Missouri for his kind remarks.

I point out to him that I think the work, the dogged persistence on this issue has been done by Jamie Cowen of my staff, Ed Jayne of Senator PRYOR's staff, and Ira Shapiro of his staff. I think they deserve the credit he has so generously bestowed on me.

UP AMENDMENT NO. 1047

Mr. STEVENS. Mr. President, as I indicated, I send to the desk two amendments that I have described previously, the first to conform this to the House bill, and the second, a technical amendment. I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER (Mr. HUMPHREY). There are committee amendments to the bill that should be disposed of.

Mr. STEVENS. Very well, Mr. President. It was my intention to have these amendments added to the committee amendments, and then have them all treated as original text for the purpose of further amendment.

To be certain that there is no controversy with respect to further amendments, I ask unanimous consent that we proceed in that manner so that there will be no question with respect to further amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1047.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

UP AMENDMENT NO. 1047

On page 17, line 11, delete the period and insert the following: "(other than a reasonable administrative cost relating to the process of establishing a flexible or compressed schedule).".

Page 21, amend section 4 (beginning on line 14 and ending on line 12 of page 22) to read as follows:

"SEC. 4 (a) Except as provided in subsection (b), each flexible or compressed work schedule established by any agency under the Federal Employees Flexible and Compressed Work Schedules Act of 1978 (5 U.S.C. 6101 note) in existence on the date of enactment of this Act shall be continued by the agency concerned.

"(b)(1) During the 90-day period after the date of the enactment of this Act, any flexible or compressed work schedule referred to in subsection (a) may be reviewed by the agency concerned. If, in reviewing the schedule, the agency determines in writing that—

"(A) the schedule has reduced the productivity of the agency or the level of services to the public, or has increased the cost of the agency operations, and

"(B) termination of the schedule will not result in an increase in the cost of the agency operations (other than a reasonable administrative cost relating to the process of terminating a schedule),

"the agency shall, notwithstanding any provision of a negotiated agreement, immediately terminate such schedule and such termination shall not be subject to negotiation or to administrative review (except as the President may provide) or to judicial review.

"(2) If a schedule established pursuant to a negotiated agreement is terminated under paragraph (1), either the agency or the exclusive representative concerned may, by written notice to the other party within 90 days after the date of such termination, initiate collective bargaining pertaining to the establishment of another flexible or compressed work schedule under subchapter II of chapter 61 of title 5, United States Code, which would be effective for the unexpired portion of the term of the negotiated agreement."

At the end of the bill add the following new section:

SEC. . (a) Section 6106 of title 5, United States Code, is amended by striking out the period and inserting in lieu thereof a comma and "except that the Bureau of Engraving and Printing may use such recording clocks.".

(b) The amendment made by this section shall take effect October 1, 1982. Section 5 of this Act shall not apply to the amendment made by this section.

On page 8, beginning with the comma on line 18, strike out all through line 22 and insert in lieu thereof a period.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment (UP No. 1047) was agreed to.

Mr. STEVENS. Mr. President, I ask that the committee amendments, as amended, be agreed to.

The committee amendments, as amended, were agreed to.

The PRESIDING OFFICER. Without objection, the bill, as amended, will be considered as original text for the purpose of subsequent amendment.

Mr. SASSER. Mr. President, I rise to confirm my understanding that since this bill provides authorization for the continuation of programs conducted under Public Law 95-390 its provisions

do not therefore affect or impair the alternative work schedules conducted by the Tennessee Valley Authority in accordance with the TVA Act of 1933. The terms and conditions of employment for TVA personnel, as established by the TVA Act, are not affected by S. 2240, as I understand it. Further, S. 2240, the Federal Employees Compressed Work Schedules Act of 1982 does not expand the application of the Federal labor-management relations law of chapter 71 to cover agencies, like TVA, which are not now covered.

Mr. STEVENS. The Senator's understanding is correct.

RECESS UNTIL 1 P.M.

Mr. STEVENS. Mr. President, we are now in the position of awaiting the first substantive amendment to be offered by the Senator from Colorado (Mr. ARMSTRONG). He is in the Committee on Finance on a very important matter and we do not wish to disturb the meeting of the Committee on Finance.

Therefore, with the understanding that it has been approved by the distinguished minority leader, I ask unanimous consent that the Senate stand in recess until 1 p.m.

There being no objection, the Senate, at 12:05 p.m. recessed until 1 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. SCHMITT).

The PRESIDING OFFICER. Who yields time? The majority leader is recognized.

Mr. BAKER. Mr. President, I ask unanimous consent that I may proceed for 1 minute without the time being charged against anybody.

The PRESIDING OFFICER. Without objection, it is so orderd.

Mr. BAKER. Mr. President, I understand we are prepared to resume consideration of the flexitime bill on which there is a time limitation; is that correct?

The PRESIDING OFFICER. The Senator from Tennessee is correct.

Mr. BAKER. Would the Chair please state the condition of the time agreement?

The PRESIDING OFFICER. The agreement under which S. 2240 is being considered is as follows: Debate on an amendment to be offered by the Senator from Colorado (Mr. ARMSTRONG) relative to the Walsh-Healy Act and the Contract Work Hours and Safety Standards Act shall be limited to 1 hour, to be equally divided and controlled; debate on a perfecting amendment to be offered by the Senator from Massachusetts (Mr. KENNEDY) to the Armstrong amendment shall be limited to 30 minutes to be equally divided and controlled. Is that sufficient for the Senator? There are other provisions.

Mr. BAKER. No, Mr. President, that is sufficient.

There is one provision in the order that I will discuss with the minority leader and other Senators, and I may ask for a modification at a later point. That has to do with the control of time in opposition to the Kennedy amendment, assuming the Kennedy amendment is offered. I will not now do that, but I will confer with the minority leader and make sure he has no objection to it.

I think the intention of the order was that if the Kennedy amendment is offered, the time in opposition would be under the control of Senator from Colorado (Mr. ARMSTRONG). The way it is written at this time, it would be under the control of the minority leader or his designee. I do not think that is a problem but it is a matter which has been brought to my attention, and I will consult with the minority leader later on that point.

The PRESIDING OFFICER. The Senator is correct in his interpretation.

Mr. BAKER. I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Alaska.

Mr. STEVENS. Mr. President, may I inquire is the Senator from Colorado prepared to proceed with his amendment at this time?

Mr. ARMSTRONG. Mr. President, I am prepared.

Could I just inquire as to what the status of time is at the moment, how much time remains on the bill?

The PRESIDING OFFICER. The Senator from Alaska has 11 minutes, the Senator from Missouri has 7 minutes.

Mr. ARMSTRONG. Mr. President, is it the desire of the Senator from Alaska that I proceed at this time?

Mr. STEVENS. If the Senator from Colorado is prepared, that would be our request.

The PRESIDING OFFICER. The Senator from Colorado.

UP AMENDMENT NO. 1048

(Purpose: To amend the Contract Work Hours Standards Act and the Walsh-Healey Act to permit employees, to whom such Acts apply, to work any combination of hours in a forty-hour workweek)

Mr. ARMSTRONG. Mr. President, I will be delighted to proceed. Before I do so may I thank the Senator from Alaska for helping me work out the time so we could offer this amendment in a way that permitted me to be present when it was offered. I have been tied up in the Committee on Finance with some important business, and yet I did wish to be here to present this amendment and to discuss it with my colleagues, and I am grateful to the Senator from Alaska for his courtesy.

With that word of explanation, I do send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an unprinted amendment numbered 1048.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and I will endeavor to explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

Sec. . (a) Section 102(a) of the Contract Work Hours Standards Act (40 U.S.C. 328(a)) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the wages of every laborer and mechanic employed by any contractor or subcontractor in his performance of work on any contract of the character specified in section 103 shall be computed on the basis of a standard workweek of forty hours, and work in excess of such standard workweek shall be permitted subject to the provisions of this section. For each workweek in which any such laborer or mechanic is so employed, such wages shall include compensation, at a rate not less than one and one-half times the basic rate of pay, for all hours worked in excess of forty hours in the workweek.".

(b) Section 102(b) of such Act is amended—

(1) by striking out "eight hours in any calendar day or in excess of" in paragraph (1); and

(2) by striking out "eight hours or in excess of" in paragraph (2).

Sec. . Subsection (c) of the first section of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes" (41 U.S.C. 35 (c)), commonly known as the Walsh-Healey Act, is amended by striking out "eight hours in any one day or in excess of".

Sec. . The amendments made by this Act shall not affect collective bargaining agreements in effect on the date of enactment of this Act.

Mr. ARMSTRONG. Mr. President, we are proceeding under controlled time, and I yield myself 10 minutes.

Mr. President, the proposal to create a permanent statutory authority for alternative work schedules for Federal employees is now before the Senate for consideration. The Office of Personnel and Management created and evaluated work schedules that vary from the conventional workweek and found them beneficial to agencies, employees, and the public. They concluded that alternative work schedules can improve the productivity of an organization and increase its service to the public without additional costs.

I support this concept and, indeed, I congratulate the Senator from Alaska and others who have brought this legislation to the floor because, in my opinion, there are many instances in which this flexitime concept for Federal employees is not only in the best

interests of the employees but also enhances the productivity of the Government itself.

I feel we must also, however, offer that same kind of option to the Federal contractors in the private sector. The concept of increased productivity, energy savings, and improved employee morale through use of a compressed workweek is embraced both in my amendment to the Walsh-Healey Act—which governs Federal contractors—and in this legislation to reauthorize the Government's flexitime program. With these legislative proposals more or less identical in concept, Congress has a golden opportunity to update a relic of the past.

The amendment I offer today simply permits Federal contractors the option of instituting flexible work schedules without facing penalty. The administration and many Senators have expressed their support for the legislation. It is needed primarily to bring the laws governing Federal contractors into conformity with current overtime provisions and flexibility provided to private sector employees, and, if the legislation before us passes, to Federal employees themselves. Specifically, the proposal amends parts of two statutes which regulate pay standards for Government contractors: The Walsh-Healey Act and the Contract Work Hours and Safety Standards Act. Those laws presently mandate that "no persons employed by Federal contractors shall be permitted to work in excess of eight hours in any one day without payment of time and one half for overtime."

Since the 1930's, when the Walsh-Healey and Contract Work Hours and Safety Standards Acts were enacted, employer and employee needs and desires have changed. Today more than one-fifth of the labor force is functioning under flexible, compressed, or voluntarily reduced work schedules. This trend will continue throughout the 1980's as life styles and family structures are changing. Employers who respond creatively to these new conditions will have the competitive edge.

Unfortunately, the Federal regulations have not kept pace with the changing society. Moreover, the unnecessary and outdated restriction has brought extra costs to the Government. In a report to the Congress by the Comptroller General (Contractors Use of Altered Work Schedules for Their Employees—How is it Working? April 1976), the Department of Labor cited one instance of an organization utilizing a 4-day work schedule, that negotiated a contract with the Government and included about $240,000 in overtime and associated costs in the contract price because of the overtime payment required by the Walsh-Healey Act. The legislation also reduces the number of bids on Government contracts. The Department of Defense and the General Services Administration, who both do a large amount of contracting for the Government, supported legislative changes in the Walsh-Healey Act and Contract Work Hours and Safety Standards Act for this reason.

Mr. President, this amendment has one objective and one aim. To allow Federal contractors the option of alternative work schedules. I stress we are talking only about an option. This requires no company and no employee to change their existing work schedule. It merely says in those instances where employees and their companies wish to do so they may adopt a 10-hour 4-day workweek or some other version of a workweek without incurring overtime until the total hours worked within the workweek exceed 40 hours.

This, I stress, is exactly the same provision that now governs every other private sector firm and employee.

The benefits of flexitime, however, go far beyond less Government interference in the private sector. There are, at least for some companies, distinct advantages in choosing to implement the alternative work schedule. Numerous studies have been conducted on the optional compressed workweek, including those done by the Comptroller General, the Bureau of Labor Statistics, and the National Center for Energy Management and Power.

Among the conclusions are the following: That in some cases, at least, greater productivity is realized—higher weekly output, improved use of plant and equipment and improved employee morale; improved working conditions—reduced employment working costs, increased job satisfaction, and ease of recruitment; and energy conservation.

One advantage of particular interest to me deals with the problem of air pollution. We now have evidence, as a result of a study released by the Denver Regional Council of Governments in cooperation with the Denver Federal Executive Board, examining the travel habits of some 7,000 Federal employees on the compressed work schedule in Denver. To date, this study is the only in-depth investigation which applies the full travel impact resulting from an experiment of this size. The study concludes that the compressed workweek is one of the most effective transportation management actions that Denver's Federal agencies can take in addressing the concern of air pollution and traffic congestion. It has been estimated that neither providing free transit service at peak periods for everyone in the area, nor an extensive and complicated program of carpool matching would even equal the impact on air pollution that resulted from only 7,000 employees on a compressed workweek.

It is easy to imagine what might result if all employees of Federal contractors in the area, which easily number twice that of the Federal employees in the study, were allowed the option of shifting to a 4-day workweek schedule.

A change in the Walsh-Healey Act would not in any way affect the Fair Labor Standards Act, which governs all workers and provides that overtime premiums be paid whenever employees work more than 40 hours a week. My amendment would not impact the collective bargaining process, nor would it conflict with any of the Federal labor laws. Nothing in this amendment is to be construed to cover employees other than those employees specified in the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act. Finally, this amendment does not mandate a compressed workweek, but only restores to American firms and their employees serving the Federal Government a basic option, a basic freedom of choice.

Mr. President, the Government employees are eager to see the Federal Employees Flexible Work Schedules Act become permanent. We have heard many of the unions and workers testify to that effect. The same is true for the employees in the private sectors who are working on Federal contracts. Many private sector collective bargaining agreements across the Nation encompass the 4-day, 10-hour workweek. In my own State of Colorado, many labor contracts include provisions for a compressed workweek and are merely awaiting action by Congress to update the law in the way that my amendment suggests.

In my opinion, it is only fair for Federal contractors to have the same advantages that private sector and Government employees do. If that is ever to be accomplished, this is the time to do it, because it relates, in concept, so directly to the legislation which is now pending before us.

Mr. President, in conclusion, I would like to point out that this amendment is supported by the administration, by the National Association of Manufacturers, the U.S. Chamber of Commerce, the Business Roundtable, NFIB, and dozens of other associations and individual companies, a list of which I ask unanimous consent be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ASSOCIATIONS

National Association of Manufacturers.
U.S. Chamber of Commerce.
Business Roundtable.
N.F.I.B.
American Apparel Manufacturing Association.
American Horse Council.

American Motorcyclists Association.
American Recreation Coalition.
American Textile Manufacturers Institute, Inc.
Associated Builders and Contractors, Inc.
Associated General Contractors of America.
Electronic Industries Association.
International Snowmobile Industry Association.
National Meat Association.
National Marine Manufacturing Association.
National Motor Sports Committee.
National Spa and Pool Institute.
Printing Industries of America.
Recreation Vehicle Dealers Association.
Recreation Vehicle Industry Association.
United States Ski Association.

OTHERS

A. H. Robins.
ALCOA.
Ball Corporation.
Bristol Myers Corporation.
Burlington Industries.
C. A. Norgren and Company.
Dow Chemical U.S.A.
E. I. duPont de Nemours and Co.
General Telephone and Electronics Co.
JLG Industries.
Mobil Oil Corporation.
Motorola, Inc.
Spring Mills, Inc.
TRW, Incorporated.
Uniroyal, Inc.
United Technologies Corporation.
Upjohn Company.
Xerox Corporation.

Mr. ARMSTRONG. Mr. President, I reserve the remainder of my time.

Mr. STEVENS. Mr. President, the amendment of the distinguished Senator from Colorado is an interesting amendment and one that deserves review by the Senate and by the Congress. But I say to the Senate that it should not be on this bill.

This is a bill from the Governmental Affairs Committee. When we go to conference we will be going to conference with the Post Office and Civil Service Committee in the House. Our old Post Office and Civil Service Committee was folded into the Governmental Affairs Committee reorganizations several years ago. Our subcommittee now has the same jurisdiction as the House full committee.

The Armstrong amendment will jeopardize the passage of this flexitime legislation. The current experimental legislation expires for most agencies on July 21. The House of Representatives will not return until July 12. They will have only a week to dispose of this legislation. We have received assurances that if we amended the bill in the manner that we have already amended it, that the House would attempt to pass our bill without amendments. This amendment will mean that it will involve the jurisdiction of two committees in the House and will undoubtedly see that this bill would be referred to those two committees and that would be the end of flexitime for Federal employees.

In addition to that, let me point out to the Senate that the Armstrong amendment does not contain the protections afforded the Federal employees to insure that an alternative work schedule is not imposed upon them. Our bill, S. 2240, provides full negotiation over the establishment and termination of flexitime where a union is involved.

If there is no union, a majority of the employees in the unit must vote to agree with an agency decision to establish a particular schedule. Despite union representation, or a majority consent, as the case may be, an employee who would experience personal hardship from the schedule can be exempted. This employee has recourse to the Special Counsel of the Merit System Protection Board if the agency does not exempt him. Unfortunately, the Armstrong amendment does not, and I do not think it could, provide these kinds of protections because of the mechanisms that are already in the Federal law to deal with such exemptions for particular employees.

Now, my plea to the Senate is not to attach this amendment to this particular bill. It is within the jurisdiction of the Labor Committee. I understand that there is similar legislation in the Labor Committee. The only result that can happen is either the House will strip such an amendment off and send it back here or the House will be forced to refer this bill to the two committees as I indicated.

The Senator is attempting to conform the requirements of the Walsh-Healey Act to the Fair Labor Standards Act and, as I understand it, he wants to substitute for the 8-hour workday restriction the 40-hour workweek for Federal contractors.

It is, as I indicated, in my opinion a subject that needs to be pursued. The Walsh-Healey Act applies only to Federal contractors. It requires overtime to be paid for hours in excess of 8 hours a day. That, however, is completely foreign to the concepts of flexitime as they apply to Federal employees, and the impact of this would be, as I indicated, in my opinion, to jeopardize the passage of the flexitime bill. We will not have the time to save those compressed work schedules that had been instituted during the period of the experiment. It would require us to address the matter entirely in a different way. We just cannot handle this in negotiation with the people that we would be compelled to meet with if this matter were sent to conference.

But I state to the Senate that in my opinion the House would not go to conference on this bill. There is no reason for the House Post Office and Civil Service Committee to tackle the problems of the Walsh-Healey Act. Does the Senator from Missouri desire to comment?

Mr. EAGLETON. Yes.

Mr. STEVENS. I yield to the Senator from Missouri such time as he may wish.

Mr. EAGLETON. Mr. President, I join with the distinguished floor manager, Senator STEVENS, in urging that Senator ARMSTRONG's amendment to this bill, which amends the Walsh-Healey and Contract Work Hours Standards Acts, be tabled. I do so for both procedural and substantive reasons.

First, Senator ARMSTRONG's amendment is not germane to the Federal flexitime bill. An amendment to the Walsh-Healey Act has absolutely nothing to do with extension of Federal flexitime programs. In fact, adoption of the Armstrong amendment will seriously jeopardize the prospects for enacting this continuation of the Federal flexitime program, a topic just discussed by Senator STEVENS.

Second, Senator ARMSTRONG introduced a bill which is virtually identical to the pending amendment on February 5, 1981; it is still pending before the full Labor and Human Resources Committee.

No full committee executive session has ever been scheduled on this legislation. In seeking to add his amendment to the flexitime bill, Senator ARMSTRONG is attempting to bypass full committee consideration by the committee of jurisdiction.

Finally, Mr. President, I would point out that while Senator ARMSTRONG likes to suggest that this amendment is needed "to bring the laws governing Federal contractors into conformity with current overtime provisions and flexibility in work schedules provided to private sector employees, and ironically, to Federal employees themselves," the amendment differs from the Federal flexitime bill in a very significant way. The Federal flextime bill contains a number of provisions designed to insure employee free choice in selecting alternative work schedules or a compressed work week.

I emphasize the words "employee free choice."

Senator ARMSTRONG'S amendment does not include a comparable protection for private sector employees. Although his amendment states that it will not affect collective-bargaining agreements in effect on the date of enactment, it does not provide any mechanism for unorganized employees to have a voice in determining their work schedules. The unorganized worker would have no choice but to simply quit his job if he could not, for family reasons, or child care arrangements, or whatever, adjust to increased hours in the work day.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks time?

Mr. ARMSTRONG. Mr. President, I yield to the Senator from Wyoming.

Mr. WALLOP. I thank the Senator from Colorado.

Mr. President, I rise in support of his amendment. I would point out to the distinguished Senator from Alaska that because the House threatens us with inability or a lack of desire to act, there is no reason for us not to do something which, in our judgment, is right. I believe that we should do what our intellect in the Senate tells us we should do, and that we should not worry about threats from the House, whether they will or will not take up a certain thing. They have as much responsibility and accountability to the Federal employees who they seek to respond to as we do.

If they leave us with nothing but threats, so be it. It would be their threats and their inability to act, or their lack of desire to act, or their obstinance in the face of these threats, that would be the troublesome factor to the Federal employee, not that of the Senate, if it is, in fact, the Senate's ideas.

Mr. President, as I said, I rise in support of the amendment offered by my distinguished colleague from Colorado. The amendment would permit Federal private contractors to utilize a 4-day, 40-hour workweek. The Walsh-Healey Act currently limits the ability of private industry to employ innovative work schedules. While the limits of the act may have been appropriate back in the 1930's, there is a need to modernize this provision to reflect the changing work force of the 1980's.

In recent years, a number of companies have successfully implemented a 4 day, 40-hour work schedule. The flexibility it provides to both employer and employee is an important incentive for a more productive workplace. These experiments have not succeeded in all cases. Trial and error demonstrate where such a program is appropriate. This amendment will greatly expand the number of firms that can utilize the 4-day workweek.

The issue has been before the Congress for 10 years. Our former colleague from Kentucky, Senator Marlow Cook, was the original proponent of this legislation. I congratulate my colleague from Colorado for his efforts in seeking passage of this legislation.

Our economy is at a crossroads. Last year, we adopted tax incentives to reindustrialize private industry. We need to adopt techniques which will improve productivity and innovation. Our economy is faced with an aging work force. There are also more women in the workplace. Flexibility in work schedules is necessary as we return to a full growth economy. The 4-day, 40-hour workweek bill is one small step. Another improvement is the compensatory time legislation which I introduced earlier this year. This legislation, S. 2395, would permit companies to maintain their work force throughout the year even when there are peaks and troughs in work orders. I will not offer my proposal as an amendment today, but do hope that we can address the issue in the near future.

For the moment, I would urge my colleagues to vote in favor of the pending amendment.

I thank the Senator from Colorado for yielding.

Mr. ARMSTRONG. Mr. President, I am grateful to the Senator from Wyoming for his observations, with which I fully agree.

Mr. President, I now yield 10 minutes to the Senator from Oklahoma. I would note in doing so, that the Senator is extraordinarily well informed on this issue, having presided at the hearings held by the Subcommittee on Labor on this subject.

Mr. NICKLES. I thank the Senator from Colorado.

Mr. President, I ask unanimous consent that Senator HELMS and I may be added as cosponsors to the Armstrong amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I rise in support of the Armstrong amendment. As the Senator from Colorado stated, the subcommittee of which I am chairman, the Subcommittee on Labor, held extensive hearings on this matter in March 1981. We have convincing evidence from a number of sectors—private, public, union, and nonunion—that we need changes in the Walsh-Healey Act amendments which now mandate the payment of overtime for anything over 8 hours.

In investigating this, we find out that under the present statutes, all private employers who are not doing Government work do not have to pay overtime until they exceed 40 hours of work. We find out the Government employees are allowed to have flexitime. But we also find out that those persons who are doing work for the Federal Government, Federal contractors, are obligated under this so-called mandatory overtime over 8 hours.

What does that mean? I think it is important for people to realize that they have to pay overtime for over 8 hours a day, and you are doing contract work for the Federal Government, if you wanted to work four 10-hour days. I think that is evident by the statement of the Senator from Alaska saying, "Yes, flexitime works, it does work," but there are a lot of cases where it does work and a lot of cases where it will not work, where employees have opted to do so.

In those cases where the employees find it is to their economic advantage, to their time advantage, to their family advantage, to work four 10, or some other flexible schedule besides the 5 days, right now they find out if they are doing Federal contract work they cannot do so because their employer cannot compete.

Why can they not compete? Figure it up. If you work four 10-hour days and you are obligated to pay time-and-a-half over 8, the cost of working 40 hours is not 40 hours but it is 44 hours, because you pay time-and-a-half for 2 hours over 8 for 4 days.

It is time-and-a-half for those 8 hours, and that half-time premium is 4 hours. Instead of paying for 40 hours, you pay for 44 hours. In other words, it is a 10-percent premium.

You realize this if you are doing Federal construction or contract work, if it is labor intensive. Usually in construction you are looking at two primary costs, the materials, which are somewhat fixed for all contractors, and labor. You find out if you are doing Federal contract work you have a 10-percent premium added on, mandated by the Federal Government. It makes no sense.

Why should a Federal contractor be under a different law than all other private contractors? If they do private work, they are not mandated by it, but if they do Federal work they are mandated by it. It makes no sense.

I think Senator STEVENS and the Senator from Missouri realize the fallacy of this. They may say, "Yes, for Federal employees, we will allow flexitime." I congratulate them on it. I think there has been some productivity increase and morale increase that have been advantageous. But why are we going to prohibit that from private contractors doing work for the Federal Government?

Mr. President, much of the opposition to the Armstrong amendment is based on agruments that just will not stand up when they are closely examined. Today, I would like to discuss the Armstrong amendment, why I support it, and why I cosponsor it.

The purpose of the Armstrong amendment is to alter the Walsh-Healey Act to permit the employees of Federal contractors the same flexitime scheduling rights as those enjoyed by their counterparts in private industry and the Federal workforce. This is a concept which my predecessor, Senator Bellmon, successfully helped put through the Senate during the 96th Congress. Additionally, I might add, that the current administration supports such an amendment to the Walsh-Healey Act. I will submit for the record at the conclusion of my statement a copy of a letter on the subject from Secretary Donovan, but first let me relate to my colleagues its conclusion:

The administration supports legislative reform to provide Federal contractors with increased flexibility in alternative workweek scheduling. The administration would support the amendment proposed by Senator ARMSTRONG to make the language of the

89-059 O-86-46 (Pt. 11)

Walsh-Healey Act and the Contract Work Hours and Safety Standards Act comparable to that of the Fair Labor Standards Act, namely to permit work in any combination of hours per day without paying overtime until hours exceed 40 per week. This legislative language would be consistent with the administration's view that the act should be amended to permit labor and management to implement flexible worktime arrangements that could enhance the quality of worklife, promote energy efficiency, and increase productivity.

Flexible work schedules have been proven to have several distinct advantages. First, they have resulted in increased productivity. Second, there have been reductions in absences and tardiness on the part of workers. Third, there have been improvements in employee morale. Fourth, there has been a better utilization of resources. Fifth, there has been a reduction in energy requirements. Finally, employers and employees have both benefited in several ways. Employers have been free to experiment with new time schedules that allow for both imagination and innovation. Employees have been able to arrange their schedules so that they can have 3-day weekends, take advantage of educational opportunities, and spend more time with their families. To date, flexible work schedules have provided distinct advantages to both employers and employees.

The Armstrong amendment which we are considering today would simply eliminate the 8-hour-per-day restriction of the Walsh-Healey Act that applies only to the employees of Federal contractors. It eliminates the restriction but does not compel the adoption of flexible work schedules. All we are doing here is providing the employees of Federal contractors the same opportunity to have flexible work schedules that their counterparts in the Federal Government and private industry already possess. Thus, Senator ARMSTRONG'S amendment merely eliminates a discriminatory situation that has prevailed in recent years in this area. Moreover, it frees Federal contractors to devise ways and means to cut costs and increase worker productivity. As a result, it represents one way in which we in this body can seek to reduce the budget and help restore the economy to a sound footing.

If Senator ARMSTRONG'S amendment is enacted, workers and employers in several energy intensive industries—meatpacking, printing, and construction, for example—all heavily organized, I might point out—will be able to take advantage of flexitime and compressed work-week scheduling. All industries and all workers would not be inclined to take advantage of a Walsh-Healey change. Those most likely to do so can generally be categorized as small and energy intensive. This was made clear at hearings held early last year before the Labor Subcommittee. Consequently, this amendment would only affect a small but nevertheless important part of the American economy.

Opponents of the Armstrong amendment have offered many reasons for not supporting this measure. Some have charged that collective bargaining will be undermined. This criticism is both unfair and inaccurate. Collective bargaining will not be affected by the Armstrong amendment. Others have charged that the Armstrong amendment, by undermining the 8-hour day, will lead to an attack on the measures that protect workers from being exploited by unscrupulous employers. This criticism is again both unfair and inaccurate. This amendment is merely a small step to extend to the employees of Federal contractors the benefits of flexible work schedules that their counterparts in other parts of the work force already enjoy. This small, but significant, step is designed not to undermine the protections enjoyed by the American worker but rather to remove from Federal law a restriction that makes no sense whatsoever. It is time for Congress to take a close look at the over regulation that has so hampered the American economy in recent years. The Armstrong amendment will remove one restriction that will encourage the innovation and imagination of which Americans are capable once restrictive and senseless regulations are eliminated.

A final argument made by opponents of the Armstrong amendment is that it could result, if adopted, in the killing of the Federal flexitime extension legislation proposal of Senator STEVENS. I am a cosponsor of the earlier bill sponsored by Senator STEVENS and fully support his amendment here today. Senator ARMSTRONG has a right to offer an amendment—an amendment which is no more than a conforming amendment that will allow all employees and employers to enjoy the benefits of flexible work scheduling should they so choose. If the House of Representatives chooses to defeat this legislation because the Senate enacts a conforming amendment, then the House—I repeat, the House—and not the Senate has killed this legislation.

As Senators, we have an obligation to legislate in the best interests of all of our constituents. This was the vision that James Madison had when he argued for the national interest in Federalist Paper No. 51. This is the same vision that Senator ARMSTRONG had when he submitted his amendment. I urge my colleagues to accept the Armstrong amendment. Its benefits will be enjoyed by many people as time passes and at this time, it best serves the national interest of the United States.

I ask unanimous consent that a letter to me concerning this matter from Secretary of Labor Raymond J. Donovan, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
Washington, D.C., June 16, 1982.

Hon. DON NICKLES,
Chairman, Subcommittee on Labor,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request for the Administration's views on (a) Senator Armstrong's bill, S. 398, to amend the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act to provide federal contractors with increased flexibility in alternative workweek scheduling and (b) a subsequent modification of S. 398, which Senator Armstrong is considering attaching to S. 2240, the flexitime legislation.

As I indicated in my July, 1981 letter to you on the first question, the Administration supports legislative reform to provide federal contractors with increased flexibility in alternative workweek scheduling. With regard to the second question, let me say that the Administration would support the amendment proposed by Senator Armstrong to make the language of the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act comparable to that of the Fair Labor Standards Act, namely to permit work in any combination of hours per day without paying overtime until hours worked exceed forty per week.

This legislative language would be consistent with the Administration's view that the Act should be amended to permit labor and management to implement flexible work time arrangements that could enhance the quality of worklife, promote energy efficiency, and increase productivity.

The Office of Management and Budget advises that there is no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

RAYMOND J. DONOVAN,
Secretary of Labor.

Mr. THURMOND. Mr. President, will the distinguished Senator from Colorado yield to me?

Mr. ARMSTRONG. Mr. President, I shall be pleased to yield to the distinguished Senator from South Carolina 3 minutes or more, as he wishes.

Mr. THURMOND. I thank the Senator.

Mr. President, I support the amendment offered by my distinguished colleague and good friend from Colorado (Mr. ARMSTRONG). This amendment would conform the overtime provisions of the Walsh-Healey and Contract Work Hours and Safety Acts to those of the Fair Labor Standards Act.

Mr. President, under the Fair Labor Standards Act, most employers may adopt flexible work schedules conducive to their business needs without incurring liability for overtime compensation, unless employees are required to work in excess of 40 hours in a calendar week. Unfortunately, this is not the case where Federal contractors are concerned. Under the Walsh-Healey and Contract Work Hours and Safety

Acts, Federal contractors are subject to overtime liability whenever an employee works in excess of 8 hours a day.

Last year, Senator ARMSTRONG introduced a bill, S. 398, which would have permitted Federal contractors to adopt a 10-hour, 4-day workweek schedule without incurring overtime liability. I felt that was a significant improvement over the present situation, and I joined as a cosponsor.

The amendment Senator ARMSTRONG offers today is one step better than the bill introduced by him last year. It would strike all reference to 8-hour days in the overtime provisions of the Walsh-Healey and Contract Work Hours and Safety Acts, and provide that wages for workers on Federal contracts will be computed on the basis of a standard workweek of 40 hours. With this change, only work in excess of such standard workweek will be considered as overtime.

Mr. President, not only will this amendment help to increase worker productivity and thereby reduce labor costs on Federal contracts, it also should contribute to worker satisfaction and morale by enhancing leisure time for employees. Accordingly, I commend this amendment to my colleagues as an appropriate adjunct to the Federal Employees Flexible and Compressed Work Schedules Act.

Mr. President, if there is no objection, I ask that I be added as a cosponsor.

Mr. ARMSTRONG. Mr. President, not only is there no objection to adding the Senator as a cosponsor; I am delighted that he chooses to associate himself with this effort in that way.

I ask unanimous consent that the Senator be added, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, unless others wish to speak, I have yet a little business to complete before I yield the floor.

First, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Mr. President, I have a couple of other matters to take care of. Then I do want to recognize the junior Senator from Oklahoma again.

I send to the desk an article from the Engineering News Record about firms who favor the compressed workweek. I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Engineering News Record, June 24, 1982]

MANY FIRMS FAVORING COMPRESSED WORKWEEK

Alternative work schedules that squeeze more working hours into fewer days, such as "four-10's," are becoming increasingly popular with large design and construction firms, a new survey reveals.

Of the 18 union and nonunion firms examined, nine worked some form of compressed workweek in their home office and engineering operations, and seven of the 13 firms with construction capability used for 10-hour days on their jobsites. Five of the six construction firms on a standard schedule are union companies. The survey was conducted by T. Michael Goodrich, vice president of BE&K, Inc., Birmingham, Ala.

Companies using a compressed work schedule reported that its advantages far outweigh disadvantages, and none said that they intended to abandon the system. It is the "greatest thing since sliced bread," quipped one contractor executive whose firm uses four-10's on jobsites and "four-nines and a four" for office workers.

He and others responding to the survey noted that worker acceptance of the schedules is almost universal, with productivity increasing and absenteeism declining dramatically. Workers, they said, "love it" because of the longer periods of leisure time, reduced travel expenditures and enhanced "job satisfaction." It has also become an effective recruitment tool, observed some executives.

Construction firms were especially enthusiastic about the use of four-10s on their projects, explaining that cost savings were achieved by the elimination of one start-up and shutdown a week. The firms also claimed they could control contruction schedules more effectively by using Fridays as a makeup day for weather delays and using a second three-day shift for more extensive delays.

However, there are some hang-ups in using compressed workweeks. Problems mentioned most frequently in the survey responses centered on those caused by a firm's interaction with clients, suppliers and other divisions using a different schedule. Others included practical problems on jobsites such as additional lighting costs, lessened effectiveness during winter months and on jobsites in remote regions where housing is provided for workers, and child-care problems for working parents.

Mr. ARMSTRONG. I also ask unanimous consent to have printed in the RECORD a letter to me from the National Federation of Independent Businesses, which represents some 600,000 individuals and businesses in this country, in which they endorse this amendment; also, a letter from the administration in which the administration endorses and expresses its support for the amendment; a resolution signed by some 35 businesses and associations in which they endorse the amendment; a discussion of this matter in a memorandum to Members of the Senate from the Chamber of Commerce of the United States, in which they respectfully urge Senators to support the amendment and give their reasons why; finally, a letter from the National Association of Manufacturers, in which they endorse the amendment and express support for it.

I ask unanimous consent that all these items be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL FEDERATION OF INDEPENDENT BUSINESSES,
June 29, 1982.

Hon. WILLIAM ARMSTRONG,
U.S. Senate,
Washington, D.C.

DEAR BILL: I want to express NFIB's support for your proposal to amend the Walsh-Healy Act. As you know, many small employers who have agreed with their employees to institute "flextime" schedules have been unable to contract with the federal government because of provisions of the Walsh-Healy Act. Your proposal will increase opportunities for small business and, therefore, make a positive contribution to the economy.

Sincerely,

JAMES D. "MIKE" MCKEVITT,
Director Federal Legislation.

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, D.C., June 16, 1982.

Hon. DON NICKLES,
Chairman, Subcommittee on Labor, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request for the Administration's views on (a) Senator Armstrong's bill, S. 398, to amend the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act to provide federal contractors with increased flexibility in alternative workweek scheduling and (b) a subsequent modification of S. 398, which Senator Armstrong is considering attaching to S. 2240, the flexitime legislation.

As I indicated in my July, 1981 letter to you on the first question, the Administration supports legislative reform to provide federal contractors with increased flexibility in alternative workweek scheduling. With regard to the second question, let me say that the Administration would support the amendment proposed by Senator Armstrong to make the language of the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act comparable to that of the Fair Labor Standards Act, namely to permit work in any combination of hours per day without paying overtime until hours worked exceed forty per week.

This legislative language would be consistent with the Administration's view that the Act should be amended to permit labor and management to implement flexible worktime arrangements that could enhance the quality of worklife, promote energy efficiency, and increase productivity.

The Office of Management and Budget advises that there is no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

RAYMOND J. DONOVAN.

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, D.C., June 25, 1981.

Hon. DON NICKLES,
Chairman, Subcommittee on Labor, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN NICKLES: This is to express the views of the Department of Labor on S. 398, a bill "(t)o amend the Walsh-

Healey and the Contract Work Hours Standards Act to permit certain employees to work a ten-hour day in the case of a four-day workweek."

The Department of Labor supports sufficient flexibility in the contract labor standards statutes to permit management and labor to implement new worktime arrangements that could enhance the quality of worklife, promote energy efficiency, and increase productivity.

We understand that some workers are interested in new worktime arrangements which can result in greater time available for family and other personal activities. We also recognize that our Nation's employers are interested in worktime arrangements which can maintain or increase employees' job satisfaction while creating energy savings and more productive results than conventional arrangements. A number of our Nation's employers and their employees have been trying some of these unconventional work arrangements. At your Subcommittee on Labor's March hearings, it was noted that contracts providing for a four-day, 10-hour day workweek have been signed with labor organizations in the construction industry in Alabama, Florida, Kentucky, Louisiana, Ohio, Oklahoma, Texas, and Utah.

The Federal law's contract overtime pay requirement for work over eight hours in a day in effect precludes the use of unconventional worktime arrangements by employers and employees subject to these laws. Moreover, the existence of this requirement may tend to discourage experimentation with these arrangements by others who are not currently subject to Federal legal constraints.

We support legislative action to remove the present disincentives so that Federal contractors, and their employees, can move forward together, as can other employers and their workers, in trying new worktime arrangements.

The Office of Management and Budget advises that there is no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

RAYMOND J. DONOVAN.

To meet the needs of today's workforce and current economic realities, the following associations and companies strongly support legislative reform of the Walsh-Healey Act and the Contract Work Hours Act to provide flexibility in the day to day scheduling of employees working on federal contracts:

A. H. Robins;
ALOCA;
American Apparel Manufacturing Association;
American Horse Council;
American Motorcyclists Association;
American Recreation Coalition;
American Textile Manufacturers Institute, Inc.;
Associated Builders and Contractors, Inc.;
Associated General Contractors of America;
Ball Corporation;
Bristol Myers Company;
Burlington Industries;
Business Roundtable;
C.A. Norgren & Company;
Dow Chemical U.S.A.;
E. I. duPont de Nemours & Company;
Electronic Industries Association;
General Telephone and Electronics Corporation;
International Snowmobile Industry Association;
JLG Industries;
Mobil Oil Corporation;
Motorola Inc.;
National Association of Manufacturers;
National Meat Association;
National Marine Manufacturing Association;
National Motor Sports Committee;
National Spa and Pool Institute;
Printing Industries of America;
Recreation Vehicle Dealers Association;
Recreation Vehicle Industry Association;
Springs Mills Inc.;
TRW, Incorporated;
Uniroyal, Inc.;
U.S. Chamber of Commerce;
United States Ski Association;
United Technologies Corporation;
Upjohn Company;
Xerox Corporation.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, June 29, 1982.

To: Members of the Senate.
From: Hilton Davis, Vice President, Legislative and Political Affairs.
Subject: Senator Armstrong's Flexitime Amendment to S. 2240.

The Senate will soon consider S. 2240, the Federal Employees Flexible and Compressed Work Schedules Act of 1982, reauthorizing the 1978 Act which provides the option of flexible work schedules to federal employees—the same flexibility that private sector employers and employees are assured by the Fair Labor Standards Act.

However, one segment of the American workforce is denied the right to opt for alternative workweek schedules without overtime penalties—federal contractors.

Federal contractors need that flexibility. Senator Armstrong intends to introduce an amendment to S. 2240 on the Senate floor to accomplish that end.

The Armstrong amendment would permit innovative work schedules without daily overtime premiums for federal contractors. It would benefit employees, employers, and the federal government, and would eliminate the wage-hour discrimination against federal contractors.

On behalf of the Chamber's more than 250,000 members, I respectfully urge you to support the Armstrong amendment and eliminate the costly and inequitable daily overtime requirements which now apply only to federal contractors.

The Walsh-Healey Act singles out federal contractors to impose a daily overtime premium for hours worked in excess of an eight-hour day. For all other employers, private and public, overtime is required only for hours worked in excess of a 40-hour workweek. Walsh-Healey prevents federal contractors from adopting, for example, a work schedule of four ten-hour days or three thirteen-hour days, instead of the more common five eight-hour day workweek schedule.

Numerous studies, including a 1976 General Accounting Office report, have demonstrated that flexible or alternative workweek schedules benefit both management and workers.

The Armstrong amendment would not only rectify the inconsistencies and inequities of the current law; it would encourage federal contractors to use compressed workweeks. Compressed workweeks:

Benefit employees by (1) improving employee morale, (2) providing more opportunity for extended leisure time, (3) improving performance by increasing productivity and enhancing quality of worklife, (4) decreasing job dissatisfaction, (5) permitting increased employer responsiveness to employee desires, (6) reducing employee working costs (such a commuting fares, restaurant lunches, and child care), and (7) providing more accessibility to the workplace for women with children;

Benefit employers by (1) decreasing overtime costs, (2) increasing employee productivity (due largely to reduced start-up and closedown time), (3) reducing energy consumption, (4) permitting more efficient use of physical resources, (5) enhancing personnel and production flexibility, (6) reducing absenteeism, tardiness, and employee turnover, and (7) aiding employee recruitment (because of the attractiveness of alternatives to the five-day eight-hour standard); and

Benefit the federal government by (1) creating cost savings for federal contractors which would be reflected in lower and more competitive bids (and thus reduced federal costs), and (2) increasing competition for federal contracts (by making wage-hour requirements consistent across-the-board, eliminating a disincentive to potential bidders.)

Elimination of these restrictive Walsh-Healey requirements is particularly appropriate and sensitive to our economy's needs at this time of government budget-cutting and energy conservation.

It is also noteworthy that in the private sector, alternative workweek schedules are gaining popularity with both employers and employees. Furthermore, there is a current trend toward these provisions in collective bargaining agreements.

Finally, S. 2240 is an appropriate and necessary vehicle for these much-needed reforms because its subject and provisions are similar. In fact, the Armstrong amendment serves the exact goals and objectives that S. 2240 serves.

I strongly urge you to support Senator Armstrong's amendment, to oppose any effort to weaken or alter it, and to support S. 2240 as amended.

NATIONAL ASSOCIATION OF MANUFACTURERS,
June 17, 1982.

Hon. WILLIAM L. ARMSTRONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ARMSTRONG: Earlier this week, the National Association of Manufacturers urged you to support an amendment to be offered by Senator Armstrong during the Senate's consideration of S. 2240, the "Federal Employee Flexible and Compressed Work Schedules Act of 1982."

Yesterday, the Administration voiced its support for Senator Armstrong's amendment. Enclosed is a copy of the letter to Senator Nickles from Secretary of Labor Donovan expressing the Administration's position, underscoring the importance it attaches to this matter.

The NAM wishes to reaffirm its strong support for Senator Armstrong's efforts. We ask you to vote in favor of his amendment and to support S. 2240, as amended.

Sincerely yours,

JERRY J. JASINOWSKI.

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, D.C., June 16, 1982.

Hon. DON NICKLES,
Chairman, Subcommittee on Labor, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request for the Administration's views on (a) Senator Armstrong's bill, S. 398, to amend the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act to provide federal contractors with increased flexibility in alternative workweek scheduling and (b) a subsequent modification of S. 398, which Senator Armstrong is considering attaching to S. 2240, the flexitime legislation.

As I indicaterd in my July, 1981 letter to you on the first question, the Administration supports legislative reform to provide federal contractors with increased flexibility in alternative workweek scheduling. With regard to the second question, let me say that the Administration would support the amendment proposed by Senator Armstrong to make the language of the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act comparable to that of the Fair Labor Standards Act, namely to permit work in any combination of hours per day without paying overtime until hours worked exceed forty per week.

This legislative language would be consistent with the Administration's view that the Act should be amended to permit labor and management to implement flexible worktime arrangements that could enhance the quality of worklife, promote energy efficiency, and increase productivity.

The Office of Management and Budget advises that there is no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

RAYMOND J. DONOVAN.

Mr. ARMSTRONG. Mr. President, I yield to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I ask unanimous consent to have printed in the RECORD a list of some contracts from many, many States throughout the country. This list has grown considerably since the time of our hearing. It shows the number of unionized plants that are now on flexitime. They have something less than the 5 days. I think most of these are listed on the computer as having four 10-hour-day workweeks. I ask unanimous consent that this be printed.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CONSTRUCTION LABOR RESEARCH COUNCIL,
Washington, D.C., June 29, 1982.

Senator DONALD L. NICKLES,
6327 Dirksen Senate Office Building, Washington, D.C.

DEAR MR. SMISTS: The Construction Labor Research Council has prepared the enclosed listing from its data files of those collective bargaining agreements within the construction industry which permit the option of utilizing a weekly work schedule of four days with 10 hours of straight time work each day.

Data are for the 1,200 contracts in CLRC's file. They do not include contracts signed in 1982 which include the 4-10's option for the first time. It is our understanding that a number of agreements signed this spring have added this provision.

Please call if we can be of any further assistance.

Sincerely,

ROBERT M. GASPEROW,
Executive Director.

Enclosure.

CRAFT CODES

04.—Asbestos workers
08.—Boilermakers
12.—Bricklayers
13.—Bricklayers—H/H
15.—Carpenters—H/H
16.—Carpenters
20.—Cement masons
21.—Cement masons—H/H
23.—Crane operators—H/H
24.—Crane operators
26.—Crane operators—utility
28.—Electricians
32.—Elevator constructors
33.—Floor covers
34.—Glaziers
35.—Iron workers—H/H
36.—Iron workers—structural
37.—Iron workers—ornamental
38.—Iron workers—reinforcing
39.—Laborers—H/H
40.—Laborers—building
41.—Laborers—tunnel
42.—Laborers—hod carriers
44.—Lathers
48.—Millwrights
52.—Painters
56.—Plasterers
60.—Pipefitters
64.—Plumbers
65.—Pipefitters—refrigeration
66.—Roofers
68.—Sheet metal workers
72.—Teamsters
74.—Teamsters—H/H
76.—Tile layers

CONTRACTS WITH 4-10'S, JUNE 29, 1982

City and craft

Birmingham, Ala., 36
Birmingham, Ala., 48
Mobile, Ala., 12
Mobile, Ala., 16
Mobile, Ala., 20
Mobile, Ala., 24
Mobile, Ala., 36
Mobile, Ala., 40
Mobile, Ala., 48
Mobile, Ala., 60
Mobile, Ala., 68
Mobile, Ala., 72
Washington, D.C., 60
Jacksonville, Fla., 60
Miami, Fla., 60
Pensacola, Fla., 16
Pensacola, Fla., 20
Tampa, Fla., 60
Boise, Idaho, 34
Ft. Wayne, Ind., 52
Louisville, Ky., 08
Alexandria, La., 40
Baton Rouge, La., 40
Baton Rouge, La., 44
Baton Rouge, La., 52
Baton Rouge, La., 60
Baton Rouge, La., 64
Baton Rouge, La., 72
Lake Charles, La., 40
New Orleans, La., 04
New Orleans, La., 24
New Orleans, La., 34
Shreveport, La., 24
Akron, Ohio, 60
Muskogee, Okla., 20
Tulsa, Okla., 20
Abilene, Tex., 12
Galveston, Tex., 12
Galveston, Tex., 20
Houston, Tex., 04
Houston, Tex., 08
Houston, Tex., 12
Houston, Tex., 16
Houston, Tex., 20
Houston, Tex., 33
Houston, Tex., 60
Houston, Tex., 64
Houston, Tex., 68
San Antonio, Tex., 60
Wichita Falls, Tex., 36
Salt Lake City, Utah, 15
Salt Lake City, Utah, 21
Salt Lake City, Utah, 23
Salt Lake City, Utah, 34
Salt Lake City, Utah, 39
Salt Lake City, Utah, 40
Salt Lake City, Utah, 74
Newport News, Va., 20
Newport News, Va., 52
Newport News, Va., 56
Newport News, Va., 60
Norfolk, Va., 04
Norfolk, Va., 12
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74 records processed.

Mr. NICKLES. Also, I wish to comment on a telegram, Mr. President. At the proper time, I shall enter this into the RECORD. I received this today from Mr. Kenneth Blaylock, who is national president of the American Federation of Government Employees. Most other Senators, I am sure, received this today. Mr. Blaylock urges the Senate to vote against the Armstrong amendment. He says:

> Adoption of this amendment would destroy the protection provided for private sector workers under the Walsh-Healey Act and also jeopardize passage of this legislation which continues and expands the authority for the use of alternative work schedules. Alternative work schedules have proven—in their limited experimental use over the past 3 years to be successful in improving agency productivity and Federal employee morale. It should be continued.

I say to my colleagues, I am somewhat perplexed about this telegram. The logic used by Mr. Blaylock confuses me. Why should we vote to continue flexitime for Federal employees yet at the same time vote to deny even the possibility of flexitime for the employees of private Federal contractors?

That makes no sense.

According to Mr. Blaylock, flexitime is described by him as a "success" for Federal employees. However, flexitime for private employees of Federal contractors would "destroy the protection provided for private sector employees under the Walsh-Healey Act."

Mr. Blaylock, I submit, wants to have two kinds of flexitime, one for Federal employees and yet a second

which he would deny to the employees of private Federal contractors.

I submit that this kind of blatant discrimination is not only unjust but it is un-American. This, my friends, is the type of tactic that the opponents of the Armstrong amendment are forced to resort to when the shallow arguments that support their reasoning collapse of their own accord.

I think we have had enough of this foolishness, and I hope we vote today to pass the Armstrong amendment and restore a little commonsense, a little equity to persons that are working for Federal contractors, as well as those who work for the Federal Government, as well as those who work for private employers.

I ask unanimous consent that the telegram be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
Washington, D.C., June 29, 1982.

Hon. DON NICKLES,
U.S. Senate,
Washington, D.C.

On behalf of the 700,000 Federal workers who are represented by the American Federation of Government Employees (AFL-CIO), I urge you to vote no on the Armstrong amendment to S. 2240, the Flexible Hours and Compressed Work Schedules Act of 1982.

Adoption of this amendment would destroy the protection provided for private sector workers under the Walsh-Healey Act and also jeopardize passage of this legislation which continues and expands the authority for the use of alternative work schedules have proven—in their limited experimental use over the past 3 years—to be successful in improving agency productivity and Federal employee morale. It should be continued.

I urge you, therefore, to support the motion to table the crippling Armstrong Walsh-Healey amendment, and to vote against the Armstrong amendment if the motion to table fails.

KENNETH T. BLAYLOCK,
National President.

Mr. NICKLES. Mr. President, one additional comment. I have heard some people say this is antiunion, this is antiworker. That is far from the truth of the matter. I am in manufacturing. I work with employees who work on five 8-hour days. I work with employees who work on four 10's. I work with employees who like to work four 10's. Many people would rather have the flexitime, some people would rather not. A lot of employees have said that they have a great deal of flexibility to change schedules around to make them conform to particular employees' desires, but yet we come in and tell that employer "Because you do work for the Federal Government, you cannot do it. You can do it if you are doing work in the private sector, you can have some flexibility."

I listed the names of a number of unions who have signed on collective bargaining for flexitime. I think it is kind of ridiculous to say, "No, we are going to exclude it. We are going to discriminate against you and not allow you to have that opportunity."

A lot of employees, Mr. President, want to see this Armstrong amendment passed. It may well be that they are in construction work and they have to drive to the construction site. It may well be that that construction site is 50 miles away and they do not want to commute four of five times; maybe they can only commute three or four times, and have the opportunity to finish their job, come back and have a 3-day weekend with their family. Maybe they like to hunt. Maybe they like to fish. Maybe they want to travel. Whatever they want to do, let us give them that flexibility. Let us not have a Federal Government regulation which would prohibit it. Let us restore a little commonsense. Let us put Federal empolyees and Federal contractors under the same laws and requirements as all other private employees and all other governmental employees.

I urge the adoption of the Armstrong amendment.

Mr. STEVENS. Mr. President, I yield 1 minute to the Senator from Virginia.

Mr. WARNER. I thank my distinguished colleague.

I am most sympathetic to the amendment offered by my colleague from Colorado, but I cannot find anywhere the answer to the question: How can we get it through the House? Is it not better that at this time we try and take the part of it that we can achieve, namely, for the Federal Government, and at a later time try to support the private sector? I am anxious to support your legislation.

Mr. NICKLES. If the Senator will yield, I would be happy to make a comment.

I think the Senate, operating under its own guidance and wisdom, really does not need to operate under the wisdom of the leadership of the House. We have two different bodies. I personally did not come to the Senate to be governed by the House.

Mr. WARNER. I agree with the Senator, but as a practical legislative problem we cannot get it through the House.

The PRESIDING OFFICER. The 1 minute of the Senator has expired.

Mr. STEVENS. Mr. President, I might say to my good friend from Colorado and my friend from Oklahoma that I, too, have not really made up my mind what to do about the problem of the amendment that they offer except that I know there is no question that the House will not agree to it. They have the committee that the distinguished Senator from Oklahoma is the chairman of, the Subcommittee of the Labor Committee that has jurisdiction over this. That committee can report the bill out to the floor and enter a conference with the Members from the House who deal with the Walsh-Healey Act regularly. Our committee does not know anything about it. This is not something that we ought to be forced to take to the House in conference or to try to get the House to adopt. Again I say that the amendment of the Senator from Colorado does not give the private sector employees the same protection as this bill gives Government employees. It is not possible to do so because of the mechanisms that are built into the Federal Government in terms of the ability to get unit votes, the ability to have an impasse. We have an impasse panel. It is not proper to state that this gives the private employees the same protection as our bill gives Government employees because it is just not possible under existing law.

Does the Senator wish to make some further comment? If he does not, I intend to make a motion to table. One Senator has an appointment downtown, and we want to have a long vote.

Mr. EAGLETON. May I have 30 seconds?

Mr. ARMSTRONG. Mr. President, I have concluded my remarks. I have a little time remaining which I hope I can yield to the Senator from Indiana (Mr. QUAYLE), who I am told is on his way to the floor to make a statement on this matter. I should like to reserve time for that purpose.

Mr. WARNER. Will the Senator yield? Does he care to address the question of how we would get this through the House? I am sympathetic with the position of the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, I am wondering if the Senator from Alaska has time to yield to me for the purpose of responding to that question?

Mr. STEVENS. If the Senator will limit it to 1 minute, I am happy to do that. The Senator wants to leave.

Mr. ARMSTRONG. I should be happy to limit it to half a minute.

The answer to the question raised by the Senator from Virginia is that the statute books are full of provisions which at some time or another were purported to be unpassable in one House or the other. It is our task to send to the other body the best legislation we can, and then it is up to the conferees to work it out. As the Senator knows, that is a usual thing—for the Senate to say, "No, we will never agree to that," and for the House to say, "No, we will never agree to that."

Let us send them a good bill, a bill that conforms the private sector to the practice that we are recommending and work it out in conference. I am confident we can sell it to them.

Mr. STEVENS. I yield 30 seconds to the Senator from Missouri.

Mr. EAGLETON. Mr. President, taking up the theme just discussed between Senators STEVENS and ARMSTRONG, I think it should be noted that a subcommittee of the Labor and Human Resources Committee reported out the amendment that was in bill form on July 9, 1981. That is almost a calendar year ago. That subcommittee of Labor and Human Resources reported it up to the full committee. Senator NICKLES is on that committee. I am on that committee. Senator HATCH of Utah is the chairman of that committee. It has been there sound asleep before the full committee since July 9, 1981. Not a peep has been heard about it, not the slightest effort has been made to move it. Senator HATCH could convene a committee markup on the bill at any time he desires, but it has sat dormant for a calendar year. Now it emerges as this amendment.

Mr. KENNEDY. Mr. President, as ranking minority member of the Labor and Human Resources Committee I want to join the Senator from Alaska and the Senator from Missouri in opposing the Armstrong amendment.

Those who support the Federal flexitime bill, as I do, should understand that adoption of the Armstrong amendment will seriously jeopardize the prospects for enacting the flexitime bill before the current authorization expires next month.

The Armstrong amendment is not germane to the bill before us. If adopted it will have to be referred to two House committees and it is extremely unlikely that House action can be completed before the deadline.

Moreover the chairman of the House Post Office and Civil Service Committee has made it clear that he will not act on a Senate-passed bill which includes a Walsh-Healy amendment.

Beyond that there is absolutely no excuse for addressing the Walsh-Healy issue today. The Labor Subcommittee completed hearings on Walsh-Healy on March 10, 1981. The bill was reported to the full committee on July 9, 1981.

It has languished there for 12 months.

The Armstrong amendment is nothing more than an attempt to disrupt the orderly procedures of the Senate by circumventing the committee structure. There is simply no justification for proceeding in this manner when no one on the Labor Committee is preventing consideration of the bill under normal procedures.

Adoption of the Armstrong amendment will not result in flexitime work schedules in the private sector because it will not become law if attached to this bill. Instead, the likely consequence will be to deny the benefits of the Federal program to thousands upon thousands of Federal workers because no bill will be enacted.

Every Member of this body should understand that a vote for the Armstrong amendment is a vote against the Federal flexitime bill.

I urge the defeat of the amendment.

● Mr. GLENN. Mr. President, I rise in support of S. 2240, the Federal Employees Flexible and Compressed Work Schedule Act of 1982. The author of the legislation, the Senator from Alaska (Mr. STEVENS) has consistently demonstrated a profound interest in the needs of Federal employees, along with the need for a more efficient Federal bureaucracy. I believe that this bill is just one more example of that interest.

The flexitime experiment has been an asset to worker satisfaction and a boon to dual career families. Studies performed by the Office of Personnel Management indicate that the experiment has enjoyed an impressive 90 percent satisfaction rating. This coupled with the reports of productivity improvements outpacing declines by a 3-to-1 margin gives us sufficient reason to continue the flexitime program.

Management views flexitime very positively. More than 80 percent of the supervisors involved in the program favor continuing the present schedules. S. 2240 goes beyond the present program to extend to agency heads more authority to eliminate inefficient schedules. It also established a standardized procedure for judging the efficacy of a schedule.

Extension of this program could be frustrated by the amendment offered by the Senator from Colorado (Mr. ARMSTRONG). So, even though this amendment deserves attention, I do not believe this is the appropriate time or place. The Labor and Human Resources Committee is capable of considering this issue in detail. (As a result, I support Mr. STEVEN's motion to table this amendment and allow the Federal Government to maintain this beneficial program.)●

● Mr. DODD. Mr. President, I strongly oppose the Armstrong amendment allowing management to impose extended workdays on employees under Federal contract.

This amendment would undermine labor standards earned only after hard and long struggles and would have a punitive effect on workers under collective bargaining agreements today. The Walsh-Healey Public Contracts Act of 1936 requires that workers under Federal contract not work more than 8 hours per day without overtime pay. Ninety-three percent of workers under Federal contract today have a collective bargaining agreement requiring premium pay after 8 hours of work. It would be wrong to punish legislatively freely reached worker-management agreements on hours. But that is exactly what we would do by allowing the management of non-union employees to impose longer days on their workers. We would penalize unionized companies in the competition for Government contracts.

Under this amendment, longer workdays could be readily imposed—regardless of the risks to worker health and safety and regardless of the disruption to home and family. The known potential for such risks and the potential for disruption of family life is even greater now than when Walsh-Healey was enacted in 1936.

Now we know that asbestos, petrochemicals, and other substances to which workers are exposed can cause severe hazards to worker health. We know that prolonged exposure to high levels of noise can cause hearing loss. We know of the contribution of fatigue to the probability of crippling accidents. And now, many of the standards we have developed to protect workers from these hazards are based on 8-hour—not 10-hour—workdays. Excessive noise is probably the most frequent worker health hazard. The standard regulating noise exposure is based on an "8 hour time-weighted average." Are we to redo such standards for a 10 hour or even longer day? Or are we to guess at whether worker health is endangered by regular, prolonged exposure at management convenience?

And what of the working women whose family life is structured around an 8 hour absence? In 1936 when Walsh-Healey was enacted, we did not even count the number of the women in the labor force; 11 years later, at first count, there were less than 17 million women workers. In 1979, over 43 million American women worked outside the home. Over 30 percent of these women workers have children at home. More than 5 million children under age 6 have mothers who work for a living. Can we seriously argue that it provides more flexibility to these women to allow their employers to impose a longer working day? Is it reasonable to expect their families to readjust their schedules?

Compressed schedules can be conducive to better home and community life. But that decision should remain with those who are engaged in the work and not with those who manage it. The flexitime program extended in S. 2240 is a voluntary, worker initiated program. I applaud the flexitime program and I intend to vote in favor of the Stevens bill.

But the suggestion made with this amendment is categorically different. It punishes unionized workers. It allows management to place at risk the health and safety of workers. It makes a mockery of standards outside the purview of the Walsh-Healey Act. It ignores the needs of those workers

for whom compressed schedules may cause disruption of family life. I will vote against this amendment and I urge my colleagues to do likewise.●

Mr. HATCH. Mr. President, I join in strong support of the amendment offered by my distinguished colleague, Senator ARMSTRONG. He has succinctly and persuasively made the case for adoption of his amendment. I would emphasize only a couple things.

First, the Senate as a body is not blazing a new trail with this amendment. Just 2 years ago, in the 96th Congress, this body added a similar amendment to pending legislation that was in a technical sense not germane to the Walsh-Healey Act and the Contract Work Hours Standards Act. On December 9, 1980, Senator BELLMON added a compressed workweek amendment to the Revenue Sharing bill H.R. 7112. This amendment was adopted by a record vote, 43 to 38. Unfortunately, the amendment was dropped by the other body.

Second, it should be noted that this amendment would not in any respect change the Federal minimum wage law or the overtime provisions of the Fair Labor Standards Act. Those statutes remain completely intact. Further, the Armstong amendment would not in any way affect the collective bargaining process, except to make it possible to bargain over flexible work schedules such as the 4-day workweek where such bargaining is not discouraged by current law.

Third, while making it financially feasible to adopt a compressed workweek, the amendment in changing the Walsh-Healey Act and the Contract Work Hours Standards Act does not mandate—I repeat, does not mandate—the adoption of such a schedule. Thus, even in the nonunion context, employees do not have to fear that this amendment will automatically result in a different work schedule.

Finally, I think it should be reiterated how this amendment is designed to do simple equity. The case has been persuasively made for giving Federal employees the opportunity of alternative work schedules. That is all we are trying to do for employees of Federal contractors. Indeed, there is a certain irony in all this. The case for Federal employees to enjoy flexible work schedules was not made just on the experience under the experimental program which Congress established in 1978. The impetus for the Federal experiment was in part due to the experience of flexible and compressed work schedules in the private sector to begin with. The committee reports on the 1978 legislation expressly alluded to the positive experience in the private sector as grounds for expanding its experimental use by Federal employees. Moreover, the Washington Post, in commenting recently on the Federal flexitime legislation, noted: "In many private companies, the old 9-to-5 routine has become outmoded. One out of the five workers now chooses to work either part time or on a flexible schedule. Some specialists predict that half of the labor force will be flexing its work time by the next decade." In short, the practice and trend which began in the private sector should be encouraged to grow there at the same time they are being encouraged in the Federal sector.

I urge the adoption of the amendment.

WALSH-HEALEY MUST BE REFORMED

● Mr. KASTEN. Mr. President, earlier this year, the owner of a small business in McFarland, Wis., came to me with a problem his firm was having with the Walsh-Healey Act.

After reviewing the facts of this case with the owner, I came away convinced that Walsh-Healey had to be reformed and made more flexible for Government contractors.

The company, ENA Business Forms Inc., is a 24 employee printing company that contracts its services with the Federal Government.

Several years ago during the energy crunch, ENA's employees requested that they be permitted to set their own hours of work rather than work straight 8-hour days or less.

As Walsh-Healey is currently written Government contractors are required to pay overtime for any work over 8 hours a day regardless of the total hours worked per week. This is the case even if employees request to be placed on an alternative work schedule and still work a 40-hour week. The effect of Walsh-Healey is that while Federal employees may benefit from flexitime, many private sector workers involved with Federal contracts are not allowed this option.

In ENA's case, employees were paid overtime for work over 40 hours a week, but not paid overtime for work over 8 hours a day. Thus, ENA was out of compliance with the very provisions of Walsh-Healey the Senate is attempting to amend today.

Subsequently, ENA was audited by the Department of Labor and found to be out of compliance with Walsh-Healey. As a result of this audit, ENA, the business, owes $27,661.76 to ENA, the workers.

Currently, ENA is on the brink of bankruptcy because of the inflexibility of Walsh-Healey. The worst possible finish to this story would be that ENA would go bankrupt because of Walsh-Healey.

But ENA is still fighting for its economic survival. And although we in the Senate cannot alleviate the burden Walsh-Healey has placed on ENA, we can fight too by amending the act to allow Government contractors the same flexitime options offered to Government employees.

It appears that at a time when the Federal Government is working so hard to restore vitality to the American economy, a law which is as counterproductive as Walsh-Healey must be reformed.

Congress must bring the laws governing Federal contractors into conformity with the overtime provisions and flexibility in work schedules provided to the private sector employees, and ironically, to Federal employees themselves.

The restrictions of Walsh-Healey were passed by Congress in 1935, nearly a half century ago. In those 50 years, the American work force and American lifestyle have changed dramatically. Unfortunately, restrictive laws governing Government contractors have not kept up with the times.

Today the Senate has the opportunity to reform a law that has outlived its usefulness and now is a burden on workers and businesses. I urge my colleagues to support the Armstrong amendment on behalf of all the small businesses across the country that deserve the right to establish flextime schedules without overtime penalties.●

Mr. QUAYLE. Mr. President, I would like to speak in support of the Armstrong amendment to the Federal Employees Flexitime Act, and to oppose any efforts to weaken that amendment. I believe we are making a small but important improvement in the flexitime extension by allowing Federal contractors as well as Federal employees to participate in this program. I believe it is critical that we eliminate inequitable restrictions on Federal contractors so that they can have the same rights and flexibility in workweek scheduling that are presently enjoyed by other employers. If we decline to include Federal contractors in this measure we are discriminating against a single class of workers and employers and refusing them the benefits and flexibility of alternative workweek scheduling which we reserve only to those outside the confines of government contract work.

This amendment is very simple. It simply gives Federal contractors the same rights already enjoyed by private sector contractors. Current law makes it prohibitively expensive for Government contractors to use alternative work schedules because of premium rates which must be paid on any work performed in excess of 8 hours per day.

I know that many Federal employees in Indiana have contacted me asking my help in preserving their flexitime privileges. They support the idea, they have worked under it and they like it.

Now it is time to end discrimination against those workers and employers

who have never had the chance to operate under a compressed workweek.

The benefits of working on an alternative work schedule are many. In hearings on this issue before the Subcommittee on Labor, which is chaired by the distinguished Senator from Oklahoma, Senator DON NICKLES, we heard many witnesses attest to the advantages of the compressed workweek. Specifically:

It increased worker productivity. The result is a higher weekly output, improved use of plant equipment and improved employee morale as demonstrated through reduced absenteeism, tardiness, and turnover.

It improves working conditions. A necessary side-effect of the change is reduced working costs associated with reduced commuting time, lunches, and child care. Also there is more usable leisure time for employees and more time for personal business, medical appointments, and rest.

It promotes energy conservation. A reduction in fuel costs is associated with fewer commuting days. (The Comptroller General reported that employee commuting time and gasoline consumption could be reduced by as much as 20 percent by converting to a compressed workweek.) In addition, there would be a reduced need for heating and cooling plants and offices.

I understand that some labor groups have been concerned that this measure would affect them unfavorably. Opponents of the amendment are saying that it will adversely affect the minimum wage, that it will alter the 40-hour overtime provisions of the Fair Labor Standards Act or even that it will mandate a certain number of hours in a workday. Let me dispell that concern. This measure maintains the 40-hour workweek. It allows for flexible scheduling of hours within that time limit. It makes no change in minimum wages and it does not mandate the number of hours in a workday. Any time worked over 40 hours weekly will still be compensable by overtime pay.

I would like to make one other point before I close. Studies of alternative and compressed workweeks have shown that experience with the schedule has been an important factor in influencing attitudes about such schedules. In general, employees have tended to be very positive about the schedules, but those who have actually experienced them were much more favorable than those who hypothesized the effects.[1] I feel this is significant because I believe many poeple "hypothesize" the effects of flextime on the work of government contractors. It has been used with great success for private sector employees, for government employees and it has been shown to increase productivity, I see no reason why we need to discriminate against a single group of employees and employers when we do not place those restrictions on the private sector. I support the Armstrong amendment and I encourage my colleagues to support it.

● Mr. GRASSLEY. Mr. President, I support Senator ARMSTRONG's amendment to remove daily overtime restrictions placed on Federal contractors by the Walsh-Healey and Contract Work Hours and Safety Standards Act. Currently, Federal contractors are prohibited from utilizing any form of flexitime provisions that are enjoyed by other Federal workers, as well as private sector employees. The Walsh-Healey Act singles out Federal contractors to impose a daily overtime premium for hours worked in excess of an 8-hour day. For all other employees, private and public, overtime is required only for hours worked in excess of a 40-hour workweek. I feel that Senator ARMSTRONG's amendment, which is similar to S. 398 which I have cosponsored, would provide an excellent opportunity for restoring uniform and equitable treatment of all employees, including Government contractors. This amendment would bring those laws governing Government contractors into conformance with the Fair Labor Standards Act and maintain the 40-hour workweek overtime standard.

The Bureau of Census has shown recently that in 1980, approximately 12 percent of all full-time, nonfarm wage earners were on flexitime or other schedules that permit them to vary the time their workdays begin and end. By the end of the decade, it is estimated that over one-third of the work force will be involved in compressed, flexible, or other alternative work schedules. Alternative schedules have been gaining popularity with employers, employees, and in recent collective-bargaining agreements for many good reasons.

Such schedules have proven to be more responsive to the desires of employees, provided more leisure time and reduced commuting time and expense. Equally important are the substantial benefits to employers in increased productivity, reduced energy requirements and more efficient use of capital equipment. Resulting cost saving for Federal contractors would be reflected in lower and more competitive bids for Federal procurements.

I am pleased to note the administration has endorsed this amendment, as well as many employer and employee groups across the Nation. Furthermore, I feel that S. 2240 is an appropriate vehicle for Senator Armstrong's reforms because they serve the exact goals and objectives of this bill. Federal contractors and their employees should be permitted latitude in tailoring their work schedules when it is in their mutual self-interest. Government should not stand in the way of these changes, but rather promote worktime arrangement that could enhance the quality of worklife, encourage energy efficiency and increase productivity. I urge my colleagues to join in support of this amendment to allow Federal contractor's employees to benefit from innovative work schedules, while maintaining the 40-hour-workweek overtime standard that protects all workers.●

● Mrs. HAWKINS. Mr. President, I support S. 2240, the Federal Employees Flexible and Compressed Work Schedule Act of 1982. I believe that the 3-year flexitime experiment involving Federal employees has been successful and deserves to be continued. The experiment in flexible and compressed workweeks demonstrates that this intelligent personnel policy will generate important benefits, including higher output, reduced energy usage, and greater employee satisfaction.

At a time when productivity growth has been slow, it is noteworthy that other observers have also concluded that flexitime programs will lead to savings and improved morale. For example, an interim report of the flexitime program prepared by the Office of Personnel Management concluded that alternative work schedules "can produce improvements in productivity, greater service to the public, and savings in cost." The report also noted that more than 90 percent of employees and 85 percent of supervisors participating in these programs were satisfied with the results and recommended their continuation.

Another demonstration of the success of flexitime is its increased use in the public and private sector. The Bureau of Census reports that in 1980, 12 percent of all full nonfarm wage and salary workers were on a flexitime or compressed work schedule. By 1990, it is estimated that over 30 percent of the workforce will be using some type of flexible work schedule.

It is easy to see why flexitime improves productivity by improving morale. Increasingly, single working fathers and mothers need to arrange their work schedules to spend more time with their families. The latest census reports noted a dramatic rise in one-parent families in the workforce. Of the 31.5 million families with children under age 18 in the country in 1981, 21 percent were single-parent families, up sharply from 11 percent in 1970. Clearly, a personnel policy which materially helps the head of one out of every five working parents will show up in national productivity statistics. Therefore, Federal policy

[1] Simcha Ronen, Ph. D., Management Department, Graduate School of Business Administration, New York University, Testimony before the Subcommittee on Labor on S. 398, p. 4.

should promote the usage of flexitime in both the public and private sectors. That is why I support the continuation of the flexitime program.

While this legislation allows the Federal Government and most private firms to take advantage of flexible work schedules, curiously private businesses doing business with the Federal Government are prevented from adopting flexible work schedules or compressed workweeks for their employees. That is because the Walsh-Healey Act of 1936 imposes two separate standards on private businesses, one for Government contractors and another for private firms. Senator ARMSTRONG's amendment eliminates the dual standard by making overtime pay requirements uniform in Government and privately contracted work. It does so by allowing all contractors to use flexitime if they choose to do so.

Passage of the Armstrong amendment will lead to Federal procurement savings. Presently, the requirement that private businesses contracting with the Government must pay premium rates for all hours worked in excess of 8 hours per day, making it prohibitively expensive for Government contractors to use compressed workweek schedules. This costs the Government money because such contractors cannot pass on to the Government saving achieved by compressed workweeks. Furthermore, the Walsh-Healey Act discourages private sector users of compressed workweeks from bidding on Federal contracts, thus denying the Federal Government of the services of some of the more innovative and productive contractors in the labor market.

Mr. President, it is not often that the Senate has a chance to raise productivity, improve worker morale, and save the taxpayers money simultaneously. I believe we should take the opportunity to do so by passing this important amendment, and S. 2240.●

Mr. NICKLES. Will the Senator yield?

Mr. EAGLETON. Yes; I yield.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Just a half a minute. The Senator has to be downtown in 10 minutes.

Mr. NICKLES. I will make a real quick comment, and that comment is, yes, we reported it out of subcommittee. We did not have the votes in the full committee. But the Senator is also aware that that bill has passed the Senate before in the previous Congress.

Mr. STEVENS. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Colorado yield back the remainder of his time?

Mr. ARMSTRONG. Mr. President, I yield back the remainder of my time.

Mr. STEVENS. I thank the Senator.

Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Colorado. On this question the yeas and the nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Alabama (Mr. DENTON), the Senator from California (Mr. HAYAKAWA), and the Senator from Kansas (Mrs. KASSEBAUM) are necessarily absent.

I also announce that the Senator from Georgia (Mr. MATTINGLY) is absent due to illness.

I further announce that, if present and voting, the Senator from California (Mr. HAYAKAWA), and the Senator from Georgia (Mr. MATTINGLY) would each vote "nay."

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 46, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—49

Andrews	Glenn	Moynihan
Baucus	Hart	Murkowski
Biden	Heflin	Nunn
Boren	Heinz	Packwood
Bradley	Hollings	Pell
Bumpers	Huddleston	Proxmire
Burdick	Inouye	Randolph
Byrd, Robert C.	Jackson	Riegle
Cannon	Johnston	Sarbanes
Chafee	Kennedy	Sasser
Cranston	Leahy	Specter
DeConcini	Levin	Stafford
Dixon	Long	Stevens
Dodd	Mathias	Warner
Durenberger	Melcher	Weicker
Eagleton	Metzenbaum	
Ford	Mitchell	

NAYS—46

Abdnor	Exon	Nickles
Armstrong	Garn	Percy
Baker	Goldwater	Pressler
Bentsen	Gorton	Pryor
Boschwitz	Grassley	Quayle
Brady	Hatch	Roth
Byrd, Harry F., Jr.	Hatfield	Rudman
	Hawkins	Schmitt
Chiles	Helms	Simpson
Cochran	Humphrey	Stennis
Cohen	Jepsen	Symms
D'Amato	Kasten	Thurmond
Danforth	Laxalt	Tower
Dole	Lugar	Wallop
Domenici	Matsunaga	Zorinsky
East	McClure	

NOT VOTING—5

Denton	Kassebaum	Tsongas
Hayakawa	Mattingly	

So the motion to table Mr. ARMSTRONG's amendment (UP No. 1048) was agreed to.

(Later the following occurred:)

Mr. MATSUNAGA. Mr. President, on rollcall vote No. 202, I am recorded as having voted "Aye." I intended to vote "Nay." Inasmuch as the change in vote will not change the result, I ask unanimous consent that I be recorded as having voted "Nay."

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been corrected to reflect the above order.)

Mr. MURKOWSKI assumed the chair.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. EAGLETON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, how much time do we have remaining on the bill?

The PRESIDING OFFICER. A total of 18 minutes remains on the bill. The Senator from Alaska controls 11 minutes.

Mr. STEVENS. Mr. President, we had time for the Senator from Indiana. The Senator from Virginia wishes 3 minutes.

The PRESIDING OFFICER. The Senate will please be in order.

Mr. STEVENS. Mr. President, I might state to the Senate that it is our intention to have a rollcall vote on the final passage.

The PRESIDING OFFICER. The Senate will please come to order.

Mr. STEVENS. I yield to the Senator from Virginia.

The PRESIDING OFFICER. Will the Senators conversing please excuse themselves to the cloakroom? The Senate will come to order.

Mr. STEVENS. Mr. President, I yield to the Senator from Virginia.

Mr. WARNER. Mr. President, I first would like to acknowledge the distinguished Senator from Colorado and others who were in support of his amendment.

I should say that it was practical politics when we had to vote against that amendment. Should it appear again on a proper vehicle, I would provide my support. I thank those who recognize the need for us to get on with S. 2240, which I consponsor with the distinguished Senator from Alaska, because it is desperately needed by those serving in the Federal Government.

Last March when this legislation was introduced, it was referred to the Governmental Affairs Committee, and we approved S. 2254 in a temporary 4-month extension of the existing experimental program. That extension expires July 20.

S. 2240 will continue the programs established under Public Law 95-390, the experimental program for 3 years. Management of the existing programs must review them for reduced productivity, reduced level of public service,

or increased agency costs. If the findings show that the program is defective, the agency must terminate the program immediately. The decision is not negotiable or reviewable.

During the past 3 years, over 325,000 Federal employees in 1,500 organizations have participated in this program. There have been some programs that have not met the criteria of better service, increased productivity and lower cost. These programs will be terminated.

This legislation will provide the opportunity for the effective programs to continue and new programs to start. This legislation will provide the Federal manager additional tools to provide better, less costly service. This legislation will also provide the Federal employee with optional work schedules and the chance to increase production.

Flexitime, or alternative work schedules (AWS), has been used in private industry for a number of years with great success. Managers in companies, such as Metropolitan Life Insurance, say that flexitime has increased the productivity of 10,000 employees in New York City.

The 3-year experiment has been successful. A report by the Office of Personnel Management indicated that more than 90 percent of employees and 85 percent of supervisors participating in these experiments were satisfied with the results and wished to continue the program.

This legislation S. 2240, is supported by OPM, the administration, the employee groups and the employers themselves.

Senator STEVENS is to be congratulated for initiating this worthwhile legislation, and I am pleased to join with him. I urge my colleagues to accept the amendments offered today by Senator STEVENS and to enact S. 2240 for the good of the Government, its employees and the American taxpayer.

Mr. STEVENS. Mr. President, I do commend the Senator from Colorado and the Senator from Oklahoma on the amendment they offered. I, too, have a deep feeling about that amendment, and Senator BELLMON's amendment when he was here.

I appreciate the support of the Members of the Senate to clear this bill to go to the House unencumbered by that amendment. I do appreciate the manner in which the Senator from Colorado and the Senator from Oklahoma handled the presentation of their points of view.

Mr. President, I do not have any more requests for time. If there are no more requests for time, the Senator from Missouri and I will join in yielding back time on the bill.

Mr. HATCH. Mr. President, I rise in strong support of S. 2240. I believe that there is considerable merit in extending, on a permanent basis, a program that has demonstrated its worthiness. It was for this reason that I introduced in March of this year an earlier version of the proposal (S. 2156), since then, the interested parties, including the administration, Federal employee representatives, and congressional leaders, have closely reviewed the proposal and exchanged recommended changes. The outcome of this process is the pending bill as reported by my distinguished colleague from Alaska (Mr. STEVENS).

Mr. President, the Office of Personnel Management has found that alternative work schedules can produce improvements in productivity, greater service to the public, and added cost savings. Equally important is the fact that workers themselves have had a very positive experience with the concept of flexitime and of the compressed workweek. Many people are coming into the work force, especially women with family responsibilities, for whom flexible schedules are very beneficial. They are productive people, yet they are not able to work exactly the hours that have been regarded as traditional. Moreover, virtually every experimental program involving flexible work schedules has demonstrated significant improvements in the morale of employees. And there is greater job satisfaction. As aptly noted by the federally employed women organization:

> The time-management and psychological benefits derived from these programs by the employee are substantial. Alternative work schedules help people balance their home and work life responsibilities. They provide a sense of freedom and autonomy for the worker, resulting in increased job satisfaction and higher employee morale.

Flexitime has proven its worth in the Federal Establishment across the Nation in 1,500 different agencies, involving 325,000 people. And, the people of my State of Utah have enjoyed the success of the program like those in other States. For instance, almost 600 of my constituents at Dugway Proving Grounds personally contacted me, urging support for the legislation. They stated:

> We have been on the 4-day workweek for the past 18 months and can assure you that it has many advantages over the regular 8-hour day.

These people are obviously pleased with the program. And I say that when Federal employees are happier and more productive, other American taxpayers are getting their money's worth as well.

I urge the passage of the legislation.

Mr. EAGLETON. Mr. President, I yield back my remaining time.

Mr. STEVENS. Mr. President, I yield back my time and I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Alabama (Mr. DENTON), the Senator from California (Mr. HAYAKAWA), the Senator from Vermont (Mr. STAFFORD), and the Senator from Georgia (Mr. MATTINGLY) are absent due to illness.

I further announce that, if present and voting, the Senator from Alabama (Mr. DENTON), the Senator from California (Mr. HAYAKAWA), the Senator from Georgia (Mr. MATTINGLY) would each vote "yea".

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS), is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 93, nays 2, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—93

Abdnor	Exon	Melcher
Andrews	Ford	Metzenbaum
Armstrong	Garn	Mitchell
Baker	Glenn	Moynihan
Baucus	Goldwater	Murkowski
Bentsen	Gorton	Nickles
Biden	Grassley	Nunn
Boren	Hart	Packwood
Boschwitz	Hatch	Pell
Bradley	Hatfield	Percy
Brady	Hawkins	Pressler
Bumpers	Heflin	Proxmire
Burdick	Heinz	Pryor
Byrd, Harry F., Jr.	Helms	Quayle
	Hollings	Randolph
Byrd, Robert C.	Huddleston	Riegle
Cannon	Humphrey	Roth
Chafee	Inouye	Sarbanes
Chiles	Jackson	Sasser
Cochran	Jepsen	Schmitt
Cohen	Johnston	Simpson
Cranston	Kassebaum	Specter
D'Amato	Kasten	Stennis
Danforth	Kennedy	Stevens
DeConcini	Laxalt	Symms
Dixon	Leahy	Thurmond
Dodd	Levin	Wallop
Dole	Long	Warner
Domenici	Lugar	Weicker
Durenberger	Mathias	Zorinsky
Eagleton	Matsunaga	
East	McClure	

NAYS—2

Rudman	Tower

NOT VOTING—5

Denton	Mattingly	Tsongas
Hayakawa	Stafford	

So the bill (S. 2240), as amended, was passed, as follows:

S. 2240

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Employees Flexible and Compressed Work Schedules Act of 1982".

SEC. 2. (a) Chapter 61 of title 5, United States Code, is amended—

(1) by inserting before section 6101 the following:

"SUBCHAPTER I—GENERAL PROVISIONS";

and

(2) by adding at the end therof the following new subchapter:

"SUBCHAPTER II—FLEXIBLE AND COMPRESSED WORK SCHEDULES

"§ 6120. Purpose

"The Congress finds that the use of flexible and compressed work schedules has the potential to improve productivity in the Federal Government and provide greater service to the public.

"§ 6121. Definitions

"For purposes of this subchapter—

"(1) 'agency' means any Executive agency, any military department, and the Library of Congress;

"(2) 'employee' has the meaning given it by section 2105 of this title;

"(3) 'basic work requirement' means the number of hours, excluding overtime hours, which an employee is required to work or is required to account for by leave or otherwise;

"(4) 'credit hours' means any hours, within a flexible schedule established under section 6122 of this title, which are in excess of an employee's basic work requirement and which the employee elects to work so as to vary the length of a workweek or a workday;

"(5) 'compressed schedule' means—

"(A) in the case of a full-time employee, an 80-hour biweekly basic work requirement which is scheduled for less than 10 workdays, and

"(B) in the case of a part-time employee, a biweekly basic work requirement of less than 80 hours which is scheduled for less than 10 workdays;

"(6) 'overtime hours', when used with respect to flexible schedule programs under sections 6122 through 6126 of this title, means all hours in excess of 8 hours in a day or 40 hours in a week which are officially ordered in advance, but does not include credit hours; and

"(7) 'overtime hours', when used with respect to compressed schedule programs under sections 6127 and 6128 of this title, means any hours in excess of those specified hours which constitute the compressed schedule.

"(8) 'collective bargaining', 'collective bargaining agreement', and 'exclusive representative' have the same meanings given such terms—

"(A) by section 7103(a)(12), (8), and (16) of this title, respectively, in the case of any unit covered by chapter 71 of this title; and

"(B) in the case of any other unit, by the corresponding provisions applicable under the personnel system covering this unit.".

"§ 6122. Flexible schedules; agencies authorized to use

"(a) Not withstanding section 6101 of this title, each agency may establish, in accordance with this subchapter, programs which allow the use of flexible schedules which include—

"(1) designated hours and days during which an employee on such a schedule must be present for work; and

"(2) designated hours during which an employee on such a schedule may elect the time of such employee's arrival at and departure from work, solely for such purpose or, if and to the extent permitted, for the purpose of accumulating credit hours to reduce the length of the workweek or another workday.

An election by an employee referred to in paragraph (2) shall be subject to limitations generally prescribed to ensure that the duties and requirements of the employee's position are fulfilled.

"(b) Notwithstanding any other provision of this subchapter, but subject to the terms of any written agreement referred to in section 6130(a) of this title, if the head of an agency determines that any organization within the agency which is participating in a program under subsection (a) is being substantially disrupted in carrying out its functions or is incurring additional costs because of such participation, such agency head may—

"(1) restrict the employees' choice of arrival and departure time,

"(2) restrict the use of credit hours, or

"(3) exclude from such program any employee or group of employees.

"§ 6123. Flexible schedules; computation of premium pay

"(a) For purposes of determining compensation for overtime hours in the case of an employee participating in a program under section 6122 of this title—

"(1) the head of an agency may, on request of the employee, grant the employee compensatory time off in lieu of payment for such overtime hours, whether or not irregular or occasional in nature and notwithstanding the provisions of sections 5542(a), 5543(a)(1), 5544(a), and 5550 of this title, section 4107(e)(5) of title 38, section 7 of the Fair Labor Standards Act (29 U.S.C. 207), or any other provision of law; or

"(2) the employee shall be compensated for such overtime hours in accordance with such provisions, as applicable.

"(b) Notwithstanding the provisions of law referred to in subsection (a)(1) of this section, an employee shall not be entitled to be compensated for credit hours worked except to the extent authorized under section 6126 of this title or to the extent such employee is allowed to have such hours taken into account with respect to the employee's basic work requirement.

"(c)(1) Notwithstanding section 5545(a) of this title, premium pay for nightwork will not be paid to an employee otherwise subject to such section solely because the employee elects to work credit hours, or elects a time of arrival or departure, at a time of day for which such premium pay is otherwise authorized, except that—

"(A) if an employee is on a flexible schedule under which—

"(i) the number of hours during which such employee must be present for work, plus

"(ii) the number of hours during which such employee may elect to work credit hours or elect the time of arrival at and departure from work,

which occur outside of the nightwork hours designated in or under such section 5545(a) total less than 8 hours, such premium pay shall be paid for those hours which, when combined with such total, do not exceed 8 hours, and

"(B) if an employee is on a flexible schedule under which the hours that such employee must be present for work include any hours designated in or under such section 5545(a), such premium pay shall be paid for such hours so designated.

"(2) Notwithstanding section 5343(f) of this title, and section 4107(e)(2) of title 38, night differential will not be paid to any employee otherwise subject to either of such sections solely because such employee elects to work credit hours, or elects a time of arrival or departure, at a time of day for which night differential is otherwise authorized, except that such differential shall be paid to an employee on a flexible schedule under this subchapter—

"(A) in the case of an employee subject to subsection (f) of such section 5343, for which all or a majority of the hours of such schedule for any day fall between the hours specified in such subsection, or

"(B) in the case of an employee subject to subsection (e)(2) of such section 4107, for which 4 hours of such schedule fall between the hours specified in such subsection.

"§ 6124. Flexible schedules; holidays

"Notwithstanding sections 6103 and 6104 of this title, if any employee on a flexible schedule under section 6122 of this title is relieved or prevented from working on a day designated as a holiday by Federal statute or Executive order, such employee is entitled to pay with respect to that day for 8 hours (or, in the case of a part-time employee, an appropriate portion of the employee's biweekly basic work requirement as determined under regulations prescribed by the Office of Personnel Management).

"§ 6125. Flexible schedules; time-recording devices

"Notwithstanding section 6106 of this title, the Office of Personnel Management or any agency may use recording clocks as part of programs under section 6122 of this title.

"§ 6126. Flexible schedules; credit hours; accumulation and compensation

"(a) Subject to any limitation prescribed by the Office of Personnel Management or the agency, a full-time employee on a flexible schedule can accumulate not more than 24 credit hours, and a part-time employee can accumulate not more than one-fourth of the hours in such employee's biweekly basic work requirement, for carryover from a biweekly pay period to a succeeding biweekly pay period for credit to the basic work requirement for such period.

"(b) Any employee who is on a flexible schedule program under section 6122 of this title and who is no longer subject to such a program shall be paid at such employee's then current rate of basic pay for—

"(1) in the case of a full-time employee, not more than 24 credit hours accumulated by such employee, or

"(2) in the case of a part-time employee, the number of credit hours (not excess of one-fourth of the hours in such employee's biweekly basic work requirement) accumulated by such employee.".

"§ 6127. Compressed schedules; agencies authorized to use

"(a) Notwithstanding section 6101 of this title, each agency may establish programs which use a 4-day workweek or other compressed schedule.

"(b)(1) An employee in a unit with respect to which an organization of Government employees has not been accorded exclusive recognition shall not be required to participate in any program under subsection (a) unless a majority of the employees in such

unit who, but for this paragraph, would be included in such program have voted to be so included.

"(2) Upon written request to any agency by an employee, the agency, if it determines that participation in a program under subsection (a) would impose a personal hardship on such employee, shall—

"(A) except such employee from such program; or

"(B) reassign such employee to the first position within the agency—

"(i) which becomes vacant after such determination,

"(ii) which is not included within such program,

"(iii) for which such employee is qualified, and

"(iv) which is acceptable to the employee.

A determination by an agency under this paragraph shall be made not late than 10 days after the day on which a written request for such determination is received by the agency.

"§ 6128. Compressed schedules; computation of premium pay

"(a) The provisions of sections 5542(a), 5544(a), and 5550(2) of this title, section 4107(e)(5) of title 38, section 7 of the Fair Labor Standards Act (29 U.S.C. 207), or any other law, which relate to premium pay for overtime work, shall not apply to the hours which constitute a compressed schedule.

"(b) In the case of any full-time employee, hours worked in excess of the compressed schedule shall be overtime hours and shall be paid for as provide by the applicable provisions referred to in subsection (a) of this section. In the case of any part-time employee on a compressed schedule, overtime pay shall begin to be paid after the same number of hours of work after which a full-time employee on a similar schedule would begin to receive overtime pay.

:"(c) Notwithstanding section 5544(a), 5546(a), or 5550(1) of this title, or any other applicable provision of law, in the case of any full-time employee on a compressed schedule who performs work (other than overtime work) on a tour of duty for any workday a part of which is performed on a Sunday, such employee is entitled to pay for work performed during the entire tour of duty at the rate of such employee's basic pay, plus premium pay at a rate equal to 25 percent of such basic pay rate.

"(d) Notwithstanding section 5546(b) of this title, an employee on a compressed schedule who performs work on a holiday designated by Federal statute or Executive order is entitled to pay at the rate of such employee's basic pay, plus premium pay at a rate equal to such basic pay rate, for such work which in not in excess of the basis work requirement of such employee for such day. For hours worked on such a holiday in excess of the basic work requirement for such day, the employee is entitled to premium pay in accordance with the provisions of section 5542(a) or 5544(a) of this title, as applicable, or the provisions of section 7 of the Fair Labor Standards Act (29 U.S.C. 207) whichever provisions are more beneficial to the employee.

"§ 6129. Administration of leave and retirement provisions

"For purposes of administering sections 6303(a), 6304, 6307(a) and (c) 6323, 6326, and 8339(m) of this title, in the case of an employee who is in any program under this subchapter, references to a day or workday (or to multiples or parts thereof) contained in such sections shall be considered to be references to 8 hours (or to the respective multiples or parts thereof).

"§ 6130. Application of programs in the case of collective bargaining agreements

"(a)(1) In the case of employees in a unit represented by an exclusive representative, any flexible or compressed work schedule, and the establishment and termination of any such schedule, shall be subject to the provisions of this subchapter and the terms of a collective bargaining agreement between the agency and the exclusive representative.

"(2) Employees within a unit represented by an exclusive representative shall not be included within any program under this subchapter except to the extent expressly provided under a collective bargaining agreement between the agency and the exclusive representative.

"(b) An agency may not participate in a flexible or compressed schedule program under a collective bargaining agreement which contains premium pay provisions which are inconsistent with the provisions of section 6123 or 6128 of this title, as applicable.".

"§ 6131. Criteria and review

"(a) Notwithstanding the preceding provisions of this subchapter or any collective bargaining agreement and subject to subsection (c) of this section, if the head of an agency finds that a particular flexible or compressed schedule under this subchapter has had or would have an adverse agency impact, the agency shall promptly determine not to—

"(1) establish such schedule; or

"(2) continue such schedule, if the schedule has already been established.

"(b) For purposes of this section, 'adverse agency impact' means—

"(1) a reduction of the productivity of the agency;

"(2) a diminished level of services furnished to the public by the agency; or

"(3) an increase in the cost of agency operations (other than a reasonable administrative cost relating to the process of establishing a flexible or compressed schedule).

"(c)(1) This subsection shall apply in the case of any schedule covering employees in a unit represented by an exclusive representative.

"(2)(A) If an agency and an exclusive representative reach an impasse in collective bargaining with respect to an agency determination under subsection (a)(1) not to establish a flexible or compressed schedule, the impasse shall be presented to the Federal Service Impasses Panel (hereinafter in this section referred to as the 'Panel').

"(B) The Panel shall promptly consider any case presented under subparagraph (A), and shall take final action in favor of the agency's determination if the finding on which it is based is supported by evidence that the schedule is likely to cause an adverse agency impact.

"(3)(A) If an agency and an exclusive representative have entered into a collective bargaining agreement providing for use of a flexible or compressed schedule under this subchapter and the head of the agency determines under subsection (a)(2) to terminate a flexible or compressed schedule, the agency may reopen the agreement to seek termination of the schedule involved.

"(B) If the agency and exclusive representative reach an impasse in collective bargaining with respect to terminating such schedule, the impasse shall be presented to the Panel.

"(C) The Panel shall promptly consider any case presented under subparagraph (B), and shall rule on such impasse not later than 60 days after the date the Panel is presented the impasse. The Panel shall take final action in favor of the agency's determination to terminate a schedule if the finding on which the determination is based is supported by evidence that the schedule has caused an adverse agency impact.

"(D) Any such schedule may not be terminated until—

"(i) the agreement covering such schedule is renegotiated or expires or terminates pursuant to the terms of that agreement; or

"(ii) the date of the Panel's final decision, if an impasse arose in the reopening of the agreement under subparagraph (A) of this paragraph.

"(d) This section shall not apply with respect to flexible schedules that may be established without regard to the authority provided under this subchapter.".

"§ 6132. Prohibition of coercion

"(a) An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with—

"(1) such employee's rights under sections 6122 through 6126 of this title to elect a time of arrival or departure, to work or not to work credit hours, or to request or not to request compensatory time off in lieu of payment for overtime hours; or

"(2) such employee's right under section 6127(b)(1) of this title to vote whether or not to be included within a compressed schedule program or such employee's right to request an agency determination under section 6127(b)(2) of this title.

"(b) For the purpose of subsection (a), the term 'intimidate, threaten, or coerce' includes, but is not limited to, promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or effecting or threatening to effect any reprisal (such as deprivation of appointment, promotion, or compensation).

"§ 6133. Regulations; technical assistance; program review

"(a) The Office of Personnel Management shall prescribe regulations necessary for the administration of the programs established under this subchapter.

"(b)(1) The Office shall provide educational material, and technical aids and assistance, for use by an agency in connection with establishing and maintaining programs under this subchapter.

"(2) In order to provide the most effective materials, aids, and assistance under paragraph (1), the Office shall conduct periodic reviews of programs established by agencies under this subchapter particularly insofar as such programs may affect—

"(A) the efficiency of Government operations;

"(B) mass transit facilities and traffic;

"(C) levels of energy consumption;

"(D) service to the public;

"(E) increased opportunities for full-time and part-time employment; and

"(F) employees' job satisfaction and nonworklife.

"(c) With respect to employees in the Library of Congress, the authority granted to the Office of Personnel Management under this subchapter shall be exercised by the Librarian of Congress.".

(b) The table of sections at the beginning of such chapter is amended—

(1) by inserting before the item relating to section 6101 the following:

"SUBCHAPTER I—GENERAL PROVISIONS";

and

(2) by adding at the end thereof the following:

"SUBCHAPTER II—FLEXIBLE AND COMPRESSED WORK SCHEDULES

"Sec.
"6120. Purpose.
"6121. Definitions.
"6122. Flexible schedules: agencies authorized to use.
"6123. Flexible schedules; computation of premium pay.
"6124. Flexible schedules; holidays.
"6125. Flexible schedules; time-recording devices.
"6126. Flexible schedules; credit hours; accumulation and compensation.
"6127. Compressed schedules; agencies authorized to use.
"6128. Compressed schedules; computation of premium pay.
"6129. Administration of leave and retirement provisions.
"6130. Application of programs in the case of collective bargaining agreements.
"6131. Criteria and review.
"6132. Prohibition of coercion.
"6133. Regulations; technical assistance; program review.".

SEC. 3. Section 3401(2) of title 5, United States Code, is amended by inserting "(or 32 to 64 hours during a biweekly pay period in the case of a flexible or compressed work schedule under subchapter II of chapter 61 of this title)" after "week".

SEC. 4. (a) Except as provided in subsection (b), each flexible or compressed work schedule established by any agency under the Federal Employees Flexible and Compresed Work Schedules Act of 1978 (5 U.S.C. 6101 note) in existence on the date of enactment of this Act shall be continued by the agency concerned.

(b)(1) During the 90-day period after the date of the enactment of this Act, any flexible or compressed work schedule referred to in subsection (a) may be reviewed by the agency concerned. If, in reviewing the schedule, the agency determines in writing that—

(A) the schedule has reduced the productivity of the agency or the level of services to the public, or has increased the cost of the agency operations, and

(B) termination of the schedule will not result in an increase in the cost of the agency operations (other than a reasonable administrative cost relating to the process of terminating a schedule),

the agency shall, notwithstanding any provision of a negotiated agreement, immediately terminate such schedule and such termination shall not be subject to negotiation or to administrative review (except as the President may provide) or to judicial review.

(2) If a schedule established pursuant to a negotiated agreement is terminated under paragraph (1), either the agency or the exclusive representative concerned may, by written notice to the other party within 90 days after the date of such termination, initiate collective bargaining pertaining to the establishment of another flexible or compressed work schedule under subchapter II of chapter 61 of title 5, United States Code, which would be effective for the unexpired portion of the term of the negotiated agreement.

SEC. 5. The amendments made by this Act shall not be in effect after three years after the date of the enactment of this Act.

SEC. 6. (a) Section 6106 of title 5, United States Code, is amended by striking out the period and inserting in lieu thereof a comma and "except that the Bureau of Engraving and Printing may use such recording clocks.".

(b) The amendment made by this section shall take effect October 1, 1982. Section 5 of this Act shall not apply to the amendment made by this section.

Mr. STEVENS. I move to reconsider the vote by which the bill was passed.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IRANIAN PERSECUTION OF THE BAHÀ'I COMMUNITY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 636, Senate Concurrent Resolution 73.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The assistant legislative clerk read as follow:

A concurrent resolution (S. Con. Res. 73) to condemn the Iranian persecution of the Bahá'i community.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. ROBERT C. BYRD. There is no objection, Mr. President.

The Senate proceeded to consider the concurrent resolution, which had been reported from the Committee on Foreign Relations, with amendments, as follow:

On page 2, line 3, strike "Bahàis", and insert "Bahá'is";

On page 2, line 5, strike "Bahàis", and insert "Bahá'is"; and

On page 2, line 7, strike "Bahàis", and insert "Bahá'is".

Mr. HEINZ. Mr. President, we are considering today a resolution which condemns the Iranian Government's persecution of the Bahá'i community. The extensive murder and persecution currently inflicted by the Khomeini regime is an immoral and unjustifiable continuing denial of the most basic human rights—a denial which began with the opposition of the Islamic clergy over 135 years ago. The extent of the mistreatment presently being applied is so great that it demonstrates the urgency of the matter and the need for us to speak out forcefully. Passage of this resolution, Mr. President, will show the Congress concern and anger regarding this tragic situation.

The reported 113 executions of Bahá'i citizens during the past year only too vividly illustrates the extent to which the Khomeini government is attempting to exterminate the Bahá'i religion. On August 21, 1980, all nine members of the Bahá'i National Assembly were abducted along with two other officers of the faith by the Iranian Revolutionary Guard. Since that time they have not been found, and must be presumed dead. Eight members of the subsequent national assembly were also abducted by revolutionary guards and then secretly executed in Tehran. And in January 1982, six of the nine members of the Tehran Assembly were executed. That the leaders of the Bahá'i struggle for life and freedom are the primary victims of this persecution is by no means coincidental, for I believe that there is a conscious effort on the part of the Iranian Government to destroy the Bahá'i leadership, and thus cripple the entire community. It has become very hard, if not impossible, for the 300,000 Bahá'is currently in Iran to live under the rule of the Khomeini regime.

On May 25, 1982, the chairman of the National Spiritual Assembly of the Bahá'is of the United States, Judge James Nelson, testified before the House Subcommittee on Human Rights and International Organizations. The following are some of the more disturbing examples of Iranian persecution during the past 3½ years as told by Mr. Nelson:

In Miandoab, a mob, after destroying the local Bahá'i center, fell upon a man and his son, dragged their bodies through the streets, and chopped them up into small pieces that were finally consigned to flames.

In Yazd, following the execution of seven Bahá'is, including an 85 year-old man, the authorities presented their widows with bills to cover the cost of the bullets used to execute them.

In Tehran, the High Court of Justice upheld a verdict of the Shiraz Revolutionary Court that cited membership in Bahá'i Assemblies as a crime punishable by death. Since this verdict more than 60 Bahá'i leaders have been executed.

In addition to these violent tragedies, the holiest shrine in Iran for the Bahá'is and a place for pilgrimage for the Bahá'is of the world, the house of Bab, was destroyed. Many other holy places, historic sites, and sacred writings have been confiscated and/or destroyed by government authorities. Even though the Bahá'is community has lost many of its leaders, its shrines, and its sacred texts, it has not lost its spirit to survive. The Bahá'is are not restless political revolutionaries but are people striving to hold on to their most fundamental human rights including the freedom of religion.

For many decades they have struggled against this unfair oppression alone, but now as their plight worsens, it is time for our support. As a nation committed to the human rights of all we cannot understand how a nation can inflict such torture and execution on members of their own community. Apparently, since the Bahá'i religion is not recognized under the Iranian

constitution they are, as in the words of Mr. Nelson, "not entitled to protection under the law, and have no opportunity to defend themselves against false accusations." No person or group deserves to be treated so inhumanly; however, the present evidence suggests that the Iranian Government will stop at no end in its efforts to wipe out the Baha'i faith, and will continue to pursue a policy of violent oppression. As a nation committed to the human rights of all, we cannot tolerate a continuation of this injustice.

We have a responsibility to speak out on this matter, even though our relationship with the Government of Iran is, at best, strained. People of good conscience cannot ignore terror and murder, and perhaps by bringing it forcefully to the world's attention we can in some way influence the course of events in Iran.

This resolution, I believe, will do just that. By expressing America's concern and outrage over the Iranian Government's inhuman treatment, we have the opportunity to bring to light the Bahá'is' struggle. Considering recent developments, outside pressure is a very important, if not vital, method of helping the Bahá'is secure the basic human rights all people deserve. Iran should be held responsible for upholding the rights of all its citizens, including the Bahá'is, and I hope this resolution will demonstrate to Iran, as well as the rest of the world, our commitment to human rights and our determination that other nations protect their most fundamental freedoms.

Mr. President, I ask unanimous consent that the testimony of James F. Nelson, chairman of the National Spiritual Assembly of the Bahá'is of the United States, before the Subcommittee on Human Rights and International Organizations of the House Foreign Affairs Committee on May 25 be printed at this point in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

PREPARED STATEMENT OF JAMES F. NELSON

My name is James F. Nelson. I am a judge of the Municipal Court of Los Angeles and the chairman of the National Spiritual Assembly of the Baha'is of the United States—the governing board of trustees elected by the 100,000 members of the American Baha'i community. With me is Firuz Kazemzadeh, professor of history and chairman of the Committee on Middle-Eastern Studies at Yale University, and vice-chairman of our National Assembly. Also with me is Glenford E. Mitchell, secretary and chief executive officer of our National Assembly. My colleagues and I appreciate the opportunity to testify today before the Subcommittee on Human Rights and International Organizations concerning the horrible acts of discrimination against the members of the Baha'i Faith in Iran.

For the last three-and-one-half years the Baha'i community of Iran has suffered relentless persecution. The horrors that are being inflicted upon it stagger the imagination. They constitute without any doubt a gross violation of all fundamental human rights.

In Miandoab, a mob, after destroying the local Baha'i center, fell upon a man and his son, dragged their bodies through the street, and chopped them up into small pieces that were finally consigned to flames.

In Nuk, a farming village near Birjand, fifteen masked men attacked a couple in their home at night, poured kerosene on the husband and set him on fire before forcing him to run for a few yards; finally they heaped wood upon him, burning him to death. His wife, subjected to similar treatment, died a few days later.

In Shiraz, 300 Baha'i homes were burned.

In Tehran, the dead bodies of executed Baha'is were written upon in large script. These ghoulish markings included the epithet "enemy of Islam."

In Yazd, following the execution of seven Baha'is, including an 85-year-old man, the authorities presented their widows with bills to cover the cost of the bullets used to execute them.

In Musa-Abad Village, two teenage girl students were abducted from school by their religion teachers. The parents have been unable to determine their fate. The teachers claimed that the girls had converted to Islam and refused to meet their Baha'i parents, a most unlikely story.

In Kashan, a teenage girl was abducted and forced to marry a Muslim despite her being under age.

In Shiraz, a high-ranking authority decreed that a Baha'i widow had no right to the pension due from her husband's insurance and could not retain custody of her children.

In Tehran, the High Court of Justice upheld a verdict of the Shiraz Revolutionary Court that cited membership in Baha'i Assemblies as a crime punishable by death. Since this verdict more than sixty Baha'i leaders have been executed.

The Iranian Baha'is have no recourse for redress of grievances. The constitution of the Islamic Republic does not recognize the Baha'i Faith, although similar religious minorities are recognized. Thus the patient and repeated appeals of the Baha'is to the authorities fall on deaf ears.

The Baha'i Faith originated in 1844. Ever since then its history has been marked with bloody periods of persecution. However, the new attacks began with the Islamic revolution in the autumn of 1978. Between September 25 and December 14 of that year the community recorded 112 instances of assault upon its members. There were lootings, burnings, beatings, murders, the desecration of cemeteries, the disruption of meetings—all intended to force Baha'is to deny their faith. The attacks spread rapidly to every province in Iran.

In the spring of 1979, when the Islamic Revolutionary Government of Ayatollah Khomeini was already firmly established, the campaign against the Baha'is assumed an official form and increased in magnitude: 2,000 men, women and children were driven from their homes and sought refuge in the deserts and mountains.

The House of the Bab, the holiest shrine in Iran for Baha'is and a place of pilgrimage for the Baha'is of the world, was seized on the pretext that it was being held by the authorities as a protection against mob attack. It was ultimately razed, the site obliterated by a hastily constructed road.

Nawnahalan company, which served as a savings and loan association primarily for the benefit of Baha'i children, was confiscated.

Omana company, which held in trust Baha'i community properties, including holy place, and historic sites that had been in the possession of Baha'is for more than a century, was similarly confiscated. As national and local properties were seized, so too were the sacred literature and records of the community.

The Ministry of Education issued a circular that those Baha'is who did not deny their faith should immediately be discharged from their jobs as teachers.

Baha'is were arrested without charge in various localities.

Soon it became apparent that the campaign directed against the Baha'i community was systematic and centrally directed. The Human Rights Commission of the Federation of Protestant Churches in Switzerland issued a report in Zurich on September 12, 1979 in which it described the methods and ends of the persecution as "administrative strangulation," "financial strangulation," "social and personal strangulation." Other reports, including the published dispatches of the correspondents for Reuters, The Associated Press, Le Monde, The New York Times, The Washington Post, The Los Angeles Times, signified the deepening crisis for the Baha'is of Iran. These reports combined to portend the imminence of genocide.

The final blow was to be the elimination of the leadership of the community. The primitive logic was clear: a body without a head could not survive. Beginning in 1980, shortly after the taking of American hostages, a rash of disappearances, arrests and executions of members of Baha'i local and national governing bodies shocked the community. The abduction of all nine members of the National Assembly on August 21 confirmed the rumor of a plot to wipe out the Baha'i leadership. The National Assembly members were meeting in a private home, when revolutionary guards forcibly took them away, along with two other officers of the Faith with whom they were conferring. No trace of them has been found and they must be presumed dead. Eight members of the subsequent National Assembly were similarly abducted and then secretly executed in Tehran last December. Six of the nine members of the Tehran Assembly met the same fate in January 1982. Scores of other local Assembly members have been executed in different parts of the country, some after torture. Scores more languish in jail, their fate unknown.

How do Iranian authorities justify the persecution of the Baha'is? The Baha'i Faith is not recognized in the constitution of the Islamic Republic. Therefore, Baha'is are not entitled to protection under the law and have no opportunity to defend themselves against false accusations. Baha'i marriages are not sanctioned by law. Therefore, their issue are not recognized as legitimate. Since Baha'i marriages are not recognized, Baha'i women are proclaimed prostitutes.

The Shiite clergy and the Government persistently accuse the Baha'i Faith of being a political conspiracy that serves the interests of foreign powers, including the United States. This, in spite of the fact that Baha'is strictly avoid disloyal and subversive activities.

The clergy and the Government claim that the Baha'is were favored by the regime of the Shah and ran his secret police, the SAVAK, when in fact the Baha'is were per-

secuted under Pahlavi rule and were frequently the SAVAK's victims.

The clergy and the Government accuse the Baha'is of serving the interests of Zionism and Israel. As proof they point to the fact that the Baha'i world center is located in Haifa, Israel and that Baha'is send money to that country. Indeed, the Baha'i world center is in Israel. This occurred because 114 years ago the government of the Ottoman Empire forcibly brought the founder of the Baha'i Faith and His disciples to Akka which was then in the province of Syria. Baha'u'llah, the founder of the Baha'i Faith, died in Akka and ever since then the twin cities of Akka and Haifa have been the spiritual center of the Baha'i Faith long pre-dating the State of Israel.

The allegations that the Baha'is transfer funds to Israel are made out of sheer mischief. Baha'i pilgrims from all parts of the world regularly travel to Israel to visit the Shrine of Baha'ullah, and other sites closely associated with their religion. Thousands of Iranian Baha'is made this pilgrimage during the time when they were permitted by law to visit Israel. In accordance with the clear requirements of the Baha'i Faith, its world spiritual and administrative centers must always be united in one locality. Accordingly, the world administrative center of the Baha'i Faith has always been and must continue to be in the Holy Land. It cannot be relocated for the sake of temporary political expediency. Contributions sent by Baha'is to their world center in Israel are solely and exclusively for the upkeep of their holy shrines and historic sites, and for the administration of their Faith. Almost all Baha'is in Iran have made such contributions, and this innocent action is used to support charges of their collusion with Israel.

These allegations are a sham. They are a smokescreen for religious fanaticism. Time and again the persecutors have confirmed by their own acts that their charges are groundless. The fake trials of the Baha'is never deal with the substance of any of these accusations, rather, the prosecutors attempt to learn about the operations of the Baha'i community and to force the defendants to recant their faith. In November 1981, a couple in whose home the members of the Tehran Baha'i Assembly met when they were arrested, were put on trial. The wife refused to recant, was sentenced to death for espionage and executed. Her husband recanted and was set free, fully absolved of the charge of spying.

In former and simpler times, the Shiite clergy did not need to invent justifications for their hatred of the Baha'i Faith. Back then they persecuted "heretics" and did not have to bother with notions of religious tolerance. Today, the clergy are as determined as ever to eradicate the Baha'i Faith, but feel they need elaborate justifications for their murderous acts.

The Shiite clergy's hatred of the Baha'is is at its root purely religious. The Muslim clergy hold that Muhammad was the last of a series of prophets going all the way back to Adam. The Baha'is, however, believe that the dialogue between God and man can never stop, that Baha'u'llah was a prophet of God equal to Muhammad and that in the future there will be others who will continue to bring divine revelation to humanity. Moreover, Baha'u'llah abrogated particular Islamic laws such as holy war, polygamy, certain dietary laws, and regulations concerning ritual purity.

Equally offensive to the Shiites is the Baha'i principle of the equality of men and women. Perhaps even more upsetting is the fact that the Baha'i Faith does not have a clergy but is, instead, governed by democratically elected bodies. Moreover, by promoting the unity of mankind as its pivotal principle and by envisioning a federation of nations under a world government, the Baha'i Faith shatters Shiite notions of exclusiveness and monopolistic possession of power.

Thus the Baha'is are frequently accused of being "enemies of Islam," which in an Islamic Republic also means enemies of the state. Yet it must be recognized that wherever the Baha'is have spread their religion, they have succeeded in spreading reverence for Islam and its prophet. Moreover, they have taught their fellow-believers in more than 100,000 localities around the globe to love Iran as the birthplace of their religion.

The situation in Iran also affects Baha'i communities in other countries. The anti-Baha'i propaganda spouted by the Iranian Islamic Republic spreads misunderstanding and suspicion of the Baha'i community far and wide. Even in the United States, American Baha'is had to battle against the power of mass communications as Iran's spokesmen have taken to the airways with half-truths and outright lies. There have been instances in which fanatical Islamic Iranians have made attempts to disrupt Baha'i activities in our own country. For example, on March 27 this year, the Baha'is of Morgantown, West Virginia were prevented from holding a prayer meeting when a group believed to be Iranian students threatened the management of the hotel in which the event was to have taken place. Similar incidents have occurred in Reno, Nevada and Minneapolis, Minnesota. It seems that some Iranian Muslims residing in the United States are attempting to intimidate the American Baha'i community and to create for it the same oppressive conditions existing in their own country.

We have cited in this brief statement the most telling evidences of the persecution of the Iranian Baha'i community, namely: the wholesale seizure of Baha'i sacred literature, the confiscation of national and local records, the expropriation of the community's properties and other assets, and the execution of its leaders. No extensive analysis is needed to determine the precise intention behind these acts. A community deprived of its inspiration, of its memory, of its material means and of its leadership becomes extinct. That these deadly afflictions have not succeeded in breaking the spirit of the Baha'i community is a clear indication of its deep-rootedness, its resilience and its determination to survive. But there are limits to human endurance, and it is our hope that before it is too late the governments and peoples of the nations will join in the effort to ensure the security of this innocent minority.

It is the task of the Baha'is of other lands to help their Iranian co-religionists by calling the attention of the world to the horrors that are being perpetrated in the name of religion. On many occasions in this century, the world averted its eyes when fanatics, demagogues, and dictators of various stripes massacred national, racial and religious minorities, or filled concentration camps with "class enemies," deprived of their most fundamental rights all those who dared to differ from their brutal orthodoxies even in thought. Decency, respect for human rights, and love of one's neighbor, be he ever so distant geographically, are as indivisible as peace. Humanity cannot afford to remain silent and by its silence to condone evil.

We, the Baha'is of the United States, feel no animosity toward the government of Iran. We feel genuine sympathy for the long-suffering Iranian people and wish for them a peaceful and happy future. However, we cannot remain indifferent to the sufferings of our Iranian brothers and sisters at the hands of bigots, who have no compunctions about shedding innocent blood. We call upon our fellow citizens and our elected representatives to proclaim that America will not acquiesce in oppression and that its perpetrators will have to answer for their deeds in the court of world opinion.

Mr. Chairman, again I thank you for giving time to the Baha'i community to present to your Subcommittee information about one of the most compelling cases of religious persecution in modern history.

● Mr. SARBANES. Mr. President, among the first to feel the sting of harassment and persecution in postrevolutionary Iran were the Bahá'is. More than 3 years ago Members of this body wrote to the Iranian Prime Minister expressing concern over the possibility of mistreatment of ethnic and religious minorities, the Bahá'is among them, because "Our own forebears settled in this country seeking refuge from political persecution on account of religious beliefs. This deep historical experience has generated concern among Americans when it appears that the freedom to worship is threatened in this country or elsewhere." Subsequent letters have expressed the same concern, and have sought reassurances following reports of destruction and confiscation of holy places, including the House of Bab in Shiraz, Bahá'i centers, sites and cemeteries. Recently there have been increasing reports of attacks on individuals, their families and homes.

These assurances sought have never been provided by the Government of Iran, and indeed the precarious situation of the Bahá'is has worsened with the passage of time. the Immigration and Naturalization Service, acknowledging the situation in Iran, has adopted a policy which recognizes adherence to the Bahá'i faith by an Iranian national as likely cause for persecution in Iran and therefore as prime facie grounds for asylum in the United States.

Mr. President, Senate Concurrent Resolution 73 condemns Iranian oppression of the Bahá'is and calls for an end to their harassment and persecution. Its message is urgent and I urge its adoption.●

● Mr. DENTON. Mr. President, I support Senate Concurrent Resolution 73, which condemns the persecution of the Bahá'i community in Iran.

The Bahá'is are not a foreign element within Iran; they are an indigenous religious faith. Since the inception of their faith in the middle 1800's, the Bahá'is have lived in a climate of constant repression characterized by frequent outbreaks of violence and

bloodshed. From its earliest days, the aims and purposes of the faith have been misrepresented in Iran, where it has been portrayed as a heretical sect, actively engaged in designs to overthrow Islam in its existing form.

Religious persecution against the Bahá'is has become institutionalized in Iran. The omission of the Bahá'i minority from the new constitution intensifies the adverse effects of denying recognition of the Bahá'i faith as an independent religion. The result has been to enable fanatical and criminal elements within the country to mount violent attacks against the Bahá'is and their property with almost complete assurance of impunity.

The Immigration and Naturalization Service has implemented a liberal policy toward granting U.S. asylum to Iranian Bahá'is who fear persecution if they return to Iran. The State Department regards the persecution of the Bahá'is as the most serious case of religious persecution in the world, and the "Country Report on Human Rights Practices for 1981," submitted to the Congress, states:

> The Bahá'is whose religion is not recognized by the constitution, continue to be singled out for especially harsh treatment, with the number of executions reaching well over a hundred. These executions included the secret execution in December of eight of nine members of the national leadership of the Bahá'i community as well as some local Baha'i leaders. In the case of some officially acknowledged executions of Bahá'is, the main charges were, basically, their adherence to the Bahá'i faith.

Mr. President, there are approximately 650 members of the Bahá'i faith in Alabama. I want this statement to be my message of support, support for their right to practice the religion of their choice and support for the resolution of condemnation for the persecution of their fellows in Iran.●

Mr. KENNEDY. Mr. President, I wish to speak in support of Senate Concurrent Resolution 73 which deplores the persecution of the followers of the Bahá'i faith by the authorities in Iran. The resolution condemns the persecution of the 300,000 Iranian Bahá'is and urges the cessation of the discrimination and executions from which the Bahá'is have suffered.

The persecution of the Bahá'is in Iran has a long history; however, it has greatly intensified since the Ayatollah Khomeini came to power. The Subcommittee on Human Rights and International Organizations of the Senate Foreign Relations Committee has heard moving testimony from several Bahá'i community leaders. This testimony outlined the gross violations of human rights to which the Bahá'is have been subjected. The Bahá'i faith is neither recognized nor respected by the government; the Bahá'i people are virtually denied all legal rights. Their homes and shrines are pillaged, their property confiscated, and their people brutally murdered and the bodies mutilated. In fact, the High Court of Justice in Tehran declared that being a member of the Bahá'i faith was a crime punishable by death. The Department of State's 1981 Report on Human Rights states:

> The Bahá'is, whose religion is not recognized by the constitution, continue to be singled out for especially harsh treatment, with the number of executions reaching well over one hundred. These executions included the secret executions of December 1980 of eight of the nine members of the national leadership of the Bahá'i community, as well as some local Bahá'i leaders. In the case of some officially acknowledged executions of Bahá'is, the main charges were, basically, their adherence to the Bahá'i faith.

As one who has long been committed to the cause of human rights in the world, I welcome the Senate's action in taking up that cause again in the name of the Bahá'is. The Iranian authorities have blatantly violated article 18 of the International Covenant on Civil and Political Rights to which they are a State party. Article 18 states:

> Everyone shall have the right to freedom of thought, conscience, and religion. The right shall include freedom to have or adopt a religion or a belief of his choice, and freedom, either individually or in community with others and in public or private, to manifest his religion or belief in worship, observance, practice, and teaching.

Amnesty International, the Human Rights Commission of the Federation of Protestant Churches in Switzerland, and other organizations and journals have documented and protested the inhumane treatment of the Bahá'i community in Iran. It is time the United States lend its strong support to the international appeals to the Iranian authorities to cease this brutal persecution of a peaceful people. In all cases where human rights are denied, we must not hesitate to denounce the violations and appeal for human justice. We cannot bear silent witness. We must speak out.

Mr. President, I am proud to cosponsor Resolution 73 in defense of the Bahá'is, and I urge my colleagues to support this call to human decency.

Mr. SASSER. Mr. President, as a cosponsor of Senate Concurrent Resolution 73, which condemns the Iranian persecution of the Bahá'i community, I want to commend my colleague Senator HEINZ for his leadership in bringing this matter to the attention of the full Senate. This is an issue that transcends national boundaries and sectarian interests. The cause of the continuing bloody assault by the Islamic regime in Iran against adherents of the Bahá'i faith is religious bigotry and hatred; those who have sought to destroy the Bahá'i faith make a practice of conjuring up accusations of political and criminal intentions on the part of the Bahá'i's in order to justify the campaign of murder and desecration that has continued for the 138-year history of the Bahá'i religion.

Senator HEINZ has submitted for the RECORD the testimony of Chairman James F. Nelson of the National Spiritual Assembly of the Bahá'is of the United States before the Subcommittee on Human Rights and International Organizations. I would urge my colleagues to read Mr. Nelson's remarks, for they tell the story not only of the origins of their faith in Iran through the prophet Baga'u'llah, but also of the lies and distortions that have been used over the years by Shiite clergy to discredit members of the Bahá'i community. The use of fabricated information to discredit members of a religion is not limited to this case or to Iran. The horrors the Bahá'is have suffered in Iran are one particularly brutal and egregious example of what can happen when religious hatred is allowed to grow and flourish. In Iran, it is a matter of national policy to exterminate the followers of Baga'u'llah, people whose affront to Islam is to renounce holy war polygamy, certain dietary laws and regulations concerning ritual purity, according to Mr. Nelson's testimony. The pivotal principle of the Bahá'i faith is the unity of mankind, and a belief that the dialog between God and man never stops.

Although there have been bursts of repression and murder in Iran against the Bahá'is since the faith was founded there, the days since the coming to power of the Ayatollah Khomeini have seen the most organized and relentless effort yet to destroy the Bahá'i community. Their most holy shrines have been eradicated, their literature and artifacts confiscated and burned, and their people kidnaped, tortured and murdered by the hundreds.

The United States must not sit by while the systematic annihilation of the followers of the Bahá'i faith continues. To endure this in silence is an abrogation of our fundamental responsibilities as human beings and as a nation committed to individual liberty and religious freedom. If the reality of the potential loss of these freedom seems too far away, I would refer my colleagues again to the testimony of James Nelson. He reports that on March 27 of this year:

> The Bahá'is of Morgantown, W.Va., were prevented from holding a prayer meeting when a group believed to be Iranian students threatened the management of the hotel in which the event was to have taken place. Similar incidents have occurred in Reno, Nev., and Minneapolis, Minn.

I urge immediate passage of Senate Concurrent Resolution 73 by the Senate, and continued expressions of outrage and concern by the U.S. Government and its citizens. This genocide must not go unchallenged.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution, as amended.

The concurrent resolution, as amended, was agreed to.

The preamble was agreed to

The concurrent resolution (S. Con. Res. 73), as amended, with its preamble, reads as follows:

S. CON. RES. 73

Whereas the Bahá'i community in Iran is experiencing persecution, harassment and disappearances of family members, job discrimination, seizure of bank funds, destruction of personal property, and torture;

Whereas current reports shows at least one hundred and thirteen executions of Bahá'is and Bahá'i religious leaders by the Government of Iran; and

Whereas the continued harassment and murder of Bahá'is demonstrates that the Government of Iran has launched a conscious effort to destroy the Bahá'i community: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States condemns persecution of the Bahá'is, holds the Government of Iran responsible for upholding the rights of all its citizens, including the Bahá'is, and expresses the hope that the discrimination and brutal executions within the Bahá'i community cease immediately. The Congress urges the Iranian Government to take whatever means are necessary to end this extermination of law abiding citizens who only wish to worship in freedom.

Amend the title so as to read: "To condemn the Iranian persecution of the Baha'i community.".

The title was amended so as to read: "A concurrent resolution to condemn the Iranian persecution of the Bahá'i community."

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET ACT WAIVER

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 583, Senate Resolution 384, concerning a budget waiver.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 384) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of title IV of S. 2487, which authorizes supplemental appropriations for fiscal year 1982 for intelligence activities of the United States.

The PRESIDING OFFICER. Is there objection to the present considering of the resolution?

Mr. ROBERT C. BYRD. There is no objection, Mr. President.

The resolution (S. Res. 384) was considered and agreed to, as follows:

S. RES. 384

Resolved, That pursuant to Section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to consideration of title IV of S. 2487, which authorizes supplemental appropriations for fiscal year 1982 for intelligence activities of the United States.

Such a waiver is necessary because title IV of S. 2487 authorizes supplemental appropriations for fiscal year 1982. Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by May 15, 1981, because the amount of supplemental appropriations for fiscal year 1982 for intelligence activities of the United States was not known at that time.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1983

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 683, S. 2487, the bill to authorize intelligence activities appropriations for fiscal year 1983.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2487) to authorize appropriations for the fiscal year 1983 for intelligence activities of the U.S. Government, for the Intelligence Community Staff and for the Central Intelligence Agency retirement and disability system, and for other purposes.

The PRESIDING OFFICER. Is there objection to this present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, as follows:

On page 3, line 3, after "Senate,", insert "as amended by the classified appendix of the Committee on Armed Services of the Senate".

So as to make the bill read:

S. 2487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1983".

TITLE I—INTELLIGENCE ACTIVITIES

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. (a) Funds are authorized to be appropriated for the fiscal year 1983 for the conduct of intelligence activities of the following departments, agencies, and other elements of the United States Government:

(1) The Central Intelligence Agency and the Director of Central Intelligence.

(2) The Department of Defense.

(3) The Defense Intelligence Agency.

(4) The National Security Agency.

(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.

(6) The Department of State.

(7) The Department of the Treasury.

(8) The Department of Energy.

(9) The Federal Bureau of Investigation.

(b) The amounts authorized to be appropriated under subsection (a) for the conduct of the intelligience activities of the agencies listed in such subsection are those listed in the classified schedule of Authorizations for the fiscal year 1983 prepared by the Select Committee on Intelligence of the Senate, as amended by the classified appendix of the Committee on Armed Services of the Senate. Such Schedule of Authorizations shall be made available to the Committee on Appropriations of the Senate, the Committee on Appropriations of the House of Representatives, and to the President. The President shall provide for suitable distribution of the schedule, or of appropriate portions of the schedule, within the executive branch.

(c) During the fiscal year 1983, funds may not be made available for any activity for which funds are authorized to be appropriated by this Act unless such funds have been specifically authorized for such activity or, in the case of funds appropriated for a different activity, unless the Director of Central Intelligence or the Secretary of Defense has notified the appropriate committees of the Congress of the intent to make such funds available for such activity.

(d) Authorizations of appropriations provided in this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States.

TITLE II—INTELLIGENCE COMMUNITY STAFF

AUTHORIZATION OF APPROPRIATIONS; PERSONNEL

SEC. 201. (a) there are authorized to be appropriated for the Intelligence Community Staff for the fiscal year 1983, $15,200,000.

(b) The Intelligence Community Staff is authorized two hundred and ten full-time personnel as of September 30, 1983. Such personnel may be permanent employees of the Intelligence Community Staff or personnel detailed from other elements of the United States Government.

(c) Any employee of the United States who is detailed to the Intelligence Community Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such employee may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary duties as required by the Director of Central Intelligence.

(d) Except as provided in subsections (b) and (c), the activities and personnel of the Intelligence Community Staff shall be subject to the provisions of the National Security Act of 1947 (50 U.S.C. 401 et seq.) and the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.) in the same manner as activities and personnel of the Central Intelligence Agency.

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. There are authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for the fiscal year 1983, $91,300,000.

TITLE VI—SUPPLEMENTAL AUTHORIZATION FOR THE FISCAL YEAR 1982

SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to funds authorized to be appropriated for the fiscal year 1982 for the conduct of intelligence activities of the United States Government, there are authorized to be appropriated supplemental funds for such fiscal year for such purpose. The amounts authorized to be appropriated under this title are those listed in the classified Schedule of Supplemental Authorizations for the fiscal year 1982 prepared by the Select Committee on Intelligence of the Senate.

TITLE V—GENERAL PROVISIONS

INCREASES IN EMPLOYEE BENEFITS

SEC. 501. There are authorized to be appropriated such amounts as may be necessary for increase in salaries, pay, and retirement or other benefits provided by law for employees for whose salary, pay, and benefits appropriations are authorized by this Act.

AUTOMATIC DATA PROCESSING EQUIPMENT OR SERVICES

SEC. 502. (a) Section 3 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403c) is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding subsection (e) of section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(e)), the provisions of section 111 of such Act relating to the procurement of automatic data processing equipment or services shall not apply with respect to such procurement by the Central Intelligence Agency.".

(b) Subsection (e) of section 3 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403(e)), as added by subsection (a) of this section, does not apply to a contract made before the date of enactment of this Act.

UNAUTHORIZED USE OF DEFENSE INTELLIGENCE AGENCY NAME, INITIALS, OR SEAL

SEC. 503. (a) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 140c. Secretary of Defense Use of Defense Intelligence Agency name, initials, or seal

"(a) No person may, except with the written permission of the Secretary of Defense, knowingly use the words 'Defense Intelligence Agency', the initials 'DIA', the seal of the Defense Intelligence Agency, or any colorable imitation of such words, initials, or seal in connection with any merchandise, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Defense Intelligence Agency.

"(b) Whenever it appears to the Attorney General that any person is engaged or is about to engage in an act or practice which constitutes or will constitute conduct prohibited by subsection (a), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to the hearing and determination of such action and may, at any time before final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.".

(b) The table of sections at the beginning of chapter 4 of title 10 is amended by adding at the end thereof the following new item:

"140c. Secretary of Defense: Use of Defense Intelligence Agency name, initials, or seal.".

Mr. GOLDWATER. Mr. President, today marks only the sixth time that a separate budget authorization bill has been introduced for U.S. intelligence activities. The budget authorization process is now standard procedure and represents clear evidence that our constitutional responsibilities can be fulfilled while, at the same time, maintaining the confidentiality necessary for an effective intelligence system.

Mr. President, no other nation in the world does what we have been doing now for the past 6 years. No other nation in the world allows its legislative branch to oversee in detail and authorize the budget for its intelligence community. In my judgment, this is the best method that can be used to insure that there is accountability for intelligence activities in our Government. Annual authorization for intelligence is now an established practice in our Government, and I think that it works very well in insuring that we have strong and effective intelligence which is responsive to the needs of our Government and our Nation.

Earlier this year, the Budget Subcommittee of the Senate Select Committee on Intelligence held numerous closed hearings and we have engaged in hundreds of hours of staff interviews and briefings in putting together the bill which is on the floor today. We have examined in detail the budgets of the Central Intelligence Agency, the National Security Agency, and the intelligence activities of the Departments of Defense, State, and Treasury, and of the Federal Bureau of Investigation. Given the extremely short time period we have had to finish this process this year, I want to say that the cooperation and patience that was shown to us by all concerned was a tribute to the professional attitude and dedication of these people.

Mr. President, I thank my colleagues—in particular, Senator WALLOP and Senator INOUYE, the distinguished chairman and vice chairman of our Budget Subcommittee—for their hard work and effort in preparing this legislation. These two gentlemen and their colleagues on the Budget Subcommittee are responsible for the lion's share of the work and they are to be commended for it.

Also, I thank the staff of the Senate Intelligence Committee and acknowledge the fine work they have done in preparing and presenting this bill. In particular, Mr. President, I draw attention to the contribution of Danny Childs, our senior budget officer. Danny has served our committee in this capacity ably over the years—in fact, since the very first days of our existence. He has played a very important role in the budget authorization process and we are most grateful to him for his contribution. This year will be the last time that Danny will engage in this process, as he has been selected to serve in the very important post of Comptroller of the Central Intelligence Agency. This is a great honor and a great accomplishment for him, and we applaud him for being selected to this important position. On behalf of all the members of the committee, I wish him the very best in the future.

Mr. President, the Intelligence Authorization Act for fiscal year 1983 is an important piece of legislation which I urge my colleagues to support. I now yield the floor to Senator WALLOP and ask him to manage this bill on my behalf.

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KASTEN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, on behalf of the Select Committee on Intelligence I send to the desk two unprinted amendments and ask for their immediate consideration.

The PRESIDING OFFICER. The Chair would like to inform the Senator that the committee amendment must be disposed of first, the committee amendment as reported from the Committee on Armed Services.

Mr. WALLOP. All right. I ask for the adoption of the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Committee on Armed Services.

The amendment was agreed to.

UP AMENDMENT NO. 1049

(Purpose: To provide for equitable sharing by qualifying spouses of Central Intelligence Agency officers in retirement benefits earned as a result of service with the Agency)

Mr. WALLOP. Mr. President, I now ask that the two unprinted amendments be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. WALLOP) proposes unprinted amendments en bloc numbered 1049.

Mr. WALLOP. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 3, insert "titles I through V of" after "That".

At the bottom of page 7, add the following new title:

TITLE VI—RETIREMENT BENEFITS FOR CERTAIN FORMER SPOUSES OF CENTRAL INTELLIGENCE AGENCY EMPLOYEES

SHORT TITLE

SEC. 601. This title may be cited as the "Central Intelligence Agency Spouses' Retirement Equity Act of 1982".

ANNUITANTS

SEC. 602. Section 204 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note) is amended—

(1) by inserting "former spouses," after "including surviving wives and husbands,"; and

(2) by adding at the end thereof the following:

"(4) 'Former spouse' means a former wife or husband of a participant or former participant who was married to such participant for not less than 10 years during periods of service by that participant which are creditable under sections 251, 252, and 253 of this Act, at least five years of which were spent outside the United States by both the participant and the former spouse.".

COMPUTATION OF ANNUITIES FOR OTHER THAN FORMER SPOUSES

SEC. 603. Section 221 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended—

(1) by inserting immediately above the section the following section heading: "COMPUTATION OF ANNUITIES FOR OTHER THAN FORMER SPOUSES"; and

(2) by amending subsection (b) to read as follows:

"(b)(1)(A) Except to the extent provided otherwise under a written election under subparagraph (B) or (C), if at the time of retirement a participant or former participant is married (or has a former spouse who has not remarried before attaining age 60), the participant shall receive a reduced annuity and provide a survivor annuity for his or her spouse under this subsection or former spouse under section 222(b), or a combination of such annuities, as the case may be.

"(B) A married participant or former participant and his or her spouse may jointly elect in writing to waive a survivor annuity for that spouse under this section (or under section 222(b) if the spouse later qualifies as a former spouse under section 204(b)(4)), or to reduce such survivor annuity under this section (or section 222(b)) by designating a portion of the annuity of the participant as the base for the survivor benefit. If the marriage is dissolved following an election for such a reduced annuity and the spouse qualifies as a former spouse, the base used in calculating any annuity of the former spouse under section 222(b) may not exceed the portion of the participant's annuity designated under this subparagraph.

"(C) If a participant or former participant has a former spouse, the participant (or former participant) and such former spouse may jointly elect by spousal agreement under section 263(b) to waive a survivor annuity under section 222(b) for that former spouse.

"(D) The Director may prescribe regulations under which a participant or former participant may make an election under Subparagraph (B) or (C) without the participant's spouse or former spouse if the participant establishes to the satisfaction of the Director that the participant does not know, and has taken all reasonable steps to determine, the whereabouts of the spouse or fromer spouse.

"(2) The annuity of a participant or former participant providing a survivor benefit under this section (or section 222(b)), excluding any portion of the annuity not designated or committed as a base for any survivor annuity, shall be reduced by 2½ percent of the first $3,600 plus 10 percent of any amount over $3,600. The reduction under this paragraph shall be calculated before any reduction under section 222(a)(5).

"(3)(A) If a former participant entitled to receive a reduced annuity under this subsection dies and is survived by a spouse, a survivor annuity shall be paid to the surviving spouse equal to 55 percent of the full amount of the participant's annuity computed under subsection (a), or 55 percent of any lesser amount elected as the base for the survivor benefit under paragraph (1)(B).

"(B) Notwithstanding subparagraph (A), the amount of the annuity calculated under subparagraph (A) for a surviving spouse in any case in which there is also a surviving former spouse of the participant who qualifies for an annuity under section 222(b) may not exceed 55 percent of the portion (if any) of the base for survivor benefits which remains available under section 222b(4)(B)

"(C) An annuity payable from the fund to a surviving spouse under this paragraph shall commence on the day after the participant dies and shall terminate on the last day of the month before the surviving spouse's death or remarriage before attaining age 60. If such a survivor annuity is terminated because of remarriage, it shall be restored at the same rate commencing on the date such remarriage is dissolved by death, annulment, or divorce if any lump sum paid upon termination of the annuity is returned to the fund.".

RIGHT OF ELECTION

SEC. 604. Section 221 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended by section 603 of this title, is further amended in subsection (g)—

(1) by inserting "(1)" after "(g)";

(2) by redesignating paragraphs (1) and (2) as clauses (A) and (B), respectively; and

(3) by adding at the end thereof the following:

"(2) A surviving former spouse of any participant or former participant shall not become entitled to a survivor annuity or to the restoration of a survivor annuity payable from the fund unless the survivor elects to receive it instead of any other survivor annuity to which he or she may be entitled under this or any other retirement system for Government employees on the basis of a marriage to someone other than that participant.".

SUPPLEMENTAL ANNUITIES; RECOMPUTATION OF ANNUITIES

SEC. 605. Section 221 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended by sections 603 and 604 of this title, is further amended by adding at the end thereof the following:

"(m)(1) Any married annuitant who reverts to retired status with entitlement to a supplemental annuity under subsection 271(b) shall, unless the annuitant and his or her spouse jointly elect in writing to the contrary at that time, have the supplemental annuity reduced by 10 percent to provide a supplemental survivor annuity for his or her spouse. Such supplemental survivor annuity shall be equal to 55 percent of the supplemental annuity of the annuitant and shall be payable to a surviving spouse to whom the annuitant was married at the time of reversion to retired status or whom the annuitant subsequently married.

"(2) The Director shall issue regulations to provide for the application of paragraph (1) of this subsection and of subsection 271(b) in any case in which an annuitant has a former spouse who was married to the participant at any time during a period of recall service and who qualifies for an annuity under section 222(b).

"(n) An annuity which is reduced under this section or any similar prior provision of law to provide a survivor benefit for a spouse shall, if the marriage of the participant to such spouse is dissolved, be recomputed and paid for each full month during which an annuitant is not married (or is remarried if there is no election in effect under the following sentence) as if the annuity had not been so reduced, subject to any reduction required to provide a survivor benefit under section 222 (b) or (c). Upon remarriage the retired participant may irrevocably elect, by means of a signed writing received by the Director within one year after such remarriage, to receive during such marriage a reduction in annuity for the purpose of allowing an annuity for the new spouse of the annuitant in the event such spouse survives the annuitant. Such reduction shall be equal to the reduction in effect immediately before the dissolution of the previous marriage (unless such reduction is adjusted under section 222(b)(5)), and shall be effective the first day of the first month beginning one year after the date of remarriage. A survivor annuity elected under this subsection shall be treated in all respects as a survivor annuity under subsection (b).

"(o) The director shall, on an annual basis—

"(1) inform each participant of his or her right of election under subsections (f)(2) and (n); and

"(2) to the maximum extent practicable, inform spouses or former spouses of participants or former participants of their rights under this section and section 222.".

COMPUTATION OF ANNUITIES FOR FORMER SPOUSES

SEC. 606. Part C of title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended by adding at the end thereof the following:

"COMPUTATION OF ANNUITIES FOR FORMER SPOUSES

"SEC. 222. (a)(1) Unless otherwise expressly provided by any spousal agreement or court order under section 263(b), a former spouse of a participant or former participant is entitled to an annuity—

"(A) if married to the participant throughout the creditable service of the participant, equal to 50 percent of the annuity of the participant; or

"(B) if not married to the participant throughout such creditable service, equal to

a proportion of 50 percent of such annuity which is the proportion that the number of days of the marriage of the former spouse to the participant during periods of creditable service of such participant under this Act bears to the total number of days of such creditable service.

"(2) A former spouse shall not be qualified for an annuity under this subsection if before the commencement of that annuity the former spouse remarries before becoming 60 years of age.

"(3) The annuity of a former spouse under this subsection commences on the later of the day the participant upon whose service the annuity is based becomes entitled to an annuity under this title or the first day of the month in which the divorce or annulment involved becomes final. The annuity of such former spouse and the right thereto terminate on—

"(A) the last day of the month before the former spouse dies or remarries before 60 years of age; or

"(B) the date the annuity of the participant terminates (except in the case of an annuity subject to paragraph (4)(B)).

"(4)(A) The annuity payable to any participant shall be reduced by the amount of an annuity under this subsection paid to any former spouse based upon the service of that participant. Such reduction shall be disregarded in calculating the survivor annuity for any spouse, former spouse, or other survivor under this title, and in calculating any reduction in the annuity of the participant to provide survivor benefits under subsection (b) or section 221(b).

"(B) If any annuitant whose annuity is reduced under subparagraph (A) is recalled to service under section 271, or reinstated or reappointed, in the case of a recovered disability annuitant, or if any annuitant is reemployed as provided for under sections 272 and 273, the salary of that annuitant shall be reduced by the same amount as the annuity would have been reduced if it had continued. Amounts equal to the reductions under this subparagraph shall be deposited in the Treasury of the United States to the credit of the fund.

"(5) Notwithstanding paragraph (3), in the case of any former spouse of a disability annuitant—

"(A) the annuity of that former spouse shall commence on the date the participant would qualify on the basis of his or her creditable service for an annuity under this title (other than a disability annuity) or the date the disability annuity begins, whichever is later, and

"(B) the amount of the annuity of the former spouse shall be calculated on the basis of the annuity for which the participant would otherwise so qualify.

"(6) An annuity under this subsection shall be treated the same as a survivor annuity under subsection (b) for purposes of section 221(g)(2) or any comparable provision of law.

"(b)(1) Subject to any election under section 221(b)(1)(C) and unless otherwise expressly provided by any spousal agreement or court order under section 263(b), if a former participant who is entitled to receive an annuity is survived by a former spouse, the former spouse shall be entitled to a survivor annuity—

"(A) if married to the participant throughout the creditable service of the participant, equal to 55 percent of the full amount of the participant's annuity, as computed under section 221(a), or

"(B) if not married to the participant throughout such creditable service, equal to a proportion of 55 percent of the full amount of such annuity which is the proportion that the number of days of the marriage of the former spouse to the former participant during periods of creditable service of such former participant under this Act bears to the total number of days of such creditable service.

"(2) A former spouse shall not be qualified for an annuity under this subsection if before the commencement of that annuity the former spouse remarries before becoming 60 years of age.

"(3) An annuity payable from the fund to a surviving former spouse under this subsection shall commence on the day after the annuitant dies and shall terminate on the last day of the month before the former spouse's death or remarriage before attaining age 60. If such a survivor annuity is terminated because of remarriage, it shall be restored at the same rate commencing on the date such remarriage is dissolved by death, annulment, or divorce if any lump sum paid upon termination of the annuity is returned to the fund.

"(4)(A) The maximum survivor annuity or combination of survivor annuities under this section (and section 221(b)(3)) with respect to any participant or former participant may not exceed 55 percent of the full amount of the participant's annuity, as calculated under section 221(a).

"(B) Once a survivor annuity has been provided for under this subsection for any former spouse, a survivor annutiy for another individual may thereafter be provided for under this subsection (or section 221(b)(3)) with respect to a participant or former participant only for that portion (if any) of the maximum available base for survivor benefits which is not committed for survivor benefits for any former spouse whose prospective right to such has not terminated by reason of death or remarriage.

"(C) After the death of a participant or former participant, a court order under section 263(b) may not adjust the amount of the annuity of any former spouse under this section.

"(5)(A) For each full month after a former spouse of a participant or former participant dies or remarries before attaining age 60, the annuity of the participant, if reduced to provide a survivor annuity for that former spouse, shall be recomputed and paid as if the annuity had not been so reduced, unless an election is in effect under subparagraph (B).

"(B) Subject to paragraph (4)(B), the participant may elect in writing within one year after receipt of notice of the death or remarriage of the former spouse to continue the reduction in order to provide a higher survivor annuity under section 221(b)(3) for any spouse of the participant.

"(C)(1) In the case of any participant or former participant providing a survivor annuity benefit under subsection (b) for a former spouse—

"(A) such participant may elect, or

"(B) a spousal agreement or court order under section 263(b) may provide for,

an additional survivor annuity under this subsection for any other former spouse or spouse surviving the participant, if the participant satisfactorily passes a physical examination as prescribed by the Director.

"(2) Neither the total amount of survivor annuity or annuities under this subsection with respect to any participant or former participant, nor the survivor annuity or annuities for any one surviving spouse or former spouse of such participant under this section or section 221, shall exceed 55 percent of the full amount of the participant's annuity, as computed under section 221(a).

"(3)(A) In accordance with regulations which the Director shall prescribe, the participant involved may provide for any annuity under this subsection—

"(i) by a reduction in the annuity or an allotment from the salary of the participant,

"(ii) by a lump sum payment or installment payments to the fund, or

"(iii) by any combination thereof.

"(B) The present value of the total amount to accrue to the fund under subparagraph (A) to provide any annuity under this subsection shall be actuarially equivalent in value to such annuity, as calculated upon such tables of mortality as may from time to time be prescribed for this purpose by the Director.

"(C) If a former spouse predeceases the participant or remarries before attaining age 60 (or, in the case of a spouse, the spouse does not qualify as a former spouse upon dissolution of the marriage)—

"(i) if an annuity reduction or salary allotment under subparagraph (A) is in effect for that spouse or former spouse, the annuity shall be recomputed and paid as if it had not been reduced or the salary allotment terminated, as the case may be, and

"(ii) any amount accruing to the fund under Subparagraph (A) shall be refunded, but only to the extent that such amount may have exceeded the actuarial cost of providing benefits under this subsection for the period such benefits were provided, as determined under regulations prescribed by the Director.

"(D) Under regulations prescribed by the Director, an annuity shall be recomputed (or salary allotment terminated or adjusted), and a refund provided (if appropriate), in a manner comparable to that provided under subparagraph (C), in order to reflect a termination or reduction of future benefits under this subsection for a spouse in the event a former spouse of the participant dies or remarries before attaining age 60 and an increased annuity is provided for that spouse in accordance with this section.

"(4) An annuity payable under this subsection to a spouse or former spouse shall commence on the day after the participant dies and shall terminate on the last day of the month before the former spouse's death or remarriage before attaining age 60.

"(5) Section 291 shall not apply to any annuity under this subsection, unless authorized under regulations by the Director.

"(d) Section 221(l) shall not apply—

"(1) to any annuity payable under subsection (a) or (b) to any former spouse if the amount of that annuity varies by reason of a spousal agreement or court order under section 263(b), or an election under section 221(b)(1)(B), from the amount which would be calculated under subsection (a)(1) or (b)(1), as the case may be, in the absence of such spousal agreement, court order, or election; or

"(2) to any annuity payable under subsection (c).".

SURVIVOR BENEFITS FOR CERTAIN FORMER SPOUSES

SEC. 607. Part C of title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended by section 606 of this title, is further amended by adding at the end thereof the following:

"ELECTION OF SURVIVOR BENEFITS FOR CERTAIN FORMER SPOUSES

"SEC. 223. (a) Any participant or former participant in the Central Intelligence Agency Retirement and Disability System who has a former spouse not eligible for survivorship benefits under subsection (b) of section 222 may, by a spousal agreement, elect to receive a reduced annuity and provide a survivor annuity for such former spouse under that subsection.

"(b)(1) If the participant or former participant has not retired under such system, an election under this section may be made at any time before retirement.

"(2) If the participant or former participant has retired under such system, an election under this section may be made within such period after retirement as the Director may prescribe.".

DISCONTINUED SERVICE BENEFITS

SEC. 608. Section 234 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended—

(1) by striking out in subsection (a) "Any" and inserting in lieu thereof the following: "Subject to any limitations contained in subsections (c) or (d), any"; and

(2) by adding at the end thereof the following:

"(c) Unless otherwise expressly provided by any spousal agreement or court order under section 263(b), the amount of a participant's or former participant's lump-sum credit under this section or under section 241 payable to a former spouse of that participant shall be—

"(1) if the former spouse was married to the participant throughout the period of creditable service of the participant, 50 percent of such lump-sum credit to which such participant would be entitled in the absence of this subsection; or

"(2) if such former spouse was not married to the participant throughout such creditable service, an amount equal to a proportion of 50 percent of such lump-sum credit which is the proportion that the number of days of the marriage of the former spouse to the participant during periods of creditable service of such participant under this Act bears to the total number of days of such creditable service.

Such lump-sum credit of the participant shall be reduced by the amount of the lump-sum credit payable to the former spouse.

"(d) A lump-sum payment under this section or section 241 of this Act may be paid by the Director to or for the benefit of a participant only upon written notification by the Director to a current spouse of the participant, if any, or any former spouse with whom the participant has not concluded a final, legally recognizable and enforceable property settlement or judgment incident to divorce proceedings, and the express written waiver of that spouse or former spouse has been received by the Director.".

SPOUSAL AGREEMENTS; COURT DECREES

SEC. 609. The Central Intelligence Agency Retirement Act of 1964 for Certain Employees is further amended—

(1) by striking out "None" in section 263 and inserting in lieu thereof "(a) Except as provided in subsection (b) of this section, none"; and

(2) by adding at the end thereof the following:

"(b) Payments under this Act which would otherwise be made to a participant or the child, survivor, or former spouse of a participant based upon the service of the participant shall be paid (in whole or in part) by the Director directly to the participant, or child, survivor, or former spouse of the participant according to the terms of any legally enforceable spousal agreement or recognized court decree of divorce, annulment, or legal separation between the participant and that former spouse, or the terms of any recognized court order or court-approved property settlement agreement incident to any such spousal agreement or court decree of divorce, annulment, or legal separation. Any payment under this subsection to a party to a spousal agreement, or court decree of divorce, annulment, or legal separation or property settlement agreement incident thereto shall bar recovery by any other person.".

TECHNICAL AMENDMENTS

SEC. 610. The Central Intelligence Agency Retirement Act of 1964 for Certain Employees is further amended—

(1) by striking out in the first sentence of section 221(f) "Any" and inserting in lieu thereof the following: "Subject to the rights of former spouses under sections 221(b) and 222, any"; and

(2) by adding to subsection 221(1) the following paragraph:

"(4) This subsection shall not apply to the extent provided in section 222(d).".

COMPULSORY CONTRIBUTIONS

SEC. 611. Section 211 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended by adding at the end thereof the following new subsection:

"(c) Amounts deducted and withheld from the basic salary of a participant under this section from the beginning of the first pay period after the participant has completed 35 years of creditable service computed under sections 251 and 252 (excluding service credit for unused sick leave under section 221(h)), together with interest on these amounts at the rate of 3 percent a year compounded annually from the date of the deduction to the date of retirement or death, shall be applied toward any special contribution due under section 252(b), and any balance not so required shall be refunded in a lump sum to the participant after separation (or, in the event of a death in service, to a beneficiary in order of precedence specified in subsection 241(b)(1)), subject to any restrictions on lump sums under section 234 of this Act regarding notification or consent of a spouse or prior spouse to such payments, or the participant may use these sums to purchase an additional annuity in accordance with section 281, or any other elective benefits authorized by this Act, including additional retirement or survivorship benefits for a current or former spouse or spouses.".

CIVIL SERVICE EMPLOYEES

SEC. 612. The Central Intelligence Agency Act of 1949 (50 U.S.C. 403a-m) is amended by adding at the end thereof the following new section:

ANNUITIES FOR FORMER SPOUSES OF CERTAIN EMPLOYEES

"SEC. 14. (a) Any qualified former spouse of an employee of the Agency, which employee is a participant in the Civil Service Retirement and Disability System, is entitled to an annuity under such retirement system—

"(1) if married to the participant throughout the creditable service of the participant, equal to 50 percent of the annuity of the participant; or

"(2) if not married to the participant throughout such creditable service, equal to that former spouse's pro rata share of 50 per centum of such annuity.

"(b) Any qualified former spouse of such employee of the Agency, which employee is a former participant in the Civil Service Retirement and Disability System and is survived by such former spouse, is entitled to an annuity under such retirement system—

"(1) if married to the participant throughout the creditable service of the participant, equal to 55 per centum of the full amount of the participant's annuity; or

(2) if not married to the participant throughout such creditable service, equal to that former spouse's pro rata share of 55 per centum of the full amount of such annuity.

"(c) Notwithstanding subsections (a) and (b), benefits for qualified former spouses shall—

"(1) commence and terminate, and

"(2) be subject to limitation or modification.

because of lump sum payments, spousal agreements, court orders, multiple spouses or former spouses, recall or reinstatement to service, or other circumstances in a manner comparable to the manner in which benefits for former spouses of participants are administered under the Central Intelligence Agency Retirement Act of 1964 for Certain Employees.

"(d) The Director of the Office of Personnel Management in consultation with the Director of Central Intelligence shall issue such regulations as are necessary to implement the provisions of this section.

"(e)(1) The provisions of this section regarding the rights of former spouses to any annuity under subsection (a) shall apply in the case of any individual who after the effective date of this section becomes a former spouse of an individual who separates from the Agency after such date.

"(2) Except to the extent that it is inconsistent with an election made which is comparable to an election under section 223 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, the provisions of this section regarding the rights of former spouses to receive survivor annuities under subsection (b) shall apply in the case of any individual who after the effective date of this section becomes a former spouse of a participant or former participant in the Civil Service Retirement and Disability System.".

EFFECTIVE DATE

SEC. 613. (a) Except as provided in subsections (b) and (c) of this section, this title shall take effect 90 days after the date of its enactment.

(b) The provisions of section 222(a) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as added by this title, regarding the rights of former spouses to an annuity shall apply in the case of any individual who after the effective date of this title becomes a former spouse of an individual who separates from service with the agency after such date.

(c) Except to the extent provided in section 223 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, the provisions of sections 221(b) (as amended by this title) and the provisions of subsections (b) and (c) of section 222 of such Act, as added by this title, regarding the rights of former spouses to receive survivor annuities shall apply in the case of any individual who after the effective date of this

title becomes a former spouse of a participant or former participant in the Central Intelligence Agency Retirement and Disability System.

On page 5, between lines 18 and 19, insert the following:

CEILING ON THE EMPLOYMENT OF CIVILIAN PERSONNEL BY THE CENTRAL INTELLIGENCE AGENCY

SEC. 402. Section 102 of the Intelligence Authorization Act for Fiscal Year 1982 (95 Stat. 1150) is amended—

(1) by striking out in the first sentence "The" and inserting in lieu thereof "(a) Except as provided in subsection (b), the"; and

(2) by adding at the end thereof the following:

"(b) The Director of Central Intelligence may authorize the employment of civilian personnel by the Central Intelligence Agency in excess of the number authorized by subsection (a) when he determines that such action is necessary to the performance of important intelligence functions, except that such additional number may not exceed two percent of the total number authorized for the Central Intelligence Agency by such subsection.

"(c) The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate of any authorization to increase civilian personnel of the Central Intelligence Agency under subsection (b).".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment (UP No. 1049) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. Mr. President, it is my privilege again this year to introduce the intelligence authorization bill, which authorizes appropriations for U.S. intelligence activities for fiscal year 1983.

This legislation authorizes appropriations for those programs and activities of the U.S. Government which serve the intelligence needs of our national policymakers. This includes the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the national intelligence activities of the Departments of Defense, State, Treasury, and Energy, and the Federal Bureau of Investigation. It also authorizes appropriations for the intelligence community staff, and the Central Intelligence Agency Retirement and Disability System, and includes certain legislative provisions to enhance the effectiveness of our intelligence agencies.

The committee views the annual budget authorization process as one of the principal means of fulfilling its oversight responsibilities, because of the insight and leverage it provides in influencing the long-term scope and direction of the U.S. intelligence efforts. This year, as in the past, the committee conducted a comprehensive examination of the intelligence budget request, which included testimony from the Deputy Director of Central Intelligence, key Defense Department officials, and each of the principal program managers.

The committee continues to believe that strengthening and improving the U.S. intelligence system should remain among our highest national priorities. As we have emphasized for the past 2 years, investment in intelligence must grow to insure the system is able to meet the challenges U.S. policymakers will face in the 1990's. Our assessment has not changed; we see no lessening of the worldwide competition with our principal adversaries, while at the same time, developments in the Third World and global issues will grow in importance to our national security.

Until recently, resource constraints, and to some extent the lack of a longer term strategic perspective, have seriously limited the intelligence community's ability to implement the steps necessary to insure they would be able to meet these challenges adequately. Initiatives undertaken during the past couple years are beginning to improve this situation, but further enhancements will be necessary. Fiscal year 1983 represents another important step in the revitalization of the U.S. intelligence system, which in many respects, has been living off capital investments undertaken a decade or more ago. Major investments have been provided for investments in analysis and analytic support systems; a new generation of technical collection systems; expanded human source collection abroad; improvements in our capabilities to counter foreign espionage and international terrorism; and modernization of the worldwide intelligence support infrastructure.

Major investments will continue to be required through the mid- to late 1980's to fully recapitalize the intelligence system and acquire the capabilities necessary to satisfy the broad range of policy needs likely to emerge in the decade ahead. The committee is persuaded that these investments are absolutely essential and that the appropriations recommended for fiscal year 1983 represent a prudent, measured strategy for achieving these goals.

Because of the sensitive nature of our intelligence operations, I cannot discuss the details of the committee's recommendations in open session. They have, however, been set forth in a classified committee report which has been made available to the members under the provisions of Senate Resolution 400.

Mr. President, intelligence is the Nation's first line of defense; it is also one of our major assets for maintaining world peace. In these perilous times, when miscalculation could have such devasting consequence, it is more important than ever that this Nation maintain a strong intelligence system. I strongly urge my colleagues support for this important legislation.

Mr. President, I would like to add to that statement my most sincere and heartfelt praise of a staff member of the committee, Dan Childs.

This completes his fifth budget on which he has worked well and carefully both for the majority and the minority, and in both hats and in both capacities.

He is competent; he moves on to a job that will benefit us and the country as well, and I just want it to be known by my colleagues that this epitomizes the kind of staff service that all of the Senate should be privileged to have at all committee levels.

He has been loyal, competent, and he has been hard-working. He has been uncomplaining. He has been able to work with all members, with appointed staff persons within the committee and with the community.

I think he is held in the widest respect by those in the community with whom he has had to deal and make judgments on behalf of the Senate. I think he is as widely respected by those on the committee who have witnessed this effort, and surely the committee will miss him.

With that I yield to the Senator from Hawaii.

Mr. INOUYE. Mr. President, this amendment would add a title VI to the Intelligence Authorization Act and would provide for equitable sharing by qualifying spouses of CIA officers in retirement benefits earned as a result of service with the Agency. The text of the amendment is exactly the same as the provisions of S. 2422 as amended, which has been ordered favorably reported from the Select Committee on Intelligence.

PURPOSE

The purpose of this bill is to secure an equitable share of retirement benefits for qualified spouses of Central Intelligence Agency (CIA) employees who have served a substantial period overseas. These benefits include retirement annuities, survivor payments, and lump-sum disbursements from the retirement fund. This bill would help assure that the spouses of CIA officers, many of whom have made deep personal and professional sacrifices by following their intelligence officer-partners abroad in difficult service, will not be left without means of support in their retirement if their marriages were later to end in divorce.

Under the bill, an individual who has been married for more than 10 years to a CIA officer would presumptively be entitled to a pro rata share of the officer's retirement benefits, up to 50

percent, based on the length of the marriage during the period of Agency service prior to divorce. The spouse would also be entitled to a similar share of the officer's survivorship benefits. These provisions are substantially equivalent to those the Congress adopted for Foreign Service spouses under section 814 and related provisions of the Foreign Service Act of 1980, Public Law 96-465. Only employees and spouses who have served for more than 5 years abroad together during the marriage would be covered by these amendments.

This bill will not only go a long way toward financially protecting CIA spouses who have followed their husbands or wives abroad, but will also help the Agency attract the best possible calibre of employee, such as those who otherwise would have two-career marriages. It will also help to highlight publicly the difficult personal and professional situation of our intelligence officers and their families who serve the Nation abroad.

While providing these assurances, the bill would not necessarily substantively alter the outcome of divorces involving CIA officers. The entitlement of the former spouse to a share of retirement or survivorship payments would be fully reviewable by courts in the context of dividing marital assets at the time of divorce. Today, retirement benefits of CIA officers are already includable in marital assets subject to apportionment by State divorce courts. The fact that the payments to former spouses would be made automatically from the retirement system, unless the divorce court orders otherwise, however, would make these benefits more dependable, particularly during the time before final judicial determination of the terms of the property division.

INTELLIGENCE COMMITTEE ACTION

During the winter of 1981-82, a number of CIA spouses and former spouses and other individuals associated with the Agency, including Mr. William Colby, former Director of Central Intelligence, approached Senator GOLDWATER, chairman of the Select Committee on Intelligence, and myself to request that legislation be enacted to make CIA retirement benefits, which are currently paid exclusively to the employee except when specified otherwise by court divorce order, automatically available in part to former spouses of these employees. Similar legislation had been enacted in 1980 for spouses of Foreign Service officers, who also serve for significant periods overseas, under section 814 and related provisions of the Foreign Service Act of 1980, Public Law 96-465. In response to these contacts, committee staff met with several of these individuals and also with CIA officials, notably Mr. Stanley Sporkin, Agency General Counsel, to discuss the concerns of CIA spouses and former spouses, especially in connection with divorce. As a result of this meeting and other actions, the CIA established a task force on spousal concerns, and this task force subsequently prepared a report on divorce-related problems and other issues.

Difficulties appear to be present in the equitable distribution of retirement benefits to former spouses and the handling of divorce-related requests by spouses or former spouses for Agency assistance in securing through judicial action a share of the retirement benefits of Agency employees. These difficulties were not completely resolved by Executive Order No. 12197 in 1980, which inter alia provided that retirement benefits under the CIA retirement and disability system (CIARDS), like civil service retirement benefits, would be subject to judicial apportionment in the context of the division of marital assets at the time of divorce. Specific problems in administering the Executive order and equivalent civil service provisions made it difficult for former spouses of CIA employees to obtain relief both during and after divorce proceedings. These difficulties were compounded by the overseas location of these spouses during much of their potential professional life, and also by the need of the Agency to retain secrecy concerning the details of the identities and assignments of its personnel who have operated in a clandestine capacity.

In response to these concerns, committee staff drafted S. 2422, which was introduced by myself on April 22, 1982, with Chairman GOLDWATER, Senator MOYNIHAN, vice chairman of the Select Committee, Senator DURENBERGER, and Senator HUDDLESTON as cosponsors. S. 2422 as introduced would have adopted the provisions of the Foreign Service Act of 1980 relevant to retirement benefits for former spouses for insertion in the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note). As such, it would have been applicable only to employees participating in the CIARDS retirement system; it would have covered all such employees, regardless of their actual service abroad. (Nearly all CIA employees with significant overseas service participate in CIARDS and not the Civil Service Retirement and Disability System (CSRDS), and virtually all CIARDS participants have served a substantial period abroad.)

The committee hearing on S. 2422, held on May 5, 1982, was closed due to the sensitive nature of some of the personal identities and case histories discussed. The testimony of several CIA spouses and former spouses was heard, as well as the testimony of high-ranking ex-officials of the CIA including Mr. Colby. The Agency was represented by General Counsel Sporkin as well as supporting staff from the Agency's personnel division. Testimony of several former CIA intelligence officers was also heard.

Out of concern that the views of current intelligence officers be heard despite the problems in reaching them and eliciting their testimony, and in order to obtain a clearer and more detailed statement of the Agency's position on the bill, I instructed at the May 5 hearing that the record be left open for 10 additional days to receive written comments. All comments so received have been considered by the committee's staff and included in the record regardless of when they were received. Scores of comments were received from CIA employees, both in the United States and abroad, in response to the Agency's solicitation of comments in an employee bulletin. The Agency itself also provided detailed written comments on the bill during the response period.

Approximately 75 Agency employees as well as current and former spouses of Agency employees commented on the bill. A majority of wives and former spouses supported S. 2422, as did some Agency officers who would be affected by the legislation. A substantial majority of employees, however, opposed the measure. I wish to record these views, which were received by the committee, but feel that S. 2422 properly addresses a situation in need of legislative attention. It should be recognized, furthermore, that many of the critical comments received by the committee concerned difficulties in communication of the terms of the bill to Agency employees.

In response to the comments received, and also in light of the passage of similar provisions by the House of Representatives in title VI of H.R. 6068, committee staff developed several amendments to S. 2422 as introduced. On June 17, 1982, the full committee met to markup S. 2422. Senator BENTSEN asked to have his name added as a cosponsor of the bill. The technical amendments to the bill were adopted by the committee in the markup and the chairman, without objection, instructed me to submit the measure and an accompanying report to the floor, subject to perfecting amendments by staff.

BASIC PROVISIONS

S. 2422 would essentially create an interest by spouses of CIA employees who have served 5 years abroad in the retirement benefits of the employees.

Under the bill:

(1) A former spouse of a current or former CIA employee would be entitled to a share of the employee's retirement benefits in proportion to the length of the marriage during the participant's period of creditable service, up to one-half of such benefits, provid-

ed both marriage partners spent 5 years abroad and the marriage was for a minimum of 10 years during creditable Government service.

(2) Qualified former spouses would also be eligible for prorated survivorship payments from the retirement fund, and the annuity of the participant would be automatically reduced in order to provide such payments (in accordance with the current formula), subject to an election otherwise by written consent of current marital partners or modification of such entitlements for former spouses through spousal agreements or divorce proceedings.

(3) Qualified former spouses would be provided a pro rata share of lump-sum retirement payments to CIA employees or former employees. Withdrawals of lump-sum amounts from the retirement fund by a participant would be subject to the express written consent of a current spouse or qualified former spouse with whom the participant is not a party to a final spousal agreement or judicial order concerning the division of marital assets.

(4) The provision of Executive Order No. 12197 (1980), in section 1-101(e), that payments from CIARDS are subject to divorce-related legal decrees, would be incorporated into statute and expanded to include spousal agreements as well. This would enable current marital partners to adjust the equities of their individual situation voluntarily through agreement as well as allow the court to adjust them in the context of legal proceedings surrounding divorce or separation. This provision would provide an "escape hatch" in those cases in which the distribution of benefits between the parties under the new provisions did not adequately reflect the true situation of the marriage.

(5) The act would become effective 90 days after enactment. The change in the disposition or retirement annuities described in paragraph (1) above would be applicable to spouses who are divorced after enactment and whose partners retire after enactment. The provision of survivorship benefits described in paragraph (2) above would apply to spouses who are divorced after enactment. Phasing in the new distribution of benefits in this way insures that no current financial situations are substantially affected and that the preconditions of existing divorce decrees are not materially changed.

RATIONALE OF THE AMENDMENT

The basic rationale of S. 2422 is to recognize the personal and professional sacrifices made by the spouses of CIA officers engaged in overseas service, especially in a clandestine capacity. The combination of overseas assignment and the clandestine nature of the work of the officer place special demands on the CIA spouse. In many ways, these demands and sacrifices are similar to these of Foreign Service spouses; but in some ways, they are even more severe. The CIA spouse may be subjected to greater psychological and social pressure as a result of the clandestine nature of certain activities. The following excerpt from the Foreign Relations Committee Report on the Foreign Service Act of 1980 highlights the need for this legislation:

> The nature of a Foreign Service career makes it particularly difficult for spouses of members of the Foreign Service to attain any independent economic security. Not only do the frequent transfers among Foreign Service posts around the world militate against the establishment of an independent career for a spouse, but the opportunity for paid employment of any kind in most foreign countries for a spouse is minimal due to legal, language, and cultural barriers. Foreign Service spouses, therefore, have little opportunity either to establish pensions in their own right or to develop marketable skills which can be put to use when the need arises. At the same time, they often contribute countless unpaid hours to the Service. Under current law, in the event of divorce, a former spouse of a Foreign Service member is denied retirement or survivorship rights under the Foreign Service Retirement System. In contrast, under social security today, a nonworking spouse can acquire a pension based on the work of his or her spouse.
>
> Equally unsatisfactory is the decision [which is the case today for CIA spouses] to leave this problem to a solution by court order. Access to the courts is expensive, particularly for individuals such as Foreign Service spouses who typically have no jobs, no insurance, and no other income to speak of. There is no real precedent for awarding to former spouses a percentage of pensions or survivor annuities. In addition, widely varying divorce laws from state to state would result in different awards of a Federal benefit for the same deprivations. Furthermore, there is little or no awareness among the legal community of the special problems faced by Foreign Service spouses. Finally, overseas service frequently results in cutting off these individuals from their community roots, thereby exacerbating the problems normally faced by women seeking divorce. In particular, this results in reliance on a husband's lawyer or on his recommendation. [This] section [,] . . . therefore, seeks to provide some protection for these individuals through the mechanism of the retirement system.

THE SPOUSES' CONTRIBUTION

Even more than in the ordinary case, however, the spouse of a CIA officer serving in a clandestine capacity may provide valuable support to his or her partner's professional service as well as make great personal sacrifices. Several factors illustrate this situation:

Spouses of CIA officers in clandestine service are routinely located abroad for long periods of time and are subject to continual transfers. They are required to live without the personal and social support groups that would often be available within the United States. Because of the nature of their service, some such spouses may not even be able to avail themselves of the social connections provided by American consular and diplomatic staff.

As a result of their foreign location and frequent transfers, such spouses often forego the opportunities for personal and professional development that are available to others. Living in foreign countries and moving from place to palce make finding a job difficult. Employment abroad for such spouses may be legally barred or unavailable. Even when employment is obtained, its short-term nature may make normal career advancement, as well as participation in retirement plans, impossible. Employment of a spouse in connection with activities at a CIA station abroad may be subject to nondisclosure agreements that prevent it from being included in personal résumés and similar forms of professional documentation. Also, certain occupations—such as writing—may be effectively foreclosed because they would tend to endanger the clandestine nature of the CIA officer's activities by increasing the visibility of the couple or even compromising certain information about the CIA officer's activities.

The spouse of a CIA officer in clandestine service also may provide more support to the officer, the family, and the country than do other spouses in similar situations. It has been estimated by the Association of American Foreign Service Women that the total hours spent by Foreign Service spouses in service-related activities amount to fully 127 hours or more. The spouse of a CIA officer may provide similar or even more substantial services.

A CIA spouse may have special social and personal obligations resulting from CIA activities undercover. Such activities may place special personal demands on the spouse. The occurence of clandestine activities may cause the spouse special problems in the management of the household.

While spouses may not become directly involved in clandestine activities, situations may arise when the nature of the activities undertaken inevitably affects the officer's spouse and family. Spouses and sometimes entire families are subject to social pressures resulting from the secrecy that the officer's work entails. There is also the inevitable fear by the spouses for the physical safety of their partners.

Occasionally officers in clandestine service become exposed, with unavoidable effects on the entire family. Some exposures have occured in recent years due to the "naming of names" of purported intelligence officers by persons deliberately involved in compromising

U.S. intelligence activities abroad; the Congress has recently moved to protect intelligence officers from exposure in this fashion through passage of the Intelligence Identities Protection Act of 1982.

The committee cannot reveal all the details of individual case histories that came before it during consideration of S. 2422, in the closed hearing and the classified record. Therefore, I cannot communicate publicly the full dimensions of the difficulties faced by CIA officers and their spouses in clandestine service abroad. To facilitate greater understanding of these matters, and the motivation of the present bill, however, the committee intends to release as much of this material as possible in a forthcoming public hearing record, after consultation with the CIA concerning appropriate classification.

PROCEDURAL DIFFICULTIES DURING DIVORCE

Secrecy concerns also interfere with the attempts of CIA spouses to claim equitable benefits from the Agency's retirement system. Former spouses of CIA officers who have been in clandestine service are specially disadvantaged in attempting to obtain an interest in their partner's retirement benefits. Like the spouses of foreign service officers, they have in many cases provided substantial support to the professional career of their partner. They have often relocated into circumstances in which their personal career development has been impeded. It would be difficult for them, like former Foreign Service spouses, to obtain full recognition of their contribution to the marital unit in judicial divorce proceedings. For them, as for other classes of Federal employees, court decrees requiring alimony payments by their former partners as part of an overall divorce decree may be defeated through procedural devices and jurisdictional means. For example, former partners may avoid making court-directed alimony payments by leaving the jurisdiction in which their former spouses are located, making collection time consuming and difficult. Such a situation can be especially harsh for former spouses who have vountarily neglected their own professional development and employment career to provide essential personal support for their partners.

In addition to these ordinary obstacles, former spouses of CIA officers in clandestine service may be prevented from revealing in open court the details of their personal circumstances during certain periods of the marriage. While special procedures—such as the use of cleared attorneys and in camera judicial proceedings—may be available to surmount such difficulties, these additional complications may make enforcing their rights in court difficult. Even though the CIA is willing in principle to provide essential security services in connection with such proceedings, such as clearing attorneys and providing sanitized employment records when necessary, the Agency could be overwhelmed if the volume of such requests were large. And for some former spouses any delay in legal proceedings may cause extreme difficulty.

Mr. President, I ask unanimous consent to include in the RECORD, at this point, the cost estimate for this bill prepared by the Congressional Budget Office in connection with the Select Committee's consideration of S. 2422, together with a section-by-section analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 29, 1982.

Hon. BARRY M. GOLDWATER,
Chairman, Select Committee on Intelligence, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 2422, the Central Intelligence Agency Spouse's Retirement Equity Act of 1982, as ordered reported by the Senate Select Committee on Intelligence on June 17, 1982.

This bill would permit former spouses of Central Intelligence Agency retirees to receive a share of retiree annuity and survivor benefits. Since the bill would redistribute but not increase retiree benefits, it is expected that no significant cost to the government will be incurred as a result of enactment of this legislation.

Sincerely,

RAYMOND C. SCHEPPACH,
(For Alice M. Rivlin, Director).

SECTION-BY-SECTION ANALYSIS

SECTION 601—SHORT TITLE

This Act may be cited as the "Central Intelligence Agency Spouses' Retirement Equity Act of 1982."

SECTION 602—QUALIFIED FORMER SPOUSES

Sec. 2 amends section 204 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note) ("CIARDS Act"), (1) to include certain former spouses as persons eligible to receive annuity payments; and (2) to provide that, in order to qualify for benefits under the provisions of this Act, a former spouse must be married to a participant for at least ten years during the period of creditable service by the participant, as defined in the relevant sections of the CIARDS Act, and that at least five of these years must have been spent in service outside the United States.

SECTION 603—COMPUTATION OF ANNUITIES FOR OTHER THAN FORMER SPOUSES

Sec. 3 amends the CIARDS Act to (1) insert a new heading prior to section 221; and (2) replace section 221(b) with corresponding provisions from the Foreign Service Act of 1980, P.L. 96-465, which conform with the effective provision of retirement benefits to former spouses under subsequent sections of this bill. The detailed amendments contained in this section correspond in purpose with those adopted in section 806(b) of the Foreign Service Act, and have been analyzed in a detailed manner in the report of the Foreign Relations Committee on that Act, Sen. Rep. No. 96-913, at page 62. The amendments to subsections 221(b)(1)(B)-(C) of the CIARDS Act have been changed in a minor respect, to delete the time limits contained in the Foreign Service Act for the election of the participant and his current or former spouse to waive survivor payments. This is in response to the experience of the State Department under the Foreign Service Act, as transmitted to the Select Committee by the CIA, which has revealed that such time limitations are unnecessary to effective administration of these two subsections.

SECTION 604—FORMER SPOUSE'S RIGHT OF ELECTION OF SURVIVORSHIP BENEFITS

This section provides that a former spouse eligible to receive a survivor annuity from the CIARDS fund shall only receive it if the former spouse elects to receive it instead of any other survivor annuity to which he or she may be entitled under CIARDS or another federal retirement system on the basis of a marriage to someone other than the participant whose survivorship rights are being claimed.

SECTION 605—SUPPLEMENTAL ANNUITIES; RECOMPUTATION OF ANNUITIES

The new subsection (m) to section 221 of the CIARDS Act adopted in this section corresponds to section 806(i) of the Foreign Service Act of 1980. It is intended to provide a survivorship annuity for the spouses of CIARDS participants who return to active service with the Agency under section 271 of the CIARDS Act. In such cases, the supplemental retirement annuity of the participant based upon his additional service would automatically generate a supplemental survivorship payment in favor of the last surviving spouse, to whom the participant was married at or after the time of reversion to retired status. Contributions for, and eligibility for, this supplemental benefit could be waived by a joint written election otherwise by the participant and the current spouse during the time of the participant's return to service with the Agency. A detailed explanation of this subsection is given in the report of the Foreign Relations Committee on the corresponding subsection of the Foreign Service Act of 1980, in Sen. Rep. No. 96-913 at page 63.

New subsection (n) to section 221 of the CIARDS Act is equivalent to section 806(j) of the Foreign Service Act of 1980, and is discussed in Sen. Rep. No. 96-913 at page 63. It provides for recomputation upwards of the basic annuity of an annuitant who is married upon retirement or thereafter, and who has chosen to provide a survivorship to his current spouse, if the annuitant subsequently becomes single through death or divorce. The subsection also allows an annuitant receiving his full share of annuity payments to elect to provide a survivor benefit in the case of remarriage.

SECTION 606—COMPUTATION OF ANNUITIES FOR FORMER SPOUSES

Section 606 adds a new section, section 222 to the CIARDS Act, entitled "Computation of Annuities for Former Spouses". This section establishes the right of qualified former spouses to a pro rata share of retirement and survivor payments under the Act (subsections (a)-(b)) and for the obtaining by the participant of additional survivorships (subsection (c)). Subsection (d) specifies that payments under the preceding subsections in favor of current or former spouses would not be subject to the provision of section 221(1) of the CIARDS Act that monthly payments from the CIARDS

fund must be greater than the smallest monthly primary insurance payment under Social Security.

Section 606 is completely derived from section 814 of the Foreign Service Act of 1980, P.L. No. 96-465. The specific provisions of this section are given a detailed analysis in the report of the Foreign Relations Committee on that Act in Sen. Rep. No. 96-913, at pages 66-70. Subsection (a)(4) has, however, been deleted; this is upon the suggestion of the CIA which transmitted comments by the State Department to the Select Committee, to the effect that the time limit contained in this subsection on the effectiveness of spousal agreements and court orders was unnecessary. The succeeding paragraphs of subsection (a)—(5), (6), and (7)—, have accordingly been renumbered (4), (5), and (6), respectively.

SECTION 607—ELECTION OF SURVIVOR BENEFITS FOR CERTAIN FORMER SPOUSES

Section 7 adds a new section to the CIARDS Act, section 223. Subsection (a) of the new section provides that any current or former participant in CIARDS may elect to receive a reduced annuity in order to provide a survivor annuity to a former spouse not otherwise eligible for survivorship benefits under section 222(b), the new former spouse amendment relating to such benefits. Subsection (b) gives the procedural conditions for this election: Paragraph (1) provides that participants or former participants who have not yet retired under CIARDS may so elect any time before their retirement; paragraph (2) provides that the Director may prescribe a period for such election by retired participants and former participants.

The amendments contained in section 7 derive from section 2109 of the Foreign Service Act of 1980. They were adopted by the House and Senate conferees on that Act and are discussed on page 116 of the Conference Committee Report, H.R. Rep. No. 96-1432. The intent of this provision is to provide a vehicle by which participants and former participants in CIARDS may provide a survivorship from the System in favor of their former spouses who are not covered by the amendments due to the non-retroactive effect of these amendments.

SECTION 608—LUMP-SUM PAYMENTS; RIGHTS OF CURRENT AND FORMER SPOUSES

Section 8 inter alia amends section 234 of the CIARDS Act, on lump-sum payments from the CIARDS fund, by bringing it into conformity with section 815(i) of the Foreign Service Act of 1980, P.L. 96-465, concerning the right of former spouses to a pro rata share in lump-sum payments from the fund. Subsection (1) amends subsection 234(a) of the CIARDS Act by adding a phrase at the beginning of that subsection to the effect that payments under section 234 are subject to the limitations contained in the new subsections (c) and (d) added by this section concerning the rights of former and current spouses.

Subsection (2) adds a new subsection to section 234 of the CIARDS Act, subsection 234(c), which provides that a qualified former spouse is entitled to a pro rata share in lump-sum disbursements from the CIARDS fund in the same proportion as for retirement annuities and survivor payments under section 222(a)-(b). New subsection 234(c) is drawn directly from subsection 815(i) of the Foreign Service Act; a discussion of its effect is given on page 70 of the report of the Foreign Relations Committee on that Act, Sen. Rep. No. 96-913.

Subsection (3) adds a new subsection (d) to section 234 of the CIARDS Act, to the effect that the Director may make lump-sum disbursements to CIARDS participants or former participants only upon notification of any current spouse or former spouse with whom the participant or former participant has not concluded a final, legally recongizable and enforceable property settlement or judgment incident to divorce proceedings, and that the express written waiver of such spouse or former spouse be obtained before any lump-sum payment is made from the fund.

New subsection 234(d) is original and is intended to ensure that the rights of qualified former spouses to a share of retirement benefits from the fund are not defeated through lump-sum withdrawals by CIARDS participants of former participants. Such withdrawals could occur either before or at the time of retirement and could be made with the knowledge that divorce is impending. In requiring express written waiver of both spouses for lump-sum withdrawals from the CIARDS fund, the new provision is similar to the express written waiver of both spouses required for waiver of survivorship rights, contained in new section 221(b)(1)(B)-(C) of the CIARDS act, which is adopted in section 3 of the present bill.

SECTION 609—SPOUSAL AGREEMENTS; COURT DECREES

Section 9 amends section 263 of the CIARDS Act, (1) by providing that the prohibition on attachment, garnishment and other forms of legal process of benefits from the CIARDS fund is subject to the new subsection, (b), added to section 263, and (2) by adopting the new subsection. Subsection 263(b) provides that payments under the CIARDS Act which would be made under any other section of the Act shall be made to a participant or the child, survivor, or former spouse of the participant based on the service of the participant as specified in any legally enforceable spousal agreement or recognized court decree of divorce, annulment, or legal separation between the participant and that former spouse or the terms of any recognized court order or court-approved property settlement agreement incident to any such spousal agreement or court decree of divorce, annulment, or legal separation. It provides further that any such payment shall bar its legal recovery by any other person.

The amendments to section 263 of the CIARDS Act adopted in this section serve the same purpose as section 820(b) of the Foreign Service Act of 1980, with respect to modification by the participant and a current or former spouse through spousal agreement or judicial order incident to divorce or similar proceedings of a former spouse's share of CIARDS benefits. This section makes clear that the qualified former spouse's share of retirement annuities, survivor payments, or lump-sum disbursements from the CIARDS fund established under the other sections of this bill are fully subject to the action of the participant and current spouse through spousal agreement, or the court in divorce or similar proceedings involving a current or former CIARDS participant as one of the parties. This provision as adopted was drawn from the existing provision of law allowing the payment of CIARDS benefits to be affected by divorce, annulment, or legal separation-related judicial decrees, orders, or approved settlements—section 1-101(e) of Executive Order No. 12197.

This provision preserves the right of the state divorce courts thoroughly to review the relative positions of the parties at the time of divorce, annulment, or legal separation, and to make a determination of the distribution of marital assets de novo, without any binding substantive presumption concerning the proper shares of the parties thereto in benefits to be paid from the System. Thus the apportionment of CIARDS benefits specified in other sections of these amendments is not conclusive, but serves primarily as a procedural device to ensure that former spouses of participants or former participants do not experience undue difficulties in receiving their equitable share in marital assets either during the time prior to a final, judicially-approved property settlement or thereafter. Of course, the former spouse would be entitled to receive the prescribed share unless the divorce court finds that this division would be inappropriate, in accordance with the court's authority under applicable state law governing property division in connection with divorce to make a determination based on the circumstances of the marriage.

Operation of the provisions of this bill can also assist the Agency in its administration of such domestic matters. The bill provides for automatic payments that need not be challenged by the parties—which may create security problems for the Agency because of the potential need to divulge and discuss the conditions of Agency service in court and to draft a property order including the Agency-related retirement benefits—if it provides an accurate reflection of the circumstances of the parties to the divorce or if other marital assets could conveniently be divided so as to render the statutory division of retirement benefits fully equitable.

I wish to emphasize that the operation of these amendments is not intended to create a "federal law of divorce" through a substantive specification of the presumptive shares of husband and wife in retirement benefits earned through the service of one of the marital partners. The state divorce courts remain completely free under this section to reexamine the distribution of benefits established in the other sections and to divide them on equitable grounds, under applicable state law. These benefits have already been made a marital asset subject to determination by the state courts in the context of divorce, annulment, or legal separation through the operation of section 1-101(e) of Executive Order No. 12197, which was adopted to bring CIARDS into conformity with similar provisions applicable to the Civil Service System under a 1978 amendment to the System contained in P.L. 95-366 and codified as 5 U.S.C. 8345(j).

SECTION 610—TECHNICAL AMENDMENTS

This section makes two minor technical amendments, to conform other provisions of the CIARDS Act to the changes made in this bill. Subsection (1) adds a new phrase to subsection 221(f) of the CIARDS Act to make it clear that the election of a participant under subsection (f)(1) to receive a reduced annuity in order to create a survivorship is subject to the rights of former spouses under new sections 221(b) and 222. Subsection (2) repeats the provisions of subsection 222(d) that the restrictions of minimum payments from the fund contained in subsection 221(1) do not apply to the extent provided in section 222(d), which lifts these restrictions for former spouses, and in the case of additional survivor annuities elected under section 222(c).

SECTION 611—EXCESS CONTRIBUTIONS TO CIARDS

Currently under CIARDS an employee must continue to make the mandatory retirement contribution from his salary even after he has reached the maximum obtainable benefit level. This is not the case with the Civil Service Retirement and Disability System or with Foreign Service Retirement and Disability System, both of which permit the withdrawal of excess mandatory retirement deductions. The amendment in this section would add a new subsection 211(c) to the CIARDS Act to CIARDS participants in this situation the option of purchasing additional annuities or applying for a refund of excess contributions. Before either option could be exercized, however, the excess contributions would first be applied toward uncovered service.

The Committee was requested by the CIA to make this amendment to CIARDS in the context of the Committee's reexamination of the provisions of CIARDS in connection with the problem of providing benefits for former spouses. The Committee believed that this proposal is sound and fair and would bring the principles of the CIARDS system into line with the other federal retirement systems in this regard. Additional clauses have been added to the original CIA proposal to specify that refunds of lump sums would be subject to the express written waiver of a current or certain former spouses under section 234 and that excess contributions could be applied to purchase additional retirement or survivorship benefits for a current or former spouse or spouses as well as any other additional annuities in accordance with section 281.

SECTION 612—CIVIL SERVICE EMPLOYEES OF THE AGENCY

Section 12 was not present in S. 2422 as introduced April 22, 1982. As introduced the bill would have made detailed statutory amendments to the CIARDS Act to bring this System into conformity with the Foreign Service Retirement and Disability System with regard to the rights of former spouses to payments from the System. During the Committee's consideration of S. 2422 during its closed hearing on May 5, 1982, and in subsequent unclassified written comments, the CIA strenuously urged the Committee to include its Civil Service employees as well as its CIARDS participants if former spouse provisions were to be added to the latter retirement scheme. The Agency argued that if CIARDS were amended to incorporate these provisions, and not the Civil Service Retirement and Disability System, the retirement options available to Agency employees could be distorted. CIARDS was established as a preferential retirement system for Agency personnel in certain categories of employment, usually involving difficult overseas service, with improved retirement benefits and an earlier mandatory retirement age.

Section 12 was added to the bill by the Committee in response to these and other concerns. This section is modelled after similar provisions adopted by the House of Representatives as Title VI of its Intelligence Authorization Bill for Fiscal 1983, H.R. 6068. The House bill would establish the right of qualified former spouses to share in retirement and survivor payments from both CIARDS and the Civil Service System, for CIA employees who retire from the Agency. The House bill would instruct the Director of the Office of Personnel Management, in consultation with the Director of Central Intelligence, to issue regulations implementing these entitlements and bringing the administration of retirement systems for eligible CIA employees into conformity with the Foreign Service Retirement and Disability System in this regard.

In addition to its request that its Civil Service participants be included in the amendments contained in this bill, the CIA has also requested that it be given considerable regulatory flexibility in designing provisions for former spouses. Members of the Select Committee believe that the detailed provisions of S. 2422 concerning CIARDS are well-known in the context of the passage of the similar provisions of the Foreign Service Act in 1980 and in view of the one year experience of the Department of State in administering these provisions. The Committee was unwilling, however, to draft similarly detailed statutory provisions for CIA employees who participate in the Civil Service Retirement and Disability System. Therefore, the Committee decided to retain the detailed statutory amendments contained in S. 2422 as introduced with respect to CIARDS, with several amendments described hereinbefore, and to incorporate the present section to cover Civil Service participants, in accordance with the request of the Agency and the recent action of the House of Representatives.

SECTION 613—EFFECTIVE DATE

The amendments to CIARDS would take effect ninety days after the enactment of this bill. (For the similar effective date provisions for the amendments applicable to qualifying CIA employees who participate in the Civil Service System, see the new section 14(e) of the Central Intelligence Agency Act of 1949, 50 U.S.C. 403 a-m, adopted in section 14 of the present bill.) The automatic retirement benefits for qualified former spouses established in these amendments would become available to spouses who become divorced after the effective date, providing their partner separates from service with the CIA after this date. Thus the amendments to the retirement annuity provisions would not affect retirement benefits already being paid to retired CIARDS participants. The survivorship benefits would apply only to spouses who are divorced after the effective date.

Establishing the effective date in this way leaves certain former spouses, who are divorced before enactment of the amendments, without additional protection. While the Committee realizes that this group has certainly made an important contribution as a result of their marriages, it has decided not to pursue a statutory remedy in their favor at this time. This is because to do so would be retroactively to change the amount of payments already being received under CIARDS and possibly even to affect the validity of existing divorce decrees. At some future date the Congress may wish, nevertheless, to consider providing additional benefits to this group in recognition of their important service.

Survivorship benefits could, however, be secured for certain ineligible former spouses through a voluntary election by their former partners who are participants in CIARDS, through an election under section 7 of the present bill. CIARDS participants so electing could choose to receive a reduced annuity in order to provide survivor benefits for their ineligible former spouses.

Mr. INOUYE. Mr. President, I just wish to associate myself with the remarks of the Senator from Wyoming. Mr. Childs has been almost indispensable to the work of the committee. It has been my privilege to work with him from the very birth of the committee. We will miss him.

Mr. WALLOP. I yield to the Senator from New York.

Mr. MOYNIHAN. I thank my distinguished friend, the Senator from Wyoming. Mr. President, I wish to associate myself with the remarks made about Dan Childs. Mr. Childs is about to leave us. I would like to have the record show that he is leaving to become the comptroller of the Central Intelligence Agency which, I think, can be measured as not only an indication of his own abilities, but of the abilities of the staff of this committee over these recent years. Mr. Child's service as the committee's senior budget officer accounts in no small part for the extraordinarily distinguished, meticulous, and capable job which the Senator from Wyoming and the Senator from Hawaii have performed as a chairman and vice chairman, respectively, of our Budget Subcommittee.

The statement I have made on the departure of Mr. Childs is one more expression of gratitude for his service to his country, it being a characteristic of the work he has done that very few persons can know its quality, and only rarely can we publicly attest to it, and I am happy to have this occasion to join the chairman, vice chairman of the Budget Subcommittee in doing so. We wish him well in his new position at the CIA.

I would simply wish to state, Mr. President, that the country perhaps ought better to take note, as then Deputy Director of Central Intelligence, Adm. Bobby Inman, observed in an address to the American Newspaper Publishers Association in San Francisco on April 27, that from 1964 to the mid-1970's the number of personnel in the intelligence establishment declined by 40 percent at a time when the country may have had the impression of some billowing enterprise when it was, in fact, being reduced more sharply than any Government agency of which I am aware.

As the new DDCI, Mr. John McMahon, testified in his confirmation hearings, this downward trend was reversed in 1979, and we are moving back in the direction to a point—we have not reached that point, but we are moving back to where we were, if I may put it in those terms. This is certainly the judgment of the committee. And the fact that it has been carried forward with such skill, with such ease in terms of agreement and consensus, is a tribute in important part to the skill of the Senator from Wyoming and the Senator from Hawaii.

Mr. President, the annual budget authorization process is one of the prin-

cipal means by which the committee fulfills its duties. Senate Resolution 400, which established the select committee in May 1976, charges the committee with the responsibility "to make every effort to assure that the appropriate departments and agencies of the United States provide informed and timely intelligence necessary for the Executive and Legislative branches to make sound decisions affecting the security and vital interests of the Nation." The budget process also is an important occasion for the committee to carry out a second significant duty specified in Senate Resolution 400—that is, "to provide vigilant legislative oversight over the intelligence activities of the United States to assure that such activities are in conformity with the Constitution and laws of the United States."

With the authorization bill for fiscal year 1983, the select committee takes another step in the rebuilding of our intelligence capabilities which, due to resource constraints in the past decade, have been at times less than adequate. I have already referred to Admiral Inman's speech, reported in the April 28, 1982, New York Times, in which he noted that the CIA lost 40 percent of its personnel from 1964 to the mid-1970's. It was this trend of decreasing resources which the committee has attempted to reverse. In this connection, it was gratifying to hear Mr. McMahon attest to the committee's contribution to the rebuilding process. At his May 27, 1982, nomination hearing, he noted that the "downward trend (in intelligence resources and capabilities)" has been reversed, and that this occurred "principally on the initiative of Congress" beginning in 1979 with the approval of the Intelligence Authorization Act for fiscal year 1980.

The committee continues to work in this spirit. This year, for example, the committee supplemented the administration's request for the FBI's foreign counterintelligence program by $17.6 million and 267 positions. The committee found that these additional resources are essential to enable the FBI to meet growing threats from hostile foreign intelligence services and international terrorists operating in the United States. I should also note that, where expenditures were determined to be unwarranted, the committee did not hesitate to make appropriate reductions or deletions.

I cannot, of course, refer in detail in open session to the matters which comprise the heart of the bill. It must suffice to say that, after reviewing thousands of pages of budget justification material, and hearing many hours of testimony, our committee agreed that the amounts provided in the bill are necessary to recapitalize the intelligence system and to acquire the capabilities needed to satisfy the broad range of challenges that lie ahead. As the committee report states, we are "persuaded that these investments are essential and that the appropriations recommended for fiscal year 1983 represent a prudent strategy for achieving these goals."

I should like to mention certain legislation which originated in the select committee, although it was not included in this year's authorization bill. On May 6, 1982, the Senate unanimously passed S. 2488, the Defense Intelligence Agency Personnel Management Improvement Act of 1982. This bill is intended to improve the management of civilian personnel within DIA by exempting DIA from civil service classification provisions, authorizing compensation to DIA civilian personnel, and authorizing the termination of such personnel when necessary or advisable in the interests of the United States. These provisions were included in the intelligence authorization bill passed by the Senate last year; however, only provisions establishing a senior executive service in DIA were adopted in conference and became law.

The additional authorities in S. 2488 would enable DIA to establish a flexible personnel system similar to that of CIA. As the select committee notes:

> DIA has been significantly handicapped in its ability to recruit and reward outstanding analysts and other intelligence specialists and otherwise to operate an effective civilian personnel system. If the benefits of "competitive analysis," a concept which both Administration and the Committee strongly support, are to be realized, it is imperative that DIA have analytical capabilities comparable to its sister agencies.

I urge the House of Representatives to take early and favorable action on this bill.

I should also like to draw the attention of my colleagues to S. 2422, the Central Intelligence Agency Spouses' Retirement Equity Act—a bill of which I am pleased to be a cosponsor and which the select committee recently ordered to be reported favorably to the Senate, as amended.

This legislation has afforded the select committee an unusual opportunity to ameliorate the financial burdens occasioned by the termination of marriages of CIA officers—burdens that have frequently fallen disproportionately on the spouses of those officers. This is a basic human problem, one which is easily overlooked in an age preoccupied with national technical means and other more glamorous aspects of intelligence work. It is, indeed, heartening that the committee has taken the time to address this issue.

We have received testimony from several individuals, ably represented by former Director of Central Intelligence William Colby and his wife Barbara, about the special pressures and hardships faced by spouses of CIA employees who served overseas in clandestine capacities. Unfortunately, many of these marriages have ended with the spouses finding themselves with little financial resources and no adequate legal remedy to acquire a share of the CIA officers' pension and survivor benefits. Under current law, there is no clear precedent for awarding a former spouse a percentage of these benefits.

Considerations similar to these led the Congress in 1980 to give former spouses of Foreign Service officers an equitable interest in the officer's retirement benefits. The case of CIA spouses is, if anything, stronger. As a consequence of the secret nature of the CIA officer's work, the spouse is generally subjected to greater psychological and social pressures than the typical Foreign Service counterpart. Moreover, in divorce related proceedings, CIA spouses are inhibited by security considerations from presenting evidence to courts which might support a claim against the officer's pension or other assets.

I wish to commend the distinguished former chairman of the select committee, Senator INOUYE, for taking the lead in sponsoring this legislation. As indicated by its title, S. 2422 is intended to provide some equity to CIA spouses. It would do so by entitling individuals who have been married for 10 or more years to CIA officers and who have spent more than 5 years abroad to share up to one-half of the officers' retirement annuities and a similar portion of their survivorship benefits. A former spouse would therefore become eligible to receive those payments following a divorce. This entitlement would be subject to such adjustment as a State domestic relations court may deem appropriate. Nevertheless, this bill should place the spouse in considerably stronger position in any court contest relating to the division of property.

This is a modest measure, but it serves the important purpose of recognizing the personal and professional sacrifices made by spouses of CIA officers engaged in overseas service. It is fully in keeping with the Foreign Service Act which established spousal interests in the pension system under that act. In this connection, I should like to point out that S. 888, the Economic Equity Act, which I joined Senator DURENBERGER in sponsoring, would provide spousal interests in the civil service a military pension systems similar to those provided in S. 2422. I am pleased that S. 2422 has been incorporated as an amendment to the Intelligence Authorization Act for fiscal year 1983. I am hopeful that this amendment soon become law and that we will thereby move closer to the day that all Government retirement systems contain this basic equity.

Mr. President, in conclusion, I wish to urge the Senate to support passage of the Intelligence Authorization Act for fiscal year 1983.

Mr. WALLOP. Mr. President, I obviously thank the Senator from New York for his kind remarks.

I would just say it is a measure of Mr. Childs' service and how he has gotten on with the community that he goes to the community. I mean what I said when I said he would serve the country in a fine capacity. I think it will benefit them more than it will us.

Mr. MOYNIHAN. Our loss is their gain.

Mr. HUDDLESTON. Mr. President, I urge my colleagues to support the Intelligence Authorization Act for fiscal year 1983 which provides a substantial enhancement for our Nation's intelligence capabilities. There is no question that the United States needs to strengthen its system for collecting and analyzing intelligence to cope effectively with the increasing complexity of world problems.

In the past it was considered sufficient if the intelligence community could do a reasonably good job of keeping track of our principal adversaries. In more recent years, however, we have all come to realize that the interests of the United States can be affected significantly by events in the far corners of the globe. The crisis over the Falkland Island is the most dramatic example. Who would have thought that an obscure place populated by so few people would engage the military forces of our closest ally in battle in the Western Hemisphere.

Good intelligence will not insure the wise use of American power or the conduct of an effective foreign policy, but it is an essential requirement. Without good intelligence on the military capabilities of contending nations, we cannot hope to assess the readiness of our own forces and those of our allies. Without confidential sources of information to penetrate the secrecy of closed societies, our policymakers cannot fully anticipate possible developments that could threaten our security and world stability. Without the best analytical talents, the vast store of information compiled by the agencies is useless.

The effort by the select committee to work with the intelligence community on ways to overcome their serious resource problems has been completely bipartisan. At the Budget Subcommittee level, the current subcommittee chairman, Senator WALLOP, and his predecessor and now vice chairman, Senator INOUYE, have given us outstanding leadership.

We would be remiss, however, if we did not mention the critical role in this process played by the former Deputy Director of Central Intelligence, Adm. Bobby Inman, who worked closely with the committee to take a truly comprehensive and long-range approach to planning for the future resource needs of the intelligence community.

I also want to take this occasion to express my deep personal appreciation to one of the most valuable staff members that any congressional committee could ever have, Mr. Daniel A. Childs, who has served as the senior budget officer for the select committee since 1976. Dan is leaving to become Comptroller at CIA, where he began his career. We will miss his talents, both as a specialist in the resource needs and management of the intelligence community and as a wise counselor on the conduct and direction of effective congressional oversight.

The last item I want to mention involves one aspect of the intelligence budget that has been of some concern to me. That is the FBI's foreign counterintelligence program, which involves investigations of hostile intelligence activities and international terrorism. The committee has voted to authorized an additional $17.6 million above the amount requested by the administration for this program.

Last February, shortly after the administration submitted its budget request, I wrote a letter to the President urging him to reconsider and submit an amendment providing for a substantial enhancement of FBI capabilities in this field. In my judgment the original request was seriously deficient and did not keep pace with increasing requirements for FBI investigations in this area.

The FBI estimates that about one-third of the Soviet bloc personnel in the United States assigned to embassies, consulates and the United Nations or other international organizations are full-time intelligence officers. Over the past 12 years the number of official representatives of governments which engage in hostile intelligence activities in the United States has increased by 400 percent. Immigrants and refugees from the Soviet Union and Cuba also pose a security threat. According to Attorney General William French Smith, Soviet and Cuban intelligence agents have been "a small but significant fraction of these recent refugees." Identifying these covert agents from among the tens of thousands of refugees imposes added burdens on the FBI program.

In December 1981, Attorney General Smith stated publicly that "the number of hostile agents has grown so much that our FBI counterintelligence agents are greatly outnumbered." But the administration's budget request for the FBI failed to enhance this vital element of the Nation's defense against hostile foreign powers.

Fortunately, the select committee's action on the FBI portion of the national foreign intelligence budget would provide the needed resources. It is my hope that this action will be reflected in the authorization and appropriations for the Justice Department when the Senate completes its action on the FBI budget for fiscal year 1983.

I am sure my colleagues on the select committee join in expressing the belief that the administration should adopt policies that insure the FBI is treated fairly in the allocation of intelligence community resources and that its foreign counterintelligence program does not suffer from arbitrary constraints that are not imposed by the Office of Management and Budget on the other principal elements of the national intelligence budget.

Mr. WALLOP. Mr. President, I thank the Senator from Kentucky.

● Mr. DURENBERGER. Mr. President, ask the average person to describe the typical CIA officer and chances are you will get a portrait of James Bond: the young, dashing, daring, and above all else, unmarried secret agency.

The fact is, of course, the typical intelligence officer is a far cry from the movie image. We have dedicated, hard-working men and women who, in many cases, are joined and reinforced in their commitment to our country by their spouses and families.

Today the Senate, by passing this amendment, is recognizing that national security intelligence is more than tradecraft and technology. Intelligence is also people, intelligence officers and their families, giving of themselves for the sake of their fellow citizens.

The human dimension of intelligence is terribly important. I have seen the conditions in which intelligence personnel must work. It is no bed of roses when you have to vary your routes to and from the office, in case terrorists are waiting for you. It is not easy, economically or emotionally, when spouses are sent to posts in which professional employment is forbidden by the laws or customs of the host country or difficult to arrange.

These tensions and frustrations often lead to substantial problems for American intelligence. Families are less willing to be moved around the world at the Government's whim. The strains on families are seen by more people as reasons not to pursue a career that is vital to our national security.

Many of these problems cannot be avoided, but we can ease some of the emotional and economic tensions. This amendment will assure the spouses of CIA officers overseas that their many years of service to their partners and their country will not end in a nightmare of poverty because of divorce.

The Economic Equity Act (S. 888), which I introduced last year, is a par-

allel measure covering the civil service and military retirement systems. I am pleased to have several Intelligence Committee colleagues as cosponsors of that bill. Just as I am sure that the amendment before us will pass, so I am sure that in time all Government retirement systems will contain this basic equity. It is the path of both fairness and practicality.

I am confident that this amendment will aid in the recruitment of bright, motivated people to serve the CIA. It will also lead to a better family life for CIA officers overseas, by giving spouses the assurance of some economic security for themselves and their families.

This amendment is more, of course, than just a response to personnel problems. It is tangible affirmation of the principle of fairness. A person who, for over 10 years, shares the life of an intelligence officer deserves to share in the economic security that the officer achieves during that time. A later divorce does not erase the spouse's contribution; we never regain those years.

Mr. President, today is the deadline for ratification of the equal rights amendment. This is a poignant time for millions of American women, who are regrouping to continue the fight for their full rights. What better time could there be for the Senate to demonstrate its commitment to economic equity? Let this CIA spouses' amendment be a sign that we keep the faith, that we still care.

We have asked a lot of our intelligence officers and their families. Over the years, they always have responded. Now we have the opportunity to recognize the contributions of CIA spouses and repay them by assuring equity. In good conscience, we can do no less.

Mr. President, I want to pay tribute to a fine person who will soon leave the staff of the Senate Select Committee on Intelligence. Mr. Daniel A. Childs, our chief budget officer, has made a tremendous contribution to the work of the committee. He has built up our budget analysis capability to the point that the committee is now a respected, responsible contributor to these critical decisions.

Danny Childs brought to the committee two decades of CIA experience and an ability to penetrate numbers that would cause other eyes to glass over. He has trained fellow staff members to recognize what is important. He also has reminded them to consider what is practical. His steadying influence will be sorely missed.

Danny Childs raises horses in his spare time, and he knows better than to turn down greener pastures. Soon he will become comptroller of the Central Intelligence Agency. There could be no finer person for that important and difficult position.

As Danny rides into the sunset toward Langley, he knows that soon we will be taking pot shots at him. But we will be smiling, happy to have such a fine and thoughtful person for a target.●

● Mr. BIDEN. Mr. President, I would like to state publicly my support for the Intelligence Authorization Act for fiscal year 1983 and congratulate Senators GOLDWATER, MOYNIHAN, WALLOP, and INOUYE for their hard and effective work on this bill. As with many other issues addressed by the Intelligence Committee the dedication and effort of the Members who provide leadership in the analysis and preparation of the budget goes widely unnoticed; so I would like to provide some measure of recognition to these colleagues most continuously involved in the authorization bill.

This authorization bill allows for a significant bolstering of curent intelligence programs. It also provides for the initiation of intelligence programs that promise to enhance the U.S. awareness and understanding of significant events around the world that have a vital bearing on our national interests.

The military activities of the Soviet Union and other potential—and we hope only potential—adversaries; the compliance of participating States to important arms control treaties; the capability to supply immediate and durable support to U.S. military commanders; indication and warning of potential military threats; and social and political change in the Third World and other areas of emerging interest; trends in the international economy and commerce; proliferation of sensitive and dangerous nuclear technologies; counterintelligence; international illicit drug traffic; international terrorism; support to the planning of U.S. diplomatic efforts and the design of the U.S. military's weapons: This is a long and still incomplete list of the indespensible labors of the U.S. intelligence community. They are accomplished with the skill of devoted intelligence personnel and the exploitation of diverse technological assets.

The prudent and regorously planned increase in the intelligence community's budget that this bill permits has bipartisan backing. It continues a trend that started in 1979 under President Carter's administration. The community's budget in 1979 had been preceded by almost a decade of dwindling support—both economic, popular, and political—for U.S. intelligence activities. A variety of events at the end of the 1970's brought home anew to the American people the significant role that accurate, objective, and reliable intelligence can play. This budget again expresses the appreciation which the Intelligence Committee has for the value of intelligence and the confidencee which it has in the men and women in the intelligence community.

I hope that this is one in a series of increased intelligence budgets also has a certain symbolic value. It should symbolize the importance which the Government of the United States attaches to an objective, dispassionate understanding of a broad range of events around the world that efect diverse peoples. It should symbolize the importance which this Government attaches to maintaining an intelligence community which is capable not only of reporting what happens around the world but also of analyzing for U.S. policymakers the relative importance that these events have for enduring national interests.

The intelligence community has been in the public eye of late. We have had two new Executive orders since December that govern the basic practices of our Soviet agencies. We have had a slew of State Department white papers—on Communist interferenc in Central America, chemical warfare in Southeast Asia, the Soviet military threat, and Soviet active measures—that rely in large measure on intelligence information and that, therefore, have provoked public debate on the uses and objectivity of intelligence. We have had a committee investigation of the financial affairs of the DCI. We have had the resignation of the almost universally acclaimed Admiral Inman and his replacement by the extremely well qualified John McMahon.

As a member of the select committee, it is often difficult to discuss these matters publicly—for the important facts are usually classified and, therefore, respect for the prerequisites of congressional oversight requires silence. There have been occasions, however, when without breaching confidences, it ha been possible to express quesioningabout or disagreement with certain trends, or judgments, or uses of intelligence. For example, the difficult issues posed to the United States by instability in Central America—which have lost some of the prominence of 5 months ago but none of their importance—raised nagging doubts in my mind about the adequacy, objectivity, and insightfulness of intelligence. As another example, the judgment and instincts of a few officials, and many of them not even in the intelligence community, was brouhgt in to no little doubt when early proposals for the Executive order on intelligence activities would have allowed excessive intrusiveness by the CIA within the United States.

But, in general and with great consistency, the intelligence community has provided absolutely indispensable support for our national interest. I would like to vouch for this as a member of the Intelligence Committee

and urge my colleagues to support this reasonable increase in funding for the national foreign intelligence program.●

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2487) was passed.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MOYNIHAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 6068, Calendar Order No. 585, the companion bill to the one just passed, S. 2487.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 6068) to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the United States Government, and for other purposes.

Mr. WALLOP. Mr. President, I ask unanimous consent that all after the enacting clause of H.R. 6068 be stricken and that the language of S. 2487, as amended by the Senate, be substituted in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I know of no further amendments and request third reading and final passage of H.R. 6068, as amended.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass?

The bill (H.R. 6068) was passed.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate rescind its action on passing S. 2487 and that Calendar Order No. 683, S. 2487, be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, it is my clear understanding that we have passed the House bill, not the Senate bill, and it has the text of the Senate language in the House bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. WALLOP. Mr. President, I move that the Senate insist on its amendment and request a conference with the House of Representatives on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. KASTEN) appointed Mr. GOLDWATER, Mr. WALLOP, Mr. GARN, Mr. DURENBERGER, Mr. ROTH, Mr. SCHMITT, Mr. MOYNIHAN, Mr. INOUYE, Mr. JACKSON, Mr. LEAHY, and Mr. BENTSEN; and Mr. WARNER for matters of interest to the Armed Services Committee.

Mr. WALLOP. I thank the Chair and I yield the floor.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEES OF THE COPYRIGHT OFFICE

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate Calendar Order No. 688, H.R. 4441 and ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, there is no objection.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4441) to amend title 17 of the United States Code with respect to the fees of the Copyright Office, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, I yield to the Senator from Nebraska.

UP AMENDMENT NO. 1050

(Purpose: To amend title 17, United States Code, to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders)

Mr. ZORINSKY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. ZORINSKY) proposes an unprinted amendment numbered 1050.

Mr. ZORINSKY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Sec. 3. Section 110 of title 17, United States Code, is amended—

(1) in paragraph (4), by striking out "performers, promoters, or organizers" and inserting in lieu thereof "performers or organizers";

(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon;

(3) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and "; and

(4) by adding at the end thereof the following new paragraph:

"(10) performance of a nondramatic literary or musical work in the course of a social function which is organized and promoted by a nonprofit veterans' organization or a nonprofit fraternal organization to which the general public is not invited, if the proceeds from such performance, after deducting the reasonable costs of producing the performance, are used exclusively for charitable purposes and not for financial gain.".

Mr. ZORINSKY. Mr. President, the amendment I offer to H.R. 4441 is the body of S. 603. This amendment would exempt nonprofit fraternal and nonprofit veterans organizations from the payment of copyright and royalty fees. The need for this legislation was brought to my attention by members of my own People's Club in Omaha, Nebr. It is legislation that the American Legion selected as its No. 1 priority last year.

Mr. President, I ask unanimous consent that a letter from the American Legion be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ZORINSKY. This legislation will allow the outstanding contribution these groups are making to their communities to continue and, in addition, allow them to do even more of this fine work by providing additional dollars for charitable services.

Mr. President, I would like to thank the chairman of the Judiciary Committee, Senator THURMOND, for his

help and cosponsorship of this amendment.

EXHIBIT 1

THE AMERICAN LEGION,
Washington, D.C., June 21, 1982.

Hon. EDWARD ZORINSKY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ZORINSKY: The American Legion takes this opportunity to express its profound gratitude to you for your efforts to exempt non-profit veterans organizations from provisions contained in P.L. 94-553 requiring certain performance royalties be paid to copyright holders. We have fully supported your introduction of legislation, S. 603, to accomplish this purpose and we now fully support your amendment to legislation extending the manufacturing clause of the Copyright Act, again for this same purpose.

It should be stated at the outset that The American Legion does not dispute the right of any creator of music to protect his creation through the receipt of royalties. We recognize the need for a copyright mechanism and we do not quarrel with the principle of requiring compensation from those who seek financial gain through the use of material created by someone else. We, however, believe that the use of material for the expressed purpose of promoting charitable activities differs significantly from that principle.

It is our sincere belief that neither Congress nor the creators of copyrighted musical works have ever intended copyright legislation as an impediment to legitimate nonprofit community service activity. Yet, P.L. 94-553 is having precisely that impact. Many posts, facing financial survival on a day-to-day basis, are simply not willing to risk the consequences of outright violation of the law and, therefore, have terminated all live musical performances. Without this source of fund raising they have been forced to curtail their community service activities.

A recent nation-wide review of such activities reveals some rather astounding figures. With 44% of our 17,000 posts reporting—we found that last year 355,101 veterans, widows, and orphans were assisted with their Veterans Administration claims by Post Service Officers. Our members also contributed more than one million hours as volunteers in VA hospitals, assisted 28,422 veterans in finding employment, donated more than 113,000 pints of blood, and donated more than 2.2 million hours to a variety of community projects. These were strictly gratuitous services and involved no direct fund raising.

In the matter of fund raising activities—again with 44% of all posts reporting—$1.5 million was spent sending boys to The American Legion Boys State program; $1.4 million was spent in sponsoring drum and bugle corps groups; $4.7 million was spent to sponsor Legion baseball teams; $454,000 was spent on Scout troops; $669,000 in academic scholarships were awarded; and $2 million in cash assistance was given to needy children. Our posts also purchased and donated more than $3 million worth of clothing and essentials for needy children and distressed families. Donations to mental health programs amounted to $96,000 with $171,000 going to the United Fund; $233,000 for the mentally retarded; $67,000 to the Red Cross; $160,000 for cancer research; $233,000 to crippled children; and $1.5 million to many other miscellaneous community projects.

Our members who willingly give their time and energy to participate in activities which benefit the community are inclined to view the royalty payment obligation as they would a seemingly needless governmental regulation—both are sources of frustration. They serve to discourage volunteerism when individuals decide that personal satisfaction is not sufficient to compensate for the inconvenience of contending with such restrictions.

In conclusion, Senator, we support this amendment fully. You may be sure that adoption of this exemption will insure that non-profit veterans groups will go on doing what they do best—volunteering their time selflessly and promoting the general welfare of local communities across the nation.

Sincerely,

E. PHILIP RIGGIN,
Director,
National Legislative Commission.

Mr. STEVENS. Mr. President, does the distinguished Senator from South Carolina wish to make a statement?

Mr. THURMOND. Mr. President, I am in accord with the procedure being followed. I think the amendment being offered here is a good amendment to this bill, and I think it is the only chance of getting through soon. The Judiciary Committee has before it another bill, but there has not been a hearing on it. I think this would save time.

I favor adoption of the amendment.

Mr. STEVENS. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 1050) was agreed to.

Mr. STEVENS. Mr. President, third reading.

Mr. THURMOND. Mr. President, this bill, H.R. 4441, is noncontroversial in nature and is a housekeeping measure sought by the Copyright Office of the Library of Congress. It permits the Office to retain and utilize certain copyright fees collected under the statute which cannot now be used for such purpose.

This bill has passed the House and was reported unanimously by the Committee on the Judiciary yesterday.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 4441), as amended, was passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF MANUFACTURING CLAUSE OF COPYRIGHT LAW

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate Calendar No. 691, H.R. 6198, and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 6198) to amend the manufacturing clause of the copyright law.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. THURMOND. Mr. President, this legislation would extend the manufacturing clause of the copyright law of 1976 for a period of 4 years, until July 1986.

A companion bill, S. 1880, was introduced by me in the Senate and had a number of cosponsors from both sides of the aisle. That bill, S. 1880, would have extended the manufacturing clause for an indefinite period of time. Since the July 1, 1982 deadline for the manufacturing clause is near, it was the judgment of the committee to take the House position on this matter and report a bill with a 4-year extension.

Recently, the committee met and considered S. 1880. Senator LEAHY offered an amendment to change the period of extension to 1 of 4 years and the committee concurred in that amendment.

The legislation must be sent to the President for his signature before July 1, 1982. Passage of H.R. 6198 will expedite that result. Therefore, Mr. President, I move the Senate approve H.R. 6198 and indefinitely postpone the consideration of S. 1880.

● Mr. LEAHY. Mr. President, the manufacturing clause of the Copyright Act was due to expire at midnight tonight. The manufacturing clause was adopted by Congress almost a century ago. It provides that in exchange for full American copyright protection, the work of a U.S. author must be printed in the United States or Canada.

If we permit the manufacturing clause to expire on July 1, hundreds of thousands of Americans will lose their jobs. Moreover, the expiration of the clause will put the American printing industry in a particularly vulnerable position in the international marketplace.

The U.S. Department of Labor has estimated that elimination of the manufacturing clause would result in a loss of 78,000 to 172,000 job opportunities in the printing and publishing industry alone, and a total loss of 170,000 to 367,000 job opportunities throughout the United States. Our economy is already in trouble. We simply cannot

afford to add still more unemployment to our economic problems.

As introduced, S. 1880, which I cosponsored with Senator THURMOND and several members of the Judiciary Committee, would put this issue to rest by extending the clause indefinitely. I certainly would prefer an indefinite extension of the manufacturing clause to the 4-year extension passed by the House.

However, time is running short. Therefore, to avoid a potentially lengthy conference on this issue which could run past July 1, the committee thought the wisest course was to conform S. 1880 to the House-passed text. I urge my colleagues to avoid delay and pass this bill in its present form to save the jobs of many hard-working people in Vermont and throughout the country.●

Mr. SPECTER. Mr. President, I am pleased to have been an original cosponsor of the Senate bill to prevent the expiration of the so-called manufacturing clause of the copyright law. This provision, reserves full copyright protection in this country over nondramatic literary material written by American authors unless specific processes such as typesetting, printing, and binding are performed in the United States or Canada.

Last summer, a most disturbing report was issued by the Department of Labor. It projects that expiration of the manufacturing clause would result in a loss of 78,000 to 172,000 job opportunities in the printing and publishing industries and that total estimated lost job opportunities in the U.S. economy would total between 170,000 and 367,000.

I wrote the chairman of the Committee on the Judiciary in September of last year concerning this matter. I was pleased to have joined him as an original cosponsor of the bill he introduced to extend the manufacturing clause.

When the Judiciary Committee recently voted to report favorably the bill to extend the manufacturing clause, we were conscious of its impending expiration and, accordingly, agreed to modify the Senate bill to grant the more limited extension provided by our House colleagues. In this way, we hoped to avoid any further delay or the necessity of a conference.

With our action here today the Congress will have completed its work on this important economic matter in a timely fashion and be able to present to the President a bill that will serve to protect American industry and preserve employment opportunities in the printing and publishing industries.

I am this evening dispatching to the President a letter expressing my personal request that he approve the extension of the manufacturing clause of the copyright law without delay. With his expedited consideration, the impending expiration of the protections of the law can be averted. Our economy can afford no other course.

The bill was ordered to a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that Calendar No. 689, S. 1880, be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MILITARY CONSTRUCTION CODIFICATION ACT

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate Calendar No. 684, H.R. 6451.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 6451) to amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction and military family housing.

Mr. ROBERT C. BYRD. We have no objection.

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, there are no amendments. We ask for immediate passage of the bill.

Mr. THURMOND. Mr. President, H.R. 6451 and the companion Senate bill, S. 2645, are products of several year's effort to bring together in one place in title 10 of the Code all military construction law that has evolved over the years. The purpose of the bill is to simplify and streamline military construction procedures for the future.

For the most part, current military construction policies and procedures have simply been incorporated in a new chapter 169 in title 10. In some few instances, changes in policy and procedure have been adopted and these are covered in detail in the committee report and I do not intend to go into them here unless there are questions.

Mr. President, the military construction programs of the Department of Defense are very well managed. Virtually every dollar that is appropriated is expended under publicly advertised, competitively bid procedures. These procedures are the best guarantee to the taxpayer that their interests are being protected. The Department's performance with respect to cost overruns in its military construction program is likewise excellent. The incidents of major cost overruns are few and in every case the departments have been required to absorb cost overruns through savings in other projects. This codification bill will not adversely perturb the current management of the military construction effort. To the contrary, streamlined programing and reporting procedures in this bill should result in additional savings.

I strongly urge my colleagues to support passage of this bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 6451) was ordered to a third reading, was read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that Calendar No. 676, S. 2645, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 2586

Mr. BAKER. Mr. President, in respect to the military construction bill, I have a unanimous-consent request that I believe has been cleared all around, and I would like to state it now for the consideration of the minority leaders, the distinguished Senator from South Carolina, and other Senators.

Mr. President, I ask unanimous consent that when the Senate proceeds to the consideration of Calendar Order No. 262, S. 2586, the military construction bill, it be under the following time agreement:

Two hours on the bill to be equally divided between Senators THURMOND and HART or their designees; 30 minutes on amendments, with the exception of 1 hour on an amendment to be offered by the Senator from Rhode Island (Mr. PELL) dealing with airfield construction in Honduras; 10 minutes to be equally divided on an amendment to be offered by the Senator from West Virginia (Mr. ROBERT C. BYRD), the minority leader, to permit alternative sites in connection with the Charleston Armed Forces Reserve Center, which I understand is known to the distinguished Senator from South Carolina and to which he has no objection; 10 minutes on any debatable motions, appeals, or points of order if submitted to the Senate, and the agreement to be in the usual form, with the proviso that no amendment be in order dealing with Davis-Bacon.

Mr. President, I am advised that we have one request that we defer this request momentarily. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I modify the unanimous-consent request which I put to delete that reference to an amendment to be offered by the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), on which there would have been 10 minutes equally divided. I am advised by the Senator from South Carolina that he is aware of the amendment, that it is technical in nature, and that it had been his intention as manager of the bill to accept the amendment.

Mr. THURMOND. Mr. President, that is correct.

Mr. BAKER. Mr. President, I reiterate the request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1983

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration Calendar Order No. 626, S. 2586, the Military Construction Authorization Act.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2586) to authorize certain construction at military installations for fiscal year 1983 and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. Who yields time?

The minority leader is recognized.

UP AMENDMENT NO. 1051

(Purpose: To make a technical change to a land conveyance provision of the Military Construction Authorization Act, 1982)

Mr. ROBERT C. BYRD. Mr. President, on behalf of myself and my colleague from West Virginia (Mr. RANDOLPH) I send an amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for himself and Mr. RANDOLPH, proposes an unprinted amendment numbered 1051.

Mr. ROBERT C. BYRD. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

TECHNICAL AMENDMENT OF PRIOR AUTHORITY FOR LAND CONVEYANCE, SOUTH CHARLESTON, WEST VIRGINIA

SEC. . Section 915 of the Military Construction Authorization Act, 1982, is amended—

(1) in subsection (a) by inserting "or the State of West Virginia" after "South Charleston, West Virginia" the first place it appears; and

(2) in subsection (b)(1)(A) by inserting a comma and "or such other alternate sites which may be acceptable to the Secretary" after "South Charleston, West Virginia".

Mr. ROBERT C. BYRD. I ask unanimous consent that the amendment be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

SOUTH CHARLESTON COMBINED ARMED FORCES RESERVE CENTER

Mr. ROBERT C. BYRD. Mr. President, the amendment which I offer today is a technical change to the fiscal year 1982 military construction authorization bill. That bill, which was signed by the President on December 22, 1981, authorized the Secretary of Defense to engage in a land exchange with the city of South Charleston, W. Va. That exchange will permit the Department of Defense to consolidate three separate and obsolete reserve centers in one efficient combined armed forces reserve center to be constructed near South Charleston.

The bill which we passed last December specified a specific site for the new combined reserve center. Subsequently, the various planning aspects for the new center have gone smoothly. The Department of Defense has indicated, during this planning period, an interest in another parcel of land which is owned by the State of West Virginia. The State, I am told, is willing to exchange land with the Department. I believe that it is in the interest of all parties that the Secretary of Defense be given flexibility to choose an alternative site, should he choose to do so.

The amendment which I offer today will grant to the Secretary of Defense the flexibility to select an alternate site and to enter into a land exchange agreement with the State, if appropriate. The amendment in no way restricts the prerogative of the Secretary, and it is my understanding that the Department of Defense supports this amendment.

Mr. President, it is my understanding that this amendment has been cleared on both sides of the aisle. Would the distinguished manager of the bill confirm my understanding?

Mr. THURMOND. That is correct, Mr. President. The amendment of the Senator from West Virginia has been reviewed by this side of the aisle, and I am aware of no objection to it. I might add as chairman of the Military Construction Subcommittee, that I support the amendment.

Mr. ROBERT C. BYRD. I thank the Senator from South Carolina for his support.

Mr. THURMOND. Mr. President, we think the amendment is reasonable and we accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 1051) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from South Carolina for his courtesy. I also thank the distinguished majority leader for his courtesy.

The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina.

Mr. THURMOND. Mr. President, the bill before the Senate, S. 2586, is an annual bill authorizing military construction projects for fiscal year 1983. In addition, it contains the authority for appropriations to support the existing inventory of nearly 400,000 units of military family housing.

The original budget request for new military construction authority was $7,811,164,000. However, in order to accomodate the reductions made to the Defense function in the first concurrent resolution on the budget, it was necessary to reduce this bill by $1.4 billion, and the bill before the Senate recommends new authorization totalling $6,435,506,000.

My colleagues should know that I am not happy to be forced to make these reductions—I do not feel that we are spending enough on our national defense; however, I am committed to abide by the decisions of the Armed Services Committee and I strongly support the efforts by the distinguished chairman of the Committee, Senator TOWER, to arrive at an overall defense budget figure that has broad support in the Senate and in the administration.

Let me state the basic premises that were used by the committee in developing the bill which is before the Senate:

Unbudgeted projects have not been considered. Normally the committee is able to consider certain high priority, unbudgeted projects and add some to

the bill to replace projects denied or deferred. This year we adopted a policy of no "add-ons."

All "nice-to-have" projects have been deferred without prejudice. This category of projects includes administrative, community, morale and welfare, supply and laboratory facilities. It was felt that this category of projects could be deferred without unduly impacting military preparedness. These deferrals will be painful; I think nearly every Senator is affected. It necessitates the deferral of four projects at three military bases in South Carolina. Of course, I do not like that. Deferral of this category of projects saves $470 million in budget authority.

All new military family housing construction is deferred without prejudice. For the first time in many years the services are asking to build substantial amounts of family housing overseas—quite expensive housing I might add—over $120,000 per unit. I am not at all sure that we want to embark on a major effort to build new family housing overseas and I want to take a good look at this proposal, if it is renewed next year. Deferral of new military family housing saves $250 million in budget authority.

All improvements to military family housing, except for those improvements related to energy conservation, are deferred without prejudice. A major portion of this effort involves adding central air-conditioning to existing units. Savings in this area total $165 million in budget authority.

Finally, there are the usual denials or deferrals where projects are not justified or where projects could not be executed during the fiscal year. These are reductions that would have been recommended regardless of the budget situation. These savings total $490 million in budget authority.

Despite the reductions that have been made, this bill contains many very important projects to support our military forces around the world. For example, another increment of funds is authorized for the construction of contingency facilities at locations near, or en route to, the Middle East which would provide our Rapid Deployment Force the capability to react more efficiently to contingencies in Southwest Asia. I invite the attention of my colleagues to the committee report for additional details on this bill.

Before I yield the floor, I would like to thank the distinguished ranking minority member of the Senate Armed Services Subcommittee on Military Construction, Senator GARY HART, for his cooperative efforts on this bill. Having chaired this subcommittee during the 96th Congress, he is well aware of the complexities of this bill, which this year contains over 1,000 different projects at more than 500 military installations around the world. His work and his support are very much appreciated.

Mr. President, I urge my colleagues to support this bill.

The PRESIDING OFFICER. Who yields time?

Mr. HART. Mr. President, I support the bill before the Senate, and although I have reservations about the specifics relating to Honduras, I urge its favorable consideration by my colleagues.

Let me first commend the distinguished majority manager of the bill, the Senator from South Carolina (Mr. THURMOND) for his management of this legislation. As a former chairman of the Military Construction Subcommittee, I am familiar with the extreme complexities of this bill not well understood, I am afraid, by our colleagues. The capital construction projects covered in this legislation touch every facet of our defense effort—from evolving strategic programs to replacement of mobilization assets.

The job of tailoring the bill this year was more demanding than usual. Difficult budgetary decisions had to be made to reduce the bill by nearly $1.4 billion in budget authority. This reduction was necessary to accommodate the action taken by the Senate in establishing a budget ceiling for the national defense function for fiscal year 1983. At the same time the committee has to insure that the readiness and military preparedness of our forces was not jeopardized by deletion or deferral of proposed construction efforts.

Projects in just about every State—including those of the chairman of the subcommittee and myself—were affected by the proposed reductions but I am satisfied that the guidelines for affecting these reductions were prudent and applied in an even-handed, equitable fashion. I note to my colleagues that the new family housing and nonreadiness related projects which were deleted from this year's authorization were deferred "without prejudice." Even with these reductions and deferrals the bill totals slightly over $6.4 billion in authorization—roughly the same level as was included in last year's bill when it came to the Senate floor.

Let me briefly comment on two areas of this bill on which I have focused in the past; namely, energy projects and NATO construction. This bill goes forward with those initiatives.

ENERGY PROJECTS

When I assumed the chairmanship of the Military Construction Subcommittee, I made it a priority to use the annual authorization bill as a vehicle to get the Defense Department involved in projects that would benefit not only the Defense Department but the entire Nation in addressing the energy crisis. That effort has been quite productive and the Defense Department is an acknowledged leader among Federal agencies in efforts to conserve energy and to sponsor new energy initiatives. This year's bill continues to allocate significant resources to these energy conservation efforts. It includes energy conservation investment programs at a number of installations. Energy monitoring and temperature control projects are authorized at several other facilities. Despite deferring most requested improvements to existing family housing, the committee has retained in the bill those improvements relating to energy conservation. I applaud Senator THURMOND's continued recognition that investments in projects which make our military facilities more energy efficient are most worth while and indeed help strengthen our national security.

NATO CONSTRUCTION

Again this year, construction in Europe constitutes a major portion of the military construction program. Well over $1 billion will be spent for construction in support of our forces deployed in NATO. I agree wholeheartedly with the committee's report when it says that:

> The growing construction requirements in Europe cannot continue to be addressed solely through increases in unilateral U.S. funding; the Defense Department must aggressively seek alternative funding sources which rely more heavily on allied burden sharing.

There is no question that we must get our allies to do more and we must use the NATO forum to optimize facility construction in support of U.S. forces. We have taken on increased military burdens—particularly the Middle East contingency role—and our allies must understand that they face the same threat. Therefore, they must share in the efforts to address that threat.

Mr. President, that concludes my remarks. I again thank the distinguished chairman of the subcommittee for his leadership in this area.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield to the distinguished and able chairman of the Armed Services Committee such time as he may require.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I want to thank my good friend, Senator STROM THURMOND, the ranking majority member on the Armed Services Committee and the chairman of the Military Construction Subcommittee, for his most diligent efforts in bringing this military construction bill to the Senate. This is a very complex and a very important bill. It touches the entire spectrum of defense programs—

from facilities to support our strategic weapons systems, to contingency facilities for our Rapid Deployment Force, to living accommodations for our service personnel. Senator THURMOND has done an excellent job in melding the construction program in this bill with our priority defense requirements.

I also commend the distinguished ranking minority member (Mr. HART) for his cooperation in the formulation of this bill.

I share the concern of Senator THURMOND at having to make cuts in the President's request in this bill, but like any good business enterprise, when profits are down, capital investment is deferred. When the Congress mandates cuts in defense programs, the deferral of military construction is a logical consequence. I think that the rationale used by the committee in effecting these reductions—which Senator THURMOND has explained in his remarks—is appropriate under the circumstances.

My colleagues should know of the consequences of these cuts. Many of you already know because you have written or spoken to me about military construction projects that were cut in your particular State. I now of no way to cut defense without cutting somebody's State or somebody's constituency. Defense cuts hurt, so Members should not vote for blanket defense cuts and expect not to be affected.

I think that some of my colleagues do expect that. Some of those who have been foremost in their advocacy of defense reduction have talked to me about trying to restore cuts in programs and in military construction in their particular States. They have to understand that when defense is cut, it means that some jobs are going to be cut because defense does provide jobs.

We hear a lot of rhetoric these days about spending so much on defense when our people need jobs; we ought to be spending Federal money on programs that are addressed to providing jobs for people.

Defense spending is one of the biggest providers of jobs of anything the Federal Government does, if not the biggest. So let us understand what the economic impact is of both increases and decreases in defense spending.

In this bill we have cut nearly $1.4 billion in construction projects. I remind my colleagues that unemployment in the construction industry is 20 percent. I sincerely hope this $1.4 billion is not just shuffled to another Government pocket to pay unemployment compensation to these same construction workers. It makes much more sense to spend this money on capital projects, which promote employment and productivity, rather than on unemployment compensation.

Mr. President, at this point, I note that the Armed Service Committee has authorized funds for construction projects associated with the modernization of intermediate nuclear forces in Europe. This is a program of the utmost importance to Western security. The buildup of Soviet theater nuclear force capability, beyond any reasonable defensive capability, poses an intolerable threat to Western security. NATO's double-tracked decision of December 1979 to deploy 108 Pershing II's and 464 ground-launched cruise missiles and pursue arms control negotiations was a prudent one. The committee fully supports this modernization program and believes strongly that if negotiations fail, NATO must be in a position to assure the earliest possible initial operating capability for these systems.

Mr. President, I urge my colleagues to support this bill.

I intend to strongly oppose any amendments that are designed to add any significant additional funding authorization to this bill regardless of how meritorious they may appear to be.

I thank my colleague for yielding.

UP AMENDMENT NO. 1052

(Purpose: To provide a substitute for the provision authorizing the conveyance of certain real property in Bell, Calif.)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask that it be immediately reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND), on behalf of Mr. HAYAKAWA and Mr. CRANSTON, proposes an unprinted amendment numbered 1052.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, beginning on line 5, strike out all through line 23 on page 41 and insert in lieu thereof the following:

SEC. 803. Subject to subsections (b) through (h), and notwithstanding any other provision of law, the Secretary of the Army (hereafter in this section referred to as the "Secretary") is authorized to convey to the city of Bell, California (hereafter in this section referred to as the "city"), all right, title, and interest of the United States in and to a parcel of land, aggregating seven and two-tenths acres, more or less, together with improvements thereon, situated in the city, as more particularly described on a map on file in the Office of the District Engineer, United States Army Engineer District, Los Angeles, California.

(b)(1) In consideration for the conveyance authorized by subsection (a), the city, pursuant to an agreement to be entered into between the city and the Secretary, shall provide to the United States, to the extent of the fair market value of the land conveyed by the Secretary under subsection (a) (as determined by the Secretary), the buildings and other improvements described in paragraph (2), which buildings and improvements shall be the property of the United States.

(2) The buildings and improvements to be provided to the United States are:

(A) a National Guard armory;

(B) modernization of a Government-owned building located in the city and known and designated in Department of the Army records as Building 332; and

(C) an organizational maintenance shop.

(3) The design and construction of the National Guard armory and the organizational maintenance shop and the modernization of the building described in paragraph (2)(P) shall be in conformance with plans and specifications approved by the Secretary.

(c) The city shall pay to the United States, as further consideration, an amount equal to the amount by which the fair market value of the property conveyed by the Secretary under subsection (a) (as determined by the Secretary) excess the sum of the actual costs (as determined by the Secretary) of the buildings and improvements provided to the United States under subsection (b).

(d) The exact acreage and legal description of the property to be conveyed under this section shall be determined by a survey which is satisfactory to the Secretary.

(e) The Secretary is authorized to accept and administer any real property conveyed to the Secretary under this section.

(f) In carrying out this section, the Secretary may require such additional terms and conditions as he considers appropriate to protect the interests of the United States.

(g) The authority of the Secretary under this section shall expire three years after the date of enactment of this Act.

Mr. THURMOND. Mr. President, this amendment is by Senator HAYAKAWA on behalf of himself and Senator CRANSTON. Section 803 of the bill as reported provides for a non-cost, fair-market-value land exchange between the Army and the city of Bell, Calif. Under the terms of this agreement, the Army would convey approximately 7.2 acres of land to the city and in return the city would build a replacement armory for the Army guard unit displaced. The transaction is in the usual form and protects the interests of the taxpayer.

Mr. President, the purpose of the amendment is to accommodate certain changes in the transaction that have developed since the original proposal was presented. The changes are technical only and do not involve costs or benefits. The changes would increase the amount of land conveyed by the Army from 5.5 to 7.2 acres and would provide for the construction of a new replacement armory rather than the renovation of an existing building for use as an armory.

There is no cost associated with the amemdment. The requirement in the original provision that this be a fair-market-value exchange with the Government receiving full value for the land and facilities to be conveyed is not affected by the amendment. We are willing to accept the amendment.

I yield to the Senator from Colorado.

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, the amendment that the Senator from South Carolina offers is agreeable to the minority and we urge its adoption.

Mr. CRANSTON. Mr. President, I am joining with Senator HAYAKAWA to sponsor this amendment to the military construction authorization bill for fiscal year 1983.

The city of Bell and the Army have worked out a land exchange agreement whereby the city will build a new armory for the National Guard, according to the Guard's specifications, in exchange for approximately 7 acres of land now owned by the Army. The exchange has the support of the Army National Guard Bureau, the California National Guard, the Sixth Army, and the Army Corps of Engineers. The Senate Armed Services Committee and the House Armed Services Committee have both approved the concept. However, more land is needed than was originally estimated. The purpose of this amendment, which is essentially technical in nature, will provide the necessary amount of land which the city requires—approximately 7.2 acres as opposed to the 5.5 acres presently provided. It is my understanding that both the chairman and the ranking member agree to this amendment and that it is also supported by the Department of the Army.

(By request of Mr. THURMOND, the following statement was ordered to be printed in the RECORD:)

● Mr. HAYAKAWA. Mr. President, today I am offering, along with Senator CRANSTON, an amendment to the military construction authorization bill which clarifies language regarding the acreage in the land transfer to the city of Bell, Calif. These proposed changes more nearly meet the needs of the city of Bell and the California National Guard.

The California National Guard currently uses World War II warehouses as an armory in Bell. The Army needs a replacement facility but does not require the full 9.5 acres at this location. The city of Bell owns 2.18 acres adjacent to this site on which it wishes to build a hotel, however an additional 7.2 acres is needed for a parking lot and amenities. The city would like to purchase this land from the Army's 9.5 acres at the estimated market value of $1.9 million. As consideration for the land, the city will build, to National Guard specifications, a new armory for the Guard on a 17-acre parcel of land near the U.S. Army Reserve.

The Army National Guard, California National Guard, and the Sixth Army Corps of Engineers support the transfer of 7.2 acres of land. The National Guard would get a new permanent armory built to their specifications and the city of Bell would get the land essential to the new hotel development. Most importantly, no U.S. public funds would be expended.●

The PRESIDING OFFICER. Is all time under the amendment yielded back?

Mr. THURMOND. All time is yielded back here.

Mr. HART. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time being yielded back, is there objection to the amendment?

The amendment (UP No. 1052) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1053

(Purpose: To revise the authorization to sell or exchange defense real property)

Mr. THURMOND. Mr. President, I send to the desk another amendment and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND), on behalf of himself and Mr. TOWER and Mr. PERCY, proposes an unprinted amendment numbered 1053.

Mr. THURMOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out pages 42 and 43 and insert in lieu thereof the following:

AUTHORIZATION TO SELL OR EXCHANGE DEFENSE REAL PROPERTY

SEC. 804. (a) Notwithstanding any other provision of law, the President of the United States or his designee, if he determines that it is in the public interest or is necessary for national defense purposes, may sell or exchange any real property and associated facilities which are under the jurisdiction of the military departments (including any such property or facilities the disposal of which requires authorization or specific authorization by law) except public domain lands.

(b) Any such sale or exchange shall be accomplished using publicly advertised, competitively bid contracting procedures to the extent feasible, but in no case may such sale or exchange be entered into if the United States will not receive at least the fair market value of the property to be conveyed.

(c)(1) Notwithstanding any other provision of law, a portion of the gross proceeds from any such sale or exchange may be used—

(A) to cover all costs associated with such sale or exchange; and

(B) subject to approval by the Secretary of Defense, to cover the costs of land acquisition and the construction of replacement facilities that may be reasonable and necessary incident to such sale or exchange.

(2) Ninety-five percent of the remaining (net) proceeds shall be covered into the general fund of the Treasury to be used solely for the reduction of the national debt of the United States. Five percent of the remaining (net) proceeds shall be credited to a Defense Facilities Replacement Fund (hereinafter referred to as the "Fund") and may be used for the purpose of capitalizing future sales or exchanges pursuant to this section.

(3) Moneys remaining in the Fund at the end of each fiscal year in excess of $50,000,000 or any lesser amount determined by the Secretary of Defense to be sufficient shall be covered into the general fund of the Treasury to be used solely for the reduction of the national debt of the United States.

(d) No transaction may be entered into where the estimated costs of such transaction as included in subsection (c) (1) exceed the amount to be realized from such sale or exchange. Any transaction where the costs as included in subsection (c) (1) would exceed 50 per centum of the amount to be realized shall be subject to the prior approval of the Director of the Office of Management and Budget.

(e) Before any transaction under the provisions of this section may be entered into in which the fair market value of the real property to be sold or exchanged exceeds $100,000, a report in writing shall be submitted to the Committees on Armed Services of the Congress. Such report shall include the justification for the transaction and the current estimate of the cost of the transaction. Such transaction may then be carried out only (1) after the end of the fifteen-day period beginning on the date of notification is received by such committees, or (2) after each such committee has approved of the transaction, if the committees approve of the transaction before the end of that period.

(f) All sales, exchanges, and other transactions under this section shall be carried out in accordance with regulations which shall be prescribed by the Director of the Office of Management and Budget.

Mr. THURMOND. Mr. President, I am pleased to sponsor this amendment, which has been worked out with all interested parties. I feel that it improves on section 804, as reported by the committee, while retaining the thrust of this important provision to improve the management of defense resources. The principle change in this amendment is to specify that the profits realized from the sale or exchange of defense real property will go directly to reduce the national debt, rather than returning the profits to Defense, as provided in the committee reported version, which would have reduced the national debt indirectly. I feel quite confident that this provision will generate several billions of dollars in "profits" from real estate transactions over the next several years and will significantly benefit the President's effort to reduce the national debt.

Let me explain for my colleagues how I would expect this provision to work. Attached to my statement is a hypothetical summary of transactions as they will be executed under this

provision. I ask unanimous consent that that summary be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, under the terms of this provision the Defense Department is permitted to enter into transactions to either, first, sell excess defense property and associated facilities or, more importantly, second, to sell property and associated facilities, that are underutilized or inefficiently utilized, and to use the sale proceeds to buy replacement land and facilities. It is this second category of transactions which has the potential to generate significant savings, not only as a result of the transaction, but also over the long term as operating costs of replacement facilities will be reduced. Each transaction, where the cost of the Defense real property to be conveyed exceeds $100,000, must be presented to the Armed Services Committees of the Congress, providing the necessary oversight of this provision. Each transaction must show a "profit"—that is, the total proceeds from the sale must be greater than the total costs to effect the sale and the cost to acquire replacement land and facilities.

As each transaction is executed, 5 percent of the "profits" or "net proceeds," as indicated on the attached hypothetical fund transaction summary, would be credited to a defense facilities replacement fund. During the course of the year, the fund balance would be available to pay the "up front" costs of new transactions, if such costs were to be incurred in advance of the receipt of the proceeds from the transaction. Ninety-five percent of the net proceeds would go directly to the Treasury to reduce the national debt.

At the end of the fiscal year, the Secretary of Defense would take a look at the fund balance and decide how much money he wanted to carry over into the fund for the next fiscal year to provide the "up front" costs to promote future transactions. This amount could not be more than 5 percent of the total of the net proceeds that have accrued in the fund to date. The remaining money—an amount equal to at least 95 percent of the net proceeds—would go into the Treasury to reduce the national debt.

Mr. President, for the Federal Government, this provision is revolutionary. It is an entirely new way of doing business. On the other hand, private enterprise will be amused, because the provision permits the Defense Department to manage its real property resources much like the private sector does to optimize cost effectiveness.

I urge my colleagues to support this amendment.

EXHIBIT 1.—DEFENSE FACILITIES REPLACEMENT FUND

[Hypothetical transaction summary]

Transaction No.	Gross proceeds	Cost of—		Net proceeds	Fund balance
		Sale or exchange	Replacement land and facilities		
1	[1] $10,000,000	$1,000,000	0	$9,000,000	$450,000
2	3,000,000	300,000	$1,000,000	1,700,000	985,000
Total end fiscal year	500,000,000	50,000,000	100,000,000	350,000,000	17,500,000
Start fiscal year	500,000,000	50,000,000	100,000,000	350,000,000	[2] 17,500,000
201	5,000,000	500,000	0	4,500,000	22,000,000
Total end fiscal year	1,000,000,000	100,000,000	250,000,000	650,000,000	317,500,000
Start fiscal year	1,000,000,000	100,000,000	250,000,000	650,000,000	32,500,000

[1] All figures notional.
[2] Figure is 5 percent of the net proceeds up to a maximum of $50,000,000 or any lesser amount determined by the Secretary of Defense to be sufficient.

Mr. HART. Mr. President, will the Senator from South Carolina yield for a question?

Mr. THURMOND. I am pleased to yield.

Mr. HART. I wonder whether the distinguished floor manager of the bill can inform the Senator from Colorado, in round numbers, approximately how much money a year has come into the Treasury from the sale of excess Defense Department property.

Mr. THURMOND. We are not informed as to the exact amount. It is not very much. The GSA now handles the disposal of excess property.

Mr. HART. But neither the Senate nor the committee staff has any estimate of what we are talking about per fiscal year, in round numbers—whether it is $100,000 or $100 million? We do not know how much property is being excessed?

Mr. THURMOND. We can obtain that information for the Senator.

Mr. HART. I wonder whether the Senator from South Carolina can inform the Senator from Colorado where the money now goes, under the law, from excess property sold by the Defense Department.

Mr. THURMOND. The GSA now handles it. If they get any profit, it goes into the water conservation fund.

Mr. HART. But, again, the Senator and the staff are not aware about how much that has been running—the excess, that is?

Mr. THURMOND. The GSA handles it for all the Federal agencies. We do not know the particular amount.

Mr. HART. So it is mingled.

Mr. President, on behalf of the minority, I will not object to the amendment.

The Senator from Colorado has certain lingering reservations in terms of what precedent is being established here, and I am not quite clear what the implications of this step are for other Government excess property sales. This might or might not be a good idea for other agencies in addition to the Defense Department.

The support that the Senator from Colorado gives to the amendment at this time is conditioned on reserving certain rights to object to this being taken as a precedent for other similar actions by other agencies.

With that reservation, Mr. President, I will not oppose the amendment.

Mr. THURMOND. Mr. President, I thank the able Senator from Colorado. I might say that this will be an item in conference, too, and it can be discussed fully at that time.

The PRESIDING OFFICER. Is all time on the amendment yielded back?

Mr. THURMOND. I yield back the remainder of my time.

Mr. HART. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 1053) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I understand that Senator EXON has an amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COHEN). Without objection, it is so ordered.

Mr. PERCY. Mr. President, the amendment Senator THURMOND is proposing will make several important changes to help bring more business-like discipline and fiscal responsibility to the way the Federal Government—in this case one of its biggest landlords, the Department of Defense—manages its real property assets.

I wish to pay tribute to Senator TOWER for providing an amendment which will offer an incentive for the Department of Defense to take action, sell off properties that are unneeded and unnecessary to have some payback to the Department for relocation purposes, which they never had before, but then will provide for the bulk of the funds to go to reduce the national debt.

I have just talked to the chairman of the board of International Harvester, a company which has been in deep financial trouble. They have a major liquidation program to sell off assets to get cash for those assets to help them with their condition.

We are in that kind of condition. We are short of cash, we are hard pressed, we are in the money market, we are driving up interest costs out there. Why do we not go out and sell some of this property we have no need for, that we have had no incentive with the Department of Defense or any other Department to sell these properties?

The Tower amendment will provide that incentive and will also provide, I think, a sense of momentum toward what we very much need indeed, and that is to reassess, and I commend the President for the reassessment now being made throughout the Federal Government. What does the Government own in the way of properties it does not need? We are not talking about national parks, national forests, national treasuries, anything of that type. These are just properties unneeded and unnecessary. We ought to take a look at our attic and have a garage sale. That is what an ordinary business has to do, and we have to run the Government that way. There are literally hundreds of millions of dollars, billions of dollars that would help finance our programs.

It will overcome all existing statutory obstacles to selling unneeded Defense Department properties. It will permit the President, or his designee, to sell or exchange any real property under the jurisdiction of the military, except public domain lands, and to direct most of the sale proceeds to the reduction of our trillion-dollar-plus national debt.

The amendment will allow the Defense Department to recoup the costs of relocating facilities it plans to sell, as long as the Government receives a net profit on the transaction. After relocation costs are met, 95 percent of the proceeds from the sale will go to a special fund in the Treasury to be used solely for the reduction of the national debt. The remaining 5 percent will be set aside to capitalize future relocation costs in the Defense Department. These provisions will encourage the Defense Department to part with properties they do not need to own, or could locate more economically elsewhere, while providing funds for the reduction of the national debt. In short, this amendment will encourage the most efficient use of real property assets by the Defense Department, while reducing the national debt.

In addition, it will raise the threshold for congressional approval of real property sales from $1,000 to $100,000.

This amendment will expedite the appropriation of land sales proceeds to the Treasury for national debt reduction. These cash proceeds will go directly to the Treasury fund unless the Defense Department, under the direction of the Secretary and in concurrence with strict OMB guidelines, can justify using them for relocation under subsection "(3)(A)" of the amendment.

I am, and always have been, a strong supporter of the land and water conservation fund, and I want to emphasize that this amendment will not have any adverse affect on this fund. It will not reduce the level of funding for the fund by 1 cent. By law, the land and water conservation fund must receive $900 million each fiscal year from any combination of sources: Off-shore drilling leases, motorboat fuel taxes, and surplus property sales. In the past, surplus property sales have provided only about 5 percent of the fund's appropriations. With these proceeds redirected to a national debt reduction fund, other sources will make up for the loss.

I fully expect that the net effect of the entire Federal program on asset management and liquidation will be to create more parkland than would ever result if agencies continued hanging onto properties they do not need. It is certainly my intent to work to achieve this result. If this program is as successful as I think it can be, we will see a number of surplus properties offered at affordable prices to State and local governments. While my amendment calls for fair-market-value-only prices when Defense Department properties are sold, any reasonable definition of fair market value must take into account the eventual use of the property, zoning restrictions, and other factors which might affect the true value of the property. After all, fair market value for parkland and fair market value for commercial development are two very different things. I would also like to see this program complemented by a reasonable level of spending from the land and water conservation fund, to enable the purchase of privately held properties that are particularly well-suited to park and recreation purposes.

I would like to congratulate Senators TOWER and THURMOND for their tremendous support and assistance in sponsoring this amendment. I hope to work with them in the future toward our mutual goals of better management of Federal property assets and a reduced national debt.

Mr. THURMOND. Mr. President, I wish to commend the able Senator from Illinois for his statement and for the fine leadership and cooperation he has given from his position on the Committee on Governmental Affairs on this matter.

Mr. PERCY. I thank the Senator.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. THURMOND. Mr. President, we are ready now for another amendment. I believe the distinguished Senator from Rhode Island (Mr. PELL) has another amendment he wishes to bring up.

UP AMENDMENT NO. 1054

(Purpose: To prohibit the use of authorized funds for the construction of any facility in Honduras.)

Mr. PELL. I thank the Senator very much indeed.

I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL) for himself and Mr. RANDOLPH proposes an unprinted amendment numbered 1054.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

CONSTRUCTION IN HONDURAS AND ANY OTHER COUNTRY IN THE CENTRAL AMERICAN AND CARIBBEAN REGION

SEC. . None of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended to improve, expand, extend, acquire, construct, convert, rehabilitate, or install any permanent or temporary airfield or airbase, including any facility in connection with an airfield or airbase, in Honduras or any other country in the Central American and Caribbean region. For purposes of this section the term "Central American and Caribbean region" shall include the following countries:

Anguilla	Nicaragua
Antigua and Barbuda	Panama
Bahamas, The	Saint Lucia
Barbados	Saint Vincent and the Grenadines
Belize	Surinam
Colombia	Trinidad and Tobago
Costa Rica	Cayman Islands
Cuba	Montserrat
Dominica	Netherlands Antilles
Dominican Republic	Saint Christopher-Nevis
El Salvador	Turks and Caicos Islands
Grenada	Venezuela
Guatemala	Virgin Islands, British
Guyana	
Haiti	
Honduras	
Jamaica	

Mr. PELL. Mr. President, this amendment to the military construction bill would prohibit the use of any funds for airfield improvement in Honduras or in any other Central American and Caribbean country. This measure is directed at that portion of the bill which provides a $21 million item for such construction in Honduras. The administration concluded secret negotiations with the Government of Honduras and on May 6 initialed an agreement as an annex to the bilateral military assistance program of May 20, 1954. The agreement which would permit the United States to use the improved and extended runways was designed I believe so that the United States could gain access for U.S. tactical aircraft, and I would assume personnel, to the Central American and Caribbean region.

This project has grave foreign policy implications, not the least of which is the potential for involving the United States even more deeply into the turmoil in Central America. In the present context of the administration's hardline rhetoric and discussion of U.S. options, such a move sends a signal to the world, and especially to those in Central America and the Caribbean that the United States is indeed preparing for deeper involvement, including direct military intervention.

It will also serve to exacerbate the already fragile relationship that exists between the United States and Nicaragua. Nicaragua already perceives a very real military threat from the United States. I can vouch for this as I was there a few months ago and they expressed this fear to me. The almost daily incursions of anti-Sandinista former Somoza national guardsmen into Nicaragua from their sanctuaries in Honduras is seen by the Nicaraguans as part of U.S. covert operations against their Government. According to press reports, the Honduran military is openly cooperating with these anti-Sandinista forces providing them with training and ammunition and even protecting them when they return to Honduran sanctuary fleeing Nicaraguan troops. It is interesting to note that the Honduran military reportedly welcomes the airfield improvement project and has made it known that it would welcome American combat forces into Honduras in an emergency.

These events bring into question U.S. desire and sincerity about conducting negotiations with the Nicaraguans. In fact, it leads to the opposite conclusion that the United States, by working closely with the Honduran military, by providing, according to news accounts, covert support to anti-Sandinista counterrevolutionaries, and now by preparing Honduran airbases to land military aircraft, could provoke the Nicaraguans into moves against Honduras.

This could conveniently provide the rationale for the use of U.S. forces in Honduras and expand the U.S. military role in the volatile Central American region.

Rather than concentrate our efforts on improving airfields in Honduras or in other countries of the region, the administration should be totally and sincerely dedicated to working out peaceful solutions to the issues which face us in this region.

Another area of concern that I am sure my colleagues will share with me is the $21 million cost of this questionable project. At a time of such severe economic problems in this country when we are continually rebuffed in our efforts to obtain financing for important public works projects in our respective States, our Government is asking us to finance a public works project in Honduras.

Mr. President, the foreign policy implications of this project in Honduras is abundantly clear. Yet, these issues were not raised in the Congress consideration of the military construction bill. The committees in both the House and Senate with responsibility for military construction very correctly concentrated on the feasibility and costs of the various projects in the bill. Moreover, little was known of the Honduran project because the agreement was being negotiated in secret during the various committees consideration of the overall bill.

This project should be reviewed in the context of our overall policy toward Central America and the Caribbean by the Senate Foreign Relations Committee because of all its implications.

For this reason I ask that my colleagues support this amendment.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I have great respect for my distinguished colleague, the ranking member of the Foreign Relations Committee. He served as a distinguished official in the State Department—the only member of the Foreign Service to be a Senator—and we agree on many, many things. But I would like to point out to my colleagues the rather sweeping nature of this amendment. The amendment—and I would like to read just a section from it—prohibits the Department of Defense from obligating or expending "to improve, expand, extend, acquire, construct, convert, rehabilitate, or install any permanent or temporary airfield or airbase, including any facility in connection with an airfield or airbase, in Honduras or any other country in the Central American and Caribbean region."

Then the amendment lists roughly 31 countries in which we would be prohibited from carrying on those actions.

Mr. President, the history of this is that the country of Honduras, with whom we have a very friendly relationship, has become deeply concerned about the unprecedented military buildup, including the airfield preparation to receive Mig aircraft in Nicaragua. But they are also worried about the increased number of incidents along their border with Nicaragua. We have worked with the government of Honduras at their request, our Ambassador has met with them, given careful consideration to the threat that they perceive to their understandable rights and sovereign rights. And we have been in negotiation with them to see what can be done in cooperation with them to help strengthen their own ability to protect themselves.

This does not involve any U.S. troops, any American forces whatsoever. It is the same thing that we have done with a number of other countries in areas of deep concern to us thousands of miles from here. Here we are dealing in our own hemisphere now with a country that feels it has a threat. We concur that they have a threat.

There is not any question but this was done with the Department of Defense, Department of State, and the Office of the President's full support and backing. They have proposed to spend funds on airfield improvement in Honduras. The administration has negotiated and signed an agreement with the Government of Honduras which, together with the airfield improvements, permit the United States the use of these airfields for the broad purpose of mutual defense and cooperation as set forth in our early agree-

ments with Honduras. That is the military assistance agreement of May 20, 1954, and the agreement on flights of military aircraft of April 2, 1952.

Use of the airfields under normal circumstances such as routine transit and search and rescue operations require simple notification of the Honduras Government. Any other use would require the approval of the Honduras Government and we have no plans to station U.S. forces under this agreement, according to a letter which Senator TOWER has received from Powell Moore.

So on behalf of myself, I oppose this amendment and would urge our colleagues to oppose it.

Mr. President, I ask unanimous consent that a letter from Powell Moore, Assistant Secretary for Congressional Relations for the Department of State to the Honorable JOHN TOWER, chairman of the Armed Services Committee, dated June 2, and another letter dated June 30, from Fred C. Ikle, Under Secretary of Defense, to Senator STROM THURMOND, the President pro tem of the Senate, also reiterating the same objections and concerns, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., June 2, 1982.

Hon. JOHN TOWER,
Chairman, Armed Service Committee, U.S. Senate.

DEAR MR. CHAIRMAN: As you are aware, the Department of Defense has included in its fiscal year 1983 budget a request for $21 million in military construction funds for the Western Caribbean. We propose to spend these funds on airfield improvements in Honduras. In this regard, we have negotiated and signed an agreement with the Government of Honduras which would, together with the airfield improvements, permit us the use of these airfields for the broad purposes of mutual defense cooperation set forth in our earlier agreements with Honduras, the Military Assistance Agreement of May 20, 1954, and the Agreement on Flights of Military Aircraft of April 2, 1952. Use of the airfields "under normal circumstances," such as routine transit and search and rescue operations, requires simple notification of the Honduran Government. Any other use would require the approval of the Honduran Government. We have no plans to station U.S. forces under this agreement.

While the amount involved is relatively modest, I cannot overemphasize the importance of funding the proposed airfield improvements for our security interests in Central America. The newly elected democratic government of Honduras is deeply worried about incidents on the Nicaraguan border and by Nicaragua's arms buildup, which exceeds any defensive requirements. Our essential aim is to demonstrate to the Hondurans that we remain interested in the security of our friends in the area. By reassuring our friends, this initiative will therefore contribute to the security and stability of Central America. I trust that you will be able to give it your full support.

Sincerely,

POWELL A. MOORE,
Assistant Secretary for Congressional Relations.

THE UNDER SECRETARY OF DEFENSE,
Washington, D.C., June 30, 1982.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: The fiscal year 1983 military construction authorization bill for which you are floor manager contains $21 million for airfield improvements in the Western Caribbean. We intend to use the funds to improve two airfields in Honduras and have negotiated an access agreement (attached) with the Honduran government.

The access agreement permits use of the fields for transit and search and rescue operations with at least 24 hours advance notification. Longer term deployment to meet a security threat to Honduras or U.S. interests requires joint approval by both governments.

The agreement along with the proposed airfield improvements, gives us the capability to act positively in response to a wide range of contingencies, from disaster relief to a military emergency.

The Honduran government is deeply concerned about the unprecedented military buildup, including the airfield preparations to receive MIG aircraft, in Nicaragua. They are also worried about the increasing number of incidents along their border with Nicaragua.

This airfield improvement project can send a clear signal to our friends in the area. If they commit themselves to freedom, as Honduras has, we will support their efforts to defend themselves in a tangible way while they build the institutions necessary to insure social, economic and political progress.

This program, at $21 million, is relatively small, but it will have a major impact in a region that is becoming more important to us as events unfold. Your support of this program is deeply appreciated.

Sincerely,

FRED C. IKLE.

EMBASSY OF THE UNITED STATES OF AMERICA,
Tegucigalpa, D.C., May 6, 1982.

His Excellency, EDGARDO PAZ BARNICA,
Minister of Foreign Relations of the Republic of Honduras, Tegucigalpa, D.C.

EXCELLENCY: I have the honor to refer to the recent conversations between representatives of our Governments concerning the use and improvement of certain facilities in Honduras. As a result of those discussions, I have the honor to propose to Your Excellency that the attached text constitute an Annex to the Bilateral Military Assistance Agreement between the Government of Honduras and the Government of the United States of America, which was signed on May 20, 1954, to enter into force on the date of your reply concurring therein.

Accept, Excellency, the renewed assurances of my highest consideration,

JOHN D. NEGROPONTE.

ANNEX TO THE BILATERAL MILITARY ASSISTANCE AGREEMENT BETWEEN THE GOVERNMENT OF HONDURAS AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA DATED MAY 20, 1954

1. To further the purposes and objectives of the Bilateral Military Assistance Agreement between the Government of the United States of America and the Government of Honduras, concluded on May 20, 1954, and under the terms and conditions specified herein:

A. To the extent agreed between the Governments of the United States of America and Honduras, the United States will undertake a program for the improvement of existing facilities at the Honduran aerial ports of Palmerola, Goloson, and La Mesa, and at such other aerial ports as the two Governments may subsequently agree; as well as the construction of new facilities and installation of equipment as may be necessary for their use;

B. Aircraft operated by or for the Government of the United States of America may make use of the aforesaid aerial ports and facilities and of other aerial ports that the two Governments may subsequently agree upon.

2. Under normal circumstances, the use by the Government of the United States of America of the aerial ports referred to in paragraph 1 above shall be in accordance with paragraphs 1, 2 and 7 of the agreement of April 2, 1952 between the Government of Honduras and the Government of the United States of America on flights of military aircraft. In other circumstances, the use of those aerial ports shall be a matter for the joint decision of the two Governments.

3. United States authorities will notify Honduran authorities at least twenty-four (24) hours in advance of anticipated arrivals of aircraft covered by this Annex, except in cases of urgent need as agreed by both Governments. Such aircraft, as is customary under international law and practice, will be exempt from landing fees, navigation charges and similar charges.

4. The Government of Honduras authorizes the Government of the United States of America to make use of the facilities at the aerial ports referred to in paragraph 1 above for the fueling or refueling of aircraft, maintenance of aircraft and equipment, accommodation of personnel, communications, supply, storage and other such activities. The Government of the United States of America shall bear the cost of supplies and services which it requests and receives from Honduran sources.

5. For the improvement or construction of facilities pursuant to this Annex, and for the installation and maintenance of equipment, the Government of the United States of America may, under applicable United States laws, regulations, and procedures, utilize its own personnel or contractors of its choice, with maximum possible use being made of qualified Honduran contractors and personnel.

6. Under the Agreement of May 20, 1954, the Government of Honduras will facilitate the entry into, movement within and exit from Honduras of United States personnel in connection with the provisions of this Annex. Such personnel will be obligated to respect the laws of Honduras and to abstain from undertaking activities inconsistent with the aforesaid Agreement. Their treatment, privileges and immunities will be in accordance with that Agreement and applicable Honduran immigration law.

7. The authorities of the Government of the United States of America will pay just and reasonable compensation in settlement of meritorious claims arising out of acts or omissions of members and civilian employees of United States Armed Forces done in the performance of official duty or out of

any act, omission or occurrence for which the United States is legally responsible. The Government of the United States of America may also at its discretion settle meritorious claims not arising from the performance of official duty and for which it is not otherwise legally responsible, but in the absence of such settlement the injured party may seek recovery of his damages from the responsible member or employees in Honduran courts. All claims processed by the authorities of the Government of the United States of America will be settled expeditiously and in accordance with United States law.

8. The Government of Honduras shall have the first option to acquire any equipment, materials, supplies, relocatable structures, or other movable property imported into or procured within Honduras under this Annex which the Government of the United States of America may decide to dispose of within Honduras.

9. The competent authorities of the two Governments shall conclude such arrangements as may be required to implement this Annex. The two Governments shall issue instructions to their appropriate authorities to ensure that the obligations stated in this Annex and arrangements agreed thereunder are fully implemented.

Mr. PERCY. They would certainly oppose any such amendment because this has been carefully negotiated, it is done in our mutual defense, and it would be a gesture to a friendly nation that wishes to adequately defend itself and hold up its end of the common defense in the region.

Mr. PELL. Will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. PELL. As I understand the Senator—and I have great respect for my chairman, friend, and colleague—he feels that this amendment is much too sweeping. Am I correct in that assumption?

Mr. PERCY. Well, I not only feel it is too sweeping, but I also feel even if it were limited just to Honduras it would undo an agreement we have already made with the Government of Honduras and I think evidence poor faith in dealing with them and undercut the executive branch of Government in doing something for which I think they have had a perfectly good reason for doing and which I strongly support.

But as I understand the amendment, if I read it correctly, it does not just apply to Honduras, though that is the country that is singled out, it does apply to 31 countries in the Central and Caribbean region.

Mr. PELL. I think that the Senator's first point about its wide sweeping nature is very well taken. Since I have not as yet asked for the yeas and nays on this amendment, I ask unanimous consent, Mr. President, that I be permitted to modify my amendment and put a period following the word "Honduras" on the sixth line of the first section of this amendment, which would then mean that it would be limited exclusively to Honduras. Is the amendment so modified?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. THURMOND. We have no objection to modifying the amendment.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, UP No. 1054, as modified, is as follows:

At the appropriate place in the bill insert the following:

CONSTRUCTION IN HONDURAS AND ANY OTHER COUNTRY IN THE CENTRAL AMERICAN AND CARIBBEAN REGION

SEC. . None of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended to improve, expand, extend, acquire, construct, convert, rehabilitate, or install any permanent or temporary airfield or airbase, including any facility in connection with an airfield or airbase, in Honduras.

Mr. THURMOND. I rise in strong opposition to this amendment which proposes to strike $21 million from this bill which is to be used to upgrade airfield facilities at two locations in Honduras.

Until President Reagan was elected, this Nation had virtually ignored the other nations in this hemisphere for more than a decade. We had no foreign policy when it came to Central America. With a treaty that was badly flawed, we abandoned our security interests in Panama and "gave away" the Panama Canal which threatens to become an economic millstone around Panama's neck. We watched as the Soviets and their Cuban surrogates sponsored a Communist takeover in Nicaragua.

Now we have an administration that is trying to restore America's image in this hemisphere and at the same time to protect our national security interests in the region. Honduras is the one bright spot in Central America. They have a strong democratic government that is the product of free elections. They are allies of the United States. In an effort to further promote the friendly relations between our two countries, negotiations were begun on March 26, 1982, leading toward an agreement wherein the United States would upgrade the runway facilities at two airfields in Honduras and in return, the Government of Honduras would grant the United States reasonable access to these facilities in accordance with established procedures. These negotiations were concluded in April and the agreement was signed by both nations on May 7, 1982.

I ask unanimous consent that a copy of that agreement be placed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, let me explain what the United States proposes to do in Honduras and why. Two existing airfields—one, on the northern coast near La Ceiba and one near the capital at Comayagua—would be upgraded. The work would consist of runway extensions, taxiway construction, parking area expansion, and fuel tank installation. The objective is to be able to use these airfields for limited airlift or for up to a squadron of tactical fighter aircraft.

There will be no U.S. forces stationed in Honduras at these airfields and there are no plans to go beyond these austere operational facilities that I have outlined. The facilities would be available to the United States—with appropriate prior consultation with the Government of Honduras—for missions such as search and rescue or natural disaster relief, as well as a range of possible military scenarios.

The threat in the region is clear. With the growing Soviet presence in Nicaragua, which now has the largest standing army in Central America and which is upgrading its airfields and training its personnel to receive Soviet Mig fighters, the United States must respond to maintain the regional balance of power. The only airfields in the region which will accommodate U.S. tactical aircraft are at Howard Air Force Base in Panama, over 500 miles away; Guantanamo Naval Base in Cuba, over 800 miles away; and Puerto Rico, which is 1,200 miles away. Twenty-one million dollars, the cost to upgrade these facilities in Honduras, seems to me to be quite a bargain to enable the United States to be able to support its allies in the region with adequate airlift and fighter aircraft.

I must point out the serious consequences that may occur if this funding is denied. Our Government has negotiated this agreement with the Government of Honduras in good faith. Honduras gets upgraded airfields which they can use for civil purposes, we get reasonable access to the airfields and help maintain the balance of power in the region. The Government of Honduras has supported and encouraged U.S. involvement in the region at a time when many Central American countries are questioning the reliability of the United States as an ally. If we deny this $21 million, and thereby fail to carry through on our part of this country-to-country agreement, we may do irreparable damage to our relations with the entire region. On the other hand, if we go forward with this project, it will be "concrete" evidence that the United States is serious in its commitment to defend the cause of freedom in the region.

The President of Honduras, the Honorable Roberto Suazo, will visit the United States during the period of July 14-16. President Suazo's elected government was inaugurated earlier this year. The new government is com-

mitted to democratic reform and the advancement of individual rights. I hope that the Senate will soundly defeat this amendment as a clear message to President Suazo and all nations of this hemisphere that the United States is a reliable ally and can be counted on to support the cause of free men anywhere in the world.

Mr. President, I hope the Senate will see fit to defeat this amendment. It is a very dangerous amendment. It is contrary to the agreement we have with that country. It is my sincere hope that we can act forthwith on it.

EXHIBIT 1

EMBASSY OF THE
UNITED STATES OF AMERICA,
Tegucigalpa, D.C., May 6, 1982.

His Excellency EDGARDO PAZ BARNICA,
Minister of Foreign Relations of the Republic of Honduras, Tegucigalpa, D.C.

EXCELLENCY: I have the honor to refer to the recent conversations between representatives of our Governments concerning the use and improvement of certain facilities in Honduras. As a result of those discussions, I have the honor to propose to Your Excellency that the attached text constitute an Annex to the Bilateral Military Assistance Agreement of the United States of America, which was signed on May 20, 1954, to enter into force on the date of your reply concurring therein.

Accept, Excellency, the renewed assurances of my highest consideration.

JOHN D. NEGROPORTO.

Enclosure: Annex to the Bilateral Military Assistance Agreement.

ANNEX TO THE BILATERAL MILITARY ASSISTANCE AGREEMENT BETWEEN THE GOVERNMENT OF HONDURAS AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA DATED MAY 20, 1954

1. To further the purposes and objectives of the Bilateral Military Assistance Agreement between the Government of the United States of America and the Government of Honduras, concluded on May 20, 1954, and under the terms and conditions specified herein:

A. To the extent agreed between the Governments of the United States of America and Honduras, the United States will undertake a program for the improvement of existing facilities at the Honduran aerial ports of Palmerola, Goloson, and La Mesa, and at such other aerial ports as the two Governments may subsequently agree; as well as the construction of new facilities and installation of equipment as may be necessary for their use;

B. Aircraft operated by or for the Government of the United States of America may make use of the aforesaid aerial ports that the two Governments may subsequently agree upon.

2. Under normal circumstances, the use by the Government of the United States of America of the aerial ports referred to in paragraph 1 above shall be in accordance with paragraphs 1, 2 and 7 of the agreement of April 2, 1952 between the Government of Honduras and the Government of the United States of America on flights of military aircraft. In other circumstances, the use of those aerial ports shall be a matter for the joint decision of the two Governments.

3. United States authorities will notify Honduran authorities at least twenty-four (24) hours in advance of anticipated arrivals of aircraft covered by this Annex, except in cases of urgent need as agreed by both Governments. Such aircraft, as is customary under international law and practice, will be exempt from landing fees, navigation charges and similar charges.

4. The Government of Honduras authorizes the Government of the United States of America to make use of the facilities at the aerial ports referred to in paragraph 1 above for the fueling or refueling of aircraft, maintenance of aircraft and equipment, accommodation of personnel, communications, supply, storage and other such activities. The Government of the United States of America shall bear the cost of supplies and services which it requests and receives from Honduran sources.

5. For the improvement or construction of facilities pursuant to this Annex, and for the installation and maintenance of equipment, the Government of the United States of America may, under applicable United States laws, regulations, and procedures, utilize its own personnel or contractors of its choice, with maximum possible use being made of qualified Honduran contractors and personnel.

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7. The authorities of the Government of the United States of America will pay just and reasonable compensation in settlement of meritorious claims arising out of acts or omissions of members and civilian employees of United States Armed Forces done in the performance of official duty or out of any act, omission or occurrence for which the United States is legally responsible. The Government of the United States of America may also at its discretion settle meritorious claims not arising from the performance of official duty and for which it is not otherwise legally responsible, but in the absence of such settlement the injured party may seek recovery of his damages from the responsible member or employees in Honduran courts. All claims processed by the authorities of the Government of the United States of America will be settled expeditiously and in accordance with United States law.

8. The Government of Honduras shall have the first option to acquire any equipment, materials, supplies, relocatable structures, or other movable property imported into or procured within Honduras under this Annex which the Government of the United States of America may decide to dispose of within Honduras.

9. The competent authorities of the two Governments shall conclude such arrangements as may be required to implement this Annex. The Two Governments shall issue instructions to their appropriate authorities to ensure that the obligations stated in this Annex and arrangements agreed thereunder are fully implemented.

Mr. THURMOND. Mr. President, I yield such time as the Senator from Texas, the chairman of the Armed Services Committee, may require.

Mr. TOWER. I thank my colleague. I will be brief.

Mr. President, the forces in Nicaragua currently number 20,000 to 25,000. With reservists and militia in excess of 50,000, there are some 75,000 Nicaraguans under arms.

In contrast, Honduras with a larger population than Nicaragua, has armed forces totaling 11,500, while Guatemala, the largest country in Central America, and with nearly three times the population of Nicaragua, has a smaller military establishment.

Against this backdrop, Honduras, which shares a long and vulnerable border with Nicaragua, just completed a transition from military rule to a democratically elected civilian government.

It occurs to me that people would feel a sense of outrage if we fail to provide a little money for airfields for Honduras on the grounds that it might be provocative to Nicaragua, which has a military force many times their size.

This does not enhance the size of the military force in Honduras. It does give them an airfield capability, at a time when Nicaragua is arming far beyond its defensive requirements.

Let us remember that Honduras has transitioned to a democratic government. It occurs to me in 1939 many people thought that our failure to deliver up Czechoslovakia to Adolf Hitler would provoke him. Is it provocation to deny a friendly country some reasonable ability to defend itself, even to deny them an airfield that might by used both for economic and defensive purposes, on the grounds that it might provoke Nicaragua, which has already demonstrated aggressive tendencies?

If this is the kind of ally the United States is going to be we are going to be a totally unreliable ally and we might as well cede the control of this hemisphere outside the North American Continent to the Soviet Union and its surrogate, Cuba. We might as well send Castro a cable saying, "Come in. Take over. We are going to do nothing. If anyone objects that we provide some assistance with a struggling country in Latin America that is trying to achieve democracy, that is trying to achieve economic growth, trying to achieve peace and stability, we will proffer no assistance to them or offer none to them because we do not want to be involved."

I cannot think of anything that would have a more devastating impact on our influence in this hemisphere than to pass an amendment of this kind. I certainly hope the Senate will reject it, and will reject it by a sizable majority so that the sentiment of this body is unmistakable.

Mr. THURMOND. Mr. President, would the able Senator from Rhode Island consider withdrawing his amendment in view of the agreement we have with Honduras and in view of

the strong attitude of many as to the importance of this matter, not only the Defense Department but also the State Department. I would hope he might consider withdrawing his amendment.

Mr. PELL. I would like to respond with a comment and a query.

First, the comment. This amendment should not be interpreted as an anti-Honduran amendment. It is a measure that reflects the people's concerns about the administration's policy in Central America. I too feel that we should show strong signs of support for the democratic process in Honduras after a long period of military rule, but would have hoped to show it in other ways. I look forward to explaining this to President Suazo Cordova when he comes to Washington next month.

In response to the Senator's thought about withdrawing it, I should be glad to withdraw it if I could receive assurance that before these airfields that are being improved are to be used by American military aircraft for military purposes, the Committee on Foreign Relations would be notified. If I could receive that assurance, I would be glad to withdraw it.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, I would think that any American use of these airfields would be subject to the War Powers Act in which, I think, the right of the Senate to be informed and the authority of the Congress in the matter are adequately protected.

I should like to think that if, for example, there were flood or famine or something of that sort in Honduras and we wanted to send some relief supplies down there in C-130 aircraft, we could do it without the President having to convene the Congress if it is out of session to get our permission or notify us in pursuit of a humane cause of that sort.

We do not impose that kind of restriction on airfields we build in many parts of the world, Mr. President.

Mr. PELL. Mr. President, I am obviously not talking about relief supplies or anything of that sort. I am talking about military purposes.

I yield at this time to my colleague from Nebraska (Mr. ZORINSKY).

Mr. THURMOND. Mr. President, I might call my colleagues' attention to a letter from the Under Secretary of Defense, Mr. Fred C. Ikle, in which he states—this is quoted from his letter:

> The access agreement permits use of the fields for transit and search and rescue operations with at least 24 hours' advance notification. Longer term deployment to meet a security threat to Honduras or United States interests requires joint approval of both governments.

I thought that might be satisfactory to the Senator.

Mr. President, I am quite sure the Armed Services Committee would be notified if the decision is made to take military action that he is concerned about.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. ZORINSKY. Mr. President, I support the amendment on Honduras offered by the distinguished senior Senator from Rhode Island (Mr. PELL) as ranking member of the Committee on Foreign Relations. I find his concerns about the $21 million project in Honduras extremely well founded and hope that all of our colleagues in this body become convinced of the serious implications of this project as expressed by Senator PELL.

The project for airfield improvement in Honduras is an unnecessary and expensive public works project overseas that has not had the proper public airing because of the secrecy that had to be maintained during the negotiations with Honduras. The foreign policy implication of the project are clearly not in the best interests of the United States.

There is much more than meets the eye on the project. It is not simply a project whereby the U.S. Government, in a spirit of humanitarianism, finances the improvement of three airfields for the sake of the Honduran economy. This is a project initiated by the Government of the United States to make these airfields capable of landing U.S. tactical aircraft.

As a substitute to that, I point out that in these hallowed Halls, many times, I have supported the construction of additional aircraft carriers. Aircraft carriers certainly are a factor in putting an air umbrella over Honduras if it need be without putting one dime into a Honduran runway.

It does not take too much imagination to envision, in the not too distant future, a scenario in which U.S. fighter aircraft and U.S. troops land to fight in the mountains and jungles of Central America.

For an issue that has such far-ranging implications, there has been virtually little public discussion. The House and Senate committees involved in military construction dealt with the project within their purview. Understandably, the foreign policy implication of such a project was not foremost in their minds. Because the negotiations between the Governments of the United States and Honduras were going on during the committees' consideration of the military construction bill, there was no opportunity for a public airing of the issue that our citizens deserve. The potential for deepening U.S. military involvement in Central America is too stark a reality not to have a wider discussion of the issue within the Congress.

I had been assured prior to the discussion of these airfields by members of the Air Force of our country that we are quite capable of reaching Nicaragura and all of Central America, through B-59's, through strategic aircraft tactical squadrons, and through many other means, including the super aircraft carriers which could lie offshore, which I previously mentioned.

The financial aspect of the project is no less important for the American public. As Senator PELL brought out, we are continually telling our people back home that there is no money for this or that necessary project in our respective States. Now I am faced with the prospect of telling the people of Nebraska that there is no Federal money for the many bridges that are in need of refurbishing and that there is no money for the North Omaha Freeway project, but there is enough for a $21 million public works project in Honduras.

Mr. President, I hope my colleagues will heed the concerns expressed by Senator PELL and myself and vote in favor of the amendment which would withhold funds for improvement of airfields in Honduras.

I also point out, Mr. President, due to the current events in the Middle East, that this type of money put into any airfield could be quickly wasted. I think it has been proven and demonstrably illustrated that it took 20 minutes to destroy an airfield capable of handling the type of planes we want to land in Honduras in Beirut, Lebanon. It takes only nine pockmarks in the middle of a runway. I say if we cannot provide the wherewithal to protect an airfield from destruction, I think it is a hollow claim to say we are going to provide protection by giving them a concrete runway which an enemy force could destroy very rapidly.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I yield such time as the Senator from Texas may require.

Mr. TOWER. Mr. President, the Senator from Nebraska has said that this area is within the range of the B-59, and I am at a loss to know what type of aircraft that is. I know of no such aircraft in our inventory in the first place.

In the second place, he suggests we should not build airfields because they can be destroyed by military action.

If that is true, we should not build airfields anywhere except perhaps in the continental United States where the only risk of destruction is from intercontinental weapons systems, which we might or might not be able to defend against.

I think it is a poor argument against building an airfield simply to point out that they can be militarily destroyed. I can think of nothing that would be more calculated to inhibit the use of airfields for public and military purposes than to suggest that we should not build them because they are militarily vulnerable. Everything is vulnerable in a military confrontation when an enemy is willing to use anything and pay the price to do it.

Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. I should like to say to my distinguished colleague from Texas that I appreciate the correction. Obviously, there is no B-59 that I am aware of either. I certainly meant B-52, which has demonstrated its ability to fly from the Pacific Ocean all the way into the Persian Gulf and return with inflight refueling.

When the Senator says we should not build for the sake of worrying about destruction, I did qualify the construction with an ability to defend the construction. I do not think many of us have to remember very far back—as a matter of fact, about 1½ years ago—to when 16 jet fighters of the National Guard were blown up on a runway in Puerto Rico. There was no war going on in Puerto Rico. That was about a $40 million cost to the American taxpayer.

So I say that if we cannot defend 16 of our jets on a runway in Puerto Rico and keep them from getting blown up, then I think we have a very poor opportunity to defend any runway in an area where hostilities take place.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, if no one else has anything else to say, I think we might have a rollcall.

Is the Senator ready? Does he yield back his time?

Mr. PELL. I am ready to yield back my time.

Mr. THURMOND. Mr. President, I just want to say a few words. Honduras is our friend. Honduras is here on this continent. Honduras will stand by us. I think that if we will provide protection for them, it will be to our advantage. It is in our national security interests to support this agreement.

I again remind my fellow Senators that not only does the Defense Department support this proposed construction strongly, the State Department approves of it as well. I just talked to the Ambassador from the OAS and he thinks it is vital. All of the Government departments concerned are in accord that this airfield construction should be done. I hope the Senate will disapprove the amendment of the able Senator from Rhode Island.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I have the greatest affection and regard for the senior Senator from Texas and the senior Senator from South Carolina, and also for the people that they mentioned as being in support of their position opposing this amendment.

On the other hand, I do not agree with them, and for that reason I ask that the yeas and nays be ordered on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, if all time is yielded back, I move that the amendment of the Senator from Rhode Island be tabled.

The PRESIDING OFFICER. The time has not yet been yielded back.

Mr. PELL. I yield back my time.

Mr. THURMOND. Mr. President, I yield back my time.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I move that the amendment of the Senator from Rhode Island be tabled.

The PRESIDING OFFICER. The question is on the motion to table the amendment of the Senator from Rhode Island.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the amendment was tabled because I had asked for a rollcall on the amendment.

The PRESIDING OFFICER. The question is on the motion to reconsider.

Mr. PELL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. TOWER. Mr. President, I ask unanimous consent that the voice vote on the motion to table be vitiated and that a rollcall vote occur on the motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Alabama (Mr. DENTON), the Senator from Arizona (Mr. GOLDWATER), and the Senator from California (Mr. HAYAKAWA) are necessarily absent.

I also announce that the Senator from Georgia (Mr. MATTINGLY) is absent due to illness.

I further announce that, if present and voting, the Senator from California (Mr. HAYAKAWA) and the Senator from Georgia (Mr. MATTINGLY) would each vote "yea".

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from Montana (Mr. MELCHER) are necessarily absent.

The PRESIDING OFFICER (Mr. CHAFEE). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 65, nays 29 as follows:

[Rollcall Vote No. 204 Leg.]

YEAS—65

Abdnor	Exon	McClure
Andrews	Garn	Moynihan
Armstrong	Glenn	Murkowski
Baker	Gorton	Nickles
Bentsen	Grassley	Nunn
Boren	Hatch	Packwood
Boschwitz	Hawkins	Percy
Brady	Heflin	Pressler
Bumpers	Heinz	Quayle
Byrd, Harry F., Jr.	Helms	Rudman
	Hollings	Schmitt
Chiles	Humphrey	Simpson
Cochran	Jackson	Specter
Cohen	Jepsen	Stafford
D'Amato	Johnston	Stennis
Danforth	Kassebaum	Stevens
DeConcini	Kasten	Symms
Dixon	Laxalt	Thurmond
Dole	Long	Tower
Domenici	Lugar	Wallop
Durenberger	Mathias	Warner
East	Matsunaga	Weicker

NAYS—29

Baucus	Hart	Proxmire
Biden	Hatfield	Pryor
Bradley	Huddleston	Randolph
Burdick	Inouye	Riegle
Byrd, Robert C.	Kennedy	Roth
Cannon	Leahy	Sarbanes
Chafee	Levin	Sasser
Dodd	Metzenbaum	Tsongas
Eagleton	Mitchell	Zorinsky
Ford	Pell	

NOT VOTING—6

Cranston	Goldwater	Mattingly
Denton	Hayakawa	Melcher

So the motion to lay on the table Mr. PELL's amendment (UP No. 1054, as modified) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, will the Senator from South Carolina yield to me?

The PRESIDING OFFICER. Will the Senator please withhold? We must have order in the Chamber. We cannot hear. Will Senators please desist in their conversations.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Texas.

The PRESIDING OFFICER. Let us give the Senator our attention, please. The Senator from Texas.

Mr. TOWER. Mr. President, I would just like to ask the distinguished Senator from South Carolina if it is not his intention to have a record vote on final passage of the military construction bill, and if that vote is not expected to occur very shortly? I think it would be helpful for Senators to understand that we probably will have a record vote in a very few minutes.

Mr. THURMOND. Mr. President, there is only one other amendment that I know about by the distinguished Senator from Nebraska (Mr. EXON) and we expect to accept that amendment. Then we are going to ask for a rollcall on final passage of the bill. So if Senators can remain here for 5 minutes I think we are ready to have the rollcall.

UP AMENDMENT NO. 1055

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. EXON) proposes an unprinted amendment numbered 1055: p. 14, line 2: Strike "$47,380,000" and insert in lieu thereof "$53,395,000".

Mr. EXON Mr. President, the amendment I am offering to this bill will restore funding for two of the athletic facilities which were requested by the Navy for the Island of Diego Garcia in the Indian ocean.

The military construction subcommittee chairman, Senator THURMOND, has already explained to the Senate that it was necessary to defer without prejudice those projects which were felt could be safely deferred without severely impacting readiness. This category of deferments included morale and welfare projects. This became necessary for budgetary purposes so that spending targets for the national security function of Government could be brought more in line with the ceilings set by the Senate's version of the first concurrent budget resolution. I support that action.

Nevertheless, I believe there is one location where an exemption to this policy should be made. That is Diego Garcia. This Island base is gaining increasing importance and use in support of our relatively new defense commitments to the Indian Ocean and Southwest Asian areas. It is the only base in that area which we can call our own. At last count, there were just over 2,000 military and civilian personnel stationed there full time. The number of transient personnel who spend limited amounts of time on the island fluctuates; however, at times that number can total an additional 2,000.

I have looked at the situation on Diego Garcia carefully and have discussed this matter with the new Chief of Naval Operations, Admiral Watkins, as well as other knowledgeable people. My conclusion is that the amount and type of recreational facilities there is clearly inadequate.

Mr. President, there are several reasons why I believe that Diego Garcia represents a special case worthy of special consideration. This island is a relatively small hunk of coral right smack in the middle of the Indian Ocean. It is barren with the absolute minimum of conveniences for a base of its increasing size and importance. There is no town there in which to go out on liberty or leave. In short, the only recreation available is that which the natural surroundings or our Government can provide for the people which the United States sends there to perform an essential mission.

Unfortunately, Mr. President, the current inadequate recreation and athletic options appear to be a contributing factor to a drug abuse problem on the island which all of us, I am sure, would like to alleviate. While the current Defense Department drug crackdown will help, we must also provide better alternatives to such behavior as a longer term and more beneficial cure. The Navy people we send to Diego Garcia stay there for 1 year without their families. I believe that we need to create a better environment for people who serve in such isolated outposts.

Mr. President, I am not proposing to restore all of the recreational facilities which the Navy requested for fiscal year 1983. After careful evaluation, and in an effort to hold down the cost of this amendment, I am proposing only two additions. These are funding for 13 outdoor volleyball, basketball, and tennis playing courts and certain additions to the existing gymnasium, including four indoor handball courts. The cost of these projects will be just over $6 million.

Mr. President, were it not for what I consider to be a truly pressing need which should not wait for the next fiscal year, I would not propose this amendment. However, I believe we owe our people who are stationed on Diego Garcia the type of recreational facilities embodied in this amendment because of the isolation of their duty post.

I am hopeful that the floor managers of the bill will agree to accept this amendment.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, we have considered this amendment. We have studied it carefully. We think it is worthwhile, and we are willing to accept it.

The PRESIDING OFFICER. Do both Senators yield back their time?

Mr. EXON. I yield back my time.

Mr. THURMOND. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Nebraska (Mr. EXON).

The amendment (UP No. 1055) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I would like to announce that the distinguished Senator from Alabama (Mr. DENTON) is unavoidably detained at the Bethesda Naval Hospital. He wanted the record to show that he would have voted against the Pell amendment and would have voted for final passage of this bill if he had been here.

Mr. MITCHELL. Mr. President, I rise in support of S. 2586, the fiscal year 1983 military construction authorization bill which provides authority for several important projects in the State of Maine.

The bill provides spending authority for projects at the Portsmouth Naval Shipyard in Kittery, Loring Air Force Base in Limestone, and the new Over-the-Horizon Backscatter support complex in Bangor.

One project, authorized at $2.2 million, is included for the Naval Shipyard in Kittery. The funds will permit the modernization of the yard's electrical electronic shop. Once completed, the modernized shop will have the capacity to conduct antenna assembly tests. In addition, the area in which gyros and motor testing takes place will be enlarged, and the shop will be given a greater load capacity so that it can be better utilized to test submarine generator sets.

At Loring Air Force Base, Maine's Strategic Air Command installation in Limestone, three major military construction program projects are authorized by S. 2586. All three of these projects will help Loring regain some of the ground it lost while the Air Force was planning to mothball the facility several years ago.

Since the mothball plan for Loring was discarded in October of 1979, the Maine delegation has worked very hard to insure that Loring's physical

plant is brought back up to the high standard which it knew previously. The fiscal year 1983 authorization bill must be considered as part of this continuing effort to upgrade Loring. Contained in the bill is authority for $33 million which will be used to convert oil-fired burners to coal; $1.2 million to continue Loring's energy conservation investment program; and $3.5 million for the construction of an advanced waste treatment facility.

The last major Maine feature contained in this bill concerns the Bangor support complex planned for the Over-the-Horizon Backscatter Radar System. Although the administration had earlier hoped that Congress would see fit to authorize some $7.2 million for OTH-B, the Armed Services Committee and Air Force officials subsequently agreed that the design had not progressed to the point where construction could occur in fiscal year 1983. Accordingly, the committee has seen fit to authorize the funds required to procure only the necessary land ($1,200,000) and to defer without prejudice the construction portion of the request until next year.

Mr. President, Maine has always been proud of its ability to participate in the continuing national defense effort. To do this effectively, our Government must continue to upgrade and replace the buildings in which our civilian and military defense personnel labor and live.

This measure, S. 2586, enables this necessary process of rehabilitation and replacement to continue. Though it does not provide all of the construction work which we might have desired, it does authorize several extremely important projects which must be undertaken this coming year if Maine's installations are to effectively perform their assigned tasks. I urge my colleagues to support the bill.

Mr. DECONCINI. Mr. President, there is no easy aspect to budget cutting, yet it is always tempting to choose the easiest possible way to save money, even when that way may not be the best way. It is my deep concern that my distinguished colleagues on the Armed Services Committee may in fact have chosen the easiest way to accomplish their goal of reducing the fiscal year 1983 budget request of $7.8 billion for military construction by $1.4 billion at the expense of the most important factor in our ability to be militarily strong and prepared—the men and women who make up our Armed Forces.

By deferring without prejudice $897 million in so-called "nice-to-have" projects, new family housing construction, and construction to make nonenergy related improvements in family housing, we are, in essence, slicing the pay of the military personnel and their families who live on base. The administration continues to support the concept of a volunteer army, as do I, but this deferral does not support this concept. It harms the Armed Forces' ability to attract new personnel and it makes military personnel and their families less and less willing to continue their life in the Armed Forces.

Mr. President, last year, with limited success, I proposed an amendmnt to the fiscal year 1982 military construction bill which would have earmarked funds for improvements in family housing at Yuma Proving Ground in Arizona. I am happy to say that, according to information I have received, the loyal and dedicated Army personnel at Yuma will, indeed, be receiving desperately needed refurbishment of their air-conditioning systems due to committee and Defense Department action. For this, I am very grateful.

But air-conditioning is not enough. What about the kitchens at Yuma which have not received remodeling or improved equipment since the construction of the housing unit? What about the units which need additional bedrooms and the units which need their bathrooms refurbished and the need for safety fencing?

I know these needs are not limited to Yuma—indeed, the Army's priority list indicates there are several facilities which have greater need than Yuma. Yet this bill makes no provisions for these types of improvements at any Army facility. The deferral gives the impression of equitability because no exceptions, no add-ons were granted, yet the fact of the matter is that the sacrifices of funds for improvements, new family housing, and so-called nice-to-haves strikes at the heart of military families all over this Nation. Do these families, who are the strength of our Armed Forces, not deserve something? Quite frankly, are we not shoving an unfair share of our need to reduce the budget on to their already burdened shoulders?

Mr. President, I had contemplated introducing an amendment here today to try to rectify this inequity. However, I was faced with the choice of either proposing funding just for Arizona projects that I know are needy or proposing that the full amount that was cut from the bill for Army family housing be restored. One amendment does too little, the other too much. Neither takes into account similarly harmful cuts made by the committee in the other branches of our Armed Forces and neither takes into account the harm of such cuts as the deletion of funding for construction of a new logistics complex at Williams Air Force Base in Arizona. This is the second consecutive year that funding for this complex, which would replace 11 widely separated, World War II wooden buildings, has been deferred without prejudice. That means that we are continuing to require Air Force personnel to put up with a building with structural integrity that does not permit the vertical stacking of supplies, thus requiring the use of hand trucks and excessive manual labor.

For these reasons, I decided against proposing an amendment to this bill, but I hope that my statement serves as a reminder to my colleagues of the problem that this legislation poses or, in many cases, exacerbates. I shall continue to take whatever opportunities I may have to help seek workable and equitable remedies to this problem of such concern to the men and women of our Armed Forces.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do the managers of the bill yield back the remainder of their time?

Mr. THURMOND. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Alabama (Mr. DENTON) and the Senator from California (Mr. HAYAKAWA) are necessarily absent.

I further announce that the Senator from Georgia (Mr. MATTINGLY) is absent due to illness.

I further announce that, if present and voting, the Senator from California (Mr. HAYAKAWA) and the Senator from Georgia (Mr. MATTINGLY) would each vote "yea."

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Montana (Mr. MELCHER) are necessarily absent.

The PRESIDING OFFICER (Mr. ABDNOR). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 93, nays 1, as follows:

[Rollcall Vote No. 205 Leg.]

YEAS—93

Abdnor	Boren	Harry F., Jr.
Andrews	Boschwitz	Byrd, Robert C.
Armstrong	Bradley	Cannon
Baker	Brady	Chafee
Baucus	Bumpers	Chiles
Bentsen	Burdick	Cochran
Biden	Byrd,	Cohen

D'Amato	Humphrey	Proxmire
Danforth	Inouye	Pryor
DeConcini	Jackson	Quayle
Dixon	Jepsen	Randolph
Dodd	Kassebaum	Riegle
Dole	Kasten	Roth
Domenici	Kennedy	Rudman
Durenberger	Laxalt	Sarbanes
Eagleton	Leahy	Sasser
East	Levin	Schmitt
Exon	Long	Simpson
Ford	Lugar	Specter
Garn	Mathias	Stafford
Glenn	Matsunaga	Stennis
Goldwater	McClure	Stevens
Gorton	Metzenbaum	Symms
Grassley	Mitchell	Thurmond
Hart	Moynihan	Tower
Hatch	Murkowski	Tsongas
Hawkins	Nickles	Wallop
Heflin	Nunn	Warner
Heinz	Packwood	Weicker
Helms	Pell	Zorinsky
Hollings	Percy	
Huddleston	Pressler	

NAYS—1

Hatfield

NOT VOTING—6

Cranston	Hayakawa	Mattingly
Denton	Johnston	Melcher

So the bill, S. 2586, as amended, was passed as follows:

S. 2586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Construction Authorization Act, 1983".

TITLE I—ARMY

AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constucting, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $23,070,000.
Fort Campbell, Kentucky, $10,650,000.
Fort Carson, Colorado, $8,700,000.
Fort Devens, Massachusetts, $3,200,000.
Fort Hood, Texas, $4,100,000.
Fort Irwin, California, $19,190,000.
Fort Lewis, Washington, $21,700,000.
Fort Meade, Maryland, $2,500,000.
Fort Ord, California, $6,700,000.
Fort Polk, Louisiana, $10,100,000.
Camp Roberts, California, $2,050,000.
Fort Stewart, Georgia, $17,200,000.
Fort Wainwright, Alaska, $3,020,000.
Yakima Firing Center, Washington, $1,250,000.

UNITED STATES ARMY WESTERN COMMAND

Schofield Barracks, Hawaii, $2,930,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMMAND

Fort Benning, Georgia, $15,500,000.
Fort Bliss, Texas, $21,300,000.
Fort Eustis, Virginia, $6,400,000.
Fort Knox, Kentucky, $8,400,000.
Fort Leavenworth, Kansas, $13,600,000.
Fort Leonard Wood, Missouri $11,000,000.
Fort McClellan, Alabama, $7,500,000.
Fort Rucker, Alabama, $3,950,000.
Fort Story, Virginia, $13,800,000.

UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $9,400,000.
Pine Bluff Arsenal, Arkansas, $19,650,000.
Red River Army Depot, Texas, $39,000,000.
Tooele Army Depot, Utah, $4,150,000.
White Sands Missile Range, New Mexico, $5,500,000.

AMMUNITION FACILITIES

Indiana Army Ammunition Plant, Indiana, $2,910,000.
Iowa Army Ammunition Plant, Iowa, $430,000.
Kansas Army Ammunition Plant, Kansas, $7,200,000.
Longhorn Army Ammunition Plant, Texas, $230,000.
Louisiana Army Ammunition Plant, Louisiana, $3,410,000.
Milan Army Ammunition Plant, Tennessee, $5,500,000.
Radford Army Ammunition Plant, Virginia, $2,400,000.
Sunflower Army Ammunition Plant, Kansas, $3,000,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick, Maryland, $1,700,000.
Walter Reed Army Medical Center, Washington, District of Columbia, $9,800,000.

BALLISTIC MISSILE DEFENSE SYSTEMS COMMAND

Classified locations, $20,000,000.

OUTSIDE THE UNITED STATES

EIGHTH UNITED STATES ARMY

Korea, $57,850,000.

UNITED STATES ARMY FORCES COMMAND

Panama, $6,800,000.
Egypt, $53,000,000.

UNITED STATES ARMY, EUROPE

Germany, $240,840,000.
Turkey, $3,750,000.

UNITED STATES ARMY WESTERN COMMAND

Johnston Island, $1,050,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Germany, $3,950,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1983, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $49,950,000.

FAMILY HOUSING

SEC. 104. (a) The Secretary of the Army, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $43,880,000, which shall be available only for energy conservation projects.

(b) Section 505 of the Military Construction Authorization Act, 1976 (Public Law 94-107; 89 Stat. 561) is amended by striking out "$195,000" in the item relating to Fort McNair, Washington, District of Columbia, and inserting in lieu thereof "$223,000".

(c) Section 601(c) of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1373) is amended by striking out "four hundred and fifty-four units" in the item relating to Fort Irwin, California, and inserting in lieu thereof "four hundred and eighty-four units."

FORT LEWIS, WASHINGTON—WEYERHAEUSER LAND EXCHANGE

SEC. 105. (a) The Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Weyerhaeuser Corporation, Tacoma, Washington, all right, title, and interest of the United States in and to five parcels of land aggregating approximately three hundred acres located along the westerly boundary of the Fort Lewis military Reservation, Pierce County, Washington, together with the improvements on such land. Such conveyance shall be made subject to such terms and conditions as the Secretary considers to be in the public interest and shall include the following reservations:

(1) a training easement over tract 1-US, and

(2) an access easement over tract 4-US.

(b) In consideration for the conveyance authorized by subsection (a), the Weyerhaeuser Corporation shall—

(1) convey or cause to be conveyed to the United States all right, title, and interest in two parcels of land aggregating approximately two hundred and ninety acres, together with improvements, to be equivalent in value as determined by the Secretary to the land conveyed under subsection (a) and that are other wise acceptable to the Secretary;

(2) pay all costs associated with surveying, installing boundary monuments, and fencing costs; and

(3) shall not reserve any easements in the lands to be conveyed to the United States with the exception of two easements over roads in tract 1-W.

(c) The exact acreages and legal descriptions of the lands to be conveyed under subsections (a) and (b) shall be determined by surveys which are satisfactory to the Secretary.

(d) The Secretary is authorized to enter an agreement with the responsible officials of Pierce County, Washington, whereby the reversionary interest of Pierce County in the United States lands to be conveyed

under subsection (a) is extinguished and replaced with a reversionary interest in the lands conveyed to the United States under subsection (b).

LIMITS ON PROJECTS IN SUPPORT OF THE MASTER RESTATIONING PLAN

SEC. 106. None of the funds authorized to be appropriated for projects in the Federal Republic of Germany in support of the master restationing plan may be obligated or expended until there is formal agreement between the governments of the United States and the Federal Republic of Germany as to the cost sharing arrangements that will apply to all projects in support of such master restationing plan.

TITLE II—NAVY

AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES MARINE CORPS

Marine Corps Air Station, Beaufort, South Carolina, $4,650,000.
Marine Corps Base, Camp Lejeune, North Carolina, $27,050,000.
Marine Corps Base, Camp Pendleton, California, $39,965,000.
Marine Corps Air Station, Cherry Point, North Carolina, $29,300,000.
Marine Corps Air Station, El Toro, California, $7,200,000.
Marine Corps Air Station, Kaneohe Bay, Hawaii, $1,450,000.
Marine Corps Recruit Depot, Parris Island, South Carolina, $4,550,000.
Marine Corps Development and Education Command, Quantico, Virginia, $23,250,000.
Marine Corps Recruit Depot, San Diego, California, $27,100,000.
Marine Corps Air Station, Tustin, California, $2,400,000.

OFFICE OF NAVAL RESEARCH

Naval Research Laboratory, Washington, District of Columbia, $1,800,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, $5,700,000.
Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $147,750,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Air Station, Cecil Field, Florida, $9,300,000.
Naval Station, Charleston, South Carolina, $10,700,000.
Naval Amphibious Base, Little Creek, Virginia, $1,850,000.
Naval Station, Mayport, Florida, $15,800,000.
Naval Submarine Base, New London, Groton, Connecticut, $5,900,000.
Commander Oceanographic System Atlantic, Norfolk, Virginia, $3,100,000.
Atlantic Fleet Headquarters Support Activity, Norfolk, Virginia, $2,085,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Facility, Adak, Alaska, $1,900,000.
Naval Air Station, Alameda, California, $1,900,000.
Naval Air Station, Lemoore, California, $9,000,000.
Naval Air Station, Moffett Field, California, $6,850,000.
Naval Air Station, North Island, California, $31,070,000.
Naval Station, Pearl Harbor, Hawaii, $14,400,000.
Naval Station, San Diego, California, $27,300,000.
Shore Intermediate Maintenance Activity, San Diego, California, $14,100,000.
Shore Intermediate Maintenance Activity, Pearl Harbor, Hawaii, $7,000,000.

NAVAL EDUCATION AND TRAINING COMMAND

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $1,700,000.
Naval Air Station, Corpus Christi, Texas, $2,800,000.
Naval Training Center, Great Lakes, Illinois, $1,850,000.
Naval Education and Training Center, Newport, Rhode Island, $1,100,000.
Naval Training Center, Orlando, Florida, $5,500,000.
Naval Air Station, Pensacola, Florida, $1,400,000.

BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Center, Oakland, California, $9,700,000.
Naval Regional Medical Center, Camp Lejeune, North Carolina, $2,800,000.

NAVAL MATERIAL COMMAND

Naval Air Rework Facility, Alameda, California, $1,400,000.
Naval Weapons Station, Charleston, South Carolina, $1,140,000.
Naval Air Rework Facility, Cherry Point, North Carolina, $5,550,000.
Navy Public Works Center, Great Lakes, Illinois, $3,400,000.
Mare Island Naval Shipyard, Vallejo, California, $2,250,000.
Norfolk Naval Shipyard, Portsmouth, Virginia, $160,000,000.
Navy Public Works Center, Norfolk, Virginia, $16,030,000.
Naval Air Rework Facility, North Island, California, $18,500,000.
Aviation Supply Office, Philadelphia, Pennsylvania, $1,400,000.
Navy Public Works Center, San Francisco, California, $9,800,000.
Portsmouth Naval Shipyard, Kittery, Maine, $2,200,000.
Naval Air Development Center, Warminster, Pennsylvania, $1,400,000.
Naval Surface Weapons Center, White Oak, Maryland, $1,700,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communications Area Master Station Eastern Pacific, Honolulu, Hawaii, $6,300,000.
Naval Communications Area Master Station Atlantic, Norfolk, Virginia, $1,850,000.

OUTSIDE THE UNITED STATES

UNITED STATES MARINE CORPS

Marine Corps Base, Camp Butler, Okinawa, Japan, $2,000,000.
Marine Corps Air Station, Iwakuni, Japan, $1,350,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Facility, Keflavik, Iceland, $1,400,000.
Naval Station, Keflavik, Iceland, $2,600,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Air Facility, Atsugi, Japan, $1,700,000.
Naval Air Station, Cubi Point, Republic of the Philippines, $10,400,000.
Naval Support Facility, Diego Garcia, Indian Ocean, $53,395,000.
Naval Activities, Kenya, $8,300,000.
Naval Activities, Somalia, $30,000,000.

COMMANDER IN CHIEF, NAVAL FORCES, EUROPE

Naval Air Station, Sigonella, Italy, $30,600,000.

NAVAL MATERIAL COMMAND

Navy Public Works Center, Subic Bay, Republic of the Philippines, $2,050,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station Western Pacific, Guam, $1,750,000.
Naval Communication Area Master Station, Mediterranean, Naples, Italy, $2,500,000.
Naval Communication Station, Thurso, Scotland, $1,400,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, $9,390,000.

HOST NATION INFRASTRUCTURE SUPPORT

Various Locations, $3,000,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the secretary of defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1983, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $55,938,000.

FAMILY HOUSING

SEC. 204. (a) Notwithstanding any other provision of law, the Secretary of the Navy is authorized to purchase ninety-one acres of real estate at a cost not to exceed $1,000,000 in support of a future project to construct family housing units at the Naval Station, Mayport, Florida.

(b) The Secretary of the Navy, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law,

to existing public quarters at a cost not to exceed $7,574,000 which shall be available only for energy conservation projects.

HOUSING UNITS ACQUIRED FROM PUBLIC HEALTH SERVICE

SEC. 205. The Secretary of the Navy may use for military family housing purposes the seven housing units comprising a portion of the United States Public Health Service Facility, Norfolk, Virginia, to be acquired by the Secretary of the Navy by transfer from the Secretary of Health and Human Services pursuant to section 987 of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

TITLE III—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utiltites, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $5,854,000.
Kelly Air Force Base, Texas, $10,000,000.
McClellan Air Force Base, California, $9,000,000.
Robins Air Force Base, Georgia, $4,700,000.
Tinker Air Force Base, Oklahoma, $10,650,000.
Wright-Patterson Air Force Base, Ohio, $11,586,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $6,600,000.
Edwards Air Force Base, California, $7,100,000.
Eglin Air Force Base, Florida, $10,400,000.
Fort MacArthur, California, $1,900,000.
Cape Canaveral, Florida, $9,100,000.
Moffett Naval Air Station, California, $1,900,000.
Sunnyvale Air Force Station, California, $11,700,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $8,160,000.
Columbus Air Force Base, Mississippi, $1,150,000.
Goodfellow Air Force Base, Texas, $15,300,000.
Keesler Air Force Base, Mississippi, $9,000,000.
Lackland Air Force Base, Texas, $6,100,000.
Laughlin Air Force Base, Texas, $5,770,000.
Lowry Air Force Base, Colorado, $13,050,000.
Maxwell Air Force Base, Alabama, $15,150,000.
Randolph Air Force Base, Texas, $1,050,000.
Reese Air Force Base, Texas, $3,750,000.
Sheppard Air Force Base, Texas, $5,500,000.
Williams Air Force Base, Arizona, $2,600,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, $6,580,000.
Elmendorf Air Force Base, Alaska, $4,800,000.
Galena Airport, Alaska, $2,050,000.
Shemya Air Force Base, Alaska, $1,200,000.
Various Locations, Alaska, $43,600,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $1,060,000.
Andrews Air Force Base, Maryland, $12,150,000.
Charleston Air Force Base, South Carolina, $1,550,000.
Dover Air Force Base, Delaware, $2,500,000.
Kirtland Air Force Base, New Mexico, $3,570,000.
Little Rock Air Force Base, Arkansas, $5,500,000.
McGuire Air Force Base, New Jersey, $16,000,000.
Norton Air Force Base, California, $1,300,000.
Pope Air Force Base, North Carolina, $4,400,000.
Scott Air Force Base, Illinois, $4,850,000.

NATIONAL MILITARY COMMAND CENTER

Pentagon Building, Virginia, $3,300,000.

NORTH AMERICAN AEROSPACE DEFENSE COMMAND

NORAD Cheyenne Mountain Complex Colorado, $1,900,000.

STRATEGIC AIR COMMAND

Beale Air Force Base, California, $2,595,000.
Blytheville Air Force Base, Arkansas, $1,350,000.
Carswell Air Force Base, Texas, $54,500,000.
Dyess Air Force Base, Texas, $1,650,000.
Ellsworth Air Force Base, South Dakota, $1,350,000.
Francis E. Warren Air Force Base, Wyoming, $4,150,000.
Fairchild Air Force Base, Washington, $3,740,000.
Griffiss Air Force Base, New York, $49,050,000.
K. I. Sawyer Air Force Base, Michigan, $4,450,000.
Loring Air Force Base, Maine, $38,420,000.
Malmstrom Air Force Base, Montana, $49,900,000.
March Air Force Base, California, $1,550,000.
McConnell Air Force Base, Kansas, $3,000,000.
Offutt Air Force Base, Nebraska, $13,255,000.
Peterson Air Force Base, Colorado, $67,700,000.
Powell, Wyoming, $1,250,000.
Vandenberg Air Force Base, California, $79,759,000.
Various Locations, Continental United States, $1,900,000.
Wurtsmith, Air Force Base, Michigan, $1,800,000.

TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $5,450,000.
Cannon Air Force Base, New Mexico, $1,800,000.
Davis-Monthan Air Force Base, Arizona, $11,950,000.
George Air Force Base, California, $1,400,000.
Holloman Air Force Base, New Mexico, $2,800,000.
Homestead Air Force Base, Florida, $1,500,000.
Langley Air Force Base, Virginia, $15,550,000.
MacDill Air Force Base, Florida, $1,400,000.
Moody Air Force Base, Georgia, $2,550,000.
Mountain Home Air Force Base, Idaho, $1,700,000.
Nellis Air Force Base, Idaho, $19,900,000.
Seymour-Johnson Air Force Base, North Carolina, $3,620,000.
Shaw Air Force Base, South Carolina, $1,150,000.
Tyndall Air Force Base, Florida, $6,300,000.
Various Locations, Maine, $1,200,000.

M-X

Various Locatons, Continental United States, $40,000,000.

AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $1,100,000.
Otis Air National Guard Base, Massachusetts, $3,440,000.

AIR FORCE RESERVE

Westover Air Force Reserve Base, Massachusetts, $2,700,000.

OUTSIDE THE UNITED STATES

MILITARY AIRLIFT COMMAND

Rhein-Main Air Base, Germany, $7,270,000.

PACIFIC AIR FORCES

Camp Long, Korea, $1,750,000.
Clark Air Base, Republic of the Philippines, $14,380,000.
Diego Garcia Air Base, Indian Ocean, $4,550,000.
Kadena Air Base, Japan, $15,950,000.
Kunsan Air Base, Korea, $36,490,000.
Kwang-Ju Air Base, Korea, $2,450,000.
Misawa Air Base, Japan, $6,600,000.
Osan Air Base, Korea, $44,000,000.
San Miguel, Republic of the Philippines, $1,750,000.
Yaedake Radio Relay Station, Japan, $1,300,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $2,440,000.

TACTICAL AIR COMMAND

Keflavik Naval Station, Iceland, $3,600,000.
Various Locations, Worldwide, $21,000,000.

UNITED STATES AIR FORCES IN EUROPE

Egypt, Various Locations, $125,600,000.
Germany, Various Locations, $12,038,000.
Aviano Air Base, Italy, $7,200,000.
Oman, Various Locations, $60,350,000.
Torrejon Air Base, Spain, $4,000,000.
Incirlik Air Base, Turkey, $7,290,000.
Various Locations, United Kingdom, $52,960,000.
Various Locations, $88,030,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Air Force,

or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediatley upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1983, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $90,974,000.

FAMILY HOUSING

SEC. 304. The Secretary of the Air Force, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $17,000,000 which shall be available only for energy conservation projects.

DEFICIENCY AUTHORIZATION FOR PRIOR YEAR PROJECT

SEC. 305. The Military Construction Act, 1977 (Public Law No. 94-431; 90 Stat. 1349), as amended, is further amended as follows:

(1) In section 301 concerning the Arnold Engineering Development Center, Tennessee, delete "$519,010,000" and insert in lieu thereof "$561,010,000" and

(2) In clause (3) of section 602 delete the phrases "$759,759,000" and "$816,409,000" and insert in lieu thereof "801,759,000" and "$858,409,000", respectively.

LAND CONVEYANCE, FLORIDA

SEC. 306. (a) Notwithstanding the restoration provisions of the Second Deficiency Appropriation Act, 1940 (Public Law 668, ch. 437, 54 Stat. 628, 655 (1940)), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to adjust the base boundaries at Eglin Air Force Base, Florida, to resolve encroachments by both the Air Force and private property owners resulting from reliance on inaccurate surveys. In doing so the Secretary is authorized (1) to disclaim intent to acquire property by prescription, which disclaimer shall be binding on all parties, (2) to dispose of tracts by gift, sale or exchange for privately owned land adjoining Eglin Air Force Base to parties in possession of such tracts who mistakenly believed that they had acquired title to such tracts, and (3) to acquire tracts by purchase, donation or exchange for Government-owned land at Eglin Air Force Base.

(b) Conveyances pursuant to this action may be made without consideration at the Secretary's discretion.

(c) The exact acreages and legal description of all properties are to be determined by surveys which are acceptable to the Secretary.

FOREIGN MILITARY SALES CENTER, WRIGHT-PATTERSON AIR FORCE BASE, OHIO

SEC. 307. Notwithstanding any other provision of law, the Secretary of the Air Force is authorized to convert, rehabilitate, or alter an existing facility at Wright-Patterson Air Force Base, Ohio, for use as a foreign military sales center to accommodate personnel engaged in logistics system support and management of the foreign military sales program of the United States Air Force using foreign military sales administrative funds in the amount of $395,000.

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition and construction:

INSIDE THE UNITED STATES

DEFENSE MAPPING AGENCY

Aerospace Center, Saint Louis, Missouri, $24,141,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $75,500,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Fort Belvoir, Virginia, $2,100,000.

Defense Foreign Language Institute, Monterey, California, $23,500,000.

OUTSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Guam, $43,900,000.

Various Locations, Korea, $29,000,000.

SECRETARY OF DEFENSE ACTIVITIES

Classified Location, $13,000,000.

NATIONAL SECURITY AGENCY

Classified Locations, $8,557,000.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $5,200,000. The Secretary of Defense, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $9,620,000.

FAMILY HOUSING

SEC. 404. The Secretary of Defense, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $33,000 for the Defense Agencies.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 501. (a) The Secretary of Defense is authorized to incur obligations in amounts not to exceed $375,000,000 for the United States' share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area.

(b) Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States during the preceding quarter for the United States' share of the cost of such multilateral programs.

TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

AUTHORIZATION OF APPROPRIATIONS

SEC. 602. (a) There are authorized to be appropriated for fiscal years beginning after September 30, 1982, such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: military construction inside the United States $372,090,000; military construction outside the United States $367,240,000; minor construction $43,950,000; family housing construction $43,800,000; family housing support $905,678,000; homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), including acquisition of properties, $4,000,000; for a total of $1,742,758,000;

(2) for title II: military construction inside the United States $735,190,000; military construction outside the United States $155,820,000; minor construction $55,938,000; family housing construction $8,574,000; family housing support $659,439,000; for a total of $1,614,961,000;

(3) for title III: military construction inside the United States $810,250,000; military construction outside the United States $520,998,000; minor construction $17,000,000; family housing support $809,535,000; for a total of $2,248,757,000;

(4) for title IV: military construction inside the United States $125,241,000; military construction outside the United States $94,457,000; minor construction $9,620,000; emergency construction $5,200,000; family housing construction $33,000; family housing support $17,279,000; for a total of $251,830,000; and

(5) for title V: for a total of $375,000,000.

(b) The amounts authorized to be appropriated for family housing support may be increased to the extent additional funds are

necessary for increased pay costs associated with actions taken pursuant to law.

COST VARIATIONS

SEC. 603. (a) OVERALL TITLE TOTAL LIMITATION.—Notwithstanding the provisions of subsections (b) and (d), the total cost of all construction and acquisition in each of titles I, II, III, IV, and V, except as provided in subsection (c), may not exceed the total amount authorized to be appropriated for that title.

(b) VARIATIONS IN INSTALLATION TOTALS—UNUSUAL VARIATIONS IN COST.—Any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) VARIATIONS IN NORTH ATLANTIC TREATY ORGANIZATION TOTAL.—When the Secretary of Defense determines that the amount set forth in the title V for the United States' share of the cost of the North Atlantic Treaty Organization program must be increased, the Secretary may incur obligations in excess of such amount if the amount of the increase does not exceed by more than 25 percentum the amount set forth in such title. When the Secretary of Defense determines that the amount set forth in title V of this Act must be exceeded by more than 25 per centum for the United States' share of the cost of the North Atlantic Treaty Organization infrastructure program, the Secretary may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either (1) fifteen days have elapsed from the date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Acts, the provisions of this subsection shall apply to such prior Acts.

(d) COST AND SCOPE VARIATIONS OF INDIVIDUAL PROJECTS: REPORTS TO CONGRESS.—No individual project authorized in sections 101, 104, 201, 204, 301, 304, 401, and 404 of this Act for any specifically listed military installations for which the current working estimate is greater than the statutory upper limit for minor construction projects may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 percentum the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either fifteen days have elapsed from the date of submission of such report or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(e) ANNUAL REPORT TO CONGRESS.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense, based upon bids received, for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; the Naval Facilities Engineering Command, Department of the Navy; or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business; the names of such firms; the total number of separate contracts awarded each firm; and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 605. Titles I, II, III, IV, and V shall take effect on October 1, 1982.

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefore, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army:

(a) for the Army National Guard of the United States, $33,000,000; and

(b) for the Army Reserve, $28,500,000.

(2) For the Department of the Navy; for the Naval and Marine Corps Reserves, $21,900,000.

(3) For the Department of the Air Force:

(a) for the Air National Guard of the United States, $89,800,000; and

(b) for the Air Force Reserve, $29,000,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529) and sections 2662, 4774, and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255) and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

NOTIFICATION ON USE OF LUMP-SUM AUTHORITY

SEC. 703. Section 2233a(1), of title 10, United States Code is amended—

(1) by striking the word "thirty" after the words "until after the expiration of" and inserting in lieu thereof the word "fifteen",

(2) by striking the words "Senate and the House of Representatives" after the words "Secretary of Defense or his designee notifies the" and inserting in lieu thereof the words "Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives",

(3) by striking the words "Senate and the House of Representatives" after the words "damaged or destroyed, where the" in exception (b) and inserting in lieu thereof the words "Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives", and,

(4) by adding an additional exception, subsection (c), as follows:

"(c) Facilities contained on the list of projects supporting the annual lump sum authorization, providing that the location or nature of the facility have not changed, and that the estimated cost is within 125 per centum of the amount indicated on the supporting list.".

TITLE VIII—GENERAL PROVISIONS

LAND CONVEYANCE, HOUSTON COUNTY, GEORGIA

SEC. 801. (a) The Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to convey to the city of Warner Robins, Georgia, and the Board of Commissioners of Houston County, Georgia, all right, title, and interest of the United States in and to tracts of land consisting of a total of approprimately seventy acres, together with any improvements located on the tracts of land.

(b) In consideration for the conveyance under subsection (a), the city of Warner Robins, Georgia, and the Board of Commis-

sioners of Houston County, Georgia, shall convey to the United States all right, title, and interest of the city and the board in and to four tracts of land consisting of a total of approximately four hundred acres and located contiguous to Robins Air Force Base, Georgia, together with any improvements located on the tracts of land.

(c) The city of Warner Robins, Georgia, and the Board of Commissioners of Houston County, Georgia, shall pay to the United States an amount equal to the amount by which the fair market value (as determined by the Secretary) of the property to be conveyed by the United States to the city and the board under subsection (a) exceeds the fair market value (as determined by the Secretary) of the property to be conveyed by the city and the board to the United States under subsection (b).

(d)(1) The exact acreages and legal descriptions of any property acquired or conveyed under subsection (a) or (b) shall be determined by surveys that are satisfactory to the Secretary. The cost of any such survey shall be borne by the city of Warner Robins, Georgia, and the Board of Commissioners of Houston County, Georgia.

(2) The Secretary may require such additional terms and conditions with respect to the acquisition and conveyance authorized by the section as the Secretary considers appropriate to protect the interests of the United States.

OBLIGATIONS FOR COMMISSARY STORE FACILITY CONSTRUCTION

SEC. 802. Section 2685 of title 10, United States Code, is amended by adding after subsection (b) the following new subsection:

"(c) The Secretary of a military department, with the approval of the Secretary of Defense and the Director of the Office of Management and Budget, may obligate anticipated proceeds from the adjustments or surcharges authorized by subsection (a) for any use specified in subsection (b), without regard to fiscal year limitations, if the Secretary of the military department determines that such obligation is necessary to carry out any use of such adjustments or surcharges specified in subsection (b).".

LAND CONVEYANCE, BELL, CALIFORNIA

SEC. 803. (a) Subject to subsections (b) through (h), and notwithstanding any other provision of law, the Secretary of the Army (hereafter in this section referred to as the "Secretary") is authorized to convey to the city of Bell, California (hereafter in this section referred to as the "city"), all right, title, and interest of the United States in and to a parcel of land, aggregating seven and two-tenths acres, more or less, together with improvements thereon, situated in the city, as more particularly described on a map on file in the Office of the District Engineer, United States Army Engineer District, Los Angeles, California.

(b)(1) In consideration for the conveyance authorized by subsection (a), the city, pursuant to an agreement to be entered into between the city and the Secretary, shall provide to the United States, to the extent of the fair market value of the land conveyed by the Secretary under subsection (a) (as determined by the Secretary), the buildings and other improvements described in paragraph (2), which buildings and improvements shall be the property of the United States.

(2) The buildings and improvements to be provided to the United States are:

(A) a National Guard armory;

(B) modernization of a Government-owned building located in the city and known and designated in Department of the Army records as Building 332; and

(C) an organizational maintenance shop.

(3) The design and construction of the National Guard armory and the organizational maintenance shop and the modernization of the building described in paragraph (2)(B) shall be in conformance with plans and specifications approved by the Secretary.

(c) The city shall pay to the United States, as further consideration, an amount equal to the amount by which the fair market value of the property conveyed by the Secretary under subsection (a) (as determined by the Secretary) exceeds the sum of the actual costs (as determined by the Secretary) of the buildings and improvements provided to the United States under subsection (b).

(d) The exact acreage and legal description of the property to be conveyed under this section shall be determined by a survey which is satisfactory to the Secretary.

(e) The Secretary is authorized to accept and administer any real property conveyed to the Secretary under this section.

(f) In carrying out this section, the Secretary may require such additional terms and conditions as he considers appropriate to protect the interests of the United States.

(g) The authority of the Secretary under this section shall expire three years after the date of enactment of this Act.

AUTHORIZATION TO SELL OR EXCHANGE DEFENSE REAL PROPERTY

SEC. 804. (a) Notwithstanding any other provision of law, the President of the United States or his designee, if he determines that it is in the public interest or is necessary for national defense purposes, may sell or exchange any real property and associated facilities which are under the jurisdiction of the military departments (including any such property or facilities the disposal of which requires authorization or specific authorization by law) except public domain lands.

(b) Any such sale or exchange shall be accomplished using publicly advertised, competitively bid contracting procedures to the extent feasible, but in no case may such sale or exchange be entered into if the United States will not receive at least the fair market value of the property to be conveyed.

(c)(1) Notwithstanding any other provision of law, a portion of the gross proceeds from any such sale or exchange may be used—

(A) to cover all costs associated with such sale or exchange; and

(B) subject to approval by the Secretary of Defense, to cover the costs of land acquisition and the construction of replacement facilities that may be reasonable and necessary incident to such sale or exchange.

(2) Ninety-five percent of the remaining (net) proceeds shall be covered into the general fund of the Treasury to be used solely for the reduction of the national debt of the United States. Five percent of the remaining (net) proceeds shall be credited to a Defense Facilities Replacement Fund (hereinafter referred to as the "Fund") and may be used for the purpose of capitalizing future sales or exchanges pursuant to this section.

(3) Moneys remaining in the Fund at the end of each fiscal year in excess of $50,000,000 or any lesser amount determined by the Secretary of Defense to be sufficient shall be covered into the general fund of the Treasury to be used solely for the reduction of the national debt of the United States.

(d) No transaction may be entered into where the estimated costs of such transaction as included in subsection (c)(1) exceed the amount to be realized from such sale or exchange. Any transaction where the costs as included in subsection (c)(1) would exceed 50 per centum of the amount to be realized shall be subject to the prior approval of the Director of the Office of Management and Budget.

(e) Before any transaction under the provisions of this section may be entered into in which the fair market value of the real property to be sold or exchanged exceeds $100,000, a report in writing shall be submitted to the Committees on Armed Services of the Congress. Such report shall include the justification for the transaction and the current estimate of the cost of the transaction. Such transaction may then be carried out only (1) after the end of the fifteen-day period beginning on the date the notification is received by such committees, or (2) after each such committee has approved of the transaction, if the committees approve of the transaction before the end of that period.

(f) All sales, exchanges, and other transactions under this section shall be carried out in accordance with regulations which shall be prescribed by the Director of the Office of Management and Budget.

AUTHORIZATION TO USE MONEYS RECEIVED FROM GRAZING AND AGRICULTURAL LEASES

SEC. 805. Section 2667(d) of title 10, United States Code, is amended by inserting the following before the period at the end thereof: ", except that money rentals from leases for agriculture or grazing on lands other than those acquired by the United States for flood control, navigation and allied purposes, including the development of hydroelectric power, may be retained and expended by the Secretary concerned in the amounts he considers necessary to cover administrative expenses associated with such leasing and the financing of multiple land use management programs on any installation under his jurisdiction".

REVISION OF FOREIGN LEASING DOLLAR LIMITATION

SEC. 806. (a) Section 605 of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1374 1981) is amended by striking out "$113,717,000" in subsection (a)(2) and inserting in lieu thereof " $118,017,000.".

(b) The amendment specified in subsection (a) is effective upon the date of its enactment.

LAND EXCHANGE, WASHINGTON, DISTRICT OF COLUMBIA

SEC. 807. (a)(1) There is authorized to be expended from appropriations of the Department of the Navy for military construction an amount not to exceed $5,000,000 for the alteration, conversion, and modernization of building numbered 210 at the Washington Navy Yard as administrative office space; for alterations of buildings numbered 142 and 198 as public works facilities in support of building numbered 210; and for other supporting systems, utilities, and site improvements, all at the Washington Navy Yard, Washington, District of Columbia.

(2) The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to dispose of the property at 8621 Georgia Avenue, Silver Spring, Maryland, sometimes known as the Wolfe Building, and to reimburse the appropriations from which funds are expended

under subsection (a)(1) from the proceeds of that disposal.

(b) Any proceeds from the disposal of the Silver Spring property over and above the amount necessary for reimbursement under subsection (a), as determined by the Secretary, shall be available to the Department of the Navy for military construction projects authorized in fiscal year 1984 and later years.

(c) The disposal authorized in subsection (a)(2) shall be at fair market value, as determined by the Secretary, and his authority therein includes the authority to dispose of the Silver Spring property by sale to private parties or transfer to other Government agencies, for cash, or on credit, and upon such other terms and conditions as the Secretary determines to be in the public interest.

LAND EXCHANGE, KANSAS CITY, MISSOURI

SEC. 808. (a) Subject to subsections (b) through (f), the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to convey to the Kansas City Corporation for Industrial Development of Kansas City, Missouri (hereinafter referred to as the "Corporation") all right, title, and interest of the United States in and to a parcel of land, aggregating one and two-tenth acres, more or less, together with improvements thereon, situated in Jackson County, Kansas City, State of Missouri, presently used by the United States for Army Reserve purposes and known as the Sergeant Charles R. Long Army Reserve Training Center.

(b) In consideration for the conveyance by the Secretary, the Corporation shall—

(1) convey to the United States, all right, title, and interest in and to a parcel of land, aggregating four and one-half acres, more or less, together with improvements thereon, known, and hereinafter referred to, as the Carlisle School;

(2) repair and rehabilitate the Carlisle School; and

(3) provide to the United States the cost, as determined by the Secretary, of relocating the Federal Government activities from the United States Reserve Training Center to the Carlisle School.

(c) If the sum of the fair market value of the property conveyed to the United States and the repair and rehabilitation costs is less than the fair market value of the property of the United States, the Corporation shall pay to the United States the amount of the difference, which shall be deposited into the Treasury as miscellaneous receipts.

(d) The exact acreages and legal descriptions of the properties shall be determined by surveys which are satisfactory to the Secretary.

(e) The Secretary is authorized to accept and administer any real property conveyed to the United States under this section.

(f) The Secretary may require such additional terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

(g) In the event the Corporation offers to provide to the United States another facility, in lieu of the Carlisle School, which the Secretary determines is equal to or better than the Carlisle school from a functional, rehabilitative, economic or other aspect, or aspects, the Secretary is authorized to accept and administer such alternative, consistent with (e) above, *Provided*, That prior to accepting such a conveyance, the Secretary shall submit a report of the facts concerning the proposed transaction to the Committees on Armed Services of the Senate and House of Representatives pursuant to title 10, United States code, section 2662.

RESTRICTIONS ON CONSTRUCTION OF SPECIAL CONTINGENCY FACILITIES IN CERTAIN COUNTRIES

SEC. 809. (a) Subject to subsections (b) and (c), none of the funds appropriated pursuant to this Act for the construction of contingency facilities to support the national security interests of the United States in Egypt, Kenya, Oman, Somalia, the island of Diego Garcia, or at Lajes Field (Portugal) may be obligated or expended for the construction of a facility in any such country, island, or air field unless each contract entered into for the construction of such facility requires that all construction materials (other than cement, cement products, aggregates, and concrete components other than steel) to be used in carrying out the contract will be materials produced, manufactured, or refined in the United States or the host nation.

(b) The provisions of subsection (a) shall not apply (1) if the application of such provisions would violate a formal agreement between the United States and the country that exercises sovereignty over the land on which a facility referred to in such subsection is to be constructed, or (2) in the case of a contract for $5,000,000 or less.

(c) The project manager of a facility referred to in subsection (a) may authorize, in the construction of such facility, a limited use of materials not produced, manufactured, or refined in the United States if the manager determines that the use of such materials is necessary for the orderly and timely construction of such facility. However, the total amount expended for materials not produced, manufactured, or refined in the United States under a contract for the construction of a facility referred to in subsection (a) may not exceed the applicable limit specified in the following table:

If the contract amount is—		The percent of the contract amount that may be used to procure materials not produced, manufactured, or refined in the United States may not exceed—
More than—	But not more than—	
$5,000,000.....	$25,000,000...	5
$25,000,000...	$50,000,000...	3
$50,000,000...	$100,000,000..	2
$100,000,000.....		1

TECHNICAL AMENDMENT OF PRIOR AUTHORITY FOR LAND CONVEYANCE, SOUTH CHARLESTON, WEST VIRGINIA

SEC. 810. Section 915 of the Military Construction Authorization Act, 1982, is amended—

(1) in subsection (a) by inserting "or the State of West Virginia" after "South Charleston, West Virginia" the first place it appears; and

(2) in subsection (b)(1)(A) by inserting a comma and "or such other alternate sites which may be acceptable to the Secretary" after "South Charleston, West Virginia".

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HART. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I take this opportunity to express my appreciation to Senator HART, the ranking member of the Subcommittee on Military Construction of the Committee on Armed Services, for the fine cooperation and able assistance he gave during the consideration and passage of this bill.

I also want to express my appreciation to Paul C. Besozzi, the minority counsel, who worked closely with our majority counsel on this bill, for the fine assistance he rendered.

Mr. President, I thank the able chairman of the Committee on Armed Services for the great assistance he gave in this matter.

I also express my appreciation to Mr. James C. Smith, one of the most competent staff members I have had the pleasure of working with here in 28 years, and his able staff assistant, Miss Marie Dickinson, who is a very competent lady, for the fine assistance they gave.

Mr. HART. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield.

Mr. HART. Mr. President, I wish to reciprocate the kind words of the distinguished Senator from South Carolina. He has perpetuated the tradition of cooperation on this military construction bill. I appreciate his leadership in the management of this legislation.

As did the Senator from South Carolina, I compliment the excellent staff on both sides of the aisle. It is indeed, I think, one of the finest staffs on the Hill, particularly Mr. Smith and Mr. Besozzi. I thank all those who helped put this legislation together.

Mr. ROBERT C. BYRD. Mr. President, I compliment both Senator THURMOND and Senator HART on the skill and craftsmanship they have demonstrated in handling the military construction bill on the floor.

Mr. GARN. Mr. President, the majority leader will return to the floor in just a moment. During his absence, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 3663

Mr. PACKWOOD. Mr. President, I believe we are going to undertake the bus regulation bill. I believe the distinguished Senator from West Virginia has a unanimous-consent request, which I shall make.

I ask unanimous consent that when the Senate turns to the consideration of Calendar No. 582, H.R. 3663, a bill to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of passengers, it be considered under the following time agreement:

That 10 minutes on the bill to be equally divided between the Senator from Missouri (Mr. DANFORTH) and the Senator from Nevada (Mr. CANNON) or their designees;

That the committee substitute and technical amendments thereto to be offered on behalf of the committee by Senators PACKWOOD and CANNON, be adopted en bloc without debate and considered as original text for the purpose of further amendment;

That the only amendment in order shall be the amendments printed as amendment No. 1901, to be proposed by the Senator from South Dakota (Mr. PRESSLER), which shall be considered en bloc and which shall not be subject to amendment; on which there shall be 1 hour equally divided between the Senator from South Dakota and the Senator from Missouri (Mr. DANFORTH); and which shall not be subject to a motion to table; and that, following disposition of the Pressler amendment No. 1901, the Senate shall proceed to vote on passage of H.R. 3663.

Mr. DANFORTH. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Missouri has reserved the right to object.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I have no objection to the unanimous-consent request stated by the Senator from Oregon.

Mr. GARN. Mr. President, I object temporarily to the quorum call being called off.

APPOINTMENT ON BEHALF OF THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Alaska (Mr. STEVENS) to attend the 34th annual session of the International Whaling Commission, to be held in Brighton, England, July 19-24, 1982.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—H.R. 3663

Mr. GOLDWATER. Mr. President, I ask unanimous consent that my assistant, Mr. Brown, be allowed the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, as I have advised the minority leader and the distinguished chairman of the Commerce Committee, I talked to Senator MATTINGLY who is in the hospital in Georgia. We had received mixed signals on whether he did or did not have a hold on this measure. I am pleased to report that he does not now have a hold on the bill, and we are prepared to proceed with it. I understand the unanimous consent has been propounded. I reiterate it at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished majority leader a question?

Mr. BAKER. Yes. I would be pleased to answer a question.

Mr. ROBERT C. BYRD. What is the outlook for the remainder of the day and tomorrow, if I may ask?

Mr. BAKER. Mr. President, the minority leader may indeed, and I thank him for making the inquiry.

I say to him and for the benefit of all Senators that it is my hope that we can finish the bus deregulation bill in short order. I hope that we can finish the business of the Senate today at about 6:30, that we would go over then until tomorrow.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. When we come back tomorrow, Mr. President, I hope we can go to the jobs bill offered by the Senator from Indiana and the Senator from Massachusetts (Mr. KENNEDY). We are negotiating a time agreement on a crime package and a bill to follow the crime package, so it is my hope that tomorrow we can do the jobs bill and that we can obtain an agreement on the crime package and consider that bill.

I hope we can do the jobs bill, the crime package, the second shorter crime package, which would deal with habeas corpus. Then, if there is a possibility of doing so, we would like to take up the shipping bill to which I alluded on Tuesday when we first convened.

I hope that we can complete our action early enough in the day to leave by midafternoon or late afternoon.

I intend, Mr. President, I say to my friend, the minority leader, to call up the adjournment resolution which I believe is now at the desk, having passed the House, and pass it. I wonder if the Senator will permit me to do that at this time.

Mr. ROBERT C. BYRD. I have no objection.

ADJOURNMENT OF HOUSE AND SENATE UNTIL JULY 12, 1982

Mr. BAKER. Mr. President, there is the adjournment resolution at the desk, and I ask that it be laid before the Senate.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (H. Con. Res. 367) providing for adjournment of the House from any day between June 28 and July 2, 1982 and adjournment of the Senate from July 1 or July 2 until July 12, 1982.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 367) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I hope that it is sufficient information to the minority leader. It may be that some of these matters cannot be completed tomorrow, but those three items will be the ones I hope that we can dispose of tomorrow.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader indicate whether or not there will be further rollcall votes today?

Mr. BAKER. Yes, I expect that there will be one more rollcall vote today, perhaps on passage of this bill.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

Mr. QUAYLE. Will the majority leader yield?

Mr. BAKER. Yes, I yield to the Senator from Indiana.

Mr. QUAYLE. Mr. President, will the majority leader yield?

Mr. BAKER. Yes, I yield to the Senator from Indiana.

Mr. QUAYLE. My understanding is that tomorrow the majority leader intends to take up which piece of legislation first?

Mr. BAKER. The piece of legislation of the Senator from Indiana.

Mr. QUAYLE. The jobs training legislation.

I thank the majority leader very much.

BUS REGULATORY REFORM ACT OF 1982

Mr. PACKWOOD. Mr. President, I ask that the Senate now turn to consideration of Calendar No. 582.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3663) to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of passengers.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill (H.R. 3663) which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Bus Regulatory Reform Act of 1982".

PURPOSE OF THE ACT

Sec. 2. This Act is part of the continuing effort by Congress to reduce unnecessary and burdensome Government regulation.

CONGRESSIONAL FINDINGS

Sec. 3. The Congress hereby finds that a safe, sound, competitive, and fuel-efficient motor bus system contributes to the maintenance of a strong national economy and a strong national defense and is vital to the transportation needs of the elderly, handicapped, and the poor; that the statutes governing Federal regulation of the motor bus industry are outdated and must be revised to reflect the future transportation needs and realities; that historically the existing Federal and State regulatory structure has tended in certain circumstances to inhibit market entry, carrier growth, maximum utilization of equipment and energy resources, and opportunities for minorities and others to enter the motor bus industry; that State regulation of the motor bus industry has, in certain circumstances, unreasonably burdened interstate commerce; that overly protective regulation has resulted in operating inefficiencies and diminished price and service competition in the motor bus industry; that the objectives contained in the national transportation policy can best be achieved through greater competition and reduced regulation; that in order to reduce the uncertainty felt by the Nation's motor bus industry and those persons and communities that rely on its services, the Interstate Commerce Commission should be given explicit direction for reduced regulation of the motor bus industry and should do everything within its power to promote competition in the motor bus industry; and that legislative and resulting changes should be implemented without unnecessary disruption to the transportation system consistent with the scope of the reforms enacted.

CONGRESSIONAL OVERSIGHT

Sec. 4. The appropriate authorizing committees of Congress shall conduct periodic oversight hearings on the effects of this legislation, not less than annually until July 1, 1985, to ensure that this Act is being implemented according to congressional intent and purpose.

NATIONAL TRANSPORTATION POLICY

Sec. 5. Subsection (a) of section 10101 of title 49, United States Code, is amended by striking out "and in regulating those modes" and all that follows through the period at the end of such subsection and inserting in lieu thereof the following: "and—

"(1) in regulating those modes—

"(A) to recognize and preserve the inherent advantage of each mode of transportation;

"(B) to promote safe, adequate, economical, and efficient transportation;

"(C) to encourage sound economic conditions in transportation, including sound economic conditions among carriers;

"(D) to encourage the establishment and maintenance of reasonable rates for transportation, without unreasonable discrimination or unfair or destructive competitive practices;

"(E) to cooperate with each State and the officials of each State on transportation matters; and

"(F) to encourage fair wages and working conditions in the transportation industry;

"(2) in regulating transportation by motor carrier, to promote competitive and efficient transportation services in order to (A) meet the needs of shippers, receivers, passengers, and consumers; (B) allow a variety of quality and price options to meet changing market demands and the diverse requirements of the shipping and traveling public; (C) allow the most productive use of equipment and energy resources; (D) enable efficient and well-managed carriers to earn adequate profits, attract capital, and maintain fair wages and working conditions; (E) provide and maintain service to small communities and small shippers; (F) provide and maintain commuter bus operations; (G) improve and maintain a sound, safe, and competitive privately owned motor carrier system; (H) promote greater participation by minorities in the motor carrier system; and (I) promote intermodal transportation; and

"(3) in regulating transportation by motor carrier of passengers (A) to cooperate with the States on transportation matters for the purpose of encouraging the States to exercise intrastate regulatory jurisdiction in accordance with the objectives of this subtitle; (B) to provide Federal procedures which ensure that intrastate regulation is exercised in accordance with this subtitle; and (C) to ensure that Federal reform initiatives enacted by the Bus Regulatory Reform Act of 1982 are not nullified by State regulatory actions.".

MOTOR CARRIER OF PASSENGERS ENTRY POLICY

Sec. 6. (a) Subsection (a) of section 10922 of title 49, United States Code, is amended (1) by striking out "II or", and (2) by striking out "motor common carrier of passengers or water common carrier, respectively," and inserting in lieu thereof "water common carrier".

(b) Section 10922 of title 49, United States Code, is amended by redesignating subsections (c), (d), (e), (f), (g), (h), (i), and (j) (and any references thereto) as subsections (d), (e), (f), (g), (h), (i), (j), and (k), respectively, and by inserting after subsection (b) the following new subsection:

"(c)(1) Except as provided in this section—

"(A) A certificate shall be issued by the Commission to a person authorizing that person to provide regular-route transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title as a motor common carrier of passengers and a certificate shall be issued to a recipient of governmental financial assistance for the purchase or operation of buses, or to an operator for such a recipient, authorizing that person to provide transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title as a motor common carrier of passengers, if the Commission finds that the person is fit, willing, and able to provide the transportation to be authorized by the certificate and to comply with this subtitle and regulations of the Commission unless the Commission finds, on the basis of evidence presented by any person objecting to the issuance of the certificate, that the transportation to be authorized is not consistent with the public interest.

"(B) For all applications for authority except those under clause (A) of this paragraph, the Commission shall issue a certificate to a person authorizing that person to provide transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title as a motor common carrier of passengers if the Commission finds that the person, is fit, willing, and able to provide the transportation to be authorized by the certificate and to comply with this subtitle and regulations of the Commission.

"(2)(A) The Commission shall issue a certificate to a person authorizing that person to provide regular-route transportation entirely in one State as a motor common carrier of passengers if such intrastate transportation is to be provided on a route over which the carrier has authority on the effective date of the Bus Regulatory Reform Act of 1982 to provide interstate transportation of passengers if the Commission finds that the person is fit, willing, and able to provide the intrastate transportation to be authorized by the certificate and to comply with this subtitle and regulations of the Commission, unless the Commission finds, on the basis of evidence presented by any person objecting to the issuance of the certificate, that the transportation to be authorized would directly compete with a commuter bus operation and it would have a significant adverse effect on commuter bus service in the area in which the competing service will be performed.

"(B) The Commission shall issue a certificate to a person authorizing that person to provide regular-route transportation entirely in one State as a motor common carrier of passengers if such intrastate transportation is to be provided on a route over which the carrier has been granted authority or will be granted authority after the effective date of the Bus Regulatory Reform Act of 1982 to provide interstate transportation of passengers if the Commission finds that the person is fit, willing, and able to provide the

intrastate transportation to be authorized by the certificate and to comply with this subtitle and regulations of the Commission, unless the Commission finds, on the basis of evidence presented by any person objecting to the issuance of the certificate, that the transportation to be authorized is not consistent with the public interest.

"(C) No State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard or other provision having the force and effect of law relating to the provision of pickup and delivery of express packages, newspapers, or mail in a commercial zone if the shipment has had or will have a prior or subsequent movement by bus in intrastate commerce and if a city within the commercial zone, as defined in section 10526(b)(1) of this title, is served by that person in regular-route service as a motor common carrier of passengers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title.

"(D) Subject to subparagraph (F) of this paragraph, any intrastate transportation authorized by issuance of a certificate under this paragraph shall be deemed to be transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this subtitle. Upon issuance of such certificate, the carrier shall establish initial rates, rules, and practices applicable to such transportation to the same extent and in the same manner as a motor common carrier of passengers providing transportation subject to the jurisdiction of the Commission under such subchapter establishes rates, rules, and practices applicable to such interstate transportation. Any such initial rate, rule, or practice shall be subject to the provisions of chapter 107 of this subtitle as if such rate, rule, or practice were related to interstate transportation.

"(E) Not later than 30 days after the date on which a motor common carrier of passengers first begins providing transportation entirely in one State pursuant to a certificate issued under this paragraph, the carrier shall take all action necessary to establish under the laws of such State rates, rules, and practices applicable to such transportation.

"(F) Transportation entirely in one State authorized by issuance of a certificate under this paragraph shall remain subject to the jurisdiction of the Commission, and initial rates, rules, and practices applicable to such transportation established under subparagraph (D) of this paragraph shall remain in effect, until permanent rates, rules, and practices applicable to such transportation are established under the laws of such State.

"(G) The Commission shall take final action upon an application filed under subsection (C)(2)(A) of this section for authority to provide transportation entirely in one State not later than 90 days after the date the application is filed with the Commission.

"(H) This paragraph shall not apply to any regular-route transportation of passengers provided entirely in one State which is in the nature of a special operation.

"(I) Notwithstanding subparagraph (F) of this paragraph, intrastate transportation authorized under this paragraph may be suspended or revoked by the Commission under section 10925 of this title.

"(3) In making any findings relating to public interest under paragraphs (1)(i) and (2)(B) of this subsection, the Commission shall consider, to the extent applicable—

"(A) the transportation policy of section 10101(a) of this title;

"(B) the value of competition to the traveling and shipping public;

"(C) the effect of issuance of certificate on motor carrier of passenger service to small communities; and

"(D) whether issuance of the certificate would impair the ability of any other motor common carrier of passengers to provide a substantial portion of the regular-route passenger service which such carrier provides over its entire regular-route system. Diversion of revenue or traffic from a motor common carrier of passengers in and of itself shall not be sufficient to support a finding that issuance of the certificate would impair the ability of the carrier to provide a substantial portion of the regular-route passenger service which the carrier provides over its entire regular-route schedule system.

"(4) The provisions of paragraph (1) of this subsection relating to the Commission finding that transportation to be authorized by issuance of a certificate is not consistent with the public interest shall not apply to any application under this subsection for authority to provide—

"(A) interstate transportation service to any community not regularly served by a motor common carrier of passengers using this section;

"(B) interstate transportation service which will be a substitute for discontinued rail or commercial-air passenger service to a community if such discontinuance results in such community not having any rail and commercial-air passenger service and if such application is filed within 180 days after such discontinuance becomes effective; and

"(C) interstate transportation service to any community with respect to which the only motor common carrier of passengers providing interstate transportation service to such community applies for authority to discontinue providing such interstate service under section 10925(b) of this subchapter or applies for permission to reduce its level of intrastate service to such community under section 10935 of this subchapter.

"(5) The Commission may not make any finding under paragraphs (1) and (2) of this subsection which is based upon general findings developed in rulemaking proceedings.

"(6) The requirement that persons issued certificates under this subsection be fit, willing, and able means safety and proof of insurance pursuant to the minimum financial fitness responsibility requirements of section 18 of the Bus Regulatory Reform Act of 1982.

"(7) No motor common carrier of passengers may protest an application to provide transportation filed under this subsection or a request to remove an operating restriction under section 10922(i)(4) of this title unless—

"(A)(i) it possesses authority to handle, in whole or in part, the traffic for which authority is applied;

"(ii) it is willing and able to provide service that meets the reasonable needs of the traveling public; and

"(iii) it has performed service within the scope of the application during the previous 12-month period or has, actively in good faith, solicited service within the scope of the application during such period;

"(B) it has pending before the Commission an application filed prior in time to the application being considered for substantially the same traffic; or

"(C) the Commission grants leave to intervene upon a showing of other interests that are not contrary to the transportation policy set forth in section 10101(a) of this title.

"(8) No motor contract carrier of passengers may protest an application to provide transportation filed under this subsection.

"(9) For purposes of this section, authority under this subsection to provide special or charter transportation of passengers by motor vehicle includes authority to provide such transportation as round-trip service and as one-way service if such one-way service may be provided as part of a round-trip movement involving the same passengers and air, rail, or water transportation or any combination of air, rail, or water transportation.".

(c) Paragraph (4) of subsection (e) of section 10922 of title 49, United States Code, as redesignated by subsection (b) of this section, is amended as follows:

"(4) A certificate of a motor common carrier to transport passengers shall be deemed to include permissive authority to transport newspapers, baggage of passengers, express packages, or mail in the same motor vehicle with the passengers, or baggage of passengers in a separate motor vehicle.".

(d)(1) Section 10102 of title 49, United States Code, is amended by redesignating paragraphs (5) through (29), and any references thereto, as paragraphs (6) through (30), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) 'commuter bus operations' means short-haul regularly scheduled passenger service provided by motor vehicle in metropolitan and suburban areas, whether within or across the geographical boundaries of a State, and utilized primarily by passengers using reduced fare, multiple-ride, or commutation tickets during morning and evening peak period operations.".

(2) Section 11711(f) of such title is amended by striking out "10102(10)(A)" and inserting in lieu thereof "10102(11)(A)".

(3) Section 250(a)(1) of the Internal Revenue Code of 1954 is amended by striking out "10102(18)" and inserting in lieu thereof "10102(19)".

(4)(A) Section 5201(5) of title 39, United States Code, is amended by striking out "10102(12)" and inserting in lieu thereof "10102(13)".

(B) Section 5201(6) of title 39, United States Code, is amended by striking out "10102(7)" and inserting in lieu thereof "10102(8) of title 49".

(e) Section 10322(a) of title 49, United States Code, is amended by srtiking out "10922(h)(2)" and inserting in lieu thereof "10922(i)(3)" and by adding at the end thereof the following new sentence: "In addition, the deadlines set forth in this section do not apply to any application filed under section 10922(c) of this subtitle for authority to provide regular-route transportation entirely in one State as a motor common carrier of passengers.".

(f) Section 10521(b) of title 49, United States Code, is amended—

(1) in clause (1) by inserting "except as provided in sections 10922(c)(2), 10935, and 11501(e) of this title," immediately before "affect";

(2) in clause (2) by inserting "except as provided in sections 10922(c)(2) and 11501(e)," immediately before "authorize"; and

(3) in clause (3) by inserting "except as provided in section 10922(c)(2) of this title," immediately before "allow".

(g) Section 10922(b) of title 49, United States Code, is amended—

(1) by redesignating paragraphs (4) through (9) as paragraphs (5) through (10), respectively; and

(2) by adding after paragraph (3) the following new paragraph:

"(4)(A) The Commission shall not issue a certificate to provide transportation as a motor common carrier under this section to any person domiciled in a foreign country, or to a motor common carrier owned or controlled by a person or persons domiciled in a foreign country consistent with the findings of paragraph (1) of this subsection, until the President has certified to the Commission that an agreement has been reached and the date on which such agreement is to become effective, pursuant to subparagraph (B) of this paragraph.

"(B) The President shall, as appropriate, enter into discussions with appropriate foreign authorities regarding the establishment of agreements with respect to motor carrier transportation between the United States and foreign countries. Such discussions shall be conducted in consultation with the United States Trade Representative, the Department of State, and the Department of Transportation. Such agreements shall provide for fair and equitable treatment for United States motor common carriers.

"(C) Whenever an agreement is reached between the United States and a foreign country regarding motor carrier transportation between the United States and a foreign country, the President shall certify to the Commission that an agreement has been reached and the date on which such agreement is to enter into effect.

"(D) When the Commission has received a certification from the President under subparagraph (C) of this paragraph and after the agreement has become effective, the Commission shall issue a certificate to provide transportation as a motor common carrier under this section to any person domiciled in a foreign country which is a party to such agreement, or to a motor common carrier owned or controlled by a person domiciled in a foreign country which is a party to such agreement, consistent with the findings of paragraph (1) of this subsection, except where the Commission determines under section 10925(b) of this title that the government, motor carrier authorities, or foreign motor carriers of any foreign country or political subdivision of such foreign country have imposed restrictions on access of United States motor carriers to foreign markets which are inconsistent with agreements entered into under subparagraph (B) of this paragraph.

"(E) This paragraph shall apply only to foreign persons who are from countries contiguous to the United States.".

(h) Section 10925 of title 49, United States Code, is amended—

(1) by redesignating subsections (b), (c), (d), and (e), and any references thereto, as subsections (c), (d), (e), and (f), respectively; and

(2) by adding after subsection (a) the following new subsection:

"(b)(1) Whenever the Commission, upon complaint or on its own initiative, determines that a foreign government, motor carrier authority or foreign motor carrier imposes restrictions on access of a United States motor carrier to foreign markets which are inconsistent with any agreement entered into under section 10922(b)(4) of this title, the Commission may take such action as may be necessary to encourage compliance with any such agreement. Such actions may include the denial, transfer, alteration, modification, amendment, cancellation, suspension, limitation, or revocation of any foreign motor carrier permit, certificate, license, or tariff pursuant to the powers of the Commission under this title.

"(2) In considering any complaints or in any proceedings on its own initiative under this subsection, the Commission shall solicit the views of the United States Trade Representative, the Department of State, and the Department of Transportation. In addition, the Commission shall provide any affected motor carrier or foreign motor carrier with reasonable notice and opportunity to file written evidence and argument on the complaint.

"(3) Any action by the Commission under this subsection shall be presented to the President for review. The President shall have the right to disapprove any such action on the basis of foreign policy or national defense considerations within 60 days after presentation of the action. Any such action which is disapproved by the President shall be null and void. Any such action which is not disapproved within 60 days after presentation to the President shall take effect as action of the Commission.

"(4) The Commission shall exercise its duties under this section consistent with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries.".

(i) Section 10922 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(l)(1) No certificate to provide transportation as a motor common carrier shall be issued under this section to any person from a political subdivision of a foreign country unless such political subdivision or such country grants authority to persons from the United States to provide transportation by motor vehicle for compensation in such political subdivision or country.

"(2) This subsection shall only apply to foreign persons who are from countries contiguous to the United States.".

RESTRICTION REMOVAL

Sec. 7. Section 10922(i) of title 49, United States Code, as redesignated by section 6(b) of this Act, is amended by adding at the end thereof the following new paragraphs:

"(3) On the effective date of the Bus Regulatory Reform Act of 1982, a certificate to provide interstate transportation of passengers issued under this section shall be deemed to authorize (but not require)—

"(A) round-trip operations where only one-way authority exists; and

"(B) special and charter transportation from all points in a political subdivision of a State in any case in which special and charter transportation authority is limited to one or more points of origin in such political subdivision.

"(4) Upon request of the holder of a certificate, the Commission shall within 90 days remove any operating restriction imposed on the certificate in order to authorize interstate transportation or service to intermediate points on any route covered by the certificate unless the Commission finds, on the basis of evidence presented by a person objecting to the removal of such an operating restriction, that the resulting interstate transportation directly competes with a commuter bus operation and it will have a significant adverse effect on commuter bus service in the area in which the competing service will be performed.".

MIXING OF REGULAR AND CHARTER PASSENGERS

Sec. 8. Subsection (j) of section 10922 of title 49, United States Code, as redesignated by section 6(b) of this Act, is amended by redesignating clauses (1) and (2) as clauses (A) and (B), respectively, by inserting "(1)" before "A person holding", and by adding at the end of such subsection the following new paragraphs:

"(2)(A) Subject to the provisions of this paragraph, a motor common carrier of passengers who has authority under this section to provide special or charter transportation of passengers and to provide regular-route transportation of passengers may transport the special or charter passengers in the same motor vehicle with regular-route passengers.

"(B) Subparagraph (A) of this paragraph shall only apply to transportation of passengers entirely in a State if the motor common carrier of passengers has authority under the laws of such State to provide within such State special or charter transportation of passengers and regular-route transportation of passengers and if the laws of such State and the certificate, permit, or other authority under which such carrier provides intrastate transportation in such State authorizes such carrier to transport special or charter passengers in the same motor vehicle with regular-route passengers.

"(C) Special or charter transportation of passengers may only be provided under subparagraph (A) of this paragraph in the same motor vehicle as regular-route transportation of passengers if the mixing of such passengers does not interfere with the obligation of the carrier to comply with section 11101 of this subtitle.

"(3) Subject to such regulations as the Commission may issue, a person who has authority under this section to provide charter transportation of passengers may transport groups of charter passengers in the same motor vehicle at the same time.".

RULE OF RATEMAKING

Sec. 9. (a) Section 10701(e) of title 49, United States Code, is amended by striking out "of property" each place it appears.

(b) Section 10704(b)(2)(B) of title 49, United States Code, is amended by striking out "of property".

RATE BUREAUS

Sec. 10. (a) Paragraphs (1) and (2) of section 10706(b) of title 49, United States Code, are amended by striking out "of property" each place it appears.

(b)(1) Section 10706(b)(3)(B)(i) of title 49, United States Code, is amended by striking out "and (D)" and inserting in lieu thereof ", (D), (E), and (F)".

(2) Section 10706(b)(3)(B)(iii) of title 49, United States Code, is amended by striking out "of property".

(3) Section 10706(b)(3)(D) of title 49, United States Code, is amended by inserting after the first sentence the following new sentence: "This subparagraph shall not apply to any single-line rate proposed by a motor common carrier of passengers.".

(4) Section 10706(b)(3) of title 49, United States Code, is amended by redesignating subparagraphs (E) and (F), and any references thereto, as subparagraphs (G) and (H), respectively, and by inserting after subparagraph (D) the following new subparagraphs:

"(E) On and after January 1, 1983, no agreement approved under this subsection may provide for discussion of or voting upon any single-line rate proposed by a

motor common carrier of passengers. On and after January 1, 1984, no agreement approved under this subsection may provide for discussion of or voting upon any joint rate. This subparagraph shall not apply to any rate applicable to special or charter transportation. This subparagraph and subparagraph (B)(i)(II) of this paragraph shall not apply to the following:

"(i) any general rate increase or decrease, broad change in tariff structure, or promotional or innovative fare change, as defined by the Commission and subject to such notice requirements as the Commission may specify by regulation if discussion of such general increase or decrease is limited to industry average carrier costs and intermodal competitive factors and does not include discussion of individual markets or particular single-line rates or joint rates; and

"(ii) publishing of tariffs, filing of independent actions for individual member carriers, providing of support services for members, and changes in rules or regulations which are of at least substantially general application throughout the area in which such changes will apply.

"(F) After the effective date of the Bus Regulatory Reform Act of 1982, no agreement approved under this subsection may provide for discussion of or voting upon any rate applicable to special or charter transportation proposed by a motor common carrier of passengers. This subparagraph shall not apply to publication of such rate.".

(c) Subsection (b) of section 10706 of title 49, United States Code, is amended by adding at the end thereof the following new paragraph:

"(5) Notwithstanding any other provision of this subtitle (other than paragraph (3)(F) of this subsection, relating to special and charter transportation of passengers), before January 1, 1983, the Commission may not take any action which would, on the basis of the type of carrier service involved (including service by carriers singly or in combination with other carriers), result in the exclusion of one or more motor common carriers of passengers from discussion or voting under agreements authorized by this subsection on matters concerning rates, allowances, or divisions, except that before January 1, 1983, the Commission may issue regulations which take effect on or after January 1, 1983, to carry out the provisions of paragraph (3)(E) of this subsection.".

(d) The first sentence of section 10706(c) of title 49, United States Code, is amended by striking out "of property".

(e)(1) Paragraph (2) of section 14(b) of the Motor Carrier Act of 1980 (Public Law 96-296; 94 Stat. 806) is amended to read as follows:

"(2) The Study Commission shall make (A) a full and complete investigation and study of the collective ratemaking process for all rates of motor common carriers of property and upon the need or lack of need for continued antitrust immunity therefor, and (B) a full and complete investigation and study of the collective ratemaking process for general rate changes, innovative fare changes, and broad changes in tariff structure of motor common carriers of passengers and upon the need or lack of need for antitrust immunity therefor. The Study Commission may study the collective ratemaking process for single-line or joint-line rates of motor common carriers of passengers. Each such study shall estimate the impact of the elimination of such immunity upon rate levels and rate structures and describe the impact of the elimination of such immunity upon the Interstate Commerce Commission and its staff. Each such study shall give special consideration to the effect of the elimination of such immunity upon rural areas and small communities.".

(2) Paragraph (3) of section 14(b) of the Motor Carrier Act of 1980 (Public Law 96-296; 94 Stat. 806) is amended—

(A) by striking out "10 members" and inserting in lieu thereof "14 members";

(B) by striking out "and" at the end of clause (B); and

(C) by striking out the period at the end of such paragraph and inserting in lieu thereof "; and"; and

(D) by adding at the end of such paragraph the following:

"(D) 4 members of the public appointed by the President, 1 who is a motor common carrier of passengers receiving $3,000,000 or more per year in revenues from motor common carrier of passengers operations, 1 who is a motor common carrier of passengers receiving less than $3,000,000 per year from motor common carrier of passengers operations, and 2 who are not affiliated with the motor common carrier industry.

No member of the Study Commission who is appointed under clause (C) of this paragraph shall vote on any matter before the Commission related to motor common carriers of passengers, and no member of the Study Commission who is appointed under clause (D) of this paragraph shall vote on any matter before the Study Commission related to motor common carriers of property.".

(3) Paragraph (4) of section 14(b) of the Motor Carrier Act of 1980 (Public Law 96-296; 94 Stat. 806) is amended by striking out the first 2 sentences and inserting in lieu thereof the following:

"(4) The Study Commission shall submit to the President and the Congress its final report on the collective ratemaking process applicable to motor common carriers of property not later than January 1, 1983, and its final report on the collective ratemaking process applicable to motor common carriers of passengers not later than January 1, 1984. Such reports shall include, but not be limited to, the findings and recommendations of the Study Commission. The Study Commission shall cease to exist 6 months after submission of the last of such reports.".

(4) Paragraph (12) of section 14(b) of the Motor Carrier Act of 1980 (Public Law 96-296; 94 Stat. 808) is amended by striking "$3,000,000" and inserting in lieu thereof "$4,000,000".

(f) Any organization established pursuant to an agreement entered into by motor common carriers of passengers and approved by the Commission prior to the effective date of this Act under section 10706(c) of title 49, United States Code, may continue to function pursuant to such agreement until a new or amended agreement is finally disposed of by the Commission under section 10706 of title 49, United States Code, as amended by this section, so long as (1) such new or amended agreement is submitted to the Commission for approval within 120 days of such effective date, and (2) such organization complies with this section (including amendments made by this section and regulations issued under such amendments) during the period such new or amended agreement is being prepared, submitted to, and considered by the Commission.

ZONE OF RATE FREEDOM

Sec. 11. (a) Subsection (d) of section 10708 of title 49, United States Code, is amended by redesignating paragraph (4) of such subsection, and any references thereto, as paragraph (6) and inserting after paragraph (3) the following new paragraphs:

"(4) Notwithstanding any other provision of this title, the Commission may not investigate, suspend, revise, or revoke any single-line rate proposed by a motor common carrier of passengers, or joint rate proposed by one or more such carriers, applicable to any transportation (other than special or charter transportation) on the grounds that such rate is unreasonable on the basis that it is too high or too low if—

"(A) the carrier or carriers notify the Commission that they wish to have the rate considered pursuant to this subsection; and

"(B) the aggregate of increases and decreases in any such rate is not more than 10 percent above the rate in effect 1 year prior to the effective date of the proposed rate, nor more than 20 percent below the lesser of the rate in effect on the effective date of the Bus Regulatory Reform Act of 1982 (or, in case of any rate which the carrier or carriers first establish after such date for a service not provided by the carrier or carriers on such date, such rate on the date such rate first becomes effective), or the rate in effect 1 year prior to the effective date of the proposed rate.

"(5) One year after the effective date of the Bus Regulatory Reform Act of 1982, the first and second percentages specified in paragraph (4)(B) of this subsection shall change to 15 percent and 25 percent, respectively. Two years after the effective date, the first and second percentages specified in paragraph (4)(B) of this subsection shall change to 20 percent and 30 percent, respectively.".

(b) Paragraph (6) of section 10708(d) of title 49, United States Code, as redesignated by subsection (a) of this section, is amended by inserting after the first sentence the following new sentence: "Evidence that any motor common carrier of passengers established pursuant to this subsection a joint or single-line rate applicable to transportation over any route which is the same as or similar to a joint rate applicable to transportation over such route which such carrier together with one or more other motor common carriers of passengers established pursuant to this subsection shall not be in and of itself sufficient to establish a violation of any such antitrust law.".

(c) Section 10708 of title 49, United States Code, is amended by adding at the end thereof the following new subsections:

"(e) Notwithstanding any other provision of this title, 3 years after the effective date of the Bus Regulatory Reform Act of 1982, the Commission may not investigate, suspend, revise, or revoke any rate proposed by a motor common carrier of passengers on the grounds that such rate is unreasonable on the basis that it is too high or too low, unless the proposed rate is established collectively in accordance with the procedures of an agreement approved by the Commission under section 10706(b) of this title. In publishing and filing a tariff under section 10762 of this title, the carrier shall disclose whether such rate is the result of collective ratemaking procedures pursuant to an agreement approved by the Commission under section 10706(b) of this title.

"(f) Notwithstanding any other provision of this title, an interested party may file a complaint under section 11701 of this title challenging the reasonableness of a rate filed under this section by a motor carrier of passengers. Any such complaint proceeding shall be finally determined by the Commis-

sion no later than 60 days after the filing of the complaint.".

RATES FOR SPECIAL AND CHARTER TRANSPORTATION

Sec. 12. (a) Section 10708 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of this title, the Commission may not investigate, suspend, revise, or revoke any rate proposed by a motor common carrier of passengers applicable to special or charter transportation. Nothing in this subsection shall limit the Commission's authority to suspend and investigate proposed rates on the basis that such rates constitute predatory practices in contravention of the transportation policy set forth in section 10101(a) of this title.".

(b) Section 10762(c)(3) of title 49, United States Code, is amended—

(1) in the second sentence by inserting "and motor common carrier of passengers with respect to special or charter transportation" immediately after "a rail carrier"; and

(2) by adding at the end thereof the following new sentence: "In the case of a motor common carrier of passengers, a proposed rate change resulting in an increased rate or a new rate applicable to special or charter transportation shall not become effective for 30 days after the notice is published, and a proposed rate change resulting in a reduced rate applicable to special or charter transportation shall not become effective for 10 days after the notice is published.".

MOTOR CONTRACT CARRIERS

Sec. 13. (a) Section 10923(b)(2) of title 49, United States Code, is amended to read as follows:

"(2) The provisions of paragraph (2) of subsection (a) of this section shall not apply to applications under this section for authority to provide transportation as a motor contract carrier of passengers. The requirement that persons issued permits under this section as motor contract carriers of passengers be fit, willing, and able means safety fitness and proof of insurance pursuant to the minimum financial responsibility requirements of section 18 of the Bus Regulatory Reform Act of 1982."; and

(b) Subsection (f) of section 10925 of title 49, United States Code, as redesignated by section 6(h) of this Act, is amended—

(1) by striking out "of property" each place it appears;

(2) by striking out "section 10922(b)" each place it appears and inserting in lieu thereof "section 10922"; and

(3) in paragraph (2)—

(A) by striking out "transportation"; and

(B) by striking out "of the same property" and inserting in lieu thereof "the same type of transportation".

BROKERS

Sec. 14. (a) Subsection (a) of section 10924 of title 49, United States Code, is amended by striking out "passengers or".

(b) Subsection (e) of section 10924 of title 49, United States Code, is amended by striking out "of travelers and".

(c) Section 10924 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) The Commission may impose on brokers of passengers such requirements for bonds or insurance or both as the Commission determines are needed to protect passengers and carriers dealing with such brokers.".

(d) Section 10526(a) of title 49, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(14) brokers for motor carriers of passengers, except as provided in section 10924(f) of this title.".

TEMPORARY AND EMERGENCY TEMPORARY AUTHORITY

Sec. 15. Section 10928 of title 49, United States Code, is amended—

(1) in subsection (a) by striking out "motor carrier of passengers or" each place it appears;

(2) in subsection (b)(1) by striking out "of property" each place it appears; and

(3) in subsection (c)(1) by striking out "of property" each place it appears and by inserting immediately after "not more than 90 days" the following: "and, in addition, in the case of a motor carrier of passengers, the Commission may extend such authority for a period of more than 90 days but not more than 180 days if no other motor carrier of passengers is providing transportation to the place or in the area".

EXIT POLICY

Sec. 16. (a) Subchapter II of chapter 109 of title 49, United States Code, is amended by adding at the end thereof the following new section:

"§ 10935. Discontinuing bus transportation in one State

"(a) When a motor common carrier of passengers having intrastate authority under the laws of a State, and interstate authority under a certificate issued under section 10922 of this subchapter, to provide transportation over any route to any point in such State has proposed to discontinue providing transportation over such route to such point or to reduce its level of service over such route to such point to a level which is less than one trip per day (excluding Saturdays and Sundays) and the carrier has requested the department, agency, or instrumentality of such State having jurisdiction over granting such discontinuance or reduction for permission to discontinue such intrastate transportation or to reduce its level of service to a level which is less than one trip per day (excluding Saturdays and Sundays) and the request has been denied (in whole or in part) or such department, agency, or instrumentality has not acted finally (in whole or in part) on the request by the 120th day after the carrier made the request, the carrier may petition the Commission for such permission.

"(b) When a petition is filed under subsection (a) of this section, the carrier shall certify that he has notified (1) the Governor of the State in which such transportation is provided, (2) the State authority having jurisdiction over granting discontinuances of transportation by motor common carriers of passengers and reductions in levels of service by such carriers, (3) local governments having jurisdiction over areas which would be affected if such petition is granted, and (4) such other interested persons as the Commission may specify by regulation.

"(c) Any person (including a department, agency, or instrumentality of a State or local government) may object to the Commission to the granting of permission to any motor common carrier of passengers to discontinue or reduce transportation under this section.

"(d) If no person objects under subsection (c) of this section to the granting of permission to discontinue or reduce transportation under this section within 20 days after the carrier files with the Commission the petition for such discontinuance or reduction, the Commission shall grant such permission at the end of such 20-day period.

"(e)(1) Subject to paragraph (2) of this subsection, if, within 20 days after a carrier files a petition for permission to discontinue providing intrastate transportation over any route to any point or to reduce its level of service over such route to such point to a level which is less than one trip per day (excluding Saturdays and Sundays), any person objects under subsection (c) of this section to the Commission to the granting of such permission, the Commission shall grant such permission unless the Commission finds, on the basis of evidence presented by the person objecting to the granting of such permission, that such discontinuance or reduction is not an unreasonable burden on interstate commerce. For the purposes of this subsection, continuance of the transportation would not constitute an unreasonable burden on interstate commerce only if discontinuance or reduction of such service is not consistent with the public interest and the interstate and intrastate revenues from such service are adequate to cover the variable costs of operating the service proposed to be discontinued or reduced.

"(2) The Commission shall only grant permission to a carrier to discontinue intrastate transportation over any route to any point under this subsection if such carrier has applied for authority to discontinue its interstate transportation over such route to such point under section 10925(b) of this subchapter and the Commission has granted or will grant such authority.

"(3) If any person objects under subsection (c) of this section to the granting of permission to discontinue or reduce transportation under this section within 20 days after the carrier files with the Commission the petition for such discontinuance or reduction, the carrier, within 15 days after the filing of such objection with the Commission, shall furnish to the Commission and to objecting persons—

"(A) an estimate of the annual subsidy required, if any, to continue the service;

"(B) traffic, revenue, and other data necessary to determine the amount of annual financial assistance, if any, which would be required to continue the service; and

"(C) such other information as the Commission may require by regulation.

The Commission shall take final action upon such petition not later than 75 days after the date the carrier files such petition.

"(f) Before a discontinuance or reduction in level of service proposed in a petition filed by a carrier under subsection (a) of this section has become effective, the Commission may order the carrier to continue any part of the intrastate transportation for not to exceed the 150-day period beginning on the date the carrier files such petition with the Commission.

"(g) In making a finding under subsection (e)(1) of this section, the Commission shall consider, to the extent applicable:

"(1) the national transportation policy of section 10101 of this title;

"(2) whether the motor common carrier of passengers has received an offer of, or is receiving, financial assistance to provide the transportation to be discontinued or reduced from a financially responsible person (including a governmental authority); and

"(3) in the case of a petition to discontinue transportation to any point, whether the transportation is the last motor carrier of passenger service to such point and whether a reasonable alternative to such service is available.

"(h) No State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to discontinuance or reduction in the level of intrastate service by a motor common carrier of passengers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title corresponding to an interstate service initiated pursuant to the provisions of section 10922(c)(4) of this title except to the extent that notice of discontinuance or reduction in service, not in excess of 30 days, may be required.

"(i) This section shall not apply to any carrier owned or controlled by a State or local government.".

(b) The analysis for subchapter II of chapter 109 of title 49, United States Code, is amended by inserting

"10935. Discontinuing bus transportation in one State."

after

"10934. Household goods agents.".

(c) Section 10322(a) of title 49, United States Code, is amended by inserting "10935," immediately after "10934(c),".

DISCRIMINATORY STATE REGULATION OF RATES AND PRACTICES

Sec. 17. (a)(1) Section 11501 of title 49, United States Code, is amended by redesignating subsection (e), and any references thereto, as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e)(1) The Commission shall prescribe any rate, rule, or practice applicable to transportation provided entirely in one State by a motor common carrier of passengers providing transportation subject to jurisdiction of the Commission under subchapter II of chapter 105 of this title—

"(A) if the carrier has requested the department, agency, or instrumentality of such State having jurisdiction over such rate, rule, or practice for permission to establish such rate, rule, or practice and the request has been denied (in whole or in part) or the State authority has not acted finally (in whole or in part) on the request by the 120th day after the carrier made the request; and

"(B) if the Commission finds that the rate, rule, or practice in effect and applicable to such intrastate transportation causes unreasonable discrimination against or imposes an unreasonable burden on interstate or foreign commerce.

"(2) For purposes of paragraph (1)(B) of this subsection, there shall be a rebuttable presumption that—

"(A) any rate, rule, or practice applicable to transportation provided by a motor common carrier of passengers entirely in one State imposes an unreasonable burden on interstate commerce if the Commission finds that—

"(i) such rate, rule, or practice results in the carrier charging a rate for such transportation which is lower than the rate such carrier charges for comparable interstate transportation of passengers;

"(ii) on the basis of evidence presented by the carrier, that as a result of such rate, rule, or practice such carrier does not receive revenues from such transportation which exceed the variable costs of providing such transportation; or

"(iii) the department, agency, or instrumentality of such State having jurisdiction over such rate, rule, or practice failed to act finally (in whole or in part) on the request of the carrier to establish such rate, rule, or practice by the 120th day after the date the carrier made the request; and

"(B) any rate applicable to transportation entirely in one State imposes an unreasonable burden on interstate commerce if the Commission finds that the most recent general rate increase applicable to transportation provided by motor common carriers of passengers in such State is less than the most recent general rate increase applicable to interstate transportation provided by motor common carriers of passengers under this subtitle.

"(3)(A) A motor common carrier of passengers must file an application with the Commission for prescription under this subsection of a rate, rule, or practice applicable to transportation provided entirely in one State by such carrier. When such application is filed with the Commission, the carrier shall certify that he has notified (i) the Governor of such State, (ii) the department, agency, or instrumentality of such State which denied, or failed to take action on, the request of such carrier related to such rate, rule, or practice, and (iii) such other interested persons as the Commission may specify by regulation. The Commission shall take final action on any such application not later than 60 days after such application is filed with the Commission.

"(B) The Commission shall establish, by regulation, procedures for processing applications under this subsection.

"(4) This subsection shall not apply to any carrier owned or controlled by a State or local government.

"(5) No State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to scheduling of interstate or intrastate transportation provided by motor common carrier of passengers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title on an authorized interstate route or relating to any reduction in the rates for such transportation except to the extent that notice, not in excess of 30 days, of changes in schedules may be required. This provision shall not apply to intrastate commuter service.".

(2) Subsection (f) of section 11501 of title 49, United States Code, as redesignated by paragraph (1) of this subsection, is amended by inserting "(1)" immediately after "take action" and by inserting ", or (2) with respect to a rate, rule, or practice of a motor common carrier transportation of passengers, in accordance with the procedures established by the Commission under subsection (e)(3)(B) of this section" immediately after "a full hearing".

(b) Section 10322(a) of title 49, United States Code, is amended by inserting "or 11501(e)" immediately after "section 10934".

(c) The Interstate Commerce Commission, in consultation with each national association representing State departments, agencies, and instrumentalities having jurisdiction over motor common carrier transportation of passengers, shall cooperate with each such department, agency, or instrumentality of a State for the purpose of establishing standards and procedures (including timing requirements) for rates, rules, and practices applicable to intrastate transportation provided by motor common carriers of passengers who provide transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of subtitle IV of title 49, United States Code, which are—

(1) to the extent feasible, uniform among the States; and

(2) consistent with the standards and procedures established by the Interstate Commerce Commission under such subtitle for regulation of interstate transportation provided by motor common carriers of passengers.

(d) It is the sense of Congress that each State should revise its standards and procedures (including timing requirements) for rates, rules, and practices applicable to intrastate transportation provided by motor common carriers of passengers to conform such standards and procedures to the standards and procedures for rates, rules, and practices applicable to interstate transportation provided by motor carriers of passengers not later than 2 years after the effective date of this Act.

(e) Not later than 30 months after the effective date of this Act, the Interstate Commerce Commission shall report to the Congress on the results of its efforts to establish uniform standards and procedures applicable to motor common carrier of passengers rates, rules, and practices.

FINANCIAL RESPONSIBILITY

Sec. 18. (a) The Secretary of Transportation shall establish regulations to require minimal levels of financial responsibility sufficient to satisfy liability amounts to be determined by the Secretary covering public liability and property damage for the transportation of passengers for hire by motor vehicle in the United States from a place in a State to a place in another State, from a place in a State to another place in such State through a place outside of such State, and between a place in a State and a place outside of the United States.

(b) The minimal level of financial responsibility established by the Secretary under subsection (a) of this section—

(1) for any vehicle with a seating capacity of 16 passengers or more shall not be less than $5,000,000, except that the Secretary, by regulation, may reduce such amount (but not to an amount less than $2,500,000) for any class of such vehicles or operations for the 2-year period beginning on the effective date of the regulations issued under such subsection or any part of such period if the Secretary finds that such reduction will not adversely affect public safety and will prevent a serious disruption in transportation service; and

(2) for any vehicle with a seating capacity of 15 passengers or less shall not be less than $1,500,000, except that the Secretary, by regulation, may reduce such amount (but not to an amount less than $750,000) for any class of such vehicles or operations for the 2-year period beginning on the effective date of the regulations issued under such subsection or any part of such period if the Secretary finds that such reduction will not adversely affect public safety and will prevent a serious disruption in transportation service.

(c)(1) If, at the end of the 1-year period beginning on the effective date of this Act, the Secretary has not established regulations to require minimal levels of financial responsi-

bility as required by subsection (a) of this section for any class of transportation of passengers, the levels of financial responsibility for such class of transportation shall be the $5,000,000 amount set forth in subsection (b)(1) of this section in the case of motor vehicles with a seating capacity of 16 passengers or more and the $1,500,000 amount set forth in subsection (b)(2) of this section in the case of motor vehicles having a seating capacity of 15 passengers or less, until such time as the Secretary, by regulation, changes such amount under this section.

(2) Notwithstanding the provisions of subsection (b) of this section, the Secretary may only make reductions in the $5,000,000 and $1,500,000 amounts set forth in such subsection for the 2-year period beginning on the 366th day following the effective date of this Act or any part of such period.

(d) Financial responsibility may be established under this section by any one or combination of the following methods acceptable to the Secretary: evidence of insurance, including high self-retention, guarantee, or surety bond. Any bond filed shall be issued by a bonding company authorized to do business in the United States. The Secretary shall establish, by regulation, methods and procedures to assure compliance with this section.

(e)(1) Any person (except an employee who acts without knowledge) who is determined by the Secretary, after notice and opportunity for a hearing, to have knowingly violated this section or a regulation issued under this section shall be liable to the United States for a civil penalty of not more than $10,000 for each violation, and if any such violation is a continuing one, each day of violation constitutes a separate offense. The amount of any such penalty shall be assessed by the Secretary by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

(2) Such civil penalty may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, such civil penalty may be compromised by the Secretary. The amount of such penalty, when finally determined (or agreed upon in compromise), may be deducted from any sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

(f) This section shall not apply—

(1) to a motor vehicle transporting only school children and teachers to or from school;

(2) to a motor vehicle providing taxicab service and having a seating capacity of less than 7 passengers and not operated on a regular route or between specified points; and

(3) to a motor vehicle carrying less than 16 individuals in a single, daily roundtrip to commute to and from work.

(g) For purposes of this section, the term—

(1) "Secretary" means the Secretary of Transportation; and

(2) "State" means a State of the United States and the District of Columbia.

(h) Section 10927(a)(1) of title 49, United States Code, is amended by inserting immediately after "Motor Carrier Act of 1980" the following: ", in the case of a motor carrier of property, or section 18 of the Bus Regulatory Reform Act of 1982, in the case of a motor carrier of passengers".

SECURITIES

SEC. 19. (a) Section 11302 of title 49, United States Code, and the item relating to such section in the section analysis for chapter 113 of such title, are repealed.

(b) Section 11911(a) of title 49, United States Code, is amended by striking out "or of a person to which that section is made applicable by section 11302(a) of this title".

(c) Section 3(a)(6) of the Securities Act of 1933 (15 U.S.C. 77c(a)(6)) is amended by striking out "Any security issued by a motor carrier the issuance of which is subject to the provisions of section 214 of the Interstate Commerce Act, or any" and by inserting in lieu thereof "Any".

TAX DISCRIMINATION

SEC. 20. Section 11503a(a)(3) of title 49, United States Code, is amended by striking out "of property".

MERGER PROCEDURE

SEC. 21. (a)(1) Section 11341(a) of title 49, United States Code, is amended by inserting "or exempted by" immediately after "approved by."

(2) The third sentence of section 1134(a) of title 49, United States Code, is amended by inserting "approved or exempted" immediately after "participating in that".

(b) Section 11343 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) Notwithstanding any provisions of this title, the Interstate Commerce Commission, in a matter related to a motor carrier of property providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, may exempt a person, class of persons, transaction, or class of transactions from the merger, consolidation, and acquisition of control provisions of this subchapter if the Commission finds that the application of those provisions of this subchapter—

"(A) is not necessary to carry out the transportation policy of section 10101 of this title; and

"(B) either (i) the transaction is of limited scope, or (ii) the application of the provisions of this subchapter is not needed to protect shippers from the abuse of market power.

"(2) The Commission may revoke an exemption, to the extent it specifies, when it finds that application of the provisions of this section to the person, class of persons, or transportation is necessary to carry out the transportation policy of section 10101 of this title.".

(c) The heading of section 11345a of title 49, United States Code, is amended to read as follows:

5"§ 11345a. Consolidation, merger, and acquisition of control: motor carrier procedure".

(d) Subsection (a) of such section is amended by striking out "or property".

(e) The item relating to section 11345a in the analysis for subchapter III of chapter 113 of title 49, United States Code, is amended to read as follows:

"11345a. Consolidation, merger, and acquisition of control: motor carrier procedure.".

(f) Section 11344(b) of title 49, United States Code, is amended by redesignating paragraphs (1), (2), (3), (4), and (5) (and any references thereto) as subparagraphs (A), (B), (C), (D), and (E), respectively, by inserting "(1)" immediately before "In a proceeding", and by adding at the end thereof the following new paragraph:

"(2) In a proceeding under this section which involves only carriers of passengers providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter II of chapter 105 of this title, the Commission shall consider at least the following:

"(A) the effect of the proposed transaction on the adequacy of transportation to the public.

"(B) the effect on the public interest of including, or failing to include, other rail carriers in the area involved in the proposed transaction.

"(C) the total fixed charges that result from the proposed transaction.

"(D) the interest of carrier employees affected by the proposed transaction.".

"(e) Section 11344(d) of title 49, United States Code, is amended by adding at the end thereof the following new sentence: "The provisions of this subsection do not apply to any proceeding under this section which involves only carriers of passengers providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title.".

SAFETY ENFORCEMENT

SEC. 22. (a) Section 10925(e) of title 49, United States Code, as redesignated by section 6(h) of this Act, is amended by redesignating paragraph (2) (and any references thereto) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) Without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5, upon petition by the Secretary of Transportation, the Commission may suspend a certificate or permit of a motor carrier of passengers if the Commission finds that such carrier has been conducting unsafe operations which are an imminent hazard to public health or property.".

(b) Paragraph (3) of section 10925(e) of title 49, United States Code, as redesignated by section 6(h) of this Act and subsection (a) of this section, is amended by inserting immediately before the period at the end thereof the following: "or, in the case of a suspension under paragraph (2) of this subsection, until the Commission revokes such suspension."

ILLEGAL OPERATIONS

SEC. 23. Section 11901(g) of title 49, United States Code, is amended by inserting immediately before the period at the end of the first sentence the following: "; except that, in the case of a person who does not have authority under this subtitle to provide transportation of passengers, or an officer, agent, or employee of such person, that does not comply with section 10921 of this title with respect to providing transportation of passengers, the amount of the civil penalty shall not be more than $1,000 for each violation and $500 for each additional day the violation continues".

ADMINISTRATIVE ASSISTANCE

SEC. 24. Section 10321(b) of title 49, United States Code, is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of such section and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(4) consistent with the transportation policy of section 10101 of this title, provide administrative assistance to small motor common carriers of passengers and local governments preparing for proceedings under sections 10922(c)(2), 10935, and 11501(e) of this title.".

STUDY OF CITIZEN BAND RADIOS ON BUSES

SEC. 25. (a) The Secretary of Transportation shall undertake to enter into appropriate arrangements with the National Academy of Sciences to conduct a study of the use of citizen band radios on motor vehicles providing transportation of passengers subject to the jurisdiction of the Interstate Commerce Commission under subchapter II of chapter 105 of title 49, United States Code, by the operators of such vehicles. Such study shall determine, at a minimum, the following:

(1) the effect on safety if such operators are authorized to use such radios; and

(2) the effect on safety, health, and convenience of the passengers of such vehicles if such operators are authorized to use such radios.

(b) The Secretary of Transportation shall request the National Academy of Sciences to submit to the Secretary and the Congress, within 1 year after entering into arrangements with the National Academy of Sciences for conducting the study under subsection (a) of this section, a report on the results of such study along with its recommendations concerning whether operators of motor vehicles providing transportation of passengers should be allowed to use citizen band radios. The Secretary shall furnish to such Academy, at its request, any information which such Academy deems necessary for the purpose of conducting such study.

(c) Not later than 60 days after the National Academy of Sciences submits its report to the Secretary of Transportation under subsection (b) of this section, the Secretary of Transportation shall initiate a rulemaking proceeding to determine whether operators of motor vehicles providing transportation of passengers subject to the jurisdiction of the Interstate Commerce Commission under subchapter II of chapter 105 of title 49, United States Code, should be allowed to use citizen band radios in such vehicles. In making such determination, the Secretary of Transportation shall give substantial weight to the recommendations and conclusions of the National Academy of Sciences. Such rulemaking proceeding shall be completed not later than 120 days after such proceeding is commenced. If the Secretary issues a rule or regulation which recommends that operators of such vehicles be allowed to install temporarily and operate citizen band radios in such vehicles, the Secretary of Transportation shall issue regulations establishing guidelines for the use of such radios in such vehicles in order to ensure that the public safety is adequately protected.

(d)(1) Subchapter I of chapter 111 of title 49, United States Code, is amended by adding at the end thereof the following new section:

"§ 11111. Use of citizen band radios on buses

"(a)(1) A motor carrier of passengers providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title shall allow the operator of any motor vehicle providing such transportation to temporarily install and operate a citizen band radio in such vehicle if the Secretary of Transportation issues a rule or regulation which recommends that operators of such vehicles be allowed to temporarily install and operate such radios in such vehicles.

"(2) Citizen band radios installed and operated in motor vehicles providing transportation of passengers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title shall be installed and operated in accordance with the guidelines established by the Secretary of Transportation under section 25(c) of the Bus Regulatory Reform Act of 1982.

"(b) The Commission shall issue such regulations as it considers necessary to carry out this section.".

(2) The analysis for subchapter I of chapter 111 of title 49, United States Code, is amended by inserting

"11111. Use of citizen band radios on buses."

after

"11110. Household goods carrier operations.".

(e) Section 11702(a)(2) of title 49, United States Code, is amended by inserting "or 11111" after "11109".

(f) This section shall not be construed to provide new spending authority within the meaning of section 401(c)(2)(A) of the Congressional Budget Act of 1974.

BUS TERMINAL STUDY

SEC. 26. (a) The Secretary of Transportation and the Interstate Commerce Commission shall conduct a full investigation and study of the ownership, location, and adequacy of bus terminals and their capacity to provide passenger service in accordance with the transportation policy set forth in section 10101 of title 49, United States Code. A report on the results of such investigation and study, including legislative recommendations, shall be submitted to the President and Congress not later than December 31, 1983.

(b) The report under this section shall include an analysis of at least the following:

(1) the pattern of ownership of bus terminals, including public and private ownership;

(2) the desirability of terminals for more than one mode of transportation and their impact on urban development;

(3) the desirability of governmental assistance in the construction of nonurban bus terminals.

EMPLOYEE PROTECTION

SEC. 27. (a)(1) Each individual who is eligible for protection under this section and whose employment is terminated by a motor common carrier of passengers (other than for cause) prior to the last day of the 10-year period beginning on the date of enactment of this Act shall have a right of priority reemployment, in his or her occupational specialty, by such carrier at such time as such carrier is hiring additional employees.

(2) Any motor common carrier of passengers hiring additional employees shall have a duty to hire an individual eligible for protection under this section, in his or her occupational specialty, before hiring any other individual if such individual—

(A) was terminated previously by such carrier;

(B) has applied for a vacant position for which such carrier is accepting applications; and

(C) at the time the application is filed, has notified such carrier that he or she is eligible for protection under this section.

(b)(1) Each individual who is eligible for protection under this section and whose employment is terminated by a motor common carrier of passengers (other than for cause) prior to the last day of the 10-year period beginning on the date of enactment of this Act shall have a right of consideration for employment, in his or her occupational specialty, by any other motor common carrier of passengers who is hiring additional employees.

(2) Each motor common carrier of passengers who is hiring additional employees shall have a duty to consider for employment, in his or her occupational specialty, an individual who is eligible for protection under this section if such individual—

(A) has applied for a vacant position for which such carrier is accepting applications; and

(B) at the time the application is filed, has notified such carrier that he or she is eligible for protection under this section.

(c) An individual (other than a member of a board of directors or an officer of a corporation) who was employed by a motor common carrier of passengers for the 2-year period ending on the date of enactment of this Act shall be eligible for protection under this section if, upon application of such individual, the Commission determines that the employment of such individual has been terminated by a motor common carrier of passengers having intrastate authority under the laws of a State, and interstate authority under a certificate issued under section 10922 of title 49, United States Code, to provide transportation over any route to any point in such State as a result of such carrier—

(1) discontinuing (A) interstate service over such route under section 10925(b) of such title, and (B) intrastate service over such route (i) under section 10935 of such title, or (ii) under the laws of such State;

(2) reducing (A) interstate service over such route under subtitle IV of such title, and (B) intrastate service over such route (i) under section 10935 of such title, or (ii) under the laws of such State; or

(3) substantially reducing (A) interstate service over such route under subtitle IV of such title, and (B) intrastate service over such route (i) under section 11501(e) of such title, or (ii) under the laws of such State.

In a proceeding to determine whether an individual is eligible for protection under this section, it shall be the obligation of the individual whose employment has been terminated by a motor common carrier of passengers to identify to the Commission the discontinuance or reduction which such individual alleges resulted in such termination and to specify the pertinent facts; and it shall be the obligation of any carrier contesting the eligibility of the individual for protection under this section to prove that the discontinuance or reduction was not a contributing factor causing such termination.

(d) The Commission shall establish, maintain, and periodically publish a comprehensive list of jobs available with class I motor carriers of passengers. Such list shall include that information and detail, such as job descriptions and required skills, the Commission deems relevant and necessary. In addition to publishing the list, the Commission shall make every effort to assist individuals eligible for protection under this section in finding other available employment. The Commission may require each class I motor carrier of passengers to file with the Commission the reports, data, and other information necessary to fulfill the

duties of the Commission under this subsection.

(e) For the purposes of this section:

(1) A motor common carrier of passengers shall not be considered to be hiring additional employees when it recalls any of its own furloughed employees.

(2) An individual who is furloughed by a motor common carrier of passengers and who still has a right of recall by such carrier shall not be considered to be terminated.

(3) The term "Commission" means the Interstate Commerce Commission.

(4) The term "motor common carrier of passengers" means a person who has authority under section 10922 of title 49, United States Code, to provide transportation of passengers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of such title.

(5) The term "class I motor carrier of passengers" means a motor common carrier of passengers having annual gross revenues from motor common carrier of passengers operations in excess of $3,000,000.

(f) Nothing in this section shall be construed to affect (1) an affirmative action plan or a hiring plan designed to eliminate discrimination, that is required by Federal or State statute, regulation, or Executive order, or by the order of a Federal court or agency, or (2) a permissible voluntary affirmative action plan.

(g) This section shall not apply (1) to any carrier owned or controlled by a State or local government, and (2) to any periodic discontinuance of or reduction in motor carrier of passenger service which is seasonal in nature.

(h) The Commission shall issue such rules and regulations as are necessary to carry out this section. Initial rules and regulations shall be promulgated within 6 months after the effective date of this Act.

(i) The provisions of this section shall terminate on the last day of the 12-year period beginning on the effective date of this Act.

PUBLICATION OF COMMISSION ACTIONS

SEC. 28. (a) Section 10322(b)(3) of title 49, United States Code, is amended by striking "in the Federal Register".

(b) Section 10328(b) of title 49, United States Code, is amended—

(1) by inserting "(1)" immediately after "(b)";

(2) by amending paragraph (1), as so redesignated, by striking "that is, or is proposed to be, provided in a State" and by striking all after "interested persons" and inserting in lieu thereof a period; and

(3) by adding at the end thereof the following:

"(2) The Commission may adopt, after a rulemaking proceeding in accordance with the provisions of section 553 of title 5, a special procedure for providing interested parties reasonable notice of applications to provide transportation as a motor or water common or contract carrier or freight forwarder, or to be a broker for transportation, under sections 10922, 10923, 10924, and 10928 of this title, or applications for removal of operating restrictions under section 10922 of this title. The special procedure may consist of printing and distributing to subscribers an independent publication to provide notice of such applications, if the Commission finds, as a result of its rulemaking proceedings, that such method of providing notice would not be unduly burdensome to the public.".

GENDER-NEUTRAL TERMINOLOGY

SEC. 29. (a) Section 10722(c)(4) of title 49, United States Code, is amended by striking out "newsboy" and inserting in lieu thereof "newspaper carrier".

(b) Section 10722(d)(1)(B) of title 49, United States Code, is amended by striking out "widow" and inserting in lieu thereof "surviving spouse".

(c) Section 10723(b)(1)(C) of title 49, United States Code, is amended to read as follows:

"(C) an individual traveling on behalf of a nonprofit organization which provides recreational, housing or other services and benefits for the general welfare of employees of common carriers.".

(d) Section 11504(c)(3) of title 49, United States Code, is amended by striking out "seaman" and inserting in lieu thereof "sailor".

(e) Section 11905 of title 49, United States Code, is amended by striking out "linemen" and inserting in lieu thereof "line maintainers".

EFFECTIVE DATE

SEC. 30. This Act shall take effect on the 60th day after the date of enactment of this Act.

UP AMENDMENT NO. 1056

(Purpose: To make various amendments to the act)

Mr. DANFORTH. Mr. President, I send a committee amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri (Mr. DANFORTH) proposes an unprinted amendment numbered 1056.

Mr. DANFORTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, line 24, strike "shippers;" and insert in lieu thereof the following: "shippers and intrastate bus services;".

On page 68, line 21, strike "that" and insert in lieu thereof "a".

On page 69, line 10, strike "initial"; on line 10, insert "(including changes thereto)" immediately after "practice"; and on line 22, strike "initial".

On page 70, line 4, strike "subsection (C)(2)(A) of this section" and insert in lieu thereof "subparagraph (A) of this paragraph".

On page 70, line 16, strike "(1)(i)" and insert in lieu thereof "(1)(A)".

On page 70, line 22, insert "the" immediately after "of" the second time it appears therein.

On page 71, line 16, strike "using" and insert in lieu thereof "under".

On page 72, line 5, insert "discontinue or" immediately after "to" the first time it appears therein.

On page 73, line 23, insert "to read" immediately after "amended".

On Page 75, strike lines 4 through 11 and insert in lieu thereof the following:

"(e) Section 10322(a) of title 49, United States Code;

"(1) by inserting "10708(f)," immediately after "10708(b),";

"(2) by inserting "10922(i)(4)," immediately after "10922(i)(2)" (as redesignated by subsection (b) of this section; and

"(3) by adding at the end thereof the following new sentence: "In addition, the deadlines set forth in this section do not apply to any application filed under section 10922(c)(2)(A) of this subtitle for authority to provide regular-route transportation entirely in one State as a motor common carrier of passengers.".

On page 75, strike all from line 23 through line 3 on page 80, and insert in lieu thereof the following:

"(g) Section 10922 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"'(1) Notwithstanding any other provision of law, the Commission shall not issue any certificate to any motor common carrier, or any permit to any motor contract carrier, owned or controlled by persons of any contiguous country for a period of 2 years after the date of enactment of the Bus Regulatory Reform Act of 1982. The United States Trade Representative, with the advice of the Committee established pursuant to section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872(a)), and in consultation with the Secretaries of Transportation and State, may remove or modify in whole or in part the restriction imposed under this subsection on the issuance of certificates or permits if it is determined that such action would be in the national interest.' ".

On page 84, line 7, insert a comma immediately after "regulation".

On page 85, line 4, strike "'*5)" and insert in lieu thereof "'(5)".

On page 85, line 23, insert "(A)" immediately after "(2)"; and strike "(A)" and insert in lieu thereof "(i)".

On page 86, line 2, strike "(B)" and insert in lieu thereof "(ii)".

On page 86, line 15, strike "communities.'." and insert in lieu thereof "communities.".

On page 86, insert the following immediately after line 15:

"(B) The Study Commission shall make a full and complete investigation and study of the impact of implementation of the Bus Regulatory Reform Act of 1982 on persons over the age of 60, including those who reside in rural areas and small communities. In particular, the Study Commission shall investigate and study the effect on such persons of the potential termination of routes as a result of implementation of the Bus Regulatory Reform Act of 1982. In making the study required by this subparagraph, the Commission shall provide for notice and the opportunity for interested parties to comment, but need not provide for oral evidentiary hearings. In addition, the Study Commission shall consider the impact of both statutory and administrative regulatory reforms on the continuation and development of high quality intrastate motor bus services. Such study shall focus on the impact on existing firms currently providing service, some or all of which is conducted between points wholly within a single State. The Study Commission shall present its conclusions in its final report. Prior to such final report, if the Study Commission finds the existence of conditions that jeopardize the viability of continued intrastate services, it shall immediately notify the Congress and the Commission of its findings. If such notice is presented to the Commission, it shall give expedited treatment to whatever recommendations are made. The mandate to study the impact on intrastate bus transportation shall be an on-going one throughout the duration of the Study Commission's existence.".

On page 88, line 2, insert the following immediately after "1984.": "The Study Com-

mission shall, not later than January 1, 1984, submit to the President and the Congress the report required by paragraph (2)(B) of this subsection.".

On page 91, line 19, strike "60" and insert in lieu thereof "90".

On page 93, line 20, strike "and"; on line 25, strike "transportation'." and insert in lieu thereof "transportation';"; and insert the following immediately after line 25:

"(4) by adding at the end thereof the following new subsection:

"'(f) Notwithstanding any other provision of law, the Commission shall not issue any permit to any motor contract carrier owned or controlled by a citizen of any contiguous country for a period of 90 days following the date of enactment of the Bus Regulatory Reform Act of 1982. After such period, the Commission may, at its discretion, postpone the issuance of any such permit for an additional period not to exceed 60 days.'".

On page 97, line 22, strike "such discontinuance or reduction is not" and insert in lieu thereof "continuing the transportation, without the proposed discontinuance or reduction, will not constitute".

On page 98, line 3, insert "under reasonable pricing practices" immediately after "service".

On page 104, line 2, strike "of" and insert in lieu thereof "or".

On page 104, line 11, insert "the implementation of" immediately after "to".

On page 104, line 14 and insert in lieu thereof the following: "not apply to intrastate commuter service.

"(6) When the Commission decides, upon complaint by any person, that a reduction in a rate charged or collected for intrastate service provided on an authorized interstate route constitutes a predatory practice in contravention of the transportation policy set forth in section 10101(a) of this title, the Commission shall prescribe the rate to be followed.".

On page 111, line 10, strike "1134(a)" and insert in lieu thereof "11341(a)".

On page 126, insert the following immediately after line 10:

"EXEMPT MOTOR CARRIER TRANSPORTATION

"SEC. 30. Section 10525 of title 49, United States Code, is amended—

"(1) by redesignating subsection (e) as subsection (f); and

"(2) by inserting after subsection (d) the following new subsection:

"'(e) Notwithstanding the provisions of this section, the Commission has no jurisdiction under this subchapter over transportation, except transportation of household goods, by a motor carrier operating solely within the State of Hawaii. The State of Hawaii may regulate transportation exempt from the jurisdiction of the Commission under this subsection and, to the extent provided by a motor carrier operating solely within the State of Hawaii, transportation exempt from the jurisdiction of the Commission under section 10523 of this title.'".

On page 126, line 12, strike "Sec. 30. This" and insert in lieu thereof "Sec. 31. (a) Except as provided in subsections (b) and (c) of this section, this".

On page 126, insert the following immediately after line 13:

"(b) The amendment made by section 10(e)(4) of this Act shall take effect on October 1, 1982.

"(c) The provisions of section 6(g) and section 30 of this Act shall take effect on the date of enactment of this Act.".

The PRESIDING OFFICER. Under the previous order, the amendments are to be considered en bloc and the committee substitute is agreed to. The amendment is considered original text for the purpose of further amendment.

Mr. DANFORTH. Mr. President, may I inquire, have we just agreed to the amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. DANFORTH. Mr. President, last November, the House passed a bus deregulation bill, H.R. 3663. The Senate Commerce Committee overwhelmingly approved the bill with an amendment in the nature of a substitute on May 11, 1982, by a vote of 16 to 1.

The intercity bus industry functions under an economic regulatory scheme which is almost 50 years old. The purpose of this legislation is to modernize the regulation of this important transportation industry by eliminating many unnecessary and unduly cumbersome restrictions on free competition. Everyone who travels by bus and everyone who ships by bus can look forward to improved service once H.R. 3663 is signed into law.

This legislation is a well-balanced and delicate compromise. The compromise has the support of the American Bus Association (the association which represents Trailways and Greyhound, as well as hundreds of small carriers), the United Bus Owners Association (the association which represents primarily small carriers), the Department of Transportation, the Interstate Commerce Commission, and Labor. I want to emphasize that this is a compromise bill. It would set sound and fair policy, but the provisions are complicated and no one provision can be altered without affecting the whole bill's carefully constructed balance.

The major provisions provide for:

First. Greater freedom to enter into markets;

Second. Increased flexibility in setting and adjusting fares;

Third. Increased ability to leave markets if the service provided unduly burdens on interstate commerce;

Fourth. Preemption of certain regulatory controls which burden interstate commerce;

Fifth. Elimination of antitrust immunity to discuss single and joint line fares; and

Sixth. Labor protection.

The legislation encourages carriers to begin serving new markets and to develop new types of service, except where such initiatives would be contrary to the public interest. For example, the Interstate Commerce Commission may consider the effect on small communities if there is a protest to a carrier's entry into a new market. Where large bus companies currently operate unprofitably, economical service can be started. Where there is no bus service, or where a community has lost air or rail service or where a carrier has asked permission to drop service to a particular community, carriers may begin new service without undue delay.

As a result of this legislation, carriers will no longer be able to sit down together and talk about setting certain rates. Rates will, therefore, be more competitive and the passengers will reap the benefits. The Interstate Commerce Commission, of course, would continue to be able to investigate unreasonable or predatory rates.

This bill does not permit carriers to pull out of any market anytime they want. A carrier would be able to leave a market if certain cost standards are not met or if public interest does not require continued service.

The bill also insures that State regulators would be involved in deciding the question of exit, but State regulatory authority will be preempted in some respects to avoid imposing duplicative, unnecessary, and inconsistent regulations on the industry. In the past, regulations in one State have conflicted with those in another. State regulations have prevented carriers from adding or improving service. For example, under existing regulations, an interstate carrier may be prohibited from opening its doors as it passes through a particular State, and allowed to open its doors only at cetain points in another State. This is the sort of nonsense which gives regulation a bad name. To maximize service to the public, the law should, to the extent possible, subject carriers to only one set of regulations, one set of deadlines and one set of filing procedures.

Mr. President, I urge passage of this carefully balanced bill, a measure which the industry, the administration, and labor recognize as serving the best interests of the public.

I would like to clarify the additional points:

First. Section 30 provides that the act shall take effect on the 60th day after enactment. The purpose of the delayed effective date is to provide a period during which the Commission can promulgate rules as required by the new legislation, so that final rules can be in place on the effective date.

Second. The committee does not intend that this act authorize any additional budget authority for fiscal 1982. The committee intends that any fiscal year 1982 costs incurred from the bill will be absorbed from existing funds.

Mr. President, the Bus Regulatory Reform Act also contains a provision of special interest to the American trucking industry. This provision is part of a broader approach to eliminate the basic inequities faced by American motor carriers with respect to their treatment in foreign countries. Of particular concern to me is

the issue of United States-Canada transborder trucking and Canadian licensing standards which restrict the operation of U.S. trucking firms in Canada. At stake is about $1 billion in traffic and tens of thousands of U.S. jobs because U.S. motor carriers have been placed at a competitive disadvantage vis-a-vis their Canadian counterparts. This is because they must continue operating on a joint or interline basis while their counterparts are able to establish single-line operations across the border, as a result of eased ICC licensing standards under trucking deregulations.

Also at stake is a key test case in the area of service sector trade policy—where unless immediate efforts are made to achieve fair and equitable access for American motor carriers in the Canadian market, they are destined to lose the bulk of transborder shipping activities. Since motor carrier licensing standards under Canadian law are far, far more restrictive than those in the United States since enactment of the Motor Carrier Act of 1980, all transborder trucking commerce is likely to become dominated in both directions by foreign motor carriers. This will be the case regardless of rates charged, because as a practical matter only foreign-based carriers will be able to provide the single-line service most shippers desire.

As I understand it, the problem in Canada rests with both the provincial transportation boards and, on a Federal level, with FIRA.

For the purpose of arriving at a solution, I would maintain that the original language in the House bill, and indeed, certain aspects of the language marked up by the Senate Commerce Committee, are unnecessary if the administration employs vigorously the authority under existing law and takes advantage of the additional flexibility for action provided in this bill.

Specifically, the legislation Senator GOLDWATER and I have proposed to the Senate would impose a 2-year moratorium on the issuance of certificates or permits to motor carriers controlled or operated by a citizen of a contiguous country. This moratorium could then be removed or modified, in whole or in part, by the administration upon their determination that such action would be in the national interest.

Based on my conversations and correspondence with U.S. Trade Representative Bill Brock and others in the administration, it is my expectation that the moratorium will remain in place as long as necessary for them to resolve the problem of access to foreign markets by U.S. motor carriers.

As chairman of the Subcommittee on International Trade of the Finance Committee, I believe that an effective trade policy must be the product of the President's trade negotiating entity, working in cooperation with other agencies. Our trade laws grant the President extensive authority to investigate foreign unfair trade practices and to negotiate for their removal or take retaliatory measures against them. While section 301 of the Trade Act already provides for action in the services area, should more leverage be needed by the U.S. Trade Representative or American motor carriers in the future—after initial resolution of this problem—additional help is on the way. To this end, I should like to share with my colleagues several provisions of the Reciprocal Trade and Investment Act of 1982—cleared for floor action on June 16 by the Finance Committee by a vote of 17 to 2. Under this legislation, which I hope will be passed by the Senate in the coming weeks, existing retaliatory authority pertaining to trade in services would be clarified, and a fast-track legislative procedure would be set in place for retaliation in trade or investment areas not already covered by provisions of section 301. In addition, a specific negotiating mandate in the services trade area would be put into place.

On May 26 I wrote to U.S. Trade Representative Bill Brock, to initiate a process under section 305 of the Trade Act involving information pertaining to the nature and extent of the Canadian practice and U.S. rights and remedies under any trade agreement that may have bearing on the problem. It is my understanding that since receipt of the letter, the Office of the U.S. Trade Representative has been in close consultation with the U.S. trucking industry in their effort to prepare the case to be made to Canadian authorities.

Based on his investigation, the U.S. Trade Representative has now concluded that a negotiated settlement is likely to be in the best interest of both United States and Canadian truckers. That the problem of United States-Canadian transborder trucking has been a festering source of strain between ourselves and our Canadian ally for over a year makes it all the more important that it be resolved once and for all. No businessman, Canadian or American, can be expected to operate in a constant state of uncertainty, and once an agreement or set of agreements is worked out, the interests of both sides should have been satisfied.

In the final analysis, however, a number of things are clear: First, the problems being encountered by U.S. motor carriers are certainly within the scope and intention of the Trade Act. Second, urgent action is required to make sure U.S. motor carrier competitiveness is not lost before adequate remedies are employed. Finally, if we are in fact to build a credible and effective trade policy that includes trade in services, we must be willing to use all tools within our grasp—including those not traditionally held to be within the realm of trade actions.

Mr. GOLDWATER. Mr. President, the Bus Regulatory Reform Act contains a provision that is of special interest to me. This provision is part of a broader approach to eliminate the basic inequities faced by American motor carriers with respect to their treatment in foreign countries. Of particular interest to me is the issue of United States-Mexico transborder bus service and Mexican licensing standards which restrict the operation of U.S. bus firms in Mexico. At stake is the severe competitive disadvantage of U.S. motor carriers who are unable to operate in Mexico, while their counterparts are able to obtain permission to operate in the United States.

For the purpose of arriving at a solution, I would maintain that the original language in the House bill, and indeed, the language marked up by the Senate Commerce Committee, are unnecessary if the administration and the Interstate Commerce Commission employ vigorously authority under existing law and take advantage of the additional flexibility for action provided in this bill.

Specifically, the legislation imposes a 2-year moratorium on the issuance of certificates or permits to motor carriers controlled or operated by a citizen of a contiguous country. This moratorium could then be lifted, in whole or part, by the U.S. Trade Representative upon his determination that such action would be in the national interest.

During this timeframe, it is my hope and expectation that the problem of access to the Mexican market by U.S. carriers can be resolved—combining action by the U.S. Trade Representative under section 301 of the Trade Act of 1974, consultations by the U.S. Trade Representative with Mexican authorities, and existing authority of the Interstate Commerce Commission to consider the question of access in its deliberations regarding the issuance of licenses to foreign carriers.

On June 17 I wrote to the U.S. Trade Representative, Bill Brock, and told him of my concern over the issue of the Mexican Government not granting operating licenses to American trucks or buses, even though it is relatively simple for Mexican trucks or buses to get operating licenses in the United States from the Interstate Commerce Commission. It is my understanding that Mr. Brock plans to begin consultations in the next few weeks with the Mexican authorities to resolve this problem. Mr. Brock's office was also contacted to learn if an objection would be raised if an Arizona carrier should choose to file a petition relative to the Mexican situation. It is my hope that should the U.S. Trade Representative choose, he could undertake consultations with the Mexican authorities pursuant to the Trade

Agreements Act, and if necessary recommend to the President expeditious action to offset the problem of access to the Mexican market.

● Mr. RIEGLE. Mr. President, I hope that this legislation will result in a healthier bus industry and improved service to both rural and urban areas. I appreciate the efforts of the committee in addressing concerns that have been expressed about possible adverse impacts in rural areas. The committee is to be commended for including a statement in the national transportation policy which specifically includes the goal of providing and maintaining service to small communities. Since that policy statement is the guide for the Interstate Commerce Commission to follow in carrying out the provisions of the act, this legislation gives the Commission explicit direction to consider the needs of small communities. The entry and exit provisions also specifically direct the Commission to consider the impact on small communities wherever appropriate. The legislation also makes it very easy for carriers to provide new services to communities not regularly served by other carriers. I believe that all of these provisions go a long way toward addressing the concerns that have been expressed and provide an appropriate balance between the need for increased competition in the industry and the need to insure service in all areas of the country.

Nevertheless, not everyone is confident that the actual result will be improved services to small communities. Some individuals have suggested that an interim funding program might be needed to insure a smooth transition by providing financial and technical assistance to smaller carriers who serve rural and small urban areas. I realize that this year's severe budgetary constraints would preclude the inclusion of any kind of funding package in this bill. Nevertheless, I am hopeful that, should the need arrive, my colleagues on the Surface Transportation Subcommittee will review such a program during the oversight hearings that will be held next year.

Mr. DANFORTH. Mr. President, I thank Senator RIEGLE for his remarks. I agree that this bill represents an excellent balance between the need to remove excessive regulation and provide more competition in the bus industry and, at the same time, insure that no part of the country is inadvertently harmed. And I appreciate the distinguished Senator from Michigan reciting all of the things we have included in the bill to insure that rural service is protected.

Section 4 of this act directs and requires the appropriate congressional authorizing committees to hold periodic oversight hearings, at least annually until July 1, 1985. The committee report accompanying the bill clearly states the intention of the committee to hold its first oversight hearing within 1 year after the effective date. As chairman of the Surface Transportation Subcommittee I can assure my colleagues that the committee will include in those hearings consideration of a transitional funding program of the kind Senator RIEGLE has described, should the effects of less regulation on the level of service to small communities prove to be detrimental.●

● Mr. CHAFEE. Mr. President, I commend the managers of the bill and the members of the Committee for their efforts. I support the bill but I have serious reservations about the impact of the bill on older Americans. My concern is that older men and women who live in rural and in smaller nonurban communities and who rely on bus transportation as their sole means of conveyance should not advertently or inadvertently be harmed by the provisions of this bill.

In my own State hundreds of older citizens have contacted me through an organization called Great Age, which has a strong following in the community and very effectively represents and voices the concerns of many older people. Many of these individuals are concerned that this legislation, in the name of deregulation, could result in route terminations and other changes that could cut them off from friends, relatives, shopping, and recreational pursuits.

It is for this reason that I am pleased that the committee has accepted, as a committee amendment, language I proposed which would require the Motor Carrier Ratemaking Study Commission to study the effects of H.R. 3663 on older Americans. It would insure that such persons and groups like Rhode Island's Great Age will have an opportunity to express their opinions. Specifically, the amendment provides that—

[T]he Study Commission shall make a full and complete investigation and study of the impact of implementation of the Bus Regulatory Reform Act of 1982 on persons over the age of 60, including those who reside in rural areas and small communities. In particular, the Study Commission shall investigate and study the effect on such persons of the potential termination of routes as a result of implementation of the Bus Regulatory Reform Act of 1982.

The amendment also provides that individuals and private organizations representing the elderly have the opportunity to express their views to the Commission.

I am very pleased that the managers of the bill have seen fit to accept this amendment and that it has been adopted as a committee amendment to the bill.

I am aware that the manager of the bill, the distinguished Senator from Missouri (Mr. DANFORTH), has had a great deal of concern about the impact of potential route termination on smaller and rural communities and on the elderly.

I would like to ask the distinguished Senator in what ways he believes the bill protects bus service and bus routes in small communities and rural areas?

Mr. DANFORTH. I would like to point out to my distinguished colleague that the general and specific reforms of the bill will enhance small community service. Let me outline some of these reforms:

First, the new national transportation policy places great weight on improved small community service. The Interstate Commerce Commission will be required to consider the need to provide and maintain service to small towns and small shippers in many entry and exit proceedings.

Second, the bill allows freer entry into the regular route, charter, and contract carrier sectors. Furthermore, applicants who wish to provide common carrier service to certain markets, such as communities not regularly served by a common carrier; towns to which rail or air service has been abandoned; or towns where the last carrier serving applies to discontinued service, will be required to show only safety and financial fitness. This eased entry will encourage carriers to begin small town service.

Third, the bill removes operating restrictions, such as prohibitions against stops at intermediate points along a regular route. These intermediate points are generally small towns.

Fourth, carriers will be allowed considerable freedom to price their services without Interstate Commerce Commission suspension of a proposed rate. Pricing freedom will encourage competition, and the setting of innovative fares and will allow carriers to quickly tailor their services to the costs of particular operations.

Fifth, the bill gives interstate carriers increased flexibility to change intrastate fares and schedules in order to meet the conditions of individual markets. The bill also eases exit at the intrastate level, which historically has been a major problem for carriers, but carefully balances this freedom to exit against the interest of retaining small community service.

In short, the reforms contained in this bill will remove barriers to service and make it easier for carriers to serve small communities and rural areas.

Mr. CHAFEE. Mr. President, I would further ask my friend and distinguished colleague whether the bill protects against the situation in which large bus companies that are granted easier market access to existing markets can take over routes now served by smaller carriers, forcing such carriers to abandon less profitable routes in outlying areas?

Mr. DANFORTH. I want to assure my distinguished colleagues that the

bill does protect against such situations. The public interest test of the entry standard requires the Interstate Commerce Commission to consider, to the extent applicable, whether issuance of an operating certificate would impair the ability of any other motor common carrier of passengers to provide a substantial portion of the service it provides over its entire regular route system. This factor would protect a small carrier who could show that the new entry would materially jeopardize its ability to continue its system-wide, regular-route operations.

Mr. CHAFEE. Mr. President, I would like to ask the manager of the bill whether it addresses the fears of those senior citizens who fear the loss of their bus service, or fear being forced to endure substantial fare increases?

Mr. DANFORTH. Again, I would like to assure my distinguished colleague that the bill addresses the concerns of senior citizens about a possible loss of bus service or substantial fare increases. First, the bill eases entry into the industry, especially to small communities and rural areas, while also protecting carriers from new entry which would substantially impair their regular-route networks. This eased entry will encourage competition among carriers and increase price-service options available to the traveling public.

Second, while the bill contains significant pricing flexibility, bus service users retain their ability to complain to the Interstate Commerce Commission about unreasonable fares. In fact, section II of this bill requires the Interstate Commerce Commission to take expedited action on complaints concerning unreasonable bus fares.

I want to emphasize, however, that the key to insuring good service at reasonable rates to all riders, including the elderly, is competition. This bill contains a careful balancing of procompetitive reforms which will improve service to the traveling public and strengthen the financial condition of the intercity bus industry.

Finally, I want to emphasize that the Chafee amendment to the bill requires the Motor Carrier Ratemaking Study Commission to study the effects of this bill on senior citizens. The amendment, which was adopted at the distinguished Senator's request, specifically directs the Commission to investigate the effect of the potential termination of routes. This study will insure that the concerns of our senior citizens who use intercity bus service are recognized and addressed.●

Mr. CANNON. Mr. President, several aspects of the committee amendment go beyond the realm of the purely technical. First, Senators CHAFEE and KENNEDY have expressed concerns about the possible adverse impact on senior citizens and intrastate bus carriers. Although we believe that the legislation already provides adequate protections against any adverse impacts on such groups, we have nevertheless included a requirement that the Motor Carrier Study Commission specifically address these concerns and have made specific reference to the existence of intrastate bus carriers in the statement of national transportation policy.

We believe these changes more than adequately address the concerns raised while not diminishing the procompetitive thrust of this legislation and without providing protection from competition for any group or carrier. I wish to thank the Senator from Rhode Island and the Senator from Massachusetts for their help and assistance.

The second way that the committee amendment departs from the purely technical is in the area of reciprocity. As the bill was reported from the Commerce Committee, it contained provisions which would have restricted the Interstate Commerce Commission from issuing operating certificates to foreign carriers when the home governments of those carriers discriminated against American carriers. The administration argued that these provisions were too broadly drafted and that they would interefere with the work of the U.S. Trade Representative. In fact, the administration felt so strongly about these provisions that they threatened to veto the legislation.

We have now managed to work out appropriate language which accomplishes the original intent of the committee and at the same time is acceptable to the Special Trade Representative and the administration. Thus, the committee amendment substitutes the new language for the language previously reported by committee. The new language provides that the Interstate Commerce Commission may not issue operating certificates to carriers from any contiguous country for a period of 2 years unless the U.S. Trade Representative, in consultation with the Secretaries of Transportation and State, determines that such action would be in the national interest and lifts the restriction.

Mr. President, I ask unanimous consent that the committee amendment be adopted.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, I yield 2 minutes to the Senator from Wisconsin.

Mr. KASTEN. Mr. President, I am joining with Senators DANFORTH and GOLDWATER in this new trucking reciprocity language, but I am doing so because I understand we have an assurance from the administration that negotiations will be undertaken to provide American truckers with fair and equitable access to the Canadian markets.

Is this the understanding of the Senator from Missouri?

Mr. DANFORTH. It is. The question of so-called reciprocity with Canada has been one of great concern to the Senator from Missouri. It has been one that was discussed and worked out at the committee level, and subsequently there have been negotiations with both the Department of Transportation and the U.S. Trade Representative.

I think we have the matter cleared up now in a way which is satisfactory to all parties.

Mr. KASTEN. I appreciate the comments of the Senator from Missouri, and I thank him.

I think it is very important that we understand this 2-year moratorium on the issuance of licenses to foreign motor carrier operators will be used by the U.S. Trade Representative, the Department of Transportation, and others to exert the maximum amount of leverage in these negotiations and that we do not want them to back down in these negotiations.

It is my understanding that the congressional intent here is clear. We intend that they exert the maximum amount of leverage in their negotiations, and that they refuse to lift this moratorium unless it was completely in the national interest and a negotiated solution had been reached. This moratorium would not be lifted until current inequities in the United States and Canadian license practices are eliminated.

Is that the understanding of the Senator from Missouri?

Mr. DANFORTH. It is. It is also my belief that the bill as amended does provide the U.S. Trade Representative with the maximum amount of negotiating leverage that we could provide.

Mr. KASTEN. Mr. President, I wish to discuss one aspect of this bill which I believe is extremely important and needs clarification. I refer to the provisions affecting foreign-owned motor carriers operating or seeking to operate in the United States.

Just so there is no misunderstanding, I am referring specifically to the trucking industry and to our neighbors to the south and north—Mexico and Canada.

The provision in this bill provides that no certificate shall be issued to any motor common carrier owned or controlled by a citizen of any contiguous country for a period of 2 years following the enactment of this bill. However, the Special Trade Representative is empowered to modify this moratorium at his discretion after consulting with the Secretaries of State and Transportation.

Mr. President, I am going to support this provision reluctantly because I be-

lieve it is the best we can get. However, I believe the direction may be too ambiguous to accomplish the intent. Were I to have my way I would prohibit issuance of certificates to any foreign carrier until Canada and Mexico allowed entrance by United States-owned carriers into those countries on essentially equal terms. Let me explain why.

I first became aware of how serious the foreign motor carrier entry problem was becoming about the end of last year. My investigation revealed that over 400 Canadian carriers alone had applied for entrance into the United States. And the ICC was prepared to issue the certifications. Now why is this so important? It is important because when the Motor Carrier Act of 1980 was enacted, it failed to address the issue of foreign carriers. What that act said was "Here is our country, our markets, come and do business." And the Canadians, in particular, have come. More than 400 applications to run trucks across the land are pending. If these applications are granted an already troubled trucking industry is going to be a lot more troubled.

Mr. President, we are talking about jobs. We are talking about businesses, and we are talking about a little basic fairness and equity. I just noted in the June 14 edition of a trade publication that motor carrier failures in this country are at an all-time high. According to American Trucking Association's president 144 carriers employing 18,291 persons and representing an estimated $755 million in annual revenues have closed their doors. Another 47 companies and 22,265 employees are in chapter 11 bankruptcy reorganization or have sharply curtailed service.

Mr. President, we are talking about jobs and tax revenues. And we are talking about whether we ought to sanction foreign truckers to run all over this country when they will not allow us to do the same on equal terms. Let us made no mistake about the situation. Mexico prohibits entry of United States trucks in its Constitution. And Canada has devised a nice tool called the Federal Investment Review Act which makes it extremely difficult to penetrate the Canadian markets. Moreover, Canadian Provinces still control the issuances of licenses under regulations not dissimilar to what ours were like prior to deregulation.

The simple truth is that the Canadian Provinces and the Canadian Federal Government still have barriers in place. Their entry standards are restrictive; ours are easy. The net result is that large numbers of Canadian carriers want the ICC to approve certificates so they can single-line service from points all over the United States to Canadian ports and cities. U.S. carriers, because they have extreme difficulty obtaining similar authority, will be forced to interline freight at the border—with Canadian carriers. Now is anything fair or free about this kind of commerce?

Shippers overwhelmingly prefer single line service to interline service. It means less handling of goods. Shippers will usually pay slightly higher rates to get such through service. So even if U.S. carriers slash rates, as many are now doing, they still cannot obtain the traffic.

Mr. President, by enacting the Motor Carrier Act of 1980 we unwittingly created a strong competitive advantage for Canadian carriers to dominate transborder traffic.

One should not overlook the advantages this will create for ports such as Montreal over Baltimore. Indeed, it will compound the Canadian diversion issue which is currently the subject of hearings in the Senate Commerce Committee.

Because of my concern, I introduced S. 2057 in February to deal with this problem. I still believe it is the best solution because it imposed upon foreign carriers the same type of restrictions on entry as are imposed on our carriers by foreign governments. It is the carrot and stick approach, which could impress upon Canadian officials the need to open its market as we have opened ours.

Unfortunately, S. 2057 has not been considered in this debate. Therefore, Mr. President, I intend to support the compromise that Senator DANFORTH has worked out in this bill.

However, I find it necessary to state my understanding of how this is to work. I understand the Special Trade Representative is to consider if any unfair and unintended competitive advantages have accrued or are accruing to Canadian companies since enactment of the Motor Carrier Act of 1980 before modifying the moratorium.

Mr. President, I wish to make it very clear that the Interstate Commerce Commission may already have power to withhold issuance of certificates under existing law. I think it is very important to make this point.

Within the past few months the ICC has undertaken its own investigation, ex parte No. MC-157. While this moratorium is welcome because it will provide additional time to assess that record, I want to take a few minutes to recite the laws which may already provide the necessary authority to solve this problem.

First, the Motor Carrier Act of 1980 contains the requirement that the Commission is to consider the public convenience and necessity in licensing cases. Section 10922(b) directs the Commission to make findings "on the basis of evidence presented by persons objecting to the issuance of a certificate, that the transportation to be authorized by the certificate is inconsistent with the public convenience and necessity." The words "public convenience and necessity" are extremely broad and appear to allow the Commission to consider any applicable problem, including the lack of reciprocity in licensing decisions. American carriers complain that because of Canada's strict entry policies and the United States' liberal entry policies American firms will be placed at a competitive disadvantage vis-a-vis their Canadian counterparts. American truckers allege, and I believe they are correct, that the Canadians will ultimately capture the entire market for transborder freight. As noted earlier, Mexico grants no authority for entrance to U.S. carriers. Certainly the Commission has the power to consider the competitive impacts of opening up the licensing process indiscriminately to every foreign carrier that submits an application.

Several other statutory provisions support this view. First, section 10521(a)(1)(E) expressly authorizes the ICC to regulate motor carrier transportation between the United States and a foreign country to the extent the transportation takes place within the United States. Thus, the Commission is not impermissibly treading in the realm of foreign policy as some have claimed when it considers the issue. Furthermore, the National Transportation Policy, which the Commission is to consider in rendering licensing decisions, expressly directs the Commission "to promote competitive and efficient transportation." Surely, if Canada can gain an unfair advantage in the transborder trade competition will be curtailed.

Mr. President, I believe these provisions of existing law authorize the Commission to consider reciprocity, especially when complaints have been filed by American truckers about discrimination and anticompetitive effects. It should be noted that express authority is not always required for the Commission to act. Section 10321(a) provides that "Enumeration of a power of the Commission under this subtitle does not exclude another power the Commission may have in carrying out this subtitle."

I mention these laws, Mr. President, because it should not be implied that by including the moratorium provisions in this bill the existing authority should be ignored or in any way clouded.

Because of our concern that the ICC might not act under existing law, we are including this provision so there can be no misunderstanding about what Congress intends.

I would make it abundantly clear, and note that Senator DANFORTH agrees, that the intent here is to instruct the ICC to refrain from issuing

even a single certificate or permit to any foreign carrier until this problem is fully examined and resolved by the U.S. Trade Representative. We also intend that Congress will decide this issue, not the ICC by fiat.

Finally, Mr. President, it is my understanding that should the Special Trade Representative determine that unfair competitive advantages do in fact exist, then the Trade Representative could recommend to the President, and the President could implement any reasonable remedy.

Mr. President, I would prefer the more restrictive provisions of my own bill. While I am supporting the compromise worked out by the distinguished Senator from Missouri, I do that with the clear understanding that the ICC and the Trade Representative understand very clearly that Congress intends this issue be resolved with fairness and equity to U.S. truckers.

I have confidence that in the long run this is the best policy for our country.

The PRESIDING OFFICER. Who yields time?

Mr. PRESSLER. Mr. President, I ask for the yeas and nays on final passage of this measure.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 1057

(Purpose: To amend procedures for the Interstate Commerce Commission to issue certificates of route authorizations for the regulation of motor carriers of passengers and for other purposes)

Mr. PRESSLER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes an unprinted amendment numbered 1057.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 71, between lines 8 and 9, include the following new subparagraphs:

"'(E) evidence of public support for an application or other demonstration of public need;

"'(F) the quality and quantity of available service;

"'(G) whether granting the application or a series of similar applications—

"'(i) might result in discontinuance of intercity bus service to communities having no other intercity bus transportation; or

"'(ii) might impair or curtail the operations of existing carriers.'".

On page 72, delete lines 10 through 14, and insert in lieu thereof the following:

"'(6) The requirement that persons issued certificates under this subsection be fit, willing, and able includes, among other things, financial fitness, operational fitness, safety fitness and insurance pursuant to the minimum financial fitness responsibility requirements of section 18 of the Bus Deregulatory Reform Act of 1982.'"

On page 93, line 9, after the word "means", insert "financial fitness, operational fitness,".

On page 119, line 1, after the word "capacity", insert ", including those located in nonurban areas,".

Mr. PRESSLER. Mr. President, this amendment to H.R. 3663, the Bus Regulatory Reform Act of 1982, would expand the scope of two tests, the public interest standard and the fitness definition, used by the Interstate Commerce Commission in deciding upon new entrants to regular-route service. I am offering this amendment because I strongly believe that the current version of H.R. 3663 is too deregulatory in nature and would result in severe loss and dislocation of intercity bus service in rural States. At this time, I ask unanimous consent that the name of Senator ABDNOR be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I should like to take a moment to point out some relevant facts about the nature of the intercity bus industry. First of all, the industry is dominated by two large carriers who control 60 percent of the industry revenues and 75 percent of the regular-route passenger service. Only Greyhound and Trailways provide nationwide service. The remaining market is divided among 1,200 small carriers, most of whom provide feeder service in small communities for the two large companies. In addition, these two dominant firms own and operate the majority of bus terminals in which the small carriers must operate. Any discussion of deregulating the bus industry must carefully consider this near-monopoly situation.

Another important fact to remember is that, out of 15,000 communities served by intercity bus, 14,000 have no alternative passenger transportation. This means no airline or passenger rail service. If intercity bus service is abandoned, these small towns will be further isolated.

Nearly 50 percent of all bus passengers are under 18 or over 65 years of age. These people generally have no other transportation alternative. Rural senior citizens depend on bus service for shopping, trips to visit family, and to obtain medical care. If this service is abandoned, these people will suffer.

Mr. President, I should also like to mention a few points about the legislative history of H.R. 3663. The House passed this measure with a number of provisions concerning rural service and without completely open entry for new applicants. The House bill had the uniform support of the entire industry. However, in the Senate Commerce Committee, several significant changes were made to provide for almost totally open entry and exit on regular-route and charter service.

Both Senate and House Committees heard testimony to the effect that open entry would destroy rural service. I quote from Art Lewis' statement during the House hearings. Mr. Lewis is the former president of the American Bus Association. Regarding regulation of entry, Mr. Lewis said:

> Control of entry has always been an integral part of the regulatory structure. Its purpose is not to prevent competition, but by striking a balance between demand and available service, to promote an effective level of competition which will produce a balanced and comprehensive level of service that is not destructive in nature. Regulation of competition is required to insure that carriers discharge their common carrier and other service obligations without discrimination. Passengers are the primary beneficiaries of these objectives, especially those who live in relatively small or isolated communities.

During the Senate hearings, Mr. Norman Sherlock, current president of the American Bus Association, said much the same thing in support of the House version of H.R. 3663:

> The intercity bus industry is vested with a public interest. The basic issue is whether this public interest can best be proposed by some regulated competition designed to preserve a balance of values or best be promoted by unrestrained competition. We believe that some continued discipline in entry provision will best strike that balance and H.R. 3663 so promises. Even though entry under the terms of the bill is greatly liberalized, there are sound reasons why it should not be made automatic.

Mr. President, I want to remind my colleagues that the testimony I have just quoted pertains to H.R. 3663 as it was sent to this body by the House. However, in spite of overwhelming testimony to the contrary, the Senate Commerce Committee chose to ignore the need for some entry regulation and substituted language which changes the character of entry policy. This is the reason I am offering amendments to return to the House version and restore House language.

Mr. President, I believe my colleagues will agree that rural transportation service of any kind survives on its ability to subsidize a majority of unprofitable routes with a few profitable lines. If H.R. 3663 passes, this delicate balance will be destroyed and carriers will be forced to drop dozens of intercity bus routes which are the only form of passenger service available to rural citizens. If H.R. 3663 passes in its present form, one of several things will happen. The dominant carriers will quickly move to pick up those profitable routes, engaging in predatory price activity to drive out rural competition. Or new carriers, under the guise of increased competition, will likewise move in to serve the few rural destinations with larger markets,

bypassing the many small towns which are economically unattractive. In either case, the existing carrier will be forced to abandon service or go bankrupt. But most important of all, the new carrier will be under no obligation to include these abandoned routes in this service area. The rural passenger ends up without any bus service.

H.R. 3663 requires two entry tests for regular-route applicants: The "public interest" standard and the "fitness" definition. H.R. 3663 requires only a demonstration of safety and insurance fitness in its "fitness" definition. The "public interest" standard is much weaker than the "public convenience and need" standard currently used by the Commission. My amendments will change the scope of these tests in the following ways:

First, the public interest standard would also require the ICC to consider the effect of new entry on existing service.

Second, the "fitness" definition would include the standards of "operational and financial fitness." This is identical to the House language.

Third, the bus terminal study required by H.R. 3663 would include consideration of nonurban bus terminals.

My amendment restores the very balance which the industry itself supported during congressional hearings. This balance between free market competition and common carrier obligation is crucial if bus deregulation is to avoid the serious problems experienced in other forms of transportation deregulation.

Mr. President, at the risk of enlarging the scope of this debate, I would like to point out that other deregulatory efforts have not been without problems. The promised advantages of airline deregulation include lower fares and a variety of service alternatives which would theoretically benefit consumers. In fact, my colleagues from rural States know that just the opposite has resulted. Americans from small towns and rural areas must pay more money and have fewer choices.

For rural States like my home State of South Dakota, problems like these have been enormous. Since airline deregulation, South Dakota has experienced a 7-percent drop in the number of departures per week and a larger 21-percent loss in the number of available passenger seats per week. Air fares have risen astronomically because South Dakota passengers are a captive market because new service is not attracted to rural States. For instance, in the last 5 years, a South Dakotan flying from Watertown to Aberdeen is faced with a 77-percent price increase. A passenger between Pierre, the State's capital, and Minneapolis, the major midwest hub for airline connections, must now pay 59 percent more for a ticket. Since these figures have already been adjusted for inflation, the increase is staggering.

Supporters of the deregulation theory contend that replacement service, which is better suited to marketplace requirements, will materialize. Again, the experience of the past 5 years does not necessarily support that argument. South Dakota has struggled to find replacement commuter air service. One replacement airline approved by the Civil Aeronautics Board went bankrupt in a matter of months, not because of a lack of traffic, but because the current economic environment is not at all conducive to new businesses. In 1981, 55 percent of American bankruptcies were new businesses. In the last 7 years, bankruptcies increased by 77 percent. Commonsense tells us that this is hardly the time to depend on new replacement service, even in the bus industry, which is less capital intensive than the airline industry.

Mr. President, our national transportation system was built on the common carrier obligation. Carriers were assigned some profitable routes with the understanding that they would also have an obligation to provide service to less financially attractive destinations. In our rush to deregulate, we seem to forget this fundamental principle. I urge Congress to seriously consider the diversity of needs and problems in the United States and carefully draft legislation which takes this diversity into account.

Mr. President, my amendment does not destroy the deregulatory provisions of H.R. 3663. It does not "gut the bill." If my amendment is adopted, H.R. 3663 will still contain ample deregulation, including eased entry for charter and special operations, Federal preemption of State regulation, a flexible zone of rate freedom, and gradual elimination of antitrust immunity for collective ratemaking. My amendment restores a much-needed balance between the encouragement of free market endeavors and the need to establish carrier obligations in areas of this country which are not attractive to competition. My amendment is a reasonable compromise between total deregulation and reregulation. I urge my colleagues to support this amendment.

Mr. President, at this point I would like to yield to my colleague, Senator ABDNOR.

(Mr. SPECTER assumed the chair.)

Mr. ABDNOR. I thank my colleague and friend from South Dakota for yielding. I appreciate the opportunity he gave me to cosponsor his amendment which, I think, is very necessary for our particular area.

Mr. President, I wish to express my concern about the consequences of deregulating the bus industry in the United States. I do not claim to be an expert in the field of economics and its study of resource allocation and efficiency. I do, however, lay claim to a perception of how deregulation of this important transportation system will affect rural areas of America.

The major issue at stake in this debate is whether the inevitable impact caused by the forces of competition is to be accepted and tolerated. For most of the 20th century, the concept of "universal service" was favored, and applied to many of the services provided. This concept unified America as it emerged as an industrial giant. When mail service was undertaken, our congressional predecessors had the foresight to charge a uniform rate on first-class mail regardless of distance. In a time when mail was the principal form of communication, the rural and outlying areas were connected with the urban sectors of the country. When telephone service was recognized for its great potential, legislators adopted a philosophy of universal service at low cost to put the telephone within the reach of all Americans. Indeed, the U.S. Government backed up those words by providing low-cost funding of rural telephone cooperatives. The same was done for the provision of electricity in rural areas.

These actions substantially raised the standard of living of rural citizens. But in return, those rural citizens became more productive and more involved in the economy at large. Our farms are not just the breadbasket of the Nation but of the world as well. Farm exports resulted in a $29 billion trade surplus last year which provided a tremendous stimulus to the rest of the economy. In addition, by being so productive, our farmers have freed up valuable resources for alternative uses in our economy. I cannot emphasize that fact too strongly. Rural areas have always given something in return for what they receive, and I believe the Nation as a whole has benefited.

We are now deliberating a bill that will take services and resources away from rural areas. That is a simple economic fact of life. Bus routes which cannot sustain a break-even point or a decent rate of return will be discontinued. It is a well known fact that bus companies have been, in effect, subsidizing the unprofitable routes by diverting the profits of the viable routes. This behavior is not exclusive to this industry. It is a characteristic of many regulated industries, such as the Bell System, which currently offers below-cost pricing of basic service because long distance pricing makes up for it. Clearly, efficient market forces dictate that losing operations must be discontinued.

In order to serve the public interest of rural Americans, I have to register my doubts about the complete shift to a market approach to providing trans-

portation services. I feel that some control must be exercised to insure common carrier obligations which are a part of the tradition of our society.

I point to the condition of our airline industry as an indicator of what I suspect will happen in bus service. Fierce competition along popular routes has given consumers tremendous bargains. But service into less traveled areas has been reduced and fares have been raised. I am very concerned about a pricing scheme which requires me to pay 50 percent more for air service to South Dakota than for air service to California, which is almost twice as far away.

The contribution that rural areas make to the rest of the Nation far outweigh what rural areas receive from urban areas. I feel that the importance of the economic role of rural areas is neglected. Without adequate transportation services available, rural areas will suffer.

I thank the Senator for yielding.

Mr. PRESSLER. Mr. President, the National Farmers Union has entered a statement in opposition to the bill, and I ask unanimous consent to have that statement printed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
June 11, 1982.

MEMORANDUM

To: Members of the U.S. Senate.
From: Paul R. Sacia, Legislative Assistant.
Re H.R. 3663, Bus Deregulation.

The National Farmers Union respectfully urges you to oppose H.R. 3663. Major changes made during Senate Commerce Committee deliberations this spring concerning entry and exit of common carrier and charter service especially makes this bill unpalatable to our members.

Many of our rural communities are served by small bus companies. Oftentimes, the financial viability of these companies depends on the profitability of a few routes, with the air of charter servicing, to balance losses incurred from feeder runs to small communities. H.R. 3663 so eases entry by the two dominant carriers into such profitable routes and charters that smaller carriers could be devastated by subsequent price wars.

We believe this legislation will lead to a weakening of the financial health of smaller carriers dedicated to servicing their rural customers. Our members cannot afford further transportation setbacks. Please oppose H.R. 3663.

Thank you for your consideration.

Mr. PRESSLER. Mr. President, a number of questions have been raised concerning my amendment and I would like to take a moment to answer them. How does your amendment help rural service?

The changes in the "public interest" standard and the "fitness" definition will help rural service in several ways:

First, the Interstate Commerce Commission will have to consider existing service, the need and desirability of competition and the effect such competition would have on rural carriers.

Second, the inclusion of "financial and operational fitness" in the "fitness" definition will protect consumers from irresponsible carriers who attempt to enter profitable routes without meeting certain standards.

In all cases, predatory competition and the siphoning off of a few profitable rural routes can be avoided.

Another question is: Your amendment restricts entry applicants but does not deal with the liberalized exit provision. Is not rural service more concerned with abandonment of routes? Why do you not offer an exit amendment?

First of all, the fact that this question has been asked is an indication that, in fact, rural residents should be concerned about the liberalized exit and the bill in general.

Restricting exit does no good if entry is not likewise regulated. Industry representatives all testified that a bus deregulation bill must be balanced between entry and exit. If exit is tightened, existing carriers will still face the problem of predatory competition in their profitable routes. If those routes are lost to a dominant carrier, the rural operator is still held in on the losing routes with no way to financially support them.

Another question is:

First of all, my amendment does not restrict entry. The fitness definition is the same one used in the House language, which was originally supported by the industry.

Second, if my amendment is adopted, substantial entry deregulation remains in the bill:

One, open entry for charter and special operations.

Two, elimination of the public convenience and need standard.

Three, relaxation of the public interest standard.

Four, relaxation of entry requirements for carriers who wish to provide service where none is currently available.

Five, relaxation of entry requirements for carriers who wish to replace lost rail or commercial air service.

Six, relaxation of entry requirements for a bus company to provide service where previous bus service has been lost.

If my amendment is adopted, all of these provisions still remain in the bill. My amendment can hardly be considered restriction. Rather, it is an effort to balance the bill between the need for increased competition and the need to consider existing rural service.

Another question is: Rural Senators support H.R. 3663. Why do you disagree with this judgment?

We are not discussing regulations versus deregulation. We are debating the degree to which Congress will deregulate the bus industry. The House version of H.R. 3663 includes a strong definition of "fitness" while, at the same time, eliminating the "public convenience and need" standard. The Senate bill substantially weakens the fitness definition. My amendment will restore the house fitness definition and will include several issues for the Interstate Commerce Commission to consider in the public interest standard.

Efforts were made to rush Senate passage of H.R. 3663. Perhaps these efforts resulted from a fear that more Senators would have an opportunity to look closely at this legislation and reconsider the liberalized entry and exit policies. Congress has a responsibility to look at this complicated measure very carefully to determine the extent to which deregulation should be allowed.

Another question is: Your amendment would restrict the possibility of replacement bus service in rural communities which lose existing service.

First of all, my amendment does not change section 6(c)(4) which allows the Interstate Commerce Commission to waive the public interest standard for entry applicants who wish to provide replacement bus service.

Second, I am not as confident as the supporters of this bill that replacement service would even appear, should existing rural service be lost. If a line is economically unattractive, why would a new carrier want to start service on it? Even if the new carrier adjusts his operations to meet the specific needs of the communities—for example, van service, fewer stops, fewer scheduled runs—the current economy is not encouraging for new businesses. The plight of the airline industry, which has struggled to adjust to deregulation in a bad economy, should be a lesson for Congress. We must proceed carefully. New services does not magically appear to replace lost or bankrupt carriers.

Another question is: The Federal Trade Commission submitted testimony to the Senate Commerce Committee, denying that there would be any predatory practices as a result of open entry.

First of all, I am not as willing as some of my colleagues to accept without question the statements of the Federal Trade Commission.

Second, testimony from the industry overwhelmingly supports the argument that total deregulation of entry would seriously damage existing rural service. I would like to quote from some of that testimony. Mr. Norman Sherlock, president of the American Bus Association, said to the House committee:

Control of entry has always been an integral part of the regulatory structure. Its purpose is not to prevent competition, but

by striking a balance between demand and available service, to promote an effective level of competition, which will produce a balanced and comprehensive level of service and not be destructive in nature.

If the chief industry representative is warning Congress about the destructive consequences which would result from total deregulation of entry, I believe that Congress should pay close attention.

Another question is:

In my long experience with this legislation, I have watched with great interest as various Washington representatives of this industry have changed their public statements on this issue numerous times. On numerous occasions, different segments of them have taken different stands. For instance, in House testimony, Mr. Wayne Smith, president of the United Bus Owners Association, the Washington representative for the small bus owners said:

We feel there is not a need at the present time for legislation. We feel it is time for review of the existing deregulation that already has gone on in the aviation field, the trucking field, the railroad field.

During the Senate hearings, Norm Sherlock, president of ABA, strongly opposed DOT amendments to further liberalize entry. Mr. Sherlock said in response to a question about complete deregulation of entry:

I do not think you are going to know what is going to happen in total deregulation in every State until you have it. But I would suggest that by the time you have it and if you do it in quick, wholesale fashion, you may be sorry you have it.

I am not in a position to explain the reversal of positions now taken by Washington lobbying groups. However, I do agree with Mr. Sherlock that those of us who represent rural States will indeed by sorry we have it.

Another question is: The language included in the bus terminal study provision is redundant since the provision already makes reference to nonurban bus terminals.

This language is not redundant. In section 26(b), the bill says that the study should look at the question of possible Federal assistance in the construction of nonurban bus terminals. This language specifically talks about future bus terminals which have not yet been built.

The language I am proposing concerns a study of existing nonurban bus terminals. Small and rural carriers have complained that access to these terminals are owned by the dominant carriers. My amendment expands the scope of the study to include this particular problem. I might also mention that the owner monopoly of bus terminals may very well be a forerunner of similar monopolistic practices should total bus deregulation be enacted.

Another question is:

If the object of my amendment were to protect existing South Dakota carriers, I would be fighting for entry restrictions on charter service, which provides the margin of profits for those companies. My amendment does not do that.

My strong concern is the rural consumer who will not benefit from increased competition but instead will see existing service destroyed with no promise of any replacement service. Competition may work in some parts of the country. It does not work in captive markets such as rural communities.

Second, as H.R. 3663 is now written, it is a bill which primarily benefits the two major carriers. H.R. 3663 is a big industry bill. Reese Taylor, Chairman of the Interstate Commerce Commission, admitted to this motive during his testimony before the Senate Commerce Committee. When asked why bus deregulation was needed at this time, Chairman Taylor responded:

Well, I suppose the biggest reason is that everybody else has had a chance to sup at the deregulatory banquet. The bus industry feels they have some very serious problems in areas such as rate flexibility and in exit.

I agree with Senator DANFORTH's response to this statement and I would like to take a moment to continue quoting from that exchange:

DANFORTH. Let us suppose, just hypothetically, that a Senator is less interested in who sups at what table than what is in the best interests of his constituents, his people. What is wrong with the present system?

TAYLOR. I think you will have a better bus industry if you adopt this bill.

DANFORTH. How about the people?

I echo Senator DANFORTH's question, "What about the people?" My amendment is an effort to establish a balanced bill which takes into account the dominant carriers' need for deregulation, the small carriers' need to retain their few profitable routes and the rural passengers' need for dependable and reasonably priced bus service.

The last question is: "Deregulation in Florida and California has resulted in increased competition and decreased fares. Why should not the rest of the country benefit in a similar fashion?"

First of all, both States have large population centers with ample markets to carry competition. Second, both States have a diverse tourism economy which can support competitive rates on charter services. This is not the case in sparsely populated States like the upper Midwest. Norm Sherlock, president of ABA, made this same point during the Senate hearings. At that time, the industry did not support total deregulation of entry. I do not see where the situation has changed in any respect.

During House hearings on bus deregulation, Wayne Smith of the United Bus Owners Association, which represents the small bus companies, brought up an example of the effects of Florida bus deregulation. Quoting from Mr. Smith:

I received a call yesterday from a member down in Florida. He personally wanted me to convey to this committee that in 1980, from January until May 31—and this is when deregulation was not in effect—that his charter business gross was $1,013,000. Last week he received his financial statement for the same period of January to May 1981 and his charter business was $659,000. Last Saturday he sold 10 buses. . . . He wanted me to pass on that maybe the glowing statements that everything is rosy in Florida is not true.

Statements like this demonstrate that open entry in the chapter market is not always beneficial. We should not allow total deregulation of entry because this too often results in the destruction of healthy existing carriers. My amendment only pertains to regular-route service. This is a compromise between total entry deregulation and total reregulation.

Mr. DANFORTH. Mr. President.

The PRESIDING OFFICER. Who yield time?

The Senator from Missouri.

Mr. DANFORTH. Mr. President, because I share the concerns of the Senator from South Dakota about small communities, I have to oppose this amendment, stating, first of all, that the amendment offered by the Senator from South Dakota would gut the bill. And it is strongly opposed by the administration which is strongly in support of the bill. H.R. 3663 would make market entry and exit easier than is the case today. However, the committee-passed bill contains specific protections against loss of service to small communities.

Senator PRESSLER claims his amendment would help small rural communities. To the contrary, this amendment would substantially raise market entry barriers. In fact, the amendment would make it very difficult for new carriers, especially small carriers, to begin service to small communities. Under the Pressler amendment, a carrier which is ready to serve a small community in dire need of bus service could be forced to leave the town stranded while the new carrier tries to generate letters and affidavits from potential customers saying they need service. This is exactly the type of time-consuming, expensive, and unjustifiable regulatory burden which has undermined good service to the traveling public.

Mr. ABDNOR. Will the Senator yield?

Mr. DANFORTH. Yes.

Mr. ABDNOR. I was interested in what the Senator was saying. Senator PRESSLER's concerns, as are mine that there will be some protection and assurances—can be given to the rural world. To many people in this Chamber, the term "rural" consists of just

several thousand people. We are not talking about that.

The Senator mentioned, I believe, that there are assurances in here that bus service would not be disrupted in the rural areas. This brings me back to the debate in the committee that took place over in the House of Representatives when I was a member of the Public Works Committee. I remember Congressman COLEMAN being there. He said, "Congressman, don't worry. We had South Dakota in mind." And they came up with something called the 406 fund to make sure we had airplanes. It was supposed to go several more years in the program. The administration has already asked that be cut out and it will probably be cut out. We now must wonder what is going to happen to rural air service.

I guess I just do not have enough faith and trust in deregulatory efforts. While talk and maybe the intent is ever so good at this particular moment, somehow a year or 2 years later we sometimes forget the concerns that we had.

How can I be assured that we are going to be protected to some degree? We have lost practically all of our air service and, as Senator PRESSLER has pointed out, we only have the one busline in South Dakota. We talk about trucking deregulation and we wonder how long that is going to be around when you no longer have to stop at towns of a population of 200 or 300. That does not sound like many people in a village, but they are citizens that deserve attention and protection.

But when those kinds of towns are 15, 20 miles apart and they rely solely on buses for some kind of transportation service, I think we are justified in expressing our concern here today. I just wonder if the Senator could tell me if we really can depend on continued bus service.

Mr. DANFORTH. First, there are a couple of protections that are specifically written into the bill. As part of the public interest test, the Interstate Commerce Commission can consider the effect of a new carrier on small communities and on the carrier presently serving the community If a community is without bus service, a carrier has filed to discontinue service, or a replacement for air and train service, the carrier need only be safe and meet the insurance requirements in order to begin service.

I think that one of the misconceptions in the whole debate on bus deregulation is that there is some relationship between deregulation of interstate bus service on one hand and deregulation of the airline on the other. Airline transportation requires huge capital investments, many, many individuals involved, personnel involved in servicing any stop that any airplane would make. Bus transportation, by contrast, can be carried on by a single individual, for that matter, who happens to buy a bus. And a bus can stop anyplace that it can open its doors.

So I really think that it is not appropriate to draw a parallel between bus deregulation and the deregulation of plane service.

Mr. ABDNOR. If the Senator would yield again, maybe in total dollars and costs that might be true. But when you have a very local busline within a State, it may cost several hundreds of thousands of dollars and still be very small in relation to an airline. But it is solely operated and owned. You open it up. You have several major cities in South Dakota. Probably another line could come in and make some difficult competition, strong competition.

I am very well aware that some of the stops the present buslines have to make as they go down the road are not very profitable. What is to prevent those people from saying: "I am sorry, fellows. Business is such now that I cannot afford to stop in this town or that town or the next town?" What assurance do we have that they will continue to operate and that these little towns are going to have service?

I am not worried about the buslines. I am worried about the people. When you go, say, 100 miles and find 7 little towns of less than 500 population, what is going to stop by for them, if anything?

Mr. DANFORTH. Mr. President, under the bill, the Interstate Commerce Commission, as I stated before, would consider the effect on small communities and on the carrier, the whole business of the carrier which previously had been serving the community.

I would suggest to the Senator from South Dakota that ease of entry, in something as flexible as bus transportation, would be particularly appropriate to precinct service in small communities.

Mr. ABDNOR. Well, I guess I could say this: It is kind of like taking the cream off the milk. When we have competition, no one can see a profit in competing with a larger population. We have to split that with another busline. The company that has been taking care of the smaller communities can just no longer afford it.

Some day I may have to come back and remind the Members of this Senate about that. But I can see we are probably quite undermanned in finding the bodies here to agree with us. I predict we will have to recall this, as we go down the road. Maybe I will be the first one to come before the committee and ask for some help.

Mr. SCHMITT. Will the Senator yield?

Mr. DANFORTH. Yes.

Mr. SCHMITT. Mr. President, I reluctantly oppose the amendment of my good friend from South Dakota. His intent is clearly the correct intent. It is the mechanism that he has chosen that I oppose.

One of the major interests of this Senator and this administration is deregulation. Deregulation—the removal of unnecessary regulations and procedures, the removal of artificial barriers which protect industry, not consumers.

This amendment is a so-called small community amendment. We are told that it will protect the interests of small communities. I appreciate the concern of the Senator from South Dakota. His fine State has many small communities. New Mexico, my home State, has many small communities as well. Some of those communities rely solely on passenger buses for passenger and cargo traffic. This bill, without amendment, will serve New Mexico's small communities' interest better than the status quo. Senator PRESSLER's amendment could do great damage to passenger bus service to rural communities in New Mexico and elsewhere.

Mr. President, this amendment very simply places new barriers to entry on small carriers. Are we to understand that the small entrepreneurial carrier who wants to offer service between Loco Hill and Dexter, N. Mex., cannot, because they cannot afford to go to the ICC with hat in hand. How will small communities benefit from stringent entry barriers?

There are small commuter airlines operating in New Mexico serving small communities, I am sure the same is true in South Dakota. These airlines would not be operating today and the small communities that they serve would have no air service whatsoever if we had created stringent barriers to entry when we deregulated airlines.

The Senator is concerned with loss of service to small communities. I understand that South Dakota lost some air service under airline deregulation. The Senator made a statement to that effect in this Chamber on June 22. Loss of service is an effect of eased exit, not eased entry.

Creating new barriers to market entry will not maintain bus service in small communities; instead, it will rob small communities from small jitney service they may have received otherwise.

If the Senator really wanted to insure that small communities are to receive service with full and free competition, he would offer an amendment opening up market entry further. Then, more carriers could serve more small communities without having to go through the costly regulatory song and dance with the ICC proving financial and operational fitness.

I urge my colleagues to reject this amendment.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PESSLER. Mr. President, let me say, in response to some of the comments of my colleague from Missouri, for whom I have the highest regard, it is my fear, first of all, that the entry standards that have been built into this bill do not have sufficient teeth in them.

Also, let me say that from testimony we had from one of our bus executives, it is pretty expensive to get into the bus business. First of all, a bus, which costs, I am told, anywhere between $30,000 and $100,000 for a small bus, plus insurance, plus employees, plus the bookkeeping that is required. Also, in towns such as my hometown of Humboldt, S. Dak., which has 450 people, of the bus company serving Humboldt did not have some profitable route between two big cities, it would not be able to survive on the small town route.

Our national transportation system was built on the common carrier responsibility. If a common carrier, a bus or a train or an airline got some very rich routes, it would also take the responsibility for some other routes that were not so rich or not so profitable. That is how our whole westward transportation expansion developed.

We are abandoning that principle with deregulation. Before long we will see coupons being sold to travel from New York and Chicago for $9, but for a senior citizen or a person living in a small town, if they have bus service, it will be astronomically expensive. For example, we were promised many things with airline deregulation, and now it costs me $500 for a roundtrip ticket to Sioux Falls. But people who are going from Chicago to Los Angeles can do it for $99.

So the captive market is subsidizing these so-called fancy rate coupons.

Mr. President, I ask unanimous consent to withdraw my amendment. My colleagues can express their opposition to this bill in a rollcall vote on final passage. But in requesting that, let me say that I think this bill is another example of what is hurting the quality of life in rural America. We have done it with railroads, we have done it with airlines, and now we are doing it with buses. So our struggle will continue, and I hope, when we come back to Congress for assistance because we have lost service, that this debate will be noted and remembered.

Mr. President, I ask unanimous consent to withdraw the amendment, and I urge that Members vote against the bill to express their support for the concepts that we have discussed.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. PRESSLER. Mr. President, I would like to thank my fellow Senator from South Dakota for his support of my amendment. I would also like to take a moment to thank my distinguished colleagues, Senators PACKWOOD and DANFORTH, for giving me the opportunity to debate this bill. I appreciate their cooperation. I should also mention the good staff work that was demonstrated during the course of this bill's history, particularly the work of Kathy Meier.

Mr. DANFORTH. Mr. President, I ask unanimous consent that statements from some 10 groups supporting the bill, together with an editorial from the Washington Post, and a news release from the Interstate Commerce Commission be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., June 14, 1982.

HON. BOB PACKWOOD,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR BOB: I would like to take this opportunity to express the Reagan Administration's support for the "Bus Regulatory Reform Act of 1982," which was reported out of the Committee on Commerce, Science, and Transportation on May 11. This bill would substantially reduce Federal regulation of the intercity bus industry, consistent with our goal of reducing the regulatory burden on American business.

The "Bus Regulatory Reform Act of 1982" is important legislation. The reforms contained in this bill will improve service to the public, benefit, consumers, and strengthen the financial condition of the intercity bus industry, an industry that is a vital component of the nation's passenger and freight transportation system.

This legislation offers a balanced approach to regulatory reform. It would provide greater freedom of entry, especially for those operators who seek to serve small communities and rural areas, and would eliminate burdensome operating restrictions which reduce the quality of service available to the public. The bill would also provide greater pricing flexibility, allowing carriers to adjust their fares quickly to meet the changing needs of the marketplace, while maintaining necessary Federal regualtory control to prevent anticompetitive pricing practices. Further, the bill takes steps to ensure that State regulation would not unduly burden the interstate operations of carriers and would require carriers to maintain greater insurance coverage, while also increasing the effectiveness of the Interstate Commerce Commission in precluding unsafe carriers from operating.

I wish to emphasize that the Administration's endorsement of this bill does not extend to the language dealing with the reciprocal treatment of foreign owned motor carriers operating or seeking to operate in this country. I have written to Sentor Danforth separately on that subject. I understand that alternative language on reciprocity is being developed and that an amendment may be offered on the Senate floor. The Administration continues to strongly oppose the reciprocity provision that is in the bill as reported. I have attached a copy of my earlier letter to Senator Danforth on this subject.

I understand that Senator Pressler is planning to introduce on the floor a series of amendments to the bill which he claims will protect small communities. While these amendments have not been discussed within the Administration, I can say personally that I am disturbed by them. Their enactment would not ensure service to small communities. In fact, the amendments would remove all meaningful entry reform from the bill, thereby restricting competition to the detriment of consumers and discouraging the introduction of new and innovative services to small communities. They would destroy the balance among the provisions of this legislation sufficiently as to call into question my continued support.

You and your colleagues on the Commerce Committee are to be commended for your efforts in the area of bus regulatory reform. I encourage you and your colleagues to continue your bipartisan efforts to reduce unnecessary and wasteful economic regulation of our transportation industries.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this report for the consideration of the Committee.

Sincerely,

DREW.

ABA-UBOA-NTBA FORM REGULATORY REFORM LIAISON GROUP AND ENDORSE H.R. 3663, THE BUS REGULATORY REFORM ACT, JUNE 9, 1982

The American Bus Association (ABA), the United Bus Owners of America (UBOA), and the National Tour Brokers Association (NTBA) have announced today the formation of an intercity bus and passenger tour broker regulatory reform liaison group. In doing so, they declared their unqualified joint support for the Bus Regulatory Reform Act, H.R. 3663, pending in the Senate.

The bus regulatory reform liaison group will be formed to promote constructive implementation of the Bus Regulatory Reform Act and to discuss and explore joint solutions to any problems which may arise. It is being established to assist in meeting the constantly changing needs of the public.

In addressing the formation of the group, Norman R. Sherlock, President and Chief Executive Officer of ABA, stated: "The American Bus Association is cognizant of the concerns NTBA has expressed regarding the legislation. We wish to ease these concerns and believe that the formation of this liaison group will assist greatly in this effort and allow all of us to improve our service to the public."

NTBA President William Grossman stressed: "NTBA welcomes this opportunity to work with ABA and UBOA in this forum to ensure an enhanced level of services for the public. We will work jointly with ABA and UBOA in establishing this regulatory reform liaison group. This liaison group will provide a mechanism whereby common concerns of tour brokers, bus operators, and the traveling public can be addressed. In our view it is desirable to have industry itself handle such problems. We join then with ABA and UBOA in support of the Bus Regulatory Reform Act now pending in the Senate."

The Executive Director of UBOA, Wayne J. Smith, indicated his support of the group in noting: "UBOA is extremely pleased that these three organizations are joining hands

and feels that the liaison group will further assist us in ensuring improved bus and tour services for the traveling public."

TRANSPORTATION CONSUMER ACTION PROJECT,
Washington, D.C., June 1982.

STATEMENT OF CORNISH F. HITCHCOCK, DIRECTOR

Regulatory reform proposals recently approved by the Senate Commerce Committee (H.R. 3663) represent a major step towards improved intercity bus service. The Commerce Committee bill contains some reforms which go beyond the bill passed by the House last year and which would produce greater consumer benefits if enacted.

The Commerce Committee's entry reforms are especially important to improved service, particularly at rural communities. Present ICC regulation is cumbersome and makes it too easy for existing companies to oppose new service that the public may want. While further liberalization (such as the committee adopted for charter and tour operations) would be desirable, the Commerce Committee's proposal makes many necessary reforms and is preferable to the House version.

With respect to fares, the Commerce Committee has improved upon the House's approach towards ending antitrust immunity for the collective setting of certain bus fares. While the abolition of immunity for all collective faresetting (including general rate increases) would produce more competitive rates to the public, the Committee's proposal is a useful first step in that direction.

Finally, both the Committee bill and the House bill take a balanced approach on the issue of pre-empting intrastate regulation of routes and fares along interstate routes. The proposed reforms give state regulators an important role to play in these matters, but also recognize that intercity bus service, even within one state, is part of a national transportation network and should be treated as such.

In short, the Commerce Committee proposals build on the reforms passed by the House in a manner that would provide even more benefits to bus travelers.

(Transportation Consumer Action Project (TCAP) is a nonprofit consumer organization whose members include 15 consumer groups in 14 states around the country. TCAP has testified before Congress on transportation issues affecting consumers, including bus regulatory reform legislation. TCAP has also initiated and taken part in agency proceedings of interest to transportation users and participated in various public forums on transportation issues.)

AMERICAN ASSOCIATION OF RETIRED PERSONS,
Washington, D.C., June 10, 1982.

NORMAN R. SHERLOCK,
President and Chief Executive Officer, American Bus Association, 1025 Connecticut Avenue, Washington, D.C.

DEAR MR. SHERLOCK: Since there has apparently been some misunderstanding of the Associations' position on deregulation of buses, and particularly on H.R. 3663, the Bus Regulatory Reform Act of 1982, I thought it would be useful to clarify our position on this question.

Although we have not lobbied or testifed either on bus deregulation, generally, or specifically on H.R. 3663, we have supported the concept that the bus industry should be opened up to competition, as the airline and trucking industries have been. It appears that our concern that bus service not be abruptly withdrawn from particular destinations has been met by the bill, but we have not taken a position for or against the bill.

Sincerely,

PETER W. HUGHES,
Legislative Counsel.

TRAVEL AND TOURISM,
GOVERNMENT AFFAIRS POLICY COUNCIL,
Washington, D.C., June 9, 1982.

Hon. BOB PACKWOOD,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR PACKWOOD: The Travel and Tourism Government Affairs Policy Council endorses H.R. 3663, the Bus Regulatory Reform Act. We believe this legislation is important to the future development of travel and tourism.

The Travel and Tourism Government Affairs Policy Council was created on March 17 by the undersigned organizations to represent the travel and tourism industry on federal government issues. Our organization represents all of the major segments of travel and tourism, which is the third largest retail industry in the United States. The industry garnered over $190 billion in receipts in 1981 and generated approximately $17 billion in federal, state, and local tax revenues. Travel is one of the top three employees in 35 states, providing jobs for nearly 7 million American workers.

The Policy Council has followed Congressional proceedings regarding bus regulatory reform with great interest. The motor coach industry is a substantial generator of tourism business to the many segments making up the industry. More specifically, the bus industry currently has a national impact on the economy of $8.9 billion. In 1980, 373 million passengers traveled 27.7 billion passenger-miles on intercity buses. Travel by bus is clearly one of our most affordable and energy-efficient modes of transport and is important to the furture growth of the travel and tourism industry.

It is our understanding that H.R. 3663, the Bus Regulatory Reform Act, will be considered by the Senate in the near future. Representing the consensus of motor coach interests, H.R. 3663 enjoys the wide support of the industry, Adminstration, appropriate Congressional committees, and regulatory agencies. Most persuasive, however, is the support of consumers who have recognized the legislation as a vehicle to promote industry competition, encourage market entry, and preserve essential service. We urge you to lend your support to this important legislation.

Sincerely,

JAMES E. GAFFIGAN,
Executive Director.

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., June 22, 1982.

Re H.R. 3663—Bus deregulation.

Hon. JOHN C. DANFORTH,
Chairman, Surface Transportation Subcommittee, Senate Commission on Commerce and Transportation, Washington, D.C.

DEAR SENATOR DANFORTH: We believe the Commerce and Transportation Committee acted wisely in amending and approving H.R. 3663, providing for essential deregulation of bus transportation.

Farm Bureau has not been active in the development of this legislation; but we have been fully involved in regulatory reform of airline, motor carriers, and railroads. In the case of motor carriers, we believe the Congress still has a long way to go to achieve a further reduction of the ICC role in the regulation of motor carriers.

The three million plus member families of Farm Bureau representing some 2,800 county Farm Bureaus throughout the Nation support the concept that Federal regulation in general has gone too far and has become too costly. We support efforts to reduce, reform or eliminate burdensome and unnecessary regulation wherever feasible.

We note that some opposition to this legislation has developed, based on the notion that somehow or other rural and farm residents would be harmed by reducing or eliminating ICC regulation of bus services. Those who make such arguments say their fears are based on the disastrous results of air and motor carrier deregulation. We disagree.

Motor carrier regulatory reform has been a success, and further reduction in regulation would be highly desirable. The often expressed fear about loss of service in rural communities has not materialized. We in agriculture have found, over the years, that unregulated transportation of agricultural freight by motor trucks provides a service second to none. Experience with unregulated agricultural trucking has proven that the discipline of the marketplace and the competitive system are the best and only regulators needed.

While we are not experts in the area of bus regulation, we have every reason to think that deregulation of bus transportation would result in better service to the users at reasonable prices dictated by competition. It would be a mistake to think that this legislation would result in monopoly pricing or a lack of service to rural communities. In fact, many rural communities have already made adjustments to the poor bus transportation services. None of the results of regulatory reform in other modes of transportation would indicate such an outcome.

Sincerely,

JOHN C. DATT,
Secretary and Director, Washington Office.

NATION'S TEN LARGEST BUS COMPANIES REPORT DECREASES IN REVENUES, INCOME, AND RIDERSHIP FOR FIRST QUARTER OF 1982

Operating revenues, income, and ridership declined for the Nation's ten largest bus companies during the first quarter of 1982, according to a report released today by the Interstate Commerce Commission's Bureau of Accounts.

Today's report compares the earnings of the ten largest intercity bus companies for the first quarter and the 12 months ended March 31, 1982, with the corresponding periods of 1981. The ten companies account for about 75 percent of the total revenues generated by approximately 50 Class I intercity bus companies.

A comparison of first quarter operations disclosed that: Operating revenues declined 3.5 percent to $227.7 million from $236 million. The carriers also reported a 9.8 percent decrease in revenue passengers carried to 13.8 million.

Net carrier operating losses increased from $15.8 million to $25.9 million. The eight Trailways System Carriers, as a group, reported a reduction in their net carrier operating loss to $3.8 million from $6.9 million. However, the Greyhound Lines' net operat-

ing loss increased by $13.2 million to $22.2 million.

All carriers reported a combined net loss of $9.7 million.

A comparison of results for the 12-month period shows that: Operating revenues rose 3 percent to $1.1 billion. However, revenue passengers carried declined by 9 percent to 64.7 million.

Net carrier operating income declined $7.9 million to $39.5 million. Greyhound Lines reported a 19.2 percent decrease in net carrier operating income to $31.3 million while the eight Trailways System Carriers experienced a $1 million fall in net carrier operating income to $3.6 million.

Net income for all carrriers fell 34 percent to $37.7 million. The eight Trailways System Carriers, as a group, reported a net loss of $5.6 million. This loss reflects the impact of a year-end 1981 write-down of approximately $46 million of Trailways Inc.'s investment in certain affiliated companies.

Rate of return on shareholder's equity less intangible property for all carriers declined to 7.83 percent from 12.24 percent from the prior period.

This report is based primarily upon quarterly reports submitted by the carriers to the ICC, and these reports have not been verified by the Commission.

Copies of this report can be obtained from the Office of the Secretary, Publications Room 2229, Interstate Commerce Commissions, 12th Street and Constitution Avenue, N.W., Washington, D.C. 20423, telephone (202) 275-7307.

[From the Washington Post, May 17, 1982]

BUSES ON THE ROAD TO DEREGULATION

With airlines, rail systems and trucking already deregulated, the government is about to add intercity bus service to its list. By a 15-to-1 vote last week, the Senate Commerce Committee approved legislation that would end more than 50 years of regulation over these bus lines. Enactment of this change is sure to produce objections in those parts of the country where bus routes may be more popular than profitable. But if the legislation works as intended, opportunities for new service in these areas may well be expanded.

The concern about transportation cutoffs is understandable, because many of these same areas were given to believe that when or if train service were cut, they would still have buses. But the federal legislation does contain protections against sudden or drastic elimination of routes. Though some curtailments are likely, the emphasis of the measure is on encouraging more competition, not less, in pricing as well as routes.

The results should not be all that extreme. Ground transportation is even more adaptable to market conditions than air or train travel. Smaller buses, connecting jitney service or other arrangements can be started up profitably and efficiently to replace those services that larger bus lines have been operating unprofitably. In this region, in fact, there already are examples of routes that are better served by smaller bus companies than they were or would be by Metro buses. With the lifting of federal regulatory obstacles to new entrants, more suburb-to-city commuter lines might come into existence.

The deregulation proposals do not mean that bus companies will be allowed to do entirely as they please. There are provisions for preempting state authority on a case-by-case basis if, for example, the Interstate Commerce Commission determined that a state action constituted an unreasonable burden on interstate commerce or too drastic a curtailment of service.

One of the most constructive changes in the legislation is actually regulation, not deregulation: it would bar bus companies from meeting privately and fixing prices—as they now may do under an exemption from antitrust laws. Other provisions would allow firms to adjust prices without strict federal government scrutiny, and would make it easier for new firms to go into business.

The legislation is supported by the industry—large as well as small bus companies—and by the administration and the ICC. It deserves a chance.

Mr. DANFORTH. Mr. President, I ask unanimous consent that for the remainder of the day the record may be left open so that Senators have a chance to insert any statements relating to this bill.

The PRESIDING OFFICER. Does the Senator suggest a time that the record be left open for that purpose?

Mr. DANFORTH. Only so long as the Senate is in session today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I hope that this legislation will result in a healthier bus industry and improved service to both rural and urban areas. I appreciate the efforts of the committee in addressing concerns that have been expressed about possible adverse impacts in rural areas. The committee is to be commended for including a statement in the National Transportation Policy which specifically includes the goal of providing and maintaining service to small communities. Since that policy statement is the guide for the Interstate Commerce Commission to follow in carrying out the provisions of the act, this legislation gives the Commission explicit direction to consider the needs of small communities. The entry and exit provisions also specifically direct the Commission to consider the impact on small communities wherever appropriate. The legislation also makes it very easy for carriers to provide new services to communities not regularly served by other carriers. I believe that all of these provisions go a long way toward addressing the concerns that have been expressed and provide an appropriate balance between the need for increased competition in the industry and the need to insure service in all areas of the country.

Nevertheless, not everyone is confident that the actual result will be improved services to small communities. Some individuals have suggested that an interim funding program might be needed to insure a smooth transition by providing financial and technical assistance to smaller carriers who serve rural and small urban areas. I realize that this year's budget precludes the inclusion of any kind of funding package in this bill. Nevertheless, I would sincerely hope that, should the need arise, my colleagues on the Surface Transportation Subcommittee will review such a program during the oversight hearings that will be held next year.

Mr. CANNON. Mr. President, I thank Senator RIEGLE for his remarks. I agree that this bill represents an excellent balance between the need to remove excessive regulation and provide more competition in the bus industry and, at the same time, insure that no part of the country is inadvertently harmed. And I appreciate the distinguished Senator from Michigan reciting all of the things we have included in the bill to insure that rural service is protected.

Section 4 of this act directs and requires the appropriate congressional authorizing committees to hold periodic oversight hearings, at least annually until July 1, 1985. The committee report accompanying the bill clearly states the intention of the committee to hold its first oversight hearing within one year after the effective date. I can assure my colleagues that the committee will include in those hearings consideration of a transitional funding program of the kind Senator RIEGLE has described, should the effects of less regulation on the level of service to small communities prove to be detrimental.

Mr. DANFORTH. Mr. President, at this time I wish to express my appreciation to the very able staff members who contributed to this effort. In particular, I would like to thank Kathy Meier of the Commerce Committee staff for her excellent work in putting this bill together. I would also like to thank Jerry Cox and Susan Schwab of my staff and Cindy Douglas of the Commerce staff.

Mr. ROBERT C. BYRD. Mr. President, I rise in opposition to H.R. 3663, the Bus Regulatory Reform Act of 1982.

West Virginia is a State with a number of small mining and farming communities, and a population dispersed largely among rugged, rural areas. Bus service in a State such as West Virginia is likely to deteriorate under this legislation.

West Virginia did not benefit from the implementation of airline deregulation several years ago. While air travel in the State is slowly improving, routes are inconvenient and fares are high. Whatever positive national effects airline deregulation has had, and there are signs that it has been a successful policy in some States, its effect on West Virginia has not been salutary.

Trucking deregulation has had a different impact on my State. Both large and small trucklines have gone bankrupt, or into serious financial difficulty, in trying to operate on some West Virginia routes—and only two of the major trucklines that serve West Vir-

ginia or nearby States have sustained healthy operating ratios.

In short, it is clear that some of the transportation deregulation measures that have become law in recent years contain hidden pitfalls for West Virginia and other small, largely rural States.

While these regulation measures are seen by many to be satisfactory national transportation policies, the effect that these policies have on my State has not been generally beneficial.

When the airline deregulation bill was before the Senate, Senators from small, rural States were assured that the legislation would not cause a deterioration in service, or a rapid increase in airfares. Both occurred in West Virginia. Assurances that rural areas and small communities will not suffer ill effects from this kind of legislation are no longer persuasive.

The people that would bear the brunt of a loss of bus service, or a reduction in service, are the elderly and those without alternative forms of transportation. Many places in West Virginia are difficult to reach under present circumstances. Any decrease in bus service would only result in greater isolation for these communities.

The chairman of the Public Service Commission of the State of West Virginia, E. Dandridge McDonald, has written to me, on behalf of the Commission, in opposition to H.R. 3663. Chairman McDonald's letter indicates that 39 communities in West Virginia would be threatened with a total loss of bus service if this legislation is enacted. His letter states:

> In my opinion this is but a fraction of those communities which would be subject to a loss of bus service if this legislation is passed.

For those reasons, I cannot support this legislation. I ask unanimous consent that a copy of Chairman McDonald's letter on the likely effect of H.R. 3663 in West Virginia be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF WEST VIRGINIA,
PUBLIC SERVICE COMMISSION,
Charleston, W. Va., May 25, 1982.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: I am writing to you on behalf of the West Virginia Public Service Commission to urge you to oppose Section 16 of HR 3663, a bill proposing the Bus Regulatory Reform Act of 1982.

This legislation would empower the ICC to review the Commission's decisions in cases where it has denied a carrier's request to abandon or reduce intrastate bus service. It would place a nearly insurmountable burden upon objecting parties to show that continuation of the service is not an unreasonable burden on interstate commerce. This section would also eliminate state jurisdiction over abandonment where the carrier has received ICC authority to enter certain previously unserved markets.

Based on the evidence received in the two most recent cases filed by major carriers with the Commission, this section would subject the following municipalities and communities to a complete lack of point to point bus service:

Gilbert, Man, Logan, Welch, Pineville, Oceana, Williamson, Romney, Burlington, Mount Storm, Gormania, Aurora, Fellowsville, Grafton, Bridgeport, Pruntytown, Thornton, Erwin, New Creek, Keyser, Capon Bridge, Iaeger, Kimball, Keystone, Clothier, West Hamlin, Northfork, Maybeury, Bramwell, Bluewell, Roderfield, Verner, Chapmanville, Ranger, Branchland, Salt Rock, Madison, Danville, Racine.

In my opinion this is but a fraction of those communities which would be subject to a loss of bus service if this legislation is passed. Consumers in West Virginia who might wish to be heard in cases appealed to the ICC pursuant to this section would be, in effect, precluded from effectively protesting since it would be virtually impossible to muster the resources necessary to retain specialized legal talent to represent them before the ICC in Washington.

Accordingly, I appreciate your consideration and support of these views.

Sincerely,

E. DANDRIDGE MCDONALD,
Chairman, Public Service Commission.

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. SCHMITT. Will the Senator yield?

Mr. DANFORTH. I am happy to yield 1 minute to the Senator.

Mr. SCHMITT. The yielding is appreciated, but it is only to compliment the distinguished Senator from Missouri, supported by the chairman of the Commerce Committee, Senator PACKWOOD, who is also here, on this very, very important legislation. It really completes the process begun many years ago—in fact, the same year that the Senator from Missouri and I entered the U.S. Senate, in 1977—when we began with the airline deregulation effort.

They are not perfect. They have made great advances toward more equitable deregulation of our system of commerce. We have to continue diligent oversight, but I think this is a tremendously important issue to that process and I compliment the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, if no one else desires time, I am prepared to yield back the remainder of my time. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back or has expired.

Mr. BAKER. Mr. President, there will be no more rollcall votes after this one.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Alabama (Mr. DENTON) and the Senator from California (Mr. HAYAKAWA) are necessarily absent.

I also announce that the Senator from Georiga (Mr. MATTINGLY) is absent due to illness.

I further announce that, if present and voting, the Senator from California (Mr. HAYAKAWA) and the Senator from Georgia (Mr. MATTINGLY) would each vote "yea."

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from Montana (Mr. MELCHER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 85, nays 10, as follows:

[Rollcall Vote No. 206 Leg.]

YEAS—85

Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Bentsen	Gorton	Nickles
Biden	Grassley	Nunn
Boren	Hart	Packwood
Boschwitz	Hatch	Pell
Bradley	Hatfield	Percy
Brady	Hawkins	Proxmire
Bumpers	Heflin	Pryor
Burdick	Heinz	Quayle
Byrd, Harry F., Jr.	Helms	Riegle
Cannon	Hollings	Roth
Chafee	Huddleston	Rudman
Chiles	Humphrey	Sarbanes
Cochran	Inouye	Sasser
D'Amato	Jackson	Schmitt
Danforth	Jepsen	Simpson
DeConcini	Johnston	Specter
Dixon	Kassebaum	Stafford
Dodd	Kasten	Stennis
Dole	Kennedy	Stevens
Domenici	Laxalt	Symms
Durenberger	Leahy	Thurmond
Eagleton	Levin	Tower
East	Long	Tsongas
Exon	Lugar	Wallop
Ford	Mathias	Weicker
Garn	Matsunaga	Zorinsky
	Metzenbaum	

NAYS—10

Abdnor	Cohen	Randolph
Andrews	McClure	Warner
Baucus	Mitchell	
Byrd, Robert C.	Pressler	

NOT VOTING—5

Cranston	Hayakawa	Melcher
Denton	Mattingly	

So the bill (H.R. 3663), as amended, was passed.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I am delighted that the Senate has ratified the action of the Senate Commerce Committee and voted to approve the Bus Regulatory Reform Act. This action continues the progress made by the Congress in reducing Federal regulation in many fields such as transportation, telecommunications and banking.

In the broadest of terms, this legislation is similar to the previous transportation deregulation bills approved by Congress. Excessive Federal regulation is removed and carriers will find it much easier to add new services, change schedules and prices, or take other actions to operate more efficiently.

The American Bus Association, the American Trucking Associations, the United Bus Owners of America, the U.S. Department of Transportation, the Interstate Commerce Commission, and various consumer groups supported this bill. Because the legislation preserves all existing labor protection provisions contained in the Interstate Commerce Act and contains additional employee protection, representatives of the Amalgamated Transit Union and the United Transportation Union have agreed to the legislation.

As is the case in many other States, transportation and tourism are extraordinarily important to the State of Nevada. I believe this legislation will be of vital importance to the bus industry, its employees, and its passengers.

We have come a long way on this issue since I first introduced legislation dealing with the subject last year. I am delighted that all parties—the industry, labor, and the Administration—ended up in basic agreement. I am confident that this legislation will benefit both the bus industry and the passengers who utilize bus carriers.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering Calendar No. 805 under new reports and all items on the Executive Calendar thereafter.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President, there is no objection.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. STEVENS. Mr. President, I ask unanimous consent that all the nominations on the calendar beginning with Calendar No. 805, including the nominations at the secretary's desk, be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

All nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

[NEW REPORTS]

DEPARTMENT OF COMMERCE

D. Bruce Merrifield, of Connecticut, to be an Assistant Secretary of Commerce.

AIR FORCE

Lt. Gen. Walter D. Druen, Jr., U.S. Air Force, (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Jack Neil Merritt, [redacted], U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Joseph Thomas Palastra, Jr., [redacted] U.S. Army.

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be brigadier general

Col. Lewis A. Mologne, [redacted], Medical Corps, U.S. Army.
Col. Thomas F. Cole, [redacted] U.S. Army.
Col. John T. Quinn, [redacted] U.S. Army.
Col. J. Hollis V. McCrea, Jr., [redacted], U.S. Army.
Col. Charles E. Edgar III, [redacted], U.S. Army.
Col. Gerald R. Jennings, [redacted] U.S. Army.
Col. James D. Smith, [redacted] U.S. Army.
Col. Walter J. Bickston, [redacted] U.S. Army.
Col. Charles D. Bussey, [redacted] U.S. Army.
Col. William H. Harrison, [redacted], U.S. Army.
Col. Robert M. Bunker, [redacted] U.S. Army.
Col. Robert L. Drudik, [redacted] U.S. Army.
Col. Charles C. Adsit, [redacted] U.S. Army.
Col. John E. Long, [redacted] U.S. Army.
Col. Richard E. Stephenson, [redacted], U.S. Army.
Col. James W. Hunt, [redacted] U.S. Army.
Col. James W. Shufelt, [redacted] U.S. Army.
Col. James B. Allen, Jr., [redacted] U.S. Army.
Col. Eugene R. Lanzillo, [redacted] U.S. Army.
Col. Donald J. Palladino, [redacted], U.S. Army.
Col. Thomas J. P. Jones, [redacted], U.S. Army.
Col. Caleb J. Archer, [redacted] U.S. Army.
Col. Dudley J. Gordon, [redacted] U.S. Army.
Col. Thomas N. Griffin, Jr., [redacted], U.S. Army.
Col. Joseph L. Ecoppi, [redacted] U.S. Army.
Col. Charles J. Buel, [redacted] U.S. Army.
Col. Bobby C. Robinson, [redacted] U.S. Army.
Col. Robert J. Dacey, [redacted] U.S. Army.
Col. Edwin H. Burba, Jr., [redacted], U.S. Army.
Col. Donald R. Infante, [redacted] U.S. Army.
Col. Richard H. Sharp, [redacted] U.S. Army.
Col. George M. Krausz, [redacted] U.S. Army.
Col. Charles M. Murray, [redacted] U.S. Army.
Col. Charles E. Honore, [redacted] U.S. Army.
Col. Joseph L. Nagel, [redacted] U.S. Army.
Col. Harry D. Walker, [redacted] U.S. Army.
Col. Robert L. Gordon, [redacted] U.S. Army.
Col. William T. McLean, [redacted] U.S. Army.
Col. John S. Crow [redacted] U.S. Army.
Col. Alan B. Salisbury, [redacted] U.S. Army.
Col. John M. Shalikashvili, [redacted] U.S. Army.
Col. Leo M. Childs, [redacted] U.S. Army.
Col. Gary E. Luck [redacted] U.S. Army.
Col. Michael L. Ferguson, [redacted], U.S. Army.
Col. George A. Joulwan, [redacted], U.S. Army.
Col. Uri S. French, III [redacted] U.S. Army.
Col. Gerald B. McConnell, [redacted], U.S. Army.
Col. Thomas H. Tait, [redacted] U.S. Army.
Col. Thomas D. Reese, [redacted] U.S. Army.
Col. Charles P. Otstott, [redacted],
Col. Edwin S. Leland, Jr. [redacted], U.S. Army.
Col. Randall A. Greenwalt, [redacted], U.S. Army.
Col. Clarke M. Brintnall, [redacted], U.S. Army.
Col. John S. Peppers, [redacted] U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3036 to be assigned as chief of chaplains, U.S. Army:

To be chief of chaplains, U.S. Army

Chaplain (Brigadier General) Patrick John Hessian, [redacted] United States Army.

MARINE CORPS

Lt. Gen. Edward J. Bronars, U.S. Marine Corps, age 55, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, NAVY

Air Force nominations beginning George W. Brown, Jr., to be major, and ending David J. Levy, II, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 17, 1982.

Air Force nominations beginning Thomas D. Webster, to be determined, and ending Burton W. Campbell, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 17, 1982.

Air Force nominations beginning William U. Cattelle, to be lieutenant colonel, and ending Gloria J. Winans, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 22, 1982.

Air Force nominations beginning Joseph Aisner, to be lieutenant colonel, and ending John R. Shaughnessy, Jr., to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 22, 1982.

Navy nominations beginning Robert Louis Albin, Jr, to be captain, and ending Anthony Joseph Klapp, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 17, 1982.

Navy nominations beginning Gregory Hugh Adkisson, to be lieutenant commander, and ending Albert Henrik Jensen, to be lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 17, 1982.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ROBERT F. HENRY LOCK AND DAM

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 597, S. 2034.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2034) to designate the lock and dam known as the Jones Bluff Lock and Dam, located on the Alabama River, as the "Robert F. Henry Lock and Dam."

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ROBERT C. BYRD. There is no objection.

There being no objection, the Senate proceeded to consider the bill.

Mr. HEFLIN. Mr. President, I should like to speak in behalf of S. 2034, which I introduced earlier this year for myself and my distinguished colleague, Senator DENTON.

This bill will rename the Jones Bluff lock and dam on the Alabama River in honor of the late Dr. Robert F. Henry of Montgomery, Ala., who died on August 14, 1981.

Dr. Henry was an outstanding Alabamian. He was a civic leader, churchman, and educator. He also served the people as president of Birmingham-Southern College. Although Dr. Henry served the people of his State and his Nation in many civic and charitable ways, he is better remembered for his yeoman efforts in behalf of the full and comprehensive development of the Coosa-Alabama River system.

The development of this mighty river system has been the quest of farsighted men such as Dr. Henry for many years. The improvement of the Coosa-Alabama River system for flood control, power production, navigation, and other purposes was authorized in 1945 and subsequently modified in the River and Harbor Act of 1954. In 1956, the moving force behind this proposal—namely, the Coosa-Alabama River Improvement Association—elected Dr. Henry as its president and Dr. Henry served continuously as the chief executive officer of the association until his death.

Funds for the construction of locks and dams on the river system did not come easy. As amatter of fact, it was not until 1961 that the first planning moneys were approved for the locks and dams. During this time Dr. Henry would head up large delegations of citizens in presenting the case for this river system before the Senate and House Appropriations Committees here in Washington. His leadership and persistence paid dividends. Today the Alabama River is fully developed for power production, flood control, and navigation. At the time of his death, Dr. Henry was working diligently in behalf of improving the Coosa river for navigation from Montgomery to Gadsden, Ala., thence to Rome, Ga.

One of the most imposing structures on the Coosa-Alabama is the Jones Bluff Lock and Dam on the Alabama River between Lowndes and Autauga Counties. It was one of the first projects targeted by Dr. Henry in his quest to develop the river system. The naming of this majestic dam in honor of Dr. Henry would be most fitting and appropriate recognition of his tireless efforts in behalf of the development of the river system, as well as his commitment to a bigger and better economic day for the citizens of his State.

I should like to personally express my appreciation to the chairman of the Senate Committee on Environment and Public Works (Mr. STAFFORD) and to the chairman of the Subcommittee on Water resources (Mr. ABDNOR) and, in fact, to the entire membership of the committee for the understanding and cooperation in approving S. 2034.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Jones Bluff Lock and Dam, located on the Alabama River between Lowndes and Autauga Counties, Alabama, is designated and shall hereafter be known as the "Robert F. Henry Lock and Dam".

(b) Any reference in a law, map, regulation, document, record, or other paper of the United States to that lock and dam shall be deemed to be reference to the "Robert F. Henry Lock and Dam".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

ORDER FOR SENATE RESOLUTION 368, FALKLAND ISLANDS RESOLUTION, TO BE INDEFINITELY POSTPONED

Mr. STEVENS. Mr. President, I ask unanimous consent that Senate Resolution 368, a resolution dealing with the Falkland Islands, being held at the desk, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNE M. FISHER

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 3127, and I ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3127) for the relief of Staff Sergeant Anne M. Fisher, United States Army Reserve.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 633, 644, 646, and 668.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

REINSTATEMENT AND VALIDATION OF AN OIL AND GAS LEASE

The Senate proceeded to consider the bill (S. 1877) to provide for the reinstatement and validation of United States oil and gas lease numbered NM-12846, which had been reported from the Committee on Energy and Natural Resources, with an amendment: On page 2, line 6, strike "continues", through and including the colon on line 7, and insert "continues;".

So as to make the bill read:

S. 1877

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any decision to the contrary heretofore made by the Secretary of the Interior of the United States or his authorized agents or representatives, United States oil and gas lease numbered NM-12846 shall be held not to have terminated by operation of law or otherwise on January 2, 1981, but shall be deemed to be in full force and effect and said lease shall be extended for a period of two years from October 19, 1981, the date the leaseholder of record received notice from the Bureau of Land Management that the lease expired, and for so long thereafter as production continues: *Provided*, That within thirty days after the receipt by the last leaseholder of record of said lease of written notice from the Secretary of the Interior of the amount of rental then accrued to the United States under said lease and unpaid by said leaseholder, said leaseholder shall tender payment of said amount of rental. Notice shall be given by the Secretary within thirty days after the effective date of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

OIL AND GAS LEASE W-24153

The Senate proceeded to consider the bill (S. 1909) to provide for the reinstatement and validation of U.S. oil and gas lease numbered W-24153.

Mr. NICKLES. Mr. President, I should like to express my appreciation for today's consideration of S. 1909, which provides for the reinstatement and validation of a U.S. oil and gas lease. This bill being considered today was introduced on December 3 by myself and cosponsored by Senator BOREN.

This bill involves a mineral lease in Wyoming. This lease was lost by clerical oversight, not by lack of good faith on the part of the lessees. Devon Energy Corp. and Eason Oil Co. invested hundreds of thousands of dollars in order to develop the minerals only to lose the leases after production because of an overlooked filing of a Federal form.

The Energy and Natural Resources Committee held a hearing on this bill on May 7, 1982, and subsequently unanimously reported the bill favorably after consideration of the bill's merits.

I sincerely hope my colleagues will join me in passing this legislation today.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law or regulation, United States oil and gas lease numbered W-24153 shall be held not to have terminated by operation of law or otherwise on or about May 31, 1980, but shall be deemed to have been duly communitized on such date with United States oil and gas lease numbered W-47820 and shall be deemed otherwise to continue in full force and effect in accordance with its terms so long as oil or gas is produced in paying quantities from the unit so constituted: *Provided*, That, within sixty days of the effective date of this Act, the last recordholder of lease numbered S-24153 and the recordholder of lease numbered W-47820 shall file an agreement in due form with the Secretary or his delegate evidencing the communitization of said leases which agreement shall be approved by the Secretary or his delegate retroactively to a date prior to May 31, 1980: *And provided further*, That within thirty days after the receipt of written notice from the Secretary or his delegate of the amount of any rental then accrued to the United States under lease numbered W-24153 and unpaid by the last recordholder of said lease, said recordholder shall tender payment of said amount of rental. Such notice shall be given by the Secretary within thirty days after the effective date of this Act.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

OIL AND GAS LEASES W66245, W66246, W66247, AND W62250

The Senate proceeded to consider the bill (S. 2146) to extend the lease terms of Federal oil and gas leases, W66245, W66246, W66247, and W62250, which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 1, line 4, strike "oil or gas", and insert "oil and gas";

On page 2, line 2, strike "W62250", and insert "W66250";

On page 2, line 9, strike "oil and gas", and insert "oil or gas";

On page 2, line 11, strike "Act:", insert "*Provided, however,*";

On page 2, line 14, strike "leases", and insert the following: "leases: *And provided further*, That the Secretary of the Interior is authorized, at the request of the Secretary of Agriculture, to modify the lease stipulations to insure the protection of environmentally sensitive areas.".

So as to make the bill read:

S. 2146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to extend United States oil and gas leases issued under section 17 of the Mineral Lands Leasing Act of 1920, as amended, designated "W66245, W66246, W66247, and W66250", and presently known as the Toledo Unit in Lincoln County in the State of Wyoming, and which would otherwise expire forty-eight days after the termination of United States Department of the Interior administrative suspension of operations and lease terms currently in effect, until two years after the effective date of this Act or the termination of the period of suspension, whichever comes later, and so long thereafter as oil or gas is produced in paying quantities as defined under the Mineral Lands Leasing Act: *Provided, however*, That except as specifically modified herein as to such leases, all other provisions of the Mineral Lands Leasing Act of 1920, as amended, shall be applicable as to such leases: *And provided further*, That the Secretary of the Interior is authorized, at the request of the Secretary of Agriculture, to modify the lease stipulations to insure the protection of environmentally sensitive areas.

SEC. 2. The effective date of this Act shall be the date the leases specified in section 1 would have expired by operation of law, but for the passage of this Act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

Amend the title so as to read "A bill to extend the lease terms of Federal oil and gas leases, W66245, W66246, W66247, and W66250.".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

INDIAN TRIBAL MINERAL RESOURCES

The Senate proceeded to consider the bill (S. 1894) to permit Indian tribes to enter into certain agreements for the disposition of tribal mineral resources, and for other purposes, which had been reported from the Select Committee on Indian Affairs with an amendment as follows:

To strike out all after the enacting clause, and insert the following:

That (a) any recognized Indian tribe, band or other group of Indians subject to the jurisdiction of the United States may enter into any joint venture agreement, operating agreement, production sharing agreement, service agreement, managerial agreement, lease agreement, or other agreement approved by the Secretary of the Interior (hereinafter referred to as the "Secretary") for the disposition of oil and gas, geothermal, coal, or other energy or nonenergy mineral resources, owned by a tribe, or for the sale of the production of such tribal minerals. Any such agreement shall be for such term and be subject to such conditions as the Secretary may require by regulation.

(b) Unless the Secretary finds that an agreement is not in the best interest of the tribe, the Secretary shall approve such agreement within (1) one hundred and eighty days of its submission to him or (2) thirty days after after compliance, if required, with section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332), or any other requirement of law, whichever is later. Any party to such agreement may enforce the provisions of this subsection pursuant to section 1361 of title 28, United States Code.

(c) Whenever the Secretary approves or disapproves an agreement pursuant to subsection (a), he shall state his findings in writing at least thirty days before making his decision. Such findings shall be made available to the tribe.

(d)(1) Upon secretarial disapproval of such agreement, the parties involved therein have standing, without regard to the requirements of the Administrative Procedures Act, to bring a cause of action in Federal district court.

(2) The district court of the United States shall have jurisdiction to review the Secretary's disapproval action and shall determine the matter de novo. The burden is on the Secretary of the Interior to sustain his action.

(3) Except as to other cases the court considers of greater importance, proceedings before the district court, as authorized by this subsection, and appeals therefrom, take precedence on the docket over all cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

(4) The court may assess against the United States reasonable attorney fees and other reasonable litigation costs incurred in any case under this section in which the complainant has substantially prevailed.

SEC. 2. Individual Indians owning trust or restricted minerals may join with a tribe in an agreement entered into pursuant to section 1 of this Act, subject to the approval of the Secretary of the Interior.

SEC. 3. The Secretary shall review, within ninety days of enactment of this Act, any existing nonlease agreement approved between June 1975 and April 1981, to determine if they comply with the purposes of this Act and any other provisions of law.

SEC. 4. Upon the request of any Indian tribe or any individual Indian owning trust or restricted mineral resources, the Secretary of the Interior shall provide qualified, independent, expert advice to such tribe or individual for determination of potential mineral values, for social, environmental and economic analyses, for legal assistance, and for such other technical services that such tribe or individual may request relating to the valuation, development, production and sale of such minerals as are defined in section 1 of this Act. Costs for such services may be reimbursed pursuant to the provisions of the first section of the Act of February 14, 1920 (41 Stat. 415; 25 U.S.C. 413), as amended.

SEC. 5. Nothing in this Act shall affect the validity of any lease approved or hereafter approved pursuant to the Act of May 11, 1938, as amended (52 Stat. 347; 25 U.S.C. 396a et seq.).

SEC. 6. Within one hundred and eighty days of the date of enactment of this Act, the Secretary of the Interior shall promulgate rules and regulations to facilitate implementation of this Act. The Secretary shall, to the extent practicable, consult with national and regional Indian organizations and tribes with expertise in mineral development both in the initial formulation of rules and regulations and any future revision or amendment of such rules and regulations.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

OIL AND GAS LEASES NM 25447 AND NM 25452 ACQ.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 645, S. 1941.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1941) to provide for the reinstatement and validation of U.S. oil and gas leases numbered NM 25447 and NM 25452 Acq.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ROBERT C. BYRD. There is no objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 2, line 6, strike "expired", and insert "terminated";

On page 2, line 8, strike "oil and gas", and insert "oil and gas";

So as to make the bill read:

S. 1941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any decision to the contrary heretofore made by the Secretary of the Interior or his authorized agents or representatives and upon compliance with the next sentence of this Act, United States oil and gas leases numbered NM 25447 and NM 25452 Acq. shall be held not to have terminated by operation of law or otherwise on July 1, 1980, but shall be deemed to be in full force and effect and the terms of such leases extended for two years from the date on which the lessee received notice that the leases terminated for nonpayment of rent, and so long thereafter as oil and gas is produced in paying quantities. Within thirty days after the receipt of written notice from the Secretary of the Interior of the amount of rental then accrued to the United States under such leases and unpaid by the last recordholder of such leases, the recordholder shall tender payment of the amount of rental. Notice shall be given by the Secretary within thirty days after the date of enactment of this Act.

Mr. STEVENS. Mr. President, I ask unanimous consent that the committee amendments be adopted en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 1058

Mr. STEVENS. Mr. President, I send to the desk an amendment on behalf of Senator TOWER.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Alaska (Mr. STEVENS), for Mr. TOWER, proposes an unprinted amendment numbered 1058.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 5, strike "two years from the date on which the lessee received notice that the leases terminated for nonpayment of rent," and insert in lieu thereof the following: "120 days following the enactment of this Act,"

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 1058) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read a third time, and passed, as follows:

S. 1941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any decision to the contrary heretofore made by the Secretary of the Interior or his authorized agents or representatives and upon compliance with the next sentence of this Act, United States oil and gas leases numbered NM 25447 and NM 25452 Acq. shall be held not to have terminated by operation of law or otherwise on July 1, 1980, but shall be deemed to be in full force and effect and the terms of such leases extended for one hundred and twenty days following the enactment of this Act, and so long thereafter as oil and gas is produced in paying quantities. Within thirty days after the receipt of written notice from the Secretary of the Interior of the amount of rental then accrued to the United States under such leases and unpaid by the last recordholder of such leases, the recordholder shall tender payment of the amount of rental. Notice shall be given by the Secretary within thirty days after the date of enactment of this Act.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

BAR MEMBERSHIP REQUIREMENTS FOR U.S. MAGISTRATES

Mr. STEVENS. Mr. President, on behalf of the Senators from Texas (Mr. TOWER and Mr. BENTSEN), I send a bill to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the bill (S. 2706) to amend title 28, United States Code, to modify the bar membership requirements for U.S. magistrates.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2706) was passed as follows:

S. 2706

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 631(b)(1) of title 28, United States Code, is amended by striking out "He is, and has been for at least five years, a member" and inserting in lieu thereof the following: "He has been for at least five years a member in good standing of the bar of the highest court of a State, the District of Columbia, the Commonwealth of Puerto Rico, or the Virgin Islands of the United States, and he is a member".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATION OF JAMES STEARNS—TIME LIMITATION AGREEMENT

Mr. STEVENS. Mr. President, as in executive session, I ask unanimous consent that on Tuesday, July 13, 1982, at 4 p.m. the Senate go into executive session to consider the nomination of James Stearns to be Director of the Securities Investor Protection Corporation, under the following time agreement: 1 hour to be equally divided between the chairman of the Banking Committee and the ranking minority member, or their designees; and that following the conclusion or yielding back of time that the Senate proceed to vote on the confirmation of James Stearns.

Further, I ask that following the vote and any motion to reconsider, and table and the informing of the President that the Senate has given its consent to this nomination, that the Senate resume the pending business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

THE SALE OF HORSEMEAT IN NAVAL COMMISSARIES

Mr. MELCHER. Mr. President, I wish to call the Senate's attention to a matter concerning the impropriety of the Navy, our U.S. Navy, selling horsemeat in several of their commissaries.

I note that there are several reasons for objecting to the sale of horsemeat through naval commissaries. I think, first, it might cause people in the Navy to suspect that their cooks are serving them horsemeat when they think they are eating beef.

Second, I believe that in this country horsemeat is not considered as good as beef and there are some objections from the horse lovers throughout the United States to using horsemeat for consumption. And there is a question of the Humane Society and the horse associations as to whether or not the horses are actually being slaughtered in a humane and clean way.

Third, I think a lot of people who are producing beef in this country would prefer that our United States Navy promote beef, pork, or poultry rather than horsemeat.

Mr. President, I ask unanimous consent to have placed in the RECORD a letter which I addressed to the Honorable John F. Lehman, Jr., Secretary of the Navy, on June 30, 1982, and an article entitled "Commissary Shoppers Give Mixed Reviews to Horsemeat."

There being no objection, the letter and the article were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C. June 30, 1982.

Hon. JOHN F. LEHMAN, Jr.,
Secretary of the Navy,
The Pentagon,
Washington, D.C.

DEAR MR. SECRETARY. The United States Navy has been extremely helpful to American agriculture over the years, especially at times when the Navy has accelerated consumption of America's fine agricultural commodities, particularly those in surplus.

Therefore, I was extremely disappointed to learn that Navy commissaries are now offering horsemeat for sale in competition with the American beef. First, I do not believe that horsemeat is considered by Americans to be as desirable as beef, pork or poultry. Secondly, the Navy is seeking to enhance recruitment of volunteers, and this practice of selling horsemeat in Navy commissaries suggests that it is the meat used for Navy personnel.

For the two years prior to this past January, cattle had been selling for less than their cost of production. The cattle industry had been in a virtual depression. Meanwhile, because of the recession, consumer consumption of beef has been declining.

But beyond the commercial concerns, there are humane considerations which must be dealt with. I have no personal knowledge of the Chevalean Foods Company, which is selling the horsemeat to the commissaries. I assume that their products are inspected by the U.S. Department of Agriculture. But the American Horse Council, the Humane Society of the United States and the American Horse Protection Association have brought to my attention a serious problem associated with the transportation of horses intended for slaughter.

People who do this kind of transporting often overload horses into trucks that are not designed to carry them safely. They are sometimes transported without adequate provision for food and water. Further, as a result of the large increase in European demand for American horsemeat, prices have risen so high that firms seeking horses for slaughter often outbid prospective riding horse purchasers. Horses roaming free on public lands have reportedly been illegally removed for the horsemeat trade.

There are not enough horses in the United States for our armed forces to be promoting the development of a domestic horsemeat market. I urge you, for both commercial and humanitarian reasons, to order that Navy commissaries no longer offer horsemeat for sale.

Best regards.

Sincerely,

JOHN MELCHER.

COMMISSARY SHOPPERS GIVE MIXED REVIEWS TO HORSEMEAT

(By Jeff Barnard)

MIDDLETOWN, R.I.—Figuring that sailors who have seen the world may be willing to sit down to a horsemeat dinner, a Connecticut firm has turned to the U.S. Navy to help wipe out an older taboo.

Horse steaks and horse patties were introduced to several Navy commissaries—and a few supermarkets—in New England last week by Chevalean Foods of Hartford, which last year sold $20 million worth of horsemeat, 99.5 percent of it overseas.

"Customer reaction is very polarized," said commissary officer Lt. Edward B. Haskins of the Newport Navy Commissary here. "One lady asked me if Lassie was going to be next and I assured her that was not the case."

Haskins says he has sold about 150 packages of the meat, which comes from spent saddle horses and race horses. Six quarter-pound patties sell for $1.75, equivalent to $1.17 a pound, he said. By comparison, hamburger sells for $1.72 a pound.

"It provides a lower cost alternative to beef, especially in the economic times we find ourselves in now," said Haskins.

Horsemeat also is being offered at Navy commissaries in New London, Conn., and Brunswick, Maine, and at a few civilian stores in Maine.

Ronald J. Corn, president of Chevalean Foods, said fears that the rising value of the dollar would hurt foreign sales prompted the firm to start selling in the United States.

Corn said a centuries-old taboo against horsemeat in Europe, spread in part by the Roman Catholic Church, started breaking down in the 19th century after the top surgeon in Napoleon's army ordered cavalry horses to be slaughtered to feed starving troops.

"After that, the Catholic Church in France actively started promoting it to help the poor and poverty stricken," Corn said. "It was even a gourmet item and suggested by doctors for its high nutritional value."

Haskins said his horsemeat is USDA-approved and higher in protein than beef, but lower in calories and cholesterol.

The meat comes from horses which have reached the end of their usefulness and are sold to the meat packing plant, Corn said.

Haskins said about 40 percent of the shoppers who tried horsemeat at a store demonstration said they liked it, while about 60 percent turned up their noses and wouldn't even take a nibble.

"I still have people come up to me and say, 'I can't eat Silver or Flicka,' " Corn said.

Why the Navy?

"We were having tremendous difficulty with the private sector and I knew there is a far greater sophistication in terms of eating throughout the world by armed service personnel, having been there myself, and knowing that people in France, Korea, and Japan eat horsemeat," he said.

"A lot of people will realize, maybe, that what we have done in this country for hundreds of years may have been wrong, using horsemeat just for pet food," he said.

THE NORTH ATLANTIC ASSEMBLY

Mr. MATHIAS. Mr. President, during the Memorial Day recess, a U.S. delegation attended the spring meeting of the North Atlantic Assembly in Madeira, Portugal. The Senate members included Senator JOSEPH BIDEN, Senator THOMAS EAGLETON, Senator JAMES MCCLURE, Senator ARLEN SPECTER, Senator WILLIAM ROTH, and me. A delegation of Members of the House of Representatives was led by Representative PHILLIP BURTON.

The North Atlantic Assembly is the interparliamentary assembly of member countries of the North Atlantic Alliance. The aim of the North Atlantic Assembly is to promote and further the aims of the Atlantic Alliance as detailed in the North Atlantic Treaty.

The Assembly operates through five committees which cover the range of the Assembly's activities—economic; education; cultural affairs, and information; military; political; and scientific and technical. The plenary session on the final day of meetings concludes the session. Participation includes discussions, presentation of resolutions, and debate.

The meeting of the Assembly held each spring lays the goundwork for the major fall meeting where substantive resolutions are voted on by the delegates. This year's fall meeting will be held in London in November.

The U.S. delegation to the meeting in Madeira participated actively in the deliberations of the military, political, and economic committees.

Literally, every issue which divides or unites the NATO member countries came up for discussion during several days of meetings.

European delegates expressed particular concern over our high interest rates, the future direction of American arms control efforts, and over talk in this country about possible withdrawal of some American troops now stationed in Europe. There were also extensive discussions about the Middle East, the issue of burden sharing, Poland, Afghanistan, and East-West economic ties.

As is to be expected at a gathering of democratically elected parliamentarians, there were disagreements not only between delegations but within delegations as well concerning many of these issues. What can be said is that there was also a broad based consensus that the member states of NATO remain fully engaged in a cooperative search for solutions to common problems.

This cooperative effort was reflected in the resolution adopted by the Assembly at the plenary session on the last day. I ask unanimous consent that a copy of the resolution, entitled "Resolution 121 on East-West Relations After Poland: The Search for an Alliance Consensus," be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MATHIAS. I wish to draw particular attention, Mr. President, to the report—an interim report—submitted to the Assembly by its Special Committee on Nuclear Weapons in Europe, which is chaired by Senator BIDEN. The Special Committee will issue an updated version at the Assembly's fall session in London. I ask unanimous consent that the interim report, and also the text of a statement delivered by Senator BIDEN to the Assembly in Maderia, appear at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MATHIAS. Mr. President, relations between Europe and the United States are troubled at present. We are, it seems, too often irritated by what governments do or do not do on the other side of the Atlantic. I know that many Europeans find our actions disturbing as well.

The meetings of the North Atlantic Assembly each year are excellent occasions for the type of free-flowing dialog between parliamentarians which is vital if misunderstanding within the alliance is to be reduced.

The United States has not always been adequately represented at these meetings. I very much regret this. I hope that members of the Senate with responsibility in the fields of military and foreign affairs will give very serious thought to participating in the fall meeting of the Assembly to be held in London, England, from the 13th to the 19th of November 1982.

EXHIBIT 1

[Resolution Adopted by the North Atlantic Assembly at its Spring Plenary Session, Madeira, May 31, 1982]

RESOLUTION 121 on East-West Relations After Poland: The Search for an Alliance Consensus

The Assembly,

Stressing that the maintenance of political cohesion and consensus within the Alliance is an essential component of collective security and deterrence;

Emphasizing that the Soviet invasion and occupation of Afghanistan violate international agreements and have brought about the current deterioration in overall East-West relations;

Condemning the imposition of martial law in Poland, prompted by the U.S.S.R., as a serious violation of the Helsinki Final Act, demonstrating that the Soviet influence finds its expression in an increasing involvement in repressive activity;

Urging the current Polish leadership to lift martial law, to free all political prisoners, and to restore the process of dialogue and negotiation with the Church and Solidarity;

Aware that Polish developments have given rise to significant differences among the Allies concerning the future conduct of East-West relations;

Recalling that defence and detente, as the Harmel Report concluded, are complementary elements of Alliance security and

Emphasizing, therefore, that Alliance security rests on a maintenance of the balance of forces between East and West as well as on the pursuit of East-West talks and negotiations on various levels, in particular, the Intermediate Nuclear Force and strategic arms negotiations, as well as on the establishment of an efficient and constant procedure of verification;

Confirming the principles laid down in the NATO Treaty, e.g., the defence of freedom and democracy in each of the member countries;

Condemning all acts of torture and terrorism;

Welcoming the world-wide effort in the framework of the United Nations to advance

peace by holding a Special General Assembly on Disarmament;

Urges the member governments of the North Atlantic Alliance:

1. to allocate the necessary resources to meet Alliance requirements for the maintenance of credible deterrence and defence and, in particular, to urgently undertake the strengthening of conventional forces and the establishment of adequate civil defence;

2. to continue humanitarian aid to the Polish people and to be prepared to resume official economic and financial assistance when martial law is lifted, and to intensify relations in the fields of science, culture and athletics;

3. to re-examine Alliance mechanisms for consultation, co-ordination and co-operation in order better to meet common objectives and to avoid conflict between member countries;

4. to develop in the field of East-West economic relations a more co-ordinated policy that respects the interests of the member countries;

5. to co-ordinate efforts in preparation for the 1982 United Nations Special General Assembly on Disarmament;

Urges the Turkish government to free all political prisoners and to re-establish democracy;

Urges the Heads of State and Heads of Government assembling on the occasion of the NATO summit on June 10:

1. to reaffirm the common Western commitment to serious arms control and disarmament negotiations aimed at achieving greater stability at reduced levels of armaments;

2. to remind the Soviet Union that the strict observance of bilateral and multilateral agreements, especially the Helsinki Final Act, is a leading element in improved East-West relations;

3. to signal to the Soviet Union the interest of Alliance countries in developing East-West economic relations on the basis of mutual benefit in improved political circumstances;

Urges all nations participating in the 1982 United Nations Special General Assembly on Disarmament:

To reach agreement on world-wide arms control and disarmament through specific measures, namely, improved confidence building measures, control and limitation of arms sales, support for ongoing bilateral and multilateral arms control and disarmament negotiations, and strengthened nuclear non-proliferation measures.

EXHIBIT 2

INTERIM REPORT OF THE SPECIAL COMMITTEE ON NUCLEAR WEAPONS IN EUROPE

REVIEW OF RECENT DEVELOPMENTS

1. Since the last report of the Special Committee on Nuclear Weapons in Europe was presented to the Assembly last October at the Munich meeting, a number of significant developments have occurred regarding the issues under study. Rather than try to squeeze the review of these developments into the framework of that report, the Co-Rapporteurs have chosen to review major developments in this separate report. At the time of the Autumn session, the framework of the normal report will once again be followed and up-dated.

United States initiatives

2. In his first major foreign policy address on 18th November, 1981, President Reagan outlined several far-reaching proposals for arms control and, in effect, challenged the Soviet Union to approach reductions seriously. The address was marked by four proposals. First, President Reagan proposed the "zero option" as the basis for the bilateral Intermediate Nuclear Force (INF) negotiations in Geneva, that is, he offered to the Soviet Union cancellation of the deployment of the European-based 572 Pershing IIs and cruise missiles if the Soviet Union agreed to dismantle its SS-20s, SS-4s, and SS-5s. In this respect, he explicitly rejected the Soviet argument alleging that a balance of these nuclear forces already exists and charged the Soviet Union with creating a destabilizing imbalance. Secondly, he stated that preliminary talks on the resumption of strategic arms negotiations would take place at the Haig-Gromyko meeting in January and indicated that the United States was interested in substantial reductions to equal, verifiable levels and would pursue "major qualitative and quantitative progress" in the negotiations. Thirdly, the United States, he averred, was strongly interested in a reduction of conventional forces. Fourthly, the President firmly supported the idea of a CSCE Conference on European Disarmament (CDE) to reduce the risks of surprise attack.

3. Soviet reaction to the President's proposals was utter rejection. His speech was described as an attempt to deceive an uninformed public. The "zero option", according to the Soviet press, could not conceivably be taken seriously. Soviet journalists recalled repeatedly President Reagan's statement that a limited nuclear exchange in Europe might be possible without escalation to a full nuclear exchange, saying any nuclear exchange would undoubtedly lead to a total nuclear exchange. Finally, the Soviet Union challenged as "fantastic" the figures President Reagan used to indicate the present balance—6/1 in the Soviet favour.

4. From the Allies, the Reagan address won warm and wide applause both for its substance—it was a long-awaited, supportive statement on arms control programmes as part of American security policy—and for its tone—it was a movement away from the aggressive anti-Soviet rhetoric characteristic of the earlier months of his administration. Moreover, it indicated a strong, realistic commitment to the Alliance, a sensitivity and attentiveness to Allied concerns, and, implicitly, a certain recognition that the Allies could be heard by the United States and even influence the formulation of American nuclear policy. The adoption of the "zero option" in particular was perceived by many Allies as a strong opening position for the Intermediate Nuclear Force (INF) negotiations. The "zero option" was subsequently endorsed firmly by the Nuclear Planning Group (NPG) in two meetings and by the NATO ministerial meetings in December 1981. Chancellor Schmidt of the Federal Republic, welcoming the zero proposal, remarked that in his coming meetings with President Brezhnev, he would convey to the Soviet President NATO's determination to proceed with deployments if the Geneva negotiations did not produce significant reductions.

The Schmidt-Brezhnev meetings

5. Shortly before the Intermediate Nuclear Force (INF) negotiations opened in Geneva on 30th November, three days of meetings (22nd-25th November) took place in Bonn between Federal Republic Chancellor Helmut Schmidt and Soviet President Leonid Brezhnev. The meetings were widely viewed as "setting the stage" for the coming Intermediate Nuclear Force (INF) talks, and it was thought that President Brezhnev might launch a new initiative to open cracks in the Alliance. The meetings were also considered to be of special importance because the Federal Republic of Germany maintains a powerful position in East-West relations generally and because it was the first visit of the Soviet leader to a Western country since the Soviet invasion of Afghanistan.

6. During the meetings, President Brezhnev did, in fact, repeat his offer for a moratorium on deployment of new systems in Europe and added another offer: Soviet Union would reduce unilaterally (by an unspecified number of unspecified weapons systems) Soviet intermediate range systems if the moratorium were accepted and NATO did not deploy. By all accounts of their meetings, Chancellor Schmidt performed valuable services for the Alliance by his firmness in support of the "zero option" and, conversely, his firmness that the NATO weapons would be deployed if the Geneva negotiations did not succeed in reaching the "zero option"; by his insistence that the United States was serious about the negotiations; by his admonitions to the Soviet leader about the destabilizing effects of the Soviet military build-up; by his statements on the increase in international tensions caused by the Soviet invasion of Afghanistan. He also reportedly warned President Brezhnev against trying to influence public opinion against the positions taken by their governments. The Schmidt-Brezhnev meetings were obviously very useful in reinforcing Alliance viewpoints on a series of issues.

The Geneva intermediate nuclear force negotiations

7. The commencement of the Intermediate Nuclear Force (INF) negotiations in Geneva on 30th November is considered the result of NATO determination to proceed with deployment: the Soviet Union finally accepted the NATO 1979 offer to negotiate without preconditions because of NATO solidarity and resolution to proceed. Welcomed on all sides, the Intermediate Nuclear Force (INF) negotiations focus directly on nuclear missile systems. On a more profound level, however, it is clear that the two sides are dealing with ways of reducing the risk of nuclear war, the possibility of which has troubled segments of the European population for some time and, more recently, segments of the American population.

8. At the first meeting, both sides agreed on a "news blackout", restricting all public comment to the barest procedural matters. The negotiators met in December until a Christmas-New Year recess, resumed negotiations in early January, and recessed again on 16th March with 20th May as a date for resumption of negotiations.

9. Despite the new blackout, the general positions of both sides are known, and they are known to be far apart. The definition of which weapons will be the subject of the negotiations is critical. The United States, supported by the Allies, intends to focus on the most dangerous systems—intermediate range land-based missiles—and takes a broad approach on geographic scope. The Soviet Union, rejecting so far the zero proposal, wants the geographic scope restricted to Europe, but seeks a broad approach on the systems negotiated, including United States nuclear capable aircraft—the so-called "forward-based systems"—and the French and United Kingdom nuclear forces.

10. Some idea of the very different perspectives on what forces should be counted can be seen from the official estimates put forward by either side of forces relevant to the European region. The Soviet Union maintains there is now a rough balance of medium-range systems "intended for use in Europe", that is, systems with a range of 1,000 kms, with 986 Western systems and 975 Soviet systems. These figures were explained at the time in the following manner, though it must be kept in mind that the number of SS-20s has now reached 300, according to United States estimates:

U.S. and NATO

IRBM:	
French IRBM	18
French SLBM	80
United Kingdom Polaris	64
Total	162
Aircraft:	
U.S. FB111	65
F111	172
F4	246
Carriers A6/7	240
French Mirage IV	46
United Kingdom Vulcan	55
Total	824
Total	986

U.S.S.R.

SS-20	243
SS-4 and 5	253
SS-N5	18
Total	514
Backfire, Badger, Blinder	461
Total	975

11. The United States, supported by the Allies, argues that no such balance exists; that the United States has nothing comparable to the SS-20; that the Soviet Union cannot logically argue there was a balance in 1979 and two years later, when it has added 200 more SS-20s, still claims there is a balance; that the Soviet Union includes United Kingdom and French forces, which are strategic forces and which the United States can in no way negotiate; that the Soviet Union achieves this figure in a distorted manner. That is, the Soviet figures include F4s with an unrefueled range of under 1,000 kms, but do not include for their own part a number of aircraft, (the Fencer, for example) estimated to have a capability well beyond 1,000 kms. They include FB111s based in the United States, and the Soviet Union calculates the number of A6s and A7s at 240 by including six aircraft carriers-two in the Mediteranean, and four that could be deployed in the North Atlantic in time of crisis—and again comparable Soviet naval-based aircraft are excluded.

12. By contrast, Richard Burt, Director of the United States Department's Bureau of Political-Military Affairs, presented the following figures in support of the claim made by President Reagan in November 1981 of a 6/1 advantage for the Warsaw Pact:

U.S.

IRBMs	0
Aircraft:	
In Europe—F111	164
F4	265
A6/7	68
Total	497
Based in U.S.—FB111	63
Total	560

U.S.S.R.

SS-20	250
SS-4/5	350
SS-12/22	100
SS-N5	30
Backfire	45
Badger/Blinder	350
Fencer, Flogger, Fitter	2,700
Total	3,825

13. No one believes the negotiations will be easy or brief. There is certainly great pressure that they succeed. There have been mutual charges that the other side was not negotiating seriously, but the negotiations have so far been generally described as serious, frank and "businesslike". When the negotiations went into recess in mid-March, chief United States negotiator Paul Nitze stated that while no progress had been made on the central issues, there had been "substantial progress" in "clarifying and dealing with subsidiary issues".

The Special Consultative Group (SCG)

14. The Special Consultative Group (SCG), which was instrumental in the formulation of the NATO-supported United States position at the Intermediate Nuclear Force negotiations, has not been dissolved, nor are there plans to do so. It continues to function as a forum for Allies' consultation and information. The Special Consultative Group has strongly supported the zero proposal and has urged "concrete negotiated results at the earliest possible time". The consultations have reportedly been satisfactory to the Allies, and the United States has indicated great satisfaction with them as well. As Assistant Secretary of State Lawrence Eagleburger, former Special Consultative Group leader, remarked, "The intensity of the Special Consultative Group leader, remarked, "The intensity of the Special Consultative Group consultations since the Rome ministerial meeting in May (1981) symbolizes the American commitment to Allied interests, as well as the common desire of the United States and its Allies to achieve genuine arms control. These consultations played an invaluable role in developing the United States negotiating position".

Soviet proposals

15. In an address to the Soviet Trade Unions on 16th March, President Brezhnev announced that the Soviet Union had unilaterally halted deployment of the SS-20 in the European Soviet Union. He also announced that the Soviet Union intended to make unilateral reductions later in 1982 "unless there is a new aggravation of the international situation", and that it remained ready to negotiate serious reductions of all medium-range nuclear weapons in Europe. The Soviet President's speech was noteworthy for two other passages, one in which he proposed a "mutual restriction of naval operations", and one in which he made a veiled threat to respond to NATO deployments by increasing Soviet nuclear capabilities in the Western hemisphere.

16. The Brezhnev March proposal was not generally considered new. It evoked his November 1981 moratorium proposal to Chancellor Schmidt, when the proposed moratorium was still conditional either on NATO's non-deployment or on a NATO refusal to deploy during the negotiations in Geneva. That earlier Brezhnev proposal, it should be recalled, was immediately rejected, since among other reasons it would not require any reduction of Soviet missiles for the duration of the negotiations. Allied reactions to the "new" proposal were extremely reserved, ranging from a French official's statement that it was "nothing new" to the Italian Foreign Ministry's statement that Brezhnev's intention to negotiate still had to be proved.

17. At its March meeting in Colorado Springs, the Nuclear Planning Group rejected any moratorium proposal, and United States spokesmen have spoken against it firmly and persuasively. Allied officials see the moratorium as freezing the Soviet Intermediate Nuclear Force monopoly of land-based systems and United States medium-range inferiority at the same time that it undermines Soviet incentives to negotiate seriously in Geneva. It is viewed basically as an attempt to appeal to public opinion, to fuel the anti-nuclear "peace" movement, and, ultimately, to split NATO and undo the 1979 dual-track decision. The unilateral Brezhnev moratorium on deployments in Soviet Europe is seen as fundamentally meaningless, since it does not restrain deployments East of the Urals, from where the SS-20s can still threaten Europe, and it would last only as long as the NATO countries did not "actually go over to practical preparations to deploy Pershing II missiles and cruise missiles in Europe". Since preparations have, in fact, already begun, the Soviets could invoke the latter conditions as an escape clause at any time. Moreover, following the 6th April meeting of the Special Consultative Group, the Chairman noted evidence of continuing SS-20 site construction in the European Soviet Union since 16th March.

Continuing deployments

18. In fact, it is clear that the Soviets have not yet reached the end of their deployment programme. 300 SS-20s are now deployed, about 200 targeted on Western Europe. If the Soviet Union completes only its present construction sites, it will have 39 bases for a total of 351 SS-20s, including the five new SS-20 sites known to be under construction for 50 more missiles. More ominously and little noted so far, at least in the public discussion, is the gradual emergence of evidence, apparently not yet conclusive, indicating that SS-20s are probably being deployed with one additional re-load rocket. The SS-20 is known to have a fast re-load capability. The number of SS-20s already deployed, plus the re-load, suggests a very powerful Soviet medium-range nuclear capability.

Strategic arms negotiations

19. The 18th November foreign policy address of President Reagan accented the importance of the resumption of strategic arms negotiations with a plan for substantial reductions. For many of the Allies, it was a welcome emphasis, since earlier Reagan positions indicated little support for arms control, great support for negotiating from strength and renewing the American strategic effort, and little understanding of the importance of arms control negotiations in the security thinking of the Allies. Hopes for a resumption of strategic talks in early 1982 were, unfortunately, dashed with the imposition of martial law in Poland. The Haig-Gromyko discussions in January originally planned to focus on resumption of strategic arms negotiations, centered instead on Poland; the resumption of Strategic Arms Reduction Talks (START) was delayed to a time "when conditions permit", an indirect linkage to the Polish situation. For many Europeans, even this indirect and vague linkage was painful since strategic arms negotiations are considered to be in

the mutual security interests of both East and West. The Allies have continued to insist on the close link between the Intermediate Nuclear Force negotiations in Geneva and strategic arms negotiations, a link explicitly stated in the December 1979 communiqué. Again at the Nuclear Planning Group meeting in March 1982, the communiqué noted strong Allied support "for the United States commitment to negotiate on strategic nuclear weapons with the Soviet Union resulting in substantial reductions".

20. It was undoubtedly a combination of international concern and the growing American anti-nuclear movement centering on "freeze" proposals that moved President Reagan to address the critical issue of strategic arms negotiations in early April. Showing an understanding of the concerns of those who fear nuclear war and a possible new nuclear arms race, President Reagan promised to come forward with proposals that would aim at dramatic reductions in strategic nuclear arms, perhaps reductions of 30-50% on both sides. He supported the United States Senate "freeze" resolution sponsored by Senators Jackson and Warner with the backing of 56 Senate colleagues, proposing that both the United States and the Soviet Union adopt "a long-term, mutual and verifiable freeze at equal and sharply reduced levels of forces". (The Jackson-Warner "freeze" resolution was offered as an alternative to the Hatfield-Kennedy resolution, which called for an immediate freeze on the testing, production and deployment of nuclear weapons, followed by major reductions). Since it came into office, the Reagan administration has been conducting a strategic review, which now appears complete, since there was reportedly a 1st May deadline for an inter-agency draft negotiating position. The START talks could resume in early summer.

The United States nuclear "freeze" movement

21. A significant development in the United States during the past six months has been the growing public concern with the unrestrained proliferation of nuclear weapons, a possible new round in the nuclear arms race, and the threat of nuclear war. President Reagan's earlier position regarding strengthened strategic nuclear programmes, combined with the increased military budget, the large budget deficit, an economic recession, and growing alarm weapons have all played a role in the growing movement. The nuclear concerns have found expression on the grassroots level with town councils in numerous states and on the national level with resolutions tabled in both houses of Congress. The two freeze proposals sponsored by Senators were mentioned briefly above. It should be added that the administration was sharply opposed to the Hatfield-Kennedy resolution calling for an immediate freeze on the testing, production, and deployment of nuclear weapons worldwide. Administration spokesmen opposed it for a variety of reasons. They argued it would freeze the United States in inferiority in some categories. It would also undermine the balance of power and therefore would undermine deterrence. It would deprive the Soviets of any incentive to negotiate. It would present impossible problems for verification. It would cripple the effectiveness of deterrence and undermine the Intermediate Nuclear Force negotiations and NATO solidarity. The administration argument was that deterrence should be reinforced through arms control negotiations and bilateral, balanced arms control reductions. The persuasiveness of the administration's arguments was supplemented by support for the Jackson-Warner resolution described above.

22. The new movement in the United States is undeniably of great political import. It has already prompted the administration to take a more active and energetic position on arms control issues, and it is most likely its political activities will continue to grow. The highly emotional quality that debates on nuclear issues sometime take, both in North America and in Europe, suggests that a broad public information program will be essential everywhere to ensure informed debate.

The debate on no first-use

23. Another indication of the growing United States concern about nuclear weapons was the article in Foreign Affairs authored by four prominent American security thinkers calling for a United States declaration of non-first-use of nuclear weapons. The refusal to declare non-first-use lies at the heart of NATO strategy for the doctrines of flexible response and deterrence. Because of the East-West imbalance in conventional forces, the ambiguity and uncertainty surrounding possible first use have been considered essential for deterrence. Secretary of State Haig has already made a number of serious arguments rejecting the recent proposal, but at the basis of the argument for a NATO declaration of non-first-use is a thorough-going scepticism about actually controlling a nuclear war once the first nuclear weapon is fired. The debate on this proposal has only begun. The Rapporteurs of the Special Committee will monitor and evaluate the debate as it develops.

ACTIVITIES OF THE SPECIAL COMMITTEE

24. In the Autumn report, the Rapporteurs will bring up-to-date the detailed analyses of the political forces in the countries of the five European Allies where Pershing IIs and cruise missiles may be deployed in 1983. In the meantime, they wish to summarize major points concerning the Special Committee's visits to the Hague and to Paris during 8th-12th March.

Holland

25. The Center-Left coalition government that emerged after the May 1981 elections in Holland is composed of the Christian Democratic Appeal (CDA), the Labour Party, and Democrats-66 (D-66). A wide gamut of nuclear concerns is evident among these parties. These range from strong opposition to nuclear weapons in general and the need to stop a nuclear arms race to demands for a reduction of Holland's six nuclear tasks and a more general reduction of nuclear weapons; from disagreement with the 1979 decision because the number of weapons is too high and is seen to encourage a European regional balance, to total opposition to deployment.

26. Concerning the full implementation of the NATO 1979 dual-track decision, the coalition has "agreed to disagree". The Christian Democratic Appeal and Democrats-66 could support a deployment decision under certain conditions, but the Labour Party is wholly opposed to deployment and would bring down the government rather than support a positive decision to deploy. As a result, the decision to deploy has been postponed. When it is considered, the progress of the Geneva Intermediate Nuclear Force talks will be decisive.

27. It must be noted that Holland is maintaining its political position in a balanced way. In a response to a parliamentary question on cruise missile site surveys in the Netherlands on 11th February, Defense Minister Hans Van Mierlo stated that while the Dutch deployment decision was distant, Holland was responding "passively" to official NATO requests concerning "legal and technical" aspects of possible deployment. His answer would appear to keep open the Netherlands option on deployment and set the stage for preliminary site survey work, so that the deployment option is not, de facto, excluded.

28. The refusal to agree to deployment now is not perceived by opponents as damaging the solidarity of the Alliance or as undermining the negotiations in Geneva. While it is granted that Alliance determination fully to implement the 1979 decision has brought the Soviet Union to the negotiating table, Alliance determination is not considered the sole cause. Some Dutch argue that they would indeed be undermining solidarity and negotiations if they had rejected the very basis of the negotiations. They have not done so; in fact they have supported the Geneva Intermediate Nuclear Force negotiations. They certainly do not favour unilateral disarmament. They tend to justify their refusal to take the deployment decision now as a signal to the NATO Allies that people (the Dutch, in particular) can no longer live with nuclear weapons as easily as they could in the past; that people are reaching their psychological limits; that NATO has relied too easily and too much on nuclear weapons; and that the uneasiness, or fear, or insecurity, to which one is more susceptible in areas of high population density, caused by the proliferation of nuclear weapons has implications for future planning that NATO as an Alliance must consider carefully. The grass-roots nature of the anti-nuclear opposition was often noted.

29. Continued strong Dutch participation in NATO, at least among the political party leaders with whom the Committee met, is striking and calls into question the whole notion of "Hollanditis" with its alleged characteristics of pacifism and neutralism. Neither of the latter two was at all in evidence among the politicians, with whom very frank discussions were held. Pacifism and neutralism may be tendencies in some of the anti-nuclear groups, but even the most powerful Dutch anti-nuclear group, which officially holds the position that the two military blocs should gradually be dissolved, does not endorse Dutch withdrawal from NATO at this time. There is some thought being given in the anti-nuclear movement to the eventual denuclearization of Holland as a first step, but the significance of this particular thought even in the anti-nuclear movement is not major at this time and the predominant significance of this thought is, in any case, to send a political signal to the Allies.

30. There is a strong and apparently growing concern in Holland about short-range nuclear weapons. Their battlefield usefulness is suspect; their number is considered dangerously large; their proliferation is considered thoughtless; their military rationale is considered artificially constructed after the event. The long-held reasoning of a nuclear supplement for conventional weakness is being carefully scrutinized and found deficient. It is thought that the number of short-range nuclear systems could be significantly reduced without any damage to Alliance defence. Some unilateral reductions might be implemented, though unilateral disarmament in this area is generally viewed with caution. Opinions vary on how many

such weapons may be needed, their deterrent value, and their military usefulness. However, there is a strong consensus in Holland that the Alliance needs an overall policy review of every aspect of short-range nuclear systems and, as a result of the review, a renewed emphasis on strengthening conventional forces and possibly replacing short-range nuclear weapons with conventional substitutes if necessary. In respect to the need for a review, and in respect to the future decision on deployment of cruise missiles, it is noted with some discomfort that the High Level Group, which would be the proper Alliance forum for such a review and discussion, has not held a meeting since late in 1981, though a meeting has now been planned for May 1982.

France

31. The French nuclear forces are officially described as independent, strategic, credible, and sufficient. Independent: they are under solely French control to serve France's vital national interests. Strategic: they are considered not as intermediate range nuclear forces, but are forces capable of striking a potential aggressor's homeland. They are credible to protect France's vital interests, with a second strike capability, and they are sufficient to implement France's nuclear doctrine.

32. Traditional French nuclear doctrine differs significantly from that of the United States and NATO. France has never accepted the doctrine of flexible response, though its nuclear weapons systems are sufficiently flexible to allow something less than immediate massive retaliation.

33. The French notion of deterrence differs from that of the United States and NATO. Because its nuclear forces are not on the same scale of magnitude as those of the United States or the Soviet Union, France contributes to overall deterrence in two ways: first, by making its defence of French national interests undeniably clear; secondly, as the 1974 Ottawa Declaration acknowledged, by multiplying the risks and uncertainties for a potential aggressor.

34. French nuclear forces are non-negotiable. For the French, there is no scenario imaginable in which their nuclear forces could be brought into United States-Soviet strategic arms negotiations for two basic reasons. First, it would be a reversal of the Ottawa declaration, since French forces would be considered auxiliary to or dependent on United States nuclear forces, thus reducing the centers of uncertainty; French forces are independent and national. Secondly, French nuclear forces are considered so small in comparison to those of the United States and the Soviet Union that any reduction could damage their credibility.

35. Because French nuclear forces are national, independent, and strategic, it is also inconceivable that they be brought into Intermediate Nuclear Force negotiations, such as those now taking place in Geneva. French officials are adamant in rejecting any suggestion that at the Geneva Intermediate Nuclear Force negotiations any compensation, direct or indirect, be given to the Soviet Union to balance French nuclear forces. They expressed concern with such suggestions and consider the rationale for compensation a Soviet tactic.

36. This is not to say that the French government is unconcerned about arms control. It is in French interests that the East-West forces be balanced at as low a level as possible. Moreover, it is precisely because of its concern with arms control issues that the French government advanced in 1978 and continues to support a Conference on European Disarmament (CDE) within the context of the CSCE.

37. While the present French government, led by President François Mitterand, has supported the main lines of traditional French nuclear policy, it has also been noticeably stronger in its support of the NATO 1979 dual-track decision than the previous government. The central reason for this appears to lie in a reassessment of the balance of forces assuring the defence of Europe. The present government sees the balance as deteriorating in favour of the East, with the consequence that part of Europe is beginning to worry about its security. France may be able to defend itself well, but alone it cannot rectify the East-West imbalance. Hence the dual-track decision of December 1979 is perceived as an "equalization of risks" necessary to counter the Soviet modernization programme. The French government strongly supports both tracks. Without the deployment decision, the Soviet Union, with its sharp increase in intermediate nuclear forces, might believe it could hold Europe hostage, and, as mentioned above, an ensured global balance of forces at reduced levels is clearly in French national interests.

38. France's nuclear policy enjoys widespread public and budgetary support. There is no significant anti-nuclear movement in France.

NATO and the Nuclear Freeze Movement

(Statement by Senator Joseph R. Biden, Jr.)

Mr. Chairman, as chairman of the Assembly's Special Committee on Nuclear Weapons in Europe and as a U.S. Senator who has served for eight years on the Senate Foreign Relations Committee, I thought I might take the opportunity to express my interpretation of the so-called freeze movement in the United States and its significance for the Atlantic Alliance. I know that many of my European and American colleagues here have been deeply troubled by the potentially adverse effect on Alliance solidarity of the so-called peace movement in Europe. I would like to offer an analysis as to why I think its apparent counterpart on my side of the Atlantic can have—and indeed is having—a constructive effect on the Alliance.

Let me begin by stating my view, which I am confident is widely shared in this Assembly, that NATO's primary objective must always be to maintain the East-West military balance. That is the only basis on which we can expect to undertake any effective negotiation with the Soviet Union—whether it be negotiation on arms, to stabilize the balance, or negotiations in other areas, to improve political and economic cooperation between East and West. My concern for military balance made me a supporter of SALT II, which in my judgment represented a codification of strategic balance. And it made me a strong supporter—which I remain today—of the NATO decision of December 1979, the essence of which is to use a combination of deployments and arms control to establish a stable balance in the realm of intermediate-range nuclear weaponry.

It will be remembered by all present that that decision was taken at a time when SALT II ratification was expected. To be sure, the agreement had encountered considerable difficulty in the U.S. Senate. But it was generally understood that a majority in the Senate already supported the treaty, and that the additional support needed to obtain the necessary two-thirds vote for ratification was being developed in the course of discussions between certain Senators and the Administration concerning changes in the U.S. defense budget. Ratification, however, never occurred. As many will recall, the political climate of that period was bedeviled by a dubious but resilient notion know as "linkage," a concept which prescribes that the United States should not consummate agreements with nations if they behave contrary to our standards or interests, notwithstanding that the agreements thereby foregone could directly serve our interests. When the Soviets invaded Afghanistan in December 1979, the bizarre logic of linkage took hold, and further consideration of SALT II was placed in abeyance. With the passage of time and the advent of a new Congress, the treaty was returned, in accordance with Senate procedure, to the Foreign Relations Committee, where it continues to reside as a standing item, on the Committee agenda.

Over the intervening two years, however, American public attitudes toward arms control have evolved considerably. During the SALT II debate in 1979, the dominant impact on national opinion came from the political right, which portrayed the treaty—never persuasively, in my view—as a symbol of American decline. The propagation of this message was nonetheless effective; and in November 1980, the American people elected to the presidency a candidate who avowed the principle of linkage, while denouncing East-West accords in general and SALT II in particular. For our European allies, who I think preponderantly favored SALT II and who have long relied on American leadership in the conduct of East-West relations, this posture was of immediate concern. Among Americans, concern grew more slowly. The majority of the American people support, as I do, a major national defense effort. But after fifteen months of the Reagan presidency, the American people became clearly dismayed, if not alarmed, by the apparent indifference of this Administration to the control of nuclear arms.

The result is a surging public demand for a "freeze" on nuclear deployments. Some observers have misinterpreted this movement as a call for unilateral disarmament. But it is not. For most Americans advocating a "freeze," our goal should be a mutual cessation of deployment by both the United States and the Soviet Union.

In my own judgment, the appearance in the United States of a substantial arms control constituency is a very positive and long overdue development—and one which is likely, in four ways I will enumerate, to strengthen the Atlantic Alliance, on which American and European security depends:

(1) Effect on European Attitudes.—A first and immediate effect should be to reassure our allies that Americans and Europeans have not diverged fundamentally on the need to restrain East-West conflict and avoid nuclear war. Given the limbo of SALT II, Reagan Administration pronouncements have raised serious doubts among Europeans as to whether they can any longer rely on the U.S. for prudent leadership in the conduct of East-West relations. The emerging U.S. arms control constituency, drawing support from all portions of our political spectrum, is helping to reaffirm, at a time when clear reaffirmation is needed, the abiding American commitment to nuclear

sanity, notwithstanding this Administration's idiosyncracies.

(2) Effect on American Attitudes.—Second, the appearance of a broad-based U.S. arms control movement should also have a favorable effect on American attitudes toward the Alliance—by undercutting the tendency of opinion-makers on my side of the Atlantic to portray the European peace movement as anti-American, neutralist, and pacifist. With a strong arms control movement appearing all across our own political spectrum, such inaccurate accustions no longer carry force.

(3) Effect on Arms Control Negotiations.—The third effect relates to the actual process of arms control. In addition to favorably influencing European and American attitudes toward the Alliance, the U.S. arms control movement has registered an effect on the actual policy of this Administration, shifting it away from the disparaging attitude toward arms control it originally displayed. Every American Administration—Democratic or Republican—comprises individuals of conflicting views, and clearly this one is no exception. The effect of an emergent arms control constituency in the United States has been to strengthen the hand of those in this Administration who believes not only that the very process of arms control contributes to Alliance solidarity, but also that well-conceived arms control agreements can positively enhance Western security.

(4) Effect on NATO Conventional Strength.—The final effect I would identify relates to the conventional force posture of the Alliance. Through its public questioning of the current NATO doctrine which envisions the possible first-use of nuclear weapons, the U.S. freeze movement may help to create the transatlantic consensus needed for Alliance efforts to enhance our combined conventional strength. Heretofore, public support for NATO conventional force improvements has, I think, been undercut by the accepted theory that nuclear weapons could compensate for conventional deficiencies. The emerging nuclear debate, which the American public has now joined in full force, could help to foster an Alliance-wide consensus that rejects this theory and supports the conventional force and doctrinal improvements that NATO has long needed but often delayed.

Having described these positive aspects of the emergence of a strong American arms control constituency, I must draw a distinction between the political movement, from which I draw considerable encouragement, and the specific "freeze" proposal, which I find flawed. One important draw-back of a freeze is its impact on Europe, where the prospect for successful East-West negotiation to limit theater nuclear weapons is heavily dependent upon NATO's clear and explicit willingness to undertake a nuclear modernization if negotiation fails. Among Europeans who strongly favor arms control—and I have specifically in mind Chancellor Schmidt—the concept of a "freeze" is worrisome precisely because it could undercut effective arms limitation. From the strategic, as opposed to the theater, perspective the "freeze" concept is also flawed—and for the very plain reason that we have already negotiated something better and the Soviets have agreed to it. That agreement is the SALT II Treaty, which I believe this Administration, despite its initial protestations, will adhere to until a successor agreement is reached and in place.

In conclusion, Mr. Chairman, I recognize that some skepticism still exists in Europe about this Administration's seriousness as regards East-West arms control negotiations. Skepticism still exists on my side of the Atlantic. But I view the trends as plainly positive. And I think those positive trends are today being reinforced by an American public which is demonstrating that the people of America and of Europe still hold a common desire for security that is based upon an East-West military balance which is stabilized by verifiable and effective arms control. My thesis, in sum, is that the public will is working, slowly but inexorably, to strengthen the Alliance. This I find not only gratifying but appropriate. For it is, after all, this process—called democracy—that the Alliance exists to defend.

THE DANFORTH-BENTSEN TRADE BILL

Mr. BENTSEN. Mr. President, today I have asked unanimous consent to be added as a cosponsor of S. 2094, which was introduced earlier this year by Senator DANFORTH. This bill has now been ordered favorably reported by the Committee on Finance after Senator DANFORTH and I cosponsored a substitute for the entire text of the bill. Thus, in asking to be added as a cosponsor of the bill, I intend that I cosponsor the bill as reported out by the Finance Committee. Indeed, I opposed many provisions of the bill as introduced and still do, and offered as a substitute for them my own bill (which was cosponsored by Senators BRADLEY and CHAFEE), S. 2223. The substitute added by the Finance Committee adopts most of the provisions of the bill I previously introduced and rejects those provisions of S. 2094 which I believe were inimical to the trade interests of the United States. Specifically, the bill no longer provides for reciprocity in the form of a provision that international trade retaliation can take place where foreign market opportunities are not substantially equivalent to those available in the United States. This provision, which had first appeared superficially attractive, would not work in practice and, indeed, would probably be harmful to United States interests.

Second, as an example of the improvement worked by the substitute, I would call the Senate's attention to section 3 of the bill which provides for national trade estimates. National trade estimates will for the first time bring to our trade policy a requirement for an organized evaluation of our international trade interests. It will require the U.S. Trade Representative annually to prepare estimates of our major trading problems and what, as a practical matter, can be done about them. I hope as the debate on reciprocity proceeds that the wisdom of the bill as reported by the committee, which has the administration's support, will become apparent to the Senate. In the meantime, I am pleased to add my name to the Danforth-Bentsen bill, S. 2094 as amended by the Committee on Finance.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:29 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker pro tempore had signed the following enrolled bill:

H.R. 3816. An act to improve the operation of the Fishermen's Contingency Fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf.

The enrolled bill was subsequently signed by the Vice President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance, with an amendment in the nature of a substitute, and an amendment to the title:

S. 2094. A bill to amend the Trade Act of 1974 to ensure reciprocal trade opportunities, and for other purposes (with additional and minority views) (Rept. No. 97-483).

By Mr. INOUYE (for Mr. GOLDWATER), from the Select Committee on Intelligence, with an amendment in the nature of a substitute, and an amendment to the title:

S. 2422. A bill to provide for equitable sharing by the spouses of qualifying Central Intelligence Agency officers in benefits paid by the Central Intelligence Agency Retirement and Disability System (Rept. No. 97-484).

By Mr. SIMPSON, from the Committee on the Judiciary:

Report to accompany the bill, S. 2222, a bill to revise and reform the Immigration and Nationality Act, and for other purposes (with additional and minority views) (Rept. No. 97-485).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Arthur J. Dellinger, Sr., of California, to be Deputy Inspector General of the Department of Energy.

(The above nomination was reported from the Committee on Energy and Natural Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. ROTH, from the Committee on Governmental Affairs:

John A. Terry, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals for the term of fifteen years;

Steffen W. Graae, of the District of Columbia, to be an Associate Judge of the Su-

perior Court of the District of Columbia for a term of fifteen years; and

George W. Mitchell, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of fifteen years.

By Mr. PERCY, from the Committee on Foreign Relations:

George Quincey Lumsden, Jr., of Maryland, a Foreign Service Officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States to the United Arab Emirates:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: George Quincey Lumsden, Jr.

Post: Abu Dhabi, U.A.E.

Contributions and amount.

1. Self: George Quincey Lumsden, Jr., none.

2. Spouse: Helene Parissis Lumsden, none.

3. Children and Spouses Names: William Alexander Lumsden, Catherine Parissis Lumsden, none.

4. Parents Names: George Quincey Lumsden, Catherine Crippen Lumsden.

All contributions listed were made by my father:

$10, 9/12/79, Montgomery Republican Fund.

$20, 8/14/80, Montgomery Republican Fund.

$15, 4/28/81, Montgomery County Republicans.

$20, 8/22/81, Montgomery Republican Fund.

5. Grandparents Names: Deceased, none.

6. Brothers and Spouses Names: No brothers, none.

7. Sisters and Spouses Names: No sisters, none.

Edward N. Brandt, Jr., of Texas, to be Representative of the United States on the Executive Board of the World Health Organization;

James B. Burnham, of Pennsylvania, to be United States Executive Director of the International Bank for Reconstruction and Developmnt for a term of two years;

Allie C. Felder, Jr., of the District of Columbia, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1984;

Robert John Hughes, of Massachusetts, to be an Associate Director of the International Communication Agency; and

Dortch Oldham, of Tennessee, to be Commissioner General of the United States Government for Energy-Expo 82.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PRYOR:

S. 2695. A bill to require the establishment of an advocate for competition in each purchasing and contracting office of each executive agency, and for other purposes; to the Committee on Governmental Affairs.

By Mr. PACKWOOD:

S. 2696. A bill for the relief of Chong Hui Schrein; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 2697. A bill to amend section 2 of the act of June 20, 1958 (72 Stat. 216); to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BOREN:

S. 2698. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of industrial development bonds; to the Committee on Finance.

By Mr. BENTSEN:

S. 2699. A bill to suspend the duty on 1,6-hexanediol until July 1, 1985; to the Committee on Finance.

By Mr. CANNON:

S. 2700. A bill to amend title XVI of the Social Security Act to exclude from resources burial plots and niches and certain funds set aside for burial or cremation expenses for purposes of the supplemental security income program; to the Committee on Finance.

By Mr. LONG (for himself and Mr. JOHNSTON):

S. 2701. A bill to provide for the participation of the United States in the 1984 Louisiana World Exposition to be held in New Orleans, La., and for other purposes; to the Committee on Foreign Relations.

By Mr. ANDREWS (for himself, Mr. BAUCUS, Mr. BURDICK, Mr. MELCHER, and Mr. COCHRAN):

S. 2702. A bill to amend section 8(A) of the Small Business Act to treat businesses owned by Indian tribes as socially and economically disadvantaged small business concerns; to the Committee on Small Business.

By Mr. MATHIAS:

S. 2703. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts, to the Committee on Finance.

By Mr. MURKOWSKI:

S. 2704. A bill to amend the Mineral Lands Leasing Act of 1920, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LONG:

S. 2705. A bill to suspend the duties on mixtures of mashed or macerated hot red-peppers and salt until the close of June 30, 1985; to the Committee on Finance.

By Mr. STEVENS (for Mr. TOWER) (for himself and Mr. BENTSEN):

S. 2706. A bill to amend title 28, United States Code, to modify the bar membership requirements for U.S. magistrates; considered and passed.

By Mr. PERCY:

S. 2707. A bill to amend section 474 of the Internal Revenue Code of 1954 to provide that small businesses with average annual Gross Receipts not in excess of $10,000,000 may elect to one inventory pool; to the Committee on Finance.

By Mr. GARN:

S.J. Res. 210. Joint resolution to designate July 20 of each year as "Space Exploration Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PRYOR:

S. 2695. A bill to require the establishment of an advocate for competition in each purchasing and contracting office of each executive agency, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL PROCUREMENT IMPROVEMENT ACT OF 1982

(The remarks of Mr. PRYOR on this legislation appear earlier in today's RECORD.)

By Mr. BOREN:

S. 2698. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of industrial development bonds; to the Committee on Finance.

TAX TREATMENT OF INDUSTRIAL DEVELOPMENT BONDS

● Mr. BOREN. Mr. President, today I am introducing compromise legislation on tax-exempt bonds for private purposes. This measure is intended to provide a responsible middle ground between the overly restrictive administration proposal which could eliminate the use of tax-exempt financing in many cases and other proposals which by their terms would expand the use of such tax-exempt financing.

The volume of private purpose tax-exempt bonds has grown rapidly. More than $25 billion were issued in 1981, up from $8.5 billion 5 years earlier. Private purpose bonds accounted for 24 percent of the tax-exempt bond market in 1976 but rose to 48 percent in 1981. This expansion of tax-exempt bonds for private purposes affects the market for tax-exempt securities as a whole, raising the cost of State and local governments of financing traditional public services. Thus, there is a legitimate need to provide some meaningful restrictions on the use of this important means of financing.

Under this proposal, any one company or individual would not be allowed to have more than $20 million in private purpose tax-exempt bonds outstanding at any given time. The $20 million would be a national cap. In addition, I would not change the existing $10 million cap on areas. These provisions are designed to discourage the use of tax-exempt financing by those who can obtain financing elsewhere.

This legislation would also prohibit the use of tax-exempt financing for some private purpose activities, such as certain recreational facilities for golf, tennis, and so forth. The list is not intended to be a complete list of proscribed activities, but rather is designed to specifically prohibit financing for those projects which have been most abused.

Because tax-exempt financing provides considerable benefit to those companies who qualify to use them, my provision would limit the additional incentives provided in the Economic Tax Recovery Act. Project using tax-exempt bonds will not be able to accelerate their depreciation on the tax-exempt bond-financed property. They

will be able to use the shortened ACRS lives provided for in the ERTA, while using straight-line depreciation.

The bill leaves unchanged the status of tax-exempt financing for student loans, hospitals, and other tax-exempt organizations. The bill also excludes low-income rental housing and solid-waste disposal facilities from the ACRS limitations imposed on other tax-exempt bond-financed projects. Tax-exempt bonds for farmland and farm equipment will continue to be allowed, within the guidelines of the bill.

In order to provide incentives for individuals to invest in depressed areas of some of our cities and rural areas, the bill contains a provision which eliminates the above restrictions for investments within a targeted area.

The bill also reverses IRS Revenue Ruling 81-225 and allows the use of composite tax-exempt bond issues. This provision will be especially important to small businesses.

The bill will also allow tax-exempt financing to be used for facilities which furnish electric energy or gas within an area consisting of either one city or one county. This will allow the use of tax-exempt financing for these types of facilities in cities whose borders extend over more than one county.

This proposal provides local government with more control over the bonds issued within their jurisdictions, the bill requires that a public hearing be held, and elected official approval be received, before a bond can be issued, all private purpose bonds must be reported to a designate State agency, which in turn will file a report annually with the Secretary of the treasury. The bill does not address the issue of registration of tax-exempt bonds. This bill is designed to offer some middle ground for those of us interested in a stronger bond market. I do not view this measure as perfect, but only as a vehicle to reach a consensus which will strike the proper balance. I welcome constructive suggestions from my colleagues for approving it.●

By Mr. BENTSEN:

S. 2699. A bill to suspend the duty on 1,6-hexanediol until July 1, 1985; to the Committee on Finance.

SUSPENSION OF DUTY OPN 1,6-HEXANEDIOL

● Mr. BENTSEN. Mr. President, today I introduce S. 2699, which would temporarily suspend the column 1 rate of duty for 1,6-hexanediol, classified under item 407.07 of the Tariff Schedules of the United States. Under the bill, this product would enter duty free from column 1 (or non-Communist) countries until July 1, 1985, commencing on the date of enactment. The column 2 (or Communist) rate of duty would remain unchanged. In addition, entries of articles after April 30, 1981, and prior to the enactment of this legislation could receive the benefit of duty-free entry if they otherwise qualified.

The chemical, 1,6-hexanediol, is used as an intermediate in the production of polymers, as a plasticizer, and as a solvent. But domestic consumption of the chemical is used to manufacture polyesters, which are then used to make high-strength polyurethanes for the production of wheels for skate boards, fabric coatings for synthetic leathers, and high-performance metal coatings.

This chemical is not produced in the United States at the present time. Under agreements negotiated in the multilateral trade negotiations that concluded in 1979, the product carries a column 1 or most-favored-nation rate of duty of 13.5 percent ad valorem. The chemical is not scheduled for duty-free entry under the generalized system of preferences, and it receives no other preferential rates of duty. The major importer is the Badische Corp. of Williamsburg, Va., which intends during the 3 years the suspension is in effect to build a plant for the production of this chemical in Freeport, Tex.

According to estimates of the U.S. International Trade Commission, which are based on recent importations, the estimated revenue loss from enactment of this provision in 1982 would be $380,700; in 1983, $417,150; and in 1984, $152,550.

In order to encourage production of this important chemical in the United States, I urge my colleagues serious consideration of S. 2699.●

By Mr. CANNON:

S. 2700. A bill to amend title XVI of the Social Security Act to exclude from resources burial plots and niches and certain funds set aside for burial or cremation expenses for purposes of the supplemental security income program; to the Committee on Finance.

BURIAL EXPENSE EXCLUSION FOR SOCIAL SECURITY ELIGIBILITY

Mr. CANNON. Mr. President, I am pleased to introduce a bill today which will give the Senate the opportunity to eliminate one of the most demeaning and heartless Government practices I have ever known. I am referring to the Department of Health and Human Services policy of including funerary insurance and burial plots in the calculation of assets to determine a person's eligibility for supplemental security income benefits. Because title XVI of the Social Security Act does not explicitly cite funerary arrangements as excludable, they are counted as resources. This must be remedied.

In order to qualify for SSI benefits, a person can possess only $1,500 in assets; a couple, only $2,250. Under the current law, certain essential resources are exempt from this assets calculation, including a home, a car, property used for self-support, and reasonable amounts of life insurance. These exceptions were originally made in recognition of the fact that certain resources and contingencies are essential to everyday living and applicants for assistance should not have to dispose of these items in order to qualify for SSI. Furthermore, Congress sought to create a program which would not discourage people from taking care of themselves as much as possible. I believe that burial plots and plans belong in this same category of essential resources.

The existing policy presents older Americans who are in need of assistance with a terrible, Hobbesian choice: They must either forfeit the arrangements they have made to guarantee a respectable disposition of their bodily remains, or they must forfeit some or all of the benefits that they desperately need to stay alive. Having to make such a decision is a traumatic experience for a person nearing the twilight of life. Because most people are forced to choose the immediate benefits over the funerary plans, they are further confronted with the realization that their final resting place may not be with their loved ones, but rather in some pauper's grave chosen by the State.

In addition to being inhumane and insensitive, this policy is impractical. Once an elderly person makes the decision to sell burial property, he or she is still faced with difficulty and delay before receiving benefits. In the first place, just because something is for sale does not mean that there will be a buyer. Burial property is not readily disposed of or converted to cash like other assets. The fair market value of an elderly person's plot will generally be higher than the price at which the cemetery can sell an equivalent plot in an undeveloped section. Also, few people are interested in purchasing a single lot which is not close to the remains of their own family.

This problem is compounded by section 1613(c)(1) of the Social Security Act which states that, if a person disposes of property at less than fair market value, for the purposes of qualifying for SSI, then the difference between the market value and the sales price will be counted as a resource for 2 years. This discourages people from selling their burial plots at a lower price and also from signing them over to other family members.

Furthermore, there are numerous States with laws which restrict the sale of cemetery property in various ways. For example, some States require approval by the management of the cemetery before a plot can be sold or transferred. Others prohibit the division of family plots. Some States grant a vested ownership interest in

spouses so that cemetery property cannot be sold without the express consent of both parties. In several States, it is illegal to sell cemetery property for a profit; when a plot has been in the family for years, it is difficult to sell at the current value without some profit margin. Finally, some States require the payment of a fee when burial property is sold or transferred. Although this fee is only a nominal one, it can be hard to bear for people already in need of financial assistance.

States also differ in their treatment of funeral insurance regulations. Currently, irrevocable funeral plans are exempt from the assets calculation. In some States, however, irrevocable arrangements are prohibited by law. Consequently, the existing policy discriminates against residents of those States who enter into arrangements which they have no intention of revoking, but which cannot be specifically established as such.

In addition to State regulations, many cemeteries require that lot owners who wish to sell their property first offer it back to the cemetery, generally at a fixed price or at the price originally paid by the purchaser.

The current practice is also inefficient and expensive from the States' perspective. When an indigent dies, the cost of his burial falls on State and local governments which have little choice but to cover it. This expense would not occur if the individual had the resources to pay for his own funeral. Consequently, a policy which discourages people from making their own burial arrangements in advance is costing the States money. I believe that this cost far outweighs any additional expenditures which might be incurred from expanding the SSI and, by reference, the medicaid rolls, to include otherwise needy people who own cemetery property or have funerary insurance. The States recognize this; many have already enacted provisions in their own assistance programs which are similar to the one I propose.

Specifically, S. 2700 would amend title XVI of the Social Security Act to place burial spaces and funds set aside for burial expenses on the list of essential resources which are excluded from the calculation of assets in determining eligibility for supplemental security income benefits. In keeping with the existing statute, this amendment will give the Secretary of HHS the discretion to set a fair and reasonable value limitation of funerary resources. A safety check is also included which provides for the adjustment of benefits should the Secretary learn that an SSI recipient has cashed in his funerary assets and used the money for purposes other than originally intended.

Both the American Cemetery Association and the National Funeral Directors Association have expressed support for this amendment. And in the House, a similar measure has been introduced, H.R. 5911, with nearly 70 cosponsors. I urge my colleagues to join in the passage of this bill to exclude burial plots and plans for calculation as assets, thereby helping to restore a measure of humanity and dignity to a necessary assistance program for the needy.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1613 (a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon; and

(3) by inserting after paragraph (6) the following new paragraphs:

"(7) the value of any burial plot or niche (subject to such limits as to size or value as the Secretary may by regulation prescribe) held for the purpose of providing a burial place for the individual, his spouse, or any other member of his immediate family; and

"(8) any funds set aside for burial or cremation expenses, but only as provided in subsection (d).".

(b) Section 1613 of such Act is further amended by adding at the end thereof the following new subsection:

FUNDS SET ASIDE FOR BURIAL OR CREMATION EXPENSES

"(d)(1) In determining the resources of an eligible individual and his spouse (if any) who is living with him in the same household, there shall be excluded an amount that is separately identifiable and has been set aside to meet the burial or cremation expenses, and related expenses, of such individual or spouse if the inclusion of any portion of such amount or amounts would cause the resources of such individual, or of such individual and spouse, to exceed the limits specified in paragraph (1) or (2) (whichever may be applicable) of section 1611(a).

"(2) If the Secretary finds that any part of the amount excluded under paragraph (1) was used for purposes other than those for which it was set aside, he shall reduce any future benefits payable to the eligible individual (or to such individual and his spouse) by an amount equal to such part.".

(c) The amendments made by subsections (a) and (b) shall become effective on the date of the enactment of this Act.

By Mr. LONG (for himself and Mr. JOHNSTON):

S. 2701. A bill to provide for the participation of the United States in the 1984 Louisiana World Exposition to be held in New Orleans, La., and for other purposes; to the Committee on Foreign Relations.

U.S. PARTICIPATION IN THE 1984 LOUISIANA WORLD EXPOSITION

● Mr. LONG. Mr. President, on behalf of Senator JOHNSTON and myself, I introduce S. 2701, a bill to provide for the participation of the United States in the 1984 Louisiana World Exposition to be held in New Orleans, La., and for other purposes.

The Louisiana World Exposition (LWE) will be held in New Orleans, La., from May 12 through November 11, 1984. The theme of the exposition is, "The World of Rivers—Fresh Water as a Source of Life." Because of its interesting location and important theme, the exposition will draw well over 1 million foreign visitors, who will also visit other sections of the United States as well.

The U.S. Government approved the exposition in 1981, by action that led to formal registration of the event by the Bureau of International Expositions at their April 1981 Plenary Session in Paris, France. On March 4, 1982, President Reagan issued a formal proclamation of the exposition, inviting all of the States and U.S. territories to participate, and also authorizing the Secretary of State to issue invitations to the nations of the world to seek their participation. Such letters of invitation have been sent to over 140 countries.

In addition to the sponsorship of the Louisiana World Exposition by State of Louisiana and the U.S. Government, the Vatican has recently announced its participation. Among its exhibits will be world renowned paintings and other works of art.

Over $54 million has already been raised by LWE as advance funding. This money was provided partially by the State of Louisiana, but primarily by private business and industry in Louisiana that supports the concept of the exposition. Legislation has been introduced in the House of Representatives that authorizes an appropriation of $10 million to carry out U.S. participation in the exposition. This legislative proposal is included in the legislative program of the U.S. Department of Commerce for the 97th Congress.

The amount to be appropriated is far less than the Federal Government's $24 million expenditure for the current World's Fair now being held in Knoxville, Tenn. One of the major reasons why less funding is being required for the New Orleans Exposition as compared to past ones is the unique approach where the U.S. pavilion is to be constructed by the exposition's organizers and leased to the U.S. Government. This unprecedented undertaking will provide a pavilion facility for the U.S. exhibit, but at no cost to either the Government, or the taxpayers for the duration of the exposition. This is an extremely flexible approach

and indicates the tremendous support and involvement of Louisiana to the success of the exposition.

This legislation authorizing the appropriation is modeled after the authorizing legislation for Federal participation in this year's energy exposition and also provides for the design, development, and operations of a U.S. exhibit, the overall Federal responsibilities for the oversight of the exposition by the Commissioner General of the United States, and for his appointment by the President.

Although the exposition will have a substantial economic impact on the State of Louisiana, its benefits will extend far beyond the confines of the State; the impact of past World's Fairs in the United States has been regional rather than simply local. Overwhelmingly, visitors to the expositions tend to come in family groups, and they mainly travel by car. Although the exposition will be their primary destination, they will expect to visit many attractions and make many stopovers on their way to and back from New Orleans. States and communities throughout the Southeast, Southwest and Midwest will all benefit.●

By Mr. ANDREWS (for himself, Mr. BAUCUS, Mr. BURDICK, Mr. MELCHER, and Mr. COCHRAN):

S. 2702. A bill to amend section 8(a) of the Small Business Act to treat businesses owned by Indian tribes as socially and economically disadvantaged small business concerns; to the Committee on Small Business.

INDIAN TRIBES' SMALL BUSINESS CONCERNS

Mr. ANDREWS. Mr. President, I want to introduce today a bill that will amend and strengthen by clarification section 8(a) of the Small Business Act. I do so because it will be beneficial to a minority group in our country that has experienced dramatic economic and social improvement because of the 8(a) program.

Until a few months ago, the SBA considered Indian tribal businesses eligible for the 8(a) program since the section is designed to assist minority small businesses in procuring contracts with Government agencies. My amendment will continue that interpretation of the existing Small Business Act. This amendment would be unnecessary except for the fact that recently the SBA has made a very literal interpretation of the act that will prevent tribally owned businesses from being eligible for the 8(a) program. This will not only keep such minority-owned enterprises out of the program, it could conceivably force out of the program tribal firms now operating under 8(a).

In my research I have been unable to find a clear expression of Congress that, in enacting 8(a), it intended to preclude tribally owned businesses. Furthermore, from SBA's prior actions, it appears such firms were included without any question.

In the light of their excellent record of production of high quality merchandise for Government use, it seems unreasonable to suddenly consider them ineligible under section 8(a).

This new interpretation by the SBA runs counter to administration goals of making minority groups self-sufficient. In fact, it could force several successful tribal businesses to close and place the employees, nearly all of whom are Indians—or native Americans—back on the welfare rolls which would then increase those costs as well as create social problems that have been reduced or eliminated by available employment opportunities on Indian reservations, made possible by 8(a).

Mr. President, the concept of tribal ownership may be foreign to many here in Washington, but those of us who have first-hand knowledge and experience with these people know how successful these tribal businesses can be. I know by direct contact that this is one type of business ownership which has worked out successfully in Indian country.

I am pleased to report to my colleagues here in the Senate that in my State of North Dakota two businesses operating through the 8(a) program are doing very well and have made a significant impact on the lives of tribal members. The Devils Lake Sioux Manufacturing Co. at Fort Totten, because of assistance through 8(a), has been responsible for great progress among those people. There is a dramatic increase in employment, the Indian people have established a work ethic that is being conveyed to the next generation and will be reflected in all future years. This company, alone, without Federal help of any kind, has put some 120 young people to work for the summer months. The educational and social environments on the reservation have improved attitudes and increased incentives for these people to improve their lives and homes.

Another example, Mr. President, is the Turtle Mountain Manufacturing Co. Through the SBA, the Turtle Mountain Band of Chippewa Indians obtained an 8(a) contract which will undoubtedly bring the same good results to that area. I can say, in all honesty, that our Government would be deeply and expensively involved in these reservations without the consideration given tribally owned businesses by the SBA.

Because the Government benefits doubly from this consideration given tribally owned businesses, I urge my fellow Senators to support this worthwhile amendment. In the first place, there is no additional cost to the Government, and secondly, it provides employment and management opportunities to a minority group that now has an enviable record of success.

Mr. President, not to support the amendment would be to force closure of firms that provide a quality product, provide employment opportunities where there otherwise would be none, and to keep people off the welfare rolls that otherwise would be there. This amendment makes sense at any time, and especially in these times of fiscal austerity.

By Mr. MATHIAS:

S. 2703. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts; to the Committee on Finance.

HIGHER EDUCATION INVESTMENT PLAN

● Mr. MATHIAS. Mr. President, British Prime Minister Benjamin Disraeli, speaking in the House of Commons more than a century ago, said:

Upon the education of the people of this country the fate of this country depends.

Today well educated citizens are vital to the survival of the United States.

The Congress would do well to note Disraeli's insight as it examines budget proposals and considers new limits on Government services. Higher education has proven one of the best, most cost-effective investments for securing the future of our Nation.

Today more than 12 million Americans from all walks of life are students in colleges and universities. We are closer than ever before to becoming a nation of educated people. Yet we have not begun to meet the economy's demand for educated men and women.

Our country has long recognized that competent students come from every economic background. Federal student assistance programs now aid over 4 million students, or more than one out of every three enrolled in higher education.

The Federal student loan and grant programs have proven very effective in assuring every able student access to higher education and choice in higher education. These Federal programs have permanently changed the higher education landscape of the Nation and are serving our Nation very well.

Although I would prefer and will support continued full funding of the direct aid and loan programs, I believe that inflation is higher education's worst enemy. Thus I reluctantly but realistically anticipate some adjustments and limitations on these Federal assistance programs in the years ahead.

Educators and legislators should recognize that Federal student aid under restraints will be increasingly targeted toward the lowest income students, leaving others with few options. To assure continued access for every able

student to higher education is the challenge we must meet if we are to develop the creativity and talent of our young people.

With this situation in mind, the Citizens League of Baltimore conducted a thorough 2-year study of additional ways to help students and their families pay for higher education. The Citizens League has recommended a higher education investment plan that is practical, administratively simple and economically sound. Today I am pleased to introduce the necessary Federal legislation.

Under the Citizens League plan, individuals who set aside for educational purposes up to $2,000 per year per student beneficiary would be allowed a corresponding income tax deduction. This is the same kind of tax relief now accorded individual retirement accounts. The funds would not be taxed until after the student has graduated, and then the funds would be taxed as income to the beneficiary over a 10-year period in 10 equal parts.

The distinctive feature of this education savings account plan is that it would also benefit those who cannot save as well as those who can. Five percent of the total saved in any State would be placed in that State's scholarship pool for needy students. Taxes on this amount would be forgiven entirely.

In time of shrinking State support for higher education, this 5-percent contribution could place millions of new dollars in State treasuries for higher education. In fact, State scholarship funds could receive a good deal of money the year after the plan goes into operation, long before any contributors would draw from the individual accounts. In Maryland, for example, calculations show that if only half of the eligible families or individuals participated in the plan during its first year of operation, the State scholarship fund would increase by $11.2 million.

The education savings account plan I am introducing will:

Provide incentives for saving;

Defer taxes on principal and earnings for the investor;

Benefit many people in addition to those who can afford to save;

Make scholarship funds available through tax-exempt contributions; and thereby

Provide additional funds to students who are otherwise unable to finance their education.

The incentives in this bill encourage families to act in the public interest by assuming greater responsibility for financing their children's higher education. This proposal is basically a self-help plan which can maintain the opportunity for access and choice in higher education.

Those who have confidence in the future to save to finance education should be able to expect this limited Government incentive. Investments for higher education should reasonably be treated in a manner similar to other capital investments or to investments in individual retirement plans. The philosophy behind governmental encouragement of higher education is that many higher education benefits accrue to society and not merely to the individuals.

When you invest a dollar in higher education in America, you are investing in America's future. You are buying this Nation something it sorely needs. Higher education leads to higher incomes, higher employment rates, greater political stability, and a higher quality of life.

Young people today make up only two-fifths of our population, but they are all of our future. We must act now to assure that higher education will not be out of their reach.

I ask unanimous consent that a summary of the bill prepared by the American Law Divison of the Congressional Research Service and the recommendation of the Citizens League of Baltimore, together with tabular material, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF BILL TO ESTABLISH TAX DEDUCTIBLE EDUCATION SAVINGS ACCOUNTS

The bill would amend the Internal Revenue Code to permit individuals to deduct payments to education savings accounts on a basis similar to that by which individual retirement accounts are treated under present law.

Section 1(a) of the bill would redesignate present Internal Revenue Code section 223 as 224 and create a new section 223 entitled Education Savings Accounts and would provide for the following:

"New subsection 223(a) would permit a deduction to individuals for contributions of cash or the fair market value of readily tradeable stocks, bonds or other securities to an education savings account for an eligible individual.

"New subsections 223(b) would place limitations on these accounts. Each education savings account could be established only for one individual and an individual could not be the beneficiary of more than one account. There would be a 2,000 dollar limit on the amount which could be contributed to each account each year, but beginning in 1983 that amount would be adjusted annually for inflation. If more than one person contributed to the same account during the year, the $2,000 or the inflation-adjusted amount would be allocated proportionately among all individuals contributing to the account.

"New subsections 223(c) would provide definitions and special rules.

"An 'eligible individual' would include the taxpayer or a child of the taxpayer (as defined in 26 U.S.C. §151(e)(3), i.e. son, stepson, daughter or stepdaughter of the taxpayer) who is under 21 when the contribution is made and is not a full-time student at an eligible institution in the year the contribution is made.

"An 'education savings account' would be a United States trust for the purpose of paying the educational expenses of an eligible individual. Custodial accounts where the assets were held by a bank or other person satisfactory to the Secretary of the Treasury could constitute educational savings accounts if they would qualify as such accounts but for the fact they were not trusts (new subsection 223(h)).

"The trust must meet certain requirements. First, contributions must be cash or readily tradeable stocks, bonds or other securities and contributions in excess of $2,000, or inflation-adjusted amount, per year cannot be accepted. Second, the trustee must be a bank trust company, an insured credit union, a corporation which is subjected to supervision and examination by the commissioner of banking or other officer under the laws of the State of its incorporation, or another person satisfactory to the Secretary of the Treasury. Third, no part of the trust funds can be invested in life insurance contracts, unless the trust is the beneficiary and the face amount does not exceed the maximum allowable contribution minus the amount actually contributed for all taxable years. Fourth, contributors to the trust may be allowed to direct the investment of the trust funds. Fifth, the assets of the trust must not be commingled with other property except in a common trust fund or a common investment fund. Sixth, any balance in the fund when the beneficiary turns 26 must be returned to the contributor or contributors on that date. Seventh, the trustee must transfer 5% of all contributions to a qualified state educational fund.

"A payment will be deemed to have been made in a particular calendar year up until the time prescribed by law for filing the return for that year (usually April 15) but including extensions. Payments made after the end of the calendar year but before the return is due may be deemed to have been made on the last day of the preceding calendar year. The date for valuation of contributions of securities would be the date of transfer to the account.

" 'Educational expenses' would be defined as tuition and fees required for enrollment and attendance of a student at an eligible education institution, fees, books, supplies, and equipment required for courses, and reasonable expense for meals and lodging.

" 'Eligible educational institution' would include public and private institutions of higher education and vocational schools. These terms are also defined. An "institution of higher education" means institutions described in section 1201(a) or 491(b) of the Higher Education Act of 1965. (See 20 U.S.C. §§ 1141 and 1088). According to these sections an institution of higher education is one which has high school graduates or holders of an equivalency certificate as regular students, which is legally authorized to provide a postsecondary school education, which provides a program of education leading to a bachelor's degree or provides at least a two-year program which is acceptable for full credit to a bachelor's degree, which is a public or nonprofit institution, and is accredited or, if not accredited, meets certain alternative criteria. Schools of nursing, post secondary vocational institutions, and certain other proprietary institutions of higher education are also included in this definition.

"A 'vocational school' means an area vocational education school, as defined in section 195(2) of the Vocational Education Act of 1963, which is in any State. (See 20 U.S.C. § 2461(2) and (8)) The term 'area vocational education school' means 'a specialized high

school used exclusively or principally for the provision of vocational education to persons who are available for study in preparation for entering the labor market, or the department of a high school exclusively or principally used for providing vocational education in no less than five different occupational fields to persons who are available for study in preparation for entering the labor market, or a technical or vocational school used exclusively or principally for the provision of vocational education to persons who have completed or left high school and who are available for study in preparation for entering the labor market, or the department or division of a junior college or community college or university operating under the policies of the State board and which provides vocational education in no less than five different occupational fields, leading to immediate employment but not necessarily leading to a baccalaureate degree, if it is available to all residents of the State or an area of the State designated and approved by the State board,' and if it admits as regular students both persons who have completed high school and persons who have left high school. (See 20 U.S.C. § 2461(2).

" 'Qualified State education fund' would be a fund established by a State for the purpose of providing scholarship assistance to individuals attending eligible institutions within the State. The trustee must make the 5% payment each year to the state chosen by the contributor.

"New Subsection 223(d)-(f) would set out rules for tax treatment of contributors, beneficiaries and the accounts.

"Distributions from the education savings account would not be taxable to contributors so long as they were used exclusively to pay qualified education expenses of the beneficiary of the account. Excess contributions and any income attributable to the excess must be returned to the contributor and included in his gross income. Distributions made for any non-qualified purpose must be included in the contributor's gross income and his tax liability is increased by 10% of the amount of the improper distribution.

"There would be no tax paid on the distributions going to a qualified state education fund.

"The beneficiary of the account would be taxed on distributions from the account which were spent on qualified educational expenses. His tax liability would begin in the year in which the individual turned age 25, and in each of the nine succeeding years the beneficiary would include in gross income 10% of the amounts so distributed.

"The education savings accounts would be exempt from taxes unless they ceased to be education savings accounts or unless they had unrelated business income taxable under 26 U.S.C. 511. There are a number of ways in which an account could cease to be an education savings account. If the individual who set up the account engages in any of a series of prohibited transactions with the account, the account would retroactively cease to be an education savings account as of the first day of the taxable year. The following transactions between the account and the establishing individual cannot be engaged in, either directly or indirectly:

"1. selling or exchanging, or leasing of any property;

"2. lending money or extending of credit;

"3. furnishing goods, services or other facilities;

"4. using account assets for the individual's own benefit;

"5. dealing with the account assets as if they were the individual's.

"If the account ceases to be an education savings account because of a prohibited transaction, the fair market value of all assets in the account would be treated as distributed on the first day of the taxable year.

"If the beneficiary of an education savings account uses the account or any portion of it as security for a loan, the amount so used is treated as if it had been distributed.

"There is no penalty for distributions made to the taxpayer after the taxpayer becomes disabled, even if the distribution is used for a non-qualifying purpose.

"New subsection 223(g) provides that the section would be applied without regard to any community property laws.

"New subsection 223(h) concerns custodial accounts. (See summary of new subsection 223(c)).

"New subsection 223(i) would require the trustee to make reports to the Secretary of the Treasury and the beneficiary of such information as the Secretary of the Treasury shall require by regulation."

Section 1(b) of the bill would amend section 62 of the Internal Revenue Code to provide that contributions to an education saving account would be a deduction from gross income used in arriving at adjusted gross income. This is what is known as an above-the-line deduction. A taxpayer would not have to itemize in order to take advantage of this deduction.

Section 1(c) of the bill would amend section 4973 of the Code to provide that, like individual retirement accounts, individual retirement annuities, and retirement bonds, education savings accounts would be subject to a 6 percent tax on excess contributions as determined at the close of the year. A new subsection 4973(d) would be added to the Code to provide that the term "excess contributions" would mean the amount by which the amount contributed for the taxable year exceeds the amount allowable as a deduction under section 223(b) for the taxable year. Distributions out of the account and any returns of excess contributions described in proposed section 223(d)(2) would not be treated as amounts contributed.

Section 1(d) of the bill would amend Code section 2503 to provide that payment to an education savings account would not be considered a gift of a future interest in property to the extent that the payment is allowed as a deduction under section 223.

Section 1(e) would amend Code section 4975 by adding a new paragraph (c)(4) limiting the effect of the tax on prohibited transactions in certain cases for education savings accounts. The paragraph provides that the individual for whose benefit an educational savings account is established (*i.e.*, the taxpayer's child) would be exempt from the tax on prohibited transactions imposed by Code section 4975 if the account ceases to be an education saving account because the individual who established the account (i.e. the parent-taypayer) engaged in a prohibited transaction described in proposed section 223(e)(2)(A).

Section 1(f) of the bill would amend Code section 6693 to provide for penalties for failure to provide the reports required by proposed Code section 223(i). There would be a $10 penalty for each failure unless the failure is due to reasonable cause.

Section 1(g) of the bill provides for amending the appropriate tables of contents of sections of the Code to take into account the changes that would be made by the bill.

Section 1(h) of the bill would redesignate Code section 130 as 131 and insert a new section 130. New section 130 would provide that gross income does not include distributions from an education savings account used exclusively for the payment of educational expenses of that individual. Appropriate changes would be made in the table of sections.

Section 1(i) of the bill would add a new paragraph (6) to Code section 152(b) to provide that payments to the beneficiary of the education savings account would not be taken into account in determining support for purposes of the dependency exemption.

Section 1(j) of the bill would make these amendments effective with respect to taxable years beginning after December 31, 1981.

CITIZENS LEAGUE OF BALTIMORE HIGHER EDUCATION INVESTMENT PLAN

THE PLAN

Amend the U.S. Internal Revenue Code to allow an annual income tax deduction to individuals of up to $2,000 per beneficiary for amounts invested in a Higher Education Investment Plan. The $2,000 maximum allowable amount would be indexed to allow for the effects of inflation, as measured by annual changes in the Consumer Price Index of each year the plan is in effect.

ADJUSTING THE PRINCIPAL—A STATE SCHOLARSHIP POOL

Five percent of the total investment will be placed in a scholarship pool of the saver's state of residence for distribution to prospective students in that state according to financial need. Taxes are forgiven on the 5 percent contribution while taxes are deferred on the residual principal sum and on all earnings on principal until withdrawn.

For example:

Original investment in the plan	$2,000
Less: 5 percent contribution (tax forgiven)	100
Equals: Principal (tax deferred)	1,900

The resulting principal investment must remain in the account for at least one year.

USING THE FUNDS

Amounts withdrawn from the account for education expenses will be taxed to the beneficiary of the account over a ten-year period beginning the second year after completion of a course of studies at an approved institution of higher education or vocational school.

Education expenses include tuition, fees, books, supplies and equipment required for courses of instruction at an eligible educational institution, and a reasonable allowance for meals and lodging. An eligible institution is an approved institution of higher education or vocational school.

Each account will be administered by a custodian which is a bank, insured credit union or person satisfactory to the Secretary of the Treasury.

HOW THE PLAN WORKS—A HYPOTHETICAL CASE

Assume an investor with four dependents who has an annual salary of $25,000 invests in the plan. The investor's effective tax rate will be 25 percent federal and 7.5 percent state. The investor is a parent and the beneficiary is the investor's child.

The maximum of $2,000 per year is deposited over a six-year period. Deposits begin three years prior to the beneficiary's entrance into college as shown in Table 1.

TABLE 1.—RETURN TO INDIVIDUAL INVESTOR IN HIGHER EDUCATION INVESTMENT PLAN

Year	Investment year	Beginning of year	Deposit	5 percent contribution	Principal	Interest earned	End of year balance	Withdrawal
(1)	(2)	(3) (8)	(4)	(5)	(6) (4 − 5)	(7)	(8) (6 + 7)	(9)
X	1	X	$2,000	$100	$1,900	$190	$2,090	X
X	2	$2,090	2,000	100	3,990	399	4,389	X
X	3	4,389	2,000	100	6,289	629	6,918	$3,000
1	4	3,918	2,000	100	5,818	582	6,400	3,000
2	5	3,400	2,000	100	5,300	530	5,830	3,000
3	6	2,830	2,000	100	4,730	473	5,203	5,203
4	7	0			0	0	0	0
Total			$12,000	$600		$2,803		$14,203

Source: Citizens League Calculations

In 1982, it is expected that approximately 226,000 Marylanders will attend college; 171,000 in Maryland institutions and 55,000 in out-of-state institutions. Table 2 illustrates the effects of a 5 percent contribution to the Maryland Scholarship Pool under three participation rates in the plan.

TABLE 2.—EFFECTS OF 5 PERCENT CONTRIBUTION FROM THE PLAN ON STUDENT FINANCING OF HIGHER EDUCATION IN 1982

	Student participation rates		
	5 percent (11,300)	50 percent (113,000)	100 percent (226,000)
Total deposited in the plan at $2,000 maximum per buyer (in millions of dollars)	$22.6	$225.8	$451.6
Amount available from 5 percent contribution (in millions of dollars)	$1.1	$11.3	$22.6
Remaining principal	$21.5	$214.5	$429.0
Interest at 10 percent, 1 year	2.5	21.5	42.9
Number of students which 5 percent contribution pool will support in tuition and fees:			
Public	1,063	10,630	21,260
Private	266	2,655	5,310
Estimated tuition and fees per student in Maryland, 1982: Public—$1,063; private—$4,256			

Note.—The interest earned can be reinvested in the accounts for a greater overall return. Interest earned can also be seen as additional funds for higher education expenditures by individuals as can deferred taxes to be paid by the beneficiary.

Source: Citizens League Calculations.

BENEFITS OF THE PLAN

1. No new federal or state agencies are required to administer this plan.

2. Referring to Table 1, each person who invests a maximum of $2,000 per year per beneficiary or student over a six-year period will have:

$3,705 in taxes deferred on deposits of $12,000.

$195 in taxes forgiven on the 5% contribution to the Scholarship Pool of $600.

$982 in taxes deferred on the interest income of $2,803.

$4,882 is the total of deferred taxes and taxes forgiven.

Since deferred taxes would be paid by the beneficiary or student, later, this $4,882 per investor could represent an additional amount of spending by the investor on higher education.

3. The plan's yield should be consistently 4 to 5 percent greater than market interest rates due to the tax deferred compounding.

4. Investors or buyers can create a possible tax-free source of funds for education which no other plan allows.

5. The fund may counter the coming reduction in government funds for operating costs and student loans.

6. Persons with investment capabilities may benefit others who cannot save.

7. Anyone can now make a charitable contribution, including persons who do not itemize their deductions. The plan is unique since the proposed contribution to the Scholarship Pool would be automatic.

CONSTRUCTING THE PLAN

The Citizens League analyzed the effects of the Higher Education Investment Plan with special emphasis on yield to the investor, funds going to the tuition pool, and taxes forgiven and deferred until payment by the beneficiary. The investor-beneficiary, where a person invests in his or her own education, is also considered.

The financial effects of the plan were calculated using assumptions and projections on participation rates and educational costs. The results are reasonable estimates of the financial effects of the plan. Table 1 summarizes selected participation by 226,000 Maryland residents who would be paying for public and independent higher education in and out of the state in 1982. The projected buyers for that year are based upon Citizens League and State Board of Higher Education forecasts of enrollments in 1982.

It was assumed that 75 percent of all Maryland residents buying higher education in and out of the state will invest in the plan.

The effective yield of the plan is based upon:

1. The interest income earned on the adjusted principal, after the 5 percent scholarship pool contribution is deducted;

2. The taxes forgiven on this contribution; and

3. The value of the taxes deferred on the adjusted principal and its interest income.

It is assumed that the adjusted principal will yield an average of 10 percent, irrespective of the length of time invested. The average investor, it is further assumed, pays a 25 percent federal tax rate and 7.5 percent Maryland tax rate.

The third item, the value of the taxes deferred on the adjusted principal and its interest income, is of major importance. If the investor is a parent, for example, and not a beneficiary, he or she is not obligated to pay income tax on the adjusted principal or on the accumulated income, and the deferral of taxes for this investor is treated as though the taxes are forgiven. This is the case since the beneficiary of the parent's investment will pay deferred taxes at a later date over a ten-year period upon graduation from a higher education institution. The beneficiary will pay the taxes at his or her own rate at the time of repayment. Table 3 illustrates the payback and compares this to the repayment of a student loan.

A comparison of the beneficiary's obligation to pay back taxes and earnings under the plan against a 9 percent student loan is illustrated in Table 3, below. This is especially appropriate at this time, since severe limitations will be placed on U.S. Government Student Loan Funds available to individual students in the immediate future.

TABLE 3.—BENEFICIARY PAYBACK COMPARISON HIGHER EDUCATION INVESTMENT PLAN VERSUS STUDENT LOAN

[Assumptions]

	Percent	Amount
(a) With investment plan principal $2,000 per year or $8,000 over		
(b) Payback period—10 years (120 months)		
(c) Assumed income tax rate:		
1st 2 years	15	$240
2nd 2 years	20	320
3d 2 years	25	400
4th 2 years	30	480
5th 2 years	35	560
(d) With Loan of $8,000		
(e) Payback Period—10 Years (120 months)		
(f) Interest rate—9 percent		

	Higher education plan	Student loan
1 Amount spent on higher education	$8,000	$8,000
2 Total amount required to payback	2,000	15,200
3 Annual payment (average)	[1] 200	[2] 1,520

[1] Taxes
[2] Principal and interest

Note: This table illustrates an either-or situation. Doubtless a combination of the plan and a loan would be appropriate.

QUESTIONS AND ANSWERS ABOUT THE HIGHER EDUCATION INVESTMENT PLAN PROPOSAL

1. What will be the level of administration costs; will there be a maximum; how will they be paid?

The costs of administering the fund will be set by the administering financial institution and will vary depending on the size of the fund in that institution. Usually, the smaller the fund, the larger the percentage of the principal required to offset administrative expenses. The payment of administrative expenses should be deducted from the net return, after the 5 percent contribution to the scholarship pool. Obviously, the higher the administrative costs of an institution, the lower the net return of the plan to the investor, and the less attractive it becomes.

2. Can a rate of return on an investment in the fund be guaranteed?

This will be left up to each institution managing the fund.

3. What happens to the investment of an individual who changes residence from one state to another?

Federal benefits do not depend on the state in which the institution is located. Therefore, at the end of the calendar year, the investment could be moved from an institution in the old state to an institution in the new state, or it could be left in the original institution. The option belongs to the individual investor, and the only difference might be in the burden of state and local taxes.

4. What percentage of the investor's initial investment should be contributed to the scholarship pool?

The Citizens League believes 5 percent allows the plan to remain attractive enough to potential investors and still make a significant contribution to the students. The more contributed to the pool, the less attractive the plan will become for the investor, so that too high a percent could result in less being contributed.

5. What should be the basis for the distribution of the scholarship pool?

Funds from the pool in each state will be earmarked for scholarships according to students' academic attainment and financial need. This assumes that intellectual achievement and potential have been established by the applicant in accordance with his or her state's criteria.

6. Should the fund be allowed to make loans to individuals?

No. This provision would unnecessarily burden the fund with extra administrative expenses and also preempt other agencies and institutions from organizing to make these loans.

7. Should there be any restrictions on the types of investments made by the institutions administering the fund?

None other than those for an IRA or Keogh Plan.

8. What happens to an investor's fund if it is not used for higher education expenditures?

The 5% contributions to the investor's state scholarship pool would not be returned. If the investor chooses, he or she may withdraw the proceeds and pay a penalty and accumulated taxes on the deferment on principal and interest earned.●

By Mr. MURKOWSKI:

S. 2704. A bill to amend the Mineral Lands Leasing Act of 1920, and for other purposes; to the Committee on Energy and Natural Resources.

COAL LEASING

● Mr. MURKOWSKI. Mr. President, this Nation has vast coal reserves located on Federal lands, and our plans to make this country as energy sufficient as possible, include their lease and production. It has become increasingly obvious that coal is a unique resource with properties that can be used in a number of ways including the production of synthetic fuels.

In 1976 the Congress, demonstrating an understandable concern over the production of coal from Federal leases, enacted the Federal Coal Leasing Amendments Act thereby altering the provisions of the Mineral Leasing Act of 1920. The preference right leasing system was ended and instead future leases were to be granted on only a competitive basis. Also established were strict production obligations, for existing leases and those issued subsequent to the 1976 amendments.

As with many acts of Congress, the legislation enacted in 1976 has had mixed results. On the positive side recent studies have shown that there has been a real improvement in the status of Federal coal lease development, with a high percentage having approved mine plans or mine plans pending. Only 63 of the leases with only approximately 3 percent of the recoverable coal under lease, are unlikely to be developed.

On the negative side, some of the 1976 amendments will soon present additional problems and hence the need for some fine tuning of the mineral leasing provisions and the legislation that I intend to offer today.

The bill that I propose generally tracks H.R. 5895 which was primarily sponsored by Congressman RAY KOGOVSEK in the House. I have added one provision that would take into consideration the vast resources and considerable time needed to produce synthetic fuels from coal.

In general, these amendments are designed to continue the pressure on Federal leaseholders to develop their leases while ending those provisions which do not serve the public interest and impose rigid production obligations that do little to accomplish our final goals.

Specifically my bill would do the following:

First, deletes the provision of the FCLAA that prohibits issuance of leases for any mineral, oil, or gas to anyone who has held a coal lease for 10 years with production in commercial quantities.

Second, deletes the subsection of the MLA which requires logical mining units to be contiguous.

Third, deletes the provision that requires an exhaustion of all coal reserves within a mine within a 40-year period.

Fourth, allows the payment of advance royalties not only in lieu of continued operation but also in lieu of production in commercial quantities or production constituting diligent development, but retains the aggregate number of years for which such royalties can be accepted to 10.

Fifth, deletes the requirement to issue a mine operation and reclamation plan within 3 years of lease issuance. The plan would still be filed but at a more appropriate time.

Sixth, an exemption for coking coal from diligence and continued operation requirements so long as the coal deposits are used in, or planned to be used in, steelmaking facilities.

Seventh, a provision extending the 10-year commercial production mandate to 15 years for coal leases dedicated to synthetic fuels projects. To prevent abuse of this extension the Secretary is given the power to revoke these lease dedications.

Mr. President, I do not think anyone introduces legislation without the thought that it can be improved upon in some manner, and that is my thinking today. These amendments are designed to point out the problems that we are now facing with Federal coal leases, and to offer potential solutions. I am sure as this process goes forward, it may be necessary to alter the specific language or to include additional provisions. I know that some of my colleagues on the Energy Committee have greater expertise in this area than I, and I look forward to their comments and suggestions.

I am also concerned about the problem of speculation in coal leases and while I have offered no amendment at this time, I hope the subject will be explored in depth at any hearings we do hold. While I want to see Federal coal leased and produced, I want to make sure that the public is receiving the maximum benefit for the privilege of making a private profit.

It is in the interest of all parties that we explore these, and other concerns in this area, and by introducing this legislation today, I hope we can spur the same kind of interest in the Senate that has been evidenced in the House.●

By Mr. LONG:

S. 2705. A bill to suspend the duties on mixtures of mashed or macerated hot red peppers and salt until the close of June 30, 1985; to the Committee on Finance.

SUSPENSION OF DUTY ON HOT RED PEPPERS AND SALT

● Mr. LONG. Mr. President, today I am introducing S. 2705, which would permit temporary duty-free entry of imports of mixtures of mashed or macerated hot red peppers and salt. These mixtures, commonly called "mash," are imported for use in preparing hot red pepper sauces.

Mixtures of mashed or macerated hot red peppers and salt are dutiable at a column 1—or most-favored-nation—rate of 12 percent ad valorem.

Previously, duties had been suspended on this product through June 30, 1981.

Several firms in the United States, mostly in Louisiana, produce hot red pepper sauces from pepper mash. The major end user of the imported mash covered by my bill in recent years has been the McIlhenny Co. of Avery Island, La. Only approximately 300 acres of the special variety of pepper which that company uses for its sauce is grown in the United States, 40 of it owned by the McIlhenny Co. itself. Due to increased demand for this product, McIlhenny has been forced to establish new growing operations in several Latin American countries, including Mexico, because domestic production was not sufficient to meet demand. Under my bill, the temporary extension that expired on June 30, 1981 would be extended from that date through June 30, 1985. At the time the previously enacted legislation was introduced, there were no administration or private sector objections to the bill, and I anticipate none now. For these reasons, I urge early Senate

action on the bill to temporarily suspend duties on imported red peppers.●

By Mr. PERCY:

S. 2707. A bill to amend section 474 of the Internal Revenue Code of 1954 to provide that small businesses with average annual gross receipts not in excess of $10,000,000 may elect to use one inventory pool; to the Committee on Finance.

SMALL BUSINESS TAX TREATMENT OF INVENTORY POOLS

● Mr. PERCY. Mr. President, the Economic Recovery Tax Act of 1981 provided for a simplified version of LIFO—last-in, first-out—inventory rules for businesses with less than $2 million in annual gross sales. The purpose of the simplified rules was to extend to small businesses the tax savings available for many years to larger businesses which were able to use the complex LIFO rules because of their size and sophisticated accounting systems.

This legislation has been very helpful to the eligible small businesses. Most small businesses now using the simple LIFO rules were using the first-in, first-out, or FIFO method of accounting prior to the passage of the act. The FIFO method is unfairly burdensome to businesses because inflation causes them to understate the cost of goods sold and therefore overstate their taxable income. It also overstates their tax liability.

In 1979, for example, inadequate inventory accounting added $42.6 billion to taxable profits. Small companies were unable to use the fairer LIFO method because its complexity usually required costly assistance from outside accounting firms. The Economic Recovery Tax Act relieved the very small businesses from their excessive taxes by allowing them to use a single LIFO "pool" to calculate the value of their inventory instead of the variety of pools that are required for larger businesses. The single pool LIFO method is simple and less costly to implement and is thus available to most small businesses.

However, it has been brought to my attention by the Illinois Manufacturer's Association that the eligibility requirement of less than $2 million in sales is too small. Many companies whose sales exceed $2 million also use simple accounting systems that preclude the use of LIFO. Since the intent of the Recovery Act was to make LIFO available to all small businesses, adjustments are necessary in the Tax Code to provide for medium-size small businesses.

The legislation I am introducing today will raise the annual sales limit for using the simplified LIFO rules from $2 million to $10 million. The higher limit will insure that all businesses will have access to LIFO inventory account methods. This legislation is particularly beneficial to the thousands of wholesalers, retailers, and manufacturers that are inventory-intensive as opposed to capital-intensive in nature.

I would like to commend the Illinois Manufacturers Association for its efforts to revise the current law. They have done a great service to not only their small business constituency but for small businesses throughout the country. I would also like to point out that the National Federation of Independent Business strongly supports this legislation.

Mr. President, small businesses face a large number of problems which are not encountered by their larger competitors. Despite this fact, small companies create most of the new jobs in America today. I urge all my colleagues who are concerned with this overburdened but highly productive sector of the economy to support this bill.●

By Mr. GARN:

Senate Joint Resolution 210. Joint resolution to designate July 20 of each year as "Space Exploration Day"; to the Committee on the Judiciary.

SPACE EXPLORATION DAY

● Mr. GARN. Mr. President, in his classic, "Metaphysics," Aristotle wrote that, "All men by nature desire knowledge." This desire has manifested itself in a multitude of ways throughout the history of the human race. No more challenging a manifestation of this desire has been modern man's exploration of space.

Space exploration is a quest for knowledge—knowledge about what lies beyond our thin envelope of air, knowledge about the planet Earth as studied from afar. The knowledge obtained may fit theories or may surprise, may have positive elements or negative, may be useful or puzzling. However, it will enlighten, inform, and inspire. The knowledge from space will add to that basic store of information which mankind uses in the effort to address life, to relate to Earth, to understand fundamental processes and origins, to acquire insight into perplexing mysteries which limit comprehension.

Until recently, no means existed to probe the frontier of space, to venture beyond the atmosphere's limits. Only one generation separates us from the first primitive spacecraft that launched the space age. In the 25 years since, more information has been gathered about the cosmos than had been gleaned in all the centuries before: Remotely controlled spacecraft have been sent on missions extending from near-Earth orbit to far reaches of the solar system; 13 years ago, humans set foot for the first time on truly foreign soil—the lunar crust 240,000 miles from the Earth's surface; in the last decade, the winds of Mars have been measured, the rings of Saturn counted, volcanoes on a moon of Jupiter observed; in the last year, a sophisticated new order of space research potential has been demonstrated by America's Space Shuttle—a machine that allows humans to work in space; permits spacecraft to be launched, retrieved, or serviced in space; returns crew, experiments, and unrepairable spacecraft to Earth; and is reconditioned within a short period for its next launch. Experimental area aboard the Shuttle is booked through 1987, an indication of the high degree in interest. All this and much more is just the beginning—the beginning of a search for knowledge not just of the beyond, but for knowledge about conditions and circumstances critical to the Earth, and for knowledge to be used to advance present technology in a wide range of fields.

To appreciate that space research has already significantly benefited large numbers of people worldwide, one only need look at communications satellites. Today, 124 countries receive direct communications via satellite at moderate cost. This new international tool has profoundly changed modern life, making the world smaller, events immediate, impacts instant, and instruction possible almost anywhere. Domestically, communications satellites promise to lower long-distance telephone rates and bring many new communications services.

Among many other significant space research contributions, two might be cited: the NASTRAN computer program which is being widely used in structural and design applications, and NASA's remote-sensing satellite, Landsat. From Landsat, by measuring the reflection of energy off the surface of the Earth, we can inventory our agricultural resources, search for oil and mineral deposits, monitor floods, and measure the ecological impact of disturbances such as forest fires, earthquakes and volcanic erruptions.

Government, industry, and universities have worked together in the field of space exploration, challenging the new frontier. Few ventures have been as successful. The results so far have been highly encouraging and rewarding; there is every reason to press on.

Questions abound: Why is the Earth active, as volcanoes show, and "alive," while other terrestrial planets—Venus and Mars, for example—seem quiet and "dead"? Did living things produce our atmosphere? What is the explanation for the wide differences in magnetic fields among the planets? Did the Moon "lose" its magnetic field? Could the Earth? Can variations in Earth's climate be traced or predicted based on study of other worlds? Is there life on Mars, or elsewhere? What are the mechanisms that sustain the tremendous energy sources found in

space? What possibilities exist for materials, industrialization, processing, or for human colonization or habitation? What is happening to our atmosphere and what are the consequences?

All of these are questions of profound significance that deserve answering. And they are questions we know how to answer, through continued investment in space research. Earth is one of a family of worlds, all different, but all shaped by the same forces. A study of these other worlds is essential to an understanding of this one.

Perhaps the most compelling aspect of this country's space exploration effort is what it reveals about America's confidence, pride, enthusiasm, hope, expectation, its ability to organize, to innovate. I believe that Americans want to be the new explorers, and that America has the resources and will to blaze the new trails.

I therefore propose that July 20, the anniversary of the first lunar landing, be declared Space Exploration Day, to be observed each year as a tribute to the adventurous spirit and the inquiring mind.●

ADDITIONAL COSPONSORS

S. 234

At the request of Mr. HATCH, the Senator from Nevada (Mr. CANNON), and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 234, a bill to amend the Public Health Service Act to encourage the establishment of home health programs and to amend the Social Security Act to provide expanded coverage of home health services under the medicare and medicaid programs.

S. 1018

At the request of Mr. CHAFEE, the Senator from North Dakota (Mr. ANDREWS), the Senator from Arizona (Mr. DECONCINI), and the Senator from Wisconsin (Mr. KASTEN) were added as cosponsors of S. 1018, a bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 1142

At the request of Mr. HEFLIN, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1142, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require tire dealers or distributors to provide first purchasers with a form to assist manufacturers in compiling tire defects if the Secretary determines such notice is necessary in the interest of motor vehicle safety.

S. 2000

At the request of Mr. DOLE, the Senator from South Dakota (Mr. ABDNOR) was added as a cosponsor of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2094

At the request of Mr. DANFORTH, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 2094, a bill to amend the Trade Act of 1974 to insure reciprocal trade opportunities, and for other purposes.

S. 2292

At the request of Mr. METZENBAUM, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 2292, a bill to amend section 205 of the Federal Power Act (16 U.S.C. 824d) relating to inclusion of construction work in progress in the wholesale rate base of public utilities.

S. 2353

At the request of Mr. BENTSEN, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

S. 2386

At the request of Mr. SASSER, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 2386, a bill to provide for the establishment of a system to collect data on the geographic distribution of Federal funds.

S. 2413

At the request of Mr. LONG, the Senator from North Dakota (Mr. ANDREWS), the Senator from Montana (Mr. MELCHER), the Senator from Indiana (Mr. QUAYLE), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 2413, a bill to delete the provisions of the Internal Revenue Code of 1954 which treat Members of Congress separately with respect to living expense deductions.

S. 2478

At the request of Mrs. HAWKINS, the Senator from New Mexico (Mr. SCHMITT) was as a cosponsor of S. 2478, a bill to amend the Controlled Substance Act, and for other purposes.

S. 2572

At the request of Mr. THURMOND, the Senator from New Jersey (Mr. BRADY) was added as a cosponsor of S. 2572, a bill to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes.

S. 2600

At the request of Mr. HEINZ, the Senator from New York (Mr. D'AMATO) was withdrawn as a cosponsor of S. 2600, a bill to amend the Export-Import Bank Act of 1945.

S. 2610

At the request of Mr. CHAFEE, the Senator from North Carolina (Mr. EAST), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2610, a bill to delay Treasury regulations on the debt-equity issue.

S. 2617

At the request of Mr. HEINZ, the Senator from South Carolina (Mr. THURMOND), and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of S. 2617, a bill to amend the Age Discrimination in Employment Act of 1967 to eliminate mandatory retirement and other forms of age discrimination in employment.

S. 2658

At the request of Mr. SPECTER, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 2658, a bill to amend title 18 to delimit the insanity defense, and for other purposes.

S. 2676

At the request of Mr. DODD, the Senator from North Dakota (Mr. BURDICK), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 2676, a bill to establish a National Hostel System Plan, and for other purposes.

SENATE JOINT RESOLUTION 178

At the request of Mr. HATCH, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week."

SENATE JOINT RESOLUTION 199

At the request of Mr. THURMOND, the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor Of Senate Joint Resolution 199, a joint resolution proposing an amendment to the Constitution of the United States.

SENATE JOINT RESOLUTION 207

At the request of Mr. DOLE, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of Senate Joint Resolution 207, a joint resolution to authorize and request the President to designate the week of August 1, 1982, through August 7, 1982 as "National Purple Heart Week."

SENATE CONCURRENT RESOLUTION 73

At the request of Mr. HEINZ, the Senator from Maryland (Mr. SARBANES), the Senator from Indiana (Mr. LUGAR), the Senator from California (Mr. HAYAKAWA), and the Senator from Wisconsin (Mr. PROXMIRE) were added as a cosponsors of Senate Concurrent Resolution 73, a concurrent resolution to condemn the Iranian persecution of the Baha'i community.

AMENDMENTS SUBMITTED FOR PRINTING

VETERANS DISABILITY COMPENSATION AND SURVIVORS BENEFITS AMENDMENTS OF 1982

AMENDMENT NO. 1909

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. SIMPSON submitted an amendment intended to be proposed by him to the bill (S. 2378) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for surviving spouses and children of veterans; to discontinue duplicative payments to certain veterans; to increase the level of disability required for cost-saving improvements in veterans' programs, and for other purposes.

MINIMUM ACTIVE-DUTY SERVICE REQUIREMENTS FOR BENEFITS ELIGIBILITY

Mr. CRANSTON. As ranking minority member of the Veterans' Affairs Committee, Mr. President, I am pleased to join in submitting amendment No. 1909 with my good friend, the committee chairman (Mr. SIMPSON). This legislation would provide for a more uniform minimum-service requirement for eligibility for Federal benefits based on active-duty service.

On September 7, 1980, section 977 of title 10, United States Code, was enacted—in the Department of Defense Authorization Act, 1981—to establish a general 2-year minimum-service requirement for eligibility for any Federal benefit, right, or privilege based on active-duty service for those who originally entered the service after September 7, 1980. I will refer to this provision simply as section 977.

Last year, in section 608 of the Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981, enacted on October 17, as Public Law 97-66, Congress enacted as section 3103A of title 38, a provision I initiated in the Senate, which superseded—by replacing and modifying—section 977 insofar as eligibility for all benefits under title 38 or other laws administered by the Veterans' Administration is concerned.

Mr. President, in the House and Senate deliberations on the title 38 provision last year, three major problems in section 977 were identified and corrected in the title 38 provisions with respect to title 38 and VA benefits.

First, section 977 applies only to enlisted personnel in the Armed Forces; it does not apply to military officers or to commissioned officers of the Public Health Service or the National Oceanic and Atmospheric Administration. With respect to title 38 and VA benefits, section 3103A of title 38 established a 2-year minimum-service requirement applicable to these officers as well as to enlisted personnel.

Second, section 977 made ineligible a 2-year enlistee who is discharged under section 1171 of title 10, which allows the Armed Forces to discharge a person from active service for the convenience of the Government up to 90 days prior to the expiration of that person's enlistment. The title 38 provision provided an exemption for those who receive such discharges.

Third, section 977 provided an exemption for those who have any service-connected disability, even those that are so minor as not to be rated even 10-percent disabling. The title 38 provision limited the exemption for those with service-connected disabilities to those who have compensable disabilities.

Mr. President, these changes with respect to title 38 and VA benefits, enacted in section 3103A of title 38, were designed to produce a fairer, more equitable minimum-service requirement.

However, in enacting in title 38 a replacement minimum-service requirement with these improvements, the Congress established one set of rules for title 38 and other VA benefits while leaving in place the other set in section 977 for all other benefits provided under Federal law based on active-duty service. Those other benefits include certain social security, civil service, naturalization, Federal Housing Administration, Small Business Administration, and Farmers Home Administration benefits.

In order to provide for a more uniform set of rules, our amendment would amend section 3103A of title 38 to provide a minimum-service requirement—superseding entirely the title 10 provision—for Federal benefits other than those that are provided under title 38 or administered by the VA, as well as for those that are. Our amendment would track closely the policies in the existing title 38 provision and thus would make the same three major improvements, which I discussed earlier, that the title 38 provision made last year in the rules governing title 38 and VA benefits eligibility.

Mr. President, our amendment would also make certain other clarifications and minor adjustments in the minimum-service requirement for non-VA/title 38 benefits. First, it would clarify, consistent with the Social Security Administration's interpretation of section 977, that the only Social Security Act benefit affected by the minimum-service requirement is that provided under section 229(a) of the Social Security Act, under which active-duty personnel are deemed to have been paid additional wages of $100 for each $300 of military pay, up to a maximum of $1,200 per year in deemed wages. Earned social security credits—those based on actual employment and wages and for which social security tax is paid—would be expressly exempted from the minimum-service requirement under our amendment.

Second, our amendment would clarify—consistent with preliminary information I have received regarding the Office of Personnel Management's interpretation of section 977—that the only civil service provisions affected by the minimum-service requirement are the veterans preference provisions other than those for veterans with compensable, service-connected disabilities. It should be noted that those who entered the service after September 7, 1980, who are not service-connected disabled do not qualify for veterans preference at the present time and will qualify in the future only if they serve during a war or in a campaign or expedition for which a campaign badge is authorized. Thus, the minimum-service requirement in section 977 and the superseding one we are proposing in title 38 would have effect on nondisabled veterans only in the event of some future outbreak of hostilities involving the U.S. Armed Forces.

With respect to the calculation of length of Federal service for purposes of retirement credits and the rate at which annual leave is accrued, our amendment would specify that active-duty personnel would not be barred by the minimum-service requirement from receiving credit for any period of time actually served on active duty. This result, the same as for the service of Federal employees regardless of the duration of their service, appears—though I have sought but not yet obtained clarification—to be consistent with the Office of Personnel Management's interpretation of section 977 of title 10.

I would also note that our amendment would expressly exclude unemployment compensation for ex-servicemembers—UCX—from the scope of the minimum-service requirement. The UCX provisions—subchapter II of chapter 85, title 5, United States Code—contain a specific minimum-service requirement that has been amended twice in the last 2 years, and it appears that a further amendment will be enacted this year. It is my understanding that the Department of Labor has not interpreted section 977 as applying to the UCX program. As an original cosponsor of a bill proposing such an amendment—S. 2028, introduced by Senator BRADLEY on January 28, 1982—I believe it is preferable to work out the UCX minimum-service requirement issues in legislation specifically dealing with that benefit in light of its unique purposes.

Mr. President, in preparation for the submission of this amendment, preliminary efforts were made to ascertain

the specific manner in which various departments and agencies with responsibility for administering certain Federal benefits—provided by reason of active-duty service in the Armed Forces—are applying the provisions of section 977 with respect to non-VA, non-title 38 benefits. Full information has not yet been obtained in certain respects and a response to my request, made through the Congressional Research Service, to the Department of Labor has not yet been received but is expected shortly.

Mr. President, I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks a table, based on the preliminary information now available and on the provisions of section 977 and our amendment, setting forth a comparison between the existing and proposed provisions.

Mr. President, prior to the date scheduled for markup of the bill, S. 2378, that our proposal would amend—August 12, 1982—the Committee on Veterans' Affairs will seek full information from the departments and agencies concerned with respect to how they interpret and apply section 977 with respect to the programs they administer, as well as their views on our amendment. We will also be in touch with the Armed Services Committee to solicit their views and, I hope, to reach agreement on the provisions of the amendment. In addition, I understand that our amendment will be included among the subjects covered in our committee's July 13 hearing.

Thus, prior to committee action on this amendment, we will make every effort to obtain all of the information and views that we should consider before making a final recommendation to the Senate on a fair and more uniform minimum-service requirement.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

MINIMUM-SERVICE REQUIREMENTS: COMPARISON BETWEEN 10 U.S.C. 977 AND PROPOSED TITLE 38 PROVISION

	10 U.S.C. 977—Bar interpreted as applying?	Proposed title 38 provision—Bar applies?
Social Security:		
Deemed credits	Yes	Yes
Earned credits	No	No
Civil Service:		
Vets preference	Yes [1]	Yes [1]
Length-of-service credit	Unclear [2]	No
Farmers Home Administration	Yes [1]	Yes [1]
FHA	Yes	Yes
SBA	Yes [3]	Yes
Naturalization:		
Waiver for 3 years of service	No	Yes
Waiver for vet of period of hostility	Unclear [1 2]	Yes [1]
Bar applicable to Armed Forces officers and to PHS and NOAA officers?	No	Yes
Exemption for up-to-90 days "early outs"?	No	Yes
Exemption for service-connected disabled vets.	Provided to those with any service-connected disability	Limited to those with compensable disability

[1] Applicable only to veterans of future period of war/armed conflict.
[2] Unclarified as of June 30, 1982.
[3] Not yet being applied.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands and Reserved Water, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Friday, July 2, at 9 a.m., to consider S. 1999, a bill to amend the act to provide for the establishment of the Wolf Trap Farm Park in Fairfax County, Va., and for other purposes; and S. 2436, a bill to designate the Mary McLeod Bethune "Council House" in Washington, D.C., as a national historic site, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, June 30, at 10 a.m., to hold a business meeting to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later the following occurred:)

Mr. STEVENS. Mr. President, I ask unanimous consent that the unanimous-consent agreement previously entered into concerning the meeting of the Committee on Energy and Natural Resources today specifically provide that their authority to meet during the session of the Senate except from their consideration S. 2305.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate at 9:30 a.m. on Wednesday, June 30, to hold an oversight hearing on Public Law 93-638, the Indian Self-Determination Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Finance Committee be authorized to meet during the session of the Senate at 9:30 a.m. on Thursday, July 1, to consider the spending and tax reconciliation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ANOTHER STATE DEPARTMENT TREATY TERMINATION

● Mr. GOLDWATER. Mr. President, I must report that the moles are at work again in the State Department. The permanent bureaucrats who do nothing but try to erode the Constitution by absorbing ever-increasing powers for the executive branch, and particularly for the Department of State, are at it again. And, as usual, the Senate will complacently sit back and do nothing while our own powers are being steadily whittled away.

The latest blow to the Constitution is at first glance a minor matter, a trivial event compared with all the controversy over Soviet credits and trade, our China policy, Middle East negotiations, and other major issues. In fact, almost no one in the Congress is aware of this latest grab for power by the State Department.

It is hidden away in the form of a letter to the Foreign Relations Committee dated last Wednesday that gave the committee 1 week's notice of the State Department's design to abrogate a tax treaty with the British Virgin Islands. The Department did not ask the committee or the Senate for its approval. It instructed the Senate what would happen.

Now, the British Virgin Islands Treaty, by itself, is of no great moment, although some banking interests may dislike its cancellation. Other groups will claim our exit from the agreement will eliminate a tax haven. Several similar agreements may be targeted for termination in the future.

To me, the important development is not the abrogation of a minor tax treaty. Rather, it is the determination of the State Department to follow on the heels of former President Carter's unprecedented withdrawal from the defense treaty with Taiwan by setting a new precedent of unilateral executive treaty termination.

The State Department does not seek our participation in this step. It assumes a treaty can be annulled without our advice and consent even though this is contrary to the whole course of American history up to the time of the Mutual Security Treaty with the Republic of China.

The Senate failed to act then. Instead, the Congress enacted a strong Taiwan Relations Act which in some ways replaces the defense treaty.

But now we see it happening again. The State Department is usurping our power, our constitutional duty, to take part in deciding whether or not to terminate the law of the land.

Maybe most Senators do not care. But they should. Every treaty we have is subject to the whim of the State De-

partment if we do not assert our proper constitutional role in deciding on the life or death of our formal international undertakings.

Does anyone here care about NATO? Or what about the Nuclear Nonproliferation Pact?

Is the State Department to possess unchecked power to pull this country out of the Security Treaty with Japan if she does not increase her defense effort or redress our trade imbalance? Can a future Secretary of State give notice that we are withdrawing from the Biological Warfare Convention because of a desire to gain superiority?

The issue cuts across ideological lines. The question is not whether a given treaty is favored or disfavored by conservatives or liberals. The question is whether the Senate, as an institution, will uphold the design of the framers that we should participate in making the policy decision.

Mr. President, I have introduced a resolution, Senate Joint Resolution 31, to establish rules for treaty termination that would insure our joint action, together with the executive branch, whenever a major treaty is terminated by our country. Six Senators have joined as cosponsors. It does not matter to me whether that resolution or another is acted on, but I do believe the Senate should reassert its role in making the important decision or whether a treaty that we participated in making shall be repealed.

I urge the chairman of the Foreign Relations Committee and the majority leader to address this subject with hearings and bring a proposal before the Senate which will preserve the shared authority we were granted as a check on the concentration of all power in the executive branch.●

NEBRASKA AND THE UNITED STATES NEED A SUGAR INDUSTRY

● Mr. ZORINSKY. Mr. President, last summer, I joined 63 of my Senate colleagues in approving the sugar title of the 1981 Food and Agriculture Act. I did so in the belief that a viable domestic sugar industry is in the Nation's best interest. I continue to adhere to that belief.

I was further convinced that the beet sugar industry is also important to Nebraska. It provides jobs and wages, and taxes and, yes, even purchases of soda pop and bakery products. The beet sugar industry is a good customer for Nebraska farm implement dealers, fertilizer suppliers, railroads, and other providers of goods and services.

As telling as any argument for the maintenance of a U.S. sugar production capability, however, is the fact that if this basic commodity were no longer available from nearby American farms, sugar users in Nebraska would be totally beholden to cane refiners in the gulf States or refiners located along the northeastern seaboard—quite a freight haul to Hastings. These distant refiners would, in turn, have to depend on growers in politically unstable Central and South America for a commodity essential to all Nerbaskan households and one that is critical to the State's bottlers, bakers, and confectioners.

Senator TSONGAS of Massachusetts, sponsor of legislation to eliminate the sugar support program, perhaps feels no such concern. The two cane refineries in Boston, one owned by Philippine interests, operate essentially on imported raw sugar. They remain viable by simply passing along their refining costs to consumers, whether they pay 10 cents or $10 per pound for imported raws.

The Quayle-Tsongas approach to reduce the sugar support level for the purpose of having a level that can be conveniently achieved is somewhat like the story of the freshman economics student, who proudly announced that he had, that afternoon, run home beside the bus and achieved a "saving" of 30 cents. His father advised that if, on the following day he would run home beside a taxi, he could achieve a "saving" of $2.

Nebraska sugar beet farmers and processors and other segments of the U.S. sugar industry cannot remain viable in the misnamed world free market when the fact is that this country's sugar industry would be the only group that plays by free trade rules. More that 80 percent of the world's sugar production is marketed in protected home markets—Australian refiners pay 23.8 cents per pound for Aussie-produced raw sugar; sugar imports into Australia are prohibited—or sold under preferential trade arrangements. Russia pays Cuba 31.5 cents per pound for raw sugar under long-term contract, which takes about two-thirds of the Cuban output.

The balance of the world's sugar production, averaging about 20 percent is dumped at whatever price it can bring. It is against such dumped sugar that American farmers must compete and thus a loan program becomes essential to keep the industry afloat in years of world glut. The dividend for American consumers comes in the years of short world supply. During those periods if there were no U.S. industry, Americans would pay dearly for sugar, if indeed it was available at all.

I believe the sugar support program adopted last summer achieves a fair balance among the interests of consumers, taxpayers and the producers of an essential commodity. Agriculture Secretary Block has stated that the import quotas will be removed when the glut induced distressed price of imports advances. The mechanics of the fee arrangement similarly reduce the fees as the prices of imports achieve a more realistic level. I am convinced that, for now, we should keep the sugar support program on the books at its present modest level. I will, therefore, work to defeat the Quayle-Tsongas amendment.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. John Ritch, of the Committee on Foreign Relations staff, to participate in a workshop sponsored by a foreign educational organization, the Friedrich-Ebert-Siftung (Foundation), in Bonn, West Germany, on June 25-26, 1982.

The committee has determined that participation by Mr. Ritch in the program in West Germany, at the expense of the Friedrich-Ebert-Siftung (Foundation), is in the interests of the Senate and the United States.●

SMALL BUSINESS INNOVATION ACT

● Mr. TSONGAS. Mr. President, yesterday the Senate unanimously demonstrated its belief in the unique productiveness of the small business community by passing without objection the Small Business Innovation Act as approved by the House. In December of last year, we approved a similar measure, again unanimously—90 to 0. During the period since December a number of questions have been raised over the effectiveness of this legislation and its potential effects on other members of the research community.

In spite of these questions, I am convinced of the merits of the approach this legislation calls for. It stems from a recognition of the special role the small business community plays in generating the new ideas needed to fuel tomorrow's economic growth. A flourishing small business community full of new firms with new products and ideas offers us the greatest prospects for significant economic growth.

Earmarking a small percentage of research and development budgets of Federal agencies acknowledges the fact that it takes more effort to work with a number of small firms than

with a handful of larger organizations. This bill creates the administrative incentive to make that additional effort. I am convinced we will find this extra effort well rewarded by a high return in innovation and job creation.

Concern has been expressed that this measure will result in harmful cutbacks in research and development funds to other nonprofit research organizations like our universities. I believe these sentiments are more a product of the prospects of cutbacks in overall civilian research and development budgets.

The percentage earmarked for small businesses in this legislation is small: 0.1 percent in the first year; 0.3 percent in the second year; 0.5 percent in the third year; 1 percent in the fourth year; and 1.25 percent in all subsequent years.

During this 5 years phase-in, I urge all of my colleagues to work to diminish the concerns of the university community by reversing the dangerous trend of reductions in research and development budgets. These cutbacks are the worst form of false economies. When we reduce our financial commitment to research and development we reduce our investment in a brighter economic future.

There can be no more discouraging sign of our commitment to long-term economic growth than finding the sources of tomorrow's wealth, the research and development community, reduced to struggling over a shrinking pie of financial commitment. By passing this legislation we have affirmed our commitment to the small business community. I would like to encourage my colleagues to follow this action by redoubling our commitment to the larger research and development community.

I would like to close by thanking a few of my colleagues for their special efforts on behalf of this legislation. Senators RUDMAN, WEICKER, NUNN, HUDDLESTON, KENNEDY, and LEVIN all deserve particular credit for their vigorous and longstanding efforts on behalf of this legislation.●

TRIBUTE TO MAURICE F. BISHOP

● Mr. HEFLIN. Mr. President, on Saturday, June 12, 1982, Alabama lost one of its most outstanding attorneys, when Maurice F. Bishop, a longtime friend, tragically passed away. Widely acknowledged as one of the hardest working attorneys in the State, he once said that he hoped his death came while he was working on a case. At 68, still frequently working 100-hour weeks, Maurice was struck by a fatal hemorrhage.

Rarely has there been a man as totally dedicated to the legal profession as Maurice was. John Foster, a close friend of Maurice's for many years, may best summarize his love for the law: "He was more dedicated to the law and worked harder than anyone I have known. He just liked it."

The high regard in which Maurice was held has been further evidenced by the voluminous expressions of sympathy that have been showered on the Bishop family.

As an attorney specializing in utility ratemaking and land condemnation, Maurice distinguished himself and became nationally known for his extraordinarily effective representation of the State and public interest. His efforts as special valuation and utility counsel for the Alabama Public Service Commission yielded the largest refunds for utility customers in the State's history.

Maurice also served as condemnation counsel for the Birmingham Housing Authority, where his efforts resulted in the acquisition of more than 40 blocks of property for the expansion of the now widely renowned University of Alabama Medical Center.

He served honorably as attorney for Jefferson County for 30 years, and was also special assistant to the city attorney of Birmingham from 1950 to 1960. During this same time, he also served as a special assistant attorney general in highway acquisition work and represented both the Jefferson and Fairfield County Boards of Education.

To his colleagues, Maurice was a shining example of legal scholarship and professional competence. He was a nationally recognized leader in the field of eminent domain, and appeared frequently as a lecturer at legal education seminars throughout the Nation. He authored several handbooks and scholarly articles on the law of condemnation and eminent domain.

For many years, Maurice served on the Committee on Condemnation and Condemnation Procedure of the American Bar Association, where his work was termed "invaluable." He was recognized as a fellow of the American College of Trial Lawyers, and was a member of the American, Alabama, and Birmingham Bar Associations.

Maurice Bishop's many accomplishments, together with his years of work in public service, and the high esteem in which he was held, serve as testimony that we have indeed lost a great American. He will be sorely missed by the Alabama legal community, and by all who knew him. The sadness of his passing is overshadowed only by the magnitude and noble nature of his accomplishments.

Mr. President, I ask that the two newspaper articles from the Birmingham News and the Birmingham Post-Herald be printed in full in the RECORD.

The articles follow:

[From the Birmingham News, June 13, 1982]

ATTORNEY MAURICE F. BISHOP DIES

Maurice F. Bishop, 68 a nationally-known attorney specializing in utility rate-making and land condemnation, died Saturday at a local hospital following a brief illness.

He became widely known in Alabama during the administrations of former Gov. George Wallace and the late Gov. Lurleen B. Wallace when he represented the state and public interests in resisting applications of major utilities for rate increases and litigated the valuation of all major utility properties in Alabama before the Alabama Public Service Commission and in Alabama courts.

He served as special valuation and utility counsel for the PSC and obtained for utility ratepayers the highest utility refunds in the history of the state, exceeding $135 million.

For more than 30 years, Mr. Bishop served as a special assistant attorney general for the state, specializing in land condemnation cases in highway acquisition work.

He was nationally recognized as a legal scholar in the field of eminent domain and appeared frequently as a lecturer at legal seminars in many states.

This led to the authorship of several handbooks and articles for legal publications on land condemnation and eminent domain. For several years he served on the Committee on Condemnation and Condemnation Procedure of the American Bar Association.

Mr. Bishop served as attorney for Jefferson County for 30 years; special assistant to Birmingham's city attorney from 1950 to 1960; attorney for the Jefferson County Board of Education for more than 25 years, and more recently, attorney for the Fairfield Board of Education.

He was condemnation counsel for the Birmingham Housing Authority, handling legal work that resulted in the acquisition of more than 40 blocks of property in the city which has been used for the expansion of the University of Alabama Medical Center.

A native of Irondale, Mr. Bishop received a bachelor's degree from Birmingham-Southern College, a master's from Duke University and his law degree from the University of Alabama.

He was a Fellow of the American College of Trial Lawyers and a member of the American, Alabama and Birmingham Bar Associations.

Funeral will be at 11 a.m. Monday at Valley Chapel, with burial in Elmwood Cemetery. Officiating will be the Rev. Robert Archibald and the Rev. Clarence Patton, both of East Lake United Methodist Church where Mr. Bishop was a member.

Survivors include his wife, Mrs. Minnie R. Bishop, Irondale, and two brothers, Clinton D. Bishop and Julian G. Bishop, both of Birmingham. He was the son of the late W. D. "Wash" Bishop, president of the Jefferson County Commission from 1928 to 1938.

The family suggests any memorials be made to the Methodist Children's Home in Selma or a favorite charity.

[From the Birmingham Post-Herald, June 14, 1982]

FRIENDS REMEMBER BISHOP WANTED TO DIE WORKING

(By Jay Hamburg)

Maurice Bishop, 68, noted legal authority on land condemnation and a former attorney for Jefferson County, is remembered by

friends as a hard worker who said he wanted to die while working on law.

And friends said Bishop, who died Saturday of a cerebral hemorrhage, was stricken while on a case.

Tom Gloor, former Jefferson County Commission president, said, "I used to ask him to slow down a lot of times. He said, 'I don't know anything but work. I'll have to go out working.' "

Colleagues say Bishop worked seven days a week and often put in 16 hours a day.

County Commissioner Chriss Doss said, "Maurice was quite a scholar. He was probably the hardest working attorney in the Birmingham bar. This was his whole life. He thoroughly enjoyed working."

John S. Foster, 75, who knew Bishop for more than 40 years, said, "I just thought he was a wonderful person and always will think so. In a time like this when everyone has their meters running, it's refreshing to know someone like this."

Gloor said Bishop was "talented, dedicated and really cared about people."

Bishop, whose late father, W. D. Bishop, was chairman of the Jefferson County Commission from 1928 to 1938, was known for representing former Gov. George C. Wallace in utility rate cases before the state Public Service Commission.

Born in Irondale in 1913, he studied at Birmingham-Southern College and Duke University. He received his law degree from the University of Alabama in 1938.

Except for military service during World War II, he practiced law in the Birmingham area, specializing in eminent domain cases in Alabama and other Southeastern states.

He served as attorney for Jefferson County for 30 years and was special assistant to the city attorney of Birmingham from 1950 to 1960.

As special evaluation and utility counsel for the Public Service Commission, he obtained for utility ratepayers the highest utility refunds in the state's history.

He served as condemnation counsel for the Birmingham Housing Authority. His work resulted in the acquisition of more than 40 blocks of property for the expansion of the University of Alabama Medical Center.

He also was a special assistant attorney general in highway acquisition work for more than 30 years, and represented the Jefferson County and Fairfield boards of education.

He authored numerous articles for law journals, as well as "How to Handle a Condemnation Case," a legal handbook for Alabama probate judges.

Foster said, "He was more dedicated to the law and worked harder than anyone I have known. He just liked it. I'm absolutely positive of this: It was not any desire as far as money was concerned."

Gloor said, "He'll create quite a vacuum."

Funeral will be at 11 a.m. today at Valley Chapel with burial in Elmwood Cemetery. He is survived by his wife, Mrs. Minnie R. Bishop; and two brothers, Julian G. and Clinton D. Bishop, both of Birmingham.

Memorials may be made to the Methodist Children's Home in Selma or a favorite charity.●

MINORITY BUSINESS AND THE U.S. ECONOMY

● Mr. NUNN. Mr. President, during many of the Senate Small Business Committee's hearings over the past 18 months, we have repeatedly called attention to the impact the economy has had on small business, and the changes that certain program decisions may have had on small businesses' chances for survival.

Last week, the Senate Small Business Committee held a hearing on minority business and its contributions to the U.S. economy. In my view, that hearing demonstrated the vital role which minority business plays in our Nation's economy. In addition, the hearing provided an opportunity for the committee to learn firsthand from successful minority entrepreneurs some of the reasons for their growth and development, and some of the problems which they, and other minority business owners, continue to face.

I particularly want to thank Senator WEICKER, the chairman of the Senate Small Business Committee for agreeing to my request for these hearings, and to Senator GORTON for his chairmanship of these hearings.

Mr. President, I believe our colleagues in the Congress would benefit from the businesses' testimony received at the committee. Therefore, I ask to insert in the RECORD highlights of the statements of the private sector witnesses at the Senate Small Business Committee's June 23, 1982 hearing.

The material follows:

OPENING STATEMENT OF SENATOR NUNN

Mr. Chairman, first I appreciate your receptiveness to my request to schedule these hearings, and for the cooperation and assistance you and your staff have provided.

During the past decade or so, but in the last four or five years in particular, there has been increased attention focused on the need to foster minority business entrepreneurship, and the benefits that such an effort can produce.

Much of that attention has been at the Federal level, but many States, local governments, and the private sector have also undertaken programs that contribute to that effort. Some of these efforts have been highly successful, as our witnesses today will show us. Others have been less successful, and we need to better understand why they have not been as beneficial so that errors will not be repeated.

But unfortunately, most of the attention that has been focused on the Federal efforts to assist in the growth and development of minority businesses have tended to focus on the *negatives* in those programs, including the potential for "waste, fraud, and abuse" or the differences in opinion on the appropriate day-to-day program implementation.

For that reason, I suggested to Senator Weicker that our committee hold a hearing to show the positive contributions that minority businesses provide to the economy and to society, and to highlight both their role in the Nation's economic recovery, and their special relationships with the Federal Government.

As unusual as it may seem, this simple recognition of the contributions that minority businesses make to our society is a very important step at the National level. If we are to allow minority businesses to develop to their maximum, policy-makers at all levels must be aware of the significant role that they play, and what barriers still exist to their further development.

Mr. Chairman, I know what the minority business community contributes to the State of Georgia.

According to the most recent (1977) Commerce Department survey, there are almost 10,000 black-owned businesses alone in the State, with gross receipts approaching $375 million.

These statistics for Georgia are encouraging, and I am sure the results of the current census survey will see them on the rise. But the full extent of this contribution by the minority business community in Georgia, and nationwide, is understated, however, because of the lack of comprehensive, reliable, or timely data on minority business. This lack of data also hinders the policy-making function for us.

We will have with us today some very successful minority businessmen and women who will be able to share their experiences with this Committee, and the Congress. I will be interested in their perspectives.

But I want to be sure we understand that, while we can assemble an impressive witness list of success stories in the minority business community, there are not yet enough successes to be confident that we have addressed the problems which the minority entrepreneur faces.

Thank you again, Mr. Chairman, for calling these hearings. I look forward to the testimony, and the record that we will develop.

OPENING STATEMENT OF LOWELL WEICKER, JR., CHAIRMAN

Today the committee will hear testimony from minority entrepreneurs and Government witnesses about the contributions that minority businesses make to the economy and the country. I would like to start by commending my colleagues, Senators Gorton and Nunn, for their involvement in this important hearing on a very timely subject.

With business failures at record levels and unemployment climbing at an alarming rate, we here in Congress, and those in the administration, must begin to search for solutions. In our search, we must not overlook the essential contributions of minority businesses to our economy and our communities, nor should we overlook the important role they can play in putting that economy back on its feet again.

I would like to point out at the outset that this committee and this chairman have long been committed to programs which foster minority business development. Unfortunately, the full potential of the minority business community has yet to be realized. I am hopeful that this hearing today will identify those factors that inhibit the growth and expansion of minority owned businesses.

To a large extent, the fate of our economic structure rests with our small businesses, which are really the heart of our cities and our local communities. This is also true of minority owned small businesses. If plans for local economic development, jobs creation and the renewal of our urban areas, are to succeed in the months ahead, small business, and particularly minority small business, will have to play a key role.

As I have said before, for people to care about our economic system they must have a stake in it. Therefore, it makes both economic and political sense to promote minority business through effective Federal Gov-

ernment and private sector advocacy programs.

I trust that, in the formulation of their policies in the months to come, the administration will keep some of the points raised in today's hearing in mind. Certainly we need to continue the process of bringing more minority participants into our country's economic mainstream, and we ought to acknowledge and reaffirm the Federal Government's role and commitment to those goals.

STATEMENT BY EARL G. GRAVES, PRESIDENT, EARL G. GRAVES LTD., EDITOR & PUBLISHER, BLACK ENTERPRISE MAGAZINE

My name is Earl Gilbert Graves. I am president of Earl G. Graves, Ltd., a communications company headquartered in New York City. I want to thank you for the opportunity to present my views on "minority business and its contributions to the U.S. economy." I would also like to think this distinguished committee for providing this forum for such a crucial and timely topic.

As editor and publisher of black Enterprise magazine, it has been my good fortune to record the most recent wave of growth of black-owned businesses in this nation.

Contrary to much of previously recorded history, the stories of successful black businessmen and women are as old as the history of America. Many of the blacks who arrived on the shores of this new land in the seventeenth century as slaves or indentured servants were able to work to purchase their freedom—buy their own land and partake in the mainstream of infant America.

In our proud history, there have been major black shipbuilders and shippers. We have seen highly successful black merchants who pioneered in the fields of catering, barbering and clothing manufacturing. But it was all taken away in the mid-nineteenth century by another set of restrictive laws designed to protect the large influx of European immigrants. In 1930, for example, black Americans owned 70,000 businesses and 134 banks. But, it was all lost during the depression. The last significant period of growth for black businesses began after the civil rights movement in the late sixties.

This June's issue of Black Enterprise magazine examined the growth of the leading black-owned companies in America over the past decade and within the last year. Let me share some of the facts with you.

Total revenues for the "top 100" black-owned businesses grew 24.2 percent in the past year—from $1.5 billion to $1.9 billion. The cutoff point for inclusion on the "black enterprise 100" list was $6.5 million in sales this year, as compared to $5.2 million for last year's list.

More important than the remarkable growth in the past year, is the substantial progress that the "top 100" black-owned businesses made over the past decade. Then years ago when we compiled the first "BE 100" list, that list totalled $459 million in sales. The 1982 list comes very close to $2 billion in sales. When adjusted for inflation, this marks a real increase of more than 80 percent. During this same period, the gross national product grew by only 24 percent in constant dollars.

The bottom line is that the "top 100" black-owned businesses in America grew at a rate of more than three times that of the economy at large during the past decade. That is—I'm sure you'll agree—an incredible achievement in the face of unrelenting inflation, an energy crisis, high interest rates, credit crunches, and our traditional problems of access to capital and markets.

Strongest growth for the "BE 100" occurred in the middle and lower reaches of the list between 1972 and 1981. The median sales for our middle-size companies—those ranked between 50 and 51—skyrocketed more than 500 percent in the last ten years, from $2.35 million in 1972 to $13.45 million in 1981. This represented a gain in constant dollars of 159 percent. The cutoff point for inclusion of the "BE 100" in ten years jumped from $1 million to $6.5 million, while the sales leader for every "BE 100" during this period—Motown Industries—grew slightly from $40 million to $91.7 million.

The first "BE 100" list was dominated by firms in three strong consumer-oriented categories—automobile dealerships, entertainment businesses and publishing firms. In recent years, however, the "top 100" list has become more diversified—showing strong performances by companies involved in new technologies and in energy distribution, as well as firms that cater primarily to black consumers. Construction companies located in major cities where there is considerable black political clout, such as Atlanta, Ga.—Senator Nunn's home state—have also made substantial gains in recent history.

During this same decade, the number of paid employees for the "top 100" companies increased by over 127 percent—from 9,267 paid employees in 1972 to 21,043 paid employees in 1981.

Despite the seeming phenomenal growth experienced by companies listed on the "BE 100", the outlook for the future is still cloudy. We will not know the full impact of the current recession for some time, however, early indications, are not good. In the auto industry, for example, where blacks were once represented in substantial numbers as auto dealership owners and operators, the situation is grave indeed.

Many existing auto dealerships are literally hanging on by their fingernails, wondering how they are going to survive the next few months.

Additionally, the present atmosphere of government budget cuts and changes in regulations of such efforts as the SBA 8(a) program are placing many black-owned firms in a very precarious position. Many of these firms that were once able to secure contracts from the private sector on the basis of their successful participation in the SBA 8(a) and Federal procurement programs are beginning to find that even these limited opportunities are no longer available to them.

While there is widespread debate—even among the black enterprise board of economists—concerning the role the Federal Government should play in private enterprise, there is universal agreement that governmental policies and regulations do have an impact—both positively and negatively—upon the marketplace.

Because discrimination has resulted in a "capital gap", noted economist Dr. William Bradford of the University of Maryland feels that, "there is justification in the government's stepping in to assist people who are going into business."

American Stock Exchange Chairman Arthur Levitt, who also chaired the 1980 White House Conference on Small Business, feels that for government, "not to get involved is tantamount to putting a foreclosure sign on the doors of black businesses."

"The new beginning hailed by this administration," Levitt said, "can and should be a new beginning for black businesses too. It should and must be the beginning of a drive to keep black businesses in the black • • • and very much in business."

As editor and publisher of Black Enterprise magazine, and as a businessman who happens to be black, I would hope that the outcome of these hearings and of any resulting legislation will do just that: "Keep black business in the black • • • and in business."

Thank you.

STATEMENT BY JOHN HALL, PRESIDENT OF MARK BATTLE ASSOCIATES, INC., MEMBER OF PROGRESS, INC., MEMBER OF THE BLACK PRESIDENTS' ROUNDTABLE ASSOCIATION

My name is John Hall. I am president of Mark Battle Associates, Inc., and I am a member of Progress, Inc., and the Black Presidents' Roundtable Association—two minority business trade associations. My background includes more than ten years of consulting in urban economic development, with particular emphasis on small business development. I have recently conducted specific research on the 8(a) program of the U.S. Small Business Administration and its importance as a component of a national minority enterprise development policy, resulting in the document, A Case for Government Support of Minority Enterprise, August 1981.

The research which I have recently conducted on behalf of these two minority business trade associations leads me to use this time to make the case for five specific goals for minority business development policy and programs throughout the Federal Government. These goals are as follows:

The Federal Government should:

Provide incentives, policies and programs for increasing the number of minority-owned businesses;

Provide incentives, policies and programs for increasing the number of fast-growth, minority-owned businesses in the high technology industries which tend to generate jobs at a rapid rate;

Eliminate the artificial barriers to the development of minority businesses, through the full implementation and enforcement of existing laws, regulations and executive orders, and by facilitating the prudent availability of seed and equity capital to minority businesses at affordable rates;

Facilitate the development of well-planned, controlled business environments such as industrial parks and employment centers in low-income areas (exclusive of enterprise zones) which effectively reduce the costs and the risk of doing business in those areas;

Provide incentives, policies and programs for minority as well as nonminority businesses to locate in or near minority communities (exclusive of enterprise zones).

The reasons for promoting the above policies and programs are compelling. It is quite tempting in this recessionary environment to blame the dismally high minority unemployment rates on cyclical factors which are expected to correct themselves when the entire economy recovers. The facts are overwhelming, however, that the huge numbers of unemployed minority Americans, particularly unemployed black Americans concentrated in our central cities, are emerging as a permanent dependent sector of our population which is increasingly desperate for sources of self-sufficiency. We need no innovation in this society to design the model source of self-sufficiency—that model is the small business. The unofficial black unemployment rate has not been under 20 per-

cent in the past five years (this rate includes those who want a job but no longer are actively seeking one as well as part-time workers who want full-time work). This rate currently exceeds 29 percent.

Historical trends further suggest that the problem of minority unemployment is likely to be even more severe in the future than it has been in the past. Not only has the government sector been contracting and laying off workers in recent months, but trends in the location decisions of large manufacturers as well as small businesses suggest that the jobs are going in one direction and minorities are going in another.

There is still an unfortunate lack of adequate data describing the current and historical condition of minority businesses. However, available data indicate that minority-owned firms provide jobs for more than one-half of one percent of the labor force, yet minority Americans account for more than 20 percent of the population. These percentages represent an important opportunity for minority business development policy, for the underutilized capacity in the minority business community represents a tremendous frontier of development, an underutilized source of job creation, innovation, entrepreneurial creativity and competition in an economy facing massive needs for economic stimulation in the central cities.

A review of the 8(a) program of the Small Business Administration is instructive as it relates to how the Federal Government approaches developmental needs of minorities. It focus on the 8(a) program for a purpose. It is clearly a controversial program that has been the subject of a great deal of uncomplimentary publicity. My research on the program revealed the difficulties have been widely disseminated but the notable accomplishments of the 8(a) program are not well known, are not understood and are not appreciated because the 8(a) story has not been conveyed to the public in a balanced way. Numerous studies have been conducted that highlight the positive and negative aspects of the program. The following positive factors are not widely known. The 8(a) program has been effective in:

Providing otherwise inaccessible management experience to thousands of minority-owned firms;

Providing thousands of minority firms with access to an otherwise largely inaccessible governement procurement marketplace (see exhibit 2);

Increasing the capacity in minority Americans for self-sufficiency;

Providing track records for 8(a) firms;

Helping many firms qualify for non-8(a) governement and commerical work;

Illustrating to many skeptical government officials that minority firms can perform effectively;

Providing a variety of types of satisfactory technical and financial assistance to participant firms;

Helping thousands of firms increase sales and income;

Helping many firms resolve bonding problems;

Helping many firms improve credit capabilities;

Expanding the employment and skills mix of 8(a) firms.

Based on the types of developmental needs which exist in minority communites, particularly the absence of sizable programs that help minority entrepreneurs to gain valuable management experience, it becomes clear that the 8(a) program is the most effective federal mechanism developed to date to increase the market share and viable participation of minority Americans in the U.S. economic mainstream. Federal Government intervention in many sectors of the economy has served as a barrier to development. Quite the opposite is true with respect to minority enterprise where certain Federal programs have been quite successful in selected areas and are vital to the health of the entire minority business community.

In 1977, nearly 3,500 minority-owned firms employed more than 50 employees. However, the data make it very clear that minority American businesses are still at an embryonic stage of development. A comparison of the performance of some of the U.S.'s largest minority-owned businesses, the fastest growing small nonminority businesses and the largest established businesses in the U.S. dramatically reveals the magnitude of the underutilized capacity in the minority business sector.

Federal Government policies seriously need to reflect an appreciation for the importance of the interlocking linkages between recovery of the U.S. economy, revitalization of economically depressed areas of our central cities, high minority unemployment rates and minority business development programs. Each minority business is a unit of capacity for minority self-sufficiency. Expanding minority businesses, therefore, expands the minority capacity for self-sufficiency. Failure of the government to exploit this frontier of underutilized capacity through cost-effective minority business development programs perpetuates the disproportionate dependence of minority Americans on the larger economy for jobs and income supports.

STATEMENT BY RAGAN A. HENRY, PRESIDENT OF BROADCAST ENTERPRISES NATIONAL, INC. AND PUBLISHERS ENTERPRISES NATIONAL, INC.

I am particularly concerned with the plight of minority business in the economic climate that presently besets us. Most of these minority businesses were commenced in the last ten years. They were commenced by entrepreneurs who borrowed very heavily, sometimes borrowing 90 percent or more of the capital involved in their business at floating interest rates. Not only am I concerned for those minority businesses that now exist, but I am also concerned with the large number of minority people who were taught for years by their Government to believe that the way to be upwardly mobile in our society was to start and operate small businesses. Again, the present economic climate may make it entirely impossible for many of these people to reach that dream which has been and still is held out before them.

I am in the broadcast business. Traditionally, our industry has grown at a 12 percent growth rate for many years. Recently this growth rate has declined. Many properties, including several of mine, were acquired with loans at the prime rate, plus some additional charge. For much of the last two years, we have thus been faced with 19 to 21 percent interest rates. The first year I was in business we had ten prime rate changes and a one point difference between the high and low. In 1980 we had 41 changes and a ten point difference between the high and low. Even if I am successful in operating my properties, and I believe that I am, the mathematics of the situation will not work over the long run. There is no way that highly leveraged companies can continue to pay 19 to 21 percent interest rates in an industry that is growing at less than 12 percent per year, and my industry's growth is better than most.

I believe that this situation is faced by most minority business people today. There are only two things they can do. One is to fail. If they are fortunate enough, as in our case, to have built up substantial assets, then the alternative is to sell off some of the assets to eliminate debt. Neither alternative is desirable. At a time when a goal is to build up small business, forcing that business to sell off assets actually means smaller and fewer small businesses. Business failure is the ultimate defeat, both for the individual and for the country as a whole. We now live in an economic climate when one can have the most successful business in terms of the old standards and still perish.

In addition to the interest rate climate, minority business could be affected by what may be a developing credit crunch. If the Government operates with huge deficits and has to borrow huge amounts of money, this will leave less money available to lend to large and small private businesses. Since it is largely true that minority businesses are the last to be financed and in many instances are the most highly leveraged in the market place, any credit crunch would mean that they would be left out. Literally, minority businesses are the last to receive credit and, if a shortage of funds to lend develops, they will suffer the most.

Given the above two situations, it is absolutely necessary to consider the importance of government programs as the only real alternatives that minority businesses may have.

The MESBIC programs have filled a much needed role for minority businesses, and their capabilities need to be expanded but on a different basis than they presently operate. The MESBIC program could be greatly improved if the government would buy non-voting stock in the MESBIC's equal to or greater than their present capital with the requirement that MESBIC's be required to invest the proceeds of such stock purchases as pure equity in minority businesses and not as loans.

With the build-up in defense spending and other Governmental spending, the Government may be the best available source of business for many minority entrepreneurs. However, there is reason to think that Government bidding procedures must be reviewed and revised if minority business is to benefit.

In summary, these are very hard times for small business and small minority business in particular. There is a real need for more, not less, support from the Small Business Administration, the MESBIC's and other government programs intended to support minority business.

MARY ALICIA ROACH PAIGE, PRESIDENT, COMPUTER ENGINEERING ASSOCIATES, INC., AVON, MASS.

CEA is a small disadvantaged firm which is currently certified through the Small Business Administration under the 8(a) program. We provide computer services such as software development, on-site support, systems and maintenance support, systems planning and integration, conduct various research activities for both government and commercial industrial organizations.

I started CEA, after having a career in library service, both with the federal govern-

ment and town government, totalling 24 years. CEA was incorporated approximately 3½ years ago.

My two partners joined me at the opening of CEA as employees. They had agreed to work under contract for minimal or no salary for 1½ years. It was agreed that if we were still in business at that time, I would sell them each 20 percent of my stock. Eighteen months later, I was certainly glad for that agreement. Although we had won some small contracts, my start-up money was almost depleted, and the capital investment that my two employees injected into the corporation for their stock purchase certainly helped the situation.

We sustained ourselves by winning small and medium sized contracts competitively through the Commerce Business Daily. In many cases when our proposals were turned down, we were given reasons such as, "You're too small and new," "You don't have the experience" or "You do not have the cash flow we consider necessary to carry the job to its conclusion".

I needed a loan, so I applied to many banks. Banks simply would not even discuss ways I could get a loan with them. It was frustrating. They said I had poor cash flow and needed money too badly. I went to them for a loan because I needed money. I went to SBA to apply for a working capital loan. At this meeting I was told about the 8(a) program. Let me state, at that time I knew nothing about this program. But I decided to apply for 8(a) assistance to strengthen my company. Although I appreciate SBA's assistance, I must say that this agency, had imposed several obstacles. When I carried my initial paperwork into the SBA Region I's office, the gentleman I dealt with looked at me with a smirk on his face and asked, "Ms. Paige, why would you want to open a consulting firm, why didn't you open something like a hat shop". Again, I was facing the old stereotyped attitude.

Finally, after 2½ years of operation and 7 months on the 8(a) program, I was able to finalize a guaranteed loan through SBA with Commercial Credit Financial Corporation. I have not missed a payment since the loan was finalized. By the time I did receive the loan, I was deeply in debt. I had stayed in business only because of our competitively won contracts. Each contract was used to sustain the staff members who executed the contract.

I must admit that the 8(a) contracts that I currently enjoy and have completed would not have been open to me without this certification. I have been very conscientious about the contracts I have received, and because of that fact, I have been successful in changing the mind of a few contracting offices about the abilities of 8(a) firms.

The SBA also has a great need for improvement in its management information system, especially in its database for Small Business and 8(a) assistance. At the present time, they cannot affectively track or assist companies on the 8(a) program simply because of the (PASS) database ineffectiveness.

I personally feel there should be a definitized government policy in the form of more subcontracting opportunities from prime contractors for minority contractors. There is evidence that these primes are making far too little effort to contract with monorities. There should also be a much larger percentage of Federal Procurements made to minority contractors.

There is not need for any fancy reorganization or consolidations. Just make the programs that are now in place work as they were originally intended, so they can be fully effective.

My complaint as a black woman, is that people refuse to believe I am serious. My color gets in their way. I have been marketing my capabilities in the private sector, to insure that in the future I will have the means of added growth, thus removing myself from the program, as this is the programs intent.

I have had a hard time, as a socially and economically disadvantaged person, establishing myself in spite of the prejudices of many persons who are supposed to be in a position to help me attain the American dream. Without sufficient active government support at all levels the situations that now exist for us all will continue and grow stronger. I like all other socially and economically disadvantaged persons, have a great need for government support in both capital and credit.

By persevering, CEA has grown from a company of four people to one that now employs 23 across the nation. Our sales have gone from 0 dollars at start-up in 1979 to over $500,000 last year and still more growth expected this year. I am now moving into a position to be able to help other minority companies in their fight for certification, loans or just plain honesty from agencies like SBA. We, like all other Americans, have rights, and among these is our right to be respected and considered as an integral part of the economy by those we helped put in office.

STATEMENT BY MARCUS M. GRIFFITH, PRESIDENT, THE HAIRLOX CO. INC.

I am Marcus M. Griffith, President of The Hairlox Company, Inc., of Washington, D.C. I am here today representing The American Health and Beauty Aids Institute of which my company is a member. The American Health and Beauty Aids Institute is a recently established association of minority firms that manufacture and market health and beauty aid products.

I think I speak for all the CEOs of our Institute when I say that we are a special breed of minority businessmen who consider ourselves to be rugged individualists and totally self-reliant if not self-made within the limits of such a term. We operate our companies almost exclusively in the private sector and in the best traditions of the Puritan work ethic and the free enterprise system. We represent the oldest industry in which Blacks have been traditionally successful, beginning from the year 1919 to the present. Most of us have built our companies with minimal financial assistance from other sources. Yet today, our member companies employ some 1500 persons with an annual payroll of approximately $25 million and gross sales of approximately $200 million.

I have emphasized these points because I want it to be known from the outset that the Institute does not subscribe to the view that minorities can only succeed in business with massive governmental assistance. There is, in my opinion, a time and place for the right kind of Federal assistance, but that assistance does not necessarily have to be extremely costly, as I will indicate.

I am pleased to report to this Committee that some of our member companies that received Federal assistance at the early stages of their development are now not only successful, but are among the top 100 Black firms in the country. One of these companies, M & M Products Company of Atlanta, Georgia, received the Small Business of the Year Award this year from the Small Business Administration. This company, whose president was recently honored at the White House for its achievements, now employs more than 400 persons and contributes significantly to the welfare of the Atlanta, Georgia community in many other respects.

Another outstanding success story among the Institute's members is that of the Soft Sheen Products Company of Chicago, Illinois. This company received three separate loan guarantees from the Small Business Administration, two of these during the early stages of its development approximately 10 years ago. Without these loan guarantees, the Soft Sheen Company may never have realized its present growth. The result has been a company that has grown from five employees, basically the family, to approximately 400 today.

Mr. Chairman, these are real life examples of minority firms that have received Federal backing at a crucial phase in the company's development which enabled them to attain their status in today's marketplace. There are many other success stories throughout the minority business community that are too numerous to relate at this hearing, but I should emphasize at this time, Mr. Chairman, that the greatest problem of minority business development is the problem of entry. It is true that the embryonic stages are by far the most crucial in the life cycle of all businesses, but traditionally, it has been, and remains, a considerably more difficult stage for minority small businesses.

The minority entrepreneur has to overcome both the customary economic barriers to entry and growth, as well as the artificial barriers based on age-old prejudices and stereotypes. Without various forms of Federal assistance, this dual burden becomes too great in most cases for the average minority entrepreneur to bear.

My own experience with these programs has been in the area of marketing. In 1975, with the help of the Small Business Administration, the Office of Minority Business Enterprise, and four other Federally assisted organizations dedicated to the development of minority business, my company was able to penetrate the private sector of the marketplace in a manner that might not have been possible without such help. As a result, my company was able to develop the cash flow necessary to provide for its growth. My company now employs 32 persons here in Washington, D.C., contributing more than $200,000 annually to the city's payrolls. It is my own opinion that Federal assistance in the areas of marketing and management training is equally as important as loans and loan guarantees, because assistance in these critical areas enables the minority entrepreneur to "fish by himself and for all time," and not merely gives him the proverbial "fish for one day."

In spite of the success stories I have recited, and there are many, many others out there, most of what we hear and see is the government cutting back on this form of support to the minority business community. We do not understand this action, Mr. Chairman. It makes no sense economically, socially or even politically. Throughout this hearing you will hear evidence of successful minority business development due totally or in large part to a constructive and positive government policy. Retreating at any level on this commitment would be disastrous and only add to the economic disen-

franchisement of the minority business community, stifling the economic growth and advancement of Black America and other minority interests.

In closing, although we acknowledge that many positive contributions have been made, we feel that much, much more remains to be done by both the Federal and state governments in order to advance minority business development.

Mr. Chairman, the Black business community does not want "giveaway" assistance. We expect to pay our way, but minority firms undoubtedly need help to overcome the economic and artificial barriers that prevent us from taking our rightful place in the nation's economic mainstream. Whatever this Committee can do to help transmit this message to the decision-makers at all levels of government will be greatly appreciated.

STATEMENT BY EDWARD MAYORGA, PRESIDENT, R. & E. ELECTRONICS, INC., WILMINGTON, N.C.

Mr. Chairman, Members of the Committee, I am very pleased to have been given the opportunity to speak before you on "Minority Business and Its Contributions to the U.S. Economy."

I must admit, my initial contribution was extremely small in scope. I purchased R. & E. Electronics in 1974 for $6,000 borrowed from my parents. That year, R. & E. Electronics had total gross sales of $34,058. In addition to having a large deficit net worth, salaries for the three (3) full time employees totalled $16,044. Equipment suppliers were a major concern of mine. Not only were we purchasing a very small amount of equipment, but we could not ensure that new orders could be paid for.

The SBA turned us down when we applied for a direct loan. We were unable to find a bank that was willing to work with us in the SBA guarantee loan program. We were unable to get into the 8(a) program since we fell below their minimum economic standards.

Six years later, we will now do approximately $3,500,000 in business this year, using 32 full time employees earning a total of $460,000 in salaries. Dukane Corporation sold us approximately $4,600 worth of equipment in 1976. This year we will purchase over $800,000 from them.

We have had a number of hills to climb the last seven years. That initial hurdle was to acquire sufficient capital necessary to support day to day operations and allow us to grow. Our last alternative to reaching this objective was Mesbics. We applied to 78 Mesbics across the country in 1977 for financial assistance. Of the five that corresponded, two stated they would visit our operation. One Mesbic made their visit conditional upon us paying their traveling and per diem expenses. After paying their stipend, they came down, promised the world and never corresponded again. The Sears Mesbic, Tower Ventures made a concerted effort to investigate us fully in order to make a determination on our qualifications for financial assistance. According to Sears, the $30,000 capital assistance loan was reluctantly made under the guise of compassion and a possibility of potential.

In early 1981 we attempted to establish ourselves as a distributor of several major manufacturers in order for us to compete in larger contracts. Northern Telecom, Inc., a major supplier of telecommunications equipment, was receptive to the idea of working with us. We were negotiating with GSA on a contract worth nearly $1,000,000 using Northern Telecom equipment. During final negotiations Northern Telecom arbitrarily and capriciously terminated our agreement without consultation. They took it upon themselves to notify GSA of their action. This deprived us of an important economic right without due process and without the slightest sense of fair play. Because of this, GSA terminated negotiations. We appealed, and GSA relented by giving us 30 days in which to reconfigure an entirely new system using another supplier. Seven days prior to their deadline we were able to get in touch with General Dynamics/Stromberg-Carlson. They literally rolled out the red carpet. Not only did they supply quality, professional assistance, we were able to reduce the price to the Government by $130,000.

Public Law 95-507 is a great tool for Minority owned firms to use in order to achieve market penetration. This tool is only good if the law is enforced. Unfortunately, as in the case of Northern Telecom they feel their support of Minority Owned Business is simply a matter of them certifying they have made an attempt. Unless larger corporations are forced to at least investigate the possibilities of procuring services from Small and Minority Owned Concerns, they will not.

Public Law 95-507 is not a handout program. The end result can only benefit the small business in general. Unless Corporate America is made aware of the fact that our laws will be enforced, Small and Minority Owned Businesses will not be given the opportunity to grow and achieve a viable position in today's economy.

Our growth curve this year will be three hundred and fifty percent (350%) greater than last year. Twenty-five percent (25%) of our work this year will be 8(a). By establishing ourselves as a company capable of negotiating million dollar 8(a) jobs, this has given us the credibility to negotiate and bid on large commercial projects outside the 8(a) program.

Over the years we have picked ourselves up by using a number of sources of help, many of which the Government has directly and indirectly supported. Without the assistance received from organizations and programs such as the SBA, EDA, MESBICS, 95-507, and LAMA, I would not be here today. I am very proud to say that every project we have ever worked on we have completed on time, on schedule, within the budget and always at a competitive price. Every dollar we have ever borrowed, we have paid back with interest. Due to the assistance that we have received in the past, we are able to return to our community a viable business with a substantial tax base and payroll. Additionally, we are supplying a needed product at a competitive price.●

CONGRESSIONAL CONTROL OF SUPREME COURT JURISDICTION: A REPLY TO ATTORNEY GENERAL SMITH

● Mr. EAST. Mr. President, I would like to share with my colleagues an excellent response to Attorney General Smith's recent contention that Congress is limited by a "core function" theory should it endeavor to limit the appellate jurisdiction of the Supreme Court in cases involving prayer in the schools. The author of this scholarly response is Hermine Meyer, who recently published an interesting work on the Constitution entitled, "The History and Meaning of the Fourteenth Amendment."

Writing to Chairman THURMOND and other members of the Senate Judiciary Committee, Dr. Meyer argues convincingly that congressional reliance upon its article III powers to restore prayer to the classroom is entirely in keeping with the intentions of the framers and the doctrine of separation of powers. Moreover, she rightly insists, the Supreme Court usurped the powers of the States over matters involving church-state relations when it incorporated the establishment clause into the due process clause of the 14th amendment. A withdrawal of Federal court jurisdiction over cases involving prayer in the public schools would therefore return us to the original purpose and design of the establishment clause by lodging in the highest courts of each State final authority to review such practices.

Mr. President, I urge my colleagues to examine Dr. Meyer's findings carefully and ask that her letter of June 20, 1982, be printed in the RECORD at the conclusion of my remarks.

The letter follows:

HERMINE HERTA MEYER,
ATTORNEY AT LAW,
Chevy Chase, Md., June 20, 1982.

Hon. STROM THURMOND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

Re: A response to the letter of the Attorney General of May 6, 1982, concerning S. 1742.

DEAR MR. CHAIRMAN: My attention has been directed to a letter signed by the Honorable William French Smith, Attorney General of the United States, dated May 6, 1982, addressed to you.

The letter states, "It is written in response to a number of earlier inquiries from members of your Committee concerning S. 1742, a proposal which would withdraw jurisdiction from the Supreme Court to consider 'any case arising out of any State statute, ordinance, rule, [or] regulation * * * which relates to voluntary prayers in public schools and public buildings.'"

It seems that those members of your Committee wanted to have the Attorney General's view on such proposed legislation, and we could accept it as such. But an opinion of the Attorney General carries great weight. Therefore, regrettably, it needs to be shown that this opinion arrives at conclusions which are supported by inferences and conjectures rather than by the Constitution itself and its sources.

The proposed legislation involves two important constitutional questions:

First, What powers has the Constitution granted to Congress over the appellate jurisdiction of the U.S. Supreme Court?

Second, Did the Constitution grant federal judicial power in suits by individuals against a State relating to prayers in State public schools so that the federal courts could rightfully take jurisdiction?

The Attorney General did not consider the second question.

If it can be shown—and I think it can—that, when taking jurisdiction over the suits against the States relating to prayers in

their schools, the federal courts have exercised a power which has not been granted to them by the U.S. Constitution, then, by preventing them from taking jurisdiction in such cases, Congress would not "strip" or "deprive" them of anything, but would merely reestablish constitutional conditions which the Supreme Court has disturbed.

I. The power of Congress over the appellate jurisdiction of the Supreme Court has been given Congress by the U.S. Constitution without any condition and was intended to serve as a check on the Supreme Court.

The judicial power granted to the United States by the U.S. Constitution appears in Article III, Section 2, as follows:

1. The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their authority; —to all Cases affecting Ambassadors, other public Ministers and Consuls; —to all Cases of admiralty and maritime Jurisdiction; —to Controversies to which the United States shall be a party; — to Controversies between two or more States; —between a State and Citizens of another State; —between Citizens of different States, between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

2. In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

This clause has been modified by the Eleventh Amendment, as follows:

The Judicial Power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

Clause 2 of Section 2, Article III, refers, of course, to those cases in which the grant of power is made in Clause 1.

As can be seen, the Constitution has given the Supreme Court original jurisdiction in a few enumerated cases. In all other cases, the Supreme Court has been given appellate jurisdiction "with such Exceptions and under such Regulations as the Congress shall make."

Those who do not wish to concede that Congress has plenary power over the appellate jurisdiction of the Supreme Court, concentrate on the word "exceptions" and argue, as the Attorney General does, that the concept of an "exception" means "an exclusion from a general rule of law." As others who do not wish to concede plenary congressional power over the appellate jurisdiction of the Supreme Court, the Attorney General forgets to mention the word "regulations." Thus he comes to the conclusion, "that Congress can limit the Supreme Court's appellate jurisdiction only up to the point where it impairs the Court's core functions in the constitutional scheme," (at p. 6), without, however, telling us what these "core functions" exactly are. He sees his conclusion supported by events at the Federal Convention of 1787, where the Constitution was drafted, and which he describes as follows: (at p. 6).

"The Resolves which were agreed to by the Convention and given to the Committee of Detail provided, simply, that 'the jurisdiction (of the Supreme Court)* shall extend to all cases arising under the Natl. Laws: And to such other questions as may involve the Natl. peace & harmony.' No mention was made of any congressional power to make exceptions to the Court's jurisdiction. The Committee of Detail, charged with drafting a provision to implement these Resolves, proposed the language of the Exceptions Clause. It seems unlikely that the Committee of Detail could have deviated so dramatically from the Convention's Resolves as to have given Congress the authority to interfere with the Supreme Court's core functions without considerably more attention to the subject at the Convention."

It is strange that the Attorney General would attribute such importance to this Resolve as to infer from it that the exceptions clause was not intended to give Congress plenary power over the Supreme Court's appellate jurisdiction, because this Resolve had disappeared when the exceptions and regulations clause was first proposed by the Committee of Detail.

It seems, however, that the Attorney General ignored the most important events of the Convention. The great controversy was between those who wanted a strong "national" government in which the States were reduced to mere administrative provinces, and those who wanted a federal system in which the "general government" had only such limited powers as were delegated to it by the States, and in which the States retained full sovereignty over the powers not delegated.

The centralists were behind the So-called Virginia Plan[1] which provided for a national government with general undefined powers. Thus, Resolution 6 of that Plan provided for a National Legislature which was to be empowered "to legislate in all cases to which the separate States are incompetent, or in which the harmony of the United States may be interrupted by the exercise of individual (meaning State) Legislation." Resolution 9 provided for a National Judiciary whose jurisdiction was to extend to certain specified cases and over "questions which may involve the national peace and harmony." Resolutions 6 and 8 subjected every State law, before it could go into effect, to the approval of the National Legislature and a Council of Revision, composed for the Executive and members of the National Judiciary.

In the first rush, this plan was largely accepted. But soon opposition grew, and on June 15, 1787, the so-called Patterson Plan was submitted to the Convention[2] which enumerated a number of powers which were to be added to those already "vested in the United States in Congress" (that is under the Articles of Confederation), and which provided for a federal judiciary to consist of a supreme Tribunal with original jurisdiction only over impeachments of federal officers, and appellate jurisdiction over a few specified cases. The jurisdiction over all other cases was to remain in the State courts. There was no national revisionary power of State laws. Instead, it was replaced by Resolution 6 which was to become the supremacy clause, and by which the States accepted as "supreme law of the respective States" the acts of Congress made "in pursuance of the powers hereby and by the articles of confederation vested in them" and all treaties made and ratified under the authority of the United States, "and that the Judiciary of the several States shall be bound thereby in their decisions, anything in the respective laws of the Individual States to the contrary notwithstanding."

Although the Convention first rejected the Patterson Plan and decided to proceed on the Virginia Plan,[3] the fundamental ideas of the Patterson Plan of a central government with limited delegated powers and a residual sovereignty remaining in the States in the end prevailed.

The first determined opposition to the Virginia Plan developed against the participation of judges in the law making process. It was generally felt that the elected representatives of the people ought to be relied on as the guardians of their rights and interests. Also it was argued that confidence in a supreme judiciary will soon be lost if the judges are employed in the task of remonstrating against popular measures of the legislature.[4]

Equally strong was the opposition to the idea that the States would have to submit all their laws to a national authority for approval. This too was thrown out by the Convention.[5] As a substitute for the discarded national veto power on state laws, Luther Martin, Attorney General of Maryland, offered a supremacy clause similar to that of Resolution 6 of the Patterson Plan. This was agreed to unanimously.[6]

On July 23, 1787, the Convention agreed to a motion by Gerry to refer the proceedings of the Convention for the establishments of a National Government to a Committee "to prepare and report a Constitution conformable thereto."[7]

By that time, there had been no general debate concerning an enumeration and definition of the powers of the general government, although there had been early demands for it.[8] Although we have no recorded evidence, I think it is permissible to infer that the Committee of Detail was entrusted with that task, because that is exactly what it did.

From documents printed in 2 Farrand 129-175, we have a pretty good picture of the work of the Committee. Document I evidently represents the proceedings referred to it by the resolution of July 23. It contains the Resolves concerning the powers of the national legislature essentially in the same language as in the Virginia Plan [9] and also the jurisdicational Resolve, namely, "That the Jurisdiction of the national Judiciary shall extend to Cases arising under the Laws passed by the general Legislature, and to such other Questions as involve the national Peace and Harmony."[10]

In Document III(15) the Constitution gave Congress exclusive Power "of instituting a federal judicial Court, to which an Appeal shall be allowed from the judicial Courts of the several States in all Causes wherein Questions shall arise on the Construction of Treaties made by the United States.—or on the Law of Nations—or on the Regulations of United States concerning Trade & Revenue—or wherein United States shall be a Party." All other powers are also enumerated.[11]

Document IV(7) provided: "The jurisdiction of the supreme tribunal shall extend 1. to all cases, arising under the laws passed by the general Legislature, 2. to impeachments of officers, and 3. to *such* other cases, as the national legislature may assign, as involving the national peace and harmony," in certain specified cases. "But this supreme jurisdiction shall be appellate only, except in Cases of Impeachment & (in) those instances, in

*Footnotes at end of article.

which the legislature shall make it original . . ." [12]

Finally, in Document IX, the proposed Constitution appeared largely as it was reported to the Convention on August 6.[13] All powers of the legislature were carefully enumerated. Art.XI, Sect. 3 provided: "The Jurisdiction of the Supreme Court shall extend to all cases arising under laws passed by the Legislature of the United States," and to controversies between certain named parties and concerning certain named subject matters. It was further provided that in a few named cases "this jurisdiction shall be original. In all the other cases before mentioned, it shall be appellate, with such exceptions and under such regulations as the Legislature shall make." [14] Such vague language as "questions as may involve the National peace and harmony," had disappeared.

Two motions to amend the exceptions and regulations clause were made in the Convention on August 27. Only the second one is mentioned in the Attorney General's letter (at p. 6), and only that one appears in Madison's notes.[15] Both are reported in the Journal. The first one reads:

"In all the other cases beforementioned original jurisdiction shall be in the Courts of the several States with appeal both as to Law and fact to the courts of the United States, with such exceptions and under such regulations, as the Legislatures shall make." [16]

This motion was withdrawn. The second motion reads:

"In all other cases before mentioned the Judicial power shall be exercised in such a manner as the Legislature shall direct." [17]

The Attorney General believes that by rejecting this (second) motion, the Convention "rejected a clear statement of plenary congressional power over the Supreme Court's appellate jurisdiction." (at p. 7). However, it must be taken into consideration that the amendment was to follow the enumeration of the cases in which the Supreme Court was to have original jurisdiction. Therefore, the acceptance of the amendment would have given Congress power not only to direct the exercise of the Supreme Court's appellate jurisdiction, but also to add to the Court's original jurisdiction. It could be argued that the amendment was rejected for that reason, a very reasonable argument. If one bears in mind the efforts of several delegates to keep original federal jurisdiction in the state courts.

The first motion was probably withdrawn because a provision in the Constitution authorizing appeals from State courts to lower federal courts had no chance of passing, and it was taken for granted that the State courts would have original jurisdiction in all cases not specifically assigned to federal courts.

But one thing can be said with certainty: the Framers wanted to leave the entire power of regulating the appellate jurisdiction of the Supreme Court to the Congress. This has been clearly stated by Chief Justice Ellsworth in *Wiscart* v. *Dauchy*, 3 U.S. (3 Dall.) 321 (1796), the first case involving the meaning of the exceptions and regulations clause. In that case, the Supreme Court had decided that "civil cases" in § 22 of the Judiciary Act of 1789 included admiralty cases, and that that provision authorized the Court to take jurisdiction in an appeal as to law (writ of error) in an admiralty cause.

Justice Wilson dissented. He said that notwithstanding the provisions of the Judiciary Act, and appeal as to fact (appeal) is the proper mode of removing an admiralty cause. Such an appeal was expressly sanctioned by the constitution. This gave the Supreme Court authority to take jurisdiction over an appeal as to fact in admiralty causes, even if a positive restriction existed by law. In other words, Justice Wilson took the position of the Attorney General that in a certain sphere the Supreme Court could take jurisdiction on appeal without, or even against, congressional legislation, indicating that Congress did not have plenary power to regulate the Supreme Court's appellate jurisdiction.

Against this, Chief Justice Ellsworth found it necessary to write a rebuttal in support of the Court's rule. He stated, the Constitution has given the Supreme Court appellate jurisdiction "with such exceptions and under such regulations, as the Congress shall make." And he continued:

"Here then, is the ground, and the only ground on which we can sustain an appeal. If Congress has provided no rule to regulate our proceedings, we cannot exercise an appellate jurisdiction; and if the rule is provided, we cannot depart from it. The question, therefore, on the constitutional point of an appellate jurisdiction, is simply, whether Congress has established any rule for regulating its exercise?" [18]

This was not a mere dictum, as the Attorney General seemed to believe (at 12). Rather, it was a clarification of the Court's ruling that it could take jurisdiction on appeal only if Congress has made a rule, and only in accordance with that rule. The issue was, after all, whether the Supreme Court had jurisdiction in an appeal as to fact in an admiralty case although Congress had provided no law for it. Justice Wilson said yes, but the Court said no and treated the case as an appeal as to law in a civil case, for which Congress had provided a rule.

The debates of the Federal Convention do not give the slightest indication that there was something like an area called "the core functions of the Supreme Court" into which congressional regulations of the Court's appellate jurisdiction could not intrude. An occurrence on the eventful August 27, 1787, gives us a good picture of what the Framers intended the functions of the Supreme Court to be. This was Madison's reaction to the motion to add a provision extending the Supreme Court's jurisdiction to cases arising under this Constitution. Madison recorded it as follows:

"Docr. Johnson moved to insert the words "this Constitution and the" before the word "laws."

Mr. Madison doubted whether it was not going too far to extend the jurisdiction of the Court generally to cases arising Under the Constitution and whether it ought not to be limited to cases of a Judiciary Nature. The right of expounding the Constitution in cases not of this nature ought not to be given to that Department.

The motion of Docr. Johnson was agreed to nem: con: it being generally supposed that the jurisdiction given was constructively limited to cases of a Judiciary nature—" [19]

This was understood to mean that the Supreme Court would have jurisdiction to decide a constitutional question in a case properly before the Court, and that such a decision was to be binding only on the parties to that suit.[20]

Accordingly, Madison, as a member of the First Congress, and Jefferson and Jackson as Presidents, and Lincoln as President Elect rejected the idea that the Constitution had given the Supreme Court greater authority to determine constitutional questions than to the other branches of government, or that they were bound by the constitutional interpretation of the Supreme Court in an individual case.[21] And in an opinion to the Secretary of State, Jefferson's Attorney General, Levi Lincoln, denied that a Supreme Court decision must be blindly accepted as precedent by the Executive or other courts when they have to act in other cases. While the opinions of so high an authority as the U.S. Supreme Court deserve great deference, he said, still greater deference is due "to their (the acting authorities') own conviction of the meaning of the laws and constitution of the United States, and their oaths to support them." [22]

In short, under the constitutional plan, the functions of the Supreme Court were intended to be what the functions of courts have always been in the entire Western world: to decide individual cases which are binding only on the parties to the suit as to the object of that suit. The later development in the United States which attributes to a Supreme Court decision purporting to interpret a constitutional provision the force and effect of the constitutional provision itself,[23] is a departure from the constitutional plan which is based on the democratic principles of sovereignty and self-government of the people, not on a government of unelected judges.

Finally, the Attorney General finds "a third reason to infer a limited construction of the Exceptions Clause from the lack of debate accompanying its adoption" (to add to two other reasons of "inferences") in the theory of separation of powers. He writes: "The Framers intended that each of the three branches of Government would operate largely independently of the others and would check and balance the other Branches." (at p. 8).

But the power of Congress over the appellate jurisdiction of the Supreme Court is the most important check which the Constitution has provided for the control of the usurpations of the Supreme Court. In the Federalist Papers, Hamilton mentioned it three times.[24] When fears were expressed that "the errors and usurpations of the Supreme Court will be uncontrollable and remediless," Hamilton tried to assuage them by pointing out that the Supreme Court had original jurisdiction only in classes of cases "of a nature rarely to occur." In all other cases of federal cognizance "The Supreme Court would have nothing more than an appellate jurisdiction 'with such *exceptions* and under such *regulations* as Congress shall make.'" [25] and that Congress had ample authority to use this power to obviate or remove any "partial inconveniences" which may appear, including the power to prevent the Supreme Court from taking appellate jurisdiction over questions of fact which had been found by a jury.[26]

As regards the separation of powers, this is not mentioned in the real Constitution, but it allots different functions to each branch.

All legislative powers granted in the Constitution, which includes policy making, have been allotted to a Congress of the United States composed of elected representatives of the people. To the judicial branch, the Constitution has allotted the power of deciding cases and Controversies arising under this Constitution, the laws of the United States, and treaties made under the authority of the United States, as de-

scribed in Article III. These, under the Constitution, are the "core functions" of the Supreme Court. The functions of law- and policy-making have been expressly denied to the Court by the Framers of the Constitution.[27] The Supreme Court itself has acknowledged this repeatedly as, for instance, in *Reid* v. *Coverty*, 354 U.S. 1, 5-6 (1957):

"The United States is entirely a creature of the Constitution. Its power and authority have no other source. It can only act in accordance with all the limitations imposed by the Constitution."

The Supreme Court also has admitted that

"Nothing new can be put into the Constitution except through the amendatory process. Nothing old can be taken out without the same process." *Ullmann* v. *United States*, 350 U.S. 422, 428 (1956).

Regretfully, the Supreme Court did not abide by the "core functions" allotted to it by the Constitution. It has not merely "occasionally exceeded the properly restrained judicial role envisaged by the Framers of the Constitution," as the Attorney General said (at p. 2). Rather, the Supreme Court has established a system of misusing the Fourteenth Amendment for the purpose of taking from the people the retained rights of the States which can be taken from them legally only by a constitutional amendment in accordance with Article V of the Constitution.[28] In the 1960s, it became especially clear that the Supreme Court was determined to force its own policy on the States in the guise of constitutional interpretation. In a number of decisions, the Supreme Court invaded the retained rights of the States in matters which reached deeply into the every day life of the people. Thereby the people were prevented from making their own laws in these fields, as guaranteed by the Tenth Amendment to the Constitution, and they lost control over their local affairs, their schools, their children and their families. As a result, practically all values disappeared from the public schools; discipline deteriorated, often to a point that teaching became impossible; vandalism and violence developed as well as the use of drugs and sexual promiscuity among teenagers with pregnancies as young as twelve years of age.

The people protested, sometimes violently as, for instance, against court ordered school busing. The federal government responded with federal marshals and contempt of court orders, and the people were told, falsely, that "This was THE LAW and must be obeyed." But the people began to doubt that this was THE LAW. They have asked, "Why can these judges make the law for us? We have not elected them."

Especially the fighters for the return of prayers to the public schools could not believe that a Constitution under whose protection school children had prayed in their class rooms for 174 years, could suddenly have made this practice unconstitutional. When some of these groups asked me to explain the Constitution to them, I prepared for them a pamphlet, "Do School-Prayers Violate the Constitution?" Upon special request, I included a chapter, "The Law of the Land in the U.S. Constitution," in which I explained that under the constitutional plan a court decision can never be the law of the land.

The people also complained to Congress, because they had learned that the Constitution has given Congress the authority to protect them from the usurpations of the federal courts by using its power over the jurisdiction of the federal courts. While some members of Congress have always been sympathetic, Congress as a whole refused to act. Not until the people elected the "conservative" 97th Congress, was any serious effort made to explore the possibilities of congressional action to restrain the federal courts. Bills were introduced in both Houses of Congress, most of them designed to prevent the Supreme Court from taking appellate jurisdiction, and the inferior federal courts from taking jurisdiction, in State cases relating to voluntary prayers in public schools and public buildings; to abortion; and to require any individual to attend any particular school.

But soon a formidable opposition developed, especially by lawyers and the news media, two groups who have a considerable self-interest to preserve the rulership of judges. They insist that the proposed legislation would "strip" the Supreme Court of its constitutional right to be the final arbiter of all "constitutional" questions. Even the Attorney General wrote that S. 1742 would "withdraw" jurisdiction from the Supreme Court (at p. 1), and he counseled against "depriving" the Supreme Court of its general appellate jurisdiction over "federal questions" (at p. 16). But he made no attempt to find out whether, in the proposed legislation, any federal questions are involved. Evidently, he accepted on faith without question that prayers in State public schools violate the United States Constitution, just because the Supreme Court has said so.

II. The power to legislate respecting religion belongs to the powers reserved to the States respectively, or to the people. The Constitution has granted no federal judicial power to suits of individuals against a State arising under the powers reserved to the States.

Article VI, clause 3 of the Constitution requires that each member of Congress, the members of the several State Legislatures, and all executive and judicial officers, both of the United States and of the several States, "shall be bound by Oath or Affirmation, to support *this* Constitution" (emphasis supplied), that is a Constitution as written and intended by the Framers and as legally amended in accordance with Article V.

Ask any legislator or even any judge whether he/she believes that *this* Constitution is still in effect, and he/she will answer you with "yes." If *this* Constitution still exists, the Supreme Court cannot change it, because *this* Constitution has given the power to change it only to persons elected by, and responsible to, the people, not to unelected, life tenured judges responsible to no one.

However, in the cases in which the Supreme Court declared that prayers in State public schools violated the First and Fourteenth Amendments to the Constitution, the Supreme Court did not interpret the Constitution, but attempted to change it. In none of its decisions in which the Supreme Court destroyed State laws on the ground that they violated the establishment clause of the First Amendment and the due process clause of the Fourteenth Amendment, did the Supreme Court make any attempt to go to the sources of the Constitution in order to find out the meaning of these provisions. Had the Supreme Court done this, as would have been its duty if it had honestly wanted to *interpret* these constitutional provisions, it could not have declared that school prayers violate the Constitution.

Under *this*, the real Constitution, the States have never lost their power to make any law they want respecting religion, limited only by their own constitutions, because that power has never been delegated to the Federal Government by *this*, the real, Constitution.

Permit me to refresh your memory as to what the real Constitution says about the religion clause of the First Amendment and the due process clause of the Fourteenth Amendment.

Any person who knows anything about the making of the Constitution, will know that the powers of the U.S. Government enumerated therein had been delegated by the several States. Among the powers over which the States retained a residual sovereignty were certain provisions for the protection of individual liberties. They were usually listed in a part of the State constitutions called Bill of Rights or Declaration of Rights. All State constitutions guaranteed freedom of religious worship.

In the Articles of Confederation there was no need for such protection of individual liberties because the powers of the old Confederation operated almost exclusively on the States. But in the Federal Convention of 1787,[29] and later in the Federalist Papers,[30] Madison and Hamilton had pointed out repeatedly that the new general government was to operate mostly on individuals. It is, therefore, understandable that there were demands for a Federal Bill of Rights "to serve as a barrier between the general government and the respective States and their citizens."[31] These became Amendments one to eight. They were intended to be special restrictions on the Federal Government, not grants of power. In order to protect the States against an interpretation that other rights retained by them, which had not been singled out as special restrictions on the Federal Government, were assigned to the Federal Government by implication, the Ninth Amendment was added, as follows:

"The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people."

The rights retained by the people refer, of course, to the rights retained by the people under the laws of the several States. The Tenth Amendment was intended to make clear that "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

The first ten amendments were drafted and adopted by the First Congress. The religion clause was included in the First Amendment. Any judge who honestly wants to know what the Framers had in mind when they drafted the religion clause, must therefore consult the debates of the First Congress.[32]

From these debates it appears that some States had feared that Congress might misuse the necessary and proper clause of the Constitution to establish a national church or a national religion to which others would be compelled to conform. The States wanted to prevent this. The Framers had to choose the words carefully. They could not use the word "national" because there was still too much resentment against having it in the Constitution. It had not been forgotten that at the Federal Convention of 1787, the "national government" proposed by the Virginia Plan (supra 3) had aimed at the destruction of the States.

The Framers also were anxious to avoid a language which could be interpreted as forbidding religion altogether, or the support of ministers, or buildings of places of wor-

ship. Already before June 8, 1789, the date on which Madison introduced the First version of the religion clause to the House, the Congress had appointed two Chaplains of different denominations, one in April 1789 for the * * *.

* * * * *

It is interesting how the Supreme Court managed to wrap around such decisions a cloak of constitutional respectability, any provisions of the Constitution notwithstanding. First, the Court interpreted the words, "Congress shall make no law respecting an establishment of religion," as requiring the separation of State and church. Then the Court declared that the establishment clause had been made applicable to the States by the Fourteenth Amendment because the liberties guaranteed by the First Amendment "are among the fundamental personal rights and 'liberties' protected by the due process clause of the Fourteenth Amendment." [36]

The due process clause of the Fourteenth Amendment reads: "nor shall any State deprive any person of life, liberty, or property, without due process of law."

In my book, "The History and Meaning of the Fourteenth Amendment," pp. 125-149, I have traced the due process clause from its origin in the Magna Carta of 1215 to the Fifth Amendment and finally to the Fourteenth Amendment. When it was included into the Fourteenth Amendment, it was already over 600 years old. Its meaning has always remained the same, namely that no person may be sentenced to death (deprived of his life), or to imprisonment (deprived of his liberty) or to forfeiture of property (deprived of his property) without first having been given an opportunity to answer to the charges and have a proof procedure, today called trial, in accordance with applicable laws. In short, it guarantees to every person charged with crime a trial pursuant to law. Originally, the Supreme Court interpreted the due process clause exactly in this way. See *Frank* v. *Magnum*, 237 U.S. 309, 326 (1915), and cases there cited.

The due process clause of the Fourteenth Amendment was copied from the Fifth Amendment. It is the only clause of the Federal Bill of Rights which the Fourteenth Amendment has made applicable to the States. The Supreme Court itself admitted this in *Bartkus* v. *Illinois*, 359 U.S. 121, 124 (1959), "We have held from the beginning and uniformly that the Due Process Clause of the Fourteenth Amendment does not apply to the States any of the provisions of the first eight amendments as such."

With these words, the Supreme Court practically conceded that it did not interpret the Constitution when it ruled in the school prayer cases that the due process clause had made the First Amendment with its religion clause applicable to the States.

But in the same case the Supreme Court explained that it had assumed the right to include into the due process clause what, in the Court's opinion, are fundamental concepts "implicit in the concept of ordered liberty," and that the Fourteenth Amendment prohibited to the States only those practices "repugnant to the conscience of mankind." 359 U.S., at 127.

As can be seen, the Supreme Court tried hard to connect the freedoms (liberties) of the First Amendment with the word "liberty" in the due process clause of the Fourteenth Amendment. But the due process clause expressly permits the States to take "liberty", except not without due process of law. Moreover, the Supreme Court has said that school prayers violate the establishment clause which does not even contain the word "freedom," so that there is nothing which connects it with the language of the Fourteenth Amendment's due process clause. But this did not seem to disturb the Supreme Court. The simple truth is that the Court's sole interest has been to use, or better misuse, the due process clause of the Fourteenth Amendment as a conduit for transferring retained rights of the States into the U.S. Constitution without a constitutional amendment in order to enable the Court to take jurisdiction for the purpose of declaring them unconstitutional. The Supreme Court knew this, of course, and for a little while it looked as if the Court would return to the Constitution. In *Ferguson* v. *Skrupa*, 372 U.S. 726, 730 (1963), the Court said:

"We have returned to the original constitutional proposition that courts do not substitute their social and economic beliefs for the judgment of legislative bodies, who are elected to pass laws . . . and this Court does not sit to 'subject the State to an intolerable supervision hostile to the basic principles of our Government and wholly beyond the protection which the general clause of the Fourteenth Amendment was intended to secure.' " (Citations omitted).

But such insight did not last long. In the school prayer cases the Supreme Court again misused the Fourteenth Amendment to assume jurisdiction over cases over which the Constitution has not granted any federal judicial power.

III. The real question for Congress to consider is not whether it is desirable to revive prayers in the State public schools, but who under the U.S. Constitution is authorized to legislate with respect to religion.

The first attack against school-prayers came in 1962. The target was an innocuous little prayer. The Board of Regents, the governing body of the New York State Public school system, had recommended to all school boards that "at the commencement of each school day, the act of allegiance to the Flag might well be joined with the act of reverence to God: 'Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our Country.' " [37]

No child was forced to participate. Nevertheless, some parents brought suit alleging that this practice violated the religion clause of the First Amendment and Article I, sect. 3 of the New York State Constitution: "The free exercise and enjoyment of religious profession and worship without discrimination or preference shall forever be allowed in this State to all mankind." The New York Court of Appeals, New York State's highest court, could not see how the non-compulsory daily recitation of the "Regents' Prayer" in the public schools could violate the constitutional guarantee of freedom of religion.[38]

On June 25, 1962, the U.S. Supreme Court reversed the judgment of the Court of Appeals of New York. However, somehow the Supreme Court must have felt that it could not very well say that the free exercise clause was violated when children practiced their right of free exercise of religion by praying in their class rooms. Probably for that reason, the Supreme Court preferred to declare that the Regents' Prayer violated the establishment clause of the First Amendment, and the Court gave the impression as if the school children in New York had been forced to pray, whether they wanted or not. In its opinion, the Supreme Court said, "that the constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government." [39]

It seems that this has caused some members of Congress to believe that they could make sure that school prayers would be voluntary by a law providing that the federal courts should not take jurisdiction in cases relating to voluntary prayers, and by including into such a law a definition that "voluntary prayer" shall not include any prayer composed by a State official.

However, the only practical effect of such a law would be to permit the federal courts to take jurisdiction whenever a plaintiff alleges that a school prayer is not truly voluntary, and that will be in every case in which a prayer is said in a class room.

Neither would a constitutional amendment be desirable, not even one as carefully drawn as that which the President sent to Congress on May 17, 1982, which reads:

"Nothing in this Constitution shall be construed to prohibit individual or group prayer in public schools or other public institutions. No person shall be required by the United States or by any state to participate in prayer."

This was the situation as it existed in the States before the Supreme Court conceived the idea to suppress school prayers: no one was required to participate in prayer. The State constitutions have guaranteed freedom of religious worship almost from the beginning of their existence. President Reagan's constitutional amendment proposal, if adopted, would, however create one important difference. Under the real Constitution which exists today and, as I showed, the Supreme Court cannot change, the power to legislate with respect to school prayers belongs to the powers reserved to the States over which federal courts legally cannot take jurisdiction. A constitutional amendment would make it constitutional for the federal courts to take jurisdiction in a case alleging mental coercion of school children to participate in school prayers, because such a case would arise under the Constitution. The argument that school prayers can never be truly voluntary has already been made in the Supreme Court.[40] One reason given was that school children feel compelled to participate because they do not want to be separated from their class mates. Unless the federal courts can be kept out, the people will soon find themselves in the same situation in which they are today.

As long as this Constitution, that is the real Constitution, still exists, the only effective and logical way of assuring the people of the several States that they have the right to make their own laws with respect to religion would be an act of Congress to prohibit the federal courts from taking jurisdiction in such cases. Thereby Congress would not "strip" the federal courts of anything which rightfully belongs to them under the U.S. Constitution, but merely reestablish constitutional conditions by preventing them from taking jurisdiction where the Constitution has not granted any federal judicial power and where, therefore, there is not constitutional authority for the federal courts to take jurisdiction.

The prevention of the federal courts from taking jurisdiction in State school prayer cases could not result in reaching "disparate

conclusions of indentical questions of federal law," as the Attorney General feared (at p. 16). During the 174 years before the Supreme Court interfered with the States' authority to make their own laws respecting religion, cases relating to school prayers were disposed of by the State courts. There were no complaints that there were different interpretations of federal law, simply because no federal questions are involved.

I hope that with this letter I may have been able to convince Congress that the objections to its exercise of its power over the appellate jurisdiction of the Supreme Court have been unfounded. Congress will probably now have a better understanding of the problem since its own authority has been invaded by the U.S. Court of Appeals, D.C. Circuit, by taking jurisdiction over an action alleging that Congress violated the religion clause of the First Amendment by using tax money to pay its Chaplains, *Murray* v. *Buchanan*, decided March 9, 1982 (CA80-01475). The House was quick to object to such invasion of its authority.[41] Rep. Daub (Neb.) correctly remarked that these Chaplains were appointed by the same men who adopted the Constitution and its provisions regarding the establishment of religion. They would hardly have undermined that document in their first official election.[42] Of course, they did not, as I have shown above (supra pp. 13-14).

Congress has the right and the power to protect itself against the invasion of its authority by the federal courts, and it also was given by the Constitution the power to check the invasions of the federal courts into the residual sovereignty of the States. Thus, by enacting a law preventing the Supreme Court from taking appellate jurisdiction, and the federal district courts from taking jurisdiction, in cases relating to prayers in State public schools and public buildings, Congress would reestablish constitutional conditions in this field which the Supreme Court has disturbed. Thereby Congress would be faithful to the oath which every member of Congress has sworn, namely to support *this*, the real, Constitution of the United States.

Sincerely,

HERMINE HERTA MEYER,
Attorney at Law.

FOOTNOTES

*Should read, "of the national juciciary;" see 2 M. Farrand, "The Records of the Federal Convention of 1787," p. 46 (1911).

[1] 1 Farrand 21-22.

[2] 1 Farrand 242-245.

[3] Id. 313, 322.

[4] Id. 97-98, 104, 139-140; 2 Farrand 73, 74-75, 76-77, 80, 299.

[5] 2 Farrand 27-28.

[6] Id. 28-29.

[7] Id. 95.

[8] See I Farrand 54.

[9] 2 Farrand 131-132; supra 3.

[10] Id. 132-133.

[11] Id. 136.

[12] Id. 146-147.

[13] Id. 177-189.

[14] 2 Farrand 173, 186.

[15] Id. 431.

[16] Id. 424.

[17] Id. 431.

[18] 3 U.S. (3 Dall.), at 327.

[19] 2 Farrand 430.

[20] See 2 George Bancroft, "History of the Formation of the Constitution" 198 (New York 1882).

[21] See "First Congress, first Sess.," June 17, 1789, 1 Annals of Congress 500-501; "Letter from Thomas Jefferson to Abigail Adams," Sept. 11, 1804, cited by Walter F. Murphy, "Congress and the Court" 25 (Chicago 1962); "Message of President Jackson to Congress," of July 10, 1832, 8(3) Congressional Debates, 22d Cong., 1st sess., App. 73, 76 (1832); "President Lincoln's First Inaugural Address," Mar. 4, 1861, 5 The Works of Abraham Lincoln 142-143, The University Society, Inc., (New York 1908).

[22] 1 Oppinions of the Attorneys General 119,122.

[23] See *Cooper* v. *Aaron*, 350 U.S. 1, 18 (1958).

[24] The Federalist Papers 481, 488, 491 (New American Library, 1961).

[25] Id. No. 81, at 488. Emphasis original.

[26] Id. No. 80, at 481; No. 81, at 491.

[27] See 1 Farrand 97-98; 2 Farrand 73, 74-77, 80, 299.

[28] See Hermine Herta Meyer, "The History and Meaning of the Fourteenth Amendment. Judicial Erosion of the Constitution through the Misuse of the Fourteenth Amendment" 204-263 (New York 1977).

[29] 1 Farrand 314, 484; 2 Farrand 9; 3 Farrand 473, 474-475, 517, 529.

[30] See The Federalist Papers Nos. 16 and 39.

[31] 3 Farrand 290.

[32] See 1 Annals of Congress, 1st sess. 434, 729-731 (1789).

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[36] See *Abington School District* v. *Schempp*, 374 U.S. 203, 215-216, citing *Cantwell* v. *Connecticut*, 310 U.S. 216, 303 (1940) and *Gillow* v. *New York*, 268 U.S. 652, 666 (1925).

[37] See *Engel* v. *Vitale*, 10 N.Y. 2d. 174, 179; 176 N.E. 2d. 579, 580 (1961).

[38] Id.

[39] *Engel* v. *Vitale*, 370 U.S. 421, 425 (1962).

[40] See *Abington School Dist.* v. *Schempp*, 374 U.S., at 287-292, Brennan, J., concurring.

[41] H. Res. 413, 128 Congressional Record, 97th Cong. 2d sess., daily ed., Mar. 30, 1982, p. H1168-1175.

[42] Id. 1172.●

SUPPORT GROWS FOR STRONG EXIMBANK

● Mr. HEINZ. Mr. President, an article published earlier this month in the Philadelphia Inquirer highlighted once again the need for a strong and aggressive Export-Import Bank. The author of the article, Edwin Gutham, the Inquirer's editor, pointed out that the issue involves the protection of American jobs and the defense of strategic U.S. industries. But by protection, the defense of inefficiency is not suggested but rather the defense of some of the most efficient and highly productive industries in America.

These industries are being jeopardized by the less efficient but highly subsidized industries of America's trade competitors. Through production subsidies and subsidized export financing, foreign producers such as Western Europe's Airbus Industries are unfairly obtaining export sales at the expense of private U.S. companies. Through these subsidies, and not infrequently coupled with political intervention at the highest levels, Airbus has replaced McDonnell-Douglas as the second largest maker of commercial airliners and forced Lockheed to get out of the market completely.

Mr. President, I cannot see how we as public servants constitutionally charged with the defense of American interests can fail to react when our strategic industries are so unfairly under attack; for without the profits from export sales, these companies will not have the research and development resources necessary to maintain America's traditional lead in high technology.

Neither can we allow thousands of American jobs to be lost because of unfair cutthroat competition. As Mr. Guthman sums up

What we don't need ever—and particularly right now—is to allow more American jobs to go out the window.

The only defense that we currently have against these practices is our Export-Import Bank. Yet, at this very time the Eximbank is being denied the resources that it needs to defend our legitimate interests. This is particularly unconscionable when the Bank can be given adequate means to save jobs and give our industries a fair chance at export sales without the expenditure of one nickel of tax revenues.

The Bank is self-supporting, customarily paying a dividend to the Federal Treasury. The Bank's loan guarantee, insurance, and direct loan levels, however, are set by law, through the budgetary and appropriations process. It is here that the Bank is being unwisely limited.

Just how dangerous this policy is, was pointed out to me once again in a recent letter that I received from the president and vice president of Hudson Shipbuilders, Inc., of Pascagoula, Miss. Allow me to cite two paragraphs from their letter.

We at Hudson Shipbuilders, Inc., have competed in the foreign offshore supply/utility vessel market for the past two years. We are a new industry employing 800 persons. We have never asked for government assistance, and don't intend to. However, we cannot be competitive with foreign yards which have a 5 to 6 point advantage in Exim-bank rates as well as government subsidies for manufacturing. Even though we are able to build vessels competitively, we now cannot compete in our established markets because of the high costs of exporting through the U.S. Exim Bank regulations.

Our industry is operating in a depressed market. High interest rates and the recession in the domestic supply boat market will have a devastating effect on the Gulf Coast shipbuilding industry unless we can compete in the foreign offshore supply boat markets. During the past year, we have lost ten boats to foreign competition due to the differential in Exim Bank rates. This number of vessels represents 50 percent of our total annual manufacturing capability.

Mr. President, I wonder how many more sales and jobs we must lose before we finally have an aggressive Eximbank that will respond to the realities of the world market and provide the competitive financing for American exports that it is required to provide by law.

I ask that the article from the Philadelphia Inquirer and the letter from Hudson Shipbuilders, and the two telexes that they received explaining the loss of a recent bid for a foreign sale, be included in the RECORD at this point.

The articles follow:

[From the Philadelphia Inquirer, June 6, 1982]

EXPORT-IMPORT CUTS HURT U.S. INDUSTRY AND WORKERS

(By Edwin Guthman)

The message that Richard W. Welch, president of the Boeing Company's commercial airplane division, brought to Philadelphia on Thurday sounded ominous.

It was that the American commercial airplane industry is seeing its export market evaporating because it can't match the financing arrangements foreign competitors, subsidized by their governments, can offer prospective customers.

With thousands of American jobs depending on the sale of U.S.-built commercial planes that's all we have to hear, particularly with the unemployment rate still rising.

Boeing, which employs more that 4,000 persons at its Vertol plant south of Philadelphia's International Airport, has been the nation's leading exporter of manufactured products for several years with about 60 percent of its commerical jet transports being brought by foreign airlines.

Now it is facing stiff competition mainly from Airbus Industrie, a consortium 70-percent owned by the governments of France, Great Britain, West Germany, Spain, Belgium and the Netherlands. Airbus has moved up behind Boeing and ahead of McDonnell Douglas as the world's second largest builder of wide-body commercial plans.

"U.S. manufacturers of commercial jets face an internationalized public corporation," Welch said in a speech to the Penjerdel Council of the Greater Philadelphia Chamber of Commerce. "The research, development and production of the airbus aircraft were subsidized by the respective governments. This multi-government support continues through the marketing phase with financing and other benefits intrinsic to the authority of governments that U.S. private industry cannot meet.

"Our problem with Airbus Industrie long ago moved from the purely competitive aspects of product-to-product, technology-to-technology and price-to-price considerations. Unequivocally, it is an unbalanced conflict that is pitting the resources of profit-oriented U.S. corporations against the treasuries and political influences of no less than four European countries."

Later in a meeting with The Inquirer Editorial Board, Welch told of having gone to Brazil recently to see about selling the new Boeing 757 and 767 jetliners and not getting a look-in. It was, he said, because Airbus not only was able to offer the Brazilians better terms to finance purchase of its planes, but also had arranged for financing for purchases of other equipment.

Similar examples are occurring with increasing frequency, Welch said, and the long-range threat to U.S. dominance of the commercial airplane market is clear, since sales today set the pattern for 10 to 15 years in the future. And the problem is not confined to the plane manufacturers. American exporters of products ranging from computer chips and office machines to heavy earthmovers and electric power generators face it too, Welch pointed out.

Welch is definitely not a protectionist. He had harsh words for tariffs and other barriers to international trade.

His immediate target is the Export-Import Bank, created by President Franklin D. Roosevelt in 1934 to boost export sales of American products by offering loans, loan guarantees and insurance. The loans are intended to counter predatory financing aid by foreign governments and to provide credit for expensive exports that cannot secure enough commercial credit.

Welch and other Boeing executives and officials of other exporting companies are working overtime to persuade Congress and the Reagan administration to revoke proposed cuts in funds Ex-Im would be authorized to loan in the 1983 fiscal year.

It is a repeat of an intense lobbying effort which last year resulted in restoring the bank's funding to $5.06 billion—more than President Carter had requested and $700 million higher than President Reagan proposed.

As in last year's budget hassle, the Ex-Im authorization is caught in a debate which centers on this question: If Congress is cutting programs for human services, shouldn't it demand similar sacrifices of Boeing and other major corporations?

The answer, of course, is jobs, not only those of the major corporations but those of thousands of subcontractors, and there are some in virtually every congressional district. Still, Congress is having a tough time wrestling with the question and the Reagan administration is ambivalent.

The President, according to his Office of Management and Budget, "believes that American business should be required to compete in the market, unfettered by unnecessary government restriction, but unaided by special government privileges."

And both last year and this year Reagan proposed cutting Ex-Im's authorization as proof his budget cuts would not spare profitable corporations.

The administration, however, did not fight last year against restoring the bank's funding level and appears to be taking the same course now, leaving the decision up to Congress.

Welch would like to see the bank compete on a worldwide basis whenever American exporters encounter special government-aided financing terms as Boeing did in Brazil. That could touch off an export "war" but Welch predicted that "once other exporting nations understand that we're coming to play and win, there is a greater chance of getting agreements" to end predatory financing arrangements.

"There is no way that American business can compete with government consortiums on an equal basis," Welch said. "As the years go by, the American exporter is placed more and more at a disadvantage with foreign competitors supported fully by all agencies of their export-minded governments."

Boeing is clearly fighting for its export life, but the record of American loss of export sales in other industries indicates that his warning should be taken seriously.

What we don't need ever—and particularly right now—is to allow more American jobs to go out the window.

HUDSON SHIPBUILDERS, INC.,
Pascagoula, Miss., May 25, 1982.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HEINZ: The limitations imposed on U.S. Export/Import Bank funding are having a serious negative impact on employment. The conditions for Exim loan guarantees and direct loans are unrealistic and unpredictable. The interest rates are so high in comparison to similar foreign government funding as to effectively eliminate U.S. manufacturers as viable competitors in overseas markets.

For example, government guaranteed financing for exports can be arranged through the Singapore government at 8½ percent for 80 percent of the project costs. Japanese exporters can provide government guaranteed loans at 8¾ percent for 80 percent of the project costs for 7 years, and at 9 percent for the remaining 20 percent of project cost for a shorter period of time; in effect, 100 percent financing through their government. The Korean government makes similar guarantees.

In comparison, U.S. Exim Bank rates presently are 12-13 percent for guaranteed loans and direct loans respectively plus a one percent loan fee. Financing can be arranged for only 60 percent of the project cost. Limitations on dollar amounts of loans change so frequently as to preclude making a firm commitment to a potential customer.

We at Hudson Shipbuilders, Inc., Pascagoula, Mississippi, have competed in the foreign offshore supply/utility vessel market for the past two years. We are a new industry employing 800 persons. We have never asked for government assistance, and don't intend to. However, we cannot be competitive with foreign yards which have a 5 to 6 point advantage in Exim Bank rates as well as government subsidies for manufacturing. Even though we are able to build vessels competitively, we now cannot compete in our established markets because of the high costs of exporting through the U.S. Exim Bank and the limitations imposed by the current Exim Bank regulations.

Attachments (1) and (2) are copies of telexes received by us, which explain why we lost a recent bid to foreign competition, and is one example of the problem addressed herein.

Our industry is operating in a depressed market. High interest rates and the recession in the domestic supply boat market will have a devastating effect on the Gulf Coast shipbuilding industry unless we can compete in the foreign offshore supply boat markets. During the past year, we have lost ten boats to foreign competition due to the differential in Exim Bank rates. This number of vessels represents 50 percent of our total annual manufacturing capability.

The Export/Exim Bank regulations and interest rates must be changed now. We ask for your support.

Sincerely,

WENDLE W. HUDDLESTON,
President.

TRAVIS E. SHORT,
Vice President and General Manager.

ATTN: TRAVIS SHORT

First set specs and G.A. received Sat. 10th April—second set plus letter received today Tuesday.

Regret that despite your very good price for AHIS vessels the price plus excellent financial terms offered by the Japanese won the day.

Your 120 ft. vessels plus two camcraft being offered to ARAMCO.

Will forward cocopies only of Kuwait fire boat requirement at this stage to give you opportunity to examine thoroughly before final commitment.

Reverse Osmosis plant onboard Teal Produces less each day. Full set of membranes filters etc. Being ordered. Sodium laurel sulphate for cleaning membranes not yet located is this known by any other name? Hope

your discussions with manufacturer might provide some answers.

Regards,

PETER EVANS.

TRAVIS SHORT

Many thanks your assistance on camcraft speeds.

F.Y.I. your prices for AHTS were very favourable compared to the Japanese, whose price was also very dependent on exchange rates. Japanese finance of 80 percent loan at 8.75 percent over 7 years from delivery won the day in the end. Additional finance for 20 percent balance also available at 9 percent increasing after two years.

REYR 82-039. What French equipment being fitted?

Regards,

PETER EVANS.●

SMALL BUSINESS INNOVATION DEVELOPMENT ACT OF 1982

● Mr. SASSER. Mr. President, yesterday the Senate concurred in the House amendment to Senate passed bill, S. 881, the Small Business Innovation Development Act of 1982. This action paves the way for the enactment into law of this very important piece of small business legislation. As a cosponsor of S. 881 and of its predecessor in the last Congress, S. 1860, I am very happy to see this final action taken by the Senate.

I have been very worried in recent years over reports that we as a nation were not making the same great strides in the way of innovation that we once did. Much of our strength has come from our ability to stay on the cutting edge of new technological breakthroughs, and we must do everything we can to preserve and enhance our leadership in this area.

That need for innovation and technological leadership is the single most important reason for the passage of the Small Business Innovation Development Act. It will require that Federal agencies with large research budgets hire small businesses, as well as large firms and universities, to do at least a small part of their research.

The reason for this is that small firms have been repeatedly shown to be excellent innovators. Several studies substantiate their tremendous contributions to the Nation in the way of new discoveries. It has been shown, for example, that small businesses have produced over half of the new product and process innovations since World War II. It has also been proven that small firms produce 24 times as many innovations per research dollar than do large firms.

Despite this tremendously impressive performance, less than 4 percent of Federal R. & D. funds go to small businesses. A recent study by the Research and Planning Institute of Cambridge, Mass., on the growth of innovative high-technology firms found that small businesses are unable to receive basic research support from many Federal agencies dispensing research funds. "In fact," the report said, "their ideas are not even given a fair hearing * * *."

Mr. President, this is appalling. We are neglecting the great resource that we have in the small business sector of this economy and we very much need the Small Business Innovation Development Act to address this neglect.

In addition, I would like to commend my colleagues, Senator RUDMAN, Senator WEICKER, and Senator NUNN for their important role in seeing this legislation passed.

The 1980's pose new challenges for our country and we must do everything we can to insure we are up to meeting these challenges. A leadership role in technological innovation is one important way of accomplishing this goal. S. 881, the Small Business Innovation Act will help the small businesses of this country to attain this goal.●

THREE MILE ISLAND CLEAN UP

● Mr. HEINZ. Mr. President, recent hearings were held on my bill, S. 1606, which would establish a method for funding a speedy and thorough cleanup at Three Mile Island. It is an urgent matter for the State of Pennsylvania.

In response to these hearings, I received a letter from the Pennsylvania Rural Electric Association. Their board of directors developed a thoughtful resolution clearly stating their support for my efforts to find an expeditious and complete cleanup at Three Mile Island unit No. 2. I submit for the RECORD the Pennsylvania Rural Electric Association resolution.

The resolution follows:

RESOLUTION ON S. 1606

Whereas, The nation's most serious commercial nuclear power plant accident occurred at Three Mile Island Unit Number Two (TMI-II) in March of 1979; and

Whereas, Because of the significant costs associated with the cleanup effort at TMI-II, the timing of that effort is indefinite; and

Whereas, Each additional day the cleanup effort is extended because of financial uncertainties, a great public health threat to the people of Central Pennsylvania continues unnecessarily, consumers receiving power from the utilities that own TMI continue to pay inflated electric bills unnecessarily, and the future of nuclear power as a reasonably priced energy source for our nation remains clouded unnecessarily; and

Whereas, Members of the Pennsylvania/New Jersey Congressional Delegations, especially Senators John Heinz and Bill Bradley and Representative Allen Ertel, and Pennsylvania Governor Dick Thornburgh have evolved an equitable plan to finance the cleanup of TMI-II; a plan which includes participation by the federal government and the state governments of Pennsylvania and New Jersey, the owners of TMI, and utilities owning nuclear generation; and

Whereas, The National Rural Electric Cooperative Association, (NRECA), without consulting the Pennsylvania Rural Electric Association or notifying it in advance, has presented testimony opposing financial participation by nuclear utilities in the TMI-II cleanup effort: Therefore, be it

Resolved, by the Pennsylvania Rural Electric Association, That we support full financing of the TMI-II cleanup effort by the federal government because the federal government, in large part, is responsible for promoting the development and commercialization of the nuclear power industry and because the federal government has established a longstanding policy of aiding in the recovery after natural and man-made disasters, even those with a limited geographical impact; and be it further

Resolved, That we believe the federal government should play a significant role in financing the cleanup of TMI-II because of inaction on the part of the Nuclear Regulatory Commission to alert nuclear power plant operators of the existence of problems similar to that which caused the accident at Three Mile Island; and be it further

Resolved, That the Pennsylvania Rural Electric Association, realizing that economic, fiscal, and political limitations currently make it highly unlikely that the federal government will fully finance the TMI-II cleanup, supports efforts put forward by our Congressional Delegations and Governor to seek contributions to the cleanup effort from the federal government, the state governments of Pennsylvania and New Jersey, the nuclear power industry, and electric utilities owning nuclear generation; and be it further

Resolved, That the Pennsylvania Rural Electric Association, realizing that all Americans—and especially Americans served by electric utilities owning nuclear generation—have an important stake in the expeditious cleanup of the accident at TMI-II, supports the concept of obtaining contributions from nuclear utilities and their consumers to support the financing of the cleanup effort if full funding for this effort is unavailable from the federal government; and be it further

Resolved, That the Pennsylvania Rural Electric Association, on behalf of the over 600,000 consumers who are served by the rural electric cooperatives of Pennsylvania and New Jersey, supports the provisions of U.S. Senate Bill 1606 relating to the financing of the cleanup of the accident at Three Mile Island Unit Number Two; and be it further

Resolved, That copies of this resolution be sent to the members of the Pennsylvania and New Jersey Congressional Delegations, the Governor of the Commonwealth of Pennsylvania, and the NRECA National Directors from Pennsylvania and New Jersey.●

CUBA ADMITS ARMS BUILDUP

● Mr. CHILES. Mr. President, several times this year, I have addressed the Senate on the topic of Cuba. I have talked about what the Castro regime had done to that once-proud country, and what it is doing to the free world.

Castro's Communist government has brought economic ruin to the Cuban people, strangling them with a Soviet-type centrally planned economy. Over the years, we have watched as Cuba's foreign debt has bloated, its ability to feed its people has shrunk, and its

workers' productivity and morale has declined.

Just as Cuba's economy is kept afloat only by high amounts of Soviet money, its military machine is also fed by the Soviets. Back in February, I spoke about intelligence reports showing that Cuba was undergoing a massive arms buildup. It was obvious that the Soviet Union is giving the Cubans everything from bombers to training in guerrilla tactics. And it was equally obvious that Castro was using Soviet assistance to support terrorism, aid in drug trafficking, and generally undermine democracy around the world.

Earlier this month, Cuba's Vice President confirmed the reports about his country's arms buildup. He stood before the United Nations General Assembly's special session on disarmament and told the delegates that Cuba had almost doubled its military capability in 1 year's time. He admitted that his country had received "huge quantities of modern and sophisticated weapons" in the past few months. Of course, he did not admit that the weapons were coming from the Soviet Union.

The reason for all this? Supposedly, defense against American "aggression." The Cuban Vice President, Carlos Rafael Rodriguez, charged the United States with running a "campaign of lies and slander" against his country. The fact of the matter is, we do not have to manufacture lies about Castro and his regime—their actions speak for themselves.

It is hard to believe that these comments were made at a disarmament conference. Vice President Rafael Rodriguez was trying to defend the arms buildup in his country with the claim that Cuba is pursuing peace through strength. At the same time, he applauded the Soviets—who spend 1½ times as much as we do on their military—for their "sensible and realistic" approach. Yet, Rafael Rodriguez had the audacity to attack the United States for pursuing a strong defense. He claims that for the United States to bring our military forces back up to par "provokes" and "accelerates" the arms race.

Mr. President, 90 miles off the coast of Florida, Fidel Castro's regime is arming itself to the teeth. It is easy to see that Cuba is not arming to work for peace. Mr. Rafael Rodriguez is right about one thing—arms control and world peace should be among everyone's highest priorities. To a large extent, the future of the world hangs on how we handle the arms race. But we sure do not want to handle it on Castro's terms.●

HUNGER IN EAST TIMOR CONTINUES

● Mr. TSONGAS. Mr. President, on several occasions over the past 2 years, I have drawn attention to the continuing tragedy in the former Portuguese colony of East Timor, an island territory that was invaded by Indonesia years ago. On April 28, I rose to submit a concurrent resolution which was also introduced by Representative TONY P. HALL of Ohio in the House, calling upon the President to encourage the Government of Indonesia to change its policies toward East Timor. I did so after receiving consistent, disturbing reports from a wide range of credible sources over a period of many months.

I would like to alert my colleagues to significant new information that confirms past accounts and clearly shows that the situation in East Timor is far worse than I had previously believed. This information is contained in a detailed article that recently appeared in the Philadelphia Inquirer by Rod Nordland, who has shared a Pulitzer Prize for investigative reporting. Mr. Nordland spent 11 days in East Timor in May, the first visit by an American journalist to the territory in 2 years and one of the few by an independent outside observer in the 6 years since Indonesia invaded the island.

To put Mr. Nordland's article in its proper context, I will briefly recount some recent history. Last December 16, I expressed great concern over an account from a distinguished Roman Catholic cleric in East Timor, who charged that an Indonesian military offensive, accompanied by the most gruesome of atrocities, could lead to serious food shortages. I stressed that East Timor was still recovering from the Cambodia-like cataclysm that struck the territory from 1978 through 1980 and suggested that additional food stockpiles be established to help avert further disasters. At that time, I also drew attention to an Amnesty International report which spoke of summary executions and "disappearances" carried out by the Indonesian forces, as well as arbitrary imprisonment, primarily but not exclusively, on the offshore island of Atauro.

Then, on February 8, I cited Australian press accounts of an appeal for food aid made by the Apostolic Administrator of East Timor, Msgr. Martinho da Costa Lopes, to the Australian Catholic Relief Agency. I stated that the Australian Government had responded immediately with a pledge of 1,000 tons of corn for the Australian Catholic Relief shipment, but was careful to note that Australian Catholic Relief had not actually been permitted to enter East Timor to assess the situation and supervise distribution of the food aid. I called for the establishment of full-time, on-the-ground operations by qualified, independent international relief agencies, and expressed my belief that a neutral international presence is needed in East Timor to protect the civilian population from further violence as well as to distribute food and medicine.

On April 28, when I submitted my resolution on East Timor, I stated that I was very pleased to learn that the International Committee of the Red Cross (ICRC) had been allowed to visit East Timor prisons, for the first time since the 1975 Indonesian invasion, over a 2-week period in late Feburary. I registered my hope that ICRC would be able to continue its valuable activities in the territory.

While noting that the ICRC prison visits were undoubtedly a positive step, I emphasized that they only constituted one aspect of the situation. I stressed that the Indonesian Government had flatly refused to accept the 1,000 tons of corn offered by Australia to fortify the Timor food stockpiles. The reason for this stand, according to the Sydney Morning Herald, was "Jakarta's continuing anger over the credence given by the Australian Catholic Relief to Msgr. da Costa Lopes' letter" which the Indonesian Government claimed "was mischievous and false."

I noted that Monsignor Lopes apparently had good reason to worry about the food situation, not to mention the human rights situation in general: The Far Eastern Economic Review had reported on March 19 that "some observers are concerned that food shortages may develop and that Indonesia's angry reaction to international criticism of its East Timor policy may hinder relief activities," and added that relief agencies want some relief work to continue in East Timor but that "Jakarta has been reluctant to admit that there is such a need."

Let us now turn to Rod Nordland's May 28, article in the Philadelphia Inquirer, where he writes that East Timor faces a new wave of famine, the second in 5 years; that evidence of serious food shortages can be found all over the country; that even in the immediate vicinity of the capital, Dili, 18 of 22 children weighed and measured by Mr. Nordland were found to be chronically malnourished, or slowly starving, according to World Health Organization standards.

There was ample time to prevent such a calamity: Warnings of serious food shortages that would result from the Indonesian military offensive of last July through September were issued long ago. Making the situation even worse, top Indonesian military officials in East Timor still deny that a problem exists. Mr. Nordland provides evidence that the Indonesian military tries to intimidate ordinary Timorese into saying that there is enough food when clearly this is false.

While Mr. Nordland's extensive article deals with a wide range of issues and should be read as a whole to capture the full flavor of the situation, I wish to say that I am frankly appalled

at the needless suffering and oppression that the people of East Timor continue to face, at the callousness and disregard with which they are being treated. While the Nordland article is not easy to summarize, its essence is captured in the words of a top Indonesian military official, Col. A. P. Kalangie, as quoted by Mr. Nordland:

He recently contrasted Indonesia's takeover (of East Timor) with the current dispute over the Falkland Islands. "The British generals are bad. You don't give a little bit, a little bit, you go all at once. Like what we did here is all at once—bok!—and then explain to the rest of the world that we are here. This is how to do it, like the Russians in Afghanistan."

The resolution that I have introduced on April 28 has received bipartisan support. It addresses the critical humanitarian problems of East Timor and calls for a just political settlement, in accordance with the principles of international law. I urge all of my colleagues who have not yet done so to support this resolution. Mr. Nordland reports that many of the people he managed to interview privately were fearful about talking, but "dozens did so nevertheless, saying as one did, 'Please tell the world so they can help the Timorese people.'" Now more than ever, the future of the Timorese people may depend on our action.

Mr. President, I ask that Rob Nordland's article from the Philadelphia Inquirer be printed in the RECORD. Mr. Nordland is to be commended for his excellent investigative work, which has provided us with an invaluable firsthand account of this tragedy. I urge all of my colleagues to give his article their closest attention.

The article follows:

[From the Philadelphia Inquirer, May 28, 1982]

HUNGER: UNDER INDONESIA, TIMOR REMAINS A LAND OF MISERY

(By Rod Nordland)

DILI, EAST TIMOR.—East Timor, the former Portuguese colony that was forcibly annexed by Indonesia in 1976, is a land beset by widespread malnutrition and hunger. This year's grain harvest was a dismal failure; now, even as many Timorese suffer through longstanding food shortages they face a new wave of famine, the second in five years.

Adding to the misery of East Timor, the incidence of disease is essentially unchallenged by the province's inadequate medical care; a six-year guerrilla war continues to disrupt the populace, and anti-insurgency measures imposed by a military government have stripped Timorese of their civil rights.

Thousands of people are political prisoners—most of them simply because they are related, often distantly, to a fighter with the guerrilla group known as Fretilin—the Revolutionary Front for Independent East Timor. Hundreds of thousands have been relocated in a policy to depopulate the countryside and deprive the guerrillas of civilian support.

These are some of the conclusions reached during an 11-day tour of the province of East Timor, the first visit by an American journalist in two years and one of the few allowed to an independent outside observer in the six years of Indonesian rule. They are conclusions that are supported by a number of clergymen, civilian officials and aid organizations.

Nevertheless, Indonesian officials hotly contest them all. According to these officials, there was no poor harvest this year, only isolated food shortages; there is no famine, only isolated cases of malnutrition; there are no political prisoners, just a rehabilitation center where the relatives of guerrillas are kept for their own good; the countryside has not been depopulated, it has been "resettled."

"We have nothing to hide in East Timor," Adm. Sudomo of Indonesia's Command for the Restoration of Peace and Order said recently when he issued the invitation to visit the province, which has been a source of international concern since the mid-1970s.

Year after year, the United Nations has condemned as illegal Indonesia's forcible takeover of East Timor and has demanded that it withdraw its troops and allow for self-determination. Portugal itself has refused to acknowledge the annexation, insisting that Fretilin is the appropriate governing power of a free East Timor.

The recent visit included tours by helicopter and jeep of 15 towns and villages in eight of the province's 13 districts. Despite almost perpetual close monitoring by Indonesian military and civilian officials, it was still possible to see obvious signs of large-scale malnutrition and disease, as well as overt depression.

It also was sometimes possible to meet independently with Timorese in and out of government, with clergy of the Roman Catholic Church in the mostly Catholic province and with average Timorese from many walks of life.

While many of the scores of Timorese interviewed were frankly fearful about talking, dozens did so nonetheless, saying, as one did, "Please tell the world so they can help the Timorese people." At least six of those interviewed, it was learned, were summoned afterward to military intelligence headquarters and interrogated about what they had said, often for many hours.

The picture that emerged was one of a population that widely regards the Indonesians as a foreign occupying force. Even many leaders who once favored annexation by Indonesia have become disenchanted—in some cases openly—with Indonesian rule, or at least with the military officials that represent it here.

The behavior of those military authorities "can only be described as being the behavior of conquerors toward a conquered people," said a petition signed by a pro-Indonesian member of the provincial assembly, Joao Pedro Soares, and sent last year to the central government in Jakarta, Indonesia's capital, appealing for relief. A short time later, Soares and three other East Timorese members of parliament whose names appeared on the petition disappeared, reemerging after a month to swear that it was a fake.

The Indonesian rule has been characterized by fear and marred by accusations of torture and widespread abuse of civilians by soldiers. There are virtually no civil liberties. Peasants are told to whom they must sell their coffee and at what price. No one may leave his village or hometown without permission. Telephone calls and telegrams to places outside East Timor are forbidden. No one may leave the province without special—and rarely granted—permission. That applies as well to the more than 4,000 citizens of other countries who live in the province. According to military police statistics, there are 916 Portuguese nationals and 3,158 Taiwanese nationals on East Timor; many of them have requested and been refused permission to return to their own countries.

The Timorese have already suffered a great deal since the 1974 revolution in Portugal brought to power leftists who initiated a precipituous decolonization of Portuguese holdings around the world. One of those holdings was the eastern half of the island of Timor. (West Timor had been a Dutch colony until joining Indonesia when that country won independence from the Dutch on December 27, 1949.)

In East Timor, the initial struggle for power after decolonization ended when the leftist, pro-independence Fretilin wrested control from two other parties, UDT, or Unity, which wanted to remain a colony of Portugal, and Apodite, a small minority party that favored integration with Indonesia.

Fretilin declared the short-lived Democratic Republic of East Timor on November 28, 1975. A week later, Indonesian paratroopers and marines invaded Dili, and within a few months they had taken over most of East Timor. In July 1976, it was proclaimed Indonesia's 27th province.

But serious fighting with the Fretilin guerrillas did not end, and the years-long disruption interfered with planting. The ultimate result was a major famine that devastated the province between 1978 and 1980, with great loss of life.

Word of conditions in East Timor leaked out and, although Indonesia initially denied reports of the famine, in 1980 and 1981 the International Committee of the Red Cross and the Catholic Relief Services of the United States were allowed to begin a relief program in the province. It was terminated last year by the Indonesian government, which said it was no longer necessary.

How many people died in the fighting and famine before the relief program began may never be known for sure, but based on Indonesia's census figures, there were only 550,000 persons in East Timor in 1980; in 1974, the Portuguese authorities had counted 650,000.

The conclusion that may be drawn from these figures is not as obvious as it appears, because the Portuguese census was a voluntary one: People were asked to go to their local administrative centers to be counted, but many lived far in the mountains and did not make the trip. Under the Indonesian regime, on the other hand, people have been concentrated in towns and resettlement centers, and the 1980 census was a thorough, door-to-door affair.

Nevertheless, Catholic authorities doubt the Indonesian results, and the church's own census puts the current population at 425,000, a loss of 225,000 people from the Portuguese figure.

While still recovering from the terrible famine of the late 1970s, Timorese agriculture was dealt another blow last year, when, just as the planting season was beginning and only a few months after the government had ordered the relief program ended, the Indonesian army launched Operation Security.

Every male in the province age 13 or older was ordered into the mountain to help the army to conduct a giant sweep designed to finish the Fretilin once and for all. The ci-

vilians, mostly armed with sticks and farm implements, formed human chains and encircled the rugged mountain fastnesses where the guerrillas were believed to be hiding. Army troops moved ahead of them, theoretically to beat their quarry into this human net.

Many of those caught in the net, however, were civilians who themselves had resisted government attempts to make them leave their homes in the mountains—the traditional dwelling place for Timorese—and move to resettlement centers.

According to the top church authority here, apostolic administrator Msgr. Martinho da Costa Lopes, who is widely known as "the bishop," at least 1,000 civilians perished in the operation, which lasted from two to four months between June and September 1981. In one action alone, he said, 500 civilians were killed at Laclut in Viqueque District.

"Many Timorese were killed, including . . . innocent children, pregnant women and defenseless people without any crimes except their willingness to be independent from all oppression," Msgr. da Costa Lopes said in a recent interview here.

The Indonesian government says, officially, that Operation Security was a success and that it reduced the ranks of Fretilin to 300 men, sharing 120 weapons. Privately, however, several officials say there are still as many as 1,200 armed guerrillas at large.

The greatest casualty of Operation Security, in fact, was the 1981-82 corn and rice crop, much of which was not planted before the rainy season began in September because the men of East Timor were with the army in the mountains.

That crop was to have been harvested in March, but it was a disaster, according to Msgr. da Costa Lopes, clergy elsewhere in the province and other independent sources. The International Committee of the Red Cross, which still has one representative on East Timor, stated in a report in March that, according to official figures, the anticipated crop of 40,000 to 60,000 tons of maize and 30,000 to 40,000 tons of rice would not be harvested in 1982 because of bad weather, attacks by rodents and "movement of population in the second half of 1981 [which] made planting in some areas, specially in the south, insufficient."

According to clergy here, the result has been a famine or near-famine in many parts of the province, particularly in Baucau and Viqueque districts in the east, where the continuing fighting between government troops and Fretilin guerrillas has been most severe.

Msgr. da Costa Lopes hesitates to use the term "famine"; he prefers to say that more than half of the population in those districts, where more than 100,000 people live, has "insufficent food to maintain life." In addition, he said, hunger and malnutrition are endemic throughout the country.

"in Viqueque, they begin to eat the sagu [boiled palm pulp], and this is a sign for Timorese that famine is coming," he said.

Other clergymen stated the case more strongly. "If you quote me as saying this, I'll be killed," said one, who was recently in the eastern part of the province. "Famine is always a relative term, and there is hunger and malnutrition all over the country, but it's truly a famine in this region" of Baucau and Viqueque.

One of the worst-hit towns in Viqueque, according to Msgr. da Costa Lopes, is Uatolari, a mountainside town close to the scene of the heaviest fighting. Not so, East Timor's vice governor, Francisco Xavier Lopes da Cruz.

"The bishop, you know, he just stays here in Dili, he doesn't go very often to the mountains," Lopes da Cruz said. "Uatolari, they have a surplus, plenty of corn. The military commander told me he bought 26 million rupiahs (about $41,000) of corn, so how could they be starving in Uatolari?

"The truth is," he added, "no famine here in East Timor—you can see one or two people who don't have enough food, but not a famine."

A prominent Timorese viewed the issue of famine politically. Like many, he was clearly sympathetic to the guerrilla movement: "The Fretilin is a symbol of resistance" to Indonesia, he said. "In the heart of the people there will always be resistance. That's why I think the Indonesians are happy to see famine. The Timorese people will always be a problem so, they figure, just eliminate the problem."

When a party of officials and a reporter descended on Uatolari by helicopter the grassy public square immediately was crowded with scores of children, standing just at the edge of the rotor wash. Many of them appeared to be severely malnourished, with the classic distended bellies and stick-like limbs that denote long-term, serious hunger.

Or so the reporter thought. Hans Meier-Eybers, the project director for a Catholic Relief Services agricultural recovery program in East Timor, a $5 million, U.S. government-funded program, thought otherwise. Meier-Eybers, a Swiss surveyed the children critically and said, "They look like healthy kids to me. Sure, they're a little dirty, but that is all."

An Indonesian doctor, S.C. Kurniati, approached and was asked if he thought the children appeared to be malnourished. "You can see for yourself," he said, seeming a bit taken aback by the question: "These children are all malnourished."

In another mountainside town in Viqueque District, Uato Carabao, which was also visited by helicopter, the picture of apparent starvation was the same. Tucked onto a narrow, cloud-covered shelf on the mountain's edge, Uato Carabao also is close to the fighting and, as a result, the town's residents are forbidden to go up the mountain slopes to tend their fields. As the helicopter touched down briefly, people emerged wraithlike from the mist and stared without smiling while the helicopter picked up visiting medical personnel and swooped off again.

Although visits were permitted to the districts of Los Palos and Baucau, reportedly the past and present sites of the heaviest fighting with Fretilin, they were confined to the district capitals. No visits at all were permitted to places like Lufa in Los Palos, and Batumacela, Beguia, Quelicai and Laga in Baucau—where clergymen say widespread starvation exists.

In Baucau, district administrative staff member Sinago, an Indonesian, introduced Sister Osario Saurez, a Timorese nun who is principal of the Catholic primary school there.

She listened as Sinago described what a success Operation Security had been. "Everytime we go to a village now," he said, "they are happy to see us."

"Because of the political situation," Sister Saurez said quietly, "because the people had to help the military for the Operation Security, they were not able to plant the fields."

"There is plenty of food here," Sinago said insistently, and a little nervously.

The nun continued to contradict him with a soft-spoken resolve that clearly astonished some of the officials present. "We are very short of food, namely in Baguia, Quelicai and Laga. But even here the food is not sufficient, the health care is not sufficient. Last year it is better, this year it is worse because of Operation Security."

The problem has been complicated, she explained, because much of the population has been resettled in the lowlands, far from the mountainside fields. In Baucau District, for instance, 61,000 of the 74,000 people in the district now live clustered around the town of Baucau town proper.

"They can grow enough food there," aid Sinago.

"More than 50 percent of the people are short of food," Sister Saurez said.

Evidence of serious food shortages can be found all over the country, not just in the hard-hit areas in the eastern districts. On a trip to Aileu, a mountain district just 30 miles south of the capital of Dili by rough jeep road, malnourished people were a frequent sight along the way.

At a resettlement village called Saburia, just outside the district seat of Aileu, the party, which included half a dozen military and civilian officials as well as a journalist, stopped to see the corrugated tin houses the Indonesian government had built for people resettled there from the mountains.

Saburia lies in a deep mountain valley. The village chief is a Timorese, but his "assistant" is an Indonesian, they and a military intelligence major named Marsidik accompanied the journalist as he interviewed residents.

Bernardo, 56, who lives with his wife and 10-year-old son, sat on the bare dirt floor of his house, which was devoid of possessions of any kind; there was also no sign of food in the house. Asked how the harvest had been, he surveyed the circle of officials and, after a long pause, said, "There is not enough to eat."

The next house was identical, except that nine persons lived in it and that it contained a piece of furniture, a table. Under the table—the coolest place at midday in the tin house—lay a boy sweating and shaking in what his family said was a three-day-old malarial fever. Other children in the household had bloated bellies and emaciated limbs. Thomas Ferreria, the family spokesman, was asked through an interpreter about his family's condition.

"Tell him," Maj. Marsidik warned Ferreria in Indonesian, "that it's OK here."

Ferreria did as he was told.

"So even though the crops are bad, you have enough food for the whole family?" he was asked, in English.

"Tell him you have enough until the next rainy season," said Marsidik in Indonesian.

"We have enough until the next rainy season," Ferreria said.

At the Betora parish church on the outskirts of Dili, Sister Josephine Bordalio, a Spanish Carmelite nun who has worked here since 1979, single-handedly runs a clinic in which she sees 160 seriously ill people a day, including "many, many cases of malnutrition," she said. Most of the patients come to her clinic because the government-run facilities often have no medicine and no medical personnel.

"Tuberculosis is the most common disease, but hunger is the biggest problem," she said. "They come here and I give them medicine for TB, but then they go home and they have no food in their houses, so how can they get better?"

In the Lahane neighborhood of Dili, where hundreds of families have been forced to live in temporary huts along the steep banks of a mountain stream, severe malnutrition is widespread and apparent. Most of Lahane's residents were moved to Dili from their farms in the surrounding mountains; in Dili they have no job skills and little work.

Of 22 Lahane children under the age of 12, whose body weights and measurements were taken on May 9, 18 were proved to be chronically malnourished, according to standards adopted by the World Health Organization.

"If the situation is this bad in Dili," said Msgr. da Costa Lopes, "you can imagine what it's like in Baucau or Los Palos. I've been there—to Laga, Baguia, Los Palos last October. Even at that time there was hunger, and now it is far worse."

East Timor's de facto ruler in an army colonel named A. P. Kalangie. A non-Timorese who holds enormous power despite his modest title as East Timor provincial secretary, he noted in a recent interview that Indonesia had refused an Australian donation of 1,000 tons of corn because Australia had continued to criticize conditions in East Timor, which is only 350 miles off its north coast.

In place of the Australian grain, Col. Kalangie said, the Indonesian government is itself sending 1,000 tons of grain to East Timor. "But we won't just give it away," he added. "If you give people something for nothing, they get lazy."

"Yes," agreed Catholic Relief Service's Meier-Eybers, "and soon you have an island of beggars."

"That's what they are always telling me," said a priest in Dili. "We have to stop bringing in food so the people will make it for themselves,' but these people are working hard and still they are hungry.

"What I cannot understand is the reluctance of the Indonesian government to allow one independent team to visit East Timor to see the real situation and assess its normality for themselves," said Michael Whiteley of Australian Catholic Relief, which in the past has been active in raising aid money for the Timorese.

East Timor has enough foreigners who are refereeing us," Col. Kalangie said testily. There are two. Meier-Eybers is one of them, and agreed heartily with Kalangie. The representative of the International Committee of the Red Cross, Cedric Neukomm, is the second. He declined to be interviewed.

"The Red Cross doesn't want to say the truth," said Msgr. da Costa Lopes, "because they are afraid the Indonesian government will throw them out, and they want to stay to provide some help."

"When we were kids," said a man from a Portuguese-Timorese family, "our mothers used to say to us, 'Don't eat so fast, the Indonesians aren't coming.' " It was something the East Timorese long feared.

In December 1975, when the Indonesians finally did come, Col. Kalangie was one of the Commanders of the invasion.

He recently contrasted Indonesia's takeover with the current dispute over the Falkland Islands: "The British generals are bad. You don't give a little bit, a little bit, you go all at once. Like what we did here, is all at once —bok! — and then explain to the rest of the world that we are here. That is how to do it, like the Russians in Afghanistan."

Now he is enthusiastic about the government's far-reaching resettlement policy. Since "integration," 150 new resettlement centers have been built and 50 more are planned by the end of this year, he said. To make it easier to control the population and to provide food and medical aid, education and other amenities, people have been moved from the mountains to these resettlement villages, usually in the lowlands, he explained.

"It is the new Indonesian civilization we are bringing," Kalangie said. "And it is not easy to civilize the backward peoples."

While the resettlement scheme may be effective in denying support to the guerrillas, critics say it has serious flaws. There was a good historical reason for the Timorese aversion to the lowlands: Malaria there is virtually epidemic, water supplies are poor and irregular, and the climate is far hotter than that of the highlands.

Still, under Indonesian rule the province's road system is being vastly improved; color television—as Kalangie is fond of pointing out—was introduced here even before it came to Portugal; there are new public works in virtually every large town, public buses now travel the highways and dozens of government schools have been opened.

"In many things, the Indonesians have done very well, far better than the Portuguese," a Timorese who is generally pro-Indonesian said in an interview. "Only in social justice and health have they fallen down." Later he was seized by military intelligence and interrogated for hours about the interview, according to well-informed sources.

"A referendum now would go in favor of Indonesia," said Lucio Engenio da Encarnacao, 55, manager of the Dili Hotel and a Portuguest citizen who has been trying unsuccessfully to get Indonesian government permission to leave. "I have to admit that in transportation, education, many areas, the Indonesians did in five years what Portugal didn't do in hundreds of years.

"As for freedom," he concluded, "We never had it under Portugal so we don't miss it now."

"Sure, in Portuguese times, many things were bad," said a former colonial government employee. "But it's not a comparison between Indonesia and Portugal, but between Indonesia and the independence we could have had."

"This whole island is just a big prison," said a part-Timorese man who holds Portuguese citizenship and said he wanted to join his family in Australia. According to reliable sources, he is one of 700 Portuguese who have been registered with the Red Cross as would-be emigres. "We are being held hostage here until Portugal recognizes Indonesia's takeover of East Timor," he said.

The people on Atauro Island are hostages of a different sort. Thousands of Timorese are being held on the island, 15 miles north of Dili, and Indonesian authorities have announced their intention of keeping the internees there until every last known Fretilin guerrilla surrenders. Authorities freely acknowledge that the only reason they are being held there is that they are related to known or suspected guerrillas.

Between June and September last year, 3,785 such people—entire families, including young children—were moved to Atauro and left there with no food supplies, according to church sources. Quiet pressure by the International Committee of the Red Cross persuaded the Indonesians to allow the Red Cross to begin an emergency feeding and medical-care program in February.

But by then, according to Indonesian government figures, 176 internees had died in an outbreak of contagious disease. Some think it was cholera; other say it was gastroenteritis. Both are conditions that could have been aggravated by the crowded conditions in what the government calls the "rehabilitation camp."

It consists of 55 plywood and corrugated-tin barracks each measuring 20 by 60 feet and housing an average of 65 people. For privacy, the inhabitants hang plastic sheets as room dividers.

"It is for their own good, and they like to be here," Col. Kalangie contended during a guided tour of the camp. He said many of the internees had been harassed by guerrilla relatives, or forced to provide them with food, and he asked, "Does this look like a concentration camp to you?

In Barracks B-2, many of the more than 50 inhabitants were there because they were related to a single Fretilin member, Onrato da Costa; some were only cousins or distant inlaws. Da Costa's sister, Amelia da Costa Fernandes, was asked through an official interpreter how she felt about being imprisoned.

The interpreter repeated the question and Miss da Costa Fernandes, with bowed head and frightened expression, mumbled one or two words.

"She said they are grateful to the government who take care of them so they don't feel they are prisoners, but like others they can live as they want," the interpreter translated.

He was asked to inquire how long she thought her brother would stay in the mountains.

"God knows," she replied, her head still bowed.

Kalangie acknowledged that at least some residents of the camp were not pleased to be there. "You know, east or west, home is best," he said. "But maybe some of those who are in the mountains will feel their family is unhappy so they will come down. It is a positive system."

And if they don't come down, he said, the prisoners of Atauro Island will stay where they are.

The most serious civil-liberties challenge raised in East Timor came last year in the petition of the four assemblymen, who stressed the lack of legal recourse under military authorities.

"Although five years of integration have passed, although security has been restored by stages and in a variety of ways, although the masses of people have constantly made endless sacrifices," it said, "it is not yet possible to experience the implementation of law and discipline in this young province of East Timor."

The petition cited numerous instances of murder, torture and sexual assault by soldiers and officials against civilians. "These people or groups commit murders without due process or the laws concerning investigation. Feelings of fear are widespread among the people. . . ."

All four of the men who signed the petition now repudiate it as a forgery and say they had nothing to do with it. Msgr. da Costa Lopes said he felt sorry for the men, who he maintained were forced to recant after having been held in solitary confinement on the island of Bali for a month.

The author of the petition is believed to have been Joao Pedro Soares. According to Mulya Lubis, Jakarta director of the Legal Aid Society, Soares visited the society's offices to seek protection after the petition was filed.

Soares, during a tense interview at his home here, first denied ever having visited Lubis. Then, when a reporter mentioned having seen a photograph Lubis had taken of him during the visit, Soares said, "I might have been in their offices, but I didn't take part in this."

One of the central charges in the petition was confirmed by Manuel Carascalao, a prominent coffee planter. Timor produces some of the world's best coffee, much of it grown on small, individually owned plots that provide a source of cash income for peasant families who otherwise make a subsistence living growing corn, rice or cassava.

After integration with Indonesia, Carascalao said, the military authorities granted a coffee monopoly to a Java-based company, P.T. Denok Hernandez International, and all growers, small and large, were ordered to sell their coffee to Denok, which became the only authorized exporter.

The Denok firm is widely believed to be owned by Maj. Gen Leonardus "Benny" Murdani, Indonesia's chief of military intelligence and the man in ultimate command of East Timor.

The prices Denok set for the purchase of coffee were absurdly low; currently they are about 25 cents a pound for arabica coffee and 18 cents for robusta, less than half what buyers pay growers in Java and in other places in Indonesia.

Meanwhile, because of food shortages, the price of rice and other staple foods here is twice what it is elsewhere in Indonesia. The result is that a peasant grower cannot purchase a 50-cent pound of rice with the proceeds from a pound of his coffee.

"During the coffee harvest" in June and July, a knowledgeable Timorese said, "there are searches at all the military checkpoints—but they're not looking for guns. They're looking for coffee."

The soldiers make sure the coffee is sold to Denok, and growers are even prohibited from trading or bartering their coffee for basic necessities in local markets.

One evening, a young Timorese man fell quickly into step beside a reporter on Dili's Rua Antonio de Carvalho. "We are not allowed to speak to foreigners," he said. "But I just want to tell you. Before, we had Portuguese colonialism. Now, we have Indonesian colonialism."

When Indonesians began consolidating control in the province, they told everyone that the East Timorese people would be *sama sama*, which in Indonesian means roughly, "everyone equal." The slogan was less than successful, however, since in Tetum, the chief Timorese dialect, *sama sama* means "trample, trample."●

SUPPORT INDICATED FOR AMENDMENT TO S. 2109, FUTURES TRADING ACT OF 1982

● Mr. ROTH. Mr. President, as I have previously announced, Senator RUDMAN and I intend to offer an amendment on the floor of the Senate to S. 2109 which will allow the States to exercise limited antifraud jurisdiction under State securities and commodities statutes over both on-exchange as well as off-exchange commodity transactions. This amendment is not intended to allow the States to regulate the legitimate futures industry and States will not be allowed to impose registration or other requirements on individuals trading on the exchanges. However, it will allow the States to assist the Commodity Futures Trading Commission, which is charged with regulating the futures industry, in preventing commodity investment fraud and will free the CFTC to concentrate its efforts on the larger, nationwide schemes.

Opponents of the amendment have expressed concern that the States will abuse this authority and will attempt to impose additional regulations upon the legitimate industry. However, every effort has been made to clearly define and limit the antifraud jurisdiction which we propose to grant to the States and, recently, I received a letter from Mr. Thomas Russo in support of these efforts.

Today, I want to take a few moments to bring to the attention of my colleagues this letter regarding the Futures Trading Act of 1982, S. 2109 and the initiatives announced by me and Senator RUDMAN. Mr. Russo, a leading industry attorney, is a former CFTC director of the Division of Trading and Markets and is currently chairman of the Committee on Commodities Regulation of the Association of the Bar of the City of New York. I consider his support for extended State antifraud jurisdiction to be particularly significant.

I am providing this information at this time because the measure, S. 2109 is expected to come before the Senate soon after the July recess. I ask that the letter be printed in the RECORD.

The letter follows:

CADWALADER, WICKERSHAM & TAFT,
Washington, D.C., June 16, 1982.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ROTH: I understand that you plan to offer an amendment to S. 2109, during floor debate on that bill, that will expand the states' ability to prosecute commodities-related fraud. We touched upon this general topic during our meeting on May 12th, and I wanted to expand upon my thoughts via this letter.

I became a strong advocate of exclusive CFTC jurisdiction in 1975, when I served as the first Director of the CFTC's Division of Trading and Markets, and, as a member of the commodities bar and Chairman of the Committee on Commodities Regulation of the Association of the Bar of the City of New York, have continued to extol the virtues of a uniform regulatory super-structure for the commodities industry. However, in light of the proliferation of commodities-related scams, I share your view that some augmentation of the states' antifraud enforcement authority would be desirable. Indeed, the CFTC has itself conceded that it does not have sufficient resources to single-handedly ferret out and prosecute the perpetrators of all commodities-related misdeeds.

In an effort to address this problem, the Congress in 1978 added Section 6d to the Commodity Exchange Act. This Section gives the states the authority to combat commodities crime by proceeding in Federal court under the Commodity Exchange Act and makes clear that the states are not preempted from bringing suit under their "general civil or criminal antifraud" statutes. However, this Section has failed to live up to its initial promise. The states have brought few Federal court actions pursuant to its provisions and have asserted that state civil and criminal antifraud statutes are not useful vehicles for taking quick action against commodities scams. In the latter regard, Michael Unger, Director of the Massachusetts Securities Division, pointed out last Monday, during testimony before the House Oversight and Investigations Subcommittee, that general antifraud statutes often require plaintiffs to satisfy more elements of proof than do securities or commodities antifraud statutes, thus making it more difficult to obtain injunctive relief or to prevail on the merits. Mr. Unger noted, too, that it is sometimes difficult to ascertain which state statutes qualify as "general civil or criminal antifraud" statutes and that, even if appropriate statutes can be identified, those statutes often allow enforcement actions to be brought only by state attorneys general rather than by state securities administrators.

In recognition of these Section 6d shortcomings, S. 2109 and its House counterpart propose to declare an "open season" on individuals who engage in commodity transactions outside of the CFTC's regulatory umbrella. Pursuant to such an "open season" state officials could proceed under any applicable law against persons selling off-exchange instruments that are not regulated by the CFTC and against persons whose activities require them to register with the CFTC, but who are not so registered. In addition, these bills would expand the CFTC's ability to share pertinent law enforcement information with the states.

While both of these proposals are important steps in the right direction, I share your concern that they may not go far enough. Rather, in view of the tremendous enforcement burden presently borne by the CFTC, I believe your proposal to give the states the ability to attack commodities fraud by proceeding in state court under state securities and commodities antifraud statutes represents the logical next step. There is some danger, however, that certain states may utilize expanded antifraud authority as an avenue to impose substantive regulation on the commodities industry. Legislation intended to buttress the commodities antifraud enforcement authority of the states must therefore be carefully crafted to insure that it has no unintended substantive "side-effects." To help insure that this objective is achieved, S. 2109's legislative history could make clear that the Congress intended only to enhance the states' enforcement role and did not intend to undermine the CFTC's regulatory authority. If Congressional intent on this subject can be made clear, I believe legislation adding to the states' commodities fraud enforcement arsenal would be in the best interests of the public and in the best interests of the commodities industry.

Very truly yours,

THOMAS A. RUSSO.●

WHAT'S A MERE $100 BILLION?

● Mr. HARRY F. BYRD, JR. Mr. President, the June 28 issue of U.S. News & World Report has an excellent editorial captioned, "What's a Mere $100 Billion?"

Written by Editor Marvin Stone, it points out that while the budget law can help to keep the deficit from going above the projected level through the months to come, "only congressional heroism will bring it lower, this year or next year, or ever."

Mr. Stone is so right. As he points out, the deficit itself is bigger than our entire Federal spending of just two decades ago.

Federal spending is totally out of control. The budget resolution is not bringing it under control. The projected deficits are staggering. The Senator from Virginia voted against the budget resolution because it provides that during the next 3 years and 5 months spending will exceed revenues by $468 billion; the national debt will be increased 44 percent during that short period of time.

I ask that Mr. Stone's editorial be published at this point in the RECORD.

The editorial follows:

[From the U.S. News & World Report, June 28, 1982]

WHAT'S A MERE $100 BILLION?

(By Marvin Stone)

The Senate and House, after much travail and some circus antics, have devised a budget that calls for a deficit above $100 billion dollars in the fiscal year that begins next October 1—a deficit that itself is bigger than our entire federal spending of just two decades ago.

That 100-billion-plus limit is in the form of a resolution—simply a goal to shoot at when actual appropriations are argued. And the shooting, which will go on all this year, has already begun. Even while the two chambers were patching their resolution together, they were preparing a flank attack on the theoretical budget ceiling—a mortgage subsidy that could cost 3 billion dollars over the next five years. Members tucked it into a supplemental bill essential to the operation of various government agencies in the hope that President Reagan would have to let it go through.

That was only for starters. Diehards are already vowing, for instance, to withstand proposed cuts in medicare, medicaid, food stamps and child nutrition. Without denying the merits of these demands, one has to bear in mind that if they are given priority the money will have to be chopped out somewhere else or the deficit will go up and up.

One thing that unbridled spenders need to admit to themselves is that we have to pay interest on the national debt, and if we must borrow to pay the interest, the borrowings also demand interest. Thus this annual budget item, which already stands above 100 billion, can only tend to get bigger and bigger. It leaves less and less to feed the destitute, bolster defenses and carry on the multitudinous business of government. To avoid this vicious cycle, we can only cut spending or raise revenue—or both.

Every member of Congress should read Theodore White's chapter on the budget in his new book, America in Search of Itself—for the good sense it makes. Tracing the openhearted but inordinately swollen budgets of the '60s and '70s, White sadly attributes them to the illusion of "limitless abundance flowing from unquestioned American power."

We could not pay for it all then and we cannot now. The deficit hardly contributes to hopes of getting interest rates down on loans or mortgages, or reviving plans for investment in new plant and equipment, which is on the decline this year. It chills the prospect for jobs and withers confidence in a continued grip on inflation.

We cannot afford such deficits, nor can we afford the kind of politics that shaped them. "What do you expect?" the cynics ask. "The budget is a political document." The answer is that it ought not to be. Is our tax money sweated out of us to get congressmen elected? The function of a legislator in times as critical as these is to demand the sacrifices needed to save the country and to see that the sacrifices, be they higher taxes or loss of benefits, are fairly shared.

There are those in Congress who are owning to the same conclusion. More than one has spoken out along the same line as Representative Denny Smith, the Oregon Republican who earlier had urged a nearly complete freeze, at existing levels, on federal spending: "I didn't come down here just to get re-elected. I came to help clean up this mess.

Congress works under a budget law that provides supervision throughout the revenue-and-appropriations process. That law can help in the gut fighting to keep the deficit from going above the projected level through the months to come. But only congressional heroism will bring it lower, this year or next year, or ever. Representative Jim Dunn expressed this well in the original debate, when he asked members to join him in a try at balancing the budget: "I challenge each and every one of the members here to commit political suicide along with myself" and vote for the attempt. His colleague Tom Hagedorn added: "The question is whether we commit political suicide or allow this nation to commit economic suicide."

Will heroes please step forward?●

SHANNON LOWDER

● Mr. HEFLIN. Mr. President, it is with great sadness that I note the death of Shannon Lowder of Montgomery, Ala. Those who knew Shannon will miss not only his valued friendship but also his enthusiastic commitment to his community and his profession. Throughout his career, Shannon demonstrated an intense and active interest in the success of his industry.

It has been said that a man's true value may be measured by his willingness to help his fellow man. Applying this standard to Shannon reveals a man of unyielding compassion and impeccable character. Shannon always took a keen interest in helping young newcomers to the building profession. His advice was always highly valued and many will attest that their success can be attributed to his guidance. Shannon's uncompromising dedication to the homebuilding association was duly recognized in 1979 when he received their highest honor by being selected as "Man of the Year."

Shannon's career in the housing industry is indeed a story of dedication and success. Shannon entered the building profession in 1956. He was actively involved in the national and local Homebuilders Association. In 1959, he put the local housing association back on its feet when he served as the "Parade of Homes" chairman. Subsequently, Shannon served on almost every committee of the Homebuilders Association including the finance committee, the membership committee, and the housing and urban development committee. The highlight of Shannon's service to the Homebuilders Association of Alabama was his service as president for this organization in 1969. He served this organization with dignity and dedication as was one of the most respected members ever to be associated with this outstanding organization. Shannon's commitment to this organization did not end when his term as president expired. Rather, he continued to be as active in the affairs of the association for the rest of his life. The Alabama Association of Realtors also benefited from Shannon's expertise as he served with honor on the board of directors of this organization. Shannon was also a member of the Montgomery Board of Realtors and served as its president in 1972. In addition, he also served as president of the Greater Montgomery Homebuilders Association. Shannon enjoyed an immense amount of respect from his fellow association members. Shannon's many contributions to these organizations will long be remembered and will serve the housing industry for many years to come.

Shannon's active interest in the well-being of his community is evidenced by his service as treasurer of the Montgomery District of the National Kidney Foundation. His active involvement with this organization was a major factor in the opening of a dialysis center in Montgomery to serve those who were suffering from kidney desease. Shannon also served on the Committee of the Montgomery Area Council on Aging. Shannon's concern for civic affairs is also evidenced by the fact that he was one of the founders and charter members of the Montgomery Civitan Club.

Shannon was a fine christian of the highest moral fiber and was extremely active in the Normandale Methodist Church. He served as chairman on the board of trustees, chairman of the building fund, and chairman of the finance committee. In addition, Shannon served as chairman of the Montgomery District Board of Missions.

Shannon Lowder was an outstanding citizen in every respect. His uncompromised dedication was reflected in his unyielding service to his community, to his church, to his profession, and by his devotion to his family. Everyone who knew Shannon Lowder was fortunate to have known such an outstanding individual. Indeed Shannon's

memory will live in the hearts of all who knew him and serve as an inspiration for generations to come.●

AUTHORITY TO RECEIVE DULY ENROLLED BILL

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate be authorized to receive an enrolled bill from the House of Representatives and that the Vice President or the President pro tempore be authorized to sign that duly enrolled bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY

ORDER FOR RECESS UNTIL 9 A.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 a.m. on tomorrow, Thursday, July 1.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that following the recognition of the two leaders on Thursday, the following Senators be recognized for not to exceed 15 minutes each: Senators PACKWOOD, BAKER, STEVENS, TSONGAS, and CHILES.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTON OF ROUTINE MORNING BUSINESS TOMORROW

Mr. STEVENS. Mr. President, following the recognition of the five Senators in the order just entered, I ask unanimous consent that there be a period for the transaction of routine morning business for not to exceed 20 minutes with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOB TRAINING BILL

Mr. STEVENS. Mr. President, following the period for the transaction of routine morning business, it will then be the intention of the leadership to call up Calendar No. 650, S. 2036, the jobs training bill.

Rollcall votes are anticipated during the session of the Senate on Thursday.

RECESS UNTIL 9 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess in accordance with the previous order.

There being no objection, the Senate, at 6:57 p.m. recessed until Thursday, July 1, 1982, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 30, 1982:

DEPARTMENT OF COMMERCE

D. Bruce Merrifield, of Connecticut, to be an Assistant Secretary of Commerce.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

Lt. Gen. Walter D. Druen, Jr., U.S. Air Force, age 55, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Jack Neil Merritt, [redacted], U.S. Army.

IN THE MARINE CORPS

Lt. Gen. Edward J. Bronars, U.S. Marine Corps, age 55, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsiblity designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Joseph Thomas Palastra, Jr., [redacted] U.S. Army.

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be brigadier general

Col. Lewis A. Mologne, [redacted], Medical Corps, U.S. Army.
Col. Thomas F. Cole, [redacted], U.S. Army.
Col. John T. Quinn [redacted], U.S. Army.
Col. J. Hollis V. McCrea, Jr., [redacted], U.S. Army.
Col. Charles E. Edgar, III [redacted], U.S. Army.
Col. Gerald R. Jennings, [redacted], U.S. Army.
Col. James D. Smith, [redacted], U.S. Army.
Col. Walter J. Bickston, [redacted], U.S. Army.
Col. Charles D. Bussey, [redacted], U.S. Army.
Col. William H. Harrison, [redacted], U.S. Army.
Col. Robert M. Bunker, [redacted], U.S. Army.
Col. Robert L. Drudik, [redacted], U.S. Army.
Col. Charles C. Adsit, [redacted], U.S. Army.
Col. John E. Long [redacted], U.S. Army.
Col. Richard E. Stephenson, [redacted], U.S. Army.
Col. James W. Hunt, [redacted] U.S. Army.
Col. James W. Shufelt, [redacted] U.S. Army.
Col. James B. Allen, Jr., [redacted] U.S. Army.
Col. Eugene R. Lanzillo, [redacted] U.S. Army.
Col. Donald J. Palladino, [redacted] U.S. Army.
Col. Thomas J. P. Jones, [redacted] U.S. Army.
Col. Caleb J. Archer, [redacted] U.S. Army.
Col. Dudley J. Gordon, [redacted] U.S. Army.
Col. Thomas N. Griffin, Jr., [redacted] U.S. Army.
Col. Joseph L. Ecoppi, [redacted] U.S. Army.
Col. Charles J. Buel, [redacted] U.S. Army.
Col. Bobby C. Robinson, [redacted] U.S. Army.
Col. Robert J. Dacey, [redacted] U.S. Army.
Col. Edwin H. Burba, Jr. [redacted] U.S. Army.
Col. Donald R. Infante, [redacted] U.S. Army.
Col. Richard H. Sharp, [redacted] U.S. Army.
Col. George M. Krausz, [redacted] U.S. Army.
Col. Charles M. Murray, [redacted] U.S. Army.
Col. Charles E. Honore, [redacted] U.S. Army.
Col. Joseph L. Nagel, [redacted] U.S. Army.
Col. Harry D. Walker, [redacted] U.S. Army.
Col. Robert L. Gordon, [redacted] U.S. Army.
Col. William T. McLean, [redacted] U.S. Army.
Col. John S. Crow, [redacted] U.S. Army.
Col. Alan B. Salisbury, [redacted] U.S. Army.
Col. John M. Shalikashvili, [redacted] U.S. Army.
Col. Leo M. Childs, [redacted] U.S. Army.
Col. Gary E. Luck, [redacted] U.S. Army.
Col. Michael L. Ferguson, [redacted] U.S. Army.
Col. George A. Joulwan, [redacted] U.S. Army.
Col. Uri S. French, III, [redacted] U.S. Army.
Col. Gerald B. McConnell, [redacted] U.S. Army.
Col. Thomas H. Tait, [redacted] U.S. Army.
Col. Thomas D. Reese, [redacted] U.S. Army.
Col. Charles P. Otstott, [redacted] U.S. Army.
Col. Edwin S. Leland, Jr. [redacted] U.S. Army.
Col. Randall A. Greenwalt, [redacted] U.S. Army.
Col. Clarke M. Brintnall, [redacted] U.S. Army.
Col. John S. Peppers, [redacted] U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3036 to be assigned as Chief of Chaplains, U.S. Army:

To be chief of chaplains, U.S. Army

Chaplain (Brigadier General) Patrick John Hessian, [redacted] U.S. Army.

IN THE NAVY

Navy nominations beginning Robert Louis Albin, Jr., to be captain, and ending Anthony Joseph Klapp, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 17, 1982.

Navy nominations beginning Gregory Hugh Adkisson, to be lieutenant commander, and ending Albert Henrik Jensen, to be lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 17, 1982.

IN THE AIR FORCE

Air Force nominations beginning George W. Brown, Jr., to be major, and ending David J. Levy II, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 17, 1982.

Air Force nominations beginning Thomas D. Webster, to be determined, and ending Burton W. Campbell, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 17, 1982.

Air Force nominations beginning William U. Cattelle, to be lieutenant colonel, and ending Gloria J. Winans, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 22, 1982.

Air Force nominations beginning Joseph Aisner, to be lieutenant colonel, and ending John R. Shaughnessy, Jr., to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 22, 1982.

EXTENSIONS OF REMARKS

ENTERPRISE ZONES: OFFERING DIGNITY TO DISADVANTAGED WORKERS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1982

● Mr. McKINNEY. Mr. Speaker, at a time when unemployment and economic distress seem to be everywhere, new approaches to these chronic problems are especially welcome. That is why I am a cosponsor of H.R. 6009, the Enterprise Zones bill.

The best hope of reversing the long-term, deep-seated despair found all too often among the urban poor is contained in a fresh approach to the basic problem—lack of jobs. The Enterprise Zone plan before Congress is notable for what it does not do—that is to establish another costly Government program to raise false hopes for economic development which fail once the Federal funds stop flowing. Instead, the plan calls for removing Government involvement by reducing taxes and lifting burdensome regulations.

With these impediments out of the way, business can thrive and offer people long-lasting, meaningful work. In this context, I would like to insert in the RECORD an editiorial from the Boston Herald American which appeared earlier this year and draw particular attention to the last paragraph which emphasizes the positive potential of Enterprise Zones for disadvantaged workers.

I am proud that my own State has been a leader in pioneering the implementation of enterprise zones at the State level by passing legislation that complements the proposed Federal approach. As a result of Connecticut's early efforts through this innovative concept, some 20,000 jobs have been either saved or created. Because of State and local tax incentives provided in our State, more than 200 companies have invested approximately $400 million in distressed urban areas.

As the editorial notes, Enterprise Zones "will offer disadvantaged and minority workers an opportunity to enter the labor force with dignity and hope for the future. That is an opportunity they deserve, and one that the array of Federal programs tried up to now has failed to provide."

Also, Mr. Speaker, when the House returns from the district work period, the Economic Stabilization Subcommittee of the Banking Committee will conduct an additional 2 days of hearings on Enterprise Zones. As the ranking Republican on the Economic Stabilization Subcommittee, I am pleased to see a continuation of our efforts to address the needs of the Nation's distressed urban areas. I hope the administration will recognize the extent of the problems as we do. UDAG is one step; enterprise zones are another. But much more is needed, in fact, is demanded.

Mr. Speaker, I insert this editorial in the RECORD.

[From the Boston Herald American (Boston, Mass.), Feb. 7, 1982]

REAGAN'S ZONES OF HOPE

Some of the loudest applause during the President's state-of-the-union message came when Mr. Reagan said he would not try to balance the budget on the backs of American taxpayers. He might have added, to answer his Democratic critics, that he also does not intend to balance the budget on the backs of the poor.

That pledge is implicit in the president's assurances that neither his current attempts to control the federal budget nor his proposed transfer of responsibility for many welfare and social programs to the states would be undertaken at the expense of the needy or the unemployed.

Indeed, his announcement that the administration is ready to offer legislation to create urban enterprise zones may offer more solid hope to the poor than 20 years of federal effort to alleviate poverty and chronic unemployment in inner cities.

The concept of enterprise zones is not original with the Reagan administration, but it is ripe for backing by the president at this time. Mr. Reagan anticipates an economic turnaround by the middle of the year. Enterprise zones can assure that renewed growth in business and industrial activity create jobs where they are needed most.

The plan calls for granting special tax and regulatory concessions to firms starting labor-intensive enterprises in designated areas of chronic high unemployment. Originating in England, and already being pioneered in a few American states, the concept was introduced at the federal level by Reps. Jack Kemp and Robert Garcia of New York.

Discussion of the Kemp-Garcia legislation during the last year has given the administration an opportunity to spot the strengths and weakness of the concept and to anticipate problems in getting its own plan through Congress. While business is generally supportive of the idea, some of the proposed tax credits may be viewed as giving an unfair competitive advantage to firms operating in the zones. Labor unions may resist the plan to exempt teen-age employees in a zone from the minimum wage.

Another problem is to persuade state and local governments to go along, offering their own tax and regulatory considerations to lure new enterprise into a zone.

The best argument for the enterprise zones lies in the evidence now coming in that the idea will work. Seven states either have enacted legislation to set up zones on their own, or are considering it. Connecticut has had a program on the books for three years.

By the end of last year, more than 200 companies had taken advantage of state and local tax incentives to start up or expand enterprises within the Connecticut zones. They have invested some $400 million in what had been considered blighted urban areas. Connecticut can point to 20,000 jobs that were either created or saved because of the program.

The size of the federal deficit is not the reason why urban grant programs dating from the Kennedy-Johnson eras should now be abandoned. The reason is that putting billions into those programs has failed to break the cycle of proverty and unemployment in the problem areas of our cities.

Urban enterprise zones will offer disadvantaged and minority workers an opportunity to enter the labor force with dignity and hope for the future. That is an opportunity they deserve, and one that the array of federal programs tried up to now has failed to provide.●

HUD TO CITIES: "DROP DEAD"

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1982

● Mr. WEISS. Mr. Speaker, with the revelation of the Department of Housing and Urban Development's draft urban policy report last week, the Reagan administration has revived its consistent message to American cities: "Drop dead."

The report informs us that cities must now turn to private investment to stimulate their revitalization. As one who represents an urban district in New York, I know from personal experience that private industry is neither willing nor able to feed hungry children, house unsheltered families, or fuel deteriorating mass transit system improvements, to any significant extent.

On the contrary, evidence has borne out that big business often escapes its responsibilities to cities when urban decay creeps up to its doorsteps. It is precisely the same business community that the Reagan administration believes will save our cities that has far too frequently deserted urban areas for the low-rent promise of the Sun Belt in recent years.

The reality is that mosts major cities are reeling from the 1982 funding cuts that were wrought by Reaganomics. They are already raising taxes and cutting vital services to cope with the recession and more anticipated service funding cuts. The tax bases in these cities are simply too narrow for them

to support any significant self-revitalization. To assert that cities can rebound without Federal assistance suggests the true disregard that the administration has for our cities.

The Reagan administration has confessed that the draft HUD urban policy report requires some revision before it becomes final. However, the battlelines have been drawn. The President and HUD must return to their drawing board and create an urban policy that meets the needs of cities. We must reject the premise that the Federal commitment to American cities can be so easily abandoned.●

CHAIRMAN BILL FORD ON "THE FEDERAL BRAIN DRAIN"

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1982

● Mr. BARNES. Mr. Speaker, recently our colleague BILL FORD submitted a trenchant analysis of the problems facing the best and brightest Federal personnel in Government in an era of low morale, RIF's, and budget cuts. BILL's analysis of "The Federal Brain Drain" appeared in the May issue of Senior Executive Action, the publication of the Senior Executives Association.

As chairman of the House Post Office and Civil Service Committee, BILL FORD has been a vigorous opponent of the Reagan administration's misguided attacks on Federal employees and retirees. He has led his committee in a vigorous exploration of ways to make the Federal Government work better while maintaining the morale of Federal employees and the need for Government to keep its commitments to its workers. No one in the Congress has a clearer understanding of the importance of maintaining a quality Federal service we can be justly proud of.

Chairman FORD's article follows:

THE FEDERAL BRAIN DRAIN

(By Congressman WILLIAM FORD)

At the National Institutes of Health key positions go unfilled and resignations of top-flight doctors and scientists have become routine.

At the National Aeronautics and Space Administration, the best qualified people are leaving in astonishing numbers.

The average retirement age of FBI agents is just a little over 50, well below the mandatory retirement age.

In the Internal Revenue Service, career employees spurn top positions.

In agencies and departments all through the government similar horror stories are being told about attracting and holding senior executives.

It is clear to me that this nation is headed for real trouble unless we wake up to the fact that we have a serious problem on our hands.

Our best and brightest executives are fleeing Federal service for more lucrative positions in the private sector. We see it happening every day. Yet we refuse to face up to the problem. Sadly, many of my colleagues discuss the plight of the senior executive corps as if they were talking about the farm problem in a foreign country.

No private corporation would tolerate the kind of mass exodus we are witnessing in managerial ranks of the Federal government. The stockholders of General Motors would throw out the top policymakers if they sat twiddling their thumbs while the best engineers, the best stylists, the best marketing people and the best personnel managers left to take better paying jobs at Ford.

Yet this is precisely what is happening where Federal executives are concerned.

One reason that this is allowed to happen is the low public esteem in which all public workers are held. In the public mind there is the terribly erroneous stereotype of the government worker. They are thought to be indolent paper shufflers who are overpaid and underworked. Sadly, highly competent and highly motivated executives in the Federal government are tarred with the same brush.

The truth is that we have Federal employees and executives to manage them because we need their skills and services. Jobs in the Federal government are not sinecures—they are meaningful and vital. They protect the people's health and property. They implement foreign policy. They collect revenue. They provide invaluable assistance to farmers and small businessmen. Our country could not survive without them.

And, quite obviously, the system could not perform without a cadre of dedicated and competent managers.

It is difficult to understand why this essential group of Americans is held in such low public regard. In large measure it is due to political attack. Whenever there is a budget crisis, politicians swing their axes at public workers, reenforcing the public notion that they are most expendable.

It is past time to turn around the public thinking on this issue, lest we awaken some morning to find this valuable public resource in disarray for lack of trained managers and technicians.

During the last year the popular press has begun to understand the problem. Newsweek Magazine and the New York Times have written articles to dramatize what is now called the "Federal Brain Drain." Other publications as well have discovered that maligning Federal executives is a disservice to the public. We still have a long way to go, however, to turn the tide of public opinion.

The House Post Office and Civil Service Committee has, over the past year, dug deeply into the problem. We have held extensive hearings, many of them well publicized, to determine what is happening in the Federal executive ranks. The results have been alarming. They produced convincing evidence that we are headed for a management crisis unless we act to correct the causes of the executive flight.

The committee has not been impressed with criticism from some quarters that senior executives have complicated the problem by injecting themselves too deeply in policy decisions. This is a smoke screen thrown up by those who want to obscure the real issues.

Congressional action last year to raise the executive pay cap helped ease the situation, but only ever so slightly. But it did not go nearly far enough. The new cap is not adequate to prevent private industry from continuing to siphon off the very best.

Moreover, we have failed to address the issue of benefits, which lag far behind those in the private sector. Any unbiased comparison of benefits in the public and private sectors destroys the old myth that these are sufficient inducements. In the health field alone benefits have been reduced significantly during the last year and are far below those enjoyed by executives in the private sector.

It has become painfully clear that the Federal government can no longer compete with private industry for top-notch people. If something isn't done, we will end up with a second-rate executive corps.

And if this is allowed to happen, the Federal work force will indeed be transformed into the public stereotype.

Some of us in Congress are doing all we can to turn things around. But we will be able to influence public, congressional and White House thinking only if Federal executives themselves devise effective means of dramatizing the seriousness of the problem and the consequences.●

ROSE DE BARBIERI SHERIDAN MARXEN

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1982

● Mr. ROSTENKOWSKI. Mr. Speaker. A friend of mine has brought to my attention that Mrs. Marxen will be 100 years old on December 1, 1982. However, her family and friends will celebrate this centennial on August 1, since they will come from around the Nation to help her celebrate her birthday.

Mrs. Marxen is truly an outstanding human being. She is independent and still lives alone, providing for her own needs, and even finds time to manage several properties which she still owns. She is active and vigorous, but this is in keeping with her lifestyle that she has maintained for almost 100 years. During World War I she was with the Red Cross Volunteer Corps and the Veterans' Auxiliary. Today she is still active in her church and community affairs.

Mrs. Marxen was born in the same house in which she lives today. After graduating from high school she married William Sheridan in June of 1903, but he was killed unfortunately in 1911. The Sheridans had two children, Louis who died in 1950 and Marie who is a retired nurse presently living in Buffalo. In 1915 she married Carl Marxen who was an insurance executive and they lived together until his death in 1971.

Her grandson, Dr. John Bird, presently lives in Wilmette, Ill.

At a time of intense debate over budgets and policy, it is important to pause to recognize the accomplishments of distinguished citizens such as Mrs. Marxen.

I know that my colleagues will want to join with me in wishing Mrs. Marxen a happy birthday and wishing her good health for the future.●

A SALUTE TO THE CHILDREN'S BUREAU OF LOS ANGELES

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1982

● Mr. WAXMAN. Mr. Speaker, I wish to take this opportunity to applaud the efforts and achievements of the Children's Bureau of Los Angeles, a nonprofit social service agency in its 78th year of operation.

The children's bureau, with its outstanding record of helping troubled children and their parents, is a model of community service. Operating four group homes in the Los Angeles area, the CBLA offers to youngsters who have been abused or neglected the sort of care and understanding they so desperately need. These children are given the opportunity to live in a family environment, complete with carefully selected house parents and other children. The "parents" chosen to head the therapeutic group homes are married couples who commit themselves to a year of service. The first of these four homes was opened in 1972 and along with the three that followed, achieved a remarkable reputation.

The children's bureau also operates a 24-hour family crisis center in North Hollywood for children and parents who are in danger of abuse. This facility is the only one of its kind in the State of California. For up to 3 days, these abuse victims are given a place to stay along with professional counseling. Potential abusers are counseled as well.

Among the other valuabe services provided by CBLA are parent education classes, counseling, foster care, and adoptive services. As one would expect from an agency so devoted to and concerned with promoting the best interests and rights of families and children, the CBLA seeks to keep families together whenever possible. Their motto has always been "We mend families. We build families." Professional staff is available for counseling even if the child is moved back with its family, or if adoption takes place.

In addition to its present role in the community, the children's bureau has also been a key ally in the fight for legislation to protect the rights of juveniles. Since 1904, the CBLA has helped secure child labor laws, medical services in public schools, and neighborhood parks and playgrounds.

The success of the Children's Bureau of Los Angeles can be attributed to the hard work and dedication of its staff of trained professionals and volunteers. They are the force behind the CBLA's pioneering spirit, and their example deserves our deepest gratitude and highest recognition.●

ISRAEL'S SECURITY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1982

● Mr. WEISS. Mr. Speaker, sadly, Israel's attacks on the Palestine Liberation Organization in Lebanon have led to much destruction, to the loss of many lives and to the injury of many others—Lebanese, Palestinians, and Israelis. Fairness demands that Israel's actions are viewed and understood in the context of the increasing threats to Israeli security in recent years.

Since its founding in 1948, Israel has been the target of ongoing violence by several neighboring nations. When the PLO established headquarters in Beirut in 1970 and occupied parts of southern Lebanon, Israel's security—along with the citizens of southern Lebanon—was greatly endangered.

Although the PLO's constant war against Israel has been met with repeated condemnation by leaders of most nations, the incessant string of PLO attacks on Israelis around the globe has gone on unrestrained. Not even the failure of most Arab nations to rally around the PLO during the recent conflict has deterred the PLO.

Merely holding the PLO at bay has required Israel's fullest efforts. Most recently, the PLO launched assaults on residents of Israel, using road mines, bombs in public gathering places, and missile attacks on defenseless towns and villages. The Lebanese Government has been helpless to restrict these acts of terrorism. Furthermore, the PLO's purchase of a new generation of Soviet-made missiles, with longer range capabilities and greater accuracy, has severely heightened the PLO threat to Israel and has left Israel little choice but to attack PLO strongholds.

Israel is the Middle East's only democracy and a reliable ally of the United States America's policy of opposing actions which risk Israel's security and independence has been in place since 1948 and must be maintained.

Since the late 1960's, the expansion of the PLO as a force in the Middle East has been a primary concern there. Prior to "Black September" in 1970 when Jordan's King Hussein purged the PLO from his country, the PLO had begun establishing bases in other Arab nations. The weakness of the Lebanese Government appealed to the PLO and, in 1969, the Palestinians sought control of Lebanon.

Consequently, Arab nations sided with the Palestinians as a way of keeping the PLO out of their own nations. This assured the PLO free reign along Israel's northern border and encouraged the PLO to step up its assault on Israel. Eventually, the skirmishing provoked Israel to attack PLO fortresses in southern Lebanon in 1978.

Syria's reentry into the active campaign against Israel in the midseventies, when it placed 25,000 troops in southern Lebanon, was instrumental in leading to Israel's 1978 retaliation. Since then, the Syrians have increased support for the PLO supplying 21 missile batteries that were recently destroyed by Israeli air forces. Despite Israel's efforts to forge a cease-fire in the current conflict, Syrian forces have sought repeated battles with Israeli troops.

The Israelis have withstood more than 150 violations of the 1981 U.S.-arranged cease-fire in less than 1 year without retaliation. As it became clear that the PLO and the Syrians would refuse to return to a peaceful state, Israel responded as it was forced to—by pushing the PLO away from its borders.

I mourn all of the lost lives in Lebanon and the damage wrought on the towns and villages there. Tragically, many of these are the very people who have lived in constant fear of PLO occupation.

Regrettably, so long as the PLO continues to use Lebanon as its base, lasting Mideast peace cannot occur. Israel must try to prevent further PLO occupation of Lebanon and restore self-determination to the Lebanese people.

Israel has clearly stated its intent to return Lebanon to the Lebanese, but it simply cannot risk allowing the PLO to return to its position of threat.

Israel's withdrawal can come only following the establishment of a peacekeeping force to insure that neither Lebanon nor Israel will be threatened anew. It is imperative that the United Nations work to implement a lasting peace that precludes continued PLO terrorism and violence against the people of Israel.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this infor-

mation, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 1, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 2

9:00 a.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 1999, providing for the establishment of the Wolf Trap Farm Park in Fairfax County, Va., and S. 2436, designating the Mary McLeod Bethune Council House in Washington, D.C., as a national historic site.
3110 Dirksen Building

9:30 a.m.
Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by Senate Concurrent Resolution 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

Joint Economic
To hold hearings on the employment/unemployment situation for June.
2128 Rayburn Building

2:00 p.m.
Finance
Business meeting, to continue consideration of proposed legislation to meet reconciliation expenditures as imposed by Senate Concurrent Resolution 92, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority for fiscal years 1983, 1984, and 1985, and revising the congressional budget for fiscal year ending September 30, 1982.
2221 Dirksen Building

JULY 12

2:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to resume mark up of S. 2352, S. 2392, S. 2480, and S. 2493, bills authorizing funds for the food stamp program.
324 Russell Office Building

JULY 13

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 2378, increasing the rates of disability compensation for disabled veterans, increasing the rates of dependency and indemnity compensation for surviving spouses and children of veterans, discontinuing duplicative payments to certain veterans, increasing the level of disability required for the payment of dependent's allowances, and providing for cost-saving improvements in veterans' programs.
412 Russell Building

Select on Indian Affairs
To hold hearings on S. 1795, providing for the transfer of certain lands in Arizona between the Hopi and Navajo Indian Tribes.
457 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meetings, to continue mark up of S. 2352, S. 2392, S. 2480, and S. 2493, bills authorizing funds for the food stamp program.
324 Russell Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue mark up of S. 2352, S. 2392, S. 2480, and S. 2493, bills authorizing funds for the food stamp program.
324 Russell Building

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To resume hearings in open and closed session to examine political, economic, and military interest in Southeast Asia.
S-116, Capitol

JULY 14

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 2294, providing for the settlement of certain land claims of the Chitimacha Indian Tribe of Louisiana.
6226 Dirksen Building

10:00 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
Employment and Productivity Subcommittee
To hold joint hearings to review employee assistance programs for alcohol and drug abuse problems.
4232 Dirksen Building

JULY 15

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2204, promoting interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts.
235 Russell Building

10:00 a.m.
Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to review Federal and State expenditures for the purchase of children's vaccines.
4232 Dirksen Building

Veterans Affairs
Business meeting, to mark up S. 2379, requiring veterans to pay a funding fee on guaranteed home loans, and certain provisions of S. 2378, proposed veterans' disability compensation and survivors' benefits amendments, relating to cost-savings improvements in veterans' programs, and other related measures.
412 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings to discuss assistance to El Salvador.
1114 Dirksen Building

JULY 20

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
Business meeting, to mark up S. 1541, amending the Employee Retirement Income Security Act (ERISA) by simplifying both reporting and disclosure requirements, and the process for employers to provide retirement income to employees, and providing incentives for employers to provide pension benefits to employees.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

JULY 21

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
Business meeting, to continue mark up of S. 1541, amending the Employee Retirement Income Security Act (ERISA) by simplifying both reporting and disclosure requirements, and the process for employers to provide retirement income to employees, and providing incentives for employers to provide pension benefits to employees.
4232 Dirksen Building

Select on Indian Affairs
To hold hearings on H.R. 3731, relating to the use of distribution of certain judgment funds awarded by the Indian Claims Commission or the U.S. Court of Claims.
6226 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

Judiciary
To hold oversight hearings on Government merger enforcement policy.
2228 Dirksen Building

JULY 22

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings to explore the problems of runaway youths.
2228 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 2500, reducing conflicts in the licensing of hydroelectric powerplants and expediting the development of and simplifying the regulation of hydroelectric powerplants.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

JULY 27

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market, focusing on foreign coal ports and the international transportation of coal.
3110 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

JULY 28

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings to discuss alternative means of providing legal services to the poor.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on proposed legislation clarifying certain United States Code provisions relating to veterans' employment programs.
412 Russell Building

Select on Indian Affairs
To hold hearings on S. 2153, providing for the distribution of funds awarded the confederated tribes of the Warm Springs Indian Reservation in Oregon by the Indian Claims Commission.
6226 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

2:00 p.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

JULY 29

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on America's role in the world coal export market, focusing on the condition of U.S. coal ports.
3110 Dirksen Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on proposed legislation revising certain provisions of the Clean Water Act.
4200 Dirksen Building

AUGUST 4

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1405, proposed Carl Albert Congressional Research and Studies Center Endowment Act.
4232 Dirksen Building

AUGUST 5

10:00 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the effects of alcohol and drugs on individuals while driving.
4232 Dirksen Building

AUGUST 11

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 1652, restoring certain lands in Arizona to the Colorado River Indian Reservation to be held in trust by the United States, S. 2418, permitting the Twenty-nine Palms Band of Luisena Mission Indians to lease certain trust lands for 99 years, S. 1799 and H.R. 4364, bills providing for the transfer of certain land in Pima County, Ariz., to the Pascua Yaqui Indian Tribe, and the substance of H.R. 5916, providing for certain Federal lands to be held in trust for the Ramah Band and the Navajo Indian Tribe.
6226 Dirksen Building

AUGUST 12

9:30 a.m.
Veterans' Affairs
Business meeting, to mark up S. 2378, proposed veterans' disability compensation and survivors' benefits amendments, and proposed legislation clarifying certain United State Code provisions relating to veterans' employment programs.
412 Russell Building

SEPTEMBER 21

10:30 a.m.
Veterans' Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building